Pennsylvania Public Utility Commission, v. Peoples Natural Gas Company, LLC	Docket No.: R-2026-3060855
In-Person Evidentiary Hearing	

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Hearing Room #4, Plaza Level
Commonwealth Keystone Building
400 North Street
Harrisburg, PA

Wednesday, August 5, 2026
Commencing at 9:59 a.m.

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Hearing Date: August 5, 2026

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VIA ELECTRONIC FILING &
HAND DELIVERY

March 27, 2026

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

Re: Peoples Natural Gas Company LLC Base Rate Case Filing
Original Tariff Gas – PA PUC No. 49
Original Tariff Gas – PA PUC No. S-5
Docket No. R-2026-3060855

Dear Secretary Homsher:

Enclosed for filing on behalf of Peoples Natural Gas Company LLC ("Peoples" or "the Company"), is Original Tariff Gas – Pa PUC No. 49 ("PA PUC No. 49) and Original Tariff Gas – Pa PUC No. S-5 ("PA PUC No. S-5"), along with all supporting exhibits, standard data responses and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase. In PA PUC No. 49, Peoples is seeking a base rate increase pursuant to 66 Pa. C.S. § 1308 of the Public Utility code with an issue date of March 27, 2026 and an effective date of May 26, 2026.

The Company's filing reflects an overall revenue increase of approximately $163.2 million annually. In this filing, Peoples is updating the normal heating degree days used in the Weather Normalization Adjustment mechanism as described in its current and proposed retail tariffs on page 79.

Pursuant to the customer notification provisions set forth in 52 Pa. Code § 53.45(b)(4), Peoples' filing notice to customers, which includes the most recently effective gas cost rates as of February 12, 2026, provides that if the Company's entire request is approved: the total bill for a residential customer using 86 Mcf per year would increase from $122.20 to $138.23* per month or by 13.1%; the total bill for a commercial customer using 250 Mcf per year would increase from $271.47 to $314.05 per month or by 15.7%; and the total bill for an industrial customer using 1,750 Mcf per year would increase from $1,802.05 to $2,010.68 per month or by 11.6%.

* This amount excludes the Company's proposed defined credit adjustment applicable to residential customers not enrolled in the Customer Assistance Program that is expected to be provided to customers in the first quarters of both 2027 and 2028.

The filing consists of 11 Volumes which include 20 exhibits and is organized as follows:

Volume 1:
- Exhibit 1 Balance Sheet
- Exhibit 2 Income Statement
- Exhibit 3 Revenues
- Exhibit 4 O&M Expenses

Volume 2:
- Exhibit 5 Depreciation Study

Volume 3:
- Exhibit 6 Taxes Other Than Income
- Exhibit 7 Income Taxes
- Exhibit 8 Rate Base
- Exhibit 9 Depreciation
- Exhibit 10 Sales

Volume 4:
- Exhibit 11 Cost of Service
- Exhibit 12 Gas Planning
- Exhibit 13 Rate Design

Volume 5:
- Exhibit 14 Tariffs

Volume 6:
- Exhibit 15 System
- Exhibit 16 Capitalization

Volume 7:
- Exhibit 17 COS Standard Data Requests
- Exhibit 18 ROR Standard Data Requests
- Exhibit 19 RR Standard Data Requests

Volumes 8-9:
- Exhibit 20 Testimony

Volume 10:
- CONFIDENTIAL Materials

Volume 11:
- HIGHLY CONFIDENTIAL Materials

Pursuant to 52 Pa. Code § 1.37(a)(5), also enclosed is a CD containing electronic versions of the documents contained in Volumes 1 through 9. Volumes 10 and 11 are not included on the CD because it contains confidential documents.

By this Letter, Peoples Natural Gas LLC respectfully requests that, in accordance with the standard operating procedure of the Pennsylvania Public Utility Commission, Volumes 10 and 11 be afforded confidential treatment and not be placed in a public folder or on the Commission's website. Volumes 10 and 11 are being provided in a sealed envelope marked CONFIDENTIAL.

Parties' access to certain confidential information included with or in addition to the filing will be provided electronically upon execution of a protective agreement.

This filing is being made via the following methods: (1) one electronic copy of all the documents submitted in support of this filing are being submitted via the Secretary Bureau's electronic ShareFile site; and (2) one hard copy and one CD of all the documents submitted in support of this filing are being submitted via hand delivery.

As indicated on the attached Certificate of Service, Peoples is serving copies of this filing and all supporting data on the Commission's Bureau of Investigation and Enforcement, the Office of Customer Advocate, the Office of Small Business Advocate and all active parties at the Company's last base rate proceeding at Docket No. R-2023-3044549. Copies of this filing on CD are also being provided to the Commission's Office of Special Assistants, Office of Administrative Law Judge and Bureau of Technical Utility Services, as well as to each Commissioner's office. In addition, a copy of the proposed tariff will be available on the Company's website at https://www.peoples-gas.com/my-account/understand/gas-rates/#

Peoples will be represented in this proceeding by the following counsel and requests that they be included on the official service list:

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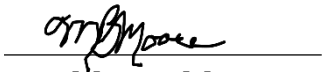
Thank you for your assistance. Please direct any questions concerning this filing to the undersigned at meagan.moore@peoples-gas.com or the Company's outside counsel, akanagy@postschell.com.

Very truly yours,



Meagan Moore

Enclosure
CC: Office of Administrative Law Judge (*Pittsburgh*)
Chairman Stephen M. DeFrank (*Letter & CD only*)
Vice Chair Kimberly M. Barrow (*Letter & CD only*)
Commissioner Ralph V. Yanora (*Letter & CD only*)
Commissioner Kathryn L. Zerfuss (*Letter & CD only*)
Commissioner John F. Coleman, Jr. (*Letter & CD only*)

Office of Special Assistants (*Letter & CD only*)
Bureau of Technical Utility Services (*Letter & CD only*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Dated: March 27, 2026

Anthony D. Kanagy

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume I

Exhibits 1-4

STATEMENT OF REASONS

PEOPLES NATURAL GAS COMPANY LLC
2026 Base Rate Case
Docket No. R-2026-3060855

STATEMENT OF REASONS

I. INTRODUCTION

Peoples Natural Gas Company LLC ("Peoples" or "Company") is filing Original Tariff Gas – PA PUC No. 49 ("Retail Tariff No. 49") and Original Tariff Gas – PA PUC No. S-5 ("Supplier Tariff No. S-5") with proposed effective dates of May 26, 2026.[1] The rates set forth in Retail Tariff No. 49, if approved by the Pennsylvania Public Utility Commission ("PUC" or the "Commission"), would increase the Company's annual revenues by approximately $163.2 million, or by 13.8%. In addition, Retail Tariff No. 49 and Supplier Tariff No. S-5 propose additional changes to tariff rates, riders, and tariff terms and conditions as described in the filing.

The following monthly bill impact analysis applies to Peoples' customers. It assumes that the Company's proposals for full rate relief are accepted.

- The total bill for a residential customer using 86 Mcf per year would increase from $122.20 to $138.23* per month or by 13.1%.

- The total bill for a commercial customer using 250 Mcf per year would increase from $271.47 to $314.05 per month or by 15.7%.

- Rates for an industrial customer using 1,750 Mcf per year would increase from $1,802.05 to $2,010.68 per month or by 11.6%.

*This amount excludes the Company's proposed defined credit adjustment applicable to residential customers not enrolled in the Customer Assistance Program (CAP) that is expected to be provided to customers in the first quarter of both 2027 and 2028.

[1] It is anticipated that the effective date of rates proposed in Retail Tariff No. 49 and Supplier Tariff No. S-5 will be suspended until December 26, 2026.

Peoples makes this tariff filing principally to allow it to earn a fair return on investments used and useful to continue to provide safe and reliable service to the public and to support its infrastructure modernization programs designed to enhance safety and reliability. Each of these reasons is discussed in more detail below and in the Company's testimony. As compared to current plant and base rate levels reflected in existing rates, Peoples projects an increase of approximately $1.2 billion in gross plant through the Fully Projected Future Test Year ("FPFTY") ending December 31, 2027. Accordingly, this revenue increase is essential to attract the investments necessary to operate and maintain safe, reliable, and customer-focused natural gas distribution services.

II. REASONS FOR THE REQUESTED REVENUE INCREASE

1. Fair return on investments used to serve the public

The Company will not be able to earn a fair rate of return at present rate levels. As reflected in Peoples Exhibit No. 2, the Company's operations prior to a rate increase are projected to produce an overall return on rate base of 5.99%, which equates to a return on common equity of only 7.14% for the FPFTY. As explained by Company Witness Jennifer E. Nelson (Peoples Statement No. 15), those returns are not adequate based on an analysis of applicable financial market data and the risks confronted by the Company and are well below the rates of return generally afforded to public utilities. Unless Peoples receives the requested rate relief, the Company's returns will continue to erode and jeopardize its ability to attract the capital needed to make the reasonable and necessary investments in gas infrastructure and the workforce that is necessary to maintain and enhance the provision of safe and reliable natural gas service to its customers.

2. Support for the Company's accelerated infrastructure replacement program

The primary driver for the requested rate relief in this proceeding is the Company's investment in replacing its aging infrastructure. Upgrading and modernizing the distribution system facilitates the provision of safe, reliable, and reasonable service to customers. Accordingly, the Company is replacing its aging infrastructure at an accelerated pace, as described in its most recent Long Term Infrastructure Improvement Plan ("LTIIP").[2] The investment in net plant in-service for the FPFTY ended December 31, 2027 is projected to be $5.5 billion. When the Company last requested a rate increase for the FPFTY ended September 30, 2025, the Company's investment in net plant was approximately $4.1 billion million. The $1.4 billion increase in net plant has largely been the result of continued investments necessary to enhance and maintain the safety and reliability of the Company's distribution system, which include the replacement of aging gas plant infrastructure. In 2025, the Company's LTIIP Program eliminated over 190 miles of leak-prone bare steel and wrought iron pipeline and 22,000 services. This represents a significant acceleration of investment and replacement over historical levels.

III. MANAGEMENT EFFECTIVENESS

Peoples continues to provide safe and reliable service to its customers and has achieved success in many areas by: (1) focusing on affordability as a top priority; (2) improving its customer service; (3) enhancing safety through accelerated pipeline replacements and system modernization; (4) bringing jobs to its service territory; and (5) serving as a valuable corporate citizen. Peoples's management effectiveness is evidenced in the following areas:

Affordability and Operational Efficiencies

- Peoples has undertaken strategic corporate structure and tax strategies to drive efficiencies for its customers. Since 2010, the owners of Peoples have consolidated three of the four largest Southwestern Pennsylvania natural gas utilities, resulting in the consolidation of

[2] Docket No. P-2025-3057167.

collective bargaining agreements, field operations locations, and gas procurement activities, as well as many other operational benefits.

- The Company has updated the definition of its unit of property under the IRS's tangible property regulations (also known as "Tax Repairs Deduction"). This allowed the Company to retroactively deduct, as an operating expense on its income tax returns, the costs of certain asset improvements that previously were capitalized and depreciated for tax purposes. Further, this increased the prospective deduction that could be taken by Peoples related to its ongoing capital programs. As such, significant benefits were passed on to customers. For example, in the last rate case the tax benefit associated with the Tax Repairs Deduction flowed to customers was over $100 million annually. In this case, the amount is over $130 million. Regarding the retroactive catch-up deduction, the Company has refunded over $104 million to customers through December 31, 2025, and plans to refund an additional $21 million by 2031.
- Peoples has also been able to maintain efficient project costs for its pipeline replacement work through focused efforts on cost containment, which include connecting customers while eliminating redundant facilities and coordinating restoration efforts with other utilities and municipalities. The Company's modernization of its facilities also reduces costs that would have been associated with operating and maintenance activities like leak repair.
- Additionally, Peoples' strategic location within the Marcellus Shale region has allowed customers to benefit from consistently lower gas supply costs as compared to the benchmark Henry Hub price.

Universal Services and Customer Payment Assistance

- Peoples is dedicated to meeting the needs of the Company's low-income customers through its customer assistance programs. The Company offers a suite of universal service programs to support low-income households. The Company invests in training its personnel regarding the eligibility for all customer programs and offerings. This includes promoting LIHEAP, not just during direct contact with the Company's contact center, but generally through a media campaign as well. Peoples' contact center agents can also mail LIHEAP applications directly to customers who are interested in applying. The applications are prefilled with the mailing address for the appropriate county in order to allow for easy submission by the customer. Additionally, Peoples partners with local social service agencies and legislative offices to share information about customer programs.
- The Company offers a budget billing program that allows customers to spread higher winter heating bills across the entire year, allowing for a more stable and predictable payment. If customers have past due amounts or arrears, they can enroll in a payment arrangement that, similar to budget billing, spreads the arrears out over a period of months, based on the level of income in the household, to provide a more affordable monthly payment while the customer works to reduce their arrears.
- Through the Hardship Fund, customers with incomes up to twice the poverty level can obtain grants to further reduce their account balances as well.
- Peoples expanded its Customer Assistance Program ("CAP") eligibility more than ten years ago to those whose income is between 151% and 200% of the federal poverty level, providing a participation opportunity that is not available in other utility's CAP programs.
- The Company offers weatherization and emergency furnace and service line repair

programs to help low-income households conserve natural gas usage and address emergency heating needs that these households could not otherwise afford to address on their own.

- The Company also waives connection fees, reconnection fees, and security deposits for customers who self-identify as low-income.

Quality Customer Service

- Peoples maintains high levels of customer service. For example, the Commission's most recent Annual Utility Consumer Report and Evaluation showed that Peoples' consumer complaint rate was lower than the average for Pennsylvania NGDCs. The Company's average response time to BCS residential customer complaints was substantially less than the industry average. Additionally, Peoples had one of the lowest justified payment arrangement request (PAR) rates as compared to its peers.

Safety Programs and Performance

- Peoples maintains a strong safety culture, which is evidenced by its success in reducing outstanding leaks on its system. The Company has reduced the outstanding leaks on its system by more than 90% since 2018.
- Peoples continues to make significant progress in the modernization of its system and the replacement of leak prone pipe. The Company plans to continue to accelerate its pipeline replacement program so that all remaining bare steel and wrought-iron mains and transmission lines will be removed by 2038.
- Damage Prevention is a key focus of Peoples. Since 2020, the Company has worked diligently to reduce its number of excavation damages. Peoples has successfully reduced its damage rates by 26% despite receiving more locate ticket requests year-over-year and marking more tickets year-over-year.
- In 2024, the Commission conducted 241 audits of field operations and associated records, finding no violations, fines or citations.
- Additionally, Peoples is installing Intelis meters for eligible customers. The Intelis Meter represents a significant advancement in utility safety and operational oversight, with the integration of pressure sensing technology into solid state gas meters serving as a cornerstone of this initiative. These meters are designed to provide real-time monitoring of gas pressure at the point of service, enabling early detection of anomalies that could indicate leaks, pressure drops, or other hazardous conditions. This capability greatly enhances the utility's ability to respond to potential safety issues, reducing the risk of incidents and improving overall system integrity.

Community Engagement and Impact on Local Economies

- Peoples and its employees are fully engaged in the Southwestern Pennsylvania community. The Company supports the communities it serves through charitable contributions and volunteer opportunities. In addition to these philanthropic endeavors, the Company makes a significant impact on the local economy in Southwestern Pennsylvania by investing capital and creating jobs to carry out the Company's modernization plans and retaining key talent. For example, in 2025, the Company's LTIIP program required 80 different pipeline crews to complete its work.
- Further, Peoples continues to support and encourage local production of natural gas. The

Company's commitment to bring its customers gas supply from locally drilled gas wells has helped sustain jobs for local drilling companies and related activities.

The identified initiatives and efforts, as described by the Company's witnesses, demonstrate Peoples' commitment to providing safe, reliable, and high-quality distribution service to its customers. The Company believes that its management efforts, system investments, and continued provision of safe and reliable service at reasonable rates, as detailed in the testimony submitted in this case, all strongly support an upward adjustment of 25 basis points to the Company's rate of return on common equity. This upward adjustment is included in the 11.25% return on common equity requested by the Company and is discussed in the Direct Testimony of Jennifer Nelson (Peoples Statement No. 15).

IV. OVERVIEW OF FILING

Included with Peoples' filing is the supporting data required by the Commission's regulations. This information includes data for the Historic Test Year ("HTY") ended November 30, 2025, a Future Test Year ("FTY") ending November 30, 2026, and a FPFTY ending December 31, 2027. In accordance with permitted ratemaking procedures, the Company has elected to use the FPFTY as the basis for its proposed revenue change. Peoples has followed Commission ratemaking practice in preparing its claims for rate base, operating revenues and operating expenses.

Rate Base. Rate base was determined based on depreciated original cost values for projected plant in service at the end of the FTY and FPFTY, respectively. The Company's rate base claim also includes reasonable estimates for materials and supplies inventory and cash working capital, as well as standard deductions for accumulated depreciation, accumulated deferred income taxes, and customer deposits. The Company's rate base claim is shown in

summary form in Schedule 2 to Exhibit 8 (FPFTY) and is principally supported by the Direct Testimony of Nick Tufarolo (Peoples Statement No. 12).

Operating Revenues. Peoples' *pro forma* test year operating revenues were derived from its annual operating revenue forecast. As explained in the testimony of Dawn Folks (Peoples Statement No. 4) and other witnesses, operating revenues were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in the schedules included within Exhibit 3 (FPFTY) and the exhibits attached to Ms. Folk's testimony.

Operating Expenses. Peoples' *pro forma* test year operating expenses were derived from evaluating the company's books and operating budget. As explained in the testimony of Andrew P. Wachter (Peoples Statement No. 2) certain operating expenses were annualized, normalized, and otherwise adjusted in accordance with standard ratemaking practice, as detailed in Schedule 1 of Exhibit 4 (FPFTY). The Company's claim for depreciation and amortization expense is supported by Exhibit 5C (Fully Projected) to the filing, and exhibits developed and supported by John J. Spanos of Gannett Fleming Valuation & Rate Consultants, LLC (Peoples Statement No. 16). Mr. Spanos's calculations are based on the straight-line, remaining life method previously approved for Peoples' operations by the Commission.

Income Taxes. Peoples' income tax expense was calculated using procedures previously accepted by the Commission. The Company's filing reflects the Net Operating Loss carryforward, the effects of Tax Repairs in this proceeding, and the impacts of the reduction to the Corporate Net Income tax rate on the Company's revenue requirement. The Company's tax claims are described

and supported in the Direct Testimony of Angela Jiang (Peoples Statement No. 7).

Revenue Allocation and Class Cost of Service. Peoples is proposing to allocate the revenue requirement to the customer classes based on the results of a cost of service study. The Company's proposed revenue allocation will move all rate classes toward the overall system average rate of return. Additional details regarding the Company's cost of service study and revenue allocation are provided in the Direct Testimony of John D. Taylor (Peoples Statement No. 17). Mr. Taylor also discusses the Company's proposal to continue its successful Weather Normalization Adjustment Mechanism (WNA) program and the Company's updated Heating Degree Day methodology in this case.

Rate Design. The Company's proposed rate design was developed in conjunction with Company Witness John D. Taylor's Allocated Cost of Service Study ("ACOSS"). The proposed revenue increases were allocated to the Company's service classes based on current rates of return for each class and the desire to move towards full parity. Full parity means the revenues collected from individual service classes are aligned with the cost of service associated with that service class. After allocating the revenue increase, the rate design process consists of setting the basic service charge, resetting riders, and allocating the remaining increase to the volumetric distribution charge. As part of this case, Peoples is proposing to increase the fixed monthly customer charges for the residential, certain commercial and large industrial classes. Details of the Company's rate design proposals are found in the Direct Testimony of John D. Taylor (Peoples Statement No. 17).

Other Tariff Changes. The Company's proposed changes to its tariff are discussed in the

testimony of Krista Snyder (Peoples Statement No. 13).

V. CONCLUSION

The proposed revenue increase is necessary for the Company to continue providing safe and reliable service, to maintain the integrity of its financial ratings, to attract additional capital on reasonable terms, and to have a reasonable opportunity to earn a fair rate of return on property that is used and useful in providing natural gas service to the public within its service territory. The proposals contained in this filing will provide significant benefits to all stakeholders. Moreover, the Company's proposed revenue allocation and rate design are just and reasonable and non-discriminatory, as are the proposed changes made to the Company's general terms and conditions of service. Therefore, the rates, rules, and terms and conditions of service set forth in Retail Tariff No. 49 and Supplier Tariff No. S-5 should be permitted to become effective as filed.

PLAIN LANGUAGE - STATEMENT OF REASONS

PEOPLES NATURAL GAS COMPANY LLC
2026 Base Rate Case
Docket No. R-2026-3060855

PLAIN LANGUAGE STATEMENT OF REASONS

Peoples Natural Gas Company LLC ("Peoples" or "Company") has asked the Pennsylvania Public Utility Commission ("PUC" or the "Commission") to increase its annual jurisdictional revenues by approximately $163.2 million, or by 13.8%. The percentage rate increase will vary by rate class. The main reasons for this proceeding are:

- Peoples continues to invest in replacing its aging infrastructure. Upgrading and modernizing the distribution system facilitates the provision of safe and reliable service to customers.
- Without substantial rate relief, the Company will not be able to earn a fair return on its investment used to serve the public and, if not addressed, this could adversely affect the integrity of its financial ratings and its ability to provide safe and reliable service to its customers.
- Peoples is proposing to increase the fixed monthly customer charges for the residential, certain commercial and large industrial classes.

The Company designed the proposed rates for each customer class to recover its total required revenue. In allocating the revenue increase to the residential and non-residential customer classes, Peoples was guided by detailed studies of each rate class's cost of service. The Company also considered and balanced other principles of rate design consistent with the Commission's approach to ratemaking.

Peoples is also proposing to continue its successful Weather Normalization Adjustment Program.

Along with its rate increase, Peoples has filed all supporting data required by the

Commission's regulations, as well as the written statements of 17 witnesses and numerous exhibits prepared by those witnesses. The data, testimony, and exhibits submitted by the Company comply with the Commission's filing requirements. The proposed distribution revenue increase is the minimum increase necessary for Peoples to continue providing safe and reliable service to the public within its service territory.

Peoples Natural Gas Company LLC

§ 53.52(c)

2. A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

* *

Refer to Exhibit No. 1, Schedule No. 2 (53.53.III.A.1).

Peoples Natural Gas Company LLC

§ 53.53.III.A

1. Provide a comparative balance sheet for the test year and the preceding year which corresponds with the test year date.

* *

See attached pages 2 – 3 for the comparative balance sheet of Peoples Natural Gas Company at November 30, 2025 and November 30, 2024.

Peoples Natural Gas Company LLC
Exhibit No. 1, Schedule 2
Comparative Balance Sheet

Line No	Account	Description	NOVEMBER 30, 2025	NOVEMBER 30, 2024
		ASSETS & OTHER DEBITS		
		UTILITY PLANT:		
1	101.0	Plant in Service	$ 5,475,098,189	$ 4,907,566,233
2	101.1	Property Under Capital Leases	$ 15,655,234	$ 20,566,830
3	102.0	Gas Plant Purchased or Sold	$ -	$ -
4	105.0	Plant Held for Future Use	$ 4,940	$ 4,940
5	114.0	Plant Acquisition Adjustments	$ -	$ -
6	106.0	Completed Construction not Classified-Gas	$ 265,480,703	$ 294,562,153
7	107.0	Construction Work in Progress	$ 94,267,997	$ 108,806,380
8	108.0	Accumulated Depreciation-Utility Plant	$ (1,434,221,025)	$ (1,392,973,294)
9	111.0	Accumulated Amortization-Utility Plant	$ -	$ -
10	117.1	Gas Stored - Base Gas	$ 51,833	$ -
11	117.3	Gas Stored in Reservoirs and Pipelines	$ -	$ 51,833
12		TOTAL UTILITY PLANT	$ 4,416,337,871	$ 3,938,585,075
		OTHER PROPERTY & INVESTMENTS:		
13	121.0	Non-Utility Property	$ 17,172	$ 17,172
14	122.0	Accumulated Depreciation-Non-Utility Property	$ (9,322)	$ (9,322)
15	124.0	Other Investments	$ 4,500,002	$ 4,500,002
16	128.0	Other Special Funds	$ 237,700	$ 248,000
17		TOTAL OTHER PROPERTY & INVESTMENTS	$ 4,745,552	$ 4,755,852
		CURRENT & ACCRUED ASSETS:		
18	131.0	Cash	$ 1,293,511	$ 1,417,572
19	134.0	Other Special Deposits	$ 1,443,406	$ 1,417,212
20	135.0	Working Funds	$ -	$ -
21	136.0	Temporary Cash Investments	$ -	$ -
22	141.0	Notes Receivable	$ -	$ -
23	142.0	Customer Accounts Receivable	$ 88,293,701	$ 67,875,237
24	143.0	Other Accounts Receivable	$ 3,648,067	$ 4,146,863
25	144.0	Accumulated Provision for Uncollectible	$ (47,084,175)	$ (45,002,182)
26	145.0	Notes Receivable from Associated Companies	$ -	$ -
27	146.0	Accounts Receivable from Associated Companies	$ -	$ 27,934,791
28	154.0	Plant Materials & Operating Supplies	$ 6,167,508	$ 6,045,119
29	164.1	Gas Stored - Current	$ 63,399,840	$ 46,073,263
30	165.0	Prepayments	$ 3,998,013	$ 4,958,202
31	173.0	Accrued Utility Revenues	$ 72,640,586	$ 56,174,291
32	174.0	Miscellaneous Current & Accrued Assets	$ 316,990	$ 29,110
33	175.0	Derivative Instrument Assets-Current Portion	$ -	$ -
34		TOTAL CURRENT & ACCRUED ASSETS	$ 194,117,447	$ 171,069,478
		DEFERRED DEBITS:		
35	181.0	Unamortized Debt Expense	$ 11,768,334	$ 9,533,798
36	182.3	Other Regulatory Assets	$ 921,890,490	$ 771,192,959
37	186.0	Miscellaneous Deferred Debits	$ 15,170,633	$ 23,483,387
38	190.0	Accumulated Deferred Income Taxes	$ 259,036,388	$ 159,685,721
39	191.0	Unrecovered Purchased Gas Costs	$ 20,530,289	$ 20,367,089
40		TOTAL DEFERRED DEBITS	$ 1,228,396,134	$ 984,262,954
41		**TOTAL ASSETS & OTHER DEBITS**	**$ 5,843,597,004**	**$ 5,098,673,359**

Peoples Natural Gas Company LLC
Exhibit No. 1, Schedule 2
Comparative Balance Sheet

Line No	Account	Description	NOVEMBER 30, 2025	NOVEMBER 30, 2024
		LIABILITIES & OTHER CREDITS		
		PROPRIETARY CAPITAL:		
42	201.0	Common Stock Issued	$ -	$ -
43	211.0	Miscellaneous Paid-In Capital	$ 1,186,208,162	$ 1,187,110,446
44	216.0	Unappropriated Retained Earnings	$ 1,160,637,137	$ 847,846,988
45	219.0	Accumulated Other Comprehensive Income	$ -	$ -
46		TOTAL PROPRIETARY CAPITAL	$ 2,346,845,299	$ 2,034,957,434
		LONG-TERM DEBT:		
47	223.0	Advances from Associated Companies	$ 1,594,210,889	$ 1,445,829,200
48	225.0	Unamortized Premium on Long-Term Debt	$ -	$ -
49		TOTAL LONG-TERM DEBT	$ 1,594,210,889	$ 1,445,829,200
		OTHER NON-CURRENT LIABILITIES:		
50	227.0	Obligations under Capital Lease-Noncurrent	$ 12,919,039	$ 18,353,152
51	228.2	Accumulated Provision for Injuries and Damages	$ 3,002,025	$ 2,426,128
52	228.3	Accumulated Provision for Pensions and Benefits	$ (2,735,101)	$ (2,904,724)
53	228.4	Accumulated Miscellaneous Operating Provision	$ 95,894	$ 95,894
54	230.0	Asset Retirement Obligation	$ -	$ -
55		TOTAL OTHER NON-CURRENT LIABILITIES	$ 13,281,857	$ 17,970,450
		CURRENT & ACCRUED LIABILITIES:		
56	232.0	Accounts Payable	$ 131,258,406	$ 150,939,706
57	233.0	Notes Payable to Associated Companies	$ 393,911,978	$ 251,396,456
58	234.0	Accounts Payable to Associated Companie	$ 123,242,771	$ 163,271,323
59	235.0	Customer Deposits	$ 3,439,182	$ 3,269,909
60	236.0	Taxes Accrued	$ (68,586,507)	$ (120,251,375)
61	237.0	Interest Accrued	$ 26,479	$ 26,356
62	238.0	Dividends Declared	$ -	$ -
63	241.0	Tax Collections Payable	$ 507,414	$ 420,357
64	242.0	Miscellaneous Current & Accrued Liabilities	$ 52,481,596	$ 44,857,740
65	243.0	Obligations under Capital Lease-Current	$ 5,455,911	$ 6,301,687
66	244.0	Derivative Instrument Liabilities-Current	$ -	$ -
67		TOTAL CURRENT & ACCRUED LIABILITIES	$ 641,737,230	$ 500,232,159
		DEFERRED CREDITS:		
68	252.0	Customer Advances for Construction	$ 595,600	$ 234,291
69	255.0	Accumulated Deferred Investment Tax Credit	$ -	$ -
70	253.0	Other Deferred Credits	$ 10,343,865	$ 8,529,016
71	254.0	Other Regulatory Liabilities	$ 191,701,492	$ 209,753,741
72	282.0	Accumulated Deferred Income Taxes-Other Property	$ 855,140,881	$ 726,783,469
73	283.0	Accumulated Deferred Income Taxes-Other	$ 189,739,891	$ 154,383,599
74		TOTAL DEFERRED CREDITS	$ 1,247,521,729	$ 1,099,684,116
75		**TOTAL LIABILITIES & OTHER CREDITS**	**$ 5,843,597,004**	**$ 5,098,673,359**

Peoples Natural Gas Company LLC

§ 53.52(c)

6. A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1) - (5).

* *

Peoples Natural Gas Company had no major changes in operating or financial condition between the historical test year November 30, 2025 and the rate case filing on March 27, 2026.

Peoples Natural Gas Company LLC

§ 53.53.II.A

18. Set forth amount of total cash (all cash accounts) on hand from balance sheets for last 24-calendar months preceding test year-end.

* *

Month / Year	Cash and temporary investments
December-23	$ 2,491,540
January-24	$ 2,062,703
February-24	$ 2,613,548
March-24	$ 2,888,921
April-24	$ 2,281,542
May-24	$ 1,584,951
June-24	$ 1,615,672
July-24	$ 1,156,889
August-24	$ 1,436,757
September-24	$ 1,806,790
October-24	$ 1,264,836
November-24	$ 1,417,572
December-24	$ 2,707,641
January-25	$ 3,068,915
February-25	$ 4,731,664
March-25	$ 5,779,132
April-25	$ 2,761,651
May-25	$ 2,217,529
June-25	$ 2,830,187
July-25	$ 1,457,688
August-25	$ 1,955,917
September-25	$ 1,445,088
October-25	$ 1,903,459
November-25	$ 1,293,701

Peoples Natural Gas Company LLC
§ 53.53 II.A

23. List details and sources of ‘‘Other Property and Investment,’’ ‘‘Temporary Cash Investments’’ and ‘‘Working Funds’’ on test year-end balance sheet.

* *

For “Other Property and Investment” refer to Exhibit No. 1, Schedule No. 7 (53.53.III.A.2).

For “Temporary Cash Investments” and “Working Funds” refer to Exhibit No. 1, Schedule No. 8 (53.53.III.A.3).

Peoples Natural Gas Company LLC

§ 53.53.II.C

1. Provide test year monthly balances for ‘‘Current Gas Storage’’ and notes financing such storage.

* *

Please see the attached schedule for Current Gas Storage. Gas storage is financed utilizing the Intercompany Demand Note Agreement with PNG Companies as discussed at Exhibit No. 16, Schedule No. 15 (53.53.II.A.17).

Peoples Natural Gas Company LLC
Exhibit 1, Schedule 6: 53.53 II.C.1 - Gas Stored - Current
12 Months Ended November 30, 2025

Inventory of
Gas Stored Underground - Current

Month	**Year**		Peoples Natural Gas
December	2024	$	41,001,005
January	2025	$	28,613,878
February	2025	$	18,009,729
March	2025	$	10,533,021
April	2025	$	19,616,207
May	2025	$	29,475,851
June	2025	$	34,505,294
July	2025	$	45,212,005
August	2025	$	56,323,762
September	2025	$	63,848,878
October	2025	$	68,828,856
November	2025	$	63,399,840
Total		$	479,368,326
12 Month Average		**$**	**39,947,360**

Peoples Natural Gas Company LLC

§ 53.53.III.A

2. Set forth the major items of Other Physical Property, Investments in Affiliated Companies and Other Investments.

* *

	Peoples Natural Gas Company
Account 121.0 – Non-Utility Property	
Total Account 121.0	$ 17,172
Account 122.0 – Accumulated Provision for Depreciation and Amortization of Nonutility Property	
Total Account 122.0	$ (9,322)
Account 124.0 – Other Investments	
Strategic Investment Fund, Inc. (1500 Shares of C Class units)	$ 1,500,000
Pennsylvania Development Credit Corp.	$ 1
Western Pennsylvania Development Credit Corp	$ 1
Power of 32 Site Development	$ 3,000,000
Total Account 124.0	$ 4,500,002
Account 128.0 – Other Special Funds	
Total Account 128.0	$ 237,700

Peoples Natural Gas Company LLC

§ 53.53.III.A

3. Supply the amounts and purpose of Special Cash Accounts of all types, such as:

   a. Interest and Dividend Special Deposits.

   b. Working Funds other than general operating cash accounts.

   c. Other special cash accounts and amounts (Temporary cash investments).

* *

a. Account 134.0 – Other Special Deposits-Miscellaneous-BFR Disbursement Fund-Commercial

The $1,443,406.31 in the BFR Disbursement Fund-Commercial account at November 30, 2025 represents the balance remaining after the disbursement of $630,000.00 of boiler fuel rider (BFR) funds disbursed in accordance with Docket No. I-79110324, F.3 for Peoples Natural Gas Company LLC.

b. Account 135.0 – Working Funds

There is no balance in Working Funds at November 30, 2025 for Peoples Natural Gas Company LLC.

c. Account 136.0 – Temporary Cash Investment

There is no balance in Temporary Cash Investments at November 30, 2025 for Peoples Natural Gas Company LLC.

Peoples Natural Gas Company LLC

§ 53.53.III.A

4. Describe the nature and/or origin and amounts of notes receivable, accounts receivable from associated companies, and any other significant receivables, other than customer accounts, which appear on balance sheet.

* *

12 Months Ended November 30, 2025

Line No.	Description		Balance
	Account 143 - Other Accounts Receivable		
1	Accounts Receivable Damages and Relocations	$	1,228,182
2	Accounts Receivable Estimate	$	1,280,222
3	Accounts Receivable Accident/Property Claims	$	522,558
4	Account Receivable - Other	$	617,105
5		$	3,648,067
	Account 146 - Accounts Receivable from Associated Companies		
6	PNG Homeworks	$	-
7	Delta Natural Gas	$	-
8	PNG Gathering LLC	$	-
9	PNG Companies LLC	$	-
10	Peoples Gas Co LLC	$	-
11		$	-
12	**Total**	$	3,648,067

Peoples Natural Gas Company LLC

§ 53.53.III.A

5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued, and amounts written-off in each of last three years.

* *

Accumulated Provision Uncollectible Accounts
Accruals, Charge-offs and Recoveries for 12 months ended
November 30, 2023, 2024 and 2025

Utility Customers Total Period	Beginning Balance	Accrual	Charge-Offs	Recoveries	Ending Balance
TME 11/23	44,489,935	9,752,418	(14,488,562)	4,412,352.53	44,166,143
TME 11/24	44,166,143	12,341,532	(15,293,240)	3,578,170.37	44,792,606
TME 11/25	44,792,606	12,809,680	(14,186,167)	3,461,350.21	46,877,469

Other Customers Total Period	Beginning Balance	Accrual	Charge-Offs	Recoveries	Ending Balance
TME 11/23	256,351	323,441	(105,068)	4,913.07	479,637
TME 11/24	479,637	648,987	(950,351)	31,303.26	209,577
TME 11/25	209,577	56,323	(87,390)	28,196.80	206,706

Peoples Natural Gas Company LLC

§ 53.53.III.A

6. Provide a list of prepayments and give an explanation of special prepayments.

* *

Balances as of November 30, 2025

Line No.	Description		Balance
	Account 165 - Prepayments		
1	Computer Software & Telecommunications Maintenance	$	2,647,000
2	Advertising and Sponsorships	$	601,893
3	Leases	$	569,221
4	Prepaid Commission of Sublease Brokerage	$	108,941
5	Health Insurance Benefits Expenses	$	66,792
6	Pittsburgh Works	$	4,167
7	Total Account 165	$	3,998,013

Note:
All of the above are considered routine prepayments required by either contract or statute. None are considered special prepayments.

Peoples Natural Gas Company LLC

§ 53.53.III.A

7. Explain in detail any other significant (in amount) current assets listed on balance sheet.

* *

Peoples Natural Gas Company LLC
53.53 III.A.7
Balances at November 2025

Line No.	Description		Amount
	Account 142 - Customer Accounts Receivable		
1	*Accounts receivable for gas service*	$	88,293,701
2	Total Account 142	$	88,293,701
	Account 144 - Accumulated Provision for Uncollectible Accounts		
3	*Allowance for uncollectible accounts*	$	(47,084,175)
4	Total Account 144	$	(47,084,175)
	Account 164.1 - Gas Stored Underground - Current		
5	*Value of gas inventory in storage*	$	63,399,840
6	Total Account 164.1	$	63,399,840
	Account 173 -Accrued Utility Revenues		
7	*Unbilled Gas Service*	$	72,640,586
8	Total Account 173	$	72,640,586

Peoples Natural Gas Company LLC

§ 53.53.III.A

8. Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying:

a. Origin of these accounts.

b. Probable changes to this account in the near future.

c. Amortization of these accounts currently charged to operations or to be charged in the near future.

d. Method of determining yearly amortization for the following accounts:

—Temporary Facilities

—Miscellaneous Deferred Debits

—Research and Development

—Property Losses

—Any other deferred accounts that effect operating results

* *

See Attachment 1 below.

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.8
As of November 30, 2025

Line No.	Description		Balance
	Account 181 - Unamortized Debt Expense		
1	Issue Exp - Med Term Notes *Relates to debt issuance and recoverable financing costs to be amortized over the term of the outstanding debt*	$	11,768,334
2	Total Account 181	$	11,768,334
	Account 182 - Other Regulatory Assets		
3	Universal Service Program (USP) *This rider recovers costs related to the Company's universal services programs and shall be applicable to residential customers, except for any residential ratepayer served under the Company's Customer Assistance Program.*	$	(5,754,091)
4	Distribution System Improvement Charge (DSIC) *Peoples received approval to reconcile DSIC revenues in the following dockets. Each docket approves standard tariff language that complies with Act 11 and authorizes the reconciliation. PNG – P-2013-2344596; PED- P-2013-2342745*	$	1,250,831
5	Supplier Choice *This Rider has been established to recover costs associated with Supplier Choice. The initial filing includes costs related to implementation and administration of the Account Number Access Mechanism per the Commission's Final Order at Docket No. M-2015-2468991 entered June 30, 2016 and costs associated with the implementation and administration of the Supplier Bill in accordance the Commission's Final Order entered August 20, 2015 at Docket No. M-2015-2474802*	$	(7,836)
6	FAS 109/ASC 740 (Income Taxes) *Represents the future effects on income taxes for temporary differences between the basis of assets and liabilities for financial reporting and tax purposes. It is industry standard in Pennsylvania for regulated entities to recover such costs (mainly depreciation timing differences) through base rates.*	$	918,184,410
7	Rate Case Expense *Reflects the expenses incurred in support of the Peoples base rate filing submitted in 2018*	$	333,093
8	Regulatory Asset - ST - Reclass *Represents the offset balance of DSIC and USP Riders that have switched to a liability balance under the regulatory asset accounts*	$	5,761,927
9	Repair Tax *Reflects the (Over)/Under give back of the 481 benefit to customers through surcharge credit*	$	1,193,430
10	Vacation Balancing *Represents the balance of accrued vacation, quarterly adjustments made based on usage*	$	18,581
11	Debt Issuance Costs *Relates to debt issuance costs to be amortized over the term of the outstanding debt*	$	910,146
12	Total Account 182	$	921,890,491

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.8
As of November 30, 2025

Line No.	Description		Balance
	Account 186 - Miscellaneous Deferred Debits		
13	Other Deferred Charges	$	21,859
	Primarily pending lease construction incentives receivable		
14	Retirement Work In Progress	$	9,106,143
	Reflects the portion of an asset that incurs costs related to retiring/cost of removal of an asset. Once the project is complete and the work in progress becomes an asset, the retirement in progress becomes cost of removal and is depreciated over the life of the asset.		
15	OPEB Asset/Oblig - FAS 158 -Non Current	$	6,042,632
	Relates to OPEB/PBOP balance to be amortized over the term		
16	Total Account 186	$	15,170,634
	Account 190 - Accumulated Deferred Income Taxes		
17	Accumulated Deferred Income Tax	$	259,036,388
	This account is used to record deferred income tax, federal and state, related to income reported for accounting purposes but which has been deferred for tax purposes until subsequent years. Included in this balance are deferred income taxes associated with gas purchase costs, payroll related liabilities, net operating losses and other related regulatory assets.		
18	Total Account 190	$	259,036,388
	Account 191 - Unrecovered Purchased Gas Costs		
19	Deferred Gas - (Over)/Under - Collections of purchased gas costs	$	20,530,289
	Reflects (Over)/Under-collections of purchased gas costs. The rate application for over/under recoveries of purchased gas costs is in accordance with 1307(f) Rider B of the Company's Tariff		
20	Total Account 191	$	20,530,289

Peoples Natural Gas Company LLC

§ 53.53.III.A

9. Explain the nature of accounts payable to associated companies and note amounts of significant items.

* *

Peoples Natural Gas Company LLC
Attachment 1 : 53.53 III.A.9
Balances as of November 2025

Line No.	Description		Peoples Natural Gas
	Account 233 - Notes Payable to Associated Companies		
1	Revolver Line of Credit	$	(393,911,978)
2	Total Account 233	$	(393,911,978)
	Account 234 - Accounts Payable to Associated Companies		
3	PNG Companies LLC	$	(1,206,400)
4	Total Convenience Payments	$	(1,206,400)
5	PNG Companies LLC - Interest	$	(122,036,371)
6	Total Account 234	$	(123,242,771)

Peoples Natural Gas Company LLC
§ 53.53 III.A

10. Provide details of other deferred credits as to their origin and disposition policy (e.g.—amortization).

* *

12 Months Ended November 30, 2025

Line No.	Description	Balance
	Account 252 - Customer Advances for Construction	
1	Customer Advances for Construction *Related to contributions from customers to aid in the construction of line extensions for the purpose of gas distribution*	$ (595,600)
2	Total Account 252	$ (595,600)
	Account 253 - Other Deferred Credits	
3	Defer Lease Obligation *Relates to amortizable lease incentives for the rental of the 375 North Shore building*	$ (905,092)
4	OPEB ME 158 Benefit Obligation - Non Current *Relates to Other Post-Retirement Benefits for Salaried Employees based on Hewitt's Studies as defined by FAS 158 which requires recognition of over/under funding of OPEB.*	$ (9,430,266)
5	Deferred Credit - Non Current *Amortization of losses on subleases of the 225 North Shore building*	$ (8,506)
6	Total Account 253	$ (10,343,865)

Peoples Natural Gas Company LLC

§ 53.53.III.A

11. Supply basis for Injury and Damages reserve and amortization thereof.

* *

Account 228.2 Accumulated Provision for Injuries and Damages balance as of November 30, 2025:

Reserve for Injuries and Damages $3,002,025

This amount represents the reserve for third party injuries and damages. This reserve is evaluated on a quarterly basis and includes identified accruals for known, probable future expenses, as determined by the Legal Department. At the time the accrual is determined, operating expense is charged and operation reserve (Account 228.2) is credited with the dollar value of the estimated exposure. As each claim or case is resolved, that was established as part of the reserve, the costs are charged directly to the operating reserve account.

Peoples Natural Gas Company LLC

§ 53.53.III.A

12. Provide details of any significant reserves, other than depreciation, bad debt, injury and damages, appearing on balance sheet.

* *

See Attachment 1.

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.12
As of November 30, 2025

Line No.	Description		Balance
	Account 228.3 - Accumulated Provision for Pension and Benefits		
1	Pension Benefit Obligation - Non Current *Relates to the status of the PNG Pension plans based on Aon's actuarial studies*	$	2,735,101
2	Total Account 228.3	$	2,735,101
	Account 242.0 Miscellaneous Current and Accrued Liabilities		
3	BFR Fund Payable - Commercial *Refers to the Boiler Fund Rider program. Surcharges collected to aid small commercial customers and non-profit agencies in converting their energy systems*	$	(1,443,406)
	Misc C&A Liabilities *Relates to the balance of estimated accrued liabilities*	$	(47,153,153)
	OPEB ME Benefit Oblig FAS 158 - Current *Refers to the over or under funding of the post retirement plan*	$	(899,655)
6	Total Account 242.0	$	(49,496,214)
	Account 253.0 Other Deferred Credits		
8	Deferred Lease Obligation - Non Current *Refers to the deferred lease liability associated with the receipt of subsequent month's invoices that have not yet been paid*	$	(905,092)
	OPEB SE 158 Benefit Obligation - Non Current *Relates to the status of the PNG Pension plans based on Aon's actuarial studies*	$	(9,430,266)
9	Total Account 253.0	$	(10,335,359)

Peoples Natural Gas Company LLC

§ 53.53.III.A

13. Provide an analysis of unappropriated retained earnings for the test year and three preceding calendar years.

* *

	31-Dec-22	31-Dec-23	31-Dec-24	30-Nov-25
Beginning of Year Balance	$ 226,030,308	$ 442,456,332	$ 682,972,801	$ 932,418,595
Net Income (Loss)	$ 216,426,024	$ 240,516,469	$ 249,445,794	$ 228,218,542
Dividends				
End of Year Balance	**442,456,332**	**682,972,801**	**932,418,595**	**1,160,637,137**

Peoples Natural Gas Company LLC

§ 53.53.III.E

1. If Unrecovered Fuel Cost policy is implemented, provide the following:

   a. State manner in which amount of Unrecovered Fuel Cost on balance sheet at the end of the test year was determined, and the month in test year in which such fuel expense was actually incurred. Provide amount of adjustment made on the rate case operating account for test year-end unrecovered fuel cost. (If different than balance sheet amount, explain.)

   b. Provide amount of Unrecovered Fuel Cost that appeared on the balance sheet at the opening date of the test year, and the manner in which it was determined. State whether this amount is in the test year operating account.

* *

Refer to page 2 of 2 for Account 191 balances at the beginning and end of the Historic Test Year.

Peoples Natural Gas Company LLC
Combined
Attachment 1: 53.53 III.E.1
Account 191 - Deferred Gas Costs

Account 191 Beginning Balance November 30, 2023	$	(36,485,801)
December 2023	$	21,225,898
January 2024	$	6,109,976
February 2024	$	(4,307,765)
March 2024	$	2,049,618
April 2024	$	(1,242,100)
May 2024	$	2,601,829
June 2024	$	4,804,134
July 2024	$	5,652,753
August 2024	$	5,731,320
September 2024	$	5,290,808
October 2024	$	4,690,269
November 2024	$	3,492,108
Total	$	56,098,848
Account 191 Ending Balance November 30, 2024	**$**	**19,613,047**

Account 191 Beginning Balance November 30, 2024	$	19,613,047
December 2024	$	(2,780,820)
January 2025	$	4,313,253
February 2025	$	2,410,395
March 2025	$	(16,349,701)
April 2025	$	(7,383,802)
May 2025	$	(1,191,699)
June 2025	$	6,190,913
July 2025	$	5,441,778
August 2025	$	6,604,612
September 2025	$	7,152,642
October 2025	$	(3,621,129)
November 2025	$	130,800
Total	$	917,242
Account 191 Ending Balance November 30, 2025	**$**	**20,530,289**

Peoples Natural Gas Company LLC

§ 53.53.III.E

2. Provide details of items and amounts comprising the accounting entries for Deferred Fuel Cost at the beginning and end of the test year.

* *

Refer to the response to Exhibit No. 1, Schedule No. 19 (53.53.III.E.1).

Peoples Natural Gas Company LLC
§ 53.53 III.E

32. Provide a schedule showing the calculation of any deferred fuel costs shown in Account 174. Also, explain the accounting, with supporting detail, for any associated income taxes.

* *

Peoples does not reflect deferred gas costs in Account 174. Refer to the response to Exhibit No. 1, Schedule No. 19 (53.53.III.E.1) for deferred fuel costs.

Peoples Natural Gas Company LLC

§ 53.52(d)

1. If a utility renders more than one type of public service, such as electric and gas, information required by § § 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.

* *

Not Applicable.

Peoples Natural Gas Company LLC

§ 53.53.II.A

20. Provide latest available balance sheet and income statement for Company, Parent and System (consolidated).

* *

Refer to Exhibit No. 1, Schedule No. 2 (53.53 III.A.1) for the balance sheet and to Exhibit No. 2, Schedule No. 5 (53.53 III.A.18) for the income statement for Peoples Natural Gas Company LLC. Refer to Exhibit No. 16, Schedule No. 2 (53.53.II.A.2) for the PNG Companies financial statements.

Peoples Natural Gas Company LLC

§ 53.52(b)

2. The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under $100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

* *

Refer to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) for the operating income statement for the 12-month period ending November 30, 2025.

Peoples Natural Gas Company LLC

§ 53.52(c)

5. A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).

* *

Refer to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17); Exhibit No. 2, Schedule No. 5 (53.53.III.A.18); Exhibit No. 3, Schedule No. 15 (53.53.III.E.14); and Exhibit No. 4, Schedule No. 22 (53.53.III.E.34).

Peoples Natural Gas Company LLC

§ 53.53.II.A

22. Provide Operating Income claims under:

i. Present rates

ii. Pro forma present rates (annualized & normalized)

iii. Proposed rates (annualized & normalized)

b. Provide Rate of Return on Original Cost and Fair Value claims under:

i. Present rates

ii. Pro forma present rates

iii. Proposed rates

* *

a. Refer to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17), Proforma Fully Projected Future Test Year and the Proposed Fully Projected Future Test Year and notes thereto.

b. Refer to Exhibit No. 8, Schedule No. 2 (53.53.I.A.2), Proforma Fully Projected Future Test Year and the Proposed Fully Projected Future Test Year, for Rate of Return on Original Cost and Fair Value Claim.

Peoples Natural Gas Company LLC
§ 53.53 III.A

17. Prepare a Statement of Income for the various time frames of the rate proceeding including:

Col. 1—Book recorded statement for the test year.

2—Adjustments to book record to annualize and normalize under present rates.

3—Income statement under present rates after adjustment in Col. 2

4—Adjustment to Col. 3 for revenue increase requested.

5—Income statement under requested rates.

a. Expenses may be summarized by the following expense classifications for purposes of this statement:

Operating Expenses (by category)
Depreciation
Amortization
Taxes, Other than Income Taxes
Total Operating Expense
Operating Income Before Taxes
Federal Taxes
State Taxes
Deferred Federal
Deferred State
Income Tax Credits
Other Credits
Other Credits and Charges, etc.
Total Income Taxes
Net Utility Operating Income
Other Income & Deductions
Other Income
Detailed listing of Other Income used in Tax Calculation
Other Income Deduction
Detailed Listing
Taxes Applicable to Other Income and Deductions
Listing
Income Before Interest Charges
Listing of all types of Interest Charges and all amortization of Premiums and/or Discounts and Expenses on Debt issues
Total Interest
Net Income After Interest Charges

(Footnote each adjustment to the above statements with explanation in sufficient clarifying detail.)

Peoples Natural Gas Company LLC
Statement of Income at Present and Proposed Rates

Line No.	Description	Reference	Per Books Historic Test Year 11.30.2025	Adjustments	Proforma Historic Test Year 11.30.2025	Adjustments	Proforma Future Test Year 11.30.2026	Adjustments	Proforma Fully Projected Future Test Year at Present Rates 12.31.2027	Adjustments (Page 7 of 7)	Fully Projected Future Test Year at Proposed Rates 12.31.2027
1	**Operating Revenues:**	Ex. 3, Sch. 15, Att. B	$ 1,010,232,723	$ 204,703,701	$ 1,214,936,425	$ (29,452,794)	$ 1,185,483,631	$ (869,566)	$ 1,184,614,065	$ 163,171,938	$ 1,347,786,003
	Operating Revenue Deductions:										
2	Gas Supply Expense	Ex. 3, Sch. 15, Att. C	344,130,886	155,269,855	499,400,741	5,153,298	504,554,039	1,365,351	505,919,390		505,919,390
3	Operating and Maintenance Expense	Ex. 4, Sch. 1	209,946,248	9,987,831	219,934,080	(10,642,146)	209,291,934	10,053,212	219,345,146	3,121,918	222,467,064
4	Depreciation and Amortization	Ex. 5, Table 1	143,917,721	(5,732,921)	138,184,800	15,699,094	153,883,894	19,229,419	173,113,313		173,113,313
5	Net Salvage Amortized	Ex. 5, Table 4	-	7,590,331	7,590,331	(433,025)	7,157,306	910,977	8,068,283		8,068,283
6	Taxes Other Than Income Taxes	Ex. 6, Sch. 2	9,891,350	2,300,521	12,191,871	537,845	12,729,717	1,029,338	13,759,055		13,759,055
7	Total Operating Revenue Deductions		707,886,205	169,415,618	877,301,824	10,315,066	887,616,890	32,588,297	920,205,187	3,121,918	923,327,105
8	**Operating Income Before Income Taxes**		302,346,518	35,288,083	337,634,601	(39,767,860)	297,866,741	(33,457,863)	264,408,878	160,050,020	424,458,897
9	**Income Taxes**	Ex. 7, Sch. 8, Att. 1	(64,306,846)	29,925,241	(34,381,604)	(25,640,929)	(60,022,534)	(20,533,763)	(80,556,297)	33,610,504	(46,945,793)
10	**Operating Income**		366,653,363	5,362,842	372,016,205	(14,126,931)	357,889,274	(12,924,100)	344,965,175	126,439,516	471,404,690
	Other Income										
11	Interest Revenue		811,225	(811,225)	-		-		-		-
12	Miscellaneous Nonoperating Income / Expense		12,223,886	(12,223,886)	-		-		-		-
13	Total Other Income		13,035,111	(13,035,111)	-	-	-	-	-	-	-
	Other Income Deductions										
14	Rent Expense - Nonutility Operations	Ex. 4, Sch. 1	1,392,914	(1,392,914)	-	-	-	-	-		-
15	Charitable and Civic Contributions	Ex. 4, Sch. 1	13,675	(13,675)	-	-	-	-	-		-
16	Expense - Civic, Political & Rel. Act	Ex. 4, Sch. 1	226,380	(226,380)	-	-	-	-	-		-
17	Other Expense Miscellaneous	Ex. 4, Sch. 1	1,990,892	(1,990,892)	-	-	-	-	-		-
18	Total Other Income Deductions		3,623,862	(3,623,862)	-	-	-	-	-	-	-
19	**Taxes Applicable to Other Income and Deductions**	Ex. 7, Sch. 8, Att. 1	-	-	-	-	-	-	-		-
	Interest Charges:										
20	Interest on Debt to Associated Companies	Page 5 of 7 of this schec	67,425,808	15,836,174	$ 83,261,982	15,975,686	99,237,668	21,777,232	121,014,900		121,014,900
21	Other Interest Charges		57,363	(57,363)	-	-	-	-	-		-
22	Amortization of Debt Discount and Expense		1,218,024	(1,218,024)	-	-	-	-	-		-
23	AFUDC		(5,426,732)	5,426,732	-	-	-	-	-		-
24	Total Interest Charges		63,274,463	19,987,518	83,261,982	15,975,686	99,237,668	21,777,232	121,014,900	-	121,014,900
25	**Net Income**		$ 312,790,149	$ (24,035,926)	$ 288,754,224	$ (30,102,617)	$ 258,651,606	$ (34,701,332)	$ 223,950,275	$ 126,439,516	$ 350,389,790
26	**Rate Base**	Ex. 8, Sch. 2	$ 4,515,634,214		$ 4,515,634,214		$ 5,042,257,469		$ 5,760,803,876		$ 5,728,767,833

Peoples Natural Gas Company LLC
Calculation of Proforma Interest Expense at Present and Proposed Rates

HISTORIC TEST YEAR

Line No.	Description		Amount
1	Rate Base	$	4,515,634,214
2	Weighted Long Term Debt Cost		1.84%
3	Synchronized Interest Expense - LT	$	83,261,982
4	Weighted Short Term Debt Cost		0.00%
5	Synchronized Interest Expense - ST	$	-
6	Synchronized Interest Expense - Total	$	83,261,982

FUTURE TEST YEAR

Line No.	Description		Amount
7	Rate Base	$	5,042,257,469
8	Weighted Long Term Debt Cost		1.97%
9	Synchronized Interest Expense - LT	$	99,237,668
10	Weighted Short Term Debt Cost		0.00%
11	Synchronized Interest Expense - ST	$	-
12	Synchronized Interest Expense - Total	$	99,237,668

FULLY PROJECTED FUTURE TEST YEAR

	Description		Amount
13	Rate Base	$	5,760,803,876
14	Weighted Long Term Debt Cost		2.10%
15	Synchronized Interest Expense - LT	$	121,014,900
16	Weighted Short Term Debt Cost		0.00%
17	Synchronized Interest Expense - ST	$	-
18	Synchronized Interest Expense - Total	$	121,014,900

Peoples Natural Gas Company, LLC
Rate of Return on Rate Base
Twelve Months Ended November 30, 2025

Line No.	Description		Amount
1	Proforma Rate Base at Present Rates	$	5,728,767,833
2	Return on Rate Base		8.23%
3	Operating Income at Proposed Rates	$	471,404,690
4	Less: Net Operating Income at Present Rates	$	344,965,175
5	Operating Income Deficit	$	126,439,516
6	Revenue Conversion Factor		1.28127517
7	Additional Revenues	$	162,003,812
8	Additional Late Fees		1,168,126
9	Additional Revenue Requirement	$	163,171,938
	Revenue Conversion Factor:		
10	Operating Revenue		1.00000000
11	Less: Uncollectible		0.01927065
12	Plus: late payments		0.00721049
13	Income Before State Taxes		0.98793984
	State Income Tax Effect Tax Rate		
14	Less: State Income Tax		-
15	Income Before Federal Taxes		0.98793984
16	Less: Federal Tax at 21%		0.20746737
17	Adjusted Operating Income		0.78047247
18	Revenue Conversion Factor		1.28127517

Peoples Natural Gas Company LLC
Exhibit No. 2, Schedule No. 4
Additional Revenue Requirement Adjustments

1	Additional Revenue Requirement		$ 162,003,812
2	Additional Late Fees	Ln 1 x Late Fee Rate	1,168,126
3	Less Operating & Maintenance Expense		3,121,918
4	Income Before State Income Tax	Ln 1 + Ln 2- Ln 3	$ 160,050,020
	State Income Taxes		
5	Line 4 Times Effect Tax Rate	Ex. 7, Sch. 8	-
6	Income Before Federal Income Tax	Ln 4 - Ln 5	160,050,020
7	Federal Income Taxes	Ln 6 x 21%	33,610,504
8	Operating Income	Ln 6 - Ln 7	126,439,516

Peoples Natural Gas Company LLC

§ 53.53.III.A

18. Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.

* *

See Attachment 1.

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Line No	Account	Description		2025 Peples Natural Gas Company LLC (1)	2024 Peples Natural Gas Company LLC (2)	Difference Peples Natural Gas Company LLC (3=1-2)
		Operating Revenues (400):				
1	480.0	Residential Sales	9480000	$ (645,633,578)	$ (437,489,792)	$ (208,143,786)
2	481.0	Commercial and Industrial Sales	9481000	$ (115,288,707)	$ (76,556,983)	$ (38,731,724)
3	483.0	Sales for Resale	9483000	$ (5,491,450)	$ (3,459,834)	$ (2,031,615)
4		**Sales of Gas (480-484)**		**$ (766,413,735)**	**$ (517,506,610)**	**$ (248,907,126)**
5	487.0	Forfeited Discounts	9487000	$ (5,824,920)	$ (4,506,980)	$ (1,317,940)
6	488.0	Miscellaneous Service Revenues	9488000	$ (1,125,013)	$ (1,021,556)	$ (103,457)
7	489.1	Revenues from Transportation of Gas of Others Through Gathering Facility	9489100	$ (8,123,308)	$ (7,583,396)	$ (539,912)
8	489.3	Revenues from Transportation of Gas of Others Through Distribution Facility	9489300	$ (222,146,770)	$ (178,290,495)	$ (43,856,275)
9	489.4	Revenues from Storing Gas of Others	9489400	$ -	$ -	$ -
10	493.0	Rent from Gas Property	9493000	$ (219,899)	$ (247,585)	$ 27,686
11	495.0	Other Gas Revenues	9495000	$ (6,056,864)	$ (2,659,141)	$ (3,397,722)
12	496.0	Provision for Rate Refunds	9496000	$ (322,213)	$ 2,079,051	$ (2,401,264)
13		**Other Operating Revenues (485-496)**		**$ (243,818,988)**	**$ (192,230,103)**	**$ (51,588,885)**
14		**Total Operating Revenues (400)**		**$ (1,010,232,723)**	**$ (709,736,713)**	**$ (300,496,011)**
		Gas Production Operating Expense:				
		Natural Gas Production Operation Expense				
15	750.0	Supervision and engineering	9750000	$ -	$ 70	$ (70)
16	751.0	Production maps and records	9751000	$ -	$ -	$ -
17	752.0	Gas wells expenses	9752000	$ -	$ -	$ -
18	753.0	Field lines expenses	9753000	$ 1,352,374	$ 1,310,283	$ 42,091
19	754.0	Field compressor station expenses	9754000	$ 2,587,132	$ 2,559,329	$ 27,803
20	755.0	Field compressor station fuel and power	9755000	$ 995,338	$ 1,105,665	$ (110,327)
21	756.0	Field measuring and regulating station expenses	9756000	$ 309,867	$ 326,760	$ (16,894)
22	758.0	Gas well royalties	9758000	$ -	$ -	$ -
23	759.0	Other expenses	9759000	$ 65,292	$ 70,202	$ (4,910)
24	760.0	Rents	9760000	$ 18,154	$ 20,686	$ (2,532)
25		**Natural Gas Production and Gathering Operation Expense**		**$ 5,328,157**	**$ 5,392,995**	**$ (64,839)**
26	800.1	Natural gas well-head purchases - intercompany	9800100	$ -	$ -	$ -
27	801.0	Natural gas field line purchases	9801000	$ 8,981,977	$ 7,826,410	$ 1,155,566
28	803.0	Natural gas transmission line purchases	9803000	$ 240,812,116	$ 134,992,468	$ 105,819,649
29	804.0	Natural gas city gate purchases	9804000	$ 7,862,492	$ 5,025,817	$ 2,836,675
30	805.0	Other gas purchases	9805000	$ -	$ -	$ -
31	805.1	Purchase gas cost adjustments	9805100	$ 648,022	$ (54,879,713)	$ 55,527,735
32	806.0	Exchange gas	9806000	$ (126,483)	$ 389,643	$ (516,126)
33	807.1	Well expense - Purchased gas	9807100	$ -	$ -	$ -
34	807.5	Other purchases gas expense	9807500	$ -	$ -	$ -
35	808.1	Gas withdrawn from storage—Debit	9808100	$ 47,659,362	$ 62,111,716	$ (14,452,354)
36	808.2	Gas delivered to storage—Credit	9808200	$ (69,176,191)	$ (42,346,770)	$ (26,829,421)
37	810.0	Gas used for compressor station fuel—Credit	9810000	$ (2,367,113)	$ (2,465,224)	$ 98,111
38	812.0	Gas used for other utility operations—Credit	9812000	$ (744,120)	$ (1,587,218)	$ 843,098
39	813.0	Other gas supply expenses	9813000	$ 1,465,065	$ 1,381,642	$ 83,423
40		**Other Gas Supply Operation Expenses**		**$ 235,015,127**	**$ 110,448,771**	**$ 124,566,356**
41		**Total Gas Production Operation Expense**		**$ 240,343,284**	**$ 115,841,766**	**$ 124,501,517**
		Nat Gas Storage, Terminaling and Processing Operation Expenses:				
42	814.0	Operation supervision and engineering	9814000	$ 24,618	$ 37,434	$ (12,815)
43	816.0	Wells expenses	9816000	$ -	$ -	$ -
44	817.0	Lines expenses	9817000	$ 7,282	$ 7,317	$ (35)
45	818.0	Compressor station expenses	9818000	$ 1,501,805	$ 1,368,538	$ 133,267
46	819.0	Compressor station fuel and power	9819000	$ 319,428	$ 348,082	$ (28,655)
47	820.0	Measuring and regulating station expenses	9820000	$ 1,541	$ 1,492	$ 49
48	823.0	Gas losses	9823000	$ -	$ -	$ -
49	824.0	Other expenses	9824000	$ 357	$ 358	$ (1)
50	825.0	Storage wells royalties	9825000	$ 23,587	$ 24,071	$ (484)
51	826.0	Rents	9826000	$ -	$ -	$ -
52		**Underground Storage Operation Expense**		**$ 1,878,617**	**$ 1,787,292**	**$ 91,326**

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Line No	Account	Description		2025 Peples Natural Gas Company LLC	2024 Peples Natural Gas Company LLC	Difference Peples Natural Gas Company LLC
53	850.0	Operation supervision and engineering	9850000	$ 172,329	$ 262,072	$ (89,743)
54	853.0	Compressor station labor and expenses	9853000	$ 139,690	$ 160,853	$ (21,162)
55	854.0	Compressor Station Fuel	9854000	$ 1,052,348	$ 1,011,477	$ 40,871
56	856.0	Mains expenses	9856000	$ 1,794,446	$ 1,226,278	$ 568,168
57	857.0	Measuring and regulating station expenses	9857000	$ 388,664	$ 437,136	$ (48,472)
58	858.0	Transmission and compression of gas by others	9858000	$ 107,285,481	$ 103,911,019	$ 3,374,462
59	859.0	Other expenses	9859000	$ 29,853	$ 41,343	$ (11,489)
60	860.0	Rents	9860000	$ 88,343	$ 129,461	$ (41,118)
61		**Gas Transmission Operations Expense**		**$ 110,951,154**	**$ 107,179,639**	**$ 3,771,515**
62	870.0	Operation supervision and engineering	9870000	$ (3,740,688)	$ (3,077,308)	$ (663,380)
63	871.0	Distribution load dispatching	9871000	$ -	$ -	$ -
64	874.0	Mains and services expenses	9874000	$ 16,131,973	$ 16,778,816	$ (646,843)
65	875.0	Measuring and regulating station expenses—General	9875000	$ 4,313,412	$ 4,867,720	$ (554,307)
66	877.0	Measuring and regulating station expenses—City gate check stations	9877000	$ -	$ -	$ -
67	878.0	Meter and house regulator expenses	9878000	$ 8,308,537	$ 7,226,213	$ 1,082,324
68	879.0	Customer installations expenses	9879000	$ 6,537,632	$ 5,952,888	$ 584,744
69	880.0	Other expenses	9880000	$ 3,136,363	$ 3,414,187	$ (277,824)
70	881.0	Rents	9881000	$ 541,276	$ 658,599	$ (117,323)
71		**Gas Distribution Operations Expense**		**$ 35,228,506**	**$ 35,821,114**	**$ (592,609)**
72	901.0	Supervision	9901000	$ -	$ -	$ -
73	902.0	Meter reading expenses	9902000	$ 2,522,722	$ 2,588,545	$ (65,823)
74	903.0	Customer records and collection expenses	9903000	$ 21,830,873	$ 20,638,071	$ 1,192,802
75	904.0	Uncollectible accounts	9904000	$ 18,338,971	$ 16,360,870	$ 1,978,102
76		**Customer Accounts Expense**		**$ 42,692,566**	**$ 39,587,485**	**$ 3,105,081**
77	907.0	Supervision	9907000	$ 311,453	$ 263,562	$ 47,891
78	908.0	Customer assistance expenses	9908000	$ 17,324,353	$ 608,317	$ 16,716,036
79	909.0	Informational advertising expenses	9909000	$ -	$ -	$ -
80	910.0	Miscellaneous customer service expenses	9910000	$ -	$ -	$ -
81		**Customer Service and Informational Expense**		**$ 17,635,805**	**$ 871,878**	**$ 16,763,927**
82	911.0	Supervision	9911000	$ 11,980	$ 31,804	$ (19,824)
83	912.0	Demonstrating and selling expenses	9912000	$ 1,012,111	$ 882,721	$ 129,390
84	913.0	Promotional advertising expenses	9913000	$ -	$ -	$ -
85	916.0	Miscellaneous sales promotion expenses	9916000	$ -	$ -	$ -
86		**Sales Expense**		**$ 1,024,091**	**$ 914,525**	**$ 109,566**
87	920.0	Administrative and general salaries	9920000	$ 13,398,419	$ 12,429,748	$ 968,671
88	921.0	Office supplies and expenses	9921000	$ 11,363,187	$ 11,675,863	$ (312,676)
89	922.0	Administrative expenses transferred—Credit	9922000	$ (59,443,911)	$ (51,710,270)	$ (7,733,641)
90	923.0	Outside service employed	9923000	$ 34,797,139	$ 30,750,818	$ 4,046,320
91	924.0	Property insurance	9924000	$ 1,455,896	$ 1,254,125	$ 201,771
92	925.0	Injuries and damages	9925000	$ 13,190,453	$ 13,766,995	$ (576,542)
93	926.0	Employe pensions and benefits	9926000	$ 19,665,357	$ 19,884,699	$ (219,342)
94	928.0	Regulatory commission expenses	9928000	$ 1,548,299	$ 34,610	$ 1,513,689
95	930.1	Institutional or goodwill advertising expense	9930100	$ 1,874,984	$ 2,288,092	$ (413,108)
96	930.2	Miscellaneous general expense	9930200	$ 1,015,467	$ 907,084	$ 108,383
97	931.0	Rents	9931000	$ 4,999,723	$ 4,730,521	$ 269,202
98		**Administrative and General Operations Expense**		**$ 43,865,013**	**$ 46,012,286**	**$ (2,147,273)**
99		**Total Operation Expenses (401)**		**$ 493,619,036**	**$ 348,015,985**	**$ 145,603,050**

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Line No	Account	Description		2025 Peples Natural Gas Company LLC	2024 Peples Natural Gas Company LLC	Difference Peples Natural Gas Company LLC
		Maintenance Expenses (402)				
		Gas Production Maintenance Expenses				
100	762.0	Maintenance of structures and improvements	9762000	$ 42,974	$ 41,370	$ 1,604
101	763.0	Maintenance of producing gas wells	9763000	$ 696	$ 1,886	$ (1,190)
102	764.0	Maintenance of field lines	9764000	$ 4,011,462	$ 3,899,428	$ 112,033
103	765.0	Maintenance of field compressor station equipment	9765000	$ 1,788,562	$ 2,299,001	$ (510,439)
104	766.0	Maintenance of field measuring and regulating station equipment	9766000	$ 157,846	$ 152,241	$ 5,605
105	769.0	Maintenance of other equipment	9769000	$ 33,963	$ 37,594	$ (3,631)
106		**Natural Gas Production and Gathering Maintenance Expense**		**$ 6,035,503**	**$ 6,431,521**	**$ (396,018)**
107	787.0	Maintenance of pipe lines	9787000	$ -	$ -	$ -
108		**Natural Gas Production Maintenance Expense**		**$ -**	**$ -**	**$ -**
109	831.0	Maintenance of structures and improvements	9831000	$ 897	$ 1,947	$ (1,050)
110	832.0	Maintenance of reservoirs and wells	9832000	$ 668	$ 4,985	$ (4,317)
111	833.0	Maintenance of lines	9833000	$ 40,530	$ 42,165	$ (1,635)
112	834.0	Maintenance of compressor station equipment	9834000	$ 479,207	$ 746,851	$ (267,644)
113	835.0	Maintenance of measuring and regulating station equipment	9835000	$ 1,074	$ 1,100	$ (25)
	837.0	Maintenance of other equipment	9837000	$ 185	$ 190	$ (5)
115		**Underground Storage Maintenance Expense**		**$ 522,562**	**$ 797,237**	**$ (274,675)**
116	862.0	Maintenance of structures and improvements	9862000	$ 34,330	$ 36,696	$ (2,367)
117	863.0	Maintenance of mains	9863000	$ 2,567,005	$ 2,636,429	$ (69,425)
118	864.0	Maintenance of compressor station equipment	9864000	$ 144,500	$ 182,561	$ (38,062)
119	865.0	Maintenance of measuring and regulating station equipment	9865000	$ 1,271,293	$ 1,277,705	$ (6,413)
120	866.0	Maintenance of communication equipment	9866000	$ 170,164	$ 104,863	$ 65,301
	867.0	Maintenance of other equipment	9867000	$ 12,004	$ 12,428	$ (423)
122		**Gas Transmission Maintenance Expense**		**$ 4,199,295**	**$ 4,250,683**	**$ (51,388)**
123	886.0	Maintenance of structures and improvements	9886000	$ 6,381,766	$ 6,433,436	$ (51,669)
124	887.0	Maintenance of mains	9887000	$ 38,384,734	$ 36,372,156	$ 2,012,577
125	888.0	Maintenance of compressor station equipment	9888000	$ -	$ -	$ -
126	889.0	Maintenance of measuring and regulating station equipment—General	9889000	$ 2,093,882	$ 2,115,242	$ (21,359)
127	890.0	Maintenance of measuring and regulating station equipment—Industrial	9890000	$ -	$ -	$ -
128	891.0	Maintenance of measuring and regulating station equipment—City gate check station	9891000	$ -	$ -	$ -
129	892.0	Maintenance of services	9892000	$ 1,812,029	$ 2,679,391	$ (867,362)
130	893.0	Maintenance of meters and house regulators	9893000	$ 301,268	$ 329,717	$ (28,449)
131	894.0	Maintenance of other equipment	9894000	$ 571,721	$ 544,501	$ 27,220
132		**Gas Distribution Maintenance Expense**		**$ 49,545,400**	**$ 48,474,442**	**$ 1,070,958**
133	932.0	Maintenance of general plant	9932000	$ 155,338	$ 239,667	$ (84,329)
134		**Administrative and General Maintenance Expense**		**$ 155,338**	**$ 239,667**	**$ (84,329)**
135		**Total Maintenance Expenses (402)**		**$ 60,458,099**	**$ 60,193,551**	**$ 264,548**
136	403.0	Depreciation expense	9403000	$ 143,917,721	$ 122,216,853	$ 21,700,868
137		**Depreciation Expense (403)**		**$ 143,917,721**	**$ 122,216,853**	**$ 21,700,868**
138	403.1	Depreciation Expense - Asset Retirement Obligation	9403100	$ -	$ -	$ -
139		**Depreciation Expense for Asset Retirement Obligation Costs (403.1)**		**$ -**	**$ -**	**$ -**
140	404.0	Amortization expense - Utility plant	9404000	$ -	$ -	$ -
141	404.2	Amortization of underground storage land and land rights	9404200	$ -	$ -	$ -
142		**Amortortization and Depletion of Utility Plant (404-405)**		**$ -**	**$ -**	**$ -**
143	407.3	Amortization Expense - Regulatory Debits	9407300	$ -	$ -	$ -
144		**Regulatory Debits (407.3)**		**$ -**	**$ -**	**$ -**
145	408.1	Taxes other than income taxes, utility operating income	9408100	$ 9,891,350	$ 12,883,937	$ (2,992,587)
146		**Taxes Other Than Income Taxes (408.1)**		**$ 9,891,350**	**$ 12,883,937**	**$ (2,992,587)**

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Line No	Account	Description		2025 Peples Natural Gas Company LLC	2024 Peples Natural Gas Company LLC	Difference Peples Natural Gas Company LLC
147	409.1	Income taxes, utility operating income	9409100	$ 6,336,100	$ 9,519,896	$ (3,183,795)
148	410.1	Provision for deferred income taxes, utility operating income	9410100	$ 124,561,445	$ 417,490,950	$ (292,929,504)
149	411.1	Provision for deferred income taxes--Credit, utility operating income	9411100	$ (196,046,349)	$ (537,890,699)	$ 341,844,350
150	411.4	Investment tax credit adjustments, utility operations	9411400	$ -	$ -	$ -
151		**Total Operating Expenses**		**$ 642,737,402**	**$ 432,430,473**	**$ 210,306,929**
152		**NET UTILITY OPERATING INCOME**		**$ (367,495,321)**	**$ (277,306,240)**	**$ (90,189,081)**
		OTHER INCOME & DEDUCTIONS				
		Other Income:				
153	415.0	Revenues from merchandising, jobbing and contract work	9415000	$ (9,348,560)	$ (8,138,430)	$ (1,210,130)
154	416.0	Costs and expenses of merchandising, jobbing and contract work	9416000	$ 2,154,466	$ 2,041,502	$ 112,964
155	417.0	Nonutility Operations - Revenue	9417000	$ (2,875,326)	$ (5,028,329)	$ 2,153,003
156	417.1	Nonutility Operations - Expenses	9417100	$ 1,392,914	$ 2,558,108	$ (1,165,193)
157	419.0	Interest and divident income	9419000	$ (811,225)	$ (1,656,715)	$ 845,490
158	419.1	Allowance for other funds used during construction	9419100	$ (3,858,604)	$ (2,595,037)	$ (1,263,567)
159	421.0	Miscellaneous nonoperating income	9421000	$ (170,324)	$ (215,289)	$ 44,965
160	421.1	Gain on Disposition of Property	9421100	$ -	$ -	$ -
161		**Total Other Income**		**$ (13,516,659)**	**$ (13,034,190)**	**$ (482,469)**
		Other Income Deductions:				
162	421.2	Loss on Disposition of Property	9421200	$ -	$ -	$ -
163	426.1	Donations	9426100	$ 13,675	$ (142,848)	$ 156,524
164	426.3	Penalties	9426300	$ 6,750	$ 5,500	$ 1,250
165	426.4	Expenditures for certain civic, political and related activities	9426400	$ 226,380	$ 246,566	$ (20,186)
166	426.5	Other deductions	9426500	$ -	$ -	$ -
167		**Total Other Income Deductions**		**$ 246,806**	**$ 109,217**	**$ 137,588**
		Taxes Applicable to Other Income and Deductions				
168	408.2	Taxes other than income taxes, other income and deductions	9408200	$ -	$ -	$ -
169	409.2	Income taxes, other income and deductions	9409200	$ 905,136	$ 680,750	$ 224,386
170	410.2	Provision for deferred income taxes, other income and deductions	9410200	$ (63,178)	$ 3,089,139	$ (3,152,317)
171	411.2	Provision for deferred income taxes--Credit, other income and deductions	9411200	$ -	$ -	$ -
172		**Total Taxes Applicable to Other Income/Deductions**		**$ 841,957**	**$ 3,769,889**	**$ (2,927,931)**
173		**NET OTHER INCOME AND DEDUCTIONS**		**$ (12,427,896)**	**$ (9,155,084)**	**$ (3,272,812)**
		INTEREST CHARGES				
174	427.0	Interest on long-term debt	9427000	$ -	$ -	$ -
175	428.0	Amortization of Debt Discount and Expense	9428000	$ 1,218,024	$ 917,410	$ 300,614
176	430.0	Interest on debt to associated companies	9430000	$ 67,425,808	$ 52,532,648	$ 14,893,160
177	431.0	Other interest expense	9431000	$ 57,363	$ 99,139	$ (41,776)
178	432.0	Allowance for borrowed funds used during construction--Credit	9432000	$ (1,568,128)	$ (1,551,211)	$ (16,916)
179		**NET INTEREST CHARGES**		**$ 67,133,068**	**$ 51,997,987**	**$ 15,135,081**
180		**TOTAL INCOME BEFORE EXTRAORDINARY INCOME**		**$ (312,790,150)**	**$ (234,463,337)**	**$ (78,326,813)**
		EXTRAORDINARY ITEMS				
181	434.0	Extraordinary Income	9434000	$ -	$ -	$ -
182	435.0	Extraordinary deductions	9435000	$ -	$ -	$ -
183	409.3	Income taxes, extraordinary items. Net Income	9409300	$ -	$ -	$ -
184		**EXTRAORDINARY ITEMS AFTER TAXES**		**$ -**	**$ -**	**$ -**
185		**NET INCOME (LOSS)**		**$ (312,790,150)**	**$ (234,463,337)**	**$ (78,326,813)**

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Variance Explanations:	Variance Amounts
OPERATING REVENUES	
Residential Sales (480)	$ (208,143,786)
Residential Sales increased primarily due to a 26.8% increase in heating degree days as well as implementation of the changes from the 2023 rate case.	
Commercial and Industrial Sales (481)	$ (38,731,724)
Commercial and Industrial Sales increased primarily due to a 26.8% increase in heating degree days as well as implementation of the changes from the 2023 rate case.	
Sales for Resale (483)	$ (2,031,615)
The year ended November 30, 2025 had lower transportation pooling imbalance fees from lower cash outs compared to the year ended November 30, 2024, resulting in lower Sales for Resale revenue Peoples Natural Gas Company LLC.	
OTHER OPERATING REVENUES	
Revenues From Transportation of Others Through Distribution Facilities (489.3)	$ (43,856,275)
Revenues From Transportation of Others Through Distribution Facilities increased primarily due to a 26.8% increase in heating degree days as well as implementation of the changes from the 2023 rate case.	
Other (487, 488, 489.1, 489.4, 493, 495, 496)	$ (7,732,610)
Peoples Natural Gas Company LLC had increases in late payment charges (487), slight increased revenue from transportation of gas through gathering facilities for local production (489.1), increased Other Gas Revenues (495), primarily due to higher off system sales, and increases due to Provision for Rate Refunds (496).Other changes were not significant.	
OPERATIONS AND MAINTENANCE EXPENSE	
Natural Gas Production Operations Expense (750-760) - Not Significant	$ (64,839)
Other Gas Supply Operation Expense Operating Expense (800.1-813 and 858)	$ 127,940,818
Peoples Natural Gas Company LLC gas purchases increased primarily due to an increase in average price and an increase in volume purchased.	
Underground Storage Operation Expense (814-826) - Not Significant	$ 91,326
Gas Transmission Operations Expense (850-860 - excluding 858)	$ 397,053
Increase in Gas Transmission Operations Expense, excluding Transmission and Compression costs (858) included with gas supply costs, was primarily due to increases Mains Expenses in. All other changes to Gas Transmission Operations Expense were non-significant.	
Gas Distribution Operations Expense (870-881)	$ (592,609)
Peoples Natural Gas Company LLC's Gas Distribution Operations Expense decreased due to; Supervision and Engineering Expense (870), Mains and Service Expense (874), Meas/Reg Sta Expense (875), Other Expenses (880), and Rent Expesne (881) decreasing. Meter/ House Reg Expense (878) and Customer Installation Expense (879) increased lowering the overall decrease.	
Customer Accounts Expense (901-904)	$ 3,105,081
Combined Customer Accounts Expense variance year over year had an overall increase due to an increase in Customer Records & Collections (903) and Uncollectible Accounts (904).	

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Variance Explanations:		Variance Amounts
Customer Service and Informational Expense (907-910)	$	16,763,927
Customer Service and Informational Expense increased due to a large increase in Customer Assistance Expense (908). Other expense variances were not significant		
Sales Expense (911 - 916) - Not Significant	$	109,566
Administrative and General Operations Expense (920-931)	$	(2,147,273)
Administrative and General (A&G) Operations Expense decreased in Administrative and General Admin Expense Transferred (922), decreased in General Advertising Expenses (930.1), and lower insurance claims (925). These were partially offset by increases in Outside Services Employed (923) due to challenges in filling open positions and higher salaries expense (920).		
Natural Gas Production and Gathering Maintenance Expense (762-769)	$	(396,018)
Natural Gas Production and Gathering Maintenance Expense decreased due to a decrease in Field Compressor Station expenses (765), which was offset by an increase in Field Lines Expenses (764). Other expense variances were not significant.		
Underground Storage Maintenance Expense (831-837)	$	(274,675)
Underground Storage Maintenance Expense decreased due to a decrease in Compressor Station Equipment Expense (834). Other expense variances were not significant.		
Gas Transmission Maintenance Expense (862-867) - Not Significant	$	(51,388)
Gas Distribution Maintenance Expense (886-894)	$	1,070,958
Gas Distribution Maintenance Expenses increased due to an increase in Mains Maintenance Expense (887) offset by a decrease in Services Maintenance Expense (892). Other expense variances were not significant.		
Administrative and General Maintenance Expense (932) - Not significant	$	(84,329)
Depreciation Expense (403)	$	21,700,868
Depreciation Expense combined and at both divisions increased due to incremental additons to capital plant, primarily in mainline replacement categories, as well as higher depreciation rates effective October 2024.		
Amortization and Depletion of Utility Plant (404-405)	$	-
Amortization Expense - Regulatory Debits (407.3) - Not significant	$	-
Taxes Other Than Income Taxes (408.1)	$	(2,992,587)
Taxes Other Than Income Taxes decreased due to a decrease in sales and use tax, offset by increases in the PUC Assessment Fee. Other expense variances were not significant.		
Income Taxes - Utility Operating Income (409.1)	$	(3,183,795)
Fluctuations resulting from changes in pre-tax book income, tax versus book timing differences and differences in the units of property deduction.		
Provision for Deferred Income Taxes - Utility Operating Income (410.1)	$	(292,929,504)
Fluctuations resulting from changes in pre-tax book income, tax versus book timing differences and differences in the units of property deduction.		

Peoples Natural Gas Company LLC
Attachment 1: 53.53 III.A.18
Comparative Income Statement
Twelve Months Ended November 30:

Variance Explanations:	Variance Amounts
Provision for Deferred Income Taxes-Credit, Utility Operating Income (411.1)	$ 341,844,350
Fluctuations resulting from changes in pre-tax book income, tax versus book timing differences and differences in the units of property deduction.	
OTHER INCOME & DEDUCTIONS	
Other Income (415 - 421.1)	$ (482,469)
Other Income increased due to an increase in Revenues from Merchandising, Jobbing, and Contract Work (415) partially offset by an increase in Costs and Expenses of Merchandising (416); a decrease in Nonutility Operations Revenue (417), partially offset by a decrease in Nonutility Operations Expenses (417.1); a decrease in Interest & Dividend Income (419); an increase in Allowance for Other Funds Used During Construction (419.1). Other variances were no significant.	
Other Income Deductions (421.2 - 426.5) - Not Significant	$ 137,588
Taxes Applicable to Other Income and Deductions (408.2, 409.2, 410.2 and 411.2)	$ (2,927,931)
Taxes Applicable to Other Income and Deductions decreased due to a decrease in the Provision for Deferred Income Taxes (410.2), partially offset by an increase in Income Taxes - Other Income and Deductions (409.2).	
INTEREST CHARGES	
Net Interest Charges (427-432)	$ 15,135,081
Net Interest Charges increased due to an increase in interest expense due to additional borrowings	

Peoples Natural Gas Company LLC

§ 53.53.III.A

42. If a company has separate operating divisions, an income statement must be shown for each division, plus an income statement for company as a whole.

* *

There are no separate operating divisions for Peoples Natural Gas Company LLC. Refer to Exhibit 2, Schedule No. 4 (53.53.III.A.17) for the operating income statement for the 12-month period ending November 30, 2025.

Peoples Natural Gas Company LLC

§ 53.53.III.A

43. If a company's business extends into different states or jurisdictions, then statements must be shown listing Pennsylvania jurisdictional data, other state data and federal data separately and jointly (Balance sheets and operating accounts).

* *

None.

Peoples Natural Gas Company LLC

§ 53.53.III.E

16. If revenue accruing entries are made on the books at end of each fiscal period, give entries made accordingly at the end of the test year and at the beginning of the year. State whether they are reversed for ratemaking purposes.

* *

The entries are provided below. These are reversed for ratemaking purposes.

Peoples Natural Gas Company LLC	
Retail Sales	
November 2024 Unbilled reversed in December 2024	$ (46,038,938)
November 2024 Estimates reversed in December 2024	$ (181,957)
Unbilled booked November 2025	$ 61,092,158
Estimates booked November 2025	$ 283,286
Transportation	
November 2024 Unbilled reversed in December 2024	$ (10,135,354)
November 2024 Estimates reversed in December 2024	$ (3,652,133)
Unbilled booked November 2025	$ 11,548,428
Estimates booked November 2025	$ 4,927,673

Peoples Natural Gas Company LLC

§ 53.53.III.E

21. If a gas company is affiliated with another utility segment, such as a water or electric segment, explain the effects, if any, upon allocation factors used in the gas rate filing of current or recent rate increases allowed to the other utility segment (or segments) of the company.

* *

Not Applicable.

Peoples Natural Gas Company LLC

§ 53.52(a)

2. The total number of customers served by the utility.

* *

The total number of customers served by the utility as of November 30, 2025 was 704,726.

Peoples Natural Gas Company LLC

§ 53.52(a)

3. A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment O.

Peoples Natural Gas Company LLC

§ 53.52(a)

4. The effect of the change on the utility's customers.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment A, Page 3

Peoples Natural Gas Company LLC

§ 53.52(b)

3. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment O

Peoples Natural Gas Company LLC

§ 53.52(b)

4. A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

* *

For the calculation of the total changes, in dollars, for the twelve months ended December 31, 2027 projected to an annual basis, see Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment O.

Peoples Natural Gas Company LLC

§ 53.52(b)

5. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment O.

Peoples Natural Gas Company LLC

§ 53.52(b)

6. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

* *

For the calculation of the total changes, in dollars, for the twelve months ended December 31, 2027 projected to an annual basis, see Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment O.

Peoples Natural Gas Company LLC

§ 53.53.III.E

4. Provide detailed calculations substantiating the adjustment to revenues for annualization of changes in number of customers and annualization of changes in volume sold for all customers for the test year.

    a. Break down changes in number of customers by rate schedules.

    b. If an annualization adjustment for changes in customers and changes in volume sold is not submitted, please explain.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachments F and G.

Peoples Natural Gas Company LLC

§ 53.53.III.E

6. Supply, by classification, Operating Revenues—Miscellaneous for test year.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment C.

Peoples Natural Gas Company LLC
§ 53.53 III.E

8. Describe how the *net* billing and *gross* billing is determined. For example, if the *net* billing is based on the rate blocks plus FCA and STA, and the *gross* billing is determined by a percentage increase (1, 3 or 5 percent), then state whether the percentage increase is being applied to all three items of revenue—rate blocks plus FCA and STA.

* *

The Company does not have a provision for gross and net billing in its tariff.

Peoples Natural Gas Company LLC

§ 53.53.III.E

9. Describe the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing.

* *

Per the Company's current tariff, below are the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing. The Company's proposed tariff is located in Exhibit 14, Schedule 1 (53.53.IV.B.6).

- If a Residential or Commercial customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one-half percent (1.5%) per month will accrue on the portion of the bill that is unpaid on the due date, excluding any unpaid late-payment charges. Late payment charges will not be applied to Residential CAP customers during participation in the CAP Program.

- If an Industrial customer fails to pay the full amount of any bill a delayed payment penalty charge of two percent (2%) per month will accrue on the portion of the bill that is unpaid on the due date, excluding any unpaid late payment charges.

Peoples Natural Gas Company LLC

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10. Provide annualization of revenues as a result of rate changes occurring during the test year, at the level of operations as of end of the test year.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment C.

Peoples Natural Gas Company LLC

§ 53.53.III.E

11. Provide a detailed billing analysis supporting present and proposed rates by customer classification and/or tariff rate schedule.

* *

See Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachments A through O.

Peoples Natural Gas Company LLC
§ 53.53 III.E

13. Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Also, provide an explanation of any change in block structure and the reasons therefor.

* *

Refer to Attachment A.

	Present Customer Charge	Present Gas Cost	Present Delivery	Present Rider STAS	Present Rider MFC	Present Rider SC	Present Rider USP	Present Rider GPC	Present Rider DSIC	Present Rider TRS	Total w/Riders	Increase/ Decrease $/Mcf	Proposed Customer Charge	Proposed Gas Cost	Proposed Delivery	Proposed Rider MFC	Proposed Rider SC	Proposed Rider USP	Proposed Rider GPC	Proposed Rider TRS	Total Proposed w/Riders	Total % Change
Retail																						
Residential																						
Customer Charge	$16.8000					$0.0036			$0.8400	($0.1033)	$17.5403	$8.3600	$26.0000				$0.0036			($0.1033)	$25.9003	48%
Consumption Charge		$7.7219	$5.3537	$0.0037	$0.1699		$1.0955	$0.0865	$0.3353	($0.0329)	$14.7336	($0.1558)		$7.7219	$6.6359	$0.1490		$0.0054	$0.0984	($0.0329)	$14.5777	-1%
CAP Customer Charge	$16.8000								$0.8400		$17.6400	$8.3636	$26.0000				$0.0036			$0.0000	$26.0036	47%
CAP Consumption Charge		$7.7219	$5.3537	$0.0037	$0.1699			$0.0865	$0.2003		$13.5360	$1.0693		$7.7219	$6.6359	$0.1490		$0.0000	$0.0984	$0.0000	$14.6052	8%
Commercial SGS																						
Customer Charge 0-499 Mcf/Yr	$22.0000					$0.0036			$1.1000	($0.1352)	$22.9684	$9.0400	$32.1400				$0.0036			($0.1352)	$32.0084	39%
Customer Charge 500-999.9 Mcf/Yr	$44.0000					$0.0036			$2.2000	($0.2704)	$45.9332	$18.0800	$64.2800				$0.0036			($0.2704)	$64.0132	39%
Consumption Charges		$7.7219	$3.9844	$0.0028	$0.0256			$0.0865	$0.2048	($0.0245)	$12.0015	$1.5365		$7.7219	$5.7095	$0.0327			$0.0984	($0.0245)	$13.5380	13%
Commercial MGS																						
Customer Charge 1,000 - 2,499 Mcf/Yr	$101.0000								$5.0500	($0.6207)	$105.4293	$3.9500	$110.0000				$0.0000			($0.6207)	$109.3793	4%
Customer Charge 2,500 - 24,999 Mcf/Yr	$145.0000								$7.2500	($0.8912)	$151.3588	$5.7500	$158.0000				$0.0000			($0.8912)	$157.1088	4%
Consumption Charges		$7.7219	$3.6941	$0.0026	$0.0256			$0.0865	$0.1903	($0.0227)	$11.6983	$1.3392		$7.7219	$5.2072	$0.0327			$0.0984	($0.0227)	$13.0375	11%
Commercial LGS																						
Customer Charge 25,000 - 49,999 Mcf/Yr	$940.0000								$47.0000	($5.7772)	$981.2228	$0.0000	$987.0000							($5.7772)	$981.2228	0%
Customer Charge 25,000 - 49,999 Mcf/Yr	$940.0000								$47.0000	($5.7772)	$981.2228	$0.0000	$987.0000							($5.7772)	$981.2228	0%
Customer Charge 50,000 - 99,999 Mcf/Yr	$1,465.0000								$73.2500	($9.0039)	$1,529.2461	($0.2500)	$1,538.0000							($9.0039)	$1,528.9961	0%
Customer Charge 100,000 - 199,999 Mcf/Yr	$2,130.0000								$106.5000	($13.0910)	$2,223.4090	$0.5000	$2,237.0000							($13.0910)	$2,223.9090	0%
Customer Charge > 200,000 Mcf/Yr	$5,630.0000								$281.5000	($34.6020)	$5,876.8980	$0.5000	$5,912.0000							($34.6020)	$5,877.3980	0%
Consumption Charges 25,000 - 49,999 Mcf/Yr		$7.7219	$2.6360	$0.0018	$0.0256			$0.0865	$0.1374	($0.0162)	$10.5930	$0.1888		$7.7219	$2.9451	$0.0327			$0.0984	($0.0162)	$10.7819	2%
Consumption Charges 50,000 - 99,999 Mcf/Yr		$7.7219	$2.5519	$0.0018	$0.0256			$0.0865	$0.1332	($0.0157)	$10.5052	$0.1833		$7.7219	$2.8512	$0.0327			$0.0984	($0.0157)	$10.6885	2%
Consumption Charges 100,000 - 199,999 Mcf/Yr		$7.7219	$2.4335	$0.0017	$0.0256			$0.0865	$0.1273	($0.0150)	$10.3815	$0.1754		$7.7219	$2.7189	$0.0327			$0.0984	($0.0150)	$10.5569	2%
Consumption Charges 200,000 - 749,999 Mcf/Yr		$7.7219	$2.1937	$0.0015	$0.0256			$0.0865	$0.1153	($0.0135)	$10.1310	$0.1594		$7.7219	$2.4509	$0.0327			$0.0984	($0.0135)	$10.2904	2%
Consumption Charges 750,000 - 1,999,999 Mcf/Yr		$7.7219	$1.9097	$0.0013	$0.0256			$0.0865	$0.1011	($0.0117)	$9.8344	$0.1405		$7.7219	$2.1336	$0.0327			$0.0984	($0.0117)	$9.9748	1%
Consumption Charges > 2,000,000 Mcf/Yr		$7.7219	$1.4431	$0.0010	$0.0256			$0.0865	$0.0778	($0.0089)	$9.3470	$0.1094		$7.7219	$1.6123	$0.0327			$0.0984	($0.0089)	$9.4564	1%
Industrial SGS																						
Customer Charge 0-499 Mcf/Yr	$22.0000					$0.0036			$1.1000	($0.1352)	$22.9684	$9.0400	$32.1400				$0.0036			($0.1352)	$32.0084	39%
Customer Charge 500-999.9 Mcf/Yr	$44.0000					$0.0036			$2.2000	($0.2704)	$45.9332	$18.0800	$64.2800				$0.0036			($0.2704)	$64.0132	39%
Consumption Charges		$7.7219	$3.9844	$0.0028	$0.0256			$0.0865	$0.2048	($0.0245)	$12.0015	$1.5365		$7.7219	$5.7095	$0.0327			$0.0984	($0.0245)	$13.5380	13%
Industrial MGS																						
Customer Charge 1,000 - 2,499 Mcf/Yr	$101.0000								$5.0500	($0.6207)	$105.4293	$3.9500	$110.0000							($0.6207)	$109.3793	4%
Customer Charge 2,500 - 24,999 Mcf/Yr	$145.0000								$7.2500	($0.8912)	$151.3588	$5.7500	$158.0000							($0.8912)	$157.1088	4%
Consumption Charges		$7.7219	$3.6941	$0.0026	$0.0256			$0.0865	$0.1903	($0.0227)	$11.6983	$1.3392		$7.7219	$5.2072	$0.0327			$0.0984	($0.0227)	$13.0375	11%
Industrial LGS																						
Customer Charge 25,000 - 49,999 Mcf/Yr	$940.0000								$47.0000	($5.7772)	$981.2228	$0.0000	$987.0000							($5.7772)	$981.2228	0%
Customer Charge 25,000 - 49,999 Mcf/Yr	$940.0000								$47.0000	($5.7772)	$981.2228	$0.0000	$987.0000							($5.7772)	$981.2228	0%
Customer Charge 50,000 - 99,999 Mcf/Yr	$1,465.0000								$73.2500	($9.0039)	$1,529.2461	($0.2500)	$1,538.0000							($9.0039)	$1,528.9961	0%
Customer Charge 100,000 - 199,999 Mcf/Yr	$2,130.0000								$106.5000	($13.0910)	$2,223.4090	$0.5000	$2,237.0000							($13.0910)	$2,223.9090	0%
Customer Charge over 200,000 Mcf/Yr	$5,630.0000								$281.5000	($34.6020)	$5,876.8980	$0.5000	$5,912.0000							($34.6020)	$5,877.3980	0%
Consumption Charges 25,000 - 49,999 Mcf/Yr		$7.7219	$2.6360	$0.0018	$0.0256			$0.0865	$0.1374	($0.0162)	$10.5930	$0.1888		$7.7219	$2.9451	$0.0327			$0.0984	($0.0162)	$10.7819	2%
Consumption Charges 50,000 - 99,999 Mcf/Yr		$7.7219	$2.5519	$0.0018	$0.0256			$0.0865	$0.1332	($0.0157)	$10.5052	$0.1833		$7.7219	$2.8512	$0.0327			$0.0984	($0.0157)	$10.6885	2%
Consumption Charges 100,000 - 199,999 Mcf/Yr		$7.7219	$2.4335	$0.0017	$0.0256			$0.0865	$0.1273	($0.0150)	$10.3815	$0.1754		$7.7219	$2.7189	$0.0327			$0.0984	($0.0150)	$10.5569	2%
Consumption Charges 200,000 - 749,999 Mcf/Yr		$7.7219	$2.1937	$0.0015	$0.0256			$0.0865	$0.1153	($0.0135)	$10.1310	$0.1594		$7.7219	$2.4509	$0.0327			$0.0984	($0.0135)	$10.2904	2%
Consumption Charges 750,000 - 1,999,999 Mcf/Yr		$7.7219	$1.9097	$0.0013	$0.0256			$0.0865	$0.1011	($0.0117)	$9.8344	$0.1405		$7.7219	$2.1336	$0.0327			$0.0984	($0.0117)	$9.9748	1%
Consumption Charges > 2,000,000 Mcf/Yr		$7.7219	$1.4431	$0.0010	$0.0256			$0.0865	$0.0778	($0.0089)	$9.3470	$0.1094		$7.7219	$1.6123	$0.0327			$0.0984	($0.0089)	$9.4564	1%

Transport	Previous Rate	Present Customer Charge	Present Gas Cost	Present Delivery	Present Rider STAS	Present Rider MFC	Present Rider SC	Present Rider USP	Present Rider GPC	Present Rider DSIC	Present Rider TRS	Total w/Riders	Increase/ Decrease $/Mcf	Proposed Customer Charge	Proposed Gas Cost	Proposed Delivery	Proposed Rider MFC	Proposed Rider SC	Proposed Rider USP	Proposed Rider GPC	Proposed Rider TRS	Total Proposed w/Riders	Total % Change
Residential																							
Customer Charge		$16.8000					$0.0036			$0.8400	($0.1033)	$17.5403	$8.3600	$26.0000				$0.0036			($0.1033)	$25.9003	48%
Consumption Charge			$1.8641	$1.0955	$0.0037	$0.0410		$1.0955	$0.0000	$0.3245	($0.0329)	$4.3914	$4.1171		$1.8641	$6.6359	$0.0360		$0.0054	$0.0000	($0.0329)	$8.5085	94%
Commercial SGS																							
Customer Charge 0-499 Mcf/Yr	GS-T Commercial SGS-1	$22.0000					$0.0036			$1.1000	($0.1352)	$22.9684	$9.0400	$32.1400				$0.0036			($0.1352)	$32.0084	39%
Customer Charge 500-999.9 Mcf/Yr	GS-T Commercial SGS-2	$44.0000					$0.0036			$2.2000	($0.2704)	$45.9332	$18.0800	$64.2800				$0.0036			($0.2704)	$64.0132	39%
Consumption Charges	GS-T Commercial SGS		$0.8300	$3.9844	$0.0028					$0.1992	($0.0245)	$4.9919	$1.5231		$0.8300	$5.7095	$0.0000			$0.0000	($0.0245)	$6.5150	31%
Neg. Consumption Charges	GS-T Commercial SGS		$0.8300	$0.1878	$0.0028					$0.1992	$0.0000	$1.2198	($0.2798)		$0.8300	$0.1100						$0.9400	-23%
Commercial MGS																							
Customer Charge 1,000 - 2,499 Mcf/Yr	GS-T Commercial MGS-1	$101.0000								$5.0500	($0.6207)	$105.4293	$3.9500	$110.0000				$0.0000			($0.6207)	$109.3793	4%
Customer Charge 2,500 - 24,999 Mcf/Yr	GS-T Commercial MGS-2	$145.0000								$7.2500	($0.8912)	$151.3588	$5.7500	$158.0000				$0.0000			($0.8912)	$157.1088	4%
Consumption Charges	GS-T Commercial MGS		$0.8300	$3.6941	$0.0028					$0.1847	($0.0227)	$4.6889	$1.3256		$0.8300	$5.2072	$0.0000			$0.0000	($0.0227)	$6.0145	28%
Neg. Consumption Charges	GS-T Commercial MGS		$0.8300	$0.6738	$0.0028					$0.1847	$0.0000	$1.6913	($0.2421)		$0.8300	$0.6192						$1.4492	-14%
Commercial LGS																							
Customer Charge 25,000 - 49,999 Mcf/Yr	Commercial LGS - 1	$940.0000								$47.0000	($5.7772)	$981.2228	$0.0000	$987.0000							($5.7772)	$981.2228	0%
Customer Charge 50,000 - 99,999 Mcf/Yr	Commercial LGS - 1	$1,465.0000								$73.2500	($9.0039)	$1,529.2461	($0.2500)	$1,538.0000							($9.0039)	$1,528.9961	0%
Customer Charge 50,000 - 99,999 Mcf/Yr	Commercial LGS - 2	$1,465.0000								$73.2500	($9.0039)	$1,529.2461	($0.2500)	$1,538.0000							($9.0039)	$1,528.9961	0%
Customer Charge 100,000 - 199,999 Mcf/Yr	Commercial LGS - 2	$2,130.0000								$106.5000	($13.0910)	$2,223.4090	$0.5000	$2,237.0000							($13.0910)	$2,223.9090	0%
Customer Charge 100,000 - 199,999 Mcf/Yr	Commercial LGS - 3	$2,130.0000								$106.5000	($13.0910)	$2,223.4090	$0.5000	$2,237.0000							($13.0910)	$2,223.9090	0%
Customer Charge > 200,000 Mcf/Yr	Commercial LGS - 4	$5,630.0000								$281.5000	($34.6020)	$5,876.8980	$0.5000	$5,912.0000							($34.6020)	$5,877.3980	0%
Consumption Charges 25,000 - 49,999 Mcf/Yr	GST - T Com LGS		$0.1740	$2.6360	$0.0018					$0.1318	($0.0162)	$2.9274	$0.1755		$0.1740	$2.9451	$0.0000			$0.0000	($0.0162)	$3.1029	6%
Consumption Charges 50,000 - 99,999 Mcf/Yr	GST - T Com LGS		$0.1740	$2.5519	$0.0018					$0.1276	($0.0157)	$2.8396	$0.1699		$0.1740	$2.8512	$0.0000			$0.0000	($0.0157)	$3.0095	6%
Consumption Charges 100,000 - 199,999 Mcf/Yr	GST - T Com LGS		$0.1740	$2.4335	$0.0017					$0.1217	($0.0150)	$2.7159	$0.1620		$0.1740	$2.7189	$0.0000			$0.0000	($0.0150)	$2.8779	6%
Consumption Charges 200,000 - 749,999 Mcf/Yr	GST - T Com LGS		$0.1740	$2.1937	$0.0015					$0.1097	($0.0135)	$2.4654	$0.1460		$0.1740	$2.4509	$0.0000			$0.0000	($0.0135)	$2.6114	6%
Consumption Charges 750,000 - 1,999,999 Mcf/Yr	GST - T Com LGS		$0.1740	$1.9097	$0.0013					$0.0955	($0.0117)	$2.1688	$0.1271		$0.1740	$2.1336	$0.0000			$0.0000	($0.0117)	$2.2959	6%
Consumption Charges > 2,000,000 Mcf/Yr	GST - T Com LGS		$0.1740	$1.4431	$0.0010					$0.0722	($0.0089)	$1.6814	$0.0960		$0.1740	$1.6123	$0.0000			$0.0000	($0.0089)	$1.7774	6%
Neg. Consumption Charges	GST - T Com LGS		$0.1740	$1.1747	$0.0010					$0.0722	$0.0000	$1.4219	$1.0900		$0.1740	$2.3379						$2.5119	77%
Industrial SGS																							
Customer Charge 0-499 Mcf/Yr	GS-T Industrial SGS - 1	$22.0000					$0.0036			$0.7854	($0.1352)	$22.6538	$9.3646	$32.1500				$0.0036			($0.1352)	$32.0184	41%
Customer Charge 500-999.9 Mcf/Yr	GS-T Industrial SGS - 2	$44.0000					$0.0036			$1.5708	($0.2704)	$45.3040	$18.7192	$64.2900				$0.0036			($0.2704)	$64.0232	41%
Consumption Charges	GS-T Industrial SGS		$0.8300	$3.9844	$0.0028					$0.1422	($0.0245)	$4.9349	$1.5892		$0.8300	$5.7186	$0.0000			$0.0000	($0.0245)	$6.5241	32%
Neg. Consumption Charges	GS-T Industrial SGS		$0.8300	$0.0900	$0.0028					$0.1422	$0.0000	$1.0651	($0.1415)		$0.8300	$0.0936						$0.9236	-13%
Industrial MGS																							
Customer Charge 1,000 - 2,499 Mcf/Yr	GS-T Industrial MGS - 1	$101.0000								$3.6057	($0.6207)	$103.9850	$5.3943	$110.0000							($0.6207)	$109.3793	5%
Customer Charge 2,500 - 24,999 Mcf/Yr	GS-T Industrial MGS - 2	$145.0000								$5.1765	($0.8912)	$149.2853	$7.8235	$158.0000							($0.8912)	$157.1088	5%
Consumption Charges	GS-T Industrial MGS		$0.8300	$3.6941	$0.0026					$0.1319	($0.0227)	$4.6359	$1.3786		$0.8300	$5.2072	$0.0000			$0.0000	($0.0227)	$6.0145	30%
Neg. Consumption Charges	GS-T Industrial MGS		$0.8300	$0.2990	$0.0026					$0.1319	$0.0000	$1.2635	($0.1345)		$0.8300	$0.2990						$1.1290	-11%
Industrial LGS																							
Customer Charge 25,000 - 49,999 Mcf/Yr	GS-T Industrial LGS - 1	$940.0000								$33.5580	($5.7772)	$967.7808	$13.4420	$987.0000							($5.7772)	$981.2228	1%
Customer Charge 25,000 - 49,999 Mcf/Yr	GS-T Industrial LGS - 2	$940.0000								$33.5580	($5.7772)	$967.7808	$13.4420	$987.0000							($5.7772)	$981.2228	1%
Customer Charge 50,000 - 99,999 Mcf/Yr	GS-T Industrial LGS - 2	$1,465.0000								$52.3005	($9.0039)	$1,508.2966	$20.6995	$1,538.0000							($9.0039)	$1,528.9961	1%
Customer Charge 50,000 - 99,999 Mcf/Yr	GS-T Industrial LGS - 3	$1,465.0000								$52.3005	($9.0039)	$1,508.2966	$719.6995	$2,237.0000							($9.0039)	$2,227.9961	48%
Customer Charge 100,000 - 199,999 Mcf/Yr	GS-T Industrial LGS - 3	$2,130.0000								$76.0410	($13.0910)	$2,192.9500	$30.9590	$2,237.0000							($13.0910)	$2,223.9090	1%
Customer Charge 100,000 - 199,999 Mcf/Yr	GS-T Industrial LGS - 4	$2,130.0000								$76.0410	($13.0910)	$2,192.9500	$3,705.9590	$5,912.0000							($13.0910)	$5,898.9090	169%
Customer Charge > 200,000 Mcf/Yr	GS-T Industrial LGS - 4	$5,630.0000								$200.9910	($34.6020)	$5,796.3890	$81.0090	$5,912.0000							($34.6020)	$5,877.3980	1%
Consumption Charges 25,000 - 49,999 Mcf/Yr	GST - T Ind LGS		$0.1740	$2.6360	$0.0018					$0.0941	($0.0162)	$2.8897	$0.2131		$0.1740	$2.9451	$0.0000			$0.0000	($0.0162)	$3.1029	7%
Consumption Charges 50,000 - 99,999 Mcf/Yr	GST - T Ind LGS		$0.1740	$2.5519	$0.0018					$0.0911	($0.0157)	$2.8031	$0.2064		$0.1740	$2.8512	$0.0000			$0.0000	($0.0157)	$3.0095	7%
Consumption Charges 100,000 - 199,999 Mcf/Yr	GST - T Ind LGS		$0.1740	*$ 2.2269*	*$ 0.0016*					*$ 0.0740*	*$ (0.0137)*	$2.4628	$0.4152		$0.1740	$2.7189	$0.0000			$0.0000	($0.0150)	$2.8779	17%
Consumption Charges 200,000 - 749,999 Mcf/Yr	GST - T Ind LGS		$0.1740	*$ 2.0083*	*$ 0.0014*					*$ 0.0674*	*$ (0.0123)*	$2.2388	$0.3727		$0.1740	$2.4509	$0.0000			$0.0000	($0.0135)	$2.6114	17%
Consumption Charges 750,000 - 1,999,999 Mcf/Yr	GST - T Ind LGS		$0.1740	$1.9097	$0.0013					$0.0682	($0.0117)	$2.1415	$0.1544		$0.1740	$2.1336	$0.0000			$0.0000	($0.0117)	$2.2959	7%
Consumption Charges > 2,000,000 Mcf/Yr	GST - T Ind LGS		$0.1740	$1.4431	$0.0010					$0.0515	($0.0089)	$1.6608	$0.1167		$0.1740	$1.6123	$0.0000			$0.0000	($0.0089)	$1.7774	7%
Neg. Consumption Charges	GST - T Ind LGS		$0.1740	$0.2730	$0.0010					$0.0515	$0.0000	$0.4996	($0.0621)		$0.1740	$0.2634					$0.0000	$0.4374	-12%

Using blended rate to account for Transitional Rates; Negotiated Customers netted out

Peoples Natural Gas Company LLC

§ 53.53.III.E

14. Provide the following statements and schedules. The schedules and statements for the test year portion should be reconciled with the summary operating statement.

a. An operating revenues summary for the test year and the year preceding the test year showing the following (Gas MCF):

i. For each major classification of customers
a. MCF sales
b. Dollar Revenues
c. Forfeited Discounts (Total if not available by classification)
d. Other and Miscellaneous revenues that are to be taken into the utility operating account along with their related costs and expenses.
ii. A detailed explanation of all annualizing and normalizing adjustments showing method utilized and amounts and rates used in calculation to arrive at adjustment.
iii. Segregate, from recorded revenues from the test year, the amount of revenues that are contained therein, by appropriate revenue categories, from:
a. Fuel Adjustment Surcharge
b. State Tax Surcharge
c. Any other surcharge being used to collect revenues.
d. Provide explanations if any of the surcharges are not applicable to respondent's operations.

[The schedule should also show number of customers and unit of sales (Mcf), and should provide number of customers by service classification at beginning and end of test year.]

b. Provide details of sales for resale, based on periods five years before and projections for five years after the test year, and for the test year. List customers, Mcf sold, revenues received, source of Mcf sold (storage gas, pipeline gas, manufactured gas, natural or synthetic), contracted or spot sales, whether sales are to affiliated companies, and any other pertinent information.

* *

(a) (i) (iii) Refer to Attachment C, Page 1 for a summary of operating revenues for the test year and the year preceding.

(a) (ii) Please refer to the testimony of Dawn Folks for explanation of all annualizing and normalizing adjustments. Also refer to Attachments A-O for adjustment details.

(b) Peoples does not make any sales for resale to other utilities. The amount recorded as sales for resale reflects imbalance sales to pools operating on Peoples' system under Rate NP-1 and Rate P-1. These amounts are reflected as gas cost revenues through Peoples' 1307(f) mechanism and do not include any non-gas recoveries.

Peoples Natural Gas Company LLC
Revenue at Current Rates
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Revenue @ Current Rates
		(1)	(2)	(3)
			Mcf	$
		(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*
1	**Tariff Sales by Rate Class**			
2	Residential	6,896,627	49,274,074	822,360,393
3	SGS	463,404	7,102,748	96,698,778
4	MGS	20,833	3,589,984	44,392,384
5	LGS	149	332,586	3,675,329
6	Total Tariff Sales	7,381,013	60,299,391	967,126,884
7	**Transportation by Rate Class**			
8	Residential	894,582	6,546,709	72,317,737
9	SGS	122,154	3,066,503	18,632,999
10	MGS	38,991	12,445,565	62,837,921
11	LGS	2,717	50,314,135	76,875,687
12	Total Transporation	1,058,444	72,372,913	230,664,345
13	**Summary by Rate Class**			
14	Residential	7,791,209	55,820,783	894,678,130
15	SGS	585,558	10,169,251	115,331,777
16	MGS	59,824	16,035,549	107,230,306
17	LGS	2,866	50,646,721	80,551,016
18	Total by Rate Class	8,439,457	132,672,304	1,197,791,229
19	**Other Operating Revenue**			
20	483 - Sales for Resale			36,073
21	487 - Forfeited Discounts			7,097,201
22	488 - Miscellaneous Service Revenues			1,125,013
23	489.1 - Revs from Transp of Gas of Others thru Gath Fac.			8,428,368
24	493 - Rent from Gas Property			219,899
25	495 - Other Gas Revenues			238,642
26	496 - Provision for Rate Refunds			-
27	Total Other Operating Revenue			17,145,196
28	**Overall Total**	**8,439,457**	**132,672,304**	**1,214,936,425**

Peoples Natural Gas Company LLC
Forecasted Revenue at Current Rates
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Revenue @ Current Rates
		(1)	(2)	(3)
			Mcf	$
		(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*
1	**Tariff Sales by Rate Class**			
2	Residential	6,977,548	50,080,681	805,390,523
3	SGS	460,996	7,065,958	96,196,567
4	MGS	20,808	3,585,821	44,343,704
5	LGS	149	332,586	3,675,329
6	Total Tariff Sales	7,459,501	61,065,046	949,606,124
7	**Transportation by Rate Class**			
8	Residential	830,307	6,092,234	60,585,251
9	SGS	125,005	3,137,897	19,072,648
10	MGS	39,108	12,480,417	63,013,107
11	LGS	2,717	50,314,135	76,993,954
12	Total Transporation	997,137	72,024,683	219,664,961
13	**Summary by Rate Class**			
14	Residential	7,807,854	56,172,915	865,975,774
15	SGS	586,001	10,203,855	115,269,216
16	MGS	59,916	16,066,238	107,356,811
17	LGS	2,866	50,646,721	80,669,283
18	Total by Rate Class	8,456,638	133,089,729	1,169,271,085
19	**Other Operating Revenue**			
20	483 - Sales for Resale			36,073
21	487 - Forfeited Discounts			6,928,212
22	488 - Miscellaneous Service Revenues			1,125,013
23	489.1 - Revs from Transp of Gas of Others thru Gath Fac.			8,008,233
24	493 - Rent from Gas Property			219,899
25	495 - Other Gas Revenues			(104,884)
26	496 - Provision for Rate Refunds			-
27	Total Other Operating Revenue			16,212,546
28	**Overall Total**	**8,456,638**	**133,089,729**	**1,185,483,631**

Peoples Natural Gas Company LLC
Comparison of Forecasted Revenues at Current and Proposed Rates
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Revenue @ Current Rates	Proposed Adjustment		Revenue @ Proposed Rates
		(1)	(2)	(3)	(4) = (5 - 3)		(5)
			Mcf	$	$	%	$
		(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*			*(Ex 3, Sch 15, Atch E)*
1	**Tariff Sales by Rate Class**						
2	Residential	7,055,332	50,376,633	810,791,101	106,296,943	13%	917,088,044
3	SGS	460,463	7,057,823	96,085,788	15,323,564	16%	111,409,351
4	MGS	20,867	3,595,670	44,465,638	4,905,649	11%	49,371,286
5	LGS	149	332,586	3,675,329	63,216	2%	3,738,545
6	Total Tariff Sales	7,536,811	61,362,712	955,017,856	126,589,371	13%	1,081,607,227
7	**Transportation by Rate Class**						
8	Residential	774,040	5,650,985	56,265,080	11,864,092	21%	68,129,172
9	SGS	125,005	3,137,897	19,072,572	6,119,510	32%	25,192,082
10	MGS	38,660	12,347,088	62,331,814	16,358,166	26%	78,689,980
11	LGS	2,717	50,314,135	77,137,780	(67,059)	0%	77,070,721
12	Total Transporation	940,422	71,450,106	214,807,247	34,274,708	16%	249,081,955
13	**Summary by Rate Class**						
14	Residential	7,829,372	56,027,619	867,056,181	118,161,035	14%	985,217,217
15	SGS	585,468	10,195,720	115,158,360	21,443,073	19%	136,601,433
16	MGS	59,527	15,942,758	106,797,452	21,263,815	20%	128,061,267
17	LGS	2,866	50,646,721	80,813,109	(3,843)	0%	80,809,265
18	Total by Rate Class	8,477,233	132,812,818	1,169,825,102	160,864,080	14%	1,330,689,182
19	**Other Operating Revenue**						
20	483 - Sales for Resale			36,073	-		36,073
21	487 - Forfeited Discounts			6,931,495	1,168,126	17%	8,099,621
22	488 - Miscellaneous Service Revenues			1,125,013	(7,147)	-1%	1,117,866
23	489.1 - Revs from Transp of Gas of Others thru Gath Fac.			7,404,749	1,146,880	15%	8,551,629
24	493 - Rent from Gas Property			-	-	0%	-
25	495 - Other Gas Revenues			(708,368)	-	0%	(708,368)
26	496 - Provision for Rate Refunds			-	-	0%	-
27	Total Other Operating Revenue			14,788,962	2,307,858	16%	17,096,820
28	**Overall Total**	**8,477,233**	**132,812,818**	**1,184,614,065**	**163,171,938**	**14%**	**1,347,786,003**

Peoples Natural Gas Company LLC
Revenue Summary

Line No.	Acct No.	Description	HTY Per Books	HTY Adjustments at Present Rates	Proforma HTY	FTY Adjustments at Present Rates	Proforma FTY	FPFTY Adjustments at Present Rates	FPFTY at Present Rates	Proposed Rate Adjustments	Proposed FPFTY
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch E)*
1	**Operating Revenues (by FERC account):**										
2	480	Residential Sales Revenue	645,633,578	176,726,814	822,360,393	(16,969,870)	805,390,523	5,400,578	810,791,101	106,296,943	917,088,044
3	481	Commercial and Industrial Sales	115,288,707	29,477,784	144,766,491	(550,891)	144,215,601	11,154	144,226,755	20,292,428	164,519,183
4	483	Sales for Resale	5,491,450	(5,455,377)	36,073	-	36,073	-	36,073	-	36,073
5	487	Forfeited Discounts	5,824,920	1,272,280	7,097,201	(168,989)	6,928,212	3,283	6,931,495	1,168,126	8,099,621
6	488	Miscellaneous Service Revenues	1,125,013	-	1,125,013	-	1,125,013	-	1,125,013	(7,147)	1,117,866
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,123,308	305,060	8,428,368	(420,135)	8,008,233	(603,484)	7,404,749	1,146,880	8,551,629
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	222,146,770	8,517,575	230,664,345	(10,999,384)	219,664,961	(4,857,714)	214,807,247	34,274,708	249,081,955
9	493	Rent from Gas Property	219,899	-	219,899	-	219,899	(219,899)	-	-	-
10	495	Other Gas Revenues	6,056,864	(5,818,222)	238,642	(343,526)	(104,884)	(603,484)	(708,368)	-	(708,368)
11	496	Provision for Rate Refunds	322,213	(322,213)	-	-	-	-	-	-	-
12	Total Operating Revenues		1,010,232,723	204,703,701	1,214,936,425	(29,452,794)	1,185,483,631	(869,566)	1,184,614,065	163,171,938	1,347,786,003

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2025

Line No.	Acct No	Description	Year Prior to HTY Per Books	HTY Per Books	Test Year Gas Cost	Test Year Rider USP	Test Year Rider GPC	Test Year MFC	Test Year SCR	Test Year DSIC Rider	Test Year TRS Rider	Unbilled/ Cycle 22 Revenue Adj	Weather Adjustment	Adjustment to Reflect Annualization	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=13-(2-11))	(13)
			$	$	$	$	$	$	$	$	$	$	$	$	$
				(Ex 2, Sch 2)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch K)*	*(Ex 3, Sch 15, Atch H, Pg 1)*		*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account													
2	480	Residential Sales Revenue	437,489,792	645,633,578	(233,242,600)	(15,423,162)	(4,239,159)	(5,047,799)	(47,170)	(927,209)	5,420,839	12,679,086	1,426,495	(26,388,642)	379,844,256
3	481	Commercial and Industrial Sales	76,556,983	115,288,707	(55,141,453)	-	(1,033,355)	(186,038)	45,607	(126,915)	846,525	2,475,463	(3,608,405)	(2,623,339)	55,936,796
4	483	Sales for Resale	3,459,834	5,491,450	(5,455,377)	-	-	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	4,506,980	5,824,920	-	-	-	-	-	-	-	-	-	1,272,280	7,097,201
6	488	Miscellaneous Service Revenues	1,021,556	1,125,013	-	-	-	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,583,396	8,123,308	-	-	-	-	-	-	-	-	-	305,060	8,428,368
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	178,290,495	222,146,770	(43,316,037)	(5,169,857)	-	(186,422)	(229)	(1,993,897)	2,544,337	2,688,615	(5,077,559)	7,738,256	179,373,978
9	493	Rent from Gas Property	247,585	219,899	-	-	-	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	2,659,141	6,056,864	(5,183,653)	-	-	-	-	1,526,555	(1,856,064)	-	-	(305,060)	238,642
11	496	Provision for Rate Refunds	(2,079,051)	322,213	-	-	-	-	-	-	-	-	-	(322,213)	-
									-						
12		Total Revenue	709,736,713	1,010,232,723	(342,339,121)	(20,593,019)	(5,272,514)	(5,420,260)	(1,792)	(1,521,466)	6,955,637	17,843,163	(7,259,469)	(20,323,657)	632,300,226
13		Sales Throughput (Mcf)													
14		Residential	42,467,863	50,003,445	-	-	-	-	-	-	-	209,416	266,450	(1,205,238)	49,274,074
15		Commercial & Industrial	10,055,379	11,907,923	-	-	-	-	-	-	-	62,036	(920,979)	(23,662)	11,025,318
16		Total Sales Throughput	52,523,242	61,911,368	-	-	-	-	-	-	-	271,452	(654,529)	(1,228,900)	60,299,391
17		Transportation Throughput (Mcf)	69,571,370	74,442,196	-	-	-	-	-	-	-	436,801	(1,366,139)	(1,139,946)	72,372,913
18		Total Throughput	122,094,612	136,353,565	-	-	-	-	-	-	-	708,253	(2,020,668)	(2,368,846)	132,672,304

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2025

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	379,844,256	380,488,934	29,389,593	4,262,207	8,371,665	23,361	22,313,778	(2,333,402)	822,360,393
3	481	Commercial and Industrial Sales	55,936,796	85,078,410	-	953,690	282,248	1,668	2,857,283	(343,604)	144,766,491
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	7,097,201	-	-	-	-	-	-	-	7,097,201
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,428,368	-	-	-	-	-	-	-	8,428,368
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	179,373,978	33,833,397	7,171,920	-	268,415	3,660	11,363,866	(1,350,892)	230,664,345
9	493	Rent from Gas Property	219,899	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	238,642	-	-	-	-	-	-	-	238,642
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	632,300,226	499,400,741	36,561,513	5,215,897	8,922,328	28,690	36,534,927	(4,027,899)	1,214,936,425
13		Sales Throughput (Mcf)									
14		Residential	49,274,074	-	-	-	-	-	-	-	49,274,074
15		Commercial & Industrial	11,025,318	-	-	-	-	-	-	-	11,025,318
16		Total Sales Throughput	60,299,391	-	-	-	-	-	-	-	60,299,391
17		Transportation Volume (Mcf)	72,372,913	-	-	-	-	-	-	-	72,372,913
18		Total Throughput	132,672,304	-	-	-	-	-	-	-	132,672,304

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2026

Line No.	Acct No	Description	Per Proforma Future Test Year	Proforma Future Test Year Gas Cost	Proforma Future Test Year Rider USP	Proforma Future Test Year Rider GPC	Proforma Future Test Year MFC	Proforma Future Test Year SCR	Proforma Future Test Year DSIC Rider	Proforma Future Test Year TRS Rider	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	805,390,523	(386,717,468)	-	(4,331,979)	(8,508,708)	(23,434)	(22,652,191)	2,368,298	385,525,042
3	481	Commercial and Industrial Sales	144,215,601	(84,762,178)	-	(950,148)	(281,200)	(1,660)	(2,846,051)	342,252	55,716,617
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,928,212	-	-	-	-	-	-	-	6,928,212
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,008,233	-	-	-	-	-	-	-	8,008,233
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	219,664,961	(33,074,393)	-	-	(249,782)	(3,439)	(11,187,555)	1,332,394	176,482,187
9	493	Rent from Gas Property	219,899	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	(104,884)	-	-	-	-	-	-	-	(104,884)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	1,185,483,631	(504,554,039)	-	(5,282,126)	(9,039,689)	(28,533)	(36,685,796)	4,042,944	633,936,391
13		Sales Throughput (Mcf)									
14		Residential	50,080,681	-	-	-	-	-	-	-	50,080,681
15		Commercial & Industrial	10,984,365	-	-	-	-	-	-	-	10,984,365
16		Total Sales Throughput	61,065,046	-	-	-	-	-	-	-	61,065,046
17		Transportation Throughput (Mcf)	72,024,683	-	-	-	-	-	-	-	72,024,683
18		Total Throughput	133,089,729	-	-	-	-	-	-	-	133,089,729

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2026

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	385,525,042	386,717,468	-	4,331,979	8,508,708	23,434	22,652,191	(2,368,298)	805,390,523
3	481	Commercial and Industrial Sales	55,716,617	84,762,178	-	950,148	281,200	1,660	2,846,051	(342,252)	144,215,601
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,928,212	-	-	-	-	-	-	-	6,928,212
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,008,233	-	-	-	-	-	-	-	8,008,233
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	176,482,187	33,074,393	-	-	249,782	3,439	11,187,555	(1,332,394)	219,664,961
9	493	Rent from Gas Property	219,899	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	(104,884)	-	-	-	-	-	-	-	(104,884)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	633,936,391	504,554,039	-	5,282,126	9,039,689	28,533	36,685,796	(4,042,944)	1,185,483,631
13		Sales Throughput (Mcf)									
14		Residential	50,080,681	-	-	-	-	-	-	-	50,080,681
15		Commercial & Industrial	10,984,365	-	-	-	-	-	-	-	10,984,365
16		Total Sales Throughput	61,065,046	-	-	-	-	-	-	-	61,065,046
17		Transportation Throughput (Mcf)	72,024,683	-	-	-	-	-	-	-	72,024,683
18		Total Throughput	133,089,729	-	-	-	-	-	-	-	133,089,729

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended December 31, 2027

Line No.	Acct No	Description	Per Proforma Future Test Year	Proforma Future Test Year Gas Cost	Proforma Future Test Year Rider USP	Proforma Future Test Year Rider GPC	Proforma Future Test Year MFC	Proforma Future Test Year SCR	Proforma Future Test Year DSIC Rider	Proforma Future Test Year TRS Rider	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	810,791,101	(389,002,777)	-	(4,357,579)	(8,558,990)	(23,714)	(22,816,756)	2,386,067	388,417,352
3	481	Commercial and Industrial Sales	144,226,755	(84,775,414)	-	(950,296)	(281,244)	(1,658)	(2,845,951)	342,239	55,714,431
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,931,495	-	-	-	-	-	-	-	6,931,495
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,404,749	-	-	-	-	-	-	-	7,404,749
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	214,807,247	(32,141,199)	-	-	(231,690)	(3,237)	(10,969,785)	1,308,708	172,770,043
9	493	Rent from Gas Property	-	-	-	-	-	-	-	-	-
10	495	Other Gas Revenues	(708,368)	-	-	-	-	-	-	-	(708,368)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	1,184,614,065	(505,919,390)	-	(5,307,875)	(9,071,924)	(28,608)	(36,632,493)	4,037,014	631,690,789
13		Sales Throughput (Mcf)									
14		Residential	50,376,633	-	-	-	-	-	-	-	50,376,633
15		Commercial & Industrial	10,986,079	-	-	-	-	-	-	-	10,986,079
16		Total Sales Throughput	61,362,712	-	-	-	-	-	-	-	61,362,712
17		Transportation Throughput (Mcf)	71,450,106	-	-	-	-	-	-	-	71,450,106
18		Total Throughput	132,812,818	-	-	-	-	-	-	-	132,812,818

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended December 31, 2027

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	388,417,352	389,002,777	-	4,357,579	8,558,990	23,714	22,816,756	(2,386,067)	810,791,101
3	481	Commercial and Industrial Sales	55,714,431	84,775,414	-	950,296	281,244	1,658	2,845,951	(342,239)	144,226,755
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,931,495	-	-	-	-	-	-	-	6,931,495
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,404,749	-	-	-	-	-	-	-	7,404,749
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	172,770,043	32,141,199	-	-	231,690	3,237	10,969,785	(1,308,708)	214,807,247
9	493	Rent from Gas Property	-	-	-	-	-	-	-	-	-
10	495	Other Gas Revenues	(708,368)	-	-	-	-	-	-	-	(708,368)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	631,690,789	505,919,390	-	5,307,875	9,071,924	28,608	36,632,493	(4,037,014)	1,184,614,065
13		Sales Throughput (Mcf)									
14		Residential	50,376,633	-	-	-	-	-	-	-	50,376,633
15		Commercial & Industrial	10,986,079	-	-	-	-	-	-	-	10,986,079
16		Total Sales Throughput	61,362,712	-	-	-	-	-	-	-	61,362,712
17		Transportation Throughput (Mcf)	71,450,106	-	-	-	-	-	-	-	71,450,106
18		Total Throughput	132,812,818	-	-	-	-	-	-	-	132,812,818

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=(1 or 2 x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,489,280		16.80	109,019,904	
4	DSIC Rider	6,489,280		0.8400	5,450,995	
5	Supplier Choice Rider	6,489,280		0.0036	23,361	
6	TRS Rider	6,489,280		(0.1033)	(670,036)	
7	Subtotal - Customer Charge				113,824,224	
8	Delivery Charge					
9	Base Rate Delivery		45,694,701	5.3537	244,635,719	
10	Universal Service Rider		45,694,701	1.0955	50,058,545	
11	Rider GPC - Gas Procurement Charge		45,694,701	0.0865	3,952,592	
12	DSIC Rider		45,694,701	0.3353	15,320,519	
13	TRS Rider		45,694,701	(0.0329)	(1,503,531)	
14	Subtotal - Delivery				312,463,843	
15	STAS		45,694,701	0.0037	169,070	
16	Subtotal Customer Charge and Delivery Revenue				426,457,138	
17	Gas Cost		45,694,701	7.7219	352,849,412	
18	Merchant Function Charge		45,694,701	0.1699	7,763,530	
19	Total Residential Sales	6,489,280	45,694,701		787,070,080	17.224537
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	407,347		16.80	6,843,430	
23	DSIC Rider	407,347		0.8400	342,171	
24	Supplier Choice Rider	407,347		-	-	
25	TRS Rider	407,347		(0.1033)	(42,060)	
26	Subtotal - Customer Charge				7,143,541	
27	Delivery Charge					
28	Base Rate Delivery		3,579,373	5.3537	19,162,889	
29	Cap Credit		3,579,373	(5.7745)	(20,668,952)	
30	Rider GPC - Gas Procurement Charge		3,579,373	0.0865	309,616	
31	DSIC Rider		3,579,373	0.3353	1,200,092	
32	TRS Rider		3,579,373	(0.0329)	(117,775)	
33	Subtotal - Delivery				(114,130)	
34	STAS		3,579,373	0.0037	13,244	
35	Subtotal Customer Charge and Delivery Revenue				7,042,655	
36	Gas Cost		3,579,373	7.7219	27,639,522	
37	Merchant Function Charge		3,579,373	0.1699	608,135	
38	Total Residential CAP Sales	407,347	3,579,373		35,290,313	9.859356
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	427,682		22.00	9,409,004	
42	DSIC Rider	427,682		1.1000	470,450	
43	Supplier Choice Rider	427,682		0.0036	1,540	
44	TRS Rider	427,682		(0.1352)	(57,828)	
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,823,166	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	35,112		44.00	1,544,928	
48	DSIC Rider	35,112		2.2000	77,246	
49	Supplier Choice Rider	35,112		0.0036	126	
50	TRS Rider	35,112		(0.2704)	(9,495)	
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,612,806	
52	Delivery Charge					
53	Base Rate Delivery		7,070,387	3.9844	28,171,251	
54	Rider GPC - Gas Procurement Charge		7,070,387	0.0865	611,588	
55	DSIC Rider		7,070,387	0.2048	1,448,192	
56	TRS Rider		7,070,387	(0.0245)	(173,141)	
57	Subtotal - Delivery				30,057,891	
58	STAS		7,070,387	0.0028	19,797	
59	Subtotal Customer Charge and Delivery Revenue				41,513,660	
60	Gas Cost		7,070,387	7.7219	54,596,747	
61	Merchant Function Charge		7,070,387	0.0256	181,002	
62	Total Commercial SGS Sales	462,794	7,070,387		96,291,408	13.618972

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.1000	432	
5	Supplier Choice Rider	393		0.0036	1	
6	TRS Rider	393		(0.1352)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.2000	477	
11	Supplier Choice Rider	217		0.0036	1	
12	TRS Rider	217		(0.2704)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.9844	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.0865	2,799	
17	DSIC Rider		32,361	0.2048	6,628	
18	TRS Rider		32,361	(0.0245)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.0028	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.7219	249,884	
23	Merchant Function Charge		32,361	0.0256	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,228		101.00	1,639,028	
28	DSIC Rider	16,228		5.0500	81,951	
29	TRS Rider	16,228		(0.6207)	(10,073)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,710,906	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,054		145.00	587,830	
33	DSIC Rider	4,054		7.2500	29,392	
34	TRS Rider	4,054		(0.8912)	(3,613)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				613,609	
36	Delivery Charge					
37	Base Rate Delivery		3,408,329	3.6941	12,590,709	
38	Rider GPC - Gas Procurement Charge		3,408,329	0.0865	294,820	
39	DSIC Rider		3,408,329	0.1903	648,639	
40	TRS Rider		3,408,329	(0.0227)	(77,383)	
41	Subtotal - Delivery				13,456,787	
42	STAS		3,408,329	0.0026	8,813	
43	Subtotal Customer Charge and Delivery Revenue				15,790,115	
44	Gas Cost		3,408,329	7.7219	26,318,741	
45	Merchant Function Charge		3,408,329	0.0256	87,253	
46	Total Commercial MGS Sales	20,282	3,408,329		42,196,109	12.380291
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.6941	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.0865	15,713	
61	DSIC Rider		181,655	0.1903	34,571	
62	TRS Rider		181,655	(0.0227)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.0026	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.7219	1,402,717	
67	Merchant Function Charge		181,655	0.0256	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.6360	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.0865	27,221	
15	DSIC Rider		314,695	0.1374	43,241	
16	TRS Rider		314,695	(0.0162)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.0018	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.5479	2,375,284	
21	Merchant Function Charge		314,695	0.0256	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.7548
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.0865	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.5479	135,037	
48	Merchant Function Charge		17,891	0.0256	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.3155
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				379,661,942	
53	STAS				182,314	
54	Supplier Choice Rider				23,361	
55	Universal Services Program				29,389,593	
56	Merchant Function Charge				8,371,665	
57	Gas Procurement Charge				4,262,207	
58	DSIC				22,313,778	
59	TRS				(2,333,402)	
60	Gas Cost				380,488,934	
61	Total Residential Sales	6,896,627	49,274,074		822,360,393	
62	**SGS Sales**					
63	Base Rate Revenue				39,272,314	
64	STAS				19,888	
65	Supplier Choice Rider				1,668	
66	Merchant Function Charge				181,830	
67	Gas Procurement Charge				614,388	
68	DSIC				2,003,427	
69	TRS				(241,368)	
70	Gas Cost				54,846,631	
71	Total SGS Sales	463,404	7,102,748		96,698,778	
72	**MGS Sales**					
73	Base Rate Revenue				15,556,853	
74	STAS				9,283	
75	Merchant Function Charge				91,904	
76	Gas Procurement Charge				310,534	
77	DSIC				797,965	
78	TRS				(95,612)	
79	Gas Cost				27,721,459	
80	Total MGS Sales	20,833	3,589,984		44,392,384	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,907,011	
92	STAS				29,784	
93	Supplier Choice Rider				1,668	
94	Merchant Function Charge				282,248	
95	Gas Procurement Charge				953,690	
96	DSIC				2,857,283	
97	TRS				(343,604)	
98	Gas Cost				85,078,410	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	484,386	11,025,318		144,766,491	
100	**Total Tariff Sales**					
101	Base Rate Revenue				435,568,953	
102	STAS				212,098	
103	Supplier Choice Rider				25,030	
104	Universal Services Program				29,389,593	
105	Merchant Function Charge				8,653,913	
106	Gas Procurement Charge				5,215,897	
107	DSIC				25,171,062	
108	TRS				(2,677,007)	
109	Gas Cost				465,567,344	
110	Total Tariff Sales	7,381,013	60,299,391		967,126,884	

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	894,582		16.80	15,028,978	
4	DSIC Rider	894,582		0.8400	751,449	
5	Supplier Choice Rider	894,582		0.0036	3,220	
6	TRS Rider	894,582		(0.1033)	(92,368)	
7	Subtotal - Customer Charge				15,691,279	
8	Delivery Charge:					
9	Base Rate Delivery		6,546,709	5.3537	35,049,118	
10	Universal Service Rider		6,546,709	1.0955	7,171,920	
11	DSIC Rider		6,546,709	0.3245	2,124,473	
12	TRS Rider		6,546,709	(0.0329)	(215,412)	
13	Subtotal - Delivery				44,130,099	
14	STAS		6,546,709	0.0037	24,223	
15	Subtotal Customer Charge and Delivery Revenue				59,845,601	
16	Gas Cost		6,546,709	1.8641	12,203,721	
17	Merchant Function Charge		6,546,709	0.0410	268,415	
18	Total Residential Transport	894,582	6,546,709		72,317,737	11.046425
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	97,788		22.0000	2,151,336	
22	DSIC Rider	97,788		1.1000	107,567	
23	Supplier Choice Rider	97,788		0.0036	352	
24	TRS Rider	97,788		(0.1352)	(13,222)	
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,246,033	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	23,849		44.0000	1,049,356	
28	DSIC Rider	23,849		2.2000	52,468	
29	Supplier Choice Rider	23,849		0.0036	86	
30	TRS Rider	23,849		(0.2704)	(6,449)	
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,095,460	
32	Delivery Charge:					
33	Base Rate Delivery		3,042,181	3.9844	12,121,267	
34	Negotiated Delivery		3,871	0.1351	523	
35	DSIC Rider		3,046,052	0.1992	606,835	
36	TRS Rider		3,046,052	(0.0245)	(74,592)	
37	Subtotal - Delivery				12,654,033	
38	STAS		3,046,052	0.0028	8,496	
39	Subtotal Customer Charge and Delivery Revenue				16,004,021	
40	Gas Cost		3,046,052	0.8300	2,528,223	
41	Total Commercial SGS Transport	121,637	3,046,052		18,532,245	6.084021
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	419		22.0000	9,218	
45	DSIC Rider	419		1.1000	461	
46	Supplier Choice Rider	419		0.0036	2	
47	TRS Rider	419		(0.1352)	(57)	
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	98		44.0000	4,312	
51	DSIC Rider	98		2.2000	216	
52	Supplier Choice Rider	98		0.0036	0	
53	TRS Rider	98		(0.2704)	(27)	
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.9844	65,666	
57	Negotiated Delivery		3,970	0.0900	357	
58	DSIC Rider		20,451	0.1992	4,074	
59	TRS Rider		20,451	(0.0245)	(501)	
60	Subtotal - Delivery				69,597	
61	STAS		20,451	0.0028	57	
62	Subtotal Customer Charge and Delivery Revenue				83,780	
63	Gas Cost		20,451	0.8300	16,974	
64	Total Industrial SGS Transport	517	20,451		100,754	4.926567

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,214		101.0000	2,142,614	
4	DSIC Rider	21,214		5.0500	107,131	
5	TRS Rider	21,214		(0.6207)	(13,169)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,236,576	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,230		145.0000	2,353,350	
9	DSIC Rider	16,230		7.2500	117,668	
10	TRS Rider	16,230		(0.8912)	(14,464)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,456,554	
12	Delivery Charge:					
13	Base Rate Delivery		11,100,453	3.6941	41,006,183	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,135,466	0.1847	2,056,776	
16	TRS Rider		11,135,466	(0.0227)	(252,819)	
17	Subtotal - Delivery				42,831,819	
18	STAS		11,135,466	0.0026	28,795	
19	Subtotal Customer Charge and Delivery Revenue				47,553,744	
20	Gas Cost		11,135,466	0.8300	9,242,437	
21	Total Commercial MGS Transport	37,444	11,135,466		56,796,181	5.100476
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.0000	33,835	
25	DSIC Rider	335		5.0500	1,692	
26	TRS Rider	335		(0.6207)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.0000	175,740	
30	DSIC Rider	1,212		7.2500	8,787	
31	TRS Rider	1,212		(0.8912)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.6941	4,491,811	
35	Negotiated Delivery		94,157	0.2990	28,157	
36	DSIC Rider		1,310,099	0.1847	241,982	
37	TRS Rider		1,310,099	(0.0227)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.0026	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.8300	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.0000	629,800	
46	DSIC Rider	670		47.0000	31,490	
47	TRS Rider	670		(5.7772)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.0000	562,560	
51	DSIC Rider	384		73.2500	28,128	
52	TRS Rider	384		(9.0039)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.0000	332,280	
56	DSIC Rider	156		106.5000	16,614	
57	TRS Rider	156		(13.0910)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.0000	270,240	
61	DSIC Rider	48		281.5000	13,512	
62	TRS Rider	48		(34.6020)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,415,177	2.4747	18,350,562	
66	Negotiated Delivery		286,290	1.8136	519,206	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,748,751	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,635,685	
72	Gas Cost		7,701,467	0.1740	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		22,975,740	2.983294

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.0000	331,820	
4	DSIC Rider	353		47.0000	16,591	
5	TRS Rider	353		(5.7772)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.0000	517,145	
9	DSIC Rider	353		73.2500	25,857	
10	TRS Rider	353		(9.0039)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.0000	592,140	
14	DSIC Rider	278		106.5000	29,607	
15	TRS Rider	278		(13.0910)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.0000	2,674,250	
19	DSIC Rider	475		281.5000	133,713	
20	TRS Rider	475		(34.6020)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2600	7,293,656	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,134,465	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,485,343	
30	Gas Cost		42,612,668	0.1740	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,899,947	1.264881
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				50,078,096	
35	STAS				24,223	
36	Supplier Choice Rider				3,220	
37	Rider USP				7,171,920	
38	Merchant Function Charge				268,415	
39	DSIC				2,875,922	
40	TRS				(307,780)	
41	Gas Cost				12,203,721	
42	Total Residential Transport	894,582	6,546,709		72,317,737	
43	**SGS Transport**					
44	Base Rate Revenue				15,402,036	
45	STAS				8,553	
46	Supplier Choice Rider				440	
47	DSIC				771,620	
48	TRS				(94,848)	
49	Gas Cost				2,545,198	
50	Total SGS Transport	122,154	3,066,503		18,632,999	
51	**MGS Transport**					
52	Base Rate Revenue				50,253,368	
53	STAS				32,183	
54	DSIC				2,534,035	
55	TRS				(311,484)	
56	Gas Cost				10,329,819	
57	Total MGS Transport	38,991	12,445,565		62,837,921	
58	**LGS Transport**					
59	Base Rate Revenue				63,507,130	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		76,875,687	
65	**Transport**					
66	Base Rate Revenue				179,240,631	
67	STAS				133,347	
68	Supplier Choice Rider				3,660	
69	Rider USP				7,171,920	
70	Merchant Function Charge				268,415	
71	DSIC				11,363,866	
72	TRS				(1,350,892)	
73	Gas Cost				33,833,397	
74	Total Transport	1,058,444	72,372,913		230,664,345	
75	Residential Sales Revenue	6,896,627	49,274,074		822,360,393	
76	Commercial and Industrial Sales	484,386	11,025,318		144,766,491	
77	Sales for Resale				36,073	
78	Forfeited Discounts				7,097,201	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				8,428,368	
81	Revs from Transp of Gas of Others thru Distri Fac.	1,058,444	72,372,913		230,664,345	
82	Rent from Gas Property				219,899	
83	Other Gas Revenues				238,642	
84	Provision for Rate Refunds				-	
85	Total	8,439,457	132,672,304		1,214,936,425	

Blended rate used to account for Industrial Transitional Customers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,509,428		16.80	109,358,384	
4	DSIC Rider	6,509,428		0.84	5,467,919	
5	Supplier Choice Rider	6,509,428		0.00	23,434	
6	TRS Rider	6,509,428		(0.10)	(672,117)	
7	Subtotal - Customer Charge				114,177,621	
8	Delivery Charge					
9	Base Rate Delivery		45,956,529	5.3537	246,037,467	
10	Universal Service Rider		45,956,529	-	-	
11	Rider GPC - Gas Procurement Charge		45,956,529	0.0865	3,975,240	
12	DSIC Rider		45,956,529	0.3353	15,408,305	
13	TRS Rider		45,956,529	(0.0329)	(1,512,146)	
14	Subtotal - Delivery				263,908,866	
15	STAS		45,956,529	0.0037	170,039	
16	Subtotal Customer Charge and Delivery Revenue				378,256,526	
17	Gas Cost		45,956,529	7.7219	354,871,219	
18	Merchant Function Charge		45,956,529	0.1699	7,808,014	
19	Total Residential Sales	6,509,428	45,956,529		740,935,759	16.122535
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	468,120		16.8000	7,864,416	
23	DSIC Rider	468,120		0.8400	393,221	
24	Supplier Choice Rider	468,120		-	-	
25	TRS Rider	468,120		(0.1033)	(48,335)	
26	Subtotal - Customer Charge				8,209,302	
27	Delivery Charge					
28	Base Rate Delivery		4,124,153	5.3537	22,079,476	
29	Cap Credit		4,124,153	-	-	
30	Rider GPC - Gas Procurement Charge		4,124,153	0.0865	356,739	
31	DSIC Rider		4,124,153	0.3353	1,382,746	
32	TRS Rider		4,124,153	(0.0329)	(135,700)	
33	Subtotal - Delivery				23,683,260	
34	STAS		4,124,153	0.0037	15,259	
35	Subtotal Customer Charge and Delivery Revenue				31,907,822	
36	Gas Cost		4,124,153	7.7219	31,846,249	
37	Merchant Function Charge		4,124,153	0.1699	700,694	
38	Total Residential CAP Sales	468,120	4,124,153		64,454,764	15.628608
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	425,507		22.0000	9,361,164	
42	DSIC Rider	425,507		1.1000	468,058	
43	Supplier Choice Rider	425,507		0.0036	1,532	
44	TRS Rider	425,507		(0.1352)	(57,534)	
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,773,220	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	34,878		44.0000	1,534,651	
48	DSIC Rider	34,878		2.2000	76,733	
49	Supplier Choice Rider	34,878		0.0036	126	
50	TRS Rider	34,878		(0.2704)	(9,432)	
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,602,077	
52	Delivery Charge					
53	Base Rate Delivery		7,033,597	3.9844	28,024,665	
54	Rider GPC - Gas Procurement Charge		7,033,597	0.0865	608,406	
55	DSIC Rider		7,033,597	0.2048	1,440,657	
56	TRS Rider		7,033,597	(0.0245)	(172,240)	
57	Subtotal - Delivery				29,901,488	
58	STAS		7,033,597	0.0028	19,694	
59	Subtotal Customer Charge and Delivery Revenue				41,296,480	
60	Gas Cost		7,033,597	7.7219	54,312,658	
61	Merchant Function Charge		7,033,597	0.0256	180,060	
62	Total Commercial SGS Sales	460,386	7,033,597		95,789,198	13.618806

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.10	432	
5	Supplier Choice Rider	393		0.00	1	
6	TRS Rider	393		(0.14)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.20	477	
11	Supplier Choice Rider	217		0.00	1	
12	TRS Rider	217		(0.27)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.98	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.09	2,799	
17	DSIC Rider		32,361	0.20	6,628	
18	TRS Rider		32,361	(0.02)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.00	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.72	249,884	
23	Merchant Function Charge		32,361	0.03	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,146		101.00	1,630,749	
28	DSIC Rider	16,146		5.05	81,537	
29	TRS Rider	16,146		(0.62)	(10,023)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,702,264	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,111		145.00	596,124	
33	DSIC Rider	4,111		7.25	29,806	
34	TRS Rider	4,111		(0.89)	(3,664)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				622,267	
36	Delivery Charge					
37	Base Rate Delivery		3,404,167	3.69	12,575,332	
38	Rider GPC - Gas Procurement Charge		3,404,167	0.09	294,460	
39	DSIC Rider		3,404,167	0.19	647,847	
40	TRS Rider		3,404,167	(0.02)	(77,288)	
41	Subtotal - Delivery				13,440,352	
42	STAS		3,404,167	0.00	8,803	
43	Subtotal Customer Charge and Delivery Revenue				15,773,685	
44	Gas Cost		3,404,167	7.72	26,286,598	
45	Merchant Function Charge		3,404,167	0.03	87,147	
46	Total Commercial MGS Sales	20,257	3,404,167		42,147,429	12.381130
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.69	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.09	15,713	
61	DSIC Rider		181,655	0.19	34,571	
62	TRS Rider		181,655	(0.02)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.00	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.72	1,402,717	
67	Merchant Function Charge		181,655	0.03	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.64	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.09	27,221	
15	DSIC Rider		314,695	0.14	43,241	
16	TRS Rider		314,695	(0.02)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.00	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.55	2,375,284	
21	Merchant Function Charge		314,695	0.03	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.754772
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.09	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.55	135,037	
48	Merchant Function Charge		17,891	0.03	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.315456
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				385,339,743	
53	STAS				185,299	
54	Supplier Choice Rider				23,434	
55	Universal Services Program				-	
56	Merchant Function Charge				8,508,708	
57	Gas Procurement Charge				4,331,979	
58	DSIC				22,652,191	
59	TRS				(2,368,298)	
60	Gas Cost				386,717,468	
61	Total Residential Sales	6,977,548	50,080,681		805,390,523	
62	**SGS Sales**					
63	Base Rate Revenue				39,067,611	
64	STAS				19,785	
65	Supplier Choice Rider				1,660	
66	Merchant Function Charge				180,889	
67	Gas Procurement Charge				611,205	
68	DSIC				1,992,985	
69	TRS				(240,110)	
70	Gas Cost				54,562,542	
71	Total SGS Sales	460,996	7,065,958		96,196,567	
72	**MGS Sales**					
73	Base Rate Revenue				15,541,491	
74	STAS				9,272	
75	Merchant Function Charge				91,797	
76	Gas Procurement Charge				310,174	
77	DSIC				797,173	
78	TRS				(95,518)	
79	Gas Cost				27,689,315	
80	Total MGS Sales	20,808	3,585,821		44,343,704	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,686,946	
92	STAS				29,671	
93	Supplier Choice Rider				1,660	
94	Merchant Function Charge				281,200	
95	Gas Procurement Charge				950,148	
96	DSIC				2,846,051	
97	TRS				(342,252)	
98	Gas Cost				84,762,178	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,953	10,984,365		144,215,601	
100	**Total Tariff Sales**					
101	Base Rate Revenue				441,026,690	
102	STAS				214,969	
103	Supplier Choice Rider				25,094	
104	Universal Services Program				-	
105	Merchant Function Charge				8,789,907	
106	Gas Procurement Charge				5,282,126	
107	DSIC				25,498,241	
108	TRS				(2,710,550)	
109	Gas Cost				471,479,646	
110	Total Tariff Sales	7,459,501	61,065,046		949,606,124	

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	830,307		16.80	13,949,154	
4	DSIC Rider	830,307		0.84	697,458	
5	Supplier Choice Rider	830,307		0.00	2,989	
6	TRS Rider	830,307		(0.10)	(85,731)	
7	Subtotal - Customer Charge				14,563,869	
8	Delivery Charge:					
9	Base Rate Delivery		6,092,234	5.35	32,615,993	
10	Universal Service Rider		6,092,234	-	-	
11	DSIC Rider		6,092,234	0.32	1,976,991	
12	TRS Rider		6,092,234	(0.03)	(200,458)	
13	Subtotal - Delivery				34,392,526	
14	STAS		6,092,234	0.00	22,541	
15	Subtotal Customer Charge and Delivery Revenue				48,978,936	
16	Gas Cost		6,092,234	1.86	11,356,533	
17	Merchant Function Charge		6,092,234	0.04	249,782	
18	Total Residential Transport	830,307	6,092,234		60,585,251	9.944669
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	99,910		22.00	2,198,021	
22	DSIC Rider	99,910		1.10	109,901	
23	Supplier Choice Rider	99,910		0.00	360	
24	TRS Rider	99,910		(0.14)	(13,509)	
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,294,773	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	24,578		44.00	1,081,426	
28	DSIC Rider	24,578		2.20	54,071	
29	Supplier Choice Rider	24,578		0.00	88	
30	TRS Rider	24,578		(0.27)	(6,646)	
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,128,940	
32	Delivery Charge:					
33	Base Rate Delivery		3,113,845	3.98	12,406,803	
34	Negotiated Delivery		3,601	0.14	487	
35	DSIC Rider		3,117,446	0.20	621,058	
36	TRS Rider		3,117,446	(0.02)	(76,340)	
37	Subtotal - Delivery				12,952,007	
38	STAS		3,117,446	0.00	8,695	
39	Subtotal Customer Charge and Delivery Revenue				16,384,414	
40	Gas Cost		3,117,446	0.83	2,587,480	
41	Total Commercial SGS Transport	124,488	3,117,446		18,971,894	6.085718
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	419		22.00	9,218	
45	DSIC Rider	419		1.10	461	
46	Supplier Choice Rider	419		0.00	2	
47	TRS Rider	419		(0.14)	(57)	
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	98		44.00	4,312	
51	DSIC Rider	98		2.20	216	
52	Supplier Choice Rider	98		0.00	0	
53	TRS Rider	98		(0.27)	(27)	
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.98	65,666	
57	Negotiated Delivery		3,970	0.09	357	
58	DSIC Rider		20,451	0.20	4,074	
59	TRS Rider		20,451	(0.02)	(501)	
60	Subtotal - Delivery				69,597	
61	STAS		20,451	0.00	57	
62	Subtotal Customer Charge and Delivery Revenue				83,780	
63	Gas Cost		20,451	0.83	16,974	
64	Total Industrial SGS Transport	517	20,451		100,754	4.926567

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,344		101.00	2,155,723	
4	DSIC Rider	21,344		5.05	107,786	
5	TRS Rider	21,344		(0.62)	(13,249)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,250,260	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,217		145.00	2,351,523	
9	DSIC Rider	16,217		7.25	117,576	
10	TRS Rider	16,217		(0.89)	(14,452)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,454,646	
12	Delivery Charge:					
13	Base Rate Delivery		11,135,305	3.69	41,134,929	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,170,318	0.18	2,063,214	
16	TRS Rider		11,170,318	(0.02)	(253,610)	
17	Subtotal - Delivery				42,966,211	
18	STAS		11,170,318	0.00	28,885	
19	Subtotal Customer Charge and Delivery Revenue				47,700,002	
20	Gas Cost		11,170,318	0.83	9,271,364	
21	Total Commercial MGS Transport	37,561	11,170,318		56,971,366	5.100246
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.00	33,835	
25	DSIC Rider	335		5.05	1,692	
26	TRS Rider	335		(0.62)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.00	175,740	
30	DSIC Rider	1,212		7.25	8,787	
31	TRS Rider	1,212		(0.89)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.69	4,491,811	
35	Negotiated Delivery		94,157	0.30	28,157	
36	DSIC Rider		1,310,099	0.18	241,982	
37	TRS Rider		1,310,099	(0.02)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.00	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.83	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.00	629,800	
46	DSIC Rider	670		47.00	31,490	
47	TRS Rider	670		(5.78)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.00	562,560	
51	DSIC Rider	384		73.25	28,128	
52	TRS Rider	384		(9.00)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.00	332,280	
56	DSIC Rider	156		106.50	16,614	
57	TRS Rider	156		(13.09)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.00	270,240	
61	DSIC Rider	48		281.50	13,512	
62	TRS Rider	48		(34.60)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,530,272	2.4747	18,635,391	
66	Negotiated Delivery		171,195	1.81	310,474	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,824,847	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,711,781	
72	Gas Cost		7,701,467	0.17	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		23,051,837	2.993175

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.00	331,820	
4	DSIC Rider	353		47.00	16,591	
5	TRS Rider	353		(5.78)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.00	517,145	
9	DSIC Rider	353		73.25	25,857	
10	TRS Rider	353		(9.00)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.00	592,140	
14	DSIC Rider	278		106.50	29,607	
15	TRS Rider	278		(13.09)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.00	2,674,250	
19	DSIC Rider	475		281.50	133,713	
20	TRS Rider	475		(34.60)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2615	7,335,826	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,176,636	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,527,513	
30	Gas Cost		42,612,668	0.1740	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,942,117	1.265870
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				46,565,147	
35	STAS				22,541	
36	Supplier Choice Rider				2,989	
37	Rider USP				-	
38	Merchant Function Charge				249,782	
39	DSIC				2,674,449	
40	TRS				(286,189)	
41	Gas Cost				11,356,533	
42	Total Residential Transport	830,307	6,092,234		60,585,251	
43	**SGS Transport**					
44	Base Rate Revenue				15,766,291	
45	STAS				8,752	
46	Supplier Choice Rider				450	
47	DSIC				789,781	
48	TRS				(97,080)	
49	Gas Cost				2,604,454	
50	Total SGS Transport	125,005	3,137,897		19,072,648	
51	**MGS Transport**					
52	Base Rate Revenue				50,393,396	
53	STAS				32,273	
54	DSIC				2,541,036	
55	TRS				(312,344)	
56	Gas Cost				10,358,746	
57	Total MGS Transport	39,108	12,480,417		63,013,107	
58	**LGS Transport**					
59	Base Rate Revenue				63,625,397	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		76,993,954	
65	**Transport**					
66	Base Rate Revenue				176,350,232	
67	STAS				131,955	
68	Supplier Choice Rider				3,439	
69	Rider USP				-	
70	Merchant Function Charge				249,782	
71	DSIC				11,187,555	
72	TRS				(1,332,394)	
73	Gas Cost				33,074,393	
74	Total Transport	997,137	72,024,683		219,664,961	
75	Residential Sales Revenue	6,977,548	50,080,681		805,390,523	
76	Commercial and Industrial Sales	481,953	10,984,365		144,215,601	
77	Sales for Resale				36,073	
78	Forfeited Discounts				6,928,212	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				8,008,233	
81	Revs from Transp of Gas of Others thru Distri Fac.	997,137	72,024,683		219,664,961	
82	Rent from Gas Property				219,899	
83	Other Gas Revenues				(104,884)	
84	Provision for Rate Refunds				-	
85	Total	8,456,638	133,089,729		1,185,483,631	

Blended rate used to account for Industrial Transitional Customers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,587,212		16.80	110,665,160	
4	DSIC Rider	6,587,212		0.84	5,533,258	
5	Supplier Choice Rider	6,587,212		0.00	23,714	
6	TRS Rider	6,587,212		(0.10)	(680,148)	
7	Subtotal - Customer Charge				115,541,984	
8	Delivery Charge					
9	Base Rate Delivery		46,273,106	5.35	247,732,328	50,900,417
10	Universal Service Rider		46,273,106	-	-	
11	Rider GPC - Gas Procurement Charge		46,273,106	0.09	4,002,624	
12	DSIC Rider		46,273,106	0.34	15,514,447	
13	TRS Rider		46,273,106	(0.03)	(1,522,563)	
14	Subtotal - Delivery				265,726,836	
15	STAS		46,273,106	0.00	171,210	
16	Subtotal Customer Charge and Delivery Revenue				381,440,030	
17	Gas Cost		46,273,106	7.72	357,315,794	
18	Merchant Function Charge		46,273,106	0.17	7,861,801	
19	Total Residential Sales	6,587,212	46,273,106		746,617,626	16.135023
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	468,120		16.80	7,864,416	
23	DSIC Rider	468,120		0.84	393,221	
24	Supplier Choice Rider	468,120		-	-	
25	TRS Rider	468,120		(0.10)	(48,335)	
26	Subtotal - Customer Charge				8,209,302	
27	Delivery Charge					
28	Base Rate Delivery		4,103,527	5.35	21,969,054	4,513,880
29	Cap Credit		4,103,527	-	-	
30	Rider GPC - Gas Procurement Charge		4,103,527	0.09	354,955	
31	DSIC Rider		4,103,527	0.34	1,375,831	
32	TRS Rider		4,103,527	(0.03)	(135,022)	
33	Subtotal - Delivery				23,564,818	
34	STAS		4,103,527	0.00	15,183	
35	Subtotal Customer Charge and Delivery Revenue				31,789,303	
36	Gas Cost		4,103,527	7.72	31,686,983	
37	Merchant Function Charge		4,103,527	0.17	697,189	
38	Total Residential CAP Sales	468,120	4,103,527		64,173,475	15.638613
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	425,015		22.00	9,350,338	
42	DSIC Rider	425,015		1.10	467,517	
43	Supplier Choice Rider	425,015		0.00	1,530	
44	TRS Rider	425,015		(0.14)	(57,467)	
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,761,918	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	34,838		44.00	1,532,876	
48	DSIC Rider	34,838		2.20	76,644	
49	Supplier Choice Rider	34,838		0.00	125	
50	TRS Rider	34,838		(0.27)	(9,421)	
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,600,225	
52	Delivery Charge					
53	Base Rate Delivery		7,025,463	3.98	27,992,254	
54	Rider GPC - Gas Procurement Charge		7,025,463	0.09	607,703	
55	DSIC Rider		7,025,463	0.20	1,438,990	
56	TRS Rider		7,025,463	(0.02)	(172,040)	
57	Subtotal - Delivery				29,866,907	
58	STAS		7,025,463	0.00	19,671	
59	Subtotal Customer Charge and Delivery Revenue				41,248,721	
60	Gas Cost		7,025,463	7.72	54,249,846	
61	Merchant Function Charge		7,025,463	0.03	179,852	
62	Total Commercial SGS Sales	459,853	7,025,463		95,678,418	13.618806

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.10	432	
5	Supplier Choice Rider	393		0.00	1	
6	TRS Rider	393		(0.14)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.20	477	
11	Supplier Choice Rider	217		0.00	1	
12	TRS Rider	217		(0.27)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.98	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.09	2,799	
17	DSIC Rider		32,361	0.20	6,628	
18	TRS Rider		32,361	(0.02)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.00	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.72	249,884	
23	Merchant Function Charge		32,361	0.03	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,193		101.00	1,635,467	
28	DSIC Rider	16,193		5.05	81,773	
29	TRS Rider	16,193		(0.62)	(10,052)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,707,188	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,123		145.00	597,849	
33	DSIC Rider	4,123		7.25	29,892	
34	TRS Rider	4,123		(0.89)	(3,674)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				624,067	
36	Delivery Charge					
37	Base Rate Delivery		3,414,015	3.69	12,611,713	
38	Rider GPC - Gas Procurement Charge		3,414,015	0.09	295,312	
39	DSIC Rider		3,414,015	0.19	649,721	
40	TRS Rider		3,414,015	(0.02)	(77,512)	
41	Subtotal - Delivery				13,479,235	
42	STAS		3,414,015	0.00	8,828	
43	Subtotal Customer Charge and Delivery Revenue				15,819,318	
44	Gas Cost		3,414,015	7.72	26,362,646	
45	Merchant Function Charge		3,414,015	0.03	87,399	
46	Total Commercial MGS Sales	20,316	3,414,015		42,269,363	12.381130
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.69	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.09	15,713	
61	DSIC Rider		181,655	0.19	34,571	
62	TRS Rider		181,655	(0.02)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.00	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.72	1,402,717	
67	Merchant Function Charge		181,655	0.03	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.64	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.09	27,221	
15	DSIC Rider		314,695	0.14	43,241	
16	TRS Rider		314,695	(0.02)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.00	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.55	2,375,284	
21	Merchant Function Charge		314,695	0.03	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.754772
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.09	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.55	135,037	
48	Merchant Function Charge		17,891	0.03	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.315456
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				388,230,958	
53	STAS				186,394	
54	Supplier Choice Rider				23,714	
55	Universal Services Program				-	
56	Merchant Function Charge				8,558,990	
57	Gas Procurement Charge				4,357,579	
58	DSIC				22,816,756	
59	TRS				(2,386,067)	
60	Gas Cost				389,002,777	
61	Total Residential Sales	7,055,332	50,376,633		810,791,101	
62	**SGS Sales**					
63	Base Rate Revenue				39,022,600	
64	STAS				19,762	
65	Supplier Choice Rider				1,658	
66	Merchant Function Charge				180,680	
67	Gas Procurement Charge				610,502	
68	DSIC				1,990,689	
69	TRS				(239,833)	
70	Gas Cost				54,499,730	
71	Total SGS Sales	460,463	7,057,823		96,085,788	
72	**MGS Sales**					
73	Base Rate Revenue				15,584,314	
74	STAS				9,298	
75	Merchant Function Charge				92,049	
76	Gas Procurement Charge				311,025	
77	DSIC				799,369	
78	TRS				(95,781)	
79	Gas Cost				27,765,363	
80	Total MGS Sales	20,867	3,595,670		44,465,638	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,684,758	
92	STAS				29,673	
93	Supplier Choice Rider				1,658	
94	Merchant Function Charge				281,244	
95	Gas Procurement Charge				950,296	
96	DSIC				2,845,951	
97	TRS				(342,239)	
98	Gas Cost				84,775,414	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,479	10,986,079		144,226,755	
100	**Total Tariff Sales**					
101	Base Rate Revenue				443,915,716	
102	STAS				216,067	
103	Supplier Choice Rider				25,372	
104	Universal Services Program				-	
105	Merchant Function Charge				8,840,234	
106	Gas Procurement Charge				5,307,875	
107	DSIC				25,662,707	
108	TRS				(2,728,306)	
109	Gas Cost				473,778,191	
110	Total Tariff Sales	7,536,811	61,362,712		955,017,856	

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	774,040		16.80	13,003,878	
4	DSIC Rider	774,040		0.84	650,194	
5	Supplier Choice Rider	774,040		0.00	2,787	
6	TRS Rider	774,040		(0.10)	(79,922)	
7	Subtotal - Customer Charge				13,576,936	
8	Delivery Charge:					
9	Base Rate Delivery		5,650,985	5.35	30,253,681	6,216,084
10	Universal Service Rider		5,650,985	-	-	
11	DSIC Rider		5,650,985	0.32	1,833,801	
12	TRS Rider		5,650,985	(0.03)	(185,939)	
13	Subtotal - Delivery				31,901,543	
14	STAS		5,650,985	0.00	20,909	
15	Subtotal Customer Charge and Delivery Revenue				45,499,388	
16	Gas Cost		5,650,985	1.86	10,534,002	
17	Merchant Function Charge		5,650,985	0.04	231,690	
18	Total Residential Transport	774,040	5,650,985		56,265,080	9.956685
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	99,910		22.00	2,198,021	
22	DSIC Rider	99,910		1.10	109,901	
23	Supplier Choice Rider	99,910		0.00	360	
24	TRS Rider	99,910		(0.14)	(13,509)	
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,294,773	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	24,578		44.00	1,081,426	
28	DSIC Rider	24,578		2.20	54,071	
29	Supplier Choice Rider	24,578		0.00	88	
30	TRS Rider	24,578		(0.27)	(6,646)	
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,128,940	
32	Delivery Charge:					
33	Base Rate Delivery		3,113,845	3.98	12,406,803	
34	Negotiated Delivery		3,601	0.1100	396	
35	DSIC Rider		3,117,446	0.20	621,058	
36	TRS Rider		3,117,446	(0.02)	(76,340)	
37	Subtotal - Delivery				12,951,916	
38	STAS		3,117,446	0.00	8,695	
39	Subtotal Customer Charge and Delivery Revenue				16,384,324	
40	Gas Cost		3,117,446	0.83	2,587,480	
41	Total Commercial SGS Transport	124,488	3,117,446		18,971,804	6.085689
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	419		22.00	9,218	
45	DSIC Rider	419		1.10	461	
46	Supplier Choice Rider	419		0.00	2	
47	TRS Rider	419		(0.14)	(57)	
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	98		44.00	4,312	
51	DSIC Rider	98		2.20	216	
52	Supplier Choice Rider	98		0.00	0	
53	TRS Rider	98		(0.27)	(27)	
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.98	65,666	
57	Negotiated Delivery		3,970	0.0936	371	
58	DSIC Rider		20,451	0.20	4,074	
59	TRS Rider		20,451	(0.02)	(501)	
60	Subtotal - Delivery				69,611	
61	STAS		20,451	0.00	57	
62	Subtotal Customer Charge and Delivery Revenue				83,794	
63	Gas Cost		20,451	0.83	16,974	
64	Total Industrial SGS Transport	517	20,451		100,768	4.927250

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,089		101.00	2,129,993	
4	DSIC Rider	21,089		5.05	106,500	
5	TRS Rider	21,089		(0.62)	(13,091)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,223,401	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,024		145.00	2,323,455	
9	DSIC Rider	16,024		7.25	116,173	
10	TRS Rider	16,024		(0.89)	(14,280)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,425,348	
12	Delivery Charge:					
13	Base Rate Delivery		11,001,976	3.69	40,642,400	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,036,990	0.18	2,038,587	
16	TRS Rider		11,036,990	(0.02)	(250,583)	
17	Subtotal - Delivery				42,452,083	
18	STAS		11,036,990	0.00	28,540	
19	Subtotal Customer Charge and Delivery Revenue				47,129,372	
20	Gas Cost		11,036,990	0.83	9,160,701	
21	Total Commercial MGS Transport	37,113	11,036,990		56,290,074	5.100129
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.00	33,835	
25	DSIC Rider	335		5.05	1,692	
26	TRS Rider	335		(0.62)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.00	175,740	
30	DSIC Rider	1,212		7.25	8,787	
31	TRS Rider	1,212		(0.89)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.69	4,491,811	
35	Negotiated Delivery		94,157	0.2990	28,157	
36	DSIC Rider		1,310,099	0.18	241,982	
37	TRS Rider		1,310,099	(0.02)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.00	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.83	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.00	629,800	
46	DSIC Rider	670		47.00	31,490	
47	TRS Rider	670		(5.78)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.00	562,560	
51	DSIC Rider	384		73.25	28,128	
52	TRS Rider	384		(9.00)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.00	332,280	
56	DSIC Rider	156		106.50	16,614	
57	TRS Rider	156		(13.09)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.00	270,240	
61	DSIC Rider	48		281.50	13,512	
62	TRS Rider	48		(34.60)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,530,272	2.4747	18,635,391	
66	Negotiated Delivery		171,195	2.3379	400,232	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,914,605	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,801,539	
72	Gas Cost		7,701,467	0.17	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		23,141,595	3.004829

Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.00	331,820	
4	DSIC Rider	353		47.00	16,591	
5	TRS Rider	353		(5.78)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.00	517,145	
9	DSIC Rider	353		73.25	25,857	
10	TRS Rider	353		(9.00)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.00	592,140	
14	DSIC Rider	278		106.50	29,607	
15	TRS Rider	278		(13.09)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.00	2,674,250	
19	DSIC Rider	475		281.50	133,713	
20	TRS Rider	475		(34.60)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2634	7,389,894	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,230,703	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,581,581	
30	Gas Cost		42,612,668	0.17	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,996,185	1.267139
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				43,257,559	
35	STAS				20,909	
36	Supplier Choice Rider				2,787	
37	Rider USP				-	
38	Merchant Function Charge				231,690	
39	DSIC				2,483,995	
40	TRS				(265,861)	
41	Gas Cost				10,534,002	
42	Total Residential Transport	774,040	5,650,985		56,265,080	
43	**SGS Transport**					
44	Base Rate Revenue				15,766,215	
45	STAS				8,752	
46	Supplier Choice Rider				450	
47	DSIC				789,781	
48	TRS				(97,080)	
49	Gas Cost				2,604,454	
50	Total SGS Transport	125,005	3,137,897		19,072,572	
51	**MGS Transport**					
52	Base Rate Revenue				49,847,070	
53	STAS				31,928	
54	DSIC				2,513,720	
55	TRS				(308,986)	
56	Gas Cost				10,248,083	
57	Total MGS Transport	38,660	12,347,088		62,331,814	
58	**LGS Transport**					
59	Base Rate Revenue				63,769,223	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		77,137,780	
65	**Transport**					
66	Base Rate Revenue				172,640,066	
67	STAS				129,978	
68	Supplier Choice Rider				3,237	
69	Rider USP				-	
70	Merchant Function Charge				231,690	
71	DSIC				10,969,785	
72	TRS				(1,308,708)	
73	Gas Cost				32,141,199	
74	Total Transport	940,422	71,450,106		214,807,247	
75	Residential Sales Revenue	7,055,332	50,376,633		810,791,101	
76	Commercial and Industrial Sales	481,479	10,986,079		144,226,755	
77	Sales for Resale				36,073	
78	Forfeited Discounts				6,931,495	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				7,404,749	
81	Revs from Transp of Gas of Others thru Distri Fac.	940,422	71,450,106		214,807,247	
82	Rent from Gas Property				-	
83	Other Gas Revenues				(708,368)	
84	Provision for Rate Refunds				-	
85	Total	8,477,233	132,812,818		1,184,614,065	

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,587,212		26.00	171,267,510	
4	Supplier Choice Rider	6,587,212		0.0036	23,714	
5	Rider TRS	6,587,212		(0.1033)	(680,148)	
6	Subtotal - Customer Charge				170,611,076	
7	Delivery Charge					
8	Base Rate Delivery		46,273,106	6.6359	307,063,704	
9	Universal Service Rider		46,273,106	0.0054	249,875	
10	Rider GPC - Gas Procurement Charge		46,273,106	0.0984	4,553,274	
11	Rider TRS		46,273,106	(0.0329)	(1,522,563)	
12	Subtotal - Delivery		46,273,106		310,344,290	
13	Subtotal Customer Charge and Delivery Revenue				480,955,366	
14	Gas Cost		46,273,106	7.7219	357,315,794	
15	Merchant Function Charge		46,273,106	0.1490	6,896,195	
16	Total Residential Sales	6,587,212	46,273,106		845,167,355	18.264764
17	**Residential CAP Sales**					
18	Customer Charge					
19	Service Charge	468,120		26.00	12,171,120	
20	Supplier Choice Rider	468,120		-	-	
21	Rider TRS	468,120		(0.1033)	(48,335)	
22	Subtotal - Customer Charge				12,122,785	
23	Delivery Charge					
24	Base Rate Delivery		4,103,527	6.6359	27,230,597	
25	Cap Credit		4,103,527	-	-	
26	Rider GPC - Gas Procurement Charge		4,103,527	0.0984	403,787	
27	Rider TRS		4,103,527	(0.0329)	(135,022)	
28	Subtotal - Delivery		4,103,527		27,499,362	
29	Subtotal Customer Charge and Delivery Revenue				39,622,147	
30	Gas Cost		4,103,527	7.7219	31,686,983	
31	Merchant Function Charge		4,103,527	0.1490	611,559	
32	Total Residential CAP Sales	468,120	4,103,527		71,920,689	17.526553
33	**Commercial SGS Sales**					
34	Customer Charge (0 - 499 Mcf/Yr)					
35	Service Charge	425,015		32.14	13,659,994	
36	Supplier Choice Rider	425,015		0.0036	1,530	
37	Rider TRS	425,015		(0.1352)	(57,467)	
38	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				13,604,057	
39	Customer Charge (500 - 999 Mcf/Yr)					
40	Service Charge	34,838		64.28	2,239,393	
41	Supplier Choice Rider	34,838		0.0036	125	
42	TRS Rider	34,838		(0.2704)	(9,421)	
43	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				2,230,097	
44	Delivery Charge					
45	Base Rate Delivery		7,025,463	5.7095	40,111,881	
46	Rider GPC - Gas Procurement Charge		7,025,463	0.0984	691,306	
47	Rider TRS		7,025,463	(0.0245)	(172,040)	
48	Subtotal - Delivery		7,025,463		40,631,146	
49	Subtotal Customer Charge and Delivery Revenue				56,465,300	
50	Gas Cost		7,025,463	7.7219	54,249,846	
51	Merchant Function Charge		7,025,463	0.0327	229,640	
52	Total Commercial SGS Sales	459,853	7,025,463		110,944,785	15.791811

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		32.14	12,631	
4	Supplier Choice Rider	393		0.0036	1	
5	Rider TRS	393		(0.1352)	(53)	
6	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				12,579	
7	Customer Charge (500 - 999 Mcf/Yr)					
8	Service Charge	217		64.28	13,949	
9	Supplier Choice Rider	217		0.0036	1	
10	Rider TRS	217		(0.2704)	(59)	
11	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				13,891	
12	Delivery Charge					
13	Base Rate Delivery		32,361	5.7095	184,762	
14	Rider GPC - Gas Procurement Charge		32,361	0.0984	3,184	
15	Rider TRS		32,361	(0.0245)	(792)	
16	Subtotal - Delivery		32,361		187,154	
17	Subtotal Customer Charge and Delivery Revenue				213,624	
18	Gas Cost		32,361	7.7219	249,884	
19	Merchant Function Charge		32,361	0.0327	1,058	
20	Total Industrial SGS Sales	610	32,361		464,566	14.355965
21	**Commercial MGS Sales**					
22	Customer Charge (1000 - 2499 Mcf/Yr)					
23	Service Charge	16,193		110.00	1,781,201	
24	Rider TRS	16,193		(0.6207)	(10,052)	
25	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,771,150	
26	Customer Charge (2500 - 24999 Mcf/Yr)					
27	Service Charge	4,123		158.00	651,449	
28	Rider TRS	4,123		(0.8912)	(3,674)	
29	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				647,775	
30	Delivery Charge					
31	Base Rate Delivery		3,414,015	5.2072	17,777,459	
32	Rider GPC - Gas Procurement Charge		3,414,015	0.0984	335,939	
33	Rider TRS		3,414,015	(0.0227)	(77,512)	
34	Subtotal - Delivery		3,414,015		18,035,887	
35	Subtotal Customer Charge and Delivery Revenue				20,454,811	
36	Gas Cost		3,414,015	7.7219	26,362,646	
37	Merchant Function Charge		3,414,015	0.0327	111,593	
38	Total Commercial MGS Sales	20,316	3,414,015		46,929,050	13.746000
39	**Industrial MGS Sales**					
40	Customer Charge (1000 - 2499 Mcf/Yr)					
41	Service Charge	265		110.00	29,150	
42	Rider TRS	265		(0.6207)	(164)	
43	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				28,986	
44	Customer Charge (2500 - 24999 Mcf/Yr)					
45	Service Charge	286		158.00	45,188	
46	Rider TRS	286		(0.8912)	(255)	
47	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				44,933	
48	Delivery Charge					
49	Base Rate Delivery		181,655	5.2072	945,912	
50	Rider GPC - Gas Procurement Charge		181,655	0.0984	17,875	
51	Rider TRS		181,655	(0.0227)	(4,124)	
52	Subtotal - Delivery		181,655		959,663	
53	Subtotal Customer Charge and Delivery Revenue				1,033,582	
54	Gas Cost		181,655	7.7219	1,402,717	
55	Merchant Function Charge		181,655	0.0327	5,938	
56	Total Industrial MGS Sales	551	181,655		2,442,237	13.444390

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		987.00	101,661	
4	Rider TRS	103		(5.7772)	(595)	
5	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
6	Customer Charge (50000 - 99999 Mcf/Yr)					
7	Service Charge	3		1,538.00	4,614	
8	Rider TRS	3		(9.0039)	(27)	
9	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,587	
10	Delivery Charge					
11	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		314,695	2.9451	926,809	
12	Rider GPC - Gas Procurement Charge		314,695	0.0984	30,966	
13	Rider TRS		314,695	(0.0162)	(5,098)	
14	Subtotal - Delivery		314,695		952,676	
15	Subtotal Customer Charge and Delivery Revenue				1,058,329	
16	Gas Cost		314,695	7.5479	2,375,284	
17	Merchant Function Charge		314,695	0.0327	10,286	
18	Total Commercial LGS Sales	106	314,695		3,443,899	10.943606
19	**Industrial LGS Sales**					
20	Customer Charge (25000 - 49999 Mcf/Yr)					
21	Service Charge	28		987.00	27,636	
22	Rider TRS	28		(5.7772)	(162)	
23	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
24	Customer Charge (100000 - 199999 Mcf/Yr)					
25	Service Charge	3		2,237.00	6,711	
26	Rider TRS	3		(13.0910)	(39)	
27	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,672	
28	Customer Charge (>200000 Mcf/Yr)					
29	Service Charge	12		5,912.00	70,944	
30	TRS Rider	12		(13.0910)	(157)	
31	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,787	
32	Delivery Charge					
33	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		17,128	2.9451	50,445	
34	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		762	2.8512	2,173	
35	Rider GPC - Gas Procurement Charge		17,891	0.0984	1,760	
36	Rider TRS		17,891	(0.0161)	(288)	
37	Subtotal - Delivery		17,891		54,091	
38	Subtotal Customer Charge and Delivery Revenue				88,237	
39	Gas Cost		17,891	7.5479	135,037	
40	Merchant Function Charge		17,891	0.0327	585	
41	Total Industrial LGS Sales	43	17,891		223,859	12.512577
42	**Tariff Sales Summary by Rate Class**					
43	**Residential Sales**					
44	Base Rate Revenue				517,732,931	
45	Supplier Choice Rider				23,714	
46	Rider TRS				(2,386,067)	
47	Universal Services Program				249,875	
48	Merchant Function Charge				7,507,754	
49	Gas Procurement Charge				4,957,061	
50	Gas Cost				389,002,777	
51	Total Residential Sales	7,055,332	50,376,633		917,088,044	
52	**SGS Sales**					
53	Base Rate Revenue				56,222,610	
54	Supplier Choice Rider				1,658	
55	Rider TRS				(239,833)	
56	Merchant Function Charge				230,697	
57	Gas Procurement Charge				694,490	
58	Gas Cost				54,499,730	
59	Total SGS Sales	460,463	7,057,823		111,409,351	
60	**MGS Sales**					
61	Base Rate Revenue				21,230,360	
62	Rider TRS				(95,781)	
63	Merchant Function Charge				117,531	
64	Gas Procurement Charge				353,814	
65	Gas Cost				27,765,363	
66	Total MGS Sales	20,867	3,595,670		49,371,286	
67	**LGS Sales**					
68	Base Rate Revenue				1,190,993	
69	Rider TRS				(6,366)	
70	Merchant Function Charge				10,871	
71	Gas Procurement Charge				32,726	
72	Gas Cost				2,510,321	
73	Total LGS Sales	149	332,586		3,738,545	
74	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
75	Base Rate Revenue				78,643,962	
76	Supplier Choice Rider				1,658	
77	Rider TRS				(341,980)	
78	Merchant Function Charge				359,099	
79	Gas Procurement Charge				1,081,030	
80	Gas Cost				84,775,414	
81	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,479	10,986,079		164,519,183	
82	**Total Tariff Sales**					
83	Base Rate Revenue				596,376,894	
84	Supplier Choice Rider				25,372	
85	Rider TRS				(2,728,048)	
86	Universal Services Program				249,875	
87	Merchant Function Charge				7,866,853	
88	Gas Procurement Charge				6,038,091	
89	Gas Cost				473,778,191	
90	Total Tariff Sales	7,536,811	61,362,712		1,081,607,227	

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	774,040		26.00	20,125,049	
4	Supplier Choice Rider	774,040		0.0036	2,787	
	Rider TRS	774,040		(0.1033)	(79,922)	
5	Subtotal - Customer Charge				20,047,913	
6	Delivery Charge:					
7	Base Rate Delivery		5,650,985	6.6359	37,499,375	
8	Universal Service Rider		5,650,985	0.0054	30,515	
	Rider TRS		5,650,985	(0.0329)	(185,939)	
9	Subtotal - Delivery		5,650,985		37,343,951	
10	Subtotal Customer Charge and Delivery Revenue				57,391,864	
11	Gas Cost		5,650,985	1.8641	10,534,002	
12	Merchant Function Charge		5,650,985	0.0360	203,306	
13	Total Residential Transport	774,040	5,650,985		68,129,172	12.056158
14	**Commercial SGS Transport**					
15	Customer Charge (0 - 499 Mcf/Yr)					
16	Service Charge	99,910		32.14	3,211,109	
17	Supplier Choice Rider	99,910		0.0036	360	
	Rider TRS	99,910		(0.1352)	(13,509)	
18	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				3,197,960	
19	Customer Charge (500 - 999 Mcf/Yr)					
20	Service Charge	24,578		64.28	1,579,866	
21	Supplier Choice Rider	24,578		0.0036	88	
	Rider TRS	24,578		(0.2704)	(6,646)	
22	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,573,308	
23	Delivery Charge:					
24	Base Rate Delivery		3,113,845	5.7095	17,778,496	
25	Negotiated Delivery		3,601	0.1100	396	
	Rider TRS		3,117,446	(0.0245)	(76,340)	
26	Subtotal - Delivery		3,117,446		17,702,552	
27	Subtotal Customer Charge and Delivery Revenue				22,473,820	
28	Gas Cost		3,117,446	0.8300	2,587,480	
29	Total Commercial SGS Transport	124,488	3,117,446		25,061,300	8.039049
30	**Industrial SGS Transport**					
31	Customer Charge (0 - 499 Mcf/Yr)					
32	Service Charge	419		32.15	13,471	
33	Supplier Choice Rider	419		0.0036	2	
	Rider TRS	419		(0.1352)	(57)	
34	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				13,416	
35	Customer Charge (500 - 999 Mcf/Yr)					
36	Service Charge	98		64.28	6,299	
37	Supplier Choice Rider	98		0.0036	0	
	Rider TRS	98		(0.2704)	(27)	
38	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				6,273	
39	Delivery Charge:					
40	Base Rate Delivery		16,481	5.7186	94,248	
41	Negotiated Delivery		3,970	0.0936	371	
	Rider TRS		20,451	(0.0245)	(501)	
42	Subtotal - Delivery		20,451		94,118	
43	Subtotal Customer Charge and Delivery Revenue				113,807	
44	Gas Cost		20,451	0.8300	16,974	
45	Total Industrial SGS Transport	517	20,451		130,782	6.394823

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,089		110.00	2,319,794	
	Rider TRS	21,089		(0.6207)	(13,091)	
4	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,306,703	
5	Customer Charge (2500 - 24999 Mcf/Yr)					
6	Service Charge	16,024		158.00	2,531,765	
	Rider TRS	16,024		(0.8912)	(14,280)	
7	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,517,485	
8	Delivery Charge:					
9	Base Rate Delivery		11,001,976	5.2072	57,289,490	
10	Negotiated Delivery		35,014	0.6192	21,679	
	Rider TRS		11,036,990	(0.0227)	(250,583)	
11	Subtotal - Delivery		11,036,990		57,060,586	
12	Subtotal Customer Charge and Delivery Revenue				61,884,774	
13	Gas Cost		11,036,990	0.8300	9,160,701	
14	Total Commercial MGS Transport	37,113	11,036,990		71,045,475	6.437034
15	**Industrial MGS Transport**					
16	Customer Charge (1000 - 2499 Mcf/Yr)					
17	Service Charge	335		110.00	36,850	
	Rider TRS	335		(0.6207)	(208)	
18	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				36,642	
19	Customer Charge (2500 - 24999 Mcf/Yr)					
20	Service Charge	1,212		158.00	191,496	
	Rider TRS	1,212		(0.8912)	(1,080)	
21	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				190,416	
22	Delivery Charge:					
23	Base Rate Delivery		1,215,942	5.2072	6,331,653	
24	Negotiated Delivery		94,157	0.2990	28,157	
	Rider TRS		1,310,099	(0.0227)	(29,744)	
25	Subtotal - Delivery		1,310,099		6,330,066	
26	Subtotal Customer Charge and Delivery Revenue				6,557,124	
27	Gas Cost		1,310,099	0.8300	1,087,382	
28	Total Industrial MGS Transport	1,547	1,310,099		7,644,505	5.835061
29	**Commercial LGS Transport**					
30	Customer Charge (25000 - 49999 Mcf/Yr)					
31	Service Charge	670		987.00	661,290	
	Rider TRS	670		(5.7772)	(3,871)	
32	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
33	Customer Charge (50000 - 99999 Mcf/Yr)					
34	Service Charge	384		1,538.00	590,592	
	Rider TRS	384		(9.0039)	(3,457)	
35	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,135	
36	Customer Charge (100000 - 199999 Mcf/Yr)					
37	Service Charge	156		2,237.00	348,972	
	Rider TRS	156		(13.0910)	(2,042)	
38	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,930	
39	Customer Charge (>200000 Mcf/Year)					
40	Service Charge	48		5,912.00	283,776	
	Rider TRS	48		(34.6020)	(1,661)	
41	Subtotal - Customer Charge (>200000 Mcf/Year)				282,115	
42	Delivery Charge:					
43	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		1,945,530	2.9451	5,729,780	
44	Base Rate Delivery - Consumption 50000-99999 Mcf/Yr		2,378,579	2.8512	6,781,805	
45	Base Rate Delivery - Consumption 100000-199999 Mcf/Yr		1,692,774	2.7189	4,602,483	
46	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		1,513,389	2.4509	3,709,165	
47	Base Rate Delivery - Consumption 750000-1999999 Mcf/Yr		-	2.1336	-	
48	Base Rate Delivery - Consumption >2000000 Mcf/Yr		-	1.6123	-	
49	Negotiated Delivery		171,195	2.3379	400,232	
	Rider TRS		7,701,467	(0.0152)	(117,137)	
50	Subtotal - Delivery		7,701,467		21,106,327	
51	Subtotal Customer Charge and Delivery Revenue				22,979,926	
52	Gas Cost		7,701,467	0.1740	1,340,055	
53	Total Commercial LGS Transport	1,258	7,701,467		24,319,981	3.157838

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		987.00	348,411	
	Rider TRS	353		(5.7772)	(2,039)	
4	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
5	Customer Charge (50000 - 99999 Mcf/Yr)					
6	Service Charge	353		1,538.00	542,914	
	Rider TRS	353		(9.0039)	(3,178)	
7	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,736	
8	Customer Charge (100000 - 199999 Mcf/Yr)					
9	Service Charge	278		2,237.00	621,886	
	Rider TRS	278		(13.09)	(3,639)	
10	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,247	
11	Customer Charge (>200000 Mcf/Year)					
12	Service Charge	475		5,912.00	2,808,200	
	Rider TRS	475		(34.6020)	(16,436)	
13	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,764	
14	Delivery Charge:					
15	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		1,277,708	2.9451	3,762,977	
16	Base Rate Delivery - Consumption 50000-99999 Mcf/Yr		1,466,279	2.8512	4,180,654	
17	Base Rate Delivery - Consumption 100000-199999 Mcf/Yr		3,336,684	2.7189	9,072,110	
18	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		5,950,590	2.4509	14,584,302	
19	Base Rate Delivery - Consumption 750000-199999 Mcf/Yr		836,183	2.1336	1,784,080	
20	Base Rate Delivery - Consumption >2000000 Mcf/Yr		-	1.6123	-	
	Base Rate Delivery - MLS Rate		1,694,527	0.4422	749,320	
21	Negotiated Delivery		28,050,697	0.2634	7,389,894	
	Rider TRS		42,612,668	(0.0113)	(483,320)	
22	Subtotal - Delivery		42,612,668		41,040,017	
23	Subtotal Customer Charge and Delivery Revenue				45,336,135	
24	Gas Cost		42,612,668	0.1740	7,414,604	
25	Total Industrial LGS Transport	1,459	42,612,668		52,750,739	
26	**Transport Summary by Rate Class**					
27	**Residential Transport**					
28	Base Rate Revenue				57,624,423	
29	Supplier Choice Rider				2,787	
	Rider TRS				(265,861)	
30	Rider USP				30,515	
31	Merchant Function Charge				203,306	
32	Gas Cost				10,534,002	
33	Total Residential Transport	774,040	5,650,985		68,129,172	
34	**SGS Transport**					
35	Base Rate Revenue				22,684,257	
36	Supplier Choice Rider				450	
	Rider TRS				(97,080)	
37	Gas Cost				2,604,454	
38	Total SGS Transport	125,005	3,137,897		25,192,082	
39	**MGS Transport**					
40	Base Rate Revenue				68,750,884	
	Rider TRS				(308,986)	
41	Gas Cost				10,248,083	
42	Total MGS Transport	38,660	12,347,088		78,689,980	
43	**LGS Transport**					
44	Base Rate Revenue				68,952,842	
	Rider TRS				(636,781)	
45	Gas Cost				8,754,659	
46	Total LGS Transport	2,717	50,314,135		77,070,721	
47	**Transport**					
48	Base Rate Revenue				218,012,406	
49	Supplier Choice Rider				3,237	
	Rider TRS				(1,308,708)	
50	Rider USP				30,515	
51	Merchant Function Charge				203,306	
52	Gas Cost				32,141,199	
53	Total Transport	940,422	71,450,106		249,081,955	
54	Residential Sales Revenue	7,055,332	50,376,633		917,088,044	
55	SGS, MGS, LGS Sales	481,479	10,986,079		164,519,183	
56	Sales for Resale				36,073	
57	Forfeited Discounts				8,099,621	
58	Miscellaneous Service Revenues				1,117,866	
59	Revs from Transp of Gas of Others thru Gath Fac.				8,551,629	
60	Revs from Transp of Gas of Others thru Distri Fac.	940,422	71,450,106		249,081,955	
61	Rent from Gas Property				-	
62	Other Gas Revenues				(708,368)	
63	Provision for Rate Refunds				-	
64	Total	8,477,233	132,812,818		1,347,786,003	

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2025

Line No.	Description	Per Book	Incremental Bills Growth/Attrition	Rate Schedule Change	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 19, RR-4)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,489,280	20,148	(20,148)	6,489,280
3	Residential CAP	407,347		-	407,347
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	427,682	(2,175)	2,175	427,682
7	500-999 Mcf/Year	35,112	(234)	234	35,112
8	Total Commercial SGS (<1000 Mcf/Yr)	462,794	(2,408)	2,408	462,794
9	INDUSTRIAL				
10	0-499 Mcf/Year	403	-	(10)	393
11	500-999 Mcf/Year	229	-	(12)	217
12	Total Industrial SGS (<1000 Mcf/Yr)	632	-	(22)	610
13	Total SGS (<1000 Mcf/Yr)	463,426	(2,408)	2,386	463,404
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,228	(82)	82	16,228
17	2500-24999 Mcf/Year	4,054	57	(57)	4,054
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,282	(25)	25	20,282
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-	-	265
21	2500-24999 Mcf/Year	286	-	-	286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,833	(25)	25	20,833
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-	-	103
27	50000-99999 Mcf/Year	3	-	-	3
28	100000-199999 Mcf/Year	-	-	-	-
29	>200000 Mcf/Year	-	-	-	-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-	-	28
33	50000-99999 Mcf/Year	-	-	-	-
34	100000-199999 Mcf/Year	3	-	-	3
35	200000-749999 Mcf/Year	4	-	-	4
36	750000-1999999 Mcf/Year	8	-	-	8
37	>2000000 Mcf/Year	-	-	-	-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,896,627	20,148	(20,148)	6,896,627
42	Commercial	483,182	(2,433)	2,433	483,182
43	Industrial	1,226	-	(22)	1,204
44	Total Tariff Sales Bills	7,381,035	17,715	(17,737)	7,381,013

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2025

Line No.	Description	Per Book	Incremental Bills Growth/Attrition	Rate Schedule Change	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 19, RR-4)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	894,582	(64,275)	64,275	894,582
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	97,788	2,122	(2,122)	97,788
6	500-999 Mcf/Year	23,849	729	(729)	23,849
7	Total Commercial SGS (<1000 Mcf/Yr)	121,637	2,851	(2,851)	121,637
8	INDUSTRIAL				
9	0-499 Mcf/Year	465	-	(46)	419
10	500-999 Mcf/Year	142	-	(44)	98
11	Total Industrial SGS (<1000 Mcf/Yr)	607	-	(90)	517
12	Total SGS (<1000 Mcf/Yr)	122,244	2,851	(2,941)	122,154
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,214	130	(130)	21,214
16	2500-24999 Mcf/Year	16,230	(13)	13	16,230
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,444	117	(117)	37,444
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335	-	-	335
20	2500-24999 Mcf/Year	1,278	-	(66)	1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,613	-	(66)	1,547
22	Total MGS (1000-24999 Mcf/Yr)	39,057	117	(183)	38,991
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-	-	670
26	50000-99999 Mcf/Year	384	-	-	384
27	100000-199999 Mcf/Year	156	-	-	156
28	>200000 Mcf/Year	48	-	-	48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	376	-	(23)	353
32	50000-99999 Mcf/Year	371	-	(18)	353
33	100000-199999 Mcf/Year	290	-	(12)	278
34	>200000 Mcf/Year	626	-	(151)	475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,663	-	(204)	1,459
36	Total LGS (>24999 Mcf/Yr)	2,921	-	(204)	2,717
37	**Transport Bills by Customer Class**				
38	Residential	894,582	(64,275)	64,275	894,582
39	Commercial	160,339	2,968	(2,968)	160,339
40	Industrial	3,883	-	(360)	3,523
41	Total Transport Bills	1,058,804	(61,307)	60,947	1,058,444
42	**Overall Bills by Customer Class**				
43	Residential	7,791,209	(44,128)	44,128	7,791,209
44	Commercial	643,521	535	(535)	643,521
45	Industrial	5,109	-	(382)	4,727
46	Total Bills	8,439,839	(43,592)	43,210	8,439,457

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,489,280	20,148	-	6,509,428
3	Residential CAP	407,347	60,773	-	468,120
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	427,682	(2,175)	-	425,507
7	500-999 Mcf/Year	35,112	(234)	-	34,878
8	Total Commercial SGS (<1000 Mcf/Yr)	462,794	(2,408)	-	460,386
9	INDUSTRIAL				
10	0-499 Mcf/Year	393	-	-	393
11	500-999 Mcf/Year	217	-	-	217
12	Total Industrial SGS (<1000 Mcf/Yr)	610	-	-	610
13	Total SGS (<1000 Mcf/Yr)	463,404	(2,408)	-	460,996
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,228	(82)	-	16,146
17	2500-24999 Mcf/Year	4,054	57	-	4,111
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,282	(25)	-	20,257
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-	-	265
21	2500-24999 Mcf/Year	286	-	-	286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,833	(25)	-	20,808
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-	-	103
27	50000-99999 Mcf/Year	3	-	-	3
28	100000-199999 Mcf/Year	-	-	-	-
29	>200000 Mcf/Year	-	-	-	-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-	-	28
33	50000-99999 Mcf/Year	-	-	-	-
34	100000-199999 Mcf/Year	3	-	-	3
35	200000-749999 Mcf/Year	4			4
36	750000-1999999 Mcf/Year	8			8
37	>2000000 Mcf/Year	-	-	-	-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,896,627	80,921	-	6,977,548
42	Commercial	483,182	(2,433)	-	480,749
43	Industrial	1,204	-	-	1,204
44	Total Tariff Sales Bills	7,381,013	78,488	-	7,459,501

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	894,582	(64,275)		830,307
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	97,788	2,122		99,910
6	500-999 Mcf/Year	23,849	729		24,578
7	Total Commercial SGS (<1000 Mcf/Yr)	121,637	2,851	-	124,488
8	INDUSTRIAL				
9	0-499 Mcf/Year	419	-		419
10	500-999 Mcf/Year	98	-		98
11	Total Industrial SGS (<1000 Mcf/Yr)	517	-	-	517
12	Total SGS (<1000 Mcf/Yr)	122,154	2,851	-	125,005
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,214	130		21,344
16	2500-24999 Mcf/Year	16,230	(13)		16,217
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,444	117	-	37,561
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335	-		335
20	2500-24999 Mcf/Year	1,212	-		1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,547	-	-	1,547
22	Total MGS (1000-24999 Mcf/Yr)	38,991	117	-	39,108
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-		670
26	50000-99999 Mcf/Year	384	-		384
27	100000-199999 Mcf/Year	156	-		156
28	>200000 Mcf/Year	48	-		48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	353	-		353
32	50000-99999 Mcf/Year	353	-		353
33	100000-199999 Mcf/Year	278	-		278
34	>200000 Mcf/Year	475	-		475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,459	-	-	1,459
36	Total LGS (>24999 Mcf/Yr)	2,717	-	-	2,717
37	**Transport Bills by Customer Class**				
38	Residential	894,582	(64,275)	-	830,307
39	Commercial	160,339	2,968	-	163,307
40	Industrial	3,523	-	-	3,523
41	Total Transport Bills	1,058,444	(61,307)	-	997,137
42	**Overall Bills by Customer Class**				
43	Residential	7,791,209	16,645	-	7,807,854
44	Commercial	643,521	535	-	644,056
45	Industrial	4,727	-	-	4,727
46	Total Bills	8,439,457	17,181	-	8,456,638

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,509,428	77,784		6,587,212
3	Residential CAP	468,120	-		468,120
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	425,507	(492)		425,015
7	500-999 Mcf/Year	34,878	(40)		34,838
8	Total Commercial SGS (<1000 Mcf/Yr)	460,386	(532)	-	459,853
9	INDUSTRIAL				
10	0-499 Mcf/Year	393	-		393
11	500-999 Mcf/Year	217	-		217
12	Total Industrial SGS (<1000 Mcf/Yr)	610	-	-	610
13	Total SGS (<1000 Mcf/Yr)	460,996	(532)	-	460,463
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,146	47		16,193
17	2500-24999 Mcf/Year	4,111	12		4,123
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,257	59	-	20,316
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-		265
21	2500-24999 Mcf/Year	286	-		286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,808	59	-	20,867
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-		103
27	50000-99999 Mcf/Year	3	-		3
28	100000-199999 Mcf/Year	-	-		-
29	>200000 Mcf/Year	-	-		-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-		28
33	50000-99999 Mcf/Year	-	-		-
34	100000-199999 Mcf/Year	3			3
35	200000-749999 Mcf/Year	4			4
36	750000-1999999 Mcf/Year	8	-		8
37	>2000000 Mcf/Year	-	-		-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,977,548	77,784	-	7,055,332
42	Commercial	480,749	(474)	-	480,275
43	Industrial	1,204	-	-	1,204
44	Total Tariff Sales Bills	7,459,501	77,310	-	7,536,811

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	830,307	(56,266)		774,040
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	99,910	-		99,910
6	500-999 Mcf/Year	24,578	-		24,578
7	Total Commercial SGS (<1000 Mcf/Yr)	124,488	-	-	124,488
8	INDUSTRIAL				
9	0-499 Mcf/Year	419	-		419
10	500-999 Mcf/Year	98	-		98
11	Total Industrial SGS (<1000 Mcf/Yr)	517	-	-	517
12	Total SGS (<1000 Mcf/Yr)	125,005	-	-	125,005
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,344	(255)		21,089
16	2500-24999 Mcf/Year	16,217	(194)		16,024
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,561	(448)	-	37,113
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335			335
20	2500-24999 Mcf/Year	1,212			1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,547	-	-	1,547
22	Total MGS (1000-24999 Mcf/Yr)	39,108	(448)	-	38,660
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-		670
26	50000-99999 Mcf/Year	384	-		384
27	100000-199999 Mcf/Year	156	-		156
28	>200000 Mcf/Year	48	-		48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	353	-		353
32	50000-99999 Mcf/Year	353	-		353
33	100000-199999 Mcf/Year	278	-		278
34	>200000 Mcf/Year	475	-		475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,459	-	-	1,459
36	Total LGS (>24999 Mcf/Yr)	2,717	-	-	2,717
37	**Transport Bills by Customer Class**				
38	Residential	830,307	(56,266)	-	774,040
39	Commercial	163,307	(448)	-	162,859
40	Industrial	3,523	-	-	3,523
41	Total Transport Bills	997,137	(56,715)	-	940,422
42	**Overall Bills by Customer Class**				
43	Residential	7,807,854	21,518	-	7,829,372
44	Commercial	644,056	(922)	-	643,134
45	Industrial	4,727	-	-	4,727
46	Total Bills	8,456,638	20,596	-	8,477,233

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended November 30, 2025

Line No.	Description	Billed Throughput	Weather Normalization Adjustment	Customer Reclass, Growth & Attrition	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch M)	*(Ex 3, Sch 15, Atch H, Pg 1)*	*(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	
1	**Tariff Sales Throughput**				
2	Residential	45,447,606	247,095	(0)	45,694,701
3	Residential CAP	3,560,018	19,356	-	3,579,373
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,780,740	(710,353)	(0)	7,070,387
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,813,101	(710,353)	(0)	7,102,748
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,618,956	(210,626)	0	3,408,329
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,800,610	(210,626)	0	3,589,984
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	49,007,623	266,450	(0)	49,274,074
18	Commercial	11,714,391	(920,979)	(0)	10,793,412
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	60,953,920	(654,529)	(0)	60,299,391
21	**Transport Throughput**				
22	Residential	6,511,308	35,401	-	6,546,709
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,354,894	(308,842)	-	3,046,052
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,375,345	(308,842)	-	3,066,503
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	12,228,165	(1,092,698)	-	11,135,466
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	13,538,263	(1,092,698)	-	12,445,565
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,511,308	35,401	-	6,546,709
37	Commercial	23,284,526	(1,401,540)	-	21,882,985
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	73,739,052	(1,366,139)	-	72,372,913
40	**Overall Throughput by Customer Class**				
41	Residential	55,518,931	301,852	(0)	55,820,783
42	Commercial	34,998,917	(2,322,520)	(0)	32,676,397
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	134,692,972	(2,020,668)	(0)	132,672,304
45	**Weather Normalized Volumes Only (from Ex 3, Sch 15, Atch H, Pg 1)**				
46	Residential	55,518,931	301,852		55,820,783
47	Commercial	26,982,755	(2,322,520)		24,660,235
48	Total Throughput	82,501,686	(2,020,668)		80,481,018

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Change in Customer Usage	Customer Reclass, Growth & Attrition	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch M)	*(Ex 3, Sch 15, Atch H, Pg 1; Ex 19, RR-5)*	*(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	
1	**Tariff Sales Throughput**				
2	Residential	45,694,701	119,585.78	142,242	45,956,529
3	Residential CAP	3,579,373	9,367	535,412	4,124,153
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,070,387	0	(36,790)	7,033,597
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,102,748	0	(36,790)	7,065,958
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,408,329	(0)	(4,163)	3,404,167
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,589,984	(0)	(4,163)	3,585,821
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	49,274,074	128,953	677,654	50,080,681
18	Commercial	10,793,412	0	(40,953)	10,752,459
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	60,299,391	128,953	636,702	61,065,046
21	**Transport Throughput**				
22	Residential	6,546,709	17,133	(471,609)	6,092,234
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,046,052	0	71,394	3,117,446
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,066,503	0	71,394	3,137,897
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	11,135,466	(0)	34,852	11,170,318
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	12,445,565	(0)	34,852	12,480,417
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,546,709	17,133	(471,609)	6,092,234
37	Commercial	21,882,985	(0)	106,245	21,989,231
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	72,372,913	17,133	(365,363)	72,024,683
40	**Overall Throughput by Customer Class**				
41	Residential	55,820,783	146,086	206,046	56,172,915
42	Commercial	32,676,397	0	65,293	32,741,690
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	132,672,304	146,086	271,338	133,089,729

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Change in Customer Usage	Customer Reclass, Growth & Attrition	Forecasted Adjusted
		(1) *(Ex 3, Sch 15, Atch M)*	(2) *(Ex 3, Sch 15, Atch H, Pg 1; Ex 19, RR-5)*	(3) *(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	(4)=(1+2+3)
1	**Tariff Sales Throughput**				
2	Residential	45,956,529	(229,832.98)	546,410	46,273,106
3	Residential CAP	4,124,153	(20,625)	-	4,103,527
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,033,597	-	(8,134)	7,025,463
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,065,958	-	(8,134)	7,057,823
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,404,167	-	9,848	3,414,015
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,585,821	-	9,848	3,595,670
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	50,080,681	(250,458)	546,410	50,376,633
18	Commercial	10,752,459	-	1,714	10,754,173
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	61,065,046	(250,458)	548,124	61,362,712
21	**Transport Throughput**				
22	Residential	6,092,234	(30,468)	(410,781)	5,650,985
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,117,446	-	-	3,117,446
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,137,897	-	-	3,137,897
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	11,170,318	-	(133,328)	11,036,990
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	12,480,417	-	(133,328)	12,347,088
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,092,234	(30,468)	(410,781)	5,650,985
37	Commercial	21,989,231	-	(133,328)	21,855,902
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	72,024,683	(30,468)	(544,109)	71,450,106
40	**Overall Throughput by Customer Class**				
41	Residential	56,172,915	(280,926)	135,630	56,027,619
42	Commercial	32,741,690	-	(131,614)	32,610,075
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	133,089,729	(280,926)	4,015	132,812,818

Peoples Natural Gas Company LLC
Adjustment based on Normalized Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Billed Throughput	Normalized	Normalized Adjustment	Base Rate	Revenue
		(1)	(2)	(3)=(2-1)	(4)	(5 = 3 x 4)
		Mcf	Mcf	Mcf	$/Mcf	$
		(Ex 3, Sch 15, Atch G)	*(Ex 3, Sch 15, Atch F; Ex 19, RR-5)*			
1	**Tariff Sales**					
2	Residential	45,447,606	45,694,701	247,095	5.3537	1,322,871
3	Residential CAP	3,560,018	3,579,373	19,356	5.3537	103,624
4	Commercial SGS (<1000 Mcf/Yr)	7,780,740	7,070,387	(710,353)	3.9844	(2,830,331)
5	Commercial MGS (1000-24999 Mcf/Yr)	3,618,956	3,408,329	(210,626)	3.6941	(778,075)
6	**Tariff Sales Summary by Customer Class**					
7	Residential	49,007,623	49,274,074	266,450		1,426,495
8	Commercial	11,399,696	10,478,717	(920,979)		(3,608,405)
9	Total Tariff Sales Normalization	60,407,319	59,752,790	(654,529)		(2,181,910)
10	**Transport**					
11	Residential	6,511,308	6,546,709	35,401	5.3537	189,529
12	Commercial SGS (<1000 Mcf/Yr)	3,354,894	3,046,052	(308,842)	3.9844	(1,230,550)
13	Commercial MGS (1000-24999 Mcf/Yr)	12,228,165	11,135,466	(1,092,698)	3.6941	(4,036,537)
14	**Transport Summary by Customer Class**					
15	Residential	6,511,308	6,546,709	35,401		189,529
16	Commercial	15,583,059	14,181,518	(1,401,540)		(5,267,087)
17	Total Transport Normalization	22,094,367	20,728,228	(1,366,139)		(5,077,559)
18	**Summary by Customer Class**					
19	Residential	55,518,931	55,820,783	301,852		1,616,024
20	Commercial	26,982,755	24,660,235	(2,322,520)		(8,875,493)
21	Total Normalization	82,501,686	80,481,018	(2,020,668)		(7,259,469)

Peoples Natural Gas Company LLC
Net Customer Change Calculation

Line No.		HTY Average Customers	FTY Average Customers	FTY Growth	FPFTY Average Customers	FPFTY Growth
1	**Tariff Customers**					
2	Residential	540,773	542,452	1,679	548,934	6,482
3	Residential CAP	33,946	39,010	5,064	39,010	-
4	SGS (<1000 Mcf/Yr)					
5	COMMERCIAL					
6	0-499 Mcf/Year	35,640	35,459	(181)	35,418	(41)
7	500-999 Mcf/Year	2,926	2,907	(19)	2,903	(3)
8	Total Commercial SGS (<1000 Mcf/Yr)	38,566	38,365	(201)	38,321	(44)
9	MGS (1000-24999 Mcf/Yr)					
10	COMMERCIAL					
11	1000-2499 Mcf/Year	1,352	1,346	(7)	1,349	4
12	2500-24999 Mcf/Year	338	343	5	344	1
13	Total Commercial MGS (1000-24999 Mcf/Yr)	1,690	1,688	(2)	1,693	5
14	**Transport Customers**					
15	Residential	74,549	69,192	(5,356)	64,503	(4,689)
16	SGS (<1000 Mcf/Yr)					
17	COMMERCIAL					
18	0-499 Mcf/Year	8,149	8,326	177	8,326	-
19	500-999 Mcf/Year	1,987	2,048	61	2,048	-
20	Total Commercial SGS (<1000 Mcf/Yr)	10,136	10,374	238	10,374	-
21	MGS (1000-24999 Mcf/Yr)					
22	COMMERCIAL					
23	1000-2499 Mcf/Year	1,768	1,779	11	1,757	(21)
24	2500-24999 Mcf/Year	1,353	1,351	(1)	1,335	(16)
25	Total Commercial MGS (1000-24999 Mcf/Yr)	3,120	3,130	10	3,093	(37)

Notes:

*SGS/MGS commercial distribution based on HTY representation.

[1]Refer to testimony of Dawn Folks

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended November 30, 2025

Line No.	Description	Growth & Attrition	Rate Schedule Change
		(1)	(2)
		Mcf	Mcf
		(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)	*(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	141,871	(141,871)
3	Residential CAP	-	-
4	Commercial SGS (<1000 Mcf/Yr)	(36,790)	36,790
5	Commercial MGS (1000-24999 Mcf/Yr)	(4,163)	4,163
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	141,871	(141,871)
12	Commercial	(40,953)	40,953
13	Industrial	-	-
14	Total Tariff Sales Volume Change	100,918	(100,918)
15	**Transport Volume Change**		
16	Residential	(470,378)	470,378
17	Commercial SGS (<1000 Mcf/Yr)	71,394	(71,394)
18	Commercial MGS (1000-24999 Mcf/Yr)	34,852	(34,852)
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(470,378)	470,378
25	Commercial	106,245	(106,245)
26	Industrial	-	-
27	Total Transport Volume Change	(364,132)	364,132
28	**Overall Summary by Customer Class**		
29	Residential	(328,507)	328,507
30	Commercial	65,293	(65,293)
31	Industrial	-	-
32	Total Volume Change	(263,214)	263,214

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended November 30, 2026

Line No.	Description	Growth & Attrition	Rate Schedule Change
		(1)	(2)
		Mcf *(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*	Mcf *(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	142,242	-
3	Residential CAP	535,412	-
4	Commercial SGS (<1000 Mcf/Yr)	(36,790)	-
5	Commercial MGS (1000-24999 Mcf/Yr)	(4,163)	-
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	677,654	-
12	Commercial	(40,953)	-
13	Industrial	-	-
14	Total Tariff Sales Volume Change	636,702	-
15	**Transport Volume Change**		
16	Residential	(471,609)	-
17	Commercial SGS (<1000 Mcf/Yr)	71,394	-
18	Commercial MGS (1000-24999 Mcf/Yr)	34,852	-
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(471,609)	-
25	Commercial	106,245	-
26	Industrial	-	-
27	Total Transport Volume Change	(365,363)	-
28	**Overall Summary by Customer Class**		
29	Residential	206,046	-
30	Commercial	65,293	-
31	Industrial	-	-
32	Total Volume Change	271,338	-

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended December 31, 2027

Line No.	Description	Growth & Attrition	Rate Schedule Change
		(1)	(2)
		Mcf	Mcf
		(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)	*(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	546,410	-
3	Residential CAP	-	-
4	Commercial SGS (<1000 Mcf/Yr)	(8,134)	-
5	Commercial MGS (1000-24999 Mcf/Yr)	9,848	-
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	546,410	-
12	Commercial	1,714	-
13	Industrial	-	-
14	Total Tariff Sales Volume Change	548,124	-
15	**Transport Volume Change**		
16	Residential	(410,781)	-
17	Commercial SGS (<1000 Mcf/Yr)	-	-
18	Commercial MGS (1000-24999 Mcf/Yr)	(133,328)	-
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(410,781)	-
25	Commercial	(133,328)	-
26	Industrial	-	-
27	Total Transport Volume Change	(544,109)	-
28	**Overall Summary by Customer Class**		
29	Residential	135,630	-
30	Commercial	(131,614)	-
31	Industrial	-	-
32	Total Volume Change	4,015	-

Peoples Natural Gas Company LLC
Adjustment to Eliminate Off-System Sales and Sales for Resale
For the 12 Months Ended November 30, 2025

Line No.	Account Number	Description	Adjustment
			$
1	495	Off-System Sales Revenue	(5,183,653)
2	803	Off-System Sales Gas Cost	5,183,653
3	483	Sales for Resale Revenue	(5,491,450)
4	803	Sales for Resale Gas Cost	5,491,450

Peoples Natural Gas Company LLC
Elimination of Unbilled
For the 12 Months Ended November 30, 2025

Line No.	Account Number	Description	Adjustment
1		**Elimination of Unbilled**	
2		**Revenue Adjustment $**	
3	480	Residential	12,657,986
4	481	Commercial & Industrial	2,395,234
5	489.3	Transportation	1,413,075
6		Total Unbilled Revenue Adjustment	16,466,295
7		**Gas Cost Adjustment $**	
8	480	Residential	7,235,731
9	481	Commercial & Industrial	1,841,513
10	489.3	Transportation	127,175
11		Total Unbilled Gas Cost Adjustment	9,204,420
12		**Volume Adjustment (Mcf)**	
13	480	Residential	209,416
14	481	Commercial & Industrial	59,711
15	489.3	Transportation	97,664
16		Total Unbilled Volume Adjustment	366,791
17		**Elimination of Large Customer Unbilled (Cycle 22)**	
18		**Revenue Adjustment $**	
19	480	Residential	21,100
20	481	Commercial & Industrial	80,228
21	489.3	Transportation	1,275,540
22		Total Cycle 22 Revenue Adjustment	1,376,868
23		**Gas Cost Adjustment $**	
24	480	Residential	3,846
25	481	Commercial & Industrial	67,106
26	489.3	Transportation	(3,440)
27		Total Cycle 22 Gas Cost Adjustment	67,511
28		**Volume Adjustment (Mcf)**	
29	480	Residential	-
30	481	Commercial & Industrial	2,325
31	489.3	Transportation	339,138
32		Total Cycle 22 Volume Adjustment	341,462
33		**Total Elimination of Unbilled and Cycle 22**	
34		**Revenue Adjustment $**	
35	480	Residential	12,679,086
36	481	Commercial & Industrial	2,475,463
37	489.3	Transportation	2,688,615
38		Total Unbilled/Cycle 22 Revenue Adjustment	17,843,163
39		**Gas Cost Adjustment $**	
40	480	Residential	7,239,577
41	481	Commercial & Industrial	1,908,619
42	489.3	Transportation	123,735
43		Total Unbilled/Cycle 22 Gas Cost Adjustment	9,271,931
44		**Volume Adjustment (Mcf)**	
45	480	Residential	209,416
46	481	Commercial & Industrial	62,036
47	489.3	Transportation	436,801
48		Total Unbilled/Cycle 22 Volume Adjustment	708,253

Peoples Natural Gas Company LLC
Calculation of Late Fees

Line No.	Description	Gross Distribution Revenue	Late Fees	Late Fees % Gross Revenue	Reference
		(1)	(2)	(3)=(2 / 1)	
		$	$	%	
		(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch C)*		
1	Actual HTY	983,069,056	5,824,920	0.59%	Actual Late Fees / Actual Gross Distribution Revenue*
2	Adjusted HTY	1,197,791,229	7,097,201	0.59%	Actual HTY Late Fees % of Gross Revenue X Adjusted HTY Gross Distribution Revenue
3	FTY	1,169,271,085	6,928,212	0.59%	Actual HTY Late Fees % of Gross Revenue X FTY Gross Distribution Revenue
4	FPFTY Present	1,169,825,102	6,931,495	0.59%	Actual HTY Late Fees % of Gross Revenue X FPFTY at Present Rates Gross Distribution Revenue
5	FPFTY Proposed	1,330,689,182	8,099,621	0.61%	Actual HTY Late Fees % of Gross Revenue X FPFTY at Proposed Rates Gross Distribution Revenue

*Gross Distribution Revenue is comprised of reported Gross Revenues in FERC 480, 481, 489.3 - Residential, Commercial & Industrial Gas Sales & Transport

Peoples Natural Gas Company LLC
Gathering Projection

Line No.	Measure	Type	HTY	FTY	FPFTY
1	Volume (Mcf)				
2		Total Traditional/Non-Traditional	35,521,759	32,941,097	30,359,964
3		Total	35,521,759	32,941,097	30,359,964
4	Revenue ($)				
5		FERC Acct 495	(76,609)	-	-
6		FERC Acct 489.1	8,428,368	8,008,233	7,404,749
7		Total (Ex 3, Sch 15, Atch C)	8,351,759	8,008,233	7,404,749

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	GCA	Commodity	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)	(5)=(1+2+3+4)	(6)	(7)=(5 * 6)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Residential Sales**							
2	December 2024	1.2293	0.7345	(0.0689)	2.2144	4.1093	6,682,934	27,462,181
3	January 2025	1.2446	0.7345	(0.0358)	2.4859	4.4292	9,309,064	41,231,705
4	February	1.2446	0.7345	(0.0358)	2.4859	4.4292	9,019,776	39,950,390
5	March	1.2446	0.7345	(0.0358)	3.5884	5.5317	7,000,368	38,723,935
6	April	1.2445	0.7440	(0.0362)	4.1112	6.0635	3,998,818	24,246,835
7	May	1.2445	0.7440	(0.0362)	4.1112	6.0635	1,756,065	10,647,898
8	June	1.2445	0.7440	(0.0362)	4.1112	6.0635	1,297,791	7,869,155
9	July	1.2445	0.7440	(0.0362)	2.8829	4.8352	733,836	3,548,242
10	August	1.2445	0.7440	(0.0362)	2.8829	4.8352	631,081	3,051,402
11	September	1.2445	0.7440	(0.0362)	2.8829	4.8352	766,193	3,704,694
12	October	1.8531		0.3462	3.0831	5.2824	1,132,688	5,983,312
13	November 2025	1.8531		0.3462	3.0831	5.2824	3,118,994	16,475,771
14	Total					4.9045	45,447,606	222,895,521
15	**Commercial SGS Sales**							
16	December 2024	1.2293	0.6683	(0.0689)	2.2144	4.0431	1,120,655	4,530,921
17	January 2025	1.2446	0.6683	(0.0358)	2.4859	4.3630	1,631,142	7,116,674
18	February	1.2446	0.6683	(0.0358)	2.4859	4.3630	1,628,711	7,106,067
19	March	1.2446	0.6683	(0.0358)	3.5884	5.4655	1,217,559	6,654,570
20	April	1.2445	0.6773	(0.0362)	4.1112	5.9968	653,035	3,916,118
21	May	1.2445	0.6773	(0.0362)	4.1112	5.9968	282,426	1,693,653
22	June	1.2445	0.6773	(0.0362)	4.1112	5.9968	197,366	1,183,561
23	July	1.2445	0.6773	(0.0362)	2.8829	4.7685	127,204	606,571
24	August	1.2445	0.6773	(0.0362)	2.8829	4.7685	111,287	530,671
25	September	1.2445	0.6773	(0.0362)	2.8829	4.7685	133,411	636,170
26	October	1.8531		0.3462	3.0831	5.2824	184,667	975,487
27	November 2025	1.8531		0.3462	3.0831	5.2824	493,278	2,605,689
28	Total					4.8268	7,780,740	37,556,151
29	**Industrial SGS Sales**							
30	December 2024	1.2293	0.6683	(0.0689)	2.2144	4.0431	3,930	15,889
31	January 2025	1.2446	0.6683	(0.0358)	2.4859	4.3630	8,102	35,347
32	February	1.2446	0.6683	(0.0358)	2.4859	4.3630	7,838	34,199
33	March	1.2446	0.6683	(0.0358)	3.5884	5.4655	5,761	31,486
34	April	1.2445	0.6773	(0.0362)	4.1112	5.9968	2,909	17,445
35	May	1.2445	0.6773	(0.0362)	4.1112	5.9968	1,238	7,423
36	June	1.2445	0.6773	(0.0362)	4.1112	5.9968	1,205	7,226
37	July	1.2445	0.6773	(0.0362)	2.8829	4.7685	(801)	(3,821)
38	August	1.2445	0.6773	(0.0362)	2.8829	4.7685	(424)	(2,022)
39	September	1.2445	0.6773	(0.0362)	2.8829	4.7685	181	865
40	October	1.8531		0.3462	3.0831	5.2824	1,469	7,759
41	November 2025	1.8531		0.3462	3.0831	5.2824	953	5,035
42	Total					4.8463	32,361	156,830
43	**Commercial MGS Sales**							
44	December 2024	1.2293	0.4209	(0.0689)	2.2144	3.7957	459,231	1,743,102
45	January 2025	1.2446	0.4209	(0.0358)	2.4859	4.1156	651,405	2,680,921
46	February	1.2446	0.4209	(0.0358)	2.4859	4.1156	669,589	2,755,760
47	March	1.2446	0.4209	(0.0358)	3.5884	5.2181	537,135	2,802,823
48	April	1.2445	0.4267	(0.0362)	4.1112	5.7462	333,989	1,919,166
49	May	1.2445	0.4267	(0.0362)	4.1112	5.7462	183,125	1,052,275
50	June	1.2445	0.4267	(0.0362)	4.1112	5.7462	134,287	771,637
51	July	1.2445	0.4267	(0.0362)	2.8829	4.5179	92,752	419,043
52	August	1.2445	0.4267	(0.0362)	2.8829	4.5179	82,982	374,904
53	September	1.2445	0.4267	(0.0362)	2.8829	4.5179	107,018	483,494
54	October	1.8531		0.3462	3.0831	5.2824	126,596	668,731
55	November 2025	1.8531		0.3462	3.0831	5.2824	240,849	1,272,259
56	Total					4.6820	3,618,956	16,944,116

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	GCA	Commodity	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)	(5)=(1+2+3+4)	(6)	(7)=(5 * 6)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Industrial MGS Sales**							
2	December 2024	1.2293	0.4209	(0.0689)	2.2144	3.7957	22,221	84,343
3	January 2025	1.2446	0.4209	(0.0358)	2.4859	4.1156	29,708	122,264
4	February	1.2446	0.4209	(0.0358)	2.4859	4.1156	29,144	119,947
5	March	1.2446	0.4209	(0.0358)	3.5884	5.2181	25,559	133,372
6	April	1.2445	0.4267	(0.0362)	4.1112	5.7462	19,956	114,672
7	May	1.2445	0.4267	(0.0362)	4.1112	5.7462	9,933	57,078
8	June	1.2445	0.4267	(0.0362)	4.1112	5.7462	7,851	45,112
9	July	1.2445	0.4267	(0.0362)	2.8829	4.5179	5,996	27,090
10	August	1.2445	0.4267	(0.0362)	2.8829	4.5179	6,233	28,158
11	September	1.2445	0.4267	(0.0362)	2.8829	4.5179	5,042	22,780
12	October	1.8531		0.3462	3.0831	5.2824	6,963	36,779
13	November 2025	1.8531		0.3462	3.0831	5.2824	13,049	68,932
14	Total					4.7372	181,655	860,526
15	**Commercial LGS Sales**							
16	December 2024	1.2293	0.1297	(0.0689)	2.2144	3.5045	26,561	93,084
17	January 2025	1.2446	0.1297	(0.0358)	2.4859	3.8244	43,983	168,208
18	February	1.2446	0.1297	(0.0358)	2.4859	3.8244	48,710	186,287
19	March	1.2446	0.1297	(0.0358)	3.5884	4.9269	40,738	200,710
20	April	1.2445	0.1329	(0.0362)	4.1112	5.4524	32,209	175,616
21	May	1.2445	0.1329	(0.0362)	4.1112	5.4524	36,980	201,630
22	June	1.2445	0.1329	(0.0362)	4.1112	5.4524	17,793	97,014
23	July	1.2445	0.1329	(0.0362)	2.8829	4.2241	15,738	66,477
24	August	1.2445	0.1329	(0.0362)	2.8829	4.2241	12,164	51,383
25	September	1.2445	0.1329	(0.0362)	2.8829	4.2241	11,360	47,985
26	October	1.8531		0.3462	3.0831	5.2824	11,837	62,527
27	November 2025	1.8531		0.3462	3.0831	5.2824	16,623	87,808
28	Total					4.5718	314,695	1,438,730
29	**Industrial LGS Sales**							
30	December 2024	1.2293	0.1297	(0.0689)	2.2144	3.5045	1,019	3,571
31	January 2025	1.2446	0.1297	(0.0358)	2.4859	3.8244	1,280	4,893
32	February	1.2446	0.1297	(0.0358)	2.4859	3.8244	2,239	8,564
33	March	1.2446	0.1297	(0.0358)	3.5884	4.9269	1,857	9,149
34	April	1.2445	0.1329	(0.0362)	4.1112	5.4524	798	4,353
35	May	1.2445	0.1329	(0.0362)	4.1112	5.4524	2,713	14,791
36	June	1.2445	0.1329	(0.0362)	4.1112	5.4524	3,916	21,352
37	July	1.2445	0.1329	(0.0362)	2.8829	4.2241	(5,705)	(24,096)
38	August	1.2445	0.1329	(0.0362)	2.8829	4.2241	1,272	5,372
39	September	1.2445	0.1329	(0.0362)	2.8829	4.2241	(815)	(3,441)
40	October	1.8531		0.3462	3.0831	5.2824	5,758	30,416
41	November 2025	1.8531		0.3462	3.0831	5.2824	3,558	18,795
42	Total					5.2384	17,891	93,719
43	**Residential CAP Sales**							
44	December 2024	1.2293	0.7345	(0.0689)	2.2144	4.1093	493,793	2,029,142
45	January 2025	1.2446	0.7345	(0.0358)	2.4859	4.4292	686,503	3,040,658
46	February	1.2446	0.7345	(0.0358)	2.4859	4.4292	688,463	3,049,342
47	March	1.2446	0.7345	(0.0358)	3.5884	5.5317	551,933	3,053,126
48	April	1.2445	0.7440	(0.0362)	4.1112	6.0635	333,855	2,024,332
49	May	1.2445	0.7440	(0.0362)	4.1112	6.0635	151,075	916,040
50	June	1.2445	0.7440	(0.0362)	4.1112	6.0635	111,836	678,115
51	July	1.2445	0.7440	(0.0362)	2.8829	4.8352	52,082	251,828
52	August	1.2445	0.7440	(0.0362)	2.8829	4.8352	45,789	221,400
53	September	1.2445	0.7440	(0.0362)	2.8829	4.8352	58,930	284,939
54	October	1.8531		0.3462	3.0831	5.2824	105,262	556,038
55	November 2025	1.8531		0.3462	3.0831	5.2824	280,497	1,481,695
56	Total					4.9400	3,560,018	17,586,656

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Residential Transport**						
2	December 2024	1.2293	0.7345		1.9638	976,869	1,918,376
3	January 2025	1.2446	0.7345		1.9791	1,339,871	2,651,739
4	February	1.2446	0.7345		1.9791	1,258,646	2,490,986
5	March	1.2446	0.7345		1.9791	991,936	1,963,140
6	April	1.2445	0.7440		1.9885	576,596	1,146,561
7	May	1.2445	0.7440		1.9885	250,235	497,592
8	June	1.2445	0.7440		1.9885	188,572	374,974
9	July	1.2445	0.7440		1.9885	102,777	204,373
10	August	1.2445	0.7440		1.9885	90,192	179,347
11	September	1.2445	0.7440		1.9885	108,523	215,798
12	October	1.8531			1.8531	164,078	304,053
13	November 2025	1.8531			1.8531	463,013	858,010
14	Total				1.9666	6,511,308	12,804,949
15	**Commercial SGS Transport**						
16	December 2024		0.6683	0.4199	1.0882	363,997	396,102
17	January 2025		0.6683	0.4199	1.0882	531,085	577,927
18	February		0.6683	0.4199	1.0882	521,840	567,866
19	March		0.6683	0.4199	1.0882	387,190	421,341
20	April		0.6773	0.4199	1.0972	214,816	235,696
21	May		0.6773	0.4199	1.0972	96,654	106,048
22	June		0.6773	0.4199	1.0972	65,843	72,243
23	July		0.6773	0.4199	1.0972	41,807	45,871
24	August		0.6773	0.4199	1.0972	35,807	39,287
25	September		0.6773	0.4199	1.0972	42,162	46,260
26	October			0.8300	0.8300	56,369	46,786
27	November 2025			0.8300	0.8300	158,600	131,638
28	Total				1.0679	2,516,171	2,687,066
29	**Industrial SGS Transport**						
30	December 2024		0.6683	0.4199	1.0882	2,986	3,250
31	January 2025		0.6683	0.4199	1.0882	5,143	5,597
32	February		0.6683	0.4199	1.0882	4,298	4,677
33	March		0.6683	0.4199	1.0882	3,485	3,793
34	April		0.6773	0.4199	1.0972	1,930	2,118
35	May		0.6773	0.4199	1.0972	634	695
36	June		0.6773	0.4199	1.0972	241	264
37	July		0.6773	0.4199	1.0972	123	135
38	August		0.6773	0.4199	1.0972	159	174
39	September		0.6773	0.4199	1.0972	135	148
40	October			0.8300	0.8300	485	402
41	November 2025			0.8300	0.8300	833	692
42	Total				1.0730	20,451	21,944
43	**Commercial MGS Transport**						
44	December 2024		0.4209	0.4199	0.8408	1,233,862	1,037,431
45	January 2025		0.4209	0.4199	0.8408	1,663,918	1,399,022
46	February		0.4209	0.4199	0.8408	1,655,776	1,392,176
47	March		0.4209	0.4199	0.8408	1,287,779	1,082,764
48	April		0.4267	0.4199	0.8466	827,764	700,785
49	May		0.4267	0.4199	0.8466	461,195	390,448
50	June		0.4267	0.4199	0.8466	346,844	293,638
51	July		0.4267	0.4199	0.8466	237,429	201,007
52	August		0.4267	0.4199	0.8466	208,702	176,687
53	September		0.4267	0.4199	0.8466	254,023	215,056
54	October			0.8300	0.8300	355,828	295,337
55	November 2025			0.8300	0.8300	638,005	529,544
56	Total				0.8411	9,171,124	7,713,896

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Industrial MGS Transport**						
2	December 2024		0.4209	0.4199	0.8408	133,029	111,851
3	January 2025		0.4209	0.4199	0.8408	166,411	139,918
4	February		0.4209	0.4199	0.8408	173,544	145,915
5	March		0.4209	0.4199	0.8408	179,750	151,134
6	April		0.4267	0.4199	0.8466	122,971	104,107
7	May		0.4267	0.4199	0.8466	81,298	68,826
8	June		0.4267	0.4199	0.8466	74,199	62,817
9	July		0.4267	0.4199	0.8466	69,162	58,553
10	August		0.4267	0.4199	0.8466	68,283	57,809
11	September		0.4267	0.4199	0.8466	67,534	57,174
12	October			0.8300	0.8300	85,187	70,705
13	November 2025			0.8300	0.8300	88,731	73,647
14	Total				0.8415	1,310,099	1,102,457
15	**Commercial LGS Transport**						
16	December 2024		0.1297	0.1048	0.2345	609,126	142,840
17	January 2025		0.1297	0.1048	0.2345	873,209	204,768
18	February		0.1297	0.1048	0.2345	1,078,858	252,992
19	March		0.1297	0.1048	0.2345	760,615	178,364
20	April		0.1329	0.1048	0.2377	652,927	155,201
21	May		0.1329	0.1048	0.2377	533,288	126,763
22	June		0.1329	0.1048	0.2377	404,886	96,241
23	July		0.1329	0.1048	0.2377	368,087	87,494
24	August		0.1329	0.1048	0.2377	354,369	84,234
25	September		0.1329	0.1048	0.2377	363,581	86,423
26	October			0.1740	0.1740	462,479	80,471
27	November 2025			0.1740	0.1740	469,895	81,762
28	Total				0.2276	6,931,320	1,577,553
29	**Industrial LGS Transport**						
30	December 2024		0.1297	0.1048	0.2345	3,638,227	853,164
31	January 2025		0.1297	0.1048	0.2345	4,164,164	976,497
32	February		0.1297	0.1048	0.2345	4,113,541	964,625
33	March		0.1297	0.1048	0.2345	4,604,719	1,079,807
34	April		0.1329	0.1048	0.2377	3,635,631	864,190
35	May		0.1329	0.1048	0.2377	3,418,760	812,639
36	June		0.1329	0.1048	0.2377	3,340,700	794,084
37	July		0.1329	0.1048	0.2377	3,092,511	735,090
38	August		0.1329	0.1048	0.2377	2,980,062	708,361
39	September		0.1329	0.1048	0.2377	3,287,130	781,351
40	October			0.1740	0.1740	2,983,068	519,054
41	November 2025			0.1740	0.1740	3,354,154	583,623
42	Total				0.2270	42,612,668	9,672,484

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Commercial SGS Transport P1**						
2	December 2024	1.2293	0.6683		1.8976	121,332	230,240
3	January 2025	1.2446	0.6683		1.9129	177,028	338,638
4	February	1.2446	0.6683		1.9129	173,947	332,742
5	March	1.2446	0.6683		1.9129	129,063	246,885
6	April	1.2445	0.6773		1.9218	71,605	137,611
7	May	1.2445	0.6773		1.9218	32,218	61,916
8	June	1.2445	0.6773		1.9218	21,948	42,179
9	July	1.2445	0.6773		1.9218	13,936	26,782
10	August	1.2445	0.6773		1.9218	11,936	22,938
11	September	1.2445	0.6773		1.9218	14,054	27,009
12	October	1.8531			1.8531	18,790	34,819
13	November 2025	1.8531			1.8531	52,867	97,968
14	Total				1.9073	838,724	1,599,728
15	**Commercial MGS Transport P1**						
16	December 2024	1.2293	0.4209		1.6502	411,287	678,706
17	January 2025	1.2446	0.4209		1.6655	554,639	923,752
18	February	1.2446	0.4209		1.6655	551,925	919,232
19	March	1.2446	0.4209		1.6655	429,260	714,932
20	April	1.2445	0.4267		1.6712	275,921	461,120
21	May	1.2445	0.4267		1.6712	153,732	256,916
22	June	1.2445	0.4267		1.6712	115,615	193,215
23	July	1.2445	0.4267		1.6712	79,143	132,264
24	August	1.2445	0.4267		1.6712	69,567	116,261
25	September	1.2445	0.4267		1.6712	84,674	141,508
26	October	1.8531			1.8531	118,609	219,795
27	November 2025	1.8531			1.8531	212,668	394,096
28	Total				1.6852	3,057,041	5,151,795
29	**Commercial LGS Transport P1**						
30	December 2024	1.2293	0.1297		1.3590	67,681	91,978
31	January 2025	1.2446	0.1297		1.3743	97,023	133,339
32	February	1.2446	0.1297		1.3743	119,873	164,742
33	March	1.2446	0.1297		1.3743	84,513	116,146
34	April	1.2445	0.1329		1.3774	72,547	99,927
35	May	1.2445	0.1329		1.3774	59,254	81,617
36	June	1.2445	0.1329		1.3774	44,987	61,966
37	July	1.2445	0.1329		1.3774	40,899	56,334
38	August	1.2445	0.1329		1.3774	39,374	54,234
39	September	1.2445	0.1329		1.3774	40,398	55,644
40	October	1.8531			1.8531	51,387	95,224
41	November 2025	1.8531			1.8531	52,211	96,751
42	Total				1.4386	770,147	1,107,902

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description		Calculated Gas Cost	
			$	
1	Residential Sales Gas Cost		240,482,177	
2	Commercial & Industrial Sales Gas Cost		57,050,073	
3	Transportation Gas Cost		43,439,772	
4	Total		340,972,022	
5	Plus:			
6	Unbilled Residential (Exh 3, Sch 15, Atch K)		(7,239,577)	
7	Unbilled Commercial & Industrial (Exh 3, Sch 15, Atch K)		(1,908,619)	
8	Unbilled Transportation (Exh 3, Sch 15, Atch K)		(123,735)	
9	Line Hit/Gas Lost			
10	Direct Imbalance		75,886	4118160
11	Sales For Resale		5,455,377	4113115
12	Off-System		5,107,767	4220011
13	Total Cost of Gas	$	342,339,121	

Peoples Natural Gas Company LLC
Gas Cost Revenue Per Pro Forma Future Test Year
For the 12 Months Ended November 30, 2026

Line No.	Description	Total Gas Cost
		$ *(Ex 3, Sch 15, Atch D)*
1	**Sales Gas Cost Summary by Rate Class**	
2	Residential	386,717,468
3	Commercial/Industrial	84,762,178
4	Total Sales Gas Cost	471,479,646
5	**Transport Gas Cost Summary by Customer Class**	
6	Residential	11,356,533
7	Comm/Industrial	21,717,860
8	Total Transport Gas Cost	33,074,393
9	Total Gas Cost (Ex 3, Sch 15, Atch C)	504,554,039

Peoples Natural Gas Company LLC
Gas Cost Revenue Per Pro Forma Future Test Year
For the 12 Months Ended December 31, 2026

Line No.	Description	Total Gas Cost
		$
		(Ex 3, Sch 15, Atch D)
1	**Sales Gas Cost Summary by Rate Class**	
2	Residential	389,002,777
3	Commercial/Industrial	84,775,414
4	Total Sales Gas Cost	473,778,191
5	**Transport Gas Cost Summary by Customer Class**	
6	Residential	10,534,002
7	Comm/Industrial	21,607,197
8	Total Transport Gas Cost	32,141,199
9	Total Gas Cost (Ex 3, Sch 15, Atch C)	505,919,390

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Residential Sales (Non-Cap)**							
2	Rider USP							
3	December 2024				6,682,934	0.6055	4,046,517	4,046,517
4	January 2025				9,309,064	0.8571	7,978,798	7,978,798
5	February				9,019,776	0.8571	7,730,850	7,730,850
6	March				7,000,368	0.8571	6,000,015	6,000,015
7	April				3,998,818	0.9401	3,759,289	3,759,289
8	May				1,756,065	0.9401	1,650,876	1,650,876
9	June				1,297,791	0.9401	1,220,053	1,220,053
10	July				733,836	0.8567	628,677	628,677
11	August				631,081	0.8567	540,647	540,647
12	September				766,193	0.8567	656,397	656,397
13	October				1,132,688	1.0414	1,179,581	1,179,581
14	November 2025				3,118,994	1.0414	3,248,120	3,248,120
15	Total Residential Sales (Non-Cap) Rider USP				45,447,606	0.8502	38,639,821	38,639,821
16	Gas Procurement Charge							
17	December 2024				6,682,934	0.0865	578,074	578,074
18	January 2025				9,309,064	0.0865	805,234	805,234
19	February				9,019,776	0.0865	780,211	780,211
20	March				7,000,368	0.0865	605,532	605,532
21	April				3,998,818	0.0865	345,898	345,898
22	May				1,756,065	0.0865	151,900	151,900
23	June				1,297,791	0.0865	112,259	112,259
24	July				733,836	0.0865	63,477	63,477
25	August				631,081	0.0865	54,588	54,588
26	September				766,193	0.0865	66,276	66,276
27	October				1,132,688	0.0865	97,978	97,978
28	November 2025				3,118,994	0.0865	269,793	269,793
29	Total Residential Sales (Non-Cap) Gas Procurement Charge				45,447,606	0.0865	3,931,218	3,931,218
30	Merchant Function Charge							
31	December 2024				6,682,934	0.0742	495,874	495,874
32	January 2025				9,309,064	0.1055	982,106	982,106
33	February				9,019,776	0.1055	951,586	951,586
34	March				7,000,368	0.1055	738,539	738,539
35	April				3,998,818	0.1170	467,862	467,862
36	May				1,756,065	0.1170	205,460	205,460
37	June				1,297,791	0.1170	151,842	151,842
38	July				733,836	0.0900	66,045	66,045
39	August				631,081	0.0900	56,797	56,797
40	September				766,193	0.0900	68,957	68,957
41	October				1,132,688	0.1162	131,618	131,618
42	November 2025				3,118,994	0.1162	362,427	362,427
43	Total Residential Sales (Non-Cap) Merchant Function Charge				45,447,606	0.1030	4,679,113	4,679,113
44	DSIC Rider							
45	December 2024	544,295	0.0000	-	6,682,934	0.0000	-	-
46	January 2025	544,912	0.0000	-	9,309,064	0.0000	-	-
47	February	545,111	0.0000	-	9,019,776	0.0000	-	-
48	March	544,576	0.0000	-	7,000,368	0.0000	-	-
49	April	543,391	0.0706	38,342	3,998,818	0.0273	109,122	147,464
50	May	541,288	0.0706	38,193	1,756,065	0.0273	47,921	86,114
51	June	538,871	0.0706	38,023	1,297,791	0.0273	35,415	73,438
52	July	536,431	0.0706	37,851	733,836	0.0268	19,685	57,536
53	August	535,900	0.0706	37,813	631,081	0.0268	16,929	54,742
54	September	536,260	0.0706	37,839	766,193	0.0268	20,553	58,392
55	October	538,340	0.1394	75,066	1,132,688	0.0548	62,028	137,094
56	November 2025	539,905	0.1394	75,284	3,118,994	0.0548	170,802	246,086
57	Total Residential Sales (Non-Cap) DSIC Rider	6,489,280	0.0583	378,410	45,447,606	0.0106	482,454	860,865
58	TRS Rider							
59	December 2024	544,295	(1.1494)	(625,588)	6,682,934	(0.3663)	(2,447,745)	(3,073,333)
60	January 2025	544,912	(0.1131)	(61,610)	9,309,064	(0.0360)	(335,409)	(397,019)
61	February	545,111	(0.1131)	(61,632)	9,019,776	(0.0360)	(324,986)	(386,619)
62	March	544,576	(0.1131)	(61,572)	7,000,368	(0.0360)	(252,226)	(313,798)
63	April	543,391	(0.1033)	(56,107)	3,998,818	(0.0329)	(131,576)	(187,683)
64	May	541,288	(0.1033)	(55,890)	1,756,065	(0.0329)	(57,781)	(113,671)
65	June	538,871	(0.1033)	(55,640)	1,297,791	(0.0329)	(42,702)	(98,342)
66	July	536,431	(0.1033)	(55,388)	733,836	(0.0329)	(24,146)	(79,534)
67	August	535,900	(0.1033)	(55,333)	631,081	(0.0329)	(20,765)	(76,098)
68	September	536,260	(0.1033)	(55,370)	766,193	(0.0329)	(25,211)	(80,581)
69	October	538,340	(0.1033)	(55,585)	1,132,688	(0.0329)	(37,270)	(92,855)
70	November 2025	539,905	(0.1033)	(55,747)	3,118,994	(0.0329)	(102,627)	(158,374)
71	Total Residential Sales (Non-Cap) TRS Rider	6,489,280	(0.1935)	(1,255,462)	45,447,606	(0.0837)	(3,802,445)	(5,057,907)
72	Supplier Choice Rider							
73	December 2024	544,295	0.0080	4,354				4,354
74	January 2025	544,912	0.0080	4,359				4,359
75	February	545,111	0.0080	4,361				4,361
76	March	544,576	0.0080	4,357				4,357
77	April	543,391	0.0080	4,347				4,347
78	May	541,288	0.0080	4,330				4,330
79	June	538,871	0.0080	4,311				4,311
80	July	536,431	0.0080	4,291				4,291
81	August	535,900	0.0080	4,287				4,287
82	September	536,260	0.0080	4,290				4,290
83	October	538,340	0.0036	1,938				1,938
84	November 2025	539,905	0.0036	1,944				1,944
85	Total Residential Sales (Non-Cap) Supplier Choice Rider	6,489,280	0.0073	47,170				47,170

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Residential Sales (Cap)**							
2	Cap Credit							
3	December 2024				493,793	(4.3418)	(2,143,942)	(2,143,942)
4	January 2025				686,503	(5.6887)	(3,905,318)	(3,905,318)
5	February				688,463	(6.8966)	(4,748,062)	(4,748,062)
6	March				551,933	(7.7401)	(4,272,010)	(4,272,010)
7	April				333,855	(7.3071)	(2,439,509)	(2,439,509)
8	May				151,075	(5.9349)	(896,612)	(896,612)
9	June				111,836	(3.9864)	(445,825)	(445,825)
10	July				52,082	(2.1319)	(111,032)	(111,032)
11	August				45,789	(1.7236)	(78,922)	(78,922)
12	September				58,930	(2.0042)	(118,106)	(118,106)
13	October				105,262	(3.2519)	(342,306)	(342,306)
14	November 2025				280,497	(4.1616)	(1,167,307)	(1,167,307)
15	Total Residential Sales (Cap) Cap Credit				3,560,018	(5.8059)	(20,668,952)	(20,668,952)
16	Gas Procurement Charge							
17	December 2024				493,793	0.0865	42,713	42,713
18	January 2025				686,503	0.0865	59,382	59,382
19	February				688,463	0.0865	59,552	59,552
20	March				551,933	0.0865	47,742	47,742
21	April				333,855	0.0865	28,878	28,878
22	May				151,075	0.0865	13,068	13,068
23	June				111,836	0.0865	9,674	9,674
24	July				52,082	0.0865	4,505	4,505
25	August				45,789	0.0865	3,961	3,961
26	September				58,930	0.0865	5,097	5,097
27	October				105,262	0.0865	9,105	9,105
28	November 2025				280,497	0.0865	24,263	24,263
29	Total Residential Sales (Cap) Gas Procurement Charge				3,560,018	0.0865	307,942	307,942
30	Merchant Function Charge							
31	December 2024				493,793	0.0742	36,639	36,639
32	January 2025				686,503	0.1055	72,426	72,426
33	February				688,463	0.1055	72,633	72,633
34	March				551,933	0.1055	58,229	58,229
35	April				333,855	0.1170	39,061	39,061
36	May				151,075	0.1170	17,676	17,676
37	June				111,836	0.1170	13,085	13,085
38	July				52,082	0.0900	4,687	4,687
39	August				45,789	0.0900	4,121	4,121
40	September				58,930	0.0900	5,304	5,304
41	October				105,262	0.1162	12,231	12,231
42	November 2025				280,497	0.1162	32,594	32,594
43	Total Residential Sales (Cap) Merchant Function Charge				3,560,018	0.1036	368,686	368,686
44	DSIC Rider							
45	December 2024	30,735	0.0000	-	493,793	0.0000	-	-
46	January 2025	31,352	0.0000	-	686,503	0.0000	-	-
47	February	32,131	0.0000	-	688,463	0.0000	-	-
48	March	32,833	0.0000	-	551,933	0.0000	-	-
49	April	33,230	0.0706	2,345	333,855	0.0273	9,110	11,455
50	May	33,774	0.0706	2,383	151,075	0.0273	4,123	6,506
51	June	34,725	0.0706	2,450	111,836	0.0273	3,052	5,502
52	July	35,532	0.0706	2,507	52,082	0.0268	1,397	3,904
53	August	35,638	0.0706	2,515	45,789	0.0268	1,228	3,743
54	September	35,518	0.0706	2,506	58,930	0.0268	1,581	4,087
55	October	35,793	0.1394	4,991	105,262	0.0548	5,764	10,755
56	November 2025	36,086	0.1394	5,032	280,497	0.0548	15,360	20,392
57	Total Residential Sales (Cap) DSIC Rider	407,347	0.0607	24,729	3,560,018	0.0117	41,616	66,345
58	TRS Rider							
59	December 2024	30,735	(1.1494)	(35,325)	493,793	-0.3663	(180,860)	(216,186)
60	January 2025	31,352	(0.1131)	(3,545)	686,503	-0.0360	(24,735)	(28,280)
61	February	32,131	(0.1131)	(3,633)	688,463	-0.0360	(24,806)	(28,438)
62	March	32,833	(0.1131)	(3,712)	551,933	-0.0360	(19,886)	(23,599)
63	April	33,230	(0.1033)	(3,431)	333,855	-0.0329	(10,985)	(14,416)
64	May	33,774	(0.1033)	(3,487)	151,075	-0.0329	(4,971)	(8,458)
65	June	34,725	(0.1033)	(3,585)	111,836	-0.0329	(3,680)	(7,265)
66	July	35,532	(0.1033)	(3,669)	52,082	-0.0329	(1,714)	(5,382)
67	August	35,638	(0.1033)	(3,680)	45,789	-0.0329	(1,507)	(5,186)
68	September	35,518	(0.1033)	(3,667)	58,930	(0.0329)	(1,939)	(5,606)
69	October	35,793	(0.1033)	(3,696)	105,262	(0.0329)	(3,464)	(7,159)
70	November 2025	36,086	(0.1033)	(3,726)	280,497	(0.0329)	(9,229)	(12,955)
71	Total Residential Sales (Cap) TRS Rider	407,347	(0.1845)	(75,157)	3,560,018	(0.0808)	(287,776)	(362,932)

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial SGS Sales**							
2	Gas Procurement Charge							
3	December 2024				1,120,655	0.0865	96,937	96,937
4	January 2025				1,631,142	0.0865	141,094	141,094
5	February				1,628,711	0.0865	140,884	140,884
6	March				1,217,559	0.0865	105,319	105,319
7	April				653,035	0.0865	56,487	56,487
8	May				282,426	0.0865	24,430	24,430
9	June				197,366	0.0865	17,072	17,072
10	July				127,204	0.0865	11,003	11,003
11	August				111,287	0.0865	9,626	9,626
12	September				133,411	0.0865	11,540	11,540
13	October				184,667	0.0865	15,974	15,974
14	November 2025				493,278	0.0865	42,669	42,669
15	Total Commercial SGS Sales Gas Procurement Charge				7,780,740	0.0865	673,034	673,034
16	Merchant Function Charge							
17	December 2024				1,120,655	0.0113	12,663	12,663
18	January 2025				1,631,142	0.0159	25,935	25,935
19	February				1,628,711	0.0159	25,897	25,897
20	March				1,217,559	0.0159	19,359	19,359
21	April				653,035	0.0177	11,559	11,559
22	May				282,426	0.0177	4,999	4,999
23	June				197,366	0.0177	3,493	3,493
24	July				127,204	0.0136	1,730	1,730
25	August				111,287	0.0136	1,513	1,513
26	September				133,411	0.0136	1,814	1,814
27	October				184,667	0.0175	3,232	3,232
28	November 2025				493,278	0.0175	8,632	8,632
29	Total Commercial SGS Sales Merchant Function Charge				7,780,740	0.0155	120,827	120,827
30	DSIC Rider							
31	December 2024	38,657	0.0000	-	1,120,655	0.0000	-	-
32	January 2025	38,877	0.0000	-	1,631,142	0.0000	-	-
33	February	38,946	0.0000	-	1,628,711	0.0000	-	-
34	March	38,935	0.0000	-	1,217,559	0.0000	-	-
35	April	38,856	0.0994	3,862	653,035	0.0172	11,214	15,076
36	May	38,526	0.0994	3,830	282,426	0.0172	4,850	8,680
37	June	38,428	0.0994	3,821	197,366	0.0172	3,389	7,210
38	July	38,267	0.0994	3,805	127,204	0.0172	2,182	5,987
39	August	38,232	0.0994	3,802	111,287	0.0172	1,909	5,711
40	September	38,167	0.0994	3,795	133,411	0.0172	2,289	6,084
41	October	38,351	0.1966	7,540	184,667	0.0339	6,266	13,806
42	November 2025	38,552	0.1966	7,578	493,278	0.0339	16,739	24,316
43	Total Commercial SGS Sales DSIC Rider	462,794	0.0822	38,033	7,780,740	0.0063	48,838	86,871
44	TRS Rider							
45	December 2024	38,657	(1.6183)	(62,559)	1,120,655	(0.2726)	(305,478)	(368,037)
46	January 2025	38,877	(0.1592)	(6,190)	1,631,142	(0.0268)	(43,739)	(49,929)
47	February	38,946	(0.1592)	(6,201)	1,628,711	(0.0268)	(43,674)	(49,875)
48	March	38,935	(0.1593)	(6,202)	1,217,559	(0.0268)	(32,649)	(38,851)
49	April	38,856	(0.1454)	(5,651)	653,035	(0.0245)	(15,992)	(21,643)
50	May	38,526	(0.1455)	(5,604)	282,426	(0.0245)	(6,916)	(12,521)
51	June	38,428	(0.1455)	(5,591)	197,366	(0.0245)	(4,833)	(10,424)
52	July	38,267	(0.1455)	(5,568)	127,204	(0.0245)	(3,115)	(8,683)
53	August	38,232	(0.1455)	(5,563)	111,287	(0.0245)	(2,725)	(8,288)
54	September	38,167	(0.1455)	(5,553)	133,411	(0.0245)	(3,267)	(8,820)
55	October	38,351	(0.1456)	(5,583)	184,667	(0.0245)	(4,522)	(10,105)
56	November 2025	38,552	(0.1455)	(5,611)	493,278	(0.0245)	(12,079)	(17,690)
57	Total Commercial SGS Sales TRS Rider	462,794	(0.2720)	(125,875)	7,780,740	(0.0616)	(478,989)	(604,865)
58	Supplier Choice Rider							
59	December 2024	38,657	0.0080	309				309
60	January 2025	38,877	0.0080	311				311
61	February	38,946	0.0080	312				312
62	March	38,935	0.0080	311				311
63	April	38,856	0.0080	311				311
64	May	38,526	0.0080	308				308
65	June	38,428	0.0080	307				307
66	July	38,267	0.0080	306				306
67	August	38,232	0.0080	306				306
68	September	38,167	0.0080	305				305
69	October	38,351	0.0036	138				138
70	November 2025	38,552	0.0036	139				139
71	Total Commercial SGS Sales Supplier Choice Rider	462,794	0.0073	3,364				3,364

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Industrial SGS Sales**							
2	Gas Procurement Charge							
3	December 2024				3,930	0.0865	340	340
4	January 2025				8,102	0.0865	701	701
5	February				7,838	0.0865	678	678
6	March				5,761	0.0865	498	498
7	April				2,909	0.0865	252	252
8	May				1,238	0.0865	107	107
9	June				1,205	0.0865	104	104
10	July				(801)	0.0865	(69)	(69)
11	August				(424)	0.0865	(37)	(37)
12	September				181	0.0865	16	16
13	October				1,469	0.0865	127	127
14	November 2025				953	0.0865	82	82
15	Total Industrial SGS Sales Gas Procurement Charge				32,361	0.0865	2,799	2,799
16	Merchant Function Charge							
17	December 2024				3,930	0.0113	44	44
18	January 2025				8,102	0.0159	129	129
19	February				7,838	0.0159	125	125
20	March				5,761	0.0159	92	92
21	April				2,909	0.0177	51	51
22	May				1,238	0.0177	22	22
23	June				1,205	0.0177	21	21
24	July				(801)	0.0136	(11)	(11)
25	August				(424)	0.0136	(6)	(6)
26	September				181	0.0136	2	2
27	October				1,469	0.0175	26	26
28	November 2025				953	0.0175	17	17
29	Total Industrial SGS Sales Merchant Function Charge				32,361	0.0158	512	512
30	DSIC Rider							
31	December 2024	52	0.0000	-	3,930	0.0000	-	-
32	January 2025	53	0.0000	-	8,102	0.0000	-	-
33	February	52	0.0000	-	7,838	0.0000	-	-
34	March	52	0.0000	-	5,761	0.0000	-	-
35	April	53	0.1220	6	2,909	0.0172	50	56
36	May	53	0.1220	6	1,238	0.0172	21	28
37	June	53	0.1220	6	1,205	0.0172	21	27
38	July	53	0.1220	6	(801)	0.0172	(14)	(7)
39	August	53	0.1220	6	(424)	0.0172	(7)	(1)
40	September	52	0.1244	6	181	0.0172	3	10
41	October	53	0.2515	13	1,469	0.0339	50	63
42	November 2025	53	0.2515	13	953	0.0339	32	46
43	Total Industrial SGS Sales DSIC Rider	632	0.1036	65	32,361	0.0048	156	222
44	TRS Rider							
45	December 2024	52	(2.0261)	(105)	3,930	(0.2726)	(1,071)	(1,177)
46	January 2025	53	(0.2012)	(11)	8,102	(0.0268)	(217)	(228)
47	February	52	(0.2022)	(11)	7,838	(0.0268)	(210)	(221)
48	March	52	(0.2022)	(11)	5,761	(0.0268)	(154)	(165)
49	April	53	(0.1837)	(10)	2,909	(0.0245)	(71)	(81)
50	May	53	(0.1837)	(10)	1,238	(0.0245)	(30)	(40)
51	June	53	(0.1837)	(10)	1,205	(0.0245)	(30)	(39)
52	July	53	(0.1837)	(10)	(801)	(0.0245)	20	10
53	August	53	(0.1837)	(10)	(424)	(0.0245)	10	1
54	September	52	(0.1846)	(10)	181	(0.0245)	(4)	(14)
55	October	53	(0.1862)	(10)	1,469	(0.0245)	(36)	(46)
56	November 2025	53	(0.1862)	(10)	953	(0.0245)	(23)	(33)
57	Total Industrial SGS Sales TRS Rider	632	(0.3403)	(215)	32,361	(0.0562)	(1,818)	(2,033)
58	Supplier Choice Rider							
59	December 2024	52	0.0080	0				0
60	January 2025	53	0.0080	0				0
61	February	52	0.0080	0				0
62	March	52	0.0080	0				0
63	April	53	0.0080	0				0
64	May	53	0.0080	0				0
65	June	53	0.0080	0				0
66	July	53	0.0080	0				0
67	August	53	0.0080	0				0
68	September	52	0.0080	0				0
69	October	53	0.0036	0				0
70	November 2025	53	0.0036	0				0
71	Total Industrial SGS Sales Supplier Choice Rider	632	0.0073	5				5

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial MGS Sales**							
2	Gas Procurement Charge							
3	December 2024				459,231	0.0865	39,723	39,723
4	January 2025				651,405	0.0865	56,347	56,347
5	February				669,589	0.0865	57,919	57,919
6	March				537,135	0.0865	46,462	46,462
7	April				333,989	0.0865	28,890	28,890
8	May				183,125	0.0865	15,840	15,840
9	June				134,287	0.0865	11,616	11,616
10	July				92,752	0.0865	8,023	8,023
11	August				82,982	0.0865	7,178	7,178
12	September				107,018	0.0865	9,257	9,257
13	October				126,596	0.0865	10,951	10,951
14	November 2025				240,849	0.0865	20,833	20,833
15	Total Commercial MGS Sales Gas Procurement Charge				3,618,956	0.0865	313,040	313,040
16	Merchant Function Charge							
17	December 2024				459,231	0.0113	5,189	5,189
18	January 2025				651,405	0.0159	10,357	10,357
19	February				669,589	0.0159	10,646	10,646
20	March				537,135	0.0159	8,540	8,540
21	April				333,989	0.0177	5,912	5,912
22	May				183,125	0.0177	3,241	3,241
23	June				134,287	0.0177	2,377	2,377
24	July				92,752	0.0136	1,261	1,261
25	August				82,982	0.0136	1,129	1,129
26	September				107,018	0.0136	1,455	1,455
27	October				126,596	0.0175	2,215	2,215
28	November 2025				240,849	0.0175	4,215	4,215
29	Total Commercial MGS Sales Merchant Function Charge				3,618,956	0.0156	56,539	56,539
30	DSIC Rider							
31	December 2024	1,665	0.0000	-	459,231	0.0000	-	-
32	January 2025	1,684	0.0000	-	651,405	0.0000	-	-
33	February	1,695	0.0000	-	669,589	0.0000	-	-
34	March	1,707	0.0000	-	537,135	0.0000	-	-
35	April	1,698	0.4525	768	333,989	0.0160	5,328	6,096
36	May	1,683	0.4566	768	183,125	0.0160	2,921	3,690
37	June	1,686	0.4557	768	134,287	0.0160	2,142	2,911
38	July	1,696	0.4531	768	92,752	0.0159	1,478	2,246
39	August	1,688	0.4552	768	82,982	0.0159	1,322	2,091
40	September	1,679	0.4576	768	107,018	0.0159	1,705	2,474
41	October	1,698	0.9108	1,547	126,596	0.0315	3,991	5,537
42	November 2025	1,703	0.9108	1,551	240,849	0.0315	7,593	9,144
43	Total Commercial MGS Sales DSIC Rider	20,282	0.3800	7,708	3,618,956	0.0073	26,481	34,189
44	TRS Rider							
45	December 2024	1,665	(7.5173)	(12,516)	459,231	(0.2527)	(116,061)	(128,577)
46	January 2025	1,684	(0.7393)	(1,245)	651,405	(0.0249)	(16,195)	(17,440)
47	February	1,695	(0.7400)	(1,254)	669,589	(0.0249)	(16,647)	(17,901)
48	March	1,707	(0.7404)	(1,264)	537,135	(0.0249)	(13,354)	(14,618)
49	April	1,698	(0.6758)	(1,148)	333,989	(0.0227)	(7,583)	(8,730)
50	May	1,683	(0.6749)	(1,136)	183,125	(0.0227)	(4,158)	(5,293)
51	June	1,686	(0.6740)	(1,136)	134,287	(0.0227)	(3,049)	(4,185)
52	July	1,696	(0.6737)	(1,143)	92,752	(0.0227)	(2,106)	(3,248)
53	August	1,688	(0.6741)	(1,138)	82,982	(0.0227)	(1,884)	(3,022)
54	September	1,679	(0.6737)	(1,131)	107,018	(0.0227)	(2,430)	(3,561)
55	October	1,698	(0.6744)	(1,145)	126,596	(0.0227)	(2,874)	(4,019)
56	November 2025	1,703	(0.6744)	(1,148)	240,849	(0.0227)	(5,468)	(6,617)
57	Total Commercial MGS Sales TRS Rider	20,282	(1.2525)	(25,404)	3,618,956	(0.0530)	(191,807)	(217,212)

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Industrial MGS Sales**							
2	Gas Procurement Charge							
3	December 2024				22,221	0.0865	1,922	1,922
4	January 2025				29,708	0.0865	2,570	2,570
5	February				29,144	0.0865	2,521	2,521
6	March				25,559	0.0865	2,211	2,211
7	April				19,956	0.0865	1,726	1,726
8	May				9,933	0.0865	859	859
9	June				7,851	0.0865	679	679
10	July				5,996	0.0865	519	519
11	August				6,233	0.0865	539	539
12	September				5,042	0.0865	436	436
13	October				6,963	0.0865	602	602
14	November 2025				13,049	0.0865	1,129	1,129
15	Total Industrial MGS Sales Gas Procurement Charge				181,655	0.0865	15,713	15,713
16	Merchant Function Charge							
17	December 2024				22,221	0.0113	251	251
18	January 2025				29,708	0.0159	472	472
19	February				29,144	0.0159	463	463
20	March				25,559	0.0159	406	406
21	April				19,956	0.0177	353	353
22	May				9,933	0.0177	176	176
23	June				7,851	0.0177	139	139
24	July				5,996	0.0136	82	82
25	August				6,233	0.0136	85	85
26	September				5,042	0.0136	69	69
27	October				6,963	0.0175	122	122
28	November 2025				13,049	0.0175	228	228
29	Total Industrial MGS Sales Merchant Function Charge				181,655	0.0157	2,846	2,846
30	DSIC Rider							
31	December 2024	45	0.0000	-	22,221	0.0000	-	-
32	January 2025	46	0.0000	-	29,708	0.0000	-	-
33	February	48	0.0000	-	29,144	0.0000	-	-
34	March	49	0.0000	-	25,559	0.0000	-	-
35	April	46	0.5206	24	19,956	0.0160	318	342
36	May	46	0.5206	24	9,933	0.0160	158	182
37	June	46	0.5206	24	7,851	0.0160	125	149
38	July	46	0.5206	24	5,996	0.0159	96	120
39	August	44	0.5208	23	6,233	0.0159	99	122
40	September	45	0.5187	23	5,042	0.0159	80	104
41	October	45	1.0250	46	6,963	0.0315	219	266
42	November 2025	45	1.0250	46	13,049	0.0315	411	457
43	Total Industrial MGS Sales DSIC Rider	551	0.4252	234	181,655	0.0083	1,508	1,742
44	TRS Rider							
45	December 2024	45	(8.4483)	(380)	22,221	(0.2527)	(5,616)	(5,996)
46	January 2025	46	(0.8342)	(38)	29,708	(0.0249)	(739)	(777)
47	February	48	(0.8340)	(40)	29,144	(0.0249)	(725)	(765)
48	March	49	(0.8369)	(41)	25,559	(0.0249)	(635)	(676)
49	April	46	(0.7618)	(35)	19,956	(0.0227)	(453)	(488)
50	May	46	(0.7618)	(35)	9,933	(0.0227)	(226)	(261)
51	June	46	(0.7618)	(35)	7,851	(0.0227)	(178)	(213)
52	July	46	(0.7618)	(35)	5,996	(0.0227)	(136)	(171)
53	August	44	(0.7621)	(34)	6,233	(0.0227)	(142)	(175)
54	September	45	(0.7590)	(34)	5,042	(0.0227)	(114)	(149)
55	October	45	(0.7590)	(34)	6,963	(0.0227)	(158)	(192)
56	November 2025	45	(0.7590)	(34)	13,049	(0.0227)	(296)	(330)
57	Total Industrial MGS Sales TRS Rider	551	(1.4079)	(776)	181,655	(0.0518)	(9,418)	(10,193)

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial LGS Sales**							
2	Gas Procurement Charge							
3	December 2024				26,561	0.0865	2,298	2,298
4	January 2025				43,983	0.0865	3,805	3,805
5	February				48,710	0.0865	4,213	4,213
6	March				40,738	0.0865	3,524	3,524
7	April				32,209	0.0865	2,786	2,786
8	May				36,980	0.0865	3,199	3,199
9	June				17,793	0.0865	1,539	1,539
10	July				15,738	0.0865	1,361	1,361
11	August				12,164	0.0865	1,052	1,052
12	September				11,360	0.0865	983	983
13	October				11,837	0.0865	1,024	1,024
14	November 2025				16,623	0.0865	1,438	1,438
15	Total Commercial LGS Sales Gas Procurement Charge				314,695	0.0865	27,221	27,221
16	Merchant Function Charge							
17	December 2024				26,561	0.0113	300	300
18	January 2025				43,983	0.0159	699	699
19	February				48,710	0.0159	774	774
20	March				40,738	0.0159	648	648
21	April				32,209	0.0177	570	570
22	May				36,980	0.0177	655	655
23	June				17,793	0.0177	315	315
24	July				15,738	0.0136	214	214
25	August				12,164	0.0136	165	165
26	September				11,360	0.0136	154	154
27	October				11,837	0.0175	207	207
28	November 2025				16,623	0.0175	291	291
29	Total Commercial LGS Sales Merchant Function Charge				314,695	0.0159	4,993	4,993
30	DSIC Rider							
31	December 2024	9	0.0000	-	26,561	0.0000	-	-
32	January 2025	9	0.0000	-	43,983	0.0000	-	-
33	February	9	0.0000	-	48,710	0.0000	-	-
34	March	9	0.0000	-	40,738	0.0000	-	-
35	April	9	3.9480	36	32,209	0.0115	371	406
36	May	9	3.9480	36	36,980	0.0115	426	461
37	June	9	3.9480	36	17,793	0.0115	205	240
38	July	7	3.9480	28	15,738	0.0115	181	208
39	August	7	3.9480	28	12,164	0.0115	140	167
40	September	10	4.1685	42	11,360	0.0115	131	172
41	October	10	8.2378	82	11,837	0.0227	269	352
42	November 2025	9	8.2862	75	16,623	0.0227	378	453
43	Total Commercial LGS Sales DSIC Rider	106	3.4010	361	314,695	0.0067	2,099	2,460
44	TRS Rider							
45	December 2024	9	(64.3092)	(579)	26,561	(0.1803)	(4,790)	(5,369)
46	January 2025	9	(6.3262)	(57)	43,983	(0.0177)	(780)	(837)
47	February	9	(6.3262)	(57)	48,710	(0.0177)	(864)	(921)
48	March	9	(6.3262)	(57)	40,738	(0.0177)	(723)	(780)
49	April	9	(5.7772)	(52)	32,209	(0.0162)	(522)	(574)
50	May	9	(5.7772)	(52)	36,980	(0.0162)	(599)	(651)
51	June	9	(5.7772)	(52)	17,793	(0.0162)	(288)	(340)
52	July	7	(5.7772)	(40)	15,738	(0.0162)	(255)	(295)
53	August	7	(5.7772)	(40)	12,164	(0.0162)	(197)	(238)
54	September	10	(6.0999)	(61)	11,360	(0.0162)	(184)	(245)
55	October	10	(6.0999)	(61)	11,837	(0.0162)	(192)	(253)
56	November 2025	9	(6.1357)	(55)	16,623	(0.0162)	(269)	(325)
57	Total Commercial LGS Sales TRS Rider	106	(10.9781)	(1,164)	314,695	(0.0307)	(9,663)	(10,827)

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Industrial LGS Sales**							
2	Gas Procurement Charge							
3	December 2024				1,019	0.0865	88	88
4	January 2025				1,280	0.0865	111	111
5	February				2,239	0.0865	194	194
6	March				1,857	0.0865	161	161
7	April				798	0.0865	69	69
8	May				2,713	0.0865	235	235
9	June				3,916	0.0865	339	339
10	July				(5,705)	0.0865	(493)	(493)
11	August				1,272	0.0865	110	110
12	September				(815)	0.0865	(70)	(70)
13	October				5,758	0.0865	498	498
14	November 2025				3,558	0.0865	308	308
15	Total Industrial LGS Sales Gas Procurement Charge				17,891	0.0865	1,548	1,548
16	Merchant Function Charge							
17	December 2024				1,019	0.0113	12	12
18	January 2025				1,280	0.0159	20	20
19	February				2,239	0.0159	36	36
20	March				1,857	0.0159	30	30
21	April				798	0.0177	14	14
22	May				2,713	0.0177	48	48
23	June				3,916	0.0177	69	69
24	July				(5,705)	0.0136	(78)	(78)
25	August				1,272	0.0136	17	17
26	September				(815)	0.0136	(11)	(11)
27	October				5,758	0.0175	101	101
28	November 2025				3,558	0.0175	62	62
29	Total Industrial LGS Sales Merchant Function Charge				17,891	0.0179	320	320
30	DSIC Rider							
31	December 2024	3	0.0000	-	1,019	0.0000	-	-
32	January 2025	4	0.0000	-	1,280	0.0000	-	-
33	February	4	0.0000	-	2,239	0.0000	-	-
34	March	4	0.0000	-	1,857	0.0000	-	-
35	April	4	9.4238	38	798	0.0930	74	112
36	May	3	10.5140	32	2,713	0.0952	258	290
37	June	3	10.5140	32	3,916	0.0951	373	404
38	July	3	10.5140	32	(5,705)	0.0947	(540)	(509)
39	August	4	8.8725	35	1,272	0.0979	124	160
40	September	3	3.9480	12	(815)	0.0260	(21)	(9)
41	October	4	8.8914	36	5,758	0.0979	564	599
42	November 2025	4	8.8914	36	3,558	0.0979	348	384
43	Total Industrial LGS Sales DSIC Rider	43	5.8322	251	17,891	0.0659	1,180	1,431
44	TRS Rider							
45	December 2024	3	(171.2631)	(514)	1,019	(0.0160)	(16)	(530)
46	January 2025	4	(22.1081)	(88)	1,280	(0.0158)	(20)	(109)
47	February	4	(22.1081)	(88)	2,239	(0.0135)	(30)	(119)
48	March	4	(22.1081)	(88)	1,857	(0.0136)	(25)	(114)
49	April	4	(14.8119)	(59)	798	(0.0154)	(12)	(72)
50	May	3	(15.3855)	(46)	2,713	(0.0157)	(43)	(89)
51	June	3	(15.3855)	(46)	3,916	(0.0157)	(62)	(108)
52	July	3	(15.3855)	(46)	(5,705)	(0.0157)	89	43
53	August	4	(12.9834)	(52)	1,272	(0.0162)	(21)	(73)
54	September	3	(5.7772)	(17)	(815)	(0.0038)	3	(14)
55	October	4	(7.6057)	(30)	5,758	(0.0162)	(93)	(124)
56	November 2025	4	(7.6057)	(30)	3,558	(0.0162)	(58)	(88)
57	Total Industrial LGS Sales TRS Rider	43	(25.7422)	(1,107)	17,891	(0.0161)	(288)	(1,395)

Blended rate used to account for Industrial Transitional Customers

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Tariff Sales Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge & Cap Credit				49,007,623	0.3667	17,970,870	17,970,870
4	Gas Procurement Charge				49,007,623	0.0865	4,239,159	4,239,159
5	Merchant Function Charge				49,007,623	0.1030	5,047,799	5,047,799
6	DSIC Charge	6,896,627	0.0585	403,139	49,007,623	0.0107	524,070	927,209
7	TRS Credit	6,896,627	(0.1929)	(1,330,619)	49,007,623	(0.0835)	(4,090,221)	(5,420,839)
8	Supplier Choice	6,489,280	0.0073	47,170				47,170
9	**SGS**							
10	Gas Procurement Charge				7,813,101	0.0865	675,833	675,833
11	Merchant Function Charge				7,813,101	0.0155	121,340	121,340
12	DSIC	463,426	0.0822	38,098	7,813,101	0.0063	48,994	87,093
13	TRS	463,426	(0.2721)	(126,091)	7,813,101	(0.0615)	(480,807)	(606,898)
14	Supplier Choice	463,426	0.0073	3,369				3,369
15	**MGS**							
16	Gas Procurement Charge				3,800,610	0.0865	328,753	328,753
17	Merchant Function Charge				3,800,610	0.0156	59,385	59,385
18	DSIC Charge	20,833	0.3812	7,942	3,800,610	0.0074	27,989	35,931
19	TRS Credit	20,833	(1.2567)	(26,180)	3,800,610	(0.0529)	(201,225)	(227,405)
20	**LGS**							
21	Gas Procurement Charge				332,586	0.0865	28,769	28,769
22	Merchant Function Charge				332,586	0.0160	5,313	5,313
23	DSIC	149	4.1026	611	332,586	0.0099	3,279	3,891
24	TRS	149	(15.2388)	(2,271)	332,586	(0.0299)	(9,951)	(12,222)
25	**Commercial/Industrial Subtotal**							
26	Gas Procurement Charge				11,946,297	0.0865	1,033,355	1,033,355
27	Merchant Function Charge				11,946,297	0.0156	186,038	186,038
28	DSIC	484,408	0.0963	46,652	11,946,297	0.0067	80,263	126,915
29	TRS	484,408	(0.3190)	(154,541)	11,946,297	(0.0579)	(691,984)	(846,525)
30	Supplier Choice	463,426	0.0073	3,369				3,369
31	**Sales Total**							
32	Universal Service Charge				49,007,623	0.3667	17,970,870	17,970,870
33	Gas Procurement Charge				60,953,920	0.0865	5,272,514	5,272,514
34	Merchant Function Charge				60,953,920	0.0859	5,233,838	5,233,838
35	DSIC	7,381,035	0.0609	449,791	60,953,920	0.0099	604,333	1,054,124
36	TRS	7,381,035	(0.2012)	(1,485,160)	60,953,920	(0.0785)	(4,782,204)	(6,267,364)
37	Supplier Choice	6,952,706	0.0073	50,539				50,539

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Residential Transport**							
2	Rider USP							
3	December 2024				976,869	0.6055	591,494	591,494
4	January 2025				1,339,871	0.8571	1,148,404	1,148,404
5	February				1,258,646	0.8571	1,078,785	1,078,785
6	March				991,936	0.8571	850,188	850,188
7	April				576,596	0.9401	542,058	542,058
8	May				250,235	0.9401	235,246	235,246
9	June				188,572	0.9401	177,276	177,276
10	July				102,777	0.8567	88,049	88,049
11	August				90,192	0.8567	77,268	77,268
12	September				108,523	0.8567	92,972	92,972
13	October				164,078	1.0414	170,871	170,871
14	November 2025				463,013	1.0414	482,182	482,182
15	Total Residential Transport Rider USP				6,511,308	0.8500	5,534,792	5,534,792
16	Merchant Function Charge							
17	December 2024				976,869	0.0270	26,375	26,375
18	January 2025				1,339,871	0.0274	36,712	36,712
19	February				1,258,646	0.0274	34,487	34,487
20	March				991,936	0.0274	27,179	27,179
21	April				576,596	0.0274	15,799	15,799
22	May				250,235	0.0274	6,856	6,856
23	June				188,572	0.0274	5,167	5,167
24	July				102,777	0.0274	2,816	2,816
25	August				90,192	0.0274	2,471	2,471
26	September				108,523	0.0274	2,974	2,974
27	October				164,078	0.0408	6,694	6,694
28	November 2025				463,013	0.0408	18,891	18,891
29	Total Residential Transport Merchant Function Charge				6,511,308	0.0286	186,422	186,422
30	DSIC Rider							
31	December 2024	75,554	0.0000	-	976,869	0.0000	-	-
32	January 2025	75,296	0.0000	-	1,339,871	0.0000	-	-
33	February	74,745	0.0000	-	1,258,646	0.0000	-	-
34	March	74,323	0.0000	-	991,936	0.0000	-	-
35	April	74,209	0.0706	5,236	576,596	0.0265	15,308	20,544
36	May	74,137	0.0706	5,231	250,235	0.0265	6,643	11,875
37	June	74,163	0.0706	5,233	188,572	0.0265	5,006	10,239
38	July	74,315	0.0706	5,244	102,777	0.0262	2,693	7,936
39	August	74,245	0.0706	5,239	90,192	0.0262	2,363	7,602
40	September	74,339	0.0706	5,245	108,523	0.0262	2,843	8,089
41	October	74,571	0.1394	10,398	164,078	0.0534	8,765	19,163
42	November 2025	74,685	0.1394	10,414	463,013	0.0534	24,733	35,147
43	Total Residential Transport DSIC Rider	894,582	0.0584	52,240	6,511,308	0.0105	68,355	120,595
30	TRS Rider							
31	December 2024	75,554	(1.1494)	(86,838)	976,869	(0.3663)	(357,796)	(444,634)
32	January 2025	75,296	(0.1131)	(8,513)	1,339,871	(0.0360)	(48,276)	(56,789)
33	February	74,745	(0.1131)	(8,451)	1,258,646	(0.0360)	(45,350)	(53,800)
34	March	74,323	(0.1131)	(8,403)	991,936	(0.0360)	(35,740)	(44,143)
35	April	74,209	(0.1033)	(7,662)	576,596	(0.0329)	(18,972)	(26,635)
36	May	74,137	(0.1033)	(7,655)	250,235	(0.0329)	(8,234)	(15,889)
37	June	74,163	(0.1033)	(7,658)	188,572	(0.0329)	(6,205)	(13,862)
38	July	74,315	(0.1033)	(7,673)	102,777	(0.0329)	(3,382)	(11,055)
39	August	74,245	(0.1033)	(7,666)	90,192	(0.0329)	(2,968)	(10,634)
40	September	74,339	(0.1033)	(7,676)	108,523	(0.0329)	(3,571)	(11,247)
41	October	74,571	(0.1033)	(7,700)	164,078	(0.0329)	(5,399)	(13,098)
42	November 2025	74,685	(0.1033)	(7,711)	463,013	(0.0329)	(15,235)	(22,946)
43	Total Residential Transport TRS Rider	894,582	(0.1941)	(173,607)	6,511,308	(0.0846)	(551,126)	(724,733)
44	Supplier Choice Rider							
45	December 2024	75,554	0.0080	604				604
46	January 2025	75,296	0.0080	602				602
47	February	74,745	0.0080	598				598
48	March	74,323	0.0080	595				595
49	April	74,209	0.0080	594				594
50	May	74,137	0.0080	593				593
51	June	74,163	0.0080	593				593
52	July	74,315	0.0080	595				595
53	August	74,245	0.0080	594				594
54	September	74,339	0.0080	595				595
55	October	74,571	0.0036	268				268
56	November 2025	74,685	0.0036	269				269
57	Total Residential Transport Supplier Choice Rider	894,582	0.0073	6,500				6,500

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial SGS Transport**							
2	DSIC Rider							
3	December 2024	10,312	0.0000	-	485,330	0.0000	-	-
4	January 2025	10,200	0.0000	-	708,114	0.0000	-	-
5	February	10,136	0.0000	-	695,786	0.0000	-	-
6	March	10,038	0.0000	-	516,254	0.0000	-	-
7	April	9,986	0.1107	1,105	286,422	0.0167	4,793	5,898
8	May	10,169	0.1105	1,123	128,872	0.0167	2,157	3,280
9	June	10,134	0.1105	1,120	87,791	0.0167	1,469	2,589
10	July	10,131	0.1105	1,120	55,743	0.0167	933	2,053
11	August	10,112	0.1105	1,118	47,742	0.0167	799	1,917
12	September	10,128	0.1106	1,120	56,216	0.0167	941	2,061
13	October	10,138	0.2182	2,212	75,158	0.0331	2,486	4,698
14	November 2025	10,153	0.2182	2,215	211,467	0.0331	6,993	9,208
15	Total Commercial SGS Transport DSIC Rider	121,637	0.0915	11,133	3,354,894	0.0061	20,570	31,703
16	TRS Rider							
17	December 2024	10,312	(1.7986)	(18,547)	485,330	(0.2726)	(132,295)	(150,843)
18	January 2025	10,200	(0.1770)	(1,806)	708,114	(0.0268)	(18,988)	(20,794)
19	February	10,136	(0.1772)	(1,796)	695,786	(0.0268)	(18,658)	(20,454)
20	March	10,038	(0.1773)	(1,780)	516,254	(0.0268)	(13,843)	(15,623)
21	April	9,986	(0.1619)	(1,617)	286,422	(0.0245)	(7,014)	(8,631)
22	May	10,169	(0.1616)	(1,644)	128,872	(0.0245)	(3,156)	(4,799)
23	June	10,134	(0.1617)	(1,639)	87,791	(0.0245)	(2,150)	(3,789)
24	July	10,131	(0.1617)	(1,639)	55,743	(0.0245)	(1,365)	(3,004)
25	August	10,112	(0.1617)	(1,636)	47,742	(0.0245)	(1,169)	(2,805)
26	September	10,128	(0.1618)	(1,639)	56,216	(0.0245)	(1,377)	(3,016)
27	October	10,138	(0.1616)	(1,638)	75,158	(0.0245)	(1,840)	(3,478)
28	November 2025	10,153	(0.1615)	(1,640)	211,467	(0.0245)	(5,178)	(6,818)
29	Total Commercial SGS Transport TRS Rider	121,637	(0.3043)	(37,019)	3,354,894	(0.0617)	(207,034)	(244,053)
30	Supplier Choice Rider							
31	December 2024	10,312	0.0080	82				82
32	January 2025	10,200	0.0080	82				82
33	February	10,136	0.0080	81				81
34	March	10,038	0.0080	80				80
35	April	9,986	0.0080	80				80
36	May	10,169	0.0080	81				81
37	June	10,134	0.0080	81				81
38	July	10,131	0.0080	81				81
39	August	10,112	0.0080	81				81
40	September	10,128	0.0080	81				81
41	October	10,138	0.0036	36				36
42	November 2025	10,153	0.0036	37				37
43	Total Commercial SGS Transport Supplier Choice Rider	121,637	0.0073	884				884
44	**Industrial SGS Transport**							
45	DSIC Rider							
46	December 2024	52	0.0000	-	2,986	0.0000	-	-
47	January 2025	52	0.0000	-	5,143	0.0000	-	-
48	February	52	0.0000	-	4,298	0.0000	-	-
49	March	51	0.0000	-	3,485	0.0000	-	-
50	April	51	0.1141	6	1,930	0.0167	32	38
51	May	51	0.1141	6	634	0.0167	11	16
52	June	51	0.1141	6	241	0.0167	4	10
53	July	51	0.1141	6	123	0.0167	2	8
54	August	50	0.1146	6	159	0.0167	3	8
55	September	50	0.1146	6	135	0.0167	2	8
56	October	48	0.2244	11	485	0.0331	16	27
57	November 2025	48	0.2244	11	833	0.0331	28	38
58	Total Industrial SGS Transport DSIC Rider	607	0.0927	56	20,451	0.0048	97	154
59	TRS Rider							
60	December 2024	52	(1.8524)	(96)	2,986	(0.2726)	(814)	(910)
61	January 2025	52	(0.1823)	(9)	5,143	(0.0268)	(138)	(147)
62	February	52	(0.1823)	(9)	4,298	(0.0268)	(115)	(125)
63	March	51	(0.1829)	(9)	3,485	(0.0268)	(93)	(103)
64	April	51	(0.1671)	(9)	1,930	(0.0245)	(47)	(56)
65	May	51	(0.1671)	(9)	634	(0.0245)	(16)	(24)
66	June	51	(0.1671)	(9)	241	(0.0245)	(6)	(14)
67	July	51	(0.1670)	(9)	123	(0.0245)	(3)	(12)
68	August	50	(0.1676)	(8)	159	(0.0245)	(4)	(12)
69	September	50	(0.1676)	(8)	135	(0.0245)	(3)	(12)
70	October	48	(0.1662)	(8)	485	(0.0245)	(12)	(20)
71	November 2025	48	(0.1662)	(8)	833	(0.0245)	(20)	(28)
72	Total Industrial SGS Transport TRS Rider	607	(0.3153)	(191)	20,451	(0.0622)	(1,272)	(1,463)
73	Supplier Choice Rider							
74	December 2024	52	0.0080	0				0
75	January 2025	52	0.0080	0				0
76	February	52	0.0080	0				0
77	March	51	0.0080	0				0
78	April	51	0.0080	0				0
79	May	51	0.0080	0				0
80	June	51	0.0080	0				0
81	July	51	0.0080	0				0
82	August	50	0.0080	0				0
83	September	50	0.0080	0				0
84	October	48	0.0036	0				0
85	November 2025	48	0.0036	0				0
86	Total Industrial SGS Transport Supplier Choice Rider	607	0.0073	4				4

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial MGS Transport**							
2	DSIC Rider							
3	December 2024	3,157	0.0000	-	1,645,149	0.0000	-	-
4	January 2025	3,135	0.0000	-	2,218,557	0.0000	-	-
5	February	3,128	0.0000	-	2,207,701	0.0000	-	-
6	March	3,112	0.0000	-	1,717,038	0.0000	-	-
7	April	3,113	0.5040	1,569	1,103,686	0.0155	17,124	18,693
8	May	3,126	0.5041	1,576	614,926	0.0155	9,541	11,116
9	June	3,120	0.5045	1,574	462,458	0.0155	7,175	8,749
10	July	3,116	0.5047	1,573	316,571	0.0155	4,912	6,484
11	August	3,111	0.5046	1,570	278,270	0.0155	4,317	5,887
12	September	3,115	0.5047	1,572	338,697	0.0155	5,255	6,827
13	October	3,106	0.9976	3,099	474,437	0.0307	14,547	17,645
14	November 2025	3,105	0.9977	3,098	850,674	0.0307	26,083	29,180
15	Total Commercial MGS Transport DSIC Rider	37,444	0.4174	15,630	12,228,165	0.0073	88,953	104,583
16	TRS Rider							
17	December 2024	3,157	(8.2066)	(25,908)	1,645,149	(0.2527)	(415,775)	(441,684)
18	January 2025	3,135	(0.8074)	(2,531)	2,218,557	(0.0249)	(55,156)	(57,688)
19	February	3,128	(0.8073)	(2,525)	2,207,701	(0.0249)	(54,886)	(57,412)
20	March	3,112	(0.8074)	(2,513)	1,717,038	(0.0249)	(42,688)	(45,201)
21	April	3,113	(0.7375)	(2,296)	1,103,686	(0.0227)	(25,058)	(27,354)
22	May	3,126	(0.7376)	(2,306)	614,926	(0.0227)	(13,961)	(16,267)
23	June	3,120	(0.7383)	(2,303)	462,458	(0.0227)	(10,500)	(12,803)
24	July	3,116	(0.7385)	(2,301)	316,571	(0.0227)	(7,187)	(9,489)
25	August	3,111	(0.7383)	(2,297)	278,270	(0.0227)	(6,318)	(8,615)
26	September	3,115	(0.7385)	(2,301)	338,697	(0.0227)	(7,690)	(9,990)
27	October	3,106	(0.7387)	(2,294)	474,437	(0.0227)	(10,772)	(13,066)
28	November 2025	3,105	(0.7387)	(2,294)	850,674	(0.0227)	(19,314)	(21,607)
29	Total Commercial MGS Transport TRS Rider	37,444	(1.3853)	(51,869)	12,228,165	(0.0547)	(669,305)	(721,174)
30	**Industrial MGS Transport**							
31	DSIC Rider							
32	December 2024	136	0.0000	-	133,029	0.0000	-	-
33	January 2025	135	0.0000	-	166,411	0.0000	-	-
34	February	133	0.0000	-	173,544	0.0000	-	-
35	March	132	0.0000	-	179,750	0.0000	-	-
36	April	134	0.5704	76	122,971	0.0155	1,908	1,984
37	May	134	0.5704	76	81,298	0.0155	1,261	1,338
38	June	134	0.5704	76	74,199	0.0155	1,151	1,228
39	July	134	0.5704	76	69,162	0.0155	1,073	1,149
40	August	136	0.5696	77	68,283	0.0155	1,059	1,137
41	September	135	0.5707	77	67,534	0.0155	1,048	1,125
42	October	135	1.1278	152	85,187	0.0307	2,612	2,764
43	November 2025	135	1.1278	152	88,731	0.0307	2,721	2,873
44	Total Industrial MGS Transport DSIC Rider	1,613	0.4741	765	1,310,099	0.0098	12,833	13,598
45	TRS Rider							
46	December 2024	136	(9.3003)	(1,265)	133,029	(0.2527)	(33,620)	(34,885)
47	January 2025	135	(0.9145)	(123)	166,411	(0.0249)	(4,137)	(4,261)
48	February	133	(0.9158)	(122)	173,544	(0.0249)	(4,315)	(4,436)
49	March	132	(0.9153)	(121)	179,750	(0.0249)	(4,469)	(4,590)
50	April	134	(0.8347)	(112)	122,971	(0.0227)	(2,792)	(2,904)
51	May	134	(0.8347)	(112)	81,298	(0.0227)	(1,846)	(1,958)
52	June	134	(0.8347)	(112)	74,199	(0.0227)	(1,685)	(1,796)
53	July	134	(0.8347)	(112)	69,162	(0.0227)	(1,570)	(1,682)
54	August	136	(0.8335)	(113)	68,283	(0.0227)	(1,550)	(1,664)
55	September	135	(0.8351)	(113)	67,534	(0.0227)	(1,533)	(1,646)
56	October	135	(0.8351)	(113)	85,187	(0.0227)	(1,934)	(2,047)
57	November 2025	135	(0.8351)	(113)	88,731	(0.0227)	(2,015)	(2,127)
58	Total Industrial MGS Transport TRS Rider	1,613	(1.5684)	(2,530)	1,310,099	(0.0469)	(61,465)	(63,995)

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial LGS Transport**							
2	DSIC Rider							
3	December 2024	104	0.0000	-	676,806	0.0000	-	-
4	January 2025	104	0.0000	-	970,232	0.0000	-	-
5	February	104	0.0000	-	1,198,731	0.0000	-	-
6	March	104	0.0000	-	845,128	0.0000	-	-
7	April	104	6.0088	625	725,474	0.0104	7,538	8,163
8	May	103	6.0288	621	592,542	0.0103	6,123	6,743
9	June	104	6.0088	625	449,873	0.0104	4,693	5,318
10	July	106	5.9699	633	408,986	0.0103	4,223	4,856
11	August	106	5.9699	633	393,744	0.0104	4,076	4,709
12	September	106	5.9699	633	403,979	0.0103	4,173	4,806
13	October	106	11.7977	1,251	513,866	0.0203	10,413	11,664
14	November 2025	107	11.7604	1,258	522,106	0.0208	10,836	12,095
15	Total Commercial LGS Transport DSIC Rider	1,258	4.9906	6,278	7,701,467	0.0068	52,076	58,355
16	TRS Rider							
17	December 2024	104	(97.8781)	(10,179)	676,806	(0.1708)	(115,579)	(125,759)
18	January 2025	104	(9.6284)	(1,001)	970,232	(0.0167)	(16,196)	(17,197)
19	February	104	(9.6284)	(1,001)	1,198,731	(0.0166)	(19,886)	(20,887)
20	March	104	(9.6284)	(1,001)	845,128	(0.0168)	(14,190)	(15,191)
21	April	104	(8.7929)	(914)	725,474	(0.0152)	(11,031)	(11,945)
22	May	103	(8.8222)	(909)	592,542	(0.0151)	(8,959)	(9,868)
23	June	104	(8.7929)	(914)	449,873	(0.0153)	(6,867)	(7,782)
24	July	106	(8.7360)	(926)	408,986	(0.0151)	(6,180)	(7,106)
25	August	106	(8.7360)	(926)	393,744	(0.0151)	(5,965)	(6,891)
26	September	106	(8.7360)	(926)	403,979	(0.0151)	(6,107)	(7,033)
27	October	106	(8.7360)	(926)	513,866	(0.0150)	(7,711)	(8,637)
28	November 2025	107	(8.7083)	(932)	522,106	(0.0154)	(8,024)	(8,956)
29	Total Commercial LGS Transport TRS Rider	1,258	(16.3409)	(20,557)	7,701,467	(0.0294)	(226,696)	(247,252)
30	**Industrial LGS Transport**							
31	DSIC Rider							
32	December 2024	140	0.0000	-	3,638,227	0.0000	-	-
33	January 2025	139	0.0000	-	4,164,164	0.0000	-	-
34	February	139	0.0000	-	4,113,541	0.0000	-	-
35	March	139	0.0000	-	4,604,719	0.0000	-	-
36	April	139	12.7976	1,779	3,635,631	0.0618	224,564	226,343
37	May	141	12.8274	1,809	3,418,760	0.0628	214,789	216,597
38	June	140	12.7502	1,785	3,340,700	0.0628	209,693	211,478
39	July	140	12.7502	1,785	3,092,511	0.0631	195,006	196,791
40	August	137	12.6553	1,734	2,980,062	0.0615	183,375	185,109
41	September	137	12.6553	1,734	3,287,130	0.0634	208,412	210,146
42	October	136	25.1359	3,418	2,983,068	0.0645	192,466	195,885
43	November 2025	136	25.1359	3,418	3,354,154	0.0653	219,142	222,561
44	Total Industrial LGS Transport DSIC Rider	1,663	10.5004	17,462	42,612,668	0.0387	1,647,447	1,664,909
45	TRS Rider							
46	December 2024	140	(208.2693)	(29,158)	3,638,227	(0.0114)	(41,322)	(70,480)
47	January 2025	139	(20.3626)	(2,830)	4,164,164	(0.0115)	(47,955)	(50,785)
48	February	139	(20.3050)	(2,822)	4,113,541	(0.0115)	(47,333)	(50,155)
49	March	139	(20.3050)	(2,822)	4,604,719	(0.0117)	(54,054)	(56,876)
50	April	139	(18.5479)	(2,578)	3,635,631	(0.0111)	(40,345)	(42,923)
51	May	141	(18.5940)	(2,622)	3,418,760	(0.0112)	(38,443)	(41,065)
52	June	140	(18.4797)	(2,587)	3,340,700	(0.0112)	(37,326)	(39,913)
53	July	140	(18.6577)	(2,612)	3,092,511	(0.0112)	(34,701)	(37,313)
54	August	137	(18.5190)	(2,537)	2,980,062	(0.0110)	(32,812)	(35,349)
55	September	137	(18.5190)	(2,537)	3,287,130	(0.0113)	(36,995)	(39,532)
56	October	136	(18.6127)	(2,531)	2,983,068	(0.0116)	(34,485)	(37,017)
57	November 2025	136	(18.6127)	(2,531)	3,354,154	(0.0112)	(37,727)	(40,258)
58	Total Industrial LGS Transport TRS Rider	1,663	(34.9783)	(58,169)	42,612,668	(0.0113)	(483,498)	(541,667)

Blended rate used to account for Industrial Transitional Customers
Blended rate used to account for multiple LGS Usage Tiers

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Transport Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge				6,511,308	$ 0.8500	5,534,792	5,534,792
4	Merchant Function Charge				6,511,308	$ 0.0286	186,422	186,422
5	DSIC	894,582	$ 0.0584	52,240	6,511,308	$ 0.0105	68,355	120,595
6	TRS	894,582	$ (0.1941)	(173,607)	6,511,308	$ (0.0846)	(551,126)	(724,733)
7	Supplier Choice	894,582	$ 0.0073	6,500				6,500
8	**SGS**							
9	DSIC	122,244	$ 0.0915	11,189	3,375,345	$ 0.0061	20,668	31,857
10	TRS	122,244	$ (0.3044)	(37,211)	3,375,345	$ (0.0617)	(208,305)	(245,516)
11	Supplier Choice	122,244	$ 0.0073	888				888
12	**MGS**							
13	DSIC	39,057	$ 0.4198	16,394	13,538,263	$ 0.0075	101,786	118,181
14	TRS	39,057	$ (1.3928)	(54,399)	13,538,263	$ (0.0540)	(730,770)	(785,170)
15	**LGS**							
16	DSIC	2,921	$ 8.1274	23,740	50,314,135	$ 0.0338	1,699,524	1,723,264
17	TRS	2,921	$ (26.9516)	(78,726)	50,314,135	$ (0.0141)	(710,193)	(788,919)
18	**Total Transport**							
19	Universal Service Charge				6,511,308	$ 0.8500	5,534,792	5,534,792
20	Merchant Function Charge				6,511,308	$ 0.0286	186,422	186,422
21	DSIC	1,058,804	$ 0.0978	103,564	73,739,052	$ 0.0256	1,890,333	1,993,897
22	TRS	1,058,804	$ (0.3248)	(343,942)	73,739,052	$ (0.0298)	(2,200,395)	(2,544,337)
23	Supplier Choice	1,016,826	$ 0.0073	7,388				7,388

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge				55,518,931	0.4234	23,505,662	23,505,662
4	Gas Procurement Charge				49,007,623	0.0865	4,239,159	4,239,159
5	Merchant Function Charge				55,518,931	0.0943	5,234,221	5,234,221
6	DSIC Charge	7,791,209	0.0584	455,379	55,518,931	0.0107	592,425	1,047,804
7	TRS Credit	7,791,209	(0.1931)	(1,504,225)	55,518,931	(0.0836)	(4,641,347)	(6,145,572)
8	Supplier Choice	7,383,862	0.0073	53,670				53,670
9	**SGS**							
10	Gas Procurement Charge				7,813,101	0.0865	675,833	675,833
11	Merchant Function Charge				7,813,101	0.0155	121,340	121,340
12	DSIC	585,670	0.0842	49,288	11,188,446	0.0062	69,662	118,950
13	TRS	585,670	(0.2788)	(163,301)	11,188,446	(0.0616)	(689,113)	(852,414)
14	Supplier Choice	585,670	0.0073	4,257				4,257
15	**MGS**							
16	Gas Procurement Charge				3,800,610	0.0865	328,753	328,753
17	Merchant Function Charge				3,800,610	0.0156	59,385	59,385
18	DSIC Charge	59,890	0.4064	24,336	17,338,874	0.0075	129,775	154,112
19	TRS Credit	59,890	(1.3455)	(80,579)	17,338,874	(0.0538)	(931,995)	(1,012,575)
20	**LGS**							
21	Gas Procurement Charge				332,586	0.0865	28,769	28,769
22	Merchant Function Charge				332,586	0.0160	5,313	5,313
23	DSIC	3,070	7.9321	24,352	50,646,721	0.0336	1,702,803	1,727,155
24	TRS	3,070	(26.3832)	(80,996)	50,646,721	(0.0142)	(720,145)	(801,141)
25	**Commercial/Industrial Subtotal**							
26	Gas Procurement Charge				11,946,297	0.0865	1,033,355	1,033,355
27	Merchant Function Charge				11,946,297	0.0156	186,038	186,038
28	DSIC	648,630	0.1511	97,976	79,174,041	0.0240	1,902,241	2,000,216
29	TRS	648,630	(0.5009)	(324,877)	79,174,041	(0.0296)	(2,341,253)	(2,666,129)
30	Supplier Choice	585,670	0.0073	4,257				4,257
31	**Overall Total**							
32	Universal Service Charge				55,518,931	0.4234	23,505,662	23,505,662
33	Gas Procurement Charge				60,953,920	0.0865	5,272,514	5,272,514
34	Merchant Function Charge				67,465,228	0.0803	5,420,260	5,420,260
35	DSIC	8,439,839	0.0656	553,355	134,692,972	0.0185	2,494,666	3,048,021
36	TRS	8,439,839	(0.2167)	(1,829,102)	134,692,972	(0.0518)	(6,982,599)	(8,811,701)
37	Supplier Choice	7,969,532	0.0073	57,927				57,927
38	Rider USP Summary							
39	Residential Sales Rider				38,639,821	87.5%	36,092,114	
40	Residential Sales Cap Credit				(20,668,952)	0.0%	(20,668,952)	
41	Residential Transport Rider				5,534,792	12.5%	5,169,857	
42	Total				23,505,662	100.0%	20,593,019	
43	Plus:							
44	Unbilled USP Rider						1,978,938	
45	Total USP (per Exhibit 4)						22,571,957	
46	Supplier Choice Rider Summary							
47	Supplier Choice Sales Rider				50,539	87.2%	1,563	
48	Supplier Choice Transport Rider				7,388	12.8%	229	
49	Total				57,927	0.2%	1,792	
50	Plus:							
51	Unbilled Supplier Choice Rider						(1,792)	
52	Total Supplier Choice (per Exhibit 4)						-	
53	Total Rider						22,571,957	

Peoples Natural Gas Company LLC
Rider USP, Merchant Function Charge, Gas Procurement Charge
Per Pro Forma Future Test Year
For the 12 Months Ended November 30, 2026

Line No.	Description	Revenue
		$
		(Ex 3, Sch 15, Atch D)
1	**Residential Sales Riders**	
2	Universal Services Program	0
3	Merchant Function Charge	8,508,708
4	Gas Procurement Charge	4,331,979
5	DSIC	22,652,191
6	TRS Rider	(2,368,298)
7	Supplier Choice Rider	23,434
8	**Commercial/Industrial Sales Riders**	
9	Merchant Function Charge	281,200
10	Gas Procurement Charge	950,148
11	DSIC	2,846,051
12	TRS Rider	(342,252)
13	Supplier Choice Rider	1,660
14	**Tariff Sales Rider Summary**	
15	Rider USP	0
16	Merchant Function Charge	8,789,907
17	Gas Procurement Charge	5,282,126
18	DSIC	25,498,241
19	TRS Rider	(2,710,550)
20	Supplier Choice Rider	25,094
21	**Transport Riders**	
22	Rider USP	0
23	Merchant Function Charge	249,782
24	Gas Procurement Charge	0
25	DSIC	11,187,555
26	TRS Rider	(1,332,394)
27	Supplier Choice Rider	3,439
28	**Overall Rider Summary**	
29	Rider USP	0
30	Merchant Function Charge	9,039,689
31	Gas Procurement Charge	5,282,126
32	DSIC	36,685,796
33	TRS Rider	(4,042,944)
34	Supplier Choice Rider	28,533

Peoples Natural Gas Company LLC
Rider USP, Merchant Function Charge, Gas Procurement Charge
Per Pro Forma Future Test Year
For the 12 Months Ended December 31, 2027

Line No.	Description	Revenue
		$
		(Ex 3, Sch 15, Atch D)
1	**Residential Sales Riders**	
2	Rider USP	0
3	Merchant Function Charge	8,558,990
4	Gas Procurement Charge	4,357,579
5	DSIC	22,816,756
6	TRS Rider	(2,386,067)
7	Supplier Choice Rider	23,714
8	**Commercial/Industrial Sales Riders**	
9	Merchant Function Charge	281,244
10	Gas Procurement Charge	950,296
11	DSIC	2,845,951
12	TRS Rider	(342,239)
13	Supplier Choice Rider	1,658
14	**Sales Rider Summary**	
15	Rider USP	0
16	Merchant Function Charge	8,840,234
17	Gas Procurement Charge	5,307,875
18	DSIC	25,662,707
19	TRS Rider	(2,728,306)
20	Supplier Choice Rider	25,372
21	**Transport Riders**	
22	Rider USP	0
23	Merchant Function Charge	231,690
24	Gas Procurement Charge	0
25	DSIC	10,969,785
26	TRS Rider	(1,308,708)
27	Supplier Choice Rider	3,237
28	**Overall Rider Summary**	
29	Rider USP	0
30	Merchant Function Charge	9,071,924
31	Gas Procurement Charge	5,307,875
32	DSIC	36,632,493
33	TRS Rider	(4,037,014)
34	Supplier Choice Rider	28,608

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Total Revenues**					
2	Residential Sales	7,055,332	50,376,633	810,791,101	106,296,943	917,088,044
4	SGS Sales	460,463	7,057,823	96,085,788	15,323,564	111,409,351
5	MGS Sales	20,867	3,595,670	44,465,638	4,905,649	49,371,286
6	LGS Sales	149	332,586	3,675,329	63,216	3,738,545
7	Residential Transport	774,040	5,650,985	56,265,080	11,864,092	68,129,172
8	SGS Transport	125,005	3,137,897	19,072,572	6,119,510	25,192,082
9	MGS Transport	38,660	12,347,088	62,331,814	16,358,166	78,689,980
10	LGS Transport	2,717	50,314,135	77,137,780	(67,059)	77,070,721
11	Other Revenues			14,788,962	2,307,858	17,096,820
12	Total Revenues	8,477,233	132,812,818	1,184,614,065	163,171,938	1,347,786,003
12	**Base Rates Revenue Only**					
13	Residential Sales	7,055,332	50,376,633	388,230,958	129,501,973	517,732,931
14	SGS Sales	460,463	7,057,823	39,022,600	17,200,009	56,222,610
15	MGS Sales	20,867	3,595,670	15,584,314	5,646,046	21,230,360
16	LGS Sales	149	332,586	1,077,844	113,149	1,190,993
17	Residential Transport	774,040	5,650,985	43,257,559	14,366,865	57,624,423
18	SGS Transport	125,005	3,137,897	15,766,215	6,918,042	22,684,257
19	MGS Transport	38,660	12,347,088	49,847,070	18,903,814	68,750,884
20	LGS Transport	2,717	50,314,135	63,769,223	5,183,619	68,952,842
21	Total Base Rate Revenue	8,477,233	132,812,818	616,555,782	197,833,517	814,389,299
22	**STAS**					
23	Residential Sales	7,055,332	50,376,633	186,394	(186,394)	-
24	SGS Sales	460,463	7,057,823	19,762	(19,762)	-
25	MGS Sales	20,867	3,595,670	9,298	(9,298)	-
26	LGS Sales	149	332,586	613	(613)	-
27	Residential Transport	774,040	5,650,985	20,909	(20,909)	-
28	SGS Transport	125,005	3,137,897	8,752	(8,752)	-
29	MGS Transport	38,660	12,347,088	31,928	(31,928)	-
30	LGS Transport	2,717	50,314,135	68,389	(68,389)	-
31	Total STAS	8,477,233	132,812,818	346,044	(346,044)	-

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Supplier Choice Rider**					
2	Residential Sales	6,587,212	46,273,106	23,714	-	23,714
3	SGS Sales	460,463	7,057,823	1,658	-	1,658
4	Residential Transport	774,040	5,650,985	2,787	-	2,787
5	SGS Transport	125,005	3,137,897	450	-	450
6	Total Supplier Choice Rider	7,946,721	62,119,812	28,608	-	28,608
7	**DSIC Rider**					
8	Residential Sales	7,055,332	50,376,633	22,816,756	(22,816,756)	-
9	SGS Sales	460,463	7,057,823	1,990,689	(1,990,689)	-
10	MGS Sales	20,867	3,595,670	799,369	(799,369)	-
11	LGS Sales	149	332,586	55,892	(55,892)	-
12	Residential Transport	774,040	5,650,985	2,483,995	(2,483,995)	-
13	SGS Transport	125,005	3,137,897	789,781	(789,781)	-
14	MGS Transport	38,660	12,347,088	2,513,720	(2,513,720)	-
15	LGS Transport	2,717	50,314,135	5,182,289	(5,182,289)	-
16	Total DSIC Rider	8,477,233	132,812,818	36,632,493	(36,632,493)	-
17	**Merchant Function Charge**					
18	Residential Sales	7,055,332	50,376,633	8,558,990	(1,051,236)	7,507,754
19	SGS Sales	460,463	7,057,823	180,680	50,017	230,697
20	MGS Sales	20,867	3,595,670	92,049	25,482	117,531
21	LGS Sales	149	332,586	8,514	2,357	10,871
22	Residential Transport	774,040	5,650,985	231,690	(28,384)	203,306
23	Total Merchant Function Charge	8,310,852	67,013,698	9,071,924	(1,001,765)	8,070,159

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Universal Service Program**					
2	Residential Sales	7,055,332	50,376,633	-	249,875	249,875
3	Residential Transport	774,040	5,650,985	-	30,515	30,515
4	Total Universal Service Program	7,829,372	56,027,619	-	280,390	280,390
5	**Tax Repairs Rider**					
6	Residential Sales	7,055,332	50,376,633	(2,386,067)	-	(2,386,067)
7	SGS Sales	460,463	7,057,823	(239,833)	-	(239,833)
8	MGS Sales	20,867	3,595,670	(95,781)	-	(95,781)
9	LGS Sales	149	332,586	(6,624)	258	(6,366)
10	Residential Transport	774,040	5,650,985	(265,861)	-	(265,861)
11	SGS Transport	125,005	3,137,897	(97,080)	-	(97,080)
12	MGS Transport	38,660	12,347,088	(308,986)	-	(308,986)
13	LGS Transport	2,717	50,314,135	(636,781)	-	(636,781)
14	Total Tax Cuts Job Act Rider	8,477,233	132,812,818	(4,037,014)	258	(4,036,756)
15	**Gas Procurement Charge**					
16	Residential Sales	7,055,332	50,376,633	4,357,579	599,482	4,957,061
17	SGS Sales	460,463	7,057,823	610,502	83,988	694,490
18	MGS Sales	20,867	3,595,670	311,025	42,788	353,814
19	LGS Sales	149	332,586	28,769	3,958	32,726
20	Total Gas Procurement Charge	7,536,811	61,362,712	5,307,875	730,216	6,038,091
21	**Gas Cost**					
22	Residential Sales	7,055,332	50,376,633	389,002,777	-	389,002,777
23	SGS Sales	460,463	7,057,823	54,499,730	-	54,499,730
24	MGS Sales	20,867	3,595,670	27,765,363	-	27,765,363
25	LGS Sales	149	332,586	2,510,321	-	2,510,321
26	Residential Transport	774,040	5,650,985	10,534,002	-	10,534,002
27	SGS Transport	125,005	3,137,897	2,604,454	-	2,604,454
28	MGS Transport	38,660	12,347,088	10,248,083	-	10,248,083
29	LGS Transport	2,717	50,314,135	8,754,659	-	8,754,659
30	Total Gas Cost	8,477,233	132,812,818	505,919,390	-	505,919,390

Peoples Natural Gas Company LLC

§ 53.53.III.E

15. State manner in which revenues are being presented for ratemaking purposes:

a. Accrued Revenues

b. Billed Revenues

c. Cash Revenues

* *

Billed revenues are presented for rate-making purposes for both the historic test year actuals and future test year projections.

Peoples Natural Gas Company LLC

§ 53.53.III.E

20. Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.

* *

See Exhibit No. 3, Schedule No. 14 (53.53.III.E.13), Attachment A

Peoples Natural Gas Company LLC

§ 53.53.III.E

37. In determining pro forma expense, exclude cost of gas adjustments applicable to fuel adjustment clause and exclude fuel adjustment clause revenues, so that the operating statement is on the basis of base rates only.

* *

Refer to Exhibit No. 9, Schedule No. 6 (53.53.I.A.17).

Peoples Natural Gas Company LLC

§ 53.53.III.E

17. State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e. - accrued, billed or cash).

* *

Expenses have been adjusted to a basis comparable to the adjusted normal level of revenues. Refer to Exhibit No. 4, Schedule No. 1, page 2 for a detail of all expense adjustments.

Peoples Natural Gas Company LLC
Statement of Operations and Maintenance Expense at Present Rates

Line	Cost Element Description	Per Books Twelve Months Ended November 30, 2025 (1)	Adjustments (2)	Normalized Twelve Months Ended November 30, 2025 (3)=(1)+(2)	Adjustments (4)	Normalized FTY Twelve Months Ended November 30, 2026 (5)=(3)+(4)	Adjustments (6)	At Present Rates Normalized FPFTY Twelve Months Ended December 31, 2027 (7)=(5)+(6)	Reference (8)
1	Labor	$ 59,626,644	$ 1,359,176	$ 60,985,820	$ 3,633,889	$ 64,619,709	$ 3,529,756	$ 68,149,464	Exh. 4, Sch. 1, Pg. 3-4
2	STI/Incentive Compensation	6,618,724	(1,076,390)	5,542,334	298,053	5,840,387	285,086	6,125,473	Exh. 4, Sch. 1, Pg. 5
3	Pension	3,857	0	3,857	3,160,279	3,164,136	0	3,164,136	Exh. 4, Sch. 1, Pg. 8
4	Post Retirement Benefits Other Than Pensions	1,598,879	(534,218)	1,064,661	(1,208,199)	(143,537)	0	(143,537)	Exh. 4, Sch. 1, Pg. 9
5	Other Employee Benefits	17,600,062	(131,954)	17,468,108	511,423	17,979,531	1,551,863	19,531,394	Exh. 4, Sch. 1, Pg. 10
6	Outside Services - Contracted	19,781,638	0	19,781,638	2,066,702	21,848,339	154,154	22,002,493	Exh. 4, Sch. 1, Pg. 11
7	Outside Services - IT	6,651,408	0	6,651,408	602,144	7,253,553	369,560	7,623,113	Exh. 4, Sch. 1, Pg. 12
8	Outside Services - A&G	4,335,821	1,070,904	5,406,725	444,923	5,851,648	481,536	6,333,184	Exh. 4, Sch. 1, Pg. 13
9	Building Leases	3,928,235	765,405	4,693,640	0	4,693,640	0	4,693,640	Exh. 4, Sch. 1, Pg. 14
10	Corporate Insurance	6,213,492	(1,713,911)	4,499,581	679,086	5,178,667	751,266	5,929,933	Exh. 4, Sch. 1, Pg. 15
11	Injuries and Damages	1,727,388	(238,477)	1,488,911	33,468	1,522,379	34,221	1,556,600	Exh. 4, Sch. 1, Pg. 16
12	Travel	1,030,648	0	1,030,648	52,968	1,083,615	55,690	1,139,305	Exh. 4, Sch. 1, Pg. 17
13	Company Memberships	1,062,518	0	1,062,518	76,225	1,138,743	81,693	1,220,436	Exh. 4, Sch. 1, Pg. 18
14	Licenses and Permits	704,167	0	704,167	17,150	721,317	17,568	738,885	Exh. 4, Sch. 1, Pg. 19
15	Utilities & Fuel Used in Company Operations	2,908,985	(59,090)	2,849,895	114,838	2,964,733	119,466	3,084,199	Exh. 4, Sch. 1, Pg. 20
16	Advertising	1,304,685	77,691	1,382,376	37,324	1,419,700	38,332	1,458,032	Exh. 4, Sch. 1, Pg. 21
17	Fleet	746,507	0	746,507	43,941	790,448	46,528	836,976	Exh. 4, Sch. 1, Pg. 22
18	Materials & Supplies	10,183,664	0	10,183,664	555,513	10,739,177	585,816	11,324,992	Exh. 1, Sch. 1, Pg. 23
19	Other O&M	28,813,109	0	28,813,109	936,426	29,749,535	1,466,860	31,216,395	Exh. 4, Sch. 1, Pg. 24
20	Debt Issuance Costs	0	515,769	515,769	0	515,769	0	515,769	Exh. 4, Sch. 1, Pg. 25
21	Payment Processing	1,923,122	0	1,923,122	423,087	2,346,209	593,450	2,939,659	Exh. 4, Sch. 1, Pg. 26
22	Rate Case Expense	1,515,799	0	1,515,799	(555,799)	960,000	0	960,000	Exh. 4, Sch. 1, Pg. 27
23	Uncollectible Accounts	9,094,940	9,420,089	18,515,029	(552,362)	17,962,667	18,055	17,980,722	Exh. 4, Sch. 1, Pg. 28
24	Total USP/SCR Rider	22,571,957	0	22,571,957	(22,143,715)	428,242	(147,489)	280,753	Exh. 4, Sch. 1, Pg. 29
25	PNG Gathering	0	417,785	417,785	18,709	436,494	19,804	456,298	Exh. 4, Sch. 1, Pg. 30
26	Interest on Customer Deposits	0	115,053	115,053	111,780	226,833	0	226,833	Exh. 4, Sch. 1, Pg. 31
27	**Total Operation and Maintenance Expense**	**$ 209,946,248**	**$ 9,987,831**	**$ 219,934,080**	**$ (10,642,146)**	**$ 209,291,934**	**$ 10,053,212**	**$ 219,345,146**	
	Other Income Deductions								
28	Net Rent Expense - Nonutility Operations	$ 1,392,914	$ (1,392,914)	$ -	$ -	$ -	$ -	$ -	
29	Charitable and Civic Contributions	13,675	(13,675)	-	-	-	-	-	
30	Expense - Civic, Political & Rel. Act	226,380	(226,380)	-	-	-	-	-	
31	Other Expense Miscellaneous	1,990,892	(1,990,892)	-	-	-	-	-	
32	**Total Other Income Deductions**	**$ 3,623,862**	**$ (3,623,862)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

Peoples Natural Gas Company LLC
Labor Adjustment

Line No.	Description	HTY (1)
1	Normal Labor Pay Per Books	$ 143,731,067
2	Annualized Labor	$ 147,007,384
3	Annualized Gross Payroll Adjustment (Ln 2 - Ln 1)	$ 3,276,318
4	O&M Labor Percentage	41.48%
5	Annualization Adjustment to Labor O&M (Ln 3 x Ln 4)	$ 1,359,176

6	FTY ADJUSTMENTS	Merit %	HTY Annualized Labor	FTY Merits (4)	FTY Progressions /Promotions (7)	FTY Adjustments (10)	FTY Labor Adjustment (13)
7	Total Non-Union	3.25%	$ 42,735,061	$ 1,388,889	$ 278,533	$ 1,227,859	$ 2,895,281
8	Total Clerical - Union	3.25%	$ 6,936,985	$ 225,452	$ -	$ 297,871	$ 523,323
9	Total Manual - Union	3.25%	$ 97,335,338	$ 3,163,398	$ 655,697	$ 1,521,853	$ 5,340,948
10	Total (Ln 7 + Ln 8 + Ln 9 + Ln 10)		$ 147,007,384	$ 4,777,740	$ 934,230	$ 3,047,582	$ 8,759,552
11	O&M Labor Percentage		41.48%	41.48%	41.48%	41.48%	41.48%
12	Annualization Adjustment to Labor O&M (Ln 11 x Ln 12)		$ 60,985,820	$ 1,982,039	$ 387,564	$ 1,264,285	$ 3,633,889
13							
14	FPFTY ADJUSTMENTS	Merit %	FTY Annualized Labor	FPFTY Merits	FPFTY Progressions /Promotions	FPFTY Adjustments	FPFTY Labor Adjustment
	Total Non-Union	3.25%	$ 45,630,342	$ 1,482,986	$ 290,698	$ 956,663	$ 2,730,347
15	Total Clerical - Union	3.25%	$ 7,460,308	$ 242,460	$ -	$ 184,531	$ 426,991
16	Total Manual - Union	3.25%	$ 102,676,287	$ 3,336,979	$ 655,697	$ 1,358,524	$ 5,351,200
17	Total (Ln 7 + Ln 8 + Ln 9 + Ln 10)		$ 155,766,936	$ 5,062,425	$ 946,395	$ 2,499,718	$ 8,508,538
18	O&M Labor Percentage		41.48%	41.48%	41.48%	41.48%	
19	Annualization Adjustment to Labor O&M (Ln 11 x Ln 12)		$ 64,619,709	$ 2,100,141	$ 392,611	$ 1,037,005	$ 3,529,756

Peoples Natural Gas Company LLC
Labor Annualization

Line No.	Description	HTY Employee Count (1)		Amount (4)
1	Total Non-Union	431	$	42,735,061
2	Total Clerical - Union	120	$	6,936,985
3	Total Manual - Union	858	$	97,335,338
4	Total Active Annualized Labor	1,410	$	147,007,384

Peoples Natural Gas Company LLC
STI/Incentive Compensation Adjustment

Line No.	Description	Amount (1)	Adjustment (4)
1	STI/Incentive Compensation Per Books		$ 6,618,724
2	STI/Incentive Compensation Annualized as of 11/30/2025	$ 10,107,245	
3	HTY O&M Labor Percentage	54.84%	
4	STI/Incentive Compensation included in O&M (Ln 2 x Ln 3)		$ 5,542,334
5	Total Adjustment (Ln 4 - Ln 1)		$ (1,076,390)
FTY			
6	STI/Incentive Compensation - FTY	$ 10,435,731	
7	STI/Incentive Compensation - Adjustments/Progressions	$ 215,057	
8	Total STI/Incentive Compensation (Ln 6 + Ln 7)	$ 10,650,788	
9	FTY O&M Labor Percentage	54.84%	
10	STI/Incentive Compensation included in O&M (Ln 8 x Ln 9)		$ 5,840,387
11	FTY Adjustment (Ln 10 - Ln 4)		$ 298,053
FPFTY			
12	STI/Incentive Compensation - FPFTY	$ 10,996,939	
13	STI/Incentive Compensation - Adjustments/Progressions	$ 173,744	
14	Total STI/Incentive Compensation (Ln 12 + Ln 13)	$ 11,170,683	
15	FPFTY O&M Labor Percentage	54.84%	
16	STI/Incentive Compensation included in O&M (Ln 14 x Ln 15)		$ 6,125,473
17	FPFTFY Adjustment (Ln 16 - Ln 10)		$ 285,086

Peoples Natural Gas Company LLC
Gross Payroll

Line No.	Description	HTY Amount (1)
1	Normal Pay	$ 122,036,980
2	Overtime Pay	$ 21,694,087
3	Total Payroll Dollars	$ 143,731,067

Peoples Natural Gas Company LLC
HTY O&M Labor Percentage

Line No.	Description	PNG
	Labor & Incentive Compensation	
1	O&M Expense	$ 59,626,644
2	Capitalized Labor	$ 84,104,423
3	Total Gross Labor	$ 143,731,067
4	HTY O&M Labor Percentage - (Ln 1 / Ln 4)	41.48%

Peoples Natural Gas Company LLC
Pension Expense Adjustment

Line No.	Description	PNG (1)
1	HTY Net Expense	$ 3,857
2	2022 Net Contributions	$ 5,670,000
3	2023 Net Contributions	$ 5,670,000
4	2024 Net Contributions	$ 1,316,545
5	2025 Net Contributions	$ -
6	4 Year Average	$ 3,164,136
7	HTY Adjustment (Ln 4- Ln1)	$ 3,160,279
8	HTY Adjusted Pension Expense (Ln 1 + Ln 5)	$ 3,164,136

Peoples Natural Gas Company LLC
Post Retirement Benefits Other Than Pensions

Line No.	Description	PNG
1	HTY Net Post Retirement Benefits Other Than Pensions	$ 1,598,879
2	Prior PBOPS Expense Amortization	$ (534,218)
3	HTY Adjusted PBOPS Net Expense (Ln 1 + Ln 2)	$ 1,064,661
4	FTY Net Expense	$ 390,681
5	FTY Adjustment (Ln 4 - Ln 1)	$ (1,208,199)
6	FTY Adjusted PBOPS Net Expense (Ln 3 + Ln 5)	$ (143,537)
7	FPFTY Net Expense	$ 390,681
8	FPFTY Adjustment (Ln 7 - Ln 4)	$ -
9	FPFTY Adjusted PBOPS Net Expense (Ln 6 + Ln 8)	$ (143,537)
10	Amount To Be Tracked (Ln 9 - Ln 2)	$ 390,681

Peoples Natural Gas Company LLC
Benefits Compensation Adjustment

Line No.	Description	Amount (1)	Adjustment (4)
1	Other Benefits Per Books		$ 17,600,062
2	Other Benefits Annualized as of 11/30/2025	$ 39,571,271	
3	HTY O&M Labor Percentage	44.14%	
4	Other Benefits included in O&M (Ln 2 x Ln 3)		$ 17,468,108
5	Total Adjustment (Ln 4 - Ln 1)		$ (131,954)
	FTY		
6	Other Benefits - FTY	$ 39,887,841	
7	Other Benefits Adjustments	$ 841,979	
8	Total Other Benefits (Ln 6 + Ln 7)	$ 40,729,820	
9	FTY O&M Labor Percentage	44.14%	
10	Other Benefits included in O&M (Ln 8 x Ln 9)		$ 17,979,531
11	FTY Adjustment (Ln 10 - Ln 4)		$ 511,423
	FPFTY		
12	Other Benefits - FPFTY	$ 43,580,907	
13	Other Benefits Adjustments	$ 664,416	
14	Total Other Benefits (Ln 6 + Ln 7)	$ 44,245,324	
15	FPFTY O&M Labor Percentage	44.14%	
16	Other Benefits included in O&M (Ln 14 x Ln 15)		$ 19,531,394
17	FPFTFY Adjustment (Ln 16 - Ln 10)		$ 1,551,863

Peoples Natural Gas Company LLC
Outside Services Contracted - Adjustment

Line No.	Description	Amount (1)
1	Per Books Outside Services - Contracted	$ 19,781,638
2	HTY Adjustment	$ -
3	HTY Adjusted Outside Services - Contracted	$ 19,781,638
4	FTY Percentage	4.94%
5	FTY Adjustment for Outside Services - Contracted (Ln 3 x Ln 4)	$ 976,639
6	FTY Adjustment	$ 1,090,063
7	FTY Adjusted Outside Services - Contracted (Ln 3 + Ln 5 + Ln 6)	$ 21,848,339
8	FPFTY Percentage	4.94%
9	FPFTY Adjustment for Outside Services - Contracted (Ln 7 x Ln 8)	$ 1,078,674
10	FPTFY Adjustment	$ (924,520)
11	FPFTY Adjusted Outside Services - Contracted (Ln 7 + Ln 9 + Ln 10)	$ 22,002,493

Peoples Natural Gas Company LLC
Outside Services IT - Adjustment

Line No.	Description	Amount (1)
1	Per Books Outside Services - IT	$ 6,651,408
2	HTY Adjustment	$ -
3	HTY Adjusted Outside Services - IT	$ 6,651,408
4	FTY Percentage	2.06%
5	FTY Adjustment for Outside Services - IT (Ln 3 x Ln 4)	$ 137,144
6	FTY Adjustment	$ 465,000
7	FTY Adjusted Outside Services - IT (Ln 3 + Ln 5 + Ln 6)	$ 7,253,553
8	FPFTY Percentage	2.06%
9	FPFTY Adjustment for Outside Services - IT (Ln 7 x Ln 8)	$ 149,560
10	FPTFY Adjustment	$ 220,000
11	FPFTY Adjusted Outside Services - IT (Ln 7 + Ln 9 + Ln 10)	$ 7,623,113

Peoples Natural Gas Company LLC
Outside Service - A&G Adjustment

Line No.	Description	Amount (1)
1	Per Books Outside Services - A&G	$ 4,335,821
2	HTY Adjustment Outside Services - A&G	$ 1,070,904
3	HTY Adjusted Outside Services - A&G (Ln 3 + Ln 4)	$ 5,406,725
4	FTY Percentage	8.23%
5	FTY Adjustment for Outside Services - A&G (Ln 3 x Ln 4)	$ 444,923
6	FTY Adjustment	$ -
7	FTY Adjusted Outside Services - A&G (Ln 3 + Ln 5 + Ln 6)	$ 5,851,648
8	FPFTY Percentage	8.23%
9	FPFTY Adjustment for Outside Services - A&G (Ln 7 x Ln 8)	$ 481,536
10	FPTFY Adjustment	$ -
11	FPFTY Adjusted Outside Services - A&G (Ln 7 + Ln 9 + Ln 10)	$ 6,333,184

Peoples Natural Gas Company LLC
Building Lease Adjustment

No.	Description	Amount (1)	
1	Gross Lease Expense	$ 6,668,292	As of Dec 31, 2027
2	Less: Capitalization	$ (1,974,652)	
3	Annualized Lease Expense	$ 4,693,640	
4	Less: HTY Per Books	$ 3,928,235	
5	HTY Adjusted Lease Expense (Ln 1 - Ln 2)	$ 765,405	

Refer to Exhibit No. 4, Schedule No. 8 for Lease Detail

Peoples Natural Gas Company LLC
Corporate Insurance Adjustment

Line No.	Description	HTY Per Books (1)	Premiums 2024/2025 Premiums (2)	Adjustment (3)=(2-1)
1	Total Account Property Insurance	$ 1,071,161	$ 347,411	$ (723,750)
2	Total Account Other Misc Insurance	$ 7,231,037	$ 5,389,991	$ (1,841,047)
3	Total Account Workers Compensation	$ 520,387	$ 651,589	$ 131,202
4	Total Corporate Insurance (Ln 1 + Ln 2 + Ln 3)	$ 8,822,585	$ 6,388,990	$ (2,433,595)
5	Less: Capitalization	$ (2,609,093)	$ (1,889,409)	$ 719,684
6	HTY Insurance - Net Capitalization (Ln 4 - Ln 5)	$ 6,213,492	$ 4,499,581	$ (1,713,911)
5	FTY Increase Estimate		10.6%	
6	FTY Adjustment for Insurance (Ln 4 x Ln 5)		$ 679,086	
7	FTY Adjusted Insurance Expense (Ln 4 + Ln 6)		$ 7,068,076	
8	FPFTY Increase Estimate		10.6%	
9	FPTFY Adjustment for Insurance (Ln 7 x Ln 8)		$ 751,266	
10	FPFTY Adjusted Insurance Expense (Ln 7 + Ln 9)		$ 7,819,341	

Peoples Natural Gas Company LLC
Injuries and Damages Adjustment

Line No.	Year		Amount (1)
1	TME November 2025	$	1,727,388
2	TME November 2024	$	1,689,413
3	TME November 2023	$	1,049,932
4	Total	$	4,466,733
5	3 Year Average	$	1,488,911
6	Total Injuries and Damages per Books	$	1,727,388
7	HTY Total Injuries and Damage Adjustment (Ln 5 - Ln 6)	$	(238,477)
8	FTY Percentage		2.25%
9	FTY Adjustment for Injuries and Damages (Ln 5 x Ln 8)	$	33,468
10	FTY Injuries and Damages (Ln 5 + Ln 9)	$	1,522,379
11	FPFTY Percentage		2.25%
12	FPTFY Adjustment for Injuries and Damages (Ln 10 x Ln 11)	$	34,221
13	FPFTY Injuries and Damages (Ln 10 + Ln 12)	$	1,556,600

Peoples Natural Gas Company LLC
Travel Adjustment

Line No.	Description	Amount (1)
1	Per Books Travel Expenses	$ 1,030,648
2	HTY Adjustment	$ -
3	HTY Adjusted Travel Expenses (Ln 1 + Ln 2)	$ 1,030,648
4	FTY Percentage	5.14%
5	FTY Adjustment for Travel Expense (Ln 3 x Ln 4)	$ 52,968
6	FTY Adjustment	$ -
7	FTY Adjusted Travel Expenses (Ln 3 + Ln 5 + Ln 6)	$ 1,083,615
8	FPFTY Percentage	5.14%
9	FPFTY Adjustment for Travel Expense (Ln 7 x Ln 8)	$ 55,690
10	FPFTY Adjustment	$ -
11	FPFTY Adjusted Travel Expenses (Ln 7 + Ln 9 + Ln 10))	$ 1,139,305

Peoples Natural Gas Company LLC
Company Memberships Adjustment

Line No.	Description	Amount (1)
1	Per Books Company Memberships Expense	$ 1,062,518
2	HTY Adjustments	$ -
3	Adjusted HTY Memberships Expense (Ln 1 + Ln 2)	$ 1,062,518
4	FTY Percentage	7.17%
5	FTY Adjustment for Company Memberships (Ln 3 x Ln 4)	$ 76,225
6	FTY Adjusted Company Memberships (Ln 3 + Ln 5)	$ 1,138,743
7	FPFTY Percentage	7.17%
8	FPFTY Adjustment for Company Memberships (Ln 6 x Ln 7)	$ 81,693
9	FPFTY Adjusted Company Memberships (Ln 6 + Ln 8)	$ 1,220,436

Refer to Exhibit No. 19, RR-32 for Company Memberships details

Peoples Natural Gas Company LLC
Licenses & Permits Adjustment

Line No.	Description	Amount (1)
1	Per Books Licenses & Permits Expenses	$ 704,167
2	HTY Adjustment	$ -
3	HTY Adjusted Licenses & Permits Expenses (Ln 1 + Ln 2)	$ 704,167
4	FTY Percentage	2.44%
5	FTY Adjustment for Licenses & Permits Expense (Ln 3 x Ln 4)	$ 17,150
6	FTY Adjustment	$ -
7	FTY Adjusted Licenses & Permits Expenses (Ln 3 + Ln 5 + Ln 6)	$ 721,317
8	FPFTY Percentage	2.44%
9	FPFTY Adjustment for Licenses & Permits Expense (Ln 7 x Ln 8)	$ 17,568
10	FPFTY Adjustment	$ -
11	FPFTY Adjusted Licenses & Permits Expenses (Ln 7 + Ln 9 + Ln 10))	$ 738,885

Peoples Natural Gas Company LLC
Utilities & Fuel Used in Company Operations Adjustment

Line No.	Description	Amount (1)
1	Per Books Utilities & Fuel Used in Company Operations	$ 2,908,985
2	Adjustment - Amount Recoverable as Gas Costs	$ (59,090)
3	HTY Adjusted Utilities & Fuel Used in Company Operations (Ln 1 + Ln2)	$ 2,849,895
4	FTY Percentage	4.03%
5	FTY Adjustment for Utilities & Fuel Used in Company Operations (Ln 3 x Ln 4)	$ 114,838
6	FTY Adjustment	$ -
7	FTY Adjusted Utilities & Fuel Used in Company Operations (Ln 3 + Ln 5 + Ln 6)	$ 2,964,733
8	FPFTY Percentage	4.03%
9	FPFTY Adjustment for Utilities & Fuel Used in Company Operations (Ln 7 x Ln 8)	$ 119,466
10	FPFTY Adjustment	$ -
11	FPFTY Adjusted Utilities & Fuel Used in Company Operations (Ln 7 + Ln 9 + Ln 10)	$ 3,084,199

Peoples Natural Gas Company LLC
Advertising Adjustment

Line No.	Description	Amount (1)
1	Per Books Public Relations Expense	$ 1,304,685
2	HTY Adjustments	$ 77,691
3	HTY Expense (Ln 1 + Ln 2)	$ 1,382,376
4	FTY Percentage	2.70%
5	FTY Adjustment for Public Relations Expense (Ln 3 x Ln 4)	$ 37,324
6	FTY Adjusted Public Relations Expense (Ln 3 + Ln 5)	$ 1,419,700
7	FPFTY Percentage	2.70%
8	FPFTY Adjustment for Public Relations (Ln 6 x Ln 7)	$ 38,332
9	FPFTY Adjusted Public Relations Expenses (Ln 6 + Ln 8)	$ 1,458,032

Refer to Exhibit No. 4, Schedule No. 4 for Public Relations details

Peoples Natural Gas Company LLC
Fleet Maintenance & Fuel Adjustment

Line No.	Description	Amount (1)
1	Per Books Fleet Expenses	$ 746,507
2	FTY Percentage	5.89%
3	FTY Adjustment for Fleet Expenses (Ln1 x Ln 2)	$ 43,941
4	FTY Adjusted Fleet Expenses (Ln 1 + Ln 3)	$ 790,448
5	FPFTY Percentage	5.89%
6	FPFTY Adjustment for Fleet Expenses (Ln 4 x Ln 5)	$ 46,528
7	FPFTY Adjusted Fleet Expenses (Ln 4 + Ln 6)	$ 836,976

Peoples Natural Gas Company LLC
Materials & Supplies Adjustment

Line No.	Description	Amount (1)
1	Gross Materials & Supplies Expenses	10,183,664
2	Less: Capitalization	$ -
1	Per Books Materials & Supplies	$ 10,183,664
2	FTY Percentage	5.45%
3	FTY Percentage Adjustment for Materials & Supplies (Ln 1 x Ln 2)	$ 555,513
4	FTY Adjustment for Materials & Supplies	$ -
5	FTY Adjusted Materials & Supplies (Ln 1 + Ln 2 + Ln 3)	$ 10,739,177
6	FPFTY Percentage	5.45%
7	FPFTY Adjustment for Materials & Supplies (Ln 5 x Ln 6)	$ 585,816
8	FPFTY Adjusted Materials & Supplies (Ln 5 + Ln 7)	$ 11,324,992

Peoples Natural Gas Company LLC
Other O&M Adjustment

Line No.	Description	Amount (1)
1	Per Books Other Expenses	$ 28,813,109
2	HTY Other Expense Adjustment	$ -
3	HTY Adjusted Other Expenses (Ln 1 + Ln 2)	$ 28,813,109
4	FTY Percentage	3.25%
5	FTY Adjustment for Other Expenses (Ln 3 x Ln 4)	$ 936,426
6	FTY Adjustment	$ -
7	FTY Adjusted Other Expenses (Ln 3 + Ln 5 + Ln 6)	$ 29,749,535
8	FPFTY Percentage	3.25%
9	FPFTY Adjustment for Other Expenses (Ln 7 x Ln 8)	$ 966,860
10	FPFTY Adjustment	$ 500,000
11	FPFTY Adjusted Other Expenses (Ln 7 + Ln 9 + Ln 10)	$ 31,216,395

Peoples Natural Gas Company LLC
Debt Issuance Costs Expense

Line No.	Description		Amount (1)
1	Annual Revolver Debt Issuance Costs	$	515,769
2	Proportion that is Recovered in O&M Claim		100%
3	Total Revolver Debt Issuance Costs (Ln 1 x Ln 2)	$	515,769
4	Unamortized Balance of Previous Revolver	$	-
5	Total Debt Issuance Costs to be amortized (Ln 3 + Ln 4)	$	515,769

Peoples Natural Gas Company LLC
Payment Processing Fee Expense

Line No.	Description		Amount (1)
1	Per Books Payment Processing Expenses	$	1,923,122
2	HTY Adjustment	$	-
3	HTY Adjusted Payment Processing Expenses (Ln 1 + Ln 2)	$	1,923,122
4	FTY Percentage		22.00%
5	FTY Adjustment for Payment Processing Expenses (Ln 3 x Ln 4)	$	423,087
6	FTY Adjustment	$	-
7	FTY Adjusted Payment Processing Expenses (Ln 3 + Ln 5 + Ln 6)	$	2,346,209
8	FPFTY Percentage		22.00%
9	FPFTY Adjustment for Payment Processing Expenses (Ln 7 x Ln 8)	$	516,166
10	FPFTY Adjustment	$	77,284
11	FPFTY Adjusted Payment Processing Expenses (Ln 7 + Ln 9 + Ln 10)	$	2,939,659

Notes

(1) Growth rate based upon percentage increase for the twelve-months ended (TME) November 30, 2025 as compared to the TME November 30, 2024.

Peoples Natural Gas Company LLC
Rate Case Adjustment

Line No.	Description	Amount (1)
1	Per Books Rate Case Expenses	$ 1,515,799
2	HTY Adjustment	-
3	HTY Adjusted Rate Case Expenses (Ln 1 + Ln 2)	$ 1,515,799
4	Consulting Services	$ 789,505
5	Legal Fees	1,000,000
6	Advertising - Rate Case	85,055
7	Miscellaneous, Supplies, Courier, etc.	25,000
8	Travel & Other	20,440
9	Total Rate Case Expense	$ 1,920,000
10	Years to Amortize Expense	2
11	Normalized Expense - FTY	$ 960,000
12	FTY Ajdustment (Ln 11 - Ln 3)	$ (555,799)
13	FPFTY Adjustment	-
14	FPFTY Adjusted Rate Case Expenses (Ln 12 + Ln 13)	$ 960,000

Peoples Natural Gas Company LLC
Uncollectible Accounts Expense Adjustment

Line No.	Uncollectible Accounts Normalization:	HTY Amount (1)	FTY Amount (2)	FPFTY Amount (3)
	Residential			
1	Normalized/Annualized Residential Revenues	$ 894,678,130	$ 865,975,774	$ 867,056,181
2	3 year average uncollectible rate	1.93%	1.93%	1.93%
3	Annualized Residential Uncollectible Expense (Ln 1 x Ln 2)	$ 17,241,028	$ 16,687,915	$ 16,708,735
	Commercial			
4	Normalized/Annualized Commercial Revenues	$ 240,176,157	$ 240,316,199	$ 239,735,727
5	3 year average uncollectible rate	0.49%	0.49%	0.49%
6	Annualized Commercial Uncollectible Expense (Ln 4 x Ln 5)	$ 1,178,184	$ 1,178,871	$ 1,176,024
7	R&C uncollectible expense (Ln 3 + Ln 6)	$ 18,419,212	$ 17,866,786	$ 17,884,758
	Industrial			
8	Annualized Industrial Revenues	$ 62,936,942	$ 62,979,112	$ 63,033,194
9	3 year average uncollectible rate	0.15%	0.15%	0.15%
10	Annualized Industrial Uncollectible Expense (Ln 8 x Ln 9)	$ 95,817	$ 95,881	$ 95,964
11	All Classes uncollectible expense (Ln 7 + Ln 10)	$ 18,515,029	$ 17,962,667	$ 17,980,722
12	Adjustments			$ -
13	Total Uncollectable Expense	$ 18,515,029	$ 17,962,667	$ 17,980,722
14	Per Books Uncollectible Expense	$ 9,094,940	$ 18,515,029	$ 17,962,667
15	**Uncollectible Accounts Normalization Adjustment (Ln 12 - Ln 11)**	**$ 9,420,089**	**$ (552,362)**	**$ 18,055**

Peoples Natural Gas Company LLC
Universal Service Program & Supplier Choice Rider Adjustment

Line No.	Description	Amount (1)
1	HTY USP/SCR Rider Expense Level per Books	$ 22,571,957
2	HTY Adjustment	$ -
3	HTY Adjusted USP/SCR Net Expense (Ln 1 + Ln 2)	$ 22,571,957
4	FTY Adjustment-Remove Base Expenses	$ (22,571,957)
5	FTY Adjustment-Incremental USP Expenses	$ 428,242
6	FTY Adjusted USP/SCR Rider Expense (Ln 3 + Ln 4 + Ln 5)	$ 428,242
7	FPFTY Adjustment-Incremental USP Expenses	$ (147,489)
8	FPFTY Adjusted USP/SCR Rider Expense (Ln 6 + Ln 7)	$ 280,753

Refer to Exhibit No. 3, Schedule 15, Attachment N

Peoples Natural Gas Company LLC
PNG Gathering Merger

Line	Cost Element Description	Per Books Twelve Months Ended November 30, 2025 (1)	Adjustments (2)	Normalized Twelve Months Ended November 30, 2025 (3)=(1)+(2)	Adjustments (4)	Normalized FTY Twelve Months Ended November 30, 2026 (5)=(3)+(4)	Adjustments (6)	Normalized FPFTY Twelve Months Ended December 31, 2027 (7)=(5)+(6)
1	Labor	$ -	$ 86,734	$ 86,734	$ 2,819	$ 89,553	$ 2,910	$ 92,463
2	STI/Incentive Compensation	0	4,465	4,465	145	4,611	150	4,760
3	Pension	0	0	0	0	0	0	0
4	Post Retirement Benefits Other Than Pensions	0	0	0	0	0	0	0
5	Other Employee Benefits	0	2,481	2,481	0	2,481	223	2,704
6	Outside Services - Contracted	0	255,719	255,719	12,625	268,344	13,248	281,593
7	Outside Services - IT	0	0	0	0	0	0	0
8	Outside Services - A&G	0	0	0	0	0	0	0
9	Building Leases	0	0	0	0	0	0	0
10	Corporate Insurance	0	0	0	0	0	0	0
11	Injuries and Damages	0	0	0	0	0	0	0
12	Travel	0	259	259	13	273	14	287
13	Licenses and Permits	0	11	11	0	11	0	11
14	Utilities & Fuel Used in Company Operations	0	0	0	0	0	0	0
15	Advertising	0	0	0	0	0	0	0
16	Fleet	0	9,382	9,382	552	9,934	585	10,519
17	Materials & Supplies	0	29,274	29,274	1,597	30,871	1,684	32,555
18	Other O&M	0	29,460	29,460	957	30,417	989	31,406
19	Debt Issuance Costs	0	0	0	0	0	0	0
20	Rate Case Expense	0	0	0	0	0	0	0
21	Uncollectible Accounts	0	0	0	0	0	0	0
22	Interest on Customer Deposits	0	0	0	0	0	0	0
23	**Total Operation and Maintenance Expense**	**$ -**	**$ 417,785**	**$ 417,785**	**$ 18,709**	**$ 436,494**	**$ 19,804**	**$ 456,298**

Peoples Natural Gas Company LLC
Customer Deposits Adjustment

Line No.	Description	Amount (1)	Reference
1	Average Customer Balance	$ 3,240,476	Exhibit 19, RR-17
2	Interest Rate to be Applied in 2026	7%	
3	Interest on Customer Deposits at Current Rates	$ 226,833	

Peoples Natural Gas Company LLC
Consumer Price Index

	CPI
FTY Inflation Rate	2.7000%
FPTY Inflation Rate	2.7000%

Note: Represents the All Urban Consumers (CPI-U) Rate for the twelve months ended November 2025.

Peoples Natural Gas Company LLC

§ 53.53.III.A

20. Supply detailed calculations of amortization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense), the items comprising the actual expenses of prior rate cases and the unamortized balances.

* *

Please refer to Exhibit 4, Schedule 1 (53.53.III.E.17), Page 27 for projected costs for current Rate Case. Current unamortized 2023 Rate Case expense is $1,120,261.23 from December 2025 through September 2026.

Peoples Natural Gas Company LLC

§ 53.53.III.A

21. Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:

a. Actual payroll expense (regular and overtime separately) by categories of operating expenses, i.e., maintenance, operating transmission, distribution, other.

b. Date, percentage increase, and annual amount of each general payroll increase during the test year.

c. Dates and annual amounts of merit increases or management salary adjustments.

d. Total annual payroll increases in the test year.

e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).

f. Detailed list of employee benefits and cost thereof for union and nonunion personnel. Any specific benefits for executives and officers should also be included, and cost thereof.

g. Support the annualized pension cost figures.

i. State whether these figures include any unfunded pension costs. Explain.

ii. Provide latest actuarial study used for determining pension accrual rates.

h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.

* *

a.) Refer to page 3 for details.

b.) UWUA, Local 612. Under the terms of the agreement, a 3.25% wage increase was granted to hourly personnel in November 2025 resulting in an estimated annual increase of $3,007,735.

IBEW, Local 29. Under the terms of the agreement, a 2.5% wage increase was granted to hourly personnel in January 2025 resulting in an estimated annual increase of $18,732.

USW, Local 1324-26. Under the terms of the agreement, a 4.0% wage increase was granted to hourly personnel in March 2025 resulting in an estimated annual increase of $307,806.

c.) The average salary merit increase granted in March 2025 was 3.25% resulting in an estimated annual increase of $1,388,889.

d.) The total estimated annual payroll increases for the Historic Test Year were $4,723,163.

e.) Total Labor (includes APIP/Incentive Compensation and new employees)

Per books Twelve Months Ended November 30, 2025	$	66,245,368
Adjusments - HTY	$	282,786
Normalized November 30, 2025	$	66,528,154
Adjustments - FTY (Exhibit 4, Schedule 1)	$	3,931,942
Normalized August 31, 2024 (Ln 3 + Ln 4)	$	70,460,096
Adjustments - FPFTY (Exhibit 4, Schedule 1)	$	3,814,841
Normalized August 31, 2025 (Ln 5 + Ln 6)	$	74,274,937

f.) Refer to Exhibit 19, RR-24 and Exhibit 4, Schedule 1 (53.53.III.E.17)

g.) Refer to Exhibit 19, RR-38

h.) There are no deferred income or consultant fees paid to corporate officers or employees.

Category		TME November 30, 2025
Natural Gas Production		
Operations Expense	$ 1,436,223	
Maintenance Expense	$ 1,961,660	
		$ 3,397,883
Gas Supply Expense		
Operations Expense		$ 826,242
Underground Storage Expense		
Opertions Expense	$ 749,517	
Maintenance Expense	$ 189,703	
		$ 939,220
Transmission		
Operations Expense	$ 1,223,035	
Maintenance Expense	$ 1,647,751	
		$ 2,870,786
Distribution		
Operations Expense	$ 21,002,325	
Maintenance Expense	$ 16,703,195	
		$ 37,705,520
Customer Accounts Expense		$ 8,267,034
Customer Service and Information Expense		$ 408,164
Sales Expense		$ 532,329
Administration & General Expense		
Operations Expense	$ 4,673,351	
Maintenance Expense	$ 6,115	
		$ 4,679,466
Total Labor Charged to O&M		$ 59,626,644
Total Labor Charged to Merchandising & Jobbing		
Total Labor Charged to Capital Accounts and other Clearing Accounts		$ 84,104,423
Total Labor		$ 143,731,067

Note: Neither Uniform System of Accounts or Company records distinguish between regular and overtime.

Peoples Natural Gas Company LLC

§ 53.53.III.A

25. Submit details of expenditures for advertising (National and Institutional and Local media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:

a. Public health and safety

b. Conservation of energy

c. Explanation of Billing Practices, Rates, etc.

d. Provision of factual and objective data programs in educational institutions

e. Other advertising programs

f. Total advertising expense

* *

See page 2.

Peoples Natural Gas Company LLC
Expenditures for Advertising
12 Months Ended November 30, 2025

Peoples	2023	2024	2025
Broadcast			
Public Health and Safety	16,000	21,125	48,020
Broadcast Total	16,000	21,125	48,020
Creative Production			
Other Advertising Programs	-	-	1,279
Public Health and Safety	25,660	75,000	136,081
Creative Production Total	25,660	75,000	137,359
Digital			
Explanation of Billing Practices, Rates, etc.	65,008	21,500	25,574
Other Advertising Programs	75,733	-	3,950
Public Health and Safety	-	234,743	144,828
Digital Total	140,741	256,243	174,352
Other			
Other Advertising Programs	283,800	403,251	9,338
Public Health and Safety	1,358,086	1,368,164	1,416,561
Other Total	1,641,887	1,771,415	1,425,899
PR Firm			
Explanation of Billing Practices, Rates, etc.	89,399	125,942	49,569
Other Advertising Programs	-	450	1,742
PR Firm Total	89,399	126,392	51,311
Print			
Other Advertising Programs	4,200	31,000	31,000
Public Health and Safety	-	6,917	7,042
Print Total	4,200	37,917	38,042
Total Expenditures by Peoples	**1,917,886**	**2,288,092**	**1,874,984**
Less: HTY Adustments	**(125,000)**	**(125,000.00)**	**125,000.00**
HTY Actual	**1,792,886**	**2,163,092**	**1,999,984**

Peoples Natural Gas Company LLC

§ 53.53.III.A

29. Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.

* *

There are no research and development expenditures in the Historic Test Year nor forecasted in the Future Test Year.

Peoples Natural Gas Company LLC

§ 53.53.III.A

33. Provide a labor productivity schedule.

* *

	12/31/2022	12/31/2023	12/31/2024	TME 11/30/25
($ Thousands)				
Labor Charged to Expense	$ 88,903	$ 89,768	$ 91,875	$ 94,123
Distribution Maintenance Expense	$ 45,193	$ 48,234	$ 48,918	$ 49,545
Gross Utility Plant	$ 3,114,904	$ 3,527,580	$ 3,976,053	$ 4,416,286
Customers	702,897	703,552	704,916	706,546
Rate Per Customer				
Labor Charged to Expense	$ 0.13	$ 0.13	$ 0.13	$ 0.13
Distribution Maintenance Expense	$ 0.06	$ 0.07	$ 0.07	$ 0.07
Gross Utility Plant	$ 4.43	$ 5.01	$ 5.64	$ 6.25

Peoples Natural Gas Company LLC
§ 53.53 III.A

22. Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:

    a. Supply a copy of contracts, if applicable.

    b. Explain the nature of the services provided.

    c. Explain basis on which charges are made.

    d. If charges allocated, identify allocation factors used.

    e. Supply the components and amounts comprising the expense in this account.

    f. Provide details of initial source of charge and reason thereof.

* * * * * * * * * * * * * * *

Response:

a. Refer to Exhibit 19, Schedule RR-51 for copies of the applicable contracts.

b. The contracts referenced in response (a) describe the nature of various administrative and management services provided to Peoples Natural Gas Company LLC.

c. The contracts referenced in response (a) describe the allocation factors for the charges.

d. See response to (c) above.

e. Refer to Attachment 1

f. Refer to Exhibit 19, Schedule RR-51 for copies of the applicable contracts.

Peoples Natural Gas Company LLC
53.53.III.A.22
Attachment 1

		Twelve Months Ended November 2024			Twelve Months Ended November 2025		
		Affiliate Essential Utilities Inc to PNG Companies LLC to Peoples Natural Gas	Affiliate PNG Companies LLC to Peoples Natural Gas	Total	Affiliate Essential Utilities Inc to PNG Companies LLC to Peoples Natural Gas	Affiliate PNG Companies LLC to Peoples Natural Gas	Total
	Service Provided						
	Accounting - Accounts Payable	$ 102,520	$ 366,162	$ 468,682	$ 699,735	$ 20,625	$ 720,360
	Accounting - Fixed Assets	$ 107,894	$ 552,855	$ 660,749	$ 110,754	$ 625,554	$ 736,308
	Accounting - General	$ 1,561,238	$ 1,687,797	$ 3,249,035	$ 1,529,581	$ 1,748,753	$ 3,278,334
	Auditing	$ 485,463	$ (1,203)	$ 484,260	$ 432,565	$ -	$ 432,565
	Budgets & Financial Strategy	$ 3,101,914	$ 586,856	$ 3,688,770	$ 3,633,540	$ 628,249	$ 4,261,789
	Business Operations - Facilities	$ -	$ 448,061	$ 448,061	$ -	$ 427,761	$ 427,761
	Business Operations - Fleet	$ 235,549	$ 399,410	$ 634,959	$ 302,122	$ 351,276	$ 653,398
	Community Relations	$ 650,756	$ 472,041	$ 1,122,797	$ 777,145	$ 493,399	$ 1,270,544
	Customer Relations	$ 220,343	$ 731,747	$ 952,090	$ 211,898	$ 783,782	$ 995,680
	Customer Services - Billing	$ (8,731)	$ 1,427,951	$ 1,419,220	$ -	$ 1,645,638	$ 1,645,638
	Customer Services - Call Center	$ 818,424	$ 6,128,740	$ 6,947,164	$ 728,615	$ 6,679,071	$ 7,407,686
	Customer Services - Credit	$ -	$ 929,246	$ 929,246	$ -	$ 970,834	$ 970,834
	Executive	$ 2,901,343	$ 3,996,757	$ 6,898,100	$ 5,024,986	$ 4,596,950	$ 9,621,936
	Gas Control	$ -	$ 1,598,348	$ 1,598,348	$ -	$ 1,633,017	$ 1,633,017
	Gas Supply - Local Production	$ -	$ 676,470	$ 676,470	$ -	$ 732,620	$ 732,620
	Gas Supply - Planning	$ -	$ 890,608	$ 890,608	$ -	$ 947,359	$ 947,359
	Gas Theft	$ -	$ 88,261	$ 88,261	$ -	$ 96,342	$ 96,342
	Government Affairs	$ -	$ 281,307	$ 281,307	$ -	$ 297,953	$ 297,953
	Human Resources	$ 3,083,506	$ 263,116	$ 3,346,622	$ 2,716,896	$ 326,175	$ 3,043,071
	Incentive	$ -	$ (163,151)	$ (163,151)	$ -	$ -	$ -
	Information Technology - Applications	$ 1,381,310	$ 1,494,966	$ 2,876,276	$ 2,289,707	$ 1,564,912	$ 3,854,619
	Information Technology - Telecommunications	$ 790,221	$ 650,781	$ 1,441,002	$ 852,652	$ 748,807	$ 1,601,459
	Information Technology-Applications	$ 781,337	$ 62,033	$ 843,370	$ 865,889	$ (168)	$ 865,721
	Information Technology-Cyber Security	$ 1,948,321	$ 535,634	$ 2,483,955	$ 2,970,748	$ 829,552	$ 3,800,300
	Land Management	$ -	$ 543,506	$ 543,506	$ -	$ 640,972	$ 640,972
	Legal	$ 1,450,636	$ 235,363	$ 1,685,999	$ 1,884,394	$ 187,126	$ 2,071,520
	Operations	$ -	$ 1,077,579	$ 1,077,579	$ -	$ 952,036	$ 952,036
	Operations - Compliance	$ -	$ 813,177	$ 813,177	$ -	$ 900,937	$ 900,937
	Operations - Construction Management	$ 16,312	$ 3,009,145	$ 3,025,457	$ 189	$ 3,176,984	$ 3,177,173
	Operations - Engineering	$ -	$ 499,892	$ 499,892	$ -	$ 539,597	$ 539,597
	Operations - Field Customer Service	$ -	$ 3,381,632	$ 3,381,632	$ -	$ 3,596,869	$ 3,596,869
	Operations - GIS Planning	$ -	$ 1,092,934	$ 1,092,934	$ -	$ 1,252,775	$ 1,252,775
	Operations - Meter Management	$ -	$ 810,493	$ 810,493	$ -	$ 896,018	$ 896,018
	Operations-Pipeline Integrity	$ -	$ 545,393	$ 545,393	$ -	$ 652,503	$ 652,503
	Operations-Engineering, Field Services, Other	$ 197,873	$ -	$ 197,873	$ 400,626	$ -	$ 400,626
	Rates & Regulatory Affairs	$ 247,761	$ 1,924,830	$ 2,172,591	$ 241,910	$ 2,012,823	$ 2,254,733
	Rates & Regulatory Affairs - Transportation Services	$ -	$ 359,096	$ 359,096	$ -	$ 374,530	$ 374,530
	Safety & Training	$ 421,930	$ 1,495,807	$ 1,917,737	$ 435,513	$ 1,559,890	$ 1,995,403
Note 1	Sales & Marketing	$ 375,350	$ 348,231	$ 723,581	$ 158,340	$ 354,977	$ 513,317
	Sales & Marketing - Large Volume	$ -	$ 435,352	$ 435,352	$ -	$ 610,361	$ 610,361
Note 2	Sales & Marketing - Residential Sales/Warranty	$ -	$ 563,363	$ 563,363	$ -	$ 423,527	$ 423,527
	Supply Chain - Purchasing	$ 246,638	$ 536,095	$ 782,733	$ 188,161	$ 574,481	$ 762,642
	Tax Accounting	$ 619,046	$ (7,733)	$ 611,313	$ 656,436	$ -	$ 656,436
	Treasury and Cash Management	$ 1,041,153	$ 22,070	$ 1,063,223	$ 903,879	$ 8,139	$ 912,018
		$ 22,778,107	$ 41,791,018	$ 64,569,125	$ 28,016,281	$ 44,863,006	$ 72,879,287

Note 1 Includes Non Utility Operating Expenses-417.1

Note 2 Includes Costs & Expenses of Merchandising, Jobbing & Contracting-416

Peoples Natural Gas Company LLC

§ 53.53.III.A

23. Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State method for calculating monthly or annual payments.

* *

The Company does not currently have any costs related to leasing equipment or computers. The Company does have the following monthly costs related to leasing office space:

	Monthly Rent payment per Lease	Sublease Income	Building Incentives	Allocated to Other Companies	Net Monthly Rent
North Shore Headquarters	$672,573.22 *	$ (129,564.46)	$ (16,925.86)	$ (10,658.58)	$515,424.31
Grove City	$ 3,500.00				$ 3,500.00
Etna	$35,666.67				$ 35,666.67
Carnegie	$1,100.00				$ 1,100.00
	$ 712,839.89	$ (129,564.46)	$ (16,925.86)	$ (10,658.58)	$ 555,690.98

*includes taxes and estimated CAM charges

The leases contain generally customary terms and conditions for office space rental. In addition to the specified lease payments, the lessee is also responsible for real estate taxes, insurance, and other miscellaneous assessments (CAM charges) during the lease term.

Peoples Natural Gas Company LLC

§ 53.53.III.A

24. Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.

* *

No major storm damage was suffered by Peoples Natural Gas Company LLC in the Historic Test Year.

Peoples Natural Gas Company LLC

§ 53.53.III.A

27. Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

* *

Peoples did not pay any social or service organization memberships.

Peoples Natural Gas Company LLC

§ 53.53.III.A

28. Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expenses, for the test year and prior two comparable years.

* *

Peoples Natural Gas Company LLC
Exhibit No. 4, Schedule 11
Outside Services, Regulatory Commission, and Miscellaneous General Expenses
Twelve Months Ended November 30

Description	2025	2024	2023
OUTSIDE SERVICES EXPENSES			
Administrative and General - Outside Services			
Accounting/Auditing Services	$ 1,397,262	$ 1,393,311	$ 1,399,065
Consultant & Contractor Services	1,768,283	1,246,507	1,444,875
IT/Telecom Contractor Services	2,751,622	4,693,854	4,683,977
Legal Services	827,922	(690,607)	1,334,596
Professional/Temporary Labor	(99,126)	256,983	50,642
Security & Investigative Services	22,089	54,864	55,450
Testing Services	119,307	346	10,241
Training Services	4,888	41,705	251,699
Associated Companies	28,004,892	23,753,856	20,109,865
TOTAL OUTSIDE SERVICES EXPENSES	**$ 34,797,139**	**$ 30,750,819**	**$ 29,340,410**
REGULATORY COMMISSION EXPENSES			
Administrative and General - Regulatory Expenses			
PUC Fees and Assessments	$ 3,141,078	$ 2,970,452	$ 3,076,566
Rate Case Amortization Expense	$ 1,515,799	$ 288,000	$ -
TOTAL REGULATORY COMMISSION EXPENSES	**$ 4,656,877**	**$ 3,258,452**	**$ 3,076,566**
MISCELLANEOUS GENERAL EXPENSES			
Administrative and General - Miscellaneous General Expense			
Dues & Memberships - Industry, Professional, and Other	$ 1,015,467	$ 907,084	$ 951,449
TOTAL MISCELLANEOUS GENERAL EXPENSES	**$ 1,015,467**	**$ 907,084**	**$ 951,449**

Peoples Natural Gas Company LLC
§ 53.53 III.A

31. Provide a detailed analysis of Special Services—Account 795.

* *

Peoples does not record expenses related to special services in Account 795. The Company records such expenses in Account 923. Refer to Exhibit No. 4, Schedule No. 11 (53.53.III.A.28) for an analysis of Account 923.

Peoples Natural Gas Company LLC
§ 53.53 III.A

32. Provide a detailed analysis of Miscellaneous General Expense—Account No. 801.

* *

Peoples does not record expenses related to miscellaneous general expense in Account 801. The Company records such expenses in Account 930.2. Refer to Exhibit 4, Schedule No. 11 (53.53.III.A.28) for an analysis of Account 930.2.

Peoples Natural Gas Company LLC

§ 53.53.III.A

30. Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.

* *

The Company made total contributions of $240,055 during the Historic Test Year. The response to this question contains confidential information and is contained in as separate book of the filing marked confidential information. This information will be provided to parties upon execution of a Stipulated Protective Agreement or Protective Order, to be circulated by the Company, pursuant to the terms of that agreement.

Peoples Natural Gas Company LLC

§ 53.53.III.A

34. List and explain all non-recurring abnormal or extraordinary expenses incurred in the test year which will not be present in future years.

* *

Known material non-recurring abnormal or extraordinary expenses are removed. Refer to Exhibit No. 4, Schedule No. 1 (53.53.III.E.17) for the detail of all expense adjustments.

Peoples Natural Gas Company LLC

§ 53.53.III.A

35. List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g. - Non-yearly maintenance programs, etc.)

[Responses shall be submitted and identified as exhibits.]

* *

Refer to Exhibit No. 4, Schedule No. 1 (53.53.III.E.17) for the detail of all expense adjustments.

Peoples Natural Gas Company LLC

§ 53.53.III.A

36. Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure, such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.

* *

Refer to Exhibit No. 4, Schedule No. 1 (53.53.III.E.17) for the detail of all expense adjustments.

Peoples Natural Gas Company LLC

§ 53.53.III.A

37. Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.

* *

No expenses were recorded during the twelve months ended November 30, 2025 related to placement in service of major plant additions or removal of major plant from operating service.

Peoples Natural Gas Company LLC

§ 53.53.III.A

38. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.

* *

Effective for annual reporting periods after 12/15/2024, Accounting Standards Update ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. Adopted January 1, 2025.

Effective for annual reporting periods after 12/15/2026, Accounting Standards Update ASU 2024-03, Income Statement Reporting – Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses.

Peoples Natural Gas Company LLC

§ 53.53.III.E

29. Provide intrastate operations percentages by expense categories for two years prior to the test year.

* *

Peoples Natural Gas Company LLC operates 100% entirely within Pennsylvania and has done so for the two years prior to the test year.

Peoples Natural Gas Company LLC
§ 53.53 III.E

33. Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:

i. Gas Production Maintenance Expenses per MCF production, per $1,000 MCF production, and per $1,000 of Gross Production Plant;

ii. Transmission Maintenance Expenses per MMCF mile and per $1,000 of Gross Transmission Plant;

iii. Distribution Maintenance Expenses per customer and per $1,000 of Gross Distribution Plant;

iv. Storage Maintenance Expenses per MMCF of Storage Capacity and $1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

* *

Peoples does not forecast the data indicated above beyond the Historic Test Year in the manner requested.

See Attachment A.

Attachment A

Peoples Natural Gas Company LLC
53.53 III.E.33
Schedule of Maintenance and Gross Plant
Twelve Months Ending November 30, 2025

		2022	2023	2024	2025	2026
(i)	Gas Production & Gathering Maintenance Expenses	$ 6,404,241	$ 6,229,685	$ 6,431,521	$ 6,035,503	
	Gross Production Plant	$ 137,433,148	$ 141,159,537	$ 148,486,077	$ 150,126,052	
	Gas Production & Gathering Maintenance Expenses					
	Per Mcf Production	N/A	N/A	N/A	N/A	
	Per $1,000 Mcf Production	N/A	N/A	N/A	N/A	
	Per $1,000 of Gross Production & Gathering Plant	$ 47	$ 44	$ 43	$ 40	
(ii)	Transmission Maintenance Expenses	$ 4,510,082	$ 4,327,334	$ 4,250,683	$ 4,199,295	
	Gross Transmission Plant	$ 327,796,080	$ 353,734,565	$ 369,139,998	$ 390,414,213	
	Transmission Maintenance Expenses					
	Per Mmcf Mile	N/A	N/A	N/A	N/A	
	Per $1,000 of Gross Transmission Plant	$ 14	$ 12	$ 12	$ 11	
(iii)	Distribution Maintenance Expense	$ 44,979,734	$ 48,249,946	$ 48,474,442	$ 49,545,400	
	Gross Distribution Plant	$ 3,378,715,335	$ 3,836,896,426	$ 4,315,821,149	$ 4,807,147,787	
	Customers	$ 701,037	$ 702,160	$ 703,371	$ 704,726	
	Distribution Maintenance Expense					
	Per Customer	$ 64	$ 69	$ 69	$ 70	
	Per $1,000 of Gross Distribution Plant	$ 13	$ 13	$ 11	$ 10	
(iv)	Storage Maintenance Expenses	$ 709,200	$ 718,734	$ 797,237	$ 522,562	
	Gross Storage Plant	$ 23,281,946	$ 23,426,462	$ 23,684,093	$ 24,482,298	
	Mmcf of Storage Capacity	$ 3,753	$ 5,075	$ 5,075	$ 5,075	
	Storage Maintenance Expenses					
	Per Mmcf of Storage Capacity	$ 189	$ 142	$ 157	$ 103	
	Per $1,000 of Gross Storage Plant	$ 30	$ 31	$ 34	$ 21	

Peoples Natural Gas Company LLC

§ 53.53.III.E

34. Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts):

    a. Column 1—Test Year

    b. Column 2 and 3—The two previous years

    Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)

* *

Refer to Attachment A.

Peoples Natural Gas Company LLC
Attachment A

Cost Element Description	Twelve Months Ended November 30, 2025 (1)	November 30, 2024 (2)	November 30, 2023 (3)
Labor	$ 59,626,644	$ 61,585,908	$ 60,190,209
APIP/Incentive Compensation	6,618,724	6,796,478	6,472,482
Pension	3,857	102,647	1,809,422
Post Retirement Benefits Other Than Pensions	1,598,879	1,390,292	1,110,685
Other Employee Benefits	17,600,062	18,173,011	17,762,448
Outside Services - Contracted	21,704,759	21,402,059	17,938,575
Outside Services - IT	6,651,408	8,811,604	9,143,963
Outside Services - A&G	4,335,821	5,993,188	4,825,740
Building Leases	3,928,235	4,150,432	3,762,698
Corporate Insurance	6,213,492	5,668,377	5,284,165
Injuries and Damages	1,727,388	1,324,231	776,469
Travel	1,030,648	813,606	1,108,560
Licenses & Permits	704,167	861,328	745,241
Utilities & Fuel Used in Company Operations	2,908,985	2,760,764	2,851,568
Public Relations	1,304,685	1,713,747	1,386,327
Fleet	746,507	1,261,287	2,062,672
Materials & Supplies	10,183,664	10,137,352	11,777,902
Other O&M	31,391,425	25,729,972	24,093,984
Uncollectible Accounts	9,094,940	7,389,983	7,930,381
Subtotal	**187,374,292**	**186,066,267**	**181,033,491**
Total USP Rider	22,571,957	4,939,645	5,789,655
Total Operation and Maintenance Expense	**$ 209,946,248**	**$ 191,005,912**	**$ 186,823,146**

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume II

Exhibit 5

PEOPLES NATURAL GAS COMPANY LLC

PITTSBURGH, PENNSYLVANIA

2025 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF NOVEMBER 30, 2025

Prepared by:

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

PEOPLES NATURAL GAS COMPANY LLC

Pittsburgh, Pennsylvania

2025 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF NOVEMBER 30, 2025

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

Gannett Fleming Valuation and Rate Consultants, LLC
(a GFT Company)

300 Sterling Parkway, Suite 200
Mechanicsburg, PA 17050
717.763.7211

March 9, 2026

Peoples Natural Gas Company, LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212-5322

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant as of November 30, 2025. Summaries of the original cost, annual accruals and the book depreciation reserve are presented in Tables 1 and 2, beginning on page I-3 of the attached report.

A description of the methods and procedures upon which the study was based is set forth in a companion report, "2026 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of November 30, 2026".

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

JOHN J. SPANOS
President

MELISSA M. HOWARD
Project Manager

83580.000

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PART I. RESULTS OF STUDY

PEOPLES NATURAL GAS COMPANY LLC
DEPRECIATION STUDY

PART I. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

The results of the depreciation study are summarized in Table 1, which sets forth the calculated annual depreciation related to Gas Plant in Service as of November 30, 2025. Table 2 presents the experienced gross salvage and cost of removal associated with regular retirements during the five-year period, 2021-2025 and the annual amortization of net salvage.

DETAILED TABULATIONS OF DEPRECIATION CALCULATIONS

The supporting data for the depreciation calculations are presented in account sequence in the section beginning on II-6. The original cost, calculated accrued depreciation, allocated book reserve, future accruals, remaining life and annual accrual are shown for each vintage of each account or subaccount. The amounts of regular retirements, gross salvage and cost of removal are set forth by account for the years 2021 through 2025, beginning on III-2 through III-4.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF NOVEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	7,361,230.65	2,147,531	5,213,700	182,287	2.48	28.6
	OTHER	5-SQ	76,175,969.94	35,489,755	40,686,215	14,772,627	19.39	2.8
	MAJOR	15-SQ	12,990,356.19	935,970	12,054,386	1,279,822	9.85	9.4
	SAP	10-SQ	20,065,515.44	19,062,562	1,002,953	126,891	0.63	7.9
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**116,593,072.22**	**57,635,818**	**58,957,254**	**16,361,627**	**14.03**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	82,368	57,073	1,067	0.77	53.5
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,016	4,465	190	1.31	23.5
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,379	7,605	227	1.08	33.5
325.04	RIGHTS OF WAY	75-R2.5	2,051,366.10	1,020,182	1,031,184	22,251	1.08	46.3
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	12,308,841.37	5,261,525	7,047,317	249,139	2.02	28.3
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	62,777.57	51,967	10,811	618	0.98	17.5
329.00	OTHER STRUCTURES	60-R2.5	1,926,213.73	1,023,500	902,713	23,858	1.24	37.8
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,214.49	10,461	(1,247)	0	-	-
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,960.52	2,531	429	250	8.44	1.7
332.00	FIELD LINES	65-R1.5	81,350,164.33	32,189,505	49,160,659	1,295,932	1.59	37.9
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	48,788,216.36	19,494,140	29,294,076	1,542,695	3.16	19.0
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	3,490,666.48	2,981,049	509,617	51,399	1.47	9.9
337.00	OTHER EQUIPMENT	23-L1	66,192.40	42,544	23,648	2,458	3.71	9.6
	TOTAL PRODUCTION PLANT		**150,231,518.52**	**62,183,167**	**88,048,350**	**3,190,084**	**2.12**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	11,022	5,802	463	2.75	12.5
350.21	RIGHTS OF WAY	70-R3	138,528.02	39,258	99,270	1,872	1.35	53.0
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,400,554.19	794,763	1,605,791	50,530	2.10	31.8
352.01	WELLS - CONSTRUCTION	60-R1.5	1,330,068.80	(1,192,199)	2,522,268	102,949	7.74	24.5
352.02	WELLS - EQUIPMENT	55-R1	707,345.74	97,073	610,273	25,720	3.64	23.7
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	413,405.93	234,435	178,971	5,074	1.23	35.3
352.21	RESERVOIRS	40-SQ	433,138.50	196,321	236,818	9,640	2.23	24.6
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	3,688,378.84	2,195,845	1,492,534	51,724	1.40	28.9
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	15,921,351.22	5,046,330	10,875,021	415,477	2.61	26.2
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	1,591,237.23	592,651	998,586	23,983	1.51	41.6
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**27,038,203.65**	**8,412,869**	**18,625,334**	**687,432**	**2.54**	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF NOVEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT								
365.02	RIGHTS OF WAY	80-R4		7,129,174.85	2,901,166	4,228,009	74,210	1.04	57.0
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3		2,163,704.78	1,196,003	967,702	26,913	1.24	36.0
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5		1,729,039.50	1,100,364	628,675	17,578	1.02	35.8
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2		94,788.96	80,242	14,547	714	0.75	20.4
367.00	MAINS	80-R2.5		319,649,866.97	99,703,602	219,946,265	4,079,917	1.28	53.9
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5		19,695,331.10	9,247,729	10,447,602	446,094	2.26	23.4
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5		46,159,736.03	17,589,813	28,569,923	980,802	2.12	29.1
371.00	OTHER EQUIPMENT	35-R1		2,650,785.29	1,275,946	1,374,839	66,056	2.49	20.8
	TOTAL TRANSMISSION PLANT			**399,272,427.48**	**133,094,866**	**266,177,562**	**5,692,284**	**1.43**	
	DISTRIBUTION PLANT								
374.02	RIGHTS OF WAY	75-R4		11,761,725.08	3,308,177	8,453,548	155,689	1.32	54.3
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	65-R2		4,109,993.12	4,066,011	43,983	970	0.02	45.3
	OTHER								
	MAJOR STRUCTURES	80-R1.5	*	24,813,854.42	16,030,940	8,782,914	1,315,814	5.30	6.7
	MINOR STRUCTURES	65-R2		1,104,892.66	629,896	474,997	12,271	1.11	38.7
	TOTAL STRUCTURES AND IMPROVEMENTS			30,028,740.20	20,726,847	9,301,894	1,329,055	4.43	
376.00	MAINS								
	LOW PRESSURE	72-R1.5		1,827,171,621.32	317,772,699	1,509,398,922	34,205,265	1.87	44.1
	REGULAR PRESSURE	72-R1.5		1,614,677,492.44	283,878,765	1,330,798,727	30,692,277	1.90	43.4
	TOTAL MAINS			3,441,849,113.76	601,651,464	2,840,197,649	64,897,542	1.89	
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5		126,432,635.05	37,347,800	89,084,835	2,692,756	2.13	33.1
380.00	SERVICES	55-R2		923,796,287.48	320,112,789	603,683,499	17,874,301	1.93	33.8
381.00	METERS	32-S0.5		161,988,768.96	49,817,170	112,171,599	5,818,487	3.59	19.3
381.20	METERS - INTELIS	20-S2		4,900,521.88	145,635	4,754,887	284,953	5.81	16.7
382.00	METER INSTALLATIONS	55-R2		77,746,128.10	29,132,944	48,613,184	1,513,467	1.95	32.1
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5		13,385,526.32	6,232,637	7,152,890	255,906	1.91	28.0
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4		14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5		16,485,526.11	4,288,912	12,196,614	729,797	4.43	16.7
	TOTAL DISTRIBUTION PLANT			**4,823,019,505.22**	**1,087,408,907**	**3,735,610,599**	**95,551,953**	**1.98**	
	GENERAL PLANT								
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3		52,996.00	39,415	13,581	509	0.96	26.7
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	55-R1.5		52,392,830.51	5,886,063	46,506,768	1,406,772	2.69	33.1
	LEASED - NORTH SHORE	75-R0.5	*	8,112,867.83	6,470,072	1,642,796	525,454	6.48	3.1
	TOTAL STRUCTURES AND IMPROVEMENTS			60,505,698.34	12,356,135	48,149,564	1,932,226	3.19	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF NOVEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,788,315.93	2,062,545	725,771	77,247	2.77	9.4
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	8,851,344.78	9,084,860	(233,515)	0	-	-
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	134,732.04	21,046	113,686	15,919	11.82	7.1
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	10-L2.5	80,359,196.86	26,710,565	53,648,632	10,471,774	13.03	5.1
	TRAILERS	15-L2	5,596,703.95	116,746	5,479,958	589,447	10.53	9.3
	TOTAL TRANSPORTATION EQUIPMENT		85,955,900.81	26,827,311	59,128,590	11,061,221	12.87	
393.00	STORES EQUIPMENT	25-SQ	456.77	(1,422)	1,879	196	42.91	9.6
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	7,497,931.21	4,902,349	2,595,582	204,268	2.72	12.7
394.01	DUAL FUEL STATIONS	15-SQ	398,116.81	317,922	80,195	10,580	2.66	7.6
396.00	POWER OPERATED EQUIPMENT	15-L2	17,340,827.91	8,517,071	8,823,756	1,162,790	6.71	7.6
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	19,674,407.48	11,040,592	8,633,816	1,269,585	6.45	6.8
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	16,949,828.93	8,991,765	7,958,064	828,808	4.89	9.6
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	28,654.98	(1,835)	30,490	3,562	12.43	8.6
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	1,988,426.51	1,250,166	738,261	133,451	6.71	5.5
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	54,885.82	46,626	8,260	1,058	1.93	7.8
	TOTAL GENERAL PLANT		**222,222,524.32**	**85,454,545**	**136,767,980**	**16,701,420**	**7.52**	
	AMORTIZATION OF NET SALVAGE					**7,590,331**		
	TOTAL DEPRECIABLE GAS PLANT		**5,738,377,251.41**	**1,434,190,172**	**4,304,187,079**	**145,775,131**	**2.54**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26	1,382				
365.10	LAND AND LAND RIGHTS - LAND		381,342.73					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		424,151.66					
	TOTAL NONDEPRECIABLE GAS PLANT		**2,209,684.75**	**33,641**				
	TOTAL GAS PLANT		**5,740,586,936.16**	**1,434,223,813**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

NOTES:
1) NEW ASSETS IN ACCOUNT 392.00 TRANSPORTATION EQUIPMENT - AUTOMOBILES, WILL USE A 22.12% RATE BASED ON A 6-L2.5 CURVE.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 2. AMORTIZATION OF EXPERIENCED NET SALVAGE

ACCOUNT	2021			2022			2023			2024			2025				
	COST OF REMOVAL	+	GROSS SALVAGE	- COST OF REMOVAL	+	GROSS SALVAGE	- COST OF REMOVAL	+	GROSS SALVAGE	- COST OF REMOVAL	+	GROSS SALVAGE	- COST OF REMOVAL	+	GROSS SALVAGE	= NET SALVAGE	SALVAGE ACCRUAL
(1)	(2)		(3)	(4)		(5)	(6)		(7)	(8)		(9)	(10)		(11)	(12)	(13)=(12)/5
332.00	283,431		5,356	1,324			2,544,899			12,327			4,320			(2,840,946)	(568,189)
333.00	598,259			128,575												(726,834)	(145,367)
334.00	193,592															(193,592)	(38,718)
351.00										178,852			471,802			(650,654)	(130,131)
352.00	1,982						181,890			284,716			2,280,536			(2,749,124)	(549,825)
367.00	215,555					6,939	1,774			35,301			57,068			(302,759)	(60,552)
369.00										378,692			1,824,637			(2,203,329)	(440,666)
375.00										671			0			(671)	(134)
376.00	3,204,911		29,218	262,145		(327)	8,652,109			6,640,588			4,598,591			(23,329,452)	(4,665,890)
378.00	167,996						4,928			94,523			(28,955)			(238,492)	(47,698)
380.00	3,085,110						743,999			1,122,598			11,295,684			(16,247,391)	(3,249,478)
382.00	215,103			5,184			1,178						(79,096)			(142,369)	(28,474)
392.00			1,325,742			5,644						8,391,000	(84,065)		1,864,607	11,671,057	2,334,211
397.02			2,900													2,900	580
TOTAL	7,965,939		1,363,215	397,228		12,255	12,130,777		0	8,748,267		8,391,000	20,340,522		1,864,607	(37,951,655)	(7,590,331)

PART II. DETAILED DEPRECIATION CALCULATIONS

CUMULATIVE DEPRECIATED ORIGINAL COST

1874	5.00	5.00		
1875	9,927.00	9,927.00		
1876	956.00	956.00		
1877	121.00	121.00		
1881	12.00	12.00		
1885	1,789.00	1,547.00	242.00	242.00
1886	5,195.00	5,195.00		242.00
1887	13,637.00	13,637.00		242.00
1888	13,667.00	12,298.00	1,369.00	1,611.00
1889	21,239.00	18,311.00	2,928.00	4,539.00
1890	47,265.00	47,257.00	8.00	4,547.00
1891	42,013.00	36,873.00	5,140.00	9,687.00
1892	14,915.00	14,915.00		9,687.00
1893	20,635.00	20,628.00	7.00	9,694.00
1894	25,447.00	25,285.00	162.00	9,856.00
1895	8,871.00	8,871.00		9,856.00
1896	29,479.00	28,069.00	1,410.00	11,266.00
1897	23,865.00	23,556.00	309.00	11,575.00
1898	32,987.00	32,968.00	19.00	11,594.00
1899	81,904.00	80,161.00	1,743.00	13,337.00
1900	737,150.00	696,919.00	40,231.00	53,568.00
1901	226,305.00	223,078.00	3,227.00	56,795.00
1902	348,734.00	338,572.00	10,162.00	66,957.00
1903	239,557.00	232,278.00	7,279.00	74,236.00
1904	130,888.00	127,208.00	3,680.00	77,916.00
1905	264,654.00	259,448.00	5,206.00	83,122.00
1906	180,220.00	175,530.00	4,690.00	87,812.00
1907	173,349.00	172,501.00	848.00	88,660.00
1908	199,973.00	188,305.00	11,668.00	100,328.00
1909	101,211.00	98,350.00	2,861.00	103,189.00
1910	80,330.00	78,429.00	1,901.00	105,090.00
1911	85,338.00	81,904.00	3,434.00	108,524.00
1912	85,547.00	83,998.00	1,549.00	110,073.00
1913	237,412.00	235,405.00	2,007.00	112,080.00
1914	281,869.00	279,574.00	2,295.00	114,375.00
1915	119,973.00	115,309.00	4,664.00	119,039.00
1916	117,411.00	108,002.00	9,409.00	128,448.00
1917	172,154.00	168,420.00	3,734.00	132,182.00
1918	90,103.00	87,455.00	2,648.00	134,830.00
1919	92,546.00	90,833.00	1,713.00	136,543.00
1920	53,927.00	53,304.00	623.00	137,166.00
1921	123,585.00	114,570.00	9,015.00	146,181.00
1922	187,586.00	183,231.00	4,355.00	150,536.00
1923	215,150.00	205,710.00	9,440.00	159,976.00
1924	351,720.00	320,312.00	31,408.00	191,384.00
1925	479,385.00	450,896.00	28,489.00	219,873.00
1926	406,810.00	390,455.00	16,355.00	236,228.00
1927	363,302.00	340,771.00	22,531.00	258,759.00
1928	281,434.00	257,898.00	23,536.00	282,295.00
1929	301,489.00	274,454.00	27,035.00	309,330.00
1930	325,617.00	295,723.00	29,894.00	339,224.00
1931	261,233.00	237,540.00	23,693.00	362,917.00
1932	179,572.00	163,496.00	16,076.00	378,993.00
1933	112,393.00	102,471.00	9,922.00	388,915.00
1934	82,154.00	75,588.00	6,566.00	395,481.00
1935	156,817.00	145,161.00	11,656.00	407,137.00
1936	177,463.00	164,519.00	12,944.00	420,081.00

1937	410,011.00	361,623.00	48,388.00	468,469.00	
1938	350,592.00	311,728.00	38,864.00	507,333.00	
1939	483,284.00	435,358.00	47,926.00	555,259.00	
1940	503,658.00	425,443.00	78,215.00	633,474.00	
1941	799,659.00	653,361.00	146,298.00	779,772.00	
1942	446,224.00	365,048.00	81,176.00	860,948.00	
1943	302,603.00	240,777.00	61,826.00	922,774.00	
1944	426,108.00	369,756.00	56,352.00	979,126.00	
1945	270,373.00	222,414.00	47,959.00	1,027,085.00	
1946	525,096.00	400,980.00	124,116.00	1,151,201.00	
1947	664,890.00	468,857.00	196,033.00	1,347,234.00	
1948	1,343,729.00	1,100,069.00	243,660.00	1,590,894.00	
1949	2,357,419.00	2,010,291.00	347,128.00	1,938,022.00	
1950	2,921,747.00	2,352,745.00	569,002.00	2,507,024.00	0.10
1951	2,522,537.00	1,885,704.00	636,833.00	3,143,857.00	0.10
1952	3,804,570.00	3,077,681.00	726,889.00	3,870,746.00	0.10
1953	3,439,482.00	2,685,029.00	754,453.00	4,625,199.00	0.10
1954	2,398,139.00	1,920,972.00	477,167.00	5,102,366.00	0.10
1955	3,669,843.00	2,813,909.00	855,934.00	5,958,300.00	0.10
1956	3,675,564.00	2,800,580.00	874,984.00	6,833,284.00	0.20
1957	4,841,537.00	3,651,995.00	1,189,542.00	8,022,826.00	0.20
1958	5,558,445.00	3,982,787.00	1,575,658.00	9,598,484.00	0.20
1959	7,424,883.00	5,246,063.00	2,178,820.00	11,777,304.00	0.30
1960	5,228,927.00	3,608,831.00	1,620,096.00	13,397,400.00	0.30
1961	7,615,030.00	5,279,905.00	2,335,125.00	15,732,525.00	0.40
1962	6,553,646.00	4,519,390.00	2,034,256.00	17,766,781.00	0.40
1963	7,681,481.00	5,455,670.00	2,225,811.00	19,992,592.00	0.50
1964	7,841,529.00	5,456,465.00	2,385,064.00	22,377,656.00	0.50
1965	7,385,899.00	4,900,135.00	2,485,764.00	24,863,420.00	0.60
1966	9,121,674.00	6,033,670.00	3,088,004.00	27,951,424.00	0.60
1967	8,877,841.00	5,578,446.00	3,299,395.00	31,250,819.00	0.70
1968	10,456,851.00	6,654,337.00	3,802,514.00	35,053,333.00	0.80
1969	9,743,875.00	6,159,373.00	3,584,502.00	38,637,835.00	0.90
1970	8,359,962.00	5,342,721.00	3,017,241.00	41,655,076.00	1.00
1971	11,468,868.00	7,119,727.00	4,349,141.00	46,004,217.00	1.10
1972	16,747,637.00	10,103,391.00	6,644,246.00	52,648,463.00	1.20
1973	17,482,611.00	10,242,733.00	7,239,878.00	59,888,341.00	1.40
1974	16,255,249.00	9,689,906.00	6,565,343.00	66,453,684.00	1.50
1975	11,225,164.00	6,951,235.00	4,273,929.00	70,727,613.00	1.60
1976	10,709,511.00	6,696,724.00	4,012,787.00	74,740,400.00	1.70
1977	16,767,324.00	9,871,100.00	6,896,224.00	81,636,624.00	1.90
1978	23,169,819.00	14,884,153.00	8,285,666.00	89,922,290.00	2.10
1979	23,191,274.00	13,296,653.00	9,894,621.00	99,816,911.00	2.30
1980	25,837,484.00	14,234,543.00	11,602,941.00	111,419,852.00	2.60
1981	38,492,355.00	21,166,697.00	17,325,658.00	128,745,510.00	3.00
1982	30,293,376.00	16,922,066.00	13,371,310.00	142,116,820.00	3.30
1983	21,177,508.00	13,679,128.00	7,498,380.00	149,615,200.00	3.50
1984	33,566,174.00	21,578,107.00	11,988,067.00	161,603,267.00	3.80
1985	43,737,200.00	26,556,596.00	17,180,604.00	178,783,871.00	4.20
1986	29,914,258.00	17,584,237.00	12,330,021.00	191,113,892.00	4.40
1987	51,724,809.00	30,880,345.00	20,844,464.00	211,958,356.00	4.90
1988	35,699,366.00	20,956,078.00	14,743,288.00	226,701,644.00	5.30
1989	36,156,117.00	19,981,778.00	16,174,339.00	242,875,983.00	5.60
1990	51,260,124.00	28,634,360.00	22,625,764.00	265,501,747.00	6.20
1991	44,190,820.00	23,968,754.00	20,222,066.00	285,723,813.00	6.60
1992	53,445,008.00	28,821,343.00	24,623,665.00	310,347,478.00	7.20
1993	42,612,351.00	22,728,455.00	19,883,896.00	330,231,374.00	7.70

1994	45,693,412.00	24,048,385.00	21,645,027.00	351,876,401.00	8.20
1995	45,781,409.00	23,263,573.00	22,517,836.00	374,394,237.00	8.70
1996	37,205,536.00	18,548,288.00	18,657,248.00	393,051,485.00	9.10
1997	49,544,439.00	24,718,861.00	24,825,578.00	417,877,063.00	9.70
1998	34,850,806.00	16,385,588.00	18,465,218.00	436,342,281.00	10.10
1999	40,364,663.00	18,793,655.00	21,571,008.00	457,913,289.00	10.60
2000	32,501,209.00	14,315,412.00	18,185,797.00	476,099,086.00	11.10
2001	53,499,239.00	23,481,214.00	30,018,025.00	506,117,111.00	11.80
2002	67,544,481.00	29,160,346.00	38,384,135.00	544,501,246.00	12.70
2003	61,365,567.00	25,074,282.00	36,291,285.00	580,792,531.00	13.50
2004	70,714,059.00	27,931,103.00	42,782,956.00	623,575,487.00	14.50
2005	97,698,399.00	46,765,299.00	50,933,100.00	674,508,587.00	15.70
2006	75,949,895.00	28,307,308.00	47,642,587.00	722,151,174.00	16.80
2007	70,114,144.00	25,724,736.00	44,389,408.00	766,540,582.00	17.80
2008	68,840,990.00	24,518,715.00	44,322,275.00	810,862,857.00	18.80
2009	74,287,406.00	26,383,813.00	47,903,593.00	858,766,450.00	20.00
2010	63,852,491.00	20,153,957.00	43,698,534.00	902,464,984.00	21.00
2011	85,654,278.00	29,184,727.00	56,469,551.00	958,934,535.00	22.30
2012	112,459,761.00	32,198,649.00	80,261,112.00	1,039,195,647.00	24.10
2013	85,648,701.00	22,539,914.00	63,108,787.00	1,102,304,434.00	25.60
2014	100,878,697.00	26,008,401.00	74,870,296.00	1,177,174,730.00	27.30
2015	108,222,099.00	31,824,130.00	76,397,969.00	1,253,572,699.00	29.10
2016	116,430,567.00	28,176,192.00	88,254,375.00	1,341,827,074.00	31.20
2017	196,674,412.00	45,116,607.00	151,557,805.00	1,493,384,879.00	34.70
2018	230,336,518.00	41,819,286.00	188,517,232.00	1,681,902,111.00	39.10
2019	239,332,085.00	40,699,704.00	198,632,381.00	1,880,534,492.00	43.70
2020	242,644,940.00	37,878,640.00	204,766,300.00	2,085,300,792.00	48.40
2021	343,227,969.00	48,487,557.00	294,740,412.00	2,380,041,204.00	55.30
2022	388,494,223.00	37,810,893.00	350,683,330.00	2,730,724,534.00	63.40
2023	588,224,432.00	51,589,372.00	536,635,060.00	3,267,359,594.00	75.90
2024	581,699,729.00	28,777,305.00	552,922,424.00	3,820,282,018.00	88.80
2025	497,090,886.00	13,185,827.00	483,905,059.00	4,304,187,077.00	100.00
TOTAL	5,738,377,247.00	1,434,190,170.00	4,304,187,077.00		

UTILITY PLANT IN SERVICE

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

2014	7,298,363.33	2,083,099	2,133,216	5,165,147	28.58	180,726
2016	59,000.00	13,890	14,224	44,776	30.58	1,464
2025	3,867.32	89	91	3,776	38.93	97
	7,361,230.65	2,097,078	2,147,531	5,213,700		182,287

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.60 2.48

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	484,963.83	484,964	484,964			
2013	76,365.82	76,366	76,366			
2016	495,422.41	495,422	495,422			
2017	4,424.91	4,425	4,425			
2018	549,367.57	549,368	549,368			
2020	2,499,337.13	2,499,337	2,499,337			
2021	7,175,044.02	6,337,932	5,986,810	1,188,234	1.00	1,188,234
2022	6,551,866.51	4,477,087	4,229,056	2,322,811	1.58	1,470,134
2023	30,044,845.21	14,521,575	13,717,079	16,327,766	2.58	6,328,591
2024	26,964,838.07	7,639,948	7,216,695	19,748,143	3.58	5,516,241
2025	1,329,494.46	243,736	230,233	1,099,261	4.08	269,427
	76,175,969.94	37,330,160	35,489,755	40,686,215		14,772,627

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.80 19.39

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2015	323,450.77	224,617	46,367	277,084	4.58	60,499
2016	317,010.95	199,013	41,081	275,930	5.58	49,450
2017	221,052.47	124,035	25,604	195,448	6.58	29,703
2019	3,789,607.75	1,621,118	334,641	3,454,967	8.58	402,677
2020	3,228,877.62	1,165,980	240,689	2,988,189	9.58	311,920
2021	2,016,264.18	593,669	122,549	1,893,715	10.58	178,990
2022	1,666,255.65	379,540	78,347	1,587,909	11.58	137,125
2023	1,370,168.29	220,748	45,568	1,324,600	12.58	105,294
2024	57,668.51	5,446	1,124	56,545	13.58	4,164
	12,990,356.19	4,534,166	935,970	12,054,386		1,279,822

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.40 9.85

SURVIVOR CURVE.. 10-SQUARE
NET SALVAGE PERCENT: 0

2012	784,769.59	784,770	784,770			
2013	158,350.06	158,350	158,350			
2014	361,463.08	361,463	361,463			
2015	6,644,881.61	6,644,882	6,644,882			
2016	2,499,401.24	2,353,611	2,499,401			
2017	352,340.09	296,554	352,340			
2019	4,064,054.56	2,607,782	4,064,055			
2020	339,643.17	183,975	339,643			
2021	1,335,325.04	589,773	1,335,325			
2022	663.57	227	664			
2023	2,878,695.86	695,694	2,228,536	650,160	7.58	85,773
2024	645,927.57	91,509	293,133	352,795	8.58	41,118
	20,065,515.44	14,768,590	19,062,562	1,002,953		126,891

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.90 0.63

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1938	2,365.49	2,161	2,365			
1954	662.55	550	663			
1966	474.91	345	475			
1983	5,657.27	3,264	5,657			
2008	130,279.99	31,997	73,208	57,072	53.49	1,067
	139,440.21	38,317	82,368	57,073		1,067

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.50 0.77

SURVIVOR CURVE: IOWA 45-L0
NET SALVAGE PERCENT: 0

1890	13.00	11	13			
1897	620.75	501	621			
1899	305.00	244	305			
1900	263.11	210	263			
1901	378.47	300	378			
1908	11.01	8	10	1		
1909	45.50	35	44	2		
1910	1.00	1	1			
1914	105.50	79	100	6	6.00	1
1915	25.11	19	24	1		
1916	58.60	43	55	4		
1917	2.75	2	3			
1919	56.45	41	52	4		
1921	34.54	25	32	3		
1922	16.94	12	15	2		
1926	110.00	77	98	12	12.00	1
1931	44.62	30	38	7		
1937	39.01	26	33	6		
1941	198.30	127	161	37	18.50	2
1943	103.13	65	82	21	21.00	1
1945	15.81	10	13	3		
1946	4.87	3	4	1		
1947	22.60	14	18	5		
1948	100.00	61	77	23	23.00	1
1950	70.00	42	53	17	17.00	1
1953	166.24	97	123	43	21.50	2
1955	8.17	5	6	2		
1956	95.00	54	68	27	27.00	1
1957	187.00	105	133	54	18.00	3
1958	235.50	131	166	70	17.50	4
1959	280.00	155	196	84	21.00	4
1960	81.57	45	57	25	25.00	1
1961	332.30	180	228	104	20.80	5
1965	440.34	229	290	150	21.43	7
1966	37.55	19	24	14	14.00	1
1968	218.17	110	139	79	19.75	4
1970	23.61	12	15	9		
1971	728.26	353	448	280	23.33	12
1972	2,608.99	1,249	1,584	1,025	23.30	44
1973	116.76	55	70	47	23.50	2
1974	969.05	452	573	396	24.75	16
1975	72.25	33	42	30	30.00	1
1977	1,441.00	645	818	623	24.92	25
1978	765.00	338	428	337	25.92	13
1979	82.70	36	46	37	37.00	1
1980	91.23	39	49	42	21.00	2
1982	195.00	81	103	92	30.67	3
1995	2,658.92	1,512	1,917	742	23.19	32
	14,480.68	7,921	10,016	4,465		190

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.50 1.31

SURVIVOR CURVE: IOWA 65-R2.5
NET SALVAGE PERCENT: 0

1901	1,674.68	1,675	1,675			
1910	22.78	22	23			
1923	1,969.07	1,825	1,969			
1924	25.41	23	25			
1927	43.28	40	43			
1938	1,018.56	891	1,004	15	7.50	2
1948	385.48	321	362	23	11.50	2
1959	410.49	316	356	54	13.50	4
1974	3,366.13	2,178	2,455	911	22.78	40
1976	518.00	325	366	152	25.33	6
1980	1,507.30	884	996	511	26.89	19
1981	923.36	532	600	323	26.92	12
2005	9,119.74	3,110	3,505	5,615	39.54	142
	20,984.28	12,142	13,379	7,605		227

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.50 1.08

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1875	1.00	1	1			
1888	137.42	136	137			
1889	130.52	129	131			
1890	1,873.28	1,849	1,873			
1891	1,372.99	1,350	1,373			
1892	924.40	906	924			
1893	699.05	683	699			
1894	3,023.40	2,941	3,023			
1895	218.54	212	219			
1896	1,259.83	1,217	1,260			
1897	1,642.16	1,580	1,642			
1898	1,409.64	1,351	1,410			
1899	2,897.90	2,767	2,898			
1900	2,874.97	2,734	2,875			
1901	10,007.57	9,482	10,008			
1902	4,457.09	4,207	4,457			
1903	7,504.57	7,058	7,505			
1904	5,966.84	5,591	5,967			
1905	9,920.15	9,265	9,920			
1906	6,726.76	6,261	6,727			
1907	4,784.95	4,439	4,785			
1908	3,068.84	2,838	3,069			
1909	6,824.39	6,290	6,824			
1910	3,360.27	3,087	3,360			
1911	2,637.18	2,416	2,637			
1912	5,250.72	4,794	5,251			
1913	3,998.45	3,639	3,998			
1914	5,211.01	4,727	5,211			
1915	3,526.25	3,189	3,526			
1916	9,327.91	8,408	9,328			
1917	11,339.21	10,187	11,339			
1918	5,939.02	5,317	5,939			
1919	10,034.15	8,953	10,034			
1920	8,068.68	7,175	8,069			
1921	9,874.37	8,750	9,874			
1922	13,323.29	11,765	13,323			
1923	12,530.40	11,025	12,530			
1924	23,943.35	20,990	23,943			
1925	11,074.30	9,673	11,074			
1926	10,137.05	8,821	10,137			
1927	11,336.06	9,826	11,336			
1928	3,835.08	3,311	3,835			
1929	3,297.79	2,836	3,298			
1930	7,617.74	6,525	7,618			
1931	362.17	309	362			
1932	666.58	566	667			
1933	1,250.79	1,058	1,251			
1934	192.41	162	192			
1935	1,203.89	1,009	1,204			
1936	3,095.27	2,581	3,095			
1937	896.03	743	896			
1938	3,164.87	2,613	3,165			
1939	2,701.60	2,218	2,702			
1940	3,447.99	2,815	3,439	9	9.00	1
1941	4,750.60	3,857	4,712	39	13.00	3

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1942	8,225.90	6,639	8,110	116	14.50	8
1943	7,793.53	6,253	7,639	155	15.50	10
1944	6,001.22	4,784	5,844	157	15.70	10
1945	4,000.28	3,168	3,870	130	16.25	8
1946	3,848.61	3,027	3,698	151	16.78	9
1947	1,776.17	1,387	1,694	82	16.40	5
1948	2,046.38	1,587	1,939	107	17.83	6
1949	1,945.89	1,498	1,830	116	16.57	7
1950	1,033.21	789	964	69	17.25	4
1951	6,743.01	5,108	6,240	503	17.96	28
1952	5,227.54	3,927	4,797	431	18.74	23
1953	3,419.00	2,546	3,110	309	19.31	16
1954	4,135.13	3,052	3,728	407	19.38	21
1955	3,153.08	2,306	2,817	336	19.76	17
1956	13,433.71	9,733	11,890	1,544	20.59	75
1957	5,572.78	3,998	4,884	689	20.88	33
1958	7,746.35	5,502	6,721	1,025	21.81	47
1959	8,167.31	5,741	7,013	1,154	22.19	52
1960	3,263.45	2,269	2,772	491	23.38	21
1961	3,904.37	2,685	3,280	624	23.11	27
1962	5,795.30	3,941	4,814	981	23.93	41
1963	5,947.65	3,998	4,884	1,064	24.74	43
1964	6,467.83	4,295	5,247	1,221	25.44	48
1965	5,532.56	3,629	4,433	1,100	25.58	43
1966	11,080.22	7,176	8,766	2,314	26.30	88
1967	5,622.33	3,594	4,391	1,231	27.36	45
1968	3,247.97	2,048	2,502	746	27.63	27
1969	4,053.75	2,522	3,081	973	28.62	34
1970	25,742.29	15,789	19,288	6,454	28.94	223
1971	51,947.30	31,397	38,356	13,591	29.67	458
1972	27,208.63	16,202	19,793	7,416	30.39	244
1973	21,080.78	12,362	15,102	5,979	30.98	193
1974	11,679.68	6,742	8,236	3,444	31.60	109
1975	15,635.72	8,879	10,847	4,789	32.36	148
1976	24,795.30	13,849	16,918	7,877	33.10	238
1977	9,701.66	5,327	6,508	3,194	33.98	94
1978	12,975.14	7,000	8,551	4,424	34.56	128
1979	18,968.48	10,048	12,275	6,693	35.23	190
1980	8,113.79	4,219	5,154	2,960	36.10	82
1981	16,632.83	8,485	10,366	6,267	36.65	171
1982	8,839.18	4,421	5,401	3,438	37.37	92
1983	11,652.16	6,524	7,970	3,682	33.47	110
1984	61,906.30	33,844	41,345	20,561	34.33	599
1985	15,651.08	8,412	10,276	5,375	34.68	155
1986	17,645.91	9,321	11,387	6,259	35.16	178
1987	4,920.02	2,533	3,094	1,826	36.52	50
1988	38,191.05	19,290	23,565	14,626	36.66	399
1989	8,167.54	4,045	4,942	3,226	37.08	87
1990	1,377.08	663	810	567	37.80	15
1991	28,921.57	13,637	16,659	12,263	38.56	318
1992	11,012.64	5,079	6,205	4,808	39.09	123
1993	5,340.25	2,389	2,918	2,422	40.37	60
1994	15,466.03	6,754	8,251	7,215	40.53	178
1995	5,379.78	2,291	2,799	2,581	40.97	63
1996	12,980.22	5,345	6,530	6,450	41.88	154

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1997	7,464.80	2,991	3,654	3,811	42.34	90
1998	3,484.33	1,356	1,657	1,827	43.50	42
1999	15.50	6	7	8		
2000	16,002.37	5,817	7,106	8,896	44.48	200
2001	26,595.59	9,351	11,424	15,172	45.02	337
2002	309,217.69	104,979	128,246	180,972	45.55	3,973
2003	155,944.14	50,682	61,915	94,029	46.55	2,020
2004	64,143.30	20,058	24,504	39,639	47.08	842
2005	520.27	156	191	329	47.00	7
2006	25,903.77	7,393	9,031	16,873	48.63	347
2007	586.03	160	195	391	48.88	8
2008	82,248.26	21,343	26,074	56,174	49.71	1,130
2009	356.34	88	108	248	49.60	5
2010	4.00	1	1	3		
2011	17,137.51	3,731	4,558	12,580	51.77	243
2012	44.11	9	11	33	33.00	1
2015	567.59	92	112	456	57.00	8
2021	692.28	50	61	631	57.36	11
2024	332,035.65	8,135	9,938	322,098	56.39	5,712
2025	92,164.89	1,484	1,813	90,352	55.91	1,616
	2,051,366.10	856,563	1,020,182	1,031,184		22,251

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 46.30 1.08

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

1906	456.70	457	457			
1910	74.04	74	74			
1929	30.85	30	31			
1937	65.76	60	66			
1938	15,789.80	14,419	15,790			
1942	15.48	14	15			
1944	26.10	23	26			
1945	62.03	54	62			
1947	109.05	93	109			
1952	6,242.77	5,109	6,013	230	9.20	25
1956	25,047.82	19,798	23,300	1,748	10.47	167
1957	1,353.14	1,060	1,247	106	10.60	10
1958	34.99	27	32	3		
1959	13.86	11	13	1		
1960	603.38	460	541	62	12.40	5
1962	2,018.73	1,508	1,775	244	12.84	19
1963	1,533.76	1,134	1,335	199	13.27	15
1964	43,478.50	31,818	37,446	6,032	13.40	450
1967	3,629.38	2,573	3,028	601	14.66	41
1968	5,768.79	4,044	4,759	1,010	14.85	68
1969	479.85	333	392	88	14.67	6
1970	1,385.27	949	1,117	268	15.76	17
1971	23,326.32	15,797	18,591	4,735	16.16	293
1972	3,121.79	2,088	2,457	665	16.63	40
1973	786.18	520	612	174	17.40	10
1974	139,894.30	91,295	107,444	32,450	17.37	1,868
1975	609.27	392	461	148	18.50	8
1976	705.18	448	527	178	17.80	10
1977	3,035.23	1,904	2,241	794	18.47	43
1978	6,870.73	4,249	5,001	1,870	19.08	98
1980	11,213.10	6,737	7,929	3,284	19.90	165
1982	703.50	410	483	220	20.00	11
1983	607.35	422	497	110	18.33	6
1985	67,767.23	46,014	54,153	13,614	19.12	712
1987	2,626.40	1,736	2,043	583	19.43	30
1988	1,274.00	829	976	298	19.87	15
1990	13,349.43	8,415	9,903	3,446	20.76	166
1991	32,762.97	20,297	23,887	8,876	21.13	420
1992	26,698.28	16,238	19,110	7,588	21.56	352
1994	42,278.62	24,708	29,078	13,201	22.34	591
1995	118,256.75	67,619	79,580	38,677	22.78	1,698
1996	9,454.33	5,312	6,252	3,202	22.87	140
1997	5,432.04	2,979	3,506	1,926	23.49	82
1998	169,768.23	91,233	107,371	62,397	23.60	2,644
2002	498,453.49	240,454	282,986	215,467	25.13	8,574
2003	113,286.62	52,826	62,170	51,117	25.66	1,992
2004	63,989.80	28,917	34,032	29,958	25.98	1,153
2005	70,222.38	30,680	36,107	34,115	26.30	1,297
2006	87,641.30	36,923	43,454	44,187	26.67	1,657
2007	44,851.16	18,088	21,287	23,564	27.24	865
2008	260,198.94	100,593	118,386	141,813	27.63	5,133
2009	8,618,992.07	3,183,856	3,747,027	4,871,965	28.03	173,813
2010	201,983.09	71,300	83,912	118,071	28.25	4,180
2011	226,605.73	75,800	89,208	137,398	28.69	4,789
2014	44,041.32	12,169	14,321	29,720	29.90	994

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

2017	195,540.18	41,474	48,810	146,730	31.27	4,692
2018	68,940.26	13,092	15,408	53,532	31.64	1,692
2019	1,395.07	233	274	1,121	32.03	35
2021	389,650.91	46,291	54,479	335,172	32.76	10,231
2024	634,287.77	25,435	29,934	604,354	33.92	17,817
	12,308,841.37	4,471,821	5,261,525	7,047,317		249,139

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.30 2.02

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

1926	26.31	26	26			
1931	218.45	218	218			
1933	44.94	45	45			
1936	73.64	74	74			
1937	531.89	532	532			
1939	100.05	100	100			
1940	956.27	956	956			
1941	898.87	899	899			
1942	629.69	630	630			
1943	248.82	249	249			
1944	261.20	261	261			
1945	217.29	217	217			
1946	820.91	821	821			
1947	921.97	922	922			
1948	1,216.34	1,216	1,216			
1949	1,134.41	1,134	1,134			
1950	567.10	567	567			
1951	543.96	544	544			
1952	1,053.47	1,053	1,053			
1953	1,069.33	1,069	1,069			
1954	633.57	634	634			
1955	741.69	742	742			
1956	1,395.06	1,395	1,395			
1957	2,346.89	2,347	2,347			
1958	2,203.34	2,203	2,203			
1959	3,274.42	3,274	3,274			
1960	2,528.27	2,511	2,528			
1961	2,559.62	2,515	2,560			
1962	1,874.02	1,820	1,874			
1963	2,029.56	1,948	2,030			
1964	2,616.00	2,482	2,616			
1965	1,273.78	1,194	1,274			
1966	2,269.62	2,102	2,270			
1967	1,324.41	1,212	1,324			
1968	1,734.23	1,567	1,727	7	3.50	2
1969	3,425.35	3,056	3,368	57	3.56	16
1970	1,286.76	1,133	1,248	39	3.90	10
1971	668.05	581	640	28	4.67	6
1972	1,383.67	1,187	1,308	76	4.75	16
1973	761.21	644	710	51	5.10	10
1974	719.26	600	661	58	5.27	11
1975	963.27	792	873	90	6.00	15
1977	536.39	428	472	64	6.40	10
1978	215.76	170	187	29	7.25	4
1980	9.48	7	8	1		
1981	87.81	66	73	15	7.50	2
1983	39.62	33	36	4		
1984	99.50	82	90	10	10.00	1
1988	14.12	11	12	2		
1990	20.61	16	18	3		
1991	96.00	72	79	17	8.50	2
1996	73.72	51	56	18	18.00	1
1999	618.21	407	449	169	14.08	12

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

2023	11,419.39	1,223	1,348	10,072	20.14	500
	62,777.57	50,038	51,967	10,811		618

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.50 0.98

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1906	29.99	30	30			
1923	95.58	92	96			
1925	385.22	367	385			
1930	2,807.06	2,611	2,807			
1931	435.00	403	435			
1934	601.82	551	602			
1937	1,286.00	1,163	1,286			
1938	651.10	587	651			
1939	189.89	170	190			
1940	636.24	568	636			
1942	77.88	69	78			
1943	2,016.88	1,779	2,017			
1945	452.54	395	453			
1946	2,458.57	2,138	2,459			
1947	904.95	783	905			
1948	1,112.43	958	1,112			
1949	221.89	190	222			
1951	66.26	56	66			
1952	571.42	482	571			
1955	411.60	341	412			
1958	1,144.69	929	1,145			
1959	31,709.01	25,531	31,709			
1960	1,570.53	1,255	1,571			
1961	3,625.00	2,873	3,625			
1962	1,076.72	846	1,077			
1963	680.33	530	680			
1964	4,511.67	3,482	4,512			
1965	831.40	635	831			
1966	114.36	87	114			
1968	36,991.24	27,392	36,991			
1969	245.28	180	245			
1971	2,313.81	1,654	2,314			
1972	612.48	432	612			
1974	22,623.29	15,535	22,116	507	18.78	27
1975	3,901.22	2,640	3,758	143	20.43	7
1976	208.11	139	198	10	10.00	1
1977	26,345.91	17,305	24,636	1,710	20.60	83
1979	2,212.93	1,407	2,003	210	21.00	10
1980	97,670.75	61,061	86,930	10,741	22.47	478
1981	643.50	395	562	82	20.50	4
1982	5,146.63	3,104	4,419	728	23.48	31
1983	4,071.13	2,694	3,835	236	21.45	11
1984	20,420.45	13,277	18,902	1,518	22.32	68
1985	5,137.69	3,281	4,671	467	23.35	20
1986	3,301.96	2,069	2,946	356	23.73	15
1987	20,490.35	12,595	17,931	2,559	24.14	106
1988	10,481.87	6,314	8,989	1,493	24.88	60
1989	22,648.83	13,363	19,024	3,625	25.35	143
1990	2,552.29	1,473	2,097	455	25.28	18
1991	41,020.96	23,152	32,960	8,061	26.52	304
1992	106,311.11	58,620	83,455	22,856	27.18	841
1994	130,682.51	68,569	97,618	33,065	28.46	1,162
1995	18,382.83	9,394	13,374	5,009	29.12	172
1997	10,281.55	4,967	7,071	3,211	30.29	106
1999	18,151.93	8,248	11,742	6,410	31.73	202

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

2001	18,550.28	7,927	11,285	7,265	32.73	222
2002	28,964.69	11,936	16,993	11,972	33.44	358
2005	7,907.93	2,890	4,114	3,794	35.46	107
2006	7,372.59	2,577	3,669	3,704	36.31	102
2008	46,189.52	14,642	20,845	25,345	37.55	675
2012	1,028,723.58	258,107	367,456	661,268	40.06	16,507
2013	4,370.54	1,020	1,452	2,919	40.54	72
2014	54,393.11	11,798	16,796	37,597	41.22	912
2017	33,443.06	5,461	7,775	25,668	43.14	595
2019	2,790.13	353	503	2,287	43.98	52
2021	19,981.66	1,782	2,536	17,445	45.08	387
	1,926,213.73	727,654	1,023,500	902,713		23,858

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.80 1.24

SURVIVOR CURVE: IOWA 25-L1
NET SALVAGE PERCENT: 0

1921	6,345.07	6,345	6,345	
1933	5.00	5	5	
1942	23.70	24	24	
1965	620.40	537	620	
1974	1,086.16	865	1,086	
1981	177.94	131	178	
1982	113.94	83	114	
1985	312.58	268	313	
1994	198.47	156	198	
1995	16.42	13	16	
1997	314.81	238	1,562	(1,247)
	9,214.49	8,665	10,461	(1,247)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-L1
NET SALVAGE PERCENT: 0

1921	1,219.94	1,220	1,220			
1945	420.81	411	333	88	1.00	88
1954	1,258.20	1,161	939	319	2.01	159
1979	31.01	23	19	12	6.00	2
1984	30.56	26	20	10	10.00	1
	2,960.52	2,841	2,531	429		250

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.70 8.44

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1875	75.41	75	75			
1886	521.89	522	522			
1889	52.23	52	52			
1890	36,476.04	36,476	36,476			
1891	140.55	141	141			
1892	2,502.95	2,503	2,503			
1893	4,595.79	4,596	4,596			
1894	17,812.81	17,813	17,813			
1895	7,774.35	7,760	7,774			
1896	2,813.91	2,794	2,814			
1897	6,600.03	6,525	6,600			
1898	28,600.17	28,125	28,600			
1899	45,385.23	44,408	45,385			
1900	45,087.72	43,887	45,088			
1901	76,042.37	73,633	76,042			
1902	62,370.64	60,068	62,371			
1903	63,442.02	60,768	63,442			
1904	46,002.99	43,823	46,003			
1905	106,521.27	100,933	106,521			
1906	18,502.80	17,444	18,503			
1907	106,421.39	99,839	106,421			
1908	89,111.70	83,230	89,112			
1909	24,002.03	22,322	24,002			
1910	30,907.70	28,630	30,908			
1911	3,386.82	3,125	3,387			
1912	2,881.07	2,648	2,881			
1913	34,780.18	31,848	34,780			
1914	39,949.19	36,446	39,949			
1915	6,617.37	6,015	6,617			
1916	15,369.22	13,915	15,369			
1917	39,674.04	35,774	39,674			
1918	24,506.13	22,010	24,506			
1919	21,981.63	19,658	21,982			
1920	30,004.99	26,723	30,005			
1921	8,830.44	7,829	8,830			
1922	84,338.05	74,451	84,338			
1923	33,571.78	29,502	33,572			
1924	36,803.99	32,190	36,804			
1925	39,172.04	34,098	39,088	84	8.40	10
1926	16,199.35	14,034	16,088	111	8.54	13
1927	58,591.24	50,506	57,898	693	9.00	77
1928	22,450.27	19,255	22,073	377	9.20	41
1929	44,700.26	38,146	43,729	971	9.52	102
1930	30,101.20	25,554	29,294	807	9.84	82
1931	28,845.25	24,359	27,924	921	10.12	91
1932	8,394.86	7,052	8,084	311	10.37	30
1933	11,553.05	9,651	11,063	490	10.65	46
1934	3,362.15	2,793	3,202	160	10.67	15
1935	8,335.35	6,886	7,894	441	11.31	39
1936	3,639.03	2,989	3,426	213	11.83	18
1937	15,985.98	13,054	14,965	1,021	11.87	86
1938	37,256.37	30,247	34,674	2,582	12.24	211
1939	82,912.80	66,904	76,696	6,217	12.56	495
1940	29,422.35	23,592	27,045	2,377	12.85	185
1941	180,288.06	143,648	164,672	15,616	13.21	1,182

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1942	42,612.26	33,736	38,674	3,938	13.53	291
1943	36,458.71	28,673	32,869	3,590	13.86	259
1944	123,212.15	96,239	110,324	12,888	14.23	906
1945	90,964.96	70,561	80,888	10,077	14.58	691
1946	51,802.18	39,895	45,734	6,068	14.95	406
1947	52,329.20	40,012	45,868	6,461	15.31	422
1948	16,505.10	12,526	14,359	2,146	15.66	137
1949	52,849.12	39,800	45,625	7,224	16.05	450
1950	55,758.64	41,665	47,763	7,996	16.42	487
1951	54,549.84	40,426	46,343	8,207	16.82	488
1952	65,598.85	48,210	55,266	10,333	17.22	600
1953	101,582.01	74,030	84,865	16,717	17.63	948
1954	56,930.88	41,122	47,140	9,791	18.06	542
1955	53,471.76	38,278	43,880	9,592	18.48	519
1956	315,979.17	224,102	256,901	59,078	18.90	3,126
1957	484,762.51	340,526	390,364	94,399	19.34	4,881
1958	187,931.49	130,742	149,877	38,054	19.78	1,924
1959	322,402.38	222,013	254,506	67,896	20.24	3,355
1960	243,795.33	166,156	190,474	53,321	20.70	2,576
1961	93,689.27	63,176	72,422	21,267	21.16	1,005
1962	180,425.02	120,329	137,940	42,485	21.65	1,962
1963	243,737.14	160,715	184,237	59,500	22.14	2,687
1964	235,566.78	153,554	176,028	59,539	22.63	2,631
1965	159,784.98	102,925	117,989	41,796	23.13	1,807
1966	210,256.55	133,788	153,369	56,888	23.64	2,406
1967	270,395.12	169,892	194,757	75,638	24.16	3,131
1968	197,279.32	122,343	140,249	57,030	24.69	2,310
1969	619,881.63	379,368	434,891	184,991	25.22	7,335
1970	108,220.21	65,331	74,893	33,327	25.76	1,294
1971	491,669.82	292,657	335,489	156,181	26.31	5,936
1972	1,347,503.73	790,473	906,164	441,340	26.87	16,425
1973	535,280.82	309,312	354,582	180,699	27.44	6,585
1974	699,092.96	397,840	456,067	243,026	28.01	8,676
1975	997,919.51	558,985	640,796	357,124	28.59	12,491
1976	574,880.53	316,805	363,172	211,709	29.18	7,255
1977	1,226,761.82	664,905	762,219	464,543	29.77	15,604
1978	597,088.21	318,111	364,669	232,419	30.37	7,653
1979	712,097.33	372,698	427,245	284,852	30.98	9,195
1980	853,423.94	438,532	502,714	350,710	31.60	11,098
1981	722,056.59	364,140	417,435	304,622	32.22	9,454
1982	746,578.78	369,273	423,319	323,260	32.85	9,840
1983	495,749.24	296,508	339,904	155,845	28.50	5,468
1984	880,508.27	517,827	593,615	286,893	29.01	9,889
1985	2,111,376.29	1,220,375	1,398,986	712,390	29.51	24,141
1986	829,185.62	470,646	539,528	289,658	30.03	9,646
1987	328,958.25	183,230	210,047	118,911	30.55	3,892
1988	2,101,102.72	1,147,832	1,315,825	785,278	31.08	25,266
1989	774,400.60	414,537	475,207	299,194	31.61	9,465
1990	601,377.89	315,242	361,380	239,998	32.15	7,465
1991	1,292,934.22	663,017	760,054	532,880	32.70	16,296
1992	1,522,065.67	762,859	874,509	647,557	33.25	19,475
1993	523,691.94	258,023	295,787	227,905	33.38	6,828
1994	611,624.94	294,008	337,038	274,587	33.94	8,090
1995	602,916.26	282,406	323,738	279,178	34.52	8,087
1996	935,976.24	426,805	489,271	446,705	35.10	12,727

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1997	2,110,700.40	935,673	1,072,616	1,038,084	35.69	29,086
1998	446,589.49	193,463	221,778	224,811	35.87	6,267
1999	532,708.60	223,738	256,484	276,225	36.48	7,572
2000	852,677.64	346,784	397,538	455,140	37.08	12,275
2001	933,096.94	369,133	423,158	509,939	37.31	13,668
2002	231,923.94	88,525	101,481	130,443	37.93	3,439
2003	1,241,174.27	459,110	526,304	714,870	38.19	18,719
2004	521,964.71	185,558	212,716	309,249	38.83	7,964
2005	824,695.14	282,870	324,270	500,425	39.11	12,795
2006	558,026.41	184,205	211,165	346,861	39.41	8,801
2007	1,603,955.80	505,086	579,009	1,024,947	40.06	25,585
2008	2,432,463.99	732,901	840,166	1,592,298	40.39	39,423
2009	1,478,184.83	424,683	486,838	991,347	40.73	24,339
2010	1,879,876.35	513,018	588,102	1,291,774	41.08	31,445
2011	5,132,612.57	1,324,727	1,518,610	3,614,003	41.45	87,189
2012	2,270,720.03	551,331	632,022	1,638,698	41.83	39,175
2013	2,988,337.65	682,835	782,773	2,205,565	41.93	52,601
2014	2,172,840.23	461,511	529,057	1,643,783	42.34	38,823
2015	1,596,414.83	314,334	360,339	1,236,076	42.49	29,091
2016	289,492.25	52,340	60,000	229,492	42.67	5,378
2017	1,081,146.09	178,389	204,498	876,648	42.60	20,579
2018	1,706,596.49	251,894	288,761	1,417,835	42.83	33,104
2019	4,743,287.54	618,050	708,506	4,034,782	42.84	94,183
2020	2,591,280.97	292,037	334,779	2,256,502	42.66	52,895
2021	1,462,713.53	138,226	158,456	1,304,258	42.31	30,826
2022	4,233,205.04	319,607	366,384	3,866,821	41.83	92,441
2023	2,600,189.54	145,091	166,326	2,433,864	40.87	59,551
2024	1,709,188.65	59,480	68,185	1,641,004	39.24	41,820
2025	1,453,477.16	34,593	39,656	1,413,821	37.55	37,652
	81,350,164.33	28,157,640	32,189,505	49,160,659		1,295,932

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.90 1.59

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

1936	305.23	305	305			
1938	3,171.28	3,171	3,171			
1942	255.76	256	256			
1944	284.18	284	284			
1946	11.02	11	11			
1948	1,830.53	1,831	1,831			
1953	52,491.60	52,492	52,492			
1955	479.09	479	479			
1956	33,800.67	33,579	33,107	694	1.00	694
1957	5,359.29	5,272	5,198	161	1.00	161
1959	100.53	97	96	5	1.25	4
1963	1,841.23	1,703	1,679	162	2.61	62
1964	419.25	384	379	40	2.86	14
1968	579.93	509	502	78	4.33	18
1969	221.27	192	189	32	4.57	7
1970	1,226.38	1,052	1,037	189	4.97	38
1971	117,537.02	99,671	98,270	19,267	5.32	3,622
1972	108.27	91	90	18	6.00	3
1973	674.98	559	551	124	5.90	21
1974	431,175.23	352,947	347,987	83,188	6.35	13,100
1976	3,657.60	2,922	2,881	777	7.06	110
1977	34,387.95	27,117	26,736	7,652	7.40	1,034
1978	13,478.77	10,490	10,343	3,136	7.76	404
1979	6,137.66	4,714	4,648	1,490	8.14	183
1980	188.21	143	141	47	7.83	6
1981	8,675.45	6,482	6,391	2,284	8.85	258
1982	3,507.78	2,583	2,547	961	9.24	104
1984	1,279.85	1,049	1,034	246	9.11	27
1985	214,542.46	174,294	171,845	42,697	9.33	4,576
1986	17,659.90	14,131	13,932	3,728	9.84	379
1987	2,786.28	2,205	2,174	612	10.20	60
1988	49,235.99	38,503	37,962	11,274	10.43	1,081
1989	59,265.13	45,753	45,110	14,155	10.75	1,317
1990	129,325.31	98,481	97,097	32,228	11.09	2,906
1991	6,677.36	5,010	4,940	1,737	11.43	152
1992	218,806.20	162,310	160,029	58,777	11.63	5,054
1993	42,865.41	31,266	30,827	12,038	12.03	1,001
1994	127,566.85	91,772	90,482	37,085	12.25	3,027
1995	1,718,078.83	1,212,448	1,195,410	522,669	12.69	41,187
1996	74,307.02	51,584	50,859	23,448	12.96	1,809
1997	20,193.55	13,715	13,522	6,672	13.42	497
1998	109,677.40	73,067	72,040	37,637	13.74	2,739
1999	182,541.07	119,108	117,434	65,107	14.07	4,627
2000	131,759.21	84,062	82,881	48,878	14.42	3,390
2001	34,836.33	21,689	21,384	13,452	14.80	909
2002	6,687,528.21	4,071,367	4,014,154	2,673,374	15.05	177,633
2003	1,456,829.70	862,152	850,037	606,793	15.46	39,249
2004	820,297.00	472,573	465,932	354,365	15.76	22,485
2005	1,401,347.54	781,111	770,134	631,214	16.21	38,940
2006	1,960,879.99	1,058,483	1,043,609	917,271	16.55	55,424
2007	5,312,675.83	2,768,967	2,730,056	2,582,620	16.92	152,637
2008	2,294,621.36	1,150,982	1,134,808	1,159,813	17.31	67,002
2009	3,593,598.31	1,734,271	1,709,900	1,883,698	17.60	107,028
2010	1,978,995.48	912,317	899,497	1,079,498	18.03	59,872
2011	1,015,276.39	446,417	440,144	575,132	18.37	31,308

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

2012	160,014.49	66,550	65,615	94,399	18.84	5,011
2013	263,983.47	103,587	102,131	161,852	19.23	8,417
2014	134,354.47	49,550	48,854	85,500	19.54	4,376
2015	164,299.48	56,305	55,514	108,785	19.98	5,445
2016	174,711.47	55,121	54,346	120,365	20.43	5,892
2017	1,167,263.40	335,938	331,217	836,046	20.82	40,156
2018	190,466.80	49,293	48,600	141,867	21.24	6,679
2019	1,190,006.26	272,630	268,799	921,207	21.59	42,668
2020	441,283.66	87,021	85,798	355,486	22.05	16,122
2021	3,988,152.04	655,253	646,045	3,342,107	22.47	148,736
2022	4,020,893.75	523,520	516,163	3,504,731	22.83	153,514
2023	1,061,212.82	99,966	98,561	962,652	23.23	41,440
2024	5,404,691.97	306,446	302,140	5,102,552	23.58	216,393
2025	41,522.16	1,545	1,523	39,999	23.71	1,687
	48,788,216.36	19,771,148	19,494,140	29,294,076		1,542,695

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.00 3.16

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1898	63.63	64	64			
1918	8.14	8	8			
1921	18.75	19	19			
1923	7.74	8	8			
1924	39.84	40	40			
1925	40.21	40	40			
1926	548.53	549	549			
1927	94.68	95	95			
1928	56.54	57	57			
1929	186.99	187	187			
1930	22.23	22	22			
1931	65.94	66	66			
1932	44.67	45	45			
1933	8.88	9	9			
1934	711.25	711	711			
1935	11.22	11	11			
1936	491.83	492	492			
1937	149.14	149	149			
1938	145.26	145	145			
1939	222.73	223	223			
1940	570.86	571	571			
1941	365.00	365	365			
1942	1,037.60	1,038	1,038			
1943	281.55	282	282			
1944	285.03	284	285			
1945	362.59	352	363			
1946	721.45	687	721			
1947	425.88	402	426			
1948	692.69	649	693			
1949	1,867.05	1,738	1,867			
1950	333.77	309	334			
1951	535.45	492	535			
1952	3,734.08	3,413	3,734			
1953	9,873.74	8,960	9,874			
1954	10,638.98	9,591	10,639			
1955	2,384.74	2,136	2,385			
1956	6,064.18	5,394	6,064			
1957	4,932.69	4,356	4,933			
1958	6,369.67	5,586	6,370			
1959	2,764.71	2,407	2,765			
1960	3,812.13	3,294	3,812			
1961	5,498.39	4,715	5,498			
1962	4,594.65	3,908	4,595			
1963	3,696.81	3,120	3,697			
1964	5,113.80	4,280	5,114			
1965	4,173.68	3,466	4,174			
1966	4,430.39	3,648	4,430			
1967	5,043.03	4,115	5,043			
1968	8,020.16	6,488	8,020			
1969	12,602.57	10,101	12,603			
1970	4,759.17	3,781	4,759			
1971	14,785.42	11,636	14,785			
1972	7,088.03	5,522	7,088			
1973	12,894.47	9,948	12,894			
1974	23,255.32	17,755	23,139	116	4.64	25

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1975	63,281.47	47,809	62,307	974	4.89	199
1976	40,036.32	29,927	39,002	1,034	5.04	205
1977	54,570.46	40,355	52,592	1,978	5.21	380
1978	96,184.07	70,311	91,632	4,552	5.38	846
1979	95,811.38	69,224	90,215	5,596	5.55	1,008
1980	30,973.93	22,100	28,802	2,172	5.73	379
1981	71,976.20	50,743	66,130	5,846	5.90	991
1982	70,222.41	48,875	63,696	6,526	6.08	1,073
1983	64,615.14	57,010	64,615			
1984	30,308.54	26,487	30,309			
1985	61,790.08	53,696	61,790			
1986	102,499.87	88,478	102,500			
1987	35,766.84	30,641	35,767			
1988	115,418.15	98,463	115,418			
1989	65,185.78	55,075	65,186			
1990	96,724.79	81,191	96,725			
1991	158,119.23	131,698	158,119			
1992	29,377.62	24,248	29,378			
1993	19,402.45	15,850	19,402			
1994	106,062.04	85,634	106,062			
1995	11,890.54	9,512	11,891			
1996	7,154.07	5,661	7,154			
1997	13,306.12	10,399	13,306			
1998	8,035.94	6,191	8,036			
1999	91.55	70	92			
2000	1,544.13	1,158	1,544			
2002	8,688.46	6,328	8,688			
2003	6,821.77	4,878	6,807	15	7.50	2
2004	8,162.73	5,734	8,001	162	9.00	18
2005	9,288.88	6,391	8,918	371	9.28	40
2006	6,911.05	4,657	6,498	413	9.39	44
2007	42.13	28	39	3		
2008	11,306.98	7,247	10,112	1,195	9.80	122
2009	1,030,626.43	642,905	897,079	133,547	9.90	13,490
2010	91,350.96	55,350	77,233	14,118	10.03	1,408
2011	188,760.14	110,764	154,555	34,205	10.15	3,370
2013	28,500.44	15,499	21,627	6,873	10.41	660
2017	17,701.28	7,778	10,853	6,848	10.73	638
2020	20,439.63	6,831	9,532	10,908	10.79	1,011
2021	227,237.22	66,240	92,428	134,809	10.73	12,564
2022	203,879.04	49,604	69,214	134,665	10.63	12,668
2023	3,652.29	688	960	2,692	10.43	258
	3,490,666.48	2,299,457	2,981,049	509,617		51,399

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.90 1.47

SURVIVOR CURVE: IOWA 23-L1
NET SALVAGE PERCENT: 0

2004	16,266.98	11,322	10,785	5,482	9.35	586
2005	26,138.29	17,824	16,979	9,159	9.52	962
2006	14,141.38	9,418	8,971	5,170	9.74	531
2008	9,645.75	6,098	5,809	3,837	10.12	379
	66,192.40	44,662	42,544	23,648		2,458

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.60 3.71

SURVIVOR CURVE: IOWA 55-L4
NET SALVAGE PERCENT: 0

1967	764.79	621	527	238	10.35	23
1969	4,194.89	3,386	2,876	1,319	10.64	124
1970	49.41	40	34	15	15.00	1
1976	93.45	73	62	31	10.33	3
1977	2,088.06	1,611	1,368	720	12.63	57
1979	9,290.53	7,017	5,960	3,331	13.49	247
1989	342.71	230	195	148	18.50	8
	16,823.84	12,978	11,022	5,802		463

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.50 2.75

SURVIVOR CURVE: IOWA 70-R3
NET SALVAGE PERCENT: 0

1916	922.66	895	923			
1925	257.87	242	258			
1926	459.25	429	459			
1929	64.04	59	64			
1940	198.63	175	199			
1941	73.96	65	74			
1942	442.68	386	443			
1943	166.39	144	166			
1945	66.96	57	67			
1946	558.07	476	558			
1947	1,450.95	1,230	1,451			
1948	1,558.71	1,314	1,559			
1949	1,239.91	1,038	1,240			
1953	162.40	132	162			
1954	2,117.36	1,710	2,117			
1955	437.08	350	437			
1961	890.72	675	871	20	20.00	1
1962	39.11	29	37	2		
1965	87.33	63	81	6		
1966	1,016.02	728	939	77	19.25	4
1967	169.49	120	155	14	14.00	1
1968	1,932.65	1,351	1,743	190	21.11	9
1969	1,120.00	772	996	124	20.67	6
1970	644.80	439	566	79	19.75	4
1972	392.00	259	334	58	29.00	2
1973	1,159.09	755	974	185	23.13	8
1974	448.00	288	372	76	25.33	3
1977	280.00	171	221	59	29.50	2
1979	60.66	36	46	15	15.00	1
1980	112.00	65	84	28	28.00	1
1983	1,456.00	871	1,124	332	27.67	12
1985	1,400.00	809	1,044	356	29.67	12
1986	409.02	231	298	111	27.75	4
1987	441.00	244	315	126	31.50	4
1993	875.00	420	542	333	37.00	9
2000	2,875.00	1,111	1,433	1,442	40.06	36
2004	17,233.24	5,684	7,332	9,901	43.43	228
2006	19,252.16	5,795	7,476	11,776	45.12	261
2024	54,760.21	1,298	1,674	53,086	58.46	908
2025	21,297.60	328	424	20,874	58.63	356
	138,528.02	31,244	39,258	99,270		1,872

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.00 1.35

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

1922	2,829.48	2,731	2,247	582	2.09	278
1926	27,541.11	26,077	21,454	6,087	3.19	1,908
1937	16,189.19	14,473	11,907	4,282	6.36	673
1938	95.25	85	70	25	6.25	4
1940	400.17	352	290	110	7.33	15
1945	426.05	364	299	127	9.07	14
1946	58.82	50	41	18	9.00	2
1947	1,202.28	1,014	834	368	9.44	39
1949	1,543.88	1,286	1,058	486	10.13	48
1950	5,236.77	4,331	3,563	1,674	10.40	161
1951	3,014.62	2,476	2,037	978	10.75	91
1952	740.00	603	496	244	11.09	22
1953	2,900.60	2,348	1,932	969	11.40	85
1955	19,384.40	15,453	12,713	6,671	12.17	548
1956	3,782.70	2,991	2,461	1,322	12.59	105
1957	6,109.86	4,792	3,942	2,168	12.90	168
1958	1,371.20	1,066	877	494	13.35	37
1959	1,334.85	1,029	847	488	13.94	35
1963	3,163.12	2,347	1,931	1,232	15.40	80
1964	41.65	31	26	16	16.00	1
1965	1,891.52	1,375	1,131	761	16.54	46
1966	509.61	366	301	209	17.42	12
1967	126.88	90	74	53	17.67	3
1968	1,796.46	1,262	1,038	758	18.05	42
1969	2,701.00	1,874	1,542	1,159	18.40	63
1970	537.68	368	303	235	19.58	12
1971	551.41	373	307	244	18.77	13
1972	13,370.77	8,927	7,344	6,027	19.96	302
1973	3,559.13	2,344	1,928	1,631	20.39	80
1974	28,324.75	18,388	15,128	13,197	21.05	627
1975	218.60	140	115	104	20.80	5
1976	85.52	54	44	42	21.00	2
1977	1,110.04	689	567	543	22.63	24
1981	1,050.11	609	501	549	24.95	22
1982	80.70	46	38	43	21.50	2
1986	7,180.22	4,415	3,632	3,548	24.64	144
1987	3,015.84	1,819	1,497	1,519	25.32	60
1989	23,593.89	13,661	11,239	12,355	26.46	467
1992	43,447.38	23,666	19,470	23,977	27.95	858
1993	41,380.63	21,998	18,098	23,283	28.57	815
1994	10,078.67	5,225	4,299	5,780	29.19	198
1995	2,597.85	1,312	1,079	1,519	29.78	51
1996	79,849.12	39,461	32,465	47,384	30.10	1,574
1997	26,972.82	12,952	10,656	16,317	30.79	530
1998	586,849.01	273,530	225,037	361,812	31.41	11,519
1999	21,627.73	9,769	8,037	13,591	32.05	424
2000	177,972.01	78,254	64,381	113,591	32.39	3,507
2001	15,235.14	6,472	5,325	9,910	33.03	300
2002	15,519.54	6,360	5,232	10,288	33.73	305
2003	330,001.37	130,945	107,730	222,271	34.08	6,522
2004	149,518.06	56,996	46,891	102,627	34.77	2,952
2006	158,602.08	55,733	45,852	112,750	35.83	3,147
2007	111,088.83	37,237	30,636	80,453	36.54	2,202
2008	3,484.86	1,117	919	2,566	37.19	69
2010	6,944.58	2,002	1,647	5,298	38.12	139

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

2014	82,977.62	18,380	15,122	67,856	40.13	1,691
2015	29,547.03	6,063	4,988	24,559	40.33	609
2017	52,907.60	8,952	7,365	45,543	41.33	1,102
2020	250,885.11	28,551	23,489	227,396	42.20	5,389
2025	15,997.02	354	291	15,706	40.58	387
	2,400,554.19	966,028	794,763	1,605,791		50,530

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 31.80 2.10

SURVIVOR CURVE: IOWA 60-R1.5
NET SALVAGE PERCENT: 0

1916	2,539.39	2,384	(4,241)	6,780	3.68	1,842
1917	5.00	5	5			
1924	7,454.45	6,760	(12,026)	19,480	5.59	3,485
1925	5,143.95	4,646	(8,265)	13,409	5.81	2,308
1927	196.72	176	(313)	510	6.30	81
1928	2,962.00	2,639	(4,695)	7,657	6.54	1,171
1929	3,668.00	3,253	(5,787)	9,455	6.79	1,392
1939	105.27	89	(158)	263	9.39	28
1942	7,724.97	6,380	(11,350)	19,075	10.45	1,825
1943	6,312.63	5,182	(9,219)	15,532	10.75	1,445
1945	320.90	260	(463)	784	11.36	69
1946	9,434.59	7,595	(13,512)	22,947	11.70	1,961
1947	31,470.78	25,161	(44,763)	76,234	12.03	6,337
1948	30,463.44	24,188	(43,032)	73,495	12.36	5,946
1949	2,709.44	2,136	(3,800)	6,509	12.69	513
1950	10,150.94	7,945	(14,135)	24,286	13.04	1,862
1951	0.98	1	1			
1952	12.10	9	(16)	28	14.00	2
1953	23.42	18	(32)	55	13.75	4
1961	121.49	86	(153)	274	17.13	16
1962	479.82	338	(601)	1,081	17.72	61
1966	2.80	2	(4)	7		
1967	276.82	184	(327)	604	20.13	30
1968	487.45	321	(571)	1,058	20.35	52
1970	285.49	183	(326)	611	21.82	28
1972	27,301.90	17,032	(30,301)	57,603	22.57	2,552
1973	7,216.69	4,438	(7,895)	15,112	23.11	654
1974	8,276.21	5,015	(8,922)	17,198	23.66	727
1975	13,432.20	8,017	(14,263)	27,695	24.19	1,145
1979	537.37	300	(534)	1,071	26.78	40
1981	11,275.70	6,080	(10,817)	22,093	27.65	799
1983	175.10	110	(196)	371	24.73	15
1984	67,726.27	42,072	(74,849)	142,575	25.25	5,647
1989	81,086.07	46,065	(81,952)	163,038	27.69	5,888
1990	27,260.97	15,157	(26,965)	54,226	28.29	1,917
1991	52,170.80	28,370	(50,472)	102,643	28.87	3,555
1992	32,064.02	17,036	(30,308)	62,372	29.48	2,116
1993	393.40	205	(365)	758	29.15	26
1995	564.33	280	(498)	1,062	31.24	34
1997	273,774.80	129,140	(229,748)	503,523	31.83	15,819
1998	306,931.44	141,373	(251,511)	558,442	32.11	17,392
1999	3,351.15	1,496	(2,661)	6,012	32.67	184
2000	106,746.74	46,392	(82,535)	189,282	33.06	5,725
2002	3,116.50	1,270	(2,259)	5,376	34.03	158
2004	18,369.13	6,964	(12,389)	30,758	35.07	877
2005	55,609.98	20,325	(36,160)	91,770	35.45	2,589
2006	82,093.99	28,848	(51,323)	133,417	35.83	3,724
2017	18,139.98	3,191	(5,677)	23,817	39.43	604
2021	10,101.22	1,021	(1,816)	11,917	39.20	304
	1,330,068.80	670,138	(1,192,199)	2,522,268		102,949

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.50 7.74

SURVIVOR CURVE: IOWA 55-R1
NET SALVAGE PERCENT: 0

1916	605.74	601	161	445	1.00	445
1917	668.16	660	176	492	1.00	492
1924	2,632.59	2,487	665	1,968	3.04	647
1925	2,486.30	2,335	624	1,862	3.35	556
1943	7,470.84	6,254	1,672	5,799	8.96	647
1945	2,654.21	2,188	585	2,069	9.67	214
1946	5,867.60	4,800	1,283	4,585	10.01	458
1947	9,284.22	7,534	2,014	7,270	10.37	701
1948	7,620.75	6,134	1,640	5,981	10.74	557
1949	37.27	30	8	29	9.67	3
1950	2,385.00	1,888	505	1,880	11.46	164
1952	39.26	31	8	31	10.33	3
1953	260.58	201	54	207	12.94	16
1961	270.09	192	51	219	15.64	14
1966	137.13	92	25	112	18.67	6
1967	811.69	538	144	668	18.56	36
1968	7.19	5	1	6		
1971	5,491.18	3,446	921	4,570	20.49	223
1972	20,815.26	12,875	3,443	17,372	20.98	828
1973	27,644.52	16,848	4,505	23,140	21.49	1,077
1974	9,148.74	5,493	1,469	7,680	22.01	349
1975	11,012.38	6,509	1,740	9,272	22.50	412
1977	14,646.32	8,380	2,241	12,405	23.54	527
1979	2,065.00	1,141	305	1,760	24.44	72
1981	16,753.06	8,928	2,387	14,366	25.70	559
1982	31,603.62	16,520	4,417	27,187	26.24	1,036
1984	27,487.19	17,531	4,688	22,799	23.53	969
1986	16,462.41	10,187	2,724	13,738	24.27	566
1989	24,459.08	14,340	3,834	20,625	25.68	803
1991	10,795.83	6,093	1,629	9,167	26.57	345
1992	7,004.82	3,886	1,039	5,966	26.87	222
1993	485.00	263	70	415	27.67	15
1994	287.22	152	41	246	27.33	9
1995	846.49	438	117	729	28.04	26
1997	13,420.80	6,635	1,774	11,647	29.04	401
1998	22,258.79	10,740	2,872	19,387	29.42	659
1999	281,659.19	132,436	35,413	246,246	29.76	8,274
2000	62,780.48	28,722	7,680	55,100	30.14	1,828
2008	19,276.12	6,646	1,777	17,499	33.08	529
2014	30,188.89	7,547	2,018	28,171	34.23	823
2015	1,799.88	418	112	1,688	34.45	49
2019	5,714.85	902	241	5,474	34.21	160
	707,345.74	363,046	97,073	610,273		25,720

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.70 3.64

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1904	35.14	35	35	
1909	75.00	75	75	
1910	211.00	211	211	
1915	26.50	26	26	
1916	58.95	59	59	
1921	17.70	18	18	
1938	58.48	55	58	
1939	330.37	310	330	
1940	19.39	18	19	
1941	201.71	188	202	
1942	29.19	27	29	
1943	27.92	26	28	
1944	102.32	94	102	
1945	7,165.82	6,544	7,166	
1946	114.97	104	115	
1947	1,278.03	1,156	1,278	
1948	4,414.39	3,973	4,414	
1949	330.99	296	331	
1950	69,383.58	61,821	69,384	
1951	60,361.90	53,501	60,362	
1952	1,628.76	1,436	1,629	
1953	40.65	36	41	
1955	52.58	46	53	
1958	453.12	385	453	
1969	320.54	246	321	
1970	249.81	190	250	
1974	465.47	336	465	
1975	12,797.48	9,103	12,797	
1979	1,684.94	1,126	1,686	(1)
	161,936.70	141,441	161,937	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 65-R5
NET SALVAGE PERCENT: 0

1939	100.32	99	100			
1941	98.88	97	99			
1944	1,462.95	1,422	1,463			
1947	29.25	28	29			
1948	75.00	72	75			
1949	3,618.25	3,456	3,618			
1950	371.91	354	372			
1960	11.75	11	12			
1964	443.26	387	443			
1982	40,000.00	26,468	32,658	7,342	21.98	334
1992	2,452.89	1,287	1,588	865	29.83	29
1993	12,069.59	6,142	7,578	4,492	31.19	144
1998	306,874.45	132,079	162,966	143,908	36.28	3,967
1999	45,797.43	18,992	23,434	22,364	37.27	600
	413,405.93	190,894	234,435	178,971		5,074

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.30 1.23

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

1969	7,545.31	7,545	7,545			
1970	116.00	116	116			
1971	9,081.22	9,081	9,081			
1972	5,737.14	5,737	5,737			
1975	23,910.35	23,910	23,910			
1994	10,285.35	8,078	8,112	2,173	8.59	253
1997	15,806.90	11,230	11,278	4,529	11.58	391
2011	360,656.23	129,988	130,542	230,115	25.58	8,996
	433,138.50	195,685	196,321	236,818		9,640

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.60 2.23

SURVIVOR CURVE.. 37-SQUARE
NET SALVAGE PERCENT: 0

1971	205,250.77	205,251	205,251
	205,250.77	205,251	205,251

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

1912	8.69	9	9			
1916	1,786.32	1,786	1,786			
1917	363.37	363	363			
1918	25.48	25	25			
1922	42.17	42	42			
1924	5,487.93	5,488	5,488			
1925	1,233.42	1,233	1,233			
1926	63.48	63	63			
1933	19.78	20	20			
1934	57.37	57	57			
1937	19.93	19	20			
1938	3.19	3	3			
1939	84.73	82	85			
1940	531.12	510	531			
1941	1,072.68	1,025	1,073			
1943	570.69	539	571			
1944	332.44	312	332			
1945	146.21	136	146			
1946	12,963.19	12,019	12,963			
1947	3,928.21	3,619	3,928			
1948	9,725.46	8,905	9,725			
1951	265.03	238	265			
1952	12,170.84	10,861	12,171			
1955	2,287.37	2,001	2,287			
1956	44.62	39	45			
1957	445.55	384	446			
1961	568.38	476	568			
1963	70.50	58	70			
1965	42.48	34	42			
1967	4,390.54	3,491	4,391			
1968	94,202.26	74,194	94,202			
1969	10,938.86	8,528	10,939			
1970	25,791.64	19,896	25,792			
1973	40,293.71	30,043	40,294			
1974	8,392.05	6,182	8,392			
1975	1,320.10	960	1,320			
1976	580.66	417	581			
1977	4,755.64	3,367	4,756			
1978	92.88	65	93			
1981	5,347.65	3,565	5,088	260	16.25	16
1983	55,595.37	40,562	55,595			
1984	8,052.76	5,770	8,053			
1986	388.90	270	386	3		
1988	37,073.02	24,832	35,485	1,588	18.47	86
1990	7,473.03	4,843	6,921	552	19.03	29
1991	3,151.27	1,996	2,852	299	19.93	15
1993	14,359.94	8,751	12,505	1,855	20.84	89
1996	5,529.70	3,139	4,486	1,044	22.21	47
1998	350.78	189	270	81	27.00	3
1999	35,898.66	18,775	26,830	9,069	24.12	376
2000	69,766.68	35,462	50,676	19,091	24.57	777
2001	18,927.15	9,289	13,274	5,653	25.35	223
2002	1,771.09	842	1,203	568	25.82	22
2003	4,001.15	1,839	2,628	1,373	26.40	52
2004	380,060.87	168,481	240,763	139,298	26.89	5,180

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

2005	28,863.63	12,316	17,600	11,264	27.41	411
2006	1,601,556.59	656,158	937,663	663,894	27.98	23,727
2007	203,390.61	79,790	114,021	89,370	28.53	3,132
2008	443,981.80	166,271	237,605	206,377	29.09	7,094
2009	7,446.86	2,653	3,791	3,656	29.72	123
2010	36,199.97	12,221	17,464	18,736	30.27	619
2011	87,605.79	27,911	39,885	47,721	30.83	1,548
2012	35,014.56	10,476	14,970	20,045	31.42	638
2013	191,676.67	53,784	76,859	114,818	31.83	3,607
2015	36,772.48	8,847	12,643	24,129	32.87	734
2020	5,277.70	709	1,013	4,265	34.96	122
2023	104,330.04	6,677	9,541	94,789	35.32	2,684
2024	8,405.08	329	470	7,935	34.65	229
2025	4,990.07	131	188	4,802	34.06	141
	3,688,378.84	1,564,367	2,195,845	1,492,534		51,724

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.90 1.40

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1905	38.70	39	39			
1906	41.93	42	42			
1922	200.56	201	201			
1926	1,014.93	1,015	1,015			
1934	391.52	383	336	56	1.02	55
1935	128.05	124	109	19	1.36	14
1937	22,511.68	21,544	18,902	3,610	2.02	1,787
1938	145.79	139	122	24	2.40	10
1940	466.25	437	383	83	2.96	28
1941	125.63	117	103	23	3.29	7
1942	572.30	530	465	107	3.45	31
1947	27.71	25	22	6	6.00	1
1948	155,271.77	139,249	122,170	33,102	4.85	6,825
1949	25,739.84	22,947	20,133	5,607	5.10	1,099
1950	2,385.26	2,114	1,855	530	5.35	99
1951	634.60	559	490	145	5.58	26
1952	12,244.29	10,715	9,401	2,843	5.87	484
1953	83,449.39	72,548	63,650	19,799	6.14	3,225
1954	18,704.44	16,154	14,173	4,531	6.41	707
1955	425.47	365	320	105	6.56	16
1956	41,624.95	35,443	31,096	10,529	6.98	1,508
1957	145.59	123	108	38	7.60	5
1958	4,730.84	3,970	3,483	1,248	7.56	165
1959	26,068.85	21,709	19,046	7,023	7.86	894
1960	1,948.58	1,610	1,413	536	8.12	66
1961	920.95	755	662	259	8.35	31
1962	792.58	645	566	227	8.73	26
1963	108.84	88	77	32	8.00	4
1964	203.72	163	143	61	10.17	6
1965	136.24	108	95	41	10.25	4
1966	1,354.68	1,064	933	422	10.05	42
1967	2,557.52	1,989	1,745	813	10.42	78
1969	16,191.83	12,344	10,830	5,362	11.17	480
1970	40,453.75	30,521	26,778	13,676	11.54	1,185
1971	619.95	463	406	214	11.89	18
1972	6,122.50	4,518	3,964	2,158	12.33	175
1973	3,435.73	2,505	2,198	1,238	12.76	97
1974	78,589.33	56,618	49,674	28,915	13.14	2,201
1975	32,041.97	22,791	19,996	12,046	13.57	888
1976	23,406.17	16,429	14,414	8,992	14.01	642
1977	35,101.16	24,309	21,327	13,774	14.45	953
1978	5,618.23	3,836	3,366	2,252	14.91	151
1979	973.61	655	575	399	15.35	26
1981	6,224.98	4,058	3,560	2,665	16.35	163
1982	73,605.99	47,202	41,413	32,193	16.86	1,909
1983	47,132.52	34,586	30,344	16,789	15.39	1,091
1984	5,390.12	3,907	3,428	1,962	15.70	125
1985	100,116.93	71,213	62,479	37,638	16.40	2,295
1986	232,223.84	162,928	142,945	89,279	16.76	5,327
1987	59,947.73	41,454	36,370	23,578	17.14	1,376
1988	29,804.94	20,297	17,808	11,997	17.54	684
1989	64,130.19	42,974	37,703	26,427	17.93	1,474
1990	560,499.17	367,239	322,197	238,302	18.64	12,784
1991	31,960.30	20,570	18,047	13,913	19.06	730
1992	88,750.73	56,055	49,180	39,571	19.49	2,030

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1993	679,426.85	420,701	369,101	310,326	19.94	15,563
1994	306,019.73	185,540	162,783	143,237	20.40	7,021
1995	82,900.54	49,168	43,137	39,764	20.87	1,905
1996	64,958.21	37,643	33,026	31,932	21.34	1,496
1997	82,354.01	46,571	40,859	41,495	21.83	1,901
1998	182,822.22	100,753	88,396	94,426	22.33	4,229
1999	337,651.23	181,082	158,872	178,779	22.84	7,827
2000	600,376.55	312,796	274,431	325,946	23.37	13,947
2001	17,224.93	8,705	7,637	9,588	23.91	401
2002	829,301.23	407,850	357,827	471,474	24.20	19,482
2003	594,368.52	282,444	247,802	346,567	24.75	14,003
2004	229,810.02	105,322	92,404	137,406	25.31	5,429
2005	62,663.52	27,760	24,355	38,309	25.68	1,492
2006	325,656.73	138,469	121,486	204,171	26.25	7,778
2007	7,253.51	2,965	2,601	4,653	26.59	175
2008	10,850.60	4,233	3,714	7,137	27.24	262
2009	9,456.83	3,525	3,093	6,364	27.67	230
2010	500,623.36	177,521	155,748	344,875	28.06	12,291
2011	111,910.73	37,591	32,980	78,931	28.49	2,770
2012	2,472.89	786	690	1,783	28.76	62
2013	172,160.39	51,304	45,012	127,148	29.25	4,347
2014	3,281,492.57	914,224	802,093	2,479,400	29.57	83,848
2015	67,619.12	17,466	15,324	52,295	29.92	1,748
2016	14,733.81	3,496	3,067	11,667	30.30	385
2017	58,669.93	12,690	11,134	47,536	30.49	1,559
2018	23,260.96	4,520	3,966	19,295	30.77	627
2019	4,053,777.39	697,250	611,731	3,442,046	30.90	111,393
2020	506,922.82	75,532	66,268	440,655	30.95	14,238
2021	44,843.19	5,605	4,917	39,926	30.93	1,291
2023	186,192.81	13,816	12,121	174,072	30.16	5,772
2024	213,746.17	9,961	8,739	205,007	28.98	7,074
2025	312,374.73	9,934	8,716	303,658	27.90	10,884
	15,921,351.22	5,751,609	5,046,330	10,875,021		415,477

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.20 2.61

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1952	1,397.86	1,179	1,398			
1953	416.42	349	416			
1957	250.16	204	250			
1958	11,119.58	9,020	11,120			
1960	8,847.25	7,069	8,847			
1961	18,418.27	14,596	18,418			
1962	908.50	714	908			
1967	458.40	343	458			
1968	5,569.00	4,124	5,569			
1970	588.27	426	588			
1971	6,727.65	4,808	6,728			
1972	393.80	278	394			
1974	1,732.72	1,190	1,719	14	14.00	1
1975	70,183.90	47,503	68,603	1,581	19.28	82
1976	285.91	191	276	10	10.00	1
1980	9,169.57	5,733	8,280	890	22.25	40
1984	2,323.50	1,511	2,182	142	23.67	6
1985	11,116.43	7,099	10,252	864	22.74	38
1986	69,529.45	43,574	62,929	6,600	23.49	281
1987	75,800.20	46,594	67,291	8,509	24.10	353
1988	3,284.80	1,979	2,858	427	25.12	17
1990	8,332.59	4,810	6,947	1,386	26.15	53
1992	6,636.43	3,659	5,284	1,352	27.04	50
1994	9,462.50	4,965	7,170	2,292	28.30	81
1997	26,332.18	12,721	18,372	7,960	30.38	262
1998	23,821.36	11,167	16,127	7,694	31.02	248
1999	29,380.42	13,350	19,280	10,100	31.76	318
2000	131,222.25	57,698	83,327	47,895	32.38	1,479
2004	8,505.41	3,242	4,682	3,823	34.75	110
2006	5,117.06	1,788	2,582	2,535	36.21	70
2007	36,379.00	12,125	17,511	18,868	36.85	512
2008	19,914.99	6,313	9,117	10,798	37.49	288
2011	237,109.98	63,593	91,841	145,269	39.34	3,693
2015	9,627.81	1,916	2,767	6,861	41.84	164
2021	43,463.71	3,877	5,599	37,865	45.08	840
2023	55,223.14	2,778	4,012	51,211	45.64	1,122
2025	642,186.76	12,844	18,549	623,638	44.95	13,874
	1,591,237.23	415,330	592,651	998,586		23,983

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 41.60 1.51

SURVIVOR CURVE: IOWA 30-R2.5
NET SALVAGE PERCENT: 0

1953	597.38	597	597	
1957	139.38	139	139	
1972	6,119.04	5,999	6,119	
1973	1,697.11	1,649	1,697	
1979	1,203.92	1,108	1,204	
1981	2,893.23	2,621	2,893	
1990	17,052.58	15,039	17,053	
1997	481.23	384	482	(1)
	30,183.87	27,536	30,184	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1874	5.22	5	5
1875	3,511.90	3,512	3,512
1876	399.33	399	399
1877	121.20	121	121
1886	2,347.39	2,347	2,347
1887	351.96	352	352
1888	480.50	480	480
1889	2,276.99	2,277	2,277
1890	836.20	836	836
1891	1,881.69	1,882	1,882
1892	2,891.69	2,892	2,892
1893	668.86	669	669
1894	661.91	662	662
1895	535.27	535	535
1896	10,169.79	10,170	10,170
1897	3,210.24	3,210	3,210
1898	2,342.79	2,343	2,343
1899	2,007.66	2,008	2,008
1900	8,336.26	8,336	8,336
1901	10,739.29	10,739	10,739
1902	14,932.27	14,932	14,932
1903	16,603.95	16,604	16,604
1904	10,314.78	10,292	10,315
1905	13,938.16	13,874	13,938
1906	12,960.19	12,866	12,960
1907	1,885.76	1,867	1,886
1908	4,965.96	4,906	4,966
1909	13,590.56	13,395	13,591
1910	16,291.54	16,013	16,292
1911	11,035.87	10,816	11,036
1912	14,820.96	14,489	14,821
1913	53,756.04	52,412	53,756
1914	38,239.94	37,174	38,240
1915	16,991.79	16,469	16,992
1916	2,952.20	2,853	2,952
1917	4,126.20	3,976	4,126
1918	2,220.14	2,132	2,220
1919	1,209.99	1,158	1,210
1920	411.47	393	411
1921	3,767.72	3,584	3,768
1922	8,718.64	8,265	8,719
1923	11,298.03	10,674	11,298
1924	17,164.02	16,160	17,164
1925	9,370.83	8,792	9,371
1926	10,383.19	9,707	10,383
1927	3,061.15	2,851	3,061
1928	551.84	512	552
1929	2,854.05	2,639	2,854
1930	5,594.99	5,154	5,595
1931	1,764.72	1,620	1,765
1932	322.40	295	322
1933	487.51	444	488
1934	111.11	101	111
1935	4,193.96	3,787	4,194
1936	2,694.95	2,423	2,695

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1937	3,195.38	2,859	3,195			
1938	1,543.42	1,375	1,543			
1939	9,142.81	8,104	9,143			
1940	6,368.41	5,615	6,368			
1941	16,191.28	14,200	16,191			
1942	12,089.15	10,543	12,089			
1943	7,232.95	6,271	7,233			
1944	9,080.15	7,824	9,080			
1945	1,644.37	1,408	1,644			
1946	3,526.19	2,998	3,526			
1947	6,519.10	5,503	6,519			
1948	30,372.15	25,444	30,257	115	12.78	9
1949	31,026.03	25,786	30,663	363	13.44	27
1950	12,676.12	10,448	12,424	252	14.00	18
1951	21,259.43	17,374	20,660	599	14.61	41
1952	19,327.09	15,653	18,614	713	15.17	47
1953	35,687.10	28,630	34,045	1,642	15.79	104
1954	22,934.22	18,221	21,667	1,267	16.45	77
1955	32,705.79	25,723	30,588	2,118	17.08	124
1956	20,253.62	15,765	18,747	1,507	17.73	85
1957	20,779.50	16,003	19,030	1,750	18.42	95
1958	77,494.10	59,031	70,196	7,298	19.05	383
1959	113,486.56	85,484	101,653	11,834	19.76	599
1960	31,395.34	23,378	27,800	3,595	20.43	176
1961	58,106.99	42,760	50,848	7,259	21.10	344
1962	39,442.80	28,675	34,099	5,344	21.81	245
1963	71,371.72	51,253	60,947	10,425	22.56	462
1964	72,638.04	51,500	61,241	11,397	23.26	490
1965	93,204.18	65,232	77,570	15,634	24.02	651
1966	46,284.65	31,965	38,011	8,274	24.77	334
1967	10,964.26	7,469	8,882	2,082	25.39	82
1968	39,479.14	26,515	31,530	7,949	26.23	303
1969	34,106.74	22,579	26,850	7,257	27.08	268
1970	38,596.33	25,174	29,936	8,660	27.85	311
1971	51,648.23	33,178	39,453	12,195	28.63	426
1972	22,060.85	13,951	16,590	5,471	29.41	186
1973	7,138.99	4,442	5,282	1,857	30.44	61
1974	92,191.17	56,432	67,106	25,085	31.05	808
1975	2,242.00	1,349	1,604	638	31.90	20
1976	8,345.99	4,935	5,868	2,478	32.61	76
1977	3,873.43	2,249	2,674	1,199	33.31	36
1978	84,242.26	48,028	57,112	27,130	34.39	789
1979	24,464.37	13,682	16,270	8,194	35.32	232
1980	58,135.91	31,881	37,911	20,225	36.12	560
1981	13,989.25	7,519	8,941	5,048	37.12	136
1982	37,555.24	19,768	23,507	14,048	37.87	371
1983	34,607.87	18,789	22,343	12,265	35.76	343
1984	72,247.97	38,299	45,543	26,705	36.73	727
1985	20,647.40	10,766	12,802	7,845	37.18	211
1986	66,854.26	33,995	40,425	26,429	38.08	694
1987	207,799.90	102,986	122,465	85,335	39.11	2,182
1988	144,488.06	69,744	82,936	61,552	40.10	1,535
1989	137,876.65	65,271	77,617	60,260	40.50	1,488
1990	244,291.28	112,472	133,746	110,545	41.51	2,663
1991	66,846.87	29,907	35,564	31,283	42.50	736

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1992	23,800.79	10,339	12,295	11,506	43.58	264
1993	63,862.62	26,912	32,002	31,861	44.50	716
1994	44,318.53	18,242	21,692	22,627	44.89	504
1995	74,651.74	29,749	35,376	39,276	45.94	855
1996	39,258.64	15,130	17,992	21,267	46.95	453
1997	65,568.46	24,411	29,028	36,540	47.89	763
1998	15,268.71	5,485	6,522	8,747	48.87	179
1999	37,476.41	12,971	15,424	22,052	49.89	442
2000	50,113.86	16,688	19,844	30,270	50.96	594
2001	502,822.04	162,060	192,713	310,109	51.34	6,040
2002	150,557.33	46,537	55,339	95,218	52.35	1,819
2003	91,370.41	27,037	32,151	59,219	53.35	1,110
2004	52,145.60	14,742	17,530	34,616	54.34	637
2005	145,956.11	39,335	46,775	99,181	55.35	1,792
2006	27,628.07	7,081	8,420	19,208	56.33	341
2007	51,942.05	12,627	15,015	36,927	57.34	644
2008	164,306.52	37,774	44,919	119,388	58.35	2,046
2009	24,419.44	5,292	6,293	18,126	59.43	305
2010	43,311.35	8,814	10,481	32,830	60.35	544
2011	88,326.95	16,809	19,989	68,338	61.34	1,114
2012	13,622.04	2,412	2,868	10,754	62.16	173
2013	15,156.01	2,484	2,954	12,202	63.22	193
2014	36,947.77	5,609	6,670	30,278	63.74	475
2015	36,574.58	5,066	6,024	30,551	64.73	472
2016	34,368.29	4,303	5,117	29,251	65.73	445
2017	85,120.56	9,525	11,327	73,794	66.78	1,105
2018	48,937.81	4,825	5,738	43,200	67.82	637
2022	2,234.93	101	120	2,115	72.93	29
2024	1,509,664.27	28,382	33,750	1,475,914	73.77	20,007
2025	750,406.88	9,155	10,887	739,520	74.27	9,957
	7,129,174.85	2,493,706	2,901,166	4,228,009		74,210

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 57.00 1.04

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1920	182.35	182	182			
1954	2,718.88	2,370	2,719			
1955	5,528.42	4,789	5,528			
1964	8,289.98	6,707	8,290			
1978	486,335.94	330,465	434,998	51,338	19.23	2,670
1980	12,052.02	7,920	10,425	1,627	20.59	79
1982	144,492.45	91,633	120,618	23,874	21.94	1,088
1983	5,454.59	3,679	4,843	612	20.40	30
1984	6,913.86	4,582	6,031	883	21.02	42
1991	6,596.96	3,792	4,991	1,606	25.49	63
1995	19,508.20	10,088	13,279	6,229	28.44	219
1996	34,710.81	17,460	22,983	11,728	29.03	404
1997	18,500.00	9,043	11,904	6,596	29.71	222
1999	1,169.44	534	703	466	31.07	15
2001	7,210.91	3,081	4,056	3,155	32.86	96
2006	93,601.90	32,536	42,828	50,774	36.45	1,393
2007	379,284.68	125,733	165,505	213,780	37.14	5,756
2008	596,565.77	187,023	246,182	350,384	38.14	9,187
2009	205,133.93	60,945	80,223	124,911	38.83	3,217
2011	3,201.69	845	1,112	2,090	40.19	52
2022	56,121.60	3,665	4,825	51,297	48.95	1,048
2023	56,660.30	2,629	3,461	53,199	49.67	1,071
2025	13,470.10	241	317	13,153	50.39	261
	2,163,704.78	909,942	1,196,003	967,702		26,913

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 36.00 1.24

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1915	2,039.02	2,039	2,039			
1921	15.25	15	15			
1926	674.20	666	674			
1933	308.06	294	308			
1936	213.91	201	214			
1938	94.77	88	95			
1942	4,567.33	4,175	4,567			
1946	33.12	30	33			
1947	467.40	418	467			
1948	4,490.90	3,995	4,491			
1949	21,634.60	19,156	21,635			
1950	8,917.38	7,859	8,917			
1951	12,398.99	10,873	12,399			
1952	9,794.83	8,546	9,795			
1953	13,583.85	11,791	13,584			
1954	4,677.51	4,039	4,678			
1955	3,289.22	2,825	3,289			
1956	3,955.53	3,377	3,956			
1957	809.82	687	810			
1958	773.26	652	773			
1959	6,263.37	5,251	6,263			
1960	7,763.15	6,466	7,763			
1961	4,903.21	4,056	4,903			
1962	720.58	592	721			
1963	5,812.66	4,738	5,813			
1964	14,748.06	11,927	14,748			
1965	359.61	288	360			
1966	4,223.66	3,358	4,224			
1967	206.63	163	207			
1968	11,635.65	9,080	11,636			
1969	3,475.25	2,685	3,475			
1970	1,542.20	1,179	1,542			
1971	8,490.84	6,421	8,491			
1973	13,809.31	10,199	13,809			
1974	1,991.11	1,452	1,991			
1975	635.87	458	636			
1976	1,120.08	795	1,120			
1978	32,091.49	22,132	32,091			
1979	11,321.38	7,688	11,321			
1980	0.01					
1981	27,039.82	17,768	27,040			
1983	2,322.66	1,635	2,323			
1984	35,991.84	24,896	35,992			
1985	12,866.74	8,737	12,867			
1986	2,980.58	1,985	2,981			
1987	20,248.43	13,301	20,248			
1988	1,833.40	1,180	1,833			
1989	6,868.66	4,327	6,869			
1990	443.70	273	444			
1991	1,335.51	804	1,336			
1993	86,082.31	49,669	85,590	492	23.43	21
1994	5,801.95	3,263	5,623	179	25.57	7
1995	1,205.33	660	1,137	68	22.67	3
1997	4,740.41	2,465	4,248	492	25.89	19
1998	5,820.43	2,936	5,059	761	27.18	28

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1999	42,005.79	20,528	35,374	6,632	27.63	240
2000	2,641.28	1,255	2,163	478	28.12	17
2002	7,408.89	3,279	5,650	1,759	29.32	60
2003	115,950.81	49,383	85,097	30,854	30.22	1,021
2004	74,594.44	30,673	52,856	21,738	30.66	709
2005	44,125.47	17,385	29,958	14,167	31.41	451
2006	23,119.09	8,709	15,007	8,112	32.19	252
2007	223.16	80	138	85	28.33	3
2008	369,366.95	126,730	218,381	150,986	33.35	4,527
2010	119,355.96	36,618	63,100	56,256	34.83	1,615
2011	11,451.64	3,319	5,719	5,733	35.39	162
2014	222,953.81	52,171	89,901	133,053	37.37	3,560
2017	149,925.02	26,507	45,677	104,248	39.21	2,659
2022	106,274.09	8,056	13,881	92,393	41.64	2,219
2023	208.26	11	19	189	37.80	5
	1,729,039.50	699,257	1,100,364	628,675		17,578

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.80 1.02

SURVIVOR CURVE: IOWA 45-R2
NET SALVAGE PERCENT: 0

1904	97.85	98	98			
1920	3,071.90	3,072	3,072			
1923	403.86	404	404			
1927	72.55	73	73			
1929	261.39	261	261			
1930	294.47	294	294			
1932	95.28	95	95			
1937	237.51	238	238			
1939	19.57	20	20			
1941	2,931.40	2,931	2,931			
1947	529.70	514	530			
1949	416.19	399	416			
1950	3,524.86	3,356	3,525			
1951	1,022.22	967	1,022			
1952	5,364.58	5,040	5,365			
1953	2,751.48	2,567	2,751			
1954	2,503.83	2,321	2,504			
1955	1,688.17	1,554	1,688			
1956	69.33	63	69			
1958	3,139.09	2,829	3,139			
1959	727.82	651	728			
1964	948.40	817	948			
1969	176.01	145	176			
1974	304.86	239	297	8	8.00	1
1980	5,852.63	4,259	5,293	560	12.17	46
1983	414.15	320	398	16	16.00	1
1984	12,992.80	9,902	12,307	686	12.94	53
1986	483.17	358	445	38	12.67	3
1989	6,269.91	4,430	5,506	764	15.28	50
1990	3,452.63	2,397	2,979	474	15.80	30
1991	4,259.48	2,902	3,607	652	15.90	41
1992	6,560.01	4,384	5,449	1,111	16.58	67
1993	1,344.70	881	1,095	250	16.67	15
1996	4,261.43	2,608	3,241	1,020	18.55	55
1997	548.91	328	408	141	20.14	7
1998	1,713.94	996	1,238	476	19.83	24
2003	3,060.34	1,530	1,901	1,159	22.29	52
2010	5,254.57	1,936	2,406	2,849	26.38	108
2011	7,667.97	2,675	3,325	4,343	26.98	161
	94,788.96	68,854	80,242	14,547		714

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.40 0.75

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1875	6,100.90	6,101	6,101			
1886	2,037.41	1,977	2,037			
1887	12,982.71	12,553	12,983			
1888	5,051.63	4,868	5,052			
1889	1,217.90	1,169	1,218			
1890	7,553.76	7,227	7,554			
1891	11,558.60	11,018	11,559			
1892	8,224.48	7,812	8,224			
1893	14,634.18	13,851	14,634			
1894	1,427.37	1,346	1,427			
1896	2,076.70	1,946	2,077			
1897	9,432.93	8,809	9,433			
1899	20,243.82	18,786	20,244			
1900	77,359.33	71,577	77,359			
1901	28,984.61	26,738	28,985			
1902	152,896.53	140,627	152,897			
1903	18,241.32	16,725	18,241			
1904	412.36	377	412			
1905	32,986.26	30,067	32,986			
1906	71,093.93	64,607	71,094			
1907	6,106.02	5,532	6,106			
1908	14,423.16	13,028	14,423			
1909	21,472.92	19,336	21,473			
1910	8,472.82	7,606	8,473			
1911	17,714.23	15,852	17,714			
1912	20,147.76	17,972	20,148			
1913	2,980.11	2,650	2,980			
1914	52,587.26	46,605	52,587			
1915	25,054.59	22,133	25,055			
1916	22,267.41	19,604	22,267			
1917	65,479.76	57,451	65,480			
1918	1,863.48	1,629	1,863			
1919	19,460.90	16,955	19,461			
1920	886.00	769	886			
1921	20,116.99	17,404	20,117			
1922	12,029.97	10,368	12,030			
1923	2,041.79	1,753	2,042			
1924	78,377.67	67,043	78,378			
1925	136,153.03	116,002	136,153			
1926	129,804.67	110,139	129,805			
1927	43,591.62	36,835	43,592			
1928	13,996.41	11,776	13,996			
1929	32,155.65	26,938	32,156			
1930	42,067.54	35,084	42,068			
1931	28,405.03	23,580	28,405			
1932	10,214.75	8,439	10,215			
1933	8,075.08	6,638	8,075			
1934	4,172.53	3,413	4,173			
1935	51,791.69	42,133	51,792			
1936	43,850.80	35,481	43,851			
1937	55,208.10	44,415	55,109	99	16.50	6
1938	39,596.90	31,673	39,299	298	15.68	19
1939	116,852.12	92,911	115,281	1,571	16.36	96
1940	28,529.59	22,542	27,969	561	17.00	33
1941	38,674.14	30,359	37,669	1,005	17.33	58

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1942	93,087.59	72,597	90,076	3,012	17.61	171
1943	40,756.02	31,566	39,166	1,590	18.07	88
1944	115,048.36	88,472	109,773	5,275	18.51	285
1945	16,100.51	12,291	15,250	851	18.91	45
1946	22,630.72	17,145	21,273	1,358	19.40	70
1947	61,795.52	46,455	57,640	4,156	19.89	209
1948	693,105.79	516,884	641,335	51,771	20.34	2,545
1949	1,165,060.30	861,702	1,069,175	95,885	20.83	4,603
1950	230,267.73	168,874	209,534	20,734	21.33	972
1951	245,783.50	178,655	221,670	24,114	21.84	1,104
1952	1,237,339.32	891,354	1,105,966	131,373	22.37	5,873
1953	553,849.23	395,238	490,400	63,449	22.91	2,769
1954	758,846.89	536,414	665,567	93,280	23.45	3,978
1955	934,702.60	654,180	811,688	123,015	24.01	5,123
1956	436,265.34	302,280	375,060	61,205	24.57	2,491
1957	1,333,017.35	913,943	1,133,994	199,023	25.15	7,913
1958	875,818.83	594,138	737,189	138,630	25.73	5,388
1959	1,847,432.94	1,239,406	1,537,819	309,614	26.33	11,759
1960	710,245.82	471,163	584,605	125,641	26.93	4,665
1961	1,670,990.96	1,095,752	1,359,577	311,414	27.54	11,308
1962	1,560,684.44	1,011,324	1,254,821	305,863	28.16	10,862
1963	1,812,434.20	1,160,175	1,439,511	372,923	28.79	12,953
1964	1,795,871.26	1,135,206	1,408,531	387,340	29.43	13,161
1965	828,055.43	516,707	641,115	186,940	30.08	6,215
1966	1,267,208.69	780,448	968,357	298,852	30.73	9,725
1967	1,124,284.23	683,003	847,450	276,834	31.40	8,816
1968	1,066,838.12	639,164	793,056	273,782	32.07	8,537
1969	1,224,187.82	723,189	897,312	326,876	32.74	9,984
1970	786,926.08	458,085	568,379	218,547	33.43	6,537
1971	646,715.16	370,891	460,191	186,524	34.12	5,467
1972	1,925,204.33	1,087,259	1,349,039	576,165	34.82	16,547
1973	1,253,948.84	697,045	864,873	389,076	35.53	10,951
1974	852,881.66	466,526	578,852	274,030	36.24	7,562
1975	678,998.95	365,301	453,255	225,744	36.96	6,108
1976	566,416.61	299,566	371,693	194,724	37.69	5,166
1977	1,065,856.41	553,979	687,361	378,495	38.42	9,852
1978	4,810,460.10	2,455,740	3,047,011	1,763,449	39.16	45,032
1979	2,206,454.59	1,105,699	1,371,919	834,536	39.91	20,910
1980	779,548.65	383,343	475,641	303,908	40.66	7,474
1981	2,372,305.88	1,144,045	1,419,498	952,808	41.42	23,004
1982	2,154,214.16	1,018,125	1,263,260	890,954	42.19	21,118
1983	1,049,120.31	556,244	690,171	358,949	37.58	9,552
1984	3,410,364.39	1,779,528	2,207,987	1,202,377	37.95	31,683
1985	2,464,396.50	1,254,871	1,557,008	907,388	38.95	23,296
1986	2,545,886.76	1,274,471	1,581,327	964,560	39.32	24,531
1987	4,114,412.89	2,007,422	2,490,751	1,623,662	40.32	40,269
1988	1,733,477.24	830,162	1,030,041	703,436	40.71	17,279
1989	3,080,438.41	1,447,190	1,795,631	1,284,807	41.10	31,261
1990	7,250,056.65	3,312,551	4,110,117	3,139,940	42.10	74,583
1991	4,295,717.77	1,921,904	2,384,643	1,911,075	42.51	44,956
1992	2,390,621.85	1,038,486	1,288,523	1,102,099	43.51	25,330
1993	3,002,897.29	1,275,330	1,582,392	1,420,505	43.92	32,343
1994	2,066,042.49	856,788	1,063,078	1,002,964	44.34	22,620
1995	2,164,916.08	869,214	1,078,496	1,086,420	45.34	23,962
1996	2,199,904.42	860,603	1,067,811	1,132,093	45.77	24,734

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1997	3,609,931.82	1,364,193	1,692,651	1,917,281	46.77	40,994
1998	2,312,239.73	849,517	1,054,056	1,258,184	47.21	26,651
1999	2,670,867.30	952,431	1,181,749	1,489,118	47.66	31,245
2000	2,789,894.51	957,213	1,187,682	1,602,213	48.66	32,927
2001	2,230,749.01	740,832	919,203	1,311,546	49.11	26,706
2002	3,069,371.24	984,654	1,221,730	1,847,641	49.58	37,266
2003	2,315,769.12	711,173	882,403	1,433,366	50.58	28,339
2004	3,352,245.60	990,924	1,229,510	2,122,736	51.04	41,590
2005	8,670,131.58	2,443,243	3,031,505	5,638,627	52.04	108,352
2006	7,621,114.55	2,056,939	2,552,190	5,068,925	52.53	96,496
2007	6,839,354.01	1,763,185	2,187,709	4,651,645	53.01	87,750
2008	7,011,547.76	1,722,036	2,136,652	4,874,896	53.50	91,120
2009	4,456,552.61	1,031,692	1,280,094	3,176,459	54.50	58,284
2010	8,515,976.73	1,864,147	2,312,980	6,202,997	55.01	112,761
2011	11,225,896.59	2,314,780	2,872,112	8,353,785	55.51	150,492
2012	8,325,157.66	1,608,420	1,995,681	6,329,477	56.03	112,966
2013	10,485,526.48	1,874,812	2,326,212	8,159,314	57.03	143,071
2014	7,011,177.75	1,160,350	1,439,729	5,571,449	57.55	96,811
2015	5,408,738.43	822,669	1,020,744	4,387,994	58.08	75,551
2016	3,377,371.86	467,428	579,971	2,797,401	58.61	47,729
2017	14,030,830.56	1,748,241	2,169,167	11,861,664	59.15	200,535
2018	2,826,293.64	312,305	387,499	2,438,795	59.70	40,851
2019	11,544,723.82	1,118,684	1,388,030	10,156,694	59.81	169,816
2020	5,069,605.87	417,229	517,686	4,551,920	60.38	75,388
2021	1,531,998.07	104,176	129,259	1,402,739	60.52	23,178
2022	32,468,985.90	1,730,597	2,147,274	30,321,712	60.69	499,616
2023	21,747,307.60	830,747	1,030,766	20,716,542	60.87	340,341
2024	17,293,848.16	397,759	493,528	16,800,320	60.31	278,566
2025	14,547,625.81	221,124	274,364	14,273,262	59.33	240,574
	319,649,866.97	80,459,822	99,703,602	219,946,265		4,079,917

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.90 1.28

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

1920	599.44	599	599			
1936	123.65	124	124			
1938	674.76	675	675			
1942	88.86	88	89			
1950	1,394.40	1,295	1,394			
1952	24,987.70	22,816	24,988			
1954	13,489.08	12,102	13,489			
1955	47,181.68	41,947	47,182			
1956	1,212.05	1,068	1,212			
1957	57.14	50	57			
1959	1,690.70	1,449	1,691			
1960	380.66	323	381			
1962	30,076.54	25,050	30,004	73	7.30	10
1963	3,639.29	3,001	3,595	44	7.33	6
1964	42,919.66	35,041	41,971	949	7.72	123
1965	764.19	618	740	24	8.00	3
1971	553.97	419	502	52	10.40	5
1972	197.37	148	177	20	10.00	2
1974	102.75	75	90	13	13.00	1
1975	911.97	658	788	124	11.27	11
1978	1,246,789.41	864,736	1,035,763	211,026	12.87	16,397
1979	2,233.94	1,528	1,830	404	13.47	30
1980	2,207.18	1,488	1,782	425	13.71	31
1981	94,396.13	62,751	75,162	19,234	14.08	1,366
1982	321,615.86	210,581	252,229	69,387	14.50	4,785
1983	34,088.05	26,026	31,173	2,915	13.13	222
1984	50,633.93	38,168	45,717	4,917	13.55	363
1985	5,075.02	3,774	4,520	555	13.88	40
1986	17,937.30	13,152	15,753	2,184	14.37	152
1987	14,602.06	10,603	12,700	1,902	14.52	131
1988	571.27	408	489	82	16.40	5
1989	13,845.72	9,782	11,717	2,129	15.10	141
1990	45,081.61	31,296	37,486	7,596	15.60	487
1991	15,752.11	10,789	12,923	2,829	15.80	179
1992	4,091.08	2,748	3,291	800	16.33	49
1993	35,833.61	23,697	28,384	7,450	16.59	449
1994	26,575.45	17,282	20,700	5,875	16.88	348
1995	62,255.32	39,769	47,634	14,621	17.20	850
1996	244,378.23	153,127	183,412	60,966	17.53	3,478
1997	10,654.04	6,510	7,798	2,856	18.08	158
1998	51,735.24	31,062	37,205	14,530	18.25	796
1999	8,752.28	5,132	6,147	2,605	18.61	140
2000	2,389.63	1,367	1,637	753	18.83	40
2001	455,747.35	253,715	303,895	151,852	19.44	7,811
2002	49,333.60	26,685	31,963	17,371	19.88	874
2003	404,225.78	212,946	255,062	149,164	20.14	7,406
2004	87,639.56	44,670	53,505	34,135	20.60	1,657
2005	1,790,203.91	884,540	1,059,484	730,720	20.90	34,963
2006	456,808.88	218,172	261,322	195,487	21.24	9,204
2007	1,907,380.38	874,725	1,047,727	859,653	21.74	39,542
2008	1,838,363.56	809,983	970,181	868,183	22.11	39,267
2009	1,884,127.28	794,913	952,130	931,997	22.49	41,441
2010	110,266.29	44,371	53,147	57,119	22.90	2,494
2011	1,439,470.91	552,037	661,218	778,253	23.18	33,574
2012	204,021.65	73,897	88,512	115,510	23.62	4,890

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

2013	101,140.44	34,408	41,213	59,927	24.08	2,489
2014	2,702,335.19	860,694	1,030,921	1,671,414	24.43	68,416
2015	76,770.95	22,709	27,200	49,571	24.80	1,999
2017	86,639.72	21,435	25,674	60,966	25.61	2,381
2019	161,755.40	31,558	37,800	123,955	26.48	4,681
2020	4,038.76	678	812	3,227	26.89	120
2021	206,208.56	28,684	34,357	171,852	27.33	6,288
2022	45,953.47	5,055	6,055	39,898	27.65	1,443
2023	2,423,852.64	192,212	230,228	2,193,625	28.07	78,148
2024	56,208.85	2,676	3,205	53,004	28.34	1,870
2025	720,297.64	22,473	26,918	693,379	28.49	24,338
	19,695,331.10	7,726,558	9,247,729	10,447,602		446,094

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.40 2.26

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1905	126.97	127	127			
1916	12.64	13	13			
1917	15.92	16	16			
1918	7.96	8	8			
1919	26.69	27	27			
1920	119.00	119	119			
1925	7.96	8	8			
1926	134.93	135	135			
1927	64.72	65	65			
1928	18.28	18	18			
1929	365.67	365	366			
1930	197.26	196	197			
1931	253.94	250	254			
1934	42.92	41	43			
1935	1,542.11	1,477	1,542			
1936	970.97	923	971			
1937	1,136.80	1,073	1,137			
1940	1,352.12	1,254	1,352			
1941	94.25	87	94			
1942	658.51	604	659			
1943	319.19	291	319			
1945	9.18	8	9			
1946	135.98	122	136			
1947	726.26	649	726			
1948	1,107.07	983	1,107			
1949	19,077.32	16,844	19,077			
1950	22,709.05	19,927	22,709			
1951	1,059.19	923	1,059			
1952	7,710.47	6,679	7,710			
1953	23,558.94	20,271	23,559			
1954	12,270.89	10,486	12,271			
1955	24,561.75	20,847	24,562			
1956	11,206.72	9,444	11,207			
1957	41,323.67	34,566	41,324			
1958	43,340.96	35,982	43,341			
1959	7,700.29	6,345	7,700			
1960	733.47	600	733			
1961	13,028.24	10,564	12,897	131	9.36	14
1962	20,185.94	16,233	19,818	368	9.44	39
1963	5,845.08	4,660	5,689	156	9.75	16
1964	91,525.82	72,344	88,321	3,205	10.05	319
1965	39,336.43	30,813	37,618	1,718	10.41	165
1966	25,428.25	19,733	24,091	1,337	10.78	124
1967	36,283.67	27,885	34,043	2,241	11.09	202
1968	233,560.15	177,700	216,944	16,616	11.48	1,447
1969	107,019.30	80,577	98,372	8,647	11.86	729
1970	12,906.53	9,615	11,738	1,169	12.18	96
1971	70,797.34	52,154	63,672	7,125	12.63	564
1972	18,466.01	13,445	16,414	2,052	13.07	157
1973	28,264.05	20,338	24,829	3,435	13.47	255
1974	38,616.91	27,442	33,502	5,115	13.90	368
1975	11,750.41	8,242	10,062	1,688	14.31	118
1976	29,464.67	20,392	24,895	4,570	14.79	309
1977	16,123.56	11,004	13,434	2,690	15.20	177
1978	225,570.38	151,743	185,254	40,316	15.71	2,566

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1979	210,170.01	139,282	170,041	40,129	16.19	2,479
1980	227,991.93	148,765	181,619	46,373	16.68	2,780
1981	292,723.83	187,952	229,460	63,264	17.18	3,682
1982	162,570.63	102,623	125,286	37,285	17.70	2,106
1983	160,161.66	116,165	141,819	18,343	16.06	1,142
1984	132,746.48	94,569	115,454	17,292	16.72	1,034
1985	161,390.22	113,490	138,553	22,837	17.06	1,339
1986	66,163.09	45,897	56,033	10,130	17.41	582
1987	388,373.82	265,570	324,219	64,155	17.76	3,612
1988	75,022.16	50,250	61,347	13,675	18.45	741
1989	226,889.07	149,543	182,568	44,321	18.83	2,354
1990	167,287.55	108,419	132,362	34,926	19.23	1,816
1991	378,694.24	241,115	294,363	84,331	19.64	4,294
1992	164,917.72	103,057	125,816	39,102	20.06	1,949
1993	671,967.93	409,497	499,931	172,037	20.78	8,279
1994	294,240.59	175,632	214,419	79,822	21.22	3,762
1995	346,133.62	202,142	246,784	99,350	21.67	4,585
1996	145,006.62	82,755	101,031	43,976	22.13	1,987
1997	678,213.78	377,765	461,191	217,023	22.60	9,603
1998	739,521.79	401,412	490,061	249,461	23.09	10,804
1999	273,882.18	144,692	176,646	97,236	23.58	4,124
2000	275,670.93	141,529	172,785	102,886	24.09	4,271
2001	273,415.07	136,188	166,264	107,151	24.60	4,356
2002	1,110,638.23	535,772	654,093	456,545	25.13	18,167
2003	659,308.58	308,886	377,101	282,208	25.43	11,097
2004	1,663,495.04	751,733	917,747	745,748	25.98	28,705
2005	191,503.08	83,285	101,678	89,825	26.53	3,386
2006	1,231,968.52	516,688	630,795	601,174	26.88	22,365
2007	1,213,524.59	487,230	594,831	618,694	27.45	22,539
2008	516,788.93	198,912	242,840	273,949	27.83	9,844
2009	588,778.00	216,494	264,305	324,473	28.23	11,494
2010	1,168,477.85	407,098	497,002	671,476	28.83	23,291
2011	1,558,890.88	514,590	628,233	930,658	29.25	31,817
2012	2,434,697.01	761,086	929,166	1,505,531	29.50	51,035
2013	1,161,379.48	340,284	415,433	745,946	29.96	24,898
2014	1,492,794.43	409,026	499,356	993,438	30.25	32,841
2015	1,760,297.12	447,468	546,288	1,214,009	30.57	39,712
2016	1,961,514.64	458,014	559,163	1,402,352	30.91	45,369
2017	10,909,118.35	2,322,551	2,835,469	8,073,649	31.11	259,519
2018	437,939.03	83,822	102,333	335,606	31.34	10,709
2019	450,168.81	76,259	93,100	357,069	31.46	11,350
2020	552,182.12	80,729	98,558	453,624	31.62	14,346
2021	162,462.02	19,950	24,356	138,106	31.55	4,377
2022	897,880.97	88,351	107,863	790,018	31.31	25,232
2023	5,238,556.12	382,415	466,868	4,771,688	30.70	155,430
2024	537,694.51	24,519	29,934	507,761	29.64	17,131
2025	497,650.04	15,527	18,956	478,694	28.49	16,802
	46,159,736.03	14,415,655	17,589,813	28,569,923		980,802

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.10 2.12

SURVIVOR CURVE: IOWA 35-R1
NET SALVAGE PERCENT: 0

1953	2,740.74	2,741	2,741			
1954	35.60	36	36			
1955	351.02	351	351			
1961	756.22	714	756			
1965	3,429.65	3,119	3,430			
1968	1,634.56	1,444	1,635			
1969	2,732.34	2,389	2,732			
1970	2,520.94	2,181	2,521			
1974	578.55	478	579			
1975	236.10	193	236			
1976	1,215.86	981	1,216			
1979	17,650.83	13,667	17,532	119	7.93	15
1982	4,504.21	3,334	4,277	227	9.08	25
1986	2,135.76	1,709	2,136			
1987	256.35	203	256			
1989	26,482.55	20,349	26,104	379	10.83	35
1990	14.84	11	14	1		
1991	4,856.79	3,627	4,653	204	12.00	17
1992	8,073.07	5,935	7,614	459	12.08	38
1993	12,151.68	8,784	11,268	884	12.45	71
1994	35,464.43	25,180	32,302	3,162	12.85	246
1995	17,491.87	12,183	15,629	1,863	13.21	141
1996	17,646.12	12,043	15,449	2,197	13.73	160
1997	108,647.75	72,555	93,075	15,573	14.14	1,101
1998	56,483.33	36,855	47,279	9,204	14.61	630
1999	28,011.20	17,908	22,973	5,038	14.91	338
2000	86,140.66	53,640	68,811	17,330	15.40	1,125
2002	78,749.24	46,470	59,613	19,136	16.27	1,176
2003	46,378.35	26,617	34,145	12,233	16.64	735
2004	24,561.39	13,676	17,544	7,017	17.03	412
2008	111,157.57	53,433	68,545	42,613	18.82	2,264
2011	19,861.33	8,332	10,688	9,173	19.94	460
2013	5,239.33	1,971	2,528	2,711	20.54	132
2014	4,900.00	1,729	2,218	2,682	20.95	128
2015	553,624.92	182,253	233,799	319,826	21.23	15,065
2016	295,458.11	90,144	115,639	179,819	21.45	8,383
2017	631,609.62	177,040	227,111	404,499	21.61	18,718
2018	241,146.06	61,155	78,451	162,695	21.82	7,456
2019	4,636.30	1,050	1,347	3,289	21.93	150
2021	160,434.13	27,001	34,637	125,797	21.83	5,763
2023	30,785.92	3,177	4,076	26,710	21.00	1,272
	2,650,785.29	996,658	1,275,946	1,374,839		66,056

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.80 2.49

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1876	535.18	535	535			
1881	11.59	12	12			
1885	352.00	352	352			
1887	302.11	302	302			
1888	303.80	304	304			
1889	1,640.73	1,641	1,641			
1890	466.90	467	467			
1891	254.53	255	255			
1892	366.62	367	367			
1894	1,419.69	1,420	1,420			
1895	115.83	116	116			
1896	12.76	13	13			
1897	541.59	542	542			
1898	187.32	187	187			
1899	1,358.95	1,359	1,359			
1900	1,487.01	1,487	1,487			
1901	57,750.82	57,751	57,751			
1902	20,985.66	20,986	20,986			
1903	55,757.91	55,758	55,758			
1904	6,974.52	6,975	6,975			
1905	20,820.07	20,820	20,820			
1906	12,696.56	12,697	12,697			
1907	3,991.47	3,991	3,991			
1908	3,682.91	3,683	3,683			
1909	2,061.23	2,061	2,061			
1910	3,165.76	3,166	3,166			
1911	6,116.69	6,103	6,117			
1912	12,423.56	12,369	12,424			
1913	7,267.85	7,222	7,268			
1914	8,650.32	8,578	8,650			
1915	16,578.55	16,393	16,579			
1916	3,836.99	3,784	3,837			
1917	3,163.19	3,111	3,163			
1918	1,448.90	1,421	1,449			
1919	1,808.38	1,768	1,808			
1920	5,435.30	5,300	5,435			
1921	3,077.86	2,992	3,078			
1922	6,721.09	6,512	6,721			
1923	7,711.85	7,450	7,712			
1924	3,514.28	3,384	3,514			
1925	4,311.45	4,137	4,311			
1926	2,267.36	2,168	2,263	4	4.00	1
1927	3,524.17	3,358	3,505	19	3.80	5
1928	1,429.17	1,357	1,416	13	4.33	3
1929	3,436.00	3,251	3,393	43	3.91	11
1930	5,769.25	5,438	5,676	93	4.23	22
1931	4,799.02	4,507	4,704	95	4.52	21
1932	2,986.25	2,794	2,916	70	4.67	15
1933	884.91	825	861	24	4.80	5
1934	985.72	915	955	31	5.17	6
1935	975.62	902	942	34	5.67	6
1936	3,380.64	3,114	3,250	131	5.95	22
1937	4,752.29	4,359	4,550	202	6.12	33
1938	3,461.64	3,163	3,302	160	6.40	25
1939	8,948.17	8,139	8,496	452	6.75	67

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1940	12,537.47	11,354	11,851	686	7.07	97
1941	25,958.06	23,400	24,425	1,533	7.41	207
1942	6,103.48	5,476	5,716	387	7.74	50
1943	1,382.06	1,234	1,288	94	7.83	12
1944	3,132.18	2,782	2,904	228	8.44	27
1945	16,033.54	14,165	14,786	1,248	8.73	143
1946	8,719.44	7,660	7,996	723	9.15	79
1947	11,572.43	10,107	10,550	1,022	9.46	108
1948	11,368.64	9,867	10,299	1,070	9.91	108
1949	10,266.47	8,851	9,239	1,027	10.37	99
1950	29,719.87	25,448	26,563	3,157	10.77	293
1951	39,412.01	33,500	34,968	4,444	11.25	395
1952	23,927.58	20,182	21,066	2,862	11.73	244
1953	16,401.19	13,722	14,323	2,078	12.22	170
1954	22,305.55	18,505	19,316	2,990	12.78	234
1955	27,554.94	22,654	23,646	3,909	13.34	293
1956	27,566.98	22,454	23,438	4,129	13.90	297
1957	24,760.10	19,970	20,845	3,915	14.50	270
1958	95,103.66	75,931	79,257	15,847	15.12	1,048
1959	31,478.89	24,868	25,957	5,522	15.73	351
1960	27,074.73	21,154	22,081	4,994	16.37	305
1961	56,566.83	43,700	45,614	10,953	17.06	642
1962	22,814.68	17,421	18,184	4,631	17.74	261
1963	32,627.88	24,623	25,702	6,926	18.42	376
1964	37,595.96	28,027	29,255	8,341	19.09	437
1965	37,095.20	27,307	28,503	8,592	19.80	434
1966	32,185.46	23,388	24,413	7,772	20.51	379
1967	56,370.01	40,429	42,200	14,170	21.21	668
1968	51,176.17	36,206	37,792	13,384	21.94	610
1969	31,060.18	21,672	22,621	8,439	22.69	372
1970	37,964.75	26,109	27,253	10,712	23.44	457
1971	41,657.49	28,227	29,464	12,193	24.19	504
1972	26,813.77	17,897	18,681	8,133	24.95	326
1973	51,687.84	33,963	35,451	16,237	25.73	631
1974	43,648.85	28,226	29,463	14,186	26.52	535
1975	26,973.73	17,155	17,907	9,067	27.31	332
1976	23,771.53	14,865	15,516	8,256	28.08	294
1977	29,833.89	18,330	19,133	10,701	28.92	370
1978	40,220.45	24,272	25,335	14,885	29.71	501
1979	59,805.49	35,421	36,973	22,832	30.56	747
1980	61,795.41	35,907	37,480	24,315	31.41	774
1981	80,440.05	45,819	47,826	32,614	32.29	1,010
1982	66,323.68	37,017	38,639	27,685	33.16	835
1983	75,703.69	43,673	45,586	30,118	31.11	968
1984	49,386.28	27,819	29,038	20,348	32.09	634
1985	56,685.75	31,160	32,525	24,161	33.10	730
1986	60,050.04	32,427	33,848	26,202	33.59	780
1987	96,831.16	50,962	53,195	43,636	34.58	1,262
1988	101,680.52	52,121	54,404	47,277	35.57	1,329
1989	99,008.25	49,762	51,942	47,066	36.04	1,306
1990	116,992.90	57,186	59,691	57,302	37.04	1,547
1991	88,606.59	42,088	43,932	44,675	38.05	1,174
1992	159,574.41	73,596	76,820	82,754	39.03	2,120
1993	145,170.76	65,414	68,280	76,891	39.53	1,945
1994	116,906.29	51,053	53,290	63,616	40.52	1,570

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1995	95,713.43	40,468	42,241	53,472	41.52	1,288
1996	49,135.34	20,091	20,971	28,164	42.54	662
1997	160,911.05	63,560	66,345	94,566	43.54	2,172
1998	78,529.79	30,140	31,460	47,070	43.99	1,070
1999	136,298.12	50,403	52,611	83,687	45.02	1,859
2000	121,853.66	43,356	45,255	76,599	46.01	1,665
2001	389,701.31	133,200	139,035	250,666	47.01	5,332
2002	248,302.90	81,394	84,960	163,343	48.01	3,402
2003	535,657.43	168,089	175,453	360,204	49.01	7,350
2004	237,666.40	71,252	74,374	163,292	50.01	3,265
2005	320,451.32	92,258	96,300	224,151	50.50	4,439
2006	499,428.35	136,743	142,734	356,694	51.50	6,926
2007	209,830.34	54,493	56,880	152,950	52.51	2,913
2008	111,669.23	27,426	28,627	83,042	53.51	1,552
2009	48,393.49	11,203	11,694	36,699	54.53	673
2010	45,085.01	9,801	10,230	34,855	55.50	628
2011	249,454.99	50,714	52,936	196,519	56.50	3,478
2012	165,726.91	31,356	32,730	132,997	57.50	2,313
2013	30,336.74	5,312	5,545	24,792	58.47	424
2014	1,150.00	185	193	957	59.81	16
2015	12,300.58	1,807	1,886	10,415	60.55	172
2016	107,526.45	14,280	14,906	92,620	61.50	1,506
2017	203,905.99	24,204	25,264	178,642	62.51	2,858
2018	2,388.00	251	262	2,126	62.53	34
2020	12,955.85	996	1,040	11,916	65.11	183
2024	3,724,469.78	74,862	78,141	3,646,329	69.01	52,838
2025	1,038,567.42	13,501	14,092	1,024,475	69.51	14,739
	11,761,725.08	3,179,932	3,308,177	8,453,548		155,689

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 54.30 1.32

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1903	87.72	88	88
1908	20.47	20	20
1912	10.00	10	10
1913	1,422.06	1,375	1,422
1914	1,717.52	1,653	1,718
1915	2,107.56	2,020	2,108
1917	1,070.23	1,017	1,070
1918	2,698.49	2,552	2,698
1919	854.01	804	854
1920	370.59	347	371
1921	1,829.27	1,706	1,829
1922	1,426.94	1,324	1,427
1923	637.00	588	637
1924	663.38	610	663
1925	3,855.98	3,527	3,856
1926	1,375.16	1,252	1,375
1927	3,786.18	3,429	3,786
1928	5,264.61	4,745	5,265
1929	3,155.48	2,830	3,155
1930	4,216.25	3,762	4,216
1931	734.91	652	735
1932	2,011.65	1,777	2,012
1933	407.10	358	407
1934	328.83	287	329
1935	1,806.58	1,571	1,807
1936	3,855.28	3,335	3,855
1937	4,332.14	3,726	4,332
1938	2,344.84	2,006	2,345
1939	1,822.26	1,550	1,822
1940	1,832.44	1,550	1,832
1941	2,222.34	1,869	2,222
1942	11,328.05	9,469	11,328
1943	2,202.07	1,829	2,202
1944	6,853.68	5,658	6,854
1945	1,482.24	1,216	1,482
1946	11,176.62	9,106	11,177
1947	10,642.25	8,614	10,642
1948	26,875.66	21,600	26,876
1949	31,849.55	25,416	31,850
1950	35,333.67	27,990	35,334
1951	51,412.60	40,418	51,413
1952	85,027.11	66,321	85,027
1953	72,782.06	56,322	72,782
1954	23,109.99	17,734	23,110
1955	50,814.38	38,666	50,814
1956	38,313.10	28,900	38,313
1957	42,625.66	31,864	42,626
1958	79,738.28	59,056	79,738
1959	74,800.04	54,869	74,800
1960	20,283.81	14,735	20,284
1961	66,373.89	47,728	66,374
1962	9,913.67	7,054	9,914
1963	36,973.77	26,030	36,974

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1964	36,775.68	25,607	36,776
1965	38,020.47	26,170	38,020
1966	36,383.95	24,752	36,384
1967	21,747.56	14,618	21,748
1968	19,797.16	13,142	19,797
1969	17,892.97	11,727	17,893
1970	22,571.86	14,599	22,572
1971	25,577.92	16,319	25,578
1972	35,114.52	22,095	35,115
1973	44,353.01	27,506	44,353
1974	54,672.82	33,409	54,673
1975	74,150.48	44,627	74,150
1976	25,625.76	15,182	25,626
1977	10,532.04	6,139	10,532
1978	14,019.66	8,036	14,020
1979	64,148.10	36,150	64,148
1980	49,197.48	27,233	49,197
1981	113,229.81	61,545	113,230
1982	25,662.51	13,688	25,663
1983	182,580.42	111,520	182,580
1984	52,714.14	31,655	52,714
1985	45,866.77	27,066	45,867
1986	32,346.01	18,741	32,346
1987	28,282.12	16,081	28,282
1988	38,939.15	21,709	38,939
1989	64,518.22	35,240	64,518
1990	34,385.96	18,390	34,386
1991	32,469.00	16,985	32,469
1992	13,134.65	6,716	13,135
1993	41,418.29	20,676	41,418
1994	35,394.00	17,237	35,394
1995	67,996.39	32,264	67,996
1996	11,779.78	5,440	11,780
1997	22,604.71	10,150	22,605
1998	42,145.24	18,489	42,145
1999	35,600.82	15,141	35,601
2000	45,105.04	18,574	45,105
2002	2,463.00	946	2,463
2003	2,151.21	796	2,151
2004	46,964.39	16,799	46,964
2005	66,156.46	22,692	66,156
2006	176,972.15	58,065	176,972
2007	5,788.36	1,812	5,788
2008	282,942.23	84,769	282,942
2009	2,111.91	600	2,112
2010	47,741.75	12,881	47,742
2011	53,720.27	13,629	53,720
2012	56,631.58	13,524	56,632
2013	168,150.95	37,380	168,151
2014	22,526.04	4,654	22,526
2015	439,111.72	83,695	439,112
2017	6,500.00	1,023	6,500
2018	147,693.96	20,707	147,694
2019	13,618.75	1,678	13,619

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

2023	136,820.88	6,882	106,949	29,872	45.68	654
2024	26,993.62	829	12,883	14,111	44.66	316
	4,109,993.12	1,920,914	4,066,011	43,983		970

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 45.30 0.02

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1905	18.93	19	19			
1906	10.01	10	10			
1907	41.85	41	42			
1909	16.66	16	17			
1910	5.15	5	5			
1911	36.07	35	36			
1912	10.16	10	10			
1913	33.39	32	33			
1914	13.64	13	14			
1915	7.21	7	7			
1917	11.97	11	12			
1922	15.26	14	15			
1925	2.50	2	2			
1927	26.62	24	27			
1928	617.16	556	617			
1929	5.35	5	5			
1930	19.62	18	20			
1933	1.25	1	1			
1938	156.55	134	157			
1939	541.21	460	541			
1940	225.24	191	225			
1941	132.11	111	132			
1942	1,264.96	1,057	1,265			
1943	140.00	116	140			
1947	28.90	23	29			
1948	119.32	96	119			
1949	954.21	761	954			
1950	318.52	252	319			
1951	1,225.25	963	1,225			
1952	1,723.65	1,344	1,724			
1953	1,838.37	1,423	1,838			
1954	1,808.65	1,388	1,809			
1955	4,119.06	3,134	4,119			
1956	2,972.20	2,242	2,972			
1957	599.42	448	599			
1958	2,092.84	1,550	2,093			
1959	1,105.18	811	1,105			
1960	1,903.13	1,383	1,903			
1961	655.47	471	655			
1962	3,127.73	2,226	3,128			
1963	2,267.09	1,596	2,267			
1964	1,006.92	701	1,007			
1965	4,910.23	3,380	4,890	20	20.00	1
1966	1,977.05	1,345	1,946	31	31.00	1
1967	4,007.26	2,693	3,896	111	22.20	5
1968	2,402.78	1,595	2,308	95	23.75	4
1969	2,104.83	1,379	1,995	110	22.00	5
1970	7,723.63	4,995	7,227	497	22.59	22
1971	3,384.07	2,159	3,124	260	23.64	11
1972	5,978.05	3,762	5,443	535	24.32	22
1973	4,798.08	2,976	4,306	492	24.60	20
1974	1,207.86	738	1,068	140	23.33	6
1976	8,495.73	5,033	7,282	1,214	26.39	46
1977	2,075.92	1,210	1,751	325	27.08	12
1978	1,584.85	908	1,314	271	27.10	10

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1979	3,055.69	1,722	2,492	564	28.20	20
1980	15,755.65	8,721	12,618	3,138	29.06	108
1981	1,735.37	943	1,364	371	28.54	13
1982	7,477.67	3,988	5,770	1,708	30.50	56
1983	9,556.02	5,837	8,445	1,111	27.10	41
1984	10,545.06	6,332	9,162	1,383	27.66	50
1985	7,845.56	4,630	6,699	1,147	27.98	41
1986	13,834.09	8,015	11,597	2,237	28.68	78
1987	16,371.96	9,309	13,469	2,903	29.03	100
1988	24,793.91	13,823	20,000	4,794	29.78	161
1989	20,057.78	10,956	15,852	4,206	30.26	139
1990	10,248.72	5,481	7,930	2,319	30.92	75
1991	24,384.92	12,756	18,456	5,929	31.37	189
1992	32,716.16	16,728	24,203	8,513	31.88	267
1993	43,540.71	21,736	31,449	12,092	32.51	372
1994	13,356.35	6,505	9,412	3,944	33.14	119
1995	25,503.16	12,101	17,509	7,994	33.73	237
1996	17,361.84	8,018	11,601	5,761	34.29	168
1997	12,560.71	5,640	8,160	4,401	34.93	126
1998	19,747.96	8,663	12,534	7,214	35.02	206
1999	38,323.29	16,299	23,583	14,740	35.69	413
2000	17,222.31	7,092	10,261	6,961	36.26	192
2001	25,491.47	10,146	14,680	10,811	36.90	293
2002	30,061.47	11,544	16,703	13,358	37.52	356
2003	43,162.95	15,966	23,101	20,062	38.21	525
2004	46,337.65	16,575	23,982	22,356	38.48	581
2005	49,805.93	17,083	24,717	25,089	39.14	641
2006	39,229.62	12,871	18,623	20,607	39.78	518
2007	26,168.97	8,194	11,856	14,313	40.43	354
2008	38,476.67	11,528	16,680	21,797	40.74	535
2009	31,291.92	8,887	12,858	18,434	41.42	445
2010	56,436.18	15,226	22,030	34,406	41.75	824
2011	49,784.92	12,630	18,274	31,511	42.41	743
2012	115,135.23	27,494	39,781	75,354	42.77	1,762
2013	67,646.44	15,038	21,758	45,888	43.45	1,056
2014	7,717.64	1,594	2,306	5,412	44.00	123
2015	2,009.53	383	554	1,456	44.12	33
2016	4,884.04	851	1,232	3,652	44.54	82
2021	3,388.02	296	428	2,960	46.25	64
	1,104,892.66	437,474	629,896	474,997		12,271

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 38.70 1.11

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

1905	13,481.44	12,825	11,562	1,919	6.15	312
1919	1,926.91	1,805	1,627	300	7.14	42
1922	400.82	373	336	65	8.13	8
1927	750.59	694	626	125	7.81	16
1936	1,676.98	1,529	1,378	299	8.54	35
1943	872.73	791	713	160	8.42	19
1945	569.96	513	462	107	8.92	12
1948	237.87	214	193	45	9.00	5
1949	692.13	624	563	130	8.13	16
1950	1,244,916.21	1,117,312	1,007,283	237,634	8.61	27,600
1951	1,203.94	1,075	969	235	9.04	26
1952	3,847.45	3,446	3,107	741	8.52	87
1953	898.12	800	721	177	8.85	20
1958	891.52	787	710	182	9.10	20
1960	1,158.63	1,023	922	236	8.74	27
1961	1,045.63	916	826	220	9.17	24
1962	1,085.17	950	856	229	9.16	25
1963	660.66	577	520	140	8.75	16
1964	174,029.67	151,771	136,825	37,205	9.01	4,129
1965	19,001.79	16,532	14,904	4,098	9.03	454
1966	4,722.91	4,097	3,694	1,029	9.11	113
1967	3,887.28	3,361	3,030	857	9.12	94
1968	11,176.28	9,625	8,677	2,499	9.26	270
1969	31.95	28	25	7	7.00	1
1970	2,279.85	1,958	1,765	515	9.04	57
1971	21,739.76	18,572	16,743	4,997	9.29	538
1972	12,280.95	10,497	9,463	2,818	9.09	310
1973	11,646.34	9,951	8,971	2,675	8.92	300
1974	1,371.05	1,163	1,048	323	9.23	35
1975	6,993.01	5,923	5,340	1,653	9.13	181
1976	2,273.20	1,921	1,732	541	9.02	60
1977	5,746.85	4,841	4,364	1,383	9.04	153
1979	12,619.29	10,543	9,505	3,115	9.13	341
1981	3,057.38	2,539	2,289	768	9.04	85
1982	71,564.28	59,033	53,220	18,345	9.22	1,990
1983	35,103.99	28,887	26,042	9,062	9.13	993
1984	13,103.50	10,691	9,638	3,465	9.34	371
1985	60,178.50	48,889	44,075	16,104	9.33	1,726
1986	231,569.14	188,034	169,517	62,052	9.13	6,796
1987	43,822.14	35,356	31,874	11,948	9.20	1,299
1988	247,922.43	198,511	178,962	68,960	9.31	7,407
1989	21,016.17	16,760	15,110	5,907	9.24	639
1990	901,807.59	715,404	644,953	256,854	9.23	27,828
1991	7,921.08	6,243	5,628	2,293	9.25	248
1992	10,029.97	7,843	7,071	2,959	9.33	317
1993	27,940.33	21,738	19,597	8,343	9.25	902
1994	48,213.43	37,259	33,590	14,624	9.24	1,583
1995	24,537.74	18,808	16,956	7,582	9.27	818
1996	20,252.76	15,372	13,858	6,395	9.34	685
1997	48,138.54	36,248	32,678	15,460	9.32	1,659
1998	372.78	278	251	122	9.38	13

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

1999	142.95	106	96	47	9.40	5
2000	169,420.27	124,016	111,803	57,617	9.31	6,189
2001	1,320,721.95	954,486	860,491	460,231	9.37	49,118
2002	185,810.88	132,706	119,638	66,173	9.37	7,062
2003	865,421.13	611,074	550,897	314,524	9.33	33,711
2004	699,652.93	486,958	439,004	260,649	9.35	27,877
2005	85,481.43	58,640	52,865	32,616	9.35	3,488
2006	650,399.85	439,475	396,197	254,203	9.32	27,275
2007	24,300.00	16,111	14,524	9,776	9.36	1,044
2008	162,468.30	105,539	95,146	67,322	9.39	7,170
2009	166,927.04	106,333	95,862	71,065	9.36	7,592
2011	593,421.97	359,317	323,933	269,489	9.39	28,700
2012	270,229.11	159,165	143,491	126,738	9.36	13,540
2013	3,452.91	1,968	1,774	1,679	9.38	179
2014	63,070.43	34,632	31,222	31,849	9.37	3,399
2016	253,903.20	127,206	114,679	139,224	9.38	14,843
2017	192,263.18	90,940	81,985	110,279	9.38	11,757
2018	1,706,003.98	754,054	679,797	1,026,207	9.36	109,638
2019	783,485.14	318,722	287,335	496,150	9.36	53,007
2020	30,335.80	11,124	10,029	20,307	9.35	2,172
2021	410,715.23	131,881	118,894	291,821	9.34	31,244
	12,020,296.37	7,869,383	7,094,431	4,925,865		529,715

GROVE CITY - LEASED
FULLY ACCRUED
NET SALVAGE PERCENT: 0

1982	20,774.82	20,775	20,775			
1985	335.13	335	335			
1987	6,381.82	6,382	6,382			
1989	1,068.50	1,068	1,069			
1997	8,903.57	8,904	8,904			
	37,463.84	37,464	37,464			

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1977	574,656.36	467,425	421,246	153,410	11.11	13,808
1978	6,521.93	5,288	4,766	1,756	11.04	159
1979	9,349.20	7,550	6,804	2,545	11.07	230
1981	16,129.01	12,895	11,621	4,508	11.13	405
1983	3,996.10	3,170	2,857	1,139	11.06	103
1984	8,494.75	6,720	6,056	2,439	10.94	223
1985	30,698.24	24,070	21,692	9,006	11.13	809
1986	11,922.75	9,305	8,386	3,537	11.09	319
1987	23,108.71	17,932	16,160	6,948	11.08	627

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1988	6,440.97	4,965	4,474	1,966	11.11	177
1990	1,876.08	1,429	1,288	588	11.09	53
1991	72.90	55	50	23	11.50	2
1994	22,760.50	16,804	15,144	7,617	11.14	684
1997	156,811.27	112,732	101,595	55,216	11.11	4,970
1998	10,184.58	7,232	6,518	3,667	11.18	328
1999	2,719.86	1,911	1,722	998	11.21	89
2002	37,658.07	25,483	22,965	14,693	11.19	1,313
2008	376,870.14	229,062	206,432	170,438	11.24	15,164
2012	5,896.34	3,204	2,887	3,009	11.27	267
2013	470.34	246	222	249	11.32	22
2017	9,500.00	4,062	3,661	5,839	11.27	518
2019	51,848.55	18,831	16,971	34,878	11.25	3,100
2020	35,849.00	11,669	10,516	25,333	11.22	2,258
2021	911,733.42	257,747	232,283	679,450	11.21	60,611
2022	1,825.65	427	385	1,441	11.17	129
	2,317,394.72	1,250,214	1,126,701	1,190,694		106,368

BUTLER METER SHOP
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2021
NET SALVAGE PERCENT: 0

1966	62,627.19	62,627	62,627			
1969	216.05	216	216			
1972	1,191.68	1,192	1,192			
	64,034.92	64,035	64,035			

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1949	2,371.56	2,302	2,078	294	2.31	127
1959	2,096.59	2,019	1,822	274	2.56	107
1963	430,677.99	413,968	373,660	57,018	2.52	22,626
1964	1,539.18	1,475	1,331	208	2.70	77
1965	654.36	629	568	87	2.49	35
1966	976.50	934	843	133	2.71	49
1967	4,121.30	3,948	3,564	558	2.56	218
1968	646.90	620	560	87	2.49	35
1969	6,657.08	6,385	5,763	894	2.41	371
1971	10,820.37	10,363	9,354	1,466	2.40	611
1972	22,566.15	21,578	19,477	3,089	2.45	1,261
1973	3,706.54	3,536	3,192	515	2.52	204
1974	3,438.45	3,271	2,953	486	2.64	184
1976	919.57	872	787	132	2.69	49
1977	1,221.18	1,159	1,046	175	2.61	67

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1978	1,597.60	1,515	1,367	230	2.58	89
1979	4,791.81	4,537	4,095	697	2.60	268
1980	718.19	678	612	106	2.65	40
1981	1,879.91	1,779	1,606	274	2.54	108
1982	8,262.92	7,821	7,059	1,203	2.45	491
1983	60,171.49	56,657	51,140	9,031	2.63	3,434
1984	17,367.27	16,329	14,739	2,628	2.63	999
1985	90,145.44	84,890	76,624	13,521	2.50	5,408
1986	12,562.64	11,785	10,637	1,925	2.60	740
1987	8,936.72	8,377	7,561	1,375	2.57	535
1988	55,686.25	52,089	47,017	8,669	2.58	3,360
1989	29,469.36	27,580	24,895	4,575	2.49	1,837
1990	18,494.98	17,228	15,551	2,944	2.60	1,132
1991	119,393.26	110,940	100,138	19,256	2.62	7,350
1992	14,894.58	13,837	12,490	2,405	2.55	943
1993	21,385.70	19,827	17,896	3,489	2.55	1,368
1994	187,968.34	173,608	156,704	31,265	2.60	12,025
1995	33,563.46	30,932	27,920	5,643	2.59	2,179
1996	54,289.39	49,984	45,117	9,172	2.53	3,625
1997	39,321.00	36,093	32,579	6,742	2.54	2,654
1998	67,068.81	61,415	55,435	11,634	2.52	4,617
2002	8,304.30	7,486	6,757	1,547	2.56	604
2003	306,305.28	274,664	247,920	58,385	2.58	22,630
2005	144,369.95	128,215	115,731	28,639	2.57	11,144
2007	40,891.92	35,846	32,356	8,536	2.59	3,296
2014	37,660.00	30,742	27,749	9,911	2.57	3,856
2017	6,775.00	5,189	4,684	2,091	2.57	814
2018	195,632.54	145,238	131,096	64,536	2.57	25,111
2019	103,134.21	73,658	66,486	36,648	2.57	14,260
2020	275,385.01	186,766	168,581	106,804	2.57	41,558
2021	13,538.27	8,556	7,723	5,815	2.57	2,263
	2,472,379.32	2,157,320	1,947,261	525,118		204,759

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1943	90,391.82	84,932	76,647	13,745	5.30	2,593
1966	318,929.94	291,821	263,355	55,575	5.52	10,068
1967	4,073.03	3,735	3,371	702	5.28	133
1971	2,535.26	2,304	2,079	456	5.43	84
1972	1,702.65	1,546	1,395	307	5.39	57
1975	1,036.16	935	844	192	5.49	35
1976	3,832.16	3,447	3,111	721	5.55	130
1978	1,858.53	1,666	1,503	355	5.46	65
1979	1,896.31	1,699	1,533	363	5.42	67
1980	2,746.10	2,457	2,217	529	5.34	99
1981	3,468.71	3,081	2,780	688	5.59	123
1984	3,697.28	3,262	2,944	753	5.54	136

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1985	10,295.41	9,071	8,186	2,109	5.45	387
1986	8,387.42	7,373	6,654	1,734	5.44	319
1987	57,873.01	50,691	45,746	12,127	5.44	2,229
1988	102,396.21	89,269	80,561	21,835	5.50	3,970
1989	36,434.20	31,712	28,619	7,816	5.42	1,442
1991	55,157.82	47,651	43,003	12,155	5.42	2,243
1993	25,660.31	21,960	19,818	5,842	5.46	1,070
1994	27,238.69	23,191	20,929	6,310	5.48	1,151
1995	17,435.00	14,743	13,305	4,130	5.55	744
1996	28,120.70	23,658	21,350	6,770	5.55	1,220
1998	46,811.17	39,017	35,211	11,600	5.48	2,117
1999	7,653.98	6,328	5,711	1,943	5.54	351
2000	21,489.18	17,643	15,922	5,567	5.54	1,005
2002	47,688.32	38,637	34,868	12,820	5.49	2,335
2005	6,950.00	5,477	4,943	2,007	5.48	366
2006	2,379.47	1,853	1,672	707	5.52	128
2007	26,430.44	20,346	18,361	8,069	5.51	1,464
2009	71,375.94	53,432	48,220	23,156	5.51	4,203
2012	5,250.00	3,719	3,356	1,894	5.52	343
2016	15,748.38	9,921	8,953	6,795	5.53	1,229
2018	93,180.06	53,420	48,209	44,971	5.52	8,147
2019	248,846.45	133,805	120,753	128,094	5.52	23,205
2020	9,604.01	4,755	4,291	5,313	5.52	962
2021	74,483.58	33,130	29,898	44,585	5.51	8,092
2022	1,740.67	666	601	1,140	5.51	207
	1,484,798.37	1,142,353	1,030,919	453,879		82,519

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1924	435.52	411	370	65	5.91	11
1945	492.69	460	415	78	6.00	13
1948	2,888.20	2,683	2,418	470	5.95	79
1950	23,605.50	21,896	19,735	3,870	5.89	657
1951	6,091.93	5,622	5,067	1,025	6.21	165
1952	142,376.31	131,698	118,702	23,674	5.95	3,979
1953	23,136.05	21,278	19,178	3,958	6.32	626
1958	813.70	746	672	141	6.13	23
1961	2,324.78	2,112	1,904	421	6.48	65
1963	2,863.86	2,610	2,352	511	6.08	84
1966	8,158.89	7,368	6,641	1,518	6.38	238
1968	993.92	896	808	186	6.20	30
1969	523.45	470	424	100	6.67	15
1970	0.70	1	1			
1971	3,328.14	2,988	2,693	635	6.17	103
1972	2,445.48	2,182	1,967	479	6.47	74
1973	6,456.26	5,753	5,185	1,271	6.42	198
1976	2,945.98	2,606	2,349	597	6.42	93

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1977	1,500.00	1,322	1,192	308	6.55	47
1978	12,059.78	10,637	9,587	2,472	6.34	390
1979	8,643.52	7,583	6,835	1,809	6.48	279
1981	14,781.49	12,934	11,658	3,124	6.35	492
1982	9,671.00	8,440	7,607	2,064	6.33	326
1983	4,480.47	3,896	3,512	969	6.38	152
1984	27,253.46	23,591	21,263	5,990	6.43	932
1985	1,263.73	1,088	981	283	6.58	43
1986	3,203.40	2,753	2,481	722	6.45	112
1989	782,976.60	664,356	598,797	184,179	6.50	28,335
1990	32,673.28	27,658	24,929	7,745	6.42	1,206
1994	11,371.45	9,431	8,500	2,871	6.47	444
1995	368,068.25	303,399	273,460	94,609	6.48	14,600
1997	13,247.67	10,805	9,739	3,509	6.43	546
1998	44,954.56	36,359	32,771	12,183	6.48	1,880
2000	1,442.94	1,152	1,038	405	6.43	63
2002	15,461.18	12,129	10,932	4,529	6.43	704
2003	12,062.57	9,356	8,433	3,630	6.49	559
2004	3,675.14	2,818	2,540	1,135	6.52	174
2005	6,950.00	5,279	4,758	2,192	6.47	339
2008	147,095.70	107,086	96,519	50,577	6.51	7,769
2009	116,934.87	83,889	75,611	41,324	6.47	6,387
2012	39,427.15	26,554	23,934	15,493	6.50	2,384
2017	124,830.59	70,504	63,547	61,284	6.49	9,443
2019	116,711.39	58,041	52,314	64,398	6.49	9,923
	2,150,621.55	1,712,840	1,543,817	606,805		93,982

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1960	77,127.48	72,153	65,100	12,027	4.51	2,667
1961	20,070.74	18,746	16,914	3,157	4.55	694
1962	2,612.56	2,435	2,197	416	4.62	90
1970	896.38	830	749	148	4.48	33
1972	1,732.37	1,601	1,445	288	4.36	66
1973	769.29	710	641	129	4.45	29
1974	8,759.09	8,062	7,274	1,485	4.45	334
1975	1,619.95	1,486	1,341	279	4.50	62
1976	928.15	853	770	159	4.30	37
1977	427.04	391	353	74	4.63	16
1978	2,152.16	1,969	1,777	376	4.42	85
1981	7,269.82	6,587	5,943	1,327	4.61	288
1982	7,096.99	6,440	5,810	1,287	4.42	291
1983	8,103.36	7,321	6,605	1,498	4.53	331
1984	8,548.32	7,718	6,964	1,585	4.45	356
1985	179.77	162	146	34	4.25	8
1986	4,626.77	4,158	3,752	875	4.44	197
1987	16,040.66	14,358	12,955	3,086	4.50	686

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1988	17,114.06	15,240	13,750	3,364	4.60	731
1989	148,533.19	131,987	119,085	29,448	4.57	6,444
1993	6,393.47	5,617	5,068	1,326	4.48	296
1994	8,076.67	7,054	6,364	1,712	4.55	376
1995	8,892.56	7,736	6,980	1,913	4.55	420
1997	882.03	762	688	195	4.43	44
1998	552,360.93	473,981	427,649	124,712	4.53	27,530
1999	48,150.89	41,087	37,071	11,080	4.54	2,441
2000	12,873.57	10,928	9,860	3,014	4.52	667
2002	35,288.07	29,582	26,690	8,598	4.52	1,902
2003	39,898.68	33,184	29,940	9,958	4.54	2,193
2004	26,632.62	21,959	19,812	6,820	4.56	1,496
2007	9,939.28	7,981	7,201	2,738	4.52	606
2008	92,178.51	73,051	65,910	26,268	4.56	5,761
2009	66,266.41	51,893	46,820	19,446	4.55	4,274
2013	88,745.83	65,015	58,660	30,086	4.53	6,642
2014	46,877.95	33,555	30,275	16,603	4.53	3,665
2017	32,750.00	21,281	19,201	13,549	4.54	2,984
2018	88,282.65	54,735	49,385	38,898	4.55	8,549
2019	103,148.79	60,363	54,462	48,686	4.55	10,700
2020	17,716.37	9,634	8,692	9,024	4.54	1,988
	1,619,963.43	1,312,605	1,184,297	435,666		95,979

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1961	239,859.67	220,959	199,464	40,396	5.51	7,331
1962	7,213.52	6,633	5,988	1,226	5.55	221
1963	1,692.49	1,564	1,412	281	5.11	55
1965	1,097.03	1,007	909	188	5.37	35
1968	723.51	660	596	128	5.57	23
1969	984.98	900	812	173	5.24	33
1971	581.69	529	478	104	5.47	19
1974	9,535.06	8,628	7,789	1,746	5.41	323
1975	9,920.85	8,954	8,083	1,838	5.45	337
1976	1,063.87	957	864	200	5.56	36
1978	939.29	842	760	179	5.42	33
1979	10,738.67	9,620	8,684	2,055	5.39	381
1980	13,487.17	12,067	10,893	2,594	5.35	485
1981	1,293.50	1,149	1,037	256	5.57	46
1982	1,138.72	1,013	914	224	5.33	42
1984	12,521.03	11,046	9,971	2,550	5.53	461
1985	21,310.45	18,777	16,950	4,360	5.45	800
1986	11,112.74	9,768	8,818	2,295	5.43	423
1987	8,570.94	7,507	6,777	1,794	5.44	330
1988	74,173.84	64,665	58,374	15,800	5.50	2,873
1989	378.88	330	298	81	5.40	15
1990	39,513.21	34,147	30,825	8,688	5.57	1,560

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1991	17,717.03	15,306	13,817	3,900	5.42	720
1992	13,808.43	11,859	10,705	3,103	5.49	565
1993	10,248.35	8,771	7,918	2,331	5.46	427
1994	10,675.48	9,089	8,205	2,471	5.48	451
1995	11,376.20	9,620	8,684	2,692	5.55	485
1998	70,618.91	58,861	53,135	17,484	5.48	3,191
2000	46,479.64	38,160	34,448	12,032	5.54	2,172
2001	36,503.82	29,769	26,873	9,631	5.52	1,745
2002	13,837.16	11,211	10,120	3,717	5.49	677
2003	34,041.04	27,318	24,660	9,381	5.52	1,699
2005	54,154.92	42,679	38,527	15,628	5.49	2,847
2006	190,619.30	148,416	133,978	56,641	5.52	10,261
2007	24,500.00	18,860	17,025	7,475	5.51	1,357
2008	11,530.52	8,756	7,904	3,626	5.52	657
2009	14,840.00	11,109	10,028	4,812	5.51	873
2014	12,466.11	8,397	7,580	4,886	5.53	884
2018	219,474.84	125,825	113,585	105,890	5.52	19,183
2019	15,269.00	8,210	7,411	7,858	5.52	1,424
2020	98,227.80	48,633	43,902	54,326	5.52	9,842
2021	68,867.56	30,632	27,652	41,215	5.51	7,480
	1,443,107.22	1,093,203	986,855	456,252		82,802

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1947	57,166.96	56,035	50,525	6,642	1.58	4,204
1948	27,660.35	27,196	24,522	3,139	1.32	2,378
1949	1,266.73	1,239	1,117	150	1.70	88
1953	1,917.47	1,875	1,691	227	1.66	137
1954	2,355.29	2,304	2,077	278	1.58	176
1959	65,507.73	63,955	57,666	7,842	1.61	4,871
1960	1,184.13	1,154	1,041	144	1.69	85
1961	5,571.32	5,455	4,919	653	1.38	473
1962	3,383.71	3,305	2,980	404	1.52	266
1964	476.07	465	419	57	1.46	39
1966	1,683.43	1,640	1,479	205	1.56	131
1969	1,559.80	1,514	1,365	195	1.73	113
1971	11,780.11	11,475	10,347	1,433	1.45	988
1972	6,154.32	5,983	5,395	760	1.53	497
1973	2,390.11	2,318	2,090	300	1.64	183
1975	1,247.81	1,208	1,089	159	1.67	95
1978	2,389.28	2,311	2,084	306	1.60	191
1979	8,709.67	8,409	7,582	1,128	1.66	680
1981	1,869.15	1,801	1,624	245	1.67	147
1982	11,780.12	11,354	10,238	1,543	1.63	947
1983	19,931.83	19,192	17,305	2,627	1.63	1,612
1984	15,807.70	15,254	13,754	2,054	1.50	1,369
1985	109,553.81	105,380	95,018	14,536	1.60	9,085

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1986	56,131.64	53,987	48,678	7,453	1.57	4,747
1987	82,066.79	78,817	71,067	11,000	1.58	6,962
1988	21,602.55	20,693	18,658	2,944	1.64	1,795
1989	14,727.43	14,106	12,719	2,009	1.60	1,256
1990	3,194.14	3,054	2,754	440	1.62	272
1992	43,057.95	41,150	37,104	5,954	1.55	3,841
1993	3,763.95	3,587	3,234	530	1.60	331
1994	5,127.23	4,881	4,401	726	1.59	457
1996	9,452.47	8,982	8,099	1,354	1.54	879
1997	1,576.21	1,492	1,345	231	1.62	143
1998	64,019.11	60,556	54,601	9,418	1.57	5,999
2000	13,091.82	12,312	11,101	1,991	1.61	1,237
2001	7,576.38	7,122	6,422	1,155	1.56	740
2002	357,642.37	335,004	302,062	55,581	1.58	35,178
2008	19,439.50	17,809	16,058	3,382	1.60	2,114
2009	28,742.44	26,236	23,656	5,086	1.57	3,239
2019	50,213.87	40,307	36,343	13,870	1.58	8,778
2020	1.00	1	1			
2021	61,020.93	44,954	40,533	20,488	1.58	12,967
	1,203,794.68	1,125,872	1,015,160	188,635		119,690
	24,813,854.42	17,765,289	16,030,940	8,782,914		1,315,814

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.70 5.30

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1886	288.58	282	289			
1889	26.33	25	26			
1890	7.25	7	7			
1892	5.14	5	5			
1894	299.72	281	300			
1895	6.38	6	6			
1896	5,840.96	5,442	5,841			
1897	94.83	88	95			
1898	169.97	157	170			
1899	1,493.07	1,376	1,493			
1900	419,401.63	385,267	419,402			
1901	23,605.31	21,609	23,605			
1902	47,725.16	43,543	47,725			
1903	45,183.21	41,079	45,183			
1904	43,860.66	39,743	43,861			
1905	48,484.50	43,771	48,484			
1906	34,047.14	30,628	34,047			
1907	41,782.00	37,447	41,782			
1908	33,563.99	29,965	33,564			
1909	21,043.06	18,714	21,043			
1910	10,151.32	8,992	10,151			
1911	30,763.83	27,140	30,764			
1912	23,801.62	20,912	23,802			
1913	124,874.62	109,248	124,875			
1914	126,356.12	110,088	126,356			
1915	29,199.26	25,326	29,199			
1916	49,148.83	42,445	49,149			
1917	34,228.46	29,427	34,228			
1918	42,112.05	36,041	41,971	141	10.07	14
1919	30,988.06	26,396	30,739	249	10.83	23
1920	909.53	771	898	12	12.00	1
1921	36,898.52	31,133	36,255	644	11.30	57
1922	39,932.18	33,532	39,049	883	11.47	77
1923	58,967.31	49,271	57,378	1,589	11.86	134
1924	99,068.35	82,364	95,915	3,153	12.13	260
1925	188,169.84	155,658	181,269	6,901	12.43	555
1926	139,424.55	114,755	133,636	5,789	12.75	454
1927	128,696.04	105,370	122,707	5,989	13.05	459
1928	152,567.21	124,237	144,678	7,889	13.37	590
1929	123,047.98	99,669	116,068	6,980	13.69	510
1930	109,243.38	88,002	102,481	6,762	14.00	483
1931	116,385.72	93,221	108,559	7,827	14.34	546
1932	93,155.51	74,188	86,394	6,762	14.67	461
1933	34,890.52	27,627	32,172	2,719	15.02	181
1934	23,648.93	18,614	21,677	1,972	15.29	129
1935	42,730.83	33,425	38,924	3,807	15.67	243
1936	53,561.75	41,637	48,488	5,074	16.01	317
1937	180,477.85	139,419	162,358	18,120	16.38	1,106
1938	118,485.65	90,938	105,900	12,586	16.74	752
1939	197,043.48	150,218	174,934	22,109	17.11	1,292
1940	276,257.08	209,149	243,560	32,697	17.49	1,869
1941	209,647.08	157,615	183,548	26,099	17.88	1,460
1942	120,882.89	90,243	105,091	15,792	18.26	865
1943	38,957.44	28,872	33,622	5,335	18.65	286
1944	73,348.70	53,952	62,829	10,520	19.02	553

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1945	52,691.48	38,457	44,784	7,907	19.43	407
1946	208,628.68	151,083	175,941	32,688	19.86	1,646
1947	187,672.15	134,811	156,992	30,680	20.28	1,513
1948	99,983.53	71,224	82,943	17,041	20.71	823
1949	513,259.26	362,561	422,214	91,045	21.14	4,307
1950	706,569.95	494,797	576,206	130,364	21.58	6,041
1951	783,932.05	544,072	633,589	150,343	22.03	6,824
1952	1,240,755.11	853,193	993,570	247,185	22.49	10,991
1953	1,314,141.65	895,259	1,042,557	271,585	22.95	11,834
1954	760,678.12	513,245	597,690	162,988	23.42	6,959
1955	1,051,730.40	702,619	818,222	233,508	23.90	9,770
1956	1,466,035.77	969,621	1,129,154	336,882	24.38	13,818
1957	1,103,034.87	722,025	840,821	262,214	24.87	10,543
1958	1,387,395.98	898,533	1,046,370	341,026	25.37	13,442
1959	1,162,209.84	744,465	866,953	295,257	25.88	11,409
1960	1,113,517.73	705,380	821,437	292,081	26.39	11,068
1961	1,386,586.52	868,156	1,010,995	375,592	26.92	13,952
1962	1,382,931.17	855,882	996,701	386,230	27.44	14,075
1963	1,624,004.81	992,900	1,156,263	467,742	27.98	16,717
1964	1,694,783.94	1,023,463	1,191,854	502,930	28.52	17,634
1965	1,907,446.62	1,137,315	1,324,439	583,008	29.07	20,055
1966	2,209,740.93	1,300,366	1,514,317	695,424	29.63	23,470
1967	2,286,352.51	1,327,662	1,546,104	740,249	30.19	24,520
1968	2,664,712.62	1,526,294	1,777,417	887,296	30.76	28,846
1969	2,359,823.00	1,332,639	1,551,899	807,924	31.34	25,779
1970	2,352,967.14	1,309,826	1,525,333	827,634	31.92	25,928
1971	3,170,343.81	1,738,838	2,024,931	1,145,413	32.51	35,233
1972	3,556,786.45	1,921,163	2,237,254	1,319,532	33.11	39,853
1973	4,219,709.28	2,244,084	2,613,305	1,606,404	33.71	47,654
1974	4,196,041.01	2,195,914	2,557,210	1,638,831	34.32	47,751
1975	2,361,556.50	1,215,871	1,415,919	945,638	34.93	27,072
1976	2,176,995.69	1,101,799	1,283,079	893,917	35.56	25,138
1977	4,432,671.28	2,205,254	2,568,087	1,864,584	36.18	51,536
1978	3,783,142.65	1,848,481	2,152,613	1,630,530	36.82	44,284
1979	4,509,040.12	2,163,077	2,518,970	1,990,070	37.46	53,125
1980	5,383,977.42	2,534,938	2,952,014	2,431,963	38.10	63,831
1981	6,403,029.36	2,956,983	3,443,498	2,959,531	38.75	76,375
1982	5,622,121.12	2,544,797	2,963,495	2,658,626	39.41	67,461
1983	4,373,299.67	2,430,243	2,830,093	1,543,207	33.92	45,495
1984	6,221,294.17	3,401,182	3,960,782	2,260,512	34.34	65,827
1985	6,717,475.29	3,610,643	4,204,706	2,512,769	34.77	72,268
1986	6,288,142.16	3,321,397	3,867,870	2,420,272	35.21	68,738
1987	8,786,084.87	4,523,076	5,267,262	3,518,823	36.21	97,178
1988	5,717,143.83	2,887,729	3,362,850	2,354,294	36.66	64,220
1989	7,334,652.24	3,632,853	4,230,570	3,104,082	37.11	83,645
1990	7,972,818.59	3,868,412	4,504,886	3,467,933	37.58	92,281
1991	7,629,627.61	3,624,073	4,220,345	3,409,283	38.04	89,624
1992	10,878,666.55	5,053,141	5,884,539	4,994,128	38.53	129,617
1993	9,617,740.93	4,364,531	5,082,632	4,535,109	39.01	116,255
1994	10,452,149.45	4,630,302	5,392,130	5,060,019	39.50	128,102
1995	9,249,003.63	3,994,645	4,651,888	4,597,116	40.01	114,899
1996	7,472,384.06	3,143,632	3,660,857	3,811,527	40.51	94,089
1997	7,777,089.57	3,204,161	3,731,345	4,045,745	40.55	99,772
1998	5,576,713.04	2,232,358	2,599,650	2,977,063	41.08	72,470
1999	7,758,979.98	3,012,812	3,508,513	4,250,467	41.61	102,150

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

2000	7,380,811.39	2,776,661	3,233,508	4,147,303	42.15	98,394
2001	7,764,820.30	2,824,842	3,289,616	4,475,204	42.70	104,806
2002	11,005,956.89	3,891,706	4,532,012	6,473,945	42.81	151,225
2003	12,888,582.41	4,391,140	5,113,619	7,774,963	43.38	179,229
2004	15,055,188.60	4,933,585	5,745,313	9,309,876	43.94	211,877
2005	18,820,879.72	5,956,808	6,936,888	11,883,992	44.10	269,478
2006	15,383,564.93	4,659,682	5,426,344	9,957,221	44.69	222,806
2007	11,810,990.39	3,436,998	4,002,491	7,808,499	44.87	174,025
2008	11,840,118.87	3,278,529	3,817,949	8,022,170	45.48	176,389
2009	13,388,041.29	3,538,459	4,120,645	9,267,396	45.70	202,788
2010	12,743,665.08	3,202,483	3,729,391	9,014,274	45.93	196,261
2011	18,726,733.99	4,455,090	5,188,090	13,538,644	46.19	293,108
2012	47,940,359.18	10,743,434	12,511,062	35,429,297	46.46	762,576
2013	26,128,992.96	5,481,863	6,383,799	19,745,194	46.76	422,267
2014	30,384,174.10	5,930,991	6,906,823	23,477,351	47.06	498,881
2015	35,583,807.72	6,447,786	7,508,647	28,075,161	47.06	596,582
2016	34,286,660.77	5,681,300	6,616,050	27,670,611	47.40	583,768
2017	55,581,825.00	8,376,181	9,754,322	45,827,503	47.45	965,806
2018	79,657,209.55	10,809,483	12,587,978	67,069,232	47.23	1,420,056
2019	66,175,123.50	7,901,310	9,201,320	56,973,804	47.34	1,203,502
2020	73,272,919.32	7,583,747	8,831,508	64,441,411	46.94	1,372,846
2021	137,255,276.62	11,886,307	13,841,973	123,413,304	46.60	2,648,354
2022	159,797,931.42	11,026,057	12,840,185	146,957,746	46.09	3,188,495
2023	216,846,139.08	11,059,153	12,878,727	203,967,412	44.98	4,534,625
2024	263,294,717.35	8,399,101	9,781,013	253,513,704	43.03	5,891,557
2025	227,571,913.35	4,938,311	5,750,816	221,821,097	41.28	5,373,573
	1,827,171,621.32	272,922,574	317,772,699	1,509,398,922		34,205,265

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 44.10 1.87

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1875	238.19	238	238			
1876	21.73	22	22			
1885	1,437.23	1,409	1,195	242	1.43	169
1888	7,601.43	7,346	6,232	1,369	2.42	566
1889	15,893.89	15,285	12,966	2,928	2.76	1,061
1890	38.69	37	31	8	2.67	3
1891	26,766.05	25,491	21,624	5,142	3.43	1,499
1893	36.90	35	30	7	3.50	2
1894	802.55	754	640	163	4.41	37
1896	6,726.57	6,267	5,316	1,411	4.92	287
1897	1,457.13	1,352	1,147	310	5.17	60
1898	90.25	83	70	20	5.00	4
1899	7,992.79	7,367	6,249	1,744	5.64	309
1900	182,246.26	167,413	142,015	40,231	5.86	6,865
1901	14,440.93	13,220	11,214	3,227	6.09	530
1902	44,957.23	41,017	34,794	10,163	6.31	1,611
1903	31,817.80	28,928	24,539	7,279	6.54	1,113
1904	15,907.91	14,414	12,227	3,681	6.75	545
1905	14,033.05	12,669	10,747	3,286	7.01	469
1906	19,802.61	17,814	15,111	4,692	7.23	649
1907	3,535.92	3,169	2,688	848	7.44	114
1908	48,080.75	42,926	36,414	11,667	7.72	1,511
1909	11,647.53	10,358	8,787	2,861	7.97	359
1910	7,646.08	6,773	5,745	1,901	8.23	231
1911	13,646.94	12,040	10,213	3,434	8.48	405
1912	6,084.74	5,346	4,535	1,550	8.76	177
1913	7,780.57	6,807	5,774	2,007	9.00	223
1914	8,774.55	7,645	6,485	2,290	9.27	247
1915	17,647.65	15,307	12,985	4,663	9.56	488
1916	8,153.10	7,041	5,973	2,180	9.82	222
1917	11,968.26	10,289	8,728	3,240	10.09	321
1918	9,141.09	7,823	6,636	2,505	10.39	241
1919	4,178.73	3,559	3,019	1,160	10.64	109
1920	2,179.19	1,848	1,568	611	10.91	56
1921	29,440.59	24,840	21,072	8,369	11.25	744
1922	9,809.56	8,237	6,987	2,823	11.52	245
1923	26,962.92	22,529	19,111	7,852	11.84	663
1924	22,865.85	19,010	16,126	6,740	12.14	555
1925	20,891.13	17,282	14,660	6,231	12.44	501
1926	14,416.26	11,865	10,065	4,351	12.72	342
1927	49,754.76	40,737	34,557	15,198	13.05	1,165
1928	24,575.76	20,012	16,976	7,600	13.38	568
1929	30,223.30	24,481	20,767	9,456	13.68	691
1930	69,133.51	55,691	47,242	21,892	14.00	1,564
1931	45,068.55	36,099	30,622	14,447	14.33	1,008
1932	25,703.92	20,470	17,364	8,340	14.66	569
1933	17,966.34	14,226	12,068	5,898	15.01	393
1934	10,052.57	7,912	6,712	3,341	15.33	218
1935	19,608.71	15,338	13,011	6,598	15.67	421
1936	16,724.01	13,001	11,029	5,695	16.04	355
1937	55,423.38	42,815	36,320	19,103	16.38	1,166
1938	57,796.28	44,359	37,629	20,167	16.74	1,205
1939	47,408.14	36,142	30,659	16,749	17.11	979
1940	113,502.16	85,930	72,894	40,608	17.49	2,322
1941	276,941.57	208,207	176,620	100,322	17.87	5,614

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1942	101,272.05	75,603	64,133	37,139	18.25	2,035
1943	40,102.79	29,721	25,212	14,891	18.64	799
1944	70,746.27	52,038	44,143	26,603	19.04	1,397
1945	62,816.81	45,847	38,892	23,925	19.45	1,230
1946	138,149.66	100,044	84,866	53,284	19.86	2,683
1947	149,365.32	107,294	91,016	58,349	20.28	2,877
1948	125,393.80	89,326	75,774	49,620	20.71	2,396
1949	315,973.03	223,200	189,338	126,635	21.14	5,990
1950	307,798.34	215,545	182,845	124,953	21.58	5,790
1951	1,051,873.18	730,032	619,279	432,594	22.03	19,637
1952	706,586.14	485,877	412,165	294,421	22.49	13,091
1953	838,081.02	570,943	484,325	353,756	22.95	15,414
1954	418,606.30	282,442	239,593	179,013	23.42	7,644
1955	1,022,941.20	683,386	579,709	443,232	23.90	18,545
1956	813,054.42	537,746	456,165	356,889	24.38	14,639
1957	1,302,672.32	852,703	723,339	579,333	24.87	23,294
1958	2,152,519.29	1,394,058	1,182,565	969,954	25.37	38,232
1959	3,075,248.25	1,969,881	1,671,030	1,404,218	25.88	54,259
1960	2,282,058.01	1,445,615	1,226,301	1,055,757	26.39	40,006
1961	3,126,703.56	1,957,660	1,660,663	1,466,041	26.92	54,459
1962	2,501,400.45	1,548,092	1,313,231	1,188,169	27.44	43,301
1963	2,306,350.47	1,410,080	1,196,157	1,110,193	27.98	39,678
1964	2,502,145.00	1,511,020	1,281,783	1,220,362	28.52	42,790
1965	2,952,815.18	1,760,616	1,493,513	1,459,302	29.07	50,200
1966	3,526,253.40	2,075,094	1,760,281	1,765,972	29.63	59,601
1967	3,960,603.83	2,299,883	1,950,968	2,009,636	30.19	66,566
1968	4,426,553.29	2,535,441	2,150,789	2,275,764	30.76	73,985
1969	3,780,869.83	2,135,133	1,811,212	1,969,658	31.34	62,848
1970	2,944,195.00	1,638,945	1,390,301	1,553,894	31.92	48,681
1971	4,502,133.36	2,469,285	2,094,670	2,407,463	32.51	74,053
1972	6,692,281.59	3,614,769	3,066,372	3,625,910	33.11	109,511
1973	7,818,579.85	4,157,999	3,527,189	4,291,391	33.71	127,303
1974	6,227,381.18	3,258,975	2,764,556	3,462,825	34.32	100,898
1975	3,358,109.39	1,728,956	1,466,656	1,891,453	34.93	54,150
1976	2,849,464.49	1,442,142	1,223,355	1,626,109	35.56	45,729
1977	5,049,543.48	2,512,148	2,131,030	2,918,513	36.18	80,666
1978	3,783,099.75	1,848,460	1,568,030	2,215,070	36.82	60,159
1979	7,928,605.72	3,803,511	3,226,480	4,702,126	37.46	125,524
1980	10,140,691.82	4,774,542	4,050,196	6,090,496	38.10	159,856
1981	14,437,526.94	6,667,394	5,655,883	8,781,644	38.75	226,623
1982	9,191,846.53	4,160,597	3,529,392	5,662,455	39.41	143,681
1983	6,854,640.44	3,809,124	3,231,241	3,623,399	33.92	106,822
1984	8,938,835.56	4,886,861	4,145,475	4,793,361	34.34	139,585
1985	17,210,835.08	9,250,824	7,847,381	9,363,454	34.77	269,297
1986	11,780,656.69	6,222,543	5,278,520	6,502,137	35.21	184,667
1987	17,777,469.84	9,151,841	7,763,414	10,014,056	36.21	276,555
1988	12,326,144.40	6,225,936	5,281,399	7,044,745	36.66	192,164
1989	14,413,336.15	7,138,925	6,055,878	8,357,458	37.11	225,208
1990	17,031,634.01	8,263,749	7,010,055	10,021,579	37.58	266,673
1991	15,956,099.16	7,579,147	6,429,314	9,526,785	38.04	250,441
1992	17,731,802.94	8,236,422	6,986,874	10,744,929	38.53	278,872
1993	12,884,166.66	5,846,835	4,959,811	7,924,356	39.01	203,137
1994	13,559,203.42	6,006,727	5,095,446	8,463,757	39.50	214,272
1995	15,471,073.05	6,681,956	5,668,236	9,802,837	40.01	245,010
1996	10,867,248.14	4,571,851	3,878,255	6,988,993	40.51	172,525

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1997	11,437,009.71	4,712,048	3,997,183	7,439,827	40.55	183,473
1998	10,589,496.39	4,238,975	3,595,880	6,993,616	41.08	170,244
1999	11,229,112.42	4,360,264	3,698,768	7,530,344	41.61	180,974
2000	9,788,482.23	3,682,427	3,123,766	6,664,716	42.15	158,119
2001	18,148,644.22	6,602,477	5,600,815	12,547,829	42.70	293,860
2002	23,392,018.28	8,271,418	7,016,560	16,375,458	42.81	382,515
2003	20,217,711.59	6,888,174	5,843,169	14,374,543	43.38	331,363
2004	22,561,266.35	7,393,327	6,271,685	16,289,581	43.94	370,723
2005	24,995,759.66	7,911,158	6,710,956	18,284,804	44.10	414,621
2006	21,141,546.70	6,403,774	5,432,257	15,709,290	44.69	351,517
2007	20,769,436.01	6,043,906	5,126,984	15,642,452	44.87	348,617
2008	16,800,489.88	4,652,056	3,946,292	12,854,198	45.48	282,634
2009	16,911,377.90	4,469,677	3,791,582	13,119,796	45.70	287,085
2010	19,040,199.82	4,784,802	4,058,899	14,981,301	45.93	326,177
2011	14,583,006.41	3,469,297	2,942,970	11,640,036	46.19	252,003
2012	20,497,902.59	4,593,580	3,896,688	16,601,215	46.46	357,323
2013	20,393,280.89	4,278,510	3,629,417	16,763,864	46.76	358,509
2014	17,750,881.54	3,464,972	2,939,301	14,811,581	47.06	314,738
2015	19,307,654.97	3,498,547	2,967,782	16,339,873	47.06	347,214
2016	34,131,260.11	5,655,550	4,797,546	29,333,714	47.40	618,855
2017	41,399,792.74	6,238,949	5,292,437	36,107,356	47.45	760,956
2018	69,632,973.79	9,449,195	8,015,657	61,617,317	47.23	1,304,622
2019	71,710,355.99	8,562,217	7,263,242	64,447,114	47.34	1,361,367
2020	70,834,493.01	7,331,370	6,219,127	64,615,366	46.94	1,376,552
2021	95,407,666.44	8,262,304	7,008,829	88,398,837	46.60	1,896,971
2022	125,241,252.86	8,641,646	7,330,621	117,910,632	46.09	2,558,269
2023	179,624,260.63	9,160,837	7,771,046	171,853,215	44.98	3,820,658
2024	152,537,274.24	4,865,939	4,127,727	148,409,547	43.03	3,448,979
2025	111,280,283.66	2,414,782	2,048,435	109,231,849	41.28	2,646,120
	1,614,677,492.44	334,648,237	283,878,765	1,330,798,727		30,692,277

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.40 1.90

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1891	38.58	39	39			
1904	265.76	266	266			
1906	26.74	27	27			
1907	150.81	151	151			
1908	58.16	58	58			
1909	83.93	84	84			
1910	20.38	20	20			
1913	99.85	100	100			
1914	22.03	22	22			
1915	92.88	93	93			
1916	22.31	22	22			
1918	132.39	130	132			
1920	46.07	45	46			
1922	0.66	1	1			
1923	30.73	29	31			
1927	9.84	9	10			
1931	106.68	97	107			
1932	16.92	15	17			
1933	149.45	135	149			
1934	98.67	89	99			
1938	6.18	5	6			
1940	35.79	31	36			
1941	1.86	2	2			
1942	44.35	38	44			
1944	8.89	8	9			
1946	793.25	668	793			
1947	1,719.46	1,438	1,719			
1948	2,949.17	2,451	2,932	17	8.50	2
1949	12,770.69	10,544	12,615	156	9.75	16
1950	17,964.60	14,731	17,624	341	10.03	34
1951	44,614.03	36,332	43,467	1,147	10.24	112
1952	73,415.38	59,360	71,018	2,397	10.51	228
1953	119,687.78	96,077	114,946	4,742	10.85	437
1954	33,631.99	26,796	32,059	1,573	11.16	141
1955	91,398.68	72,272	86,466	4,933	11.50	429
1956	55,519.96	43,548	52,101	3,419	11.87	288
1957	60,122.56	46,786	55,975	4,148	12.20	340
1958	166,435.97	128,429	153,652	12,784	12.56	1,018
1959	74,159.26	56,739	67,882	6,277	12.92	486
1960	55,675.01	42,222	50,514	5,161	13.30	388
1961	78,496.70	58,986	70,571	7,926	13.67	580
1962	92,880.39	69,136	82,714	10,166	14.06	723
1963	97,019.32	71,512	85,557	11,462	14.45	793
1964	55,571.51	40,557	48,522	7,050	14.87	474
1965	78,053.45	56,369	67,440	10,613	15.27	695
1966	66,065.08	47,207	56,478	9,587	15.69	611
1967	98,187.37	69,392	83,020	15,167	16.14	940
1968	189,058.20	132,101	158,045	31,013	16.57	1,872
1969	130,674.50	90,237	107,959	22,716	17.02	1,335
1970	114,580.56	78,144	93,491	21,090	17.49	1,206
1971	149,680.93	100,803	120,600	29,081	17.96	1,619
1972	280,972.62	186,771	223,452	57,521	18.44	3,119
1973	228,029.92	149,547	178,917	49,113	18.93	2,594
1974	265,143.59	171,524	205,211	59,933	19.42	3,086
1975	280,978.40	179,163	214,350	66,628	19.93	3,343

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1976	521,317.65	327,481	391,797	129,521	20.45	6,334
1977	274,352.81	169,701	203,030	71,323	20.98	3,400
1978	414,964.18	252,601	302,211	112,753	21.52	5,239
1979	418,212.62	250,472	299,664	118,549	22.06	5,374
1980	422,581.98	248,787	297,648	124,934	22.62	5,523
1981	1,491,507.45	862,912	1,032,384	459,123	23.18	19,807
1982	1,082,382.10	614,988	735,769	346,613	23.75	14,594
1983	879,004.74	585,329	700,285	178,720	21.28	8,398
1984	900,473.92	589,270	705,000	195,474	21.87	8,938
1985	1,201,420.23	776,958	929,549	271,871	22.08	12,313
1986	1,039,748.82	659,825	789,412	250,337	22.70	11,028
1987	1,051,200.44	658,262	787,542	263,658	22.93	11,498
1988	1,037,251.03	636,457	761,454	275,797	23.56	11,706
1989	1,087,582.44	653,528	781,878	305,704	24.19	12,638
1990	1,048,671.74	620,289	742,111	306,561	24.46	12,533
1991	1,612,355.07	932,264	1,115,357	496,998	25.11	19,793
1992	1,223,137.68	694,865	831,334	391,804	25.41	15,419
1993	933,513.68	517,447	619,071	314,443	26.06	12,066
1994	1,178,522.19	640,527	766,324	412,198	26.39	15,619
1995	1,001,625.93	530,060	634,162	367,464	27.06	13,580
1996	383,919.92	198,755	237,790	146,130	27.40	5,333
1997	956,000.38	480,868	575,308	380,692	28.08	13,557
1998	556,556.35	273,158	326,805	229,751	28.45	8,076
1999	692,707.92	331,184	396,227	296,481	28.83	10,284
2000	827,132.13	382,631	457,778	369,354	29.53	12,508
2001	1,943,913.81	873,400	1,044,932	898,982	29.93	30,036
2002	1,340,057.78	583,729	698,371	641,687	30.34	21,150
2003	1,234,679.91	520,294	622,478	612,202	30.78	19,890
2004	1,068,519.92	434,781	520,170	548,350	31.22	17,564
2005	1,420,796.18	556,952	666,335	754,461	31.67	23,823
2006	3,621,017.44	1,364,037	1,631,928	1,989,089	32.13	61,908
2007	1,443,936.78	521,261	623,634	820,303	32.60	25,163
2008	4,786,061.03	1,650,234	1,974,333	2,811,728	33.09	84,972
2009	3,310,387.36	1,086,800	1,300,243	2,010,144	33.58	59,861
2010	920,692.79	288,177	344,774	575,919	33.84	17,019
2011	2,217,508.70	658,600	787,946	1,429,563	34.13	41,886
2012	845,262.17	235,913	282,245	563,017	34.66	16,244
2013	2,756,318.46	722,155	863,983	1,892,335	34.98	54,098
2014	1,268,297.75	309,845	370,697	897,601	35.31	25,421
2015	2,432,005.43	552,308	660,779	1,771,226	35.45	49,964
2016	1,286,367.83	267,693	320,267	966,101	35.83	26,963
2017	6,416,302.34	1,215,248	1,453,918	4,962,384	36.03	137,729
2018	1,277,373.35	217,920	260,719	1,016,654	36.06	28,193
2019	1,771,013.62	267,069	319,520	1,451,494	36.14	40,163
2020	2,665,946.91	347,906	416,233	2,249,714	36.08	62,353
2021	7,810,826.84	852,161	1,019,522	6,791,305	36.07	188,281
2022	8,148,657.58	713,008	853,040	7,295,618	35.64	204,703
2023	18,147,645.26	1,175,967	1,406,922	16,740,723	34.90	479,677
2024	10,516,059.58	425,900	509,545	10,006,515	33.55	298,257
2025	12,529,022.59	345,801	413,715	12,115,308	32.31	374,971
	126,432,635.05	31,217,136	37,347,800	89,084,835		2,692,756

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.10 2.13

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1900	15.09	15	15			
1901	1,637.59	1,638	1,638			
1902	399.75	400	400			
1903	542.76	543	543			
1904	943.79	944	944			
1905	4,013.41	4,013	4,013			
1906	3,824.81	3,825	3,825			
1907	4,133.89	4,134	4,134			
1908	2,984.98	2,985	2,985			
1909	343.67	344	344			
1920	894.69	895	895			
1921	2,097.63	2,098	2,098			
1922	2,055.39	2,055	2,055			
1923	1,569.86	1,570	1,570			
1924	1,433.06	1,428	1,433			
1925	1,560.98	1,548	1,561			
1926	2,944.33	2,907	2,944			
1927	2,480.59	2,437	2,481			
1928	2,970.73	2,905	2,971			
1929	2,671.22	2,599	2,671			
1930	3,506.91	3,395	3,507			
1931	2,305.13	2,220	2,305			
1932	2,234.89	2,142	2,235			
1933	1,742.22	1,661	1,742			
1934	1,396.21	1,324	1,396			
1935	1,676.13	1,581	1,676			
1936	2,886.59	2,708	2,887			
1937	3,043.76	2,839	3,044			
1938	1,594.53	1,479	1,595			
1939	4,452.21	4,106	4,452			
1940	6,285.44	5,764	6,285			
1941	12,894.55	11,758	12,895			
1942	9,485.77	8,599	9,486			
1943	4,317.00	3,890	4,317			
1944	7,166.32	6,420	7,166			
1945	3,841.76	3,421	3,842			
1946	15,224.52	13,478	15,225			
1947	24,043.05	21,154	23,899	144	6.55	22
1948	34,964.39	30,578	34,546	418	6.85	61
1949	36,263.61	31,516	35,606	658	7.23	91
1950	33,970.53	29,332	33,138	833	7.50	111
1951	39,749.37	34,105	38,530	1,219	7.81	156
1952	42,488.45	36,215	40,914	1,574	8.11	194
1953	58,868.84	49,835	56,302	2,567	8.44	304
1954	95,279.86	80,105	90,499	4,781	8.76	546
1955	119,119.59	99,454	112,359	6,761	9.08	745
1956	163,428.40	135,438	153,013	10,415	9.42	1,106
1957	200,653.31	165,047	186,464	14,189	9.76	1,454
1958	255,772.74	208,757	235,845	19,928	10.11	1,971
1959	367,463.93	297,580	336,194	31,270	10.46	2,989
1960	402,483.27	323,230	365,173	37,310	10.83	3,445
1961	573,815.64	456,964	516,260	57,556	11.20	5,139
1962	483,039.66	381,249	430,720	52,320	11.59	4,514
1963	823,683.56	644,269	727,870	95,814	11.98	7,998
1964	833,554.06	645,929	729,745	103,809	12.38	8,385

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1965	1,015,931.30	779,494	880,642	135,289	12.80	10,569
1966	1,030,835.43	783,064	884,675	146,160	13.22	11,056
1967	805,214.08	605,376	683,930	121,284	13.65	8,885
1968	1,184,121.75	880,560	994,822	189,300	14.10	13,426
1969	1,161,139.73	853,960	964,770	196,370	14.55	13,496
1970	1,450,760.74	1,054,572	1,191,414	259,347	15.02	17,267
1971	1,401,084.51	1,006,483	1,137,085	264,000	15.49	17,043
1972	2,109,693.01	1,496,722	1,690,938	418,755	15.98	26,205
1973	2,633,549.18	1,844,433	2,083,768	549,781	16.48	33,360
1974	2,678,534.15	1,851,108	2,091,309	587,225	16.99	34,563
1975	2,671,150.70	1,820,763	2,057,026	614,125	17.51	35,073
1976	3,553,556.55	2,387,990	2,697,857	855,700	18.04	47,433
1977	3,460,167.52	2,291,254	2,588,569	871,599	18.58	46,911
1978	7,055,089.32	4,601,188	5,198,241	1,856,848	19.13	97,065
1979	6,333,640.53	4,065,057	4,592,541	1,741,100	19.70	88,381
1980	7,105,554.59	4,486,802	5,069,012	2,036,543	20.27	100,471
1981	11,669,761.37	7,245,872	8,186,101	3,483,660	20.85	167,082
1982	9,535,558.73	5,818,407	6,573,407	2,962,152	21.44	138,160
1983	6,269,901.71	4,281,716	4,837,314	1,432,588	19.70	72,720
1984	11,764,609.66	7,942,288	8,972,884	2,791,726	19.93	140,077
1985	11,924,270.82	7,903,407	8,928,958	2,995,313	20.56	145,686
1986	5,489,022.81	3,570,060	4,033,313	1,455,710	21.19	68,698
1987	17,563,555.23	11,268,777	12,731,021	4,832,534	21.46	225,188
1988	10,545,152.52	6,628,683	7,488,825	3,056,328	22.11	138,233
1989	6,529,495.70	4,018,252	4,539,663	1,989,833	22.76	87,427
1990	14,068,814.00	8,520,074	9,625,644	4,443,170	23.06	192,679
1991	10,871,903.78	6,436,167	7,271,328	3,600,576	23.72	151,795
1992	17,448,580.38	10,144,605	11,460,976	5,987,604	24.06	248,861
1993	12,483,586.36	7,081,939	8,000,896	4,482,690	24.73	181,265
1994	14,980,888.64	8,282,933	9,357,732	5,623,157	25.40	221,384
1995	13,356,660.47	7,231,296	8,169,634	5,187,026	25.76	201,360
1996	11,782,953.76	6,204,903	7,010,055	4,772,899	26.45	180,450
1997	18,337,144.08	9,430,793	10,654,539	7,682,605	26.83	286,344
1998	9,108,702.04	4,545,242	5,135,036	3,973,666	27.53	144,339
1999	13,314,436.88	6,472,148	7,311,978	6,002,459	27.93	214,911
2000	5,793,642.99	2,724,171	3,077,661	2,715,982	28.64	94,832
2001	14,821,017.80	6,767,277	7,645,403	7,175,615	29.06	246,924
2002	12,151,415.80	5,349,053	6,043,150	6,108,266	29.78	205,113
2003	13,186,960.53	5,616,326	6,345,104	6,841,857	30.22	226,402
2004	17,557,468.79	7,182,760	8,114,800	9,442,669	30.94	305,193
2005	16,013,739.02	6,309,413	7,128,126	8,885,613	31.40	282,981
2006	14,546,604.09	5,507,344	6,221,981	8,324,623	31.87	261,206
2007	10,854,090.42	3,918,327	4,426,772	6,427,318	32.60	197,157
2008	11,503,538.97	3,966,420	4,481,105	7,022,434	33.09	212,222
2009	11,688,032.41	3,837,181	4,335,096	7,352,936	33.58	218,968
2010	6,393,660.02	1,990,986	2,249,338	4,144,322	34.09	121,570
2011	14,730,116.19	4,332,127	4,894,267	9,835,849	34.60	284,273
2012	18,571,929.97	5,133,281	5,799,379	12,772,551	35.13	363,580
2013	12,755,686.21	3,294,794	3,722,329	9,033,357	35.66	253,319
2014	18,332,850.74	4,396,218	4,966,674	13,366,177	36.20	369,231
2015	21,702,707.74	4,791,958	5,413,765	16,288,943	36.75	443,237
2016	22,863,172.61	4,629,792	5,230,557	17,632,616	37.09	475,401
2017	24,406,044.32	4,456,544	5,034,828	19,371,216	37.67	514,235
2018	41,399,980.52	6,756,477	7,633,202	33,766,779	38.04	887,665
2019	37,603,381.90	5,381,044	6,079,291	31,524,091	38.43	820,299

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

2020	39,483,230.51	4,856,437	5,486,611	33,996,620	38.63	880,057
2021	44,763,613.04	4,565,889	5,158,362	39,605,251	38.87	1,018,916
2022	32,270,754.34	2,601,023	2,938,533	29,332,221	38.96	752,880
2023	65,336,507.34	3,835,253	4,332,918	61,003,589	38.74	1,574,693
2024	59,765,786.97	2,139,615	2,417,253	57,348,534	38.11	1,504,816
2025	57,893,117.79	1,389,435	1,569,729	56,323,389	37.25	1,512,037
	923,796,287.48	283,352,358	320,112,789	603,683,499		17,874,301

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.80 1.93

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

1957	17.31	17	17			
1966	17.59	17	18			
1968	1,751.11	1,626	1,751			
1969	17,689.86	16,241	17,630	60	2.61	23
1970	41,793.63	37,928	41,171	623	2.97	210
1971	109,708.79	98,430	106,847	2,862	3.29	870
1972	256,050.64	227,004	246,415	9,636	3.63	2,655
1973	161,455.36	141,475	153,572	7,883	3.96	1,991
1974	116,854.22	101,151	109,800	7,054	4.30	1,640
1975	192,862.24	164,897	178,997	13,865	4.64	2,988
1976	70,210.89	59,306	64,377	5,834	4.97	1,174
1977	97,875.15	81,603	88,581	9,294	5.32	1,747
1978	153,269.87	126,159	136,947	16,323	5.66	2,884
1979	190,971.58	155,105	168,368	22,604	6.01	3,761
1980	188,462.97	151,006	163,918	24,545	6.36	3,859
1981	22,410.41	17,711	19,225	3,185	6.71	475
1982	212,772.99	165,763	179,937	32,836	7.07	4,644
1983	18,209.20	15,680	17,021	1,188	6.83	174
1984	66,244.22	56,520	61,353	4,891	7.13	686
1985	307,449.58	259,703	281,910	25,540	7.43	3,437
1986	204,348.80	170,754	185,355	18,994	7.75	2,451
1987	288,048.12	237,928	258,273	29,775	8.09	3,680
1988	230,032.07	187,637	203,681	26,351	8.45	3,118
1989	261,779.80	210,680	228,695	33,085	8.83	3,747
1990	311,312.32	248,085	269,298	42,014	9.03	4,653
1991	310,891.92	243,957	264,817	46,075	9.44	4,881
1992	183,362.47	142,161	154,317	29,045	9.69	2,997
1993	588,178.33	448,074	486,388	101,790	10.14	10,038
1994	572,521.74	429,907	466,667	105,855	10.42	10,159
1995	282,314.48	208,659	226,501	55,813	10.74	5,197
1996	482,265.67	350,414	380,377	101,889	11.07	9,204
1997	1,177,161.05	839,669	911,467	265,694	11.42	23,266
1998	1,146,830.38	801,749	870,305	276,525	11.80	23,434
1999	597,039.84	410,047	445,109	151,931	12.05	12,608
2000	941,093.72	631,474	685,470	255,624	12.46	20,516
2001	2,170,051.51	1,425,290	1,547,163	622,889	12.76	48,816
2002	2,091,121.37	1,341,663	1,456,385	634,736	13.08	48,527
2003	1,742,718.76	1,089,896	1,183,090	559,629	13.43	41,670
2004	1,735,706.31	1,055,657	1,145,924	589,782	13.80	42,738
2005	1,846,400.71	1,089,376	1,182,526	663,875	14.19	46,785
2006	2,265,078.65	1,297,437	1,408,378	856,701	14.48	59,164
2007	3,186,638.21	1,760,618	1,911,164	1,275,474	14.92	85,488
2008	2,517,483.70	1,341,819	1,456,555	1,060,929	15.26	69,524
2009	2,218,784.66	1,136,462	1,233,638	985,147	15.63	63,029
2010	3,887,346.58	1,911,797	2,075,270	1,812,077	15.93	113,752
2011	3,067,985.20	1,437,351	1,560,255	1,507,730	16.35	92,216
2012	3,148,577.58	1,402,376	1,522,290	1,626,288	16.70	97,383
2013	1,932,421.59	811,037	880,387	1,052,035	17.17	61,272
2014	2,768,510.70	1,093,562	1,187,070	1,581,441	17.49	90,420
2015	2,510,344.01	923,053	1,001,981	1,508,363	17.91	84,219
2016	2,638,794.11	896,926	973,620	1,665,174	18.29	91,043
2017	8,625,975.67	2,671,465	2,899,895	5,726,081	18.76	305,228
2018	14,281,784.75	3,993,187	4,334,635	9,947,150	19.11	520,521
2019	15,520,296.20	3,833,513	4,161,307	11,358,989	19.56	580,725
2020	17,689,223.76	3,774,880	4,097,661	13,591,563	19.96	680,940

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

2021	4,544,785.15	810,790	880,119	3,664,666	20.34	180,170
2022	282,944.48	40,008	43,429	239,515	20.74	11,548
2023	14,568,667.22	1,493,288	1,620,975	12,947,692	21.17	611,606
2024	15,239,498.75	941,801	1,022,332	14,217,167	21.52	660,649
2025	21,704,371.01	881,197	956,546	20,747,825	21.66	957,887
	161,988,768.96	45,892,986	49,817,170	112,171,599		5,818,487

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.30 3.59

SURVIVOR CURVE: IOWA 20-S2
NET SALVAGE PERCENT: 0

2024	33,182.24	2,671	1,518	31,664	16.19	1,956
2025	4,867,339.64	253,588	144,117	4,723,222	16.69	282,997
	4,900,521.88	256,259	145,635	4,754,887		284,953

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.70 5.81

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1922	5,724.56	5,725	5,725			
1923	56,280.77	56,281	56,281			
1924	50,712.09	50,518	50,712			
1925	54,877.82	54,439	54,878			
1926	49,253.74	48,627	49,254			
1927	56,995.57	56,001	56,996			
1928	50,101.17	48,990	50,101			
1929	50,624.03	49,262	50,495	129	1.48	87
1930	44,886.32	43,458	44,546	340	1.75	194
1931	31,437.41	30,283	31,041	396	2.02	196
1932	33,698.91	32,296	33,105	594	2.29	259
1933	34,597.98	32,981	33,807	791	2.57	308
1934	35,860.04	34,002	34,853	1,007	2.85	353
1935	22,806.58	21,509	22,048	759	3.14	242
1936	39,823.65	37,355	38,290	1,534	3.41	450
1937	44,300.75	41,321	42,356	1,945	3.70	526
1938	60,971.21	56,548	57,964	3,007	3.99	754
1939	10,305.82	9,504	9,742	564	4.27	132
1940	18,048.04	16,552	16,966	1,082	4.57	237
1941	24,871.91	22,679	23,247	1,625	4.85	335
1942	22,776.23	20,648	21,165	1,611	5.15	313
1943	12,000.84	10,814	11,085	916	5.45	168
1944	8,298.45	7,434	7,620	678	5.75	118
1945	6,487.87	5,778	5,923	565	6.01	94
1946	24,793.26	21,949	22,499	2,294	6.30	364
1947	46,985.16	41,338	42,373	4,612	6.61	698
1948	49,029.31	42,879	43,953	5,076	6.90	736
1949	99,083.67	86,113	88,269	10,815	7.20	1,502
1950	90,593.93	78,223	80,181	10,413	7.51	1,387
1951	93,586.26	80,297	82,307	11,279	7.81	1,444
1952	61,820.24	52,693	54,012	7,808	8.12	962
1953	92,041.18	77,917	79,868	12,173	8.44	1,442
1954	114,703.74	96,435	98,849	15,855	8.76	1,810
1955	148,436.07	123,931	127,034	21,402	9.08	2,357
1956	164,350.71	136,202	139,612	24,739	9.42	2,626
1957	167,646.10	137,897	141,350	26,296	9.76	2,694
1958	171,630.98	140,082	143,589	28,042	10.11	2,774
1959	165,328.83	133,887	137,239	28,090	10.46	2,685
1960	154,202.92	123,839	126,940	27,263	10.83	2,517
1961	159,068.67	126,676	129,848	29,221	11.20	2,609
1962	160,947.17	127,031	130,211	30,736	11.59	2,652
1963	140,609.98	109,982	112,736	27,874	11.98	2,327
1964	163,041.25	126,342	129,505	33,536	12.38	2,709
1965	140,237.18	107,600	110,294	29,943	12.80	2,339
1966	117,267.05	89,081	91,311	25,956	13.22	1,963
1967	140,732.48	105,805	108,454	32,278	13.65	2,365
1968	162,331.33	120,716	123,738	38,593	14.10	2,737
1969	141,051.86	103,737	106,334	34,718	14.55	2,386
1970	154,505.47	112,312	115,124	39,381	15.02	2,622
1971	215,169.68	154,569	158,439	56,731	15.49	3,662
1972	256,551.22	182,010	186,567	69,984	15.98	4,379
1973	280,195.23	196,238	201,151	79,044	16.48	4,796
1974	185,715.36	128,346	131,559	54,156	16.99	3,188
1975	269,595.94	183,767	188,368	81,228	17.51	4,639
1976	152,097.04	102,209	104,768	47,329	18.04	2,624

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1977	312,574.10	206,980	212,162	100,412	18.58	5,404
1978	262,106.09	170,940	175,220	86,886	19.13	4,542
1979	166,337.68	106,759	109,432	56,906	19.70	2,889
1980	239,328.73	151,124	154,908	84,421	20.27	4,165
1981	404,226.15	250,988	257,272	146,954	20.85	7,048
1982	389,961.58	237,947	243,904	146,058	21.44	6,812
1983	236,188.89	161,293	165,331	70,858	19.70	3,597
1984	482,129.73	325,486	333,635	148,495	19.93	7,451
1985	423,391.72	280,624	287,650	135,742	20.56	6,602
1986	266,996.04	173,654	178,002	88,994	21.19	4,200
1987	325,609.48	208,911	214,141	111,468	21.46	5,194
1988	296,163.65	186,168	190,829	105,335	22.11	4,764
1989	140,585.65	86,516	88,682	51,904	22.76	2,280
1990	215,872.74	130,733	134,006	81,867	23.06	3,550
1991	568,743.96	336,696	345,126	223,618	23.72	9,427
1992	738,545.75	429,390	440,141	298,405	24.06	12,403
1993	377,830.50	214,343	219,709	158,122	24.73	6,394
1994	382,155.39	211,294	216,584	165,571	25.40	6,519
1995	275,036.84	148,905	152,633	122,404	25.76	4,752
1996	1,847,597.18	972,945	997,305	850,292	26.45	32,147
1997	1,922,584.10	988,785	1,013,541	909,043	26.83	33,882
1998	1,407,477.59	702,331	719,915	687,563	27.53	24,975
1999	1,348,302.80	655,410	671,819	676,484	27.93	24,221
2000	1,503,956.68	707,160	724,865	779,092	28.64	27,203
2001	2,006,566.01	916,198	939,137	1,067,429	29.06	36,732
2002	2,828,869.38	1,245,268	1,276,446	1,552,423	29.78	52,130
2003	2,138,937.38	910,973	933,781	1,205,156	30.22	39,879
2004	2,801,248.27	1,145,991	1,174,683	1,626,565	30.94	52,572
2005	3,039,355.23	1,197,506	1,227,488	1,811,867	31.40	57,703
2006	2,556,121.63	967,748	991,977	1,564,145	31.87	49,079
2007	2,649,023.77	956,298	980,241	1,668,783	32.60	51,190
2008	3,045,332.07	1,050,030	1,076,319	1,969,013	33.09	59,505
2009	3,245,202.83	1,065,400	1,092,074	2,153,129	33.58	64,119
2010	3,134,257.96	976,008	1,000,444	2,133,814	34.09	62,594
2011	2,160,549.03	635,417	651,326	1,509,223	34.60	43,619
2012	2,203,396.37	609,019	624,267	1,579,129	35.13	44,951
2013	1,857,801.20	479,870	491,885	1,365,916	35.66	38,304
2014	2,057,266.82	493,333	505,685	1,551,582	36.20	42,861
2015	2,338,518.65	516,345	529,273	1,809,246	36.75	49,231
2016	2,902,939.52	587,845	602,563	2,300,377	37.09	62,021
2017	3,377,737.32	616,775	632,217	2,745,520	37.67	72,883
2018	2,933,234.75	478,704	490,689	2,442,546	38.04	64,210
2019	3,348,288.89	479,140	491,136	2,857,153	38.43	74,347
2020	3,196,418.81	393,160	403,003	2,793,416	38.63	72,312
2021	4,082,268.16	416,391	426,816	3,655,452	38.87	94,043
	77,746,128.10	28,425,909	29,132,944	48,613,184		1,513,467

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.10 1.95

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1888	92.52	93	93			
1903	19.22	19	19			
1923	734.42	734	734			
1925	132.42	132	132			
1927	124.42	122	124			
1930	75.73	72	76			
1934	139.64	128	140			
1936	72.28	65	72			
1937	101.94	91	102			
1941	900.62	773	901			
1942	835.88	711	836			
1943	2,476.82	2,087	2,477			
1945	660.48	546	660			
1946	247.36	202	247			
1947	494.84	401	495			
1948	148.37	119	148			
1949	2,124.04	1,688	2,124			
1950	1,209.21	951	1,209			
1951	1,161.44	905	1,161			
1952	7,393.75	5,701	7,394			
1953	10,125.80	7,726	10,126			
1954	13,047.10	9,851	12,953	94	11.75	8
1955	19,666.94	14,691	19,317	350	12.50	28
1956	29,782.71	22,003	28,932	851	13.09	65
1957	26,960.52	19,697	25,900	1,061	13.43	79
1958	15,702.81	11,344	14,916	787	13.81	57
1959	31,026.34	22,159	29,137	1,889	14.31	132
1960	19,609.01	13,844	18,204	1,405	14.64	96
1961	16,954.40	11,827	15,551	1,403	15.09	93
1962	32,606.53	22,472	29,549	3,058	15.52	197
1963	20,013.30	13,621	17,910	2,103	15.93	132
1964	15,164.43	10,190	13,399	1,765	16.34	108
1965	50,156.16	33,274	43,752	6,404	16.81	381
1966	35,220.01	23,055	30,315	4,905	17.27	284
1967	20,084.74	12,971	17,056	3,029	17.71	171
1968	29,182.63	18,589	24,443	4,740	18.16	261
1969	35,708.05	22,425	29,487	6,221	18.63	334
1970	33,565.80	20,771	27,312	6,254	19.07	328
1971	80,550.21	49,120	64,588	15,962	19.51	818
1972	42,130.42	25,295	33,261	8,869	19.98	444
1973	50,259.44	29,713	39,070	11,189	20.46	547
1974	5,622.74	3,271	4,301	1,322	20.98	63
1975	15,860.09	9,075	11,933	3,927	21.34	184
1976	34,883.05	19,625	25,805	9,078	21.87	415
1977	13,318.63	7,365	9,684	3,635	22.30	163
1978	10,964.97	5,956	7,832	3,133	22.87	137
1979	118,558.48	63,215	83,122	35,436	23.34	1,518
1980	104,032.27	54,450	71,597	32,435	23.83	1,361
1981	123,441.67	63,350	83,299	40,143	24.34	1,649
1982	169,232.96	85,124	111,930	57,303	24.85	2,306
1983	86,096.70	56,970	74,910	11,187	21.68	516
1984	100,359.71	65,254	85,803	14,557	22.29	653
1985	154,637.04	99,370	130,662	23,975	22.47	1,067
1986	356,369.01	224,762	295,541	60,828	23.08	2,636
1987	161,277.65	100,379	131,989	29,289	23.32	1,256

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1988	475,256.07	291,617	383,450	91,806	23.56	3,897
1989	441,844.00	265,504	349,113	92,731	24.19	3,833
1990	239,096.97	141,426	185,962	53,135	24.46	2,172
1991	396,160.01	230,407	302,964	93,196	24.76	3,764
1992	104,736.43	59,846	78,692	26,044	25.07	1,039
1993	82,552.26	46,295	60,874	21,678	25.38	854
1994	154,455.26	84,920	111,662	42,793	25.73	1,663
1995	168,974.57	90,976	119,625	49,350	26.08	1,892
1996	142,445.46	75,012	98,634	43,811	26.46	1,656
1997	163,085.34	83,875	110,288	52,797	26.83	1,968
1998	81,304.11	40,790	53,635	27,669	27.23	1,016
1999	118,735.05	58,346	76,720	42,015	27.34	1,537
2000	155,236.45	74,172	97,529	57,707	27.78	2,077
2001	97,019.22	45,250	59,500	37,519	27.94	1,343
2002	126,306.03	57,078	75,052	51,254	28.40	1,805
2003	197,524.98	86,792	114,124	83,401	28.60	2,916
2004	186,501.02	79,487	104,518	81,983	28.83	2,844
2006	21,962.54	8,741	11,494	10,469	29.41	356
2007	144,559.05	55,641	73,163	71,396	29.43	2,426
2008	45,224.21	16,697	21,955	23,269	29.76	782
2010	1,291.73	438	576	716	29.83	24
2011	27,034.06	8,770	11,532	15,502	30.04	516
2012	475,133.27	145,961	191,925	283,208	30.25	9,362
2013	1,056,599.74	308,316	405,407	651,193	30.14	21,606
2014	145,107.02	39,759	52,279	92,828	30.25	3,069
2015	361,322.96	92,571	121,722	239,601	30.24	7,923
2016	612,364.74	145,865	191,799	420,566	30.11	13,968
2017	1,648,127.23	362,094	476,121	1,172,006	29.90	39,198
2018	613,698.66	122,862	161,552	452,147	29.62	15,265
2019	227,577.32	40,896	53,775	173,802	29.30	5,932
2020	444,830.26	70,105	92,182	352,648	28.95	12,181
2021	915,022.41	123,711	162,668	752,354	28.26	26,623
2022	34,230.60	3,789	4,982	29,249	27.44	1,066
2023	1,009,931.53	85,440	112,346	897,586	26.15	34,325
2024	158,681.00	8,791	11,559	147,122	24.16	6,089
2025	10,277.04	401	528	9,749	22.57	432
	13,385,526.32	4,740,985	6,232,637	7,152,890		255,906

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.00 1.91

SURVIVOR CURVE: IOWA 20-S4
NET SALVAGE PERCENT: 0

1997	53,681.30	52,323	53,681
1998	24,038.51	23,264	24,039
2005	14,566,812.47	12,996,510	14,566,812
	14,644,532.28	13,072,097	14,644,532

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-R2.5
NET SALVAGE PERCENT: 0

2005	106,411.95	75,606	69,561	36,851	8.32	4,429
2006	228,496.48	157,068	144,511	83,985	8.83	9,511
2007	172,643.52	114,152	105,026	67,618	9.44	7,163
2008	109,025.87	69,308	63,767	45,259	9.98	4,535
2010	123,227.17	71,435	65,724	57,503	11.18	5,143
2011	401,850.84	220,737	203,089	198,762	11.83	16,802
2012	234,211.62	121,603	111,881	122,331	12.42	9,850
2013	61,258.09	29,814	27,430	33,828	13.09	2,584
2014	434,494.81	197,434	181,649	252,846	13.71	18,442
2015	1,245,680.94	524,183	482,275	763,406	14.34	53,236
2016	613,051.96	236,086	217,211	395,841	15.03	26,337
2017	2,071,556.38	723,595	665,744	1,405,812	15.68	89,656
2018	1,688,040.05	527,006	484,872	1,203,168	16.34	73,633
2019	238,815.47	65,435	60,204	178,611	17.00	10,507
2020	1,223,231.85	287,582	264,590	958,642	17.62	54,406
2021	5,260,559.41	1,024,757	942,828	4,317,731	18.26	236,458
2022	713,153.12	109,683	100,914	612,239	18.80	32,566
2023	316,501.69	35,195	32,381	284,121	19.32	14,706
2024	687,109.10	46,174	42,483	644,626	19.68	32,755
2025	556,205.79	24,751	22,772	533,434	19.70	27,078
	16,485,526.11	4,661,604	4,288,912	12,196,614		729,797

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.70 4.43

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1895	221.00	221	221			
1896	578.00	578	578			
1897	265.80	266	266			
1898	123.55	124	124			
1899	219.60	220	220			
1900	78.67	79	79			
1901	1,043.20	1,043	1,043			
1902	9.85	10	10			
1903	356.24	356	356			
1904	105.00	105	105			
1905	271.56	272	272			
1907	515.26	515	515			
1908	1.22	1	1			
1909	5.00	5	5			
1912	107.28	107	107			
1913	418.90	419	419			
1914	242.34	242	242			
1915	59.34	59	59			
1916	348.78	349	349			
1917	37.03	37	37			
1919	20.00	20	20			
1920	747.78	748	748			
1923	337.00	337	337			
1924	1,098.02	1,098	1,098			
1925	257.57	256	258			
1926	32.00	32	32			
1927	101.50	100	102			
1928	38.20	38	38			
1929	741.31	727	741			
1930	63.71	62	64			
1932	25.00	24	25			
1935	6.60	6	7			
1936	23.00	22	23			
1937	126.06	119	126			
1940	94.65	88	95			
1941	123.94	115	124			
1942	91.94	85	92			
1944	457.06	419	457			
1945	266.11	243	266			
1946	58.28	53	58			
1948	15.96	14	16			
1949	91.53	82	92			
1950	62.45	56	62			
1951	36.13	32	36			
1952	23.18	20	23			
1953	38.67	34	39			
1954	53.96	47	53	1		
1956	308.81	266	302	7	7.00	1
1958	3,915.91	3,325	3,770	146	9.13	16
1959	630.52	532	603	28	9.33	3
1960	914.07	765	867	47	9.40	5
1961	147.59	123	139	9	9.00	1
1962	74.23	61	69	5		
1963	124.21	101	115	9	9.00	1
1964	42.01	34	39	3		

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1965	515.64	413	468	48	12.00	4
1966	2,820.19	2,238	2,538	282	12.26	23
1967	76.52	60	68	9	9.00	1
1968	563.97	438	497	67	13.40	5
1969	267.27	205	232	35	11.67	3
1973	263.19	192	218	45	15.00	3
1977	149.17	103	117	32	16.00	2
1978	842.86	573	650	193	19.30	10
1980	349.81	230	261	89	22.25	4
1981	13,624.82	8,799	9,976	3,649	21.22	172
1983	6,888.56	4,646	5,268	1,621	20.52	79
1984	1,771.57	1,174	1,331	441	21.00	21
1987	565.85	354	401	165	23.57	7
2017	8,100.00	1,275	1,446	6,654	44.96	148
	52,996.00	35,792	39,415	13,581		509

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.70 0.96

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1940	1,940.75	1,694	1,941			
1946	2,314.32	1,949	2,314			
1950	2,518.11	2,065	2,518			
1953	900.00	722	900			
1955	816.00	645	816			
1957	4,852.63	3,776	4,853			
1958	2,524.69	1,948	2,525			
1960	54,754.59	41,524	54,755			
1961	821.50	617	817	4		
1966	90,979.44	65,009	86,031	4,948	15.71	315
1967	5,073.76	3,586	4,746	328	16.40	20
1968	676.96	473	626	51	17.00	3
1970	142,304.18	97,051	128,434	13,870	17.49	793
1971	9,888.51	6,659	8,812	1,077	17.95	60
1972	1,375.00	914	1,210	165	18.33	9
1973	5,000.00	3,279	4,339	661	18.89	35
1974	1,418.21	917	1,214	204	18.55	11
1975	10,784.89	6,877	9,101	1,684	20.05	84
1976	5,313.42	3,338	4,417	896	20.36	44
1977	63.84	39	52	12	12.00	1
1978	4,217.69	2,567	3,397	821	21.61	38
1979	18,696.66	11,198	14,819	3,878	22.03	176
1980	10,542.35	6,207	8,214	2,328	22.60	103
1981	16,499.35	9,546	12,633	3,866	23.15	167
1982	54,197.62	30,794	40,752	13,446	23.76	566
1983	80,730.38	53,758	71,142	9,588	21.26	451
1984	43,591.84	28,527	37,752	5,840	21.87	267
1985	101,623.90	65,720	86,972	14,652	22.07	664
1986	44,299.34	28,112	37,203	7,096	22.67	313
1987	96,891.47	60,673	80,293	16,598	22.93	724
1988	38,799.49	23,807	31,505	7,294	23.53	310
1989	91,827.00	55,179	73,022	18,805	24.20	777
1990	36,742.86	21,733	28,761	7,982	24.48	326
1991	65,825.53	38,060	50,367	15,459	25.10	616
1992	54,823.60	31,145	41,216	13,608	25.39	536
1993	62,400.36	34,589	45,774	16,626	26.06	638
1994	2,028.79	1,103	1,460	569	25.86	22
1995	58,509.72	30,963	40,975	17,535	27.06	648
1996	160,880.26	83,288	110,221	50,659	27.40	1,849
1997	93,877.25	47,220	62,490	31,387	28.07	1,118
1998	1,345.00	660	873	472	27.76	17
2000	14,202.59	6,570	8,695	5,508	29.45	187
2001	5,875.07	2,640	3,494	2,381	29.76	80
2002	135,175.77	58,883	77,924	57,252	30.34	1,887
2003	112,363.08	47,350	62,662	49,701	30.77	1,615
2004	594,156.45	241,762	319,940	274,216	31.22	8,783
2005	64,448.44	25,264	33,434	31,014	31.68	979
2006	27,747.84	10,453	13,833	13,915	32.14	433
2007	87,883.96	31,726	41,985	45,899	32.60	1,408
2009	147,369.79	48,382	64,027	83,343	33.58	2,482
2010	1,349,754.19	422,473	559,088	790,666	33.84	23,365
2011	994,889.62	295,482	391,032	603,858	34.13	17,693
2012	137,972.66	38,508	50,960	87,013	34.67	2,510
2013	318,061.87	83,332	110,279	207,783	34.98	5,940
2014	293,657.65	71,741	94,940	198,718	35.31	5,628

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

2015	373,670.25	84,861	112,302	261,368	35.45	7,373
2017	602,207.51	114,058	150,941	451,267	36.03	12,525
2018	764,237.45	130,379	172,540	591,697	36.06	16,409
2019	1,044,895.30	157,570	208,523	836,372	36.14	23,143
2020	172,518.27	22,514	29,794	142,724	36.08	3,956
2021	459,915.49	50,177	66,403	393,512	36.07	10,910
2022	132,803.84	11,620	15,378	117,426	35.64	3,295
2023	9,215,259.86	597,149	790,249	8,425,011	34.90	241,404
2024	4,135,688.31	167,495	221,658	3,914,030	33.55	116,663
2025	29,725,403.99	820,421	1,085,720	28,639,684	32.31	886,403
	52,392,830.51	4,448,741	5,886,063	46,506,768		1,406,772

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.10 2.69

INTERIM SURVIVOR CURVE: IOWA 75-R0.5
PROBABLE RETIREMENT DATE: 1-2029
NET SALVAGE PERCENT: 0

2005	2,439,832.84	2,117,043	2,125,133	314,700	3.11	101,190
2007	2,391.03	2,043	2,051	340	3.15	108
2010	127,711.52	106,128	106,534	21,178	3.14	6,745
2011	713,419.33	586,288	588,528	124,891	3.13	39,901
2012	95,432.57	77,339	77,635	17,798	3.14	5,668
2014	39,512.90	30,990	31,108	8,405	3.14	2,677
2015	1,401,257.57	1,077,287	1,081,404	319,854	3.13	102,190
2016	2,970,840.94	2,229,616	2,238,136	732,705	3.13	234,091
2017	143,613.75	104,680	105,080	38,534	3.13	12,311
2018	17,834.81	12,540	12,588	5,247	3.13	1,676
2020	149,234.52	94,585	94,946	54,289	3.13	17,345
2021	11,786.05	6,902	6,929	4,857	3.13	1,552
	8,112,867.83	6,445,441	6,470,072	1,642,796		525,454

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.10 6.48

SURVIVOR CURVE.. 20-SQUARE
NET SALVAGE PERCENT: 0

1993	550.95	551	551			
1995	472.76	473	473			
1998	11,282.11	11,282	11,282			
1999	0.01					
2004	1,756.31	1,756	1,756			
2005	18,544.44	18,544	18,544			
2006	17,798.10	17,279	17,798			
2007	49,898.90	45,948	49,899			
2008	2,396.46	2,087	2,396			
2009	43,267.35	35,515	43,267			
2010	21,133.16	16,290	21,078	55	4.58	12
2011	533,064.91	384,249	497,186	35,879	5.58	6,430
2012	11,373.26	7,630	9,873	1,500	6.58	228
2013	119,832.95	74,396	96,262	23,571	7.58	3,110
2014	156,256.18	89,196	115,412	40,844	8.58	4,760
2015	1,434,510.51	747,136	966,730	467,781	9.58	48,829
2016	308,359.05	145,185	187,857	120,502	10.58	11,390
2017	30,662.08	12,904	16,697	13,965	11.58	1,206
2021	9,564.00	2,112	2,733	6,831	15.60	438
2023	17,592.44	2,126	2,751	14,842	17.59	844
	2,788,315.93	1,614,659	2,062,545	725,771		77,247

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.40 2.77

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	9,207.66	9,208	9,208	
2013	48,423.28	48,423	48,423	
2019	6,450.00	6,450	6,450	
2020	6,996.39	6,996	6,996	
2021	3,271,690.94	2,889,983	3,271,691	
2022	4,019,912.36	2,746,927	4,019,912	
2023	1,488,664.15	719,516	1,722,180	(233,515)
	8,851,344.78	6,427,503	9,084,860	(233,515)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2012	6,374.27	5,701	1,959	4,415	1.58	2,794
2013	131.73	109	37	95	2.57	37
2017	14,554.52	8,167	2,806	11,749	6.58	1,786
2018	54,465.52	26,930	9,252	45,214	7.58	5,965
2019	15,022.00	6,426	2,207	12,815	8.58	1,494
2020	13,792.00	4,980	1,711	12,081	9.58	1,261
2021	30,392.00	8,949	3,074	27,318	10.58	2,582
	134,732.04	61,262	21,046	113,686		15,919

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.10 11.82

SURVIVOR CURVE: IOWA 10-L2.5
NET SALVAGE PERCENT: 0

1999	101,882.81	101,200	78,946	22,937	1.00	22,937
2002	810.66	784	612	199	1.00	199
2004	38,379.35	36,495	28,470	9,909	1.11	8,927
2007	9,684.11	8,953	6,984	2,700	1.50	1,800
2008	17,027.48	15,539	12,122	4,905	1.67	2,937
2009	30,635.75	27,511	21,461	9,175	1.86	4,933
2013	117,083.39	96,828	75,535	41,548	2.60	15,980
2014	64,737.08	52,178	40,704	24,033	2.75	8,739
2015	86,116.23	67,550	52,695	33,421	2.86	11,686
2016	2,216,179.41	1,684,075	1,313,741	902,438	2.98	302,832
2017	2,992,446.24	2,183,588	1,703,409	1,289,037	3.12	413,153
2018	5,530,907.35	3,810,795	2,972,787	2,558,120	3.35	763,618
2019	7,628,724.20	4,836,611	3,773,022	3,855,702	3.70	1,042,082
2020	13,519,046.44	7,630,150	5,952,251	7,566,795	4.18	1,810,238
2021	12,551,767.10	6,037,400	4,709,752	7,842,015	4.77	1,644,028
2022	4,476,782.05	1,724,009	1,344,893	3,131,889	5.46	573,606
2023	9,624,425.50	2,695,802	2,102,985	7,521,440	6.21	1,211,182
2024	15,355,959.93	2,575,194	2,008,898	13,347,062	7.03	1,898,586
2025	5,996,601.78	655,429	511,298	5,485,304	7.47	734,311
	80,359,196.86	34,240,091	26,710,565	53,648,632		10,471,774

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.10 13.03

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1999	9,584.60	8,659	873	8,712	2.82	3,089
2000	679.80	606	61	619	3.06	202
2006	12,598.50	10,347	1,043	11,556	4.22	2,738
2007	9,680.28	7,808	787	8,893	4.42	2,012
2008	8,436.33	6,686	674	7,762	4.56	1,702
2009	25,798.90	20,033	2,019	23,780	4.73	5,027
2010	4,790.00	3,640	367	4,423	4.87	908
2011	12,220.61	9,055	913	11,308	5.04	2,244
2012	16,328.70	11,786	1,188	15,141	5.17	2,929
2013	5,411.65	3,790	382	5,030	5.31	947
2015	37,604.85	24,327	2,452	35,153	5.69	6,178
2016	174,873.56	107,197	10,805	164,069	5.94	27,621
2017	314,002.39	179,986	18,141	295,861	6.27	47,187
2019	605,054.10	285,767	28,803	576,251	7.17	80,370
2020	161,730.91	66,488	6,701	155,030	7.76	19,978
2021	131,305.09	45,287	4,565	126,740	8.39	15,106
2023	302,084.00	59,782	6,026	296,058	9.79	30,241
2024	424,642.67	50,193	5,059	419,584	10.57	39,696
2025	3,339,877.01	256,837	25,887	3,313,990	11.00	301,272
	5,596,703.95	1,158,274	116,746	5,479,958		589,447

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.30 10.53

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2006	4.01	3	(16)	20	5.00	4
2007	54.28	40	(207)	261	6.53	40
2010	41.71	26	(134)	176	9.78	18
2011	356.77	206	(1,065)	1,422	10.61	134
	456.77	275	(1,422)	1,879		196

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.60 42.91

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

1999	95,567.74	95,568	95,568			
2000	206,628.32	206,628	206,628			
2001	194,842.63	190,297	194,843			
2002	342,377.53	320,695	342,378			
2003	194,692.15	174,575	194,692			
2004	407,591.88	349,172	392,203	15,389	3.58	4,299
2005	76,325.20	62,333	70,015	6,310	4.58	1,378
2006	185,927.78	144,405	162,201	23,727	5.58	4,252
2007	597,992.98	440,523	494,812	103,181	6.58	15,681
2008	475,653.28	331,373	372,211	103,442	7.58	13,647
2009	782,846.62	514,072	577,425	205,422	8.58	23,942
2010	627,283.07	386,827	434,499	192,784	9.58	20,124
2011	435,299.31	251,024	281,960	153,339	10.58	14,493
2012	485,359.63	260,478	292,579	192,781	11.58	16,648
2013	637,198.96	316,478	355,480	281,719	12.58	22,394
2014	74,943.59	34,224	38,442	36,502	13.58	2,688
2015	27,411.96	11,422	12,830	14,582	14.58	1,000
2016	162,142.32	61,074	68,601	93,541	15.58	6,004
2017	118,415.22	39,867	44,780	73,635	16.58	4,441
2018	303,141.51	89,933	101,016	202,126	17.58	11,497
2019	33,285.49	8,543	9,596	23,689	18.58	1,275
2020	54,111.57	11,724	13,169	40,943	19.58	2,091
2021	186,954.14	33,029	37,099	149,855	20.58	7,282
2022	581,769.04	79,510	89,308	492,461	21.58	22,820
2023	162,601.60	15,719	17,656	144,946	22.58	6,419
2024	17,741.67	1,005	1,129	16,613	23.56	705
2025	29,826.02	1,094	1,229	28,597	24.07	1,188
	7,497,931.21	4,431,592	4,902,349	2,595,582		204,268

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.70 2.72

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2014	130,860.25	99,599	130,860			
2018	267,256.56	132,142	187,062	80,194	7.58	10,580
	398,116.81	231,741	317,922	80,195		10,580

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.60 2.66

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1961	1,382.14	1,382	1,382			
1962	500.32	500	500			
1975	249.00	249	249			
1985	8,150.85	8,104	8,151			
1987	5,373.47	5,285	5,373			
1988	1,400.00	1,367	1,400			
1989	14,875.00	14,463	14,875			
1991	819.84	787	810	10	1.43	7
1992	101,443.89	96,950	99,800	1,644	1.55	1,061
1993	41,878.30	39,776	40,945	933	1.71	546
1994	81,942.15	77,230	79,501	2,441	1.92	1,271
1995	14,000.00	13,115	13,501	499	2.05	243
1997	58,208.48	53,593	55,169	3,039	2.45	1,240
1999	277,765.45	250,933	258,311	19,454	2.82	6,899
2000	79,790.82	71,181	73,274	6,517	3.07	2,123
2001	32,082.44	28,358	29,192	2,890	3.21	900
2002	67,310.80	58,634	60,358	6,953	3.47	2,004
2003	74,205.44	63,876	65,754	8,451	3.62	2,335
2004	92,343.55	78,317	80,620	11,724	3.84	3,053
2005	216,476.04	180,757	186,071	30,405	4.03	7,545
2006	14,837.75	12,186	12,544	2,294	4.22	544
2007	143,955.43	116,114	119,528	24,427	4.42	5,526
2008	45,564.61	36,110	37,172	8,393	4.56	1,841
2009	32,445.05	25,194	25,935	6,510	4.73	1,376
2010	19,137.35	14,544	14,972	4,165	4.87	855
2011	390,239.38	289,167	297,669	92,570	5.04	18,367
2012	442,559.28	319,439	328,831	113,728	5.17	21,998
2013	250,091.30	175,139	180,288	69,803	5.31	13,146
2014	785,584.01	530,976	546,587	238,997	5.47	43,692
2015	960,693.32	621,473	639,745	320,948	5.69	56,406
2016	528,236.77	323,809	333,329	194,908	5.94	32,813
2017	1,667,424.65	955,768	983,868	683,557	6.27	109,020
2018	1,731,951.77	912,046	938,861	793,091	6.67	118,904
2019	1,148,092.73	542,244	558,186	589,907	7.17	82,274
2020	2,386,140.84	980,942	1,009,783	1,376,358	7.76	177,366
2021	970,960.20	334,884	344,730	626,230	8.39	74,640
2022	2,101,472.09	575,173	592,083	1,509,389	9.07	166,416
2023	2,091,649.27	413,937	426,107	1,665,542	9.79	170,127
2024	358,337.57	42,356	43,601	314,737	10.57	29,776
2025	101,256.56	7,787	8,016	93,240	11.00	8,476
	17,340,827.91	8,274,145	8,517,071	8,823,756		1,162,790

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.60 6.71

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2009	9,733.27	9,733	9,733			
2010	585,792.89	585,793	585,793			
2011	3,933,791.95	3,780,807	3,705,903	227,889	1.00	227,889
2012	929,260.48	831,168	814,701	114,559	1.58	72,506
2013	826,747.38	684,365	670,807	155,940	2.58	60,442
2014	740,938.13	563,935	552,763	188,175	3.58	52,563
2015	1,163,312.65	807,851	791,846	371,467	4.58	81,106
2016	586,347.51	368,097	360,804	225,544	5.58	40,420
2017	693,822.26	389,311	381,598	312,224	6.58	47,450
2018	1,338,735.79	661,925	648,811	689,925	7.58	91,019
2019	643,967.93	275,477	270,019	373,949	8.58	43,584
2020	1,306,261.75	471,704	462,359	843,903	9.58	88,090
2021	5,106,313.68	1,503,503	1,473,717	3,632,597	10.58	343,346
2022	398,515.19	90,774	88,976	309,539	11.58	26,730
2023	1,410,245.69	227,205	222,704	1,187,542	12.58	94,399
2024	620.93	59	58	563	13.73	41
	19,674,407.48	11,251,707	11,040,592	8,633,816		1,269,585

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.80 6.45

SURVIVOR CURVE.. 18-SQUARE
NET SALVAGE PERCENT: 0

2017	16,889,405.25	7,897,317	8,980,749	7,908,656	9.58	825,538
2022	28,346.42	5,380	6,118	22,228	14.58	1,525
2023	32,077.26	4,307	4,898	27,180	15.58	1,745
	16,949,828.93	7,907,004	8,991,765	7,958,064		828,808

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.60 4.89

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2007	11,500.91	8,472	(853)	12,354	6.58	1,878
2011	13,689.76	7,894	(795)	14,485	10.58	1,369
2012	3,464.31	1,859	(187)	3,651	11.59	315
	28,654.98	18,225	(1,835)	30,490		3,562

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.60 12.43

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2006	60,163.72	60,164	60,164			
2007	90,002.57	90,003	90,003			
2008	29,406.65	29,407	29,407			
2009	8,926.15	8,926	8,926			
2010	64,622.48	64,622	64,622			
2011	33,696.54	32,386	30,340	3,357	1.00	3,357
2012	3,137.18	2,806	2,629	508	1.58	322
2013	372,369.14	308,240	288,764	83,605	2.58	32,405
2014	327,931.95	249,592	233,822	94,110	3.58	26,288
2015	91,070.54	63,243	59,247	31,824	4.58	6,948
2016	248,429.08	155,959	146,105	102,324	5.58	18,338
2018	251,437.65	124,321	116,465	134,973	7.58	17,806
2019	105,310.54	45,050	42,204	63,107	8.58	7,355
2020	74,963.75	27,070	25,359	49,605	9.58	5,178
2021	138,983.90	40,922	38,337	100,647	10.58	9,513
2022	7,916.45	1,803	1,689	6,227	11.57	538
2023	80,058.22	12,898	12,083	67,975	12.58	5,403
	1,988,426.51	1,317,412	1,250,166	738,261		133,451

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.50 6.71

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2018	46,650.00	23,066	40,448	6,202	7.58	818
2019	8,235.82	3,523	6,178	2,058	8.58	240
	54,885.82	26,589	46,626	8,260		1,058

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.80 1.93

PART III. EXPERIENCED NET SALVAGE

2021	**TRANSACTION YEAR**			
303.00	379,965			
303.01	4,236,929			
303.02	688,466			
303.03	30,357,603			
325.04	843			
327.00	72,321			
329.00	19,982			
332.00	49,572	283,431	5,356	(278,075)
333.00	393,211	598,259		(598,259)
334.00		193,592		(193,592)
352.00	563	1,982		(1,982)
354.00	1,857			
367.00	39,533	215,555		(215,555)
368.00	60,222			
369.00	138,531			
371.00	29,957			
374.02	66			
375.00	310,274			
376.00	7,185,821	3,204,911	29,218	(3,175,693)
378.00	456,433	167,996		(167,996)
380.00		3,085,110		(3,085,110)
381.00	1,935,950			
382.00	83,351	215,103		(215,103)
385.00	19,168			
387.00	275,472			
390.00	222,467			
391.01	12,798			
391.02	567,677			
391.03	2,440			
392.00	354,683		103,133	103,133
392.02	3,573,699		1,222,609	1,222,609
392.03	76,012			
393.00	14,500			
394.00	181,273			
394.20	282,036			
396.00	598,498			
397.02	640,286		2,900	2,900
397.20	1,032,020			
398.00	2,939			
TOTAL	**54,297,418**	**7,965,939**	**1,363,215**	**(6,602,723)**

2022	**TRANSACTION YEAR**			
303.00	1,528,279			
303.01	12,622,314			
332.00		1,324		(1,324)
333.00	12,996	128,575		(128,575)
337.00	11,277			
352.00	93,478			
367.00	144,454		6,939	6,939
369.00	94,291			
375.00	5,379			
376.00	5,286,975	262,145	(327)	(262,472)
378.00	570,425			
380.00	718,517			
381.00	448,543			
382.00	81,576	5,184		(5,184)

387.00	198,953			
390.00	12,752			
390.01	1,649,167			
391.01	53,442			
391.02	8,861,539			
391.03	404,100			
392.00	1,735,740		5,644	5,644
392.01	51,431			
392.02	6,677,435			
392.03	172,346			
392.04	6,345			
393.00	10,559			
394.00	101,959			
394.20	193,491			
396.00	1,519,851			
397.02	1,286,769			
397.20	19,826			
398.00	8,673			
TOTAL	**44,582,882**	**397,228**	**12,255**	**(384,973)**
2023	**TRANSACTION YEAR**			
303.00	16,339,592			
325.04	853			
332.00	161,325	2,544,899		(2,544,899)
334.00	286			
337.00	27,305			
352.02		181,890		(181,890)
354.01	86,119			
366.01	4,072			
367.00	96,916	1,774		(1,774)
369.00	4,814			
375.00	15,577			
376.00	6,064,305	8,652,109		(8,652,109)
378.00	264,921	4,928		(4,928)
380.00	3,762,326	743,999		(743,999)
381.00	1,670,355			
382.00		1,178		(1,178)
385.00	527			
390.00	1,595,344			
391.01	10,607			
391.02	2,451,171			
391.03	182,868			
392.01	30,168			
392.02	6,884,873			
394.00	191,545			
396.00	1,482,124			
397.02	183,962			
397.20	114,223			
TOTAL	**41,626,178**	**12,130,777**		**(12,130,777)**
2024	**TRANSACTION YEAR**			
303.00	15,875,601			
325.04	834			
332.00	189,953	12,327		(12,327)
333.00	230,478			
334.00	378			
351.00		178,852		(178,852)
352.01	2,289	284,716		(284,716)

353.01	43,751			
367.00	841,375	35,301		(35,301)
369.00	21,533	378,692		(378,692)
375.00	3,984	671		(671)
376.00	7,669,667	6,640,588		(6,640,588)
378.00	195,349	94,523		(94,523)
380.00	2,581,364	1,122,598		(1,122,598)
381.00	3,834,041			
382.00	5,895,137			
385.00	1,284			
387.00	303,093			
390.00	140,442			
391.01	15,372			
391.02	4,797,044			
391.03	38,196			
392.01	31,026			
392.02	11,550,342		8,391,000	8,391,000
393.00	5,438			
394.00	191,869			
396.00	615,887			
397.02	897,585			
397.20	277,732			
TOTAL	**56,251,045**	**8,748,267**	**8,391,000**	**(357,267)**
2025	**TRANSACTION YEAR**			
303.01	3,705,100			
303.02	21,442,054			
330.00	7			
331.00	24			
332.00	184,725	4,320		(4,320)
333.00	56			
334.00	2,037			
351.00		471,802		(471,802)
352.01	84,049	2,280,536		(2,280,536)
352.02	51,018			
353.01	20,132			
354.01	1,526			
355.00	4,589			
367.00	424,833	57,068		(57,068)
369.00	32,540	1,824,637		(1,824,637)
375.01	568			
375.31	157			
375.32	1,194			
376.01	4,575,938	4,598,591		(4,598,591)
376.02	2,108,060			
378.00	309,406	(28,955)		28,955
380.00	4,259,738	11,295,684		(11,295,684)
381.00	14,268,296			
382.00	11,092,985	(79,096)		79,096
385.00	4,815			
387.00	26,550			
390.00	321,911			
392.02	4,563,447	(84,065)	1,864,607	1,948,672
392.03	836,503			
396.00	373,616			
TOTAL	**68,695,875**	**20,340,522**	**1,864,607**	**(18,475,914)**
TOTAL	**265,453,398**	**49,582,733**	**11,631,078**	**(37,951,655)**

PEOPLES NATURAL GAS COMPANY LLC

PITTSBURGH, PENNSYLVANIA

2026 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF NOVEMBER 30, 2026

Prepared by:

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

PEOPLES NATURAL GAS COMPANY LLC

Pittsburgh, Pennsylvania

2026 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF NOVEMBER 30, 2026

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

Gannett Fleming Valuation and Rate Consultants, LLC
(a GFT Company)

300 Sterling Parkway, Suite 200
Mechanicsburg, PA 17050
717.763.7211

March 9, 2026

Peoples Natural Gas Company, LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212-5322

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant in service. The results of our study as of November 30, 2026 are presented in the attached report. The results of our study as of November 30, 2025 are presented in our report titled "2025 Depreciation Study- Calculated Annual Depreciation Accruals Related to Gas Plant as of November 30, 2025". The same methods, procedures and estimates are used in both studies.

The attached report sets forth a description of the methods and procedures upon which the studies were based, the estimates of survivor curves and the calculated annual depreciation rates as of November 30, 2026.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

JOHN J. SPANOS
President

MELISSA M. HOWARD
Project Manager

083580.100

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PART I. INTRODUCTION

PEOPLES NATURAL GAS COMPANY LLC
DEPRECIATION STUDY

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for Peoples Natural Gas Company LLC to determine the annual depreciation accrual rates and amounts for ratemaking purposes applicable to the original cost of gas plant as of November 30, 2026.

The depreciation accrual rates and amounts presented herein are based on estimated survivor curves and on methods and procedures set forth in previous orders approved by the Pennsylvania Public Utility Commission. The estimated survivor curves presented herein were based on the results of a service life study incorporating statistical analyses of data through 2022.

BASIS OF STUDY

Depreciation and Amortization

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs over a period of time by allocating annual amounts to expense. Each annual amount of

such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections which follow.

For most plant accounts, depreciation accruals and accrued depreciation were calculated using the straight line method, the remaining life basis, the average service life (ASL) procedure for plant installed prior to 1983 and the equal life group (ELG) procedure for property installed subsequent to 1982. The calculations were based on the attained ages and estimated service life characteristics for each depreciable group of gas property. For certain general plant accounts, the amortization amounts, annual and accrued, were based on the age of the vintage and the selected amortization period.

Survivor curves were used to reflect the expected dispersion of retirements, thus providing a consistent method of estimating service lives and depreciation for mass property. Iowa type curves were used to depict the estimated survivor curves. For life span groups, the estimate of life characteristics is consistent because the calculated lives of the units within a group are obtained by employing a single probable retirement date for the entire group.

Service Life Estimates

The method of estimating service life consisted of compiling the service life history of the plant accounts, subaccounts or depreciable groups, reducing this history to trends through the use of acceptable actuarial techniques, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived.

The Company's service life estimates used in the depreciation calculation incorporated historical data compiled through 2022 from the property records of the Company. Such data included plant additions, retirements, transfers and other activity. Generally, retirement data for the years 1939 through 2022 were used in the actuarial life table computations which were the primary statistical support of the service life estimates.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through field trips conducted during the course of the service life study. Discussions with operating and management personnel also provided information regarding plans for the future which was incorporated in the interpretation and extrapolation of the statistical analyses.

AMORTIZATION OF NET SALVAGE

Inasmuch as this report relates primarily to Pennsylvania rate regulation practices, under which experienced costs of negative net salvage are amortized after their occurrence, no adjustments for expected salvage were made to either the annual depreciation accrual or the calculated accrued depreciation for the individual accounts. The annual provision for recovering negative net salvage is based on the amortization of net salvage over a five-year period.

PART II. ESTIMATION OF SURVIVOR CURVES

PART II. ESTIMATION OF SURVIVOR CURVES

The calculation of annual depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. The estimation of survivor curves is discussed below, and the development of net salvage is discussed in later sections of this report.

SURVIVOR CURVES

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units or by constructing a survivor curve by plotting the number of units which survive at successive ages.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

This study has incorporated the use of Iowa curves developed from a retirement rate analysis of historical retirement history. A discussion of the concepts of survivor curves and of the development of survivor curves using the retirement rate method is presented below.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements (or the portion of the frequency curve with the highest level of retirements) in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family. A higher number designates a higher mode curve.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.

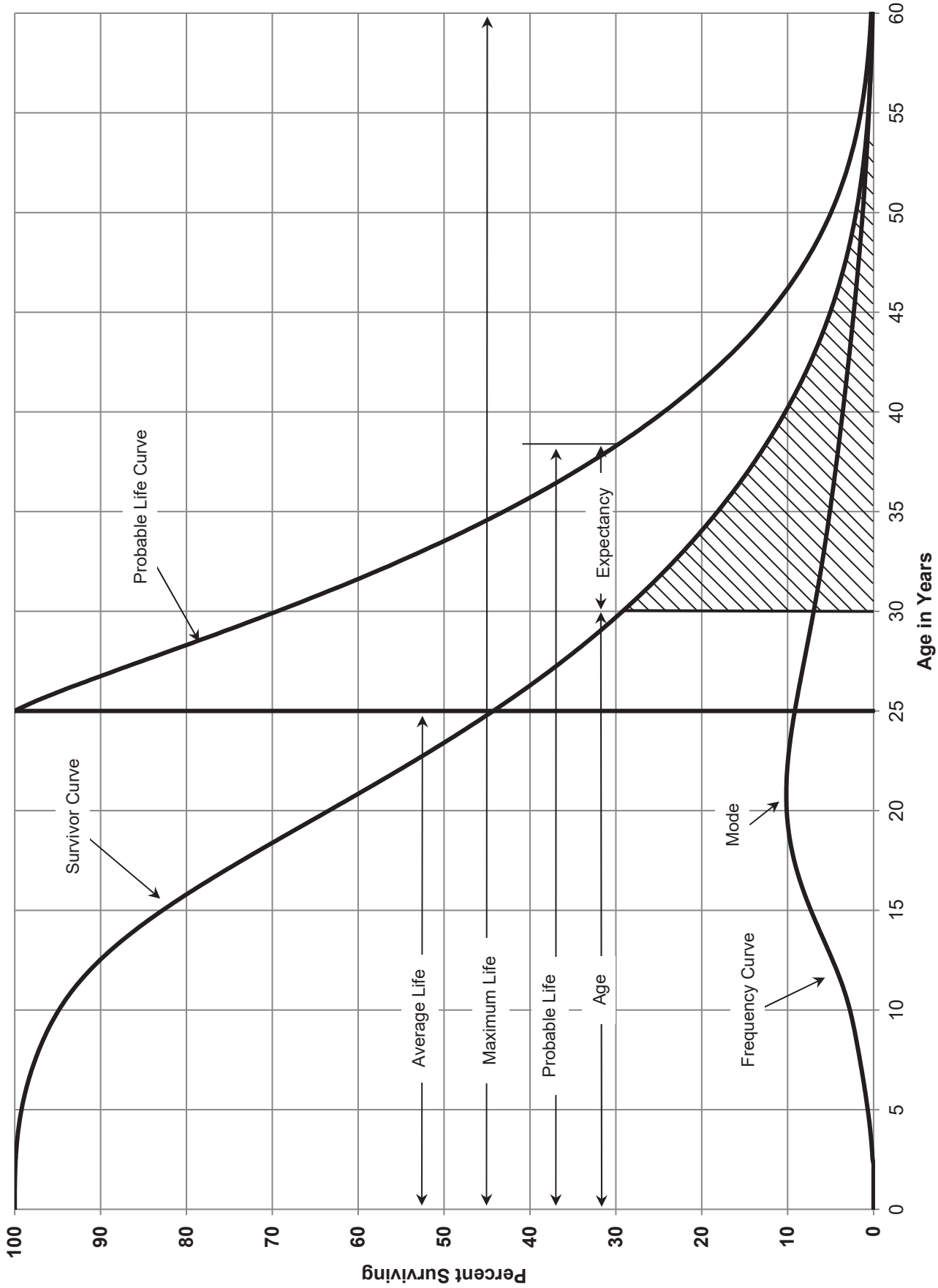


FIGURE 1. TYPICAL SURVIVOR CURVE AND DERIVED CURVES

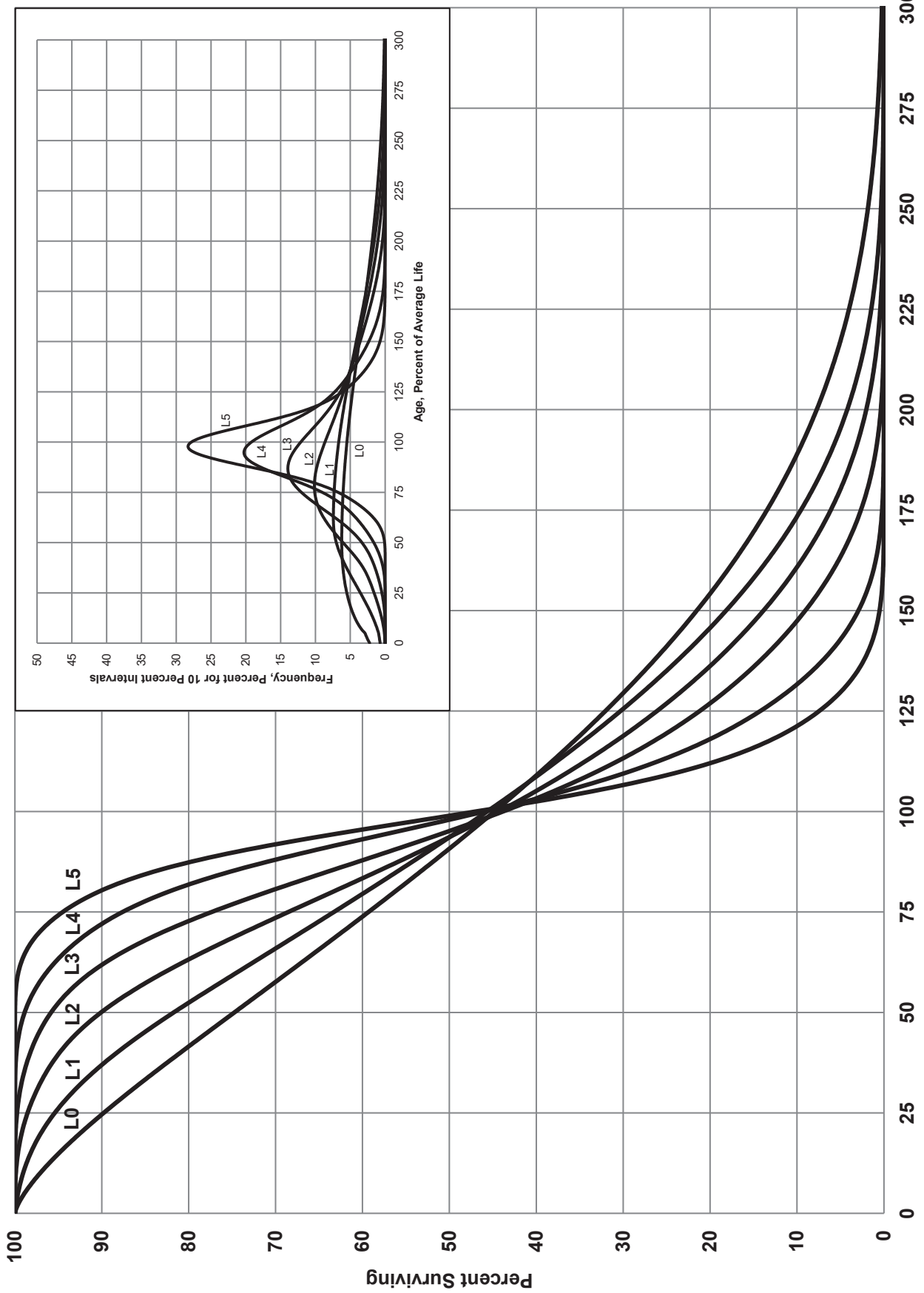


FIGURE 2. LEFT MODAL OR "L" IOWA TYPE SURVIVOR CURVES

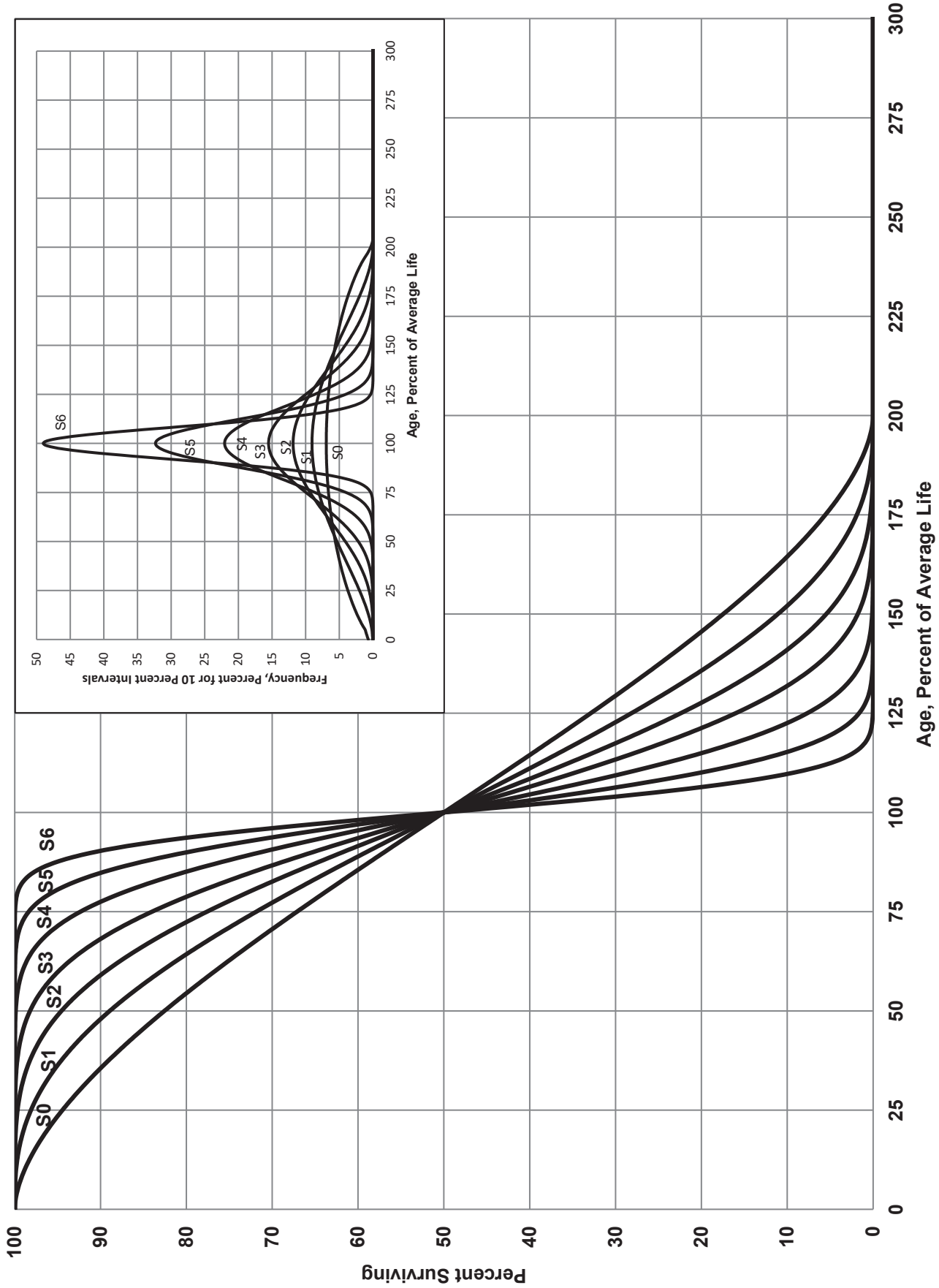


FIGURE 3. SYMMETRICAL OR "S" IOWA TYPE SURVIVOR CURVES

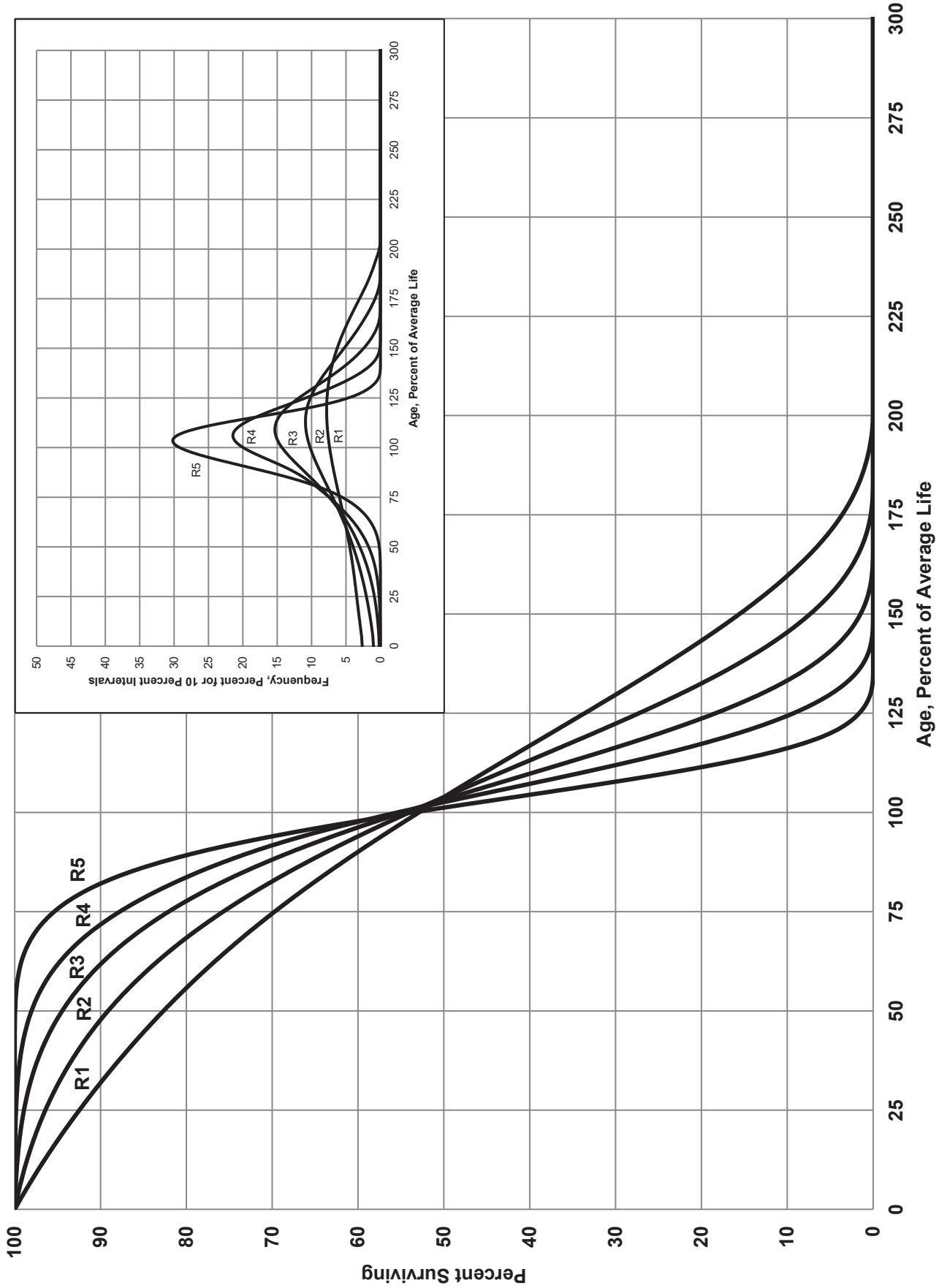


FIGURE 4. RIGHT MODAL OR "R" IOWA TYPE SURVIVOR CURVES

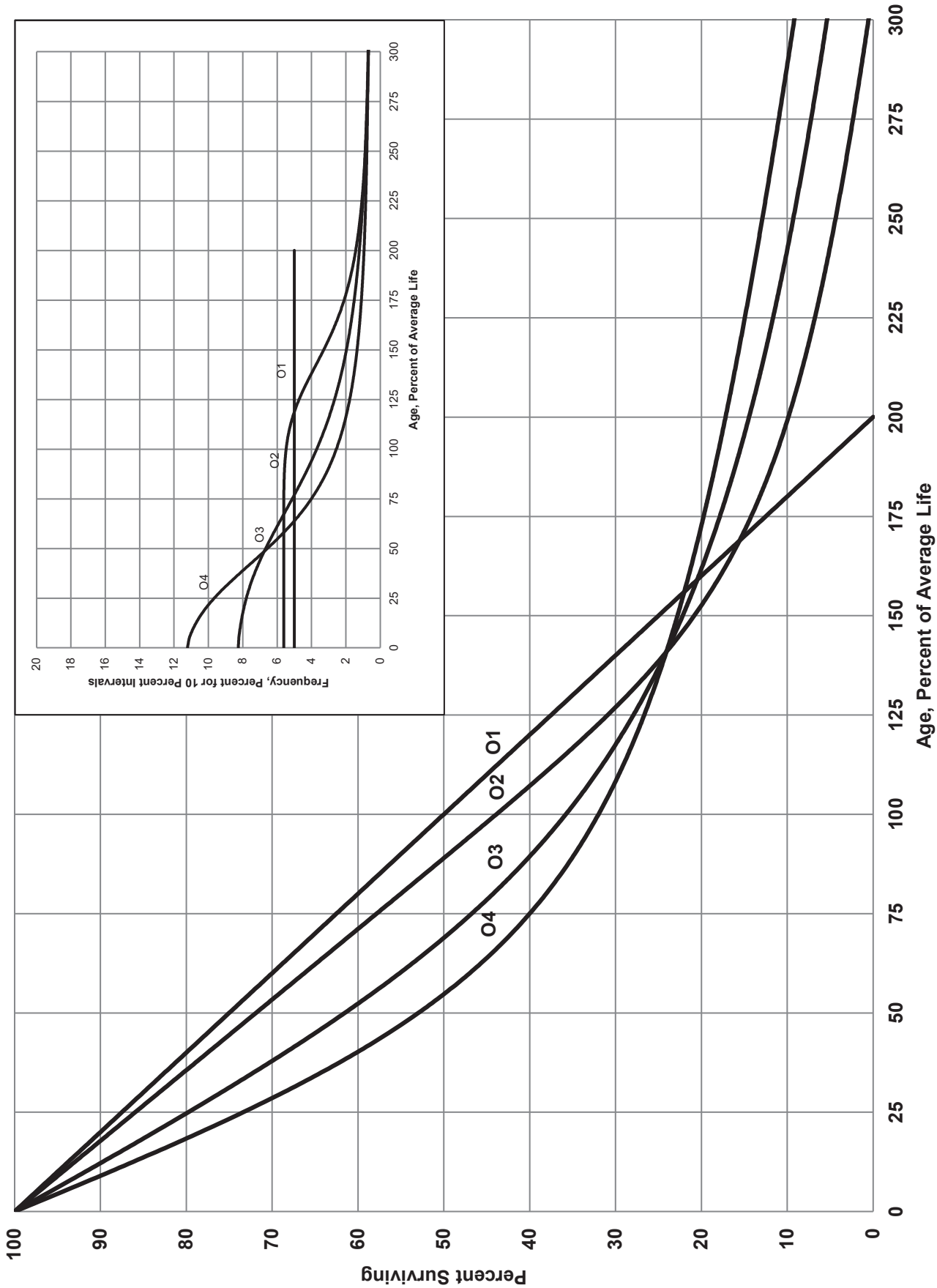


FIGURE 5. ORIGIN MODAL OR "O" IOWA TYPE SURVIVOR CURVES

These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[1] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text and is also explained in several publications including "Statistical Analyses of Industrial Property Retirements,"[2] "Engineering Valuation and Depreciation,"[3] and "Depreciation Systems."[4]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band. The band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

[1]Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

[2]Winfrey, Robley, Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

[3]Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 1.

[4]Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

Schedules of Annual Transactions in Plant Records

The property group used to illustrate the retirement rate method is observed for the experience band 2015-2024 for which there were placements during the years 2010-2024. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-11 and II-12. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, $10,000 of the dollars invested in 2010 were retired in 2015. The $10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of $143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2015 retirements of 2010 installations and ending with the 2024 retirements of the 2019 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2015-2024
SUMMARIZED BY AGE INTERVAL

Experience Band 2015-2024 Placement Band 2010-2024

Year Placed	Retirements, Thousands of Dollars During Year 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total During Age Interval	Age Interval
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2010	10	11	12	13	14	16	23	24	25	26	26	13½-14½
2011	11	12	13	15	16	18	20	21	22	19	44	12½-13½
2012	11	12	13	14	16	17	19	21	22	18	64	11½-12½
2013	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2014	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2015	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2016		5	11	12	13	14	15	16	18	20	113	7½-8½
2017			6	12	13	15	16	17	19	19	124	6½-7½
2018				6	13	15	16	17	19	19	131	5½-6½
2019					7	14	16	17	19	20	143	4½-5½
2020						8	18	20	22	23	146	3½-4½
2021							9	20	22	25	150	2½-3½
2022								11	23	25	151	1½-2½
2023									11	24	153	½-1½
2024										13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2015-2024
SUMMARIZED BY AGE INTERVAL

Experience Band 2015-2024 Placement Band 2010-2024

Year Placed	Acquisitions, Transfers and Sales, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2010	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
2011	-	-	-	-	-	-	-	-	-	-	-	12½-13½
2012	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2013	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2014	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2015	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2016		-	-	-	-	-	-	-	-	-	6	7½-8½
2017			-	-	-	-	-	-	-	-	-	6½-7½
2018				-	-	-	-	(12)[b]	-	-	-	5½-6½
2019					-	-	-	-	22[a]	-	-	4½-5½
2020						-	-	(19)[b]	-	-	10	3½-4½
2021							-	-	-	-	-	2½-3½
2022								-	-	(102)[c]	(121)	1½-2½
2023									-	-	-	½-1½
2024											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year

[b] Transfer Affecting Exposures at End of Year

[c] Sale with Continued Use

Parentheses Denote Credit Amount.

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-14. The surviving plant at the beginning of each year from 2015 through 2024 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2020 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2015-2024
SUMMARIZED BY AGE INTERVAL

Experience Band 2015-2024 Placement Band 2010-2024

Year Placed	Exposures, Thousands of Dollars — Annual Survivors at the Beginning of the Year										Total at Beginning of Age Interval	Age Interval
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2010	255	245	234	222	209	195	239	216	192	167	167	13½-14½
2011	279	268	256	243	228	212	194	174	153	131	323	12½-13½
2012	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2013	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2014	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2015	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2016		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2017			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2018				580[a]	574	561	546	530	501	482	3,057	5½-6½
2019					660[a]	653	639	623	628	609	3,789	4½-5½
2020						750[a]	742	724	685	663	4,332	3½-4½
2021							850[a]	841	821	799	4,955	2½-3½
2022								960[a]	949	926	5,719	1½-2½
2023									1,080[a]	1,069	6,579	½-1½
2024										1,220[a]	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a]Additions during the year

For the entire experience band 2015-2024, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Schedule 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

Original Life Table

The original life table, illustrated in Schedule 4 on page II-16, is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2015-2024 Placement Band 2010-2024

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval	Exposures at Beginning of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Age Interval
(1)	(2)	(3)	(4)	(5)	(6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.
Column 3 from Schedule 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 Divided by Column 2.
Column 5 = 1.0000 Minus Column 4.
Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

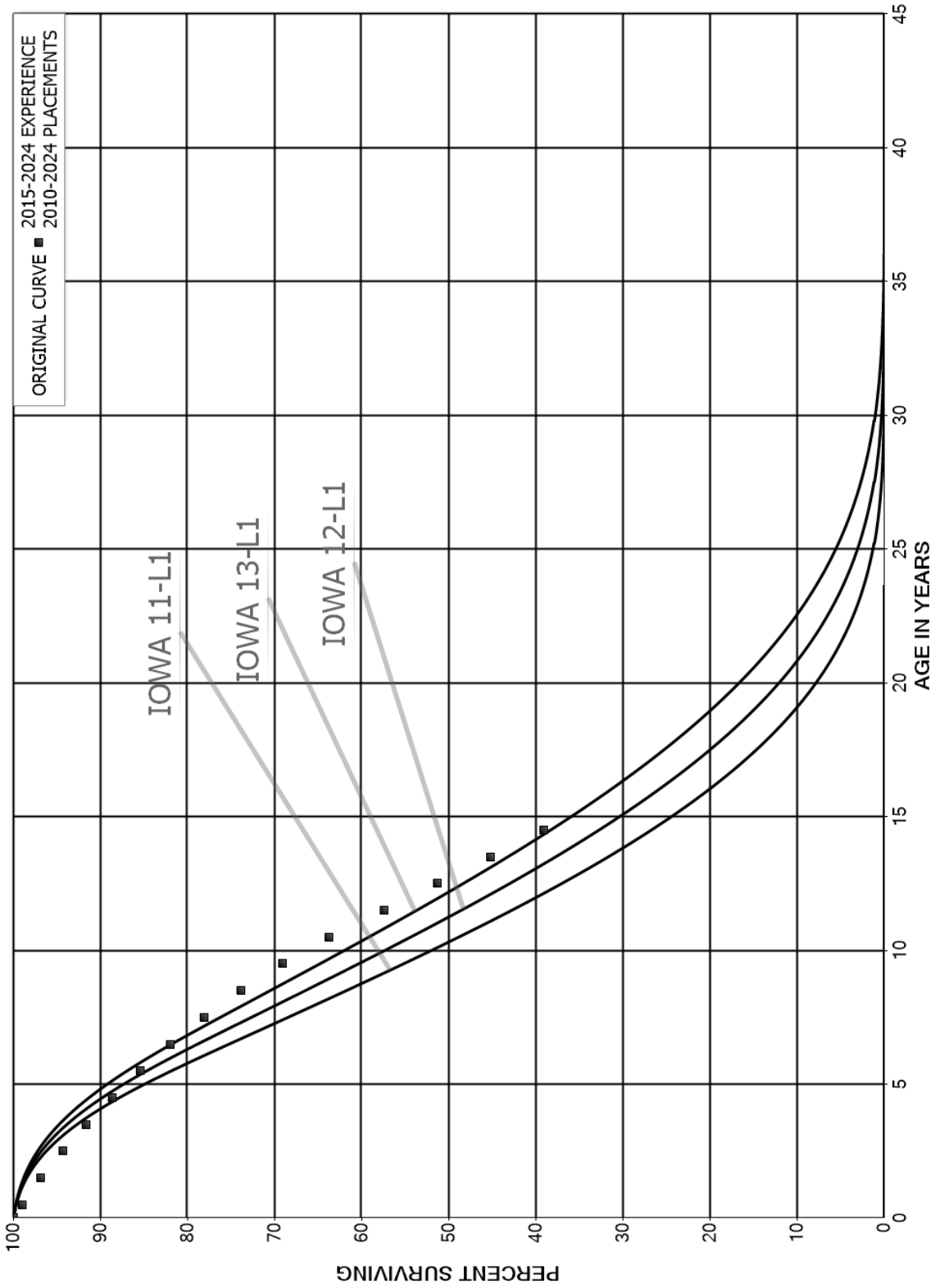
The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

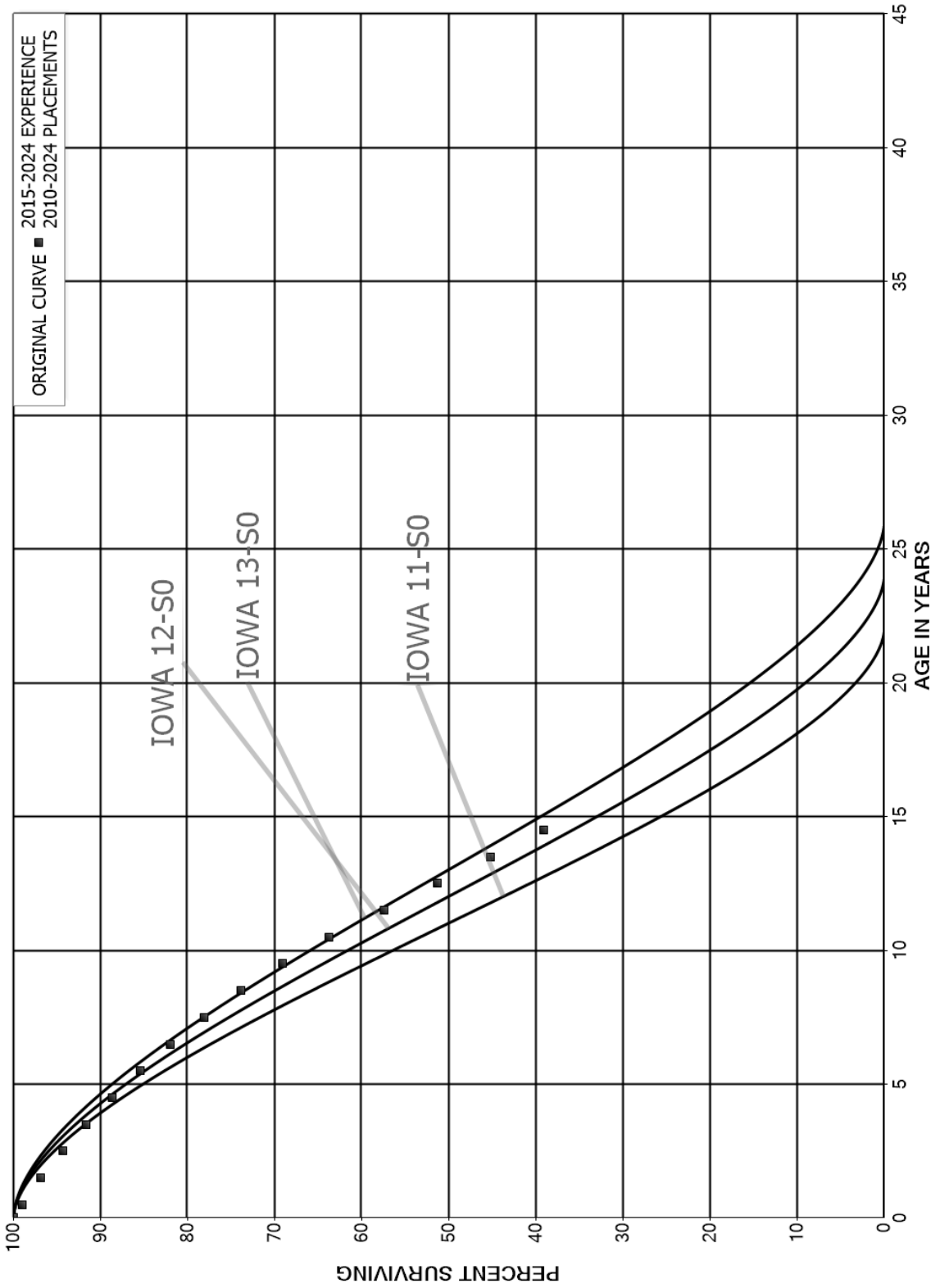
Smoothing the Original Survivor Curve

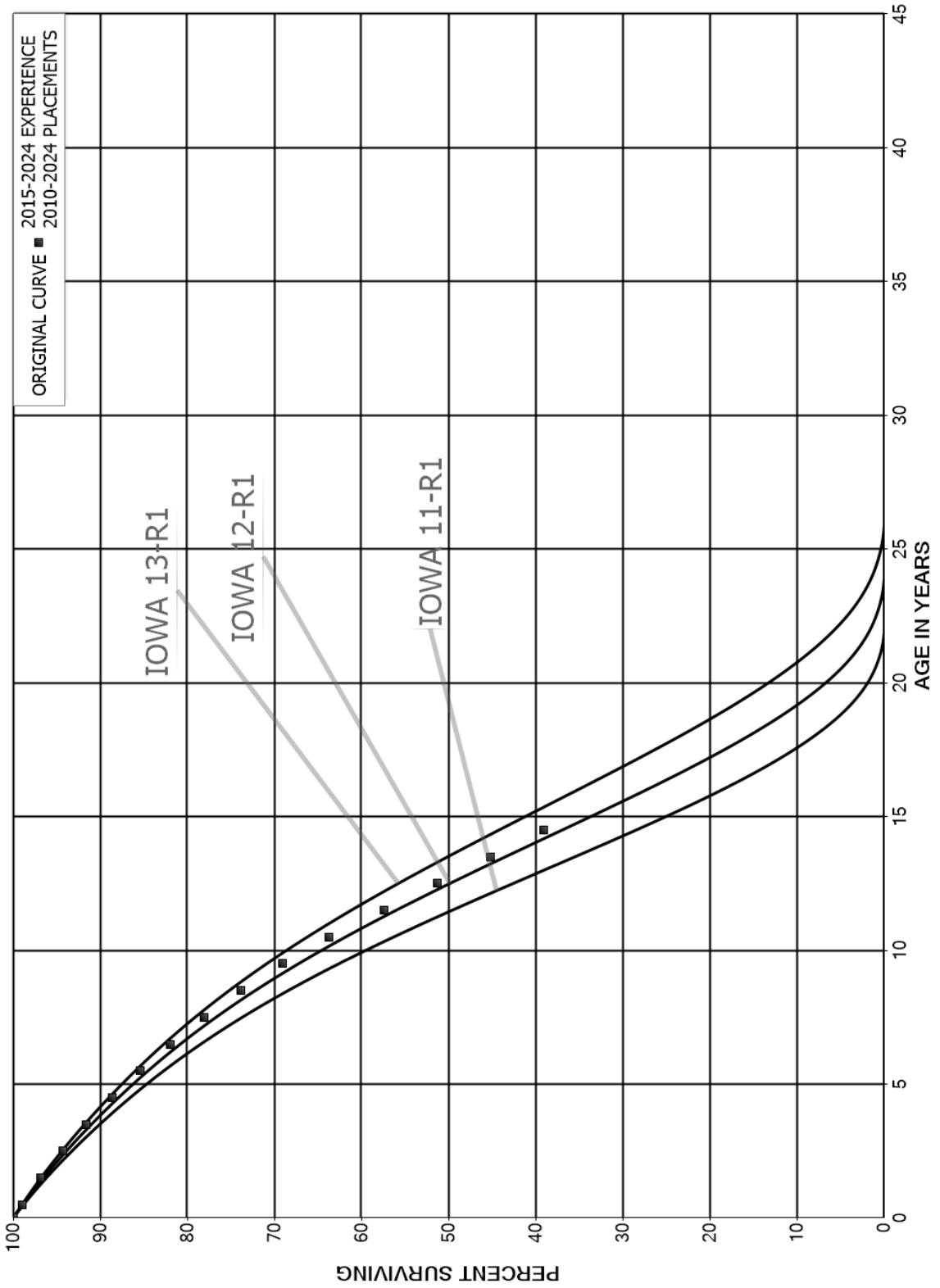
The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

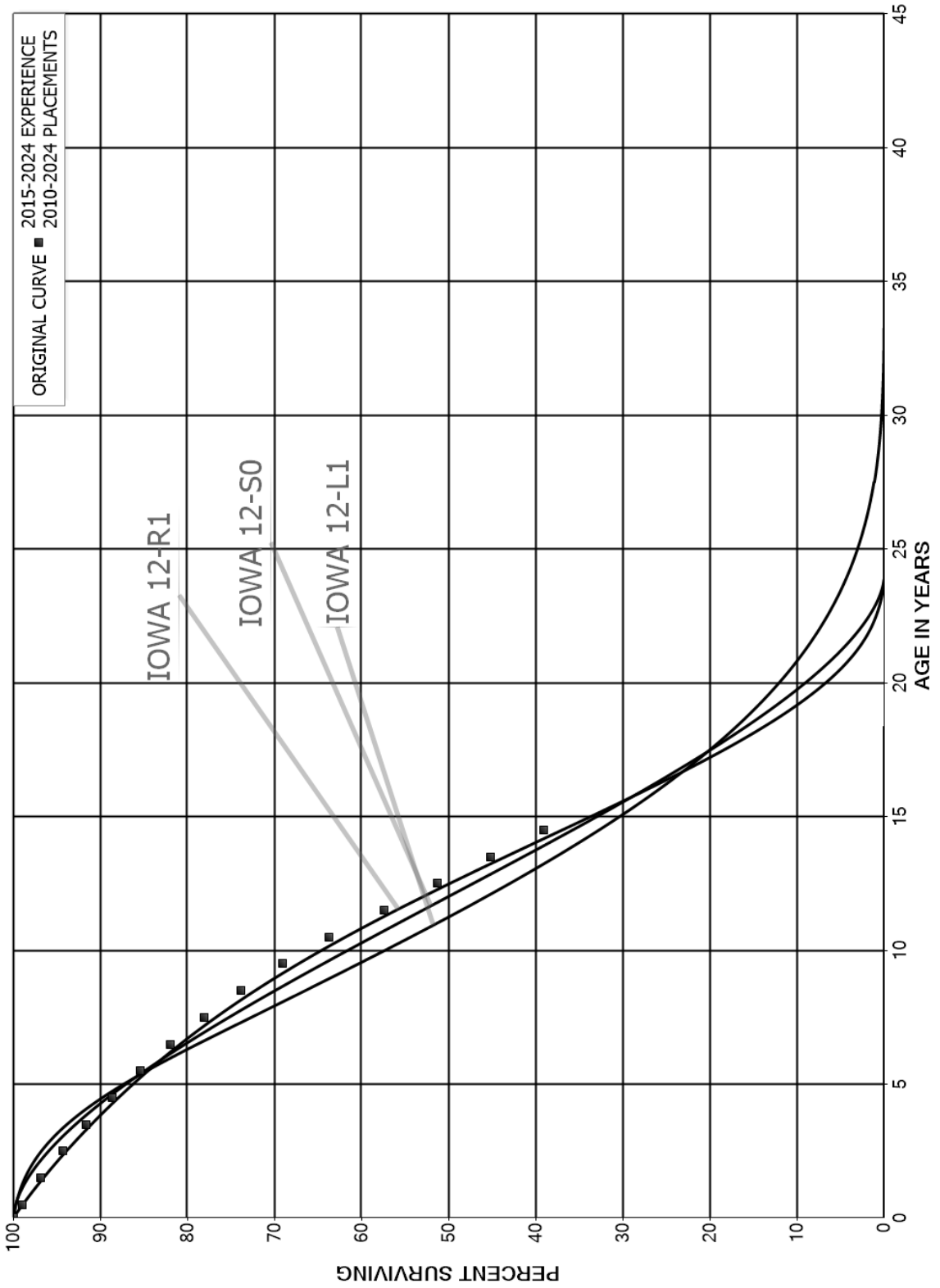
The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Schedule 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.


ORIGINAL CURVE ■ 2015-2024 EXPERIENCE
2010-2024 PLACEMENTS
IOWA 11-L1
IOWA 13-L1
IOWA 12-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
5
10
15
20
25
30
35
40
45


ORIGINAL CURVE ■ 2015-2024 EXPERIENCE
2010-2024 PLACEMENTS
IOWA 12-S0
IOWA 13-S0
IOWA 11-S0
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
5
10
15
20
25
30
35
40
45
AGE IN YEARS


ORIGINAL CURVE ■ 2015-2024 EXPERIENCE
2010-2024 PLACEMENTS
IOWA 13-R1
IOWA 12-R1
IOWA 11-R1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
5
10
15
20
25
30
35
40
45


ORIGINAL CURVE ■ 2015-2024 EXPERIENCE
2010-2024 PLACEMENTS
IOWA 12-R1
IOWA 12-S0
IOWA 12-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
5
10
15
20
25
30
35
40
45

PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

Field Trips

In order to be familiar with the operation of the Company and observe representative portions of the plant, field trips have been conducted periodically. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during these field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

During the extensive period of years our firm has been conducting depreciation studies for the Company, the field trips have resulted in the review of operations of the Company's property numerous times. The following is a list of the locations visited during the past trips.

August 9, 2023

Kitner Compression Station
Pratt Drive Meter Set and Regulator Station
Ricey Alley Regulator Station
Hobo Camp Regulator Station

May 8, 2018

Clever Road City Gate Station
RA 140 District Regulator Station
RA 64 District Regulator Station
Pruitt Regulator Station
Hays Regulator Station
Michelina Regulator Station
Whitaker Regulator Station

August 4, 2015

Beaver Street Regulator Station
Vogel/Austin Bleach Regulator Station
Vogel CNG Regulator Station
Armco Steel City Gate
Station Butler Warehouse
Complex Portmann
Compressor Station Vardy
Compressor Station

May 15 and 16, 2013

Dice Compressor Station
Chalfont Regulating Station
Jones Lane/LaSalle Meter Station
Newtown Regulator Station (LS1183)
Chestnut Regulator Station (LS1718)
Pitt Street Shop
Westinghouse Suite 303 Meter Station

April 23, 2013

Region B Service Center
Hays City Gate Station
Perrymont M & R Station
D317 Main Replacement Project
Pannier City Gate Station

April 6, 2010

Butler General Office
Building Portmann
Compressor Station
Portmann Regulator Station
Vardy Compressor Station
Armstrong District Office and Garage
Chickasaw Interconnection
Jefferson Shop and District
Office Alabran Compressor
Station Home Shop and Office
Kinter Compressor Station
Rubright Compressor Station
Tarentum/Allegheny District Office
Butler Warehouse Complex

August 14, 2008

Rager Mountain Compressor Station
Laurel Ridge Compressor Station
Greensburg Service Center
Armbrust Compressor Station
Pardos Excess Station
Wilkinsburg Service Center - Pitt Street
Pitt Street LS Station

July 29 & 30, 2008

Main replacement project - Eastmont Ave, Dormont, PA
Hays City Gate Station
Whitaker M & R Station
Industrial M & R Station - US Steel Mixing Plant
Michellina St M & R Station
Tepe Regulator Station
Crooked Creek Compressor Station
Crooked Creek Service Center
Shoemaker Compressor Station

January 9 and 10, 2006

Butler General Office Building Butler
Warehouse Complex
Portmann Compressor and Regulator Station
Vardy Compressor Station
Hughes Compressor Station
Hughes Well
Peachtree Lane Regulating Station
Allegheny Garage and Office
Natrona Heights Connecting Site
Armstrong Office and Warehouse

January 27, 2004

Training Center
Region "A" Operating Center
Sheridan Plaza Regulator Station
Youghiogheny Regulator Station
Pruett Regulator Station
Clever Road Regulator Station
Baldwin Road Regulator Station
Moultrie Regulator Station

August 26-27, 2003

Altoona Service Center
Lynndale & 49th Street Regulator Station (LS2765)
Oak Ave. and 60th Street Regulator Station (LS1723)
Shinkles Mill Road Regulator Station (LS1194)
Stevens Border Station (XS217)
Rager Mountain Compressor Station
Laurel Ridge Compressor Station
Johnstown Service Center
Greensburg Service Center
Gibsonia Service Center
Wilkinsburg Service Center – Pitt Street
Allenby Ave and Braddock Ave Regulator Station (LS1475)
Chalfont Border Station

July 2, 1996

Dice Compressor Station
McKeesport Station
Chalfont Regulating Station
Beacon Hill LS Station
Forest Hills Service Center

September 21-23, 1993

Hughes Compressor Station
Freeport Tool House
New Kensington Office
Texas Drive Regulator
Delmont Station
Seanor Station
Seanor Storage Well
Elder Farm
Schmidt Compressor Station
Heckman Station
Walkchalk Warehouse
Fair Station
Petrolia Purchase Point
Vardy Compressor Station
Portmann Compressor Station
Beyer Regulating Station
Kinter Compressor Station
Home Shop
Clark Compressor Station
Front Street Regulating
Station Punxsutawney Shop
Sprankle Mills Compressor Station
Alabran Shop
Alabran Compressor Station
Anderson Meter Shop
Butler Warehouse and Meter Shop
Butler General Office

October 17-18, 1990

Altoona Division Headquarters
Regulating Station LS-1723 at 60th Street and Oak Avenue
Johnstown Division Headquarters
Regulating Station LS-2568
Rager Mountain Compressor Station
Laurel Ridge Compressor Station
Regulating Station XS-292
Central Division Headquarters
Southern Division Headquarters

Wall Compressor Station
Cooper Central Warehouse
Gibson Compressor Station
Pittsburgh Division Headquarters

October 12-13, 1988

Butler General Office Building
Butler Warehouse Complex
Portmann Compressor Station
Vardy Compressor Station
Anderson Industrial Meter Shop
Hughes Compressor Station
Freeport Shop
New Kensington Office
Walkchalk Garage and Shop
Glycol Plant at Indiana University of Pennsylvania
Measuring and Regulating Station on IUP Campus for S. W. Jack Cogeneration Plant
Kinter Compressor Station
Metering Station at Kinter
Home Shop
Alabran Compressor Station
Alabran Shop
Sprankle Compressor Station
Punxsutawney Radio Tower
Punxsutawney Shop
Glen Campbell Compressor Station
Clarksburg Garage and Shop
Schmidt Compressor Station

October 1-2, 1985

Hopewell District Office
Blackhawk Transmission Regulator Station
Western Division Headquarters
Pittsburgh Division Headquarters
Northern Division Headquarters
Leechburg Shop
Roaring Run Compressor Station
Girty Compressor Station
Indiana District Office
Valley Compressor Station
Baum Compressor Station
Truittsburg Compressor Station

Judgment

The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during the field trips and other conversations with management; and the survivor curve estimates from previous studies of this company and other gas companies.

For many of the mass plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses resulted in good to excellent indications of the survivor patterns experienced. Generally, the information external to the statistics led to little or no significant departure from the indicated survivor curves for the following accounts:

Account No.	Account Name
325.04	Rights-of-Way
327.00	Field Compressor Station Structures
328.00	Field Measuring and Regulating Station Structures
330.00	Producing Gas Wells - Well Construction
331.00	Producing Gas Wells - Well Equipment
332.00	Field Lines
333.00	Field Compressor Station Equipment
334.00	Field Measuring and Regulating Station Equipment
337.00	Other Equipment
351.00	Structures and Improvements
352.02	Wells - Equipment
353.01	Lines
354.01	Compressor Station Equipment
366.02	Structures and Improvements - Measuring and Regulating
366.03	Structures and Improvements - Other
367.00	Mains
368.00	Compressor Station Equipment
369.00	Measuring and Regulating Station Equipment
371.00	Other Equipment
375.01	Structures and Improvements - Measuring and Regulating - Other - Minor
375.02	Structures and Improvements - Measuring and Regulating - Other - Major
376.00	Mains
378.00	Measuring and Regulating Station Equipment - General
380.00	Services

381.00	Meters
382.00	Meter Installations
385.00	Industrial Measuring and Regulating Station Equipment
387.00	Other Equipment
392.01	Transportation Equipment - Automobiles
392.02	Transportation Equipment - Trucks
392.03	Transportation Equipment - Trailers
396.00	Power Operated Equipment

The combined Account 376.00, Mains, is used to illustrate the manner in which the study was conducted for the groups in the preceding list. Account 376.00 represents 55 percent of the total depreciable plant. Aged plant accounting data have been compiled for the years 1938 through 2022. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the gas plant was placed in service. The retirements, and other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate for the periods 1938 through 2022 and 1963 through 2022 was selected to analyze the rates of retirements of distribution mains. The current indication is that an Iowa 72-R1.5 survivor curve is being experienced, based on the statistical analysis for recent history, 1963-2022 and the overall period, 1939-2022. Discussions with operating and managing personnel as well as field observations related to reasons for retirement indicated that little change over the last few years or in the next few years are expected. Thus, a slight change to a longer average service life and survivor curve from the last study.

For large structures in Account 375, a life span was estimated for each major structure. Each life span was estimated on the basis of type of construction, use, age, condition, and management's plans within the foreseeable future. An interim survivor curve was estimated for the major structures, based primarily upon the statistical analysis of the interim retirements that have been experienced by the Company's large buildings.

The estimates for land, leaseholds, and rights-of-way represented by Accounts 350.11, 350.21, 352.11, 352.12, 365.02, 374.02, and 389.02 were based on a review of the ages and magnitude of experienced retirements and a consideration of the survivor curves of the physical plant with which the rights are associated. Generally, the rates of retirement have been small during the early portion of the life cycles and are of use only in defining the early ages of the estimated survivor curves.

The maximum lives of the estimated curves generally coincide with the maximum lives of the survivor curves determined for the associated physical plant.

The survivor curve for Account 351 was based on statistical analyses and a knowledge of the type of structures in the account. The structures generally are small to medium size metal buildings of the nature expected to experience average service lives approximating 40 to 60 years. The stub survivor curves for the 1943-2022 experience band for Account 351 is reasonably well fit by an R2 Iowa type curve with a 60-year average service life which provides for significant retirements during ages 35 through 65.

The survivor curve estimate for Account 355, Measuring and Regulating Station Equipment, is based on statistical analyses and the nature of the equipment in the account. The range of service lives used by others for this account is 40 to 55 years. The estimates for the Company's measuring and regulating equipment used in other functions range from 20 to 50 years with low mode survivor curves. The 60-R2.5 is a reasonable interpretation of the available experience, however, longer than the upper end of the range of lives expected for this equipment. The survivor curve estimates for the remaining accounts were based on judgment incorporating the statistical analyses, the nature of the equipment and the typical range of lives used in the industry.

PART IV. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

PART IV. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally, the items within a group do not have identical service lives but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. This procedure eliminates the need to base depreciation on average lives, inasmuch as each group is equivalent to a unit having a single life. The full costs of short-lived units are accrued during their lives, leaving no deferral of accruals required to be added to the annual costs associated with long-lived units. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

Remaining Life Annual Accruals

For the purpose of calculating remaining life accrual rates as of November 30, 2026, the estimated book depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation for the vintages calculated by the average service life procedure and for the vintages calculated by the equal life group procedure follow. The detailed calculations are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future whole life depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$Ratio = 1 - \frac{Average\ Remaining\ Life\ Expectancy}{Average\ Service\ Life}.$$

Equal Life Group Procedure

In the equal life group procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the composite remaining life for the surviving original cost of that vintage. The composite remaining life is derived by compositing the individual equal life group remaining lives in accordance with the following equation:

$$\text{Composite Remaining Life} - \frac{\left(\frac{\text{Book Cost}}{\text{Life}} \times \text{Remaining Life}\right)}{\frac{\text{Book Cost}}{\text{Life}}}$$

The book costs and lives of the several equal life groups which are summed in the foregoing equation are defined by the estimated future survivor curve.

Inasmuch as book cost divided by life equals the whole life annual accrual, the foregoing equation reduces to the following form:

$$\text{Composite Remaining LIfe} = \frac{\sum \text{Whole Life Future Accruals}}{\sum \text{Whole Life Annual Accruals}}$$

or

$$\text{Composite Remaining Life} = \frac{\sum \text{Book Cost} - \text{Calc. Reserve}}{\sum \text{Whole Life Annual Accrual}}.$$

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals for all vintages divided by the account's total original cost. The account's "composite remaining life" is calculated by dividing the sum of the future book accruals for all vintages by the sum of the remaining life annual accruals for all vintages.

The calculated accrued depreciation in the equal life group procedure also represents that portion of depreciable cost which will not be allocated to expense through

future accruals. However, the calculation is based at the equal life group level rather than the vintage group level and does not require the use of averages. The equal life group accrued depreciation ratio is calculated as follows:

$$Ratio = \frac{Remaining\ Life}{Average\ Service\ Life}.$$

Inasmuch as service life minus remaining life equals age, when averages are not employed, the foregoing equation reduces to:

$$Ratio = \frac{Age}{Service\ Life}.$$

The table on the following page illustrates the procedure for calculating straight line equal life group accrued depreciation, using an Iowa 10-L2.5 Survivor curve and a November 30, 2026 calculation date.

In the table, each equal life group is defined by the age interval shown in columns 1 and 2, which identify the ages at which the first and last retirement of each group occur. The group's designated life, shown in column 3, is the midpoint of the interval. In the calculation, the equal life groups of each vintage are arranged such that the midpoint of each one-year age interval coincides with the calculation date, e.g., November 30 in this case. This enables the calculation of annual accruals which are centered on, or as of, the same date as the calculation of accrued depreciation.

The retirement during each age interval, shown in column 4, is the size of each equal life group. It is derived from the Iowa 10-L2.5 survivor curve and is the difference between the percents surviving (not shown) at the beginning and end of the age interval.

DETAILED COMPUTATION OF ANNUAL AND ACCRUED FACTORS USING THE EQUAL LIFE GROUP PROCEDURE

INPUT PARAMETERS:
CALCULATION DATE.. 11-30-2026
SURVIVOR CURVE.... 10-L2.5

AGE INTERVAL BEG (1)	END (2)	LIFE (3)	RETIREMENTS DURING INTERVAL (4)	GROUP ANNUAL ACCRUAL (5)=(4)/(3)	YEAR INST (6)	SUMMATION OF ANNUAL ACCRUALS (7)	AVERAGE PERCENT SURVIVING (8)	ANNUAL FACTOR (9)	ACCRUED FACTOR (10)
0.000	0.917	0.458	0.04332	0.04332000000	2026	11.47207681509	95.819310	0.1197	0.0548
0.917	1.917	1.417	0.34028	0.24014114326	2025	11.80973821239	99.786543	0.1184	0.1678
1.917	2.917	2.417	0.96811	0.40054199421	2024	11.48939664365	99.132350	0.1159	0.2801
2.917	3.917	3.417	1.89133	0.55350599941	2023	11.01237264684	97.702629	0.1127	0.3851
3.917	4.917	4.417	3.42709	0.77588634820	2022	10.34767647304	95.043414	0.1089	0.4810
4.917	5.917	5.417	5.73941	1.05951818350	2021	9.42997420719	90.460165	0.1042	0.5645
5.917	6.917	6.417	8.51607	1.32711079944	2020	8.23665971572	83.332426	0.0988	0.6340
6.917	7.917	7.417	10.92457	1.47290953216	2019	6.83664954992	73.612101	0.0929	0.6890
7.917	8.917	8.417	11.94203	1.41879885945	2018	5.39079535411	62.178802	0.0867	0.7298
8.917	9.917	9.417	11.29162	1.19906764362	2017	4.08186210258	50.561978	0.0807	0.7600
9.917	10.917	10.417	9.62248	0.92372852069	2016	3.02046402042	40.104930	0.0753	0.7844
10.917	11.917	11.417	7.80283	0.68343960760	2015	2.21687995628	31.392278	0.0706	0.8060
11.917	12.917	12.417	6.30573	0.50783039381	2014	1.62124495557	24.337999	0.0666	0.8270
12.917	13.917	13.417	5.16854	0.38522322427	2013	1.17471814653	18.600861	0.0632	0.8480
13.917	14.917	14.417	4.25184	0.29491849899	2012	0.83464728490	13.890672	0.0601	0.8665
14.917	15.917	15.417	3.43970	0.22311085166	2011	0.57563260958	10.044901	0.0573	0.8834
15.917	16.917	16.417	2.69005	0.16385758665	2010	0.38214839042	6.980024	0.0547	0.8980
16.917	17.917	17.417	2.00984	0.11539530344	2009	0.24252194538	4.630082	0.0524	0.9127
17.917	18.917	18.417	1.42179	0.07719986969	2008	0.14622435881	2.914269	0.0502	0.9245
18.917	19.917	19.417	0.94472	0.04865427203	2007	0.08329728795	1.731010	0.0481	0.9340
19.917	20.917	20.417	0.58555	0.02867953176	2006	0.04463038606	0.965871	0.0462	0.9433
20.917	21.917	21.417	0.33752	0.01575944343	2005	0.02241089846	0.504336	0.0444	0.9509
21.917	22.917	22.417	0.18193	0.00811571575	2004	0.01047331887	0.244616	0.0428	0.9594
22.917	23.917	23.417	0.09218	0.00393645642	2003	0.00444723279	0.107563	0.0413	0.9671
23.917	24.917	24.417	0.04192	0.00171683663	2002	0.00162058626	0.040511	0.0400	0.9767
24.917	25.917	25.417	0.01528	0.00060117244	2001	0.00046158173	0.011909	0.0388	0.9862
25.917	26.917	26.417	0.00381	0.00014422531	2000	0.00008888285	0.002363	0.0376	0.9933
26.917	27.917	27.417	0.00045	0.00001641317	1999	0.00000856361	0.000235	0.0364	0.9980
27.917	28.100	28.009	0.00001	0.00000035703	1998	0.00000003285	0.000001	0.0329	1.0000
TOTAL									100.00000

Each equal life group's whole life annual accrual, shown in column 5, equals the group's size (column 4) divided by its life (column 3), except that for the first age interval, the annual accrual is set equal to the group's size.

Columns 6 through 10 show the derivation of the whole life annual factor and accrued factor for each vintage based on the data developed in the first five columns. The year installed is shown in column 6. For all vintages other than the first year (2026), the summation of annual accruals for each year installed, shown in column 7, is calculated by adding one-half of the group annual accrual (column 5) for that vintage's current age interval plus the group annual accruals for all succeeding age intervals. For example, the

figure 11.80973821239 for 2025 equals one-half of 0.24014114326 plus all of the succeeding figures in column 5. Only two-thirds of the annual accrual for the vintage's current age interval group is included in the summation because the equal life group for that interval expires at the midpoint of the current year.

The summation of annual accruals (column 7) for installations during 2026 is calculated on the basis of an in-service date at the midpoint of twelve months, i.e., six months prior to November 30. Inasmuch as the overall calculation is centered on November 30, 2026, the accrual for 2026 installations (during the twelve months) represents only one-half of one year, five-twelfth of the year prior to November 30 plus one-twelfths year following November 30. For this reason, the first figure in column 7, for vintage 2026, equals the group annual accrual for 2026 plus one-half of the group annual accruals for each of the subsequent years.

The average percent surviving, derived from the Iowa 10-L2.5 survivor curve, is shown in column 8 for each age interval. The annual factor, shown in column 9, is the result of dividing the summation of annual accruals (column 7) by the average percent surviving (column 8).

The accrued depreciation factor, shown in column 10, equals the annual factor multiplied by the age of the group as of November 30, 2026.

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during

which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable gas plant in service. The accounts and their amortization periods are as follows:

Account		Amortization Period, Years
391.00,	Office Furniture and Equipment	
	Furniture	20
	Computers	5
	Equipment	15
394.00,	Tools, Shop and Garage Equipment	25
393.00,	Stores Equipment	25
394.01,	Dual Fuel Stations	15
397.00,	Communication Equipment	
	Telephone	15
	Microwave	18
	Structures	25
	Radio	15
398.00,	Miscellaneous Equipment	15

For the purpose of calculating annual amortization amounts as of November 30, 2026, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than

the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

AMORTIZATION OF NET SALVAGE

Experienced salvage is incorporated in the results of the study, as it was reported on the Company's books and records for the period January 1, 2022 through November 30, 2025. The data for the last month of 2025 and full year of 2026 are based on estimated experience. Results of the calculations are shown in Table 4.

Net salvage experienced during the five-year period is presented in this manner to determine the amount of negative net salvage to be amortized for book purposes. In developing the amount to be amortized, the data for the accounts which experienced positive net salvage have been netted with those for accounts which experienced negative net salvage.

In order to be consistent with this manner of recognizing net salvage, no adjustments for net salvage were made to the annual accruals and accrued depreciation calculated for each individual account. There were no exclusions from the 2022 through 2026 net salvage accrual.

PART V. RESULTS OF STUDY

PART V. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 through 4 presented on pages V-4 through V-11 summarize the results of the depreciation study as of November 30, 2026. Table 1 sets forth, by depreciable group, the estimated survivor curve, original cost, book depreciation reserve as of November 30, 2026, future book accruals, calculated annual accrual amount and rate, and composite remaining life for plant in service. Table 2 presents the bringforward of the book reserve to November 30, 2026. Table 3 sets forth the calculation of the depreciation accruals for the twelve months ended November 30, 2026. Table 4 presents the annual amortization of experienced and estimated net salvage based on the period 2022 through 2026.

DESCRIPTION OF DETAILED TABULATIONS

Supporting statistical data for the estimates of average service lives and survivor curves, the annual depreciation calculations, and gross salvage and cost of removal for the years 2022-2026 are presented in three sections.

The section beginning on page VI-2 sets forth, for each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. A cumulative summary, by year installed, for gas plant and the supporting data for the original cost depreciation calculations are presented in the section beginning on page VII-2. The tabulations of experienced and estimated net salvage by year by account for the five-year period, 2022-2026, are presented in the section beginning on page VIII-2.

In the first section, the survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the type curve designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. In cases where only a segment of the estimated curve is used in the depreciation calculation, the numeral used for identification purposes is not a designation of the average life of the group. The titles of the charts indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which the retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The tables of the calculated annual depreciation related to original cost are presented in the second section and indicate the estimated average survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, future book accruals, remaining life expectancy and the calculated annual accrual.

Detailed tabulations setting forth the cost of removal and salvage amounts, by plant account for each year, are presented beginning on page VIII-2. The total salvage and removal costs, by year, were used to calculate the five-year net salvage amortization presented in Table 4 on page V-11.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2026

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF NOVEMBER 30, 2026	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	18,961,179.44	1,842,722	17,118,457	492,371	2.60	34.8
	OTHER	5-SQ	69,644,068.53	43,095,107	26,548,962	13,519,487	19.41	2.0
	MAJOR	15-SQ	11,876,465.20	1,046,770	10,829,695	1,296,334	10.92	8.4
	SAP	10-SQ	18,344,947.01	17,462,987	881,960	128,624	0.70	6.9
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**118,826,660.18**	**63,447,586**	**55,379,074**	**15,436,816**	**12.99**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	83,442	55,998	1,067	0.77	52.5
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,206	4,275	184	1.27	23.2
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,606	7,378	224	1.07	32.9
325.04	RIGHTS OF WAY	75-R2.5	2,132,063.08	1,042,773	1,089,290	23,367	1.10	46.6
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	12,308,841.37	5,510,164	6,798,677	243,675	1.98	27.9
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	100,014.85	52,765	47,250	2,804	2.80	16.9
329.00	OTHER STRUCTURES	60-R2.5	1,926,213.73	1,047,385	878,829	23,676	1.23	37.1
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,214.49	10,461	(1,247)	0	-	-
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,960.52	2,781	180	102	3.45	1.8
332.00	FIELD LINES	65-R1.5	88,238,773.81	33,706,307	54,532,467	1,441,927	1.63	37.8
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	48,593,534.02	18,863,126	29,730,408	1,594,396	3.28	18.6
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	3,636,010.12	3,070,895	565,115	57,132	1.57	9.9
337.00	OTHER EQUIPMENT	23-L1	10,824.20	(11,395)	22,219	2,363	21.83	9.4
	TOTAL PRODUCTION PLANT		**157,133,355.36**	**63,402,516**	**93,730,839**	**3,390,917**	**2.16**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	11,485	5,339	438	2.60	12.2
350.21	RIGHTS OF WAY	70-R3	153,027.64	41,226	111,802	2,102	1.37	53.2
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,400,554.19	967,443	1,433,111	44,077	1.84	32.5
352.01	WELLS - CONSTRUCTION	60-R1.5	3,405,261.40	(626,826)	4,032,087	137,606	4.04	29.3
352.02	WELLS - EQUIPMENT	55-R1	1,810,956.79	96,922	1,714,035	64,451	3.56	26.6
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	413,405.93	239,520	173,886	5,073	1.23	34.3
352.21	RESERVOIRS	40-SQ	433,138.50	205,980	227,158	9,639	2.23	23.6
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	3,688,378.84	2,247,482	1,440,897	50,834	1.38	28.3
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	16,773,951.91	4,158,714	12,615,238	493,478	2.94	25.6
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	2,694,747.02	617,119	2,077,628	48,275	1.79	43.0
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**32,187,617.40**	**8,356,437**	**23,831,181**	**855,973**	**2.66**	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2026

	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF NOVEMBER 30, 2026	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT								
365.02	RIGHTS OF WAY	80-R4		7,560,459.56	2,977,552	4,582,908	79,814	1.06	57.4
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3		2,163,704.78	1,222,833	940,872	26,787	1.24	35.1
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5		1,729,039.50	1,118,049	610,990	17,393	1.01	35.1
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2		94,788.96	80,953	13,836	695	0.73	19.9
367.00	MAINS	80-R2.5		329,280,077.50	103,771,080	225,508,998	4,197,854	1.27	53.7
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5		22,837,776.03	9,391,389	13,446,387	557,477	2.44	24.1
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5		48,576,959.65	18,929,378	29,647,582	1,021,688	2.10	29.0
371.00	OTHER EQUIPMENT	35-R1		2,650,785.29	1,341,951	1,308,834	63,489	2.40	20.6
	TOTAL TRANSMISSION PLANT			**414,893,591.27**	**138,833,185**	**276,060,407**	**5,965,197**	**1.44**	
	DISTRIBUTION PLANT								
374.02	RIGHTS OF WAY	75-R4		12,669,747.70	3,469,425	9,200,323	168,257	1.33	54.7
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	65-R2		5,225,191.37	3,879,932	1,345,259	30,619	0.59	43.9
	OTHER								
	MAJOR STRUCTURES	85-R1	*	24,813,854.42	17,346,074	7,467,780	1,317,780	5.31	5.7
	MINOR STRUCTURES	65-R2		1,104,892.66	642,160	462,733	12,130	1.10	38.1
	TOTAL STRUCTURES AND IMPROVEMENTS			31,143,938.45	21,868,166	9,275,772	1,360,529	4.37	
376.00	MAINS								
	LOW PRESSURE	72-R1.5		2,076,101,781.04	352,353,816	1,723,747,965	38,885,185	1.87	44.3
	REGULAR PRESSURE	72-R1.5		1,813,370,922.29	313,151,924	1,500,218,998	34,544,225	1.90	43.4
	TOTAL MAINS			3,889,472,703.33	665,505,740	3,223,966,963	73,429,410	1.89	
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5		159,321,070.99	39,368,042	119,953,029	3,634,644	2.28	33.0
380.00	SERVICES	55-R2		1,015,208,273.79	334,628,720	680,579,554	20,030,699	1.97	34.0
381.00	METERS	32-S0.5		143,016,571.31	31,762,372	111,254,199	6,098,280	4.26	18.2
381.20	METERS - INTELIS	20-S2		45,917,535.03	1,621,900	44,295,635	2,662,740	5.80	16.6
382.00	METER INSTALLATIONS	55-R2		67,768,708.33	20,524,431	47,244,277	1,624,149	2.40	29.1
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5		13,415,312.12	6,488,420	6,926,892	245,430	1.83	28.2
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4		14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5		16,485,526.11	5,019,221	11,466,305	710,644	4.31	16.1
	TOTAL DISTRIBUTION PLANT			**5,409,063,919.44**	**1,144,900,969**	**4,264,162,949**	**109,964,782**	**2.03**	
	GENERAL PLANT								
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3		52,996.00	39,924	13,072	499	0.94	26.2
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	55-R1.5		59,974,285.46	6,997,517	52,976,768	1,568,480	2.62	33.8
	LEASED - NORTH SHORE	75-R0.5	*	8,148,983.51	6,952,636	1,196,348	555,521	6.82	2.2
	TOTAL STRUCTURES AND IMPROVEMENTS			68,123,268.97	13,950,153	54,173,116	2,124,001	3.12	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF NOVEMBER 30, 2026

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF NOVEMBER 30, 2026	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,757,606.49	2,102,052	655,554	77,472	2.81	8.5
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	5,808,661.56	6,042,176	(233,514)	0	-	-
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	189,910.86	40,232	149,679	19,533	10.29	7.7
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	10-L2.5	84,693,239.36	29,506,879	55,186,360	11,166,866	13.19	4.9
	TRAILERS	15-L2	6,496,879.25	(715,234)	7,212,113	779,916	12.00	9.2
	TOTAL TRANSPORTATION EQUIPMENT		91,190,118.61	28,791,645	62,398,473	11,946,782	13.10	
393.00	STORES EQUIPMENT	25-SQ	456.77	0	457	53	11.60	8.6
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	9,012,562.37	4,622,089	4,390,473	305,027	3.38	14.4
394.01	DUAL FUEL STATIONS	15-SQ	398,116.81	328,512	69,605	10,578	2.66	6.6
396.00	POWER OPERATED EQUIPMENT	15-L2	17,856,534.17	8,852,449	9,004,085	1,213,796	6.80	7.4
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	18,273,988.78	8,069,845	10,204,144	1,532,210	8.38	6.7
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	16,950,005.16	9,820,616	7,129,389	828,823	4.89	8.6
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	28,654.98	1,727	26,928	3,579	12.49	7.5
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	653,457.96	1,092	652,366	206,798	31.65	3.2
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	54,885.82	47,685	7,201	1,058	1.93	6.8
	TOTAL GENERAL PLANT		**231,351,225.31**	**82,710,197**	**148,641,028**	**18,270,209**	**7.90**	
	AMORTIZATION OF NET SALVAGE					**7,157,306**		
	TOTAL DEPRECIABLE GAS PLANT		**6,363,456,368.96**	**1,501,650,890**	**4,861,805,478**	**161,041,200**	**2.53**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26	1,382				
365.10	LAND AND LAND RIGHTS - LAND		381,342.73					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		4,665,894.27					
	TOTAL NONDEPRECIABLE GAS PLANT		**6,451,427.36**	**33,641**				
	TOTAL GAS PLANT		**6,369,907,796.32**	**1,501,684,531**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

NOTES:
1) NEW ASSETS IN ACCOUNT 392.00 TRANSPORTATION EQUIPMENT - AUTOMOBILES, WILL USE A 22.12% RATE BASED ON A 6-L2.5 CURVE.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 2. BRINGFORWARD TO NOVEMBER 30, 2026 OF THE BOOK RESERVE AS OF NOVEMBER 30, 2025

ACCOUNT	BOOK RESERVE AS OF NOVEMBER 30, 2025	+	DEPRECIATION ACCRUALS	+	AMORTIZATION OF NET SALVAGE	-	PROJECTED RETIREMENTS	+	PROJECTED GROSS SALVAGE	-	PROJECTED COST OF REMOVAL	+	ACQUISITIONS AND ADJUSTMENTS	=	PROJECTED BOOK RESERVE AS OF NOVEMBER 30, 2026
(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
DEPRECIABLE GAS PLANT															
303.00	2,147,531		326,398				631,207								1,842,722
303.01	35,489,755		14,137,253				6,531,901								43,095,107
303.02	935,970		1,224,691				1,113,891								1,046,770
303.03	19,062,562		120,993				1,720,568								17,462,987
325.01	82,368		1,074												83,442
325.02	10,016		190												10,206
325.03	13,379		227												13,606
325.04	1,020,182		22,591												1,042,773
325.51	2,031														2,031
327.00	5,261,525		248,639												5,510,164
328.00	51,967		798												52,765
329.00	1,023,500		23,885												1,047,385
330.00	10,461														10,461
331.00	2,531		250												2,781
332.00	32,189,505		1,348,232		574,022		272,107		2,709		136,054				33,706,307
333.00	19,494,140		1,538,632		146,204		1,543,899				771,950				18,863,126
334.00	2,981,049		52,381		38,825		907				453				3,070,895
337.00	42,544		1,429				55,368								(11,395)
350.10	1,382														1,382
350.11	11,022		463												11,485
350.21	39,258		1,968												41,226
351.00	794,763		50,412		122,268										967,443
352.01	(1,192,199)		183,257		511,816		86,466				43,233				(626,826)
352.02	97,073		45,833				45,984								96,922
352.11	161,937														161,937
352.12	234,435		5,085												239,520
352.21	196,321		9,659												205,980
352.31	205,251														205,251
353.00	2,195,845		51,637												2,247,482
354.00	5,046,330		426,674				1,314,290								4,158,714
355.00	592,651		32,359				7,891								617,119
357.00	30,184														30,184
365.02	2,901,166		76,386												2,977,552
366.01	1,196,003		26,830												1,222,833
366.02	1,100,364		17,636		49										1,118,049
366.03	80,242		711												80,953
367.00	99,703,602		4,153,152		61,263		122,889		551		24,600				103,771,080
368.00	9,247,729		480,624		680		337,644								9,391,389
369.00	17,589,813		1,004,209		412,754		51,598				25,799				18,929,378
371.00	1,275,946		66,005												1,341,951
374.01	30,228														30,228
374.02	3,308,177		161,248												3,469,425
375.00	4,066,011		934		134		187,147								3,879,932
375.00	16,030,940		1,315,134												17,346,074
375.00	629,896		12,264												642,160
376.00	317,772,699		36,495,606		4,686,075		4,408,085		11,564		2,204,043				352,353,816
376.00	283,878,765		32,566,460				3,518,487						225,186		313,151,924

PEOPLES NATURAL GAS COMPANY LLC

TABLE 2. BRINGFORWARD TO NOVEMBER 30, 2026 OF THE BOOK RESERVE AS OF NOVEMBER 30, 2025

ACCOUNT	BOOK RESERVE AS OF NOVEMBER 30, 2025	+	DEPRECIATION ACCRUALS	+	AMORTIZATION OF NET SALVAGE	-	PROJECTED RETIREMENTS	+	PROJECTED GROSS SALVAGE	-	PROJECTED COST OF REMOVAL	+	ACQUISITIONS AND ADJUSTMENTS	=	PROJECTED BOOK RESERVE AS OF NOVEMBER 30, 2026
(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
378.00	37,347,800		3,043,277		50,472		933,485				140,023				39,368,042
380.00	320,112,789		18,711,394		3,188,592		4,922,703				2,461,351				334,628,720
381.00	49,817,170		5,474,846				23,529,644								31,762,372
381.20	145,635		1,476,265												1,621,900
382.00	29,132,944		1,418,770		32,949		9,977,420				82,812				20,524,431
385.00	6,232,637		255,948				165								6,488,420
386.00	14,644,532														14,644,532
387.00	4,288,912		730,309												5,019,221
389.02	39,415		509												39,924
390.00	5,886,063		1,511,338				399,884								6,997,517
390.00	6,470,072		526,884				44,320								6,952,636
391.01	2,062,545		76,811				37,303								2,102,052
391.02	9,084,860						3,042,683								6,042,176
391.03	21,046		19,186												40,232
392.02	26,710,565		10,753,166		(2,317,433)		7,071,333		1,414,267		(17,648)				29,506,879
392.03	116,746		636,727				1,468,707								(715,234)
393.00	(1,422)												1,422		-
394.00	4,902,349		224,543				503,381						(1,422)		4,622,089
394.01	317,922		10,590												328,512
396.00	8,517,071		1,180,871		(4,078)		841,416								8,852,449
397.02	11,040,592		1,223,836		(580)		4,199,990		5,987						8,069,845
397.03	8,991,765		828,851												9,820,616
397.10	(1,835)		3,562												1,727
397.20	1,250,166		88,635				1,337,709								1,092
398.00	46,626		1,059												47,685
TOTAL DEPRECIABLE GAS PLANT	**1,434,223,813**		**144,429,586**		**7,504,010**		**80,260,472**		**1,435,077**		**5,872,670**		**225,186**		**1,501,684,531**

PEOPLES NATURAL GAS COMPANY LLC

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2026

	DEPRECIABLE GROUP	ORIGINAL COST AS OF NOVEMBER 30, 2025	ORIGINAL COST AS OF NOVEMBER 30, 2026	COMPOSITE ACCRUAL RATE	ANNUAL ACCRUAL AMOUNT
	(1)	(2)	(3)	(4)	(5)
	DEPRECIABLE GAS PLANT				
	INTANGIBLE PLANT				
303.00	MISCELLANEOUS INTANGIBLE PLANT				
	CIAC	7,361,230.65	18,961,179.44	2.48	326,398
	OTHER	76,175,969.94	69,644,068.53	19.39	14,137,253
	MAJOR	12,990,356.19	11,876,465.20	9.85	1,224,691
	SAP	20,065,515.44	18,344,947.01	0.63	120,993
	TOTAL MISCELLANEOUS INTANGIBLE PLANT	**116,593,072.22**	**118,826,660.18**		**15,809,335**
	PRODUCTION PLANT				
325.01	PRODUCING LANDS	139,440.21	139,440.21	0.77	1,074
325.02	PRODUCING LEASEHOLDS	14,480.68	14,480.68	1.31	190
325.03	GAS RIGHTS	20,984.28	20,984.28	1.08	227
325.04	RIGHTS OF WAY	2,051,366.10	2,132,063.08	1.08	22,591
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841.37	12,308,841.37	2.02	248,639
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	62,777.57	100,014.85	0.98	798
329.00	OTHER STRUCTURES	1,926,213.73	1,926,213.73	1.24	23,885
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214.49	9,214.49	-	0
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,960.52	2,960.52	8.44	250
332.00	FIELD LINES	81,350,164.33	88,238,773.81	1.59	1,348,232
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,788,216.36	48,593,534.02	3.16	1,538,632
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,490,666.48	3,636,010.12	1.47	52,381
337.00	OTHER EQUIPMENT	66,192.40	10,824.20	3.71	1,429
	TOTAL PRODUCTION PLANT	**150,231,518.52**	**157,133,355.36**		**3,238,328**
	UNDERGROUND STORAGE PLANT				
350.11	LAND - GAS	16,823.84	16,823.84	2.75	463
350.21	RIGHTS OF WAY	138,528.02	153,027.64	1.35	1,968
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554.19	2,400,554.19	2.10	50,412
352.01	WELLS - CONSTRUCTION	1,330,068.80	3,405,261.40	7.74	183,257
352.02	WELLS - EQUIPMENT	707,345.74	1,810,956.79	3.64	45,833
352.11	LEASEHOLDS	161,936.70	161,936.70	-	0
352.12	STORAGE RIGHTS	413,405.93	413,405.93	1.23	5,085
352.21	RESERVOIRS	433,138.50	433,138.50	2.23	9,659
352.31	NON-RECOVERABLE NATURAL GAS	205,250.77	205,250.77	-	0
353.00	LINES	3,688,378.84	3,688,378.84	1.40	51,637
354.00	COMPRESSOR STATION EQUIPMENT	15,921,351.22	16,773,951.91	2.61	426,674
355.00	MEASURING AND REGULATING STATION EQUIPMENT	1,591,237.23	2,694,747.02	1.51	32,359
357.00	OTHER EQUIPMENT	30,183.87	30,183.87	-	0
	TOTAL UNDERGROUND STORAGE PLANT	**27,038,203.65**	**32,187,617.40**		**807,347**
	TRANSMISSION PLANT				
365.02	RIGHTS OF WAY	7,129,174.85	7,560,459.56	1.04	76,386
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,704.78	2,163,704.78	1.24	26,830
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,039.50	1,729,039.50	1.02	17,636
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,788.96	94,788.96	0.75	711
367.00	MAINS	319,649,866.97	329,280,077.50	1.28	4,153,152
368.00	COMPRESSOR STATION EQUIPMENT	19,695,331.10	22,837,776.03	2.26	480,624
369.00	MEASURING AND REGULATING STATION EQUIPMENT	46,159,736.03	48,576,959.65	2.12	1,004,209
371.00	OTHER EQUIPMENT	2,650,785.29	2,650,785.29	2.49	66,005
	TOTAL TRANSMISSION PLANT	**399,272,427.48**	**414,893,591.27**		**5,825,553**

PEOPLES NATURAL GAS COMPANY LLC

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2026

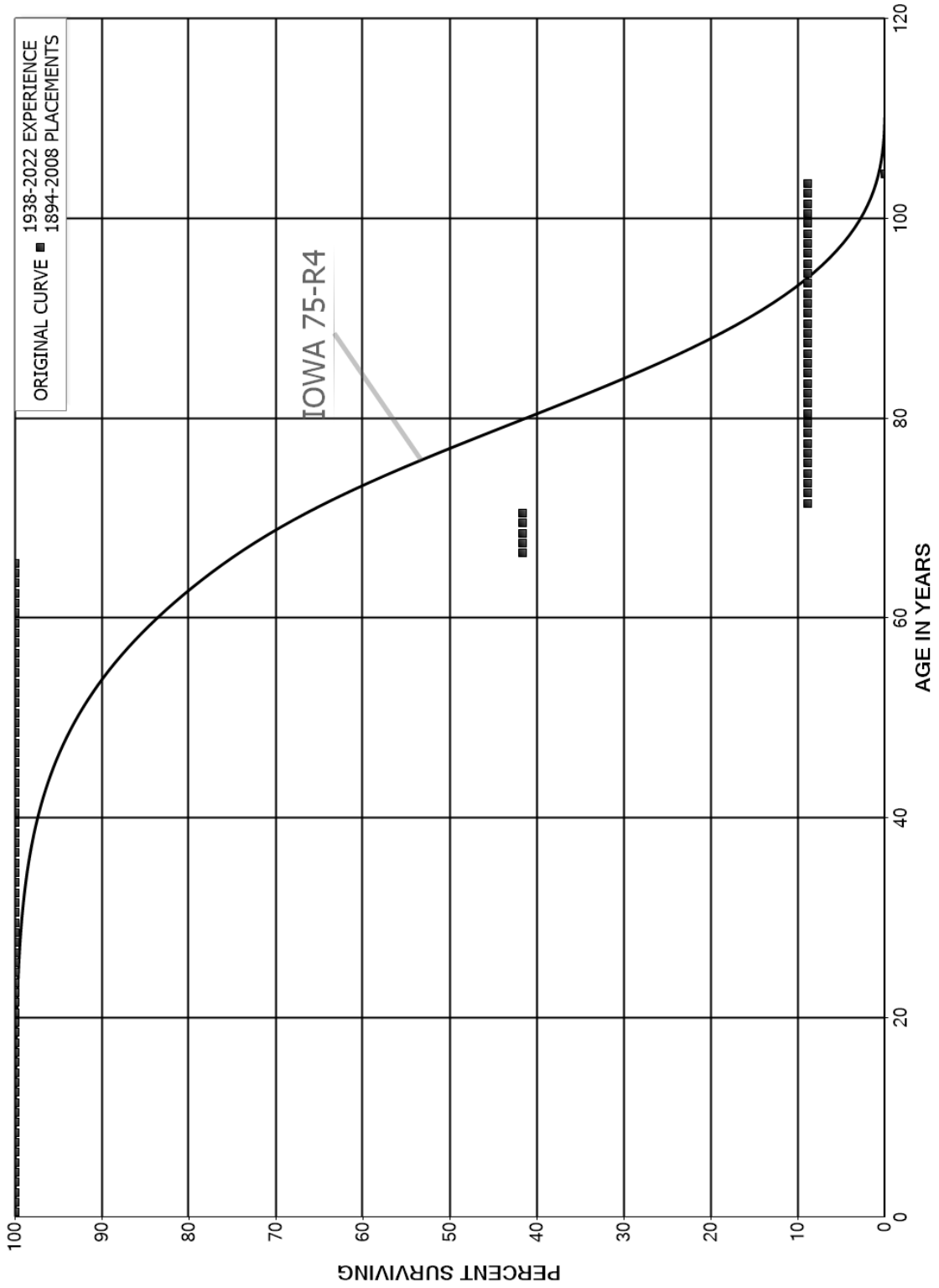
	DEPRECIABLE GROUP	ORIGINAL COST AS OF NOVEMBER 30, 2025	ORIGINAL COST AS OF NOVEMBER 30, 2026	COMPOSITE ACCRUAL RATE	ANNUAL ACCRUAL AMOUNT
	(1)	(2)	(3)	(4)	(5)
	DISTRIBUTION PLANT				
374.02	RIGHTS OF WAY	11,761,725.08	12,669,747.70	1.32	161,248
375.00	STRUCTURES AND IMPROVEMENTS				
	MEASURING AND REGULATING	4,109,993.12	5,225,191.37	0.02	934
	OTHER				
	MAJOR STRUCTURES	24,813,854.42	24,813,854.42	5.30	1,315,134
	MINOR STRUCTURES	1,104,892.66	1,104,892.66	1.11	12,264
	TOTAL OTHER	25,918,747.08	25,918,747.08		1,327,398
	TOTAL STRUCTURES AND IMPROVEMENTS	30,028,740.20	31,143,938.45		1,328,332
376.00	MAINS				
	LOW PRESSURE	1,827,171,621.32	2,076,101,781.04	1.87	36,495,606
	REGULAR PRESSURE	1,614,677,492.44	1,813,370,922.29	1.90	32,566,460
	TOTAL MAINS	3,441,849,113.76	3,889,472,703.33		69,062,066
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	126,432,635.05	159,321,070.99	2.13	3,043,277
380.00	SERVICES	923,796,287.48	1,015,208,273.79	1.93	18,711,394
381.00	METERS	161,988,768.96	143,016,571.31	3.59	5,474,846
381.20	METERS - INTELS	4,900,521.88	45,917,535.03	5.81	1,476,265
382.00	METER INSTALLATIONS	77,746,128.10	67,768,708.33	1.95	1,418,770
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,385,526.32	13,415,312.12	1.91	255,948
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532.28	14,644,532.28	-	0
387.00	OTHER EQUIPMENT	16,485,526.11	16,485,526.11	4.43	730,309
	TOTAL DISTRIBUTION PLANT	**4,823,019,505.22**	**5,409,063,919.44**		**101,662,455**
	GENERAL PLANT				
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996.00	52,996.00	0.96	509
390.00	STRUCTURES AND IMPROVEMENTS				
	OWNED	52,392,830.51	59,974,285.46	2.69	1,511,338
	LEASED - NORTH SHORE	8,112,867.83	8,148,983.51	6.48	526,884
	TOTAL STRUCTURES AND IMPROVEMENTS	60,505,698.34	68,123,268.97		2,038,222
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,788,315.93	2,757,606.49	2.77	76,811
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	8,851,344.78	5,808,661.56	-	0
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	134,732.04	189,910.86	11.82	19,186
392.00	TRANSPORTATION EQUIPMENT				
	AUTOMOBILES	0.00	0.00	-	0
	TRUCKS	80,359,196.86	84,693,239.36	13.03	10,753,166
	TRAILERS	5,596,703.95	6,496,879.25	10.53	636,727
	TOTAL TRANSPORTATION EQUIPMENT	85,955,900.81	91,190,118.61		11,389,893
393.00	STORES EQUIPMENT	456.77	456.77	-	0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	7,497,931.21	9,012,562.37	2.72	224,543
394.01	DUAL FUEL STATIONS	398,116.81	398,116.81	2.66	10,590
396.00	POWER OPERATED EQUIPMENT	17,340,827.91	17,856,534.17	6.71	1,180,871
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	19,674,407.48	18,273,988.78	6.45	1,223,836
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,949,828.93	16,950,005.16	4.89	828,851
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,654.98	28,654.98	12.43	3,562
397.20	COMMUNICATION EQUIPMENT - RADIO	1,988,426.51	653,457.96	6.71	88,635
398.00	MISCELLANEOUS EQUIPMENT	54,885.82	54,885.82	1.93	1,059
	TOTAL GENERAL PLANT	**222,222,524.32**	**231,351,225.31**		**17,086,568**
	TOTAL DEPRECIABLE GAS PLANT	**5,738,377,251.41**	**6,363,456,368.96**		**144,429,586**

PEOPLES NATURAL GAS COMPANY LLC

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

	2022		2023		2024		2025		2026			
ACCOUNT	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE	SALVAGE ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=(12)/5
332.00	1,324		2,544,899		12,327		4,320		136,054	2,709	(2,696,215)	(539,243)
333.00	128,575								771,950		(900,525)	(180,105)
334.00									453		(453)	(91)
351.00					178,852		471,802				(650,654)	(130,131)
352.00			181,890		284,716		2,280,536		43,233		(2,790,375)	(558,075)
367.00		6,939	1,774		35,301		57,068		24,600	551	(111,252)	(22,250)
369.00					378,692		1,824,637		25,799		(2,229,128)	(445,826)
375.00					671						(671)	(134)
376.00	262,145	(327)	8,652,109		6,640,588		4,598,591		2,204,043	11,564	(22,346,238)	(4,469,248)
378.00			4,928		94,523		(28,955)		140,023		(210,519)	(42,104)
380.00			743,999		1,122,598		11,295,684		2,461,351		(15,623,633)	(3,124,727)
382.00	5,184		1,178				(79,096)		82,812		(10,077)	(2,015)
392.00		5,644				8,391,000	(84,065)	1,864,607	(17,648)	1,414,267	11,777,229	2,355,446
397.02										5,987	5,987	1,197
TOTAL	**397,228**	**12,255**	**12,130,777**	**0**	**8,748,267**	**8,391,000**	**20,340,522**	**1,864,607**	**5,872,670**	**1,435,077**	**(35,786,524)**	**(7,157,306)**

PART VI. SERVICE LIFE STATISTICS


ORIGINAL CURVE ■ 1938-2022 EXPERIENCE
1894-2008 PLACEMENTS
IOWA 75-R4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1894-2008 EXPERIENCE BAND 1938-2022

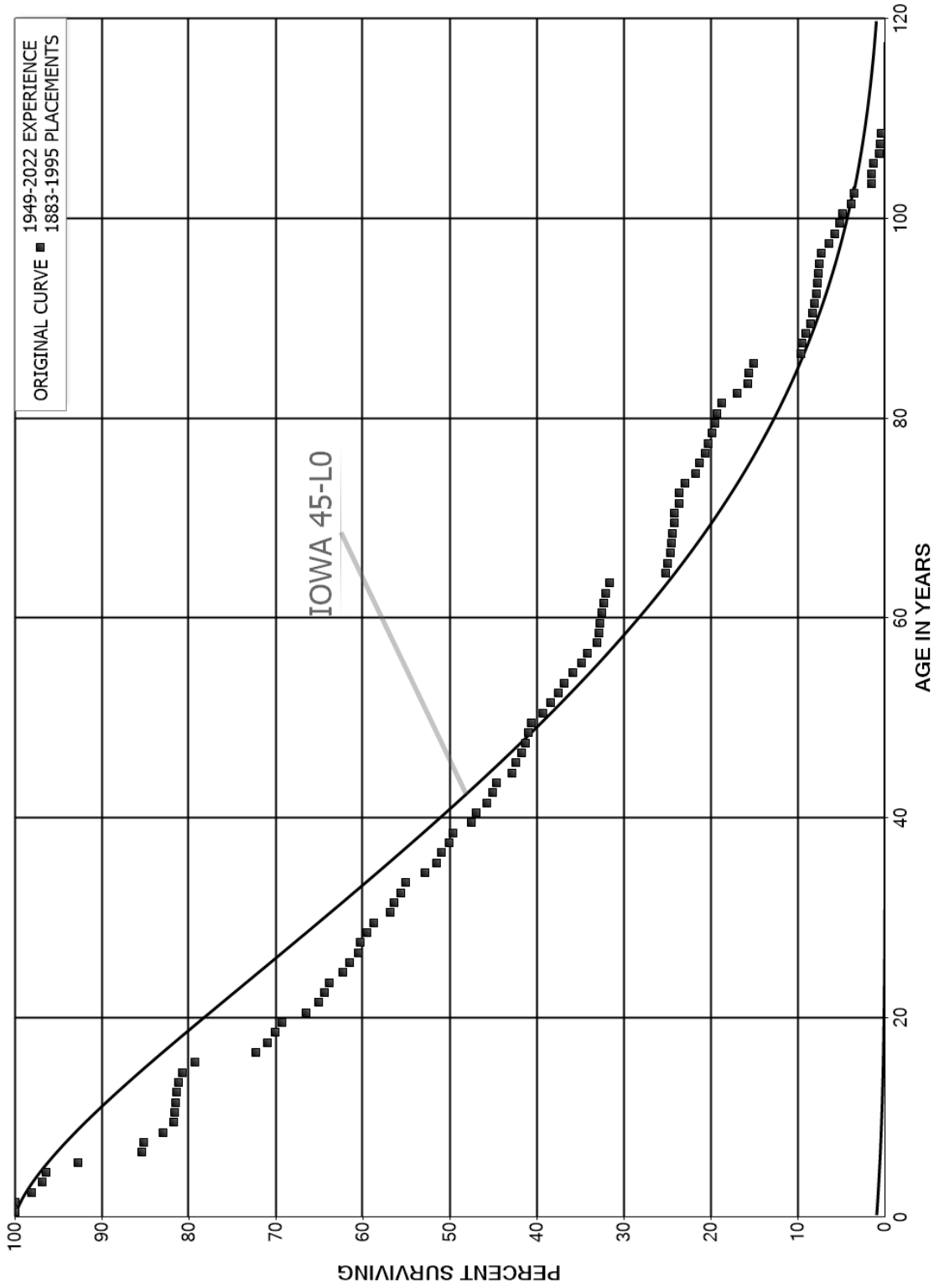
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	150,430		0.0000	1.0000	100.00
0.5	150,539		0.0000	1.0000	100.00
1.5	140,212		0.0000	1.0000	100.00
2.5	79,212		0.0000	1.0000	100.00
3.5	18,103		0.0000	1.0000	100.00
4.5	99,854		0.0000	1.0000	100.00
5.5	94,244		0.0000	1.0000	100.00
6.5	94,244		0.0000	1.0000	100.00
7.5	94,244		0.0000	1.0000	100.00
8.5	94,244		0.0000	1.0000	100.00
9.5	94,906		0.0000	1.0000	100.00
10.5	104,000		0.0000	1.0000	100.00
11.5	103,900		0.0000	1.0000	100.00
12.5	103,900		0.0000	1.0000	100.00
13.5	106,642		0.0000	1.0000	100.00
14.5	37,362		0.0000	1.0000	100.00
15.5	37,362		0.0000	1.0000	100.00
16.5	37,362		0.0000	1.0000	100.00
17.5	37,362		0.0000	1.0000	100.00
18.5	37,362		0.0000	1.0000	100.00
19.5	37,362		0.0000	1.0000	100.00
20.5	37,362		0.0000	1.0000	100.00
21.5	37,362		0.0000	1.0000	100.00
22.5	37,362		0.0000	1.0000	100.00
23.5	37,362		0.0000	1.0000	100.00
24.5	37,362		0.0000	1.0000	100.00
25.5	37,362		0.0000	1.0000	100.00
26.5	37,362		0.0000	1.0000	100.00
27.5	37,362		0.0000	1.0000	100.00
28.5	37,359		0.0000	1.0000	100.00
29.5	35,082		0.0000	1.0000	100.00
30.5	34,808		0.0000	1.0000	100.00
31.5	34,808		0.0000	1.0000	100.00
32.5	34,808		0.0000	1.0000	100.00
33.5	34,808		0.0000	1.0000	100.00
34.5	34,808		0.0000	1.0000	100.00
35.5	34,808		0.0000	1.0000	100.00
36.5	34,808		0.0000	1.0000	100.00
37.5	34,808		0.0000	1.0000	100.00
38.5	34,808		0.0000	1.0000	100.00

PLACEMENT BAND 1894-2008 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	29,151		0.0000	1.0000	100.00
40.5	29,151		0.0000	1.0000	100.00
41.5	29,151		0.0000	1.0000	100.00
42.5	29,151		0.0000	1.0000	100.00
43.5	29,157		0.0000	1.0000	100.00
44.5	29,157		0.0000	1.0000	100.00
45.5	29,157		0.0000	1.0000	100.00
46.5	29,157		0.0000	1.0000	100.00
47.5	29,157		0.0000	1.0000	100.00
48.5	29,157		0.0000	1.0000	100.00
49.5	29,157		0.0000	1.0000	100.00
50.5	29,157		0.0000	1.0000	100.00
51.5	29,157		0.0000	1.0000	100.00
52.5	29,157		0.0000	1.0000	100.00
53.5	29,157		0.0000	1.0000	100.00
54.5	29,157		0.0000	1.0000	100.00
55.5	29,349		0.0000	1.0000	100.00
56.5	28,965		0.0000	1.0000	100.00
57.5	28,965		0.0000	1.0000	100.00
58.5	29,030		0.0000	1.0000	100.00
59.5	29,030		0.0000	1.0000	100.00
60.5	29,030		0.0000	1.0000	100.00
61.5	29,030		0.0000	1.0000	100.00
62.5	29,030		0.0000	1.0000	100.00
63.5	29,030		0.0000	1.0000	100.00
64.5	29,030		0.0000	1.0000	100.00
65.5	29,030	16,938	0.5835	0.4165	100.00
66.5	12,093		0.0000	1.0000	41.65
67.5	12,093		0.0000	1.0000	41.65
68.5	11,430		0.0000	1.0000	41.65
69.5	11,430		0.0000	1.0000	41.65
70.5	11,430	8,993	0.7868	0.2132	41.65
71.5	2,437		0.0000	1.0000	8.88
72.5	71		0.0000	1.0000	8.88
73.5	71		0.0000	1.0000	8.88
74.5	71		0.0000	1.0000	8.88
75.5	71		0.0000	1.0000	8.88
76.5	71		0.0000	1.0000	8.88
77.5	71		0.0000	1.0000	8.88
78.5	71		0.0000	1.0000	8.88

PLACEMENT BAND 1894-2008 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	71		0.0000	1.0000	8.88
80.5	71		0.0000	1.0000	8.88
81.5	71		0.0000	1.0000	8.88
82.5	71		0.0000	1.0000	8.88
83.5	71		0.0000	1.0000	8.88
84.5	71		0.0000	1.0000	8.88
85.5	71		0.0000	1.0000	8.88
86.5	71		0.0000	1.0000	8.88
87.5	71		0.0000	1.0000	8.88
88.5	71		0.0000	1.0000	8.88
89.5	71		0.0000	1.0000	8.88
90.5	71		0.0000	1.0000	8.88
91.5	71		0.0000	1.0000	8.88
92.5	71		0.0000	1.0000	8.88
93.5	71		0.0000	1.0000	8.88
94.5	71		0.0000	1.0000	8.88
95.5	71		0.0000	1.0000	8.88
96.5	71		0.0000	1.0000	8.88
97.5	71		0.0000	1.0000	8.88
98.5	71		0.0000	1.0000	8.88
99.5	71		0.0000	1.0000	8.88
100.5	71		0.0000	1.0000	8.88
101.5	71		0.0000	1.0000	8.88
102.5	71		0.0000	1.0000	8.88
103.5	71	71	1.0000		8.88
104.5					


ORIGINAL CURVE ■ 1949-2022 EXPERIENCE
1883-1995 PLACEMENTS
IOWA 45-L0
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1883-1995 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,942,658		0.0000	1.0000	100.00
0.5	5,128,111	1,325	0.0003	0.9997	100.00
1.5	1,415,847	27,078	0.0191	0.9809	99.97
2.5	919,202	11,403	0.0124	0.9876	98.06
3.5	1,006,321	4,918	0.0049	0.9951	96.85
4.5	999,779	37,723	0.0377	0.9623	96.37
5.5	978,857	76,977	0.0786	0.9214	92.74
6.5	905,474	3,163	0.0035	0.9965	85.44
7.5	911,528	23,996	0.0263	0.9737	85.14
8.5	893,187	12,244	0.0137	0.9863	82.90
9.5	890,644	1,910	0.0021	0.9979	81.77
10.5	890,950	697	0.0008	0.9992	81.59
11.5	899,408	1,050	0.0012	0.9988	81.53
12.5	902,200	3,337	0.0037	0.9963	81.43
13.5	925,039	4,977	0.0054	0.9946	81.13
14.5	918,423	15,447	0.0168	0.9832	80.69
15.5	918,673	81,418	0.0886	0.9114	79.34
16.5	840,570	15,970	0.0190	0.9810	72.31
17.5	855,943	10,160	0.0119	0.9881	70.93
18.5	848,426	10,113	0.0119	0.9881	70.09
19.5	840,921	33,729	0.0401	0.9599	69.26
20.5	812,739	16,928	0.0208	0.9792	66.48
21.5	796,841	9,023	0.0113	0.9887	65.09
22.5	788,107	6,131	0.0078	0.9922	64.36
23.5	785,038	19,569	0.0249	0.9751	63.86
24.5	791,574	9,919	0.0125	0.9875	62.26
25.5	794,035	12,258	0.0154	0.9846	61.48
26.5	783,527	3,100	0.0040	0.9960	60.53
27.5	784,093	10,969	0.0140	0.9860	60.29
28.5	778,500	10,060	0.0129	0.9871	59.45
29.5	769,068	23,825	0.0310	0.9690	58.68
30.5	746,600	5,602	0.0075	0.9925	56.86
31.5	742,643	11,446	0.0154	0.9846	56.44
32.5	738,145	6,124	0.0083	0.9917	55.57
33.5	736,819	31,114	0.0422	0.9578	55.11
34.5	706,898	17,563	0.0248	0.9752	52.78
35.5	692,790	7,055	0.0102	0.9898	51.47
36.5	687,580	12,469	0.0181	0.9819	50.94
37.5	678,287	5,982	0.0088	0.9912	50.02
38.5	674,025	27,590	0.0409	0.9591	49.58

PLACEMENT BAND 1883-1995 EXPERIENCE BAND 1949-2022

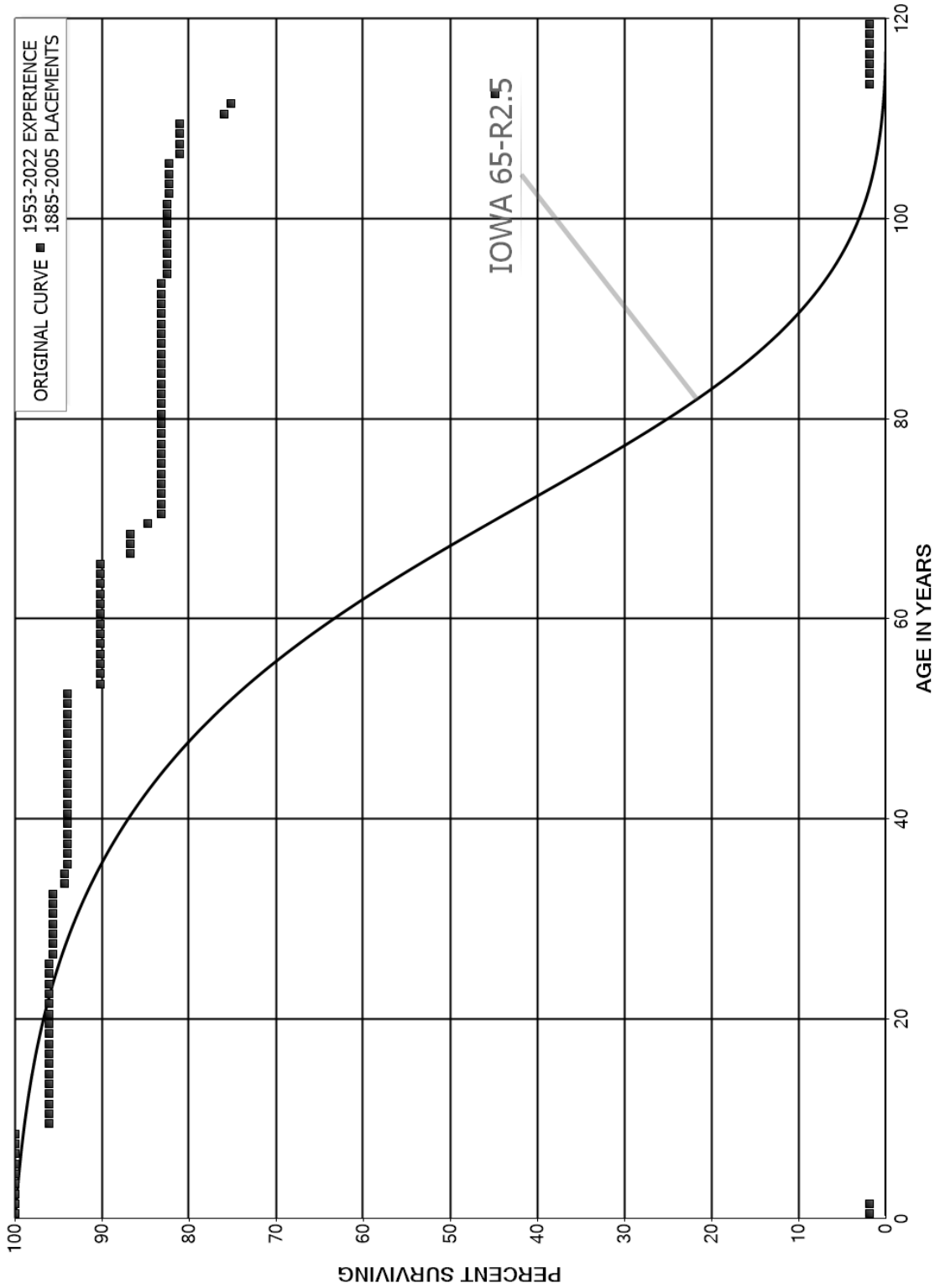
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	649,000	7,988	0.0123	0.9877	47.55
40.5	640,371	17,418	0.0272	0.9728	46.97
41.5	623,362	8,679	0.0139	0.9861	45.69
42.5	582,621	5,381	0.0092	0.9908	45.05
43.5	249,718	9,931	0.0398	0.9602	44.64
44.5	149,553	1,562	0.0104	0.9896	42.86
45.5	147,599	2,245	0.0152	0.9848	42.41
46.5	146,452	1,570	0.0107	0.9893	41.77
47.5	147,472	1,323	0.0090	0.9910	41.32
48.5	142,509	1,119	0.0079	0.9921	40.95
49.5	146,515	4,754	0.0324	0.9676	40.63
50.5	141,446	3,374	0.0239	0.9761	39.31
51.5	143,512	3,111	0.0217	0.9783	38.37
52.5	142,149	2,869	0.0202	0.9798	37.54
53.5	144,112	3,782	0.0262	0.9738	36.78
54.5	142,555	3,747	0.0263	0.9737	35.82
55.5	139,431	2,717	0.0195	0.9805	34.88
56.5	138,557	4,415	0.0319	0.9681	34.20
57.5	134,061	1,092	0.0081	0.9919	33.11
58.5	132,977	375	0.0028	0.9972	32.84
59.5	136,181	1,129	0.0083	0.9917	32.74
60.5	131,305	692	0.0053	0.9947	32.47
61.5	130,086	859	0.0066	0.9934	32.30
62.5	129,038	1,855	0.0144	0.9856	32.09
63.5	126,632	25,727	0.2032	0.7968	31.63
64.5	100,658	889	0.0088	0.9912	25.20
65.5	99,946	1,258	0.0126	0.9874	24.98
66.5	98,011	461	0.0047	0.9953	24.66
67.5	96,903	800	0.0083	0.9917	24.55
68.5	95,822	463	0.0048	0.9952	24.35
69.5	95,063	386	0.0041	0.9959	24.23
70.5	91,437	1,841	0.0201	0.9799	24.13
71.5	89,749	291	0.0032	0.9968	23.64
72.5	88,152	2,093	0.0237	0.9763	23.57
73.5	85,247	4,588	0.0538	0.9462	23.01
74.5	79,460	1,699	0.0214	0.9786	21.77
75.5	75,855	2,463	0.0325	0.9675	21.30
76.5	73,003	1,328	0.0182	0.9818	20.61
77.5	72,644	1,593	0.0219	0.9781	20.24
78.5	68,799	1,175	0.0171	0.9829	19.79

PLACEMENT BAND 1883-1995 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	53,252	438	0.0082	0.9918	19.46
80.5	38,500	1,057	0.0275	0.9725	19.30
81.5	51,497	4,971	0.0965	0.9035	18.77
82.5	46,125	3,202	0.0694	0.9306	16.95
83.5	42,964	371	0.0086	0.9914	15.78
84.5	42,593	1,422	0.0334	0.9666	15.64
85.5	41,131	14,880	0.3618	0.6382	15.12
86.5	26,182	534	0.0204	0.9796	9.65
87.5	25,717	1,198	0.0466	0.9534	9.45
88.5	24,578	1,481	0.0603	0.9397	9.01
89.5	23,062	442	0.0192	0.9808	8.47
90.5	22,605	522	0.0231	0.9769	8.31
91.5	22,058	857	0.0388	0.9612	8.11
92.5	21,168	343	0.0162	0.9838	7.80
93.5	20,758	272	0.0131	0.9869	7.67
94.5	20,354	288	0.0141	0.9859	7.57
95.5	19,989	615	0.0308	0.9692	7.47
96.5	19,493	2,317	0.1189	0.8811	7.24
97.5	17,176	1,690	0.0984	0.9016	6.38
98.5	15,481	1,677	0.1083	0.8917	5.75
99.5	13,608	716	0.0526	0.9474	5.13
100.5	12,588	2,575	0.2046	0.7954	4.86
101.5	9,991	977	0.0978	0.9022	3.86
102.5	9,040	5,021	0.5554	0.4446	3.48
103.5	4,056	87	0.0215	0.9785	1.55
104.5	3,968	541	0.1364	0.8636	1.52
105.5	3,424	1,956	0.5711	0.4289	1.31
106.5	1,418	230	0.1623	0.8377	0.56
107.5	1,112	93	0.0836	0.9164	0.47
108.5	1,070		0.0000	1.0000	0.43
109.5	1,070		0.0000	1.0000	0.43
110.5	1,070		0.0000	1.0000	0.43
111.5	1,070		0.0000	1.0000	0.43
112.5	1,070	51	0.0472	0.9528	0.43
113.5	974		0.0000	1.0000	0.41
114.5	974		0.0000	1.0000	0.41
115.5	974		0.0000	1.0000	0.41
116.5	974		0.0000	1.0000	0.41
117.5	974		0.0000	1.0000	0.41
118.5	974		0.0000	1.0000	0.41

PLACEMENT BAND 1883-1995 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	974		0.0000	1.0000	0.41
120.5	974		0.0000	1.0000	0.41
121.5	634		0.0000	1.0000	0.41
122.5	634		0.0000	1.0000	0.41
123.5	634		0.0000	1.0000	0.41
124.5	634		0.0000	1.0000	0.41
125.5	13		0.0000	1.0000	0.41
126.5	13		0.0000	1.0000	0.41
127.5	13		0.0000	1.0000	0.41
128.5	13		0.0000	1.0000	0.41
129.5	13		0.0000	1.0000	0.41
130.5	13		0.0000	1.0000	0.41
131.5	13		0.0000	1.0000	0.41
132.5					0.41


ORIGINAL CURVE ■ 1953-2022 EXPERIENCE
1885-2005 PLACEMENTS
IOWA 65-R2.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1885-2005 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	36,407		0.0000	1.0000	100.00
0.5	36,392		0.0000	1.0000	100.00
1.5	24,468		0.0000	1.0000	100.00
2.5	24,468		0.0000	1.0000	100.00
3.5	24,172		0.0000	1.0000	100.00
4.5	24,943		0.0000	1.0000	100.00
5.5	24,943		0.0000	1.0000	100.00
6.5	24,943		0.0000	1.0000	100.00
7.5	27,811		0.0000	1.0000	100.00
8.5	27,811	1,103	0.0397	0.9603	100.00
9.5	26,708		0.0000	1.0000	96.03
10.5	26,708		0.0000	1.0000	96.03
11.5	26,708		0.0000	1.0000	96.03
12.5	26,708		0.0000	1.0000	96.03
13.5	26,708		0.0000	1.0000	96.03
14.5	28,745		0.0000	1.0000	96.03
15.5	28,745		0.0000	1.0000	96.03
16.5	28,745		0.0000	1.0000	96.03
17.5	19,625		0.0000	1.0000	96.03
18.5	19,625		0.0000	1.0000	96.03
19.5	19,625		0.0000	1.0000	96.03
20.5	18,439		0.0000	1.0000	96.03
21.5	18,439		0.0000	1.0000	96.03
22.5	18,439		0.0000	1.0000	96.03
23.5	19,555		0.0000	1.0000	96.03
24.5	20,366		0.0000	1.0000	96.03
25.5	20,453	100	0.0049	0.9951	96.03
26.5	20,353		0.0000	1.0000	95.56
27.5	19,457		0.0000	1.0000	95.56
28.5	21,785		0.0000	1.0000	95.56
29.5	25,074		0.0000	1.0000	95.56
30.5	22,643		0.0000	1.0000	95.56
31.5	23,070		0.0000	1.0000	95.56
32.5	24,577	333	0.0135	0.9865	95.56
33.5	23,233		0.0000	1.0000	94.27
34.5	22,775	65	0.0029	0.9971	94.27
35.5	22,192		0.0000	1.0000	94.00
36.5	19,344		0.0000	1.0000	94.00
37.5	15,993		0.0000	1.0000	94.00
38.5	19,360		0.0000	1.0000	94.00

PLACEMENT BAND 1885-2005 EXPERIENCE BAND 1953-2022

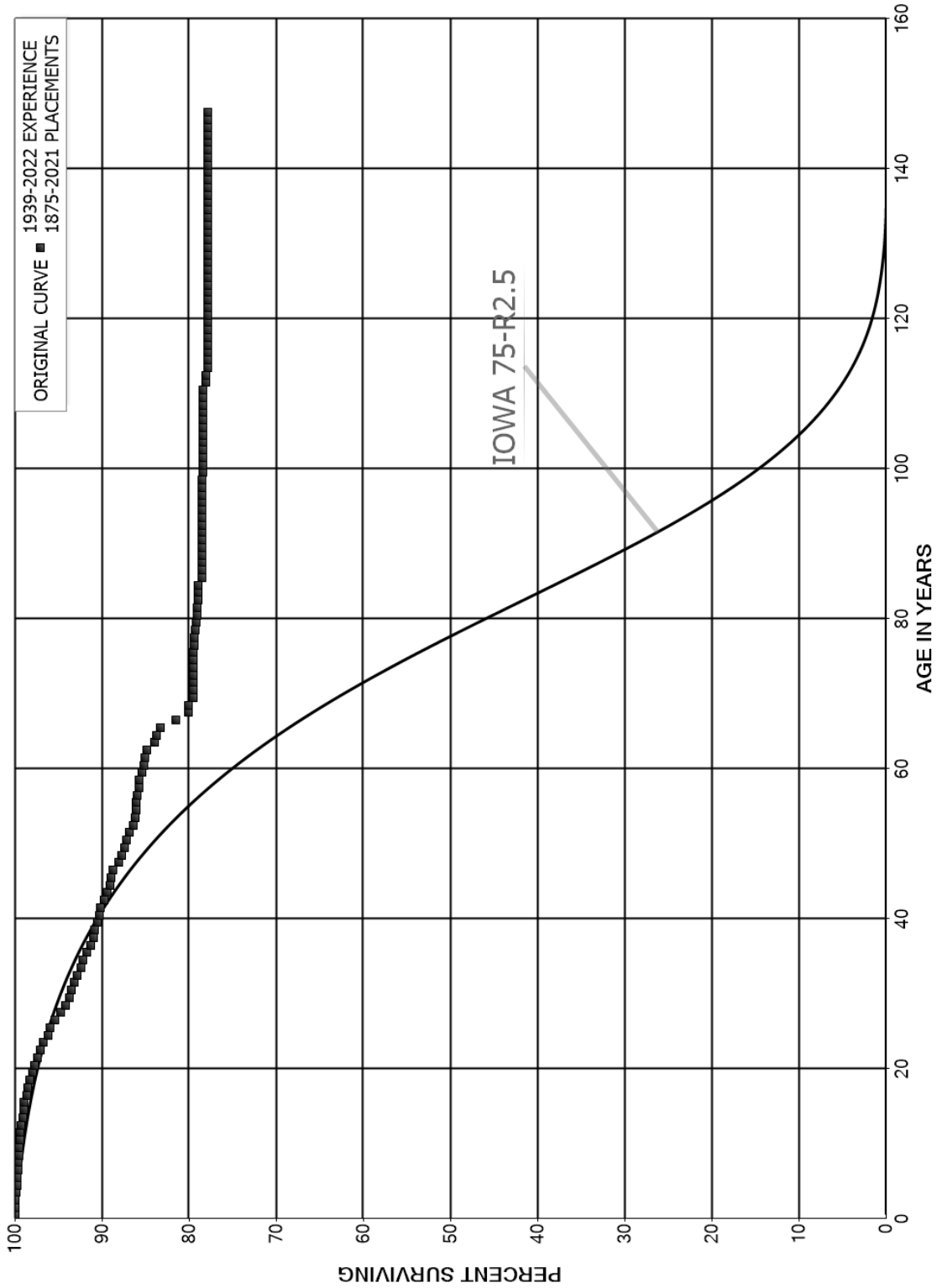
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	19,360		0.0000	1.0000	94.00
40.5	19,360		0.0000	1.0000	94.00
41.5	21,612		0.0000	1.0000	94.00
42.5	20,150		0.0000	1.0000	94.00
43.5	20,090		0.0000	1.0000	94.00
44.5	20,090		0.0000	1.0000	94.00
45.5	20,090		0.0000	1.0000	94.00
46.5	19,572		0.0000	1.0000	94.00
47.5	19,572		0.0000	1.0000	94.00
48.5	16,801		0.0000	1.0000	94.00
49.5	16,801		0.0000	1.0000	94.00
50.5	16,785		0.0000	1.0000	94.00
51.5	19,724		0.0000	1.0000	94.00
52.5	19,313	787	0.0407	0.9593	94.00
53.5	15,761		0.0000	1.0000	90.17
54.5	15,761		0.0000	1.0000	90.17
55.5	16,761		0.0000	1.0000	90.17
56.5	14,426		0.0000	1.0000	90.17
57.5	14,426		0.0000	1.0000	90.17
58.5	14,456		0.0000	1.0000	90.17
59.5	14,456		0.0000	1.0000	90.17
60.5	15,556		0.0000	1.0000	90.17
61.5	15,556		0.0000	1.0000	90.17
62.5	15,170		0.0000	1.0000	90.17
63.5	14,374		0.0000	1.0000	90.17
64.5	26,473		0.0000	1.0000	90.17
65.5	26,473	1,000	0.0378	0.9622	90.17
66.5	43,122		0.0000	1.0000	86.76
67.5	46,749		0.0000	1.0000	86.76
68.5	46,749	1,116	0.0239	0.9761	86.76
69.5	45,634	812	0.0178	0.9822	84.69
70.5	44,822		0.0000	1.0000	83.19
71.5	44,822	4	0.0001	0.9999	83.19
72.5	44,001		0.0000	1.0000	83.18
73.5	42,982		0.0000	1.0000	83.18
74.5	43,615		0.0000	1.0000	83.18
75.5	43,615		0.0000	1.0000	83.18
76.5	44,240		0.0000	1.0000	83.18
77.5	39,389		0.0000	1.0000	83.18
78.5	39,389		0.0000	1.0000	83.18

PLACEMENT BAND 1885-2005 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	76,934		0.0000	1.0000	83.18
80.5	86,485		0.0000	1.0000	83.18
81.5	83,983		0.0000	1.0000	83.18
82.5	82,731		0.0000	1.0000	83.18
83.5	82,688		0.0000	1.0000	83.18
84.5	81,626		0.0000	1.0000	83.18
85.5	81,669		0.0000	1.0000	83.18
86.5	81,644		0.0000	1.0000	83.18
87.5	79,649		0.0000	1.0000	83.18
88.5	76,761		0.0000	1.0000	83.18
89.5	78,730		0.0000	1.0000	83.18
90.5	78,730		0.0000	1.0000	83.18
91.5	78,730		0.0000	1.0000	83.18
92.5	78,730		0.0000	1.0000	83.18
93.5	78,730	595	0.0076	0.9924	83.18
94.5	78,135		0.0000	1.0000	82.55
95.5	78,092		0.0000	1.0000	82.55
96.5	78,092		0.0000	1.0000	82.55
97.5	78,092		0.0000	1.0000	82.55
98.5	78,066		0.0000	1.0000	82.55
99.5	76,097		0.0000	1.0000	82.55
100.5	76,075		0.0000	1.0000	82.55
101.5	76,052	211	0.0028	0.9972	82.55
102.5	75,864		0.0000	1.0000	82.32
103.5	75,864	30	0.0004	0.9996	82.32
104.5	75,833		0.0000	1.0000	82.29
105.5	75,833	1,100	0.0145	0.9855	82.29
106.5	74,733		0.0000	1.0000	81.10
107.5	74,733		0.0000	1.0000	81.10
108.5	74,733		0.0000	1.0000	81.10
109.5	73,059	4,666	0.0639	0.9361	81.10
110.5	66,718	625	0.0094	0.9906	75.92
111.5	67,768	27,401	0.4043	0.5957	75.21
112.5	40,344	38,670	0.9585	0.0415	44.80
113.5	1,675		0.0000	1.0000	1.86
114.5	1,675		0.0000	1.0000	1.86
115.5	1,675		0.0000	1.0000	1.86
116.5	1,675		0.0000	1.0000	1.86
117.5	1,675		0.0000	1.0000	1.86
118.5	1,675		0.0000	1.0000	1.86

PLACEMENT BAND 1885-2005 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	1,675		0.0000	1.0000	1.86
120.5	1,675		0.0000	1.0000	1.86
121.5					1.86


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1875-2021 PLACEMENTS
IOWA 75-R2.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
160
AGE IN YEARS

PLACEMENT BAND 1875-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,715,666		0.0000	1.0000	100.00
0.5	1,732,053	902	0.0005	0.9995	100.00
1.5	1,746,851	994	0.0006	0.9994	99.95
2.5	1,674,362	850	0.0005	0.9995	99.89
3.5	1,603,327	1,051	0.0007	0.9993	99.84
4.5	1,672,544	1,003	0.0006	0.9994	99.77
5.5	1,665,144	990	0.0006	0.9994	99.72
6.5	1,674,761	1,143	0.0007	0.9993	99.66
7.5	1,661,990	734	0.0004	0.9996	99.59
8.5	1,690,787	613	0.0004	0.9996	99.54
9.5	1,717,251	1,324	0.0008	0.9992	99.51
10.5	1,692,803	1,226	0.0007	0.9993	99.43
11.5	1,658,651	1,388	0.0008	0.9992	99.36
12.5	1,701,004	3,374	0.0020	0.9980	99.28
13.5	1,678,491	1,753	0.0010	0.9990	99.08
14.5	1,654,885	1,297	0.0008	0.9992	98.98
15.5	1,673,252	4,411	0.0026	0.9974	98.90
16.5	1,645,982	2,395	0.0015	0.9985	98.64
17.5	1,658,610	3,086	0.0019	0.9981	98.49
18.5	1,596,318	5,065	0.0032	0.9968	98.31
19.5	1,407,240	3,425	0.0024	0.9976	98.00
20.5	1,079,809	4,047	0.0037	0.9963	97.76
21.5	1,091,599	4,052	0.0037	0.9963	97.39
22.5	1,049,218	3,489	0.0033	0.9967	97.03
23.5	1,022,340	5,186	0.0051	0.9949	96.71
24.5	1,040,485	3,487	0.0034	0.9966	96.22
25.5	1,020,741	5,581	0.0055	0.9945	95.90
26.5	1,009,713	6,656	0.0066	0.9934	95.37
27.5	1,007,170	5,608	0.0056	0.9944	94.74
28.5	975,004	4,731	0.0049	0.9951	94.22
29.5	1,023,539	3,162	0.0031	0.9969	93.76
30.5	976,734	3,495	0.0036	0.9964	93.47
31.5	951,655	2,779	0.0029	0.9971	93.13
32.5	944,208	5,017	0.0053	0.9947	92.86
33.5	941,228	2,106	0.0022	0.9978	92.37
34.5	911,732	3,996	0.0044	0.9956	92.16
35.5	910,425	4,888	0.0054	0.9946	91.76
36.5	895,111	2,553	0.0029	0.9971	91.27
37.5	890,463	1,857	0.0021	0.9979	91.01
38.5	831,354	3,083	0.0037	0.9963	90.82

PLACEMENT BAND 1875-2021 EXPERIENCE BAND 1939-2022

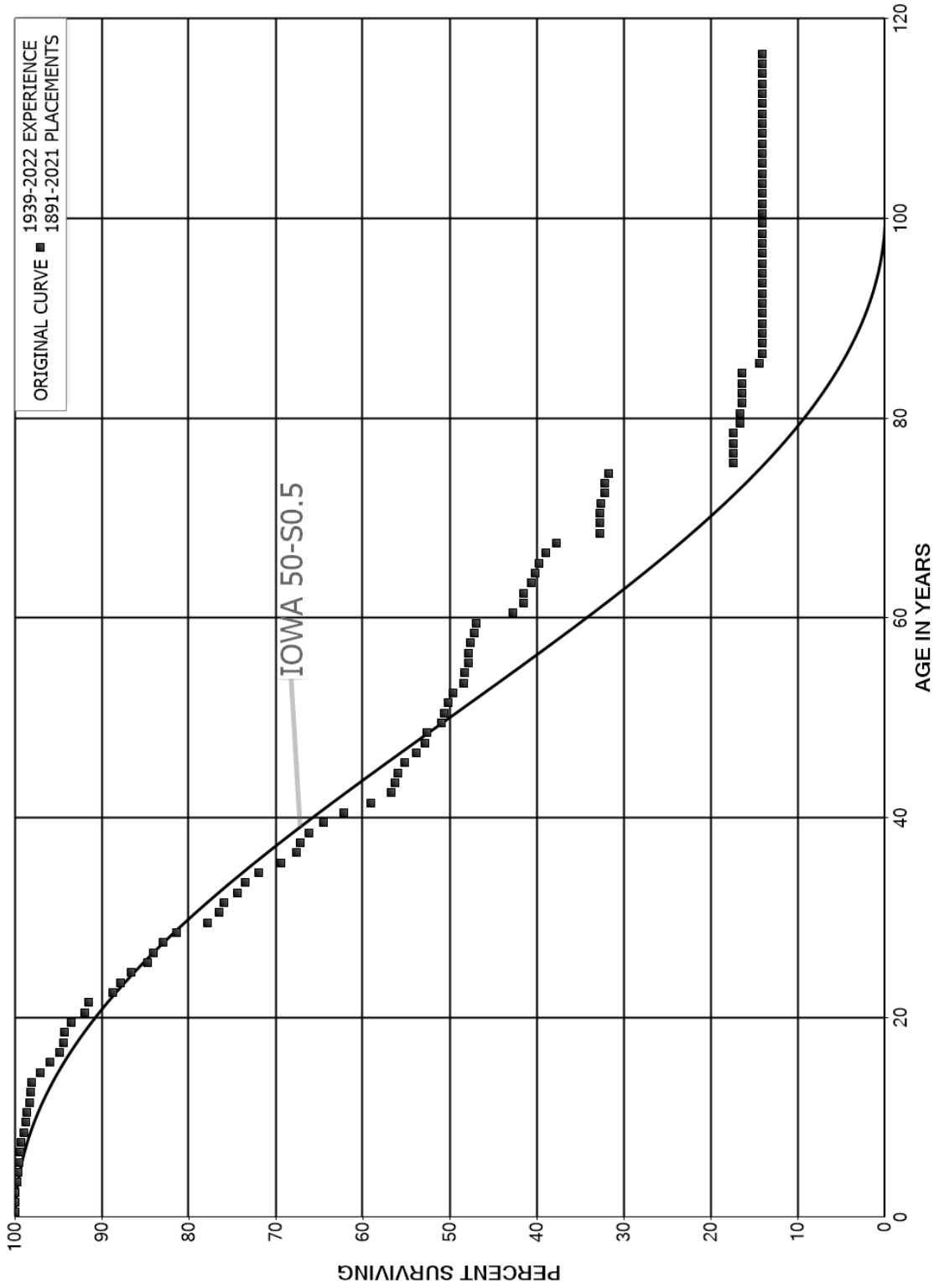
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	784,445	2,013	0.0026	0.9974	90.48
40.5	737,985	894	0.0012	0.9988	90.25
41.5	756,705	3,853	0.0051	0.9949	90.14
42.5	743,393	2,730	0.0037	0.9963	89.68
43.5	721,843	2,221	0.0031	0.9969	89.35
44.5	706,770	1,110	0.0016	0.9984	89.07
45.5	696,987	1,438	0.0021	0.9979	88.93
46.5	667,986	5,219	0.0078	0.9922	88.75
47.5	649,135	2,223	0.0034	0.9966	88.06
48.5	635,920	2,939	0.0046	0.9954	87.76
49.5	611,234	1,463	0.0024	0.9976	87.35
50.5	583,596	2,417	0.0041	0.9959	87.14
51.5	525,556	2,328	0.0044	0.9956	86.78
52.5	496,698	974	0.0020	0.9980	86.40
53.5	491,470	717	0.0015	0.9985	86.23
54.5	487,000	459	0.0009	0.9991	86.10
55.5	481,314	452	0.0009	0.9991	86.02
56.5	467,317	889	0.0019	0.9981	85.94
57.5	460,158	491	0.0011	0.9989	85.78
58.5	452,398	1,696	0.0037	0.9963	85.68
59.5	443,177	1,054	0.0024	0.9976	85.36
60.5	435,248	371	0.0009	0.9991	85.16
61.5	429,419	1,362	0.0032	0.9968	85.09
62.5	424,336	4,273	0.0101	0.9899	84.82
63.5	410,482	1,076	0.0026	0.9974	83.96
64.5	402,990	2,213	0.0055	0.9945	83.74
65.5	394,674	8,510	0.0216	0.9784	83.28
66.5	372,137	6,345	0.0170	0.9830	81.49
67.5	362,327	25	0.0001	0.9999	80.10
68.5	359,974	2,416	0.0067	0.9933	80.09
69.5	354,466		0.0000	1.0000	79.56
70.5	348,596		0.0000	1.0000	79.56
71.5	341,387	331	0.0010	0.9990	79.56
72.5	337,635	31	0.0001	0.9999	79.48
73.5	332,474		0.0000	1.0000	79.47
74.5	333,292	12	0.0000	1.0000	79.47
75.5	331,112	222	0.0007	0.9993	79.47
76.5	327,058	67	0.0002	0.9998	79.41
77.5	322,363	443	0.0014	0.9986	79.40
78.5	314,578	262	0.0008	0.9992	79.29

PLACEMENT BAND 1875-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	307,218	580	0.0019	0.9981	79.22
80.5	298,559		0.0000	1.0000	79.07
81.5	293,573	248	0.0008	0.9992	79.07
82.5	289,067	147	0.0005	0.9995	79.01
83.5	286,038	54	0.0002	0.9998	78.97
84.5	282,188	1,455	0.0052	0.9948	78.95
85.5	278,132		0.0000	1.0000	78.54
86.5	275,550		0.0000	1.0000	78.54
87.5	273,938	29	0.0001	0.9999	78.54
88.5	272,577	70	0.0003	0.9997	78.54
89.5	271,117	14	0.0001	0.9999	78.52
90.5	270,368		0.0000	1.0000	78.51
91.5	269,532		0.0000	1.0000	78.51
92.5	260,751	30	0.0001	0.9999	78.51
93.5	255,543		0.0000	1.0000	78.50
94.5	251,141	11	0.0000	1.0000	78.50
95.5	239,996		0.0000	1.0000	78.50
96.5	227,566		0.0000	1.0000	78.50
97.5	215,803		0.0000	1.0000	78.50
98.5	192,820	134	0.0007	0.9993	78.50
99.5	179,794		0.0000	1.0000	78.45
100.5	164,869		0.0000	1.0000	78.45
101.5	154,939	16	0.0001	0.9999	78.45
102.5	145,534	6	0.0000	1.0000	78.44
103.5	136,450		0.0000	1.0000	78.43
104.5	131,524		0.0000	1.0000	78.43
105.5	119,109	45	0.0004	0.9996	78.43
106.5	108,201		0.0000	1.0000	78.40
107.5	104,156		0.0000	1.0000	78.40
108.5	98,113		0.0000	1.0000	78.40
109.5	89,238		0.0000	1.0000	78.40
110.5	79,520	290	0.0036	0.9964	78.40
111.5	81,690		0.0000	1.0000	78.12
112.5	78,330	298	0.0038	0.9962	78.12
113.5	71,208		0.0000	1.0000	77.82
114.5	68,139		0.0000	1.0000	77.82
115.5	63,354		0.0000	1.0000	77.82
116.5	56,627		0.0000	1.0000	77.82
117.5	46,694		0.0000	1.0000	77.82
118.5	40,434		0.0000	1.0000	77.82

PLACEMENT BAND 1875-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	32,930		0.0000	1.0000	77.82
120.5	28,473		0.0000	1.0000	77.82
121.5	18,465		0.0000	1.0000	77.82
122.5	15,590		0.0000	1.0000	77.82
123.5	12,692		0.0000	1.0000	77.82
124.5	11,283		0.0000	1.0000	77.82
125.5	9,640		0.0000	1.0000	77.82
126.5	8,381		0.0000	1.0000	77.82
127.5	8,162		0.0000	1.0000	77.82
128.5	5,139		0.0000	1.0000	77.82
129.5	4,440		0.0000	1.0000	77.82
130.5	3,515		0.0000	1.0000	77.82
131.5	2,142		0.0000	1.0000	77.82
132.5	269		0.0000	1.0000	77.82
133.5	138		0.0000	1.0000	77.82
134.5	1		0.0000	1.0000	77.82
135.5	1		0.0000	1.0000	77.82
136.5	1		0.0000	1.0000	77.82
137.5	1		0.0000	1.0000	77.82
138.5	1		0.0000	1.0000	77.82
139.5	1		0.0000	1.0000	77.82
140.5	1		0.0000	1.0000	77.82
141.5	1		0.0000	1.0000	77.82
142.5	1		0.0000	1.0000	77.82
143.5	1		0.0000	1.0000	77.82
144.5	1		0.0000	1.0000	77.82
145.5	1		0.0000	1.0000	77.82
146.5	1		0.0000	1.0000	77.82
147.5					77.82


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1891-2021 PLACEMENTS
IOWA 50-S0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1891-2021 EXPERIENCE BAND 1939-2022

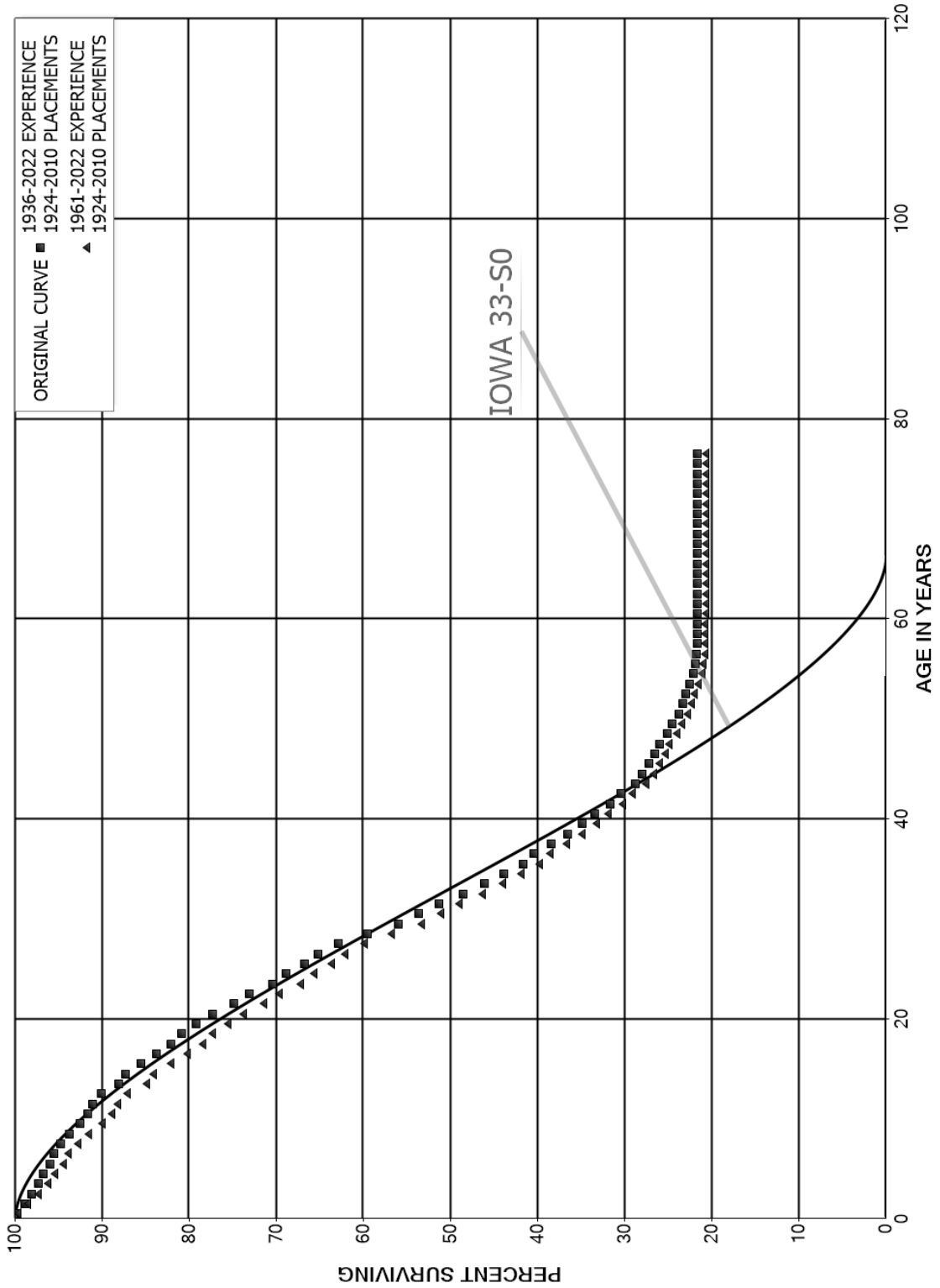
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,711,178	633	0.0000	1.0000	100.00
0.5	21,727,284	2,643	0.0001	0.9999	100.00
1.5	12,595,976	2,082	0.0002	0.9998	99.98
2.5	4,115,699	9,736	0.0024	0.9976	99.97
3.5	12,588,232	9,851	0.0008	0.9992	99.73
4.5	12,604,590	15,500	0.0012	0.9988	99.65
5.5	12,332,979	21,040	0.0017	0.9983	99.53
6.5	12,288,944	12,543	0.0010	0.9990	99.36
7.5	12,243,803	36,190	0.0030	0.9970	99.26
8.5	12,123,101	26,057	0.0021	0.9979	98.97
9.5	12,087,761	16,609	0.0014	0.9986	98.75
10.5	12,042,105	36,827	0.0031	0.9969	98.62
11.5	11,669,279	15,982	0.0014	0.9986	98.32
12.5	11,477,734	18,491	0.0016	0.9984	98.18
13.5	2,751,065	26,967	0.0098	0.9902	98.02
14.5	2,472,525	26,924	0.0109	0.9891	97.06
15.5	2,470,311	31,294	0.0127	0.9873	96.01
16.5	2,307,234	9,181	0.0040	0.9960	94.79
17.5	2,235,388	3,734	0.0017	0.9983	94.41
18.5	2,214,318	18,248	0.0082	0.9918	94.25
19.5	2,056,944	33,383	0.0162	0.9838	93.48
20.5	1,494,947	6,691	0.0045	0.9955	91.96
21.5	1,538,713	47,613	0.0309	0.9691	91.55
22.5	1,487,717	14,831	0.0100	0.9900	88.72
23.5	1,473,472	19,797	0.0134	0.9866	87.83
24.5	1,279,680	29,165	0.0228	0.9772	86.65
25.5	1,191,114	8,839	0.0074	0.9926	84.68
26.5	1,114,697	14,991	0.0134	0.9866	84.05
27.5	1,031,378	18,482	0.0179	0.9821	82.92
28.5	957,201	42,376	0.0443	0.9557	81.43
29.5	1,060,402	17,876	0.0169	0.9831	77.83
30.5	1,009,926	6,835	0.0068	0.9932	76.52
31.5	965,449	20,938	0.0217	0.9783	76.00
32.5	916,457	10,184	0.0111	0.9889	74.35
33.5	925,283	20,334	0.0220	0.9780	73.52
34.5	894,191	31,490	0.0352	0.9648	71.91
35.5	862,018	22,412	0.0260	0.9740	69.38
36.5	841,182	4,930	0.0059	0.9941	67.57
37.5	767,289	11,007	0.0143	0.9857	67.18
38.5	751,239	19,683	0.0262	0.9738	66.21

PLACEMENT BAND 1891-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	681,717	24,489	0.0359	0.9641	64.48
40.5	610,606	30,804	0.0504	0.9496	62.16
41.5	602,714	23,060	0.0383	0.9617	59.03
42.5	568,274	4,653	0.0082	0.9918	56.77
43.5	560,121	4,045	0.0072	0.9928	56.30
44.5	548,348	6,925	0.0126	0.9874	55.90
45.5	539,001	13,582	0.0252	0.9748	55.19
46.5	513,346	9,263	0.0180	0.9820	53.80
47.5	519,277	1,775	0.0034	0.9966	52.83
48.5	377,215	12,537	0.0332	0.9668	52.65
49.5	364,233	2,317	0.0064	0.9936	50.90
50.5	252,467	1,962	0.0078	0.9922	50.57
51.5	220,618	2,604	0.0118	0.9882	50.18
52.5	211,372	4,982	0.0236	0.9764	49.59
53.5	209,853	622	0.0030	0.9970	48.42
54.5	199,418	1,997	0.0100	0.9900	48.28
55.5	192,692		0.0000	1.0000	47.79
56.5	190,892	772	0.0040	0.9960	47.79
57.5	190,120	1,911	0.0100	0.9900	47.60
58.5	144,731	439	0.0030	0.9970	47.12
59.5	141,214	12,692	0.0899	0.9101	46.98
60.5	125,921	3,638	0.0289	0.9711	42.76
61.5	122,283		0.0000	1.0000	41.52
62.5	121,679	2,722	0.0224	0.9776	41.52
63.5	118,943	1,213	0.0102	0.9898	40.59
64.5	116,754	1,416	0.0121	0.9879	40.18
65.5	113,870	2,109	0.0185	0.9815	39.69
66.5	86,713	2,703	0.0312	0.9688	38.96
67.5	84,010	11,097	0.1321	0.8679	37.74
68.5	72,649		0.0000	1.0000	32.76
69.5	72,385		0.0000	1.0000	32.76
70.5	66,406	248	0.0037	0.9963	32.76
71.5	66,157	902	0.0136	0.9864	32.63
72.5	33,543		0.0000	1.0000	32.19
73.5	1,766	23	0.0131	0.9869	32.19
74.5	33,389	15,073	0.4514	0.5486	31.77
75.5	18,272		0.0000	1.0000	17.43
76.5	18,272		0.0000	1.0000	17.43
77.5	18,210	19	0.0011	0.9989	17.43
78.5	18,165	849	0.0467	0.9533	17.41

PLACEMENT BAND 1891-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	17,316		0.0000	1.0000	16.59
80.5	17,301	217	0.0125	0.9875	16.59
81.5	17,053		0.0000	1.0000	16.39
82.5	17,022		0.0000	1.0000	16.39
83.5	17,053		0.0000	1.0000	16.39
84.5	1,263	157	0.1247	0.8753	16.39
85.5	1,040	21	0.0206	0.9794	14.34
86.5	1,018		0.0000	1.0000	14.05
87.5	1,018		0.0000	1.0000	14.05
88.5	1,018		0.0000	1.0000	14.05
89.5	1,018		0.0000	1.0000	14.05
90.5	1,018		0.0000	1.0000	14.05
91.5	1,018		0.0000	1.0000	14.05
92.5	1,018		0.0000	1.0000	14.05
93.5	987		0.0000	1.0000	14.05
94.5	987		0.0000	1.0000	14.05
95.5	987		0.0000	1.0000	14.05
96.5	987		0.0000	1.0000	14.05
97.5	987		0.0000	1.0000	14.05
98.5	987		0.0000	1.0000	14.05
99.5	987		0.0000	1.0000	14.05
100.5	987		0.0000	1.0000	14.05
101.5	987		0.0000	1.0000	14.05
102.5	987		0.0000	1.0000	14.05
103.5	987		0.0000	1.0000	14.05
104.5	531		0.0000	1.0000	14.05
105.5	74		0.0000	1.0000	14.05
106.5	531		0.0000	1.0000	14.05
107.5	531		0.0000	1.0000	14.05
108.5	531		0.0000	1.0000	14.05
109.5	531		0.0000	1.0000	14.05
110.5	531		0.0000	1.0000	14.05
111.5	531		0.0000	1.0000	14.05
112.5	457		0.0000	1.0000	14.05
113.5	457		0.0000	1.0000	14.05
114.5	457		0.0000	1.0000	14.05
115.5	457		0.0000	1.0000	14.05
116.5					14.05


ORIGINAL CURVE ■ 1936-2022 EXPERIENCE 1924-2010 PLACEMENTS
▲ 1961-2022 EXPERIENCE 1924-2010 PLACEMENTS
IOWA 33-S0
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1936-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	487,275	1,535	0.0032	0.9968	100.00
0.5	449,794	3,639	0.0081	0.9919	99.68
1.5	375,538	3,042	0.0081	0.9919	98.88
2.5	372,541	2,901	0.0078	0.9922	98.08
3.5	369,660	2,039	0.0055	0.9945	97.31
4.5	367,569	3,051	0.0083	0.9917	96.78
5.5	360,515	1,597	0.0044	0.9956	95.97
6.5	281,524	2,521	0.0090	0.9910	95.55
7.5	278,945	2,812	0.0101	0.9899	94.69
8.5	275,840	3,622	0.0131	0.9869	93.74
9.5	273,630	2,690	0.0098	0.9902	92.51
10.5	267,626	1,658	0.0062	0.9938	91.60
11.5	267,986	2,731	0.0102	0.9898	91.03
12.5	265,970	5,918	0.0223	0.9777	90.10
13.5	259,337	2,239	0.0086	0.9914	88.10
14.5	257,098	5,288	0.0206	0.9794	87.34
15.5	251,918	5,379	0.0214	0.9786	85.54
16.5	249,317	5,033	0.0202	0.9798	83.71
17.5	242,146	3,354	0.0138	0.9862	82.02
18.5	238,076	5,116	0.0215	0.9785	80.89
19.5	231,274	5,597	0.0242	0.9758	79.15
20.5	224,465	7,017	0.0313	0.9687	77.23
21.5	218,219	5,179	0.0237	0.9763	74.82
22.5	212,874	7,697	0.0362	0.9638	73.04
23.5	201,590	4,574	0.0227	0.9773	70.40
24.5	197,937	6,021	0.0304	0.9696	68.81
25.5	191,338	4,546	0.0238	0.9762	66.71
26.5	182,406	6,536	0.0358	0.9642	65.13
27.5	171,111	8,873	0.0519	0.9481	62.79
28.5	163,437	9,847	0.0602	0.9398	59.54
29.5	154,257	6,422	0.0416	0.9584	55.95
30.5	147,148	6,286	0.0427	0.9573	53.62
31.5	141,018	7,678	0.0544	0.9456	51.33
32.5	131,932	6,788	0.0514	0.9486	48.54
33.5	127,261	6,031	0.0474	0.9526	46.04
34.5	121,847	6,082	0.0499	0.9501	43.86
35.5	114,870	3,452	0.0300	0.9700	41.67
36.5	110,498	5,667	0.0513	0.9487	40.42
37.5	104,527	4,916	0.0470	0.9530	38.34
38.5	95,317	4,527	0.0475	0.9525	36.54

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1936-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	88,636	3,726	0.0420	0.9580	34.80
40.5	85,971	4,578	0.0533	0.9467	33.34
41.5	78,845	2,851	0.0362	0.9638	31.57
42.5	74,157	4,048	0.0546	0.9454	30.42
43.5	70,254	2,052	0.0292	0.9708	28.76
44.5	67,270	1,860	0.0277	0.9723	27.92
45.5	64,480	1,511	0.0234	0.9766	27.15
46.5	63,919	1,343	0.0210	0.9790	26.52
47.5	61,919	2,135	0.0345	0.9655	25.96
48.5	57,792	1,406	0.0243	0.9757	25.06
49.5	54,543	1,632	0.0299	0.9701	24.45
50.5	51,309	857	0.0167	0.9833	23.72
51.5	49,040	842	0.0172	0.9828	23.33
52.5	46,348	827	0.0178	0.9822	22.92
53.5	42,526	830	0.0195	0.9805	22.52
54.5	39,955	380	0.0095	0.9905	22.08
55.5	38,271	331	0.0087	0.9913	21.87
56.5	35,578	67	0.0019	0.9981	21.68
57.5	34,237		0.0000	1.0000	21.64
58.5	31,581		0.0000	1.0000	21.64
59.5	29,702	91	0.0030	0.9970	21.64
60.5	27,717		0.0000	1.0000	21.57
61.5	25,243		0.0000	1.0000	21.57
62.5	22,714		0.0000	1.0000	21.57
63.5	19,285		0.0000	1.0000	21.57
64.5	16,627		0.0000	1.0000	21.57
65.5	14,322		0.0000	1.0000	21.57
66.5	12,909		0.0000	1.0000	21.57
67.5	12,219		0.0000	1.0000	21.57
68.5	11,545		0.0000	1.0000	21.57
69.5	10,753		0.0000	1.0000	21.57
70.5	9,686		0.0000	1.0000	21.57
71.5	9,092		0.0000	1.0000	21.57
72.5	8,575		0.0000	1.0000	21.57
73.5	7,204		0.0000	1.0000	21.57
74.5	5,714		0.0000	1.0000	21.57
75.5	4,991		0.0000	1.0000	21.57
76.5	4,207		0.0000	1.0000	21.57
77.5	3,990		0.0000	1.0000	21.57
78.5	3,729		0.0000	1.0000	21.57

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1936-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,480		0.0000	1.0000	21.57
80.5	2,850		0.0000	1.0000	21.57
81.5	1,952		0.0000	1.0000	21.57
82.5	995		0.0000	1.0000	21.57
83.5	895		0.0000	1.0000	21.57
84.5	895		0.0000	1.0000	21.57
85.5	363		0.0000	1.0000	21.57
86.5	290		0.0000	1.0000	21.57
87.5	290		0.0000	1.0000	21.57
88.5	290		0.0000	1.0000	21.57
89.5	245		0.0000	1.0000	21.57
90.5	245		0.0000	1.0000	21.57
91.5	26		0.0000	1.0000	21.57
92.5	26		0.0000	1.0000	21.57
93.5	26		0.0000	1.0000	21.57
94.5	26		0.0000	1.0000	21.57
95.5	26		0.0000	1.0000	21.57
96.5					21.57

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1961-2022

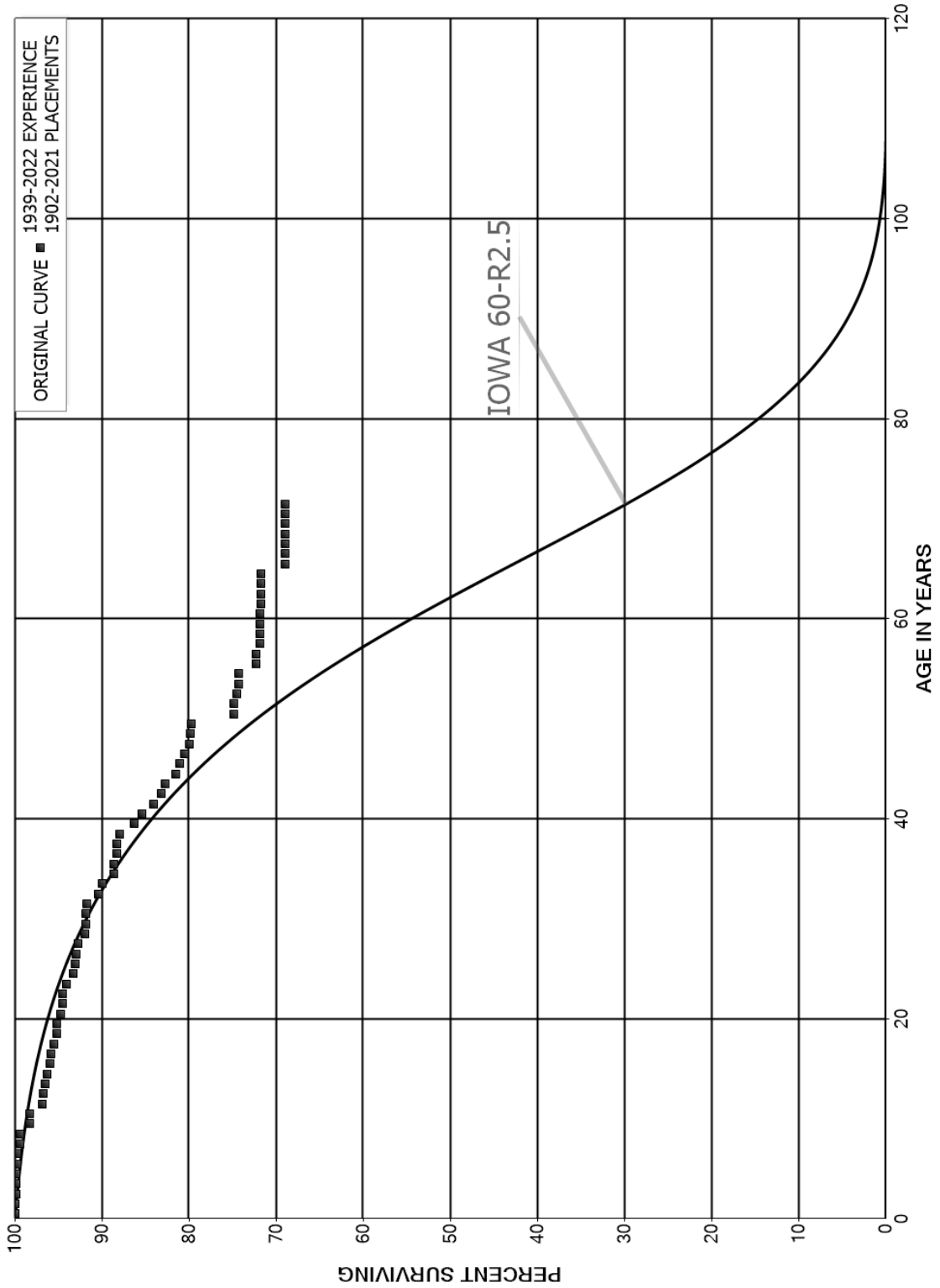
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	335,473	1,535	0.0046	0.9954	100.00
0.5	308,283	3,639	0.0118	0.9882	99.54
1.5	247,923	3,042	0.0123	0.9877	98.37
2.5	258,689	2,901	0.0112	0.9888	97.16
3.5	266,360	2,039	0.0077	0.9923	96.07
4.5	274,865	3,051	0.0111	0.9889	95.34
5.5	278,889	1,597	0.0057	0.9943	94.28
6.5	207,311	2,521	0.0122	0.9878	93.74
7.5	214,132	2,812	0.0131	0.9869	92.60
8.5	215,575	3,622	0.0168	0.9832	91.38
9.5	218,264	2,690	0.0123	0.9877	89.85
10.5	217,673	1,658	0.0076	0.9924	88.74
11.5	224,362	2,731	0.0122	0.9878	88.06
12.5	228,392	5,918	0.0259	0.9741	86.99
13.5	227,049	2,239	0.0099	0.9901	84.74
14.5	230,518	5,288	0.0229	0.9771	83.90
15.5	229,041	5,379	0.0235	0.9765	81.98
16.5	231,292	5,033	0.0218	0.9782	80.05
17.5	228,143	3,354	0.0147	0.9853	78.31
18.5	228,839	5,116	0.0224	0.9776	77.16
19.5	226,772	5,597	0.0247	0.9753	75.43
20.5	222,272	7,017	0.0316	0.9684	73.57
21.5	216,863	5,179	0.0239	0.9761	71.25
22.5	211,518	7,697	0.0364	0.9636	69.55
23.5	201,002	4,574	0.0228	0.9772	67.02
24.5	197,461	6,021	0.0305	0.9695	65.49
25.5	190,862	4,546	0.0238	0.9762	63.49
26.5	181,929	6,536	0.0359	0.9641	61.98
27.5	170,680	8,873	0.0520	0.9480	59.76
28.5	163,026	9,847	0.0604	0.9396	56.65
29.5	154,063	6,422	0.0417	0.9583	53.23
30.5	146,955	6,286	0.0428	0.9572	51.01
31.5	140,859	7,678	0.0545	0.9455	48.83
32.5	131,816	6,788	0.0515	0.9485	46.17
33.5	127,144	6,031	0.0474	0.9526	43.79
34.5	121,847	6,082	0.0499	0.9501	41.71
35.5	114,870	3,452	0.0300	0.9700	39.63
36.5	110,498	5,667	0.0513	0.9487	38.44
37.5	104,527	4,916	0.0470	0.9530	36.47
38.5	95,317	4,527	0.0475	0.9525	34.75

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1961-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	88,636	3,726	0.0420	0.9580	33.10
40.5	85,971	4,578	0.0533	0.9467	31.71
41.5	78,845	2,851	0.0362	0.9638	30.02
42.5	74,157	4,048	0.0546	0.9454	28.94
43.5	70,254	2,052	0.0292	0.9708	27.36
44.5	67,270	1,860	0.0277	0.9723	26.56
45.5	64,480	1,511	0.0234	0.9766	25.82
46.5	63,919	1,343	0.0210	0.9790	25.22
47.5	61,919	2,135	0.0345	0.9655	24.69
48.5	57,792	1,406	0.0243	0.9757	23.84
49.5	54,543	1,632	0.0299	0.9701	23.26
50.5	51,309	857	0.0167	0.9833	22.56
51.5	49,040	842	0.0172	0.9828	22.18
52.5	46,348	827	0.0178	0.9822	21.80
53.5	42,526	830	0.0195	0.9805	21.41
54.5	39,955	380	0.0095	0.9905	21.00
55.5	38,271	331	0.0087	0.9913	20.80
56.5	35,578	67	0.0019	0.9981	20.62
57.5	34,237		0.0000	1.0000	20.58
58.5	31,581		0.0000	1.0000	20.58
59.5	29,702	91	0.0030	0.9970	20.58
60.5	27,717		0.0000	1.0000	20.51
61.5	25,243		0.0000	1.0000	20.51
62.5	22,714		0.0000	1.0000	20.51
63.5	19,285		0.0000	1.0000	20.51
64.5	16,627		0.0000	1.0000	20.51
65.5	14,322		0.0000	1.0000	20.51
66.5	12,909		0.0000	1.0000	20.51
67.5	12,219		0.0000	1.0000	20.51
68.5	11,545		0.0000	1.0000	20.51
69.5	10,753		0.0000	1.0000	20.51
70.5	9,686		0.0000	1.0000	20.51
71.5	9,092		0.0000	1.0000	20.51
72.5	8,575		0.0000	1.0000	20.51
73.5	7,204		0.0000	1.0000	20.51
74.5	5,714		0.0000	1.0000	20.51
75.5	4,991		0.0000	1.0000	20.51
76.5	4,207		0.0000	1.0000	20.51
77.5	3,990		0.0000	1.0000	20.51
78.5	3,729		0.0000	1.0000	20.51

PLACEMENT BAND 1924-2010 EXPERIENCE BAND 1961-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,480		0.0000	1.0000	20.51
80.5	2,850		0.0000	1.0000	20.51
81.5	1,952		0.0000	1.0000	20.51
82.5	995		0.0000	1.0000	20.51
83.5	895		0.0000	1.0000	20.51
84.5	895		0.0000	1.0000	20.51
85.5	363		0.0000	1.0000	20.51
86.5	290		0.0000	1.0000	20.51
87.5	290		0.0000	1.0000	20.51
88.5	290		0.0000	1.0000	20.51
89.5	245		0.0000	1.0000	20.51
90.5	245		0.0000	1.0000	20.51
91.5	26		0.0000	1.0000	20.51
92.5	26		0.0000	1.0000	20.51
93.5	26		0.0000	1.0000	20.51
94.5	26		0.0000	1.0000	20.51
95.5	26		0.0000	1.0000	20.51
96.5					20.51


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1902-2021 PLACEMENTS
IOWA 60-R2.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1902-2021 EXPERIENCE BAND 1939-2022

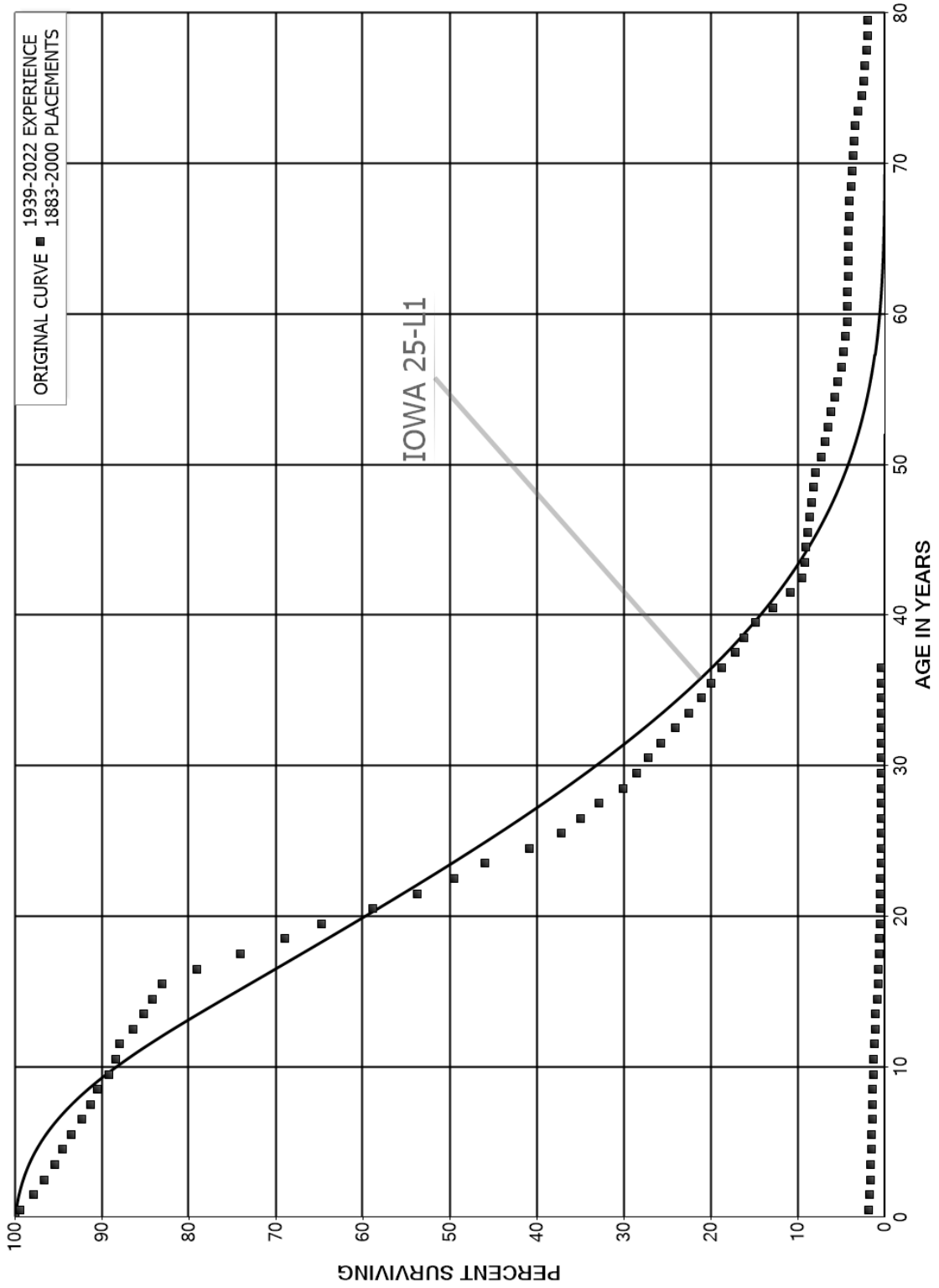
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,487,669	1,797	0.0007	0.9993	100.00
0.5	2,418,042	457	0.0002	0.9998	99.93
1.5	2,383,417	1,130	0.0005	0.9995	99.91
2.5	2,379,355	484	0.0002	0.9998	99.86
3.5	2,375,791	760	0.0003	0.9997	99.84
4.5	2,381,399	978	0.0004	0.9996	99.81
5.5	2,344,092	2,187	0.0009	0.9991	99.77
6.5	2,336,998	5,533	0.0024	0.9976	99.68
7.5	2,238,553	1,796	0.0008	0.9992	99.44
8.5	2,132,609	22,694	0.0106	0.9894	99.36
9.5	2,074,912	973	0.0005	0.9995	98.30
10.5	1,048,803	15,251	0.0145	0.9855	98.26
11.5	910,143	1,383	0.0015	0.9985	96.83
12.5	878,997	1,982	0.0023	0.9977	96.68
13.5	883,205	2,089	0.0024	0.9976	96.46
14.5	836,662	2,911	0.0035	0.9965	96.23
15.5	866,655	1,027	0.0012	0.9988	95.90
16.5	862,770	2,400	0.0028	0.9972	95.79
17.5	856,135	2,750	0.0032	0.9968	95.52
18.5	853,477	367	0.0004	0.9996	95.21
19.5	855,442	4,139	0.0048	0.9952	95.17
20.5	825,261	1,661	0.0020	0.9980	94.71
21.5	806,298	248	0.0003	0.9997	94.52
22.5	807,181	3,592	0.0045	0.9955	94.49
23.5	782,798	6,523	0.0083	0.9917	94.07
24.5	774,108	2,110	0.0027	0.9973	93.29
25.5	762,331	598	0.0008	0.9992	93.03
26.5	762,877	1,929	0.0025	0.9975	92.96
27.5	742,630	6,221	0.0084	0.9916	92.72
28.5	612,201	521	0.0009	0.9991	91.95
29.5	611,047	592	0.0010	0.9990	91.87
30.5	503,033	568	0.0011	0.9989	91.78
31.5	463,148	6,468	0.0140	0.9860	91.68
32.5	451,822	2,164	0.0048	0.9952	90.40
33.5	387,814	5,907	0.0152	0.9848	89.96
34.5	370,225	49	0.0001	0.9999	88.59
35.5	355,648	989	0.0028	0.9972	88.58
36.5	351,744	13	0.0000	1.0000	88.34
37.5	346,327	1,666	0.0048	0.9952	88.33
38.5	319,948	5,826	0.0182	0.9818	87.91

PLACEMENT BAND 1902-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	310,021	3,261	0.0105	0.9895	86.31
40.5	298,282	4,722	0.0158	0.9842	85.40
41.5	292,584	3,180	0.0109	0.9891	84.05
42.5	187,786	896	0.0048	0.9952	83.13
43.5	184,189	2,745	0.0149	0.9851	82.74
44.5	180,896	905	0.0050	0.9950	81.50
45.5	152,719	1,123	0.0074	0.9926	81.10
46.5	151,388	990	0.0065	0.9935	80.50
47.5	145,712	204	0.0014	0.9986	79.97
48.5	122,885	199	0.0016	0.9984	79.86
49.5	123,000	7,617	0.0619	0.9381	79.73
50.5	114,771		0.0000	1.0000	74.79
51.5	112,457	425	0.0038	0.9962	74.79
52.5	112,032	387	0.0035	0.9965	74.51
53.5	111,400		0.0000	1.0000	74.25
54.5	70,488	1,885	0.0267	0.9733	74.25
55.5	68,603		0.0000	1.0000	72.27
56.5	67,901	418	0.0061	0.9939	72.27
57.5	66,652		0.0000	1.0000	71.82
58.5	62,140		0.0000	1.0000	71.82
59.5	60,818		0.0000	1.0000	71.82
60.5	59,068	85	0.0014	0.9986	71.82
61.5	50,462		0.0000	1.0000	71.72
62.5	48,891		0.0000	1.0000	71.72
63.5	17,182		0.0000	1.0000	71.72
64.5	16,037	625	0.0390	0.9610	71.72
65.5	15,412		0.0000	1.0000	68.92
66.5	15,412		0.0000	1.0000	68.92
67.5	15,001		0.0000	1.0000	68.92
68.5	15,001		0.0000	1.0000	68.92
69.5	15,001		0.0000	1.0000	68.92
70.5	14,429		0.0000	1.0000	68.92
71.5	14,363		0.0000	1.0000	68.92
72.5	14,363		0.0000	1.0000	68.92
73.5	14,141		0.0000	1.0000	68.92
74.5	13,029		0.0000	1.0000	68.92
75.5	12,124		0.0000	1.0000	68.92
76.5	9,665		0.0000	1.0000	68.92
77.5	9,213		0.0000	1.0000	68.92
78.5	9,213		0.0000	1.0000	68.92

PLACEMENT BAND 1902-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	7,196		0.0000	1.0000	68.92
80.5	7,118		0.0000	1.0000	68.92
81.5	7,118		0.0000	1.0000	68.92
82.5	6,482		0.0000	1.0000	68.92
83.5	6,292		0.0000	1.0000	68.92
84.5	5,641		0.0000	1.0000	68.92
85.5	4,355		0.0000	1.0000	68.92
86.5	4,355		0.0000	1.0000	68.92
87.5	4,355		0.0000	1.0000	68.92
88.5	3,753		0.0000	1.0000	68.92
89.5	3,753		0.0000	1.0000	68.92
90.5	3,753		0.0000	1.0000	68.92
91.5	3,318		0.0000	1.0000	68.92
92.5	511		0.0000	1.0000	68.92
93.5	511		0.0000	1.0000	68.92
94.5	511		0.0000	1.0000	68.92
95.5	511		0.0000	1.0000	68.92
96.5	511		0.0000	1.0000	68.92
97.5	126		0.0000	1.0000	68.92
98.5	126		0.0000	1.0000	68.92
99.5	30		0.0000	1.0000	68.92
100.5	30		0.0000	1.0000	68.92
101.5	30		0.0000	1.0000	68.92
102.5	30		0.0000	1.0000	68.92
103.5	30		0.0000	1.0000	68.92
104.5	30		0.0000	1.0000	68.92
105.5	30		0.0000	1.0000	68.92
106.5	30		0.0000	1.0000	68.92
107.5	30		0.0000	1.0000	68.92
108.5	30		0.0000	1.0000	68.92
109.5	30		0.0000	1.0000	68.92
110.5	30		0.0000	1.0000	68.92
111.5	30		0.0000	1.0000	68.92
112.5	30		0.0000	1.0000	68.92
113.5	30		0.0000	1.0000	68.92
114.5	30		0.0000	1.0000	68.92
115.5	30		0.0000	1.0000	68.92
116.5					68.92


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1883-2000 PLACEMENTS
IOWA 25-L1
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
10
20
30
40
50
60
70
80
AGE IN YEARS

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

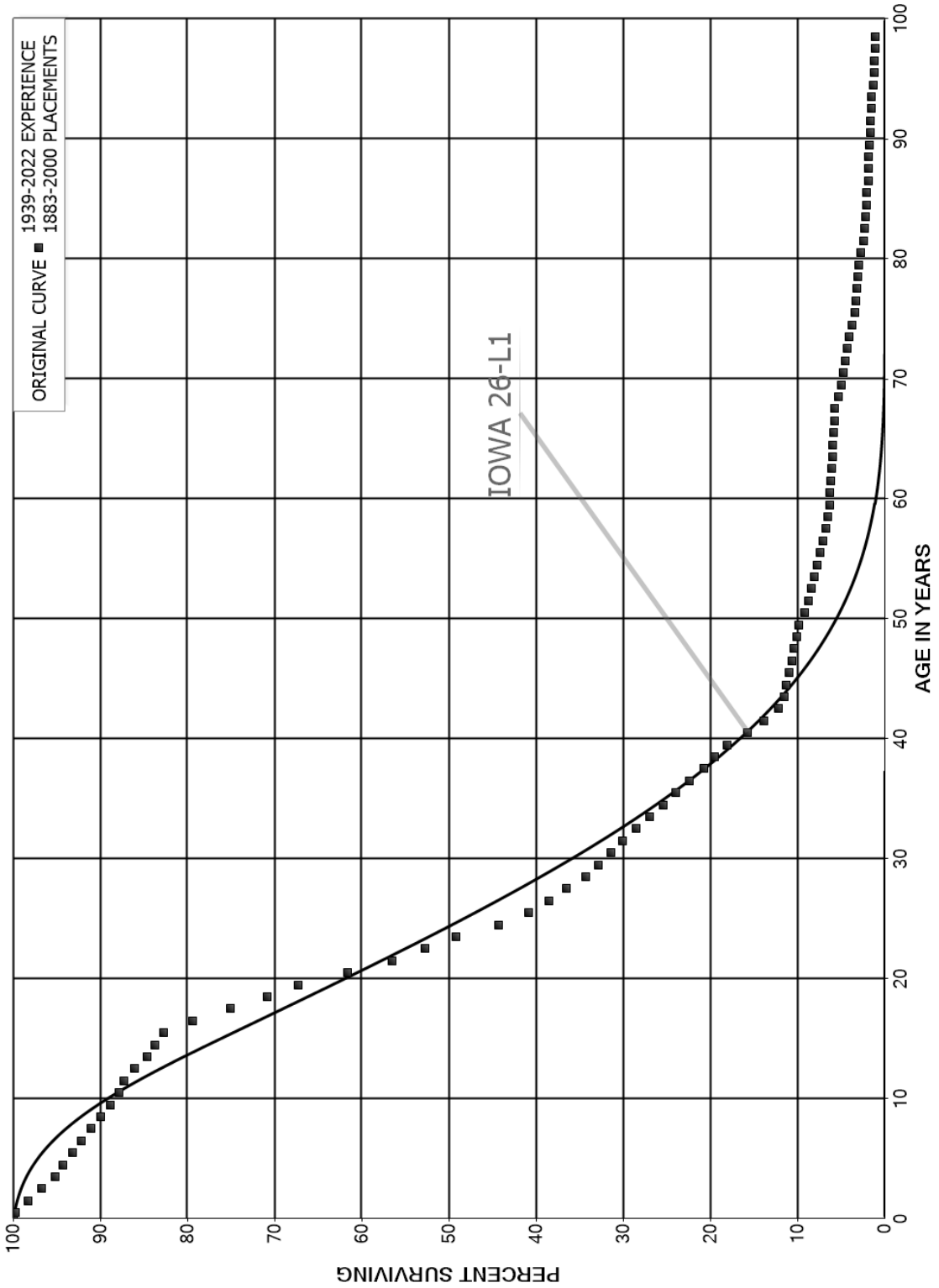
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	31,844,812	202,885	0.0064	0.9936	100.00
0.5	45,786,431	688,117	0.0150	0.9850	99.36
1.5	48,402,739	632,754	0.0131	0.9869	97.87
2.5	48,839,511	620,640	0.0127	0.9873	96.59
3.5	47,944,751	457,578	0.0095	0.9905	95.36
4.5	47,286,430	489,406	0.0103	0.9897	94.45
5.5	46,802,384	582,529	0.0124	0.9876	93.48
6.5	45,988,422	486,539	0.0106	0.9894	92.31
7.5	45,617,196	427,637	0.0094	0.9906	91.33
8.5	45,487,310	628,482	0.0138	0.9862	90.48
9.5	45,084,774	403,753	0.0090	0.9910	89.23
10.5	44,876,250	269,306	0.0060	0.9940	88.43
11.5	44,818,978	770,708	0.0172	0.9828	87.90
12.5	44,257,876	636,756	0.0144	0.9856	86.39
13.5	44,117,216	512,229	0.0116	0.9884	85.14
14.5	44,029,575	549,701	0.0125	0.9875	84.16
15.5	43,902,594	2,157,750	0.0491	0.9509	83.11
16.5	41,974,148	2,629,152	0.0626	0.9374	79.02
17.5	39,901,688	2,743,110	0.0687	0.9313	74.07
18.5	37,573,286	2,334,916	0.0621	0.9379	68.98
19.5	35,264,952	3,169,194	0.0899	0.9101	64.69
20.5	32,070,480	2,805,438	0.0875	0.9125	58.88
21.5	29,209,941	2,286,212	0.0783	0.9217	53.73
22.5	26,731,795	1,922,343	0.0719	0.9281	49.52
23.5	24,964,652	2,762,468	0.1107	0.8893	45.96
24.5	21,950,241	1,997,367	0.0910	0.9090	40.88
25.5	19,951,463	1,199,423	0.0601	0.9399	37.16
26.5	18,651,129	1,130,483	0.0606	0.9394	34.92
27.5	17,502,055	1,454,926	0.0831	0.9169	32.81
28.5	15,961,829	820,977	0.0514	0.9486	30.08
29.5	15,208,426	744,492	0.0490	0.9510	28.53
30.5	14,530,012	784,285	0.0540	0.9460	27.13
31.5	13,917,200	850,206	0.0611	0.9389	25.67
32.5	13,061,813	854,413	0.0654	0.9346	24.10
33.5	12,752,397	816,476	0.0640	0.9360	22.53
34.5	11,915,507	654,150	0.0549	0.9451	21.08
35.5	11,304,040	682,957	0.0604	0.9396	19.93
36.5	10,547,476	868,524	0.0823	0.9177	18.72
37.5	9,651,301	582,800	0.0604	0.9396	17.18
38.5	9,045,558	702,343	0.0776	0.9224	16.14

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,413,578	1,186,021	0.1410	0.8590	14.89
40.5	7,065,888	1,057,428	0.1497	0.8503	12.79
41.5	6,022,603	735,367	0.1221	0.8779	10.88
42.5	5,309,551	199,762	0.0376	0.9624	9.55
43.5	5,093,409	64,054	0.0126	0.9874	9.19
44.5	4,955,962	111,343	0.0225	0.9775	9.07
45.5	4,795,393	120,268	0.0251	0.9749	8.87
46.5	4,677,436	135,900	0.0291	0.9709	8.65
47.5	4,494,248	102,058	0.0227	0.9773	8.40
48.5	4,402,181	137,329	0.0312	0.9688	8.21
49.5	4,163,323	343,140	0.0824	0.9176	7.95
50.5	3,833,597	244,264	0.0637	0.9363	7.29
51.5	3,530,280	193,549	0.0548	0.9452	6.83
52.5	3,261,095	148,184	0.0454	0.9546	6.46
53.5	3,100,861	209,229	0.0675	0.9325	6.16
54.5	2,832,764	177,042	0.0625	0.9375	5.75
55.5	2,643,729	186,011	0.0704	0.9296	5.39
56.5	2,458,087	154,801	0.0630	0.9370	5.01
57.5	2,298,094	100,918	0.0439	0.9561	4.69
58.5	2,203,758	75,544	0.0343	0.9657	4.49
59.5	2,151,523	10,302	0.0048	0.9952	4.33
60.5	2,107,968	18,901	0.0090	0.9910	4.31
61.5	2,078,489	25,609	0.0123	0.9877	4.27
62.5	2,045,618	7,548	0.0037	0.9963	4.22
63.5	2,032,102	6,686	0.0033	0.9967	4.20
64.5	2,017,317	15,884	0.0079	0.9921	4.19
65.5	1,988,198	25,929	0.0130	0.9870	4.16
66.5	1,897,186	20,595	0.0109	0.9891	4.10
67.5	1,816,950	102,944	0.0567	0.9433	4.06
68.5	1,726,224	46,565	0.0270	0.9730	3.83
69.5	1,682,132	71,407	0.0425	0.9575	3.73
70.5	1,613,730	51,432	0.0319	0.9681	3.57
71.5	1,545,627	45,220	0.0293	0.9707	3.45
72.5	1,486,214	147,087	0.0990	0.9010	3.35
73.5	1,274,556	159,815	0.1254	0.8746	3.02
74.5	1,099,970	105,689	0.0961	0.9039	2.64
75.5	981,332	41,168	0.0420	0.9580	2.39
76.5	975,838	89,654	0.0919	0.9081	2.29
77.5	885,137	46,301	0.0523	0.9477	2.08
78.5	836,414	26,773	0.0320	0.9680	1.97

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	772,900	26,291	0.0340	0.9660	1.91
80.5	710,585	24,657	0.0347	0.9653	1.84
81.5	713,349	47,192	0.0662	0.9338	1.78
82.5	669,219	33,258	0.0497	0.9503	1.66
83.5	624,624	22,017	0.0352	0.9648	1.58
84.5	574,500	14,966	0.0261	0.9739	1.52
85.5	549,063	25,377	0.0462	0.9538	1.48
86.5	498,654	18,683	0.0375	0.9625	1.41
87.5	479,010	4,637	0.0097	0.9903	1.36
88.5	473,346	18,778	0.0397	0.9603	1.35
89.5	451,623	10,763	0.0238	0.9762	1.29
90.5	417,947	26,872	0.0643	0.9357	1.26
91.5	369,000	23,757	0.0644	0.9356	1.18
92.5	312,532	9,659	0.0309	0.9691	1.11
93.5	275,503	67,790	0.2461	0.7539	1.07
94.5	229,150	15,682	0.0684	0.9316	0.81
95.5	221,158	11,379	0.0515	0.9485	0.75
96.5	200,423	13,346	0.0666	0.9334	0.71
97.5	180,518	12,308	0.0682	0.9318	0.67
98.5	156,695	17,619	0.1124	0.8876	0.62
99.5	100,906	4,079	0.0404	0.9596	0.55
100.5	102,122	7	0.0001	0.9999	0.53
101.5	79,470	6,877	0.0865	0.9135	0.53
102.5	62,885	6,511	0.1035	0.8965	0.48
103.5	63,929	996	0.0156	0.9844	0.43
104.5	60,322	1,747	0.0290	0.9710	0.43
105.5	50,669	1,709	0.0337	0.9663	0.41
106.5	47,447	3,261	0.0687	0.9313	0.40
107.5	41,100	1,555	0.0378	0.9622	0.37
108.5	31,833		0.0000	1.0000	0.36
109.5	17,222		0.0000	1.0000	0.36
110.5	2,610		0.0000	1.0000	0.36
111.5	14,612		0.0000	1.0000	0.36
112.5	14,612		0.0000	1.0000	0.36
113.5	14,612		0.0000	1.0000	0.36
114.5	14,612		0.0000	1.0000	0.36
115.5	14,612		0.0000	1.0000	0.36
116.5					0.36


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1883-2000 PLACEMENTS
IOWA 26-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
10
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30
40
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60
70
80
90
100

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

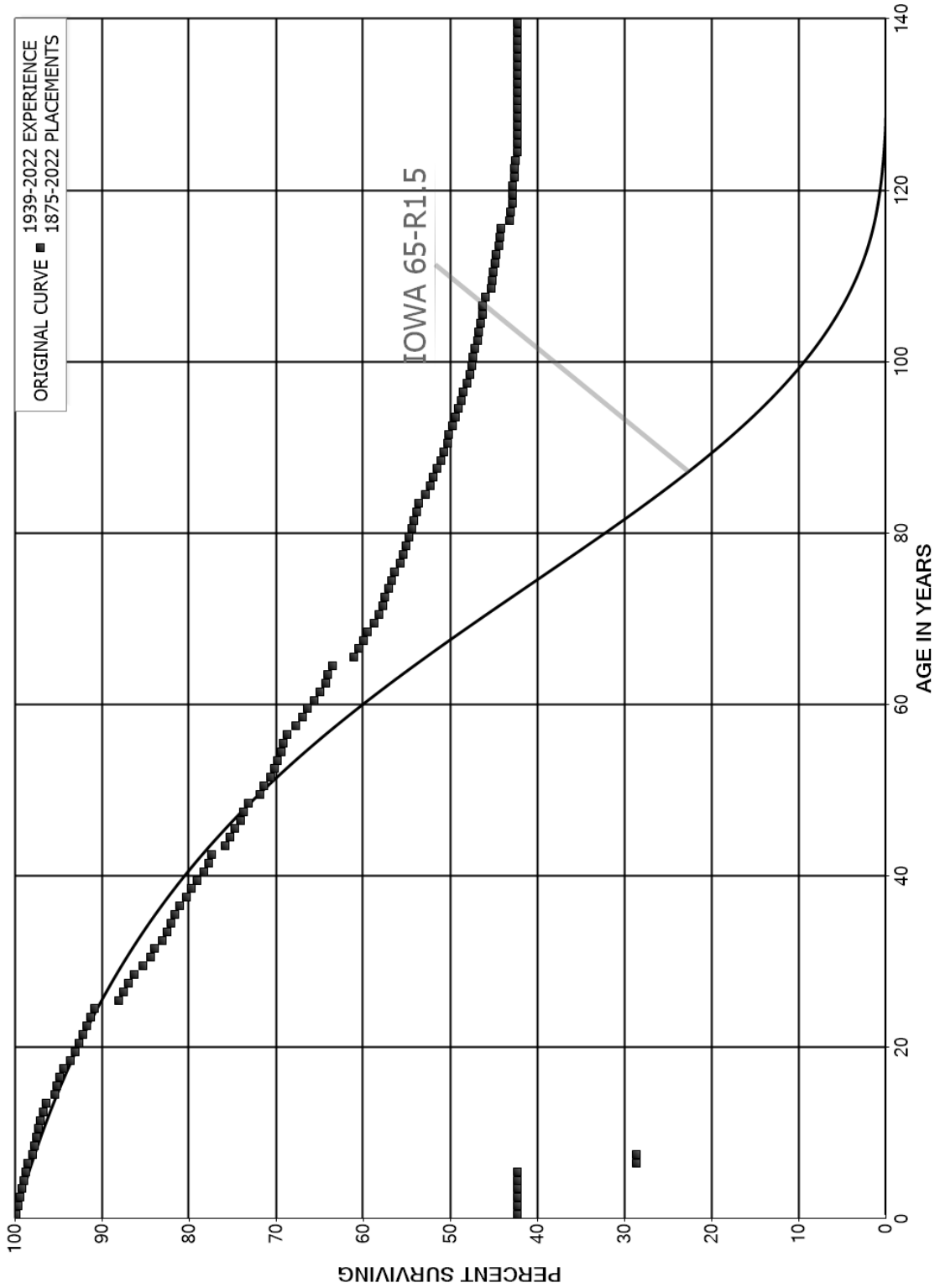
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,722,263	29,152	0.0027	0.9973	100.00
0.5	14,676,310	218,602	0.0149	0.9851	99.73
1.5	15,234,179	240,542	0.0158	0.9842	98.24
2.5	15,063,931	238,011	0.0158	0.9842	96.69
3.5	14,788,426	129,013	0.0087	0.9913	95.16
4.5	14,650,780	183,532	0.0125	0.9875	94.33
5.5	14,317,288	158,492	0.0111	0.9889	93.15
6.5	14,078,555	160,356	0.0114	0.9886	92.12
7.5	13,999,258	167,826	0.0120	0.9880	91.07
8.5	14,072,579	185,669	0.0132	0.9868	89.98
9.5	14,044,442	145,678	0.0104	0.9896	88.79
10.5	14,074,492	89,489	0.0064	0.9936	87.87
11.5	14,147,180	207,120	0.0146	0.9854	87.31
12.5	14,028,483	224,733	0.0160	0.9840	86.03
13.5	13,958,201	157,933	0.0113	0.9887	84.66
14.5	13,985,277	155,399	0.0111	0.9889	83.70
15.5	13,952,236	572,086	0.0410	0.9590	82.77
16.5	13,455,055	739,386	0.0550	0.9450	79.37
17.5	12,901,825	709,957	0.0550	0.9450	75.01
18.5	12,276,322	623,986	0.0508	0.9492	70.88
19.5	11,767,226	990,668	0.0842	0.9158	67.28
20.5	10,849,885	895,059	0.0825	0.9175	61.62
21.5	10,059,379	681,227	0.0677	0.9323	56.53
22.5	9,377,562	632,172	0.0674	0.9326	52.71
23.5	8,790,641	880,398	0.1002	0.8998	49.15
24.5	7,900,443	600,665	0.0760	0.9240	44.23
25.5	7,344,477	416,013	0.0566	0.9434	40.87
26.5	6,898,937	367,766	0.0533	0.9467	38.55
27.5	6,553,016	405,204	0.0618	0.9382	36.50
28.5	6,133,380	255,035	0.0416	0.9584	34.24
29.5	5,929,241	247,265	0.0417	0.9583	32.82
30.5	5,721,654	247,806	0.0433	0.9567	31.45
31.5	5,476,099	279,812	0.0511	0.9489	30.09
32.5	5,173,288	286,063	0.0553	0.9447	28.55
33.5	4,875,624	284,686	0.0584	0.9416	26.97
34.5	4,603,811	269,184	0.0585	0.9415	25.40
35.5	4,368,541	269,874	0.0618	0.9382	23.91
36.5	4,082,290	307,368	0.0753	0.9247	22.43
37.5	3,749,256	220,269	0.0588	0.9412	20.74
38.5	3,537,660	255,971	0.0724	0.9276	19.53

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,304,936	435,654	0.1318	0.8682	18.11
40.5	2,854,525	343,703	0.1204	0.8796	15.73
41.5	2,510,751	296,577	0.1181	0.8819	13.83
42.5	2,221,918	126,361	0.0569	0.9431	12.20
43.5	2,072,809	42,055	0.0203	0.9797	11.50
44.5	2,014,176	58,765	0.0292	0.9708	11.27
45.5	1,932,860	64,819	0.0335	0.9665	10.94
46.5	1,872,541	38,670	0.0207	0.9793	10.58
47.5	1,815,500	42,221	0.0233	0.9767	10.36
48.5	1,766,430	57,139	0.0323	0.9677	10.12
49.5	1,681,835	105,463	0.0627	0.9373	9.79
50.5	1,580,417	74,737	0.0473	0.9527	9.17
51.5	1,488,429	50,560	0.0340	0.9660	8.74
52.5	1,420,747	56,872	0.0400	0.9600	8.44
53.5	1,352,471	65,700	0.0486	0.9514	8.11
54.5	1,263,237	51,422	0.0407	0.9593	7.71
55.5	1,198,970	57,819	0.0482	0.9518	7.40
56.5	1,141,148	52,214	0.0458	0.9542	7.04
57.5	1,097,964	35,288	0.0321	0.9679	6.72
58.5	1,063,541	27,333	0.0257	0.9743	6.50
59.5	1,034,136	13,286	0.0128	0.9872	6.34
60.5	1,019,158	10,190	0.0100	0.9900	6.25
61.5	1,003,676	22,231	0.0222	0.9778	6.19
62.5	983,349	9,139	0.0093	0.9907	6.06
63.5	971,469	12,474	0.0128	0.9872	6.00
64.5	954,079	13,224	0.0139	0.9861	5.92
65.5	936,839	12,733	0.0136	0.9864	5.84
66.5	881,505	9,326	0.0106	0.9894	5.76
67.5	824,082	62,268	0.0756	0.9244	5.70
68.5	782,242	41,068	0.0525	0.9475	5.27
69.5	737,109	37,770	0.0512	0.9488	4.99
70.5	699,236	36,376	0.0520	0.9480	4.74
71.5	648,731	23,116	0.0356	0.9644	4.49
72.5	621,199	36,098	0.0581	0.9419	4.33
73.5	543,497	44,464	0.0818	0.9182	4.08
74.5	485,517	39,088	0.0805	0.9195	3.74
75.5	442,168	19,050	0.0431	0.9569	3.44
76.5	433,081	16,769	0.0387	0.9613	3.29
77.5	414,470	12,393	0.0299	0.9701	3.17
78.5	398,457	14,108	0.0354	0.9646	3.07

PLACEMENT BAND 1883-2000 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	373,568	32,891	0.0880	0.9120	2.96
80.5	325,652	31,813	0.0977	0.9023	2.70
81.5	301,450	23,855	0.0791	0.9209	2.44
82.5	280,831	11,732	0.0418	0.9582	2.25
83.5	265,668	12,195	0.0459	0.9541	2.15
84.5	241,709	4,101	0.0170	0.9830	2.05
85.5	233,170	14,971	0.0642	0.9358	2.02
86.5	212,575	3,396	0.0160	0.9840	1.89
87.5	203,054	4,069	0.0200	0.9800	1.86
88.5	198,936	11,600	0.0583	0.9417	1.82
89.5	185,660	7,505	0.0404	0.9596	1.72
90.5	170,537	2,104	0.0123	0.9877	1.65
91.5	162,196	8,165	0.0503	0.9497	1.63
92.5	124,626	3,818	0.0306	0.9694	1.54
93.5	97,826	16,154	0.1651	0.8349	1.50
94.5	101,161	8,042	0.0795	0.9205	1.25
95.5	97,149	905	0.0093	0.9907	1.15
96.5	90,846	7,124	0.0784	0.9216	1.14
97.5	83,244	2,892	0.0347	0.9653	1.05
98.5	75,272	8,870	0.1178	0.8822	1.01
99.5	39,734	643	0.0162	0.9838	0.89
100.5	37,590	3,197	0.0850	0.9150	0.88
101.5	26,449	1,722	0.0651	0.9349	0.80
102.5	21,546	1,090	0.0506	0.9494	0.75
103.5	24,401		0.0000	1.0000	0.71
104.5	21,289	16	0.0008	0.9992	0.71
105.5	17,029	280	0.0165	0.9835	0.71
106.5	18,230	605	0.0332	0.9668	0.70
107.5	16,028	323	0.0202	0.9798	0.68
108.5	11,283		0.0000	1.0000	0.66
109.5	7,197		0.0000	1.0000	0.66
110.5	3,112		0.0000	1.0000	0.66
111.5	4,085		0.0000	1.0000	0.66
112.5	4,085		0.0000	1.0000	0.66
113.5	4,085		0.0000	1.0000	0.66
114.5	4,085		0.0000	1.0000	0.66
115.5	4,085		0.0000	1.0000	0.66
116.5					0.66


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1875-2022 PLACEMENTS
IOWA 65-R1.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	91,425,377	113,969	0.0012	0.9988	100.00
0.5	83,533,509	242,749	0.0029	0.9971	99.88
1.5	84,404,402	170,681	0.0020	0.9980	99.59
2.5	80,493,950	200,711	0.0025	0.9975	99.38
3.5	76,736,369	128,872	0.0017	0.9983	99.14
4.5	74,272,463	183,709	0.0025	0.9975	98.97
5.5	74,802,987	167,344	0.0022	0.9978	98.72
6.5	75,442,074	391,805	0.0052	0.9948	98.50
7.5	74,558,751	199,004	0.0027	0.9973	97.99
8.5	72,620,179	169,283	0.0023	0.9977	97.73
9.5	69,665,682	139,112	0.0020	0.9980	97.50
10.5	65,814,349	148,409	0.0023	0.9977	97.31
11.5	61,220,782	229,600	0.0038	0.9962	97.09
12.5	60,680,370	215,740	0.0036	0.9964	96.72
13.5	58,319,938	616,430	0.0106	0.9894	96.38
14.5	56,259,889	131,096	0.0023	0.9977	95.36
15.5	54,435,564	180,710	0.0033	0.9967	95.14
16.5	53,522,451	239,049	0.0045	0.9955	94.82
17.5	52,159,988	446,101	0.0086	0.9914	94.40
18.5	51,641,942	271,967	0.0053	0.9947	93.59
19.5	48,980,583	278,842	0.0057	0.9943	93.10
20.5	47,506,999	222,668	0.0047	0.9953	92.57
21.5	47,946,812	223,035	0.0047	0.9953	92.14
22.5	46,599,512	191,715	0.0041	0.9959	91.71
23.5	45,376,049	263,638	0.0058	0.9942	91.33
24.5	45,037,595	1,336,653	0.0297	0.9703	90.80
25.5	41,941,597	264,700	0.0063	0.9937	88.10
26.5	40,650,506	257,165	0.0063	0.9937	87.55
27.5	39,838,426	315,394	0.0079	0.9921	87.00
28.5	33,290,386	410,868	0.0123	0.9877	86.31
29.5	32,828,398	311,161	0.0095	0.9905	85.24
30.5	30,648,735	186,269	0.0061	0.9939	84.43
31.5	29,358,070	296,809	0.0101	0.9899	83.92
32.5	28,389,254	191,730	0.0068	0.9932	83.07
33.5	27,938,384	166,089	0.0059	0.9941	82.51
34.5	25,494,708	136,790	0.0054	0.9946	82.02
35.5	25,237,185	147,122	0.0058	0.9942	81.58
36.5	24,249,258	228,685	0.0094	0.9906	81.10
37.5	21,989,592	159,031	0.0072	0.9928	80.34
38.5	21,185,110	181,698	0.0086	0.9914	79.76

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1939-2022

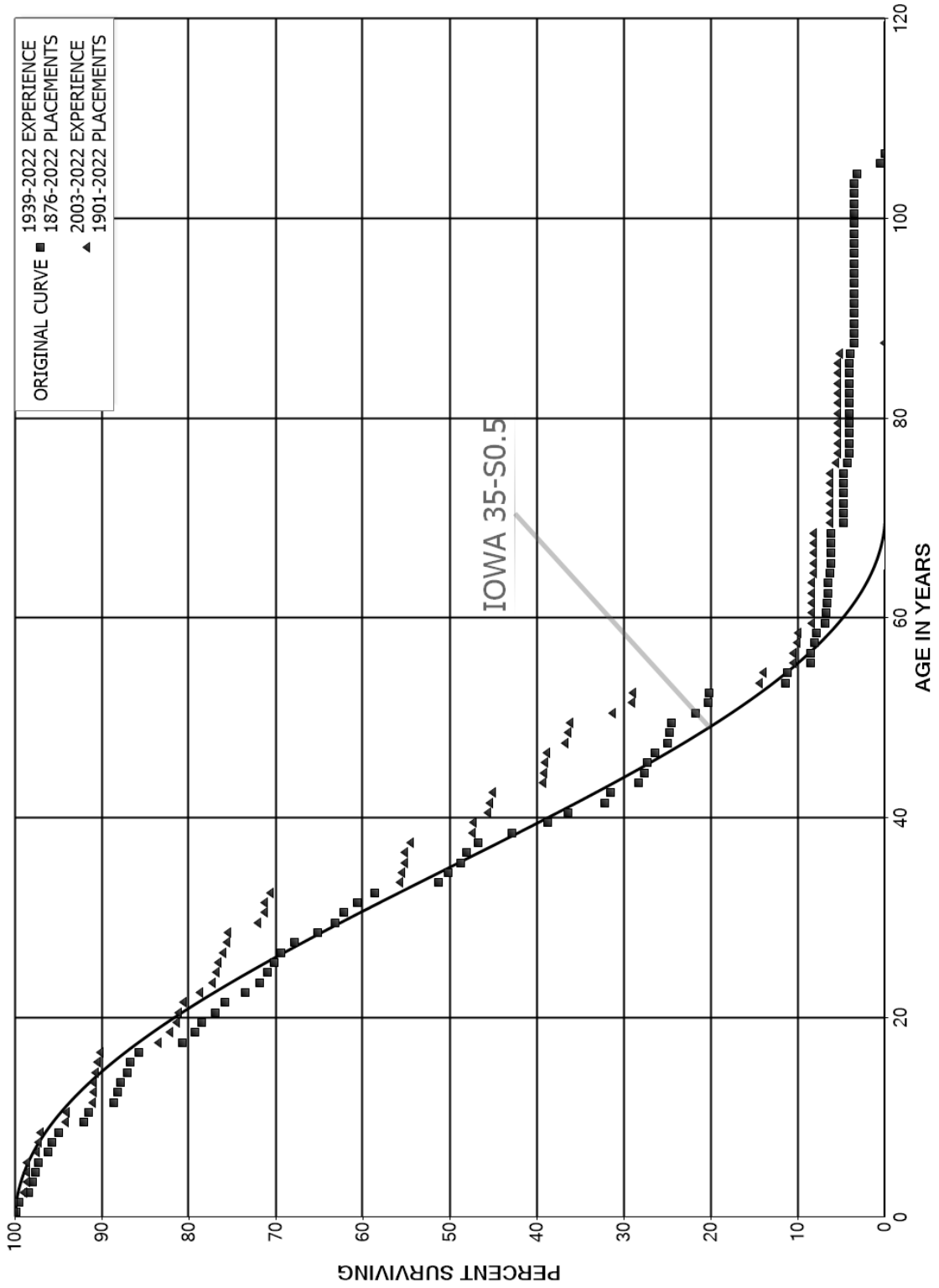
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,629,994	210,131	0.0102	0.9898	79.07
40.5	19,081,498	127,067	0.0067	0.9933	78.27
41.5	18,561,281	96,641	0.0052	0.9948	77.75
42.5	17,521,237	330,679	0.0189	0.9811	77.34
43.5	16,637,179	132,848	0.0080	0.9920	75.88
44.5	15,847,058	107,784	0.0068	0.9932	75.28
45.5	14,607,207	128,570	0.0088	0.9912	74.77
46.5	13,917,651	78,612	0.0056	0.9944	74.11
47.5	12,810,082	89,759	0.0070	0.9930	73.69
48.5	12,041,864	215,174	0.0179	0.9821	73.17
49.5	11,254,843	68,939	0.0061	0.9939	71.86
50.5	9,886,119	112,255	0.0114	0.9886	71.42
51.5	9,261,488	63,957	0.0069	0.9931	70.61
52.5	9,010,594	37,036	0.0041	0.9959	70.13
53.5	8,353,251	50,980	0.0061	0.9939	69.84
54.5	8,072,445	32,900	0.0041	0.9959	69.41
55.5	7,780,684	43,912	0.0056	0.9944	69.13
56.5	7,541,209	114,743	0.0152	0.9848	68.74
57.5	7,218,370	73,851	0.0102	0.9898	67.69
58.5	6,893,408	67,184	0.0097	0.9903	67.00
59.5	6,544,838	75,441	0.0115	0.9885	66.35
60.5	6,348,352	59,467	0.0094	0.9906	65.58
61.5	6,103,125	59,911	0.0098	0.9902	64.97
62.5	5,814,329	24,757	0.0043	0.9957	64.33
63.5	5,439,155	45,537	0.0084	0.9916	64.06
64.5	5,179,308	203,952	0.0394	0.9606	63.52
65.5	4,482,791	41,735	0.0093	0.9907	61.02
66.5	4,084,082	34,657	0.0085	0.9915	60.45
67.5	4,008,484	28,639	0.0071	0.9929	59.94
68.5	3,928,321	53,030	0.0135	0.9865	59.51
69.5	3,677,561	31,389	0.0085	0.9915	58.71
70.5	3,552,468	30,588	0.0086	0.9914	58.21
71.5	3,545,212	14,182	0.0040	0.9960	57.70
72.5	3,387,863	24,210	0.0071	0.9929	57.47
73.5	3,267,110	19,458	0.0060	0.9940	57.06
74.5	3,233,541	16,145	0.0050	0.9950	56.72
75.5	3,136,087	36,908	0.0118	0.9882	56.44
76.5	3,026,451	19,143	0.0063	0.9937	55.78
77.5	2,898,998	21,366	0.0074	0.9926	55.42
78.5	2,743,217	15,769	0.0057	0.9943	55.01

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,645,614	14,723	0.0056	0.9944	54.70
80.5	2,572,260	8,680	0.0034	0.9966	54.39
81.5	2,364,891	18,092	0.0077	0.9923	54.21
82.5	2,271,124	8,984	0.0040	0.9960	53.79
83.5	2,186,083	32,497	0.0149	0.9851	53.58
84.5	2,065,580	18,857	0.0091	0.9909	52.79
85.5	2,030,611	14,265	0.0070	0.9930	52.30
86.5	2,017,296	17,361	0.0086	0.9914	51.94
87.5	1,991,547	17,993	0.0090	0.9910	51.49
88.5	1,960,634	11,611	0.0059	0.9941	51.02
89.5	1,936,259	16,920	0.0087	0.9913	50.72
90.5	1,898,154	5,121	0.0027	0.9973	50.28
91.5	1,852,124	13,894	0.0075	0.9925	50.14
92.5	1,789,967	12,124	0.0068	0.9932	49.77
93.5	1,739,672	10,943	0.0063	0.9937	49.43
94.5	1,688,397	12,311	0.0073	0.9927	49.12
95.5	1,711,650	9,258	0.0054	0.9946	48.76
96.5	1,699,771	16,819	0.0099	0.9901	48.50
97.5	1,612,940	9,768	0.0061	0.9939	48.02
98.5	1,645,946	8,205	0.0050	0.9950	47.73
99.5	1,730,998	4,186	0.0024	0.9976	47.49
100.5	1,606,797	6,576	0.0041	0.9959	47.37
101.5	1,488,223	10,969	0.0074	0.9926	47.18
102.5	1,443,100	4,918	0.0034	0.9966	46.83
103.5	1,416,012	6,308	0.0045	0.9955	46.67
104.5	1,286,174	4,503	0.0035	0.9965	46.46
105.5	1,102,761	864	0.0008	0.9992	46.30
106.5	1,074,210	8,539	0.0079	0.9921	46.27
107.5	1,033,351	13,506	0.0131	0.9869	45.90
108.5	984,293	2,150	0.0022	0.9978	45.30
109.5	867,580	2,497	0.0029	0.9971	45.20
110.5	792,969	3,364	0.0042	0.9958	45.07
111.5	863,045	2,796	0.0032	0.9968	44.88
112.5	829,076	6,313	0.0076	0.9924	44.73
113.5	797,977	1,663	0.0021	0.9979	44.39
114.5	706,684	1,878	0.0027	0.9973	44.30
115.5	598,268	13,795	0.0231	0.9769	44.18
116.5	565,838	1,758	0.0031	0.9969	43.16
117.5	457,283	1,606	0.0035	0.9965	43.03
118.5	409,358	694	0.0017	0.9983	42.88

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	344,632		0.0000	1.0000	42.80
120.5	281,884	1,229	0.0044	0.9956	42.80
121.5	202,974	102	0.0005	0.9995	42.62
122.5	155,713	187	0.0012	0.9988	42.60
123.5	110,141	648	0.0059	0.9941	42.55
124.5	80,892		0.0000	1.0000	42.30
125.5	74,292		0.0000	1.0000	42.30
126.5	71,478		0.0000	1.0000	42.30
127.5	63,704		0.0000	1.0000	42.30
128.5	45,891		0.0000	1.0000	42.30
129.5	41,295		0.0000	1.0000	42.30
130.5	38,792		0.0000	1.0000	42.30
131.5	38,652		0.0000	1.0000	42.30
132.5	2,176		0.0000	1.0000	42.30
133.5	1,024		0.0000	1.0000	42.30
134.5	1,024		0.0000	1.0000	42.30
135.5	1,024		0.0000	1.0000	42.30
136.5	502		0.0000	1.0000	42.30
137.5	502		0.0000	1.0000	42.30
138.5	502		0.0000	1.0000	42.30
139.5	502		0.0000	1.0000	42.30
140.5	502		0.0000	1.0000	42.30
141.5	502		0.0000	1.0000	42.30
142.5	502		0.0000	1.0000	42.30
143.5	502		0.0000	1.0000	42.30
144.5	502		0.0000	1.0000	42.30
145.5	502	163	0.3241	0.6759	42.30
146.5	339		0.0000	1.0000	28.59
147.5					28.59


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE 1876-2022 PLACEMENTS
▲ 2003-2022 EXPERIENCE 1901-2022 PLACEMENTS
IOWA 35-S0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1876-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	63,331,221	116,507	0.0018	0.9982	100.00
0.5	58,597,917	201,735	0.0034	0.9966	99.82
1.5	51,001,041	554,113	0.0109	0.9891	99.47
2.5	43,912,098	186,744	0.0043	0.9957	98.39
3.5	43,941,608	184,477	0.0042	0.9958	97.97
4.5	45,641,030	151,782	0.0033	0.9967	97.56
5.5	44,241,974	475,509	0.0107	0.9893	97.24
6.5	43,470,288	228,469	0.0053	0.9947	96.19
7.5	42,849,001	332,362	0.0078	0.9922	95.69
8.5	42,510,688	1,265,888	0.0298	0.9702	94.94
9.5	41,007,571	249,394	0.0061	0.9939	92.12
10.5	40,717,004	1,327,798	0.0326	0.9674	91.56
11.5	36,866,335	172,717	0.0047	0.9953	88.57
12.5	34,338,417	119,084	0.0035	0.9965	88.16
13.5	29,790,332	248,133	0.0083	0.9917	87.85
14.5	27,393,899	128,712	0.0047	0.9953	87.12
15.5	22,205,007	247,526	0.0111	0.9889	86.71
16.5	19,518,960	1,150,501	0.0589	0.9411	85.74
17.5	17,153,099	294,400	0.0172	0.9828	80.69
18.5	16,209,786	153,433	0.0095	0.9905	79.30
19.5	14,581,165	289,671	0.0199	0.9801	78.55
20.5	7,678,150	118,975	0.0155	0.9845	76.99
21.5	7,555,902	225,144	0.0298	0.9702	75.80
22.5	7,253,762	166,100	0.0229	0.9771	73.54
23.5	6,911,423	81,638	0.0118	0.9882	71.86
24.5	6,736,786	84,204	0.0125	0.9875	71.01
25.5	6,423,585	62,097	0.0097	0.9903	70.12
26.5	6,097,360	136,477	0.0224	0.9776	69.44
27.5	4,478,135	177,396	0.0396	0.9604	67.89
28.5	4,223,858	133,926	0.0317	0.9683	65.20
29.5	4,058,927	62,208	0.0153	0.9847	63.13
30.5	4,049,889	100,154	0.0247	0.9753	62.16
31.5	3,930,965	131,400	0.0334	0.9666	60.63
32.5	3,566,548	445,935	0.1250	0.8750	58.60
33.5	3,170,738	68,145	0.0215	0.9785	51.27
34.5	3,034,321	87,618	0.0289	0.9711	50.17
35.5	2,970,186	41,266	0.0139	0.9861	48.72
36.5	2,915,905	81,541	0.0280	0.9720	48.05
37.5	2,608,599	217,085	0.0832	0.9168	46.70
38.5	2,384,624	230,268	0.0966	0.9034	42.82

PLACEMENT BAND 1876-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,965,168	115,746	0.0589	0.9411	38.68
40.5	1,642,196	190,165	0.1158	0.8842	36.40
41.5	1,614,936	35,793	0.0222	0.9778	32.19
42.5	1,572,577	157,252	0.1000	0.9000	31.47
43.5	1,403,371	37,458	0.0267	0.9733	28.33
44.5	1,349,755	14,540	0.0108	0.9892	27.57
45.5	1,301,327	44,399	0.0341	0.9659	27.27
46.5	1,253,051	64,595	0.0516	0.9484	26.34
47.5	1,189,629	11,311	0.0095	0.9905	24.99
48.5	746,399	6,999	0.0094	0.9906	24.75
49.5	738,401	82,928	0.1123	0.8877	24.52
50.5	653,580	44,275	0.0677	0.9323	21.76
51.5	428,920	1,614	0.0038	0.9962	20.29
52.5	414,446	180,110	0.4346	0.5654	20.21
53.5	229,204	5,291	0.0231	0.9769	11.43
54.5	223,362	52,512	0.2351	0.7649	11.16
55.5	170,850	1,740	0.0102	0.9898	8.54
56.5	169,110	7,035	0.0416	0.9584	8.45
57.5	162,120	4,647	0.0287	0.9713	8.10
58.5	157,053	20,801	0.1324	0.8676	7.87
59.5	133,351	1,359	0.0102	0.9898	6.83
60.5	131,663	3,817	0.0290	0.9710	6.76
61.5	127,899	173	0.0014	0.9986	6.56
62.5	127,796	726	0.0057	0.9943	6.55
63.5	126,970	5,067	0.0399	0.9601	6.52
64.5	121,892	494	0.0041	0.9959	6.26
65.5	116,028	235	0.0020	0.9980	6.23
66.5	81,718	61	0.0007	0.9993	6.22
67.5	80,913	45	0.0006	0.9994	6.21
68.5	80,897	19,014	0.2350	0.7650	6.21
69.5	9,135		0.0000	1.0000	4.75
70.5	9,391	13	0.0013	0.9987	4.75
71.5	9,378		0.0000	1.0000	4.74
72.5	5,737	71	0.0123	0.9877	4.74
73.5	2,026		0.0000	1.0000	4.68
74.5	5,361	470	0.0876	0.9124	4.68
75.5	4,586	212	0.0462	0.9538	4.27
76.5	4,669		0.0000	1.0000	4.08
77.5	4,669		0.0000	1.0000	4.08
78.5	4,384		0.0000	1.0000	4.08

PLACEMENT BAND 1876-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	4,384		0.0000	1.0000	4.08
80.5	4,129		0.0000	1.0000	4.08
81.5	4,129		0.0000	1.0000	4.08
82.5	4,129		0.0000	1.0000	4.08
83.5	4,129	4	0.0010	0.9990	4.08
84.5	953		0.0000	1.0000	4.07
85.5	953	17	0.0175	0.9825	4.07
86.5	631	72	0.1146	0.8854	4.00
87.5	559		0.0000	1.0000	3.54
88.5	559		0.0000	1.0000	3.54
89.5	559		0.0000	1.0000	3.54
90.5	559		0.0000	1.0000	3.54
91.5	559		0.0000	1.0000	3.54
92.5	559		0.0000	1.0000	3.54
93.5	559		0.0000	1.0000	3.54
94.5	559		0.0000	1.0000	3.54
95.5	559		0.0000	1.0000	3.54
96.5	559		0.0000	1.0000	3.54
97.5	559		0.0000	1.0000	3.54
98.5	559		0.0000	1.0000	3.54
99.5	559		0.0000	1.0000	3.54
100.5	559		0.0000	1.0000	3.54
101.5	559		0.0000	1.0000	3.54
102.5	559		0.0000	1.0000	3.54
103.5	559	55	0.0986	0.9014	3.54
104.5	504	429	0.8522	0.1478	3.19
105.5	74	74	1.0000		0.47
106.5					

PLACEMENT BAND 1901-2022 EXPERIENCE BAND 2003-2022

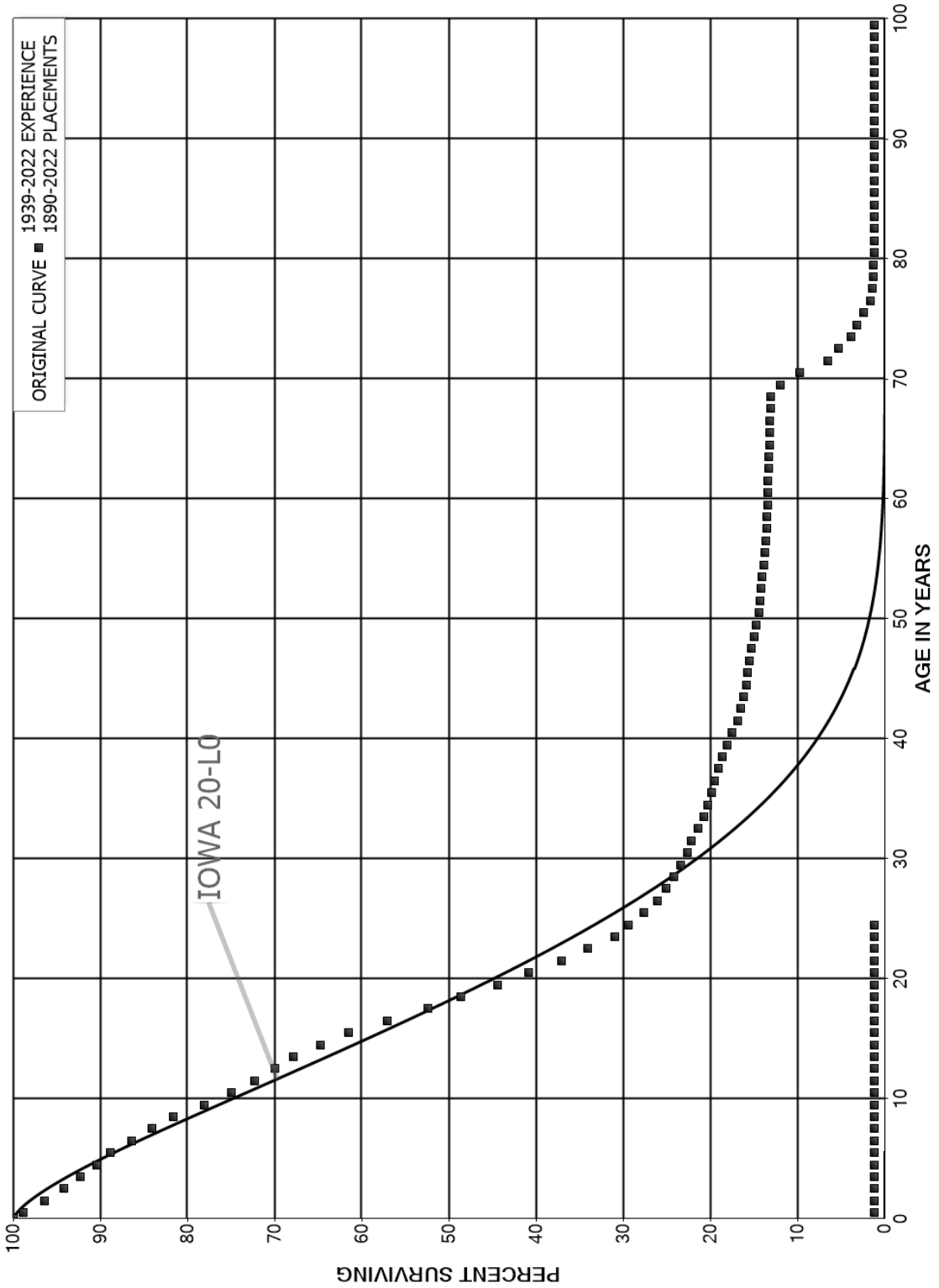
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	41,481,990		0.0000	1.0000	100.00
0.5	45,328,585	21,232	0.0005	0.9995	100.00
1.5	37,938,549	445,147	0.0117	0.9883	99.95
2.5	31,538,658	76,291	0.0024	0.9976	98.78
3.5	31,848,587	20,000	0.0006	0.9994	98.54
4.5	33,941,166		0.0000	1.0000	98.48
5.5	32,943,106	348,117	0.0106	0.9894	98.48
6.5	32,471,183	80,311	0.0025	0.9975	97.44
7.5	34,071,675	101,585	0.0030	0.9970	97.20
8.5	34,174,129	1,014,874	0.0297	0.9703	96.91
9.5	32,925,742	10,427	0.0003	0.9997	94.03
10.5	33,521,812	1,067,791	0.0319	0.9681	94.00
11.5	30,352,920	73,582	0.0024	0.9976	91.01
12.5	28,501,523	664	0.0000	1.0000	90.79
13.5	24,989,744	31,613	0.0013	0.9987	90.78
14.5	22,732,104	58,848	0.0026	0.9974	90.67
15.5	17,164,301	74,821	0.0044	0.9956	90.43
16.5	14,977,945	1,104,890	0.0738	0.9262	90.04
17.5	13,025,822	216,172	0.0166	0.9834	83.40
18.5	12,338,100	110,942	0.0090	0.9910	82.01
19.5	10,656,321	23,836	0.0022	0.9978	81.28
20.5	3,951,202	27,897	0.0071	0.9929	81.09
21.5	3,798,016	90,686	0.0239	0.9761	80.52
22.5	3,713,938	68,831	0.0185	0.9815	78.60
23.5	3,723,823	22,071	0.0059	0.9941	77.14
24.5	3,603,847	8,102	0.0022	0.9978	76.69
25.5	3,402,327	23,102	0.0068	0.9932	76.51
26.5	3,107,351	18,880	0.0061	0.9939	75.99
27.5	1,589,717	2,782	0.0018	0.9982	75.53
28.5	2,023,368	91,987	0.0455	0.9545	75.40
29.5	1,899,342	20,057	0.0106	0.9894	71.97
30.5	1,673,011	1,487	0.0009	0.9991	71.21
31.5	1,890,357	17,581	0.0093	0.9907	71.15
32.5	1,638,660	345,791	0.2110	0.7890	70.49
33.5	1,371,903	4,679	0.0034	0.9966	55.61
34.5	1,314,429	8,236	0.0063	0.9937	55.42
35.5	1,337,749	1,489	0.0011	0.9989	55.08
36.5	1,323,053	16,175	0.0122	0.9878	55.01
37.5	1,126,983	145,329	0.1290	0.8710	54.34
38.5	1,281,052	5,458	0.0043	0.9957	47.33

PLACEMENT BAND 1901-2022 EXPERIENCE BAND 2003-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,112,431	38,329	0.0345	0.9655	47.13
40.5	901,661	3,725	0.0041	0.9959	45.51
41.5	1,060,662	7,963	0.0075	0.9925	45.32
42.5	1,060,319	137,742	0.1299	0.8701	44.98
43.5	919,046	2,337	0.0025	0.9975	39.14
44.5	904,236	1,297	0.0014	0.9986	39.04
45.5	880,669	5,159	0.0059	0.9941	38.98
46.5	994,970	54,972	0.0552	0.9448	38.75
47.5	985,281	7,610	0.0077	0.9923	36.61
48.5	546,597	4,636	0.0085	0.9915	36.33
49.5	613,948	81,988	0.1335	0.8665	36.02
50.5	579,755	43,026	0.0742	0.9258	31.21
51.5	359,352	1,256	0.0035	0.9965	28.89
52.5	356,608	179,646	0.5038	0.4962	28.79
53.5	178,906	5,036	0.0281	0.9719	14.29
54.5	193,567	48,264	0.2493	0.7507	13.89
55.5	145,346	392	0.0027	0.9973	10.42
56.5	145,550	6,625	0.0455	0.9545	10.40
57.5	138,934	1,975	0.0142	0.9858	9.92
58.5	137,109	20,661	0.1507	0.8493	9.78
59.5	114,607	123	0.0011	0.9989	8.31
60.5	114,995	458	0.0040	0.9960	8.30
61.5	114,603	10	0.0001	0.9999	8.27
62.5	114,593	49	0.0004	0.9996	8.26
63.5	114,443	2,081	0.0182	0.9818	8.26
64.5	119,699		0.0000	1.0000	8.11
65.5	114,328	180	0.0016	0.9984	8.11
66.5	80,685		0.0000	1.0000	8.10
67.5	79,934		0.0000	1.0000	8.10
68.5	79,962	19,014	0.2378	0.7622	8.10
69.5	8,200		0.0000	1.0000	6.17
70.5	8,456	13	0.0015	0.9985	6.17
71.5	8,610		0.0000	1.0000	6.16
72.5	4,969		0.0000	1.0000	6.16
73.5	1,328		0.0000	1.0000	6.16
74.5	4,668	470	0.1006	0.8994	6.16
75.5	3,893	166	0.0427	0.9573	5.54
76.5	4,021		0.0000	1.0000	5.31
77.5	4,021		0.0000	1.0000	5.31
78.5	3,737		0.0000	1.0000	5.31

PLACEMENT BAND 1901-2022 EXPERIENCE BAND 2003-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,737		0.0000	1.0000	5.31
80.5	3,481		0.0000	1.0000	5.31
81.5	3,497		0.0000	1.0000	5.31
82.5	3,539		0.0000	1.0000	5.31
83.5	3,570	4	0.0012	0.9988	5.31
84.5	394		0.0000	1.0000	5.30
85.5	394	17	0.0422	0.9578	5.30
86.5	72	72	1.0000		5.08
87.5					
88.5					
89.5					
90.5					
91.5					
92.5					
93.5					
94.5					
95.5					
96.5					
97.5					
98.5					
99.5					
100.5	484		0.0000		
101.5	559		0.0000		
102.5	559		0.0000		
103.5	559	55	0.0986		
104.5	504	429	0.8522		
105.5	74	74	1.0000		
106.5					


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1890-2022 PLACEMENTS
IOWA 20-L0
PERCENT SURVIVING
AGE IN YEARS
100
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70
80
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100

PLACEMENT BAND 1890-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,145,903	157,113	0.0111	0.9889	100.00
0.5	14,607,352	371,412	0.0254	0.9746	98.89
1.5	13,488,997	307,485	0.0228	0.9772	96.37
2.5	12,376,813	248,698	0.0201	0.9799	94.18
3.5	13,149,196	270,237	0.0206	0.9794	92.29
4.5	12,885,590	225,729	0.0175	0.9825	90.39
5.5	12,650,126	338,608	0.0268	0.9732	88.81
6.5	12,395,765	336,531	0.0271	0.9729	86.43
7.5	12,027,979	359,482	0.0299	0.9701	84.08
8.5	11,649,794	506,576	0.0435	0.9565	81.57
9.5	11,122,114	432,994	0.0389	0.9611	78.02
10.5	10,653,065	375,766	0.0353	0.9647	74.98
11.5	10,130,210	327,911	0.0324	0.9676	72.34
12.5	9,772,455	303,056	0.0310	0.9690	70.00
13.5	8,422,262	384,348	0.0456	0.9544	67.83
14.5	8,004,486	403,300	0.0504	0.9496	64.73
15.5	7,552,183	542,426	0.0718	0.9282	61.47
16.5	6,916,935	566,911	0.0820	0.9180	57.06
17.5	6,262,858	444,218	0.0709	0.9291	52.38
18.5	5,733,662	500,615	0.0873	0.9127	48.66
19.5	5,080,927	411,102	0.0809	0.9191	44.42
20.5	4,480,776	415,794	0.0928	0.9072	40.82
21.5	4,157,201	337,937	0.0813	0.9187	37.03
22.5	3,789,662	340,787	0.0899	0.9101	34.02
23.5	3,441,944	175,357	0.0509	0.9491	30.96
24.5	3,224,697	196,760	0.0610	0.9390	29.39
25.5	2,990,820	160,227	0.0536	0.9464	27.59
26.5	2,794,344	111,305	0.0398	0.9602	26.11
27.5	2,680,066	91,377	0.0341	0.9659	25.07
28.5	2,473,306	89,352	0.0361	0.9639	24.22
29.5	2,363,993	73,854	0.0312	0.9688	23.34
30.5	2,250,576	49,016	0.0218	0.9782	22.62
31.5	2,042,691	64,053	0.0314	0.9686	22.12
32.5	1,872,050	61,664	0.0329	0.9671	21.43
33.5	1,759,081	37,085	0.0211	0.9789	20.72
34.5	1,603,777	39,863	0.0249	0.9751	20.29
35.5	1,526,739	23,145	0.0152	0.9848	19.78
36.5	1,399,410	28,379	0.0203	0.9797	19.48
37.5	1,310,062	34,989	0.0267	0.9733	19.09
38.5	1,169,594	32,842	0.0281	0.9719	18.58

PLACEMENT BAND 1890-2022 EXPERIENCE BAND 1939-2022

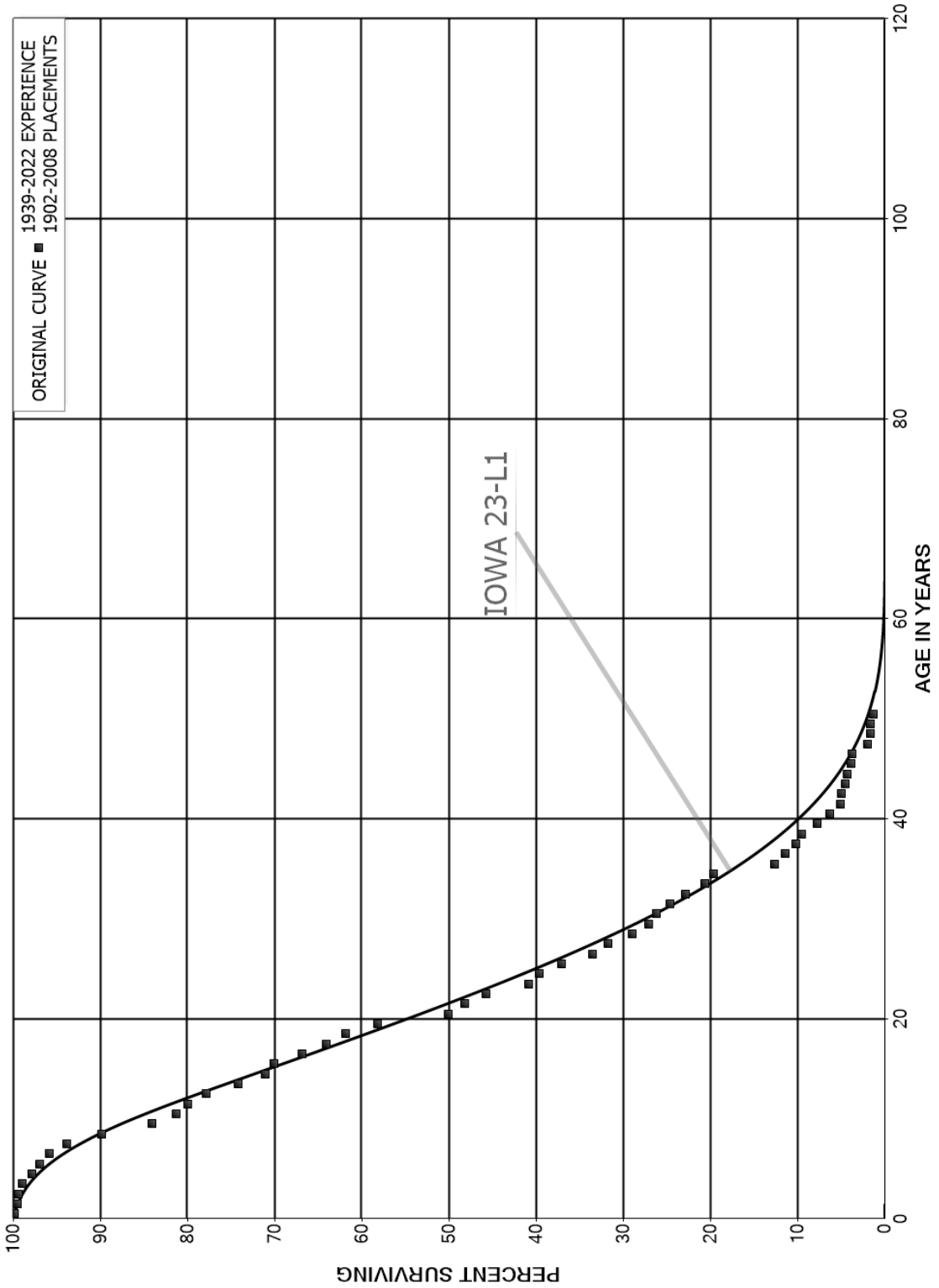
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,068,770	33,933	0.0317	0.9683	18.06
40.5	962,347	35,441	0.0368	0.9632	17.48
41.5	850,473	17,934	0.0211	0.9789	16.84
42.5	787,853	14,060	0.0178	0.9822	16.48
43.5	677,677	13,471	0.0199	0.9801	16.19
44.5	564,847	6,096	0.0108	0.9892	15.87
45.5	501,785	4,950	0.0099	0.9901	15.70
46.5	451,941	6,233	0.0138	0.9862	15.54
47.5	381,597	9,176	0.0240	0.9760	15.33
48.5	346,441	5,082	0.0147	0.9853	14.96
49.5	322,437	6,467	0.0201	0.9799	14.74
50.5	303,830	2,819	0.0093	0.9907	14.44
51.5	280,086	2,746	0.0098	0.9902	14.31
52.5	269,103	1,958	0.0073	0.9927	14.17
53.5	250,857	3,906	0.0156	0.9844	14.07
54.5	237,365	2,674	0.0113	0.9887	13.85
55.5	225,792	1,016	0.0045	0.9955	13.69
56.5	218,869	1,927	0.0088	0.9912	13.63
57.5	211,243	518	0.0025	0.9975	13.51
58.5	201,192	610	0.0030	0.9970	13.48
59.5	192,941	660	0.0034	0.9966	13.44
60.5	183,435	528	0.0029	0.9971	13.39
61.5	174,311	754	0.0043	0.9957	13.35
62.5	166,718	394	0.0024	0.9976	13.29
63.5	161,798	537	0.0033	0.9967	13.26
64.5	153,285	604	0.0039	0.9961	13.22
65.5	145,326	291	0.0020	0.9980	13.17
66.5	137,529	484	0.0035	0.9965	13.14
67.5	133,968	769	0.0057	0.9943	13.09
68.5	121,869	9,661	0.0793	0.9207	13.02
69.5	102,405	19,179	0.1873	0.8127	11.99
70.5	79,629	26,903	0.3379	0.6621	9.74
71.5	51,986	9,777	0.1881	0.8119	6.45
72.5	41,532	11,258	0.2711	0.7289	5.24
73.5	28,135	5,102	0.1814	0.8186	3.82
74.5	21,686	5,266	0.2428	0.7572	3.13
75.5	15,574	4,665	0.2995	0.7005	2.37
76.5	9,780	1,340	0.1370	0.8630	1.66
77.5	7,505	525	0.0700	0.9300	1.43
78.5	7,109	29	0.0041	0.9959	1.33

PLACEMENT BAND 1890-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	6,680	718	0.1075	0.8925	1.32
80.5	4,595	1	0.0001	0.9999	1.18
81.5	4,019	3	0.0009	0.9991	1.18
82.5	3,287		0.0000	1.0000	1.18
83.5	3,039	2	0.0008	0.9992	1.18
84.5	2,689	23	0.0084	0.9916	1.18
85.5	2,274		0.0000	1.0000	1.17
86.5	2,058	1	0.0007	0.9993	1.17
87.5	1,959		0.0000	1.0000	1.17
88.5	1,187		0.0000	1.0000	1.17
89.5	1,212		0.0000	1.0000	1.17
90.5	1,178		0.0000	1.0000	1.17
91.5	1,098		0.0000	1.0000	1.17
92.5	1,069		0.0000	1.0000	1.17
93.5	849		0.0000	1.0000	1.17
94.5	784		0.0000	1.0000	1.17
95.5	687		0.0000	1.0000	1.17
96.5	127		0.0000	1.0000	1.17
97.5	152		0.0000	1.0000	1.17
98.5	108		0.0000	1.0000	1.17
99.5	101		0.0000	1.0000	1.17
100.5	101		0.0000	1.0000	1.17
101.5	82		0.0000	1.0000	1.17
102.5	72		0.0000	1.0000	1.17
103.5	72		0.0000	1.0000	1.17
104.5	64		0.0000	1.0000	1.17
105.5	64		0.0000	1.0000	1.17
106.5	64		0.0000	1.0000	1.17
107.5	64		0.0000	1.0000	1.17
108.5	64		0.0000	1.0000	1.17
109.5	64		0.0000	1.0000	1.17
110.5	64		0.0000	1.0000	1.17
111.5	64		0.0000	1.0000	1.17
112.5	64		0.0000	1.0000	1.17
113.5	64		0.0000	1.0000	1.17
114.5	64		0.0000	1.0000	1.17
115.5	64		0.0000	1.0000	1.17
116.5	64		0.0000	1.0000	1.17
117.5	64		0.0000	1.0000	1.17
118.5	64		0.0000	1.0000	1.17

PLACEMENT BAND 1890-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	64		0.0000	1.0000	1.17
120.5	64		0.0000	1.0000	1.17
121.5	64		0.0000	1.0000	1.17
122.5	64		0.0000	1.0000	1.17
123.5	64		0.0000	1.0000	1.17
124.5					1.17

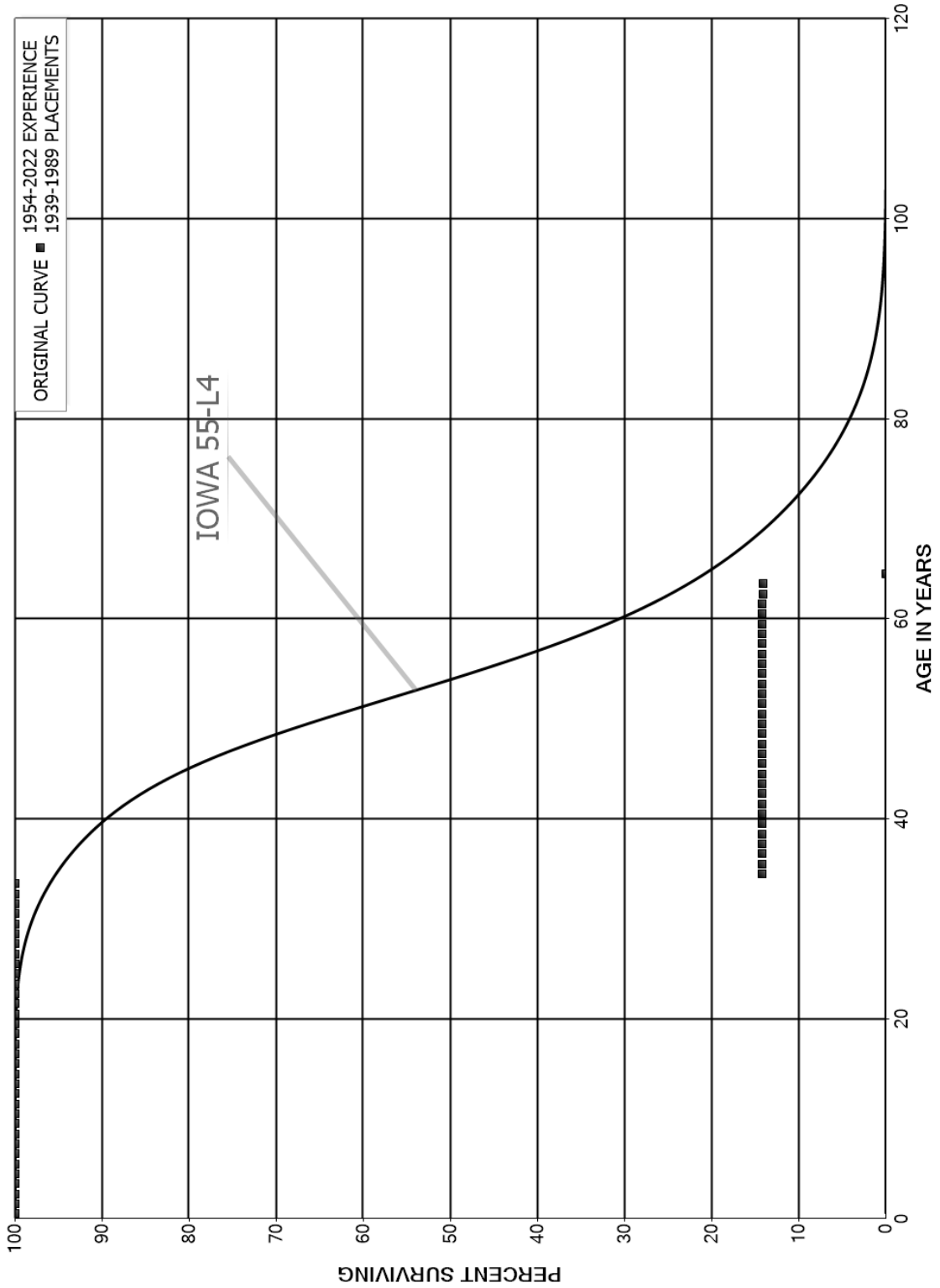

ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1902-2008 PLACEMENTS
IOWA 23-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1902-2008 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	858,875	1,171	0.0014	0.9986	100.00
0.5	843,576	2,834	0.0034	0.9966	99.86
1.5	811,965	932	0.0011	0.9989	99.53
2.5	802,488	4,141	0.0052	0.9948	99.41
3.5	772,760	8,415	0.0109	0.9891	98.90
4.5	751,544	7,050	0.0094	0.9906	97.82
5.5	699,009	7,570	0.0108	0.9892	96.91
6.5	676,371	13,973	0.0207	0.9793	95.86
7.5	643,328	27,466	0.0427	0.9573	93.88
8.5	607,789	39,061	0.0643	0.9357	89.87
9.5	555,918	18,432	0.0332	0.9668	84.09
10.5	510,753	8,584	0.0168	0.9832	81.30
11.5	498,130	13,359	0.0268	0.9732	79.94
12.5	479,805	22,295	0.0465	0.9535	77.79
13.5	451,362	19,016	0.0421	0.9579	74.18
14.5	409,424	5,470	0.0134	0.9866	71.05
15.5	406,619	18,931	0.0466	0.9534	70.11
16.5	370,952	15,562	0.0420	0.9580	66.84
17.5	329,642	11,151	0.0338	0.9662	64.04
18.5	301,414	18,020	0.0598	0.9402	61.87
19.5	286,833	39,718	0.1385	0.8615	58.17
20.5	251,542	9,606	0.0382	0.9618	50.12
21.5	243,886	12,518	0.0513	0.9487	48.20
22.5	228,483	24,669	0.1080	0.8920	45.73
23.5	201,779	5,551	0.0275	0.9725	40.79
24.5	171,837	11,074	0.0644	0.9356	39.67
25.5	158,019	15,418	0.0976	0.9024	37.11
26.5	143,109	7,554	0.0528	0.9472	33.49
27.5	135,495	11,610	0.0857	0.9143	31.72
28.5	123,782	8,276	0.0669	0.9331	29.01
29.5	116,392	3,894	0.0335	0.9665	27.07
30.5	111,676	6,585	0.0590	0.9410	26.16
31.5	105,134	7,715	0.0734	0.9266	24.62
32.5	97,677	9,610	0.0984	0.9016	22.81
33.5	88,016	4,183	0.0475	0.9525	20.57
34.5	83,968	30,004	0.3573	0.6427	19.59
35.5	53,965	5,283	0.0979	0.9021	12.59
36.5	48,369	4,805	0.0993	0.9007	11.36
37.5	43,466	2,924	0.0673	0.9327	10.23
38.5	40,376	7,602	0.1883	0.8117	9.54

PLACEMENT BAND 1902-2008 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	32,677	6,339	0.1940	0.8060	7.74
40.5	26,189	4,872	0.1860	0.8140	6.24
41.5	22,243	559	0.0251	0.9749	5.08
42.5	21,332	2,143	0.1004	0.8996	4.95
43.5	18,893	560	0.0296	0.9704	4.46
44.5	18,459	2,231	0.1208	0.8792	4.32
45.5	16,229	134	0.0083	0.9917	3.80
46.5	16,036	7,963	0.4966	0.5034	3.77
47.5	8,073	1,092	0.1353	0.8647	1.90
48.5	6,980	293	0.0420	0.9580	1.64
49.5	6,519	1,285	0.1972	0.8028	1.57
50.5	5,215	925	0.1775	0.8225	1.26
51.5	4,289	281	0.0655	0.9345	1.04
52.5	4,008	684	0.1706	0.8294	0.97
53.5	3,324	439	0.1322	0.8678	0.80
54.5	2,885		0.0000	1.0000	0.70
55.5	2,885	278	0.0963	0.9037	0.70
56.5	2,607	193	0.0742	0.9258	0.63
57.5	2,414		0.0000	1.0000	0.58
58.5	2,414	49	0.0202	0.9798	0.58
59.5	2,365		0.0000	1.0000	0.57
60.5	2,365	49	0.0206	0.9794	0.57
61.5	2,316	77	0.0334	0.9666	0.56
62.5	2,239	29	0.0130	0.9870	0.54
63.5	2,210	46	0.0210	0.9790	0.53
64.5	2,163		0.0000	1.0000	0.52
65.5	2,163		0.0000	1.0000	0.52
66.5	2,163		0.0000	1.0000	0.52
67.5					0.52

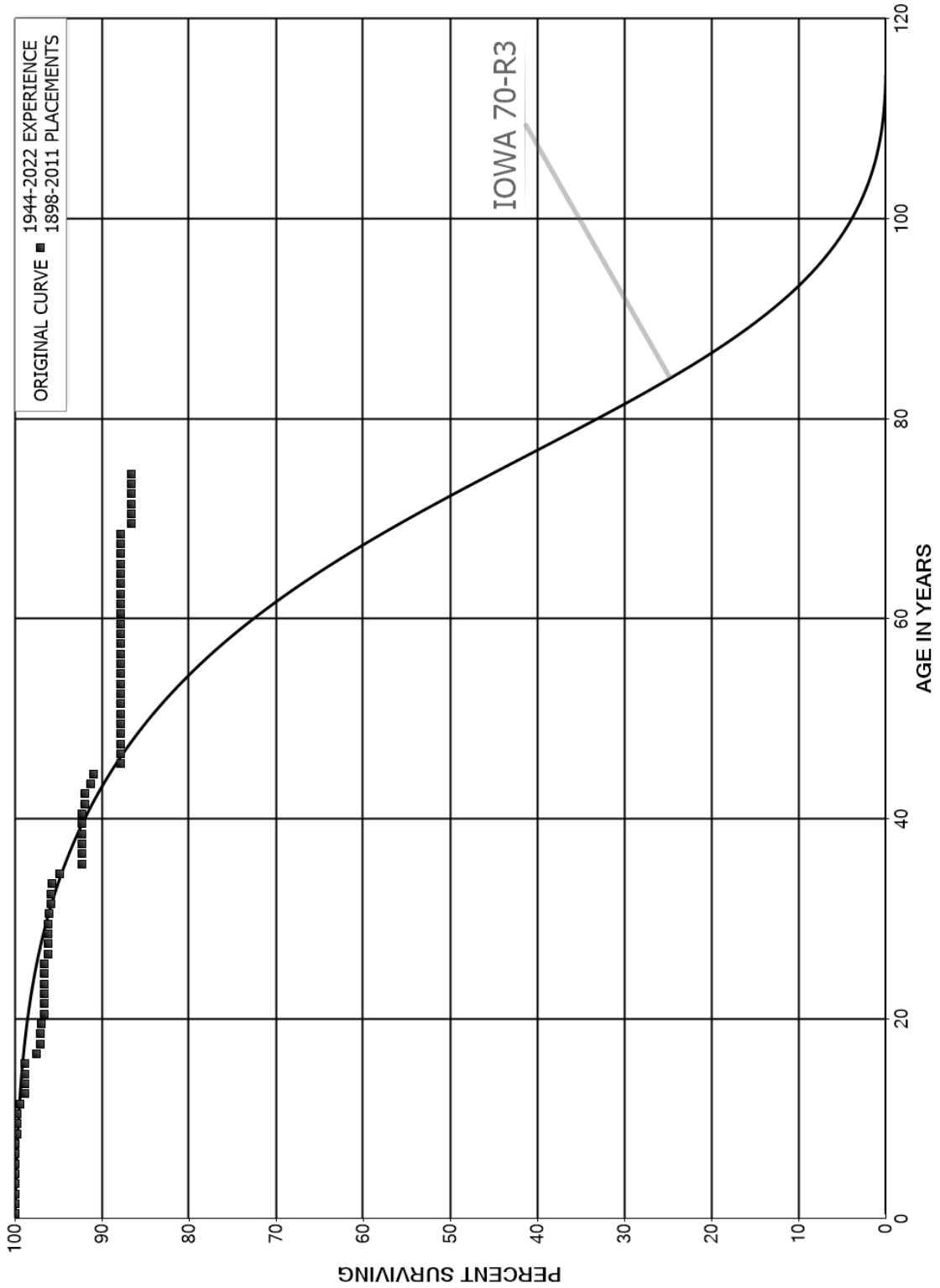

ORIGINAL CURVE ■ 1954-2022 EXPERIENCE
1939-1989 PLACEMENTS
IOWA 55-L4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1939-1989 EXPERIENCE BAND 1954-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	13,098		0.0000	1.0000	100.00
0.5	13,098		0.0000	1.0000	100.00
1.5	13,098		0.0000	1.0000	100.00
2.5	13,125		0.0000	1.0000	100.00
3.5	13,193		0.0000	1.0000	100.00
4.5	24,522		0.0000	1.0000	100.00
5.5	46,790		0.0000	1.0000	100.00
6.5	43,197		0.0000	1.0000	100.00
7.5	43,197		0.0000	1.0000	100.00
8.5	43,172		0.0000	1.0000	100.00
9.5	43,172		0.0000	1.0000	100.00
10.5	43,172		0.0000	1.0000	100.00
11.5	43,172		0.0000	1.0000	100.00
12.5	43,598		0.0000	1.0000	100.00
13.5	43,598		0.0000	1.0000	100.00
14.5	43,571		0.0000	1.0000	100.00
15.5	39,516		0.0000	1.0000	100.00
16.5	39,497		0.0000	1.0000	100.00
17.5	39,497		0.0000	1.0000	100.00
18.5	39,497		0.0000	1.0000	100.00
19.5	39,497		0.0000	1.0000	100.00
20.5	39,497		0.0000	1.0000	100.00
21.5	39,497		0.0000	1.0000	100.00
22.5	39,497		0.0000	1.0000	100.00
23.5	39,116		0.0000	1.0000	100.00
24.5	39,116		0.0000	1.0000	100.00
25.5	39,116		0.0000	1.0000	100.00
26.5	39,116		0.0000	1.0000	100.00
27.5	39,116		0.0000	1.0000	100.00
28.5	39,116		0.0000	1.0000	100.00
29.5	39,116		0.0000	1.0000	100.00
30.5	39,116		0.0000	1.0000	100.00
31.5	39,116		0.0000	1.0000	100.00
32.5	39,116		0.0000	1.0000	100.00
33.5	26,032	22,334	0.8579	0.1421	100.00
34.5	3,698		0.0000	1.0000	14.21
35.5	3,698		0.0000	1.0000	14.21
36.5	3,698		0.0000	1.0000	14.21
37.5	3,698		0.0000	1.0000	14.21
38.5	3,698	1	0.0003	0.9997	14.21

PLACEMENT BAND 1939-1989 EXPERIENCE BAND 1954-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	3,697		0.0000	1.0000	14.20
40.5	3,697		0.0000	1.0000	14.20
41.5	3,697		0.0000	1.0000	14.20
42.5	3,697		0.0000	1.0000	14.20
43.5	3,697		0.0000	1.0000	14.20
44.5	3,697		0.0000	1.0000	14.20
45.5	3,697		0.0000	1.0000	14.20
46.5	3,697		0.0000	1.0000	14.20
47.5	3,697	3	0.0007	0.9993	14.20
48.5	3,694		0.0000	1.0000	14.19
49.5	3,694		0.0000	1.0000	14.19
50.5	3,694	3	0.0007	0.9993	14.19
51.5	3,692		0.0000	1.0000	14.18
52.5	3,692		0.0000	1.0000	14.18
53.5	3,692		0.0000	1.0000	14.18
54.5	3,692		0.0000	1.0000	14.18
55.5	3,692		0.0000	1.0000	14.18
56.5	3,692		0.0000	1.0000	14.18
57.5	3,692		0.0000	1.0000	14.18
58.5	3,692	8	0.0023	0.9977	14.18
59.5	3,683		0.0000	1.0000	14.15
60.5	3,683		0.0000	1.0000	14.15
61.5	3,683	28	0.0075	0.9925	14.15
62.5	3,656		0.0000	1.0000	14.04
63.5	3,656	3,656	1.0000		14.04
64.5					


ORIGINAL CURVE ■ 1944-2022 EXPERIENCE
1898-2011 PLACEMENTS
IOWA 70-R3
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1898-2011 EXPERIENCE BAND 1944-2022

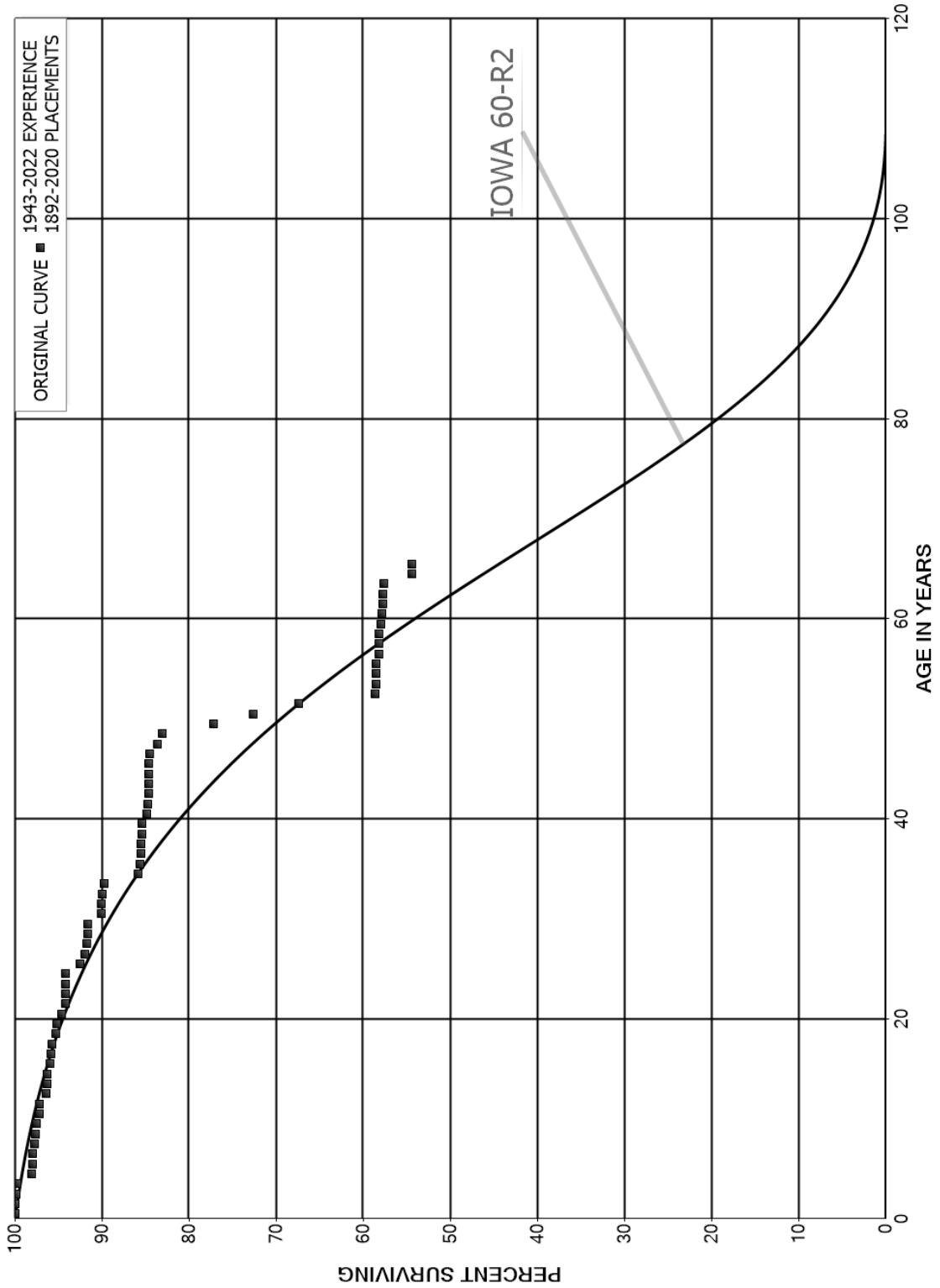
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	153,614		0.0000	1.0000	100.00
0.5	155,003		0.0000	1.0000	100.00
1.5	156,966	143	0.0009	0.9991	100.00
2.5	142,407		0.0000	1.0000	99.91
3.5	142,944		0.0000	1.0000	99.91
4.5	143,326		0.0000	1.0000	99.91
5.5	143,413		0.0000	1.0000	99.91
6.5	143,413		0.0000	1.0000	99.91
7.5	139,940	201	0.0014	0.9986	99.91
8.5	138,699		0.0000	1.0000	99.76
9.5	127,582	43	0.0003	0.9997	99.76
10.5	73,073	236	0.0032	0.9968	99.73
11.5	72,837	453	0.0062	0.9938	99.41
12.5	73,840		0.0000	1.0000	98.79
13.5	73,346		0.0000	1.0000	98.79
14.5	73,410		0.0000	1.0000	98.79
15.5	73,522	972	0.0132	0.9868	98.79
16.5	53,273	228	0.0043	0.9957	97.48
17.5	53,574		0.0000	1.0000	97.07
18.5	37,274	52	0.0014	0.9986	97.07
19.5	38,582	138	0.0036	0.9964	96.93
20.5	41,021		0.0000	1.0000	96.59
21.5	41,473		0.0000	1.0000	96.59
22.5	39,662		0.0000	1.0000	96.59
23.5	40,213		0.0000	1.0000	96.59
24.5	40,147		0.0000	1.0000	96.59
25.5	39,407	177	0.0045	0.9955	96.59
26.5	46,275	4	0.0001	0.9999	96.15
27.5	48,594		0.0000	1.0000	96.14
28.5	51,054		0.0000	1.0000	96.14
29.5	50,666	56	0.0011	0.9989	96.14
30.5	50,610	94	0.0019	0.9981	96.04
31.5	50,207		0.0000	1.0000	95.86
32.5	50,530	70	0.0014	0.9986	95.86
33.5	50,460	443	0.0088	0.9912	95.73
34.5	42,184	1,155	0.0274	0.9726	94.89
35.5	40,588		0.0000	1.0000	92.29
36.5	40,179		0.0000	1.0000	92.29
37.5	36,236		0.0000	1.0000	92.29
38.5	36,363		0.0000	1.0000	92.29

PLACEMENT BAND 1898-2011 EXPERIENCE BAND 1944-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	34,853		0.0000	1.0000	92.29
40.5	35,290	140	0.0040	0.9960	92.29
41.5	37,268		0.0000	1.0000	91.92
42.5	37,259	243	0.0065	0.9935	91.92
43.5	35,797	125	0.0035	0.9965	91.33
44.5	34,323	1,209	0.0352	0.9648	91.01
45.5	32,767		0.0000	1.0000	87.80
46.5	32,876		0.0000	1.0000	87.80
47.5	34,092		0.0000	1.0000	87.80
48.5	33,655		0.0000	1.0000	87.80
49.5	32,496		0.0000	1.0000	87.80
50.5	31,821		0.0000	1.0000	87.80
51.5	29,527		0.0000	1.0000	87.80
52.5	27,465		0.0000	1.0000	87.80
53.5	25,888		0.0000	1.0000	87.80
54.5	23,577		0.0000	1.0000	87.80
55.5	23,408		0.0000	1.0000	87.80
56.5	21,069		0.0000	1.0000	87.80
57.5	20,413		0.0000	1.0000	87.80
58.5	19,102		0.0000	1.0000	87.80
59.5	18,714		0.0000	1.0000	87.80
60.5	18,109		0.0000	1.0000	87.80
61.5	17,219		0.0000	1.0000	87.80
62.5	17,243		0.0000	1.0000	87.80
63.5	17,318		0.0000	1.0000	87.80
64.5	15,752		0.0000	1.0000	87.80
65.5	13,940		0.0000	1.0000	87.80
66.5	13,879		0.0000	1.0000	87.80
67.5	13,442		0.0000	1.0000	87.80
68.5	11,300	159	0.0140	0.9860	87.80
69.5	10,904		0.0000	1.0000	86.57
70.5	10,851		0.0000	1.0000	86.57
71.5	10,726		0.0000	1.0000	86.57
72.5	10,726		0.0000	1.0000	86.57
73.5	9,486		0.0000	1.0000	86.57
74.5	7,927		0.0000	1.0000	86.57
75.5	6,476		0.0000	1.0000	86.57
76.5	5,918		0.0000	1.0000	86.57
77.5	5,851		0.0000	1.0000	86.57
78.5	5,851		0.0000	1.0000	86.57

PLACEMENT BAND 1898-2011 EXPERIENCE BAND 1944-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	5,685		0.0000	1.0000	86.57
80.5	5,242		0.0000	1.0000	86.57
81.5	5,168		0.0000	1.0000	86.57
82.5	4,970		0.0000	1.0000	86.57
83.5	4,936		0.0000	1.0000	86.57
84.5	4,936		0.0000	1.0000	86.57
85.5	4,936		0.0000	1.0000	86.57
86.5	4,936		0.0000	1.0000	86.57
87.5	4,936		0.0000	1.0000	86.57
88.5	4,936		0.0000	1.0000	86.57
89.5	4,408		0.0000	1.0000	86.57
90.5	1,704		0.0000	1.0000	86.57
91.5	1,704		0.0000	1.0000	86.57
92.5	1,704		0.0000	1.0000	86.57
93.5	1,640		0.0000	1.0000	86.57
94.5	1,640		0.0000	1.0000	86.57
95.5	1,640		0.0000	1.0000	86.57
96.5	1,181		0.0000	1.0000	86.57
97.5	923		0.0000	1.0000	86.57
98.5	923		0.0000	1.0000	86.57
99.5	923		0.0000	1.0000	86.57
100.5	923		0.0000	1.0000	86.57
101.5	923		0.0000	1.0000	86.57
102.5	923		0.0000	1.0000	86.57
103.5	923		0.0000	1.0000	86.57
104.5	923		0.0000	1.0000	86.57
105.5	923		0.0000	1.0000	86.57
106.5					86.57


ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1892-2020 PLACEMENTS
IOWA 60-R2
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1892-2020 EXPERIENCE BAND 1943-2022

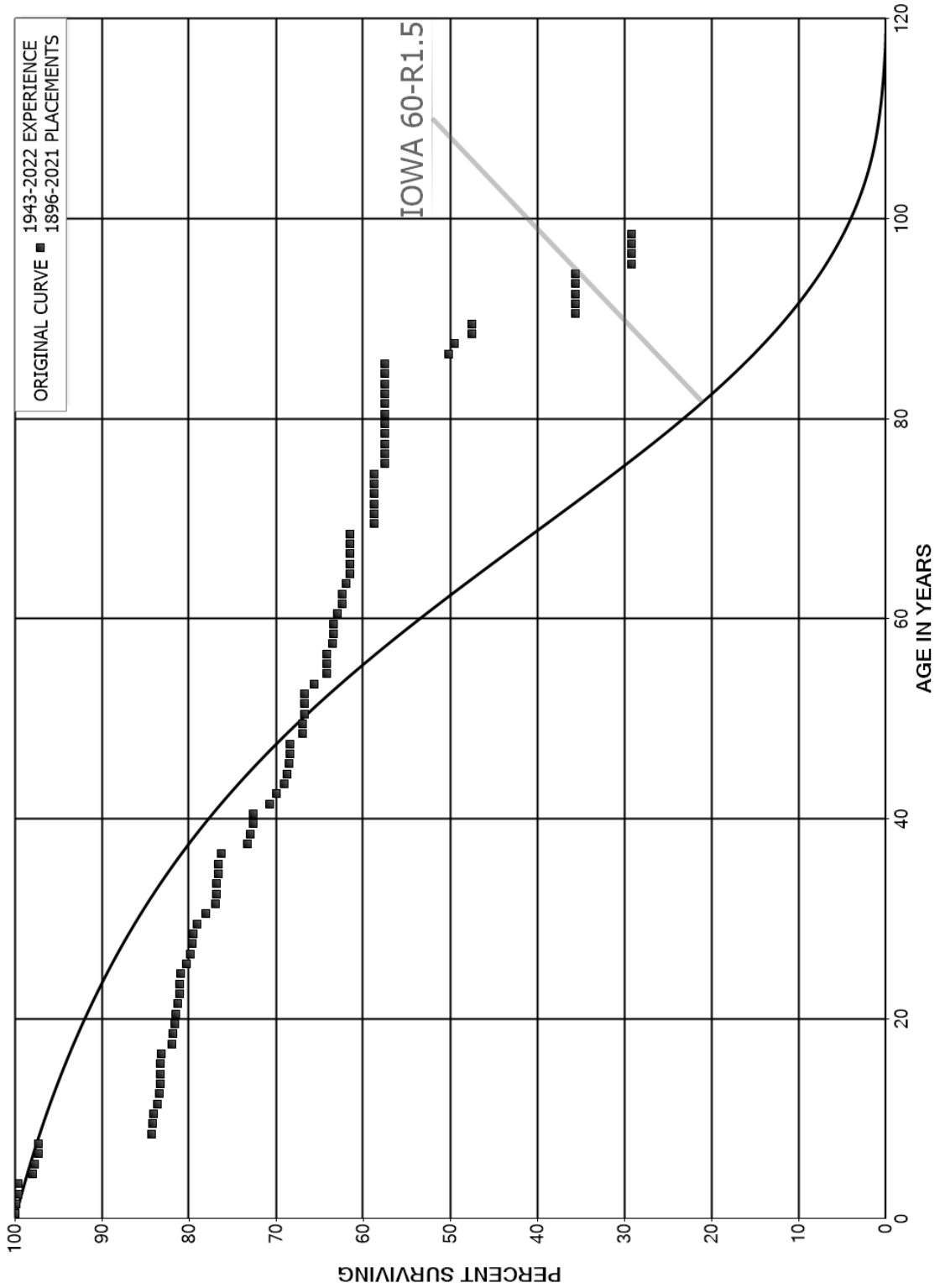
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,204,965	4,983	0.0007	0.9993	100.00
0.5	7,176,404	875	0.0001	0.9999	99.93
1.5	7,196,512	5,047	0.0007	0.9993	99.92
2.5	5,651,815	5,247	0.0009	0.9991	99.85
3.5	5,630,340	96,214	0.0171	0.9829	99.76
4.5	5,544,060	3,522	0.0006	0.9994	98.05
5.5	5,511,014	4,040	0.0007	0.9993	97.99
6.5	5,466,965	13,006	0.0024	0.9976	97.92
7.5	5,442,398	5,539	0.0010	0.9990	97.68
8.5	5,349,003	6,282	0.0012	0.9988	97.58
9.5	4,888,683	16,206	0.0033	0.9967	97.47
10.5	4,828,605	755	0.0002	0.9998	97.15
11.5	4,828,750	34,392	0.0071	0.9929	97.13
12.5	4,787,600	5,151	0.0011	0.9989	96.44
13.5	4,698,597	981	0.0002	0.9998	96.34
14.5	4,425,060	17,038	0.0039	0.9961	96.32
15.5	4,311,798	3,425	0.0008	0.9992	95.95
16.5	4,136,951	5,703	0.0014	0.9986	95.87
17.5	4,131,375	20,460	0.0050	0.9950	95.74
18.5	3,729,639	1,823	0.0005	0.9995	95.26
19.5	3,121,441	18,926	0.0061	0.9939	95.22
20.5	3,036,504	14,775	0.0049	0.9951	94.64
21.5	2,970,189	178	0.0001	0.9999	94.18
22.5	2,805,366	157	0.0001	0.9999	94.17
23.5	2,780,361		0.0000	1.0000	94.17
24.5	2,181,829	39,744	0.0182	0.9818	94.17
25.5	2,106,834	11,047	0.0052	0.9948	92.45
26.5	2,019,987	5,641	0.0028	0.9972	91.97
27.5	2,027,687	1,785	0.0009	0.9991	91.71
28.5	1,997,259	709	0.0004	0.9996	91.63
29.5	1,956,815	32,995	0.0169	0.9831	91.60
30.5	1,880,247	144	0.0001	0.9999	90.05
31.5	1,879,680	2,742	0.0015	0.9985	90.05
32.5	1,819,833	4,366	0.0024	0.9976	89.91
33.5	1,772,075	76,955	0.0434	0.9566	89.70
34.5	1,695,731	4,446	0.0026	0.9974	85.80
35.5	1,693,528	754	0.0004	0.9996	85.58
36.5	1,638,568	459	0.0003	0.9997	85.54
37.5	1,701,601	2,325	0.0014	0.9986	85.52
38.5	1,632,462		0.0000	1.0000	85.40

PLACEMENT BAND 1892-2020 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,638,572	11,306	0.0069	0.9931	85.40
40.5	1,609,161	1,517	0.0009	0.9991	84.81
41.5	1,626,722	1,424	0.0009	0.9991	84.73
42.5	928,352		0.0000	1.0000	84.66
43.5	705,605	658	0.0009	0.9991	84.66
44.5	699,265		0.0000	1.0000	84.58
45.5	698,402	921	0.0013	0.9987	84.58
46.5	697,618	7,152	0.0103	0.9897	84.47
47.5	684,127	4,609	0.0067	0.9933	83.60
48.5	644,768	45,826	0.0711	0.9289	83.04
49.5	594,343	35,250	0.0593	0.9407	77.13
50.5	525,749	37,680	0.0717	0.9283	72.56
51.5	487,518	63,356	0.1300	0.8700	67.36
52.5	423,625	400	0.0009	0.9991	58.61
53.5	420,009	5	0.0000	1.0000	58.55
54.5	418,208	114	0.0003	0.9997	58.55
55.5	415,223	2,255	0.0054	0.9946	58.53
56.5	411,845	218	0.0005	0.9995	58.22
57.5	409,681	37	0.0001	0.9999	58.19
58.5	411,255	1,736	0.0042	0.9958	58.18
59.5	423,177	392	0.0009	0.9991	57.93
60.5	421,299	1,057	0.0025	0.9975	57.88
61.5	415,380	213	0.0005	0.9995	57.74
62.5	414,751	716	0.0017	0.9983	57.71
63.5	365,122	20,591	0.0564	0.9436	57.61
64.5	341,538		0.0000	1.0000	54.36
65.5	55,399		0.0000	1.0000	54.36
66.5	51,616		0.0000	1.0000	54.36
67.5	32,232		0.0000	1.0000	54.36
68.5	32,232	165	0.0051	0.9949	54.36
69.5	29,166		0.0000	1.0000	54.08
70.5	57,261		0.0000	1.0000	54.08
71.5	52,702		0.0000	1.0000	54.08
72.5	47,465		0.0000	1.0000	54.08
73.5	45,921		0.0000	1.0000	54.08
74.5	48,751		0.0000	1.0000	54.08
75.5	47,548		0.0000	1.0000	54.08
76.5	47,490		0.0000	1.0000	54.08
77.5	47,064		0.0000	1.0000	54.08
78.5	47,064		0.0000	1.0000	54.08

PLACEMENT BAND 1892-2020 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	47,064		0.0000	1.0000	54.08
80.5	47,064	8	0.0002	0.9998	54.08
81.5	47,055		0.0000	1.0000	54.07
82.5	46,655		0.0000	1.0000	54.07
83.5	46,655		0.0000	1.0000	54.07
84.5	46,560		0.0000	1.0000	54.07
85.5	30,371		0.0000	1.0000	54.07
86.5	30,371		0.0000	1.0000	54.07
87.5	30,371		0.0000	1.0000	54.07
88.5	30,371		0.0000	1.0000	54.07
89.5	30,371		0.0000	1.0000	54.07
90.5	30,371		0.0000	1.0000	54.07
91.5	30,371		0.0000	1.0000	54.07
92.5	30,371		0.0000	1.0000	54.07
93.5	30,371		0.0000	1.0000	54.07
94.5	30,371		0.0000	1.0000	54.07
95.5	30,371		0.0000	1.0000	54.07
96.5	2,829		0.0000	1.0000	54.07
97.5	2,829		0.0000	1.0000	54.07
98.5	2,829		0.0000	1.0000	54.07
99.5	2,829		0.0000	1.0000	54.07
100.5					54.07


ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1896-2021 PLACEMENTS
IOWA 60-R1.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

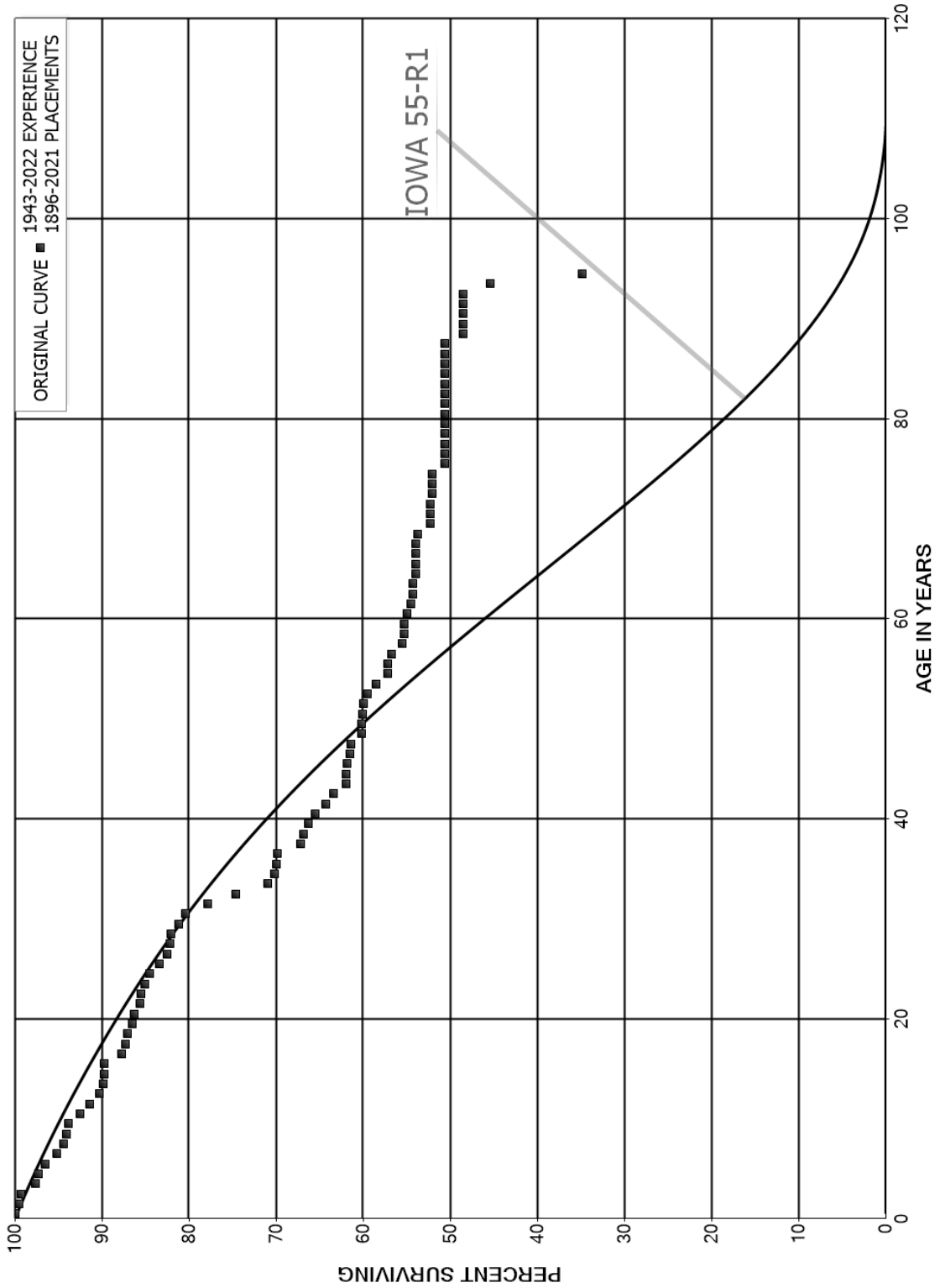
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,816,717		0.0000	1.0000	100.00
0.5	17,865,609	35,551	0.0020	0.9980	100.00
1.5	17,783,297	23,661	0.0013	0.9987	99.80
2.5	10,656,904	686	0.0001	0.9999	99.67
3.5	10,195,016	178,458	0.0175	0.9825	99.66
4.5	9,938,275	22,998	0.0023	0.9977	97.92
5.5	9,913,734	37,591	0.0038	0.9962	97.69
6.5	9,923,297	1,988	0.0002	0.9998	97.32
7.5	8,916,965	1,197,446	0.1343	0.8657	97.30
8.5	7,242,248	9,040	0.0012	0.9988	84.23
9.5	7,132,932	4,408	0.0006	0.9994	84.13
10.5	7,292,621	40,159	0.0055	0.9945	84.08
11.5	7,209,911	21,395	0.0030	0.9970	83.61
12.5	7,200,197	5,298	0.0007	0.9993	83.37
13.5	7,200,252	2,305	0.0003	0.9997	83.30
14.5	6,801,558	119	0.0000	1.0000	83.28
15.5	6,719,169	5,980	0.0009	0.9991	83.28
16.5	5,806,846	91,234	0.0157	0.9843	83.20
17.5	5,671,238	6,176	0.0011	0.9989	81.90
18.5	5,280,066	15,444	0.0029	0.9971	81.81
19.5	4,599,571	3,085	0.0007	0.9993	81.57
20.5	3,695,938	11,844	0.0032	0.9968	81.51
21.5	3,580,002	7,293	0.0020	0.9980	81.25
22.5	3,284,475	46	0.0000	1.0000	81.09
23.5	3,318,264	7,595	0.0023	0.9977	81.08
24.5	2,821,262	19,724	0.0070	0.9930	80.90
25.5	2,512,962	15,095	0.0060	0.9940	80.33
26.5	2,469,768	8,235	0.0033	0.9967	79.85
27.5	2,522,876	2,934	0.0012	0.9988	79.58
28.5	2,529,268	14,672	0.0058	0.9942	79.49
29.5	2,522,481	30,108	0.0119	0.9881	79.03
30.5	2,464,110	36,418	0.0148	0.9852	78.09
31.5	2,197,468	1,678	0.0008	0.9992	76.93
32.5	2,137,341	1,387	0.0006	0.9994	76.87
33.5	2,055,162	4,982	0.0024	0.9976	76.82
34.5	1,765,165	62	0.0000	1.0000	76.64
35.5	1,771,182	7,170	0.0040	0.9960	76.64
36.5	1,765,422	70,912	0.0402	0.9598	76.33
37.5	1,694,243	6,135	0.0036	0.9964	73.26
38.5	1,615,226	7,758	0.0048	0.9952	72.99

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,461,825	1,162	0.0008	0.9992	72.64
40.5	1,457,421	38,448	0.0264	0.9736	72.59
41.5	1,366,255	14,305	0.0105	0.9895	70.67
42.5	1,139,095	14,949	0.0131	0.9869	69.93
43.5	1,126,135	5,411	0.0048	0.9952	69.01
44.5	1,120,766	3,619	0.0032	0.9968	68.68
45.5	1,029,879	1,065	0.0010	0.9990	68.46
46.5	893,525	66	0.0001	0.9999	68.39
47.5	747,449	15,691	0.0210	0.9790	68.38
48.5	561,756		0.0000	1.0000	66.95
49.5	532,578	2,111	0.0040	0.9960	66.95
50.5	493,144		0.0000	1.0000	66.68
51.5	490,914		0.0000	1.0000	66.68
52.5	489,577	8,193	0.0167	0.9833	66.68
53.5	490,866	10,402	0.0212	0.9788	65.57
54.5	479,977	88	0.0002	0.9998	64.18
55.5	482,954	88	0.0002	0.9998	64.17
56.5	469,578	5,121	0.0109	0.9891	64.15
57.5	443,613	115	0.0003	0.9997	63.46
58.5	456,914	38	0.0001	0.9999	63.44
59.5	458,315	3,684	0.0080	0.9920	63.43
60.5	453,965	3,453	0.0076	0.9924	62.92
61.5	436,091	592	0.0014	0.9986	62.44
62.5	435,500	2,816	0.0065	0.9935	62.36
63.5	385,784	2,961	0.0077	0.9923	61.96
64.5	268,635		0.0000	1.0000	61.48
65.5	253,787		0.0000	1.0000	61.48
66.5	235,276		0.0000	1.0000	61.48
67.5	243,579	55	0.0002	0.9998	61.48
68.5	243,520	10,820	0.0444	0.9556	61.47
69.5	234,878		0.0000	1.0000	58.74
70.5	234,000		0.0000	1.0000	58.74
71.5	216,809		0.0000	1.0000	58.74
72.5	195,747		0.0000	1.0000	58.74
73.5	186,277		0.0000	1.0000	58.74
74.5	153,563	3,137	0.0204	0.9796	58.74
75.5	115,415		0.0000	1.0000	57.54
76.5	97,934		0.0000	1.0000	57.54
77.5	89,778		0.0000	1.0000	57.54
78.5	87,671		0.0000	1.0000	57.54

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	79,150		0.0000	1.0000	57.54
80.5	71,389		0.0000	1.0000	57.54
81.5	68,274		0.0000	1.0000	57.54
82.5	64,349		0.0000	1.0000	57.54
83.5	63,366		0.0000	1.0000	57.54
84.5	63,366		0.0000	1.0000	57.54
85.5	63,366	8,061	0.1272	0.8728	57.54
86.5	49,642	757	0.0153	0.9847	50.22
87.5	48,885	1,880	0.0385	0.9615	49.45
88.5	47,005		0.0000	1.0000	47.55
89.5	47,005	11,826	0.2516	0.7484	47.55
90.5	35,179		0.0000	1.0000	35.59
91.5	35,179		0.0000	1.0000	35.59
92.5	35,179		0.0000	1.0000	35.59
93.5	31,511		0.0000	1.0000	35.59
94.5	28,549	5,127	0.1796	0.8204	35.59
95.5	23,225		0.0000	1.0000	29.20
96.5	18,189		0.0000	1.0000	29.20
97.5	10,731		0.0000	1.0000	29.20
98.5	2,544		0.0000	1.0000	29.20
99.5	2,544		0.0000	1.0000	29.20
100.5	2,544		0.0000	1.0000	29.20
101.5	2,544		0.0000	1.0000	29.20
102.5	2,544		0.0000	1.0000	29.20
103.5	2,544		0.0000	1.0000	29.20
104.5	2,544		0.0000	1.0000	29.20
105.5	2,539		0.0000	1.0000	29.20
106.5					29.20


ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1896-2021 PLACEMENTS
IOWA 55-R1
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

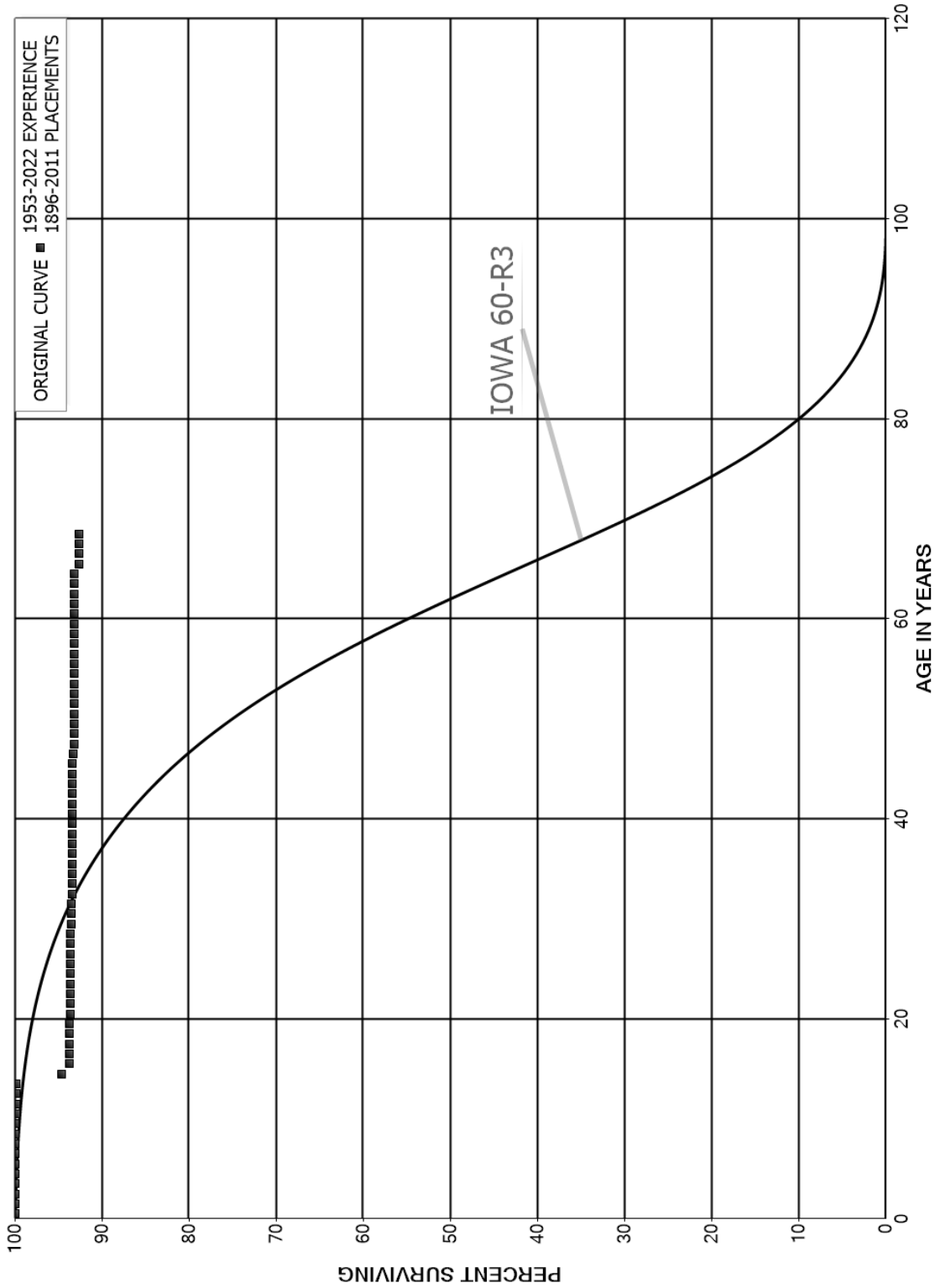
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,489,962	1,062	0.0003	0.9997	100.00
0.5	3,387,201	14,091	0.0042	0.9958	99.97
1.5	3,105,103	9,189	0.0030	0.9970	99.55
2.5	2,202,089	37,011	0.0168	0.9832	99.26
3.5	2,260,818	5,836	0.0026	0.9974	97.59
4.5	2,287,765	20,407	0.0089	0.9911	97.34
5.5	2,292,120	31,019	0.0135	0.9865	96.47
6.5	2,363,531	18,092	0.0077	0.9923	95.17
7.5	2,341,714	9,440	0.0040	0.9960	94.44
8.5	2,318,710	4,605	0.0020	0.9980	94.06
9.5	2,254,455	31,463	0.0140	0.9860	93.87
10.5	2,205,353	28,366	0.0129	0.9871	92.56
11.5	2,107,883	24,584	0.0117	0.9883	91.37
12.5	2,025,628	11,558	0.0057	0.9943	90.30
13.5	1,999,381	1,710	0.0009	0.9991	89.79
14.5	1,950,818	614	0.0003	0.9997	89.71
15.5	1,958,564	42,084	0.0215	0.9785	89.68
16.5	1,895,455	10,390	0.0055	0.9945	87.76
17.5	1,878,119	5,380	0.0029	0.9971	87.27
18.5	1,869,132	10,352	0.0055	0.9945	87.02
19.5	1,862,512	6,043	0.0032	0.9968	86.54
20.5	1,832,869	12,575	0.0069	0.9931	86.26
21.5	1,795,780	2,425	0.0014	0.9986	85.67
22.5	1,708,380	10,315	0.0060	0.9940	85.55
23.5	1,436,240	9,610	0.0067	0.9933	85.04
24.5	1,084,662	13,745	0.0127	0.9873	84.47
25.5	1,053,385	11,623	0.0110	0.9890	83.40
26.5	1,065,858	4,166	0.0039	0.9961	82.48
27.5	1,092,028	1,379	0.0013	0.9987	82.16
28.5	1,096,632	11,694	0.0107	0.9893	82.05
29.5	1,084,273	10,086	0.0093	0.9907	81.18
30.5	1,073,310	34,181	0.0318	0.9682	80.42
31.5	1,029,722	42,670	0.0414	0.9586	77.86
32.5	949,538	47,220	0.0497	0.9503	74.63
33.5	874,714	9,654	0.0110	0.9890	70.92
34.5	831,276	2,077	0.0025	0.9975	70.14
35.5	827,844	1,587	0.0019	0.9981	69.96
36.5	808,621	31,341	0.0388	0.9612	69.83
37.5	776,337	3,140	0.0040	0.9960	67.12
38.5	741,453	6,802	0.0092	0.9908	66.85

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	689,655	7,856	0.0114	0.9886	66.24
40.5	646,043	12,223	0.0189	0.9811	65.48
41.5	604,419	7,672	0.0127	0.9873	64.25
42.5	520,424	11,973	0.0230	0.9770	63.43
43.5	507,329	216	0.0004	0.9996	61.97
44.5	508,057	1,058	0.0021	0.9979	61.94
45.5	463,566	2,430	0.0052	0.9948	61.82
46.5	395,559	590	0.0015	0.9985	61.49
47.5	342,099	6,936	0.0203	0.9797	61.40
48.5	270,391		0.0000	1.0000	60.16
49.5	243,914	357	0.0015	0.9985	60.16
50.5	223,012	380	0.0017	0.9983	60.07
51.5	218,233	1,729	0.0079	0.9921	59.96
52.5	215,078	3,666	0.0170	0.9830	59.49
53.5	209,210	4,793	0.0229	0.9771	58.48
54.5	204,410		0.0000	1.0000	57.14
55.5	204,574	1,306	0.0064	0.9936	57.14
56.5	197,268	4,359	0.0221	0.9779	56.77
57.5	179,342	925	0.0052	0.9948	55.52
58.5	180,486		0.0000	1.0000	55.23
59.5	181,230	1,024	0.0056	0.9944	55.23
60.5	180,032	1,425	0.0079	0.9921	54.92
61.5	170,510	665	0.0039	0.9961	54.48
62.5	169,094	79	0.0005	0.9995	54.27
63.5	157,239	921	0.0059	0.9941	54.25
64.5	108,120		0.0000	1.0000	53.93
65.5	100,928		0.0000	1.0000	53.93
66.5	94,381		0.0000	1.0000	53.93
67.5	95,365	288	0.0030	0.9970	53.93
68.5	92,439	2,594	0.0281	0.9719	53.77
69.5	90,344		0.0000	1.0000	52.26
70.5	87,892		0.0000	1.0000	52.26
71.5	76,148	278	0.0037	0.9963	52.26
72.5	66,608		0.0000	1.0000	52.07
73.5	64,599		0.0000	1.0000	52.07
74.5	52,549	1,424	0.0271	0.9729	52.07
75.5	40,899	25	0.0006	0.9994	50.66
76.5	34,004		0.0000	1.0000	50.62
77.5	29,621		0.0000	1.0000	50.62
78.5	28,823		0.0000	1.0000	50.62

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	18,443		0.0000	1.0000	50.62
80.5	18,430		0.0000	1.0000	50.62
81.5	18,430		0.0000	1.0000	50.62
82.5	17,752		0.0000	1.0000	50.62
83.5	17,752		0.0000	1.0000	50.62
84.5	17,752		0.0000	1.0000	50.62
85.5	17,752		0.0000	1.0000	50.62
86.5	16,989		0.0000	1.0000	50.62
87.5	16,989	697	0.0410	0.9590	50.62
88.5	16,292		0.0000	1.0000	48.55
89.5	16,292		0.0000	1.0000	48.55
90.5	11,168		0.0000	1.0000	48.55
91.5	11,168		0.0000	1.0000	48.55
92.5	11,168	732	0.0655	0.9345	48.55
93.5	10,436	2,416	0.2315	0.7685	45.37
94.5	8,020		0.0000	1.0000	34.86
95.5	8,020		0.0000	1.0000	34.86
96.5	7,214		0.0000	1.0000	34.86
97.5	4,728		0.0000	1.0000	34.86
98.5	2,095		0.0000	1.0000	34.86
99.5	2,095		0.0000	1.0000	34.86
100.5	2,095		0.0000	1.0000	34.86
101.5	2,095		0.0000	1.0000	34.86
102.5	2,095		0.0000	1.0000	34.86
103.5	2,095		0.0000	1.0000	34.86
104.5	2,095		0.0000	1.0000	34.86
105.5	606		0.0000	1.0000	34.86
106.5					34.86


ORIGINAL CURVE ■ 1953-2022 EXPERIENCE
1896-2011 PLACEMENTS
IOWA 60-R3
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1896-2011 EXPERIENCE BAND 1953-2022

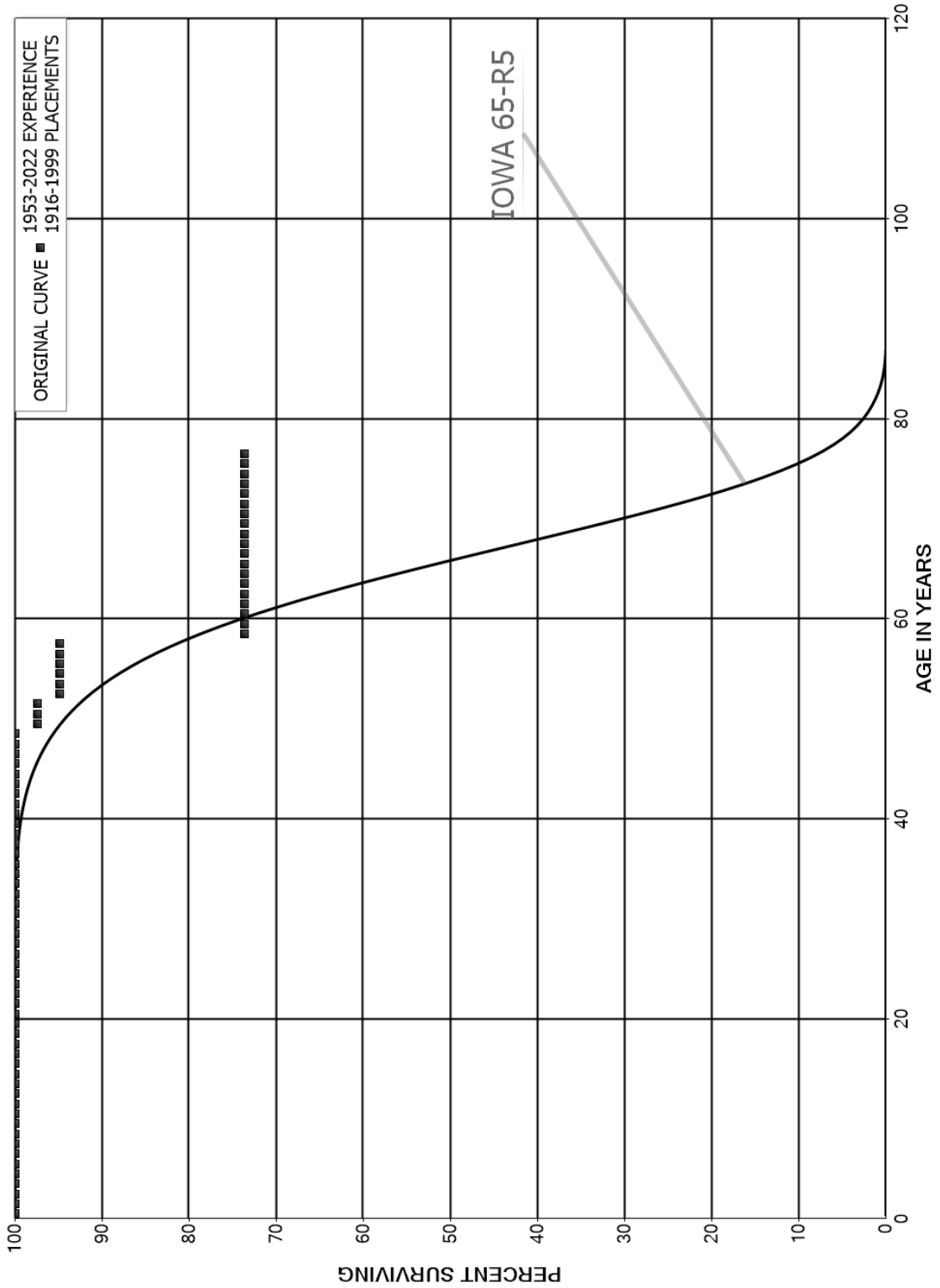
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,680,838	223	0.0000	1.0000	100.00
0.5	4,682,256		0.0000	1.0000	100.00
1.5	4,744,977	318	0.0001	0.9999	100.00
2.5	4,776,785	1,150	0.0002	0.9998	99.99
3.5	4,449,516		0.0000	1.0000	99.96
4.5	4,371,307	2,651	0.0006	0.9994	99.96
5.5	4,376,478	193	0.0000	1.0000	99.90
6.5	4,377,825		0.0000	1.0000	99.90
7.5	4,376,230	52	0.0000	1.0000	99.90
8.5	4,377,221	151	0.0000	1.0000	99.90
9.5	4,393,042	2,039	0.0005	0.9995	99.89
10.5	4,392,222	1,062	0.0002	0.9998	99.85
11.5	4,391,251	1,162	0.0003	0.9997	99.82
12.5	4,390,269	176	0.0000	1.0000	99.80
13.5	4,395,758	229,504	0.0522	0.9478	99.79
14.5	4,361,358	37,588	0.0086	0.9914	94.58
15.5	4,142,566	1,689	0.0004	0.9996	93.77
16.5	4,092,600	226	0.0001	0.9999	93.73
17.5	4,092,376	972	0.0002	0.9998	93.73
18.5	4,083,527	1,365	0.0003	0.9997	93.70
19.5	4,082,201	2,305	0.0006	0.9994	93.67
20.5	4,079,422	733	0.0002	0.9998	93.62
21.5	4,078,886	111	0.0000	1.0000	93.60
22.5	4,087,070	40	0.0000	1.0000	93.60
23.5	4,087,247	37	0.0000	1.0000	93.60
24.5	4,087,248	453	0.0001	0.9999	93.60
25.5	4,087,151	225	0.0001	0.9999	93.59
26.5	4,085,727		0.0000	1.0000	93.58
27.5	4,082,676	6	0.0000	1.0000	93.58
28.5	4,082,559	1,516	0.0004	0.9996	93.58
29.5	4,081,445	380	0.0001	0.9999	93.55
30.5	4,082,144		0.0000	1.0000	93.54
31.5	4,082,118	6,006	0.0015	0.9985	93.54
32.5	4,078,055		0.0000	1.0000	93.40
33.5	4,078,223	100	0.0000	1.0000	93.40
34.5	4,098,253	432	0.0001	0.9999	93.40
35.5	4,098,793	130	0.0000	1.0000	93.39
36.5	4,101,808		0.0000	1.0000	93.39
37.5	4,092,938		0.0000	1.0000	93.39
38.5	4,090,531		0.0000	1.0000	93.39

PLACEMENT BAND 1896-2011 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,092,150	39	0.0000	1.0000	93.39
40.5	4,086,621	26	0.0000	1.0000	93.38
41.5	4,097,287		0.0000	1.0000	93.38
42.5	4,042,911		0.0000	1.0000	93.38
43.5	966,829	50	0.0001	0.9999	93.38
44.5	253,735	14	0.0001	0.9999	93.38
45.5	252,961	230	0.0009	0.9991	93.37
46.5	252,579	353	0.0014	0.9986	93.29
47.5	239,271	3	0.0000	1.0000	93.16
48.5	234,035		0.0000	1.0000	93.16
49.5	231,661		0.0000	1.0000	93.16
50.5	231,644		0.0000	1.0000	93.16
51.5	226,223		0.0000	1.0000	93.16
52.5	226,032		0.0000	1.0000	93.16
53.5	225,462		0.0000	1.0000	93.16
54.5	225,462		0.0000	1.0000	93.16
55.5	225,357		0.0000	1.0000	93.16
56.5	225,465	11	0.0000	1.0000	93.16
57.5	225,454		0.0000	1.0000	93.15
58.5	225,314		0.0000	1.0000	93.15
59.5	209,305		0.0000	1.0000	93.15
60.5	209,305		0.0000	1.0000	93.15
61.5	207,975		0.0000	1.0000	93.15
62.5	207,538	70	0.0003	0.9997	93.15
63.5	175,651		0.0000	1.0000	93.12
64.5	171,800	1,000	0.0058	0.9942	93.12
65.5	167,094		0.0000	1.0000	92.58
66.5	165,567		0.0000	1.0000	92.58
67.5	164,811	20	0.0001	0.9999	92.58
68.5	164,791	50	0.0003	0.9997	92.57
69.5	164,687		0.0000	1.0000	92.54
70.5	146,847		0.0000	1.0000	92.54
71.5	86,240		0.0000	1.0000	92.54
72.5	16,421	90	0.0055	0.9945	92.54
73.5	15,779		0.0000	1.0000	92.03
74.5	11,065	58	0.0053	0.9947	92.03
75.5	9,712		0.0000	1.0000	91.55
76.5	9,597		0.0000	1.0000	91.55
77.5	2,431		0.0000	1.0000	91.55
78.5	2,329	64	0.0273	0.9727	91.55

PLACEMENT BAND 1896-2011 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,237		0.0000	1.0000	89.05
80.5	2,174		0.0000	1.0000	89.05
81.5	1,972		0.0000	1.0000	89.05
82.5	1,953		0.0000	1.0000	89.05
83.5	1,622		0.0000	1.0000	89.05
84.5	1,564		0.0000	1.0000	89.05
85.5	1,564		0.0000	1.0000	89.05
86.5	1,564		0.0000	1.0000	89.05
87.5	1,564		0.0000	1.0000	89.05
88.5	1,564	25	0.0158	0.9842	89.05
89.5	1,539		0.0000	1.0000	87.64
90.5	1,030		0.0000	1.0000	87.64
91.5	1,030		0.0000	1.0000	87.64
92.5	1,030		0.0000	1.0000	87.64
93.5	1,030		0.0000	1.0000	87.64
94.5	914		0.0000	1.0000	87.64
95.5	914		0.0000	1.0000	87.64
96.5	914		0.0000	1.0000	87.64
97.5	844		0.0000	1.0000	87.64
98.5	844		0.0000	1.0000	87.64
99.5	844		0.0000	1.0000	87.64
100.5	844		0.0000	1.0000	87.64
101.5	826		0.0000	1.0000	87.64
102.5	826		0.0000	1.0000	87.64
103.5	776		0.0000	1.0000	87.64
104.5	776		0.0000	1.0000	87.64
105.5	712		0.0000	1.0000	87.64
106.5	653		0.0000	1.0000	87.64
107.5	627		0.0000	1.0000	87.64
108.5	627		0.0000	1.0000	87.64
109.5	321		0.0000	1.0000	87.64
110.5	321		0.0000	1.0000	87.64
111.5	321		0.0000	1.0000	87.64
112.5	110		0.0000	1.0000	87.64
113.5	35		0.0000	1.0000	87.64
114.5	35		0.0000	1.0000	87.64
115.5	35		0.0000	1.0000	87.64
116.5	35		0.0000	1.0000	87.64
117.5	35		0.0000	1.0000	87.64
118.5					87.64


ORIGINAL CURVE ■ 1953-2022 EXPERIENCE
1916-1999 PLACEMENTS
IOWA 65-R5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1916-1999 EXPERIENCE BAND 1953-2022

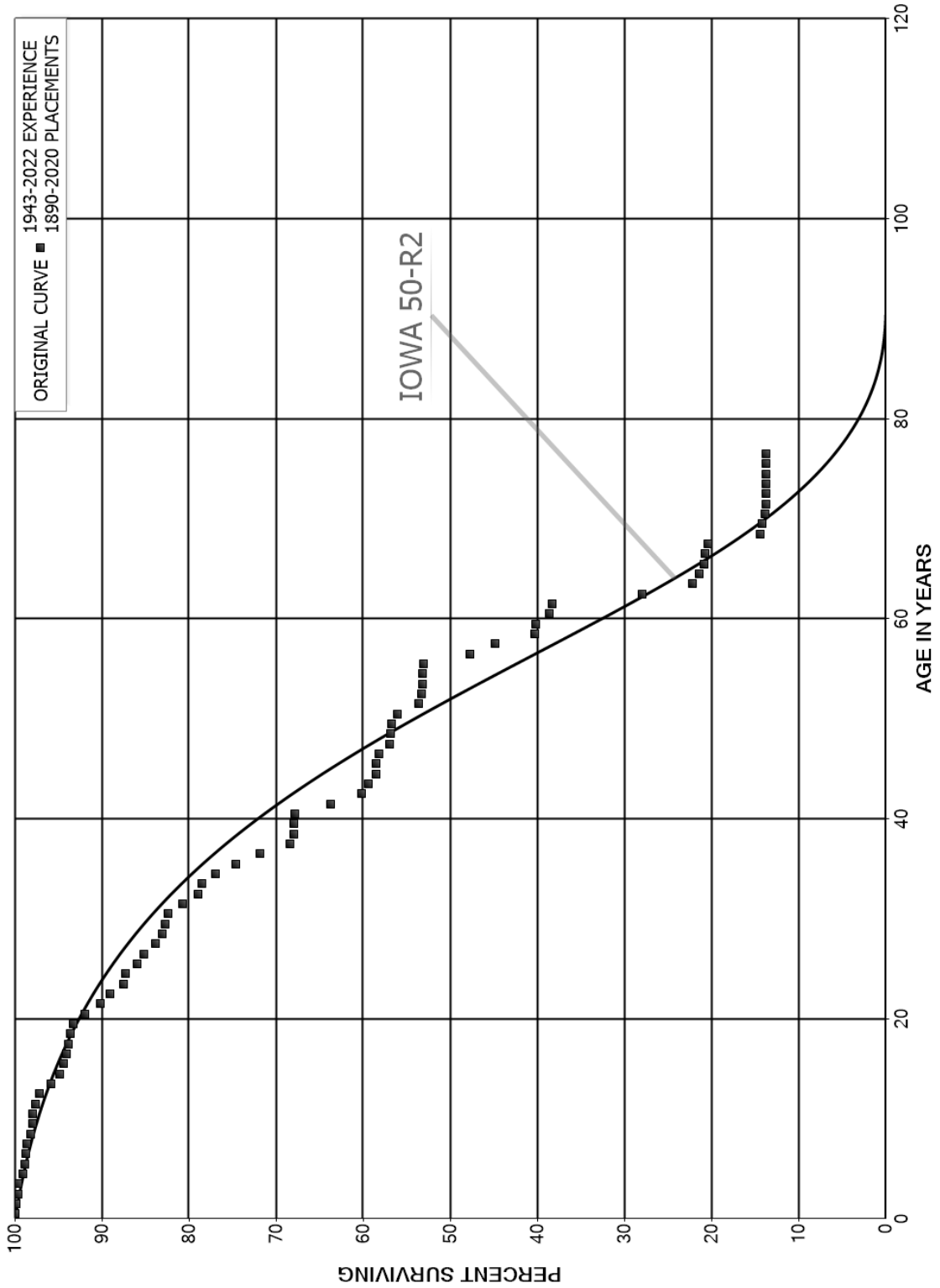
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	433,974		0.0000	1.0000	100.00
0.5	540,775		0.0000	1.0000	100.00
1.5	540,804		0.0000	1.0000	100.00
2.5	562,008		0.0000	1.0000	100.00
3.5	563,340		0.0000	1.0000	100.00
4.5	563,517	29	0.0001	0.9999	100.00
5.5	567,553		0.0000	1.0000	99.99
6.5	567,553		0.0000	1.0000	99.99
7.5	573,420		0.0000	1.0000	99.99
8.5	574,962		0.0000	1.0000	99.99
9.5	576,529		0.0000	1.0000	99.99
10.5	578,447		0.0000	1.0000	99.99
11.5	578,447		0.0000	1.0000	99.99
12.5	578,447		0.0000	1.0000	99.99
13.5	618,492		0.0000	1.0000	99.99
14.5	619,132		0.0000	1.0000	99.99
15.5	619,150		0.0000	1.0000	99.99
16.5	619,150		0.0000	1.0000	99.99
17.5	618,736		0.0000	1.0000	99.99
18.5	618,736		0.0000	1.0000	99.99
19.5	618,736		0.0000	1.0000	99.99
20.5	618,736		0.0000	1.0000	99.99
21.5	618,096		0.0000	1.0000	99.99
22.5	616,178		0.0000	1.0000	99.99
23.5	570,381		0.0000	1.0000	99.99
24.5	263,507		0.0000	1.0000	99.99
25.5	263,507		0.0000	1.0000	99.99
26.5	263,507		0.0000	1.0000	99.99
27.5	263,507		0.0000	1.0000	99.99
28.5	263,588	65	0.0002	0.9998	99.99
29.5	251,507		0.0000	1.0000	99.97
30.5	249,055		0.0000	1.0000	99.97
31.5	249,447		0.0000	1.0000	99.97
32.5	249,406		0.0000	1.0000	99.97
33.5	247,463	35	0.0001	0.9999	99.97
34.5	248,428		0.0000	1.0000	99.96
35.5	228,305		0.0000	1.0000	99.96
36.5	228,306		0.0000	1.0000	99.96
37.5	228,331		0.0000	1.0000	99.96
38.5	228,304		0.0000	1.0000	99.96

PLACEMENT BAND 1916-1999 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	228,304		0.0000	1.0000	99.96
40.5	182,756		0.0000	1.0000	99.96
41.5	181,677		0.0000	1.0000	99.96
42.5	180,464		0.0000	1.0000	99.96
43.5	17,732		0.0000	1.0000	99.96
44.5	11,303		0.0000	1.0000	99.96
45.5	11,303		0.0000	1.0000	99.96
46.5	11,303		0.0000	1.0000	99.96
47.5	11,303		0.0000	1.0000	99.96
48.5	11,303	285	0.0252	0.9748	99.96
49.5	11,018		0.0000	1.0000	97.44
50.5	11,018		0.0000	1.0000	97.44
51.5	11,018	291	0.0264	0.9736	97.44
52.5	10,727		0.0000	1.0000	94.87
53.5	10,727		0.0000	1.0000	94.87
54.5	10,727		0.0000	1.0000	94.87
55.5	10,727		0.0000	1.0000	94.87
56.5	10,727		0.0000	1.0000	94.87
57.5	10,727	2,403	0.2240	0.7760	94.87
58.5	7,881		0.0000	1.0000	73.62
59.5	7,881		0.0000	1.0000	73.62
60.5	7,881		0.0000	1.0000	73.62
61.5	7,881		0.0000	1.0000	73.62
62.5	7,869		0.0000	1.0000	73.62
63.5	7,181		0.0000	1.0000	73.62
64.5	6,523		0.0000	1.0000	73.62
65.5	6,523	1	0.0002	0.9998	73.62
66.5	6,497		0.0000	1.0000	73.61
67.5	6,497		0.0000	1.0000	73.61
68.5	6,202		0.0000	1.0000	73.61
69.5	6,148		0.0000	1.0000	73.61
70.5	6,148		0.0000	1.0000	73.61
71.5	5,794		0.0000	1.0000	73.61
72.5	5,397		0.0000	1.0000	73.61
73.5	1,766		0.0000	1.0000	73.61
74.5	1,691		0.0000	1.0000	73.61
75.5	1,662		0.0000	1.0000	73.61
76.5	1,662		0.0000	1.0000	73.61
77.5	1,662		0.0000	1.0000	73.61
78.5	199		0.0000	1.0000	73.61

PLACEMENT BAND 1916-1999 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	199		0.0000	1.0000	73.61
80.5	199		0.0000	1.0000	73.61
81.5	100		0.0000	1.0000	73.61
82.5	100		0.0000	1.0000	73.61
83.5					73.61


ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1890-2020 PLACEMENTS
IOWA 50-R2
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1890-2020 EXPERIENCE BAND 1943-2022

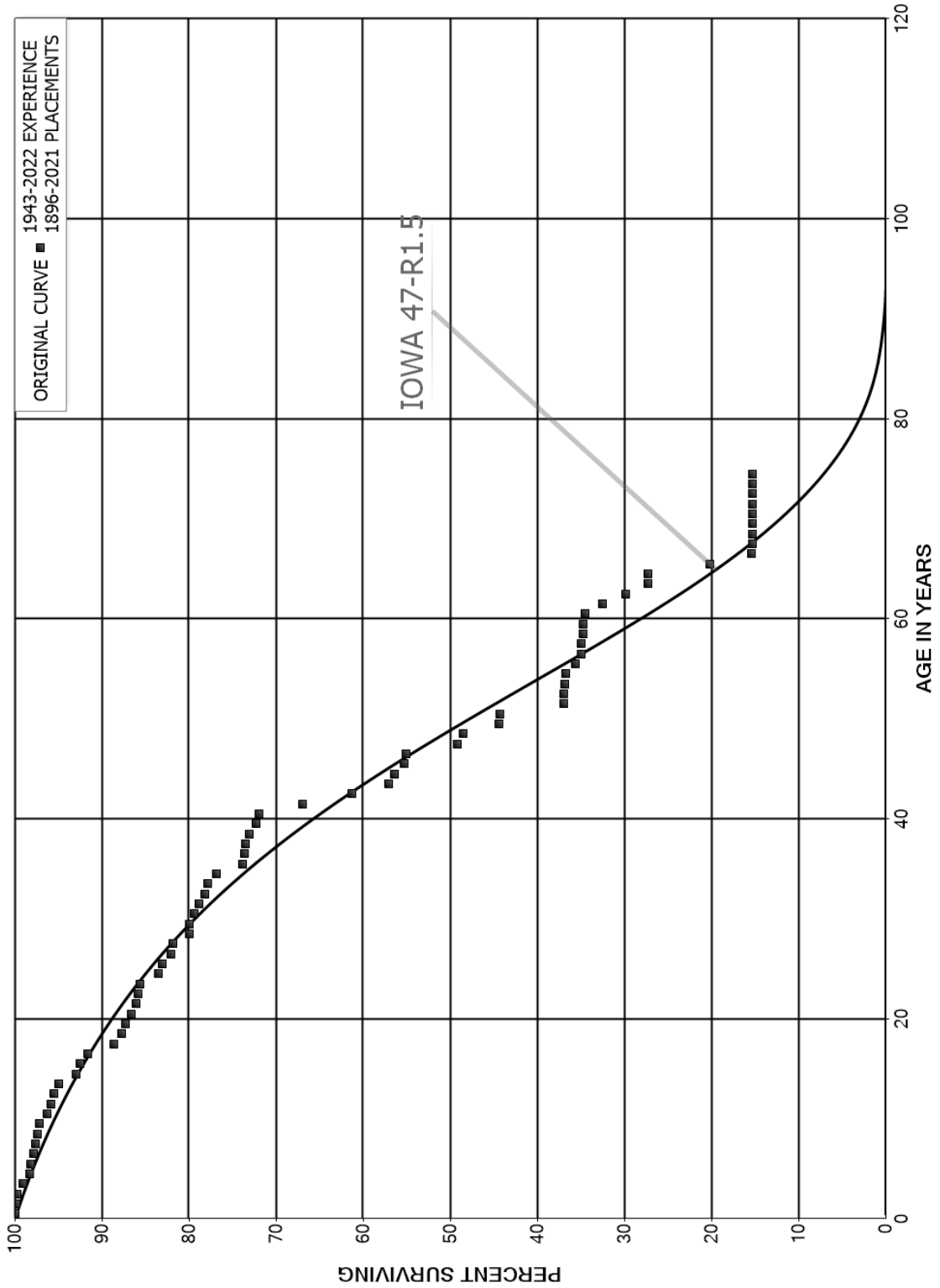
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,140,582	493	0.0000	1.0000	100.00
0.5	23,645,749	27,036	0.0011	0.9989	100.00
1.5	21,262,623	48,385	0.0023	0.9977	99.88
2.5	15,940,544	15,087	0.0009	0.9991	99.66
3.5	12,292,503	65,167	0.0053	0.9947	99.56
4.5	9,822,876	17,510	0.0018	0.9982	99.03
5.5	9,840,275	9,698	0.0010	0.9990	98.86
6.5	9,731,960	11,707	0.0012	0.9988	98.76
7.5	8,460,986	40,773	0.0048	0.9952	98.64
8.5	7,944,431	17,390	0.0022	0.9978	98.17
9.5	6,399,215	3,887	0.0006	0.9994	97.95
10.5	6,385,653	19,835	0.0031	0.9969	97.89
11.5	6,275,311	26,802	0.0043	0.9957	97.59
12.5	6,302,656	87,600	0.0139	0.9861	97.17
13.5	6,224,589	65,281	0.0105	0.9895	95.82
14.5	5,507,093	23,898	0.0043	0.9957	94.82
15.5	5,250,575	18,509	0.0035	0.9965	94.40
16.5	3,596,457	10,364	0.0029	0.9971	94.07
17.5	3,564,134	5,319	0.0015	0.9985	93.80
18.5	3,071,165	12,723	0.0041	0.9959	93.66
19.5	3,073,229	42,653	0.0139	0.9861	93.27
20.5	2,957,091	59,515	0.0201	0.9799	91.98
21.5	2,867,485	35,260	0.0123	0.9877	90.13
22.5	2,757,346	45,335	0.0164	0.9836	89.02
23.5	2,673,190	6,701	0.0025	0.9975	87.55
24.5	2,526,847	39,733	0.0157	0.9843	87.34
25.5	2,527,684	24,019	0.0095	0.9905	85.96
26.5	2,626,485	41,082	0.0156	0.9844	85.14
27.5	2,592,405	22,724	0.0088	0.9912	83.81
28.5	2,113,907	9,769	0.0046	0.9954	83.08
29.5	1,973,273	6,889	0.0035	0.9965	82.69
30.5	1,912,823	38,348	0.0200	0.9800	82.41
31.5	1,830,775	41,550	0.0227	0.9773	80.75
32.5	1,762,511	9,769	0.0055	0.9945	78.92
33.5	1,744,529	34,646	0.0199	0.9801	78.48
34.5	1,535,736	45,794	0.0298	0.9702	76.92
35.5	1,489,899	56,225	0.0377	0.9623	74.63
36.5	1,380,048	65,583	0.0475	0.9525	71.81
37.5	1,170,410	7,857	0.0067	0.9933	68.40
38.5	1,152,657	643	0.0006	0.9994	67.94

PLACEMENT BAND 1890-2020 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,042,422	919	0.0009	0.9991	67.90
40.5	1,027,559	61,871	0.0602	0.9398	67.84
41.5	969,508	55,062	0.0568	0.9432	63.76
42.5	895,503	10,797	0.0121	0.9879	60.14
43.5	739,793	10,634	0.0144	0.9856	59.41
44.5	710,846	428	0.0006	0.9994	58.56
45.5	708,173	3,904	0.0055	0.9945	58.52
46.5	696,378	14,701	0.0211	0.9789	58.20
47.5	707,511	2,133	0.0030	0.9970	56.97
48.5	691,862	521	0.0008	0.9992	56.80
49.5	650,162	8,238	0.0127	0.9873	56.76
50.5	632,665	27,769	0.0439	0.9561	56.04
51.5	577,419	2,871	0.0050	0.9950	53.58
52.5	415,526	1,485	0.0036	0.9964	53.31
53.5	400,917	7	0.0000	1.0000	53.12
54.5	308,259	595	0.0019	0.9981	53.12
55.5	300,116	30,002	0.1000	0.9000	53.02
56.5	260,526	15,705	0.0603	0.9397	47.72
57.5	238,936	24,418	0.1022	0.8978	44.84
58.5	208,135	564	0.0027	0.9973	40.26
59.5	215,402	8,264	0.0384	0.9616	40.15
60.5	211,313	1,731	0.0082	0.9918	38.61
61.5	205,287	55,235	0.2691	0.7309	38.29
62.5	150,082	31,465	0.2097	0.7903	27.99
63.5	118,056	3,919	0.0332	0.9668	22.12
64.5	112,267	3,120	0.0278	0.9722	21.39
65.5	108,702	306	0.0028	0.9972	20.79
66.5	107,117	1,808	0.0169	0.9831	20.73
67.5	104,591	30,864	0.2951	0.7049	20.38
68.5	70,666	1,163	0.0165	0.9835	14.37
69.5	69,443	1,268	0.0183	0.9817	14.13
70.5	56,004	672	0.0120	0.9880	13.87
71.5	55,488		0.0000	1.0000	13.71
72.5	56,654		0.0000	1.0000	13.71
73.5	56,633		0.0000	1.0000	13.71
74.5	37,498	10	0.0003	0.9997	13.71
75.5	28,556	57	0.0020	0.9980	13.70
76.5	13,593	308	0.0226	0.9774	13.68
77.5	13,139		0.0000	1.0000	13.37
78.5	12,801		0.0000	1.0000	13.37

PLACEMENT BAND 1890-2020 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	12,231		0.0000	1.0000	13.37
80.5	12,231	4	0.0003	0.9997	13.37
81.5	10,773		0.0000	1.0000	13.36
82.5	11,479	9	0.0008	0.9992	13.36
83.5	11,386		0.0000	1.0000	13.35
84.5	11,382		0.0000	1.0000	13.35
85.5	11,362		0.0000	1.0000	13.35
86.5	11,362		0.0000	1.0000	13.35
87.5	11,362		0.0000	1.0000	13.35
88.5	11,305	45	0.0040	0.9960	13.35
89.5	11,240		0.0000	1.0000	13.30
90.5	11,240	2,121	0.1887	0.8113	13.30
91.5	9,119		0.0000	1.0000	10.79
92.5	9,119		0.0000	1.0000	10.79
93.5	9,119		0.0000	1.0000	10.79
94.5	9,119		0.0000	1.0000	10.79
95.5	9,119		0.0000	1.0000	10.79
96.5	9,056		0.0000	1.0000	10.79
97.5	7,822		0.0000	1.0000	10.79
98.5	2,229		0.0000	1.0000	10.79
99.5	2,229		0.0000	1.0000	10.79
100.5	2,184		0.0000	1.0000	10.79
101.5	2,184		0.0000	1.0000	10.79
102.5	2,184		0.0000	1.0000	10.79
103.5	2,184		0.0000	1.0000	10.79
104.5	2,158		0.0000	1.0000	10.79
105.5	1,795		0.0000	1.0000	10.79
106.5	9		0.0000	1.0000	10.79
107.5	9		0.0000	1.0000	10.79
108.5	9		0.0000	1.0000	10.79
109.5	9		0.0000	1.0000	10.79
110.5					10.79


ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1896-2021 PLACEMENTS
IOWA 47-R1.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

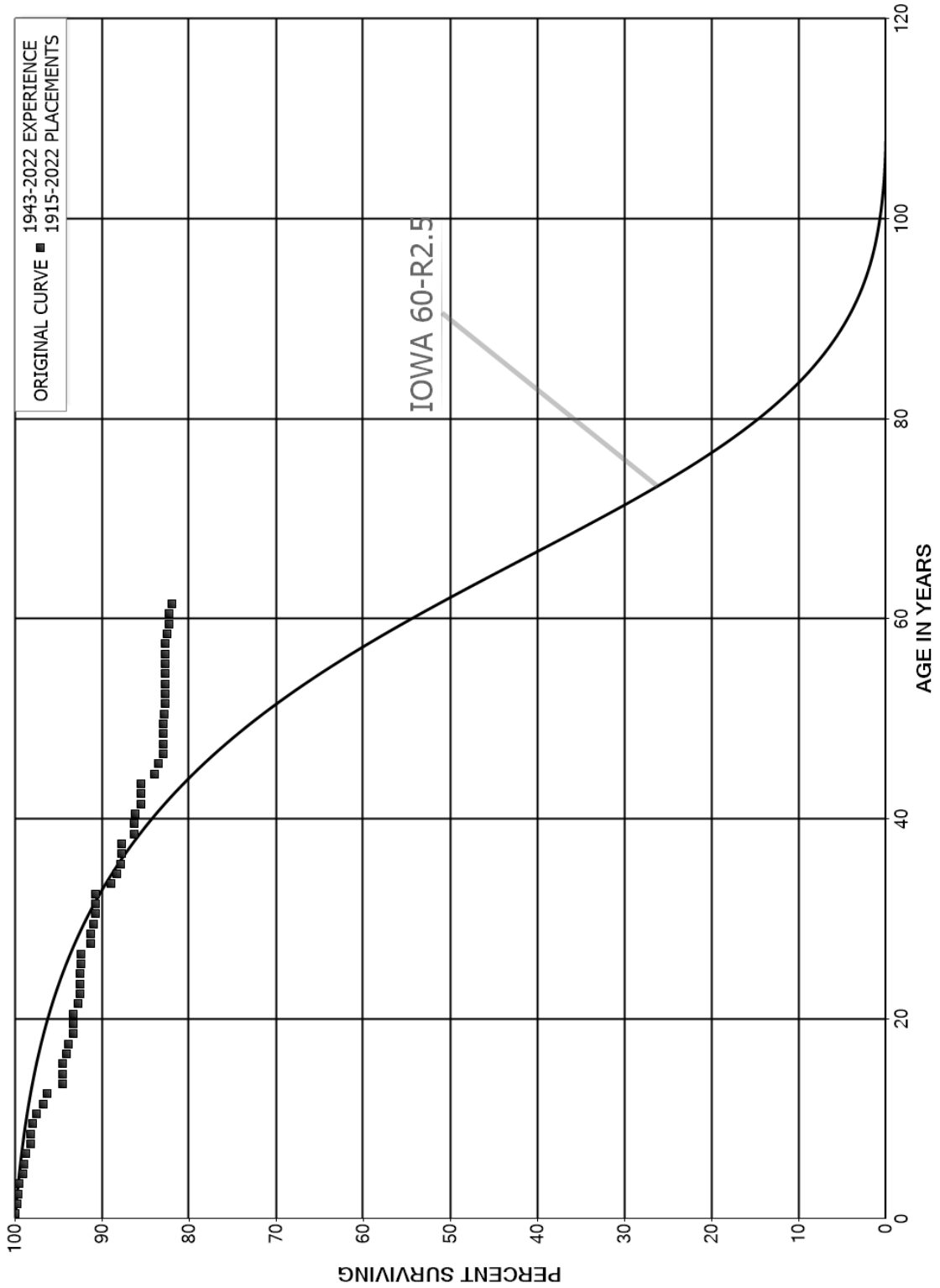
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	46,340,151	21,197	0.0005	0.9995	100.00
0.5	42,581,519	56,638	0.0013	0.9987	99.95
1.5	39,854,460	20,905	0.0005	0.9995	99.82
2.5	33,279,030	246,904	0.0074	0.9926	99.77
3.5	28,677,710	221,440	0.0077	0.9923	99.03
4.5	28,392,829	31,655	0.0011	0.9989	98.26
5.5	28,126,721	78,234	0.0028	0.9972	98.15
6.5	27,968,002	90,427	0.0032	0.9968	97.88
7.5	27,527,172	34,513	0.0013	0.9987	97.57
8.5	24,011,893	56,694	0.0024	0.9976	97.44
9.5	23,113,329	230,006	0.0100	0.9900	97.21
10.5	22,828,195	109,413	0.0048	0.9952	96.25
11.5	22,288,883	60,070	0.0027	0.9973	95.78
12.5	21,723,059	139,881	0.0064	0.9936	95.53
13.5	21,190,266	438,979	0.0207	0.9793	94.91
14.5	20,722,822	94,503	0.0046	0.9954	92.94
15.5	20,484,984	191,798	0.0094	0.9906	92.52
16.5	19,395,289	652,762	0.0337	0.9663	91.65
17.5	18,386,953	183,479	0.0100	0.9900	88.57
18.5	16,892,469	77,493	0.0046	0.9954	87.69
19.5	15,928,534	131,187	0.0082	0.9918	87.28
20.5	13,909,779	79,127	0.0057	0.9943	86.56
21.5	13,463,610	43,364	0.0032	0.9968	86.07
22.5	12,780,465	32,591	0.0026	0.9974	85.80
23.5	10,159,339	248,319	0.0244	0.9756	85.58
24.5	9,686,994	48,077	0.0050	0.9950	83.48
25.5	9,403,812	111,364	0.0118	0.9882	83.07
26.5	9,357,237	23,317	0.0025	0.9975	82.09
27.5	9,230,207	218,167	0.0236	0.9764	81.88
28.5	8,528,321	4,456	0.0005	0.9995	79.95
29.5	7,826,269	52,385	0.0067	0.9933	79.90
30.5	7,661,473	56,144	0.0073	0.9927	79.37
31.5	7,349,750	58,211	0.0079	0.9921	78.79
32.5	6,325,497	28,148	0.0044	0.9956	78.16
33.5	6,249,479	76,678	0.0123	0.9877	77.82
34.5	6,011,898	238,207	0.0396	0.9604	76.86
35.5	5,532,119	14,920	0.0027	0.9973	73.82
36.5	5,281,889	4,377	0.0008	0.9992	73.62
37.5	5,443,286	39,280	0.0072	0.9928	73.56
38.5	5,120,171	49,056	0.0096	0.9904	73.03

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,755,866	21,538	0.0045	0.9955	72.33
40.5	4,704,388	331,695	0.0705	0.9295	72.00
41.5	4,347,196	364,198	0.0838	0.9162	66.92
42.5	1,826,952	128,163	0.0702	0.9298	61.32
43.5	1,714,287	17,407	0.0102	0.9898	57.01
44.5	1,689,730	33,150	0.0196	0.9804	56.43
45.5	1,623,302	8,576	0.0053	0.9947	55.33
46.5	1,615,234	172,614	0.1069	0.8931	55.04
47.5	1,433,587	20,471	0.0143	0.9857	49.15
48.5	1,287,379	106,793	0.0830	0.9170	48.45
49.5	1,185,956	5,204	0.0044	0.9956	44.43
50.5	1,163,444	191,833	0.1649	0.8351	44.24
51.5	960,906	761	0.0008	0.9992	36.94
52.5	919,691	3,201	0.0035	0.9965	36.91
53.5	900,960	2,432	0.0027	0.9973	36.79
54.5	898,471	26,954	0.0300	0.9700	36.69
55.5	869,388	14,095	0.0162	0.9838	35.59
56.5	853,938	2,051	0.0024	0.9976	35.01
57.5	852,695	4,583	0.0054	0.9946	34.93
58.5	871,107	477	0.0005	0.9995	34.74
59.5	871,280	4,458	0.0051	0.9949	34.72
60.5	866,394	50,046	0.0578	0.9422	34.54
61.5	816,664	68,426	0.0838	0.9162	32.55
62.5	746,339	62,713	0.0840	0.9160	29.82
63.5	657,558	759	0.0012	0.9988	27.31
64.5	652,068	170,277	0.2611	0.7389	27.28
65.5	481,645	114,196	0.2371	0.7629	20.16
66.5	325,824	1,376	0.0042	0.9958	15.38
67.5	324,115		0.0000	1.0000	15.31
68.5	305,411	60	0.0002	0.9998	15.31
69.5	223,900		0.0000	1.0000	15.31
70.5	211,656		0.0000	1.0000	15.31
71.5	211,021		0.0000	1.0000	15.31
72.5	208,636	50	0.0002	0.9998	15.31
73.5	183,047		0.0000	1.0000	15.31
74.5	26,768		0.0000	1.0000	15.31
75.5	26,741	49	0.0018	0.9982	15.31
76.5	26,719		0.0000	1.0000	15.28
77.5	26,719	93	0.0035	0.9965	15.28
78.5	26,625		0.0000	1.0000	15.23

PLACEMENT BAND 1896-2021 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	26,625		0.0000	1.0000	15.23
80.5	26,053		0.0000	1.0000	15.23
81.5	25,927		0.0000	1.0000	15.23
82.5	25,461		0.0000	1.0000	15.23
83.5	25,461		0.0000	1.0000	15.23
84.5	25,315		0.0000	1.0000	15.23
85.5	2,804		0.0000	1.0000	15.23
86.5	2,804	26	0.0094	0.9906	15.23
87.5	2,649		0.0000	1.0000	15.08
88.5	2,257		0.0000	1.0000	15.08
89.5	2,257		0.0000	1.0000	15.08
90.5	2,257		0.0000	1.0000	15.08
91.5	2,257		0.0000	1.0000	15.08
92.5	2,257		0.0000	1.0000	15.08
93.5	2,257	59	0.0260	0.9740	15.08
94.5	2,199		0.0000	1.0000	14.69
95.5	2,199		0.0000	1.0000	14.69
96.5	201		0.0000	1.0000	14.69
97.5	201		0.0000	1.0000	14.69
98.5	201		0.0000	1.0000	14.69
99.5	201		0.0000	1.0000	14.69
100.5					14.69

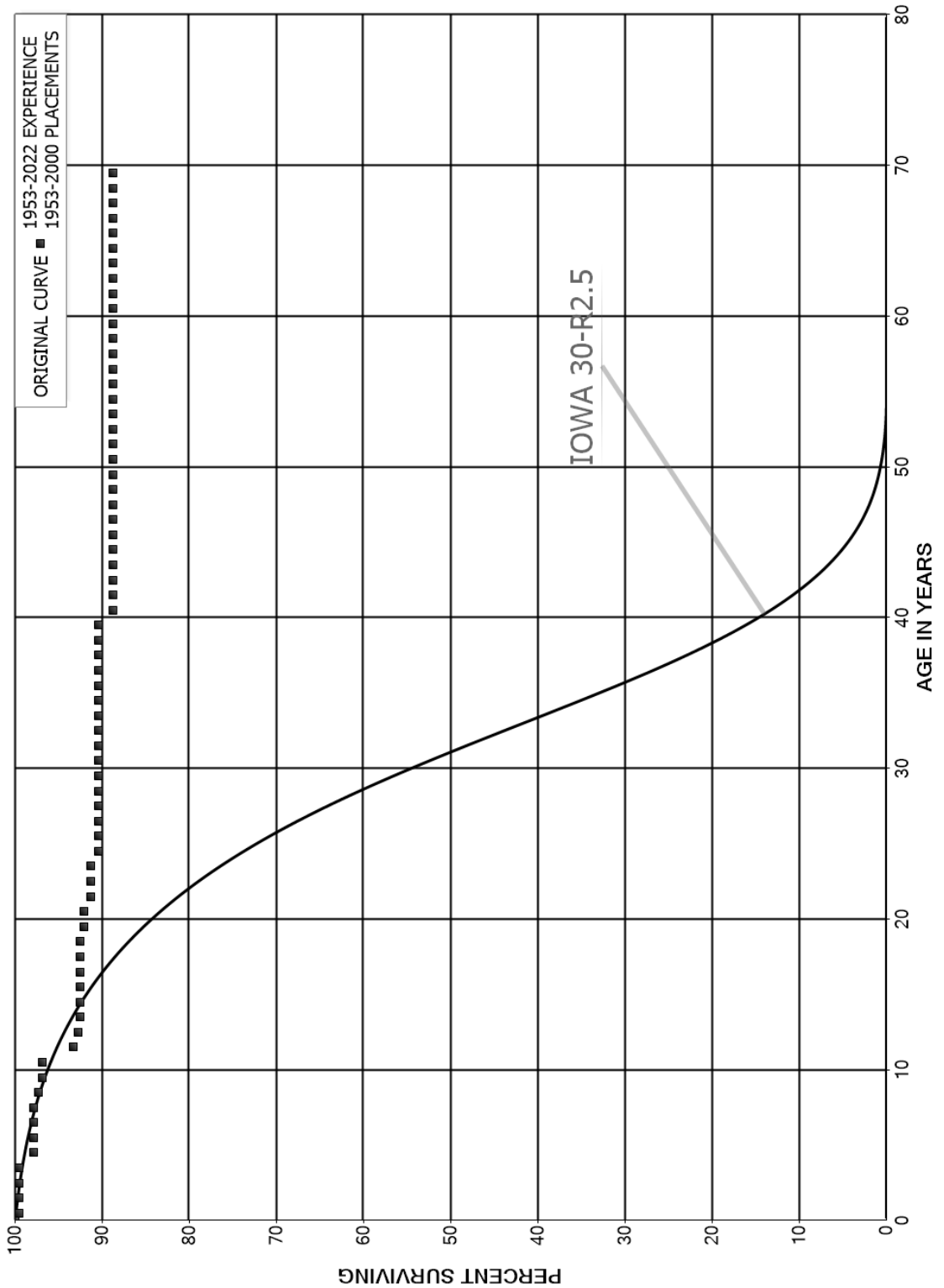

ORIGINAL CURVE ■ 1943-2022 EXPERIENCE
1915-2022 PLACEMENTS
IOWA 60-R2.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1915-2022 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,527,882	2,606	0.0005	0.9995	100.00
0.5	5,676,454	14,482	0.0026	0.9974	99.95
1.5	5,628,118	5,018	0.0009	0.9991	99.70
2.5	4,763,492	4,884	0.0010	0.9990	99.61
3.5	4,763,142	18,571	0.0039	0.9961	99.51
4.5	4,748,694	5,330	0.0011	0.9989	99.12
5.5	4,701,558	14,180	0.0030	0.9970	99.01
6.5	4,688,783	23,215	0.0050	0.9950	98.71
7.5	4,587,236	2,899	0.0006	0.9994	98.22
8.5	4,389,716	7,024	0.0016	0.9984	98.16
9.5	1,441,487	8,003	0.0056	0.9944	98.00
10.5	1,135,805	8,692	0.0077	0.9923	97.46
11.5	892,002	4,224	0.0047	0.9953	96.71
12.5	888,106	15,986	0.0180	0.9820	96.25
13.5	870,795		0.0000	1.0000	94.52
14.5	850,968		0.0000	1.0000	94.52
15.5	823,979	3,729	0.0045	0.9955	94.52
16.5	815,347	1,768	0.0022	0.9978	94.09
17.5	813,759	4,909	0.0060	0.9940	93.89
18.5	800,301		0.0000	1.0000	93.32
19.5	800,286	645	0.0008	0.9992	93.32
20.5	865,220	4,765	0.0055	0.9945	93.25
21.5	862,275	1,849	0.0021	0.9979	92.73
22.5	727,778	201	0.0003	0.9997	92.54
23.5	698,361		0.0000	1.0000	92.51
24.5	675,565	542	0.0008	0.9992	92.51
25.5	650,120	452	0.0007	0.9993	92.44
26.5	652,692	7,836	0.0120	0.9880	92.37
27.5	645,077		0.0000	1.0000	91.26
28.5	636,073	1,980	0.0031	0.9969	91.26
29.5	633,572	1,895	0.0030	0.9970	90.98
30.5	625,041		0.0000	1.0000	90.71
31.5	625,261		0.0000	1.0000	90.71
32.5	616,928	12,098	0.0196	0.9804	90.71
33.5	604,648	4,199	0.0069	0.9931	88.93
34.5	597,006	3,234	0.0054	0.9946	88.31
35.5	517,955	549	0.0011	0.9989	87.83
36.5	447,865		0.0000	1.0000	87.74
37.5	435,359	7,350	0.0169	0.9831	87.74
38.5	425,935	77	0.0002	0.9998	86.26

PLACEMENT BAND 1915-2022 EXPERIENCE BAND 1943-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	425,858	235	0.0006	0.9994	86.24
40.5	425,402	3,235	0.0076	0.9924	86.19
41.5	422,002	319	0.0008	0.9992	85.54
42.5	408,650		0.0000	1.0000	85.47
43.5	151,599	2,803	0.0185	0.9815	85.47
44.5	148,796	758	0.0051	0.9949	83.89
45.5	148,038	990	0.0067	0.9933	83.47
46.5	146,400		0.0000	1.0000	82.91
47.5	74,851		0.0000	1.0000	82.91
48.5	72,869	0	0.0000	1.0000	82.91
49.5	72,869	20	0.0003	0.9997	82.91
50.5	72,455	95	0.0013	0.9987	82.88
51.5	65,633		0.0000	1.0000	82.78
52.5	52,032	58	0.0011	0.9989	82.78
53.5	52,091		0.0000	1.0000	82.68
54.5	46,629		0.0000	1.0000	82.68
55.5	46,171		0.0000	1.0000	82.68
56.5	46,381		0.0000	1.0000	82.68
57.5	46,381	117	0.0025	0.9975	82.68
58.5	46,264	107	0.0023	0.9977	82.48
59.5	46,157		0.0000	1.0000	82.29
60.5	45,249	211	0.0047	0.9953	82.29
61.5	22,031		0.0000	1.0000	81.90
62.5	13,184		0.0000	1.0000	81.90
63.5	13,184		0.0000	1.0000	81.90
64.5	2,064		0.0000	1.0000	81.90
65.5	1,814		0.0000	1.0000	81.90
66.5	1,814		0.0000	1.0000	81.90
67.5	1,814		0.0000	1.0000	81.90
68.5	1,814		0.0000	1.0000	81.90
69.5	1,398		0.0000	1.0000	81.90
70.5					81.90

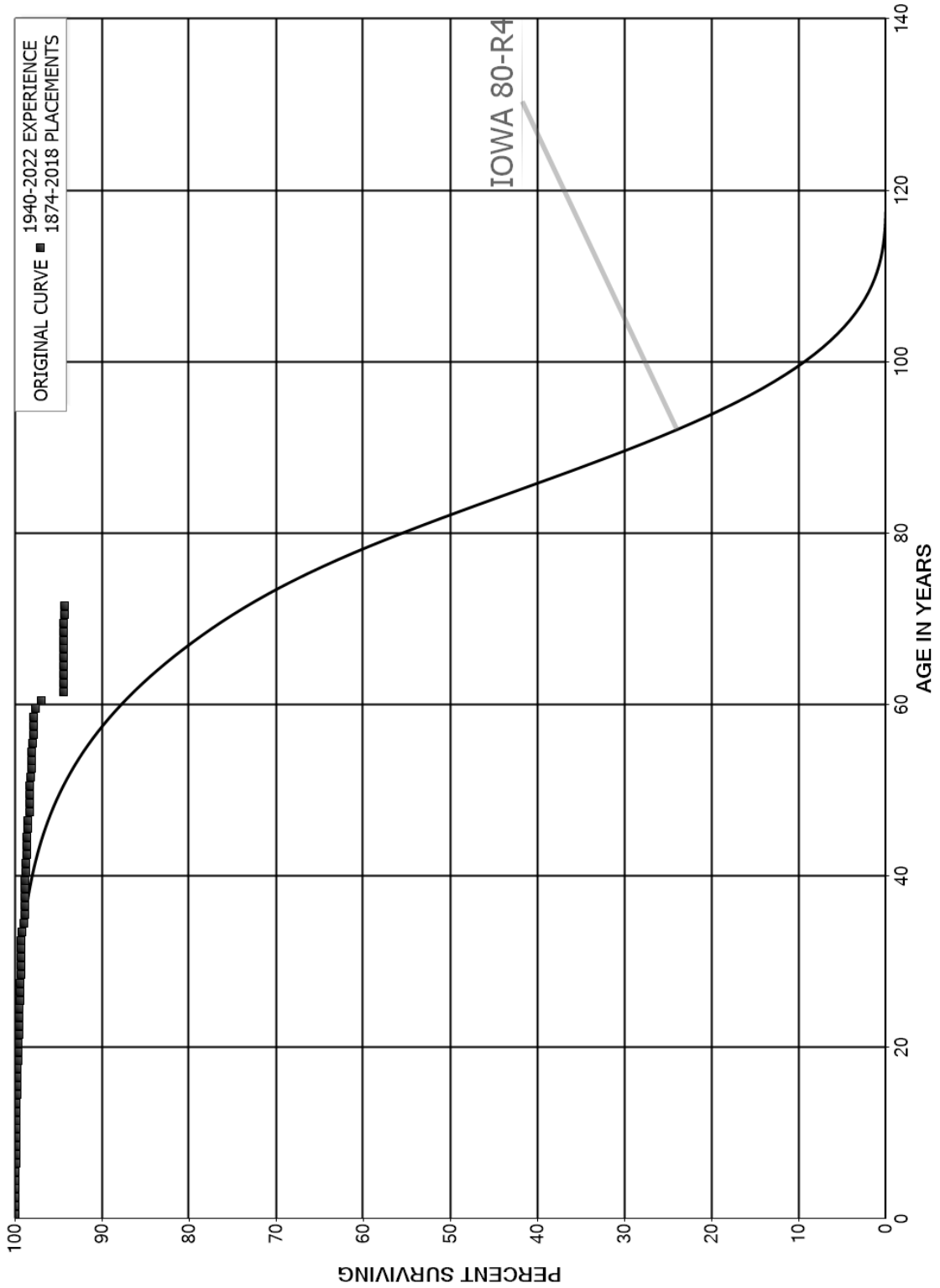

ORIGINAL CURVE ■ 1953-2022 EXPERIENCE
1953-2000 PLACEMENTS
IOWA 30-R2.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
10
20
30
40
50
60
70
80

PLACEMENT BAND 1953-2000 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	95,590	476	0.0050	0.9950	100.00
0.5	104,697		0.0000	1.0000	99.50
1.5	103,636		0.0000	1.0000	99.50
2.5	102,432		0.0000	1.0000	99.50
3.5	102,432	1,728	0.0169	0.9831	99.50
4.5	100,703		0.0000	1.0000	97.82
5.5	100,703		0.0000	1.0000	97.82
6.5	100,703		0.0000	1.0000	97.82
7.5	100,703	574	0.0057	0.9943	97.82
8.5	100,129	474	0.0047	0.9953	97.26
9.5	99,655		0.0000	1.0000	96.80
10.5	99,655	3,672	0.0368	0.9632	96.80
11.5	95,983	495	0.0052	0.9948	93.24
12.5	95,489	244	0.0026	0.9974	92.76
13.5	54,893		0.0000	1.0000	92.52
14.5	53,677	21	0.0004	0.9996	92.52
15.5	53,657		0.0000	1.0000	92.48
16.5	53,657		0.0000	1.0000	92.48
17.5	53,657		0.0000	1.0000	92.48
18.5	53,657	227	0.0042	0.9958	92.48
19.5	53,430		0.0000	1.0000	92.09
20.5	53,430	475	0.0089	0.9911	92.09
21.5	52,954		0.0000	1.0000	91.27
22.5	52,954		0.0000	1.0000	91.27
23.5	52,954	486	0.0092	0.9908	91.27
24.5	52,469		0.0000	1.0000	90.44
25.5	51,988		0.0000	1.0000	90.44
26.5	51,988		0.0000	1.0000	90.44
27.5	51,988		0.0000	1.0000	90.44
28.5	51,988		0.0000	1.0000	90.44
29.5	51,988		0.0000	1.0000	90.44
30.5	51,988		0.0000	1.0000	90.44
31.5	51,988		0.0000	1.0000	90.44
32.5	22,427		0.0000	1.0000	90.44
33.5	22,427		0.0000	1.0000	90.44
34.5	22,427		0.0000	1.0000	90.44
35.5	22,427		0.0000	1.0000	90.44
36.5	22,427		0.0000	1.0000	90.44
37.5	21,117		0.0000	1.0000	90.44
38.5	21,117		0.0000	1.0000	90.44

PLACEMENT BAND 1953-2000 EXPERIENCE BAND 1953-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,932	389	0.0186	0.9814	90.44
40.5	18,865		0.0000	1.0000	88.76
41.5	15,972		0.0000	1.0000	88.76
42.5	15,972		0.0000	1.0000	88.76
43.5	8,561	8	0.0009	0.9991	88.76
44.5	8,553		0.0000	1.0000	88.68
45.5	8,553		0.0000	1.0000	88.68
46.5	8,553		0.0000	1.0000	88.68
47.5	8,553		0.0000	1.0000	88.68
48.5	8,553		0.0000	1.0000	88.68
49.5	6,856		0.0000	1.0000	88.68
50.5	737		0.0000	1.0000	88.68
51.5	737		0.0000	1.0000	88.68
52.5	737		0.0000	1.0000	88.68
53.5	737		0.0000	1.0000	88.68
54.5	737		0.0000	1.0000	88.68
55.5	737		0.0000	1.0000	88.68
56.5	737		0.0000	1.0000	88.68
57.5	737		0.0000	1.0000	88.68
58.5	737		0.0000	1.0000	88.68
59.5	737		0.0000	1.0000	88.68
60.5	737		0.0000	1.0000	88.68
61.5	737		0.0000	1.0000	88.68
62.5	737		0.0000	1.0000	88.68
63.5	737		0.0000	1.0000	88.68
64.5	737		0.0000	1.0000	88.68
65.5	597		0.0000	1.0000	88.68
66.5	597		0.0000	1.0000	88.68
67.5	597		0.0000	1.0000	88.68
68.5	597		0.0000	1.0000	88.68
69.5					88.68


ORIGINAL CURVE ■ 1940-2022 EXPERIENCE
1874-2018 PLACEMENTS
IOWA 80-R4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140

PLACEMENT BAND 1874-2018 EXPERIENCE BAND 1940-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,388,153	56	0.0000	1.0000	100.00
0.5	5,370,775		0.0000	1.0000	100.00
1.5	5,376,971	474	0.0001	0.9999	100.00
2.5	5,325,863	914	0.0002	0.9998	99.99
3.5	5,314,987	2,785	0.0005	0.9995	99.97
4.5	5,218,617	1,228	0.0002	0.9998	99.92
5.5	5,125,779	506	0.0001	0.9999	99.90
6.5	5,089,698	1,819	0.0004	0.9996	99.89
7.5	4,883,496	804	0.0002	0.9998	99.85
8.5	4,807,818		0.0000	1.0000	99.84
9.5	4,736,944	420	0.0001	0.9999	99.84
10.5	4,756,746	91	0.0000	1.0000	99.83
11.5	4,636,492	986	0.0002	0.9998	99.82
12.5	4,594,219	176	0.0000	1.0000	99.80
13.5	4,576,664	3,256	0.0007	0.9993	99.80
14.5	4,417,817	151	0.0000	1.0000	99.73
15.5	4,382,661	147	0.0000	1.0000	99.72
16.5	4,378,614		0.0000	1.0000	99.72
17.5	4,248,801	4,075	0.0010	0.9990	99.72
18.5	4,193,748	225	0.0001	0.9999	99.63
19.5	4,084,308	444	0.0001	0.9999	99.62
20.5	3,938,644	2,638	0.0007	0.9993	99.61
21.5	3,420,943	228	0.0001	0.9999	99.54
22.5	3,445,108	920	0.0003	0.9997	99.54
23.5	3,297,621	1,646	0.0005	0.9995	99.51
24.5	3,278,479	625	0.0002	0.9998	99.46
25.5	3,229,043	264	0.0001	0.9999	99.44
26.5	3,230,575	2,536	0.0008	0.9992	99.43
27.5	3,169,705	710	0.0002	0.9998	99.35
28.5	3,137,350		0.0000	1.0000	99.33
29.5	3,099,205	830	0.0003	0.9997	99.33
30.5	3,067,015	905	0.0003	0.9997	99.31
31.5	3,009,467	1,091	0.0004	0.9996	99.28
32.5	2,784,773	735	0.0003	0.9997	99.24
33.5	2,650,551	6,726	0.0025	0.9975	99.21
34.5	2,535,742	4,145	0.0016	0.9984	98.96
35.5	2,328,129	101	0.0000	1.0000	98.80
36.5	2,388,467	136	0.0001	0.9999	98.80
37.5	2,365,311		0.0000	1.0000	98.79
38.5	2,301,451	259	0.0001	0.9999	98.79

PLACEMENT BAND 1874-2018 EXPERIENCE BAND 1940-2022

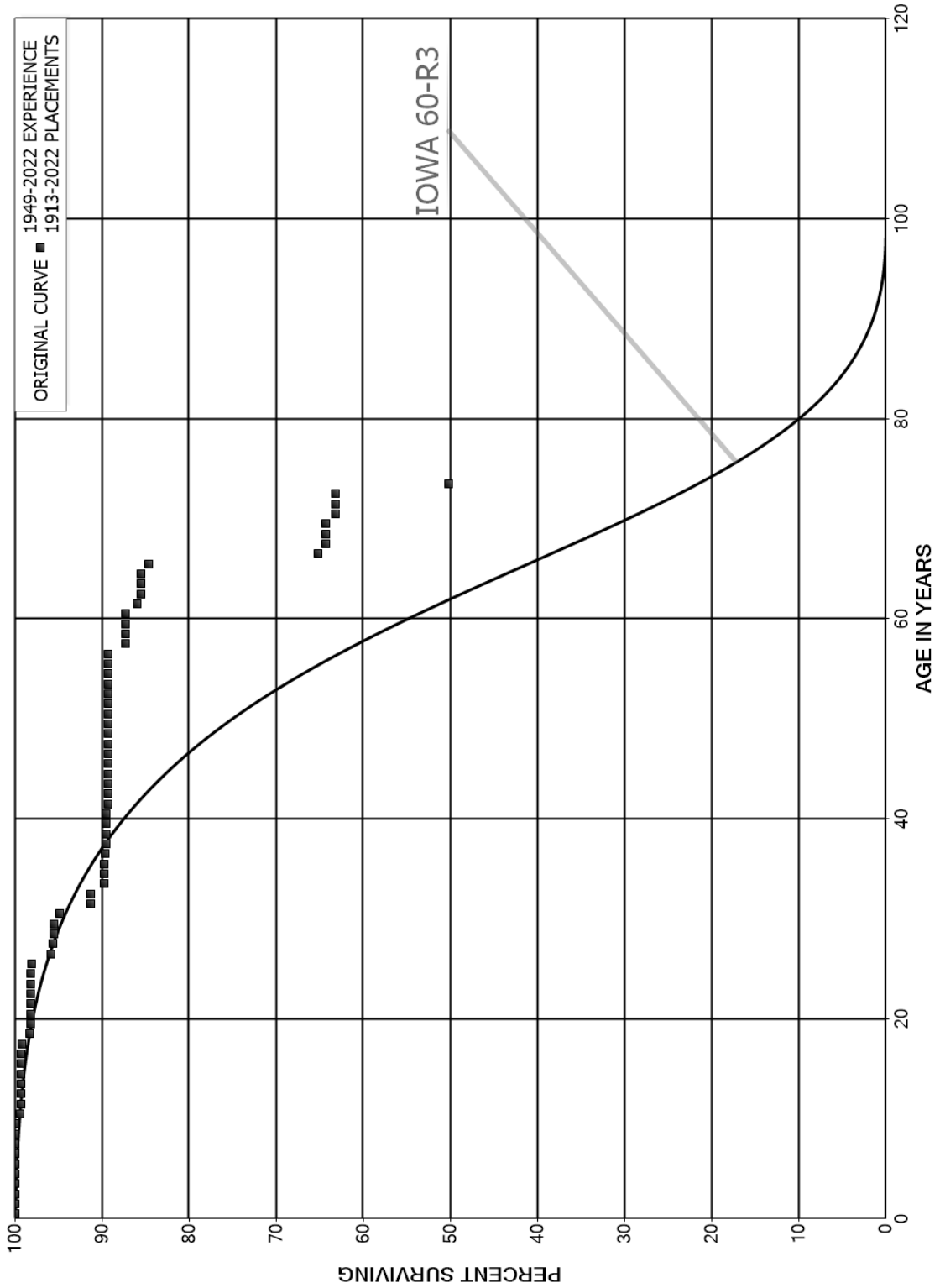
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,274,783	572	0.0003	0.9997	98.78
40.5	2,237,354	1,642	0.0007	0.9993	98.76
41.5	2,219,034	697	0.0003	0.9997	98.68
42.5	2,147,917	821	0.0004	0.9996	98.65
43.5	2,116,247	160	0.0001	0.9999	98.61
44.5	2,022,942	1,924	0.0010	0.9990	98.61
45.5	2,009,640	280	0.0001	0.9999	98.51
46.5	1,984,473	3,670	0.0018	0.9982	98.50
47.5	1,939,025		0.0000	1.0000	98.32
48.5	1,821,051	104	0.0001	0.9999	98.32
49.5	1,754,940	486	0.0003	0.9997	98.31
50.5	1,747,080	2,904	0.0017	0.9983	98.28
51.5	1,695,035	642	0.0004	0.9996	98.12
52.5	1,634,020	557	0.0003	0.9997	98.08
53.5	1,592,760	396	0.0002	0.9998	98.05
54.5	1,548,263	2,140	0.0014	0.9986	98.03
55.5	1,513,182	25	0.0000	1.0000	97.89
56.5	1,465,596	68	0.0000	1.0000	97.89
57.5	1,371,342	974	0.0007	0.9993	97.88
58.5	1,297,477	2,632	0.0020	0.9980	97.81
59.5	1,223,978	7,713	0.0063	0.9937	97.62
60.5	1,171,859	31,235	0.0267	0.9733	97.00
61.5	1,076,683		0.0000	1.0000	94.42
62.5	1,035,750	134	0.0001	0.9999	94.42
63.5	918,006	96	0.0001	0.9999	94.40
64.5	831,716		0.0000	1.0000	94.39
65.5	802,289	209	0.0003	0.9997	94.39
66.5	776,717		0.0000	1.0000	94.37
67.5	700,791		0.0000	1.0000	94.37
68.5	676,302		0.0000	1.0000	94.37
69.5	639,996	746	0.0012	0.9988	94.37
70.5	619,569		0.0000	1.0000	94.26
71.5	598,427		0.0000	1.0000	94.26
72.5	587,891	65	0.0001	0.9999	94.26
73.5	553,816	50	0.0001	0.9999	94.25
74.5	522,989	104	0.0002	0.9998	94.24
75.5	515,868		0.0000	1.0000	94.22
76.5	512,181		0.0000	1.0000	94.22
77.5	509,791		0.0000	1.0000	94.22
78.5	500,377		0.0000	1.0000	94.22

PLACEMENT BAND 1874-2018 EXPERIENCE BAND 1940-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	492,584	19	0.0000	1.0000	94.22
80.5	480,354		0.0000	1.0000	94.22
81.5	462,345		0.0000	1.0000	94.22
82.5	455,637		0.0000	1.0000	94.22
83.5	446,425		0.0000	1.0000	94.22
84.5	444,882		0.0000	1.0000	94.22
85.5	441,687		0.0000	1.0000	94.22
86.5	438,788		0.0000	1.0000	94.22
87.5	428,238		0.0000	1.0000	94.22
88.5	428,011		0.0000	1.0000	94.22
89.5	426,332		0.0000	1.0000	94.22
90.5	425,355		0.0000	1.0000	94.22
91.5	423,590		0.0000	1.0000	94.22
92.5	417,995		0.0000	1.0000	94.22
93.5	415,141		0.0000	1.0000	94.22
94.5	414,589		0.0000	1.0000	94.22
95.5	411,298		0.0000	1.0000	94.22
96.5	400,915		0.0000	1.0000	94.22
97.5	391,371		0.0000	1.0000	94.22
98.5	374,207		0.0000	1.0000	94.22
99.5	359,447		0.0000	1.0000	94.22
100.5	350,261		0.0000	1.0000	94.22
101.5	337,224		0.0000	1.0000	94.22
102.5	336,813		0.0000	1.0000	94.22
103.5	335,585		0.0000	1.0000	94.22
104.5	318,739		0.0000	1.0000	94.22
105.5	313,331		0.0000	1.0000	94.22
106.5	303,152		0.0000	1.0000	94.22
107.5	286,160		0.0000	1.0000	94.22
108.5	238,872		0.0000	1.0000	94.22
109.5	185,116		0.0000	1.0000	94.22
110.5	170,295		0.0000	1.0000	94.22
111.5	159,259		0.0000	1.0000	94.22
112.5	142,968		0.0000	1.0000	94.22
113.5	129,377		0.0000	1.0000	94.22
114.5	124,411		0.0000	1.0000	94.22
115.5	122,525		0.0000	1.0000	94.22
116.5	109,565		0.0000	1.0000	94.22
117.5	95,627		0.0000	1.0000	94.22
118.5	85,312		0.0000	1.0000	94.22

PLACEMENT BAND 1874-2018 EXPERIENCE BAND 1940-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	68,708		0.0000	1.0000	94.22
120.5	53,776		0.0000	1.0000	94.22
121.5	43,037		0.0000	1.0000	94.22
122.5	34,701		0.0000	1.0000	94.22
123.5	32,693		0.0000	1.0000	94.22
124.5	30,350		0.0000	1.0000	94.22
125.5	27,140		0.0000	1.0000	94.22
126.5	16,970		0.0000	1.0000	94.22
127.5	16,435		0.0000	1.0000	94.22
128.5	15,773		0.0000	1.0000	94.22
129.5	15,104		0.0000	1.0000	94.22
130.5	12,212		0.0000	1.0000	94.22
131.5	10,331		0.0000	1.0000	94.22
132.5	9,494		0.0000	1.0000	94.22
133.5	7,218		0.0000	1.0000	94.22
134.5	6,737		0.0000	1.0000	94.22
135.5	6,385		0.0000	1.0000	94.22
136.5	4,038		0.0000	1.0000	94.22
137.5	4,038		0.0000	1.0000	94.22
138.5	4,038		0.0000	1.0000	94.22
139.5	4,038		0.0000	1.0000	94.22
140.5	4,038		0.0000	1.0000	94.22
141.5	4,038		0.0000	1.0000	94.22
142.5	4,038		0.0000	1.0000	94.22
143.5	4,038		0.0000	1.0000	94.22
144.5	4,038		0.0000	1.0000	94.22
145.5	3,916		0.0000	1.0000	94.22
146.5	3,517		0.0000	1.0000	94.22
147.5	5		0.0000	1.0000	94.22
148.5					94.22


ORIGINAL CURVE ■ 1949-2022 EXPERIENCE
1913-2022 PLACEMENTS
IOWA 60-R3
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1913-2022 EXPERIENCE BAND 1949-2022

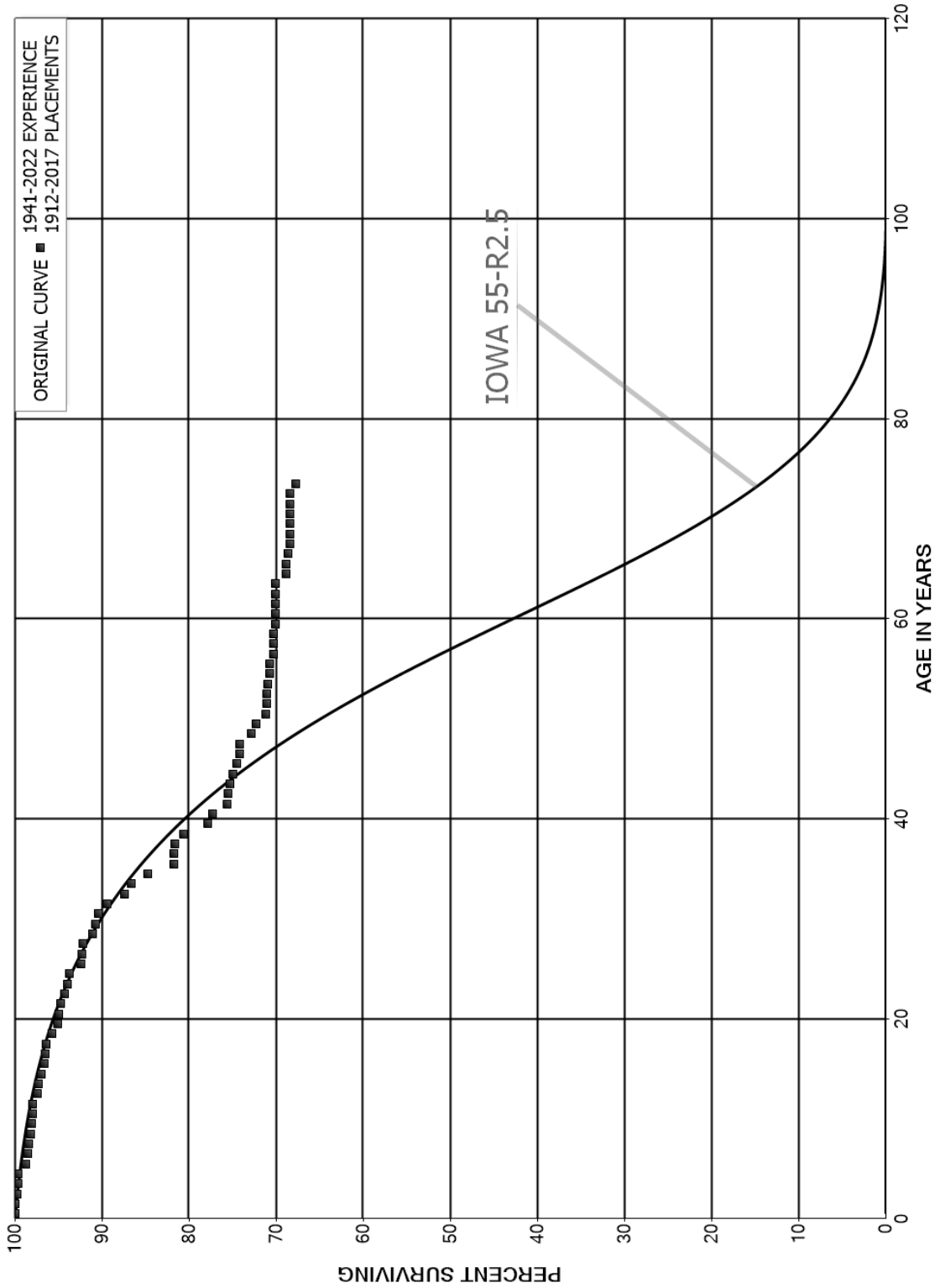
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,239,143		0.0000	1.0000	100.00
0.5	4,132,870	367	0.0001	0.9999	100.00
1.5	3,930,770		0.0000	1.0000	99.99
2.5	3,939,959		0.0000	1.0000	99.99
3.5	3,939,412		0.0000	1.0000	99.99
4.5	2,457,552		0.0000	1.0000	99.99
5.5	2,466,688		0.0000	1.0000	99.99
6.5	2,477,207		0.0000	1.0000	99.99
7.5	2,477,140		0.0000	1.0000	99.99
8.5	2,486,133		0.0000	1.0000	99.99
9.5	2,486,133	14,500	0.0058	0.9942	99.99
10.5	2,471,789	3,149	0.0013	0.9987	99.41
11.5	2,483,931		0.0000	1.0000	99.28
12.5	2,481,788		0.0000	1.0000	99.28
13.5	2,276,654		0.0000	1.0000	99.28
14.5	1,681,077		0.0000	1.0000	99.28
15.5	1,297,821	111	0.0001	0.9999	99.28
16.5	1,212,409	1,000	0.0008	0.9992	99.27
17.5	1,217,957	10,484	0.0086	0.9914	99.19
18.5	1,399,715	2,143	0.0015	0.9985	98.34
19.5	1,190,676		0.0000	1.0000	98.19
20.5	1,202,210		0.0000	1.0000	98.19
21.5	1,182,394	144	0.0001	0.9999	98.19
22.5	1,685,883	200	0.0001	0.9999	98.17
23.5	1,180,515	61	0.0001	0.9999	98.16
24.5	1,167,466	1,589	0.0014	0.9986	98.16
25.5	1,147,760	25,156	0.0219	0.9781	98.02
26.5	1,122,109	2,915	0.0026	0.9974	95.88
27.5	1,058,066	1,487	0.0014	0.9986	95.63
28.5	1,061,784		0.0000	1.0000	95.49
29.5	1,060,070	7,172	0.0068	0.9932	95.49
30.5	1,038,626	39,109	0.0377	0.9623	94.85
31.5	947,419		0.0000	1.0000	91.27
32.5	952,954	15,688	0.0165	0.9835	91.27
33.5	929,614		0.0000	1.0000	89.77
34.5	929,614		0.0000	1.0000	89.77
35.5	803,285	1,490	0.0019	0.9981	89.77
36.5	801,795	870	0.0011	0.9989	89.61
37.5	800,925	71	0.0001	0.9999	89.51
38.5	793,940		0.0000	1.0000	89.50

PLACEMENT BAND 1913-2022 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	782,376		0.0000	1.0000	89.50
40.5	634,258	1,638	0.0026	0.9974	89.50
41.5	582,795		0.0000	1.0000	89.27
42.5	570,743		0.0000	1.0000	89.27
43.5	570,743		0.0000	1.0000	89.27
44.5	84,203		0.0000	1.0000	89.27
45.5	84,203		0.0000	1.0000	89.27
46.5	84,203		0.0000	1.0000	89.27
47.5	84,203		0.0000	1.0000	89.27
48.5	89,731		0.0000	1.0000	89.27
49.5	89,731		0.0000	1.0000	89.27
50.5	89,731		0.0000	1.0000	89.27
51.5	89,731		0.0000	1.0000	89.27
52.5	89,731		0.0000	1.0000	89.27
53.5	89,731		0.0000	1.0000	89.27
54.5	89,731		0.0000	1.0000	89.27
55.5	89,731		0.0000	1.0000	89.27
56.5	89,731	1,978	0.0220	0.9780	89.27
57.5	87,753	37	0.0004	0.9996	87.30
58.5	79,331		0.0000	1.0000	87.27
59.5	63,092		0.0000	1.0000	87.27
60.5	63,092	989	0.0157	0.9843	87.27
61.5	62,103	319	0.0051	0.9949	85.90
62.5	61,784		0.0000	1.0000	85.46
63.5	61,784		0.0000	1.0000	85.46
64.5	61,784	607	0.0098	0.9902	85.46
65.5	61,177	14,089	0.2303	0.7697	84.62
66.5	47,088	584	0.0124	0.9876	65.13
67.5	41,055		0.0000	1.0000	64.32
68.5	38,256		0.0000	1.0000	64.32
69.5	38,256	659	0.0172	0.9828	64.32
70.5	10,048		0.0000	1.0000	63.21
71.5	10,048		0.0000	1.0000	63.21
72.5	10,048	2,067	0.2057	0.7943	63.21
73.5	7,981		0.0000	1.0000	50.21
74.5	5,152		0.0000	1.0000	50.21
75.5	5,152		0.0000	1.0000	50.21
76.5	5,152		0.0000	1.0000	50.21
77.5	5,152		0.0000	1.0000	50.21
78.5	5,152		0.0000	1.0000	50.21

PLACEMENT BAND 1913-2022 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	5,152	80	0.0156	0.9844	50.21
80.5	8,925		0.0000	1.0000	49.43
81.5	5,052		0.0000	1.0000	49.43
82.5	5,052		0.0000	1.0000	49.43
83.5	5,052		0.0000	1.0000	49.43
84.5	5,052		0.0000	1.0000	49.43
85.5	5,052		0.0000	1.0000	49.43
86.5	5,052		0.0000	1.0000	49.43
87.5	5,052	35	0.0070	0.9930	49.43
88.5	5,016		0.0000	1.0000	49.09
89.5	5,016		0.0000	1.0000	49.09
90.5	5,016		0.0000	1.0000	49.09
91.5	5,016		0.0000	1.0000	49.09
92.5	5,016	3,874	0.7723	0.2277	49.09
93.5	182		0.0000	1.0000	11.18
94.5	182		0.0000	1.0000	11.18
95.5	182		0.0000	1.0000	11.18
96.5	182		0.0000	1.0000	11.18
97.5	182		0.0000	1.0000	11.18
98.5	182		0.0000	1.0000	11.18
99.5	182		0.0000	1.0000	11.18
100.5	182		0.0000	1.0000	11.18
101.5	182		0.0000	1.0000	11.18
102.5					11.18


ORIGINAL CURVE ■ 1941-2022 EXPERIENCE
1912-2017 PLACEMENTS
IOWA 55-R2.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1912-2017 EXPERIENCE BAND 1941-2022

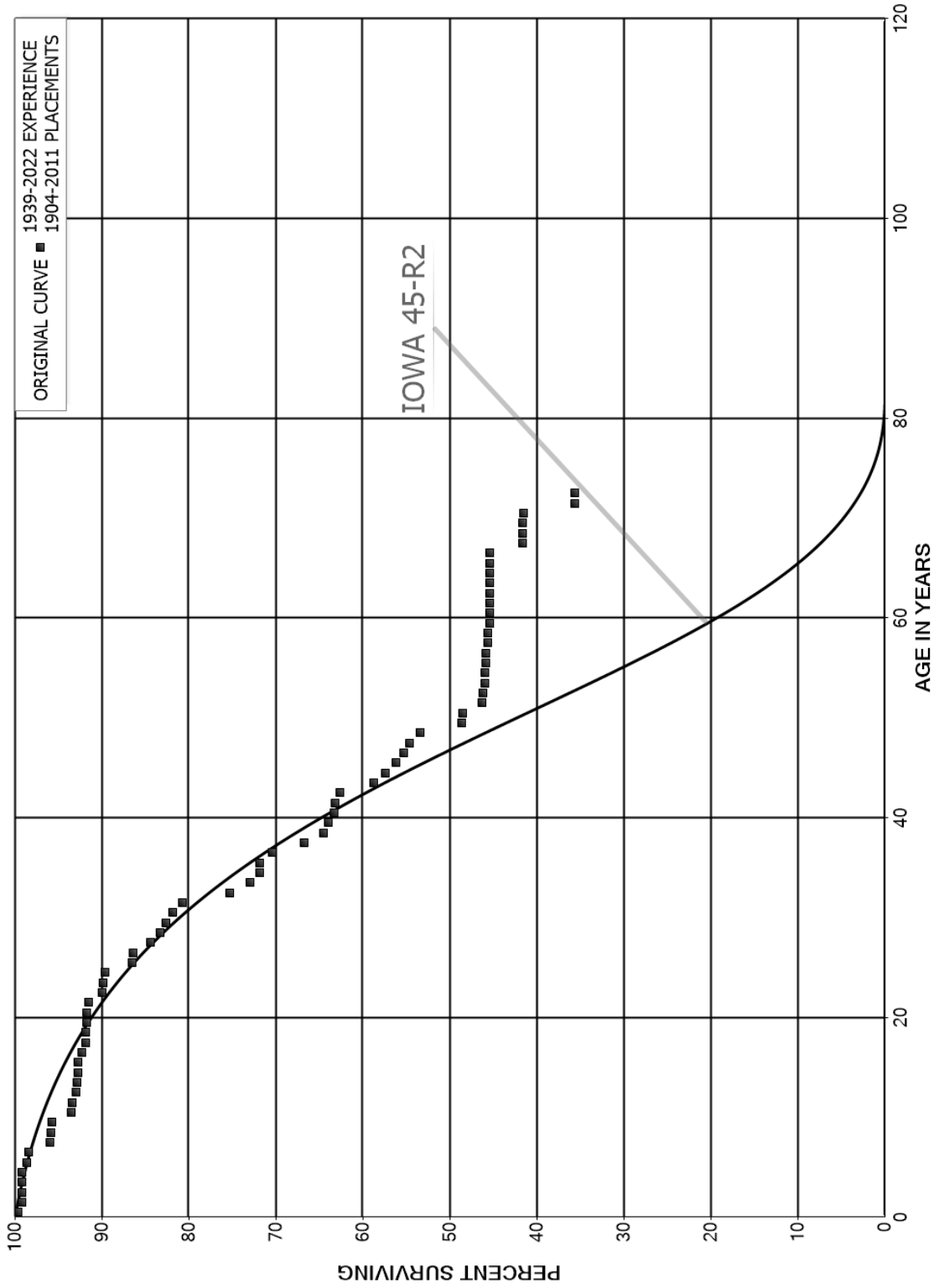
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,066,018	98	0.0000	1.0000	100.00
0.5	2,070,049	734	0.0004	0.9996	100.00
1.5	2,063,110	4,939	0.0024	0.9976	99.96
2.5	2,078,940	1,880	0.0009	0.9991	99.72
3.5	1,810,907	348	0.0002	0.9998	99.63
4.5	1,810,672	16,680	0.0092	0.9908	99.61
5.5	1,642,820	2,252	0.0014	0.9986	98.69
6.5	1,638,187	3,535	0.0022	0.9978	98.56
7.5	1,636,492	2,092	0.0013	0.9987	98.35
8.5	1,411,428	2,085	0.0015	0.9985	98.22
9.5	1,406,106	1,831	0.0013	0.9987	98.07
10.5	1,400,453	695	0.0005	0.9995	97.95
11.5	1,388,307	7,154	0.0052	0.9948	97.90
12.5	1,265,855	711	0.0006	0.9994	97.39
13.5	1,258,658	5,397	0.0043	0.9957	97.34
14.5	883,701	3,263	0.0037	0.9963	96.92
15.5	880,454	294	0.0003	0.9997	96.56
16.5	856,647	1,564	0.0018	0.9982	96.53
17.5	811,182	5,108	0.0063	0.9937	96.36
18.5	732,962	4,823	0.0066	0.9934	95.75
19.5	610,483	985	0.0016	0.9984	95.12
20.5	602,125	1,322	0.0022	0.9978	94.97
21.5	592,994	2,722	0.0046	0.9954	94.76
22.5	614,350	2,357	0.0038	0.9962	94.32
23.5	538,209	1,238	0.0023	0.9977	93.96
24.5	532,304	7,606	0.0143	0.9857	93.74
25.5	523,326	596	0.0011	0.9989	92.40
26.5	522,248	605	0.0012	0.9988	92.30
27.5	520,666	6,151	0.0118	0.9882	92.19
28.5	509,085	2,070	0.0041	0.9959	91.10
29.5	421,088	1,488	0.0035	0.9965	90.73
30.5	431,510	5,047	0.0117	0.9883	90.41
31.5	425,458	9,416	0.0221	0.9779	89.35
32.5	415,925	3,549	0.0085	0.9915	87.38
33.5	405,138	9,109	0.0225	0.9775	86.63
34.5	396,031	13,722	0.0346	0.9654	84.68
35.5	353,258	276	0.0008	0.9992	81.75
36.5	360,401	273	0.0008	0.9992	81.69
37.5	337,155	3,979	0.0118	0.9882	81.62
38.5	291,572	10,054	0.0345	0.9655	80.66

PLACEMENT BAND 1912-2017 EXPERIENCE BAND 1941-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	279,196	1,961	0.0070	0.9930	77.88
40.5	277,235	6,279	0.0226	0.9774	77.33
41.5	244,251	207	0.0008	0.9992	75.58
42.5	244,006	651	0.0027	0.9973	75.52
43.5	232,033	1,094	0.0047	0.9953	75.32
44.5	198,848	1,314	0.0066	0.9934	74.96
45.5	197,320	808	0.0041	0.9959	74.47
46.5	195,392	51	0.0003	0.9997	74.16
47.5	194,705	3,408	0.0175	0.9825	74.14
48.5	189,306	1,491	0.0079	0.9921	72.84
49.5	171,428	2,703	0.0158	0.9842	72.27
50.5	168,725	264	0.0016	0.9984	71.13
51.5	159,970		0.0000	1.0000	71.02
52.5	158,612	80	0.0005	0.9995	71.02
53.5	155,057	558	0.0036	0.9964	70.98
54.5	142,863		0.0000	1.0000	70.73
55.5	142,656	818	0.0057	0.9943	70.73
56.5	137,614	154	0.0011	0.9989	70.32
57.5	137,101		0.0000	1.0000	70.24
58.5	122,353	225	0.0018	0.9982	70.24
59.5	116,315	131	0.0011	0.9989	70.11
60.5	115,463	20	0.0002	0.9998	70.03
61.5	110,540		0.0000	1.0000	70.02
62.5	102,777		0.0000	1.0000	70.02
63.5	96,513	1,682	0.0174	0.9826	70.02
64.5	94,058		0.0000	1.0000	68.80
65.5	93,248	226	0.0024	0.9976	68.80
66.5	89,067	269	0.0030	0.9970	68.64
67.5	85,509		0.0000	1.0000	68.43
68.5	80,832		0.0000	1.0000	68.43
69.5	67,248		0.0000	1.0000	68.43
70.5	57,453		0.0000	1.0000	68.43
71.5	45,054		0.0000	1.0000	68.43
72.5	36,137	379	0.0105	0.9895	68.43
73.5	14,123		0.0000	1.0000	67.71
74.5	9,632		0.0000	1.0000	67.71
75.5	9,165		0.0000	1.0000	67.71
76.5	9,132		0.0000	1.0000	67.71
77.5	9,132		0.0000	1.0000	67.71
78.5	9,132		0.0000	1.0000	67.71

PLACEMENT BAND 1912-2017 EXPERIENCE BAND 1941-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	9,132		0.0000	1.0000	67.71
80.5	4,564		0.0000	1.0000	67.71
81.5	4,564		0.0000	1.0000	67.71
82.5	4,564	67	0.0146	0.9854	67.71
83.5	4,498		0.0000	1.0000	66.72
84.5	4,403		0.0000	1.0000	66.72
85.5	4,403		0.0000	1.0000	66.72
86.5	4,189		0.0000	1.0000	66.72
87.5	4,189		0.0000	1.0000	66.72
88.5	4,189		0.0000	1.0000	66.72
89.5	3,881		0.0000	1.0000	66.72
90.5	3,881		0.0000	1.0000	66.72
91.5	3,881	1,152	0.2970	0.7030	66.72
92.5	2,728		0.0000	1.0000	46.91
93.5	2,728		0.0000	1.0000	46.91
94.5	2,728		0.0000	1.0000	46.91
95.5	2,728		0.0000	1.0000	46.91
96.5	2,054		0.0000	1.0000	46.91
97.5	2,054		0.0000	1.0000	46.91
98.5	2,054		0.0000	1.0000	46.91
99.5	2,054		0.0000	1.0000	46.91
100.5	2,054		0.0000	1.0000	46.91
101.5	2,039		0.0000	1.0000	46.91
102.5	2,039		0.0000	1.0000	46.91
103.5	2,039		0.0000	1.0000	46.91
104.5	2,039		0.0000	1.0000	46.91
105.5	2,039		0.0000	1.0000	46.91
106.5	2,039		0.0000	1.0000	46.91
107.5					46.91


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1904-2011 PLACEMENTS
IOWA 45-R2
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1904-2011 EXPERIENCE BAND 1939-2022

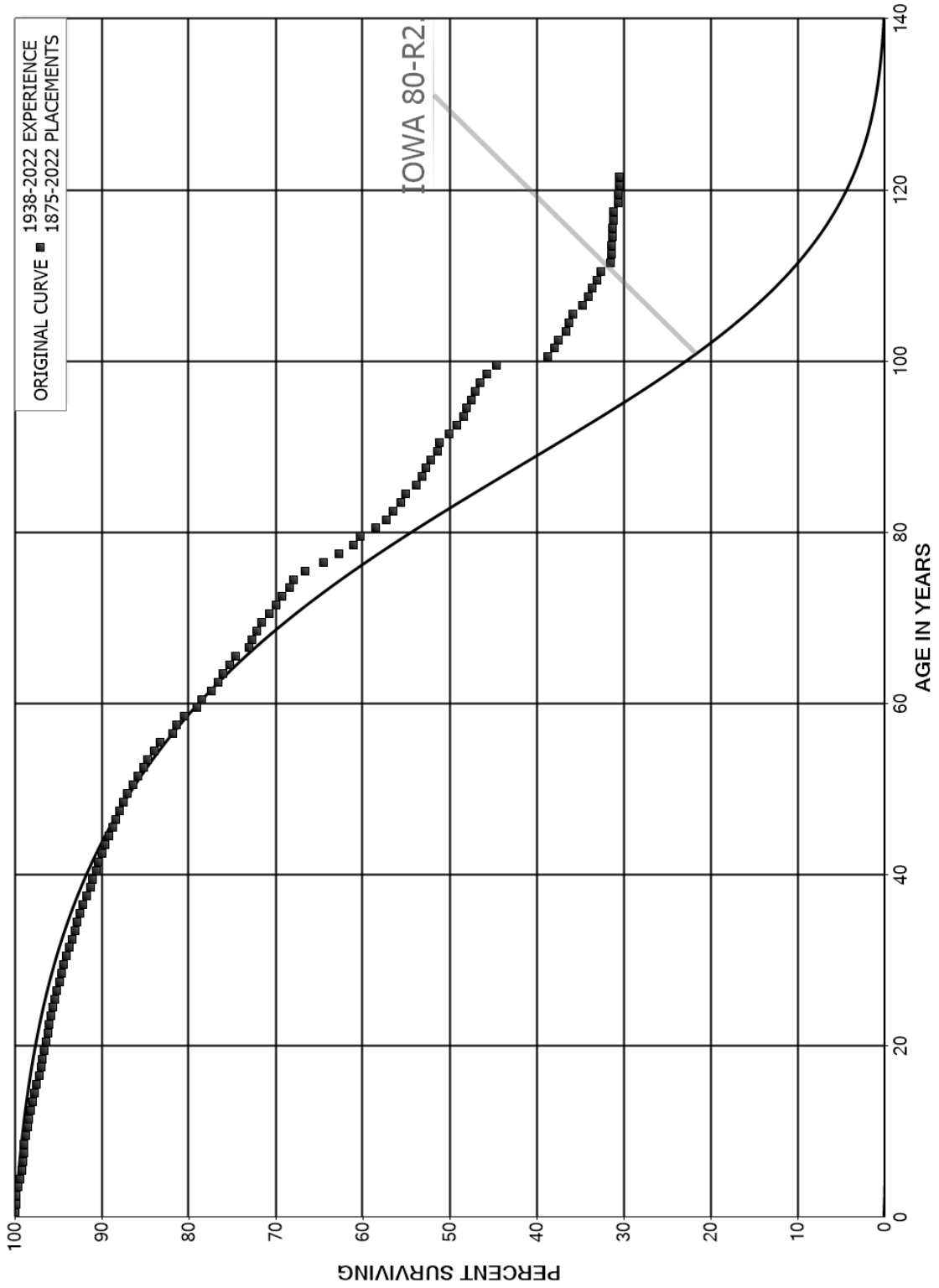
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	192,040	740	0.0039	0.9961	100.00
0.5	191,939	809	0.0042	0.9958	99.61
1.5	203,258		0.0000	1.0000	99.19
2.5	199,117	47	0.0002	0.9998	99.19
3.5	199,012	34	0.0002	0.9998	99.17
4.5	198,018	1,035	0.0052	0.9948	99.15
5.5	197,203	458	0.0023	0.9977	98.64
6.5	196,883	4,994	0.0254	0.9746	98.41
7.5	205,554	151	0.0007	0.9993	95.91
8.5	204,509	150	0.0007	0.9993	95.84
9.5	206,443	4,841	0.0235	0.9765	95.77
10.5	209,832	278	0.0013	0.9987	93.52
11.5	203,306	1,030	0.0051	0.9949	93.40
12.5	204,165	156	0.0008	0.9992	92.93
13.5	208,060	280	0.0013	0.9987	92.86
14.5	207,780	128	0.0006	0.9994	92.73
15.5	208,206	974	0.0047	0.9953	92.67
16.5	218,774	986	0.0045	0.9955	92.24
17.5	217,565		0.0000	1.0000	91.82
18.5	220,033	210	0.0010	0.9990	91.82
19.5	213,145	74	0.0003	0.9997	91.74
20.5	210,902	496	0.0024	0.9976	91.71
21.5	210,406	3,676	0.0175	0.9825	91.49
22.5	200,416	134	0.0007	0.9993	89.89
23.5	203,094	609	0.0030	0.9970	89.83
24.5	200,771	6,800	0.0339	0.9661	89.56
25.5	193,577	417	0.0022	0.9978	86.53
26.5	188,899	4,149	0.0220	0.9780	86.34
27.5	190,357	2,597	0.0136	0.9864	84.45
28.5	187,332	1,628	0.0087	0.9913	83.29
29.5	180,076	1,491	0.0083	0.9917	82.57
30.5	172,025	2,437	0.0142	0.9858	81.89
31.5	165,328	11,043	0.0668	0.9332	80.73
32.5	150,156	4,782	0.0318	0.9682	75.33
33.5	139,104	2,124	0.0153	0.9847	72.94
34.5	137,127		0.0000	1.0000	71.82
35.5	137,074	2,715	0.0198	0.9802	71.82
36.5	129,942	6,870	0.0529	0.9471	70.40
37.5	122,836	4,094	0.0333	0.9667	66.68
38.5	105,733	737	0.0070	0.9930	64.46

PLACEMENT BAND 1904-2011 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	99,285	1,163	0.0117	0.9883	64.01
40.5	92,848	123	0.0013	0.9987	63.26
41.5	78,788	745	0.0095	0.9905	63.17
42.5	71,931	4,394	0.0611	0.9389	62.58
43.5	67,536	1,563	0.0231	0.9769	58.75
44.5	68,416	1,409	0.0206	0.9794	57.39
45.5	67,007	1,140	0.0170	0.9830	56.21
46.5	65,867	807	0.0123	0.9877	55.26
47.5	65,060	1,351	0.0208	0.9792	54.58
48.5	63,404	5,772	0.0910	0.9090	53.44
49.5	57,632	64	0.0011	0.9989	48.58
50.5	57,568	2,613	0.0454	0.9546	48.53
51.5	49,141	157	0.0032	0.9968	46.32
52.5	48,564	202	0.0042	0.9958	46.17
53.5	37,692		0.0000	1.0000	45.98
54.5	37,692	100	0.0027	0.9973	45.98
55.5	37,591		0.0000	1.0000	45.86
56.5	37,591	229	0.0061	0.9939	45.86
57.5	37,363		0.0000	1.0000	45.58
58.5	36,414	135	0.0037	0.9963	45.58
59.5	36,279		0.0000	1.0000	45.41
60.5	36,279		0.0000	1.0000	45.41
61.5	33,931	51	0.0015	0.9985	45.41
62.5	33,880		0.0000	1.0000	45.34
63.5	33,152		0.0000	1.0000	45.34
64.5	30,013		0.0000	1.0000	45.34
65.5	30,013		0.0000	1.0000	45.34
66.5	29,943	2,431	0.0812	0.9188	45.34
67.5	25,824		0.0000	1.0000	41.66
68.5	23,320		0.0000	1.0000	41.66
69.5	20,569	92	0.0045	0.9955	41.66
70.5	15,112	2,133	0.1412	0.8588	41.48
71.5	11,957		0.0000	1.0000	35.62
72.5	8,432		0.0000	1.0000	35.62
73.5	8,015		0.0000	1.0000	35.62
74.5	8,015		0.0000	1.0000	35.62
75.5	7,486		0.0000	1.0000	35.62
76.5	7,486		0.0000	1.0000	35.62
77.5	7,486		0.0000	1.0000	35.62
78.5	7,486		0.0000	1.0000	35.62

PLACEMENT BAND 1904-2011 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	7,486		0.0000	1.0000	35.62
80.5	7,486		0.0000	1.0000	35.62
81.5	4,554		0.0000	1.0000	35.62
82.5	4,554		0.0000	1.0000	35.62
83.5	4,535		0.0000	1.0000	35.62
84.5	4,535		0.0000	1.0000	35.62
85.5	4,297		0.0000	1.0000	35.62
86.5	4,297		0.0000	1.0000	35.62
87.5	4,297		0.0000	1.0000	35.62
88.5	4,297		0.0000	1.0000	35.62
89.5	4,297		0.0000	1.0000	35.62
90.5	4,202		0.0000	1.0000	35.62
91.5	4,202		0.0000	1.0000	35.62
92.5	3,908		0.0000	1.0000	35.62
93.5	3,646		0.0000	1.0000	35.62
94.5	3,646		0.0000	1.0000	35.62
95.5	3,574		0.0000	1.0000	35.62
96.5	3,574		0.0000	1.0000	35.62
97.5	3,574		0.0000	1.0000	35.62
98.5	3,574		0.0000	1.0000	35.62
99.5	3,170		0.0000	1.0000	35.62
100.5	3,170		0.0000	1.0000	35.62
101.5	3,170		0.0000	1.0000	35.62
102.5	98		0.0000	1.0000	35.62
103.5	98		0.0000	1.0000	35.62
104.5	98		0.0000	1.0000	35.62
105.5	98		0.0000	1.0000	35.62
106.5	98		0.0000	1.0000	35.62
107.5	98		0.0000	1.0000	35.62
108.5	98		0.0000	1.0000	35.62
109.5	98		0.0000	1.0000	35.62
110.5	98		0.0000	1.0000	35.62
111.5	98		0.0000	1.0000	35.62
112.5	98		0.0000	1.0000	35.62
113.5	98		0.0000	1.0000	35.62
114.5	98		0.0000	1.0000	35.62
115.5	98		0.0000	1.0000	35.62
116.5	98		0.0000	1.0000	35.62
117.5	98		0.0000	1.0000	35.62
118.5					35.62


ORIGINAL CURVE ■ 1938-2022 EXPERIENCE
1875-2022 PLACEMENTS
IOWA 80-R2.
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
AGE IN YEARS

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	354,178,197	116,799	0.0003	0.9997	100.00
0.5	305,283,804	258,921	0.0008	0.9992	99.97
1.5	301,364,168	246,619	0.0008	0.9992	99.88
2.5	294,289,575	530,911	0.0018	0.9982	99.80
3.5	277,814,250	742,402	0.0027	0.9973	99.62
4.5	271,267,997	383,029	0.0014	0.9986	99.35
5.5	255,610,895	262,328	0.0010	0.9990	99.21
6.5	248,538,672	262,512	0.0011	0.9989	99.11
7.5	238,679,050	264,772	0.0011	0.9989	99.01
8.5	230,327,605	385,699	0.0017	0.9983	98.90
9.5	213,768,828	374,508	0.0018	0.9982	98.73
10.5	203,143,968	360,084	0.0018	0.9982	98.56
11.5	191,409,155	406,861	0.0021	0.9979	98.38
12.5	182,327,567	509,036	0.0028	0.9972	98.18
13.5	176,538,378	259,389	0.0015	0.9985	97.90
14.5	169,496,770	500,293	0.0030	0.9970	97.76
15.5	161,766,562	499,680	0.0031	0.9969	97.47
16.5	153,385,192	290,623	0.0019	0.9981	97.17
17.5	143,444,608	295,793	0.0021	0.9979	96.98
18.5	140,322,678	269,602	0.0019	0.9981	96.78
19.5	136,783,054	310,653	0.0023	0.9977	96.60
20.5	132,505,228	206,734	0.0016	0.9984	96.38
21.5	131,070,352	267,323	0.0020	0.9980	96.23
22.5	130,930,006	225,348	0.0017	0.9983	96.03
23.5	126,605,370	316,684	0.0025	0.9975	95.87
24.5	119,524,825	331,105	0.0028	0.9972	95.63
25.5	113,134,219	250,634	0.0022	0.9978	95.36
26.5	110,502,989	374,007	0.0034	0.9966	95.15
27.5	107,660,838	225,309	0.0021	0.9979	94.83
28.5	104,409,853	292,107	0.0028	0.9972	94.63
29.5	100,694,395	336,168	0.0033	0.9967	94.37
30.5	98,206,722	365,892	0.0037	0.9963	94.05
31.5	92,566,003	275,513	0.0030	0.9970	93.70
32.5	84,353,040	348,282	0.0041	0.9959	93.42
33.5	82,113,223	205,979	0.0025	0.9975	93.04
34.5	80,655,387	288,606	0.0036	0.9964	92.80
35.5	76,698,468	286,315	0.0037	0.9963	92.47
36.5	74,622,403	295,163	0.0040	0.9960	92.12
37.5	72,160,631	397,908	0.0055	0.9945	91.76
38.5	68,388,888	182,807	0.0027	0.9973	91.25

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

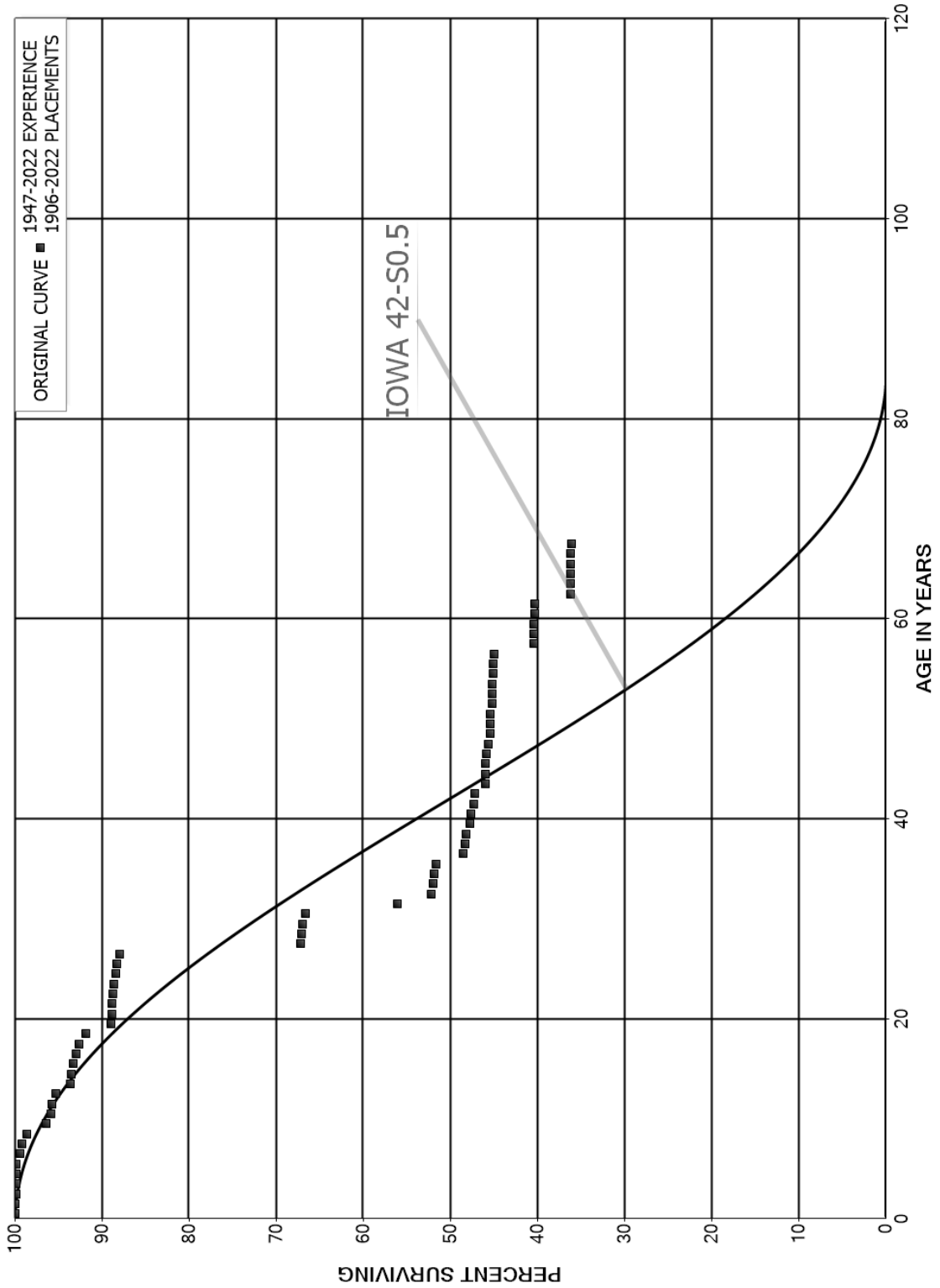
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	67,082,285	271,794	0.0041	0.9959	91.01
40.5	64,882,878	183,209	0.0028	0.9972	90.64
41.5	62,138,092	288,121	0.0046	0.9954	90.39
42.5	61,197,645	262,606	0.0043	0.9957	89.97
43.5	58,386,789	232,717	0.0040	0.9960	89.58
44.5	53,227,029	292,242	0.0055	0.9945	89.22
45.5	50,338,703	171,239	0.0034	0.9966	88.73
46.5	49,506,357	255,306	0.0052	0.9948	88.43
47.5	47,617,147	243,342	0.0051	0.9949	87.98
48.5	44,772,971	253,173	0.0057	0.9943	87.53
49.5	42,909,706	298,957	0.0070	0.9930	87.03
50.5	40,233,077	266,787	0.0066	0.9934	86.42
51.5	39,272,927	312,371	0.0080	0.9920	85.85
52.5	38,007,335	209,858	0.0055	0.9945	85.17
53.5	35,749,611	308,425	0.0086	0.9914	84.70
54.5	32,851,892	256,247	0.0078	0.9922	83.97
55.5	28,313,974	503,773	0.0178	0.9822	83.31
56.5	26,466,274	145,689	0.0055	0.9945	81.83
57.5	25,469,894	287,171	0.0113	0.9887	81.38
58.5	23,353,367	413,151	0.0177	0.9823	80.46
59.5	21,107,280	140,364	0.0067	0.9933	79.04
60.5	19,187,514	270,863	0.0141	0.9859	78.51
61.5	16,667,528	159,927	0.0096	0.9904	77.40
62.5	15,778,753	116,394	0.0074	0.9926	76.66
63.5	13,729,554	144,652	0.0105	0.9895	76.10
64.5	12,675,998	113,887	0.0090	0.9910	75.30
65.5	11,149,985	225,441	0.0202	0.9798	74.62
66.5	10,454,820	48,076	0.0046	0.9954	73.11
67.5	9,417,293	72,667	0.0077	0.9923	72.77
68.5	8,652,595	77,030	0.0089	0.9911	72.21
69.5	7,906,699	90,119	0.0114	0.9886	71.57
70.5	6,562,766	79,435	0.0121	0.9879	70.75
71.5	6,252,191	50,531	0.0081	0.9919	69.90
72.5	5,937,760	80,516	0.0136	0.9864	69.33
73.5	4,621,267	33,910	0.0073	0.9927	68.39
74.5	3,936,385	71,734	0.0182	0.9818	67.89
75.5	3,819,705	120,033	0.0314	0.9686	66.65
76.5	3,644,495	104,193	0.0286	0.9714	64.56
77.5	3,498,922	91,107	0.0260	0.9740	62.71
78.5	3,265,067	42,078	0.0129	0.9871	61.08

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,184,107	92,113	0.0289	0.9711	60.29
80.5	3,008,531	64,129	0.0213	0.9787	58.55
81.5	2,844,594	37,237	0.0131	0.9869	57.30
82.5	2,879,162	47,900	0.0166	0.9834	56.55
83.5	2,629,404	25,419	0.0097	0.9903	55.61
84.5	2,545,313	57,845	0.0227	0.9773	55.07
85.5	2,427,193	29,570	0.0122	0.9878	53.82
86.5	2,362,934	19,614	0.0083	0.9917	53.16
87.5	2,277,319	23,116	0.0102	0.9898	52.72
88.5	2,245,416	32,467	0.0145	0.9855	52.19
89.5	2,206,101	13,103	0.0059	0.9941	51.43
90.5	2,192,223	47,083	0.0215	0.9785	51.13
91.5	2,088,669	36,032	0.0173	0.9827	50.03
92.5	1,971,732	31,509	0.0160	0.9840	49.17
93.5	1,901,192	11,958	0.0063	0.9937	48.38
94.5	1,859,920	22,334	0.0120	0.9880	48.08
95.5	1,791,115	15,983	0.0089	0.9911	47.50
96.5	1,635,553	20,519	0.0125	0.9875	47.08
97.5	1,474,456	25,193	0.0171	0.9829	46.49
98.5	1,370,586	30,655	0.0224	0.9776	45.69
99.5	1,396,795	186,332	0.1334	0.8666	44.67
100.5	1,196,572	22,165	0.0185	0.9815	38.71
101.5	1,072,206	12,722	0.0119	0.9881	37.99
102.5	1,055,777	26,199	0.0248	0.9752	37.54
103.5	1,010,074	9,511	0.0094	0.9906	36.61
104.5	998,279	13,130	0.0132	0.9868	36.27
105.5	859,786	25,628	0.0298	0.9702	35.79
106.5	809,916	15,057	0.0186	0.9814	34.72
107.5	769,626	9,531	0.0124	0.9876	34.08
108.5	703,529	11,844	0.0168	0.9832	33.65
109.5	623,854	8,909	0.0143	0.9857	33.09
110.5	603,737	20,264	0.0336	0.9664	32.62
111.5	565,247	1,742	0.0031	0.9969	31.52
112.5	554,985	1,282	0.0023	0.9977	31.42
113.5	532,203	347	0.0007	0.9993	31.35
114.5	517,360	294	0.0006	0.9994	31.33
115.5	512,465	2,347	0.0046	0.9954	31.31
116.5	437,377	192	0.0004	0.9996	31.17
117.5	402,184	6,611	0.0164	0.9836	31.16
118.5	395,101		0.0000	1.0000	30.64

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	374,481	2,180	0.0058	0.9942	30.64
120.5	218,807		0.0000	1.0000	30.47
121.5	189,798	1,552	0.0082	0.9918	30.47
122.5	109,273		0.0000	1.0000	30.22
123.5	89,030	48	0.0005	0.9995	30.22
124.5	88,981		0.0000	1.0000	30.20
125.5	79,548		0.0000	1.0000	30.20
126.5	77,472		0.0000	1.0000	30.20
127.5	77,472	23	0.0003	0.9997	30.20
128.5	76,022		0.0000	1.0000	30.19
129.5	61,387		0.0000	1.0000	30.19
130.5	53,163		0.0000	1.0000	30.19
131.5	41,604	4,218	0.1014	0.8986	30.19
132.5	29,832		0.0000	1.0000	27.13
133.5	28,614		0.0000	1.0000	27.13
134.5	23,563		0.0000	1.0000	27.13
135.5	10,580		0.0000	1.0000	27.13
136.5	8,543		0.0000	1.0000	27.13
137.5	8,543		0.0000	1.0000	27.13
138.5	8,543		0.0000	1.0000	27.13
139.5	8,543		0.0000	1.0000	27.13
140.5	8,543		0.0000	1.0000	27.13
141.5	8,543	453	0.0530	0.9470	27.13
142.5	8,090		0.0000	1.0000	25.69
143.5	8,090		0.0000	1.0000	25.69
144.5	8,090		0.0000	1.0000	25.69
145.5	8,090		0.0000	1.0000	25.69
146.5	8,090		0.0000	1.0000	25.69
147.5					25.69


ORIGINAL CURVE ■ 1947-2022 EXPERIENCE
1906-2022 PLACEMENTS
IOWA 42-S0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1906-2022 EXPERIENCE BAND 1947-2022

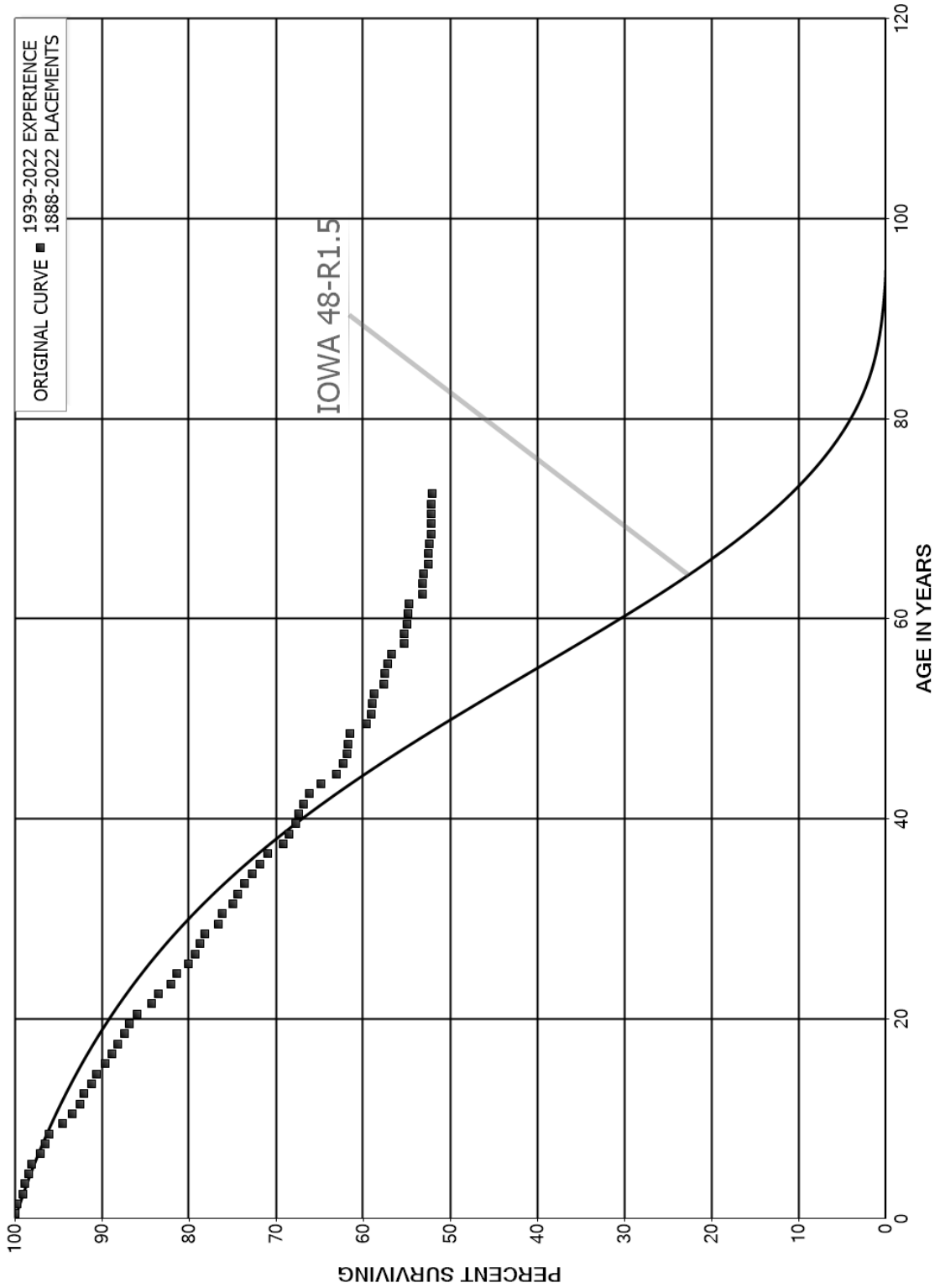
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,765,218		0.0000	1.0000	100.00
0.5	22,501,083	23,438	0.0010	0.9990	100.00
1.5	22,545,112	7,385	0.0003	0.9997	99.90
2.5	21,295,019	10,509	0.0005	0.9995	99.86
3.5	19,048,361	2,859	0.0002	0.9998	99.81
4.5	19,411,782	2,282	0.0001	0.9999	99.80
5.5	19,021,424	79,572	0.0042	0.9958	99.79
6.5	17,484,889	28,906	0.0017	0.9983	99.37
7.5	18,589,131	112,878	0.0061	0.9939	99.21
8.5	15,467,936	351,613	0.0227	0.9773	98.60
9.5	14,973,442	84,260	0.0056	0.9944	96.36
10.5	14,277,907	14,192	0.0010	0.9990	95.82
11.5	13,464,719	59,184	0.0044	0.9956	95.72
12.5	13,274,842	232,708	0.0175	0.9825	95.30
13.5	11,118,000	11,593	0.0010	0.9990	93.63
14.5	9,058,813	24,666	0.0027	0.9973	93.54
15.5	6,842,022	22,934	0.0034	0.9966	93.28
16.5	6,565,250	21,031	0.0032	0.9968	92.97
17.5	4,833,717	45,302	0.0094	0.9906	92.67
18.5	6,210,781	193,026	0.0311	0.9689	91.80
19.5	5,682,392	3,880	0.0007	0.9993	88.95
20.5	5,662,848	6,558	0.0012	0.9988	88.89
21.5	5,182,606	3,266	0.0006	0.9994	88.78
22.5	7,936,367	9,864	0.0012	0.9988	88.73
23.5	7,925,935	15,955	0.0020	0.9980	88.62
24.5	7,850,191	10,329	0.0013	0.9987	88.44
25.5	7,810,910	34,112	0.0044	0.9956	88.32
26.5	7,447,035	1,759,570	0.2363	0.7637	87.94
27.5	5,421,707	10,216	0.0019	0.9981	67.16
28.5	4,855,414	4,837	0.0010	0.9990	67.03
29.5	4,190,391	19,732	0.0047	0.9953	66.97
30.5	4,679,290	742,904	0.1588	0.8412	66.65
31.5	3,996,630	281,068	0.0703	0.9297	56.07
32.5	2,397,080	7,061	0.0029	0.9971	52.13
33.5	1,120,079	1,799	0.0016	0.9984	51.97
34.5	2,503,353	14,055	0.0056	0.9944	51.89
35.5	2,474,794	146,863	0.0593	0.9407	51.60
36.5	2,309,858	13,348	0.0058	0.9942	48.54
37.5	2,282,721	2,854	0.0013	0.9987	48.26
38.5	2,259,169	20,837	0.0092	0.9908	48.20

PLACEMENT BAND 1906-2022 EXPERIENCE BAND 1947-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,203,436	6,743	0.0031	0.9969	47.75
40.5	1,839,562	12,945	0.0070	0.9930	47.60
41.5	1,685,228	5,318	0.0032	0.9968	47.27
42.5	1,645,566	40,140	0.0244	0.9756	47.12
43.5	1,521,367	391	0.0003	0.9997	45.97
44.5	260,743	301	0.0012	0.9988	45.96
45.5	261,871	258	0.0010	0.9990	45.91
46.5	259,294	1,344	0.0052	0.9948	45.86
47.5	230,388	914	0.0040	0.9960	45.62
48.5	224,210	37	0.0002	0.9998	45.44
49.5	229,919	61	0.0003	0.9997	45.43
50.5	248,156	1,647	0.0066	0.9934	45.42
51.5	234,515		0.0000	1.0000	45.12
52.5	234,896		0.0000	1.0000	45.12
53.5	234,984	400	0.0017	0.9983	45.12
54.5	233,498	75	0.0003	0.9997	45.04
55.5	232,931	200	0.0009	0.9991	45.03
56.5	232,658	23,733	0.1020	0.8980	44.99
57.5	208,958	85	0.0004	0.9996	40.40
58.5	165,045	61	0.0004	0.9996	40.39
59.5	137,408	133	0.0010	0.9990	40.37
60.5	107,313	24	0.0002	0.9998	40.33
61.5	107,046	11,060	0.1033	0.8967	40.32
62.5	95,215		0.0000	1.0000	36.16
63.5	93,524		0.0000	1.0000	36.16
64.5	93,524		0.0000	1.0000	36.16
65.5	93,467		0.0000	1.0000	36.16
66.5	92,255	180	0.0020	0.9980	36.16
67.5	44,893	754	0.0168	0.9832	36.09
68.5	30,649		0.0000	1.0000	35.48
69.5	30,649		0.0000	1.0000	35.48
70.5	3,664	327	0.0893	0.9107	35.48
71.5	3,336	85	0.0254	0.9746	32.31
72.5	1,857		0.0000	1.0000	31.49
73.5	1,857		0.0000	1.0000	31.49
74.5	1,657		0.0000	1.0000	31.49
75.5	1,657		0.0000	1.0000	31.49
76.5	1,657		0.0000	1.0000	31.49
77.5	1,657		0.0000	1.0000	31.49
78.5	1,657	170	0.1026	0.8974	31.49

PLACEMENT BAND 1906-2022 EXPERIENCE BAND 1947-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,487		0.0000	1.0000	28.26
80.5	1,997		0.0000	1.0000	28.26
81.5	1,997		0.0000	1.0000	28.26
82.5	1,997		0.0000	1.0000	28.26
83.5	1,997		0.0000	1.0000	28.26
84.5	1,323		0.0000	1.0000	28.26
85.5	1,323		0.0000	1.0000	28.26
86.5	1,199		0.0000	1.0000	28.26
87.5	1,199		0.0000	1.0000	28.26
88.5	1,199		0.0000	1.0000	28.26
89.5	1,199		0.0000	1.0000	28.26
90.5	599		0.0000	1.0000	28.26
91.5					28.26
92.5	599		0.0000		
93.5	599		0.0000		
94.5	599		0.0000		
95.5	599		0.0000		
96.5	599		0.0000		
97.5	599		0.0000		
98.5	599		0.0000		
99.5	599		0.0000		
100.5	599		0.0000		
101.5	599		0.0000		
102.5					


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1888-2022 PLACEMENTS
IOWA 48-R1.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

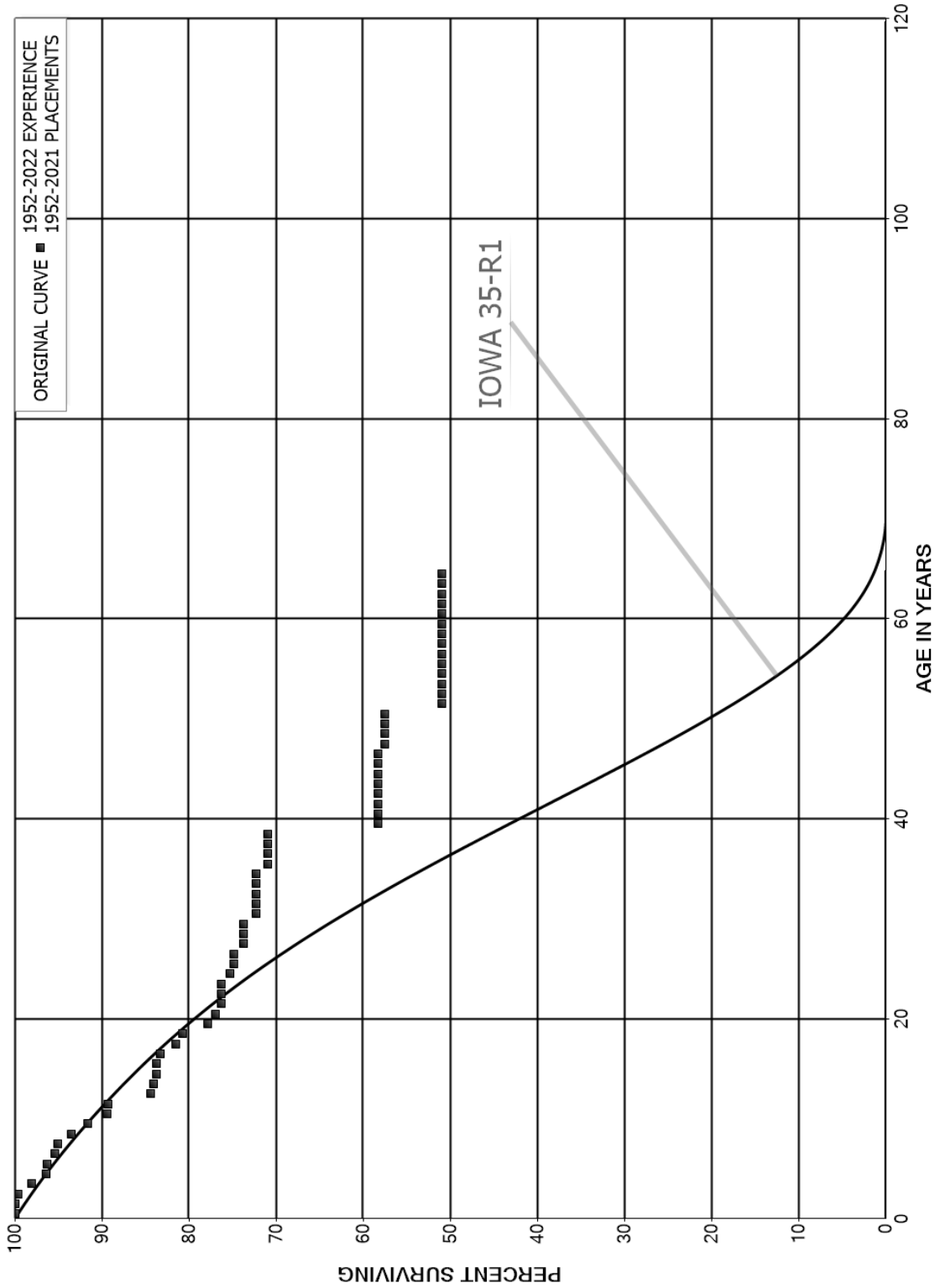
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	45,310,539	13,310	0.0003	0.9997	100.00
0.5	43,462,227	121,169	0.0028	0.9972	99.97
1.5	43,386,908	273,756	0.0063	0.9937	99.69
2.5	43,188,977	108,471	0.0025	0.9975	99.06
3.5	42,512,775	167,709	0.0039	0.9961	98.81
4.5	41,790,353	160,500	0.0038	0.9962	98.42
5.5	30,686,446	314,714	0.0103	0.9897	98.05
6.5	28,418,017	164,472	0.0058	0.9942	97.04
7.5	26,286,209	108,226	0.0041	0.9959	96.48
8.5	24,592,334	409,219	0.0166	0.9834	96.08
9.5	22,996,343	269,577	0.0117	0.9883	94.48
10.5	20,285,025	198,303	0.0098	0.9902	93.38
11.5	18,566,359	84,800	0.0046	0.9954	92.46
12.5	17,251,869	158,950	0.0092	0.9908	92.04
13.5	16,581,216	110,017	0.0066	0.9934	91.19
14.5	15,947,367	165,629	0.0104	0.9896	90.59
15.5	14,621,845	138,778	0.0095	0.9905	89.65
16.5	13,270,244	96,314	0.0073	0.9927	88.80
17.5	12,997,023	118,103	0.0091	0.9909	88.15
18.5	11,301,384	63,532	0.0056	0.9944	87.35
19.5	10,502,498	115,611	0.0110	0.9890	86.86
20.5	9,248,582	171,593	0.0186	0.9814	85.90
21.5	8,723,666	88,583	0.0102	0.9898	84.31
22.5	8,513,146	142,998	0.0168	0.9832	83.45
23.5	7,911,581	63,158	0.0080	0.9920	82.05
24.5	7,108,244	111,773	0.0157	0.9843	81.40
25.5	6,369,968	66,697	0.0105	0.9895	80.12
26.5	6,308,264	39,733	0.0063	0.9937	79.28
27.5	5,966,673	46,343	0.0078	0.9922	78.78
28.5	5,640,417	109,095	0.0193	0.9807	78.17
29.5	4,870,965	32,015	0.0066	0.9934	76.65
30.5	4,652,393	74,355	0.0160	0.9840	76.15
31.5	4,181,231	28,258	0.0068	0.9932	74.93
32.5	3,980,977	42,124	0.0106	0.9894	74.43
33.5	3,703,247	48,224	0.0130	0.9870	73.64
34.5	3,567,200	39,226	0.0110	0.9890	72.68
35.5	3,090,066	38,947	0.0126	0.9874	71.88
36.5	3,105,357	77,015	0.0248	0.9752	70.98
37.5	2,750,554	29,607	0.0108	0.9892	69.22
38.5	2,593,720	29,891	0.0115	0.9885	68.47

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,409,574	11,928	0.0050	0.9950	67.68
40.5	2,233,800	18,406	0.0082	0.9918	67.35
41.5	1,926,597	18,333	0.0095	0.9905	66.79
42.5	1,697,141	32,715	0.0193	0.9807	66.16
43.5	1,445,485	41,006	0.0284	0.9716	64.88
44.5	1,200,907	15,042	0.0125	0.9875	63.04
45.5	1,169,508	7,795	0.0067	0.9933	62.25
46.5	1,130,741	2,255	0.0020	0.9980	61.84
47.5	1,116,767	3,426	0.0031	0.9969	61.71
48.5	1,088,222	33,217	0.0305	0.9695	61.52
49.5	1,004,799	9,287	0.0092	0.9908	59.64
50.5	977,196	2,621	0.0027	0.9973	59.09
51.5	904,034	2,856	0.0032	0.9968	58.93
52.5	888,456	16,941	0.0191	0.9809	58.75
53.5	761,405	1,031	0.0014	0.9986	57.63
54.5	526,906	3,407	0.0065	0.9935	57.55
55.5	488,243	3,493	0.0072	0.9928	57.18
56.5	457,608	11,655	0.0255	0.9745	56.77
57.5	405,405	34	0.0001	0.9999	55.32
58.5	314,999	2,148	0.0068	0.9932	55.32
59.5	307,977	890	0.0029	0.9971	54.94
60.5	288,635	43	0.0002	0.9998	54.78
61.5	275,458	7,931	0.0288	0.9712	54.77
62.5	265,273	156	0.0006	0.9994	53.20
63.5	257,260	577	0.0022	0.9978	53.17
64.5	212,638	2,142	0.0101	0.9899	53.05
65.5	168,620	192	0.0011	0.9989	52.51
66.5	157,587	72	0.0005	0.9995	52.45
67.5	130,010	629	0.0048	0.9952	52.43
68.5	117,135	7	0.0001	0.9999	52.18
69.5	92,486	54	0.0006	0.9994	52.17
70.5	84,386	12	0.0001	0.9999	52.14
71.5	83,209	42	0.0005	0.9995	52.13
72.5	39,772	248	0.0062	0.9938	52.11
73.5	11,437	41	0.0036	0.9964	51.78
74.5	10,236		0.0000	1.0000	51.60
75.5	8,601		0.0000	1.0000	51.60
76.5	8,492		0.0000	1.0000	51.60
77.5	8,367	50	0.0060	0.9940	51.60
78.5	8,333		0.0000	1.0000	51.29

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	8,023		0.0000	1.0000	51.29
80.5	7,365		0.0000	1.0000	51.29
81.5	7,270	21	0.0028	0.9972	51.29
82.5	5,898		0.0000	1.0000	51.14
83.5	5,898	60	0.0101	0.9899	51.14
84.5	5,838		0.0000	1.0000	50.63
85.5	4,463		0.0000	1.0000	50.63
86.5	3,492		0.0000	1.0000	50.63
87.5	1,950		0.0000	1.0000	50.63
88.5	1,446		0.0000	1.0000	50.63
89.5	1,446		0.0000	1.0000	50.63
90.5	1,573		0.0000	1.0000	50.63
91.5	1,319		0.0000	1.0000	50.63
92.5	1,122		0.0000	1.0000	50.63
93.5	756		0.0000	1.0000	50.63
94.5	738		0.0000	1.0000	50.63
95.5	673		0.0000	1.0000	50.63
96.5	506		0.0000	1.0000	50.63
97.5	498		0.0000	1.0000	50.63
98.5	385		0.0000	1.0000	50.63
99.5	385		0.0000	1.0000	50.63
100.5	385		0.0000	1.0000	50.63
101.5	385		0.0000	1.0000	50.63
102.5	190		0.0000	1.0000	50.63
103.5	163		0.0000	1.0000	50.63
104.5	156		0.0000	1.0000	50.63
105.5	140		0.0000	1.0000	50.63
106.5	127		0.0000	1.0000	50.63
107.5	127		0.0000	1.0000	50.63
108.5	127		0.0000	1.0000	50.63
109.5	127		0.0000	1.0000	50.63
110.5	127		0.0000	1.0000	50.63
111.5	127		0.0000	1.0000	50.63
112.5	127		0.0000	1.0000	50.63
113.5	127		0.0000	1.0000	50.63
114.5	127		0.0000	1.0000	50.63
115.5	127		0.0000	1.0000	50.63
116.5	127		0.0000	1.0000	50.63
117.5					50.63

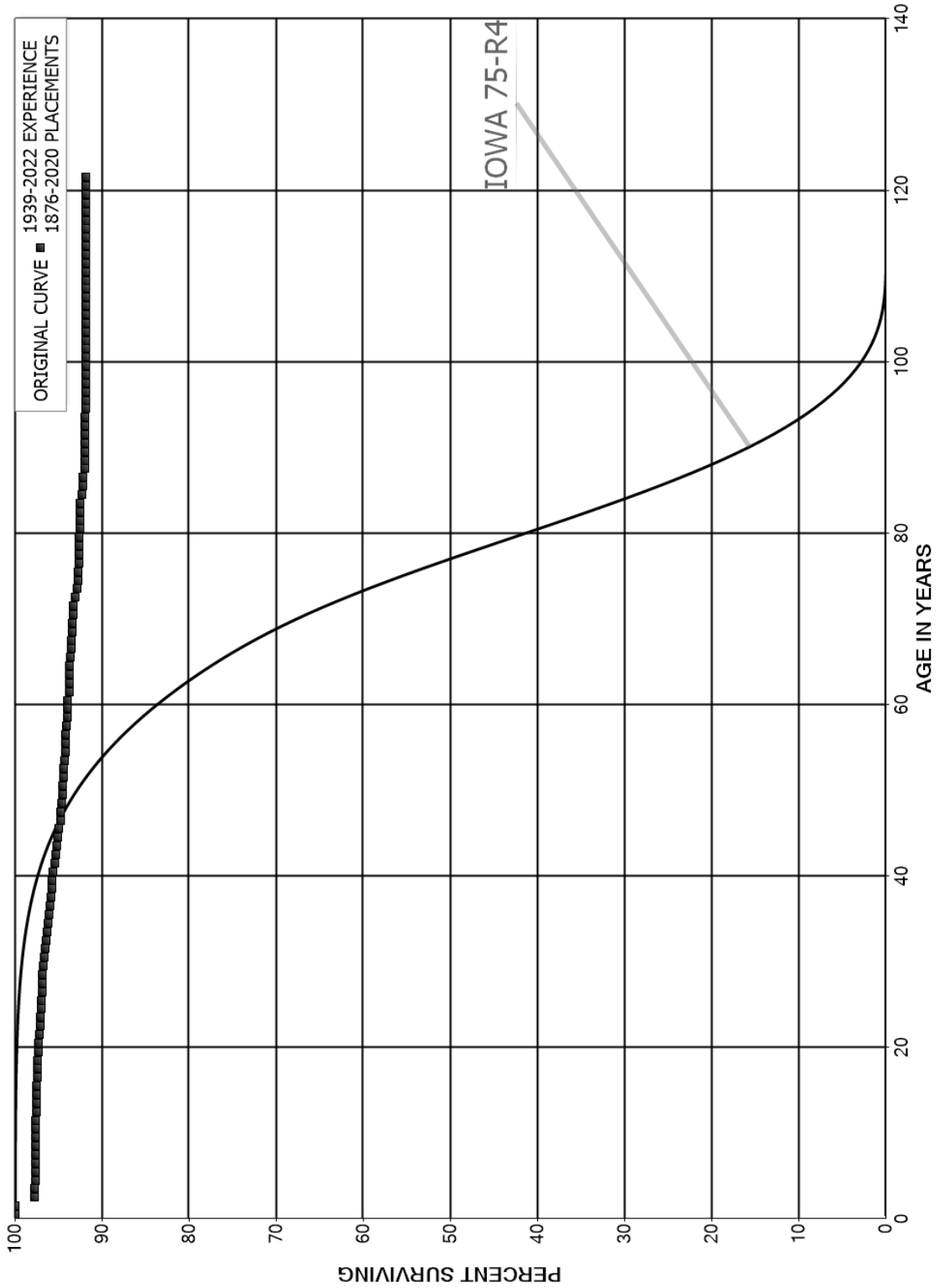

ORIGINAL CURVE ■ 1952-2022 EXPERIENCE
1952-2021 PLACEMENTS
IOWA 35-R1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1952-2021 EXPERIENCE BAND 1952-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,256,191		0.0000	1.0000	100.00
0.5	3,256,229	317	0.0001	0.9999	100.00
1.5	3,095,460	10,216	0.0033	0.9967	99.99
2.5	3,085,059	50,558	0.0164	0.9836	99.66
3.5	3,029,865	49,657	0.0164	0.9836	98.03
4.5	2,735,075	4,167	0.0015	0.9985	96.42
5.5	2,098,981	18,766	0.0089	0.9911	96.27
6.5	1,786,170	7,515	0.0042	0.9958	95.41
7.5	1,223,617	20,079	0.0164	0.9836	95.01
8.5	1,198,638	23,442	0.0196	0.9804	93.45
9.5	1,169,957	28,147	0.0241	0.9759	91.62
10.5	1,145,239	2,139	0.0019	0.9981	89.42
11.5	995,837	53,933	0.0542	0.9458	89.25
12.5	937,612	4,331	0.0046	0.9954	84.42
13.5	914,569	3,134	0.0034	0.9966	84.03
14.5	802,309		0.0000	1.0000	83.74
15.5	800,277	4,078	0.0051	0.9949	83.74
16.5	767,757	16,673	0.0217	0.9783	83.31
17.5	751,084	7,419	0.0099	0.9901	81.51
18.5	719,103	25,958	0.0361	0.9639	80.70
19.5	646,766	7,309	0.0113	0.9887	77.79
20.5	524,319	3,952	0.0075	0.9925	76.91
21.5	505,651		0.0000	1.0000	76.33
22.5	389,549		0.0000	1.0000	76.33
23.5	361,525	5,066	0.0140	0.9860	76.33
24.5	297,023	1,865	0.0063	0.9937	75.26
25.5	186,510		0.0000	1.0000	74.79
26.5	168,864	2,456	0.0145	0.9855	74.79
27.5	148,916		0.0000	1.0000	73.70
28.5	113,452		0.0000	1.0000	73.70
29.5	101,300	1,906	0.0188	0.9812	73.70
30.5	91,321		0.0000	1.0000	72.31
31.5	86,464		0.0000	1.0000	72.31
32.5	86,449		0.0000	1.0000	72.31
33.5	59,967		0.0000	1.0000	72.31
34.5	56,913	1,026	0.0180	0.9820	72.31
35.5	55,630		0.0000	1.0000	71.01
36.5	53,494		0.0000	1.0000	71.01
37.5	53,494		0.0000	1.0000	71.01
38.5	53,494	9,616	0.1798	0.8202	71.01

PLACEMENT BAND 1952-2021 EXPERIENCE BAND 1952-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	43,878		0.0000	1.0000	58.24
40.5	39,374		0.0000	1.0000	58.24
41.5	39,374		0.0000	1.0000	58.24
42.5	39,374		0.0000	1.0000	58.24
43.5	21,723		0.0000	1.0000	58.24
44.5	21,723		0.0000	1.0000	58.24
45.5	21,723		0.0000	1.0000	58.24
46.5	20,507	249	0.0122	0.9878	58.24
47.5	20,021		0.0000	1.0000	57.53
48.5	19,443		0.0000	1.0000	57.53
49.5	19,443		0.0000	1.0000	57.53
50.5	19,443	2,220	0.1142	0.8858	57.53
51.5	14,201		0.0000	1.0000	50.96
52.5	11,680		0.0000	1.0000	50.96
53.5	8,948		0.0000	1.0000	50.96
54.5	7,313		0.0000	1.0000	50.96
55.5	7,313		0.0000	1.0000	50.96
56.5	7,313		0.0000	1.0000	50.96
57.5	3,884		0.0000	1.0000	50.96
58.5	3,884		0.0000	1.0000	50.96
59.5	3,884		0.0000	1.0000	50.96
60.5	3,884		0.0000	1.0000	50.96
61.5	3,127		0.0000	1.0000	50.96
62.5	3,127		0.0000	1.0000	50.96
63.5	3,127		0.0000	1.0000	50.96
64.5	3,127		0.0000	1.0000	50.96
65.5	3,127		0.0000	1.0000	50.96
66.5	3,127		0.0000	1.0000	50.96
67.5	2,776		0.0000	1.0000	50.96
68.5	2,741		0.0000	1.0000	50.96
69.5					50.96


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1876-2020 PLACEMENTS
IOWA 75-R4
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
AGE IN YEARS

PLACEMENT BAND 1876-2020 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,116,388	1,442	0.0002	0.9998	100.00
0.5	7,134,170	1,163	0.0002	0.9998	99.98
1.5	7,114,259	162,000	0.0228	0.9772	99.96
2.5	7,049,977	918	0.0001	0.9999	97.69
3.5	6,962,734	350	0.0001	0.9999	97.67
4.5	6,964,202	1,915	0.0003	0.9997	97.67
5.5	6,748,203	1,171	0.0002	0.9998	97.64
6.5	6,649,567	960	0.0001	0.9999	97.63
7.5	6,642,391	894	0.0001	0.9999	97.61
8.5	6,670,174	528	0.0001	0.9999	97.60
9.5	6,643,464	610	0.0001	0.9999	97.59
10.5	6,478,811	1,079	0.0002	0.9998	97.58
11.5	5,832,096	1,024	0.0002	0.9998	97.57
12.5	5,795,716	1,732	0.0003	0.9997	97.55
13.5	5,749,183	1,980	0.0003	0.9997	97.52
14.5	5,641,157	1,461	0.0003	0.9997	97.49
15.5	5,440,781	861	0.0002	0.9998	97.46
16.5	4,942,964	476	0.0001	0.9999	97.45
17.5	4,638,498	1,939	0.0004	0.9996	97.44
18.5	4,406,105	3,093	0.0007	0.9993	97.39
19.5	3,874,142	2,770	0.0007	0.9993	97.33
20.5	3,641,567	4,949	0.0014	0.9986	97.26
21.5	3,242,180	1,922	0.0006	0.9994	97.12
22.5	3,133,615	1,249	0.0004	0.9996	97.07
23.5	3,011,296	2,897	0.0010	0.9990	97.03
24.5	2,947,309	904	0.0003	0.9997	96.94
25.5	2,799,449	1,210	0.0004	0.9996	96.91
26.5	2,754,876	912	0.0003	0.9997	96.86
27.5	2,670,236	901	0.0003	0.9997	96.83
28.5	2,561,586	2,014	0.0008	0.9992	96.80
29.5	2,429,855	2,473	0.0010	0.9990	96.72
30.5	2,278,519	1,723	0.0008	0.9992	96.62
31.5	2,195,848	3,370	0.0015	0.9985	96.55
32.5	2,079,635	1,739	0.0008	0.9992	96.40
33.5	1,998,884	3,163	0.0016	0.9984	96.32
34.5	1,900,047	2,553	0.0013	0.9987	96.17
35.5	1,814,467	2,456	0.0014	0.9986	96.04
36.5	1,767,864	1,268	0.0007	0.9993	95.91
37.5	1,718,066	1,224	0.0007	0.9993	95.84
38.5	1,669,529	1,689	0.0010	0.9990	95.77

PLACEMENT BAND 1876-2020 EXPERIENCE BAND 1939-2022

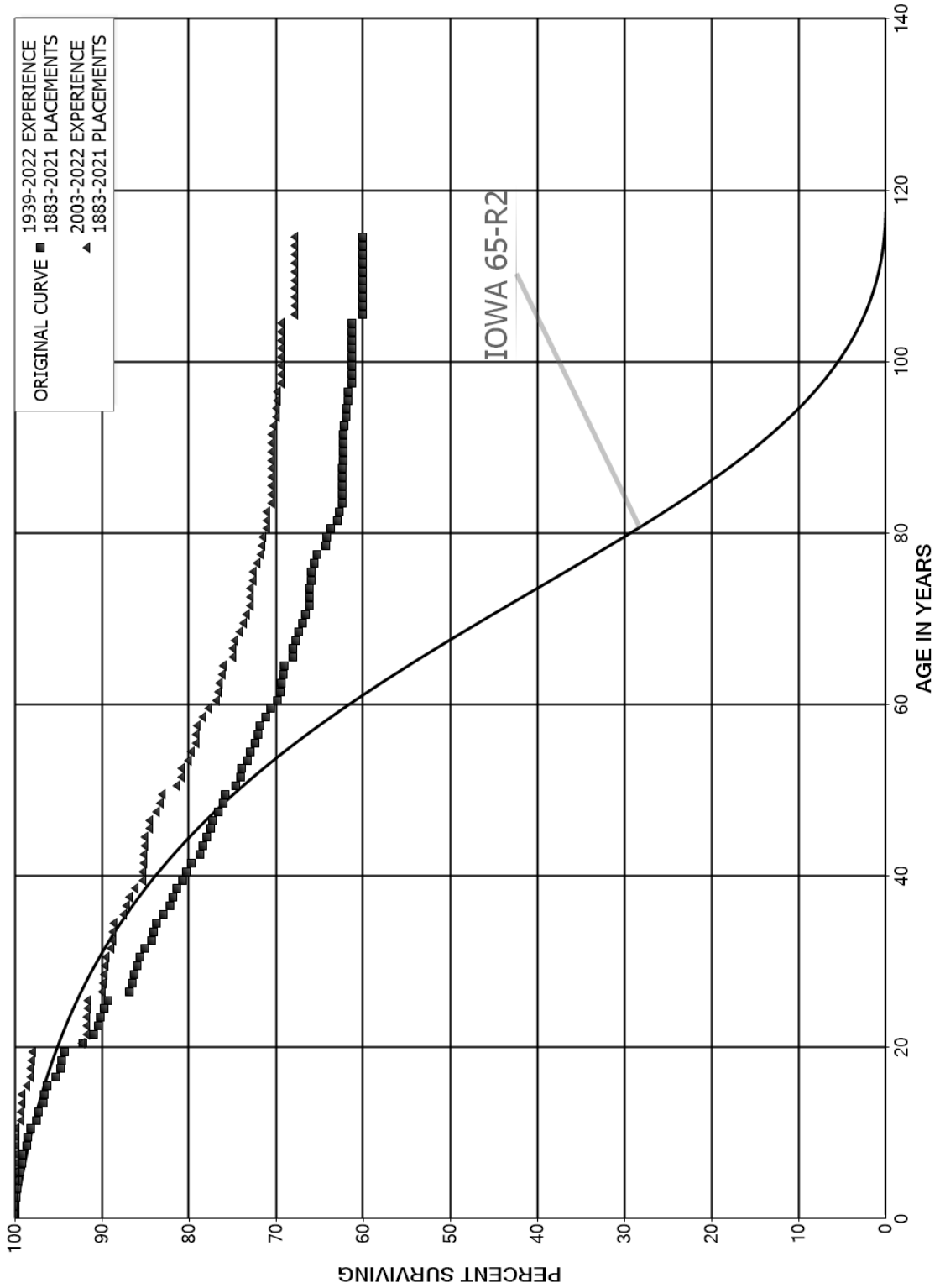
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,596,028	752	0.0005	0.9995	95.68
40.5	1,531,931	3,728	0.0024	0.9976	95.63
41.5	1,452,651	1,193	0.0008	0.9992	95.40
42.5	1,393,453	1,882	0.0014	0.9986	95.32
43.5	1,342,094	1,274	0.0009	0.9991	95.19
44.5	1,297,906	2,242	0.0017	0.9983	95.10
45.5	1,280,320	2,947	0.0023	0.9977	94.94
46.5	1,255,565	507	0.0004	0.9996	94.72
47.5	1,205,355	637	0.0005	0.9995	94.68
48.5	1,176,446	1,785	0.0015	0.9985	94.63
49.5	1,144,092	331	0.0003	0.9997	94.49
50.5	1,161,590	380	0.0003	0.9997	94.46
51.5	1,128,862	680	0.0006	0.9994	94.43
52.5	1,095,638	1,443	0.0013	0.9987	94.37
53.5	1,067,460	578	0.0005	0.9995	94.25
54.5	1,024,408	709	0.0007	0.9993	94.20
55.5	969,070	45	0.0000	1.0000	94.13
56.5	936,292	422	0.0005	0.9995	94.13
57.5	898,652	927	0.0010	0.9990	94.08
58.5	861,729	645	0.0007	0.9993	93.99
59.5	828,445	212	0.0003	0.9997	93.92
60.5	805,558	1,331	0.0017	0.9983	93.89
61.5	750,477	170	0.0002	0.9998	93.74
62.5	723,771	120	0.0002	0.9998	93.72
63.5	700,366	116	0.0002	0.9998	93.70
64.5	608,459	279	0.0005	0.9995	93.69
65.5	588,155	607	0.0010	0.9990	93.64
66.5	603,964	335	0.0006	0.9994	93.55
67.5	576,228	326	0.0006	0.9994	93.49
68.5	554,071	1	0.0000	1.0000	93.44
69.5	537,786	848	0.0016	0.9984	93.44
70.5	513,040	119	0.0002	0.9998	93.29
71.5	473,302	1,201	0.0025	0.9975	93.27
72.5	442,493	974	0.0022	0.9978	93.04
73.5	431,418	410	0.0009	0.9991	92.83
74.5	420,801	45	0.0001	0.9999	92.74
75.5	409,291	355	0.0009	0.9991	92.73
76.5	400,835		0.0000	1.0000	92.65
77.5	384,372	75	0.0002	0.9998	92.65
78.5	381,899	118	0.0003	0.9997	92.63

PLACEMENT BAND 1876-2020 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	385,315	234	0.0006	0.9994	92.61
80.5	380,209		0.0000	1.0000	92.55
81.5	354,447	43	0.0001	0.9999	92.55
82.5	342,259		0.0000	1.0000	92.54
83.5	333,068	916	0.0027	0.9973	92.54
84.5	328,901	368	0.0011	0.9989	92.28
85.5	324,331		0.0000	1.0000	92.18
86.5	327,528	725	0.0022	0.9978	92.18
87.5	329,315		0.0000	1.0000	91.98
88.5	330,155		0.0000	1.0000	91.98
89.5	329,664	18	0.0001	0.9999	91.98
90.5	326,605		0.0000	1.0000	91.97
91.5	321,719		0.0000	1.0000	91.97
92.5	315,627	118	0.0004	0.9996	91.97
93.5	312,150	227	0.0007	0.9993	91.94
94.5	310,586	24	0.0001	0.9999	91.87
95.5	373,519	169	0.0005	0.9995	91.86
96.5	369,520		0.0000	1.0000	91.82
97.5	362,300		0.0000	1.0000	91.82
98.5	357,566		0.0000	1.0000	91.82
99.5	347,701		0.0000	1.0000	91.82
100.5	394,620		0.0000	1.0000	91.82
101.5	321,999		0.0000	1.0000	91.82
102.5	308,874	18	0.0001	0.9999	91.82
103.5	301,312		0.0000	1.0000	91.82
104.5	297,592		0.0000	1.0000	91.82
105.5	281,470		0.0000	1.0000	91.82
106.5	268,109		0.0000	1.0000	91.82
107.5	245,720		0.0000	1.0000	91.82
108.5	229,335		0.0000	1.0000	91.82
109.5	218,856		0.0000	1.0000	91.82
110.5	205,319		0.0000	1.0000	91.82
111.5	198,148		0.0000	1.0000	91.82
112.5	194,078		0.0000	1.0000	91.82
113.5	192,017		0.0000	1.0000	91.82
114.5	188,334		0.0000	1.0000	91.82
115.5	184,342		0.0000	1.0000	91.82
116.5	171,646		0.0000	1.0000	91.82
117.5	150,826		0.0000	1.0000	91.82
118.5	143,851		0.0000	1.0000	91.82

PLACEMENT BAND 1876-2020 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	88,093		0.0000	1.0000	91.82
120.5	67,107		0.0000	1.0000	91.82
121.5	9,357		0.0000	1.0000	91.82
122.5	7,870		0.0000	1.0000	91.82
123.5	6,511		0.0000	1.0000	91.82
124.5	6,323		0.0000	1.0000	91.82
125.5	5,782		0.0000	1.0000	91.82
126.5	5,769		0.0000	1.0000	91.82
127.5	5,653		0.0000	1.0000	91.82
128.5	4,233		0.0000	1.0000	91.82
129.5	4,233		0.0000	1.0000	91.82
130.5	3,867		0.0000	1.0000	91.82
131.5	3,612		0.0000	1.0000	91.82
132.5	3,145		0.0000	1.0000	91.82
133.5	1,505		0.0000	1.0000	91.82
134.5	1,201		0.0000	1.0000	91.82
135.5	899		0.0000	1.0000	91.82
136.5	899		0.0000	1.0000	91.82
137.5	547		0.0000	1.0000	91.82
138.5	547		0.0000	1.0000	91.82
139.5	547		0.0000	1.0000	91.82
140.5	547		0.0000	1.0000	91.82
141.5	535		0.0000	1.0000	91.82
142.5	535		0.0000	1.0000	91.82
143.5	535		0.0000	1.0000	91.82
144.5	535		0.0000	1.0000	91.82
145.5	535		0.0000	1.0000	91.82
146.5					91.82


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE 1883-2021 PLACEMENTS
▲ 2003-2022 EXPERIENCE 1883-2021 PLACEMENTS
IOWA 65-R2
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
AGE IN YEARS

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,540,227	1,949	0.0003	0.9997	100.00
0.5	7,561,702	4,659	0.0006	0.9994	99.97
1.5	7,569,043	8,182	0.0011	0.9989	99.91
2.5	7,561,525	6,695	0.0009	0.9991	99.80
3.5	7,522,110	11,640	0.0015	0.9985	99.72
4.5	7,357,933	13,675	0.0019	0.9981	99.56
5.5	7,338,549	12,122	0.0017	0.9983	99.38
6.5	7,339,451	6,526	0.0009	0.9991	99.21
7.5	6,897,266	36,357	0.0053	0.9947	99.12
8.5	6,839,398	7,371	0.0011	0.9989	98.60
9.5	6,687,516	25,110	0.0038	0.9962	98.50
10.5	6,255,721	37,702	0.0060	0.9940	98.13
11.5	6,096,196	15,215	0.0025	0.9975	97.53
12.5	6,036,136	31,926	0.0053	0.9947	97.29
13.5	5,750,685	8,962	0.0016	0.9984	96.78
14.5	5,315,548	17,257	0.0032	0.9968	96.63
15.5	5,104,053	56,276	0.0110	0.9890	96.31
16.5	4,743,553	23,461	0.0049	0.9951	95.25
17.5	4,612,836	9,380	0.0020	0.9980	94.78
18.5	4,488,498	13,273	0.0030	0.9970	94.59
19.5	4,226,384	96,523	0.0228	0.9772	94.31
20.5	3,834,609	48,758	0.0127	0.9873	92.15
21.5	3,751,809	22,553	0.0060	0.9940	90.98
22.5	3,666,149	10,391	0.0028	0.9972	90.43
23.5	3,623,948	18,789	0.0052	0.9948	90.18
24.5	3,554,147	18,534	0.0052	0.9948	89.71
25.5	3,640,529	100,210	0.0275	0.9725	89.24
26.5	3,293,993	9,934	0.0030	0.9970	86.79
27.5	3,208,656	9,820	0.0031	0.9969	86.52
28.5	3,165,684	13,418	0.0042	0.9958	86.26
29.5	3,108,341	11,401	0.0037	0.9963	85.89
30.5	3,075,714	18,527	0.0060	0.9940	85.58
31.5	2,998,862	26,421	0.0088	0.9912	85.06
32.5	2,936,644	8,895	0.0030	0.9970	84.31
33.5	2,768,170	9,872	0.0036	0.9964	84.06
34.5	2,690,869	26,154	0.0097	0.9903	83.76
35.5	2,624,401	24,136	0.0092	0.9908	82.94
36.5	2,569,983	11,056	0.0043	0.9957	82.18
37.5	2,317,614	12,659	0.0055	0.9945	81.83
38.5	2,184,229	16,355	0.0075	0.9925	81.38

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,969,373	10,899	0.0055	0.9945	80.77
40.5	1,912,317	13,943	0.0073	0.9927	80.32
41.5	1,748,107	23,195	0.0133	0.9867	79.74
42.5	1,674,051	5,981	0.0036	0.9964	78.68
43.5	1,604,166	9,694	0.0060	0.9940	78.40
44.5	1,578,423	9,077	0.0058	0.9942	77.93
45.5	1,543,519	3,029	0.0020	0.9980	77.48
46.5	1,476,789	12,735	0.0086	0.9914	77.33
47.5	1,389,624	11,532	0.0083	0.9917	76.66
48.5	1,321,607	4,211	0.0032	0.9968	76.02
49.5	1,273,526	19,503	0.0153	0.9847	75.78
50.5	1,214,229	8,207	0.0068	0.9932	74.62
51.5	1,180,120	1,999	0.0017	0.9983	74.12
52.5	1,133,808	10,223	0.0090	0.9910	73.99
53.5	1,101,340	5,679	0.0052	0.9948	73.32
54.5	1,069,165	7,564	0.0071	0.9929	72.95
55.5	1,046,496	4,592	0.0044	0.9956	72.43
56.5	1,006,032	4,167	0.0041	0.9959	72.11
57.5	963,063	7,955	0.0083	0.9917	71.81
58.5	918,222	7,843	0.0085	0.9915	71.22
59.5	873,237	10,240	0.0117	0.9883	70.61
60.5	854,270	3,142	0.0037	0.9963	69.78
61.5	781,921	1,039	0.0013	0.9987	69.53
62.5	760,412	2,592	0.0034	0.9966	69.43
63.5	682,730	1,559	0.0023	0.9977	69.20
64.5	600,521	8,544	0.0142	0.9858	69.04
65.5	549,401	274	0.0005	0.9995	68.06
66.5	510,686	2,004	0.0039	0.9961	68.02
67.5	457,311	2,795	0.0061	0.9939	67.76
68.5	431,288	2,406	0.0056	0.9944	67.34
69.5	355,491	2,041	0.0057	0.9943	66.97
70.5	266,859	1,434	0.0054	0.9946	66.58
71.5	214,165	57	0.0003	0.9997	66.22
72.5	178,775	180	0.0010	0.9990	66.21
73.5	146,060	518	0.0035	0.9965	66.14
74.5	118,305		0.0000	1.0000	65.91
75.5	107,753	510	0.0047	0.9953	65.91
76.5	96,050	411	0.0043	0.9957	65.59
77.5	93,590	1,434	0.0153	0.9847	65.31
78.5	85,302	136	0.0016	0.9984	64.31

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	82,428	666	0.0081	0.9919	64.21
80.5	70,434	790	0.0112	0.9888	63.69
81.5	67,422	308	0.0046	0.9954	62.98
82.5	65,282	360	0.0055	0.9945	62.69
83.5	63,145		0.0000	1.0000	62.34
84.5	60,800		0.0000	1.0000	62.34
85.5	56,468		0.0000	1.0000	62.34
86.5	50,936		0.0000	1.0000	62.34
87.5	49,069	33	0.0007	0.9993	62.34
88.5	48,708		0.0000	1.0000	62.30
89.5	48,300		0.0000	1.0000	62.30
90.5	46,289		0.0000	1.0000	62.30
91.5	45,553	123	0.0027	0.9973	62.30
92.5	41,214	157	0.0038	0.9962	62.13
93.5	37,902		0.0000	1.0000	61.90
94.5	32,637	93	0.0029	0.9971	61.90
95.5	28,026		0.0000	1.0000	61.72
96.5	26,577	164	0.0062	0.9938	61.72
97.5	21,561		0.0000	1.0000	61.34
98.5	20,921		0.0000	1.0000	61.34
99.5	20,284		0.0000	1.0000	61.34
100.5	18,456		0.0000	1.0000	61.34
101.5	16,627		0.0000	1.0000	61.34
102.5	16,256		0.0000	1.0000	61.34
103.5	13,475		0.0000	1.0000	61.34
104.5	10,652	230	0.0216	0.9784	61.34
105.5	8,926		0.0000	1.0000	60.01
106.5	8,926		0.0000	1.0000	60.01
107.5	6,779		0.0000	1.0000	60.01
108.5	4,898		0.0000	1.0000	60.01
109.5	3,060		0.0000	1.0000	60.01
110.5	2,481		0.0000	1.0000	60.01
111.5	1,835		0.0000	1.0000	60.01
112.5	1,530		0.0000	1.0000	60.01
113.5	1,139		0.0000	1.0000	60.01
114.5	1,119		0.0000	1.0000	60.01
115.5	290	20	0.0686	0.9314	60.01
116.5	88		0.0000	1.0000	55.89
117.5	88		0.0000	1.0000	55.89
118.5	88		0.0000	1.0000	55.89

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5					55.89

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 2003-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,377,760		0.0000	1.0000	100.00
0.5	2,380,223		0.0000	1.0000	100.00
1.5	2,373,649	1,316	0.0006	0.9994	100.00
2.5	2,413,866	2,353	0.0010	0.9990	99.94
3.5	2,412,649	1,934	0.0008	0.9992	99.85
4.5	2,315,953		0.0000	1.0000	99.77
5.5	2,382,635		0.0000	1.0000	99.77
6.5	2,416,661		0.0000	1.0000	99.77
7.5	2,070,084		0.0000	1.0000	99.77
8.5	2,084,343		0.0000	1.0000	99.77
9.5	2,038,253		0.0000	1.0000	99.77
10.5	1,684,234	10,414	0.0062	0.9938	99.77
11.5	1,674,505		0.0000	1.0000	99.15
12.5	1,692,399	930	0.0005	0.9995	99.15
13.5	1,539,507		0.0000	1.0000	99.10
14.5	1,385,603	8,660	0.0062	0.9938	99.10
15.5	1,436,264	5,222	0.0036	0.9964	98.48
16.5	1,531,160		0.0000	1.0000	98.12
17.5	1,483,195	3,369	0.0023	0.9977	98.12
18.5	1,433,824	351	0.0002	0.9998	97.90
19.5	1,364,726	79,506	0.0583	0.9417	97.87
20.5	1,071,478	6,674	0.0062	0.9938	92.17
21.5	1,178,435		0.0000	1.0000	91.60
22.5	1,273,268		0.0000	1.0000	91.60
23.5	1,296,410	687	0.0005	0.9995	91.60
24.5	1,262,834	820	0.0006	0.9994	91.55
25.5	1,172,482	21,873	0.0187	0.9813	91.49
26.5	1,370,856	1,092	0.0008	0.9992	89.78
27.5	1,414,212	1,029	0.0007	0.9993	89.71
28.5	1,438,774	2,296	0.0016	0.9984	89.64
29.5	1,478,911	2,501	0.0017	0.9983	89.50
30.5	1,494,786	9,285	0.0062	0.9938	89.35
31.5	1,460,847	2,547	0.0017	0.9983	88.79
32.5	1,450,677	1,107	0.0008	0.9992	88.64
33.5	1,312,006	453	0.0003	0.9997	88.57
34.5	1,277,096	17,141	0.0134	0.9866	88.54
35.5	1,249,003	4,614	0.0037	0.9963	87.35
36.5	1,252,492	4,644	0.0037	0.9963	87.03
37.5	1,050,973	8,131	0.0077	0.9923	86.71
38.5	967,133	9,357	0.0097	0.9903	86.04

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 2003-2022

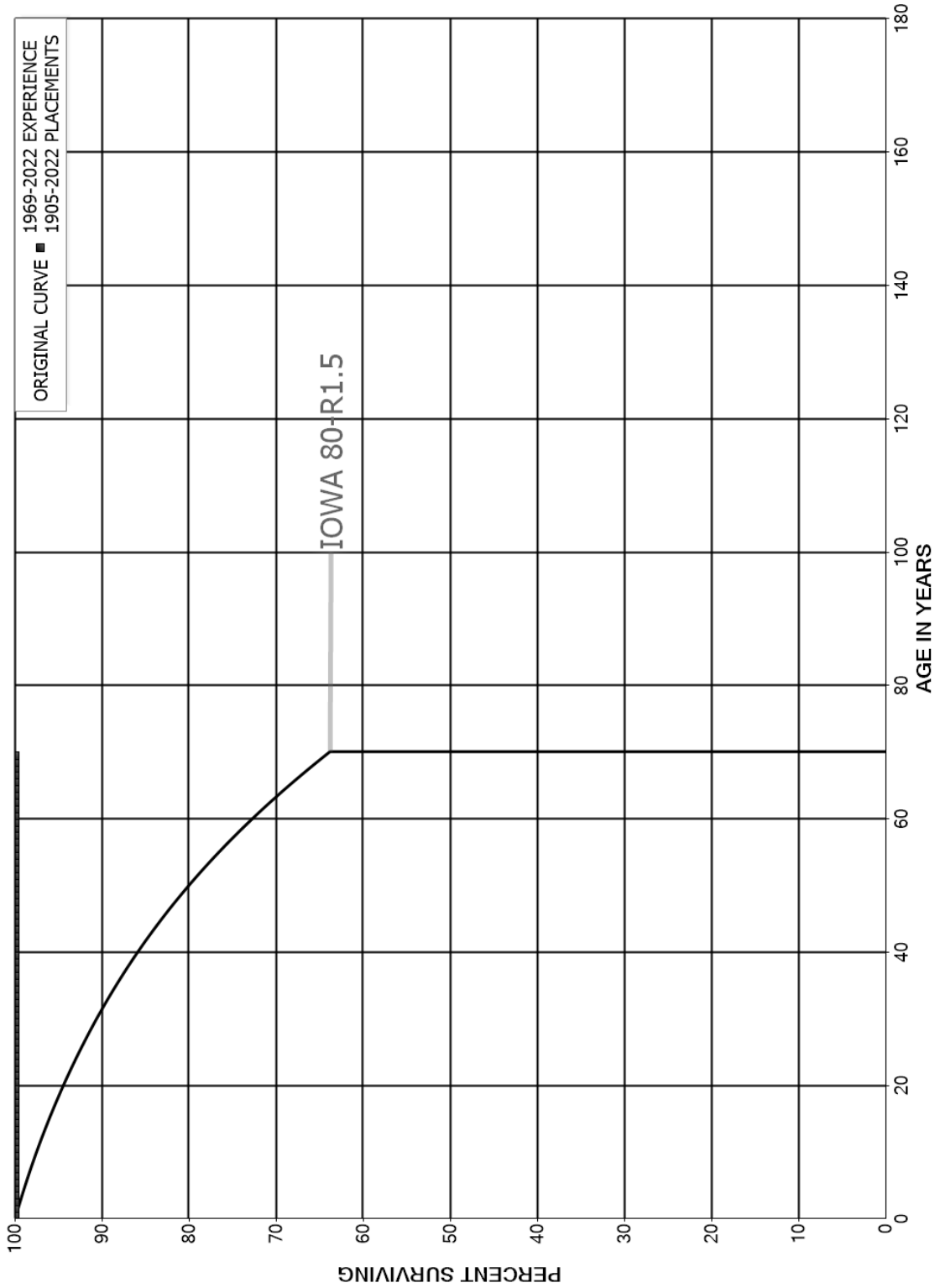
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	837,308		0.0000	1.0000	85.20
40.5	825,414	1,255	0.0015	0.9985	85.20
41.5	818,623	107	0.0001	0.9999	85.08
42.5	791,651	951	0.0012	0.9988	85.06
43.5	804,269	638	0.0008	0.9992	84.96
44.5	874,353	5,250	0.0060	0.9940	84.89
45.5	889,747	181	0.0002	0.9998	84.38
46.5	864,199	7,979	0.0092	0.9908	84.37
47.5	837,599	3,986	0.0048	0.9952	83.59
48.5	822,748	2,098	0.0025	0.9975	83.19
49.5	870,398	18,033	0.0207	0.9793	82.98
50.5	913,566	5,462	0.0060	0.9940	81.26
51.5	938,179	108	0.0001	0.9999	80.77
52.5	939,658	8,970	0.0095	0.9905	80.76
53.5	940,359	4,880	0.0052	0.9948	79.99
54.5	937,814	5,954	0.0063	0.9937	79.58
55.5	920,755	721	0.0008	0.9992	79.07
56.5	895,069	1,277	0.0014	0.9986	79.01
57.5	860,354	7,123	0.0083	0.9917	78.90
58.5	823,199	6,559	0.0080	0.9920	78.25
59.5	783,847	9,551	0.0122	0.9878	77.62
60.5	776,211	2,258	0.0029	0.9971	76.68
61.5	707,377	912	0.0013	0.9987	76.45
62.5	687,828	2,317	0.0034	0.9966	76.35
63.5	612,894	1,559	0.0025	0.9975	76.10
64.5	533,112	7,671	0.0144	0.9856	75.90
65.5	487,198	202	0.0004	0.9996	74.81
66.5	454,734	1,178	0.0026	0.9974	74.78
67.5	404,549	2,795	0.0069	0.9931	74.59
68.5	378,928	2,406	0.0063	0.9937	74.07
69.5	303,248	1,166	0.0038	0.9962	73.60
70.5	217,692	1,412	0.0065	0.9935	73.32
71.5	165,603	57	0.0003	0.9997	72.84
72.5	134,428	30	0.0002	0.9998	72.82
73.5	105,224	407	0.0039	0.9961	72.80
74.5	83,091		0.0000	1.0000	72.52
75.5	77,010	510	0.0066	0.9934	72.52
76.5	66,856	411	0.0061	0.9939	72.04
77.5	69,245	76	0.0011	0.9989	71.60
78.5	63,011	136	0.0022	0.9978	71.52

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 2003-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	60,437	361	0.0060	0.9940	71.36
80.5	50,599		0.0000	1.0000	70.94
81.5	50,206		0.0000	1.0000	70.94
82.5	48,744	360	0.0074	0.9926	70.94
83.5	49,343		0.0000	1.0000	70.41
84.5	49,915		0.0000	1.0000	70.41
85.5	47,078		0.0000	1.0000	70.41
86.5	41,546		0.0000	1.0000	70.41
87.5	41,886	33	0.0008	0.9992	70.41
88.5	43,547		0.0000	1.0000	70.36
89.5	44,978		0.0000	1.0000	70.36
90.5	43,775		0.0000	1.0000	70.36
91.5	43,687	123	0.0028	0.9972	70.36
92.5	39,653	157	0.0040	0.9960	70.16
93.5	36,731		0.0000	1.0000	69.88
94.5	31,487	93	0.0030	0.9970	69.88
95.5	27,686		0.0000	1.0000	69.68
96.5	26,493	164	0.0062	0.9938	69.68
97.5	21,477		0.0000	1.0000	69.24
98.5	20,813		0.0000	1.0000	69.24
99.5	20,284		0.0000	1.0000	69.24
100.5	18,456		0.0000	1.0000	69.24
101.5	16,627		0.0000	1.0000	69.24
102.5	16,256		0.0000	1.0000	69.24
103.5	13,475		0.0000	1.0000	69.24
104.5	10,652	230	0.0216	0.9784	69.24
105.5	8,926		0.0000	1.0000	67.75
106.5	8,926		0.0000	1.0000	67.75
107.5	6,779		0.0000	1.0000	67.75
108.5	4,898		0.0000	1.0000	67.75
109.5	3,060		0.0000	1.0000	67.75
110.5	2,481		0.0000	1.0000	67.75
111.5	1,835		0.0000	1.0000	67.75
112.5	1,530		0.0000	1.0000	67.75
113.5	1,139		0.0000	1.0000	67.75
114.5	1,119		0.0000	1.0000	67.75
115.5	290	20	0.0686	0.9314	67.75
116.5	88		0.0000	1.0000	63.10
117.5	88		0.0000	1.0000	63.10
118.5	88		0.0000	1.0000	63.10

PLACEMENT BAND 1883-2021 EXPERIENCE BAND 2003-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5					63.10


ORIGINAL CURVE ■ 1969-2022 EXPERIENCE
1905-2022 PLACEMENTS
IOWA 80-R1.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
160
180
AGE IN YEARS

PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1969-2022

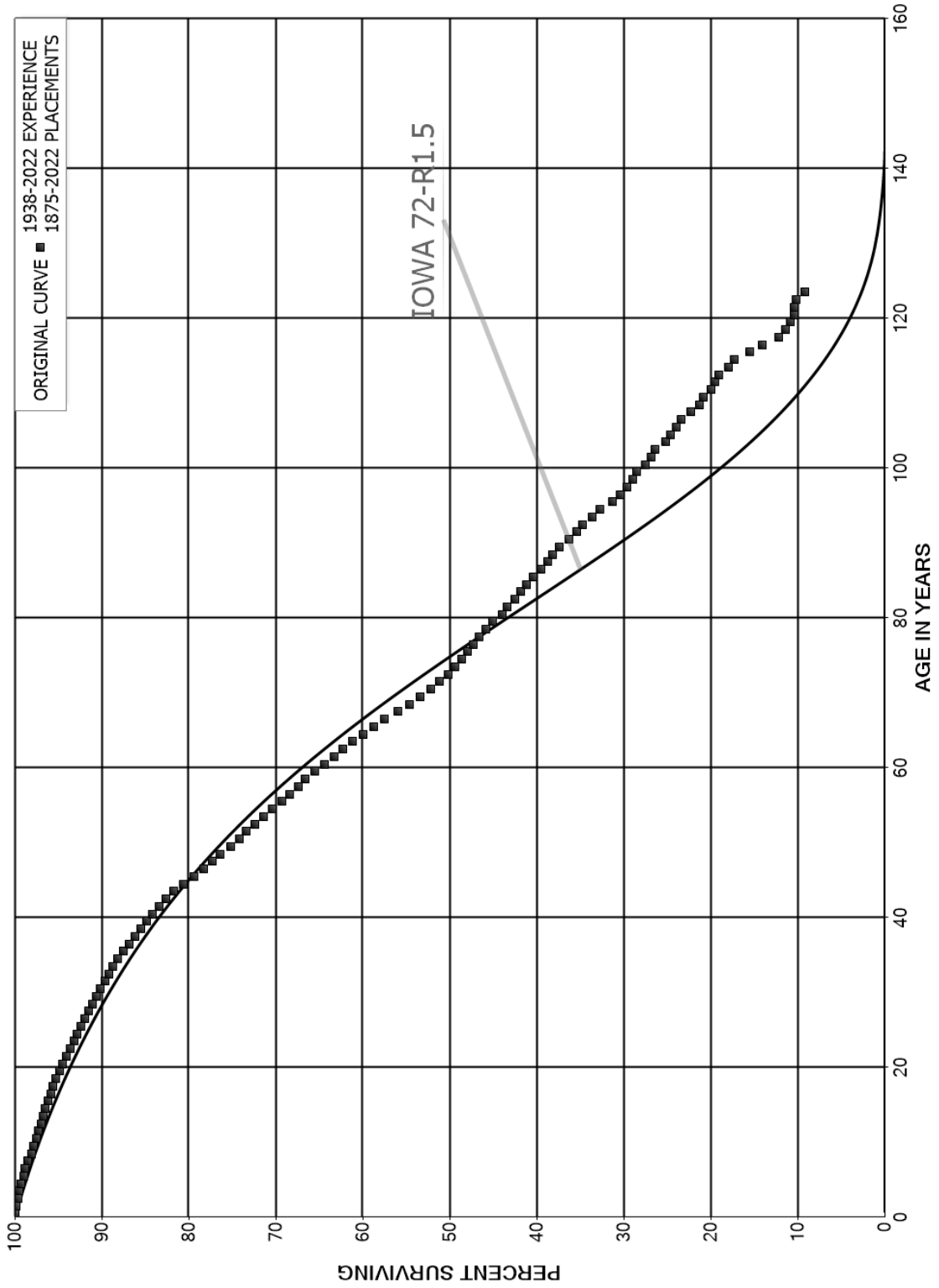
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,272,714		0.0000	1.0000	100.00
0.5	21,281,984		0.0000	1.0000	100.00
1.5	19,755,202		0.0000	1.0000	100.00
2.5	19,683,988		0.0000	1.0000	100.00
3.5	18,231,513		0.0000	1.0000	100.00
4.5	16,104,984		0.0000	1.0000	100.00
5.5	16,174,639		0.0000	1.0000	100.00
6.5	15,919,282		0.0000	1.0000	100.00
7.5	16,188,154		0.0000	1.0000	100.00
8.5	16,107,550		0.0000	1.0000	100.00
9.5	16,082,485		0.0000	1.0000	100.00
10.5	15,762,558		0.0000	1.0000	100.00
11.5	15,228,648		0.0000	1.0000	100.00
12.5	15,228,648		0.0000	1.0000	100.00
13.5	14,906,825		0.0000	1.0000	100.00
14.5	14,124,754		0.0000	1.0000	100.00
15.5	14,023,746		0.0000	1.0000	100.00
16.5	13,325,197		0.0000	1.0000	100.00
17.5	13,034,586	2,843	0.0002	0.9998	100.00
18.5	13,639,098		0.0000	1.0000	99.98
19.5	12,385,007		0.0000	1.0000	99.98
20.5	11,713,865		0.0000	1.0000	99.98
21.5	10,406,230		0.0000	1.0000	99.98
22.5	10,150,459		0.0000	1.0000	99.98
23.5	10,092,427		0.0000	1.0000	99.98
24.5	9,236,409		0.0000	1.0000	99.98
25.5	9,106,059		0.0000	1.0000	99.98
26.5	9,009,722		0.0000	1.0000	99.98
27.5	8,570,387		0.0000	1.0000	99.98
28.5	8,248,955		0.0000	1.0000	99.98
29.5	8,153,563		0.0000	1.0000	99.98
30.5	8,071,772		0.0000	1.0000	99.98
31.5	7,871,510		0.0000	1.0000	99.98
32.5	6,876,817		0.0000	1.0000	99.98
33.5	5,842,834		0.0000	1.0000	99.98
34.5	5,317,498		0.0000	1.0000	99.98
35.5	5,074,306		0.0000	1.0000	99.98
36.5	4,735,725		0.0000	1.0000	99.98
37.5	4,411,765		0.0000	1.0000	99.98
38.5	4,305,931		0.0000	1.0000	99.98

PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1969-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,174,144		0.0000	1.0000	99.98
40.5	4,050,381		0.0000	1.0000	99.98
41.5	4,001,908		0.0000	1.0000	99.98
42.5	3,984,956		0.0000	1.0000	99.98
43.5	3,928,208		0.0000	1.0000	99.98
44.5	3,901,125		0.0000	1.0000	99.98
45.5	3,321,786		0.0000	1.0000	99.98
46.5	3,309,823		0.0000	1.0000	99.98
47.5	3,289,005		0.0000	1.0000	99.98
48.5	3,265,901		0.0000	1.0000	99.98
49.5	3,240,933		0.0000	1.0000	99.98
50.5	3,193,302		0.0000	1.0000	99.98
51.5	3,142,516		0.0000	1.0000	99.98
52.5	3,139,339		0.0000	1.0000	99.98
53.5	3,129,366		0.0000	1.0000	99.98
54.5	3,116,530		0.0000	1.0000	99.98
55.5	3,104,448		0.0000	1.0000	99.98
56.5	2,707,350		0.0000	1.0000	99.98
57.5	2,687,167		0.0000	1.0000	99.98
58.5	2,511,122		0.0000	1.0000	99.98
59.5	2,075,348		0.0000	1.0000	99.98
60.5	2,061,053		0.0000	1.0000	99.98
61.5	1,792,181		0.0000	1.0000	99.98
62.5	1,712,711		0.0000	1.0000	99.98
63.5	1,645,107		0.0000	1.0000	99.98
64.5	1,644,231		0.0000	1.0000	99.98
65.5	1,644,231		0.0000	1.0000	99.98
66.5	1,644,231		0.0000	1.0000	99.98
67.5	1,644,231		0.0000	1.0000	99.98
68.5	1,641,875		0.0000	1.0000	99.98
69.5	1,616,822		0.0000	1.0000	99.98
70.5	1,471,973		0.0000	1.0000	99.98
71.5	1,464,677		0.0000	1.0000	99.98
72.5	182,674		0.0000	1.0000	99.98
73.5	179,036		0.0000	1.0000	99.98
74.5	148,487		0.0000	1.0000	99.98
75.5	91,320		0.0000	1.0000	99.98
76.5	91,320		0.0000	1.0000	99.98
77.5	90,827		0.0000	1.0000	99.98
78.5	90,827		0.0000	1.0000	99.98

PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1969-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	436		0.0000	1.0000	99.98
80.5	436		0.0000	1.0000	99.98
81.5	436		0.0000	1.0000	99.98
82.5	436		0.0000	1.0000	99.98
83.5	436		0.0000	1.0000	99.98
84.5	436		0.0000	1.0000	99.98
85.5	436		0.0000	1.0000	99.98
86.5	436		0.0000	1.0000	99.98
87.5	436		0.0000	1.0000	99.98
88.5	436		0.0000	1.0000	99.98
89.5	436		0.0000	1.0000	99.98
90.5	436		0.0000	1.0000	99.98
91.5	436		0.0000	1.0000	99.98
92.5	436		0.0000	1.0000	99.98
93.5	436		0.0000	1.0000	99.98
94.5	436		0.0000	1.0000	99.98
95.5	436		0.0000	1.0000	99.98
96.5	436		0.0000	1.0000	99.98
97.5	436		0.0000	1.0000	99.98
98.5					99.98


ORIGINAL CURVE ■ 1938-2022 EXPERIENCE
1875-2022 PLACEMENTS
IOWA 72-R1.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140
160
AGE IN YEARS

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,388,243,085	522,867	0.0002	0.9998	100.00
0.5	2,128,309,447	3,291,997	0.0015	0.9985	99.98
1.5	1,913,470,862	3,312,783	0.0017	0.9983	99.82
2.5	1,764,035,950	3,357,343	0.0019	0.9981	99.65
3.5	1,628,329,352	3,637,326	0.0022	0.9978	99.46
4.5	1,472,385,775	3,489,570	0.0024	0.9976	99.24
5.5	1,374,957,853	2,917,774	0.0021	0.9979	99.00
6.5	1,305,226,308	3,977,965	0.0030	0.9970	98.79
7.5	1,250,032,052	5,413,891	0.0043	0.9957	98.49
8.5	1,202,169,911	3,390,324	0.0028	0.9972	98.07
9.5	1,155,595,585	2,898,896	0.0025	0.9975	97.79
10.5	1,084,902,442	3,149,044	0.0029	0.9971	97.54
11.5	1,040,047,392	3,370,629	0.0032	0.9968	97.26
12.5	1,006,029,488	2,687,119	0.0027	0.9973	96.95
13.5	974,120,529	2,213,692	0.0023	0.9977	96.69
14.5	944,377,167	2,814,156	0.0030	0.9970	96.47
15.5	910,165,156	2,882,034	0.0032	0.9968	96.18
16.5	872,138,145	2,599,247	0.0030	0.9970	95.87
17.5	826,761,489	2,979,924	0.0036	0.9964	95.59
18.5	787,144,953	3,212,360	0.0041	0.9959	95.24
19.5	750,934,137	2,695,856	0.0036	0.9964	94.86
20.5	714,664,036	3,194,617	0.0045	0.9955	94.52
21.5	687,256,249	3,464,551	0.0050	0.9950	94.09
22.5	667,012,163	3,204,604	0.0048	0.9952	93.62
23.5	640,583,494	2,499,010	0.0039	0.9961	93.17
24.5	623,567,864	2,840,227	0.0046	0.9954	92.81
25.5	597,646,363	2,642,231	0.0044	0.9956	92.38
26.5	577,722,879	3,039,050	0.0053	0.9947	91.97
27.5	550,721,931	2,560,067	0.0046	0.9954	91.49
28.5	525,268,652	2,805,827	0.0053	0.9947	91.07
29.5	500,953,661	2,474,326	0.0049	0.9951	90.58
30.5	470,841,111	2,698,623	0.0057	0.9943	90.13
31.5	445,557,948	2,350,618	0.0053	0.9947	89.61
32.5	419,468,075	2,189,231	0.0052	0.9948	89.14
33.5	397,355,523	2,193,772	0.0055	0.9945	88.68
34.5	377,980,483	2,719,640	0.0072	0.9928	88.19
35.5	350,228,115	2,680,250	0.0077	0.9923	87.55
36.5	332,032,793	2,494,801	0.0075	0.9925	86.88
37.5	306,447,187	2,629,798	0.0086	0.9914	86.23
38.5	288,816,509	2,070,732	0.0072	0.9928	85.49

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

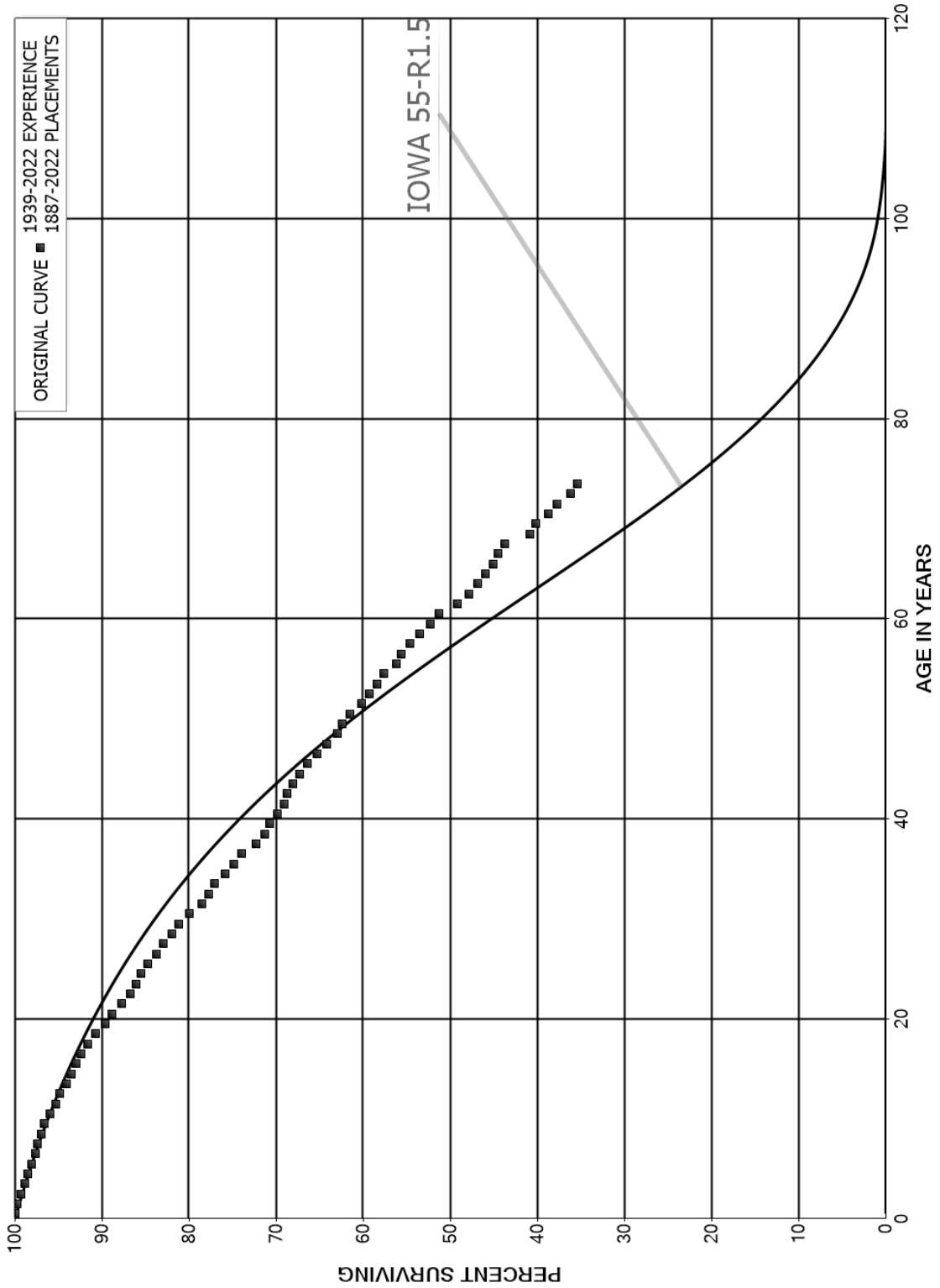
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	277,306,394	2,153,689	0.0078	0.9922	84.88
40.5	260,384,580	2,509,966	0.0096	0.9904	84.22
41.5	237,061,891	2,305,810	0.0097	0.9903	83.41
42.5	218,618,665	2,412,368	0.0110	0.9890	82.59
43.5	203,664,677	2,586,548	0.0127	0.9873	81.68
44.5	193,629,634	3,128,835	0.0162	0.9838	80.65
45.5	181,360,518	2,524,852	0.0139	0.9861	79.34
46.5	174,132,905	2,120,926	0.0122	0.9878	78.24
47.5	166,525,831	1,953,749	0.0117	0.9883	77.29
48.5	156,326,196	2,412,716	0.0154	0.9846	76.38
49.5	143,031,803	1,901,722	0.0133	0.9867	75.20
50.5	131,415,316	1,435,887	0.0109	0.9891	74.20
51.5	124,011,354	1,685,378	0.0136	0.9864	73.39
52.5	118,009,836	1,579,586	0.0134	0.9866	72.39
53.5	111,705,350	1,548,146	0.0139	0.9861	71.42
54.5	103,174,181	1,601,050	0.0155	0.9845	70.43
55.5	95,113,128	1,335,578	0.0140	0.9860	69.34
56.5	87,932,705	1,216,209	0.0138	0.9862	68.37
57.5	81,632,681	1,040,983	0.0128	0.9872	67.42
58.5	76,653,707	1,249,876	0.0163	0.9837	66.56
59.5	71,494,424	1,159,777	0.0162	0.9838	65.48
60.5	66,778,788	1,141,850	0.0171	0.9829	64.41
61.5	60,774,225	1,019,539	0.0168	0.9832	63.31
62.5	56,382,096	959,015	0.0170	0.9830	62.25
63.5	51,234,289	990,802	0.0193	0.9807	61.19
64.5	46,661,495	986,681	0.0211	0.9789	60.01
65.5	43,274,102	941,268	0.0218	0.9782	58.74
66.5	39,977,184	1,044,577	0.0261	0.9739	57.46
67.5	36,950,673	879,017	0.0238	0.9762	55.96
68.5	35,201,998	808,746	0.0230	0.9770	54.63
69.5	32,264,063	697,631	0.0216	0.9784	53.37
70.5	29,552,508	576,269	0.0195	0.9805	52.22
71.5	27,138,497	558,946	0.0206	0.9794	51.20
72.5	25,604,427	397,269	0.0155	0.9845	50.15
73.5	25,701,280	396,519	0.0154	0.9846	49.37
74.5	24,963,801	334,667	0.0134	0.9866	48.61
75.5	24,219,495	352,627	0.0146	0.9854	47.96
76.5	23,512,644	304,981	0.0130	0.9870	47.26
77.5	23,132,121	422,923	0.0183	0.9817	46.64
78.5	22,690,458	367,791	0.0162	0.9838	45.79

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	22,261,757	518,044	0.0233	0.9767	45.05
80.5	21,591,164	318,333	0.0147	0.9853	44.00
81.5	20,822,031	402,379	0.0193	0.9807	43.35
82.5	20,168,974	330,816	0.0164	0.9836	42.51
83.5	19,286,672	304,353	0.0158	0.9842	41.82
84.5	18,811,641	359,011	0.0191	0.9809	41.16
85.5	18,260,749	371,278	0.0203	0.9797	40.37
86.5	17,823,109	366,238	0.0205	0.9795	39.55
87.5	17,410,065	242,971	0.0140	0.9860	38.74
88.5	17,148,209	356,776	0.0208	0.9792	38.20
89.5	16,810,007	482,509	0.0287	0.9713	37.40
90.5	16,273,999	438,340	0.0269	0.9731	36.33
91.5	15,767,990	277,227	0.0176	0.9824	35.35
92.5	15,305,464	472,219	0.0309	0.9691	34.73
93.5	14,684,857	423,549	0.0288	0.9712	33.66
94.5	14,099,302	606,480	0.0430	0.9570	32.69
95.5	13,300,908	363,234	0.0273	0.9727	31.28
96.5	12,675,598	359,182	0.0283	0.9717	30.43
97.5	11,965,750	249,702	0.0209	0.9791	29.56
98.5	11,518,748	195,976	0.0170	0.9830	28.95
99.5	11,429,582	378,089	0.0331	0.9669	28.45
100.5	10,987,829	272,807	0.0248	0.9752	27.51
101.5	10,454,498	189,219	0.0181	0.9819	26.83
102.5	10,219,391	437,188	0.0428	0.9572	26.34
103.5	9,671,524	211,190	0.0218	0.9782	25.22
104.5	9,327,254	254,232	0.0273	0.9727	24.67
105.5	8,423,465	222,244	0.0264	0.9736	23.99
106.5	7,957,475	365,201	0.0459	0.9541	23.36
107.5	7,079,468	310,844	0.0439	0.9561	22.29
108.5	5,887,449	142,058	0.0241	0.9759	21.31
109.5	5,020,437	194,178	0.0387	0.9613	20.80
110.5	3,838,935	87,137	0.0227	0.9773	19.99
111.5	3,709,501	93,707	0.0253	0.9747	19.54
112.5	3,512,047	195,408	0.0556	0.9444	19.04
113.5	3,274,669	126,103	0.0385	0.9615	17.99
114.5	3,061,716	314,244	0.1026	0.8974	17.29
115.5	2,691,827	257,166	0.0955	0.9045	15.52
116.5	2,350,463	307,374	0.1308	0.8692	14.04
117.5	1,960,481	133,328	0.0680	0.9320	12.20
118.5	1,771,125	83,659	0.0472	0.9528	11.37

PLACEMENT BAND 1875-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	1,577,084	59,079	0.0375	0.9625	10.83
120.5	1,347,632	11,027	0.0082	0.9918	10.43
121.5	1,288,448	20,226	0.0157	0.9843	10.34
122.5	167,243	15,856	0.0948	0.9052	10.18
123.5	143,299	9,626	0.0672	0.9328	9.21
124.5	133,404	2,226	0.0167	0.9833	8.60
125.5	129,626	3,861	0.0298	0.9702	8.45
126.5	113,099	3,958	0.0350	0.9650	8.20
127.5	108,602	5,354	0.0493	0.9507	7.91
128.5	102,444	1,581	0.0154	0.9846	7.52
129.5	100,826	2,826	0.0280	0.9720	7.41
130.5	98,000	1,760	0.0180	0.9820	7.20
131.5	69,851	10,534	0.1508	0.8492	7.07
132.5	59,167	7,588	0.1282	0.8718	6.00
133.5	31,621	7,939	0.2511	0.7489	5.23
134.5	16,190	5,343	0.3300	0.6700	3.92
135.5	10,847	7,489	0.6904	0.3096	2.63
136.5	3,268	5	0.0016	0.9984	0.81
137.5	286	282	0.9847	0.0153	0.81
138.5	4		0.0000	1.0000	0.01
139.5	4		0.0000	1.0000	0.01
140.5	4		0.0000	1.0000	0.01
141.5	4		0.0000	1.0000	0.01
142.5	4	1	0.3075	0.6925	0.01
143.5	3		0.0000	1.0000	0.01
144.5	3		0.0000	1.0000	0.01
145.5	3		0.0000	1.0000	0.01
146.5					0.01


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1887-2022 PLACEMENTS
IOWA 55-R1.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1887-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	95,933,043	37,250	0.0004	0.9996	100.00
0.5	90,024,304	257,863	0.0029	0.9971	99.96
1.5	82,073,969	351,862	0.0043	0.9957	99.67
2.5	79,069,462	364,357	0.0046	0.9954	99.25
3.5	77,037,861	230,033	0.0030	0.9970	98.79
4.5	75,392,567	313,381	0.0042	0.9958	98.50
5.5	68,837,357	306,466	0.0045	0.9955	98.09
6.5	67,372,529	189,573	0.0028	0.9972	97.65
7.5	64,932,635	270,673	0.0042	0.9958	97.37
8.5	63,635,428	234,694	0.0037	0.9963	96.97
9.5	60,778,128	424,612	0.0070	0.9930	96.61
10.5	59,577,556	415,524	0.0070	0.9930	95.94
11.5	56,162,656	278,978	0.0050	0.9950	95.27
12.5	55,887,359	406,953	0.0073	0.9927	94.79
13.5	52,191,442	353,939	0.0068	0.9932	94.10
14.5	47,073,103	275,712	0.0059	0.9941	93.47
15.5	45,320,093	268,429	0.0059	0.9941	92.92
16.5	41,397,918	330,156	0.0080	0.9920	92.37
17.5	39,698,517	370,900	0.0093	0.9907	91.63
18.5	38,160,759	494,819	0.0130	0.9870	90.77
19.5	36,412,699	325,357	0.0089	0.9911	89.60
20.5	34,719,529	400,032	0.0115	0.9885	88.80
21.5	32,350,462	394,193	0.0122	0.9878	87.77
22.5	31,095,333	236,190	0.0076	0.9924	86.70
23.5	30,141,855	208,022	0.0069	0.9931	86.05
24.5	29,361,808	230,900	0.0079	0.9921	85.45
25.5	28,656,383	348,601	0.0122	0.9878	84.78
26.5	27,362,520	268,128	0.0098	0.9902	83.75
27.5	26,052,476	295,837	0.0114	0.9886	82.93
28.5	24,505,864	245,400	0.0100	0.9900	81.99
29.5	23,315,971	363,269	0.0156	0.9844	81.17
30.5	21,746,333	377,539	0.0174	0.9826	79.90
31.5	19,737,438	200,660	0.0102	0.9898	78.51
32.5	18,490,813	155,754	0.0084	0.9916	77.72
33.5	17,234,433	266,123	0.0154	0.9846	77.06
34.5	15,905,034	223,433	0.0140	0.9860	75.87
35.5	14,585,098	158,699	0.0109	0.9891	74.80
36.5	13,367,007	299,838	0.0224	0.9776	73.99
37.5	11,831,450	163,272	0.0138	0.9862	72.33
38.5	10,735,123	98,157	0.0091	0.9909	71.33

PLACEMENT BAND 1887-2022 EXPERIENCE BAND 1939-2022

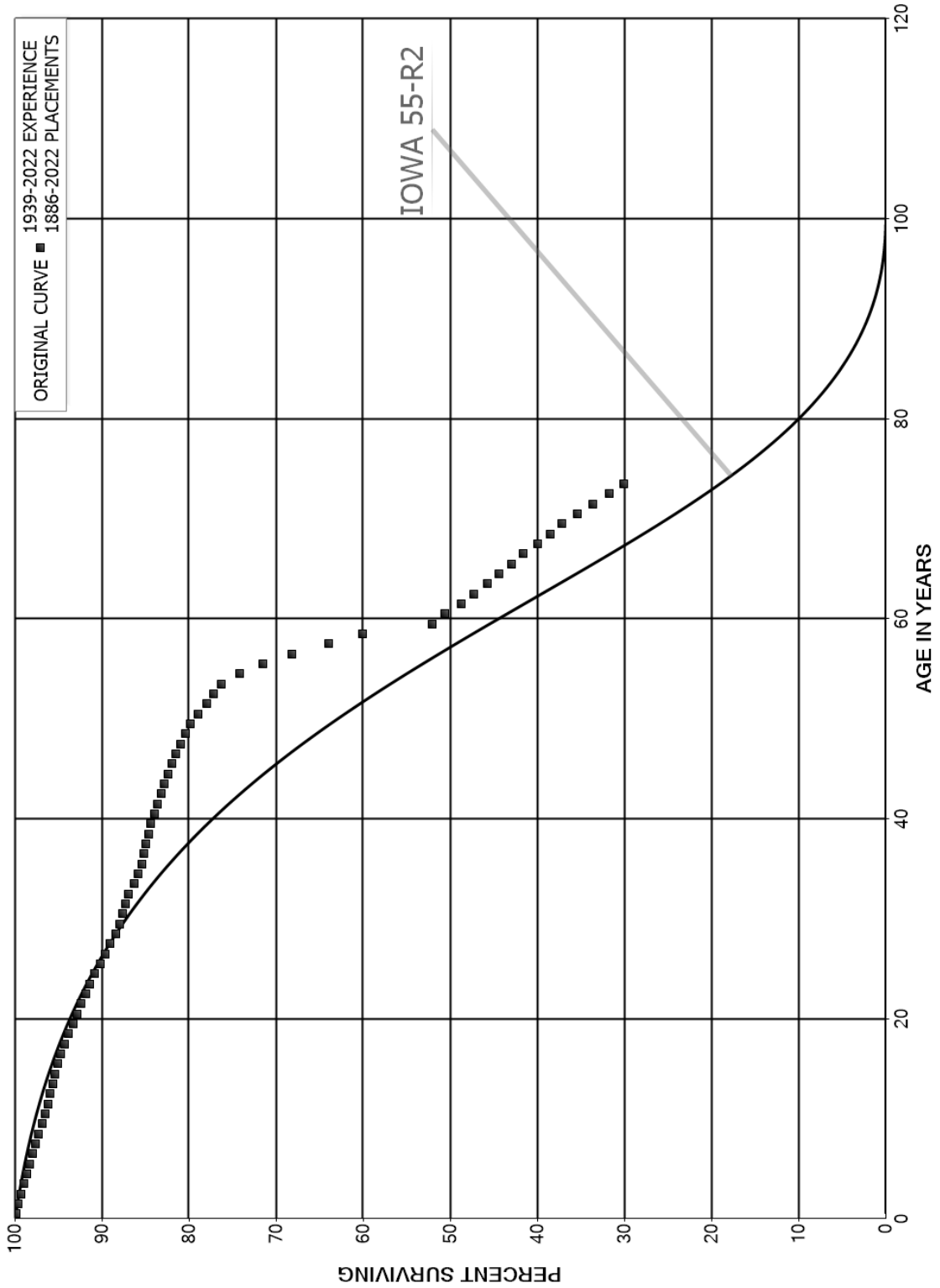
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	9,723,661	122,707	0.0126	0.9874	70.68
40.5	8,496,655	82,793	0.0097	0.9903	69.79
41.5	6,890,750	43,008	0.0062	0.9938	69.11
42.5	6,423,331	61,103	0.0095	0.9905	68.68
43.5	5,912,808	67,980	0.0115	0.9885	68.02
44.5	5,410,052	67,855	0.0125	0.9875	67.24
45.5	5,069,779	83,879	0.0165	0.9835	66.40
46.5	4,424,678	78,502	0.0177	0.9823	65.30
47.5	4,051,900	71,561	0.0177	0.9823	64.14
48.5	3,672,677	33,038	0.0090	0.9910	63.01
49.5	3,399,874	50,385	0.0148	0.9852	62.44
50.5	3,028,819	66,475	0.0219	0.9781	61.52
51.5	2,784,170	40,771	0.0146	0.9854	60.17
52.5	2,607,887	37,289	0.0143	0.9857	59.29
53.5	2,428,506	32,109	0.0132	0.9868	58.44
54.5	2,201,553	57,144	0.0260	0.9740	57.67
55.5	2,028,795	19,195	0.0095	0.9905	56.17
56.5	1,918,410	36,742	0.0192	0.9808	55.64
57.5	1,786,398	34,645	0.0194	0.9806	54.57
58.5	1,665,173	39,292	0.0236	0.9764	53.51
59.5	1,513,860	29,561	0.0195	0.9805	52.25
60.5	1,355,480	53,011	0.0391	0.9609	51.23
61.5	1,206,424	34,250	0.0284	0.9716	49.23
62.5	1,097,456	23,231	0.0212	0.9788	47.83
63.5	987,052	17,207	0.0174	0.9826	46.82
64.5	792,069	16,848	0.0213	0.9787	46.00
65.5	701,623	8,569	0.0122	0.9878	45.02
66.5	621,797	10,495	0.0169	0.9831	44.47
67.5	512,353	33,257	0.0649	0.9351	43.72
68.5	438,417	8,168	0.0186	0.9814	40.88
69.5	302,643	10,635	0.0351	0.9649	40.12
70.5	212,976	5,624	0.0264	0.9736	38.71
71.5	154,195	6,215	0.0403	0.9597	37.69
72.5	121,552	2,603	0.0214	0.9786	36.17
73.5	103,750	3,933	0.0379	0.9621	35.40
74.5	96,197	5,342	0.0555	0.9445	34.05
75.5	87,710	3,219	0.0367	0.9633	32.16
76.5	85,509	2,437	0.0285	0.9715	30.98
77.5	83,548	7,014	0.0840	0.9160	30.10
78.5	76,313	4,918	0.0645	0.9355	27.57

PLACEMENT BAND 1887-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	69,576	3,533	0.0508	0.9492	25.80
80.5	64,003	7,765	0.1213	0.8787	24.49
81.5	55,390	2,142	0.0387	0.9613	21.52
82.5	50,023	1,324	0.0265	0.9735	20.68
83.5	47,966	3,394	0.0708	0.9292	20.14
84.5	43,382	2,026	0.0467	0.9533	18.71
85.5	36,244	311	0.0086	0.9914	17.84
86.5	36,141	717	0.0198	0.9802	17.68
87.5	38,997	1,361	0.0349	0.9651	17.33
88.5	36,032	2,286	0.0634	0.9366	16.73
89.5	33,422	2,956	0.0884	0.9116	15.67
90.5	29,954	2,283	0.0762	0.9238	14.28
91.5	27,639	1,592	0.0576	0.9424	13.19
92.5	24,549	393	0.0160	0.9840	12.43
93.5	23,051	2,247	0.0975	0.9025	12.23
94.5	18,181	2,769	0.1523	0.8477	11.04
95.5	14,306	1,434	0.1002	0.8998	9.36
96.5	12,759	134	0.0105	0.9895	8.42
97.5	12,087	411	0.0340	0.9660	8.33
98.5	11,388	99	0.0087	0.9913	8.05
99.5	11,259	272	0.0242	0.9758	7.98
100.5	10,420	5	0.0005	0.9995	7.79
101.5	10,210	199	0.0195	0.9805	7.78
102.5	9,965		0.0000	1.0000	7.63
103.5	9,146	510	0.0558	0.9442	7.63
104.5	8,419	819	0.0973	0.9027	7.21
105.5	7,469	376	0.0504	0.9496	6.51
106.5	7,071	3,246	0.4591	0.5409	6.18
107.5	2,973	121	0.0406	0.9594	3.34
108.5	2,353	351	0.1492	0.8508	3.21
109.5	1,464		0.0000	1.0000	2.73
110.5	1,434	80	0.0560	0.9440	2.73
111.5	1,275		0.0000	1.0000	2.57
112.5	1,255		0.0000	1.0000	2.57
113.5	1,171	11	0.0096	0.9904	2.57
114.5	1,102		0.0000	1.0000	2.55
115.5	909		0.0000	1.0000	2.55
116.5	816		0.0000	1.0000	2.55
117.5	814	60	0.0732	0.9268	2.55
118.5	489		0.0000	1.0000	2.36

PLACEMENT BAND 1887-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	489		0.0000	1.0000	2.36
120.5	367		0.0000	1.0000	2.36
121.5	277		0.0000	1.0000	2.36
122.5	138		0.0000	1.0000	2.36
123.5	138		0.0000	1.0000	2.36
124.5	39		0.0000	1.0000	2.36
125.5	39		0.0000	1.0000	2.36
126.5	39		0.0000	1.0000	2.36
127.5	39		0.0000	1.0000	2.36
128.5	39		0.0000	1.0000	2.36
129.5	39		0.0000	1.0000	2.36
130.5	39		0.0000	1.0000	2.36
131.5					2.36


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1886-2022 PLACEMENTS
IOWA 55-R2
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1886-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	826,584,436	978,537	0.0012	0.9988	100.00
0.5	783,584,907	2,522,405	0.0032	0.9968	99.88
1.5	736,320,708	2,094,258	0.0028	0.9972	99.56
2.5	698,844,986	2,165,318	0.0031	0.9969	99.28
3.5	655,517,999	2,049,246	0.0031	0.9969	98.97
4.5	612,204,093	2,012,027	0.0033	0.9967	98.66
5.5	585,905,759	2,065,813	0.0035	0.9965	98.34
6.5	561,093,876	2,318,500	0.0041	0.9959	97.99
7.5	537,227,226	1,645,283	0.0031	0.9969	97.58
8.5	517,567,393	2,304,506	0.0045	0.9955	97.29
9.5	502,726,098	1,650,292	0.0033	0.9967	96.85
10.5	480,557,785	1,633,701	0.0034	0.9966	96.53
11.5	466,458,132	1,456,029	0.0031	0.9969	96.21
12.5	458,758,765	1,375,994	0.0030	0.9970	95.91
13.5	445,897,101	1,289,006	0.0029	0.9971	95.62
14.5	433,294,090	1,467,967	0.0034	0.9966	95.34
15.5	421,019,469	1,421,634	0.0034	0.9966	95.02
16.5	405,062,010	1,790,138	0.0044	0.9956	94.70
17.5	387,178,127	1,821,663	0.0047	0.9953	94.28
18.5	367,853,385	2,081,230	0.0057	0.9943	93.84
19.5	353,195,985	1,730,992	0.0049	0.9951	93.30
20.5	338,867,173	1,720,115	0.0051	0.9949	92.85
21.5	322,407,486	1,750,822	0.0054	0.9946	92.38
22.5	315,529,306	1,745,425	0.0055	0.9945	91.87
23.5	300,573,507	1,781,487	0.0059	0.9941	91.37
24.5	289,878,820	1,931,279	0.0067	0.9933	90.82
25.5	269,729,969	1,916,621	0.0071	0.9929	90.22
26.5	256,127,139	1,610,917	0.0063	0.9937	89.58
27.5	241,247,836	1,531,713	0.0063	0.9937	89.02
28.5	224,844,321	1,353,287	0.0060	0.9940	88.45
29.5	211,105,067	743,993	0.0035	0.9965	87.92
30.5	192,976,710	618,742	0.0032	0.9968	87.61
31.5	181,613,812	845,643	0.0047	0.9953	87.33
32.5	166,791,920	1,148,879	0.0069	0.9931	86.92
33.5	159,185,247	975,113	0.0061	0.9939	86.32
34.5	147,735,840	598,767	0.0041	0.9959	85.79
35.5	129,623,062	404,755	0.0031	0.9969	85.45
36.5	123,833,860	407,653	0.0033	0.9967	85.18
37.5	111,618,674	306,005	0.0027	0.9973	84.90
38.5	99,574,328	358,274	0.0036	0.9964	84.67

PLACEMENT BAND 1886-2022 EXPERIENCE BAND 1939-2022

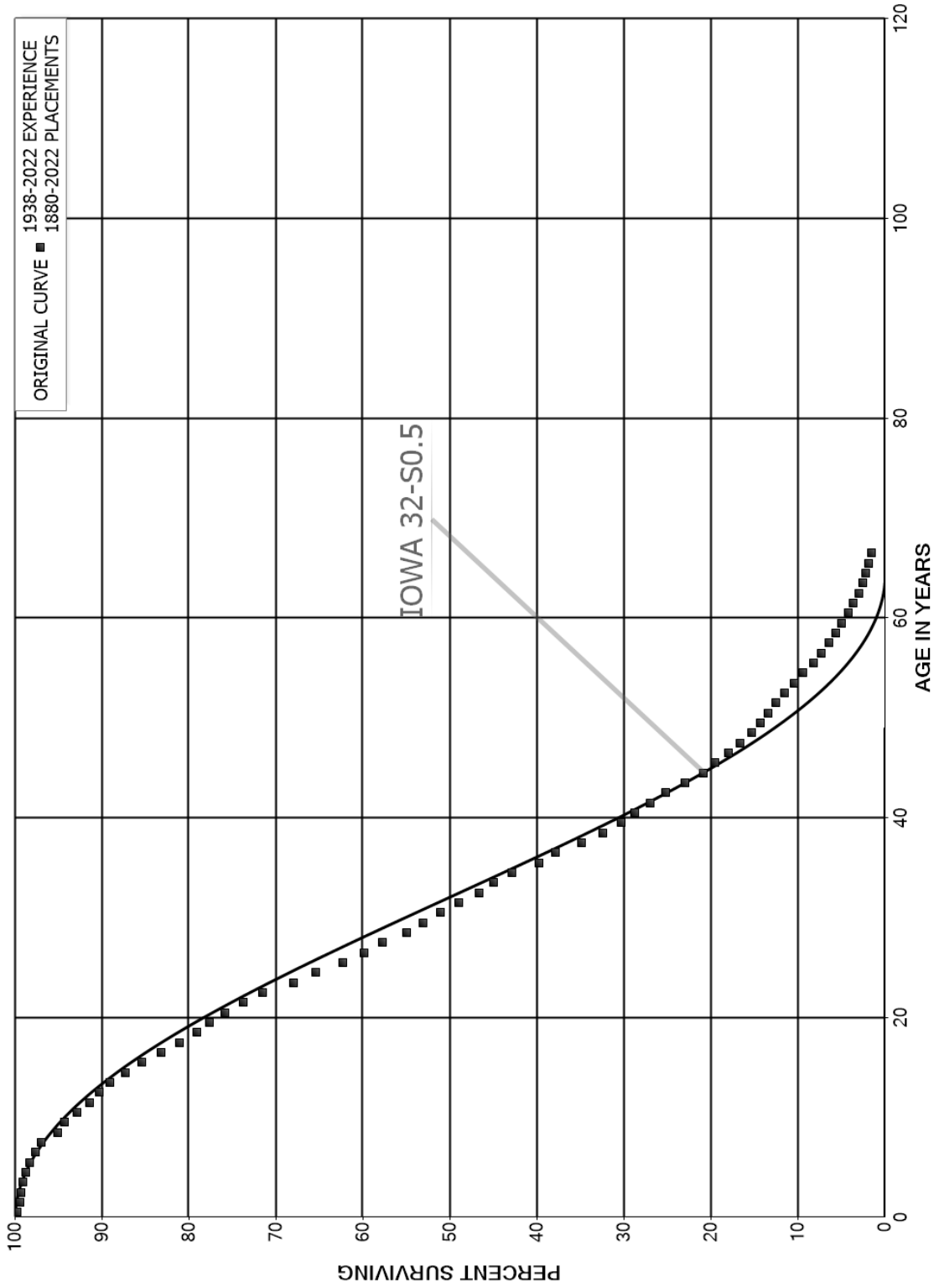
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	92,949,423	403,347	0.0043	0.9957	84.36
40.5	83,009,157	367,676	0.0044	0.9956	83.99
41.5	70,971,346	338,101	0.0048	0.9952	83.62
42.5	63,522,868	297,633	0.0047	0.9953	83.22
43.5	56,893,074	268,935	0.0047	0.9953	82.83
44.5	49,505,926	266,911	0.0054	0.9946	82.44
45.5	45,619,607	284,829	0.0062	0.9938	82.00
46.5	41,669,312	301,930	0.0072	0.9928	81.49
47.5	38,584,767	244,337	0.0063	0.9937	80.90
48.5	35,572,807	256,174	0.0072	0.9928	80.38
49.5	32,600,160	370,480	0.0114	0.9886	79.80
50.5	29,375,440	356,611	0.0121	0.9879	78.90
51.5	26,162,661	254,126	0.0097	0.9903	77.94
52.5	23,142,234	268,365	0.0116	0.9884	77.18
53.5	20,601,139	568,675	0.0276	0.9724	76.29
54.5	17,795,712	631,005	0.0355	0.9645	74.18
55.5	15,569,253	735,759	0.0473	0.9527	71.55
56.5	13,083,383	803,126	0.0614	0.9386	68.17
57.5	10,576,695	640,995	0.0606	0.9394	63.99
58.5	8,475,453	1,139,681	0.1345	0.8655	60.11
59.5	5,895,057	157,883	0.0268	0.9732	52.03
60.5	4,703,521	173,112	0.0368	0.9632	50.63
61.5	3,634,479	107,948	0.0297	0.9703	48.77
62.5	3,119,614	102,032	0.0327	0.9673	47.32
63.5	2,649,122	78,579	0.0297	0.9703	45.77
64.5	2,318,487	76,788	0.0331	0.9669	44.41
65.5	2,044,027	64,317	0.0315	0.9685	42.94
66.5	1,818,983	73,703	0.0405	0.9595	41.59
67.5	1,627,864	56,975	0.0350	0.9650	39.91
68.5	1,476,245	51,452	0.0349	0.9651	38.51
69.5	1,367,062	65,419	0.0479	0.9521	37.17
70.5	1,259,553	63,755	0.0506	0.9494	35.39
71.5	1,156,164	63,335	0.0548	0.9452	33.60
72.5	1,059,072	57,751	0.0545	0.9455	31.76
73.5	964,908	58,410	0.0605	0.9395	30.03
74.5	871,594	54,062	0.0620	0.9380	28.21
75.5	794,341	51,521	0.0649	0.9351	26.46
76.5	726,636	50,438	0.0694	0.9306	24.74
77.5	672,347	52,665	0.0783	0.9217	23.02
78.5	612,531	41,103	0.0671	0.9329	21.22

PLACEMENT BAND 1886-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	567,196	42,758	0.0754	0.9246	19.80
80.5	514,959	44,614	0.0866	0.9134	18.30
81.5	457,540	24,543	0.0536	0.9464	16.72
82.5	427,000	40,077	0.0939	0.9061	15.82
83.5	382,576	43,273	0.1131	0.8869	14.34
84.5	337,689	38,025	0.1126	0.8874	12.72
85.5	296,404	32,147	0.1085	0.8915	11.28
86.5	261,182	21,873	0.0837	0.9163	10.06
87.5	237,558	26,630	0.1121	0.8879	9.22
88.5	209,543	17,926	0.0855	0.9145	8.18
89.5	189,800	30,427	0.1603	0.8397	7.48
90.5	156,997	17,235	0.1098	0.8902	6.28
91.5	137,420	13,598	0.0990	0.9010	5.59
92.5	120,316	4,684	0.0389	0.9611	5.04
93.5	112,933	7,636	0.0676	0.9324	4.84
94.5	102,350	3,717	0.0363	0.9637	4.52
95.5	97,124	3,290	0.0339	0.9661	4.35
96.5	90,657	3,042	0.0336	0.9664	4.21
97.5	85,784	1,001	0.0117	0.9883	4.06
98.5	83,627	4,085	0.0488	0.9512	4.02
99.5	78,077	4,617	0.0591	0.9409	3.82
100.5	72,236	5,266	0.0729	0.9271	3.59
101.5	63,195	8,460	0.1339	0.8661	3.33
102.5	53,840	9,092	0.1689	0.8311	2.89
103.5	44,748	6,106	0.1365	0.8635	2.40
104.5	38,642	5,527	0.1430	0.8570	2.07
105.5	33,115	4,951	0.1495	0.8505	1.78
106.5	28,164	7,578	0.2691	0.7309	1.51
107.5	20,586	1,405	0.0683	0.9317	1.10
108.5	19,181	324	0.0169	0.9831	1.03
109.5	18,857	16	0.0009	0.9991	1.01
110.5	18,840		0.0000	1.0000	1.01
111.5	18,840	1	0.0000	1.0000	1.01
112.5	18,840		0.0000	1.0000	1.01
113.5	18,496		0.0000	1.0000	1.01
114.5	15,511		0.0000	1.0000	1.01
115.5	11,377		0.0000	1.0000	1.01
116.5	7,552		0.0000	1.0000	1.01
117.5	3,539		0.0000	1.0000	1.01
118.5	2,595		0.0000	1.0000	1.01

PLACEMENT BAND 1886-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	2,052		0.0000	1.0000	1.01
120.5	1,653		0.0000	1.0000	1.01
121.5	15		0.0000	1.0000	1.01
122.5					1.01


ORIGINAL CURVE ■ 1938-2022 EXPERIENCE
1880-2022 PLACEMENTS
IOWA 32-S0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1880-2022 EXPERIENCE BAND 1938-2022

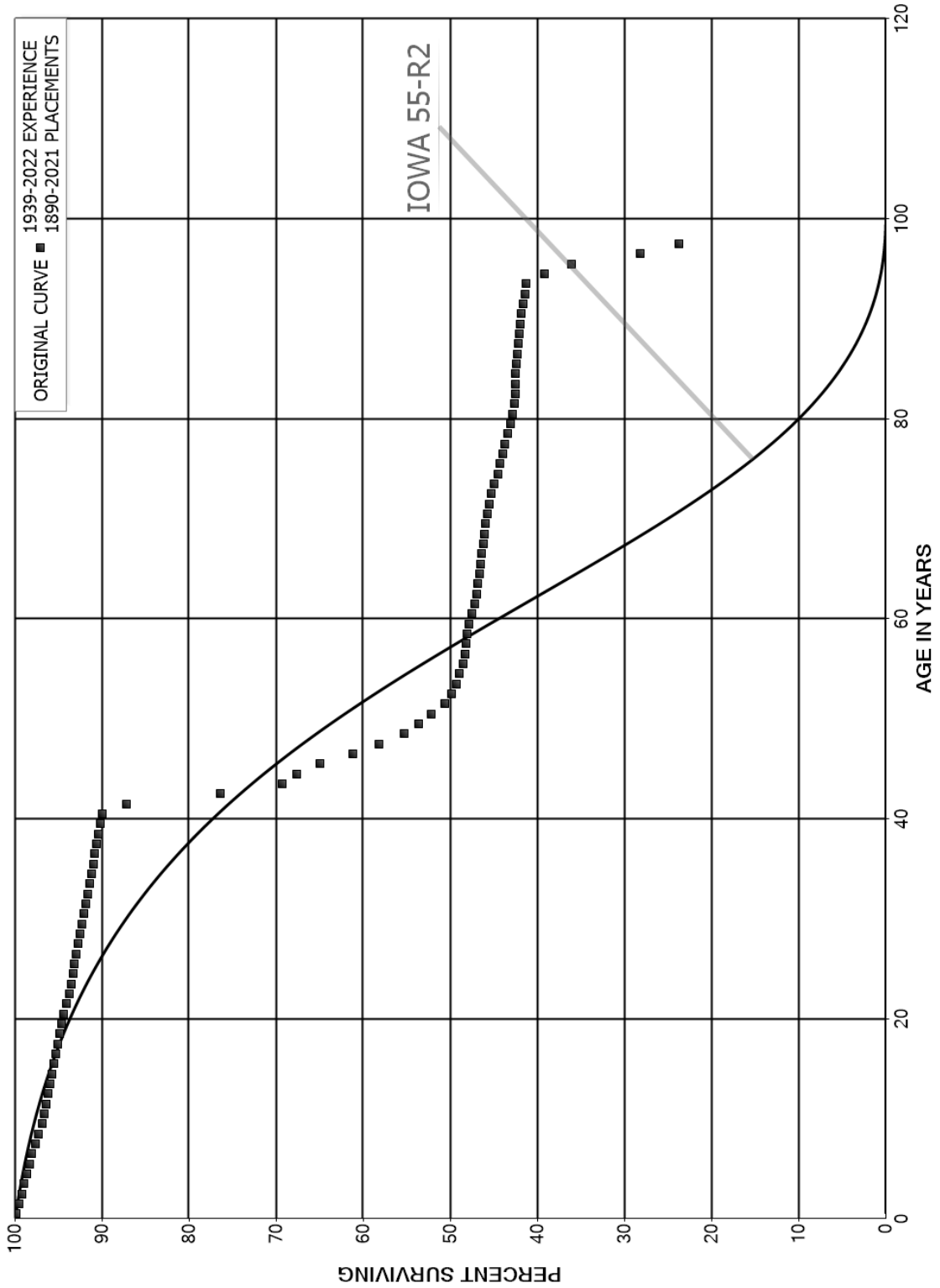
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	190,680,169	615,906	0.0032	0.9968	100.00
0.5	183,118,759	542,297	0.0030	0.9970	99.68
1.5	177,564,555	265,446	0.0015	0.9985	99.38
2.5	160,441,667	320,325	0.0020	0.9980	99.23
3.5	144,637,990	473,387	0.0033	0.9967	99.04
4.5	128,330,801	482,660	0.0038	0.9962	98.71
5.5	115,890,693	822,154	0.0071	0.9929	98.34
6.5	107,972,058	762,727	0.0071	0.9929	97.64
7.5	103,389,246	2,047,570	0.0198	0.9802	96.95
8.5	98,204,210	742,616	0.0076	0.9924	95.03
9.5	95,588,875	1,525,244	0.0160	0.9840	94.31
10.5	90,690,179	1,371,558	0.0151	0.9849	92.81
11.5	86,656,859	1,047,922	0.0121	0.9879	91.41
12.5	81,414,242	1,150,539	0.0141	0.9859	90.30
13.5	78,253,718	1,527,837	0.0195	0.9805	89.02
14.5	74,462,186	1,578,535	0.0212	0.9788	87.29
15.5	69,940,937	1,836,213	0.0263	0.9737	85.44
16.5	65,987,585	1,718,991	0.0261	0.9739	83.19
17.5	62,622,303	1,505,469	0.0240	0.9760	81.03
18.5	59,504,687	1,107,508	0.0186	0.9814	79.08
19.5	56,752,752	1,274,846	0.0225	0.9775	77.61
20.5	53,500,510	1,475,559	0.0276	0.9724	75.86
21.5	49,962,082	1,565,075	0.0313	0.9687	73.77
22.5	47,403,124	2,360,946	0.0498	0.9502	71.46
23.5	44,093,289	1,621,729	0.0368	0.9632	67.90
24.5	41,248,580	1,991,531	0.0483	0.9517	65.40
25.5	37,766,266	1,450,797	0.0384	0.9616	62.24
26.5	35,518,216	1,242,108	0.0350	0.9650	59.85
27.5	33,378,560	1,635,642	0.0490	0.9510	57.76
28.5	30,654,072	1,044,417	0.0341	0.9659	54.93
29.5	28,115,648	1,037,616	0.0369	0.9631	53.06
30.5	26,324,392	1,110,003	0.0422	0.9578	51.10
31.5	24,659,632	1,192,761	0.0484	0.9516	48.95
32.5	22,750,806	780,922	0.0343	0.9657	46.58
33.5	21,299,439	997,857	0.0468	0.9532	44.98
34.5	19,442,374	1,418,038	0.0729	0.9271	42.87
35.5	17,076,733	798,210	0.0467	0.9533	39.75
36.5	15,790,935	1,254,068	0.0794	0.9206	37.89
37.5	14,250,741	1,003,903	0.0704	0.9296	34.88
38.5	13,192,267	872,208	0.0661	0.9339	32.42

PLACEMENT BAND 1880-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	12,282,424	625,997	0.0510	0.9490	30.28
40.5	11,332,592	723,193	0.0638	0.9362	28.73
41.5	10,494,903	692,673	0.0660	0.9340	26.90
42.5	9,393,994	796,464	0.0848	0.9152	25.13
43.5	8,331,731	792,554	0.0951	0.9049	23.00
44.5	7,169,446	457,087	0.0638	0.9362	20.81
45.5	6,480,588	489,818	0.0756	0.9244	19.48
46.5	5,784,057	440,884	0.0762	0.9238	18.01
47.5	4,969,917	398,820	0.0802	0.9198	16.64
48.5	4,350,763	285,685	0.0657	0.9343	15.30
49.5	3,851,494	252,242	0.0655	0.9345	14.30
50.5	3,290,102	221,385	0.0673	0.9327	13.36
51.5	2,917,900	217,759	0.0746	0.9254	12.46
52.5	2,540,176	239,129	0.0941	0.9059	11.53
53.5	2,089,949	214,268	0.1025	0.8975	10.45
54.5	1,747,929	217,049	0.1242	0.8758	9.37
55.5	1,533,304	177,853	0.1160	0.8840	8.21
56.5	1,356,433	151,713	0.1118	0.8882	7.26
57.5	1,194,194	148,128	0.1240	0.8760	6.45
58.5	1,027,501	129,363	0.1259	0.8741	5.65
59.5	846,740	122,427	0.1446	0.8554	4.94
60.5	683,550	100,970	0.1477	0.8523	4.22
61.5	582,047	98,679	0.1695	0.8305	3.60
62.5	472,370	77,622	0.1643	0.8357	2.99
63.5	378,274	55,763	0.1474	0.8526	2.50
64.5	304,791	44,052	0.1445	0.8555	2.13
65.5	240,378	42,479	0.1767	0.8233	1.82
66.5	193,862	30,273	0.1562	0.8438	1.50
67.5	162,947	26,632	0.1634	0.8366	1.27
68.5	136,686	21,886	0.1601	0.8399	1.06
69.5	116,347	25,119	0.2159	0.7841	0.89
70.5	92,863	21,224	0.2286	0.7714	0.70
71.5	71,994	11,147	0.1548	0.8452	0.54
72.5	62,308	8,846	0.1420	0.8580	0.45
73.5	53,954	7,323	0.1357	0.8643	0.39
74.5	46,891	8,652	0.1845	0.8155	0.34
75.5	38,397	6,373	0.1660	0.8340	0.27
76.5	32,175	4,821	0.1498	0.8502	0.23
77.5	27,354	3,071	0.1123	0.8877	0.19
78.5	24,282	2,305	0.0949	0.9051	0.17

PLACEMENT BAND 1880-2022 EXPERIENCE BAND 1938-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	21,977	980	0.0446	0.9554	0.16
80.5	21,022	1,653	0.0786	0.9214	0.15
81.5	19,368	2,325	0.1200	0.8800	0.14
82.5	17,043	996	0.0585	0.9415	0.12
83.5	16,047	2,184	0.1361	0.8639	0.11
84.5	13,863	2,356	0.1699	0.8301	0.10
85.5	11,564	2,013	0.1741	0.8259	0.08
86.5	9,551	1,739	0.1821	0.8179	0.07
87.5	7,819	1,325	0.1694	0.8306	0.06
88.5	6,494	439	0.0676	0.9324	0.05
89.5	6,027	1,103	0.1830	0.8170	0.04
90.5	4,924	1,718	0.3488	0.6512	0.04
91.5	3,207	806	0.2514	0.7486	0.02
92.5	2,400	279	0.1161	0.8839	0.02
93.5	2,122	930	0.4381	0.5619	0.02
94.5	1,149	347	0.3018	0.6982	0.01
95.5	802	465	0.5794	0.4206	0.01
96.5	337	337	1.0000	0.0000	0.00
97.5					0.00


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1890-2021 PLACEMENTS
IOWA 55-R2
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1890-2021 EXPERIENCE BAND 1939-2022

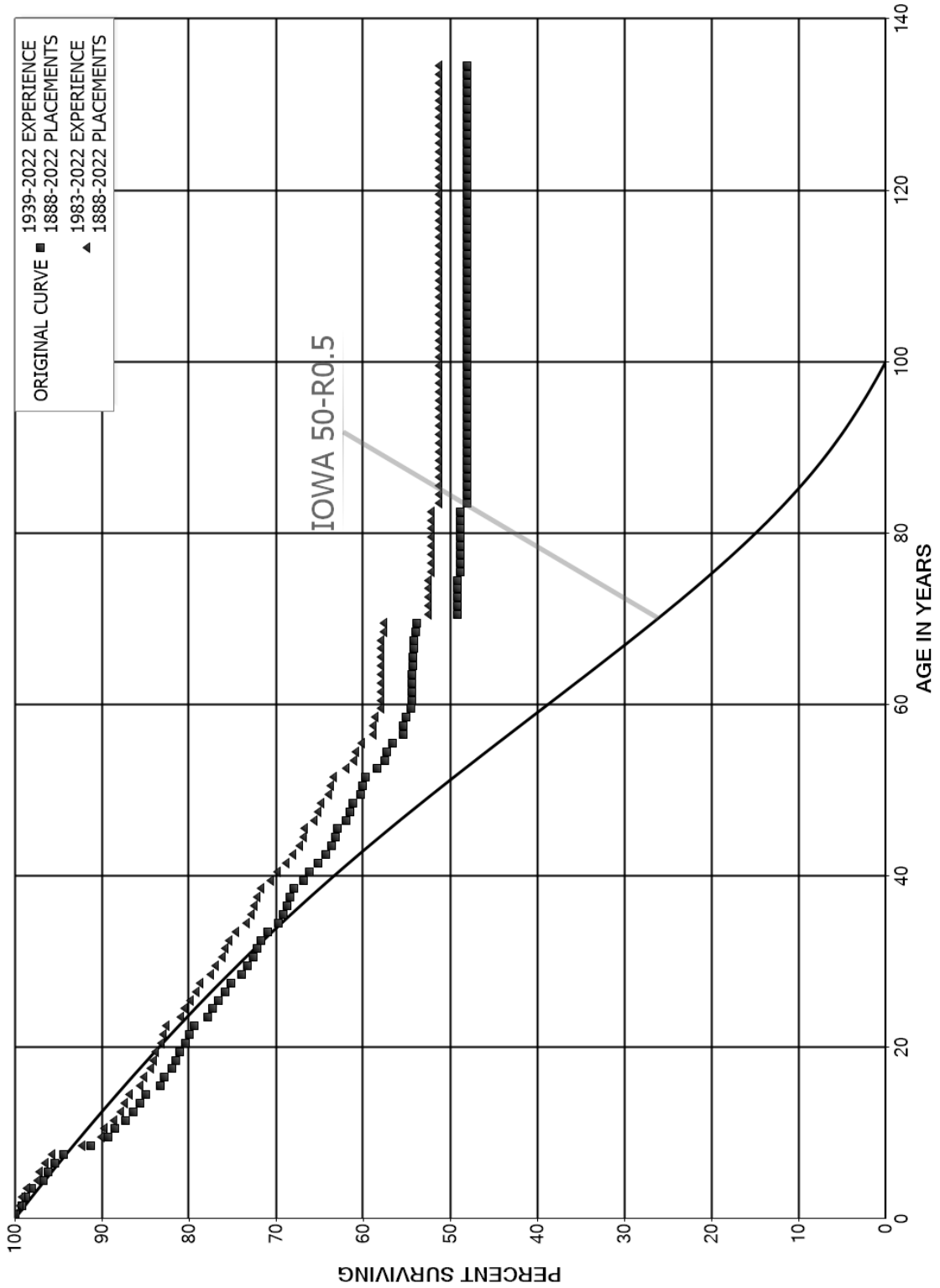
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	94,622,843	108,321	0.0011	0.9989	100.00
0.5	94,640,201	330,916	0.0035	0.9965	99.89
1.5	90,317,493	287,451	0.0032	0.9968	99.54
2.5	87,050,384	269,960	0.0031	0.9969	99.22
3.5	83,686,368	264,166	0.0032	0.9968	98.91
4.5	80,961,014	229,936	0.0028	0.9972	98.60
5.5	77,678,484	234,018	0.0030	0.9970	98.32
6.5	74,822,531	294,278	0.0039	0.9961	98.02
7.5	72,385,528	282,051	0.0039	0.9961	97.64
8.5	70,405,671	273,745	0.0039	0.9961	97.26
9.5	68,664,402	164,870	0.0024	0.9976	96.88
10.5	66,573,778	166,832	0.0025	0.9975	96.65
11.5	64,486,204	146,334	0.0023	0.9977	96.40
12.5	61,652,161	137,416	0.0022	0.9978	96.19
13.5	58,423,333	136,420	0.0023	0.9977	95.97
14.5	55,389,761	132,609	0.0024	0.9976	95.75
15.5	52,822,765	123,652	0.0023	0.9977	95.52
16.5	50,471,365	136,601	0.0027	0.9973	95.29
17.5	47,555,346	108,806	0.0023	0.9977	95.04
18.5	44,920,869	102,409	0.0023	0.9977	94.82
19.5	43,054,680	103,251	0.0024	0.9976	94.60
20.5	40,405,152	153,566	0.0038	0.9962	94.38
21.5	38,695,989	113,871	0.0029	0.9971	94.02
22.5	37,643,288	78,254	0.0021	0.9979	93.74
23.5	36,436,866	83,049	0.0023	0.9977	93.55
24.5	35,088,140	74,807	0.0021	0.9979	93.33
25.5	33,349,405	73,295	0.0022	0.9978	93.13
26.5	31,629,338	78,959	0.0025	0.9975	92.93
27.5	30,138,017	74,926	0.0025	0.9975	92.70
28.5	28,547,391	68,982	0.0024	0.9976	92.47
29.5	27,035,847	57,663	0.0021	0.9979	92.24
30.5	24,979,654	53,603	0.0021	0.9979	92.05
31.5	23,376,641	53,725	0.0023	0.9977	91.85
32.5	22,092,438	52,950	0.0024	0.9976	91.64
33.5	21,011,817	49,069	0.0023	0.9977	91.42
34.5	19,744,858	47,048	0.0024	0.9976	91.20
35.5	18,623,508	41,966	0.0023	0.9977	90.99
36.5	17,680,421	36,765	0.0021	0.9979	90.78
37.5	16,602,370	38,498	0.0023	0.9977	90.59
38.5	15,573,782	32,613	0.0021	0.9979	90.38

PLACEMENT BAND 1890-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	14,752,095	44,815	0.0030	0.9970	90.19
40.5	13,630,863	413,197	0.0303	0.9697	89.92
41.5	12,298,024	1,516,492	0.1233	0.8767	87.19
42.5	10,188,621	954,968	0.0937	0.9063	76.44
43.5	8,478,722	207,333	0.0245	0.9755	69.28
44.5	7,472,783	290,002	0.0388	0.9612	67.58
45.5	6,750,025	392,926	0.0582	0.9418	64.96
46.5	6,225,563	303,552	0.0488	0.9512	61.18
47.5	5,676,082	288,045	0.0507	0.9493	58.20
48.5	5,219,399	149,343	0.0286	0.9714	55.24
49.5	4,798,518	136,321	0.0284	0.9716	53.66
50.5	4,393,388	131,344	0.0299	0.9701	52.14
51.5	4,066,744	56,136	0.0138	0.9862	50.58
52.5	3,868,090	44,605	0.0115	0.9885	49.88
53.5	3,710,319	31,197	0.0084	0.9916	49.31
54.5	3,574,064	25,277	0.0071	0.9929	48.89
55.5	3,468,081	15,832	0.0046	0.9954	48.55
56.5	3,386,682	11,656	0.0034	0.9966	48.32
57.5	3,283,659	9,063	0.0028	0.9972	48.16
58.5	3,154,447	13,185	0.0042	0.9958	48.02
59.5	3,037,178	21,035	0.0069	0.9931	47.82
60.5	2,879,649	17,891	0.0062	0.9938	47.49
61.5	2,715,196	11,129	0.0041	0.9959	47.20
62.5	2,579,381	10,190	0.0040	0.9960	47.00
63.5	2,427,603	10,092	0.0042	0.9958	46.82
64.5	2,266,554	6,578	0.0029	0.9971	46.62
65.5	2,098,980	5,979	0.0028	0.9972	46.49
66.5	1,917,007	5,450	0.0028	0.9972	46.36
67.5	1,765,688	4,701	0.0027	0.9973	46.22
68.5	1,647,020	6,245	0.0038	0.9962	46.10
69.5	1,549,658	6,662	0.0043	0.9957	45.93
70.5	1,476,713	5,835	0.0040	0.9960	45.73
71.5	1,380,258	6,636	0.0048	0.9952	45.55
72.5	1,286,420	10,155	0.0079	0.9921	45.33
73.5	1,177,283	11,243	0.0096	0.9904	44.97
74.5	1,117,330	7,416	0.0066	0.9934	44.54
75.5	1,077,139	8,015	0.0074	0.9926	44.25
76.5	1,044,958	4,925	0.0047	0.9953	43.92
77.5	1,032,031	7,509	0.0073	0.9927	43.71
78.5	1,016,130	6,379	0.0063	0.9937	43.39

PLACEMENT BAND 1890-2021 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	996,396	5,381	0.0054	0.9946	43.12
80.5	968,104	6,045	0.0062	0.9938	42.89
81.5	936,436	1,425	0.0015	0.9985	42.62
82.5	917,347	1,369	0.0015	0.9985	42.55
83.5	905,896	779	0.0009	0.9991	42.49
84.5	844,462	1,686	0.0020	0.9980	42.45
85.5	798,484	1,811	0.0023	0.9977	42.37
86.5	757,222	1,119	0.0015	0.9985	42.27
87.5	733,473	2,931	0.0040	0.9960	42.21
88.5	694,850	1,990	0.0029	0.9971	42.04
89.5	658,313	1,281	0.0019	0.9981	41.92
90.5	623,355	3,505	0.0056	0.9944	41.84
91.5	588,440	2,751	0.0047	0.9953	41.60
92.5	540,873	2,270	0.0042	0.9958	41.41
93.5	488,388	23,857	0.0488	0.9512	41.24
94.5	414,429	33,224	0.0802	0.9198	39.22
95.5	324,179	70,723	0.2182	0.7818	36.08
96.5	202,114	31,935	0.1580	0.8420	28.21
97.5	115,374	501	0.0043	0.9957	23.75
98.5	64,182	365	0.0057	0.9943	23.65
99.5	7,546	200	0.0265	0.9735	23.51
100.5	1,709	646	0.3779	0.6221	22.89
101.5	1,078	165	0.1529	0.8471	14.24
102.5	938	192	0.2047	0.7953	12.06
103.5	803	59	0.0738	0.9262	9.59
104.5	751	139	0.1851	0.8149	8.89
105.5	612	29	0.0475	0.9525	7.24
106.5	654	496	0.7593	0.2407	6.90
107.5	166	103	0.6184	0.3816	1.66
108.5	103	57	0.5522	0.4478	0.63
109.5	46	40	0.8612	0.1388	0.28
110.5	82	6	0.0780	0.9220	0.04
111.5	85	76	0.8961	0.1039	0.04
112.5	23	9	0.3900	0.6100	0.00
113.5	14	14	1.0000		0.00
114.5					


ORIGINAL CURVE
1939-2022 EXPERIENCE
1888-2022 PLACEMENTS
1983-2022 EXPERIENCE
1888-2022 PLACEMENTS
IOWA 50-R0.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
140

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,627,986	11,843	0.0008	0.9992	100.00
0.5	14,738,871	117,135	0.0079	0.9921	99.92
1.5	13,654,093	57,625	0.0042	0.9958	99.12
2.5	13,296,548	92,474	0.0070	0.9930	98.71
3.5	12,973,651	165,791	0.0128	0.9872	98.02
4.5	12,176,679	71,942	0.0059	0.9941	96.77
5.5	10,450,968	86,748	0.0083	0.9917	96.20
6.5	9,789,988	100,127	0.0102	0.9898	95.40
7.5	9,335,082	307,563	0.0329	0.9671	94.42
8.5	8,856,165	198,434	0.0224	0.9776	91.31
9.5	7,551,204	67,336	0.0089	0.9911	89.26
10.5	7,030,135	90,225	0.0128	0.9872	88.47
11.5	6,913,091	75,991	0.0110	0.9890	87.33
12.5	6,844,223	57,253	0.0084	0.9916	86.37
13.5	6,797,734	59,114	0.0087	0.9913	85.65
14.5	6,706,794	125,383	0.0187	0.9813	84.91
15.5	6,446,906	40,583	0.0063	0.9937	83.32
16.5	6,409,656	68,920	0.0108	0.9892	82.79
17.5	6,360,680	33,356	0.0052	0.9948	81.90
18.5	6,146,464	33,014	0.0054	0.9946	81.47
19.5	5,919,700	50,674	0.0086	0.9914	81.04
20.5	5,739,677	31,734	0.0055	0.9945	80.34
21.5	5,610,991	32,424	0.0058	0.9942	79.90
22.5	5,437,804	110,156	0.0203	0.9797	79.44
23.5	5,199,360	39,130	0.0075	0.9925	77.83
24.5	5,073,438	44,422	0.0088	0.9912	77.24
25.5	4,876,386	49,562	0.0102	0.9898	76.57
26.5	4,696,361	40,162	0.0086	0.9914	75.79
27.5	4,464,148	68,491	0.0153	0.9847	75.14
28.5	4,226,224	38,941	0.0092	0.9908	73.99
29.5	4,115,062	40,270	0.0098	0.9902	73.31
30.5	3,970,489	21,560	0.0054	0.9946	72.59
31.5	3,551,750	23,592	0.0066	0.9934	72.19
32.5	3,290,742	37,005	0.0112	0.9888	71.71
33.5	2,816,046	47,126	0.0167	0.9833	70.91
34.5	2,298,270	16,708	0.0073	0.9927	69.72
35.5	2,154,052	15,368	0.0071	0.9929	69.21
36.5	1,775,946	9,508	0.0054	0.9946	68.72
37.5	1,621,594	10,798	0.0067	0.9933	68.35
38.5	1,513,166	24,052	0.0159	0.9841	67.90

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,404,489	14,406	0.0103	0.9897	66.82
40.5	1,224,089	18,167	0.0148	0.9852	66.13
41.5	1,083,329	13,574	0.0125	0.9875	65.15
42.5	963,544	10,944	0.0114	0.9886	64.33
43.5	833,836	5,714	0.0069	0.9931	63.60
44.5	810,393	2,434	0.0030	0.9970	63.17
45.5	796,023	13,029	0.0164	0.9836	62.98
46.5	747,372	5,518	0.0074	0.9926	61.95
47.5	725,772	4,227	0.0058	0.9942	61.49
48.5	709,210	10,394	0.0147	0.9853	61.13
49.5	648,324	1,808	0.0028	0.9972	60.24
50.5	603,525	3,157	0.0052	0.9948	60.07
51.5	518,767	11,865	0.0229	0.9771	59.75
52.5	473,580	7,007	0.0148	0.9852	58.39
53.5	430,855	1,804	0.0042	0.9958	57.52
54.5	399,838	4,657	0.0116	0.9884	57.28
55.5	375,441	8,020	0.0214	0.9786	56.62
56.5	332,617	344	0.0010	0.9990	55.41
57.5	281,443	1,251	0.0044	0.9956	55.35
58.5	265,008	3,119	0.0118	0.9882	55.10
59.5	243,082	89	0.0004	0.9996	54.45
60.5	210,300	120	0.0006	0.9994	54.43
61.5	193,215	23	0.0001	0.9999	54.40
62.5	173,583	11	0.0001	0.9999	54.40
63.5	142,545	254	0.0018	0.9982	54.39
64.5	126,543	89	0.0007	0.9993	54.30
65.5	99,494	89	0.0009	0.9991	54.26
66.5	69,521		0.0000	1.0000	54.21
67.5	49,701	264	0.0053	0.9947	54.21
68.5	35,739	30	0.0008	0.9992	53.92
69.5	25,279	2,227	0.0881	0.9119	53.88
70.5	14,677		0.0000	1.0000	49.13
71.5	13,471		0.0000	1.0000	49.13
72.5	11,544		0.0000	1.0000	49.13
73.5	9,465		0.0000	1.0000	49.13
74.5	9,316	54	0.0058	0.9942	49.13
75.5	8,429		0.0000	1.0000	48.84
76.5	8,107		0.0000	1.0000	48.84
77.5	7,097		0.0000	1.0000	48.84
78.5	7,120		0.0000	1.0000	48.84

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	4,571		0.0000	1.0000	48.84
80.5	3,461		0.0000	1.0000	48.84
81.5	2,139		0.0000	1.0000	48.84
82.5	2,136	36	0.0166	0.9834	48.84
83.5	2,019		0.0000	1.0000	48.03
84.5	2,019		0.0000	1.0000	48.03
85.5	1,917		0.0000	1.0000	48.03
86.5	1,845		0.0000	1.0000	48.03
87.5	1,845		0.0000	1.0000	48.03
88.5	1,706		0.0000	1.0000	48.03
89.5	1,706		0.0000	1.0000	48.03
90.5	1,706		0.0000	1.0000	48.03
91.5	1,706		0.0000	1.0000	48.03
92.5	1,630		0.0000	1.0000	48.03
93.5	1,630		0.0000	1.0000	48.03
94.5	1,588		0.0000	1.0000	48.03
95.5	1,463		0.0000	1.0000	48.03
96.5	1,349		0.0000	1.0000	48.03
97.5	1,053		0.0000	1.0000	48.03
98.5	1,053		0.0000	1.0000	48.03
99.5	134		0.0000	1.0000	48.03
100.5	134		0.0000	1.0000	48.03
101.5	134		0.0000	1.0000	48.03
102.5	134		0.0000	1.0000	48.03
103.5	134		0.0000	1.0000	48.03
104.5	134		0.0000	1.0000	48.03
105.5	112		0.0000	1.0000	48.03
106.5	112		0.0000	1.0000	48.03
107.5	112		0.0000	1.0000	48.03
108.5	112		0.0000	1.0000	48.03
109.5	112		0.0000	1.0000	48.03
110.5	112		0.0000	1.0000	48.03
111.5	112		0.0000	1.0000	48.03
112.5	112		0.0000	1.0000	48.03
113.5	112		0.0000	1.0000	48.03
114.5	112		0.0000	1.0000	48.03
115.5	112		0.0000	1.0000	48.03
116.5	112		0.0000	1.0000	48.03
117.5	112		0.0000	1.0000	48.03
118.5	112		0.0000	1.0000	48.03

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	93		0.0000	1.0000	48.03
120.5	93		0.0000	1.0000	48.03
121.5	93		0.0000	1.0000	48.03
122.5	93		0.0000	1.0000	48.03
123.5	93		0.0000	1.0000	48.03
124.5	93		0.0000	1.0000	48.03
125.5	93		0.0000	1.0000	48.03
126.5	93		0.0000	1.0000	48.03
127.5	93		0.0000	1.0000	48.03
128.5	93		0.0000	1.0000	48.03
129.5	93		0.0000	1.0000	48.03
130.5	93		0.0000	1.0000	48.03
131.5	93		0.0000	1.0000	48.03
132.5	93		0.0000	1.0000	48.03
133.5	93		0.0000	1.0000	48.03
134.5					48.03

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1983-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	11,761,820	3,419	0.0003	0.9997	100.00
0.5	12,050,927	82,293	0.0068	0.9932	99.97
1.5	11,137,585	24,258	0.0022	0.9978	99.29
2.5	10,864,480	57,185	0.0053	0.9947	99.07
3.5	10,807,846	133,193	0.0123	0.9877	98.55
4.5	10,076,885	33,721	0.0033	0.9967	97.34
5.5	8,445,481	49,490	0.0059	0.9941	97.01
6.5	7,904,928	66,779	0.0084	0.9916	96.44
7.5	7,529,733	273,216	0.0363	0.9637	95.63
8.5	7,121,479	169,523	0.0238	0.9762	92.16
9.5	5,952,631	26,620	0.0045	0.9955	89.96
10.5	5,639,376	69,869	0.0124	0.9876	89.56
11.5	5,701,788	44,019	0.0077	0.9923	88.45
12.5	5,771,607	34,710	0.0060	0.9940	87.77
13.5	5,790,164	33,683	0.0058	0.9942	87.24
14.5	5,774,287	84,842	0.0147	0.9853	86.73
15.5	5,604,839	23,416	0.0042	0.9958	85.46
16.5	5,641,652	51,162	0.0091	0.9909	85.10
17.5	5,655,141	23,480	0.0042	0.9958	84.33
18.5	5,468,702	15,308	0.0028	0.9972	83.98
19.5	5,291,113	39,953	0.0076	0.9924	83.75
20.5	5,165,063	16,485	0.0032	0.9968	83.11
21.5	5,103,690	22,770	0.0045	0.9955	82.85
22.5	4,997,197	99,973	0.0200	0.9800	82.48
23.5	4,817,602	27,397	0.0057	0.9943	80.83
24.5	4,734,878	34,839	0.0074	0.9926	80.37
25.5	4,585,856	39,477	0.0086	0.9914	79.78
26.5	4,487,859	29,185	0.0065	0.9935	79.09
27.5	4,308,351	62,808	0.0146	0.9854	78.58
28.5	4,103,967	33,071	0.0081	0.9919	77.43
29.5	4,015,943	37,871	0.0094	0.9906	76.81
30.5	3,897,542	19,540	0.0050	0.9950	76.08
31.5	3,495,245	19,528	0.0056	0.9944	75.70
32.5	3,241,342	33,999	0.0105	0.9895	75.28
33.5	2,782,429	45,965	0.0165	0.9835	74.49
34.5	2,266,935	14,954	0.0066	0.9934	73.26
35.5	2,124,531	12,010	0.0057	0.9943	72.77
36.5	1,756,375	7,888	0.0045	0.9955	72.36
37.5	1,606,236	9,881	0.0062	0.9938	72.04
38.5	1,499,709	23,796	0.0159	0.9841	71.59

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1983-2022

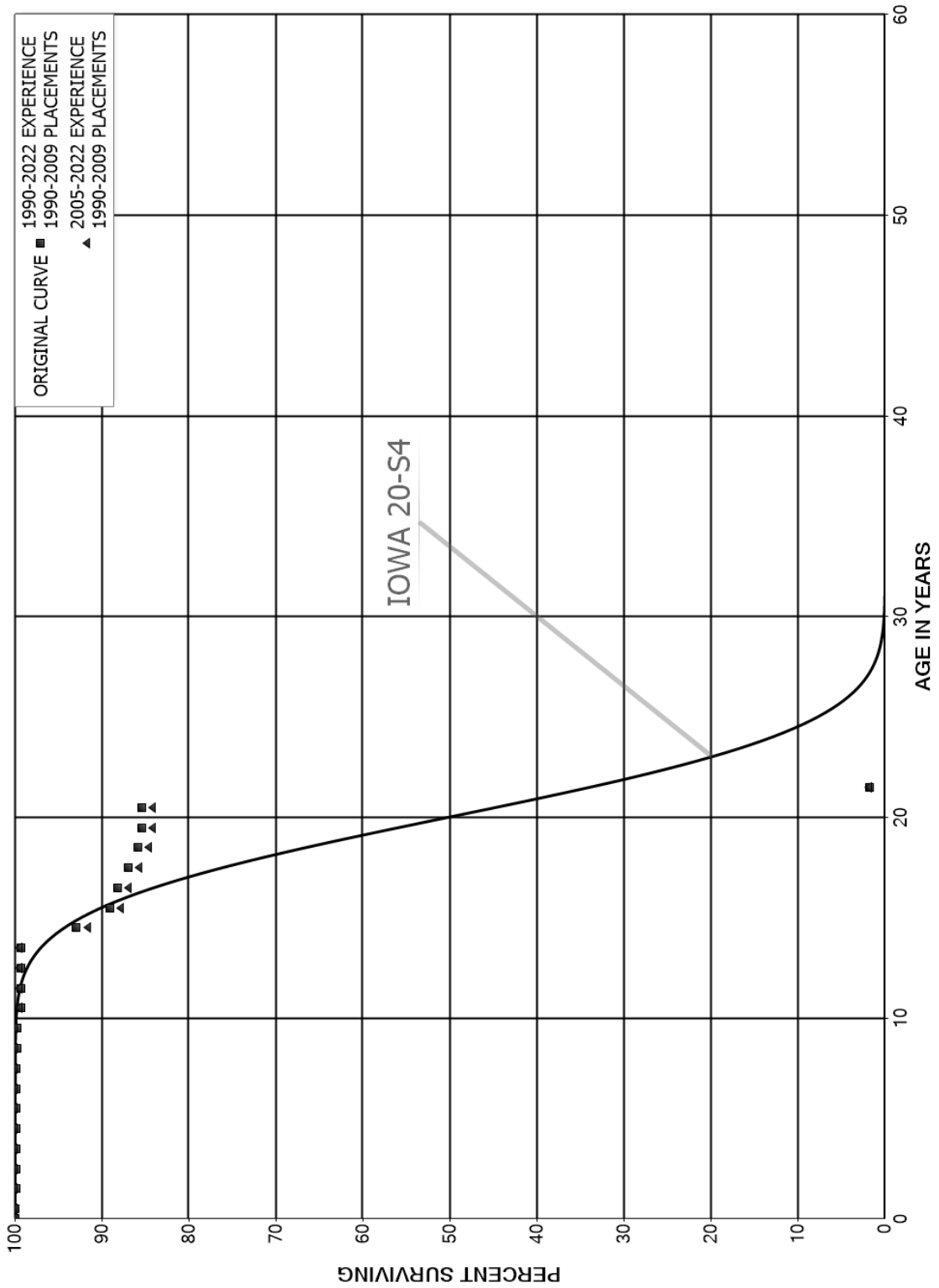
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,394,144	13,807	0.0099	0.9901	70.46
40.5	1,216,028	17,933	0.0147	0.9853	69.76
41.5	1,075,936	12,998	0.0121	0.9879	68.73
42.5	956,864	10,655	0.0111	0.9889	67.90
43.5	827,388	5,457	0.0066	0.9934	67.15
44.5	804,205	1,277	0.0016	0.9984	66.70
45.5	791,194	12,798	0.0162	0.9838	66.60
46.5	743,088	4,842	0.0065	0.9935	65.52
47.5	722,112	3,707	0.0051	0.9949	65.09
48.5	706,134	10,324	0.0146	0.9854	64.76
49.5	645,319	1,690	0.0026	0.9974	63.81
50.5	600,544	3,069	0.0051	0.9949	63.64
51.5	515,874	11,781	0.0228	0.9772	63.32
52.5	470,831	6,926	0.0147	0.9853	61.87
53.5	428,528	1,708	0.0040	0.9960	60.96
54.5	397,679	4,533	0.0114	0.9886	60.72
55.5	373,531	7,870	0.0211	0.9789	60.03
56.5	330,918	319	0.0010	0.9990	58.76
57.5	280,064	915	0.0033	0.9967	58.71
58.5	263,965	3,113	0.0118	0.9882	58.51
59.5	242,090		0.0000	1.0000	57.82
60.5	209,483	120	0.0006	0.9994	57.82
61.5	192,409		0.0000	1.0000	57.79
62.5	172,800	11	0.0001	0.9999	57.79
63.5	141,762		0.0000	1.0000	57.79
64.5	126,014		0.0000	1.0000	57.79
65.5	99,076		0.0000	1.0000	57.79
66.5	69,192		0.0000	1.0000	57.79
67.5	49,372	251	0.0051	0.9949	57.79
68.5	35,460		0.0000	1.0000	57.49
69.5	25,030	2,227	0.0890	0.9110	57.49
70.5	14,428		0.0000	1.0000	52.38
71.5	13,222		0.0000	1.0000	52.38
72.5	11,295		0.0000	1.0000	52.38
73.5	9,215		0.0000	1.0000	52.38
74.5	9,121	54	0.0059	0.9941	52.38
75.5	8,233		0.0000	1.0000	52.07
76.5	7,912		0.0000	1.0000	52.07
77.5	6,902		0.0000	1.0000	52.07
78.5	7,008		0.0000	1.0000	52.07

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1983-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	4,479		0.0000	1.0000	52.07
80.5	3,368		0.0000	1.0000	52.07
81.5	2,046		0.0000	1.0000	52.07
82.5	2,044	36	0.0174	0.9826	52.07
83.5	1,927		0.0000	1.0000	51.16
84.5	1,927		0.0000	1.0000	51.16
85.5	1,825		0.0000	1.0000	51.16
86.5	1,753		0.0000	1.0000	51.16
87.5	1,753		0.0000	1.0000	51.16
88.5	1,613		0.0000	1.0000	51.16
89.5	1,613		0.0000	1.0000	51.16
90.5	1,613		0.0000	1.0000	51.16
91.5	1,613		0.0000	1.0000	51.16
92.5	1,537		0.0000	1.0000	51.16
93.5	1,537		0.0000	1.0000	51.16
94.5	1,588		0.0000	1.0000	51.16
95.5	1,463		0.0000	1.0000	51.16
96.5	1,349		0.0000	1.0000	51.16
97.5	1,053		0.0000	1.0000	51.16
98.5	1,053		0.0000	1.0000	51.16
99.5	134		0.0000	1.0000	51.16
100.5	134		0.0000	1.0000	51.16
101.5	134		0.0000	1.0000	51.16
102.5	134		0.0000	1.0000	51.16
103.5	134		0.0000	1.0000	51.16
104.5	134		0.0000	1.0000	51.16
105.5	112		0.0000	1.0000	51.16
106.5	112		0.0000	1.0000	51.16
107.5	112		0.0000	1.0000	51.16
108.5	112		0.0000	1.0000	51.16
109.5	112		0.0000	1.0000	51.16
110.5	112		0.0000	1.0000	51.16
111.5	112		0.0000	1.0000	51.16
112.5	112		0.0000	1.0000	51.16
113.5	112		0.0000	1.0000	51.16
114.5	112		0.0000	1.0000	51.16
115.5	112		0.0000	1.0000	51.16
116.5	112		0.0000	1.0000	51.16
117.5	112		0.0000	1.0000	51.16
118.5	112		0.0000	1.0000	51.16

PLACEMENT BAND 1888-2022 EXPERIENCE BAND 1983-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	93		0.0000	1.0000	51.16
120.5	93		0.0000	1.0000	51.16
121.5	93		0.0000	1.0000	51.16
122.5	93		0.0000	1.0000	51.16
123.5	93		0.0000	1.0000	51.16
124.5	93		0.0000	1.0000	51.16
125.5	93		0.0000	1.0000	51.16
126.5	93		0.0000	1.0000	51.16
127.5	93		0.0000	1.0000	51.16
128.5	93		0.0000	1.0000	51.16
129.5	93		0.0000	1.0000	51.16
130.5	93		0.0000	1.0000	51.16
131.5	93		0.0000	1.0000	51.16
132.5	93		0.0000	1.0000	51.16
133.5	93		0.0000	1.0000	51.16
134.5					51.16

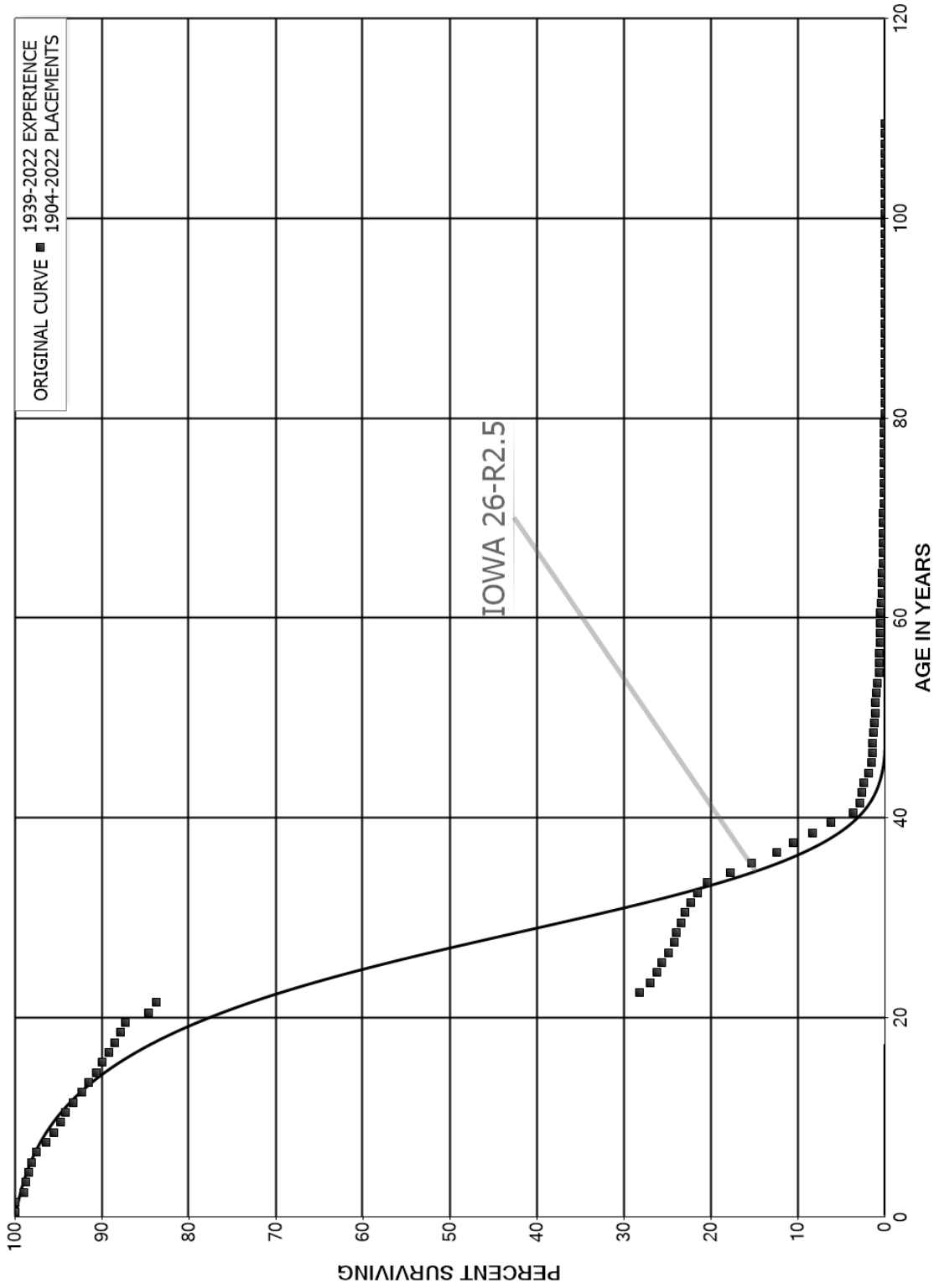

ORIGINAL CURVE
1990-2022 EXPERIENCE
1990-2009 PLACEMENTS
2005-2022 EXPERIENCE
1990-2009 PLACEMENTS
IOWA 20-S4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
10
20
30
40
50
60

PLACEMENT BAND 1990-2009 EXPERIENCE BAND 1990-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,352,257	4,028	0.0002	0.9998	100.00
0.5	21,346,069	41,511	0.0019	0.9981	99.98
1.5	21,491,726		0.0000	1.0000	99.79
2.5	21,444,607		0.0000	1.0000	99.79
3.5	21,266,837		0.0000	1.0000	99.79
4.5	21,091,945		0.0000	1.0000	99.79
5.5	21,091,945		0.0000	1.0000	99.79
6.5	21,257,439		0.0000	1.0000	99.79
7.5	21,257,439	5,136	0.0002	0.9998	99.79
8.5	21,252,303		0.0000	1.0000	99.76
9.5	21,252,303	97,666	0.0046	0.9954	99.76
10.5	21,154,636		0.0000	1.0000	99.30
11.5	21,154,636		0.0000	1.0000	99.30
12.5	21,154,636		0.0000	1.0000	99.30
13.5	21,154,636	1,364,818	0.0645	0.9355	99.30
14.5	19,789,818	808,644	0.0409	0.9591	92.90
15.5	18,981,174	203,634	0.0107	0.9893	89.10
16.5	18,777,540	243,958	0.0130	0.9870	88.15
17.5	3,966,769	51,879	0.0131	0.9869	87.00
18.5	3,914,891	20,604	0.0053	0.9947	85.86
19.5	3,894,287		0.0000	1.0000	85.41
20.5	3,894,287	3,816,567	0.9800	0.0200	85.41
21.5	77,720		0.0000	1.0000	1.70
22.5	77,720		0.0000	1.0000	1.70
23.5	77,720		0.0000	1.0000	1.70
24.5	53,681		0.0000	1.0000	1.70
25.5					1.70

PLACEMENT BAND 1990-2009 EXPERIENCE BAND 2005-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,619,068		0.0000	1.0000	100.00
0.5	14,619,068		0.0000	1.0000	100.00
1.5	14,619,068		0.0000	1.0000	100.00
2.5	14,571,949		0.0000	1.0000	100.00
3.5	14,571,949		0.0000	1.0000	100.00
4.5	14,571,949		0.0000	1.0000	100.00
5.5	14,571,949		0.0000	1.0000	100.00
6.5	14,595,987		0.0000	1.0000	100.00
7.5	16,014,487	5,136	0.0003	0.9997	100.00
8.5	16,915,661		0.0000	1.0000	99.97
9.5	17,119,295	97,666	0.0057	0.9943	99.97
10.5	17,021,629		0.0000	1.0000	99.40
11.5	17,073,507		0.0000	1.0000	99.40
12.5	17,094,111		0.0000	1.0000	99.40
13.5	17,094,111	1,364,818	0.0798	0.9202	99.40
14.5	19,789,818	808,644	0.0409	0.9591	91.46
15.5	18,981,174	203,634	0.0107	0.9893	87.72
16.5	18,777,540	243,958	0.0130	0.9870	86.78
17.5	3,966,769	51,879	0.0131	0.9869	85.66
18.5	3,914,891	20,604	0.0053	0.9947	84.54
19.5	3,894,287		0.0000	1.0000	84.09
20.5	3,894,287	3,816,567	0.9800	0.0200	84.09
21.5	77,720		0.0000	1.0000	1.68
22.5	77,720		0.0000	1.0000	1.68
23.5	77,720		0.0000	1.0000	1.68
24.5	53,681		0.0000	1.0000	1.68
25.5					1.68


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1904-2022 PLACEMENTS
IOWA 26-R2.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

PLACEMENT BAND 1904-2022 EXPERIENCE BAND 1939-2022

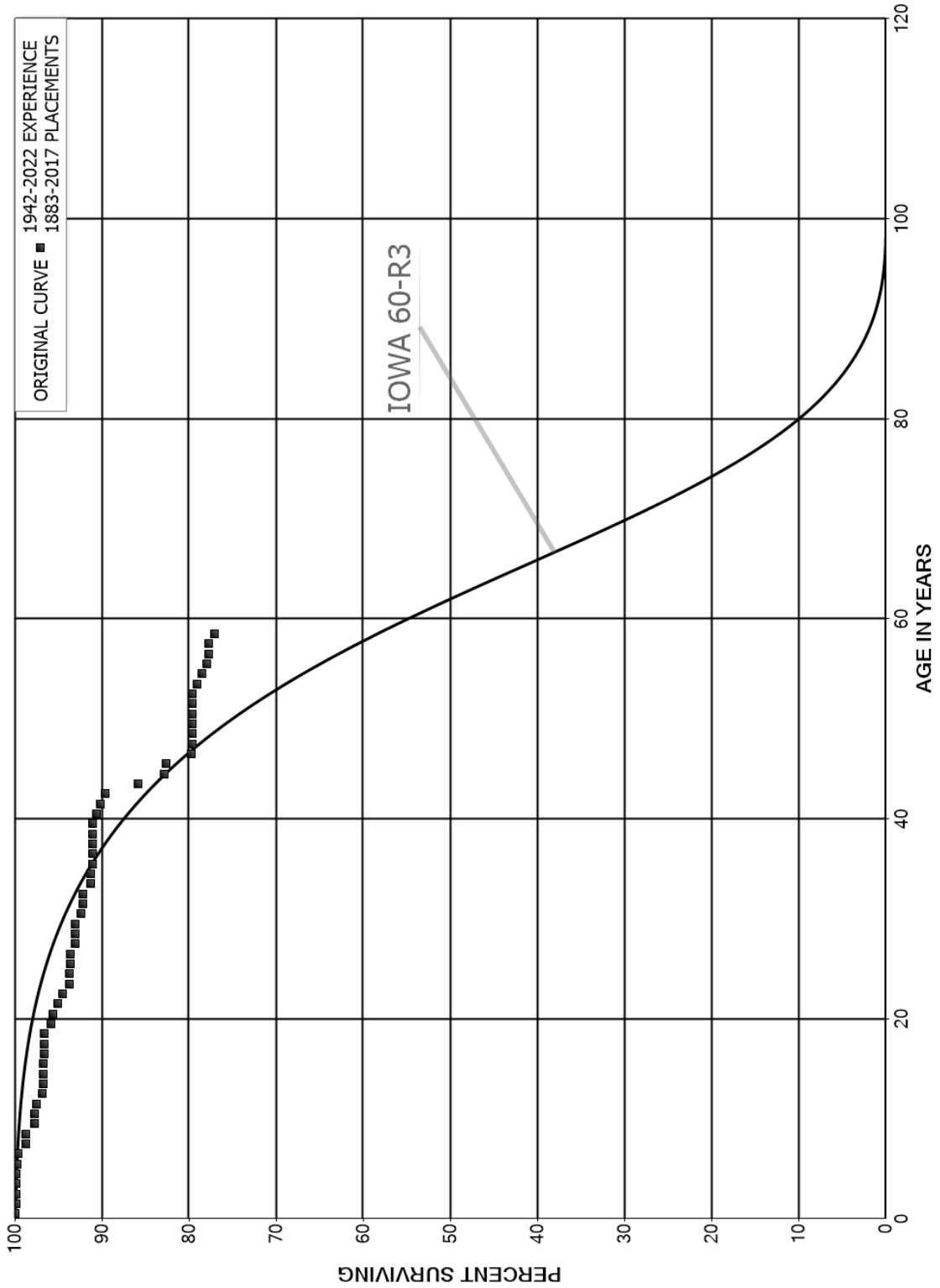
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,714,350	5,586	0.0003	0.9997	100.00
0.5	20,709,701	8,795	0.0004	0.9996	99.97
1.5	15,342,268	154,912	0.0101	0.9899	99.93
2.5	13,947,627	33,638	0.0024	0.9976	98.92
3.5	13,667,556	42,806	0.0031	0.9969	98.68
4.5	11,977,574	40,867	0.0034	0.9966	98.38
5.5	9,886,677	56,356	0.0057	0.9943	98.04
6.5	9,234,476	106,306	0.0115	0.9885	97.48
7.5	7,908,047	70,683	0.0089	0.9911	96.36
8.5	7,411,288	57,048	0.0077	0.9923	95.50
9.5	7,294,487	42,734	0.0059	0.9941	94.76
10.5	6,993,280	71,482	0.0102	0.9898	94.21
11.5	6,530,148	65,181	0.0100	0.9900	93.24
12.5	6,355,522	57,622	0.0091	0.9909	92.31
13.5	6,302,265	60,262	0.0096	0.9904	91.48
14.5	6,139,159	43,119	0.0070	0.9930	90.60
15.5	5,924,683	50,938	0.0086	0.9914	89.97
16.5	5,650,242	40,633	0.0072	0.9928	89.19
17.5	5,503,684	47,133	0.0086	0.9914	88.55
18.5	5,370,429	33,587	0.0063	0.9937	87.79
19.5	5,310,224	156,976	0.0296	0.9704	87.24
20.5	5,082,930	54,635	0.0107	0.9893	84.66
21.5	4,879,016	3,238,396	0.6637	0.3363	83.75
22.5	1,641,801	67,473	0.0411	0.9589	28.16
23.5	1,579,706	51,747	0.0328	0.9672	27.01
24.5	1,529,885	28,690	0.0188	0.9812	26.12
25.5	1,500,144	48,185	0.0321	0.9679	25.63
26.5	1,451,042	35,445	0.0244	0.9756	24.81
27.5	1,412,767	16,665	0.0118	0.9882	24.20
28.5	1,396,733	31,211	0.0223	0.9777	23.92
29.5	1,367,741	23,865	0.0174	0.9826	23.38
30.5	1,342,536	37,301	0.0278	0.9722	22.97
31.5	1,308,271	48,723	0.0372	0.9628	22.34
32.5	1,254,482	65,184	0.0520	0.9480	21.50
33.5	1,189,552	156,436	0.1315	0.8685	20.39
34.5	1,032,582	140,162	0.1357	0.8643	17.71
35.5	890,961	169,792	0.1906	0.8094	15.30
36.5	721,295	109,336	0.1516	0.8484	12.39
37.5	612,891	128,551	0.2097	0.7903	10.51
38.5	480,893	121,152	0.2519	0.7481	8.30

PLACEMENT BAND 1904-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	361,164	148,503	0.4112	0.5888	6.21
40.5	212,364	48,490	0.2283	0.7717	3.66
41.5	164,385	15,144	0.0921	0.9079	2.82
42.5	148,949	11,590	0.0778	0.9222	2.56
43.5	139,406	30,864	0.2214	0.7786	2.36
44.5	107,982	18,251	0.1690	0.8310	1.84
45.5	89,585	6,833	0.0763	0.9237	1.53
46.5	82,680	3,637	0.0440	0.9560	1.41
47.5	79,043	4,398	0.0556	0.9444	1.35
48.5	74,432	5,295	0.0711	0.9289	1.28
49.5	69,550	5,337	0.0767	0.9233	1.18
50.5	64,213	2,657	0.0414	0.9586	1.09
51.5	61,446	8,166	0.1329	0.8671	1.05
52.5	53,355	6,902	0.1294	0.8706	0.91
53.5	46,572	9,312	0.2000	0.8000	0.79
54.5	37,259	1,095	0.0294	0.9706	0.63
55.5	36,165	2,769	0.0766	0.9234	0.61
56.5	33,201	1,051	0.0316	0.9684	0.57
57.5	32,070	659	0.0205	0.9795	0.55
58.5	31,329	2,912	0.0930	0.9070	0.54
59.5	29,258	1,291	0.0441	0.9559	0.49
60.5	28,315	7,540	0.2663	0.7337	0.47
61.5	20,860	5,166	0.2476	0.7524	0.34
62.5	15,694	797	0.0508	0.9492	0.26
63.5	15,497	681	0.0439	0.9561	0.24
64.5	13,858	442	0.0319	0.9681	0.23
65.5	13,068	1,327	0.1015	0.8985	0.23
66.5	11,656	1,436	0.1232	0.8768	0.20
67.5	10,221	1,477	0.1445	0.8555	0.18
68.5	7,877	481	0.0610	0.9390	0.15
69.5	7,397	1,022	0.1381	0.8619	0.14
70.5	6,375	1,025	0.1607	0.8393	0.12
71.5	5,350	1,983	0.3707	0.6293	0.10
72.5	3,367	347	0.1032	0.8968	0.07
73.5	3,019	652	0.2160	0.7840	0.06
74.5	2,367	31	0.0132	0.9868	0.05
75.5	2,317	1,578	0.6810	0.3190	0.05
76.5	964	159	0.1654	0.8346	0.01
77.5	580	7	0.0123	0.9877	0.01
78.5	573		0.0000	1.0000	0.01

PLACEMENT BAND 1904-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	573	205	0.3579	0.6421	0.01
80.5	368	257	0.6973	0.3027	0.01
81.5	111		0.0000	1.0000	0.00
82.5	111		0.0000	1.0000	0.00
83.5	111		0.0000	1.0000	0.00
84.5	111	16	0.1434	0.8566	0.00
85.5	95	85	0.8863	0.1137	0.00
86.5	11		0.0000	1.0000	0.00
87.5	11		0.0000	1.0000	0.00
88.5	11		0.0000	1.0000	0.00
89.5	11		0.0000	1.0000	0.00
90.5	11		0.0000	1.0000	0.00
91.5	11		0.0000	1.0000	0.00
92.5	11		0.0000	1.0000	0.00
93.5	11		0.0000	1.0000	0.00
94.5	11		0.0000	1.0000	0.00
95.5	11		0.0000	1.0000	0.00
96.5	22	0	0.0055	0.9945	0.00
97.5	22		0.0000	1.0000	0.00
98.5	22		0.0000	1.0000	0.00
99.5	22		0.0000	1.0000	0.00
100.5	22		0.0000	1.0000	0.00
101.5	11		0.0000	1.0000	0.00
102.5	11		0.0000	1.0000	0.00
103.5	11		0.0000	1.0000	0.00
104.5	11		0.0000	1.0000	0.00
105.5	11		0.0000	1.0000	0.00
106.5	11		0.0000	1.0000	0.00
107.5	11		0.0000	1.0000	0.00
108.5	11	11	1.0000		0.00
109.5					


ORIGINAL CURVE ■ 1942-2022 EXPERIENCE
1883-2017 PLACEMENTS
IOWA 60-R3
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1883-2017 EXPERIENCE BAND 1942-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	54,679		0.0000	1.0000	100.00
0.5	54,803	68	0.0012	0.9988	100.00
1.5	54,764		0.0000	1.0000	99.88
2.5	54,764		0.0000	1.0000	99.88
3.5	55,403		0.0000	1.0000	99.88
4.5	55,529	80	0.0014	0.9986	99.88
5.5	47,437	41	0.0009	0.9991	99.73
6.5	47,651	463	0.0097	0.9903	99.65
7.5	47,413		0.0000	1.0000	98.68
8.5	46,847	439	0.0094	0.9906	98.68
9.5	46,628		0.0000	1.0000	97.75
10.5	46,692	131	0.0028	0.9972	97.75
11.5	46,625	287	0.0062	0.9938	97.48
12.5	46,452	88	0.0019	0.9981	96.88
13.5	46,426		0.0000	1.0000	96.70
14.5	45,288		0.0000	1.0000	96.70
15.5	44,970	38	0.0008	0.9992	96.70
16.5	45,190		0.0000	1.0000	96.61
17.5	45,412		0.0000	1.0000	96.61
18.5	45,840	393	0.0086	0.9914	96.61
19.5	45,505	79	0.0017	0.9983	95.79
20.5	45,852	263	0.0057	0.9943	95.62
21.5	46,688	267	0.0057	0.9943	95.07
22.5	45,111	390	0.0087	0.9913	94.53
23.5	45,774		0.0000	1.0000	93.71
24.5	45,961	36	0.0008	0.9992	93.71
25.5	46,246	28	0.0006	0.9994	93.64
26.5	46,365	275	0.0059	0.9941	93.58
27.5	45,352		0.0000	1.0000	93.02
28.5	45,907		0.0000	1.0000	93.02
29.5	56,173	364	0.0065	0.9935	93.02
30.5	56,260	148	0.0026	0.9974	92.42
31.5	56,112	20	0.0003	0.9997	92.18
32.5	56,313	524	0.0093	0.9907	92.15
33.5	56,355		0.0000	1.0000	91.29
34.5	56,947	108	0.0019	0.9981	91.29
35.5	47,768		0.0000	1.0000	91.12
36.5	48,436		0.0000	1.0000	91.12
37.5	48,313		0.0000	1.0000	91.12
38.5	46,950	43	0.0009	0.9991	91.12

PLACEMENT BAND 1883-2017 EXPERIENCE BAND 1942-2022

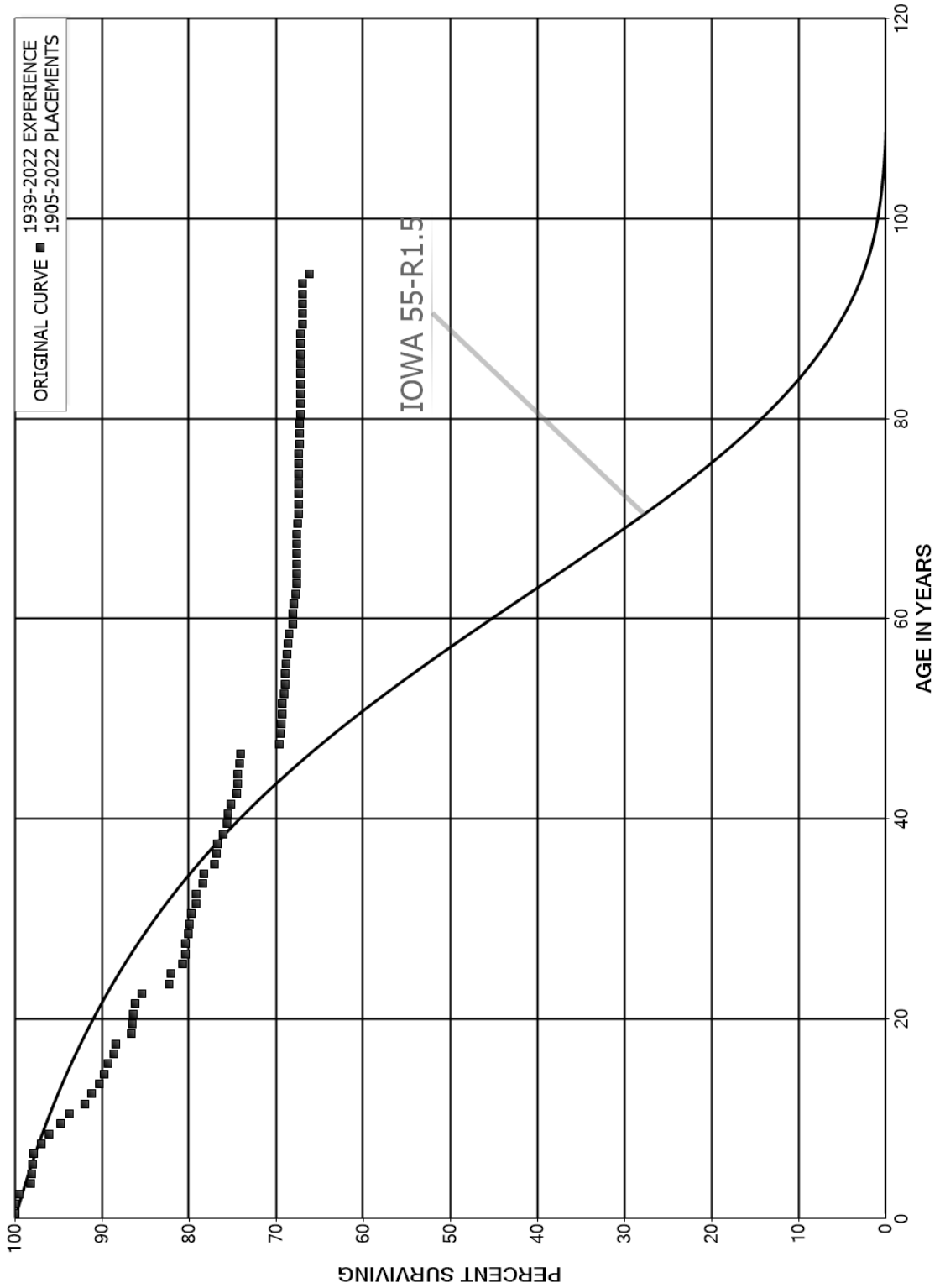
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	39,827	190	0.0048	0.9952	91.03
40.5	40,237	202	0.0050	0.9950	90.60
41.5	27,151	167	0.0061	0.9939	90.14
42.5	27,406	1,133	0.0413	0.9587	89.59
43.5	26,809	967	0.0361	0.9639	85.89
44.5	25,470	59	0.0023	0.9977	82.79
45.5	26,059	911	0.0350	0.9650	82.60
46.5	25,354	39	0.0015	0.9985	79.71
47.5	25,315		0.0000	1.0000	79.59
48.5	21,815	0	0.0000	1.0000	79.59
49.5	21,552		0.0000	1.0000	79.59
50.5	21,354		0.0000	1.0000	79.59
51.5	21,416		0.0000	1.0000	79.59
52.5	21,432	140	0.0065	0.9935	79.59
53.5	21,024	158	0.0075	0.9925	79.07
54.5	20,255	121	0.0060	0.9940	78.47
55.5	20,058	64	0.0032	0.9968	78.00
56.5	17,408		0.0000	1.0000	77.76
57.5	16,292	144	0.0088	0.9912	77.76
58.5	16,071	53	0.0033	0.9967	77.07
59.5	15,875		0.0000	1.0000	76.82
60.5	15,848	166	0.0105	0.9895	76.82
61.5	15,534	93	0.0060	0.9940	76.01
62.5	14,527	23	0.0016	0.9984	75.56
63.5	13,874	46	0.0033	0.9967	75.44
64.5	10,015		0.0000	1.0000	75.19
65.5	9,992		0.0000	1.0000	75.19
66.5	9,542		0.0000	1.0000	75.19
67.5	9,542		0.0000	1.0000	75.19
68.5	9,488		0.0000	1.0000	75.19
69.5	9,449		0.0000	1.0000	75.19
70.5	9,426		0.0000	1.0000	75.19
71.5	9,305		0.0000	1.0000	75.19
72.5	9,984		0.0000	1.0000	75.19
73.5	9,892		0.0000	1.0000	75.19
74.5	9,876	108	0.0109	0.9891	75.19
75.5	9,229		0.0000	1.0000	74.36
76.5	9,171		0.0000	1.0000	74.36
77.5	9,014		0.0000	1.0000	74.36
78.5	8,521		0.0000	1.0000	74.36

PLACEMENT BAND 1883-2017 EXPERIENCE BAND 1942-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	8,387		0.0000	1.0000	74.36
80.5	10,840		0.0000	1.0000	74.36
81.5	11,156		0.0000	1.0000	74.36
82.5	10,643		0.0000	1.0000	74.36
83.5	10,536	158	0.0150	0.9850	74.36
84.5	10,413		0.0000	1.0000	73.25
85.5	10,422		0.0000	1.0000	73.25
86.5	9,691		0.0000	1.0000	73.25
87.5	9,782		0.0000	1.0000	73.25
88.5	10,201	1,837	0.1801	0.8199	73.25
89.5	8,471		0.0000	1.0000	60.06
90.5	8,301		0.0000	1.0000	60.06
91.5	8,301		0.0000	1.0000	60.06
92.5	8,211		0.0000	1.0000	60.06
93.5	7,469		0.0000	1.0000	60.06
94.5	6,862		0.0000	1.0000	60.06
95.5	6,522		0.0000	1.0000	60.06
96.5	6,572		0.0000	1.0000	60.06
97.5	6,238		0.0000	1.0000	60.06
98.5	5,167		0.0000	1.0000	60.06
99.5	4,830		0.0000	1.0000	60.06
100.5	5,843		0.0000	1.0000	60.06
101.5	5,843		0.0000	1.0000	60.06
102.5	5,095		0.0000	1.0000	60.06
103.5	5,075		0.0000	1.0000	60.06
104.5	5,075		0.0000	1.0000	60.06
105.5	5,038		0.0000	1.0000	60.06
106.5	4,689		0.0000	1.0000	60.06
107.5	4,630		0.0000	1.0000	60.06
108.5	4,387		0.0000	1.0000	60.06
109.5	3,968		0.0000	1.0000	60.06
110.5	3,861		0.0000	1.0000	60.06
111.5	3,861		0.0000	1.0000	60.06
112.5	3,794		0.0000	1.0000	60.06
113.5	3,789		0.0000	1.0000	60.06
114.5	3,788		0.0000	1.0000	60.06
115.5	3,272		0.0000	1.0000	60.06
116.5	3,272		0.0000	1.0000	60.06
117.5	3,001		0.0000	1.0000	60.06
118.5	2,896		0.0000	1.0000	60.06

PLACEMENT BAND 1883-2017 EXPERIENCE BAND 1942-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
119.5	2,540		0.0000	1.0000	60.06
120.5	2,530		0.0000	1.0000	60.06
121.5	1,487		0.0000	1.0000	60.06
122.5	1,408		0.0000	1.0000	60.06
123.5	1,188		0.0000	1.0000	60.06
124.5	1,065		0.0000	1.0000	60.06
125.5	799		0.0000	1.0000	60.06
126.5	221		0.0000	1.0000	60.06
127.5					60.06


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1905-2022 PLACEMENTS
IOWA 55-R1.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120
AGE IN YEARS

PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1939-2022

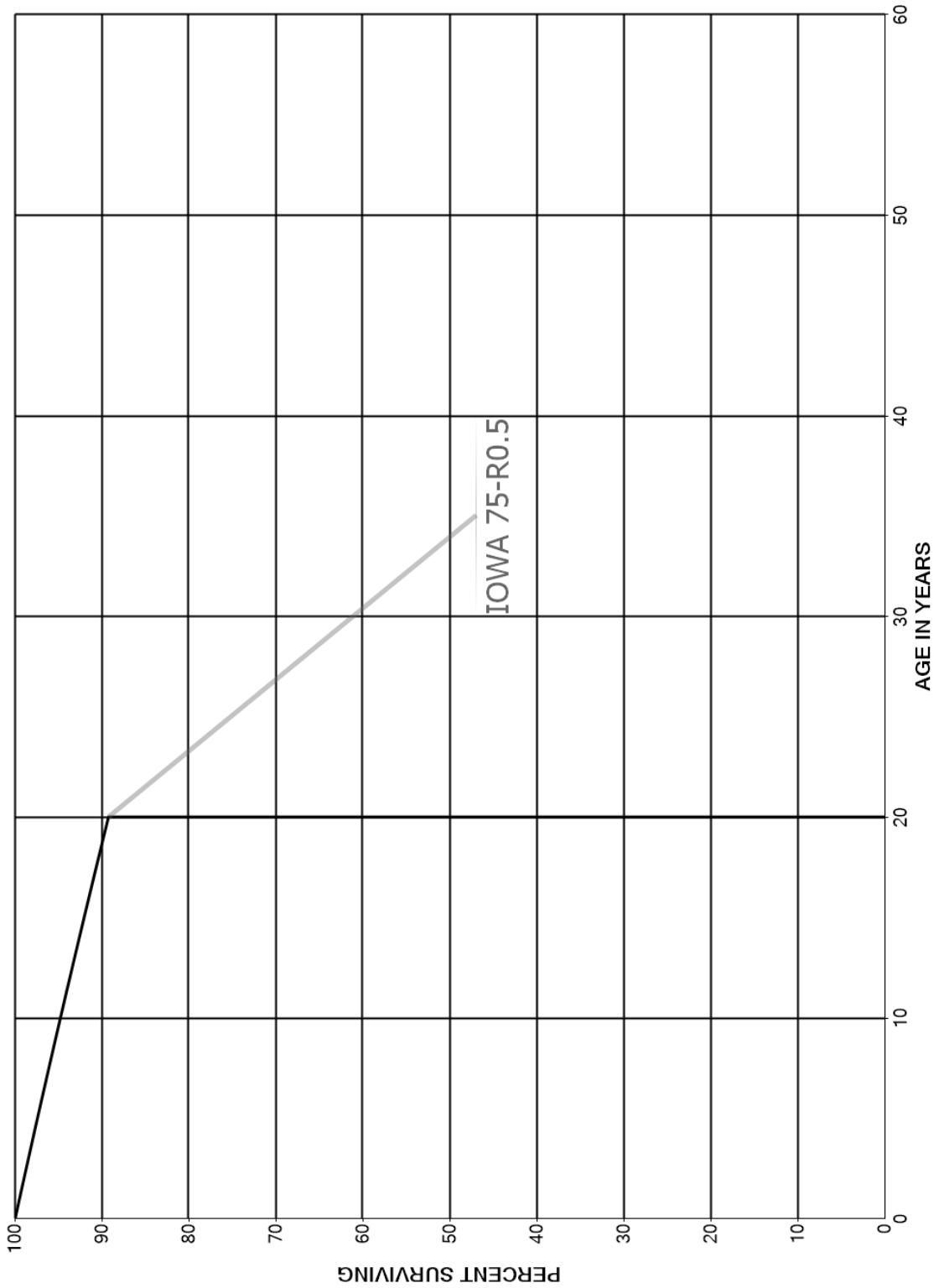
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	35,177,521	2,286	0.0001	0.9999	100.00
0.5	32,228,369	17,579	0.0005	0.9995	99.99
1.5	31,589,224	138,926	0.0044	0.9956	99.94
2.5	29,643,935	386,432	0.0130	0.9870	99.50
3.5	27,934,105	27,530	0.0010	0.9990	98.20
4.5	26,389,255	41,614	0.0016	0.9984	98.11
5.5	24,501,160	25,502	0.0010	0.9990	97.95
6.5	21,392,970	206,220	0.0096	0.9904	97.85
7.5	20,041,839	169,573	0.0085	0.9915	96.91
8.5	16,535,827	230,530	0.0139	0.9861	96.09
9.5	14,923,018	161,012	0.0108	0.9892	94.75
10.5	13,220,563	249,237	0.0189	0.9811	93.72
11.5	11,259,329	97,076	0.0086	0.9914	91.96
12.5	8,592,360	78,437	0.0091	0.9909	91.16
13.5	8,126,469	49,996	0.0062	0.9938	90.33
14.5	7,811,904	47,130	0.0060	0.9940	89.78
15.5	7,599,252	51,444	0.0068	0.9932	89.23
16.5	7,342,796	23,785	0.0032	0.9968	88.63
17.5	7,153,016	135,909	0.0190	0.9810	88.34
18.5	6,408,965	8,385	0.0013	0.9987	86.66
19.5	6,758,559	8,446	0.0012	0.9988	86.55
20.5	6,583,318	22,745	0.0035	0.9965	86.44
21.5	6,654,793	56,971	0.0086	0.9914	86.14
22.5	6,432,405	237,609	0.0369	0.9631	85.41
23.5	6,149,544	16,121	0.0026	0.9974	82.25
24.5	5,646,670	91,847	0.0163	0.9837	82.04
25.5	5,078,762	16,024	0.0032	0.9968	80.70
26.5	4,757,502	5,601	0.0012	0.9988	80.45
27.5	4,281,450	13,889	0.0032	0.9968	80.35
28.5	4,502,790	10,259	0.0023	0.9977	80.09
29.5	4,366,453	11,731	0.0027	0.9973	79.91
30.5	4,344,735	26,905	0.0062	0.9938	79.70
31.5	3,737,538	3,001	0.0008	0.9992	79.20
32.5	3,729,080	33,804	0.0091	0.9909	79.14
33.5	3,471,172	6,797	0.0020	0.9980	78.42
34.5	3,390,980	51,179	0.0151	0.9849	78.27
35.5	3,154,724	12,288	0.0039	0.9961	77.09
36.5	3,015,242	4,163	0.0014	0.9986	76.79
37.5	2,881,528	24,469	0.0085	0.9915	76.68
38.5	2,760,052	16,633	0.0060	0.9940	76.03

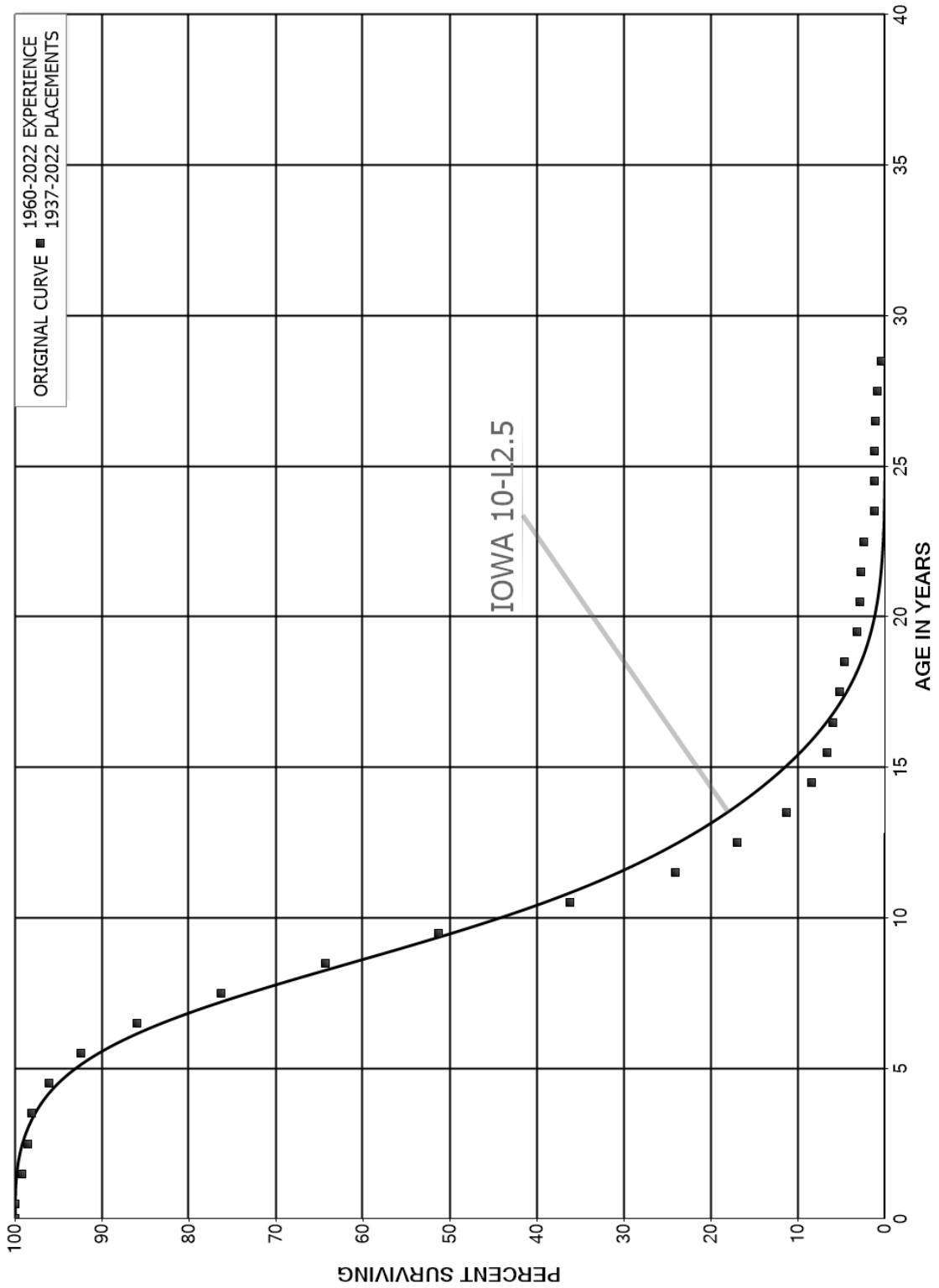
PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,517,363	760	0.0003	0.9997	75.57
40.5	2,127,642	11,811	0.0056	0.9944	75.55
41.5	1,926,508	15,807	0.0082	0.9918	75.13
42.5	1,616,756	1,505	0.0009	0.9991	74.51
43.5	1,497,506	1,951	0.0013	0.9987	74.44
44.5	1,475,812	4,144	0.0028	0.9972	74.35
45.5	1,143,407	872	0.0008	0.9992	74.14
46.5	1,139,317	68,900	0.0605	0.9395	74.08
47.5	1,053,915	697	0.0007	0.9993	69.60
48.5	1,043,808	2,249	0.0022	0.9978	69.55
49.5	1,032,358	1,200	0.0012	0.9988	69.40
50.5	1,024,012	1,227	0.0012	0.9988	69.32
51.5	1,004,896	3,031	0.0030	0.9970	69.24
52.5	801,617	1,500	0.0019	0.9981	69.03
53.5	797,917		0.0000	1.0000	68.90
54.5	801,256	1,083	0.0014	0.9986	68.90
55.5	789,629	562	0.0007	0.9993	68.81
56.5	693,933	970	0.0014	0.9986	68.76
57.5	692,397	1,558	0.0023	0.9977	68.66
58.5	683,593	4,201	0.0061	0.9939	68.51
59.5	677,973		0.0000	1.0000	68.09
60.5	638,664	800	0.0013	0.9987	68.09
61.5	635,375	3,085	0.0049	0.9951	68.00
62.5	570,894	74	0.0001	0.9999	67.67
63.5	570,081	383	0.0007	0.9993	67.66
64.5	564,614	100	0.0002	0.9998	67.62
65.5	545,112		0.0000	1.0000	67.61
66.5	545,172	297	0.0005	0.9995	67.61
67.5	542,767		0.0000	1.0000	67.57
68.5	542,211	816	0.0015	0.9985	67.57
69.5	539,676	314	0.0006	0.9994	67.47
70.5	537,517		0.0000	1.0000	67.43
71.5	536,834	500	0.0009	0.9991	67.43
72.5	513,650		0.0000	1.0000	67.37
73.5	513,868		0.0000	1.0000	67.37
74.5	513,868	75	0.0001	0.9999	67.37
75.5	513,164		0.0000	1.0000	67.36
76.5	507,201	171	0.0003	0.9997	67.36
77.5	506,739		0.0000	1.0000	67.33
78.5	506,739	125	0.0002	0.9998	67.33

PLACEMENT BAND 1905-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	506,614	936	0.0018	0.9982	67.32
80.5	505,678	363	0.0007	0.9993	67.19
81.5	505,315		0.0000	1.0000	67.14
82.5	406,017		0.0000	1.0000	67.14
83.5	406,017		0.0000	1.0000	67.14
84.5	409,835		0.0000	1.0000	67.14
85.5	414,503		0.0000	1.0000	67.14
86.5	414,503		0.0000	1.0000	67.14
87.5	414,503		0.0000	1.0000	67.14
88.5	414,503	906	0.0022	0.9978	67.14
89.5	413,010		0.0000	1.0000	67.00
90.5	409,192		0.0000	1.0000	67.00
91.5	409,192		0.0000	1.0000	67.00
92.5	409,192		0.0000	1.0000	67.00
93.5	409,192	4,764	0.0116	0.9884	67.00
94.5	218		0.0000	1.0000	66.22
95.5	218		0.0000	1.0000	66.22
96.5	218		0.0000	1.0000	66.22
97.5	218		0.0000	1.0000	66.22
98.5	218		0.0000	1.0000	66.22
99.5	218		0.0000	1.0000	66.22
100.5	218		0.0000	1.0000	66.22
101.5	218		0.0000	1.0000	66.22
102.5	218		0.0000	1.0000	66.22
103.5	218		0.0000	1.0000	66.22
104.5	218		0.0000	1.0000	66.22
105.5	218		0.0000	1.0000	66.22
106.5	218		0.0000	1.0000	66.22
107.5	218		0.0000	1.0000	66.22
108.5	218		0.0000	1.0000	66.22
109.5	218		0.0000	1.0000	66.22
110.5	218		0.0000	1.0000	66.22
111.5	218		0.0000	1.0000	66.22
112.5	218		0.0000	1.0000	66.22
113.5	218		0.0000	1.0000	66.22
114.5	218		0.0000	1.0000	66.22
115.5	218		0.0000	1.0000	66.22
116.5	218		0.0000	1.0000	66.22
117.5					66.22


IOWA 75-R0.5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
AGE IN YEARS
0
10
20
30
40
50
60

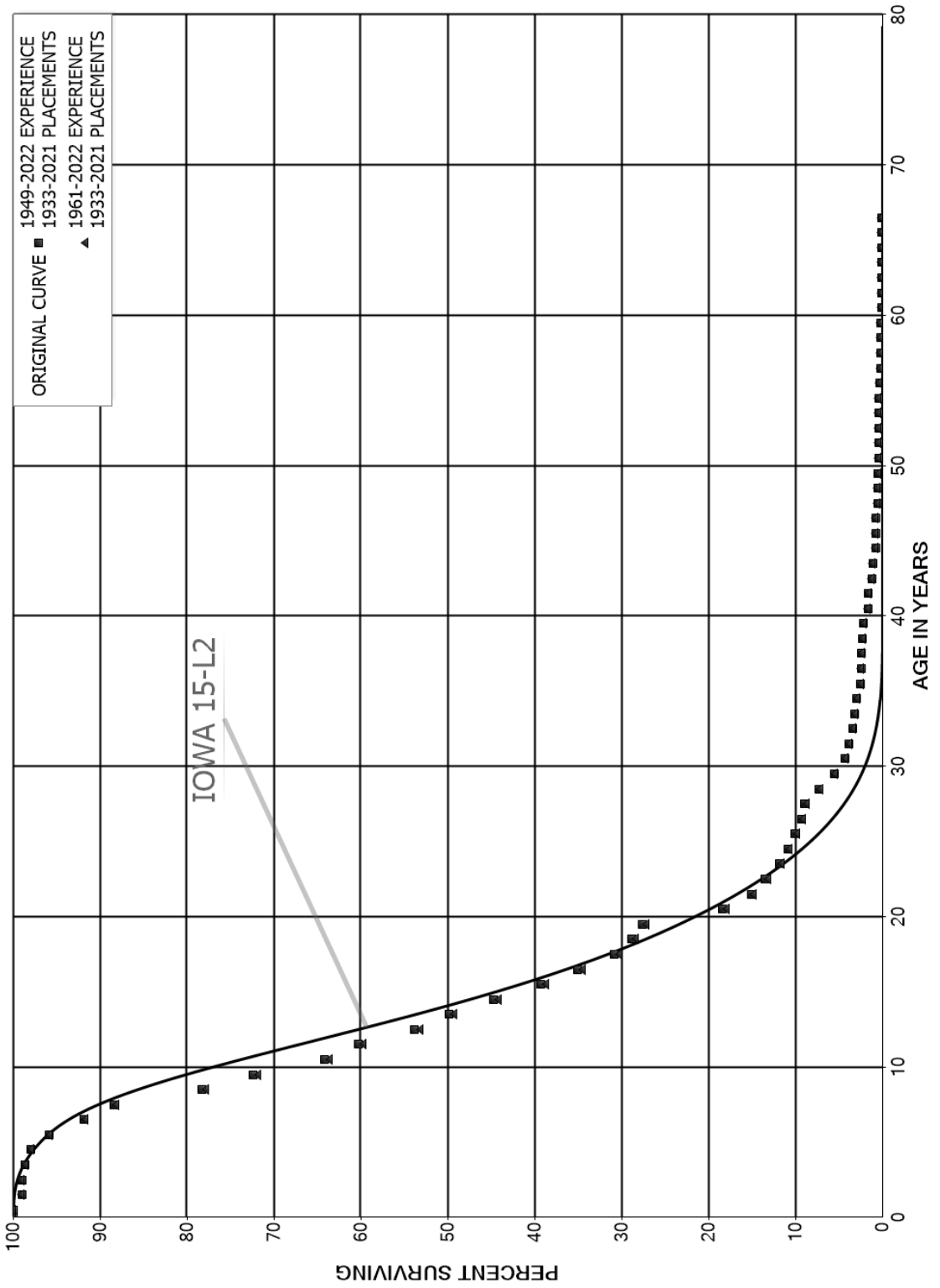

ORIGINAL CURVE ■ 1960-2022 EXPERIENCE
1937-2022 PLACEMENTS
IOWA 10-L2.5
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
5
10
15
20
25
30
35
40

PLACEMENT BAND 1937-2022 EXPERIENCE BAND 1960-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	131,219,566	39,648	0.0003	0.9997	100.00
0.5	128,571,978	996,619	0.0078	0.9922	99.97
1.5	114,969,300	798,664	0.0069	0.9931	99.19
2.5	103,809,000	423,791	0.0041	0.9959	98.51
3.5	94,447,532	1,939,520	0.0205	0.9795	98.10
4.5	84,137,339	3,280,070	0.0390	0.9610	96.09
5.5	76,601,063	5,310,546	0.0693	0.9307	92.34
6.5	69,357,526	7,772,773	0.1121	0.8879	85.94
7.5	62,893,514	9,894,782	0.1573	0.8427	76.31
8.5	50,006,853	10,145,842	0.2029	0.7971	64.30
9.5	38,985,626	11,460,346	0.2940	0.7060	51.26
10.5	27,215,259	9,081,605	0.3337	0.6663	36.19
11.5	18,524,936	5,490,898	0.2964	0.7036	24.11
12.5	13,367,284	4,502,295	0.3368	0.6632	16.97
13.5	8,959,820	2,238,636	0.2499	0.7501	11.25
14.5	8,800,468	1,862,405	0.2116	0.7884	8.44
15.5	6,933,934	772,268	0.1114	0.8886	6.65
16.5	6,095,155	756,883	0.1242	0.8758	5.91
17.5	5,340,574	549,300	0.1029	0.8971	5.18
18.5	4,773,400	1,492,988	0.3128	0.6872	4.65
19.5	3,174,938	378,509	0.1192	0.8808	3.19
20.5	2,774,391	135,103	0.0487	0.9513	2.81
21.5	2,637,727	225,998	0.0857	0.9143	2.68
22.5	2,421,909	1,285,288	0.5307	0.4693	2.45
23.5	476,149	7,152	0.0150	0.9850	1.15
24.5	386,184	3,603	0.0093	0.9907	1.13
25.5	380,873	28,647	0.0752	0.9248	1.12
26.5	352,826	59,338	0.1682	0.8318	1.04
27.5	292,888	174,970	0.5974	0.4026	0.86
28.5	118,720	3,696	0.0311	0.9689	0.35
29.5	114,222	2,211	0.0194	0.9806	0.34
30.5	112,011	11,258	0.1005	0.8995	0.33
31.5	100,754	975	0.0097	0.9903	0.30
32.5	100,650	18,639	0.1852	0.8148	0.29
33.5	81,140	12,894	0.1589	0.8411	0.24
34.5	68,246	26,545	0.3890	0.6110	0.20
35.5	41,701		0.0000	1.0000	0.12
36.5	41,701	24,444	0.5862	0.4138	0.12
37.5	17,256	15,319	0.8877	0.1123	0.05
38.5	1,937		0.0000	1.0000	0.01

PLACEMENT BAND 1937-2022 EXPERIENCE BAND 1960-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,937		0.0000	1.0000	0.01
40.5	1,937	300	0.1548	0.8452	0.01
41.5	1,637	50	0.0305	0.9695	0.00
42.5	1,587	638	0.4017	0.5983	0.00
43.5	950		0.0000	1.0000	0.00
44.5	950	220	0.2316	0.7684	0.00
45.5	730	186	0.2549	0.7451	0.00
46.5	544	346	0.6368	0.3632	0.00
47.5	197		0.0000	1.0000	0.00
48.5	197		0.0000	1.0000	0.00
49.5	197	128	0.6481	0.3519	0.00
50.5	69		0.0000	1.0000	0.00
51.5	69		0.0000	1.0000	0.00
52.5	69		0.0000	1.0000	0.00
53.5	69		0.0000	1.0000	0.00
54.5	69		0.0000	1.0000	0.00
55.5	69		0.0000	1.0000	0.00
56.5	69		0.0000	1.0000	0.00
57.5	69		0.0000	1.0000	0.00
58.5	69		0.0000	1.0000	0.00
59.5	69	69	1.0000		0.00
60.5					


ORIGINAL CURVE
1949-2022 EXPERIENCE
1933-2021 PLACEMENTS
1961-2022 EXPERIENCE
1933-2021 PLACEMENTS
IOWA 15-L2
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
10
20
30
40
50
60
70
80

PLACEMENT BAND 1933-2021 EXPERIENCE BAND 1949-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,462,065	883	0.0002	0.9998	100.00
0.5	4,491,572	46,757	0.0104	0.9896	99.98
1.5	4,164,741		0.0000	1.0000	98.94
2.5	3,713,412	13,345	0.0036	0.9964	98.94
3.5	3,075,188	20,749	0.0067	0.9933	98.58
4.5	2,770,841	59,197	0.0214	0.9786	97.92
5.5	2,317,713	96,230	0.0415	0.9585	95.83
6.5	2,045,587	77,972	0.0381	0.9619	91.85
7.5	1,934,044	220,786	0.1142	0.8858	88.35
8.5	1,688,374	127,146	0.0753	0.9247	78.26
9.5	1,553,725	176,563	0.1136	0.8864	72.37
10.5	1,226,833	74,093	0.0604	0.9396	64.14
11.5	1,087,118	117,004	0.1076	0.8924	60.27
12.5	964,208	70,632	0.0733	0.9267	53.78
13.5	871,377	88,949	0.1021	0.8979	49.84
14.5	773,992	94,098	0.1216	0.8784	44.76
15.5	671,373	73,320	0.1092	0.8908	39.31
16.5	546,438	65,606	0.1201	0.8799	35.02
17.5	464,106	29,487	0.0635	0.9365	30.82
18.5	437,195	18,943	0.0433	0.9567	28.86
19.5	418,252	140,111	0.3350	0.6650	27.61
20.5	278,140	49,173	0.1768	0.8232	18.36
21.5	228,968	24,797	0.1083	0.8917	15.11
22.5	197,914	23,358	0.1180	0.8820	13.48
23.5	164,972	13,832	0.0838	0.9162	11.89
24.5	151,140	12,162	0.0805	0.9195	10.89
25.5	138,978	10,065	0.0724	0.9276	10.01
26.5	128,913	5,445	0.0422	0.9578	9.29
27.5	123,468	21,639	0.1753	0.8247	8.90
28.5	102,019	25,117	0.2462	0.7538	7.34
29.5	76,713	16,808	0.2191	0.7809	5.53
30.5	60,392	6,295	0.1042	0.8958	4.32
31.5	54,222	6,860	0.1265	0.8735	3.87
32.5	46,750	2,972	0.0636	0.9364	3.38
33.5	43,778	3,123	0.0713	0.9287	3.16
34.5	40,655	6,400	0.1574	0.8426	2.94
35.5	34,255	652	0.0190	0.9810	2.48
36.5	33,603	284	0.0084	0.9916	2.43
37.5	33,319	2,383	0.0715	0.9285	2.41
38.5	32,871	1,589	0.0483	0.9517	2.24

PLACEMENT BAND 1933-2021 EXPERIENCE BAND 1949-2022

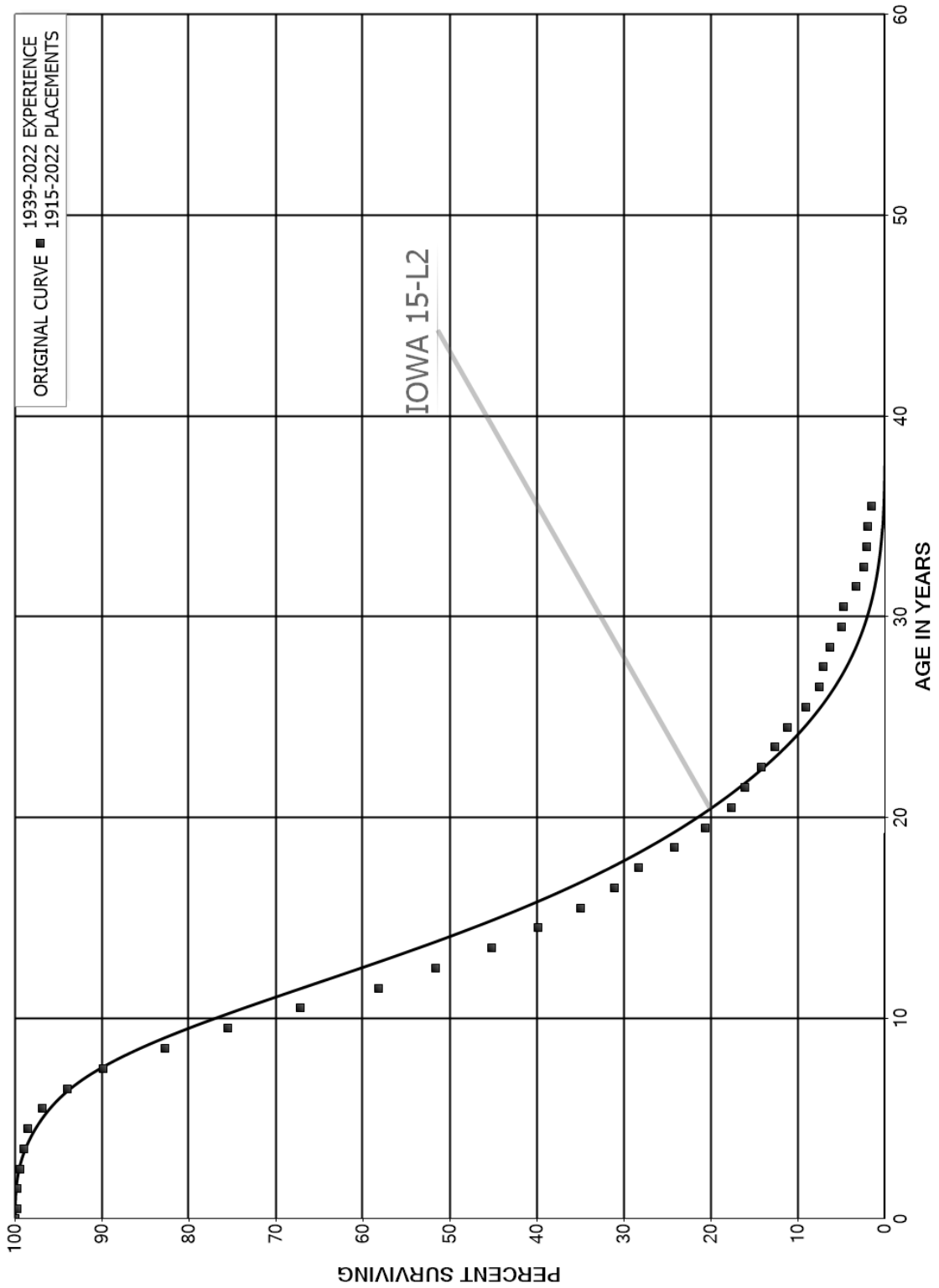
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	31,948	7,616	0.2384	0.7616	2.13
40.5	24,332	426	0.0175	0.9825	1.62
41.5	23,906	6,305	0.2637	0.7363	1.59
42.5	17,171	872	0.0508	0.9492	1.17
43.5	16,298	4,915	0.3016	0.6984	1.11
44.5	11,383	674	0.0592	0.9408	0.78
45.5	10,709	481	0.0449	0.9551	0.73
46.5	10,228	2,223	0.2173	0.7827	0.70
47.5	8,006	1,060	0.1325	0.8675	0.55
48.5	6,945	226	0.0326	0.9674	0.47
49.5	6,719	602	0.0896	0.9104	0.46
50.5	6,117		0.0000	1.0000	0.42
51.5	6,117		0.0000	1.0000	0.42
52.5	6,117		0.0000	1.0000	0.42
53.5	6,117	311	0.0509	0.9491	0.42
54.5	6,169	1,347	0.2183	0.7817	0.40
55.5	4,822	2,012	0.4173	0.5827	0.31
56.5	2,810		0.0000	1.0000	0.18
57.5	2,810		0.0000	1.0000	0.18
58.5	2,810	612	0.2178	0.7822	0.18
59.5	2,198	363	0.1650	0.8350	0.14
60.5	1,835		0.0000	1.0000	0.12
61.5	1,835	618	0.3368	0.6632	0.12
62.5	1,217		0.0000	1.0000	0.08
63.5	1,217	542	0.4450	0.5550	0.08
64.5	676		0.0000	1.0000	0.04
65.5	676	363	0.5373	0.4627	0.04
66.5	313		0.0000	1.0000	0.02
67.5	313	313	1.0000		0.02
68.5					

PLACEMENT BAND 1933-2021 EXPERIENCE BAND 1961-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,335,599	842	0.0002	0.9998	100.00
0.5	4,368,486	46,757	0.0107	0.9893	99.98
1.5	4,066,968		0.0000	1.0000	98.91
2.5	3,621,054	13,345	0.0037	0.9963	98.91
3.5	2,987,014	20,749	0.0069	0.9931	98.55
4.5	2,690,978	59,197	0.0220	0.9780	97.86
5.5	2,252,650	96,230	0.0427	0.9573	95.71
6.5	1,994,385	77,972	0.0391	0.9609	91.62
7.5	1,886,504	220,786	0.1170	0.8830	88.04
8.5	1,653,185	127,146	0.0769	0.9231	77.73
9.5	1,528,951	176,563	0.1155	0.8845	71.76
10.5	1,210,582	74,093	0.0612	0.9388	63.47
11.5	1,073,636	117,004	0.1090	0.8910	59.59
12.5	952,668	70,632	0.0741	0.9259	53.09
13.5	861,673	88,949	0.1032	0.8968	49.16
14.5	764,684	94,098	0.1231	0.8769	44.08
15.5	665,028	73,320	0.1103	0.8897	38.66
16.5	540,093	65,606	0.1215	0.8785	34.39
17.5	457,761	29,487	0.0644	0.9356	30.22
18.5	430,850	18,943	0.0440	0.9560	28.27
19.5	413,579	140,111	0.3388	0.6612	27.03
20.5	274,614	49,173	0.1791	0.8209	17.87
21.5	228,571	24,797	0.1085	0.8915	14.67
22.5	197,651	23,358	0.1182	0.8818	13.08
23.5	164,929	13,832	0.0839	0.9161	11.53
24.5	151,097	12,162	0.0805	0.9195	10.57
25.5	138,934	10,065	0.0724	0.9276	9.72
26.5	128,870	5,445	0.0423	0.9577	9.01
27.5	123,468	21,639	0.1753	0.8247	8.63
28.5	102,019	25,117	0.2462	0.7538	7.12
29.5	76,713	16,808	0.2191	0.7809	5.37
30.5	60,392	6,295	0.1042	0.8958	4.19
31.5	54,222	6,860	0.1265	0.8735	3.75
32.5	46,750	2,972	0.0636	0.9364	3.28
33.5	43,778	3,123	0.0713	0.9287	3.07
34.5	40,655	6,400	0.1574	0.8426	2.85
35.5	34,255	652	0.0190	0.9810	2.40
36.5	33,603	284	0.0084	0.9916	2.36
37.5	33,319	2,383	0.0715	0.9285	2.34
38.5	32,871	1,589	0.0483	0.9517	2.17

PLACEMENT BAND 1933-2021 EXPERIENCE BAND 1961-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	31,948	7,616	0.2384	0.7616	2.06
40.5	24,332	426	0.0175	0.9825	1.57
41.5	23,906	6,305	0.2637	0.7363	1.54
42.5	17,171	872	0.0508	0.9492	1.14
43.5	16,298	4,915	0.3016	0.6984	1.08
44.5	11,383	674	0.0592	0.9408	0.75
45.5	10,709	481	0.0449	0.9551	0.71
46.5	10,228	2,223	0.2173	0.7827	0.68
47.5	8,006	1,060	0.1325	0.8675	0.53
48.5	6,945	226	0.0326	0.9674	0.46
49.5	6,719	602	0.0896	0.9104	0.45
50.5	6,117		0.0000	1.0000	0.41
51.5	6,117		0.0000	1.0000	0.41
52.5	6,117		0.0000	1.0000	0.41
53.5	6,117	311	0.0509	0.9491	0.41
54.5	6,169	1,347	0.2183	0.7817	0.38
55.5	4,822	2,012	0.4173	0.5827	0.30
56.5	2,810		0.0000	1.0000	0.18
57.5	2,810		0.0000	1.0000	0.18
58.5	2,810	612	0.2178	0.7822	0.18
59.5	2,198	363	0.1650	0.8350	0.14
60.5	1,835		0.0000	1.0000	0.11
61.5	1,835	618	0.3368	0.6632	0.11
62.5	1,217		0.0000	1.0000	0.08
63.5	1,217	542	0.4450	0.5550	0.08
64.5	676		0.0000	1.0000	0.04
65.5	676	363	0.5373	0.4627	0.04
66.5	313		0.0000	1.0000	0.02
67.5	313	313	1.0000		0.02
68.5					


ORIGINAL CURVE ■ 1939-2022 EXPERIENCE
1915-2022 PLACEMENTS
IOWA 15-L2
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
0
10
20
30
40
50
60
AGE IN YEARS

PLACEMENT BAND 1915-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	45,619,396	110,253	0.0024	0.9976	100.00
0.5	43,872,776	26,384	0.0006	0.9994	99.76
1.5	42,670,617	116,022	0.0027	0.9973	99.70
2.5	40,294,587	173,547	0.0043	0.9957	99.43
3.5	38,885,222	206,137	0.0053	0.9947	99.00
4.5	36,698,563	615,071	0.0168	0.9832	98.47
5.5	34,306,532	1,034,562	0.0302	0.9698	96.82
6.5	32,448,102	1,421,100	0.0438	0.9562	93.90
7.5	29,460,630	2,301,343	0.0781	0.9219	89.79
8.5	26,218,545	2,308,460	0.0880	0.9120	82.78
9.5	23,114,398	2,529,259	0.1094	0.8906	75.49
10.5	19,857,720	2,678,045	0.1349	0.8651	67.23
11.5	16,622,744	1,869,475	0.1125	0.8875	58.16
12.5	14,709,697	1,824,905	0.1241	0.8759	51.62
13.5	12,919,431	1,523,861	0.1180	0.8820	45.22
14.5	11,096,352	1,362,496	0.1228	0.8772	39.88
15.5	9,447,607	1,060,983	0.1123	0.8877	34.99
16.5	8,374,262	750,522	0.0896	0.9104	31.06
17.5	7,594,682	1,109,825	0.1461	0.8539	28.27
18.5	6,096,442	891,862	0.1463	0.8537	24.14
19.5	4,991,292	716,481	0.1435	0.8565	20.61
20.5	4,179,958	372,292	0.0891	0.9109	17.65
21.5	3,690,741	432,307	0.1171	0.8829	16.08
22.5	3,092,409	338,403	0.1094	0.8906	14.20
23.5	2,339,177	271,522	0.1161	0.8839	12.64
24.5	2,073,333	396,789	0.1914	0.8086	11.18
25.5	1,616,002	267,816	0.1657	0.8343	9.04
26.5	1,347,034	77,893	0.0578	0.9422	7.54
27.5	1,256,478	150,729	0.1200	0.8800	7.10
28.5	995,095	199,598	0.2006	0.7994	6.25
29.5	748,681	33,635	0.0449	0.9551	5.00
30.5	613,602	188,111	0.3066	0.6934	4.77
31.5	411,471	116,609	0.2834	0.7166	3.31
32.5	294,862	44,037	0.1493	0.8507	2.37
33.5	236,009	13,187	0.0559	0.9441	2.02
34.5	221,571	45,224	0.2041	0.7959	1.90
35.5	170,974	12,591	0.0736	0.9264	1.52
36.5	158,383	4,195	0.0265	0.9735	1.40
37.5	146,037	4,810	0.0329	0.9671	1.37
38.5	124,924	95	0.0008	0.9992	1.32

PLACEMENT BAND 1915-2022 EXPERIENCE BAND 1939-2022

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	124,829	54	0.0004	0.9996	1.32
40.5	124,775	25,574	0.2050	0.7950	1.32
41.5	99,302	31,536	0.3176	0.6824	1.05
42.5	67,837	14,093	0.2077	0.7923	0.72
43.5	53,790	18,189	0.3381	0.6619	0.57
44.5	10,861	46	0.0042	0.9958	0.38
45.5	10,815	30	0.0027	0.9973	0.37
46.5	10,786		0.0000	1.0000	0.37
47.5	10,537		0.0000	1.0000	0.37
48.5	10,537	3,508	0.3330	0.6670	0.37
49.5	7,028	5,146	0.7322	0.2678	0.25
50.5	1,882		0.0000	1.0000	0.07
51.5	1,882		0.0000	1.0000	0.07
52.5	1,882		0.0000	1.0000	0.07
53.5	1,882		0.0000	1.0000	0.07
54.5	1,882		0.0000	1.0000	0.07
55.5	1,882		0.0000	1.0000	0.07
56.5	1,882		0.0000	1.0000	0.07
57.5	1,882		0.0000	1.0000	0.07
58.5	1,882		0.0000	1.0000	0.07
59.5	1,882		0.0000	1.0000	0.07
60.5	1,382		0.0000	1.0000	0.07
61.5					0.07

PART VII. DETAILED DEPRECIATION CALCULATIONS

CUMULATIVE DEPRECIATED ORIGINAL COST

1874	5.00	5.00		
1875	9,924.00	9,925.00	(1.00)	(1.00)
1876	956.00	956.00		(1.00)
1877	121.00	121.00		(1.00)
1881	12.00	12.00		(1.00)
1885	1,786.00	1,576.00	210.00	209.00
1886	5,192.00	5,192.00		209.00
1887	13,632.00	13,632.00		209.00
1888	13,649.00	12,449.00	1,200.00	1,409.00
1889	21,203.00	18,630.00	2,573.00	3,982.00
1890	47,140.00	47,133.00	7.00	3,989.00
1891	41,949.00	37,398.00	4,551.00	8,540.00
1892	14,904.00	14,904.00		8,540.00
1893	20,614.00	20,607.00	7.00	8,547.00
1894	25,385.00	25,239.00	146.00	8,693.00
1895	8,845.00	8,845.00		8,693.00
1896	29,440.00	28,170.00	1,270.00	9,963.00
1897	23,836.00	23,558.00	278.00	10,241.00
1898	32,891.00	32,876.00	15.00	10,256.00
1899	81,723.00	80,142.00	1,581.00	11,837.00
1900	735,560.00	699,011.00	36,549.00	48,386.00
1901	225,942.00	223,007.00	2,935.00	51,321.00
1902	348,252.00	338,993.00	9,259.00	60,580.00
1903	239,152.00	232,515.00	6,637.00	67,217.00
1904	130,586.00	127,224.00	3,362.00	70,579.00
1905	264,113.00	259,456.00	4,657.00	75,236.00
1906	179,982.00	175,687.00	4,295.00	79,531.00
1907	172,859.00	172,083.00	776.00	80,307.00
1908	199,467.00	188,767.00	10,700.00	91,007.00
1909	101,044.00	98,417.00	2,627.00	93,634.00
1910	80,182.00	78,435.00	1,747.00	95,381.00
1911	85,216.00	82,056.00	3,160.00	98,541.00
1912	85,458.00	84,030.00	1,428.00	99,969.00
1913	236,911.00	235,059.00	1,852.00	101,821.00
1914	281,313.00	279,194.00	2,119.00	103,940.00
1915	119,736.00	115,425.00	4,311.00	108,251.00
1916	117,010.00	110,596.00	6,414.00	114,665.00
1917	171,794.00	168,254.00	3,540.00	118,205.00
1918	89,775.00	87,187.00	2,588.00	120,793.00
1919	92,342.00	90,668.00	1,674.00	122,467.00
1920	53,787.00	53,205.00	582.00	123,049.00
1921	123,300.00	114,781.00	8,519.00	131,568.00
1922	186,354.00	182,509.00	3,845.00	135,413.00
1923	207,576.00	198,525.00	9,051.00	144,464.00
1924	344,076.00	319,796.00	24,280.00	168,744.00
1925	470,979.00	437,255.00	33,724.00	202,468.00
1926	399,855.00	378,306.00	21,549.00	224,017.00
1927	355,158.00	323,387.00	31,771.00	255,788.00
1928	274,055.00	243,969.00	30,086.00	285,874.00
1929	294,071.00	261,360.00	32,711.00	318,585.00
1930	319,115.00	282,123.00	36,992.00	355,577.00
1931	256,665.00	228,038.00	28,627.00	384,204.00
1932	174,830.00	152,872.00	21,958.00	406,162.00
1933	107,759.00	91,812.00	15,947.00	422,109.00
1934	77,404.00	64,371.00	13,033.00	435,142.00
1935	153,593.00	138,180.00	15,413.00	450,555.00
1936	171,954.00	152,163.00	19,791.00	470,346.00

1937	401,621.00	346,091.00	55,530.00	525,876.00	
1938	341,977.00	293,606.00	48,371.00	574,247.00	
1939	480,946.00	432,751.00	48,195.00	622,442.00	
1940	500,147.00	421,249.00	78,898.00	701,340.00	
1941	794,559.00	651,364.00	143,195.00	844,535.00	
1942	441,484.00	365,025.00	76,459.00	920,994.00	
1943	299,724.00	245,587.00	54,137.00	975,131.00	
1944	423,896.00	368,808.00	55,088.00	1,030,219.00	
1945	268,685.00	222,543.00	46,142.00	1,076,361.00	
1946	519,319.00	402,418.00	116,901.00	1,193,262.00	
1947	654,605.00	482,554.00	172,051.00	1,365,313.00	
1948	1,319,816.00	1,082,005.00	237,811.00	1,603,124.00	
1949	2,338,089.00	1,981,460.00	356,629.00	1,959,753.00	
1950	2,904,467.00	2,378,963.00	525,504.00	2,485,257.00	0.10
1951	2,503,131.00	1,873,451.00	629,680.00	3,114,937.00	0.10
1952	3,785,309.00	3,066,977.00	718,332.00	3,833,269.00	0.10
1953	3,409,003.00	2,651,803.00	757,200.00	4,590,469.00	0.10
1954	2,376,589.00	1,890,894.00	485,695.00	5,076,164.00	0.10
1955	3,640,972.00	2,786,827.00	854,145.00	5,930,309.00	0.10
1956	3,640,372.00	2,762,004.00	878,368.00	6,808,677.00	0.10
1957	4,808,664.00	3,630,169.00	1,178,495.00	7,987,172.00	0.20
1958	5,520,679.00	3,966,189.00	1,554,490.00	9,541,662.00	0.20
1959	7,384,267.00	5,251,573.00	2,132,694.00	11,674,356.00	0.20
1960	5,196,280.00	3,606,940.00	1,589,340.00	13,263,696.00	0.30
1961	7,576,560.00	5,297,667.00	2,278,893.00	15,542,589.00	0.30
1962	6,518,624.00	4,520,290.00	1,998,334.00	17,540,923.00	0.40
1963	7,646,054.00	5,475,207.00	2,170,847.00	19,711,770.00	0.40
1964	7,802,190.00	5,465,722.00	2,336,468.00	22,048,238.00	0.50
1965	7,348,222.00	4,915,253.00	2,432,969.00	24,481,207.00	0.50
1966	9,083,933.00	6,075,733.00	3,008,200.00	27,489,407.00	0.60
1967	8,837,926.00	5,615,015.00	3,222,911.00	30,712,318.00	0.60
1968	10,409,666.00	6,694,987.00	3,714,679.00	34,426,997.00	0.70
1969	9,697,294.00	6,190,316.00	3,506,978.00	37,933,975.00	0.80
1970	8,307,200.00	5,331,111.00	2,976,089.00	40,910,064.00	0.80
1971	11,391,901.00	7,104,143.00	4,287,758.00	45,197,822.00	0.90
1972	16,630,518.00	10,091,432.00	6,539,086.00	51,736,908.00	1.10
1973	17,373,329.00	10,260,277.00	7,113,052.00	58,849,960.00	1.20
1974	16,148,027.00	9,691,412.00	6,456,615.00	65,306,575.00	1.30
1975	11,121,531.00	6,883,217.00	4,238,314.00	69,544,889.00	1.40
1976	10,640,106.00	6,684,396.00	3,955,710.00	73,500,599.00	1.50
1977	16,660,869.00	9,892,281.00	6,768,588.00	80,269,187.00	1.70
1978	23,028,831.00	14,845,489.00	8,183,342.00	88,452,529.00	1.80
1979	23,070,157.00	13,359,426.00	9,710,731.00	98,163,260.00	2.00
1980	25,697,496.00	14,317,201.00	11,380,295.00	109,543,555.00	2.30
1981	38,303,933.00	21,348,451.00	16,955,482.00	126,499,037.00	2.60
1982	30,101,163.00	16,952,740.00	13,148,423.00	139,647,460.00	2.90
1983	21,063,489.00	13,748,398.00	7,315,091.00	146,962,551.00	3.00
1984	33,376,150.00	21,636,940.00	11,739,210.00	158,701,761.00	3.30
1985	43,485,421.00	26,704,421.00	16,781,000.00	175,482,761.00	3.60
1986	29,745,424.00	17,680,015.00	12,065,409.00	187,548,170.00	3.90
1987	51,468,815.00	31,151,594.00	20,317,221.00	207,865,391.00	4.30
1988	35,509,446.00	21,129,159.00	14,380,287.00	222,245,678.00	4.60
1989	35,985,445.00	20,263,364.00	15,722,081.00	237,967,759.00	4.90
1990	50,988,334.00	28,867,147.00	22,121,187.00	260,088,946.00	5.30
1991	43,933,979.00	24,185,607.00	19,748,372.00	279,837,318.00	5.80
1992	53,127,664.00	29,046,709.00	24,080,955.00	303,918,273.00	6.30
1993	42,287,555.00	22,775,497.00	19,512,058.00	323,430,331.00	6.70

1994	45,379,292.00	24,173,303.00	21,205,989.00	344,636,320.00	7.10
1995	45,500,669.00	23,460,806.00	22,039,863.00	366,676,183.00	7.50
1996	36,773,235.00	18,440,310.00	18,332,925.00	385,009,108.00	7.90
1997	48,938,060.00	24,527,055.00	24,411,005.00	409,420,113.00	8.40
1998	34,368,160.00	16,350,474.00	18,017,686.00	427,437,799.00	8.80
1999	39,897,071.00	18,706,799.00	21,190,272.00	448,628,071.00	9.20
2000	32,005,625.00	14,146,405.00	17,859,220.00	466,487,291.00	9.60
2001	52,745,604.00	23,127,168.00	29,618,436.00	496,105,727.00	10.20
2002	66,413,726.00	28,485,216.00	37,928,510.00	534,034,237.00	11.00
2003	60,557,891.00	24,933,240.00	35,624,651.00	569,658,888.00	11.70
2004	69,807,421.00	27,902,056.00	41,905,365.00	611,564,253.00	12.60
2005	96,699,748.00	46,777,988.00	49,921,760.00	661,486,013.00	13.60
2006	74,919,789.00	28,212,443.00	46,707,346.00	708,193,359.00	14.60
2007	68,845,421.00	25,161,297.00	43,684,124.00	751,877,483.00	15.50
2008	67,726,272.00	24,274,743.00	43,451,529.00	795,329,012.00	16.40
2009	73,164,911.00	26,313,819.00	46,851,092.00	842,180,104.00	17.30
2010	62,429,488.00	19,495,897.00	42,933,591.00	885,113,695.00	18.20
2011	83,734,181.00	28,767,081.00	54,967,100.00	940,080,795.00	19.30
2012	111,056,652.00	32,473,933.00	78,582,719.00	1,018,663,514.00	21.00
2013	84,352,050.00	22,587,020.00	61,765,030.00	1,080,428,544.00	22.20
2014	98,568,427.00	25,519,568.00	73,048,859.00	1,153,477,403.00	23.70
2015	106,251,454.00	31,843,044.00	74,408,410.00	1,227,885,813.00	25.30
2016	114,495,972.00	28,837,166.00	85,658,806.00	1,313,544,619.00	27.00
2017	193,882,233.00	47,145,793.00	146,736,440.00	1,460,281,059.00	30.00
2018	226,190,605.00	43,062,957.00	183,127,648.00	1,643,408,707.00	33.80
2019	233,941,790.00	41,921,347.00	192,020,443.00	1,835,429,150.00	37.80
2020	236,831,347.00	39,647,203.00	197,184,144.00	2,032,613,294.00	41.80
2021	336,655,448.00	53,024,581.00	283,630,867.00	2,316,244,161.00	47.60
2022	384,693,864.00	44,116,597.00	340,577,267.00	2,656,821,428.00	54.60
2023	579,675,203.00	64,519,816.00	515,155,387.00	3,171,976,815.00	65.20
2024	574,033,085.00	44,155,497.00	529,877,588.00	3,701,854,403.00	76.10
2025	490,939,798.00	18,464,485.00	472,475,313.00	4,174,329,716.00	85.90
2026	705,339,589.00	17,863,828.00	687,475,761.00	4,861,805,477.00	100.00
TOTAL	6,363,456,366.00	1,501,650,889.00	4,861,805,477.00		

UTILITY PLANT IN SERVICE

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

2014	6,672,546.69	2,071,292	1,613,328	5,059,219	27.58	183,438
2016	53,940.90	14,047	10,941	43,000	29.57	1,454
2025	3,535.71	125	97	3,439	38.64	89
2026	12,231,156.14	280,338	218,356	12,012,800	39.08	307,390
	18,961,179.44	2,365,802	1,842,722	17,118,457		492,371

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.80 2.60

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	443,379.38	443,379	443,379			
2013	69,817.64	69,818	69,818			
2016	452,941.16	452,941	452,941			
2017	4,045.48	4,045	4,045			
2018	502,260.66	502,261	502,261			
2020	2,285,025.14	2,285,025	2,285,025			
2021	6,559,801.70	6,559,802	6,559,802			
2022	5,990,060.13	5,291,200	4,775,028	1,215,032	1.00	1,215,032
2023	27,468,573.89	18,770,101	16,939,023	10,529,551	1.58	6,664,273
2024	24,652,669.76	11,915,375	10,752,995	13,899,675	2.58	5,387,471
2025	1,215,493.59	344,386	310,790	904,704	3.58	252,711
	69,644,068.53	46,638,333	43,095,107	26,548,962		13,519,487

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.00 19.41

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2015	295,715.66	225,072	47,720	247,996	3.58	69,273
2016	289,828.04	201,268	42,673	247,155	4.58	53,964
2017	202,097.77	126,873	26,900	175,198	5.58	31,397
2019	3,464,658.24	1,713,066	363,204	3,101,454	7.58	409,163
2020	2,952,009.33	1,262,811	267,741	2,684,268	8.58	312,852
2021	1,843,374.50	665,661	141,134	1,702,240	9.58	177,687
2022	1,523,378.34	448,544	95,100	1,428,278	10.58	134,998
2023	1,252,679.74	285,335	60,497	1,192,183	11.58	102,952
2024	52,723.58	8,494	1,801	50,923	12.58	4,048
	11,876,465.20	4,937,124	1,046,770	10,829,695		1,296,334

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.40 10.92

SURVIVOR CURVE.. 10-SQUARE
NET SALVAGE PERCENT: 0

2012	717,477.53	717,478	717,478			
2013	144,771.93	144,772	144,772			
2014	330,468.51	330,469	330,469			
2015	6,075,099.41	6,075,099	6,075,099			
2016	2,285,083.75	2,285,084	2,285,084			
2017	322,127.80	303,338	322,128			
2019	3,715,571.91	2,755,728	3,715,572			
2020	310,519.61	199,251	310,520			
2021	1,220,824.21	661,284	1,220,824			
2022	606.67	268	602	5	5.00	1
2023	2,631,854.80	899,226	2,019,866	611,989	6.58	93,007
2024	590,540.88	142,716	320,573	269,968	7.58	35,616
	18,344,947.01	14,514,713	17,462,987	881,960		128,624

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.90 0.70

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1938	2,365.49	2,170	2,365			
1954	662.55	554	663			
1966	474.91	350	475			
1983	5,657.27	3,316	5,657			
2008	130,279.99	33,834	74,282	55,998	52.48	1,067
	139,440.21	40,224	83,442	55,998		1,067

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 52.50 0.77

SURVIVOR CURVE: IOWA 45-L0
NET SALVAGE PERCENT: 0

1890	13.00	11	13			
1897	620.75	503	621			
1899	305.00	245	305			
1900	263.11	210	263			
1901	378.47	302	378			
1908	11.01	9	11			
1909	45.50	35	45			
1910	1.00	1	1			
1914	105.50	79	101	4		
1915	25.11	19	24	1		
1916	58.60	44	56	3		
1917	2.75	2	3			
1919	56.45	41	52	4		
1921	34.54	25	32	3		
1922	16.94	12	15	2		
1926	110.00	78	100	10	10.00	1
1931	44.62	31	40	5		
1937	39.01	26	33	6		
1941	198.30	128	164	34	17.00	2
1943	103.13	65	83	20	20.00	1
1945	15.81	10	13	3		
1946	4.87	3	4	1		
1947	22.60	14	18	5		
1948	100.00	61	78	22	22.00	1
1950	70.00	42	54	16	16.00	1
1953	166.24	98	125	41	20.50	2
1955	8.17	5	6	2		
1956	95.00	54	69	26	26.00	1
1957	187.00	106	136	51	17.00	3
1958	235.50	132	169	66	22.00	3
1959	280.00	156	200	80	20.00	4
1960	81.57	45	58	24	24.00	1
1961	332.30	182	233	99	19.80	5
1965	440.34	231	296	144	20.57	7
1966	37.55	20	26	12	12.00	1
1968	218.17	111	142	76	25.33	3
1970	23.61	12	15	9		
1971	728.26	357	457	271	22.58	12
1972	2,608.99	1,264	1,618	991	23.05	43
1973	116.76	56	72	45	22.50	2
1974	969.05	458	586	383	23.94	16
1975	72.25	34	44	28	28.00	1
1977	1,441.00	654	837	604	24.16	25
1978	765.00	343	439	326	25.08	13
1979	82.70	36	46	37	37.00	1
1980	91.23	40	51	40	20.00	2
1982	195.00	82	105	90	30.00	3
1995	2,658.92	1,537	1,969	690	23.00	30
	14,480.68	8,009	10,206	4,275		184

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.20 1.27

SURVIVOR CURVE: IOWA 65-R2.5
NET SALVAGE PERCENT: 0

1901	1,674.68	1,675	1,675			
1910	22.78	22	23			
1923	1,969.07	1,832	1,969			
1924	25.41	24	25			
1927	43.28	40	43			
1938	1,018.56	895	1,009	10	10.00	1
1948	385.48	323	364	21	10.50	2
1959	410.49	319	359	51	12.75	4
1974	3,366.13	2,210	2,490	876	22.46	39
1976	518.00	330	372	146	24.33	6
1980	1,507.30	900	1,014	493	25.95	19
1981	923.36	541	610	313	26.08	12
2005	9,119.74	3,242	3,653	5,467	38.77	141
	20,984.28	12,353	13,606	7,378		224

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.90 1.07

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1875	1.00	1	1			
1888	137.42	137	137			
1889	130.52	130	131			
1890	1,873.28	1,855	1,873			
1891	1,372.99	1,355	1,373			
1892	924.40	909	924			
1893	699.05	685	699			
1894	3,023.40	2,952	3,023			
1895	218.54	213	219			
1896	1,259.83	1,221	1,260			
1897	1,642.16	1,586	1,642			
1898	1,409.64	1,356	1,410			
1899	2,897.90	2,777	2,898			
1900	2,874.97	2,745	2,875			
1901	10,007.57	9,518	10,008			
1902	4,457.09	4,223	4,457			
1903	7,504.57	7,084	7,505			
1904	5,966.84	5,612	5,967			
1905	9,920.15	9,296	9,920			
1906	6,726.76	6,283	6,727			
1907	4,784.95	4,454	4,785			
1908	3,068.84	2,847	3,069			
1909	6,824.39	6,311	6,824			
1910	3,360.27	3,097	3,360			
1911	2,637.18	2,423	2,637			
1912	5,250.72	4,810	5,251			
1913	3,998.45	3,651	3,998			
1914	5,211.01	4,743	5,211			
1915	3,526.25	3,199	3,526			
1916	9,327.91	8,435	9,328			
1917	11,339.21	10,220	11,339			
1918	5,939.02	5,336	5,939			
1919	10,034.15	8,984	10,034			
1920	8,068.68	7,199	8,069			
1921	9,874.37	8,780	9,874			
1922	13,323.29	11,806	13,323			
1923	12,530.40	11,065	12,530			
1924	23,943.35	21,067	23,943			
1925	11,074.30	9,709	11,074			
1926	10,137.05	8,854	10,137			
1927	11,336.06	9,864	11,336			
1928	3,835.08	3,324	3,835			
1929	3,297.79	2,848	3,298			
1930	7,617.74	6,551	7,618			
1931	362.17	310	362			
1932	666.58	569	667			
1933	1,250.79	1,062	1,251			
1934	192.41	163	192			
1935	1,203.89	1,013	1,204			
1936	3,095.27	2,593	3,095			
1937	896.03	747	896			
1938	3,164.87	2,626	3,165			
1939	2,701.60	2,230	2,702			
1940	3,447.99	2,831	3,436	12	12.00	1

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1941	4,750.60	3,879	4,708	43	14.33	3
1942	8,225.90	6,678	8,105	121	13.44	9
1943	7,793.53	6,290	7,634	160	14.55	11
1944	6,001.22	4,815	5,844	157	14.27	11
1945	4,000.28	3,189	3,870	130	14.44	9
1946	3,848.61	3,048	3,699	150	15.00	10
1947	1,776.17	1,397	1,696	80	16.00	5
1948	2,046.38	1,598	1,939	107	15.29	7
1949	1,945.89	1,509	1,831	115	16.43	7
1950	1,033.21	795	965	68	17.00	4
1951	6,743.01	5,149	6,249	494	17.64	28
1952	5,227.54	3,960	4,806	422	18.35	23
1953	3,419.00	2,568	3,117	302	18.88	16
1954	4,135.13	3,079	3,737	398	18.95	21
1955	3,153.08	2,327	2,824	329	19.35	17
1956	13,433.71	9,824	11,923	1,511	20.15	75
1957	5,572.78	4,038	4,901	672	20.36	33
1958	7,746.35	5,558	6,746	1,000	21.28	47
1959	8,167.31	5,801	7,041	1,126	21.65	52
1960	3,263.45	2,294	2,784	479	22.81	21
1961	3,904.37	2,715	3,295	609	22.56	27
1962	5,795.30	3,986	4,838	957	23.34	41
1963	5,947.65	4,044	4,908	1,040	24.19	43
1964	6,467.83	4,347	5,276	1,192	24.83	48
1965	5,532.56	3,674	4,459	1,074	24.98	43
1966	11,080.22	7,267	8,820	2,260	25.68	88
1967	5,622.33	3,641	4,419	1,203	26.15	46
1968	3,247.97	2,076	2,520	728	26.96	27
1969	4,053.75	2,557	3,103	951	27.97	34
1970	25,742.29	16,015	19,437	6,305	28.40	222
1971	51,947.30	31,861	38,670	13,277	28.99	458
1972	27,208.63	16,445	19,959	7,250	29.71	244
1973	21,080.78	12,553	15,236	5,845	30.28	193
1974	11,679.68	6,849	8,313	3,367	30.89	109
1975	15,635.72	9,025	10,954	4,682	31.64	148
1976	24,795.30	14,081	17,090	7,705	32.37	238
1977	9,701.66	5,419	6,577	3,125	33.24	94
1978	12,975.14	7,124	8,646	4,329	33.82	128
1979	18,968.48	10,233	12,420	6,548	34.46	190
1980	8,113.79	4,298	5,216	2,898	35.34	82
1981	16,632.83	8,649	10,497	6,136	36.09	170
1982	8,839.18	4,509	5,473	3,366	36.59	92
1983	11,652.16	6,628	8,044	3,608	32.80	110
1984	61,906.30	34,661	42,068	19,838	33.34	595
1985	15,651.08	8,556	10,384	5,267	34.42	153
1986	17,645.91	9,485	11,512	6,134	34.85	176
1987	4,920.02	2,599	3,154	1,766	35.32	50
1988	38,191.05	19,661	23,863	14,328	36.18	396
1989	8,167.54	4,125	5,007	3,161	36.76	86
1990	1,377.08	682	828	549	36.60	15
1991	28,921.57	13,932	16,909	12,013	38.14	315
1992	11,012.64	5,192	6,302	4,711	38.61	122
1993	5,340.25	2,463	2,989	2,351	39.18	60
1994	15,466.03	6,920	8,399	7,067	40.15	176
1995	5,379.78	2,349	2,851	2,529	40.79	62

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1996	12,980.22	5,527	6,708	6,272	40.99	153
1997	7,464.80	3,074	3,731	3,734	41.96	89
1998	3,484.33	1,396	1,694	1,790	42.62	42
1999	15.50	6	7	8		
2000	16,002.37	6,002	7,285	8,717	44.03	198
2001	26,595.59	9,667	11,733	14,863	44.50	334
2002	309,217.69	108,721	131,954	177,264	45.03	3,937
2003	155,944.14	52,943	64,257	91,687	45.55	2,013
2004	64,143.30	20,847	25,302	38,841	46.57	834
2005	520.27	163	198	322	46.00	7
2006	25,903.77	7,774	9,435	16,469	47.60	346
2007	586.03	167	203	383	47.88	8
2008	82,248.26	22,421	27,212	55,036	49.14	1,120
2009	356.34	92	112	244	48.80	5
2010	4.00	1	1	3		
2011	17,137.51	3,990	4,843	12,295	50.81	242
2012	44.11	10	12	32	32.00	1
2015	567.59	100	121	447	55.88	8
2021	692.28	61	74	618	56.18	11
2024	332,035.65	13,481	16,362	315,674	57.11	5,527
2025	92,164.89	2,258	2,740	89,425	56.38	1,586
2026	80,696.98	1,299	1,577	79,120	55.92	1,415
	2,132,063.08	880,076	1,042,773	1,089,290		23,367

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 46.60 1.10

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

1906	456.70	457	457			
1910	74.04	74	74			
1929	30.85	30	31			
1937	65.76	61	66			
1938	15,789.80	14,523	15,790			
1942	15.48	14	15			
1944	26.10	23	26			
1945	62.03	54	62			
1947	109.05	94	109			
1952	6,242.77	5,153	6,061	182	8.67	21
1956	25,047.82	19,973	23,493	1,555	10.10	154
1957	1,353.14	1,070	1,259	94	10.44	9
1958	34.99	27	32	3		
1959	13.86	11	13	1		
1960	603.38	464	546	57	11.40	5
1962	2,018.73	1,523	1,791	228	12.00	19
1963	1,533.76	1,145	1,347	187	12.47	15
1964	43,478.50	32,148	37,814	5,664	13.02	435
1967	3,629.38	2,601	3,059	570	14.25	40
1968	5,768.79	4,089	4,810	959	14.53	66
1969	479.85	336	395	85	14.17	6
1970	1,385.27	960	1,129	256	15.06	17
1971	23,326.32	15,983	18,800	4,526	15.72	288
1972	3,121.79	2,114	2,487	635	16.28	39
1973	786.18	526	619	167	16.70	10
1974	139,894.30	92,442	108,734	31,160	16.96	1,837
1975	609.27	398	468	141	17.63	8
1976	705.18	454	534	171	17.10	10
1977	3,035.23	1,930	2,270	765	18.21	42
1978	6,870.73	4,309	5,068	1,803	18.59	97
1980	11,213.10	6,836	8,041	3,172	19.58	162
1982	703.50	416	489	214	21.40	10
1983	607.35	427	502	105	17.50	6
1985	67,767.23	46,590	54,801	12,966	18.82	689
1987	2,626.40	1,760	2,070	556	19.17	29
1988	1,274.00	842	990	284	20.29	14
1990	13,349.43	8,556	10,064	3,285	20.40	161
1991	32,762.97	20,654	24,294	8,469	20.76	408
1992	26,698.28	16,540	19,455	7,243	21.12	343
1994	42,278.62	25,219	29,664	12,615	21.94	575
1995	118,256.75	69,109	81,289	36,968	22.34	1,655
1996	9,454.33	5,406	6,359	3,095	22.76	136
1997	5,432.04	3,052	3,590	1,842	23.03	80
1998	169,768.23	93,101	109,510	60,258	23.40	2,575
2002	498,453.49	247,083	290,630	207,823	24.84	8,366
2003	113,286.62	54,649	64,281	49,006	25.13	1,950
2004	63,989.80	29,838	35,097	28,893	25.66	1,126
2005	70,222.38	31,733	37,326	32,896	25.98	1,266
2006	87,641.30	38,290	45,038	42,603	26.31	1,619
2007	44,851.16	18,896	22,226	22,625	26.68	848
2008	260,198.94	104,938	123,433	136,766	27.25	5,019
2009	8,618,992.07	3,332,102	3,919,372	4,699,620	27.63	170,091
2010	201,983.09	74,613	87,763	114,220	28.03	4,075
2011	226,605.73	79,992	94,090	132,516	28.25	4,691

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

2014	44,041.32	13,014	15,308	28,733	29.59	971
2017	195,540.18	45,854	53,936	141,604	30.74	4,607
2018	68,940.26	14,622	17,199	51,741	31.26	1,655
2019	1,395.07	265	312	1,083	31.85	34
2021	389,650.91	55,720	65,540	324,111	32.46	9,985
2024	634,287.77	42,624	50,136	584,152	33.55	17,411
	12,308,841.37	4,685,727	5,510,164	6,798,677		243,675

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 27.90 1.98

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

1926	26.31	26	26			
1931	218.45	218	218			
1933	44.94	45	45			
1936	73.64	74	74			
1937	531.89	532	532			
1939	100.05	100	100			
1940	956.27	956	956			
1941	898.87	899	899			
1942	629.69	630	630			
1943	248.82	249	249			
1944	261.20	261	261			
1945	217.29	217	217			
1946	820.91	821	821			
1947	921.97	922	922			
1948	1,216.34	1,216	1,216			
1949	1,134.41	1,134	1,134			
1950	567.10	567	567			
1951	543.96	544	544			
1952	1,053.47	1,053	1,053			
1953	1,069.33	1,069	1,069			
1954	633.57	634	634			
1955	741.69	742	742			
1956	1,395.06	1,395	1,395			
1957	2,346.89	2,347	2,347			
1958	2,203.34	2,203	2,203			
1959	3,274.42	3,274	3,274			
1960	2,528.27	2,528	2,528			
1961	2,559.62	2,542	2,560			
1962	1,874.02	1,841	1,865	9	1.00	9
1963	2,029.56	1,971	1,997	33	1.00	33
1964	2,616.00	2,511	2,544	72	1.31	55
1965	1,273.78	1,209	1,225	49	1.69	29
1966	2,269.62	2,128	2,156	114	2.07	55
1967	1,324.41	1,227	1,243	81	2.45	33
1968	1,734.23	1,587	1,608	126	2.80	45
1969	3,425.35	3,095	3,137	288	3.16	91
1970	1,286.76	1,148	1,163	124	3.54	35
1971	668.05	588	596	72	4.00	18
1972	1,383.67	1,203	1,219	165	4.34	38
1973	761.21	653	662	99	4.71	21
1974	719.26	608	616	103	5.15	20
1975	963.27	803	814	149	5.52	27
1977	536.39	435	441	95	6.33	15
1978	215.76	172	174	42	7.00	6
1980	9.48	7	7	2		
1981	87.81	67	68	20	6.67	3
1983	39.62	33	33	7	7.00	1
1984	99.50	83	84	16	8.00	2
1988	14.12	11	11	3		
1990	20.61	16	16	5		
1991	96.00	73	74	22	11.00	2
1996	73.72	52	53	21	10.50	2
1999	618.21	414	420	198	13.20	15
2023	11,419.39	1,663	1,685	9,734	20.07	485

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

2026	37,237.28	1,616	1,638	35,599	20.18	1,764
	100,014.85	52,412	52,765	47,250		2,804

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.90 2.80

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1906	29.99	30	30			
1923	95.58	92	96			
1925	385.22	368	385			
1930	2,807.06	2,623	2,807			
1931	435.00	405	435			
1934	601.82	553	602			
1937	1,286.00	1,168	1,286			
1938	651.10	589	651			
1939	189.89	171	190			
1940	636.24	571	636			
1942	77.88	69	78			
1943	2,016.88	1,786	2,017			
1945	452.54	397	453			
1946	2,458.57	2,148	2,459			
1947	904.95	787	905			
1948	1,112.43	963	1,112			
1949	221.89	191	222			
1951	66.26	56	66			
1952	571.42	484	571			
1955	411.60	343	412			
1958	1,144.69	935	1,145			
1959	31,709.01	25,721	31,709			
1960	1,570.53	1,265	1,571			
1961	3,625.00	2,896	3,625			
1962	1,076.72	853	1,077			
1963	680.33	535	680			
1964	4,511.67	3,514	4,512			
1965	831.40	642	831			
1966	114.36	87	114			
1968	36,991.24	27,694	36,991			
1969	245.28	182	245			
1971	2,313.81	1,674	2,314			
1972	612.48	438	612			
1974	22,623.29	15,750	22,034	589	18.41	32
1975	3,901.22	2,679	3,748	153	19.13	8
1976	208.11	141	197	11	11.00	1
1977	26,345.91	17,573	24,585	1,761	20.01	88
1979	2,212.93	1,431	2,002	211	21.10	10
1980	97,670.75	62,102	86,881	10,790	21.84	494
1981	643.50	402	562	82	20.50	4
1982	5,146.63	3,161	4,422	725	23.39	31
1983	4,071.13	2,740	3,833	238	21.64	11
1984	20,420.45	13,512	18,903	1,517	21.67	70
1985	5,137.69	3,341	4,674	464	22.10	21
1986	3,301.96	2,109	2,951	351	23.40	15
1987	20,490.35	12,841	17,965	2,525	23.38	108
1988	10,481.87	6,443	9,014	1,468	24.07	61
1989	22,648.83	13,644	19,088	3,561	24.73	144
1990	2,552.29	1,506	2,107	445	24.72	18
1991	41,020.96	23,681	33,130	7,891	25.96	304
1992	106,311.11	60,002	83,943	22,368	26.57	842
1994	130,682.51	70,320	98,378	32,305	27.83	1,161
1995	18,382.83	9,645	13,493	4,890	28.43	172
1997	10,281.55	5,111	7,150	3,132	29.83	105

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1999	18,151.93	8,510	11,906	6,246	31.07	201
2001	18,550.28	8,157	11,412	7,138	32.45	220
2002	28,964.69	12,377	17,315	11,650	32.72	356
2005	7,907.93	3,015	4,218	3,690	34.81	106
2006	7,372.59	2,695	3,770	3,603	35.32	102
2008	46,189.52	15,395	21,538	24,652	36.85	669
2012	1,028,723.58	275,904	385,991	642,733	39.34	16,338
2013	4,370.54	1,097	1,535	2,836	39.94	71
2014	54,393.11	12,695	17,760	36,633	40.79	898
2017	33,443.06	6,047	8,460	24,983	42.71	585
2019	2,790.13	406	568	2,222	43.57	51
2021	19,981.66	2,154	3,013	16,969	44.77	379
	1,926,213.73	756,816	1,047,385	878,829		23,676

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.10 1.23

SURVIVOR CURVE: IOWA 25-L1
NET SALVAGE PERCENT: 0

1921	6,345.07	6,345	6,345	
1933	5.00	5	5	
1942	23.70	24	24	
1965	620.40	541	620	
1974	1,086.16	874	1,086	
1981	177.94	133	178	
1982	113.94	84	114	
1985	312.58	269	313	
1994	198.47	158	198	
1995	16.42	13	16	
1997	314.81	242	1,562	(1,247)
	9,214.49	8,688	10,461	(1,247)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-L1
NET SALVAGE PERCENT: 0

1921	1,219.94	1,220	1,220			
1945	420.81	415	397	24	1.00	24
1954	1,258.20	1,169	1,117	141	1.86	76
1979	31.01	23	22	9	9.00	1
1984	30.56	26	25	6	6.00	1
	2,960.52	2,853	2,781	180		102

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.80 3.45

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1875	75.16	75	75			
1886	520.14	520	520			
1889	52.06	52	52			
1890	36,354.03	36,354	36,354			
1891	140.08	140	140			
1892	2,494.58	2,495	2,495			
1893	4,580.42	4,580	4,580			
1894	17,753.23	17,753	17,753			
1895	7,748.35	7,748	7,748			
1896	2,804.50	2,799	2,804			
1897	6,577.95	6,531	6,578			
1898	28,504.51	28,180	28,505			
1899	45,233.42	44,482	45,233			
1900	44,936.91	43,969	44,937			
1901	75,788.02	73,771	75,788			
1902	62,162.02	60,192	62,162			
1903	63,229.81	60,895	63,230			
1904	45,849.12	43,917	45,849			
1905	106,164.97	101,135	106,165			
1906	18,440.91	17,473	18,441			
1907	106,065.42	99,995	106,065			
1908	88,813.63	83,321	88,814			
1909	23,921.75	22,343	23,922			
1910	30,804.32	28,648	30,804			
1911	3,375.49	3,127	3,375			
1912	2,871.43	2,649	2,871			
1913	34,663.84	31,864	34,664			
1914	39,815.56	36,459	39,816			
1915	6,595.24	6,017	6,595			
1916	15,317.81	13,923	15,318			
1917	39,541.33	35,800	39,541			
1918	24,424.16	22,023	24,424			
1919	21,908.10	19,677	21,908			
1920	29,904.63	26,744	29,905			
1921	8,800.90	7,838	8,801			
1922	84,055.95	74,526	84,056			
1923	33,459.49	29,537	33,459			
1924	36,680.88	32,234	36,681			
1925	39,041.01	34,146	39,041			
1926	16,145.16	14,054	16,145			
1927	58,395.26	50,588	58,340	55	9.17	6
1928	22,375.18	19,287	22,242	133	8.87	15
1929	44,550.74	38,211	44,066	485	9.33	52
1930	30,000.51	25,602	29,525	476	9.52	50
1931	28,748.77	24,405	28,145	604	9.74	62
1932	8,366.78	7,065	8,148	219	9.95	22
1933	11,514.41	9,672	11,154	360	10.29	35
1934	3,350.90	2,799	3,228	123	11.18	11
1935	8,307.47	6,902	7,960	347	10.84	32
1936	3,626.86	2,996	3,455	172	11.47	15
1937	15,932.51	13,087	15,092	841	11.68	72
1938	37,131.75	30,323	34,969	2,163	11.95	181
1939	82,635.47	67,088	77,368	5,267	12.22	431
1940	29,323.94	23,662	27,288	2,036	12.57	162

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1941	179,685.02	144,080	166,158	13,527	12.88	1,050
1942	42,469.73	33,839	39,024	3,446	13.20	261
1943	36,336.76	28,767	33,175	3,162	13.51	234
1944	122,800.02	96,577	111,376	11,424	13.88	823
1945	90,660.69	70,813	81,664	8,997	14.24	632
1946	51,628.91	40,048	46,185	5,444	14.60	373
1947	52,154.16	40,167	46,322	5,832	14.95	390
1948	16,449.89	12,578	14,505	1,945	15.31	127
1949	52,672.35	39,974	46,099	6,573	15.69	419
1950	55,572.13	41,850	48,263	7,309	16.06	455
1951	54,367.38	40,625	46,850	7,517	16.41	458
1952	65,379.43	48,451	55,875	9,504	16.82	565
1953	101,242.23	74,405	85,806	15,436	17.23	896
1954	56,740.45	41,351	47,687	9,053	17.65	513
1955	53,292.90	38,494	44,393	8,900	18.05	493
1956	314,922.25	225,437	259,981	54,941	18.47	2,975
1957	483,141.03	342,658	395,164	87,977	18.90	4,655
1958	187,302.88	131,573	151,734	35,569	19.34	1,839
1959	321,323.98	223,542	257,796	63,528	19.78	3,212
1960	242,979.86	167,321	192,960	50,020	20.24	2,471
1961	93,375.89	63,639	73,391	19,985	20.71	965
1962	179,821.52	121,255	139,835	39,987	21.17	1,889
1963	242,921.87	162,009	186,834	56,088	21.65	2,591
1964	234,778.84	154,808	178,530	56,249	22.14	2,541
1965	159,250.52	103,807	119,714	39,537	22.63	1,747
1966	209,553.27	134,984	155,668	53,885	23.13	2,330
1967	269,490.68	171,480	197,756	71,735	23.64	3,034
1968	196,619.44	123,538	142,468	54,151	24.16	2,241
1969	617,808.20	383,134	441,842	175,966	24.69	7,127
1970	107,858.23	66,009	76,124	31,734	25.23	1,258
1971	490,025.24	295,823	341,153	148,872	25.76	5,779
1972	1,342,996.48	799,392	921,885	421,111	26.31	16,006
1973	533,490.37	312,956	360,911	172,579	26.87	6,423
1974	696,754.57	402,620	464,314	232,441	27.44	8,471
1975	994,581.58	565,996	652,725	341,857	28.01	12,205
1976	572,957.62	320,942	370,121	202,837	28.59	7,095
1977	1,222,658.44	673,783	777,028	445,630	29.18	15,272
1978	595,091.02	322,539	371,962	223,129	29.77	7,495
1979	709,715.44	378,115	436,054	273,661	30.37	9,011
1980	850,569.33	445,171	513,386	337,183	30.98	10,884
1981	719,641.39	369,788	426,451	293,190	31.60	9,278
1982	744,081.56	375,248	432,748	311,334	32.22	9,663
1983	494,091.01	300,309	346,326	147,765	28.01	5,275
1984	877,563.07	524,870	605,297	272,266	28.50	9,553
1985	2,104,313.97	1,237,547	1,427,179	677,135	29.01	23,341
1986	826,412.09	477,666	550,860	275,552	29.51	9,338
1987	327,857.92	186,092	214,607	113,251	30.03	3,771
1988	2,094,074.77	1,166,400	1,345,130	748,945	30.55	24,515
1989	771,810.32	421,640	486,249	285,561	31.08	9,188
1990	599,366.35	320,841	370,004	229,362	31.61	7,256
1991	1,288,609.50	675,489	778,996	509,614	32.15	15,851
1992	1,516,974.53	777,905	897,105	619,870	32.70	18,956
1993	521,940.25	261,596	301,681	220,259	33.25	6,624
1994	609,579.12	300,340	346,362	263,217	33.38	7,885
1995	600,899.57	288,852	333,113	267,787	33.94	7,890

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1996	932,845.50	436,945	503,899	428,946	34.52	12,426
1997	2,103,640.34	959,260	1,106,250	997,390	35.10	28,416
1998	445,095.70	197,311	227,545	217,551	35.69	6,096
1999	530,926.75	229,997	265,240	265,687	35.87	7,407
2000	849,825.53	356,927	411,620	438,206	36.48	12,012
2001	929,975.83	378,221	436,177	493,799	37.08	13,317
2002	231,148.18	91,442	105,454	125,694	37.31	3,369
2003	1,237,022.68	472,172	544,524	692,499	37.93	18,257
2004	520,218.80	192,429	221,915	298,304	38.19	7,811
2005	821,936.63	292,198	336,972	484,965	38.83	12,489
2006	556,159.87	190,763	219,994	336,166	39.11	8,595
2007	1,598,590.75	527,695	608,555	990,036	39.41	25,121
2008	2,424,327.67	763,421	880,402	1,543,926	40.06	38,540
2009	1,473,240.47	443,887	511,905	961,335	40.39	23,801
2010	1,873,588.37	538,282	620,764	1,252,824	40.73	30,759
2011	5,115,444.55	1,396,005	1,609,918	3,505,527	41.08	85,334
2012	2,263,124.72	584,112	673,617	1,589,508	41.45	38,348
2013	2,978,341.99	723,141	833,949	2,144,393	41.83	51,264
2014	2,165,572.32	494,833	570,657	1,594,915	41.93	38,038
2015	1,591,075.00	337,944	389,728	1,201,347	42.34	28,374
2016	288,523.93	56,810	65,515	223,009	42.49	5,249
2017	1,077,529.78	194,817	224,669	852,861	42.67	19,987
2018	1,700,888.12	280,647	323,651	1,377,237	42.60	32,330
2019	4,727,421.77	697,767	804,687	3,922,735	42.83	91,588
2020	2,582,613.42	336,515	388,080	2,194,533	42.84	51,226
2021	1,457,820.92	164,296	189,471	1,268,350	42.66	29,732
2022	4,219,045.44	398,700	459,794	3,759,251	42.31	88,850
2023	2,591,492.20	195,658	225,639	2,365,853	41.83	56,559
2024	1,703,471.60	95,054	109,619	1,593,853	40.87	38,998
2025	1,448,615.44	50,412	58,137	1,390,478	39.24	35,435
2026	7,160,716.68	170,425	196,540	6,964,177	37.55	185,464
	88,238,773.81	29,316,892	33,706,307	54,532,467		1,441,927

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.80 1.63

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

1936	295.57	296	296			
1938	3,070.93	3,071	3,071			
1942	247.67	248	248			
1944	275.19	275	275			
1946	10.67	11	11			
1948	1,772.60	1,773	1,773			
1953	50,830.51	50,831	50,831			
1955	463.93	464	464			
1956	32,731.05	32,731	32,731			
1957	5,189.70	5,156	4,791	399	1.00	399
1959	97.35	95	88	9	1.00	9
1963	1,782.96	1,666	1,548	235	2.28	103
1964	405.98	375	348	58	2.64	22
1968	561.58	498	463	99	3.96	25
1969	214.27	188	175	39	4.33	9
1970	1,187.57	1,030	957	231	4.62	50
1971	113,817.57	97,622	90,717	23,101	4.98	4,639
1972	104.84	89	83	22	5.50	4
1973	653.62	548	509	145	5.58	26
1974	417,530.72	345,953	321,483	96,048	6.00	16,008
1976	3,541.86	2,865	2,662	880	6.67	132
1977	33,299.75	26,602	24,720	8,580	7.04	1,219
1978	13,052.24	10,293	9,565	3,487	7.40	471
1979	5,943.43	4,626	4,299	1,644	7.75	212
1980	182.25	140	130	52	8.67	6
1981	8,400.92	6,365	5,915	2,486	8.48	293
1982	3,396.78	2,538	2,358	1,039	8.88	117
1984	1,239.35	1,025	953	286	8.94	32
1985	207,753.28	170,358	158,308	49,445	9.09	5,439
1986	17,101.05	13,893	12,910	4,191	9.33	449
1987	2,698.11	2,159	2,006	692	9.89	70
1988	47,677.92	37,732	35,063	12,615	10.13	1,245
1989	57,389.69	44,879	41,705	15,685	10.43	1,504
1990	125,232.82	96,680	89,842	35,391	10.75	3,292
1991	6,466.06	4,924	4,576	1,890	11.12	170
1992	211,882.09	158,975	147,731	64,151	11.45	5,603
1993	41,508.94	30,791	28,613	12,896	11.63	1,109
1994	123,530.01	90,103	83,730	39,800	12.03	3,308
1995	1,663,710.35	1,196,873	1,112,217	551,493	12.25	45,020
1996	71,955.58	50,779	47,187	24,769	12.69	1,952
1997	19,554.53	13,575	12,615	6,940	12.97	535
1998	106,206.67	72,136	67,034	39,173	13.42	2,919
1999	176,764.57	117,761	109,432	67,333	13.74	4,901
2000	127,589.70	83,252	77,363	50,227	14.07	3,570
2001	33,733.94	21,522	20,000	13,734	14.43	952
2002	6,475,901.88	4,031,897	3,746,716	2,729,186	14.80	184,404
2003	1,410,728.43	858,851	798,103	612,625	15.05	40,706
2004	794,338.76	470,090	436,840	357,499	15.46	23,124
2005	1,357,002.00	781,769	726,473	630,529	15.76	40,008
2006	1,898,828.09	1,058,407	983,545	915,283	16.21	56,464
2007	5,144,556.60	2,777,032	2,580,609	2,563,948	16.55	154,921
2008	2,222,008.24	1,158,111	1,076,196	1,145,812	16.92	67,719
2009	3,479,879.16	1,745,507	1,622,045	1,857,834	17.31	107,327
2010	1,916,370.32	924,840	859,425	1,056,945	17.60	60,054

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

2011	983,148.05	453,231	421,173	561,975	18.03	31,169
2012	154,950.84	68,132	63,313	91,638	18.37	4,988
2013	255,629.73	106,316	98,796	156,834	18.84	8,325
2014	130,102.83	51,052	47,441	82,662	19.23	4,299
2015	159,100.24	58,676	54,526	104,574	19.54	5,352
2016	169,182.74	57,979	53,878	115,305	19.98	5,771
2017	1,130,325.44	356,618	331,394	798,931	20.43	39,106
2018	184,439.49	53,082	49,327	135,112	20.82	6,490
2019	1,152,348.60	298,228	277,134	875,215	21.24	41,206
2020	427,319.27	97,899	90,975	336,344	21.59	15,579
2021	3,861,947.27	761,576	707,709	3,154,238	22.05	143,049
2022	3,893,652.87	639,727	594,478	3,299,175	22.47	146,826
2023	1,027,630.82	133,798	124,334	903,297	22.83	39,566
2024	5,233,660.90	493,011	458,140	4,775,521	23.23	205,576
2025	40,208.19	2,280	2,119	38,089	23.58	1,615
2026	1,349,217.09	50,191	46,641	1,302,576	23.71	54,938
	48,593,534.02	20,292,066	18,863,126	29,730,408		1,594,396

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.60 3.28

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1898	63.61	64	64
1918	8.14	8	8
1921	18.75	19	19
1923	7.74	8	8
1924	39.83	40	40
1925	40.20	40	40
1926	548.39	548	548
1927	94.66	95	95
1928	56.53	57	57
1929	186.94	187	187
1930	22.22	22	22
1931	65.92	66	66
1932	44.66	45	45
1933	8.88	9	9
1934	711.07	711	711
1935	11.22	11	11
1936	491.70	492	492
1937	149.10	149	149
1938	145.22	145	145
1939	222.67	223	223
1940	570.71	571	571
1941	364.91	365	365
1942	1,037.33	1,037	1,037
1943	281.48	281	281
1944	284.96	285	285
1945	362.50	361	362
1946	721.26	699	721
1947	425.77	405	426
1948	692.51	653	693
1949	1,866.57	1,750	1,867
1950	333.68	311	334
1951	535.31	495	535
1952	3,733.11	3,433	3,733
1953	9,871.18	9,022	9,871
1954	10,636.22	9,652	10,636
1955	2,384.12	2,149	2,384
1956	6,062.60	5,429	6,063
1957	4,931.41	4,386	4,931
1958	6,368.02	5,623	6,368
1959	2,763.99	2,424	2,764
1960	3,811.14	3,318	3,811
1961	5,496.96	4,749	5,497
1962	4,593.46	3,939	4,593
1963	3,695.85	3,143	3,696
1964	5,112.47	4,315	5,112
1965	4,172.60	3,492	4,173
1966	4,429.24	3,678	4,429
1967	5,041.72	4,152	5,042
1968	8,018.08	6,543	8,018
1969	12,599.30	10,193	12,599
1970	4,757.93	3,813	4,758
1971	14,781.58	11,744	14,782
1972	7,086.19	5,577	7,086
1973	12,891.12	10,042	12,891

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1974	23,249.28	17,937	23,249			
1975	63,265.03	48,303	62,988	277	4.69	59
1976	40,025.92	30,240	39,433	593	4.90	121
1977	54,556.28	40,781	53,179	1,377	5.04	273
1978	96,159.08	71,110	92,728	3,431	5.21	659
1979	95,786.49	70,020	91,307	4,479	5.38	833
1980	30,965.88	22,373	29,175	1,791	5.54	323
1981	71,957.50	51,342	66,951	5,006	5.73	874
1982	70,204.17	49,494	64,541	5,663	5.90	960
1983	64,598.36	57,215	64,598			
1984	30,300.67	26,734	30,301			
1985	61,774.03	53,984	61,774			
1986	102,473.24	89,049	102,473			
1987	35,757.55	30,866	35,758			
1988	115,388.17	98,853	115,388			
1989	65,168.85	55,596	65,169			
1990	96,699.66	81,702	96,700			
1991	158,078.16	132,691	158,078			
1992	29,369.99	24,462	29,370			
1993	19,397.41	16,011	19,397			
1994	106,034.49	86,620	106,034			
1995	11,887.45	9,598	11,887			
1996	7,152.21	5,722	7,152			
1997	13,302.66	10,526	13,303			
1998	8,033.85	6,278	8,034			
1999	91.53	71	92			
2000	1,543.73	1,174	1,544			
2002	8,686.20	6,426	8,686			
2003	6,820.00	4,967	6,820			
2004	8,160.61	5,836	8,161			
2005	9,286.47	6,524	9,129	157	9.24	17
2006	6,909.25	4,754	6,652	257	9.18	28
2007	42.12	28	39	3		
2008	11,304.04	7,432	10,399	905	9.63	94
2009	1,030,358.71	660,357	923,996	106,363	9.76	10,898
2010	91,327.23	56,970	79,715	11,612	9.90	1,173
2011	188,711.11	114,340	159,989	28,722	10.03	2,864
2013	28,493.04	16,133	22,574	5,919	10.28	576
2017	17,696.68	8,282	11,588	6,109	10.70	571
2020	20,434.32	7,618	10,659	9,775	10.80	905
2021	227,178.19	75,923	106,234	120,944	10.79	11,209
2022	203,826.08	59,415	83,136	120,690	10.73	11,248
2023	3,651.34	888	1,243	2,408	10.61	227
2026	146,250.36	12,592	17,619	128,631	9.73	13,220
	3,636,010.12	2,368,205	3,070,895	565,115		57,132

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.90 1.57

SURVIVOR CURVE: IOWA 23-L1
NET SALVAGE PERCENT: 0

2004	2,660.08	1,890	(2,884)	5,544	9.13	607
2005	4,274.30	2,975	(4,540)	8,814	9.35	943
2006	2,312.49	1,577	(2,407)	4,719	9.51	496
2008	1,577.33	1,025	(1,564)	3,141	9.91	317
	10,824.20	7,467	(11,395)	22,219		2,363

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.40 21.83

SURVIVOR CURVE: IOWA 55-L4
NET SALVAGE PERCENT: 0

1967	764.79	623	547	218	10.38	21
1969	4,194.89	3,396	2,980	1,215	10.47	116
1970	49.41	40	35	14	14.00	1
1976	93.45	73	64	29	14.50	2
1977	2,088.06	1,625	1,426	662	12.26	54
1979	9,290.53	7,096	6,227	3,064	12.98	236
1989	342.71	235	206	137	17.13	8
	16,823.84	13,088	11,485	5,339		438

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.20 2.60

SURVIVOR CURVE: IOWA 70-R3
NET SALVAGE PERCENT: 0

1916	922.66	898	923			
1925	257.87	243	258			
1926	459.25	431	459			
1929	64.04	59	64			
1940	198.63	176	199			
1941	73.96	65	74			
1942	442.68	388	443			
1943	166.39	145	166			
1945	66.96	58	67			
1946	558.07	479	558			
1947	1,450.95	1,238	1,451			
1948	1,558.71	1,322	1,559			
1949	1,239.91	1,045	1,240			
1953	162.40	133	162			
1954	2,117.36	1,723	2,117			
1955	437.08	353	437			
1961	890.72	682	864	27	13.50	2
1962	39.11	30	38	1		
1965	87.33	64	81	6		
1966	1,016.02	737	933	83	20.75	4
1967	169.49	121	153	16	16.00	1
1968	1,932.65	1,368	1,732	201	20.10	10
1969	1,120.00	783	991	129	21.50	6
1970	644.80	445	563	82	20.50	4
1972	392.00	263	333	59	19.67	3
1973	1,159.09	767	971	188	23.50	8
1974	448.00	292	370	78	26.00	3
1977	280.00	174	220	60	30.00	2
1979	60.66	36	46	15	15.00	1
1980	112.00	66	84	28	28.00	1
1983	1,456.00	891	1,128	328	27.33	12
1985	1,400.00	823	1,042	358	29.83	12
1986	409.02	236	299	110	27.50	4
1987	441.00	249	315	126	31.50	4
1993	875.00	430	544	331	33.10	10
2000	2,875.00	1,147	1,452	1,423	39.53	36
2004	17,233.24	5,911	7,485	9,748	42.94	227
2006	19,252.16	6,093	7,716	11,536	44.03	262
2024	54,760.21	2,185	2,767	51,993	58.16	894
2025	21,297.60	505	640	20,658	58.52	353
2026	14,499.62	223	282	14,218	58.51	243
	153,027.64	33,277	41,226	111,802		2,102

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.20 1.37

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

1922	2,829.48	2,744	2,654	175	1.82	96
1926	27,541.11	26,205	25,347	2,194	2.91	754
1937	16,189.19	14,551	14,075	2,114	6.07	348
1938	95.25	85	82	13	6.50	2
1940	400.17	354	342	58	7.25	8
1945	426.05	366	354	72	8.00	9
1946	58.82	50	48	11	11.00	1
1947	1,202.28	1,021	988	214	8.92	24
1949	1,543.88	1,294	1,252	292	9.73	30
1950	5,236.77	4,361	4,218	1,019	10.09	101
1951	3,014.62	2,493	2,411	604	10.41	58
1952	740.00	608	588	152	10.86	14
1953	2,900.60	2,365	2,288	613	11.15	55
1955	19,384.40	15,575	15,065	4,319	11.80	366
1956	3,782.70	3,015	2,916	867	12.21	71
1957	6,109.86	4,832	4,674	1,436	12.60	114
1958	1,371.20	1,075	1,040	331	12.73	26
1959	1,334.85	1,038	1,004	331	13.24	25
1963	3,163.12	2,371	2,293	870	15.00	58
1964	41.65	31	30	12	12.00	1
1965	1,891.52	1,389	1,344	548	16.12	34
1966	509.61	370	358	152	16.89	9
1967	126.88	91	88	39	19.50	2
1968	1,796.46	1,277	1,235	561	17.53	32
1969	2,701.00	1,897	1,835	866	18.04	48
1970	537.68	373	361	177	17.70	10
1971	551.41	378	366	185	18.50	10
1972	13,370.77	9,045	8,749	4,622	19.42	238
1973	3,559.13	2,376	2,298	1,261	20.02	63
1974	28,324.75	18,652	18,041	10,284	20.49	502
1975	218.60	142	137	82	20.50	4
1976	85.52	55	53	33	16.50	2
1977	1,110.04	700	677	433	21.65	20
1981	1,050.11	620	600	450	25.00	18
1982	80.70	47	45	36	36.00	1
1986	7,180.22	4,498	4,351	2,829	24.18	117
1987	3,015.84	1,854	1,793	1,223	24.46	50
1989	23,593.89	13,949	13,492	10,102	25.90	390
1992	43,447.38	24,226	23,433	20,014	27.30	733
1993	41,380.63	22,540	21,802	19,579	27.93	701
1994	10,078.67	5,358	5,183	4,896	28.63	171
1995	2,597.85	1,347	1,303	1,295	29.43	44
1996	79,849.12	40,316	38,996	40,853	29.82	1,370
1997	26,972.82	13,330	12,893	14,080	30.09	468
1998	586,849.01	281,805	272,577	314,272	30.76	10,217
1999	21,627.73	10,081	9,751	11,877	31.42	378
2000	177,972.01	80,390	77,758	100,214	32.06	3,126
2001	15,235.14	6,699	6,480	8,755	32.43	270
2002	15,519.54	6,593	6,377	9,143	33.01	277
2003	330,001.37	135,235	130,806	199,195	33.73	5,906
2004	149,518.06	59,329	57,386	92,132	34.09	2,703
2006	158,602.08	58,286	56,377	102,225	35.14	2,909
2007	111,088.83	39,037	37,759	73,330	35.82	2,047
2008	3,484.86	1,168	1,130	2,355	36.80	64

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

2010	6,944.58	2,121	2,052	4,893	37.35	131
2014	82,977.62	19,881	19,230	63,748	39.40	1,618
2015	29,547.03	6,545	6,331	23,216	40.10	579
2017	52,907.60	9,915	9,590	43,318	40.83	1,061
2020	250,885.11	33,318	32,226	218,659	41.89	5,220
2025	15,997.02	528	511	15,486	41.52	373
	2,400,554.19	1,000,195	967,443	1,433,111		44,077

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.50 1.84

SURVIVOR CURVE: IOWA 60-R1.5
NET SALVAGE PERCENT: 0

1916	2,374.31	2,241	(2,019)	4,393	3.38	1,300
1917	4.67	4	(4)	9	4.50	2
1924	6,969.84	6,347	(5,717)	12,687	5.36	2,367
1925	4,809.55	4,361	(3,928)	8,738	5.59	1,563
1927	183.93	165	(149)	333	6.05	55
1928	2,769.44	2,479	(2,233)	5,002	6.29	795
1929	3,429.55	3,056	(2,753)	6,183	6.54	945
1939	98.43	83	(75)	173	9.11	19
1942	7,222.78	6,002	(5,406)	12,629	10.14	1,245
1943	5,902.25	4,874	(4,390)	10,292	10.45	985
1945	300.04	245	(221)	521	11.09	47
1946	8,821.26	7,148	(6,438)	15,259	11.38	1,341
1947	29,424.90	23,687	(21,336)	50,761	11.70	4,339
1948	28,483.04	22,772	(20,512)	48,995	12.03	4,073
1949	2,533.30	2,011	(1,811)	4,344	12.38	351
1950	9,491.04	7,482	(6,739)	16,230	12.70	1,278
1951	0.92	1	1			
1952	11.31	9	(8)	19	19.00	1
1953	21.90	17	(15)	37	12.33	3
1961	113.59	82	(74)	188	17.09	11
1962	448.63	319	(287)	736	17.12	43
1966	2.62	2	(2)	5		
1967	258.82	174	(157)	416	19.81	21
1968	455.76	304	(274)	730	20.28	36
1970	266.93	173	(156)	423	21.15	20
1972	25,527.03	16,146	(14,543)	40,070	22.05	1,817
1973	6,747.54	4,209	(3,791)	10,539	22.57	467
1974	7,738.18	4,759	(4,287)	12,025	23.08	521
1975	12,558.99	7,611	(6,856)	19,415	23.65	821
1979	502.44	286	(258)	760	26.21	29
1981	10,542.68	5,790	(5,215)	15,758	27.03	583
1983	163.72	104	(94)	258	25.80	10
1984	63,323.46	39,754	(35,808)	99,131	25.15	3,942
1989	75,814.75	43,684	(39,348)	115,163	27.52	4,185
1990	25,488.76	14,480	(13,043)	38,532	27.68	1,392
1991	48,779.23	27,121	(24,429)	73,208	28.28	2,589
1992	29,979.57	16,303	(14,685)	44,665	28.87	1,547
1993	367.83	195	(176)	544	30.22	18
1995	527.64	269	(242)	770	30.80	25
1997	255,976.99	124,251	(111,918)	367,895	31.19	11,795
1998	286,978.15	135,368	(121,932)	408,910	31.83	12,847
1999	3,133.30	1,443	(1,300)	4,433	32.12	138
2000	99,807.25	44,554	(40,131)	139,938	32.76	4,272
2002	2,913.90	1,224	(1,103)	4,017	33.76	119
2004	17,174.97	6,776	(6,103)	23,278	34.38	677
2005	51,994.83	19,711	(17,754)	69,749	35.09	1,988
2006	76,757.15	28,055	(25,270)	102,027	35.45	2,878
2017	16,960.72	3,290	(2,963)	19,924	39.14	509
2021	9,444.55	1,141	(1,028)	10,473	39.37	266
2026	2,161,658.96	55,338	(49,846)	2,211,505	34.92	63,331
	3,405,261.40	695,900	(626,826)	4,032,087		137,606

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	29.30	4.04

SURVIVOR CURVE: IOWA 55-R1
NET SALVAGE PERCENT: 0

1916	566.36	566	566			
1917	624.72	620	156	469	1.00	469
1924	2,461.45	2,340	590	1,871	2.71	690
1925	2,324.67	2,196	553	1,772	3.04	583
1943	6,985.17	5,890	1,485	5,500	8.62	638
1945	2,481.66	2,062	520	1,962	9.30	211
1946	5,486.15	4,523	1,140	4,346	9.66	450
1947	8,680.66	7,101	1,790	6,891	10.02	688
1948	7,125.33	5,782	1,457	5,668	10.36	547
1949	34.85	28	7	28	9.33	3
1950	2,229.95	1,780	449	1,781	11.13	160
1952	36.71	29	7	30	10.00	3
1953	243.64	190	48	196	12.25	16
1961	252.53	182	46	207	15.92	13
1966	128.22	87	22	106	17.67	6
1967	758.92	509	128	631	18.03	35
1968	6.72	4	1	6		
1971	5,134.20	3,267	823	4,311	19.96	216
1972	19,462.08	12,215	3,079	16,383	20.48	800
1973	25,847.38	15,988	4,030	21,817	20.98	1,040
1974	8,553.99	5,213	1,314	7,240	21.48	337
1975	10,296.48	6,182	1,558	8,738	21.95	398
1977	13,694.18	7,965	2,007	11,687	23.01	508
1979	1,930.76	1,086	274	1,657	24.01	69
1981	15,663.96	8,504	2,143	13,521	25.13	538
1982	29,549.10	15,747	3,969	25,580	25.68	996
1984	25,700.28	16,569	4,176	21,524	23.37	921
1986	15,392.21	9,643	2,430	12,962	24.09	538
1989	22,869.02	13,605	3,429	19,440	25.48	763
1991	10,094.00	5,792	1,460	8,634	26.32	328
1992	6,549.44	3,697	932	5,617	26.62	211
1993	453.47	252	64	389	27.79	14
1994	268.55	145	37	232	29.00	8
1995	791.46	420	106	685	27.40	25
1997	12,548.33	6,349	1,600	10,948	28.73	381
1998	20,811.77	10,289	2,593	18,219	29.06	627
1999	263,348.83	127,066	32,025	231,324	29.40	7,868
2000	58,699.19	27,600	6,956	51,743	29.75	1,739
2008	18,023.00	6,506	1,640	16,383	32.57	503
2014	28,226.34	7,536	1,899	26,327	34.10	772
2015	1,682.87	421	106	1,577	34.28	46
2019	5,343.33	947	239	5,104	34.49	148
2026	1,149,594.86	35,982	9,068	1,140,527	28.41	40,145
	1,810,956.79	382,875	96,922	1,714,035		64,451

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.60 3.56

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1904	35.14	35	35	
1909	75.00	75	75	
1910	211.00	211	211	
1915	26.50	26	26	
1916	58.95	59	59	
1921	17.70	18	18	
1938	58.48	55	58	
1939	330.37	312	330	
1940	19.39	18	19	
1941	201.71	189	202	
1942	29.19	27	29	
1943	27.92	26	28	
1944	102.32	94	102	
1945	7,165.82	6,575	7,166	
1946	114.97	105	115	
1947	1,278.03	1,162	1,278	
1948	4,414.39	3,993	4,414	
1949	330.99	298	331	
1950	69,383.58	62,133	69,384	
1951	60,361.90	53,782	60,362	
1952	1,628.76	1,444	1,629	
1953	40.65	36	41	
1955	52.58	46	53	
1958	453.12	387	453	
1969	320.54	249	321	
1970	249.81	192	250	
1974	465.47	340	465	
1975	12,797.48	9,233	12,797	
1979	1,684.94	1,145	1,686	(1)
	161,936.70	142,265	161,937	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 65-R5
NET SALVAGE PERCENT: 0

1939	100.32	100	100			
1941	98.88	98	99			
1944	1,462.95	1,427	1,463			
1947	29.25	28	29			
1948	75.00	72	75			
1949	3,618.25	3,466	3,618			
1950	371.91	355	372			
1960	11.75	11	12			
1964	443.26	391	443			
1982	40,000.00	27,034	32,971	7,029	21.04	334
1992	2,452.89	1,325	1,616	837	28.86	29
1993	12,069.59	6,332	7,723	4,347	30.19	144
1998	306,874.45	136,897	166,959	139,915	35.28	3,966
1999	45,797.43	19,711	24,040	21,757	36.26	600
	413,405.93	197,247	239,520	173,886		5,073

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.30 1.23

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

1969	7,545.31	7,545	7,545			
1970	116.00	116	116			
1971	9,081.22	9,081	9,081			
1972	5,737.14	5,737	5,737			
1975	23,910.35	23,910	23,910			
1994	10,285.35	8,335	8,368	1,917	7.58	253
1997	15,806.90	11,625	11,671	4,136	10.58	391
2011	360,656.23	139,004	139,552	221,104	24.58	8,995
	433,138.50	205,353	205,980	227,158		9,639

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.60 2.23

SURVIVOR CURVE.. 37-SQUARE
NET SALVAGE PERCENT: 0

1971	205,250.77	205,251	205,251
	205,250.77	205,251	205,251

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

1912	8.69	9	9			
1916	1,786.32	1,786	1,786			
1917	363.37	363	363			
1918	25.48	25	25			
1922	42.17	42	42			
1924	5,487.93	5,488	5,488			
1925	1,233.42	1,233	1,233			
1926	63.48	63	63			
1933	19.78	20	20			
1934	57.37	57	57			
1937	19.93	20	20			
1938	3.19	3	3			
1939	84.73	82	85			
1940	531.12	513	531			
1941	1,072.68	1,031	1,073			
1943	570.69	542	571			
1944	332.44	314	332			
1945	146.21	137	146			
1946	12,963.19	12,095	12,963			
1947	3,928.21	3,642	3,928			
1948	9,725.46	8,961	9,725			
1951	265.03	240	265			
1952	12,170.84	10,932	12,171			
1955	2,287.37	2,014	2,287			
1956	44.62	39	45			
1957	445.55	387	446			
1961	568.38	480	568			
1963	70.50	59	70			
1965	42.48	35	42			
1967	4,390.54	3,525	4,391			
1968	94,202.26	74,910	94,202			
1969	10,938.86	8,615	10,939			
1970	25,791.64	20,107	25,792			
1973	40,293.71	30,398	40,294			
1974	8,392.05	6,257	8,392			
1975	1,320.10	972	1,320			
1976	580.66	422	581			
1977	4,755.64	3,414	4,756			
1978	92.88	66	93			
1981	5,347.65	3,621	5,084	264	16.50	16
1983	55,595.37	41,035	55,595			
1984	8,052.76	5,875	8,053			
1986	388.90	275	387	2		
1988	37,073.02	25,351	35,637	1,436	17.73	81
1990	7,473.03	4,925	6,923	550	18.97	29
1991	3,151.27	2,042	2,871	280	18.67	15
1993	14,359.94	8,926	12,548	1,812	20.36	89
1996	5,529.70	3,213	4,517	1,013	22.02	46
1998	350.78	193	271	80	26.67	3
1999	35,898.66	19,292	27,120	8,779	23.60	372
2000	69,766.68	36,488	51,293	18,474	24.09	767
2001	18,927.15	9,621	13,525	5,402	24.55	220
2002	1,771.09	869	1,222	549	24.95	22
2003	4,001.15	1,902	2,674	1,327	26.02	51

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

2004	380,060.87	174,638	245,498	134,563	26.37	5,103
2005	28,863.63	12,795	17,987	10,877	26.92	404
2006	1,601,556.59	683,384	960,669	640,888	27.43	23,364
2007	203,390.61	83,329	117,140	86,251	27.98	3,083
2008	443,981.80	174,174	244,845	199,137	28.53	6,980
2009	7,446.86	2,789	3,921	3,526	29.14	121
2010	36,199.97	12,894	18,126	18,074	29.68	609
2011	87,605.79	29,576	41,576	46,030	30.24	1,522
2012	35,014.56	11,156	15,683	19,332	30.83	627
2013	191,676.67	57,350	80,620	111,057	31.43	3,533
2015	36,772.48	9,572	13,456	23,316	32.43	719
2020	5,277.70	823	1,157	4,121	34.63	119
2023	104,330.04	9,202	12,935	91,395	35.34	2,586
2024	8,405.08	538	756	7,649	35.25	217
2025	4,990.07	196	276	4,714	34.66	136
	3,688,378.84	1,625,342	2,247,482	1,440,897		50,834

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.30 1.38

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1905	35.51	36	36			
1906	38.47	38	38			
1922	184.00	184	184			
1926	931.15	931	931			
1934	359.20	354	262	97	1.00	97
1935	117.48	115	85	32	1.00	32
1937	20,653.37	19,915	14,767	5,886	1.68	3,504
1938	133.76	128	95	39	2.05	19
1940	427.76	403	299	129	2.69	48
1941	115.26	108	80	35	2.92	12
1942	525.06	489	363	162	3.24	50
1947	25.42	23	17	8	4.00	2
1948	142,454.26	128,481	95,271	47,183	4.61	10,235
1949	23,615.04	21,178	15,704	7,911	4.85	1,631
1950	2,188.36	1,951	1,447	741	5.11	145
1951	582.21	516	383	199	5.38	37
1952	11,233.54	9,893	7,336	3,898	5.61	695
1953	76,560.73	66,999	49,681	26,880	5.87	4,579
1954	17,160.41	14,919	11,063	6,097	6.14	993
1955	390.35	337	250	140	6.36	22
1956	38,188.86	32,753	24,287	13,902	6.69	2,078
1957	133.57	114	85	49	7.00	7
1958	4,340.31	3,669	2,721	1,619	7.26	223
1959	23,916.89	20,070	14,882	9,035	7.56	1,195
1960	1,787.73	1,489	1,104	684	7.86	87
1961	844.93	698	518	327	8.18	40
1962	727.15	596	442	285	8.38	34
1963	99.86	81	60	40	8.00	5
1964	186.90	151	112	75	9.38	8
1965	124.99	100	74	51	10.20	5
1966	1,242.85	985	730	513	9.68	53
1967	2,346.40	1,842	1,366	980	10.10	97
1969	14,855.21	11,442	8,484	6,371	10.80	590
1970	37,114.34	28,294	20,980	16,134	11.17	1,444
1971	568.77	429	318	251	11.41	22
1972	5,617.09	4,191	3,108	2,509	11.95	210
1973	3,152.11	2,326	1,725	1,427	12.30	116
1974	72,101.87	52,573	38,984	33,118	12.73	2,602
1975	29,396.94	21,178	15,704	13,693	13.14	1,042
1976	21,474.02	15,274	11,326	10,148	13.57	748
1977	32,203.60	22,604	16,761	15,443	14.01	1,102
1978	5,154.45	3,570	2,647	2,507	14.49	173
1979	893.24	610	452	441	14.70	30
1981	5,711.11	3,783	2,805	2,906	15.88	183
1982	67,529.90	44,023	32,644	34,886	16.36	2,132
1983	43,241.78	32,103	23,805	19,437	15.06	1,291
1984	4,945.17	3,629	2,691	2,254	15.44	146
1985	91,852.39	66,575	49,366	42,486	15.73	2,701
1986	213,054.02	151,545	112,373	100,681	16.40	6,139
1987	54,999.11	38,587	28,613	26,386	16.76	1,574
1988	27,344.57	18,909	14,021	13,324	17.15	777
1989	58,836.31	40,068	29,711	29,125	17.53	1,661
1990	514,230.58	344,586	255,516	258,715	17.93	14,429
1991	29,322.01	19,212	14,246	15,076	18.64	809

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1992	81,424.45	52,405	38,859	42,565	19.06	2,233
1993	623,340.91	393,702	291,937	331,404	19.49	17,004
1994	280,758.14	173,845	128,909	151,849	19.94	7,615
1995	76,057.19	46,113	34,194	41,863	20.40	2,052
1996	59,595.98	35,346	26,210	33,386	20.87	1,600
1997	75,555.78	43,785	32,467	43,089	21.35	2,018
1998	167,730.45	94,852	70,334	97,396	21.83	4,462
1999	309,778.49	170,719	126,591	183,187	22.33	8,204
2000	550,816.12	295,403	219,046	331,770	22.84	14,526
2001	15,803.03	8,233	6,105	9,698	23.37	415
2002	760,843.32	384,530	285,136	475,707	23.89	19,912
2003	545,304.05	268,181	198,861	346,443	24.20	14,316
2004	210,839.45	100,191	74,293	136,546	24.75	5,517
2005	57,490.72	26,348	19,537	37,954	25.30	1,500
2006	298,774.12	132,357	98,145	200,629	25.67	7,816
2007	6,654.74	2,830	2,098	4,557	26.19	174
2008	9,954.89	4,070	3,018	6,937	26.68	260
2009	8,676.18	3,385	2,510	6,166	27.28	226
2010	459,297.45	171,180	126,933	332,364	27.63	12,029
2011	102,672.62	36,408	26,997	75,676	28.06	2,697
2012	2,268.76	762	565	1,704	28.40	60
2013	157,948.74	50,228	37,245	120,704	28.78	4,194
2014	3,010,608.95	897,161	665,261	2,345,348	29.25	80,183
2015	62,037.24	17,284	12,816	49,221	29.56	1,665
2016	13,517.55	3,492	2,589	10,929	29.94	365
2017	53,826.79	12,773	9,471	44,356	30.28	1,465
2018	21,340.79	4,616	3,423	17,918	30.47	588
2019	3,719,142.51	722,629	535,843	3,183,300	30.75	103,522
2020	465,076.90	79,993	59,316	405,761	30.90	13,131
2021	41,141.43	6,130	4,546	36,595	30.96	1,182
2023	170,822.80	17,151	12,718	158,105	30.60	5,167
2024	196,101.66	14,551	10,790	185,312	30.16	6,144
2025	286,588.54	13,355	9,903	276,686	28.98	9,547
2026	2,166,890.80	68,907	51,095	2,115,796	27.90	75,835
	16,773,951.91	5,607,972	4,158,714	12,615,238		493,478

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.60 2.94

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1952	1,390.93	1,179	1,391			
1953	414.35	349	414			
1957	248.92	205	249			
1958	11,064.44	9,040	11,064			
1960	8,803.38	7,088	8,803			
1961	18,326.93	14,643	18,327			
1962	903.99	716	904			
1967	456.13	345	456			
1968	5,541.38	4,149	5,541			
1970	585.35	429	585			
1971	6,694.29	4,843	6,609	85	17.00	5
1972	391.85	280	382	10	10.00	1
1974	1,724.13	1,200	1,638	86	17.20	5
1975	69,835.86	47,954	65,441	4,395	18.78	234
1976	284.49	193	263	21	21.00	1
1980	9,124.10	5,801	7,916	1,208	21.96	55
1984	2,311.98	1,530	2,088	224	22.40	10
1985	11,061.30	7,192	9,815	1,246	22.25	56
1986	69,184.65	44,181	60,292	8,893	22.86	389
1987	75,424.31	47,268	64,505	10,919	23.48	465
1988	3,268.51	2,009	2,742	527	23.95	22
1990	8,291.27	4,892	6,676	1,615	25.23	64
1992	6,603.52	3,727	5,086	1,518	26.63	57
1994	9,415.58	5,067	6,915	2,501	27.79	90
1997	26,201.60	13,025	17,775	8,427	29.78	283
1998	23,703.23	11,451	15,627	8,076	30.36	266
1999	29,234.72	13,705	18,703	10,532	31.07	339
2000	130,571.52	59,332	80,967	49,605	31.72	1,564
2004	8,463.23	3,358	4,583	3,880	34.04	114
2006	5,091.68	1,861	2,540	2,552	35.44	72
2007	36,198.60	12,651	17,264	18,935	36.14	524
2008	19,816.23	6,605	9,013	10,803	36.87	293
2011	235,934.15	66,935	91,343	144,591	38.93	3,714
2015	9,580.07	2,078	2,836	6,744	41.12	164
2021	43,248.17	4,662	6,362	36,886	44.82	823
2023	54,949.29	3,846	5,248	49,701	45.39	1,095
2025	639,002.15	19,362	26,422	612,580	45.31	13,520
2026	1,111,400.74	22,228	30,334	1,081,067	44.95	24,050
	2,694,747.02	455,379	617,119	2,077,628		48,275

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.00 1.79

SURVIVOR CURVE: IOWA 30-R2.5
NET SALVAGE PERCENT: 0

1953	597.38	597	597	
1957	139.38	139	139	
1972	6,119.04	6,052	6,119	
1973	1,697.11	1,664	1,697	
1979	1,203.92	1,117	1,204	
1981	2,893.23	2,642	2,893	
1990	17,052.58	15,214	17,053	
1997	481.23	391	482	(1)
	30,183.87	27,816	30,184	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1874	5.22	5	5
1875	3,511.90	3,512	3,512
1876	399.33	399	399
1877	121.20	121	121
1886	2,347.39	2,347	2,347
1887	351.96	352	352
1888	480.50	480	480
1889	2,276.99	2,277	2,277
1890	836.20	836	836
1891	1,881.69	1,882	1,882
1892	2,891.69	2,892	2,892
1893	668.86	669	669
1894	661.91	662	662
1895	535.27	535	535
1896	10,169.79	10,170	10,170
1897	3,210.24	3,210	3,210
1898	2,342.79	2,343	2,343
1899	2,007.66	2,008	2,008
1900	8,336.26	8,336	8,336
1901	10,739.29	10,739	10,739
1902	14,932.27	14,932	14,932
1903	16,603.95	16,604	16,604
1904	10,314.78	10,315	10,315
1905	13,938.16	13,907	13,938
1906	12,960.19	12,900	12,960
1907	1,885.76	1,872	1,886
1908	4,965.96	4,916	4,966
1909	13,590.56	13,427	13,591
1910	16,291.54	16,057	16,292
1911	11,035.87	10,847	11,036
1912	14,820.96	14,526	14,821
1913	53,756.04	52,553	53,756
1914	38,239.94	37,284	38,240
1915	16,991.79	16,518	16,992
1916	2,952.20	2,861	2,952
1917	4,126.20	3,988	4,126
1918	2,220.14	2,139	2,220
1919	1,209.99	1,162	1,210
1920	411.47	394	411
1921	3,767.72	3,596	3,768
1922	8,718.64	8,294	8,719
1923	11,298.03	10,711	11,298
1924	17,164.02	16,216	17,164
1925	9,370.83	8,823	9,371
1926	10,383.19	9,742	10,383
1927	3,061.15	2,862	3,061
1928	551.84	514	552
1929	2,854.05	2,649	2,854
1930	5,594.99	5,174	5,595
1931	1,764.72	1,626	1,765
1932	322.40	296	322
1933	487.51	446	488
1934	111.11	101	111
1935	4,193.96	3,803	4,194

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1936	2,694.95	2,434	2,695			
1937	3,195.38	2,873	3,195			
1938	1,543.42	1,381	1,543			
1939	9,142.81	8,144	9,143			
1940	6,368.41	5,645	6,368			
1941	16,191.28	14,277	16,191			
1942	12,089.15	10,602	12,089			
1943	7,232.95	6,308	7,233			
1944	9,080.15	7,872	9,080			
1945	1,644.37	1,417	1,644			
1946	3,526.19	3,018	3,526			
1947	6,519.10	5,543	6,519			
1948	30,372.15	25,638	30,255	117	13.00	9
1949	31,026.03	25,992	30,673	353	13.07	27
1950	12,676.12	10,535	12,432	244	13.56	18
1951	21,259.43	17,523	20,678	581	14.17	41
1952	19,327.09	15,795	18,639	688	14.64	47
1953	35,687.10	28,902	34,107	1,580	15.19	104
1954	22,934.22	18,399	21,712	1,222	15.87	77
1955	32,705.79	25,985	30,664	2,042	16.47	124
1956	20,253.62	15,929	18,797	1,457	17.14	85
1957	20,779.50	16,174	19,087	1,692	17.81	95
1958	77,494.10	59,680	70,427	7,067	18.40	384
1959	113,486.56	86,448	102,015	11,472	19.06	602
1960	31,395.34	23,649	27,908	3,487	19.70	177
1961	58,106.99	43,268	51,060	7,047	20.43	345
1962	39,442.80	29,025	34,252	5,191	21.10	246
1963	71,371.72	51,887	61,231	10,141	21.86	464
1964	72,638.04	52,163	61,556	11,082	22.57	491
1965	93,204.18	66,082	77,982	15,222	23.28	654
1966	46,284.65	32,394	38,227	8,058	23.98	336
1967	10,964.26	7,572	8,936	2,028	24.73	82
1968	39,479.14	26,895	31,738	7,741	25.46	304
1969	34,106.74	22,907	27,032	7,075	26.30	269
1970	38,596.33	25,551	30,152	8,444	27.06	312
1971	51,648.23	33,688	39,754	11,894	27.79	428
1972	22,060.85	14,171	16,723	5,338	28.55	187
1973	7,138.99	4,515	5,328	1,811	29.21	62
1974	92,191.17	57,366	67,696	24,495	30.20	811
1975	2,242.00	1,372	1,619	623	31.15	20
1976	8,345.99	5,022	5,926	2,420	31.84	76
1977	3,873.43	2,290	2,702	1,171	32.53	36
1978	84,242.26	48,924	57,734	26,508	33.55	790
1979	24,464.37	13,948	16,460	8,004	34.35	233
1980	58,135.91	32,513	38,368	19,768	35.24	561
1981	13,989.25	7,671	9,052	4,937	36.04	137
1982	37,555.24	20,186	23,821	13,734	37.02	371
1983	34,607.87	19,232	22,695	11,913	34.73	343
1984	72,247.97	39,223	46,286	25,962	35.71	727
1985	20,647.40	10,945	12,916	7,731	36.64	211
1986	66,854.26	34,858	41,135	25,719	37.11	693
1987	207,799.90	105,666	124,694	83,106	38.10	2,181
1988	144,488.06	71,608	84,503	59,985	39.10	1,534
1989	137,876.65	66,553	78,538	59,339	40.09	1,480
1990	244,291.28	115,647	136,472	107,819	40.50	2,662

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1991	66,846.87	30,776	36,318	30,529	41.54	735
1992	23,800.79	10,648	12,565	11,236	42.56	264
1993	63,862.62	27,742	32,738	31,125	43.53	715
1994	44,318.53	18,676	22,039	22,280	44.47	501
1995	74,651.74	30,727	36,260	38,392	44.90	855
1996	39,258.64	15,645	18,462	20,797	45.91	453
1997	65,568.46	25,270	29,821	35,747	46.91	762
1998	15,268.71	5,685	6,709	8,560	47.82	179
1999	37,476.41	13,462	15,886	21,590	48.96	441
2000	50,113.86	17,344	20,467	29,647	49.91	594
2001	502,822.04	167,440	197,592	305,230	50.92	5,994
2002	150,557.33	48,525	57,263	93,294	51.35	1,817
2003	91,370.41	28,243	33,329	58,041	52.34	1,109
2004	52,145.60	15,430	18,209	33,937	53.36	636
2005	145,956.11	41,262	48,692	97,264	54.34	1,790
2006	27,628.07	7,446	8,787	18,841	55.41	340
2007	51,942.05	13,313	15,710	36,232	56.35	643
2008	164,306.52	39,943	47,136	117,171	57.35	2,043
2009	24,419.44	5,614	6,625	17,794	58.34	305
2010	43,311.35	9,386	11,076	32,235	59.36	543
2011	88,326.95	17,975	21,212	67,115	60.36	1,112
2012	13,622.04	2,592	3,059	10,563	61.41	172
2013	15,156.01	2,684	3,167	11,989	62.44	192
2014	36,947.77	6,056	7,147	29,801	63.41	470
2015	36,574.58	5,552	6,552	30,023	63.74	471
2016	34,368.29	4,760	5,617	28,751	64.75	444
2017	85,120.56	10,657	12,576	72,545	65.77	1,103
2018	48,937.81	5,476	6,462	42,476	66.79	636
2022	2,234.93	131	155	2,080	71.72	29
2024	1,509,664.27	48,460	57,187	1,452,477	72.77	19,960
2025	750,406.88	14,108	16,648	733,759	73.77	9,947
2026	431,284.71	5,262	6,210	425,075	74.27	5,723
	7,560,459.56	2,575,425	2,977,552	4,582,908		79,814

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 57.40 1.06

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1920	182.35	182	182			
1954	2,718.88	2,383	2,719			
1955	5,528.42	4,818	5,528			
1964	8,289.98	6,767	8,290			
1978	486,335.94	335,732	436,185	50,151	18.58	2,699
1980	12,052.02	8,057	10,468	1,584	19.80	80
1982	144,492.45	93,318	121,239	23,253	21.26	1,094
1983	5,454.59	3,742	4,862	593	19.77	30
1984	6,913.86	4,663	6,058	856	20.38	42
1991	6,596.96	3,878	5,038	1,559	24.75	63
1995	19,508.20	10,357	13,456	6,052	27.76	218
1996	34,710.81	17,949	23,319	11,392	28.41	401
1997	18,500.00	9,306	12,090	6,410	29.00	221
1999	1,169.44	555	721	448	29.87	15
2001	7,210.91	3,189	4,143	3,068	31.96	96
2006	93,601.90	34,015	44,192	49,410	35.75	1,382
2007	379,284.68	131,839	171,286	207,999	36.45	5,706
2008	596,565.77	197,762	256,934	339,632	37.14	9,145
2009	205,133.93	64,309	83,551	121,583	38.14	3,188
2011	3,201.69	898	1,167	2,035	39.90	51
2022	56,121.60	4,709	6,118	50,004	48.22	1,037
2023	56,660.30	3,700	4,806	51,854	48.92	1,060
2025	13,470.10	370	481	12,989	50.15	259
	2,163,704.78	942,498	1,222,833	940,872		26,787

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.10 1.24

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1915	2,039.02	2,039	2,039			
1921	15.25	15	15			
1926	674.20	669	674			
1933	308.06	295	308			
1936	213.91	202	214			
1938	94.77	89	95			
1942	4,567.33	4,193	4,567			
1946	33.12	30	33			
1947	467.40	420	467			
1948	4,490.90	4,014	4,491			
1949	21,634.60	19,247	21,635			
1950	8,917.38	7,896	8,917			
1951	12,398.99	10,927	12,399			
1952	9,794.83	8,589	9,795			
1953	13,583.85	11,853	13,584			
1954	4,677.51	4,060	4,678			
1955	3,289.22	2,840	3,289			
1956	3,955.53	3,397	3,956			
1957	809.82	691	810			
1958	773.26	656	773			
1959	6,263.37	5,285	6,263			
1960	7,763.15	6,508	7,763			
1961	4,903.21	4,084	4,903			
1962	720.58	596	721			
1963	5,812.66	4,774	5,813			
1964	14,748.06	12,021	14,748			
1965	359.61	291	360			
1966	4,223.66	3,387	4,224			
1967	206.63	164	207			
1968	11,635.65	9,167	11,636			
1969	3,475.25	2,712	3,475			
1970	1,542.20	1,191	1,542			
1971	8,490.84	6,492	8,491			
1973	13,809.31	10,322	13,809			
1974	1,991.11	1,471	1,991			
1975	635.87	464	636			
1976	1,120.08	806	1,120			
1978	32,091.49	22,464	32,091			
1979	11,321.38	7,808	11,321			
1980	0.01					
1981	27,039.82	18,067	27,040			
1983	2,322.66	1,654	2,323			
1984	35,991.84	25,342	35,992			
1985	12,866.74	8,900	12,867			
1986	2,980.58	2,024	2,981			
1987	20,248.43	13,487	20,248			
1988	1,833.40	1,204	1,833			
1989	6,868.66	4,421	6,869			
1990	443.70	280	444			
1991	1,335.51	823	1,336			
1993	86,082.31	50,918	85,128	954	23.27	41
1994	5,801.95	3,348	5,597	205	22.78	9
1995	1,205.33	678	1,134	71	23.67	3
1997	4,740.41	2,538	4,243	497	26.16	19

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1998	5,820.43	3,027	5,061	759	26.17	29
1999	42,005.79	21,192	35,430	6,576	26.95	244
2000	2,641.28	1,291	2,158	483	28.41	17
2002	7,408.89	3,401	5,686	1,723	28.72	60
2003	115,950.81	51,320	85,800	30,151	29.50	1,022
2004	74,594.44	31,770	53,115	21,479	30.21	711
2005	44,125.47	18,144	30,334	13,791	30.65	450
2006	23,119.09	9,109	15,229	7,890	31.43	251
2007	223.16	84	140	83	27.67	3
2008	369,366.95	132,640	221,755	147,612	32.87	4,491
2010	119,355.96	38,791	64,853	54,503	34.09	1,599
2011	11,451.64	3,513	5,873	5,579	34.87	160
2014	222,953.81	56,474	94,416	128,538	36.60	3,512
2017	149,925.02	29,370	49,103	100,822	38.66	2,608
2022	106,274.09	10,277	17,181	89,093	41.25	2,160
2023	208.26	16	27	181	45.25	4
	1,729,039.50	726,232	1,118,049	610,990		17,393

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.10 1.01

SURVIVOR CURVE: IOWA 45-R2
NET SALVAGE PERCENT: 0

1904	97.85	98	98			
1920	3,071.90	3,072	3,072			
1923	403.86	404	404			
1927	72.55	73	73			
1929	261.39	261	261			
1930	294.47	294	294			
1932	95.28	95	95			
1937	237.51	238	238			
1939	19.57	20	20			
1941	2,931.40	2,931	2,931			
1947	529.70	517	530			
1949	416.19	401	416			
1950	3,524.86	3,378	3,525			
1951	1,022.22	973	1,022			
1952	5,364.58	5,074	5,365			
1953	2,751.48	2,585	2,751			
1954	2,503.83	2,336	2,504			
1955	1,688.17	1,565	1,688			
1956	69.33	64	69			
1958	3,139.09	2,849	3,139			
1959	727.82	656	728			
1964	948.40	824	948			
1969	176.01	147	176			
1974	304.86	242	299	6	6.00	1
1980	5,852.63	4,319	5,328	525	11.67	45
1983	414.15	325	401	13	13.00	1
1984	12,992.80	10,030	12,372	621	12.42	50
1986	483.17	363	448	35	11.67	3
1989	6,269.91	4,504	5,556	714	14.57	49
1990	3,452.63	2,439	3,009	444	15.31	29
1991	4,259.48	2,957	3,647	612	15.69	39
1992	6,560.01	4,470	5,514	1,046	16.09	65
1993	1,344.70	899	1,109	236	16.86	14
1996	4,261.43	2,670	3,293	968	18.26	53
1997	548.91	336	414	135	19.29	7
1998	1,713.94	1,023	1,262	452	18.83	24
2003	3,060.34	1,577	1,945	1,115	21.86	51
2010	5,254.57	2,045	2,523	2,732	25.77	106
2011	7,667.97	2,826	3,486	4,182	26.47	158
	94,788.96	69,880	80,953	13,836		695

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.90 0.73

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1875	6,098.55	6,099	6,099			
1886	2,036.63	1,983	2,037			
1887	12,977.72	12,593	12,978			
1888	5,049.69	4,882	5,050			
1889	1,217.43	1,173	1,217			
1890	7,550.86	7,251	7,551			
1891	11,554.16	11,054	11,554			
1892	8,221.32	7,837	8,221			
1893	14,628.55	13,895	14,629			
1894	1,426.82	1,350	1,427			
1896	2,075.90	1,951	2,076			
1897	9,429.30	8,834	9,429			
1899	20,236.04	18,837	20,236			
1900	77,329.59	71,762	77,330			
1901	28,973.47	26,808	28,973			
1902	152,837.75	140,993	152,838			
1903	18,234.31	16,771	18,234			
1904	412.20	378	412			
1905	32,973.58	30,146	32,974			
1906	71,066.60	64,777	71,067			
1907	6,103.67	5,547	6,104			
1908	14,417.62	13,062	14,418			
1909	21,464.66	19,388	21,465			
1910	8,469.56	7,627	8,470			
1911	17,707.42	15,897	17,707			
1912	20,140.01	18,023	20,140			
1913	2,978.96	2,657	2,979			
1914	52,567.04	46,738	52,567			
1915	25,044.96	22,196	25,045			
1916	22,258.85	19,663	22,259			
1917	65,454.59	57,625	65,455			
1918	1,862.76	1,634	1,863			
1919	19,453.42	17,010	19,453			
1920	885.66	772	886			
1921	20,109.26	17,460	20,109			
1922	12,025.35	10,403	12,025			
1923	2,041.01	1,759	2,041			
1924	78,347.54	67,271	78,348			
1925	136,100.69	116,418	136,101			
1926	129,754.77	110,551	129,755			
1927	43,574.86	36,973	43,575			
1928	13,991.03	11,822	13,991			
1929	32,143.29	27,045	32,143			
1930	42,051.37	35,229	42,051			
1931	28,394.11	23,681	28,394			
1932	10,210.82	8,476	10,211			
1933	8,071.98	6,668	8,072			
1934	4,170.93	3,429	4,171			
1935	51,771.78	42,343	51,772			
1936	43,833.94	35,659	43,834			
1937	55,186.88	44,653	54,900	287	15.11	19
1938	39,581.68	31,843	39,151	431	15.39	28
1939	116,807.20	93,432	114,873	1,934	15.98	121
1940	28,518.62	22,676	27,880	639	16.38	39

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1941	38,659.27	30,545	37,555	1,104	16.73	66
1942	93,051.80	73,046	89,809	3,243	17.16	189
1943	40,740.35	31,773	39,064	1,676	17.64	95
1944	115,004.13	89,071	109,512	5,492	18.07	304
1945	16,094.32	12,377	15,217	877	18.66	47
1946	22,622.02	17,269	21,232	1,390	19.04	73
1947	61,771.76	46,800	57,540	4,232	19.41	218
1948	692,839.33	520,842	640,369	52,470	19.86	2,642
1949	1,164,612.39	868,510	1,067,822	96,790	20.34	4,759
1950	230,179.20	170,245	209,314	20,865	20.82	1,002
1951	245,689.01	180,183	221,533	24,156	21.34	1,132
1952	1,236,863.63	899,051	1,105,372	131,492	21.85	6,018
1953	553,636.30	398,829	490,355	63,281	22.37	2,829
1954	758,555.15	541,320	665,546	93,009	22.91	4,060
1955	934,343.25	660,469	812,038	122,305	23.45	5,216
1956	436,097.62	305,216	375,259	60,839	24.01	2,534
1957	1,332,504.87	923,266	1,135,144	197,361	24.57	8,033
1958	875,482.12	600,248	737,997	137,485	25.15	5,467
1959	1,846,722.70	1,252,780	1,540,277	306,446	25.73	11,910
1960	709,972.77	476,307	585,613	124,360	26.33	4,723
1961	1,670,348.55	1,108,076	1,362,365	307,984	26.93	11,436
1962	1,560,084.44	1,023,025	1,257,796	302,288	27.54	10,976
1963	1,811,737.41	1,174,006	1,443,425	368,312	28.16	13,079
1964	1,795,180.84	1,149,131	1,412,842	382,339	28.79	13,280
1965	827,737.08	523,229	643,303	184,434	29.43	6,267
1966	1,266,721.51	790,434	971,828	294,894	30.08	9,804
1967	1,123,852.00	692,158	850,999	272,853	30.73	8,879
1968	1,066,427.98	647,855	796,529	269,899	31.40	8,596
1969	1,223,717.18	733,153	901,402	322,315	32.07	10,050
1970	786,623.55	464,698	571,340	215,284	32.74	6,576
1971	646,466.53	376,321	462,682	183,785	33.43	5,498
1972	1,924,464.19	1,103,680	1,356,960	567,504	34.12	16,633
1973	1,253,466.76	707,895	870,348	383,119	34.82	11,003
1974	852,553.77	473,918	582,676	269,878	35.53	7,596
1975	678,737.91	371,270	456,472	222,266	36.24	6,133
1976	566,198.85	304,615	374,520	191,679	36.96	5,186
1977	1,065,446.64	563,493	692,807	372,640	37.69	9,887
1978	4,808,610.72	2,499,275	3,072,827	1,735,784	38.42	45,179
1979	2,205,606.32	1,125,962	1,384,356	821,250	39.16	20,972
1980	779,248.95	390,497	480,111	299,138	39.91	7,495
1981	2,371,393.85	1,166,133	1,433,746	937,648	40.66	23,061
1982	2,153,385.97	1,038,470	1,276,786	876,600	41.42	21,164
1983	1,048,716.98	569,139	699,749	348,968	36.58	9,540
1984	3,409,053.28	1,807,480	2,222,273	1,186,780	37.58	31,580
1985	2,463,449.07	1,285,428	1,580,417	883,032	37.95	23,268
1986	2,544,908.00	1,295,867	1,593,252	951,656	38.95	24,433
1987	4,112,831.11	2,058,883	2,531,370	1,581,461	39.32	40,220
1988	1,732,810.81	845,438	1,039,455	693,356	40.32	17,196
1989	3,079,254.14	1,474,655	1,813,069	1,266,185	40.71	31,103
1990	7,247,269.37	3,404,767	4,186,117	3,061,152	41.10	74,481
1991	4,294,066.29	1,961,959	2,412,203	1,881,863	42.10	44,700
1992	2,389,702.78	1,069,153	1,314,510	1,075,193	42.51	25,293
1993	3,001,742.83	1,303,957	1,603,198	1,398,545	43.51	32,143
1994	2,065,248.20	877,111	1,078,397	986,851	43.92	22,469
1995	2,164,083.78	897,446	1,103,398	1,060,686	44.34	23,922

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1996	2,199,058.67	882,922	1,085,541	1,113,518	45.34	24,559
1997	3,608,543.99	1,411,662	1,735,620	1,872,924	45.77	40,920
1998	2,311,350.79	873,459	1,073,907	1,237,444	46.77	26,458
1999	2,669,840.49	980,899	1,206,003	1,463,837	47.21	31,007
2000	2,788,821.94	994,494	1,222,718	1,566,104	47.66	32,860
2001	2,229,891.40	765,076	940,651	1,289,240	48.66	26,495
2002	3,068,191.22	1,018,946	1,252,781	1,815,410	49.11	36,966
2003	2,314,878.83	742,613	913,033	1,401,846	49.58	28,274
2004	3,350,956.83	1,029,079	1,265,239	2,085,718	50.58	41,236
2005	8,666,798.36	2,561,906	3,149,831	5,516,967	51.04	108,091
2006	7,618,184.62	2,146,804	2,639,468	4,978,717	52.04	95,671
2007	6,836,724.63	1,845,232	2,268,689	4,568,036	52.53	86,961
2008	7,008,852.18	1,806,882	2,221,538	4,787,314	53.01	90,310
2009	4,454,839.29	1,094,109	1,345,193	3,109,646	53.50	58,124
2010	8,512,702.77	1,970,691	2,422,939	6,089,764	54.50	111,739
2011	11,221,580.81	2,456,404	3,020,117	8,201,464	55.01	149,090
2012	8,321,957.06	1,715,988	2,109,785	6,212,172	55.51	111,911
2013	10,481,495.33	2,025,025	2,489,743	7,991,752	56.03	142,633
2014	7,008,482.31	1,253,117	1,540,691	5,467,791	57.03	95,876
2015	5,406,659.05	894,802	1,100,148	4,306,511	57.55	74,831
2016	3,376,073.43	513,501	631,343	2,744,730	58.08	47,258
2017	14,025,436.42	1,941,120	2,386,582	11,638,854	58.61	198,581
2018	2,825,207.07	352,021	432,805	2,392,402	59.15	40,446
2019	11,540,285.46	1,275,202	1,567,845	9,972,440	59.70	167,043
2020	5,067,656.87	491,056	603,747	4,463,910	59.81	74,635
2021	1,531,409.09	126,035	154,958	1,376,451	60.38	22,796
2022	32,456,503.23	2,207,042	2,713,530	29,742,973	60.52	491,457
2023	21,738,946.87	1,158,686	1,424,590	20,314,357	60.69	334,723
2024	17,287,199.56	660,371	811,918	16,475,282	60.87	270,663
2025	14,542,032.99	334,467	411,223	14,130,810	60.31	234,303
2026	9,753,099.55	148,247	182,268	9,570,832	59.33	161,315
	329,280,077.50	84,499,586	103,771,080	225,508,998		4,197,854

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.70 1.27

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

1920	589.16	589	589			
1936	121.53	122	122			
1938	663.19	663	663			
1942	87.34	87	87			
1950	1,370.50	1,284	1,370			
1952	24,559.33	22,618	24,559			
1954	13,257.83	11,998	13,258			
1955	46,372.83	41,603	46,373			
1956	1,191.27	1,059	1,191			
1957	56.16	49	56			
1959	1,661.72	1,438	1,662			
1960	374.13	321	374			
1962	29,560.93	24,859	28,932	629	6.69	94
1963	3,576.90	2,979	3,467	110	6.88	16
1964	42,183.87	34,781	40,480	1,704	7.38	231
1965	751.09	613	713	38	7.60	5
1971	544.47	417	485	59	9.83	6
1972	193.99	147	171	23	11.50	2
1974	100.99	75	87	14	14.00	1
1975	896.34	655	762	134	11.17	12
1978	1,225,415.27	861,295	1,002,414	223,001	12.48	17,869
1979	2,195.64	1,523	1,773	423	12.82	33
1980	2,169.34	1,484	1,727	442	13.39	33
1981	92,777.86	62,559	72,809	19,969	13.68	1,460
1982	316,102.29	210,132	244,561	71,541	14.08	5,081
1983	33,503.67	25,748	29,967	3,537	13.10	270
1984	49,765.90	37,996	44,221	5,545	13.14	422
1985	4,988.02	3,760	4,376	612	13.60	45
1986	17,629.79	13,111	15,259	2,371	13.95	170
1987	14,351.73	10,523	12,247	2,105	14.32	147
1988	561.48	408	475	86	14.33	6
1989	13,608.36	9,726	11,320	2,288	14.95	153
1990	44,308.76	31,304	36,433	7,876	15.12	521
1991	15,482.07	10,748	12,509	2,973	15.57	191
1992	4,020.95	2,754	3,205	816	15.69	52
1993	35,219.30	23,657	27,533	7,686	16.32	471
1994	26,119.86	17,273	20,103	6,017	16.62	362
1995	61,188.06	39,791	46,311	14,877	16.89	881
1996	240,188.77	153,433	178,572	61,617	17.20	3,582
1997	10,471.39	6,561	7,636	2,835	17.50	162
1998	50,848.33	31,068	36,158	14,690	18.09	812
1999	8,602.24	5,165	6,011	2,591	18.25	142
2000	2,348.66	1,377	1,603	746	18.65	40
2001	447,934.32	256,174	298,147	149,787	19.03	7,871
2002	48,487.86	26,993	31,416	17,072	19.44	878
2003	397,296.00	214,897	250,107	147,189	19.87	7,408
2004	86,137.12	45,377	52,812	33,325	20.14	1,655
2005	1,759,513.83	896,824	1,043,764	715,750	20.60	34,745
2006	448,977.65	221,840	258,187	190,791	20.90	9,129
2007	1,874,681.50	895,348	1,042,046	832,636	21.24	39,201
2008	1,806,847.86	828,620	964,385	842,463	21.74	38,752
2009	1,851,827.04	815,915	949,598	902,229	22.11	40,806
2010	108,375.96	45,724	53,216	55,160	22.49	2,453
2011	1,414,793.57	569,313	662,592	752,202	22.90	32,847

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

2012	200,524.04	76,901	89,501	111,023	23.18	4,790
2013	99,406.55	36,005	41,904	57,503	23.62	2,435
2014	2,656,008.13	903,574	1,051,620	1,604,388	24.08	66,627
2015	75,454.84	24,032	27,970	47,485	24.43	1,944
2017	85,154.43	23,171	26,967	58,187	25.19	2,310
2019	158,982.37	35,262	41,039	117,943	26.03	4,531
2020	3,969.52	774	901	3,069	26.46	116
2021	202,673.46	34,029	39,604	163,069	26.84	6,076
2022	45,165.67	6,283	7,312	37,854	27.33	1,385
2023	2,382,299.70	262,053	304,990	2,077,310	27.64	75,156
2024	55,245.24	4,381	5,099	50,146	28.08	1,786
2025	707,949.33	33,698	39,219	668,730	28.35	23,588
2026	3,480,088.73	108,579	126,369	3,353,720	28.49	117,716
	22,837,776.03	8,073,520	9,391,389	13,446,387		557,477

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.10 2.44

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1905	126.83	127	127			
1916	12.63	13	13			
1917	15.90	16	16			
1918	7.95	8	8			
1919	26.66	27	27			
1920	118.87	119	119			
1925	7.95	8	8			
1926	134.78	135	135			
1927	64.65	65	65			
1928	18.26	18	18			
1929	365.26	365	365			
1930	197.04	197	197			
1931	253.66	252	254			
1934	42.87	42	43			
1935	1,540.39	1,486	1,540			
1936	969.88	929	970			
1937	1,135.53	1,080	1,136			
1940	1,350.61	1,259	1,351			
1941	94.14	87	94			
1942	657.77	607	658			
1943	318.83	293	319			
1945	9.17	8	9			
1946	135.83	123	136			
1947	725.45	652	725			
1948	1,105.83	988	1,106			
1949	19,055.99	16,928	19,056			
1950	22,683.67	20,028	22,684			
1951	1,058.01	928	1,058			
1952	7,701.85	6,715	7,702			
1953	23,532.61	20,385	23,533			
1954	12,257.17	10,546	12,257			
1955	24,534.29	20,967	24,534			
1956	11,194.19	9,501	11,194			
1957	41,277.48	34,785	41,277			
1958	43,292.51	36,212	43,293			
1959	7,691.68	6,386	7,692			
1960	732.65	604	733			
1961	13,013.68	10,639	13,014			
1962	20,163.38	16,349	20,163			
1963	5,838.55	4,695	5,797	42	10.50	4
1964	91,423.51	72,891	89,997	1,427	9.71	147
1965	39,292.46	31,058	38,347	945	10.05	94
1966	25,399.83	19,896	24,565	835	10.44	80
1967	36,243.11	28,126	34,727	1,516	10.75	141
1968	233,299.07	179,300	221,379	11,920	11.11	1,073
1969	106,899.67	81,332	100,419	6,481	11.47	565
1970	12,892.10	9,707	11,985	907	11.93	76
1971	70,718.20	52,685	65,049	5,669	12.24	463
1972	18,445.37	13,588	16,777	1,668	12.64	132
1973	28,232.46	20,557	25,381	2,851	13.08	218
1974	38,573.74	27,757	34,271	4,303	13.45	320
1975	11,737.28	8,341	10,299	1,438	13.83	104
1976	29,431.73	20,645	25,490	3,942	14.33	275
1977	16,105.54	11,146	13,762	2,344	14.74	159

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1978	225,318.23	153,780	189,870	35,448	15.24	2,326
1979	209,935.08	141,225	174,368	35,567	15.71	2,264
1980	227,737.08	150,924	186,344	41,393	16.19	2,557
1981	292,396.62	190,789	235,564	56,833	16.68	3,407
1982	162,388.90	104,267	128,737	33,652	17.18	1,959
1983	159,982.63	117,379	144,926	15,057	15.77	955
1984	132,598.09	96,173	118,743	13,855	16.05	863
1985	161,209.81	114,846	141,799	19,411	16.72	1,161
1986	66,089.13	46,474	57,381	8,708	17.07	510
1987	387,939.69	269,114	332,271	55,669	17.40	3,199
1988	74,938.30	51,243	63,269	11,669	17.76	657
1989	226,635.45	151,800	187,425	39,210	18.45	2,125
1990	167,100.55	110,136	135,983	31,118	18.83	1,653
1991	378,270.93	245,157	302,692	75,579	19.23	3,930
1992	164,733.37	104,886	129,501	35,232	19.64	1,794
1993	671,216.79	419,443	517,880	153,337	20.06	7,644
1994	293,911.68	179,110	221,144	72,768	20.78	3,502
1995	345,746.70	206,376	254,809	90,938	21.22	4,285
1996	144,844.53	84,589	104,441	40,404	21.66	1,865
1997	677,455.66	386,624	477,359	200,097	22.13	9,042
1998	738,695.14	411,453	508,015	230,680	22.60	10,207
1999	273,576.03	148,497	183,347	90,229	23.09	3,908
2000	275,362.78	145,474	179,615	95,748	23.58	4,061
2001	273,109.44	140,214	173,120	99,989	24.09	4,151
2002	1,109,396.73	552,591	682,276	427,121	24.60	17,363
2003	658,571.59	317,695	392,253	266,319	25.13	10,598
2004	1,661,635.55	778,476	961,173	700,463	25.43	27,545
2005	191,289.01	86,444	106,731	84,558	25.98	3,255
2006	1,230,591.40	535,184	660,784	569,807	26.53	21,478
2007	1,212,168.09	508,383	627,693	584,475	26.88	21,744
2008	516,211.25	207,259	255,900	260,311	27.45	9,483
2009	588,119.85	226,367	279,492	308,628	27.83	11,090
2010	1,167,171.70	429,169	529,889	637,283	28.23	22,575
2011	1,557,148.32	542,510	669,829	887,319	28.83	30,778
2012	2,431,975.45	802,795	991,199	1,440,776	29.25	49,257
2013	1,160,081.26	362,641	447,747	712,334	29.50	24,147
2014	1,491,125.75	436,900	539,434	951,692	29.96	31,765
2015	1,758,329.42	481,782	594,849	1,163,480	30.25	38,462
2016	1,959,322.02	498,060	614,947	1,344,375	30.57	43,977
2017	10,896,923.89	2,544,432	3,141,573	7,755,351	30.91	250,901
2018	437,449.49	93,133	114,990	322,459	31.11	10,365
2019	449,665.60	86,066	106,264	343,402	31.34	10,957
2020	551,564.88	93,435	115,363	436,202	31.46	13,865
2021	162,280.42	23,725	29,293	132,987	31.62	4,206
2022	896,877.30	110,137	135,985	760,892	31.55	24,117
2023	5,232,700.35	514,898	635,737	4,596,963	31.31	146,821
2024	537,093.46	39,208	48,409	488,684	30.70	15,918
2025	497,093.76	22,667	27,987	469,107	29.64	15,827
2026	2,468,821.98	77,027	95,104	2,373,718	28.49	83,318
	48,576,959.65	15,342,558	18,929,378	29,647,582		1,021,688

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.00 2.10

SURVIVOR CURVE: IOWA 35-R1
NET SALVAGE PERCENT: 0

1953	2,740.74	2,741	2,741			
1954	35.60	36	36			
1955	351.02	351	351			
1961	756.22	721	756			
1965	3,429.65	3,147	3,430			
1968	1,634.56	1,458	1,635			
1969	2,732.34	2,414	2,732			
1970	2,520.94	2,204	2,521			
1974	578.55	484	579			
1975	236.10	195	236			
1976	1,215.86	993	1,216			
1979	17,650.83	13,863	17,644	7	7.00	1
1982	4,504.21	3,387	4,311	193	8.77	22
1986	2,135.76	1,726	2,136			
1987	256.35	205	256			
1989	26,482.55	20,611	26,234	249	10.83	23
1990	14.84	11	14	1		
1991	4,856.79	3,681	4,685	172	11.47	15
1992	8,073.07	6,029	7,674	399	11.74	34
1993	12,151.68	8,934	11,372	780	12.00	65
1994	35,464.43	25,637	32,632	2,832	12.42	228
1995	17,491.87	12,419	15,807	1,685	12.86	131
1996	17,646.12	12,291	15,644	2,002	13.26	151
1997	108,647.75	74,152	94,383	14,265	13.69	1,042
1998	56,483.33	37,720	48,011	8,472	14.14	599
1999	28,011.20	18,277	23,264	4,747	14.61	325
2000	86,140.66	55,070	70,095	16,046	14.90	1,077
2002	78,749.24	47,683	60,693	18,056	15.91	1,135
2003	46,378.35	27,368	34,835	11,543	16.28	709
2004	24,561.39	14,096	17,942	6,619	16.63	398
2008	111,157.57	55,679	70,870	40,288	18.35	2,196
2011	19,861.33	8,757	11,146	8,715	19.54	446
2013	5,239.33	2,088	2,658	2,581	20.32	127
2014	4,900.00	1,843	2,346	2,554	20.60	124
2015	553,624.92	195,319	248,609	305,016	20.94	14,566
2016	295,458.11	97,265	123,802	171,656	21.23	8,086
2017	631,609.62	192,704	245,281	386,329	21.45	18,011
2018	241,146.06	67,593	86,035	155,111	21.61	7,178
2019	4,636.30	1,176	1,497	3,139	21.80	144
2021	160,434.13	31,798	40,473	119,961	21.91	5,475
2023	30,785.92	4,218	5,369	25,417	21.52	1,181
	2,650,785.29	1,056,344	1,341,951	1,308,834		63,489

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.60 2.40

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1876	535.18	535	535			
1881	11.59	12	12			
1885	352.00	352	352			
1887	302.11	302	302			
1888	303.80	304	304			
1889	1,640.73	1,641	1,641			
1890	466.90	467	467			
1891	254.53	255	255			
1892	366.62	367	367			
1894	1,419.69	1,420	1,420			
1895	115.83	116	116			
1896	12.76	13	13			
1897	541.59	542	542			
1898	187.32	187	187			
1899	1,358.95	1,359	1,359			
1900	1,487.01	1,487	1,487			
1901	57,750.82	57,751	57,751			
1902	20,985.66	20,986	20,986			
1903	55,757.91	55,758	55,758			
1904	6,974.52	6,975	6,975			
1905	20,820.07	20,820	20,820			
1906	12,696.56	12,697	12,697			
1907	3,991.47	3,991	3,991			
1908	3,682.91	3,683	3,683			
1909	2,061.23	2,061	2,061			
1910	3,165.76	3,166	3,166			
1911	6,116.69	6,117	6,117			
1912	12,423.56	12,395	12,424			
1913	7,267.85	7,236	7,268			
1914	8,650.32	8,596	8,650			
1915	16,578.55	16,439	16,579			
1916	3,836.99	3,794	3,837			
1917	3,163.19	3,119	3,163			
1918	1,448.90	1,425	1,449			
1919	1,808.38	1,773	1,808			
1920	5,435.30	5,315	5,435			
1921	3,077.86	3,001	3,078			
1922	6,721.09	6,533	6,721			
1923	7,711.85	7,472	7,712			
1924	3,514.28	3,395	3,514			
1925	4,311.45	4,151	4,311			
1926	2,267.36	2,175	2,267			
1927	3,524.17	3,370	3,516	8	4.00	2
1928	1,429.17	1,362	1,421	8	4.00	2
1929	3,436.00	3,262	3,403	33	3.67	9
1930	5,769.25	5,458	5,694	75	3.95	19
1931	4,799.02	4,524	4,720	79	4.39	18
1932	2,986.25	2,805	2,926	60	4.62	13
1933	884.91	828	864	21	5.25	4
1934	985.72	919	959	27	5.40	5
1935	975.62	906	945	31	5.17	6
1936	3,380.64	3,127	3,262	119	5.67	21
1937	4,752.29	4,378	4,567	185	5.97	31
1938	3,461.64	3,175	3,312	150	6.25	24

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1939	8,948.17	8,175	8,528	420	6.46	65
1940	12,537.47	11,404	11,897	640	6.81	94
1941	25,958.06	23,508	24,525	1,433	7.09	202
1942	6,103.48	5,502	5,740	363	7.41	49
1943	1,382.06	1,240	1,294	88	8.00	11
1944	3,132.18	2,796	2,917	215	7.96	27
1945	16,033.54	14,242	14,858	1,176	8.40	140
1946	8,719.44	7,703	8,036	683	8.76	78
1947	11,572.43	10,167	10,607	965	9.10	106
1948	11,368.64	9,929	10,358	1,011	9.54	106
1949	10,266.47	8,910	9,295	971	9.91	98
1950	29,719.87	25,622	26,730	2,990	10.35	289
1951	39,412.01	33,747	35,206	4,206	10.78	390
1952	23,927.58	20,338	21,217	2,711	11.25	241
1953	16,401.19	13,834	14,432	1,969	11.72	168
1954	22,305.55	18,662	19,469	2,837	12.23	232
1955	27,554.94	22,860	23,848	3,707	12.78	290
1956	27,566.98	22,664	23,644	3,923	13.34	294
1957	24,760.10	20,168	21,040	3,720	13.93	267
1958	95,103.66	76,704	80,021	15,083	14.52	1,039
1959	31,478.89	25,133	26,220	5,259	15.11	348
1960	27,074.73	21,389	22,314	4,761	15.76	302
1961	56,566.83	44,197	46,108	10,459	16.39	638
1962	22,814.68	17,625	18,387	4,428	17.03	260
1963	32,627.88	24,915	25,992	6,636	17.74	374
1964	37,595.96	28,373	29,600	7,996	18.38	435
1965	37,095.20	27,653	28,849	8,246	19.09	432
1966	32,185.46	23,693	24,718	7,467	19.81	377
1967	56,370.01	40,962	42,733	13,637	20.51	665
1968	51,176.17	36,704	38,291	12,885	21.23	607
1969	31,060.18	21,974	22,924	8,136	21.93	371
1970	37,964.75	26,489	27,634	10,331	22.66	456
1971	41,657.49	28,649	29,888	11,769	23.40	503
1972	26,813.77	18,169	18,955	7,859	24.18	325
1973	51,687.84	34,500	35,992	15,696	24.95	629
1974	43,648.85	28,680	29,920	13,729	25.71	534
1975	26,973.73	17,443	18,197	8,777	26.52	331
1976	23,771.53	15,119	15,773	7,999	27.30	293
1977	29,833.89	18,656	19,463	10,371	28.11	369
1978	40,220.45	24,711	25,780	14,440	28.94	499
1979	59,805.49	36,091	37,652	22,153	29.74	745
1980	61,795.41	36,600	38,183	23,612	30.59	772
1981	80,440.05	46,741	48,762	31,678	31.43	1,008
1982	66,323.68	37,778	39,412	26,912	32.27	834
1983	75,703.69	44,370	46,289	29,415	30.67	959
1984	49,386.28	28,491	29,723	19,663	31.11	632
1985	56,685.75	31,931	33,312	23,374	32.11	728
1986	60,050.04	33,010	34,437	25,613	33.09	774
1987	96,831.16	52,289	54,550	42,281	33.58	1,259
1988	101,680.52	53,514	55,828	45,853	34.58	1,326
1989	99,008.25	50,752	52,947	46,061	35.57	1,295
1990	116,992.90	58,801	61,344	55,649	36.04	1,544
1991	88,606.59	43,311	45,184	43,423	37.05	1,172
1992	159,574.41	75,798	79,075	80,499	38.04	2,116
1993	145,170.76	66,953	69,848	75,323	39.05	1,929

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1994	116,906.29	52,678	54,956	61,950	39.53	1,567
1995	95,713.43	41,798	43,605	52,108	40.52	1,286
1996	49,135.34	20,774	21,672	27,463	41.55	661
1997	160,911.05	65,797	68,642	92,269	42.52	2,170
1998	78,529.79	31,019	32,360	46,170	43.52	1,061
1999	136,298.12	52,311	54,573	81,725	44.01	1,857
2000	121,853.66	45,061	47,009	74,845	45.01	1,663
2001	389,701.31	138,656	144,652	245,049	46.01	5,326
2002	248,302.90	84,870	88,540	159,763	47.02	3,398
2003	535,657.43	175,589	183,182	352,475	48.01	7,342
2004	237,666.40	74,580	77,805	159,861	49.01	3,262
2005	320,451.32	96,071	100,225	220,226	50.01	4,404
2006	499,428.35	143,785	150,002	349,426	50.50	6,919
2007	209,830.34	57,452	59,936	149,894	51.49	2,911
2008	111,669.23	29,000	30,254	81,415	52.49	1,551
2009	48,393.49	11,885	12,399	35,994	53.48	673
2010	45,085.01	10,437	10,888	34,197	54.54	627
2011	249,454.99	54,232	56,577	192,878	55.50	3,475
2012	165,726.91	33,692	35,149	130,578	56.50	2,311
2013	30,336.74	5,740	5,988	24,349	57.56	423
2014	1,150.00	201	210	940	58.75	16
2015	12,300.58	1,980	2,066	10,235	59.51	172
2016	107,526.45	15,796	16,479	91,047	60.50	1,505
2017	203,905.99	27,079	28,250	175,656	61.50	2,856
2018	2,388.00	283	295	2,093	63.42	33
2020	12,955.85	1,180	1,231	11,725	64.07	183
2024	3,724,469.78	127,749	133,273	3,591,197	68.01	52,804
2025	1,038,567.42	20,875	21,778	1,016,789	69.01	14,734
2026	908,022.62	11,804	12,314	895,709	69.51	12,886
	12,669,747.70	3,336,310	3,469,425	9,200,323		168,257

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 54.70 1.33

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1903	83.73	84	84
1908	19.54	19	20
1912	9.54	9	10
1913	1,357.31	1,318	1,357
1914	1,639.31	1,585	1,639
1915	2,011.59	1,936	2,012
1917	1,021.50	975	1,022
1918	2,575.62	2,446	2,576
1919	815.12	771	815
1920	353.72	333	354
1921	1,745.97	1,636	1,746
1922	1,361.96	1,270	1,362
1923	607.99	564	608
1924	633.17	585	633
1925	3,680.40	3,383	3,680
1926	1,312.54	1,200	1,313
1927	3,613.78	3,289	3,614
1928	5,024.89	4,551	5,025
1929	3,011.80	2,714	3,012
1930	4,024.26	3,609	4,024
1931	701.45	626	701
1932	1,920.05	1,705	1,920
1933	388.56	343	389
1934	313.86	276	314
1935	1,724.32	1,507	1,724
1936	3,679.73	3,200	3,680
1937	4,134.88	3,576	4,135
1938	2,238.07	1,925	2,238
1939	1,739.28	1,488	1,739
1940	1,749.00	1,488	1,749
1941	2,121.15	1,794	2,121
1942	10,812.23	9,092	10,812
1943	2,101.80	1,757	2,102
1944	6,541.60	5,435	6,542
1945	1,414.75	1,168	1,415
1946	10,667.70	8,751	10,668
1947	10,157.66	8,276	10,158
1948	25,651.89	20,762	25,652
1949	30,399.29	24,432	30,399
1950	33,724.76	26,912	33,725
1951	49,071.55	38,872	49,072
1952	81,155.43	63,800	81,155
1953	69,467.96	54,185	69,468
1954	22,057.69	17,069	22,058
1955	48,500.57	37,218	48,501
1956	36,568.53	27,826	36,569
1957	40,684.72	30,689	40,685
1958	76,107.43	56,893	76,107
1959	71,394.05	52,876	71,394
1960	19,360.19	14,201	19,360
1961	63,351.58	46,022	63,352
1962	9,462.25	6,804	9,462
1963	35,290.18	25,110	35,290
1964	35,101.11	24,711	35,101

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1965	36,289.22	25,269	36,289			
1966	34,727.22	23,903	34,727			
1967	20,757.29	14,121	20,757			
1968	18,895.70	12,701	18,896			
1969	17,078.22	11,337	17,078			
1970	21,544.06	14,120	21,544			
1971	24,413.24	15,790	24,413			
1972	33,515.59	21,383	33,516			
1973	42,333.41	26,637	42,333			
1974	52,183.31	32,361	52,183			
1975	70,774.07	43,249	70,774			
1976	24,458.90	14,721	24,459			
1977	10,052.47	5,956	10,052			
1978	13,381.28	7,800	13,381			
1979	61,227.14	35,097	61,227			
1980	46,957.29	26,462	46,957			
1981	108,073.93	59,823	108,074			
1982	24,493.98	13,313	24,494			
1983	174,266.69	108,202	174,267			
1984	50,313.82	30,732	50,314			
1985	43,778.24	26,289	43,778			
1986	30,873.15	18,218	30,873			
1987	26,994.30	15,640	26,994			
1988	37,166.07	21,133	37,166			
1989	61,580.41	34,331	61,580			
1990	32,820.21	17,926	32,820			
1991	30,990.54	16,574	30,991			
1992	12,536.57	6,558	12,537			
1993	39,532.32	20,213	39,532			
1994	33,782.35	16,864	33,782			
1995	64,900.20	31,606	64,900			
1996	11,243.39	5,335	11,243			
1997	21,575.41	9,964	21,575			
1998	40,226.17	18,062	40,226			
1999	33,979.75	14,907	33,980			
2000	43,051.20	18,310	43,051			
2002	2,350.85	936	2,351			
2003	2,053.26	788	2,053			
2004	44,825.88	16,581	44,826			
2005	63,144.05	22,587	63,144			
2006	168,913.79	57,937	168,914			
2007	5,524.79	1,813	5,525			
2008	270,058.56	84,555	270,059			
2009	2,015.74	604	2,016			
2010	45,567.85	12,941	45,568			
2011	51,274.14	13,834	51,274			
2012	54,052.88	13,713	54,053			
2013	160,494.26	38,326	160,494			
2014	21,500.33	4,780	21,500			
2015	419,116.93	86,590	403,282	15,835	43.86	361
2017	6,204.02	1,081	5,035	1,169	44.96	26
2018	140,968.77	22,188	103,338	37,631	45.07	835
2019	12,998.63	1,822	8,486	4,513	45.59	99
2023	130,590.79	9,063	42,210	88,381	45.84	1,928
2024	25,764.48	1,296	6,036	19,728	45.67	432

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

2026	1,302,345.25	26,698	124,342	1,178,003	43.73	26,938
	5,225,191.37	1,906,106	3,879,932	1,345,259		30,619

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.90 0.59

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1905	18.93	19	19			
1906	10.01	10	10			
1907	41.85	42	42			
1909	16.66	16	17			
1910	5.15	5	5			
1911	36.07	35	36			
1912	10.16	10	10			
1913	33.39	32	33			
1914	13.64	13	14			
1915	7.21	7	7			
1917	11.97	11	12			
1922	15.26	14	15			
1925	2.50	2	2			
1927	26.62	24	27			
1928	617.16	559	617			
1929	5.35	5	5			
1930	19.62	18	20			
1933	1.25	1	1			
1938	156.55	135	157			
1939	541.21	463	541			
1940	225.24	192	225			
1941	132.11	112	132			
1942	1,264.96	1,064	1,265			
1943	140.00	117	140			
1947	28.90	24	29			
1948	119.32	97	119			
1949	954.21	767	954			
1950	318.52	254	319			
1951	1,225.25	971	1,225			
1952	1,723.65	1,355	1,724			
1953	1,838.37	1,434	1,838			
1954	1,808.65	1,400	1,809			
1955	4,119.06	3,161	4,119			
1956	2,972.20	2,262	2,972			
1957	599.42	452	599			
1958	2,092.84	1,564	2,093			
1959	1,105.18	819	1,105			
1960	1,903.13	1,396	1,903			
1961	655.47	476	655			
1962	3,127.73	2,249	3,128			
1963	2,267.09	1,613	2,267			
1964	1,006.92	709	1,007			
1965	4,910.23	3,419	4,879	31	15.50	2
1966	1,977.05	1,361	1,942	35	17.50	2
1967	4,007.26	2,726	3,890	117	19.50	6
1968	2,402.78	1,615	2,305	98	19.60	5
1969	2,104.83	1,397	1,994	111	22.20	5
1970	7,723.63	5,062	7,223	501	22.77	22
1971	3,384.07	2,189	3,124	260	23.64	11
1972	5,978.05	3,814	5,443	535	23.26	23
1973	4,798.08	3,019	4,308	490	24.50	20
1974	1,207.86	749	1,069	139	23.17	6
1976	8,495.73	5,113	7,296	1,200	26.09	46
1977	2,075.92	1,230	1,755	321	26.75	12

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1978	1,584.85	924	1,319	266	26.60	10
1979	3,055.69	1,752	2,500	556	27.80	20
1980	15,755.65	8,879	12,670	3,086	28.31	109
1981	1,735.37	961	1,371	364	28.00	13
1982	7,477.67	4,064	5,799	1,679	29.46	57
1983	9,556.02	5,933	8,466	1,090	26.59	41
1984	10,545.06	6,441	9,191	1,354	27.08	50
1985	7,845.56	4,711	6,723	1,123	27.39	41
1986	13,834.09	8,163	11,649	2,185	28.01	78
1987	16,371.96	9,486	13,536	2,836	28.65	99
1988	24,793.91	14,098	20,118	4,676	29.23	160
1989	20,057.78	11,182	15,957	4,101	29.72	138
1990	10,248.72	5,598	7,988	2,261	30.15	75
1991	24,384.92	13,041	18,609	5,776	30.89	187
1992	32,716.16	17,114	24,422	8,294	31.42	264
1993	43,540.71	22,262	31,768	11,773	31.91	369
1994	13,356.35	6,667	9,514	3,842	32.56	118
1995	25,503.16	12,420	17,723	7,780	33.11	235
1996	17,361.84	8,238	11,756	5,606	33.77	166
1997	12,560.71	5,801	8,278	4,283	34.26	125
1998	19,747.96	8,867	12,653	7,095	34.95	203
1999	38,323.29	16,812	23,991	14,332	35.04	409
2000	17,222.31	7,325	10,453	6,769	35.63	190
2001	25,491.47	10,497	14,979	10,512	36.25	290
2002	30,061.47	11,964	17,072	12,989	36.90	352
2003	43,162.95	16,575	23,652	19,511	37.59	519
2004	46,337.65	17,140	24,459	21,879	38.18	573
2005	49,805.93	17,816	25,423	24,383	38.46	634
2006	39,229.62	13,456	19,202	20,028	39.12	512
2007	26,168.97	8,586	12,252	13,917	39.76	350
2008	38,476.67	12,047	17,191	21,286	40.39	527
2009	31,291.92	9,375	13,378	17,914	40.71	440
2010	56,436.18	16,028	22,872	33,564	41.39	811
2011	49,784.92	13,432	19,167	30,618	41.71	734
2012	115,135.23	29,210	41,682	73,453	42.41	1,732
2013	67,646.44	16,154	23,052	44,594	42.76	1,043
2014	7,717.64	1,716	2,449	5,269	43.55	121
2015	2,009.53	415	592	1,418	44.31	32
2016	4,884.04	931	1,328	3,556	44.45	80
2021	3,388.02	358	511	2,877	45.67	63
	1,104,892.66	452,042	642,160	462,733		12,130

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 38.10 1.10

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

1905	13,481.44	12,767	11,826	1,656	6.79	244
1919	1,926.91	1,801	1,668	259	7.62	34
1922	400.82	377	349	52	6.50	8
1927	750.59	701	649	101	7.21	14
1936	1,676.98	1,547	1,433	244	7.63	32
1943	872.73	801	742	131	7.71	17
1945	569.96	520	482	88	8.00	11
1948	237.87	216	200	38	7.60	5
1949	692.13	627	581	111	7.93	14
1950	1,244,916.21	1,132,127	1,048,649	196,268	7.61	25,791
1951	1,203.94	1,090	1,010	194	8.08	24
1952	3,847.45	3,493	3,235	612	7.56	81
1953	898.12	811	751	147	7.74	19
1958	891.52	799	740	151	7.95	19
1960	1,158.63	1,031	955	204	8.16	25
1961	1,045.63	930	861	184	8.00	23
1962	1,085.17	965	894	191	7.96	24
1963	660.66	587	544	117	7.80	15
1964	174,029.67	154,242	142,869	31,161	8.01	3,890
1965	19,001.79	16,805	15,566	3,436	8.03	428
1966	4,722.91	4,166	3,859	864	8.07	107
1967	3,887.28	3,418	3,166	721	8.19	88
1968	11,176.28	9,793	9,071	2,105	8.25	255
1969	31.95	28	26	6	6.00	1
1970	2,279.85	1,994	1,847	433	8.17	53
1971	21,739.76	18,914	17,519	4,220	8.27	510
1972	12,280.95	10,693	9,905	2,376	8.08	294
1973	11,646.34	10,079	9,336	2,311	8.31	278
1974	1,371.05	1,186	1,099	273	8.27	33
1975	6,993.01	6,041	5,596	1,397	8.12	172
1976	2,273.20	1,960	1,815	458	8.04	57
1977	5,746.85	4,913	4,551	1,196	8.36	143
1979	12,619.29	10,771	9,977	2,642	8.13	325
1981	3,057.38	2,583	2,393	665	8.31	80
1982	71,564.28	60,393	55,940	15,624	8.22	1,901
1983	35,103.99	29,414	27,245	7,859	8.40	936
1984	13,103.50	10,949	10,142	2,962	8.34	355
1985	60,178.50	50,099	46,405	13,774	8.33	1,654
1986	231,569.14	191,855	177,708	53,861	8.37	6,435
1987	43,822.14	36,276	33,601	10,221	8.20	1,246
1988	247,922.43	203,817	188,788	59,134	8.31	7,116
1989	21,016.17	17,221	15,951	5,065	8.25	614
1990	901,807.59	732,358	678,357	223,451	8.43	26,507
1991	7,921.08	6,424	5,950	1,971	8.25	239
1992	10,029.97	8,078	7,482	2,548	8.33	306
1993	27,940.33	22,316	20,671	7,270	8.42	863
1994	48,213.43	38,291	35,468	12,746	8.40	1,517
1995	24,537.74	19,350	17,923	6,615	8.42	786
1996	20,252.76	15,894	14,722	5,531	8.34	663
1997	48,138.54	37,524	34,757	13,381	8.32	1,608
1998	372.78	288	267	106	8.15	13
1999	142.95	109	101	42	8.40	5

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

2000	169,420.27	128,454	118,982	50,438	8.43	5,983
2001	1,320,721.95	993,579	920,317	400,405	8.37	47,838
2002	185,810.88	138,373	128,170	57,641	8.37	6,887
2003	865,421.13	636,344	589,423	275,999	8.43	32,740
2004	699,652.93	509,697	472,114	227,539	8.35	27,250
2005	85,481.43	61,333	56,811	28,671	8.43	3,401
2006	650,399.85	460,808	426,830	223,570	8.40	26,615
2007	24,300.00	16,940	15,691	8,609	8.44	1,020
2008	162,468.30	111,599	103,370	59,098	8.39	7,044
2009	166,927.04	112,509	104,213	62,714	8.42	7,448
2011	593,421.97	384,241	355,909	237,513	8.39	28,309
2012	270,229.11	170,623	158,042	112,187	8.42	13,324
2013	3,452.91	2,122	1,966	1,487	8.40	177
2014	63,070.43	37,590	34,818	28,252	8.42	3,355
2016	253,903.20	140,434	130,079	123,824	8.42	14,706
2017	192,263.18	101,573	94,083	98,180	8.41	11,674
2018	1,706,003.98	853,002	790,105	915,899	8.42	108,777
2019	783,485.14	367,219	340,142	443,343	8.41	52,716
2020	30,335.80	13,120	12,153	18,183	8.42	2,160
2021	410,715.23	160,836	148,977	261,739	8.41	31,122
	12,020,296.37	8,299,828	7,687,833	4,332,463		518,424

GROVE CITY - LEASED
FULLY ACCRUED
NET SALVAGE PERCENT: 0

1982	20,774.82	20,775	20,775			
1985	335.13	335	335			
1987	6,381.82	6,382	6,382			
1989	1,068.50	1,068	1,069			
1997	8,903.57	8,904	8,904			
	37,463.84	37,464	37,464			

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1977	574,656.36	477,080	441,249	133,408	10.11	13,196
1978	6,521.93	5,400	4,994	1,527	10.05	152
1979	9,349.20	7,713	7,134	2,215	10.07	220
1981	16,129.01	13,185	12,195	3,934	10.14	388
1983	3,996.10	3,244	3,000	996	10.06	99
1984	8,494.75	6,846	6,332	2,163	10.20	212
1985	30,698.24	24,666	22,813	7,885	10.13	778
1986	11,922.75	9,541	8,824	3,098	10.09	307
1987	23,108.71	18,399	17,017	6,092	10.09	604
1988	6,440.97	5,097	4,714	1,727	10.16	170
1990	1,876.08	1,469	1,359	517	10.14	51

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1991	72.90	57	53	20	10.00	2
1994	22,760.50	17,339	16,037	6,724	10.14	663
1997	156,811.27	116,244	107,513	49,298	10.27	4,800
1998	10,184.58	7,496	6,933	3,252	10.19	319
1999	2,719.86	1,976	1,828	892	10.37	86
2002	37,658.07	26,481	24,492	13,166	10.31	1,277
2008	376,870.14	241,536	223,395	153,475	10.32	14,872
2012	5,896.34	3,434	3,176	2,720	10.34	263
2013	470.34	266	246	224	10.18	22
2017	9,500.00	4,535	4,194	5,306	10.30	515
2019	51,848.55	21,688	20,059	31,789	10.31	3,083
2020	35,849.00	13,755	12,722	23,127	10.31	2,243
2021	911,733.42	314,092	290,502	621,231	10.31	60,255
2022	1,825.65	548	507	1,319	10.30	128
	2,317,394.72	1,342,087	1,241,289	1,076,106		104,705

BUTLER METER SHOP
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2021
NET SALVAGE PERCENT: 0

1966	62,627.19	62,627	62,627
1969	216.05	216	216
1972	1,191.68	1,192	1,192
	64,034.92	64,035	64,035

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1949	2,371.56	2,332	2,161	210	1.32	159
1959	2,096.59	2,049	1,899	197	1.55	127
1963	430,677.99	420,600	389,830	40,848	1.52	26,874
1964	1,539.18	1,499	1,389	150	1.69	89
1965	654.36	639	592	62	1.48	42
1966	976.50	950	881	96	1.71	56
1967	4,121.30	4,016	3,722	399	1.56	256
1968	646.90	631	585	62	1.48	42
1969	6,657.08	6,498	6,023	634	1.41	450
1971	10,820.37	10,494	9,726	1,094	1.73	632
1972	22,566.15	21,982	20,374	2,192	1.45	1,512
1973	3,706.54	3,603	3,339	367	1.53	240
1974	3,438.45	3,334	3,090	348	1.64	212
1976	919.57	890	825	95	1.67	57
1977	1,221.18	1,183	1,096	125	1.60	78
1978	1,597.60	1,547	1,434	164	1.58	104
1979	4,791.81	4,635	4,296	496	1.60	310
1980	718.19	693	642	76	1.65	46

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1981	1,879.91	1,819	1,686	194	1.53	127
1982	8,262.92	7,964	7,381	882	1.67	528
1983	60,171.49	57,993	53,750	6,421	1.63	3,939
1984	17,367.27	16,723	15,500	1,868	1.63	1,146
1985	90,145.44	86,990	80,626	9,519	1.50	6,346
1986	12,562.64	12,084	11,200	1,363	1.60	852
1987	8,936.72	8,595	7,966	971	1.57	618
1988	55,686.25	53,481	49,569	6,118	1.58	3,872
1989	29,469.36	28,229	26,164	3,305	1.64	2,015
1990	18,494.98	17,714	16,418	2,077	1.60	1,298
1991	119,393.26	114,164	105,812	13,581	1.62	8,383
1992	14,894.58	14,251	13,208	1,686	1.55	1,088
1993	21,385.70	20,438	18,943	2,443	1.55	1,576
1994	187,968.34	179,134	166,029	21,939	1.60	13,712
1995	33,563.46	31,949	29,612	3,952	1.59	2,486
1996	54,289.39	51,683	47,902	6,387	1.53	4,175
1997	39,321.00	37,363	34,630	4,691	1.54	3,046
1998	67,068.81	63,467	58,824	8,245	1.61	5,121
2002	8,304.30	7,806	7,235	1,069	1.56	685
2003	306,305.28	286,916	265,926	40,379	1.58	25,556
2005	144,369.95	134,495	124,656	19,714	1.57	12,557
2007	40,891.92	37,792	35,027	5,865	1.59	3,689
2014	37,660.00	33,435	30,989	6,671	1.57	4,249
2017	6,775.00	5,799	5,375	1,400	1.58	886
2018	195,632.54	164,664	152,618	43,015	1.58	27,225
2019	103,134.21	85,055	78,833	24,302	1.58	15,381
2020	275,385.01	221,052	204,881	70,504	1.58	44,623
2021	13,538.27	10,479	9,712	3,826	1.58	2,422
	2,472,379.32	2,279,109	2,112,377	360,002		228,887

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1943	90,391.82	85,963	79,674	10,718	4.30	2,493
1966	318,929.94	296,732	275,024	43,906	4.52	9,714
1967	4,073.03	3,799	3,521	552	4.28	129
1971	2,535.26	2,346	2,174	361	4.46	81
1972	1,702.65	1,575	1,460	243	4.42	55
1975	1,036.16	954	884	152	4.47	34
1976	3,832.16	3,516	3,259	573	4.55	126
1978	1,858.53	1,701	1,577	282	4.48	63
1979	1,896.31	1,735	1,608	288	4.43	65
1980	2,746.10	2,498	2,315	431	4.59	94
1981	3,468.71	3,151	2,920	548	4.57	120
1984	3,697.28	3,340	3,096	602	4.53	133
1985	10,295.41	9,296	8,616	1,679	4.45	377
1986	8,387.42	7,560	7,007	1,380	4.42	312
1987	57,873.01	52,010	48,205	9,668	4.44	2,177
1988	102,396.21	91,655	84,950	17,446	4.50	3,877

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1989	36,434.20	32,445	30,071	6,363	4.60	1,383
1991	55,157.82	48,837	45,264	9,894	4.58	2,160
1993	25,660.31	22,638	20,982	4,678	4.46	1,049
1994	27,238.69	23,929	22,178	5,060	4.48	1,129
1995	17,435.00	15,228	14,114	3,321	4.55	730
1996	28,120.70	24,462	22,672	5,448	4.55	1,197
1998	46,811.17	40,440	37,482	9,330	4.48	2,083
1999	7,653.98	6,568	6,088	1,566	4.53	346
2000	21,489.18	18,337	16,996	4,494	4.54	990
2002	47,688.32	40,173	37,234	10,454	4.57	2,288
2005	6,950.00	5,730	5,311	1,639	4.57	359
2006	2,379.47	1,948	1,805	574	4.52	127
2007	26,430.44	21,401	19,835	6,595	4.56	1,446
2009	71,375.94	56,565	52,427	18,949	4.56	4,155
2012	5,250.00	3,989	3,697	1,553	4.55	341
2016	15,748.38	10,958	10,156	5,592	4.55	1,229
2018	93,180.06	60,548	56,119	37,062	4.54	8,163
2019	248,846.45	154,285	142,998	105,848	4.55	23,263
2020	9,604.01	5,620	5,209	4,395	4.55	966
2021	74,483.58	40,504	37,541	36,943	4.54	8,137
2022	1,740.67	858	795	945	4.54	208
	1,484,798.37	1,203,294	1,115,265	369,533		81,599

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1924	435.52	415	385	51	5.10	10
1945	492.69	461	427	65	5.42	12
1948	2,888.20	2,718	2,519	369	4.92	75
1950	23,605.50	22,007	20,397	3,208	5.55	578
1951	6,091.93	5,697	5,280	812	5.24	155
1952	142,376.31	132,438	122,749	19,627	5.58	3,517
1953	23,136.05	21,572	19,994	3,142	5.32	591
1958	813.70	757	702	112	5.09	22
1961	2,324.78	2,144	1,987	338	5.54	61
1963	2,863.86	2,633	2,440	423	5.57	76
1966	8,158.89	7,492	6,944	1,215	5.38	226
1968	993.92	912	845	149	5.32	28
1969	523.45	478	443	80	5.33	15
1970	0.70	1	1			
1971	3,328.14	3,025	2,804	524	5.57	94
1972	2,445.48	2,222	2,059	386	5.44	71
1973	6,456.26	5,863	5,434	1,022	5.41	189
1976	2,945.98	2,659	2,464	482	5.48	88
1977	1,500.00	1,349	1,250	250	5.56	45
1978	12,059.78	10,861	10,066	1,993	5.34	373
1979	8,643.52	7,746	7,179	1,464	5.48	267
1981	14,781.49	13,225	12,258	2,524	5.35	472
1982	9,671.00	8,591	7,963	1,708	5.58	306

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1983	4,480.47	3,988	3,696	784	5.37	146
1984	27,253.46	24,160	22,393	4,861	5.43	895
1985	1,263.73	1,115	1,033	230	5.48	42
1986	3,203.40	2,823	2,616	587	5.44	108
1989	782,976.60	682,599	632,663	150,314	5.50	27,330
1990	32,673.28	28,439	26,359	6,315	5.42	1,165
1994	11,371.45	9,732	9,020	2,351	5.45	431
1995	368,068.25	313,373	290,448	77,620	5.48	14,164
1997	13,247.67	11,145	10,330	2,918	5.55	526
1998	44,954.56	37,685	34,928	10,026	5.48	1,830
2000	1,442.94	1,193	1,106	337	5.52	61
2002	15,461.18	12,609	11,687	3,775	5.52	684
2003	12,062.57	9,773	9,058	3,005	5.49	547
2004	3,675.14	2,949	2,733	942	5.51	171
2005	6,950.00	5,522	5,118	1,832	5.53	331
2008	147,095.70	113,234	104,950	42,145	5.51	7,649
2009	116,934.87	88,800	82,304	34,631	5.52	6,274
2012	39,427.15	28,533	26,446	12,982	5.50	2,360
2017	124,830.59	78,643	72,890	51,941	5.53	9,393
2019	116,711.39	66,911	62,016	54,695	5.52	9,909
	2,150,621.55	1,778,492	1,648,384	502,238		91,287

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1960	77,127.48	73,256	67,897	9,231	3.51	2,630
1961	20,070.74	19,037	17,644	2,426	3.55	683
1962	2,612.56	2,474	2,293	320	3.60	89
1970	896.38	845	783	113	3.42	33
1972	1,732.37	1,631	1,512	221	3.40	65
1973	769.29	723	670	99	3.41	29
1974	8,759.09	8,219	7,618	1,141	3.45	331
1975	1,619.95	1,516	1,405	215	3.52	61
1976	928.15	866	803	126	3.60	35
1977	427.04	399	370	57	3.56	16
1978	2,152.16	2,011	1,864	288	3.39	85
1981	7,269.82	6,735	6,242	1,028	3.59	286
1982	7,096.99	6,588	6,106	991	3.43	289
1983	8,103.36	7,494	6,946	1,158	3.53	328
1984	8,548.32	7,905	7,327	1,222	3.45	354
1985	179.77	165	153	27	3.86	7
1986	4,626.77	4,264	3,952	675	3.44	196
1987	16,040.66	14,732	13,654	2,386	3.50	682
1988	17,114.06	15,647	14,502	2,612	3.60	726
1989	148,533.19	135,611	125,690	22,843	3.57	6,399
1993	6,393.47	5,790	5,366	1,027	3.48	295
1994	8,076.67	7,279	6,747	1,330	3.55	375
1995	8,892.56	7,990	7,405	1,487	3.55	419
1997	882.03	786	729	154	3.58	43

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1998	552,360.93	491,270	455,331	97,030	3.53	27,487
1999	48,150.89	42,642	39,522	8,628	3.54	2,437
2000	12,873.57	11,358	10,527	2,346	3.52	666
2002	35,288.07	30,845	28,589	6,700	3.52	1,903
2003	39,898.68	34,664	32,128	7,771	3.54	2,195
2004	26,632.62	22,984	21,303	5,330	3.56	1,497
2007	9,939.28	8,395	7,781	2,158	3.57	604
2008	92,178.51	77,246	71,595	20,584	3.56	5,782
2009	66,266.41	55,054	51,026	15,240	3.55	4,293
2013	88,745.83	70,127	64,997	23,749	3.56	6,671
2014	46,877.95	36,438	33,772	13,106	3.56	3,681
2017	32,750.00	23,776	22,037	10,713	3.55	3,018
2018	88,282.65	62,045	57,506	30,777	3.56	8,645
2019	103,148.79	69,698	64,599	38,550	3.56	10,829
2020	17,716.37	11,392	10,559	7,158	3.56	2,011
	1,619,963.43	1,379,897	1,278,949	341,014		96,175

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1961	239,859.67	224,389	207,973	31,886	4.51	7,070
1962	7,213.52	6,737	6,244	969	4.55	213
1963	1,692.49	1,578	1,463	230	4.60	50
1965	1,097.03	1,024	949	148	4.35	34
1968	723.51	672	623	101	4.39	23
1969	984.98	916	849	136	4.25	32
1971	581.69	538	499	83	4.37	19
1974	9,535.06	8,796	8,153	1,383	4.40	314
1975	9,920.85	9,131	8,463	1,458	4.45	328
1976	1,063.87	976	905	159	4.54	35
1978	939.29	860	797	142	4.44	32
1979	10,738.67	9,827	9,108	1,631	4.40	371
1980	13,487.17	12,271	11,373	2,114	4.60	460
1981	1,293.50	1,175	1,089	204	4.53	45
1982	1,138.72	1,032	957	182	4.55	40
1984	12,521.03	11,313	10,485	2,036	4.53	449
1985	21,310.45	19,241	17,833	3,477	4.45	781
1986	11,112.74	10,016	9,283	1,829	4.43	413
1987	8,570.94	7,703	7,139	1,431	4.44	322
1988	74,173.84	66,393	61,536	12,638	4.50	2,808
1989	378.88	337	312	67	4.47	15
1990	39,513.21	35,111	32,542	6,971	4.57	1,525
1991	17,717.03	15,687	14,539	3,178	4.58	694
1992	13,808.43	12,214	11,320	2,488	4.49	554
1993	10,248.35	9,041	8,380	1,869	4.46	419
1994	10,675.48	9,378	8,692	1,984	4.48	443
1995	11,376.20	9,936	9,209	2,167	4.55	476
1998	70,618.91	61,008	56,545	14,074	4.48	3,142
2000	46,479.64	39,661	36,760	9,720	4.54	2,141

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

2001	36,503.82	30,988	28,721	7,783	4.52	1,722
2002	13,837.16	11,656	10,803	3,034	4.57	664
2003	34,041.04	28,537	26,449	7,592	4.52	1,680
2005	54,154.92	44,651	41,384	12,770	4.56	2,800
2006	190,619.30	156,060	144,643	45,976	4.52	10,172
2007	24,500.00	19,838	18,387	6,113	4.56	1,341
2008	11,530.52	9,259	8,582	2,949	4.52	652
2009	14,840.00	11,761	10,901	3,939	4.56	864
2014	12,466.11	9,133	8,465	4,001	4.53	883
2018	219,474.84	142,615	132,182	87,293	4.54	19,228
2019	15,269.00	9,467	8,774	6,495	4.55	1,427
2020	98,227.80	57,483	53,278	44,950	4.55	9,879
2021	68,867.56	37,450	34,710	34,157	4.54	7,524
	1,443,107.22	1,155,859	1,071,300	371,807		82,084

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1947	57,166.96	56,750	52,598	4,569	1.00	4,569
1948	27,660.35	27,547	25,532	2,129	1.00	2,129
1949	1,266.73	1,255	1,163	104	1.00	104
1953	1,917.47	1,900	1,761	156	1.00	156
1954	2,355.29	2,337	2,166	189	1.00	189
1959	65,507.73	64,918	60,169	5,339	1.00	5,339
1960	1,184.13	1,172	1,086	98	1.00	98
1961	5,571.32	5,540	5,135	437	1.00	437
1962	3,383.71	3,357	3,111	272	1.00	272
1964	476.07	472	437	39	1.00	39
1966	1,683.43	1,668	1,546	137	1.00	137
1969	1,559.80	1,540	1,427	132	1.00	132
1971	11,780.11	11,686	10,831	949	1.00	949
1972	6,154.32	6,095	5,649	505	1.00	505
1973	2,390.11	2,362	2,189	201	1.00	201
1975	1,247.81	1,232	1,142	106	1.00	106
1978	2,389.28	2,360	2,187	202	1.00	202
1979	8,709.67	8,590	7,962	748	1.00	748
1981	1,869.15	1,842	1,707	162	1.00	162
1982	11,780.12	11,615	10,765	1,015	1.00	1,015
1983	19,931.83	19,645	18,208	1,724	1.00	1,724
1984	15,807.70	15,623	14,480	1,328	1.00	1,328
1985	109,553.81	107,987	100,087	9,467	1.00	9,467
1986	56,131.64	55,357	51,307	4,824	1.00	4,824
1987	82,066.79	80,869	74,953	7,114	1.00	7,114
1988	21,602.55	21,246	19,692	1,911	1.00	1,911
1989	14,727.43	14,493	13,433	1,295	1.00	1,295
1990	3,194.14	3,140	2,910	284	1.00	284
1992	43,057.95	42,382	39,281	3,776	1.00	3,776
1993	3,763.95	3,698	3,427	336	1.00	336
1994	5,127.23	5,036	4,668	460	1.00	460

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1996	9,452.47	9,287	8,608	845	1.00	845
1997	1,576.21	1,544	1,431	145	1.00	145
1998	64,019.11	62,764	58,172	5,847	1.00	5,847
2000	13,091.82	12,796	11,860	1,232	1.00	1,232
2001	7,576.38	7,413	6,871	706	1.00	706
2002	357,642.37	349,309	323,755	33,888	1.00	33,888
2008	19,439.50	18,831	17,453	1,986	1.00	1,986
2009	28,742.44	27,834	25,798	2,945	1.00	2,945
2019	50,213.87	46,553	43,147	7,067	1.00	7,067
2020	1.00	1	1			
2021	61,020.93	55,102	51,071	9,950	1.00	9,950
	1,203,794.68	1,175,148	1,089,178	114,617		114,619
	24,813,854.42	18,715,213	17,346,074	7,467,780		1,317,780

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.70 5.31

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1886	287.88	282	288			
1889	26.27	25	26			
1890	7.23	7	7			
1892	5.13	5	5			
1894	299.00	282	299			
1895	6.36	6	6			
1896	5,826.87	5,450	5,827			
1897	94.60	88	95			
1898	169.56	157	170			
1899	1,489.47	1,378	1,489			
1900	418,389.82	385,617	418,390			
1901	23,548.36	21,632	23,548			
1902	47,610.02	43,583	47,610			
1903	45,074.20	41,124	45,074			
1904	43,754.85	39,781	43,755			
1905	48,367.53	43,826	48,368			
1906	33,965.00	30,663	33,965			
1907	41,681.20	37,496	41,681			
1908	33,483.02	30,009	33,483			
1909	20,992.29	18,741	20,992			
1910	10,126.83	9,006	10,127			
1911	30,689.61	27,186	30,690			
1912	23,744.20	20,948	23,744			
1913	124,573.36	109,451	124,573			
1914	126,051.28	110,277	126,051			
1915	29,128.82	25,378	29,129			
1916	49,030.26	42,527	49,030			
1917	34,145.88	29,489	34,085	61	10.17	6
1918	42,010.45	36,117	41,746	264	10.15	26
1919	30,913.30	26,457	30,580	333	10.41	32
1920	907.34	773	893	14	14.00	1
1921	36,809.50	31,212	36,076	734	10.96	67
1922	39,835.84	33,611	38,849	987	11.22	88
1923	58,825.05	49,397	57,095	1,730	11.53	150
1924	98,829.35	82,578	95,448	3,381	11.82	286
1925	187,715.88	156,065	180,388	7,328	12.13	604
1926	139,088.19	115,057	132,989	6,099	12.45	490
1927	128,385.56	105,669	122,137	6,249	12.73	491
1928	152,199.14	124,613	144,034	8,165	13.04	626
1929	122,751.12	99,957	115,535	7,216	13.36	540
1930	108,979.83	88,274	102,031	6,949	13.68	508
1931	116,104.94	93,529	108,105	8,000	14.01	571
1932	92,930.77	74,435	86,036	6,895	14.33	481
1933	34,806.35	27,719	32,039	2,767	14.64	189
1934	23,591.88	18,680	21,591	2,001	15.05	133
1935	42,627.74	33,551	38,780	3,848	15.33	251
1936	53,432.53	41,796	48,310	5,123	15.67	327
1937	180,042.44	139,958	161,770	18,272	16.03	1,140
1938	118,199.80	91,309	105,539	12,661	16.38	773
1939	196,568.11	150,866	174,378	22,190	16.73	1,326
1940	275,590.60	210,099	242,843	32,748	17.11	1,914
1941	209,141.30	158,337	183,014	26,127	17.49	1,494
1942	120,591.26	90,662	104,792	15,799	17.87	884
1943	38,863.45	29,013	33,535	5,328	18.25	292

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1944	73,171.74	54,228	62,679	10,493	18.64	563
1945	52,564.36	38,664	44,690	7,874	19.02	414
1946	208,125.36	151,902	175,576	32,549	19.46	1,673
1947	187,219.39	135,579	156,709	30,510	19.86	1,536
1948	99,742.32	71,648	82,814	16,928	20.27	835
1949	512,021.01	364,743	421,588	90,433	20.71	4,367
1950	704,865.34	497,910	575,509	129,356	21.14	6,119
1951	782,040.80	547,648	632,999	149,042	21.58	6,906
1952	1,237,761.77	859,044	992,926	244,836	22.03	11,114
1953	1,310,971.26	901,476	1,041,971	269,000	22.49	11,961
1954	758,842.97	516,962	597,530	161,313	22.95	7,029
1955	1,049,193.08	707,912	818,240	230,953	23.42	9,861
1956	1,462,498.93	977,037	1,129,308	333,191	23.90	13,941
1957	1,100,373.78	727,776	841,199	259,175	24.38	10,631
1958	1,384,048.86	905,971	1,047,166	336,883	24.87	13,546
1959	1,159,405.99	750,878	867,902	291,504	25.37	11,490
1960	1,110,831.35	711,554	822,449	288,382	25.88	11,143
1961	1,383,241.35	876,242	1,012,804	370,437	26.39	14,037
1962	1,379,594.82	863,778	998,397	381,198	26.92	14,160
1963	1,620,086.87	1,002,656	1,158,919	461,168	27.44	16,806
1964	1,690,695.24	1,033,674	1,194,772	495,923	27.98	17,724
1965	1,902,844.87	1,149,109	1,328,197	574,648	28.52	20,149
1966	2,204,409.89	1,314,379	1,519,224	685,186	29.07	23,570
1967	2,280,836.64	1,342,204	1,551,386	729,451	29.63	24,619
1968	2,658,283.95	1,543,639	1,784,214	874,070	30.19	28,952
1969	2,354,129.88	1,348,399	1,558,546	795,584	30.76	25,864
1970	2,347,290.56	1,325,562	1,532,150	815,141	31.34	26,010
1971	3,162,695.30	1,760,578	2,034,963	1,127,732	31.92	35,330
1972	3,548,205.64	1,946,084	2,249,380	1,298,826	32.51	39,952
1973	4,209,529.15	2,273,735	2,628,095	1,581,434	33.11	47,763
1974	4,185,917.98	2,226,113	2,573,051	1,612,867	33.71	47,845
1975	2,355,859.20	1,232,892	1,425,038	930,821	34.32	27,122
1976	2,171,743.65	1,118,144	1,292,406	879,338	34.93	25,174
1977	4,421,977.38	2,238,007	2,586,799	1,835,178	35.56	51,608
1978	3,774,015.75	1,877,573	2,170,192	1,603,824	36.18	44,329
1979	4,498,161.98	2,197,847	2,540,380	1,957,782	36.82	53,172
1980	5,370,988.47	2,576,571	2,978,128	2,392,860	37.46	63,878
1981	6,387,581.93	3,007,465	3,476,177	2,911,405	38.10	76,415
1982	5,608,557.65	2,590,088	2,993,752	2,614,806	38.75	67,479
1983	4,362,749.00	2,462,336	2,846,090	1,516,659	33.51	45,260
1984	6,206,285.18	3,448,833	3,986,332	2,219,953	33.92	65,447
1985	6,701,269.26	3,663,584	4,234,551	2,466,718	34.34	71,832
1986	6,272,971.90	3,371,722	3,897,203	2,375,769	34.77	68,328
1987	8,764,888.28	4,629,614	5,351,137	3,413,751	35.21	96,954
1988	5,703,351.11	2,936,085	3,393,672	2,309,679	36.21	63,786
1989	7,316,957.26	3,695,795	4,271,783	3,045,174	36.66	83,065
1990	7,953,584.02	3,939,410	4,553,365	3,400,219	37.11	91,625
1991	7,611,220.99	3,692,964	4,268,510	3,342,711	37.58	88,949
1992	10,852,421.56	5,154,900	5,958,288	4,894,134	38.04	128,658
1993	9,594,537.95	4,456,663	5,151,231	4,443,307	38.53	115,321
1994	10,426,933.45	4,731,742	5,469,181	4,957,752	39.01	127,089
1995	9,226,690.24	4,087,424	4,724,447	4,502,243	39.50	113,981
1996	7,454,356.79	3,219,537	3,721,300	3,733,057	40.01	93,303
1997	7,758,327.20	3,263,928	3,772,609	3,985,718	40.51	98,388
1998	5,563,259.12	2,292,063	2,649,280	2,913,979	40.55	71,861

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1999	7,740,261.30	3,098,427	3,581,315	4,158,946	41.08	101,240
2000	7,363,005.05	2,859,055	3,304,637	4,058,368	41.61	97,533
2001	7,746,087.53	2,914,078	3,368,235	4,377,853	42.15	103,864
2002	10,979,404.81	3,994,307	4,616,818	6,362,587	42.70	149,007
2003	12,857,488.47	4,546,408	5,254,963	7,602,525	42.81	177,588
2004	15,018,867.68	5,116,928	5,914,398	9,104,470	43.38	209,877
2005	18,775,474.00	6,152,723	7,111,621	11,663,853	43.94	265,450
2006	15,346,451.79	4,857,152	5,614,136	9,732,316	44.10	220,687
2007	11,782,496.16	3,568,918	4,125,132	7,657,364	44.69	171,344
2008	11,811,554.36	3,437,162	3,972,842	7,838,712	44.87	174,698
2009	13,355,742.39	3,698,205	4,274,568	9,081,174	45.48	199,674
2010	12,712,920.75	3,360,025	3,883,683	8,829,238	45.70	193,200
2011	18,681,555.40	4,694,675	5,426,338	13,255,217	45.93	288,596
2012	47,824,702.17	11,377,497	13,150,674	34,674,028	46.19	750,683
2013	26,065,956.28	5,841,381	6,751,757	19,314,199	46.46	415,717
2014	30,310,871.72	6,359,221	7,350,302	22,960,570	46.76	491,030
2015	35,497,961.12	6,929,202	8,009,114	27,488,847	47.06	584,123
2016	34,203,943.56	6,197,755	7,163,672	27,040,272	47.06	574,591
2017	55,447,732.81	9,187,689	10,619,585	44,828,148	47.40	945,742
2018	79,465,035.05	11,975,381	13,841,737	65,623,298	47.45	1,382,999
2019	66,015,474.79	8,958,300	10,354,446	55,661,029	47.23	1,178,510
2020	73,096,147.04	8,727,680	10,087,884	63,008,263	47.34	1,330,973
2021	136,924,145.72	14,171,649	16,380,293	120,543,853	46.94	2,568,041
2022	159,412,415.94	13,805,115	15,956,635	143,455,781	46.60	3,078,450
2023	216,322,993.74	14,926,287	17,252,540	199,070,454	46.09	4,319,168
2024	262,659,513.95	13,395,635	15,483,337	247,176,177	44.98	5,495,246
2025	227,022,891.88	7,242,030	8,370,697	218,652,195	43.03	5,081,390
2026	253,338,245.19	5,497,440	6,354,213	246,984,032	41.28	5,983,140
	2,076,101,781.04	304,886,744	352,353,816	1,723,747,965		38,885,185

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 44.30 1.87

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1875	237.67	238	238			
1876	21.68	22	22			
1885	1,434.10	1,412	1,224	210	1.09	193
1888	7,584.87	7,365	6,385	1,200	2.09	574
1889	15,859.26	15,326	13,286	2,573	2.42	1,063
1890	38.61	37	32	7	2.33	3
1891	26,707.73	25,558	22,156	4,552	3.10	1,468
1893	36.82	35	30	7	3.50	2
1894	800.80	755	655	146	4.06	36
1896	6,711.91	6,278	5,442	1,270	4.65	273
1897	1,453.95	1,355	1,175	279	4.89	57
1898	90.05	84	73	17	5.67	3
1899	7,975.37	7,376	6,394	1,581	5.41	292
1900	181,849.13	167,605	145,299	36,550	5.64	6,480
1901	14,409.46	13,237	11,475	2,934	5.86	501
1902	44,859.27	41,065	35,600	9,259	6.09	1,520
1903	31,748.47	28,966	25,111	6,637	6.31	1,052
1904	15,873.25	14,431	12,510	3,363	6.54	514
1905	14,002.47	12,688	10,999	3,003	6.76	444
1906	19,759.46	17,838	15,464	4,295	7.00	614
1907	3,528.22	3,174	2,752	776	7.25	107
1908	47,975.98	42,998	37,275	10,701	7.47	1,433
1909	11,622.15	10,376	8,995	2,627	7.73	340
1910	7,629.42	6,785	5,882	1,747	7.98	219
1911	13,617.20	12,063	10,458	3,159	8.23	384
1912	6,071.48	5,356	4,643	1,428	8.50	168
1913	7,763.62	6,821	5,913	1,851	8.73	212
1914	8,755.43	7,660	6,641	2,114	9.00	235
1915	17,609.19	15,342	13,300	4,309	9.27	465
1916	8,135.33	7,056	6,117	2,018	9.56	211
1917	11,942.18	10,313	8,940	3,002	9.81	306
1918	9,121.17	7,842	6,798	2,323	10.10	230
1919	4,169.62	3,568	3,093	1,077	10.36	104
1920	2,174.44	1,852	1,606	568	10.72	53
1921	29,376.44	24,909	21,594	7,782	10.95	711
1922	9,788.18	8,259	7,160	2,628	11.23	234
1923	26,904.17	22,592	19,585	7,319	11.54	634
1924	22,816.02	19,064	16,527	6,289	11.84	531
1925	20,845.61	17,331	15,024	5,822	12.13	480
1926	14,384.85	11,899	10,315	4,070	12.45	327
1927	49,646.34	40,862	35,424	14,222	12.74	1,116
1928	24,522.21	20,078	17,406	7,116	13.06	545
1929	30,157.44	24,558	21,290	8,867	13.37	663
1930	68,982.86	55,876	48,439	20,544	13.68	1,502
1931	44,970.34	36,226	31,405	13,565	14.00	969
1932	25,647.91	20,543	17,809	7,839	14.33	547
1933	17,927.19	14,277	12,377	5,550	14.64	379
1934	10,030.66	7,942	6,885	3,146	14.98	210
1935	19,565.98	15,400	13,350	6,216	15.35	405
1936	16,687.57	13,053	11,316	5,372	15.66	343
1937	55,302.61	42,990	37,268	18,035	16.03	1,125
1938	57,670.34	44,550	38,621	19,049	16.38	1,163
1939	47,304.83	36,306	31,474	15,831	16.73	946
1940	113,254.83	86,341	74,850	38,405	17.11	2,245

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1941	276,338.10	209,210	181,366	94,972	17.49	5,430
1942	101,051.37	75,971	65,860	35,191	17.87	1,969
1943	40,015.40	29,873	25,897	14,118	18.24	774
1944	70,592.11	52,317	45,354	25,238	18.64	1,354
1945	62,679.93	46,105	39,969	22,711	19.04	1,193
1946	137,848.62	100,610	87,220	50,629	19.45	2,603
1947	149,039.84	107,930	93,566	55,474	19.86	2,793
1948	125,120.56	89,878	77,916	47,205	20.28	2,328
1949	315,284.50	224,596	194,705	120,580	20.71	5,822
1950	307,127.63	216,952	188,078	119,050	21.14	5,632
1951	1,049,581.08	735,001	637,180	412,401	21.58	19,110
1952	705,046.44	489,323	424,199	280,847	22.03	12,748
1953	836,254.79	575,042	498,510	337,745	22.49	15,018
1954	417,694.13	284,554	246,683	171,011	22.95	7,451
1955	1,020,712.14	688,695	597,037	423,675	23.42	18,090
1956	811,282.72	541,986	469,853	341,430	23.90	14,286
1957	1,299,833.71	859,697	745,280	554,554	24.38	22,746
1958	2,147,828.81	1,405,926	1,218,812	929,017	24.87	37,355
1959	3,068,547.08	1,987,314	1,722,823	1,345,724	25.37	53,044
1960	2,277,085.26	1,458,610	1,264,484	1,012,601	25.88	39,127
1961	3,119,890.27	1,976,357	1,713,325	1,406,565	26.39	53,299
1962	2,495,949.74	1,562,739	1,354,755	1,141,195	26.92	42,392
1963	2,301,324.78	1,424,267	1,234,712	1,066,613	27.44	38,871
1964	2,496,692.66	1,526,453	1,323,298	1,173,395	27.98	41,937
1965	2,946,380.80	1,779,290	1,542,485	1,403,896	28.52	49,225
1966	3,518,569.46	2,097,947	1,818,732	1,699,837	29.07	58,474
1967	3,951,973.42	2,325,618	2,016,103	1,935,870	29.63	65,335
1968	4,416,907.54	2,564,854	2,223,499	2,193,409	30.19	72,653
1969	3,772,631.07	2,160,888	1,873,297	1,899,334	30.76	61,747
1970	2,937,779.41	1,659,023	1,438,225	1,499,554	31.34	47,848
1971	4,492,322.92	2,500,741	2,167,919	2,324,404	31.92	72,820
1972	6,677,698.67	3,662,517	3,175,075	3,502,624	32.51	107,740
1973	7,801,542.66	4,213,925	3,653,096	4,148,447	33.11	125,293
1974	6,213,811.31	3,304,567	2,864,764	3,349,047	33.71	99,349
1975	3,350,791.85	1,753,570	1,520,188	1,830,604	34.32	53,339
1976	2,843,255.32	1,463,878	1,269,051	1,574,204	34.93	45,067
1977	5,038,540.20	2,550,056	2,210,670	2,827,870	35.56	79,524
1978	3,774,856.13	1,877,991	1,628,050	2,146,806	36.18	59,337
1979	7,911,328.77	3,865,554	3,351,089	4,560,240	36.82	123,852
1980	10,118,594.59	4,854,092	4,208,063	5,910,532	37.46	157,782
1981	14,406,066.63	6,782,808	5,880,088	8,525,979	38.10	223,779
1982	9,171,816.90	4,235,637	3,671,918	5,499,899	38.75	141,933
1983	6,839,703.73	3,860,329	3,346,560	3,493,144	33.51	104,242
1984	8,919,357.26	4,956,487	4,296,831	4,622,526	33.92	136,277
1985	17,173,331.55	9,388,660	8,139,128	9,034,204	34.34	263,081
1986	11,754,985.87	6,318,305	5,477,405	6,277,581	34.77	180,546
1987	17,738,731.58	9,369,598	8,122,603	9,616,129	35.21	273,108
1988	12,299,284.93	6,331,672	5,488,993	6,810,292	36.21	188,078
1989	14,381,928.55	7,264,312	6,297,509	8,084,420	36.66	220,524
1990	16,994,520.97	8,417,386	7,297,121	9,697,400	37.11	261,315
1991	15,921,329.78	7,725,029	6,696,909	9,224,421	37.58	245,461
1992	17,693,164.19	8,404,253	7,285,735	10,407,429	38.04	273,592
1993	12,856,091.22	5,971,654	5,176,890	7,679,201	38.53	199,304
1994	13,529,657.03	6,139,758	5,322,621	8,207,036	39.01	210,383
1995	15,437,360.57	6,838,751	5,928,585	9,508,776	39.50	240,729

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1996	10,843,567.70	4,683,337	4,060,034	6,783,534	40.01	169,546
1997	11,412,087.72	4,801,065	4,162,094	7,249,994	40.51	178,968
1998	10,566,421.19	4,353,366	3,773,979	6,792,442	40.55	167,508
1999	11,204,643.45	4,485,219	3,888,284	7,316,359	41.08	178,100
2000	9,767,152.49	3,792,585	3,287,832	6,479,320	41.61	155,715
2001	18,109,097.14	6,812,642	5,905,951	12,203,146	42.15	289,517
2002	23,341,045.55	8,491,472	7,361,347	15,979,699	42.70	374,232
2003	20,173,655.88	7,133,405	6,184,024	13,989,632	42.81	326,784
2004	22,512,103.88	7,669,874	6,649,095	15,863,009	43.38	365,676
2005	24,941,292.27	8,173,261	7,085,486	17,855,806	43.94	406,368
2006	21,095,477.89	6,676,719	5,788,118	15,307,360	44.10	347,106
2007	20,724,178.06	6,277,354	5,441,904	15,282,274	44.69	341,962
2008	16,763,880.52	4,878,289	4,229,040	12,534,841	44.87	279,359
2009	16,874,526.91	4,672,557	4,050,689	12,823,838	45.48	281,967
2010	18,998,709.99	5,021,359	4,353,069	14,645,641	45.70	320,474
2011	14,551,229.09	3,656,724	3,170,053	11,381,176	45.93	247,794
2012	20,453,236.33	4,865,825	4,218,235	16,235,001	46.19	351,483
2013	20,348,842.60	4,560,176	3,953,265	16,395,578	46.46	352,897
2014	17,712,201.21	3,716,020	3,221,457	14,490,744	46.76	309,896
2015	19,265,582.33	3,760,642	3,260,140	16,005,442	47.06	340,107
2016	34,056,885.87	6,171,108	5,349,798	28,707,088	47.06	610,010
2017	41,309,579.90	6,844,997	5,934,000	35,375,580	47.40	746,320
2018	69,481,239.01	10,470,823	9,077,267	60,403,972	47.45	1,273,003
2019	71,554,094.46	9,709,891	8,417,607	63,136,487	47.23	1,336,788
2020	70,680,140.04	8,439,209	7,316,039	63,364,101	47.34	1,338,490
2021	95,199,766.92	9,853,176	8,541,822	86,657,945	46.94	1,846,143
2022	124,968,344.02	10,822,259	9,381,930	115,586,414	46.60	2,480,395
2023	179,232,847.67	12,367,066	10,721,139	168,511,709	46.09	3,656,145
2024	152,204,885.59	7,762,449	6,729,349	145,475,537	44.98	3,234,227
2025	111,037,796.68	3,542,106	3,070,689	107,967,108	43.03	2,509,112
2026	202,211,917.24	4,387,999	3,804,002	198,407,915	41.28	4,806,393
	1,813,370,922.29	361,227,463	313,151,924	1,500,218,998		34,544,225

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.40 1.90

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1891	38.30	38	38			
1904	263.80	264	264			
1906	26.54	27	27			
1907	149.70	150	150			
1908	57.73	58	58			
1909	83.31	83	83			
1910	20.23	20	20			
1913	99.11	99	99			
1914	21.87	22	22			
1915	92.19	92	92			
1916	22.15	22	22			
1918	131.41	130	131			
1920	45.73	45	46			
1922	0.66	1	1			
1923	30.50	29	30			
1927	9.77	9	10			
1931	105.89	97	106			
1932	16.80	15	17			
1933	148.35	135	148			
1934	97.94	89	98			
1938	6.13	5	6			
1940	35.53	31	36			
1941	1.85	2	2			
1942	44.02	38	44			
1944	8.82	8	9			
1946	787.39	667	770	17	8.50	2
1947	1,706.76	1,437	1,659	48	8.00	6
1948	2,927.40	2,449	2,828	99	9.00	11
1949	12,676.40	10,535	12,164	512	9.31	55
1950	17,831.96	14,723	16,999	833	9.57	87
1951	44,284.63	36,313	41,927	2,358	9.91	238
1952	72,873.34	59,345	68,520	4,353	10.22	426
1953	118,804.09	96,059	110,910	7,894	10.53	750
1954	33,383.68	26,798	30,941	2,443	10.86	225
1955	90,723.86	72,282	83,457	7,267	11.18	650
1956	55,110.04	43,577	50,314	4,796	11.50	417
1957	59,678.66	46,810	54,047	5,632	11.86	475
1958	165,207.13	128,561	148,436	16,771	12.20	1,375
1959	73,611.72	56,802	65,583	8,029	12.56	639
1960	55,263.95	42,282	48,819	6,445	12.92	499
1961	77,917.14	59,089	68,224	9,693	13.30	729
1962	92,194.63	69,280	79,991	12,204	13.67	893
1963	96,303.00	71,684	82,766	13,537	14.06	963
1964	55,161.21	40,659	46,945	8,216	14.46	568
1965	77,477.16	56,544	65,286	12,191	14.87	820
1966	65,577.30	47,359	54,681	10,896	15.28	713
1967	97,462.43	69,642	80,408	17,054	15.70	1,086
1968	187,662.33	132,627	153,131	34,531	16.13	2,141
1969	129,709.70	90,632	104,643	25,067	16.57	1,513
1970	113,734.58	78,539	90,681	23,054	17.01	1,355
1971	148,575.80	101,329	116,994	31,582	17.49	1,806
1972	278,898.13	187,824	216,861	62,037	17.96	3,454
1973	226,346.32	150,459	173,720	52,626	18.44	2,854
1974	263,185.97	172,603	199,287	63,899	18.93	3,376

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1975	278,903.86	180,426	208,319	70,585	19.42	3,635
1976	517,468.63	329,959	380,970	136,499	19.93	6,849
1977	272,327.19	171,070	197,517	74,810	20.45	3,658
1978	411,900.39	254,781	294,170	117,730	20.98	5,612
1979	415,124.85	252,699	291,766	123,359	21.52	5,732
1980	419,461.95	251,220	290,058	129,404	22.06	5,866
1981	1,480,495.26	871,612	1,006,361	474,134	22.62	20,961
1982	1,074,390.59	621,589	717,685	356,706	23.18	15,389
1983	872,514.82	590,954	682,314	190,201	20.69	9,193
1984	893,825.49	595,198	687,214	206,611	21.28	9,709
1985	1,192,549.83	780,405	901,054	291,496	21.87	13,329
1986	1,032,072.08	667,441	770,626	261,446	22.08	11,841
1987	1,043,439.15	662,166	764,535	278,904	22.70	12,287
1988	1,029,592.74	644,731	744,405	285,188	22.93	12,437
1989	1,079,552.54	662,413	764,821	314,732	23.56	13,359
1990	1,040,929.12	625,494	722,194	318,735	24.19	13,176
1991	1,600,450.63	946,667	1,093,020	507,431	24.46	20,745
1992	1,214,106.94	701,997	810,524	403,583	25.11	16,073
1993	926,621.31	526,414	607,796	318,825	25.41	12,547
1994	1,169,820.85	648,432	748,678	421,143	26.06	16,161
1995	994,230.67	540,364	623,903	370,328	26.39	14,033
1996	381,085.34	201,670	232,848	148,237	27.06	5,478
1997	948,941.98	491,267	567,216	381,726	27.40	13,932
1998	552,447.15	277,881	320,841	231,606	28.08	8,248
1999	687,593.48	337,471	389,643	297,950	28.45	10,473
2000	821,025.20	392,532	453,217	367,808	28.83	12,758
2001	1,929,561.39	892,615	1,030,611	898,950	29.53	30,442
2002	1,330,163.78	597,643	690,037	640,127	29.93	21,387
2003	1,225,563.95	533,856	616,389	609,175	30.34	20,078
2004	1,060,630.76	446,950	516,047	544,584	30.78	17,693
2005	1,410,306.07	573,854	662,571	747,735	31.22	23,951
2006	3,594,282.53	1,408,959	1,626,781	1,967,502	31.67	62,125
2007	1,433,275.82	539,915	623,385	809,891	32.13	25,207
2008	4,750,724.30	1,715,011	1,980,148	2,770,576	32.60	84,987
2009	3,285,945.91	1,132,994	1,308,152	1,977,794	33.09	59,770
2010	913,895.08	300,032	346,416	567,479	33.58	16,899
2011	2,201,136.26	688,956	795,467	1,405,669	33.84	41,539
2012	839,021.38	249,189	287,713	551,308	34.13	16,153
2013	2,735,967.84	763,609	881,661	1,854,307	34.66	53,500
2014	1,258,933.58	329,841	380,834	878,100	34.98	25,103
2015	2,414,049.30	589,752	680,926	1,733,123	35.31	49,083
2016	1,276,870.24	289,977	334,807	942,063	35.45	26,574
2017	6,368,929.11	1,325,374	1,530,274	4,838,655	35.83	135,045
2018	1,267,942.17	240,148	277,274	990,668	36.03	27,496
2019	1,757,937.77	299,904	346,268	1,411,670	36.06	39,148
2020	2,646,263.53	399,057	460,750	2,185,514	36.14	60,474
2021	7,753,157.47	1,011,787	1,168,207	6,584,950	36.08	182,510
2022	8,088,493.92	882,455	1,018,880	7,069,614	36.07	195,997
2023	18,013,656.48	1,576,195	1,819,871	16,193,785	35.64	454,371
2024	10,438,416.78	676,409	780,980	9,657,437	34.90	276,717
2025	12,436,517.56	503,679	581,547	11,854,971	33.55	353,352
2026	33,821,920.93	933,485	1,077,800	32,744,121	32.31	1,013,436
	159,321,070.99	34,096,918	39,368,042	119,953,029		3,634,644

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	33.00	2.28

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1900	15.01	15	15			
1901	1,628.86	1,629	1,629			
1902	397.62	398	398			
1903	539.87	540	540			
1904	938.76	939	939			
1905	3,992.02	3,992	3,992			
1906	3,804.43	3,804	3,804			
1907	4,111.86	4,112	4,112			
1908	2,969.07	2,969	2,969			
1909	341.84	342	342			
1920	889.92	890	890			
1921	2,086.45	2,086	2,086			
1922	2,044.44	2,044	2,044			
1923	1,561.49	1,561	1,561			
1924	1,425.42	1,425	1,425			
1925	1,552.66	1,547	1,553			
1926	2,928.64	2,905	2,929			
1927	2,467.37	2,436	2,467			
1928	2,954.90	2,903	2,955			
1929	2,656.99	2,598	2,657			
1930	3,488.22	3,394	3,488			
1931	2,292.85	2,220	2,293			
1932	2,222.98	2,141	2,223			
1933	1,732.94	1,661	1,733			
1934	1,388.77	1,324	1,389			
1935	1,667.20	1,581	1,667			
1936	2,871.21	2,708	2,871			
1937	3,027.54	2,840	3,028			
1938	1,586.03	1,479	1,586			
1939	4,428.49	4,107	4,428			
1940	6,251.95	5,765	6,252			
1941	12,825.84	11,762	12,826			
1942	9,435.22	8,603	9,435			
1943	4,294.00	3,893	4,294			
1944	7,128.13	6,423	7,128			
1945	3,821.29	3,423	3,821			
1946	15,143.39	13,486	15,078	65	5.91	11
1947	23,914.93	21,171	23,670	245	6.28	39
1948	34,778.07	30,598	34,209	569	6.62	86
1949	36,070.37	31,545	35,268	802	6.91	116
1950	33,789.51	29,366	32,832	958	7.20	133
1951	39,537.55	34,139	38,168	1,370	7.53	182
1952	42,262.04	36,261	40,541	1,721	7.82	220
1953	58,555.14	49,910	55,801	2,754	8.12	339
1954	94,772.14	80,229	89,698	5,074	8.44	601
1955	118,484.83	99,614	111,371	7,114	8.76	812
1956	162,557.53	135,721	151,740	10,818	9.08	1,191
1957	199,584.07	165,401	184,923	14,661	9.42	1,556
1958	254,409.78	209,265	233,964	20,446	9.76	2,095
1959	365,505.80	298,319	333,529	31,977	10.11	3,163
1960	400,338.53	324,202	362,467	37,872	10.46	3,621
1961	570,757.91	458,370	512,471	58,287	10.83	5,382
1962	480,465.65	382,624	427,785	52,681	11.20	4,704
1963	819,294.34	646,644	722,967	96,327	11.59	8,311

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1964	829,112.24	648,515	725,059	104,053	11.98	8,686
1965	1,010,517.63	783,060	875,484	135,034	12.38	10,907
1966	1,025,342.34	786,714	879,570	145,772	12.80	11,388
1967	800,923.28	608,413	680,224	120,699	13.22	9,130
1968	1,177,811.83	885,502	990,017	187,795	13.65	13,758
1969	1,154,952.28	858,869	960,241	194,711	14.10	13,809
1970	1,443,029.96	1,061,276	1,186,538	256,492	14.55	17,628
1971	1,393,618.45	1,013,035	1,132,603	261,015	15.02	17,378
1972	2,098,450.93	1,507,443	1,685,366	413,085	15.49	26,668
1973	2,619,515.59	1,858,415	2,077,763	541,753	15.98	33,902
1974	2,664,260.84	1,865,942	2,086,178	578,083	16.48	35,078
1975	2,656,916.74	1,836,169	2,052,891	604,026	16.99	35,552
1976	3,534,620.45	2,409,339	2,693,712	840,908	17.51	48,024
1977	3,441,729.07	2,312,842	2,585,826	855,903	18.04	47,445
1978	7,017,494.34	4,646,844	5,195,309	1,822,185	18.58	98,072
1979	6,299,889.98	4,108,662	4,593,606	1,706,284	19.13	89,194
1980	7,067,690.69	4,536,185	5,071,589	1,996,102	19.70	101,325
1981	11,607,575.84	7,329,604	8,194,714	3,412,862	20.27	168,370
1982	9,484,745.88	5,889,174	6,584,271	2,900,475	20.85	139,112
1983	6,236,490.81	4,332,490	4,843,852	1,392,639	19.08	72,989
1984	11,701,918.70	7,991,240	8,934,443	2,767,476	19.70	140,481
1985	11,860,729.06	8,007,178	8,952,262	2,908,467	19.93	145,934
1986	5,459,773.04	3,618,738	4,045,856	1,413,917	20.56	68,770
1987	17,469,963.00	11,362,464	12,703,571	4,766,392	21.19	224,936
1988	10,488,959.77	6,729,717	7,524,023	2,964,937	21.46	138,161
1989	6,494,701.49	4,082,569	4,564,433	1,930,268	22.11	87,303
1990	13,993,844.46	8,611,812	9,628,261	4,365,583	22.76	191,809
1991	10,813,969.85	6,548,940	7,321,909	3,492,061	23.06	151,434
1992	17,355,600.82	10,274,516	11,487,213	5,868,388	23.72	247,403
1993	12,417,064.14	7,219,281	8,071,370	4,345,694	24.06	180,619
1994	14,901,058.85	8,453,371	9,451,119	5,449,940	24.73	220,378
1995	13,285,485.83	7,345,545	8,212,537	5,072,949	25.40	199,722
1996	11,720,165.05	6,345,297	7,094,230	4,625,935	25.76	179,578
1997	18,239,429.56	9,604,884	10,738,545	7,500,885	26.45	283,587
1998	9,060,163.82	4,659,642	5,209,618	3,850,546	26.83	143,516
1999	13,243,487.24	6,608,500	7,388,499	5,854,988	27.53	212,677
2000	5,762,769.97	2,801,282	3,131,916	2,630,854	27.93	94,195
2001	14,742,039.93	6,931,707	7,749,854	6,992,186	28.64	244,141
2002	12,086,663.64	5,518,771	6,170,149	5,916,515	29.06	203,597
2003	13,116,690.18	5,773,967	6,455,466	6,661,224	29.78	223,681
2004	17,463,908.99	7,437,879	8,315,769	9,148,140	30.22	302,718
2005	15,928,405.41	6,516,311	7,285,429	8,642,976	30.94	279,346
2006	14,469,088.51	5,700,821	6,373,687	8,095,402	31.40	257,815
2007	10,796,251.41	4,087,461	4,569,902	6,226,349	31.87	195,367
2008	11,442,239.20	4,130,648	4,618,187	6,824,052	32.60	209,327
2009	11,625,749.51	4,008,558	4,481,687	7,144,063	33.09	215,898
2010	6,359,589.64	2,087,853	2,334,281	4,025,309	33.58	119,872
2011	14,651,622.71	4,562,515	5,101,027	9,550,596	34.09	280,158
2012	18,472,964.33	5,432,899	6,074,142	12,398,822	34.60	358,347
2013	12,687,714.03	3,506,884	3,920,800	8,766,914	35.13	249,556
2014	18,235,159.10	4,710,142	5,266,078	12,969,081	35.66	363,687
2015	21,587,058.89	5,176,577	5,787,566	15,799,493	36.20	436,450
2016	22,741,339.91	5,021,288	5,613,949	17,127,391	36.75	466,051
2017	24,275,990.00	4,915,888	5,496,108	18,779,882	37.09	506,333
2018	41,179,369.34	7,519,353	8,406,859	32,772,510	37.67	869,990

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

2019	37,403,001.94	6,104,170	6,824,643	30,578,359	38.04	803,848
2020	39,272,833.26	5,619,942	6,283,262	32,989,571	38.43	858,433
2021	44,525,077.82	5,476,585	6,122,984	38,402,094	38.63	994,100
2022	32,098,790.75	3,274,077	3,660,515	28,438,276	38.87	731,625
2023	64,988,343.79	5,238,061	5,856,307	59,132,037	38.96	1,517,763
2024	59,447,308.54	3,489,557	3,901,428	55,545,881	38.74	1,433,812
2025	57,584,618.39	2,061,529	2,304,851	55,279,767	38.11	1,450,532
2026	96,334,688.89	2,312,033	2,584,921	93,749,768	37.25	2,516,772
	1,015,208,273.79	299,308,269	334,628,720	680,579,554		20,030,699

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.00 1.97

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

1957	14.80	15	15			
1966	15.03	14	10	5	1.25	4
1968	1,496.75	1,406	1,031	466	1.95	239
1969	15,120.32	14,038	10,295	4,825	2.29	2,107
1970	35,722.91	32,798	24,052	11,671	2.62	4,455
1971	93,773.06	85,099	62,407	31,366	2.96	10,597
1972	218,858.06	196,357	143,998	74,860	3.29	22,754
1973	138,003.20	122,348	89,723	48,280	3.63	13,300
1974	99,880.59	87,520	64,182	35,699	3.96	9,015
1975	164,848.08	142,696	104,646	60,202	4.30	14,000
1976	60,012.42	51,311	37,629	22,383	4.64	4,824
1977	83,658.32	70,665	51,822	31,836	4.97	6,406
1978	131,006.69	109,227	80,101	50,906	5.32	9,569
1979	163,232.04	134,360	98,532	64,700	5.66	11,431
1980	161,087.82	130,834	95,947	65,141	6.01	10,839
1981	19,155.19	15,348	11,255	7,900	6.36	1,242
1982	181,866.70	143,731	105,405	76,462	6.71	11,395
1983	15,564.23	13,514	9,910	5,654	6.58	859
1984	56,621.93	48,757	35,756	20,866	6.84	3,051
1985	262,791.06	224,213	164,426	98,365	7.13	13,796
1986	174,666.16	147,541	108,199	66,467	7.43	8,946
1987	246,207.75	205,731	150,872	95,336	7.75	12,301
1988	196,618.81	162,407	119,101	77,518	8.09	9,582
1989	223,755.03	182,517	133,848	89,907	8.45	10,640
1990	266,092.72	214,151	157,047	109,046	8.83	12,349
1991	265,733.38	211,763	155,296	110,437	9.03	12,230
1992	156,728.19	122,985	90,191	66,537	9.44	7,048
1993	502,742.61	389,776	285,841	216,902	9.69	22,384
1994	489,360.22	372,795	273,388	215,972	10.14	21,299
1995	241,306.95	181,197	132,880	108,427	10.42	10,406
1996	412,214.27	304,668	223,427	188,787	10.74	17,578
1997	1,006,172.78	731,085	536,138	470,035	11.07	42,460
1998	980,247.78	699,211	512,764	467,484	11.42	40,936
1999	510,316.95	356,763	261,631	248,686	11.80	21,075
2000	804,395.36	552,459	405,144	399,251	12.05	33,133
2001	1,854,841.15	1,244,598	912,721	942,120	12.46	75,612
2002	1,787,375.99	1,173,949	860,911	926,465	12.76	72,607
2003	1,489,580.52	955,715	700,870	788,711	13.08	60,299
2004	1,483,586.67	927,835	680,424	803,163	13.43	59,804
2005	1,578,202.17	959,863	703,912	874,290	13.80	63,354
2006	1,936,065.14	1,142,278	837,685	1,098,380	14.19	77,405
2007	2,723,763.77	1,560,172	1,144,146	1,579,618	14.48	109,090
2008	2,151,807.15	1,188,873	871,855	1,279,952	14.92	85,788
2009	1,896,495.57	1,010,832	741,290	1,155,206	15.26	75,702
2010	3,322,690.89	1,701,882	1,248,069	2,074,622	15.63	132,733
2011	2,622,345.67	1,289,670	945,775	1,676,571	15.93	105,246
2012	2,691,231.63	1,260,842	924,634	1,766,598	16.35	108,049
2013	1,651,728.11	735,680	539,508	1,112,220	16.70	66,600
2014	2,366,371.28	993,166	728,334	1,638,037	17.17	95,401
2015	2,145,704.53	847,553	621,550	1,524,155	17.49	87,144
2016	2,255,496.64	829,346	608,198	1,647,299	17.91	91,976
2017	7,373,011.44	2,506,087	1,837,829	5,535,182	18.29	302,634
2018	12,207,287.20	3,780,597	2,772,486	9,434,801	18.76	502,921
2019	13,265,898.94	3,709,145	2,720,087	10,545,812	19.11	551,848

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

2020	15,119,779.39	3,734,586	2,738,744	12,381,035	19.56	632,977
2021	3,884,633.37	828,981	607,930	3,276,703	19.96	164,163
2022	241,845.44	43,145	31,640	210,205	20.34	10,335
2023	12,452,498.62	1,760,783	1,291,264	11,161,235	20.74	538,150
2024	13,025,888.66	1,335,154	979,130	12,046,759	21.17	569,049
2025	18,551,707.30	1,146,496	840,778	17,710,929	21.52	822,999
2026	4,557,445.91	185,032	135,693	4,421,753	21.66	204,144
	143,016,571.31	43,311,560	31,762,372	111,254,199		6,098,280

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.20 4.26

SURVIVOR CURVE: IOWA 20-S2
NET SALVAGE PERCENT: 0

2024	33,182.24	4,546	2,910	30,272	15.22	1,989
2025	4,867,339.64	391,821	250,851	4,616,489	16.19	285,144
2026	41,017,013.15	2,136,986	1,368,139	39,648,874	16.69	2,375,607
	45,917,535.02	2,533,353	1,621,900	44,295,635		2,662,740

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.60 5.80

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1922	4,989.91	4,990	4,990			
1923	49,058.07	49,058	49,058			
1924	44,204.04	44,204	44,204			
1925	47,835.17	47,652	37,771	10,064	1.00	10,064
1926	42,932.84	42,589	33,758	9,175	1.00	9,175
1927	49,681.14	49,049	38,878	10,803	1.00	10,803
1928	43,671.52	42,909	34,011	9,661	1.00	9,661
1929	44,127.28	43,149	34,201	9,926	1.22	8,136
1930	39,125.91	38,073	30,178	8,948	1.48	6,046
1931	27,402.94	26,531	21,029	6,374	1.75	3,642
1932	29,374.22	28,295	22,428	6,946	2.02	3,439
1933	30,157.91	28,902	22,909	7,249	2.29	3,166
1934	31,258.00	29,797	23,618	7,640	2.57	2,973
1935	19,879.74	18,850	14,941	4,939	2.85	1,733
1936	34,712.95	32,737	25,949	8,764	3.13	2,800
1937	38,615.49	36,221	28,710	9,905	3.41	2,905
1938	53,146.57	49,571	39,292	13,855	3.70	3,745
1939	8,983.24	8,332	6,604	2,379	3.99	596
1940	15,731.87	14,508	11,500	4,232	4.28	989
1941	21,680.01	19,883	15,760	5,920	4.56	1,298
1942	19,853.28	18,103	14,349	5,504	4.85	1,135
1943	10,460.73	9,483	7,517	2,944	5.14	573
1944	7,233.48	6,518	5,166	2,067	5.44	380
1945	5,655.26	5,066	4,015	1,640	5.73	286
1946	21,611.46	19,246	15,255	6,356	6.02	1,056
1947	40,955.40	36,257	28,739	12,216	6.31	1,936
1948	42,737.22	37,601	29,804	12,933	6.61	1,957
1949	86,367.93	75,533	59,870	26,498	6.90	3,840
1950	78,967.71	68,630	54,399	24,569	7.20	3,412
1951	81,576.02	70,437	55,831	25,745	7.51	3,428
1952	53,886.64	46,235	36,648	17,239	7.81	2,207
1953	80,229.23	68,384	54,204	26,025	8.12	3,205
1954	99,983.43	84,641	67,089	32,894	8.44	3,897
1955	129,386.77	108,779	86,222	43,165	8.76	4,928
1956	143,259.04	119,608	94,806	48,453	9.08	5,336
1957	146,131.52	121,104	95,991	50,141	9.42	5,323
1958	149,605.00	123,058	97,540	52,065	9.76	5,335
1959	144,111.63	117,621	93,231	50,881	10.11	5,033
1960	134,413.55	108,851	86,279	48,135	10.46	4,602
1961	138,654.86	111,352	88,262	50,393	10.83	4,653
1962	140,292.28	111,723	88,556	51,736	11.20	4,619
1963	122,565.03	96,737	76,677	45,888	11.59	3,959
1964	142,117.62	111,162	88,111	54,007	11.98	4,508
1965	122,240.08	94,725	75,082	47,158	12.38	3,809
1966	102,217.78	78,429	62,166	40,052	12.80	3,129
1967	122,671.81	93,186	73,863	48,809	13.22	3,692
1968	141,498.81	106,382	84,322	57,177	13.65	4,189
1969	122,950.20	91,431	72,471	50,479	14.10	3,580
1970	134,677.27	99,048	78,509	56,168	14.55	3,860
1971	187,556.24	136,337	108,066	79,490	15.02	5,292
1972	223,627.15	160,645	127,333	96,294	15.49	6,217
1973	244,236.84	173,274	137,343	106,894	15.98	6,689
1974	161,881.89	113,376	89,866	72,016	16.48	4,370
1975	234,997.79	162,405	128,728	106,270	16.99	6,255

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1976	132,577.92	90,370	71,630	60,948	17.51	3,481
1977	272,460.42	183,093	145,126	127,334	18.04	7,058
1978	228,469.14	151,288	119,916	108,553	18.58	5,842
1979	144,991.01	94,560	74,952	70,039	19.13	3,661
1980	208,614.88	133,893	106,128	102,487	19.70	5,202
1981	352,350.46	222,492	176,355	175,995	20.27	8,683
1982	339,916.51	211,058	167,292	172,625	20.85	8,279
1983	205,877.98	143,023	113,365	92,513	19.08	4,849
1984	420,256.41	286,993	227,481	192,775	19.70	9,786
1985	369,056.45	249,150	197,485	171,571	19.93	8,609
1986	232,731.55	154,254	122,267	110,465	20.56	5,373
1987	283,822.93	184,598	146,319	137,504	21.19	6,489
1988	258,155.98	165,633	131,287	126,869	21.46	5,912
1989	122,543.82	77,031	61,058	61,486	22.11	2,781
1990	188,169.07	115,799	91,786	96,383	22.76	4,235
1991	495,755.15	300,229	237,972	257,783	23.06	11,179
1992	643,765.71	381,109	302,081	341,685	23.72	14,405
1993	329,342.25	191,480	151,774	177,568	24.06	7,380
1994	333,112.11	188,975	149,788	183,324	24.73	7,413
1995	239,740.45	132,552	105,065	134,675	25.40	5,302
1996	1,610,488.88	871,919	691,114	919,375	25.76	35,690
1997	1,675,852.47	882,504	699,504	976,348	26.45	36,913
1998	1,226,851.30	630,970	500,129	726,722	26.83	27,086
1999	1,175,270.61	586,460	464,849	710,422	27.53	25,805
2000	1,310,948.91	637,252	505,109	805,840	27.93	28,852
2001	1,749,056.71	822,406	651,868	1,097,189	28.64	38,310
2002	2,465,831.14	1,125,898	892,427	1,573,404	29.06	54,143
2003	1,864,440.42	820,727	650,537	1,213,903	29.78	40,762
2004	2,441,754.74	1,039,943	824,296	1,617,459	30.22	53,523
2005	2,649,304.64	1,083,831	859,083	1,790,222	30.94	57,861
2006	2,228,086.02	877,866	695,828	1,532,258	31.40	48,798
2007	2,309,065.72	874,212	692,932	1,616,134	31.87	50,710
2008	2,654,514.45	958,280	759,567	1,894,947	32.60	58,127
2009	2,828,735.13	975,348	773,096	2,055,639	33.09	62,123
2010	2,732,028.19	896,925	710,935	2,021,093	33.58	60,187
2011	1,883,278.57	586,453	464,843	1,418,436	34.09	41,609
2012	1,920,627.17	564,856	447,725	1,472,902	34.60	42,569
2013	1,619,383.38	447,598	354,782	1,264,601	35.13	35,998
2014	1,793,250.91	463,197	367,146	1,426,105	35.66	39,992
2015	2,038,408.76	488,810	387,448	1,650,961	36.20	45,607
2016	2,530,395.62	558,711	442,854	2,087,542	36.75	56,804
2017	2,944,261.03	596,213	472,580	2,471,681	37.09	66,640
2018	2,556,802.96	466,872	370,059	2,186,744	37.67	58,050
2019	2,918,591.82	476,314	377,544	2,541,048	38.04	66,799
2020	2,786,211.73	398,707	316,029	2,470,183	38.43	64,277
2021	3,558,377.08	437,680	346,921	3,211,456	38.63	83,134
	67,768,708.33	25,868,199	20,524,431	47,244,277		1,624,149

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.10 2.40

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1888	92.52	93	93			
1903	19.22	19	19			
1923	734.41	734	734			
1925	132.42	132	132			
1927	124.42	124	124			
1930	75.73	73	76			
1934	139.64	130	140			
1936	72.28	66	72			
1937	101.94	92	102			
1941	900.61	781	901			
1942	835.87	718	836			
1943	2,476.79	2,107	2,477			
1945	660.47	551	660			
1946	247.36	204	247			
1947	494.83	405	495			
1948	148.37	120	148			
1949	2,124.01	1,705	2,124			
1950	1,209.20	961	1,209			
1951	1,161.43	914	1,161			
1952	7,393.66	5,760	7,394			
1953	10,125.68	7,807	10,126			
1954	13,046.94	9,955	13,034	13	13.00	1
1955	19,666.70	14,848	19,440	227	11.95	19
1956	29,782.34	22,247	29,127	655	12.60	52
1957	26,960.19	19,918	26,078	882	12.97	68
1958	15,702.62	11,472	15,020	683	13.39	51
1959	31,025.96	22,413	29,345	1,681	13.89	121
1960	19,608.77	14,005	18,336	1,273	14.30	89
1961	16,954.19	11,970	15,672	1,282	14.74	87
1962	32,606.13	22,746	29,781	2,825	15.11	187
1963	20,013.05	13,793	18,059	1,954	15.51	126
1964	15,164.24	10,321	13,513	1,651	16.03	103
1965	50,155.54	33,705	44,129	6,027	16.38	368
1966	35,219.58	23,365	30,591	4,629	16.83	275
1967	20,084.49	13,147	17,213	2,871	17.30	166
1968	29,182.27	18,846	24,675	4,507	17.74	254
1969	35,707.61	22,746	29,781	5,927	18.13	327
1970	33,565.39	21,079	27,598	5,967	18.59	321
1971	80,549.22	49,844	65,259	15,290	19.06	802
1972	42,129.90	25,691	33,636	8,494	19.53	435
1973	50,258.82	30,175	39,507	10,752	19.99	538
1974	5,622.67	3,324	4,352	1,271	20.50	62
1975	15,859.89	9,227	12,081	3,779	20.88	181
1976	34,882.62	19,960	26,133	8,750	21.39	409
1977	13,318.47	7,493	9,810	3,508	21.93	160
1978	10,964.84	6,064	7,939	3,026	22.41	135
1979	118,557.02	64,400	84,317	34,240	22.84	1,499
1980	104,030.99	55,469	72,624	31,407	23.33	1,346
1981	123,440.15	64,609	84,591	38,849	23.83	1,630
1982	169,230.88	86,849	113,709	55,522	24.34	2,281
1983	86,095.64	57,564	75,367	10,729	21.50	499
1984	100,358.47	66,407	86,945	13,413	21.70	618
1985	154,635.14	100,544	131,639	22,996	22.28	1,032
1986	356,364.62	229,000	299,823	56,542	22.48	2,515

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1987	161,275.67	101,717	133,175	28,101	23.07	1,218
1988	475,250.22	295,796	387,277	87,973	23.31	3,774
1989	441,838.56	271,112	354,959	86,880	23.56	3,688
1990	239,094.03	143,672	188,106	50,988	24.19	2,108
1991	396,155.13	234,326	306,796	89,359	24.46	3,653
1992	104,735.14	60,914	79,753	24,982	24.76	1,009
1993	82,551.24	47,170	61,758	20,793	25.05	830
1994	154,453.36	86,617	113,405	41,048	25.39	1,617
1995	168,972.49	92,901	121,633	47,339	25.73	1,840
1996	142,443.71	76,692	100,411	42,033	26.08	1,612
1997	163,083.33	85,880	112,440	50,643	26.45	1,915
1998	81,303.11	41,814	54,746	26,557	26.83	990
1999	118,733.59	59,569	77,992	40,742	27.23	1,496
2000	155,234.54	76,282	99,874	55,361	27.34	2,025
2001	97,018.03	46,355	60,691	36,327	27.77	1,308
2002	126,304.48	58,908	77,127	49,177	27.94	1,760
2003	197,522.55	89,260	116,866	80,657	28.40	2,840
2004	186,498.72	81,948	107,292	79,207	28.60	2,769
2006	21,962.27	9,057	11,858	10,104	29.12	347
2007	144,557.27	57,534	75,328	69,229	29.37	2,357
2008	45,223.65	17,407	22,790	22,434	29.44	762
2010	1,291.71	458	600	692	30.09	23
2011	27,033.73	9,170	12,006	15,028	30.06	500
2012	475,127.42	154,131	201,799	273,328	30.03	9,102
2013	1,056,586.74	324,583	424,967	631,620	30.25	20,880
2014	145,105.23	42,342	55,437	89,668	30.14	2,975
2015	361,318.51	99,001	129,619	231,700	30.25	7,660
2016	612,357.20	156,886	205,406	406,951	30.24	13,457
2017	1,648,106.95	392,579	513,993	1,134,114	30.11	37,666
2018	613,691.11	134,828	176,527	437,164	29.90	14,621
2019	227,574.52	45,560	59,650	167,925	29.62	5,669
2020	444,824.79	79,935	104,657	340,168	29.30	11,610
2021	915,011.15	144,206	188,805	726,206	28.95	25,085
2022	34,230.18	4,628	6,059	28,171	28.26	997
2023	1,009,919.10	111,798	146,374	863,545	27.45	31,459
2024	158,679.05	13,424	17,576	141,103	26.15	5,396
2025	10,276.91	569	745	9,532	24.13	395
2026	29,950.52	1,168	1,529	28,422	22.56	1,260
	13,415,312.12	4,956,889	6,488,420	6,926,892		245,430

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.20 1.83

SURVIVOR CURVE: IOWA 20-S4
NET SALVAGE PERCENT: 0

1997	53,681.30	52,586	53,681
1998	24,038.51	23,430	24,039
2005	14,566,812.47	13,228,122	14,566,812
	14,644,532.28	13,304,138	14,644,532

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-R2.5
NET SALVAGE PERCENT: 0

2005	106,411.95	78,170	74,446	31,966	7.74	4,130
2006	228,496.48	162,347	154,614	73,882	8.32	8,880
2007	172,643.52	118,675	113,022	59,622	8.83	6,752
2008	109,025.87	72,088	68,654	40,372	9.44	4,277
2010	123,227.17	74,848	71,283	51,944	10.61	4,896
2011	401,850.84	232,953	221,856	179,995	11.18	16,100
2012	234,211.62	128,652	122,524	111,688	11.83	9,441
2013	61,258.09	31,805	30,290	30,968	12.42	2,493
2014	434,494.81	211,469	201,396	233,099	13.09	17,807
2015	1,245,680.94	566,037	539,074	706,607	13.71	51,540
2016	613,051.96	257,972	245,683	367,369	14.34	25,618
2017	2,071,556.38	797,756	759,755	1,311,801	15.03	87,279
2018	1,688,040.05	589,632	561,545	1,126,495	15.68	71,843
2019	238,815.47	74,558	71,006	167,809	16.34	10,270
2020	1,223,231.85	335,166	319,200	904,032	17.00	53,178
2021	5,260,559.41	1,236,758	1,177,845	4,082,714	17.62	231,709
2022	713,153.12	138,922	132,305	580,848	18.26	31,810
2023	316,501.69	48,678	46,359	270,143	18.80	14,369
2024	687,109.10	76,407	72,767	614,342	19.32	31,798
2025	556,205.79	37,377	35,597	520,609	19.68	26,454
	16,485,526.11	5,270,270	5,019,221	11,466,305		710,644

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.10 4.31

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1895	221.00	221	221			
1896	578.00	578	578			
1897	265.80	266	266			
1898	123.55	124	124			
1899	219.60	220	220			
1900	78.67	79	79			
1901	1,043.20	1,043	1,043			
1902	9.85	10	10			
1903	356.24	356	356			
1904	105.00	105	105			
1905	271.56	272	272			
1907	515.26	515	515			
1908	1.22	1	1			
1909	5.00	5	5			
1912	107.28	107	107			
1913	418.90	419	419			
1914	242.34	242	242			
1915	59.34	59	59			
1916	348.78	349	349			
1917	37.03	37	37			
1919	20.00	20	20			
1920	747.78	748	748			
1923	337.00	337	337			
1924	1,098.02	1,098	1,098			
1925	257.57	258	258			
1926	32.00	32	32			
1927	101.50	101	102			
1928	38.20	38	38			
1929	741.31	730	741			
1930	63.71	62	64			
1932	25.00	24	25			
1935	6.60	6	7			
1936	23.00	22	23			
1937	126.06	120	126			
1940	94.65	89	95			
1941	123.94	116	124			
1942	91.94	86	92			
1944	457.06	421	457			
1945	266.11	244	266			
1946	58.28	53	58			
1948	15.96	14	16			
1949	91.53	82	92			
1950	62.45	56	62			
1951	36.13	32	36			
1952	23.18	21	23			
1953	38.67	34	38	1		
1954	53.96	47	53	1		
1956	308.81	267	302	7	7.00	1
1958	3,915.91	3,349	3,791	125	8.93	14
1959	630.52	535	606	25	8.33	3
1960	914.07	771	873	41	10.25	4
1961	147.59	124	140	8	8.00	1
1962	74.23	62	70	4		
1963	124.21	102	115	9	9.00	1

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1964	42.01	34	38	4		
1965	515.64	417	472	44	11.00	4
1966	2,820.19	2,260	2,558	262	11.91	22
1967	76.52	61	69	8	8.00	1
1968	563.97	443	501	63	12.60	5
1969	267.27	208	235	32	16.00	2
1973	263.19	195	221	42	14.00	3
1977	149.17	105	119	30	15.00	2
1978	842.86	582	659	184	18.40	10
1980	349.81	234	265	85	21.25	4
1981	13,624.82	8,954	10,135	3,490	20.53	170
1983	6,888.56	4,726	5,349	1,540	19.74	78
1984	1,771.57	1,195	1,352	420	20.00	21
1987	565.85	361	409	157	22.43	7
2017	8,100.00	1,419	1,606	6,494	44.48	146
	52,996.00	36,303	39,924	13,072		499

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.20 0.94

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1940	1,925.94	1,690	1,926			
1946	2,296.66	1,946	2,297			
1950	2,498.89	2,063	2,499			
1953	893.13	722	893			
1955	809.77	645	810			
1957	4,815.59	3,777	4,816			
1958	2,505.42	1,950	2,493	12	12.00	1
1960	54,336.68	41,572	53,150	1,187	12.90	92
1961	815.23	618	790	25	12.50	2
1966	90,285.05	65,202	83,361	6,924	15.28	453
1967	5,035.03	3,598	4,600	435	15.54	28
1968	671.79	475	607	65	16.25	4
1970	141,218.06	97,518	124,677	16,541	17.02	972
1971	9,813.04	6,692	8,556	1,257	17.46	72
1972	1,364.51	919	1,175	190	17.27	11
1973	4,961.84	3,298	4,217	745	18.63	40
1974	1,407.39	923	1,180	227	18.92	12
1975	10,702.58	6,924	8,852	1,851	19.48	95
1976	5,272.87	3,362	4,298	975	19.90	49
1977	63.35	40	51	12	12.00	1
1978	4,185.50	2,589	3,310	876	20.86	42
1979	18,553.96	11,294	14,439	4,115	21.54	191
1980	10,461.89	6,266	8,011	2,451	22.08	111
1981	16,373.42	9,640	12,325	4,048	22.61	179
1982	53,783.96	31,117	39,783	14,001	23.18	604
1983	80,114.21	54,261	69,373	10,741	20.70	519
1984	43,259.13	28,806	36,829	6,430	21.29	302
1985	100,848.26	65,995	84,375	16,473	21.88	753
1986	43,961.23	28,430	36,348	7,613	22.07	345
1987	96,151.95	61,018	78,012	18,140	22.70	799
1988	38,503.36	24,111	30,826	7,677	22.92	335
1989	91,126.14	55,915	71,488	19,638	23.55	834
1990	36,462.42	21,910	28,012	8,450	24.21	349
1991	65,323.12	38,639	49,400	15,923	24.46	651
1992	54,405.16	31,457	40,218	14,187	25.11	565
1993	61,924.09	35,179	44,976	16,948	25.41	667
1994	2,013.31	1,116	1,427	586	26.64	22
1995	58,063.15	31,557	40,346	17,717	26.40	671
1996	159,652.36	84,488	108,018	51,634	27.06	1,908
1997	93,160.74	48,229	61,661	31,500	27.39	1,150
1998	1,334.73	671	858	477	28.06	17
2000	14,094.19	6,738	8,615	5,479	28.84	190
2001	5,830.23	2,697	3,448	2,382	29.41	81
2002	134,144.05	60,271	77,057	57,087	29.94	1,907
2003	111,505.48	48,572	62,099	49,406	30.35	1,628
2004	589,621.60	248,467	317,666	271,956	30.78	8,835
2005	63,956.54	26,024	33,272	30,685	31.22	983
2006	27,536.06	10,794	13,800	13,736	31.65	434
2007	87,213.19	32,853	42,003	45,210	32.13	1,407
2009	146,245.00	50,425	64,469	81,776	33.09	2,471
2010	1,339,452.31	439,742	562,212	777,240	33.58	23,146
2011	987,296.21	309,024	395,088	592,208	33.84	17,500
2012	136,919.60	40,665	51,990	84,930	34.14	2,488
2013	315,634.29	88,094	112,629	203,005	34.66	5,857

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

2014	291,416.33	76,351	97,615	193,801	34.98	5,540
2015	370,818.24	90,591	115,821	254,997	35.31	7,222
2017	597,611.21	124,363	158,999	438,612	35.83	12,241
2018	758,404.48	143,642	183,647	574,757	36.03	15,952
2019	1,036,920.23	176,899	226,166	810,754	36.06	22,483
2020	171,201.54	25,817	33,007	138,195	36.14	3,824
2021	456,405.23	59,561	76,149	380,256	36.08	10,539
2022	131,790.23	14,378	18,382	113,408	36.07	3,144
2023	9,144,925.20	800,181	1,023,035	8,121,890	35.64	227,887
2024	4,104,123.03	265,947	340,014	3,764,109	34.90	107,854
2025	29,498,527.47	1,194,690	1,527,416	27,971,111	33.55	833,714
2026	7,981,338.61	220,285	281,635	7,699,704	32.31	238,307
	59,974,285.46	5,473,693	6,997,517	52,976,768		1,568,480

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.80 2.62

INTERIM SURVIVOR CURVE: IOWA 75-R0.5
PROBABLE RETIREMENT DATE: 1-2029
NET SALVAGE PERCENT: 0

2005	2,426,504.18	2,203,508	2,203,321	223,183	2.17	102,849
2007	2,377.97	2,142	2,142	236	2.15	110
2010	127,013.84	112,395	112,385	14,629	2.14	6,836
2011	709,521.96	622,393	622,340	87,182	2.16	40,362
2012	94,911.23	82,649	82,642	12,269	2.14	5,733
2014	39,297.04	33,473	33,470	5,827	2.16	2,698
2015	1,393,602.58	1,172,577	1,172,477	221,126	2.15	102,849
2016	2,954,611.41	2,449,964	2,449,756	504,855	2.15	234,816
2017	142,829.20	116,334	116,324	26,505	2.14	12,386
2018	17,737.38	14,123	14,122	3,615	2.15	1,681
2020	148,419.26	111,136	111,127	37,292	2.15	17,345
2021	11,721.66	8,394	8,393	3,329	2.15	1,548
2026	80,435.80	24,139	24,137	56,299	2.14	26,308
	8,148,983.51	6,953,227	6,952,636	1,196,348		555,521

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.20 6.82

SURVIVOR CURVE.. 20-SQUARE
NET SALVAGE PERCENT: 0

1993	543.58	544	544			
1995	466.44	466	466			
1998	11,131.17	11,131	11,131			
1999	0.01					
2004	1,732.81	1,733	1,733			
2005	18,296.34	18,296	18,296			
2006	17,559.99	17,560	17,560			
2007	49,231.33	47,795	49,231			
2008	2,364.40	2,177	2,364			
2009	42,688.50	37,174	42,688			
2010	20,850.43	17,115	20,850			
2011	525,933.34	405,405	498,650	27,283	4.58	5,957
2012	11,221.10	8,089	9,950	1,271	5.57	228
2013	118,229.77	79,312	97,554	20,676	6.58	3,142
2014	154,165.72	95,711	117,725	36,441	7.58	4,808
2015	1,415,319.03	807,907	993,730	421,589	8.58	49,136
2016	304,233.69	158,454	194,899	109,335	9.58	11,413
2017	30,251.87	14,243	17,519	12,733	10.58	1,203
2021	9,436.05	2,556	3,144	6,292	14.56	432
2023	17,357.08	2,965	3,647	13,710	16.58	827
2026	6,593.84	302	371	6,223	19.09	326
	2,757,606.49	1,728,935	2,102,052	655,554		77,472

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.50 2.81

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	6,042.49	6,042	6,042	
2013	31,777.59	31,778	31,778	
2019	4,232.79	4,233	4,233	
2020	4,591.35	4,591	4,591	
2021	2,147,034.82	2,147,035	2,147,035	
2022	2,638,052.30	2,330,271	2,638,052	
2023	976,930.22	667,566	1,210,445	(233,515)
	5,808,661.56	5,191,516	6,042,176	(233,514)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2012	6,374.27	6,126	3,348	3,026	1.00	3,026
2013	131.73	118	64	68	1.58	43
2017	14,554.52	9,137	4,994	9,561	5.58	1,713
2018	54,465.52	30,561	16,702	37,764	6.58	5,739
2019	15,022.00	7,427	4,059	10,963	7.58	1,446
2020	13,792.00	5,900	3,224	10,568	8.58	1,232
2021	30,392.00	10,975	5,998	24,394	9.58	2,546
2026	55,178.82	3,372	1,843	53,336	14.08	3,788
	189,910.86	73,616	40,232	149,679		19,533

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.70 10.29

SURVIVOR CURVE: IOWA 6-L2.5
NET SALVAGE PERCENT: 0

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	0.00	0.00

SURVIVOR CURVE: IOWA 10-L2.5
NET SALVAGE PERCENT: 0

1999	92,917.47	92,732	71,592	21,325	1.00	21,325
2002	739.32	722	557	182	1.00	182
2004	35,002.10	33,581	25,926	9,076	1.00	9,076
2007	8,831.94	8,248	6,368	2,464	1.37	1,799
2008	15,529.12	14,357	11,084	4,445	1.50	2,963
2009	27,939.91	25,498	19,685	8,255	1.67	4,943
2013	106,780.45	90,539	69,899	36,881	2.41	15,303
2014	59,040.44	48,826	37,695	21,345	2.60	8,210
2015	78,538.30	63,302	48,871	29,667	2.75	10,788
2016	2,021,163.26	1,585,400	1,223,982	797,181	2.86	278,735
2017	2,729,121.28	2,073,859	1,601,089	1,128,032	2.98	378,534
2018	5,044,206.56	3,680,758	2,841,668	2,202,539	3.12	705,942
2019	6,957,422.75	4,793,664	3,700,869	3,256,554	3.35	972,106
2020	12,329,416.92	7,816,850	6,034,870	6,294,547	3.70	1,701,229
2021	11,447,254.83	6,460,831	4,987,978	6,459,277	4.18	1,545,282
2022	4,082,840.65	1,963,846	1,516,155	2,566,686	4.77	538,089
2023	8,777,509.21	3,380,219	2,609,642	6,167,867	5.46	1,129,646
2024	14,004,688.35	3,922,713	3,028,466	10,976,222	6.21	1,767,508
2025	5,468,921.48	917,138	708,061	4,760,860	7.03	677,220
2026	11,405,375.02	1,246,607	962,422	10,442,953	7.47	1,397,986
	84,693,239.36	38,219,690	29,506,879	55,186,360		11,166,866

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.90 13.19

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1999	7,069.38	6,454	(3,742)	10,811	2.61	4,142
2000	501.40	453	(263)	764	2.82	271
2006	9,292.36	7,759	(4,498)	13,790	4.03	3,422
2007	7,139.95	5,864	(3,400)	10,540	4.22	2,498
2008	6,222.44	5,019	(2,910)	9,132	4.42	2,066
2009	19,028.66	15,080	(8,743)	27,772	4.56	6,090
2010	3,532.99	2,743	(1,590)	5,123	4.73	1,083
2011	9,013.63	6,850	(3,971)	12,985	4.87	2,666
2012	12,043.66	8,924	(5,174)	17,218	5.04	3,416
2013	3,991.51	2,881	(1,670)	5,662	5.17	1,095
2015	27,736.45	18,747	(10,869)	38,605	5.47	7,058
2016	128,982.62	83,439	(48,375)	177,358	5.69	31,170
2017	231,600.76	141,971	(82,310)	313,911	5.94	52,847
2019	446,273.64	235,008	(136,250)	582,524	6.67	87,335
2020	119,288.91	56,340	(32,664)	151,953	7.17	21,193
2021	96,847.54	39,814	(23,083)	119,931	7.76	15,455
2023	222,810.04	60,983	(35,356)	258,166	9.07	28,464
2024	313,206.42	61,984	(35,936)	349,142	9.79	35,663
2025	2,463,414.54	291,176	(168,815)	2,632,230	10.57	249,028
2026	2,368,882.35	182,167	(105,615)	2,474,497	11.00	224,954
	6,496,879.25	1,233,656	(715,234)	7,212,113		779,916

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.20 12.00

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2006	4.01	3	4	4.00	1
2007	54.28	42	54	5.40	10
2010	41.71	27	42	8.40	5
2011	356.77	220	357	9.65	37
	456.77	292	457		53

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.60 11.60

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

1999	89,151.71	89,152	89,152			
2000	192,756.13	192,756	192,756			
2001	181,761.69	181,762	181,762			
2002	319,391.69	311,940	319,392			
2003	181,621.31	170,119	176,636	4,985	1.58	3,155
2004	380,227.81	340,939	354,000	26,228	2.58	10,166
2005	71,201.04	60,996	63,333	7,868	3.58	2,198
2006	173,445.34	141,648	147,075	26,370	4.58	5,758
2007	557,846.16	433,262	449,860	107,986	5.58	19,352
2008	443,719.85	326,875	339,398	104,322	6.58	15,854
2009	730,289.47	508,771	528,262	202,027	7.58	26,653
2010	585,169.83	384,263	398,984	186,186	8.58	21,700
2011	406,075.08	250,414	260,007	146,068	9.58	15,247
2012	452,774.55	261,101	271,104	181,671	10.58	17,171
2013	594,420.01	319,007	331,228	263,192	11.58	22,728
2014	69,912.18	34,723	36,053	33,859	12.58	2,691
2015	25,571.63	11,678	12,125	13,447	13.58	990
2016	151,256.74	63,024	65,438	85,819	14.58	5,886
2017	110,465.30	41,609	43,203	67,262	15.58	4,317
2018	282,789.82	95,207	98,855	183,935	16.58	11,094
2019	31,050.84	9,212	9,565	21,486	17.58	1,222
2020	50,478.74	12,956	13,452	37,027	18.58	1,993
2021	174,402.80	37,788	39,236	135,167	19.58	6,903
2022	542,711.43	95,881	99,554	443,157	20.58	21,533
2023	151,685.19	20,731	21,525	130,160	21.58	6,032
2024	16,550.57	1,600	1,661	14,890	22.59	659
2025	27,823.62	1,577	1,637	26,187	23.57	1,111
2026	2,018,011.84	74,000	76,836	1,941,176	24.08	80,614
	9,012,562.37	4,472,991	4,622,089	4,390,473		305,027

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.40 3.38

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2014	130,860.25	108,323	130,860			
2018	267,256.56	149,960	197,652	69,605	6.58	10,578
	398,116.81	258,283	328,512	69,605		10,578

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.60 2.66

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1961	1,315.08	1,315	1,315			
1962	476.04	476	476			
1975	236.92	237	237			
1985	7,755.35	7,755	7,755			
1987	5,112.74	5,059	5,091	22	1.00	22
1988	1,332.07	1,310	1,318	14	1.00	14
1989	14,153.23	13,822	13,909	244	1.00	244
1991	780.06	754	759	21	1.24	17
1992	96,521.61	92,680	93,263	3,259	1.43	2,279
1993	39,846.27	38,081	38,320	1,526	1.55	985
1994	77,966.13	74,052	74,517	3,449	1.71	2,017
1995	13,320.69	12,555	12,634	687	1.92	358
1997	55,384.08	51,319	51,642	3,742	2.33	1,606
1999	264,287.65	241,295	242,812	21,476	2.61	8,228
2000	75,919.19	68,585	69,016	6,903	2.82	2,448
2001	30,525.73	27,232	27,403	3,123	3.07	1,017
2002	64,044.73	56,609	56,965	7,080	3.21	2,206
2003	70,604.83	61,504	61,891	8,714	3.47	2,511
2004	87,862.84	75,632	76,107	11,756	3.62	3,248
2005	205,972.14	174,685	175,783	30,189	3.84	7,862
2006	14,117.79	11,788	11,862	2,256	4.03	560
2007	136,970.39	112,494	113,201	23,769	4.22	5,632
2008	43,353.71	34,969	35,189	8,165	4.42	1,847
2009	30,870.74	24,465	24,619	6,252	4.56	1,371
2010	18,208.76	14,139	14,228	3,981	4.73	842
2011	371,304.10	282,191	283,965	87,339	4.87	17,934
2012	421,085.32	312,024	313,985	107,100	5.04	21,250
2013	237,956.31	171,757	172,837	65,119	5.17	12,596
2014	747,465.73	523,450	526,740	220,726	5.31	41,568
2015	914,078.34	617,826	621,710	292,368	5.47	53,449
2016	502,605.55	325,136	327,180	175,426	5.69	30,831
2017	1,586,517.50	972,535	978,648	607,870	5.94	102,335
2018	1,647,913.62	944,584	950,522	697,392	6.27	111,227
2019	1,092,384.72	575,250	578,866	513,519	6.67	76,989
2020	2,270,359.98	1,072,291	1,079,032	1,191,328	7.17	166,155
2021	923,847.05	379,794	382,181	541,666	7.76	69,802
2022	1,999,503.99	689,629	693,964	1,305,540	8.39	155,607
2023	1,990,157.80	544,706	548,130	1,442,028	9.07	158,989
2024	340,950.23	67,474	67,898	273,052	9.79	27,891
2025	96,343.37	11,388	11,460	84,883	10.57	8,031
2026	1,357,121.79	104,363	105,019	1,252,103	11.00	113,828
	17,856,534.17	8,797,210	8,852,449	9,004,085		1,213,796

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.40 6.80

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2009	7,655.46	7,655	7,655			
2010	460,740.89	460,741	460,741			
2011	3,094,026.62	3,094,027	3,094,027			
2012	730,886.81	702,463	496,839	234,048	1.00	234,048
2013	650,257.67	581,616	411,366	238,892	1.58	151,197
2014	582,766.53	482,402	341,194	241,573	2.58	93,633
2015	914,974.75	696,396	492,547	422,428	3.58	117,997
2016	461,177.11	320,260	226,514	234,663	4.58	51,236
2017	545,708.71	342,585	242,304	303,405	5.58	54,374
2018	1,052,949.48	590,820	417,876	635,073	6.58	96,516
2019	506,497.02	250,432	177,126	329,371	7.58	43,453
2020	1,027,407.82	439,505	310,853	716,555	8.58	83,515
2021	4,016,244.54	1,450,306	1,025,773	2,990,472	9.58	312,158
2022	313,442.25	92,290	65,275	248,167	10.58	23,456
2023	1,109,193.82	252,652	178,696	930,498	11.58	80,354
2024	488.38	79	56	432	12.71	34
2026	2,799,570.92	171,082	121,003	2,678,568	14.08	190,239
	18,273,988.77	9,935,311	8,069,845	10,204,144		1,532,210

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.70 8.38

SURVIVOR CURVE.. 18-SQUARE
NET SALVAGE PERCENT: 0

2017	16,889,405.25	8,835,692	9,806,129	7,083,276	8.58	825,557
2022	28,346.42	6,955	7,719	20,627	13.58	1,519
2023	32,077.26	6,089	6,758	25,319	14.58	1,737
2026	176.23	9	10	166	16.60	10
	16,950,005.16	8,848,745	9,820,616	7,129,389		828,823

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.60 4.89

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2007	11,500.91	8,932	796	10,705	5.58	1,918
2011	13,689.76	8,442	753	12,937	9.58	1,350
2012	3,464.31	1,998	178	3,286	10.57	311
	28,654.98	19,372	1,727	26,928		3,579

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.50 12.49

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2006	19,688.74	19,689	19,689			
2007	29,453.58	29,454	29,454			
2008	9,623.41	9,623	9,623			
2009	2,921.11	2,921	2,921			
2010	21,147.88	21,148	21,148			
2011	11,027.28	11,027	11,027			
2012	1,026.65	987	(244)	1,271	1.00	1,271
2013	121,858.81	108,995	(26,965)	148,824	1.58	94,192
2014	107,316.62	88,835	(21,978)	129,295	2.58	50,114
2015	29,803.08	22,683	(5,612)	35,415	3.58	9,892
2016	81,299.09	56,457	(13,967)	95,266	4.58	20,800
2018	82,283.65	46,170	(11,422)	93,706	6.58	14,241
2019	34,463.16	17,040	(4,216)	38,679	7.58	5,103
2020	24,532.09	10,494	(2,596)	27,128	8.58	3,162
2021	45,482.86	16,424	(4,063)	49,546	9.58	5,172
2022	2,590.68	763	(189)	2,780	10.57	263
2023	26,199.27	5,968	(1,477)	27,676	11.58	2,390
2026	2,740.00	167	(41)	2,781	14.05	198
	653,457.96	468,845	1,092	652,366		206,798

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.20 31.65

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2018	46,650.00	26,176	41,266	5,384	6.58	818
2019	8,235.82	4,072	6,419	1,817	7.57	240
	54,885.82	30,248	47,685	7,201		1,058

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.80 1.93

PART VIII. EXPERIENCED AND ESTIMATED NET SALVAGE

2022	**TRANSACTION YEAR**			
303.00	1,528,279			
303.01	12,622,314			
332.00		1,324		(1,324)
333.00	12,996	128,575		(128,575)
337.00	11,277			
352.00	93,478			
367.00	144,454		6,939	6,939
369.00	94,291			
375.00	5,379			
376.00	5,286,975	262,145	(327)	(262,472)
378.00	570,425			
380.00	718,517			
381.00	448,543			
382.00	81,576	5,184		(5,184)
387.00	198,953			
390.00	12,752			
390.01	1,649,167			
391.01	53,442			
391.02	8,861,539			
391.03	404,100			
392.00	1,735,740		5,644	5,644
392.01	51,431			
392.02	6,677,435			
392.03	172,346			
392.04	6,345			
393.00	10,559			
394.00	101,959			
394.20	193,491			
396.00	1,519,851			
397.02	1,286,769			
397.20	19,826			
398.00	8,673			
TOTAL	**44,582,882**	**397,228**	**12,255**	**(384,973)**

2023	**TRANSACTION YEAR**			
303.00	16,339,592			
325.04	853			
332.00	161,325	2,544,899		(2,544,899)
334.00	286			
337.00	27,305			
352.02		181,890		(181,890)
354.01	86,119			
366.01	4,072			
367.00	96,916	1,774		(1,774)
369.00	4,814			
375.00	15,577			
376.00	6,064,305	8,652,109		(8,652,109)
378.00	264,921	4,928		(4,928)
380.00	3,762,326	743,999		(743,999)
381.00	1,670,355			
382.00		1,178		(1,178)
385.00	527			
390.00	1,595,344			
391.01	10,607			
391.02	2,451,171			
391.03	182,868			

392.01	30,168			
392.02	6,884,873			
394.00	191,545			
396.00	1,482,124			
397.02	183,962			
397.20	114,223			
TOTAL	**41,626,178**	**12,130,777**		**(12,130,777)**
2024	**TRANSACTION YEAR**			
303.00	15,875,601			
325.04	834			
332.00	189,953	12,327		(12,327)
333.00	230,478			
334.00	378			
351.00		178,852		(178,852)
352.01	2,289	284,716		(284,716)
353.01	43,751			
367.00	841,375	35,301		(35,301)
369.00	21,533	378,692		(378,692)
375.00	3,984	671		(671)
376.00	7,669,667	6,640,588		(6,640,588)
378.00	195,349	94,523		(94,523)
380.00	2,581,364	1,122,598		(1,122,598)
381.00	3,834,041			
382.00	5,895,137			
385.00	1,284			
387.00	303,093			
390.00	140,442			
391.01	15,372			
391.02	4,797,044			
391.03	38,196			
392.01	31,026			
392.02	11,550,342		8,391,000	8,391,000
393.00	5,438			
394.00	191,869			
396.00	615,887			
397.02	897,585			
397.20	277,732			
TOTAL	**56,251,045**	**8,748,267**	**8,391,000**	**(357,267)**
2025	**TRANSACTION YEAR**			
303.01	3,705,100			
303.02	21,442,054			
330.00	7			
331.00	24			
332.00	184,725	4,320		(4,320)
333.00	56			
334.00	2,037			
351.00		471,802		(471,802)
352.01	84,049	2,280,536		(2,280,536)
352.02	51,018			
353.01	20,132			
354.01	1,526			
355.00	4,589			
367.00	424,833	57,068		(57,068)
369.00	32,540	1,824,637		(1,824,637)
375.01	568			
375.31	157			

375.32	1,194			
376.01	4,575,938	4,598,591		(4,598,591)
376.02	2,108,060			
378.00	309,406	(28,955)		28,955
380.00	4,259,738	11,295,684		(11,295,684)
381.00	14,268,296			
382.00	11,092,985	(79,096)		79,096
385.00	4,815			
387.00	26,550			
390.00	321,911			
392.02	4,563,447	(84,065)	1,864,607	1,948,672
392.03	836,503			
396.00	373,616			
TOTAL	**68,695,875**	**20,340,522**	**1,864,607**	**(18,475,914)**
2026	**TRANSACTION YEAR**			
332.00	272,107	136,054	2,709	(133,345)
333.00	1,543,899	771,950		(771,950)
334.00	907	453		(453)
352.01	86,466	43,233		(43,233)
367.00	122,889	24,600	551	(24,049)
368.00	337,644			
369.00	51,598	25,799		(25,799)
376.01	4,408,085	2,204,043	11,564	(2,192,479)
378.00	933,485	140,023		(140,023)
380.00	4,922,703	2,461,351		(2,461,351)
382.00	9,977,420	82,812		(82,812)
385.00	165			
392.02	7,071,333	(17,648)	1,414,267	1,431,914
396.00	841,416			
397.02	4,199,990		5,987	5,987
TOTAL	**34,770,106**	**5,872,670**	**1,435,077**	**(4,437,592)**
TOTAL	**245,926,087**	**47,489,464**	**11,702,940**	**(35,786,524)**

PEOPLES NATURAL GAS COMPANY LLC

PITTSBURGH, PENNSYLVANIA

2027 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION
ACCRUALS RELATED TO GAS PLANT
AS OF DECEMBER 31, 2027

Prepared by:

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

PEOPLES NATURAL GAS COMPANY LLC

Pittsburgh, Pennsylvania

2027 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT
AS OF DECEMBER 31, 2027

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

Gannett Fleming Valuation and Rate Consultants, LLC
(a GFT Company)

300 Sterling Parkway, Suite 200
Mechanicsburg, PA 17050
717.763.7211

March 9, 2026

Peoples Natural Gas Company, LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212-5322

Ladies and Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to gas plant as of December 31, 2027. The results of our study as of November 30, 2026 are presented in our report titled "2026 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of November 30, 2026". The same methods, procedures and estimates are used in both studies.

The attached report sets forth a description of the methods and procedures upon which the studies were based, the estimates of survivor curves and the calculated annual depreciation rates as of December 31, 2027.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

JOHN J. SPANOS
President

MELISSA M. HOWARD
Project Manager

083580.100

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PART I. RESULTS OF STUDY

PEOPLES NATURAL GAS COMPANY LLC
DEPRECIATION STUDY

PART I. RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 through 4 presented on pages I-3 through I-10 summarize the results of the depreciation study as of December 31, 2027. Table 1 sets forth, by depreciable group, the estimated survivor curve, original cost, book depreciation reserve as of December 31, 2027, future book accruals, calculated annual accrual amount and rate, and composite remaining life for plant in service. Table 2 presents the bringforward of the book reserve to December 31, 2027. Table 3 sets forth the calculations of the depreciation accruals for the thirteen months ended December 31, 2027. Table 4 presents the annual amortization of experienced and estimated net salvage based on the period 2023 through 2027.

DESCRIPTION OF DETAILED TABULATIONS

The supporting data for the depreciation calculations are presented in account sequence in the section beginning on page II-6. The original cost, calculated accrued depreciation, allocated book reserve, future accruals, remaining life and annual accrual are shown for each vintage of each account or subaccount. The amounts of regular retirements, gross salvage and cost of removal are set forth by account for the years 2023 through 2027, beginning on pages III-2 through III-4.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2027

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF DECEMBER 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	18,840,458.17	1,344,212	17,496,246	515,683	2.74	33.9
	OTHER	5-SQ	68,394,812.91	45,886,851	22,507,962	12,995,172	19.00	1.7
	MAJOR	15-SQ	11,663,428.53	554,660	11,108,769	1,450,069	12.43	7.7
	SAP	10-SQ	18,015,880.52	14,902,603	3,113,278	393,599	2.18	7.9
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**116,914,580.13**	**62,688,326**	**54,226,255**	**15,354,523**	**13.13**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	84,516	54,924	1,068	0.77	51.4
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,390	4,091	180	1.24	22.7
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,831	7,153	221	1.05	32.4
325.04	RIGHTS OF WAY	75-R2.5	2,236,969.16	1,066,803	1,170,166	25,001	1.12	46.8
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	12,308,841.37	5,753,879	6,554,962	238,870	1.94	27.4
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	100,014.85	55,565	44,450	2,328	2.33	19.1
329.00	OTHER STRUCTURES	60-R2.5	1,926,213.73	1,071,077	855,137	23,418	1.22	36.5
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,214.49	10,461	(1,247)	0	-	-
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,960.52	2,883	78	42	1.42	1.9
332.00	FIELD LINES	65-R1.5	116,633,035.71	34,247,273	82,385,763	2,244,167	1.92	36.7
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	51,277,480.67	20,354,472	30,923,009	1,656,831	3.23	18.7
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	3,954,071.96	3,130,540	823,532	85,340	2.16	9.7
337.00	OTHER EQUIPMENT	23-L1	9,645.75	(10,458)	20,104	2,179	22.59	9.2
	TOTAL PRODUCTION PLANT		**188,633,353.38**	**65,791,232**	**122,842,122**	**4,279,645**	**2.27**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	11,922	4,902	414	2.46	11.8
350.21	RIGHTS OF WAY	70-R3	171,877.14	43,452	128,425	2,412	1.40	53.2
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,400,554.19	1,152,588	1,247,966	37,397	1.56	33.4
352.01	WELLS - CONSTRUCTION	60-R1.5	6,365,663.59	(8,383)	6,374,047	200,201	3.15	31.8
352.02	WELLS - EQUIPMENT	55-R1	3,385,332.42	124,849	3,260,483	121,953	3.60	26.7
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	413,405.93	244,605	168,801	5,084	1.23	33.2
352.21	RESERVOIRS	40-SQ	433,138.50	215,639	217,500	9,679	2.23	22.5
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	3,688,378.84	2,298,382	1,389,997	50,055	1.36	27.8
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	16,961,956.51	4,652,235	12,309,722	482,407	2.84	25.5
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	3,204,486.26	665,764	2,538,722	58,732	1.83	43.2
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**37,438,988.56**	**9,798,425**	**27,640,565**	**968,334**	**2.59**	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2027

	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF DECEMBER 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT								
365.02	RIGHTS OF WAY	80-R4		8,121,129.68	3,060,664	5,060,466	87,382	1.08	57.9
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3		2,163,704.78	1,249,663	914,042	26,671	1.23	34.3
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5		1,729,039.50	1,135,512	593,528	17,289	1.00	34.3
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2		94,788.96	81,645	13,144	676	0.71	19.4
367.00	MAINS	80-R2.5		340,064,648.76	107,876,550	232,188,099	4,344,630	1.28	53.4
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5		23,699,523.15	9,948,125	13,751,398	572,947	2.42	24.0
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5		53,753,938.92	20,314,582	33,439,357	1,170,894	2.18	28.6
371.00	OTHER EQUIPMENT	35-R1		2,650,785.29	1,405,570	1,245,215	61,241	2.31	20.3
	TOTAL TRANSMISSION PLANT			**432,277,559.04**	**145,072,311**	**287,205,249**	**6,281,730**	**1.45**	
	DISTRIBUTION PLANT								
374.02	RIGHTS OF WAY	75-R4		13,850,177.11	3,645,783	10,204,394	184,997	1.34	55.2
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	65-R2		7,330,358.73	3,563,575	3,766,784	87,613	1.20	43.0
	OTHER								
	MAJOR STRUCTURES	85-R1	*	24,813,854.42	18,663,628	6,150,226	1,151,820	4.64	5.3
	MINOR STRUCTURES	65-R2		1,104,892.66	654,314	450,579	12,006	1.09	37.5
	TOTAL STRUCTURES AND IMPROVEMENTS			33,249,105.81	22,881,517	10,367,589	1,251,439	3.76	
376.00	MAINS								
	LOW PRESSURE	72-R1.5		2,362,725,305.24	390,697,447	1,972,027,858	44,796,238	1.90	44.0
	REGULAR PRESSURE	72-R1.5		2,001,957,324.11	345,794,022	1,656,163,302	38,300,721	1.91	43.2
	TOTAL MAINS			4,364,682,629.35	736,491,469	3,628,191,160	83,096,959	1.90	
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5		194,519,574.82	42,254,289	152,265,286	4,670,074	2.40	32.6
380.00	SERVICES	55-R2		1,121,478,959.05	350,377,610	771,101,349	22,700,627	2.02	34.0
381.00	METERS	32-S0.5		120,526,843.86	10,440,885	110,085,959	6,386,479	5.30	17.2
381.20	METERS - INTELIS	20-S2		94,659,523.06	5,210,532	89,448,991	5,397,270	5.70	16.6
382.00	METER INSTALLATIONS	55-R2		55,977,212.20	10,124,405	45,852,807	1,744,941	3.12	26.3
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5		13,415,312.12	6,733,920	6,681,392	235,854	1.76	28.3
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4		14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5		16,379,114.15	5,621,218	10,757,896	696,632	4.25	15.4
	TOTAL DISTRIBUTION PLANT			**6,043,382,983.81**	**1,208,426,160**	**4,834,956,823**	**126,365,272**	**2.09**	
	GENERAL PLANT								
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3		52,996.00	40,422	12,574	491	0.93	25.6
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	55-R1.5		77,635,142.95	7,915,272	69,719,871	2,086,609	2.69	33.4
	LEASED - NORTH SHORE	75-R0.5	*	8,282,580.98	7,348,795	933,786	865,312	10.45	1.1
	TOTAL STRUCTURES AND IMPROVEMENTS			85,917,723.93	15,264,067	70,653,657	2,951,921	3.44	

PEOPLES NATURAL GAS COMPANY LLC

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2027

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF DECEMBER 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,706,224.41	2,127,471	578,753	78,123	2.89	7.4
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	1,516,313.79	1,749,828	(233,514)	0	-	-
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	189,910.86	59,774	130,137	16,387	8.63	7.9
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	10-L2.5	89,232,132.21	32,508,743	56,723,389	11,663,650	13.07	4.9
	TRAILERS	15-L2	7,075,815.96	(846,913)	7,922,729	870,209	12.30	9.1
	TOTAL TRANSPORTATION EQUIPMENT		96,307,948.17	31,661,830	64,646,118	12,533,859	13.01	
393.00	STORES EQUIPMENT	25-SQ	456.77	53	404	53	11.60	7.6
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	9,635,248.66	4,577,773	5,057,476	362,691	3.76	13.9
394.01	DUAL FUEL STATIONS	15-SQ	398,116.81	339,102	59,015	10,730	2.70	5.5
396.00	POWER OPERATED EQUIPMENT	15-L2	18,451,516.64	9,115,311	9,336,206	1,266,292	6.86	7.4
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	20,191,221.95	8,417,510	11,773,712	1,597,550	7.91	7.4
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	16,950,005.16	10,649,471	6,300,534	837,658	4.94	7.5
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	28,654.98	5,306	23,349	3,659	12.77	6.4
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	632,755.53	180,909	451,847	203,323	32.13	2.2
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	54,885.82	48,744	6,142	1,072	1.95	5.7
	TOTAL GENERAL PLANT		**253,033,979.48**	**84,237,571**	**168,796,410**	**19,863,809**	**7.85**	
	AMORTIZATION OF NET SALVAGE					**8,068,283**		
	TOTAL DEPRECIABLE GAS PLANT		**7,071,681,444.40**	**1,576,014,025**	**5,495,667,424**	**181,181,596**	**2.56**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26	1,382				
365.10	LAND AND LAND RIGHTS - LAND		381,342.73					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		4,665,894.27					
	TOTAL NONDEPRECIABLE GAS PLANT		**6,451,427.36**	**33,641**				
	TOTAL GAS PLANT		**7,078,132,871.76**	**1,576,047,666**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

NOTES:
1) NEW ASSETS IN ACCOUNT 392.00 TRANSPORTATION EQUIPMENT - AUTOMOBILES, WILL USE A 22.12% RATE BASED ON A 6-L2.5 CURVE.

PEOPLES NATURAL GAS COMPANY LLC

TABLE 2. BRINGFORWARD TO DECEMBER 31, 2027 OF THE BOOK RESERVE AS OF NOVEMBER 30, 2026

ACCOUNT	BOOK RESERVE AS OF NOVEMBER 30, 2026	+	DEPRECIATION ACCRUALS	+	AMORTIZATION OF NET SALVAGE	-	PROJECTED RETIREMENTS	+	PROJECTED GROSS SALVAGE	-	PROJECTED COST OF REMOVAL	+	ACQUISITIONS AND ADJUSTMENTS	=	PROJECTED BOOK RESERVE AS OF DECEMBER 31, 2027
(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
DEPRECIABLE GAS PLANT															
303.00	1,842,722		486,028				984,538								1,344,212
303.01	43,095,107		12,980,000				10,188,256								45,886,851
303.02	1,046,770		1,245,302				1,737,412								554,660
303.03	17,462,987		123,305				2,683,689								14,902,603
325.01	83,442		1,074												84,516
325.02	10,206		184												10,390
325.03	13,606		225												13,831
325.04	1,042,773		24,030												1,066,803
325.51	2,031														2,031
327.00	5,510,164		243,715												5,753,879
328.00	52,765		2,800												55,565
329.00	1,047,385		23,692												1,071,077
330.00	10,461														10,461
331.00	2,781		102												2,883
332.00	33,706,307		1,625,612		586,592		1,121,603		11,166		560,801				34,247,273
333.00	18,863,126		1,638,531		192,219		226,269				113,135				20,354,472
334.00	3,070,895		59,304		3,318		1,984				992				3,130,540
337.00	(11,395)		2,116				1,178								(10,458)
350.10	1,382														1,382
350.11	11,485		437												11,922
350.21	41,226		2,226												43,452
351.00	967,443		44,170		140,975										1,152,588
352.01	(626,826)		199,574		603,894		123,350				61,675				(8,383)
352.02	96,922		93,526				65,599								124,849
352.11	161,937														161,937
352.12	239,520		5,085												244,605
352.21	205,980		9,659												215,639
352.31	205,251														205,251
353.00	2,247,482		50,900												2,298,382
354.00	4,158,714		495,958				2,438								4,652,235
355.00	617,119		52,290				3,645								665,764
357.00	30,184														30,184
365.02	2,977,552		83,112												3,060,664
366.01	1,222,833		26,830												1,249,663
366.02	1,118,049		17,463												1,135,512
366.03	80,953		692												81,645
367.00	103,771,080		4,242,724		27,296		137,620		617		27,548				107,876,550
368.00	9,391,389		567,909				11,173								9,948,125
369.00	18,929,378		1,068,418		482,548		110,508				55,254				20,314,582
371.00	1,341,951		63,619												1,405,570
374.01	30,228														30,228
374.02	3,469,425		176,358												3,645,783
375.00	3,879,932		36,776		145		353,279								3,563,575
375.00	17,346,074		1,317,554												18,663,628
375.00	642,160		12,154												654,314
376.00	352,353,816		41,085,590		4,858,072		5,075,564		13,315		2,537,782				390,697,447
376.00	313,151,924		35,981,609				3,339,511								345,794,022

PEOPLES NATURAL GAS COMPANY LLC

TABLE 2. BRINGFORWARD TO DECEMBER 31, 2027 OF THE BOOK RESERVE AS OF NOVEMBER 30, 2026

ACCOUNT	BOOK RESERVE AS OF NOVEMBER 30, 2026	+	DEPRECIATION ACCRUALS	+	AMORTIZATION OF NET SALVAGE	-	PROJECTED RETIREMENTS	+	PROJECTED GROSS SALVAGE	-	PROJECTED COST OF REMOVAL	+	ACQUISITIONS AND ADJUSTMENTS	=	PROJECTED BOOK RESERVE AS OF DECEMBER 31, 2027
(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
378.00	39,368,042		3,989,079		46,079		999,053				149,858				42,254,289
380.00	334,628,720		20,937,679		3,395,517		5,722,871				2,861,435				350,377,610
381.00	31,762,372		6,584,017				27,905,504								10,440,885
381.20	1,621,900		3,588,632												5,210,532
382.00	20,524,431		1,484,951		4,388		11,791,496				97,868				10,124,405
385.00	6,488,420		245,500												6,733,920
386.00	14,644,532														14,644,532
387.00	5,019,221		708,409				106,412								5,621,218
389.02	39,924		498												40,422
390.00	6,997,517		1,791,457				873,702								7,915,272
390.00	6,952,636		560,106				163,947								7,348,795
391.01	2,102,052		76,802				51,382								2,127,471
391.02	6,042,176						4,292,348								1,749,828
391.03	40,232		19,542												59,774
392.02	29,506,879		11,457,796		(2,549,964)		7,405,562		1,481,112		(18,482)				32,508,743
392.03	(715,234)		812,902				944,581								(846,913)
393.00	0		53												53
394.00	4,622,089		314,298				358,614								4,577,773
394.01	328,512		10,590												339,102
396.00	8,852,449		1,233,623				970,761								9,115,311
397.02	8,069,845		1,602,007		(1,245)		1,254,886		1,789						8,417,510
397.03	9,820,616		828,855												10,649,471
397.10	1,727		3,579												5,306
397.20	1,092		200,519				20,702								180,909
398.00	47,685		1,059												48,744
TOTAL DEPRECIABLE GAS PLANT	**1,501,684,531**		**160,542,605**		**7,789,834**		**89,029,437**		**1,508,000**		**6,447,868**		**0**		**1,576,047,666**

PEOPLES NATURAL GAS COMPANY LLC

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE THIRTEEN MONTHS ENDED DECEMBER 31, 2027

	DEPRECIABLE GROUP	ORIGINAL COST AS OF NOVEMBER 30, 2026	ORIGINAL COST AS OF DECEMBER 31, 2027	COMPOSITE ACCRUAL RATE	ANNUAL ACCRUAL AMOUNT *
	(1)	(2)	(3)	(4)	(5)
	DEPRECIABLE GAS PLANT				
	INTANGIBLE PLANT				
303.00	MISCELLANEOUS INTANGIBLE PLANT				
	CIAC	18,961,179.44	18,840,458.17	2.60	486,028
	OTHER	69,644,068.53	68,394,812.91	19.41	12,980,000
	MAJOR	11,876,465.20	11,663,428.53	10.92	1,245,302
	SAP	18,344,947.01	18,015,880.52	0.70	123,305
	TOTAL MISCELLANEOUS INTANGIBLE PLANT	**118,826,660.18**	**116,914,580.13**		**14,834,635**
	PRODUCTION PLANT				
325.01	PRODUCING LANDS	139,440.21	139,440.21	0.77	1,074
325.02	PRODUCING LEASEHOLDS	14,480.68	14,480.68	1.29	184
325.03	GAS RIGHTS	20,984.28	20,984.28	1.07	225
325.04	RIGHTS OF WAY	2,132,063.08	2,236,969.16	1.10	24,030
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841.37	12,308,841.37	1.98	243,715
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,014.85	100,014.85	2.80	2,800
329.00	OTHER STRUCTURES	1,926,213.73	1,926,213.73	1.23	23,692
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214.49	9,214.49	-	0
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,960.52	2,960.52	3.45	102
332.00	FIELD LINES	88,238,773.81	116,633,035.71	1.63	1,625,612
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,593,534.02	51,277,480.67	3.28	1,638,531
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,636,010.12	3,954,071.96	1.57	59,304
337.00	OTHER EQUIPMENT	10,824.20	9,645.75	21.83	2,116
	TOTAL PRODUCTION PLANT	**157,133,355.36**	**188,633,353.38**		**3,621,384**
	UNDERGROUND STORAGE PLANT				
350.11	LAND - GAS	16,823.84	16,823.84	2.60	437
350.21	RIGHTS OF WAY	153,027.64	171,877.14	1.37	2,226
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554.19	2,400,554.19	1.84	44,170
352.01	WELLS - CONSTRUCTION	3,405,261.40	6,365,663.59	4.04	199,574
352.02	WELLS - EQUIPMENT	1,810,956.79	3,385,332.42	3.56	93,526
352.11	LEASEHOLDS	161,936.70	161,936.70	-	0
352.12	STORAGE RIGHTS	413,405.93	413,405.93	1.23	5,085
352.21	RESERVOIRS	433,138.50	433,138.50	2.23	9,659
352.31	NON-RECOVERABLE NATURAL GAS	205,250.77	205,250.77	-	0
353.00	LINES	3,688,378.84	3,688,378.84	1.38	50,900
354.00	COMPRESSOR STATION EQUIPMENT	16,773,951.91	16,961,956.51	2.94	495,958
355.00	MEASURING AND REGULATING STATION EQUIPMENT	2,694,747.02	3,204,486.26	1.79	52,290
357.00	OTHER EQUIPMENT	30,183.87	30,183.87	-	0
	TOTAL UNDERGROUND STORAGE PLANT	**32,187,617.40**	**37,438,988.56**		**953,825**
	TRANSMISSION PLANT				
365.02	RIGHTS OF WAY	7,560,459.56	8,121,129.68	1.06	83,112
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,704.78	2,163,704.78	1.24	26,830
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,039.50	1,729,039.50	1.01	17,463
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,788.96	94,788.96	0.73	692
367.00	MAINS	329,280,077.50	340,064,648.76	1.27	4,242,724
368.00	COMPRESSOR STATION EQUIPMENT	22,837,776.03	23,699,523.15	2.44	567,909
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48,576,959.65	53,753,938.92	2.10	1,068,418
371.00	OTHER EQUIPMENT	2,650,785.29	2,650,785.29	2.40	63,619
	TOTAL TRANSMISSION PLANT	**414,893,591.27**	**432,277,559.04**		**6,070,769**
	DISTRIBUTION PLANT				
374.02	RIGHTS OF WAY	12,669,747.70	13,850,177.11	1.33	176,358
375.00	STRUCTURES AND IMPROVEMENTS				
	MEASURING AND REGULATING	5,225,191.37	7,330,358.73	0.59	36,776
	OTHER				
	MAJOR STRUCTURES	24,813,854.42	24,813,854.42	3.10	1,317,554
	MINOR STRUCTURES	1,104,892.66	1,104,892.66	1.42	12,154
	TOTAL STRUCTURES AND IMPROVEMENTS	31,143,938.45	33,249,105.81		1,366,484
376.00	MAINS				
	LOW PRESSURE	2,076,101,781.04	2,362,725,305.24	1.87	41,085,590
	REGULAR PRESSURE	1,813,370,922.29	2,001,957,324.11	1.90	35,981,609
	TOTAL MAINS	3,889,472,703.33	4,364,682,629.35		77,067,199

PEOPLES NATURAL GAS COMPANY LLC

TABLE 3. CALCULATION OF DEPRECIATION ACCRUALS FOR THE THIRTEEN MONTHS ENDED DECEMBER 31, 2027

	DEPRECIABLE GROUP	ORIGINAL COST AS OF NOVEMBER 30, 2026	ORIGINAL COST AS OF DECEMBER 31, 2027	COMPOSITE ACCRUAL RATE	ANNUAL ACCRUAL AMOUNT *
	(1)	(2)	(3)	(4)	(5)
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	159,321,070.99	194,519,574.82	2.28	3,989,079
380.00	SERVICES	1,015,208,273.79	1,121,478,959.05	1.97	20,937,679
381.00	METERS	143,016,571.31	120,526,843.86	4.26	6,584,017
381.20	METERS - INTELIS	45,917,535.03	94,659,523.06	5.80	3,588,632
382.00	METER INSTALLATIONS	67,768,708.33	55,977,212.20	2.40	1,484,951
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312.12	13,415,312.12	1.83	245,500
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532.28	14,644,532.28	-	0
387.00	OTHER EQUIPMENT	16,485,526.11	16,379,114.15	4.31	708,409
	TOTAL DISTRIBUTION PLANT	**5,409,063,919.44**	**6,043,382,983.81**		**116,148,307**
	GENERAL PLANT				
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996.00	52,996.00	0.94	498
390.00	STRUCTURES AND IMPROVEMENTS				
	OWNED	59,974,285.46	77,635,142.95	2.62	1,791,457
	LEASED - NORTH SHORE	8,148,983.51	8,282,580.98	6.82	560,106
	TOTAL STRUCTURES AND IMPROVEMENTS	68,123,268.97	85,917,723.93		2,351,563
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,757,606.49	2,706,224.41	2.81	76,802
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5,808,661.56	1,516,313.79	-	0
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,910.86	189,910.86	10.29	19,542
392.00	TRANSPORTATION EQUIPMENT				
	TRUCKS	84,693,239.36	89,232,132.21	13.19	11,457,796
	TRAILERS	6,496,879.25	7,075,815.96	12.00	812,902
	TOTAL TRANSPORTATION EQUIPMENT	91,190,118.61	96,307,948.17		12,270,697
393.00	STORES EQUIPMENT	456.77	456.77	11.60	53
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,012,562.37	9,635,248.66	3.38	314,298
394.01	DUAL FUEL STATIONS	398,116.81	398,116.81	2.66	10,590
396.00	POWER OPERATED EQUIPMENT	17,856,534.17	18,451,516.64	6.80	1,233,623
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	18,273,988.78	20,191,221.95	8.38	1,602,007
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005.16	16,950,005.16	4.89	828,855
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,654.98	28,654.98	12.49	3,579
397.20	COMMUNICATION EQUIPMENT - RADIO	653,457.96	632,755.53	31.65	200,519
398.00	MISCELLANEOUS EQUIPMENT	54,885.82	54,885.82	1.93	1,059
	TOTAL GENERAL PLANT	**231,351,225.31**	**253,033,979.48**		**18,913,686**
	TOTAL DEPRECIABLE GAS PLANT	**6,363,456,368.96**	**7,071,681,444.40**		**160,542,605**

* ANNUAL ACCRUAL AMOUNT BASED ON MONTHLY AVERAGES

PEOPLES NATURAL GAS COMPANY LLC

TABLE 4. AMORTIZATION OF EXPERIENCED AND ESTIMATED NET SALVAGE

	2023		2024		2025		2026		2027			
ACCOUNT	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE	SALVAGE ACCRUAL
(1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(2)	(3)	(12)	(13)=(12)/5
332.00	2,544,899		12,327		4,320		136,054	2,709	560,801	11,166	(3,244,526)	(648,905)
333.00							771,950		113,135		(885,084)	(177,017)
334.00							453		992		(1,446)	(289)
351.00			178,852		471,802						(650,654)	(130,131)
352.00	181,890		284,716		2,280,536		43,233		61,675		(2,852,050)	(570,410)
367.00	1,774		35,301		57,068		24,600	551	27,548	617	(145,122)	(29,024)
369.00			378,692		1,824,637		25,799		55,254		(2,284,382)	(456,876)
375.00			671								(671)	(134)
376.00	8,652,109		6,640,588		4,598,591		2,204,043	11,564	2,537,782	13,315	(24,608,233)	(4,921,647)
378.00	4,928		94,523		(28,955)		140,023		149,858		(360,377)	(72,075)
380.00	743,999		1,122,598		11,295,684		2,461,351		2,861,435		(18,485,068)	(3,697,014)
382.00	1,178				(79,096)		82,812		97,868		(102,762)	(20,552)
392.00				8,391,000	(84,065)	1,864,607	(17,648)	1,414,267	(18,482)	1,481,112	13,271,180	2,654,236
397.02								5,987		1,789	7,775	1,555
TOTAL	**12,130,777**	**0**	**8,748,267**	**8,391,000**	**20,340,522**	**1,864,607**	**5,872,670**	**1,435,077**	**6,447,868**	**1,508,000**	**(40,341,420)**	**(8,068,283)**

PART II. DETAILED DEPRECIATION CALCULATIONS

CUMULATIVE DEPRECIATED ORIGINAL COST

1874	5.00	5.00		
1875	9,920.00	9,920.00		
1876	956.00	956.00		
1877	121.00	121.00		
1881	12.00	12.00		
1885	1,783.00	1,606.00	177.00	177.00
1886	5,184.00	5,184.00		177.00
1887	13,626.00	13,626.00		177.00
1888	13,633.00	12,607.00	1,026.00	1,203.00
1889	21,173.00	18,961.00	2,212.00	3,415.00
1890	46,675.00	46,669.00	6.00	3,421.00
1891	41,893.00	37,949.00	3,944.00	7,365.00
1892	14,869.00	14,869.00		7,365.00
1893	20,549.00	20,543.00	6.00	7,371.00
1894	25,156.00	25,028.00	128.00	7,499.00
1895	8,747.00	8,747.00		7,499.00
1896	29,376.00	28,252.00	1,124.00	8,623.00
1897	23,746.00	23,497.00	249.00	8,872.00
1898	32,528.00	32,513.00	15.00	8,887.00
1899	81,122.00	79,708.00	1,414.00	10,301.00
1900	733,599.00	700,804.00	32,795.00	43,096.00
1901	224,873.00	222,234.00	2,639.00	45,735.00
1902	347,196.00	338,859.00	8,337.00	54,072.00
1903	238,164.00	232,173.00	5,991.00	60,063.00
1904	129,860.00	126,822.00	3,038.00	63,101.00
1905	262,583.00	258,576.00	4,007.00	67,108.00
1906	179,576.00	175,684.00	3,892.00	71,000.00
1907	171,376.00	170,670.00	706.00	71,706.00
1908	198,143.00	188,412.00	9,731.00	81,437.00
1909	100,656.00	98,266.00	2,390.00	83,827.00
1910	79,748.00	78,156.00	1,592.00	85,419.00
1911	85,065.00	82,182.00	2,883.00	88,302.00
1912	85,343.00	84,040.00	1,303.00	89,605.00
1913	236,058.00	234,365.00	1,693.00	91,298.00
1914	280,350.00	278,409.00	1,941.00	93,239.00
1915	119,401.00	115,449.00	3,952.00	97,191.00
1916	116,565.00	112,284.00	4,281.00	101,472.00
1917	171,067.00	168,080.00	2,987.00	104,459.00
1918	89,169.00	86,564.00	2,605.00	107,064.00
1919	91,917.00	90,237.00	1,680.00	108,744.00
1920	53,370.00	52,827.00	543.00	109,287.00
1921	122,906.00	114,814.00	8,092.00	117,379.00
1922	184,193.00	180,482.00	3,711.00	121,090.00
1923	198,370.00	189,442.00	8,928.00	130,018.00
1924	335,210.00	316,716.00	18,494.00	148,512.00
1925	461,090.00	440,771.00	20,319.00	168,831.00
1926	391,653.00	361,380.00	30,273.00	199,104.00
1927	345,082.00	300,792.00	44,290.00	243,394.00
1928	265,292.00	226,567.00	38,725.00	282,119.00
1929	285,114.00	244,066.00	41,048.00	323,167.00
1930	311,222.00	265,447.00	45,775.00	368,942.00
1931	251,091.00	216,016.00	35,075.00	404,017.00
1932	169,192.00	140,541.00	28,651.00	432,668.00
1933	102,207.00	79,424.00	22,783.00	455,451.00
1934	71,815.00	51,830.00	19,985.00	475,436.00
1935	149,737.00	129,939.00	19,798.00	495,234.00
1936	165,420.00	137,864.00	27,556.00	522,790.00

1937	393,833.00	332,973.00	60,860.00	583,650.00	
1938	331,671.00	271,749.00	59,922.00	643,572.00	
1939	477,570.00	425,813.00	51,757.00	695,329.00	
1940	495,957.00	414,813.00	81,144.00	776,473.00	
1941	787,251.00	641,191.00	146,060.00	922,533.00	
1942	435,921.00	361,571.00	74,350.00	996,883.00	
1943	296,622.00	248,011.00	48,611.00	1,045,494.00	
1944	420,235.00	362,328.00	57,907.00	1,103,401.00	
1945	266,080.00	218,896.00	47,184.00	1,150,585.00	
1946	512,766.00	400,034.00	112,732.00	1,263,317.00	
1947	643,843.00	492,790.00	151,053.00	1,414,370.00	
1948	1,308,137.00	1,091,523.00	216,614.00	1,630,984.00	
1949	2,317,593.00	1,948,786.00	368,807.00	1,999,791.00	
1950	2,884,539.00	2,385,579.00	498,960.00	2,498,751.00	
1951	2,480,477.00	1,854,674.00	625,803.00	3,124,554.00	0.10
1952	3,764,041.00	3,050,287.00	713,754.00	3,838,308.00	0.10
1953	3,382,679.00	2,628,575.00	754,104.00	4,592,412.00	0.10
1954	2,353,252.00	1,856,537.00	496,715.00	5,089,127.00	0.10
1955	3,608,337.00	2,751,272.00	857,065.00	5,946,192.00	0.10
1956	3,602,269.00	2,713,385.00	888,884.00	6,835,076.00	0.10
1957	4,767,011.00	3,582,548.00	1,184,463.00	8,019,539.00	0.10
1958	5,476,792.00	3,936,497.00	1,540,295.00	9,559,834.00	0.20
1959	7,338,478.00	5,244,411.00	2,094,067.00	11,653,901.00	0.20
1960	5,157,878.00	3,585,987.00	1,571,891.00	13,225,792.00	0.20
1961	7,533,278.00	5,302,345.00	2,230,933.00	15,456,725.00	0.30
1962	6,479,274.00	4,509,498.00	1,969,776.00	17,426,501.00	0.30
1963	7,605,051.00	5,477,082.00	2,127,969.00	19,554,470.00	0.40
1964	7,757,370.00	5,458,891.00	2,298,479.00	21,852,949.00	0.40
1965	7,305,776.00	4,917,852.00	2,387,924.00	24,240,873.00	0.40
1966	9,041,163.00	6,095,746.00	2,945,417.00	27,186,290.00	0.50
1967	8,793,107.00	5,638,338.00	3,154,769.00	30,341,059.00	0.60
1968	10,357,510.00	6,723,036.00	3,634,474.00	33,975,533.00	0.60
1969	9,643,151.00	6,199,917.00	3,443,234.00	37,418,767.00	0.70
1970	8,251,533.00	5,305,545.00	2,945,988.00	40,364,755.00	0.70
1971	11,306,991.00	7,077,521.00	4,229,470.00	44,594,225.00	0.80
1972	16,492,516.00	10,033,803.00	6,458,713.00	51,052,938.00	0.90
1973	17,251,566.00	10,257,006.00	6,994,560.00	58,047,498.00	1.10
1974	16,046,617.00	9,715,883.00	6,330,734.00	64,378,232.00	1.20
1975	11,000,953.00	6,785,407.00	4,215,546.00	68,593,778.00	1.20
1976	10,562,254.00	6,654,693.00	3,907,561.00	72,501,339.00	1.30
1977	16,538,550.00	9,880,253.00	6,658,297.00	79,159,636.00	1.40
1978	22,893,431.00	14,817,977.00	8,075,454.00	87,235,090.00	1.60
1979	22,934,396.00	13,392,035.00	9,542,361.00	96,777,451.00	1.80
1980	25,540,516.00	14,373,290.00	11,167,226.00	107,944,677.00	2.00
1981	38,102,602.00	21,510,491.00	16,592,111.00	124,536,788.00	2.30
1982	29,901,270.00	16,973,954.00	12,927,316.00	137,464,104.00	2.50
1983	20,940,645.00	13,792,452.00	7,148,193.00	144,612,297.00	2.60
1984	33,168,621.00	21,704,607.00	11,464,014.00	156,076,311.00	2.80
1985	43,213,555.00	26,767,164.00	16,446,391.00	172,522,702.00	3.10
1986	29,581,343.00	17,811,853.00	11,769,490.00	184,292,192.00	3.40
1987	51,201,849.00	31,386,227.00	19,815,622.00	204,107,814.00	3.70
1988	35,293,033.00	21,213,582.00	14,079,451.00	218,187,265.00	4.00
1989	35,810,942.00	20,539,273.00	15,271,669.00	233,458,934.00	4.20
1990	50,752,074.00	29,214,513.00	21,537,561.00	254,996,495.00	4.60
1991	43,652,560.00	24,344,262.00	19,308,298.00	274,304,793.00	5.00
1992	52,790,614.00	29,319,268.00	23,471,346.00	297,776,139.00	5.40
1993	41,993,707.00	22,871,398.00	19,122,309.00	316,898,448.00	5.80

1994	45,067,564.00	24,291,609.00	20,775,955.00	337,674,403.00	6.10
1995	45,256,620.00	23,814,888.00	21,441,732.00	359,116,135.00	6.50
1996	36,289,276.00	18,253,414.00	18,035,862.00	377,151,997.00	6.90
1997	48,255,898.00	24,344,078.00	23,911,820.00	401,063,817.00	7.30
1998	33,852,848.00	16,244,425.00	17,608,423.00	418,672,240.00	7.60
1999	39,426,064.00	18,665,588.00	20,760,476.00	439,432,716.00	8.00
2000	31,512,774.00	13,997,654.00	17,515,120.00	456,947,836.00	8.30
2001	51,909,137.00	22,820,121.00	29,089,016.00	486,036,852.00	8.80
2002	65,434,113.00	28,354,820.00	37,079,293.00	523,116,145.00	9.50
2003	59,754,762.00	24,874,664.00	34,880,098.00	557,996,243.00	10.20
2004	68,858,702.00	27,767,351.00	41,091,351.00	599,087,594.00	10.90
2005	95,647,248.00	46,943,217.00	48,704,031.00	647,791,625.00	11.80
2006	73,925,406.00	28,244,713.00	45,680,693.00	693,472,318.00	12.60
2007	67,688,403.00	24,968,564.00	42,719,839.00	736,192,157.00	13.40
2008	66,601,899.00	24,140,783.00	42,461,116.00	778,653,273.00	14.20
2009	72,073,582.00	26,475,865.00	45,597,717.00	824,250,990.00	15.00
2010	61,075,600.00	18,978,074.00	42,097,526.00	866,348,516.00	15.80
2011	82,352,006.00	28,688,721.00	53,663,285.00	920,011,801.00	16.70
2012	109,618,326.00	33,132,485.00	76,485,841.00	996,497,642.00	18.10
2013	83,344,022.00	23,179,693.00	60,164,329.00	1,056,661,971.00	19.20
2014	97,041,082.00	25,668,980.00	71,372,102.00	1,128,034,073.00	20.50
2015	104,038,108.00	31,783,012.00	72,255,096.00	1,200,289,169.00	21.80
2016	112,544,845.00	29,603,319.00	82,941,526.00	1,283,230,695.00	23.30
2017	190,988,973.00	49,241,883.00	141,747,090.00	1,424,977,785.00	25.90
2018	222,054,737.00	44,602,538.00	177,452,199.00	1,602,429,984.00	29.20
2019	228,417,577.00	42,841,119.00	185,576,458.00	1,788,006,442.00	32.50
2020	230,690,742.00	41,038,224.00	189,652,518.00	1,977,658,960.00	36.00
2021	330,045,591.00	55,888,864.00	274,156,727.00	2,251,815,687.00	41.00
2022	380,143,578.00	49,723,046.00	330,420,532.00	2,582,236,219.00	47.00
2023	569,403,129.00	74,803,287.00	494,599,842.00	3,076,836,061.00	56.00
2024	565,058,080.00	57,405,236.00	507,652,844.00	3,584,488,905.00	65.20
2025	484,676,788.00	29,225,513.00	455,451,275.00	4,039,940,180.00	73.50
2026	699,943,652.00	28,327,478.00	671,616,174.00	4,711,556,354.00	85.70
2027	797,254,512.00	13,143,450.00	784,111,062.00	5,495,667,416.00	100.00
TOTAL	7,071,681,441.00	1,576,014,025.00	5,495,667,416.00		

UTILITY PLANT IN SERVICE

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

2014	6,326,082.35	2,135,053	1,105,696	5,220,386	26.50	196,996
2016	51,140.08	14,703	7,614	43,526	28.50	1,527
2025	3,352.12	210	109	3,243	37.71	86
2026	11,596,067.38	434,853	225,201	11,370,866	38.50	295,347
2027	863,816.25	10,798	5,592	858,224	39.50	21,727
	18,840,458.17	2,595,617	1,344,212	17,496,246		515,683

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.90 2.74

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	378,517.25	378,517	378,517			
2013	59,603.99	59,604	59,604			
2016	386,680.24	386,680	386,680			
2017	3,453.67	3,454	3,454			
2018	428,784.77	428,785	428,785			
2020	1,950,748.00	1,950,748	1,950,748			
2021	5,600,165.97	5,600,166	5,600,166			
2022	5,113,772.10	5,113,772	5,113,772			
2023	23,450,186.44	21,105,168	18,110,727	5,339,459	1.00	5,339,459
2024	21,046,221.92	14,732,355	12,642,101	8,404,121	1.50	5,602,747
2025	1,037,678.60	518,839	445,225	592,454	2.50	236,982
2027	8,938,999.96	893,900	767,072	8,171,928	4.50	1,815,984
	68,394,812.91	51,171,988	45,886,851	22,507,962		12,995,172

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.70 19.00

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2015	252,455.31	210,379	23,347	229,108	2.50	91,643
2016	247,428.99	189,696	21,052	226,377	3.50	64,679
2017	172,532.82	120,773	13,403	159,130	4.50	35,362
2019	2,957,812.15	1,676,103	186,009	2,771,803	6.50	426,431
2020	2,520,158.83	1,260,079	139,840	2,380,319	7.50	317,376
2021	1,573,706.59	681,934	75,679	1,498,028	8.50	176,239
2022	1,300,522.78	476,863	52,921	1,247,602	9.50	131,327
2023	1,069,424.78	320,827	35,605	1,033,820	10.50	98,459
2024	45,010.63	10,502	1,165	43,846	11.50	3,813
2027	1,524,375.65	50,807	5,639	1,518,737	14.50	104,740
	11,663,428.53	4,997,963	554,660	11,108,769		1,450,069

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.70 12.43

SURVIVOR CURVE.. 10-SQUARE
NET SALVAGE PERCENT: 0

2012	612,517.49	612,517	612,517			
2013	123,593.19	123,593	123,593			
2014	282,124.15	282,124	282,124			
2015	5,186,370.95	5,186,371	5,186,371			
2016	1,950,798.03	1,950,798	1,950,798			
2017	275,003.61	275,004	275,004			
2019	3,172,019.57	2,696,217	3,172,020			
2020	265,093.59	198,820	265,094			
2021	1,042,229.40	677,449	1,036,872	5,357	3.50	1,531
2022	517.92	285	436	82	4.56	18
2023	2,246,839.82	1,011,078	1,547,509	699,331	5.50	127,151
2024	504,150.44	176,453	270,071	234,079	6.50	36,012
2027	2,354,622.36	117,731	180,194	2,174,428	9.50	228,887
	18,015,880.52	13,308,440	14,902,603	3,113,278		393,599

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.90 2.18

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1938	2,365.49	2,180	2,365			
1954	662.55	559	663			
1966	474.91	354	475			
1983	5,657.27	3,399	5,657			
2008	130,279.99	35,827	75,356	54,924	51.43	1,068
	139,440.21	42,319	84,516	54,924		1,068

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 51.40 0.77

SURVIVOR CURVE: IOWA 45-L0
NET SALVAGE PERCENT: 0

1890	13.00	11	13			
1897	620.75	505	621			
1899	305.00	246	305			
1900	263.11	211	263			
1901	378.47	303	378			
1908	11.01	9	11			
1909	45.50	35	45			
1910	1.00	1	1			
1914	105.50	80	103	2		
1915	25.11	19	25			
1916	58.60	44	57	2		
1917	2.75	2	3			
1919	56.45	42	54	2		
1921	34.54	25	32	3		
1922	16.94	12	15	2		
1926	110.00	78	101	9	9.00	1
1931	44.62	31	40	5		
1937	39.01	26	34	5		
1941	198.30	129	166	32	16.00	2
1943	103.13	66	85	18	18.00	1
1945	15.81	10	13	3		
1946	4.87	3	4	1		
1947	22.60	14	18	5		
1948	100.00	62	80	20	20.00	1
1950	70.00	43	55	15	15.00	1
1953	166.24	99	128	38	19.00	2
1955	8.17	5	6	2		
1956	95.00	55	71	24	24.00	1
1957	187.00	107	138	49	16.33	3
1958	235.50	134	173	62	20.67	3
1959	280.00	158	204	76	19.00	4
1960	81.57	45	58	24	24.00	1
1961	332.30	184	237	95	19.00	5
1965	440.34	234	302	138	19.71	7
1966	37.55	20	26	12	12.00	1
1968	218.17	112	144	74	24.67	3
1970	23.61	12	15	9		
1971	728.26	362	467	261	21.75	12
1972	2,608.99	1,281	1,652	957	22.79	42
1973	116.76	57	74	43	21.50	2
1974	969.05	464	599	370	23.13	16
1975	72.25	34	44	28	28.00	1
1977	1,441.00	664	856	585	24.38	24
1978	765.00	348	449	316	24.31	13
1979	82.70	37	48	35	35.00	1
1980	91.23	40	52	39	19.50	2
1982	195.00	84	108	87	29.00	3
1995	2,658.92	1,564	2,017	642	22.93	28
	14,480.68	8,107	10,390	4,091		180

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 22.70 1.24

SURVIVOR CURVE: IOWA 65-R2.5
NET SALVAGE PERCENT: 0

1901	1,674.68	1,675	1,675			
1910	22.78	22	23			
1923	1,969.07	1,840	1,969			
1924	25.41	24	25			
1927	43.28	40	43			
1938	1,018.56	899	1,011	8	8.00	1
1948	385.48	325	365	20	10.00	2
1959	410.49	322	362	48	16.00	3
1974	3,366.13	2,244	2,523	843	21.62	39
1976	518.00	336	378	140	23.33	6
1980	1,507.30	916	1,030	477	25.11	19
1981	923.36	552	621	302	25.17	12
2005	9,119.74	3,385	3,806	5,314	38.23	139
	20,984.28	12,580	13,831	7,153		221

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.40 1.05

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1875	1.00	1	1			
1888	137.42	137	137			
1889	130.52	130	131			
1890	1,873.28	1,861	1,873			
1891	1,372.99	1,359	1,373			
1892	924.40	912	924			
1893	699.05	688	699			
1894	3,023.40	2,963	3,023			
1895	218.54	213	219			
1896	1,259.83	1,226	1,260			
1897	1,642.16	1,592	1,642			
1898	1,409.64	1,362	1,410			
1899	2,897.90	2,789	2,898			
1900	2,874.97	2,756	2,875			
1901	10,007.57	9,558	10,008			
1902	4,457.09	4,241	4,457			
1903	7,504.57	7,112	7,505			
1904	5,966.84	5,634	5,967			
1905	9,920.15	9,333	9,920			
1906	6,726.76	6,305	6,727			
1907	4,784.95	4,470	4,785			
1908	3,068.84	2,857	3,069			
1909	6,824.39	6,332	6,824			
1910	3,360.27	3,108	3,360			
1911	2,637.18	2,431	2,637			
1912	5,250.72	4,826	5,251			
1913	3,998.45	3,664	3,998			
1914	5,211.01	4,759	5,211			
1915	3,526.25	3,210	3,526			
1916	9,327.91	8,465	9,328			
1917	11,339.21	10,257	11,339			
1918	5,939.02	5,355	5,939			
1919	10,034.15	9,017	10,034			
1920	8,068.68	7,226	8,069			
1921	9,874.37	8,813	9,874			
1922	13,323.29	11,851	13,323			
1923	12,530.40	11,107	12,530			
1924	23,943.35	21,150	23,943			
1925	11,074.30	9,747	11,074			
1926	10,137.05	8,889	10,137			
1927	11,336.06	9,905	11,336			
1928	3,835.08	3,338	3,835			
1929	3,297.79	2,860	3,298			
1930	7,617.74	6,580	7,618			
1931	362.17	312	362			
1932	666.58	571	667			
1933	1,250.79	1,067	1,251			
1934	192.41	163	192			
1935	1,203.89	1,018	1,204			
1936	3,095.27	2,607	3,095			
1937	896.03	751	896			
1938	3,164.87	2,640	3,165			
1939	2,701.60	2,242	2,699	3		
1940	3,447.99	2,847	3,428	20	10.00	2

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1941	4,750.60	3,902	4,698	53	13.25	4
1942	8,225.90	6,720	8,091	135	13.50	10
1943	7,793.53	6,330	7,621	173	14.42	12
1944	6,001.22	4,846	5,835	166	15.09	11
1945	4,000.28	3,211	3,866	134	14.89	9
1946	3,848.61	3,070	3,696	153	15.30	10
1947	1,776.17	1,407	1,694	82	16.40	5
1948	2,046.38	1,611	1,940	106	15.14	7
1949	1,945.89	1,521	1,831	115	16.43	7
1950	1,033.21	802	966	67	16.75	4
1951	6,743.01	5,192	6,251	492	16.97	29
1952	5,227.54	3,995	4,810	418	17.42	24
1953	3,419.00	2,592	3,121	298	18.63	16
1954	4,135.13	3,109	3,743	392	18.67	21
1955	3,153.08	2,350	2,829	324	19.06	17
1956	13,433.71	9,923	11,948	1,486	19.55	76
1957	5,572.78	4,079	4,911	662	20.06	33
1958	7,746.35	5,617	6,763	983	20.48	48
1959	8,167.31	5,864	7,060	1,107	21.29	52
1960	3,263.45	2,320	2,793	470	21.36	22
1961	3,904.37	2,747	3,307	597	22.11	27
1962	5,795.30	4,034	4,857	938	22.88	41
1963	5,947.65	4,094	4,929	1,019	23.16	44
1964	6,467.83	4,402	5,300	1,168	23.84	49
1965	5,532.56	3,722	4,481	1,052	24.47	43
1966	11,080.22	7,366	8,869	2,211	25.13	88
1967	5,622.33	3,692	4,445	1,177	25.59	46
1968	3,247.97	2,106	2,536	712	26.37	27
1969	4,053.75	2,594	3,123	931	27.38	34
1970	25,742.29	16,255	19,571	6,171	27.67	223
1971	51,947.30	32,353	38,954	12,993	28.31	459
1972	27,208.63	16,706	20,114	7,095	28.96	245
1973	21,080.78	12,758	15,361	5,720	29.64	193
1974	11,679.68	6,964	8,385	3,295	30.23	109
1975	15,635.72	9,181	11,054	4,582	30.96	148
1976	24,795.30	14,332	17,256	7,539	31.68	238
1977	9,701.66	5,517	6,643	3,059	32.20	95
1978	12,975.14	7,257	8,738	4,237	33.10	128
1979	18,968.48	10,430	12,558	6,410	33.74	190
1980	8,113.79	4,384	5,278	2,836	34.59	82
1981	16,632.83	8,824	10,624	6,009	35.14	171
1982	8,839.18	4,603	5,542	3,297	35.84	92
1983	11,652.16	6,741	8,116	3,536	32.44	109
1984	61,906.30	35,274	42,471	19,435	32.83	592
1985	15,651.08	8,780	10,571	5,080	33.20	153
1986	17,645.91	9,666	11,638	6,008	34.33	175
1987	4,920.02	2,650	3,191	1,729	34.58	50
1988	38,191.05	20,215	24,339	13,852	35.16	394
1989	8,167.54	4,214	5,074	3,094	35.98	86
1990	1,377.08	697	839	538	35.87	15
1991	28,921.57	14,357	17,286	11,636	37.06	314
1992	11,012.64	5,317	6,402	4,611	38.11	121
1993	5,340.25	2,524	3,039	2,301	38.35	60
1994	15,466.03	7,150	8,609	6,857	38.96	176
1995	5,379.78	2,413	2,905	2,475	39.92	62

SURVIVOR CURVE: IOWA 75-R2.5
NET SALVAGE PERCENT: 0

1996	12,980.22	5,683	6,843	6,137	40.38	152
1997	7,464.80	3,187	3,837	3,628	40.76	89
1998	3,484.33	1,439	1,733	1,751	41.69	42
1999	15.50	6	7	8		
2000	16,002.37	6,249	7,524	8,478	42.82	198
2001	26,595.59	10,008	12,050	14,546	43.95	331
2002	309,217.69	112,741	135,743	173,475	44.44	3,904
2003	155,944.14	55,017	66,242	89,702	44.94	1,996
2004	64,143.30	21,706	26,135	38,008	45.96	827
2005	520.27	170	205	315	45.00	7
2006	25,903.77	8,131	9,790	16,114	46.98	343
2007	586.03	177	213	373	46.63	8
2008	82,248.26	23,572	28,381	53,867	48.53	1,110
2009	356.34	98	118	238	47.60	5
2010	4.00	1	1	3		
2011	17,137.51	4,242	5,108	12,030	50.13	240
2012	44.11	10	12	32	32.00	1
2015	567.59	109	131	437	54.63	8
2021	692.28	72	87	605	55.00	11
2024	332,035.65	19,192	23,108	308,928	57.10	5,410
2025	92,164.89	3,871	4,661	87,504	57.01	1,535
2026	80,696.98	2,082	2,506	78,191	56.66	1,380
2027	104,906.08	955	1,150	103,756	54.44	1,906
	2,236,969.16	906,105	1,066,803	1,170,166		25,001

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 46.80 1.12

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

1906	456.70	457	457			
1910	74.04	74	74			
1929	30.85	31	31			
1937	65.76	61	66			
1938	15,789.80	14,640	15,790			
1942	15.48	14	15			
1944	26.10	23	26			
1945	62.03	55	62			
1947	109.05	95	109			
1952	6,242.77	5,199	6,087	156	8.21	19
1956	25,047.82	20,163	23,606	1,442	9.74	148
1957	1,353.14	1,080	1,264	89	9.89	9
1958	34.99	28	33	2		
1959	13.86	11	13	1		
1960	603.38	469	549	54	10.80	5
1962	2,018.73	1,539	1,802	217	12.06	18
1963	1,533.76	1,158	1,356	178	11.87	15
1964	43,478.50	32,496	38,045	5,434	12.64	430
1967	3,629.38	2,631	3,080	549	13.73	40
1968	5,768.79	4,137	4,843	926	14.25	65
1969	479.85	341	399	81	13.50	6
1970	1,385.27	972	1,138	247	14.53	17
1971	23,326.32	16,184	18,948	4,378	15.31	286
1972	3,121.79	2,142	2,508	614	15.74	39
1973	786.18	533	624	162	16.20	10
1974	139,894.30	93,701	109,703	30,191	16.51	1,829
1975	609.27	403	472	137	17.13	8
1976	705.18	461	540	165	16.50	10
1977	3,035.23	1,958	2,292	743	17.69	42
1978	6,870.73	4,373	5,120	1,751	18.24	96
1980	11,213.10	6,943	8,129	3,084	19.04	162
1982	703.50	423	495	208	20.80	10
1983	607.35	435	509	98	16.33	6
1985	67,767.23	47,234	55,300	12,467	18.47	675
1987	2,626.40	1,787	2,092	534	19.07	28
1988	1,274.00	855	1,001	273	19.50	14
1990	13,349.43	8,661	10,140	3,209	20.31	158
1991	32,762.97	20,929	24,503	8,260	20.65	400
1992	26,698.28	16,871	19,752	6,946	20.67	336
1994	42,278.62	25,777	30,179	12,100	21.45	564
1995	118,256.75	70,718	82,795	35,462	21.85	1,623
1996	9,454.33	5,539	6,485	2,969	22.32	133
1997	5,432.04	3,115	3,647	1,785	22.59	79
1998	169,768.23	95,647	111,981	57,787	22.86	2,528
2002	498,453.49	254,211	297,623	200,830	24.50	8,197
2003	113,286.62	56,349	65,972	47,315	24.76	1,911
2004	63,989.80	30,830	36,095	27,895	25.29	1,103
2005	70,222.38	32,864	38,476	31,746	25.58	1,241
2006	87,641.30	39,754	46,543	41,098	25.90	1,587
2007	44,851.16	19,582	22,926	21,925	26.45	829
2008	260,198.94	109,596	128,312	131,887	26.80	4,921
2009	8,618,992.07	3,492,416	4,088,828	4,530,164	27.16	166,795
2010	201,983.09	78,470	91,870	110,113	27.55	3,997
2011	226,605.73	84,116	98,481	128,125	27.95	4,584

SURVIVOR CURVE: IOWA 50-S0.5
NET SALVAGE PERCENT: 0

2014	44,041.32	13,970	16,356	27,685	29.05	953
2017	195,540.18	50,293	58,882	136,658	30.32	4,507
2018	68,940.26	16,242	19,016	49,924	30.82	1,620
2019	1,395.07	299	350	1,045	30.74	34
2021	389,650.91	65,851	77,096	312,555	31.96	9,780
2024	634,287.77	60,638	70,993	563,295	33.13	17,003
	12,308,841.37	4,915,844	5,753,879	6,554,962		238,870

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 27.40 1.94

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

1926	26.31	26	26			
1931	218.45	218	218			
1933	44.94	45	45			
1936	73.64	74	74			
1937	531.89	532	532			
1939	100.05	100	100			
1940	956.27	956	956			
1941	898.87	899	899			
1942	629.69	630	630			
1943	248.82	249	249			
1944	261.20	261	261			
1945	217.29	217	217			
1946	820.91	821	821			
1947	921.97	922	922			
1948	1,216.34	1,216	1,216			
1949	1,134.41	1,134	1,134			
1950	567.10	567	567			
1951	543.96	544	544			
1952	1,053.47	1,053	1,053			
1953	1,069.33	1,069	1,069			
1954	633.57	634	634			
1955	741.69	742	742			
1956	1,395.06	1,395	1,395			
1957	2,346.89	2,347	2,347			
1958	2,203.34	2,203	2,203			
1959	3,274.42	3,274	3,274			
1960	2,528.27	2,528	2,528			
1961	2,559.62	2,560	2,560			
1962	1,874.02	1,863	1,874			
1963	2,029.56	1,996	2,030			
1964	2,616.00	2,543	2,616			
1965	1,273.78	1,224	1,274			
1966	2,269.62	2,156	2,270			
1967	1,324.41	1,243	1,324			
1968	1,734.23	1,608	1,716	18	2.25	8
1969	3,425.35	3,138	3,349	76	2.81	27
1970	1,286.76	1,164	1,242	45	3.21	14
1971	668.05	597	637	31	3.44	9
1972	1,383.67	1,220	1,302	82	3.90	21
1973	761.21	662	707	54	4.15	13
1974	719.26	617	658	61	4.69	13
1975	963.27	816	871	92	5.11	18
1977	536.39	441	471	65	5.91	11
1978	215.76	175	187	29	5.80	5
1980	9.48	7	7	2		
1981	87.81	68	73	15	7.50	2
1983	39.62	34	36	4	4.00	1
1984	99.50	84	90	10	10.00	1
1988	14.12	11	12	2		
1990	20.61	16	17	4		
1991	96.00	75	80	16	8.00	2
1996	73.72	53	57	17	17.00	1
1999	618.21	423	451	167	12.85	13
2023	11,419.39	2,107	2,248	9,171	19.89	461

SURVIVOR CURVE: IOWA 33-S0
NET SALVAGE PERCENT: 0

2026	37,237.28	2,577	2,750	34,487	20.19	1,708
	100,014.85	54,134	55,565	44,450		2,328

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.10 2.33

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1906	29.99	30	30			
1923	95.58	93	96			
1925	385.22	370	385			
1930	2,807.06	2,635	2,807			
1931	435.00	407	435			
1934	601.82	556	602			
1937	1,286.00	1,173	1,286			
1938	651.10	592	651			
1939	189.89	172	190			
1940	636.24	573	636			
1942	77.88	70	78			
1943	2,016.88	1,795	2,017			
1945	452.54	399	453			
1946	2,458.57	2,159	2,459			
1947	904.95	791	905			
1948	1,112.43	968	1,112			
1949	221.89	192	222			
1951	66.26	57	66			
1952	571.42	487	571			
1955	411.60	345	412			
1958	1,144.69	942	1,145			
1959	31,709.01	25,922	31,709			
1960	1,570.53	1,275	1,571			
1961	3,625.00	2,921	3,625			
1962	1,076.72	861	1,077			
1963	680.33	540	680			
1964	4,511.67	3,548	4,512			
1965	831.40	648	831			
1966	114.36	88	114			
1968	36,991.24	28,009	36,991			
1969	245.28	184	245			
1971	2,313.81	1,696	2,314			
1972	612.48	444	610	2		
1974	22,623.29	15,980	21,969	654	17.68	37
1975	3,901.22	2,719	3,738	163	18.11	9
1976	208.11	143	197	11	11.00	1
1977	26,345.91	17,854	24,545	1,801	19.37	93
1979	2,212.93	1,455	2,000	213	21.30	10
1980	97,670.75	63,225	86,920	10,751	21.16	508
1981	643.50	410	564	80	20.00	4
1982	5,146.63	3,222	4,430	717	22.41	32
1983	4,071.13	2,790	3,836	235	21.36	11
1984	20,420.45	13,767	18,926	1,494	21.04	71
1985	5,137.69	3,406	4,682	456	21.71	21
1986	3,301.96	2,152	2,959	343	22.87	15
1987	20,490.35	13,112	18,026	2,464	22.81	108
1988	10,481.87	6,583	9,050	1,432	23.48	61
1989	22,648.83	13,952	19,181	3,468	24.08	144
1990	2,552.29	1,541	2,119	433	24.06	18
1991	41,020.96	24,256	33,346	7,675	25.25	304
1992	106,311.11	61,512	84,565	21,746	25.86	841
1994	130,682.51	72,241	99,315	31,368	27.11	1,157
1995	18,382.83	9,918	13,635	4,748	27.77	171
1997	10,281.55	5,268	7,242	3,040	28.95	105

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1999	18,151.93	8,795	12,091	6,061	30.31	200
2001	18,550.28	8,455	11,624	6,926	31.63	219
2002	28,964.69	12,779	17,568	11,397	32.29	353
2005	7,907.93	3,149	4,329	3,579	34.09	105
2006	7,372.59	2,821	3,878	3,495	34.60	101
2008	46,189.52	16,213	22,289	23,901	36.05	663
2012	1,028,723.58	293,392	403,348	625,376	38.85	16,097
2013	4,370.54	1,179	1,621	2,750	39.29	70
2014	54,393.11	13,729	18,874	35,519	40.00	888
2017	33,443.06	6,709	9,224	24,219	41.83	579
2019	2,790.13	460	632	2,158	43.16	50
2021	19,981.66	2,558	3,517	16,465	44.26	372
	1,926,213.73	786,687	1,071,077	855,137		23,418

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 36.50 1.22

SURVIVOR CURVE: IOWA 25-L1
NET SALVAGE PERCENT: 0

1921	6,345.07	6,345	6,345	
1933	5.00	5	5	
1942	23.70	24	24	
1965	620.40	546	620	
1974	1,086.16	883	1,086	
1981	177.94	134	178	
1982	113.94	85	114	
1985	312.58	271	313	
1994	198.47	160	198	
1995	16.42	13	16	
1997	314.81	245	1,562	(1,247)
	9,214.49	8,711	10,461	(1,247)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-L1
NET SALVAGE PERCENT: 0

1921	1,219.94	1,220	1,220			
1945	420.81	421	421			
1954	1,258.20	1,177	1,192	66	1.65	40
1979	31.01	23	23	8	8.00	1
1984	30.56	26	27	4	4.00	1
	2,960.52	2,867	2,883	78		42

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.90 1.42

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1875	74.20	74	74			
1886	513.53	514	514			
1889	51.40	51	51			
1890	35,891.93	35,892	35,892			
1891	138.30	138	138			
1892	2,462.87	2,463	2,463			
1893	4,522.20	4,522	4,522			
1894	17,527.57	17,528	17,528			
1895	7,649.86	7,650	7,650			
1896	2,768.85	2,769	2,769			
1897	6,494.34	6,487	6,494			
1898	28,142.19	27,960	28,142			
1899	44,658.46	44,164	44,658			
1900	44,365.72	43,656	44,366			
1901	74,824.68	73,247	74,825			
1902	61,371.88	59,757	61,372			
1903	62,426.10	60,467	62,426			
1904	45,266.33	43,609	45,266			
1905	104,815.51	100,446	104,816			
1906	18,206.51	17,352	18,207			
1907	104,717.22	99,272	104,717			
1908	87,684.72	82,694	87,685			
1909	23,617.68	22,168	23,618			
1910	30,412.77	28,415	30,413			
1911	3,332.58	3,100	3,333			
1912	2,834.93	2,627	2,835			
1913	34,223.23	31,585	34,223			
1914	39,309.46	36,147	39,309			
1915	6,511.41	5,964	6,511			
1916	15,123.11	13,802	15,123			
1917	39,038.72	35,489	39,039			
1918	24,113.70	21,840	24,114			
1919	21,629.63	19,510	21,630			
1920	29,524.51	26,527	29,525			
1921	8,689.03	7,773	8,689			
1922	82,987.52	73,935	82,910	78	7.09	11
1923	33,034.19	29,304	32,861	173	7.21	24
1924	36,214.63	31,980	35,862	353	7.67	46
1925	38,544.76	33,884	37,997	548	7.83	70
1926	15,939.94	13,946	15,639	301	8.14	37
1927	57,653.00	50,203	56,297	1,356	8.42	161
1928	22,090.77	19,144	21,468	623	8.65	72
1929	43,984.46	37,935	42,540	1,444	8.91	162
1930	29,619.17	25,413	28,498	1,121	9.26	121
1931	28,383.34	24,231	27,172	1,211	9.54	127
1932	8,260.43	7,016	7,868	392	9.80	40
1933	11,368.05	9,605	10,771	597	10.12	59
1934	3,308.31	2,780	3,117	191	10.61	18
1935	8,201.87	6,856	7,688	514	10.71	48
1936	3,580.76	2,976	3,337	244	11.09	22
1937	15,729.99	13,000	14,578	1,152	11.29	102
1938	36,659.77	30,129	33,786	2,874	11.59	248
1939	81,585.09	66,662	74,754	6,831	11.88	575
1940	28,951.20	23,513	26,367	2,584	12.19	212

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1941	177,401.04	143,203	160,586	16,815	12.53	1,342
1942	41,929.90	33,641	37,725	4,205	12.86	327
1943	35,874.88	28,601	32,073	3,802	13.20	288
1944	121,239.11	96,040	107,698	13,541	13.51	1,002
1945	89,508.30	70,436	78,986	10,522	13.84	760
1946	50,972.66	39,837	44,673	6,300	14.19	444
1947	51,491.23	39,965	44,816	6,675	14.54	459
1948	16,240.80	12,515	14,034	2,207	14.91	148
1949	52,002.83	39,786	44,616	7,387	15.26	484
1950	54,865.75	41,664	46,722	8,144	15.63	521
1951	53,676.32	40,447	45,357	8,319	16.03	519
1952	64,548.39	48,262	54,121	10,427	16.39	636
1953	99,955.34	74,136	83,135	16,820	16.79	1,002
1954	56,019.22	41,204	46,206	9,813	17.19	571
1955	52,615.49	38,369	43,027	9,588	17.59	545
1956	310,919.27	224,770	252,055	58,864	18.01	3,268
1957	476,999.83	341,751	383,236	93,764	18.43	5,088
1958	184,922.07	131,267	147,201	37,721	18.86	2,000
1959	317,239.63	223,045	250,120	67,120	19.30	3,478
1960	239,891.34	167,000	187,272	52,619	19.75	2,664
1961	92,188.99	63,539	71,252	20,937	20.21	1,036
1962	177,535.81	121,106	135,807	41,729	20.66	2,020
1963	239,834.09	161,869	181,518	58,316	21.13	2,760
1964	231,794.57	154,732	173,515	58,280	21.61	2,697
1965	157,226.29	103,793	116,392	40,834	22.08	1,849
1966	206,889.64	134,987	151,373	55,517	22.59	2,458
1967	266,065.18	171,551	192,375	73,690	23.09	3,191
1968	194,120.21	123,639	138,647	55,473	23.60	2,351
1969	609,955.24	383,613	430,180	179,775	24.12	7,453
1970	106,487.24	66,120	74,146	32,341	24.63	1,313
1971	483,796.53	296,383	332,361	151,436	25.18	6,014
1972	1,325,925.65	801,270	898,536	427,390	25.72	16,617
1973	526,709.18	313,840	351,937	174,772	26.27	6,653
1974	687,898.12	403,954	452,990	234,908	26.83	8,755
1975	981,939.46	568,170	637,140	344,799	27.39	12,588
1976	565,674.76	322,350	361,480	204,195	27.96	7,303
1977	1,207,117.23	677,096	759,288	447,829	28.54	15,691
1978	587,526.82	324,227	363,585	223,942	29.13	7,688
1979	700,694.25	380,316	426,482	274,212	29.72	9,227
1980	839,757.75	448,044	502,432	337,326	30.32	11,126
1981	710,494.03	372,405	417,611	292,883	30.93	9,469
1982	734,623.54	378,052	423,944	310,680	31.55	9,847
1983	487,810.62	299,565	335,929	151,882	27.96	5,432
1984	866,408.37	523,831	587,419	278,989	28.45	9,806
1985	2,077,566.04	1,244,878	1,395,993	681,573	28.43	23,974
1986	815,907.57	480,814	539,180	276,728	28.92	9,569
1987	323,690.52	187,482	210,240	113,451	29.43	3,855
1988	2,067,456.99	1,175,970	1,318,720	748,737	29.94	25,008
1989	761,999.84	425,348	476,981	285,019	30.47	9,354
1990	591,747.81	323,982	363,310	228,438	30.99	7,371
1991	1,272,229.99	682,679	765,549	506,681	31.52	16,075
1992	1,497,692.27	786,888	882,408	615,284	32.07	19,186
1993	515,305.87	264,867	297,019	218,287	32.62	6,692
1994	601,830.76	302,420	339,131	262,700	33.17	7,920
1995	593,261.54	291,173	326,518	266,744	33.72	7,911

SURVIVOR CURVE: IOWA 65-R1.5
NET SALVAGE PERCENT: 0

1996	920,988.10	443,916	497,803	423,185	33.86	12,498
1997	2,076,900.97	975,520	1,093,938	982,963	34.44	28,541
1998	439,438.09	200,911	225,299	214,139	35.02	6,115
1999	524,178.14	233,050	261,340	262,838	35.60	7,383
2000	839,023.40	364,556	408,809	430,214	35.79	12,021
2001	918,154.91	386,910	433,877	484,278	36.39	13,308
2002	228,210.06	93,110	104,413	123,797	37.00	3,346
2003	1,221,298.89	484,734	543,576	677,723	37.23	18,204
2004	513,606.30	196,711	220,590	293,016	37.85	7,742
2005	811,489.00	301,225	337,791	473,698	38.11	12,430
2006	549,090.52	195,970	219,759	329,332	38.74	8,501
2007	1,578,271.07	543,557	609,539	968,732	39.02	24,827
2008	2,393,512.05	788,902	884,666	1,508,846	39.67	38,035
2009	1,454,514.11	460,208	516,072	938,442	39.98	23,473
2010	1,849,773.19	560,111	628,103	1,221,670	40.30	30,314
2011	5,050,422.15	1,458,562	1,635,616	3,414,806	40.64	84,026
2012	2,234,358.15	613,108	687,533	1,546,825	40.99	37,737
2013	2,940,484.29	763,350	856,013	2,084,471	41.36	50,398
2014	2,138,045.73	522,538	585,968	1,552,078	41.75	37,176
2015	1,570,850.85	361,296	405,153	1,165,698	41.85	27,854
2016	284,856.50	60,931	68,327	216,530	42.26	5,124
2017	1,063,833.30	211,065	236,686	827,147	42.41	19,504
2018	1,679,268.13	306,299	343,481	1,335,787	42.58	31,371
2019	4,667,331.52	773,844	867,780	3,799,552	42.78	88,816
2020	2,549,785.83	380,428	426,608	2,123,178	42.75	49,665
2021	1,439,290.56	189,986	213,048	1,226,243	42.76	28,677
2022	4,165,417.16	476,524	534,369	3,631,048	42.58	85,276
2023	2,558,551.75	246,389	276,298	2,282,254	42.23	54,043
2024	1,681,818.78	130,173	145,975	1,535,844	41.75	36,787
2025	1,430,202.09	82,237	92,220	1,337,982	40.98	32,650
2026	7,069,696.83	260,165	291,746	6,777,951	39.31	172,423
2027	29,515,864.74	413,222	463,383	29,052,482	35.09	827,942
	116,633,035.71	30,604,571	34,247,273	82,385,763		2,244,167

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 36.70 1.92

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

1936	294.19	294	294			
1938	3,056.63	3,057	3,057			
1942	246.52	247	247			
1944	273.91	274	274			
1946	10.62	11	11			
1948	1,764.35	1,764	1,764			
1953	50,593.82	50,594	50,594			
1955	461.77	462	462			
1956	32,578.64	32,579	32,579			
1957	5,165.53	5,166	5,166			
1959	96.90	95	90	7	1.00	7
1963	1,774.66	1,677	1,591	184	1.94	95
1964	404.09	378	359	45	2.25	20
1968	558.97	501	475	84	3.65	23
1969	213.27	189	179	34	3.78	9
1970	1,182.04	1,037	984	198	4.30	46
1971	113,287.59	98,366	93,328	19,960	4.61	4,330
1972	104.35	90	85	19	4.75	4
1973	650.58	552	524	127	5.29	24
1974	415,586.54	348,735	330,874	84,713	5.63	15,047
1976	3,525.37	2,889	2,741	784	6.32	124
1977	33,144.69	26,838	25,463	7,682	6.66	1,153
1978	12,991.46	10,386	9,854	3,137	7.02	447
1979	5,915.76	4,670	4,431	1,485	7.39	201
1980	181.40	141	134	47	7.83	6
1981	8,361.80	6,429	6,100	2,262	8.08	280
1982	3,380.96	2,565	2,434	947	8.46	112
1984	1,233.58	1,030	977	257	8.57	30
1985	206,785.90	171,384	162,606	44,180	8.78	5,032
1986	17,021.42	13,987	13,271	3,750	9.01	416
1987	2,685.55	2,175	2,064	622	9.57	65
1988	47,455.91	38,050	36,101	11,355	9.76	1,163
1989	57,122.46	45,304	42,984	14,138	10.04	1,408
1990	124,649.69	97,700	92,696	31,954	10.34	3,090
1991	6,435.95	4,980	4,725	1,711	10.69	160
1992	210,895.49	160,955	152,711	58,184	11.01	5,285
1993	41,315.66	31,074	29,482	11,834	11.37	1,041
1994	122,954.81	91,036	86,373	36,582	11.75	3,113
1995	1,655,963.51	1,210,841	1,148,825	507,139	11.95	42,438
1996	71,620.53	51,438	48,803	22,818	12.36	1,846
1997	19,463.48	13,772	13,067	6,396	12.59	508
1998	105,712.13	73,280	69,527	36,185	13.06	2,771
1999	175,941.49	119,851	113,713	62,228	13.34	4,665
2000	126,995.60	84,858	80,512	46,484	13.65	3,405
2001	33,576.86	21,979	20,853	12,724	13.98	910
2002	6,445,747.71	4,125,279	3,913,991	2,531,757	14.34	176,552
2003	1,404,159.56	877,319	832,385	571,775	14.71	38,870
2004	790,640.03	481,184	456,539	334,101	15.11	22,111
2005	1,350,683.30	802,306	761,214	589,469	15.38	38,327
2006	1,889,986.45	1,089,010	1,033,233	856,753	15.81	54,191
2007	5,120,601.66	2,865,489	2,718,725	2,401,877	16.13	148,907
2008	2,211,661.76	1,198,942	1,137,535	1,074,127	16.47	65,217
2009	3,463,675.57	1,813,581	1,720,693	1,742,983	16.83	103,564
2010	1,907,447.00	961,353	912,115	995,332	17.22	57,801

SURVIVOR CURVE: IOWA 35-S0.5
NET SALVAGE PERCENT: 0

2011	978,570.15	473,041	448,813	529,757	17.63	30,049
2012	154,229.33	71,470	67,809	86,420	17.95	4,814
2013	254,439.42	112,157	106,413	148,026	18.39	8,049
2014	129,497.02	54,195	51,419	78,078	18.76	4,162
2015	158,359.41	62,552	59,348	99,011	19.15	5,170
2016	168,394.96	62,357	59,163	109,232	19.56	5,584
2017	1,125,062.23	387,471	367,626	757,436	19.99	37,891
2018	183,580.67	58,415	55,423	128,158	20.35	6,298
2019	1,146,982.84	333,428	316,351	830,632	20.74	40,050
2020	425,329.51	111,351	105,648	319,682	21.15	15,115
2021	3,843,964.63	889,493	843,935	3,000,030	21.59	138,955
2022	3,875,522.60	775,880	736,141	3,139,382	21.97	142,894
2023	1,022,845.79	171,224	162,454	860,392	22.38	38,445
2024	5,209,291.06	692,836	657,351	4,551,940	22.82	199,472
2025	40,020.97	3,890	3,691	36,330	23.21	1,565
2026	1,342,934.64	80,307	76,194	1,266,741	23.56	53,767
2027	2,910,215.97	59,950	56,879	2,853,337	23.83	119,737
	51,277,480.67	21,448,160	20,354,472	30,923,009		1,656,831

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.70 3.23

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1898	63.58	64	64
1918	8.14	8	8
1921	18.74	19	19
1923	7.74	8	8
1924	39.81	40	40
1925	40.18	40	40
1926	548.09	548	548
1927	94.61	95	95
1928	56.50	56	56
1929	186.84	187	187
1930	22.21	22	22
1931	65.88	66	66
1932	44.64	45	45
1933	8.88	9	9
1934	710.68	711	711
1935	11.21	11	11
1936	491.43	491	491
1937	149.02	149	149
1938	145.14	145	145
1939	222.55	223	223
1940	570.40	570	570
1941	364.71	365	365
1942	1,036.76	1,037	1,037
1943	281.33	281	281
1944	284.80	285	285
1945	362.30	362	362
1946	720.87	719	721
1947	425.54	411	426
1948	692.13	658	692
1949	1,865.55	1,762	1,866
1950	333.50	313	334
1951	535.02	499	535
1952	3,731.07	3,457	3,731
1953	9,865.79	9,081	9,866
1954	10,630.42	9,722	10,630
1955	2,382.82	2,165	2,383
1956	6,059.29	5,465	6,059
1957	4,928.72	4,416	4,929
1958	6,364.54	5,664	6,365
1959	2,762.48	2,441	2,762
1960	3,809.06	3,342	3,809
1961	5,493.96	4,785	5,494
1962	4,590.95	3,969	4,591
1963	3,693.83	3,169	3,694
1964	5,109.68	4,351	5,110
1965	4,170.32	3,522	4,170
1966	4,426.82	3,710	4,427
1967	5,038.97	4,187	5,039
1968	8,013.70	6,603	8,014
1969	12,592.42	10,288	12,592
1970	4,755.33	3,849	4,755
1971	14,773.51	11,856	14,774
1972	7,082.32	5,630	7,082
1973	12,884.08	10,146	12,884

SURVIVOR CURVE: IOWA 20-L0
NET SALVAGE PERCENT: 0

1974	23,236.59	18,125	23,237			
1975	63,230.50	48,814	62,773	458	4.58	100
1976	40,004.08	30,583	39,329	675	4.72	143
1977	54,526.51	41,249	53,045	1,482	4.88	304
1978	96,106.60	71,888	92,446	3,661	5.04	726
1979	95,734.22	70,843	91,102	4,632	5.20	891
1980	30,948.98	22,639	29,113	1,836	5.37	342
1981	71,918.23	51,997	66,866	5,052	5.54	912
1982	70,165.86	50,134	64,471	5,695	5.71	997
1983	64,563.11	57,461	64,563			
1984	30,284.13	26,874	30,284			
1985	61,740.32	54,319	61,740			
1986	102,417.32	89,677	102,417			
1987	35,738.04	31,121	35,738			
1988	115,325.20	99,756	115,325			
1989	65,133.29	55,923	65,133			
1990	96,646.89	82,266	96,647			
1991	157,991.89	133,788	157,992			
1992	29,353.96	24,593	29,354			
1993	19,386.82	16,118	19,387			
1994	105,976.62	87,335	105,977			
1995	11,880.96	9,692	11,881			
1996	7,148.31	5,787	7,148			
1997	13,295.40	10,624	13,295			
1998	8,029.47	6,348	8,029			
1999	91.48	71	91			
2000	1,542.89	1,192	1,543			
2002	8,681.46	6,530	8,681			
2003	6,816.28	5,043	6,816			
2004	8,156.16	5,942	8,139	17	8.50	2
2005	9,281.40	6,641	9,097	184	8.76	21
2006	6,905.48	4,855	6,650	255	9.11	28
2007	42.10	29	40	2		
2008	11,297.87	7,623	10,442	856	9.41	91
2009	1,029,796.41	678,224	929,012	100,784	9.59	10,509
2010	91,277.39	58,618	80,293	10,984	9.75	1,127
2011	188,608.12	117,956	161,573	27,035	9.88	2,736
2013	28,477.49	16,765	22,964	5,513	10.13	544
2017	17,687.02	8,803	12,058	5,629	10.60	531
2020	20,423.17	8,378	11,476	8,947	10.78	830
2021	227,054.21	85,304	116,847	110,207	10.80	10,204
2022	203,714.85	68,795	94,234	109,481	10.79	10,147
2023	3,649.35	1,077	1,475	2,174	10.76	202
2026	146,170.55	18,900	25,889	120,282	10.10	11,909
2027	320,046.11	16,322	22,357	297,689	9.29	32,044
	3,954,071.96	2,447,039	3,130,540	823,532		85,340

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.70 2.16

SURVIVOR CURVE: IOWA 23-L1
NET SALVAGE PERCENT: 0

2004	2,370.47	1,716	(2,640)	5,010	8.96	559
2005	3,808.95	2,708	(4,167)	7,976	9.15	872
2006	2,060.73	1,436	(2,209)	4,270	9.36	456
2008	1,405.60	937	(1,442)	2,848	9.75	292
	9,645.75	6,797	(10,458)	20,104		2,179

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.20 22.59

SURVIVOR CURVE: IOWA 55-L4
NET SALVAGE PERCENT: 0

1967	764.79	625	565	200	10.00	20
1969	4,194.89	3,408	3,078	1,117	10.34	108
1970	49.41	40	36	13	13.00	1
1976	93.45	74	67	26	13.00	2
1977	2,088.06	1,639	1,481	607	11.90	51
1979	9,290.53	7,172	6,478	2,813	12.56	224
1989	342.71	240	217	126	15.75	8
	16,823.84	13,198	11,922	4,902		414

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 11.80 2.46

SURVIVOR CURVE: IOWA 70-R3
NET SALVAGE PERCENT: 0

1916	922.66	901	923			
1925	257.87	244	258			
1926	459.25	432	459			
1929	64.04	60	64			
1940	198.63	177	199			
1941	73.96	65	74			
1942	442.68	390	443			
1943	166.39	146	166			
1945	66.96	58	67			
1946	558.07	482	558			
1947	1,450.95	1,246	1,451			
1948	1,558.71	1,330	1,559			
1949	1,239.91	1,052	1,240			
1953	162.40	134	162			
1954	2,117.36	1,737	2,117			
1955	437.08	356	437			
1961	890.72	689	852	39	19.50	2
1962	39.11	30	37	2		
1965	87.33	65	80	7		
1966	1,016.02	746	923	93	18.60	5
1967	169.49	123	152	17	17.00	1
1968	1,932.65	1,386	1,715	218	19.82	11
1969	1,120.00	793	981	139	19.86	7
1970	644.80	451	558	87	21.75	4
1972	392.00	267	330	62	20.67	3
1973	1,159.09	779	964	195	24.38	8
1974	448.00	297	367	81	27.00	3
1977	280.00	177	219	61	30.50	2
1979	60.66	37	46	15	15.00	1
1980	112.00	67	83	29	29.00	1
1983	1,456.00	907	1,122	334	27.83	12
1985	1,400.00	839	1,038	362	27.85	13
1986	409.02	241	298	111	27.75	4
1987	441.00	254	314	127	31.75	4
1993	875.00	441	546	329	32.90	10
2000	2,875.00	1,194	1,477	1,398	38.83	36
2004	17,233.24	6,197	7,667	9,566	41.77	229
2006	19,252.16	6,374	7,886	11,366	43.38	262
2024	54,760.21	3,143	3,889	50,871	57.48	885
2025	21,297.60	877	1,085	20,213	58.08	348
2026	14,499.62	362	448	14,052	58.31	241
2027	18,849.50	160	198	18,652	58.29	320
	171,877.14	35,706	43,452	128,425		2,412

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.20 1.40

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

1922	2,829.48	2,757	2,829			
1926	27,541.11	26,343	27,541			
1937	16,189.19	14,635	16,189			
1938	95.25	86	95			
1940	400.17	356	397	3		
1945	426.05	368	410	16	8.00	2
1946	58.82	51	57	2		
1947	1,202.28	1,027	1,145	57	8.14	7
1949	1,543.88	1,303	1,453	91	9.10	10
1950	5,236.77	4,391	4,898	339	9.69	35
1951	3,014.62	2,512	2,802	213	10.14	21
1952	740.00	612	683	57	9.50	6
1953	2,900.60	2,384	2,659	242	10.52	23
1955	19,384.40	15,701	17,512	1,872	11.41	164
1956	3,782.70	3,041	3,392	391	11.85	33
1957	6,109.86	4,874	5,436	674	12.04	56
1958	1,371.20	1,085	1,210	161	12.38	13
1959	1,334.85	1,048	1,169	166	12.77	13
1963	3,163.12	2,396	2,672	491	14.44	34
1964	41.65	31	35	7		
1965	1,891.52	1,405	1,567	325	15.48	21
1966	509.61	375	418	92	15.33	6
1967	126.88	92	103	24	24.00	1
1968	1,796.46	1,292	1,441	355	16.90	21
1969	2,701.00	1,921	2,143	558	17.44	32
1970	537.68	378	422	116	16.57	7
1971	551.41	383	427	124	17.71	7
1972	13,370.77	9,172	10,230	3,141	18.81	167
1973	3,559.13	2,411	2,689	870	19.33	45
1974	28,324.75	18,930	21,114	7,211	19.92	362
1975	218.60	144	161	58	19.33	3
1976	85.52	56	62	24	24.00	1
1977	1,110.04	711	793	317	21.13	15
1981	1,050.11	631	704	346	24.71	14
1982	80.70	48	54	27	27.00	1
1986	7,180.22	4,559	5,085	2,095	23.81	88
1987	3,015.84	1,881	2,098	918	24.16	38
1989	23,593.89	14,260	15,905	7,689	25.21	305
1992	43,447.38	24,678	27,525	15,922	26.99	590
1993	41,380.63	22,983	25,635	15,746	27.62	570
1994	10,078.67	5,503	6,138	3,941	27.75	142
1995	2,597.85	1,385	1,545	1,053	28.46	37
1996	79,849.12	41,506	46,295	33,554	29.10	1,153
1997	26,972.82	13,656	15,231	11,742	29.73	395
1998	586,849.01	289,082	322,434	264,415	30.38	8,704
1999	21,627.73	10,416	11,618	10,010	30.71	326
2000	177,972.01	83,202	92,801	85,171	31.32	2,719
2001	15,235.14	6,905	7,702	7,533	31.92	236
2002	15,519.54	6,847	7,637	7,883	32.31	244
2003	330,001.37	140,680	156,910	173,091	32.97	5,250
2004	149,518.06	61,482	68,575	80,943	33.66	2,405
2006	158,602.08	60,697	67,700	90,902	34.68	2,621
2007	111,088.83	40,770	45,473	65,616	35.35	1,856
2008	3,484.86	1,230	1,372	2,113	35.81	59

SURVIVOR CURVE: IOWA 60-R2
NET SALVAGE PERCENT: 0

2010	6,944.58	2,236	2,494	4,451	36.79	121
2014	82,977.62	21,392	23,860	59,118	38.87	1,521
2015	29,547.03	7,091	7,909	21,638	39.56	547
2017	52,907.60	10,888	12,144	40,764	40.52	1,006
2020	250,885.11	38,185	42,591	208,294	41.76	4,988
2025	15,997.02	896	999	14,998	42.13	356
	2,400,554.19	1,035,360	1,152,588	1,247,966		37,397

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.40 1.56

SURVIVOR CURVE: IOWA 60-R1.5
NET SALVAGE PERCENT: 0

1916	2,288.30	2,173	(24)	2,312	3.03	763
1917	4.50	4	4			
1924	6,717.37	6,145	(68)	6,785	5.11	1,328
1925	4,635.33	4,223	(47)	4,682	5.34	877
1927	177.27	160	(2)	179	5.77	31
1928	2,669.12	2,401	(26)	2,695	6.03	447
1929	3,305.32	2,960	(33)	3,338	6.27	532
1939	94.86	81	(1)	96	8.73	11
1942	6,961.15	5,822	(64)	7,025	9.83	715
1943	5,688.45	4,729	(52)	5,740	10.12	567
1945	289.17	237	(3)	292	10.81	27
1946	8,501.72	6,937	(76)	8,578	11.04	777
1947	28,359.03	22,994	(253)	28,612	11.35	2,521
1948	27,451.29	22,112	(244)	27,695	11.67	2,373
1949	2,441.54	1,953	(22)	2,464	12.02	205
1950	9,147.24	7,267	(80)	9,227	12.34	748
1951	0.89	1	1			
1952	10.90	9		11	11.00	1
1953	21.11	16		21	10.50	2
1961	109.48	80	(1)	110	15.71	7
1962	432.38	311	(3)	435	16.73	26
1966	2.53	2		3		
1967	249.44	170	(2)	251	19.31	13
1968	439.25	296	(3)	442	19.22	23
1970	257.26	169	(2)	259	19.92	13
1972	24,602.35	15,791	(174)	24,776	21.49	1,153
1973	6,503.12	4,119	(45)	6,548	21.97	298
1974	7,457.88	4,659	(51)	7,509	22.55	333
1975	12,104.06	7,452	(82)	12,186	23.08	528
1979	484.24	280	(3)	487	25.63	19
1981	10,160.79	5,688	(63)	10,224	26.42	387
1983	157.79	103	(1)	159	22.71	7
1984	61,029.67	39,022	(430)	61,460	24.53	2,506
1989	73,068.48	43,037	(474)	73,542	26.86	2,738
1990	24,565.47	14,187	(156)	24,721	27.44	901
1991	47,012.28	26,769	(295)	47,307	27.60	1,714
1992	28,893.61	16,105	(177)	29,071	28.20	1,031
1993	354.51	193	(2)	357	29.75	12
1995	508.53	266	(3)	512	30.12	17
1997	246,704.64	122,662	(1,352)	248,057	30.85	8,041
1998	276,582.83	134,641	(1,483)	278,066	31.10	8,941
1999	3,019.80	1,429	(16)	3,036	31.63	96
2000	96,191.89	44,441	(490)	96,682	32.02	3,019
2002	2,808.35	1,224	(13)	2,821	32.80	86
2004	16,552.83	6,768	(75)	16,628	34.00	489
2005	50,111.40	19,734	(217)	50,328	34.64	1,453
2006	73,976.75	28,156	(310)	74,287	34.99	2,123
2017	16,346.35	3,467	(38)	16,384	39.01	420
2021	9,102.44	1,283	(14)	9,116	39.63	230
2026	2,083,356.36	82,084	(905)	2,084,261	36.52	57,072
2027	3,083,752.27	46,565	(513)	3,084,265	32.61	94,580
	6,365,663.59	761,377	(8,383)	6,374,047		200,201

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 31.80 3.15

SURVIVOR CURVE: IOWA 55-R1
NET SALVAGE PERCENT: 0

1916	545.84	546	546			
1917	602.09	602	602			
1924	2,372.29	2,271	661	1,711	2.35	728
1925	2,240.46	2,131	621	1,619	2.68	604
1943	6,732.14	5,721	1,666	5,066	8.26	613
1945	2,391.77	2,003	583	1,809	8.91	203
1946	5,287.42	4,395	1,280	4,007	9.28	432
1947	8,366.22	6,901	2,010	6,356	9.63	660
1948	6,867.23	5,621	1,637	5,230	9.98	524
1949	33.59	27	8	26	8.67	3
1950	2,149.17	1,731	504	1,645	10.68	154
1952	35.38	28	8	27	13.50	2
1953	234.81	184	54	181	12.07	15
1961	243.38	177	52	191	14.69	13
1966	123.58	85	25	99	16.50	6
1967	731.43	497	145	586	17.76	33
1968	6.48	4	1	5		
1971	4,948.22	3,196	931	4,017	19.50	206
1972	18,757.10	11,950	3,481	15,276	19.97	765
1973	24,911.10	15,653	4,559	20,352	20.43	996
1974	8,244.14	5,107	1,487	6,757	20.92	323
1975	9,923.51	6,057	1,764	8,160	21.42	381
1977	13,198.13	7,811	2,275	10,923	22.43	487
1979	1,860.82	1,066	310	1,551	23.50	66
1981	15,096.56	8,355	2,434	12,663	24.54	516
1982	28,478.73	15,482	4,509	23,970	25.10	955
1984	24,769.33	16,268	4,738	20,031	22.74	881
1986	14,834.65	9,481	2,762	12,073	23.44	515
1989	22,040.63	13,407	3,905	18,136	24.78	732
1991	9,728.36	5,716	1,665	8,063	25.60	315
1992	6,312.20	3,630	1,057	5,255	26.28	200
1993	437.04	247	72	365	26.07	14
1994	258.82	143	42	217	27.13	8
1995	762.79	414	121	642	27.91	23
1997	12,093.79	6,271	1,827	10,267	28.28	363
1998	20,057.90	10,177	2,964	17,094	28.63	597
1999	253,809.44	125,864	36,659	217,150	28.97	7,496
2000	56,572.91	27,381	7,975	48,598	29.31	1,658
2008	17,370.15	6,538	1,904	15,466	32.29	479
2014	27,203.89	7,748	2,257	24,947	33.90	736
2015	1,621.91	434	126	1,496	34.00	44
2019	5,149.78	1,020	297	4,853	34.42	141
2026	1,107,952.65	52,517	15,297	1,092,656	30.15	36,241
2027	1,639,974.59	30,996	9,028	1,630,947	25.96	62,825
	3,385,332.42	425,853	124,849	3,260,483		121,953

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.70 3.60

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1904	35.14	35	35	
1909	75.00	75	75	
1910	211.00	211	211	
1915	26.50	26	26	
1916	58.95	59	59	
1921	17.70	18	18	
1938	58.48	56	58	
1939	330.37	313	330	
1940	19.39	18	19	
1941	201.71	189	202	
1942	29.19	27	29	
1943	27.92	26	28	
1944	102.32	95	102	
1945	7,165.82	6,608	7,166	
1946	114.97	106	115	
1947	1,278.03	1,167	1,278	
1948	4,414.39	4,013	4,414	
1949	330.99	299	331	
1950	69,383.58	62,468	69,384	
1951	60,361.90	54,074	60,362	
1952	1,628.76	1,452	1,629	
1953	40.65	36	41	
1955	52.58	46	53	
1958	453.12	390	453	
1969	320.54	252	321	
1970	249.81	194	250	
1974	465.47	345	465	
1975	12,797.48	9,370	12,797	
1979	1,684.94	1,165	1,686	(1)
	161,936.70	143,133	161,937	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 65-R5
NET SALVAGE PERCENT: 0

1939	100.32	100	100			
1941	98.88	98	99			
1944	1,462.95	1,433	1,463			
1947	29.25	28	29			
1948	75.00	72	75			
1949	3,618.25	3,479	3,618			
1950	371.91	356	372			
1960	11.75	11	12			
1964	443.26	394	443			
1982	40,000.00	27,637	33,246	6,754	20.10	336
1992	2,452.89	1,367	1,644	809	27.90	29
1993	12,069.59	6,537	7,864	4,206	29.21	144
1998	306,874.45	142,144	170,992	135,882	34.19	3,974
1999	45,797.43	20,490	24,648	21,149	35.19	601
	413,405.93	204,146	244,605	168,801		5,084

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.20 1.23

SURVIVOR CURVE.. 40-SQUARE
NET SALVAGE PERCENT: 0

1969	7,545.31	7,545	7,545			
1970	116.00	116	116			
1971	9,081.22	9,081	9,081			
1972	5,737.14	5,737	5,737			
1975	23,910.35	23,910	23,910			
1994	10,285.35	8,614	8,604	1,681	6.49	259
1997	15,806.90	12,053	12,040	3,767	9.49	397
2011	360,656.23	148,771	148,606	212,050	23.50	9,023
	433,138.50	215,827	215,639	217,500		9,679

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 22.50 2.23

SURVIVOR CURVE.. 37-SQUARE
NET SALVAGE PERCENT: 0

1971	205,250.77	205,251	205,251
	205,250.77	205,251	205,251

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

1912	8.69	9	9			
1916	1,786.32	1,786	1,786			
1917	363.37	363	363			
1918	25.48	25	25			
1922	42.17	42	42			
1924	5,487.93	5,488	5,488			
1925	1,233.42	1,233	1,233			
1926	63.48	63	63			
1933	19.78	20	20			
1934	57.37	57	57			
1937	19.93	20	20			
1938	3.19	3	3			
1939	84.73	83	85			
1940	531.12	516	531			
1941	1,072.68	1,037	1,073			
1943	570.69	546	571			
1944	332.44	316	332			
1945	146.21	138	146			
1946	12,963.19	12,175	12,963			
1947	3,928.21	3,667	3,928			
1948	9,725.46	9,021	9,725			
1951	265.03	241	265			
1952	12,170.84	11,007	12,171			
1955	2,287.37	2,029	2,287			
1956	44.62	39	45			
1957	445.55	390	446			
1961	568.38	484	568			
1963	70.50	59	70			
1965	42.48	35	42			
1967	4,390.54	3,559	4,391			
1968	94,202.26	75,682	94,202			
1969	10,938.86	8,705	10,939			
1970	25,791.64	20,329	25,792			
1973	40,293.71	30,776	40,294			
1974	8,392.05	6,338	8,392			
1975	1,320.10	985	1,320			
1976	580.66	428	581			
1977	4,755.64	3,462	4,756			
1978	92.88	67	92	1		
1981	5,347.65	3,682	5,078	270	15.88	17
1983	55,595.37	41,563	55,595			
1984	8,052.76	5,955	8,053			
1986	388.90	279	385	4		
1988	37,073.02	25,773	35,577	1,496	17.40	86
1990	7,473.03	5,016	6,924	549	18.30	30
1991	3,151.27	2,082	2,874	277	18.47	15
1993	14,359.94	9,116	12,584	1,776	19.96	89
1996	5,529.70	3,292	4,544	986	21.43	46
1998	350.78	199	275	76	25.33	3
1999	35,898.66	19,848	27,398	8,501	23.04	369
2000	69,766.68	37,604	51,909	17,858	23.53	759
2001	18,927.15	9,931	13,709	5,218	24.05	217
2002	1,771.09	899	1,241	530	25.24	21
2003	4,001.15	1,970	2,719	1,282	25.14	51

SURVIVOR CURVE: IOWA 50-R2
NET SALVAGE PERCENT: 0

2004	380,060.87	181,289	250,254	129,807	25.76	5,039
2005	28,863.63	13,312	18,376	10,488	26.29	399
2006	1,601,556.59	712,693	983,813	617,744	26.81	23,042
2007	203,390.61	87,133	120,280	83,111	27.35	3,039
2008	443,981.80	181,811	250,975	193,007	28.12	6,864
2009	7,446.86	2,921	4,032	3,415	28.70	119
2010	36,199.97	13,557	18,714	17,486	29.24	598
2011	87,605.79	31,363	43,294	44,312	29.58	1,498
2012	35,014.56	11,884	16,405	18,610	30.16	617
2013	191,676.67	61,413	84,776	106,901	30.75	3,476
2015	36,772.48	10,388	14,340	22,432	31.73	707
2020	5,277.70	950	1,311	3,967	34.20	116
2023	104,330.04	11,831	16,332	87,998	35.19	2,501
2024	8,405.08	756	1,044	7,361	35.39	208
2025	4,990.07	330	455	4,535	35.16	129
	3,688,378.84	1,690,063	2,298,382	1,389,997		50,055

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 27.80 1.36

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1905	35.50	36	36			
1906	38.46	38	38			
1922	183.97	184	184			
1926	931.01	931	931			
1934	359.15	356	279	80	1.00	80
1935	117.46	116	91	26	1.00	26
1937	20,650.37	20,075	15,747	4,903	1.31	3,743
1938	133.74	129	101	33	1.65	20
1940	427.70	407	319	109	2.32	47
1941	115.24	109	86	29	2.64	11
1942	524.98	492	386	139	2.96	47
1947	25.42	23	18	7	3.50	2
1948	142,433.56	129,220	101,362	41,072	4.36	9,420
1949	23,611.61	21,306	16,713	6,899	4.59	1,503
1950	2,188.04	1,963	1,540	648	4.84	134
1951	582.13	519	407	175	5.00	35
1952	11,231.91	9,958	7,811	3,421	5.33	642
1953	76,549.60	67,462	52,918	23,632	5.58	4,235
1954	17,157.92	15,022	11,783	5,375	5.85	919
1955	390.29	339	266	124	6.20	20
1956	38,183.31	32,992	25,879	12,304	6.39	1,926
1957	133.55	115	90	44	6.29	7
1958	4,339.68	3,698	2,901	1,439	6.95	207
1959	23,913.41	20,230	15,869	8,044	7.24	1,111
1960	1,787.47	1,501	1,177	610	7.53	81
1961	844.81	704	552	293	7.92	37
1962	727.04	601	471	256	8.26	31
1963	99.85	82	64	36	9.00	4
1964	186.87	152	119	68	8.50	8
1965	124.97	101	79	46	9.20	5
1966	1,242.67	994	780	463	9.45	49
1967	2,346.06	1,860	1,459	887	9.75	91
1969	14,853.05	11,560	9,068	5,785	10.42	555
1970	37,108.95	28,605	22,438	14,671	10.77	1,362
1971	568.69	434	340	229	10.90	21
1972	5,616.27	4,241	3,327	2,289	11.50	199
1973	3,151.65	2,354	1,847	1,305	11.86	110
1974	72,091.39	53,240	41,762	30,329	12.29	2,468
1975	29,392.67	21,457	16,831	12,562	12.69	990
1976	21,470.90	15,482	12,144	9,327	13.12	711
1977	32,198.92	22,930	17,987	14,212	13.54	1,050
1978	5,153.70	3,622	2,841	2,313	13.93	166
1979	893.11	619	486	407	14.54	28
1981	5,710.28	3,847	3,018	2,692	15.38	175
1982	67,520.09	44,779	35,125	32,395	15.83	2,046
1983	43,235.50	32,513	25,504	17,732	14.67	1,209
1984	4,944.45	3,678	2,885	2,059	15.03	137
1985	91,839.04	67,520	52,963	38,876	15.31	2,539
1986	213,023.06	153,824	120,661	92,362	15.97	5,783
1987	54,991.12	39,198	30,747	24,244	16.31	1,486
1988	27,340.60	19,223	15,079	12,262	16.68	735
1989	58,827.76	40,768	31,979	26,849	17.06	1,574
1990	514,155.85	350,911	275,258	238,898	17.45	13,690
1991	29,317.75	19,584	15,362	13,956	18.15	769

SURVIVOR CURVE: IOWA 47-R1.5
NET SALVAGE PERCENT: 0

1992	81,412.62	53,472	41,944	39,469	18.55	2,128
1993	623,250.32	402,121	315,428	307,822	18.97	16,227
1994	280,717.34	177,750	139,429	141,288	19.41	7,279
1995	76,046.14	47,209	37,031	39,015	19.85	1,965
1996	59,587.32	36,229	28,418	31,169	20.31	1,535
1997	75,544.80	44,934	35,247	40,298	20.78	1,939
1998	167,706.07	97,471	76,457	91,249	21.26	4,292
1999	309,733.47	175,681	137,806	171,927	21.75	7,905
2000	550,736.07	304,447	238,811	311,925	22.25	14,019
2001	15,800.73	8,501	6,668	9,133	22.78	401
2002	760,732.75	397,711	311,969	448,764	23.28	19,277
2003	545,224.80	276,538	216,919	328,306	23.81	13,789
2004	210,808.81	103,549	81,225	129,584	24.34	5,324
2005	57,482.37	27,419	21,508	35,974	24.67	1,458
2006	298,730.70	137,446	107,814	190,917	25.23	7,567
2007	6,653.77	2,946	2,311	4,343	25.85	168
2008	9,953.44	4,250	3,334	6,619	26.16	253
2009	8,674.92	3,563	2,795	5,880	26.61	221
2010	459,230.70	180,018	141,208	318,023	27.14	11,718
2011	102,657.70	38,456	30,165	72,493	27.55	2,631
2012	2,268.43	809	635	1,633	28.16	58
2013	157,925.79	53,347	41,846	116,080	28.42	4,084
2014	3,010,171.44	959,041	752,282	2,257,889	28.87	78,209
2015	62,028.22	18,608	14,596	47,432	29.17	1,626
2016	13,515.59	3,792	2,974	10,542	29.45	358
2017	53,818.97	14,014	10,993	42,826	29.82	1,436
2018	21,337.69	5,108	4,007	17,331	30.19	574
2019	3,718,602.03	812,143	637,054	3,081,548	30.41	101,333
2020	465,009.31	91,374	71,675	393,334	30.67	12,825
2021	41,135.45	7,166	5,621	35,514	30.80	1,153
2023	170,797.98	21,760	17,069	153,729	30.83	4,986
2024	196,073.16	20,117	15,780	180,293	30.63	5,886
2025	286,546.89	21,921	17,195	269,352	30.18	8,925
2026	2,166,575.90	105,946	83,105	2,083,471	29.17	71,425
2027	190,442.26	3,580	2,808	187,634	26.10	7,189
	16,961,956.51	5,930,541	4,652,235	12,309,722		482,407

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.50 2.84

SURVIVOR CURVE: IOWA 60-R2.5
NET SALVAGE PERCENT: 0

1952	1,389.05	1,185	1,389			
1953	413.79	351	414			
1957	248.58	206	249			
1958	11,049.47	9,094	11,049			
1960	8,791.47	7,136	8,791			
1961	18,302.14	14,745	18,302			
1962	902.77	722	903			
1967	455.51	348	456			
1968	5,533.88	4,190	5,534			
1970	584.56	433	577	8	8.00	1
1971	6,685.24	4,899	6,526	159	15.90	10
1972	391.32	283	377	14	14.00	1
1974	1,721.80	1,216	1,620	102	17.00	6
1975	69,741.40	48,610	64,753	4,988	18.20	274
1976	284.11	195	260	24	24.00	1
1980	9,111.76	5,898	7,857	1,255	21.27	59
1984	2,308.85	1,557	2,074	235	21.36	11
1985	11,046.34	7,324	9,756	1,290	21.50	60
1986	69,091.07	45,020	59,971	9,120	22.19	411
1987	75,322.29	48,199	64,205	11,117	22.78	488
1988	3,264.09	2,050	2,731	533	23.17	23
1990	8,280.05	4,999	6,659	1,621	24.56	66
1992	6,594.59	3,816	5,083	1,512	26.07	58
1994	9,402.84	5,198	6,924	2,479	27.24	91
1997	26,166.16	13,408	17,861	8,305	29.04	286
1998	23,671.17	11,802	15,721	7,950	29.66	268
1999	29,195.18	14,145	18,842	10,353	30.36	341
2000	130,394.90	61,312	81,673	48,722	30.97	1,573
2004	8,451.78	3,496	4,657	3,795	33.29	114
2006	5,084.79	1,946	2,592	2,493	34.63	72
2007	36,149.64	13,267	17,673	18,477	35.33	523
2008	19,789.43	6,946	9,253	10,536	36.08	292
2011	235,615.02	71,156	94,787	140,828	38.14	3,692
2015	9,567.11	2,248	2,995	6,572	40.57	162
2021	43,189.67	5,528	7,364	35,826	44.28	809
2023	54,874.96	4,988	6,644	48,231	44.99	1,072
2025	638,137.81	33,183	44,203	593,935	45.58	13,031
2026	1,109,897.41	35,517	47,312	1,062,585	45.45	23,379
2027	513,384.25	5,801	7,727	505,657	43.75	11,558
	3,204,486.26	502,417	665,764	2,538,722		58,732

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.20 1.83

SURVIVOR CURVE: IOWA 30-R2.5
NET SALVAGE PERCENT: 0

1953	597.38	597	597	
1957	139.38	139	139	
1972	6,119.04	6,088	6,119	
1973	1,697.11	1,680	1,697	
1979	1,203.92	1,128	1,204	
1981	2,893.23	2,666	2,893	
1990	17,052.58	15,347	17,053	
1997	481.23	398	482	(1)
	30,183.87	28,043	30,184	

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1874	5.22	5	5
1875	3,511.90	3,512	3,512
1876	399.33	399	399
1877	121.20	121	121
1886	2,347.39	2,347	2,347
1887	351.96	352	352
1888	480.50	480	480
1889	2,276.99	2,277	2,277
1890	836.20	836	836
1891	1,881.69	1,882	1,882
1892	2,891.69	2,892	2,892
1893	668.86	669	669
1894	661.91	662	662
1895	535.27	535	535
1896	10,169.79	10,170	10,170
1897	3,210.24	3,210	3,210
1898	2,342.79	2,343	2,343
1899	2,007.66	2,008	2,008
1900	8,336.26	8,336	8,336
1901	10,739.29	10,739	10,739
1902	14,932.27	14,932	14,932
1903	16,603.95	16,604	16,604
1904	10,314.78	10,315	10,315
1905	13,938.16	13,938	13,938
1906	12,960.19	12,931	12,960
1907	1,885.76	1,878	1,886
1908	4,965.96	4,931	4,966
1909	13,590.56	13,460	13,591
1910	16,291.54	16,098	16,292
1911	11,035.87	10,879	11,036
1912	14,820.96	14,573	14,821
1913	53,756.04	52,708	53,756
1914	38,239.94	37,394	38,240
1915	16,991.79	16,571	16,992
1916	2,952.20	2,871	2,952
1917	4,126.20	4,000	4,126
1918	2,220.14	2,146	2,220
1919	1,209.99	1,166	1,210
1920	411.47	395	411
1921	3,767.72	3,608	3,768
1922	8,718.64	8,322	8,719
1923	11,298.03	10,750	11,298
1924	17,164.02	16,276	17,164
1925	9,370.83	8,855	9,371
1926	10,383.19	9,778	10,383
1927	3,061.15	2,873	3,061
1928	551.84	516	552
1929	2,854.05	2,660	2,854
1930	5,594.99	5,195	5,595
1931	1,764.72	1,633	1,765
1932	322.40	297	322
1933	487.51	448	488
1934	111.11	102	111
1935	4,193.96	3,820	4,194

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1936	2,694.95	2,445	2,695			
1937	3,195.38	2,886	3,195			
1938	1,543.42	1,388	1,543			
1939	9,142.81	8,185	9,143			
1940	6,368.41	5,675	6,368			
1941	16,191.28	14,358	16,191			
1942	12,089.15	10,664	12,089			
1943	7,232.95	6,347	7,233			
1944	9,080.15	7,922	9,080			
1945	1,644.37	1,426	1,644			
1946	3,526.19	3,040	3,526			
1947	6,519.10	5,584	6,519			
1948	30,372.15	25,839	30,168	204	12.00	17
1949	31,026.03	26,205	30,595	431	12.31	35
1950	12,676.12	10,627	12,407	269	12.81	21
1951	21,259.43	17,683	20,645	614	13.35	46
1952	19,327.09	15,943	18,614	713	13.98	51
1953	35,687.10	29,183	34,072	1,615	14.55	111
1954	22,934.22	18,588	21,702	1,232	15.21	81
1955	32,705.79	26,259	30,658	2,048	15.75	130
1956	20,253.62	16,104	18,802	1,452	16.31	89
1957	20,779.50	16,359	19,100	1,680	16.97	99
1958	77,494.10	60,377	70,492	7,002	17.68	396
1959	113,486.56	87,485	102,141	11,346	18.33	619
1960	31,395.34	23,935	27,945	3,450	19.06	181
1961	58,106.99	43,813	51,153	6,954	19.70	353
1962	39,442.80	29,400	34,325	5,118	20.39	251
1963	71,371.72	52,574	61,382	9,990	21.08	474
1964	72,638.04	52,862	61,718	10,920	21.80	501
1965	93,204.18	67,003	78,228	14,976	22.49	666
1966	46,284.65	32,857	38,361	7,924	23.24	341
1967	10,964.26	7,682	8,969	1,995	24.04	83
1968	39,479.14	27,295	31,868	7,611	24.71	308
1969	34,106.74	23,261	27,158	6,949	25.45	273
1970	38,596.33	25,956	30,304	8,292	26.24	316
1971	51,648.23	34,237	39,973	11,675	26.96	433
1972	22,060.85	14,408	16,822	5,239	27.72	189
1973	7,138.99	4,592	5,361	1,778	28.68	62
1974	92,191.17	58,380	68,160	24,031	29.34	819
1975	2,242.00	1,397	1,631	611	30.55	20
1976	8,345.99	5,115	5,972	2,374	30.83	77
1977	3,873.43	2,334	2,725	1,148	31.89	36
1978	84,242.26	49,882	58,239	26,003	32.63	797
1979	24,464.37	14,229	16,613	7,851	33.41	235
1980	58,135.91	33,196	38,757	19,379	34.30	565
1981	13,989.25	7,837	9,150	4,839	35.07	138
1982	37,555.24	20,632	24,088	13,467	36.01	374
1983	34,607.87	19,560	22,837	11,771	34.22	344
1984	72,247.97	40,228	46,967	25,281	34.63	730
1985	20,647.40	11,232	13,114	7,533	35.70	211
1986	66,854.26	35,513	41,462	25,392	36.64	693
1987	207,799.90	108,555	126,741	81,059	37.01	2,190
1988	144,488.06	73,631	85,966	58,522	38.03	1,539
1989	137,876.65	68,470	79,941	57,936	39.01	1,485
1990	244,291.28	118,188	137,988	106,303	40.02	2,656

SURVIVOR CURVE: IOWA 80-R4
NET SALVAGE PERCENT: 0

1991	66,846.87	31,719	37,033	29,814	40.40	738
1992	23,800.79	10,984	12,824	10,977	41.42	265
1993	63,862.62	28,642	33,440	30,423	42.43	717
1994	44,318.53	19,301	22,535	21,784	43.39	502
1995	74,651.74	31,540	36,824	37,828	44.40	852
1996	39,258.64	16,198	18,912	20,347	44.82	454
1997	65,568.46	26,201	30,590	34,978	45.84	763
1998	15,268.71	5,900	6,888	8,381	46.82	179
1999	37,476.41	13,994	16,338	21,138	47.82	442
2000	50,113.86	18,051	21,075	29,039	48.81	595
2001	502,822.04	174,580	203,828	298,994	49.83	6,000
2002	150,557.33	50,286	58,710	91,847	50.83	1,807
2003	91,370.41	29,549	34,499	56,871	51.28	1,109
2004	52,145.60	16,176	18,886	33,260	52.30	636
2005	145,956.11	43,349	50,611	95,345	53.27	1,790
2006	27,628.07	7,841	9,155	18,473	54.33	340
2007	51,942.05	14,056	16,411	35,531	55.26	643
2008	164,306.52	42,292	49,377	114,930	56.26	2,043
2009	24,419.44	5,963	6,962	17,457	57.24	305
2010	43,311.35	10,005	11,681	31,630	58.25	543
2011	88,326.95	19,238	22,461	65,866	59.29	1,111
2012	13,622.04	2,787	3,254	10,368	60.28	172
2013	15,156.01	2,901	3,387	11,769	61.30	192
2014	36,947.77	6,584	7,687	29,261	62.26	470
2015	36,574.58	6,035	7,046	29,529	63.23	467
2016	34,368.29	5,258	6,139	28,229	63.72	443
2017	85,120.56	11,883	13,874	71,247	64.71	1,101
2018	48,937.81	6,186	7,222	41,716	65.69	635
2022	2,234.93	164	191	2,044	70.48	29
2024	1,509,664.27	70,350	82,137	1,427,527	71.68	19,915
2025	750,406.88	24,914	29,088	721,319	72.69	9,923
2026	431,284.71	8,626	10,071	421,214	73.68	5,717
2027	560,670.12	3,700	4,320	556,350	74.69	7,449
	8,121,129.68	2,670,777	3,060,664	5,060,466		87,382

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 57.90 1.08

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1920	182.35	182	182			
1954	2,718.88	2,398	2,719			
1955	5,528.42	4,848	5,528			
1964	8,289.98	6,831	8,290			
1978	486,335.94	341,325	437,193	49,143	17.89	2,747
1980	12,052.02	8,199	10,502	1,550	19.14	81
1982	144,492.45	95,101	121,812	22,680	20.51	1,106
1983	5,454.59	3,811	4,881	574	19.13	30
1984	6,913.86	4,752	6,087	827	19.69	42
1991	6,596.96	3,973	5,089	1,508	23.94	63
1995	19,508.20	10,651	13,643	5,865	27.03	217
1996	34,710.81	18,480	23,670	11,041	27.67	399
1997	18,500.00	9,592	12,286	6,214	28.37	219
1999	1,169.44	573	734	435	29.00	15
2001	7,210.91	3,305	4,233	2,978	31.35	95
2006	93,601.90	35,625	45,631	47,971	34.99	1,371
2007	379,284.68	138,401	177,274	202,011	35.68	5,662
2008	596,565.77	208,201	266,679	329,887	36.37	9,070
2009	205,133.93	68,310	87,496	117,638	37.06	3,174
2011	3,201.69	956	1,224	1,978	38.78	51
2022	56,121.60	5,837	7,477	48,645	47.41	1,026
2023	56,660.30	4,844	6,204	50,456	48.15	1,048
2025	13,470.10	647	829	12,641	49.57	255
	2,163,704.78	976,842	1,249,663	914,042		26,671

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.30 1.23

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1915	2,039.02	2,039	2,039			
1921	15.25	15	15			
1926	674.20	672	674			
1933	308.06	297	308			
1936	213.91	203	214			
1938	94.77	89	95			
1942	4,567.33	4,213	4,567			
1946	33.12	30	33			
1947	467.40	422	467			
1948	4,490.90	4,034	4,491			
1949	21,634.60	19,345	21,635			
1950	8,917.38	7,936	8,917			
1951	12,398.99	10,983	12,399			
1952	9,794.83	8,636	9,795			
1953	13,583.85	11,917	13,584			
1954	4,677.51	4,083	4,678			
1955	3,289.22	2,856	3,289			
1956	3,955.53	3,417	3,956			
1957	809.82	696	810			
1958	773.26	661	773			
1959	6,263.37	5,319	6,263			
1960	7,763.15	6,553	7,763			
1961	4,903.21	4,113	4,903			
1962	720.58	601	721			
1963	5,812.66	4,812	5,813			
1964	14,748.06	12,120	14,748			
1965	359.61	293	360			
1966	4,223.66	3,418	4,224			
1967	206.63	166	207			
1968	11,635.65	9,258	11,636			
1969	3,475.25	2,740	3,475			
1970	1,542.20	1,205	1,542			
1971	8,490.84	6,566	8,491			
1973	13,809.31	10,452	13,809			
1974	1,991.11	1,490	1,991			
1975	635.87	470	636			
1976	1,120.08	818	1,120			
1978	32,091.49	22,814	32,091			
1979	11,321.38	7,933	11,321			
1980	0.01					
1981	27,039.82	18,387	27,040			
1983	2,322.66	1,685	2,323			
1984	35,991.84	25,677	35,992			
1985	12,866.74	9,022	12,867			
1986	2,980.58	2,066	2,981			
1987	20,248.43	13,777	20,248			
1988	1,833.40	1,224	1,833			
1989	6,868.66	4,496	6,869			
1990	443.70	286	444			
1991	1,335.51	843	1,336			
1993	86,082.31	51,976	84,091	1,991	22.63	88
1994	5,801.95	3,441	5,567	235	23.50	10
1995	1,205.33	697	1,128	77	25.67	3
1997	4,740.41	2,602	4,210	530	25.24	21

SURVIVOR CURVE: IOWA 55-R2.5
NET SALVAGE PERCENT: 0

1998	5,820.43	3,125	5,056	764	25.47	30
1999	42,005.79	21,910	35,448	6,558	26.13	251
2000	2,641.28	1,336	2,161	480	26.67	18
2002	7,408.89	3,514	5,685	1,724	28.26	61
2003	115,950.81	53,407	86,406	29,545	28.68	1,030
2004	74,594.44	33,135	53,608	20,986	29.39	714
2005	44,125.47	18,864	30,520	13,605	30.10	452
2006	23,119.09	9,544	15,441	7,678	30.59	251
2007	223.16	88	142	81	27.00	3
2008	369,366.95	139,732	226,069	143,298	32.05	4,471
2010	119,355.96	41,154	66,582	52,774	33.25	1,587
2011	11,451.64	3,741	6,052	5,400	33.96	159
2014	222,953.81	60,800	98,367	124,587	36.00	3,461
2017	149,925.02	32,594	52,733	97,192	37.80	2,571
2022	106,274.09	12,625	20,426	85,848	40.80	2,104
2023	208.26	21	34	174	43.50	4
	1,729,039.50	755,454	1,135,512	593,528		17,289

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.30 1.00

SURVIVOR CURVE: IOWA 45-R2
NET SALVAGE PERCENT: 0

1904	97.85	98	98			
1920	3,071.90	3,072	3,072			
1923	403.86	404	404			
1927	72.55	73	73			
1929	261.39	261	261			
1930	294.47	294	294			
1932	95.28	95	95			
1937	237.51	238	238			
1939	19.57	20	20			
1941	2,931.40	2,931	2,931			
1947	529.70	520	530			
1949	416.19	404	416			
1950	3,524.86	3,401	3,525			
1951	1,022.22	980	1,022			
1952	5,364.58	5,111	5,365			
1953	2,751.48	2,604	2,751			
1954	2,503.83	2,354	2,504			
1955	1,688.17	1,576	1,688			
1956	69.33	64	69			
1958	3,139.09	2,871	3,139			
1959	727.82	661	728			
1964	948.40	830	948			
1969	176.01	148	176			
1974	304.86	245	299	6	6.00	1
1980	5,852.63	4,383	5,356	497	11.30	44
1983	414.15	328	401	13	13.00	1
1984	12,992.80	10,173	12,432	561	11.94	47
1986	483.17	369	451	32	16.00	2
1989	6,269.91	4,586	5,604	666	14.17	47
1990	3,452.63	2,486	3,038	415	14.82	28
1991	4,259.48	3,016	3,686	573	15.08	38
1992	6,560.01	4,564	5,578	982	15.59	63
1993	1,344.70	919	1,123	222	15.86	14
1996	4,261.43	2,738	3,346	915	17.60	52
1997	548.91	345	422	127	18.14	7
1998	1,713.94	1,052	1,286	428	18.61	23
2003	3,060.34	1,635	1,998	1,062	21.24	50
2010	5,254.57	2,152	2,629	2,626	25.25	104
2011	7,667.97	2,986	3,649	4,019	25.93	155
	94,788.96	70,987	81,645	13,144		676

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.40 0.71

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1875	6,096.00	6,096	6,096			
1886	2,035.78	1,989	2,036			
1887	12,972.30	12,635	12,972			
1888	5,047.58	4,899	5,048			
1889	1,216.92	1,177	1,217			
1890	7,547.70	7,275	7,548			
1891	11,549.33	11,093	11,549			
1892	8,217.88	7,865	8,218			
1893	14,622.44	13,944	14,622			
1894	1,426.22	1,355	1,426			
1896	2,075.03	1,958	2,075			
1897	9,425.36	8,862	9,425			
1899	20,227.58	18,895	20,228			
1900	77,297.27	71,973	77,297			
1901	28,961.36	26,883	28,961			
1902	152,773.87	141,374	152,774			
1903	18,226.69	16,816	18,227			
1904	412.03	379	412			
1905	32,959.80	30,228	32,960			
1906	71,036.90	64,963	71,037			
1907	6,101.12	5,563	6,101			
1908	14,411.59	13,100	14,412			
1909	21,455.69	19,444	21,456			
1910	8,466.02	7,649	8,466			
1911	17,700.02	15,943	17,700			
1912	20,131.59	18,078	20,132			
1913	2,977.71	2,665	2,978			
1914	52,545.07	46,883	52,545			
1915	25,034.49	22,265	25,034			
1916	22,249.55	19,724	22,250			
1917	65,427.23	57,813	65,427			
1918	1,861.98	1,640	1,862			
1919	19,445.29	17,066	19,445			
1920	885.29	774	885			
1921	20,100.86	17,520	20,101			
1922	12,020.32	10,440	12,020			
1923	2,040.16	1,766	2,040			
1924	78,314.80	67,517	78,315			
1925	136,043.81	116,845	136,044			
1926	129,700.54	110,974	129,701			
1927	43,556.65	37,121	43,557			
1928	13,985.18	11,872	13,985			
1929	32,129.86	27,158	32,130			
1930	42,033.80	35,382	42,034			
1931	28,382.24	23,784	28,382			
1932	10,206.55	8,515	10,207			
1933	8,068.61	6,700	8,069			
1934	4,169.19	3,446	4,169			
1935	51,750.14	42,558	51,687	63	15.75	4
1936	43,815.62	35,852	43,543	273	14.37	19
1937	55,163.82	44,897	54,528	636	14.79	43
1938	39,565.14	32,028	38,898	667	15.16	44
1939	116,758.38	93,976	114,135	2,623	15.61	168
1940	28,506.70	22,812	27,706	801	16.02	50

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1941	38,643.11	30,741	37,335	1,308	16.35	80
1942	93,012.91	73,527	89,300	3,713	16.73	222
1943	40,723.32	31,988	38,850	1,873	17.18	109
1944	114,956.07	89,694	108,935	6,021	17.61	342
1945	16,087.59	12,468	15,143	945	18.17	52
1946	22,612.57	17,400	21,133	1,480	18.50	80
1947	61,745.94	47,166	57,284	4,462	18.91	236
1948	692,549.76	525,036	637,664	54,886	19.35	2,836
1949	1,164,125.65	875,714	1,063,568	100,558	19.82	5,074
1950	230,083.00	171,699	208,531	21,552	20.29	1,062
1951	245,586.33	181,763	220,754	24,832	20.80	1,194
1952	1,236,346.69	907,330	1,101,966	134,381	21.29	6,312
1953	553,404.91	402,602	488,966	64,439	21.80	2,956
1954	758,238.12	546,599	663,853	94,385	22.33	4,227
1955	933,952.75	667,076	810,174	123,779	22.86	5,415
1956	435,915.36	308,358	374,505	61,410	23.41	2,623
1957	1,331,947.96	933,030	1,133,179	198,769	23.96	8,296
1958	875,116.22	606,788	736,953	138,163	24.53	5,632
1959	1,845,950.88	1,266,784	1,538,529	307,422	25.10	12,248
1960	709,676.04	481,870	585,238	124,438	25.68	4,846
1961	1,669,650.44	1,121,170	1,361,678	307,972	26.28	11,719
1962	1,559,432.42	1,035,463	1,257,586	301,846	26.88	11,229
1963	1,810,980.21	1,188,691	1,443,683	367,297	27.49	13,361
1964	1,794,430.56	1,163,904	1,413,579	380,852	28.11	13,549
1965	827,391.13	530,151	643,876	183,515	28.74	6,385
1966	1,266,192.10	801,183	973,049	293,143	29.38	9,978
1967	1,123,382.30	701,833	852,387	270,995	30.02	9,027
1968	1,065,982.28	657,178	798,153	267,829	30.68	8,730
1969	1,223,205.74	744,015	903,618	319,588	31.34	10,197
1970	786,294.79	471,683	572,866	213,429	32.01	6,668
1971	646,196.35	382,148	464,125	182,071	32.69	5,570
1972	1,923,659.88	1,121,263	1,361,791	561,869	33.37	16,838
1973	1,252,942.89	719,502	873,846	379,097	34.06	11,130
1974	852,197.45	481,918	585,297	266,900	34.76	7,678
1975	678,454.24	377,641	458,651	219,803	35.47	6,197
1976	565,962.21	310,006	376,507	189,455	36.18	5,236
1977	1,065,001.35	573,769	696,851	368,150	36.90	9,977
1978	4,806,601.01	2,545,672	3,091,758	1,714,843	37.63	45,571
1979	2,204,684.51	1,147,538	1,393,702	810,983	38.36	21,141
1980	778,923.27	398,225	483,650	295,273	39.10	7,552
1981	2,370,402.75	1,189,658	1,444,858	925,545	39.85	23,226
1982	2,152,485.98	1,060,099	1,287,506	864,980	40.60	21,305
1983	1,048,278.68	578,440	702,524	345,755	36.15	9,564
1984	3,407,628.50	1,838,075	2,232,370	1,175,258	37.15	31,635
1985	2,462,419.49	1,308,037	1,588,631	873,788	37.50	23,301
1986	2,543,844.38	1,330,176	1,615,519	928,325	37.87	24,513
1987	4,111,112.19	2,097,901	2,547,933	1,563,179	38.87	40,216
1988	1,732,086.60	868,815	1,055,189	676,898	39.24	17,250
1989	3,077,967.19	1,505,126	1,827,999	1,249,968	40.24	31,063
1990	7,244,240.44	3,477,235	4,223,155	3,021,085	40.62	74,374
1991	4,292,271.62	2,020,801	2,454,294	1,837,978	41.02	44,807
1992	2,388,704.03	1,094,026	1,328,711	1,059,993	42.02	25,226
1993	3,000,488.28	1,345,719	1,634,396	1,366,092	42.42	32,204
1994	2,064,385.05	899,040	1,091,898	972,487	43.42	22,397
1995	2,163,179.32	921,082	1,118,668	1,044,511	43.83	23,831

SURVIVOR CURVE: IOWA 80-R2.5
NET SALVAGE PERCENT: 0

1996	2,198,139.59	913,986	1,110,050	1,088,090	44.26	24,584
1997	3,607,035.83	1,452,193	1,763,711	1,843,325	45.26	40,727
1998	2,310,384.78	906,595	1,101,073	1,209,312	45.68	26,474
1999	2,668,724.65	1,011,447	1,228,418	1,440,307	46.69	30,848
2000	2,787,656.38	1,027,251	1,247,612	1,540,044	47.13	32,677
2001	2,228,959.44	797,522	968,603	1,260,356	47.57	26,495
2002	3,066,908.90	1,055,630	1,282,079	1,784,830	48.58	36,740
2003	2,313,911.35	770,995	936,385	1,377,526	49.03	28,096
2004	3,349,556.33	1,070,518	1,300,160	2,049,396	50.03	40,963
2005	8,663,176.15	2,669,991	3,242,745	5,420,431	50.50	107,335
2006	7,615,000.67	2,259,371	2,744,041	4,870,960	50.96	95,584
2007	6,833,867.28	1,933,301	2,348,024	4,485,843	51.96	86,333
2008	7,005,922.89	1,898,605	2,305,885	4,700,038	52.45	89,610
2009	4,452,977.43	1,153,321	1,400,726	3,052,251	52.93	57,666
2010	8,509,144.96	2,084,741	2,531,950	5,977,195	53.93	110,832
2011	11,216,890.85	2,609,049	3,168,730	8,048,161	54.43	147,863
2012	8,318,478.97	1,830,897	2,223,652	6,094,827	54.92	110,976
2013	10,477,114.68	2,172,954	2,639,086	7,838,029	55.43	141,404
2014	7,005,553.18	1,352,072	1,642,112	5,363,441	56.43	95,046
2015	5,404,399.39	972,792	1,181,471	4,222,928	56.94	74,165
2016	3,374,662.43	562,894	683,643	2,691,019	57.46	46,833
2017	14,019,574.62	2,149,201	2,610,237	11,409,338	57.99	196,747
2018	2,824,026.30	394,234	478,803	2,345,223	58.53	40,069
2019	11,535,462.30	1,451,161	1,762,457	9,773,005	59.07	165,448
2020	5,065,538.89	566,327	687,813	4,377,726	59.61	73,439
2021	1,530,769.05	149,250	181,266	1,349,503	60.17	22,428
2022	32,442,938.33	2,712,230	3,294,045	29,148,893	60.29	483,478
2023	21,729,861.28	1,505,879	1,828,913	19,900,948	60.44	329,268
2024	17,279,974.53	936,575	1,137,485	16,142,490	61.02	264,544
2025	14,535,955.28	574,170	697,338	13,838,617	60.79	227,646
2026	9,749,023.33	236,901	287,720	9,461,303	60.23	157,086
2027	10,922,190.86	93,931	114,081	10,808,110	57.98	186,411
	340,064,648.76	88,911,229	107,876,550	232,188,099		4,344,630

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 53.40 1.28

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

1920	588.87	589	589			
1936	121.47	121	121			
1938	662.87	663	663			
1942	87.30	87	87			
1950	1,369.83	1,295	1,370			
1952	24,547.31	22,823	24,547			
1954	13,251.34	12,109	13,251			
1955	46,350.14	41,980	46,350			
1956	1,190.69	1,069	1,191			
1957	56.13	50	56			
1959	1,660.91	1,451	1,661			
1960	373.95	324	374			
1962	29,546.47	25,107	29,192	354	6.32	56
1963	3,575.15	3,009	3,499	76	6.91	11
1964	42,163.23	35,146	40,865	1,298	6.98	186
1965	750.72	620	721	30	7.50	4
1971	544.20	422	491	53	8.83	6
1972	193.90	149	173	21	10.50	2
1974	100.94	76	88	13	13.00	1
1975	895.90	663	771	125	11.36	11
1978	1,224,815.74	873,122	1,015,192	209,624	12.06	17,382
1979	2,194.57	1,544	1,795	400	12.50	32
1980	2,168.28	1,505	1,750	418	12.67	33
1981	92,732.47	63,499	73,831	18,901	13.24	1,428
1982	315,947.64	213,340	248,054	67,894	13.64	4,978
1983	33,487.28	26,080	30,324	3,163	12.65	250
1984	49,741.55	38,301	44,533	5,209	12.99	401
1985	4,985.58	3,793	4,410	576	13.40	43
1986	17,621.16	13,309	15,475	2,146	13.41	160
1987	14,344.71	10,690	12,429	1,916	13.88	138
1988	561.21	412	479	82	13.67	6
1989	13,601.70	9,897	11,507	2,095	14.45	145
1990	44,287.08	31,718	36,879	7,408	14.85	499
1991	15,474.50	10,900	12,674	2,800	15.30	183
1992	4,018.98	2,796	3,251	768	15.67	49
1993	35,202.07	24,047	27,960	7,242	16.02	452
1994	26,107.08	17,581	20,442	5,665	16.23	349
1995	61,158.12	40,548	47,146	14,012	16.52	848
1996	240,071.26	156,526	181,995	58,076	16.81	3,455
1997	10,466.27	6,671	7,756	2,710	17.37	156
1998	50,823.45	31,785	36,957	13,866	17.66	785
1999	8,598.03	5,269	6,126	2,472	18.04	137
2000	2,347.51	1,407	1,636	712	18.26	39
2001	447,715.17	262,182	304,843	142,872	18.75	7,620
2002	48,464.14	27,809	32,334	16,130	18.93	852
2003	397,101.62	221,821	257,915	139,187	19.36	7,189
2004	86,094.98	46,732	54,336	31,759	19.79	1,605
2005	1,758,652.99	929,976	1,081,297	677,356	20.05	33,783
2006	448,757.99	229,629	266,993	181,765	20.52	8,858
2007	1,873,764.31	929,574	1,080,829	792,935	20.82	38,085
2008	1,805,963.86	862,890	1,003,295	802,669	21.31	37,666
2009	1,850,921.03	852,534	991,254	859,667	21.66	39,689
2010	108,322.94	47,965	55,770	52,553	22.02	2,387
2011	1,414,101.38	599,579	697,139	716,962	22.41	31,993

SURVIVOR CURVE: IOWA 42-S0.5
NET SALVAGE PERCENT: 0

2012	200,425.93	81,092	94,287	106,139	22.81	4,653
2013	99,357.92	38,173	44,384	54,974	23.24	2,365
2014	2,654,708.68	967,641	1,125,090	1,529,619	23.54	64,980
2015	75,417.92	25,831	30,034	45,384	24.00	1,891
2017	85,112.77	25,296	29,412	55,701	24.83	2,243
2019	158,904.59	39,567	46,005	112,900	25.63	4,405
2020	3,967.58	887	1,031	2,937	25.99	113
2021	202,574.30	40,029	46,542	156,032	26.39	5,913
2022	45,143.57	7,674	8,923	36,221	26.85	1,349
2023	2,381,134.16	337,645	392,585	1,988,549	27.24	73,001
2024	55,218.21	6,207	7,217	48,001	27.65	1,736
2025	707,602.97	58,023	67,464	640,139	27.99	22,870
2026	3,478,386.10	174,615	203,028	3,275,358	28.35	115,533
2027	872,920.48	15,014	17,457	855,463	28.57	29,943
	23,699,523.15	8,560,878	9,948,125	13,751,398		572,947

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.00 2.42

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1905	126.54	127	127			
1916	12.60	13	13			
1917	15.86	16	16			
1918	7.93	8	8			
1919	26.60	27	27			
1920	118.60	119	119			
1925	7.93	8	8			
1926	134.47	134	134			
1927	64.50	64	64			
1928	18.22	18	18			
1929	364.43	364	364			
1930	196.59	197	197			
1931	253.08	253	253			
1934	42.77	42	43			
1935	1,536.89	1,495	1,537			
1936	967.67	934	968			
1937	1,132.95	1,086	1,133			
1940	1,347.54	1,265	1,348			
1941	93.93	88	94			
1942	656.27	609	656			
1943	318.10	294	318			
1945	9.15	8	9			
1946	135.52	123	136			
1947	723.80	654	724			
1948	1,103.31	992	1,103			
1949	19,012.64	16,997	19,013			
1950	22,632.07	20,114	22,632			
1951	1,055.60	933	1,056			
1952	7,684.33	6,746	7,684			
1953	23,479.08	20,485	23,479			
1954	12,229.29	10,599	12,229			
1955	24,478.48	21,077	24,478			
1956	11,168.72	9,552	11,169			
1957	41,183.58	34,972	41,184			
1958	43,194.02	36,418	43,194			
1959	7,674.18	6,424	7,674			
1960	730.98	607	731			
1961	12,984.07	10,704	12,984			
1962	20,117.51	16,455	20,118			
1963	5,825.27	4,727	5,825			
1964	91,215.53	73,409	91,216			
1965	39,203.07	31,281	38,871	332	9.76	34
1966	25,342.05	20,047	24,911	431	10.02	43
1967	36,160.66	28,341	35,218	943	10.36	91
1968	232,768.33	180,784	224,649	8,119	10.73	757
1969	106,656.48	82,037	101,942	4,714	11.09	425
1970	12,862.77	9,794	12,170	693	11.36	61
1971	70,557.32	53,168	66,069	4,488	11.84	379
1972	18,403.41	13,722	17,052	1,351	12.17	111
1973	28,168.23	20,768	25,807	2,361	12.63	187
1974	38,485.99	28,055	34,862	3,624	12.99	279
1975	11,710.58	8,434	10,480	1,231	13.38	92
1976	29,364.78	20,892	25,961	3,404	13.84	246
1977	16,068.90	11,285	14,023	2,046	14.31	143

SURVIVOR CURVE: IOWA 48-R1.5
NET SALVAGE PERCENT: 0

1978	224,805.65	155,772	193,569	31,237	14.74	2,119
1979	209,457.50	143,129	177,858	31,600	15.20	2,079
1980	227,219.00	153,041	190,175	37,044	15.67	2,364
1981	291,731.44	193,575	240,544	51,187	16.15	3,169
1982	162,019.48	105,852	131,536	30,483	16.64	1,832
1983	159,618.68	118,629	147,413	12,206	15.37	794
1984	132,296.44	97,264	120,864	11,432	15.66	730
1985	160,843.07	116,901	145,266	15,577	15.98	975
1986	65,938.78	47,067	58,487	7,452	16.63	448
1987	387,057.16	272,759	338,941	48,116	16.97	2,835
1988	74,767.82	51,979	64,591	10,177	17.31	588
1989	226,119.87	154,078	191,464	34,656	18.00	1,925
1990	166,720.41	111,903	139,055	27,665	18.37	1,506
1991	377,410.40	249,317	309,811	67,599	18.75	3,605
1992	164,358.62	106,767	132,673	31,686	19.15	1,655
1993	669,689.83	427,396	531,100	138,590	19.56	7,085
1994	293,243.06	182,720	227,055	66,188	20.26	3,267
1995	344,960.16	210,771	261,913	83,047	20.69	4,014
1996	144,515.02	86,492	107,478	37,037	21.13	1,753
1997	675,914.51	395,816	491,857	184,058	21.58	8,529
1998	737,014.67	421,793	524,137	212,878	22.05	9,654
1999	272,953.67	152,472	189,468	83,486	22.52	3,707
2000	274,736.35	149,594	185,892	88,844	23.01	3,861
2001	272,488.14	144,419	179,461	93,027	23.50	3,959
2002	1,106,872.95	570,150	708,491	398,382	24.00	16,599
2003	657,073.40	328,405	408,089	248,984	24.52	10,154
2004	1,657,855.47	802,568	997,303	660,552	25.04	26,380
2005	190,853.84	89,320	110,993	79,861	25.58	3,122
2006	1,227,791.91	556,926	692,059	535,733	25.90	20,685
2007	1,209,410.51	528,029	656,150	553,261	26.45	20,917
2008	515,036.91	215,903	268,290	246,747	27.01	9,135
2009	586,781.93	236,649	294,070	292,712	27.37	10,695
2010	1,164,516.48	450,435	559,729	604,787	27.75	21,794
2011	1,553,605.94	571,727	710,451	843,155	28.34	29,751
2012	2,426,442.91	849,983	1,056,223	1,370,220	28.75	47,660
2013	1,157,442.17	384,271	477,511	679,931	29.17	23,309
2014	1,487,733.56	465,958	579,018	908,716	29.60	30,700
2015	1,754,329.37	517,527	643,100	1,111,229	29.87	37,202
2016	1,954,864.73	537,197	667,543	1,287,322	30.34	42,430
2017	10,872,134.31	2,774,569	3,447,791	7,424,343	30.65	242,230
2018	436,454.33	102,829	127,780	308,674	30.82	10,015
2019	448,642.65	96,099	119,416	329,227	31.18	10,559
2020	550,310.12	106,100	131,844	418,466	31.41	13,323
2021	161,911.25	27,687	34,405	127,506	31.52	4,045
2022	894,836.98	132,883	165,126	729,711	31.54	23,136
2023	5,220,796.40	653,122	811,596	4,409,200	31.47	140,108
2024	535,871.62	53,802	66,857	469,015	31.34	14,965
2025	495,962.91	37,197	46,222	449,741	30.83	14,588
2026	2,463,205.62	118,234	146,922	2,316,284	29.75	77,858
2027	5,287,487.74	97,290	120,897	5,166,591	26.60	194,233
	53,753,938.92	16,362,131	20,314,582	33,439,357		1,170,894

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	28.60	2.18

SURVIVOR CURVE: IOWA 35-R1
NET SALVAGE PERCENT: 0

1953	2,740.74	2,741	2,741			
1954	35.60	36	36			
1955	351.02	351	351			
1961	756.22	729	756			
1965	3,429.65	3,179	3,430			
1968	1,634.56	1,473	1,635			
1969	2,732.34	2,440	2,732			
1970	2,520.94	2,229	2,521			
1974	578.55	490	579			
1975	236.10	198	236			
1976	1,215.86	1,006	1,216			
1979	17,650.83	14,065	17,651			
1982	4,504.21	3,443	4,334	170	8.10	21
1986	2,135.76	1,755	2,136			
1987	256.35	208	256			
1989	26,482.55	20,900	26,313	170	10.00	17
1990	14.84	12	15			
1991	4,856.79	3,741	4,710	147	11.31	13
1992	8,073.07	6,133	7,721	352	11.35	31
1993	12,151.68	9,055	11,400	752	11.75	64
1994	35,464.43	26,017	32,755	2,709	12.15	223
1995	17,491.87	12,620	15,888	1,604	12.53	128
1996	17,646.12	12,508	15,747	1,899	12.92	147
1997	108,647.75	75,554	95,122	13,526	13.37	1,012
1998	56,483.33	38,488	48,456	8,027	13.79	582
1999	28,011.20	18,762	23,621	4,390	14.07	312
2000	86,140.66	56,379	70,981	15,160	14.52	1,044
2002	78,749.24	49,203	61,946	16,803	15.30	1,098
2003	46,378.35	28,179	35,477	10,901	15.82	689
2004	24,561.39	14,545	18,312	6,249	16.19	386
2008	111,157.57	57,869	72,856	38,302	17.96	2,133
2011	19,861.33	9,208	11,593	8,268	19.09	433
2013	5,239.33	2,211	2,784	2,455	19.80	124
2014	4,900.00	1,958	2,465	2,435	20.29	120
2015	553,624.92	208,993	263,120	290,505	20.61	14,095
2016	295,458.11	105,006	132,201	163,257	20.86	7,826
2017	631,609.62	209,568	263,844	367,766	21.15	17,388
2018	241,146.06	73,984	93,145	148,001	21.46	6,897
2019	4,636.30	1,308	1,647	2,989	21.66	138
2021	160,434.13	36,707	46,214	114,220	21.91	5,213
2023	30,785.92	5,264	6,627	24,159	21.82	1,107
	2,650,785.29	1,118,515	1,405,570	1,245,215		61,241

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.30 2.31

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1876	535.18	535	535			
1881	11.59	12	12			
1885	352.00	352	352			
1887	302.11	302	302			
1888	303.80	304	304			
1889	1,640.73	1,641	1,641			
1890	466.90	467	467			
1891	254.53	255	255			
1892	366.62	367	367			
1894	1,419.69	1,420	1,420			
1895	115.83	116	116			
1896	12.76	13	13			
1897	541.59	542	542			
1898	187.32	187	187			
1899	1,358.95	1,359	1,359			
1900	1,487.01	1,487	1,487			
1901	57,750.82	57,751	57,751			
1902	20,985.66	20,986	20,986			
1903	55,757.91	55,758	55,758			
1904	6,974.52	6,975	6,975			
1905	20,820.07	20,820	20,820			
1906	12,696.56	12,697	12,697			
1907	3,991.47	3,991	3,991			
1908	3,682.91	3,683	3,683			
1909	2,061.23	2,061	2,061			
1910	3,165.76	3,166	3,166			
1911	6,116.69	6,117	6,117			
1912	12,423.56	12,424	12,424			
1913	7,267.85	7,256	7,268			
1914	8,650.32	8,617	8,650			
1915	16,578.55	16,468	16,579			
1916	3,836.99	3,806	3,837			
1917	3,163.19	3,129	3,163			
1918	1,448.90	1,429	1,449			
1919	1,808.38	1,779	1,808			
1920	5,435.30	5,332	5,435			
1921	3,077.86	3,010	3,078			
1922	6,721.09	6,555	6,721			
1923	7,711.85	7,499	7,712			
1924	3,514.28	3,406	3,514			
1925	4,311.45	4,166	4,311			
1926	2,267.36	2,184	2,267			
1927	3,524.17	3,382	3,517	7	3.50	2
1928	1,429.17	1,367	1,421	8	4.00	2
1929	3,436.00	3,275	3,405	31	3.44	9
1930	5,769.25	5,479	5,697	72	3.79	19
1931	4,799.02	4,542	4,723	76	4.00	19
1932	2,986.25	2,816	2,928	58	4.14	14
1933	884.91	831	864	21	4.20	5
1934	985.72	923	960	26	5.20	5
1935	975.62	910	946	30	5.00	6
1936	3,380.64	3,140	3,265	116	5.27	22
1937	4,752.29	4,397	4,572	180	5.63	32
1938	3,461.64	3,190	3,317	145	5.80	25

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1939	8,948.17	8,212	8,539	409	6.20	66
1940	12,537.47	11,458	11,914	623	6.49	96
1941	25,958.06	23,622	24,563	1,395	6.74	207
1942	6,103.48	5,530	5,750	353	7.06	50
1943	1,382.06	1,246	1,296	86	7.17	12
1944	3,132.18	2,811	2,923	209	7.74	27
1945	16,033.54	14,321	14,891	1,143	7.99	143
1946	8,719.44	7,749	8,058	661	8.37	79
1947	11,572.43	10,229	10,636	936	8.75	107
1948	11,368.64	9,992	10,390	979	9.06	108
1949	10,266.47	8,970	9,327	939	9.48	99
1950	29,719.87	25,805	26,833	2,887	9.89	292
1951	39,412.01	34,000	35,354	4,058	10.30	394
1952	23,927.58	20,498	21,314	2,614	10.76	243
1953	16,401.19	13,950	14,505	1,896	11.22	169
1954	22,305.55	18,826	19,576	2,730	11.72	233
1955	27,554.94	23,069	23,988	3,567	12.22	292
1956	27,566.98	22,884	23,795	3,772	12.74	296
1957	24,760.10	20,373	21,184	3,576	13.29	269
1958	95,103.66	77,529	80,616	14,488	13.86	1,045
1959	31,478.89	25,410	26,422	5,057	14.45	350
1960	27,074.73	21,635	22,497	4,578	15.06	304
1961	56,566.83	44,726	46,507	10,060	15.69	641
1962	22,814.68	17,844	18,555	4,260	16.32	261
1963	32,627.88	25,232	26,237	6,391	17.00	376
1964	37,595.96	28,738	29,882	7,714	17.65	437
1965	37,095.20	28,019	29,135	7,960	18.34	434
1966	32,185.46	24,019	24,975	7,210	19.02	379
1967	56,370.01	41,541	43,195	13,175	19.72	668
1968	51,176.17	37,229	38,711	12,465	20.43	610
1969	31,060.18	22,301	23,189	7,871	21.16	372
1970	37,964.75	26,889	27,960	10,005	21.89	457
1971	41,657.49	29,099	30,258	11,399	22.62	504
1972	26,813.77	18,462	19,197	7,617	23.37	326
1973	51,687.84	35,072	36,469	15,219	24.12	631
1974	43,648.85	29,169	30,331	13,318	24.89	535
1975	26,973.73	17,749	18,456	8,518	25.66	332
1976	23,771.53	15,391	16,004	7,768	26.42	294
1977	29,833.89	19,002	19,759	10,075	27.23	370
1978	40,220.45	25,183	26,186	14,034	28.07	500
1979	59,805.49	36,800	38,265	21,540	28.84	747
1980	61,795.41	37,341	38,828	22,967	29.67	774
1981	80,440.05	47,717	49,617	30,823	30.52	1,010
1982	66,323.68	38,600	40,137	26,187	31.36	835
1983	75,703.69	45,483	47,294	28,410	29.56	961
1984	49,386.28	29,000	30,155	19,231	30.57	629
1985	56,685.75	32,764	34,069	22,617	31.02	729
1986	60,050.04	33,892	35,242	24,808	32.01	775
1987	96,831.16	53,335	55,459	41,372	33.02	1,253
1988	101,680.52	55,029	57,220	44,461	33.48	1,328
1989	99,008.25	52,217	54,296	44,712	34.50	1,296
1990	116,992.90	60,111	62,505	54,488	35.50	1,535
1991	88,606.59	44,631	46,408	42,199	35.98	1,173
1992	159,574.41	78,176	81,289	78,285	36.96	2,118
1993	145,170.76	69,116	71,868	73,303	37.96	1,931

SURVIVOR CURVE: IOWA 75-R4
NET SALVAGE PERCENT: 0

1994	116,906.29	54,046	56,198	60,708	38.97	1,558
1995	95,713.43	43,243	44,965	50,748	39.43	1,287
1996	49,135.34	21,511	22,368	26,767	40.43	662
1997	160,911.05	68,226	70,943	89,968	41.44	2,171
1998	78,529.79	32,197	33,479	45,051	42.46	1,061
1999	136,298.12	54,001	56,151	80,147	43.44	1,845
2000	121,853.66	46,914	48,782	73,072	43.94	1,663
2001	389,701.31	144,579	150,336	239,365	44.93	5,328
2002	248,302.90	88,644	92,174	156,129	45.93	3,399
2003	535,657.43	183,730	191,046	344,611	46.93	7,343
2004	237,666.40	78,192	81,305	156,361	47.93	3,262
2005	320,451.32	100,942	104,961	215,490	48.93	4,404
2006	499,428.35	150,328	156,314	343,114	49.93	6,872
2007	209,830.34	60,641	63,056	146,774	50.44	2,910
2008	111,669.23	30,709	31,932	79,737	51.41	1,551
2009	48,393.49	12,621	13,124	35,269	52.41	673
2010	45,085.01	11,127	11,570	33,515	53.45	627
2011	249,454.99	58,023	60,333	189,122	54.42	3,475
2012	165,726.91	36,228	37,671	128,056	55.41	2,311
2013	30,336.74	6,201	6,448	23,889	56.48	423
2014	1,150.00	219	228	922	57.63	16
2015	12,300.58	2,167	2,253	10,048	58.42	172
2016	107,526.45	17,441	18,135	89,391	59.44	1,504
2017	203,905.99	30,178	31,380	172,526	60.43	2,855
2018	2,388.00	320	333	2,055	62.27	33
2020	12,955.85	1,380	1,435	11,521	62.96	183
2024	3,724,469.78	185,106	192,476	3,531,994	66.92	52,779
2025	1,038,567.42	36,869	38,337	1,000,230	67.92	14,727
2026	908,022.62	19,341	20,111	887,912	68.92	12,883
2027	1,180,429.41	8,381	8,715	1,171,714	69.92	16,758
	13,850,177.11	3,516,177	3,645,783	10,204,394		184,997

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 55.20 1.34

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1903	78.07	78	78
1908	18.22	18	18
1912	8.89	9	9
1913	1,265.54	1,234	1,266
1914	1,528.48	1,485	1,528
1915	1,875.59	1,814	1,876
1917	952.44	913	952
1918	2,401.48	2,293	2,401
1919	760.01	722	760
1920	329.80	312	330
1921	1,627.92	1,533	1,628
1922	1,269.88	1,190	1,270
1923	566.88	529	567
1924	590.36	548	590
1925	3,431.57	3,171	3,432
1926	1,223.80	1,125	1,224
1927	3,369.45	3,083	3,369
1928	4,685.15	4,266	4,685
1929	2,808.17	2,545	2,808
1930	3,752.18	3,383	3,752
1931	654.02	587	654
1932	1,790.23	1,598	1,790
1933	362.29	322	362
1934	292.64	259	293
1935	1,607.74	1,413	1,608
1936	3,430.94	3,000	3,431
1937	3,855.32	3,354	3,855
1938	2,086.75	1,806	2,087
1939	1,621.69	1,396	1,622
1940	1,630.75	1,396	1,631
1941	1,977.74	1,683	1,978
1942	10,081.21	8,530	10,081
1943	1,959.70	1,649	1,960
1944	6,099.32	5,101	6,099
1945	1,319.10	1,096	1,319
1946	9,946.45	8,216	9,946
1947	9,470.89	7,772	9,471
1948	23,917.55	19,498	23,918
1949	28,343.97	22,954	28,344
1950	31,444.61	25,286	31,445
1951	45,753.79	36,533	45,754
1952	75,668.46	59,976	75,668
1953	64,771.18	50,950	64,771
1954	20,566.35	16,055	20,566
1955	45,221.41	35,015	45,221
1956	34,096.11	26,186	34,096
1957	37,934.00	28,888	37,934
1958	70,961.76	53,570	70,962
1959	66,567.05	49,802	66,567
1960	18,051.23	13,380	18,051
1961	59,068.34	43,365	59,068
1962	8,822.50	6,415	8,822
1963	32,904.19	23,681	32,904
1964	32,727.90	23,307	32,728

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1965	33,835.68	23,841	33,836			
1966	32,379.29	22,566	32,379			
1967	19,353.88	13,336	19,354			
1968	17,618.15	11,997	17,618			
1969	15,923.55	10,713	15,924			
1970	20,087.45	13,347	20,087			
1971	22,762.64	14,936	22,763			
1972	31,249.58	20,235	31,250			
1973	39,471.22	25,213	39,471			
1974	48,655.16	30,653	48,655			
1975	65,988.99	40,974	65,989			
1976	22,805.22	13,953	22,805			
1977	9,372.82	5,648	9,373			
1978	12,476.56	7,401	12,477			
1979	57,087.53	33,321	57,088			
1980	43,782.48	25,131	43,782			
1981	100,766.98	56,864	100,767			
1982	22,837.93	12,663	22,838			
1983	162,484.40	102,674	162,484			
1984	46,912.07	29,179	46,912			
1985	40,818.36	24,981	40,818			
1986	28,785.80	17,323	28,786			
1987	25,169.20	14,883	25,169			
1988	34,653.25	20,120	34,653			
1989	57,416.92	32,716	57,417			
1990	30,601.21	17,100	30,601			
1991	28,895.25	15,820	28,895			
1992	11,688.96	6,265	11,689			
1993	36,859.51	19,329	36,860			
1994	31,498.30	16,146	31,498			
1995	60,512.25	30,286	60,512			
1996	10,483.22	5,118	10,483			
1997	20,116.68	9,572	20,117			
1998	37,506.45	17,373	37,506			
1999	31,682.36	14,267	31,682			
2000	40,140.48	17,549	40,140			
2002	2,191.91	905	2,192			
2003	1,914.44	765	1,914			
2004	41,795.17	16,108	41,795			
2005	58,874.84	21,854	58,875			
2006	157,493.42	56,209	157,493			
2007	5,151.26	1,774	5,151			
2008	251,799.72	82,993	251,800			
2009	1,879.45	591	1,879			
2010	42,486.98	12,789	41,565	922	40.09	23
2011	47,807.46	13,644	44,344	3,463	41.23	84
2012	50,398.33	13,668	44,422	5,976	41.79	143
2013	149,643.14	38,189	124,116	25,527	42.33	603
2014	20,046.68	4,817	15,656	4,391	42.63	103
2015	390,780.15	87,457	284,240	106,540	43.36	2,457
2017	5,784.56	1,112	3,614	2,171	44.31	49
2018	131,437.78	23,107	75,099	56,339	44.54	1,265
2019	12,119.78	1,927	6,263	5,857	45.05	130
2023	121,761.46	10,849	35,260	86,501	46.01	1,880
2024	24,022.53	1,698	5,519	18,504	46.03	402

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

2026	1,214,292.81	39,343	127,867	1,086,426	44.80	24,251
2027	2,458,446.03	29,010	94,284	2,364,162	42.05	56,223
	7,330,358.73	1,866,592	3,563,575	3,766,784		87,613

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.00 1.20

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1905	18.93	19	19			
1906	10.01	10	10			
1907	41.85	42	42			
1909	16.66	17	17			
1910	5.15	5	5			
1911	36.07	35	36			
1912	10.16	10	10			
1913	33.39	33	33			
1914	13.64	13	14			
1915	7.21	7	7			
1917	11.97	11	12			
1922	15.26	14	15			
1925	2.50	2	2			
1927	26.62	24	27			
1928	617.16	562	617			
1929	5.35	5	5			
1930	19.62	18	20			
1933	1.25	1	1			
1938	156.55	135	157			
1939	541.21	466	541			
1940	225.24	193	225			
1941	132.11	112	132			
1942	1,264.96	1,070	1,265			
1943	140.00	118	140			
1947	28.90	24	29			
1948	119.32	97	119			
1949	954.21	773	954			
1950	318.52	256	319			
1951	1,225.25	978	1,225			
1952	1,723.65	1,366	1,724			
1953	1,838.37	1,446	1,838			
1954	1,808.65	1,412	1,809			
1955	4,119.06	3,189	4,119			
1956	2,972.20	2,283	2,972			
1957	599.42	456	599			
1958	2,092.84	1,580	2,093			
1959	1,105.18	827	1,105			
1960	1,903.13	1,411	1,903			
1961	655.47	481	655			
1962	3,127.73	2,274	3,128			
1963	2,267.09	1,632	2,267			
1964	1,006.92	717	1,007			
1965	4,910.23	3,460	4,861	49	16.33	3
1966	1,977.05	1,378	1,936	41	20.50	2
1967	4,007.26	2,761	3,879	128	21.33	6
1968	2,402.78	1,636	2,298	105	21.00	5
1969	2,104.83	1,416	1,989	116	23.20	5
1970	7,723.63	5,132	7,209	515	21.46	24
1971	3,384.07	2,220	3,119	265	22.08	12
1972	5,978.05	3,871	5,438	540	22.50	24
1973	4,798.08	3,065	4,306	492	23.43	21
1974	1,207.86	761	1,069	139	23.17	6
1976	8,495.73	5,198	7,302	1,194	25.40	47
1977	2,075.92	1,251	1,757	319	26.58	12

SURVIVOR CURVE: IOWA 65-R2
NET SALVAGE PERCENT: 0

1978	1,584.85	940	1,320	265	26.50	10
1979	3,055.69	1,784	2,506	550	27.50	20
1980	15,755.65	9,044	12,705	3,051	27.74	110
1981	1,735.37	979	1,375	360	27.69	13
1982	7,477.67	4,146	5,824	1,654	29.02	57
1983	9,556.02	6,038	8,482	1,074	26.20	41
1984	10,545.06	6,559	9,214	1,331	26.62	50
1985	7,845.56	4,801	6,744	1,102	26.88	41
1986	13,834.09	8,325	11,695	2,139	27.42	78
1987	16,371.96	9,681	13,600	2,772	28.00	99
1988	24,793.91	14,395	20,222	4,572	28.58	160
1989	20,057.78	11,429	16,055	4,003	29.01	138
1990	10,248.72	5,727	8,045	2,204	29.78	74
1991	24,384.92	13,351	18,755	5,630	30.11	187
1992	32,716.16	17,536	24,634	8,082	30.73	263
1993	43,540.71	22,833	32,075	11,466	31.33	366
1994	13,356.35	6,846	9,617	3,739	31.96	117
1995	25,503.16	12,764	17,930	7,573	32.50	233
1996	17,361.84	8,476	11,907	5,455	33.06	165
1997	12,560.71	5,976	8,395	4,166	33.60	124
1998	19,747.96	9,147	12,849	6,899	34.15	202
1999	38,323.29	17,257	24,242	14,081	34.77	405
2000	17,222.31	7,530	10,578	6,644	35.34	188
2001	25,491.47	10,875	15,277	10,214	35.59	287
2002	30,061.47	12,418	17,444	12,617	36.26	348
2003	43,162.95	17,239	24,217	18,946	36.86	514
2004	46,337.65	17,859	25,088	21,250	37.48	567
2005	49,805.93	18,488	25,971	23,835	38.14	625
2006	39,229.62	14,001	19,668	19,562	38.74	505
2007	26,168.97	9,013	12,661	13,508	39.04	346
2008	38,476.67	12,682	17,815	20,662	39.66	521
2009	31,291.92	9,841	13,824	17,468	40.34	433
2010	56,436.18	16,987	23,863	32,573	40.61	802
2011	49,784.92	14,209	19,961	29,824	41.31	722
2012	115,135.23	31,225	43,864	71,271	41.65	1,711
2013	67,646.44	17,263	24,251	43,395	42.34	1,025
2014	7,717.64	1,855	2,606	5,112	42.60	120
2015	2,009.53	450	632	1,378	43.06	32
2016	4,884.04	1,017	1,429	3,455	43.73	79
2021	3,388.02	423	594	2,794	45.80	61
	1,104,892.66	467,682	654,314	450,579		12,006

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.50 1.09

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

1905	13,481.44	12,882	12,192	1,290	5.71	226
1919	1,926.91	1,819	1,722	205	6.41	32
1922	400.82	376	356	45	6.43	7
1927	750.59	709	671	80	5.71	14
1936	1,676.98	1,565	1,481	196	6.53	30
1943	872.73	811	768	105	6.56	16
1945	569.96	527	499	71	7.10	10
1948	237.87	219	207	31	6.20	5
1949	692.13	636	602	90	6.92	13
1950	1,244,916.21	1,138,476	1,077,472	167,444	7.25	23,096
1951	1,203.94	1,105	1,046	158	6.87	23
1952	3,847.45	3,515	3,327	521	7.14	73
1953	898.12	823	779	119	6.61	18
1958	891.52	812	768	123	6.83	18
1960	1,158.63	1,048	992	167	7.26	23
1961	1,045.63	946	895	150	7.14	21
1962	1,085.17	981	928	157	6.83	23
1963	660.66	597	565	96	6.86	14
1964	174,029.67	156,923	148,514	25,515	6.92	3,687
1965	19,001.79	17,102	16,186	2,816	6.94	406
1966	4,722.91	4,241	4,014	709	7.02	101
1967	3,887.28	3,481	3,294	593	7.06	84
1968	11,176.28	9,975	9,441	1,736	7.17	242
1969	31.95	28	27	5	5.00	1
1970	2,279.85	2,032	1,923	357	7.00	51
1971	21,739.76	19,283	18,250	3,490	7.20	485
1972	12,280.95	10,905	10,321	1,960	7.00	280
1973	11,646.34	10,283	9,732	1,914	7.22	265
1974	1,371.05	1,210	1,145	226	7.06	32
1975	6,993.01	6,131	5,802	1,191	7.40	161
1976	2,273.20	1,990	1,883	390	7.36	53
1977	5,746.85	5,020	4,751	996	7.32	136
1979	12,619.29	10,956	10,369	2,250	7.35	306
1981	3,057.38	2,644	2,502	555	7.30	76
1982	71,564.28	61,867	58,552	13,012	7.13	1,825
1983	35,103.99	30,147	28,532	6,572	7.32	898
1984	13,103.50	11,230	10,628	2,475	7.26	341
1985	60,178.50	51,404	48,650	11,529	7.25	1,590
1986	231,569.14	197,019	186,462	45,107	7.28	6,196
1987	43,822.14	37,091	35,104	8,719	7.35	1,186
1988	247,922.43	209,569	198,340	49,583	7.23	6,858
1989	21,016.17	17,639	16,694	4,322	7.38	586
1990	901,807.59	754,092	713,685	188,123	7.35	25,595
1991	7,921.08	6,592	6,239	1,682	7.34	229
1992	10,029.97	8,332	7,886	2,144	7.24	296
1993	27,940.33	23,040	21,805	6,135	7.34	836
1994	48,213.43	39,574	37,453	10,760	7.31	1,472
1995	24,537.74	20,018	18,945	5,592	7.34	762
1996	20,252.76	16,459	15,577	4,676	7.26	644
1997	48,138.54	38,761	36,684	11,454	7.38	1,552
1998	372.78	298	282	91	7.58	12
1999	142.95	114	108	35	7.00	5

PITTSBURGH DIV AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2035
NET SALVAGE PERCENT: 0

2000	169,420.27	133,706	126,542	42,879	7.34	5,842
2001	1,320,721.95	1,032,540	977,213	343,509	7.40	46,420
2002	185,810.88	144,041	136,323	49,488	7.39	6,697
2003	865,421.13	665,768	630,094	235,327	7.35	32,017
2004	699,652.93	532,716	504,171	195,482	7.36	26,560
2005	85,481.43	64,436	60,983	24,498	7.35	3,333
2006	650,399.85	483,832	457,907	192,493	7.40	26,013
2007	24,300.00	17,885	16,927	7,373	7.35	1,003
2008	162,468.30	117,855	111,540	50,928	7.38	6,901
2009	166,927.04	119,520	113,116	53,811	7.34	7,331
2011	593,421.97	410,292	388,307	205,115	7.37	27,831
2012	270,229.11	183,053	173,244	96,985	7.38	13,142
2013	3,452.91	2,288	2,165	1,288	7.36	175
2014	63,070.43	40,781	38,596	24,475	7.38	3,316
2016	253,903.20	154,754	146,462	107,441	7.37	14,578
2017	192,263.18	112,858	106,811	85,453	7.39	11,563
2018	1,706,003.98	959,457	908,046	797,958	7.39	107,978
2019	783,485.14	419,556	397,075	386,410	7.37	52,430
2020	30,335.80	15,289	14,470	15,866	7.38	2,150
2021	410,715.23	192,461	182,148	228,567	7.37	31,013
	12,020,296.37	8,756,385	8,287,186	3,733,110		507,204

GROVE CITY - LEASED
FULLY ACCRUED
NET SALVAGE PERCENT: 0

1982	20,774.82	20,775	20,775
1985	335.13	335	335
1987	6,381.82	6,382	6,382
1989	1,068.50	1,068	1,069
1997	8,903.57	8,904	8,904
	37,463.84	37,464	37,464

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1977	574,656.36	487,538	460,963	113,693	9.02	12,605
1978	6,521.93	5,520	5,219	1,303	8.99	145
1979	9,349.20	7,890	7,460	1,889	8.95	211
1981	16,129.01	13,500	12,764	3,365	9.07	371
1983	3,996.10	3,308	3,128	868	9.23	94
1984	8,494.75	7,021	6,638	1,856	9.14	203
1985	30,698.24	25,311	23,931	6,767	9.05	748
1986	11,922.75	9,748	9,217	2,706	9.27	292
1987	23,108.71	18,810	17,785	5,324	9.24	576
1988	6,440.97	5,216	4,932	1,509	9.26	163
1990	1,876.08	1,506	1,424	452	9.22	49

NORTHERN DIVISION H.Q. - KISKI
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2037
NET SALVAGE PERCENT: 0

1991	72.90	58	55	18	9.00	2
1994	22,760.50	17,842	16,869	5,891	9.23	638
1997	156,811.27	120,525	113,955	42,856	9.18	4,668
1998	10,184.58	7,751	7,329	2,856	9.27	308
1999	2,719.86	2,054	1,942	778	9.26	84
2002	37,658.07	27,656	26,149	11,510	9.22	1,248
2008	376,870.14	254,990	241,091	135,779	9.32	14,569
2012	5,896.34	3,683	3,482	2,414	9.32	259
2013	470.34	286	270	200	9.52	21
2017	9,500.00	5,037	4,762	4,738	9.31	509
2019	51,848.55	24,768	23,418	28,431	9.29	3,060
2020	35,849.00	16,025	15,152	20,697	9.28	2,230
2021	911,733.42	375,725	355,245	556,488	9.27	60,031
2022	1,825.65	680	643	1,183	9.24	128
	2,317,394.72	1,442,448	1,363,823	953,572		103,212

BUTLER METER SHOP
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2021
NET SALVAGE PERCENT: 0

1966	62,627.19	62,627	62,627			
1969	216.05	216	216			
1972	1,191.68	1,192	1,192			
	64,034.92	64,035	64,035			

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1949	2,371.56	2,364	2,238	133	1.00	133
1959	2,096.59	2,082	1,971	125	1.00	125
1963	430,677.99	427,792	405,040	25,638	1.00	25,638
1964	1,539.18	1,525	1,444	95	1.00	95
1965	654.36	650	615	39	1.00	39
1966	976.50	967	916	61	1.00	61
1967	4,121.30	4,089	3,872	250	1.00	250
1968	646.90	643	609	38	1.00	38
1969	6,657.08	6,581	6,231	426	1.00	426
1971	10,820.37	10,699	10,130	690	1.00	690
1972	22,566.15	22,417	21,225	1,341	1.00	1,341
1973	3,706.54	3,677	3,481	225	1.00	225
1974	3,438.45	3,403	3,222	216	1.00	216
1976	919.57	909	861	59	1.00	59
1977	1,221.18	1,209	1,145	76	1.00	76
1978	1,597.60	1,582	1,498	100	1.00	100
1979	4,791.81	4,741	4,489	303	1.00	303
1980	718.19	710	672	46	1.00	46

CENT DIV AND GREENSBURG CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2028
NET SALVAGE PERCENT: 0

1981	1,879.91	1,862	1,763	117	1.00	117
1982	8,262.92	8,159	7,725	538	1.00	538
1983	60,171.49	59,443	56,282	3,890	1.00	3,890
1984	17,367.27	17,148	16,236	1,131	1.00	1,131
1985	90,145.44	89,262	84,515	5,631	1.00	5,631
1986	12,562.64	12,408	11,748	815	1.00	815
1987	8,936.72	8,831	8,361	575	1.00	575
1988	55,686.25	54,990	52,065	3,621	1.00	3,621
1989	29,469.36	29,045	27,500	1,969	1.00	1,969
1990	18,494.98	18,240	17,270	1,225	1.00	1,225
1991	119,393.26	117,662	111,404	7,989	1.00	7,989
1992	14,894.58	14,699	13,917	977	1.00	977
1993	21,385.70	21,101	19,979	1,407	1.00	1,407
1994	187,968.34	185,130	175,284	12,685	1.00	12,685
1995	33,563.46	33,053	31,295	2,268	1.00	2,268
1996	54,289.39	53,529	50,682	3,607	1.00	3,607
1997	39,321.00	38,739	36,679	2,642	1.00	2,642
1998	67,068.81	65,888	62,384	4,685	1.00	4,685
2002	8,304.30	8,153	7,719	585	1.00	585
2003	306,305.28	300,179	284,214	22,091	1.00	22,091
2005	144,369.95	141,309	133,793	10,576	1.00	10,576
2007	40,891.92	39,902	37,780	3,112	1.00	3,112
2014	37,660.00	36,300	34,369	3,291	1.00	3,291
2017	6,775.00	6,466	6,122	653	1.00	653
2018	195,632.54	185,851	175,966	19,666	1.00	19,666
2019	103,134.21	97,400	92,220	10,914	1.00	10,914
2020	275,385.01	258,173	244,442	30,943	1.00	30,943
2021	13,538.27	12,574	11,905	1,633	1.00	1,633
	2,472,379.32	2,411,536	2,283,278	189,101		189,097

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1943	90,391.82	87,074	82,443	7,949	3.22	2,469
1966	318,929.94	302,059	285,994	32,936	3.44	9,574
1967	4,073.03	3,844	3,640	433	3.61	120
1971	2,535.26	2,392	2,265	270	3.38	80
1972	1,702.65	1,606	1,521	182	3.31	55
1975	1,036.16	974	922	114	3.35	34
1976	3,832.16	3,592	3,401	431	3.45	125
1978	1,858.53	1,739	1,647	212	3.42	62
1979	1,896.31	1,775	1,681	216	3.32	65
1980	2,746.10	2,557	2,421	325	3.53	92
1981	3,468.71	3,226	3,054	414	3.51	118
1984	3,697.28	3,426	3,244	453	3.46	131
1985	10,295.41	9,539	9,032	1,264	3.37	375
1986	8,387.42	7,727	7,316	1,071	3.55	302
1987	57,873.01	53,208	50,378	7,495	3.55	2,111
1988	102,396.21	94,245	89,233	13,164	3.42	3,849

JOHNSTOWN DIVISION AND CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1989	36,434.20	33,385	31,609	4,825	3.52	1,371
1991	55,157.82	50,332	47,655	7,503	3.50	2,144
1993	25,660.31	23,284	22,046	3,615	3.52	1,027
1994	27,238.69	24,727	23,412	3,827	3.40	1,126
1995	17,435.00	15,753	14,915	2,520	3.47	726
1996	28,120.70	25,334	23,987	4,134	3.47	1,191
1998	46,811.17	41,840	39,615	7,196	3.50	2,056
1999	7,653.98	6,827	6,464	1,190	3.45	345
2000	21,489.18	19,087	18,072	3,417	3.46	988
2002	47,688.32	41,956	39,725	7,964	3.48	2,289
2005	6,950.00	6,020	5,700	1,250	3.48	359
2006	2,379.47	2,046	1,937	442	3.51	126
2007	26,430.44	22,593	21,391	5,039	3.48	1,448
2009	71,375.94	60,084	56,888	14,487	3.48	4,163
2012	5,250.00	4,288	4,060	1,190	3.48	342
2016	15,748.38	12,098	11,455	4,294	3.47	1,237
2018	93,180.06	68,245	64,615	28,565	3.47	8,232
2019	248,846.45	176,631	167,237	81,610	3.48	23,451
2020	9,604.01	6,561	6,212	3,392	3.48	975
2021	74,483.58	48,511	45,931	28,553	3.48	8,205
2022	1,740.67	1,067	1,010	730	3.48	210
	1,484,798.37	1,269,652	1,202,126	282,672		81,573

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1924	435.52	419	397	39	3.90	10
1945	492.69	467	442	51	4.64	11
1948	2,888.20	2,732	2,587	302	4.51	67
1950	23,605.50	22,319	21,132	2,474	4.47	553
1951	6,091.93	5,779	5,472	620	4.16	149
1952	142,376.31	134,375	127,228	15,148	4.50	3,366
1953	23,136.05	21,891	20,727	2,409	4.24	568
1958	813.70	763	722	91	4.55	20
1961	2,324.78	2,180	2,064	261	4.42	59
1963	2,863.86	2,678	2,536	328	4.49	73
1966	8,158.89	7,627	7,221	938	4.28	219
1968	993.92	929	880	114	4.22	27
1969	523.45	487	461	62	4.43	14
1970	0.70	1	1			
1971	3,328.14	3,084	2,920	408	4.48	91
1972	2,445.48	2,266	2,145	300	4.41	68
1973	6,456.26	5,982	5,664	792	4.33	183
1976	2,945.98	2,716	2,572	374	4.35	86
1977	1,500.00	1,379	1,306	194	4.41	44
1978	12,059.78	11,044	10,457	1,603	4.55	352
1979	8,643.52	7,923	7,502	1,142	4.41	259
1981	14,781.49	13,472	12,755	2,026	4.52	448
1982	9,671.00	8,801	8,333	1,338	4.51	297

ALTOONA DIVISION, CITY PLANT H.Q. AND WAREHOUSE
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2032
NET SALVAGE PERCENT: 0

1983	4,480.47	4,067	3,851	630	4.53	139
1984	27,253.46	24,779	23,461	3,792	4.34	874
1985	1,263.73	1,144	1,083	181	4.41	41
1986	3,203.40	2,898	2,744	460	4.38	105
1989	782,976.60	702,330	664,977	118,000	4.42	26,697
1990	32,673.28	29,161	27,610	5,063	4.52	1,120
1994	11,371.45	10,057	9,522	1,849	4.38	422
1995	368,068.25	324,195	306,953	61,116	4.40	13,890
1997	13,247.67	11,556	10,941	2,306	4.47	516
1998	44,954.56	39,119	37,038	7,916	4.40	1,799
2000	1,442.94	1,242	1,176	267	4.45	60
2002	15,461.18	13,168	12,468	2,994	4.44	674
2003	12,062.57	10,195	9,653	2,410	4.49	537
2004	3,675.14	3,092	2,928	748	4.43	169
2005	6,950.00	5,802	5,493	1,457	4.46	327
2008	147,095.70	119,618	113,256	33,840	4.48	7,554
2009	116,934.87	94,320	89,304	27,631	4.44	6,223
2012	39,427.15	30,619	28,991	10,437	4.46	2,340
2017	124,830.59	87,556	82,899	41,931	4.47	9,381
2019	116,711.39	76,493	72,425	44,287	4.47	9,908
	2,150,621.55	1,850,725	1,752,294	398,328		89,740

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1960	77,127.48	74,443	70,484	6,644	2.43	2,734
1961	20,070.74	19,352	18,323	1,748	2.47	708
1962	2,612.56	2,515	2,381	231	2.54	91
1970	896.38	861	815	81	2.38	34
1972	1,732.37	1,663	1,575	158	2.29	69
1973	769.29	738	699	71	2.29	31
1974	8,759.09	8,388	7,942	817	2.37	345
1975	1,619.95	1,548	1,466	154	2.44	63
1976	928.15	884	837	91	2.53	36
1977	427.04	408	386	41	2.41	17
1978	2,152.16	2,045	1,936	216	2.57	84
1981	7,269.82	6,896	6,529	741	2.52	294
1982	7,096.99	6,717	6,360	737	2.58	286
1983	8,103.36	7,680	7,272	832	2.45	340
1984	8,548.32	8,106	7,675	873	2.37	368
1985	179.77	170	161	19	2.71	7
1986	4,626.77	4,358	4,126	501	2.56	196
1987	16,040.66	15,136	14,331	1,710	2.42	707
1988	17,114.06	16,089	15,233	1,881	2.52	746
1989	148,533.19	139,532	132,111	16,422	2.48	6,622
1993	6,393.47	5,956	5,639	754	2.54	297
1994	8,076.67	7,522	7,122	955	2.47	387
1995	8,892.56	8,266	7,826	1,066	2.47	432
1997	882.03	815	772	110	2.50	44

WEST DIV OFFICE & GIB CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2030
NET SALVAGE PERCENT: 0

1998	552,360.93	510,050	482,923	69,438	2.45	28,342
1999	48,150.89	44,328	41,970	6,180	2.46	2,512
2000	12,873.57	11,824	11,195	1,678	2.44	688
2002	35,288.07	32,126	30,417	4,871	2.51	1,941
2003	39,898.68	36,268	34,339	5,560	2.45	2,269
2004	26,632.62	24,097	22,815	3,817	2.47	1,545
2007	9,939.28	8,864	8,393	1,547	2.49	621
2008	92,178.51	81,781	77,432	14,747	2.48	5,946
2009	66,266.41	58,354	55,250	11,016	2.51	4,389
2013	88,745.83	75,789	71,758	16,988	2.48	6,850
2014	46,877.95	39,556	37,452	9,426	2.50	3,770
2017	32,750.00	26,478	25,070	7,680	2.49	3,084
2018	88,282.65	69,946	66,226	22,057	2.49	8,858
2019	103,148.79	79,786	75,543	27,606	2.49	11,087
2020	17,716.37	13,301	12,594	5,123	2.49	2,057
	1,619,963.43	1,452,636	1,375,378	244,585		98,897

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

1961	239,859.67	228,107	215,975	23,884	3.43	6,963
1962	7,213.52	6,851	6,487	727	3.46	210
1963	1,692.49	1,605	1,520	173	3.53	49
1965	1,097.03	1,042	987	110	3.33	33
1968	723.51	684	648	76	3.45	22
1969	984.98	928	879	106	3.66	29
1971	581.69	549	520	62	3.44	18
1974	9,535.06	8,978	8,501	1,035	3.32	312
1975	9,920.85	9,324	8,828	1,093	3.36	325
1976	1,063.87	997	944	120	3.43	35
1978	939.29	879	832	107	3.45	31
1979	10,738.67	10,051	9,516	1,222	3.32	368
1980	13,487.17	12,557	11,889	1,598	3.52	454
1981	1,293.50	1,203	1,139	154	3.50	44
1982	1,138.72	1,057	1,001	138	3.54	39
1984	12,521.03	11,602	10,985	1,536	3.45	445
1985	21,310.45	19,744	18,694	2,617	3.37	777
1986	11,112.74	10,238	9,693	1,419	3.55	400
1987	8,570.94	7,880	7,461	1,110	3.55	313
1988	74,173.84	68,270	64,639	9,535	3.42	2,788
1989	378.88	347	329	50	3.57	14
1990	39,513.21	36,155	34,232	5,281	3.48	1,518
1991	17,717.03	16,167	15,307	2,410	3.50	689
1992	13,808.43	12,599	11,929	1,880	3.41	551
1993	10,248.35	9,299	8,804	1,444	3.52	410
1994	10,675.48	9,691	9,176	1,500	3.40	441
1995	11,376.20	10,278	9,731	1,645	3.47	474
1998	70,618.91	63,119	59,762	10,857	3.50	3,102
2000	46,479.64	41,283	39,087	7,392	3.46	2,136

HOPEWELL CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2031
NET SALVAGE PERCENT: 0

2001	36,503.82	32,310	30,592	5,912	3.44	1,719
2002	13,837.16	12,174	11,527	2,311	3.48	664
2003	34,041.04	29,857	28,269	5,772	3.43	1,683
2005	54,154.92	46,909	44,414	9,741	3.48	2,799
2006	190,619.30	163,933	155,214	35,405	3.50	10,116
2007	24,500.00	20,943	19,829	4,671	3.48	1,342
2008	11,530.52	9,780	9,260	2,271	3.49	651
2009	14,840.00	12,492	11,828	3,012	3.48	866
2014	12,466.11	9,913	9,386	3,080	3.48	885
2018	219,474.84	160,743	152,194	67,281	3.47	19,389
2019	15,269.00	10,838	10,262	5,007	3.48	1,439
2020	98,227.80	67,109	63,540	34,688	3.48	9,968
2021	68,867.56	44,853	42,468	26,400	3.48	7,586
	1,443,107.22	1,223,338	1,158,275	284,832		82,097

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1947	57,166.96	57,167	57,167
1948	27,660.35	27,660	27,660
1949	1,266.73	1,267	1,267
1953	1,917.47	1,917	1,917
1954	2,355.29	2,355	2,355
1959	65,507.73	65,508	65,508
1960	1,184.13	1,184	1,184
1961	5,571.32	5,571	5,571
1962	3,383.71	3,384	3,384
1964	476.07	476	476
1966	1,683.43	1,683	1,683
1969	1,559.80	1,560	1,560
1971	11,780.11	11,780	11,780
1972	6,154.32	6,154	6,154
1973	2,390.11	2,390	2,390
1975	1,247.81	1,248	1,248
1978	2,389.28	2,389	2,389
1979	8,709.67	8,710	8,710
1981	1,869.15	1,869	1,869
1982	11,780.12	11,780	11,780
1983	19,931.83	19,932	19,932
1984	15,807.70	15,808	15,808
1985	109,553.81	109,554	109,554
1986	56,131.64	56,132	56,132
1987	82,066.79	82,067	82,067
1988	21,602.55	21,603	21,603
1989	14,727.43	14,727	14,727
1990	3,194.14	3,194	3,194
1992	43,057.95	43,058	43,058
1993	3,763.95	3,764	3,764
1994	5,127.23	5,127	5,127

SOUTHERN DIV AND MON CITY PLANT H.Q.
INTERIM SURVIVOR CURVE: IOWA 80-R1.5
PROBABLE RETIREMENT DATE: 6-2027
NET SALVAGE PERCENT: 0

1996	9,452.47	9,452	9,452			
1997	1,576.21	1,576	1,576			
1998	64,019.11	64,019	64,019			
2000	13,091.82	13,092	13,092			
2001	7,576.38	7,576	7,576			
2002	357,642.37	357,642	357,642			
2008	19,439.50	19,440	19,440			
2009	28,742.44	28,742	28,742			
2019	50,213.87	50,214	50,214			
2020	1.00	1	1			
2021	61,020.93	61,021	(3,005)	64,026		
	1,203,794.68	1,203,793	1,139,769	64,026		
	24,813,854.42	19,712,012	18,663,628	6,150,226		1,151,820

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.30 4.64

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1886	287.18	283	287			
1889	26.21	25	26			
1890	7.21	7	7			
1892	5.12	5	5			
1894	298.27	283	298			
1895	6.34	6	6			
1896	5,812.62	5,461	5,813			
1897	94.37	88	94			
1898	169.15	158	169			
1899	1,485.83	1,380	1,486			
1900	417,366.96	386,123	417,367			
1901	23,490.79	21,657	23,491			
1902	47,493.63	43,641	47,494			
1903	44,964.00	41,173	44,964			
1904	43,647.88	39,835	43,648			
1905	48,249.28	43,880	48,249			
1906	33,881.96	30,706	33,882			
1907	41,579.30	37,549	41,579			
1908	33,401.16	30,052	33,401			
1909	20,940.97	18,774	20,941			
1910	10,102.07	9,022	10,102			
1911	30,614.58	27,234	30,615			
1912	23,686.15	20,989	23,686			
1913	124,268.81	109,667	124,269			
1914	125,743.12	110,514	125,743			
1915	29,057.61	25,434	29,058			
1916	48,910.39	42,627	48,795	115	9.58	12
1917	34,062.40	29,559	33,836	226	9.42	24
1918	41,907.74	36,204	41,442	466	9.71	48
1919	30,837.72	26,520	30,357	481	10.02	48
1920	905.12	775	887	18	9.00	2
1921	36,719.51	31,293	35,821	899	10.70	84
1922	39,738.45	33,706	38,583	1,155	10.90	106
1923	58,681.24	49,537	56,704	1,977	11.23	176
1924	98,587.74	82,828	94,812	3,776	11.51	328
1925	187,256.96	156,541	179,191	8,066	11.81	683
1926	138,748.15	115,412	132,111	6,637	12.11	548
1927	128,071.69	105,997	121,333	6,739	12.41	543
1928	151,827.05	125,004	143,091	8,736	12.72	687
1929	122,451.02	100,291	114,802	7,649	13.03	587
1930	108,713.40	88,571	101,386	7,327	13.35	549
1931	115,821.09	93,848	107,427	8,394	13.67	614
1932	92,703.58	74,703	85,512	7,192	13.99	514
1933	34,721.26	27,825	31,851	2,870	14.28	201
1934	23,534.20	18,752	21,465	2,069	14.67	141
1935	42,523.53	33,682	38,555	3,969	14.98	265
1936	53,301.90	41,968	48,040	5,262	15.30	344
1937	179,602.28	140,564	160,902	18,700	15.65	1,195
1938	117,910.83	91,709	104,978	12,933	16.01	808
1939	196,087.55	151,560	173,489	22,599	16.35	1,382
1940	274,916.85	211,114	241,660	33,257	16.71	1,990
1941	208,630.00	159,139	182,164	26,466	17.07	1,550
1942	120,296.44	91,141	104,328	15,968	17.45	915
1943	38,768.44	29,168	33,388	5,380	17.81	302

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1944	72,992.85	54,521	62,410	10,583	18.22	581
1945	52,435.85	38,883	44,509	7,927	18.61	426
1946	207,616.54	152,800	174,908	32,709	19.01	1,721
1947	186,761.68	136,414	156,151	30,611	19.41	1,577
1948	99,498.47	72,095	82,526	16,972	19.83	856
1949	510,769.24	367,115	420,232	90,537	20.25	4,471
1950	703,142.12	501,284	573,814	129,328	20.67	6,257
1951	780,128.90	551,403	631,184	148,945	21.11	7,056
1952	1,234,735.74	865,167	990,346	244,390	21.55	11,341
1953	1,307,766.25	908,348	1,039,775	267,991	21.99	12,187
1954	756,987.78	520,951	596,326	160,662	22.45	7,156
1955	1,046,628.06	713,601	816,850	229,778	22.91	10,030
1956	1,458,923.48	985,182	1,127,726	331,197	23.38	14,166
1957	1,097,683.63	733,922	840,112	257,572	23.86	10,795
1958	1,380,665.20	913,918	1,046,151	334,514	24.34	13,743
1959	1,156,571.52	757,716	867,348	289,224	24.83	11,648
1960	1,108,115.64	718,269	822,194	285,922	25.33	11,288
1961	1,379,859.66	884,642	1,012,639	367,221	25.84	14,211
1962	1,376,222.05	872,566	998,816	377,406	26.35	14,323
1963	1,616,126.15	1,013,004	1,159,573	456,553	26.87	16,991
1964	1,686,561.90	1,044,724	1,195,883	490,679	27.40	17,908
1965	1,898,192.88	1,161,846	1,329,951	568,242	27.93	20,345
1966	2,199,020.64	1,329,176	1,521,492	677,529	28.48	23,790
1967	2,275,260.55	1,358,194	1,554,708	720,553	29.02	24,830
1968	2,651,785.09	1,562,352	1,788,406	863,379	29.58	29,188
1969	2,348,374.60	1,365,322	1,562,868	785,507	30.14	26,062
1970	2,341,552.01	1,342,810	1,537,098	804,454	30.71	26,195
1971	3,154,963.28	1,783,879	2,041,985	1,112,978	31.29	35,570
1972	3,539,531.14	1,972,793	2,258,232	1,281,299	31.87	40,204
1973	4,199,237.87	2,306,095	2,639,759	1,559,479	32.46	48,043
1974	4,175,684.43	2,258,335	2,585,089	1,590,595	33.06	48,112
1975	2,350,099.70	1,251,428	1,432,495	917,605	33.66	27,261
1976	2,166,434.26	1,135,277	1,299,538	866,896	34.27	25,296
1977	4,411,166.72	2,274,221	2,603,273	1,807,894	34.88	51,832
1978	3,764,789.20	1,908,522	2,184,662	1,580,127	35.50	44,511
1979	4,487,165.07	2,235,461	2,558,905	1,928,260	36.13	53,370
1980	5,357,857.71	2,622,350	3,001,772	2,356,086	36.76	64,094
1981	6,371,965.85	3,062,112	3,505,163	2,866,803	37.40	76,652
1982	5,594,846.09	2,638,138	3,019,845	2,575,001	38.05	67,674
1983	4,352,083.14	2,498,096	2,859,540	1,492,543	33.02	45,201
1984	6,191,112.32	3,501,074	4,007,637	2,183,475	33.42	65,334
1985	6,684,886.29	3,722,145	4,260,695	2,424,191	33.83	71,658
1986	6,257,636.01	3,427,933	3,923,914	2,333,722	34.26	68,118
1987	8,743,460.26	4,709,228	5,390,597	3,352,863	34.69	96,652
1988	5,689,407.80	2,989,215	3,421,718	2,267,690	35.68	63,556
1989	7,299,069.08	3,765,590	4,310,426	2,988,643	36.13	82,719
1990	7,934,139.44	4,016,261	4,597,366	3,336,773	36.58	91,219
1991	7,592,613.41	3,768,973	4,314,298	3,278,315	37.03	88,531
1992	10,825,890.03	5,265,713	6,027,598	4,798,292	37.49	127,989
1993	9,571,081.64	4,556,792	5,216,105	4,354,977	37.96	114,725
1994	10,401,442.13	4,842,911	5,543,622	4,857,820	38.45	126,341
1995	9,204,133.23	4,187,881	4,793,817	4,410,316	38.93	113,288
1996	7,436,132.70	3,303,130	3,781,053	3,655,080	39.42	92,721
1997	7,739,359.98	3,351,917	3,836,899	3,902,461	39.92	97,757
1998	5,549,658.30	2,340,846	2,679,538	2,870,120	40.43	70,990

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1999	7,721,338.24	3,168,837	3,627,330	4,094,008	40.94	100,000
2000	7,345,004.29	2,949,019	3,375,707	3,969,297	40.99	96,836
2001	7,727,150.23	3,010,498	3,446,081	4,281,069	41.52	103,109
2002	10,952,562.83	4,133,497	4,731,564	6,220,999	42.07	147,873
2003	12,826,055.04	4,681,510	5,358,868	7,467,187	42.62	175,204
2004	14,982,150.20	5,281,208	6,045,335	8,936,815	43.17	207,014
2005	18,729,572.53	6,405,514	7,332,315	11,397,258	43.29	263,277
2006	15,308,933.45	5,036,639	5,765,380	9,543,553	43.86	217,591
2007	11,753,690.82	3,735,323	4,275,779	7,477,912	44.01	169,914
2008	11,782,677.98	3,584,291	4,102,895	7,679,783	44.60	172,192
2009	13,323,090.85	3,894,339	4,457,803	8,865,288	44.79	197,930
2010	12,681,840.75	3,528,088	4,038,560	8,643,281	45.40	190,381
2011	18,635,883.54	4,949,691	5,665,852	12,970,032	45.61	284,368
2012	47,707,782.40	12,050,986	13,794,619	33,913,163	45.85	739,655
2013	26,002,231.35	6,219,734	7,119,655	18,882,576	46.11	409,512
2014	30,236,769.01	6,776,060	7,756,474	22,480,295	46.74	480,965
2015	35,411,177.23	7,478,841	8,560,939	26,850,238	46.67	575,321
2016	34,120,323.23	6,708,056	7,678,631	26,441,692	46.98	562,829
2017	55,312,176.58	10,044,691	11,498,037	43,814,140	47.31	926,107
2018	79,270,762.36	13,254,071	15,171,775	64,098,987	47.32	1,354,586
2019	65,854,083.00	10,022,991	11,473,197	54,380,886	47.36	1,148,245
2020	72,917,444.73	9,953,231	11,393,344	61,524,101	47.45	1,296,609
2021	136,589,399.47	16,513,658	18,902,986	117,686,413	47.26	2,490,191
2022	159,022,691.34	16,617,871	19,022,277	140,000,414	47.13	2,970,516
2023	215,794,136.61	18,946,725	21,688,088	194,106,049	46.78	4,149,338
2024	262,017,375.29	18,524,628	21,204,918	240,812,457	46.00	5,235,053
2025	226,467,876.10	11,889,563	13,609,840	212,858,036	45.12	4,717,598
2026	252,718,894.77	8,440,811	9,662,095	243,056,800	43.35	5,606,847
2027	291,699,088.36	3,733,748	4,273,976	287,425,112	38.56	7,453,971
	2,362,725,305.24	341,350,644	390,697,447	1,972,027,858		44,796,238

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 44.00 1.90

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1875	237.23	237	237			
1876	21.64	22	22			
1885	1,431.46	1,416	1,254	177	1.00	177
1888	7,570.90	7,390	6,545	1,026	1.72	597
1889	15,830.05	15,377	13,618	2,212	2.06	1,074
1890	38.54	37	33	6	3.00	2
1891	26,658.54	25,648	22,714	3,945	2.73	1,445
1893	36.75	35	31	6	3.00	2
1894	799.33	758	671	128	3.76	34
1896	6,699.55	6,294	5,574	1,126	4.36	258
1897	1,451.27	1,358	1,203	248	4.68	53
1898	89.88	84	74	16	5.33	3
1899	7,960.68	7,391	6,546	1,415	5.15	275
1900	181,514.24	167,926	148,719	32,795	5.39	6,084
1901	14,382.92	13,260	11,743	2,640	5.62	470
1902	44,776.66	41,145	36,439	8,338	5.84	1,428
1903	31,690.00	29,018	25,699	5,991	6.07	987
1904	15,844.02	14,460	12,806	3,038	6.29	483
1905	13,976.68	12,711	11,257	2,720	6.52	417
1906	19,723.07	17,874	15,830	3,893	6.75	577
1907	3,521.72	3,180	2,816	706	6.99	101
1908	47,887.63	43,085	38,157	9,731	7.22	1,348
1909	11,600.75	10,400	9,210	2,391	7.45	321
1910	7,615.37	6,801	6,023	1,592	7.69	207
1911	13,592.12	12,091	10,708	2,884	7.94	363
1912	6,060.30	5,370	4,756	1,304	8.20	159
1913	7,749.32	6,839	6,057	1,692	8.46	200
1914	8,739.31	7,681	6,802	1,937	8.73	222
1915	17,576.76	15,385	13,625	3,952	8.98	440
1916	8,120.35	7,077	6,268	1,852	9.26	200
1917	11,920.19	10,344	9,161	2,759	9.51	290
1918	9,104.37	7,865	6,965	2,139	9.81	218
1919	4,161.94	3,579	3,170	992	10.12	98
1920	2,170.44	1,858	1,645	525	10.29	51
1921	29,322.34	24,989	22,131	7,191	10.64	676
1922	9,770.15	8,287	7,339	2,431	10.95	222
1923	26,854.62	22,670	20,077	6,778	11.22	604
1924	22,774.00	19,133	16,945	5,829	11.52	506
1925	20,807.22	17,394	15,405	5,402	11.82	457
1926	14,358.36	11,943	10,577	3,781	12.12	312
1927	49,554.91	41,014	36,323	13,232	12.41	1,066
1928	24,477.05	20,153	17,848	6,629	12.72	521
1929	30,101.90	24,654	21,834	8,268	13.02	635
1930	68,855.82	56,098	49,682	19,174	13.34	1,437
1931	44,887.52	36,371	32,211	12,677	13.66	928
1932	25,600.68	20,630	18,270	7,331	13.99	524
1933	17,894.18	14,340	12,700	5,194	14.31	363
1934	10,012.19	7,978	7,066	2,946	14.66	201
1935	19,529.95	15,469	13,700	5,830	14.99	389
1936	16,656.84	13,115	11,615	5,042	15.33	329
1937	55,200.76	43,202	38,261	16,940	15.66	1,082
1938	57,564.13	44,772	39,651	17,913	15.99	1,120
1939	47,217.71	36,496	32,322	14,896	16.35	911
1940	113,046.26	86,810	76,881	36,165	16.71	2,164

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1941	275,829.19	210,397	186,333	89,496	17.08	5,240
1942	100,865.27	76,420	67,679	33,186	17.45	1,902
1943	39,941.71	30,051	26,614	13,328	17.82	748
1944	70,462.11	52,631	46,611	23,851	18.22	1,309
1945	62,564.50	46,393	41,087	21,478	18.61	1,154
1946	137,594.76	101,266	89,684	47,911	19.01	2,520
1947	148,765.37	108,661	96,233	52,532	19.41	2,706
1948	124,890.14	90,493	80,143	44,747	19.83	2,257
1949	314,703.87	226,193	200,322	114,382	20.25	5,648
1950	306,562.02	218,554	193,557	113,005	20.67	5,467
1951	1,047,648.17	740,488	655,794	391,854	21.11	18,562
1952	703,748.02	493,109	436,709	267,039	21.55	12,392
1953	834,714.74	579,776	513,464	321,251	21.99	14,609
1954	416,924.90	286,924	254,107	162,818	22.45	7,252
1955	1,018,832.39	694,650	615,199	403,633	22.91	17,618
1956	809,788.66	546,834	484,290	325,499	23.38	13,922
1957	1,297,439.93	867,481	768,263	529,177	23.86	22,178
1958	2,143,873.36	1,419,116	1,256,804	887,069	24.34	36,445
1959	3,062,896.03	2,006,626	1,777,117	1,285,779	24.83	51,783
1960	2,272,891.77	1,473,266	1,304,761	968,131	25.33	38,221
1961	3,114,144.67	1,996,509	1,768,157	1,345,988	25.84	52,089
1962	2,491,353.19	1,579,593	1,398,926	1,092,427	26.35	41,458
1963	2,297,086.65	1,439,837	1,275,155	1,021,932	26.87	38,032
1964	2,492,094.74	1,543,703	1,367,141	1,124,954	27.40	41,057
1965	2,940,954.73	1,800,100	1,594,213	1,346,742	27.93	48,218
1966	3,512,089.65	2,122,847	1,880,046	1,632,044	28.48	57,305
1967	3,944,695.45	2,354,747	2,085,422	1,859,273	29.02	64,069
1968	4,408,773.35	2,597,517	2,300,425	2,108,348	29.58	71,276
1969	3,765,683.38	2,189,331	1,938,925	1,826,758	30.14	60,609
1970	2,932,369.18	1,681,626	1,489,289	1,443,080	30.71	46,991
1971	4,484,049.84	2,535,371	2,245,387	2,238,663	31.29	71,546
1972	6,665,400.99	3,715,028	3,290,120	3,375,281	31.87	105,908
1973	7,787,175.31	4,276,483	3,787,359	3,999,816	32.46	123,223
1974	6,202,367.93	3,354,427	2,970,763	3,231,605	33.06	97,750
1975	3,344,621.02	1,781,011	1,577,307	1,767,314	33.66	52,505
1976	2,838,019.17	1,487,207	1,317,107	1,520,912	34.27	44,380
1977	5,029,261.20	2,592,886	2,296,324	2,732,937	34.88	78,353
1978	3,767,904.34	1,910,101	1,691,632	2,076,272	35.50	58,487
1979	7,896,759.24	3,934,086	3,484,123	4,412,636	36.13	122,132
1980	10,099,960.15	4,943,324	4,377,929	5,722,031	36.76	155,659
1981	14,379,536.36	6,910,230	6,119,870	8,259,666	37.40	220,847
1982	9,154,926.05	4,316,822	3,823,084	5,331,842	38.05	140,127
1983	6,827,107.71	3,918,760	3,470,550	3,356,558	33.02	101,652
1984	8,902,931.34	5,034,608	4,458,773	4,444,158	33.42	132,979
1985	17,141,705.08	9,544,501	8,452,845	8,688,860	33.83	256,839
1986	11,733,337.84	6,427,522	5,692,372	6,040,966	34.26	176,327
1987	17,706,063.86	9,536,486	8,445,747	9,260,317	34.69	266,945
1988	12,276,634.52	6,450,144	5,712,406	6,564,229	35.68	183,975
1989	14,355,442.73	7,405,973	6,558,912	7,796,531	36.13	215,791
1990	16,963,223.79	8,586,784	7,604,667	9,358,557	36.58	255,838
1991	15,892,009.00	7,888,793	6,986,509	8,905,500	37.03	240,494
1992	17,660,580.39	8,590,106	7,607,609	10,052,971	37.49	268,151
1993	12,832,415.39	6,109,513	5,410,735	7,421,680	37.96	195,513
1994	13,504,740.76	6,287,807	5,568,637	7,936,104	38.45	206,401
1995	15,408,931.07	7,011,064	6,209,171	9,199,760	38.93	236,315

SURVIVOR CURVE: IOWA 72-R1.5
NET SALVAGE PERCENT: 0

1996	10,823,598.14	4,807,842	4,257,943	6,565,655	39.42	166,556
1997	11,391,071.18	4,933,473	4,369,205	7,021,866	39.92	175,898
1998	10,546,962.03	4,448,709	3,939,886	6,607,076	40.43	163,420
1999	11,184,008.94	4,589,917	4,064,943	7,119,066	40.94	173,890
2000	9,749,165.26	3,914,290	3,466,591	6,282,574	40.99	153,271
2001	18,075,747.36	7,042,311	6,236,844	11,838,903	41.52	285,137
2002	23,298,060.59	8,792,688	7,787,021	15,511,040	42.07	368,696
2003	20,136,504.00	7,349,824	6,509,185	13,627,319	42.62	319,740
2004	22,470,645.50	7,920,903	7,014,946	15,455,700	43.17	358,019
2005	24,895,360.29	8,514,213	7,540,396	17,354,964	43.29	400,900
2006	21,056,628.38	6,927,631	6,135,280	14,921,348	43.86	340,204
2007	20,686,012.33	6,574,015	5,822,109	14,863,903	44.01	337,739
2008	16,733,008.09	5,090,181	4,507,990	12,225,018	44.60	274,104
2009	16,843,450.72	4,923,341	4,360,232	12,483,219	44.79	278,705
2010	18,963,721.89	5,275,707	4,672,296	14,291,426	45.40	314,789
2011	14,524,431.49	3,857,689	3,416,464	11,107,967	45.61	243,542
2012	20,415,569.57	5,156,973	4,567,142	15,848,428	45.85	345,658
2013	20,311,368.09	4,858,479	4,302,789	16,008,579	46.11	347,182
2014	17,679,582.35	3,961,994	3,508,839	14,170,743	46.74	303,182
2015	19,230,102.76	4,061,398	3,596,874	15,633,229	46.67	334,974
2016	33,994,166.58	6,683,253	5,918,853	28,075,314	46.98	597,601
2017	41,233,504.02	7,488,004	6,631,561	34,601,943	47.31	731,388
2018	69,353,282.09	11,595,869	10,269,587	59,083,695	47.32	1,248,599
2019	71,422,320.16	10,870,477	9,627,162	61,795,158	47.36	1,304,796
2020	70,549,975.22	9,630,072	8,528,629	62,021,346	47.45	1,307,088
2021	95,024,446.66	11,488,456	10,174,459	84,849,988	47.26	1,795,387
2022	124,738,201.84	13,035,142	11,544,242	113,193,960	47.13	2,401,739
2023	178,902,771.77	15,707,663	13,911,093	164,991,679	46.78	3,526,970
2024	151,924,584.49	10,741,068	9,512,554	142,412,030	46.00	3,095,914
2025	110,833,309.05	5,818,749	5,153,227	105,680,082	45.12	2,342,200
2026	201,839,522.99	6,741,440	5,970,385	195,869,138	43.35	4,518,319
2027	191,925,912.73	2,456,652	2,175,671	189,750,242	38.56	4,920,909
	2,001,957,324.11	390,452,113	345,794,022	1,656,163,302		38,300,721

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 43.20 1.91

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1891	38.06	38	38			
1904	262.15	262	262			
1906	26.37	26	26			
1907	148.76	149	149			
1908	57.37	57	57			
1909	82.79	83	83			
1910	20.10	20	20			
1913	98.49	98	98			
1914	21.73	22	22			
1915	91.61	92	92			
1916	22.01	22	22			
1918	130.59	130	131			
1920	45.44	45	45			
1922	0.66	1	1			
1923	30.31	29	30			
1927	9.71	9	10			
1931	105.23	97	105			
1932	16.69	15	17			
1933	147.42	135	147			
1934	97.33	88	97			
1938	6.09	5	6			
1940	35.31	31	35			
1941	1.84	2	2			
1942	43.74	38	43	1		
1944	8.76	8	9			
1946	782.45	667	753	29	7.25	4
1947	1,696.06	1,438	1,624	72	8.00	9
1948	2,909.04	2,450	2,768	141	8.81	16
1949	12,596.91	10,545	11,912	685	9.01	76
1950	17,720.14	14,737	16,648	1,072	9.24	116
1951	44,006.93	36,358	41,072	2,935	9.56	307
1952	72,416.37	59,421	67,125	5,291	9.87	536
1953	118,059.11	96,208	108,681	9,378	10.18	921
1954	33,174.34	26,841	30,321	2,853	10.49	272
1955	90,154.96	72,419	81,808	8,347	10.83	771
1956	54,764.46	43,662	49,323	5,441	11.15	488
1957	59,304.43	46,915	52,997	6,307	11.49	549
1958	164,171.17	128,860	145,566	18,605	11.83	1,573
1959	73,150.12	56,964	64,349	8,801	12.17	723
1960	54,917.41	42,406	47,904	7,013	12.52	560
1961	77,428.55	59,282	66,968	10,461	12.88	812
1962	91,616.51	69,529	78,543	13,074	13.26	986
1963	95,699.11	71,966	81,296	14,403	13.64	1,056
1964	54,815.31	40,832	46,126	8,689	14.04	619
1965	76,991.32	56,806	64,171	12,820	14.42	889
1966	65,166.09	47,595	53,766	11,400	14.82	769
1967	96,851.27	70,015	79,092	17,759	15.24	1,165
1968	186,485.56	133,388	150,681	35,805	15.66	2,286
1969	128,896.33	91,165	102,984	25,912	16.10	1,609
1970	113,021.39	79,032	89,278	23,743	16.55	1,435
1971	147,644.13	102,035	115,263	32,381	16.99	1,906
1972	277,149.25	189,218	213,749	63,400	17.45	3,633
1973	224,926.97	151,641	171,301	53,626	17.92	2,993
1974	261,535.61	174,039	196,603	64,933	18.40	3,529

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1975	277,154.94	182,016	205,614	71,541	18.88	3,789
1976	514,223.75	333,032	376,208	138,016	19.38	7,122
1977	270,619.51	172,753	195,150	75,470	19.89	3,794
1978	409,317.49	257,424	290,798	118,519	20.41	5,807
1979	412,521.73	255,537	288,667	123,855	20.93	5,918
1980	416,831.64	254,117	287,062	129,770	21.47	6,044
1981	1,471,211.54	882,197	996,571	474,641	22.02	21,555
1982	1,067,653.42	629,531	711,148	356,505	22.57	15,796
1983	867,043.55	594,185	671,219	195,825	20.44	9,580
1984	888,220.59	602,746	680,890	207,331	20.60	10,065
1985	1,185,071.72	790,680	893,189	291,883	21.20	13,768
1986	1,025,600.28	672,486	759,672	265,928	21.79	12,204
1987	1,036,896.07	671,909	759,020	277,876	22.00	12,631
1988	1,023,136.49	650,715	735,078	288,058	22.61	12,740
1989	1,072,783.00	669,095	755,841	316,942	23.23	13,644
1990	1,034,401.78	636,157	718,633	315,769	23.48	13,448
1991	1,590,414.71	957,748	1,081,917	508,498	24.11	21,091
1992	1,206,493.66	715,209	807,933	398,561	24.38	16,348
1993	920,810.76	533,702	602,895	317,916	25.02	12,706
1994	1,162,485.27	662,035	747,866	414,619	25.32	16,375
1995	987,996.16	549,128	620,321	367,675	25.98	14,152
1996	378,695.67	206,389	233,147	145,549	26.30	5,534
1997	942,991.46	500,446	565,327	377,664	26.97	14,003
1998	548,982.93	285,032	321,985	226,998	27.32	8,309
1999	683,281.80	344,647	389,329	293,953	28.00	10,498
2000	815,876.81	401,575	453,638	362,239	28.37	12,768
2001	1,917,461.71	919,615	1,038,840	878,622	28.75	30,561
2002	1,321,822.74	613,458	692,991	628,832	29.45	21,353
2003	1,217,878.82	549,020	620,198	597,681	29.85	20,023
2004	1,053,979.88	460,695	520,422	533,558	30.26	17,632
2005	1,401,462.48	592,819	669,676	731,786	30.69	23,844
2006	3,571,743.91	1,459,057	1,648,219	1,923,525	31.13	61,790
2007	1,424,288.20	560,600	633,280	791,008	31.58	25,048
2008	4,720,934.00	1,785,929	2,017,468	2,703,466	32.05	84,352
2009	3,265,340.77	1,184,013	1,337,516	1,927,825	32.52	59,281
2010	908,164.33	314,679	355,476	552,688	33.01	16,743
2011	2,187,333.62	721,820	815,401	1,371,933	33.50	40,953
2012	833,760.14	262,301	296,307	537,453	33.76	15,920
2013	2,718,811.44	808,031	912,789	1,806,022	34.28	52,684
2014	1,251,039.20	351,292	396,836	854,203	34.58	24,702
2015	2,398,911.55	632,833	714,878	1,684,034	34.89	48,267
2016	1,268,863.39	312,267	352,751	916,112	35.23	26,004
2017	6,328,991.55	1,441,744	1,628,661	4,700,331	35.59	132,069
2018	1,259,991.30	264,598	298,902	961,089	35.75	26,884
2019	1,746,914.29	334,010	377,313	1,369,601	35.95	38,097
2020	2,629,669.64	451,777	510,348	2,119,322	36.17	58,593
2021	7,704,539.85	1,171,861	1,323,789	6,380,751	36.24	176,069
2022	8,037,773.51	1,060,986	1,198,539	6,839,235	36.17	189,086
2023	17,900,698.48	1,990,558	2,248,627	15,652,071	35.98	435,021
2024	10,372,960.74	925,268	1,045,226	9,327,735	35.72	261,135
2025	12,358,532.05	825,550	932,580	11,425,952	34.95	326,923
2026	33,609,834.25	1,431,779	1,617,405	31,992,429	33.71	949,049
2027	36,197,556.39	590,020	666,514	35,531,042	30.17	1,177,694
	194,519,574.82	37,405,007	42,254,289	152,265,286		4,670,074

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	32.60	2.40

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1900	14.93	15	15			
1901	1,619.68	1,620	1,620			
1902	395.38	395	395			
1903	536.83	537	537			
1904	933.47	933	933			
1905	3,969.52	3,970	3,970			
1906	3,782.98	3,783	3,783			
1907	4,088.68	4,089	4,089			
1908	2,952.33	2,952	2,952			
1909	339.91	340	340			
1920	884.90	885	885			
1921	2,074.69	2,075	2,075			
1922	2,032.92	2,033	2,033			
1923	1,552.69	1,553	1,553			
1924	1,417.38	1,417	1,417			
1925	1,543.91	1,544	1,544			
1926	2,912.13	2,903	2,912			
1927	2,453.46	2,435	2,453			
1928	2,938.24	2,901	2,938			
1929	2,642.01	2,597	2,642			
1930	3,468.56	3,393	3,469			
1931	2,279.92	2,219	2,280			
1932	2,210.45	2,141	2,210			
1933	1,723.17	1,661	1,723			
1934	1,380.94	1,324	1,381			
1935	1,657.80	1,581	1,658			
1936	2,855.02	2,709	2,855			
1937	3,010.47	2,841	3,010			
1938	1,577.09	1,480	1,577			
1939	4,403.53	4,109	4,404			
1940	6,216.71	5,769	6,217			
1941	12,753.54	11,768	12,754			
1942	9,382.03	8,608	9,382			
1943	4,269.79	3,895	4,270			
1944	7,087.95	6,428	7,088			
1945	3,799.75	3,426	3,781	19	4.75	4
1946	15,058.02	13,497	14,897	161	5.75	28
1947	23,780.12	21,190	23,389	391	6.02	65
1948	34,582.02	30,627	33,805	777	6.27	124
1949	35,867.04	31,576	34,852	1,015	6.59	154
1950	33,599.03	29,396	32,446	1,153	6.86	168
1951	39,314.67	34,182	37,729	1,586	7.18	221
1952	42,023.80	36,309	40,076	1,948	7.49	260
1953	58,225.06	49,989	55,176	3,049	7.78	392
1954	94,237.90	80,376	88,715	5,523	8.09	683
1955	117,816.91	99,802	110,157	7,660	8.41	911
1956	161,641.17	135,984	150,093	11,548	8.73	1,323
1957	198,458.99	165,767	182,966	15,493	9.06	1,710
1958	252,975.64	209,785	231,551	21,425	9.39	2,282
1959	363,445.39	299,148	330,186	33,259	9.73	3,418
1960	398,081.77	325,125	358,858	39,224	10.08	3,891
1961	567,540.47	459,912	507,630	59,910	10.43	5,744
1962	477,757.20	383,945	423,781	53,976	10.80	4,998
1963	814,675.86	649,223	716,583	98,093	11.17	8,782

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1964	824,438.42	651,306	718,882	105,556	11.55	9,139
1965	1,004,821.20	786,504	868,107	136,714	11.95	11,441
1966	1,019,562.34	790,620	872,651	146,911	12.35	11,896
1967	796,408.36	611,642	675,103	121,305	12.76	9,507
1968	1,171,172.34	890,513	982,908	188,264	13.18	14,284
1969	1,148,441.65	864,042	953,690	194,752	13.62	14,299
1970	1,434,895.40	1,068,079	1,178,897	255,998	14.06	18,208
1971	1,385,762.43	1,020,171	1,126,018	259,744	14.51	17,901
1972	2,086,621.67	1,518,309	1,675,841	410,781	14.98	27,422
1973	2,604,749.02	1,873,049	2,067,387	537,362	15.45	34,781
1974	2,649,242.03	1,881,439	2,076,647	572,595	15.94	35,922
1975	2,641,939.33	1,852,237	2,044,415	597,524	16.44	36,346
1976	3,514,695.30	2,431,537	2,683,820	830,875	16.95	49,019
1977	3,422,327.56	2,335,259	2,577,553	844,775	17.47	48,356
1978	6,977,935.75	4,695,523	5,182,705	1,795,231	17.99	99,790
1979	6,264,376.62	4,152,718	4,583,582	1,680,795	18.54	90,658
1980	7,027,849.13	4,588,553	5,064,637	1,963,212	19.09	102,840
1981	11,542,142.32	7,418,481	8,188,183	3,353,959	19.65	170,685
1982	9,431,279.04	5,963,964	6,582,753	2,848,526	20.22	140,877
1983	6,201,334.84	4,388,065	4,843,347	1,357,988	18.39	73,844
1984	11,635,953.35	8,098,624	8,938,894	2,697,059	19.00	141,950
1985	11,793,868.48	8,069,365	8,906,599	2,887,269	19.61	147,235
1986	5,428,995.54	3,672,173	4,053,178	1,375,818	19.85	69,311
1987	17,371,482.38	11,538,139	12,735,275	4,636,207	20.48	226,377
1988	10,429,832.04	6,798,165	7,503,506	2,926,326	21.10	138,688
1989	6,458,089.95	4,152,552	4,583,399	1,874,691	21.38	87,684
1990	13,914,959.21	8,766,424	9,675,981	4,238,978	22.02	192,506
1991	10,753,009.99	6,632,457	7,320,605	3,432,405	22.67	151,407
1992	17,257,764.88	10,475,463	11,562,341	5,695,424	22.98	247,843
1993	12,347,067.42	7,326,750	8,086,934	4,260,133	23.64	180,209
1994	14,817,059.50	8,587,968	9,479,010	5,338,050	24.30	219,673
1995	13,210,593.69	7,514,186	8,293,818	4,916,776	24.64	199,544
1996	11,654,096.84	6,461,031	7,131,393	4,522,704	25.32	178,622
1997	18,136,611.35	9,846,366	10,867,972	7,268,639	25.68	283,047
1998	9,009,090.41	4,756,800	5,250,340	3,758,750	26.37	142,539
1999	13,168,831.85	6,792,483	7,497,235	5,671,597	26.75	212,022
2000	5,730,284.43	2,868,007	3,165,576	2,564,708	27.45	93,432
2001	14,658,936.99	7,147,698	7,889,305	6,769,632	27.85	243,075
2002	12,018,529.43	5,670,342	6,258,666	5,759,863	28.55	201,747
2003	13,042,749.57	5,976,188	6,596,245	6,446,505	28.97	222,523
2004	17,365,462.50	7,672,061	8,468,073	8,897,390	29.69	299,676
2005	15,838,614.77	6,771,008	7,473,532	8,365,083	30.13	277,633
2006	14,387,524.24	5,907,517	6,520,449	7,867,075	30.86	254,928
2007	10,735,391.43	4,246,921	4,687,559	6,047,832	31.32	193,098
2008	11,377,737.70	4,325,816	4,774,640	6,603,098	31.78	207,775
2009	11,560,213.54	4,191,733	4,626,645	6,933,569	32.52	213,209
2010	6,323,739.75	2,191,176	2,418,521	3,905,219	33.01	118,304
2011	14,569,029.47	4,807,780	5,306,609	9,262,420	33.50	276,490
2012	18,368,829.65	5,751,281	6,348,003	12,020,827	34.00	353,554
2013	12,616,191.62	3,731,869	4,119,068	8,497,124	34.52	246,151
2014	18,132,364.96	5,042,611	5,565,805	12,566,560	35.04	358,635
2015	21,465,369.63	5,580,996	6,160,050	15,305,320	35.58	430,166
2016	22,613,143.80	5,461,074	6,027,686	16,585,458	36.12	459,177
2017	24,139,142.86	5,373,373	5,930,885	18,208,258	36.67	496,544
2018	40,947,235.49	8,361,425	9,228,962	31,718,273	37.01	857,019

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

2019	37,192,156.00	6,858,234	7,569,808	29,622,348	37.59	788,038
2020	39,051,446.82	6,443,489	7,112,031	31,939,416	37.95	841,618
2021	44,274,083.74	6,419,742	7,085,820	37,188,264	38.34	969,960
2022	31,917,845.39	3,983,347	4,396,638	27,521,207	38.56	713,724
2023	64,621,995.43	6,720,688	7,417,990	57,204,005	38.79	1,474,710
2024	59,112,195.77	4,882,667	5,389,266	53,722,930	38.87	1,382,118
2025	57,260,005.86	3,464,230	3,823,660	53,436,346	38.82	1,376,516
2026	95,791,636.81	3,620,924	3,996,612	91,795,025	38.18	2,404,270
2027	111,993,555.95	1,545,511	1,705,865	110,287,691	35.86	3,075,507
	1,121,478,959.05	317,446,827	350,377,610	771,101,349		22,700,627

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.00 2.02

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

1957	11.91	12	12			
1966	12.10	12	12			
1968	1,204.70	1,145	309	896	1.58	567
1969	12,170.03	11,440	3,090	9,080	1.92	4,729
1970	28,752.63	26,722	7,217	21,536	2.26	9,529
1971	75,475.99	69,367	18,734	56,742	2.59	21,908
1972	176,154.31	160,026	43,219	132,935	2.93	45,370
1973	111,075.91	99,759	26,942	84,134	3.26	25,808
1974	80,391.81	71,348	19,269	61,123	3.60	16,979
1975	132,682.80	116,388	31,433	101,250	3.93	25,763
1976	48,302.75	41,857	11,304	36,999	4.27	8,665
1977	67,334.84	57,635	15,566	51,769	4.61	11,230
1978	105,444.56	89,133	24,072	81,373	4.95	16,439
1979	131,382.08	109,663	29,617	101,765	5.29	19,237
1980	129,656.24	106,845	28,856	100,800	5.63	17,904
1981	15,417.61	12,536	3,386	12,032	5.98	2,012
1982	146,380.73	117,425	31,713	114,668	6.33	18,115
1983	12,527.33	10,981	2,966	9,561	6.26	1,527
1984	45,573.82	39,649	10,708	34,866	6.50	5,364
1985	211,515.07	181,586	49,041	162,474	7.00	23,211
1986	140,585.16	119,610	32,303	108,282	7.28	14,874
1987	198,167.50	166,936	45,085	153,082	7.58	20,196
1988	158,254.40	131,889	35,620	122,634	7.90	15,523
1989	180,095.78	148,381	40,074	140,022	8.23	17,014
1990	214,172.50	175,086	47,286	166,886	8.37	19,939
1991	213,883.28	172,518	46,592	167,291	8.75	19,119
1992	126,147.26	100,312	27,092	99,055	9.14	10,838
1993	404,647.08	318,295	85,963	318,684	9.36	34,047
1994	393,875.88	304,781	82,313	311,563	9.79	31,825
1995	194,222.95	148,347	40,064	154,159	10.05	15,339
1996	331,782.70	249,766	67,455	264,328	10.34	25,564
1997	809,847.57	600,259	162,114	647,734	10.65	60,820
1998	788,981.08	574,852	155,252	633,729	10.99	57,664
1999	410,743.51	293,846	79,360	331,384	11.34	29,223
2000	647,441.12	453,986	122,609	524,832	11.72	44,781
2001	1,492,923.11	1,028,624	277,803	1,215,120	11.96	101,599
2002	1,438,621.81	968,480	261,560	1,177,062	12.38	95,078
2003	1,198,932.42	790,096	213,383	985,549	12.68	77,725
2004	1,194,108.09	768,886	207,655	986,453	13.00	75,881
2005	1,270,262.14	794,549	214,586	1,055,676	13.47	78,372
2006	1,558,298.61	951,497	256,973	1,301,326	13.71	94,918
2007	2,192,300.88	1,298,719	350,748	1,841,553	14.10	130,607
2008	1,731,944.88	992,924	268,162	1,463,783	14.51	100,881
2009	1,526,449.89	847,180	228,800	1,297,650	14.83	87,502
2010	2,674,364.88	1,432,122	386,777	2,287,588	15.18	150,697
2011	2,110,671.56	1,086,574	293,454	1,817,218	15.55	116,863
2012	2,166,116.43	1,067,679	288,351	1,877,765	15.95	117,728
2013	1,329,441.64	624,572	168,680	1,160,762	16.36	70,951
2014	1,904,643.09	850,995	229,830	1,674,813	16.71	100,228
2015	1,727,033.00	729,671	197,064	1,529,969	17.09	89,524
2016	1,815,402.39	720,352	194,547	1,620,855	17.48	92,726
2017	5,934,383.75	2,193,348	592,363	5,342,021	17.91	298,270
2018	9,825,391.89	3,360,284	907,521	8,917,871	18.28	487,849
2019	10,677,446.49	3,339,905	902,017	9,775,429	18.67	523,590

SURVIVOR CURVE: IOWA 32-S0.5
NET SALVAGE PERCENT: 0

2020	12,169,596.35	3,431,826	926,843	11,242,753	19.10	588,626
2021	3,126,660.71	782,291	211,275	2,915,386	19.48	149,660
2022	194,656.37	42,085	11,366	183,290	19.94	9,192
2023	10,022,757.47	1,818,128	491,027	9,531,730	20.31	469,312
2024	10,484,267.20	1,516,025	409,437	10,074,830	20.71	486,472
2025	14,931,883.84	1,579,793	426,659	14,505,225	21.14	686,151
2026	3,668,193.54	239,166	64,593	3,603,601	21.49	167,687
2027	5,415,776.45	121,313	32,763	5,383,013	21.77	247,267
	120,526,843.86	38,659,477	10,440,885	110,085,959		6,386,479

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.20 5.30

SURVIVOR CURVE: IOWA 20-S2
NET SALVAGE PERCENT: 0

2024	33,182.24	6,563	6,133	27,049	14.20	1,905
2025	4,867,339.64	690,189	644,990	4,222,350	15.14	278,887
2026	41,017,013.15	3,494,650	3,265,791	37,751,222	16.11	2,343,341
2027	48,741,988.04	1,384,272	1,293,618	47,448,370	17.11	2,773,137
	94,659,523.06	5,575,674	5,210,532	89,448,991		5,397,270

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.60 5.70

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1922	4,121.68	4,122	4,122			
1923	40,522.15	40,522	40,522			
1924	36,512.71	36,513	36,513			
1925	39,512.03	39,512	39,512			
1926	35,462.69	35,353	15,920	19,543	1.00	19,543
1927	41,036.81	40,723	18,339	22,698	1.00	22,698
1928	36,072.84	35,620	16,041	20,032	1.00	20,032
1929	36,449.30	35,826	16,133	20,316	1.00	20,316
1930	32,318.15	31,613	14,236	18,082	1.20	15,068
1931	22,634.93	22,034	9,923	12,712	1.46	8,707
1932	24,263.22	23,505	10,585	13,678	1.72	7,952
1933	24,910.55	24,005	10,810	14,101	2.00	7,050
1934	25,819.23	24,754	11,147	14,672	2.27	6,463
1935	16,420.74	15,662	7,053	9,368	2.54	3,688
1936	28,673.03	27,203	12,250	16,423	2.82	5,824
1937	31,896.54	30,099	13,554	18,343	3.10	5,917
1938	43,899.27	41,193	18,550	25,349	3.39	7,478
1939	7,420.19	6,924	3,118	4,302	3.68	1,169
1940	12,994.58	12,059	5,431	7,564	3.96	1,910
1941	17,907.77	16,524	7,441	10,467	4.25	2,463
1942	16,398.89	15,045	6,775	9,624	4.54	2,120
1943	8,640.60	7,882	3,549	5,092	4.83	1,054
1944	5,974.88	5,419	2,440	3,535	5.12	690
1945	4,671.27	4,212	1,897	2,774	5.41	513
1946	17,851.15	16,001	7,206	10,645	5.70	1,868
1947	33,829.32	30,145	13,575	20,254	5.99	3,381
1948	35,301.11	31,264	14,079	21,222	6.29	3,374
1949	71,340.24	62,805	28,283	43,057	6.58	6,544
1950	65,227.63	57,068	25,699	39,529	6.88	5,745
1951	67,382.10	58,585	26,382	41,000	7.18	5,710
1952	44,510.57	38,457	17,318	27,193	7.48	3,635
1953	66,269.65	56,896	25,622	40,648	7.78	5,225
1954	82,586.70	70,439	31,721	50,866	8.09	6,288
1955	106,873.97	90,532	40,769	66,105	8.41	7,860
1956	118,332.51	99,550	44,830	73,503	8.73	8,420
1957	120,705.19	100,821	45,403	75,302	9.06	8,311
1958	123,574.30	102,476	46,148	77,426	9.39	8,246
1959	119,036.76	97,978	44,122	74,915	9.73	7,699
1960	111,026.11	90,678	40,835	70,191	10.08	6,963
1961	114,529.44	92,810	41,795	72,734	10.43	6,974
1962	115,881.96	93,127	41,938	73,944	10.80	6,847
1963	101,239.18	80,679	36,332	64,907	11.17	5,811
1964	117,389.70	92,738	41,762	75,628	11.55	6,548
1965	100,970.77	79,033	35,591	65,380	11.95	5,471
1966	84,432.28	65,473	29,484	54,948	12.35	4,449
1967	101,327.38	77,819	35,044	66,283	12.76	5,195
1968	116,878.56	88,870	40,021	76,858	13.18	5,831
1969	101,557.34	76,408	34,409	67,148	13.62	4,930
1970	111,243.94	82,806	37,290	73,954	14.06	5,260
1971	154,922.17	114,051	51,360	103,562	14.51	7,137
1972	184,716.88	134,407	60,527	124,190	14.98	8,290
1973	201,740.56	145,070	65,329	136,412	15.45	8,829
1974	133,715.06	94,962	42,764	90,951	15.94	5,706
1975	194,109.07	136,088	61,284	132,825	16.44	8,079

SURVIVOR CURVE: IOWA 55-R2
NET SALVAGE PERCENT: 0

1976	109,509.87	75,761	34,117	75,393	16.95	4,448
1977	225,053.35	153,567	69,155	155,898	17.47	8,924
1978	188,716.38	126,989	57,187	131,529	17.99	7,311
1979	119,763.13	79,392	35,752	84,011	18.54	4,531
1980	172,316.69	112,507	50,665	121,652	19.09	6,373
1981	291,042.83	187,062	84,239	206,804	19.65	10,524
1982	280,772.34	177,549	79,955	200,817	20.22	9,932
1983	170,056.00	120,332	54,189	115,867	18.39	6,301
1984	347,133.40	241,605	108,801	238,332	19.00	12,544
1985	304,842.04	208,573	93,926	210,916	19.61	10,756
1986	192,237.15	130,029	58,556	133,681	19.85	6,735
1987	234,438.83	155,714	70,122	164,317	20.48	8,023
1988	213,237.83	138,988	62,590	150,648	21.10	7,140
1989	101,221.66	65,086	29,310	71,912	21.38	3,364
1990	155,428.37	97,920	44,096	111,332	22.02	5,056
1991	409,495.65	252,577	113,742	295,754	22.67	13,046
1992	531,752.94	322,774	145,354	386,399	22.98	16,815
1993	272,037.96	161,427	72,695	199,343	23.64	8,432
1994	275,151.88	159,478	71,817	203,335	24.30	8,368
1995	198,026.53	112,637	50,724	147,303	24.64	5,978
1996	1,330,269.97	737,502	332,118	998,152	25.32	39,421
1997	1,384,260.55	751,515	338,428	1,045,833	25.68	40,726
1998	1,013,383.87	535,067	240,956	772,428	26.37	29,292
1999	970,778.02	500,727	225,491	745,287	26.75	27,861
2000	1,082,848.81	541,966	244,062	838,787	27.45	30,557
2001	1,444,727.53	704,449	317,233	1,127,495	27.85	40,485
2002	2,036,785.95	960,956	432,745	1,604,041	28.55	56,184
2003	1,540,034.92	705,644	317,771	1,222,264	28.97	42,191
2004	2,016,898.75	891,066	401,272	1,615,627	29.69	54,417
2005	2,188,335.76	935,514	421,288	1,767,048	30.13	58,647
2006	1,840,407.57	755,671	340,300	1,500,108	30.86	48,610
2007	1,907,297.11	754,527	339,785	1,567,512	31.32	50,048
2008	2,192,639.09	833,641	375,412	1,817,227	31.78	57,181
2009	2,336,546.03	847,232	381,532	1,955,014	32.52	60,117
2010	2,256,665.73	781,935	352,127	1,904,539	33.01	57,696
2011	1,555,595.30	513,346	231,174	1,324,421	33.50	39,535
2012	1,586,445.39	496,716	223,685	1,362,760	34.00	40,081
2013	1,337,616.86	395,667	178,180	1,159,437	34.52	33,587
2014	1,481,232.11	411,931	185,504	1,295,728	35.04	36,979
2015	1,683,733.43	437,771	197,141	1,486,592	35.58	41,782
2016	2,090,116.46	504,763	227,309	1,862,807	36.12	51,573
2017	2,431,970.87	541,357	243,788	2,188,183	36.67	59,672
2018	2,111,929.02	431,256	194,207	1,917,722	37.01	51,816
2019	2,410,768.00	444,546	200,192	2,210,576	37.59	58,808
2020	2,301,421.54	379,735	171,005	2,130,417	37.95	56,137
2021	2,939,233.08	426,189	191,925	2,747,308	38.34	71,656
	55,977,212.20	22,335,016	10,124,405	45,852,807		1,744,941

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 26.30 3.12

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1888	92.52	93	93			
1903	19.22	19	19			
1923	734.41	734	734			
1925	132.42	132	132			
1927	124.42	124	124			
1930	75.73	74	76			
1934	139.64	131	140			
1936	72.28	66	72			
1937	101.94	93	102			
1941	900.61	789	901			
1942	835.87	725	836			
1943	2,476.79	2,129	2,477			
1945	660.47	557	660			
1946	247.36	207	247			
1947	494.83	409	495			
1948	148.37	122	148			
1949	2,124.01	1,723	2,124			
1950	1,209.20	971	1,209			
1951	1,161.43	924	1,161			
1952	7,393.66	5,823	7,394			
1953	10,125.68	7,894	10,126			
1954	13,046.94	10,067	13,047			
1955	19,666.70	15,017	19,509	158	12.15	13
1956	29,782.34	22,504	29,236	546	12.13	45
1957	26,960.19	20,155	26,184	776	12.72	61
1958	15,702.62	11,614	15,088	615	13.09	47
1959	31,025.96	22,692	29,480	1,546	13.44	115
1960	19,608.77	14,181	18,423	1,186	13.79	86
1961	16,954.19	12,122	15,748	1,206	14.19	85
1962	32,606.13	23,039	29,931	2,675	14.70	182
1963	20,013.05	13,973	18,153	1,860	15.12	123
1964	15,164.24	10,460	13,589	1,575	15.44	102
1965	50,155.54	34,176	44,400	5,756	15.94	361
1966	35,219.58	23,696	30,785	4,435	16.37	271
1967	20,084.49	13,336	17,326	2,758	16.82	164
1968	29,182.27	19,126	24,848	4,334	17.20	252
1969	35,707.61	23,089	29,996	5,712	17.68	323
1970	33,565.39	21,401	27,803	5,762	18.12	318
1971	80,549.22	50,633	65,780	14,769	18.58	795
1972	42,129.90	26,104	33,913	8,217	19.02	432
1973	50,258.82	30,678	39,855	10,404	19.48	534
1974	5,622.67	3,380	4,391	1,232	19.87	62
1975	15,859.89	9,389	12,198	3,662	20.34	180
1976	34,882.62	20,323	26,403	8,480	20.89	406
1977	13,318.47	7,631	9,914	3,404	21.41	159
1978	10,964.84	6,178	8,026	2,939	21.77	135
1979	118,557.02	65,657	85,299	33,258	22.31	1,491
1980	104,030.99	56,593	73,523	30,508	22.80	1,338
1981	123,440.15	65,942	85,669	37,771	23.29	1,622
1982	169,230.88	88,711	115,249	53,982	23.79	2,269
1983	86,095.64	58,235	75,656	10,440	21.31	490
1984	100,358.47	67,230	87,342	13,016	21.44	607
1985	154,635.14	101,874	132,350	22,285	22.02	1,012
1986	356,364.62	232,207	301,673	54,692	22.19	2,465

SURVIVOR CURVE: IOWA 50-R0.5
NET SALVAGE PERCENT: 0

1987	161,275.67	103,862	134,933	26,343	22.38	1,177
1988	475,250.22	300,358	390,212	85,038	23.00	3,697
1989	441,838.56	275,575	358,015	83,824	23.23	3,608
1990	239,094.03	147,043	191,032	48,062	23.48	2,047
1991	396,155.13	238,565	309,933	86,222	24.11	3,576
1992	104,735.14	62,087	80,661	24,074	24.39	987
1993	82,551.24	48,127	62,524	20,027	24.66	812
1994	154,453.36	88,471	114,937	39,516	24.98	1,582
1995	168,972.49	94,996	123,414	45,558	25.31	1,800
1996	142,443.71	78,515	102,003	40,441	25.64	1,577
1997	163,083.33	88,032	114,367	48,716	26.00	1,874
1998	81,303.11	42,928	55,770	25,533	26.38	968
1999	118,733.59	61,243	79,564	39,170	26.76	1,464
2000	155,234.54	78,114	101,482	53,753	27.15	1,980
2001	97,018.03	47,820	62,126	34,892	27.26	1,280
2002	126,304.48	60,550	78,664	47,640	27.70	1,720
2003	197,522.55	92,441	120,095	77,428	27.85	2,780
2004	186,498.72	84,596	109,903	76,596	28.31	2,706
2006	21,962.27	9,395	12,206	9,756	28.78	339
2007	144,557.27	59,861	77,769	66,788	29.00	2,303
2008	45,223.65	18,080	23,489	21,735	29.29	742
2010	1,291.71	479	622	670	29.13	23
2011	27,033.73	9,635	12,517	14,517	29.81	487
2012	475,127.42	162,018	210,486	264,641	29.95	8,836
2013	1,056,586.74	343,179	445,843	610,744	30.14	20,264
2014	145,105.23	44,867	58,289	86,816	30.17	2,878
2015	361,318.51	105,686	137,302	224,017	30.24	7,408
2016	612,357.20	169,011	219,572	392,785	30.17	13,019
2017	1,648,106.95	425,706	553,058	1,095,049	30.15	36,320
2018	613,691.11	147,531	191,666	422,025	30.02	14,058
2019	227,574.52	50,294	65,340	162,235	29.96	5,415
2020	444,824.79	89,766	116,620	328,205	29.67	11,062
2021	915,011.15	165,983	215,637	699,374	29.34	23,837
2022	34,230.18	5,460	7,093	27,137	28.99	936
2023	1,009,919.10	138,561	180,012	829,907	28.29	29,336
2024	158,679.05	17,931	23,295	135,384	27.46	4,930
2025	10,276.91	892	1,159	9,118	26.35	346
2026	29,950.52	1,734	2,253	27,698	24.40	1,135
	13,415,312.12	5,184,544	6,733,920	6,681,392		235,854

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 28.30 1.76

SURVIVOR CURVE: IOWA 20-S4
NET SALVAGE PERCENT: 0

1997	53,681.30	52,887	53,681
1998	24,038.51	23,543	24,039
2005	14,566,812.47	13,437,885	14,566,812
	14,644,532.28	13,514,315	14,644,532

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE: IOWA 26-R2.5
NET SALVAGE PERCENT: 0

2005	105,725.07	79,928	76,299	29,426	7.26	4,053
2006	227,021.56	166,929	159,349	67,673	7.74	8,743
2007	171,529.13	122,369	116,813	54,716	8.24	6,640
2008	108,322.12	74,569	71,183	37,139	8.83	4,206
2010	122,431.75	77,989	74,448	47,984	9.97	4,813
2011	399,256.94	243,746	232,679	166,578	10.53	15,819
2012	232,699.81	135,245	129,104	103,596	11.17	9,274
2013	60,862.68	33,621	32,094	28,769	11.75	2,448
2014	431,690.20	225,515	215,275	216,415	12.34	17,538
2015	1,237,640.23	606,444	578,908	658,732	13.01	50,633
2016	609,094.79	278,783	266,125	342,970	13.63	25,163
2017	2,058,184.75	871,024	831,475	1,226,710	14.31	85,724
2018	1,677,143.97	651,738	622,145	1,054,999	14.95	70,568
2019	237,273.95	83,710	79,909	157,365	15.60	10,088
2020	1,215,336.05	383,803	366,376	848,960	16.25	52,244
2021	5,226,603.18	1,450,905	1,385,026	3,841,577	16.92	227,044
2022	708,549.81	169,131	161,451	547,099	17.54	31,192
2023	314,458.71	62,389	59,556	254,903	18.18	14,021
2024	682,673.90	107,316	102,443	580,231	18.77	30,913
2025	552,615.55	63,440	60,560	492,056	19.29	25,508
	16,379,114.15	5,888,594	5,621,218	10,757,896		696,632

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 15.40 4.25

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1895	221.00	221	221			
1896	578.00	578	578			
1897	265.80	266	266			
1898	123.55	124	124			
1899	219.60	220	220			
1900	78.67	79	79			
1901	1,043.20	1,043	1,043			
1902	9.85	10	10			
1903	356.24	356	356			
1904	105.00	105	105			
1905	271.56	272	272			
1907	515.26	515	515			
1908	1.22	1	1			
1909	5.00	5	5			
1912	107.28	107	107			
1913	418.90	419	419			
1914	242.34	242	242			
1915	59.34	59	59			
1916	348.78	349	349			
1917	37.03	37	37			
1919	20.00	20	20			
1920	747.78	748	748			
1923	337.00	337	337			
1924	1,098.02	1,098	1,098			
1925	257.57	258	258			
1926	32.00	32	32			
1927	101.50	101	102			
1928	38.20	38	38			
1929	741.31	732	741			
1930	63.71	63	64			
1932	25.00	24	25			
1935	6.60	6	7			
1936	23.00	22	23			
1937	126.06	121	126			
1940	94.65	89	95			
1941	123.94	116	124			
1942	91.94	86	92			
1944	457.06	423	457			
1945	266.11	245	266			
1946	58.28	53	58			
1948	15.96	15	16			
1949	91.53	83	92			
1950	62.45	56	62			
1951	36.13	32	36			
1952	23.18	21	23			
1953	38.67	34	38	1		
1954	53.96	48	54			
1956	308.81	269	303	6	6.00	1
1958	3,915.91	3,372	3,804	112	8.62	13
1959	630.52	539	608	23	7.67	3
1960	914.07	777	877	37	9.25	4
1961	147.59	125	141	7	7.00	1
1962	74.23	62	70	4		
1963	124.21	103	116	8	8.00	1

SURVIVOR CURVE: IOWA 60-R3
NET SALVAGE PERCENT: 0

1964	42.01	35	39	3		
1965	515.64	421	475	41	10.25	4
1966	2,820.19	2,283	2,576	244	11.62	21
1967	76.52	61	69	8	8.00	1
1968	563.97	448	505	59	11.80	5
1969	267.27	210	237	30	15.00	2
1973	263.19	198	223	40	13.33	3
1977	149.17	106	120	29	14.50	2
1978	842.86	592	668	175	17.50	10
1980	349.81	238	269	81	20.25	4
1981	13,624.82	9,120	10,289	3,336	19.86	168
1983	6,888.56	4,812	5,428	1,461	19.22	76
1984	1,771.57	1,218	1,374	398	19.90	20
1987	565.85	369	416	150	21.43	7
2017	8,100.00	1,573	1,775	6,325	43.62	145
	52,996.00	36,840	40,422	12,574		491

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.60 0.93

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

1940	1,897.88	1,675	1,880	18	6.00	3
1946	2,263.20	1,930	2,167	96	8.00	12
1950	2,462.49	2,048	2,299	163	9.06	18
1953	880.12	717	805	75	10.71	7
1955	797.97	641	720	78	11.14	7
1957	4,745.44	3,754	4,214	531	11.54	46
1958	2,468.92	1,938	2,176	293	11.72	25
1960	53,545.11	41,346	46,413	7,132	12.53	569
1961	803.35	615	690	113	12.56	9
1966	88,969.78	64,980	72,944	16,026	14.83	1,081
1967	4,961.68	3,587	4,027	935	15.33	61
1968	662.00	474	532	130	16.25	8
1970	139,160.80	97,311	109,237	29,924	16.54	1,809
1971	9,670.08	6,683	7,502	2,168	16.94	128
1972	1,344.63	918	1,031	314	17.44	18
1973	4,889.56	3,296	3,700	1,190	18.03	66
1974	1,386.89	923	1,036	351	18.47	19
1975	10,546.67	6,926	7,775	2,772	18.86	147
1976	5,196.06	3,365	3,777	1,419	19.44	73
1977	62.43	40	45	17	17.00	1
1978	4,124.53	2,594	2,912	1,213	20.56	59
1979	18,283.67	11,326	12,714	5,570	20.94	266
1980	10,309.48	6,285	7,055	3,254	21.41	152
1981	16,134.89	9,675	10,861	5,274	21.98	240
1982	53,000.44	31,251	35,081	17,919	22.57	794
1983	78,947.11	54,102	60,733	18,214	20.44	891
1984	42,628.93	28,928	32,473	10,156	20.60	493
1985	99,379.11	66,306	74,432	24,947	21.20	1,177
1986	43,320.81	28,405	31,886	11,435	21.78	525
1987	94,751.21	61,399	68,924	25,827	22.00	1,174
1988	37,942.45	24,131	27,088	10,854	22.61	480
1989	89,798.62	56,007	62,871	26,928	23.23	1,159
1990	35,931.24	22,098	24,806	11,125	23.47	474
1991	64,371.50	38,765	43,516	20,856	24.11	865
1992	53,612.59	31,782	35,677	17,936	24.37	736
1993	61,021.98	35,368	39,703	21,319	25.02	852
1994	1,983.98	1,130	1,268	716	25.57	28
1995	57,217.29	31,801	35,698	21,519	25.99	828
1996	157,326.55	85,743	96,252	61,075	26.30	2,322
1997	91,803.58	48,720	54,691	37,113	26.97	1,376
1998	1,315.29	683	767	548	27.40	20
2000	13,888.87	6,836	7,674	6,215	28.38	219
2001	5,745.30	2,755	3,093	2,652	28.83	92
2002	132,189.85	61,349	68,868	63,322	29.45	2,150
2003	109,881.07	49,534	55,605	54,276	29.85	1,818
2004	581,032.03	253,969	285,095	295,937	30.26	9,780
2005	63,024.82	26,659	29,926	33,099	30.70	1,078
2006	27,134.92	11,085	12,444	14,691	31.13	472
2007	85,942.67	33,827	37,973	47,970	31.58	1,519
2009	144,114.51	52,256	58,660	85,455	32.52	2,628
2010	1,319,939.25	457,359	513,412	806,527	33.01	24,433
2011	972,913.34	321,061	360,410	612,503	33.50	18,284
2012	134,924.96	42,447	47,649	87,276	33.76	2,585
2013	311,036.15	92,440	103,769	207,267	34.28	6,046

SURVIVOR CURVE: IOWA 55-R1.5
NET SALVAGE PERCENT: 0

2014	287,170.99	80,638	90,521	196,650	34.58	5,687
2015	365,416.18	96,397	108,211	257,205	34.89	7,372
2017	588,905.24	134,153	150,595	438,310	35.59	12,316
2018	747,356.09	156,945	176,180	571,176	35.75	15,977
2019	1,021,814.44	195,371	219,315	802,499	35.95	22,323
2020	168,707.49	28,984	32,536	136,171	36.17	3,765
2021	449,756.34	68,408	76,792	372,964	36.24	10,292
2022	129,870.32	17,143	19,244	110,626	36.16	3,059
2023	9,011,702.46	1,002,101	1,124,918	7,886,784	35.98	219,199
2024	4,044,334.40	360,755	404,969	3,639,365	35.72	101,886
2025	29,068,794.62	1,941,795	2,179,780	26,889,015	34.95	769,357
2026	7,865,066.93	335,052	376,115	7,488,952	33.71	222,158
2027	18,534,559.40	302,113	339,140	18,195,419	30.17	603,096
	77,635,142.95	7,051,098	7,915,272	69,719,871		2,086,609

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.40 2.69

INTERIM SURVIVOR CURVE: IOWA 75-R0.5
PROBABLE RETIREMENT DATE: 1-2029
NET SALVAGE PERCENT: 0

2005	2,377,686.06	2,268,313	2,226,710	150,976	1.08	139,793
2007	2,330.13	2,212	2,171	159	1.10	145
2010	124,458.49	117,178	115,029	9,429	1.09	8,650
2011	695,247.30	652,698	640,727	54,520	1.08	50,481
2012	93,001.74	86,919	85,325	7,677	1.08	7,108
2014	38,506.43	35,661	35,007	3,499	1.08	3,240
2015	1,365,565.10	1,256,320	1,233,278	132,287	1.09	121,364
2016	2,895,168.46	2,646,763	2,598,219	296,949	1.08	274,953
2017	139,955.66	126,968	124,639	15,317	1.07	14,315
2018	17,380.53	15,604	15,318	2,063	1.08	1,910
2020	145,433.26	127,181	124,848	20,585	1.08	19,060
2021	11,485.84	9,848	9,667	1,819	1.08	1,684
2026	78,817.54	45,872	45,031	33,787	1.08	31,284
2027	297,544.44	94,560	92,826	204,718	1.07	191,325
	8,282,580.98	7,486,097	7,348,795	933,786		865,312

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 1.10 10.45

SURVIVOR CURVE.. 20-SQUARE
NET SALVAGE PERCENT: 0

1993	533.45	533	533			
1995	457.75	458	458			
1998	10,923.76	10,924	10,924			
1999	0.01					
2004	1,700.52	1,701	1,701			
2005	17,955.43	17,955	17,955			
2006	17,232.80	17,233	17,233			
2007	48,314.01	48,314	48,314			
2008	2,320.34	2,262	2,320			
2009	41,893.09	38,751	41,893			
2010	20,461.93	17,904	20,462			
2011	516,133.70	425,810	497,250	18,884	3.50	5,395
2012	11,012.02	8,534	9,966	1,046	4.51	232
2013	116,026.81	84,119	98,232	17,795	5.50	3,235
2014	151,293.17	102,123	119,257	32,036	6.50	4,929
2015	1,388,947.60	868,092	1,013,737	375,211	7.50	50,028
2016	298,564.95	171,675	200,478	98,087	8.50	11,540
2017	29,688.19	15,586	18,201	11,487	9.50	1,209
2021	9,260.23	3,010	3,515	5,745	13.49	426
2023	17,033.67	3,833	4,476	12,558	15.50	810
2026	6,470.98	485	566	5,905	18.51	319
	2,706,224.41	1,839,302	2,127,471	578,753		78,123

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.40 2.89

SURVIVOR CURVE.. 5-SQUARE
NET SALVAGE PERCENT: 0

2012	1,577.35	1,577	1,577	
2013	8,295.34	8,295	8,295	
2019	1,104.94	1,105	1,105	
2020	1,198.54	1,199	1,199	
2021	560,469.65	560,470	560,470	
2022	688,646.61	688,647	688,647	
2023	255,021.36	229,519	488,535	(233,514)
	1,516,313.79	1,490,812	1,749,828	(233,514)

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.00 0.00

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2012	6,374.27	6,374	6,374			
2013	131.73	127	86	46	1.00	46
2017	14,554.52	10,188	6,895	7,660	4.50	1,702
2018	54,465.52	34,495	23,344	31,122	5.50	5,659
2019	15,022.00	8,513	5,761	9,261	6.50	1,425
2020	13,792.00	6,896	4,667	9,125	7.50	1,217
2021	30,392.00	13,170	8,913	21,479	8.50	2,527
2026	55,178.82	5,518	3,734	51,445	13.50	3,811
	189,910.86	85,281	59,774	130,137		16,387

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.90 8.63

SURVIVOR CURVE: IOWA 6-L2.5
NET SALVAGE PERCENT: 0

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..	0.00	0.00

SURVIVOR CURVE: IOWA 10-L2.5
NET SALVAGE PERCENT: 0

1999	84,792.78	84,793	84,793			
2002	674.67	666	521	154	1.00	154
2004	31,941.52	30,926	24,206	7,736	1.00	7,736
2007	8,059.68	7,616	5,961	2,099	1.19	1,764
2008	14,171.26	13,264	10,382	3,789	1.33	2,849
2009	25,496.85	23,585	18,460	7,037	1.50	4,691
2013	97,443.59	84,493	66,133	31,311	2.22	14,104
2014	53,877.95	45,753	35,811	18,067	2.40	7,528
2015	71,670.92	59,401	46,494	25,177	2.58	9,759
2016	1,844,433.10	1,491,040	1,167,049	677,384	2.73	248,126
2017	2,490,487.39	1,958,519	1,532,948	957,539	2.85	335,979
2018	4,603,142.02	3,511,277	2,748,304	1,854,838	2.95	628,759
2019	6,349,066.92	4,651,961	3,641,127	2,707,940	3.10	873,529
2020	11,251,334.86	7,797,175	6,102,911	5,148,424	3.32	1,550,730
2021	10,446,308.87	6,681,459	5,229,631	5,216,678	3.66	1,425,322
2022	3,725,837.78	2,127,081	1,664,883	2,060,955	4.13	499,021
2023	8,010,005.34	3,910,485	3,060,768	4,949,237	4.72	1,048,567
2024	12,780,120.85	5,027,700	3,935,221	8,844,900	5.40	1,637,944
2025	4,990,719.94	1,443,316	1,129,695	3,861,025	6.14	628,831
2026	10,408,091.02	1,845,355	1,444,374	8,963,717	6.96	1,287,890
2027	11,944,454.90	714,278	559,071	11,385,384	7.85	1,450,367
	89,232,132.21	41,510,143	32,508,743	56,723,389		11,663,650

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 4.90 13.07

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1999	6,041.56	5,562	(3,189)	9,231	2.46	3,752
2000	428.50	391	(224)	652	2.62	249
2006	7,941.34	6,744	(3,867)	11,808	3.82	3,091
2007	6,101.87	5,104	(2,926)	9,028	4.01	2,251
2008	5,317.76	4,376	(2,509)	7,827	4.20	1,864
2009	16,262.08	13,146	(7,537)	23,799	4.38	5,434
2010	3,019.33	2,394	(1,373)	4,392	4.57	961
2011	7,703.14	5,987	(3,433)	11,136	4.73	2,354
2012	10,292.63	7,833	(4,491)	14,784	4.87	3,036
2013	3,411.18	2,537	(1,455)	4,866	4.99	975
2015	23,703.85	16,652	(9,547)	33,251	5.29	6,286
2016	110,229.84	74,670	(42,812)	153,042	5.48	27,927
2017	197,928.34	128,653	(73,763)	271,691	5.65	48,087
2019	381,389.93	220,138	(126,216)	507,606	6.23	81,478
2020	101,945.50	54,133	(31,037)	132,982	6.62	20,088
2021	82,766.88	39,488	(22,640)	105,407	7.12	14,804
2023	190,415.70	66,760	(38,277)	228,693	8.34	27,421
2024	267,669.35	74,840	(42,910)	310,579	9.02	34,432
2025	2,105,258.81	430,525	(246,841)	2,352,100	9.72	241,986
2026	2,024,470.65	253,059	(145,091)	2,169,562	10.50	206,625
2027	1,523,517.72	64,140	(36,775)	1,560,293	11.38	137,108
	7,075,815.96	1,477,132	(846,913)	7,922,729		870,209

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.10 12.30

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2006	4.01	3	1	3	3.00	1
2007	54.28	45	8	46	4.60	10
2010	41.71	29	5	37	7.40	5
2011	356.77	235	39	318	8.59	37
	456.77	312	53	404		53

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.60 11.60

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

1999	85,604.32	85,604	85,604			
2000	185,086.27	185,086	185,086			
2001	174,529.30	174,529	174,529			
2002	306,682.93	306,683	306,683			
2003	174,394.51	170,907	168,804	5,591	1.00	5,591
2004	365,098.35	343,192	338,970	26,128	1.50	17,419
2005	68,367.91	61,531	60,774	7,594	2.50	3,038
2006	166,543.86	143,228	141,466	25,078	3.50	7,165
2007	535,649.18	439,232	433,828	101,821	4.50	22,627
2008	426,064.01	332,330	328,241	97,823	5.50	17,786
2009	701,230.88	518,911	512,527	188,704	6.50	29,031
2010	561,885.63	393,320	388,481	173,405	7.50	23,121
2011	389,917.15	257,345	254,179	135,738	8.50	15,969
2012	434,758.42	269,550	266,234	168,524	9.50	17,739
2013	570,767.74	331,045	326,972	243,796	10.50	23,219
2014	67,130.34	36,250	35,804	31,326	11.50	2,724
2015	24,554.12	12,277	12,126	12,428	12.50	994
2016	145,238.16	66,810	65,988	79,250	13.50	5,870
2017	106,069.83	44,549	44,001	62,069	14.50	4,281
2018	271,537.47	103,184	101,914	169,623	15.50	10,943
2019	29,815.31	10,137	10,012	19,803	16.50	1,200
2020	48,470.17	14,541	14,362	34,108	17.50	1,949
2021	167,463.22	43,540	43,004	124,459	18.50	6,728
2022	521,116.67	114,646	113,236	407,881	19.50	20,917
2023	145,649.56	26,217	25,894	119,756	20.50	5,842
2024	15,892.01	2,225	2,198	13,694	21.50	637
2025	26,716.50	2,672	2,639	24,078	22.50	1,070
2026	1,937,714.13	116,263	114,832	1,822,882	23.50	77,569
2027	981,300.71	19,626	19,385	961,916	24.50	39,262
	9,635,248.66	4,625,430	4,577,773	5,057,476		362,691

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 13.90 3.76

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2014	130,860.25	117,774	130,860			
2018	267,256.56	169,262	208,242	59,015	5.50	10,730
	398,116.81	287,036	339,102	59,015		10,730

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.50 2.70

SURVIVOR CURVE: IOWA 15-L2
NET SALVAGE PERCENT: 0

1961	1,243.59	1,244	1,244			
1962	450.16	450	450			
1975	224.04	224	224			
1985	7,333.73	7,325	7,252	82	1.00	82
1987	4,834.79	4,797	4,749	86	1.00	86
1988	1,259.65	1,244	1,232	28	1.00	28
1989	13,383.80	13,191	13,059	325	1.00	325
1991	737.65	719	712	26	1.00	26
1992	91,274.26	88,463	87,575	3,699	1.13	3,273
1993	37,680.05	36,271	35,907	1,773	1.34	1,323
1994	73,727.54	70,395	69,689	4,039	1.59	2,540
1995	12,596.52	11,954	11,834	763	1.75	436
1997	52,373.15	49,042	48,550	3,823	2.07	1,847
1999	249,919.79	230,076	227,768	22,152	2.46	9,005
2000	71,791.88	65,546	64,888	6,904	2.62	2,635
2001	28,866.22	26,084	25,822	3,044	2.83	1,076
2002	60,562.97	54,204	53,660	6,903	2.99	2,309
2003	66,766.44	59,048	58,456	8,310	3.20	2,597
2004	83,086.22	72,634	71,905	11,181	3.38	3,308
2005	194,774.58	167,857	166,173	28,602	3.61	7,923
2006	13,350.28	11,337	11,223	2,127	3.82	557
2007	129,524.07	108,334	107,247	22,277	4.01	5,555
2008	40,996.81	33,736	33,398	7,599	4.20	1,809
2009	29,192.47	23,599	23,362	5,830	4.38	1,331
2010	17,218.85	13,651	13,514	3,705	4.57	811
2011	351,118.35	272,889	270,151	80,967	4.73	17,118
2012	398,193.24	303,025	299,985	98,208	4.87	20,166
2013	225,019.94	167,370	165,691	59,329	4.99	11,890
2014	706,830.16	511,462	506,330	200,500	5.16	38,857
2015	864,384.96	607,230	601,138	263,247	5.29	49,763
2016	475,281.67	321,956	318,726	156,556	5.48	28,569
2017	1,500,267.33	975,174	965,390	534,877	5.65	94,668
2018	1,558,325.68	960,864	951,223	607,103	5.91	102,725
2019	1,032,997.81	596,246	590,264	442,734	6.23	71,065
2020	2,146,933.08	1,140,021	1,128,583	1,018,350	6.62	153,829
2021	873,622.60	416,805	412,623	461,000	7.12	64,747
2022	1,890,802.03	788,275	780,366	1,110,436	7.69	144,400
2023	1,881,963.94	659,817	653,196	1,228,768	8.34	147,334
2024	322,414.65	90,147	89,243	233,172	9.02	25,851
2025	91,105.71	18,631	18,444	72,662	9.72	7,476
2026	1,283,342.59	160,418	158,808	1,124,535	10.50	107,099
2027	1,565,743.39	65,918	65,257	1,500,486	11.38	131,853
	18,451,516.64	9,207,673	9,115,311	9,336,206		1,266,292

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.40 6.86

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2009	7,129.75	7,130	7,130			
2010	429,101.53	429,102	429,102			
2011	2,881,557.92	2,881,558	2,881,558			
2012	680,696.36	680,696	680,696			
2013	605,604.08	585,419	414,565	191,039	1.00	191,039
2014	542,747.60	488,473	345,913	196,835	1.50	131,223
2015	852,142.87	710,116	502,870	349,273	2.50	139,709
2016	429,507.80	329,291	233,188	196,320	3.50	56,091
2017	508,234.56	355,764	251,935	256,300	4.50	56,956
2018	980,642.79	621,070	439,811	540,832	5.50	98,333
2019	471,715.56	267,307	189,294	282,422	6.50	43,450
2020	956,855.10	478,428	338,799	618,056	7.50	82,407
2021	3,740,446.57	1,620,848	1,147,805	2,592,642	8.50	305,017
2022	291,917.98	107,038	75,799	216,119	9.50	22,749
2023	1,033,024.80	309,907	219,461	813,564	10.50	77,482
2024	454.84	106	75	380	11.52	33
2026	2,607,322.67	260,732	184,638	2,422,685	13.50	179,458
2027	3,172,119.17	105,727	74,871	3,097,248	14.50	213,603
	20,191,221.95	10,238,712	8,417,510	11,773,712		1,597,550

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.40 7.91

SURVIVOR CURVE.. 18-SQUARE
NET SALVAGE PERCENT: 0

2017	16,889,405.25	9,852,097	10,631,454	6,257,951	7.50	834,393
2022	28,346.42	8,662	9,347	18,999	12.50	1,520
2023	32,077.26	8,019	8,654	23,423	13.50	1,735
2026	176.23	15	16	160	16.00	10
	16,950,005.16	9,868,793	10,649,471	6,300,534		837,658

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 7.50 4.94

SURVIVOR CURVE.. 25-SQUARE
NET SALVAGE PERCENT: 0

2007	11,500.91	9,431	2,428	9,073	4.50	2,016
2011	13,689.76	9,035	2,325	11,365	8.50	1,337
2012	3,464.31	2,148	553	2,911	9.51	306
	28,654.98	20,614	5,306	23,349		3,659

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.40 12.77

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2006	19,064.97	19,065	19,065			
2007	28,520.45	28,520	28,520			
2008	9,318.53	9,319	9,319			
2009	2,828.57	2,829	2,829			
2010	20,477.89	20,478	20,478			
2011	10,677.92	10,678	10,678			
2012	994.12	994	994			
2013	117,998.16	114,065	25,316	92,682	1.00	92,682
2014	103,916.69	93,525	20,757	83,160	1.50	55,440
2015	28,858.88	24,049	5,337	23,522	2.50	9,409
2016	78,723.43	60,355	13,395	65,328	3.50	18,665
2018	79,676.79	50,462	11,200	68,477	5.50	12,450
2019	33,371.32	18,911	4,197	29,174	6.50	4,488
2020	23,754.88	11,877	2,636	21,119	7.50	2,816
2021	44,041.90	19,085	4,236	39,806	8.50	4,683
2022	2,508.60	920	204	2,305	9.49	243
2023	25,369.24	7,611	1,689	23,680	10.50	2,255
2026	2,653.19	265	59	2,594	13.51	192
	632,755.53	493,008	180,909	451,847		203,323

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.20 32.13

SURVIVOR CURVE.. 15-SQUARE
NET SALVAGE PERCENT: 0

2018	46,650.00	29,545	42,095	4,555	5.50	828
2019	8,235.82	4,667	6,649	1,587	6.50	244
	54,885.82	34,212	48,744	6,142		1,072

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 5.70 1.95

PART III. EXPERIENCED AND ESTIMATED NET SALVAGE

2023	**TRANSACTION YEAR**			
303.00	16,339,592			
325.04	853			
332.00	161,325	2,544,899		(2,544,899)
334.00	286			
337.00	27,305			
352.02		181,890		(181,890)
354.01	86,119			
366.01	4,072			
367.00	96,916	1,774		(1,774)
369.00	4,814			
375.00	15,577			
376.00	6,064,305	8,652,109		(8,652,109)
378.00	264,921	4,928		(4,928)
380.00	3,762,326	743,999		(743,999)
381.00	1,670,355			
382.00		1,178		(1,178)
385.00	527			
390.00	1,595,344			
391.01	10,607			
391.02	2,451,171			
391.03	182,868			
392.01	30,168			
392.02	6,884,873			
394.00	191,545			
396.00	1,482,124			
397.02	183,962			
397.20	114,223			
TOTAL	**41,626,178**	**12,130,777**		**(12,130,777)**
2024	**TRANSACTION YEAR**			
303.00	15,875,601			
325.04	834			
332.00	189,953	12,327		(12,327)
333.00	230,478			
334.00	378			
351.00		178,852		(178,852)
352.01	2,289	284,716		(284,716)
353.01	43,751			
367.00	841,375	35,301		(35,301)
369.00	21,533	378,692		(378,692)
375.00	3,984	671		(671)
376.00	7,669,667	6,640,588		(6,640,588)
378.00	195,349	94,523		(94,523)
380.00	2,581,364	1,122,598		(1,122,598)
381.00	3,834,041			
382.00	5,895,137			
385.00	1,284			
387.00	303,093			
390.00	140,442			
391.01	15,372			
391.02	4,797,044			
391.03	38,196			
392.01	31,026			
392.02	11,550,342		8,391,000	8,391,000
393.00	5,438			

394.00	191,869			
396.00	615,887			
397.02	897,585			
397.20	277,732			
TOTAL	**56,251,045**	**8,748,267**	**8,391,000**	**(357,267)**
2025	**TRANSACTION YEAR**			
303.01	3,705,100			
303.02	21,442,054			
330.00	7			
331.00	24			
332.00	184,725	4,320		(4,320)
333.00	56			
334.00	2,037			
351.00		471,802		(471,802)
352.01	84,049	2,280,536		(2,280,536)
352.02	51,018			
353.01	20,132			
354.01	1,526			
355.00	4,589			
367.00	424,833	57,068		(57,068)
369.00	32,540	1,824,637		(1,824,637)
375.01	568			
375.31	157			
375.32	1,194			
376.01	4,575,938	4,598,591		(4,598,591)
376.02	2,108,060			
378.00	309,406	(28,955)		28,955
380.00	4,259,738	11,295,684		(11,295,684)
381.00	14,268,296			
382.00	11,092,985	(79,096)		79,096
385.00	4,815			
387.00	26,550			
390.00	321,911			
392.02	4,563,447	(84,065)	1,864,607	1,948,672
392.03	836,503			
396.00	373,616			
TOTAL	**68,695,875**	**20,340,522**	**1,864,607**	**(18,475,914)**
2026	**TRANSACTION YEAR**			
332.00	272,107	136,054	2,709	(133,345)
333.00	1,543,899	771,950		(771,950)
334.00	907	453		(453)
352.01	86,466	43,233		(43,233)
367.00	122,889	24,600	551	(24,049)
368.00	337,644			
369.00	51,598	25,799		(25,799)
376.01	4,408,085	2,204,043	11,564	(2,192,479)
378.00	933,485	140,023		(140,023)
380.00	4,922,703	2,461,351		(2,461,351)
382.00	9,977,420	82,812		(82,812)
385.00	165			
392.02	7,071,333	(17,648)	1,414,267	1,431,914
396.00	841,416			
397.02	4,199,990		5,987	5,987
TOTAL	**34,770,106**	**5,872,670**	**1,435,077**	**(4,437,592)**

2027	**TRANSACTION YEAR**			
332.00	1,121,603	560,801	11,166	(549,635)
333.00	226,269	113,135		(113,135)
334.00	1,984	992		(992)
352.01	123,350	61,675		(61,675)
367.00	137,620	27,548	617	(26,931)
368.00	11,173			
369.00	110,508	55,254		(55,254)
376.01	5,075,564	2,537,782	13,315	(2,524,467)
378.00	999,053	149,858		(149,858)
380.00	5,722,871	2,861,435		(2,861,435)
382.00	11,791,496	97,868		(97,868)
392.02	7,405,562	(18,482)	1,481,112	1,499,594
396.00	970,761			
397.02	1,254,886		1,789	1,789
TOTAL	**34,952,700**	**6,447,868**	**1,508,000**	**(4,939,868)**
TOTAL	**236,295,905**	**53,540,104**	**13,198,684**	**(40,341,420)**

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume III

Exhibits 6-10

Peoples Natural Gas Company LLC

§ 53.53.III.E

35. Submit a schedule showing the Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.

* *

Not applicable to Peoples Natural Gas Company LLC.

Peoples Natural Gas Company LLC

§ 53.53.III.A

50. Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:

a. Social security

b. Unemployment

c. Capital stock

d. Public utility realty

e. P.U.C. assessment

f. Other property

g. Any other appropriate categories

* *

See Attachments 1-3, below.

Peoples Natural Gas Company LLC
Taxes Other than Income Taxes

FILING REQUIREMENTS	Test Year for the 12 Months Ended:								
	Historic			Future		Fully Projected Future			
53.53.III.A.50	*Present Rates*							*Projected Rates*	
53.53.III.A.53	11/30/2025		11/30/2025		11/30/2026		12/31/2027		12/31/2027
	Per Books	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*
FICA	5,048,473	21,551	5,070,024	299,648	5,369,672	290,724	5,660,396	-	5,660,396
Unemployment Tax (FUTA/SUTA) & Employer Tax	259,200	1,106	260,306	15,385	275,691	14,926	290,617	-	290,617
Capital Stock	-		-		-		-		-
Property Tax	1,435,976	24	1,436,000	43,080	1,479,080	44,372	1,523,452	-	1,523,452
PUC Assessment	3,430,956	(431,157)	2,999,799	179,733	3,179,532	679,315	3,858,847	-	3,858,847
Sales and Use	(283,254)	2,708,997	2,425,743	-	2,425,743	-	2,425,743	-	2,425,743
Other	-	-	-	-	-	-	-	-	-
Total Taxes Other Than Income Taxes	9,891,350	2,300,521	12,191,871	537,845	12,729,717	1,029,338	13,759,055	-	13,759,055
FERC									
Taxes Other than Income Taxes, per Exhibit 2	-								
	9,891,350								

Peoples Natural Gas Company LLC
Calculation of Payroll Tax Expense

FILING REQUIREMENTS		**Historic**	**Future**		**Fully Projected Future**			
53.53.III.A.50			***Present Rates***				***Projected Rates***	
53.53.III.A.53		**11/30/2025**		**11/30/2026**		**12/31/2027**		**12/31/2027**
	Ref	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*
1 Labor, charged to O&M	Exhibit 4	66,528,154	3,931,942	70,460,096	3,814,841	74,274,937	-	74,274,937
FICA								
2 Charged to O&M	Att. 1	5,070,024	299,648	5,369,672	290,724	5,660,396	-	5,660,396
3 Experience Factor (Ln2/Ln1)		7.6209%		7.6209%		7.6209%		7.6209%
Unemployment (FUTA/SUTA) & Pittsburgh Employer Tax								
4 Charged to O&M	Att. 1	260,306	15,385	275,691	14,926	290,617	-	290,617
5 Experience Factor (Ln4/Ln1)		0.3913%		0.3913%		0.3913%		0.3913%

Peoples Natural Gas Company LLC
Calculation of Payroll Tax Expense Experience Factor

			11/30/2025 Per Books
1	Total Labor, per Exhibit 4		66,245,368
	FICA		
2	Charged to O&M	Att. 1	5,048,473
3	Experience Factor (line 2/line 1)		7.6209%
	FUTA/SUTA & Local Tax		
4	Charged to O&M	Att. 1	259,200
5	Experience Factor (line 4/line 1)		0.3913%

Peoples Natural Gas Company LLC

§ 53.53.III.A

48. Provide a copy of the latest capital stock tax report and the latest capital stock tax settlement.

* *

Not applicable to Peoples Natural Gas Company LLC.

Peoples Natural Gas Company LLC

§ 53.53.III.A

49. Submit details of calculations for Taxes, Other than Income where a company is assessed taxes for doing business in another state, or on its property located in another state.

* *

Peoples Natural Gas Company LLC does business solely within Pennsylvania. However, Peoples Natural Gas Company LLC does have contract storage inventory in other states that it pays taxes on the value of inventory. Refer to Exhibit No. 6, Schedule No. 2 (53.53.III.A.50) for the amount of such tax.

Peoples Natural Gas Company LLC

§ 53.53.II.A

8. State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases:

a. Actual test year

b. Annualized test year-end

c. Proposed test year-end

* *

Refer to page 3 of Exhibit No. 2, Schedule No. 4 (53.53 III.A.17).

Peoples Natural Gas Company LLC

§ 53.53.II.A

9. State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases:

a. Actual test year

b. Annualized test year-end

c. Proposed test year-end

* *

The Company calculates interest consistent with the Commission-approved Intercompany Demand Note and Intercompany Promissory Notes that it holds with its affiliate and Parent, PNG Companies LLC. Interest used in income tax calculations is calculated using the interest synchronization method.

Peoples Natural Gas Company LLC

§ 53.53.II.A

26. Provide the following income tax data:

a. Consolidated income tax adjustments, if applicable.

b. Interest for tax purposes (basis).

* *

a. Attached is a calculation of a consolidated tax adjustment for the Company which is part of the consolidated return. However, pursuant to Pa. Act 40, Section 1301.1 of the Public Utility Code, no adjustment has been reflected in the determination of income tax expense. Refer to Peoples Statement No. 7, the direct testimony of Angela Jiang.

b. Refer to page 3 of Exhibit No. 2, Schedule No. 4 (53.53.III.A.17).

Consolidated Tax Adjustment					
Federal Taxable Income	**2022**	**2023**	**2024**	**3 Year Average**	
Tax Loss Entities					
Essential Utilities Inc	(40,553,566)	(57,275,921)	(50,864,185)	(49,564,557)	
Great Bay Utilities, Inc.	(51,150)	(37,006)	-	(29,385)	
Aqua North Carolina Inc	(8,520,940)	(3,589,348)	-	(4,036,763)	
Honesdale Consol Water Co	(3,212,276)	(5,656,846)	(4,332,565)	(4,400,562)	
Aqua New Jersey Inc	(55,085,636)	(12,305,586)	-	(22,463,741)	
Aqua Wastewater Mgmt Inc.	(17,071)	-	(61,835)	(26,302)	
Aqua Services, Inc.	(217,423)	(7,148,014)	(1,195,301)	(2,853,579)	
Aqua Pennsylvania WW, Inc	(5,672,032)	-		(2,836,016)	
Aqua Ohio Inc.	(6,059,061)	(11,202,776)	(18,449,318)	(11,903,718)	
Aqua Virginia Inc.	-	(693,407)	-	(231,136)	
Aqua Ohio Wastewater, Inc.	-	(2,994,952)	-	(998,317)	
Peoples Natural Gas Co LLC	(94,659,887)	(395,691,898)	(340,235,118)	(276,862,301)	
Peoples TWP LLC	-	(37,216,288)	(1,639,209)	(12,951,832)	
Peoples Gas KY	(299,738)	-	-	(99,913)	
Peoples Gas WV	(4,563,057)	(755,201)	-	(1,772,753)	
PNG Companies LLC	(65,109,819)	(39,062,440)	-	(34,724,086)	
PNG Gathering LLC	(1,114,696)	(904,504)	(1,787,091)	(1,268,764)	
ENPRO LLC	-	-	(82,126)	(27,375)	
LDC Funding LLC	(695,908)	-	(960,741)	(552,216)	
LDC Holdings LLC	(331,789)	-	-	(110,596)	
Total Tax Loss	(286,164,049)	(574,534,187)	(419,607,489)	(427,713,914)	
Tax Positive Entities					**% of Total**
Aqua Virginia	4,121,711	-	6,155,289	3,425,667	1.904%
Aqua Indiana	4,073,291	4,825,961	3,894,743	4,264,665	2.371%
Aqua North Carolina Inc	-	-	1,881,390	627,130	0.349%
Aqua Texas	4,627,643	14,508,767	11,450,471	10,195,627	5.668%
Aqua Texas Oper (Non Reg)	250,734	84,811	94,459	143,335	0.080%
Aqua New Jersey Inc	-	-	3,981,813	1,327,271	0.738%
Aqua Wastewater Mgmt Inc.	-	60,162	-	20,054	0.011%
Aqua Resources Inc.	4,347,577	4,564,001	5,338,099	4,749,892	2.641%
Essential Services	6,333,496	5,444,220	9,022,001	6,933,239	3.854%
Aqua Illinois, Inc.	17,013,382	16,434,269	17,261,252	16,902,968	9.397%
Aqua Pennsylvania Inc	100,272,707	66,826,956	115,648,423	94,249,362	52.397%
Aqua Pennsylvania WW, Inc	-	10,839,415	5,733,870	5,524,428	3.071%
Hendricks County WW LLC	2,814,104	1,473,212	1,406,441	1,897,919	1.055%
Western Hancock Inc	2,231,346	921,785	1,510,788	1,554,640	0.864%
Aqua Ohio Wastewater, Inc	474,189	-	1,368,905	614,365	0.342%
PNG Companies LLC	-	-	38,967,809	12,989,270	7.221%
Delta Natural Gas Company, Inc.	5,318,615	10,273,040	10,654,078	8,748,578	4.864%
DELGASCO LLC	2,177,193	3,170,043	2,309,185	2,552,140	1.419%
Delta Resources LLC	300,363	490,234	369,712	386,770	0.215%
ENPRO LLC	100,862	749,027	-	283,296	0.157%
LDC Funding LLC	-	428,651		214,326	0.119%
Peoples Home Works	1,927,246	2,255,987	2,297,074	2,160,102	1.201%
Peoples TWP LLC	328,528	-	-	109,509	0.061%
Subtotal Taxable Income	156,712,988	143,350,541	239,345,802	179,874,552	100.00%
Total	**(129,451,061)**	**(431,183,646)**	**(180,261,687)**	**(247,839,361)**	

Peoples Natural Gas Company LLC

§ 53.53.III.A

51. Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.

* *

The Company has not had any refunds received from the federal government due to prior years' claims.

Peoples Natural Gas Company LLC

§ 53.53.III.A

52. Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property increases productive capacity, and ADR rates on property. (Separate between state and federal; also, rate used)

a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.

b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

* *

Exhibit No. 7, Schedule 8, Attachment 2 (53.53.III.A.55) includes the calculation of deferred income taxes derived from the use of accelerated depreciation.

a. Tax depreciation is based on all rate base items claimed as of the end of the test year. Tax depreciation is the annual tax depreciation at the end of the test year.

b. Attachment 2 includes a reconciliation of deferred income tax balances to the amount shown as a reduction to measures of value.

Peoples Natural Gas Company LLC

§ 53.53.III.A

53. Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro-forma existing rates, and under proposed rates.

* *

Refer to Exhibit No. 7, Schedule 8, Attachments 1 and 2 (53.53.III.A.55).

Peoples Natural Gas Company LLC

§ 53.53.III.A

54. Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

* *

The Company has no accumulated investment tax credits.

Peoples Natural Gas Company LLC

§ 53.53.III.A

55. Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro-forma under existing rates, together with an explanation of any difference between the adjustments. Indicate charitable donations and contributions in the tax calculation for rate making purposes.

* *

Please refer to pages 1-7 of this Schedule

Peoples Natural Gas Company
Income Tax Provision

Test Year for the 12 Months Ended:

FILING REQUIREMENTS		**Historic**			**Future**		**Fully Projected Future**			
		A	B	C	D	E	F	G	H	I
53.53.III.A.55		***Present Rates***							***Proposed Rates***	
53.53.III.A.53		**11/30/2025**		**11/30/2025**		**11/30/2026**		**12/31/2027**		**12/31/2027**
	Ref	*Per Books*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*
1 Operating Income Before Taxes and Interest	*Ex. 2, Sch. 4*	$ 311,757,767	25,876,834	$ 337,634,601	(39,767,860)	$ 297,866,741	(33,457,863)	$ 264,408,878	160,050,020	$ 424,458,897
2 Less: Interest Expense	*Ex. 2, Sch. 4*	$ 63,274,463	19,987,518	$ 83,261,982	15,975,686	$ 99,237,668	21,777,232	$ 121,014,900	-	$ 121,014,900
3 Pretax Operating Income (Loss)		248,483,304	5,889,316	254,372,619	(55,743,547)	198,629,073	(55,235,095)	143,393,978	160,050,020	303,443,997
Adjustments to Taxable Income (Schedule M Items):										
Flow Through Adjustments										
4 Meals & Entertainment		1,546,555	-	1,546,555	386,445	1,933,000	-	1,933,000	-	1,933,000
5 Other		402,697	(402,697)	-	-	-	-	-	-	-
6 AFUDC Equity		(3,266,505)	3,266,505	-	-	-	-	-	-	-
7 Tax Repairs Gross Deduction		(522,113,438)	(7,594,718)	(529,708,156)	2,508,955	(527,199,201)	(51,100,799)	(578,300,000)	-	(578,300,000)
8 Tax Repairs Book Depr & AFUDC		46,709,440	1,473,164	48,182,604	13,337,940	61,520,543	9,275,533	70,796,077	-	70,796,077
9 Property Basis Differences (LKE)		16,217,948	-	16,217,948	(15,132,425)	1,085,523	(124,998)	960,525	-	960,525
10 Total Flow Through Adjustments		(460,503,302)	(3,257,747)	(463,761,049)	1,100,914	(462,660,135)	(41,950,264)	(504,610,399)	-	(504,610,399)
Deferred Adjustments										
11 Depreciation		(66,362,762)	-	(66,362,762)	12,608,684	(53,754,078)	16,358,860	(37,395,218)	-	(37,395,218)
12 Sec 263A Interest		(215,397)	-	(215,397)	215,397	-	-	-	-	-
13 Contributions in Aid of Construction		2,477,767	-	2,477,767	(93,407)	2,384,360	(258,132)	2,126,228	-	2,126,228
14 Cost of Removal		15,378,770	-	15,378,770	(10,254,919)	5,123,851	(1,401,333)	3,722,518	-	3,722,518
15 Property Basis Differences Other		2,147,906	-	2,147,906	(2,478,887)	(330,981)	72,783	(258,198)	-	(258,198)
16 Unicap 263A Inventory		2,410,571	(4,365,942)	(1,955,371)	1,955,371	-	-	-	-	-
17 Other		(301,754)	301,754	-	-	-	-	-	-	-
18 Total Deferred Adjustments	*Att. 2*	(44,464,900)	(4,064,188)	(48,529,088)	1,952,239	(46,576,848)	14,772,179	(31,804,670)	-	(31,804,670)
19 Total Adjustments to Taxable Income		(504,968,202)	(7,321,935)	(512,290,137)	3,053,154	(509,236,983)	(27,178,085)	(536,415,068)	-	(536,415,068)
										(536,415,068)
Adjustments to State Taxable Income										
20 PA Depreciation Adjustment		(1,898,319)	-	(1,898,319)	1,503,088	(395,232)	(2,135,471)	(2,530,703)	-	(2,530,703)
21 PA Taxable Income before NOL		(258,383,217)	(1,432,619)	(259,815,837)	(51,187,305)	(311,003,142)	(84,548,651)	(395,551,793)	160,050,020	(235,501,773)
22 Prior Year PA NOL Utilization	*Att. 4*	260,532,334	(519,175,479)	(258,643,145)	258,643,145	-	-	-	-	-
23 PA Taxable Income		2,149,117	(520,608,098)	(518,458,982)	207,455,840	(311,003,142)	(84,548,651)	(395,551,793)	160,050,020	(235,501,773)
24 PA Income Tax Expense (Before Current Year NOL Adj)	Various	2,926,017	(44,566,914)	(41,640,897)	18,217,177	(23,423,720)	(4,225,350)	(27,649,070)	11,187,496	(16,461,574)
25 Current Year PA Net Operating Loss Adjustment	*Att. 4*	(452,106)	42,093,003	41,640,897	(18,217,177)	23,423,720	4,225,350	27,649,070	(11,187,496)	16,461,574
26 Other		(2,568,853)	2,568,853	-	-	-	-	-	-	-
27 Amortization of Deficient Deferred Income Tax Expense		-	-	-	-	-	175,807	175,807	-	175,807
28 PA Deferred Tax on Inventory Adjustment & Line Pack Gas		(12,710,469)	12,876,480	166,011	(166,011)	-	-	-	-	-
29 **Pennsylvania Income Tax Expense**		**(12,805,411)**	12,971,422	**166,011**	(166,011)	**-**	175,807	**175,807**	-	**175,807**
30 Income Subject to Federal Income Tax (Before NOL Adjustment)		(225,116,352)	(32,801,165)	(257,917,517)	(52,690,393)	(310,607,910)	(82,413,180)	(393,021,090)	160,050,020	(232,971,071)
31 (Prior Year) Current Year Federal Net Operating Loss Adjustment	*Att. 4*	-	66,588,366	66,588,366	(66,588,366)	-	-	-	-	-
32 Federal Taxable Income		(225,116,352)	33,787,201	(191,329,151)	(119,278,759)	(310,607,910)	(82,413,180)	(393,021,090)	160,050,020	(232,971,071)
33 Federal Income Tax Expense Before Current Year NOL Adj		(47,274,434)	7,060,450	(40,213,984)	(25,013,677)	(65,227,661)	(17,343,687)	(82,571,348)	33,610,504	(48,960,844)
34 Current Year Federal Net Operating Loss Adjustment	*Att. 4*	110,328,656	(70,114,672)	40,213,984	25,013,677	65,227,661	17,343,687	82,571,348	(33,610,504)	48,960,844
35 Other		(4,002,159)	4,002,159	-	-	-	-	-	-	-
36 **Federal Current Income Tax Expense**		**59,052,063**	(59,052,063)	**-**	-	**-**	-	**-**	-	**-**

Peoples Natural Gas Company
Income Tax Provision

FILING REQUIREMENTS

			Test Year for the 12 Months Ended:								
			Historic			Future		Fully Projected Future			
			A	B	C	D	E	F	G	H	I
	53.53.III.A.55		*Present Rates*							*Proposed Rates*	
	53.53.III.A.53		11/30/2025		11/30/2025		11/30/2026		12/31/2027		12/31/2027
		Ref	*Per Books*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*	Adjustment	*Pro-Forma*
37	Federal Deferred Income Tax Expense		9,337,629	853,479	10,191,108	(409,970)	9,781,138	(3,102,158)	6,678,981	-	6,678,981
38	Amortization of Excess Deferred Income Taxes		(1,103,475)	-	(1,103,475)	(51,271)	(1,154,746)	(263,725)	(1,418,471)	-	(1,418,471)
39	Current Year Federal Deferred NOL Adjustment		(110,328,656)	70,114,672	(40,213,984)	(25,013,677)	(65,227,661)	(17,343,687)	(82,571,348)	33,610,504	(48,960,844)
40	Amortization of 481(a) Tax Repairs		(9,929,504)	6,508,239	(3,421,264)	-	(3,421,264)	-	(3,421,264)	-	(3,421,264)
41	Other		1,470,509	(1,470,509)	-	-	-	-	-	-	-
42	**Federal Deferred Income Tax Expense**		**(110,553,497)**	76,005,882	**(34,547,615)**	(25,474,918)	**(60,022,534)**	(20,709,570)	**(80,732,103)**	33,610,504	**(47,121,599)**
43	**Total Federal Tax Expense (Current and Deferred)**		**(51,501,434)**	16,953,819	**(34,547,615)**	(25,474,918)	**(60,022,534)**	(20,709,570)	**(80,732,103)**	33,610,504	**(47,121,599)**
44	**Total Income Tax Expense**		**(64,306,846)**	29,925,241	**(34,381,604)**	(25,640,929)	**(60,022,534)**	(20,533,763)	**(80,556,297)**	33,610,504	**(46,945,793)**
45	**Other Income and Deductions:**										
46	Other Income and Deductions		-	-	-	-	-	-	-	-	-
47	Taxes on Other Income and Deductions		-	0	0	(0)	0	(0)	0	-	0
48	**Net Income**		**312,790,149**		**288,754,224**	**-**	**258,651,606**	**-**	**223,950,275**	**-**	**350,389,790**

Peoples Natural Gas Company
Deferred Income Taxes

	FILING REQUIREMENTS		Test Year for the 12 Months Ended: Historic	Future	Fully Projected Future	
	53.53.III.A.52a		*Present Rates*			*Proposed Rates*
	53.53.III.A.53					
	53.53.III.A.58		11/30/2025	11/30/2025	11/30/2026	12/31/2027	12/31/2027
	53.53.III.A.62		*Per Books*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*
	Deferred Adjustments						
	Depreciation						
1	Book Depreciation		92,754,668	97,592,527	99,526,463	110,386,449	110,386,449
2	Tax Depreciation		(159,117,430)	(159,117,430)	(153,280,541)	(147,781,667)	(147,781,667)
3	Schedule M		(66,362,762)	(61,524,903)	(53,754,078)	(37,395,218)	(37,395,218)
	Sec 263A Interest						
4	Book		-	-	-	-	-
5	Tax		(215,397)	(215,397)	-	-	-
6	Schedule M		(215,397)	(215,397)	-	-	-
	Contributions in Aid of Construction						
7	Book		-	-	-	-	-
8	Tax		2,477,767	2,477,767	2,384,360	2,126,228	2,126,228
9	Schedule M		2,477,767	2,477,767	2,384,360	2,126,228	2,126,228
	Cost of Removal						
10	Book		-	-	-	-	-
11	Tax		15,378,770	15,378,770	5,123,851	3,722,518	3,722,518
12	Schedule M		15,378,770	15,378,770	5,123,851	3,722,518	3,722,518
	Other Property Basis Differences						
13	Book		-	-	-	-	-
14	Tax		2,147,906	2,147,906	(330,981)	(258,198)	(258,198)
15	Schedule M		2,147,906	2,147,906	(330,981)	(258,198)	(258,198)
	Unicap 263A Inventory						
16	Book		-	-	-	-	-
17	Tax		2,410,571	2,410,571	-	-	-
18	Schedule M		2,410,571	2,410,571	-	-	-
19	Non-Property Schedule M's		(301,754)	-	-	-	-
20	**Total Schedule M's**	*Att 2*	**(44,464,900)**	**(39,325,286)**	**(46,576,848)**	**(31,804,670)**	**(31,804,670)**
	Cumulative Timing Difference	**11/30/2024**					
21	Depreciation	(849,774,847)	(916,137,609)	(911,299,750)	(965,053,828)	(1,005,565,314)	(1,005,565,314)
22	Sec 263A Interest	12,441,171	12,225,774	12,225,774	12,225,774	12,225,774	12,225,774
23	Contributions in Aid of Construction	13,821,676	16,299,442	16,299,442	18,683,802	20,987,216	20,987,216
24	Cost of Removal	(18,669,861)	(3,291,092)	(3,291,092)	1,832,760	5,865,487	5,865,487
25	Property Basis Differences Other	(106,332,179)	(104,184,273)	(104,184,273)	(104,515,254)	(104,773,451)	(104,875,279)
26	Unicap 263A Inventory	9,063,072	11,473,643	11,473,643	11,473,643	11,473,643	11,473,643
27	Line Pack Gas	318,938	69,834	69,834	69,834	69,834	69,834
28	Federal Net Operating Loss (Att. 4)	361,948,432	1,091,256,674	1,091,256,674	1,401,864,585	1,794,885,675	1,634,835,655
29		-	-	-	-	-	-
30	**Total Timing Differences**	**(577,183,599)**	**107,712,394**	**112,550,253**	**376,581,316**	**735,168,863**	**575,017,016**
	Deferred Income Tax Asset (Liability) - Federal - 21% rate						
31	Depreciation		(192,388,898)	(191,372,947)	(202,661,304)	(211,168,716)	(211,168,716)
32	Sec 263A Interest		2,567,412	2,567,412	2,567,412	2,567,413	2,567,413
33	Contributions in Aid of Construction		3,422,883	3,422,883	3,923,599	4,407,315	4,407,315
34	Cost of Removal		(691,129)	(691,129)	384,880	1,231,753	1,231,753
35	Property Basis Differences Other		(21,878,697)	(21,878,697)	(21,948,203)	(22,002,425)	(20,427,965)
36	Unicap 263A Inventory		2,409,465	2,409,465	2,409,465	2,409,465	2,409,465
37	Line Pack Gas		14,665	14,665	14,665	14,665	14,665
38	Federal Net Operating Loss		229,163,902	229,163,902	294,391,563	376,925,992	343,315,488
39	Reg Liab Excess Deferred Income Taxes Tax Gross Up		23,697,174	23,697,174	17,978,023	17,655,320	17,655,320
40	Reg Asset Fas 109 Tax Gross Up		(171,738,515)	-	-	-	-
41	Reg Liab Zero Tax Adjustment		(44,220)	-	-	-	-
42	Reg Asset VA-State NOL Historical Repairs		(28,796,625)	(29,578,124)	(29,578,124)	(29,578,124)	(29,578,124)
43	Reg Liab 481a Tax Repairs Gross Up		15,379,404	14,460,050	13,550,601	12,369,735	12,369,735
44	Reg Liab Repair Collar Adjustment		25,962	25,962	25,962	25,962	25,962
45	PA Rate Change RA/RL		107,330	-	-	-	-
46	Property Flow Through		(396,813,830)	-	-	-	-
47	Other Differences		(39,937,656)	-	-	-	-
48	**Total Deferred Tax Asset (Liability)**	*Att 3*	**(573,948,540)**	**32,240,615**	**81,058,538**	**154,858,354**	**122,822,311**

Peoples Natural Gas Company
Deferred Income Taxes

	FILING REQUIREMENTS		Test Year for the 12 Months Ended: Historic	Future	Fully Projected Future		
	53.53.III.A.52a		*Present Rates*				*Proposed Rates*
	53.53.III.A.53						
	53.53.III.A.58		11/30/2025	11/30/2025	11/30/2026	12/31/2027	12/31/2027
	53.53.III.A.62		*Per Books*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*
49	Unicap 263A Inventory		724,228	724,228	769,549	724,228	724,228
50	Line Pack Gas		4,408	4,408	4,684	4,684	4,684
51	State Net Operating Loss		133,224,315	31,904,595	44,164,650	59,757,697	53,448,365
52	Valuation Allowance PA NOL		(133,224,315)	(31,904,595)	(44,164,650)	(59,757,697)	(53,448,365)
53	Reg Asset Fas 109 Tax Gross Up		(71,010,524)	-	-	-	-
54	Reg Asset VA-NOL-PA		(11,907,869)	-	-	-	-
55	Reg Liab Zero Tax Adjustment		(18,286)	-	-	-	-
56	PA Rate Change RA/RL		117,101,214	-	-	-	-
57	Property Flow Through		(249,256,229)	-	-	-	-
58	Other Differences		2,467,213	-	-	-	-
59	***Deferred Income Tax Asset (Liability) - State***		**(211,895,844)**	**728,636**	**774,233**	**728,912**	**728,912**
	Rate Base						
60	Net Deferred Tax Liability - Federal		(573,948,540)	32,240,615	81,058,538	154,858,354	122,822,311
61	Net Deferred Tax Liability - State		(211,895,844)	728,636	774,233	728,912	728,912
62	Reg Liability Excess Deferred Income Taxes		(86,764,377)	(86,764,377)	(85,609,631)	(84,072,954)	(84,072,954)
63	Historical Test Period Normalization Adjustme	*Att 5*	-	-	-	(647,056)	(647,056)
64	Reg Asset Fas 109		888,819,096	-	-	-	-
65	Reg Asset VA-State NOL Historical Repairs		149,034,654	140,848,210	140,848,210	140,848,210	140,848,210
66	Reg Liab Zero Tax Adjustment		228,855	-	-	-	-
67	Reg Liability PA Rate Change (includes GU)		(116,498,743)	-	-	-	-
68	Reg Liability Repair Collar Adjustment		(123,629)	(123,629)	(123,629)	(123,629)	(123,629)
69	Reg Liability 481a Tax Repairs		(73,235,259)	(68,857,383)	(64,526,670)	(58,903,498)	(58,903,498)
70	**Total Rate Base Increase/(Decrease)**		**(24,383,788)**	**18,072,072**	**72,421,050**	**152,688,337**	**120,652,294**
					Att 5	*Att 5*	*Att 5*

Peoples Natural Gas Company
Reconciliation of Deferred Income Taxes

FILING REQUIREMENTS		**Historic**			**Future**		**Fully Projected Future**			
53.53.III.A.52b		***Present Rates***							***Proposed Rates***	
	Ref	**11/30/2025** *Per Books*	Normalization Adjustment*	**11/30/2025** *Pro-Forma*	Test Year Adjustment	**11/30/2026** *Pro-Forma*	Test Year Adjustment	**12/31/2027** *Pro-Forma*	Test Year Adjustment	**12/31/2027** *Pro-Forma*
1 Federal Deferred Income Taxes		(573,948,540)	606,189,156	32,240,615	48,817,922	81,058,538	73,799,816	154,858,354	(32,036,043)	122,822,311
2 State Deferred Income Taxes		(211,895,844)	212,624,480	728,636	45,597	774,233	(45,321)	728,912	(0)	728,912
Total Deferred Income Taxes	*Att 2*	**(785,844,384)**	818,813,635	**32,969,251**	48,863,519	**81,832,770**	73,754,495	**155,587,265**	(32,036,043)	**123,551,222**

* Deferred tax balances are calculated on Attachment 2. The normalization adjustment represents difference between the periods.

Peoples Natural Gas Company
Carryforward Amounts

FILING REQUIREMENTS			**Historic**		**Future**	**Fully Projected Future**	
53.53.III.A.64			***Present Rates***				***Proposed Rates***
			11/30/2025	**11/30/2025**	**11/30/2026**	**12/31/2027**	**12/31/2027**
		Ref	*Per Books*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*	*Pro-Forma*
Federal NOL Carryforward							
1	Beginning Balance		766,750,791	766,750,791	1,091,256,674	1,401,864,585	1,401,864,585
2	NOL Utilized	*Att. 1*	(225,116,352)	66,588,366	-	-	-
3	NOL Generated	*Att. 1*	-	257,917,517	310,607,910	393,021,090	232,971,071
4	Ending Balance	*Att. 2*	541,634,439	1,091,256,674	1,401,864,585	1,794,885,675	1,634,835,655
State NOL Carryforward							
5	Beginning Balance		808,157,227	808,157,227	809,329,919	1,120,333,061	1,120,333,061
6	NOL Utilized	*Att. 1*	260,532,334	(258,643,145)	-	-	-
7	NOL Generated	*Att. 1*	258,383,217	259,815,837	311,003,142	395,551,793	235,501,773
8	Ending Balance		1,327,072,779	809,329,919	1,120,333,061	1,515,884,854	1,355,834,835
State NOL Carryforward Components							
9	ADIT (Line 8 X State rate)		41,640,897	31,904,595	44,164,650	59,757,697	53,448,365
10	ADIT - historical tax repairs- n1		-	-	-	-	-
11	Valuation Allowance		(41,640,897)	(31,904,595)	(44,164,650)	(59,757,697)	(53,448,365)
12	Reg Liability PA NOL, net		-	-	-	-	-
13	Ending Balance		-	0	(0)	-	(0)

n1 - push down of NOL on LDC books now captured in RA PA NOL valuation allowance.

Peoples Natural Gas Company
Fully Projected Future Test Period Normalization of Deferred Income Taxes

FILING REQUIREMENTS

53.53.III.A.52

		Amortization of EDIT	Deferred Tax Expense	NOL	Rate Base			
1	**12/31/2026 Rate Base ADIT, at Present Rates (Attachment 2)**	**-**			**4,551,093**			
2	12/31/2026	(118,206)	556,582	(556,582)				
3	12/31/2026 Rate Base ADIT, at Present Rates				4,432,887	Days	Factor	Weighting
4	12/31/2026				4,432,887			
5	1/31/2027	(118,206)	556,582	(556,582)	4,314,681	31	0.084932	366,452
6	2/28/2027	(118,206)	556,582	(556,582)	4,196,475	28	0.076712	321,921
7	3/31/2027	(118,206)	556,582	(556,582)	4,078,269	31	0.084932	346,374
8	4/30/2027	(118,206)	556,582	(556,582)	3,960,063	30	0.082192	325,485
9	5/31/2027	(118,206)	556,582	(556,582)	3,841,857	31	0.084932	326,295
10	6/30/2027	(118,206)	556,582	(556,582)	3,723,651	30	0.082192	306,054
11	7/31/2027	(118,206)	556,582	(556,582)	3,605,445	31	0.084932	306,216
12	8/31/2027	(118,206)	556,582	(556,582)	3,487,239	31	0.084932	296,176
13	9/30/2027	(118,206)	556,582	(556,582)	3,369,033	30	0.082192	276,907
14	10/31/2027	(118,206)	556,582	(556,582)	3,250,827	31	0.084932	276,098
15	11/30/2027	(118,206)	556,582	(556,582)	3,132,621	30	0.082192	257,476
16	12/31/2027	(118,206)	556,582	(556,582)	3,014,415	31	0.084932	256,019
17		(1,418,472)	6,678,984	(6,678,984)		365	1	
		Att. 1	*Att. 1*	*Att. 1*				
18	**12/31/2027 Rate Base ADIT, at Present Rates**							**3,661,472**
19						Projected Ending Balance, 12/31/2027		3,014,415
20						**Projected Test Period Normalization Adjustment**		**647,056**
								Att. 2

Peoples Natural Gas Company LLC

§ 53.53.III.A

56. Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

* *

Peoples Natural Gas Company LLC's operations are solely within Pennsylvania. Therefore, no income tax is allocable to another state. However, the Company has contract storage inventory in other states that requires them to pay taxes on the value of inventory. Refer to Exhibit No. 6, Schedule No. 2 (53.53 III.A.50) for the amount of such tax.

Peoples Natural Gas Company LLC

§ 53.53.III.A

57. Submit detailed calculations showing the derivation of deferred income taxes for amortization of repair allowance if such policy is followed.

* *

The Company does not have deferred income taxes generated from amortization of a repair allowance.

Peoples Natural Gas Company LLC

§ 53.53.III.A

58. Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

* *

Refer Exhibit No. 7, Schedule No. 8, Attachment 2 (53.53.III.A.55), which presents deferred income taxes for the Company.

Peoples Natural Gas Company LLC

§ 53.53.III.A

59. Provide details of the Federal Surtax Credit allocated to the Pennsylvania jurisdictional area, if applicable.

* *

No Federal Surtax Credit is available to the Company.

Peoples Natural Gas Company LLC

§ 53.53.III.A

62. Provide the accelerated tax depreciation and the book depreciation used to calculate test year deferrals in amounts segregated as follows:

For:

a. Property installed prior to 1970

b. Property installed subsequent to 1969 (indicate increasing capacity additions and nonincreasing capacity additions).

* *

a. As a result of its deemed asset acquisition of Peoples Natural Gas Division on February 1, 2010, the Peoples Gas Division on May 24, 2012 and the former Equitable Division on December 17, 2013, the Company has no assets that are considered for income tax purposes as placed in service prior to 1970.

b. All of Peoples Natural Gas Division's assets were acquired on or after February 1, 2010, the Peoples Gas Division were acquired on or after May 24, 2012 and the former Equitable Division's assets were acquired on or after December 17, 2013. Peoples Natural Gas Division, Peoples Gas Division and the former Equitable Division calculated their deferred taxes using the statutory tax rate. For the amounts of accelerated tax depreciation and book depreciation used to calculate test year deferrals refer to Exhibit No. 7, Schedule No. 8, Attachments 1 and 2 (53.53.III.A.55).

Peoples Natural Gas Company LLC

§ 53.53.III.A

63. State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain).

* *

Refer to Exhibit No. 7, Schedule No. 13 (53.53 III.A.62).

Peoples Natural Gas Company LLC

§ 53.53.III.A

64. Show any income tax loss/gain carryovers from previous years that may effect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

* *

Refer to Exhibit No. 7, Schedule No. 8, Attachment 4 (53.53.III.A.55).

Peoples Natural Gas Company LLC

§ 53.53.III.A

60. Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

* *

A difference exists between when cost of removal can be deducted for book purposes versus deducted on the income tax return. For book purposes, cost of removal is charged to accumulated depreciation and amortized over five years. For income tax purposes, cost of removal is deducted when incurred. This timing difference is reflected in calculating income tax expense in Exhibit No. 7, Schedule No. 8, Attachment 1 (53.53.III.A.55).

Peoples Natural Gas Company LLC

§ 53.53.III.A

61. Submit the corresponding data applicable to Pennsylvania Corporate Income Tax deferment.

a. Show the amounts of straight line tax depreciation and accelerated tax depreciation, the difference between which gave rise to the normalizing tax charged back to the test year operating statement.

b. Show normalization for both Federal and State Income Taxes.

c. Show tax rates used to calculate tax deferment amount.

* *

a-c: Refer to Exhibit No. 7, Schedule No. 8, Attachments 1 and 2 (53.53.III.A.55).

Peoples Natural Gas Company LLC

§ 53.53.III.A

65. State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.

If response is affirmative:

a. Set forth amount of construction claimed in this tax savings reduction. Explain the basis for this amount.

b. Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.

c. State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.

d. Provide details of calculation to determine tax saving reduction. State whether state taxes are increased to reflect the construction interest elimination.

* *

Peoples Natural Gas Company LLC does not. The Company capitalizes interest under section 263A of the Internal Revenue Code for tax purposes. This may result in more or less interest capitalized compared to the books.

Peoples Natural Gas Company LLC

§ 53.53.III.A

66. Provide a detailed analysis of Taxes Accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

* *

See page 2.

Peoples Natural Gas Company LLC
Exhibit 7, Schedule No. 19: 53.53 III.A.66
Accrued Taxes and Basis for Accruals
As of November 30, 2025

Taxes Accrued	Peoples Natural Gas	Basis for Accrual of Tax
Federal Income Tax	$ 66,750,953	Accrual is based on the taxable net income as defined by the Internal Revenue Code. The current tax rate is 21 percent of taxable income. The quarterly accrual is an adjustment to the prior quarters' balance based on a hard close with an estimated flow through repair benefit based on the ratio of the quarter to date Pre-Tax Book Income (PTBI) to the estimated annual PTBI.
Pennsylvania Corporate Net Income Tax	$ 1,972,099	Accrual is based on the taxable net income as defined by the Internal Revenue Code before the deduction for the Pennsylvania corporate net income tax itself. The current rate for 2025 is 7.49 of taxable income, respectively. The quarterly accrual is an adjustment to the prior quarters' balance based on a hard close with an estimated flow through repair benefit based on the ratio of the quarter to date Pre-Tax Book Income (PTBI) to the estimated annual PTBI. A valuation allowance is recorded on the full Pennsylvania NOL.
Pennsylvania Public Utility Realty Tax (PURTA)	$ 79,687	Accrual is based on the state taxable value of public utility land, buildings, and other structures at the 2024 PURTA Millage rate of 0.0233189 mills (2.33189 percent) on each dollar of state taxable value. The monthly accrual is based on an estimate (1/12th) of the final tax liability.
Non-PURTA Property Taxes	$ 811	Tax assessed is the amount charged by various state, county and local jurisdictions for property owned. The expense is accrued monthly based on prior year's payments and assessment then trued up each September when all the taxes are paid.
West Virginia Natural Gas Storage Tax	$ (195,713)	Tax is based on total assessed value of assets located in West Virginia. The assessed value is defined as 60% of the estimated FMV of the property. The average rate of tax is 2.018 percent is applied to the assessed value. The monthly accrual is based on an estimate (1/12th) of the final tax liability.
Accrued Employer P/R Tax	$ (21,330)	Accrual is based on the Pgh City taxable value of employee wages who work within the city of Pittsburgh. Pittsburgh City tax rate of 0.0055 on each dollar of taxable value. The tax is paid quarterly and represents 3/12 of the annual taxable value.
Total, per Balance Sheet	**$ 68,586,507**	

Peoples Natural Gas Company LLC

§ 53.53.III.A

67. For the test year as recorded on test year operating statement:

a. Supply the amount of federal income taxes actually paid.

b. Supply the amount of the federal income tax normalizing charge to tax expense due to excess of accelerated tax depreciation over book depreciation.

c. Supply the normalizing tax charge to federal income taxes for the 10% Job Development Credit during test year.

d. Provide the amount of the credit of federal income taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit.

e. Provide the amount of the credit to federal income taxes for the normalizing of any 3% Investment Tax Credit Reserve that may remain on the utility books.

* *

a. During the twelve months ended November 30, 2025, the Company made no federal tax payments.

b. Refer to Exhibit No. 7, Schedule No. 8, Attachment 1 (53.53.III.A.55).

c, d, e. The Company has no federal Job Development or Investment Tax Credits.

Peoples Natural Gas Company LLC
§ 53.53 III.A

68. Provide the debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax, and provide the debit and credit for the Job Development Credits (whatever account) for test year.

* *

To record federal deferred taxes due to accelerated depreciation:

		Debit (Credit)
		Combined
Historical Test Year		
410.1	Provision for Deferred Income Taxes	33,414,660
282.1	Accumulated Deferred Income Taxes	(33,414,660)
Future Test Year		
410.1	Provision for Deferred Income Taxes	32,188,914
282.1	Accumulated Deferred Income Taxes	(32,188,914)
Fully Projected Future Test Year		
410.1	Provision for Deferred Income Taxes	31,034,150
282.1	Accumulated Deferred Income Taxes	(31,034,150)

Note: Deferred taxes above represent the current year Schedule M (Exhibit 7,Schedule 8, Attachment 2) for depreciation times the 21% federal income tax rate.

There were no Job Development Credits in the Historic Test Year.

Peoples Natural Gas Company LLC

§ 53.53.III.A

69. Reconcile all data given in answers to questions on income taxes charged on the test year operating statement with regard to income taxes paid, income taxes charged because of normalization and credits due to yearly write-offs of past years' income tax deferrals, and from normalization of investment tax and development credits. (Both state and federal income taxes.)

* *

Refer to Exhibit No. 7, Schedule No. 8, Attachment 1 (53.53.III.A.55), which details the complete tax calculation along with current income taxes payable, the adjustments for normalization and deferred income tax amounts.

Total income tax expense on Exhibit No. 7, Schedule No. 8, Attachment 1 agrees to the income taxes charged on the test year operating statement at Exhibit No. 2, Schedule No. 4 (53.53 III.A.17).

Peoples Natural Gas Company LLC

§ 53.53.III.A

70. With respect to determination of income taxes, federal and state:

a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.

b. Show income taxes for the annualized and normalized test year.

c. Show income tax effect of the rate increase requested.

d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

[It is imperative that continuity exists between the income tax calculations as recorded for the test year and the final income tax calculation under proposed rates. If the company has more than one accounting area, then additional separate worksheets must be provided in addition to those for total company.]

* *

Refer to Exhibit No. 7, Schedule No. 8, Attachment 1 (53.53.III.A.55) for the calculation of federal and state income taxes.

Peoples Natural Gas Company LLC

§ 53.53.III.A

71. In adjusting the test year to an annualized year under present rates, explain any changes that may be due to book or tax depreciation change and to debits and credits to income tax expense due to accelerated depreciation, deferred taxes, job development credits, tax refunds or other items.

(The above refers only the adjustments going from recorded test year to annualized test year.)

* *

Various adjustments were made to test year revenues and operating expenses to annualize the test year under present rates. Refer to Exhibit No. 2, Schedule No. 4 (53.53 III.A.17) for an explanation of the adjustments.

Refer to Peoples Statement No. 7, the direct testimony of Angela Jiang for a description of adjustments made to deferred income taxes.

Peoples Natural Gas Company LLC

§ 53.53.II.A

10. Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)

    a. State what option has been chosen by the group.

    b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.

    c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.

    d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.

* *

a. For Earnings and Profits purposes under Section 1552, the Company has not made an election. Under the law, if no election is made the tax liability shall be apportioned among the members of the group in accordance with the ratio which that portion of the consolidated taxable income attributable to each member of the group having taxable income bears to the consolidated taxable income.

b. Refer to Exhibit No. 7, Schedule No. 3 (53.53.II.A.26) for the tax liability of each member in the consolidated tax return..

c. Peoples Natural Gas Company LLC is a disregarded entity for income tax purposes and is included in the LDC Funding LLC income tax return, which is in the Essential Utilities Inc. consolidated return. Essential Utilities Inc. makes all necessary income tax payments to the IRS for the net tax liability that is due for its consolidated group.

Additionally, it collects the allocated tax liability from members of its group with positive taxable income and reimburses members of its group with a taxable loss. Refer to Exhibit No. 7, Schedule No. 3 for an allocation of taxable income.

d. The response to this question contains confidential information and is contained in a separate book of the filing marked confidential information. This information will be provided to parties upon execution of a CONFIDENTIALITY AGREEMENT, to be circulated by the Company, pursuant to the terms of that agreement. Peoples Natural Gas Company LLC is a disregarded entity for federal income tax purposes and, therefore, discrete amounts for Peoples are not reported within the tax return.

Peoples Natural Gas Company LLC

§ 53.52(c)

1. A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

* *

Refer to Exhibit No. 8, Schedule No. 2 (53.53.I.A.2).

Peoples Natural Gas Company LLC

§ 53.53.I.A

2. Provide a schedule showing the measures of value and the rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the one listed above, reflecting respondent's final claim in its previous rate case.

* *

Refer to page 1 for the measures of value for this rate case, and refer to page 2 for the measures of value from Peoples' previous rate case.

Peoples Natural Gas Company LLC
Measures of Value & Rate of Return

Line No.	Description	Account No.	Reference	Historic Test Year	Future Test Year	Fully Projected Future Test Year- Present Rates	Fully Projected Future Test Year- Proposed Rates
	Gas Plant						
1	Gas Plant in Service	101/106	53.52(c)(3)	5,740,586,936	6,369,907,796	7,078,132,872	7,078,132,872
2	Gas Plant Construction in Progress	107	53.52(c)(3)	94,267,997	-	-	-
3	Total Gas Plant as Adjusted			5,834,854,933	6,369,907,796	7,078,132,872	7,078,132,872
	Adjusted Book Depreciation, Depletion, and Amortization Reserves						
4	Gas Plant in Service	108	53.53 I.A.3	1,434,223,813	1,501,684,531	1,576,047,666	1,576,047,666
5	Net Gas Plant Adjusted			4,400,631,120	4,868,223,265	5,502,085,206	5,502,085,206
6	Gas Stored Underground - Noncurrent	117		51,833	51,833	51,833	51,833
7	Subtotal			4,400,682,953	4,868,275,098	5,502,137,039	5,502,137,039
	Working Capital						
8	Gas Stored Underground - Current	164	53.53 II.C.1	39,947,360	46,134,255	50,819,643	50,819,643
9	Materials and Supplies	154	3.53 I.A.15	6,179,262	6,179,262	6,179,262	6,179,262
10	Prepayments	165		5,055,085	5,055,085	5,055,085	5,055,085
11	Cash Working Capital Requirements		53.53 III.A.15	49,454,839	47,950,077	47,681,867	47,681,867
12	Subtotal			100,636,546	105,318,679	109,735,857	109,735,857
	Less:						
	Liability (Asset)						
13	Deferred Income Taxes & EADIT	282	53.53 III.A.55	(18,072,072)	(72,421,050)	(152,688,337)	(120,652,294)
14	Customer Advances	252		516,881	516,881	516,881	516,881
15	Customer Deposits	235	53.53 I.A.2	3,240,476	3,240,476	3,240,476	3,240,476
16	Total Working Capital			114,951,261	173,982,371	258,666,838	226,630,795
17	**Total Measures of Value**			**4,515,634,214**	**5,042,257,469**	**5,760,803,876**	**5,728,767,833**

Note: FTY and FPFTY periods include net plant impact of $1,870,877 due to Goodwin Tombaugh assets expected to transfer from PNG Gathering LLC to Peoples Natural Gas Company LLC.

Peoples Natural Gas Company LLC
Combined
Measures of Value & Rate of Return

Line No.	Description	Account No.	Reference	Historic Test Year	Future Test Year	Fully Projected Future Test Year- Present Rates	Fully Projected Future Test Year- Proposed Rates
	Gas Plant						
1	Gas Plant in Service	101/106	53.52(c)(3)	4,501,247,748	4,995,881,393	5,587,906,895	5,587,906,895
2	Gas Plant Construction in Progress	107	53.52(c)(3)	163,041,632	-	-	-
3	Total Gas Plant as Adjusted			4,664,289,380	4,995,881,393	5,587,906,895	5,587,906,895
	Adjusted Book Depreciation, Depletion, and Amortization Reserves						
4	Gas Plant in Service		53.53 I.A.3	1,313,740,075	1,374,311,491	1,456,324,493	1,456,324,493
5	Net Gas Plant Adjusted			3,350,549,305	3,621,569,901	4,131,582,402	4,131,582,402
6	Gas Stored Underground - Noncurrent	117		51,833	51,833	51,833	51,833
7	Subtotal			3,350,601,138	3,621,621,734	4,131,634,235	4,131,634,235
	Working Capital						
8	Gas Stored Underground - Current*		53.53 II.C.1	96,839,867	48,395,110	46,876,831	46,876,831
9	Materials and Supplies*		3.53 I.A.15	5,569,985	5,569,985	5,569,985	5,569,985
10	Prepayments*			5,776,406	5,776,406	5,776,406	5,776,406
11	Cash Working Capital Requirements**		53.53 III.A.15	35,110,684	35,577,097	36,256,917	36,256,917
12	Subtotal			143,296,942	95,318,598	94,480,139	94,480,139
	Less:						
13	Deferred Income Taxes & EADIT	282	53.53 III.A.55	138,984,039	50,773,165	(26,346,193)	3,232,844
14	Customer Advances*			3,690,614	3,690,614	3,690,614	3,690,614
15	Customer Deposits*		53.53 I.A.2	4,065,751	4,065,751	4,065,751	4,065,751
16	Total Working Capital			(3,443,462)	36,789,067	113,069,966	83,490,930
17	**Total Measures of Value**			**3,347,157,676**	**3,658,410,801**	**4,244,704,201**	**4,215,125,164**

Peoples Natural Gas Company LLC

§ 53.52(c)

3. A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

* *

Refer to Attachment 1 for Gas Plant in Service (accounts 101, 106). Refer to Attachment 2 for Gas Plant Held for Future Use (account 105). Refer to Attachment 3 for Construction Work In Progress (account 107).

Peoples Natural Gas Company LLC
Attachment 1: Exhibit 8, Sch. 3
Gas Plant in Service

Line No.	Account No.	Description	HTY November 30, 2025	FTY November 30, 2026	FPFTY December 31, 2027
(1)	(2)	(3)	(4)	(5)	(6)
		Intangible Plant			
1	301.0	Organization	177,886	177,886	177,886
2	302.0	Franchises and Consents	71,371	71,371	71,371
3	303.0	Misc Intangible Plant	114,741,881	116,975,469	115,063,389
4	303.1	Misc Intangible Plt-10%	1,666,256	1,666,256	1,666,256
5		Total	116,657,394	118,890,982	116,978,902
		Gas Production & Gathering Plant			
6	325.11	Producing Lands-1.44%	138,965	138,965	138,965
7	325.1	Producing Lands	475	475	475
8	325.21	Producing Leaseholds (Group)	10,016	10,016	10,016
9	325.2	Producing Leaseholds	4,465	4,465	4,465
10	325.3	Gas Rights	20,984	20,984	20,984
11	325.4	Rights of Way	2,051,366	2,132,063	2,236,969
12	325.5	Other Land and Land Rights	47,095	47,095	47,095
13	327.0	Field Comp Station-Land Impr	11,674,554	11,674,554	11,674,554
14	327.1	Field Comp Station-Structures	634,288	634,288	634,288
15	328.0	Field Meas & Regul Sta Struct	62,778	100,015	100,015
16	329.0	Other Structures-Land Impr	1,926,214	1,926,214	1,926,214
17	330.0	Producing Gas Wells-Well Const	9,214	9,214	9,214
18	331.0	Producing Gas Wells-Well Equip	2,961	2,961	2,961
19	332.0	Field Lines	81,350,164	88,238,774	116,633,036
20	333.0	Field Compressor Station Equip	48,788,216	48,593,534	51,277,481
21	334.0	Field Meas & Regul Sta Equip	3,490,666	3,636,010	3,954,072
22	337.0	Other Equipment	66,192	10,824	9,646
23		Total	150,278,613	157,180,450	188,680,448
		Underground Storage Plant			
24	350.1	Land-Underground Storage Plant	63,644	63,644	63,644
25	350.2	Rights of Way-Undrgnd Stor Plt	138,528	153,028	171,877
26	351.0	Struct & Imprvmnt-USP-Land Imp	2,400,554	2,400,554	2,400,554
27	352.01	Well Construction-USP	1,330,069	3,405,261	6,365,664
28	352.02	Well Equipment-USP	707,346	1,810,957	3,385,332
29	352.11	Storage Leaseholds-USP	161,937	161,937	161,937
30	352.12	Storage Rights-USP	413,406	413,406	413,406
31	352.2	Reserviors-Underground Storage	433,139	433,139	433,139
32	352.3	Nonrecoverable Natural Gas-USP	205,251	205,251	205,251
33	353.0	Lines-Underground Storage Plt	3,688,379	3,688,379	3,688,379
34	354.0	Compressor Stat Equip-USP-Eqp	15,921,351	16,773,952	16,961,957
35	355.0	Meas & Regul Equip-Underground	1,591,237	2,694,747	3,204,486
36	357.0	Other Equipment-Underground	30,184	30,184	30,184
37		Total	27,085,024	32,234,438	37,485,809
		Transmission Plant			
38	365.1	Land and Land Rights-Trans	381,343	381,343	381,343
39	365.2	Rights of Way-Transmission	7,129,175	7,560,460	8,121,130
40	366.0	Structures & Impr-Trans M&R	1,729,040	1,729,040	1,729,040
41	366.1	Structures & Impr-Trans Compr	2,163,705	2,163,705	2,163,705
42	366.2	Structures & Impr-Trans Other	94,789	94,789	94,789
43	367.0	Mains-Transmission Plant	319,649,867	329,280,077	340,064,649
44	368.0	Compressor Station Equip-Trans	19,695,331	22,837,776	23,699,523
45	369.0	Measuring & Regul Equip-Trans	46,159,736	48,576,960	53,753,939
46	371.0	Other Equipment-Transmission	2,650,785	2,650,785	2,650,785
47		Total	399,653,770	415,274,934	432,658,902

Peoples Natural Gas Company LLC
Attachment 1: Exhibit 8, Sch. 3
Gas Plant in Service

Line No.	Account No.	Description	HTY November 30, 2025	FTY November 30, 2026	FPFTY December 31, 2027
(1)	(2)	(3)	(4)	(5)	(6)
		Distribution Plant			
48	374.0	Land-Distribution Plant	1,061,018	1,061,018	1,061,018
49	374.1	Land Right of Way-Distribution	11,761,725	12,669,748	13,850,177
50	375.1	Structures & Impr-Dist M&R Gen	4,109,993	5,225,191	7,330,359
51	375.2	Structures & Impr-Dist M&R Ind	1,168,928	1,168,928	1,168,928
52	375.3	Structures & Impr-Dist Other	24,749,820	24,749,820	24,749,820
53	376.1	Mains-Distribution-Low Press	1,827,171,621	2,076,101,781	2,362,725,305
54	376.2	Mains-Distribution-Reg Press	1,614,677,492	1,813,370,922	2,001,957,324
55	378.0	Meas & Regul Equip-Gen-Dist	126,432,635	159,321,071	194,519,575
56	380.0	Services-Distribution Plant	923,796,287	1,015,208,274	1,121,478,959
57	381.0	Meters-Distribution Plant	120,345,535	150,923,372	187,260,113
58	381.1	Meters ERTs-Distribution Plant	46,543,756	38,010,734	27,926,254
59	382.0	Meter Installations-Dist	77,746,128	67,768,708	55,977,212
60	385.0	Indust Meas & Regul Sta Equip	13,385,526	13,415,312	13,415,312
61	386.0	Other Prop on Customers' Prem	14,644,532	14,644,532	14,644,532
62	387.0	Other Equipment-Distribution	16,485,526	16,485,526	16,379,114
63		Total	4,824,080,524	5,410,124,938	6,044,444,002
		General Plant			
64	389.0	Land-General Plant	424,152	4,665,894	4,665,894
65	389.1	Land Rights-General Plant	52,996	52,996	52,996
66	390.0	Structures & Impr-General Plt	51,741,445	58,598,978	73,581,936
67	390.1	Structures & Impr-Gen-LeaseImp	8,764,253	9,524,291	12,335,788
68	391.1	Office F&E-Furniture	2,788,316	2,757,607	2,706,224
69	391.2	Office F&E-Computer Hardware	9,008,836	5,966,153	1,673,805
70	391.3	Office F&E-Equipment	162,176	217,355	217,355
71	392.1	Transportation Equip-Autos	-	-	-
72	392.2	Transportation Equip-Trucks	77,584,465	81,918,507	86,457,400
73	392.3	Transportation Equip-Trailers	6,150,942	7,051,117	7,630,054
74	392.4	Transport Equip-Trucks HEAVY	2,220,494	2,220,494	2,220,494
75	392.5	Transportation Equip-NGV Kits	-	-	-
76	393.0	Stores Equipment-General Plant	457	457	457
77	394.0	Tools, Shop, Garage Equip	7,178,858	8,693,489	9,316,175
78	394.3	Tools, Shop, Garage Equip-NGV	717,190	717,190	717,190
79	396.0	Power Operated Equipment-Gen	17,340,828	17,856,534	18,451,517
80	397.0	Communication Equipment-Gen	19,674,407	18,273,989	20,191,222
81	397.1	Communic Equip-Microwave Tower	16,949,829	16,950,005	16,950,005
82	397.5	Communic Equip-Radios	2,017,081	682,113	661,411
83	398.0	Miscellaneous Equipment-Gen	54,886	54,886	54,886
84		Total	222,831,611	236,202,055	257,884,809
85	OTH	Asset Retirement Obligation/Clearing	-	-	-
86		**Total Gas Plant in Service (Accounts 101, 106)**	**$ 5,740,586,936**	**$ 6,369,907,796**	**$ 7,078,132,872**

Peoples Natural Gas Company LLC
Attachment 2: Exhibit 8, Sch. 3
Gas Plant Held for Future Use

			HTY	FTY	FPFTY
Line No.	**Account No.**	**Description**	**November 30, 2025**	**November 30, 2026**	**December 31, 2027**
(1)	(2)	(3)	(4)	(5)	(6)
		Gas Plant Held for Future Use			
1	325.1	Producing Lands	475	475	475
2	325.21	Producing Leaseholds (Group)	4,465	4,465	4,465
3		**Total Gas Plant Held for Future Use (Account 105)**	**$ 4,940**	**$ 4,940**	**$ 4,940**

Peoples Natural Gas Company LLC
Attachment 3: Exhibit 8, Sch. 3
Construction Work in Progress

Line No.	Account No.	Description	HTY November 30, 2025
(1)	(2)	(3)	(4)
		Intangible Plant	
1	301.0	Organization	-
2	302.0	Franchises and Consents	-
3	303.0	Misc Intangible Plant	7,867,001
4	303.1	Misc Intangible Plt-10%	-
5		Total	7,867,001
		Gas Production & Gathering Plant	
6	325.11	Producing Lands-1.44%	-
7	325.1	Producing Lands	-
8	325.21	Producing Leaseholds (Group)	-
9	325.2	Producing Leaseholds	-
10	325.3	Gas Rights	-
11	325.4	Rights of Way	-
12	325.5	Other Land and Land Rights	-
13	327.0	Field Comp Station-Land Impr	-
14	327.1	Field Comp Station-Structures	-
15	328.0	Field Meas & Regul Sta Struct	37,237
16	329.0	Other Structures-Land Impr	-
17	330.0	Producing Gas Wells-Well Const	-
18	331.0	Producing Gas Wells-Well Equip	-
19	332.0	Field Lines	287,363
20	333.0	Field Compressor Station Equip	50,343
21	334.0	Field Meas & Regul Sta Equip	-
22	337.0	Other Equipment	-
23		Total	374,943
		Underground Storage Plant	
24	350.1	Land-Underground Storage Plant	-
25	350.2	Rights of Way-Undrgnd Stor Plt	-
26	351.0	Struct & Imprvmnt-USP-Land Imp	-
27	352.01	Well Construction-USP	-
28	352.02	Well Equipment-USP	-
29	352.11	Storage Leaseholds-USP	-
30	352.12	Storage Rights-USP	-
31	352.2	Reserviors-Underground Storage	-
32	352.3	Nonrecoverable Natural Gas-USP	-
33	353.0	Lines-Underground Storage Plt	-
34	354.0	Compressor Stat Equip-USP-Eqp	2,154,624
35	355.0	Meas & Regul Equip-Underground	876,801
36	357.0	Other Equipment-Underground	-

Peoples Natural Gas Company LLC
Attachment 3: Exhibit 8, Sch. 3
Construction Work in Progress

Line No.	Account No.	Description	HTY November 30, 2025
(1)	(2)	(3)	(4)
37		Total	3,031,425
		Transmission Plant	
38	365.1	Land and Land Rights-Trans	-
39	365.2	Rights of Way-Transmission	-
40	366.0	Structures & Impr-Trans M&R	-
41	366.1	Structures & Impr-Trans Compr	-
42	366.2	Structures & Impr-Trans Other	-
43	367.0	Mains-Transmission Plant	1,866,090
44	368.0	Compressor Station Equip-Trans	3,198,456
45	369.0	Measuring & Regul Equip-Trans	52,617
46	371.0	Other Equipment-Transmission	-
47		Total	5,117,163
		Distribution Plant	
48	374.0	Land-Distribution Plant	-
49	374.1	Land Right of Way-Distribution	-
50	375.1	Structures & Impr-Dist M&R Gen	8,879
51	375.2	Structures & Impr-Dist M&R Ind	-
52	375.3	Structures & Impr-Dist Other	-
53	376.1	Mains-Distribution-Low Press	13,205,809
54	376.2	Mains-Distribution-Reg Press	25,837,001
55	378.0	Meas & Regul Equip-Gen-Dist	17,884,549
56	380.0	Services-Distribution Plant	6,513,924
57	381.0	Meters-Distribution Plant	-
58	381.1	Meters ERTs-Distribution Plant	-
59	382.0	Meter Installations-Dist	-
60	385.0	Indust Meas & Regul Sta Equip	29,951
61	386.0	Other Prop on Customers' Prem	-
62	387.0	Other Equipment-Distribution	-
63		Total	63,480,112
		General Plant	
64	389.0	Land-General Plant	4,241,743
65	389.1	Land Rights-General Plant	-
66	390.0	Structures & Impr-General Plt	2,986,568
67	390.1	Structures & Impr-Gen-LeaseImp	-
68	391.1	Office F&E-Furniture	6,594
69	391.2	Office F&E-Computer Hardware	-
70	391.3	Office F&E-Equipment	55,179

Peoples Natural Gas Company LLC
Attachment 3: Exhibit 8, Sch. 3
Construction Work in Progress

Line No.	Account No.	Description	HTY November 30, 2025
(1)	(2)	(3)	(4)
71	392.1	Transportation Equip-Autos	-
72	392.2	Transportation Equip-Trucks	3,450,662
73	392.3	Transportation Equip-Trailers	1,354,257
74	392.4	Transport Equip-Trucks HEAVY	-
75	392.5	Transportation Equip-NGV Kits	-
76	393.0	Stores Equipment-General Plant	-
77	394.0	Tools, Shop, Garage Equip	1,168,900
78	394.3	Tools, Shop, Garage Equip-NGV	-
79	396.0	Power Operated Equipment-Gen	314,375
80	397.0	Communication Equipment-Gen	818,899
81	397.1	Communic Equip-Microwave Tower	176
82	397.5	Communic Equip-Radios	-
83	398.0	Miscellaneous Equipment-Gen	-
84		Total	14,397,352
85	OTH	Asset Retirement Obligation/Clearing	-
86		**Total Construction Work in Progress (Account 107)**	**$ 94,267,997**

Peoples Natural Gas Company LLC

§ 53.52(c)

4. A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

* *

Refer to Exhibit No. 9, Schedule No. 1 (53.53 I.A.3).

Peoples Natural Gas Company LLC

§ 53.53.I.A

8. Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all backup workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to ‘‘test’’ the applicability of any indexes.

a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing.

* *

Pursuant to 52 Pa. Code § 53.51(c), Peoples is not providing trended original cost data.

Peoples Natural Gas Company LLC

§ 53.53.I.A

9. Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.

* *

Pursuant to 52 Pa. Code § 53.51(c), Peoples is not providing trended original cost data.

Peoples Natural Gas Company LLC

§ 53.53.I.A

10. Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes:

    a. Boeckh

    b. Handy-Whitman

    c. Indexes developed from suppliers' prices.

    d. Indexes developed from company records and company price histories.

    e. Construction equipment.

    f. Government statistical releases.

* *

Pursuant to 52 Pa. Code § 53.51(c), Peoples is not providing trended original cost data.

Peoples Natural Gas Company LLC

§ 53.53.I.A

11. Provide a table, showing the cumulative trended depreciated original cost (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

a. Year installed.

b. Trended original cost (at the spot price level) — the total surviving cost associated with each installation year from all plant accounts.

c. Trended calculated depreciation reserve—the calculated depreciation reserve associated with each installation year from all plant accounts.

d. Depreciated trended original cost — (Column B minus Column C).

e. Total—cumulation year by year of the figures from Column D.

f. Column E divided by the total of the figures in Column D.

* *

Pursuant to 52 Pa. Code § 53.51(c), Peoples is not providing trended original cost data.

Peoples Natural Gas Company LLC

§ 53.53.I.A

12. If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

* *

Peoples is not making a claim for Construction Work in Progress after the end of the Fully Projected Future Test Year.

Peoples Natural Gas Company LLC

§ 53.53.I.A

13. If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

* *

Refer to the response to Exhibit No. 8, Schedule No. 9 (53.53.I.A.12).

Peoples Natural Gas Company LLC

§ 53.53.I.A

14. If a claim is made for plant held for future use, supply the following:

a. A brief description of the plant or land site and its cost.

b. Expected date of use for each item claimed.

c. Explanation as to why it is necessary to acquire each item in advance of its date of use.

d. Date when each item was acquired.

e. Date when each item was placed in plant held for future use.

* *

Peoples is not making a claim for plant held for future use.

Peoples Natural Gas Company LLC

§ 53.53.I.A

15. If materials and supplies comprise part of the cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for the thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances. [Explain method of determining claim if other than that described above.]

* *

Please see below for the thirteen months of materials & supplies book balances:

Month	Materials & Supplies Book Balance
Nov-24	6,045,119
Dec-24	6,112,088
Jan-25	6,172,865
Feb-25	6,201,018
Mar-25	6,199,650
Apr-25	6,232,605
May-25	6,218,639
Jun-25	6,327,586
Jul-25	6,321,408
Aug-25	6,035,638
Sep-25	6,041,662
Oct-25	6,120,478
Nov-25	6,167,508

Peoples Natural Gas Company LLC

§ 53.53.I.A

16. If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc.

[Explain the method of determining claim if other than that described above.]

* *

Peoples is not making a claim for fuel stocks as part of its cash working capital claim.

Peoples Natural Gas Company LLC

§ 53.53.I.A

18. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.

* *

Peoples' measures of value claim and appropriate explanations are set forth and explained in Peoples Statement Nos. 12 and 16, the direct testimonies of Nick Tufarolo and John Spanos.

Peoples Natural Gas Company LLC

§ 53.53.II.A

21. Provide Original Cost, Trended Original Cost and Fair Value rate base claims.

* *

Pursuant to 52 Pa. Code § 53.51(c), Peoples is not providing trended original cost data.

Peoples Natural Gas Company LLC

§ 53.53.III.A

14. Provide schedules and data in support of the following working capital items:

a. Prepayments—List and identify all items

b. Federal Excise Tax accrued or prepaid

c. Federal Income Tax accrued or prepaid

d. Pa. State Income Tax accrued or prepaid

e. Pa. Gross Receipts Tax accrued or prepaid

f. Pa. Capital Stock Tax accrued or prepaid

g. Pa. Public Utility Realty Tax accrued or prepaid

h. State sales tax accrued or prepaid

i. Payroll taxes accrued or prepaid

j. Any adjustment related to the above items for ratemaking purposes.

* *

a. Refer to Exhibit No. 8, Schedule No. 18 (53.53.III.A.16)

b. None

c. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

d. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

e. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

f. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

g. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

h. None

i. Refer to Exhibit No. 7, Schedule No. 19 (53.53.III.A.66)

j. Adjustments relied on to calculate the above are presented in Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) and included in working capital based on lead-lag study in Exhibit No. 8, Schedule No. 17 (53.53.III.A.15).

Peoples Natural Gas Company LLC

§ 53.53.III.A

15. Supply an exhibit supporting the claim for working capital requirement based on the lead-lag method.

a. Pro forma expenses and revenues are to be used in lieu of book data for computing lead-lag days.

b. Respondent must either include sales for resale and related expenses in revenues and in expenses or exclude from revenues and expenses. Explain procedures followed (exclude telephone).

* *

Please refer to Peoples Statement No. 14, the direct testimony of Anton Ribich and Attachment AR-1 for the information requested.

Peoples Natural Gas Company LLC

§ 53.53.III.A

16. Provide detailed calculations showing the derivation of the tax liability offset against gross cash working capital requirements.

* *

Refer to Exhibit No. 7, Schedule No. 8 (53.53.III.A.55) for details on the tax liability and refer to Exhibit No. 8, Schedule No. 2 (53.53.I.A.2) for the offset against gross cash working capital requirements.

Peoples Natural Gas Company LLC

§ 53.53.I.A

3. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of all factors which were considered in arriving at estimates of service life and dispersion by account. Provide dates of all field inspections and facilities visited.

* *

The depreciation methods utilized in calculating annual and accrued depreciation are discussed in the Future Test Year report in Part IV of the gas depreciation study. The calculation of annual and accrued depreciation are discussed in the Future Test Year report in Part IV of the gas depreciation study.

Field trips and facilities visited for Peoples Natural Gas LLC are presented in Part III. Service Life Considerations, in the Future Test Year report of those that had recent visits.

Peoples Natural Gas Company LLC

§ 53.53.I.A

4. Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.

a. If any utility plant was excluded from the measures of value because it was deemed not to be "used and useful" in the public service, supply a detailed description of each item of property.

b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities.

i. These calculations should be provided for plant in service as well as other categories of plant, including, but not limited, to contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).

* *

The original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized are presented in the Future Test Year report in Part VI. Service Life Statistics, for gas depreciation studies.

The surviving original cost at the end of the Historical Test Year, ending November 30, 2025, by vintage and by account and the applicable depreciation reserve for utility plant are presented in the Historic Test Year report beginning on page II-7.

The surviving original cost at the end of the Future Test Year, ending November 30, 2026, by vintage and by account and the applicable depreciation reserve for utility plant are presented in the Future Test Year report beginning on page VII-7.

The surviving original cost at the end of the Fully Projected Test Year, ending December 31, 2027, by vintage and by account and the applicable depreciation reserve for utility plant are presented in the Fully Projected Test Year report beginning on page II-7.

Peoples Natural Gas Company LLC

§ 53.53.I.A

5. Provide a comparison of respondent's calculated depreciation reserve v. book reserve by account at the end of the test year.

* *

A comparison of the calculated depreciation reserve v. book reserve by account as of November 30, 2025, as of November 30, 2026, and as of December 31, 2027, are attached.

PEOPLES NATURAL GAS COMPANY LLC

COMPARISON OF CALCULATED ACCRUED DEPRECIATION
AND BOOK RESERVE AS OF NOVEMBER 30, 2025

	DEPRECIABLE GROUP	CALCULATED ACCRUED DEPRECIATION	BOOK DEPRECIATION RESERVE
	(1)	(2)	(3)
303.00	MISCELLANEOUS INTANGIBLE PLANT - CIAC	2,097,078	2,147,531
303.01	MISCELLANEOUS INTANGIBLE PLANT - OTHER	37,330,160	35,489,755
303.02	MISCELLANEOUS INTANGIBLE PLANT - MAJOR	4,534,166	935,970
303.03	MISCELLANEOUS INTANGIBLE PLANT - SAP	14,768,590	19,062,562
325.01	PRODUCING LANDS	38,317	82,368
325.02	PRODUCING LEASEHOLDS	7,921	10,016
325.03	GAS RIGHTS	12,142	13,379
325.04	RIGHTS OF WAY	856,563	1,020,182
327.00	FIELD COMPRESSOR STATION EQUIPMENT	4,471,821	5,261,525
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	50,038	51,967
329.00	OTHER STRUCTURES	727,654	1,023,500
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	8,665	10,461
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,841	2,531
332.00	FIELD LINES	28,157,640	32,189,505
333.00	FIELD COMPRESSOR STATION EQUIPMENT	19,771,148	19,494,140
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	2,299,457	2,981,049
337.00	OTHER EQUIPMENT	44,662	42,544
350.11	LAND - GAS	12,978	11,022
350.21	RIGHTS OF WAY	31,244	39,258
351.00	STRUCTURES AND IMPROVEMENTS	966,028	794,763
352.01	WELLS - CONSTRUCTION	670,138	(1,192,199)
352.02	WELLS - EQUIPMENT	363,046	97,073
352.11	LEASEHOLDS	141,441	161,937
352.12	STORAGE RIGHTS	190,894	234,435
352.21	RESERVOIRS	195,685	196,321
352.31	NON-RECOVERABLE NATURAL GAS	205,251	205,251
353.00	LINES	1,564,367	2,195,845
354.00	COMPRESSOR STATION EQUIPMENT	5,751,609	5,046,330
355.00	MEASURING AND REGULATING STATION EQUIPMENT	415,330	592,651
357.00	OTHER EQUIPMENT	27,536	30,184
365.02	RIGHTS OF WAY	2,493,706	2,901,166
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	909,942	1,196,003
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	699,257	1,100,364
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	68,854	80,242
367.00	MAINS	80,459,822	99,703,602
368.00	COMPRESSOR STATION EQUIPMENT	7,726,558	9,247,729
369.00	MEASURING AND REGULATING STATION EQUIPMENT	14,415,655	17,589,813
371.00	OTHER EQUIPMENT	996,658	1,275,946
374.02	RIGHTS OF WAY	3,179,932	3,308,177
375.01	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,920,914	4,066,011
375.32	STRUCTURES AND IMPROVEMENTS - MAJOR STRUCTURES	17,765,289	16,030,940
375.31	STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES	437,474	629,896
376.01	MAINS - LOW PRESSURE	272,922,574	317,772,699
376.02	MAINS - REGULAR PRESSURE	334,648,237	283,878,765
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	31,217,136	37,347,800
380.00	SERVICES	283,352,358	320,112,789
381.00	METERS	45,892,986	49,817,170
381.20	METERS - INTELIS	256,259	145,635
382.00	METER INSTALLATIONS	28,425,909	29,132,944
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	4,740,985	6,232,637
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	13,072,097	14,644,532
387.00	OTHER EQUIPMENT	4,661,604	4,288,912
389.02	LAND RIGHTS AND RIGHTS OF WAY	35,792	39,415
390.00	STRUCTURES AND IMPROVEMENTS - OWNED	4,448,741	5,886,063
390.01	STRUCTURES AND IMPROVEMENTS - LEASED - NORTH SHORE	6,445,441	6,470,072
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,614,659	2,062,545
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	6,427,503	9,084,860
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	61,262	21,046
392.02	TRANSPORTATION EQUIPMENT - TRUCKS	34,240,091	26,710,565
392.03	TRANSPORTATION EQUIPMENT - TRAILERS	1,158,274	116,746
393.00	STORES EQUIPMENT	275	(1,422)
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	4,431,592	4,902,349
394.01	DUAL FUEL STATIONS	231,741	317,922
396.00	POWER OPERATED EQUIPMENT	8,274,145	8,517,071
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	11,251,707	11,040,592
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	7,907,004	8,991,765
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	18,225	(1,835)
397.20	COMMUNICATION EQUIPMENT - RADIO	1,317,412	1,250,166
398.00	MISCELLANEOUS EQUIPMENT	26,589	46,626
	TOTAL	**1,363,869,069**	**1,434,190,172**

PEOPLES NATURAL GAS COMPANY LLC

COMPARISON OF CALCULATED ACCRUED DEPRECIATION AND BOOK RESERVE AS OF NOVEMBER 30, 2026

	DEPRECIABLE GROUP	CALCULATED ACCRUED DEPRECIATION	BOOK DEPRECIATION RESERVE
	(1)	(2)	(3)
303.00	MISCELLANEOUS INTANGIBLE PLANT - CIAC	2,365,802	1,842,722
303.01	MISCELLANEOUS INTANGIBLE PLANT - OTHER	46,638,333	43,095,107
303.02	MISCELLANEOUS INTANGIBLE PLANT - MAJOR	4,937,124	1,046,770
303.03	MISCELLANEOUS INTANGIBLE PLANT - SAP	14,514,713	17,462,987
325.01	PRODUCING LANDS	40,224	83,442
325.02	PRODUCING LEASEHOLDS	8,009	10,206
325.03	GAS RIGHTS	12,353	13,606
325.04	RIGHTS OF WAY	880,076	1,042,773
327.00	FIELD COMPRESSOR STATION EQUIPMENT	4,685,727	5,510,164
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	52,412	52,765
329.00	OTHER STRUCTURES	756,816	1,047,385
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	8,688	10,461
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,853	2,781
332.00	FIELD LINES	29,316,892	33,706,307
333.00	FIELD COMPRESSOR STATION EQUIPMENT	20,292,066	18,863,126
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	2,368,205	3,070,895
337.00	OTHER EQUIPMENT	7,467	(11,395)
350.11	LAND - GAS	13,088	11,485
350.21	RIGHTS OF WAY	33,277	41,226
351.00	STRUCTURES AND IMPROVEMENTS	1,000,195	967,443
352.01	WELLS - CONSTRUCTION	695,900	(626,826)
352.02	WELLS - EQUIPMENT	382,875	96,922
352.11	LEASEHOLDS	142,265	161,937
352.12	STORAGE RIGHTS	197,247	239,520
352.21	RESERVOIRS	205,353	205,980
352.31	NON-RECOVERABLE NATURAL GAS	205,251	205,251
353.00	LINES	1,625,342	2,247,482
354.00	COMPRESSOR STATION EQUIPMENT	5,607,972	4,158,714
355.00	MEASURING AND REGULATING STATION EQUIPMENT	455,379	617,119
357.00	OTHER EQUIPMENT	27,816	30,184
365.02	RIGHTS OF WAY	2,575,425	2,977,552
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	942,498	1,222,833
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	726,232	1,118,049
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	69,880	80,953
367.00	MAINS	84,499,586	103,771,080
368.00	COMPRESSOR STATION EQUIPMENT	8,073,520	9,391,389
369.00	MEASURING AND REGULATING STATION EQUIPMENT	15,342,558	18,929,378
371.00	OTHER EQUIPMENT	1,056,344	1,341,951
374.02	RIGHTS OF WAY	3,336,310	3,469,425
375.01	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,906,106	3,879,932
375.32	STRUCTURES AND IMPROVEMENTS - MAJOR STRUCTURES	18,715,213	17,346,074
375.31	STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES	452,042	642,160
376.01	MAINS - LOW PRESSURE	304,886,744	352,353,816
376.02	MAINS - REGULAR PRESSURE	361,227,463	313,151,924
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	34,096,918	39,368,042
380.00	SERVICES	299,308,269	334,628,720
381.00	METERS	43,311,560	31,762,372
381.20	METERS - INTELIS	2,533,353	1,621,900
382.00	METER INSTALLATIONS	25,868,199	20,524,431
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	4,956,889	6,488,420
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	13,304,138	14,644,532
387.00	OTHER EQUIPMENT	5,270,270	5,019,221
389.02	LAND RIGHTS AND RIGHTS OF WAY	36,303	39,924
390.00	STRUCTURES AND IMPROVEMENTS - OWNED	5,473,693	6,997,517
390.01	STRUCTURES AND IMPROVEMENTS - LEASED - NORTH SHORE	6,953,227	6,952,636
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,728,935	2,102,052
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5,191,516	6,042,176
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	73,616	40,232
392.02	TRANSPORTATION EQUIPMENT - TRUCKS	38,219,690	29,506,879
392.03	TRANSPORTATION EQUIPMENT - TRAILERS	1,233,656	(715,234)

393.00	STORES EQUIPMENT	292	-
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	4,472,991	4,622,089
394.01	DUAL FUEL STATIONS	258,283	328,512
396.00	POWER OPERATED EQUIPMENT	8,797,210	8,852,449
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	9,935,311	8,069,845
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	8,848,745	9,820,616
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	19,372	1,727
397.20	COMMUNICATION EQUIPMENT - RADIO	468,845	1,092
398.00	MISCELLANEOUS EQUIPMENT	30,248	47,685
	TOTAL	**1,461,681,170**	**1,501,650,890**

PEOPLES NATURAL GAS COMPANY LLC

COMPARISON OF CALCULATED ACCRUED DEPRECIATION AND BOOK RESERVE AS OF DECEMBER 31, 2027

	DEPRECIABLE GROUP	CALCULATED ACCRUED DEPRECIATION	BOOK DEPRECIATION RESERVE
	(1)	(2)	(3)
303.00	MISCELLANEOUS INTANGIBLE PLANT - CIAC	2,595,617	1,344,212
303.01	MISCELLANEOUS INTANGIBLE PLANT - OTHER	51,171,988	45,886,851
303.02	MISCELLANEOUS INTANGIBLE PLANT - MAJOR	4,997,963	554,660
303.03	MISCELLANEOUS INTANGIBLE PLANT - SAP	13,308,440	14,902,603
325.01	PRODUCING LANDS	42,319	84,516
325.02	PRODUCING LEASEHOLDS	8,107	10,390
325.03	GAS RIGHTS	12,580	13,831
325.04	RIGHTS OF WAY	906,105	1,066,803
327.00	FIELD COMPRESSOR STATION EQUIPMENT	4,915,844	5,753,879
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	54,134	55,565
329.00	OTHER STRUCTURES	786,687	1,071,077
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	8,711	10,461
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,867	2,883
332.00	FIELD LINES	30,604,571	34,247,273
333.00	FIELD COMPRESSOR STATION EQUIPMENT	21,448,160	20,354,472
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	2,447,039	3,130,540
337.00	OTHER EQUIPMENT	6,797	(10,458)
350.11	LAND - GAS	13,198	11,922
350.21	RIGHTS OF WAY	35,706	43,452
351.00	STRUCTURES AND IMPROVEMENTS	1,035,360	1,152,588
352.01	WELLS - CONSTRUCTION	761,377	(8,383)
352.02	WELLS - EQUIPMENT	425,853	124,849
352.11	LEASEHOLDS	143,133	161,937
352.12	STORAGE RIGHTS	204,146	244,605
352.21	RESERVOIRS	215,827	215,639
352.31	NON-RECOVERABLE NATURAL GAS	205,251	205,251
353.00	LINES	1,690,063	2,298,382
354.00	COMPRESSOR STATION EQUIPMENT	5,930,541	4,652,235
355.00	MEASURING AND REGULATING STATION EQUIPMENT	502,417	665,764
357.00	OTHER EQUIPMENT	28,043	30,184
365.02	RIGHTS OF WAY	2,670,777	3,060,664
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	976,842	1,249,663
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	755,454	1,135,512
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	70,987	81,645
367.00	MAINS	88,911,229	107,876,550
368.00	COMPRESSOR STATION EQUIPMENT	8,560,878	9,948,125
369.00	MEASURING AND REGULATING STATION EQUIPMENT	16,362,131	20,314,582
371.00	OTHER EQUIPMENT	1,118,515	1,405,570
374.02	RIGHTS OF WAY	3,516,177	3,645,783
375.01	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,866,592	3,563,575
375.32	STRUCTURES AND IMPROVEMENTS - MAJOR STRUCTURES	19,712,012	18,663,628
375.31	STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES	467,682	654,314
376.01	MAINS - LOW PRESSURE	341,350,644	390,697,447
376.02	MAINS - REGULAR PRESSURE	390,452,113	345,794,022
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	37,405,007	42,254,289
380.00	SERVICES	317,446,827	350,377,610
381.00	METERS	38,659,477	10,440,885
381.20	METERS - INTELIS	5,575,674	5,210,532
382.00	METER INSTALLATIONS	22,335,016	10,124,405
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	5,184,544	6,733,920
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	13,514,315	14,644,532
387.00	OTHER EQUIPMENT	5,888,594	5,621,218
389.02	LAND RIGHTS AND RIGHTS OF WAY	36,840	40,422
390.00	STRUCTURES AND IMPROVEMENTS - OWNED	7,051,098	7,915,272
390.01	STRUCTURES AND IMPROVEMENTS - LEASED - NORTH SHORE	7,486,097	7,348,795
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,839,302	2,127,471

391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,490,812	1,749,828
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	85,281	59,774
392.02	TRANSPORTATION EQUIPMENT - TRUCKS	41,510,143	32,508,743
392.03	TRANSPORTATION EQUIPMENT - TRAILERS	1,477,132	(846,913)
393.00	STORES EQUIPMENT	312	53
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	4,625,430	4,577,773
394.01	DUAL FUEL STATIONS	287,036	339,102
396.00	POWER OPERATED EQUIPMENT	9,207,673	9,115,311
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	10,238,712	8,417,510
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	9,868,793	10,649,471
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	20,614	5,306
397.20	COMMUNICATION EQUIPMENT - RADIO	493,008	180,909
398.00	MISCELLANEOUS EQUIPMENT	34,212	48,744
	TOTAL	**1,563,062,826**	**1,576,014,025**

Peoples Natural Gas Company LLC

§ 53.53.I.A

6. Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:

a. For the purposes of this filing.

b. For the purposes of the most recent rate increase filing prior to the current proceedings.

i. Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.

* *

a. Refer to Table 1 in the Historic Test Year, Future Test Year and Fully Projected Test Year reports.

b. Refer to the attached pages for survivor curves and annual accrual rates estimated to be appropriate in the most recent prior gas rate filing.

i. No changes were made to the methodology used in the depreciation study between the prior filing and the current filing.

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2023

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF AUGUST 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	7,357,363.33	1,774,396	5,582,967	180,995	2.46	30.8
	OTHER	5-SQ	44,133,758.99	19,537,543	24,596,216	7,691,363	17.43	3.2
	MAJOR	15-SQ	38,208,437.90	15,520,813	22,687,625	2,434,783	6.37	9.3
	SAP	10-SQ	29,186,804.00	26,233,480	2,953,324	314,717	1.08	9.4
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**118,886,364.22**	**63,066,232**	**55,820,132**	**10,621,858**	**8.93**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	78,935	60,505	1,085	0.78	55.8
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,016	4,465	187	1.29	23.9
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,052	7,932	225	1.07	35.3
325.04	RIGHTS OF WAY	75-R2.5	1,628,852.90	984,638	644,215	14,938	0.92	43.1
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	11,674,553.60	4,629,210	7,045,344	245,097	2.10	28.7
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	51,358.18	50,628	730	97	0.19	7.5
329.00	OTHER STRUCTURES	60-R2.5	1,926,213.73	968,363	957,851	24,347	1.26	39.3
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,221.39	8,307	914	157	1.70	5.8
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,984.12	2,419	565	300	10.05	1.9
332.00	FIELD LINES	65-R1.5	78,309,827.93	30,690,727	47,619,101	1,253,270	1.60	38.0
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	43,495,391.65	16,232,151	27,263,241	1,440,222	3.31	18.9
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	4,668,451.79	2,532,096	2,136,356	229,217	4.91	9.3
337.00	OTHER EQUIPMENT	23-L1	66,192.40	36,721	29,471	2,926	4.42	10.1
	TOTAL PRODUCTION PLANT		**142,007,952.86**	**56,237,263**	**85,770,690**	**3,212,068**	**2.26**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	10,525	6,299	471	2.80	13.4
350.21	RIGHTS OF WAY	70-R3	62,470.21	37,395	25,075	567	0.91	44.2
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,384,557.17	1,354,358	1,030,199	28,117	1.18	36.6
352.01	WELLS - CONSTRUCTION	60-R1.5	1,416,406.89	1,367,858	48,549	1,285	0.09	37.8
352.02	WELLS - EQUIPMENT	55-R1	758,363.61	162,981	595,383	23,796	3.14	25.0
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	413,405.93	223,427	189,979	5,062	1.22	37.5
352.21	RESERVOIRS	40-SQ	433,138.50	174,638	258,500	9,640	2.23	26.8
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	3,650,189.37	2,086,667	1,563,522	52,498	1.44	29.8
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	15,338,609.30	4,257,623	11,080,986	417,729	2.72	26.5
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	935,657.82	567,930	367,728	9,565	1.02	38.4
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**25,806,993.98**	**10,640,774**	**15,166,220**	**548,730**	**2.13**	

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2023

	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF AUGUST 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT								
365.02	RIGHTS OF WAY	80-R4		4,869,103.70	2,768,900	2,100,204	44,053	0.90	47.7
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3		2,097,645.91	1,151,360	946,286	25,412	1.21	37.2
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5		1,728,831.24	1,034,270	694,561	18,811	1.09	36.9
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2		94,788.96	75,063	19,726	968	1.02	20.4
367.00	MAINS	80-R2.5		268,958,805.36	92,039,030	176,919,775	3,310,611	1.23	53.4
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5		16,505,450.39	7,971,428	8,534,022	375,172	2.27	22.7
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5		44,573,434.54	17,161,649	27,411,786	939,156	2.11	29.2
371.00	OTHER EQUIPMENT	35-R1		2,650,785.29	1,072,874	1,577,911	75,472	2.85	20.9
	TOTAL TRANSMISSION PLANT			**341,478,845.39**	**123,274,574**	**218,204,271**	**4,789,655**	**1.40**	
	DISTRIBUTION PLANT								
374.02	RIGHTS OF WAY	75-R4		6,998,687.88	3,070,935	3,927,753	86,846	1.24	45.2
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	65-R2		4,034,091.94	2,023,904	2,010,188	57,588	1.43	34.9
	OTHER	55-R2		64,034.92	64,035	0	0	-	-
	MAJOR STRUCTURES	80-R1.5		25,743,451.70	17,765,857	7,977,595	156,423	0.61	51.0
	MINOR STRUCTURES	65-R2		113,241.63	57,931	55,311	1,608	1.42	34.4
	TOTAL STRUCTURES AND IMPROVEMENTS			29,954,820.19	19,911,727	10,043,094	215,619	0.72	46.6
376.00	MAINS								
	LOW PRESSURE	72-R1.5		1,246,977,342.71	228,031,711	1,018,945,632	23,512,859	1.89	43.3
	REGULAR PRESSURE	72-R1.5		1,240,534,800.17	288,329,224	952,205,576	22,194,203	1.79	42.9
	TOTAL MAINS			2,487,512,142.88	516,360,935	1,971,151,208	45,707,062	1.84	43.1
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5		90,922,959.28	32,987,981	57,934,978	1,788,734	1.97	32.4
380.00	SERVICES	55-R2		795,263,417.31	294,783,627	500,479,790	14,998,194	1.89	33.4
381.00	METERS	32-S0.5		139,773,837.43	53,907,959	85,865,878	4,501,787	3.22	19.1
382.00	METER INSTALLATIONS	55-R2		94,734,250.27	42,470,856	52,263,394	1,592,776	1.68	32.8
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5		12,408,558.21	5,612,634	6,795,924	246,776	1.99	27.5
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4		14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5		15,620,698.73	3,037,998	12,582,701	718,306	4.60	17.5
	TOTAL DISTRIBUTION PLANT			**3,687,833,904.46**	**986,789,184**	**2,701,044,720**	**69,856,100**	**1.89**	
	GENERAL PLANT								
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3		52,996.00	38,207	14,789	529	1.00	28.0
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	55-R1.5		18,683,143.60	6,189,099	12,494,045	393,566	2.11	31.7
	LEASED - NORTH SHORE	75-R0.5	*	8,112,867.83	5,344,164	2,768,704	521,947	6.43	5.3
	TOTAL STRUCTURES AND IMPROVEMENTS			26,796,011.43	11,533,263	15,262,749	915,513	3.42	16.7

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2023

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF AUGUST 31, 2023	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,790,756.95	1,800,760	989,997	87,218	3.13	11.4
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	15,713,631.89	10,819,499	4,894,133	1,331,613	8.47	3.7
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	392,447.77	205,050	187,398	21,845	5.57	8.6
392.00	TRANSPORTATION EQUIPMENT							
	AUTOMOBILES	6-L2.5	2,040.49	2,040	0	0	-	-
	TRUCKS	10-L2.5	71,885,269.63	19,422,413	52,462,857	10,221,870	14.22	5.1
	TRAILERS	15-L2	2,715,736.21	558,820	2,156,916	262,578	9.67	8.2
	TOTAL TRANSPORTATION EQUIPMENT		74,603,046.33	19,983,273	54,619,773	10,484,448	14.05	5.2
393.00	STORES EQUIPMENT	25-SQ	5,895.12	3,711	2,184	318	5.39	6.9
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	7,787,005.39	4,669,231	3,117,774	219,251	2.82	14.2
394.01	DUAL FUEL STATIONS	15-SQ	398,116.81	175,217	222,900	26,123	6.56	8.5
396.00	POWER OPERATED EQUIPMENT	15-L2	16,386,410.77	7,228,229	9,158,182	1,114,884	6.80	8.2
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	18,916,082.37	8,935,941	9,980,141	1,295,546	6.85	7.7
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	16,917,130.74	7,005,482	9,911,649	837,198	4.95	11.8
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	28,654.98	(1,835)	30,490	2,793	9.75	10.9
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	2,257,232.21	1,264,788	992,444	145,661	6.45	6.8
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	54,885.82	38,972	15,914	1,587	2.89	10.0
	TOTAL GENERAL PLANT		**183,100,304.58**	**73,699,788**	**109,400,517**	**16,484,527**	**9.00**	
	AMORTIZATION OF NET SALVAGE					**8,479,470**		
	TOTAL DEPRECIABLE GAS PLANT		**4,499,114,365.49**	**1,313,707,815**	**3,185,406,550**	**113,992,408**	**2.53**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26					
365.10	LAND AND LAND RIGHTS - LAND		119,953.61					
365.11	LAND		261,389.12					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		424,151.66					
	TOTAL NONDEPRECIABLE GAS PLANT		**2,209,684.75**	**32,259**				
	TOTAL GAS PLANT		**4,501,324,050.24**	**1,313,740,074**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2024

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF AUGUST 31, 2024	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	6,749,939.19	710,079	6,039,860	197,247	2.92	30.6
	OTHER	5-SQ	39,315,860.71	18,298,198	21,017,663	7,980,863	20.30	2.6
	MAJOR	15-SQ	31,488,288.85	7,818,016	23,670,273	2,527,917	8.03	9.4
	SAP	10-SQ	21,712,190.86	16,515,326	5,196,865	612,643	2.82	8.5
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**99,266,279.61**	**43,341,619**	**55,924,661**	**11,318,670**	**11.40**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	80,023	59,417	1,085	0.78	54.8
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,203	4,278	181	1.25	23.6
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,277	7,707	220	1.05	35.0
325.04	RIGHTS OF WAY	75-R2.5	1,628,852.90	999,623	629,230	14,799	0.91	42.5
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	11,650,037.03	4,849,602	6,800,435	240,131	2.06	28.3
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	368,277.66	50,746	317,532	18,549	5.04	17.1
329.00	OTHER STRUCTURES	60-R2.5	1,918,701.49	985,073	933,628	24,198	1.26	38.6
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,221.39	8,464	757	133	1.44	5.7
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,984.12	2,719	265	140	4.69	1.9
332.00	FIELD LINES	65-R1.5	89,105,836.08	31,590,625	57,515,211	1,530,153	1.72	37.6
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	42,250,333.91	16,257,239	25,993,095	1,395,230	3.30	18.6
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	4,880,606.93	2,804,058	2,076,549	213,735	4.38	9.7
337.00	OTHER EQUIPMENT	23-L1	65,543.71	38,984	26,560	2,687	4.10	9.9
	TOTAL PRODUCTION PLANT		**152,055,300.39**	**57,690,636**	**94,364,664**	**3,441,241**	**2.26**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	10,996	5,828	448	2.66	13.0
350.21	RIGHTS OF WAY	70-R3	62,470.21	38,015	24,455	564	0.90	43.4
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,384,265.23	1,391,603	992,662	27,418	1.15	36.2
352.01	WELLS - CONSTRUCTION	60-R1.5	3,501,654.22	1,373,926	2,127,728	66,106	1.89	32.2
352.02	WELLS - EQUIPMENT	55-R1	757,697.46	194,750	562,947	22,871	3.02	24.6
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	412,856.19	239,579	173,277	4,722	1.14	36.7
352.21	RESERVOIRS	40-SQ	433,138.50	184,297	248,842	9,639	2.23	25.8
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	4,640,087.72	2,153,740	2,486,348	81,447	1.76	30.5
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	15,337,064.03	4,635,202	10,701,862	406,198	2.65	26.3
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	1,290,058.63	576,926	713,133	17,544	1.36	40.6
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**29,233,487.37**	**11,196,406**	**18,037,082**	**636,957**	**2.18**	

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2024

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF AUGUST 31, 2024	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT							
365.02	RIGHTS OF WAY	80-R4	4,530,320.99	2,478,262	2,052,059	43,761	0.97	46.9
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3	2,097,645.91	1,183,497	914,149	25,031	1.19	36.5
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5	1,728,388.27	1,054,824	673,564	18,497	1.07	36.4
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2	94,788.96	76,222	18,567	927	0.98	20.0
367.00	MAINS	80-R2.5	352,727,518.90	95,757,430	256,970,089	4,708,893	1.33	54.6
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5	26,811,877.07	8,453,098	18,358,779	721,222	2.69	25.5
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5	46,290,184.17	18,096,327	28,193,857	959,241	2.07	29.4
371.00	OTHER EQUIPMENT	35-R1	2,640,712.31	1,138,205	1,502,507	71,971	2.73	20.9
	TOTAL TRANSMISSION PLANT		**436,921,436.58**	**128,237,865**	**308,683,571**	**6,549,543**	**1.50**	
	DISTRIBUTION PLANT							
374.02	RIGHTS OF WAY	75-R4	6,998,687.88	3,152,742	3,845,946	86,724	1.24	44.3
375.00	STRUCTURES AND IMPROVEMENTS							
	MEASURING AND REGULATING	65-R2	3,995,140.53	2,042,362	1,952,779	56,646	1.42	34.5
	OTHER	55-R2	64,034.92	64,035	0	0	-	-
	MAJOR STRUCTURES	80-R1.5	25,505,826.75	18,307,570	7,198,257	139,940	0.55	51.4
	MINOR STRUCTURES	65-R2	113,241.63	59,539	53,703	1,582	1.40	33.9
	TOTAL STRUCTURES AND IMPROVEMENTS		29,678,243.83	20,473,506	9,204,739	198,168	0.67	46.4
376.00	MAINS							
	LOW PRESSURE	72-R1.5	1,366,669,856.47	248,446,020	1,118,223,836	25,557,942	1.87	43.8
	REGULAR PRESSURE	72-R1.5	1,370,566,972.45	308,238,802	1,062,328,170	24,724,731	1.80	43.0
	TOTAL MAINS		2,737,236,828.92	556,684,822	2,180,552,006	50,282,673	1.84	43.4
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5	98,604,850.80	34,510,566	64,094,285	1,973,347	2.00	32.5
380.00	SERVICES	55-R2	890,221,907.14	313,863,268	576,358,639	17,106,987	1.92	33.7
381.00	METERS	32-S0.5	150,069,064.69	56,573,241	93,495,824	4,916,938	3.28	19.0
382.00	METER INSTALLATIONS	55-R2	94,549,438.50	43,878,507	50,670,932	1,565,468	1.66	32.4
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5	12,710,090.86	5,822,979	6,887,112	250,130	1.97	27.5
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4	14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5	16,155,789.54	2,922,520	13,233,270	762,373	4.72	17.4
	TOTAL DISTRIBUTION PLANT		**4,050,869,434.44**	**1,052,526,683**	**2,998,342,753**	**77,142,808**	**1.90**	
	GENERAL PLANT							
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3	52,996.00	38,737	14,259	518	0.98	27.5
390.00	STRUCTURES AND IMPROVEMENTS							
	OWNED	55-R1.5	48,664,559.20	6,657,209	42,007,350	1,339,897	2.75	31.4
	LEASED - NORTH SHORE	75-R0.5	8,112,867.83	5,865,821	2,247,047	516,443	6.37	4.4
	TOTAL STRUCTURES AND IMPROVEMENTS		56,777,427.03	12,523,030	44,254,397	1,856,340	3.27	23.8

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF AUGUST 31, 2024

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF AUGUST 31, 2024	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,772,033.35	1,869,142	902,891	87,140	3.14	10.4
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	14,871,389.82	11,237,290	3,634,100	1,396,768	9.39	2.6
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	316,370.16	151,790	164,580	20,336	6.43	8.1
392.00	TRANSPORTATION EQUIPMENT							
	AUTOMOBILES	6-L2.5	1,875.41	1,875	0	0	-	-
	TRUCKS	10-L2.5	81,190,728.52	23,552,911	57,637,818	10,961,419	13.50	5.3
	TRAILERS	15-L2	2,786,243.63	586,962	2,199,282	271,657	9.75	8.1
	TOTAL TRANSPORTATION EQUIPMENT		83,978,847.56	24,141,748	59,837,100	11,233,076	13.38	5.3
393.00	STORES EQUIPMENT	25-SQ	5,895.12	4,029	1,866	321	5.45	5.8
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	8,394,237.27	4,290,048	4,104,189	261,543	3.12	15.7
394.01	DUAL FUEL STATIONS	15-SQ	381,191.13	183,852	197,339	25,918	6.80	7.6
396.00	POWER OPERATED EQUIPMENT	15-L2	17,749,037.43	7,940,586	9,808,451	1,195,831	6.74	8.2
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	19,486,951.29	10,027,307	9,459,644	1,361,912	6.99	6.9
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	18,271,355.17	7,676,775	10,594,580	925,345	5.06	11.4
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	327,952.09	15,550	312,402	13,435	4.10	23.3
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	1,963,681.77	1,147,791	815,891	132,203	6.73	6.2
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	52,706.86	38,348	14,359	1,591	3.02	9.0
	TOTAL GENERAL PLANT		**225,402,072.05**	**81,286,023**	**144,116,048**	**18,512,277**	**8.21**	
	AMORTIZATION OF NET SALVAGE					**6,943,483**		
	TOTAL DEPRECIABLE GAS PLANT		**4,993,748,010.44**	**1,374,279,232**	**3,619,468,779**	**124,544,979**	**2.35**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26					
365.10	LAND AND LAND RIGHTS - LAND		119,953.61					
365.11	LAND		261,389.12					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		424,151.66					
	TOTAL NONDEPRECIABLE GAS PLANT		**2,209,684.75**	**32,259**				
	TOTAL GAS PLANT		**4,995,957,695.19**	**1,374,311,491**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF SEPTEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF SEPTEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	DEPRECIABLE GAS PLANT							
	INTANGIBLE PLANT							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	40-SQ	7,741,554.54	858,910	6,882,645	223,952	2.89	30.7
	OTHER	5-SQ	33,376,272.95	14,012,471	19,363,802	7,410,957	22.20	2.6
	MAJOR	15-SQ	31,635,397.92	5,197,921	26,437,477	2,604,370	8.23	10.2
	SAP	10-SQ	18,460,606.96	9,600,855	8,859,752	1,156,869	6.27	7.7
	TOTAL MISCELLANEOUS INTANGIBLE PLANT		**91,213,832.37**	**29,670,157**	**61,543,676**	**11,396,148**	**12.49**	
	PRODUCTION PLANT							
325.01	PRODUCING LANDS	75-R4	139,440.21	81,226	58,214	1,085	0.78	53.7
325.02	PRODUCING LEASEHOLDS	45-L0	14,480.68	10,400	4,081	174	1.20	23.5
325.03	GAS RIGHTS	65-R2.5	20,984.28	13,511	7,473	218	1.04	34.3
325.04	RIGHTS OF WAY	75-R2.5	1,628,852.90	1,015,678	613,175	14,687	0.90	41.7
327.00	FIELD COMPRESSOR STATION EQUIPMENT	50-S0.5	11,623,537.47	5,082,793	6,540,744	234,961	2.02	27.8
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	33-S0	580,795.00	75,110	505,685	26,265	4.52	19.3
329.00	OTHER STRUCTURES	60-R2.5	1,910,597.40	1,003,103	907,494	23,906	1.25	38.0
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	25-L1	9,221.39	8,607	614	112	1.21	5.5
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	26-L1	2,984.12	2,875	109	53	1.78	2.1
332.00	FIELD LINES	65-R1.5	96,714,715.32	32,745,872	63,968,843	1,687,581	1.74	37.9
333.00	FIELD COMPRESSOR STATION EQUIPMENT	35-S0.5	40,943,124.58	16,330,902	24,612,223	1,346,784	3.29	18.3
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	20-L0	5,146,889.18	3,082,520	2,064,369	207,970	4.04	9.9
337.00	OTHER EQUIPMENT	23-L1	64,848.38	41,185	23,663	2,446	3.77	9.7
	TOTAL PRODUCTION PLANT		**158,800,470.91**	**59,493,782**	**99,306,687**	**3,546,242**	**2.23**	
	UNDERGROUND STORAGE PLANT							
350.11	LAND - GAS	55-L4	16,823.84	11,481	5,343	425	2.53	12.6
350.21	RIGHTS OF WAY	70-R3	62,470.21	38,693	23,777	558	0.89	42.6
351.00	STRUCTURES AND IMPROVEMENTS	60-R2	2,383,949.12	1,430,890	953,059	26,667	1.12	35.7
352.01	WELLS - CONSTRUCTION	60-R1.5	4,404,044.51	1,402,825	3,001,220	85,379	1.94	35.2
352.02	WELLS - EQUIPMENT	55-R1	756,976.90	213,509	543,468	22,495	2.97	24.2
352.11	LEASEHOLDS	60-R3	161,936.70	161,937	0	0	-	-
352.12	STORAGE RIGHTS	65-R5	412,261.53	244,371	167,891	4,713	1.14	35.6
352.21	RESERVOIRS	40-SQ	433,138.50	194,762	238,376	9,637	2.22	24.7
352.31	NON-RECOVERABLE NATURAL GAS	37-SQ	205,250.77	205,251	0	0	-	-
353.00	LINES	50-R2	7,679,393.32	2,280,492	5,398,901	168,719	2.20	32.0
354.00	COMPRESSOR STATION EQUIPMENT	47-R1.5	15,335,390.35	5,034,494	10,300,896	394,961	2.58	26.1
355.00	MEASURING AND REGULATING STATION EQUIPMENT	60-R2.5	1,278,060.21	589,309	688,751	16,868	1.32	40.8
357.00	OTHER EQUIPMENT	30-R2.5	30,183.87	30,184	0	0	-	-
	TOTAL UNDERGROUND STORAGE PLANT		**33,159,879.83**	**11,838,198**	**21,321,682**	**730,422**	**2.20**	

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF SEPTEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF SEPTEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
	TRANSMISSION PLANT							
365.02	RIGHTS OF WAY	80-R4	4,211,096.13	2,211,083	2,000,013	43,183	1.03	46.3
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	60-R3	2,097,645.91	1,218,131	879,515	24,637	1.17	35.7
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	55-R2.5	1,727,908.68	1,075,894	652,015	18,297	1.06	35.6
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	45-R2	94,788.96	77,431	17,358	889	0.94	19.5
367.00	MAINS	80-R2.5	490,679,488.88	101,686,115	388,993,374	6,953,593	1.42	55.9
368.00	COMPRESSOR STATION EQUIPMENT	42-S0.5	30,531,546.54	9,202,431	21,329,116	832,055	2.73	25.6
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48-R1.5	49,940,416.29	19,147,811	30,792,605	1,052,362	2.11	29.3
371.00	OTHER EQUIPMENT	35-R1	2,629,844.55	1,205,276	1,424,569	68,775	2.62	20.7
	TOTAL TRANSMISSION PLANT		**581,912,735.94**	**135,824,172**	**446,088,565**	**8,993,791**	**1.55**	
	DISTRIBUTION PLANT							
374.02	RIGHTS OF WAY	75-R4	6,998,687.88	3,240,740	3,757,948	86,637	1.24	43.4
375.00	STRUCTURES AND IMPROVEMENTS							
	MEASURING AND REGULATING	65-R2	3,953,370.05	2,061,729	1,891,641	55,549	1.41	34.1
	OTHER	55-R2	64,034.92	64,035	0	0	-	-
	MAJOR STRUCTURES	80-R1.5	25,250,976.71	18,881,679	6,369,298	123,192	0.49	51.7
	MINOR STRUCTURES	65-R2	113,241.63	61,255	51,987	1,556	1.37	33.4
	TOTAL STRUCTURES AND IMPROVEMENTS		29,381,623.31	21,068,698	8,312,926	180,297	0.61	46.1
376.00	MAINS							
	LOW PRESSURE	72-R1.5	1,501,790,725.72	272,253,803	1,229,536,923	27,917,169	1.86	44.0
	REGULAR PRESSURE	72-R1.5	1,518,155,502.56	331,251,684	1,186,903,819	27,493,554	1.81	43.2
	TOTAL MAINS		3,019,946,228.28	603,505,487	2,416,440,742	55,410,723	1.83	43.6
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	55-R1.5	113,550,500.90	36,406,770	77,143,731	2,374,312	2.09	32.5
380.00	SERVICES	55-R2	1,001,517,827.61	335,838,894	665,678,934	19,522,360	1.95	34.1
381.00	METERS	32-S0.5	162,160,164.09	59,754,367	102,405,797	5,403,897	3.33	19.0
382.00	METER INSTALLATIONS	55-R2	94,349,651.50	45,360,396	48,989,256	1,537,982	1.63	31.9
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	50-R0.5	13,327,105.43	6,056,722	7,270,383	266,630	2.00	27.3
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	20-S4	14,644,532.28	14,644,532	0	0	-	-
387.00	OTHER EQUIPMENT	26-R2.5	17,303,296.01	2,765,016	14,538,280	842,158	4.87	17.3
	TOTAL DISTRIBUTION PLANT		**4,473,179,617.29**	**1,128,641,622**	**3,344,537,997**	**85,624,996**	**1.91**	
	GENERAL PLANT							
389.02	LAND RIGHTS AND RIGHTS OF WAY	60-R3	52,996.00	39,296	13,700	511	0.96	26.8
390.00	STRUCTURES AND IMPROVEMENTS							
	OWNED	55-R1.5	62,784,203.42	6,964,333	55,819,870	1,689,409	2.69	33.0
	LEASED - NORTH SHORE	75-R0.5	8,112,867.83	6,425,679	1,687,189	512,028	6.31	3.3
	TOTAL STRUCTURES AND IMPROVEMENTS		70,897,071.25	13,390,012	57,507,059	2,201,437	3.11	26.1

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS AND PEOPLES GAS DIVISIONS COMBINED

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF SEPTEMBER 30, 2025

	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF SEPTEMBER 30, 2025	BOOK DEPRECIATION RESERVE	FUTURE ACCURALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)/(3)	(8)=(5)/(6)
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	2,752,552.83	1,943,820	808,733	86,930	3.16	9.3
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	14,050,130.22	11,887,036	2,163,094	1,252,043	8.91	1.7
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	297,616.52	157,332	140,285	19,847	6.67	7.1
392.00	TRANSPORTATION EQUIPMENT							
	AUTOMOBILES	6-L2.5	1,712.08	1,712	0	0	-	-
	TRUCKS	10-L2.5	82,690,362.44	28,373,876	54,316,486	10,669,371	12.90	5.1
	TRAILERS	15-L2	2,868,891.35	653,936	2,214,955	276,763	9.65	8.0
	TOTAL TRANSPORTATION EQUIPMENT		85,560,965.87	29,029,524	56,531,441	10,946,134	12.79	5.2
393.00	STORES EQUIPMENT	25-SQ	5,895.12	4,377	1,518	325	5.51	4.7
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	9,102,777.19	4,194,854	4,907,923	297,923	3.27	16.5
394.01	DUAL FUEL STATIONS	15-SQ	363,320.21	193,403	169,917	25,616	7.05	6.6
396.00	POWER OPERATED EQUIPMENT	15-L2	19,012,469.79	8,781,362	10,231,108	1,260,020	6.63	8.1
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	15-SQ	21,281,174.63	11,322,800	9,958,375	1,367,550	6.43	7.3
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	18-SQ	21,462,909.51	8,529,568	12,933,342	1,121,350	5.22	11.5
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	25-SQ	719,746.05	39,135	680,611	29,086	4.04	23.4
397.20	COMMUNICATION EQUIPMENT - RADIO	15-SQ	1,896,904.07	1,274,009	622,895	113,633	5.99	5.5
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	50,446.96	37,775	12,672	1,594	3.16	7.9
	TOTAL GENERAL PLANT		**247,506,976.22**	**90,824,303**	**156,682,673**	**18,723,999**	**7.57**	
	AMORTIZATION OF NET SALVAGE					**5,204,000**		
	TOTAL DEPRECIABLE GAS PLANT		**5,585,773,512.56**	**1,456,292,234**	**4,129,481,280**	**134,219,598**	**2.40**	
	NONDEPRECIABLE GAS PLANT							
301.00	ORGANIZATION		177,885.87					
302.00	FRANCHISES AND CONSENTS		71,371.20					
325.51	OTHER LAND AND LAND RIGHTS		47,094.57	2,031				
350.10	LAND AND LAND RIGHTS - LAND		46,820.26					
365.10	LAND AND LAND RIGHTS - LAND		119,953.61					
365.11	LAND		261,389.12					
374.01	LAND AND LAND RIGHTS - LAND		1,061,018.46	30,228				
389.01	LAND AND LAND RIGHTS - LAND		424,151.66					
	TOTAL NONDEPRECIABLE GAS PLANT		**2,209,684.75**	**32,259**				
	TOTAL GAS PLANT		**5,587,983,197.31**	**1,456,324,493**				

* LIFESPAN PROCEDURE IS USED. SURVIVOR CURVE SHOWN IS INTERIM CURVE.

Peoples Natural Gas Company LLC

§ 53.53.I.A

7. Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:

a. Year installed.

b. Original cost—the total surviving cost associated with each installation year from all plant accounts.

c. Calculated depreciation reserve—the calculated depreciation reserve associated with each installation year from all plant accounts.

d. Depreciated original cost—(Column B minus Column C).

e. Total—cumulation year by year of the figures from Column D.

f. Column E divided by the total of the figure in Column D.

* *

The cumulative depreciated original cost at the end of the historical year November 30, 2025, by vintage is presented in the Historic Test Year report beginning on page II-3.

The cumulative depreciated original cost at test year end November 30, 2026, by vintage is presented in the Future Test Year report beginning on page VII-3.

The cumulative depreciated original cost at test year end December 31, 2027, by vintage is presented in the Fully Projected Test Year report beginning on page II-3.

Peoples Natural Gas Company LLC

§ 53.53.I.A

17. Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.

* *

The information is presented in Part III, Experienced Net Salvage for the Historic Test Year report. In Part VIII, Experienced and Estimated Net Salvage of the Future Test Year report. In Part III, Experienced and Estimated Net Salvage of the Fully Projected Test Year report for gas assets.

Peoples Natural Gas Company LLC

§ 53.53.III.E

12. Provide a schedule showing residential and commercial heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve month periods.

* *

Refer to page 2 of this response.

Peoples Natural Gas Company LLC
53.53.III.12
Degree Day Data with Residential & Commercial Heating Volumes

Period	Degree Days* (1)	Residential Heating Sales In Mcf (2)	Commercial Heating Sales In Mcf (3)	Total Heating Sales In Mcf (4) = (2) + (3)
Dec-24	872	9,236,959	4,139,500	13,376,458
Jan-25	1,263	13,182,881	5,698,004	18,880,885
Feb-25	926	9,389,716	4,741,080	14,130,796
Mar-25	541	5,904,566	2,834,165	8,738,731
Apr-25	342	3,706,933	1,933,854	5,640,787
May-25	152	1,937,838	1,052,953	2,990,791
Jun-25	20	950,686	629,424	1,580,110
Jul-25	0	868,929	564,147	1,433,076
Aug-25	24	803,873	547,815	1,351,688
Sep-25	31	957,345	663,659	1,621,004
Oct-25	332	2,826,603	1,335,954	4,162,558
Nov-25	698	6,446,608	2,933,822	9,380,430
Total	**5,201**	**56,212,936**	**27,074,378**	**83,287,314**
Dec-23	686	7,534,045	3,495,720	11,029,765
Jan-24	985	10,153,924	4,570,062	14,723,986
Feb-24	731	7,896,437	3,793,031	11,689,468
Mar-24	564	5,598,584	2,718,786	8,317,370
Apr-24	263	3,210,687	1,934,331	5,145,018
May-24	64	1,538,318	1,074,131	2,612,449
Jun-24	9	934,924	672,473	1,607,397
Jul-24	0	873,534	569,910	1,443,444
Aug-24	8	843,287	562,808	1,406,095
Sep-24	18	973,914	615,764	1,589,678
Oct-24	252	2,428,256	1,217,096	3,645,352
Nov-24	522	5,131,803	2,221,170	7,352,974
	4,102	**47,117,714**	**23,445,283**	**70,562,997**
Dec-22	987	9,848,734	5,290,458	15,139,192
Jan-23	864	8,837,677	5,052,127	13,889,804
Feb-23	703	7,338,929	4,235,815	11,574,744
Mar-23	763	7,374,241	4,184,312	11,558,554
Apr-23	376	3,679,302	2,737,010	6,416,312
May-23	190	2,151,837	1,709,267	3,861,104
Jun-23	35	970,063	1,159,685	2,129,748
Jul-23	0	968,784	962,334	1,931,118
Aug-23	0	889,129	1,029,447	1,918,576
Sep-23	32	1,016,863	658,190	1,675,053
Oct-23	272	2,618,648	1,260,464	3,879,112
Nov-23	637	6,039,983	2,715,807	8,755,790
Total	**4,859**	**51,734,190**	**30,994,916**	**82,729,106**
Dec-21	737	7,799,521	4,238,631	12,038,152
Jan-22	1,277	12,305,196	6,333,365	18,638,561
Feb-22	919	9,319,383	5,254,742	14,574,125
Mar-22	682	6,762,843	4,016,734	10,779,577
Apr-22	493	4,715,813	3,083,059	7,798,872
May-22	123	1,956,968	1,714,100	3,671,068
Jun-22	18	969,704	1,076,651	2,046,354
Jul-22	0	905,402	1,022,838	1,928,240
Aug-22	0	874,420	902,674	1,777,095
Sep-22	94	1,610,856	1,394,654	3,005,510
Oct-22	434	3,541,599	2,176,048	5,717,647
Nov-22	621	5,758,463	3,190,590	8,949,052
Total	**5,398**	**56,520,167**	**34,404,086**	**90,924,253**

*As measured at Pittsburgh area

Peoples Natural Gas Company LLC

§ 53.53.III.E

19. Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.

* *

Refer to pages 2-5 of this response.

Peoples Natural Gas Company LLC
Analysis of Average Monthly Consumption
Twelve Months Ended November 30, 2023

Line No.	Period	Residential Total Customers	Residential Sales Volume Mcf	Residential Trans Volume Mcf	Residential Through-put Mcf	Residential Average Mcf/Cust	Commercial Total Customers	Commercial Sales Volume Mcf	Commercial Trans Volume Mcf	Commercial Through-put Mcf	Commercial Average Mcf/Cust	Industrial Total Customers	Industrial Sales Volume Mcf	Industrial Trans Volume Mcf	Industrial Through-put Mcf	Industrial Average Mcf/Cust
1	December 2022	648,362	7,059,066	1,074,695	8,133,761	12.55	54,115	1,664,291	2,922,844	4,587,135	84.77	420	43,176	3,132,047	3,175,223	7,560.05
2	January 2023	648,538	8,243,107	1,245,114	9,488,221	14.63	54,143	2,022,851	3,380,529	5,403,381	99.80	421	40,523	4,095,728	4,136,251	9,824.82
3	February	648,971	7,763,692	1,178,867	8,942,559	13.78	54,144	1,836,148	3,111,668	4,947,816	91.38	421	34,098	3,578,129	3,612,227	8,580.11
4	March	649,309	6,647,655	1,013,234	7,660,888	11.80	54,098	1,558,663	2,751,711	4,310,374	79.68	422	39,340	3,848,055	3,887,395	9,211.84
5	April	648,005	4,364,477	647,785	5,012,262	7.73	53,985	1,094,620	2,276,217	3,370,837	62.44	421	26,176	3,831,366	3,857,542	9,162.81
6	May	644,959	2,713,386	408,818	3,122,205	4.84	53,810	572,862	1,559,612	2,132,474	39.63	421	11,729	3,518,824	3,530,553	8,386.11
7	June	643,592	1,198,038	181,149	1,379,187	2.14	53,690	319,408	1,042,298	1,361,706	25.36	420	12,428	3,409,230	3,421,658	8,146.81
8	July	642,517	826,935	120,974	947,909	1.48	53,587	237,329	739,078	976,407	18.22	417	9,034	2,911,971	2,921,005	7,004.81
9	August	641,778	782,897	116,787	899,685	1.40	53,471	230,766	835,673	1,066,439	19.94	414	(2,049)	3,421,067	3,419,017	8,258.50
10	September	642,643	783,727	114,992	898,719	1.40	53,480	227,955	779,069	1,007,024	18.83	412	5,567	3,202,578	3,208,144	7,786.76
11	October	645,355	1,382,605	207,769	1,590,373	2.46	53,658	352,145	1,073,986	1,426,131	26.58	413	6,657	3,040,814	3,047,470	7,378.86
12	November 2023	647,870	3,310,934	486,388	3,797,322	5.86	53,871	773,592	1,662,070	2,435,662	45.21	419	11,586	3,033,420	3,045,006	7,267.32
13																
14	Total or Average	645,992	45,076,518	6,796,572	51,873,090	80.30	53,838	10,890,630	22,134,755	33,025,385	613.43	418	238,264	41,023,228	41,261,492	98,613.40
15																
16	Heating Season		33,024,453	4,998,298	38,022,751	58.86		7,855,545	13,828,823	21,684,368	402.77		168,723	17,687,378	17,856,101	42,675.41
17	(November - March)															
18	Non-Heating Season		4,508,849	12,052,064	1,798,274	2.78		375,681	3,035,085	8,305,932	154.28		2,918	69,541	23,335,850	55,771.80
19	(April - October)															
20	Daily Average = Total/365		123,497	18,621	142,118			29,837	60,643	90,481			653	112,392	113,045	

(1) Actual sales, not weather normalized

Peoples Natural Gas Company LLC
Analysis of Average Monthly Consumption
Twelve Months Ended November 30, 2024

Line No.	Period	Residential Total Customers	Residential Sales Volume Mcf	Residential Trans Volume Mcf	Residential Through-put Mcf	Residential Average Mcf/Cust	Commercial Total Customers	Commercial Sales Volume Mcf	Commercial Trans Volume Mcf	Commercial Through-put Mcf	Commercial Average Mcf/Cust	Industrial Total Customers	Industrial Sales Volume Mcf	Industrial Trans Volume Mcf	Industrial Through-put Mcf	Industrial Average Mcf/Cust
1	December 2023	649,121	6,428,137	933,272	7,361,408	11.34	54,011	1,470,355	2,801,721	4,272,076	79.10	420	21,560	4,312,649	4,334,210	10,319.55
2	January 2024	649,733	8,348,912	1,204,941	9,553,852	14.70	54,047	1,914,830	3,404,181	5,319,011	98.41	420	21,641	4,011,824	4,033,465	9,603.49
3	February	650,087	7,685,878	1,091,510	8,777,387	13.50	54,048	1,782,894	3,358,821	5,141,715	95.13	419	22,296	4,455,883	4,478,179	10,687.78
4	March	650,345	5,546,694	786,329	6,333,024	9.74	53,934	1,268,811	2,424,062	3,692,873	68.47	419	19,397	3,694,502	3,713,899	8,863.72
5	April	649,326	4,303,244	610,110	4,913,354	7.57	53,816	1,006,452	2,250,473	3,256,926	60.52	418	18,488	3,673,076	3,691,564	8,831.49
6	May	647,222	1,885,051	269,677	2,154,728	3.33	53,636	541,856	1,351,143	1,892,999	35.29	419	9,371	3,527,374	3,536,745	8,440.92
7	June	646,042	984,261	136,440	1,120,701	1.73	53,548	283,828	919,334	1,203,162	22.47	418	4,087	3,313,867	3,317,954	7,937.69
8	July	644,957	795,870	112,044	907,914	1.41	53,423	230,414	729,184	959,599	17.96	417	5,965	2,892,154	2,898,119	6,949.93
9	August	644,290	724,571	101,106	825,676	1.28	53,353	218,019	768,685	986,704	18.49	427	6,295	3,315,750	3,322,045	7,779.96
10	September	644,375	787,473	108,167	895,641	1.39	53,352	221,719	817,463	1,039,181	19.48	427	6,292	3,347,262	3,353,554	7,853.76
11	October	646,937	1,373,461	188,855	1,562,316	2.41	53,522	354,300	1,052,263	1,406,563	26.28	427	9,600	2,819,538	2,829,137	6,625.61
12	November 2024	649,195	2,372,479	329,224	2,701,703	4.16	53,750	531,159	1,464,577	1,995,736	37.13	426	12,495	3,213,863	3,226,358	7,573.61
13																
14	Total or Average	647,636	41,236,031	5,871,674	47,107,705	72.74	53,703	9,824,637	21,341,907	31,166,545	580.35	421	157,487	42,577,741	42,735,228	101,408.49
15																
16	Heating Season		30,382,099	4,345,276	34,727,375	53.62		6,968,049	13,453,362	20,421,411	380.26		97,389	19,688,721	19,786,110	46,951.42
17	(November - March)															
18	Non-Heating Season		4,523,149	10,853,932	1,526,398	2.36		374,650	2,856,588	7,888,545	146.89		2,953	60,097	22,889,020	54,314.46
19	(April - October)															
20	Daily Average = Total/365		112,975	16,087	129,062			26,917	58,471	85,388			431	116,651	117,083	

(1) Actual sales, not weather normalized

Peoples Natural Gas Company LLC
Analysis of Average Monthly Consumption
Twelve Months Ended November 30, 2025

Line No.	Period	Residential Total Customers	Residential Sales Volume Mcf	Residential Trans Volume Mcf	Residential Through-put Mcf	Residential Average Mcf/Cust	Commercial Total Customers	Commercial Sales Volume Mcf	Commercial Trans Volume Mcf	Commercial Through-put Mcf	Commercial Average Mcf/Cust	Industrial Total Customers	Industrial Sales Volume Mcf	Industrial Trans Volume Mcf	Industrial Through-put Mcf	Industrial Average Mcf/Cust
1	December 2024	650,584	7,176,727	976,869	8,153,596	12.53	53,904	1,606,447	2,807,285	4,413,732	81.88	428	27,170	3,774,243	3,801,412	8,881.80
2	January 2025	651,560	9,995,566	1,339,871	11,335,438	17.40	54,009	2,326,530	3,896,903	6,223,433	115.23	429	39,089	4,335,718	4,374,807	10,197.68
3	February	651,987	9,708,239	1,258,646	10,966,885	16.82	54,018	2,347,010	4,102,219	6,449,229	119.39	428	39,222	4,291,383	4,330,605	10,118.24
4	March	651,732	7,552,301	991,936	8,544,236	13.11	53,905	1,795,432	3,078,420	4,873,851	90.42	427	33,177	4,787,954	4,821,132	11,290.71
5	April	650,830	4,332,674	576,596	4,909,270	7.54	53,766	1,019,232	2,115,582	3,134,814	58.30	427	23,663	3,760,532	3,784,195	8,862.28
6	May	649,199	1,907,139	250,235	2,157,374	3.32	53,616	502,532	1,336,340	1,838,872	34.30	428	13,884	3,500,692	3,514,575	8,211.62
7	June	647,759	1,409,627	188,572	1,598,198	2.47	53,481	349,445	1,000,123	1,349,568	25.23	427	12,972	3,415,140	3,428,112	8,028.37
8	July	646,278	785,918	102,777	888,695	1.38	53,323	235,693	781,300	1,016,993	19.07	427	(510)	3,161,796	3,161,286	7,403.48
9	August	645,783	676,870	90,192	767,062	1.19	53,256	206,433	719,756	926,189	17.39	424	7,080	3,048,504	3,055,584	7,206.57
10	September	646,117	825,123	108,523	933,646	1.45	53,205	251,788	798,892	1,050,680	19.75	422	4,409	3,354,799	3,359,208	7,960.21
11	October	648,704	1,237,951	164,078	1,402,029	2.16	53,409	323,100	1,063,461	1,386,561	25.96	421	14,189	3,068,740	3,082,929	7,322.87
12	November 2025	650,676	3,399,490	463,013	3,862,503	5.94	53,629	750,749	1,584,246	2,334,995	43.54	421	17,561	3,443,718	3,461,279	8,221.57
13																
14	Total or Average	649,267	49,007,623	6,511,308	55,518,931	85.51	53,627	11,714,391	23,284,526	34,998,917	652.64	426	231,906	43,943,218	44,175,124	103,758.37
15																
16	Heating Season		37,832,323	5,030,335	42,862,658	66.02		8,826,168	15,469,072	24,295,240	453.04		156,218	20,633,016	20,789,235	48,829.68
17	(November - March)															
18	Non-Heating Season		4,534,670	11,175,301	1,480,973	2.28		374,056	2,888,223	7,815,453	145.74		2,976	75,688	23,310,202	54,750.91
19	(April - October)															
20	Daily Average = Total/365		134,267	17,839	152,107			32,094	63,793	95,887			635	120,392	121,028	

(1) Actual sales, not weather normalized

Peoples Natural Gas Company LLC
Analysis of Average Monthly Consumption
Twelve Months Ended November 30, 2026

Line No.	Period	Residential Total Customers	Residential Sales Volume Mcf	Residential Trans Volume Mcf	Residential Through-put Mcf	Residential Average Mcf/Cust	Commercial Total Customers	Commercial Sales Volume Mcf	Commercial Trans Volume Mcf	Commercial Through-put Mcf	Commercial Average Mcf/Cust	Industrial Total Customers	Industrial Sales Volume Mcf	Industrial Trans Volume Mcf	Industrial Through-put Mcf	Industrial Average Mcf/Cust
1	December 2025	651,845	7,128,212	901,815	8,030,027	12.32	53,887	1,480,408	2,690,801	4,171,209	77.41	428	27,170	3,774,243	3,801,412	8,881.80
2	January 2026	652,795	9,072,764	1,128,762	10,201,526	15.63	54,136	1,952,361	3,450,636	5,402,997	99.80	429	39,089	4,335,718	4,374,807	10,197.68
3	February	653,373	9,200,193	1,128,510	10,328,703	15.81	54,146	1,992,819	3,688,018	5,680,837	104.92	428	39,222	4,291,383	4,330,605	10,118.24
4	March	653,413	7,658,071	936,643	8,594,714	13.15	54,092	1,639,589	2,956,336	4,595,926	84.96	427	33,177	4,787,954	4,821,132	11,290.71
5	April	652,213	4,900,233	600,305	5,500,538	8.43	53,981	1,029,947	2,186,456	3,216,403	59.58	427	23,663	3,760,532	3,784,195	8,862.28
6	May	650,210	2,645,995	325,814	2,971,809	4.57	53,728	561,478	1,460,685	2,022,162	37.64	428	13,884	3,500,692	3,514,575	8,211.62
7	June	648,716	1,334,027	162,859	1,496,886	2.31	53,548	296,819	961,572	1,258,390	23.50	427	12,972	3,415,140	3,428,112	8,028.37
8	July	647,392	923,165	111,694	1,034,859	1.60	53,449	227,279	796,885	1,024,164	19.16	427	(510)	3,161,796	3,161,286	7,403.48
9	August	647,358	844,838	101,784	946,622	1.46	53,379	222,606	773,947	996,553	18.67	424	7,080	3,048,504	3,055,584	7,206.57
10	September	647,686	983,767	117,741	1,101,508	1.70	53,365	238,172	805,156	1,043,328	19.55	422	4,409	3,354,799	3,359,208	7,960.21
11	October	650,341	1,746,333	210,379	1,956,712	3.01	53,522	376,180	1,142,988	1,519,168	28.38	421	14,189	3,068,740	3,082,929	7,322.87
12	November 2026	652,511	3,618,738	433,329	4,052,067	6.21	53,704	732,318	1,635,078	2,367,396	44.08	421	17,561	3,443,718	3,461,279	8,221.57
13																
14	Total or Average	650,655	50,056,336	6,159,635	56,215,971	86.40	53,745	10,749,975	22,548,558	33,298,534	619.57	426	231,906	43,943,218	44,175,124	103,758.37
15																
16	Heating Season		36,677,978	4,529,059	41,207,037	63.33		7,797,495	14,420,870	22,218,365	413.41		156,218	20,633,016	20,789,235	48,829.68
17	(November - March)															
18	Non-Heating Season		4,543,917	13,378,359	1,630,576	2.51		374,970	2,952,480	8,127,689	151.23		2,976	75,688	23,310,202	54,750.91
19	(April - October)															
20	Daily Average = Total/365		137,141	16,876	154,016			29,452	61,777	91,229			635	120,392	121,028	

Peoples Natural Gas Company LLC

§ 53.53.III.E

22. Provide supporting data detailing curtailment adjustments, procedures and policies.

* *

No curtailment adjustments have been made for the twelve months ended November 30, 2025 (Historic Test Year) and none are anticipated for the twelve months ended November 30, 2026 (Future Test Year).

Peoples' curtailment procedures and policies are contained in Peoples' tariff which is included in its entirety at Exhibit No. 14, Schedule No. 1 (53.53.IV.B.6).

Peoples Natural Gas Company LLC

§ 53.53.III.E

38. Identify company's policy with respect to replacing customers lost through attrition.

* *

Peoples actively seeks new business opportunities with residential, commercial and industrial developments to replace customers lost through attrition. Peoples has both a new business (Sales) department and a new construction area of the business. The Sales department engages with residential developers and contractors to bring natural gas service to new and growing neighborhoods. We also work to identify areas in our service territory that are using propane, oil, or electric in an effort to convert them to natural gas. In addition, we promote the use of additional gas appliances other than just for heat. The commercial and industrial specialists in the department assist new and existing customers in the evaluation of the benefits and costs of natural gas in comparison to alternate fuels to encourage the use of low cost, locally produced natural gas. The new construction area of the business contains a group of representatives that focus on the ease/convenience of applying for and receiving new service.

The Company manages a robust cold weather survey process which seeks to encourage occupants of homes that do not have active natural gas service to pursue reconnection. The survey process uses multiple outreach methods including letters through US mail, phone calls to the last known phone number and in-person visits to the premises. The information provided to the former customer or current resident includes materials about available energy assistance programs and payment plans to encourage those who may have arrears to apply for service. The survey process begins in the fall and is repeated again in the winter months, resulting in numerous attempts for each contact method.

Rules and regulations regarding service application processes are detailed in the Company tariffs that are provided as Exhibit No. 14, Schedule No. 1 (53.53.IV.B.6).

Peoples Natural Gas Company LLC

§ 53.53.III.E

39. Identify procedures developed to govern relationship between the respondent and potential customers—i.e., basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.

* *

Refer to Appendix A - Peoples Natural Gas Division – current Tariff No. 48, Section 4 in the Rules and Regulations titled "Connections for Service – Extension of Facilities" located in Exhibit 14, Schedule No. 1 (53.53.IV.B.6).

Proposed tariffs in this proceeding are included in Appendix C and D of Exhibit No. 14, Schedule No. 1.

Peoples Natural Gas Company LLC

§ 53.53.III.E

7. Provide details of respondent's attempts to recover uncollectible and delinquent accounts.

* *

When timely payments are not received on customer accounts, the Company sends payment reminders. The first notification to a customer that an adequate payment has not been received is a bill reminder. If the bill reminder does not result in either a payment or payment arrangement, the termination process begins. A written termination notice is issued. If a valid phone number exists on the accounts, two attempts are made to reach the customer by phone to discuss the termination notice and payment arrangements. If a valid phone number is not available, a field visit is made to post a notice advising the customer that service could be terminated in 72 hours if a payment is not made. If these steps fail to bring the customer's account to a current status or the customer does not enter into an acceptable payment arrangement, the customer's gas service is scheduled for termination. In cases of Protection from Abuse (PFA) or winter heating season, Peoples follows all established PA PUC guidelines and regulations.

In order to reduce the level of uncollectable balances, the Company follows the security deposit rules established by the Commission's regulations at 52 Pa. Code Chapter 56. When applicants are identified as credit risks, a security deposit based on two months' average consumption for the property is required. If a current customer's service is terminated for non-payment, the company requires a security deposit as a condition for reconnection. However, security deposits are not requested in any circumstances if the applicant or customer self-identifies as a low-income household.

The Company has a specialized team to monitor and contact customers that start to accrue higher balances.

When a customer's service is discontinued, a final bill is issued. If the final bill is not paid by the due date, a reminder letter is mailed. If merited, customers are able to enter into a reasonable payment agreement on a final bill by contacting the Company. If the account remains delinquent, the account is sent to a third-party agency for further collection efforts.

When an applicant applies for service, the Company completes a review of its records to determine if the customer has an outstanding balance from another service address. If one exists, payment in full of the balance or a payment arrangement in accordance with the Commission's regulations at 52 Pa. Code Chapter 56 is entered.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume IV

Exhibits 11-13

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

See attached. Below is the table of contents:

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

BEFORE THE PENNSYLVANIA PUBLIC UTILITIES COMMISSION

Docket No. R-2026-3060855

PEOPLES NATURAL GAS COMPANY LLC

PEOPLES EXHIBIT NO. 11

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

WITNESS: JOHN D. TAYLOR

ATRIUM ECONOMICS
CENTERED ON ENERGY

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I. INTRODUCTION

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

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

1. Purpose of Cost Allocation

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

2. ACOSS Procedures

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

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

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

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

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

3. Atrium Economics Cost of Service Study Model Overview

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

ACOSS Model Capabilities

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

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

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

Follows Traditional 3-Step Analysis Process

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

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

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

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

Unit Cost Output Functionality

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

Acceptance by Utility Regulatory Commissions

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

II. PEOPLES' COST OF SERVICE PROCEDURES

1. Functionalization

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

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

Peoples' assigned functional categories are presented on Schedule 4.

2. Classification

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

- Demand
- Commodity
- Customer

Peoples' assigned classification categories are presented on Schedule 4.

3. Allocation

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

3.1. Customer Classes and Tariff Schedules

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

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

3.2. External Allocation Factors

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

Commodity and Revenue Allocation Factors

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

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

Customer Allocation Factors

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

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

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

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

Demand Allocation Factors

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

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

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

3.3. Mains Analysis

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

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

Minimum System Study:

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

Minimum System

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

Minimum System Adjusted for Load Carrying Capacity 48.14%

3.4. Internal Allocation Factors

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

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

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

III. PEOPLES' COST OF SERVICE RESULTS

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

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

Schedule 3 - Cost of Service Allocation Study by Detail

Schedule 4 - Account Balances and Allocation Methods

Schedule 5 - External Allocation Factors

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

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

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

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

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

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

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

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

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

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39	**Distribution Plant**							
40	Land and land rights	374	14,911,196	11,064,308	1,568,275	1,654,405	623,235	973
41	Structures and improvements	375	33,249,106	24,671,284	3,496,952	3,689,006	1,389,694	2,170
42	Mains - Low Pressure	376.1	2,362,725,305	1,744,861,043	271,236,313	346,627,950	-	-
43	Mains - Regulated Pressure	376.2	2,001,957,324	1,326,376,358	201,323,878	250,837,849	223,419,239	-
44	Measuring and regulating station equipment—general	378	194,519,575	118,953,729	23,108,731	33,213,405	19,243,709	-
45	Services	380	1,121,478,959	1,035,292,780	77,417,600	8,355,146	397,279	16,154
46	Meters	381	215,186,367	159,379,288	41,309,922	13,322,740	1,166,705	7,712
47	Meter installations	382	55,977,212	41,459,914	10,746,100	3,465,693	303,499	2,006
48	Industrial measuring and regulating station equipment	385	13,415,312	-	978,397	6,744,198	5,328,869	363,849
49	Other property on customers' premises	386	14,644,532	10,846,575	2,811,351	906,681	79,400	525
50	Other equipment	387	16,379,114	12,153,523	1,722,662	1,817,272	684,589	1,069
51	Subtotal - Distribution Plant		6,044,444,002	4,485,058,802	635,720,181	670,634,344	252,636,218	394,457
52	**General Plant**							
53	Land and Land Rights	389	4,718,890	3,363,499	490,649	546,541	253,323	64,878
54	Structures and Improvements	390	85,917,724	61,239,854	8,933,336	9,950,978	4,612,304	1,181,251
55	Office Furniture and Equipment	391	4,412,449	3,145,076	458,786	511,049	236,873	60,665
56	Transportation Equipment	392	96,307,948	68,645,728	10,013,664	11,154,373	5,170,080	1,324,103
57	Stores Equipment	393	457	326	47	53	25	6
58	Tools, Shop, and Garage Equipment	394	10,033,365	7,151,514	1,043,224	1,162,063	538,619	137,945
59	Laboratory Equipment	395	-	-	-	-	-	-
60	Power Operated Equipment	396	18,451,517	13,151,747	1,918,505	2,137,052	990,529	253,683
61	Communication Equipment	397	37,802,638	26,944,708	3,930,547	4,378,296	2,029,351	519,735
62	Misc. Equipment	398	54,886	39,121	5,707	6,357	2,946	755
63	Other Intangible Property	399	-	-	-	-	-	-
64	Subtotal - General Plant		257,699,874	183,681,573	26,794,466	29,846,762	13,834,051	3,543,021
65	**Total Plant in Service**		7,078,132,872	5,050,573,446	735,853,429	815,518,327	378,544,462	97,643,209

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

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103	**Distribution Plant**							
104	Land and land rights	374	(3,676,011)	(2,727,650)	(386,622)	(407,855)	(153,644)	(240)
105	Structures and improvements	375	(22,881,517)	(16,978,394)	(2,406,548)	(2,538,717)	(956,366)	(1,493)
106	Mains - Low Pressure	376.1	(390,697,447)	(288,528,147)	(44,851,314)	(57,317,986)	-	-
107	Mains - Regulated Pressure	376.2	(345,794,022)	(229,102,294)	(34,774,264)	(43,326,712)	(38,590,751)	-
108	Measuring and regulating station equipment—general	378	(42,254,289)	(25,839,586)	(5,019,767)	(7,214,743)	(4,180,192)	-
109	Services	380	(350,377,610)	(323,450,928)	(24,187,162)	(2,610,353)	(124,120)	(5,047)
110	Meters	381	(15,651,417)	(11,592,332)	(3,004,646)	(969,019)	(84,859)	(561)
111	Meter installations	382	(10,124,405)	(7,498,711)	(1,943,610)	(626,828)	(54,893)	(363)
112	Industrial measuring and regulating station equipment	385	(6,733,920)	-	(491,114)	(3,385,302)	(2,674,867)	(182,637)
113	Other property on customers' premises	386	(14,644,532)	(10,846,575)	(2,811,351)	(906,681)	(79,400)	(525)
114	Other equipment	387	(5,621,218)	(4,171,019)	(591,208)	(623,677)	(234,947)	(367)
115	Subtotal - Distribution Plant		(1,208,456,388)	(920,735,636)	(120,467,607)	(119,927,874)	(47,134,040)	(191,232)
116	**General Plant**							
117	Land and Land Rights	389	(40,422)	(28,812)	(4,203)	(4,682)	(2,170)	(556)
118	Structures and Improvements	390	(15,264,067)	(10,879,818)	(1,587,089)	(1,767,882)	(819,418)	(209,860)
119	Office Furniture and Equipment	391	(3,937,073)	(2,806,240)	(409,359)	(455,991)	(211,353)	(54,129)
120	Transportation Equipment	392	(31,661,830)	(22,567,705)	(3,292,054)	(3,667,069)	(1,699,696)	(435,307)
121	Stores Equipment	393	(53)	(38)	(6)	(6)	(3)	(1)
122	Tools, Shop, and Garage Equipment	394	(4,916,875)	(3,504,617)	(511,234)	(569,472)	(263,952)	(67,600)
123	Laboratory Equipment	395	-	-	-	-	-	-
124	Power Operated Equipment	396	(9,115,311)	(6,497,150)	(947,769)	(1,055,734)	(489,335)	(125,323)
125	Communication Equipment	397	(19,253,196)	(13,723,163)	(2,001,860)	(2,229,902)	(1,033,565)	(264,705)
126	Misc. Equipment	398	(48,744)	(34,743)	(5,068)	(5,646)	(2,617)	(670)
127	Other Intangible Property	399	-	-	-	-	-	-
128	Subtotal - General Plant		(84,237,571)	(60,042,286)	(8,758,641)	(9,756,383)	(4,522,109)	(1,158,152)
129	**Total Accumulated Depreciation & Amortization**		(1,576,047,666)	(1,125,088,308)	(156,182,415)	(169,982,111)	(90,894,682)	(33,900,149)
130	**Other Rate Base Items**							
131	Gas Storage Underground - NonCurrent	117.1	51,833	23,907	4,913	7,036	8,326	7,651
132	Gas Stored Underground - Current	117.2	50,819,643	23,439,600	4,817,339	6,898,359	8,163,173	7,501,173
133	Materials and Supplies	154	6,179,262	4,404,413	642,492	715,681	331,720	84,956
134	Prepayments	165	5,055,085	3,603,129	525,605	585,479	271,371	69,501
135	Cash Working Capital		47,681,867	33,986,359	4,957,745	5,522,507	2,559,696	655,561
136	Deferred Income Taxes	190	120,652,294	85,997,726	12,544,879	13,973,931	6,476,953	1,658,804
137	Customer Advances and Deposits	252, 235	(3,757,357)	(1,190,751)	(1,230,636)	(1,236,993)	(98,977)	-
138	Total Other Rate Base Items		226,682,628	150,264,383	22,262,337	26,466,001	17,712,262	9,977,645
139	**TOTAL RATE BASE**		5,728,767,833	4,075,749,520	601,933,351	672,002,216	305,362,042	73,720,705

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140	**OPERATION AND MAINTENANCE EXPENSE**							
141	**Production, Storage, LNG, Transmission, and Distribution Expense**							
142	**Natual Gas Production Operating Expense**							
143	Field Lines Expenses	756	1,518,601	212,684	76,132	251,886	510,878	467,022
144	Field Compressor Station Expense	754	2,798,519	391,940	140,297	464,182	941,459	860,640
145	Field Compressor Station Fuel/Power	755	1,047,132	146,654	52,496	173,685	352,269	322,029
146	Field Measuring and Regulating Station Expense	756	348,690	48,835	17,481	57,836	117,304	107,234
147	Other Expenses	759	73,928	10,354	3,706	12,262	24,870	22,735
148	Rents	760	19,099	2,675	957	3,168	6,425	5,873
149	Subtotal - Natual Gas Production Operating Expense		5,805,969	813,142	291,069	963,019	1,953,205	1,785,534
150	**Natual Gas Production Maintenance Expense**							
151	Structures and Improvements	762	45,512	6,374	2,282	7,549	15,311	13,996
152	Producing Gas Wells	763	746	104	37	124	251	229
153	Field Lines	764	4,394,872	615,514	220,327	728,965	1,478,494	1,351,574
154	Field Compressor Station Equipment	765	1,953,788	273,633	97,949	324,069	657,280	600,857
155	Field Measuring and Regulating Station Equipment	766	178,509	25,001	8,949	29,609	60,053	54,898
156	Other Equipment	769	37,676	5,277	1,889	6,249	12,675	11,587
157	Subtotal - Natual Gas Production Maintenance Expense		6,611,102	925,903	331,432	1,096,564	2,224,063	2,033,140
158	**Gas Supply Expenses**							
159	Gas Cost Expense	800-809	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
160	Gas Used for Compressor Station Fuel-Credit	810	(2,490,290)	(2,044,440)	(286,428)	(145,923)	(13,497)	-
161	Gas Used for Other Utility Operations-Credit	812	(782,842)	(642,686)	(90,041)	(45,872)	(4,243)	-
162	Other Gas Supply Expenses	813	1,459,975	1,198,588	167,924	85,550	7,913	-
163	Subtotal - Gas Supply Expenses		504,106,233	398,048,241	56,895,638	37,907,201	7,070,685	4,184,468
164	**Underground Storage Expenses - Operation**							
165	Supervision and Engineering	814	28,019	15,331	3,007	4,319	2,957	2,404
166	Lines Expenses	817	8,179	4,475	878	1,261	863	702
167	Compressor Station Expenses	818	1,679,115	918,763	180,210	258,844	177,224	144,074
168	Compressor Station Fuel/Power	819	336,049	183,876	36,066	51,804	35,469	28,834
169	Meas/Reg Station Expenses	820	1,722	942	185	266	182	148
170	Other Expenses	824	403	221	43	62	43	35
171	Storage Well Royalties	825	24,814	13,578	2,663	3,825	2,619	2,129
172	Subtotal - Underground Storage Expenses - Operation		2,078,303	1,137,187	223,053	320,381	219,356	178,326
173	**Underground Storage Expenses - Maintenance**							
174	Structures and Improvements	831	951	520	102	147	100	82
175	Reservoirs and Wells	832	747	409	80	115	79	64
176	Lines	833	44,469	24,332	4,773	6,855	4,694	3,816
177	Compressor Station Equipment	834	527,999	288,906	56,667	81,394	55,728	45,304
178	Measuring and Regulating Station Equipment	835	1,178	645	126	182	124	101
179	Other Equipment	837	208	114	22	32	22	18
180	Subtotal - Underground Storage Expenses - Maintenance		575,553	314,926	61,771	88,724	60,747	49,385

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181	**Transmission Operation Expenses**							
182	Operation supervision and engineering	850	181,296	103,045	20,018	28,772	16,670	12,790
183	Compressor station labor and expenses	853	150,509	85,547	16,619	23,886	13,839	10,618
184	Gas for compressor station fuel	854	1,107,108	629,261	122,244	175,698	101,799	78,107
185	Mains expenses	856	2,011,328	1,143,204	222,086	319,197	184,941	141,900
186	Measuring and regulating station expenses	857	430,972	244,957	47,587	68,395	39,628	30,405
187	Other expenses	859	48,591	27,618	5,365	7,711	4,468	3,428
188	Rents	860	92,940	52,825	10,262	14,750	8,546	6,557
189	Subtotal - Transmission Operation Expenses		4,022,745	2,286,457	444,182	638,408	369,891	283,806
190	**Transmission Maintenance Expenses**							
191	Maintenance of structures and improvements	862	36,347	20,659	4,013	5,768	3,342	2,564
192	Maintenance of mains	863	2,821,626	1,603,762	311,557	447,791	259,448	199,067
193	Maintenance of compressor station equipment	864	159,221	90,498	17,581	25,268	14,640	11,233
194	Maintenance of measuring and regulating station equipment	865	1,419,322	806,718	156,718	225,246	130,507	100,134
195	Maintenance of communication equipment	866	192,096	109,184	21,211	30,486	17,663	13,552
196	Maintenance of other equipment	867	13,282	7,549	1,467	2,108	1,221	937
197	Subtotal - Transmission Maintenance Expenses		4,641,894	2,638,371	512,547	736,667	426,822	327,487
198	**Distribution Operation Expenses**							
199	Operation supervision and engineering	870	(3,834,762)	(2,758,810)	(466,684)	(445,268)	(163,953)	(47)
200	Mains and services expenses	874	18,120,249	13,563,463	1,816,522	2,000,967	739,244	53
201	Measuring and regulating station expenses—general	875	4,838,355	2,958,779	574,792	826,129	478,656	-
202	Meter and house regulator expenses	878	9,326,932	6,908,057	1,790,517	577,454	50,569	334
203	Customer installations expenses	879	7,412,411	5,490,054	1,422,981	458,921	40,189	266
204	Other expenses	880	3,485,200	2,507,328	424,143	404,680	149,008	42
205	Rents	881	569,442	409,669	69,300	66,120	24,346	7
206	Subtotal - Distribution Operation Expenses		39,917,827	29,078,540	5,631,571	3,889,002	1,318,058	656
207	**Distribution Maintenance Expenses**							
208	Maintenance of structures and improvements	886	6,816,089	5,057,630	716,877	756,249	284,888	445
209	Maintenance of mains	887	42,710,603	30,053,595	4,624,238	5,846,502	2,186,269	-
210	Maintenance of measuring and regulating station equipment—general	889	2,346,880	1,435,178	278,807	400,720	232,176	-
211	Maintenance of services	892	1,985,679	1,833,079	137,075	14,794	703	29
212	Maintenance of meters and house regulators	893	340,582	252,254	65,382	21,086	1,847	12
213	Maintenance of other equipment	894	633,080	455,452	77,045	73,509	27,067	8
214	Subtotal - Distribution Maintenance Expenses		54,832,913	39,087,187	5,899,424	7,112,860	2,732,950	493
215	**Total Production, Storage, LNG, Transmission, and Distribution Expense**		622,592,539	474,329,952	70,290,688	52,752,827	16,375,777	8,843,296

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216	**Customer Accounts, Service, and Sales Expense**							
217	**Customer Account**							
218	Meter reading expenses	902	2,643,917	2,393,487	188,672	36,238	24,665	855
219	Customer records and collection expenses	903	23,839,487	21,937,507	1,740,590	148,944	12,040	407
220	Uncollectible accounts	904	27,224,753	24,806,355	1,107,328	964,893	346,177	-
221	Subtotal - Customer Account		53,708,158	49,137,349	3,036,590	1,150,075	382,882	1,262
222	**Customer Service & Information Expenses**							
223	Supervision	907	361,817	358,351	3,132	318	15	1
224	Customer assistance expenses	908	(4,962,532)	(4,914,992)	(42,962)	(4,368)	(203)	(7)
225	Subtotal - Customer Service & Information Expenses		(4,600,715)	(4,556,641)	(39,830)	(4,050)	(188)	(7)
226	**Sales Expenses**							
227	Supervision	911	468,559	64,147	367,442	36,112	858	-
228	Demonstrating and selling expenses	912	1,083,796	148,375	849,909	83,529	1,984	-
229	Subtotal - Sales Expenses		1,552,356	212,522	1,217,352	119,641	2,842	-
230	**Total Customer Accounts, Service, and Sales Expense**		50,659,798	44,793,229	4,214,112	1,265,666	385,536	1,255
231	**Administrative and General Expenses**							
232	Administrative and general salaries	920	14,604,376	10,241,619	1,718,655	1,469,201	816,896	358,005
233	Office supplies and expenses	921	11,597,492	8,132,980	1,364,802	1,166,709	648,706	284,296
234	Administrative expenses transferred—Credit	922	(60,144,727)	(42,177,726)	(7,077,881)	(6,050,564)	(3,364,195)	(1,474,360)
235	Outside services employed	923	37,766,206	26,484,329	4,444,358	3,799,283	2,112,453	925,783
236	Property insurance	924	1,455,896	1,038,849	151,357	167,743	77,863	20,084
237	Injuries and damages	925	12,860,297	9,116,140	1,407,455	1,385,412	704,970	246,321
238	Employee pensions and benefits	926	23,014,551	16,139,427	2,708,371	2,315,266	1,287,319	564,168
239	Regulatory commission expenses	928	992,500	706,117	104,284	116,423	52,903	12,772
240	General advertising expenses	929	2,028,331	1,422,409	238,696	204,050	113,455	49,722
241	Miscellaneous expenses	930	1,915,987	1,343,626	225,475	192,748	107,171	46,968
242	Rents	931	5,765,128	4,042,914	678,445	579,972	322,472	141,324
243	Maintenance of general plant	932	156,162	109,512	18,377	15,710	8,735	3,828
244	Total Administrative and General Expenses		52,012,199	36,600,194	5,982,395	5,361,955	2,888,746	1,178,910
245	**TOTAL OPERATION AND MAINTENANCE EXPENSE**		725,264,536	555,723,375	80,487,194	59,380,447	19,650,059	10,023,461

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

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Schedule 3 - Cost of Service Allocation Study Detail by Account

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

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

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

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

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

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

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Schedule 4 - Account Balances and Allocation Methods

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

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

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

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

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
284	**Distribution Plant**								
285	Land and land rights	374.0	184,997	INT_DISTPT_FERC_376-386	-	-	-	-	-
286	Structures and improvements	375.0	1,251,439	INT_DISTPT_FERC_376-386	-	-	-	-	-
287	Mains - Low Pressure	376.1	44,796,238	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A_LP	-	CUSTOMERS_LP
288	Mains - Regulated Pressure	376.2	38,300,721	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A	-	CUSTOMERS_DIST
289	Measuring and regulating station equipment—general	378.0	4,670,074	-	DISTRIBUTION	DEMAND	DESIGN_DAY_DIST	-	-
290	Services	380.0	22,700,627	-	DIST ON-SITE	CUSTOMER	-	-	SERVICES
291	Meters	381.0	11,783,749	-	DIST ON-SITE	CUSTOMER	-	-	METERS
292	Meter installations	382.0	1,744,941	-	DIST ON-SITE	CUSTOMER	-	-	METERS
293	Industrial measuring and regulating station equipment	385.0	235,854	-	DIST ON-SITE	CUSTOMER	-	-	INDUSTRIAL_M&R
294	Other property on customers' premises	386.0	0	-	DIST ON-SITE	CUSTOMER	-	-	METERS
295	Other equipment	387.0	696,632	INT_DISTPT_FERC_376-386	-	-	-	-	-
296	Subtotal - Distribution Plant		126,365,272						
297	**General Plant**								
298	Land and Land Rights	389.0	491	INT_PSTD_PLANT	-	-	-	-	-
299	Structures and Improvements	390.0	2,951,921	INT_PSTD_PLANT	-	-	-	-	-
300	Office Furniture and Equipment	391.0	94,510	INT_PSTD_PLANT	-	-	-	-	-
301	Transportation Equipment	392.0	12,533,859	INT_PSTD_PLANT	-	-	-	-	-
302	Stores Equipment	393.0	53	INT_PSTD_PLANT	-	-	-	-	-
303	Tools, Shop, and Garage Equipment	394.0	373,421	INT_PSTD_PLANT	-	-	-	-	-
304	Laboratory Equipment	395.0	0	INT_PSTD_PLANT	-	-	-	-	-
305	Power Operated Equipment	396.0	1,266,292	INT_PSTD_PLANT	-	-	-	-	-
306	Communication Equipment	397.0	2,642,190	INT_PSTD_PLANT	-	-	-	-	-
307	Misc. Equipment	398.0	1,072	INT_PSTD_PLANT	-	-	-	-	-
308	Other Intangible Property	399.0	0	INT_PSTD_PLANT	-	-	-	-	-
309	Subtotal - General Plant		19,863,809						
310	**Total - Depreciation Expense**		173,113,313						
311	**Amortization Expense**								
312	Amortization of net salvage	920.0	8,068,283	INT_PSTD_PLANT					
313	Subtotal - Amortization Expense		8,068,283						
314	**Total Adjustments, Depreciation and Amortization Expense**		181,181,596						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
315	**Taxes**								
316	**Taxes Other Than Income Taxes**								
317	Payroll Taxes	408.00	5,951,013	INT_LABOR					
318	Plant Related Taxes	408.00	1,523,452	INT_PSTD_PLANT					
319	PUC Assessment	408.00	3,858,847	INT_REV_REQ_exludeTAX					
320	Sales and Use	408.00	2,425,743	INT_REV_REQ_exludeTAX					
321	Other General Taxes	408.00	0						
322	Subtotal - Taxes Other Than Income Taxes		13,759,055						
323	**Income Taxes**								
324	Income Taxes - federal taxes utility operating income	409.1	(80,556,297)	INT_RATEBASE					
325	Income Taxes - other taxes utility operating income	409.1	0	INT_RATEBASE					
326	Subtotal - Income Taxes		(80,556,297)						
327	**Total Taxes**		(66,797,242)						
328	**REVENUE REQUIREMENT AT EQUAL RATES OF RETURN**								
329	**Test Year Expenses at Current Rates**		839,648,890						
330	**Return on Rate Base**		471,404,690	INT_RATEBASE					
331	**Gross Up Items**								
332	Gross-up Federal Income Tax		33,610,504	INT_RATEBASE					
333	Gross-up Bad Debts		3,121,918		ACCTS & SERVICE	CUSTOMER			UNCOLLECT
334	**TOTAL REVENUE REQUIREMENT AT EQUAL RATES OF RETURN**		**1,347,786,003**						

Peoples Natural Gas Company LLC
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Schedule 5 - External Allocation Factors

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

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

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

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

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

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

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

Peoples' tariff does not contain demand charges.

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

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

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

18. If the utility has a Fuel Adjustment Clause:

    a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.

    b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.

    c. If fuel cost deferment is used at the end of the test year, give

        i. The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.

        ii. The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.

    d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.

    e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.

    f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

* *

Peoples does not have a Fuel Adjustment Clause.

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

Peoples does not have fuel costs in excess of base.

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

Refer to Attachments 1 and 2 below.

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

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

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

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

Peoples has no bulk gas transmission agreements.

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.E

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.E

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

* *

Purchased gas cost rates effective February 12, 2026.

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

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

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

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

Peoples Natural Gas Company LLC
§ 53.53 IV.B.

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

* *

Peoples does not have a fuel adjustment clause.

Peoples Natural Gas Company LLC
§ 53.53 I.C

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

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

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

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

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

      i. Explain how respondent stores or manufactures gas; if applicable.
      ii. State whether the company has peak shaving facilities.
      iii. Provide details of coal-gasification programs, if any.
      iv. Describe the potential for emergency purchases of gas.
      v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
      vi. Provide the amount of gas in MCF supplied from company-owned wells during the test year.

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

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

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

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

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

* *

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

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

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

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

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

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

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

ii. State whether the company has peak shaving facilities.

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

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

Peoples has no coal-gasification programs.

iv. Describe the potential for emergency purchases of gas. Peoples does not anticipate any emergency purchases.

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

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

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

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

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

Peoples has no company-owned wells.

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

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

Peoples has no plans to develop company-owned wells.

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

Peoples has no well development ventures.

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

Peoples does not anticipate any curtailments.

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

There are none.

Base Contract for Sale and Purchase of Natural Gas

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

The parties to this Base Contract are the following:

PARTY A PEOPLES NATURAL GAS COMPANY LLC	*PARTY NAME*	PARTY B
375 North Shore Drive, Suite 300 Pittsburgh PA 15212	*ADDRESS*	
www.peoples-gas.com	*BUSINESS WEBSITE*	
	CONTRACT NUMBER	
00-791-6208	*D-U-N-S® NUMBER*	
☒ US FEDERAL: 26-3349481 □ OTHER:	*TAX ID NUMBERS*	□ US FEDERAL: □ OTHER:
Pennsylvania	*JURISDICTION OF ORGANIZATION*	
□ Corporation ☒ LLC □ Limited Partnership □ Partnership □ LLP □ Other: _____	*COMPANY TYPE*	□ Corporation □ LLC □ Limited Partnership □ Partnership □ LLP □ Other: _____
	GUARANTOR (IF APPLICABLE)	

CONTACT INFORMATION

375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Gas Procurement *TEL#:* 412-208-6591 *FAX#:* _____ *TEL#:* 412-208-6570 *FAX#:* _____ *EMAIL:* joseph.e.schurer@peoples-gas-com *EMAIL:* donald.a.melzer@peoples-gas-com	▪ *COMMERCIAL*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *TEL#:* _____ *FAX#:* _____
375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Gas Procurement *TEL#:* 412-208-6591 *FAX#:* _____ *EMAIL:* joseph.e.schurer@peoples-gas-com	▪ *SCHEDULING*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *TEL#:* _____ *FAX#:* _____
375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Manager, Gas Supply *TEL#:* 412-208-6525 *FAX#:* _____ *EMAIL:* *steven.p.kolich*@peoples-gas.com	▪ *CONTRACT AND LEGAL NOTICES*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *EMAIL:* _____
375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Gas Procurement *TEL#:* 412-208-6591 *FAX#:* _____ *EMAIL:* joseph.e.schurer@peoples-gas-com	▪ *CREDIT*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *EMAIL:* _____
375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Gas Scheduling *TEL#:* 412-208-6591 *FAX#:* _____ *E-Fax:*_____ E-fax #: _____ *EMAIL:* joseph.e.schurer@peoples-gas-com	▪ *TRANSACTION CONFIRMATIONS*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *EMAIL:* _____

ACCOUNTING INFORMATION

375 North Shore Drive, Suite 300, Pittsburgh PA 15212 *ATTN:* Mark Stewart *TEL#:* 412-208-6633 *FAX#:* 412-208-6815 *EMAIL:* mark.j.stewart@peoples-gas.com	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	_____ *ATTN:* _____ *TEL#:* _____ *FAX#:* _____ *EMAIL:* _____
BANK: JP Morgan Chase *ABA:* 021000021 *ACCT:* 849096359 *OTHER DETAILS:* _____	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* _____ *ABA:* _____ *ACCT:* _____ *OTHER DETAILS:* _____
BANK: JP Morgan Chase *ABA:* 021000021 *ACCT:* 849096359 *OTHER DETAILS:* _____	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* _____ *ABA:* _____ *ACCT:* _____ *OTHER DETAILS:* _____
ATTN: _____ *ADDRESS:* _____	*CHECKS (IF APPLICABLE)*	*ATTN:* _____ *ADDRESS:* _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

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

Section 1.2 Transaction Procedure
■ Oral (default)
OR
□ Written

Section 2.7 Confirm Deadline
■ 2 Business Days after receipt (default)
OR
□ _____ Business Days after receipt

Section 2.8 Confirming Party
□ Seller (default)
OR
□ Buyer
■ Peoples Natural Gas

Section 3.2 Performance Obligation
■ Cover Standard (default)
OR
□ Spot Price Standard

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
■ Gas Daily Midpoint (default)
OR
□ _____

Section 6 Taxes
■ Buyer Pays At and After Delivery Point (default)
OR
□ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
■ **25th Day** of Month following Month of delivery (default)
OR
□ Day of Month following Month of delivery

Section 7.2 Method of Payment
■ Wire transfer (default)
□ Automated Clearinghouse Credit (ACH)
□ Check

Section 7.7 Netting
■ Netting applies (default)
OR
□ Netting does not apply

Section 10.2 Additional Events of Default
□ No Additional Events of Default (default)
□ Indebtedness Cross Default
□ Party A: _____
□ Party B: _____
■ Transactional Cross Default
Specified Transactions:
"Any physical or financial commodity contract or transportation between the parties for any energy or energy related products."

Section 10.3.1 Early Termination Damages
■ Early Termination Damages Apply (default)
OR
□ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
■ Other Agreement Setoffs Apply (default)
■ Bilateral (default)
□ Triangular
OR
□ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
New York

Section 15.10 Confidentiality
■ Confidentiality applies (default)
OR
□ Confidentiality does not apply

☒ **Special Provisions** Number of sheets attached: Three (3)
□ **Addendum(s):** _____

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

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

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

SECTION 1. PURPOSE AND PROCEDURES

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

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

Oral Transaction Procedure:

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

Written Transaction Procedure:

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

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

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

SECTION 2. DEFINITIONS

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

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

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

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2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

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

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

Cover Standard:

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

Spot Price Standard:

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

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

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

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

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

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

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

SECTION 5. QUALITY AND MEASUREMENT

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

SECTION 6. TAXES

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

Buyer Pays At and After Delivery Point:

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

Seller Pays Before and At Delivery Point:

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

SECTION 7. BILLING, PAYMENT, AND AUDIT

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

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

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

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

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

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

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

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

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

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

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

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

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

SECTION 9. NOTICES

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

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

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

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

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

SECTION 10. FINANCIAL RESPONSIBILITY

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

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

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

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

Early Termination Damages Apply:

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

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

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

Early Termination Damages Do Not Apply:

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

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

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

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

Triangular Setoff Option:

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

Other Agreement Setoffs Do Not Apply:

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

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

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

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

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

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

SECTION 11. FORCE MAJEURE

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

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

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

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

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

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

SECTION 12. TERM

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

SECTION 13. LIMITATIONS

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

SECTION 14. MARKET DISRUPTION

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

SECTION 15. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	**BUYER:**
_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____

Contract Price: $_____/MMBtu or _____

Delivery Period: Begin: _____, ____ End: _____, ____

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_____ MMBtus/day □ EFP	_____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of □ Buyer or □ Seller	Up to _____ MMBtus/day

Delivery Point(s): _____
(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____	Buyer: _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

MASTER INTERCONNECT AND MEASUREMENT AGREEMENT

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

WHEREAS, Peoples owns and operates certain Gas facilities and pipelines located in the Commonwealth of Pennsylvania (the "Peoples' System");

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

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

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

ARTICLE I
PURPOSE AND PROCEDURES

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

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

(a) The designation for the transportation or sale of Gas for specific Receipt Point(s);

(b) The meter number and location at the Receipt Point;

(c) The time period (hereinafter "Service Term") during which the Gas is to be sold to Peoples or delivered onto Peoples' System;

(d) Applicable prices, rates and associated fees; however, the Parties agree that the Construction and Installation Fees, and any other operation, installation, or maintenance

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

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

ARTICLE II
DEFINITIONS

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

(a) "**Authorizations**" means any and all approvals, permits, licenses, franchises, or other authorizations required by any federal or state governmental authority which are necessary for the performance of a Party's obligations hereunder.

(b) "**Btu**" means a British thermal unit.

(c) "**Commission"** means the Pennsylvania Public Utility Commission that regulates the intrastate sales and transportation of Gas.

(d) **"Construction and Installation Fee"** means the fees charged to Producer for the actual labor, tools, materials, equipment and overhead expenses for the development, design and construction activities relative to completing the New Facilities contemplated by this Master Agreement.

(e) **"Contract Price"** means, in the instance in which Gas is sold to Peoples by Producer, the price paid for Gas delivered and taken as set forth in any then-effective Exhibit.

(f) **"Day"** means a period of twenty-four (24) consecutive hours, coextensive with a "day" as defined by the North American Energy Standards Board ("NAESB").

(g) "**Dekatherm**" means one million (1,000,000) Btus or one MMBtu.

(h) "**Existing Facility(ies)**" means Producer owned, operated or managed equipment and facilities, including, but not limited to, any measurement equipment transferred from Peoples to Producer pursuant to this Agreement, installed upstream of the Interconnect prior to October 29, 2019 that involve, at a minimum: (i) measurement equipment of whatever type used to determine the Producer Sales Volumes; (ii) any gas quality device of whatever type used to determine the quality of the gas being delivered to Receipt Point(s); (iii) any over-pressure control system of whatever type being used to protect Peoples' System's maximum pressure limitations; and (iv) any and all other equipment and devices installed from Producer's pipeline riser coming out of the ground from Producer's pipeline system through the measurement equipment and to the Interconnect. This term includes all of the above Producer owned, operated or managed equipment and facility(ies) (i) sold or assigned to an affiliated or legally associated company of that producer; or (ii)

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

(i) **"FERC"** means the Federal Energy Regulatory Commission or any successor federal agency that regulates, or has the authority to regulate, the transportation of Gas in interstate commerce by pipeline.

(j) **"Gas"** means a mixture of hydrocarbon and non-hydrocarbon gases that satisfies the requirements of Article IX of this Master Agreement.

(k) **"Gathering Rate"** means for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Producer shall pay to Peoples a gathering fee as set forth in an Exhibit hereto.

(l) "**Interconnect**" means the point of connection between the Producer's Existing Facility(ies) or New Facility(ies) and Peoples' System, comprised of the insulator, pipeline extension, riser, and the isolation valves installed downstream of the insulator, all owned by Peoples.

(m) "**Interconnect Facility(ies)**" means the Producer-owned Existing Facility(ies) and New Facility(ies) connected to Peoples' System at the Interconnect in accordance with the Master Agreement as amended from time-to-time.

(n) "**Mcf**" means one thousand (1,000) cubic feet of Gas.

(o) "**MMBtu**" means one million (1,000,000) Btu's or one Dekatherm.

(p) "**Modification to an Existing Facility**" means any non-emergency replacement, upgrade or downgrade on Existing Facility(ies).

(q) "**New Facility(ies)**" means Producer owned, operated or managed equipment and facilities (i) installed upstream of the Interconnect after October 29, 2019 through which Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) and (ii) approved, designed, constructed and operated as set forth in herein, including any Existing Facility(ies) sold or assigned to a non-affiliated party of Producer or a party with whom Peoples does not have a current master interconnection and measurement agreement with Peoples.

(r) "**Peoples Approved Vendor**" means any vendor Peoples has approved to provide the services required by the Master Agreement to be performed on behalf of the Producer by an independent contractor to comply with the Master Agreement; a list of approved vendors is posted on Peoples website, which list may change from time-to-time.

(s) "**PIOGA**" means the Pennsylvania Independent Oil & Gas Association, its successors and assigns.

(t) "**Producer**" is the owner, operator, or agent for the underlying well(s), meter(s), and gathering system(s) that deliver gas to the Receipt Point(s). Producer is authorized to execute this Agreement, on behalf of its various investors, partners, and/or owners.

(u) "**Producer Sales Volume(s)**" means the volume(s) of Gas measured at and credited to the Producer's Receipt Point(s) for the Production Period as determined and reported to Peoples by the Producer Chart Process, or as measured in accordance with Section 10.11.

(v) **"Production Period"** means a span of approximately thirty (30) days, which may or may not conform to the calendar month, during which time Producer's Gas will be measured for delivery and purchase payment purposes. Production Periods shall be identified by the name of the month in which the period ends.

(w) "**Production Statement**" means the statement generated each calendar month by Peoples that details the Production Period and, for each Receipt Point, Producer Sales Volume(s) in Mcfs and MMBtus.

(x) **"Receipt Point(s)"** means the point(s) of receipt, or meter(s), of Producer's supplied Gas as set forth in the Exhibit specific to said point of receipt.

(y) **"Retainage Percentage"** means, for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Peoples shall withhold a retainage percentage as set forth in an Exhibit hereto.

ARTICLE III
APPLICATION FOR NEW FACILITIES AND MODIFICATION TO EXISTING FACILITIES

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

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

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

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

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

ARTICLE IV
INTERCONNECT DESIGN, INSTALLATION, ACTIVATION AND MAINTENANCE

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

4.02 **Equipment Requirements for New Facility.**

(a) The New Facility shall be comprised of equipment that includes: (i) Gas measurement equipment; (ii) two forms of overpressure protection; (iii) certain interconnect piping facilities including a check valve and an insulated/welded tie-in connection; and (iv) such other equipment as may be required by Peoples at the New Facility. Peoples shall specify the type of equipment to be provided by Producer and Producer shall not install any non-Peoples approved equipment at the New Facility. The minimum engineering and technical specifications for the New Facility are further detailed in Appendix A.

(b) Unless waived in writing by Peoples, all costs associated with the New Facility shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee. If Producer does not remit payment for the Construction and Installation Fee within thirty (30) days after receiving Peoples' invoice for same, then Peoples may, at its sole option, shut-in the Interconnect until payment is made and may require all future payments for other operation, installation, or maintenance related work to be made in advance.

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

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

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

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

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

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

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

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

4.10 **Telemetry**.

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

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

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

ARTICLE V
FACILITIES OWNERSHIP

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

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

ARTICLE VI
INTERCONNECTION OPERATIONS

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

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

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

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

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

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

(a) Producer shall not shut-in or discontinue delivery of Gas at any Receipt Point, excepting that the shut-in or discontinuance of gas delivery is caused by an emergency or other unplanned event, without first obtaining Peoples' consent, which consent will not be unreasonably withheld, but may be conditioned in the event the shut-in or discontinuance of the Gas delivery may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on Peoples' System.

(b) Producer shall provide thirty (30) days advance notice to Peoples of its intention to shut-in or discontinue delivery of Gas at any Receipt Point, after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. If the shut-in or discontinuance is caused by an emergency event, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event.

(c) If a shut-in occurs, Peoples shall have the right to remove its facilities at the Interconnect Point and terminate the Exhibit governing that Receipt Point, only after Peoples has communicated the cause, and the Producer is given a good-faith opportunity to propose a remedy and resolve the issue within a timeframe acceptable to Peoples.

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

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

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

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

ARTICLE VII
OPERATIONAL COSTS AND PAYMENTS TO BE BORNE BY PRODUCER

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

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

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

ARTICLE VIII
ADDITIONAL WELLS

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

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

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

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

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

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

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

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

ARTICLE IX
PRESSURE, GAS QUALITY AND HEATING VALUE

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

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

9.03 **Pressure in Peoples' System.**

(a) Peoples makes no representations concerning the pressure that will be maintained in its pipeline system from time-to-time, or any other factors, which may affect the quantity of Gas that Producer may be able to deliver to Peoples. Subject to Section 6.03 Peoples has the right to upgrade, when necessary, pipeline operating pressures with no obligation to Producer other than providing notification of such matters.

(b) Although regulators are part of Producers' Interconnect Facilities and therefore owned by Producers, Peoples shall operate these regulators as provided by this Master Agreement. Accordingly, Peoples shall indemnify and hold harmless Producers for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the regulators when setting the maximum allowable pressure set points within the Interconnect Facilities. Peoples shall replace, fix and repair, at its cost, any portion of Producers' Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the regulators within the Facilities.

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

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

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

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

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

ARTICLE X
MEASUREMENT

10.01 **Measurement Equipment.**

(a) Gas delivered to or received from Peoples' System through the Interconnect shall be measured at a site satisfactory to Peoples using measurement equipment designated by Peoples and owned by Producer. The requirements in this Section 10.01 shall not apply to any Existing Facility, unless the meter is nonfunctioning or inaccurate which requires Producer to immediately self-shut-in until the meter is replaced or Peoples provides at least sixty (60) days advance notice to Producer detailing modifications to the existing Interconnection Facilities which are required, in Peoples' commercially reasonable discretion, to rectify accuracy, operational, safety or service related concerns.

(b) The measurement facilities will be required to use electronic gas measurement (EGM), and the Producer is required to forward monthly EGM item trail(s) and audit trail(s) to one of Peoples' approved integration companies (which list of approved companies shall be maintained on the Peoples website) by the 28th of the month. The integration company will forward corrected volume(s) to Peoples once a month for processing of credit/payment. Producer is required to use the same integration company for both volume collection and meter testing.

(c) The measurement equipment for New Facilities shall be designed, installed, operated, maintained and owned by: (i.) Producer; or (ii.) Producer's designee as set forth in the Appendices. Producer is responsible for maintaining the accuracy of the measurement equipment and shall do so according to the Annual Measurement Equipment Testing requirement in Appendix B, Section 1.07. If Peoples determines, using commercially reasonable discretion, the measurement equipment is not accurate, Peoples may shut in the Interconnect until Producer corrects the deficiency. If repeated defects occur, Peoples reserves the right to shut in the Interconnect indefinitely. At any time after the termination of an Exhibit, Peoples shall have the right to remove its Interconnect facilities associated with the Receipt Point(s) identified in the terminated Exhibit. Producer shall be solely responsible for and shall bear the full costs of delivering Gas to the Receipt Point(s). Producer shall not modify the measurement equipment without the prior written consent of Peoples.

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

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

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

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

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

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

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

10.09 **Testing and Calibration**:

(a) Peoples shall have the right, at any time, to verify the accuracy of measurement equipment beyond the Producer Annual Measurement Equipment Testing requirements in Appendix B, Section 1.04, on all Receipt Points used in the measurement of Gas hereunder and shall do so at its expense. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the measurement equipment when verifying the accuracy of the measurement equipment. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of verifying the accuracy of the measurement equipment within the Facilities. Producer may request a special test be performed as described in Section 10.10 below.

(b) If during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of two percent (2%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), then any previous recording of such equipment shall be corrected to zero error in computing deliveries for any period during which the error existed (and which is either known

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

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

(d) All equipment shall, in any case, be adjusted at the time of the test to record correctly.

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

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

(a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as described in subsection 10.9(a) above;

(b) where parallel multiple meter runs exist, by calculation using the registration of such parallel meter runs; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;

(c) by correcting the error by re-reading of the official charts, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

(d) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

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

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

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

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

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

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

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

(a) Unit of Volume. The unit of volumetric measurement shall be a standard cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit (five hundred twenty degrees (520°) absolute) and without adjustments for water vapor. The unit of volume for measurement shall be one (1) cubic foot of Gas. To determine the Gross Heating Value of the unit of volume, such measured volumes will be converted to Mcf by multiplying by 1,000 and then, at the Company's discretion, multiplied by either (i) the Company's system average MMBtu/Mcf factor if the Receipt Point heat value has not been determined or (ii) the Receipt Point's Gross Heating Value per thousand cubic foot determined by a Gas sample analysis or Gas chromatograph to determine the MMBtus received, delivered and credited as the Producer Sales Volume at the Receipt Point hereunder. The Parties agree that nothing in this Master Agreement shall preclude either Party from proposing a modification to the unit of volume components defined herein in a future purchase Gas cost proceeding at the Commission.

(b) Orifice Meter Volume Computations. Computations of Gas Volumes from measurement data shall be made in accordance with ANSI/API2530 (AGA Report No. 3), Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent amendments or revisions.

(c) Positive Displacement Meter Volume Computation. Computation of Gas Volumes from data shall be in accordance with the AGA Measurement Committee Report No. 6 (AGA Report 6), dated January 1971, and any subsequent amendments or revisions.

(d) Turbine Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 7 (AGA Report 7), First Revisions, dated November 1984, and any subsequent amendments or revisions.

(e) Ultrasonic Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 9 (AGA Report 9), dated June 1998, and any subsequent amendments or revisions.

(f) Electronic Devices and Flow Computers Volume Computations. Computation of Gas Volumes from data or devices shall be in accordance with API 21.1, AGA Measurement Committee Report Nos. 3, 5, 6, and 7 and any subsequent amendments or revisions.

(g) Assumed Atmospheric Pressure. In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing Gas temperature may be recorded at Peoples' discretion. In the absence of a flowing Gas temperature recorder, a temperature of sixty degrees (60°) Fahrenheit will be assumed.

(h) Gross Heating Value. At least yearly, the Gross Heating Value of the Gas stream at each Receipt Point hereunder shall be determined by calculating the Gross Heating Value from an in-line chromatograph or a Gas analysis of a spot or continuous Gas sample except that for Receipt Point(s) with daily volumes below 1,000 mcf/day, the Gross Heating Value determination shall be required every five (5) years after the initial determination. The spot or continuous sample shall be taken at a suitable point to be representative of the Gas being analyzed.

(i) Other Tests. Other tests to determine water content, sulfur, and other impurities in the Gas shall be conducted by Peoples as necessary and shall be conducted in accordance with standard industry testing procedures.

(j) New Test Methods. If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the method set forth in this Article when such methods or techniques are in accordance with the currently accepted standards of the American Gas Association, if mutually agreed upon by the Parties.

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

10.17 **Low Volumes for Receipt Points.**

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

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

(b) In the event that the amount of Gas, or the quality of Gas, passing through any Receipt Point(s) is less than the measurement equipment minimum design requirements for accurate measurement, Peoples shall have the right to shut-in service from Producer until: (i) Producer has provided adequate supply to meet such design requirements and has proven to Peoples that such volumes exist; and/or (ii) the measurement equipment and Interconnect Facilities have been redesigned and installed for the effective and efficient measurement of the revised volumes within the accuracy allowed and required by Peoples; and/or (iii) Producer has proposed, and Peoples has accepted in its sole discretion, an alternate method to accurately measure the volumes.

(c) Peoples may in its sole discretion, for operational, safety or unaccounted for Gas mitigation reasons, abandon pipelines connected to any Receipt Point. Prior to the abandonment, Peoples shall provide sixty (60) days advance notice to the Producer of its intention to abandon the facilities and, during such sixty (60) day period, shall engage in a good-faith discussion with Producer to determine if there is a mutually agreeable arrangement by which the Receipt Point(s) impacted by the abandonment may remain on the system. If a resolution during said period is not possible, Peoples may proceed with the pipeline abandonment and Interconnect termination. The Producer in its sole discretion may reconnect to Peoples at the nearest pipeline not affected by the abandonment.

ARTICLE XI
TERM

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

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

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

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

ARTICLE XII
BILLING AND PAYMENT

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

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

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

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

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

ARTICLE XIII
FAILURE TO PERFORM

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

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

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

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

13.03 **Indemnity.**

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

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

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

ARTICLE XIV
REGULATORY APPROVALS

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

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

(a) continue to fulfill its obligations under this Master Agreement as altered by the change in regulation; or

(b) seek to renegotiate the affected terms of this Master Agreement by giving notice to the other Party within thirty (30) days of the material adverse change. If the Affected Party elects to renegotiate the terms of this Master Agreement, both Parties shall be obligated to renegotiate in good faith.

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

ARTICLE XV
GENERAL REPRESENTATIONS AND WARRANTIES

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

(a) Producer is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master Agreement and to perform its obligations hereunder;

(b) Producer holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;

(c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Producer to fulfill its obligations under this Master Agreement;

(d) Producer's signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created; and

(e) Producer shall be deemed to be in control and possession of the Gas hereunder until it shall have been delivered to Peoples at the Receipt Point. Producer assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering, and transporting the Gas to the Receipt Point hereunder at the quality hereinafter specified.

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

(a) Peoples is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master and to perform its obligations hereunder;

(b) Peoples holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;

(c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Peoples to fulfill its obligations under this Master Agreement; and

(d) Peoples' signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created.

ARTICLE XVI
ASSIGNMENT

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

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

ARTICLE XVII
NOTICE

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

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

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

Producer: _____
Address: _____
City: _____
State: _____
Zip: _____

Attention: _____
Phone: _____
Email: _____

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

ARTICLE XVIII
MISCELLANEOUS

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

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

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

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

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

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

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

18.08 **Audits.**

(a) Accounting Audits: Peoples shall have the right to audit Producer's accounting records and other documents relating to materials delivered by or on behalf of Producer for Peoples' account for any calendar year within the twenty-four (24) month period following the end of such calendar year. This provision shall continue in full force and effect for a period of twenty-four (24) months from the effective date of termination of this Master Agreement.

(b) Field Audits: Producer gives Peoples permission to periodically come onto Producer's property in order to audit the Interconnect Facility to determine if it is in compliance under the terms of this Master Agreement. Permission for ingress/egress includes personnel, vehicles, and other equipment deemed necessary by Peoples. Peoples shall have permission to perform all operating and maintenance functions associated with verifying the integrity and functionality of equipment, piping, and appurtenances. If, in Peoples' judgment, modifications are necessary in order to assure proper operation of the equipment, Peoples

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

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

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

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

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

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

SIGNATURE PAGE IMMEDIATELY FOLLOWS

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

PEOPLES NATURAL GAS COMPANY LLC	**[PRODUCER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

APPENDIX A TO MASTER AGREEMENT
MINIMUM ENGINEERING & TECHNICAL SPECIFICATIONS

SECTION I
DESIGN OF INTERCONNECT FACILITIES

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

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

1.03 **Site/Land Acquisition**

(a) Producer shall provide Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of the New Facility. Producer shall also provide, if required, a right of way necessary for the tie-in of proposed New Facility to Peoples' System that is free of all costs and from all claims and liabilities for damages arising out of installation or the construction of the New Facility. To the extent that Producer has not previously provided Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of an Existing Facility, and Peoples is hindered from accessing the location, Peoples shall have right to shut in the Interconnection, remove its facilities associated with the Interconnect and terminate the portion of the Exhibit applicable to the Interconnection.

(b) Producer and Peoples must agree beforehand to the location of the New Facility as well as the final tie-in location.

(c) Producer shall satisfy itself as to the character and types of surface and subsurface materials to be encountered in construction of the New Facility.

(d) Producer's right-of-way shall be cleared of all debris and obstructions before the New Facility is tied into Peoples' System. For Existing and New Facilities, Producer's right-of-way shall be maintained such that regular access to the Interconnection may be obtained.

(e) A New Facility shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point. Peoples reserves the right to require that a New Facility be enclosed within a locked fence or building. In the event of safety or operational concerns, Peoples reserves the right to require that an Existing Facility be enclosed within a locked fence or building.

(f) The meter set shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point.

(g) All costs associated with Producer's obligations under this section shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.

(h) To the extent that Peoples is at any time required to pay for such rights-of-way or such costs or claims or liabilities, then such amounts and related expenses shall be incorporated within the Initial Construction and Installation payment made under this Master Agreement.

1.04 **Responsibility for Interconnect Facility Equipment**. The following table establishes the design, construction, operation, maintenance and cost responsibility for certain aspects of the Interconnect Facilities. All of the following design specifications designated as the Producer's responsibility shall be incorporated into the design and construction of the Receipt Point at Producer's sole cost unless waived by Peoples. Excluding Measurement Equipment, for which requirements are set forth in Section 10.01 of the Master Agreement, and Pressure/Flow Control Equipment, for which requirements are set forth in Section 4.01 of the Master Agreement, the Parties specifically agree that the design specifications identified in this Section 1.04 shall not apply to any Existing Facility(ies), unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the existing Receipt Points(s).

RECEIPT POINT SPECIFICATIONS							
STATION EQUIPMENT	**REQ-UIRED**	**DESIGN**	**INSTALL**	**OWNER-SHIP**	**OPERATE**	**MAINTAIN**	**SPECIAL PROVISIONS/ EQUIPMENT SPECS.**
PIPING							
Pipeline-Tap & Valve	Yes	PG	PG	PG	PG	PG	
Inlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT – TBD
Outlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT - TBD
GAS CONDITIONING							
Filter Separator	TBD	S/T	S/T	S/T	S/T	S/T	
Liquid Level Shutoff	Yes	S/T	S/T	S/T	S/T	S/T	
MEASUREMENT							
Meter & Meter Runs	Yes	S/T	S/T	S/T	S/T	S/T	
Meter & Flow Control Risers, Valves, etc.	Yes	S/T	S/T	S/T	S/T	S/T	
Electronic Measurement	Yes	S/T	S/T	S/T	S/T	S/T	
GAS QUALITY							
Chromatograph	TBD	TBD	TBD	TBD	TBD	TBD	
Continuous Sampler	TBD	TBD	TBD	TBD	TBD	TBD	
H2O Dew Point Analyzer	TBD	S/T	S/T	S/T	S/T	S/T	
PRESSURE / FLOW CONTROL							
Primary Pressure Control	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Overpressure Device	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Slam Shut Valve	TBD	S/T	S/T	S/T	PG	S/T	
Emergency Valve	TBD	PG	PG	PG	PG	PG	
Flow Control Valve	TBD	TBD	TBD	TBD	TBD	TBD	

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

PG = Peoples; S/T = Producer
TBD = To be determined at the Design Specification Stage per Section 4.01 of the Agreement.

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

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

(a) Methanol Injection – should be installed downstream of meters

(b) Catalytic heaters / heat trace - for regulator bodies

(c) Indirect water bath heaters – for large pressure cuts and large flow volumes

(d) All Gas provided and delivered to Peoples shall have a temperature of no less than 45° F.

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

(a) A primary pressure-limiting device shall be required whenever the Peoples' System has the possibility of realizing pressures exceeding the Peoples' pipeline MAOP.

(b) Overpressure protection devices shall be set such that pressures may not exceed the maximum allowable operating pressure for the facility into which Producer is delivering Gas.

(c) Overpressure protection devices must be designed to prevent a single incident from affecting the operation of the Interconnect.

(d) Security valves, monitor regulators, or control valves should be used for overpressure protection.

(e) Overpressure protection devices shall consist of a stand-alone valve operating on a pneumatic signal taken directly from the pipeline.

(f) If pilot loaded valves are used, the pilots shall not bleed when they are not operating. Pilot bleeds should be routed to downstream piping.

1.08 **Control Valves**

(a) Control valves shall be sized using the highest flow rate compounded with the lowest delivery pressure.

(b) All flow control valves should be installed to fail in the open position or in the last set positions, as applicable.

(c) Peoples shall approve the type and brand of control valve.

(d) Downstream taps for pressure control valves shall be noted on detail drawings and shall also possess a pressure transducer for stations designed with telemetry.

1.09 **Miscellaneous Valves and Piping**

(a) Blow-down valves shall be installed to provide for venting of all sections.

(b) Meter header piping shall be sized for 1.5 times the total combined area of the total meter runs.

(c) Isolation valves will be installed on either side of regulators, meters, and control valves.

(d) Piping shall be Standard Weight unless approved otherwise by Peoples.

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

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

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

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

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

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

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

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

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

(a) Buildings, or shelters, shall be provided to protect electronic Gas measurement and control equipment, as well as to act as noise barriers, protection from damage, and for meeting compliance with local ordinances. All buildings, shelters, fences, or the like, shall be designed to permit safe access around all facility piping and equipment. Designs for buildings, shelters, fences, or the like shall be submitted to Peoples' approval prior to installation or modification.

(b) Unless waived by Peoples in its reasonable discretion, all Interconnect Facility shall be fenced, consisting of chain link fencing eight feet (8') in height complete with three (3) strands of barbed wire, and at a minimum; one pedestrian gate and one truck gate installed at opposing ends of the site. This sub-section 1.17(b) shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.

(c) The site selected must be large enough to hold all equipment and accommodate all activities required for normal and maintenance operations.

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

SECTION II
INSTALLATION, TESTING, and INSPECTION

2.01 **Testing**

(a) All measurement equipment shall be tested in accordance with specifications provided by Peoples. Peoples shall specify minimum test pressure and test duration. Tests shall be conducted using a recording chart of which Peoples shall receive the original or a clear copy of the original test chart.

(b) Peoples shall not activate the New Facility and Interconnect until a copy (or original) of the test chart has been received and approved.

2.02 **Inspection**

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

(b) Prior to startup of construction, Producer shall provide three (3) days' notice to Peoples.

(c) All girth welds must be 100% radiographically inspected and approved.

(d) Producer shall be responsible for all expenses, including inspection by Peoples, relative to construction inspections of the New Facilities.

APPENDIX B TO MASTER AGREEMENT
INSPECTIONS AND GAS QUALITY

SECTION I
ROUTINE INSPECTIONS OF INTERCONNECT FACILITIES

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

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

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

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

1.05 **Reserved.**

1.06 **Reserved.**

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

SECTION II
GAS QUALITY REQUIREMENTS

2.01 **General.** Before Peoples permits the flow of Gas from a New Facility into the Peoples' System, Producer will provide a Gas sample analysis by a Peoples Approved Vendor and Peoples shall review the Gas sample analysis to verify that it is of marketable quality. Producer will contract with a Peoples Approved Vendor to perform an initial (within one (1) year of the execution of this Agreement) Gas quality sample analysis and provide inspection report to Peoples for each Interconnect Facility that have not otherwise been tested by Producer or Peoples within the year prior to the execution of this Agreement. Receipt Point(s) with daily volumes at or above 1,000 mcf/day will be required to have a Gas quality sample analysis conducted on an annual basis. Receipt Point(s) with daily volumes below 1,000 mcf/day will be required, after obtaining the initial analysis, to have a Gas quality sample analysis' conducted every five (5) years thereafter, unless the Gas sample analysis does not meet Peoples specifications, requirements and/or standards, as set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments, in which case, Peoples will require the Interconnect to be shut in until Gas sample meets Peoples specifications. Peoples reserves the right to require more frequent Gas quality sample analyses in order to address operational, safety or service-related issues. The initial and ongoing Gas sample analyses shall include testing for water vapor, N2, O2, CO2, CH4 (methane through pentane), heating value (BTU - dry and saturated), specific gravity by a certified tester using GPA 2261-13 and GPA 2172-09 standards and shall conform with the following specifications:

(a) Liquids – The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered.

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

(c) Water Vapor – Peoples will authorize water content according to the chart attached as Schedule 1 to this Appendix B. However, Peoples maintains the right to require a lower (more stringent) water vapor content than the level set forth in Appendix B if the water vapor levels at specific Receipt Point(s) are detrimentally affecting customer service or creating operational issues.

(d) Carbon Dioxide and Other Inerts – The Gas shall not contain more than four percent (4%) by volume of total combined inerts such as carbon dioxide, nitrogen, argon, and helium; provided that the total carbon dioxide content shall not exceed two percent (2.0%) by volume.

(e) Dust, Gums and Solid Matter – The Gas shall be commercially free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the Gas in the course of transportation through pipeline.

(f) Heating Value – Unless otherwise approved, in writing, by Peoples, the Gas delivered shall contain not less than 967 BTU per standard cubic foot and shall not exceed 1,100 BTU per standard cubic foot of Gas calculated as the gross saturated value at 14.73 psia and 60° Fahrenheit, and a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%), the utilization factor being defined as that number obtained by dividing the heating value of the Gas by the square root of its specific gravity. Gas accepted by the Company that contains less than 967 BTU per cubic foot will be enhanced to ensure that Gas delivered by the Company to its end-use customers shall meet the heating value requirements set forth in applicable regulations, orders or laws. The Producer may be responsible for the costs of such enhancement.

(g) Temperature – The temperature of the Gas delivered into the Peoples' System shall not exceed 100°F unless approved by an authorized representative of Peoples. The temperature shall not be less than 40°F as delivered to Peoples' System after passing through all regulation, measuring and over protection equipment.

(h) Oxygen – The Gas shall not contain more than 2,000 parts per million (0.2% of one percent) of oxygen by volume.

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

(a) Hydrogen Sulfide – The Gas shall not contain more than four (4) parts per million on a volumetric basis, or three-tenths (0.3) of a grain of hydrogen sulfide per one hundred (100) cubic feet.

(b) Total Sulfur – The Gas shall not contain more than 170 parts per million, on a volumetric basis, or ten (10.0) grains of total sulfur per one hundred (100) standard cubic feet.

(c) Carbon Monoxide – The Gas shall not contain more than one-tenth percent (0.1%) by volume of carbon monoxide.

(d) Gasoline - Not contain more than two-tenths (0.2) of a gallon of gasoline per one thousand (1,000) standard cubic feet unless otherwise approved by an authorized representative of Peoples.

(e) Bacteria – The Gas, including any associated liquids, shall not contain any microbiological organism, active bacteria, or bacterial agent capable of causing or contributing to: (i) injury to Peoples' pipelines, meters, regulators, or other facilities and appliances through which Producers Gas flows; or (ii) interference with the proper operation of Peoples' System. Microbiological organisms, including, but not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB), when considered as a possibility, shall be tested for their existence utilizing the

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

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

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

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

(a) Equipment and Ownership. The Producer will own the odorizer with associated equipment necessary to operate and deliver odor (odorizer system) and is responsible for all costs associated with operating the system. Peoples will approve the design of the odorizer system, whereinafter the Producer will purchase and install the odorizer system. Peoples may choose to be present for the installation and shall have the right to test the system after its installation. Thereafter, Peoples will operate and maintain the odorizer systems and, where applicable, a thermal electric generator (unless a public electric power supply can be made available to the site), together with necessary valves, tubing and fittings, in order to properly odorize Gas delivered to measurement equipment. If the odorizer system is located outside of the Interconnect Facility location, the Producer shall provide site access to Peoples, as described in Section 1.03 of Appendix A, for the site where the odorization system is located. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's accessing or operating Producer's odorizer system. Peoples shall also replace, fix and repair, at its cost, any portion of Producer's odorizer system that Peoples, or its designee intentionally or negligently harms, damages or breaks as a result of operating the odorizer system.

(b) Upgrades. If Producer should desire to upgrade or replace any of the currently existing odorizers or generators, all equipment must be subject to the review and approval of Peoples.

(c) Refill. Peoples will manage the filling and refilling (or tank exchange) of the odorant to make sure, that sufficient odorant is available for Gas delivered to the measurement equipment.

(d) Odorant Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of odorant, including all future tank refills.

(e) Odorizer Site. Producer will provide and maintain, at its own cost, perimeter fencing around the Odorizer sites to enclose and protect the odorizers and related equipment.

(f) Communication Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the monthly cost of public telephone or cellular service for the communications equipment used to monitor the operation of the odorizers and the odorant level and for the monthly cost of electrical service used to operate and maintain the odorizers, if electric power is provided to the odorizers from a public supplier.

(g) Maintenance Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of any regular, periodic, and other odorizer maintenance service, including all labor and necessary replacement parts or equipment, to assure the continued efficient operation of the odorizers. This includes reserve parts held in Peoples' stock to enable timely and proficient resolutions.

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

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

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

SCHEDULE 1 TO
APPENDIX B TO MASTER AGREEMENT
WATER VAPOR CONTENT

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

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

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

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

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

EXHIBIT A-__
to
Master Agreement

Additional Terms and Conditions Governing Transportation of Gas

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

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

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

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

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

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

SIGNATURE PAGE IMMEDIATELY FOLLOWS

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

PEOPLES NATURAL GAS COMPANY LLC	**[PRODUCER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SCHEDULE 1 TO
EXHIBIT A-__ TO MASTER AGREEMENT
RECEIPT POINT(S), RETAINAGE PERCENTAGE AND GATHERING RATE

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

Receipt Point(s)	Special Terms for Unconventional Wells

EXHIBIT A-__
to
Master Agreement

Additional Terms and Conditions Governing the Purchase of Gas

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

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

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

1. **Sale and Purchase Obligations**. Producer shall produce and sell to Peoples, and Peoples shall take and pay for, quantities of Gas delivered to the Receipt Point(s) set forth below. Peoples shall have no obligation to pay for any Gas until such time as it has been produced and delivered to the designated Receipt Point(s). Except in instances where Peoples and Producer agree otherwise, Producer's sale shall be a full requirements sale where all Gas produced shall be delivered to Peoples. Notwithstanding the foregoing, Peoples may reduce or suspend its purchases under this Master Agreement in the event that Peoples has insufficient pipeline capacity or insufficient market demand to facilitate the sale and/or use of Producer's Gas. Upon notice to Producer, Producer shall promptly comply with Peoples' reduction or suspension request. As provided for in Section 6.07 of the Master Agreement, in the event Peoples should ever cease, in whole or in part, to sell Gas directly to end-use customers (otherwise known as providing merchant or sales service), then Peoples may, in its sole discretion, terminate this Exhibit, or the Master Agreement, upon at least sixty (60) days written notice to Producer.

2. **Agency**. Peoples reserves the right to act as Producer's agent to market the production dedicated hereunder while continuing to pay Producer the price set forth in this Exhibit. All other terms and conditions of the agreement shall remain in full force and effect.

3. **Title to Gas**. Producer warrants that it will have good and merchantable title to or will have the right to sell all Gas delivered under this Master Agreement and that such Gas will be free and clear of all liens, encumbrances, and adverse claims by third parties. Producer shall indemnify and hold Peoples harmless from any and all suits, claims, actions, debts, levies, accounts, damages, costs, losses, and expenses of any nature arising from or out of any adverse claims of any kind or nature asserted by any person or entity concerning such Gas, including, but not limited to any claims, suits, actions, or demands that may arise due to the nonpayment of any landowner royalties, overriding royalties, or rentals.

4. **Possession, Control, and Liability**. Title to all Gas purchased under this Master Agreement shall pass from Producer to Peoples at the Receipt Point(s). As between the Parties to this Master Agreement, Producer shall be deemed to be in possession and control of the Gas to be delivered to Peoples until

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

5. **Peoples' Monthly Production Statement and Payment**. On or before the last business day of each calendar Month during the term of this Master Agreement, Peoples shall: (i) send Producer a Production Statement, in either hardcopy or electronic form, reflecting the Producer Sales Volume(s) during the relevant Production Period; and (ii) make payment to Producer by check or by automated clearinghouse (ACH) direct deposit pursuant to a separate ACH direct deposit agreement.

6. **Producer's Agent**. Although the terms of this Master Agreement extend to and are binding upon all Parties hereto, their respective heirs, successors, personal representatives and assigns, in no event will Peoples remit, or be required to remit, payment to more than one (1) payee per month in exchange for the Gas produced and sold hereunder. Accordingly, Producer hereby appoints the following Agent to receive all statements and payments hereunder:

   Name: _____ (the "Agent")
   Address: _____
   _____

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

7. **Royalties**. In no event will Peoples be obligated to make royalty, over-riding royalty or working interest payments for Gas purchased under this Master Agreement.

8. **Regulatory Authorities**. Peoples shall use reasonable efforts to obtain the necessary regulatory approvals from the Commission to recover the prices paid to Producer for Gas purchased under this Master Agreement. If the Commission issues an order, opinion, act, regulation, or rule that prohibits Peoples from recovering as part of Peoples' Gas cost recovery proceeding the full price paid to Producer for Gas purchased under this Master Agreement, then Peoples may at any time: (i) credit the difference between the price paid for Gas under this Master Agreement and the amount permitted to be recovered through Peoples' rates against amounts due Producer; or (ii) receive a refund of such amounts directly from Producer upon request by Peoples.

9. **Taxes**. Producer shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas upstream of Receipt Point(s) and all Taxes at the Receipt Point(s). Peoples shall pay or cause to be paid all Taxes on or with respect to the Gas downstream of Receipt Point(s). If a party is required to remit or pay Taxes which are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the other Party for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof.

10. **Service Term**. The Service Term Start Date for each individual Receipt Point shall be the latter of the _____ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual transaction shall be _____. After this initial Service Term, this Exhibit will automatically renew

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

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

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

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

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

SIGNATURE PAGE IMMEDIATELY FOLLOWS

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

PEOPLES NATURAL GAS COMPANY LLC

By: _____

Name: _____

Title: _____

Date: _____

[PRODUCER]

By: _____

Name: _____

Title: _____

Date: _____

AGENT
Acknowledged as to the obligations of Agent only

By: _____

Name: _____

Title: _____

Date: _____

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

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

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

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

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

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

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

Peoples Natural Gas Company LLC
§ 53.53 IV.B

4. Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:

   a. The maximum coincident peak day demand.

   b. The maximum coincident 3-day peak day demand.

   c. The average monthly consumption in MCF during the Primary Heating Season (November-March).

   d. The average monthly consumption in MCF during the Non-heating season (April-October).

   e. The average daily consumption in MCF for each 12-month period.

* *

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

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

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

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

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

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

* *

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

Peoples Natural Gas Company LLC
§ 53.53 III.E

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

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

* *

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

Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries

Total System

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

Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries

Total System

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

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

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.II.A

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

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

Peoples Natural Gas Company LLC

§ 53.53.III.E

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

Peoples Natural Gas Company LLC

§ 53.52(a)

1. The specific reasons for each change.

* *

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

Peoples Natural Gas Company LLC

§ 53.53.III.A

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

* *

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

Peoples Natural Gas Company LLC
§ 53.52 (a)

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

* *

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

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

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

Peoples Natural Gas Company LLC

§ 53.52(b)

1. The specific reasons for each increase or decrease.

* *

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

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

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

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

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

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

Not applicable.

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

Not applicable.

Peoples Natural Gas Company LLC

§ 53.52(a)

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

* *

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

Peoples Natural Gas Company LLC

§ 53.53.IV.B

6. Supply copies of all present and proposed Gas Tariffs.

* *

See attached appendices:

Current Tariff:

- Appendix A – Peoples Natural Gas Company LLC Retail Tariff No. 48 – effective February 12, 2026
- Appendix B – Peoples Natural Gas Company LLC Supplier Tariff No. S-4 – effective October 1, 2025

Proposed Tariff:

- Appendix C – Peoples Natural Gas Company LLC Retail Tariff No. 49 – effective May 26, 2026
- Appendix D – Peoples Natural Gas Company LLC Supplier Tariff No. S-5 – effective May 26, 2026

Supplement No. 20
GAS — PA PUC No. 48

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

ISSUED: February 11, 2026 **EFFECTIVE: February 12, 2026**

BY: Michael Huwar
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

February 12, 2026 Interim 1307F, Rider MFC
And Rider USP Filing

This tariff makes changes to existing rates.
(See page 2)

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 20 TO GAS—PA PUC NO. 48
NINETEENTH REVISED PAGE NO. 2
CANCELLING EIGHTEENTH PAGE NO. 2

LIST OF CHANGES

	Current	Proposed	Increase/ (Decrease)
Rider PGC			
Rate RS, SGS, MGS, LGS, NGPV			
Natural Gas Supply Charge	$3.5239	$5.5107	$1.9868
Rider MFC – Merchant Function Charge			
RS	$0.1262	$0.1699	$0.0437
SGS, MGS, LGS	$0.0190	$0.0256	$0.0066
Rider USP - Universal Service Program	$0.9226	$1.0955	$0.1729

ISSUED: February 11, 2026

EFFECTIVE: February 12, 2026

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 20 TO GAS—PA PUC NO. 48
NINETEENTH REVISED PAGE NO. 3
CANCELLING EIGHTEENTH REVISED PAGE NO. 3

	Rider Purchased Gas Costs			Base Rate	Rider	Rider	Rider Supplier	Rider	Rider	Rider	Rider	Peoples Natural Gas Customers
	Capacity	GCA	Commodity	Charges	STAS	MFC	Choice	USR	GPC	DSIC Charge	TRS	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=SUM 1 to 11)
Residential Sales					0.07%					3.57%	-0.6146%	
Customer Charge				$ 16.80			$ 0.0036			$ 0.5998	$ (0.1033)	$ 17.3001
Capacity	$ 1.8641					$ 0.0410						$ 1.9051
Price to Compare - PTC		$ 0.3471	$ 5.5107			$ 0.1289			$ 0.0865			$ 6.0732
Delivery Charge				$ 5.3537				$ 1.0955		$ 0.2394	$ (0.0329)	$ 6.6557
State Tax Surcharge					$ 0.0037							$ 0.0037
Total per MCF						$ 0.1699						$ 14.6377
Small General Service (SGS)												
Customer Charge												
0 to 499 MCF/Yr				$ 22.00			$ 0.0036			$ 0.7854	$ (0.1352)	$ 22.6538
500 to 999 MCF/Yr				$ 44.00			$ 0.0036			$ 1.5708	$ (0.2704)	$ 45.3040
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0256			$ 0.0865			$ 7.0040
Delivery Charge				$ 3.9844						$ 0.1462	$ (0.0245)	$ 4.1062
State Tax Surcharge					$ 0.0028							$ 0.0028
Total per MCF	$ 1.8641											$ 11.9429
Medium General Service (MGS)												
Customer Charge												
1,000 to 2,499 MCF/Yr				$ 101.00						$ 3.6057	$ (0.6207)	$ 103.9850
2,500 to 24,999 MCF/Yr				$ 145.00						$ 5.1765	$ (0.8912)	$ 149.2853
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0256			$ 0.0865			$ 7.0040
Delivery Charge				$ 3.6941						$ 0.1359	$ (0.0227)	$ 3.8073
State Tax Surcharge					$ 0.0026							$ 0.0026
Total per MCF	$ 1.8641											$ 11.6439
Large General Service (LGS)												
Customer Charge												
25,000 to 49,999 MCF/Yr				$ 940.00						$ 33.5580	$ (5.7772)	$ 967.7808
50,000 to 99,999 MCF/Yr				$ 1,465.00						$ 52.3005	$ (9.0039)	$ 1,508.2966
100,000 to 199,999 MCF/Yr				$ 2,130.00						$ 76.0410	$ (13.0910)	$ 2,192.9500
Over 200,000 MCF/Yr				$ 5,630.00						$ 200.9910	$ (34.6020)	$ 5,796.3890
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0256			$ 0.0865			$ 7.6600
Delivery Charge												
25,000 - 49,999 MCF/Yr				$ 2.6360	$ 0.0018					$ 0.0981	$ (0.0162)	$ 2.7198
50,000 - 99,999 MCF/Yr				$ 2.5519	$ 0.0018					$ 0.0951	$ (0.0157)	$ 2.6331
100,000 - 199,999 MCF/Yr				$ 2.4335	$ 0.0017					$ 0.0909	$ (0.0150)	$ 2.5111
200,000 to 749,999 MCF/Yr				$ 2.1937	$ 0.0015					$ 0.0823	$ (0.0135)	$ 2.2641
750,000 to 1,999,999 MCF/Yr				$ 1.9097	$ 0.0013					$ 0.0722	$ (0.0117)	$ 1.9715
Over 2,000,000 MCF/Yr				$ 1.4431	$ 0.0010					$ 0.0555	$ (0.0089)	$ 1.4908
2/ Total per MCF	$ 1.8641											$ 10.5537
Mainline Service (MLS)												
Customer Charge												
Over 500,000 MCF/Yr				$ 5,630.00							$ (34.6020)	$ 5,595.3980
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0256			$ 0.0865			$ 7.6600
Delivery Charge												
PNG transmission line				$ 0.7430	$ 0.0005						$ (0.0046)	$ 0.7390
Interstate pipeline				$ 0.4422	$ 0.0003						$ (0.0027)	$ 0.4398
Total per MCF												$ 8.5729

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

2/ The Total per Mcf displayed for Retail LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.

3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.

4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 20 TO GAS—PA PUC NO. 48
NINETEENTH REVISED PAGE NO. 4
CANCELLING EIGHTEENTH REVISED PAGE NO. 4

	Base Rate Charges	Rider STAS	Rider MFC	Rider USR	Gas Costs Capacity	Balancing Charge	Rider Supplier Choice	Rider DSIC Charge	Rider TRS	Peoples Natural Gas Customers Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Residential		0.07%						3.57%	-0.6146%	
Customer Charge	$ 16.8000						$ 0.0036	$ 0.5998	$ (0.1033)	$ 17.3001
Capacity			$ 0.0410		$ 1.8641					$ 1.9051
Delivery Charge	$ 5.3537			$ 1.0955				$ 0.2317	$ (0.0329)	$ 6.6480
State Tax Surcharge		$ 0.0037								$ 0.0037
Total per MCF										$ 8.5568
Rate GS-Transportation SGS										
Customer Charge										
0 to 499 MCF/Yr	$ 22.0000						$ 0.0036	$ 0.7854	$ (0.1352)	$ 22.6538
500 to 999 MCF/Yr	$ 44.0000						$ 0.0036	$ 1.5708	$ (0.2704)	$ 45.3040
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 3.9844							$ 0.1422	$ (0.0245)	$ 4.1022
State Tax Surcharge		$ 0.0028								$ 0.0028
Total per MCF										$ 4.9349
Rate GS-Transportation MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	$ 101.0000							$ 3.6057	$ (0.6207)	$ 103.9850
2,500 to 24,999 MCF/Yr	$ 145.0000							$ 5.1765	$ (0.8912)	$ 149.2853
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 3.6941							$ 0.1319	$ (0.0227)	$ 3.8033
State Tax Surcharge		$ 0.0026								$ 0.0026
Total per MCF										$ 4.6359
Rate GS-Transportation LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	$ 940.0000							$ 33.5580	$ (5.7772)	$ 967.7808
50,000 to 99,999 MCF/Yr	$ 1,465.0000							$ 52.3005	$ (9.0039)	$ 1,508.2966
100,000 to 199,999 MCF/Yr	$ 2,130.0000							$ 76.0410	$ (13.0910)	$ 2,192.9500
Over 200,000 MCF/Yr	$ 5,630.0000							$ 200.9910	$ (34.6020)	$ 5,796.3890
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
25,000 - 49,999 MCF/Yr	$ 2.6360	$ 0.0018						$ 0.0941	$ (0.0162)	$ 2.7157
50,000 - 99,999 MCF/Yr	$ 2.5519	$ 0.0018						$ 0.0911	$ (0.0157)	$ 2.6291
100,000 - 199,999 MCF/Yr	$ 2.4335	$ 0.0017						$ 0.0869	$ (0.0150)	$ 2.5071
200,000 to 749,999 MCF/Yr	$ 2.1937	$ 0.0015						$ 0.0783	$ (0.0135)	$ 2.2601
750,000 to 1,999,999 MCF/Yr	$ 1.9097	$ 0.0013						$ 0.0682	$ (0.0117)	$ 1.9675
Over 2,000,000 MCF/Yr	$ 1.4431	$ 0.0010						$ 0.0515	$ (0.0089)	$ 1.4868
2/ Total per MCF										$ 2.8897
Mainline Service (MLS)										
Customer Charge										
Over 500,000 MCF/Yr	$ 5,630.0000								$ (34.6020)	$ 5,595.3980
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
Delivery Charge										
PNG transmission line	$ 0.7430	$ 0.0005							$ (0.0046)	$ 0.7390
Interstate pipeline	$ 0.4422	$ 0.0003							$ (0.0027)	$ 0.4398
Total per MCF										$ 0.9130

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the Balancing Charge.
2/ The Total per Mcf displayed for Transport LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.
3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.
4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

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(C)-Indicates Change

DEFINITIONS OF TERMS

Applicant - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not receiving from the Company any service provided for in this Tariff. An Applicant shall become a customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff. Applicants for residential service shall be further defined as a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

Capacity Charge – A charge designed to recover the costs that the Company incurs to reserve capacity on interstate pipelines.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

City Gate – The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commission – The Pennsylvania Public Utility Commission or any lawful successor thereto that provides oversight, policy, guidance and direction to public utilities and NGSs.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas supplier which involves the purchase of gas commodity by the customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc, (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff

Customer Charge – A monthly charge to cover such natural gas distribution company costs as maintaining the gas lines, meter reading and billing.

Daily Available Volume – The total volume of gas actually delivered to the Company for the customer's account on a particular day, less an appropriate retainage percentage plus any adjustments associated with the reconciliation of monthly volumes as set forth in Rate GS-T and Rate T.

Daily Consumption Volume – The quantity of gas estimated by the Company to be consumed by the customer on any day.

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Delivery Charge – A charge designed to recover the costs the Company incurs in using its distribution system or local pipelines to deliver natural gas to a customer.

Distribution Charges – Various natural gas distribution charges that may include the Delivery Charge, Capacity Charge and Gas Cost Adjustment Charge.

Distribution Service – Service provided by the Company involving the delivery of gas to the customer.

Gas Cost Adjustment Charge – The amount billed or credited each month to account for differences between projected and actual gas supply costs of the Company.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

DEFINITIONS OF TERMS

Natural Gas Distribution Company - A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to customers that is delivered through the distribution lines of the Company.

Small Business Customer – Any commercial or industrial customer with annual consumption of less than 300 Mcf.

Storage – Placing natural gas into an underground facility for removal and use at a later date.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from another natural gas supplier, or customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Priority-One customers under the terms of this tariff. Each customer may only have one supplier of last resort.

Supplier of Last Resort Service – Service that includes both Distribution Service and Commodity Service provided by the Company in its role as Supplier of Last Resort.

(C) – Indicates change.

(D) – Indicates decrease.

(I) – Indicates increase.

CLASSIFICATION OF CUSTOMERS
TO WHOM SERVICE IS MADE AVAILABLE

Gas service is made available under the rules, regulations, and terms and at the rates contained in this tariff, based upon the use to which such gas is put and not upon volumes consumed (except where indicated), to the following classes of customers:

RESIDENTIAL CUSTOMERS

Residential customers are customers who use gas for household purposes, including single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, and governmental housing in which the units are individually metered. In this class the element of human welfare and comfort in a residential setting is the distinguishing test of the customer's use of gas. Each meter represents one customer.

COMMERCIAL CUSTOMERS

Commercial customers are customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; and any non-industrial premises where one meter is serving more than one unit. If the customer's predominant usage is for natural gas-powered vehicle service, then the customer will be classified as a Commercial customer.

INDUSTRIAL CUSTOMERS

Industrial customers include customers who are engaged in a process which creates or changes raw material or unfinished materials into another form; customers who use gas for large-volume power; customers who use gas for process steam generation; and customers who use gas for any other purpose not predominantly residential or commercial.

CLASSIFICATION OF CUSTOMERS TO WHOM SERVICE IS MADE AVAILABLE

NATURAL GAS DISTRIBUTION COMPANY (NGDC) CUSTOMERS

NGDC customers are companies regulated by the Commission. Within this classification the NGDC can be acting either on its own or on its end user's behalf.

CHANGE IN CLASSIFICATION

Any customer who believes that, as a result of a change in the use of the premises served, his classification ought to be changed must contact the Company. All changes will be determined by the Company, on a prospective basis, after it has been notified of the change; however, the Company reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

Eligibility for a particular rate schedule under this tariff and application of the appropriate monthly customer charge shall be based on a review of the customer's annual usage. This review shall not be conducted more frequently than once per year. All changes in rate schedule classification and monthly customer charges as a result of this usage review shall be implemented on a prospective basis. Rate schedule classification and the appropriate customer charge for new customers, shall be determined by the Company based on an estimate of annual usage. The Company also reserves the right to establish the appropriate rate schedule classification and monthly customer charge based on anticipated customer usage.

RATES AVAILABLE UNDER THIS TARIFF

Rate RS - Residential Service
This rate is available to residential customers throughout the territory served by the Company.

Rate CAP and Rate E-CAP
This is available to residential customers who meet the criteria as detailed in this Rate Schedule.

Rate SGS – Small General Service
This rate is available to commercial and industrial customers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate MGS – Medium General Service
This rate is available to commercial and industrial customers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate LGS – Large General Service
This rate is available to commercial and industrial customers and NGDCs consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate CER - Competitive Energy Rate
This rate is available to all customers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

Rate GS-T - General Service Transportation
This rate offers firm transportation service for residential, commercial, industrial, and NGDC customers. Commercial, industrial, and NGDC customers that consume less than 1,000 Mcf per year are classified as Small General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume more than 25,000 Mcf per year are classified as Large General Service customers under this tariff.

Rate GS-SB - General Standby Service
This rate offers standby service for residential, commercial, and industrial transportation customers.

Rate NGPV
This rate offers service for natural gas powered vehicles.

Rate Schedule - Appalachian Gathering Service
This rate is available to any party desiring to deliver conventional well gas directly into the Company’s system.

Rate GL- Gas Lights
This rate offers service for any gas lighting where the gas is not measured by a meter.

DESCRIPTION OF TERRITORY

The Company serves as a natural gas public Company in the following cities, boroughs, and townships, all of which are in Pennsylvania:

ALLEGHENY COUNTY

Cities and Boroughs

Aspinwall
Avalon
Baldwin
Bellevue
Ben Avon
Ben Avon Heights
Bethel Park
Blawnox
Braddock
Braddock Hills
Brackenridge
Brentwood
Bridgeville
Carnegie
Chalfant
Cheswick
Churchill
Clairton
Coraopolis
Crafton
Dormont
Dravosburg
Duquesne
East McKeesport
East Pittsburgh
Edgewood
Elizabeth
Emsworth
Etna
Forest Hills
Fox Chapel
Franklin Park
Glassport
Greentree
Heidelberg
Homestead
Ingram
Jefferson
Jefferson Hill
Liberty
Lincoln
McKeesport
McKees Rocks
Millvale
Monroeville
Mt. Oliver
Munhall
North Braddock
Oakmont
Penn Hills
Pitcairn
Pittsburgh
Pleasant Hills
Plum
Port Vue
Rankin
Rosslyn Farms
Sewickley Heights
Sewickley Hills
Sharpsburg
Springdale
Swissvale
Tarentum
Thornburg
Trafford
Turtle Creek
Verona
Versailles
Wall
West Elizabeth
West Homestead
West Mifflin
West View
Whitaker
Whitehall
White Oak
Wilkinsburg
Wilmerding

Townships

Aleppo
Collier
Crescent
East Deer
Elizabeth
Fawn
Findlay
Forward
Frazer
Hampton
Harmar
Harrison
Indiana
Kennedy
Kilbuck
Marshall
McCandless
Moon
Mt. Lebanon
North Fayette
North Versailles
O' Hara
Ohio
Pine
Reserve
Richland
Robinson
Ross
Scott
Shaler
South Fayette
South Park
South Versailles
Springdale
Stowe
Upper St. Clair
West Deer
Wilkins

DESCRIPTION OF TERRITORY

ARMSTRONG COUNTY

Cities and Boroughs

Apollo
Applewold
Atwood
Dayton
Elderton
Ford City
Ford Cliff
Freeport
Kittanning
Leechburg
Manorville
North Apollo
Parker City
Rural Valley
West Kittanning
Worthington

Townships

Bethel
Boggs
Bradys Bend
Burrell
Cadogan
Cowanshannock
East Franklin
Gilpin
Hovey
Kiskiminetas
Kittanning
Madison
Mahoning
Manor
North Buffalo
Parks
Pine
Plumcreek
Rayburn
Redbank
South Bend
South Buffalo
Sugarcreek
Valley
Washington
Wayne
West Franklin

BEAVER COUNTY

Cities and Boroughs

Aliquippa
Beaver
Industry
Midland
Monaca
Ohioville
Shippingport
South Heights

Townships

Brighton
Center
Chippewa
Darlington
Franklin
Hopewell
Independence
Marion
New Sewickley
Potter
Raccoon
South Beaver
Vanport

BLAIR COUNTY

Cities and Boroughs

Altoona
Bellwood
Duncansville
Hollidaysburg
Tyrone

Townships

Allegheny
Antis
Blair
Frankstown
Greenfield
Logan
Snyder

DESCRIPTION OF TERRITORY

BUTLER COUNTY

Boroughs

Bruin
Butler
Callery
Connoquenessing
East Butler
Evans City
Fairview
Harmony
Mars
Petrolia
Portersville
Prospect
Sarver
Saxonburg
Seven Fields
Slippery Rock
Valencia
Zelienople
Zelienople

Townships

Adams
Buffalo
Butler
Center
Cherry
Clinton
Clearfield
Concord
Connoquenessing
Cranberry
Donegal
Fairview
Forward
Franklin
Jackson
Jefferson
Lancaster
Marion
Middlesex
Muddycreek
Oakland
Parker
Penn
Slippery Rock
Summit
Washington
Winfield
Worth

CAMBRIA COUNTY

Cities and Boroughs

Brownstown
Cresson
Dale
Ebensburg
Ferndale
Franklin
Gallitzin
Geistown
Johnstown
Lorain
Loretto
Nanty-Glo
Portage
Sankertown
Southmont
Westmont

Townships

Adams
Allegheny
Blacklick
Cambria
Conemaugh
Cresson
Croyle
East Taylor
Jackson
Lower Yoder
Middle Taylor
Munster
Portage
Richland
Stonycreek
Susquehanna
Upper Yoder
Washington
West Carroll
West Taylor

DESCRIPTION OF TERRITORY

CLARION COUNTY

Boroughs

Sligo

Townships

Clarion	Monroe	Redbank
Limestone	Piney	Toby
Madison	Porter	

CLEARFIELD COUNTY

Townships

Bell	Burnside

FAYETTE COUNTY

Boroughs

Belle Vernon	Fairchance	Point Marion
Fayette City	Masontown	

Townships

Franklin	Menallen	Springhill
Georges	North Union	Stewart
German	Perry	Washington
Jefferson	Saltlick	Wharton
Luzerne	South Union	

GREENE COUNTY

Boroughs

Carmichaels	Jefferson	Waynesburg
Clarksville	Mather	

Townships

Aleppo	Greene	Richhill
Center	Jackson	Springhill
Cumberland	Jefferson	Washington
Dunkard	Monongahela	Wayne
Franklin	Morgan	Whiteley
Freeport	Morris	
Gilmore	Perry	

DESCRIPTION OF TERRITORY

INDIANA COUNTY

Boroughs

Blairsville
Creekside
Ernest
Glen Cambell
Homer City
Indiana
Marion Center
Plumville
Saltsburg
Shelocta
Smicksburg

Townships

Armstrong
Banks
Black Lick
Brush Valley
Buffington
Burrell
Canoe
Center
Cherryhill
Conemaugh
East Mahoning
East Wheatfield
Grant
Home
Montgomery
North Mahoning
Pine
Rayne
South Mahoning
Washington
West Mahoning
West Wheatfield
White
Young

JEFFERSON COUNTY

Boroughs

Big Run
Punxsutawney
Timblin
Worthville

Townships

Beaver
Bell
Clover
Eldred
Gaskill
Henderson
Knox
McCalmont
Oliver
Perry
Pine Creek
Porter
Ringgold
Rose
Union
Warsaw
Washington
Winslow
Young

LAWRENCE COUNTY

Boroughs

Enon Valley
New Wilmington
Volant

Townships

Hickory
Little Beaver
Neshannock
Pulaski
Scott
Washington
Wilmington

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 2 TO GAS—PA PUC NO. 48
FIRST REVISED PAGE NO. 16
CANCELLING ORIGINAL PAGE NO. 16

DESCRIPTION OF TERRITORY

MERCER COUNTY

Boroughs

Grove City
Sandy Lake
Stoneboro

Townships

East Lackawannock
Findley
Lake
Liberty
Pine
Sandy Lake
Shenango
Springfield
Wilmington
Wolf Creek

SOMERSET COUNTY

Boroughs

Boswell
Seven Springs

Townships

Conemaugh
Jefferson
Jenner
Middlecreek
Somerset

VENANGO COUNTY

Townships

Clinton
Irwin

WASHINGTON COUNTY

Cities and Boroughs

Beallsville
Bentleyville
Burgettstown
California
Centerville
Cokeburg
Deemston
Donora
Ellsworth
Finleyville
Monongahela
New Eagle

Townships

Amwell
Carroll
Cecil
Chartiers
Cross Creek
East Bethlehem
East Finley
East Pike Run
Fallowfield
Hanover
Jefferson
Monongahela
Morris
Mt. Pleasant
North Bethlehem
North Strabane
Nottingham
Peters
Robinson
Somerset
South Franklin
South Strabane
Smith
Union
West Bethlehem
West Pike Run

ISSUED: September 26, 2024

EFFECTIVE: September 27, 2024

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 2 TO GAS—PA PUC NO. 48
FIRST REVISED PAGE NO. 17
CANCELLING ORIGINAL PAGE NO. 17

DESCRIPTION OF TERRITORY

WESTMORELAND COUNTY

Cities and Boroughs

Adamsburg	Jeannette	New Derry
Arnold	Latrobe	New Kensington
Avonmore	Ligonier	North Belle Vernon
Bolivar	Lower Burrell	North Irwin
Delmont	Manor	Oklahoma
Derry	McCullough	South Greensburg
East Vandergrift	Monessen	Southwest Greensburg
Export	Murrysville	Trafford
Greensburg	New Alexandria	Vandergrift
Hunker	New Florence	West Leechburg
Hyde Park		Youngstown
Irwin		Youngwood

Townships

Allegheny	Ligonier	
Bell	Lower Burrell	St. Clair
Derry	Loyalhanna	Salem
Donegal	Mt. Pleasant	South Huntingdon
East Huntingdon	North Huntingdon	Unity
Fairfield	Penn	Upper Burrell
Hempfield	Rostraver	Washington

The above-listed cities, boroughs, and townships in Pennsylvania in which the Company provides natural gas public utility service are not the only cities, boroughs, and townships in which the Company is entitled, either by charter or certificate, to provide such natural gas public utility service.

ISSUED: September 26, 2024

EFFECTIVE: September 27, 2024

RULES AND REGULATIONS

1. APPLICATION FOR SERVICE

Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the customer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the customer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant and/or the Applicant's NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The application information required from a residential Applicant shall include but not be limited to complete name and contact information, including all members of the household, employment information and landlord contact information, if Applicant is renting the service address. The Company may request verification of the identity of Applicant and other adult occupants of service address in the form of government issued photo ID (i.e., driver's license) or two alternative forms of identification, one of which must be a photo ID. The Company may, as a condition of furnishing service to an Applicant, require the Applicant, in accordance with applicable Commission regulations, to pay an outstanding gas service account balance, if the Company can show that the Applicant resided at, or occupied if a non-residential account, the property for which service is requested during the period of time that the outstanding balance accrued. The methods used by the Company to determine an Applicant's liability for any such previously furnished service may include reference to customer service records of the Company, including internal Company notes, service contracts, information collected from the Applicant and other members of the household in connection with any help provided by the Company in determining eligibility for and completing applications to various assistance programs. Other methods which may be used by the Company for such purposes include identity authentication services, public data and information, mortgage, deed or lease information, commercially available consumer credit reporting services, skip-tracing tools, and other methods which are or have been approved as valid by the Commission.

Upon the receipt of natural gas service, the Applicant shall become a customer of the Company. Acceptance of service by a Customer shall constitute an agreement to accept service under the Rules and Regulations of this Tariff, as amended from time to time, the orders and regulations of the Commission and the applicable laws of the Commonwealth of Pennsylvania.

The Company may decline or refuse to serve an Applicant for any of the following reasons:

i. The Applicant has failed to comply with state and municipal regulations governing gas service, including the Commission's regulations, and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto.
ii. The Company does not have adequate facilities in place to render the service desired or if rendering such service would adversely affect service to the Company's existing Customers.
iii. The Applicant's installation of piping or gas equipment is, in the Company's judgment, hazardous, not installed by qualified personnel or of such character that safe and adequate service cannot be delivered.
iv. An extension of Company facilities is required and the Applicant refuses to pay the required contribution in-aid-of-construction as calculated in accordance with Rules and Regulations.
v. Amounts due for service to Applicant at a previous location have not been paid or covered by a payment agreement as outlined under Commission regulations.
vi. Where the requested service may need to be delivered from non-jurisdictional gathering pipeline facility.
vii. The Applicant has another source of gas supply separately delivered or available to the structure(s) or building(s) where the Company's gas service is desired, such that the gas supplied by the Company would be commingled with the separately delivered gas supply, contrary to Company policy against commingled gas.

The customer shall inform the Company in advance of any proposed additions to (or decreases in) the customer's connected natural gas load.

RULES AND REGULATION

2. CHARACTER OF SERVICE

The Company offers firm service, unless otherwise provided in this tariff.

3. RULES FOR DEPOSIT

RESIDENTIAL CUSTOMERS

A. A deposit from a Customer shall conform to the requirements of all applicable Commission regulations and statutory requirements. Deposits required by the Company for services under this Tariff shall not be based on unpaid charges for gas supply services provided by an NGS.

B. The Company may also require a security deposit from an Applicant if any of the following conditions exist:

1) The Applicant was a residential distribution service Customer of the Company whose service was terminated for any of the following reasons:
   a. Nonpayment of an undisputed delinquent account.
   b. Failure to complete payment of a deposit, provide a guarantee, or establish credit.
   c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
   d. Unauthorized use of the utility service delivered on or about the affected dwelling.
   e. Failure to comply with the material terms of a settlement or payment agreement.
   f. Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
   g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
   h. Violating Tariff provisions which endanger the safety of a person or the integrity of the Company's gas delivery system.

2) The Applicant is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice, provided that the methodology does not directly, or have the effect of, discriminating based on a protected class as set forth in the federal Equal Credit Opportunity Act.

3) The Applicant has failed to comply with any material term or condition of a settlement or payment agreement.

C. If an Applicant is required to post a security deposit, the Applicant may, in the alternative:

1) Furnish a written guaranty from a third party, which can, to the Company's satisfaction, establish credit in Applicant's favor sufficient to assure payment to the Company upon demand of an amount equal to that which would otherwise be required in a security deposit.

2) Provide income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's Customer Assistance Program.

A written guaranty in a form acceptable to the Company must be received by the Company prior to commencement of utility service to any Applicant who elects the foregoing alternative to the posting of a security deposit.

3. RULES FOR DEPOSIT (continued)

D. The Company may require an existing or terminated Customer to post a security deposit in order to re-establish credit under any of the following circumstances, after giving the Customer due notice of its intention to require a security deposit in accordance with prevailing Commission regulations:

1) The existing Customer has been delinquent on any two (2) consecutive bills or three (3) or more bills within the preceding twelve (12) month period.

2) The existing Customer has failed to comply with a material term or condition of a settlement or payment agreement, as defined in applicable Commission regulations.

3) The Customer's utility service has been terminated and the Customer desires reconnection.

Notwithstanding subsection (D), the Company may not require a cash deposit from a customer who is, based upon household income, confirmed to be eligible for a customer assistance program. A customer is confirmed to be eligible for a customer assistance program by the public utility if the customer provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirement that are consistent with those of the public utility's Customer Assistance Program.

E. When the Company requires a security deposit from an Applicant or Customer, the due date for the payment of such security deposit will be in accordance with the applicable Commission regulations.

F. A security deposit may be required in an amount equal to twice the average estimated monthly bill of the Applicant. This estimate shall be based upon prior consumption for like service at the subject premises, wherever available. Should the character or degree of the Customer's usage materially change, or if it is established clearly that either will materially change in the immediate future, the amount of the deposit may be adjusted at the request of either the Company or the Customer.

G. All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Such interest will be credited to the Customer's account at the end of each year after the date of the deposit and if return of deposit results in a credit balance on the account, the credit may be returned to customer in the form of a refund check.

H. The Company shall refund or apply to a Customer's outstanding balance any security deposit held, plus accrued interest, under the following conditions:

1) Upon discontinuance or termination of service.

2) After a Customer has paid bills for utility service in full and on time for twelve (12) consecutive months.

3) At the option of the Company, a security deposit including accrued interest may be refunded in whole or in part at any time earlier than the time stated in this Rule.

4) After the Company has held the Customer deposit for a maximum of 24 months, if none of the above conditions are met.

I. When a security deposit is refunded or applied against an existing account balance, the Company will provide the Customer with a written statement showing the amount of the deposit, the accrued interest thereon, the application of the deposit to any prior or current utility service account balance(s) and the remaining balance(s). Any refunded deposit, together with accrued interest, shall be paid to the Customer.

3. RULES FOR DEPOSIT (continued)

NON-RESIDENTIAL CUSTOMERS

A. The Company reserves the right to require a security deposit for all services to be supplied, or to require an increase in an existing deposit if there is an increase in the monthly bill for services rendered. The Company further reserves the right to apply such deposit to bills previously incurred by the Customer under the existing or any previous utility service contract with the Company.

B. A deposit may be required from a Customer in an estimated amount equal to twice the average of the three (3) highest monthly bills anticipated during the succeeding twelve (12) month period. Such estimate shall be made from the record of service rendered to the same premises during the last twelve (12) months of use, whether by Customer or by a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the past use thereof. If there is no prior record of service rendered to the premises, an estimated deposit shall be calculated by the Company based upon the Customer's proposed use of utility service to be provided.

C. All non-residential Customer security deposits shall bear interest at the rate of six percent (6%) per annum, without deduction for any taxes thereon. Interest will be credited at the end of each year after the date of the deposit to the Customer's account and applied against the oldest unpaid bill. Upon final discontinuance or termination of utility service, any security deposit and accrued interest remaining with respect to said discontinued or terminated account will be first applied against the unpaid account balance, if any, with the remainder to be refunded to the Customer restricted in accordance with the Customer's direction.

RULES AND REGULATIONS

4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES

The Applicant hereby undertakes to furnish, be responsible for, and pay the necessary costs of customer-owned service pipe, fixtures, fittings, valves, regulators, and appliances to make the necessary connections between the Company's lines and the place of consumption or the delivery point to the Applicant and keep the same in good repair, in a skillful and workmanlike manner, furnishing at his own expense said materials, and the labor, care, and supervision necessary and proper to safely conduct and burn the gas, but the Applicant shall not otherwise make changes in or interfere with said pipes and appliances and material. The arrangement and location of all piping and appliances (including meters) shall be subject to the approval of the Company, but the Company shall not be responsible in any manner for the selection, installation, maintenance, or use of said pipes and appliances, or for said labor, care, or supervisions, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities. To facilitate this process, the Company makes available a manual entitled "Service Line Installation Standards" on its website.

The Company shall make the necessary connections between its curb cock or shutoff valve and the Applicant's service pipe, provide a meter and the necessary fittings, and connect the meter.

The meter and all pipe fittings and appliances furnished by the Company on the premises shall remain the property of the Company, and the Company shall have the right at all reasonable times to enter in and upon the premises to read, maintain, remove, change, replace, inspect, and/or reclaim the meter and associated equipment.

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

a) The Company will install one (1) meter per customer service line

b) The type, size and location of the meter will be determined by the Company.

c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate entities, and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.

d) Outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by an individual or individuals other than the customer.

RULES AND REGULATIONS

4. **CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES (continued)**

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company, at its discretion, may extend its distribution mains up to a distance of one-hundred fifty (150) feet on any street or highway without cost to a residential applicant(s), absent any abnormal underground conditions or unusual permitting requirements. When abnormal underground conditions or unusual permitting requirements exist, as determined by the Company, the applicant(s) will be required to pay a contribution in aid of construction (CIAC) in an amount determined by the Company. The Company may also condition the extension of facilities upon the Applicant's providing a CIAC, the amount of which will be determined by the Company and consistent with any parameters approved or required by the Commission.

If the Company requests a CIAC from an Applicant and additional customers are added to the extended facilities financed by the Applicant's CIAC within three years of the date of completion of the facilities, the Applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.

Any CIAC, customer advance, or other like amounts received from the customer that constitute taxable income as defined by the Internal Revenue Service may include a gross up for federal income taxes. To the extent that federal taxes are not included in the CIAC, they shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding.

Where evidence is found that Company facilities or service lines, meters, or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, repairs, and for such protective equipment as, in the judgment of the Company, may be necessary. In addition, where the tampering has resulted in improper measurement of the service supplied, the customer shall be required to pay for such natural gas service, including interest at the late-payment charge rate, and all applicable costs and fees associated with collecting such charges based on the Company's estimate, from available information, of the amount of gas used but not registered by the Company's meters.

The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by the willful acts or negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished.

RULES AND REGULATIONS

5. DISCONTINUANCE AND TERMINATION OF SERVICE

The authorized agents of the Company shall at all reasonable times have free access to the premises of the customer with the right to shut off the gas and remove its property from the premises for any of the following reasons: failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; nonpayment of any undisputed delinquent bills due for existing or any previous service; tampering with the meter or connections; fraudulent representation in relation to the consumption of gas; removal of Applicant from the premises; selling or delivering gas to other occupants of the premises without application to the Company; failure to make or increase any deposit; failure to provide a guarantee of payment or establish credit; want of supply or waste of gas from customer's lines or appliances; failure to comply with payment agreements; and failure to comply with or violation of Tariff Rules and Regulations. However, service may not be discontinued or terminated under any circumstances except under Commission Regulations or PA Statute(s) in effect and applicable at the time of such contemplated discontinuance.

The Company may immediately terminate service for any of the following actions by the customer: unauthorized use of the service delivered on or about the affected dwelling; fraud or material misrepresentation of the customer's identity for the purpose of obtaining service; tampering with meters or other public utility's equipment; or violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the public utility's delivery system. Upon termination for such reasons, the Company will make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the Company will conspicuously post the notice at the dwelling, including in common areas when possible.

Unless otherwise authorized by the Commission, after November 30 and before April 1, the Company will not terminate service to residential customers with household incomes at or below 250% of the federal poverty level except for: 1) customers whose actions are grounds for immediate termination, as described above, and 2) any person receiving gas service as a User without Contract. The Company will use financial information from the customer provided within the most recent twelve month period to determine if a customer exceeds the 250% federal poverty level.

The Company may terminate service for nonpayment of billings for service provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

If service is terminated, the same customer, whether an Applicant or customer as defined in the Commission's regulations or PA Statutes, shall pay a reasonable turn-on fee for resumption of service at the same address after termination. The turn-on fee for Residential customers is $56. This fee is waived for customers at or below 150% of the federal poverty level. The turn-on fee for Commercial customers is $114. The turn-on fee for Industrial customers shall be an amount equal to the customer charge for each month of the intervening period since service was terminated.

Upon discontinuance or termination of service, the customer or its agent shall be responsible to winterize the premises to withstand winter conditions, which actions may include, but not limited to, draining plumbing systems, adding insulation and alternative heating units. The Company shall not be responsible for any damages resulting from the customer, or its agent, as a result of a failure to winterize the property.

The Company reserves it rights to use any and all remedies at law to collect any outstanding debts, including, but not limited to, filing a Complaint in civil court seeking a judgment of record for the debt, with interest and recovery of court costs, attorneys' fees and other collection expenses incurred in the process.

6. TERMINATION OF CUSTOMER'S CONTRACT

In case a writ of execution shall be issued against a customer, or in case the premises described or referred to in the contract as the place at which gas is to be delivered or consumed, or the personal property upon said premises shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in court for the reorganization of any corporation, partnership, or other customer, the contract, at the option of the Company, shall cease and terminate, and all claims for retail or transportation service previously provided or amounts purchased from a NGS through the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy statutes and Commission regulations.

RULES AND REGULATIONS

7. LEAKS AND WASTE

The customer shall use all due care to prevent a waste of gas. It is the responsibility of the customer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas under pressure, the customer agrees to give immediate notice thereof to the Company, and his failure to do so, should loss follow, shall be conclusive evidence of his contributory or comparative negligence.

8. NONLIABILITY OF COMPANY/LIMITATION OF LIABILITY

The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control. The Company shall not be liable for any injury to person or property arising from the use of gas by or the supply of gas to the Customer which is not the result of negligence solely on the part of the Company.

In no event shall the Company be liable for incidental, indirect, special or consequential damages, including loss of use or profit or loss of business. The liability of the Company to customers or other persons for damages other than incidental, indirect, special or consequential damages, including loss of use or profit or loss of business shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of $500 or two times the charge to the customer for the service affected during the period in which the damages occurred. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort.
The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

For the purposes of this Rule, all pipe, fittings, and appliances, and associated materials/equipment on the customer's side of the curbstop or shutoff valve, or the property or lot line if there is no curb valve, of the service pipes which connect with the Company's main line are the property and responsibility of the customer, and in no event shall the Company be liable for any injury to person or property arising there from.

9. MEASUREMENT OF GAS

All gas delivered shall be measured by meter. The term "Mcf," as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

All meters shall be owned by the Company. All such meters and any regulators installed in connection therewith shall be open to inspection at reasonable times by both the Company and the Customer for the purpose of seeing that they are in good condition. If, at any time after installation of any meter or regulator, conditions change so that its location becomes unsuitable, the Company shall have the right to move the meter or regulator to a suitable place at the expense of the Customer or property owner. The measurement of gas by meter shall be conclusive on the customer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions. In the event of the customer's dissatisfaction with the registration of the meter, the Company will, upon request, accompanied by the fee specified in the regulations of the Commission, have the same removed, sealed, and tested and results of the test given to the customer upon request. If the meter so tested shall be found to be inaccurate within the limits specified in the regulations of the Commission, the Company shall refund the charge for such test.

RULES AND REGULATIONS

10. BILLING AND PAYMENT

No entity providing billing may share or use information concerning individually negotiated rates of a customer, which has been acquired only through the entity's role as a billing agent, with another customer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential customers to equalize monthly payment amounts.

No entity providing billing may share or use information concerning individually negotiated rates of a customer, which has been acquired only through the entity's role as a billing agent, with another customer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential customers to equalize monthly payment amounts.

Billing Options
The Company will offer two billing options: (1) the issuance of a bill by the Company which contains the NGS charges; or (2) the issuance of a bill that contains only the Company's charges, in which case the NGS will bill the customer separately for NGS charges. The right of a customer to receive a separate bill from his/her NGS for the NGS' charges is subject to the ability of the NGS to provide a separate bill and the terms under which the NGS may offer to provide a separate bill.

Allocation of Payments
Under billing option (1), the following order for the application of partial payments shall apply to all residential customers and to non-residential customers unless the contract between the non-residential customer and the NGS provides for a different method:

a. Pre-existing Company balance;
b. Current Company charges;
c. NGS charges;
d. Non-basic service charges (including but not limited to warranty charges);
e. Hardship energy fund contribution.

Residential and Commercial Customers

Bills will be rendered and be payable once each month. Amounts due for gas services must be made using US currency in one of the following formats: cash at a valid payment center, credit card, debit card, atm card, or personal check, business check, or money order issued by a properly licensed financial institution, or other commercially acceptable form of payment as determined by the Company. The Company strives to read the meter once every month, but may read every other month. As to any customer whose meter is read once every two months, the volumes consumed for the first month of each bimonthly meter reading period shall be determined by estimation, on the basis of the customer's previous service, adjusted for weather conditions, and the volumes consumed for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated volumes from the total actual volumes consumed or delivered for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the volumes consumed or delivered, the applicable rates, charges, and penalties (if any) set forth in this tariff.

Upon request, the Company will supply any customer with an option upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period, and if such reading is received by the Company within two days after the close of such billing month, the bill for such month will be computed from the meter reading provided by the customer instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a customer.

A bill will be rendered to each residential and commercial customer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. A bill shall be deemed delinquent if it is not paid by the due date. The due date for residential and commercial customers shall be twenty (20) days after the date of mailing the bill unless the Company agrees to an extension. Delinquent residential accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month for bills not paid within five days after the due date. Delinquent commercial accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month. Late-payment charges will be based on delinquent charges for services

RULES AND REGULATIONS

10. BILLING AND PAYMENT (continued)

provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff. Payment of bills may be made at authorized collection offices or agencies of the Company during the regular business hours thereof. Payment may be deemed to have been made on the date it is received at any such office or, if remittance is made by mail, on the date of the official U.S. Postal Service postmark.

Industrial Customers

Bills will be rendered and be payable once each month. A bill will be rendered to each industrial account. Bills will be rendered as nearly as possible on the same day of every month and shall be payable monthly upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. An industrial customer's bill shall be deemed delinquent when it remains unpaid after the payment due date specified on the bill. A payment received from a customer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any balance of the payment be applied to the current bill. Industrial accounts shall be subject to a late-payment charge of two percent (2%) per month if the bill is not paid in its entirety on or before the payment due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill. Late-payment charges will be based on delinquency charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Final Bill

At the time the Company receives a notice, which notice must be received at least seven days in advance, to discontinue service. The Company may estimate the final reading if the Company's actual read parameters have been met in previous months. Upon request, the customer may submit a customer meter reading, or request the Company read the meter., The Company will read the meter if the two customer readings are significantly different. The Company will inform the customer that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when, in the case of a transfer of service, disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to establish a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

Dishonored Payment

If the Company receives a negotiable instrument from an Applicant or customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the Applicant or customer a fee of $26.

11. AUTHORITY OF AGENTS

No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with this Tariff.

RULES AND REGULATIONS

ADDITIONAL RULES FOR RETAIL CUSTOMERS ON LINES OUTSIDE OF DISTRIBUTION SYSTEMS (RULES 12-14)

12. CONDITIONS UNDER WHICH SERVICE WILL BE RENDERED

Applications for service from a transmission, gathering, or storage line outside of the Company's distribution system will not be accepted unless such line is being operated in a manner which will permit gas to be served to the Applicant without interference with the Company's operation. Applications will be accepted only with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that service to the Applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair, or change the use or manner of operating said line after having first canceled the service contract with the Applicant by thirty days written notice to him. The customer agrees that the Company shall have the right to discontinue service for any such reason or in accordance with any other published rule or regulation of the Company, and the customer further agrees that during the term of service the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, or other causes or for any claim for damages on account of any matters set forth in this paragraph, subject to the terms and conditions of Rule 8 of this tariff. Every Applicant must obtain adequate and suitable written rights-of-way and regulator sites, and permit copies thereof to be made before the Company will make any tap or connection for service or install any regulating apparatus for Applicant.

13. CONNECTION FOR SERVICE AND RESPONSIBILITY THEREFOR

The Company will furnish gas service from a transmission, gathering, or storage line, subject to the conditions of Rule 12, Rule 14, and its other rules and regulations, at the varying pressures at which the line is operated from time to time. The Applicant assumes all risks from variation in pressure, defects in pipe, connections, and appliances, from the escape and leakage of gas, from the sticking of valves and regulators, and from the burning of gas on his premises and like causes incident to the use of gas. The Applicant shall provide at his own expense and risk the necessary service line from the place of consumption or other mutually agreed upon delivery point to a point designated by the Company near the Company's pipe line from which gas is to be supplied for safely conducting the gas from the stop or shutoff valve on the connection which the Company will make with its pipe line to the place of consumption or other mutually agreed upon delivery point.

14. COST OF CONNECTION

The Company will at its own cost tap its line and furnish and lay a service line terminating with a stop or shutoff valve at or near the point designated by it under Rule 13. Connection for service will be made under Rule 4.

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO INDUSTRIAL CUSTOMERS (RULE 15-16)

All service to industrial customers is made subject to the following special rules. The foregoing rules are also applicable to such service unless inconsistent with the following rules.

15. METERS AND REGULATORS

All gas delivered to the customer shall be delivered at and measured by a standard meter to be placed by the Company upon the customer's premises or at another delivery point, as determined by the Company. The said meter or meters and any necessary regulators shall be owned by the Company, and the Company shall pay the cost of keeping the meters and regulators in repair; customer will furnish and maintain suitable building or buildings for same but said meters and regulators shall be at all times open to inspection of both the Company and the customer for the purpose of seeing that they are in a condition of good repair. The customer, or owner of the property where the meter is located, shall not construct any structure(s) on, or around the meter, or permit any obstruction that blocks or encumbers access to the meter. In the event a meter is obstructed, and the Company is unable to obtain access, the Company may take necessary action to obtain access to the meter and the Company shall not be liable for any damage or loss to the property of the customer or the property owner.

All meters shall be owned by the Company and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the customer for the purpose of seeing that they are in condition of good repair. The meter providing service to the customer's premises shall be placed on the property located on the premises. Any meter located on property owned by a third-party who is not the customer or the owner of the real property where the premises is located, shall be relocated to an appropriate location that complies with this Rule.

16. RESPONSIBILITY FOR FIRE, EXPLOSIONS, AND FAILURE OF SUPPLY

The Company shall not be responsible for any lines laid beyond the meter; shall not be held liable for any damage or loss to person or property resulting from explosions or fire or from use of gas in the works of the customer; and shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the customer's gas to the customer for his purpose arising from any cause not the result of the willful and/or wanton misconduct of the Company, subject to the terms and conditions of Rule 8 of this tariff.

17. EMERGENCY CURTAILMENT

This rule has been adopted pursuant to regulations of the Commission set forth at Pa. Code §§59.71 – 59.75 entitled 'Gas Emergency Plans'.

The definitions for terms used in this Rule 17 shall be shown in Appendix A hereto.

An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority-One customers. If this occurs, the Company may require each commercial and industrial customer, who is not a Priority-One customer, to reduce its consumption of gas. The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety; however, the authorized volume shall provide only the minimum volume of firm service necessary for the prevention of damage to plant equipment.

As part of the emergency planning process, the Company shall attempt to make every responsible effort to make contractual or informal arrangements with their sales Customers, transportation Customers, and others to obtain supplies or, as an alternative, to implement voluntary and/or mandatory usage reductions so that resorting to firm service.

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

reductions or curtailments under applicable Commission regulations can be avoided, and severe supply or capacity disruptions can be mitigated. The Plan is designed to minimize the potential for supply shortfalls that threaten public health and safety, not to make up for inadequate performance by individual parties.

When all other service has been curtailed except for Priority-One service and the Company continues to be unable to meet Priority-One requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.

The Company will specify in a notice of emergency curtailment the authorized daily consumption until further notice. An emergency curtailment may be made after oral notice to the customer effective when so given and confirmed in writing within 48 hours thereafter.

If a customer exceeds its authorized consumption during a period of emergency curtailment, then a customer shall be subject to penalties as set forth below:

Actual Usage as a Percentage of Emergency Authorized Consumption	Penalty for Excess Takes (in Dollars Per Mcf)
Greater than 103%, but not in excess of 110%	The higher of $10 per Mcf or 110% of the highest cost gas supply purchased by the Company during the month of usage.
Greater than 110%	The higher of $25 per Mcf or 125% of the highest cost gas supply purchased by the Company during the month of usage.

The Company shall have the right to waive any penalty for unauthorized use of gas.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the customer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment.

Utility Liability

The Company may restrict or discontinue service in accordance with 52 PA Code, Sections 59.72 through 59.75 of the Emergency Plan Regulations without thereby incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer, except when the restriction or discontinuation of service is as a result of the Company's willful or wanton misconduct.

The Company's liability for actions taken under 52 PA Code, Section 59.73, or pursuant to any other regulation, policy statement, directive or Order issued by the Commission, or an emergency order issued by the Governor, shall be governed by the following principles:

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

1) If the Company appropriates natural gas during an emergency action, the Company will compensate the applicable entity, whether the Customer or the Customer's NGS, for the cost of lost, firm gas service. The compensation, in the aggregate, shall equal but not exceed the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the Customer for delivered substitute energy, as documented to the Company. The Company may provide compensation in kind only at the discretion of the affected Customer or NGS.
2) The Company will have the right to discontinue service, for the duration of an emergency, to a Customer that continues to take gas in violation of these rules.

Discontinuance of Service and Curtailment

When the evidence available to the Company reasonably indicates that a customer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such customer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

Appendix A to Rule 17

DEFINITIONS FOR TERMS USED IN EMERGENCY CURTAILMENT

1. Alternate Fuel: Any fuel other than natural gas.

2. Alternate Fuel Capability: The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.

3. Commercial Use: Gas usage by customers engaged primarily in the sale of goods or services including but not limited to consumption by office buildings, institutions, and governmental agencies.

4. Critical Uses: Gas usage where natural gas is the only feasible form of energy due to its combustion characteristics, controllability, or chemical properties.

5. Essential Human Needs Use: Gas usage by customers for service to any buildings where persons normally dwell, including but not limited to residences, apartment houses, dormitories, hotels, hospitals, and nursing homes.

6. Firm Service: Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.

7. Industrial Use: Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.

8. Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

9. NGDC: Natural gas distribution company.

10. NGS: Natural gas supplier.

11. Noncritical Use: Gas usage where natural gas is not the only feasible form of energy, that is, where the user has alternate fuel capability.

12. Plant Protection Use: Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility when such protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

13. Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooking, water heating, or other domestic purposes.

RULES AND REGULATIONS

18. PRIORITY OF SERVICE CURTAILMENT

Upon issuance of an order to initiate priority-based curtailments, the available gas supplies to the Company shall be allocated among its customers in accordance with the priorities of use listed below. Customers in higher priority will not be curtailed until all customers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated, to the extent possible under the circumstances, based upon recent consumption data. The ability to curtail a Priority-One customer is not affected by whether the customer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial customers as described below are those customers that use less than 25,000 Mcf per year. Large commercial and industrial customers as described below are those customers that use 25,000 Mcf per year or more:

1. a. Residential.
1. b. Firm critical commercial essential human needs.

2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., firm large commercial and industrial requirements for plant protection, and operational facilities of electric distribution companies.

2.b. Firm small industrial requirements.

2.c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.

2.d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.

2.e. Firm large noncritical commercial and industrial requirements for boiler fuel use.

2.f. Contractually interruptible use.

19. SALES OF GAS FOR RESALE

All gas sales to residential customers are to the ultimate purchaser and are not to be resold for profit.

20. SERVICE AGREEMENT & FLEXIBLE RATES

Service agreements for delivery services are not required unless the customer has negotiated a delivery rate less than the maximum rate. When a service agreement is required, an agreement for a minimum of one year must be executed by each Applicant as a condition to receiving delivery service, unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the points at which the Company will deliver customer's gas to customer's facilities; 3) maximum daily volumes and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

Specific components of a customer's rate may be lowered or waived if such an adjustment is required to meet competition from an alternative fuel source (including electricity), for economic development purposes, for service to new facilities, or for existing customers that install new technologies utilizing natural gas such as but not limited to: fuel cells, gas heat pumps and cooling, and Combined Heat and Power (CHP) project(s). Determination of eligibility for a flexible rate will be made by the Company and execution of a contract by the customer. When the discount is based on competition from an alternative fuel source, the customer will be required to certify the existence of the alternative fuel source. Electricity delivered by an electric distribution company shall constitute a competitive alternative. Prior to flexing distribution charges for distribution service customers, the Company may reduce charges that are for recovery of balancing charges, and/or the retainage percentage applied to the gas received on behalf of the distribution service customer. **(C)**

(C)-Indicates Change

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO ALTOONA AND JOHNSTOWN AND VICINITY (Rules 21 and 22)

21. CONNECTION FOR SERVICE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

22. LEAKS AND WASTE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stonycreek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The customer shall use all due care to prevent waste of gas. It is the responsibility of the customer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the customer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the customer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the customer to do so, should loss or injury follow, shall be evidence of the customer's negligence and shall relieve the Company from liability for such loss or injury.

23. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES

For purposes of billing more than one type of service provided by the Company to a customer through one meter, the following order of application of rates shall be used:

a. Rate GS-T

b. Firm Retail or Standby

c. Rate CER

24. OPERATIONAL FLOW ORDERS

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation customer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation customers.

RULES AND REGULATIONS

25. SELECTION OF NGS

a. When the Company receives notice that a customer has elected to switch NGSs or to return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of customer's billing cycle.

b. Customers can obtain information at any time on the ability to select an NGS other than the Company by contacting the Company via letter, phone, e-mail, or by visiting the Company's internet web site. The Company will also periodically mail to customers information on the opportunity to choose an alternate supplier.

c. Disclosure Requirements: If a customer selects an NGS, the customer should note that the NGS is required pursuant to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, to disclose certain information to the customer, including but not limited to, agreed-upon pricing in the Company's standard pricing unit, conditions of pricing availability, the length of the agreement, cancellation provisions, and the three-day right of rescission.

d. Selection and Set-up: The customer, or person or entity that is authorized to act on the customer's behalf, should contact their chosen NGS to initiate the request. When a customer, person or entity authorized to act on the customer's behalf contacts the Company with a request, the Company will inform such party to contact the NGS directly. After the Company has received notification from the NGS of the customer's request, the Company shall mail out a confirmation letter to the customer by the end of the next business day after the date the Company receives notification by the NGS of the new customer, asking the customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include the customer's NGS, the applicable billing option, the approximate date when service from the new NGS will begin and the date that the first bill will be mailed, and notification that service may be terminated for failure to pay NGS supply charges. The confirmation letter also shall include the notice of a five (5) day waiting period in which the request may be cancelled by the customer before the change of the NGS takes place. The five (5) day waiting period shall start on the day the confirmation letter is mailed.

Should the Company receive notification from customer within the five (5) calendar days required under the confirmation letter that customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by customer of such error, the Company shall continue billing customer under customer's current billing arrangement. Should the Company receive notification from customer that customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the customer to contact the NGS to request cancellation and if requested by customer the Company will treat this as an alleged slamming complaint under Rule 26.

Should the Company receive notification by more than one NGS within a one-month period that the customer has elected said NGS to supply customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the customer informs the Company such NGS is in error.

RULES AND REGULATIONS

26. COMPLAINT PROCEDURES

a. General Complaints - Inquiries and complaints from any customer will be received and processed in a timely manner. Residential customer inquiries and complaints will be handled in conformance with Chapter 56 of the Commission's Rules. When a customer inquiry or complaint relates to services provided by an NGS, the Company will refer the customer to the NGS for a responseIf a customer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the customer with respect to the NGS's services, the Company will inform the customer of the right to file an informal appeal with the Bureau of Consumer Services (BCS) at the Commission and provide the customer with the toll-free telephone number and mailing address of the Commission.

RULES AND REGULATIONS

27. REQUEST FOR INFORMATION

a. Upon customer request, the Company shall provide to its residential and small business customers appliance energy efficiency information that is readily available to the Company.

b. Upon request, the Company shall provide to a residential or small business customer or the customer's designee, historical billing data, to the extent such information is readily available on Company's billing system. Historical billing data shall be conveyed in Mcf, and associated charges for the current billing period, and for the year preceding the current billing period. The initial request per year shall be provided at no charge to customer.

28. RELEASE OF CUSTOMER INFORMATION

a. The Company shall notify residential and small business customers of its intent to release private customer information before it releases such information to a third party, excluding those instances noted below in paragraph (c). The notification to customer shall provide a convenient method of notifying the Company of the customer's desire to restrict the release of the private information. Customer shall be permitted to restrict information as specified in this section by returning a signed form, orally or electronically. If the customer changes its election on the restriction of the release of information, the customer must inform the Company in a signed form. The Company shall use its best efforts to ensure that any request or a change in request for restricted information be processed in a timely and expeditious manner.

For all other customers, the Company will not disclose customer information to a third party, excluding those instances noted below in paragraph (c), without the consent of the customer.

Nothing herein shall preclude the Company from releasing aggregated customer information or non-private customer information to a third-party.

b. Residential and small business customers may request that the release of its private information be restricted based on one of the following two restrictions:

i. Restrict the release of only the customer's historical billing data in the Company's standard pricing unit, or

ii. Restrict the release of all private customer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the Company's standard pricing unit.

If customer does not choose to restrict the release of information based on one of the two restrictions above, then all of the customer's private information may be released to a third party except for the telephone number. Telephone numbers may not be released to third parties under any circumstances.

iii. Nothing in this section prohibits the Company from performing its mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Public Utility Code.

c. The Company may release private information to (i) law enforcement officers, as part of a legal process (such as in response to a warrant, subpoena, or grand jury investigation issued by a court or governmental agency); (ii) to contractors providing utility-related services on behalf, of Peoples, but only to the extent necessary to render the service and subject to confidentiality and security obligations; (iii) to governmental agencies with jurisdiction over Peoples, when they require such information; (iv) to a third-party bill payment company, for the sole purpose of facilitating electronic payments to a natural gas account as requested by a customer; (v) to others as required by court order or by applicable laws, rules, or regulations governing Peoples; and (vi) to credit reporting agencies, and to collection agencies (if a natural gas account is assigned for collection).

RULES AND REGULATIONS

28. RELEASE OF CUSTOMER INFORMATION (continued)

d. The Company will retain Personal Information for as long as is reasonably necessary to meet its business needs and regulatory and compliance obligations.

29. AUTHORIZATION

A customer may identify persons authorized to make changes to the customer's account. To accomplish this, the customer must provide the Company with a signed document identifying, by name, those persons who have the authority to initiate any change to the customer's account, including a change of the customer's NGS.

30. RULES PART OF CONTRACT

These rules (1 to 29, inclusive), insofar as applicable, are hereby made a part of any contract for public utility service provided by the Company.

Contact Information

A Customer is responsible for providing, and updating when necessary, accurate contact information including telephone number(s), billing address and email addresses, if provided. If a customer's contact information changes and the customer does not timely provide updated contact information, the Customer agrees and understands that the Company shall not be liable for any notices, statements or other communications that are otherwise undeliverable to the Customer.

The Company may use contact information to reach the customer to discuss their natural gas account, to respond to an inquiry that the customer sent to the Company or to keep the customer informed about the services, products and programs offered by the Company, and its affiliates and partners. By providing an e-mail address to the Company, the customer consents to receive communications from the Company electronically. If the customer provides the Company a with a cell phone number, the customer expressly agrees that the Company may contact the customer at this number to discuss their natural gas account. The customer also agrees to receive, from the Company and the Company's service providers, calls and messages, including prerecorded messages, calls from automated dialing systems and text messages. Normal cell phone charges may apply.

RULES AND REGULATIONS

31. GAS QUALITY

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Customer, supplier or producer shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to customers shall meet Commission heating value requirements and the Company may charge for this.

Nonconformance – If the gas offered for delivery by a producer, Customer and/or its NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the Customer, producer and/or NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the Customer, producer or NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, Customer, Producer and/or NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

32. OTHER FEES AND SERVICES

The following customer requested services will require a fee as defined below:

Temporary Customer Service Line Installation – If service to a premises would be discontinued due to a customer service line leak and gas service is required to serve essential human needs, the customer or occupant may request the installation of a temporary customer service line. If the Company is able to install such a line, at the occupant's or customer's request, the Company may charge a fee of $300. The line shall be placed only for a temporary period and the Company reserves the right to identify the temporary period and remove the line if that period is exceeded.

Excess Flow Valve – At the Customer's request, the Company will install an excess flow valve. If the customer requests installation of the excess flow valve and the Company has not scheduled the location for a service line replacement or a new service line, or the customer requests the installation prior to the Company's scheduled installation time, the customer shall be responsible for the cost of the materials and installation to be paid prior to installation.

High Bill Investigation Fee – At the Customer's request, the Company will provide a scheduled visit to the customer's home to conduct an investigation into the usage measured and billed to the Customer for service. If the investigation identifies an error in the measurement of gas used or the customer's income is at or below 150% of the federal poverty level, the fee will be waived. The fee for this service is $75. This fee is not applicable to foreign load investigations.

RATE RS
RESIDENTIAL SERVICE

AVAILABILITY

This rate is available to residential customers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential customers.

RATE TABLE

Customer Charge per meter per month	$16.80
Delivery Charge per Mcf	$5.3537

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

The Company will assess a late payment charge of 1.50 percent per month when the Company receives the customer’s full payment more than five days after the bill’s due date. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

CUSTOMER ASSISTANCE PROGRAM (CAP)

AVAILABILITY

Rate CAP is a program designed to enroll residential customers who satisfy the criteria set forth below. Please refer to Peoples' Universal Service and Energy Conservation Plan on file with the PA PUC for a full description of the CAP program terms and conditions. In addition to the terms and conditions in this Tariff, Peoples' Universal Service and Energy Conservation Plan shall govern the provision of service under this rate category

1. Processing and verification by authorized agencies upon referral by the Company's offices, Customer Assistance Referral Evaluation Service (CARES) representatives, other agencies, or BCS.

2. Customer of the Company and using natural gas for space heating.

3. Annual income no greater than 150 percent of the federal poverty level. The Company will accept a customer's participation in an electric CAP program as verification of income, if the Company is satisfied that the electric company verifies income. For payment purposes, the customers will be defined as follows:

    a. Group A - Customers whose annual income has been verified as being from 0 to 50 percent of poverty.

    b. Group B - Customers whose annual income has been verified as being from 51 to 100 percent of poverty.

    c. Group C - Customers whose annual income has been verified as being from 101 to 150 percent of poverty.

4. A customer who meets the eligibility criteria for the Low Income Home Energy Assistance Program (LIHEAP) should complete an application for a LIHEAP grant when available.

5. The company will monitor the usage of CAP customers on an ongoing basis. Any unjustified excess CAP usage or unjustified CAP credit (designed as the difference between the CAP payment amount, and the current charges as billed under Rate RS) that exceeds a maximum of $1,000 per year will be billed to the CAP customer. An increase in CAP usage or annual CAP credit over $1,000 may be justified if the CAP customer can demonstrate the household has experienced the addition of a family member; a member of the household experienced a serious illness; energy consumption was beyond the ability of the household to control; or the household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption. Before responsibility for the excess CAP usage is imposed on the household, the Company shall notify the customer of the grounds for exemption and assure that the customer has received and understands the grounds for exemption.

6. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company.

7. Customers will automatically be enrolled in CAP if:

    a. the customer has a significant account balance, and

    b. the customer has received a LIHEAP payment within the past two years.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RATE TABLE

Customers will pay a specified percentage of their monthly income or $25/month, whichever is greater. The applicable percentage by Group follows:

Group[1]	Percentage
A	4%
B	5%
C	6%

If the customer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any customer account where usage exceeds 125% of the customer's annual usage. In cases where the Company determines that the increase in a CAP customer's usage is unjustified, the Company will provide the customer with conservation information, refer the customer to a usage reduction program, and bill the customer for excess usage.

SURCHARGES

All riders to this tariff, as would otherwise be applicable to Rate RS with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule CAP. Late-payment charges will not be applied during participation in the CAP program.

1/ Defined under Availability Criteria 3.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RULES AND REGULATIONS

1. Customer with earned income must recertify income eligibility biennially. Customers with only certain fixed incomes, such as social security, pension and disability must recertify income eligibility triennially. Customers reporting zero income using the Company's zero income form must recertify within 6 months.

2. If, at any time after acceptance into CAP, a customer's family size or income changes, the customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the customer's opportunity to receive service under CAP.

3. If a customer no longer satisfies the criteria set forth under Availability, with the exception of Item 4, the customer will no longer be eligible to receive service under CAP.

4. At the time of application for CAP, the customer will be advised of the importance of timely payments and energy conservation. The CAP screening administrator will review relevant assistance programs and offer help in applying for programs such as weatherization or energy assistance as appropriate. Energy saving tips will be provided and all participants will be advised that usage will be reviewed on an ongoing basis. Unjustified excess CAP usage will be billed to the CAP customer.

5. If a customer fails to allow access to the Company's meter or fails to provide meter readings in four consecutive months, the customer will no longer receive service under CAP.

6. Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

7. A customer whose service has been terminated pursuant to Rule 5 may be required to pay all CAP arrearages prior to reinstatement and will be advised of appropriate energy assistance programs, including LIHEAP, LIHEAP Crisis and Dollar Energy Fund, which are available to assist in restoration of service.

8. Customers who have been dropped from CAP for the reasons outlined above will be subject to normal termination procedures. The customer will receive a communication providing an opportunity to correct the problem before being removed from CAP.

PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)

This Rate is established as a Pilot in the Company's Universal Service and Energy Conservation Plan. All provisions of Rate CAP will additionally apply to participants of E-CAP.

AVAILABILITY

Rate E-CAP is a program designed to enroll residential customers who satisfy the criteria set forth below.

a. Customer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level.
c. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

RATE TABLE

Customers will pay 11% of their monthly income as their E-CAP Payment. If the customer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

SURCHARGES

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

RATE SGS
SMALL GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming less than 1,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC customers.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption less than 500 Mcf	$22.00
For customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$44.00
Delivery Charge per Mcf	$3.9844

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates on page No. 3 of this tariff.

RATE SGS
SMALL GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency, curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

RATE MGS
MEDIUM GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming between 1,000 and 24,999 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$101.00
For customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$145.00
Delivery Charge per Mcf	$3.6941

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

RATE MGS
MEDIUM GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE LGS
LARGE GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

For purposes of this Rate LGS schedule, Transitional LGS customers shall consist of Peoples Gas Division LGS Ratepayers with annual consumption equal to or greater than 100,000 Mcf and that took service on the Peoples Gas Division Rate LGS rate schedule as of September 27, 2024. No other customers will be eligible for the Transitional LGS rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$940.00
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$1,465.00
For customers including Transitional LGS) with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$2,130.00
For customers (including Transitional LGS) with annual consumption equal to or greater than 200,000 Mcf	$5,630.00

Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$2.6360
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$2.5519
For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$2.4335
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$2.1937
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$1.9097
For customers with annual consumption equal to or greater than 2,000,000 Mcf	$1.4431

Transitional LGS Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$1.4012
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$1.1754
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$1.1754
For customers with annual consumption equal to or greater than 2,000,000 Mcf	$1.1754

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

RATE LGS
LARGE GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

AVAILABILITY

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company customers regulated by the Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

RULES AND DELIVERY TERMS

(1) The entity to whom the Company delivers the transported gas shall be considered the customer under this rate schedule. The customer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.

(2) Any customer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the customer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.

(3) A single-entity customer is a customer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one customer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity customer each month. Only one bill will be issued each month to a single-entity customer.

(4) The customer will pay for any investment costs required to receive the customer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

(5) A Transportation Agreement, as prepared by the Company, must be executed by the customer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.

(6) This service will be provided by the Company only if the customer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company’s pooling agreement with the NGS providing gas supply service to the customer.

(7) Unless otherwise agreed to by the customer and the Company, the customer or its NGS is responsible for all arrangements required to acquire and to deliver the customer's natural gas to the receipt points set forth in the Transportation Agreement.

(8) On those days when the transportation gas of an individual industrial customer who uses at least 50,000 Mcf annually is not received into the Company’s system at its nominated level, or if the said transportation customer has failed to arrange for deliveries to be made into the Company’s system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation customers without exceeding its pipeline contract level, then the Company may declare an ”upset day.”

On an upset day, those customers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company’s system shall be restricted to the following consumption levels:

1) Transportation gas volumes received by the Company on the customer’s behalf on that day; and

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

2) All standby volumes contracted for the month by the customer.

Transportation customers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an “upset day,” the utility will provide notice to any one of three persons designated by the customer. After contact is attempted by the Company with the three persons designated by the customer, the Company will be deemed to have satisfied its notice obligations.

(9) Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation customers.

a. Available System Capacity for Transportation Service: Capacity for the transportation of customer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail customers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.

b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of customer-owned gas or is available but restricted, the Company will provide its transportation customer or the customer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation customers without regard to the sources of the customers' natural gas supplies.

c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.

(10) As soon as practical after the customer learns of any disruption or interruption in its supply of gas, the customer shall notify the Company.

(11) The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A customer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company’s 1307(f) proceeding.

(12) The Company shall retain 6.5 percent of the total volume of gas received into its system on behalf of all customers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis: **(I)**

(I)- Indicates Increase.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

1) If customer can obtain alternate transportation service via direct bypass;
2) If customer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
3) If customer has a competitive offer from a non-PUC-jurisdictional entity;
4) If customer can demonstrate economic development or job retention considerations are present; or
5) If customer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, “alternative energy source” shall not include natural gas service from other Natural Gas Distribution Companies.

(13) Customer-owned locally produced gas received into the Company’s system will be available as nominated by the customer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company’s system to nominated volumes will be made in the first month available.

(14) Monthly Balancing Provisions Applicable to Rate GS-T Customers Not Served by a Pool

The Company will bank for one month following the month that the customer’s gas is available for the customer’s use, up to 3.5 percent of the volumes delivered on the customer’s behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the customer’s meter during the month following the banking period. The Company will balance customer’s daily deliveries with customer’s actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the customer’s behalf in any month. The first gas received on the customer’s behalf in the succeeding month will be deemed the payback of advanced gas. Any difference between the customer’s consumption and deliveries shall be subject to the following charges:
Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the customer in excess of gas deliveries plus gas advanced and any contracted for standby service. The negative imbalance volume will be sold by the Company at the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - If the customer fails to use at least 96.5 percent of the volumes delivered to the Company on customer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the customer. The positive imbalance volume will be purchased by the Company at the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 85%.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A balancing charge will be assessed against each Mcf of gas transported for small and medium general service customers and for large general service customers. This rate will be recalculated in each of the Company's annual 1307(f) gas cost proceedings. The currently effective balancing charges are reflected on Tariff Page Nos. 3 and 4.

The balancing charge will not be assessed if (1) the customer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the customer or pool can match its supply and actual consumption on a daily basis in a manner satisfactory to the Company.

(15) Backup service is available to customers under this rate schedule only under Rate GS-SB, unless the customer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.

(16) The Company reserves the right, as a condition of service under this rate schedule, to require any customer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the customer's expense, as a condition of continuation of service under this rate schedule.

(17) When the customer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, customer and the Company may require a separate (operating) agreement by which the customer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of customer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of customer's planned consumption, whether through transportation or retail service; establish penalties for failure of customer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; agree upon the availability of retail service; and establish and impose any other rules or restrictions necessary to ensure reliable service for all customers.

(18) The Company will from time to time make pipeline capacity available for release to transportation customers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RATE TABLE

Customer Charge - The Company shall determine the annual consumption of each General Service customer in order to assess the appropriate customer charge.

$16.80	Customer Charge per month per meter for all Residential customers.
$22.00	Customer Charge per month per meter for all NGDC customers consuming less than 500 Mcf annually.
$44.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.
$101.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.
$145.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.
$940.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.
$1,465.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 50,000 but less than 100,000 Mcf
$2,130.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.
$5,630.00	Customer Charge per month per meter for NGDC customers with annual consumption greater than 200,000 Mcf annually.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the customer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service Customers	$5.3537
For Small General Service Customers	$3.9844
For Medium General Service Customers	$3.6941
For Large General Service Customers with annual consumption greater than 25,000 Mcf but less than 50,000 Mcf	$2.6360
For Large General Service Customers with annual consumption greater than 50,000 Mcf. but less than 100,000 Mcf	$2.5519
For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$2.4335
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$2.1937
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$1.9097
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$1.4431

The following is the maximum charge per Mcf for transportation service for Transitional LGS Customers:

For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$1.4012
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$1.1754
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$1.1754
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$1.1754

RATE GS-T
GENERAL SERVICE – TRANSPORTATION

The delivery charge will be assessed on all volumes at the time of delivery to the customer, including current transportation and storage volumes withdrawn and delivered to the Company. A transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One customers (refer to Rate Schedule GS-SB).

The currently effective gas cost charges under Rider Purchased Gas Costs and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial customers and 1.50 percent per month for commercial and NGDC customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

SURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One customers is threatened. Under this circumstance, the transportation customer must agree to sell its gas supply to the Company at either the customer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of customer, whichever is greater, to be used to supply the needs of Priority-One customers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

2. Gas shall be and remain the property of the customer while transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

3. The Company shall not be liable for any loss to the customer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.

4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.

5. If service furnished pursuant to this rate is disrupted, the Company will notify the customer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a customer, other than an NGDC, the Company will act as its agent for arranging transportation of customer-owned gas by an interstate pipeline(s). The Company will bill the customer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as customer's agent for arranging interstate transportation.

(C)

(C)-Indicates Change

RATE GS-SB
GENERAL SERVICE - STANDBY

AVAILABILITY

This service is available to transportation service customers served under Rate GS-T and/or customers who need or use the Company as backup service to service from an alternate supplier.

RULES AND DELIVERY TERMS

Priority-One Transportation Customers
Priority One customers must pay for standby service through a transportation standby charge applicable to all volumes transported under Rate Schedule GS-T. Backup service for Priority-One customers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation Customers
The customer may execute a Standby Contract for a specified monthly volume. The term of the Standby Contract will be a minimum period of not less than one year. Customers that execute a Standby Contract will pay for standby service through a capacity charge applicable to contracted for monthly volumes and through a standby commodity charge applicable to all standby volumes actually purchased under Rate Schedule GS-SB.

Back-up Standby Service
If a customer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the customer the standby service fees set forth in the rate table below. The Company reserves the right to determine when and the level to which a customer is using the Company as a backup supplier. In situations where the alternative supply is from local well production and before the Company provides backup standby service under the terms of this rate schedule, the Company shall have the right to inspect the pipeline and related facilities of the customer and require that the customer install, at its own expense, any necessary equipment to protect the integrity and safe operation of the Company's system.

RATE TABLE

Capacity Charges Applicable under the Rate Schedule:

RS Capacity Charge per Mcf	$1.8641	**(I)**
SGS Capacity Charge per Mcf	$1.8641	**(I)**
MGS Capacity Charge per Mcf	$1.8641	**(I)**
LGS Capacity Charge per Mcf	$1.8641	**(I)**

Standby Charges for Priority One Transportation Customers

For customers that pay the capacity charge, the Company may release pipeline capacity, the terms of which will be pursuant to the capacity-release terms of the Company's Supplier tariff and this rate schedule.

Priority-One customers who take service under this rate schedule, or their agents, must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the customer's service requirements. Assigned capacity shall be subject to recall pursuant to the conditions described in the Company's Supplier Tariff, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of this rate schedule. More specific terms with respect to capacity assignment requirements may be set forth in the Company's Supplier Tariff and in its contracts with Priority One NGSs. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

(I) – Indicates increase.

RATE GS-SB
GENERAL SERVICE - STANDBY

RATE TABLE

Standby Charges For Non Priority One Customers With a Standby Contract

Standby volumes delivered to the customer will be billed at the applicable supplier of last resort rates, excluding the pipeline demand component that has been paid through the capacity charge up to the contracted for monthly volumes in the standby contract. Volumes consumed in excess of contracted for volumes will be billed using the imbalance fee formula shown in Rate GS-T, paragraph 13, plus applicable taxes.

Customers Using The Company as a Back-up Supplier

Any customer using the Company as back-up service to service from an alternative supplier shall be subject to the charges set forth below. The following charges shall be assessed in lieu of any other standby charges applicable under this rate schedule.

Monthly Capacity Charge – In order to recover demand related purchased gas costs incurred by the Company, the customer shall be charged a monthly capacity charge equal to the customer's projected annual natural gas usage divided by twelve and multiplied by the capacity charges set forth above in this Rate Table. The projected annual natural gas usage shall reflect the estimated volumes assuming that all of the customer's natural gas consumption is served by the Company. The Company may waive this fee if the customer is receiving gas supplies from a NGS and the customer can demonstrate that its NGS has agreed to serve its peak day usage requirements. This charge will be assessed instead of the Capacity Charge applicable under other rate schedules.

Standby Customer Charge – In order to recover the fixed non-purchased gas charges incurred by the Company, the customer shall be charged a standby customer charge on a monthly basis. The standby customer charge shall be the monthly Customer Charge otherwise applicable under other rate schedules.

SURCHARGES - All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent for industrial customers will be made for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RATE MLS
MAINLINE SERVICE RATE

APPLICATION
For customers throughout the territory served under this Tariff.

REQUIREMENTS
Available at one location, for the total requirements of a commercial or industrial customer when: (i) the customer does not take service under any other rate schedule; (ii) the Customer meets either one of the following qualifications:

a) the Customer has annual throughput requirements greater than 500,000 mcf and is within 1,000 feet of an Interstate pipeline supplier of the Company;
or
b) the Customer has annual throughput requirements of greater than 500,000 mcf and Is located within 1,000 feet of PNG Transmission class pipeline facilities.

Customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE
Customers being served with this rate schedule shall have all applicable riders and surcharges applied except for DSIC.

The rate information is detailed in the Rate Summary pages of this Tariff.

The applicable Distribution Charge for all distribution quantities shall be determined based upon the Customer Charge group in which the Customer is placed, as established annually.

The Distribution Charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

Delivery Charge per Mcf (if within 1,000 feet of a PNG transmission line)	$0.7430
Delivery Charge per Mcf (if within 1,000 feet of an interstate pipeline)	$0.4422

DETERMINATION OF CUSTOMER CHARGE
The Customer Charge will be determined based upon the customer's actual throughput quantities, including sales and distribution if the customer previously contracted for distribution service, measured in 1,00 cubic feet of gas (mcf), for the twelve most recent billing cycles ending with the October billing cycle.

If a customer does not have sufficient consumption history to determine its Customer Charge based on twelve months, the Customer Charge will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, upon which to develop the Customer Charge. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's Customer Charge will remain constant annually, subject to change as of the January billing cycle of each year.

In all cases, the Company reserves the right to review the Customer Charge and, upon receipt of satisfactory proof, to adjust the Customer Charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

MAIN LINE EXTENSION DEPOSIT INSTALLMENT PLAN
Applicants eligible for Rate Schedule MLS who have entered into an agreement with the Company to make payments for a main line extension pursuant to the Payment Period of Deposit paragraph in the Connections for Service – Extension of Facilities section of Rule 4. Extensions of these Rules and Regulations Governing the Distribution and Sale of Gas, will have the installment amount included in the cyclical bill for service issued by the Company. The installment amount will be added to the Customer Charge for the duration of the installment payment plan.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 17 TO GAS—PA PUC NO. 48
SECOND REVISED PAGE NO. 62
CANCELLING FIRST PAGE NO. 62

RATE MLS
MAINLINE SERVICE RATE

MINIMUM CHARGE

The minimum charge shall be the Customer Charge. In the event of curtailment in the delivery of gas by the Company or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the Customer Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the number of days in the billing period.

STATE TAX ADJUSTMENT SURCHARGE

The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

Rate MLS is subject to a Distribution System Improvement Charge as specified within Rider DSIC of this Tariff.

RIDER PGC

The Pass-through Charge and Gas Supply Charge in this rate schedule include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider as set forth in this Tariff.

RETAINAGE

The retainage rate for MLS customers shall be the greater of the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer (if available) or 1%. If the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer is not available, the retainage rate shall be the Distribution UFG percentage per the most recently filed UFG report with the PA Public Utility Commission. **(C)**

TERMS OF PAYMENT

Bills for sales service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than twenty (20) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one half percent (1 1/2%) per billing cycle shall accrue on the portion of the bill that is unpaid on the due date.

SPECIAL PROVISIONS APPLICABLE TO ALL MLS CUSTOMERS

1. Customers desiring to transfer to or from this rate schedule must notify the Company in writing. Transfers to or from this rate schedule will be allowed only if:
   a) the Company can obtain any increase or decrease in its gas supplies, pipeline capacity and storage capacity, or any combination thereof that is required to accommodate such change; or
   b) the Company, in its sole judgment, concludes that no increase or decrease is required. The Company shall establish the date any transfer is to be effective.

2. Energy usage eligibility for this rate schedule shall be determined annually. In the event Customer's annual purchases are less than or equal to 500,000 mcf, the customer shall be transferred to either Rate LGS effective the immediately succeeding January billing cycle.

3. New customers or existing customers requesting a transfer to this Rate Schedule shall be permitted to take service under this Rate Schedule only if:
   a) the Company can obtain an increase in its firm pipeline capacity with an interstate pipeline having delivery points on the Company's system where the customer's facility is located, that is required to accommodate such transfer; or
   b) the Company, in its sole judgment, concludes that no increase in the Company's pipeline capacity under an interstate pipeline firm rate schedule or any successor rate schedule is required. The Company shall establish the date any transfer is to be effective.

RULES AND REGULATIONS

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of distribution service under this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

(C)- Indicates Change

RATE NGPV

NATURAL GAS POWERED VEHICLES

AVAILABILITY

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public or private fueling station.

RULES AND DELIVERY TERMS

If transportation service is provided hereunder, the applicable rules and delivery terms under rate schedule GS-T apply.

RATES

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the Company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

SURCHARGES

All applicable riders to this tariff.

LATE PAYMENT CHARGE

A late-payment charge of 1.50 percent shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

RATE APPALACHIAN GATHERING SERVICE

AVAILABILITY

Service under this rate schedule is available to any party desiring to transport gas through the gathering system, as well as to deliver gas directly into the Company's distribution and transmission system*, provided that:

(1) a Master Interconnect and Measurement Agreement ("MIMA") has been executed between the Company and the party; and

(2) the party is in compliance the MIMA, the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

The gathering rate is $0.24 per Mcf, plus applicable retainage**.

If a conventional producer adds incremental conventional production to the Peoples' system, that producer's incremental production shall qualify for a reduced Rate AGS fee equal to 50% of the effective monthly Rate AGS fee.

Incremental conventional production is any conventional production that is not connected to the Company's facilities as of June 15, 2019 and shall not include any existing production delivered to Peoples' system and subsequently acquired by the producer from any other producer. Incremental conventional production shall also include increased production volumes from existing conventional wells as a result of well stimulation or similar actions. The level of incremental production volumes from existing wells shall be determined by the Company based on supporting information provided to the Company by the producer.

Gathering of natural gas from unconventional sources, including but not limited to, horizontally drilled Marcellus and Utica shale gas and landfill gas, shall be negotiated and agreed to within the MIMA.

TERM

The terms for gathering service shall be a set forth in the MIMA.

CHARACTER OF SERVICE

The Company's only obligation under this Rate Schedule shall be to receive gas from any gathering receipt point and to permit that gas to flow against the existing pressure in the Company's facilities. Peoples shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Item 24 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit the Company's right to interrupt service or to take other action as may be required to alleviate conditions, which threaten the integrity of its system.

* This applies to production into both the former Peoples Natural Gas Division and the former Peoples Gas Division.

** The current applicable retainage rate is 2.61% for all conventional production and is negotiable for unconventional production. **(C)**

(C) Indicates Change

RATE GL - GAS LIGHTS

APPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential 1.8 Mcf/Month
Commercial and Industrial 2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

RATE CER
COMPETITIVE ENERGY RATE

AVAILABILITY

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial customers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

RULES AND DELIVERY TERMS

Any qualified customer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the customer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

RATE

The rate will be negotiated between the customer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company's commodity cost of gas at the time the contract is negotiated, as determined from the Company's Section 1307(f) gas cost calculation.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 2 percent per month for industrial customers and 1.50 percent for commercial customers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RIDER
STATE TAX SURCHARGE

There shall be added to gas bills rendered by the utility for retail gas service a surcharge percent applied to the delivery charge under all rate schedules served by this tariff to reflect changes and new taxes imposed by the General Assembly. The currently effective surcharge percentage is reflected on Tariff Page Nos. 3 and 4.

The Company will recompute the surcharge (i) whenever any of the state tax rates upon which the surcharge is computed are changed and (ii) as of March 31 of every year. The recomputation shall take into account the changed state tax rates as prescribed by the Commission (Policy Statement at 52 Pa. Code § 69.52) in the following manner:

1. Capital Stock Tax ("CST"): To determine the amount to be recovered, the Company shall multiply the change in the CST tax rate by the CST value as reported in the most recent CST return filed with the Department of Revenue.

2. Corporate Net Income Tax ("CNIT"): To determine the amount to be recovered, the Company shall multiply the change in the CNIT tax rate by the taxable income reported in the most recent CNIT return filed with the Department of Revenue. Pursuant to Docket No. R-2023-3044549, impacts of change in the CNI rate should not be adjusted for as the company did not recover state taxes in the referenced proceeding.

3. Public Utility Realty Tax ("PURT"): To determine the amount to be recovered, the Company shall calculate the difference between the PURT liability as stated in the most recent Notice of Determination issued by the Department of Revenue and the current amount of PURT recovered in base rates

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or effective date of such state tax rate change, which occasioned such recomputation. If the recomputed surcharge is less than the one than in effect then the Company will, and if the recomputed surcharge is more than the one then in effect then the Company may, accompany such recomputation with a Tariff or Supplement to reflect such recomputed surcharge - the effective date of which shall be ten (10) days after filing.

SPECIAL PROVISION – This Rider shall not apply to Customers receiving discounted retail or discounted transportation service.

RIDER
PURCHASED GAS COST (1307(f) RATES)

COMPUTATION OF PURCHASED GAS COSTS

The purchased gas cost rates for Residential, Commercial, and Industrial Service customers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{Demand} = \frac{DC - B - R - DOU}{S+P1AC+SBC}$$

$$\text{Commodity} = \frac{CC}{S+SBR}$$

$$\text{Over/Under Collection} = \frac{E}{S+SBR}$$

(C)

(For definitions of "DC", "CC", "E", "S", "SBC", “SBR”, “NP1”, P1AC”, "R", "B", and “DOU” refer to Section below this rider).

The currently effective purchased gas cost rates are reflected on Tariff Pages 3 and 4. **(C)**

(C)

(C)-Indicates Change

RIDER
PURCHASED GAS COST (1307(f) RATES)

DEFINITIONS

"DC": The projected demand or capacity cost of purchased gas. **(C)**

"CC": The projected commodity cost of purchased gas.

"DOU": Experienced net overcollection or undercollection of the demand or capacity cost of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation.[1] **(C)**

"E": Experienced net overcollection or undercollection of the commodity cost of purchased gas[1].

"S": Projected retail sales in Mcf during the application period.

"NP1": Projected volumes in Mcf for NP-1 transportation customers and any customer served by a NP-1 Supplier.

"P1AC": Projected volumes in Mcf for P-1 transportation customers who are assigned capacity.

"SBC": Projected contracted standby volumes in Mcf by NP-1 transportation customers.

"SBR": Projected retail commodity standby volumes in Mcf.

"R": Shared (savings) or costs for demand charge recovery from the capacity-release program.

"B": Balancing recovery.

"Projected" refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

ADJUSTMENT TO BASE RATES

Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

SUPPLIER REFUND

Supplier refunds will be included in the calculation of current period gas costs and will be reflected in the month such refund is received by the Company. Interest beyond that included from the supplier is not applicable. **(C)**

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

REPORTING REQUIREMENTS

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

- - - - - - - -

[1]Interest will be applied in accordance with the applicable law.

(C) – Indicates Change

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RIDER
TRANSITION COST RECOVERY MECHANISM

1. This Rider establishes a mechanism for the recovery of nongas transition costs from the Company's customers, except to the extent that a customer uses transportation service under Rate GS-T for the delivery of gas transported solely on intrastate pipeline facilities. Nongas transition costs are defined as pipeline gas supply realignment costs and stranded costs.

2. For purposes of nongas transition costs recovery, the Company will assign its recoverable transition costs and any reconciliations of transition costs between two groups of customers--those customers whom the Company designates as "competitive" and those customers whom the Company designates as "noncompetitive." For purposes of this recovery mechanism, competitive customers shall include all customers to whom the Company charges less than its maximum tariffed retail or transportation rates in order to gain or maintain the customers' patronage in the face of competitive pressures. For purposes of this recovery mechanism, noncompetitive customers shall include all of the Company's customers who are not competitive.

3. The assignment of nongas transition cost responsibility to the Company's competitive customers shall be equal to that portion of the revenues that those customers contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff, and that is designated, either through prearrangement or open bidding, as "transition costs." Notwithstanding the foregoing, the Company may charge a volumetric surcharge to competitive customers. Any additional recovery from competitive customers shall be credited against the nongas transition costs allocated to the Company's noncompetitive customers. The assignment of transition cost responsibility to the Company’s noncompetitive customers shall be equal to the difference between the Company’s total nongas transition cost liability and the amount of that liability that is allocated to competitive customers.

4. A surcharge for the recovery of nongas transition costs from noncompetitive customers will be recalculated every three months, with the recalculations to be effective on or around January 1, April 1, July 1, and October 1 of each year. The Company will file the January 1, April 1, and July 1 recalculations on one day's notice to the Commission, and these filings are referred to in this rider as the "quarterly recalculation," and will file the October 1 recalculation on thirty days' notice to the Commission.

5. The surcharge will be designed to recover (a) those nongas transition costs that have been billed to the Company by interstate pipelines and (b) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the 12-month period following the surcharge filing date.

6. At the time of each quarterly recalculation of the surcharge, the Company will reconcile its actual billed costs over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period and will incorporate the reconciliation within its recalculations; however, no adjustment will be made to reflect variations in billed throughput during such periods. The Company will accompany its recalculation of the surcharge that will become effective on October 1, 1994, with a reconciliation of actual transition cost revenues recovered from the Company's customers from the effective date of the surcharge through July 31, 1994, against the revenues projected to have been recovered over the same period, including adjustments to reflect volumetric variations. The Company will accompany its recalculations of the surcharges that will become effective on or around each October 1 after 1994 with a reconciliation of actual transition cost revenues recovered from its customers over the 12 months ending July 31 of the particular year against the revenues projected to have been recovered over the same 12-month period.

RIDER
TRANSITION COST RECOVERY MECHANISM

7. The Company will reduce the recoverable nongas transition costs allocated to its noncompetitive customers by the portion of the revenues that those customers are projected to contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff and that is designated, either through prearrangement or open bidding, as transition costs. The Company will calculate the unit surcharge rates applicable to noncompetitive customers by dividing the recoverable nongas transition costs allocated to them, net of any reconciliations (including any additional nongas transition costs recovered by the Company from competitive customers under paragraph 3), and net of capacity release revenues as described in this paragraph, by the retail and transportation volumes projected to be consumed by noncompetitive customers, exclusive of those volumes of Pennsylvania-produced natural gas supplies transported by noncompetitive customers.

8. The surcharge rates applicable to noncompetitive customers are as follows:

Retail	$0.0000/Mcf
Transportation	$0.0000/Mcf

The surcharge rates, if any, applied to competitive customers will be determined on an individual customer basis.

RIDER SUPPLIER CHOICE

This Rider has been established to recover costs associated with Supplier Choice. The initial filing includes costs related to implementation and administration of the Account Number Access Mechanism per the Commission's Final Order at Docket No. M-2015-2468991 entered June 30, 2016 and costs associated with the implementation and administration of the Supplier Bill in accordance the Commission's Final Order entered August 20, 2015 at Docket No. M-2015-2474802.

The charges assessed per this rider shall be assessed to customers served under rate schedules RS, Commercial SGS, Industrial SGS, Rate GS-T – Residential, Rate GS-T Commercial SGS, and Rate GS-T Industrial SGS. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP) program.

The Company shall provide a reconciliation of actual costs with actual revenues recovered under Rider – Supplier Choice for the twelve month period ended August 31. The rate will be adjusted annually for the resulting over/undercollection to be effective October 1.

Application of the Supplier Choice Charge shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the Supplier Choice Charge and the costs included therein.

No interest shall be included in the Supplier Choice Charge.

The Supplier Choice Rider shall become effective upon Commission approval and shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

The currently effective Supplier Choice Charge per Month is reflected on Tariff Page Nos. 3 and 4.

RIDER
MERCHANT FUNCTION CHARGE (MFC)

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate SGS, Rate MGS, LGS and GS-T. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MCF shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of 2.200% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to Rate RS customers is shown on Tariff Page Nos. 3 and 4**.**

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of 0.332% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to these customers is shown on Tariff Page Nos. 3 and 4**.**

RIDER
UNIVERSAL SERVICE

This rider shall be applicable to all residential customers except for any residential customer served in the Company's Customer Assistance Program (CAP). This rider recovers costs related to the Company's universal service programs.

The charges assessed per this rider shall be assessed to residential customers served under rate schedules Rate RS and Rate GS-T. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP).

The currently effective Rider Universal Service Charge is reflected on Tariff Page Nos. 3 and 4.

Costs related to the following universal service programs shall be calculated and recovered per this rider: CAP; Low Income Usage Reduction Program (LIURP); Community Partnership for Weatherization; and the Emergency Furnace and Houseline Repair Program.

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider Universal Service, and the CAP or E-CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater. The projected CAP Credit shall be calculated based on current rates, current CAP or E-CAP payment amounts and projected normalized annual volumes for CAP and E-CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP and E-CAP participants; and 2) the projected average net change in the number of CAP and E-CAP participants for the projected quarter.
2. Pre-Program Arrearage Forgiveness – Projected CAP and E-CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by 4.7% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of 30,800 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credit and arrearage forgiveness amounts. Third party costs for the purposes of CAP administration will be included in the calculation of the Rider.

The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected non-CAP residential volumes established in the most recent 1307(f) gas cost recovery proceeding. For bill display purposes, the unit rate calculated under this rider shall be included in a single delivery charge that also includes the residential delivery charge set forth in rate schedules Rate RS and Rate GS-T.

QUARTERLY ADJUSTMENT

Effective with each quarterly 1307(f) gas cost change, the unit rate under this rider shall be recalculated to reflect current cost data for the cost components outlined above. The updated rate will be filed to be effective one day after the filing.

ANNUAL RECONCILIATION

As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under Rider Universal Service and actual universal service costs incurred for the twelve month period ended December 31. The resulting over/undercollection will be included in the quarterly Rider Universal Service rate adjustment to be effective April 1.

RIDER
GAS PROCUREMENT CHARGE

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

Recoverable Costs

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider Purchased Gas Cost - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

Recalculation of the GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

The currently effective Rider GPC Charge is reflected on Tariff Page No. 3.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 8 TO GAS—PA PUC NO. 48
THIRD REVISED PAGE NO. 78
CANCELLING SECOND PAGE NO. 78

RIDER
TAX REPAIRS SURCREDIT (TRS)

Pursuant to Docket Nos. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549, there shall be a surcredit of negative 0.6146% applied to the customer charge and the base rate delivery charge under all rate schedules served by this tariff. Any customer receiving a discounted flexible delivery charge rate will not be eligible for the surcredit. **(I)**

Purpose: The purpose of this surcredit is to refund, over a ten-year period beginning January 1, 2025, the tax benefits of certain catch-up tax deduction resulting from the Company's defining its unit of property under the Internal Revenue Service's Treasury Regulations 1.263(a)-3 and 1.162-4 and IRS Rev. Proc. 2023-15. Specifically, the surcredit shall reflect:

- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2012 through March 15, 2020 for Peoples Natural Gas Company, net of amounts refunded prior to January 1, 2025;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2013 through December 31, 2020 for the former Peoples Gas Company;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for mandatory relocation projects for the tax years ended December 31, 2012 through December 31, 2021 for Peoples Natural Gas Company; and December 31, 2013 through December 31, 2021 for the former Peoples Gas Company.
- the amortization of excess deferred taxes that are no longer protected under the IRS normalization rules due to the change in tax accounting methods.
- adjustments to reflect reduced state income tax benefits resulting from changes to the state Corporate Net Income Tax rate.

Effective Date: Beginning with service rendered January 1, 2025.

Calculation: The annual amount of the surcredit will be approximately $3.9 million, equal to 100% of the tax benefit from the afore-mentioned items of approximately $473.7 million refunded over a ten-year period. **(D)**

Reconciliation: In accordance with Section 1307(e) of the Public Utility Code, the Company shall provide a reconciliation of the amount refunded and one-tenth of the projected tax benefit of the afore-mentioned items for the twelve-month period ended December 31. The rate will be adjusted annually for the resulting over/undercollection to be effective April 1. The annual reconciliation will be filed by March 21 for the preceding calendar year.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recoup or refund period.

This surcredit will remain in place for eleven years (ten years of refund period and one year for a final reconciliation period). In the final year, the Company also shall include the difference between the actual tax benefits received and the projected tax benefits previously reflected in calculating the surcredit, as provided by the Order at Docket No. P-2020-3021191. Any over or under ratepayer surcredit amounts remaining at the end of year eleven shall be flowed through to Customers in the Company's next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the rate credit, the Company shall file with the Commission and provide a copy to all parties to Docket No. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549 a final reconciliation of all surcredit amounts.

Upon determination that this surcredit, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of this surcredit.

(I) – Indicates increase, **(D)** – Indicates decrease.

ISSUED: March 21, 2025 **EFFECTIVE: April 1, 2025**

RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

APPLICATION AND PURPOSE

A Weather Normalization Adjustment ("WNA") shall be applied to Residential, Commercial SGS, and Commercial MGS customers receiving service under Rate Schedules RS, CAP, SGS, and MGS for bills rendered during the heating season of October 1st through May 31st.

WNA is a distribution charge adjustment and is considered a basic service charge.

Calculated WNA amounts shall be subject to Rider DSIC, Rider STAS, Rider Tax Repairs Surcredit, and Rider TCJA. No additional riders or surcharges will be applied to the calculated WNA.

CALCULATION

The WNA will be applied to bills rendered October 1st through May 31st and shall be calculated on a customer account specific basis in accordance with the formula below:

WNBM = BLMM+ [(NHDD +/- (NHDD x 3%)) /AHDD) x (AMUM-BLMM)]
WNAM = WNBM – AMUM
WNAM = WNAC x Distribution Charge

a) Weather Normalized Billing Mcfs ("WNBM") will be calculated as the Base Load Monthly Mcfs ("BLMM") added to the product of the [Normal Heating Degree Days ("NHDD"), adjusted for a 3% deadband, divided by the Actual Heating Degree Days ("AHDD")] and the [Actual Monthly Usage Mcfs ("AMUM") less the BLMM]. Weather Normalized Billing Mcfs (WNBM) will only be calculated if the AMUM exceeds the BLMM. WNA will not be applicable for the billing period if AMUM is less than the BLMM.

b) BLMM shall be established for each customer by averaging the actual daily consumption from the billing system, measured in Mcf, for service rendered July 1st thru August 31st of the most recent period.

c) AMUM shall be measured for each customer and billing cycle.

d) NHDD shall be based upon the heating degree days utilized to develop the revenue requirement in the Company's general rate case proceeding at Docket No. R-2023-3044549. NHDD shall be updated in future general rate case proceedings.

e) AHDD shall be the actual experienced heating degree days during the billing cycle days for the customer based upon experienced actual temperatures as reported by the National Oceanic and Atmospheric Administration (NOAA) for weather stations utilized by the Company for the area.

f) AMUM will be subtracted from the WNBM to compute the Weather Normalized Adjustment Mcfs ("WNAM").

g) A deadband of 3% shall apply. The WNA for a billing cycle will apply only if the AHDD for the billing cycle are lower than 97% or higher than 103% of the NHDD for the billing cycle.

RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

h.The WNAM shall then be multiplied by the applicable Rate Schedule Distribution Charge based on service rendered to compute the WNA amount that will be charged or credited to each Residential, SGS, and MGS customer receiving service under Rate Schedules RS, CAP, SGS, and MGS.

i.In the event a customer's bill needs to be canceled and rebilled at any time, the WNA will be recalculated using the most recently available data for the billing period. In some cases, updates in data used in the calculation, may result in a different WNA for the billing period.

j. WNA amounts will be displayed as a separate line item on the customer's bill.

k. The WNA adjustment for bills rendered in May will not exceed 100% percent of the billed distribution amount (delivery charge amount plus customer charge amount) for that same period.

l. The Company will file a report annually with the Commission on or before September 1st for the 12-month period ending June of the same year. The filing will contain WNA details as defined in the Company's most recent general rate case proceeding.

RIDER
Distribution System Improvement Charge (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 4.04% will apply consistent with the Commission Order dated May 23, 2013 at Docket No. P-2013-2346161 approving the DSIC. **(I)**

Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Eligible Property:

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (accounts 334,369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

Effective Date: The DSIC will become effective for bills rendered on and after 7/1/2013.

Computation of the DSIC

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

Determination of Fixed Costs: The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

(I)= Indicates increase

RIDER
Distribution System Improvement Charge (DSIC)

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for Rider State Tax Adjustment and Rider Purchased Gas Cost. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company's annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Rider State Tax Adjustment Surcharge and Rider Purchased Gas Cost. **(C)**

Formula: The formula for calculation of the DSIC is as follows

$$DSIC = \frac{(DSI*PTRR)+STFT+Dep+S}{PQR} + \frac{e}{PQR:}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax. **[NOTE: UTILITY MAY ELECT TO INCLUDE THE STFT IN THE PTRR COMPONENT.]**

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.

S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.

PQR = Projected annual revenues for distribution service (excluding Rider State Tax Adjustment and Rider Purchased Gas Cost) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure. **(C)**

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, Office of Small Business Advocate, and Commission's Bureau of Audits at least (10) days prior to the effective date of the update.

(C)-Indicates Change

RIDER
Distribution System Improvement Charge (DSIC)

Customer Safeguards:

1. **Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

2. **Audit/Reconciliation**: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq,* shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq*.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

3. **New Base Rates**: The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

4. **Customer Notice**: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

5. **All Customer Classes**: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives or potential competitive alternatives and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

6. **Earnings Reports**: The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

7. **Residual E-Factor Recovery Upon Reset to Zero**: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 15 TO GAS—PA PUC NO. 48
FOURTH REVISED PAGE NO. 84
CANCELLING THIRD PAGE NO. 84

Rider TCJA - TCJA TEMPORARY SURCHARGE FOR FORMER PG DIVISION CUSTOMERS

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered Orders superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates and required utilities to implement negative surcharges as a credit for intrastate service to all customer bills to reflect reduced taxes under the TCJA. This negative surcharge was distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge was reconciled at the end of each calendar year and remained in place until the utility filed and the Commission approved new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. The effects of the TCJA for Peoples Natural Gas Division were fully reflected in the Company's rate case at Docket No. R-2018-3006818. The effects of the TCJA for Peoples Gas Division customers were reflected in the Company's base rate case at Docket No. R-2023-3044549, except for the remaining over/under collection as of the effective date of new rates.

Rider TCJA will remain in effect for former PG Division customers until the remaining TCJA over/under collection is refunded or recovered from customers.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.

The TCJA Temporary Surcharge will be filed with the Commission by December 1 of each year to become effective the following January 1.

RATE CHART

	Surcharge per meter per month	Surcharge per MCF	
Residential	$0.0000	$0.0000	(I)
SGS with annual consumption less than 500 Mcf	$0.0000	$0.0000	
SGS with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$0.0000	$0.0000	
MGS with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$0.0000	$0.0000	
MGS with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$0.0000	$0.0000	
LGS with annual consumption greater than 2,000,000 Mcf	$0.0000	$0.0000	

(I)- Indicates all increased

ISSUED: September 17, 2025

EFFECTIVE: September 27, 2025

Supplement No. 3
Gas - PA PUC No. S-4

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF SERVICE TO NATURAL GAS SUPPLIERS

ISSUED: September 30, 2025 **EFFECTIVE: October 1, 2025**

By: Michael Huwar
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

1307(f)-2025 OCTOBER GAS COST

LIST OF CHANGES

Page	Page Description	Revision Description
23	Rate P-1 – Assignment of Other Supplies	Language change from “shall” to “may”
26	Rate P-1 – Load Forecasting	Updated load forecasting schedule

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DEFINITION OF TERMS

The following is a list of some of the most commonly used terms in this Tariff. In the event of a conflict between any of the definitions set forth below or those contained in a more specific provision of this Tariff, the definition contained in the more specific provision shall prevail.

Aggregate Daily Consumption Volume - The aggregate quantity of gas estimated by the Company to be consumed by all Customers served by the NGS on any day or the direct end user in an OFO situation under Rule 4 of the Tariff.

Aggregate Monthly Consumption Volume - The aggregate quantity of gas actually consumed by all Customers of Pool Operator's pool over their respective Billing Cycles for the month as determined by the Company through actual or estimated meter readings.

Aggregator - A broker, marketer or producer of natural gas which aggregates locally produced gas, injected directly into the Company's lines, into a pool.

Billing Cycle - The period that occurs between actual or estimated meter readings taken by the Company for billing purposes.

Calendar Month Pool Sendout - The sum of (1) the Aggregate Monthly Consumption Volumes plus (2) Pool-to-Pool Volumes nominated for the month.

Calendar Month Pool Supply - The sum of the Daily Available Volumes during the month as adjusted for any gas received from other Pool Operators during the month and any imbalance sales to or purchases from the Company.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas Supplier which involves the purchase of gas commodity by the Customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the Customer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A Customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under the Company's Retail Tariff.

Daily Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers on any day. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account on that day, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes and/or the reconciliation of monthly volumes as set forth in Rates P-1 and NP-1**.**

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Dekatherm (Dth) – 10 therms or 1,000,000 British thermal units ("Btu")

Direct End User – A Customer that receives distribution service from the Company and purchases commodity service from a natural gas Supplier who does not pool supplies under the Company's Rate P-1 or Rate NP-1.

DEFINITION OF TERMS (continued)

Local Gas Aggregation Agreement - The Local Gas Aggregation Agreement between the Company and the NGS.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

Measurement Operating Agreement - The agreement between a producer of natural gas and the Company which sets forth the obligations and responsibilities for owning and operating measurement equipment for designated measuring stations.

Monthly Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers for the applicable month. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account for the applicable month, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to Customers that is delivered through the distribution lines of the Company.

Non-Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of one or more Non-Priority One transportation Customers of the Company.

Non-Priority One Pooling Agreement - The Non-Priority-One Pooling Agreement between the Company and the Pool Operator.

Pool Operator – A broker, marketer or producer of natural gas licensed as a gas Supplier by the Pennsylvania Public Utility Commission which has executed a Priority-One or Non-Priority One Pooling Agreement with the Company.

Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of Priority One transportation Customers of the Company.

Small Business Customer – A Customer receiving natural gas service for commercial or industrial use whose annual usage is equal to or less than 300 MCF.

Supplier – Shall include, but is not limited to, aggregators, brokers, marketers, natural gas distribution companies, natural gas suppliers or producers.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to Customers that do not elect another Supplier or choose to be served by the Supplier of last resort, Customers that are refused service from another natural gas supplier, or Customers whose natural gas Supplier fails to deliver the required gas supplies. Currently, the Company is the Supplier of last resort for all Priority-One Customers under the terms of this tariff. Each Customer may only have one Supplier of last resort.

RATES AVAILABLE UNDER THIS TARIFF

Service is made available to NGSs under the rules, regulations, rates and terms contained in this tariff. The following rates are made available to NGSs:

Rate P-1 - Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Priority One (P-1) transportation Customers of the Company.

Rate NP-1 - Non-Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Non-Priority One (NP-1) transportation Customers of the Company.

Rate LGA - Local Gas Aggregation Service
This rate is available to any broker, marketer or producer of natural gas which aggregates locally produced gas injected directly into the Company's pipeline system.

Rate SBS – NGS Billing Service
This rate is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas sold by the NGS.

PEOPLES NATURAL GAS COMPANY LLC **SUPPLEMENT NO. 2 TO GAS—PA PUC NO. S-4**
FIRST REVISED PAGE NO. 7
CANCELING ORIGINAL PAGE NO. 7

RULES AND REGULATIONS

1. Sources of Supply

The Company agrees to receive, for the NGS's account, upstream pipeline transportation volumes, local gas volumes, storage volumes, and Pool-to-Pool Volumes.

In determining the volumes available for delivery to Customers in the applicable month, the Company may retain an appropriate percentage, as set forth in the Company's Retail Tariff, of gas used in Company operations and unaccounted for gas from upstream pipeline transportation volumes and local gas volumes as they are received by the Company. For purposes of determining storage inventory volumes, the retainage percentage shall be applied to volumes at the time the volumes are nominated for injection into storage. Pool-to-Pool Volumes shall be added to the adjusted volumes.

Suppliers will pay for any investment costs and any other agreed-upon fees relating to the delivery of gas into the Company's system. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. Measurement and Quality of Gas

All gas delivered shall be measured by meter. The term "mcf" as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to Customers shall meet Commission heating value requirements, and the Company may charge for this.

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Supplier shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

The Company may enter into agreements with suppliers whereby the Company will agree to treat gas on behalf of a Supplier in order to meet such gas quality requirements outlined above. Should the Supplier not enter into such an agreement and fail to meet these gas quality requirements, the Company may refuse to accept gas delivered by the Supplier and should a Supplier cause damage to any metering, regulating and/or other equipment or interruption of service, the Supplier shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to Customers and/or repair facilities, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service. The Supplier agrees to allow the Company to make necessary gas samples to permit testing of the delivered gas to determine quality of gas delivered by the supplier.

RULES AND REGULATIONS

2. Measurement and Quality of Gas (continued)

Nonconformance – If the gas offered for delivery by the NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

3. Critical Day Planning

As events occur that could develop into system emergencies or lead to a threatening of system integrity, the Company may request and/or require NGSs or Customers to take certain actions to protect, maintain, or reestablish the safe operation of the system.

a. Maintenance Alerts (MA) – A maintenance alert is an announcement of actual or pending events related to various physical connections to the Company's system. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board as soon as practical.

b. Operational Alert (OA) – An operational alert may be called during periods of projected increased or decreased consumer demand for natural gas. An "OA" is a request for specific action on the part of an individual NGS, or all NGSs. The NGSs are expected to respond to "OAs" as soon as practical by giving notice to the Company of their intended action. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board and/or through email as soon as practical.

c. Operational Flow Order (OFO) – An OFO is defined in paragraph 4 of the Supplier Tariff. NGSs are expected to comply with an OFO.

d. Curtailment – In the event of an emergency curtailment of Customer consumption, the Company will alert the appropriate NGSs, and if appropriate, will coordinate with them responses to media and elected officials.

RULES AND REGULATIONS

4. Operational Flow Orders

a. Issuance of OFOs

The Company may issue, in its sole discretion, an OFO (Operational Flow Order) in any of the following circumstances: To the extent possible, the Company will provide a 24-hour prior notice of an OFO in situations where a prior indication of the need to issue an OFO exists.

i. to alleviate conditions that threaten the operational integrity of the Company's system;

ii. to maintain pressures necessary for the Company's operations;

iii. to insure adequate flowing supplies are delivered to specific receipt points on the Company's system; or

iv. to alleviate operational problems arising from overdeliveries or underdeliveries by NGSs or Customers transporting supplies for their own consumption ("Direct End User"), in violation of their agreements or Company tariffs.

b. OFO Procedures

In the event of the issuance of an OFO, NGSs and Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO) will be directed to maintain its supply according to the steps set forth below.

i. The NGS or the Direct End User must adjust supply nominations, including any Pool-to-Pool Volumes to equal Aggregate Daily Consumption Volume and/or hourly consumption levels if necessary, with gas delivered at the points specified by the Company. The Company shall provide such estimates via the electronic bulletin board and/or through email as soon as practical.

ii. Upon the NGS or Direct End User request, the Company will consider, if time permits, adjustments to the Aggregate Daily Consumption Volume or the Daily Available Volume to the extent such adjustment, in the Company's discretion, benefits system operations during the OFO event and if such adjustment is confirmable the Company.

RULES AND REGULATIONS

4. Operational Flow Orders (continued)

c. OFO Penalties

Failure to comply with an OFO may result in the following:

i. The immediate recall of capacity assigned by the Company to the NGS or a Direct End User, if any, throughout the remainder of the OFO period. Further, in the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of end-use Customers of the NGS/Direct End User's and/or the Company's Retail Sales Demand, the Company may, at its sole discretion, recall or otherwise withdraw any capacity rights assigned to the NGS/Direct End User upon five (5) days written notice to the NGS/Direct End User (unless already recalled under the provisions of this section).

ii. The billing of the incremental charges set forth below times the OFO shortfall which is defined as the imbalance between Daily Available Volume and its Aggregate Daily Consumption Volume as calculated by the Company, on those days subject to the OFO.

The OFO incremental charges shall equal:

(1) the payment of a gas cost equal to the highest incremental cost paid by the Company on the date of noncompliance;
(2) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than twelve times in any thirty-day period;
(3) the payment of all other charges incurred by the Company on the date of the OFO shortfall that are associated with the OFO shortfall; and
(4) in the Company's discretion, an appropriate penalty charge, not to exceed $15/Mcf.

The penalties set forth herein shall be billed to NGSs serving Customers under Rates P-1 or NP-1, or to Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO).

iii. In the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of any Customer and/or the Company's retail sales demand, the Company may terminate the NGS's/Direct End User's rights to operate on the Company's system under the applicable pooling and/or transportation agreements upon ten (10) days written notice to the NGS.

5. Billing and Payment

Each calendar month the Company shall render a statement of account to the NGS summarizing the charges due the Company, including any purchases by the Company.

The NGS shall pay the Company by wire transfer of federal funds unless the NGS and the Company mutually agree upon a method of payment other than wire transfer which will result in timely receipt of payment by the Company.

RULES AND REGULATIONS

5. Billing and Payment (continued)

Charges previously billed to the NGS by the Company, for which payment has not been received by the Company by the due date, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance.

If the Company has not received payment from the NGS for any services or charges, including late-payment charges, within fifteen (15) days of the statement date, the Company may deduct this unpaid amount from any payments accruing to the NGS under any agreement between the NGS and the Company or take gas in kind from the NGS in satisfaction of obligations and/or terminate the agreement with the NGS upon ten (10) days written notice to the NGS.

6. Creditworthiness

The Company shall not commence service or continue service to the NGS if the NGS fails to meet the creditworthiness criteria outlined in this Section.

The Company will base its creditworthiness evaluation on the financial information provided in response to the "Financial Information" and "Certificate" sections below.

a. Financial Information - In consideration of the opportunity to supply gas to the Company's Customers and in order for the Company to accept the NGS as the Supplier of gas to Customers of the Company, the NGS must provide the following financial information, provided, however, that such financial information will not be required by the Company if the NGS has obtained a Natural Gas Supplier License from the Commission within one year prior to the date it submits an application to the Company for approval to become a NGS of gas to Customers of the Company and that such information has been provided to the Company:
   i. Financial statements, annual report or Form 10-K for the most recent fiscal year-end.
   ii. Current interim financial statements.
   iii. Listing of parent company, affiliates and subsidiaries.
   iv. Any reports from credit reporting and bond rating agencies which are available.
   v. A bank reference and at least two trade references.

b. Certificate: The NGS shall deliver a certificate of a duly elected officer or authorized representative certifying the following:

   i. The NGS is not operating under any chapter of the bankruptcy laws and is not subject to liquidation under any state law.
   ii. The NGS is not subject to the uncertainty of pending or threatened litigation in state or federal courts or regulatory proceedings which could (1) cause a substantial deterioration in its financial condition, (2) cause a condition of insolvency, or (3) endanger its ability to exist as an ongoing business.
   iii. The NGS does not have outstanding lawsuits, actions or judgments, which, individually or in the aggregate, could jeopardize its ability to remain solvent.

RULES AND REGULATIONS

6. Creditworthiness (continued)

iv. The NGS has the power and authority to transact the business it transacts and proposes to transact, has obtained and holds a Natural Gas Suppliers License from the Commission and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which failure to be in good standing would not, individually or in the aggregate, reasonably be expected to jeopardize its ability to transact the business it transacts or to remain solvent.

v. The NGS has no delinquent balances outstanding for billings made previously by the Company or its affiliate, and the NGS must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

c. The NGS has a continuing obligation to notify the Company in writing, within two business days, of the occurrence of any event which would render the NGS unable to provide the certificate required in paragraph (b) of this "Creditworthiness" section, as of the date such event occurred and within two business days of any other significant deterioration of its financial fitness or creditworthiness, including if the NGS's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the NGS's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch. The NGS shall also provide the Company a copy of the financial statements as specified in paragraph (a) of this "Creditworthiness" section upon request by the Company.

d. Evaluation Process to Determine Financial Fitness:

To the extent the Company determines that the NGS's financial condition under paragraph (a) is questionable or the NGS cannot supply the certificate required under paragraph (b) above, the Company will require the establishment of a security enhancement based on the financial exposure imposed on the Company by the NGS for all service fees applicable per the rate schedules governed by this tariff. The amount of the security enhancement shall include the following components and shall be calculated based on the projected peak winter month usage served by the NGS:

1. All applicable pooling and aggregation fees;
2. All applicable billing fees; and
3. Projected imbalance fees using the maximum imbalance price multipliers and assuming that the NGS fails to delivery gas supplies during the peak month.

The Company shall consider the forms of security enhancements as set forth in 52 Pa. Code §§ 62.102 – 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the NGS under Rate SBS of this tariff or such other security as is mutually acceptable to both the Company and the NGS. The Company reserves the right to determine which of these financial instruments shall be established as a security enhancement.

All information submitted or provided to the Company will remain confidential and be used solely for the purpose of evaluating the financial fitness or creditworthiness of the NGS. The amount of the security enhancement may be reviewed and modified based on the criteria established at 52 Pa. Code §§ 62.102 – 62.114.

RULES AND REGULATIONS

7. Bonding Requirement

In addition to any creditworthiness requirements as set forth in Rule 6, the Company may also require that the NGS post a performance bond or any other security suitable to the Company, to cover any costs associated with the NGS prematurely discontinuing service to Customers or the NGS default of payments of Commission imposed financial penalties and restitution to Customers. The amount of the performance bond or other security shall be equal to $2 times the volumes the NGS is expected to serve during the month of January. The level of the bond shall be recalculated annually.

The bonding requirement will be waived for that portion of the NGS's load used to serve Non-Priority One Customers whose annual consumption is 300 Mcf or more, but in such circumstance, the Company shall not be responsible to provide those Customers service as Supplier of last resort and the Company shall have none of the obligations arising under Section 2207(a) and (k) of the Public Utility Code. The Company may waive the bonding requirement related to delivery failure for the NGS that demonstrates to the Company's satisfaction that it will assign the gas supply contract to the Company in the event of a default. With regard to the latter, the Company, in its sole discretion, which shall not be unreasonably exercised, may waive the bonding requirement related to delivery failure if the NGS assigns its gas supply contracts acquired for purposes of serving its Customers on the Company's system (and if applicable, any related financial risk management contracts) to the Company in the event the NGS prematurely discontinues service to its Customers. Such waiver shall be subject to the following conditions:

a. The NGS's Supplier agrees to assign applicable gas supply to the Company.

b. The Company is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions.

c. The Company is satisfied with the NGS's Supplier's credentials or the security of supply.

d. The NGS agrees to reimburse the Company for any losses the Company suffers as a result of agreeing to the assignment of contracts, including, but not limited to, losses from a differential in the assigned gas prices and the NGS's contracted price with its Customers and losses resulting from the NGS's Supplier refusing to assign the relevant gas supply.

8. Procedures when a NGS Exits the System

Prior to exiting the Company's system the NGS shall provide the Company with two months prior notice. Upon the NGS's exit from the Company's system, the Company will serve the NGS's former Customers at the Company's Supplier of last resort rates, or at the agreed-to NGS price for the remainder of the billing cycle if the NGS discontinues service prior to the beginning of the next billing cycle. Any differences between the cost incurred by the Company and the NGS's price shall be recovered from the NGS. Any capacity or supplies previously assigned to the NGS will revert to the Company, including gas held in storage. If the NGS had used capacity not assigned by the Company to bring gas on to the Company's system, then the NGS agrees to offer to assign said capacity, including gas held in storage, to the Company, which the Company may, at its sole discretion, accept or reject.

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the Balancing provisions under Rate NP-1. No imbalance price multipliers will be applied.

RULES AND REGULATIONS

9. Dispute Resolution Process

The Company and each NGS will designate specific personnel for responding to complaints and disputes under this process.

The Company and the NGS shall use good faith and commercially reasonable efforts to informally and timely resolve all disputes that may develop between them. Failing such informal resolution, either party may initiate this Dispute Resolution Process by presenting a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.

Within five (5) days of the Company's and/or the NGS's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.

In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.

If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.

Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

10. Standards of Conduct

a. The Company shall apply its tariffs in a nondiscriminatory manner to its affiliated NGS and any nonaffiliated NGS.

b. The Company shall not apply a tariff provision in any manner that would give its affiliated NGS an unreasonable preference over other NGSs with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated NGS.

c. Mandatory tariff provisions shall not be waived by the Company for any NGS absent prior approval of the Commission.

d. If a tariff provision is not mandatory or provides for waivers, the Company shall grant the waivers without preference to its affiliated NGS or non-affiliated NGS.

e. The Company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours and the Company shall post the log on its website for a period of at least three (3) months.

f. The Company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. The Company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

RULES AND REGULATIONS

10. Standards of Conduct (continued)

g. If the Company provides a distribution service discount, fee waiver or rebate to its favored Customers, or to the favored Customers of its affiliated NGS, the Company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated Customers. Offers shall not be tied to any unrelated service, or incentive or offer on behalf of either the natural gas distribution company or its affiliated NGS. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.

h. Subject to Customer privacy or confidentiality constraints, the Company shall not disclose, directly or indirectly, any Customer proprietary information to its affiliated NGS unless authorized by the Customer. To the extent that the Company does disclose Customer information without Customer authorization, it shall first seek the permission of the Customer consistent with the Company's tariff, any contractual obligations with the Customer and Section 62.78 of the Pennsylvania Code, and if the Customer grants permission, the Company shall contemporaneously provide this same information to other similarly situated NGSs in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated NGS any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours. This provision does not apply to the disclosure of Customer information made under a Customer assistance program mandated by state law or regulation.

i. The Company shall justly and reasonably allocate to its affiliated NGS the costs or expenses for general administration or support services provided to its affiliated NGS.

j. The Company shall not condition or tie the provision of any product, service or price agreement by the Company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated NGS.

k. The Company shall not give its affiliated NGS preference over a nonaffiliated NGS in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. The Company shall provide comparable treatment in its provision of such goods and services without regard to a Customer's chosen NGS.

l. The Company and its affiliated NGS shall maintain separate books and records. Further, transactions between the Company and its affiliated NGS shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Company function and the affiliated NGS function. The Company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated NGS may be clearly identified.

m. The Company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, as well as those responsible for marking and Customer service, shall not be shared with an affiliated NGS, and their offices shall be physically separated from the office(s) used by those working for the affiliated NGS. Such Company employees may transfer to an affiliated NGS provided such transfer is not used as a means to circumvent these interim standards of conduct.

RULES AND REGULATIONS

10. Standards of Conduct (continued)

n. Neither the Company nor its affiliated NGS shall directly or by implication, falsely and unfairly represent to any Customer, the NGS or third party that an advantage may accrue to any party through use of the Company's affiliates or subsidiary, such as:

i. That the Commission regulated services provided by the Company are of a superior quality when services are purchased from its affiliated NGS;
ii. That the merchant services (for natural gas) are being provided by the Company when they are in fact being provided by an affiliated NGS;
iii. That the natural gas purchased from a nonaffiliated NGS may not be reliably delivered; or
iv. That natural gas must be purchased from an affiliated NGS to receive Commission regulated services.

o. When affiliated NGSs market or communicate to the public using the Company's name or logo, it shall include a legible disclaimer that states:

i. That the affiliated NGS is not the same company as the Company;
ii. That the prices of the affiliated NGS are not regulated by the Commission; and
iii. That a Customer does not have to buy natural gas or other products from the affiliated NGS in order to receive the same quality service from the Company.

When an affiliated NGS advertises or communicates verbally through radio or television to the public using the Company name or log, the affiliated NGS shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

p. Except in competitive bid situations, the Company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated NGS or (b) offer or provide to its affiliated NGS products or services, including bill inserts in its Company bills promoting an affiliated NGS's services or a link from the Company's web site, unless the Company offers or provides the products or service to all nonaffiliated NGSs on the same terms and conditions.

q. The Company shall not offer to sell natural gas commodity or capacity to its affiliated NGS without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. The Company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

r. The Company shall utilize, unless otherwise agreed to by the affected parties, the following complaint and dispute resolution procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (r)(i), which are exclusively under the purview of the Commission:

RULES AND REGULATIONS

10. Standards of Conduct (continued)

i. In the event a NGS alleges a violation of any of these Standards of Conduct provisions, the NGS must provide the Company with a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute. The dispute procedures in Section 9 shall apply to any Notice of Dispute issued per Section 10(i). A complainant bears the burden of proof consistent with 66 Pa. C.S. Section 332 (relating to Public Utility Code) in regard to the allegations, and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. Section 3301.

s. The Company shall keep a chronological log of any complaints, excepting paragraph (r)(i), regarding discriminatory treatment of NGS. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

11. Nomination Procedures

a. General Procedures

i. All Transportation Volumes received for NGS's pool account at upstream pipeline transportation receipt points, local production volumes received for NGS's or Aggregator's account at local production receipt points and Pool-to-Pool transfer volumes shall be nominated to the Company in advance according to the procedures outlined in this section.

ii. Nominations are to be transmitted to the Company via the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified on the Company's Electronic Nomination System.

b. Nomination of Upstream Pipeline Volumes

i. Upstream pipeline nominations must conform, in content and format, with Company specifications for transportation volume nominations, which shall include, at a minimum: NGS's contract number; upstream pipeline contract number; and requested daily transportation volume.

RULES AND REGULATIONS

b. Nomination of Upstream Pipeline Volumes (cont.)

ii. The Company will either confirm, in total or in part, or reject NGS's transportation volume nomination based on the Company's operating conditions, the limits and requirements of the Company's system and facilities, previously confirmed nominations and timely confirmation by upstream pipelines. Accepted transportation volumes will be posted on Company's Electronic Nomination System. In order to support system operations, maintain system integrity, and minimize positive or negative imbalance volumes, the Company may request NGS to nominate and deliver transportation volumes to designated transportation receipt points. Such request shall be posted in advance on Company's Electronic Nomination System or through direct communication with the NGS. If, in Company's sole discretion, voluntary compliance by NGS fails to correct operational deficiencies, the Company may exercise it authority under Rule 4 of the Rules and Regulations to issue NGS specific and/or system wide OFOs.

iii. Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination or limited by operational conditions as mentioned above.

iv. Nominations made in accordance with this Section do not relieve NGS of the obligation to submit corresponding nominations for service with an upstream pipeline.

c. Nomination and Reconciliation of Local Production Volumes

i. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month for the metering stations identified in the agreement or other point of interconnection into the Company's System. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within 2 days) by the NGS or Local Gas Aggregator and confirmed by the Company. The confirmed GPP volume shall be used for reconciling local gas nominations and actual production.

ii. The NGS or Local Gas Aggregator may request to change its GPP nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination.

iii. Confirmed GPP nominations will be credited to the NGS's or Local Gas Aggregator's account on the date specified in the GPP nomination. When actual local gas aggregation volumes delivered into the Company's system are known, any discrepancies between actual and GPP nominations will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").

iv. The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the NGS's or Local Gas Aggregator's monthly available volume or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

v. In the event that a pool ceases its existence and due to this, a negative imbalance results, the pool will be cashed out at the first of the month IFERC DTI Appalachia Index.

vi. Unless otherwise agreed upon by the Company, monthly volumes delivered out of the pool must be baseloaded proportionately with regard to the number of days in the month.

RULES AND REGULATIONS

d. Nomination of Pool-to-Pool Volumes

i. Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, as specified in the Company's Electronic Nominations System.

ii. Such transfers may be used to resolve current daily imbalances created by the NGS's inability to match Daily Available volumes with the projected Aggregate Daily Consumption Volume and shall not be used to resolve daily imbalances occurring for any prior day or days.

iii. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination.

e. Nomination of Assigned Pennsylvania-Produced Supplies

i. All Pennsylvania-produced supplies assigned or sold to the NGS for a given month will be divided by the number of days of that month and automatically credited to the pool operator's Daily Available Volumes.

12. Confirmation of Customer Enrollment

When the Company receives notice that a Customer has elected to switch NGSs or return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of Customer's next billing cycle.

a. The NGS must maintain either a mainframe computer or a personal computer that meets the processing capabilities required by the Company.

b. The NGS shall notify the Company of new or deleted Customers via e-mail file in approved spreadsheet format. The NGS should notify the Company only of additions or deletions to its Customer list; existing Customers shall not be included.

RULES AND REGULATIONS

12. Confirmation of Customer Enrollment (continued)

c. Notification from the NGS of a new or deleted Customer shall consist of the following information: Customer name, Service Address, the Company Account Number, Date and Time of file preparation, the NGS's assigned Pool Code (rather than the NGS name) and the NGS's assigned Rate Numbers, if the Company is billing on behalf of the NGS.

d. The NGS may submit additions, changes or deletions from its Customer list to the Company on a daily basis. Such additions, changes or deletions from the Customer list will become effective for the service period reflected in the second bill issued following the date such additions, changes or deletions are submitted to the Company.

e. The Company shall notify the NGS with a report via the Internet if a new Customer is not processed. The circumstances in which a Customer will not be processed may include, but are not limited to, the information provided by the NGS does not match the Company's required data elements, the Customer submitted by the NGS is not eligible for the requested service, and the Customer is no longer receiving service from the Company. Such report will be issued on the Company's web site following processing and will include the reason the Customer has not been processed.

f. Once a prospective Customer's request has been processed, the Company shall mail out a confirmation letter to each Customer by the end of the next business day after the date the Company receives notification from the NGS that the Customer has elected to switch NGSs or return to the Company's Supplier of last resort service, asking the Customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include, if appropriate, the Customer's pool operator choice as stated by the NGS, the applicable billing option, the approximate date when transportation service is to begin and the date that the first bill will be mailed.

g. Should the Company receive notification from a Customer within the five (5) calendar days required under the confirmation letter that the Customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by Customer of such error, the Company shall continue billing the Customer under the Customer's current billing arrangement. Should the Company receive notification from the Customer that the Customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the Customer to contact the NGS to request cancellation, and if requested by the Customer, the Company will treat this as an alleged slamming complaint.

h. On or about the eighteenth (18th) of the month, the Company will post on its web site, a list of Customers for the forthcoming month. Additions and removals from the NGS will also be reported on a daily basis in an activity file.

i. Should the Company receive notification by more than one NGS within a one-month period that the Customer has elected said NGS to supply Customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the Customer informs the Company otherwise.

j. The Company will issue, at a minimum, a monthly report of Customers who have discontinued service with the NGS via Internet, which shall include discontinuances initiated by the incumbent NGS, the Customer or Customer's new NGS.

RULES AND REGULATIONS

13. Customer Service, Information Requirements and Slamming Complaints

a. NGSs shall refer to the Commission's Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2206 (a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §§2207 (b), 2208 (e) and (f) and Addressing the Application of Partial Payments at Docket No. M-00991249F0003, for requirements relating to credit determination, deposits, initiation and disconnection of service.

b. NGSs shall refer to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, for requirements relating to disclosure of terms of service, marketing, advertising and sales practices, and privacy of Customer information.

c. NGSs shall refer to the Commission's Guidelines to Ensure Customer Consent to a Change of Natural Gas Suppliers at Docket No. M-00991249F0006, for requirements on handling Customer slamming complaints.

14. Customer Contact

The NGS must maintain a twenty-four (24) hour answering service or a telephone answering machine which informs all callers that if they smell gas or there is any other emergency regarding gas service, the callers should call their gas utility immediately.

If the NGS receives a telephone call from a Customer which should be directed to the Company, the NGS shall direct the Customer to the appropriate contact within the Company.

The NGS shall handle all calls regarding commodity charges and associated rates.

NGSs must coordinate with the Company in resolving Customer inquiries or complaints which involve services provided by both the Company and NGSs.

15. Miscellaneous

a. The NGS shall be deemed to be in control and possession of the gas transported to Company until the gas has been delivered to Company at the agreed-upon delivery point.

b. The NGS warrants the title of the gas delivered to Company and shall indemnify the Company for and save Company harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to Company.

c. The NGS shall be subject to the Liability provisions contained in Company's Retail Gas Tariff.

RATE P-1
PRIORITY ONE POOLING SERVICE

AVAILABILITY

Unless otherwise agreed to by the Company, an NGS that operates a P-1 and a NP-1 pool must serve its P-1 Customers from its P-1 pool and serve its NP-1 Customers from its NP-1 pool. Service under this rate schedule is available to any Priority One Pool Operator who has entered into a Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

RULES AND CONDITIONS

1. **Assignment of Capacity**

Pool Operators with Peak Day Demand < 2,000 Dth per Day

Pool Operators who take service under this rate schedule and have a peak day demand of 2,000 Dth per day or less may choose to decline their pro-rata share of the pipeline and storage capacity. In lieu of such capacity assignment, the Company will deliver the Pool Operator's required daily gas supplies. The Company will bill the Pool Operator monthly at the first of the month IFERC DTI Appalachia Index plus associated delivery charges. Pool operators may change their election to accept or decline capacity each April.

Pool Operators with Peak Day Demand > 2,000 Dth per Day

Pool Operators who take service under this rate schedule must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the Customer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of the standby rate schedule. More specific terms with respect to capacity assignment requirements are set forth in the following sections. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

Assignment of Pennsylvania –Produced Supplies

Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system may be assigned or sold to the NGS as agent for the Customer of the NGS's Priority-One Pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. Such purchased gas cost shall include any volumetric delivery and fuel charges incurred by the Company for local production volumes delivered to the Company via interstate pipelines. The term of the assignment shall be from the first month in which the NGS renders commodity service to the Customer until the NGS's supply agreement with Customer expires, or as otherwise provided herein.

Assigned Pennsylvania-produced supplies shall be recallable by the Company only under the following circumstances:

(1) the Customer on whose behalf the supplies have been assigned is no longer served by the NGS; or

(2) the NGS has failed to comply with terms and conditions set forth herein.

Assignment of Upstream Pipeline Capacity

This section applies to the Company's upstream pipeline capacity on Eastern Gas Transmission and Storage ("EGTS"), Texas Eastern ("TETCO"), Equitrans, and any other pipelines on which the Company may contract for capacity from time to time, excluding National Fuel Gas Supply Corporation.

RATE P-1
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued)

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a zero cost release of capacity provided, however, that the NGS should be responsible for paying all usage based pipeline charges. The term of the release shall be on a monthly basis, commencing with the first month in which the NGS rendered commodity service to the Customer to the earlier of the end of the seasonal period (Winter releases shall terminate March 31 and summer releases shall terminate October 31) or the termination date of the contract(s) between the Company and the upstream pipeline or the last month in which the NGS renders commodity service to the Customer on whose behalf the capacity had been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system. The NGS is responsible for paying all upstream pipeline variable charges incurred on the upstream pipeline.

The firm transportation capacity released pursuant to the previous section shall be recallable by the Company only under the following circumstances:

a. the Customer on whose behalf the capacity has been assigned is no longer served by the NGS; or

b. the NGS has failed to comply with the terms and conditions set forth herein.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline storage capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at zero cost and may be subject to conditions of release (including, but not limited to, injection and withdrawal rights) that differ from the applicable upstream pipeline storage service. The release shall terminate at the end of the then-current storage season pursuant to the applicable upstream pipeline rate schedule terms and conditions; provided, however, the Company may in its discretion release such capacity on a monthly basis.

Capacity released pursuant to this section shall be recallable by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.

Assignment of Other Supplies

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its Supplier of last resort obligation to Priority-One Customers. To the extent that a Priority-One Supplier receives an assignment of the Company's capacity it holds on the Equitrans System, the Company may provide Priority-One suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the Priority One Customer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of Supplier of last resort Customers currently served by the Company. **(C)**

(C)- Indicates Change

RATE P-1
PRIORITY ONE POOLING SERVICE

Assignment of Other Supplies (continued)

Such gas shall be sold to the NGS as agent for the Customer of the NGS's Priority One Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

1. The Customer on whose behalf the supplies have been sold is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

Determination of Assignment Quantities

Unless provided otherwise herein, assignments of Pennsylvania-produced and other supplies, upstream pipeline firm transportation capacity and upstream pipeline storage capacity shall be assigned on a *pro rata* basis in accordance with the supply portfolio held by the Company at the time of assignment to serve its Priority-One Customers; provided, however, the Company shall not be required to assign capacity that is de minimis in nature. The Company will endeavor to accommodate a Priority-One supplier's request for particular upstream pipeline capacity on a first-come first-served basis.

The Company will evaluate the capacity and supply assignments made to the NGS as agent for Customers of the NGS's Priority-One Pool monthly based on the methodology set forth above. The evaluation will include an assessment of whether the upstream pipeline storage capacity assignments are adequate to serve the needs of the Customers of the Pool Operator at that time. To the extent that the evaluation so indicates, revisions to the upstream pipeline storage and storage capacity assignments will be made effective with the summer period. To the extent that the winter evaluation so indicates, the Company may require the NGS to secure additional reliable natural gas commodity, capacity and delivery service to meet the needs of the NGS's Customers. In addition to the preceding, the Company will evaluate the capacity assignments made pursuant to this section from time to time to ensure adequate compliance with its provisions.

Capacity assigned to the NGS hereunder by the Company may be traded with other Priority-One NGSs as long as each NGS retains an aggregate amount determined by the Company to be necessary to satisfy the total demands of the NGS's Customers. Such trading may occur no more frequently than twice per calendar year unless otherwise agreed to by the Company. Any capacity trades must be reduced to writing and provided to the Company for final approval.

Any assignments made pursuant to this tariff are made subject to any order of the Commission. Should the Commission, or anybody authorized by law require a disallowance in the Company's rates that is directly attributable to the Company's assigning or transferring gas supplies to the NGS pursuant to these procedures, the NGS agrees to reimburse to the Company within 30 days of notification of any monies disallowed by the Commission or such other body that are directly attributable to the NGS. The Company shall provide such notification no later than thirty (30) days after a final order is entered by the Commission or other such body.

RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures

Refer to Rule 11 of the Rules and Regulations.

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3. Storage Gas Transfers

Storage Gas Sold by the Company

a. Storage gas transfers may be required by the Company under the following conditions:

i. The NGS is unable to attain the storage inventory level required by the upstream storage service as a result of Customers initially receiving service from the NGS after the commencement of the Summer Period; or

ii. The NGS is assigned upstream pipeline storage capacity during the Winter Period as a result of Customers initially receiving service from the NGS during the Winter Period.

b. The maximum volume of storage gas transfers for the applicable month shall be determined as follows:

i. For assigned upstream pipeline storage capacity, the maximum storage gas transfer shall be the upstream pipeline storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's upstream pipeline storage inventory level to the Company's upstream pipeline storage capacity.

Storage gas transfers shall not be allowed if in the Company's sole discretion it determines such transfers would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The storage gas transfer price each month shall be at the Company's estimated commodity cost of storage gas for the year, plus any applicable taxes. The storage gas transfer price shall be reconciled each calendar year to take into account the actual commodity cost of gas injected into storage net of withdrawals for the current year and, as applicable, the commodity cost of gas from previous years' LIFO inventory layers. The Company shall bill such additional costs as soon as practicable. With respect to storage gas transfers from upstream pipeline storage capacity, the NGS will pay an additional charge equal to the upstream pipeline storage capacity injection and storage fuel charges.

Storage Gas Purchased by the Company

In the event 1) the NGS's Priority-One Pooling Agreement is terminated or canceled or 2) the NGS is no longer serving Customers on whose behalf the storage capacity has been assigned and to the extent the Company in its sole judgment determines it operationally requires such storage capacity to serve the returning Customers, the Company shall have the right, but not the obligation to purchase up to the remaining storage gas in upstream pipeline storage inventories or up to the volumes in storage attributable to the NGS's load loss, respectively. The buyback rate shall be the lower of 1) Storage Gas Transfer Price or 2) the midpoint index price for gas delivered to Eastern Gas Transmission and Storage 's Appalachia Eastern Gas South index as published on the effective date of the buyback plus firm transportation changes to bring the gas to the Company's system, including applicable fuel retainage.

RATE P-1
PRIORITY ONE POOLING SERVICE

3. Storage Gas Transfers (Cont.)

To the extent this provision is invoked and the NGS's storage gas in inventory is below the minimum inventory levels required by these procedures and the Company is required to purchase additional gas supplies on the open market, the NGS agrees to pay the Company an amount equal to the deficiency in volumes from the required inventory levels multiplied by the difference between the price the Company paid and the buyback rate.

4. Load Forecasting

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when Pool Operators must deliver volumes to the Company. The Company may issue OFOs consistent with the terms of the Company's tariff and, as a result, may provide the Pool Operator with daily projections less than two days in advance.

In a format suitable to the Company, the Pool Operator will provide sufficient information about the Priority-One transportation Customers, whose natural gas requirements shall be supplied by the Pool, for the Company to identify them in the Company's billing system. In the event that those Customers shall vary during the term of the Priority One Agreement, Pool Operator shall provide an updated list of Customers to the Company as soon as reasonably possible.

Each of the Customers of Pool Operator's Priority-One Pool must have all of their natural gas consumption over the entire Customer Billing Cycle supplied by Priority-One Pool volumes nominated by Pool Operator. Seven business days prior to the first nomination period, the Company shall provide Pool Operator an initial listing of the end-use Customer accounts to be served by the Pool Operator's Priority-One Pool during the period to which the nominations apply and one week prior to the nomination period for each subsequent month, a listing with additions and deletions from the initial list.

Each Monday through Friday before 10:00 a.m., the Company will provide a projection of the Aggregate Daily Consumption Volume of the Customers of the Pool Operator's Priority-One Pool for the current and subsequent two days. During periods in which no Operational Flow Orders have been issued, the Company will use the following schedule to establish the Aggregate Daily Consumption Volume for which the Pool Operator will be held accountable:

The Projection Provided On:	Will Be Used to Establish the Aggregate Daily Consumption Volume Accountability for the Following:	
Monday	Wednesday	
Tuesday	Thursday	
Wednesday	Friday	
Thursday	Saturday, Sunday and Monday	**(C)**
Friday	Tuesday	**(C)**

a. During periods in which an OFO is in effect, the Company shall establish the Aggregate Daily Consumption Volume no later than 10:00 a.m. of the same Day; or

b. During periods when the mean average temperature is projected to be below 20 degrees Fahrenheit and the mean average temperature projection changes to be colder by at least 4 degrees Fahrenheit, the Company may establish the Aggregate Daily Consumption Volume for a particular day by giving 24 hour notice to the Pool Operator.

(C) – Indicates Change

RATE P-1
PRIORITY ONE POOLING SERVICE

5. Daily Gas Deliveries and Balancing

The Pool Operator must acquire an adequate supply of natural gas (including any assigned volumes) of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and arrange for the delivery of such gas supply to delivery points specified by the Company.

Any differences between the Aggregate Daily Consumption Volume and the Daily Available Volumes during periods in which no OFOs have been issued shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

In the event the Pool Operator fails to provide Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 50% of daily pool requirements for five or more days in each of two consecutive month the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

6. Reconciliation of Monthly Volumes

The difference between aggregate monthly consumption volume and the sum of the aggregate daily consumption volume, as adjusted for any prior month billing corrections, shall be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's aggregate daily consumption volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

AVAILABILITY

Service under this rate schedule is available to any Non-Priority One Pool Operator who has entered into a Non-Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

Unless otherwise agreed to by the Company, an NGS that operates both a P1 and NP-1 pool must serve its P1 Customers from its P1 pool and serve its NP-1 Customers from its NP-1 pool. If the Non-Priority One Pool Operator supplies Priority One Customers with a total annual consumption greater than 30,000 mcf and does not operate a P1 pool, then the Non-Priority One Pool Operator shall establish a separate Priority One Pool for these Customers or eliminate sufficient Priority One Customers from the Non-Priority One Pool to reduce the total annual consumption by Priority One Customers to an amount less than 30,000 mcf.

RULES AND CONDITIONS

1. **Scheduling of Service**

   All transportation volumes received for Pool Operator's account at transportation receipt points shall be nominated in advance according to the procedures set forth below. Pool Operators may not nominate volumes in excess of the total maximum daily volumes of its Customers as determined by the Company or as set forth in a Customer's transportation contract with the Company, times the number of days in the month. The Company may issue Operational Flow Orders consistent with the terms of the Company's tariff.

2. **AVC Capacity**

   Consistent with FERC's rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system may be assigned to the NGS as agent for the Customers of the NGS's Non-Priority One Pool. The assignment shall be structured as a zero cost release of capacity, provided, however, that the NGS should be responsible for paying all usage based pipeline charges. Assigned capacity shall be subject to recall to at the Company's discretion.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

4. Supply Option

The Company may make available gas supplies to Non-Priority One pools upon request. Supplies sold under this section may be recalled by the Company upon 24-hour notice.

5. Nomination Procedures

Refer to Section 11 of the Rules and Regulations.

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes

AVAILABILITY

The Company will make available for purchase by Non-Priority One pool volumes used by the Company to provide balancing services for Non-Priority One Customers.

The Company will purchase balancing volumes based on the Summer Period schedule set forth below. Such volumes shall be purchased by the Company at the first of the month Eastern Transmission and Storage ("EGTS") Appalachia Index price as published in *Inside FERC's Gas Market Report*. The Company will sell balancing volumes on the Winter Period schedule set forth below. Such monthly volumes shall be sold to Non-Priority One pools at a price equal to the sum of:

1. Weighted average cost of balancing volumes purchased during the summer season;
2. The Company's carrying costs associated with balancing volumes purchased by the Company to be sold to Non-Priority One pools. The rate used to calculate the carrying costs shall be based on the Company's actual short-term debt cost rate; and
3. Any applicable interstate pipeline volumetric charges and fuel associated with the delivery of any balancing volumes to the Company's system.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

All of the revenues generated by the sale of balancing gas to the Non-Priority One pools shall be credited to Customers through the 1307(f) mechanism.

The amount of balancing volumes to be made available for purchase by each Non-Priority One pool will be determined based on the percentage of projected balancing fee revenues served by each Non-Priority One pool to total projected balancing fee revenues served by all Non-Priority One pools, based on January business of each year. The Company will inform each Non-Priority One pool of its allocation of balancing volumes available for purchase no later than nine business days before the end of March and each Non-Priority One pool must inform the Company of the amount of balancing volumes to be purchased, up to 100 percent of its allocated volumes, no later than six business days before the end of March. Any balancing volumes not accepted for purchase by a Non-Priority One pool shall be utilized by the Company and will not be made available to other Non-Priority One pools throughout the winter season. The amount of balancing volumes accepted by a Non-Priority One pool shall be final for the ensuing winter period and shall fix the volume of balancing to be purchased and which the Non-Priority One pool is obligated to utilize throughout the entire winter period.

SUMMER PERIOD PURCHASE

Balancing volumes will be purchased by the Company according to the following schedule, with daily purchase volumes in a given month determined by dividing the monthly amount by the number of days in the month:

April and October -	$1/12^{th}$ of allocated balancing volumes
May – September -	$1/6^{th}$ of allocated balancing volumes

WINTER PERIOD SALE

Balancing volumes shall be sold by the Company according to the following schedule, with daily volumes in a given month determined by dividing the monthly amount by the number of days in the month:

November -	9 percent of allocated balancing volumes
December -	17 percent of allocated balancing volumes
January -	27 percent of allocated balancing volumes
February -	27 percent of allocated balancing volumes
March -	20 percent of allocated balancing volumes

OTHER PROVISIONS

Annual Level of Balancing Volumes to be Made Available for Purchase

On an ongoing annual basis, the Company shall review the total level of balancing volumes made available for sale to Non-Priority One pools and, based on changes in the total annual volumes served by all Non-Priority One pools, may revise from year to year the total level of available balancing volumes. Any proposed revisions to the total level of balancing volumes shall be reflected in the Company's annual 1307(f) filings and will be determined by multiplying a factor of 46.7% times forecasted January Non-Priority One transportation usage. The Company shall, for a period of three years, notify active Non-Priority One suppliers of any proposed revision to the total level of balancing volumes at the time of any annual 1307(f) filing containing such a revision.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

Calendar Month Pool Supply
Balancing gas volumes purchased will be considered as part of the Monthly Available Volumes during periods in which no OFOs have been issued and will have first priority.

All Supplier Tariff provisions shall apply to Non-Priority One pool access to balancing volumes unless otherwise modified herein.

7. Daily Load Forecasting and Balancing

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least 7 days in advance of the start of the month. This projection will be based on estimated monthly usage divided by the number of days within the month. The Aggregate Daily Consumption Volume will remain the same throughout the month and any difference in actual monthly usage will be reflected in the calculation of the following month's Aggregate Daily Consumption Volume. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.
.
Any difference between the Customers' Aggregate Daily Consumption Volume and the Daily Available Volumes, during periods in which no OFOs have been issued, shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion, in accordance with reasonable and standard industry practice, terminate the Pooling Agreement.

The difference between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections, may be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods made available by the Company including, but not limited to, the selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE (cont.)

8. Local Gas Volumes

Refer to Rule11, part (c), for nomination and reconciliation details.

RATE LGA
LOCAL GAS AGGREGATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any Aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system.

RULES AND CONDITIONS

1. **Points of Receipt**
   The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its Measurement Operating Agreement with the Company or any other designated point where gas is delivered into the Company's system. The Aggregator will pay for any investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. **Nomination of Aggregated Production**

   Refer to Rule 11 of the Rules and Regulations.

3. **Aggregation Balancing**

   Volumes nominated into a Local Gas Aggregation Pool shall equal the volumes delivered out of the Local Gas Aggregation Pool. Aggregators will not be permitted to deliver more gas out of the pool than is nominated into the pool in any given month. If daily volumes nominated into a Local Gas Aggregation Pool are greater than the daily volumes delivered out of the Local Gas Aggregation Pool, those volumes shall be sold to the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

4. **Procedures When a Local Gas Aggregator Exits the System**

   Refer to Rule 11, part (c).

RATE SBS
SUPPLIER BILLING SERVICE

AVAILABILITY

Service under this rate schedule is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas supplied by the NGS.

RULES AND CONDITIONS

1. Limitations

The Company shall provide service under this rate schedule provided that its billing systems have the capacity and capability to bill the rate plans offered by the NGS. The Company shall maintain a limited amount of billing system space and accordingly, shall offer only a limited number of price plans per NGS. The Company shall not be required to make programming changes to accommodate the NGS's rate structure.

2. Notifications

Prior to the NGS commencing marketing, the NGS shall provide a written copy of its rate structure to the Company. All rate information received by the Company shall be confidential.

The NGS shall be notified within ten (10) business days after the Company receives a written copy of the NGS's rate structure if such rate structure can (or cannot) be accommodated by the Company's billing system. The NGS shall not commence marketing until it receives a positive affirmation that its rate structure can be accommodated by the Company.

The NGS must provide fifteen (15) day's notice to the Company of any rate changes, which changes shall be subject to the Company's approval based on the Company's ability to accommodate such changes in its programming. Approved rate changes shall be effective on the Customer's next billing date.

3. Bill Content

The bill sent to the Customer shall be provided under the following conditions:

a. The NGS's name, phone number, business address and internet address shall appear on the bill so the NGS can answer any Customer questions regarding commodity charges.

b. The billing envelope shall not provide space for inserts from the NGS. The bill shall not include messages from the NGS.

c. The bill shall contain the NGS's Commodity charges. The Company shall not be required to bill any charges other than gas commodity charges.

d. The Company will house, bill and display sales tax on the commodity and remit sales tax to the state. The NGS appoints the Company as its agent for the limited purpose of collecting and remitting the NGS's sales tax, and further agrees to indemnify and hold the Company harmless for any claims, suits and/or damages that arise due to the Company acting as the NGS's agent in collecting and remitting such taxes.

e. The Company shall offer a separate billing option for residential Customers to equalize monthly payments.

RATE SBS
SUPPLIER BILLING SERVICE

4. Purchase of Receivables

NGSs that receive service under this rate schedule may elect to have the Company purchase its accounts receivables. The NGS's option to participate or not participate in the Purchase of Receivables (POR) program is limited to once per year. If an existing NGS elects to participate in the POR program, the Company will not purchase accounts receivable balances that existed prior to the NGS's election to participate in the POR program.

Purchase of Receivables Option

The following operating rules will apply to any NGS electing to participate in the POR program:

1. The POR program is only available to NGSs that operate a P-1 or NP-1 pool. The Company shall purchase receivables for all Customers in a participating pool. All Customers served from a P-1 pool are eligible to have their receivables purchased by the Company. If an NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business Customers consuming less than 1,000 Mcf annually. NGSs serving NP-1 Customers and participating in the POR program must operate a separate NP-1 pool for residential and small business Customers (POR pool) and a separate NP-1 pool for all other Customers;
2. The NGS must include all of its accounts receivable related to commodity sales in its P-1 pool or its NP-1 POR pool (Refer to Availability under Rate P-1 and Rate NP-1);
3. Only receivables associated with basic gas supply will be eligible for purchase by the Company. Basic gas supply does not include a non-gas supply product, carbon-neutral products not tied to the actual provision of natural gas to Customers or security deposits assessed by a natural gas supplier. For residential accounts, basic gas supply shall also not include early contract cancellation fees or late fees;
4. In order to participate in the POR program, the NGS must use consolidated billing services under this rate schedule. Should the NGSs participating in the POR program wish to offer products that are bundled with non-basic services, or where the Company's billing service cannot accommodate the NGS's charge for basic supply, the NGS may issue a separate bill for such service or product for that Customer. NGS separately billed items will not be included in the POR program;
5. The Company will purchase NGS receivables at a discount rate equal to the write-off factor used to derive the Merchant Function Charge. The discount rate for residential Customer receivables is 2.20%. The discount rate for commercial and industrial Customer receivables is 0.332%. The discount rate applicable to each POR pool (Pool Discount Rate) shall be established by the Company and shall be based on the weighted average of the class specific accounts receivables and the class specific discount rates stated above. The Company shall have the right to review and adjust the Pool Discount Rate on a monthly basis to reflect the actual mix of Customers served by the pool;
6. An administrative adder of 0.0213% will also be applicable to purchased receivables. The administrative adder will be eliminated once actual costs of establishing the POR program are recovered;
7. The Company shall terminate for the full amount of purchased receivables and require full payment for reconnection in accordance with the service termination provisions of Chapter 14 of the PA Public Utility Code and Chapter 56 of the Commission's regulations;
8. The Company shall inform all eligible Customers by separate bill insert of the policy for termination of service and that service may be terminated for failure to pay NGS supply charges. Further, the enrollment letter sent to Customers selecting a NGS shall state that service may be terminated for failure to pay NGS supply charges;
9. The NGS must confirm to the Company that their Customer terms and conditions are appropriately revised to reflect their collection rights; and

RATE SBS
SUPPLIER BILLING SERVICE

Purchase of Receivables (continued)

10. The NGS will not deny service to residential Customers whose accounts are included in POR for credit-related reasons and will not ask residential Customers for deposits separate from any deposit required by the Company pursuant to Commission regulations.

Non-Purchase of Receivables Option

The Company will remit to the NGS on a monthly basis all amounts actually paid to the Company by the Customer relating to the charges billed to the Customer on behalf of the NGS, net of amounts due to the Company from the NGS. The amounts remitted to the NGS shall also conform to requirements on the Application of Partial Payments – Rule 5.

5. Application of Partial Payments

The Company will apply partial payments in accordance with Commission guidelines. The following order for the application of partial payments shall apply to all residential Customers and for other Customers whose gas supply contract does not specify the application of partial payments:

a. Payment agreement for pre-existing balance;
b. Current company charges;
c. NGS charges;
d. Non-basic service charges; and
e. Hardship energy fund contribution.

RATE TABLE

Billing Fee: $0.15 billing charge per Customer per month.

To the extent the NGS has provided the Company with inaccurate or erroneous information which requires an adjustment to Customer's bills, the NGS agrees to pay the Company $2.00 per bill for bill credits and $4.00 per bill for any Customer's bill that must be canceled and rebilled. The Company may assess a nominal fee to a NGS for reproduction copies of any daily or monthly file previously provided by the Company.

Original Tariff GAS — PA PUC No.49
Cancels and Supersedes Tariff Gas – PA PUC No. 48

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

ISSUED: March 27, 2026 **EFFECTIVE: May 26, 2026**

BY: Michael Huwar
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

This tariff cancels and supersedes Tariff Gas – PA PUC No. 48. Upon approval of Tariff Gas – PA PUC No. 49, all Peoples Natural Gas Company LLC customers will be subject to the rates and rules set forth herein.

This tariff makes changes to existing rates.
(See page 2)

LIST OF CHANGES

Page	Page Description	Revision Description
2	List of Changes	List of Changes
3-4	Summary of Rates	Summary of prices for each rate schedule and rider updated
6	Definition of Terms	Updated Applicant and Customer descriptions
8	Classification of Customers	Updated Residential Customer section
10	Rates Available in Tariff	Added a description for Rate MLS
11	Description of Territory	Moved a city/borough to township
13	Description of Territory	Removed extra cities/boroughs
18	Rules and Regulations	Application for Service: Updated section to note Applicant or Customer as well as additional verbiage
19-20	Rules and Regulations	Rules for Deposit: Updated section to note Applicant or Customer as well as removed section B, 3
22	Rules and Regulations	Connection for Service: Updated section to note Applicate or Customer as well as additional verbiage
24	Rules and Regulations	Discontinuance and Termination of Service: Updated section to note Applicant or Customer as well as additional verbiage and updated turn-on fees.
25	Rules and Regulations	Nonliability of Company/Limitation of Liability: Updated first and second paragraph and added in new paragraph
26, 28	Rules and Regulations	Billing and Payment: Removed duplicate paragraph and added two paragraphs under Dishonored Payment section. Updated fee amount.
35	Rules and Regulations	Selection of NGS: Added bullet point e
38	Rules and Regulations	Rules Part of Contract: Added section under first paragraph as well as under Contact Information section
40	Rate RS – Residential Service	Customer and Delivery Charge updated
42-43	Customer Assistance Program	Added sentence under Rate Table section and added #9 and #10 under Rules and Regulations
45	Rate SGS - Small General Service	Customer and Delivery Charges updated
47	Rate MGS - Medium General Service	Customer and Delivery Charges updated
49	Rate LGS - Large General Service	Customer and Delivery Charges updated
55	Rate GS-T - General Service – Transportation	Customer Charges updated
56	Rate GS-T - General Service – Transportation	Delivery Charges updated
61-62	Rate MLS	Delivery Charges updated, removed DSIC language as it doesn't apply on pg. 62, updated eligibility and added language on Right for First Refusal
64	Application Gathering System	Gathering rate updated
75	Merchant Function Charge	Rates updated
76	Rider Universal Service	Removed the reference to Community Partnership for Weatherization and added reference to CARES. Updated bad debt offset percentage as well as threshold of CAP participants. Updated Annual Reconciliation timing.
78	Rider Tax Repairs Surcredit	Updated Amortization start date from Jan 2025 to Aug 2021
79	Rider WNA	Updated the typed out formula and updated Docket Number
81	Rider DSIC	Rate updated

	Rider Purchased Gas Costs			Base Rate	Rider	Rider	Rider Supplier	Rider	Rider	Rider	Rider	Peoples Natural Gas Customers
	Capacity	GCA	Commodity	Charges	STAS	MFC	Choice	USR	GPC	DSIC Charge	TRS	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=SUM 1 to 11)
Residential Sales					0.00%					0.00%	-0.6146%	
Customer Charge				$ 26.00			$ 0.0036			$ -	$ (0.1033)	$ 25.9003
Capacity	$ 1.8641					$ 0.0360						$ 1.9001
Price to Compare - PTC		$ 0.3471	$ 5.5107			$ 0.1131			$ 0.0984			$ 6.0693
Delivery Charge				$ 6.6359				$ 0.0054		$ -	$ (0.0329)	$ 6.6084
State Tax Surcharge					$ -							$ -
Total per MCF						$ 0.1490						$ 14.5778
Small General Service (SGS)												
Customer Charge												
0 to 499 MCF/Yr				$ 32.14			$ 0.0036			$ -	$ (0.1352)	$ 32.0084
500 to 999 MCF/Yr				$ 64.28			$ 0.0036			$ -	$ (0.2704)	$ 64.0132
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.0230
Delivery Charge				$ 5.7095						$ -	$ (0.0245)	$ 5.6850
State Tax Surcharge					$ -							$ -
Total per MCF	$ 1.8641											$ 13.5380
Medium General Service (MGS)												
Customer Charge												
1,000 to 2,499 MCF/Yr				$ 110.00						$ -	$ (0.6207)	$ 109.3793
2,500 to 24,999 MCF/Yr				$ 158.00						$ -	$ (0.8912)	$ 157.1088
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.0230
Delivery Charge				$ 5.2072						$ -	$ (0.0227)	$ 5.1845
State Tax Surcharge					$ -							$ -
Total per MCF	$ 1.8641											$ 13.0375
Large General Service (LGS)												
Customer Charge												
25,000 to 49,999 MCF/Yr				$ 987.00						$ -	$ (5.7772)	$ 981.2228
50,000 to 99,999 MCF/Yr				$ 1,538.00						$ -	$ (9.0039)	$ 1,528.9961
100,000 to 199,999 MCF/Yr				$ 2,237.00						$ -	$ (13.0910)	$ 2,223.9090
Over 200,000 MCF/Yr				$ 5,912.00						$ -	$ (34.6020)	$ 5,877.3980
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.6790
Delivery Charge												
25,000 - 49,999 MCF/Yr				$ 2.9451	$ -					$ -	$ (0.0162)	$ 2.9289
50,000 - 99,999 MCF/Yr				$ 2.8512	$ -					$ -	$ (0.0157)	$ 2.8355
100,000 - 199,999 MCF/Yr				$ 2.7189	$ -					$ -	$ (0.0150)	$ 2.7039
200,000 to 749,999 MCF/Yr				$ 2.4509	$ -					$ -	$ (0.0135)	$ 2.4374
750,000 to 1,999,999 MCF/Yr				$ 2.1336	$ -					$ -	$ (0.0117)	$ 2.1219
Over 2,000,000 MCF/Yr				$ 1.6123	$ -					$ -	$ (0.0089)	$ 1.6034
2/ Total per MCF	$ 1.8641											$ 10.7819
Mainline Service (MLS)												
Customer Charge												
Over 500,000 MCF/Yr				$ 5,912.00							$ (34.6020)	$ 5,877.3980
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.6790
Delivery Charge												
PNG transmission line				$ 0.7470	$ -						$ (0.0046)	$ 0.7425
Interstate pipeline				$ 0.4446	$ -						$ (0.0027)	$ 0.4419
Total per MCF												$ 8.5955

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

2/ The Total per Mcf displayed for Retail LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.

3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.

4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

APPENDIX C - Peoples Natural Gas Company LLC Retail Tariff No. 49 - Effective May 26, 2026

	Base Rate Charges	Rider STAS	Rider MFC	Rider USR	Gas Costs Capacity	Balancing Charge	Rider Supplier Choice	Rider DSIC Charge	Rider TRS	Peoples Natural Gas Customers Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Residential		0.00%						0.00%	-0.6146%	
Customer Charge	$ 26.0000						$ 0.0036	$ -	$ (0.1033)	$ 25.9003
Capacity			$ 0.0360		$ 1.8641					$ 1.9001
Delivery Charge	$ 6.6359			$ 0.0054				$ -	$ (0.0329)	$ 6.6084
State Tax Surcharge		$ -								$ -
Total per MCF										$ 8.5085
Rate GS-Transportation SGS										
Customer Charge										
0 to 499 MCF/Yr	$ 32.1400						$ 0.0036	$ -	$ (0.1352)	$ 32.0084
500 to 999 MCF/Yr	$ 64.2800						$ 0.0036	$ -	$ (0.2704)	$ 64.0132
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 5.7095							$ -	$ (0.0245)	$ 5.6850
State Tax Surcharge		$ -								$ -
Total per MCF										$ 6.5150
Rate GS-Transportation MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	$ 110.0000							$ -	$ (0.6207)	$ 109.3793
2,500 to 24,999 MCF/Yr	$ 158.0000							$ -	$ (0.8912)	$ 157.1088
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 5.2072							$ -	$ (0.0227)	$ 5.1845
State Tax Surcharge		$ -								$ -
Total per MCF										$ 6.0145
Rate GS-Transportation LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	$ 987.0000							$ -	$ (5.7772)	$ 981.2228
50,000 to 99,999 MCF/Yr	$ 1,538.0000							$ -	$ (9.0039)	$ 1,528.9961
100,000 to 199,999 MCF/Yr	$ 2,237.0000							$ -	$ (13.0910)	$ 2,223.9090
Over 200,000 MCF/Yr	$ 5,912.0000							$ -	$ (34.6020)	$ 5,877.3980
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
25,000 - 49,999 MCF/Yr	$ 2.9451	$ -						$ -	$ (0.0162)	$ 2.9289
50,000 - 99,999 MCF/Yr	$ 2.8512	$ -						$ -	$ (0.0157)	$ 2.8355
100,000 - 199,999 MCF/Yr	$ 2.7189	$ -						$ -	$ (0.0150)	$ 2.7039
200,000 to 749,999 MCF/Yr	$ 2.4509	$ -						$ -	$ (0.0135)	$ 2.4374
750,000 to 1,999,999 MCF/Yr	$ 2.1336	$ -						$ -	$ (0.0117)	$ 2.1219
Over 2,000,000 MCF/Yr	$ 1.6123	$ -						$ -	$ (0.0089)	$ 1.6034
2/ Total per MCF										$ 3.1029
Mainline Service (MLS)										
Customer Charge										
Over 500,000 MCF/Yr	$ 5,912.0000								$ (34.6020)	$ 5,877.3980
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
Delivery Charge										
PNG transmission line	$ 0.7470	$ -							$ (0.0046)	$ 0.7425
Interstate pipeline	$ 0.4446	$ -							$ (0.0027)	$ 0.4419
Total per MCF										$ 0.9165

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the Balancing Charge.
2/ The Total per Mcf displayed for Transport LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.
3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.
4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

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DEFINITIONS OF TERMS

Applicant - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not receiving from the Company any service provided for in this Tariff. An Applicant shall become a customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff. Applicants for residential service shall be further defined as a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. Applicants for residential service do not include a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within Peoples' service territory.

Capacity Charge – A charge designed to recover the costs that the Company incurs to reserve capacity on interstate pipelines.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

City Gate – The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commission – The Pennsylvania Public Utility Commission or any lawful successor thereto that provides oversight, policy, guidance and direction to public utilities and NGSs.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas supplier which involves the purchase of gas commodity by the customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc., (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff. A Customer of residential service includes a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnection at the same location or transferred to another location within Peoples' service territory.

Customer Charge – A monthly charge to cover such natural gas distribution company costs as maintaining the gas lines, meter reading and billing.

Daily Available Volume – The total volume of gas actually delivered to the Company for the customer's account on a particular day, less an appropriate retainage percentage plus any adjustments associated with the reconciliation of monthly volumes as set forth in Rate GS-T and Rate T.

Daily Consumption Volume – The quantity of gas estimated by the Company to be consumed by the customer on any day.

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Delivery Charge – A charge designed to recover the costs the Company incurs in using its distribution system or local pipelines to deliver natural gas to a customer.

Distribution Charges – Various natural gas distribution charges that may include the Delivery Charge, Capacity Charge and Gas Cost Adjustment Charge.

Distribution Service – Service provided by the Company involving the delivery of gas to the customer.

DEFINITIONS OF TERMS

Gas Cost Adjustment Charge – The amount billed or credited each month to account for differences between projected and actual gas supply costs of the Company.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

Natural Gas Distribution Company - A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to customers that is delivered through the distribution lines of the Company.

Small Business Customer – Any commercial or industrial customer with annual consumption of less than 300 Mcf.

Storage – Placing natural gas into an underground facility for removal and use at a later date.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from another natural gas supplier, or customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Priority-One customers under the terms of this tariff. Each customer may only have one supplier of last resort.

Supplier of Last Resort Service – Service that includes both Distribution Service and Commodity Service provided by the Company in its role as Supplier of Last Resort.

(C) – Indicates change.

(D) – Indicates decrease.

(I) – Indicates increase.

CLASSIFICATION OF CUSTOMERS
TO WHOM SERVICE IS MADE AVAILABLE

Gas service is made available under the rules, regulations, and terms and at the rates contained in this tariff, based upon the use to which such gas is put and not upon volumes consumed (except where indicated), to the following classes of customers:

RESIDENTIAL CUSTOMERS

Residential customers are customers who use gas for household purposes, including single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, and governmental housing in which the units are individually metered. In this class, the element of human welfare and comfort in a residential setting is the distinguishing test of the customer's use of gas. Residential service does not include hotels, motels or other temporary housing units. Each meter represents one customer.

COMMERCIAL CUSTOMERS

Commercial customers are customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; and any non-industrial premises where one meter is serving more than one unit. If the customer's predominant usage is for natural gas-powered vehicle service, then the customer will be classified as a Commercial customer.

INDUSTRIAL CUSTOMERS

Industrial customers include customers who are engaged in a process which creates or changes raw material or unfinished materials into another form; customers who use gas for large-volume power; customers who use gas for process steam generation; and customers who use gas for any other purpose not predominantly residential or commercial.

CLASSIFICATION OF CUSTOMERS TO WHOM SERVICE IS MADE AVAILABLE

NATURAL GAS DISTRIBUTION COMPANY (NGDC) CUSTOMERS

NGDC customers are companies regulated by the Commission. Within this classification the NGDC can be acting either on its own or on its end user's behalf.

CHANGE IN CLASSIFICATION

Any customer who believes that, as a result of a change in the use of the premises served, his classification ought to be changed must contact the Company. All changes will be determined by the Company, on a prospective basis, after it has been notified of the change; however, the Company reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

Eligibility for a particular rate schedule under this tariff and application of the appropriate monthly customer charge shall be based on a review of the customer’s annual usage. This review shall not be conducted more frequently than once per year. All changes in rate schedule classification and monthly customer charges as a result of this usage review shall be implemented on a prospective basis. Rate schedule classification and the appropriate customer charge for new customers, shall be determined by the Company based on an estimate of annual usage. The Company also reserves the right to establish the appropriate rate schedule classification and monthly customer charge based on anticipated customer usage.

RATES AVAILABLE UNDER THIS TARIFF

Rate RS - Residential Service
This rate is available to residential customers throughout the territory served by the Company.

Rate CAP and Rate E-CAP
This is available to residential customers who meet the criteria as detailed in this Rate Schedule.

Rate SGS – Small General Service
This rate is available to commercial and industrial customers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate MGS – Medium General Service
This rate is available to commercial and industrial customers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate LGS – Large General Service
This rate is available to commercial and industrial customers and NGDCs consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate CER - Competitive Energy Rate
This rate is available to all customers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

Rate GS-T - General Service Transportation
This rate offers firm transportation service for residential, commercial, industrial, and NGDC customers. Commercial, industrial, and NGDC customers that consume less than 1,000 Mcf per year are classified as Small General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume more than 25,000 Mcf per year are classified as Large General Service customers under this tariff.

Rate GS-SB - General Standby Service
This rate offers standby service for residential, commercial, and industrial transportation customers.

Rate NGPV
This rate offers service for natural gas powered vehicles.

Rate Schedule - Appalachian Gathering Service
This rate is available to any party desiring to deliver conventional well gas directly into the Company’s system.

Rate GL- Gas Lights
This rate offers service for any gas lighting where the gas is not measured by a meter.

Rate MLS – Mainline Service
This rate is available at one location, for the total requirements of a commercial or industrial customer when: (i) the customer does not take service under any other rate schedule; (ii) the Customer meets either one of the following qualifications: the Customer has annual throughput requirements greater than 500,000 mcf and is within 1,000 feet of an Interstate pipeline supplier of the Company; or the Customer has annual throughput requirements of greater than 500,000 mcf and is located within 1,000 feet of PNG Transmission class pipeline facilities.

DESCRIPTION OF TERRITORY

The Company serves as a natural gas public Company in the following cities, boroughs, and townships, all of which are in Pennsylvania:

ALLEGHENY COUNTY

Cities and Boroughs

Aspinwall	Elizabeth	Pleasant Hills
Avalon	Emsworth	Plum
Baldwin	Etna	Port Vue
Bellevue	Forest Hils	Rankin
Ben Avon	Fox Chapel	Rosslyn Farms
Ben Avon Heights	Franklin Park	Sewickley Heights
Bethel Park	Glassport	Sewickley Hills
Blawnox	Greentree	Sharpsburg
Brackenridge	Heidelberg	Springdale
Braddock	Homestead	Swissvale
Braddock Hills	Ingram	Tarentum
Brentwood	Jefferson	Thornburg
Bridgeville	Jefferson Hills	Trafford
Carnegie	Liberty	Turtle Creek
Chalfant	Lincoln	Verona
Cheswick	McKees Rocks	Versailles
Churchill	McKeesport	Wall
Clairton	Millvale	West Elizabeth
Coraopolis	Monroeville	West Homestead
Crafton	Mt. Oliver	West Mifflin
Dormont	Munhall	West View
Dravosburg	North Braddock	Whitaker
Duquesne	Oakmont	White Oak
East McKeesport	Pitcairn	Whitehall
East Pittsburgh	Pittsburgh	Wilkinsburg
Edgewood		Wilmerding

Townships

Aleppo	Kennedy	Richland
Collier	Kilbuck	Robinson
Crescent	Marshall	Ross
East Deer	McCandless	Scott
Elizabeth	Moon	Shaler
Fawn	Mt. Lebanon	South Fayette
Findlay	North Fayette	South Park
Forward	North Versailles	South Versailles
Frazer	O'Hara	Springdale
Hampton	Ohio	Stowe
Hamar	Penn Hills	Upper St. Clair
Harrison	Pine	West Deer
Indiana	Reserve	Wilkins

DESCRIPTION OF TERRITORY

ARMSTRONG COUNTY

Cities and Boroughs

Apollo	Ford Cliff	North Apollo
Applewold	Freeport	Parker City
Atwood	Kittanning	Rural Valley
Dayton	Leechburg	West Kittanning
Elderton	Manorville	Worthington
Ford City		

Townships

Bethel	Kiskiminetas	Rayburn
Boggs	Kittanning	Redbank
Bradys Bend	Madison	South Bend
Burrell	Mahoning	South Buffalo
Cadogan	Manor	Sugarcreek
Cowanshannock	North Buffalo	Valley
East Franklin	Parks	Washington
Gilpin	Pine	Wayne
Hovey	Plumcreek	West Franklin

BEAVER COUNTY

Cities and Boroughs

Aliquippa	Midland	Shippingport
Beaver	Monaca	South Heights
Industry	Ohioville	

Townships

Brighton	Hopewell	Potter
Center	Independence	Raccoon
Chippewa	Marion	South Beaver
Darlington	New Sewickley	Vanport
Franklin		

BLAIR COUNTY

Cities and Boroughs

Altoona	Duncansville	Tyrone
Bellwood	Hollidaysburg	

Townships

Allegheny	Frankstown	Logan
Antis	Greenfield	Snyder
Blair		

DESCRIPTION OF TERRITORY

BUTLER COUNTY

Boroughs

Bruin	Fairview	Sarver
Butler	Harmony	Saxonburg
Callery	Mars	Seven Fields
Connoquenessing	Petrolia	Slippery Rock
East Butler	Portersville	Valencia
Evans City	Prospect	Zelienople

Townships

Adams	Donegal	Muddycreek
Buffalo	Fairview	Oakland
Butler	Forward	Parker
Center	Franklin	Penn
Cherry	Jackson	Slippery Rock
Clearfield	Jefferson	Summit
Clinton	Lancaster	Washington
Concord	Marion	Winfield
Connoquenessing	Middlesex	Worth
Cranberry		

CAMBRIA COUNTY

Cities and Boroughs

Brownstown	Gallitzin	Nanty-Glo
Cresson	Geistown	Portage
Dale	Johnstown	Sankertown
Ebensburg	Lorain	Southmont
Ferndale	Loretto	Westmont
Franklin		

Townships

Adams	East Taylor	Stonycreek
Allegheny	Jackson	Susquehanna
Blacklick	Lower Yoder	Upper Yoder
Cambria	Middle Taylor	Washington
Conemaugh	Munster	West Carroll
Cresson	Portage	West Taylor
Croyle	Richland	

DESCRIPTION OF TERRITORY

CLARION COUNTY

Boroughs

Sligo

Townships

Clarion	Monroe	Redbank
Limestone	Piney	Toby
Madison	Porter	

CLEARFIELD COUNTY

Townships

Bell	Burnside

FAYETTE COUNTY

Boroughs

Belle Vernon	Fayette City	Point Marion
Fairchance	Masontown	

Townships

Franklin	Menallen	Springhill
Georges	North Union	Stewart
German	Perry	Washington
Jefferson	Saltlick	Wharton
Luzerne	South Union	

GREENE COUNTY

Boroughs

Carmichaels	Jefferson	Waynesburg
Clarksville	Mather	

Townships

Aleppo	Greene	Perry
Center	Jackson	Richhill
Cumberland	Jefferson	Springhill
Dunkard	Monongahela	Washington
Franklin	Morgan	Wayne
Freeport	Morris	Whiteley
Gilmore		

DESCRIPTION OF TERRITORY

INDIANA COUNTY

Boroughs

Blairsville	Homer City	Saltsburg
Creekside	Indiana	Shelocta
Ernest	Marion Center	Smicksburg
Glen Cambell	Plumville	

Townships

Armstrong	Cherryhill	Rayne
Banks	Conemaugh	South Mahoning
Black Lick	East Mahoning	Washington
Brush Valley	East Wheatfield	West Mahoning
Buffington	Grant	West Wheatfield
Burrell	Home	White
Canoe	Montgomery	Young
Center	North Mahoning	
	Pine	

JEFFERSON COUNTY

Boroughs

Big Run	Timblin	Worthville
Punxsutawney		

Townships

Beaver	McCalmont	Rose
Bell	Oliver	Union
Clover	Perry	Warsaw
Eldred	Pine Creek	Washington
Gaskill	Porter	Winslow
Henderson	Ringgold	Young
Knox		

LAWRENCE COUNTY

Boroughs

Enon Valley	New Wilmington	Volant

Townships

Hickory	Neshannock	Washington
Little Beaver	Pulaski	Wilmington
	Scott	

DESCRIPTION OF TERRITORY

MERCER COUNTY

Boroughs

Grove City	Sandy Lake	Stoneboro

Townships

East Lackawannock	Pine	Springfield
Findley	Sandy Lake	Wilmington
Lake	Shenango	Wolf Creek
Liberty		

SOMERSET COUNTY

Boroughs

Boswell	Seven Springs	

Townships

Conemaugh	Jenner	Somerset
Jefferson	Middlecreek	

VENANGO COUNTY

Townships

Clinton	Irwin	

WASHINGTON COUNTY

Cities and Boroughs

Beallsville	Centerville	Ellsworth
Bentleyville	Cokeburg	Finleyville
Burgettstown	Deemston	Monongahela
California	Donora	New Eagle

Townships

Amwell	Jefferson	Somerset
Carroll	Monongahela	South Franklin
Cecil	Morris	South Strabane
Chartiers	Mt. Pleasant	Union
Cross Creek	North Bethlehem	West Bethlehem
East Bethlehem	North Strabane	West Pike Run
East Finley	Nottingham	
East Pike Run	Peters	
Fallowfield	Robinson	
Hanover	Smith	

DESCRIPTION OF TERRITORY

WESTMORELAND COUNTY

Cities and Boroughs

Adamsburg	Irwin	New Derry
Arnold	Jeanette	North Belle Vernon
Avonmore	Latrobe	North Irwin
Bolivar	Ligonier	Oklahoma
Delmomt	Lower Burrell	South Greensburg
Derry	Manor	Southwest Greensburg
East Vandergrift	McCullough	Trafford
Export	Monessen	Vandergrift
Greensburg	Murrysville	West Leechburg
Hunker	New Alexandria	Youngstown
Hyde Park	New Florence	Youngwood
	New Kensington	

Townships

Allegheny	Ligonier	Salem
Bell	Lower Burrell	South Huntingdon
Derry	Loyalhanna	St. Clair
Donegal	Mt. Pleasant	Unity
East Huntingdon	North Huntingdon	Upper Burrell
Fairfield	Penn	Washington
Hempfield	Rostraver	

The above-listed cities, boroughs, and townships in Pennsylvania in which the Company provides natural gas public utility service are not the only cities, boroughs, and townships in which the Company is entitled, either by charter or certificate, to provide such natural gas public utility service.

RULES AND REGULATIONS

1. APPLICATION FOR SERVICE

Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the Applicant or Customer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the Applicant or Customer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant or Customer 's NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The application information required from a residential Applicant shall include but not be limited to complete name and contact information, including all members of the household, employment information and landlord contact information, if Applicant is renting the service address. The Company may request verification of the identity of Applicant and other adult occupants of service address in the form of government issued photo ID (i.e., driver's license) or two alternative forms of identification, one of which must be a photo ID. The Company may, as a condition of furnishing service to an Applicant, require the Applicant, in accordance with applicable Commission regulations, to pay an outstanding gas service account balance, if the Company can show that the Applicant resided at, or occupied if a non-residential account, the property for which service is requested during the period of time that the outstanding balance accrued. The methods used by the Company to determine an Applicant's liability for any such previously furnished service may include reference to customer service records of the Company, including internal Company notes, service contracts, information collected from the Applicant and other members of the household in connection with any help provided by the Company in determining eligibility for and completing applications to various assistance programs. Other methods which may be used by the Company for such purposes include identity authentication services, public data and information, mortgage, deed or lease information, commercially available consumer credit reporting services, skip-tracing tools, any publicly available information on social media, news or internet platforms and other methods which are or have been approved as valid by the Commission.

Upon the receipt of natural gas service, the Applicant shall become a Customer of the Company. Acceptance of service by a Customer shall constitute an agreement to accept service under the Rules and Regulations of this Tariff, as amended from time to time, the orders and regulations of the Commission and the applicable laws of the Commonwealth of Pennsylvania.

The Company may decline or refuse to serve an Applicant or Customer for any of the following reasons:

i. The Applicant or Customer has failed to comply with Federal, state and municipal laws, statutes, and regulations governing gas service, including the Commission's regulations, and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto.
ii. The Company does not have adequate facilities in place to render the service desired or if rendering such service would adversely affect service to the Company's existing Customers.
iii. The Applicant or Customer's installation of piping or gas equipment is, in the Company's judgment, hazardous, not installed by qualified personnel or of such character that safe and adequate service cannot be delivered.
iv. An extension of Company facilities is required and the Applicant or Customer refuses to pay the required contribution in-aid-of-construction as calculated in accordance with Rules and Regulations.
v. Amounts due for service to Applicant or Customer at a previous location have not been paid or covered by a payment agreement as outlined under Commission regulations.
vi. Where the requested service may need to be delivered from non-jurisdictional gathering pipeline facility.
vii. The Applicant or Customer has another source of gas supply separately delivered or available to the structure(s) or building(s) where the Company's gas service is desired, such that the gas supplied by the Company would be commingled with the separately delivered gas supply, contrary to Company policy against commingled gas.

The Applicant or Customer shall inform the Company in advance of any proposed additions to (or decreases in) the Applicant or Customer's connected natural gas load.

RULES AND REGULATION

2. CHARACTER OF SERVICE

The Company offers firm service, unless otherwise provided in this tariff.

3. RULES FOR DEPOSIT

RESIDENTIAL CUSTOMERS

A. A deposit from a Customer shall conform to the requirements of all applicable Commission regulations and statutory requirements. Deposits required by the Company for services under this Tariff shall not be based on unpaid charges for gas supply services provided by an NGS.

B. The Company may also require a security deposit from an Applicant or a Customer if any of the following conditions exist:

1) The Applicant or Customer was a residential distribution service Customer of the Company whose service was terminated for any of the following reasons:
   a. Nonpayment of an undisputed delinquent account.
   b. Failure to complete payment of a deposit, provide a guarantee, or establish credit.
   c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
   d. Unauthorized use of the utility service delivered on or about the affected dwelling.
   e. Failure to comply with the material terms of a settlement or payment agreement.
   f. Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
   g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
   h. Violating Tariff provisions which endanger the safety of a person or the integrity of the Company's gas delivery system.

2) The Applicant or Customer is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice, provided that the methodology does not directly, or have the effect of, discriminating based on a protected class as set forth in the federal Equal Credit Opportunity Act.

C. If an Applicant or Customer is required to post a security deposit, they may, in the alternative:

1) Furnish a written guaranty from a third party, which can, to the Company's satisfaction, establish credit in Applicant or Customer's favor sufficient to assure payment to the Company upon demand of an amount equal to that which would otherwise be required in a security deposit. The third party may not be a resident of the premise where service is to be provided.

2) Provide income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's Customer Assistance Program.

A written guaranty in a form acceptable to the Company must be received by the Company prior to commencement of utility service to any Applicant who elects the foregoing alternative to the posting of a security deposit.

3. RULES FOR DEPOSIT (continued)

D. The Company may require an existing or terminated Customer to post a security deposit in order to re-establish credit under any of the following circumstances, after giving the Customer due notice of its intention to require a security deposit in accordance with prevailing Commission regulations:

1) The existing Customer has been delinquent on any two (2) consecutive bills or three (3) or more bills within the preceding twelve (12) month period.

2) The existing Customer has failed to comply with a material term or condition of a settlement or payment agreement, as defined in applicable Commission regulations.

3) The Customer's utility service has been terminated and the Customer desires reconnection.

Notwithstanding subsection (D), the Company may not require a cash deposit from a customer who is, based upon household income, confirmed to be eligible for a customer assistance program. A customer is confirmed to be eligible for a customer assistance program by the public utility if the customer provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirement that are consistent with those of the public utility's Customer Assistance Program.

E. When the Company requires a security deposit from an Applicant or Customer, the due date for the payment of such security deposit will be in accordance with the applicable Commission regulations.

F. A security deposit may be required in an amount equal to twice the average estimated monthly bill of the Applicant or Customer. This estimate shall be based upon prior consumption for like service at the subject premises, wherever available. Should the character or degree of the Customer's usage materially change, or if it is established clearly that either will materially change in the immediate future, the amount of the deposit may be adjusted at the request of either the Company or the Customer.

G. All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Such interest will be credited to the Customer's account at the end of each year after the date of the deposit and if return of deposit results in a credit balance on the account, the credit may be returned to customer in the form of a refund check.

H. The Company shall refund or apply to a Customer's outstanding balance any security deposit held, plus accrued interest, under the following conditions:

1) Upon discontinuance or termination of service.

2) After a Customer has paid bills for utility service in full and on time for twelve (12) consecutive months.

3) At the option of the Company, a security deposit including accrued interest may be refunded in whole or in part at any time earlier than the time stated in this Rule.

4) After the Company has held the Customer deposit for a maximum of 24 months, if none of the above conditions are met.

I. When a security deposit is refunded or applied against an existing account balance, the Company will provide the Customer with a written statement showing the amount of the deposit, the accrued interest thereon, the application of the deposit to any prior or current utility service account balance(s) and the remaining balance(s). Any refunded deposit, together with accrued interest, shall be paid to the Customer.

3. RULES FOR DEPOSIT (continued)

NON-RESIDENTIAL CUSTOMERS

A. The Company reserves the right to require a security deposit for all services to be supplied, or to require an increase in an existing deposit if there is an increase in the monthly bill for services rendered. The Company further reserves the right to apply such deposit to bills previously incurred by the Customer under the existing or any previous utility service contract with the Company.

B. A deposit may be required from a Customer in an estimated amount equal to twice the average of the three (3) highest monthly bills anticipated during the succeeding twelve (12) month period. Such estimate shall be made from the record of service rendered to the same premises during the last twelve (12) months of use, whether by Customer or by a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the past use thereof. If there is no prior record of service rendered to the premises, an estimated deposit shall be calculated by the Company based upon the Customer's proposed use of utility service to be provided.

C. All non-residential Customer security deposits shall bear interest at the rate of six percent (6%) per annum, without deduction for any taxes thereon. Interest will be credited at the end of each year after the date of the deposit to the Customer's account and applied against the oldest unpaid bill. Upon final discontinuance or termination of utility service, any security deposit and accrued interest remaining with respect to said discontinued or terminated account will be first applied against the unpaid account balance, if any, with the remainder to be refunded to the Customer restricted in accordance with the Customer's direction.

RULES AND REGULATIONS

4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES

The Applicant or Customer hereby undertakes to furnish, be responsible for, and pay the necessary costs of customer-owned service pipe, fixtures, fittings, valves, regulators, and appliances to make the necessary connections between the Company's lines and the place of consumption or the delivery point to the Applicant or Customer and keep the same in good repair, in a skillful and workmanlike manner, furnishing at his own expense said materials, and the labor, care, and supervision necessary and proper to safely conduct and burn the gas, but the Applicant or Customer shall not otherwise make changes in or interfere with said pipes and appliances and material. The arrangement and location of all piping and appliances (including meters) shall be subject to the approval of the Company, but the Company shall not be responsible in any manner for the selection, installation, maintenance, or use of said pipes and appliances, or for said labor, care, or supervisions, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities. To facilitate this process, the Company makes available a manual entitled "Service Line Installation Standards" on its website.

The Company shall make the necessary connections between its curb cock or shutoff valve and the Applicant's service pipe, provide a meter and the necessary fittings, and connect the meter.

The meter and all pipe fittings and appliances furnished by the Company on the premises shall remain the property of the Company, and the Company shall have the right at all reasonable times to enter in and upon the premises to read, maintain, remove, change, replace, inspect, and/or reclaim the meter and associated equipment. In the event the Applicant or Customer utilizing the natural gas does not own the premise, the Applicant or Customer shall be solely responsible to coordinate the Company's access to the meter with the premise owner.

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

a) The Company will install one (1) meter per customer service line except in the case of condominiums, townhouses or apartments whose design necessitates a shared customer service line. Shared service lines require a properly executed agreement evidencing the party(ies) responsible for the maintenance, repair and replacement of the customer service line.

b) The type, size and location of the meter will be determined by the Company.

c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate entities and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures, upon the reasonable discretion of the Company. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.

d) For all new meter placements or meter relocations, outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by an individual or individuals other than the customer except when a valid easement agreement is executed by all impacted property owners, is properly recorded and provided to Peoples evidencing the right of such piping to be placed on non-customer property. In the event an easement is deemed unlawful or invalid by a court of competent jurisdiction, Peoples reserves the right to discontinue service to the Customer until a replacement easement, meeting the above criteria, is provided.

e) In no event may a customer owned service line, or a buried house line, cross under a public road, regardless of whether the road is paved/unpaved or maintained/unmaintained.

RULES AND REGULATIONS

4. **CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES (continued)**

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company, at its discretion, may extend its distribution mains up to a distance of one-hundred fifty (150) feet on any street or highway without cost to a residential applicant(s), absent any abnormal underground conditions or unusual permitting requirements. When abnormal underground conditions or unusual permitting requirements exist, as determined by the Company, the applicant(s) will be required to pay a contribution in aid of construction (CIAC) in an amount determined by the Company. The Company may also condition the extension of facilities upon the Applicant's providing a CIAC, the amount of which will be determined by the Company and consistent with any parameters approved or required by the Commission.

If the Company requests a CIAC from an Applicant and additional customers are added to the extended facilities financed by the Applicant's CIAC within three years of the date of completion of the facilities, the Applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.
Any CIAC, customer advance, or other like amounts received from the customer that constitute taxable income as defined by the Internal Revenue Service may include a gross up for federal income taxes. To the extent that federal taxes are not included in the CIAC, they shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding.

Where evidence is found that Company facilities or service lines, meters, or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, repairs, and for such protective equipment as, in the judgment of the Company, may be necessary. In addition, where the tampering has resulted in improper measurement of the service supplied, the customer shall be required to pay for such natural gas service, including interest at the late-payment charge rate, and all applicable costs and fees associated with collecting such charges based on the Company's estimate, from available information, of the amount of gas used but not registered by the Company's meters.

The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by the willful acts or negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished.

RULES AND REGULATIONS

5. DISCONTINUANCE AND TERMINATION OF SERVICE

The authorized agents of the Company shall at all reasonable times have free access to the premises of the customer with the right to shut off the gas and remove its property from the premises for any of the following reasons: failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; nonpayment of any undisputed delinquent bills due for existing or any previous service; tampering with the meter or connections; fraudulent representation in relation to the consumption of gas; removal of Applicant or Customer from the premises; selling or delivering gas to other occupants of the premises without application to the Company; failure to make or increase any deposit; failure to provide a guarantee of payment or establish credit; want of supply or waste of gas from customer's lines or appliances; failure to comply with payment agreements; and failure to comply with or violation of Tariff Rules and Regulations. However, service may not be discontinued or terminated under any circumstances except under Commission Regulations or PA Statute(s) in effect and applicable at the time of such contemplated discontinuance.

The Company may immediately terminate service for any of the following actions by the customer: unauthorized use of the service delivered on or about the affected dwelling; fraud or material misrepresentation of the customer's identity for the purpose of obtaining service; tampering with meters or other public utility's equipment; or violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the public utility's delivery system. Upon termination for such reasons, the Company will make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the Company will conspicuously post the notice at the dwelling, including in common areas when possible.

Unless otherwise authorized by the Commission, after November 30 and before April 1, the Company will not terminate service to residential customers with household incomes at or below 250% of the federal poverty level except for: 1) customers whose actions are grounds for immediate termination, as described above, and 2) any person receiving gas service as a User without Contract. The Company will use financial information from the customer provided within the most recent twelve month period to determine if a customer exceeds the 250% federal poverty level.

The Company may terminate service for nonpayment of billings for service provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

If service is terminated, the same customer, whether an Applicant or customer as defined in the Commission's regulations or PA Statutes, shall pay a reasonable turn-on fee for resumption of service at the same address after termination. The turn-on fee for Residential and Commercial customers is $58. This fee is waived for customers at or below 150% of the federal poverty level.. The turn-on fee for Industrial customers shall be an amount equal to the customer charge for each month of the intervening period since service was terminated.

Upon discontinuance or termination of service, the customer or its agent shall be responsible to winterize the premises to withstand winter conditions, which actions may include, but not limited to, draining plumbing systems, adding insulation and alternative heating units. The Company shall not be responsible for any damages resulting from the discontinuance or termination of service, or for the customer or its agent, as a result of a failure to winterize the property.

The Company reserves it rights to use any and all remedies at law to collect any outstanding debts, including, but not limited to, filing a Complaint in civil court seeking a judgment of record for the debt, with interest and recovery of court costs, attorneys' fees and other collection expenses incurred in the process.

6. TERMINATION OF CUSTOMER'S CONTRACT

In case a writ of execution shall be issued against a customer, or in case the premises described or referred to in the contract as the place at which gas is to be delivered or consumed, or the personal property upon said premises shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in court for the reorganization of any corporation, partnership, or other customer, the contract, at the option of the Company, shall cease and terminate, and all claims for retail or transportation service previously provided or amounts purchased from a NGS through the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy statutes and Commission regulations.

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7. LEAKS AND WASTE

The customer shall use all due care to prevent a waste of gas. It is the responsibility of the customer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas under pressure, the customer agrees to give immediate notice thereof to the Company, and his failure to do so, should loss follow, shall be conclusive evidence of his contributory or comparative negligence.

8. NONLIABILITY OF COMPANY/LIMITATION OF LIABILITY

The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control. The Company shall not be liable for any injury to person or property arising from the use of gas by or the supply of gas to the Customer which is not the result of negligence solely on the part of the Company. The provisions of this section apply regardless of whether the property is inhabited or vacant for any period of time, including extended absences and vacations. The Customer is solely responsible for its premises and the Customer retains sole responsibility to protect the premises from any damages that may occur as a result of the interruption of gas service.

In no event shall the Company be liable for incidental, indirect, special or consequential damages, including loss of use or profit, or loss of business. The liability of the Company to customers or other persons for damages other than incidental, indirect, special or consequential damages, including, but not limited to, loss of use, loss of profit or revenue, cost of capital, cost of substitute products, loss of business, damage to equipment or appliances, damage to real or personal property, loss of production and downtime costs shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of $500 or two times the charge to the customer for the service affected during the period in which the damages occurred. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer’s property) is in need of repair, such as the condition or elevation of a Curb Box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer or the person or event.

For the purposes of this Rule, all pipe, fittings, and appliances, and associated materials/equipment on the customer’s side of the curbstop or shutoff valve, or the property or lot line if there is no curb valve, of the service pipes which connect with the Company’s main line are the property and responsibility of the customer, and in no event shall the Company be liable for any injury to person or property arising there from.

9. MEASUREMENT OF GAS

All gas delivered shall be measured by meter. The term “Mcf,” as used in the Company’s schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

RULES AND REGULATIONS

9. MEASUREMENT OF GAS (continued)

All meters shall be owned by the Company. All such meters and any regulators installed in connection therewith shall be open to inspection at reasonable times by both the Company and the Customer for the purpose of seeing that they are in good condition. If, at any time after installation of any meter or regulator, conditions change so that its location becomes unsuitable, the Company shall have the right to move the meter or regulator to a suitable place at the expense of the Customer or property owner. The measurement of gas by meter shall be conclusive on the customer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions. In the event of the customer's dissatisfaction with the registration of the meter, the Company will, upon request, accompanied by the fee specified in the regulations of the Commission, have the same removed, sealed, and tested and results of the test given to the customer upon request. If the meter so tested shall be found to be inaccurate within the limits specified in the regulations of the Commission, the Company shall refund the charge for such test.

10. BILLING AND PAYMENT

No entity providing billing may share or use information concerning individually negotiated rates of a customer, which has been acquired only through the entity's role as a billing agent, with another customer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential customers to equalize monthly payment amounts.

Billing Options
The Company will offer two billing options: (1) the issuance of a bill by the Company which contains the NGS charges; or (2) the issuance of a bill that contains only the Company's charges, in which case the NGS will bill the customer separately for NGS charges. The right of a customer to receive a separate bill from his/her NGS for the NGS' charges is subject to the ability of the NGS to provide a separate bill and the terms under which the NGS may offer to provide a separate bill.

Allocation of Payments
Under billing option (1), the following order for the application of partial payments shall apply to all residential customers and to non-residential customers unless the contract between the non-residential customer and the NGS provides for a different method:

a. Pre-existing Company balance;
b. Current Company charges;
c. NGS charges;
d. Non-basic service charges (including but not limited to warranty charges);
e. Hardship energy fund contribution.

Residential and Commercial Customers

Bills will be rendered and be payable once each month. Amounts due for gas services must be made using US currency in one of the following formats: cash at a valid payment center, credit card, debit card, atm card, or personal check, business check, or money order issued by a properly licensed financial institution, or other commercially acceptable form of payment as determined by the Company. The Company strives to read the meter once every month, but may read every other month. As to any customer whose meter is read once every two months, the volumes consumed for the first month of each bimonthly meter reading period shall be determined by estimation, on the basis of the customer's previous service, adjusted for weather conditions, and the volumes consumed for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated volumes from the total actual volumes consumed or delivered for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the volumes consumed or delivered, the applicable rates, charges, and penalties (if any) set forth in this tariff.

RULES AND REGULATIONS

10. BILLING AND PAYMENT (continued)

Upon request, the Company will supply any customer with an option upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period, and if such reading is received by the Company within two days after the close of such billing month, the bill for such month will be computed from the meter reading provided by the customer instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a customer.

A bill will be rendered to each residential and commercial customer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. A bill shall be deemed delinquent if it is not paid by the due date. The due date for residential and commercial customers shall be twenty (20) days after the date of mailing the bill unless the Company agrees to an extension. Delinquent residential accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month for bills not paid within five days after the due date. Delinquent commercial accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month. Late-payment charges will be based on delinquent charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Payment of bills may be made at authorized collection offices or agencies of the Company during the regular business hours thereof. Payment may be deemed to have been made on the date it is received at any such office or, if remittance is made by mail, on the date of the official U.S. Postal Service postmark.

Industrial Customers

Bills will be rendered and be payable once each month. A bill will be rendered to each industrial account. Bills will be rendered as nearly as possible on the same day of every month and shall be payable monthly upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. An industrial customer's bill shall be deemed delinquent when it remains unpaid after the payment due date specified on the bill. A payment received from a customer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any balance of the payment be applied to the current bill. Industrial accounts shall be subject to a late-payment charge of two percent (2%) per month if the bill is not paid in its entirety on or before the payment due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill. Late-payment charges will be based on delinquency charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Final Bill

At the time the Company receives a notice, which notice must be received at least seven days in advance, to discontinue service. The Company may estimate the final reading if the Company's actual read parameters have been met in previous months. Upon request, the customer may submit a customer meter reading, or request the Company read the meter. The Company will read the meter if the two customer readings are significantly different. The Company will inform the customer that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when, in the case of a transfer of service, disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to establish a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

RULES AND REGULATIONS

10. BILLING AND PAYMENT (continued)

Dishonored Payment

If the Company receives a negotiable instrument from an Applicant or customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the Applicant or customer a fee of $19.

The Company reserves the right to require payment intended to prevent service termination or to restore service to be made via certified funds if the Customer has a history of returned payments or has failed to demonstrate a good faith effort to pay within the preceding twelve (12) month period.

The Company further reserves the right to remove a Customer from utilizing eAccount or other online payment options when abuse of such platforms is detected, which may include, but not be limited to, repeated cancellations of online payments.

11. AUTHORITY OF AGENTS

No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with this Tariff.

OUTSIDE OF DISTRIBUTION SYSTEMS (RULES 12-14)

12. CONDITIONS UNDER WHICH SERVICE WILL BE RENDERED

Applications for service from a transmission, gathering, or storage line outside of the Company's distribution system will not be accepted unless such line is being operated in a manner which will permit gas to be served to the Applicant without interference with the Company's operation. Applications will be accepted only with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that service to the Applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair, or change the use or manner of operating said line after having first canceled the service contract with the Applicant by thirty days written notice to him. The customer agrees that the Company shall have the right to discontinue service for any such reason or in accordance with any other published rule or regulation of the Company, and the customer further agrees that during the term of service the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, or other causes or for any claim for damages on account of any matters set forth in this paragraph, subject to the terms and conditions of Rule 8 of this tariff. Every Applicant must obtain adequate and suitable written rights-of-way and regulator sites, and permit copies thereof to be made before the Company will make any tap or connection for service or install any regulating apparatus for Applicant.

13. CONNECTION FOR SERVICE AND RESPONSIBILITY THEREFOR

The Company will furnish gas service from a transmission, gathering, or storage line, subject to the conditions of Rule 12, Rule 14, and its other rules and regulations, at the varying pressures at which the line is operated from time to time. The Applicant assumes all risks from variation in pressure, defects in pipe, connections, and appliances, from the escape and leakage of gas, from the sticking of valves and regulators, and from the burning of gas on his premises and like causes incident to the use of gas. The Applicant shall provide at his own expense and risk the necessary service line from the place of consumption or other mutually agreed upon delivery point to a point designated by the Company near the Company's pipe line from which gas is to be supplied for safely conducting the gas from the stop or shutoff valve on the connection which the Company will make with its pipe line to the place of consumption or other mutually agreed upon delivery point.

14. COST OF CONNECTION

The Company will at its own cost tap its line and furnish and lay a service line terminating with a stop or shutoff valve at or near the point designated by it under Rule 13. Connection for service will be made under Rule 4.

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO INDUSTRIAL CUSTOMERS (RULE 15-16)

All service to industrial customers is made subject to the following special rules. The foregoing rules are also applicable to such service unless inconsistent with the following rules.

15. METERS AND REGULATORS

All gas delivered to the customer shall be delivered at and measured by a standard meter to be placed by the Company upon the customer's premises or at another delivery point, as determined by the Company. The said meter or meters and any necessary regulators shall be owned by the Company, and the Company shall pay the cost of keeping the meters and regulators in repair; customer will furnish and maintain suitable building or buildings for same but said meters and regulators shall be at all times open to inspection of both the Company and the customer for the purpose of seeing that they are in a condition of good repair. The customer, or owner of the property where the meter is located, shall not construct any structure(s) on, or around the meter, or permit any obstruction that blocks or encumbers access to the meter. In the event a meter is obstructed, and the Company is unable to obtain access, the Company may take necessary action to obtain access to the meter and the Company shall not be liable for any damage or loss to the property of the customer or the property owner.

All meters shall be owned by the Company and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the customer for the purpose of seeing that they are in condition of good repair. The meter providing service to the customer's premises shall be placed on the property located on the premises. Any meter located on property owned by a third-party who is not the customer or the owner of the real property where the premises is located, shall be relocated to an appropriate location that complies with this Rule.

16. RESPONSIBILITY FOR FIRE, EXPLOSIONS, AND FAILURE OF SUPPLY

The Company shall not be responsible for any lines laid beyond the meter; shall not be held liable for any damage or loss to person or property resulting from explosions or fire or from use of gas in the works of the customer; and shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the customer's gas to the customer for his purpose arising from any cause not the result of the willful and/or wanton misconduct of the Company, subject to the terms and conditions of Rule 8 of this tariff.

17. EMERGENCY CURTAILMENT

This rule has been adopted pursuant to regulations of the Commission set forth at Pa. Code §§59.71 – 59.75 entitled 'Gas Emergency Plans'.

The definitions for terms used in this Rule 17 shall be shown in Appendix A hereto.

An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority-One customers. If this occurs, the Company may require each commercial and industrial customer, who is not a Priority-One customer, to reduce its consumption of gas. The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety; however, the authorized volume shall provide only the minimum volume of firm service necessary for the prevention of damage to plant equipment.

As part of the emergency planning process, the Company shall attempt to make every responsible effort to make contractual or informal arrangements with their sales Customers, transportation Customers, and others to obtain supplies or, as an alternative, to implement voluntary and/or mandatory usage reductions so that resorting to firm service reductions or curtailments under applicable Commission regulations can be avoided, and severe supply or capacity disruptions can be mitigated. The Plan is designed to minimize the potential for supply shortfalls that threaten public health and safety, not to make up for inadequate performance by individual parties.

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

When all other service has been curtailed except for Priority-One service and the Company continues to be unable to meet Priority-One requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.

The Company will specify in a notice of emergency curtailment the authorized daily consumption until further notice. An emergency curtailment may be made after oral notice to the customer effective when so given and confirmed in writing within 48 hours thereafter.

If a customer exceeds its authorized consumption during a period of emergency curtailment, then a customer shall be subject to penalties as set forth below:

Actual Usage as a Percentage of Emergency Authorized Consumption	Penalty for Excess Takes (in Dollars Per Mcf)
Greater than 103%, but not in excess of 110%	The higher of $10 per Mcf or 110% of the highest cost gas supply purchased by the Company during the month of usage.
Greater than 110%	The higher of $25 per Mcf or 125% of the highest cost gas supply purchased by the Company during the month of usage.

The Company shall have the right to waive any penalty for unauthorized use of gas.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the customer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment.

Utility Liability

The Company may restrict or discontinue service in accordance with 52 PA Code, Sections 59.72 through 59.75 of the Emergency Plan Regulations without thereby incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer, except when the restriction or discontinuation of service is as a result of the Company's willful or wanton misconduct.

The Company's liability for actions taken under 52 PA Code, Section 59.73, or pursuant to any other regulation, policy statement, directive or Order issued by the Commission, or an emergency order issued by the Governor, shall be governed by the following principles:

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

1) If the Company appropriates natural gas during an emergency action, the Company will compensate the applicable entity, whether the Customer or the Customer's NGS, for the cost of lost, firm gas service. The compensation, in the aggregate, shall equal but not exceed the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the Customer for delivered substitute energy, as documented to the Company. The Company may provide compensation in kind only at the discretion of the affected Customer or NGS.

2) The Company will have the right to discontinue service, for the duration of an emergency, to a Customer that continues to take gas in violation of these rules.

Discontinuance of Service and Curtailment

When the evidence available to the Company reasonably indicates that a customer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such customer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

Appendix A to Rule 17

DEFINITIONS FOR TERMS USED IN EMERGENCY CURTAILMENT

1. Alternate Fuel: Any fuel other than natural gas.

2. Alternate Fuel Capability: The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.

3. Commercial Use: Gas usage by customers engaged primarily in the sale of goods or services including but not limited to consumption by office buildings, institutions, and governmental agencies.

4. Critical Uses: Gas usage where natural gas is the only feasible form of energy due to its combustion characteristics, controllability, or chemical properties.

5. Essential Human Needs Use: Gas usage by customers for service to any buildings where persons normally dwell, including but not limited to residences, apartment houses, dormitories, hotels, hospitals, and nursing homes.

6. Firm Service: Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.

7. Industrial Use: Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.

8. Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

9. NGDC: Natural gas distribution company.

10. NGS: Natural gas supplier.

11. Noncritical Use: Gas usage where natural gas is not the only feasible form of energy, that is, where the user has alternate fuel capability.

12. Plant Protection Use: Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility when such protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

13. Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooking, water heating, or other domestic purposes.

RULES AND REGULATIONS

18. PRIORITY OF SERVICE CURTAILMENT

Upon issuance of an order to initiate priority-based curtailments, the available gas supplies to the Company shall be allocated among its customers in accordance with the priorities of use listed below. Customers in higher priority will not be curtailed until all customers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated, to the extent possible under the circumstances, based upon recent consumption data. The ability to curtail a Priority-One customer is not affected by whether the customer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial customers as described below are those customers that use less than 25,000 Mcf per year. Large commercial and industrial customers as described below are those customers that use 25,000 Mcf per year or more:

1. a. Residential.
1. b. Firm critical commercial essential human needs.

2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., firm large commercial and industrial requirements for plant protection, and operational facilities of electric distribution companies.

2.b. Firm small industrial requirements.

2.c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.

2.d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.

2.e. Firm large noncritical commercial and industrial requirements for boiler fuel use.

2.f. Contractually interruptible use.

19. SALES OF GAS FOR RESALE

All gas sales to residential customers are to the ultimate purchaser and are not to be resold for profit.

20. SERVICE AGREEMENT & FLEXIBLE RATES

Service agreements for delivery services are not required unless the customer has negotiated a delivery rate less than the maximum rate. When a service agreement is required, an agreement for a minimum of one year must be executed by each Applicant as a condition to receiving delivery service, unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the points at which the Company will deliver customer's gas to customer's facilities; 3) maximum daily volumes and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

Specific components of a customer's rate may be lowered or waived if such an adjustment is required to meet competition from an alternative fuel source (including electricity), for economic development purposes, for service to new facilities, or for existing customers that install new technologies utilizing natural gas such as but not limited to: fuel cells, gas heat pumps and cooling, and Combined Heat and Power (CHP) project(s). Determination of eligibility for a flexible rate will be made by the Company and execution of a contract by the customer. When the discount is based on competition from an alternative fuel source, the customer will be required to certify the existence of the alternative fuel source. Electricity delivered by an electric distribution company shall constitute a competitive alternative. Prior to flexing distribution charges for distribution service customers, the Company may reduce charges that are for recovery of balancing charges, and/or the retainage percentage applied to the gas received on behalf of the distribution service customer.

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO ALTOONA AND JOHNSTOWN AND VICINITY (Rules 21 and 22)

21. CONNECTION FOR SERVICE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony Creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

22. LEAKS AND WASTE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony Creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The customer shall use all due care to prevent waste of gas. It is the responsibility of the customer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the customer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the customer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the customer to do so, should loss or injury follow, shall be evidence of the customer's negligence and shall relieve the Company from liability for such loss or injury.

23. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES

For purposes of billing more than one type of service provided by the Company to a customer through one meter, the following order of application of rates shall be used:

a. Rate GS-T

b. Firm Retail or Standby

c. Rate CER

24. OPERATIONAL FLOW ORDERS

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation customer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation customers.

RULES AND REGULATIONS

25. SELECTION OF NGS

a. When the Company receives notice that a customer has elected to switch NGSs or to return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of customer's billing cycle.

b. Customers can obtain information at any time on the ability to select an NGS other than the Company by contacting the Company via letter, phone, e-mail, or by visiting the Company's internet web site. The Company will also periodically mail to customers information on the opportunity to choose an alternate supplier.

c. Disclosure Requirements: If a customer selects an NGS, the customer should note that the NGS is required pursuant to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, to disclose certain information to the customer, including but not limited to, agreed-upon pricing in the Company's standard pricing unit, conditions of pricing availability, the length of the agreement, cancellation provisions, and the three-day right of rescission.

d. Selection and Set-up: The customer, or person or entity that is authorized to act on the customer's behalf, should contact their chosen NGS to initiate the request. When a customer, person or entity authorized to act on the customer's behalf contacts the Company with a request, the Company will inform such party to contact the NGS directly. After the Company has received notification from the NGS of the customer's request, the Company shall mail out a confirmation letter to the customer by the end of the next business day after the date the Company receives notification by the NGS of the new customer, asking the customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include the customer's NGS, the applicable billing option, the approximate date when service from the new NGS will begin and the date that the first bill will be mailed, and notification that service may be terminated for failure to pay NGS supply charges. The confirmation letter also shall include the notice of a five (5) day waiting period in which the request may be cancelled by the customer before the change of the NGS takes place. The five (5) day waiting period shall start on the day the confirmation letter is mailed.

Should the Company receive notification from customer within the five (5) calendar days required under the confirmation letter that customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by customer of such error, the Company shall continue billing customer under customer's current billing arrangement. Should the Company receive notification from customer that customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the customer to contact the NGS to request cancellation and if requested by customer the Company will treat this as an alleged slamming complaint under Rule 26.

Should the Company receive notification by more than one NGS within a one-month period that the customer has elected said NGS to supply customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the customer informs the Company such NGS is in error.

e. Cancellation of NGS Service: When the Company receives notice from a Customer that the Customer desires to cancel the NGS service or return to the Company's Supplier of Last Resort service, the Company shall notify the Customer to contact the NGS to request cancellation of the NGS service and the NGS shall be responsible to notify the Company of the cancellation or change.

RULES AND REGULATIONS

26. COMPLAINT PROCEDURES

a. General Complaints - Inquiries and complaints from any customer will be received and processed in a timely manner. Residential customer inquiries and complaints will be handled in conformance with Chapter 56 of the Commission's Rules. When a customer inquiry or complaint relates to services provided by an NGS, the Company will refer the customer to the NGS for a response if a customer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the customer with respect to the NGS's services, the Company will inform the customer of the right to file an informal appeal with the Bureau of Consumer Services (BCS) at the Commission and provide the customer with the toll-free telephone number and mailing address of the Commission.

RULES AND REGULATIONS

27. REQUEST FOR INFORMATION

a. Upon customer request, the Company shall provide to its residential and small business customers appliance energy efficiency information that is readily available to the Company.

b. Upon request, the Company shall provide to a residential or small business customer or the customer's designee, historical billing data, to the extent such information is readily available on Company's billing system. Historical billing data shall be conveyed in Mcf, and associated charges for the current billing period, and for the year preceding the current billing period. The initial request per year shall be provided at no charge to customer.

28. RELEASE OF CUSTOMER INFORMATION

a. The Company shall notify residential and small business customers of its intent to release private customer information before it releases such information to a third party, excluding those instances noted below in paragraph (c). The notification to customer shall provide a convenient method of notifying the Company of the customer's desire to restrict the release of the private information. Customer shall be permitted to restrict information as specified in this section by returning a signed form, orally or electronically. If the customer changes its election on the restriction of the release of information, the customer must inform the Company in a signed form. The Company shall use its best efforts to ensure that any request or a change in request for restricted information be processed in a timely and expeditious manner.

For all other customers, the Company will not disclose customer information to a third party, excluding those instances noted below in paragraph (c), without the consent of the customer.

Nothing herein shall preclude the Company from releasing aggregated customer information or non-private customer information to a third-party.

b. Residential and small business customers may request that the release of its private information be restricted based on one of the following two restrictions:

i. Restrict the release of only the customer's historical billing data in the Company's standard pricing unit, or

ii. Restrict the release of all private customer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the Company's standard pricing unit.

If customer does not choose to restrict the release of information based on one of the two restrictions above, then all of the customer's private information may be released to a third party except for the telephone number. Telephone numbers may not be released to third parties under any circumstances.

iii. Nothing in this section prohibits the Company from performing its mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Public Utility Code.

c. The Company may release private information to (i) law enforcement officers, as part of a legal process (such as in response to a warrant, subpoena, or grand jury investigation issued by a court or governmental agency); (ii) to contractors providing utility-related services on behalf, of Peoples, but only to the extent necessary to render the service and subject to confidentiality and security obligations; (iii) to governmental agencies with jurisdiction over Peoples, when they require such information; (iv) to a third-party bill payment company, for the sole purpose of facilitating electronic payments to a natural gas account as requested by a customer; (v) to others as required by court order or by applicable laws, rules, or regulations governing Peoples; and (vi) to credit reporting agencies, and to collection agencies (if a natural gas account is assigned for collection).

RULES AND REGULATIONS

28. RELEASE OF CUSTOMER INFORMATION (continued)

d. The Company will retain Personal Information for as long as is reasonably necessary to meet its business needs and regulatory and compliance obligations.

29. AUTHORIZATION

A customer may identify persons authorized to make changes to the customer's account. To accomplish this, the customer must provide the Company with a signed document identifying, by name, those persons who have the authority to initiate any change to the customer's account, including a change of the customer's NGS.

30. RULES PART OF CONTRACT

These rules (1 to 29, inclusive), insofar as applicable, are hereby made a part of any contract for public utility service provided by the Company. To the extent that any language contained in this Tariff conflicts with any provisions of the Pennsylvania Code, Pennsylvania Statutes, or Public Utility Commission Orders related to the provision of gas service, the language contained in the Pennsylvania Code, Pennsylvania Statutes or Commission Orders shall control.

Contact Information

A Customer is responsible for providing, and updating when necessary, accurate contact information including telephone number(s), billing address and email addresses, if provided. If a customer's contact information changes and the customer does not timely provide updated contact information, the Customer agrees and understands that the Company shall not be liable for any notices, statements or other communications that are otherwise undeliverable to the Customer, or for any damages that result therefrom.

The Company may use contact information to reach the customer to discuss their natural gas account, to respond to an inquiry that the customer sent to the Company or to keep the customer informed about the services, products and programs offered by the Company, and its affiliates and partners. By providing an e-mail address to the Company, the customer consents to receive communications from the Company electronically. If the customer provides the Company a with a cell phone number, the customer expressly agrees that the Company may contact the customer at this number to discuss their natural gas account. The customer also agrees to receive, from the Company and the Company's service providers, calls and messages, including prerecorded messages, calls from automated dialing systems and text messages. Normal cell phone charges may apply.

Not all communications sent to a Customer or Applicant will also be sent via e-mail, if an e-mail address is provided. Some communications are sent via mail only.

RULES AND REGULATIONS

31. GAS QUALITY

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Customer, supplier or producer shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that tota carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test at 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to customers shall meet Commission heating value requirements and the Company may charge for this.

Nonconformance – If the gas offered for delivery by a producer, Customer and/or its NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the Customer, producer and/or NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the Customer, producer or NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, Customer, Producer and/or NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

32. OTHER FEES AND SERVICES

The following customer requested services will require a fee as defined below:

Temporary Customer Service Line Installation – If service to a premises would be discontinued due to a customer service line leak and gas service is required to serve essential human needs, the customer or occupant may request the installation of a temporary customer service line. If the Company is able to install such a line, at the occupant's or customer's request, the Company may charge a fee of $300. The line shall be placed only for a temporary period and the Company reserves the right to identify the temporary period and remove the line if that period is exceeded.

Excess Flow Valve – At the Customer's request, the Company will install an excess flow valve. If the customer requests installation of the excess flow valve and the Company has not scheduled the location for a service line replacement or a new service line, or the customer requests the installation prior to the Company's scheduled installation time, the customer shall be responsible for the cost of the materials and installation to be paid prior to installation.

High Bill Investigation Fee – At the Customer's request, the Company will provide a scheduled visit to the customer's home to conduct an investigation into the usage measured and billed to the Customer for service. If the investigation identifies an error in the measurement of gas used or the customer's income is at or below 150% of the federal poverty level, the fee will be waived. The fee for this service is $75. This fee is not applicable to foreign load investigations.

RATE RS
RESIDENTIAL SERVICE

AVAILABILITY

This rate is available to residential customers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential customers.

RATE TABLE

Customer Charge per meter per month	$26.00
Delivery Charge per Mcf	$6.6359

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

The Company will assess a late payment charge of 1.50 percent per month when the Company receives the customer’s full payment more than five days after the bill’s due date. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

CUSTOMER ASSISTANCE PROGRAM (CAP)

AVAILABILITY

Rate CAP is a program designed to enroll residential customers who satisfy the criteria set forth below. Please refer to Peoples' Universal Service and Energy Conservation Plan on file with the PA PUC for a full description of the CAP program terms and conditions. In addition to the terms and conditions in this Tariff, Peoples' Universal Service and Energy Conservation Plan shall govern the provision of service under this rate category.

1. Processing and verification by authorized agencies upon referral by the Company's offices, Customer Assistance Referral Evaluation Service (CARES) representatives, other agencies, or BCS.

2. Customer of the Company and using natural gas for space heating.

3. Annual income no greater than 150 percent of the federal poverty level. The Company will accept a customer's participation in an electric CAP program as verification of income, if the Company is satisfied that the electric company verifies income. For payment purposes, the customers will be defined as follows:

    a. Group A - Customers whose annual income has been verified as being from 0 to 50 percent of poverty.

    b. Group B - Customers whose annual income has been verified as being from 51 to 100 percent of poverty.

    c. Group C - Customers whose annual income has been verified as being from 101 to 150 percent of poverty.

4. A customer who meets the eligibility criteria for the Low Income Home Energy Assistance Program (LIHEAP) should complete an application for a LIHEAP grant when available.

5. The company will monitor the usage of CAP customers on an ongoing basis. Any unjustified excess CAP usage or unjustified CAP credit (designed as the difference between the CAP payment amount, and the current charges as billed under Rate RS) that exceeds a maximum of $1,000 per year will be billed to the CAP customer. An increase in CAP usage or annual CAP credit over $1,000 may be justified if the CAP customer can demonstrate the household has experienced the addition of a family member; a member of the household experienced a serious illness; energy consumption was beyond the ability of the household to control; or the household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption. Before responsibility for the excess CAP usage is imposed on the household, the Company shall notify the customer of the grounds for exemption and assure that the customer has received and understands the grounds for exemption.

6. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company.

7. Customers will automatically be enrolled in CAP if:

    a. the customer has a significant account balance, and

    b. the customer has received a LIHEAP payment within the past two years.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RATE TABLE

Customers will pay a specified percentage of their monthly income as the monthly minimum payment. If the calculated percentage of monthly income is less than $25, the minimum monthly payment will be established as $25. The applicable percentage by Group follows:

Group[1]	Percentage
A	4%
B	5%
C	6%

If the customer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any customer account where usage exceeds 125% of the customer's annual usage. In cases where the Company determines that the increase in a CAP customer's usage is unjustified, the Company will provide the customer with conservation information, refer the customer to a usage reduction program, and bill the customer for excess usage.

SURCHARGES

All riders to this tariff, as would otherwise be applicable to Rate RS with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule CAP. Late-payment charges will not be applied during participation in the CAP program.

1/ Defined under Availability Criteria 3.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RULES AND REGULATIONS

1. Customer with earned income must recertify income eligibility biennially. Customers with only certain fixed incomes, such as social security, pension and disability must recertify income eligibility triennially. Customers reporting zero income using the Company's zero income form must recertify within 6 months.

2. If, at any time after acceptance into CAP, a customer's family size or income changes, the customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the customer's opportunity to receive service under CAP.

3. If a customer no longer satisfies the criteria set forth under Availability, with the exception of Item 4, the customer will no longer be eligible to receive service under CAP.

4. At the time of application for CAP, the customer will be advised of the importance of timely payments and energy conservation. The CAP screening administrator will review relevant assistance programs and offer help in applying for programs such as weatherization or energy assistance as appropriate. Energy saving tips will be provided and all participants will be advised that usage will be reviewed on an ongoing basis. Unjustified excess CAP usage will be billed to the CAP customer.

5. If a customer fails to allow access to the Company's meter or fails to provide meter readings in four consecutive months, the customer will no longer receive service under CAP.

6. Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

7. A customer whose service has been terminated pursuant to Rule 5 may be required to pay all CAP arrearages prior to reinstatement and will be advised of appropriate energy assistance programs, including LIHEAP, LIHEAP Crisis and Dollar Energy Fund, which are available to assist in restoration of service.

8. Customers who have been dropped from CAP for the reasons outlined above will be subject to normal termination procedures. The customer will receive a communication providing an opportunity to correct the problem before being removed from CAP.

9. Use of natural gas, while on CAP, for recreational purposes such as, but not limited to, interior or exterior pool heaters and/or hot tubs, recreational appliances, outdoor appliances such as gas grilles, fire pits/rings, fireplaces, gas lamps, heaters and other cooking appliances, and heated outdoor buildings, such as a shed, shop or garage, is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance(s) has been removed. Unjustified usage as a result of recreational gas use will be billed to the customer.

10. If the Company determines a CAP participant obtained benefits through fraudulent means, such as failing to report a household income, benefits previously provided may be reversed and the customer will be responsible to pay back the benefits incorrectly received.

PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)

This Rate is established as a Pilot in the Company's Universal Service and Energy Conservation Plan. All provisions of Rate CAP will additionally apply to participants of E-CAP.

AVAILABILITY

Rate E-CAP is a program designed to enroll residential customers who satisfy the criteria set forth below.

a. Customer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level.
c. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

RATE TABLE

Customers will pay 11% of their monthly income as their E-CAP Payment. If the customer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

SURCHARGES

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

RATE SGS
SMALL GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming less than 1,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC customers.

RATE TABLE

Customer Charge per meter per month:	
For customers with annual consumption less than 500 Mcf	$32.14
For customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$64.28
Delivery Charge per Mcf	$5.7095

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates on page No. 3 of this tariff.

RATE SGS
SMALL GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency, curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

RATE MGS
MEDIUM GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming between 1,000 and 24,999 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$110.00
For customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$158.00
Delivery Charge per Mcf	$5.2072

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

RATE MGS
MEDIUM GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE LGS
LARGE GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

For purposes of this Rate LGS schedule, Transitional LGS customers shall consist of Peoples Gas Division LGS Ratepayers with annual consumption equal to or greater than 100,000 Mcf and that took service on the Peoples Gas Division Rate LGS rate schedule as of September 27, 2024. No other customers will be eligible for the Transitional LGS rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$987.00
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$1,538.00
For customers including Transitional LGS) with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$2,237.00
For customers (including Transitional LGS) with annual consumption equal to or greater than 200,000 Mcf	$5,912.00

Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$2.9451
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$2.8512
For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$2.7189
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$2.4509
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$2.1336
For customers with annual consumption equal to or greater than 2,000,000 Mcf	$1.6123

Transitional LGS Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$1.5655
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$1.3132
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$1.3132
For customers with annual consumption equal to or greater than 2,000,000 Mcf	$1.3132

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

RATE LGS
LARGE GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

AVAILABILITY

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company customers regulated by the Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

RULES AND DELIVERY TERMS

1. The entity to whom the Company delivers the transported gas shall be considered the customer under this rate schedule. The customer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.

2. Any customer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the customer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.

3. A single-entity customer is a customer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one customer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity customer each month. Only one bill will be issued each month to a single-entity customer.

4. The customer will pay for any investment costs required to receive the customer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

5. A Transportation Agreement, as prepared by the Company, must be executed by the customer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.

6. This service will be provided by the Company only if the customer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company’s pooling agreement with the NGS providing gas supply service to the customer.

7. Unless otherwise agreed to by the customer and the Company, the customer or its NGS is responsible for all arrangements required to acquire and to deliver the customer's natural gas to the receipt points set forth in the Transportation Agreement.

8. On those days when the transportation gas of an individual industrial customer who uses at least 50,000 Mcf annually is not received into the Company’s system at its nominated level, or if the said transportation customer has failed to arrange for deliveries to be made into the Company’s system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation customers without exceeding its pipeline contract level, then the Company may declare an ”upset day.”

   On an upset day, those customers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company’s system shall be restricted to the following consumption levels:

   1) Transportation gas volumes received by the Company on the customer’s behalf on that day; and

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

2) All standby volumes contracted for the month by the customer.

Transportation customers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an “upset day,” the utility will provide notice to any one of three persons designated by the customer. After contact is attempted by the Company with the three persons designated by the customer, the Company will be deemed to have satisfied its notice obligations.

9. Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation customers.

a. Available System Capacity for Transportation Service: Capacity for the transportation of customer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail customers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.

b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of customer-owned gas or is available but restricted, the Company will provide its transportation customer or the customer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation customers without regard to the sources of the customers' natural gas supplies.

c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.

10. As soon as practical after the customer learns of any disruption or interruption in its supply of gas, the customer shall notify the Company.

11. The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A customer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company’s 1307(f) proceeding.

12. The Company shall retain 6.5 percent of the total volume of gas received into its system on behalf of all customers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis:

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

1) If customer can obtain alternate transportation service via direct bypass;
2) If customer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
3) If customer has a competitive offer from a non-PUC-jurisdictional entity;
4) If customer can demonstrate economic development or job retention considerations are present; or
5) If customer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, “alternative energy source” shall not include natural gas service from other Natural Gas Distribution Companies.

13. Customer-owned locally produced gas received into the Company’s system will be available as nominated by the customer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company’s system to nominated volumes will be made in the first month available.

14. Monthly Balancing Provisions Applicable to Rate GS-T Customers Not Served by a Pool

The Company will bank for one month following the month that the customer’s gas is available for the customer’s use, up to 3.5 percent of the volumes delivered on the customer’s behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the customer’s meter during the month following the banking period. The Company will balance customer’s daily deliveries with customer’s actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the customer’s behalf in any month. The first gas received on the customer’s behalf in the succeeding month will be deemed the payback of advanced gas.

Any difference between the customer’s consumption and deliveries shall be subject to the following charges:

Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the customer in excess of gas deliveries plus gas advanced and any contracted for standby service. The negative imbalance volume will be sold by the Company at the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - If the customer fails to use at least 96.5 percent of the volumes delivered to the Company on customer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the customer. The positive imbalance volume will be purchased by the Company at the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 85%.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A balancing charge will be assessed against each Mcf of gas transported for small and medium general service customers and for large general service customers. This rate will be recalculated in each of the Company's annual 1307(f) gas cost proceedings. The currently effective balancing charges are reflected on Tariff Page Nos. 3 and 4.

The balancing charge will not be assessed if (1) the customer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the customer or pool can match its supply and actual consumption on a daily basis in a manner satisfactory to the Company.

15. Backup service is available to customers under this rate schedule only under Rate GS-SB, unless the customer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.

16. The Company reserves the right, as a condition of service under this rate schedule, to require any customer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the customer's expense, as a condition of continuation of service under this rate schedule.

17. When the customer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, customer and the Company may require a separate (operating) agreement by which the customer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of customer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of customer's planned consumption, whether through transportation or retail service; establish penalties for failure of customer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; agree upon the availability of retail service; and establish and impose any other rules or restrictions necessary to ensure reliable service for all customers.

18. The Company will from time to time make pipeline capacity available for release to transportation customers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RATE TABLE

Customer Charge - The Company shall determine the annual consumption of each General Service customer in order to assess the appropriate customer charge.

$26.00	Customer Charge per month per meter for all Residential customers.
$32.14	Customer Charge per month per meter for all NGDC customers consuming less than 500 Mcf annually.
$64.28	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.
$110.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.
$158.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.
$987.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.
$1,538.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 50,000 but less than 100,000 Mcf.
$2,237.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.
$5,912.00	Customer Charge per month per meter for NGDC customers with annual consumption greater than 200,000 Mcf annually.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the customer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service Customers	$6.6359
For Small General Service Customers	$5.7095
For Medium General Service Customers	$5.2072
For Large General Service Customers with annual consumption greater than 25,000 Mcf but less than 50,000 Mcf	$2.9451
For Large General Service Customers with annual consumption greater than 50,000 Mcf. but less than 100,000 Mcf	$2.8512
For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$2.7189
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$2.4509
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$2.1336
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$1.6123

The following is the maximum charge per Mcf for transportation service for Transitional LGS Customers:

For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$1.5655
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$1.3132
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$1.3132
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$1.3132

RATE GS-T
GENERAL SERVICE – TRANSPORTATION

The delivery charge will be assessed on all volumes at the time of delivery to the customer, including current transportation and storage volumes withdrawn and delivered to the Company. A transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One customers (refer to Rate Schedule GS-SB).

The currently effective gas cost charges under Rider Purchased Gas Costs and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial customers and 1.50 percent per month for commercial and NGDC customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

SURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One customers is threatened. Under this circumstance, the transportation customer must agree to sell its gas supply to the Company at either the customer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of customer, whichever is greater, to be used to supply the needs of Priority-One customers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

2. Gas shall be and remain the property of the customer while transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

3. The Company shall not be liable for any loss to the customer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.

4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.

5. If service furnished pursuant to this rate is disrupted, the Company will notify the customer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a customer, other than an NGDC, the Company will act as its agent for arranging transportation of customer-owned gas by an interstate pipeline(s). The Company will bill the customer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as customer's agent for arranging interstate transportation.

RATE GS-SB
GENERAL SERVICE - STANDBY

AVAILABILITY

This service is available to transportation service customers served under Rate GS-T and/or customers who need or use the Company as backup service to service from an alternate supplier.

RULES AND DELIVERY TERMS

Priority-One Transportation Customers
Priority One customers must pay for standby service through a transportation standby charge applicable to all volumes transported under Rate Schedule GS-T. Backup service for Priority-One customers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation Customers
The customer may execute a Standby Contract for a specified monthly volume. The term of the Standby Contract will be a minimum period of not less than one year. Customers that execute a Standby Contract will pay for standby service through a capacity charge applicable to contracted for monthly volumes and through a standby commodity charge applicable to all standby volumes actually purchased under Rate Schedule GS-SB.

Back-up Standby Service
If a customer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the customer the standby service fees set forth in the rate table below. The Company reserves the right to determine when and the level to which a customer is using the Company as a backup supplier. In situations where the alternative supply is from local well production and before the Company provides backup standby service under the terms of this rate schedule, the Company shall have the right to inspect the pipeline and related facilities of the customer and require that the customer install, at its own expense, any necessary equipment to protect the integrity and safe operation of the Company's system.

RATE TABLE

Capacity Charges Applicable under the Rate Schedule:

RS Capacity Charge per Mcf	$1.8641
SGS Capacity Charge per Mcf	$1.8641
MGS Capacity Charge per Mcf	$1.8641
LGS Capacity Charge per Mcf	$1.8641

Standby Charges for Priority One Transportation Customers

For customers that pay the capacity charge, the Company may release pipeline capacity, the terms of which will be pursuant to the capacity-release terms of the Company's Supplier tariff and this rate schedule.

Priority-One customers who take service under this rate schedule, or their agents, must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the customer's service requirements. Assigned capacity shall be subject to recall pursuant to the conditions described in the Company's Supplier Tariff, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of this rate schedule. More specific terms with respect to capacity assignment requirements may be set forth in the Company's Supplier Tariff and in its contracts with Priority One NGSs. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

RATE GS-SB
GENERAL SERVICE - STANDBY

RATE TABLE

Standby Charges For Non Priority One Customers With a Standby Contract

Standby volumes delivered to the customer will be billed at the applicable supplier of last resort rates, excluding the pipeline demand component that has been paid through the capacity charge up to the contracted for monthly volumes in the standby contract. Volumes consumed in excess of contracted for volumes will be billed using the imbalance fee formula shown in Rate GS-T, paragraph 13, plus applicable taxes.

Customers Using The Company as a Back-up Supplier

Any customer using the Company as back-up service to service from an alternative supplier shall be subject to the charges set forth below. The following charges shall be assessed in lieu of any other standby charges applicable under this rate schedule.

Monthly Capacity Charge – In order to recover demand related purchased gas costs incurred by the Company, the customer shall be charged a monthly capacity charge equal to the customer's projected annual natural gas usage divided by twelve and multiplied by the capacity charges set forth above in this Rate Table. The projected annual natural gas usage shall reflect the estimated volumes assuming that all of the customer's natural gas consumption is served by the Company. The Company may waive this fee if the customer is receiving gas supplies from a NGS and the customer can demonstrate that its NGS has agreed to serve its peak day usage requirements. This charge will be assessed instead of the Capacity Charge applicable under other rate schedules.

Standby Customer Charge – In order to recover the fixed non-purchased gas charges incurred by the Company, the customer shall be charged a standby customer charge on a monthly basis. The standby customer charge shall be the monthly Customer Charge otherwise applicable under other rate schedules.

SURCHARGES - All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent for industrial customers will be made for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RATE MLS
MAINLINE SERVICE RATE

APPLICATION
For customers throughout the territory served under this Tariff.

REQUIREMENTS
Available at one location, for the total requirements of a commercial or industrial customer when: (i) the customer does not take service under any other rate schedule; (ii) the Customer meets either one of the following qualifications:

a) the Customer has annual throughput requirements greater than 500,000 mcf and is within 1,000 feet of an Interstate pipeline supplier of the Company;
or
b) the Customer has annual throughput requirements of greater than 500,000 mcf and Is located within 1,000 feet of PNG Transmission class pipeline facilities.

Customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE
Customers being served with this rate schedule shall have all applicable riders and surcharges applied except for DSIC.

The rate information is detailed in the Rate Summary pages of this Tariff.

The applicable Distribution Charge for all distribution quantities shall be determined based upon the Customer Charge group in which the Customer is placed, as established annually.

The Distribution Charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

Delivery Charge per Mcf (if within 1,000 feet of a PNG transmission line)	$0.7470
Delivery Charge per Mcf (if within 1,000 feet of an interstate pipeline)	$0.4446

DETERMINATION OF CUSTOMER CHARGE
The Customer Charge will be determined based upon the customer's actual throughput quantities, including sales and distribution if the customer previously contracted for distribution service, measured in 1,000 cubic feet of gas (mcf), for the twelve most recent billing cycles ending with the annual consumption review.

If a customer does not have sufficient consumption history to determine its Customer Charge based on twelve months, the Customer Charge will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, upon which to develop the Customer Charge. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's Customer Charge will remain constant annually, subject to change as of the January billing cycle of each year.

In all cases, the Company reserves the right to review the Customer Charge and, upon receipt of satisfactory proof, to adjust the Customer Charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

MAIN LINE EXTENSION DEPOSIT INSTALLMENT PLAN
Applicants eligible for Rate Schedule MLS who have entered into an agreement with the Company to make payments for a main line extension pursuant to the Payment Period of Deposit paragraph in the Connections for Service – Extension of Facilities section of Rule 4. Extensions of these Rules and Regulations Governing the Distribution and Sale of Gas, will have the installment amount included in the cyclical bill for service issued by the Company. The installment amount will be added to the Customer Charge for the duration of the installment payment plan.

MINIMUM CHARGE
The minimum charge shall be the Customer Charge. In the event of curtailment in the delivery of gas by the Company or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the Customer Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the number of days in the billing period.

RATE MLS
MAINLINE SERVICE RATE

STATE TAX ADJUSTMENT SURCHARGE
The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.

RIDER PGC
The Pass-through Charge and Gas Supply Charge in this rate schedule include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider as set forth in this Tariff.

RETAINAGE
The retainage rate for MLS customers shall be the greater of the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer (if available) or 1%. If the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer is not available, the retainage rate shall be the Distribution UFG percentage per the most recently filed UFG report with the PA Public Utility Commission.

TERMS OF PAYMENT
Bills for sales service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than twenty (20) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one half percent (1 1/2%) per billing cycle shall accrue on the portion of the bill that is unpaid on the due date.

SPECIAL PROVISIONS APPLICABLE TO ALL MLS CUSTOMERS

1. Customers desiring to transfer to or from this rate schedule must notify the Company in writing. Transfers to or from this rate schedule will be allowed only if:
   a) the Company can obtain any increase or decrease in its gas supplies, pipeline capacity and storage capacity, or any combination thereof that is required to accommodate such change; or
   b) the Company, in its sole judgment, concludes that no increase or decrease is required. The Company shall establish the date any transfer is to be effective.

2. Energy usage eligibility for this rate schedule shall be determined annually. In the event Customer's annual purchases are less than or equal to 500,000 mcf, the customer shall be transferred to either Rate LGS effective the immediately per the annual consumption review.

3. New customers or existing customers requesting a transfer to this Rate Schedule shall be permitted to take service under this Rate Schedule only if:
   a) the Company can obtain an increase in its firm pipeline capacity with an interstate pipeline having delivery points on the Company's system where the customer's facility is located, that is required to accommodate such transfer; or
   b) the Company, in its sole judgment, concludes that no increase in the Company's pipeline capacity under an interstate pipeline firm rate schedule or any successor rate schedule is required. The Company shall establish the date any transfer is to be effective.

4. In the event the Customer receives a bona fide offer from another entity to provide natural gas service, Customer must provide the competing offer to the Company at least six months prior to terminating service with the Company. The Company may choose to match the terms and conditions of the competing offer. The Company will notify the Customer of its decision at least forty-five (45) days prior to the Customers termination date with the Company.

RULES AND REGULATIONS
The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of distribution service under this rate schedule.

WAIVER
The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE NGPV

NATURAL GAS POWERED VEHICLES

AVAILABILITY

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public or private fueling station.

RULES AND DELIVERY TERMS

If transportation service is provided hereunder, the applicable rules and delivery terms under rate schedule GS-T apply.

RATES

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the Company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

SURCHARGES

All applicable riders to this tariff.

LATE PAYMENT CHARGE

A late-payment charge of 1.50 percent shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

RATE APPALACHIAN GATHERING SERVICE

AVAILABILITY

Service under this rate schedule is available to any party desiring to transport gas through the gathering system, as well as to deliver gas directly into the Company's distribution and transmission system*, provided that:

(1) a Master Interconnect and Measurement Agreement ("MIMA") has been executed between the Company and the party; and

(2) the party is in compliance the MIMA, the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

The gathering rate is $0.29 per Mcf, plus applicable retainage**.

If a conventional producer adds incremental conventional production to the Peoples' system, that producer's incremental production shall qualify for a reduced Rate AGS fee equal to 50% of the effective monthly Rate AGS fee.

Incremental conventional production is any conventional production that is not connected to the Company's facilities as of June 15, 2019 and shall not include any existing production delivered to Peoples' system and subsequently acquired by the producer from any other producer. Incremental conventional production shall also include increased production volumes from existing conventional wells as a result of well stimulation or similar actions. The level of incremental production volumes from existing wells shall be determined by the Company based on supporting information provided to the Company by the producer.

Gathering of natural gas from unconventional sources, including but not limited to, horizontally drilled Marcellus and Utica shale gas and landfill gas, shall be negotiated and agreed to within the MIMA.

TERM

The terms for gathering service shall be set forth in the MIMA.

CHARACTER OF SERVICE

The Company's only obligation under this Rate Schedule shall be to receive gas from any gathering receipt point and to permit that gas to flow against the existing pressure in the Company's facilities. Peoples shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Item 24 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit the Company's right to interrupt service or to take other action as may be required to alleviate conditions, which threaten the integrity of its system.

* This applies to production into both the former Peoples Natural Gas Division and the former Peoples Gas Division.

** The current applicable retainage rate is 2.61% for all conventional production and is negotiable for unconventional production.

RATE GL - GAS LIGHTS

APPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential 1.8 Mcf/Month
Commercial and Industrial 2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts**.**

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

RATE CER
COMPETITIVE ENERGY RATE

AVAILABILITY

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial customers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

RULES AND DELIVERY TERMS

Any qualified customer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the customer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

RATE

The rate will be negotiated between the customer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company’s commodity cost of gas at the time the contract is negotiated, as determined from the Company’s Section 1307(f) gas cost calculation.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 2 percent per month for industrial customers and 1.50 percent for commercial customers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RIDER
STATE TAX SURCHARGE

There shall be added to gas bills rendered by the utility for retail gas service a surcharge percent applied to the delivery charge under all rate schedules served by this tariff to reflect changes and new taxes imposed by the General Assembly. The currently effective surcharge percentage is reflected on Tariff Page Nos. 3 and 4.

The Company will recompute the surcharge (i) whenever any of the state tax rates upon which the surcharge is computed are changed and (ii) as of March 31 of every year. The recomputation shall take into account the changed state tax rates as prescribed by the Commission (Policy Statement at 52 Pa. Code § 69.52) in the following manner:

1) Capital Stock Tax ("CST"): To determine the amount to be recovered, the Company shall multiply the change in the CST tax rate by the CST value as reported in the most recent CST return filed with the Department of Revenue.
2) Corporate Net Income Tax ("CNIT"): To determine the amount to be recovered, the Company shall multiply the change in the CNIT tax rate by the taxable income reported in the most recent CNIT return filed with the Department of Revenue. Pursuant to Docket No. R-2023-3044549, impacts of change in the CNI rate should not be adjusted for as the company did not recover state taxes in the referenced proceeding.
3) Public Utility Realty Tax ("PURT"): To determine the amount to be recovered, the Company shall calculate the difference between the PURT liability as stated in the most recent Notice of Determination issued by the Department of Revenue and the current amount of PURT recovered in base rates.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or effective date of such state tax rate change, which occasioned such recomputation. If the recomputed surcharge is less than the one than in effect then the Company will, and if the recomputed surcharge is more than the one then in effect then the Company may, accompany such recomputation with a Tariff or Supplement to reflect such recomputed surcharge - the effective date of which shall be ten (10) days after filing.

SPECIAL PROVISION – This Rider shall not apply to Customers receiving discounted retail or discounted transportation service.

RIDER
PURCHASED GAS COST (1307(f) RATES)

COMPUTATION OF PURCHASED GAS COSTS

The purchased gas cost rates for Residential, Commercial, and Industrial Service customers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{Demand} = \frac{DC - B - R - DOU}{S+P1AC+SBC}$$

$$\text{Commodity} = \frac{CC}{S+SBR}$$

$$\text{Over/Under Collection} = \frac{E}{S+SBR}$$

(For definitions of "DC", "CC", "E", "S", "SBC", “SBR”, “NP1”, P1AC”, "R", "B", and “DOU” refer to Section below this rider).

The currently effective purchased gas cost rates are reflected on Tariff Pages 3 and 4.

RIDER
PURCHASED GAS COST (1307(f) RATES)

DEFINITIONS

"DC": The projected demand or capacity cost of purchased gas.

"CC": The projected commodity cost of purchased gas.

“DOU”: Experienced net overcollection or undercollection of the demand or capacity cost of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation.[1]

"E": Experienced net overcollection or undercollection of the commodity cost of purchased gas[1].

"S": Projected retail sales in Mcf during the application period.

“NP1”: Projected volumes in Mcf for NP-1 transportation customers and any customer served by a NP-1 Supplier.

“P1AC”: Projected volumes in Mcf for P-1 transportation customers who are assigned capacity.

"SBC": Projected contracted standby volumes in Mcf by NP-1 transportation customers.

"SBR": Projected retail commodity standby volumes in Mcf.

"R": Shared (savings) or costs for demand charge recovery from the capacity-release program.

"B": Balancing recovery.

“Projected” refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

ADJUSTMENT TO BASE RATES

Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

SUPPLIER REFUND

Supplier refunds will be included in the calculation of current period gas costs and will be reflected in the month such refund is received by the Company. Interest beyond that included from the supplier is not applicable.

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

REPORTING REQUIREMENTS

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

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[1]Interest will be applied in accordance with the applicable law.

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RIDER
TRANSITION COST RECOVERY MECHANISM

1. This Rider establishes a mechanism for the recovery of nongas transition costs from the Company's customers, except to the extent that a customer uses transportation service under Rate GS-T for the delivery of gas transported solely on intrastate pipeline facilities. Nongas transition costs are defined as pipeline gas supply realignment costs and stranded costs.

2. For purposes of nongas transition costs recovery, the Company will assign its recoverable transition costs and any reconciliations of transition costs between two groups of customers--those customers whom the Company designates as "competitive" and those customers whom the Company designates as "noncompetitive." For purposes of this recovery mechanism, competitive customers shall include all customers to whom the Company charges less than its maximum tariffed retail or transportation rates in order to gain or maintain the customers' patronage in the face of competitive pressures. For purposes of this recovery mechanism, noncompetitive customers shall include all of the Company's customers who are not competitive.

3. The assignment of nongas transition cost responsibility to the Company's competitive customers shall be equal to that portion of the revenues that those customers contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff, and that is designated, either through prearrangement or open bidding, as "transition costs." Notwithstanding the foregoing, the Company may charge a volumetric surcharge to competitive customers. Any additional recovery from competitive customers shall be credited against the nongas transition costs allocated to the Company's noncompetitive customers. The assignment of transition cost responsibility to the Company's noncompetitive customers shall be equal to the difference between the Company's total nongas transition cost liability and the amount of that liability that is allocated to competitive customers.

4. A surcharge for the recovery of nongas transition costs from noncompetitive customers will be recalculated every three months, with the recalculations to be effective on or around January 1, April 1, July 1, and October 1 of each year. The Company will file the January 1, April 1, and July 1 recalculations on one day's notice to the Commission, and these filings are referred to in this rider as the "quarterly recalculation," and will file the October 1 recalculation on thirty days' notice to the Commission.

5. The surcharge will be designed to recover (a) those nongas transition costs that have been billed to the Company by interstate pipelines and (b) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the 12-month period following the surcharge filing date.

6. At the time of each quarterly recalculation of the surcharge, the Company will reconcile its actual billed costs over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period and will incorporate the reconciliation within its recalculations; however, no adjustment will be made to reflect variations in billed throughput during such periods. The Company will accompany its recalculation of the surcharge that will become effective on October 1, 1994, with a reconciliation of actual transition cost revenues recovered from the Company's customers from the effective date of the surcharge through July 31, 1994, against the revenues projected to have been recovered over the same period, including adjustments to reflect volumetric variations. The Company will accompany its recalculations of the surcharges that will become effective on or around each October 1 after 1994 with a reconciliation of actual transition cost revenues recovered from its customers over the 12 months ending July 31 of the particular year against the revenues projected to have been recovered over the same 12-month period.

RIDER
TRANSITION COST RECOVERY MECHANISM

7. The Company will reduce the recoverable nongas transition costs allocated to its noncompetitive customers by the portion of the revenues that those customers are projected to contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff and that is designated, either through prearrangement or open bidding, as transition costs. The Company will calculate the unit surcharge rates applicable to noncompetitive customers by dividing the recoverable nongas transition costs allocated to them, net of any reconciliations (including any additional nongas transition costs recovered by the Company from competitive customers under paragraph 3), and net of capacity release revenues as described in this paragraph, by the retail and transportation volumes projected to be consumed by noncompetitive customers, exclusive of those volumes of Pennsylvania-produced natural gas supplies transported by noncompetitive customers.

8. The surcharge rates applicable to noncompetitive customers are as follows:

Retail	$0.0000/Mcf
Transportation	$0.0000/Mcf

The surcharge rates, if any, applied to competitive customers will be determined on an individual customer basis.

RIDER SUPPLIER CHOICE

This Rider has been established to recover costs associated with Supplier Choice. The initial filing includes costs related to implementation and administration of the Account Number Access Mechanism per the Commission's Final Order at Docket No. M-2015-2468991 entered June 30, 2016 and costs associated with the implementation and administration of the Supplier Bill in accordance the Commission's Final Order entered August 20, 2015 at Docket No. M-2015-2474802.

The charges assessed per this rider shall be assessed to customers served under rate schedules RS, Commercial SGS, Industrial SGS, Rate GS-T – Residential, Rate GS-T Commercial SGS, and Rate GS-T Industrial SGS. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP) program.

The Company shall provide a reconciliation of actual costs with actual revenues recovered under Rider – Supplier Choice for the twelve month period ended August 31. The rate will be adjusted annually for the resulting over/undercollection to be effective October 1.

Application of the Supplier Choice Charge shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the Supplier Choice Charge and the costs included therein.

No interest shall be included in the Supplier Choice Charge.

The Supplier Choice Rider shall become effective upon Commission approval and shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

The currently effective Supplier Choice Charge per Month is reflected on Tariff Page Nos. 3 and 4.

RIDER
MERCHANT FUNCTION CHARGE (MFC)

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate SGS, Rate MGS, LGS and GS-T. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MCF shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of 1.9300% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to Rate RS customers is shown on Tariff Page Nos. 3 and 4**.**

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of 0.4233% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to these customers is shown on Tariff Page Nos. 3 and 4**.**

RIDER
UNIVERSAL SERVICE

This rider shall be applicable to all residential customers except for any residential customer served in the Company's Customer Assistance Program (CAP). This rider recovers costs related to the Company's universal service programs.

The charges assessed per this rider shall be assessed to residential customers served under rate schedules Rate RS and Rate GS-T. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP).

The currently effective Rider Universal Service Charge is reflected on Tariff Page Nos. 3 and 4.

Costs related to the following universal service programs shall be calculated and recovered per this rider: CAP; Low Income Usage Reduction Program (LIURP); Emergency Furnace and Service Line Repair Program; Customer Assistance Referral and Evaluation Services (CARES) and third-party costs associated with the Independent Evaluation of universal service programs, as required by the Pennsylvania Public Utility Commission's Bureau of Consumer Services requirement to submit such evaluation on a recurrent basis.

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider Universal Service, and the CAP or E-CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater. The projected CAP Credit shall be calculated based on current rates, current CAP or E-CAP payment amounts and projected normalized annual volumes for CAP and E-CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP and E-CAP participants; and 2) the projected average net change in the number of CAP and E-CAP participants for the projected quarter.
2. Pre-Program Arrearage Forgiveness – Projected CAP and E-CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by 1.93% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of 39,010 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credit and arrearage forgiveness amounts. Third party costs for the purposes of CAP administration will be included in the calculation of the Rider.

The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected non-CAP residential volumes established in the most recent 1307(f) gas cost recovery proceeding. For bill display purposes, the unit rate calculated under this rider shall be included in a single delivery charge that also includes the residential delivery charge set forth in rate schedules Rate RS and Rate GS-T.

QUARTERLY ADJUSTMENT
Effective with each quarterly 1307(f) gas cost change, the unit rate under this rider shall be recalculated to reflect current cost data for the cost components outlined above. The updated rate will be filed to be effective one day after the filing.

ANNUAL RECONCILIATION
As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under Rider Universal Service and actual universal service costs incurred for the twelve month period ended September 30. The resulting over/undercollection will be included in the quarterly Rider Universal Service rate adjustment to be effective January 1.

RIDER
GAS PROCUREMENT CHARGE

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

Recoverable Costs

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider Purchased Gas Cost - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

Recalculation of the GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

The currently effective Rider GPC Charge is reflected on Tariff Page No. 3.

RIDER
TAX REPAIRS SURCREDIT (TRS)

Pursuant to Docket Nos. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549, there shall be a surcredit of negative 0.6146% applied to the customer charge and the base rate delivery charge under all rate schedules served by this tariff. Any customer receiving a discounted flexible delivery charge rate will not be eligible for the surcredit.

Purpose: The purpose of this surcredit is to refund, over a ten-year period beginning August 1, 2021, the tax benefits of certain catch-up tax deduction resulting from the Company's defining its unit of property under the Internal Revenue Service's Treasury Regulations 1.263(a)-3 and 1.162-4 and IRS Rev. Proc. 2023-15. Specifically, the surcredit shall reflect:

- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2012 through March 15, 2020 for Peoples Natural Gas Company, net of amounts refunded prior to January 1, 2025;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2013 through December 31, 2020 for the former Peoples Gas Company;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for mandatory relocation projects for the tax years ended December 31, 2012 through December 31, 2021 for Peoples Natural Gas Company; and December 31, 2013 through December 31, 2021 for the former Peoples Gas Company.
- the amortization of excess deferred taxes that are no longer protected under the IRS normalization rules due to the change in tax accounting methods.
- adjustments to reflect reduced state income tax benefits resulting from changes to the state Corporate Net Income Tax rate.

Effective Date: Beginning with service rendered January 1, 2025.

Calculation: The annual amount of the surcredit will be approximately $3.9 million, equal to 100% of the tax benefit from the afore-mentioned items of approximately $473.7 million refunded over a ten-year period.

Reconciliation: In accordance with Section 1307(e) of the Public Utility Code, the Company shall provide a reconciliation of the amount refunded and one-tenth of the projected tax benefit of the afore-mentioned items for the twelve-month period ended December 31. The rate will be adjusted annually for the resulting over/undercollection to be effective April 1. The annual reconciliation will be filed by March 21 for the preceding calendar year.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recoup or refund period.

This surcredit will remain in place for eleven years (ten years of refund period and one year for a final reconciliation period). In the final year, the Company also shall include the difference between the actual tax benefits received and the projected tax benefits previously reflected in calculating the surcredit, as provided by the Order at Docket No. P-2020-3021191. Any over or under ratepayer surcredit amounts remaining at the end of year eleven shall be flowed through to Customers in the Company's next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the rate credit, the Company shall file with the Commission and provide a copy to all parties to Docket No. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549 a final reconciliation of all surcredit amounts.

Upon determination that this surcredit, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of this surcredit.

RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

APPLICATION AND PURPOSE

A Weather Normalization Adjustment ("WNA") shall be applied to Residential, Commercial SGS, and Commercial MGS customers receiving service under Rate Schedules RS, CAP, SGS, and MGS for bills rendered during the heating season of October 1st through May 31st.

WNA is a distribution charge adjustment and is considered a basic service charge.

Calculated WNA amounts shall be subject to Rider DSIC, Rider STAS, Rider Tax Repairs Surcredit, and Rider TCJA. No additional riders or surcharges will be applied to the calculated WNA.

CALCULATION

The WNA will be applied to bills rendered October 1st through May 31st and shall be calculated on a customer account specific basis in accordance with the formula below:

WNBM = BLMM+ [(NHDD +/- (NHDD x 3%)) /AHDD) x (AMUM-BLMM)]
WNAM = WNBM – AMUM
WNA = WNAM x Distribution Charge

a) Weather Normalized Billing Mcfs ("WNBM") will be calculated as the Base Load Monthly Mcfs ("BLMM") added to the product of the [Normal Heating Degree Days ("NHDD"), adjusted for a 3% deadband, divided by the Actual Heating Degree Days ("AHDD")] and the [Actual Monthly Usage Mcfs ("AMUM") less the BLMM]. Weather Normalized Billing Mcfs (WNBM) will only be calculated if the AMUM exceeds the BLMM. WNA will not be applicable for the billing period if AMUM is less than the BLMM.

b) BLMM shall be established for each customer by averaging the actual daily consumption from the billing system, measured in Mcf, for service rendered July 1st thru August 31st of the most recent period.

c) AMUM shall be measured for each customer and billing cycle.

d) NHDD shall be based upon the heating degree days utilized to develop the revenue requirement in the Company's general rate case proceeding at Docket No. R-2026-3060855. NHDD shall be updated in future general rate case proceedings.

e) AHDD shall be the actual experienced heating degree days during the billing cycle days for the customer based upon experienced actual temperatures as reported by the National Oceanic and Atmospheric Administration (NOAA) for weather stations utilized by the Company for the area.

f) AMUM will be subtracted from the WNBM to compute the Weather Normalized Adjustment Mcfs ("WNAM").

g) A deadband of 3% shall apply. The WNA for a billing cycle will apply only if the AHDD for the billing cycle are lower than 97% or higher than 103% of the NHDD for the billing cycle.

h) The WNAM shall then be multiplied by the applicable Rate Schedule Distribution Charge based on service rendered to compute the WNA amount that will be charged or credited to each Residential, SGS, and MGS customer receiving service under Rate Schedules RS, CAP, SGS, and MGS.

RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

i) In the event a customer's bill needs to be canceled and rebilled at any time, the WNA will be recalculated using the most recently available data for the billing period. In some cases, updates in data used in the calculation, may result in a different WNA for the billing period.

j) WNA amounts will be displayed as a separate line item on the customer's bill.

k) The WNA adjustment for bills rendered in May will not exceed 100% percent of the billed distribution amount (delivery charge amount plus customer charge amount) for that same period.

l) The Company will file a report annually with the Commission on or before September 1st for the 12-month period ending June of the same year. The filing will contain WNA details as defined in the Company's most recent general rate case proceeding.

RIDER
Distribution System Improvement Charge (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order dated May 23, 2013 at Docket No. P-2013-2346161 approving the DSIC.

Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Eligible Property:

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (accounts 334,369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

Effective Date: The DSIC will become effective for bills rendered on and after 7/1/2013.

Computation of the DSIC

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

Determination of Fixed Costs: The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

RIDER
Distribution System Improvement Charge (DSIC)

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for Rider State Tax Adjustment and Rider Purchased Gas Cost. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company's annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Rider State Tax Adjustment Surcharge and Rider Purchased Gas Cost.

Formula: The formula for calculation of the DSIC is as follows

$$DSIC = \frac{(DSI*PTRR)+STFT+Dep+S}{PQR} + \frac{e}{PQR:}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax. [**NOTE: UTILITY MAY ELECT TO INCLUDE THE STFT IN THE PTRR COMPONENT.]**

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.

S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.

PQR = Projected annual revenues for distribution service (excluding Rider State Tax Adjustment and Rider Purchased Gas Cost) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, Office of Small Business Advocate, and Commission's Bureau of Audits at least (10) days prior to the effective date of the update.

RIDER
Distribution System Improvement Charge (DSIC)

Customer Safeguards:

1. **Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

2. **Audit/Reconciliation**: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq,* shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq*.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

3. **New Base Rates**: The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

4. **Customer Notice**: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

5. **All Customer Classes**: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives or potential competitive alternatives and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

6. **Earnings Reports**: The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

7. **Residual E-Factor Recovery Upon Reset to Zero**: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

Rider TCJA - TCJA TEMPORARY SURCHARGE FOR FORMER PG DIVISION CUSTOMERS

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered Orders superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates and required utilities to implement negative surcharges as a credit for intrastate service to all customer bills to reflect reduced taxes under the TCJA. This negative surcharge was distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge was reconciled at the end of each calendar year and remained in place until the utility filed and the Commission approved new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. The effects of the TCJA for Peoples Natural Gas Division were fully reflected in the Company's rate case at Docket No. R-2018-3006818. The effects of the TCJA for Peoples Gas Division customers were reflected in the Company's base rate case at Docket No. R-2023-3044549, except for the remaining over/under collection as of the effective date of new rates.

Rider TCJA will remain in effect for former PG Division customers until the remaining TCJA over/under collection is refunded or recovered from customers.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.

The TCJA Temporary Surcharge will be filed with the Commission by December 1 of each year to become effective the following January 1.

RATE CHART

	Surcharge per meter per month	Surcharge per MCF
Residential	$0.0000	$0.0000
SGS with annual consumption less than 500 Mcf	$0.0000	$0.0000
SGS with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$0.0000	$0.0000
MGS with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$0.0000	$0.0000
MGS with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$0.0000	$0.0000
LGS with annual consumption greater than 2,000,000 Mcf	$0.0000	$0.0000

Original Tariff Gas – PA PUC No. S-5
Cancels and Supersedes Tariff Gas - PA PUC No. S-4

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF SERVICE TO NATURAL GAS SUPPLIERS

ISSUED: March 27, 2026 **EFFECTIVE: May 26, 2026**

By: Michael Huwar
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

This tariff cancels and supersedes Tariff Gas – PA PUC No. S-4. Upon approval of this Tariff Gas – PA PUC No. S-5, all Peoples Natural Gas Company LLC customers will be subject to the rates and rules set forth herein.

LIST OF CHANGES

Page	Page Description	Revision Description
2	List of Changes	List of Changes
7	Rules and Regulations	Source of Supply: Removed sentence
18	Rules and Regulations	Nomination Procedures: Removed IFERC DTI and replaced with Eastern Gas. Added verbiage to end of sentence
22	P-1	Removed IFERC DTI and replaced with Eastern Gas. Added verbiage to end of sentence
23	P-1	Removed change indicator
26	P-1	Removed change indicator
29	NP1	Removed “Transmission and Storage ("EGTS")” and replace with Gas
30	NP-1	Removed “for period of three years”
35	Rate SBS	Updated merchant function charge percentages and removed sentence regarding management adder
36	Rate SBS	Updated Supplier Bill Fee

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DEFINITION OF TERMS

The following is a list of some of the most commonly used terms in this Tariff. In the event of a conflict between any of the definitions set forth below or those contained in a more specific provision of this Tariff, the definition contained in the more specific provision shall prevail.

Aggregate Daily Consumption Volume - The aggregate quantity of gas estimated by the Company to be consumed by all Customers served by the NGS on any day or the direct end user in an OFO situation under Rule 4 of the Tariff.

Aggregate Monthly Consumption Volume - The aggregate quantity of gas actually consumed by all Customers of Pool Operator's pool over their respective Billing Cycles for the month as determined by the Company through actual or estimated meter readings.

Aggregator - A broker, marketer or producer of natural gas which aggregates locally produced gas, injected directly into the Company's lines, into a pool.

Billing Cycle - The period that occurs between actual or estimated meter readings taken by the Company for billing purposes.

Calendar Month Pool Sendout - The sum of (1) the Aggregate Monthly Consumption Volumes plus (2) Pool-to-Pool Volumes nominated for the month.

Calendar Month Pool Supply - The sum of the Daily Available Volumes during the month as adjusted for any gas received from other Pool Operators during the month and any imbalance sales to or purchases from the Company.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas Supplier which involves the purchase of gas commodity by the Customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the Customer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A Customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under the Company's Retail Tariff.

Daily Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers on any day. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account on that day, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes and/or the reconciliation of monthly volumes as set forth in Rates P-1 and NP-1**.**

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Dekatherm (Dth) – 10 therms or 1,000,000 British thermal units ("Btu")

Direct End User – A Customer that receives distribution service from the Company and purchases commodity service from a natural gas Supplier who does not pool supplies under the Company's Rate P-1 or Rate NP-1.

DEFINITION OF TERMS (continued)

Local Gas Aggregation Agreement - The Local Gas Aggregation Agreement between the Company and the NGS.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

Measurement Operating Agreement - The agreement between a producer of natural gas and the Company which sets forth the obligations and responsibilities for owning and operating measurement equipment for designated measuring stations.

Monthly Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers for the applicable month. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account for the applicable month, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to Customers that is delivered through the distribution lines of the Company.

Non-Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of one or more Non-Priority One transportation Customers of the Company.

Non-Priority One Pooling Agreement - The Non-Priority-One Pooling Agreement between the Company and the Pool Operator.

Pool Operator – A broker, marketer or producer of natural gas licensed as a gas Supplier by the Pennsylvania Public Utility Commission which has executed a Priority-One or Non-Priority One Pooling Agreement with the Company.

Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of Priority One transportation Customers of the Company.

Small Business Customer – A Customer receiving natural gas service for commercial or industrial use whose annual usage is equal to or less than 300 MCF.

Supplier – Shall include, but is not limited to, aggregators, brokers, marketers, natural gas distribution companies, natural gas suppliers or producers.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to Customers that do not elect another Supplier or choose to be served by the Supplier of last resort, Customers that are refused service from another natural gas supplier, or Customers whose natural gas Supplier fails to deliver the required gas supplies. Currently, the Company is the Supplier of last resort for all Priority-One Customers under the terms of this tariff. Each Customer may only have one Supplier of last resort.

RATES AVAILABLE UNDER THIS TARIFF

Service is made available to NGSs under the rules, regulations, rates and terms contained in this tariff. The following rates are made available to NGSs:

Rate P-1 - Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Priority One (P-1) transportation Customers of the Company.

Rate NP-1 - Non-Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Non-Priority One (NP-1) transportation Customers of the Company.

Rate LGA - Local Gas Aggregation Service
This rate is available to any broker, marketer or producer of natural gas which aggregates locally produced gas injected directly into the Company's pipeline system.

Rate SBS – NGS Billing Service
This rate is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas sold by the NGS.

RULES AND REGULATIONS

1. Sources of Supply

The Company agrees to receive, for the NGS's account, upstream pipeline transportation volumes, local gas volumes, storage volumes, and Pool-to-Pool Volumes.

In determining the volumes available for delivery to Customers in the applicable month, the Company may retain an appropriate percentage, as set forth in the Company's Retail Tariff, of gas used in Company operations and unaccounted for gas from upstream pipeline transportation volumes and local gas volumes as they are received by the Company.. Pool-to-Pool Volumes shall be added to the adjusted volumes.

Suppliers will pay for any investment costs and any other agreed-upon fees relating to the delivery of gas into the Company's system. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. Measurement and Quality of Gas

All gas delivered shall be measured by meter. The term "mcf" as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to Customers shall meet Commission heating value requirements, and the Company may charge for this.

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Supplier shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

The Company may enter into agreements with suppliers whereby the Company will agree to treat gas on behalf of a Supplier in order to meet such gas quality requirements outlined above. Should the Supplier not enter into such an agreement and fail to meet these gas quality requirements, the Company may refuse to accept gas delivered by the Supplier and should a Supplier cause damage to any metering, regulating and/or other equipment or interruption of service, the Supplier shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to Customers and/or repair facilities, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service. The Supplier agrees to allow the Company to make necessary gas samples to permit testing of the delivered gas to determine quality of gas delivered by the supplier.

RULES AND REGULATIONS

2. Measurement and Quality of Gas (continued)

Nonconformance – If the gas offered for delivery by the NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

3. Critical Day Planning

As events occur that could develop into system emergencies or lead to a threatening of system integrity, the Company may request and/or require NGSs or Customers to take certain actions to protect, maintain, or reestablish the safe operation of the system.

a. Maintenance Alerts (MA) – A maintenance alert is an announcement of actual or pending events related to various physical connections to the Company's system. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board as soon as practical.

b. Operational Alert (OA) – An operational alert may be called during periods of projected increased or decreased consumer demand for natural gas. An "OA" is a request for specific action on the part of an individual NGS, or all NGSs. The NGSs are expected to respond to "OAs" as soon as practical by giving notice to the Company of their intended action. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board and/or through email as soon as practical.

c. Operational Flow Order (OFO) – An OFO is defined in paragraph 4 of the Supplier Tariff. NGSs are expected to comply with an OFO.

d. Curtailment – In the event of an emergency curtailment of Customer consumption, the Company will alert the appropriate NGSs, and if appropriate, will coordinate with them responses to media and elected officials.

RULES AND REGULATIONS

4. Operational Flow Orders

a. Issuance of OFOs

The Company may issue, in its sole discretion, an OFO (Operational Flow Order) in any of the following circumstances: To the extent possible, the Company will provide a 24-hour prior notice of an OFO in situations where a prior indication of the need to issue an OFO exists.

i. to alleviate conditions that threaten the operational integrity of the Company's system;

ii. to maintain pressures necessary for the Company's operations;

iii. to insure adequate flowing supplies are delivered to specific receipt points on the Company's system; or

iv. to alleviate operational problems arising from overdeliveries or underdeliveries by NGSs or Customers transporting supplies for their own consumption ("Direct End User"), in violation of their agreements or Company tariffs.

b. OFO Procedures

In the event of the issuance of an OFO, NGSs and Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO) will be directed to maintain its supply according to the steps set forth below.

i. The NGS or the Direct End User must adjust supply nominations, including any Pool-to-Pool Volumes to equal Aggregate Daily Consumption Volume and/or hourly consumption levels if necessary, with gas delivered at the points specified by the Company. The Company shall provide such estimates via the electronic bulletin board and/or through email as soon as practical.

ii. Upon the NGS or Direct End User request, the Company will consider, if time permits, adjustments to the Aggregate Daily Consumption Volume or the Daily Available Volume to the extent such adjustment, in the Company's discretion, benefits system operations during the OFO event and if such adjustment is confirmable the Company.

RULES AND REGULATIONS

4. Operational Flow Orders (continued)

c. OFO Penalties

Failure to comply with an OFO may result in the following:

i. The immediate recall of capacity assigned by the Company to the NGS or a Direct End User, if any, throughout the remainder of the OFO period. Further, in the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of end-use Customers of the NGS/Direct End User's and/or the Company's Retail Sales Demand, the Company may, at its sole discretion, recall or otherwise withdraw any capacity rights assigned to the NGS/Direct End User upon five (5) days written notice to the NGS/Direct End User (unless already recalled under the provisions of this section).

ii. The billing of the incremental charges set forth below times the OFO shortfall which is defined as the imbalance between Daily Available Volume and its Aggregate Daily Consumption Volume as calculated by the Company, on those days subject to the OFO.

The OFO incremental charges shall equal:

(1) the payment of a gas cost equal to the highest incremental cost paid by the Company on the date of noncompliance;
(2) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than twelve times in any thirty-day period;
(3) the payment of all other charges incurred by the Company on the date of the OFO shortfall that are associated with the OFO shortfall; and
(4) in the Company's discretion, an appropriate penalty charge, not to exceed $15/Mcf.

The penalties set forth herein shall be billed to NGSs serving Customers under Rates P-1 or NP-1, or to Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO).

iii. In the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of any Customer and/or the Company's retail sales demand, the Company may terminate the NGS's/Direct End User's rights to operate on the Company's system under the applicable pooling and/or transportation agreements upon ten (10) days written notice to the NGS.

5. Billing and Payment

Each calendar month the Company shall render a statement of account to the NGS summarizing the charges due the Company, including any purchases by the Company.

The NGS shall pay the Company by wire transfer of federal funds unless the NGS and the Company mutually agree upon a method of payment other than wire transfer which will result in timely receipt of payment by the Company.

RULES AND REGULATIONS

5. Billing and Payment (continued)

Charges previously billed to the NGS by the Company, for which payment has not been received by the Company by the due date, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance.

If the Company has not received payment from the NGS for any services or charges, including late-payment charges, within fifteen (15) days of the statement date, the Company may deduct this unpaid amount from any payments accruing to the NGS under any agreement between the NGS and the Company or take gas in kind from the NGS in satisfaction of obligations and/or terminate the agreement with the NGS upon ten (10) days written notice to the NGS.

6. Creditworthiness

The Company shall not commence service or continue service to the NGS if the NGS fails to meet the creditworthiness criteria outlined in this Section.

The Company will base its creditworthiness evaluation on the financial information provided in response to the “Financial Information” and “Certificate” sections below.

a. Financial Information - In consideration of the opportunity to supply gas to the Company’s Customers and in order for the Company to accept the NGS as the Supplier of gas to Customers of the Company, the NGS must provide the following financial information, provided, however, that such financial information will not be required by the Company if the NGS has obtained a Natural Gas Supplier License from the Commission within one year prior to the date it submits an application to the Company for approval to become a NGS of gas to Customers of the Company and that such information has been provided to the Company:
   i. Financial statements, annual report or Form 10-K for the most recent fiscal year-end.
   ii. Current interim financial statements.
   iii. Listing of parent company, affiliates and subsidiaries.
   iv. Any reports from credit reporting and bond rating agencies which are available.
   v. A bank reference and at least two trade references.

b. Certificate: The NGS shall deliver a certificate of a duly elected officer or authorized representative certifying the following:

   i. The NGS is not operating under any chapter of the bankruptcy laws and is not subject to liquidation under any state law.
   ii. The NGS is not subject to the uncertainty of pending or threatened litigation in state or federal courts or regulatory proceedings which could (1) cause a substantial deterioration in its financial condition, (2) cause a condition of insolvency, or (3) endanger its ability to exist as an ongoing business.
   iii. The NGS does not have outstanding lawsuits, actions or judgments, which, individually or in the aggregate, could jeopardize its ability to remain solvent.

RULES AND REGULATIONS

6. Creditworthiness (continued)

iv. The NGS has the power and authority to transact the business it transacts and proposes to transact, has obtained and holds a Natural Gas Suppliers License from the Commission and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which failure to be in good standing would not, individually or in the aggregate, reasonably be expected to jeopardize its ability to transact the business it transacts or to remain solvent.

v. The NGS has no delinquent balances outstanding for billings made previously by the Company or its affiliate, and the NGS must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

c. The NGS has a continuing obligation to notify the Company in writing, within two business days, of the occurrence of any event which would render the NGS unable to provide the certificate required in paragraph (b) of this "Creditworthiness" section, as of the date such event occurred and within two business days of any other significant deterioration of its financial fitness or creditworthiness, including if the NGS's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the NGS's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch. The NGS shall also provide the Company a copy of the financial statements as specified in paragraph (a) of this "Creditworthiness" section upon request by the Company.

d. Evaluation Process to Determine Financial Fitness:

To the extent the Company determines that the NGS's financial condition under paragraph (a) is questionable or the NGS cannot supply the certificate required under paragraph (b) above, the Company will require the establishment of a security enhancement based on the financial exposure imposed on the Company by the NGS for all service fees applicable per the rate schedules governed by this tariff. The amount of the security enhancement shall include the following components and shall be calculated based on the projected peak winter month usage served by the NGS:

1. All applicable pooling and aggregation fees;
2. All applicable billing fees; and
3. Projected imbalance fees using the maximum imbalance price multipliers and assuming that the NGS fails to delivery gas supplies during the peak month.

The Company shall consider the forms of security enhancements as set forth in 52 Pa. Code §§ 62.102 – 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the NGS under Rate SBS of this tariff or such other security as is mutually acceptable to both the Company and the NGS. The Company reserves the right to determine which of these financial instruments shall be established as a security enhancement.

All information submitted or provided to the Company will remain confidential and be used solely for the purpose of evaluating the financial fitness or creditworthiness of the NGS. The amount of the security enhancement may be reviewed and modified based on the criteria established at 52 Pa. Code §§ 62.102 – 62.114.

RULES AND REGULATIONS

7. Bonding Requirement

In addition to any creditworthiness requirements as set forth in Rule 6, the Company may also require that the NGS post a performance bond or any other security suitable to the Company, to cover any costs associated with the NGS prematurely discontinuing service to Customers or the NGS default of payments of Commission imposed financial penalties and restitution to Customers. The amount of the performance bond or other security shall be equal to $2 times the volumes the NGS is expected to serve during the month of January. The level of the bond shall be recalculated annually.

The bonding requirement will be waived for that portion of the NGS's load used to serve Non-Priority One Customers whose annual consumption is 300 Mcf or more, but in such circumstance, the Company shall not be responsible to provide those Customers service as Supplier of last resort and the Company shall have none of the obligations arising under Section 2207(a) and (k) of the Public Utility Code. The Company may waive the bonding requirement related to delivery failure for the NGS that demonstrates to the Company's satisfaction that it will assign the gas supply contract to the Company in the event of a default. With regard to the latter, the Company, in its sole discretion, which shall not be unreasonably exercised, may waive the bonding requirement related to delivery failure if the NGS assigns its gas supply contracts acquired for purposes of serving its Customers on the Company's system (and if applicable, any related financial risk management contracts) to the Company in the event the NGS prematurely discontinues service to its Customers. Such waiver shall be subject to the following conditions:

a. The NGS's Supplier agrees to assign applicable gas supply to the Company.

b. The Company is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions.

c. The Company is satisfied with the NGS's Supplier's credentials or the security of supply.

d. The NGS agrees to reimburse the Company for any losses the Company suffers as a result of agreeing to the assignment of contracts, including, but not limited to, losses from a differential in the assigned gas prices and the NGS's contracted price with its Customers and losses resulting from the NGS's Supplier refusing to assign the relevant gas supply.

8. Procedures when a NGS Exits the System

Prior to exiting the Company's system the NGS shall provide the Company with two months prior notice. Upon the NGS's exit from the Company's system, the Company will serve the NGS's former Customers at the Company's Supplier of last resort rates, or at the agreed-to NGS price for the remainder of the billing cycle if the NGS discontinues service prior to the beginning of the next billing cycle. Any differences between the cost incurred by the Company and the NGS's price shall be recovered from the NGS. Any capacity or supplies previously assigned to the NGS will revert to the Company, including gas held in storage. If the NGS had used capacity not assigned by the Company to bring gas on to the Company's system, then the NGS agrees to offer to assign said capacity, including gas held in storage, to the Company, which the Company may, at its sole discretion, accept or reject.

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the Balancing provisions under Rate NP-1. No imbalance price multipliers will be applied.

RULES AND REGULATIONS

9. Dispute Resolution Process

The Company and each NGS will designate specific personnel for responding to complaints and disputes under this process.

The Company and the NGS shall use good faith and commercially reasonable efforts to informally and timely resolve all disputes that may develop between them. Failing such informal resolution, either party may initiate this Dispute Resolution Process by presenting a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.

Within five (5) days of the Company's and/or the NGS's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.

In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.

If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.

Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

10. Standards of Conduct

a. The Company shall apply its tariffs in a nondiscriminatory manner to its affiliated NGS and any nonaffiliated NGS.

b. The Company shall not apply a tariff provision in any manner that would give its affiliated NGS an unreasonable preference over other NGSs with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated NGS.

c. Mandatory tariff provisions shall not be waived by the Company for any NGS absent prior approval of the Commission.

d. If a tariff provision is not mandatory or provides for waivers, the Company shall grant the waivers without preference to its affiliated NGS or non-affiliated NGS.

e. The Company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours and the Company shall post the log on its website for a period of at least three (3) months.

f. The Company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. The Company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

RULES AND REGULATIONS

10. **Standards of Conduct (continued)**

g. If the Company provides a distribution service discount, fee waiver or rebate to its favored Customers, or to the favored Customers of its affiliated NGS, the Company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated Customers. Offers shall not be tied to any unrelated service, or incentive or offer on behalf of either the natural gas distribution company or its affiliated NGS. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.

h. Subject to Customer privacy or confidentiality constraints, the Company shall not disclose, directly or indirectly, any Customer proprietary information to its affiliated NGS unless authorized by the Customer. To the extent that the Company does disclose Customer information without Customer authorization, it shall first seek the permission of the Customer consistent with the Company's tariff, any contractual obligations with the Customer and Section 62.78 of the Pennsylvania Code, and if the Customer grants permission, the Company shall contemporaneously provide this same information to other similarly situated NGSs in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated NGS any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours. This provision does not apply to the disclosure of Customer information made under a Customer assistance program mandated by state law or regulation.

i. The Company shall justly and reasonably allocate to its affiliated NGS the costs or expenses for general administration or support services provided to its affiliated NGS.

j. The Company shall not condition or tie the provision of any product, service or price agreement by the Company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated NGS.

k. The Company shall not give its affiliated NGS preference over a nonaffiliated NGS in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. The Company shall provide comparable treatment in its provision of such goods and services without regard to a Customer's chosen NGS.

l. The Company and its affiliated NGS shall maintain separate books and records. Further, transactions between the Company and its affiliated NGS shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Company function and the affiliated NGS function. The Company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated NGS may be clearly identified.

m. The Company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, as well as those responsible for marking and Customer service, shall not be shared with an affiliated NGS, and their offices shall be physically separated from the office(s) used by those working for the affiliated NGS. Such Company employees may transfer to an affiliated NGS provided such transfer is not used as a means to circumvent these interim standards of conduct.

RULES AND REGULATIONS

10. Standards of Conduct (continued)

n. Neither the Company nor its affiliated NGS shall directly or by implication, falsely and unfairly represent to any Customer, the NGS or third party that an advantage may accrue to any party through use of the Company's affiliates or subsidiary, such as:

i. That the Commission regulated services provided by the Company are of a superior quality when services are purchased from its affiliated NGS;
ii. That the merchant services (for natural gas) are being provided by the Company when they are in fact being provided by an affiliated NGS;
iii. That the natural gas purchased from a nonaffiliated NGS may not be reliably delivered; or
iv. That natural gas must be purchased from an affiliated NGS to receive Commission regulated services.

o. When affiliated NGSs market or communicate to the public using the Company's name or logo, it shall include a legible disclaimer that states:

i. That the affiliated NGS is not the same company as the Company;
ii. That the prices of the affiliated NGS are not regulated by the Commission; and
iii. That a Customer does not have to buy natural gas or other products from the affiliated NGS in order to receive the same quality service from the Company.

When an affiliated NGS advertises or communicates verbally through radio or television to the public using the Company name or log, the affiliated NGS shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

p. Except in competitive bid situations, the Company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated NGS or (b) offer or provide to its affiliated NGS products or services, including bill inserts in its Company bills promoting an affiliated NGS's services or a link from the Company's web site, unless the Company offers or provides the products or service to all nonaffiliated NGSs on the same terms and conditions.

q. The Company shall not offer to sell natural gas commodity or capacity to its affiliated NGS without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. The Company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

r. The Company shall utilize, unless otherwise agreed to by the affected parties, the following complaint and dispute resolution procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (r)(i), which are exclusively under the purview of the Commission:

RULES AND REGULATIONS

10. Standards of Conduct (continued)

i. In the event a NGS alleges a violation of any of these Standards of Conduct provisions, the NGS must provide the Company with a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute. The dispute procedures in Section 9 shall apply to any Notice of Dispute issued per Section 10(i). A complainant bears the burden of proof consistent with 66 Pa. C.S. Section 332 (relating to Public Utility Code) in regard to the allegations, and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. Section 3301.

s. The Company shall keep a chronological log of any complaints, excepting paragraph (r)(i), regarding discriminatory treatment of NGS. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

11. Nomination Procedures

a. General Procedures

i. All Transportation Volumes received for NGS's pool account at upstream pipeline transportation receipt points, local production volumes received for NGS's or Aggregator's account at local production receipt points and Pool-to-Pool transfer volumes shall be nominated to the Company in advance according to the procedures outlined in this section.

ii. Nominations are to be transmitted to the Company via the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified on the Company's Electronic Nomination System.

b. Nomination of Upstream Pipeline Volumes

i. Upstream pipeline nominations must conform, in content and format, with Company specifications for transportation volume nominations, which shall include, at a minimum: NGS's contract number; upstream pipeline contract number; and requested daily transportation volume.

RULES AND REGULATIONS

b. Nomination of Upstream Pipeline Volumes (cont.)

ii. The Company will either confirm, in total or in part, or reject NGS's transportation volume nomination based on the Company's operating conditions, the limits and requirements of the Company's system and facilities, previously confirmed nominations and timely confirmation by upstream pipelines. Accepted transportation volumes will be posted on Company's Electronic Nomination System. In order to support system operations, maintain system integrity, and minimize positive or negative imbalance volumes, the Company may request NGS to nominate and deliver transportation volumes to designated transportation receipt points. Such request shall be posted in advance on Company's Electronic Nomination System or through direct communication with the NGS. If, in Company's sole discretion, voluntary compliance by NGS fails to correct operational deficiencies, the Company may exercise it authority under Rule 4 of the Rules and Regulations to issue NGS specific and/or system wide OFOs.

iii. Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination or limited by operational conditions as mentioned above.

iv. Nominations made in accordance with this Section do not relieve NGS of the obligation to submit corresponding nominations for service with an upstream pipeline.

c. Nomination and Reconciliation of Local Production Volumes

i. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month for the metering stations identified in the agreement or other point of interconnection into the Company's System. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within 2 days) by the NGS or Local Gas Aggregator and confirmed by the Company. The confirmed GPP volume shall be used for reconciling local gas nominations and actual production.

ii. The NGS or Local Gas Aggregator may request to change its GPP nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination.

iii. Confirmed GPP nominations will be credited to the NGS's or Local Gas Aggregator's account on the date specified in the GPP nomination. When actual local gas aggregation volumes delivered into the Company's system are known, any discrepancies between actual and GPP nominations will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").

iv. The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the NGS's or Local Gas Aggregator's monthly available volume or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

v. In the event that a pool ceases its existence and due to this, a negative imbalance results, the pool will be cashed out at the first of the month Eastern Gas Appalachia Index price as established in *Inside* FERC's Gas Market Report.

vi. Unless otherwise agreed upon by the Company, monthly volumes delivered out of the pool must be baseloaded proportionately with regard to the number of days in the month.

RULES AND REGULATIONS

d. Nomination of Pool-to-Pool Volumes

i. Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, as specified in the Company's Electronic Nominations System.

ii. Such transfers may be used to resolve current daily imbalances created by the NGS's inability to match Daily Available volumes with the projected Aggregate Daily Consumption Volume and shall not be used to resolve daily imbalances occurring for any prior day or days.

iii. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination.

e. Nomination of Assigned Pennsylvania-Produced Supplies

i. All Pennsylvania-produced supplies assigned or sold to the NGS for a given month will be divided by the number of days of that month and automatically credited to the pool operator's Daily Available Volumes.

12. Confirmation of Customer Enrollment

When the Company receives notice that a Customer has elected to switch NGSs or return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of Customer's next billing cycle.

a. The NGS must maintain either a mainframe computer or a personal computer that meets the processing capabilities required by the Company.

b. The NGS shall notify the Company of new or deleted Customers via e-mail file in approved spreadsheet format. The NGS should notify the Company only of additions or deletions to its Customer list; existing Customers shall not be included.

RULES AND REGULATIONS

12. Confirmation of Customer Enrollment (continued)

c. Notification from the NGS of a new or deleted Customer shall consist of the following information: Customer name, Service Address, the Company Account Number, Date and Time of file preparation, the NGS's assigned Pool Code (rather than the NGS name) and the NGS's assigned Rate Numbers, if the Company is billing on behalf of the NGS.

d. The NGS may submit additions, changes or deletions from its Customer list to the Company on a daily basis. Such additions, changes or deletions from the Customer list will become effective for the service period reflected in the second bill issued following the date such additions, changes or deletions are submitted to the Company.

e. The Company shall notify the NGS with a report via the Internet if a new Customer is not processed. The circumstances in which a Customer will not be processed may include, but are not limited to, the information provided by the NGS does not match the Company's required data elements, the Customer submitted by the NGS is not eligible for the requested service, and the Customer is no longer receiving service from the Company. Such report will be issued on the Company's web site following processing and will include the reason the Customer has not been processed.

f. Once a prospective Customer's request has been processed, the Company shall mail out a confirmation letter to each Customer by the end of the next business day after the date the Company receives notification from the NGS that the Customer has elected to switch NGSs or return to the Company's Supplier of last resort service, asking the Customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include, if appropriate, the Customer's pool operator choice as stated by the NGS, the applicable billing option, the approximate date when transportation service is to begin and the date that the first bill will be mailed.

g. Should the Company receive notification from a Customer within the five (5) calendar days required under the confirmation letter that the Customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by Customer of such error, the Company shall continue billing the Customer under the Customer's current billing arrangement. Should the Company receive notification from the Customer that the Customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the Customer to contact the NGS to request cancellation, and if requested by the Customer, the Company will treat this as an alleged slamming complaint.

h. On or about the eighteenth (18th) of the month, the Company will post on its web site, a list of Customers for the forthcoming month. Additions and removals from the NGS will also be reported on a daily basis in an activity file.

i. Should the Company receive notification by more than one NGS within a one-month period that the Customer has elected said NGS to supply Customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the Customer informs the Company otherwise.

j. The Company will issue, at a minimum, a monthly report of Customers who have discontinued service with the NGS via Internet, which shall include discontinuances initiated by the incumbent NGS, the Customer or Customer's new NGS.

RULES AND REGULATIONS

13. Customer Service, Information Requirements and Slamming Complaints

a. NGSs shall refer to the Commission's Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2206 (a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §§2207 (b), 2208 (e) and (f) and Addressing the Application of Partial Payments at Docket No. M-00991249F0003, for requirements relating to credit determination, deposits, initiation and disconnection of service.

b. NGSs shall refer to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, for requirements relating to disclosure of terms of service, marketing, advertising and sales practices, and privacy of Customer information.

c. NGSs shall refer to the Commission's Guidelines to Ensure Customer Consent to a Change of Natural Gas Suppliers at Docket No. M-00991249F0006, for requirements on handling Customer slamming complaints.

14. Customer Contact

The NGS must maintain a twenty-four (24) hour answering service or a telephone answering machine which informs all callers that if they smell gas or there is any other emergency regarding gas service, the callers should call their gas utility immediately.

If the NGS receives a telephone call from a Customer which should be directed to the Company, the NGS shall direct the Customer to the appropriate contact within the Company.

The NGS shall handle all calls regarding commodity charges and associated rates.

NGSs must coordinate with the Company in resolving Customer inquiries or complaints which involve services provided by both the Company and NGSs.

15. Miscellaneous

a. The NGS shall be deemed to be in control and possession of the gas transported to Company until the gas has been delivered to Company at the agreed-upon delivery point.

b. The NGS warrants the title of the gas delivered to Company and shall indemnify the Company for and save Company harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to Company.

c. The NGS shall be subject to the Liability provisions contained in Company's Retail Gas Tariff.

RATE P-1
PRIORITY ONE POOLING SERVICE

AVAILABILITY

Unless otherwise agreed to by the Company, an NGS that operates a P-1 and a NP-1 pool must serve its P-1 Customers from its P-1 pool and serve its NP-1 Customers from its NP-1 pool. Service under this rate schedule is available to any Priority One Pool Operator who has entered into a Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

RULES AND CONDITIONS

1. **Assignment of Capacity**

Pool Operators with Peak Day Demand < 2,000 Dth per Day

Pool Operators who take service under this rate schedule and have a peak day demand of 2,000 Dth per day or less may choose to decline their pro-rata share of the pipeline and storage capacity. In lieu of such capacity assignment, the Company will deliver the Pool Operator's required daily gas supplies. The Company will bill the Pool Operator monthly at the first of the month Eastern Gas Appalachia Index price as published in *Inside* FERC's Gas Market Report plus associated delivery charges. Pool operators may change their election to accept or decline capacity each April.

Pool Operators with Peak Day Demand > 2,000 Dth per Day

Pool Operators who take service under this rate schedule must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the Customer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of the standby rate schedule. More specific terms with respect to capacity assignment requirements are set forth in the following sections. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

Assignment of Pennsylvania –Produced Supplies

Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system may be assigned or sold to the NGS as agent for the Customer of the NGS's Priority-One Pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. Such purchased gas cost shall include any volumetric delivery and fuel charges incurred by the Company for local production volumes delivered to the Company via interstate pipelines. The term of the assignment shall be from the first month in which the NGS renders commodity service to the Customer until the NGS's supply agreement with Customer expires, or as otherwise provided herein.

Assigned Pennsylvania-produced supplies shall be recallable by the Company only under the following circumstances:

(1) the Customer on whose behalf the supplies have been assigned is no longer served by the NGS; or

(2) the NGS has failed to comply with terms and conditions set forth herein.

Assignment of Upstream Pipeline Capacity

This section applies to the Company's upstream pipeline capacity on Eastern Gas Transmission and Storage ("EGTS"), Texas Eastern ("TETCO"), Equitrans, and any other pipelines on which the Company may contract for capacity from time to time, excluding National Fuel Gas Supply Corporation and Columbia Gas Transmission, LLC.

RATE P-1
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued)

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a zero cost release of capacity provided, however, that the NGS should be responsible for paying all usage based pipeline charges. The term of the release shall be on a monthly basis, commencing with the first month in which the NGS rendered commodity service to the Customer to the earlier of the end of the seasonal period (Winter releases shall terminate March 31 and summer releases shall terminate October 31) or the termination date of the contract(s) between the Company and the upstream pipeline or the last month in which the NGS renders commodity service to the Customer on whose behalf the capacity had been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system. The NGS is responsible for paying all upstream pipeline variable charges incurred on the upstream pipeline.

The firm transportation capacity released pursuant to the previous section shall be recallable by the Company only under the following circumstances:

a. the Customer on whose behalf the capacity has been assigned is no longer served by the NGS; or

b. the NGS has failed to comply with the terms and conditions set forth herein.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline storage capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at zero cost and may be subject to conditions of release (including, but not limited to, injection and withdrawal rights) that differ from the applicable upstream pipeline storage service. The release shall terminate at the end of the then-current storage season pursuant to the applicable upstream pipeline rate schedule terms and conditions; provided, however, the Company may in its discretion release such capacity on a monthly basis.

Capacity released pursuant to this section shall be recallable by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.

Assignment of Other Supplies

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its Supplier of last resort obligation to Priority-One Customers. To the extent that a Priority-One Supplier receives an assignment of the Company's capacity it holds on the Equitrans System, the Company may provide Priority-One suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the Priority One Customer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of Supplier of last resort Customers currently served by the Company.

RATE P-1
PRIORITY ONE POOLING SERVICE

Assignment of Other Supplies (continued)

Such gas shall be sold to the NGS as agent for the Customer of the NGS's Priority One Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

1. The Customer on whose behalf the supplies have been sold is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

Determination of Assignment Quantities

Unless provided otherwise herein, assignments of Pennsylvania-produced and other supplies, upstream pipeline firm transportation capacity and upstream pipeline storage capacity shall be assigned on a *pro rata* basis in accordance with the supply portfolio held by the Company at the time of assignment to serve its Priority-One Customers; provided, however, the Company shall not be required to assign capacity that is de minimis in nature. The Company will endeavor to accommodate a Priority-One supplier's request for particular upstream pipeline capacity on a first-come first-served basis.

The Company will evaluate the capacity and supply assignments made to the NGS as agent for Customers of the NGS's Priority-One Pool monthly based on the methodology set forth above. The evaluation will include an assessment of whether the upstream pipeline storage capacity assignments are adequate to serve the needs of the Customers of the Pool Operator at that time. To the extent that the evaluation so indicates, revisions to the upstream pipeline storage and storage capacity assignments will be made effective with the summer period. To the extent that the winter evaluation so indicates, the Company may require the NGS to secure additional reliable natural gas commodity, capacity and delivery service to meet the needs of the NGS's Customers. In addition to the preceding, the Company will evaluate the capacity assignments made pursuant to this section from time to time to ensure adequate compliance with its provisions.

Capacity assigned to the NGS hereunder by the Company may be traded with other Priority-One NGSs as long as each NGS retains an aggregate amount determined by the Company to be necessary to satisfy the total demands of the NGS's Customers. Such trading may occur no more frequently than twice per calendar year unless otherwise agreed to by the Company. Any capacity trades must be reduced to writing and provided to the Company for final approval.

Any assignments made pursuant to this tariff are made subject to any order of the Commission. Should the Commission, or anybody authorized by law require a disallowance in the Company's rates that is directly attributable to the Company's assigning or transferring gas supplies to the NGS pursuant to these procedures, the NGS agrees to reimburse to the Company within 30 days of notification of any monies disallowed by the Commission or such other body that are directly attributable to the NGS. The Company shall provide such notification no later than thirty (30) days after a final order is entered by the Commission or other such body.

RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures

Refer to Rule 11 of the Rules and Regulations.

3. Storage Gas Transfers

Storage Gas Sold by the Company

a. Storage gas transfers may be required by the Company under the following conditions:

i. The NGS is unable to attain the storage inventory level required by the upstream storage service as a result of Customers initially receiving service from the NGS after the commencement of the Summer Period; or

ii. The NGS is assigned upstream pipeline storage capacity during the Winter Period as a result of Customers initially receiving service from the NGS during the Winter Period.

b. The maximum volume of storage gas transfers for the applicable month shall be determined as follows:

i. For assigned upstream pipeline storage capacity, the maximum storage gas transfer shall be the upstream pipeline storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's upstream pipeline storage inventory level to the Company's upstream pipeline storage capacity.

Storage gas transfers shall not be allowed if in the Company's sole discretion it determines such transfers would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The storage gas transfer price each month shall be at the Company's estimated commodity cost of storage gas for the year, plus any applicable taxes. The storage gas transfer price shall be reconciled each calendar year to take into account the actual commodity cost of gas injected into storage net of withdrawals for the current year and, as applicable, the commodity cost of gas from previous years' LIFO inventory layers. The Company shall bill such additional costs as soon as practicable. With respect to storage gas transfers from upstream pipeline storage capacity, the NGS will pay an additional charge equal to the upstream pipeline storage capacity injection and storage fuel charges.

Storage Gas Purchased by the Company

In the event 1) the NGS's Priority-One Pooling Agreement is terminated or canceled or 2) the NGS is no longer serving Customers on whose behalf the storage capacity has been assigned and to the extent the Company in its sole judgment determines it operationally requires such storage capacity to serve the returning Customers, the Company shall have the right, but not the obligation to purchase up to the remaining storage gas in upstream pipeline storage inventories or up to the volumes in storage attributable to the NGS's load loss, respectively. The buyback rate shall be the lower of 1) Storage Gas Transfer Price or 2) the midpoint index price for gas delivered to Eastern Gas Transmission and Storage 's Appalachia Eastern Gas South index as published on the effective date of the buyback plus firm transportation changes to bring the gas to the Company's system, including applicable fuel retainage.

RATE P-1
PRIORITY ONE POOLING SERVICE

3. Storage Gas Transfers (Cont.)

To the extent this provision is invoked and the NGS's storage gas in inventory is below the minimum inventory levels required by these procedures and the Company is required to purchase additional gas supplies on the open market, the NGS agrees to pay the Company an amount equal to the deficiency in volumes from the required inventory levels multiplied by the difference between the price the Company paid and the buyback rate.

4. Load Forecasting

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when Pool Operators must deliver volumes to the Company. The Company may issue OFOs consistent with the terms of the Company's tariff and, as a result, may provide the Pool Operator with daily projections less than two days in advance.

In a format suitable to the Company, the Pool Operator will provide sufficient information about the Priority-One transportation Customers, whose natural gas requirements shall be supplied by the Pool, for the Company to identify them in the Company's billing system. In the event that those Customers shall vary during the term of the Priority One Agreement, Pool Operator shall provide an updated list of Customers to the Company as soon as reasonably possible.

Each of the Customers of Pool Operator's Priority-One Pool must have all of their natural gas consumption over the entire Customer Billing Cycle supplied by Priority-One Pool volumes nominated by Pool Operator. Seven business days prior to the first nomination period, the Company shall provide Pool Operator an initial listing of the end-use Customer accounts to be served by the Pool Operator's Priority-One Pool during the period to which the nominations apply and one week prior to the nomination period for each subsequent month, a listing with additions and deletions from the initial list.

Each Monday through Friday before 10:00 a.m., the Company will provide a projection of the Aggregate Daily Consumption Volume of the Customers of the Pool Operator's Priority-One Pool for the current and subsequent two days. During periods in which no Operational Flow Orders have been issued, the Company will use the following schedule to establish the Aggregate Daily Consumption Volume for which the Pool Operator will be held accountable:

The Projection Provided On:	Will Be Used to Establish the Aggregate Daily Consumption Volume Accountability for the Following:
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Saturday, Sunday and Monday
Friday	Tuesday

a. During periods in which an OFO is in effect, the Company shall establish the Aggregate Daily Consumption Volume no later than 10:00 a.m. of the same Day; or

b. During periods when the mean average temperature is projected to be below 20 degrees Fahrenheit and the mean average temperature projection changes to be colder by at least 4 degrees Fahrenheit, the Company may establish the Aggregate Daily Consumption Volume for a particular day by giving 24 hour notice to the Pool Operator.

RATE P-1
PRIORITY ONE POOLING SERVICE

5. Daily Gas Deliveries and Balancing

The Pool Operator must acquire an adequate supply of natural gas (including any assigned volumes) of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and arrange for the delivery of such gas supply to delivery points specified by the Company.

Any differences between the Aggregate Daily Consumption Volume and the Daily Available Volumes during periods in which no OFOs have been issued shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

In the event the Pool Operator fails to provide Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 50% of daily pool requirements for five or more days in each of two consecutive month the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

6. Reconciliation of Monthly Volumes

The difference between aggregate monthly consumption volume and the sum of the aggregate daily consumption volume, as adjusted for any prior month billing corrections, shall be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's aggregate daily consumption volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

AVAILABILITY

Service under this rate schedule is available to any Non-Priority One Pool Operator who has entered into a Non-Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

Unless otherwise agreed to by the Company, an NGS that operates both a P1 and NP-1 pool must serve its P1 Customers from its P1 pool and serve its NP-1 Customers from its NP-1 pool. If the Non-Priority One Pool Operator supplies Priority One Customers with a total annual consumption greater than 30,000 mcf and does not operate a P1 pool, then the Non-Priority One Pool Operator shall establish a separate Priority One Pool for these Customers or eliminate sufficient Priority One Customers from the Non-Priority One Pool to reduce the total annual consumption by Priority One Customers to an amount less than 30,000 mcf.

RULES AND CONDITIONS

1. Scheduling of Service

All transportation volumes received for Pool Operator's account at transportation receipt points shall be nominated in advance according to the procedures set forth below. Pool Operators may not nominate volumes in excess of the total maximum daily volumes of its Customers as determined by the Company or as set forth in a Customer's transportation contract with the Company, times the number of days in the month. The Company may issue Operational Flow Orders consistent with the terms of the Company's tariff.

2. AVC Capacity

Consistent with FERC's rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system may be assigned to the NGS as agent for the Customers of the NGS's Non-Priority One Pool. The assignment shall be structured as a zero cost release of capacity, provided, however, that the NGS should be responsible for paying all usage based pipeline charges. Assigned capacity shall be subject to recall to at the Company's discretion.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

4. Supply Option

The Company may make available gas supplies to Non-Priority One pools upon request. Supplies sold under this section may be recalled by the Company upon 24-hour notice.

5. Nomination Procedures

Refer to Section 11 of the Rules and Regulations.

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes

AVAILABILITY

The Company will make available for purchase by Non-Priority One pool volumes used by the Company to provide balancing services for Non-Priority One Customers.

The Company will purchase balancing volumes based on the Summer Period schedule set forth below. Such volumes shall be purchased by the Company at the first of the month Eastern Gas Appalachia Index price as published in *Inside FERC's Gas Market Report*. The Company will sell balancing volumes on the Winter Period schedule set forth below. Such monthly volumes shall be sold to Non-Priority One pools at a price equal to the sum of:

1. Weighted average cost of balancing volumes purchased during the summer season;
2. The Company's carrying costs associated with balancing volumes purchased by the Company to be sold to Non-Priority One pools. The rate used to calculate the carrying costs shall be based on the Company's actual short-term debt cost rate; and
3. Any applicable interstate pipeline volumetric charges and fuel associated with the delivery of any balancing volumes to the Company's system.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

All of the revenues generated by the sale of balancing gas to the Non-Priority One pools shall be credited to Customers through the 1307(f) mechanism.

The amount of balancing volumes to be made available for purchase by each Non-Priority One pool will be determined based on the percentage of projected balancing fee revenues served by each Non-Priority One pool to total projected balancing fee revenues served by all Non-Priority One pools, based on January business of each year. The Company will inform each Non-Priority One pool of its allocation of balancing volumes available for purchase no later than nine business days before the end of March and each Non-Priority One pool must inform the Company of the amount of balancing volumes to be purchased, up to 100 percent of its allocated volumes, no later than six business days before the end of March. Any balancing volumes not accepted for purchase by a Non-Priority One pool shall be utilized by the Company and will not be made available to other Non-Priority One pools throughout the winter season. The amount of balancing volumes accepted by a Non-Priority One pool shall be final for the ensuing winter period and shall fix the volume of balancing to be purchased and which the Non-Priority One pool is obligated to utilize throughout the entire winter period.

SUMMER PERIOD PURCHASE
Balancing volumes will be purchased by the Company according to the following schedule, with daily purchase volumes in a given month determined by dividing the monthly amount by the number of days in the month:

April and October - $1/12^{th}$ of allocated balancing volumes
May – September - $1/6^{th}$ of allocated balancing volumes

WINTER PERIOD SALE
Balancing volumes shall be sold by the Company according to the following schedule, with daily volumes in a given month determined by dividing the monthly amount by the number of days in the month:

November - 9 percent of allocated balancing volumes
December - 17 percent of allocated balancing volumes
January - 27 percent of allocated balancing volumes
February - 27 percent of allocated balancing volumes
March - 20 percent of allocated balancing volumes

OTHER PROVISIONS

Annual Level of Balancing Volumes to be Made Available for Purchase
On an ongoing annual basis, the Company shall review the total level of balancing volumes made available for sale to Non-Priority One pools and, based on changes in the total annual volumes served by all Non-Priority One pools, may revise from year to year the total level of available balancing volumes. Any proposed revisions to the total level of balancing volumes shall be reflected in the Company's annual 1307(f) filings and will be determined by multiplying a factor of 46.7% times forecasted January Non-Priority One transportation usage. The Company shall, notify active Non-Priority One suppliers of any proposed revision to the total level of balancing volumes at the time of any annual 1307(f) filing containing such a revision.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

Calendar Month Pool Supply
Balancing gas volumes purchased will be considered as part of the Monthly Available Volumes during periods in which no OFOs have been issued and will have first priority.

All Supplier Tariff provisions shall apply to Non-Priority One pool access to balancing volumes unless otherwise modified herein.

7. Daily Load Forecasting and Balancing

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least 7 days in advance of the start of the month. This projection will be based on estimated monthly usage divided by the number of days within the month. The Aggregate Daily Consumption Volume will remain the same throughout the month and any difference in actual monthly usage will be reflected in the calculation of the following month's Aggregate Daily Consumption Volume. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.

Any difference between the Customers' Aggregate Daily Consumption Volume and the Daily Available Volumes, during periods in which no OFOs have been issued, shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion, in accordance with reasonable and standard industry practice, terminate the Pooling Agreement.

The difference between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections, may be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods made available by the Company including, but not limited to, the selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE (cont.)

8. Local Gas Volumes

Refer to Rule11, part (c), for nomination and reconciliation details.

RATE LGA
LOCAL GAS AGGREGATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any Aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system.

RULES AND CONDITIONS

1. Points of Receipt

The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its Measurement Operating Agreement with the Company or any other designated point where gas is delivered into the Company's system. The Aggregator will pay for any investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. Nomination of Aggregated Production

Refer to Rule 11 of the Rules and Regulations.

3. Aggregation Balancing

Volumes nominated into a Local Gas Aggregation Pool shall equal the volumes delivered out of the Local Gas Aggregation Pool. Aggregators will not be permitted to deliver more gas out of the pool than is nominated into the pool in any given month. If daily volumes nominated into a Local Gas Aggregation Pool are greater than the daily volumes delivered out of the Local Gas Aggregation Pool, those volumes shall be sold to the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

4. Procedures When a Local Gas Aggregator Exits the System

Refer to Rule 11, part (c).

RATE SBS
SUPPLIER BILLING SERVICE

AVAILABILITY

Service under this rate schedule is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas supplied by the NGS.

RULES AND CONDITIONS

1. Limitations

The Company shall provide service under this rate schedule provided that its billing systems have the capacity and capability to bill the rate plans offered by the NGS. The Company shall maintain a limited amount of billing system space and accordingly, shall offer only a limited number of price plans per NGS. The Company shall not be required to make programming changes to accommodate the NGS's rate structure.

2. Notifications

Prior to the NGS commencing marketing, the NGS shall provide a written copy of its rate structure to the Company. All rate information received by the Company shall be confidential.

The NGS shall be notified within ten (10) business days after the Company receives a written copy of the NGS's rate structure if such rate structure can (or cannot) be accommodated by the Company's billing system. The NGS shall not commence marketing until it receives a positive affirmation that its rate structure can be accommodated by the Company.

The NGS must provide fifteen (15) day's notice to the Company of any rate changes, which changes shall be subject to the Company's approval based on the Company's ability to accommodate such changes in its programming. Approved rate changes shall be effective on the Customer's next billing date.

3. Bill Content

The bill sent to the Customer shall be provided under the following conditions:

a. The NGS's name, phone number, business address and internet address shall appear on the bill so the NGS can answer any Customer questions regarding commodity charges.

b. The billing envelope shall not provide space for inserts from the NGS. The bill shall not include messages from the NGS.

c. The bill shall contain the NGS's Commodity charges. The Company shall not be required to bill any charges other than gas commodity charges.

d. The Company will house, bill and display sales tax on the commodity and remit sales tax to the state. The NGS appoints the Company as its agent for the limited purpose of collecting and remitting the NGS's sales tax, and further agrees to indemnify and hold the Company harmless for any claims, suits and/or damages that arise due to the Company acting as the NGS's agent in collecting and remitting such taxes.

e. The Company shall offer a separate billing option for residential Customers to equalize monthly payments.

RATE SBS
SUPPLIER BILLING SERVICE

4. Purchase of Receivables

NGSs that receive service under this rate schedule may elect to have the Company purchase its accounts receivables. The NGS's option to participate or not participate in the Purchase of Receivables (POR) program is limited to once per year. If an existing NGS elects to participate in the POR program, the Company will not purchase accounts receivable balances that existed prior to the NGS's election to participate in the POR program.

Purchase of Receivables Option

The following operating rules will apply to any NGS electing to participate in the POR program:

1. The POR program is only available to NGSs that operate a P-1 or NP-1 pool. The Company shall purchase receivables for all Customers in a participating pool. All Customers served from a P-1 pool are eligible to have their receivables purchased by the Company. If an NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business Customers consuming less than 1,000 Mcf annually. NGSs serving NP-1 Customers and participating in the POR program must operate a separate NP-1 pool for residential and small business Customers (POR pool) and a separate NP-1 pool for all other Customers;
2. The NGS must include all of its accounts receivable related to commodity sales in its P-1 pool or its NP-1 POR pool (Refer to Availability under Rate P-1 and Rate NP-1);
3. Only receivables associated with basic gas supply will be eligible for purchase by the Company. Basic gas supply does not include a non-gas supply product, carbon-neutral products not tied to the actual provision of natural gas to Customers or security deposits assessed by a natural gas supplier. For residential accounts, basic gas supply shall also not include early contract cancellation fees or late fees;
4. In order to participate in the POR program, the NGS must use consolidated billing services under this rate schedule. Should the NGSs participating in the POR program wish to offer products that are bundled with non-basic services, or where the Company's billing service cannot accommodate the NGS's charge for basic supply, the NGS may issue a separate bill for such service or product for that Customer. NGS separately billed items will not be included in the POR program;
5. The Company will purchase NGS receivables at a discount rate equal to the write-off factor used to derive the Merchant Function Charge. The discount rate for residential Customer receivables is 1.930%. The discount rate for commercial and industrial Customer receivables is 0.423%. The discount rate applicable to each POR pool (Pool Discount Rate) shall be established by the Company and shall be based on the weighted average of the class specific accounts receivables and the class specific discount rates stated above. The Company shall have the right to review and adjust the Pool Discount Rate on a monthly basis to reflect the actual mix of Customers served by the pool;
6. The Company shall terminate for the full amount of purchased receivables and require full payment for reconnection in accordance with the service termination provisions of Chapter 14 of the PA Public Utility Code and Chapter 56 of the Commission's regulations;
7. The Company shall inform all eligible Customers by separate bill insert of the policy for termination of service and that service may be terminated for failure to pay NGS supply charges. Further, the enrollment letter sent to Customers selecting a NGS shall state that service may be terminated for failure to pay NGS supply charges;
8. The NGS must confirm to the Company that their Customer terms and conditions are appropriately revised to reflect their collection rights; and
9. The NGS will not deny service to residential Customers whose accounts are included in POR for credit-related reasons and will not ask residential Customers for deposits separate from any deposit required by the Company pursuant to Commission regulations.

RATE SBS
SUPPLIER BILLING SERVICE

Non-Purchase of Receivables Option

The Company will remit to the NGS on a monthly basis all amounts actually paid to the Company by the Customer relating to the charges billed to the Customer on behalf of the NGS, net of amounts due to the Company from the NGS. The amounts remitted to the NGS shall also conform to requirements on the Application of Partial Payments – Rule 5.

5. Application of Partial Payments

The Company will apply partial payments in accordance with Commission guidelines. The following order for the application of partial payments shall apply to all residential Customers and for other Customers whose gas supply contract does not specify the application of partial payments:

a. Payment agreement for pre-existing balance;
b. Current company charges;
c. NGS charges;
d. Non-basic service charges; and
e. Hardship energy fund contribution.

RATE TABLE

Billing Fee: $0.25 billing charge per Customer per month.

To the extent the NGS has provided the Company with inaccurate or erroneous information which requires an adjustment to Customer's bills, the NGS agrees to pay the Company $2.00 per bill for bill credits and $4.00 per bill for any Customer's bill that must be canceled and rebilled. The Company may assess a nominal fee to a NGS for reproduction copies of any daily or monthly file previously provided by the Company.

Peoples Natural Gas Company LLC

§ 53.53.III.A

26. Provide a list of reports, data, or statements requested by and submitted to the Commission during and subsequent to the test year.

* *

Supplements to Tariff Gas-Pa. PUC No. 48

No. 4 – Issued December 1, 2024 – Effective January 1, 2025
TCJA Filing

No. 5 – Issued December 20, 2024 - Effective January 1, 2025
Tax Repairs Surcharge Filing

No. 6 - Issued December 31, 2024 - Effective January 1, 2025
Quarterly 1307(f) Gas Cost

No. 7 – Issued February 28, 2025 – Effective March 1, 2025
Quarterly 1307(f) Gas Cost

No. 8 – Issued March 21, 2025 – Effective April 1, 2025
Tax Repairs Surcharge Filing

No. 9 – Issued March 21, 2025 – Effective April 1, 2025
DSIC Filing

No. 10 – Issued March 31, 2025 – Effective April 1, 2025
Quarterly 1307(f) Gas Cost

No. 11 - Issued April 1, 2025 – Effective April 10, 2025
State Tax Adjustment Surcharge Filing

No. 12 – Issued April 21, 2025 – Effective May 1, 2025
TCJA Surcharge Rate Update

No. 13 – Issued June 18, 2025 – Effective June 19, 2025
Cleanup

No. 14 – Issued June 30, 2025 – Effective July 1, 2025
Quarterly 1307(f) Gas Cost

No. 15 – Issued September 17, 2025 – Effective September 27, 2025
TCJA Surcharge Rate Update

No. 16 – Issued September 19, 2025 – Effective October 1, 2025
DSIC Surcharge

No. 17 – Issued September 30, 2025 – Effective October 1, 2025
Quarterly 1307(f) Gas Cost

Supplements to Tariff Gas-Pa. PUC No. S-4

No. 3 – Issued September 30, 2025 – Effective October 1, 2025
1307(f) – 2025 October Gas Cost

Peoples Natural Gas Company LLC

Quarterly Earnings Reports
Filed:

- December 2, 2024
- March 31, 2025
- May 30, 2025
- August 29, 2025
- November 26, 2025

Filed December 2, 2024
TCJA Filing

Filed December 11, 2024 – P-2024-3052324
Universal Service and Energy Conservation Plan
Petition to amend USECP to allow for auto-enrollment/recertification

Pa P.U.C.-52 Pa. Code Section 56.1000
Cold Weather Survey
Annually December 12, 2024 and January 31, 2025

Filed December 20, 2024
DSIC Quarterly Rate Filing

Filed December 31, 2024
Gas Cost - PGC Quarterly Filing

Filed January 10, 2025
State Tax Adjustment Surcharge letter was filed indicating not submitting a tariff change.

Filed January 21, 2025
Annual Update for Aqua Acquisition

Filed January 31, 2025
1307(e) Reconciliation Statement for twelve months ending December 31, 2024 for DSIC

Filed January 31, 2025
Gas Cost - 1307(f) Affiliated Interest Filing

Pa P.U.C.-52 Pa. Code Sections 62.31-62.37 – January 31, 2025
Quality of Service Benchmarking Report

Filed February 3, 2025
Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063
Annual Report of Status of Compliance of Settlement Commitments

Filed February 21, 2025
Rate Comparison Report

Filed February 24, 2025
Promissory Note January 1, 2025
Docket: S-2024-3049880 and G-2024-3049928

Filed February 26, 2025
PUC Annual Cyber Security Self Certification

Filed February 27, 2025 – P-2025-3053645
Universal Service and Energy Conservation Plan
Petition to increase EFSLR annual budget to $1.5 million.

Filed February 28, 2025
1307(f) - 2024 Purchased Gas Cost Filing, Pre-Filing Supporting Info
Docket: R-2025-3053184

Pa P.U.C. -52 Code Chapter 59
Integrated Resource Planning Report
February 28, 2025
May 30, 2025

Filed March 3, 2025
Annual Asset Optimization Plan

Pa P.U.C.-52 Code Section 59.21(d) – March 6, 2025
Annual Statistical Sampling (Meter Test Reports)

Filed March 21, 2025
1307(e) Annual Reconciliation for Tax Repairs Rider

Filed March 21, 2025
DSIC Quarterly Rate Filing

Filed March 21, 2025
Tax Repair Filing

Filed March 31, 2025
Diversity Report-Procurement & Human Resources

Filed March 31, 2025
GAO-22 PUC Assessment Report

Filed March 31, 2025
Gas Cost - PGC Quarterly Filing

Filed March 31, 2025
PUC Annual Report (FERC Form 2)

Filed March 31, 2025
PUC Assessment Filing/Report

Filed April 1, 2025
1307(f) - 2024 Purchased Gas Cost Filing, Testimony, Tariff Sheets and Additional Exhibits
Docket: R-2025-3053184

Pa P.U.C.-52 Pa. Code Sections 54.75 and 62.5 – April 1, 2025
Annual Universal Services Report

Pa P.U.C.-52, 66 Pa. CSA, 1415 Code Section 56.231 – April 1, 2025
Chapter 14 Collections Report
Annually

Filed April 1, 2025
As of December 31, 2024 - Section 1410.1(3) and Annual reports for Accounts with Arrearages in Excess of $10,000

Filed April 1, 2025
As of December 31, 2024 - Section 1410.14(4) Medical Certificate Report

Filed April 1, 2025
State Tax Adjustment Surcharge Recomputation

Filed April 21, 2025
TCJA Interim Rate Filing

Filed April 24, 2025
Docket Nos. D-2024-3046564 & D-2024-3046565
2024 MEI Implementation Plan

Pa P.U.C. -52 Pa. Code Section 58.10 – April 25, 2025
Annual LIURP Report (includes Annual Emergency Repair Program Report)

Filed April 30, 2025
NGS Security Requirements Filing, pursuant to Chapter 62.111.

Filed April 30, 2025
TCJA Annual Reconciliation

Filed June 19, 2025
DSIC Quarterly Rate Filing

Filed June 30, 2025
Annual Depreciation Report

Filed June 30, 2025
Gas Cost - PGC Quarterly Filing

Filed July 18, 2025
Gas on Gas Competition Proceeding
Docket Nos. P-2011-2277868 & I-2012-2320323

Filed August 14, 2025
Goodwin Tombaugh Merger Application Docket No. A-2025-3056882

Filed August 26, 2025
Annual TUS Reliability Data Request

Filed August 29, 2025
Third LTIIP Docket No. P-2025-3057167

Filed August 29, 2025
WNA Commission Report

Filed September 4, 2025 – M-2014-2432515
Universal Service and Energy Conservation Plan
Annual Pilot E-CAP Report

Filed September 17, 2025
TCJA Surcharge Update Rate

Filed September 19, 2025
DSIC Quarterly Rate Filing

Filed September 30, 2025
1307(e) Reconciliation Statement for twelve months ending August 31, 2025 for Supplier Choice Rider

Filed September 30, 2025
Gas Cost - PGC Quarterly Filing

Filed September 30, 2025
Unaccounted For Gas System for twelve months ending August 31, 2025

Filed October 31, 2025
1307(e) Reconciliation Statement for twelve months ending September 30, 2024 for Rider F

Filed October 31, 2025
Annual Confidential Negotiated Rate Report

Pa P.U.C.-52 Pa. Code Section 56.231 Reporting Requirements
Monthly by the 15th of the month

Gas Integrity Management Program Report Code Section 192.945(a)

Notification of Proposed Major Construction
Filed as required

Notification of Service Outages
Filed as required

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume VI

Exhibits 15-16

Peoples Natural Gas Company LLC

§ 53.53.I.A

1. Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.

* *

Peoples Natural Gas Company LLC ("Peoples Natural Gas") is a limited liability company organized under the laws of the Commonwealth of Pennsylvania. Peoples Natural Gas is the survivor of a merger dated February 1, 2010, between Peoples and The Peoples Natural Gas Company, which merger effected the acquisition by PNG Companies LLC, an indirect subsidiary of SteelRiver Infrastructure Fund North America LP., of all of the outstanding common stock of The Peoples Natural Gas Company. The acquisition was authorized by certificate of public convenience granted pursuant to order issued on November 19, 2009, in Docket No. A-2008-2063737.

The Peoples Natural Gas Company was originally incorporated June 26, 1885, under Act of May 29, 1885, P.L. 29, entitled, "An Act to Provide for the Incorporation and Regulation of Natural Gas Companies." Its Articles of Incorporation were filed with the Secretary of the Commonwealth and enrolled in Natural Gas Company Charter Book No. 1, page 1, and Letters Patent issued thereon dated June 26, 1885. The corporation was formed for the purpose of producing, dealing in, transporting, storing, and supplying natural gas and is now engaged in said business. The existing company, Peoples Natural Gas Company LLC, has resulted from successive consolidations of the original corporation with the following corporations:

1. The Pittsburgh Natural Gas Company (incorporated under said Act of 1885 on June 19, 1888), by consolidation agreement filed with the Secretary of the Commonwealth on May 7, 1908, upon which Letters Patent issued on May 8, 1908.

2. Lawrence Natural Gas Company (incorporated under said Act of 1885 on October 4, 1886), by consolidation agreement filed with the Secretary of the Commonwealth on January 6, 1909, upon which Letters Patent issued January 6, 1909.

3. Conemaugh Gas Company (organized December 12, 1891, under the Act of April 8, 1861, P.L. 259, as amended, as a result of purchase at Sheriff's Sale of the property and franchises of Saltsburg Gas Company, which latter corporation had been incorporated December 18, 1888, under the said Act of 1885), by consolidation agreement filed January 4, 1912, with the Secretary of the Commonwealth, upon which Letters Patent issued January 4, 1912.

4. The Columbia Natural Gas Company (organized under the said Act of 1885 on December 14, 1891, under the name and style of Patterson Natural Gas Company, which then became Harmony Natural Gas Company, which in turn became the Columbia Natural Gas Company, as evidenced by the Certificate of the Secretary of the Commonwealth dated February 23, 1926), by merger and consolidation agreement filed December 31, 1938, upon which Letters Patent issued on December 31, 1938.

5. The Saxonburg Heat and Light Company was merged into The Peoples Natural Gas Company pursuant to Article IX of the Pennsylvania Business Corporation Law (the Act of May 5, 1933, P.L. 364, as amended), by Articles of Merger executed on June 12, 1979, and filed in the Office of the Secretary of the Commonwealth on June 19, 1979, with the merger becoming effective at the close of business on the date of such filing. Said merger was approved by the Pennsylvania Public Utility Commission ("Commission" or "PUC") under the applicable provisions of the Pennsylvania Public Utility Code by Order entered May 17, 1979, at Application Docket No. A-00101447, which Order was corrected and amended by Order entered May 30, 1979.

6. Equitable Gas Company, LLC ("Equitable") was merged into Peoples Natural Gas Company LLC on December 18, 2013, pursuant to Certificate of Merger filed on that date with the Pennsylvania Department of State. At the time of the merger, Equitable provided natural gas services to approximately 260,000 customers throughout its Pennsylvania certificated territory, which includes all or portions of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Butler, Clarion, Greene, Indiana, Jefferson, Washington, and Westmoreland. The acquisition was authorized by certificates of public convenience granted pursuant to order issued on November 14, 2013, in Docket Nos. A-2013-2353647, A-2013-2353649 and A-2013-2353651.

The Peoples Natural Gas Company acquired the property which Peoples now owns or operates principally by its own construction of the same and in part through the above described consolidations and by purchase from prior utility owners. At various times, The Peoples Natural Gas Company purchased more or less complete operating units. These purchases were made up of the following:

1. The natural gas plant piping system and franchise ordinance from Latrobe Borough, Westmoreland County, from Cambria and Westmoreland Natural Gas Company by indenture dated December 19, 1899, and recorded in the Westmoreland County Deed Book Volume 292, page 117.

2. Property and franchise constituting natural gas plants in Belle Vernon Borough, Fayette County; Monessen and North Belle Vernon Boroughs, Westmoreland County; West Belle Vernon and Charleroi Borough, Washington County; and certain Monessen, North Belle Vernon, West Belle Vernon, and Charleroi franchise ordinances from Belle Vernon Light & Heat Company by indenture dated July 15,

1903, recorded in Westmoreland County Deed Book Volume 378, page 416, and in Washington County Deed Book Volume 310, page 342.

3. Distributing plant consisting of pipelines, meters, franchises, etc., in the Borough of Fayette City and the main pipeline from Belle Vernon, from Fayette City Natural Gas Company by indenture dated September 28, 1903.

4. The gas producing and transportation system of Pittsburgh Natural Gas Company lying north and east of the Wilkinsburg Pressure Station in Penn Township, Allegheny County, from said Company by indenture dated May 16, 1904, recorded in Westmoreland County Deed Book Volume 374, page 468, and in Allegheny County Deed Book Volume 1344, page 21.

5. All of the property constituting the production, transmission, and distribution system of the Woodville Gas Company, et al., in Scott and Collier Townships, and in the towns of Heidelberg, Woodville, and Glendale, Allegheny County, with certain ordinances, by indenture dated March 20, 1912, made by William F. Sossong and John A. Bell, individually and as partners doing business as William F. Sossong & Company, and also as Woodville Gas Company, said indenture being recorded in Allegheny County Oil and Gas Book Volume 21, page 469.

6. All of the property constituting the gas plant of the Manufacturers Gas Company of Greensburg in the Borough of Greensburg and adjoining boroughs with its franchises, etc., from said Company by deed dated December 1, 1919, recorded in Westmoreland County Deed Book Volume 923, page 254, and by Bill of Sale of the same date made pursuant to agreement dated December 1, 1919, which was approved by the Public Service Commission as evidenced by Certificate of Public Convenience issued January 19, 1920.

7. All of the property of Rock Run Fuel Gas Company used to supply gas in the Borough of Elizabeth, Allegheny County, and adjacent territory by three several assignments, a Bill of Sale recorded in Allegheny County Deed Book Volume 2029, page 421, and a deed recorded in Allegheny County Deed Book Volume 1998, page 527, all dated April 30, 1920, made by said Company pursuant to agreement dated October 27, 1919, and approved by the Public Service Commission as evidenced by Certificate of Public Convenience issued February 17, 1920 (A.3280-1920).

8. All property and franchises of Altoona Gas Light & Fuel Company connected with manufacturing, distributing and supplying gas in Altoona, Hollidaysburg, and other adjoining towns and villages, by purchase, with approval of the Public Service Commission as evidenced by its Certificate of Public Convenience issued August 18, 1924 (A.11179-1924), from New York Trust Company of the City of New York, successor trustee under a mortgage given by the Altoona Gas Company (subsequently merged with the Altoona Gas Light & Fuel Company) and from Girard Trust Company, trustee under mortgage given by Altoona Gas Light & Fuel Company, at public sale held October 22, 1924, said properties being conveyed by

New York Trust Company, Trustee, by indenture dated November 20, 1924, and recorded in Blair County Deed Book Volume 328, page 692, and by Girard Trust Company, Trustee, by indenture dated November 21, 1924, recorded in Blair County Deed Book Volume 328, page 697.

9. All of the natural gas distribution system of the Laughner Oil & Gas Company upon the distribution side of the regulator on the Laughner Farm near New Sheffield, Hopewell Township, Beaver County, including all facilities for distribution of natural gas to Monaca, Colona, Monaca Heights, Wireton, Sough Heights, New Sheffield, and Glenwillard in Allegheny and Beaver Counties, by Bill of Sale and Deed of Assignment dated May 28, 1916, recorded in Beaver County Deed Book Volume 354, page 108, and in Allegheny County Deed Book Volume 2286, page 523, by Deed of Assignment dated January 31, 1927, recorded in Allegheny County Deed Book Volume 2290, page 636, and by Deed of Assignment dated January 31, 1927, recorded in Beaver County Deed Book Volume 358, page 337, all made pursuant to agreement dated January 2, 1926, and approved by the Public Service Commission as evidenced by Certificate of Public Convenience issued on May 30, 1926 (A.14227-1926).

10. All property of the Tyrone Gas & Water Company used or useful in producing, transporting, and marketing manufactured gas in Tyrone Borough, Blair County, conveyed by deed and Bill of Sale each dated May 24, 1932, and recorded respectively in Blair County Deed Book Volume 408, pages 10 and 11, made by said company pursuant to contract dated February 5, 1932, and approved by the Public Service Commission as evidenced by its Certificate of Public Convenience issued May 24, 1932 (A. 24379-1932).

11. All of the property of the Pennsylvania Electric Company related to the business of the purchase, transmission, distribution, and sale of natural gas in the city of Johnstown, Cambria County, and in adjacent boroughs and towns by purchase pursuant to an agreement dated April 6, 1945, approved by the Pennsylvania Public Utility Commission as evidenced by Certificate of Public Convenience and Necessity issued at Application Docket Nos. 64730 and 64731, said property conveyed deeds of assignment dated June 30, 1945, and recorded at Deed Book Volume 535, pages 358, 361, 364, and 366, respectively, in the Recorder's Office of Cambria County.

12. All of the property of the State Line Gas Company used in the business of the production, gathering, purchase, transmission, distribution, and sale of natural gas in Pennsylvania relative to service to the Borough of Point Marion and certain other communities in Green and Fayette Counties, by purchase pursuant to an agreement dated September 25, 1950, approved by the Pennsylvania Public Utility Commission as evidenced by a Certificate of Public Convenience and Necessity issued at Application Docket No. 76557 on February 13, 1951, conveyed by Bill of Sale and General Deed of Assignment dated April 1, 1951, recorded at Deed Book Volume 462, page 57, in the Recorder's Office of Greene County.

13. All of the property of the Union Heat and Light Company, purchased pursuant to an Agreement and Plan of Reorganization dated July 29, 1960, approved by the Pennsylvania Public Utility Commission as evidenced by a Certificate of Public Convenience and Necessity issued at Application Docket No. 87615, and in accordance with an order of the Securities and Exchange Commission of the United States of America in its file No. 70-3923, conveyed by several assignments and sale covering property in Mercer, Lawrence, and Butler Counties dated January 10, 1961, and one Assignment and Assumption dated February 16, 1961.

Peoples Natural Gas Company LLC acquired on October 31, 2018, certain facilities owned by Mountain Energy, Ltd. ("Mountain Energy"), and Leatherwood, Inc. ("Leatherwood"), used or useful in Mountain Energy's provision of natural gas distribution service in Aleppo, Center, Freeport, Gray, and Richhill Townships, Greene County, Pennsylvania. With that acquisition, Peoples also accepted the transfer by Mountain Energy to Peoples of seventy-seven (77) utility customers previously served by Mountain Energy by means of the facilities transferred to Peoples. The abandonment of service to these customers by Mountain Energy, the conveyance of facilities from Mountain Energy and Leatherwood to Peoples, and the acquisition of the facilities and customers by Peoples were approved by the Public Utility Commission as evidenced by Certificates of Public Convenience issued in Docket Nos. A-2013-2396198, A-2013-2397326, A-2013-2397328, A-2015-2507377.

Peoples Gas Company is a limited liability company formed under the laws of the Commonwealth of Pennsylvania. Peoples Gas was an indirect subsidiary of SteelRiver Infrastructure Fund North America LP ("SRIFNA") pursuant to a Certificate of Public Convenience issued by the Commission on May 23, 2011, at Docket No. A-2010-2210326, authorizing SRIFNA's acquisition of T. W. Philips Gas and Oil Co. ("T. W. Philips") by means of the acquisition of all outstanding T. W. Philips common stock by SRIFNA's indirect subsidiary, LDC Holdings II LLC. The Commission subsequently approved the internal-reorganization and transfer of Peoples Gas from LDC Holdings II LLC, another indirect subsidiary of SRIFNA to PNG Companies in Docket No. A-2017-2624578, which was entered November 8, 2017.

1. T. W. Philips was incorporated on February 25, 1975 under the Pennsylvania Business Corporation Law (the Act of May 5, 1933, P. L. 364, as amended). At the closed of business on February 28, 1975, pursuant to the Pennsylvania Public Utility Commission's Certificate of Public Convenience and Order dated December 16, 1974, and issued at Docket No. A-98887, T. W. Philips acquired all the gas utility assets and business previously carried on by a corporation named T. W. Phillips Gas and Oil Company.

On November 18, 2018, Essential Utilities, Inc., formally Aqua America, Inc., filed an application with the Pennsylvania Public Utility Commission to acquire Peoples Natural Gas Company LLC and Peoples Gas Company LLC by way of purchase of all of LDC Funding LLC's assets. The application received final regulatory approval from the PUC

on January 24, 2020 at Docket No. A-2018-3006061. Closing on the sale occurred on March 16, 2020.

January 28, 2019, Peoples Natural Gas filed a base rate case to request the consolidation of the base rates and accounting of the Peoples and Equitable divisions together into one unified company. On October 3, 2019, the Commission approved the Joint Petition for Settlement including the provision that terminated the requirement of maintaining separate books and records for the Peoples and Equitable Divisions. As a result, Peoples Natural Gas' books and records for the twelve months ended December 31, 2019 and thereafter are on a consolidated basis.

Additionally, on August 25, 2022, the Pennsylvania Public Utility Commission approved the Joint Application for Merger of Peoples Natural Gas Company LLC and Peoples Gas Company LLC at Docket No. A-2021-3029831 and A-2021-3029833. Effective January 1, 2023, Peoples Gas Company LLC was legally merged with and into Peoples Natural Gas Company LLC. The surviving legal entity is now Peoples Natural Gas Company LLC and the legal entity of Peoples Gas Company LLC, no longer exists. However, the companies continue to operate with separate tariffs and as separate divisions; Peoples Natural Gas Company LLC – Peoples Natural Gas Division and Peoples Natural Gas Company LLC – Peoples Gas Division.

December 29, 2023, Peoples Natural Gas filed a base rate case (Docket No. R-2023-3044549) to request the consolidation of the base rates and accounting of the Peoples Natural Gas Division and Peoples Gas Division together. On September 12, 2024, the Commission approved the Joint Petition for Non-Unanimous Settlement including the provision that terminated the requirement of maintaining separate books and records and tariffs for Peoples Natural Gas Division and Peoples Gas Division. As a result, Peoples Natural Gas tariff, books and records for the twelve months ended September 27, 2024 and thereafter are on a consolidated basis.

Additionally, August 14, 2025, Peoples Natural Gas Company LLC filed an application for approval with the Commission to merge PNG Gathering LLC (PNG Gathering) into Peoples Natural Gas Company LLC, as well as a related Affiliated Interest Agreement which is docketed at G-2025-3056883.

Peoples Natural Gas Company LLC	
Governmental Subdivisions Served with Population	
County/Borough, City, or Township	**Population**
Allegheny County	
Aleppo Township	1,825
Aspinwall Borough	2,735
Avalon Borough	4,473
Baldwin Borough	20,197
Bellevue Borough	7,800
Ben Avon Borough	1,804
Ben Avon Heights Borough	376
Bethel Park Municipality	31,653
Blawnox Borough	1,367
Brackenridge Borough	3,052
Braddock Borough	1,636
Braddock Hills Borough	1,624
Brentwood Borough	9,464
Bridgeville Borough	4,508
Carnegie Borough	7,663
Chalfant Borough	700
Cheswick Borough	1,573
Churchill Borough	2,959
Clairton City	5,801
Collier Township	8,923
Coraopolis Borough	5,210
Crafton Borough	5,720
Crescent Township	2,337
Dormont Borough	7,732
Dravosburg Borough	1,516
Duquesne City	4,958
East Deer Township	1,402
East McKeesport Borough	1,941
East Pittsburgh Borough	1,808
Edgewood Borough	2,953
Elizabeth Borough	3,959
Elizabeth Township	12,238

Emsworth Borough	1,330
Etna Borough	3,227
Fawn Township	2,081
Findlay Township	6,568
Forest Hills Borough	6,036
Forward Township	2,881
Fox Chapel Borough	5,075
Franklin Park Borough	14,712
Frazer Township	1,415
Glassport Borough	4,193
Greentree Borough	4,639
Hampton Township	17,592
Harmar Township	2,955
Harrison Township	9,562
Heidelberg Borough	1,207
Homestead Borough	2,834
Indiana Township	7,254
Ingram Borough	3,176
Jefferson Hills Borough	12,012
Kennedy Township	8,248
Kilbuck Township	724
Liberty Borough	2,355
Lincoln Borough	871
Marshall Township	10,083
McCandless Township	28,109
McKees Rocks Borough	5,553
McKeesport City	16,747
Millvale Borough	3,171
Monroeville Municipality	27,524
Moon Township	26,359
Mt. Lebanon Township	32,404
Mount Oliver Borough	3,178
Munhall Borough	10,124
North Braddock Borough	4,048
North Fayette Township	15,824
North Versailles Township	9,477
O'Hara Township	8,781
Oakmont Borough	6,532
Ohio Township	7,407

Penn Hills Township	38,721
Pine Township	15,602
Pitcairn Borough	2,911
Pittsburgh City	303,572
Pleasant Hills Borough	8,212
Plum Borough	25,890
Port Vue Borough	3,498
Rankin Borough	1,774
Reserve Township	3,091
Richland Township	11,942
Robinson Township	15,503
Ross Township	31,691
Rosslyn Farms Borough	414
Scott Township	16,636
Sewickley Heights Borough	812
Sewickley Hills Borough	684
Shaler Township	26,498
Sharpsburg Borough	2,985
South Fayette Township	18,446
South Park Township	13,710
South Versailles Township	298
Springdale Borough	3,191
Springdale Township	1,444
Stowe Township	6,047
Swissvale Borough	8,080
Tarentum Borough	4,083
Thornburg Borough	441
Trafford Borough	90
Turtle Creek Borough	4,807
Upper St. Clair Township	20,165
Verona Borough	2,335
Versailles Borough	1,390
Wall Borough	485
West Deer Township	11,887
West Elizabeth Borough	378
West Homestead Borough	1,759
West Mifflin Borough	18,483
West View Borough	6,277
Whitaker Borough	1,106

White Oak Borough	7,165
Whitehall Borough	15,064
Wilkins Township	5,982
Wilkinsburg Borough	13,470
Wilmerding Borough	1,672
Armstrong County	
Apollo Borough	1,615
Applewold Borough	324
Atwood Borough	105
Bethel Township	1,098
Boggs Township	774
Bradys Bend Township	750
Burrell Township	632
Cadogan Township	328
Cowanshannock Township	2,626
Dayton Borough	530
East Franklin Township	3,668
Elderton Borough	316
Ford City Borough	2,732
Ford Cliff Borough	345
Freeport Borough	1,662
Gilpin Township	2,294
Hovey Township	69
Kiskiminetas Township	4,440
Kittanning Borough	3,866
Kittanning Township	1,956
Leechburg Borough	2,054
Madison Township	824
Mahoning Township	1,335
Manor Township	4,179
Manorville Borough	365
North Apollo Borough	1,203
North Buffalo Township	2,595
Parker City	671
Parks Township	2,364
Pine Township	337
Plumcreek Township	2,019
Rayburn Township	1,699

Redbank Township	929
Rural Valley Borough	795
South Bend Township	968
South Buffalo Township	2,618
Sugarcreek Township	1,306
Valley Township	621
Washington Township	895
Wayne Township	1,296
West Franklin Township	1,634
West Kittanning Borough	1,138
Worthington Borough	566
Beaver County	
Aliquippa City	8,891
Beaver Borough	4,302
Brighton Township	8,763
Center Township	11,836
Chippewa Township	8,170
Darlington Township	1,760
Franklin Township	3,882
Hopewell Township	13,495
Independence Township	2,209
Industry Borough	1,764
Marion Township	798
Midland Borough	2,338
Monaca Borough	5,405
New Sewickley Township	6,992
Ohioville Borough	3,270
Potter Township	520
Raccoon Township	2,734
Shippingport Borough	150
South Beaver Township	2,646
South Heights Borough	371
Vanport Township	1,269
Blair County	
Allegheny Township	6,504
Altoona City	42,048
Antis Township	6,278

Bellwood Borough	1,741
Blair Township	4,622
Duncansville Borough	1,194
Frankstown Township	7,720
Greenfield Township	3,656
Hollidaysburg Borough	5,418
Logan Township	12,083
Snyder Township	3,278
Tyrone Borough	5,234
Butler County	
Adams Township	16,155
Bruin Borough	398
Buffalo Township	8,323
Butler City	16,749
Butler Township	12,842
Callery Borough	342
Center Township	7,824
Cherry Township	1,046
Clearfield Township	2,427
Clinton Township	2,907
Concord Township	1,409
Connoquenessing Borough	4,187
Connoquenessing Township	809
Cranberry Township	33,096
Donegal Township	1,823
East Butler Borough	729
Evans City Borough	1,655
Fairview Borough	180
Fairview Township	1,940
Forward Township	3,388
Franklin Township	2,598
Harmony Borough	910
Jackson Township	4,883
Jefferson Township	5,212
Lancaster Township	2,745
Marion Township	1,167
Mars Borough	1,400
Middlesex Township	7,465

Muddy Creek Township	2,144
Oakland Township	2,689
Parker Township	573
Penn Township	4,990
Petrolia Borough	169
Portersville Borough	219
Prospect Borough	1,071
Saxonburg Borough	1,358
Seven Fields Borough	2,919
Slippery Rock Borough	3,853
Slippery Rock Township	8,392
Summit Township	4,356
Valencia Borough	790
Washington Township	1,288
Winfield Township	3,361
Worth Township	1,354
Zelienople Borough	3,715
Cambria County	
Adams Township	5,591
Allegheny Township	2,722
Blacklick Township	1,872
Brownstown Borough	696
Cambria Township	5,638
Conemaugh Township	1,879
Cresson Borough	2,884
Cresson Township	1,462
Croyle Township	2,280
Dale Borough	948
East Taylor Township	2,332
Ebensburg Borough	3,289
Ferndale Borough	1,547
Franklin Borough	278
Gallitzin Borough	1,466
Geistown Borough	2,266
Jackson Township	4,236
Johnstown City	17,668
Lorain Borough	569
Loretto Borough	1,154

Lower Yoder Township	2,336
Middle Taylor Township	635
Munster Township	640
Nanty Glo Borough	2,399
Portage Borough	3,319
Portage Township	2,348
Richland Township	12,233
Sankertown Borough	603
Southmont Borough	1,964
Stonycreek Township	2,645
Susquehanna Township	1,889
Upper Yoder Township	4,990
Washington Township	832
West Carroll Township	1,145
West Taylor Township	708
Westmont Borough	4,751
Clarion County	
Clarion Township	3,521
Limestone Township	1,947
Madison Township	1,157
Monroe Township	1,467
Piney Township	389
Porter Township	1,227
Redbank Township	1,287
Sligo Borough	665
Toby Township	943
Clearfield County	
Bell Township	654
Burnside Township	1,030
Fayette County	
Belle Vernon Borough	967
Fairchance Borough	1,773
Fayette City Borough	473
Franklin Township	2,378
Georges Township	5,969
German Township	4,373

Jefferson Township	2,004
Luzerne Township	5,586
Masontown Borough	3,084
Menallen Township	3,942
North Union Township	11,150
Perry Township	2,200
Point Marion Borough	1,085
Saltlick Township	2,874
South Union Township	10,179
Springhill Township	2,582
Stewart Township	597
Washington Township	3,894
Wharton Township	3,397
Greene County	
Aleppo Township	1,745
Carmichaels Borough	394
Center Township	1,063
Clarksville Borough	180
Cumberland Township	6,040
Dunkard Township	2,029
Franklin Township	7,056
Freeport Township	269
Gilmore Township	220
Greene Township	383
Jackson Township	381
Jefferson Borough	3,926
Jefferson Township	651
Mather Borough	425
Monongahela Township	1,480
Morgan Township	2,335
Morris Township	564
Perry Township	1,321
Richhill Township	719
Springhill Township	235
Washington Township	932
Wayne Township	1,025
Waynesburg Borough	3,552
Whiteley Township	528

Indiana County	
Armstrong Township	2,763
Banks Township	899
Black Lick Township	1,117
Blairsville Borough	3,210
Brush Valley Township	1,682
Buffington Township	1,227
Burrell Township	3,466
Canoe Township	1,422
Center Township	4,373
Cherryhill Township	2,427
Conemaugh Township	2,054
Creekside Borough	285
East Mahoning Township	964
East Wheatfield Township	2,127
Ernest Borough	420
Glen Campbell Borough	252
Grant Township	634
Homer City Borough	1,724
Indiana Borough	14,362
Marion Center Borough	405
Montgomery Township	1,430
North Mahoning Township	1,329
Pine Township	1,855
Plumville Borough	251
Rayne Township	2,775
Saltsburg Borough	767
Shelocta Borough	98
Smicksburg Borough	56
South Mahoning Township	1,817
Washington Township	1,649
West Mahoning Township	1,311
West Wheatfield Township	2,119
White Township	15,336
Young Township	1,683
Jefferson County	
Beaver Township	465

Bell Township	1,953
Big Run Borough	618
Clover Township	417
Eldred Township	1,271
Gaskill Township	655
Henderson Township	1,885
Knox Township	1,011
McCalmont Township	1,100
Oliver Township	1,000
Perry Township	1,210
Pine Creek Township	1,296
Porter Township	290
Punxsutawney Borough	5,541
Ringgold Township	751
Rose Township	1,116
Timblin Borough	142
Union Township	825
Warsaw Township	1,321
Washington Township	1,892
Winslow Township	2,467
Worthville Borough	70
Young Township	1,655
Lawrence County	
Enon Valley Borough	289
Hickory Township	2,320
Little Beaver Township	1,194
Neshannock Township	9,589
New Wilmington Borough	2,097
Pulaski Township	3,020
Scott Township	2,124
Volant Borough	118
Washington Township	711
Wilmington Township	2,641
Mercer County	
East Lackawannock Township	1,633
Findley Township	3,010
Grove City Borough	7,715

Lake Township	682
Liberty Township	1,405
Pine Township	4,656
Sandy Lake Borough	1,174
Sandy Lake Township	623
Shenango Township	3,378
Springfield Township	1,853
Stoneboro Borough	919
Wilmington Township	1,422
Wolf Creek Township	698
Somerset County	
Boswell Borough	1,192
Conemaugh Township	6,519
Jefferson Township	1,426
Jenner Township	3,528
Middlecreek Township	795
Seven Springs Borough	26
Somerset Township	11,378
Venango County	
Clinton Township	953
Irwin Township	1,253
Washington County	
Amwell Township	3,635
Beallsville Borough	384
Bentleyville Borough	2,315
Burgettstown Borough	1,388
California Borough	4,157
Carroll Township	5,277
Cecil Township	15,337
Centerville Borough	3,256
Chartiers Township	9,222
Cokeburg Borough	611
Cross Creek Township	1,374
Deemston Borough	754
Donora Borough	4,459
East Bethlehem Township	2,270

East Finley Township	1,280
Ellsworth Borough	915
Fallowfield Township	4,004
Finleyville Borough	367
Hanover Township	2,416
Jefferson Township	1,119
Monongahela City	4,047
Monongahela Township	1,426
Morris Township	909
Mt. Pleasant Township	3,290
New Eagle Borough	2,002
North Bethlehem Township	1,521
North Strabane Township	17,565
Nottingham Township	2,941
Peters Township	23,272
Robinson Township	1,707
Smith Township	4,168
Somerset Township	2,581
South Franklin Township	2,818
South Strabane Township	9,548
Union Township	5,526
West Bethlehem Township	1,260
West Pike Run Township	1,509
Westmoreland County	
Adamsburg Borough	140
Allegheny Township	8,135
Arnold City	4,772
Avonmore Borough	873
Bell Township	2,081
Bolivar Borough	420
Delmont Borough	2,604
Derry Borough	24,832
Derry Township	13,314
Donegal Township	2,372
East Huntingdon Township	7,539
East Vandergrift Borough	583
Export Borough	864
Fairfield Township	2,046

Greensburg City	14,403
Hempfield Township	41,203
Hunker Borough	297
Hyde Park Borough	2,283
Irwin Borough	3,765
Jeannette City	8,475
Latrobe Borough	7,831
Ligonier Borough	5,928
Ligonier Township	1,461
Lower Burrell City	11,758
Loyalhanna Township	2,039
Manor Borough	3,484
Monessen City	6,631
Mt. Pleasant Township	9,911
Murrysville Municipality	20,601
New Alexandria Borough	481
New Florence Borough	647
New Kensington City	11,751
North Belle Vernon Borough	1,873
North Huntingdon Township	31,786
North Irwin Borough	4,772
Oklahoma Borough	788
Penn Township	20,767
Rostraver Township	11,430
Salem Township	5,935
South Greensburg Borough	2,094
South Huntingdon Township	5,275
Southwest Greensburg Borough	2,142
St. Clair Township	1,340
Trafford Borough	3,197
Unity Township	21,173
Upper Burrell Township	2,112
Vandergrift Borough	4,890
Washington Township	6,883
West Leechburg Borough	1,269
Youngstown Borough	244
Youngwood Borough	2,870
Source: US Census Bureau 2025 Population Estimates	

Peoples Natural Gas Company LLC

§ 53.53.I.C

2. Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.

* *

For security reasons, Peoples is requesting HIGHLY CONFIDENTIAL treatment of the answer to this question. Our system map will be made available for inspection upon request and the execution of a confidentiality agreement.

Peoples Natural Gas Company LLC

§ 53.53.IV.B

8. Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.

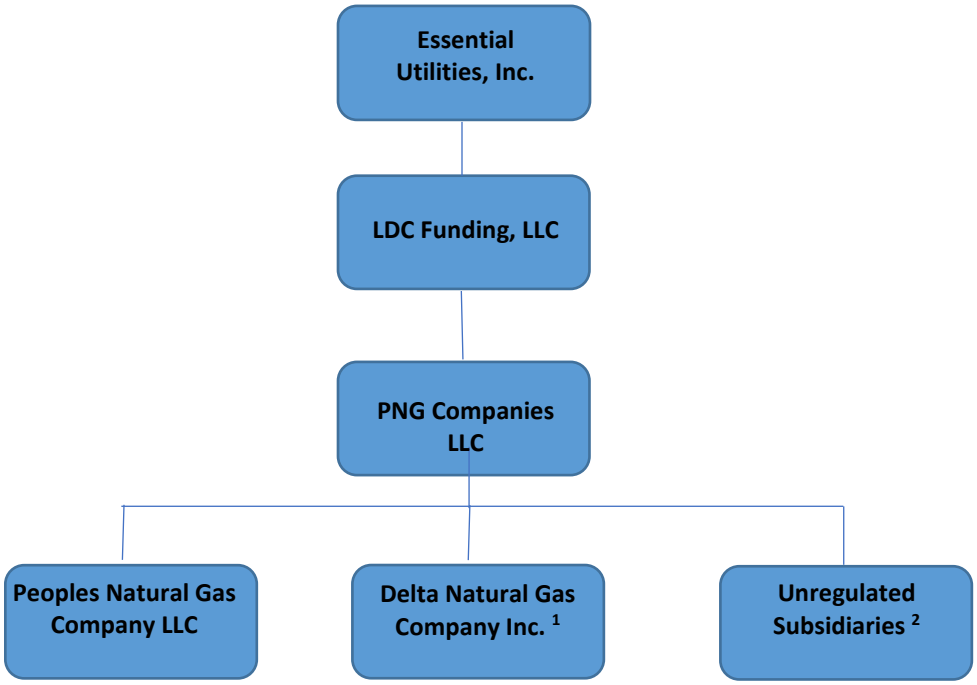
* *

For security reasons, Peoples is requesting HIGHLY CONFIDENTIAL treatment of the answer to this question. Our system map will be made available for inspection upon request and the execution of a confidentiality agreement.

Peoples Natural Gas Company LLC
§ 53.53 II.A

24. Attach chart explaining Company's corporate relationship to its affiliates (System Structure).

* * * * * * * * * * * * * * *



[1] - Includes the former Peoples Gas KY LLC

[2] - The other subsidiaries consist of Peoples Homeworks LLC; PNG Gathering LLC; Delta Resources, Inc.; Delgasco, Inc.; Enpro, Inc.

Peoples Natural Gas Company LLC

§ 53.53.II.A

1. Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years. (With short-term debt and without short-term debt.) (Company, Parent and System (consolidated)).

   a. Provide year-end interest coverage's before and after taxes for the last three years and at latest date. (Indenture and SEC Bases.) (Company, Parent and System (consolidated)).

   b. Provide year-end preferred stock dividend coverage's for last three years and at latest date (Charter and SEC bases).

* *

a. Please see Exhibit No. 18, ROR-23 (VI.IV.ROR.23) for both Peoples Natural Gas Company LLC and PNG Companies LLC information.

b. Neither Peoples Natural Gas Company LLC nor PNG Companies LLC have preferred stock.

Peoples Natural Gas Company LLC

§ 53.53.II.A

2. Provide latest quarterly financial report (Company and Parent).

* *

See Attachment 1 for the comparative balance sheet of Peoples Natural Gas Company LLC as of September 30, 2025 and September 30, 2024.

See Attachment 2 for the comparative income statement of Peoples Natural Gas Company LLC for the three months ended September 30, 2025 and September 30, 2024.

See Attachment 3 for the comparative income statement of Peoples Natural Gas Company LLC for the nine months ended September 30, 2025 and September 30, 2024.

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

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 1: 53.53 II.A.2
Comparative Balance Sheet

Line No	Account	Description	SEPTEMBER 30, 2025	SEPTEMBER 30, 2024
		ASSETS & OTHER DEBITS		
		UTILITY PLANT:		
1	101.0	Plant in Service	$ 5,388,372,741	$ 4,818,766,914
2	101.1	Property Under Capital Leases	15,655,234	20,566,830
3	102.0	Gas Plant Purchased or Sold	-	-
4	105.0	Plant Held for Future Use	4,940	4,940
5	114.0	Plant Acquisition Adjustments	-	-
6	106.0	Completed Construction not Classified-Gas	236,573,768	271,436,935
7	107.0	Construction Work in Progress	113,284,358	117,092,614
8	108.0	Accumulated Depreciation-Utility Plant	(1,427,077,971)	(1,365,166,616)
9	111.0	Accumulated Amortization-Utility Plant	-	-
10	117.1	Gas Stored - Base Gas	51,833	-
11	117.3	Gas Stored in Reservoirs and Pipelines	-	51,833
12		TOTAL UTILITY PLANT	$ 4,326,864,903	$ 3,862,753,450
		OTHER PROPERTY & INVESTMENTS:		
13	121.0	Non-Utility Property	$ 17,172	$ 17,172
14	122.0	Accumulated Depreciation-Non-Utility Property	(9,322)	(9,322)
15	124.0	Other Investments	4,500,002	4,500,002
16	128.0	Other Special Funds	237,700	248,000
17		TOTAL OTHER PROPERTY & INVESTMENTS	$ 4,745,552	$ 4,755,852
		CURRENT & ACCRUED ASSETS:		
18	131.0	Cash	$ 1,445,088	$ 1,806,790
19	134.0	Other Special Deposits	1,439,320	1,412,045
20	135.0	Working Funds	-	-
21	136.0	Temporary Cash Investments	-	-
22	141.0	Notes Receivable	-	-
23	142.0	Customer Accounts Receivable	69,902,541	53,401,057
24	143.0	Other Accounts Receivable	2,901,059	3,868,054
25	144.0	Accumulated Provision for Uncollectible	(44,386,771)	(42,920,767)
26	145.0	Notes Receivable from Associated Companies	-	-
27	146.0	Accounts Receivable from Associated Companies	-	5,344,012
28	154.0	Plant Materials & Operating Supplies	6,041,662	5,966,221
29	164.1	Gas Stored - Current	63,848,878	48,529,616
30	165.0	Prepayments	4,671,177	4,534,951
31	173.0	Accrued Utility Revenues	15,087,433	12,819,073
32	174.0	Miscellaneous Current & Accrued Assets	346,346	79,448
33	175.0	Derivative Instrument Assets-Current Portion	-	-
34		TOTAL CURRENT & ACCRUED ASSETS	$ 121,296,733	$ 94,840,500
		DEFERRED DEBITS:		
35	181.0	Unamortized Debt Expense	$ 11,927,081	$ 9,625,282
36	182.3	Other Regulatory Assets	920,417,503	806,003,287
37	186.0	Miscellaneous Deferred Debits	13,928,728	14,362,704
38	190.0	Accumulated Deferred Income Taxes	258,911,698	172,529,337
39	191.0	Unrecovered Purchased Gas Costs	24,020,617	11,430,670
40		TOTAL DEFERRED DEBITS	$ 1,229,205,627	$ 1,013,951,280
41		**TOTAL ASSETS & OTHER DEBITS**	**$ 5,682,112,815**	**$ 4,976,301,082**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 1: 53.53 II.A.2
Comparative Balance Sheet

Line No	Account	Description	SEPTEMBER 30, 2025	SEPTEMBER 30, 2024
		LIABILITIES & OTHER CREDITS		
		PROPRIETARY CAPITAL:		
42	201.0	Common Stock Issued	$ -	$ -
43	211.0	Miscellaneous Paid-In Capital	1,186,208,162	1,187,110,446
44	216.0	Unappropriated Retained Earnings	1,123,798,142	813,305,545
45	219.0	Accumulated Other Comprehensive Income	-	-
46		TOTAL PROPRIETARY CAPITAL	$ 2,310,006,304	$ 2,000,415,991
		LONG-TERM DEBT:		
47	223.0	Advances from Associated Companies	$ 1,594,210,889	$ 1,445,829,200
48	225.0	Unamortized Premium on Long-Term Debt	-	-
49		TOTAL LONG-TERM DEBT	$ 1,594,210,889	$ 1,445,829,200
		OTHER NON-CURRENT LIABILITIES:		
50	227.0	Obligations under Capital Lease-Noncurrent	$ 12,919,039	$ 18,374,950
51	228.2	Accumulated Provision for Injuries and Damages	3,034,014	1,426,128
52	228.3	Accumulated Provision for Pensions and Benefits	(2,773,731)	(2,819,033)
53	228.4	Accumulated Miscellaneous Operating Provision	95,894	95,894
54	230.0	Asset Retirement Obligation	-	-
55		TOTAL OTHER NON-CURRENT LIABILITIES	$ 13,275,216	$ 17,077,939
		CURRENT & ACCRUED LIABILITIES:		
56	232.0	Accounts Payable	$ 107,017,536	$ 133,820,703
57	233.0	Notes Payable to Associated Companies	319,853,801	164,954,274
58	234.0	Accounts Payable to Associated Companie	110,822,671	163,999,114
59	235.0	Customer Deposits	3,334,901	3,306,477
60	236.0	Taxes Accrued	(67,810,395)	(151,933,771)
61	237.0	Interest Accrued	40,906	49,249
62	238.0	Dividends Declared	-	-
63	241.0	Tax Collections Payable	143,422	157,490
64	242.0	Miscellaneous Current & Accrued Liabilities	46,913,924	36,492,836
65	243.0	Obligations under Capital Lease-Current	5,455,911	6,301,687
66	244.0	Derivative Instrument Liabilities-Current	-	-
67		TOTAL CURRENT & ACCRUED LIABILITIES	$ 525,772,677	$ 357,148,059
		DEFERRED CREDITS:		
68	252.0	Customer Advances for Construction	$ 442,983	$ 24,154
69	255.0	Accumulated Deferred Investment Tax Credit	-	-
70	253.0	Other Deferred Credits	9,925,115	8,116,413
71	254.0	Other Regulatory Liabilities	185,459,467	239,588,361
72	282.0	Accumulated Deferred Income Taxes-Other Property	854,176,066	744,646,509
73	283.0	Accumulated Deferred Income Taxes-Other	188,844,098	163,454,456
74		TOTAL DEFERRED CREDITS	$ 1,238,847,729	$ 1,155,829,893
75		**TOTAL LIABILITIES & OTHER CREDITS**	**$ 5,682,112,815**	**$ 4,976,301,082**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 2: 53.53 II.A.2
Comparative Quarterly Income Statement
Three Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
		Operating Revenues (400):		
1	480.0	Residential Sales	$ 55,147,736	$ 46,293,116
2	481.0	Commercial and Industrial Sales	9,239,372	7,847,743
3	483.0	Sales for Resale	408,866	658,310
4		**Sales of Gas (480-484)**	**$ 64,795,974**	**$ 54,799,169**
5	487.0	Forfeited Discounts	$ 1,262,457	$ 916,996
6	488.0	Miscellaneous Service Revenues	309,244	265,701
7	489.1	Revenues from Transportation of Gas of Others Through Gathering Facility	2,029,445	1,858,781
8	489.3	Revenues from Transportation of Gas of Others Through Distribution Facility	28,302,825	25,609,879
9	489.4	Revenues from Storing Gas of Others	-	-
10	493.0	Rent from Gas Property	23,009	49,867
11	495.0	Other Gas Revenues	(136,058)	3,235,378
12	496.0	Provision for Rate Refunds	83,239	140,388
13		**Other Operating Revenues (485-496)**	**$ 31,874,161**	**$ 32,076,990**
14		**Total Operating Revenues (400)**	**$ 96,670,135**	**$ 86,876,159**
		Gas Production Operating Expense:		
		Natural Gas Production Operation Expense		
15	750.0	Supervision and engineering	$ -	$ -
16	751.0	Production maps and records	-	-
17	752.0	Gas wells expenses	-	-
18	753.0	Field lines expenses	345,186	344,231
19	754.0	Field compressor station expenses	562,096	830,957
20	755.0	Field compressor station fuel and power	281,737	308,495
21	756.0	Field measuring and regulating station expenses	63,138	66,459
22	758.0	Gas well royalties	-	-
23	759.0	Other expenses	13,675	22,791
24	760.0	Rents	2,595	2,442
25		**Natural Gas Production and Gathering Operation Expense**	**$ 1,268,427**	**$ 1,575,375**
26	800.1	Natural gas well-head purchases - intercompany	$ -	$ -
27	801.0	Natural gas field line purchases	1,971,592	2,015,940
28	803.0	Natural gas transmission line purchases	45,609,006	30,940,660
29	804.0	Natural gas city gate purchases	1,747,054	1,419,857
30	805.0	Other gas purchases	-	-
31	805.1	Purchase gas cost adjustments	(18,248,474)	(15,744,450)
32	806.0	Exchange gas	(215,987)	159,095
33	807.1	Well expense - Purchased gas	-	-
34	807.5	Other purchases gas expense	-	-
35	808.1	Gas withdrawn from storage—Debit	501,566	126,006
36	808.2	Gas delivered to storage—Credit	(29,845,151)	(18,107,819)
37	810.0	Gas used for compressor station fuel—Credit	(547,930)	(573,005)
38	812.0	Gas used for other utility operations—Credit	(13,923)	(258,688)
39	813.0	Other gas supply expenses	364,768	346,801
40		**Other Gas Supply Operation Expenses**	**$ 1,322,521**	**$ 324,397**
41		**Total Gas Production Operation Expense**	**$ 2,590,948**	**$ 1,899,772**
		Nat Gas Storage, Terminaling and Processing Operation Expenses:		
42	814.0	Operation supervision and engineering	$ 5,828	$ 9,474
43	816.0	Wells expenses	-	-
44	817.0	Lines expenses	1,834	1,970
45	818.0	Compressor station expenses	387,369	350,064
46	819.0	Compressor station fuel and power	71,794	54,133
47	820.0	Measuring and regulating station expenses	380	433
48	823.0	Gas losses	-	-

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 2: 53.53 II.A.2
Comparative Quarterly Income Statement
Three Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
49	824.0	Other expenses	68	117
50	825.0	Storage wells royalties	1,604	1,604
51	826.0	Rents	-	-
52		**Underground Storage Operation Expense**	**$ 468,877**	**$ 417,795**
53	850.0	Operation supervision and engineering	$ 40,795	$ 66,319
54	853.0	Compressor station labor and expenses	45,699	72,730
55	854.0	Gas Transmission Op - Compressor Sta Fuel	194,399	210,376
56	856.0	Mains expenses	440,080	317,185
57	857.0	Measuring and regulating station expenses	80,211	71,649
58	858.0	Transmission and compression of gas by others	16,760,557	15,704,915
59	859.0	Other expenses	7,617	16,719
60	860.0	Rents	27,079	35,195
61		**Gas Transmission Operations Expense**	**$ 17,596,437**	**$ 16,495,088**
62	870.0	Operation supervision and engineering	$ (389,104)	$ (799,721)
63	871.0	Distribution load dispatching	-	-
64	874.0	Mains and services expenses	3,854,103	4,652,482
65	875.0	Measuring and regulating station expenses—General	855,685	1,128,901
66	877.0	Measuring and regulating station expenses—City gate check stations	-	-
67	878.0	Meter and house regulator expenses	2,155,273	1,806,152
68	879.0	Customer installations expenses	1,174,065	1,167,657
69	880.0	Other expenses	864,718	1,025,719
70	881.0	Rents	79,318	95,628
71		**Gas Distribution Operations Expense**	**$ 8,594,058**	**$ 9,076,818**
72	901.0	Supervision	$ -	$ -
73	902.0	Meter reading expenses	549,154	682,420
74	903.0	Customer records and collection expenses	5,845,840	5,823,245
75	904.0	Uncollectible accounts	3,869,291	3,304,915
76		**Customer Accounts Expense**	**$ 10,264,285**	**$ 9,810,580**
77	907.0	Supervision	$ 7,148	$ 26,361
78	908.0	Customer assistance expenses	446,495	54,240
79	909.0	Informational advertising expenses	-	-
80	910.0	Miscellaneous customer service expenses	-	-
81		**Customer Service and Informational Expense**	**$ 453,643**	**$ 80,601**
82	911.0	Supervision	$ -	$ 8,774
83	912.0	Demonstrating and selling expenses	275,994	197,683
84	913.0	Promotional advertising expenses	-	-
85	916.0	Miscellaneous sales promotion expenses	-	-
86		**Sales Expense**	**$ 275,994**	**$ 206,457**
87	920.0	Administrative and general salaries	$ 3,477,169	$ 3,117,170
88	921.0	Office supplies and expenses	2,856,471	2,128,224
89	922.0	Administrative expenses transferred—Credit	(14,682,312)	(15,139,818)
90	923.0	Outside service employed	8,567,104	7,409,694
91	924.0	Property insurance	325,390	307,423
92	925.0	Injuries and damages	1,517,854	3,285,070
93	926.0	Employe pensions and benefits	4,492,367	4,777,024
94	928.0	Regulatory commission expenses	382,225	-
95	930.1	Institutional or goodwill advertising expense	396,795	419,692
96	930.2	Miscellaneous general expense	226,481	187,704
97	931.0	Rents	1,264,193	1,038,749
98		**Administrative and General Operations Expense**	**$ 8,823,737**	**$ 7,530,932**
99		**Total Operation Expenses (401)**	**$ 49,067,979**	**$ 45,518,043**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 2: 53.53 II.A.2
Comparative Quarterly Income Statement
Three Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
		Maintenance Expenses (402)		
		Gas Production Maintenance Expenses		
100	762.0	Maintenance of structures and improvements	$ 13,732	$ 13,668
101	763.0	Maintenance of producing gas wells	111	-
102	764.0	Maintenance of field lines	1,111,442	1,236,021
103	765.0	Maintenance of field compressor station equipment	456,517	770,383
104	766.0	Maintenance of field measuring and regulating station equipment	45,260	39,939
105	769.0	Maintenance of other equipment	5,570	16,471
106		**Natural Gas Production and Gathering Maintenance Expense**	**$ 1,632,632**	**$ 2,076,482**
107	787.0	Maintenance of pipe lines	$ -	$ -
108		**Natural Gas Production Maintenance Expense**	**$ -**	**$ -**
109	831.0	Maintenance of structures and improvements	$ 261	$ 514
110	832.0	Maintenance of reservoirs and wells	-	1,030
111	833.0	Maintenance of lines	11,303	13,226
112	834.0	Maintenance of compressor station equipment	117,910	285,952
113	835.0	Maintenance of measuring and regulating station equipment	188	242
	837.0	Maintenance of other equipment	30	38
115		**Underground Storage Maintenance Expense**	**$ 129,692**	**$ 301,002**
116	862.0	Maintenance of structures and improvements	$ 11,346	$ 10,873
117	863.0	Maintenance of mains	659,997	830,827
118	864.0	Maintenance of compressor station equipment	51,087	52,085
119	865.0	Maintenance of measuring and regulating station equipment	464,853	338,032
120	866.0	Maintenance of communication equipment	53,289	28,473
	867.0	Maintenance of other equipment	2,193	4,234
122		**Gas Transmission Maintenance Expense**	**$ 1,242,765**	**$ 1,264,524**
123	886.0	Maintenance of structures and improvements	$ 1,577,957	$ 1,624,563
124	887.0	Maintenance of mains	9,743,190	10,826,776
125	888.0	Maintenance of compressor station equipment	-	-
126	889.0	Maintenance of measuring and regulating station equipment—General	400,313	474,439
127	890.0	Maintenance of measuring and regulating station equipment—Industrial	-	-
128	891.0	Maintenance of measuring and regulating station equipment—City gate check station	-	-
129	892.0	Maintenance of services	404,166	525,109
130	893.0	Maintenance of meters and house regulators	45,373	56,797
131	894.0	Maintenance of other equipment	99,168	182,662
132		**Gas Distribution Maintenance Expense**	**$ 12,270,167**	**$ 13,690,346**
133	932.0	Maintenance of general plant	$ 16,615	$ 64,315
134		**Administrative and General Maintenance Expense**	**$ 16,615**	**$ 64,315**
135		**Total Maintenance Expenses (402)**	**$ 15,291,871**	**$ 17,396,669**
136	403.0	Depreciation expense	$ 37,922,201	$ 31,510,254
137		**Depreciation Expense (403)**	**$ 37,922,201**	**$ 31,510,254**
138	403.1	Depreciation Expense - Asset Retirement Obligation	$ -	$ -
139		**Depreciation Expense for Asset Retirement Obligation Costs (403.1)**	**$ -**	**$ -**
140	404.0	Amortization expense - Utility plant	$ -	$ -
141	404.2	Amortization of underground storage land and land rights	-	-
142		**Amortortization and Depletion of Utility Plant (404-405)**	**$ -**	**$ -**
143	407.3	Amortization Expense - Regulatory Debits	$ -	$ -
144		**Regulatory Debits (407.3)**	**$ -**	**$ -**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 2: 53.53 II.A.2
Comparative Quarterly Income Statement
Three Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
145	408.1	Taxes other than income taxes, utility operating income	$ 2,951,685	$ 3,217,677
146		**Taxes Other Than Income Taxes (408.1)**	**$ 2,951,685**	**$ 3,217,677**
147	409.1	Income taxes, utility operating income	$ 481,051	$ (2,376,232)
148	410.1	Provision for deferred income taxes, utility operating income	1,403,133	5,590,480
149	411.1	Provision for deferred income taxes--Credit, utility operating income	-	-
150	411.4	Investment tax credit adjustments, utility operations	-	-
151		**Total Operating Expenses**	**$ 107,117,920**	**$ 100,856,891**
152		**NET UTILITY OPERATING INCOME**	**$ (10,447,785)**	**$ (13,980,732)**
		OTHER INCOME & DEDUCTIONS		
		Other Income:		
153	415.0	Revenues from merchandising, jobbing and contract work	$ 2,368,183	$ 2,258,791
154	416.0	Costs and expenses of merchandising, jobbing and contract work	(556,882)	(593,094)
155	417.0	Nonutility Operations - Revenue	718,831	834,879
156	417.1	Nonutility Operations - Expenses	(300,818)	(587,603)
157	419.0	Interest and divident income	950,560	487,106
158	419.1	Allowance for other funds used during construction	1,185,955	808,287
159	421.0	Miscellaneous nonoperating income	41,222	41,225
160	421.1	Gain on Disposition of Property	-	-
161		**Total Other Income**	**$ 4,407,051**	**$ 3,249,591**
		Other Income Deductions:		
162	421.2	Loss on Disposition of Property	$ -	$ -
163	426.1	Donations	(6,560)	153,179
164	426.3	Penalties	(7,750)	(1,000)
165	426.4	Expenditures for certain civic, political and related activities	30,044	(51,456)
166	426.5	Other deductions	-	-
167		**Total Other Income Deductions**	**$ 15,734**	**$ 100,723**
		Taxes Applicable to Other Income and Deductions		
168	408.2	Taxes other than income taxes, other income and deductions	$ -	$ -
169	409.2	Income taxes, other income and deductions	-	-
170	410.2	Provision for deferred income taxes, other income and deductions	-	-
171	411.2	Provision for deferred income taxes--Credit, other income and deductions	-	-
172		**Total Taxes Applicable to Other Income/Deductions**	**$ -**	**$ -**
173		**NET OTHER INCOME AND DEDUCTIONS**	**$ 4,422,785**	**$ 3,350,314**
		INTEREST CHARGES		
174	427.0	Interest on long-term debt	$ -	$ -
175	428.0	Amortization of Debt Discount and Expense	(310,320)	(240,102)
176	430.0	Interest on debt to associated companies	(17,245,451)	(13,477,636)
177	431.0	Other interest expense	(27,080)	460,729
178	432.0	Allowance for borrowed funds used during construction--Credit	467,727	458,634
179		**NET INTEREST CHARGES**	**$ (17,115,124)**	**$ (12,798,375)**
180		**TOTAL INCOME BEFORE EXTRAORDINARY INCOME**	**$ (23,140,124)**	**$ (23,428,793)**
		EXTRAORDINARY ITEMS		
181	434.0	Extraordinary Income	$ -	$ -
182	435.0	Extraordinary deductions	-	-
183	409.3	Income taxes, extraordinary items. Net Income	-	-
184		**EXTRAORDINARY ITEMS AFTER TAXES**	**$ -**	**$ -**
185		**NET INCOME (LOSS)**	**$ (23,140,124)**	**$ (23,428,793)**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 3: 53.53 II.A.2
Comparative Quarterly Income Statement
Nine Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
		Operating Revenues (400):		
1	480.0	Residential Sales	$ 444,801,640	$ 308,878,201
2	481.0	Commercial and Industrial Sales	80,553,566	55,479,871
3	483.0	Sales for Resale	5,153,488	2,892,735
4		**Sales of Gas (480-484)**	**$ 530,508,694**	**$ 367,250,807**
5	487.0	Forfeited Discounts	$ 5,025,367	$ 3,700,335
6	488.0	Miscellaneous Service Revenues	865,804	777,461
7	489.1	Revenues from Transportation of Gas of Others Through Gathering Facility	6,063,458	5,437,072
8	489.3	Revenues from Transportation of Gas of Others Through Distribution Facility	157,045,801	124,589,178
9	489.4	Revenues from Storing Gas of Others	-	-
10	493.0	Rent from Gas Property	200,094	191,893
11	495.0	Other Gas Revenues	4,335,813	3,132,892
12	496.0	Provision for Rate Refunds	197,739	(2,317,637)
13		**Other Operating Revenues (485-496)**	**$ 173,734,076**	**$ 135,511,194**
14		**Total Operating Revenues (400)**	**$ 704,242,770**	**$ 502,762,001**
		Gas Production Operating Expense:		
		Natural Gas Production Operation Expense		
15	750.0	Supervision and engineering	$ -	$ 70
16	751.0	Production maps and records	-	-
17	752.0	Gas wells expenses	-	-
18	753.0	Field lines expenses	1,055,529	1,002,877
19	754.0	Field compressor station expenses	1,951,277	1,884,724
20	755.0	Field compressor station fuel and power	706,544	843,277
21	756.0	Field measuring and regulating station expenses	243,999	251,784
22	758.0	Gas well royalties	-	-
23	759.0	Other expenses	46,735	48,496
24	760.0	Rents	8,166	10,698
25		**Natural Gas Production and Gathering Operation Expense**	**$ 4,012,250**	**$ 4,041,926**
26	800.1	Natural gas well-head purchases - intercompany	$ -	$ -
27	801.0	Natural gas field line purchases	6,490,667	5,655,422
28	803.0	Natural gas transmission line purchases	182,966,535	99,719,555
29	804.0	Natural gas city gate purchases	6,249,988	4,084,776
30	805.0	Other gas purchases	-	-
31	805.1	Purchase gas cost adjustments	(6,226,379)	(25,128,418)
32	806.0	Exchange gas	(102,108)	(186,177)
33	807.1	Well expense - Purchased gas	-	-
34	807.5	Other purchases gas expense	-	-
35	808.1	Gas withdrawn from storage—Debit	32,989,646	44,254,938
36	808.2	Gas delivered to storage—Credit	(58,775,120)	(34,547,082)
37	810.0	Gas used for compressor station fuel—Credit	(1,760,984)	(1,898,580)
38	812.0	Gas used for other utility operations—Credit	(642,089)	(1,280,343)
39	813.0	Other gas supply expenses	1,079,594	1,024,156
40		**Other Gas Supply Operation Expenses**	**$ 162,269,750**	**$ 91,698,247**
41		**Total Gas Production Operation Expense**	**$ 166,282,000**	**$ 95,740,173**
		Nat Gas Storage, Terminaling and Processing Operation Expenses:		
42	814.0	Operation supervision and engineering	$ 17,738	$ 28,436
43	816.0	Wells expenses	-	-
44	817.0	Lines expenses	5,608	5,545
45	818.0	Compressor station expenses	984,463	1,097,624

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 3: 53.53 II.A.2
Comparative Quarterly Income Statement
Nine Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
46	819.0	Compressor station fuel and power	224,104	253,090
47	820.0	Measuring and regulating station expenses	1,246	1,192
48	823.0	Gas losses	-	-
49	824.0	Other expenses	241	250
50	825.0	Storage wells royalties	15,137	15,546
51	826.0	Rents	-	-
52		**Underground Storage Operation Expense**	**$ 1,248,537**	**$ 1,401,683**
53	850.0	Operation supervision and engineering	$ 124,163	$ 199,085
54	853.0	Compressor station labor and expenses	87,041	157,951
55	854.0	Gas Transmission Op - Compressor Sta Fuel	830,337	802,212
56	856.0	Mains expenses	1,171,142	882,536
57	857.0	Measuring and regulating station expenses	321,652	329,029
58	858.0	Transmission and compression of gas by others	74,118,918	71,664,726
59	859.0	Other expenses	20,558	28,011
60	860.0	Rents	61,511	110,976
61		**Gas Transmission Operations Expense**	**$ 76,735,322**	**$ 74,174,526**
62	870.0	Operation supervision and engineering	$ (2,409,235)	$ (1,772,625)
63	871.0	Distribution load dispatching	-	-
64	874.0	Mains and services expenses	11,663,028	12,542,749
65	875.0	Measuring and regulating station expenses—General	3,017,393	3,627,096
66	877.0	Measuring and regulating station expenses—City gate check stations	-	-
67	878.0	Meter and house regulator expenses	5,612,229	5,114,327
68	879.0	Customer installations expenses	4,310,648	4,273,068
69	880.0	Other expenses	2,606,712	2,076,319
70	881.0	Rents	306,373	432,251
71		**Gas Distribution Operations Expense**	**$ 25,107,148**	**$ 26,293,185**
72	901.0	Supervision	$ -	$ -
73	902.0	Meter reading expenses	1,845,412	1,991,687
74	903.0	Customer records and collection expenses	15,915,558	15,833,707
75	904.0	Uncollectible accounts	13,682,246	12,087,045
76		**Customer Accounts Expense**	**$ 31,443,216**	**$ 29,912,439**
77	907.0	Supervision	$ (36,121)	$ 105,580
78	908.0	Customer assistance expenses	7,867,184	(1,169,269)
79	909.0	Informational advertising expenses	-	-
80	910.0	Miscellaneous customer service expenses	-	-
81		**Customer Service and Informational Expense**	**$ 7,831,063**	**$ (1,063,689)**
82	911.0	Supervision	$ 6,723	$ 23,707
83	912.0	Demonstrating and selling expenses	804,320	615,021
84	913.0	Promotional advertising expenses	-	-
85	916.0	Miscellaneous sales promotion expenses	-	-
86		**Sales Expense**	**$ 811,043**	**$ 638,728**
87	920.0	Administrative and general salaries	$ 10,060,742	$ 9,172,018
88	921.0	Office supplies and expenses	8,144,945	8,631,112
89	922.0	Administrative expenses transferred—Credit	(43,750,449)	(38,981,685)
90	923.0	Outside service employed	25,005,686	21,323,765
91	924.0	Property insurance	1,116,130	951,715
92	925.0	Injuries and damages	8,772,504	9,852,029
93	926.0	Employe pensions and benefits	14,588,656	15,171,573
94	928.0	Regulatory commission expenses	1,138,316	(253,390)
95	930.1	Institutional or goodwill advertising expense	862,791	822,755
96	930.2	Miscellaneous general expense	783,039	675,580

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 3: 53.53 II.A.2
Comparative Quarterly Income Statement
Nine Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
97	931.0	Rents	3,756,625	3,480,720
98		**Administrative and General Operations Expense**	**$ 30,478,985**	**$ 30,846,192**
99		**Total Operation Expenses (401)**	**$ 339,937,314**	**$ 257,943,237**
		Maintenance Expenses (402)		
		Gas Production Maintenance Expenses		
100	762.0	Maintenance of structures and improvements	$ 29,668	$ 30,207
101	763.0	Maintenance of producing gas wells	696	431
102	764.0	Maintenance of field lines	3,036,880	2,940,708
103	765.0	Maintenance of field compressor station equipment	1,267,457	1,833,421
104	766.0	Maintenance of field measuring and regulating station equipment	143,370	107,556
105	769.0	Maintenance of other equipment	20,313	30,165
106		**Natural Gas Production and Gathering Maintenance Expense**	**$ 4,498,384**	**$ 4,942,488**
107	787.0	Maintenance of pipe lines	$ -	$ -
108		**Natural Gas Production Maintenance Expense**	**$ -**	**$ -**
109	831.0	Maintenance of structures and improvements	$ 637	$ 1,543
110	832.0	Maintenance of reservoirs and wells	668	1,175
111	833.0	Maintenance of lines	29,588	31,705
112	834.0	Maintenance of compressor station equipment	358,962	742,494
113	835.0	Maintenance of measuring and regulating station equipment	807	836
	837.0	Maintenance of other equipment	148	136
115		**Underground Storage Maintenance Expense**	**$ 390,810**	**$ 777,889**
116	862.0	Maintenance of structures and improvements	$ 24,147	$ 26,561
117	863.0	Maintenance of mains	1,846,788	1,960,571
118	864.0	Maintenance of compressor station equipment	110,097	123,674
119	865.0	Maintenance of measuring and regulating station equipment	1,310,267	975,712
120	866.0	Maintenance of communication equipment	204,097	88,834
	867.0	Maintenance of other equipment	6,554	9,150
122		**Gas Transmission Maintenance Expense**	**$ 3,501,950**	**$ 3,184,502**
123	886.0	Maintenance of structures and improvements	$ 4,646,297	$ 4,715,799
124	887.0	Maintenance of mains	27,185,968	26,924,993
125	888.0	Maintenance of compressor station equipment	-	-
126	889.0	Maintenance of measuring and regulating station equipment—General	1,348,623	1,421,406
127	890.0	Maintenance of measuring and regulating station equipment—Industrial	-	-
128	891.0	Maintenance of measuring and regulating station equipment—City gate check station	-	-
129	892.0	Maintenance of services	1,413,251	2,004,915
130	893.0	Maintenance of meters and house regulators	233,888	251,658
131	894.0	Maintenance of other equipment	317,046	426,877
132		**Gas Distribution Maintenance Expense**	**$ 35,145,073**	**$ 35,745,648**
133	932.0	Maintenance of general plant	$ 172,491	$ 135,079
134		**Administrative and General Maintenance Expense**	**$ 172,491**	**$ 135,079**
135		**Total Maintenance Expenses (402)**	**$ 43,708,708**	**$ 44,785,606**
136	403.0	Depreciation expense	$ 108,063,801	$ 90,874,355
137		**Depreciation Expense (403)**	**$ 108,063,801**	**$ 90,874,355**
138	403.1	Depreciation Expense - Asset Retirement Obligation	$ -	$ -
139		**Depreciation Expense for Asset Retirement Obligation Costs (403.1)**	**$ -**	**$ -**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 3: 53.53 II.A.2
Comparative Quarterly Income Statement
Nine Months Ended September 30:

Line No	Account	Description	2025 (1)	2024 (2)
140	404.0	Amortization expense - Utility plant	$ -	$ -
141	404.2	Amortization of underground storage land and land rights	-	-
142		**Amortortization and Depletion of Utility Plant (404-405)**	**$ -**	**$ -**
143	407.3	Amortization Expense - Regulatory Debits	$ -	$ -
144		**Regulatory Debits (407.3)**	**$ -**	**$ -**
145	408.1	Taxes other than income taxes, utility operating income	$ 6,455,889	$ 10,201,997
146		**Taxes Other Than Income Taxes (408.1)**	**$ 6,455,889**	**$ 10,201,997**
147	409.1	Income taxes, utility operating income	$ 10,469,276	$ (44,528,641)
148	410.1	Provision for deferred income taxes, utility operating income	(34,638,277)	(11,720,478)
149	411.1	Provision for deferred income taxes--Credit, utility operating income	-	-
150	411.4	Investment tax credit adjustments, utility operations	-	-
151		**Total Operating Expenses**	**$ 473,996,711**	**$ 347,556,076**
152		**NET UTILITY OPERATING INCOME**	**$ 230,246,059**	**$ 155,205,925**
		OTHER INCOME & DEDUCTIONS		
		Other Income:		
153	415.0	Revenues from merchandising, jobbing and contract work	$ 7,045,119	$ 6,043,575
154	416.0	Costs and expenses of merchandising, jobbing and contract work	(1,631,060)	(1,560,133)
155	417.0	Nonutility Operations - Revenue	2,156,494	3,502,749
156	417.1	Nonutility Operations - Expenses	(937,180)	405,720
157	419.0	Interest and divident income	962,014	686,411
158	419.1	Allowance for other funds used during construction	3,014,523	2,266,396
159	421.0	Miscellaneous nonoperating income	123,706	185,842
160	421.1	Gain on Disposition of Property	-	-
161		**Total Other Income**	**$ 10,733,616**	**$ 11,530,560**
		Other Income Deductions:		
162	421.2	Loss on Disposition of Property	$ -	$ -
163	426.1	Donations	6,325	148,996
164	426.3	Penalties	(6,750)	(1,000)
165	426.4	Expenditures for certain civic, political and related activities	(141,924)	(155,336)
166	426.5	Other deductions	-	-
167		**Total Other Income Deductions**	**$ (142,349)**	**$ (7,340)**
		Taxes Applicable to Other Income and Deductions		
168	408.2	Taxes other than income taxes, other income and deductions	$ -	$ -
169	409.2	Income taxes, other income and deductions	-	-
170	410.2	Provision for deferred income taxes, other income and deductions	-	-
171	411.2	Provision for deferred income taxes--Credit, other income and deductions	-	-
172		**Total Taxes Applicable to Other Income/Deductions**	**$ -**	**$ -**
173		**NET OTHER INCOME AND DEDUCTIONS**	**$ 10,591,267**	**$ 11,523,220**
		INTEREST CHARGES		
174	427.0	Interest on long-term debt	$ -	$ -
175	428.0	Amortization of Debt Discount and Expense	(930,006)	(719,751)
176	430.0	Interest on debt to associated companies	(49,643,007)	(37,548,100)
177	431.0	Other interest expense	(35,814)	610,809
178	432.0	Allowance for borrowed funds used during construction--Credit	1,151,048	1,260,640
179		**NET INTEREST CHARGES**	**$ (49,457,779)**	**$ (36,396,402)**
180		**TOTAL INCOME BEFORE EXTRAORDINARY INCOME**	**$ 191,379,547**	**$ 130,332,743**

Peoples Natural Gas Company LLC
Exhibit 16, Schedule 2
Attachment 3: 53.53 II.A.2
Comparative Quarterly Income Statement
Nine Months Ended September 30:

Line No	Account	Description	2025	2024
			(1)	(2)
		EXTRAORDINARY ITEMS		
181	434.0	Extraordinary Income	$ -	$ -
182	435.0	Extraordinary deductions	-	-
183	409.3	Income taxes, extraordinary items. Net Income	-	-
184		**EXTRAORDINARY ITEMS AFTER TAXES**	**$ -**	**$ -**
185		**NET INCOME (LOSS)**	**$ 191,379,547**	**$ 130,332,743**

Peoples Natural Gas Company LLC

§ 53.53.II.A

3. Provide latest Stockholder's Report (Company and Parent).

* *

A Stockholder's Report is not prepared for Peoples Natural Gas Company LLC or PNG Companies LLC.

Peoples Natural Gas Company LLC

§ 53.53.II.A

4. Provide latest Prospectus (Company and Parent).

* *

Neither the Company nor the Parent, PNG Companies LLC, has prepared a prospectus.

Peoples Natural Gas Company LLC

§ 53.53.II.A

5. Supply projected capital requirements and sources of Company, Parent and System (consolidated) for each of future three years.

* *

Below is the requested information for the Future Test Year and the Fully Projected Future Test Year for Peoples Natural Gas Company LLC. The information for PNG Companies LLC is confidential and is contained in a separate book of the filing marked confidential information. This information will be provided to parties upon execution of a CONFIDENTIALITY AGREEMENT, to be circulated by the Company, pursuant to the term of that agreement.

	Twelve Months Ended	
	FTY	FPFTY
Sources:		
Net Income	$ 241.3	$ 317.3
Depreciation	$ 153.5	$ 181.9
Deferred Taxes	$ (31.5)	$ (75.7)
Net Borrowings / (Repayments)	$ 261.9	$ 308.6
Total Sources	$ 625.2	$ 732.0
Uses:		
Capital Expenditures	$ 729.0	$ 784.0
Dividends (Capital Contributions)	$ (103.8)	$ (52.0)
Total Uses	$ 625.2	$ 732.0

Peoples Natural Gas Company LLC

§ 53.53.II.A

6. Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):

a. Date of issue

b. Date of maturity

c. Amount issued

d. Amount outstanding

e. Amount retired

f. Amount reacquired

g. Gain on reacquisition

h. Coupon rate

i. Discount or premium at issuance

j. Issuance expenses

k. Net proceeds

l. Sinking Fund requirements

m. Effective interest rate

n. Dividend rate

o. Effective cost rate

p. Total average weighted effective Cost Rate

* *

See page 2.

Peoples Natural Gas Company LLC
Schedule of Debt
November 30, 2025

Debt Facility	Date of Issuance	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Amount Reacquired	Coupon Rate	Discount or Premium at Issue	Issuance Expenses
2013 Intercompany Promissory Note, Tranche 3	12/19/2013	12/19/2025	$ 110,007,200	$ 110,007,200	$ -	$ -	4.25%	$ -	$ 523,077
2017 Intercompany Promissory Note, Tranche 2	12/18/2017	12/18/2027	$ 178,911,000	$ 178,911,000	$ -	$ -	3.38%	$ -	$ 1,338,539
2017 Intercompany Promissory Note, Tranche 3	12/18/2017	12/18/2032	$ 178,911,000	$ 178,911,000	$ -	$ -	3.63%	$ -	$ 1,340,456
2022 Intercompany Promissory Note, Tranche 1	10/31/2021	4/15/2030	$ 183,149,854	$ 183,149,854	$ -	$ -	2.70%	$ -	$ 1,334,416
2022 Intercompany Promissory Note, Tranche 2	10/31/2021	4/15/2050	$ 219,779,827	$ 219,779,827	$ -	$ -	3.35%	$ -	$ 2,272,105
2022 Intercompany Promissory Note, Tranche 7	12/31/2021	5/1/2031	$ 65,364,587	$ 65,364,587	$ -	$ -	2.40%	$ -	$ 618,896
2022 Intercompany Promissory Note, Tranche 8	12/31/2021	5/1/2052	$ 81,705,732	$ 81,705,732	$ -	$ -	5.30%	$ -	$ 1,621,181
2022 Intercompany Promissory Note, Tranche 1	12/31/2023	4/15/2030	$ 38,636,364	$ 38,636,364	$ -	$ -	2.70%	$ -	$ 288,944
2022 Intercompany Promissory Note, Tranche 2	12/31/2023	4/15/2050	$ 46,363,636	$ 46,363,636	$ -	$ -	3.35%	$ -	$ 483,062
2023 Intercompany Promissory Note, Tranche 1	12/31/2023	5/1/2031	$ 152,444,444	$ 152,444,444	$ -	$ -	2.40%	$ -	$ 1,084,290
2023 Intercompany Promissory Note, Tranche 2	12/31/2023	5/1/2052	$ 190,555,556	$ 190,555,556	$ -	$ -	5.30%	$ -	$ 3,149,448
2024 Intercompany Promissory Note, Tranche 1	7/31/2024	5/1/2031	$ 48,839,507	$ 48,839,507	$ -	$ -	2.40%	$ -	$ 427,408
2024 Intercompany Promissory Note, Tranche 2	7/31/2024	5/2/2052	$ 61,049,382	$ 61,049,382	$ -	$ -	5.30%	$ -	$ 1,387,828
2025 Intercompany Promissory Note, Tranche 1	1/2/2025	1/15/2034	$ 148,500,000	$ 148,500,000	$ -	$ -	5.38%	$ -	$ 1,344,240

PNG Companies LLC
Schedule of Debt
November 30, 2025

Debt Facility	Date of Issuance	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Amount Reacquired	Coupon Rate	Discount or Premium at Issue	Issuance Expenses
Senior Secured Notes - 2013- A	12/19/2013	12/19/2025	$ 114,000,000	$ 114,000,000	$ -	$ -	4.25%	$ -	$ 817,351
Senior Secured Notes - 2017- B	12/20/2017	12/20/2031	$ 38,500,000	$ 38,500,000	$ -	$ -	4.26%	$ -	$ 214,860
Senior Secured Notes - 2017- C	12/18/2017	12/18/2027	$ 200,000,000	$ 200,000,000	$ -	$ -	3.38%	$ -	$ 1,502,757
Senior Secured Notes - 2017- C	12/18/2017	12/18/2032	$ 200,000,000	$ 200,000,000	$ -	$ -	3.63%	$ -	$ 1,502,757
Intercompany Promissory Note	12/31/2020	4/15/2030	$ 227,947,765	$ 227,947,765	$ -	$ -	2.70%	$ -	$ 1,215,299
Intercompany Promissory Note	12/31/2020	4/15/2050	$ 273,537,318	$ 273,537,318	$ -	$ -	3.35%	$ -	$ 2,369,073
Intercompany Promissory Note	12/31/2020	11/3/2031	$ 35,000,000	$ 35,000,000	$ -	$ -	3.01%	$ -	$ 122,023
Intercompany Promissory Note	12/31/2020	11/3/2034	$ 20,000,000	$ 20,000,000	$ -	$ -	3.19%	$ -	$ 69,728
Intercompany Promissory Note	12/31/2020	5/1/2029	$ 191,084,000	$ 191,084,000	$ -	$ -	3.57%	$ -	$ 1,831,510
Intercompany Promissory Note	12/31/2020	5/1/2049	$ 252,430,917	$ 252,430,917	$ -	$ -	4.28%	$ -	$ 2,912,322
Intercompany Promissory Note	10/31/2021	4/15/2030	$ 143,181,818	$ 143,181,818	$ -	$ -	2.70%	$ -	$ 1,334,416
Intercompany Promissory Note	10/31/2021	4/15/2050	$ 171,818,182	$ 171,818,182	$ -	$ -	3.35%	$ -	$ 1,790,172
Intercompany Promissory Note	12/31/2023	4/15/2030	$ 38,636,364	$ 38,636,364	$ -	$ -	2.70%	$ -	$ 288,944
Intercompany Promissory Note	12/31/2023	4/15/2050	$ 46,363,636	$ 46,363,636	$ -	$ -	3.35%	$ -	$ 483,062
Intercompany Promissory Note	12/31/2020	4/15/2030	$ 6,818,182	$ 6,818,182	$ -	$ -	2.70%	$ -	$ 48,924
Intercompany Promissory Note	12/31/2020	4/15/2050	$ 8,181,818	$ 8,181,818	$ -	$ -	3.35%	$ -	$ 84,208
Intercompany Promissory Note	10/31/2021	4/15/2030	$ 39,968,036	$ 39,968,036	$ -	$ -	2.70%	$ -	$ 263,624
Intercompany Promissory Note	10/31/2021	4/15/2050	$ 47,961,645	$ 47,961,645	$ -	$ -	3.35%	$ -	$ 481,933
Intercompany Promissory Note	12/31/2021	5/1/2031	$ 65,364,587	$ 65,364,587	$ -	$ -	2.40%	$ -	$ 618,896
Intercompany Promissory Note	12/31/2021	5/1/2052	$ 81,705,732	$ 81,705,732	$ -	$ -	5.30%	$ -	$ 1,621,181
Intercompany Promissory Note	12/31/2023	5/1/2031	$ 152,444,444	$ 152,444,444	$ -	$ -	2.40%	$ -	$ 1,084,290
Intercompany Promissory Note	12/31/2023	5/1/2052	$ 190,555,556	$ 190,555,556	$ -	$ -	5.30%	$ -	$ 3,149,448
Intercompany Promissory Note	7/31/2024	5/1/2031	$ 48,839,507	$ 48,839,507	$ -	$ -	2.40%	$ -	$ 461,296
Intercompany Promissory Note	7/31/2024	5/2/2052	$ 61,049,382	$ 61,049,382	$ -	$ -	5.30%	$ -	$ 1,413,336
Intercompany Promissory Note	7/31/2024	5/1/2031	$ 6,716,049	$ 6,716,049	$ -	$ -	2.40%	$ -	$ 56,858
Intercompany Promissory Note	7/31/2024	5/2/2052	$ 8,395,062	$ 8,395,062	$ -	$ -	5.30%	$ -	$ 189,400
Intercompany Promissory Note	1/2/2025	1/15/2034	$ 148,500,000	$ 148,500,000	$ -	$ -	5.38%	$ -	$ 1,344,240

Peoples Natural Gas Company LLC

§ 53.53.II.A

7. Supply financial data of Company and/or Parent for last five years:

a. Earnings-price ratio (average)

b. Earnings-book value ratio (per share basis) (avg. book value)

c. Dividend yield (average)

d. Earnings per share (dollars)

e. Dividends per share (dollars)

f. Average book value per share yearly

g. Average yearly market price per share (monthly high-low basis)

h. Pre-tax funded debt interest coverage

i. Post-tax funded debt interest coverage

j. Market price-book value ratio

* *

Neither Peoples Natural Gas Company LLC nor its Parent, PNG Companies LLC have common stock. Therefore, items a, b, c, d, e, f, g, and j are not applicable.

Refer to Exhibit No. 18, ROR-23 (VI.IV.ROR.23) for items h and i.

Peoples Natural Gas Company LLC

§ 53.53.II.A

11. Provide AFUDC charged by company at test year-end and latest date and explain method by which rate was calculated.

* *

Allowance for Funds Used During Construction (AFUDC) booked during the test year ended November 30, 2025 totaled $5,426,732.

To calculate AFUDC, Peoples Natural Gas Company LLC follows the method recommended by the Federal Energy Regulatory Commission Order No. 561.

Peoples Natural Gas Company LLC

§ 53.53.II.A

12. Set forth provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

* *

Refer to the following provisions:

Note Purchase Agreement Bonds – PNG Companies LLC

Section 10.1 Interest Coverage Ratio. The Company will not, at any time, permit (a) for the fiscal quarter ending March 31, 2010, the ratio of (1) Consolidated EBITDA for the fiscal quarter ending March 31, 2010 to (2) Consolidated Interest Expense for such period to be less than 2.00 to 1.00, (b) for the fiscal quarter ending June 30, 2010, the ratio of (1) Consolidated EBITDA for the two consecutive fiscal quarters ending on June 30, 2010 to (2) Consolidated Interest Expense for such period to be less than 2.00 to 1.00, (c) for the fiscal quarter ending September 30, 2010, the ratio of (1) Consolidated EBITDA for the three consecutive fiscal quarters ending on September 30, 2010 to (2) Consolidated Interest Expense for such period to be less than 2.00 to 1.00; and (d) for the fiscal quarter ending December 31, 2010 and thereafter, the ratio of (1) Consolidated EBITDA for the four consecutive fiscal quarters ending on, or most recently ended prior to, such time to (2) Consolidated Interest Expense for such period to be less than 2.00 to 1.00.

Section 10.2 Leverage Ratio. The Company will not, at any time, permit the Consolidated Debt to Capitalization Ratio to exceed 0.60 to 1.00.

Section 10.3 Limitations on Debt. The Company will not, at any time, permit Subsidiary Debt (including Indebtedness of a Subsidiary under any HGI Facility) to exceed an amount equal to 20% of Consolidated Total Net Worth as of the end of the then most recently ended fiscal quarter of the Company; *provided* that in no event shall the amount of Subsidiary Debt permitted pursuant to this Section 10.3 at any time exceed the amount of Subsidiary Debt then permitted to be outstanding under the Credit Agreement (without giving effect to any amendment or waiver thereof entered into after the occurrence and during the continuance of a Default or Event of Default). The Company will not at any time, permit the incurrence of any Indebtedness unless (i) the Consolidated Debt to Capitalization Ratio as of the most recently ended fiscal quarter prior to the incurrence of such Indebtedness, calculated on a pro forma basis, after giving effect to such incurrence as if such incurrence had occurred on the first day of such fiscal quarter, shall be no greater than 0.60 to 1.00, (ii) immediately before and immediately after giving effect to the incurrence of such Indebtedness and the use of the proceeds thereof, no Default or Event of Default shall have occurred and be continuing and (iii) solely in connection with any Indebtedness used to refinance a portion (but less than all) of the Notes, (x) such Indebtedness shall not have terms, other than pricing, more favorable to the providers of such Indebtedness than the terms of this Agreement unless consented to by the Required Holders, and (y) each

holder of Notes outstanding immediately after such refinancing shall have received a copy of letters from at least two Rating Agencies reaffirming that, immediately after giving effect to the issuance of such Indebtedness, the Notes shall be rated at least the same rating as the Notes were rated immediately prior to such issuance.

Section 10.5 Limitation on Dividends. The Company will not declare or pay any dividend (or otherwise effectuate a distribution) (other than dividends or distributions payable solely in common stock of the Person making such dividend or distribution) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of the Company or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Company or any Subsidiary (collectively, *"Restricted Payments"*), except that:

(a) the Company may pay dividends (or otherwise effectuate distributions) to HoldCo for tax payments in amounts equal to the tax that would have been imposed on the Company if the Company had been taxed as a domestic corporation (as calculated on the basis of the standalone tax liability of the Company);

(b) so long as no Default or Event of Default shall have occurred and be continuing and the Company shall be in compliance with the provisions of Section 10.1 and in pro forma compliance with the provisions of Sections 10.2 and 10.3 both immediately before and immediately after giving effect thereto, the Company may pay dividends (or otherwise effectuate distributions) to HoldCo; and

(c) the Company may pay a dividend (or otherwise effectuate a distribution) to HoldCo in an amount not to exceed the net cash proceeds of the Notes on or promptly after the Closing Date.

Notwithstanding the foregoing, in no event shall the Company make any Restricted Payment prior to the date the Company delivers to each Purchaser the ratings letters required by Section 9.10.

Revolving Credit Facility – PNG Companies LLC

7.1 Financial Condition Covenant. Permit the ratio of Consolidated Debt to Consolidated Capitalization at any time to exceed 0.60 to 1.00.

7.5 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) each of the Borrower's Subsidiaries may pay dividends or effectuate distributions to the Borrower;

(b) the Borrower may pay dividends or effectuate distributions to LDC Holdings for Tax payments in amounts equal to the Tax that would have been imposed on the Borrower if the Borrower had been taxed as a domestic corporation (as calculated on the basis of the standalone Tax liability of the Borrower, as long as the Borrower is a partnership or disregarded entity for U.S. tax purposes); and

(c) the Borrower may pay dividends or effectuate distributions to LDC Holdings so long as no Default or Event of Default shall have occurred and be continuing, and both immediately before and immediately after giving effect thereto, the Borrower shall be in pro forma compliance with Section 7.1 as set forth on a certificate of a Responsible Officer of the Borrower.

7.1 Financial Covenants.

(a) Permit, at any time, the ratio of (i) Consolidated Debt to (ii) Consolidated Capitalization to exceed 0.60 to 1.00.

(b) Permit, at any time, the ratio of (i) Consolidated EBITDA for the four consecutive fiscal quarters ending on, or most recently ended prior to, such time, to (ii) Consolidated Interest Expense for such period to be less than 2.00 to 1.00.

(c) Permit, at any time, the then outstanding aggregate principal amount of Subsidiary Debt to exceed an amount equal to $100,000,000.

Peoples Natural Gas Company LLC

§ 53.53.II.A

14. Describe long-term debt reacquisitions by Company and Parent as follows:

a. Reacquisitions by issue by year.

b. Total gain on reacquisitions by issue by year.

c. Accounting of gain for income tax and book purposes.

* *

There have been no debt reacquisitions by either Peoples Natural Gas Company LLC or its parent, PNG Companies LLC.

Peoples Natural Gas Company LLC

§ 53.53.II.A

15. Set forth amount of compensating bank balances required under each of the following rate base bases:

    a. Annualized test year operations.

    b. Operations under proposed rates.

* *

Peoples Natural Gas Company LLC is not required to maintain compensating bank balances.

Peoples Natural Gas Company LLC

§ 53.53.II.A

19. Submit details on Company or Parent common stock offerings (past 5 years to present) as follows:

    a. Date of Prospectus
    b. Date of offering
    c. Record date
    d. Offering period—dates and number of days
    e. Amount and number of shares of offering
    f. Offering ratio (if rights offering)
    g. Per cent subscribed
    h. Offering price
    i. Gross proceeds per share
    j. Expenses per share
    k. Net proceeds per share (i-j)
    l. Market price per share
        1. At record date
        2. At offering date
        3. One month after close of offering
    m. Average market price during offering
        1. Price per share
        2. Rights per share—average value of rights
    n. Latest reported earnings per share at time of offering
    o. Latest reported dividends at time of offering

* *

There have been no stock offerings over the past five years.

Peoples Natural Gas Company LLC

§ 53.53.II.A

25. If the utility plans to make a formal claim for a specific allowable rate of return, provide the following data in statement or exhibit form:

a. Claimed capitalization and capitalization ratios with supporting data.

b. Claimed cost of long-term debt with supporting data.

c. Claimed cost of short-term debt with supporting data.

d. Claimed cost of total debt with supporting data.

e. Claimed cost of preferred stock with supporting data.

f. Claimed cost of common equity with supporting data.

* *

See Peoples Statement No. 15, the direct testimony of Jennifer Nelson, for supporting data to the claimed capitalization and costs. A summary of both the historic test year and future test year capitalization and return claim is included.

Peoples Natural Gas Company LLC

§ 53.53.II.A

16. Provide the following information concerning compensating bank balance requirements for actual test year:

a. Name of each bank.

b. Address of each bank.

c. Types of accounts with each bank (checking, savings, escrow, other services, etc.).

d. Average Daily Balance in each account.

e. Amount and percentage requirements for compensating bank balance at each bank.

f. Average daily compensating bank balance at each bank.

g. Documents from each bank explaining compensating bank balance requirements.

h. Interest earned on each type of account.

* *

Peoples Natural Gas Company LLC is not required to maintain compensating bank balances.

Peoples Natural Gas Company LLC

§ 53.53.II.A

17. Provide the following information concerning bank notes payable for actual test year:

a. Line of Credit at each bank.

b. Average daily balances of notes payable to each bank, by name of bank.

c. Interest rate charged on each bank note (Prime rate, formula rate or other).

d. Purpose of each bank note (e.g., construction, fuel storage, working capital, debt retirement).

e. Prospective future need for this type of financing.

* *

Peoples Natural Gas Company LLC does not have an open credit line with any banks. The Company receives its working capital liquidity from its parent, PNG Companies LLC through an Intercompany Demand Note Agreement as approved by the PAPUC at Docket No. G-2021-3023978. Please refer to Exhibit No. 18, ROR-16 (VI.IV.ROR.16) for the monthly balance of the Intercompany Demand Note.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume VII

Exhibits 17-19

Cost of Service
Standard Data Requests

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-1. Please explain the Company's policy with regard to when customer advances and contributions in aid of construction must be made.

* *

Refer to Appendix A - Peoples Natural Gas Company LLC - Tariff No. 48, Section 4 in the Rules and Regulations titled “Connections for Service – Extension of Facilities” located in Exhibit No. 14, Schedule No. 1 (53.53.IV.B.6), for the policy regarding connections for service and extension of facilities.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-2. Please provide a detailed explanation describing how contributions in aid of construction and customer advances are reflected in the Company's cost of service study.

* *

Contributions in aid of construction and customer advances are reflected in Peoples' cost of service studies as integral parts of Peoples' plant account balances.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-3. Please provide a breakdown of contributions in aid of construction by customer class and plant account number for the most recent year available.

* *

Peoples Natural Gas Company LLC
Contributions in Aid of Construction
Dec 1, 2024 thru Nov 30, 2025

Class	FERC	Amount
Commercial	3761	-
Commercial	3762	(440,958)
Commercial	3800	-
Commercial	Subtotal	(440,958)
Residential	3761	(15,537)
Residential	3762	(155,354)
Residential	3800	(973)
Residential	Subtotal	(171,864)
Total		**(612,822)**

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-4. Please provide a breakdown of transmission and distribution mains investment by pipe diameter.

* *

Refer to Attachment 1 for transmission mains and Attachment 2 for distribution mains.

Peoples Natural Gas Company LLC
Attachment 1: Exhibit 17, COS-4

Transmission Mains at November 30, 2025

Diameter	Amount
PIPE 2" IRON	$0
PIPE 2" PLASTIC	$1,470,783
PIPE 2" STEEL	$3,267,065
PIPE 3" CAST IRON	$0
PIPE 3" PLASTIC	$616,330
PIPE 3" STEEL	$1,191,084
PIPE 4" CAST IRON	$0
PIPE 4" PLASTIC	$6,562,173
PIPE 4" STEEL	$3,712,703
PIPE 5" CAST IRON	$0
PIPE 5" PLASTIC	$0
PIPE 5" STEEL	$63,724
PIPE 6" CAST IRON	$0
PIPE 6" OTHER	$0
PIPE 6" PLASTIC	$11,544,741
PIPE 6" STEEL	$16,515,400
PIPE 7" PLASTIC	$0
PIPE 7" STEEL	$244,132
PIPE 8" IRON	$43,680
PIPE 8" OTHER	$0
PIPE 8" PLASTIC	$10,533,585
PIPE 8" STEEL	$20,358,873
PIPE 9" IRON	$19
PIPE 9" STEEL	$46,673
PIPE 10" CAST IRON	$0
PIPE 10" PLASTIC	$179,764
PIPE 10" STEEL	$25,324,475
PIPE 11" STEEL	$163,910
PIPE 12" CAST IRON	$0
PIPE 12" PLASTIC	$9,690,519
PIPE 12" STEEL	$80,856,143
PIPE 13" STEEL	$0
PIPE 14" STEEL	$1,968,772
PIPE 15" STEEL	$233
PIPE 16" CAST IRON	$0
PIPE 16" PLASTIC	$0
PIPE 16" STEEL	$43,132,253
PIPE 18" STEEL	$458
PIPE 19" STEEL	$0
PIPE 20" CAST IRON	$0
PIPE 20" STEEL	$28,659,492
PIPE 24" CAST IRON	$0
PIPE 24" STEEL	$298,720
PIPE 30" CAST IRON	$0
PIPE 30" STEEL	$63,563
PIPE 36" CAST IRON	$0
PIPE 36" STEEL	$0
OTHER LINE EQUIPMENT	$42,216,386
Total	**$308,725,651**

Peoples Natural Gas Company LLC
Attachment 2: Exhibit 17, COS-4

Distribution Mains at November 30, 2025

Diameter	Low Pressure Amount	Regulated Pressure Amount
PIPE 2" IRON	$6,300	$7
PIPE 2" PLASTIC	$65,632,458	$226,426,201
PIPE 2" STEEL	$4,068,091	$18,083,344
PIPE 3" CAST IRON	$16,601	$134
PIPE 3" PLASTIC	$161,360,206	$174,300,143
PIPE 3" STEEL	$8,295,090	$12,713,044
PIPE 4" CAST IRON	$35,119	$2,768
PIPE 4" PLASTIC	$681,109,532	$269,945,706
PIPE 4" STEEL	$22,606,467	$24,403,449
PIPE 5" CAST IRON	$2,397	$0
PIPE 5" PLASTIC	$163	$1,029,004
PIPE 5" STEEL	$549,997	$256,375
PIPE 6" CAST IRON	$84,111	$409
PIPE 6" OTHER	$0	$43,124
PIPE 6" PLASTIC	$449,566,319	$207,646,288
PIPE 6" STEEL	$20,664,282	$20,506,483
PIPE 7" PLASTIC	$14,462	$124,255
PIPE 7" STEEL	$229,378	$104,946
PIPE 8" IRON	$37,315	$3,417
PIPE 8" OTHER	$0	$467,605
PIPE 8" PLASTIC	$195,275,309	$149,062,125
PIPE 8" STEEL	$11,977,355	$26,521,043
PIPE 9" IRON	$0	$0
PIPE 9" STEEL	$34	$7,410
PIPE 10" CAST IRON	$12,774	$15
PIPE 10" PLASTIC	$682,085	$4,640,805
PIPE 10" STEEL	$4,434,419	$9,197,878
PIPE 11" STEEL	$2	$0
PIPE 12" CAST IRON	$10,789	$6,551
PIPE 12" PLASTIC	$50,919,149	$105,845,020
PIPE 12" STEEL	$6,165,594	$37,212,504
PIPE 13" STEEL	$0	$1,913
PIPE 14" STEEL	$19,816	$375,076
PIPE 15" STEEL	$0	$0
PIPE 16" CAST IRON	$2,719	$0
PIPE 16" PLASTIC	$0	$5,898,154
PIPE 16" STEEL	$1,389,457	$65,157,734
PIPE 18" STEEL	$0	$1,349
PIPE 19" STEEL	$1,696	$478
PIPE 20" CAST IRON	$32,401	$41,459
PIPE 20" STEEL	$1,438,071	$78,785,715
PIPE 24" CAST IRON	$72,228	$42,628
PIPE 24" STEEL	$13,746,304	$30,403,559
PIPE 30" CAST IRON	$36,147	$24,261
PIPE 30" STEEL	$25,346	$981,625
PIPE 36" CAST IRON	$39,199	$1,438
PIPE 36" STEEL	$16,071	$1,381
OTHER LINE EQUIPMENT	$11,090,603	$38,621,441
Total	**$1,711,665,858**	**$1,508,888,262**

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-5. Please provide a breakdown of customer advances by customer class for the most recent year available.

* *

Peoples Natural Gas Company LLC
Customer Advances
November 30, 2025

Class	Amount
Commercial	414,977
Residential	180,623
Total	**595,600**

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-6. Please provide a breakdown of services investment by service line diameter, and a breakdown of services by size and customer class.

* *

Peoples Natural Gas Company LLC does not maintain service investments by customer class. Refer to the below schedule for available data.

Peoples Natural Gas Company LLC
Services by Diameter

Size Category	Number of Services		Investment
2" AND LESS	690,758	$	920,171,593
OVER 2" THROUGH 4"	2,331	$	3,105,168
OVER 4" THROUGH 8"	377	$	502,209
OVER 8" THROUGH 12"	13	$	17,318
Total	693,479	$	923,796,287

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-7. If available, please provide a breakdown of meter investment by meter size, and a breakdown of meters by size and customer class.

* *

Refer to Attachment 1.

Peoples Natural Gas Company LLC
Attachment 1: Ex 17, COS 7
Meter Counts and Investment by Meter Size and Customer Class

		250 Class Meters		400 Class Meters		1000 Class Meters		Rotary/Turbine Meters		Total Meters	
Customer Category	Description	Count	Investment	Count	Investment	Count	Investment	Count	Investment	Count	Investment
Active C1	Commercial Small (under 300 mcf) Heat	26,699	$ 5,873,780	4,926	$ 1,699,470	2,067	$ 4,547,400	882	$ 3,439,800	34,574	$ 15,560,450
Active C2	Commercial Small (under 300 mcf) Non Heat	956	$ 210,320	103	$ 35,535	52	$ 114,400	34	$ 132,600	1,145	$ 492,855
Active C3	Commercial Small Non Heat	118	$ 25,960	54	$ 18,630	57	$ 125,400	41	$ 159,900	270	$ 329,890
Active C4	Commercial Small Heat	2,703	$ 594,660	2,884	$ 994,980	4,288	$ 9,433,600	3,105	$ 12,109,500	12,980	$ 23,132,740
Active C5	Commercial Large Heat	34	$ 7,480	115	$ 39,675	539	$ 1,185,800	3,056	$ 11,918,400	3,744	$ 13,151,355
Active C6	Commercial Large Non Heat	-	$ -	2	$ 690	6	$ 13,200	16	$ 62,400	24	$ 76,290
Active CH	Commercial Heat (LLD)	518	$ 113,960	42	$ 14,490	30	$ 66,000	33	$ 128,700	623	$ 323,150
Active CN	Commercial Non Heat (LLD)	27	$ 5,940	1	$ 345	-	$ -	1	$ 3,900	29	$ 10,185
Active CV	Commercial Natural Gas Powered Vehicles	-	$ -	-	$ -	-	$ -	15	$ 58,500	15	$ 58,500
Active I0	Industrial (less than 300 mcf)	8	$ 1,760	5	$ 1,725	6	$ 13,200	12	$ 46,800	31	$ 63,485
Active I1	Industrial (less than 50,000 mcf)	2	$ 440	11	$ 3,795	15	$ 33,000	236	$ 920,400	264	$ 957,635
Active I2	Industrial (greater than 50,000 mcf)	2	$ 440	-	$ -	2	$ 4,400	113	$ 440,700	117	$ 445,540
Active N1	NGDC - Small	-	$ -	-	$ -	-	$ -	5	$ 19,500	5	$ 19,500
Active P	Pending	4	$ 880	1	$ 345	1	$ 2,200	-	$ -	6	$ 3,425
Active R1	Residential Heat	636,140	$ 139,950,800	5,452	$ 1,880,940	1,182	$ 2,600,400	161	$ 627,900	642,935	$ 145,060,040
Active R2	Residential Non-Heat	3,089	$ 679,580	8	$ 2,760	1	$ 2,200	3	$ 11,700	3,101	$ 696,240
Inactive C1	Commercial Small (under 300 mcf) Heat	54	$ 11,880	5	$ 1,725	1	$ 2,200	1	$ 3,900	61	$ 19,705
Inactive C4	Commercial Small Heat	3	$ 660	2	$ 690	6	$ 13,200	1	$ 3,900	12	$ 18,450
Inactive R1	Residential Heat	721	$ 158,620	1	$ 345	3	$ 6,600	-	$ -	725	$ 165,565
Inactive R2	Residential Non-Heat	7	$ 1,540	-	$ -	-	$ -	-	$ -	7	$ 1,540
Inactive Unknown	Unknown	28,969	$ 6,373,180	662	$ 228,390	567	$ 1,247,400	807	$ 3,147,300	31,005	$ 10,996,270
	Total	700,054	$ 154,011,880	14,274	$ 4,924,530	8,823	$ 19,410,600	8,522	$ 33,235,800	731,673	$ 211,582,810

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-8. Please provide the Company's rate design models and cost of service study on an IBM PC-compatible computer disk in Lotus 1-2-3-or Quattro format. If the models consist of more than one file, please include information on all files on the disk and what they contain. If not available in Lotus 1-2-3 or Quattro format, please provide in ASCII format.

* *

A USB containing the model is included with this filing.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-9. Please provide a copy of the Company's current customer extension policy. Provide a representative sample of the analyses conducted by the Company when deciding whether service to a new customer qualifies under the Company's customer extension policy.

* *

Refer to Appendix A - Peoples Natural Gas Company LLC - Tariff No. 48, Section 4 in the Rules and Regulations titled “Connections for Service – Extension of Facilities located in Exhibit No. 14, Schedule No. 1 (53.53.IV.B.6), for the policy regarding connections for service and extension of facilities. Most of the extensions are residential customers thus the 150-foot rule applies, and an economic analysis is not applicable.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-10. Please provide a detailed supply and requirement schedule for the Company's three most recent annual peak days and for design day. The schedules should include deliveries by source and requirements by rate schedule. Identify sources and requirements for transportation customers separately. Also include the Company's daily sendout sheet for each peak day and applicable weather data.

* *

The three most recent annual peak day supply and requirement schedules and applicable weather data is provided in the table below on page 2.

Peoples Natural Gas Company LLC
Exhibit 17, COS 10 Page 2 of 2
Peak Day Requirements and Supply
Respondent: Edward Palombo
(All Volumes in Mcf)

	Date	1/21/2025	1/16/2024	12/23/2022
Temperature	High	15	17	2
	Average	4	13	-2
	Low	-7	8	-5
Requirements	Retail			
	Residential	514,817	462,347	493,235
	SGS	80,822	72,584	79,957
	MGS	37,039	33,264	37,309
	LGS	1,050	943	1,089
	Transport			
	Residential	76,114	68,356	72,623
	SGS	33,978	30,515	32,476
	MGS	134,390	120,693	127,023
	LGS	265,992	238,882	294,825
	CU & UFG	74,330	66,755	71,385
	Total	1,218,532	1,094,340	1,209,923
Supply	Utility			
	Interstate			
	EGTS	31,898	36,425	35,017
	Nat'l Fuel	14,072	9,785	13,520
	Columbia	8,304	4,808	4,704
	Tennessee	32,631	29,498	29,880
	Texas Eastern	39,344	24,104	30,684
	Equitrans	314,725	318,135	361,850
	AVC	320,418	273,702	296,054
	Other Utility	5,426	(529)	2,588
	On system Storage	49,625	29,984	54,989
	Transportation			
	Interstate			
	EGTS	76,594	78,017	90,705
	Nat'l Fuel	962	962	-
	Columbia	511	288	597
	Tennessee		-	-
	Texas Eastern	4,812	4,808	4,327
	Equitrans	182,116	124,196	125,384
	AVC	34,910	56,679	67,621
	Local Gas *	102,184	103,478	92,003
	Total	1,218,532	1,094,340	1,209,923

* Local Gas is a combination of utility and transporter purchased gas
All Volumes in Mcf

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-11. Please provide copies of the Company's daily sendout sheets for November through March of the most recent heating season.

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Refer to pages 2 and 3.

All Values in MCF

Date	Day	HDD	Total PNG/PG	EGTS	Equitrans	Equitrans AVC	TETCO	TGP	NFG	Columbia	Local Production SS/Transport	On-System Storage	CPA Exchange
11/1/2024	Fri	17	**269,923**	71,920	68,579	43,399	9,433	1,339	3,814	693	80,174	-10,249	821
11/2/2024	Sat	16	**337,025**	64,701	108,537	75,304	9,196	1,242	4,182	698	83,079	-10,734	821
11/3/2024	Sun	8	**301,402**	62,697	91,014	62,021	9,277	1,238	3,667	408	80,484	-10,225	821
11/4/2024	Mon	0	**259,951**	49,174	62,852	60,524	4,232	1,232	2,689	307	88,476	-10,356	821
11/5/2024	Tue	0	**214,127**	50,482	42,999	40,832	3,156	1,232	1,953	303	83,367	-11,017	821
11/6/2024	Wed	1	**209,042**	53,007	36,827	41,928	3,106	1,244	2,554	297	80,135	-10,877	821
11/7/2024	Thu	13	**290,820**	67,522	78,051	67,018	3,710	1,264	4,310	596	78,927	-11,399	821
11/8/2024	Fri	13	**322,730**	69,156	99,880	70,757	3,199	1,313	4,069	594	84,964	-12,023	821
11/9/2024	Sat	13	**318,048**	66,441	113,849	59,126	3,201	1,292	3,795	427	78,848	-9,751	821
11/10/2024	Sun	10	**293,031**	62,068	97,734	56,106	3,216	1,279	3,317	301	78,255	-10,065	821
11/11/2024	Mon	12	**336,300**	67,650	123,287	63,143	3,184	1,294	4,030	407	81,847	-9,363	821
11/12/2024	Tue	23	**470,088**	76,884	175,950	127,968	8,292	1,282	5,883	942	80,061	-7,994	821
11/13/2024	Wed	17	**440,238**	72,429	168,795	102,827	12,914	6,114	5,439	880	80,606	-10,587	821
11/14/2024	Thu	20	**447,784**	78,903	178,868	98,328	14,550	1,487	5,298	804	80,993	-12,268	821
11/15/2024	Fri	15	**374,124**	75,187	145,828	64,631	11,106	1,299	4,235	507	80,982	-10,472	821
11/16/2024	Sat	23	**421,984**	51,640	164,411	116,258	11,068	1,284	4,518	812	80,692	-9,520	821
11/17/2024	Sun	15	**385,152**	43,759	150,187	101,786	11,024	1,294	4,331	396	80,893	-9,339	821
11/18/2024	Mon	8	**323,825**	44,969	118,723	71,894	10,886	1,280	3,674	401	80,710	-9,532	821
11/19/2024	Tue	7	**294,097**	43,907	96,965	65,348	9,130	1,225	3,258	298	82,291	-9,146	821
11/20/2024	Wed	14	**386,911**	61,769	140,051	86,281	13,231	6,035	4,628	504	82,376	-8,784	821
11/21/2024	Thu	30	**575,079**	80,588	225,166	149,806	16,366	10,923	6,710	1,664	83,316	-281	821
11/22/2024	Fri	25	**543,920**	78,821	203,403	143,135	16,398	11,044	5,968	1,019	83,595	-284	821
11/23/2024	Sat	21	**480,287**	65,250	174,115	125,345	18,040	8,067	4,998	952	82,946	-247	821
11/24/2024	Sun	26	**550,373**	65,520	218,240	151,031	16,646	8,046	5,804	988	83,170	108	821
11/25/2024	Mon	17	**430,599**	58,530	150,199	105,535	18,034	8,148	4,720	517	84,095	0	821
11/26/2024	Tue	24	**513,425**	70,710	160,820	165,274	18,189	8,120	6,002	997	85,149	-2,657	821
11/27/2024	Wed	23	**477,428**	67,775	154,005	140,933	17,190	8,083	5,597	955	84,672	-2,602	821
11/28/2024	Thu	29	**526,939**	72,908	186,949	150,032	17,898	8,198	6,282	1,007	84,491	-1,647	821
11/29/2024	Fri	38	**734,607**	92,265	293,068	221,728	18,705	13,026	8,725	2,128	84,872	-730	821
11/30/2024	Sat	41	**792,128**	94,510	325,494	239,051	18,267	16,131	9,163	2,821	86,804	-933	821
12/1/2024	Sun	37	**744,863**	98,109	297,978	215,515	16,390	16,041	8,241	3,013	88,290	-763	2,049
12/2/2024	Mon	36	**765,200**	96,990	288,974	243,680	19,718	16,020	8,757	3,330	85,576	105	2,049
12/3/2024	Tue	36	**739,981**	94,032	275,149	229,874	19,581	16,016	8,712	3,055	90,822	691	2,049
12/4/2024	Wed	32	**720,696**	93,053	268,110	217,034	20,707	16,225	8,879	2,916	90,524	1,199	2,049
12/5/2024	Thu	41	**850,712**	101,000	317,780	278,164	21,544	24,845	9,479	3,476	91,909	465	2,049
12/6/2024	Fri	38	**774,244**	102,206	280,786	242,778	19,911	23,291	8,468	3,097	91,658	0	2,049
12/7/2024	Sat	29	**636,824**	94,453	218,999	191,587	17,163	16,004	6,978	2,443	90,529	-3,382	2,049
12/8/2024	Sun	17	**486,066**	81,554	148,957	138,593	17,329	11,038	5,314	1,377	89,288	-9,433	2,049
12/9/2024	Mon	16	**418,906**	73,428	140,784	96,282	14,760	6,279	4,954	1,113	86,973	-7,717	2,049
12/10/2024	Tue	16	**383,475**	84,423	119,338	83,204	11,121	1,304	4,894	1,177	82,200	-6,236	2,049
12/11/2024	Wed	34	**704,906**	95,949	261,640	210,182	20,168	14,549	8,577	3,085	89,039	-333	2,049
12/12/2024	Thu	42	**849,290**	103,732	326,167	265,884	20,789	24,359	10,213	4,078	92,019	0	2,049
12/13/2024	Fri	40	**803,932**	105,736	296,353	248,799	22,000	23,347	9,621	4,377	91,914	-264	2,049
12/14/2024	Sat	32	**667,074**	93,611	236,399	207,169	18,081	15,798	7,952	2,305	90,861	-7,152	2,049
12/15/2024	Sun	24	**579,617**	88,950	211,923	156,213	15,534	8,943	6,622	1,387	89,666	-1,670	2,049
12/16/2024	Mon	14	**423,719**	83,266	126,225	109,025	13,773	6,112	4,961	1,132	86,121	-8,945	2,049
12/17/2024	Tue	24	**520,475**	90,819	177,785	144,669	12,973	6,203	6,427	1,800	83,881	-6,132	2,049
12/18/2024	Wed	28	**628,490**	93,516	246,219	166,889	17,608	9,064	7,382	1,660	84,102	0	2,049
12/19/2024	Thu	31	**664,669**	95,112	251,950	186,383	20,555	13,027	7,490	1,688	86,415	0	2,049
12/20/2024	Fri	34	**674,562**	96,283	248,048	196,119	17,690	15,926	7,766	2,013	88,396	271	2,049
12/21/2024	Sat	40	**797,121**	106,906	297,178	241,264	21,804	24,165	8,718	4,259	90,741	37	2,049
12/22/2024	Sun	45	**872,639**	108,009	329,791	281,795	21,794	24,307	9,719	4,124	90,645	406	2,049
12/23/2024	Mon	32	**664,408**	98,720	243,502	180,269	21,284	22,332	7,600	1,556	88,719	-1,623	2,049
12/24/2024	Tue	28	**574,476**	95,074	204,163	148,871	18,114	12,929	6,697	1,248	87,795	-2,465	2,049
12/25/2024	Wed	28	**551,077**	97,933	186,246	139,447	17,792	13,022	6,445	1,471	87,651	-980	2,049
12/26/2024	Thu	26	**575,975**	93,154	216,931	137,915	17,860	12,670	5,779	1,288	88,329	0	2,049
12/27/2024	Fri	19	**449,815**	83,334	159,682	94,706	9,663	6,194	5,313	1,135	87,739	0	2,049
12/28/2024	Sat	10	**359,431**	78,141	110,030	72,453	9,931	1,313	4,010	684	87,095	-6,275	2,049
12/29/2024	Sun	12	**386,481**	75,966	133,147	78,390	9,926	1,299	4,342	749	86,455	-5,842	2,049
12/30/2024	Mon	23	**528,094**	83,181	201,892	129,720	10,029	6,091	6,751	1,471	86,911	-1	2,049
12/31/2024	Tue	23	**499,795**	92,879	184,134	110,885	9,976	6,128	5,691	1,577	86,475	0	2,049
1/1/2025	Wed	32	**667,335**	95,076	255,511	192,753	18,106	16,065	7,743	2,188	76,620	1,869	1,404
1/2/2025	Thu	36	**764,772**	100,827	298,621	237,988	18,115	16,073	8,726	2,251	80,351	417	1,404
1/3/2025	Fri	40	**809,802**	105,617	310,409	252,955	21,867	22,421	8,936	4,058	82,136	0	1,404
1/4/2025	Sat	47	**871,212**	108,080	339,214	270,725	22,420	24,587	9,621	3,789	82,880	8,492	1,404
1/5/2025	Sun	45	**834,810**	106,606	321,644	253,227	22,958	24,487	9,370	4,115	83,524	7,475	1,404
1/6/2025	Mon	41	**861,388**	106,887	331,879	269,064	23,396	23,733	9,400	3,964	82,626	9,035	1,404
1/7/2025	Tue	41	**864,114**	103,656	329,974	268,701	21,799	19,364	9,421	3,924	82,559	23,313	1,404
1/8/2025	Wed	44	**897,313**	107,616	340,932	285,913	24,079	23,833	10,310	4,374	82,942	15,910	1,404
1/9/2025	Thu	49	**938,058**	105,995	354,509	284,997	24,429	26,079	11,136	4,791	83,619	41,100	1,404
1/10/2025	Fri	48	**874,394**	102,711	324,558	272,255	22,150	23,938	9,808	4,452	83,043	30,075	1,404
1/11/2025	Sat	41	**792,875**	102,002	296,901	241,842	20,386	22,240	8,743	3,830	82,651	12,876	1,404
1/12/2025	Sun	35	**725,862**	101,994	260,059	217,712	17,217	22,388	8,115	3,803	83,070	10,100	1,404
1/13/2025	Mon	42	**822,567**	103,082	307,328	254,370	23,274	22,285	9,908	3,899	83,140	13,877	1,404
1/14/2025	Tue	51	**989,436**	107,095	371,823	314,329	33,396	28,823	11,286	4,534	83,629	33,117	1,404
1/15/2025	Wed	47	**964,286**	107,296	359,757	308,778	33,517	29,204	10,835	4,804	83,319	25,372	1,404
1/16/2025	Thu	38	**828,823**	104,234	307,989	266,927	23,466	20,181	9,314	4,523	82,515	8,270	1,404
1/17/2025	Fri	28	**682,544**	97,555	248,609	213,026	20,282	11,226	7,546	2,891	83,309	-3,304	1,404
1/18/2025	Sat	33	**670,368**	96,467	248,901	196,059	22,201	14,897	8,439	3,115	82,497	-3,612	1,404
1/19/2025	Sun	48	**907,199**	111,668	365,309	260,455	38,311	28,140	10,340	4,659	83,766	3,148	1,404
1/20/2025	Mon	59	**1,141,147**	112,987	464,076	349,728	43,783	31,695	12,984	5,678	83,841	34,972	1,404

Date	Day	HDD	Total PNG/PG	EGTS	Equitrans	Equitrans AVC	TETCO	TGP	NFG	Columbia	Local Production SS/Transport	On-System Storage	CPA Exchange
1/21/2025	Tue	61	**1,214,517**	108,489	496,841	376,945	44,156	32,631	14,072	8,304	82,050	49,625	1,404
1/22/2025	Wed	56	**1,139,423**	106,376	454,492	360,026	44,663	29,566	12,839	9,624	83,398	37,034	1,404
1/23/2025	Thu	45	**906,103**	103,486	340,999	280,240	38,155	31,959	10,521	8,241	82,366	8,733	1,404
1/24/2025	Fri	47	**923,664**	101,929	344,760	302,310	38,784	28,782	11,441	7,966	82,533	3,756	1,404
1/25/2025	Sat	34	**733,664**	99,216	273,873	217,541	23,244	22,422	9,059	4,377	82,189	339	1,404
1/26/2025	Sun	36	**742,940**	100,545	275,707	222,485	23,136	22,412	9,313	4,446	82,741	751	1,404
1/27/2025	Mon	33	**727,763**	99,263	273,582	220,756	17,661	22,091	9,291	3,773	79,942	0	1,404
1/28/2025	Tue	27	**650,289**	95,483	234,071	198,997	14,573	14,302	8,401	3,553	79,505	0	1,404
1/29/2025	Wed	31	**689,879**	97,032	257,020	210,065	14,589	16,338	9,087	4,344	80,001	0	1,404
1/30/2025	Thu	24	**567,380**	88,185	203,705	161,485	14,517	9,275	7,462	2,753	78,594	0	1,404
1/31/2025	Fri	24	**504,750**	84,405	190,494	121,770	10,644	6,176	7,737	2,438	79,682	0	1,404
2/1/2025	Sat	38	**738,215**	97,714	280,660	243,633	12,620	1,542	9,269	3,952	87,412	275	1,137
2/2/2025	Sun	30	**664,974**	85,977	255,950	210,162	12,978	1,358	8,679	1,594	86,877	261	1,137
2/3/2025	Mon	16	**462,911**	85,374	146,671	119,711	12,825	1,364	7,860	1,630	86,338	0	1,137
2/4/2025	Tue	33	**699,741**	94,301	264,568	219,600	12,973	1,598	9,176	4,188	84,084	8,116	1,137
2/5/2025	Wed	34	**726,149**	91,366	284,861	229,365	12,983	1,643	8,467	3,790	85,340	7,197	1,137
2/6/2025	Thu	26	**626,628**	86,635	245,705	182,605	6,347	1,646	8,212	2,053	85,192	7,096	1,137
2/7/2025	Fri	35	**736,456**	101,570	288,962	224,646	13,014	1,646	8,692	3,517	86,175	7,097	1,137
2/8/2025	Sat	33	**694,699**	96,927	274,147	203,574	14,680	1,721	5,525	3,050	86,840	7,099	1,137
2/9/2025	Sun	36	**775,207**	102,583	303,507	242,506	12,803	6,342	8,645	3,967	86,618	7,098	1,137
2/10/2025	Mon	36	**776,152**	102,417	296,344	247,081	12,857	6,478	8,887	3,980	89,880	7,091	1,137
2/11/2025	Tue	34	**763,787**	108,612	293,169	232,434	12,865	6,401	8,588	3,920	89,569	7,091	1,137
2/12/2025	Wed	25	**675,403**	90,649	253,685	208,178	12,795	1,578	8,261	3,251	88,785	7,084	1,137
2/13/2025	Thu	38	**799,809**	105,077	306,179	262,749	14,798	8,313	8,925	3,727	88,589	314	1,137
2/14/2025	Fri	38	**753,143**	104,126	289,623	234,992	14,660	8,274	8,654	3,497	88,179	0	1,137
2/15/2025	Sat	27	**624,102**	88,528	239,359	182,124	12,782	1,633	7,996	2,804	87,739	0	1,137
2/16/2025	Sun	35	**779,409**	103,985	297,087	235,934	23,782	15,881	8,795	4,400	88,402	5	1,137
2/17/2025	Mon	48	**967,295**	109,945	366,772	306,920	39,388	30,435	9,537	8,779	89,411	4,970	1,137
2/18/2025	Tue	53	**1,081,610**	106,305	432,478	332,124	41,401	30,852	9,835	9,888	89,729	27,860	1,137
2/19/2025	Wed	47	**979,404**	106,604	367,926	303,822	40,194	30,820	9,430	8,855	89,219	21,396	1,137
2/20/2025	Thu	46	**971,526**	107,386	365,232	307,388	35,219	25,837	9,366	8,016	89,971	21,974	1,137
2/21/2025	Fri	41	**866,933**	107,178	321,853	275,673	28,307	21,027	9,186	7,430	89,448	5,694	1,137
2/22/2025	Sat	34	**716,295**	104,448	250,378	227,714	22,364	11,294	8,495	4,047	87,496	-1,078	1,137
2/23/2025	Sun	30	**670,140**	95,808	239,639	207,721	18,408	8,308	8,111	3,530	87,478	0	1,137
2/24/2025	Mon	18	**536,963**	88,742	198,788	135,194	13,834	1,699	7,504	1,404	86,996	1,664	1,137
2/25/2025	Tue	22	**555,531**	89,213	205,996	139,739	10,862	1,571	7,769	2,745	87,524	8,975	1,137
2/26/2025	Wed	20	**533,558**	80,066	207,174	130,193	10,721	1,475	7,714	1,343	86,571	7,163	1,137
2/27/2025	Thu	24	**579,326**	92,179	215,195	155,119	10,217	1,487	7,981	2,572	86,439	7,000	1,137
2/28/2025	Fri	21	**488,834**	87,976	151,779	131,996	10,957	1,468	7,526	1,645	87,443	6,906	1,137
3/1/2025	Sat	40	**788,948**	105,776	301,889	241,011	18,618	11,341	8,958	4,319	89,120	7,117	799
3/2/2025	Sun	39	**789,388**	106,181	301,115	243,612	18,522	11,303	8,789	4,288	87,153	7,625	799
3/3/2025	Mon	26	**602,048**	98,869	203,307	171,556	17,495	8,332	5,986	3,158	85,450	7,097	799
3/4/2025	Tue	6	**367,839**	80,411	105,291	75,981	9,893	1,310	4,595	736	84,772	4,051	799
3/5/2025	Wed	16	**469,274**	77,386	158,132	119,093	10,055	1,481	5,133	1,113	87,527	8,555	799
3/6/2025	Thu	34	**726,760**	101,378	273,344	221,648	12,114	5,263	6,328	3,129	89,251	13,505	799
3/7/2025	Fri	26	**573,013**	98,301	184,876	175,711	6,915	1,582	5,734	1,657	88,110	9,328	799
3/8/2025	Sat	32	**631,943**	100,983	212,871	202,223	7,085	1,607	5,658	2,666	88,922	9,129	799
3/9/2025	Sun	19	**500,215**	89,921	155,556	143,668	6,540	1,609	5,650	1,691	87,626	7,156	799
3/10/2025	Mon	11	**399,591**	82,182	111,952	93,400	7,814	1,602	4,863	757	86,370	9,851	799
3/11/2025	Tue	9	**367,556**	72,604	105,321	85,576	8,228	1,314	4,965	793	78,748	9,207	799
3/12/2025	Wed	11	**367,869**	74,664	103,866	84,567	9,199	1,360	4,950	780	77,816	9,868	799
3/13/2025	Thu	7	**330,870**	68,070	86,563	73,038	8,021	1,232	4,563	271	77,972	10,341	799
3/14/2025	Fri	0	**252,964**	61,879	43,872	51,037	6,071	1,217	3,781	272	77,204	6,832	799
3/15/2025	Sat	0	**229,104**	57,765	33,009	46,260	5,939	1,170	3,726	283	76,687	3,466	799
3/16/2025	Sun	12	**305,214**	74,236	67,140	71,373	5,360	1,292	4,439	681	76,737	3,157	799
3/17/2025	Mon	28	**589,065**	84,898	217,864	172,918	8,378	1,284	5,919	2,728	78,455	15,821	799
3/18/2025	Tue	7	**370,435**	66,519	116,522	84,476	8,981	1,247	4,564	469	76,854	10,003	799
3/19/2025	Wed	0	**267,009**	60,555	58,841	48,413	8,232	2,193	3,770	263	76,084	7,859	799
3/20/2025	Thu	21	**468,238**	79,082	158,547	121,791	10,361	1,369	5,433	1,019	76,504	13,332	799
3/21/2025	Fri	20	**429,886**	73,532	134,373	112,148	10,277	1,368	5,239	992	76,679	14,479	799
3/22/2025	Sat	27	**533,047**	77,938	195,692	143,284	10,358	1,388	5,936	1,167	79,783	16,702	799
3/23/2025	Sun	22	**466,145**	75,353	162,166	111,034	9,294	1,372	5,402	711	84,509	15,504	799
3/24/2025	Mon	22	**454,150**	76,863	147,703	118,578	10,532	1,370	5,502	1,018	78,563	13,221	799
3/25/2025	Tue	23	**481,803**	78,880	151,263	137,166	11,949	1,366	5,651	1,004	78,847	14,879	799
3/26/2025	Wed	28	**598,414**	84,301	209,150	178,405	12,980	1,407	6,253	1,987	85,471	17,661	799
3/27/2025	Thu	14	**406,981**	74,448	119,165	97,249	11,315	1,246	5,151	431	83,614	13,562	799
3/28/2025	Fri	3	**307,734**	70,434	58,432	69,927	7,921	1,301	4,301	184	82,249	12,185	799
3/29/2025	Sat	0	**216,530**	63,754	24,245	37,359	5,672	1,295	3,573	76	79,374	383	799
3/30/2025	Sun	1	**227,026**	63,867	27,694	47,953	5,095	1,297	3,876	79	76,366	0	799
3/31/2025	Mon	17	**382,540**	73,767	114,525	90,051	9,832	1,482	5,266	543	77,569	8,707	799

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-12. Please provide a copy of the load duration curve used by the Company for capacity planning purposes. Please also identify the numerical data points shown for each day on the curve.

* *

Peoples does not use a load duration curve for capacity planning purposes. Refer to page 2 of this response for Peoples' design day requirements and supply, which is used for capacity planning purposes.

Peoples Natural Gas
Peak Day Design (All Volumes in MMcf @ 14.73 Psia)
Design Day: 74 HDDs

REQUIREMENTS	Jan Design *2026*
Peoples Supplied Customers	
Residential	689.4
Small General Service	108.5
Medium General Service	48.1
Large General Service	1.0
Subtotal	846.9
P-1 NGS Supplied Customers (Standby)	
Priority One - Residential	101.9
Priority One - Small General Service	7.7
Priority One - Medium General Service	17.4
Priority One - Large General Service	0.7
	127.7
Banking/Advancing	
Residential	0.0
Small General Service	0.0
Medium General Service	0.0
Large General Service	0.0
Subtotal	0.0
Balancing	
Residential	0.0
Small General Service	19.0
Medium General Service	76.2
Large General Service	42.0
Subtotal	137.2
NP-1 NGS Supplied Customers	
Residential	0.0
Small General Service	18.5
Medium General Service	79.3
Large General Service	182.5
Subtotal	280.2
Company Use	8.9
Unaccounted	86.6
	95.5
TOTAL REQUIREMENTS	*1,487.6*

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS-13. Please provide the following for the Company's ten largest transportation customers during peak month of the most recent heating season:

a. actual consumption;

b. volume delivered to the Company on their behalf, if applicable;

c. daily nomination.

* *

a.) The actual consumption is provided on page 2.

b-c.) See item a for both b & c.

Peoples Natural Gas Company LLC
Ten Largest Accounts - Usage In Mcf
Peak Month - January 2025

Account	Amount (Mcf)
A	1,507,133
B	321,220
C	164,967
D	151,987
E	131,315
F	124,380
G	119,302
H	116,973
I	112,712
J	99,412

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS 14. Please provide a summary identifying the salient features of each of the following. Salient features include contract party, effective term and applicable contract quantities (daily, annual, seasonal. etc.).

a. All firm transportation agreements by type greater than one month in length. Indicate whether the capacity is available at the Company's citygate to meet design day requirements or is upstream capacity.

b. All firm storage, gathering and exchange agreements. Indicate if each agreement provides design day capacity at the citygate or requires separate transportation (identify) service to effectuate delivery. Include on-system storage and peak shaving facilities used by the Company and identify all ratcheting provisions applicable to the Company's contractual and on-system storage arrangements.

* *

Refer to pages 2- 4.

Peoples Natural Gas Company LLC
Exhibit VI.III.COS.14
Interstate Pipeline Capacity and On-System Storage

TRANSPORTATION CAPACITY

PIPELINE	SERVICE	DEMAND (DthD)	EXPIRATION DATE	CITYGATE CAPACITY	UPSTREAM CAPACITY	DOWNSTREAMP IPELINE
Eastern Gas Transmission & Storage	FT	40,000	3/31/2034	YES	NO	N/A
Eastern Gas Transmission & Storage	FTNN	40,000	3/31/2034	YES	NO	N/A
Eastern Gas Transmission & Storage	FT	10,000	10/31/2029	YES	NO	N/A
Eastern Gas Transmission & Storage	FT	10,000	10/31/2028	YES	NO	N/A
Equitrans	EFT	62,000-Summer 251,700-Winter	3/31/2034	NO	YES	Equitrans-AVC
Equitrans	EFT	62,000-Summer 251,700-Winter	12/31/2033	YES	NO	N/A
Equitrans	FTS	62,000-Summer 200,000-Winter	12/31/2033	YES	NO	N/A
Equitrans	NOFT	79,545	3/31/2034	YES	NO	N/A
Equitrans	EFT	164,935	3/31/2034	YES	NO	N/A
Equitrans	EFT	76,142-Summer 137,010-Winter	3/31/2034	YES	NO	N/A
Equitrans	EFT	26,915-Summer 50,536-Winter	3/31/2034	YES	NO	N/A
Equitrans	NOFT	39,500-Summer 72,417-Winter	3/31/2034	YES	NO	N/A
Texas Eastern	FT-1	15,650	4/30/2026	YES	NO	N/A
Texas Eastern	FT-1	10,000	10/30/2030	YES	NO	N/A
Columbia Transmission	FTS	4,000	3/31/2028	YES	NO	N/A
Columbia Transmission	SST	1,000-Summer 4,000-Winter	3/31/2028	YES	NO	N/A
National Fuel Gas	EFT	15,476	3/31/2030	YES	NO	N/A

STORAGE CAPACITY

PIPELINE	SERVICE	STORAGE DEMAND (DthD)	STORAGE CAPACITY (Dth)	EXPIRATION DATE	CONNECTING PIPELINE TRANSPORTATION
Eastern Gas Transmission & Storage	GSS	40,000	2,480,000	3/31/2034	Eastern Gas Transmission & Storage
Eastern Gas Transmission & Storage	GSS	40,000	4,600,000	3/31/2034	Eastern Gas Transmission & Storage
Eastern Gas Transmission & Storage	GSS	10,000	600,000	3/31/2029	Eastern Gas Transmission & Storage
Equitrans	GSS	200,000	8,600,000	12/31/2033	Equitrans
Equitrans	GSS	72,417	4,000,000	3/31/2034	Equitrans
Equitrans	60SS	137,010	7,473,296	3/31/2034	Equitrans
Equitrans	115SS	50,536	5,283,357	3/31/2034	Equitrans
National Fuel Gas	ESS	9,793	748,611	3/31/2030	National Fuel Gas
Columbia Transmission	FSS	2,000	112,860	3/31/2028	Columbia Transmission

Interstate Pipeline Storage Ratchets

EGTS-GSS:

SCQ Level	MDQ
100% to 35%	100% of MDQ
<35% to 16%	92% of MDQ
<16% to 10%	70% of MDQ
<10% to 0%	63% of MDQ

NFG-ESS:

SCQ Level	MDQ
100% to 30%	100% of MDQ
<30% to 20%	90% of MDQ
<20% to 10%	80% of MDQ
<10% to 0%	70% of MDQ

EQT-GSS:

SCQ Level	MDQ
100% to 90%	100% of MDQ
<90% to 73%	80% of MDQ
<73% to 60%	65% of MDQ
<60% to 21%	35% of MDQ
<21%	25% of MDQ

EQT-60SS and EQT-115SS:

SCQ Level	MDQ
100% to 35%	100% of MDQ %
<35% to 16%	92% of MDQ
<16% to 10%	70% of MDQ
<10% to 0%	63% of MDQ

TCO-FSS:

SCQ Level	MDQ
100% to 30%	100% of MDQ
<30% to 20%	80% of MDQ
<20% to 10%	65% of MD
<10% to 0%	50% of MDQ

On-System Storage Ratchets:

Peoples does not have on-system storage ratchets but does plan storage withdrawals to maintain winter season deliverability of:

32,000 Mcf at January 31
21,000 Mcf at February 28
15,000 Mcf at March 31

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-15. For the most recent annual period available, please identify the applicable monthly volumes and revenues under each rate schedule which were:

a. Sold under a negotiated or market-based rate.

b. Transported under a negotiated or market-based rate.

c. Transported at full margin transportation rates.

* *

Refer to page 2 of this response.

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service
For the Twelve Months Ended November 30, 2025

COS 15 For the most recent annual period available, please identify the applicable monthly volumes and revenues under each rate schedule which were:

		Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	TTM Total
a. Sold under a negotiated or market-based rate.														
Volume Mcf		0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue $		0	0	0	0	0	0	0	0	0	0	0	0	0
b. Transported under a negotiated or market-based rate.														
Volume Mcf														
Commercial	SGS	466	940	1,140	861	394	195	35	19	9	12	25	144	4,240
Commercial	MGS	9,104	12,766	14,267	11,195	6,824	4,125	2,115	98	52	69	374	2,887	63,876
Commercial	LGS	63,224	116,767	147,098	111,198	80,387	59,671	64,788	679	9,854	13,579	20,507	19,263	707,015
Industrial	SGS	626	1,021	1,169	788	191	77	14	2	1	3	28	51	3,970
Industrial	MGS	11,507	14,622	18,362	14,554	9,829	7,044	3,465	2,946	2,794	1,831	2,971	4,232	94,157
Industrial	LGS	2,538,427	2,845,760	2,519,009	3,379,692	2,630,994	2,352,519	2,325,475	1,963,049	2,012,314	2,221,985	1,950,196	2,304,777	29,044,198
Total Transport Negotiated Volume		**2,623,355**	**2,991,876**	**2,701,045**	**3,518,287**	**2,728,618**	**2,423,631**	**2,395,892**	**1,966,794**	**2,025,024**	**2,237,479**	**1,974,102**	**2,331,355**	**29,917,457**
Revenue $														
Commercial	SGS	92	173	238	152	78	33	7	4	1	1	3	15	796
Commercial	MGS	4,885	8,255	9,999	7,674	4,999	3,194	1,612	125	51	7	298	1,937	43,037
Commercial	LGS	54,318	129,310	184,889	120,963	81,810	48,404	81,523	901	23,545	27,984	40,062	36,833	830,542
Industrial	SGS	46	69	94	68	31	16	5	1	0	1	7	19	357
Industrial	MGS	3,689	4,084	4,806	3,924	2,953	2,369	1,217	1,022	1,008	634	953	1,498	28,157
Industrial	LGS	688,681	795,743	854,886	820,560	674,831	652,235	690,677	518,557	489,491	629,855	491,971	622,408	7,929,894
Total Transport Negotiated Revenue		**751,712**	**937,633**	**1,054,912**	**953,340**	**764,702**	**706,251**	**775,041**	**520,608**	**514,097**	**658,483**	**533,294**	**662,710**	**8,832,785**
c. Transported at full margin transportation rates.														
Volume Mcf														
Residential		976,869	1,339,871	1,258,646	991,936	576,596	250,235	188,572	102,777	90,192	108,523	164,078	463,013	6,511,308
Commercial	SGS	484,864	707,174	694,646	515,393	286,028	128,677	87,756	55,724	47,734	56,203	75,133	211,323	3,350,654
Commercial	MGS	1,636,045	2,205,791	2,193,434	1,705,843	1,096,862	610,801	460,343	316,473	278,218	338,629	474,063	847,787	12,164,288
Commercial	LGS	613,582	853,466	1,051,634	733,930	645,088	532,871	385,086	408,306	383,890	390,400	493,359	502,842	6,994,452
Industrial	SGS	2,360	4,122	3,129	2,697	1,739	557	227	121	158	132	457	782	16,481
Industrial	MGS	121,522	151,789	155,182	165,196	113,141	74,254	70,735	66,216	65,490	65,703	82,216	84,499	1,215,942
Industrial	LGS	1,099,800	1,318,404	1,594,532	1,225,027	1,004,637	1,066,241	1,015,225	1,129,463	967,748	1,065,145	1,032,872	1,049,377	13,568,470
Total Transport Full Margin Volume		**4,935,042**	**6,580,616**	**6,951,202**	**5,340,022**	**3,724,091**	**2,663,635**	**2,207,943**	**2,079,080**	**1,833,428**	**2,024,735**	**2,322,177**	**3,159,623**	**43,821,595**
Revenue $														
Residential		5,229,865	7,173,269	6,738,411	5,310,526	3,086,922	1,339,683	1,009,555	550,239	482,861	581,000	878,424	2,478,834	34,859,590
Commercial	SGS	1,931,891	2,817,662	2,767,747	2,053,533	1,139,649	512,699	349,655	222,028	190,189	223,936	299,360	841,995	13,350,345
Commercial	MGS	6,043,715	8,148,411	8,102,765	6,301,555	4,051,919	2,256,360	1,700,553	1,169,083	1,027,763	1,250,929	1,751,236	3,131,808	44,936,097
Commercial	LGS	1,518,450	2,112,097	2,602,510	1,816,279	1,596,418	1,318,712	952,984	1,010,448	950,023	966,135	1,220,929	1,244,399	17,309,383
Industrial	SGS	9,402	16,424	12,469	10,746	6,930	2,219	902	481	630	526	1,819	3,117	65,666
Industrial	MGS	448,913	560,724	573,257	610,252	417,955	274,301	261,301	244,608	241,925	242,714	303,716	312,146	4,491,811
Industrial	LGS	2,029,630	2,433,053	2,942,634	2,260,730	1,854,010	1,967,698	1,873,551	2,084,370	1,785,933	1,965,676	1,906,116	1,936,576	25,039,978
Total Transport Full Margin Revenue		**17,211,867**	**23,261,641**	**23,739,792**	**18,363,621**	**12,153,803**	**7,671,672**	**6,148,501**	**5,281,256**	**4,679,325**	**5,230,915**	**6,361,601**	**9,948,876**	**140,052,871**

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS 16. Please provide the following for each curtailment during the last three years:

a. Dates of curtailment.

b. Type of curtailment (from service, interruptible service, both).

c. Whether curtailment was related to amount of capacity on the Company's system, other capacity or supply related.

d. Rate schedule that curtailed volumes would have been billed under.

e. Curtailed volumes by rate schedule.

f. Actual volumes moved by rate schedule.

* *

During the last three years, Peoples' has not curtailed any of its services or customers.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-17. Please identify the Company's design day planning criteria and the probability of design day occurrence. Include any available documentation supporting the Company's claimed probability of occurrence.

* *

Peoples' design day planning criteria is based on Peoples being able to meet customer demands under design weather conditions that include a weekday occurrence of -9 degrees Fahrenheit mean temperature. The probability of occurrence of a -9 degree Fahrenheit design day is one-in-twenty years.

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS-18. For each customer class contained in the cost of service study, please provide monthly throughput by class.

* *

Refer to Exhibit No. 19, RR-6 (VI.I.RR.6).

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-19. Please provide workpapers showing the development of each allocation factor reflected in the Company's cost of service study. Include a description of each allocation factor, all calculations performed to develop the allocators and all supporting documentation, studies or other information relied upon to determine the allocators.

* *

Please refer to the electronic excel model provided in Exhibit No. 17, Schedule 8 for the internal factor calculations. Additionally, the file named "Peoples External Allocators 2026 WORKPAPER.xlsx" included with Exhibit No. 17, Schedule 8, presents all external allocation factors, the calculations performed to develop the allocators and supporting documentation.

Peoples Natural Gas Company LLC
Standard Data Requests
Cost of Service

COS-20. Please provide all workpapers, calculations and supporting documentation for the functionalization and classification performed for the Company's cost of service study.

* *

Please refer to the electronic workpapers provided in Exhibit No. 17, COS 8.

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS-21. If not provided elsewhere, please provide a detailed proof of revenues at both present and proposed rates.

* *

Refer to Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachments M, N, & O.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-1. Please supply copies of the following documents for the Company and, if applicable, its parent:

a. Most recent Annual Report to shareholders (including any statistical supplements);

b. Most recent SEC Form 10K;

c. All SEC Form 10Q reports issued within last year.

* *

a. An Annual Report is not prepared for Peoples or its parent.

b. Peoples and its parent are not required to file SEC Form 10K.

c. Peoples and its parent are not required to file SEC Form 10Q.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-2. Please supply copies of the Company's balance sheets for each month/quarter for the last two years.

* *

Please see Attachment A.

Peoples Natural Gas Company LLC
Attachment A
Exhibit 18, ROR-2
Monthly/Quarterly Balance Sheet
TWELVE MONTHS NOVEMBER 2024

Line No	Account	Description	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	SEPTEMBER 2024	OCTOBER 2024	NOVEMBER 2024
		ASSETS & OTHER DEBITS												
		UTILITY PLANT:												
1	101.0	Plant in Service	$ 4,504,053,792	$ 4,557,407,916	$ 4,586,415,226	$ 4,606,937,280	$ 4,654,773,722	$ 4,705,300,740	$ 4,710,425,951	$ 4,758,231,000	$ 4,789,684,099	$ 4,818,766,914	$ 4,862,233,436	$ 4,907,566,233
2	101.1	Property Under Capital Leases	$ 25,350,685	$ 25,350,685	$ 25,350,685	$ 24,018,068	$ 24,018,068	$ 24,018,068	$ 22,673,136	$ 22,673,136	$ 22,673,136	$ 20,566,830	$ 20,566,830	$ 20,566,830
3	105.0	Plant Held for Future Use	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940
4	106.0	Completed Construction not Classified-Gas	$ 235,838,657	$ 196,841,946	$ 189,567,323	$ 196,555,785	$ 180,852,435	$ 181,119,852	$ 219,840,938	$ 230,828,700	$ 260,085,383	$ 271,436,935	$ 294,375,900	$ 294,562,153
5	114.0	Plant Acquisition Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	107.0	Construction Work in Progress	$ 83,694,349	$ 87,941,143	$ 98,281,716	$ 104,484,827	$ 109,310,146	$ 116,087,801	$ 123,975,781	$ 118,263,945	$ 105,237,727	$ 117,092,614	$ 105,092,524	$ 108,806,380
7	108.0	Accumulated Depreciation-Utility Plant	$ (1,321,414,598)	$ (1,327,899,560)	$ (1,335,611,416)	$ (1,333,205,547)	$ (1,337,125,677)	$ (1,344,093,693)	$ (1,347,674,019)	$ (1,355,099,149)	$ (1,358,723,142)	$ (1,365,166,616)	$ (1,373,812,418)	$ (1,392,973,294)
8	111.0	Accumulated Amortization-Utility Plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	117.1	Gas Stored - Base Gas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	117.3	Gas Stored in Reservoirs and Pipelines	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833
11		TOTAL UTILITY PLANT	$ 3,527,579,657	$ 3,539,698,902	$ 3,564,060,307	$ 3,598,847,186	$ 3,631,885,467	$ 3,682,489,541	$ 3,729,298,559	$ 3,774,954,405	$ 3,819,013,976	$ 3,862,753,450	$ 3,908,513,045	$ 3,938,585,074
		OTHER PROPERTY & INVESTMENTS:												
12	121.0	Non-Utility Property	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172
13	122.0	Accumulated Depreciation-Non-Utility Property	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)
14	124.0	Other Investments	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002
15	128.0	Other Special Funds	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000	$ 248,000
16		TOTAL OTHER PROPERTY & INVESTMENTS	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852	$ 4,755,852
		CURRENT & ACCRUED ASSETS:												
17	131.0	Cash	$ 2,491,540	$ 2,062,703	$ 2,613,548	$ 2,888,921	$ 2,281,542	$ 1,584,951	$ 1,615,672	$ 1,156,889	$ 1,436,757	$ 1,806,790	$ 1,264,836	$ 1,417,572
18	134.0	Other Special Deposits	$ 1,380,570	$ 1,384,136	$ 1,387,481	$ 1,391,066	$ 1,394,543	$ 1,398,146	$ 1,401,641	$ 1,405,262	$ 1,408,893	$ 1,412,045	$ 1,414,736	$ 1,417,212
19	135.0	Working Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	136.0	Temporary Cash Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	141.0	Notes Receivable	$ 63,181,881	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	142.0	Customer Accounts Receivable	$ 84,447,171	$ 111,811,817	$ 120,919,412	$ 117,451,755	$ 104,764,501	$ 79,063,591	$ 74,554,370	$ 66,001,601	$ 57,662,012	$ 53,401,057	$ 58,571,999	$ 67,875,237
23	143.0	Other Accounts Receivable	$ 4,772,848	$ 5,161,245	$ 3,948,828	$ 3,463,973	$ 2,634,359	$ 3,695,788	$ 3,725,295	$ 4,013,844	$ 3,544,720	$ 3,868,054	$ 4,133,686	$ 4,146,863
24	144.0	Accumulated Provision for Uncollectible	$ (45,534,379)	$ (46,337,931)	$ (47,017,701)	$ (47,906,542)	$ (47,193,513)	$ (45,203,023)	$ (44,503,193)	$ (43,772,190)	$ (42,635,578)	$ (42,920,767)	$ (43,890,923)	$ (45,002,182)
25	145.0	Notes Receivable from Associated Companies	$ 10,050,259	$ -	$ 67,254,381	$ 64,746,685	$ 60,202,024	$ 50,217,978	$ 13,736,512	$ -	$ -	$ -	$ -	$ -
26	146.0	Accounts Receivable from Associated Companies	$ 39,320,267	$ 73,508,653	$ 5,932,541	$ 8,367,890	$ 5,522,307	$ 4,847,103	$ 3,929,266	$ 5,436,322	$ 6,193,451	$ 5,344,012	$ 10,291,399	$ 27,934,791
27	154.0	Plant Materials & Operating Supplies	$ 5,596,196	$ 5,614,212	$ 5,699,675	$ 5,707,438	$ 5,582,020	$ 5,703,615	$ 5,686,443	$ 5,904,119	$ 5,998,148	$ 5,966,221	$ 6,021,524	$ 6,045,119
28	164.1	Gas Stored - Current	$ 60,721,800	$ 42,702,403	$ 27,998,013	$ 16,412,875	$ 17,856,366	$ 24,386,540	$ 30,547,802	$ 38,074,532	$ 42,800,479	$ 48,529,616	$ 50,143,903	$ 46,073,263
29	165.0	Prepayments	$ 7,264,019	$ 6,809,238	$ 6,805,161	$ 6,965,870	$ 6,504,364	$ 6,045,795	$ 5,219,791	$ 4,728,382	$ 5,369,568	$ 4,534,951	$ 4,033,987	$ 4,958,202
30	173.0	Accrued Utility Revenues	$ 34,094,083	$ 54,456,311	$ 44,893,242	$ 37,810,933	$ 19,827,797	$ 13,384,062	$ 11,582,500	$ 10,890,215	$ 11,238,630	$ 12,819,073	$ 25,521,510	$ 56,174,291
31	174.0	Miscellaneous Current & Accrued Assets	$ 243,607	$ 155,989	$ 288,143	$ 168,218	$ 287,351	$ 162,066	$ 103,605	$ 196,608	$ 58,467	$ 79,448	$ 65,200	$ 29,110
32	175.0	Derivative Instrument Assets-Current Portion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33		TOTAL CURRENT & ACCRUED ASSETS	$ 268,029,863	$ 257,328,778	$ 240,722,726	$ 217,469,083	$ 179,663,661	$ 145,286,612	$ 107,599,704	$ 94,035,584	$ 93,075,546	$ 94,840,499	$ 117,571,857	$ 171,069,478
		DEFERRED DEBITS:												
34	181.0	Unamortized Debt Expense	$ 10,128,256	$ 10,093,626	$ 10,015,848	$ 9,959,644	$ 9,904,712	$ 9,848,826	$ 9,792,940	$ 9,737,054	$ 9,681,168	$ 9,625,282	$ 9,590,871	$ 9,533,798
35	182.3	Other Regulatory Assets	$ 697,585,542	$ 695,850,166	$ 697,352,761	$ 814,243,482	$ 814,895,402	$ 815,262,520	$ 819,747,476	$ 820,951,748	$ 822,091,567	$ 806,003,287	$ 806,010,221	$ 771,192,959
36	186.0	Miscellaneous Deferred Debits	$ 14,087,511	$ 13,264,604	$ 12,706,345	$ 12,670,160	$ 11,851,845	$ 11,621,666	$ 11,953,838	$ 12,519,507	$ 13,404,398	$ 14,362,706	$ 14,814,659	$ 23,483,388
37	190.0	Accumulated Deferred Income Taxes	$ (0)	$ 181,452,173	$ 181,452,173	$ 177,147,753	$ 177,147,753	$ 177,147,753	$ 175,051,531	$ 175,051,531	$ 175,051,531	$ 172,529,337	$ 172,529,337	$ 159,685,721
38	191.0	Unrecovered Purchased Gas Costs	$ (15,259,903)	$ (8,798,732)	$ (13,404,976)	$ (11,408,075)	$ (12,718,235)	$ (9,896,312)	$ (5,244,212)	$ 780,540	$ 6,849,015	$ 11,430,670	$ 16,316,239	$ 20,367,089
39		TOTAL DEFERRED DEBITS	$ 706,541,406	$ 891,861,837	$ 888,122,150	$ 1,002,612,964	$ 1,001,081,477	$ 1,003,984,453	$ 1,011,301,574	$ 1,019,040,380	$ 1,027,077,680	$ 1,013,951,281	$ 1,019,261,326	$ 984,262,955
40		**TOTAL ASSETS & OTHER DEBITS**	**$ 4,506,906,778**	**$ 4,693,645,369**	**$ 4,697,661,035**	**$ 4,823,685,085**	**$ 4,817,386,457**	**$ 4,836,516,458**	**$ 4,852,955,689**	**$ 4,892,786,220**	**$ 4,943,923,054**	**$ 4,976,301,082**	**$ 5,050,102,079**	**$ 5,098,673,359**

Peoples Natural Gas Company LLC
Attachment A
Exhibit 18, ROR-2
Monthly/Quarterly Balance Sheet
TWELVE MONTHS NOVEMBER 2024

Line No	Account	Description	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024	JULY 2024	AUGUST 2024	SEPTEMBER 2024	OCTOBER 2024	NOVEMBER 2024
		LIABILITIES & OTHER CREDITS												
		PROPRIETARY CAPITAL:												
41	201.0	Common Stock Issued	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
42	211.0	Miscellaneous Paid-In Capital	$ 1,189,250,800	$ 1,189,250,800	$ 1,189,250,800	$ 1,189,250,800	$ 1,189,250,800	$ 1,189,250,800	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446
43	216.0	Unappropriated Retained Earnings	$ 682,972,801	$ 723,866,321	$ 753,091,948	$ 830,330,271	$ 837,613,904	$ 838,150,312	$ 836,734,338	$ 832,442,616	$ 823,824,090	$ 813,305,545	$ 822,482,678	$ 847,846,988
44	219.0	Accumulated Other Comprehensive Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
45		TOTAL PROPRIETARY CAPITAL	$ 1,872,223,602	$ 1,913,117,122	$ 1,942,342,749	$ 2,019,581,071	$ 2,026,864,704	$ 2,027,401,112	$ 2,023,844,784	$ 2,019,553,062	$ 2,010,934,537	$ 2,000,415,991	$ 2,009,593,124	$ 2,034,957,434
		LONG-TERM DEBT:												
46	223.0	Advances from Associated Companies	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200
47	225.0	Unamortized premium on long-term debt.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
48		TOTAL LONG-TERM DEBT	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200	$ 1,445,829,200
		OTHER NON-CURRENT LIABILITIES:												
49	227.0	Obligations under Capital Lease-Noncurrent	$ 23,380,504	$ 23,380,504	$ 23,380,504	$ 21,749,232	$ 21,749,232	$ 21,749,232	$ 20,099,558	$ 20,099,558	$ 20,099,558	$ 18,374,950	$ 18,353,152	$ 18,353,152
50	228.2	Accumulated Provision for Injuries and Damages	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 1,426,128	$ 2,426,128	$ 2,426,128
51	228.3	Accumulated Provision for Pensions and Benefits	$ (275,423)	$ (351,508)	$ (427,593)	$ (503,678)	$ (446,822)	$ (489,672)	$ (532,497)	$ (575,342)	$ (618,188)	$ (2,819,033)	$ (2,861,879)	$ (2,904,724)
52	228.4	Accumulated Miscellaneous Operating Provision	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894
53	230.0	Asset Retirement Obligation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
54		TOTAL OTHER NON-CURRENT LIABILITIES	$ 24,627,103	$ 24,551,018	$ 24,474,933	$ 22,767,577	$ 22,824,433	$ 22,781,583	$ 21,089,084	$ 21,046,238	$ 21,003,393	$ 17,077,939	$ 18,013,296	$ 17,970,450
		CURRENT & ACCRUED LIABILITIES:												
55	232.0	Accounts Payable	$ 138,887,296	$ 129,706,419	$ 105,071,415	$ 98,329,269	$ 86,158,688	$ 106,434,306	$ 112,961,039	$ 123,945,078	$ 124,510,482	$ 133,820,703	$ 133,689,206	$ 150,939,706
56	233.0	Notes Payable to Associated Companies	$ 30,000,320	$ 39,019,405	$ 25,985,041	$ 23,037,647	$ 16,180,427	$ 17,404,679	$ 18,796,921	$ 60,170,522	$ 102,541,452	$ 164,954,274	$ 209,316,352	$ 251,396,456
57	234.0	Accounts Payable to Associated Companie	$ 148,724,344	$ 136,450,834	$ 144,934,773	$ 143,333,207	$ 136,976,397	$ 133,895,843	$ 156,091,740	$ 151,118,906	$ 170,343,350	$ 163,999,114	$ 174,378,513	$ 163,271,323
58	235.0	Customer Deposits	$ 3,512,611	$ 3,481,510	$ 3,467,955	$ 3,353,125	$ 3,373,196	$ 3,337,098	$ 3,317,713	$ 3,270,549	$ 3,274,746	$ 3,306,477	$ 3,278,685	$ 3,269,909
59	236.0	Taxes Accrued	$ 6,960,218	$ (107,534,025)	$ (107,507,630)	$ (144,213,561)	$ (144,089,665)	$ (144,963,792)	$ (149,811,157)	$ (149,689,332)	$ (149,868,495)	$ (151,933,771)	$ (151,815,337)	$ (120,251,375)
60	237.0	Interest Accrued	$ 55,992	$ 44,444	$ 34,112	$ 49,764	$ 33,814	$ 20,939	$ 50,780	$ 37,021	$ 23,946	$ 49,249	$ 34,685	$ 26,356
61	238.0	Dividends Declared	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
62	241.0	Tax Collections Payable	$ (421,087)	$ 278,059	$ 575,448	$ 250,353	$ 471,825	$ 249,867	$ 175,473	$ 167,404	$ 120,299	$ 157,490	$ 277,475	$ 420,357
63	242.0	Miscellaneous Current & Accrued Liabilities	$ 24,855,389	$ 25,800,254	$ 28,089,865	$ 36,485,023	$ 47,596,065	$ 49,249,100	$ 44,477,676	$ 41,729,764	$ 40,029,250	$ 36,492,836	$ 46,051,968	$ 44,857,740
64	243.0	Obligations under Capital Lease-Current	$ 6,345,683	$ 6,345,683	$ 6,345,683	$ 6,416,989	$ 6,416,989	$ 6,416,989	$ 6,489,212	$ 6,489,212	$ 6,489,212	$ 6,301,687	$ 6,301,687	$ 6,301,687
65	244.0	Derivative Instrument Liabilities-Current	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
66		TOTAL CURRENT & ACCRUED LIABILITIES	$ 358,920,766	$ 233,592,583	$ 206,996,662	$ 167,041,816	$ 153,117,736	$ 172,045,030	$ 192,549,397	$ 237,239,124	$ 297,464,240	$ 357,148,060	$ 421,513,234	$ 500,232,159
		DEFERRED CREDITS:												
67	252.0	Customer Advances for Construction	$ 4,121,677	$ 2,277,572	$ 2,187,789	$ 204,317	$ 111,474	$ 216,126	$ 173,551	$ 111,723	$ 546,228	$ 24,153	$ 24,153	$ 234,291
68	255.0	Accumulated Deferred Investment Tax Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
69	253.0	Other Deferred Credits	$ 8,657,656	$ 9,041,431	$ 8,466,785	$ 8,370,950	$ 8,875,060	$ 8,822,020	$ 8,779,223	$ 8,722,431	$ 8,156,636	$ 8,116,413	$ 8,087,084	$ 8,529,016
70	254.0	Other Regulatory Liabilities	$ 262,160,399	$ 263,373,718	$ 265,500,191	$ 251,925,428	$ 251,799,125	$ 251,456,661	$ 244,755,626	$ 244,349,618	$ 244,053,996	$ 239,588,361	$ 238,941,024	$ 209,753,741
71	282.0	Accumulated Deferred Income Taxes-Other Property	$ 685,160,233	$ 685,160,233	$ 685,160,233	$ 747,801,728	$ 747,801,728	$ 747,801,728	$ 752,520,588	$ 752,520,588	$ 752,520,588	$ 744,646,509	$ 744,646,509	$ 726,783,469
72	283.0	Accumulated Deferred Income Taxes-Other	$ (154,793,858)	$ 116,702,492	$ 116,702,492	$ 160,162,996	$ 160,162,996	$ 160,162,996	$ 163,414,236	$ 163,414,236	$ 163,414,236	$ 163,454,456	$ 163,454,456	$ 154,383,599
73		TOTAL DEFERRED CREDITS	$ 805,306,107	$ 1,076,555,446	$ 1,078,017,491	$ 1,168,465,420	$ 1,168,750,383	$ 1,168,459,532	$ 1,169,643,223	$ 1,169,118,595	$ 1,168,691,684	$ 1,155,829,891	$ 1,155,153,225	$ 1,099,684,115
74		**TOTAL LIABILITIES & OTHER CREDITS**	**$ 4,506,906,778**	**$ 4,693,645,369**	**$ 4,697,661,035**	**$ 4,823,685,085**	**$ 4,817,386,457**	**$ 4,836,516,458**	**$ 4,852,955,689**	**$ 4,892,786,220**	**$ 4,943,923,054**	**$ 4,976,301,082**	**$ 5,050,102,079**	**$ 5,098,673,359**

Peoples Natural Gas Company LLC
Attachment A
Exhibit 18, ROR-2
Monthly/Quarterly Balance Sheet
TWELVE MONTHS NOVEMBER 2025

Line No	Account	Description	DECEMBER 2024	JANUARY 2025	FEBRUARY 2025	MARCH 2025	APRIL 2025	MAY 2025	JUNE 2025	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
		ASSETS & OTHER DEBITS												
		UTILITY PLANT:												
1	101.0	Plant in Service	$ 5,029,132,698	$ 5,081,744,001	$ 5,113,563,963	$ 5,163,291,378	$ 5,214,603,153	$ 5,224,047,487	$ 5,238,464,133	$ 5,238,464,133	$ 5,364,982,419	$ 5,388,372,741	$ 5,448,439,750	$ 5,475,098,189
2	101.1	Property Under Capital Leases	$ 19,358,359	$ 19,358,359	$ 19,358,359	$ 18,137,055	$ 18,137,055	$ 18,137,055	$ 16,902,740	$ 16,902,740	$ 16,902,740	$ 15,655,234	$ 15,655,234	$ 15,655,234
3	105.0	Plant Held for Future Use	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940	$ 4,940
4	106.0	Completed Construction not Classified-Gas	$ 231,830,045	$ 199,259,521	$ 183,520,835	$ 172,490,811	$ 181,322,977	$ 212,302,228	$ 225,634,808	$ 225,634,808	$ 198,171,550	$ 236,573,768	$ 240,057,731	$ 265,480,703
5	114.0	Plant Acquisition Adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	107.0	Construction Work in Progress	$ 84,546,409	$ 86,816,178	$ 97,801,280	$ 107,809,773	$ 105,572,562	$ 112,829,544	$ 121,010,342	$ 121,010,342	$ 123,732,008	$ 113,284,358	$ 109,501,827	$ 94,267,997
7	108.0	Accumulated Depreciation-Utility Plant	$ (1,388,870,811)	$ (1,395,573,856)	$ (1,405,752,850)	$ (1,414,883,739)	$ (1,421,192,616)	$ (1,415,174,280)	$ (1,396,115,490)	$ (1,396,115,490)	$ (1,418,001,174)	$ (1,427,077,971)	$ (1,437,879,318)	$ (1,434,221,025)
8	111.0	Accumulated Amortization-Utility Plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9			$ -	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833	$ 51,833
10	117.3	Gas Stored in Reservoirs and Pipelines	$ 51,833	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11		TOTAL UTILITY PLANT	$ 3,976,053,473	$ 3,991,660,977	$ 4,008,548,359	$ 4,046,902,051	$ 4,098,499,905	$ 4,152,198,808	$ 4,205,953,306	$ 4,205,953,306	$ 4,285,844,316	$ 4,326,864,903	$ 4,375,831,997	$ 4,416,337,871
		OTHER PROPERTY & INVESTMENTS:												
12	121.0	Non-Utility Property	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172	$ 17,172
13	122.0	Accumulated Depreciation-Non-Utility Property	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)	$ (9,322)
14	124.0	Other Investments	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002	$ 4,500,002
15	128.0	Other Special Funds	$ 248,000	$ 229,200	$ 229,200	$ 229,200	$ 229,200	$ 234,300	$ 236,000	$ 236,000	$ 237,700	$ 237,700	$ 237,700	$ 237,700
16		TOTAL OTHER PROPERTY & INVESTMENTS	$ 4,755,852	$ 4,737,052	$ 4,737,052	$ 4,737,052	$ 4,737,052	$ 4,742,152	$ 4,743,852	$ 4,743,852	$ 4,745,552	$ 4,745,552	$ 4,745,552	$ 4,745,552
		CURRENT & ACCRUED ASSETS:												
17	131.0	Cash	$ 2,707,641	$ 3,068,915	$ 4,731,664	$ 5,779,132	$ 2,761,651	$ 2,217,529	$ 2,830,187	$ 2,830,187	$ 1,955,917	$ 1,445,088	$ 1,903,269	$ 1,293,511
18	134.0	Other Special Deposits	$ 1,419,607	$ 1,421,838	$ 1,423,855	$ 1,426,093	$ 1,428,261	$ 1,430,505	$ 1,432,680	$ 1,432,680	$ 1,437,186	$ 1,439,320	$ 1,441,451	$ 1,443,406
19	135.0	Working Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	136.0	Temporary Cash Investments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	141.0	Notes Receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	142.0	Customer Accounts Receivable	$ 103,885,443	$ 147,924,477	$ 179,839,615	$ 181,124,816	$ 165,641,622	$ 137,189,470	$ 120,467,288	$ 120,467,288	$ 78,649,413	$ 69,902,541	$ 68,641,099	$ 88,293,701
23	143.0	Other Accounts Receivable	$ 4,744,629	$ 6,277,404	$ 5,416,347	$ 4,467,634	$ 3,529,979	$ 3,655,395	$ 4,123,157	$ 4,123,157	$ 2,523,201	$ 2,901,059	$ 2,968,789	$ 3,648,067
24	144.0	Accumulated Provision for Uncollectible	$ (46,545,850)	$ (48,043,741)	$ (49,161,222)	$ (47,951,925)	$ (46,989,946)	$ (45,577,318)	$ (45,653,349)	$ (45,653,349)	$ (43,203,840)	$ (44,386,771)	$ (45,873,509)	$ (47,084,175)
25	145.0	Notes Receivable from Associated Companies	$ -	$ -	$ -	$ 7,104,060	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	146.0	Accounts Receivable from Associated Companies	$ 37,976,558	$ 40,181,899	$ 37,978,272	$ (59)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	154.0	Plant Materials & Operating Supplies	$ 6,112,088	$ 6,172,865	$ 6,201,018	$ 6,199,650	$ 6,232,605	$ 6,218,639	$ 6,327,586	$ 6,327,586	$ 6,035,638	$ 6,041,662	$ 6,120,478	$ 6,167,508
28	164.1	Gas Stored - Current	$ 41,001,005	$ 28,613,878	$ 18,009,729	$ 10,533,021	$ 19,616,207	$ 29,475,851	$ 34,505,294	$ 34,505,294	$ 56,323,762	$ 63,848,878	$ 68,828,856	$ 63,399,840
29	165.0	Prepayments	$ 7,243,983	$ 6,866,488	$ 6,437,492	$ 4,843,867	$ 4,697,090	$ 4,453,297	$ 4,260,697	$ 4,260,697	$ 4,156,223	$ 4,671,177	$ 4,843,438	$ 3,998,013
30	173.0	Accrued Utility Revenues	$ 69,321,679	$ 93,635,190	$ 73,889,192	$ 48,895,129	$ 29,985,379	$ 24,746,208	$ 14,726,079	$ 14,726,079	$ 14,443,102	$ 15,087,433	$ 34,091,073	$ 72,640,586
31	174.0	Miscellaneous Current & Accrued Assets	$ 301,231	$ 587,100	$ 576,377	$ 2,382,721	$ 1,276,189	$ 804,507	$ 338,601	$ 338,601	$ 333,417	$ 346,346	$ 432,020	$ 316,990
32	175.0	Derivative Instrument Assets-Current Portion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33		TOTAL CURRENT & ACCRUED ASSETS	$ 228,168,013	$ 286,706,314	$ 285,342,340	$ 224,804,139	$ 188,179,037	$ 164,614,083	$ 143,358,220	$ 143,358,220	$ 122,654,018	$ 121,296,733	$ 143,396,965	$ 194,117,447
		DEFERRED DEBITS:												
34	181.0	Unamortized Debt Expense	$ 9,476,726	$ 12,557,623	$ 12,478,302	$ 12,398,982	$ 12,323,949	$ 12,244,575	$ 12,165,202	$ 12,165,202	$ 12,006,454	$ 11,927,081	$ 11,847,707	$ 11,768,334
35	182.3	Other Regulatory Assets	$ 826,352,641	$ 821,291,889	$ 819,892,017	$ 924,937,320	$ 924,311,494	$ 923,804,940	$ 934,932,740	$ 934,932,740	$ 934,095,038	$ 920,417,504	$ 921,957,842	$ 921,890,491
36	186.0	Miscellaneous Deferred Debits	$ 22,514,880	$ 22,601,149	$ 22,243,724	$ 22,567,827	$ 20,851,777	$ 15,284,862	$ 12,985,726	$ 12,985,726	$ 13,195,932	$ 13,928,726	$ 14,652,916	$ 15,170,634
37	190.0	Accumulated Deferred Income Taxes	$ -	$ -	$ (1,447,907)	$ 255,628,001	$ 255,628,001	$ 255,628,001	$ 258,470,340	$ 258,470,340	$ 258,470,340	$ 258,911,698	$ 258,911,698	$ 259,036,388
38	191.0	Unrecovered Purchased Gas Costs	$ 16,832,227	$ 21,815,185	$ 24,741,874	$ 7,206,173	$ (610,570)	$ (1,831,356)	$ 4,821,585	$ 4,821,585	$ 17,566,492	$ 24,020,617	$ 20,098,116	$ 20,530,289
39		TOTAL DEFERRED DEBITS	$ 875,176,473	$ 878,265,846	$ 877,908,011	$ 1,222,738,303	$ 1,212,504,651	$ 1,205,131,022	$ 1,223,375,592	$ 1,223,375,592	$ 1,235,334,255	$ 1,229,205,626	$ 1,227,468,278	$ 1,228,396,135
40		**TOTAL ASSETS & OTHER DEBITS**	**$ 5,084,153,811**	**$ 5,161,370,189**	**$ 5,176,535,762**	**$ 5,499,181,545**	**$ 5,503,920,644**	**$ 5,526,686,063**	**$ 5,577,430,970**	**$ 5,577,430,970**	**$ 5,648,578,141**	**$ 5,682,112,815**	**$ 5,751,442,792**	**$ 5,843,597,005**

Peoples Natural Gas Company LLC
Attachment A
Exhibit 18, ROR-2
Monthly/Quarterly Balance Sheet
TWELVE MONTHS NOVEMBER 2025

Line No	Account	Description	DECEMBER 2024	JANUARY 2025	FEBRUARY 2025	MARCH 2025	APRIL 2025	MAY 2025	JUNE 2025	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
		LIABILITIES & OTHER CREDITS												
		PROPRIETARY CAPITAL:												
41	201.0	Common Stock Issued	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
42	211.0	Miscellaneous Paid-In Capital	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,187,110,446	$ 1,186,208,162	$ 1,186,208,162	$ 1,186,208,162	$ 1,186,208,162
43	216.0	Unappropriated Retained Earnings	$ 932,418,596	$ 1,006,591,403	$ 1,057,112,527	$ 1,122,459,334	$ 1,139,028,788	$ 1,142,144,645	$ 1,146,938,266	$ 1,146,938,266	$ 1,130,148,705	$ 1,123,798,142	$ 1,131,733,385	$ 1,160,637,137
44	219.0	Accumulated Other Comprehensive Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
45		TOTAL PROPRIETARY CAPITAL	$ 2,119,529,042	$ 2,193,701,850	$ 2,244,222,974	$ 2,309,569,780	$ 2,326,139,234	$ 2,329,255,091	$ 2,334,048,712	$ 2,334,048,712	$ 2,316,356,867	$ 2,310,006,304	$ 2,317,941,548	$ 2,346,845,299
		LONG-TERM DEBT:												
46	223.0	Advances from Associated Companies	$ 1,335,822,000	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889
47	225.0	Unamortized premium on long-term debt.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
48		TOTAL LONG-TERM DEBT	$ 1,335,822,000	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889	$ 1,594,210,889
		OTHER NON-CURRENT LIABILITIES:												
49	227.0	Obligations under Capital Lease-Noncurrent	$ 16,744,050	$ 16,744,050	$ 16,744,050	$ 15,486,418	$ 15,486,418	$ 15,486,418	$ 14,211,495	$ 14,211,495	$ 14,211,495	$ 12,919,039	$ 12,919,039	$ 12,919,039
50	228.2	Accumulated Provision for Injuries and Damages	$ 2,569,512	$ 2,569,512	$ 2,569,512	$ 2,569,512	$ 2,569,512	$ 2,569,512	$ 3,034,014	$ 3,034,014	$ 3,034,014	$ 3,034,014	$ 3,002,025	$ 3,002,025
51	228.3	Accumulated Provision for Pensions and Benefits	$ (2,947,570)	$ (2,944,284)	$ (2,940,998)	$ (2,889,624)	$ (2,870,308)	$ (2,850,993)	$ (2,831,678)	$ (2,831,678)	$ (2,793,047)	$ (2,773,731)	$ (2,754,416)	$ (2,735,101)
52	228.4	Accumulated Miscellaneous Operating Provision	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894	$ 95,894
53	230.0	Asset Retirement Obligation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
54		TOTAL OTHER NON-CURRENT LIABILITIES	$ 16,461,886	$ 16,465,172	$ 16,468,458	$ 15,262,201	$ 15,281,516	$ 15,300,831	$ 14,509,725	$ 14,509,725	$ 14,548,356	$ 13,275,216	$ 13,262,542	$ 13,281,858
		CURRENT & ACCRUED LIABILITIES:												
55	232.0	Accounts Payable	$ 152,074,918	$ 156,311,244	$ 118,915,584	$ 94,706,370	$ 104,174,633	$ 101,139,107	$ 105,056,349	$ 105,056,349	$ 107,647,585	$ 107,017,536	$ 118,777,786	$ 131,258,406
56	233.0	Notes Payable to Associated Companies	$ 468,777,076	$ 199,791,492	$ 203,447,740	$ 170,156,194	$ 137,618,671	$ 154,769,588	$ 190,650,712	$ 190,650,712	$ 269,779,326	$ 319,853,801	$ 360,770,881	$ 393,911,978
57	234.0	Accounts Payable to Associated Companie	$ 71,296,572	$ 84,450,853	$ 82,444,326	$ 87,341,433	$ 92,621,358	$ 97,877,028	$ 94,777,810	$ 94,777,810	$ 106,091,311	$ 110,822,671	$ 116,979,636	$ 123,242,771
58	235.0	Customer Deposits	$ 3,249,701	$ 3,276,852	$ 3,328,682	$ 3,208,461	$ 3,135,861	$ 3,005,537	$ 2,919,558	$ 2,919,558	$ 3,301,341	$ 3,334,901	$ 3,394,192	$ 3,439,182
59	236.0	Taxes Accrued	$ 5,825,534	$ 5,961,884	$ 5,788,906	$ (61,900,551)	$ (62,756,451)	$ (62,640,297)	$ (68,491,414)	$ (68,491,414)	$ (68,384,813)	$ (67,810,395)	$ (67,689,381)	$ (68,586,507)
60	237.0	Interest Accrued	$ 47,909	$ 38,642	$ 30,381	$ 44,285	$ 30,414	$ 18,076	$ 37,332	$ 37,332	$ 20,009	$ 40,906	$ 32,013	$ 26,479
61	238.0	Dividends Declared	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
62	241.0	Tax Collections Payable	$ 1,143,259	$ 1,542,159	$ 1,516,728	$ 1,356,668	$ 804,030	$ 441,855	$ 289,709	$ 289,709	$ 88,981	$ 143,422	$ 203,142	$ 507,414
63	242.0	Miscellaneous Current & Accrued Liabilities	$ 30,683,968	$ 26,716,418	$ 28,037,624	$ 33,010,237	$ 41,085,543	$ 41,748,063	$ 52,083,958	$ 52,083,958	$ 48,182,212	$ 46,913,924	$ 46,780,163	$ 52,481,596
64	243.0	Obligations under Capital Lease-Current	$ 6,389,835	$ 6,389,835	$ 6,389,835	$ 6,083,139	$ 6,083,139	$ 6,083,139	$ 5,771,854	$ 5,771,854	$ 5,771,854	$ 5,455,911	$ 5,455,911	$ 5,455,911
65	244.0	Derivative Instrument Liabilities-Current	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
66		TOTAL CURRENT & ACCRUED LIABILITIES	$ 739,488,772	$ 484,479,378	$ 449,899,806	$ 334,006,236	$ 322,797,199	$ 342,442,097	$ 383,095,869	$ 383,095,869	$ 472,497,805	$ 525,772,676	$ 584,704,344	$ 641,737,230
		DEFERRED CREDITS:												
67	252.0	Customer Advances for Construction	$ 522,071	$ 656,914	$ 656,914	$ 340,284	$ 559,790	$ 641,558	$ 300,775	$ 300,775	$ 119,215	$ 442,983	$ 933,711	$ 595,600
68	255.0	Accumulated Deferred Investment Tax Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
69	253.0	Other Deferred Credits	$ 8,009,454	$ 7,953,950	$ 7,904,509	$ 8,338,070	$ 7,797,017	$ 7,750,212	$ 7,703,221	$ 7,703,221	$ 10,472,149	$ 9,925,115	$ 9,883,485	$ 10,343,865
70	254.0	Other Regulatory Liabilities	$ 198,190,182	$ 197,771,631	$ 198,489,715	$ 197,959,520	$ 197,640,433	$ 197,590,820	$ 192,188,117	$ 192,188,117	$ 188,999,198	$ 185,459,467	$ 187,486,108	$ 191,701,492
71	282.0	Accumulated Deferred Income Taxes-Other Property	$ 783,656,340	$ 783,656,340	$ 772,534,373	$ 851,704,703	$ 851,704,703	$ 851,704,703	$ 862,864,246	$ 862,864,246	$ 862,864,246	$ 854,176,066	$ 854,176,066	$ 855,140,881
72	283.0	Accumulated Deferred Income Taxes-Other	$ (117,525,935)	$ (117,525,935)	$ (107,851,875)	$ 187,789,862	$ 187,789,862	$ 187,789,862	$ 188,509,416	$ 188,509,416	$ 188,509,416	$ 188,844,098	$ 188,844,098	$ 189,739,891
73		TOTAL DEFERRED CREDITS	$ 872,852,111	$ 872,512,900	$ 871,733,635	$ 1,246,132,439	$ 1,245,491,806	$ 1,245,477,155	$ 1,251,565,774	$ 1,251,565,774	$ 1,250,964,224	$ 1,238,847,729	$ 1,241,323,468	$ 1,247,521,729
74		**TOTAL LIABILITIES & OTHER CREDITS**	**$ 5,084,153,811**	**$ 5,161,370,189**	**$ 5,176,535,762**	**$ 5,499,181,545**	**$ 5,503,920,644**	**$ 5,526,686,063**	**$ 5,577,430,970**	**$ 5,577,430,970**	**$ 5,648,578,141**	**$ 5,682,112,815**	**$ 5,751,442,792**	**$ 5,843,597,005**

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-3. Please provide the bond rating history for the Company and, if applicable, its parent from the major credit rating agencies for the last five years.

* *

Below is a table of the bond rating history of PNG Companies for the last five years. Peoples Natural Gas Company is not rated.

	S&P	Moody's
2021	A/Stable	Baa1
2022	A/Stable	Baa1
2023	A/Negative	Baa1
2024	A-/Stable	Baa2/negative
2025	A-/Stable	Baa2/negative

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-4. Please provide copies of all bond rating reports relating to the Company and, if applicable, its parent for the past two years.

* *

Below is a listing of the 2024 and 2025 bond rating reports for PNG Companies LLC. Peoples Natural Gas Company LLC does not have any bond rating reports as it is not rated.

PNG Companies LLC Bond Rating Reports:

PNG Companies LLC S&P Global: Rate Case Outcome (September 27, 2024) 2
PNG Companies LLC Moody's: Rating Action (October 3, 2024) 7
PNG Companies LLC Moody's: Credit Opinion (October 8, 2024) 15
PNG Companies LLC Moody's: Credit Opinion (August 27, 2025) 26
PNG Companies LLC S&P Global: Ratings Score Snapshot (October 1, 2025) 37

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-5. Please provide a workpaper showing the derivation of the Company's current AFUDC rate.

* *

Refer to Attachment 1 for the workpaper showing the derivation of the Company's current AFUDC rate.

Peoples Natural Gas Company LLC
Attachment 1: Exhibit 18, Schedule ROR.5
AFUDC Rate Calculation

	COL. A	COL. B	COL. C		COL. D		COL. E
	Principal Amount (000)	Capitalization Ratio %	Cost Rates %		Order 561 Weight Formula (S/W) %		Weighted Cost Rates For Gross AFUDC Rate %
Weighted average Short-term debt Balance (S)	$15,282		4.920%	X	14.874%	=	0.732%
Long-term debt	$1,954,982	45.753%	3.318%	X	85.126%	=	1.292%
Long-term lease oblig.	$0	0.000%	0.000%	X	85.126%		0.000%
Preferred stock	$0	0.000%	0.000%	X	85.126%	=	0.000%
Common equity:							
Common stock	$2,317,942	54.247%	10.250%	X	85.126%	=	4.733%
Retained earnings	$0	0.000%	10.250%	X	85.126%	=	0.000%
Total Common Equity	$2,317,942	54.247%					4.733%
Total Capitalization	$4,272,923	100.000%					
AFUDC Rate Annualized							6.757%
AFUDC Rate Compound							6.556%
Projected average of monthly CWIP balances =	$102,747	(Estimated)					
Accounts 107 and 120 (W)			Debt: 1.964%				0.299531
			Equity: 4.592%				0.700469
NOTE:							
S / W =	14.874%						
100 - (S/ W) =	85.126%						

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-6. Please supply copies of all presentations by the Company's and, if applicable, its parent's management to securities analysts during the past 2 years. This would include presentations of financial projections.

* *

Neither the Company nor its Parent, PNG Companies LLC has presented to equity securities analysts during the last two years. All presentations were prepared at the ultimate parent level, Essential Utilities, Inc. Such presentations are available within the Investor Relations section of its website.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-7. Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.

* *

Refer to Peoples Statement No. 15, the direct testimony of Jennifer Nelson.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-8. Please identify all of the Company's and, if applicable, its parent's publicly underwritten common stock issuances written in the last five years. Identify which such issuances were related to mergers or acquisitions, and which were undertaken to fund facility investments in utility plant and equipment.

* *

Neither Peoples nor its Parent, PNG Companies LLC have had any publicly underwritten common stock issuances

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-9. Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.

* *

None.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-10. Please provide copies of all securities analysts reports relating to the Company and/or its parent issued within the past 2 years.

* *

No such reports have been issued for Peoples or PNG Companies LLC.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-11. If applicable, please supply a listing of all common equity infusions from the parent to the Company over the past five years. In each case, identify date and dollar amount.

* *

There have been no equity infusions from parent, PNG Companies LLC, to Peoples Natural Gas Company LLC within the past five years.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-12. If applicable, please identify the company's common dividend payments to its parent for each of the last five years.

* *

Peoples Natural Gas Company LLC did not pay a dividend to PNG Companies LLC during the past five years. Peoples Gas Company, which has since merged with Peoples Natural Gas Company LLC following the 2023 rate case filing, paid a $24.5M dividend in December of 2020 to re-balance the capital structure.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-13. Please provide the latest year-by-year financial projections for the Company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies.

(Information should be treated in a confidential manner.)

* *

Please refer to Exhibit No. 16, Schedule No. 5 (53.53.II.A.5).

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-14. Please provide the Company's five-year construction budget.

* *

Currently, we do not have approved five-year construction budgets. Please refer to Exhibit No. 19, RR-14 (VI.I.RR.14) and Exhibit No. 19, RR-15 (VI.I.RR.15) for additional capital expenditure information.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-15. Please identify the Company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.

* *

Peoples Natural Gas Company LLC targets a capital structure within the range of capital structures employed by comparable natural gas distribution companies. See Peoples Statement No. 15, the direct testimony of Jennifer Nelson for further discussion on capital structure targets.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-16. For each month, of the most recent 24 months, please supply the Company's

a. Short-term debt balance;

b. Short-term debt interest rate;

c. Balance of construction work in progress; and

d. Balance of construction work in progress which is eligible for AFUDC accrual.

* *

Please refer to pages 2 and 3.

a. Short-Term Debt Balance

b. Short-Term Debit Interest Rate

2023	Short Term Debt Bal.	Interest Rate
December	$ 19,950,061	6.310%
2024		
January	$ 39,019,405	6.326%
February	$ -	6.260%
March	$ -	6.273%
April	$ -	6.262%
May	$ -	6.250%
June	$ 5,060,409	6.263%
July	$ 60,170,522	6.350%
August	$ 102,541,452	6.344%
September	$ 164,954,274	6.224%
October	$ 209,316,352	5.864%
November	$ 251,396,456	5.711%
December	$ 358,769,876	5.535%
2025		
January	$ 89,784,292	5.351%
February	$ 93,440,540	5.316%
March	$ 53,044,934	5.326%
April	$ 27,611,471	5.330%
May	$ 44,762,388	5.330%
June	$ 80,643,512	5.330%
July	$ 114,232,614	5.332%
August	$ 159,772,126	5.356%
September	$ 209,846,601	5.315%
October	$ 250,763,681	5.152%
November	$ 283,904,778	4.974%

c. Balance of Construction Work in Progress

Month	(c)
December-23	$ 83,692,212
January-24	$ 87,979,257
February-24	$ 98,279,579
March - 24	$ 104,486,903
April - 24	$ 109,312,344
May - 24	$ 116,058,669
June - 24	$ 123,946,774
July - 24	$ 118,229,325
August - 24	$ 105,203,107
September - 24	$ 117,060,698
October - 24	$ 105,060,613
November - 24	$ 108,774,468
December - 24	$ 84,499,497
January - 25	$ 86,784,930
February - 25	$ 97,763,557
March - 25	$ 107,777,861
April - 25	$ 105,570,425
May - 25	$ 112,827,407
June - 25	$ 121,008,204
July - 25	$ 125,693,620
August - 25	$ 123,751,930
September - 25	$ 113,304,448
October - 25	$ 109,521,916
November - 25	$ 94,288,086

d. 83% of CWIP is eligible for AFUDC accrual.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-17. If applicable, please provide the currently authorized returns on equity for each of the parent's utility subsidiaries of the same industry type as the Company. In each case identify the approximate date when the current return on equity was approved by the state commission.

* *

PNG Companies LLC's only other utility subsidiary is Delta Natural Gas Company (Delta). Delta currently has an authorized return of 9.75% as established in its most recent base case approved in July 2025.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-18. Has the Utility reacquired or repurchased any debt within the last five years? If so, provide a summary of each gain or loss on reacquired debt, the date on which the utility commenced amortization of such a gain or loss, the regulatory commission decision addressing the treatment of such gain or loss on reacquired debt, if any, on interest expense.

* *

Peoples Natural Gas Company LLC has not reacquired or repurchased debt within the last five years.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-19. Fully identify all debt (other than instruments traded in public markets) owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.

* *

Refer to Exhibit No. 16, Schedule No. 6 (53.53.II.A.6).

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-20. Provide a summary statement of all stock dividends, splits, or par value changes during the two (2) year calendar period preceding the rate case filing.

* *

Peoples Natural Gas Company LLC does not have common stock.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-21. If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system—consolidated, the reasons for this claim must be fully stated and supported.

* *

Peoples Natural Gas Company LLC's rate of return claim is based on its own capital structure. See Peoples Statement No. 15, the direct testimony of Jennifer Nelson for further discussion.

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-22. To the extent not provided in SDR III.ROR.13, supply projected capital requirements and sources of the filing utility. Its parent and system—consolidated—for the test year and each of three (3) comparable future years.

* *

Refer to Exhibit No. 16, Schedule No. 5 (53.53.II.A.5).

Peoples Natural Gas Company LLC
Standard Data Requests
Rate of Return

ROR-23. To the extent not provided elsewhere, supply financial data of Company and/or parent for the last five (5) years.

a. Times interest earned ratio – pre and post tax basis.

b. Preferred stock dividend coverage ratio – post tax basis.

c. Times fixed charges earned ratio – pre tax basis.

d. Dividend payout ratio.

e. AFUDC as a percent of earnings available for common equity.

f. Construction work in progress as a percent of net utility plant.

g. Effective income tax rate.

h. Internal cash generations as a percent of total capital requirements.

* *

Peoples Natural Gas Company LLC

		2021	2022	2023	2024	2025
Times Interest Earned-Pre (EBIT/Int Exp.)	[a]	5.44	5.54	3.66	3.87	4.56
Times Interest Earned-Post (EBI/Int Exp.)	[a]	6.19	6.81	6.08	5.67	5.08
Preferred Stock Dividend Ratio	[b]	n/a	n/a	n/a	n/a	n/a
Times Fixed Charges Earned Ratio	[c]	5.44	5.54	3.66	3.87	4.56
Dividend Payout Ratio	[d]	0%	0%	0%	0%	0%
AFUDC % of Net Income	[e]	0.1%	0.4%	0.9%	1.8%	1.9%
CWIP as a % of Utility Plant & Intangibles	[f]	3.0%	4.6%	2.5%	2.2%	1.7%
Effective Income Tax Rate	[g]	-17%	-28%	-91%	-63%	-15%
Internal Cash as a % of Capex	[h]	76.0%	74.9%	70.0%	49.4%	67.9%

PNG Companies LLC

PNG Companies information is confidential and will be made available upon request, subject to a confidentiality agreement.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-1. Please provide a copy of the Company's detailed quarterly balance sheet and monthly income statements for the historic test year through the most recent month available.

* *

- Detailed quarterly balance sheet – Refer to Exhibit No. 16, Schedule No. 2 (53.53.II.A.2).
- Monthly income statements for the historic test year through the most recent month available are included in Attachment A below.

Peoples Natural Gas Company LLC
Exhibit No. 19, RR-1; Attachment A
Monthly Income Statement

Line No	Account	Description	DECEMBER 2024	JANUARY 2025	FEBRUARY 2025	MARCH 2025	APRIL 2025	MAY 2025	JUNE 2025	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
		Operating Revenues (400):												
1	480.0	Residential Sales	$ 87,158,268	$ 123,898,450	$ 90,587,084	$ 73,663,274	$ 50,012,637	$ 31,927,936	$ 19,564,523	$ 18,099,231	$ 17,829,994	$ 19,218,511	$ 39,634,800	$ 74,038,871
2	481.0	Commercial and Industrial Sales	$ 15,334,229	$ 21,408,333	$ 18,190,290	$ 13,870,743	$ 9,156,688	$ 5,494,766	$ 3,193,373	$ 2,954,186	$ 3,014,967	$ 3,270,220	$ 6,560,049	$ 12,840,864
3	483.0	Sales for Resale	$ 134,144	$ 868,007	$ 732,353	$ 1,761,903	$ 620,140	$ 614,610	$ 147,610	$ 297,711	$ 78,394	$ 32,761	$ 120,285	$ 83,532
4		**Sales of Gas (480-484)**	**$ 102,626,641**	**$ 146,174,790**	**$ 109,509,727**	**$ 89,295,920**	**$ 59,789,465**	**$ 38,037,311**	**$ 22,905,506**	**$ 21,351,127**	**$ 20,923,356**	**$ 22,521,491**	**$ 46,315,134**	**$ 86,963,267**
5	487.0	Forfeited Discounts	$ 173,420	$ 439,526	$ 554,152	$ 758,297	$ 781,581	$ 641,772	$ 587,581	$ 508,275	$ 392,730	$ 361,452	$ 346,109	$ 280,025
6	488.0	Miscellaneous Service Revenues	$ 65,060	$ 70,762	$ 86,990	$ 83,265	$ 118,791	$ 106,027	$ 90,725	$ 114,964	$ 100,410	$ 93,870	$ 105,016	$ 89,133
7	489.1	Revenues from Transportation of Gas of Others Through Gathering Facility	$ 682,731	$ 664,305	$ 479,829	$ 687,132	$ 697,071	$ 754,151	$ 751,524	$ 625,090	$ 757,612	$ 646,744	$ 694,236	$ 682,882
8	489.3	Revenues from Transportation of Gas of Others Through Distribution Facility	$ 28,002,870	$ 36,266,889	$ 29,589,480	$ 23,536,251	$ 17,155,464	$ 12,511,229	$ 9,683,663	$ 9,342,545	$ 9,186,157	$ 9,774,124	$ 14,718,946	$ 22,379,153
9	489.4	Revenues from Storing Gas of Others	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	493.0	Rent from Gas Property	$ 7,805	$ 43,318	$ 6,786	$ 5,061	$ 41,762	$ 38,639	$ 41,518	$ 9,177	$ 6,786	$ 7,045	$ 8,311	$ 3,689
11	495.0	Other Gas Revenues	$ 2,225,836	$ 2,551,344	$ 1,282,824	$ 583,252	$ 104,735	$ 10,225	$ (60,510)	$ (50,434)	$ (40,461)	$ (45,163)	$ 1,031,809	$ (1,536,594)
12	496.0	Provision for Rate Refunds	$ 146,059	$ 49,053	$ (61,397)	$ 26,468	$ 17,697	$ 48,004	$ 34,675	$ 29,682	$ 29,040	$ 24,517	$ (21,906)	$ 321
13		**Other Operating Revenues (485-496)**	**$ 31,303,782**	**$ 40,085,198**	**$ 31,938,664**	**$ 25,679,727**	**$ 18,917,101**	**$ 14,110,048**	**$ 11,129,176**	**$ 10,579,299**	**$ 10,432,274**	**$ 10,862,589**	**$ 16,882,520**	**$ 21,898,610**
14		**Total Operating Revenues (400)**	**$ 133,930,423**	**$ 186,259,988**	**$ 141,448,391**	**$ 114,975,647**	**$ 78,706,566**	**$ 52,147,359**	**$ 34,034,682**	**$ 31,930,426**	**$ 31,355,630**	**$ 33,384,080**	**$ 63,197,654**	**$ 108,861,877**
		Gas Production Operating Expense:												
		Natural Gas Production Operation Expense												
15	750.0	Supervision and engineering	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	751.0	Production maps and records	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	752.0	Gas wells expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	753.0	Field lines expenses	$ 97,809	$ 119,492	$ 100,800	$ 124,793	$ 128,085	$ 122,514	$ 114,659	$ 117,845	$ 116,679	$ 110,662	$ 120,852	$ 78,185
19	754.0	Field compressor station expenses	$ 160,839	$ 176,545	$ 257,829	$ 145,915	$ 242,929	$ 97,597	$ 468,365	$ 67,229	$ 221,480	$ 273,387	$ 218,826	$ 256,191
20	755.0	Field compressor station fuel and power	$ 131,203	$ 89,052	$ 99,303	$ 91,604	$ 50,468	$ 39,801	$ 54,579	$ 103,871	$ 97,349	$ 80,517	$ 82,142	$ 75,448
21	756.0	Field measuring and regulating station expenses	$ 28,140	$ 25,246	$ 26,565	$ 36,824	$ 33,923	$ 27,163	$ 31,140	$ 27,616	$ 18,949	$ 16,574	$ 20,820	$ 16,908
22	758.0	Gas well royalties	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	759.0	Other expenses	$ 6,958	$ 5,153	$ 4,975	$ 6,306	$ 4,594	$ 7,343	$ 4,689	$ 4,591	$ 4,688	$ 4,396	$ 6,719	$ 4,881
24	760.0	Rents	$ 9,878	$ 581	$ 605	$ 8	$ 100	$ 1,954	$ 2,323	$ 2,595	$ -	$ -	$ 110	$ -
25		**Natural Gas Production and Gathering Operation Expense**	**$ 434,826**	**$ 416,069**	**$ 490,076**	**$ 405,451**	**$ 460,099**	**$ 296,371**	**$ 675,756**	**$ 323,747**	**$ 459,145**	**$ 485,535**	**$ 449,469**	**$ 431,612**
26	800.1	Natural gas well-head purchases - intercompany	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	801.0	Natural gas field line purchases	$ 1,144,297	$ 910,381	$ 692,477	$ 742,108	$ 917,082	$ 638,371	$ 618,656	$ 640,460	$ 790,840	$ 540,292	$ 517,485	$ 829,528
28	803.0	Natural gas transmission line purchases	$ 24,093,481	$ 50,906,921	$ 30,325,426	$ 7,393,329	$ 21,288,912	$ 16,134,552	$ 11,308,389	$ 15,697,831	$ 16,370,688	$ 13,540,487	$ 13,220,741	$ 20,531,359
29	804.0	Natural gas city gate purchases	$ 655,415	$ 192,369	$ 1,039,099	$ 415,998	$ 674,152	$ 1,239,309	$ 942,006	$ 547,481	$ 653,734	$ 545,840	$ 459,330	$ 497,759
30	805.0	Other gas purchases	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	805.1	Purchase gas cost adjustments	$ 3,372,513	$ (4,313,253)	$ (2,410,395)	$ 16,396,336	$ 7,383,802	$ 1,191,699	$ (6,226,096)	$ (5,441,778)	$ (6,604,613)	$ (6,202,082)	$ 3,630,371	$ (128,482)
32	806.0	Exchange gas	$ (232,176)	$ (197,043)	$ 912,359	$ (2,878,201)	$ 1,185,277	$ 433,462	$ 658,025	$ (84,590)	$ (84,648)	$ (46,749)	$ (79,369)	$ 287,171
33	807.1	Well expense - Purchased gas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
34	807.5	Other purchases gas expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
35	808.1	Gas withdrawn from storage—Debit	$ 6,567,715	$ 12,330,492	$ 9,852,407	$ 7,132,299	$ 1,753,834	$ 701,289	$ 717,759	$ 38,195	$ 30,950	$ 432,422	$ 1,070,004	$ 7,031,997
36	808.2	Gas delivered to storage—Credit	$ (2,169,652)	$ (1,015,108)	$ (319,999)	$ (449,708)	$ (10,837,020)	$ (10,560,933)	$ (5,747,202)	$ (10,744,906)	$ (11,142,706)	$ (7,957,538)	$ (6,049,982)	$ (2,181,437)
37	810.0	Gas used for compressor station fuel—Credit	$ (304,893)	$ (212,647)	$ (305,322)	$ (265,212)	$ (143,905)	$ (134,517)	$ (151,452)	$ (200,264)	$ (185,283)	$ (162,383)	$ (160,689)	$ (140,546)
38	812.0	Gas used for other utility operations—Credit	$ (145,697)	$ (181,648)	$ (255,997)	$ (95,931)	$ (49,540)	$ (34,603)	$ (10,446)	$ (6,630)	$ (3,474)	$ (3,820)	$ (4,949)	$ 48,615
39	813.0	Other gas supply expenses	$ 146,431	$ 128,637	$ 112,400	$ 104,815	$ 122,822	$ 125,721	$ 120,430	$ 130,039	$ 122,106	$ 112,623	$ 120,655	$ 118,385
40		**Other Gas Supply Operation Expenses**	**$ 33,127,435**	**$ 58,549,102**	**$ 39,642,454**	**$ 28,495,833**	**$ 22,295,417**	**$ 9,734,351**	**$ 2,230,071**	**$ 575,838**	**$ (52,408)**	**$ 799,092**	**$ 12,723,595**	**$ 26,894,348**
41		**Total Gas Production Operation Expense**	**$ 33,562,261**	**$ 58,965,171**	**$ 40,132,530**	**$ 28,901,284**	**$ 22,755,516**	**$ 10,030,722**	**$ 2,905,827**	**$ 899,585**	**$ 406,737**	**$ 1,284,627**	**$ 13,173,064**	**$ 27,325,960**
		Nat Gas Storage, Terminaling and Processing Operation Expenses:												
42	814.0	Operation supervision and engineering	$ 3,149	$ 2,205	$ 2,086	$ 2,146	$ 1,871	$ 1,870	$ 1,732	$ 1,994	$ 2,032	$ 1,802	$ 2,304	$ 1,428
43	816.0	Wells expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
44	817.0	Lines expenses	$ 537	$ 600	$ 491	$ 679	$ 748	$ 685	$ 569	$ 639	$ 621	$ 574	$ 642	$ 495
45	818.0	Compressor station expenses	$ 158,777	$ 103,434	$ 122,384	$ 79,504	$ 80,165	$ 115,410	$ 96,198	$ 160,564	$ 104,250	$ 122,555	$ 155,918	$ 202,647
46	819.0	Compressor station fuel and power	$ 49,076	$ 37,344	$ 42,086	$ 41,539	$ 19,095	$ 10,629	$ 1,617	$ 21,228	$ 25,195	$ 25,371	$ 23,298	$ 22,950
47	820.0	Measuring and regulating station expenses	$ 78	$ 147	$ 140	$ 126	$ 154	$ 157	$ 142	$ 129	$ 126	$ 125	$ 110	$ 107
48	823.0	Gas losses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
49	824.0	Other expenses	$ 22	$ 33	$ 22	$ 33	$ 16	$ 43	$ 26	$ 13	$ 31	$ 24	$ 59	$ 34
50	825.0	Storage wells royalties	$ 6,800	$ 6,705	$ 4,552	$ 1,508	$ 67	$ 400	$ 300	$ 1,092	$ 337	$ 175	$ 175	$ 1,475
51	826.0	Rents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
52		**Underground Storage Operation Expense**	**$ 218,439**	**$ 150,468**	**$ 171,761**	**$ 125,536**	**$ 102,115**	**$ 129,195**	**$ 100,584**	**$ 185,659**	**$ 132,591**	**$ 150,626**	**$ 182,506**	**$ 229,137**
53	850.0	Operation supervision and engineering	$ 22,044	$ 15,434	$ 14,603	$ 15,020	$ 13,094	$ 13,093	$ 12,124	$ 13,955	$ 14,226	$ 12,614	$ 16,125	$ 9,997
54	853.0	Compressor station labor and expenses	$ 17,754	$ 16,938	$ 19,488	$ (17,316)	$ 3,180	$ 8,807	$ 10,244	$ 20,964	$ 25,220	$ (484)	$ 25,632	$ 9,264
55	854.0	Gas Transmission Op - Compressor Sta Fuel	$ 124,613	$ 86,250	$ 163,934	$ 132,068	$ 74,342	$ 84,087	$ 95,257	$ 75,165	$ 62,739	$ 56,495	$ 55,249	$ 42,148
56	856.0	Mains expenses	$ 139,572	$ 116,202	$ 228,679	$ 42,890	$ 103,411	$ 134,157	$ 105,723	$ 192,704	$ 110,110	$ 137,266	$ 206,728	$ 277,004
57	857.0	Measuring and regulating station expenses	$ 31,938	$ 33,825	$ 40,767	$ 51,735	$ 44,373	$ 34,054	$ 36,688	$ 35,406	$ 23,177	$ 21,628	$ 16,041	$ 19,033
58	858.0	Transmission and compression of gas by others	$ 13,770,279	$ 13,876,495	$ 13,476,788	$ 13,337,091	$ 5,658,405	$ 5,560,036	$ 5,449,546	$ 5,506,944	$ 5,598,759	$ 5,654,854	$ 5,641,889	$ 13,754,395
59	859.0	Other expenses	$ 1,367	$ 1,643	$ 1,408	$ 1,994	$ 1,997	$ 3,574	$ 2,326	$ 2,326	$ 2,134	$ 3,156	$ 5,281	$ 2,646
60	860.0	Rents	$ 20,501	$ 7,092	$ 729	$ 4,644	$ 4,584	$ 5,280	$ 12,104	$ 17,007	$ 4,655	$ 5,418	$ 2,809	$ 3,521
61		**Gas Transmission Operations Expense**	**$ 14,128,068**	**$ 14,153,880**	**$ 13,946,396**	**$ 13,568,125**	**$ 5,903,385**	**$ 5,843,088**	**$ 5,724,011**	**$ 5,864,471**	**$ 5,841,020**	**$ 5,890,947**	**$ 5,969,754**	**$ 14,118,009**
62	870.0	Operation supervision and engineering	$ (511,691)	$ (498,834)	$ (289,128)	$ (297,722)	$ 80,126	$ (542,859)	$ (471,714)	$ (379,649)	$ 221,545	$ (231,000)	$ (330,054)	$ (489,708)

Line No	Account	Description	DECEMBER 2024	JANUARY 2025	FEBRUARY 2025	MARCH 2025	APRIL 2025	MAY 2025	JUNE 2025	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
63	871.0	Distribution load dispatching	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
64	874.0	Mains and services expenses	$ 1,239,576	$ 1,499,771	$ 1,300,960	$ 1,253,088	$ 1,246,959	$ 1,309,998	$ 1,198,150	$ 1,279,083	$ 1,256,862	$ 1,318,158	$ 1,258,646	$ 1,970,723
65	875.0	Measuring and regulating station expenses—General	$ 489,900	$ 333,895	$ 574,409	$ 289,229	$ 326,908	$ 337,090	$ 300,178	$ 303,514	$ 286,453	$ 265,717	$ 263,865	$ 542,254
66	877.0	Measuring and regulating station expenses—City gate check stations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
67	878.0	Meter and house regulator expenses	$ 752,527	$ 575,967	$ 604,009	$ 598,177	$ 534,171	$ 596,696	$ 547,936	$ 737,195	$ 763,893	$ 654,184	$ 827,806	$ 1,115,975
68	879.0	Customer installations expenses	$ 752,390	$ 806,504	$ 700,687	$ 478,940	$ 432,863	$ 372,313	$ 345,276	$ 359,822	$ 382,232	$ 432,011	$ 493,230	$ 981,364
69	880.0	Other expenses	$ 360,693	$ 330,377	$ 252,174	$ 311,416	$ 287,689	$ 297,860	$ 262,479	$ 261,920	$ 235,758	$ 367,040	$ 313,304	$ (144,346)
70	881.0	Rents	$ 107,914	$ 106,075	$ 15,115	$ 20,258	$ 6,383	$ 9,904	$ 69,320	$ 49,022	$ 12,284	$ 18,012	$ 75,656	$ 51,334
71		**Gas Distribution Operations Expense**	**$ 3,191,308**	**$ 3,153,754**	**$ 3,158,225**	**$ 2,653,385**	**$ 2,915,100**	**$ 2,381,002**	**$ 2,251,624**	**$ 2,610,908**	**$ 3,159,027**	**$ 2,824,123**	**$ 2,902,453**	**$ 4,027,596**
72	901.0	Supervision	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
73	902.0	Meter reading expenses	$ 320,555	$ 141,807	$ 217,149	$ 366,780	$ 200,534	$ 213,948	$ 156,040	$ 185,302	$ 229,688	$ 134,164	$ 233,380	$ 123,374
74	903.0	Customer records and collection expenses	$ 2,172,558	$ 1,813,226	$ 1,404,775	$ 1,272,307	$ 1,918,432	$ 1,884,312	$ 1,776,666	$ 2,034,762	$ 1,713,390	$ 2,097,688	$ 1,946,731	$ 1,796,026
75	904.0	Uncollectible accounts	$ 1,592,004	$ 2,076,385	$ 2,031,196	$ (205,546)	$ 2,232,288	$ 2,069,801	$ 1,608,831	$ 1,031,789	$ 1,360,519	$ 1,476,984	$ 1,787,798	$ 1,276,924
76		**Customer Accounts Expense**	**$ 4,085,118**	**$ 4,031,419**	**$ 3,653,120**	**$ 1,433,541**	**$ 4,351,253**	**$ 4,168,061**	**$ 3,541,537**	**$ 3,251,853**	**$ 3,303,596**	**$ 3,708,835**	**$ 3,967,909**	**$ 3,196,323**
77	907.0	Supervision	$ 66,607	$ (16,960)	$ 3,313	$ 3,774	$ (15,931)	$ (6,594)	$ (10,871)	$ (11,975)	$ (4,976)	$ 24,099	$ (15,593)	$ 296,560
78	908.0	Customer assistance expenses	$ 2,735,863	$ 5,303,752	$ 1,779,646	$ 115,871	$ 50,851	$ 239,337	$ (68,768)	$ 120,710	$ 68,431	$ 257,354	$ 1,938,797	$ 4,782,509
79	909.0	Informational advertising expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
80	910.0	Miscellaneous customer service expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
81		**Customer Service and Informational Expense**	**$ 2,802,469**	**$ 5,286,792**	**$ 1,782,959**	**$ 119,645**	**$ 34,920**	**$ 232,743**	**$ (79,640)**	**$ 108,735**	**$ 63,455**	**$ 281,453**	**$ 1,923,204**	**$ 5,079,069**
82	911.0	Supervision	$ 3,995	$ (2,359)	$ (2,412)	$ 8,867	$ -	$ 885	$ 1,742	$ -	$ -	$ -	$ 1,262	$ -
83	912.0	Demonstrating and selling expenses	$ 175,326	$ 73,001	$ 57,237	$ 81,431	$ 144,127	$ 124,832	$ 47,699	$ 73,471	$ 96,463	$ 106,060	$ 87,241	$ (54,776)
84	913.0	Promotional advertising expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
85	916.0	Miscellaneous sales promotion expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
86		**Sales Expense**	**$ 179,322**	**$ 70,642**	**$ 54,825**	**$ 90,298**	**$ 144,127**	**$ 125,717**	**$ 49,440**	**$ 73,471**	**$ 96,463**	**$ 106,060**	**$ 88,503**	**$ (54,776)**
87	920.0	Administrative and general salaries	$ 1,524,696	$ 1,268,331	$ 1,024,658	$ 921,707	$ 1,126,390	$ 1,148,620	$ 1,093,866	$ 1,221,948	$ 1,127,955	$ 1,127,267	$ 1,184,273	$ 628,708
88	921.0	Office supplies and expenses	$ 1,366,799	$ 1,123,913	$ 925,082	$ 657,419	$ 1,292,690	$ 531,341	$ 758,030	$ 877,163	$ 1,127,945	$ 851,363	$ 992,894	$ 858,549
89	922.0	Administrative expenses transferred—Credit	$ (4,947,923)	$ (4,079,592)	$ (2,567,432)	$ (7,045,456)	$ (4,581,307)	$ (4,698,439)	$ (6,095,911)	$ (4,470,199)	$ (3,479,318)	$ (6,732,794)	$ (6,005,240)	$ (4,740,299)
90	923.0	Outside service employed	$ 4,404,072	$ 2,363,719	$ 2,877,822	$ 2,869,269	$ 2,699,953	$ 3,181,052	$ 2,446,767	$ 3,234,203	$ 2,461,568	$ 2,871,333	$ 2,932,069	$ 2,455,312
91	924.0	Property insurance	$ 98,156	$ 107,139	$ 192,738	$ 133,828	$ 110,305	$ 123,241	$ 123,489	$ 131,408	$ 80,959	$ 113,023	$ 117,447	$ 124,163
92	925.0	Injuries and damages	$ 2,190,761	$ 905,653	$ 1,606,085	$ 1,098,246	$ 1,019,949	$ 1,022,572	$ 1,602,145	$ 1,077,997	$ (535,579)	$ 975,436	$ 1,021,990	$ 1,205,199
93	926.0	Employe pensions and benefits	$ 1,785,543	$ 2,082,692	$ 1,991,104	$ 1,547,836	$ 1,584,571	$ 1,421,539	$ 1,468,547	$ 1,575,046	$ 1,620,334	$ 1,296,988	$ 1,569,510	$ 1,721,648
94	928.0	Regulatory commission expenses	$ 147,500	$ 124,473	$ 124,973	$ 129,723	$ 126,973	$ 124,473	$ 125,473	$ 126,742	$ 129,492	$ 125,992	$ 127,492	$ 134,992
95	930.1	Institutional or goodwill advertising expense	$ 322,653	$ 28,611	$ 95,976	$ 45,680	$ 72,011	$ 150,580	$ 73,139	$ 79,604	$ 113,092	$ 204,099	$ 369,893	$ 319,647
96	930.2	Miscellaneous general expense	$ 70,598	$ 84,593	$ 87,662	$ 72,063	$ 72,679	$ 174,791	$ 64,770	$ 78,127	$ 72,992	$ 75,363	$ 85,363	$ 76,467
97	931.0	Rents	$ 410,060	$ 414,327	$ 413,982	$ 414,766	$ 416,319	$ 416,519	$ 416,519	$ 419,504	$ 428,170	$ 416,519	$ 421,119	$ 411,919
98		**Administrative and General Operations Expense**	**$ 7,372,913**	**$ 4,423,860**	**$ 6,772,650**	**$ 845,081**	**$ 3,940,532**	**$ 3,596,290**	**$ 2,076,834**	**$ 4,351,542**	**$ 3,147,609**	**$ 1,324,588**	**$ 2,816,809**	**$ 3,196,306**
99		**Total Operation Expenses (401)**	**$ 65,539,898**	**$ 90,235,986**	**$ 69,672,465**	**$ 47,736,896**	**$ 40,146,948**	**$ 26,506,818**	**$ 16,570,217**	**$ 17,346,223**	**$ 16,150,499**	**$ 15,571,260**	**$ 31,024,202**	**$ 57,117,624**
		Maintenance Expenses (402)												
		Gas Production Maintenance Expenses												
100	762.0	Maintenance of structures and improvements	$ 2,910	$ 1,004	$ 3,516	$ 868	$ 1,957	$ 3,396	$ 5,194	$ 4,884	$ 4,101	$ 4,748	$ 4,309	$ 6,088
101	763.0	Maintenance of producing gas wells	$ -	$ -	$ 60	$ -	$ 261	$ 263	$ -	$ 111	$ -	$ -	$ -	$ -
102	764.0	Maintenance of field lines	$ 378,570	$ 273,742	$ 283,593	$ 280,483	$ 322,773	$ 402,912	$ 361,935	$ 392,975	$ 352,569	$ 365,898	$ 363,123	$ 232,888
103	765.0	Maintenance of field compressor station equipment	$ 118,537	$ 113,958	$ 172,147	$ 117,158	$ 112,804	$ 153,561	$ 141,312	$ 172,822	$ 115,086	$ 168,609	$ 183,077	$ 219,491
104	766.0	Maintenance of field measuring and regulating station equipment	$ 19,108	$ 14,943	$ 17,387	$ 17,340	$ 17,298	$ 17,444	$ 13,699	$ 15,034	$ 16,194	$ 14,033	$ 16,189	$ (20,821)
105	769.0	Maintenance of other equipment	$ 7,466	$ 2,301	$ 2,677	$ 1,466	$ 3,555	$ 2,680	$ 2,064	$ 1,396	$ 1,922	$ 2,252	$ 3,843	$ 2,341
106		**Natural Gas Production and Gathering Maintenance Expense**	**$ 526,592**	**$ 405,948**	**$ 479,380**	**$ 417,315**	**$ 458,648**	**$ 580,257**	**$ 524,204**	**$ 587,222**	**$ 489,871**	**$ 555,538**	**$ 570,541**	**$ 439,987**
107	787.0	Maintenance of pipe lines	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
108		**Natural Gas Production Maintenance Expense**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
109	831.0	Maintenance of structures and improvements	$ 120	$ 29	$ 49	$ 12	$ 19	$ 62	$ 205	$ 159	$ 29	$ 73	$ 53	$ 87
110	832.0	Maintenance of reservoirs and wells	$ -	$ -	$ 28	$ -	$ 88	$ 88	$ 464	$ -	$ -	$ -	$ -	$ -
111	833.0	Maintenance of lines	$ 3,623	$ 2,330	$ 2,577	$ 3,012	$ 2,848	$ 3,478	$ 4,040	$ 3,936	$ 3,684	$ 3,682	$ 4,188	$ 3,130
112	834.0	Maintenance of compressor station equipment	$ 30,208	$ 22,042	$ 47,314	$ 23,225	$ 45,686	$ 53,225	$ 49,558	$ 66,189	$ 13,940	$ 37,781	$ 40,790	$ 49,247
113	835.0	Maintenance of measuring and regulating station equipment	$ 69	$ 93	$ 73	$ 108	$ 149	$ 97	$ 98	$ 83	$ 30	$ 76	$ 128	$ 71
114	837.0	Maintenance of other equipment	$ 13	$ 34	$ 23	$ 21	$ 13	$ 13	$ 13	$ 5	$ 15	$ 9	$ 10	$ 15
115		**Underground Storage Maintenance Expense**	**$ 34,034**	**$ 24,528**	**$ 50,065**	**$ 26,378**	**$ 48,804**	**$ 56,964**	**$ 54,379**	**$ 70,372**	**$ 17,698**	**$ 41,621**	**$ 45,169**	**$ 52,550**
116	862.0	Maintenance of structures and improvements	$ 2,255	$ 914	$ 2,736	$ 679	$ 1,283	$ 3,156	$ 4,033	$ 4,963	$ 2,277	$ 4,106	$ 3,070	$ 4,857
117	863.0	Maintenance of mains	$ 264,030	$ 185,042	$ 179,310	$ 178,686	$ 172,252	$ 223,391	$ 248,111	$ 237,166	$ 211,003	$ 211,828	$ 245,335	$ 210,852
118	864.0	Maintenance of compressor station equipment	$ 16,968	$ 6,691	$ 13,235	$ 3,950	$ 5,990	$ 17,709	$ 11,434	$ 8,052	$ 14,139	$ 28,895	$ 6,858	$ 10,576
119	865.0	Maintenance of measuring and regulating station equipment	$ 83,223	$ 125,967	$ 125,464	$ 86,539	$ 191,570	$ 175,428	$ 140,445	$ 156,391	$ 155,240	$ 153,222	$ 101,448	$ (223,646)
120	866.0	Maintenance of communication equipment	$ 34,429	$ 12,602	$ 22,670	$ 58,947	$ 28,896	$ 24,183	$ 3,511	$ 17,790	$ 17,214	$ 18,285	$ 24,259	$ (92,621)
121	867.0	Maintenance of other equipment	$ 3,123	$ 518	$ 762	$ 680	$ 878	$ 705	$ 818	$ 539	$ 886	$ 769	$ 1,359	$ 968
122		**Gas Transmission Maintenance Expense**	**$ 404,028**	**$ 331,735**	**$ 344,177**	**$ 329,481**	**$ 400,869**	**$ 444,572**	**$ 408,353**	**$ 424,901**	**$ 400,760**	**$ 417,104**	**$ 382,329**	**$ (89,012)**
123	886.0	Maintenance of structures and improvements	$ 568,109	$ 618,961	$ 509,342	$ 396,361	$ 534,983	$ 481,658	$ 527,035	$ 614,396	$ 443,916	$ 519,646	$ 562,067	$ 605,293
124	887.0	Maintenance of mains	$ 3,745,150	$ 2,753,620	$ 2,529,877	$ 2,396,164	$ 2,803,007	$ 3,542,800	$ 3,417,309	$ 3,569,066	$ 3,046,632	$ 3,127,492	$ 3,505,383	$ 3,948,232
125	888.0	Maintenance of compressor station equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
126	889.0	Maintenance of measuring and regulating station equipment—General	$ 213,457	$ 138,015	$ 166,189	$ 148,587	$ 196,697	$ 142,589	$ 156,233	$ 154,030	$ 101,093	$ 145,189	$ 216,077	$ 315,725
127	890.0	Maintenance of measuring and regulating station equipment—Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
128	891.0	Maintenance of measuring and regulating station equipment—City gate check station	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
129	892.0	Maintenance of services	$ 115,606	$ 260,190	$ 224,282	$ 180,896	$ 109,411	$ 133,889	$ 100,418	$ 167,266	$ 80,501	$ 156,399	$ 133,958	$ 149,214
130	893.0	Maintenance of meters and house regulators	$ 28,368	$ 42,913	$ 52,049	$ 34,878	$ 17,859	$ 19,047	$ 21,769	$ 15,400	$ 10,840	$ 19,133	$ 21,527	$ 17,485
131	894.0	Maintenance of other equipment	$ 140,530	$ 16,485	$ 52,799	$ 34,863	$ 42,279	$ 40,376	$ 31,076	$ 30,923	$ 32,025	$ 36,220	$ 67,546	$ 46,599
132		**Gas Distribution Maintenance Expense**	**$ 4,811,220**	**$ 3,830,183**	**$ 3,534,539**	**$ 3,191,749**	**$ 3,704,235**	**$ 4,360,358**	**$ 4,253,841**	**$ 4,551,082**	**$ 3,715,007**	**$ 4,004,079**	**$ 4,506,559**	**$ 5,082,548**

Line No	Account	Description	DECEMBER 2024	JANUARY 2025	FEBRUARY 2025	MARCH 2025	APRIL 2025	MAY 2025	JUNE 2025	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
133	932.0	Maintenance of general plant	$ 12,978	$ 53,443	$ 12,783	$ 37,194	$ 23,816	$ 20,106	$ 8,534	$ 3,002	$ 25,810	$ (12,197)	$ 14,568	$ (44,699)
134		**Administrative and General Maintenance Expense**	**$ 12,978**	**$ 53,443**	**$ 12,783**	**$ 37,194**	**$ 23,816**	**$ 20,106**	**$ 8,534**	**$ 3,002**	**$ 25,810**	**$ (12,197)**	**$ 14,568**	**$ (44,699)**
135		**Total Maintenance Expenses (402)**	**$ 5,788,851**	**$ 4,645,837**	**$ 4,420,943**	**$ 4,002,117**	**$ 4,636,373**	**$ 5,462,257**	**$ 5,249,310**	**$ 5,636,579**	**$ 4,649,146**	**$ 5,006,145**	**$ 5,519,166**	**$ 5,441,374**
136	403.0	Depreciation expense	$ 11,395,717	$ 11,708,723	$ 11,698,051	$ 11,700,856	$ 11,771,528	$ 11,761,644	$ 11,500,797	$ 13,988,799	$ 11,968,765	$ 11,964,636	$ 12,246,499	$ 12,211,704
137		**Depreciation Expense (403)**	**$ 11,395,717**	**$ 11,708,723**	**$ 11,698,051**	**$ 11,700,856**	**$ 11,771,528**	**$ 11,761,644**	**$ 11,500,797**	**$ 13,988,799**	**$ 11,968,765**	**$ 11,964,636**	**$ 12,246,499**	**$ 12,211,704**
138	403.1	Depreciation Expense - Asset Retirement Obligation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
139		**Depreciation Expense for Asset Retirement Obligation Costs (403.1)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
140	404.0	Amortization expense - Utility plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
141	404.2	Amortization of underground storage land and land rights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
142		**Amortortization and Depletion of Utility Plant (404-405)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
143	407.3	Amortization Expense - Regulatory Debits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
144		**Regulatory Debits (407.3)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
145	408.1	Taxes other than income taxes, utility operating income	$ 1,324,017	$ 1,402,228	$ 1,039,695	$ 959,575	$ 901,033	$ 1,004,769	$ (1,803,097)	$ 998,511	$ 1,020,230	$ 932,944	$ 1,053,685	$ 1,057,759
146		**Taxes Other Than Income Taxes (408.1)**	**$ 1,324,017**	**$ 1,402,228**	**$ 1,039,695**	**$ 959,575**	**$ 901,033**	**$ 1,004,769**	**$ (1,803,097)**	**$ 998,511**	**$ 1,020,230**	**$ 932,944**	**$ 1,053,685**	**$ 1,057,759**
147	409.1	Income taxes, utility operating income	$ (3,115,579)	$ -	$ -	$ 8,410,996	$ -	$ -	$ 1,577,229	$ -	$ -	$ 481,051	$ -	$ (1,017,596)
148	410.1	Provision for deferred income taxes, utility operating income	$ 159,029,548	$ -	$ -	$ (28,563,633)	$ -	$ -	$ (7,477,777)	$ -	$ -	$ 1,403,133	$ -	$ 170,174
149	411.1	Provision for deferred income taxes--Credit, utility operating income	$ (196,046,349)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
150	411.4	Investment tax credit adjustments, utility operations	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
151		**Total Operating Expenses**	**$ 43,916,104**	**$ 107,992,774**	**$ 86,831,154**	**$ 44,246,807**	**$ 57,455,882**	**$ 44,735,488**	**$ 25,616,680**	**$ 37,970,113**	**$ 33,788,640**	**$ 35,359,170**	**$ 49,843,553**	**$ 74,981,039**
152		**NET UTILITY OPERATING INCOME**	**$ 90,014,319**	**$ 78,267,214**	**$ 54,617,237**	**$ 70,728,840**	**$ 21,250,684**	**$ 7,411,871**	**$ 8,418,002**	**$ (6,039,687)**	**$ (2,433,010)**	**$ (1,975,089)**	**$ 13,354,102**	**$ 33,880,838**
		OTHER INCOME & DEDUCTIONS												
		Other Income:												
153	415.0	Revenues from merchandising, jobbing and contract work	$ 654,507	$ 818,125	$ 765,554	$ 713,878	$ 818,635	$ 752,531	$ 808,213	$ 778,879	$ 821,663	$ 767,642	$ 806,954	$ 841,981
154	416.0	Costs and expenses of merchandising, jobbing and contract work	$ (207,130)	$ (179,440)	$ (206,632)	$ (197,599)	$ (169,993)	$ (127,357)	$ (193,158)	$ (226,483)	$ (102,824)	$ (227,574)	$ (153,449)	$ (162,827)
155	417.0	Nonutility Operations - Revenue	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610	$ 239,610
156	417.1	Nonutility Operations - Expenses	$ 66,121	$ (228,863)	$ (220,483)	$ 122,541	$ (220,483)	$ (220,483)	$ 131,410	$ (220,483)	$ (220,483)	$ 140,148	$ (241,510)	$ (280,345)
157	419.0	Interest and divident income	$ (162,349)	$ 669,706	$ 516,294	$ (1,139,365)	$ (432,941)	$ (29,087)	$ 426,847	$ 323,410	$ 375,107	$ 252,043	$ 9,242	$ 2,318
158	419.1	Allowance for other funds used during construction	$ 185,762	$ 172,174	$ 255,402	$ 343,001	$ 352,696	$ 322,043	$ 383,252	$ 413,596	$ 403,367	$ 368,992	$ 350,789	$ 307,530
159	421.0	Miscellaneous nonoperating income	$ 18,048	$ 13,741	$ 13,741	$ 13,741	$ 13,741	$ 13,618	$ 13,903	$ 13,741	$ 13,741	$ 13,741	$ 13,741	$ 14,829
160	421.1	Gain on Disposition of Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
161		**Total Other Income**	**$ 794,570**	**$ 1,505,054**	**$ 1,363,486**	**$ 95,806**	**$ 601,266**	**$ 950,875**	**$ 1,810,077**	**$ 1,322,269**	**$ 1,530,181**	**$ 1,554,603**	**$ 1,025,376**	**$ 963,096**
		Other Income Deductions:												
162	421.2	Loss on Disposition of Property	$ -	$ -	$ -	$ -	$ (12,792)	$ 12,792	$ -	$ -	$ -	$ -	$ -	$ -
163	426.1	Donations	$ (15,000)	$ 13,643	$ (508)	$ -	$ (150)	$ (100)	$ -	$ (4,560)	$ (1,000)	$ (1,000)	$ (5,000)	$ -
164	426.3	Penalties	$ -	$ (1,000)	$ -	$ -	$ 2,000	$ -	$ -	$ -	$ (7,750)	$ -	$ -	$ -
165	426.4	Expenditures for certain civic, political and related activities	$ (52,985)	$ (80,756)	$ (17,911)	$ (39,443)	$ (6,985)	$ (2,387)	$ (24,485)	$ 49,015	$ (1,985)	$ (16,985)	$ (24,485)	$ (6,985)
166	426.5	Other deductions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
167		**Total Other Income Deductions**	**$ (67,985)**	**$ (68,114)**	**$ (18,419)**	**$ (39,443)**	**$ (17,927)**	**$ 10,304**	**$ (24,485)**	**$ 44,455**	**$ (10,735)**	**$ (17,985)**	**$ (29,485)**	**$ (6,985)**
		Taxes Applicable to Other Income and Deductions												
168	408.2	Taxes other than income taxes, other income and deductions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
169	409.2	Income taxes, other income and deductions	$ (905,136)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
170	410.2	Provision for deferred income taxes, other income and deductions	$ 63,178	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
171	411.2	Provision for deferred income taxes--Credit, other income and deductions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
172		**Total Taxes Applicable to Other Income/Deductions**	**$ (841,957)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
173		**NET OTHER INCOME AND DEDUCTIONS**	**$ (115,373)**	**$ 1,436,940**	**$ 1,345,067**	**$ 56,363**	**$ 583,339**	**$ 961,180**	**$ 1,785,592**	**$ 1,366,724**	**$ 1,519,445**	**$ 1,536,617**	**$ 995,891**	**$ 956,111**
		INTEREST CHARGES												
174	427.0	Interest on long-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
175	428.0	Amortization of Debt Discount and Expense	$ (81,139)	$ (102,645)	$ (103,387)	$ (103,387)	$ (103,387)	$ (103,440)	$ (103,440)	$ (103,440)	$ (103,440)	$ (103,440)	$ (103,440)	$ (103,440)
176	430.0	Interest on debt to associated companies	$ (5,362,702)	$ (5,584,733)	$ (5,445,456)	$ (5,420,623)	$ (5,279,925)	$ (5,255,670)	$ (5,411,147)	$ (5,566,942)	$ (5,746,559)	$ (5,931,951)	$ (6,156,965)	$ (6,263,135)
177	431.0	Other interest expense	$ (21,492)	$ 60,568	$ 1,544	$ (42,149)	$ (424)	$ (1,147)	$ (27,131)	$ 972	$ 461	$ (28,514)	$ (301,910)	$ 301,858
178	432.0	Allowance for borrowed funds used during construction--Credit	$ 137,994	$ 95,465	$ 106,119	$ 127,762	$ 119,167	$ 103,063	$ 131,745	$ 139,904	$ 176,009	$ 151,814	$ 147,566	$ 131,520
179		**NET INTEREST CHARGES**	**$ (5,327,338)**	**$ (5,531,346)**	**$ (5,441,180)**	**$ (5,438,397)**	**$ (5,264,569)**	**$ (5,257,193)**	**$ (5,409,973)**	**$ (5,529,505)**	**$ (5,673,528)**	**$ (5,912,091)**	**$ (6,414,749)**	**$ (5,933,197)**
180		**TOTAL INCOME BEFORE EXTRAORDINARY INCOME**	**$ 84,571,608**	**$ 74,172,808**	**$ 50,521,124**	**$ 65,346,806**	**$ 16,569,454**	**$ 3,115,857**	**$ 4,793,621**	**$ (10,202,468)**	**$ (6,587,093)**	**$ (6,350,562)**	**$ 7,935,243**	**$ 28,903,752**
		EXTRAORDINARY ITEMS												
181	434.0	Extraordinary Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
182	435.0	Extraordinary deductions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
183	409.3	Income taxes, extraordinary items. Net Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
184		**EXTRAORDINARY ITEMS AFTER TAXES**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
185		**NET INCOME (LOSS)**	**$ 84,571,608**	**$ 74,172,808**	**$ 50,521,124**	**$ 65,346,806**	**$ 16,569,454**	**$ 3,115,857**	**$ 4,793,621**	**$ (10,202,468)**	**$ (6,587,093)**	**$ (6,350,562)**	**$ 7,935,243**	**$ 28,903,752**

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-2. Please provide the actual number of customers by rate schedule as of December 31 for the last five years.

* *

Refer to pages 2 – 3 of this response.

Peoples Natural Gas Company LLC
Customers by Rate Schedule at December 31st
For the Five Year Period (2021-2025)

Line No.	Description	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
		(1)	(2)	(3)	(4)	(5)
1	Residential Sales	515,559	531,365	540,064	544,295	543,737
2	Residential Sales (CAP)	37,457	32,656	28,771	30,735	33,636
3	**Rate Schedule Commercial Sales SGS**					
4	0 - 499 Mcf/Year	33,116	35,310	35,264	35,749	35,792
5	500 - 999 Mcf/Year	2,807	3,437	3,092	2,908	2,958
6	Total Rate Schedule Commercial Sales SGS	35,923	38,747	38,356	38,657	38,750
7	**Rate Schedule Commercial Sales MGS**					
8	1000 - 2499 Mcf/Year	1,323	1,603	1,440	1,329	1,376
9	2500 - 24999 Mcf/Year	346	407	378	336	353
10	Total Rate Schedule Commercial Sales MGS	1,669	2,010	1,818	1,665	1,729
11	**Rate Schedule Commercial Sales LGS**					
12	25000 - 49999 Mcf/Year	4	7	9	9	9
13	50000 - 99999 Mcf/Year	4	-	4	-	1
14	100000 - 199999 Mcf/Year	-	1	-	-	-
15	200000 - 749999 Mcf/Year				-	-
16	750000 - 1999999 Mcf/Year				-	-
17	> 2000000 Mcf/Year	-	-	-	1	-
18	Total Rate Schedule Commercial Sales LGS	8	8	13	10	10
19	**Rate Schedule Industrial Sales SGS**					
20	Less than 499 Mcf/Year	28	45	34	34	33
21	500 - 999 Mcf/Year	16	18	16	18	20
22	Total Rate Schedule Industrial Sales SGS	44	63	50	52	53
23	**Rate Schedule Industrial Sales MGS**					
24	1000 - 2499 Mcf/Year	15	15	16	22	23
25	2500 - 24999 Mcf/Year	28	21	19	23	26
26	Total Rate Schedule Industrial Sales MGS	43	36	35	45	49
27	**Rate Schedule Industrial Sales LGS**					
28	25000 - 49999 Mcf/Year	2	2	3	2	2
29	50000 - 99999 Mcf/Year	2	1	2	-	-
30	100000 - 199999 Mcf/Year	1	-	-	-	-
30	200000 - 749999 Mcf/Year	1	-	-	1	-
31	750000 - 1999999 Mcf/Year	-	-	-	-	-
32	> 2000000 Mcf/Year	-	-	-	-	-
33	Total Rate Schedule Industrial Sales SGS	6	3	5	3	2
34	**Sales Summary by Customer Class**					
35	Total Residential Sales	553,016	564,021	568,835	575,030	577,373
36	Total SGS Sales	35,967	38,810	38,406	38,709	38,803
37	Total MGS Sales	1,712	2,046	1,853	1,710	1,778
38	Total LGS Sales	14	11	18	13	12
39	Total Sales	590,709	604,888	609,112	615,462	617,966

Peoples Natural Gas Company LLC
Customers by Rate Schedule at December 31st
For the Five Year Period (2021-2025)

Line No.	Description	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
		(1)	(2)	(3)	(4)	(5)
1	Residential Transport	92,427	84,341	80,286	75,554	74,912
2	**Rate Schedule Commercial Transport SGS**					
3	Less than 499 Mcf/Year	10,417	7,792	8,245	8,301	8,168
4	500 - 999 Mcf/Year	2,496	2,097	2,115	2,011	1,986
5	Total Rate Schedule Commercial Transport SGS	12,913	9,889	10,360	10,312	10,154
6	**Rate Schedule Commercial Transport MGS**					
7	1000 - 2499 Mcf/Year	1,989	1,823	1,882	1,797	1,743
8	2500 - 24999 Mcf/Year	1,481	1,530	1,479	1,360	1,345
9	Total Rate Schedule Commercial Transport MGS	3,470	3,353	3,361	3,157	3,088
10	**Rate Schedule Commercial Transport LGS**					
11	25000 - 49999 Mcf/Year	57	62	55	55	58
12	50000 - 99999 Mcf/Year	32	30	30	32	32
13	100000 - 199999 Mcf/Year	13	12	14	13	13
14	200000 - 749999 Mcf/Year	4	4	4	4	4
15	750000 - 1999999 Mcf/Year	-	-	-	-	-
16	> 2000000 Mcf/Year	-	-	-	-	-
17	Total Rate Schedule Commercial Transport LGS	106	108	103	104	107
18	**Rate Schedule Industrial Transport SGS**					
19	Less than 499 Mcf/Year	29	32	35	40	37
20	500 - 999 Mcf/Year	16	15	15	12	11
21	Total Rate Schedule Industrial Transport SGS	45	47	50	52	48
22	**Rate Schedule Industrial Transport MGS**					
23	1000 - 2499 Mcf/Year	32	23	29	28	28
24	2500 - 24999 Mcf/Year	106	109	111	108	105
25	Total Rate Schedule Industrial Transport MGS	138	132	140	136	133
26	**Rate Schedule Industrial Transport LGS**					
27	25000 - 49999 Mcf/Year	30	32	33	31	31
28	50000 - 99999 Mcf/Year	33	37	34	36	32
29	100000 - 199999 Mcf/Year	32	25	28	25	24
30	200000 - 749999 Mcf/Year	49	40	40	45	44
31	750000 - 1999999 Mcf/Year	4	3	3	-	5
32	> 2000000 Mcf/Year	2	2	2	2	2
33	Total Rate Schedule Industrial Sales SGS	150	139	140	139	138
34	**Sales Summary by Customer Class**					
35	Total Residential Sales	92,427	84,341	80,286	75,554	74,912
36	Total SGS Sales	12,958	9,936	10,410	10,364	10,202
37	Total MGS Sales	3,608	3,485	3,501	3,293	3,221
38	Total LGS Sales	256	247	243	243	245
39	Total Sales	109,249	98,009	94,440	89,454	88,580
40	Total Company	699,958	702,897	703,552	704,916	706,546

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-3. Please provide the average number of customers by rate schedule for the last five years.

* *

Refer to pages 2 -3 of this response.

Peoples Natural Gas Company LLC
Average Number of Customers by Rate Schedule
For the Five Year Period (2021-2025)

Line No.	Description	Twelve Mth Ave-21	Twelve Mth Ave-22	Twelve Mth Ave-23	Twelve Mth Ave-24	Twelve Mth Ave-25
		(1)	(2)	(3)	(4)	(5)
1	Residential Sales	514,093	522,679	532,721	540,583	543,175
2	Residential Sales (CAP)	37,471	34,432	31,536	29,689	31,739
3	**Rate Schedule Commercial Sales SGS**					
4	Less than 499 Mcf/Year	32,889	33,952	35,017	35,179	35,644
5	500 - 999 Mcf/Year	2,792	3,053	3,305	3,041	2,930
6	Total Rate Schedule Commercial Sales SGS	35,681	37,005	38,322	38,220	38,574
7	**Rate Schedule Commercial Sales MGS**					
8	1000 - 2499 Mcf/Year	1,297	1,449	1,511	1,397	1,356
9	2500 - 24999 Mcf/Year	362	374	403	360	339
10	Total Rate Schedule Commercial Sales MGS	1,659	1,823	1,914	1,757	1,695
11	**Rate Schedule Commercial Sales LGS**					
12	25000 - 49999 Mcf/Year	10	5	7	7	9
13	50000 - 99999 Mcf/Year	4	3	-	1	-
14	100000 - 199999 Mcf/Year	-	-	-	-	-
15	200000 - 749999 Mcf/Year	-	-	-	-	-
16	750000 - 1999999 Mcf/Year	-	-	-	-	-
17	> 2000000 Mcf/Year	-	-	-	-	-
18	Total Rate Schedule Commercial Sales LGS	14	8	7	8	9
19	**Rate Schedule Industrial Sales SGS**					
20	Less than 499 Mcf/Year	29	34	39	34	34
21	500 - 999 Mcf/Year	14	20	18	18	19
22	Total Rate Schedule Industrial Sales SGS	43	54	57	52	53
23	**Rate Schedule Industrial Sales MGS**					
24	1000 - 2499 Mcf/Year	16	15	14	18	22
25	2500 - 24999 Mcf/Year	27	28	20	21	24
26	Total Rate Schedule Industrial Sales MGS	43	43	34	39	46
27	**Rate Schedule Industrial Sales LGS**					
28	25000 - 49999 Mcf/Year	1	3	3	3	2
29	50000 - 99999 Mcf/Year	2	2	1	-	-
30	100000 - 199999 Mcf/Year	1	1	-	-	-
30	200000 - 749999 Mcf/Year	1	1	-	-	-
31	750000 - 1999999 Mcf/Year	-	-	-	-	1
32	> 2000000 Mcf/Year	-	-	-	-	-
33	Total Rate Schedule Industrial Sales SGS	5	7	4	3	3
34	**Sales Summary by Customer Class**					
35	Total Residential Sales	551,564	557,111	564,257	570,272	574,914
36	Total SGS Sales	35,724	37,059	38,379	38,272	38,627
37	Total MGS Sales	1,702	1,866	1,948	1,796	1,741
38	Total LGS Sales	19	15	11	11	12
39	Total Sales	589,009	596,051	604,595	610,351	615,294

Peoples Natural Gas Company LLC
Average Number of Customers by Rate Schedule
For the Five Year Period (2021-2025)

Line No.	Description	Twelve Mth Ave-21	Twelve Mth Ave-22	Twelve Mth Ave-23	Twelve Mth Ave-24	Twelve Mth Ave-25
		(1)	(2)	(3)	(4)	(5)
1	Residential Transport	91,701	88,149	81,798	77,486	74,495
2	**Rate Schedule Commercial Transport SGS**					
3	Less than 499 Mcf/Year	10,409	9,202	7,917	8,197	8,138
4	500 - 999 Mcf/Year	2,490	2,301	2,142	2,091	1,985
5	Total Rate Schedule Commercial Transport SGS	12,899	11,503	10,059	10,288	10,123
6	**Rate Schedule Commercial Transport MGS**					
7	1000 - 2499 Mcf/Year	2,046	1,896	1,885	1,862	1,763
8	2500 - 24999 Mcf/Year	1,449	1,477	1,531	1,455	1,351
9	Total Rate Schedule Commercial Transport MGS	3,495	3,373	3,416	3,317	3,114
10	**Rate Schedule Commercial Transport LGS**					
11	25000 - 49999 Mcf/Year	54	59	62	56	56
12	50000 - 99999 Mcf/Year	32	31	31	32	32
13	100000 - 199999 Mcf/Year	12	13	13	14	13
14	200000 - 749999 Mcf/Year	5	4	4	4	4
15	750000 - 1999999 Mcf/Year	-	-	-	-	-
16	> 2000000 Mcf/Year	1	-	-	-	-
17	Total Rate Schedule Commercial Transport LGS	104	107	110	106	105
18	**Rate Schedule Industrial Transport SGS**					
19	Less than 499 Mcf/Year	31	28	33	37	39
20	500 - 999 Mcf/Year	16	14	16	14	12
21	Total Rate Schedule Industrial Transport SGS	47	42	49	51	51
22	**Rate Schedule Industrial Transport MGS**					
23	1000 - 2499 Mcf/Year	33	28	25	28	28
24	2500 - 24999 Mcf/Year	104	108	110	109	106
25	Total Rate Schedule Industrial Transport MGS	137	136	135	137	134
26	**Rate Schedule Industrial Transport LGS**					
27	25000 - 49999 Mcf/Year	32	29	33	33	31
28	50000 - 99999 Mcf/Year	34	34	37	35	31
29	100000 - 199999 Mcf/Year	34	30	25	27	24
30	200000 - 749999 Mcf/Year	46	45	40	41	45
31	750000 - 1999999 Mcf/Year	2	4	3	2	5
32	> 2000000 Mcf/Year	3	2	2	2	2
33	Total Rate Schedule Industrial Sales SGS	151	144	140	140	138
34	**Sales Summary by Customer Class**					
35	Total Residential Sales	91,701	88,149	81,798	77,486	74,495
36	Total SGS Sales	12,946	11,545	10,108	10,339	10,174
37	Total MGS Sales	3,632	3,509	3,551	3,454	3,248
38	Total LGS Sales	255	251	250	246	243
39	Total Sales	108,534	103,454	95,707	91,525	88,160
40	Total Company	697,543	699,505	700,302	701,876	703,454

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR 4. Please provide the actual number of customers by rate schedule at the end of each month from the commencement of the historic test year through the most recent month available and update as additional data becomes available.

* *

Refer to pages 2-3 of this response for twelve months ended November 30, 2025.

Peoples Natural Gas Company LLC
Customers by Rate Schedule by Month
For the Period Ending November 30, 2025

Line No.	Description	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Residential Sales	544,295	544,912	545,111	544,576	543,391	541,288	538,871	536,431	535,900	536,260	538,340	539,905	6,489,280
2	Residential Sales (CAP)	30,735	31,352	32,131	32,833	33,230	33,774	34,725	35,532	35,638	35,518	35,793	36,086	407,347
3	**Rate Schedule Commercial Sales SGS**													
4	Less than 499 Mcf/Year	35,749	35,958	36,021	35,990	35,915	35,599	35,501	35,353	35,319	35,261	35,411	35,605	427,682
5	500 - 999 Mcf/Year	2,908	2,919	2,925	2,945	2,941	2,927	2,927	2,914	2,913	2,906	2,940	2,947	35,112
6	Total Rate Schedule Commercial Sales SGS	38,657	38,877	38,946	38,935	38,856	38,526	38,428	38,267	38,232	38,167	38,351	38,552	462,794
7	**Rate Schedule Commercial Sales MGS**													
8	1000 - 2499 Mcf/Year	1,329	1,345	1,350	1,357	1,352	1,346	1,354	1,364	1,355	1,350	1,361	1,365	16,228
9	2500 - 24999 Mcf/Year	336	339	345	350	346	337	332	332	333	329	337	338	4,054
10	Total Rate Schedule Commercial Sales MGS	1,665	1,684	1,695	1,707	1,698	1,683	1,686	1,696	1,688	1,679	1,698	1,703	20,282
11	**Rate Schedule Commercial Sales LGS**													
12	25000 - 49999 Mcf/Year	9	9	9	9	9	9	9	7	7	9	9	8	103
13	50000 - 99999 Mcf/Year										1	1	1	3
14	100000 - 199999 Mcf/Year													-
15	200000 - 749999 Mcf/Year													-
16	750000 - 1999999 Mcf/Year													-
17	> 2000000 Mcf/Year													-
18	Total Rate Schedule Commercial Sales LGS	9	9	9	9	9	9	9	7	7	10	10	9	106
19	**Rate Schedule Industrial Sales SGS**													
20	Less than 499 Mcf/Year	34	34	33	33	34	34	34	34	34	33	33	33	403
21	500 - 999 Mcf/Year	18	19	19	19	19	19	19	19	19	19	20	20	229
22	Total Rate Schedule Industrial Sales SGS	52	53	52	52	53	53	53	53	53	52	53	53	632
23	**Rate Schedule Industrial Sales MGS**													
24	1000 - 2499 Mcf/Year	22	22	23	23	22	22	22	22	21	22	22	22	265
25	2500 - 24999 Mcf/Year	23	24	25	26	24	24	24	24	23	23	23	23	286
26	Total Rate Schedule Industrial Sales MGS	45	46	48	49	46	46	46	46	44	45	45	45	551
27	**Rate Schedule Industrial Sales LGS**													
28	25000 - 49999 Mcf/Year	2	2	2	2	2	2	2	2	3	3	3	3	28
29	50000 - 99999 Mcf/Year					1						1	1	3
30	100000 - 199999 Mcf/Year													-
30	200000 - 749999 Mcf/Year	1	1	1	1									4
31	750000 - 1999999 Mcf/Year		1	1	1	1	1	1	1	1				8
32	> 2000000 Mcf/Year													-
33	Total Rate Schedule Industrial Sales SGS	3	4	4	4	4	3	3	3	4	3	4	4	43
34	**Sales Summary by Customer Class**													
35	Total Residential Sales	575,030	576,264	577,242	577,409	576,621	575,062	573,596	571,963	571,538	571,778	574,133	575,991	6,896,627
36	Total SGS Sales	38,709	38,930	38,998	38,987	38,909	38,579	38,481	38,320	38,285	38,219	38,404	38,605	463,426
37	Total MGS Sales	1,710	1,730	1,743	1,756	1,744	1,729	1,732	1,742	1,732	1,724	1,743	1,748	20,833
38	Total LGS Sales	12	13	13	13	13	12	12	10	11	13	14	13	149
39	Total Sales	615,461	616,937	617,996	618,165	617,287	615,382	613,821	612,035	611,566	611,734	614,294	616,357	7,381,035

Peoples Natural Gas Company LLC
Customers by Rate Schedule by Month
For the Period Ending November 30, 2025

Line No.	Description	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Residential Transport	75,554	75,296	74,745	74,323	74,209	74,137	74,163	74,315	74,245	74,339	74,571	74,685	894,582
2	**Rate Schedule Commercial Transport SGS**													
3	Less than 499 Mcf/Year	8,301	8,205	8,143	8,059	8,011	8,181	8,147	8,142	8,127	8,134	8,162	8,176	97,788
4	500 - 999 Mcf/Year	2,011	1,995	1,993	1,979	1,975	1,988	1,987	1,989	1,985	1,994	1,976	1,977	23,849
5	Total Rate Schedule Commercial Transport SGS	10,312	10,200	10,136	10,038	9,986	10,169	10,134	10,131	10,112	10,128	10,138	10,153	121,637
6	**Rate Schedule Commercial Transport MGS**													
7	1000 - 2499 Mcf/Year	1,797	1,783	1,780	1,770	1,769	1,775	1,764	1,759	1,758	1,758	1,751	1,750	21,214
8	2500 - 24999 Mcf/Year	1,360	1,352	1,348	1,342	1,344	1,351	1,356	1,357	1,353	1,357	1,355	1,355	16,230
9	Total Rate Schedule Commercial Transport MGS	3,157	3,135	3,128	3,112	3,113	3,126	3,120	3,116	3,111	3,115	3,106	3,105	37,444
10	**Rate Schedule Commercial Transport LGS**													
11	25000 - 49999 Mcf/Year	55	55	55	55	55	54	55	57	57	57	57	58	670
12	50000 - 99999 Mcf/Year	32	32	32	32	32	32	32	32	32	32	32	32	384
13	100000 - 199999 Mcf/Year	13	13	13	13	13	13	13	13	13	13	13	13	156
14	200000 - 749999 Mcf/Year	4	4	4	4	4	4	4	4	4	4	4	4	48
15	750000 - 1999999 Mcf/Year													-
16	> 2000000 Mcf/Year													-
17	Total Rate Schedule Commercial Transport LGS	104	104	104	104	104	103	104	106	106	106	106	107	1,258
18	**Rate Schedule Industrial Transport SGS**													
19	Less than 499 Mcf/Year	40	40	40	39	39	39	39	39	38	38	37	37	465
20	500 - 999 Mcf/Year	12	12	12	12	12	12	12	12	12	12	11	11	142
21	Total Rate Schedule Industrial Transport SGS	52	52	52	51	51	51	51	51	50	50	48	48	607
22	**Rate Schedule Industrial Transport MGS**													
23	1000 - 2499 Mcf/Year	28	28	27	27	28	28	28	28	29	28	28	28	335
24	2500 - 24999 Mcf/Year	108	107	106	105	106	106	106	106	107	107	107	107	1,278
25	Total Rate Schedule Industrial Transport MGS	136	135	133	132	134	134	134	134	136	135	135	135	1,613
26	**Rate Schedule Industrial Transport LGS**													
27	25000 - 49999 Mcf/Year	31	31	32	32	32	32	32	32	31	31	30	30	376
28	50000 - 99999 Mcf/Year	31	31	31	31	30	31	31	31	31	31	31	31	371
29	100000 - 199999 Mcf/Year	25	25	24	24	24	24	24	24	24	24	24	24	290
30	200000 - 749999 Mcf/Year	45	45	45	45	46	46	46	46	44	44	44	44	540
31	750000 - 1999999 Mcf/Year	5	5	5	5	5	5	5	5	5	5	5	5	60
32	> 2000000 Mcf/Year	3	2	2	2	2	3	2	2	2	2	2	2	26
33	Total Rate Schedule Industrial Transport SGS	140	139	139	139	139	141	140	140	137	137	136	136	1,663
34	**Transport Summary by Customer Class**													
35	Total Residential Transport	75,554	75,296	74,745	74,323	74,209	74,137	74,163	74,315	74,245	74,339	74,571	74,685	894,582
36	Total SGS Transport	10,364	10,252	10,188	10,089	10,037	10,220	10,185	10,182	10,162	10,178	10,186	10,201	122,244
37	Total MGS Transport	3,293	3,270	3,261	3,244	3,247	3,260	3,254	3,250	3,247	3,250	3,241	3,240	39,057
38	Total LGS Transport	244	243	243	243	243	244	244	246	243	243	242	243	2,921
39	Total Transport	89,455	89,061	88,437	87,899	87,736	87,861	87,846	87,993	87,897	88,010	88,240	88,369	1,058,804
40	Company Total	704,916	705,998	706,433	706,064	705,023	703,243	701,667	700,028	699,463	699,744	702,534	704,726	8,439,839

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-5. If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by rate schedule as of December 31 for the last three years. Where applicable, separately identify sales and transportation throughput.

* *

Please refer to pages 2-3 of this response.

Peoples Natural Gas Company LLC
Actual and Normalized Throughput
For the Three Year Period (Dec 2022- Nov 2025)
Reflects Twelve Months Ended November 30

Line No.	Description	Actual Throughput (MCF) 2023	2024	2025	Normalized Throughput (MCF) 2023	2024	2025
		(1)	(2)	(3)	(1)	(2)	(3)
1	Residential Sales	41,681,147	38,432,889	45,447,606	43,263,207	46,831,286	45,934,327
2	Residential Sales (CAP)	3,395,371	2,803,142	3,560,018	3,528,061	3,488,130	3,621,192
3	**Rate Schedule Commercial Sales**						
4	Commercial Sales SGS	6,902,320	6,363,992	7,780,740	7,203,653	7,765,785	7,843,489
5	Commercial Sales MGS	3,798,996	3,211,107	3,618,956	3,922,362	3,837,206	3,694,732
6	Commercial Sales LGS	189,314	249,539	314,695	189,314	249,539	314,695
7	Total Rate Schedule Commercial Sales	10,890,630	9,824,637	11,714,391	11,315,329	11,852,530	11,852,917
8	**Rate Schedule Industrial Sales**						
9	Industrial Sales SGS	43,660	27,045	32,361	43,660	27,045	32,361
10	Industrial Sales MGS	133,631	120,744	181,655	133,631	120,744	181,655
11	Industrial Sales LGS	60,973	9,697	17,891	60,973	9,697	17,891
12	Total Rate Schedule Industrial Sales	238,264	157,487	231,906	238,264	157,487	231,906
13	**Sales Summary by Customer Class**						
14	Total Residential Sales	45,076,518	41,236,031	49,007,623	46,791,268	50,319,416	49,555,519
15	Total Commercial Sales	10,890,630	9,824,637	11,714,391	11,315,329	11,852,530	11,852,917
16	Total Industrial Sales	238,264	157,487	231,906	238,264	157,487	231,906
17	Total Sales	56,205,411	51,218,155	60,953,920	58,344,861	62,329,432	61,640,342

Peoples Natural Gas Company LLC
Actual and Normalized Throughput
For the Three Year Period (Dec 2022- Nov 2025)
Reflects Twelve Months Ended November 30

Line No.	Description	Actual Throughput (Mcf) 2023	2024	2025	Normalized Throughput (Mcf) 2023	2024	2025
		(1)	(2)	(3)	(1)	(2)	(3)
1	Residential Transport	6,796,572	5,871,674	6,511,308	7,056,238	7,160,016	6,579,984
2	**Rate Schedule Commercial Transport**						
3	Commercial Transport SGS	2,959,943	2,787,962	3,354,894	3,081,349	3,461,226	3,379,204
4	Commercial Transport MGS	11,674,699	11,090,738	12,228,165	12,055,970	13,409,507	12,411,259
5	Commercial Transport LGS	7,500,113	7,463,207	7,701,467	7,500,113	7,463,207	7,701,467
6	Total Rate Schedule Commercial Transport	22,134,755	21,341,907	23,284,526	22,637,432	24,333,940	23,491,930
7	**Rate Schedule Industrial Transport**						
8	Industrial Transport SGS	34,706	35,096	20,451	34,706	35,096	20,451
9	Industrial Transport MGS	1,270,789	1,095,662	1,310,099	1,270,789	1,095,662	1,310,099
10	Industrial Transport LGS	39,717,733	41,446,983	42,612,668	39,717,733	41,446,983	42,612,668
11	Total Rate Schedule Industrial Transport	41,023,228	42,577,741	43,943,218	41,023,228	42,577,741	43,943,218
12	**Transport Summary by Customer Class**						
13	Total Residential Transport	6,796,572	5,871,674	6,511,308	7,056,238	7,160,016	6,579,984
14	Total Commercial Transport	22,134,755	21,341,907	23,284,526	22,637,432	24,333,940	23,491,930
15	Total Industrial Transport	41,023,228	42,577,741	43,943,218	41,023,228	42,577,741	43,943,218
16	Total Transport	69,954,555	69,791,322	73,739,052	70,716,898	74,071,697	74,015,132
17	**Throughput by Customer Class**						
18	Total Residential Throughput	51,873,090	47,107,705	55,518,931	53,847,506	57,479,432	56,135,504
19	Total Commercial Throughput	33,025,385	31,166,545	34,998,917	33,952,761	36,186,470	35,344,846
20	Total Industrial Throughput	41,261,492	42,735,228	44,175,124	41,261,492	42,735,228	44,175,124
21	Total Throughput	126,159,966	121,009,477	134,692,972	129,061,758	136,401,129	135,655,474

Peoples Natural Gas Company LLC
Standard Data Request
Exhibit VI.I.RR.6

RR-6. If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by month by rate schedule from the beginning of the historic test year and the future test year through the most recent month available and update as additional data become available. Separately identify sales and transportation throughput and provide the workpapers which develop normalized sales.

* *

Refer to Exhibit 19, RR-6, Attachment A.

Peoples Natural Gas Company LLC
Exhibit 19, RR-6 Attachment A
Actual Throughput by Rate Schedule (Mcf)
Twelve Months Ending November 30, 2025
Witness: Dawn Folks

Sales	Residential	Comm SGS	Comm MGS	Comm LGS	Ind SGS	Ind MGS	Ind LGS
Dec-24	7,176,727	1,120,655	459,231	26,561	3,930	22,221	1,019
Jan-25	9,995,566	1,631,142	651,405	43,983	8,102	29,708	1,280
Feb-25	9,708,239	1,628,711	669,589	48,710	7,838	29,144	2,239
Mar-25	7,552,301	1,217,559	537,135	40,738	5,761	25,559	1,857
Apr-25	4,332,674	653,035	333,989	32,209	2,909	19,956	798
May-25	1,907,139	282,426	183,125	36,980	1,238	9,933	2,713
Jun-25	1,409,627	197,366	134,287	17,793	1,205	7,851	3,916
Jul-25	785,918	127,204	92,752	15,738	(801)	5,996	(5,705)
Aug-25	676,870	111,287	82,982	12,164	(424)	6,233	1,272
Sep-25	825,123	133,411	107,018	11,360	181	5,042	(815)
Oct-25	1,237,951	184,667	126,596	11,837	1,469	6,963	5,758
Nov-25	3,399,490	493,278	240,849	16,623	953	13,049	3,558

Transport	Residential	Comm SGS	Comm MGS	Comm LGS	Ind SGS	Ind MGS	Ind LGS
Dec-24	976,869	485,330	1,645,149	676,806	2,986	133,029	3,638,227
Jan-25	1,339,871	708,114	2,218,557	970,232	5,143	166,411	4,164,164
Feb-25	1,258,646	695,786	2,207,701	1,198,731	4,298	173,544	4,113,541
Mar-25	991,936	516,254	1,717,038	845,128	3,485	179,750	4,604,719
Apr-25	576,596	286,422	1,103,686	725,474	1,930	122,971	3,635,631
May-25	250,235	128,872	614,926	592,542	634	81,298	3,418,760
Jun-25	188,572	87,791	462,458	449,873	241	74,199	3,340,700
Jul-25	102,777	55,743	316,571	408,986	123	69,162	3,092,511
Aug-25	90,192	47,742	278,270	393,744	159	68,283	2,980,062
Sep-25	108,523	56,216	338,697	403,979	135	67,534	3,287,130
Oct-25	164,078	75,158	474,437	513,866	485	85,187	2,983,068
Nov-25	463,013	211,467	850,674	522,106	833	88,731	3,354,154

Peoples Natural Gas Company LLC - Combined
Weather Normalized Throughput - Residential & Commercial
Exhibit 19, RR-6 Attachment A

Rate Class	Month	Days	Cust	Vol	UPC	HDD	BL/Cust/ Day	BL	HL	HL/Cust/ HDD	Normal HDD	Norm Vol
Residential-Retail (Non-CAP)	Dec-24	31	544,295	6,682,934	12.28	872	0.0411	692,806	5,990,128	0.0126	887	6,783,710
Residential-Retail (Non-CAP)	Jan-25	31	544,912	9,309,064	17.08	1263	0.0411	693,591	8,615,472	0.0125	1028	7,705,724
Residential-Retail (Non-CAP)	Feb-25	28	545,111	9,019,776	16.55	926	0.0411	626,698	8,393,077	0.0166	872	8,531,713
Residential-Retail (Non-CAP)	Mar-25	31	544,576	7,000,368	12.85	541	0.0411	693,164	6,307,204	0.0214	698	8,825,857
Residential-Retail (Non-CAP)	Apr-25	30	543,391	3,998,818	7.36	342	0.0411	669,344	3,329,474	0.0179	385	4,416,986
Residential-Retail (Non-CAP)	May-25	31	541,288	1,756,065	3.24	152	0.0411	688,978	1,067,086	0.0130	165	1,846,027
Residential-Retail (Non-CAP)	Jun-25	30	538,871	1,297,791	2.41	20	0.0411	663,776	634,015	0.0588	30	1,629,280
Residential-Retail (Non-CAP)	Jul-25	31	536,431	733,836	1.37	0	0.0411	682,796	-	-	4	682,796
Residential-Retail (Non-CAP)	Aug-25	31	535,900	631,081	1.18	24	0.0411	682,120	-	-	9	682,120
Residential-Retail (Non-CAP)	Sep-25	30	536,260	766,193	1.43	31	0.0411	660,560	105,633	0.0064	81	936,073
Residential-Retail (Non-CAP)	Oct-25	31	538,340	1,132,688	2.10	332	0.0411	685,226	447,462	0.0025	331	1,131,613
Residential-Retail (Non-CAP)	Nov-25	30	539,905	3,118,994	5.78	698	0.0411	665,050	2,453,944	0.0065	597	2,762,427
Residential-Retail (Non-CAP)	**Total**	**365**	**540,773**	**45,447,606**	**83.63**	**5,201**	**0.0411**	**8,104,110**	**37,343,496**	**0.0133**	**5,086**	**45,934,327**
Residential-Retail (CAP)	Dec-24	31	30,735	493,793	16.07	872	0.0444	42,266	451,526	0.0168	887	501,389
Residential-Retail (CAP)	Jan-25	31	31,352	686,503	21.90	1263	0.0444	43,115	643,388	0.0162	1028	566,768
Residential-Retail (CAP)	Feb-25	28	32,131	688,463	21.43	926	0.0444	39,910	648,554	0.0218	872	650,750
Residential-Retail (CAP)	Mar-25	31	32,833	551,933	16.81	541	0.0444	45,151	506,781	0.0285	698	698,610
Residential-Retail (CAP)	Apr-25	30	33,230	333,855	10.05	342	0.0444	44,223	289,632	0.0255	385	370,232
Residential-Retail (CAP)	May-25	31	33,774	151,075	4.47	152	0.0444	46,445	104,629	0.0204	165	159,895
Residential-Retail (CAP)	Jun-25	30	34,725	111,836	3.22	20	0.0444	46,213	65,623	0.0945	30	146,146
Residential-Retail (CAP)	Jul-25	31	35,532	52,082	1.47	0	0.0444	48,863	-	-	4	48,863
Residential-Retail (CAP)	Aug-25	31	35,638	45,789	1.28	24	0.0444	49,009	-	-	9	49,009
Residential-Retail (CAP)	Sep-25	30	35,518	58,930	1.66	31	0.0444	47,268	11,662	0.0106	81	77,686
Residential-Retail (CAP)	Oct-25	31	35,793	105,262	2.94	332	0.0444	49,222	56,041	0.0047	331	105,128
Residential-Retail (CAP)	Nov-25	30	36,086	280,497	7.77	698	0.0444	48,024	232,473	0.0092	597	246,717
Residential-Retail (CAP)	**Total**	**365**	**33,946**	**3,560,018**	**109.06**	**5,201**	**0.0444**	**549,708**	**3,010,309**	**0.0171**	**5,086**	**3,621,192**
Residential-Retail Total	Dec-24	31	575,030	7,176,727	12.48	872	0.0413	735,589	6,441,137	0.0128	887	7,285,090
Residential-Retail Total	Jan-25	31	576,264	9,995,566	17.35	1263	0.0413	737,168	9,258,399	0.0127	1028	8,272,578
Residential-Retail Total	Feb-25	28	577,242	9,708,239	16.82	926	0.0413	666,959	9,041,280	0.0169	872	9,182,483
Residential-Retail Total	Mar-25	31	577,409	7,552,301	13.08	541	0.0413	738,633	6,813,668	0.0218	698	9,524,376
Residential-Retail Total	Apr-25	30	576,621	4,332,674	7.51	342	0.0413	713,830	3,618,844	0.0184	385	4,787,185
Residential-Retail Total	May-25	31	575,062	1,907,139	3.32	152	0.0413	735,630	1,171,509	0.0134	165	2,005,905
Residential-Retail Total	Jun-25	30	573,596	1,409,627	2.46	20	0.0413	710,085	699,541	0.0610	30	1,775,375
Residential-Retail Total	Jul-25	31	571,963	785,918	1.37	0	0.0413	731,666	-	-	4	731,666
Residential-Retail Total	Aug-25	31	571,538	676,870	1.18	24	0.0413	731,122	-	-	9	731,122
Residential-Retail Total	Sep-25	30	571,778	825,123	1.44	31	0.0413	707,835	117,288	0.0066	81	1,013,747
Residential-Retail Total	Oct-25	31	574,133	1,237,951	2.16	332	0.0413	734,442	503,509	0.0026	331	1,236,741
Residential-Retail Total	Nov-25	30	575,991	3,399,490	5.90	698	0.0413	713,050	2,686,440	0.0067	597	3,009,141
Residential-Retail Total	**Total**	**365**	**574,719**	**49,007,623**	**85.07**	**5,201**	**0.0413**	**8,656,009**	**40,351,614**	**0.0135**	**5,086**	**49,555,410**
Residential-Transport	Dec-24	31	75,554	976,869	12.93	872	0.0419	98,140	878,730	0.0133	887	991,653
Residential-Transport	Jan-25	31	75,296	1,339,871	17.79	1263	0.0419	97,804	1,242,067	0.0131	1028	1,108,723
Residential-Transport	Feb-25	28	74,745	1,258,646	16.84	926	0.0419	87,693	1,170,953	0.0169	872	1,190,554
Residential-Transport	Mar-25	31	74,323	991,936	13.35	541	0.0419	96,541	895,395	0.0223	698	1,251,089
Residential-Transport	Apr-25	30	74,209	576,596	7.77	342	0.0419	93,283	483,313	0.0190	385	637,298
Residential-Transport	May-25	31	74,137	250,235	3.38	152	0.0419	96,299	153,936	0.0137	165	263,213
Residential-Transport	Jun-25	30	74,163	188,572	2.54	20	0.0419	93,225	95,346	0.0643	30	238,422
Residential-Transport	Jul-25	31	74,315	102,777	1.38	0	0.0419	96,530	-	-	4	96,530
Residential-Transport	Aug-25	31	74,245	90,192	1.21	24	0.0419	96,439	-	-	9	96,439
Residential-Transport	Sep-25	30	74,339	108,523	1.46	31	0.0419	93,446	15,077	0.0065	81	132,769
Residential-Transport	Oct-25	31	74,571	164,078	2.20	332	0.0419	96,863	67,215	0.0027	331	163,916
Residential-Transport	Nov-25	30	74,685	463,013	6.20	698	0.0419	93,881	369,132	0.0071	597	409,377
Residential-Transport	**Total**	**365**	**74,549**	**6,511,308**	**87.05**	**5,201**	**0.0419**	**1,140,145**	**5,371,163**	**0.0139**	**5,086**	**6,579,984**
Residential-Total	Dec-24	31	650,584	8,153,596	12.53	872	0.0413	833,714	7,319,882	0.0129	887	8,276,743
Residential-Total	Jan-25	31	651,560	11,335,438	17.40	1263	0.0413	834,965	10,500,473	0.0128	1028	9,381,299
Residential-Total	Feb-25	28	651,987	10,966,885	16.82	926	0.0413	754,656	10,212,229	0.0169	872	10,373,037
Residential-Total	Mar-25	31	651,732	8,544,236	13.11	541	0.0413	835,185	7,709,051	0.0219	698	10,775,461
Residential-Total	Apr-25	30	650,830	4,909,270	7.54	342	0.0413	807,125	4,102,145	0.0184	385	5,424,482
Residential-Total	May-25	31	649,199	2,157,374	3.32	152	0.0413	831,939	1,325,435	0.0134	165	2,269,117
Residential-Total	Jun-25	30	647,759	1,598,198	2.47	20	0.0413	803,317	794,881	0.0614	30	2,013,795
Residential-Total	Jul-25	31	646,278	888,695	1.38	0	0.0413	828,196	-	-	4	828,196
Residential-Total	Aug-25	31	645,783	767,062	1.19	24	0.0413	827,562	-	-	9	827,562
Residential-Total	Sep-25	30	646,117	933,646	1.45	31	0.0413	801,280	132,365	0.0066	81	1,146,518
Residential-Total	Oct-25	31	648,704	1,402,029	2.16	332	0.0413	831,305	570,724	0.0026	331	1,400,657
Residential-Total	Nov-25	30	650,676	3,862,503	5.94	698	0.0413	806,934	3,055,569	0.0067	597	3,418,519
Residential Total	**Total**	**365**	**649,267**	**55,518,931**	**85.30**	**5,201**	**0.0413**	**9,796,177**	**45,722,754**	**0.0135**	**5,086**	**56,135,386**

Peoples Natural Gas Company LLC - Combined
Weather Normalized Throughput - Residential & Commercial
Exhibit 19, RR-6 Attachment A

Commercial SGS Retail	Dec-24	31	38,657	1,120,655	28.99	872	0.1006	120,516	1,000,140	0.0297	887	1,137,481
Commercial SGS Retail	Jan-25	31	38,877	1,631,142	41.96	1263	0.1006	121,201	1,509,941	0.0308	1028	1,350,142
Commercial SGS Retail	Feb-25	28	38,946	1,628,711	41.82	926	0.1006	109,667	1,519,045	0.0421	872	1,540,378
Commercial SGS Retail	Mar-25	31	38,935	1,217,559	31.27	541	0.1006	121,382	1,096,177	0.0520	698	1,534,825
Commercial SGS Retail	Apr-25	30	38,856	653,035	16.81	342	0.1006	117,228	535,806	0.0403	385	720,330
Commercial SGS Retail	May-25	31	38,526	282,426	7.33	152	0.1006	120,107	162,319	0.0277	165	296,111
Commercial SGS Retail	Jun-25	30	38,428	197,366	5.14	20	0.1006	115,937	81,428	0.1059	30	239,940
Commercial SGS Retail	Jul-25	31	38,267	127,204	3.32	0	0.1006	119,300	-	-	4	119,300
Commercial SGS Retail	Aug-25	31	38,232	111,287	2.91	24	0.1006	119,191	-	-	9	119,191
Commercial SGS Retail	Sep-25	30	38,167	133,411	3.50	31	0.1006	115,150	18,261	0.0154	81	162,779
Commercial SGS Retail	Oct-25	31	38,351	184,667	4.82	332	0.1006	119,562	65,106	0.0051	331	184,511
Commercial SGS Retail	Nov-25	30	38,552	493,278	12.80	698	0.1006	116,311	376,966	0.0140	597	438,503
Commercial SGS Retail	**Total**	**365**	**38,566**	**7,780,740**	**200.65**	**5,201**	**0.1006**	**1,415,552**	**6,365,189**	**0.0317**	**5,086**	**7,843,489**
Commercial SGS Transport	Dec-24	31	10,312	485,330	47.06	872	0.1649	52,717	432,613	0.0481	887	492,608
Commercial SGS Transport	Jan-25	31	10,200	708,114	69.42	1263	0.1649	52,144	655,970	0.0509	1028	586,038
Commercial SGS Transport	Feb-25	28	10,136	695,786	68.65	926	0.1649	46,802	648,984	0.0691	872	658,047
Commercial SGS Transport	Mar-25	31	10,038	516,254	51.43	541	0.1649	51,316	464,938	0.0856	698	650,820
Commercial SGS Transport	Apr-25	30	9,986	286,422	28.68	342	0.1649	49,403	237,018	0.0694	385	316,190
Commercial SGS Transport	May-25	31	10,169	128,872	12.67	152	0.1649	51,985	76,886	0.0497	165	135,354
Commercial SGS Transport	Jun-25	30	10,134	87,791	8.66	20	0.1649	50,135	37,656	0.1858	30	107,479
Commercial SGS Transport	Jul-25	31	10,131	55,743	5.50	0	0.1649	51,791	-	-	4	51,791
Commercial SGS Transport	Aug-25	31	10,112	47,742	4.72	24	0.1649	51,694	-	-	9	51,694
Commercial SGS Transport	Sep-25	30	10,128	56,216	5.55	31	0.1649	50,106	6,110	0.0195	81	66,041
Commercial SGS Transport	Oct-25	31	10,138	75,158	7.41	332	0.1649	51,827	23,331	0.0069	331	75,102
Commercial SGS Transport	Nov-25	30	10,153	211,467	20.83	698	0.1649	50,229	161,238	0.0228	597	188,039
Commercial SGS Transport	**Total**	**365**	**10,136**	**3,354,894**	**330.60**	**5,201**	**0.1649**	**610,150**	**2,744,744**	**0.0521**	**5,086**	**3,379,204**
Commercial MGS Retail	Dec-24	31	1,665	459,231	275.81	872	1.6752	86,465	372,766	0.2567	887	465,502
Commercial MGS Retail	Jan-25	31	1,684	651,405	386.82	1263	1.6752	87,451	563,953	0.2652	1028	546,453
Commercial MGS Retail	Feb-25	28	1,695	669,589	395.04	926	1.6752	79,504	590,085	0.3760	872	635,275
Commercial MGS Retail	Mar-25	31	1,707	537,135	314.67	541	1.6752	88,646	448,489	0.4856	698	666,941
Commercial MGS Retail	Apr-25	30	1,698	333,989	196.70	342	1.6752	85,334	248,655	0.4282	385	365,219
Commercial MGS Retail	May-25	31	1,683	183,125	108.81	152	1.6752	87,399	95,726	0.3742	165	191,196
Commercial MGS Retail	Jun-25	30	1,686	134,287	79.65	20	1.6752	84,731	49,556	1.4696	30	160,196
Commercial MGS Retail	Jul-25	31	1,696	92,752	54.69	0	1.6752	88,075	-	-	4	88,075
Commercial MGS Retail	Aug-25	31	1,688	82,982	49.16	24	1.6752	87,659	-	-	9	87,659
Commercial MGS Retail	Sep-25	30	1,679	107,018	63.74	31	1.6752	84,379	22,638	0.4349	81	143,425
Commercial MGS Retail	Oct-25	31	1,698	126,596	74.56	332	1.6752	88,178	38,418	0.0681	331	126,504
Commercial MGS Retail	Nov-25	30	1,703	240,849	141.43	698	1.6752	85,585	155,263	0.1306	597	218,288
Commercial MGS Retail	**Total**	**365**	**1,690**	**3,618,956**	**2,141.06**	**5,201**	**1.6752**	**1,033,407**	**2,585,549**	**0.2941**	**5,086**	**3,694,732**
Commercial MGS Transport	Dec-24	31	3,157	1,645,149	521.11	872	3.0815	301,576	1,343,573	0.4881	887	1,667,753
Commercial MGS Transport	Jan-25	31	3,135	2,218,557	707.67	1263	3.0815	299,474	1,919,082	0.4847	1028	1,861,415
Commercial MGS Transport	Feb-25	28	3,128	2,207,701	705.79	926	3.0815	269,889	1,937,812	0.6690	872	2,095,016
Commercial MGS Transport	Mar-25	31	3,112	1,717,038	551.75	541	3.0815	297,277	1,419,761	0.8433	698	2,127,958
Commercial MGS Transport	Apr-25	30	3,113	1,103,686	354.54	342	3.0815	287,780	815,906	0.7664	385	1,206,160
Commercial MGS Transport	May-25	31	3,126	614,926	196.71	152	3.0815	298,615	316,312	0.6657	165	641,594
Commercial MGS Transport	Jun-25	30	3,120	462,458	148.22	20	3.0815	288,427	174,031	2.7890	30	553,449
Commercial MGS Transport	Jul-25	31	3,116	316,571	101.60	0	3.0815	297,659	-	-	4	297,659
Commercial MGS Transport	Aug-25	31	3,111	278,270	89.45	24	3.0815	297,182	-	-	9	297,182
Commercial MGS Transport	Sep-25	30	3,115	338,697	108.73	31	3.0815	287,965	50,732	0.5254	81	420,286
Commercial MGS Transport	Oct-25	31	3,106	474,437	152.75	332	3.0815	296,704	177,733	0.1724	331	474,010
Commercial MGS Transport	Nov-25	30	3,105	850,674	273.97	698	3.0815	287,041	563,633	0.2601	597	768,776
Commercial MGS Transport	**Total**	**365**	**3,120**	**12,228,165**	**3,912.29**	**5,201**	**3.0815**	**3,509,589**	**8,718,576**	**0.5372**	**5,086**	**12,411,259**

Peoples Natural Gas Company LLC - Combined
Weather Normalized Throughput - Residential & Commercial
Exhibit 19, RR-6 Attachment A

Commercial LGS Retail	Dec-24	31	9	26,561	2,951.26	872	64.2899	17,937	8,624	1.0989	887	26,706
Commercial LGS Retail	Jan-25	31	9	43,983	4,886.98	1263	64.2899	17,937	26,046	2.2914	1028	39,136
Commercial LGS Retail	Feb-25	28	9	48,710	5,412.24	926	64.2899	16,201	32,509	3.9008	872	46,820
Commercial LGS Retail	Mar-25	31	9	40,738	4,526.40	541	64.2899	17,937	22,801	4.6828	698	47,337
Commercial LGS Retail	Apr-25	30	9	32,209	3,578.78	342	64.2899	17,358	14,851	4.8248	385	34,074
Commercial LGS Retail	May-25	31	9	36,980	4,108.90	152	64.2899	17,937	19,043	13.9205	165	38,586
Commercial LGS Retail	Jun-25	30	9	17,793	1,976.99	20	64.2899	17,358	435	2.4147	30	18,020
Commercial LGS Retail	Jul-25	31	7	15,738	2,248.21	0	64.2899	13,951	-	-	4	13,951
Commercial LGS Retail	Aug-25	31	7	12,164	1,737.76	24	64.2899	13,951	-	-	9	13,951
Commercial LGS Retail	Sep-25	30	10	11,360	1,135.99	31	64.2899	19,287	(7,927)	(25.5712)	81	(1,389)
Commercial LGS Retail	Oct-25	31	10	11,837	1,183.68	332	64.2899	19,930	(8,093)	(2.4377)	331	11,856
Commercial LGS Retail	Nov-25	30	9	16,623	1,846.97	698	64.2899	17,358	(736)	(0.1171)	597	16,730
Commercial LGS Retail	**Total**	**365**	**9**	**314,695**	**35,594.15**	**5,201**	**64.2899**	**207,142**	**107,553**	**2.3411**	**5,086**	**305,778**
Commercial LGS Transport	Dec-24	31	105	676,806	6,445.77	872	122.1438	397,578	279,228	3.0497	887	681,504
Commercial LGS Transport	Jan-25	31	104	970,232	9,329.16	1263	122.1438	393,792	576,441	4.3885	1028	862,957
Commercial LGS Transport	Feb-25	28	104	1,198,731	11,526.26	926	122.1438	355,683	843,048	8.7540	872	1,149,707
Commercial LGS Transport	Mar-25	31	104	845,128	8,126.23	541	122.1438	393,792	451,336	8.0218	698	975,758
Commercial LGS Transport	Apr-25	30	104	725,474	6,975.71	342	122.1438	381,089	344,385	9.6824	385	768,727
Commercial LGS Transport	May-25	31	104	592,542	5,697.52	152	122.1438	393,792	198,751	12.5728	165	609,298
Commercial LGS Transport	Jun-25	30	104	449,873	4,325.71	20	122.1438	381,089	68,785	33.0696	30	485,837
Commercial LGS Transport	Jul-25	31	106	408,986	3,858.35	0	122.1438	401,365	-	-	4	401,365
Commercial LGS Transport	Aug-25	31	106	393,744	3,714.56	24	122.1438	401,365	-	-	9	401,365
Commercial LGS Transport	Sep-25	30	106	403,979	3,811.12	31	122.1438	388,417	15,562	4.7358	81	429,006
Commercial LGS Transport	Oct-25	31	106	513,866	4,847.79	332	122.1438	401,365	112,501	3.1968	331	513,596
Commercial LGS Transport	Nov-25	30	107	522,106	4,879.49	698	122.1438	392,082	130,024	1.7409	597	503,213
Commercial LGS Transport	**Total**	**365**	**105**	**7,701,467**	**73,537.68**	**5,201**	**122.1438**	**4,681,406**	**3,020,061**	**5.5302**	**5,086**	**7,782,331**

Peoples Natural Gas Company LLC
Standard Data Request
Exhibit VI.I.RR.7

RR-7. Please provide the workpaper developing the Company's FTY load growth adjustment.

* *

Refer to Exhibit No. 3, Schedule No. 15 (53.53.III.E.14), Attachment H, which provides historical customer count information used in the development of projected customer counts for residential and commercial customers. Large commercial and industrial classes typically consist of a stable and continuing group of customers. Therefore, the Company did not project load growth for these classes.

Peoples Natural Gas Company LLC
Standard Data Request
Exhibit VI.I.RR.8

RR-8. Please provide a complete copy of the computer output generated by the Company's statistical analysis package for all residential, commercial, public authority and industrial econometric models of gas demand estimated by the Company, but not presented in the filing.

* *

Refer to attached pages.

	Residential Retail (non CAP)			Residential CAP		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	541,659	12.01	6,504,801	39,010	15.98	623,411
Jan-26	542,970	15.26	8,284,005	39,010	20.22	788,759
Feb-26	543,909	15.46	8,408,321	39,010	20.30	791,872
Mar-26	544,309	12.84	6,989,039	39,010	17.15	669,032
Apr-26	543,470	8.20	4,454,604	39,010	11.42	445,629
May-26	541,828	4.43	2,402,917	39,010	6.23	243,078
Jun-26	540,694	2.26	1,221,187	39,010	2.89	112,841
Jul-26	539,731	1.58	853,642	39,010	1.78	69,523
Aug-26	540,057	1.45	781,985	39,010	1.61	62,853
Sep-26	540,747	1.68	908,891	39,010	1.92	74,877
Oct-26	543,762	2.91	1,584,917	39,010	4.14	161,416
Nov-26	546,293	6.02	3,287,015	39,010	8.50	331,723
Dec-26	547,642	11.98	6,559,258	39,010	15.94	621,871
Jan-27	548,954	15.21	8,352,306	39,010	20.17	786,712
Feb-27	549,892	15.42	8,477,363	39,010	20.25	789,766
Mar-27	550,293	12.80	7,046,381	39,010	17.11	667,280
Apr-27	549,454	8.17	4,489,838	39,010	11.39	444,373
May-27	547,811	4.42	2,422,336	39,010	6.21	242,424
Jun-27	546,677	2.25	1,232,064	39,010	2.89	112,594
Jul-27	545,714	1.58	862,633	39,010	1.78	69,478
Aug-27	546,040	1.45	790,501	39,010	1.61	62,840
Sep-27	546,730	1.68	918,009	39,010	1.92	74,797
Oct-27	549,745	2.91	1,597,852	39,010	4.13	161,031
Nov-27	552,276	6.00	3,312,214	39,010	8.48	330,781
Dec-27	553,625	11.95	6,613,334	39,010	15.90	620,330

	Residential Transport			Residential Total		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	71,176	12.67	901,815	651,845	12.32	8,030,027
Jan-26	70,815	15.94	1,128,762	652,795	15.63	10,201,526
Feb-26	70,455	16.02	1,128,510	653,373	15.81	10,328,703
Mar-26	70,094	13.36	936,643	653,413	13.15	8,594,714
Apr-26	69,733	8.61	600,305	652,213	8.43	5,500,538
May-26	69,373	4.70	325,814	650,210	4.57	2,971,809
Jun-26	69,012	2.36	162,859	648,716	2.31	1,496,886
Jul-26	68,651	1.63	111,694	647,392	1.60	1,034,859
Aug-26	68,291	1.49	101,784	647,358	1.46	946,622
Sep-26	67,930	1.73	117,741	647,686	1.70	1,101,508
Oct-26	67,569	3.11	210,379	650,341	3.01	1,956,712
Nov-26	67,208	6.45	433,329	652,511	6.21	4,052,067
Dec-26	66,848	12.64	844,747	653,500	12.28	8,025,876
Jan-27	66,487	15.90	1,056,860	654,451	15.58	10,195,878
Feb-27	66,126	15.97	1,056,243	655,029	15.76	10,323,372
Mar-27	65,766	13.33	876,382	655,069	13.11	8,590,043
Apr-27	65,405	8.58	561,340	653,869	8.40	5,495,551
May-27	65,044	4.68	304,612	651,866	4.56	2,969,371
Jun-27	64,684	2.35	152,324	650,371	2.30	1,496,982
Jul-27	64,323	1.63	104,595	649,047	1.60	1,036,707
Aug-27	63,962	1.49	95,315	649,013	1.46	948,657
Sep-27	63,602	1.73	110,122	649,342	1.70	1,102,929
Oct-27	63,241	3.10	196,353	651,996	3.00	1,955,236
Nov-27	62,880	6.43	404,130	654,166	6.19	4,047,125
Dec-27	62,520	12.60	787,969	655,155	12.24	8,021,634

	Commercial SGS Retail 0-499			Commercial SGS Retail 500-999		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	35,586	20.68	735,892	2,917	93.22	271,924
Jan-26	35,806	27.64	989,591	2,935	119.37	350,336
Feb-26	35,815	28.35	1,015,484	2,936	119.81	351,731
Mar-26	35,768	22.67	810,863	2,932	99.01	290,295
Apr-26	35,669	13.47	480,479	2,924	64.47	188,507
May-26	35,446	6.65	235,603	2,905	32.68	94,944
Jun-26	35,285	3.07	108,245	2,892	19.55	56,550
Jul-26	35,197	2.18	76,715	2,885	15.87	45,794
Aug-26	35,135	2.09	73,440	2,880	15.64	45,043
Sep-26	35,120	2.45	85,932	2,879	16.66	47,956
Oct-26	35,259	4.33	152,547	2,890	24.98	72,183
Nov-26	35,421	9.35	331,215	2,903	48.76	141,576
Dec-26	35,548	20.63	733,333	2,914	93.04	271,112
Jan-27	35,768	27.57	986,174	2,932	119.13	349,265
Feb-27	35,777	28.29	1,011,976	2,933	119.56	350,636
Mar-27	35,730	22.61	807,984	2,929	98.81	289,387
Apr-27	35,631	13.43	478,527	2,921	64.33	187,876
May-27	35,408	6.63	234,607	2,902	32.60	94,620
Jun-27	35,247	3.06	107,851	2,889	19.52	56,406
Jul-27	35,160	2.18	76,582	2,882	15.87	45,729
Aug-27	35,098	2.09	73,346	2,877	15.64	44,991
Sep-27	35,083	2.44	85,748	2,876	16.65	47,878
Oct-27	35,222	4.31	151,940	2,887	24.93	71,977
Nov-27	35,383	9.32	329,778	2,900	48.65	141,107
Dec-27	35,510	20.58	730,777	2,911	92.86	270,301

	Commercial SGS Transport 0-499			Commercial SGS Transportl 500-999		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	8,326	28.11	234,027	2,048	100.62	206,084
Jan-26	8,326	37.05	308,492	2,048	127.58	261,312
Feb-26	8,326	38.55	320,926	2,048	129.75	265,750
Mar-26	8,326	31.29	260,502	2,048	106.57	218,270
Apr-26	8,326	18.91	157,461	2,048	69.67	142,702
May-26	8,326	9.65	80,330	2,048	38.76	79,384
Jun-26	8,326	4.96	41,320	2,048	21.80	44,655
Jul-26	8,326	3.20	26,642	2,048	15.11	30,941
Aug-26	8,326	3.09	25,756	2,048	15.78	32,311
Sep-26	8,326	3.65	30,350	2,048	16.97	34,766
Oct-26	8,326	6.14	51,157	2,048	27.38	56,081
Nov-26	8,326	13.22	110,036	2,048	52.08	106,665
Dec-26	8,326	28.04	233,432	2,048	100.40	205,635
Jan-27	8,326	36.96	307,707	2,048	127.29	260,718
Feb-27	8,326	38.45	320,126	2,048	129.45	265,141
Mar-27	8,326	31.21	259,839	2,048	106.32	217,764
Apr-27	8,326	18.86	156,990	2,048	69.50	142,341
May-27	8,326	9.62	80,086	2,048	38.67	79,196
Jun-27	8,326	4.95	41,229	2,048	21.77	44,585
Jul-27	8,326	3.20	26,626	2,048	15.10	30,928
Aug-27	8,326	3.09	25,751	2,048	15.77	32,307
Sep-27	8,326	3.64	30,318	2,048	16.96	34,742
Oct-27	8,326	6.13	51,004	2,048	27.33	55,967
Nov-27	8,326	13.17	109,670	2,048	51.94	106,389
Dec-27	8,326	27.97	232,837	2,048	100.18	205,186

	Commercial MGS Retail 1000-2499			Commercial MGS Retail 2500-24999		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	1,339	189.24	253,307	341	565.45	192,724
Jan-26	1,347	240.06	323,323	343	714.77	245,127
Feb-26	1,347	237.06	319,375	343	750.71	257,519
Mar-26	1,345	203.57	273,891	343	653.29	223,802
Apr-26	1,342	131.85	176,907	342	444.47	151,845
May-26	1,333	76.33	101,773	339	271.51	92,177
Jun-26	1,327	43.95	58,338	338	165.38	55,893
Jul-26	1,324	34.66	45,892	337	127.97	43,140
Aug-26	1,322	35.68	47,156	337	133.13	44,802
Sep-26	1,321	37.19	49,137	336	130.17	43,788
Oct-26	1,326	55.97	74,235	338	193.59	65,377
Nov-26	1,332	105.17	140,126	339	302.95	102,779
Dec-26	1,337	188.87	252,545	340	564.14	192,072
Jan-27	1,345	239.56	322,319	343	713.04	244,276
Feb-27	1,346	236.55	318,351	343	748.95	256,643
Mar-27	1,344	203.15	273,030	342	651.82	223,065
Apr-27	1,340	131.55	176,308	341	443.43	151,330
May-27	1,332	76.17	101,451	339	270.98	91,897
Jun-27	1,326	43.89	58,194	338	165.18	55,765
Jul-27	1,323	34.65	45,829	337	127.93	43,082
Aug-27	1,320	35.68	47,101	336	133.12	44,750
Sep-27	1,320	37.18	49,060	336	130.10	43,717
Oct-27	1,325	55.88	74,036	337	193.25	65,193
Nov-27	1,331	104.95	139,678	339	302.15	102,395
Dec-27	1,336	188.50	251,784	340	562.82	191,422

	Commercial MGS Trans. 1000-2499			Commercial MGS Trans. 2500-24999		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	1,829	224.74	410,952	1,389	823	1,143,652
Jan-26	1,829	279.97	511,946	1,389	996	1,383,822
Feb-26	1,829	277.83	508,034	1,389	1,005	1,396,128
Mar-26	1,829	231.16	422,684	1,389	861	1,196,364
Apr-26	1,829	155.28	283,943	1,389	617	857,430
May-26	1,829	89.91	164,402	1,389	376	522,583
Jun-26	1,829	49.93	91,297	1,389	228	317,408
Jul-26	1,829	39.32	71,891	1,389	172	239,175
Aug-26	1,829	37.42	68,421	1,389	167	232,315
Sep-26	1,829	40.10	73,323	1,389	176	243,952
Oct-26	1,829	66.13	120,921	1,389	272	377,885
Nov-26	1,829	119.87	219,192	1,389	466	646,989
Dec-26	1,829	224.32	410,192	1,389	822	1,141,881
Jan-27	1,829	279.42	510,936	1,389	994	1,381,443
Feb-27	1,829	277.26	506,995	1,389	1,003	1,393,648
Mar-27	1,829	230.68	421,820	1,389	860	1,194,297
Apr-27	1,829	154.94	283,324	1,389	616	855,928
May-27	1,829	89.73	164,080	1,389	376	521,796
Jun-27	1,829	49.86	91,176	1,389	228	317,106
Jul-27	1,829	39.30	71,870	1,389	172	239,120
Aug-27	1,829	37.41	68,415	1,389	167	232,301
Sep-27	1,829	40.08	73,283	1,389	176	243,867
Oct-27	1,829	66.03	120,731	1,389	272	377,461
Nov-27	1,829	119.62	218,727	1,389	465	645,915
Dec-27	1,829	223.91	409,432	1,389	821	1,140,110

	Commercial SGS Retail			Commercial SGS Transport		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	38,502	26.18	1,007,816	10,374	44.28	459,391
Jan-26	38,741	34.59	1,339,928	10,374	56.36	584,635
Feb-26	38,751	35.28	1,367,215	10,374	56.40	585,125
Mar-26	38,700	28.45	1,101,158	10,374	47.44	492,161
Apr-26	38,593	17.33	668,986	10,374	30.81	319,610
May-26	38,351	8.62	330,547	10,374	17.46	181,157
Jun-26	38,177	4.32	164,796	10,374	9.93	102,993
Jul-26	38,083	3.22	122,509	10,374	7.41	76,833
Aug-26	38,015	3.12	118,484	10,374	7.66	79,467
Sep-26	37,999	3.52	133,888	10,374	8.09	83,903
Oct-26	38,150	5.89	224,731	10,374	12.56	130,316
Nov-26	38,324	12.34	472,791	10,374	23.79	246,791
Dec-26	38,462	26.12	1,004,444	10,374	44.17	458,180
Jan-27	38,700	34.51	1,335,439	10,374	56.20	583,037
Feb-27	38,710	35.20	1,362,612	10,374	56.25	583,492
Mar-27	38,659	28.39	1,097,371	10,374	47.31	490,794
Apr-27	38,552	17.29	666,403	10,374	30.72	318,649
May-27	38,310	8.59	329,227	10,374	17.41	180,648
Jun-27	38,136	4.31	164,256	10,374	9.91	102,779
Jul-27	38,042	3.22	122,312	10,374	7.40	76,757
Aug-27	37,974	3.12	118,337	10,374	7.65	79,408
Sep-27	37,958	3.52	133,626	10,374	8.08	83,802
Oct-27	38,109	5.88	223,918	10,374	12.53	130,004
Nov-27	38,283	12.30	470,884	10,374	23.72	246,067
Dec-27	38,421	26.06	1,001,078	10,374	44.05	456,970

	Commercial MGS Retail			Commercial MGS Transport		
Month	Customers	UPC	Load	Customers	UPC	Load
Dec-25	1,679	265.59	446,031	3,218	483.11	1,554,604
Jan-26	1,690	336.40	568,451	3,218	589.13	1,895,768
Feb-26	1,690	341.31	576,894	3,218	591.73	1,904,162
Mar-26	1,688	294.84	497,693	3,218	503.13	1,619,048
Apr-26	1,683	195.30	328,752	3,218	354.69	1,141,373
May-26	1,673	115.94	193,950	3,218	213.49	686,985
Jun-26	1,665	68.60	114,230	3,218	127.01	408,705
Jul-26	1,661	53.60	89,033	3,218	96.67	311,066
Aug-26	1,658	55.46	91,958	3,218	93.46	300,736
Sep-26	1,657	56.06	92,924	3,218	98.60	317,274
Oct-26	1,664	83.90	139,613	3,218	155.01	498,806
Nov-26	1,672	145.31	242,905	3,218	269.17	866,181
Dec-26	1,678	265.03	444,617	3,218	482.32	1,552,074
Jan-27	1,688	335.66	566,595	3,218	588.07	1,892,379
Feb-27	1,688	340.54	574,994	3,218	590.64	1,900,644
Mar-27	1,686	294.21	496,096	3,218	502.22	1,616,117
Apr-27	1,682	194.84	327,638	3,218	354.03	1,139,251
May-27	1,671	115.71	193,348	3,218	213.14	685,876
Jun-27	1,663	68.51	113,960	3,218	126.88	408,282
Jul-27	1,659	53.58	88,911	3,218	96.64	310,990
Aug-27	1,656	55.45	91,851	3,218	93.45	300,715
Sep-27	1,656	56.04	92,776	3,218	98.56	317,150
Oct-27	1,662	83.76	139,230	3,218	154.82	498,192
Nov-27	1,670	144.97	242,073	3,218	268.69	864,642
Dec-27	1,676	264.47	443,206	3,218	481.53	1,549,543

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-9. Identify the historical data source(s) for each dependent and independent variable utilized to develop the econometric models of gas demands for each forecasted customer group.

* *

See support for Exhibit No. 19, RR-5 (VI.I.RR.5).

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-10. Identify the source(s) and supporting documentation for the FTY value of each independent variable which required forecasting in the Company's gas demand models.

* *

Customer counts are based on actuals reported from the Company's billing system for the Historic Test Year (December 2024-November 2025). Customer growth for FTY is calculated in Exhibit No. 3, Schedule No. 15 (53.53.III.E.14) Attachment H.

Throughput for Residential and Commercial is reported from the Company's Billing system and is normalized using a regression based on normalized historical usage. Weather data is supplied by the National Oceanic and Atmospheric Administration (NOAA). The company utilized a 65-year regression prepared by Atrium Economics to develop normal HDD's.

Industrial throughput reported from the Company's billing system and are reviewed with the internal large volume sales team.

Peoples Natural Gas Company LLC
Standard Data Request
Exhibit VI.I.RR.11

RR-11. Please provide in hard copy and on a computer diskette in Lotus 1-2-3, QuattroPro or other spreadsheet format, the dependent and independent variable databases relied upon to produce the Company's gas demand models. For variables based on averages, include the observations which comprise the average (e.g., gas prices).

* *

Residential, Small (1 – 1,000 mcf / year) and medium (1,001 – 25,000 mcf / year) commercial volumes were projected by weather normalizing the historic test year to 5,086 heating degree days ("HDDs") to forecast normal weather. 5,086 HDDs is derived with a 65-year regression for the periods ending November 30, 2025 as obtained from the National Oceanographic Atmospheric Association ("NOAA").

All industrial and large (25,000 mcf / year and above) commercial volumes are generally not significantly impacted by weather, so using historical usage patterns for this class of customer is more indicative of future usage. Forecasts were generated using the historic test year usage for these groups. The Company then utilized the input of our sales representatives to incorporate significant known changes in usage patterns.

In all cases, the above described forecasting method was used to develop an average Usage Per Customer (UPC). The UPC is differentiated for groups of customers based upon customer type (commercial / industrial) and rate class (RES/SGS / MGS / LGS).

Refer to the response to Exhibit No.19, RR-8 (VI.I.RR.8) for the residential and small and medium commercial models.

Peoples Natural Gas Company LLC
Standard Data Request
Exhibit VI.I.RR.12

RR-12. In the form identical to the previous question, please provide a database for all independent variables which were analyzed by the Company, but exclude from the filed gas demand models.

* *

Peoples did not analyze any independent variables which were excluded from the filed gas demand models.

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-13. For each customer receiving service at less than the maximum applicable tariff rate, please provide.

a. actual consumption for the two most recent calendar years;

b. actual consumption for the HTY and the most recent twelve month period for which data is available

c. the currently applicable rate;

d. an explanation for the rate discount.

* *

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

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-14. Please provide a copy of the Company's detailed capital budgets for the preceding and current calendar years which underlie the projected test year capital additions in this case.

* *

Please reference page 2 for capital expenditure information.

	2024 PNG	2025 PNG
LTIIP	$ 451,627,150	$ 527,178,962
Gathering	9,229,989	7,920,739
Goodwin Tombaugh	27,500,000	16,387,272
New Customer	29,146,003	32,868,132
Maintenance & Compliance	14,524,258	19,073,556
Tools / Fleet	9,331,958	12,482,419
Facilities	17,048,692	8,448,663
IT Projects	**$ 23,260,000**	**$ 13,333,500**
Grand Total	**$ 581,668,050**	**$ 637,693,243**

	FTY Plan - 12/25-11/26 PNG	Stub Month – Dec 26 + FPFTY Plan - 1/27-12/27 PNG
LTIIP	$ 601,780,959	$ 650,609,906
Gathering	9,508,916	36,752,753
Goodwin Tombaugh	21,429,557	736,052
New Customer	33,247,398	38,141,609
Maintenance & Compliance	24,477,249	37,297,856
Tools / Fleet	10,884,444	13,133,253
Facilities	15,303,018	21,526,709
IT Projects	**$ 13,243,073**	**$ 19,593,768**
Grand Total	**$ 729,874,614**	**$ 817,791,906**

** Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-15. Please provide a variance or other similar report comparing actual and budgeted construction expenditures at the conclusion of each budget period for the past three years and as of the most recent date available.

* *

Refer to pages 2 and 3.

	A 2022 Actuals			B 2022 Plan			C = B - A 2022 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 315,045,915	$ 25,402,975	$ 340,448,890	$ 285,091,500	$ 15,643,500	$ 300,735,000	$ (29,954,415)	$ (9,759,475)	$ (39,713,890)	-13.2%
Gathering	4,159,004	1,131,078	5,290,083	6,600,000	1,400,000	8,000,000	2,440,996	268,922	2,709,917	33.9%
Goodwin Tombaugh	13,367,950	-	13,367,950	29,000,000	-	29,000,000	15,632,050	-	15,632,050	53.9%
New Customer	23,256,197	4,789,895	28,046,091	16,042,499	1,782,500	17,824,999	(7,213,697)	(3,007,395)	(10,221,092)	-57.3%
Maintenance & Compliance	12,828,494	917,526	13,746,020	7,279,576	1,510,674	8,790,250	(5,548,918)	593,148	(4,955,770)	-56.4%
Tools / Fleet	10,722,357	2,401,092	13,123,448	11,293,035	2,571,000	13,864,035	570,678	169,908	740,587	5.3%
Facilities	9,455,193	1,152,937	10,608,131	10,945,018	1,970,876	12,915,894	1,489,825	817,939	2,307,763	17.9%
TOTAL	**$ 388,835,110**	**$ 35,795,503**	**$ 424,630,613**	**$ 366,251,628**	**$ 24,878,550**	**$ 391,130,178**	**$ (22,583,482)**	**$ (10,916,953)**	**$ (33,500,435)**	**-8.6%**
IT Projects*	10,064,312	1,072,282	11,136,594	10,882,253	1,262,948	12,145,201	817,941	190,666	1,008,607	8.3%
CHP	168,379	-	168,379	-	-	-	(168,379)	-	(168,379)	#DIV/0!
Grand Total	**$ 399,067,801**	**$ 36,867,785**	**$ 435,935,586**	**$ 377,133,881**	**$ 26,141,498**	**$ 403,275,379**	**$ (21,933,919)**	**$ (10,726,287)**	**$ (32,660,207)**	**-8.1%**

	A 2023 Actuals			B 2023 Plan			C = B - A 2023 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 390,423,836	$ 22,723,340	$ 413,147,176	$ 365,008,810	$ 16,970,290	$ 381,979,100	$ (25,415,026)	$ (5,753,050)	$ (31,168,076)	-8.2%
Gathering	2,878,128	2,156,541	5,034,669	7,000,000	2,000,000	9,000,000	4,121,872	(156,541)	3,965,331	44.1%
Goodwin Tombaugh	13,631,002	-	13,631,002	24,000,000	-	24,000,000	10,368,998	-	10,368,998	43.2%
New Customer	29,903,372	2,810,400	32,713,772	17,100,000	1,900,000	19,000,000	(12,803,372)	(910,400)	(13,713,772)	-72.2%
Maintenance & Compliance	11,518,375	1,821,434	13,339,809	6,617,595	2,036,905	8,654,500	(4,900,781)	215,471	(4,685,309)	-54.1%
Tools / Fleet	13,925,959	1,090,321	15,016,281	14,996,819	1,891,050	16,887,869	1,070,860	800,729	1,871,589	11.1%
Facilities	11,200,414	1,200,455	12,400,869	18,914,724	2,009,800	20,924,524	7,714,310	809,345	8,523,655	40.7%
TOTAL	**$ 473,481,086**	**$ 31,802,492**	**$ 505,283,578**	**$ 453,637,948**	**$ 26,808,045**	**$ 480,445,993**	**$ (19,843,138)**	**$ (4,994,447)**	**$ (24,837,584)**	**-5.2%**
IT Projects*	20,910,861	2,364,522	23,275,383	12,000,000	3,021,601	15,021,601	(8,910,861)	657,079	(8,253,782)	-54.9%
CHP	(167,474)	-	168,379	-	-	-	(168,379)	-	(168,379)	#DIV/0!
Grand Total	**$ 494,224,473**	**$ 34,167,013**	**$ 528,727,339**	**$ 465,637,948**	**$ 29,829,646**	**$ 495,467,594**	**$ (28,922,377)**	**$ (4,337,367)**	**$ (33,259,745)**	**-6.7%**

* Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

	A 2024 Actuals			B 2024 Plan			C = B - A 2024 Variance			
	PNG	**PGC**	**Combined**	**PNG**	**PGC**	**Combined**	**PNG**	**PGC**	**Combined**	**% Var to Total**
LTIIP	$ 452,306,529	$ 27,807,213	$ 480,113,742	$ 430,881,950	$ 20,745,200	$ 451,627,150	$ (21,424,579)	$ (7,062,013)	$ (28,486,592)	-6.3%
Gathering	1,713,111	572,687	2,285,798	6,685,546	2,544,443	9,229,989	4,972,435	1,971,756	6,944,191	75.2%
Goodwin Tombaugh	12,569,495	-	12,569,495	27,500,000	-	27,500,000	14,930,505	-	14,930,505	54.3%
New Customer	28,730,369	3,670,289	32,400,658	26,231,403	2,914,600	29,146,003	(2,498,966)	(755,689)	(3,254,655)	-11.2%
Maintenance & Compliance	10,619,203	2,820,006	13,439,209	12,324,316	2,199,942	14,524,258	1,705,113	(620,064)	1,085,049	7.5%
Tools / Fleet	21,321,291	42,223,176	63,544,467	8,543,371	788,587	9,331,958	(12,777,920)	(41,434,589)	(54,212,509)	-580.9%
Facilities	14,830,763	16,214,472	31,045,235	17,020,696	27,996	17,048,692	2,189,933	(16,186,476)	(13,996,543)	-82.1%
TOTAL	**$ 542,090,763**	**$ 93,307,842**	**$ 635,398,605**	**$ 529,187,282**	**$ 29,220,768**	**$ 558,408,050**	**$ (12,903,481)**	**$ (64,087,074)**	**$ (76,990,555)**	**-13.8%**
IT Projects*	22,365,732	2,537,002	24,902,734	19,960,000	3,300,000	23,260,000	(2,405,732)	762,998	(1,642,734)	-7.1%
Grand Total	**$ 564,456,495**	**$ 95,844,844**	**$ 660,301,339**	**$ 549,147,282**	**$ 32,520,768**	**$ 581,668,050**	**$ (15,309,213)**	**$ (63,324,076)**	**$ (78,633,289)**	**-13.5%**

2025 Nov Year to Date	A 2025 Actuals			B 2025 Plan			C = B - A 2025 Variance			
	PNG	**PGC**	**Combined**	**PNG**	**PGC**	**Combined**	**PNG**	**PGC**	**Combined**	**% Var to Total**
LTIIP	$ 491,914,508	$ -	$ 491,914,508	$ 507,258,316	$ -	$ 507,258,316	$ 15,343,808	$ -	$ 15,343,808	3.0%
Gathering	1,848,744	-	1,848,744	7,570,739	-	7,570,739	5,721,995	-	5,721,995	75.6%
Goodwin Tombaugh	19,191,899	-	19,191,899	15,021,666	-	15,021,666	(4,170,233)	-	(4,170,233)	-27.8%
New Customer	26,295,167	-	26,295,167	30,129,121	-	30,129,121	3,833,954	-	3,833,954	12.7%
Maintenance & Compliance	15,438,325	-	15,438,325	17,928,615	-	17,928,615	2,490,290	-	2,490,290	13.9%
Tools / Fleet	9,633,638	-	9,633,638	11,619,850	-	11,619,850	1,986,212	-	1,986,212	17.1%
Facilities	10,758,297	-	10,758,297	8,352,740	-	8,352,740	(2,405,557)	-	(2,405,557)	-28.8%
TOTAL	**$ 575,080,578**	**$ -**	**$ 575,080,578**	**$ 597,881,047**	**$ -**	**$ 597,881,047**	**$ 22,800,469**	**$ -**	**$ 22,800,469**	**3.8%**
IT Projects*	8,439,727	-	8,439,727	12,222,375	-	12,222,375	3,782,648	-	3,782,648	30.9%
Grand Total	**$ 583,520,305**	**$ -**	**$ 583,520,305**	**$ 610,103,422**	**$ -**	**$ 610,103,422**	**$ 26,583,117**	**$ -**	**$ 26,583,117**	**4.4%**

* Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

Peoples Natural Gas Company LLC
§ Exhibit VI.I

RR-16. Please provide a breakdown of other gas revenue for the three preceding calendar years.

* *

See page 2.

Peoples Natural Gas Company LLC
Other Gas Revenues - FERC 495
by Calendar Year

Account Description	2022	2023	2024
Migration Rider Revenues	$ (0)	$ -	$ -
Over/Under Recovery Revenues	$ 1,050	$ 1,115,586	$ 1,622,244
Over/Under Recovery Revenues - Unbilled	$ -	$ 128,718	$ (128,718)
Over/Under Recovery Revenues - Repair Tax	$ 1,398,579	$ (1,957,620)	$ 1,493,906
Pooling & Metering	$ 430,469	$ 418,894	$ 348,422
Production & Gathering	$ 563,293	$ 203,010	$ 158,590
Off - System Sales	$ 23,718,193	$ 9,454,136	$ 3,568,823
Royalties	$ 37,208	$ 14,358	$ 10,411
Other Miscellaneous Revenues	$ 307,437	$ 410,249	$ 238,613
	$ 26,456,229	**$ 9,787,330**	**$ 7,312,291**

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-17. For those items for which data is available, please provide the following actual monthly balance by account for the historic and future test periods to present:

a. Depreciable utility plant in service;

b. Nondepreciable utility plan in service;

c. Construction work in progress;

d. Accumulated deferred income tax;

e. Materials and supplies;

f. Customer advances for construction;

g. Contributions in aid of construction;

h. Accumulated depreciation;

i. Prepayments by type;

j. Customer deposits;

k. Injury and damages reserve.

* *

Refer to Attachment 1 for each category in total and Attachment 2 for detail of prepayments by type.

Peoples Natural Gas Company LLC

Attachment 1: Exhibit 19, RR-17

Monthly Balances by Account

Month	Depreciable Utility Plant in Service	Nondepreciable Utility Plant in Service	Construction Work in Progress	Accumulated Deferred Income Tax	Material & Supplies	Customer Advances for Construction	Contributions in Aid of Construction	Accumulated Depreciation	Prepayments by Type *	Customer Deposits	Injury & Damages Reserve
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Dec-24	$ 5,258,098,059	$ 2,864,685	$ 84,546,409	$ (666,130,405)	$ 6,112,088	$ (522,071)	$ (3,241,110)	$ (1,388,870,811)	$ 7,243,983	$ (3,249,701)	$ (2,569,512)
Jan-25	$ 5,278,138,838	$ 2,864,685	$ 86,816,178	$ (666,130,405)	$ 6,172,865	$ (656,914)	$ (7,619)	$ (1,395,573,856)	$ 6,866,488	$ (3,276,852)	$ (2,569,512)
Feb-25	$ 5,294,220,113	$ 2,864,685	$ 97,801,280	$ (666,130,405)	$ 6,201,018	$ (656,914)	$ (7,619)	$ (1,405,752,850)	$ 6,437,492	$ (3,328,682)	$ (2,569,512)
Mar-25	$ 5,332,917,504	$ 2,864,685	$ 107,809,773	$ (783,866,564)	$ 6,199,650	$ (340,284)	$ (52,737)	$ (1,414,883,739)	$ 4,843,867	$ (3,208,461)	$ (2,569,512)
Apr-25	$ 5,393,061,445	$ 2,864,685	$ 105,572,562	$ (783,866,564)	$ 6,232,605	$ (559,790)	$ (52,737)	$ (1,421,192,616)	$ 4,697,090	$ (3,135,861)	$ (2,569,512)
May-25	$ 5,433,485,031	$ 2,864,685	$ 112,829,544	$ (783,866,564)	$ 6,218,639	$ (641,558)	$ (52,737)	$ (1,415,174,280)	$ 4,453,297	$ (3,005,537)	$ (2,569,512)
Jun-25	$ 5,461,234,256	$ 2,864,685	$ 121,010,342	$ (792,903,322)	$ 6,327,586	$ (300,775)	$ (163,210)	$ (1,396,115,490)	$ 4,260,697	$ (2,919,558)	$ (3,034,014)
Jul-25	$ 5,513,518,971	$ 2,864,685	$ 125,695,758	$ (792,903,322)	$ 6,321,408	$ (432,760)	$ (163,210)	$ (1,407,627,310)	$ 4,189,250	$ (3,291,444)	$ (3,034,014)
Aug-25	$ 5,560,289,284	$ 2,864,685	$ 123,732,008	$ (792,903,322)	$ 6,035,638	$ (119,215)	$ (506,006)	$ (1,418,001,174)	$ 4,156,223	$ (3,301,341)	$ (3,034,014)
Sep-25	$ 5,622,081,825	$ 2,864,685	$ 113,284,358	$ (784,108,466)	$ 6,041,662	$ (442,983)	$ (506,006)	$ (1,427,077,971)	$ 4,671,177	$ (3,334,901)	$ (3,034,014)
Oct-25	$ 5,685,632,796	$ 2,864,685	$ 109,501,827	$ (784,108,466)	$ 6,120,478	$ (933,711)	$ (506,006)	$ (1,437,879,318)	$ 4,843,438	$ (3,394,192)	$ (3,002,025)
Nov-25	$ 5,737,722,251	$ 2,864,685	$ 94,267,997	$ (785,844,384)	$ 6,167,508	$ (595,600)	$ (601,525)	$ (1,434,221,025)	$ 3,998,013	$ (3,439,182)	$ (3,002,025)

Peoples Natural Gas Company LLC

Attachment 2: Exhibit No.19 RR.17

Prepayments by Type

Month	Insurance	Maintenance	Leases	Health Insurance	Miscellaneous	FERC 9165000 Cumulative Balances
Dec-24	$ -	$ 4,645,088	$ 437,600	$ 801,500	$ 1,359,795	$ 7,243,983
Jan-25	$ -	$ 4,447,971	$ 394,221	$ 734,708	$ 1,289,588	$ 6,866,488
Feb-25	$ -	$ 3,856,287	$ 393,554	$ 667,917	$ 1,519,733	$ 6,437,492
Mar-25	$ -	$ 3,574,423	$ 111,606	$ 601,125	$ 556,713	$ 4,843,867
Apr-25	$ -	$ 3,262,516	$ 322,221	$ 534,333	$ 578,020	$ 4,697,090
May-25	$ -	$ 3,014,734	$ 532,835	$ 467,542	$ 438,186	$ 4,453,297
Jun-25	$ -	$ 2,967,374	$ 569,221	$ 400,750	$ 323,352	$ 4,260,697
Jul-25	$ -	$ 2,406,899	$ 569,221	$ 333,958	$ 879,171	$ 4,189,250
Aug-25	$ -	$ 2,139,594	$ 569,221	$ 267,167	$ 1,180,242	$ 4,156,223
Sep-25	$ -	$ 1,799,517	$ 815,502	$ 200,375	$ 1,855,783	$ 4,671,177
Oct-25	$ -	$ 2,512,428	$ 815,502	$ 133,583	$ 1,381,925	$ 4,843,438
Nov-25	$ -	$ 2,647,000	$ 569,221	$ 66,792	$ 715,001	$ 3,998,013

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-18. Please provide a copy of all workpapers supporting the Company's lead/lag study.

* *

Please see Peoples Statement No. 14 – the Direct Testimony of Anton Ribich – Exhibit No. AR-1 for all workpapers supporting the Company's Lead/Lag Study.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-19. Please provide the payroll distribution showing the percentage of wages charged to O&M and other categories for each of the preceding three calendar years and the most recent annual period available.

* *

Line No.		12/31/2022	12/31/2023	12/31/2024	TME 11/30/25
	Labor				
1	O&M Expense	$ 88,903,076	$ 89,767,977	$ 91,875,434	$ 94,122,533
2	Direct Capitalization	$ 51,797,523	$ 53,870,508	$ 56,650,635	$ 61,631,160
3	Total Gross Labor	$ 140,700,599	$ 143,638,485	$ 148,526,069	$ 155,753,693
	Direct Capitalization Percentage	36.81%	37.50%	38.14%	39.57%

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-20. Please state whether the future test year budgeted labor includes any increases or decreases in the number of employees during the future test year. If increases have been budgeted, please state whether the future test year includes budgeted positions which have not been filled.

* *

The future test year labor claim includes additional positions. Please refer to Exhibit No. 4, Schedule No. 1 (53.53.III.E.17) and to Peoples Statement No. 2, the direct testimony of Andrew Wachter, for further information.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-21. Please explain how the Company has treated routine or normal position vacancies which occur as a result of terminations or retirements in its budgeted labor projections.

* *

Routine and/or normal position vacancies which occur as a result of terminations or retirements were assumed to be filled with employees with equivalent pay. The associated amounts are included in the annualized adjustments for both the Historic and Future Test Years.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-22. Please provide the most recent insurance premiums for each type of insurance coverage (i.e., employee benefit and those purchased by the Company) reflected in the Company's filing. If available, please provide estimated premiums for the subsequent calendar year.

* *

Actual Premiums 2024 - 2025

Type of Coverage	Policy Period	Total Premium	Peoples Natural Gas Share of Total Premium	Other Share of Total Premium
Directors & Officers Liability	10/1/2024 - 09/30/2025	$ 434,073	$ 380,985	$ 53,087
Executives Risk, Crime & Fiduciary Insurance	10/1/2024 - 09/30/2025	$ 94,545	$ 82,982	$ 11,563
Non-Owned Aviation	10/1/2024 - 09/30/2025	$ 4,200	$ 3,686	$ 514
Excess Liability Insurance	10/1/2024 - 09/30/2025	$ 6,400,712	$ 5,617,904	$ 782,807
Property Insurance	10/1/2024 - 09/30/2025	$ 546,565	$ 479,720	$ 66,845
Automotive Insurance	10/1/2024 - 09/30/2025	$ 341,742	$ 279,238	$ 62,505
General Commercial Liability Insurance	10/1/2024 - 09/30/2025	$ 785,494	$ 689,428	$ 96,066
Cyber Security Liability Insurance	10/1/2024 - 09/30/2025	$ 407,051	$ 385,436	$ 21,614
Workers' Compensation Insurance	10/1/2024 - 09/30/2025	$ 1,012,994	$ 899,742	$ 113,253
Claims & Brokerage Fees	10/1/2024 - 09/30/2025	$ 295,595	$ 236,894	$ 58,702
Surety Bonds	10/1/2024 - 09/30/2025	$ 81,592	$ 81,527	$ 65
Jurisdictional Boiler/Pressure Vessel Inspections	10/1/2024 - 09/30/2025	$ 5,780	$ 5,073	$ 707
Railroad Protective Liability	10/1/2024 - 09/30/2025	$ 3,500	$ 3,072	$ 428
Total Premiums		**$ 10,413,843**	**$ 9,145,688**	**$ 1,268,155**

Note: Policy Period is 10/01/2024 - 9/30/2025 for all policies

Estimated Premiums 2025 - 2026

Type of Coverage	Policy Period	Premiums for FTY	Peoples Natural Gas Share of Total Premium	Other Share of Total Premium
Directors & Officers Liability	10/01/2025 - 09/30/2026	$ 464,024	$ 407,273	$ 56,750
Executives Risk, Crime & Fiduciary Insurance	10/01/2025 - 09/30/2026	$ 101,069	$ 88,708	$ 12,361
Non-Owned Aviation	10/01/2025 - 09/30/2026	$ 4,490	$ 3,941	$ 549
Excess Liability Insurance	10/01/2025 - 09/30/2026	$ 6,842,361	$ 6,005,540	$ 836,821
Property Insurance	10/01/2025 - 09/30/2026	$ 584,278	$ 512,821	$ 71,457
Automotive Insurance	10/01/2025 - 09/30/2026	$ 365,323	$ 298,505	$ 66,818
General Commercial Liability Insurance	10/01/2025 - 09/30/2026	$ 839,694	$ 736,999	$ 102,695
Cyber Security Liability Insurance	10/01/2025 - 09/30/2026	$ 435,137	$ 412,031	$ 23,106
Workers' Compensation Insurance	10/01/2025 - 09/30/2026	$ 1,082,891	$ 961,824	$ 121,067
Claims & Brokerage Fees	10/01/2025 - 09/30/2026	$ 315,991	$ 253,240	$ 62,752
Surety Bonds	10/01/2025 - 09/30/2026	$ 87,222	$ 87,152	$ 70
Jurisdictional Boiler/Pressure Vessel Inspections	10/01/2025 - 09/30/2026	$ 6,179	$ 5,423	$ 756
Railroad Protective Liability	10/01/2025 - 09/30/2026	$ 3,742	$ 3,284	$ 458
Total Premiums		**$ 11,132,398**	**$ 9,776,740**	**$ 1,355,658**

Note: Policy Period is 10/01/2025 - 9/30/2026 for all policies

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-23. Please provide a copy of the Company's two most recent FERC Form 2.

* *

Peoples Natural Gas Company LLC does not file FERC Form 2. The company does file an Annual Report with the Pennsylvania Public Utility Commission (PA PUC) which reports are available on the PA PUC's website.

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-24. Please provide a description of each employee benefit program or plan.

* *

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

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-25. Please provide a description of the Company's merit and cost of living wage rate increase policies.

* *

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

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-26. Please provide the following monthly labor data for the year prior to the HTY, the HTY and the FTY through the most recent date available.

a. Number of actual employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.);

b. Regular payroll broken down between expensed, capitalized and other;

c. Overtime payroll broken down between expensed, capitalized and other;

d. Temporary payroll broken down between expensed, capitalized and other; and

e. Other payroll (specify).

* *

Refer to Page 2 for item a response, Page 3 items b, c, and e responses.

Item d is not applicable.

Peoples Natural Gas Company LLC
Schedule of FTEs Between Union and Non-Union

Prior To Historical Test Year

Date	Union	Non-Union	Total
12/31/2023	937	464	1401
1/31/2024	952	461	1413
2/29/2024	949	460	1409
3/31/2024	946	459	1405
4/30/2024	955	456	1411
5/31/2024	954	452	1406
6/30/2024	952	449	1401
7/31/2024	962	451	1413
8/31/2024	958	449	1407
9/30/2024	956	456	1412
10/31/2024	957	458	1415
11/30/2024	957	457	1414

Historical Test Year

Date	Union	Non-Union	Total
12/31/2024	969	453	1422
1/31/2025	977	434	1411
2/28/2025	975	433	1408
3/31/2025	981	434	1415
4/30/2025	983	435	1418
5/31/2025	983	434	1417
6/30/2025	987	441	1428
7/31/2025	981	434	1415
8/31/2025	980	431	1411
9/30/2025	979	431	1410
10/31/2025	977	429	1406
11/30/2025	983	426	1409

Peoples Natural Gas Company LLC
Schedule of Regular, Overtime & Other Payroll between Expensed and Capitalized

b. Regular

Prior To HTY	Capitalized	Expense	HTY	Capitalized	Expense
12/31/2023	$ 5,251,654	$ 9,595,637	12/31/2024	$ 6,001,592	$ 10,256,479
1/31/2024	$ 5,661,356	$ 10,344,228	1/31/2025	$ 6,264,985	$ 10,706,608
2/29/2024	$ 5,204,624	$ 9,509,705	2/28/2025	$ 5,456,411	$ 9,324,787
3/31/2024	$ 5,110,067	$ 9,336,934	3/31/2025	$ 5,693,571	$ 9,730,083
4/30/2024	$ 5,436,255	$ 9,932,932	4/30/2025	$ 6,064,902	$ 10,364,672
5/31/2024	$ 5,406,768	$ 9,879,054	5/31/2025	$ 6,053,628	$ 10,345,406
6/30/2024	$ 5,198,001	$ 9,497,603	6/30/2025	$ 5,783,269	$ 9,883,373
7/31/2024	$ 5,644,679	$ 10,313,757	7/31/2025	$ 6,379,722	$ 10,902,687
8/31/2024	$ 5,429,836	$ 9,921,204	8/31/2025	$ 5,781,515	$ 9,880,377
9/30/2024	$ 5,172,934	$ 9,451,801	9/30/2025	$ 6,039,850	$ 10,321,860
10/31/2024	$ 5,673,966	$ 10,367,270	10/31/2025	$ 6,318,917	$ 10,798,775
11/30/2024	$ 5,315,251	$ 9,711,838	11/30/2025	$ 5,571,737	$ 9,521,873

c. Overtime

Prior To HTY	Capitalized	Expense	HTY	Capitalized	Expense
12/31/2023	$ 864,312	$ 1,579,240	12/31/2024	$ 1,309,063	$ 2,237,136
1/31/2024	$ 581,383	$ 1,062,283	1/31/2025	$ 884,419	$ 1,511,436
2/29/2024	$ 1,100,270	$ 2,010,375	2/28/2025	$ 1,490,974	$ 2,548,014
3/31/2024	$ 787,775	$ 1,439,395	3/31/2025	$ 855,581	$ 1,462,154
4/30/2024	$ 704,412	$ 1,287,076	4/30/2025	$ 905,753	$ 1,547,895
5/31/2024	$ 967,617	$ 1,767,995	5/31/2025	$ 1,006,285	$ 1,719,700
6/30/2024	$ 612,352	$ 1,118,868	6/30/2025	$ 825,847	$ 1,411,340
7/31/2024	$ 717,659	$ 1,311,281	7/31/2025	$ 950,432	$ 1,624,251
8/31/2024	$ 832,559	$ 1,521,222	8/31/2025	$ 1,240,223	$ 2,119,491
9/30/2024	$ 883,789	$ 1,614,829	9/30/2025	$ 905,446	$ 1,547,370
10/31/2024	$ 1,086,363	$ 1,984,963	10/31/2025	$ 1,082,004	$ 1,849,101
11/30/2024	$ 810,360	$ 1,480,661	11/30/2025	$ 1,238,297	$ 2,116,199

e. Other APIP / Incentive

Prior To HTY	Capitalized	Expense	HTY	Capitalized	Expense
12/31/2023	$ 1,290,221	$ 2,941,004	12/31/2024	$ 881,682	$ 2,122,532
1/31/2024	$ 383,620	$ 922,072	1/31/2025	$ 409,651	$ 958,751
2/29/2024	$ 375,484	$ 888,415	2/28/2025	$ 336,205	$ 769,964
3/31/2024	$ 150,279	$ 162,551	3/31/2025	$ 178,510	$ 455,739
4/30/2024	$ 454,005	$ 1,202,907	4/30/2025	$ 393,112	$ 926,089
5/31/2024	$ 195,122	$ 463,778	5/31/2025	$ 357,339	$ 848,166
6/30/2024	$ 413,678	$ 942,904	6/30/2025	$ 429,479	$ 1,063,462
7/31/2024	$ 272,214	$ 678,132	7/31/2025	$ 373,496	$ 893,203
8/31/2024	$ 270,865	$ 652,324	8/31/2025	$ 380,821	$ 909,422
9/30/2024	$ 338,997	$ 806,974	9/30/2025	$ 446,400	$ 1,096,337
10/31/2024	$ 286,826	$ 688,545	10/31/2025	$ 446,728	$ 1,041,116
11/30/2024	$ 829,594	$ 1,905,651	11/30/2025	$ 417,426	$ 985,420

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-27. Please provide a copy of all incentive compensation and/or bonus plans and provide the level of related payments included in cost of service.

* * * * * * * * * * * * * * * *

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

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-28. Please provide the percentage wage rate increases granted by the Company by date and employee category for the three most recent calendar years and the current year to date.

* *

Merit Increases by year

Category	2025	2024	2023	2022
Effective Date	1-Apr	1-Apr	1-Apr	1-Apr
Non-Union	3.25%	3.25%	3.25%	3.25%
Effective Date	1-Nov	1-Nov	1-Nov	1-Nov
Union - 612	3.25%	3.25%	4.00%	2.75%
Effective Date	1-Mar	1-Mar	1-Mar	1-Mar
Union USW Service Company	4.00%	4.00%	4.00%	3.50%
Effective Date	23-Jan	23-Jan	23-Jan	23-Jan
Union IBEW	2.50%	2.50%	3.00%	3.00%

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-29. Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold for the lesser of the last three years or since the Company's last rate case or anticipated during the FTY. Explain how such amounts have been treated for ratemaking purposes.

* *

Peoples Natural Gas Company LLC experienced a gain of $39,676 on utility property sold since their last rate case. No utility property sales are anticipated during the Future Test Year.

Peoples Natural Gas Company LLC

Gains & Losses on Utility Property Sold

Description	Period	Gain	(Loss)	Net
Butler Building Sale	Oct-23	39,676	-	39,676
Total		39,676	-	39,676

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-30. Please provide the level of each of the following which is included in the Company's cost of service by separate type and/or payee, which are incurred directly by the Company or are allocated or billed to the Company by affiliates or its parent company.

a. Fines and penalties;

b. Contributions and donations;

c. Membership dues;

d. Lobbying expense;

e. Employee activity costs (e.g., picnics, parties, awards);

f. Investor relations expenses

* *

See page 2, below.

Peoples Natural Gas Company LLC
Exhibit No. 19, RR-30
Twelve Months Ended November 30, 2025

a. Fines and Penalties:

The Company is not making a claim for fines and penalties.

b. Contributions and Donations:

SEE EXHIBIT 4, SCHEDULE 14 (53.53.III.A.30) FOR DETAILS

c. Membership Dues:

SEE EXHIBIT 19, RR-32 (VI.II.RR.32) FOR DETAILS

d. Lobbying Expense:

The Company is not making a claim for lobbying expense.

e. Employee Activity Costs:	**Peoples Natural Gas Company LLC**
EMPLOYEE EVENTS	51,541
MANAGEMENT LEADERSHIP MEETING	768
DEVICE REIMBURSEMENT	126,820
OTHER	74,402
PARKING LEASES	203,085
SERVICE/SAFETY AWARDS	247,078
< $500	34,305
SAFETY-RELATED	18,875
Total Employee Activity Costs	**$ 756,875**

f. Investor Relations Expenses:	**Peoples Natural Gas Company LLC**
BOARD OF DIRECTOR FEES	**$ 311,575**

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-31. Please provide a description and the purpose for membership for each organization listed in the previous response.

* *

Line No.	Payee & Description
1	**American Gas Association (AGA)** The primary function of AGA is to promote efficient demand and supply growth, operational excellence, in the safe, reliable and efficient delivery of natural gas for distribution and transmission companies.
2	**Energy Association of Pennsylvania** The Energy Association of Pennsylvania is an advocate for its members on policy issues before the General Assembly, the Public Utility Commission, and various other state governmental agencies.
3	**Pennsylvania Chamber of Business and Industry** The PA Chamber is a frontline advocate pro-business legislation through advocating, testifying, and tracking bills and regulations. As a member of the Pennsylvania Chamber you receive exclusive access to a wide range of business solutions and money saving programs, opportunities for involvement and grassroots action, information from specialized publications.
4	**Curate Solutions, Inc.** Curate is a civic intelligence company that empowers organizations to monitor risk in local government discussions. It helps companies to stay ahead of policy change within cities, counties, and school districts with AI-powered local legislative tracking software. Curate scans meeting minutes, agendas, planning, and other documents from more than 12,000 local government entities, helping companies to mitigate risks and spot opportunities.

5 **Pittsburgh Airport Area Chamber of Commerce**
PAACC is a leader in providing and optimizing business growth strategies for professionals in 34 communities, including Moon, Robinson, Findlay, and North Fayette Townships. Its mission is to provide resources and information to advance and maximize economic vitality through advocacy, education and networking to its members and its regional business community.

6 **Pittsburgh Technology Council**
The Pittsburgh Technology Council has been the principal point of connection for companies from four primary clusters of the technology industry that are represented by a critical mass of businesses in southwestern Pennsylvania including Advanced Manufacturing / Materials, Green Technology, Information Technology and Life Sciences sectors.

7 **Women's Business Enterprise Center East**
An advocate for women business owners and entrepreneurs in Pennsylvania, from Pittsburgh to Philadelphia. Advances diversity to promote innovation, open doors, and create partnerships that fuel the economy. Provides a certification standard for women-owned businesses, as well as world-class entrepreneurial training and education – combined with powerful tools and networking opportunities – to help them succeed.

8 **Energy Solutions Center, Inc.**
The Energy Solutions Center (ESC) is a non-profit organization of energy utilities and equipment manufacturers that promotes energy efficient natural gas solutions and systems for use by residential, commercial, and industrial energy users. The Center creates educational and marketing materials, case studies, training manuals, decision analysis software, and other tools and resources designed to enhance the success of those utility customer service professionals responsible for enhancing customer productivity, efficiency, reliability and comfort.

9 **Pittsburgh Works Together**
Pittsburgh Works Together is committed to creating an inclusive vision of economic progress that embraces and respects both traditional legacy industries and emerging ones. We seek a region

in which both “old” and “new” industries work side by side and respect is shown for our work ethic and dedication to community.

10 **Leadership Pittsburgh, Inc.**

Leadership Pittsburgh, Inc. equips employers to build inclusive workplace cultures that fuel growth and prosperity for talent, business, and our region. They share resources and training that elevate best practices and policies, consult to provide tailored approaches to meet employer members’ unique needs, and convene stakeholders to learn and collaborate around workplace challenges and opportunities.

11 **Itron, Inc.**

Itron is a technology and services company that helps utilities and cities manage energy and water resources efficiently. It provides advanced metering, data analytics, and solutions that enable organizations to optimize operations, improve sustainability, and enhance customer engagement. Itron’s platforms collect and analyze data from millions of devices, helping utilities reduce costs, improve reliability, and support smart grid and smart city initiatives. Peoples started installing the Intelis meters in the fall of 2024.

12 **AI Horizons**

The AI Strike Team is a strategic initiative dedicated to establishing Pittsburgh as a global leader in artificial intelligence. The initiative focuses on attracting investment, expanding AI infrastructure, fostering collaboration between academia, industry, and government, and creating innovation hubs that drive economic growth. Through building relationships and its flagship event, AI Horizons, the AI Strike Team aims to position the region at the forefront of technological advancement and ensure long-term competitiveness in the global AI landscape.

13 **African American Chamber of Commerce**

The African American Chamber of Commerce promotes access and business opportunities for small business owners and professionals throughout Western PA. Through programs like their Business Institute, candidate’s forum and educational webinars to promote minority-owned businesses.

14 **American Association of Blacks in Energy**
AABE is dedicated to ensuring the input of African Americans and other minorities into the discussions and developments of energy policies and regulations. The Pittsburgh chapter focuses on educating professionals in the energy industry and building the pipeline of African Americans in leadership positions throughout the energy industry.

15 **Beaver County Chamber of Commerce**
Beaver County Chamber of Commerce promotes economic growth and community development throughout Beaver County. The Chamber collaborates with all industries including small and large businesses and many nonprofit organizations. The Chamber provides programs to support workforce development, government affairs, marketing for local businesses, and networking opportunities.

16 **Downtown Neighbors Alliance**
Downtown Neighbors Alliance is a 501(c)(3) nonprofit, community-based organization that serves downtown Pittsburgh. DNA partners with supportive community leaders through innovative projects and events that encourage residential development, assist small businesses, and promote the arts and entertainment. DNA strives to make the Golden Triangle a better place to live, work, and play.

17 **Greater Pittsburgh Chamber of Commerce**
The Greater Pittsburgh Chamber of Commerce is the advocacy arm of the Allegheny Conference on Community Development. Together, both organizations advocate the local, state and federal levels of government to improve the economy and quality of life in the 10-county Pittsburgh region.

18 **Marcellus Shale Coalition**
The Marcellus Shale Coalition (MSC) works with exploration and production, midstream, supply chain, and distribution companies in the Appalachian Basin to address issues related to the production of natural gas from the Marcellus and Utica Shale Plays. MSC provides in-depth information to its policymakers, regulators, media and other public stakeholders on the positive impacts responsible for natural gas production has on families, businesses and communities across the region.

19 **North Side Chamber of Commerce**
North Side Chamber works to promote, connect, and support the Northside business community. The 400+ companies and organizations that make up the chamber membership include a wide variety of industries and sizes; all located in or with an interest in Pittsburgh's Northside.

20 **Pittsburgh Downtown Partnership**
The Pittsburgh Downtown Partnership (PDP) is a non-profit organization that works to make Downtown a better place to live, work, play and do business. The PDP fosters a clean, safe, accessible, and vibrant Downtown through a wide range of strategies and advocacy for actions that will strengthen the city, enhance its beauty and vitality, and make it a better place for business and pleasure.

21 **Pittsburgh Metropolitan Area Hispanic Chamber of Commerce**
The Pittsburgh Metropolitan Area Hispanic Chamber of Commerce (PMAHCC) is the principal regional advocate for the Hispanic business community's civic and economic interests. It is the mission of the Chamber to develop, promote and advocate on behalf of Hispanic businesses & professionals in the Pittsburgh region, while encouraging the advancement and economic growth of Pittsburgh's Hispanic community.

22 **VisitPittsburgh**
VisitPittsburgh is dedicated to generating business events, sports events and leisure travel business for the Pittsburgh region. Established in 1935, VisitPittsburgh is dedicated to generating convention, trade show and leisure travel business for the Pittsburgh region. VisitPittsburgh is a not-for-profit organization serving its business membership.

23 **Association for Materials Protection and Performance (AMPP)**
AMPP (formerly NACE International and SSPC) is a global professional association focused on advancing the protection and performance of materials through standards, technical training, certifications, and industry collaboration. With over 40,000 members across more than 130 countries, AMPP offers access to ANSI-accredited standards, expert-led publications, technical resources, and networking opportunities at conferences and local chapters. Membership benefits include career development through certifications, enhanced visibility via speaking and awards, and

valuable business exposure for corporate members via training, exhibit discounts, and advertising.

24 **Common Ground Alliance (CGA)**

CGA is a member-driven alliance dedicated to preventing damage to underground utility infrastructure across North America. It brings together nearly 4,000 professionals—including excavators, energy providers, regulators, and technology firms—to collaboratively set industry standards, promote best practices, and analyze damage data. Members benefit from influencing the development of CGA's best practices and whitepapers, tracking trends through its DIRT report, accessing timely educational resources and tools, and engaging in strategic networking at events and through collaboration platforms.

25 **Innovate Utility CX Conference**

Innovate Utility CX is the premier annual conference for utility professionals focused on enhancing the customer experience across the meter-to-cash lifecycle—covering analytics, billing, contact centers, digital engagement, field operations, and strategy. Co-hosted by the American Gas Association and Edison Electric Institute, the event brings together leaders from electric, gas, and water utilities to share insights, attend workshops, hear expert sessions, view vendor solutions, and network. The conference offers robust, actionable content alongside exhibits and executive leadership forums to drive customer-centric transformation across the utilities industry.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-32. Please provide the level of payments made to industry organizations included in cost of service along with a description of each payee organization or project.

* *

Line No.	Description		Amount
1	African American Chamber of Commerce	$	10,000
2	AI Horizons	$	25,000
3	American Association of Blacks in Energy	$	2,500
4	American Gas Association (AGA)	$	603,593
5	Association for Materials Protection and Performance	$	3,904
6	Beaver County Chamber of Commerce	$	1,000
7	Common Ground Alliance	$	2,500
8	Curate Solutions Inc	$	11,928
9	Downtown Neighbors Alliance	$	4,500
10	Energy Association of Pennsylvania	$	197,577
11	Energy Solutions Center Inc	$	32,700
12	Greater Pittsburgh Chamber of Commerce	$	4,500
13	Innovate Utility CX Conference	$	3,489
14	ITRON	$	3,490
15	Leadership Pittsburgh Inc	$	11,600
16	Marcellus Shale Coalition	$	9,875
17	North Side Chamber of Commerce	$	9,500
18	Pennsylvania Attorney Annual Registration	$	1,259
19	Pennsylvania Chamber of Business & Industry	$	19,375
20	Pittsburgh Airport Area Chamber of Commerce	$	2,436
21	Pittsburgh Downtown Partnership	$	12,500
22	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce	$	1,000
23	Pittsburgh Technology Council	$	10,185
24	Pittsburgh Works Together Inc	$	45,833
25	VisitPittsburgh	$	5,530
26	Womens Business Enterprise Center	$	6,500
27	Other Dues and Memberships < $1000	$	20,244
	Total of payments made to industry organizations	$	1,062,518

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-33. Please provide the following information related to the Company's membership in AGA:

a. Cost included in requested cost of service.

b. Cost excluded from requested cost of service.

c. Copy of the most recent audit report of AGA expenditures prepared by NARUC.

d. Most recent correspondence received from AGA which addresses the percentage of dues related to lobbying or other separate activities.

e. Policy statement, objective, purpose, etc. of AGA.

* *

a. Costs included in the requested cost of service are $634,955 for the FPFTY.

b. Costs excluded from the requested cost of service for the Company's AGA membership are the lobbying expenses of $24,001 for the FPFTY.

c. AGA expenditures are no longer audited by NARUC.

d. Refer to Attachment A.

e. Membership in AGA furthers the Company's goals by promoting, distributing, and educating natural gas utility companies and affiliates. Additionally, the AGA promotes efficient demand and supply growth, operational excellence, for the safe, reliable and efficient delivery of natural gas. AGA's range of programs and services provides a basis for:

- Addressing common concerns;
- Protecting the interests of the gas industry;
- Providing a regulatory voice;
- Enhancing their operational excellence; and
- Promoting safe and efficient use of natural gas.

Refer to Attachment B for the AGA's Mission Statement

AMERICAN GAS ASSOCIATION 2025 and 2024 BUDGETS

All Programs	$ 2025 ALLOCATION	% 2025 ALLOCATION	$ 2024 ALLOCATION	% 2024 ALLOCATION
Advocacy & Outreach	$1,410,000	2.94%	$1,339,000	3.10%
Communications	$3,101,000	6.47%	$3,122,000	7.23%
Energy Markets, Analysis, and Standards	$4,826,000	10.07%	$4,347,000	10.07%
General and Administrative	$10,834,000	22.60%	$9,922,000	22.98%
General Counsel and Regulatory Affairs	$4,012,000	8.37%	$4,209,000	9.75%
Government Affairs & Public Policy	$5,730,000	11.95%	$5,514,000	12.77%
Industry Finance & Administrative Programs	$1,809,000	3.77%	$1,812,000	4.20%
Membership and Strategic Development	$5,014,000	10.46%	$4,983,000	11.54%
Safety, Operations, Engineering & Security	$11,206,000	23.37%	$7,936,000	18.38%
Expense Budget *	$47,942,000	100.00%	$43,184,000	100.00%

Notes

AGA estimates that lobbying related expenses, as defined under IRC Section 162, will account for 3.78% of member dues in 2025.

* Does not include certain expenses or activities not funded by annual member company dues.

AGA Mission

Vision Statement

Committed to leveraging and utilizing America's abundant, domestic, affordable and clean natural gas to help meet the nation's energy and environmental needs.

Mission Statement

The American Gas Association (AGA) represents companies delivering natural gas safely, reliably, and in an environmentally responsible way to help improve the quality of life for their customers every day. AGA's mission is to provide clear value to its membership and serve as the indispensable, leading voice and facilitator on its behalf in promoting the safe, reliable, and efficient delivery of natural gas to homes and businesses across the nation.

Core Strengths

1. Conducts programs and develops standards to help enhance the safe delivery of natural gas to consumers;
2. Advocates for natural gas industry issues, regulatory constructs and business models that are priorities for the industry;
3. Promotes growth in the efficient use of natural gas by emphasizing before a variety of stakeholders the benefits of clean, abundant natural gas as part of the solution to the nation's energy and environmental goals;
4. Facilitates the exchange of information and improvement of performance metrics to help members achieve operational excellence;
5. Helps members manage and respond to the energy needs of customers, regulatory trends, natural gas or capital market issues and emerging technologies;
6. Collects, analyzes and disseminates information to opinion leaders, policy makers and consumers about the benefits provided by energy utilities and the natural gas industry;
7. Encourages the development, commercialization, and regulatory acceptance of natural gas end-use technologies; and
8. Delivers measurable value to AGA members.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-34. Please provide a copy of the most recent FERC audit findings, the Company's response and final disposition of audit exceptions.

* *

Peoples is not audited by FERC.

Peoples Natural Gas Company LLC
Standard Data Request
Revenue Requirements

RR-35. Please provide the annual level of forfeited discounts or late payment charges for the preceding three calendar years. Identify the level of sales revenue with which these are associated.

* *

Peoples Natural Gas Company LLC
Exhibit VI.II.RR.35
Forfeited Discounts
by Calendar Year

	2024	2023	2022
Forfeited Discounts			
Residential Forfeited Discounts	$ 3,869,352	$ 5,664,306	$ 4,840,010
Commercial Forfeited Discounts	$ 377,384	$ 413,791	$ 431,391
Industrial Forfeited Discounts	$ 107,247	$ 96,423	$ 98,837
Total Forfeited Discounts	$ 4,353,983	$ 6,174,519	$ 5,370,238
Residential			
Residential Sales	$ 452,627,242	$ 537,181,025	$ 645,858,327
Residential Transport	$ 51,688,718	$ 54,041,866	$ 63,271,260
Total Residential Sales & Transport	$ 504,315,960	$ 591,222,891	$ 709,129,588
Commercial			
Commercial Sales	$ 78,463,323	$ 100,606,786	$ 117,283,485
Commercial Transport	$ 81,990,527	$ 75,149,772	$ 80,190,454
Total Commercial Sales & Transport	$ 160,453,850	$ 175,756,558	$ 197,473,939
Industrial			
Industrial Sales	$ 1,306,923	$ 2,041,084	$ 4,342,639
Industrial Transport	$ 43,911,680	$ 43,622,639	$ 42,837,982
Total Industrial Sales & Transport	$ 45,218,603	$ 45,663,723	$ 47,180,621
Total Sales & Transport	$ 709,988,413	$ 812,643,171	$ 953,784,148

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-36. If not reflected in the lead-lag study, please provide a listing of the various types of employee withholdings, garnishments and other employee funds held by the Company for remittance at a later date.

* *

Peoples reflects all employee withholdings in the derivation of the payroll expense lead for its lead-lag study.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-37. Please provide all detailed workpapers supporting the adjustments to rate base and operating income.

* *

Supporting schedules to rate base have been provided in Exhibit No. 8 and supporting schedule to operating income have been provided in Exhibit No. 2. References to additional workpapers and support are provided within those exhibits.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-38. Please provide a copy of the Company's most recent SFAS 106 plan actuarial study.

* *

Attached is the Company's most recent SFAS 106 plan actuarial study.

Reviewed: Lourdes Rojas

Reviewed/approved: Kathy Bo

Reviewed/approved: Bob Rubin 2/1/25

January 15, 2025

Mr. Robert A. Rubin
Vice President, Controller and Chief Accounting Officer
Aqua America, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Year-End 2024 Financial Statement and Disclosure Information

Essential Utilities, Inc. (the Company) engaged Willis Towers Watson US LLC ("WTW") to value the Company's other postretirement benefit plans.

As requested by the Company, this report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2024 for the Plans:

- Essential Utilities, Inc. Pension Plan
- Essential Utilities, Inc. Nonqualified Pension Plan
- Essential Utilities, Inc. Retiree Health and Welfare Plan and associated components

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50 and 715-60-50, including net balance sheet position of the Plans, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the plan asset disclosures specified in ASC 715-20-50-1(d) (public entities) or ASC 715-20-50-5(c) (nonpublic entities).

This report for purposes of year-end financial reporting supplements the Net Periodic Postretirement Benefit Cost/(Income) report that was previously provided to the Company. These two reports should be considered together as a complete report for the Plans for your fiscal year ending December 31, 2024. See the Net Periodic Postretirement Benefit Cost/(Income) report for additional information.

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Philadelphia, PA 19103-7501

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Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. As described above, certain year-end financial reporting information in accordance with ASC 715-20-50 and 715-60-50 is not included in this report and must be provided by the Company, as follows:
    - Classification of plan assets within the fair value hierarchy, actual asset allocation at December 31, 2024 and December 31, 2023, and the target asset allocation for 2025.
    - A description of the Company's investment policy for the assets held by the pension plans and other postretirement benefit plans.
    - A description of the basis used to determine the expected long-term rate of return on plan assets.
    - The Company's expected contributions to the plans in 2025.
2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.
3. This report does not provide information for plan accounting and financial reporting under ASC 960 or ASC 965.
4. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).
5. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

Comments on Results

See Section Additional Disclosure Information of this report for a breakdown of the actuarial gains/(losses) in the 2024 fiscal year.

Significant reasons for these changes include the following:

- For the Pension Plan, the actual return on the fair value of plan assets since the prior measurement date was less than the expected return on plan assets, which caused the funded position to deteriorate.
- For the Retiree Health and Welfare Plans, the actual return on the fair value of plan assets since the prior measurement date was greater than the expected return on plan assets, which improved the funded position.
- Contributions to the pension during the prior year improved the funded status and therefore reduced the net periodic cost.
- The discount rate increased compared to the prior year, which improved the funded position.
- The buyout of life insurance benefits from the Retiree Health and Welfare Plan resulted in Settlements from portions of the plan.

Effects of Health Care Reform

This valuation reflects our understanding of the relevant provisions of the Patient Protection and Affordable Care Act (PPACA) and Health Care and Education Reconciliation Act (HCERA), and subsequent legislation (the SECURE Act of 2019) that eliminated the Cadillac tax, medical device tax and health insurance issuer tax. It also reflects our understanding of the effects of the Inflation Reduction Act of 2022 on retiree medical costs. The IRS and the Centers for Medicare Services (CMS) have yet to issue final guidance with respect to many aspects of these laws. It is possible that future guidance may conflict with our understanding of these laws based on currently available guidance and could therefore affect the results shown in this report. The valuation does not anticipate the effects of any additional possible future changes.

Actuarial Certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information described below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied on information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Except as otherwise provided herein, the results presented are based on the data, assumptions, methods, models, plan provisions and other information outlined in the actuarial valuation report(s) to determine other postretirement benefit cost for the fiscal year ending December 31, 2024. Therefore, such information, and the reliances and limitations of the valuation report and its use, should be considered part of this report for purposes of year-end financial reporting.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is December 31, 2024. The benefit obligations were measured as of the Company's December 31, 2024 fiscal year-end and are based on participant data as of the census date, January 1, 2024. We have projected forward benefit obligations to the end of the year, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets and the general ledger account balances for the other postretirement benefit plans cost at December 31, 2024, which reflect the expected funded status of the plans before adjustment to reflect the funded status based on the year-end measurements, and differences between the expected Medicare Part D subsidies and amounts received during the year was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

Assumptions and methods under U.S. GAAP

Essential selected the following key economic and demographic assumptions for measuring year-end 2024 obligations, as compared to the assumptions selected for year-end 2023:

	Year-end 2024 Assumptions/Methods	Year-end 2023 Assumptions/Methods
Discount Rate	Pension 5.64% Welfare 5.65%	Pension 5.17% Welfare 5.09%
Mortality for annuity payments	Pri-2012 gender specific healthy employee and non-disabled annuitant mortality tables without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements	Pri-2012 gender specific healthy employee and non-disabled annuitant mortality tables without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements
Mortality for lump sum payments	Pri-2012 “unisex” (blended 50% male and 50% female) non-disabled annuitant mortality table without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements	Pri-2012 “unisex” (blended 50% male and 50% female) non-disabled annuitant mortality table without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements
Married Percentage	80% for all plans	80% for all plans
Retiree Medical Participation	Pre-65: 85% for all OPEB plans Post-65: 100% for all OPEB Plans	Pre-65: 85% for all OPEB plans Post-65: 100% for all OPEB Plans
Expected Return on Plan assets for upcoming year	Not applicable to the results presented in this letter	Pension Plans 6.20% Welfare Plans (pre-tax)* 6.20%
Compensation Increase Rates	Corporate 4.00% Local and CWC** 3.00%	Corporate 4.00% Local and CWC** 3.00%
Health Care Cost Trend Rate	6.25% in 2024, resetting to 6.50% in 2025 and 2026 then decreasing by 0.25% per year from 2027 to 5.0% in 2032 and beyond	6.50% in 2023 decreasing by 0.25% per year from 2023 to 5.0% in 2029 and beyond

* Tax rate used to determine post-tax rate of return is to be determined
** CWC compensation increase rate will only apply to life insurance benefits payable from the CWC Retiree Welfare Plan for Shenango Valley participants.

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the other postretirement benefit cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. In addition, we believe that the combined effect of assumptions is expected to have no significant bias. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we believe do not significantly conflict with what would be reasonable. Other actuarial assumptions could also be considered to not significantly conflict with what would be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for Valuation above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated August 24, 2020, and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plans as described above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best

efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any party other than Essential Utilities, Inc. relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension and other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

Jason Rohrer, FSA, EA
Director, Retirement
Valuation Actuary
January 15, 2025

Vi-Zanne Ho, FSA, EA
Associate Director, Retirement
Valuation Actuary
January 15, 2025

Daniel Callahan, FSA, MAAA
Director, Health and Benefits
Pricing Specialist
January 15, 2025

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

Appendix A – Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify

Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.
Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.
Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.
Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.
Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.
Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.
Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.
Calculation of disclosure liabilities and results are based on roll forward liabilities.
Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time. The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year. The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

U.S. BOND:Link	U.S. BOND:Link is a methodology to assist with the selection of discount rates used in measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio. This represents the suggested discount rate. This process has been developed to comply with generally accepted practice and applicable guidance covering ASC 715 in the U.S.
Published Demographic Tables	Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise
AgeDist	AgeDist is a spreadsheet tool that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The average per capita costs and census weights are provided as inputs to the tool which is then combined with a morbidity curve to produce a set of weighted average age-related costs that equal the average. The age-graded costs are used in the actuarial valuation. The morbidity curve was developed from a broad set of claims data aggregated by age and blended and may not reflect your specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency. The model(s) used for this analysis is designed specifically for these purposes, and we know of no material limitations that would prevent the model(s) from being suitable for these intended purposes. We are not aware of any material inconsistencies among assumptions used in this work. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the model(s) used in this analysis are considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption. The individuals signing or delivering this report have relied on other Willis Towers Watson employees and actuaries who develop, test and maintain each of the proprietary models used for this analysis and have also performed a basic review of assumptions and results to ensure that the models have been set up appropriately and coded correctly. We have not relied on any external experts to develop, review, or validate the model(s) used in this analysis In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants, participant contribution amounts and/or claims data. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information. We are aware of no errors or omissions that would have a significant effect on the results of our calculations.

Essential Utilities, Inc. Plan Name Disclosure for Fiscal Year Ending December 31, 2024 under US GAAP	Total USD	Essential Utilities, Inc. Pension Plan USD	Supplemental Retirement Plan USD
Disclosed Benefit Cost	12/31/2024	12/31/2024	12/31/2024
A Disclosed Benefit Cost			
1 Employer service cost	1,428,902	1,104,619	324,283
2 Interest cost	15,632,400	14,733,570	898,830
3 Expected return on plan assets	(18,782,001)	(18,782,001)	0
4 Subtotal	(1,720,699)	(2,943,812)	1,223,113
5 Net prior service cost/(credit) amortization	325,424	163,261	162,163
6 Net loss/(gain) amortization	3,002,652	2,687,897	314,755
7 Subtotal	3,328,076	2,851,158	476,918
8 Net periodic benefit cost/(income)	1,607,377	(92,654)	1,700,031
9 Curtailment (gain)/loss	0	0	0
10 Settlement (gain)/loss	0	0	0
11 Special/contractual termination benefits	0	0	0
12 Disclosed net benefit cost	1,607,377	(92,654)	1,700,031
B Presentation of Benefit Cost Pursuant to ASC 715-20			
1 Employer service cost	1,428,902	1,104,619	324,283
2 Other components of net periodic benefit cost	178,475	(1,197,273)	1,375,748
3 Other adjustments to net benefit cost	0	0	0
4 Disclosed net benefit cost	1,607,377	(92,654)	1,700,031
C Assumptions Used to Determine Benefit Cost			
1 Discount rate	5.170%	5.170%	5.170%
2 Expected long-term rate of return on plan assets	6.200%	6.200%	0.000%
3 Rate of compensation increase	4.00% / 3.00%	4.00% / 3.00%	4.000%
Balance Sheet Asset/(Liability)			
A Development of Balance Sheet Asset/(Liability)			
1 Projected benefit obligation (PBO)	(295,035,614)	(277,177,162)	(17,858,452)
2 Fair value of plan assets, excluding receivable contributions	293,651,983	293,651,983	0
3 Net balance sheet asset/(liability)	(1,383,631)	16,474,821	(17,858,452)
B Current and Noncurrent Classification			
1 Noncurrent asset	16,474,821	16,474,821	0
2 Current liability	(1,843,401)	0	(1,843,401)
3 Noncurrent liability	(16,015,051)	0	(16,015,051)
4 Net balance sheet asset/(liability)	(1,383,631)	16,474,821	(17,858,452)
C Reconciliation of Net Balance Sheet Asset/(Liability)			
1 Net balance sheet asset/(liability) at end of prior fiscal year	(1,394,849)	16,324,598	(17,719,447)
2 Employer service cost	(1,428,902)	(1,104,619)	(324,283)
3 Interest cost	(15,632,400)	(14,733,570)	(898,830)
4 Expected return on plan assets	18,782,001	18,782,001	0
5 Plan amendments	0	0	0
6 Actuarial gain/(loss)	(11,162,417)	(12,186,658)	1,024,241
7 Employer contributions	9,393,069	9,393,069	0
8 Benefits paid directly by the Company	59,867	0	59,867
9 Transfer payments	0	0	0
10 Acquisitions/divestitures	0	0	0
11 Curtailments	0	0	0
12 Settlements (if settled using corporate cash)	0	0	0
13 Special/contractual termination benefits	0	0	0
14 Net balance sheet asset /(liability) at end of current fiscal year	(1,383,631)	16,474,821	(17,858,452)
D Assumptions and Dates Used for Disclosure			
1 Discount rate	5.640%	5.640%	5.640%
2 Rate of compensation increase	4.00% / 3.00%	4.00% / 3.00%	4.000%
3 Census date	1/1/2024	1/1/2024	1/1/2024

Proprietary and confidential. For WTW and WTW client use only.

Essential Utilities, Inc. Plan Name Disclosure for Fiscal Year Ending December 31, 2024 under US GAAP	Total USD	Essential Utilities, Inc. Pension Plan USD	Supplemental Retirement Plan USD
Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)			
A Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)			
1 Net prior service cost/(credit)	1,540,439	1,459,997	80,442
2 Net loss/(gain)	92,189,932	89,496,449	2,693,483
3 Items not yet recognized in net periodic benefit cost/(income)	93,730,371	90,956,446	2,773,925
B Development of Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)			
1 Items not yet recognized at prior fiscal year end	85,896,030	81,620,946	4,275,084
2 Amounts amortized during the year			
a. Net prior service (cost)/credit	(325,424)	(163,261)	(162,163)
b. Net (loss)/gain	(3,002,652)	(2,687,897)	(314,755)
3 Occurring during the year			
a. Net prior service cost/(credit)	0	0	0
b. Net loss/(gain)	11,162,417	12,186,658	(1,024,241)
4 Amounts recognized due to curtailment/settlement			
a. Net prior service (cost)/credit	0	0	0
b. Net (loss)/gain	0	0	0
5 Items not yet recognized at current fiscal year end	93,730,371	90,956,446	2,773,925
Additional Disclosure Information			
A Accumulated Benefit Obligation (ABO)			
1 ABO at current fiscal year end	(288,063,005)	(272,711,472)	(15,351,533)
B Expected Future Benefit Payments			
1 During fiscal year ending December 31, 2025	26,779,709	24,936,308	1,843,401
2 During fiscal year ending December 31, 2026	26,492,367	24,673,222	1,819,145
3 During fiscal year ending December 31, 2027	28,234,711	24,553,608	3,681,103
4 During fiscal year ending December 31, 2028	26,920,144	24,372,612	2,547,532
5 During fiscal year ending December 31, 2029	26,559,977	23,855,637	2,704,340
6 During fiscal years ending December 31, 2030 through December 31, 2034	117,508,365	108,370,555	9,137,810
C Expected Contributions during Fiscal Year ending December 31, 2025			
1 Employer	3,945,307	3,945,307	0
2 Plan participants	0	0	0
D Actuarial Gain/(Loss)			
1 Gain/(loss) due to demographic experience	(1,094,273)	(1,073,253)	(21,020)
2 Gain/(loss) due to financial assumption changes	13,672,893	12,627,632	1,045,261
3 Gain/(loss) due to demographic assumption changes	0	0	0
4 Gain/(loss) due to investment return different from that assumed	(23,741,037)	(23,741,037)	0
5 Total	(11,162,417)	(12,186,658)	1,024,241
Changes in Disclosed Plan Obligations and Assets			
A Change in Projected Benefit Obligation (PBO)			
1 PBO at prior fiscal year end	313,698,004	295,978,557	17,719,447
2 Employer service cost	1,428,902	1,104,619	324,283
3 Interest cost	15,632,400	14,733,570	898,830
4 Actuarial loss/(gain)	(12,578,620)	(11,554,379)	(1,024,241)
5 Plan participants' contributions	0	0	0
6 Benefits paid from plan assets	(23,085,205)	(23,085,205)	0
7 Benefits paid from Company assets	(59,867)	0	(59,867)
8 Transfers from (to) other plans	0	0	0
9 Administrative expenses paid	0	0	0
10 Plan amendments	0	0	0
11 Acquisitions/(divestitures)	0	0	0
12 Curtailments	0	0	0
13 Settlements	0	0	0
14 Special/contractual termination benefits	0	0	0
15 PBO at current fiscal year end	295,035,614	277,177,162	17,858,452
B Change in Plan Assets			
1 Fair value of plan assets at prior fiscal year end	312,303,155	312,303,155	0
2 Actual return on plan assets	(4,959,036)	(4,959,036)	0
3 Employer contributions	9,393,069	9,393,069	0
4 Plan participants' contributions	0	0	0
5 Benefits paid	(23,085,205)	(23,085,205)	0
6 Transfer payments	0	0	0
7 Administrative expenses paid	0	0	0
8 Acquisitions/(divestitures)	0	0	0
9 Settlements	0	0	0
10 Fair value of plan assets at current fiscal year end	293,651,983	293,651,983	0

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Essential Utilities, Inc. Plan Name Disclosure for Fiscal Year Ending December 31, 2024 under US GAAP	Total USD	Essential Utilities, Inc. Pension Plan USD	Supplemental Retirement Plan USD
Reconciliation of Net Balances			
A Reconciliation of Prior Service Cost/(Credit) Bases			
1 Net amount at prior fiscal year end	1,865,863	1,623,258	242,605
2 Amortization amount	(325,424)	(163,261)	(162,163)
3 Plan amendments	0	0	0
4 Effect of curtailments	0	0	0
5 Other events	0	0	0
6 Net amount at current fiscal year end	1,540,439	1,459,997	80,442
B Reconciliation of Net Loss/(Gain)			
1 Net amount at prior fiscal year end	84,030,167	79,997,688	4,032,479
2 Amount recognized	(3,002,652)	(2,687,897)	(314,755)
3 Experience loss/(gain)	11,162,417	12,186,658	(1,024,241)
4 Effect of curtailments	0	0	0
5 Effect of settlements	0	0	0
6 Other events	0	0	0
7 Net amount at current fiscal year end	92,189,932	89,496,449	2,693,483

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Essential Utilities, Inc.

Plan Name Disclosure for Fiscal Year Ending 31-Dec-24 under US GAAP	Total USD	RW Local USD	RW Salaried USD	RW CWC USD	PNG Salaried OPRB USD	PNG Local OPRB USD	EGC OPRB USD	TWP OPRB USD
Disclosed Benefit Cost	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24	31-Dec-24
A Disclosed Benefit Cost								
1 Employer service cost	1,453,073	182,125	85,693	15,592	0	908,631	154,731	106,301
2 Interest cost	4,449,818	1,552,104	1,214,241	245,400	130,686	658,068	391,297	258,022
3 Expected return on plan assets	(4,419,597)	(2,148,546)	(490,531)	(282,814)	(228,379)	(721,923)	0	(547,404)
4 Subtotal	1,483,294	(414,317)	809,403	(21,822)	(97,693)	844,776	546,028	(183,081)
5 Net prior service cost/(credit) amortization	0	0	0	0	0	0	0	0
6 Net loss/(gain) amortization	(1,068,167)	(46,043)	(116,650)	(267,825)	(25,154)	(225,358)	(17,513)	(369,624)
7 Subtotal	(1,068,167)	(46,043)	(116,650)	(267,825)	(25,154)	(225,358)	(17,513)	(369,624)
8 Net periodic postretirement benefit cost/(income)	415,127	(460,360)	692,753	(289,647)	(122,847)	619,418	528,515	(552,705)
9 Curtailment (gain)/loss	0	0	0	0	0	0	0	0
10 Settlement (gain)/loss	(3,213,530)	0	0	(678,993)	(113,936)	(962,696)	(264,044)	(1,193,861)
11 Special/contractual termination benefits	0	0	0	0	0	0	0	0
12 Disclosed net benefit cost	(2,798,403)	(460,360)	692,753	(968,640)	(236,783)	(343,278)	264,471	(1,746,566)
B Presentation of Benefit Cost Pursuant to ASC 715-20								
1 Employer service cost	1,453,073	182,125	85,693	15,592	0	908,631	154,731	106,301
2 Other components of net periodic benefit cost	(1,037,946)	(642,485)	607,060	(305,239)	(122,847)	(289,213)	373,784	(659,006)
3 Other adjustments to net benefit cost	(3,213,530)	0	0	(678,993)	(113,936)	(962,696)	(264,044)	(1,193,861)
4 Disclosed net benefit cost	(2,798,403)	(460,360)	692,753	(968,640)	(236,783)	(343,278)	264,471	(1,746,566)
C Assumptions Used to Determine Benefit Cost								
1 Discount rate	5.090%	5.090%	5.090%	5.090%	5.090%	5.090%	5.090%	5.090%
2 Expected long-term rate of return on plan assets	3.91% / 6.20%	6.200%	3.910%	3.910%	3.910%	3.910%	0.000%	3.910%
3 Current health care cost trend rate	6.250%	6.250%	6.250%	6.250%	6.250%	6.250%	6.250%	6.250%
4 Ultimate health care cost trend rate	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
5 Year of ultimate trend rate	2029	2029	2029	2029	2029	2029	2029	2029

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Essential Utilities, Inc. Plan Name Disclosure for Fiscal Year Ending 31-Dec-24 under US GAAP	Total USD	RW Local USD	RW Salaried USD	RW CWC USD	PNG Salaried OPRB USD	PNG Local OPRB USD	EGC OPRB USD	TWP OPRB USD
Balance Sheet Asset/(Liability)								
A Development of Balance Sheet Asset/(Liability)								
1 Accumulated postretirement benefit obligation (APBO)	(81,306,564)	(29,877,792)	(24,095,675)	(3,895,928)	(2,126,461)	(11,356,018)	(5,976,712)	(3,977,978)
2 Fair value of plan assets, excluding receivable contributions	94,250,011	37,114,640	13,507,396	7,076,190	4,356,531	18,897,345	0	13,297,909
3 Net balance sheet asset/(liability)	12,943,447	7,236,848	(10,588,279)	3,180,262	2,230,070	7,541,327	(5,976,712)	9,319,931
B Current and Noncurrent Classification								
1 Noncurrent asset	29,508,438	7,236,848	0	3,180,262	2,230,070	7,541,327	0	9,319,931
2 Current liability	(557,376)	0	0	0	0	0	(557,376)	0
3 Noncurrent liability	(16,007,615)	0	(10,588,279)	0	0	0	(5,419,336)	0
4 Net balance sheet asset/(liability)	12,943,447	7,236,848	(10,588,279)	3,180,262	2,230,070	7,541,327	(5,976,712)	9,319,931
C Reconciliation of Net Balance Sheet Asset/(Liability)								
1 Net balance sheet asset/(liability) at end of prior fiscal year	6,424,288	4,341,271	(11,222,525)	2,428,070	3,273,884	6,444,927	(7,879,102)	9,037,763
2 Employer service cost	(1,453,073)	(182,125)	(85,693)	(15,592)	0	(908,631)	(154,731)	(106,301)
3 Interest cost	(4,449,818)	(1,552,104)	(1,214,241)	(245,400)	(130,686)	(658,068)	(391,297)	(258,022)
4 Expected return on plan assets	4,419,597	2,148,546	490,531	282,814	228,379	721,923	0	547,404
5 Plan amendments	0	0	0	0	0	0	0	0
6 Actuarial gain/(loss)	7,168,135	2,481,260	1,443,649	730,370	23,269	1,941,176	449,324	99,087
7 Employer contributions	0	0	0	0	0	0	0	0
8 Benefits paid directly by the Company, net of retiree contributions	834,318	0	0	0	276,942	0	557,376	0
9 Medicare Part D subsidy on benefits paid during the year	0	0	0	0	0	0	0	0
10 Transfer in/(out)	0	0	0	0	(1,441,718)	0	1,441,718	0
11 Curtailments	0	0	0	0	0	0	0	0
12 Settlements (if settled using corporate cash)	0	0	0	0	0	0	0	0
13 Special/contractual termination benefits	0	0	0	0	0	0	0	0
14 Net balance sheet asset /(liability) at end of current fiscal year	12,943,447	7,236,848	(10,588,279)	3,180,262	2,230,070	7,541,327	(5,976,712)	9,319,931
D Assumptions and Dates Used for Disclosure								
1 Discount rate	5.650%	5.650%	5.650%	5.650%	5.650%	5.650%	5.650%	5.650%
2 Current health care cost trend rate	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
3 Ultimate health care cost trend rate	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
4 Year of ultimate trend rate	2032	2032	2032	2032	2032	2032	2032	2032
5 Census date	1-Jan-24	1-Jan-24	1-Jan-24	1-Jan-24	1-Jan-24	1-Jan-24	1-Jan-24	1-Jan-24

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Essential Utilities, Inc.

Plan Name Disclosure for Fiscal Year Ending 31-Dec-24 under US GAAP	Total USD	RW Local USD	RW Salaried USD	RW CWC USD	PNG Salaried OPRB USD	PNG Local OPRB USD	EGC OPRB USD	TWP OPRB USD
Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)								
A Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)								
1 Net prior service cost/(credit)	0	0	0	0	0	0	0	0
2 Net loss/(gain)	(24,503,542)	(6,265,905)	(4,534,261)	(2,520,785)	(767,238)	(5,936,375)	(1,094,626)	(3,384,352)
3 Items not yet recognized in net periodic benefit cost/(income)	(24,503,542)	(6,265,905)	(4,534,261)	(2,520,785)	(767,238)	(5,936,375)	(1,094,626)	(3,384,352)
B Development of Items Not Yet Recognized in Net Periodic Benefit Cost/(Income)								
1 Items not yet recognized at prior fiscal year end	(21,617,104)	(3,830,688)	(3,207,262)	(2,737,233)	(883,059)	(5,183,253)	(926,859)	(4,848,750)
2 Amounts amortized during the year	0							
a. Net prior service (cost)/credit	0	0	0	0	0	0	0	0
b. Net (loss)/gain	1,068,167	46,043	116,650	267,825	25,154	225,358	17,513	369,624
3 Occurring during the year	0							
a. Net prior service cost/(credit)	0	0	0	0	0	0	0	0
b. Net loss/(gain)	(7,168,135)	(2,481,260)	(1,443,649)	(730,370)	(23,269)	(1,941,176)	(449,324)	(99,087)
4 Amounts recognized due to curtailment/settlement	0							
a. Net prior service (cost)/credit	0	0	0	0	0	0	0	0
b. Net (loss)/gain	3,213,530	0	0	678,993	113,936	962,696	264,044	1,193,861
5 Items not yet recognized at current fiscal year end	(24,503,542)	(6,265,905)	(4,534,261)	(2,520,785)	(767,238)	(5,936,375)	(1,094,626)	(3,384,352)
Additional Disclosure Information								
A Accumulated Postretirement Benefit Obligation (APBO)								
1 Fully eligible actives	25,358,946	14,617,383	6,424,618	375,660	1,530,895	75,141	412,101	1,923,148
2 Other actives	22,335,945	5,272,026	2,255,281	412,496	993,508	8,907,103	2,595,244	1,900,287
3 Retirees, dependents and surviving spouses	33,611,673	9,988,383	15,415,776	3,107,772	(397,942)	2,373,774	2,969,367	154,543
4 Accumulated postretirement benefit obligation	81,306,564	29,877,792	24,095,675	3,895,928	2,126,461	11,356,018	5,976,712	3,977,978
B Expected Future Benefit Payments, Net of Retiree Contributions, and Medicare Part D Subsidies								
Benefit payments								
1 During fiscal year ending December 31, 2025	5,357,395	1,336,381	1,457,574	353,100	276,943	980,418	557,376	395,603
2 During fiscal year ending December 31, 2026	5,502,542	1,503,820	1,484,756	356,924	252,182	1,074,024	502,384	328,452
3 During fiscal year ending December 31, 2027	5,869,810	1,714,947	1,585,363	350,426	265,921	1,157,245	515,546	280,362
4 During fiscal year ending December 31, 2028	6,146,729	1,905,692	1,632,309	358,984	277,217	1,204,848	499,388	268,291
5 During fiscal year ending December 31, 2029	6,487,658	2,122,028	1,655,959	345,356	226,483	1,347,989	515,633	274,210
6 During fiscal years ending December 31, 2030 through December 31, 2034	32,521,968	11,311,816	8,726,493	1,576,641	833,680	6,702,725	2,000,491	1,370,122
Medicare Part D Subsidies								
1 During fiscal year ending December 31, 2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 During fiscal year ending December 31, 2026	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3 During fiscal year ending December 31, 2027	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4 During fiscal year ending December 31, 2028	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5 During fiscal year ending December 31, 2029	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6 During fiscal years ending December 31, 2030 through December 31, 2034	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C Expected Contributions during Fiscal Year ending December 31, 2025								
1 Employer								
2 Plan participants	0	0	0	0	0	0	0	0
D Actuarial Gain/(Loss)								
1 Gain/(loss) due to demographic experience	(4,072,680)	(710,296)	(1,130,610)	(207,765)	(890,770)	(494,040)	63,518	(702,717)
2 Gain/(loss) due to financial assumption changes	3,879,363	1,708,842	1,900,455	(229,295)	1,013,024	(830,952)	385,806	(68,517)
3 Gain/(loss) due to demographic assumption changes	0	0	0	0	0	0	0	0
4 Gain/(loss) due to investment return different from that assumed	7,361,452	1,482,714	673,804	1,167,430	(98,985)	3,266,168	0	870,321
5 Total	7,168,135	2,481,260	1,443,649	730,370	23,269	1,941,176	449,324	99,087

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Essential Utilities, Inc. Plan Name Disclosure for Fiscal Year Ending 31-Dec-24 under US GAAP	Total USD	RW Local USD	RW Salaried USD	RW CWC USD	PNG Salaried OPRB USD	PNG Local OPRB USD	EGC OPRB USD	TWP OPRB USD
Changes in Disclosed Plan Obligations and Assets								
A Change in Accumulated Postretirement Benefit Obligation (APBO)								
1 APBO at prior fiscal year end	88,580,482	30,921,985	24,354,007	5,007,445	2,740,563	12,523,065	7,879,102	5,154,315
2 Employer service cost	1,453,073	182,125	85,693	15,592	0	908,631	154,731	106,301
3 Interest cost	4,449,818	1,552,104	1,214,241	245,400	130,686	658,068	391,297	258,022
4 Actuarial loss/(gain)	193,317	(998,546)	(769,845)	437,060	(122,254)	1,324,992	(449,324)	771,234
5 Plan participants' contributions	121,241	0	121,241	0	0	0	0	0
6 Benefits paid from plan assets	(6,605,329)	(1,779,876)	(909,662)	(760,186)	(29,803)	(2,217,146)	0	(908,656)
7 Benefits paid from Company assets	(834,318)	0	0	0	(276,942)	0	(557,376)	0
8 Medicare Part D subsidy	0	0	0	0	0	0	0	0
9 Administrative expenses paid	0	0	0	0	0	0	0	0
10 Plan amendments	0	0	0	0	0	0	0	0
11 Acquisitions/(divestitures)	0	0	0	0	0	0	0	0
12 Curtailments	0	0	0	0	0	0	0	0
13 Settlements	(6,051,720)	0	0	(1,049,383)	(315,789)	(1,841,592)	(1,441,718)	(1,403,238)
14 Special/contractual termination benefits	0	0	0	0	0	0	0	0
15 APBO at current fiscal year end	81,306,564	29,877,792	24,095,675	3,895,928	2,126,461	11,356,018	5,976,712	3,977,978
B Change in Plan Assets								
1 Fair value of plan assets at prior fiscal year end	95,004,770	35,263,256	13,131,482	7,435,515	6,014,447	18,967,992	0	14,192,078
2 Actual return on plan assets	11,781,049	3,631,260	1,164,335	1,450,244	129,394	3,988,091	0	1,417,725
3 Employer contributions	0	0	0	0	0	0	0	0
4 Plan participants' contributions	121,241	0	121,241	0	0	0	0	0
5 Benefits paid	(6,605,329)	(1,779,876)	(909,662)	(760,186)	(29,803)	(2,217,146)	0	(908,656)
6 Administrative expenses paid	0	0	0	0	0	0	0	0
7 Transfer in/(out)	0	0	0	0	(1,441,718)	0	1,441,718	0
8 Settlements	(6,051,720)	0	0	(1,049,383)	(315,789)	(1,841,592)	(1,441,718)	(1,403,238)
9 Fair value of plan assets at current fiscal year end	94,250,011	37,114,640	13,507,396	7,076,190	4,356,531	18,897,345	0	13,297,909
Reconciliation of Net Balances								
A Reconciliation of Prior Service Cost/(Credit) Bases								
1 Net amount at prior fiscal year end	0	0	0	0	0	0	0	0
2 Amortization amount	0	0	0	0	0	0	0	0
3 Plan amendments	0	0	0	0	0	0	0	0
4 Effect of curtailments	0	0	0	0	0	0	0	0
5 Other events	0	0	0	0	0	0	0	0
6 Net amount at current fiscal year end	0	0	0	0	0	0	0	0
B Reconciliation of Net Loss/(Gain)								
1 Net amount at prior fiscal year end	(21,617,104)	(3,830,688)	(3,207,262)	(2,737,233)	(883,059)	(5,183,253)	(926,859)	(4,848,750)
2 Amount recognized	1,068,167	46,043	116,650	267,825	25,154	225,358	17,513	369,624
3 Experience loss/(gain)	(7,168,135)	(2,481,260)	(1,443,649)	(730,370)	(23,269)	(1,941,176)	(449,324)	(99,087)
4 Effect of curtailments	0	0	0	0	0	0	0	0
5 Effect of settlements	3,213,530	0	0	678,993	113,936	962,696	264,044	1,193,861
6 Other events	0	0	0	0	0	0	0	0
7 Net amount at current fiscal year end	(24,503,542)	(6,265,905)	(4,534,261)	(2,520,785)	(767,238)	(5,936,375)	(1,094,626)	(3,384,352)

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Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-39. Please reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.

* *

There is a $937,437 difference between the Gross HTY expense recorded and the expense identified in the Actuarial Report. The difference is due to the Gross HTY expense being based on the annual PBOP pay-as-you-go expense included in rates. Also, a portion of the Equitable Division expense is allocated to other companies.

There is a $813,141 difference between the Gross Estimated FTY expense and the FTY OPEB Actuarial projected expense for 2026. The difference is due to the Gross HTY expense being based on the annual PBOP pay-as-you-go expense included in rates. Also, a portion of the Equitable Division expense is allocated to other companies.

There is a $813,141 difference between the Gross Estimated FPFTY expense and the FPFTY OPEB Actuarial projected expense for 2027. The difference is due to the Gross HTY expense being based on the annual PBOP pay-as-you-go expense included in rates. Also, a portion of the Equitable Division expense is allocated to other companies.

Refer to Page 2 for a detailed reconciliation of these periods.

Refer to Exhibit No. 4, Schedule No. 3 (53.53.III.A.21) for the Actuarial Report.

HTY Reconciliation

Dec-24 Gross Expense	Jan-Nov 2025 Gross Expense	Nov 2025 TTM Gross Expense	2025 Actuarial Report	Variance
$ 124,295	$ 1,453,521	$ 1,577,817	$ 640,380	$ (937,437)

	2024 Actuarial Report	2024 Gross Expense	One Month Gross Expense
PNG Salary	$ 505,409	$ 1,491,543	$ 124,295
PED	$ 527,367		$ -
PGC	$ (552,705)		$ -
	$ 480,071	$ 1,491,543	$ 124,295

	2025 Actuarial Report	2025 Gross Expense	Eleven Month Gross Expense
PNG Salary	$ 618,654	$ 1,585,660	$ 1,453,521
PED	$ 418,748		$ -
PGC	$ (397,022)		$ -
	$ 640,380	$ 1,585,660	$ 1,453,521

FTY and FPFTY Reconciliation

	2026 Actuarial Gross Estimate	Estimated Gross Expense	Variance
PNG Salary	$ 618,654	$ 1,453,521	
PED	$ 418,748	$ -	
PGC	$ (397,022)	$ -	
	$ 640,380	$ 1,453,521	$ (813,141)

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-40. Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.

* *

The HTY actual OPEB contribution was made in December 2025 in the amount of $1,256,374.

The FTY projected OPEB contribution will be made in December 2026 in the amount of $1,256,374.

The FPFTY projected OPEB contribution will be made in December 2027 in the amount of $390,681.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-41. Please explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of the costs which are eligible for tax preferred funding.

* *

SFAS 106 accrued costs will be placed into a dedicated trust fund. Amounts are deductible when placed in the trust.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-42. Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, please provide such study and/or explain the anticipated change.

* *

The Company is not contemplating any changes to these benefits at this time.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-43. Please state whether the Company has included expenses related to SFAS No. 112 in its test year claim. If so, please provide complete details and include a copy of the actuarial study.

* *

The Company has claimed SFAS No. 112 costs on a 'pay-as-you-go' basis, consistent with the settlements and Commission orders at R-943252, R-2018-3006818, R-2013-2355886, and R-2023-3044549.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-44. Please provide all documentation supporting the uncollectible accrual rate reflected in the Company's filing.

* *

	TME 11/30/23	TME 11/30/2024	TME 11/30/2025	Total
RESIDENTIAL				
Revenue	$ 639,195,295	$ 486,186,784	$ 695,871,988	$ 1,821,254,067
Charge Off	$ 15,293,999	$ 9,490,582	$ 10,312,165	$ 35,096,746
Uncollectible Rate	2.39%	1.95%	1.48%	1.93%
COMMERCIAL				
Revenue	$ 194,028,030	$ 159,905,936	$ 218,711,846	$ 572,645,812
Charge Off	$ 1,220,624	$ 667,820	$ 920,670	$ 2,809,114
Uncollectible Rate	0.63%	0.42%	0.42%	0.49%
INDUSTRIAL				
Revenue	$ 48,287,215	$ 45,810,149	$ 48,024,032	$ 142,121,396
Charge Off	$ 130,245	$ 47,938	$ 38,188	$ 216,370
Uncollectible Rate	0.27%	0.10%	0.08%	0.15%
Total				
Revenue	$ 881,510,539	$ 691,902,870	$ 962,607,866	$ 2,536,021,275
Charge Off	$ 16,644,868	$ 10,206,339	$ 11,271,023	$ 38,122,231
Uncollectible Rate	1.89%	1.48%	1.17%	1.50%

	TME 11/30/23	TME 11/30/2024	TME 11/30/2025
Total Residential Revenue	$639,195,295	$486,186,784	$695,871,988
Actual write offs	$ 13,524,221.44	$ 13,911,716.99	$ 13,065,475.86
96% Accrual write offs	$ 1,696,765.86	$ (1,097,006.86)	$ 553,189.97
Total Residential Charge Offs	**$ 15,220,987.30**	**$ 12,814,710.13**	**$ 13,618,665.83**
Charge Off %	2.38%	2.64%	1.96%
Total Residential Recoveries	$ (4,168,183.91)	$ (3,349,195.42)	$ (3,340,193.19)
Recovery %	-0.65%	-0.69%	-0.48%
Total Net Charge Offs	$ 11,052,803.39	$ 9,465,514.71	$ 10,278,472.64
Total Charge Off %	1.73%	1.95%	1.48%

Original RS Writeoffs	3-Year	2-Year	1-Year
Cumulative Revenue	$ 1,821,254,067	$ 1,182,058,772	$ 695,871,988
Cumulative Adj. Writeoffs	$ 30,796,791	$ 19,743,987	$ 10,278,473
Unadjusted Averages	1.69%	1.67%	1.48%

Adjusted Write-Offs

Annual Writeoffs	$ 11,052,803	$ 9,465,515	$ 10,278,473
$5M Repair Tax Credit			
LIHEAP Grants Normalized	4,241,196	(33,693)	33,693
Adjusted Writeoffs	$ 15,293,999	$ 9,431,822	$ 10,312,165

Revised Writeoffs	3-Years	2-Years	1-Years
Cumulative Revenue	$ 1,821,254,067	$ 1,182,058,772	$ 695,871,988
Cumulative Adj. Writeoffs	$ 35,037,987	$ 19,743,987	$ 10,312,165
Adjusted Averages	1.92%	1.67%	1.48%
Difference	0.23%	0.00%	0.00%

LIHEAP Grants-Cash	$ 15,743,573	$ 7,718,657	$ 5,878,032
LIHEAP Grants-Crisis	$ 4,039,046	$ 1,014,166	$ 1,717,555
LIHEAP Grants-Cash	$ 15,743,573	$ 7,718,657	$ 5,878,032
Avg Excl '23	$ 6,798,344	$ 6,798,344	$ 6,798,344
Difference	$ 8,945,229	$ 920,312	$ (920,312)
% Becomes Written off	25%	25%	25%
Adjustment	$ 2,236,307	$ 230,078	$ (230,078)
LIHEAP Grants-Crisis	$ 4,039,046	$ 1,014,166	$ 1,717,555
Avg Excl '23	$ 1,365,861	$ 1,365,861	$ 1,365,861
Difference	$ 2,673,185	$ (351,694)	$ 351,694
% Becomes Written off	75%	75%	75%
Adjustment	$ 2,004,889	$ (263,771)	$ 263,771
Total Bad Debt Impact	$ 4,241,196	$ (33,693)	$ 33,693

	TME 11/30/23	TME 11/30/2024	TME 11/30/2025	Total
Total Commercial Revenue	$194,028,030	$159,905,936	$218,711,846	$ 572,645,811.89
Actual write offs	$ 863,535.61	$ 1,236,136.53	$ 865,932.83	$ 2,965,604.97
96% Accrual write offs	$ 515,054.07	$ (360,803.53)	$ 173,867.04	$ 328,117.57
Total Commercial Charge Offs	**$ 1,378,589.68**	**$ 875,333.00**	**$ 1,039,799.87**	**$ 3,293,722.54**
Charge Off %	0.71%	0.55%	0.48%	0.58%
Total Commercial Recoveries	$ (157,965.90)	$ (226,839.15)	$ (119,129.48)	$ (503,934.53)
Recovery %	-0.08%	-0.14%	-0.05%	-0.09%
Total Net Charge Offs	$ 1,220,623.78	$ 648,493.85	$ 920,670.39	$ 2,789,788.01
Total Charge Off %	0.63%	0.41%	0.42%	0.49%

	TME 11/30/23	TME 11/30/2024	TME 11/30/2025	Total
Total Industrial Revenue	$48,287,215	$45,810,149	$48,024,032	$ 142,121,396.47
Actual write offs	$ 2,064.80	$ 145,764.83	$ 10.42	$ 147,840.05
96% Accrual write offs	$ 128,180.07	$ (97,827.13)	$ 38,177.16	$ 68,530.09
Total Industrial Charge Offs	**$ 130,244.87**	**$ 47,937.70**	**$ 38,187.58**	**$ 216,370.14**
Charge Off %	0.27%	0.10%	0.08%	0.15%
Total Industrial Recoveries	$ -	$ -	$ -	$ -
Recovery %	0.00%	0.00%	0.00%	0.00%
Total Net Charge Offs	$ 130,244.87	$ 47,937.70	$ 38,187.58	$ 216,370.14
Total Charge Off %	0.27%	0.10%	0.08%	0.15%

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-45. Please provide all workpapers and documentation supporting the Company's claimed balance of gas stored underground – current. Include support for the monthly injections and withdrawals and the gas cost rate.

* *

Refer to the attachment for gas stored underground - current workpaper.

COMBINED Gas Storage Injections/(Withdrawals)	MCF	AMOUNT ($)	$ Per MCF
BALANCE NOVEMBER 2024	**25,952,176**	**46,108,332**	$ 1.7767
December 2024- Injections	715,927	$ 2,162,100	$ 3.0200
December 2024- Withdrawals	(4,085,358)	$ (7,323,464)	$ 1.7926
January 2025- Injections	188,183	$ 984,197	$ 5.2300
January 2025 - Withdrawals	(7,344,100)	$ (13,299,344)	$ 1.8109
February 2025- Injections	70,909	$ 339,654	$ 4.7900
February 2025- Withdrawals	(5,918,920)	$ (10,923,583)	$ 1.8455
March 2025 - Injections	111,541	$ 441,702	$ 3.9600
March 2025- Withdrawals	(4,245,147)	$ (7,915,455)	$ 1.8646
April 2025- Injections	3,260,982	$ 11,202,986	$ 3.4355
April 2025- Withdrawals	(920,261)	$ (1,787,068)	$ 1.9419
May 2025 - Injections	4,127,531	$ 10,587,050	$ 2.5650
May 2025 - Withdrawals	(276,136)	$ (701,289)	$ 2.5397
June 2025- Injections	2,426,426	$ 5,574,616	$ 2.2975
June 2025- Withdrawals	(281,240)	$ (716,173)	$ 2.5465
July 2025- Injections	4,392,839	$ 10,995,366	$ 2.5030
July 2025- Withdrawals	(14,630)	$ (36,668)	$ 2.5064
August 2025 - Injections	4,469,910	$ 10,956,111	$ 2.4511
August 2025 - Withdrawals	(13,560)	$ (34,063)	$ 2.5120
September 2025- Injections	4,130,693	$ 8,109,053	$ 1.9631
September - Injections (Apr-Aug Adj)	(101,780)	$ (260,895)	$ 2.5633
September 2025- Withdrawals	(173,110)	$ (432,419)	$ 2.4979
October 2025- Injections	2,930,720	$ 6,144,523	$ 2.0966
October 2025- Withdrawals	(442,531)	$ (1,068,777)	$ 2.4151
November 2025- Injections	544,294	$ 1,905,029	$ 3.5000
November 2025- Withdrawals	(3,190,248)	$ (7,611,683)	$ 2.3859
BALANCE-END OF PERIOD	**26,315,110**	**$ 63,399,840**	
Avg Cost of Stored Gas	**$ 2.4093**		

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-46. Please provide a comparison between actual and budgeted O&M expenses by budget cost element for the historical test year and explain any budget variances of 10 percent or more.

* *

Charge Type	Actual	Plan	Variance Favorable (Unfavorable)	% Favorable (Unfavorable)
Salaries, Wages & Benefits	$ 122,863,694	$ 124,265,851	$ 1,402,158	1.1%
Outside Services	$ 47,086,123	$ 48,374,729	$ 1,288,606	2.7%
Materials & Supplies Expense	$ 8,400,547	$ 10,256,442	$ 1,855,895	18.1%
Injuries, Damage & Insurance	$ 11,275,317	$ 11,276,612	$ 1,295	0.0%
Dues & Subscriptions	$ 1,081,141	$ 1,155,447	$ 74,306	6.4%
Rent Expense	$ 5,909,134	$ 5,948,048	$ 38,914	0.7%
Permits & Fees	$ 973,014	$ 1,286,062	$ 313,048	24.3%
Utilities	$ 4,110,071	$ 4,366,281	$ 256,210	5.9%
Rider USP	$ 22,571,957	$ -	$ (22,571,957)	0.0%
Miscellaneous	$ (27,218,442)	$ (23,265,179)	$ 3,953,263	-17.0%
Uncollectable Accounts	$ 13,136,201	$ 13,914,888	$ 778,687	5.6%
Total O&M*	**$ 210,188,755**	**$ 197,579,180**	**$ (12,609,575)**	**-6.4%**

* includes Rider Expenses

Explanation of Variances of 10% or more:

Materials & Supplies Expense
Reduction of pricing for Anodes in Corrosion in Q2 2025

Permits & Fees
Favorable vehicle registration fees compared to budget in the Fleet Department

Miscellaneous
Switched from Pittsburgh Mailing to Doxim, resulting in higher fees than planned in 2024
Higher capitalization in December 2024 compared to Plan

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-47. Please provide the most recent actual number of eligible participants in each of the employee medical and dental plans reflected in the Company's filing.

* *

The Company does not track the number of eligible participants in the employee medical and dental plans. All employees and their families are eligible to participate in these plans and the actual number of participants is reflected in the Company's filing.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-48. Please provide workpapers showing the derivation of future test year Social Security and Medicare FICA taxes based on future test year labor expense. Identify both the total an O&M amounts.

* *

Exhibit No. 6, Schedule No. 2 (53.53.III.A.50) includes the derivation of Social Security and Medicare taxes.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-49. Please provide workpapers showing the derivation of future test year federal and state unemployment taxes. Show both the total and O&M amounts.

* *

Exhibit No. 6, Schedule No. 2 (53.53.III.A.50) includes the derivation of federal and state unemployment taxes.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-50. Please provide workpapers showing the derivation of future test year capital stock taxes.

* *

Not applicable to Peoples Natural Gas Company LLC. The Future Test Year capital stock tax rate is zero.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-51. If applicable, please provide a copy of the billing and payment terms for all contracts between the Company and its parent or an affiliated company for services. Further, to the extent that the parent or affiliated company provides service to non-affiliated companies, please provide the corresponding billing and payment terms.

* *

On January 16, 2019, the Public Utility Commission (the "Commission") approved the Second Amended Operational Service Agreement filed by Peoples Natural Gas Company LLC ("Peoples") and Peoples Gas Company LLC ("Peoples Gas") on February 23, 2018, as an affiliated interest agreement. This agreement replaced the first Amended Operational Service Agreement that was approved on July 19, 2016 and docketed at G-2012-2290018.

On November 9, 2022, Peoples Natural Gas Company LLC ("Peoples") requested approval of an affiliated interest agreement between Peoples, Peoples Gas Company LLC and PNG Companies LLC ("PNG") for the provision of various administrative and management services by PNG to Peoples. This agreement replaces the service agreement approved in Docket No. G-2018-3000126. The agreement, which was docketed at G-2022-3036720, has been approved by the Commission.

On November 10, 2022, Peoples Gas Company LLC filed a revised affiliate interest agreement between Peoples Gas Company LLC and PNG Companies LLC to withdraw this agreement as of January 1, 2023, Peoples Gas Company LLC no longer exists as a legal entity due to the merger of the companies. This request was approved in Docket No. G-2022-3036737.

On January 27, 2026, Peoples requested approval of a revised Service Agreement between Peoples and PNG for the provision of various administrative

and management services by PNG to Peoples. This agreement replaces the existing affiliated interest agreement which was approved by the Pennsylvania Public Utility Commission in Docket No. G-2022-3036720. This agreement, which is docketed at G-2022-3036720, is pending approval by the Commission.

Second Amended Operational Service Agreement

This Second Amended Operational Service Agreement ("Agreement") is entered into as of the 1st day of January, 2018, by and among Peoples Gas Company LLC (formerly Peoples TWP LLC), a Pennsylvania limited liability company ("Peoples Gas"), PNG Gathering LLC, a Delaware limited liability company ("Gathering"), Peoples Natural Gas Company LLC, a Pennsylvania limited liability company ("Peoples Natural") and Peoples Gas WV LLC, a West Virginia limited liability company ("Peoples WV")(collectively, Peoples Gas, Gathering, Peoples Natural and Peoples WV may hereinafter be referred to as the "Parties").

WHEREAS, Peoples Gas is a public utility certificated by the Pennsylvania Public Utility Commission ("PUC") that provides natural gas service to approximately 60,900 customers in all or a portion of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Butler, Cambria, Clarion, Clearfield, Indiana, Jefferson, and Westmoreland;

WHEREAS, Gathering is a Delaware company that owns the Goodwin and Tombaugh gathering pipeline systems located in Greene and Washington Counties that aggregate producer supplies and deliver gas to approximately 1,500 Peoples - Equitable Division field line customers;

WHEREAS, Peoples Natural is a public utility certificated by the PUC that provides natural gas service to approximately 625,000 customers in all or a portion of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland;

WHEREAS, Peoples WV is a public utility certificated by the Public Service Commission of West Virginia ("PSC") that provides natural gas service to approximately 12,700 customers in all or a portion of the following counties in West Virginia: Barbour, Braxton, Clay, Doddridge, Gilmer, Harrison, Lewis, Marion, Marshall, Monongalia, Ritchie, Taylor, Tyler, Upshur and Wetzel;

WHEREAS, each of Peoples Gas, Gathering, Peoples Natural and Peoples WV is a direct subsidiary of PNG Companies LLC (attached hereto as **Exhibit I** is an organizational chart);

WHEREAS, all of the unionized operating employees of Peoples Natural and Peoples Gas have been integrated into a single union, and in order to maximize operating efficiency, all operating employees in Pennsylvania are to become employees of Peoples Natural; and

WHEREAS, each of Peoples Gas, Gathering, Peoples Natural and Peoples WV believes that it is in its interest to provide for an arrangement whereby Peoples Gas, Gathering and Peoples WV may, from time to time and at their option, agree to purchase services related to gas operations, as described in **Exhibit II** ("Operational Services"), from Peoples Natural; and

WHEREAS, the purchaser of such services may sometimes hereinafter be referred to as "the receiving company" and the seller of such services may sometimes hereinafter be referred to as "the providing company."

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

I. OPERATIONAL SERVICES. The providing company hereby offers to supply Operational Services to the receiving company consisting of the services set forth in **Exhibit II** hereof. Such Operational Services are and will be provided to the receiving company only at the request of the receiving company.

II. PERSONNEL. The providing company will provide services by utilizing the services of such operating personnel and other persons as have the necessary qualifications.

III. COMPENSATION AND ALLOCATION. The providing company will provide such services at cost and directly bill the receiving company. **Exhibit II** hereof contains rules for determining costs for the providing company.

IV. TERMINATION AND MODIFICATION.

A. This Agreement shall be in full force and effect as of the date of execution, subject to any necessary approval of governmental agencies having jurisdiction over this matter, and shall continue until terminated by any of the Parties hereto giving the other Party ninety days written notice of termination; provided, however, that this Agreement shall terminate immediately with regard to any Party as of the date such Party ceases to be affiliated with the other Parties. This Agreement shall also be subject to termination at any time, without notice, if and to the extent performance under this Agreement may conflict with any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more of the Parties. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive such termination or expiration.

B. Service Requests. A receiving company requesting Services will prepare a Service Request on or before December 1st of each year listing the Services to be provided by the providing company in the coming year and any special arrangements related to the provision of such Services for the coming year,

based on the Services provided during the preceding year. The receiving company and providing company may supplement the Service Request during the year to reflect any additional or special Services that receiving company wishes to obtain from the providing company, and the arrangements relating thereto.

C. Modification of Other Terms and Conditions. No other amendment, change or modification of this Agreement shall be valid, unless made in writing and signed by the Parties hereto; provided, however, that all amendments, changes, and modifications must be approved as necessary by any governmental agency having jurisdiction.

V. NOTICE. All notices, requests and other communications shall be deemed to have been duly given or delivered if transmitted by personal service or, if mailed, postage prepaid, return receipt requested, to the following addresses:

To Peoples Gas:

Vice President, Operations
Peoples Gas Company LLC
205 N. Main Street
Butler, PA 16001

To PNG Gathering:

President
PNG Gathering LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

To Peoples Natural:

President
Peoples Natural Gas Company LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

To Peoples WV:

President
Peoples Gas WV LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

VI. GOVERNING LAW. The construction and interpretation of the terms and provisions of this Agreement shall be in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

VII. COMPLIANCE WITH LAW AND REGULATIONS. Unless specifically exempted, this agreement will be performed in full conformance with all applicable federal, state, and local labor and employment laws and regulations.

VIII. ENTIRE AGREEMENT. This Agreement, together with its exhibits and appendix, constitutes the entire understanding and agreement of the Parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective Parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

IX. WAIVER. No waiver by any Party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

X. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. No assignment of this Agreement or any Party's rights, interests or obligations hereunder may be made without the other Parties' consent, which shall not be unreasonably withheld, delayed or conditioned.

XI. FORCE MAJEURE. It is agreed that, in the event a *force majeure* renders any Party wholly or partially unable to carry out its obligations under this Agreement, other than its obligations to make payments on money due incident to performance hereunder, the obligation of the Party so affected shall be suspended during the continuance of any such liability. The Party claiming a *force majeure* shall remedy the condition and resume performance with all reasonable dispatch. "*Force Majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockages,

boycotts, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints (either economic or physical) of government, rulers and people, civil disturbances, explosions, governmental regulations, curtailment or other inability to obtain required governmental permits and other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of a Party, and which by the exercise of reasonable diligence such Party is unable to prevent or overcome; provided that the settlement of strikes or lockouts by a Party to this Agreement shall be entirely within the discretion of the Party to the Agreement having the difficulty, and the above requirements that any event of *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by a Party to this Agreement when such course is deemed inadvisable in the discretion of the Party to the Agreement having the difficulty.

XII. SEVERABILITY. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

XIII. REPRESENTATIONS. By their execution hereof, the Parties represent and warrant that they are authorized to enter into this Agreement, that it does not conflict with any contract, lease, instrument, or other obligation, that it represents their valid and binding obligation, enforceable in accordance with its terms, and that each Party has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and has all governmental authorizations necessary and required therefor.

XIV. CONFIDENTIALITY. A Party shall hold, and shall cause its Non-Party Affiliates to hold, in confidence any information concerning the affairs of the other Party that it has reason to believe is reasonably considered by the other Party, or a Non-Party Affiliate of the other Party, to be confidential and shall not (except as required by law or regulatory authority, subject to available confidentiality protections) disclose, publish, or make use of such information without the consent of the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above mentioned.

Peoples Gas Company LLC:

By: Joseph Mergen

Its: Sr. Vice President & COO

Attest:

W. H. Roberts II

PNG Gathering LLC:

By: Paul W. Rich

Its: V.P. Construction & Engineering

Attest:

W. H. Roberts II

Peoples Natural Gas Company LLC:

By: Joseph Mergen

Its: Sr. Vice President & COO

Attest:

W. H. Roberts II

Peoples Gas WV LLC:

By: Paul W. Rich

Its: V.P. Construction & Engineering

Attest:

W. H. Roberts II

EXHIBIT I

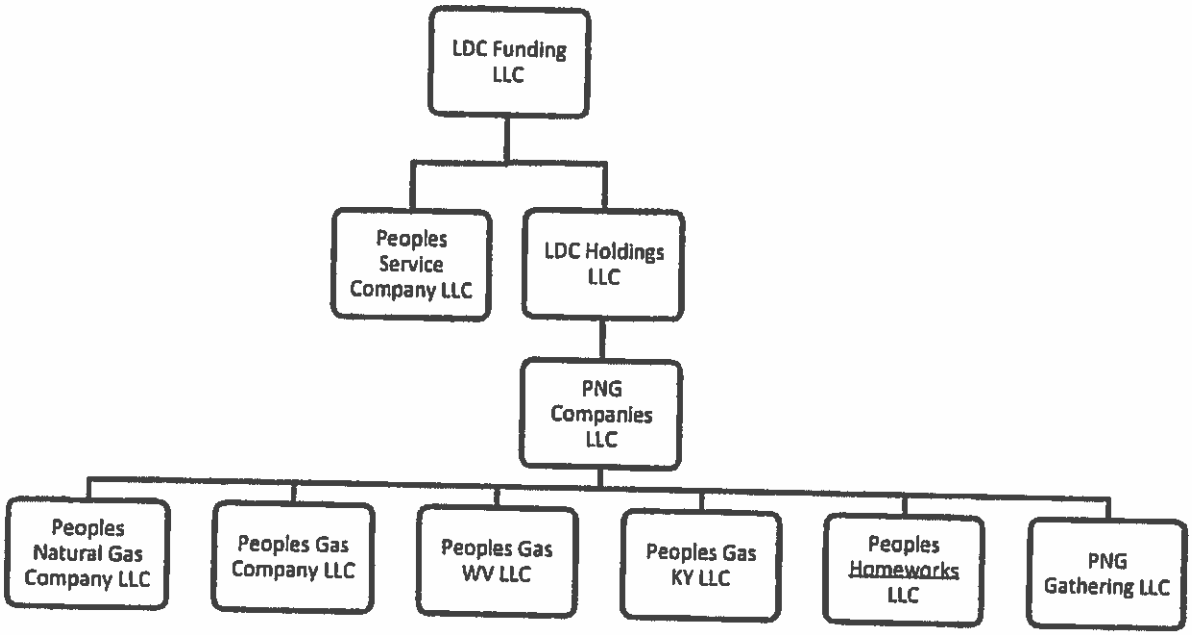

LDC Funding LLC
Peoples Service Company LLC
LDC Holdings LLC
PNG Companies LLC
Peoples Natural Gas Company LLC
Peoples Gas Company LLC
Peoples Gas WV LLC
Peoples Gas KY LLC
Peoples Homeworks LLC
PNG Gathering LLC

EXHIBIT II

I. OPERATIONAL SERVICES AND COST ALLOCATION

1. As used herein, "Operational Services" refers to, but is not limited to, the list of services set forth in Attachment A. All such services shall be charged based upon the Direct Charge method where services are provided for capitalized projects, special projects requested by a receiving company or where current allocations are not representative of current efforts. In all other instances services shall be allocated as identified in Attachment A. Allocated charges will be determined by multiplying the non-directly charged costs of service by the ratio of the applicable allocation basis for the receiving company to the total application basis for all parties opting for service under this Agreement, as set forth in Attachment A.

2. All Operational Services rendered under and in accordance with this Agreement shall be provided at cost without mark-up and directly billed to the receiving company. The cost of rendering such services shall include: (1) a directly charged or allocated portion of the salaries and wages of employees of the providing company determined as set forth above; (2) the cost of employees' benefits, payroll taxes and compensated absences attributable to salaries and wages billed under (1), above; (3) a directly charged or allocated portion of all other out-of-pocket operating costs, including expenses for transportation tolls, and other expenses incurred by the providing company or its employees in connection with the performance of services under this Agreement; (4) the allocated costs of materials and supplies furnished by the providing company in connection with the performance of services under this Agreement; and (5) administrative and general costs attributable to services performed under this Agreement.

3. Upon request, the providing company shall provide to the receiving company proof of the costs of services.

4. The providing company shall render monthly statements to the receiving company for services supplied under this Agreement. Such statements shall include the costs of all services supplied thereunder during the preceding calendar month. All statements so tendered will be due and payable upon receipt.

Services and Allocation Factors

Attachment A to Exhibit II

Service	Description of Services	Function	Allocation Basis
Operations - Field Operations	Manage and Supervise in the study, planning, and operation of plant facilities of Affiliated Companies as a whole, and advise, assist and manage the planning, operations, maintenance, environmental (identifying, managing and remediating environmental	Compliance	Miles (ft) of Pipeline
		Corrosion	
		Damage Prevention	
		Leak Survey	
		Pipeline Maintenance	
		Pressure	
Operations - Measurement	Manage, Supervise, Advise and assist in the study, planning, and operation of measurement and demarcation facilities of the Affiliated Companies.	Demarcation and Measurement standards	Throughput
Operations - Construction	Manage, Supervise , Advise and assist in the study, planning, engineering (including maps and records), and construction of plant	Design	Capital Budget
		Engineering	
		Pipeline Replacement	
Operations - Field Customer Service	Manage, Supervise, advise and assist in the study, planning, and operation of field customer service activities	Field Customer Service	Customers
Operations - Compression	Manage, Supervise, Advise and assist in the study, planning, and operation of compression facilities of the Affiliated Companies.	Compression	Number of Stations

SERVICE AGREEMENT

BETWEEN

PEOPLES NATURAL GAS COMPANY LLC

AND

PNG COMPANIES LLC

Dated November 5 **, 2022**

SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into as of the 8th day of November 2022, by and between Peoples Natural Gas Company LLC ("Peoples Natural") and PNG Companies LLC ("PNG") (collectively, Peoples Natural and PNG may hereinafter be referred to as the "Parties").

WHEREAS, Peoples Natural is a public utility certificated by the Pennsylvania Public Utility Commission that provides natural gas service to approximately 635,000 customers in all or a portion of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland;

WHEREAS, Peoples Natural is, as shown on the organizational chart attached hereto as **Exhibit A**, a wholly-owned direct subsidiary of PNG, a Delaware limited liability company, which in turn is a wholly-owned direct subsidiary of LDC Funding LLC ("Funding"), a Delaware limited liability company; and LDC Funding LLC is a wholly-owned direct subsidiary of Essential Utilities, Inc.;

WHEREAS, PNG will be staffed with employees who are presently employed by Peoples Natural or Peoples Gas Company LLC ("Peoples Gas") and who will transition to employment by PNG to efficiently manage PNG's provision of shared services;

WHEREAS, the Parties believe that it is in their interest to enter into an arrangement whereby Peoples Natural may agree to purchase certain administrative, management, and other services as described in **Exhibit B** from PNG as Peoples Natural may choose at cost as determined in accordance with this Agreement;

WHEREAS, the Parties believe that it is in their interest to enter into an arrangement whereby PNG may agree to purchase certain services as described in **Exhibit B** from Peoples Natural as PNG may choose at cost as determined in accordance with this Agreement;

WHEREAS, the Parties believe that it is in their interest that PNG act as counter-party to Peoples Natural for the exchange of certain services as described in **Exhibit B** between Peoples Natural and affiliates of PNG that are not a party to this Service Agreement but have entered into the same form of service agreement with PNG ("Non-Party Affiliates") and that are listed in **Exhibit C**; and

WHEREAS, the Parties agree that certain Non-Party Affiliates have contracted to receive services with PNG. Those Non-Party Affiliates are listed in **Exhibit C.**

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION OF SERVICES.

PNG agrees to provide certain administrative, management or other services to Peoples Natural as described in **Exhibit B**. Such services shall be provided to Peoples Natural at the request of Peoples Natural.

Peoples Natural agrees to provide services to PNG as described in **Exhibit B**. Such services shall be provided to PNG at the request of PNG.

PNG agrees to act as counter-party to Peoples Natural for services, as described in **Exhibit B**, exchanged between Peoples Natural and PNG's Non-Party Affiliates. PNG must pass-through the charges for such services at cost without mark-up. For simplicity of billing, Peoples Natural may directly bill Non-Party Affiliates for services rendered. PNG shall provide to Peoples Natural or to PNG's Non-Party Affiliates, as the case may be, upon request, proof of the costs of such services.

A Party purchasing services is hereinafter referred to as the "Client Company" and a Party providing services is hereinafter the "Service Company." **Exhibit B** hereto lists and describes the administrative, management or other services that are available from Peoples Natural and PNG (hereinafter, the "Services").

2. PERSONNEL.

In order to provide the Services, PNG will employ executive officers, accountants, financial advisers, technical advisers, attorneys, and other persons with the necessary qualifications. If necessary, the Parties may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the Services provided under this Agreement.

3. COMPENSATION AND ALLOCATION.

The Service Company shall directly assign the costs for such Services to the Client Company where Services are for capitalized projects, are provided for a special project requested by a Client Company, or where current allocations are not representative of current efforts. In all other instances, such costs shall be allocated as indicated in **Exhibit B**.

4. TERMINATION

This Agreement shall be in full force and effect as of the date of execution, subject to any necessary approval of governmental agencies having jurisdiction over this matter, and shall continue until terminated by any Party hereto giving the other Party one year written notice of termination; provided, however, that this Agreement shall terminate immediately with regard to any Party as of the date such Party ceases to be affiliated with the other Party. This Agreement shall also be subject to termination, without notice, if and to the extent performance under this Agreement may conflict with any state or federal statute, or any rule, decision, or order of any state

or federal regulatory agency having jurisdiction over one or more of the Parties. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive such termination or expiration.

5. SERVICE REQUESTS.

A Client Company requesting Services will prepare a Service Request on or before December 1st of each year listing the Services to be provided by the Service Company in the coming year and any special arrangements related to the provision of such Services for the coming year, based on the Services provided during the preceding year. The Client Company and Service Company may supplement the Service Request during the year to reflect any additional or special Services that Client Company wishes to obtain from the Service Company, and the arrangements relating thereto.

6. BILLING AND PAYMENT.

As soon as practical after the last day of each month, a billing shall be rendered for all amounts due for Services and expenses for such period, computed pursuant to this Agreement. All amounts so billed shall be paid within 30 days. Payment for Services provided shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of Client Company and Service Company. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the due date of the bill until payment at a rate equal to the prime rate on the due date. The Parties shall keep their books and records available at all reasonable times for inspection by representatives of the other Party or by regulatory bodies having jurisdiction over them and, upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof, and the allocation of costs among all Parties to this Agreement.

7. NOTICE.

All notices, requests and other communications shall be deemed to have been duly given or delivered if transmitted by personal service or, if mailed, postage prepaid, return receipt requested, to the following addresses:

If to Peoples Natural:

President
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212

If to PNG:

President
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212

8. GOVERNING LAW.

The construction and interpretation of the terms and provisions of this Agreement shall be in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

9. COMPLIANCE WITH LAW AND REGULATIONS.

Unless specifically exempted, this Agreement will be performed in full conformance with all applicable federal, state, and local labor and employment laws and regulations.

10. MODIFICATION.

No amendment, change, or modification to this Agreement shall be valid, unless made in writing and signed by all Parties hereto; provided however that all amendments, changes, and modifications must be approved as necessary by any governmental agencies having jurisdiction.

11. PARTICIPATION BY ADDITIONAL NON-PARTY AFFILIATES.

Notwithstanding anything to the contrary contained herein, PNG may enter into service agreements with additional Non-Party Affiliates, without the consent of Peoples Natural and without modification of this Agreement, provided that: (a) the agreement with the new Non-Party Affiliate contains the same material terms and conditions as the instant Agreement (including modifications pursuant to Section 10 above), including but not limited to the cost allocation factors contained **Exhibit B** attached hereto; and (b) the agreement with the new Non-Party Affiliate does not result in increased costs for Peoples Natural.

The Non-Party Affiliates that have contracted to receives services with PNG are listed in **Exhibit C.** Peoples Natural will update this list as Non-Party Affiliates with PNG change.

12. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the Parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective Parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

13. WAIVER.

No waiver by either party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

14. FORCE MAJEURE.

It is agreed that, in the event a *force majeure* renders any Party wholly or partially unable to carry out its obligations under this Agreement, other than its obligations to make payments on money due incident to performance hereunder, the obligation of the Party so affected shall be suspended during the continuance of any such liability. The Party claiming a *force majeure* shall remedy the condition and resume performance with all reasonable dispatch. "*Force Majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockages, boycotts, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrest and restraints (either economic or physical) of government, rulers and people, civil disturbances, explosions, governmental regulations, curtailment or other inability to obtain required governmental permits and other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of a Party, and which by the exercise of reasonable diligence such Party is unable to prevent or overcome; provided that the settlement of strikes or lockouts by a Party to this Agreement shall be entirely within the discretion of the Party to the Agreement having the difficulty, and the above requirements that any event of *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by a Party to this Agreement when such course is deemed inadvisable in the discretion of the Party to the Agreement having the difficulty.

15. ASSIGNMENT.

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. The rights, interests, or obligations hereunder and under any agreements with third parties may be assigned between Peoples Natural, PNG, and Non-Party Affiliates through mutual consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

16. SEVERABILITY.

If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

17. REPRESENTATIONS.

By their execution hereof, the Parties represent and warrant that they are authorized to enter into this Agreement, that it does not conflict with any contract, lease, instrument, or other obligation, that it represents their valid and binding obligation, enforceable in accordance with its terms, and that each Party has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and has all governmental authorizations necessary and required therefor.

18. CONFIDENTIALITY.

A Party shall hold, and shall cause its Non-Party Affiliates to hold, in confidence any information concerning the affairs of the other Party that it has reason to believe is reasonably considered by the other Party, or a Non-Party Affiliate of the other Party, to be confidential and shall not (except as required by law or regulatory authority, subject to available confidentiality protections) disclose, publish, or make use of such information without the consent of the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the 8th day of November, 2022.

PNG Companies LLC

By: Michael Hanan

Peoples Natural Gas Company LLC

By: Michael Hanan

EXHIBIT A

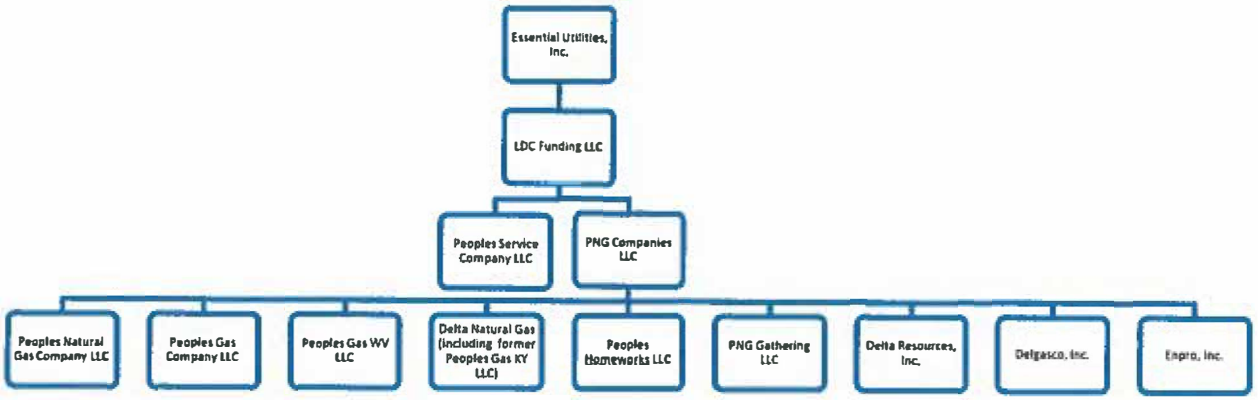

Essential Utilities, Inc.
LDC Funding LLC
Peoples Service Company LLC
PNG Companies LLC
Peoples Natural Gas Company LLC
Peoples Gas Company LLC
Peoples Gas WV LLC
Delta Natural Gas (including former Peoples Gas KY LLC)
Peoples Homeworks LLC
PNG Gathering LLC
Delta Resources, Inc.
Delgasco, Inc.
Enpro, Inc.

EXHIBIT B

DESCRIPTION OF SERVICES AND ALLOCATION METHODOLOGIES

This Exhibit provides a description of all products and services provided under the Service Agreement between Peoples Natural Gas Company LLC and PNG Companies LLC ("Agreement") and the cost allocation methodologies to be used in connection therewith. As used herein, the term "Service Company" refers to the company providing services and the term "Client Company" refers to the company receiving services.

DESCRIPTIONS OF PRODUCTS AND SERVICES

PNG Companies LLC ("PNG") agrees to provide services to Peoples Natural Gas Company LLC ("Peoples Natural") at the request of Peoples Natural. PNG shall act as counter-party to Peoples Natural where such services are provided by PNG's Non-Party Affiliates to Peoples Natural. All such services, as may be amended from time to time, shall be charged based upon the Direct Charge method where services are provided for capitalized projects, special project requested by a Client Company or where current allocations are not representative of current efforts. In all other instances the cost of services shall be allocated as identified in **Attachment 1**. PNG shall pass-through the charges for services rendered by PNG's Non-Party Affiliates to Peoples Natural at cost without mark-up. PNG shall provide to Peoples Natural, upon request, proof of the costs of services.

All services set forth in **Attachment 1**, with the exception of services provided through Peoples Natural's IT system investments which will remain at Peoples Natural, will be provided by PNG. For services provided through Peoples Natural's IT system investments, PNG shall act as counter-party to Peoples Natural where such services are provided by Peoples Natural to PNG's Non-Party Affiliates. PNG shall pass-through the charges for services rendered by Peoples Natural to PNG's Non-Party Affiliates at cost without mark-up. For simplicity of billing, Peoples Natural may directly bill Non-Party Affiliates for services rendered. Peoples Natural shall provide to PNG, upon request, proof of the costs of services.

COST OF SERVICES AND ALLOCATION METHODOLOGIES

I. The costs of services provided by Service Company will be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The costs of services provided by the Service Company that cannot be charged directly to the Client Company receiving the service will be allocated among the Client Companies by utilizing one of the methods described below that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the Service.

II. The costs of rendering service by Service Company will include all costs of doing business. Costs of doing business include, as applicable, wages and salaries of employees and related fringe benefit expenses (such as health care, life insurance, payroll taxes, pensions and other employee welfare expenses), equipment, tooling, materials, subcontract costs, overheads, cost of capital and taxes. The investment in IT systems to provide services will remain at Peoples Natural and the associated costs will be charged to the Client Companies. The costs of such investment shall include depreciation, return on the investment and associated taxes. The rate of return used to calculate the return costs shall be based on the rate of return approved in Peoples Natural's most recent base rate case. If a rate of return is not available in Peoples Natural's rate case, the cost of capital used in Peoples Natural's currently effective DSIC tariff will be used.

A. Service Company will maintain a separate record of each department's costs of rendering services. The costs of services of each department will include:

1. those expenses that are directly attributable to such department, and

2. an appropriate portion of those office and housekeeping expenses that are not directly attributable to a department but which are necessary to the operation of such department (excluding building rents and other facilities charges), which shall be allocated to the department in accordance with the allocation procedures set forth in Section VII.

B. The costs of rendering services of a department will not include:

1. those incremental out-of-pocket expenses that are incurred for the direct benefit and convenience of an individual Client Company or group of Client Companies,

2. Service Company overhead expenses that are attributable to maintaining the corporate existence of Service Company (including building rents and other facilities charges), and all other incidental overhead expenses including those auditing fees, internal auditing department expenses and accounting department expenses attributable to Service Company.

C. Service Company will establish annual budgets for controlling the expenses of each department and for determining estimated costs to be included in interim monthly billing.

III. The charges to a Client Company that are to be computed pursuant to the Direct Charge Method will be determined by multiplying the hours reported by employees in rendering such service by the hourly rates applicable to such employees. When such employees render service that is to be allocated as identified in **Attachment 1**, the charge to each Client Company will be determined by multiplying non-directly charged costs of the department by the ratio of the applicable allocation basis for the receiving company to the

total application basis for all parties to this agreement, allocation set forth in **Attachment 1.**

IV. To the extent appropriate and practical, the foregoing computations of hourly rates and charges may be determined for groups of employees within reasonable salary range limits.

V. Those expenses of the Service Company that are not included in the annual expense of a department under Section II. above will be charged to Client Companies receiving service as follows:

A. Incremental out-of-pocket costs incurred for the direct benefit and convenience of a Client Company will be charged directly to such Client Company. Such costs incurred for a group of Client Companies will be allocated on the basis of the appropriate formula set forth in Attachment 1.

B. Service Company overhead expenses referred to in Section II. above will be charged to the Client Company either on the proportion of direct charges to that Client Company or, if such allocation is not possible, under the allocation formulas set forth in Section VII. of this Exhibit.

VI. Monthly bills will be issued for the Services rendered to the Client Company on an actual basis. However, if such actual information is not available at the time of preparation of the monthly bill, estimates may be used. Estimates will normally be predicated on service department budgets and estimated productive hours of employees for the year. At the end of each quarter, estimated figures will be revised and adjustments will be made in amounts billed to give effect to such revision.

VII. The following tables describe the services and basis for allocation (by Service Department and Function) that shall be used to allocate the costs of services, which are not directly charged, to individual Client Companies. PNG may enter into other service agreements without modification of this **Exhibit B** and **Attachment 1** in accordance with Section 11 of the Agreement.

Volume VII

PNG Companies Services and Allocation Factors

Attachment 1 to Exhibit B

Service	Description of Services	Function	Allocation Basis
Accounting	Provide the organization, direction and resources to Affiliated Companies for accounting matters, including the development of accounting practices, procedures and controls, the maintenance of the general ledger and related subsidiary systems such as fixed assets, the preparation and analysis of financial reports, and the processing of certain accounts such as accounts payable and accounts receivable. Coordinate the examination of accounting records with the independent public accountants.	General Accounting	O&M less purchased gas expense; Fixed Assets added, retired or transferred; Acounts Payable documents processed)
		Fixed Assets	Fixed Assets added, retired or transferred
		Accounts Payable	Acounts Payable documents processed
Auditing	Periodically audit the accounting and other records and processes maintained by Affiliated Companies. The audit staff will report on their examination and submit recommendations, as appropriate, on improving methods of internal control and accounting procedures. Interact with and report to the Risk & Audit Committee regarding internal audit results and Risk Register analysis.	Auditing	O&M less purchased gas expense; capex (Previous year's services billed for future periods)
Budgets and Financial Strategy	Provide the organization, direction and resources to Affiliated Companies for the study, planning and reporting of 5-year financial business plan and financial strategy, O&M and capital expenditures, economic analyses, special projects and benchmarking. Coordinate information and activities among parent company and Board of Directors. Support Board of Directors meetings through preparation of various management reports.	Budgets and Financial Strategy	O&M less purchased gas expense; capex (Previous year's services billed for future periods)
Business Operations	Perform general business and operations support services, including business, plant and facilities operation, maintenance and management including physical security, fleet, mail services, and record retention	Facilities	Office Square Footage
		Fleet	Number of Vehicles
		All Other	Employees
Community Relations	Formulate and assist with public relations, advertising, and external/internal communications programs and with the administration of corporate contribution and community affairs programs.	Community Relations	Customers
Customer Services	Provide organization, direction, resources and systems dedicated to customer service, including billing, remittance, credit, collections, customer relations, call centers and metering.	Customer Services	Customers

Volume VII

PNG Companies Services and Allocation Factors

Attachment 1 to Exhibit B

Service	Description of Services	Function	Allocation Basis
Executive	Direct and advise Affiliated Companies in the solution of major problems and in the formulation and execution of the general plans and policies of Affiliated Companies. Advise and direct Affiliated Companies as to operations, issues arising out of or required by the various Federal and State regulatory requirements, business, public utilities and corporation laws, the selection of management and administrative personnel, the representation of Affiliated Companies before regulatory bodies, proposals for capital expenditures, budgets, financing, acquisition and disposition of properties, expansion of business, rate structures, public relationships and other related matters.	Executive	O&M less purchased gas expense; capex - Adj for CEO (Previous year's services billed for future periods)
Gas Control	Provide monitoring of the flow and control of the Affiliated Companies' operating systems.	Gas Control	Miles of Pipe
Gas Supply (Planning/Gas Supply Local Production)	Direct and advise Affiliated Companies in all matters relating to Gas Supply including gas supply planning, supply portfolio design, interstate and local gas acquisition, gas hedging, gas scheduling, contract support and regulatory support.	Gas Supply Planning	System Throughput
		Local Production	PO Taps
Human Resources	Provide the organization, direction and resources to Affiliated Companies for the formulation and administration of human resources policies and programs relating to the Affiliated Companies' payroll, labor relations, personnel administration, training, wage and salary administration and employee services and health and worker's compensation. Direct and administer all medical and health activities of Affiliated Companies. Provide central administration for employee benefit and pension plans of Affiliated Companies. Advise and assist Affiliated Companies in the administration of such plans and prepare and maintain records of employee and company accounts under the said plans, together with such statistical data and reports as are pertinent to the plans.	Human Resources	Employees
Information Technology, Electronic Transmission and Computer Services (Applications; Telecommunications)	Provide the organization and resources for the operation of an information technology function including the development, implementation and operation of a centralized data processing facility and the management of a telecommunications network. This function includes the central processing of computerized applications and support of individual applications in Affiliated Companies. Develop, implement, and process those computerized applications for Affiliated Companies that can be economically best accomplished on a centralized basis.	Information Technology, Electronic Transmission and Computer Services (Applications; Telecommunications)	Customers and Users (50/50)
Land Management	Provide oversight and procure necessary land rights of way or parcel purchases/dispositions. Manage associated right of way lease agreements.	Land Management	Capital Budget

Volume VII

PNG Companies Services and Allocation Factors

Attachment 1 to Exhibit B

Service	Description of Services	Function	Allocation Basis
Legal	Provide Legal services in connection with, or in support of, any of the other services provided hereunder including, but not limited to, general corporate matters	Legal	O&M less purchased gas expense; capex (Previous year's services billed for future periods)
Legislative (Government) Affairs	Formulate and support public relations with the administration of corporate contribution and community affairs programs. Represent and support the Affiliated Companies' interests in existing and emerging legislation	Legislative (Government) Affairs	Customers - PA Only

Volume VII

PNG Companies Services and Allocation Factors

Attachment 1 to Exhibit B

Service	Description of Services	Function	Allocation Basis
Operations	Direct and advise Affiliated Companies in the study, planning, engineering and construction of plant facilities of the Affiliated Companies as a whole, and advise, assist and manage the planning, engineering (including maps and records), field customer service, construction, operations, maintenance, employee safety, environmental (identifying, managing and remediating environmental threats or risks), vegetation maintenance and other compliance activities of Affiliated Companies. Develop long-range operational programs for the Affiliated Companies and direct and advise in the coordination of such programs with the programs of the other Affiliated Companies. Provide services related to maintenance, testing and repair of meters.	Field Customer Service	Customers
		Field Operations	Miles of Pipe
		GIS Planning & Pipeline Assessment	Miles of Pipe
		Construction Management; Pipeline Replacement Program	Capital Budget
		Meter Management	Number of Meters
Rates & Regulatory Affairs	Provide the organization, direction and resources to Affiliated Companies for the submission and support of all state and federal regulatory filings and programs and manage their relationships with state and federal commissions, federal, state and local governments, agencies and legislative bodies. Prepare and support all regulatory filings including base rate case, gas cost recovery and tariff filings. Advise and direct the analysis of rate structure, and the formulation of rate policies. Provide the organization, direction and resources to Affiliated Companies for proceedings before regulatory bodies involving the rates and operations of Affiliated Companies where such rates and operations directly or indirectly affect Affiliated Companies. Provide the organization, direction and resources to Affiliated Companies to create and manage various universal service programs in compliance with regulatory requirements. Also, provide customer requirements forecasting in support of daily, monthly, seasonal and long-range usage and financial estimates.	Rates	Regulated Revenue
		Transportation Services	Sales and Transportation Volumes
		Customer Relations	Customers
Risk Management	Provide the organization, direction and resources to Affiliated Companies for securing requisite insurance, in the purchase and administration of all property, casualty and in providing risk prevention advice.	Risk Management	Insurance Premiums
Safety & Training	Provide services related to safety programs. Develop and facilitate technical and safety training for workers associated with operational activities, including mainline, meter, fleet, warehouse, field engineering and dispatch.	Safety & Training	Field Union Employees

Volume VII

PNG Companies Services and Allocation Factors

Attachment 1 to Exhibit B

Service	Description of Services	Function	Allocation Basis
Sales & Marketing	Plan, formulate, implement and administer Affiliated Companies' marketing and transportation programs, as well as provide associated marketing services to assist Affiliated Companies with improving customer satisfaction, load retention, growth of gas sales and deliveries.	Large Volume Sales	Customers - C&I
		Residential Sales	Customers - Residential
Software Pooling	Provide services related to safety programs. Develop and facilitate technical and safety training for workers associated with operational activities, including mainline, meter, fleet, warehouse, field engineering and dispatch.	Software Pooling	Employees; Customers
Supply Chain	Direct and advise Affiliated Companies in the procurement of real and personal property, materials, supplies and services, conduct purchase negotiations, prepare procurement agreements and administer programs of material control.	Purchasing	$ values of PO purchases
		Materials Management	$ value of material inventory purchases
Tax Accounting and Compliance	Provide the organization, direction and resources to Affiliated Companies for the preparation of Federal and other tax returns, and generally advise Affiliated Companies as to any problems involving taxes.	Tax Accounting and Compliance	Income and deductions per tax return
Treasury and Cash Management	Provide direction and services related to managing all administrative activities associated with financing, including management of capital structure; cash, credit and other risk management activities; investment and commercial banking relationships; and general financing activities.	Treasury and Cash Management	O&M less purchased gas expense; capex (Previous year's services billed for future periods)
Use of Space	Use or lease of office, warehouse, storage and other space or facilities, associated warehousing and storage services	Use of Space	Employees; Customers

EXHIBIT C

Non-Party Affiliates

Delta Natural Gas (Including former Peoples Gas KY LLC)
Essential Utilities, Inc.
LDC Funding LLC
Peoples Gas Company LLC
Peoples Gas WV LLC
Peoples Homeworks LLC
Peoples Service Company LLC
PNG Gathering LLC

SERVICE AGREEMENT

BETWEEN

PEOPLES NATURAL GAS COMPANY LLC

AND

PNG COMPANIES LLC

Dated January 27, **2026**

SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into as of the 27 day of January, 2026, by and between Peoples Natural Gas Company LLC ("Peoples") and PNG Companies LLC ("PNG") (collectively, Peoples and PNG may hereinafter be referred to as the "Parties").

WHEREAS, Peoples is a public utility certificated by the Pennsylvania Public Utility Commission that provides natural gas service to approximately 700,000 customers in all or a portion of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Clearfield Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland;

WHEREAS, Peoples is, as shown on the organizational chart attached hereto as **Exhibit A**, a wholly-owned direct subsidiary of PNG, a Delaware limited liability company, which in turn is a wholly-owned direct subsidiary of LDC Funding LLC ("Funding"), a Delaware limited liability company; and LDC Funding LLC is a wholly-owned direct subsidiary of Essential Utilities, Inc.;

WHEREAS, PNG will be staffed with employees in the areas included in **Exhibit B** to efficiently manage PNG's provision of shared services;

WHEREAS, the Parties believe that it is in their interest to enter into an arrangement whereby Peoples may agree to purchase certain administrative, management, and other services as described in **Exhibit B** from PNG as Peoples may choose at cost as determined in accordance with this Agreement;

WHEREAS, the Parties believe that it is in their interest to enter into an arrangement whereby PNG may agree to purchase certain services as described in **Exhibit B** from Peoples as PNG may choose at cost as determined in accordance with this Agreement;

WHEREAS, the Parties believe that it is in their interest that PNG act as counter-party to Peoples for the exchange of certain services as described in **Exhibit B** between Peoples and affiliates of PNG that are not a party to this Service Agreement but have entered into the same form of service agreement with PNG ("Non-Party Affiliates") and that are listed in **Exhibit C**; and

WHEREAS, the Parties agree that certain Non-Party Affiliates have contracted to receive services with PNG. Those Non-Party Affiliates are listed in **Exhibit C.**

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION OF SERVICES.

PNG agrees to provide certain administrative, management or other services to Peoples as described in **Exhibit B**. Such services shall be provided to Peoples at the request of Peoples.

Peoples agrees to provide services to PNG as described in **Exhibit B**. Such services shall be provided to PNG at the request of PNG.

PNG agrees to act as counter-party to Peoples for services, as described in **Exhibit B**, exchanged between Peoples and PNG's Non-Party Affiliates. PNG must pass-through the charges for such services at cost without mark-up. For simplicity of billing, Peoples may directly bill Non-Party Affiliates for services rendered. PNG shall provide to Peoples or to PNG's Non-Party Affiliates, as the case may be, upon request, proof of the costs of such services.

A Party purchasing services is hereinafter referred to as the "Client Company" and a Party providing services is hereinafter the "Service Company." **Exhibit B** hereto lists and describes the administrative, management or other services that are available from Peoples and PNG (hereinafter, the "Services").

2. PERSONNEL.

In order to provide the Services, PNG will employ executive officers, accountants, financial advisers, technical advisers, attorneys, and other persons with the necessary qualifications. If necessary, the Parties may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the Services provided under this Agreement.

3. COMPENSATION AND ALLOCATION.

The Service Company shall directly assign the costs for such Services to the Client Company where Services are for capitalized projects, are provided for a special project requested by a Client Company, or where current allocations are not representative of current efforts. In all other instances, such costs shall be allocated as indicated in **Exhibit B**.

4. TERMINATION

This Agreement shall be in full force and effect as of the date of execution, subject to any necessary approval of governmental agencies having jurisdiction over this matter, and shall continue until terminated by any Party hereto giving the other Party one year written notice of termination; provided, however, that this Agreement shall terminate immediately with regard to any Party as of the date such Party ceases to be affiliated with the other Party. This Agreement shall also be subject to termination, without notice, if and to the extent performance under this Agreement may conflict with any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more of the Parties. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive such termination or expiration.

5. SERVICE REQUESTS.

A Client Company requesting Services will prepare a Service Request on or before December 1st of each year listing the Services to be provided by the Service Company in the coming year and any special arrangements related to the provision of such Services for the coming year, based on the Services provided during the preceding year. The Client Company and Service Company may supplement the Service Request during the year to reflect any additional or special Services that Client Company wishes to obtain from the Service Company, and the arrangements relating thereto.

6. BILLING AND PAYMENT.

As soon as practical after the last day of each month, a billing shall be rendered for all amounts due for Services and expenses for such period, computed pursuant to this Agreement. All amounts so billed shall be paid within 30 days. Payment for Services provided shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of Client Company and Service Company. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the due date of the bill until payment at a rate equal to the prime rate on the due date. The Parties shall keep their books and records available at all reasonable times for inspection by representatives of the other Party or by regulatory bodies having jurisdiction over them and, upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof, and the allocation of costs among all Parties to this Agreement.

7. NOTICE.

All notices, requests and other communications shall be deemed to have been duly given or delivered if transmitted by personal service or, if mailed, postage prepaid, return receipt requested, to the following addresses:

If to Peoples:

President
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212

If to PNG:

President
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212

8. GOVERNING LAW.

The construction and interpretation of the terms and provisions of this Agreement shall be in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

9. COMPLIANCE WITH LAW AND REGULATIONS.

Unless specifically exempted, this Agreement will be performed in full conformance with all applicable federal, state, and local labor and employment laws and regulations.

10. MODIFICATION.

No amendment, change, or modification to this Agreement shall be valid, unless made in writing and signed by all Parties hereto; provided however that all amendments, changes, and modifications must be approved as necessary by any governmental agencies having jurisdiction.

11. PARTICIPATION BY ADDITIONAL NON-PARTY AFFILIATES.

Notwithstanding anything to the contrary contained herein, PNG may enter into service agreements with additional Non-Party Affiliates, without the consent of Peoples and without modification of this Agreement, provided that: (a) the agreement with the new Non-Party Affiliate contains the same material terms and conditions as the instant Agreement (including modifications pursuant to Section 10 above), including but not limited to the cost allocation factors contained **Exhibit B** attached hereto; and (b) the agreement with the new Non-Party Affiliate does not result in increased costs for Peoples.

The Non-Party Affiliates that have contracted to receives services with PNG are listed in **Exhibit C.** Peoples will update this list as Non-Party Affiliates with PNG change.

12. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the Parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective Parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

13. WAIVER.

No waiver by either party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

14. FORCE MAJEURE.

It is agreed that, in the event a *force majeure* renders any Party wholly or partially unable to carry out its obligations under this Agreement, other than its obligations to make payments on money due incident to performance hereunder, the obligation of the Party so affected shall be suspended during the continuance of any such liability. The Party claiming a *force majeure* shall remedy the condition and resume performance with all reasonable dispatch. "*Force Majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockages, boycotts, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrest and restraints (either economic or physical) of government, rulers and people, civil disturbances, explosions, governmental regulations, curtailment or other inability to obtain required governmental permits and other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of a Party, and which by the exercise of reasonable diligence such Party is unable to prevent or overcome; provided that the settlement of strikes or lockouts by a Party to this Agreement shall be entirely within the discretion of the Party to the Agreement having the difficulty, and the above requirements that any event of *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by a Party to this Agreement when such course is deemed inadvisable in the discretion of the Party to the Agreement having the difficulty.

15. ASSIGNMENT.

This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. The rights, interests, or obligations hereunder and under any agreements with third parties may be assigned between Peoples, PNG, and Non-Party Affiliates through mutual consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

16. SEVERABILITY.

If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

17. REPRESENTATIONS.

By their execution hereof, the Parties represent and warrant that they are authorized to enter into this Agreement, that it does not conflict with any contract, lease, instrument, or other obligation, that it represents their valid and binding obligation, enforceable in accordance with its terms, and that each Party has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and has all governmental authorizations necessary and required therefor.

18. CONFIDENTIALITY.

A Party shall hold, and shall cause its Non-Party Affiliates to hold, in confidence any information concerning the affairs of the other Party that it has reason to believe is reasonably considered by the other Party, or a Non-Party Affiliate of the other Party, to be confidential and shall not (except as required by law or regulatory authority, subject to available confidentiality protections) disclose, publish, or make use of such information without the consent of the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the 27 day of JANUARY, 2026.

PNG Companies LLC

By: Michael A. Hanna

Peoples Natural Gas Company LLC

By: Michael A. Hanna

EXHIBIT A

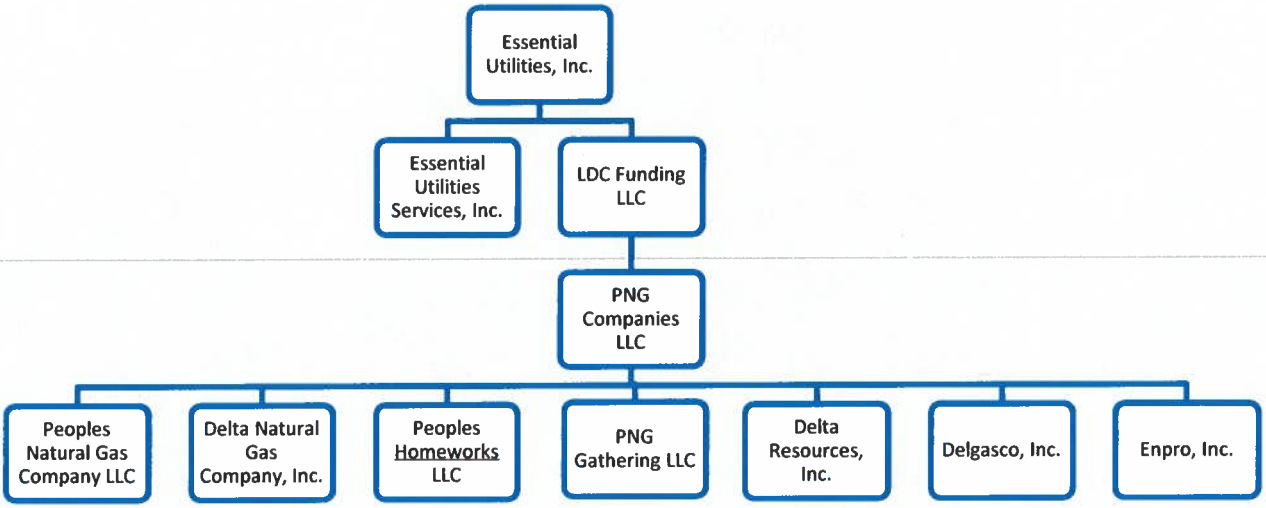

Essential Utilities, Inc.
Essential Utilities Services, Inc.
LDC Funding LLC
PNG Companies LLC
Peoples Natural Gas Company LLC
Delta Natural Gas Company, Inc.
Peoples Homeworks LLC
PNG Gathering LLC
Delta Resources, Inc.
Delgasco, Inc.
Enpro, Inc.

EXHIBIT B

DESCRIPTION OF SERVICES AND ALLOCATION METHODOLOGIES

This Exhibit provides a description of all products and services provided under the Service Agreement between Peoples Natural Gas Company LLC and PNG Companies LLC ("Agreement") and the cost allocation methodologies to be used in connection therewith. As used herein, the term "Service Company" refers to the company providing services and the term "Client Company" refers to the company receiving services.

DESCRIPTIONS OF PRODUCTS AND SERVICES

PNG Companies LLC ("PNG") agrees to provide services to Peoples Natural Gas Company LLC ("Peoples") at the request of Peoples. PNG shall act as counter-party to Peoples where such services are provided by PNG's Non-Party Affiliates to Peoples. All such services, as may be amended from time to time, shall be charged based upon the Direct Charge method where services are provided for capitalized projects, special project requested by a Client Company or where current allocations are not representative of current efforts. In all other instances the cost of services shall be allocated as identified in **Attachment 1**. PNG shall pass-through the charges for services rendered by PNG's Non-Party Affiliates to Peoples at cost without mark-up. PNG shall provide to Peoples Natural, upon request, proof of the costs of services.

All services set forth in **Attachment 1**, with the exception of services provided through Peoples' IT system investments which will remain at Peoples, will be provided by PNG. For services provided through Peoples' IT system investments, PNG shall act as counter-party to Peoples where such services are provided by Peoples to PNG's Non-Party Affiliates. PNG shall pass-through the charges for services rendered by Peoples to PNG's Non-Party Affiliates at cost without mark-up. For simplicity of billing, Peoples may directly bill Non-Party Affiliates for services rendered. Peoples shall provide to PNG, upon request, proof of the costs of services.

COST OF SERVICES AND ALLOCATION METHODOLOGIES

I. The costs of services provided by Service Company will be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The costs of services provided by the Service Company that cannot be charged directly to the Client Company receiving the service will be allocated among the Client Companies by utilizing one of the methods described below that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the Service.

II. The costs of rendering service by Service Company will include all costs of doing business. Costs of doing business include, as applicable, wages and salaries of employees and related fringe benefit expenses (such as health care, life insurance, payroll taxes, pensions and other employee welfare expenses), equipment, tooling, materials, subcontract costs, overheads, cost of capital and taxes. The investment in IT systems to provide services will remain at Peoples and the associated costs will be charged to the Client Companies. The costs of such investment shall include depreciation, return on the investment and associated taxes. The rate of return used to calculate the return costs shall be based on the rate of return approved in Peoples' most recent base rate case. If a rate of return is not available in Peoples' rate case, the cost of capital used in Peoples' currently effective DSIC tariff will be used.

A. Service Company will maintain a separate record of each department's costs of rendering services. The costs of services of each department will include:

1. those expenses that are directly attributable to such department, and

2. an appropriate portion of those office and housekeeping expenses that are not directly attributable to a department but which are necessary to the operation of such department (excluding building rents and other facilities charges), which shall be allocated to the department in accordance with the allocation procedures set forth in Section VII.

B. The costs of rendering services of a department will not include:

1. those incremental out-of-pocket expenses that are incurred for the direct benefit and convenience of an individual Client Company or group of Client Companies,

2. Service Company overhead expenses that are attributable to maintaining the corporate existence of Service Company (including building rents and other facilities charges), and all other incidental overhead expenses including those auditing fees, internal auditing department expenses and accounting department expenses attributable to Service Company.

C. Service Company will establish annual budgets for controlling the expenses of each department and for determining estimated costs to be included in interim monthly billing.

III. The charges to a Client Company that are to be computed pursuant to the Direct Charge Method will be determined by multiplying the hours reported by employees in rendering such service by the hourly rates applicable to such employees. When such employees render service that is to be allocated as identified in **Attachment 1**, the charge to each Client Company will be determined by multiplying non-directly charged costs of the department by the ratio of the applicable allocation basis for the receiving company to the

total application basis for all parties to this agreement, allocation set forth in **Attachment 1.**

IV. To the extent appropriate and practical, the foregoing computations of hourly rates and charges may be determined for groups of employees within reasonable salary range limits.

V. Those expenses of the Service Company that are not included in the annual expense of a department under Section II. above will be charged to Client Companies receiving service as follows:

A. Incremental out-of-pocket costs incurred for the direct benefit and convenience of a Client Company will be charged directly to such Client Company. Such costs incurred for a group of Client Companies will be allocated on the basis of the appropriate formula set forth in Attachment 1.

B. Service Company overhead expenses referred to in Section II. above will be charged to the Client Company either on the proportion of direct charges to that Client Company or, if such allocation is not possible, under the allocation formulas set forth in Section VII. of this Exhibit.

VI. Monthly bills will be issued for the Services rendered to the Client Company on an actual basis. However, if such actual information is not available at the time of preparation of the monthly bill, estimates may be used. Estimates will normally be predicated on service department budgets and estimated productive hours of employees for the year. At the end of each quarter, estimated figures will be revised and adjustments will be made in amounts billed to give effect to such revision.

VII. The following tables describe the services and basis for allocation (by Service Department and Function) that shall be used to allocate the costs of services, which are not directly charged, to individual Client Companies. PNG may enter into other service agreements without modification of this **Exhibit B** and **Attachment 1** in accordance with Section 11 of the Agreement.

EXHIBIT C

Non-Party Affiliates

Delta Natural Gas Company, Inc.
Essential Utilities, Inc.
LDC Funding, LLC
Peoples Homeworks LLC
PNG Gathering LLC
Essential Utilities Services, Inc.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-52. Please provide the annual level of outside services employed for the preceding three calendar years. Include in your response a breakdown of the test year amount indicating the service provider and the type of service performed.

* *

The annual levels of outside services for the preceding three calendar years are as follows:

Twelve Months Ended December 31, 2022 $ 26,043,874
Twelve Months Ended December 31, 2023 $ 30,211,778
Twelve Months Ended December 31, 2024 $ 30,767,984

Refer to attachment 1 for a breakdown by service provider and type of service for the historic test year.

Peoples Natural Gas Company LLC
Attachment 1: Exhibit VI.II.RR.52
Outside Services
12 Months Ended November 30, 2025

TYPE OF SERVICE	PNG	
Accounting/Auditing Services	$	1,397,262
Consultant Services	$	363,617
Contractor Materials	$	571
Contractor Services	$	952,456
Environment Services	$	772
Essential Services	$	20,192,384
Essential Sundry	$	7,423,271
IT/Telecom Contractor Services	$	2,751,622
Legal Services	$	827,922
Miscellaneous Outside Services	$	545,425
Security & Investigation Services	$	22,089
Testing Services	$	119,307
Training Services	$	4,888
Total Outside Services - Account 923	**$**	**34,601,586**

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-53. Please describe each budgeted or planned cost savings program to be implemented during the historic or future year. Please identify the cost of implementing the program and the anticipated annual savings.

* *

Over the past fifteen years the Company has achieved significant savings resulting from multiple measures including the acquisition of Equitable Gas Company, the combined operations of the Peoples Natural Gas and the Peoples Gas division (together, the "Divisions"), the integration of the Divisions into Essential Utilities, Inc., the optimization of operations and the accelerated infrastructure replacement through its Long-Term Infrastructure Improvement Plan. The claim reflects all savings achieved as a result of the above measures. The Company has not projected any future savings in either the FTY or FPFTY.

Please refer to Exhibit No. 4, Schedule 1 (53.53.III.E.17) for the Company's O&M expense claim.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-54. Please explain how the Company has treated reserve accruals and balances for ratemaking purposes and provide the requested level of any self-funded reserve accruals by type of item.

* *

Refer to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) for all adjustments.

ASC 715 post-retirement benefits other than pension (PBOP) have been claimed on an accrual basis.

The Company is claiming “pay as you go” recovery for FAS 112 claims expense.

Peoples Natural Gas Company LLC
Standard Data Requests
Revenue Requirement

RR-55. Please provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation workpapers for the Company's consolidated tax savings adjustment.

* *

Refer to Exhibit No. 7, Schedule No. 25 (53.53.II.A.10) for the tax returns.

Refer to Exhibit No. 7, Schedule No. 3 (53.53.II.A.26) for a discussion of the consolidated tax savings adjustment.

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume VIII

Direct Testimony
Statement Nos. 1 through 14

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
MICHAEL HUWAR, PRESIDENT
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 1

PREPARED DIRECT TESTIMONY
OF MICHAEL HUWAR

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michael Huwar. My business address is Peoples Natural Gas Company LLC, 375 North Shore Drive, Suite 600, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples," or the "Company") as President. I am also the President of Peoples' direct parent, PNG Companies LLC ("PNG").

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I hold an undergraduate degree from the University of Pittsburgh. I am the corporate officer responsible for Peoples and its various departments including but not limited to Operations, Construction, Pipeline Safety and Compliance, Damage Prevention, Sales, Customer Service and Community Relations. Prior to my time at Peoples, I held various positions with Columbia Gas of Pennsylvania, Inc. ("Columbia") and its parent company, NiSource Inc. from 1986 through 2020, including President and Chief Operating Officer of Columbia Gas of Pennsylvania, Inc. and Columbia Gas of Maryland, Inc. While at Columbia/NiSource, I also served as Vice President and General Manager, Operations Manager for Columbia Gas of Virginia, Inc., Vice President of Sales, Vice President of Products and Services, and Director of Large Customer Relations. From 2015 through 2017, I served as Vice President of Marketing for Columbia Midstream, a subsidiary of Columbia Pipeline Group and TransCanada/TC Energy.

Q. WHAT ARE YOUR CURRENT JOB RESPONSIBILITIES WITH PEOPLES?

A. As President, I have the overall responsibility of leading the business and establishing the strategic plan for Peoples. My principal role is setting and executing on Peoples strategic goals which prioritize the operation and maintenance of a safe and reliable natural gas distribution system from which we serve our customers and communities.

Safety and reliability are the top priorities at Peoples, and as such, I oversee the modernization of Peoples' infrastructure to maintain the overall safety and integrity of our natural gas delivery system. From that system, we meet the natural gas distribution needs of our customers in 18 counties in southwestern Pennsylvania.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDING?

A. Yes. I submitted testimony in Peoples' most recent base rate proceeding at Docket No. R-2023-3044549. I also submitted testimony in the proceeding that merged Peoples Gas Company LLC (formerly T.W. Phillips) into Peoples at Docket Nos. A-2021-3029831 and A-2021-3029833. This merger of the two gas distribution companies was approved by the Pennsylvania Public Utility Commission ("Commission") on August 25, 2022. While at Columbia, I submitted testimony in support of its base rate proceedings before the Commission as Docket Nos. R-2018-2647577 and R-2020-3018835.

Q. WHAT IS THE COMPANY'S REQUEST IN THIS PROCEEDING?

A. Peoples is requesting an increase in its annual base rate revenues of $163.2 million, or 13.8% on a total revenue basis, with a proposed effective date of May 26, 2026 (the Company assumes that the Commission will suspend this matter for seven months after May 26, 2026, and when they do so the suspension period will end December 26, 2026, with rates effective that same day).

Q. HAS THE COMPANY EVALUATED THE CUSTOMER BILL IMPACT OF ITS PROPOSED RATE INCREASE?

A. Yes. As shown below, the Company has evaluated the impact of its proposed rate increase on the average monthly bill:

- The total bill for a residential customer using 86 Mcf per year would increase from $122.20 to $138.23 per month or by 13.1%.

- The total bill for a commercial customer using 250 Mcf per year would increase from $271.47 to $314.05 per month or by 15.7%.

- Rates for an industrial customer using 1,750 Mcf per year would increase from $1,802.05 to $2,010.68 per month or by 11.6%.

The monthly bill impacts set forth above are fair and reasonable as the Company will use this increase in distribution rates to support its ongoing provision of safe and reliable distribution service while also maintaining affordable rates for its customers. The proposed fixed customer charges also reflects cost-of-service principles, while considering the principle of gradualism. For more information about customer bill impacts and rate design please see **Peoples Statement No. 17 – the Direct Testimony of John Taylor**.

Q. WHAT IS THE PRIMARY DRIVER FOR THIS RATE FILING?

A. The primary drivers for this case are the Company's ongoing infrastructure modernization programs which are supported by significant ongoing capital investments. The Company anticipates that since its last base rate case in 2023 through the end of the Fully Projected Future Test Year ("FPFTY") presented in this filing, it will spend nearly $2.3 billion to replace more than 1,250 miles of its aging infrastructure. For 2026 and 2027, the Company is projected to spend more than $1.2 Billion in Long-Term Infrastructure Improvement Plan ("LTIIP") investments, with more than $600 million in 2026 and $650 million in 2027. The Company's LTIIP program represents approximately 80% of the capital expenditures included in this proceeding. (See Exhibit No. 19, RR-14). These capital investments involve the replacement of aging infrastructure that will enhance the overall safety, reliability, sustainability and integrity of the Company's natural gas distribution system. Therefore, the Company is requesting a base rate increase to recover the revenue requirement associated with the capital invested through the test year and continued investment in modernizing its infrastructure through the FPFTY.

Approval of the Company's request is necessary for Peoples to continue to provide safe and reliable natural gas service at a reasonable price to its customers while providing the Company with a reasonable opportunity to recover its costs and earn a fair rate of return on its capital investments in this proceeding. As such, approval of the Company's request herein will demonstrate to its investors that the Commission continues to support the Company's need for natural gas infrastructure modernization and investment, as well as the need for reasonable and predictable earnings to continue to operate its business.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?

A. First, I will introduce Peoples' witnesses in this case, as well as the subject matters presented by each witness. Next, I will discuss the various priorities in this filing, including but not limited to managing the affordability of service to customers while balancing the need to undertake critical safety upgrades to the Company's natural gas distribution system. I will also highlight some of the Company's operational performance and safety results, including the progress the Company has made with its infrastructure modernization program. In addition, I will discuss Peoples' customer service metrics and how the Company has been improving its customer experience.

Lastly, I will conclude my testimony with a discussion regarding the Company's focus on delivering safe and reliable natural gas distribution service, the benefits of that service, and the overall community impact resulting from that service.

Q. PLEASE LIST THE FILING REQUIREMENTS THAT YOU ARE SPONSORING AS A WITNESS.

A. I am sponsoring Peoples Exhibit No. 13, Schedule No. 10 and Peoples Exhibit No. 15, Schedule No. 1.

II. WITNESSES

Q. PLEASE PROCEED WITH THE INTRODUCTION OF PEOPLES' WITNESSES.

A. Peoples' witnesses and the subject matters of their testimonies are as follows:

Andrew P. Wachter, Director, Finance and Regulation, will identify and explain Peoples' operating and maintenance ("O&M") expenses for the Historic Test Year, Future

Test Year, and the FPFTY. Moreover, Mr. Wachter will discuss the Company's Tax Repairs proposal. (**Peoples Statement No. 2**);

Carol Scanlon, Manager of Rates and Regulation, will support the Company's requested overall revenue requirement for non-gas costs. In addition, Ms. Scanlon will support proposed revisions to the universal service rider and miscellaneous service charge fee amounts. (**Peoples Statement No. 3**)

Dawn Folks, Rates Analyst, will support the Company's calculation of historical and projected revenues, including customer counts and volume projections, and the determination of rates for competitive accounts. (**Peoples Statement No. 4**)

Ed Palombo, Vice President of Reliability, will describe the Company's gas supply plan, the Company's gathering approach, and the Company's safety programs and performance. (**Peoples Statement No. 5**)

Paul Becker, Vice President of Construction and Engineering, will discuss the Company's capital pipeline work programs. (**Peoples Statement No. 6**)

Angela Jiang, Vice President, Tax, will sponsor and support the Company's tax calculations for ratemaking purposes and the tax-related information provided by Peoples in response to the Commission's rate filing regulations. More specifically, Ms. Jiang will explain the Company's Net Operating Loss carryforward, how the Company is reflecting the effects of Tax Repairs in this proceeding, and how the reduction to the Corporate Net Income tax rate impacts the Company's revenue requirement in this matter. (**Peoples Statement No. 7**)

Luke Ravenstahl, Vice President Sales and Marketing, will sponsor and support the Company's negotiated contracts with competitive customers and a proposed appliance rebate pilot. (**Peoples Statement No. 8**)

Joyce Mitole, Controller, will sponsor the accounting filing requirements and explain how the accounting records of Peoples are maintained under industry standards. (**Peoples Statement No. 9**)

Rita Black, Director of Customer Service Programs, will sponsor and explain the Company's universal service programs and the implementation of said programs. (**Peoples Statement No. 10**)

Rudolph Hanechak, Financial Analysis and Budget Manager, will sponsor and support the Company's taxes other than income calculations. (**Peoples Statement No. 11**)

Nick Tufaralo, Manager Asset Accounting, will present the calculation of the Company's rate base (**Peoples Statement No. 12**)

Krista Snyder, Rates Analyst, will discuss the Company's tariff changes and the various proposals reflected in the Company's proposed tariff. (**Peoples Statement No. 13**)

Anton Ribich, Rates Analyst, will present the calculation of the Company's cash working capital requirements. (**Peoples Statement No. 14**)

Jennifer Nelson, Managing Consultant, Concentric, will present an independent assessment of the fair rate of return that Peoples should be authorized to earn on its investment in providing gas delivery service to customers. (**Peoples Statement No. 15**)

John Spanos, President, Gannett Fleming, Inc., will sponsor a depreciation study that determined Peoples' annual depreciation accrual rates. (**Peoples Statement No. 16**)

John Taylor, Atrium, will sponsor the cost of service allocation studies prepared by his firm and he will explain how Peoples' rates were designed to produce the revenue requirement described in Peoples' witness Carol Scanlon's testimony. Mr. Taylor will also discuss the Company's WNA program. (**Peoples Statement No. 17**)

III. TOP PRIORITIES – SAFETY, AFFORDABILITY, CUSTOMER SERVICE

Q. WHAT ARE PEOPLES' TOP PRIORITIES?

A. At Peoples, our mission is to sustain life and improve economic prosperity by safely and reliably delivering natural gas to our customers and communities. The Company delivers on this mission while striving to achieve the operational excellence necessary to provide safe and reliable natural gas delivery service to its customers. We work hard to support our customers and our employees and to help the communities we serve grow and prosper. We achieve our mission with a focus on safety. We strive to keep our customers, the communities we serve and our employees safe every day. In order to keep our system safe, the Company is investing and will continue to invest in upgrading and modernizing the infrastructure from which we serve our customers.

Additionally, since we are geographically located on top of the second largest known natural gas reserve on the planet, the Company prioritizes and supports the utilization of the available and affordable energy supply we have right here in Southwestern Pennsylvania. We work with producers and customers as well as economic leaders to optimize the incredible asset of local natural gas for the benefit of this Commonwealth and Southwestern Pennsylvania. Helping customers understand the environmental and economic benefits of natural gas is a key part of our mission.

At the same time that we are delivering safe and reliable natural gas service, we work to reduce our methane emissions and our overall impact on the environment with our leak reduction and pipeline replacement work and other projects. We continue to partner with leaders at the local and state levels to drive both economic development in this region but also environmentally conscious initiatives to help us all reach our emissions reduction goals.

The Company prioritizes safety as I will explain below, but something we need to continually balance is the affordability of our natural gas service. Below I will outline the commitments we've made to safety but also the various measures we consider regarding affordability. It is important that we value both safety and affordability for our customers and the communities in which we serve. Another priority, in addition to safety and affordability, is our focus on customer service. Below I'll outline Peoples' customer service performance and the commitments we made and implemented in our prior base rate case.

A. Safety Spend: Infrastructure Investment & Operations Performance

Q. PLEASE EXPLAIN THE COMPANY'S INFRASTRUCTURE SAFETY INVESTMENTS.

A. Peoples and its predecessor companies have had LTIIPs in place since 2013. The Company's most-recently approved LTIIP was approved on December 18, 2025, effective January 1, 2026 (See Docket No. P-2025-3057167) ("Third LTIIP"). The Company's Third LTIIP targets the replacement of approximately 930 miles of at-risk pipe for a total cost of approximately $3.2 billion.

Q. ON WHAT DOES THE COMPANY'S THIRD LTIIP FOCUS?

A. Peoples' Third LTIIP commits to replace all at-risk pipelines by 2038. The Third LTIIP focuses primarily on removing bare steel and cast/wrought iron from the Company's system but also targets the replacement of a subset of first-generation plastic pipe. Typically, the highest risk pipes are mainly located in urban areas, which have the highest concentration of customers being served. These pipe replacement projects are much more costly per mile than the rural pipe replacement projects due to the significant paving and restoration work associated with the urban projects. In addition, and of growing importance to all of us, our LTIIP focuses on the mitigation and elimination of methane impacts on the quality of air. The Company is committed to reducing its overall emissions by 60% from its 2019 baseline, by 2034. The LTIIP work is one of the major ways the Company will meet its emissions reduction goals.

Q. WILL THE COMPANY CONTINUE TO INVEST IN THE MODERNIZATION OF ITS INFRASTRUCTURE AND WHY?

A. Yes, Peoples is committed to continue its investment in infrastructure modernization for many years to come. Through its capital pipeline work, the Company will systematically replace older and more vulnerable sections of its pipeline made of leak-prone materials in order to reduce its overall scope 1 greenhouse gas emissions[1]. Moreover, the Company's infrastructure modernization programs allow the Company to maintain the reliability and integrity of its natural gas system for the safety of its customers and the environment.

[1] Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are controlled or owned by the Company.

Peoples Statement No. 6 - the Direct Testimony of Paul Becker further details the Company's work and investment in pipeline modernization.

Q. AS PART OF THE COMPANY'S MODERNIZATION WORK, THE COMPANY IS DEPLOYING NEW METER TECHNOLOGY. PLEASE EXPLAIN.

A. The Company is currently installing Intelis meters for eligible customers on its natural gas distribution system. An Intelis Meter is an ultrasonic based meter with enhanced safety features including high pressure shut off and high flow shut off. The Intelis Meter represents a significant advancement in utility safety and operational oversight, with the integration of pressure sensing technology into solid state gas meters serving as a cornerstone of this initiative. These meters are designed to provide real-time monitoring of gas pressure at the point of service, enabling early detection of anomalies that could indicate leaks, pressure drops, or other hazardous conditions. This capability greatly enhances the utility's ability to respond to potential safety issues, reducing the risk of incidents and improving overall system integrity. The pressure sensing feature supports compliance with regulatory safety standards and aligns with industry best practices for gas distribution monitoring.

The Company began to install Intelis Meters in 2024. As of the end of 2025, the Company has installed over 100,000 Intelis Meters. In the Company's LTIIP, the Company proposes to install the remaining meters over the coming years. The estimated cost of this investment is nearly $200 million.

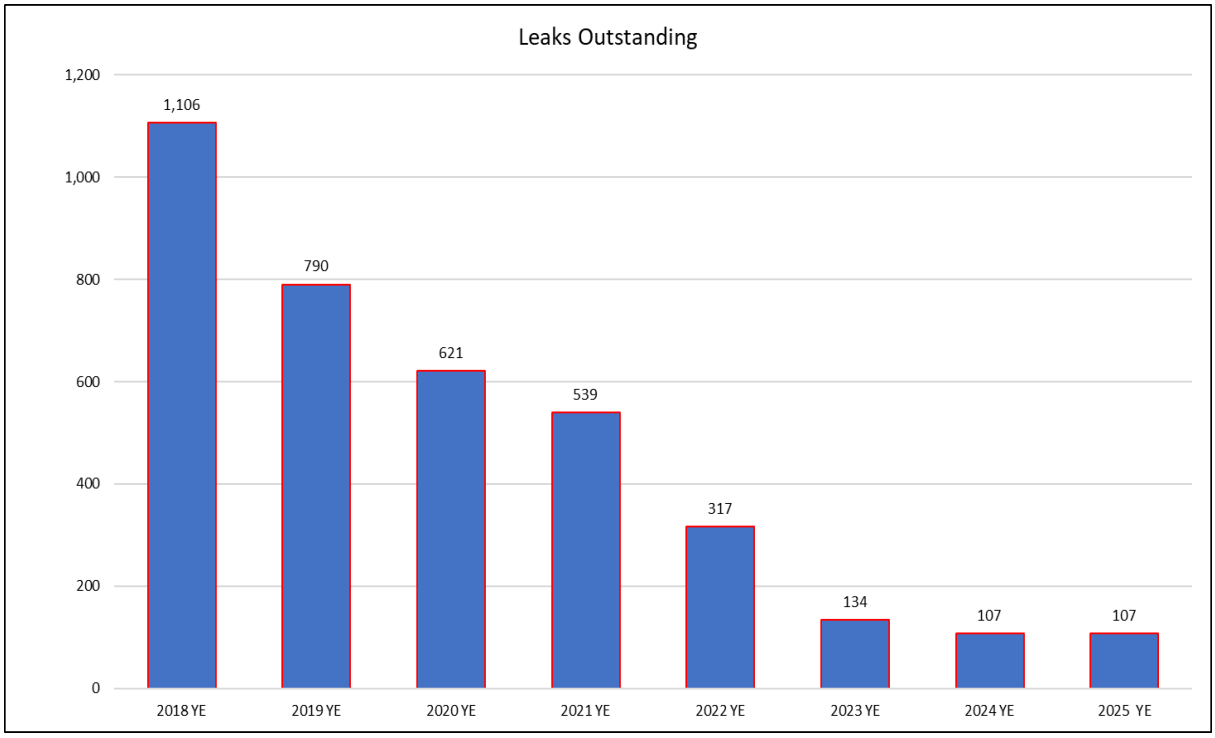
Q. PLEASE EXPLAIN THE COMPANY'S GOALS WITH RESPECT TO OPERATIONS AND SAFETY?

A. As previously mentioned, safety is the Company's top priority. As such, the safe operation of our system is what our Company focuses on every day. Some of the ways the Company measures its operational safety performance include outstanding leaks, damage prevention, emergency response and pipeline safety compliance. As demonstrated below, the Company is working hard to achieve its operations and safety performance.

Q. CAN YOU PROVIDE EXAMPLES OF PEOPLES' OPERATIONAL AND SAFETY PERFORMANCE?

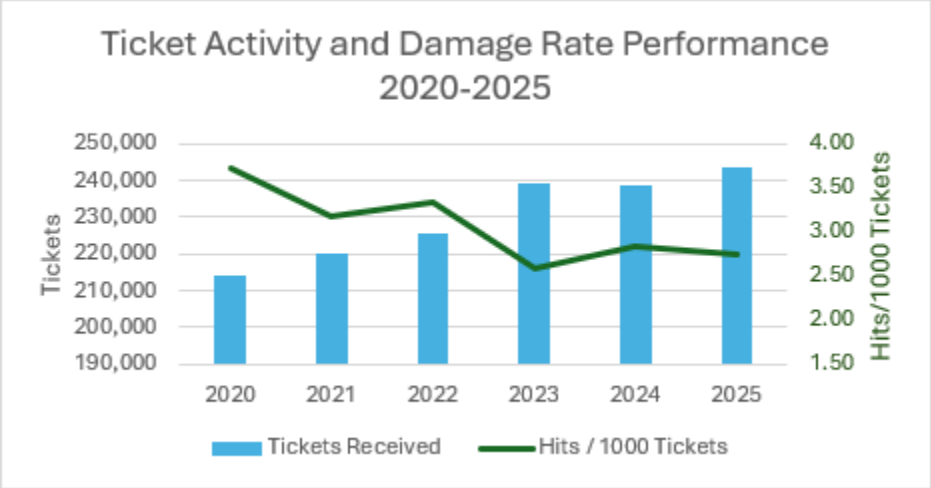
A. Yes. As demonstrated by the following Table 1, the Peoples team has worked hard and continues to work hard to reduce the outstanding leaks on its system. Since 2018, the Company has reduced its outstanding leaks (Grade 1 and 2) by more than 90% from more than 1100 in 2018 to 107 in 2025 at year's end. This information is reported annually to the Department of Transportation as a snapshot of outstanding leakage on December 31 of each year.

Table 1 – Outstanding Leaks on Peoples' System



Regarding Damage Prevention, since 2020, the Company has worked diligently to reduce its number of excavation damages. Peoples has successfully reduced its damage rates by 26% despite receiving more locate ticket requests year-over-year and marking more tickets year-over-year. See Table 2 below for the Company's ticket activity and damage rate performance from 2020 through 2025.

Table 2 – Peoples' Ticket Activity and Damage Rate Performance (2020-2025)



Regarding Emergency Response times, the Company has successfully stabilized its "average minutes to respond" and also met its goals for "% response within 60 minutes." The following Table 3 demonstrates 2022-2024 results for both categories:

Table 3 – Peoples Average Emergency Response Times (2022-2024)

AVERAGE RESPONSE TIME TO POTENTIAL GAS EMERGENCIES			
	2024	**2023**	**2022**
Average minutes to respond	26.7	26.5	24.2
% Response within 60 minutes	96.8%	96.7%	98.6%

Lastly, the Company has achieved success with respect to gas safety compliance. In 2024, the Commission conducted 241 audits of field operations and associated records, finding no violations, fines or citations. In 2024, the Pipeline Safety Division of the Commission's Bureau of Investigation and Enforcement did issue three letters of potential Non-Compliance (NC letters) to the Company that recommended minor revisions to procedures and policies to enhance the pipeline safety performance. The Company worked with the Pipeline Safety Division to incorporate its suggestions into the Company's standard operating procedures. The following Table 4 demonstrates the Company's gas safety

compliance statistics including reportable incidents, corrective action orders, notices of probable violation and non-compliance letters the Company had since the last base rate case, 2022-2024:

Table 4 – Peoples' Gas Safety Compliance Statistics (2022-2024)

GAS SAFETY COMPLIANCE			
	2024	2023	2022
Reportable Incidents	1	1	3
Corrective Action Orders	0	0	0
Notices of Probable Violation[1]	0	0	0
Non-Compliance Letters	3	3	9

For more information on the Company's operations and safety programs, please see **Peoples Statement No. 5 - the Direct Testimony of Edward Palombo**.

B. Affordability

Q. WHAT STEPS HAS PEOPLES TAKEN TO ADDRESS AFFORDABILITY?

A. The Company has taken various steps to address affordability. I have broken them into the following four categories: 1) Corporate Structure Measures & Tax Strategies; 2) Customer Facing and Customer Education Strategies; 3) Cost Containment Strategies; 4) Gas Procurement Benefits.

Q. PLEASE EXPLAIN THE CORPORATE STRUCTURE MEASURES.

A. Since 2010, the owners of Peoples have acquired and consolidated three of the four largest Southwestern Pennsylvania natural gas utilities. In 2010, Peoples Natural Gas was acquired from Dominion Resources and stood up as a standalone company. In 2012, the former T. W. Phillips Gas and Oil Co. was acquired, and in 2013, Equitable Gas Company was

acquired. Since those acquisitions all aspects of operating these utilities have been merged. This included consolidating four separate union-negotiated collective bargaining agreements into one, which eliminated classified work tied to the legacy utilities. This enabled the Company to consolidate 25 field operations locations into 14 remaining shops, among many other operational benefits.

In addition, as part of various separate applications, 1307(f) and base rate case proceedings, all gas procurement activities, along with gas cost rates and base rates, have been consolidated.

The final consolidation left is to merge PNG Gathering LLC into Peoples which has already been approved at the Commission and thus we are including the consolidation of the base rates into this proceeding. Please refer to **Peoples Statement No. 2 – the Direct Testimony of Andrew P. Wachter** for further discussion.

Q. PLEASE EXPLAIN THE TAX AND OTHER TAX STRATEGIES.

A. After the acquisition of Peoples by Essential, leadership of the companies determined it beneficial to update the definition of its unit of property under the IRS's tangible property regulations (also known as "Tax Repairs Deduction"). This allowed the Company to prospectively deduct, as an operating expense on its income tax returns, the costs of certain asset improvements that otherwise would be capitalized and depreciated for tax purposes. Further, this increased the prospective deduction that could be taken by Peoples related to its ongoing capital programs. As such, significant benefits were passed on to customers. For example, in the last rate case the tax benefit associated with the Tax Repairs Deduction

flowed to customers was over $100 million annually. In this case, the amount is over $130 million.

Regarding the retroactive catch-up deduction, the Company has refunded over $104 million to customers through December 31, 2025 and plans to refund an additional $21 million by 2031.

Q. PLEASE EXPLAIN THE CUSTOMER FACING AND CUSTOMER EDUCATION STRATEGIES.

A. There are a number of opportunities available to customers that consider affordability. The Company offers a budget billing program that allows customers to spread higher winter heating bills across the entire year, allowing for a more stable and predictable payment. If customers have past due amounts or arrears, they can enroll in a payment arrangement that, similar to budget billing, spreads the arrears out over a period of months, based on the level of income in the household, to provide a more affordable monthly payment while the customer works to reduce their arrears. Through our Hardship Fund, customers with incomes up to twice the poverty level can obtain grants to further reduce their account balances as well.

The Company offers a suite of universal service programs to support low income households and our contact center personnel are fully trained in the eligibility for all programs and offerings to ensure they are suggesting options to customers and helping them enroll in programs that are most suitable to their situation. This includes promoting LIHEAP, not just during direct contact with our contact center, but generally through a media campaign as well. Our contact center agents can also mail LIHEAP applications

directly to customers who are interested in applying that are prefilled with the mailing address for their county in order to allow for easy submission to the state. The Company also waives connection fees, reconnection fees and security deposits for customers who self-identify as low income.

Peoples expanded its Customer Assistance Program ("CAP") eligibility more than ten years ago to those whose income is between 151% and 200% of the federal poverty level, providing a participation opportunity that is not available in other Natural Gas Distribution Companies ("NGDC") and Electric Distribution Companies ("EDC") CAP programs. The Company also offers weatherization and emergency furnace and service line repair programs to help low-income households conserve natural gas usage and address emergency heating needs that these households could not otherwise afford to address on their own.

We also understand that we can have great programs to help our customers, but if they are unaware of them, they will not reap the benefits. Peoples files a Consumer Education and Outreach Plan ("CEOP") annually in which we describe the various ways we reach our customers, right where they are. Our philosophy for communicating about available programs is simply 'You or someone you know'. The idea being that we should promote these programs to broad audiences, many of whom may not have a need for a program such as LIHEAP, but they may know someone in their life that would benefit. We also promote these programs in a targeted way to customers whose demographics indicate they may be income eligible and have a need. And, we have important partnerships with local social service agencies and legislative offices to share this information for the benefit of the people they are working with every day. Our communication tools go beyond

advertisements and include but are not limited to billboards and transit advertising. We also use focused bill inserts, emails, digital ads with videos, social media and enhanced website pages.

Educating customers about shopping for natural gas suppliers is also an area in which Peoples seeks to provide important information in an easy to understand way. We include shopping information in regular bill inserts and other communications. We also have a dedicated page on our website that explains shopping, provides information on Peoples' Price to Compare and answers common questions about customer choice.

Q. PLEASE EXPLAIN THE COST CONTAINMENT EFFORTS.

A. As I mentioned earlier in my testimony, the main reason for this rate request is due to the accelerated safety spend for the modernization of the Company's aging natural gas distribution system. As such, a key focus area for our business involves keeping our costs for the capital modernization programs affordable and efficient. Peoples is able to maintain efficient project costs for its pipeline replacement work through focus on certain aspects such as: 1) facility synergies – connecting customers while eliminating redundant facilities; 2) through abandonments of pipelines no longer needed due to system overlaps and review of hydraulic modeling; and 3) restoration coordination, which involves coordinating with neighboring utilities and municipalities to sync up paving schedules, or street opening occurrences at the same time. Overall, our focus is on keeping costs as low as possible to maintain an efficient work flow at affordable costs to customers, thereby allowing us to balance safety and affordability in our infrastructure work plan.

When the Company's facilities are replaced and modernized, doing so reduces costs that would have been associated with operating and maintenance activities like leak repair. The Company maintains the same compliance obligations on its pipelines but can reduce or eliminate leak repair issues associated with aging bare steel pipe, as an example.

Lastly, the Company has been able to maintain relatively flat operating and maintenance costs since its last base rate proceeding driven by an overall commitment to cost containment and prudent spending.

Q. PLEASE EXPLAIN THE COMPANY'S GAS PROCUREMENT BENEFITS?

A. Peoples continues to pursue its goal of least cost reliable service through a combination of local and interstate pipeline assets and supplies.

The Company's interstate assets consist of a portfolio of transportation and storage services that Peoples has contracted for with various Federal Energy Regulatory Commission ("FERC")-regulated pipelines. These interstate assets give Peoples access to a variety of locations at which it can receive gas supplies that are produced upstream of the Peoples system. The interstate storage assets allow Peoples Natural Gas to use its upstream assets more efficiently, mitigate the effects of price swings in the natural gas market, and enhance the deliverability of Peoples' interstate natural gas supplies during periods of peak demand.

The local assets are Peoples' on-system storage facility and a gathering and distribution system, which have allowed Peoples to deliver local natural gas supplies produced in Pennsylvania and purchased by Peoples from Pennsylvania producers. The availability of supply in our geographic location is a benefit to customers.

Q. HOW DO CUSTOMERS BENEFIT FROM BEING LOCATED WITHIN PEOPLES' SERVICE TERRITORY?

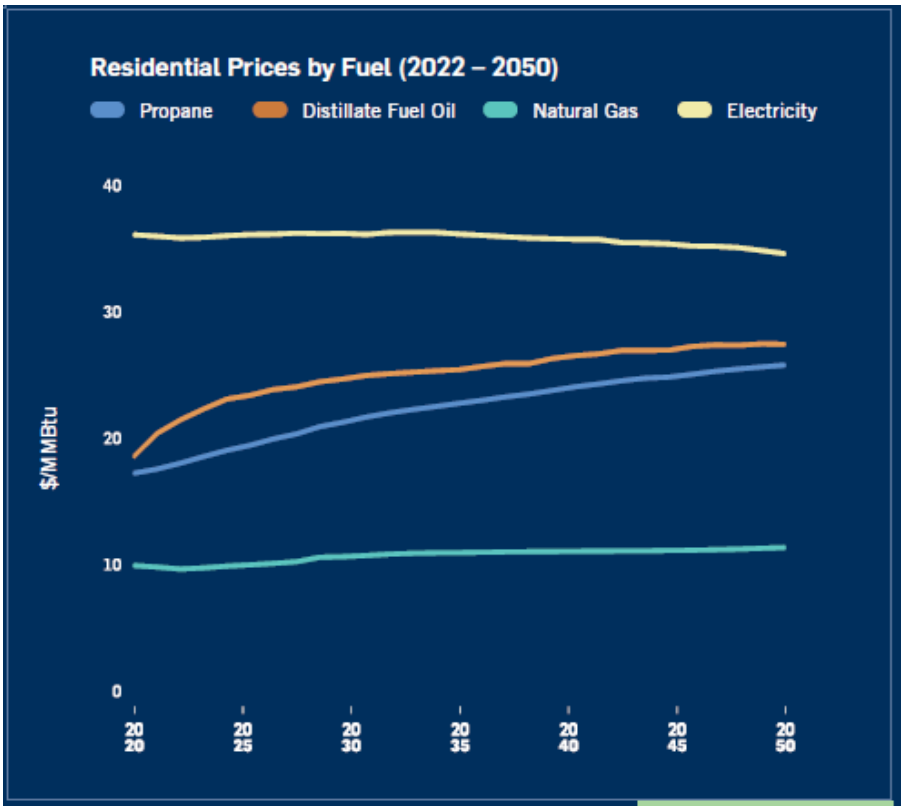
A. Peoples' customers benefit from the fact that the Company is uniquely and strategically positioned within the Marcellus Shale region which affords both the Company with an opportunity to purchase and customers with an opportunity to avail themselves of an affordable natural resource – natural gas. The combination of this region's abundant natural gas resources, competitive marketplace and well-developed infrastructure collectively contributes to the comparatively lower natural gas prices in the western Pennsylvania region compared to other parts of the country. For example, natural gas purchased within the Peoples footprint has traditionally traded (over the past several years) at a negative basis differential of approximately $1.00 per Mcf as compared to the benchmark Henry Hub price used as a standard pricing reference in many regions of the country. That cost differential allows Peoples to purchase gas for our customers at a lower price which provides them with an affordable energy solution. Further, lower gas costs have helped to maintain affordable rates for our customers at the same time that we have been increasing modernization efforts to provide a safer and more reliable system for our customers.

We continue to educate our customers and the businesses we serve on seeing the economic value in using natural gas for their energy needs. Natural gas is more affordable than other home energy sources. For example, according to the American Gas Association ("AGA")[2], for residential customers, natural gas will cost *significantly* less than other fuels

[2] https://playbook.aga.org/share/residential-prices

for many years to come (emphasis added). Table 5 below demonstrates that natural gas will be a cost-effective choice for consumers through 2050:

Table 5 – Projected Residential Prices by Fuel (2022-2050)



Moreover, in August of 2023, the Department of Energy published an analysis which shows the affordability of natural gas – with natural gas being two to three times more affordable than other energy sources for the same amount of energy delivered[3].

As such, Peoples is committed to boosting economic development in this region by job creation, job retention and by way of providing a cost-effective, geographically available essential resource – natural gas – to Southwestern Pennsylvania consumers.

[3] https://www.govinfo.gov/content/pkg/FR-2023-08-28/pdf/2023-18532.pdf

C. Customer Service Performance

Q. PLEASE EXPLAIN THE COMPANY'S GOALS WITH RESPECT TO CUSTOMER SERVICE.

A. One of our primary goals has been to focus on and continually improve our customer service, and I am happy to be able to testify that we have been successful in this area. Peoples has objective targets for measuring customer service including certain call center metric targets and metrics related to customer complaints and the Company's response to such complaints. Overall, the Company as a whole has embraced the principle that people who care about what they are doing will provide a more efficient and higher quality of service to customers. Our employees are proud to work for the Company, and they recognize the importance of their services to the region where they live. They see themselves as neighbors helping to make their neighbors' lives better, which is a long-term core value for our Company in the communities we serve.

Q. WHAT HAS BEEN PEOPLES' PERFORMANCE REGARDING CUSTOMER SERVICE?

A. Since Peoples' last base rate proceeding in 2023, Peoples has continued to provide strong customer service through both the contact center field employee visits and our success is reflected in the Annual Customer Service Performance Report[4] published by the Commission. Some of the highlights from the 2024 report are as follows:

- **Calls Answered Within 30 Seconds at 86%**
- **Ease of Reaching Company at 86%**
- **Rep Satisfaction at 90%**
- **Rep Courtesy of 94%**

[4] https://www.puc.pa.gov/media/3762/2024-customer-service-performance-report-final.pdf

- **Rep Knowledge at 92%**
- **Field Rep Courtesy at 98%**
- **Field Rep Knowledge at 96%**
- **Overall Satisfaction with Field Visit at 92%**
- **Overall Satisfaction at 88%**

Q. CAN YOU PROVIDE EXAMPLES OF PEOPLES PROVIDING QUALITY CUSTOMER SERVICE?

A. Yes, as demonstrated in the PUC's Annual Utility Consumer Report and Evaluation for 2023[5] which was published in January of 2025, Peoples provided excellent service. The report provides information on each utility's performance in handling complaints. The three main areas covered in the report are: Consumer Complaints, Payment Arrangement Requests ("PAR") and Compliance with Commission regulations. As shown in Table 6 below, Peoples' Consumer Complaint Rate for both divisions was lower than the Pennsylvania NGDC average.

Table 6 – Peoples' Customer Complaint Rate

	Consumer Complaint Rate	Justified Consumer Complaint Rate	Percent of Justified Consumer Complaints
Peoples	0.58	0.02	3.8%
NGDC Average	0.94	0.11	11.6%

Further, Peoples responds promptly to consumer complaints received by the PUC as demonstrated by the following Table 7:

[5] *See* https://www.puc.pa.gov/media/3305/2023-ucare-final.pdf. The 2024 report has not yet been published and thus the data presented herein is the most recently available.

Table 7 – NGDC Average Response Time to BCS Residential Consumer Complaints (2021-2023)

2021-23 Average Response Time to BCS Residential Consumer Complaints Major Natural Gas Distribution Companies

Utility	Number of Days		
	2021	2022	2023
Columbia	10.3	8.2	6.2
NFG	13.6	16.9	16.7
Peoples	4.8	4.6	5.3
PGW	21.2	19.8	18.4
UGI Gas	7.6	10.7	15.4
Industry Average	**13.0**	**14.2**	**14.7**

Peoples also treats customers fairly with respect to PARs, tying for the lowest justified PAR rate of its NGDC Peers with Columbia. The following Table 8 shows that Peoples' Percent of Justified PARs is significantly less than the average NGDC rate:

Table 8 – NGDC PAR Statistics (2022)

2022 Residential Payment Arrangement Request (PAR) Rates, Justified PAR Rates, and Percent of Justified PARs Major Natural Gas Distribution Companies

Utility	PAR Rate	Justified PAR Rate	Percent of Justified PARs
Columbia	1.47	0.06	4.3%
NFG	2.23	0.12	5.5%
Peoples	1.93	0.06	3.2%
PGW	11.65	0.61	5.2%
UGI Gas	7.05	0.13	1.9%
Industry Average	**4.87**	**0.20**	**3.8%**

Finally, Peoples' infraction rates continue to remain very low in the Commonwealth as shown below in Table 9:

Table 9 – NGDC Commission Infraction Rates (2021-2023)

Commission Infraction Rates
Major Natural Gas Distribution Companies

Utility	2021	2022	2023
Columbia	0.03	0.02	0.04
NFG	0.16	0.11	0.13
Peoples	0.06	0.02	0.06
PGW	0.47	0.83	0.83
UGI Gas	0.13	0.18	0.33

Q. PLEASE LIST THE CUSTOMER SERVICE COMMITMENTS PEOPLES MADE IN ITS LAST BASE RATE PROCEEDING.

A. In the Company's last base rate case, the Company reached a non-unanimous settlement which was approved without modification by the Commission. In that Settlement, the Company agreed to the following regarding customer service:

- The Company will modify its definition of and reporting for "confirmed low-income customer" data to include self-attestation for all purposes, including but not limited to the annual Universal Service Report, consistent with the Commission's definition in 52 Pa. Code § 62.2. Peoples will utilize this definition for reporting on 2024 data and will maintain this method of reporting for all future years.

- Within 30 days of the entry of this Stipulation, Peoples will refund all currently held security deposits collected from confirmed low income customers, utilizing the Commission's definition of confirmed low income customer in 52 Pa. Code § 62.2.

- Peoples will initiate a monthly review of security deposits and refund all security deposits being held from accounts designated as confirmed low income to the customer within 30 days.

- Add the following language to Rule 3.D (Gas-PA PUC No. 48, Original Page 20) that mirrors the language of 52 Pa. Code § 56.41(B)(4), "Notwithstanding subsection (D), the Company may not require a cash deposit from a customer who is, based upon household income, confirmed to be eligible for a customer assistance

program. A customer is confirmed to be eligible for a customer assistance program by the public utility if the customer provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirement that are consistent with those of the public utility's Customer Assistance Program. This information may include, but is not limited to any information listed in 52 Pa. Code 62.2 for the purposes of identifying 'confirmed low-income customers'."

Q. PLEASE EXPLAIN HOW PEOPLES FOLLOWED THROUGH ON THE COMMITMENTS LISTED ABOVE.

A. The definition of confirmed low income was implemented as agreed to in the settlement and is used for all reporting purposes. This is a permanent change that will be reflected in all future reporting as well.

Regarding security deposits for low-income customers, the Company waives security deposits for customers self-identifying as low income as noted in the settlement. The Company reviews security deposits requested and/or held on accounts on a monthly basis to ensure any newly identified low-income households receive similar treatment. If any security deposit requests or paid deposits are found through this review, they are reversed. The number of security deposits found and reversed is reported through the Company's Universal Service Advisory Group ("USAG") on a quarterly basis.

Q. IN ADDITION TO THE SETTLEMENT COMMITMENTS MENTIONED ABOVE, WERE THERE ANY OTHER CUSTOMER SERVICE IMPROVEMENTS IMPLEMENTED FOLLOWING THE COMPANY'S RATE CASE.

A. Yes. In the prior base rate proceeding, Peoples proposed to pay third party fees for customer payments that are made by credit or debit cards or those associated with walk-in payment

centers. This proposal was approved and implemented. It is an important improvement given the increased desire by customers to pay utility bills with credit and debit cards.

IV. OTHER CASE MATTERS – ECONOMIC DEVELOPMENT, COMMUNITY, WNA, MANAGEMENT EFFECTIVENESS

A. Economic Development

Q. EARLIER YOU TESTIFIED THAT PEOPLES WILL REMAIN FOCUSED ON DRIVING ECONOMIC DEVELOPMENT AND JOB CREATION IN WESTERN PENNSYLVANIA. WHY IS THIS IMPORTANT TO PEOPLES?

A. Peoples serves more than 700,000 customers and over two million people in Southwestern Pennsylvania. Each customer represents at least one individual, but most represent more than that – perhaps a family or a business with employees. Peoples will only continue to be successful if its service to customers remains safe and reliable. I believe that Peoples can help make this happen with our focus on modernizing infrastructure. To complete our modernization work, we need people. Our work is creating jobs at Peoples with businesses that help us serve our customers and run our Company. Further, Peoples is committed to not only creating jobs but helping to sustain the jobs and retain the key talent employed in those positions.

Our LTIIP alone has created significant employment opportunities beyond any project in the Company's long history. For example, in 2025, the Company's LTIIP program required 80 different pipeline crews to complete its work. Our work creates jobs for both internal positions as well as positions outside the company for people employed

by contractors engaged to help execute the Company's program. The vast majority of these jobs are union positions offering competitive compensation and benefits in the region, including positions in the building trades.

In the same way that Peoples supports job creation in its service territory, Peoples continues to support and encourage local production of natural gas. Our commitment to bring our customers gas supply from locally drilled gas wells has driven more jobs for local drilling companies and related activities. We consider the local producers on our system as partners in making sure this region and our Commonwealth realize the full economic benefits of having this incredible abundance of gas supply right beneath our feet.

B. Community

Q. PLEASE EXPLAIN THE PEOPLES COMPANIES' COMMITMENT TO THE COMMUNITIES THEY SERVE.

A. We are fully engaged in the Southwestern Pennsylvania community. I am personally and professionally actively engaged in the Southwestern Pennsylvania community through various organizations and events. In 2022, I was the Chair of the Heart Association Walk in downtown Pittsburgh's North Shore and in 2023, I was Chair of the Leukemia and Lymphoma Association's Light The Night Walk in North Shore. In 2025, I was the Board Chair of the Energy Association of Pennsylvania, and I remain on the board in 2026. Additionally, I am the Co-Chair of Pittsburgh Works Together – a Pittsburgh based business and labor coalition. Many of our executives and employees are likewise highly involved in the community and such participation is strongly encouraged by Peoples. At Peoples, over 700 employees participated in community and charitable events on behalf of

the Company in 2025, supporting more than 200 organizations. One of the key values our employees have embraced is the need to support the communities we serve. I am proud to say that we have a very active Volunteer Activities Committee and many of our employees volunteer on the boards of community organizations. A large number of Peoples' corporate donations are made to organizations in which our employees are actively involved or actively support through the Essential Foundation. This includes giving time and money to help those in need. We offer ongoing volunteer events such as collecting and packing food in partnership with local food banks, restoring and protecting urban forests with Tree Pittsburgh, mentoring youths through Big Brothers Big Sisters and providing winter outwear for children with the Salvation Army's Project Bundle Up. These efforts are helping our customers to see us not only as a provider of utility services, but as partners in the community, and at the same time building a strong sense of pride in the employee ranks.

Community involvement is not only one of Peoples' stated core values, it is how we have become recognized in the communities we serve as a true community leader. In a time when governmental support is becoming more challenging at both the federal and state levels, the need for social services in our region continues to grow. Peoples makes financial commitments to organizations that serve our service territory communities - both large organizations and small. Some examples of organizations we support are the Greater Pittsburgh Food Bank, United Way, Leukemia/Lymphoma Society, Dollar Energy Fund, March of Dimes, Salvation Army and Greater Pittsburgh Literacy Council.

C. Weather Normalization Adjustment ("WNA")

Q. PLEASE BRIEFLY EXPLAIN THE COMPANY'S WNA PROGRAM.

A. In its most recent base rate proceeding, Peoples proposed and received approval of a Weather Normalization Program. With this mechanism, the Company adjusts the customer distribution charges based on normal historic weather patterns. For example, if the weather a customer experiences is colder than normal weather, through a WNA mechanism, that customer would receive a credit on their bill. Alternatively, if the weather a customer experiences is warmer than normal, then that customer would receive an additional charge on their bill. The Company's WNA mechanism provides customers with more predictable winter bills and in turn stabilizes Company revenues for that same period of time.

Q. WHAT ARE THE BENEFITS OF A WNA MECHANISM?

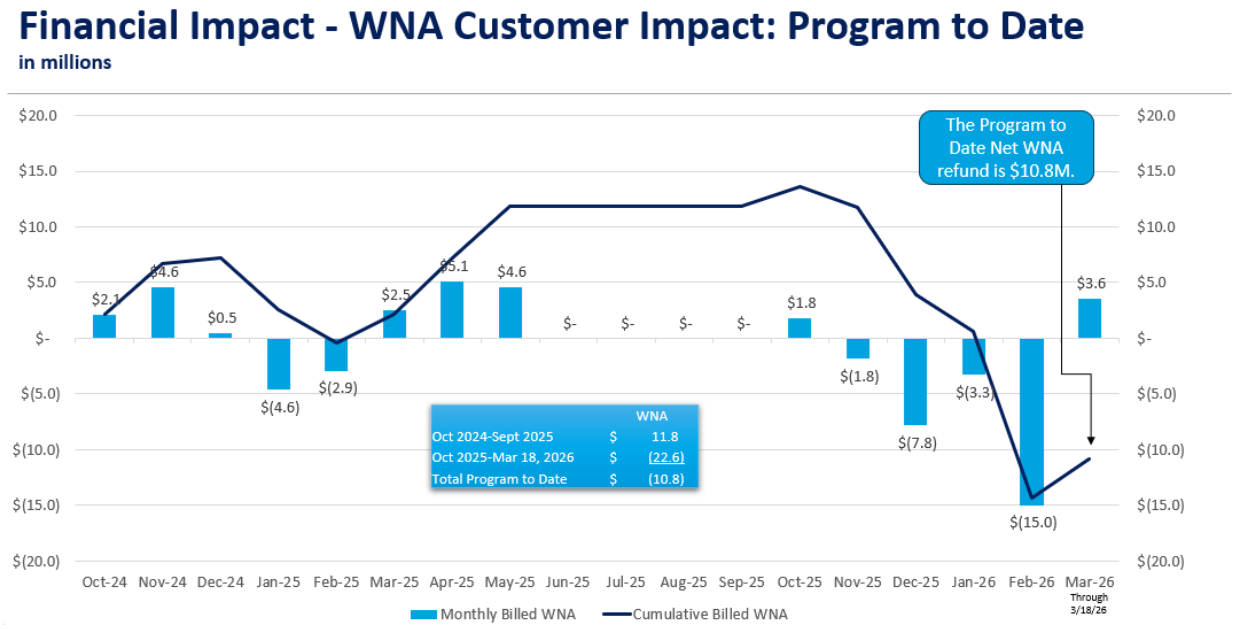
A. A WNA mechanism has benefits for both the customer and the Company. The Company is able to bring in steady, predictable revenue while in turn, the customer is afforded stable distribution charges during typically high usage winter months. A WNA mechanism reduces some of the volatility associated with weather on a customer's bill.

Q. PLEASE BRIEFLY SUMMARIZE THE RESULTS OF THE COMPANY'S WNA.

A. To date, the Company's experience with WNA demonstrates that the mechanism operates symmetrically and is working as designed. During its first effective period of October 2024 through May 2025, the heating season was warmer than normal, resulting in net WNA charges to customers. During the second effective period of October 2025 through present (March 2026), the heating season is colder than normal so far, resulting in net WNA credits to customers. From the program inception to present, the WNA has yielded net credits in the amount of $10.8 million to customers (as of March 18, 2026). The Company's WNA

program is operating as intended. The mechanism has functioned symmetrically, producing charges during warmer-than-normal conditions and credits during colder-than-normal conditions, consistent with its design. See Table 10 below, which shows the Company's WNA results from inception to present day.

Table 10 – Financial Impact of Peoples' WNA Through March 18, 2026



Q. IS THE COMPANY MAKING ANY ADJUSTMENTS TO ITS WNA MECHANISM?

A. No, the Company is not proposing any adjustments to its WNA mechanism. The Company did agree in its last base rate proceeding to update the Normal Heating Degree Days used to develop the requested revenue requirement in this proceeding, as outlined on page 79 of the Company's Tariff. For more information related to the proposed NHDDs and the Company's WNA program, see **Peoples Statement No. 17 - the Direct Testimony of John Taylor.**

D. Management Effectiveness

Q. DO YOU BELIEVE THAT PEOPLES' ACTIVITIES THAT YOU HAVE DISCUSSED IN THIS TESTIMONY SHOULD HAVE ANY IMPACT ON THE RESULT OF THIS RATE CASE?

A. Yes, I do. We all know that in deciding these cases, the presiding Administrative Law Judge and then the Commission consider many conflicting positions and, with respect to the authorized return on common equity, often end up with a range of returns recommended by various experts from which an authorized return is selected. Peoples' success in many of the areas I have discussed in this testimony - improving its customer service and accelerating pipeline replacements, bringing jobs to its service territory, and demonstrating that Peoples is a valuable corporate citizen – should lead the decision makers to authorize a 0.25% addition to the determination of the return on common equity proposed by Ms. Nelson, which is solidly within her recommended range. See **Peoples Statement No. 15 - the Direct Testimony of Jennifer Nelson.** Peoples has and continues to be a vital and valuable business to the region and to the Commonwealth. Its impact has made a positive difference in the lives of people and the prosperity of its customers in many ways. We believe our importance will continue to grow into the future.

Q. TO WHAT DO YOU ATTRIBUTE THE SUCCESS THAT PEOPLES HAS ACHIEVED?

A. To attain these results, Peoples' employees have shown great skill, innovation and dedication, but they would not be able to do their jobs as successfully as they have if

Peoples does not have access to capital to improve Peoples' facilities and service. I am confident that I can continue to lead and motivate Peoples' employees to improve Peoples. A results-based return on capital will encourage continued financial support for that improvement.

Our investors have the ability and the interest to fund the necessary additional equity needed to modernize our critical natural gas infrastructure. The outcome of this rate case will send a clear message to our investors and, just as importantly, to the investment community in general on how the Commonwealth of Pennsylvania views critical infrastructure investment and service to customers. It is critically important at this time to provide a positive message to that important stakeholder group that Pennsylvania is a good place to invest.

V. CONCLUSION

Q. WILL PEOPLES' CONTINUE TO PRIORITIZE BOTH SAFETY AND AFFORDABILITY IN THE FUTURE?

A. Yes. Peoples will continue to maintain its core values of Safety, Reliability, Integrity, Respect and Operational Excellence. Peoples will continue to prioritize employee and public safety, customer service and customer affordability, community involvement, economic development, and conducting its business in the correct way. These priorities will remain unchanged. How we provide our services may change regularly with advances in technology, innovation as well as changes in our customer expectations and their needs. Within this framework, our primary focus will continue to be on providing safe and reliable

service while maintaining affordability, high quality customer service and making improvements to our infrastructure through pipeline replacement and modernization.

Q. WHY IS A RATE INCREASE NECESSARY FOR PEOPLES AT THIS TIME?

A. Peoples filed this rate request as Peoples' continuing investment in its infrastructure is driving the need for an increase in base rates. The Company is using the DSIC mechanism currently, in the time between its last base rate proceeding and this base rate proceeding, to fund a portion of its infrastructure program. The Company's DSIC will be in effect until the Company is granted new rates by the Commission. The main driver of this case is the continued investment in its infrastructure primarily due to its LTIIP. Without a base rate increase, Peoples' revenues will no longer be adequate to cover its costs to provide service and to offer an opportunity to earn a fair rate of return on Peoples' investment.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to submit supplemental testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
ANDREW P. WACHTER
DIRECTOR OF FINANCE AND REGULATION
PNG COMPANIES LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 2

PREPARED DIRECT TESTIMONY OF
ANDREW P. WACHTER

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Andrew P. Wachter, and my business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as Director, Finance and Regulation for PNG Companies LLC ("PNG"). I provide services to Peoples Natural Gas Company LLC ("Peoples" or the "Company"). As Director, Finance and Regulation, I oversee the Rates and Regulatory department and the Financial, Planning and Analysis department at Peoples and its affiliates.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I graduated from Duquesne University in 2000 with a Bachelor of Science Degree in Accounting. I also obtained a Masters in Business Administration from Duquesne University in 2001. After graduation, I was employed as an Auditor with Deloitte and Touche LLP. In September 2004, I joined T. W. Phillips Gas and Oil Co., the predecessor to Peoples Gas Company LLC ("Peoples Gas") as the Assistant Controller and was ultimately promoted to the Vice President of Finance and Rates. In June 2012, I assumed the position of Manager, Rates and Regulatory as the result of a post-acquisition reorganization. After that I held multiple roles until I was named Director, Finance in February 2016. In 2018, I assumed regulatory responsibilities in addition to my financial

responsibilities and my title was changed to Director, Finance and Regulation. I am a Certified Public Accountant, having obtained my certificate in Pennsylvania in 2004.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION (THE "COMMISSION")?

A. Yes. I have submitted Testimony in various base rate cases, purchased gas cost cases and other proceedings on behalf of Peoples and its predecessor companies. I have also testified for Peoples Gas WV LLC before the West Virginia Public Service Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to explain the overall rate case organization. I will also discuss the following items:

- The recent merger of Peoples Gas into Peoples;
- The upcoming merger of PNG Gathering LLC into Peoples;
- Identify and explain Peoples' operating and maintenance expenses for the test years relevant to this proceeding and, where helpful, the individual components of those expenses;
- Refund to customers of an excess book contingency reserved.
- The Company's proposals related to Tax Repairs;

There are three relevant test years: the Historic Test Year ("HTY"), which covers the period December 1, 2024 through November 30, 2025, the Future Test Year ("FTY") which covers the period December 1, 2025 through November 30, 2026, and the Fully Projected Future Test Year ("FPFTY") which covers the period January 1, 2027 through December 31, 2027.

Please note that the overall revenue requirement will be addressed in **Peoples Statement No. 3 – the Direct Testimony of Carol Scanlon.**

PEOPLES GAS MERGER INTO PEOPLES

Q. PLEASE EXPLAIN THE MERGER WHICH RECENTLY OCCURRED.

A. Effective January 1, 2023, Peoples Gas was merged with and into Peoples, with Peoples being the surviving entity and Peoples Gas becoming an operating division of Peoples Natural Gas (the "Merger"). The Merger was approved by an Order of the Commission entered on August 25, 2022 at Docket Nos. A-2021-3029831 and A-2021-3029833Peoples retained all of the service rights and certificates of public convenience of Peoples Gas and ownership interests in Peoples Gas's property. PNG Companies previously owned Peoples Gas as a wholly owned separate subsidiary and continues to be the sole direct owner of all membership interests in Peoples following the Merger.

In connection with the Merger, Peoples assumed all the debt that Peoples Gas has outstanding with PNG Companies (the "Debt Assumption"). The terms and conditions of the debt assumed by Peoples did not change. The principal amount of the total debt outstanding of the merged entities was unchanged by the Merger.

Q. WHAT WAS THE EFFECT OF THE MERGER ON BASE RATES?

A. All the base rates of Peoples Gas were merged into Peoples during the 2023 base rate case at Docket No. R-2023-3044549 with one tariff for the merged companies and the Peoples Gas Division ceased to exist.

PNG GATHERING LLC MERGER

Q. WHAT IS PNG GATHERING LLC ("PNG GATHERING")?

A. PNG Gathering is a non-utility entity and an affiliate of Peoples. PNG Gathering was formed in 2013 when Peoples acquired Equitable Gas Company ("Equitable") in the Equitable Acquisition Proceeding. The Goodwin/Tombaugh assets were formerly owned by Equitable, and when Peoples acquired Equitable, it was agreed in the Equitable-acquisition settlement that the Goodwin/Tombaugh assets would be transferred to PNG Gathering. The PNG Gathering assets are within Peoples certificated service territory.

From the time that Peoples acquired the Goodwin/Tombaugh assets in 2013 until the Essential acquisition of Peoples in 2020, Peoples spent approximately $2.1 million on plant replacements (current net book value of $1.9M) in the Goodwin/Tombaugh system. These assets, which were replaced between 2013 - 2020, are still recorded on PNG Gathering's books and have not been transferred to Peoples.

When Aqua America, Inc., now Essential Utilities, Inc. ("Essential") acquired PNG and its subsidiaries in 2020, an agreement was reached for Peoples to commit to remediating the Goodwin/Tombaugh gathering system over a 7-year period. Under that agreement, the parties agreed that as the Goodwin/Tombaugh assets were replaced, the cost of the replacement assets s would be transferred into the rate base of Peoples and regulated by the Commission as distribution pipeline. However, the $1.9M of net plant remaining on PNG Gathering's books has not yet been transferred to Peoples. The merger of PNG Gathering into Peoples (approved as filed at Docket No. A-2025-3056882) will allow for these last remaining plant assets to be transferred to Peoples. The purpose of the merger is to transfer these remaining Goodwin/Tombaugh assets, which are in use and useful, to Peoples upon final rehabilitation of the system (expected in 2026) and to dissolve PNG Gathering as a separate corporate entity.

Q. WHAT ARE THE IMPLICATIONS OF THE MERGER ON THIS BASE RATE PROCEEDING?

A. The impact of merging PNG Gathering into Peoples will be that the $1.9M of net plant remaining on the books of PNG Gathering will be included in rate base (refer **to Peoples Statement No. 12 - the Direct Testimony of Nick Tufarolo**). Additionally, PNG Gathering revenue (refer to the **Peoples Statement No. 4 - Direct Testimony of Dawn Folks**) and a claim for expenses (see further discussion below) have been included in this case.

RATE CASE ORGANIZATION

Q. HOW HAS PEOPLES ORGANIZED THIS RATE CASE?

A. Consistent with the last Peoples case, we have organized the filing by topics, instead of the previous numerical method. The table below summarizes how the information is structured in this case by exhibit. Within each exhibit, there are schedules and attachments to further organize the information. While the filing requirements are still listed in each response, the Company's witnesses will be referring to the filing requirements by their corresponding exhibit and schedule numbers. Where applicable, information is provided for the HTY, FTY, and FPFTY in one response.

Exhibit 1	Balance Sheet
Exhibit 2	Income Statement
Exhibit 3	Revenues
Exhibit 4	Operations and Maintenance (O&M) Expenses
Exhibit 5	Depreciation Study
Exhibit 6	Taxes other than Income Taxes
Exhibit 7	Income Taxes
Exhibit 8	Rate Base
Exhibit 9	Depreciation
Exhibit 10	Sales
Exhibit 11	Cost of Service
Exhibit 12	Gas Planning
Exhibit 13	General
Exhibit 14	Tariffs
Exhibit 15	System
Exhibit 16	Capitalization
Exhibit 17	COS Standard Data Requests
Exhibit 18	ROR Standard Data Requests
Exhibit 19	RR Standard Data Requests
Exhibit 20	Testimony

An index of all information provided can be found in **Peoples Exhibit No. 13, Schedule No. 1**.

O&M EXPENSE

Q. ARE YOU SPONSORING ANY EXHIBITS AS PART OF YOUR TESTIMONY?

A. Yes, I am sponsoring the main Operations and Maintenance ("O&M") claim schedule, **Peoples Exhibit No. 4, Schedule No. 1** ("**Ex. 4, Sch. 1**"), along with the filing requirements and standard data requests identified in Appendix A to this testimony.

Q. WHAT ARE PEOPLES' TOTAL FPFTY OPERATING AND MAINTENANCE EXPENSES AT PROPOSED RATES?

A. O&M expenses at proposed rates for the FPFTY are $222,467,064 as shown in the income statement presented at **Peoples Exhibit No. 2, Schedule No. 4** ("**Ex. 2, Sch. 4**") (filing requirement 53.53 III.A.17). This includes $219,345,146 of expense at present rates which is presented at **Ex. 4, Sch. 1** and $3,121,918 of additional uncollectible expense as derived at **Ex. 2, Sch. 4**.

Q. PLEASE DESCRIBE THE PROCESS BY WHICH YOU DETERMINED THE FPFTY OPERATING AND MAINTENANCE EXPENSES.

A. I started with the "per books" operating and maintenance expenses of $209,946,248 for the HTY as shown on **Ex. 4, Sch. 1 Page 2**, and I made HTY, FTY and FPFTY adjustments to determine the "normal" level of operating and maintenance expenses of $219,934,080 for the HTY, of $209,291,934 for the FTY and of $219,345,146 for the FPFTY. These adjustments were made after reviewing Peoples' actual expenses and obtaining additional information from department heads.

Q. WHAT IS THE HTY ADJUSTMENT FOR LABOR ON PAGE 3 OF EX. 4, SCH. 1?

A. The HTY Labor adjustment is $1,359,176. This was determined by starting with the Full Time Equivalents ("FTEs") complement on board at November 30, 2025 and annualizing

the labor costs associated with those FTEs at our current wage rates (Lines 1-3) net of capitalization (Line 4) to derive an adjustment to the HTY (Line 5).

Q. DO THE NORMALIZED LABOR COSTS REFLECT THE IMPACTS OF THE SERVICE AGREEMENT BETWEEN PEOPLES AND PNG AND OTHER SUCH AGREEMENTS?

A. Yes, the normalized labor costs reflect the impacts of the Service Agreement between Peoples and PNG[1] as well as the Second Amended Operational Service Agreement by and among Peoples and various affiliates both approved by the Commission. Under these agreements administrative employees are hired at PNG and perform work for PNG's various affiliates. The impacts of these agreements can be seen primarily in the Labor and Benefits expenses.

Q. IN LIGHT OF THE SERVICE AGREEMENT BETWEEN PEOPLES AND PNG AS WELL AS THE SECOND AMENDED OPERATIONAL SERVICE AGREEMENT DISCUSSED ABOVE HOW ARE YOU GOING TO ADDRESS NUMBER OF EMPLOYEES?

A. Pursuant to these agreements, employees are hired at PNG or Peoples and perform work for affiliates as well as for the Company. Thus, I will provide the actual number of employees expected to be hired across the companies as well as the FTE anticipated to be

[1] Please note that on January 27, 2026 the Company filed at Docket No. 2022-3036720 an amended Operational Service Agreement which updated the list of Non-Party Affiliates who have contracted to receive services with PNG, as well as minor updates to reflect Peoples' current legal name.

charged to Peoples. To be clear, the costs claimed in this proceeding include only costs expected to be incurred by Peoples and do not include any costs for its affiliates.

Q. WHAT ARE THE FTY ADJUSTMENTS FOR LABOR ON PAGE 3 OF EX. 4, SCH. 1?

A. The adjustments for the FTY (Lines 7-13) were derived by starting with the annualized HTY labor of $60,985,820 and making three types of adjustments. First, we added anticipated merit increases for the FTY period (Columns 4-6) based upon recent history. Second, we added in expected union job progression and anticipated normal salaried promotion increases (Columns 7-9). Third, we adjusted for routine/normal vacancies as of the end of the HTY as well as added the costs related to additional filled positions expected in the FTY.

Q. PLEASE EXPLAIN YOUR TREATMENT OF ROUTINE OR NORMAL POSITION VACANCIES.

A. Routine and/or normal position vacancies which occur as a result of terminations or retirements were assumed to be filled by employees with equivalent pay or by temporary employees while the positions are being filled. The associated amounts related to the filling of positions are included in FTY Adjustments (Columns 10-12). These amounts are net of a vacancy credit.

Q. PLEASE EXPLAIN THE VACANCY CREDIT ADJUSTMENTS INCLUDED IN THE FTY and FPFTY.

A. Although the Company is seeking to fill all positions that are currently open, a certain level of vacancies is expected during the FTY the FPFTY. The Company estimates that 30 FTEs and 8 FTEs will be vacant on average during the FTY and FPFTY, respectively.

Q. WHAT ARE THE FPFTY ADJUSTMENTS FOR LABOR ON PAGE 3 OF EX. 4, SCH. 1?

A. The adjustments for the FPFTY (Lines 14-19) were derived by starting with the annualized FTY labor of $64,619,709 on a combined basis and making three types of adjustments. First, we added anticipated merit increases for the FPFTY period (Columns 4-6) based upon recent history. Second, we added in expected union job progression and anticipated normal salaried promotion increases (Columns 7-9). Third, we adjusted for the filled vacant positions expected in the FPFTY and added the costs related to these positions.

Q. CAN YOU EXPLAIN THE EMPLOYEES ADDED BEYOND FILLING EXISTING VACANCIES IN THE FTY AND FPFTY?

A. The Company is proposing to add a LIURP Compliance Specialist with the costs to be recoverable via the Universal Service Rider. Refer to **Peoples Statement No. 10 – the Direct Testimony of Rita Black** for further discussion. The cost of this incremental employee is reflected as a Universal Service Program Rider section of my testimony below. These costs are not included in the labor claim in this case but rather are included as a Universal Service Program Cost (see **Ex. 4, Sch. 1, page. 29**). We are not proposing adding any other positions in the claim.

Q. WHAT IS THE TOTAL FTE COMPLEMENT INCLUDED IN YOUR FPFTY LABOR EXPENSES?

A. The Company's projected FTE complement is based on the organization proposed by the department heads. This results in FTE equivalent staffing level for Peoples of 1,463, our FPFTY FTE count in this proceeding. This excludes the 1 LIURP Compliance Specialist FTE mentioned above.

Q. EXPLAIN THE O&M LABOR PERCENTAGE UTILIZED ON THE LABOR SCHEDULES.

A. We developed the O&M labor percentage based upon payroll information during the period from December 1, 2024 through November 30, 2025.

Q. WHAT IS THE BASIS FOR THE SHORT-TERM INCENTIVE PROGRAM ("STI") AND INCENTIVE COMPENSATION CLAIM ON PAGE 5 OF EX. 4, SCH. 1?

A. First the Company normalized and annualized the per books incentive compensation to the amounts based upon the complement of FTEs on board as of the end of the HTY (Lines 1-5). Then the Company made an adjustment to the FTY (Line 11) and the FPFTY (Line 17) to reflect the incentive compensation based upon the FTEs and their associated compensation projected in the FTY and the FPFTY. Lines 7 and 13 include the incentive compensation related to FTEs projected to be added in the FTY and FPFTY, respectively.

Q. WHY IS IT IMPORTANT FOR PEOPLES TO RECOVER THE EXPENSE RELATED TO INCENTIVE COMPENSATION?

A. To retain talent, Peoples must offer benefits comparable to other companies. Offering Incentive Compensation is one way for Peoples to retain talent by offering market-based incentives to Company employees. The Company has undertaken research to ensure that it offers market-based compensation and incentive programs. Eliminating or reducing these programs would have a significant impact on the Company's ability to attract and retain competent employees.

Q. WHAT IS THE BASIS OF THE FPFTY PENSION CLAIM ON PAGE 8 OF EX. 4, SCH. 1?

A. Peoples' FPFTY pension expense is based on the FTEs' pension costs determined on a contribution basis. The Company used a four-year average of contributions made in 2022, 2023, 2024 and 2025 to derive the claim amount.

Q. WHAT IS THE BASIS FOR YOUR FTY EXPENSE FOR POST RETIREMENT BENEFITS OTHER THAN PENSIONS ("PBOPS") ON PAGE 9 OF EX. 4, SCH. 1?

A. Peoples has been accounting for PBOPs on the same basis that these costs are recovered in rates. That is, on an accrual basis consistent with FAS 106 and the prior Commission order at Peoples. Peoples has complied with that order and deposited the amounts into dedicated trust accounts in response to the Commission's Opinion and Order at Docket No R-00943111. Line 2 reflects the recovery of a prior period net undercollection of PBOP costs as compared to the amounts set in the above-referenced proceedings amortized over two years. The HTY adjusted expense is reflected on Line 3 of this schedule.

Under our existing benefits programs, the total FPFTY PBOP expense is ($143,537) (Line 9) which includes the projections provided by the Company's actuary as well as the previously discussed amortization amount.

Q. ARE YOU PROPOSING ANY CHANGES TO THE RECOVERY OF THESE COSTS IN THIS PROCEEDING?

A. No. Consistent with prior cases, the Company is proposing to track actual PBOP costs and amortize the cumulative difference between actual and projected costs in the Company's next base rate proceeding. The amount to be tracked is $390,681 as calculated on Line 10 on page 9 of **Ex. 4, Sch. 1**. The tracking will exclude the amortization of prior period amounts. This treatment is consistent with the past ratemaking treatment. The Company anticipates that differences between the rate allowance and actual accruals be tracked and amortized over a period to be determined in the Company's next base rate proceeding.

Q. WHAT APPROACH DID YOU USE TO DETERMINE PEOPLES' BENEFITS EXPENSES ON PAGE 10 OF EX. 4, SCH. 1?

A. Overall, these benefits include Medical, Dental, Vision, Life Insurance, Long Term Disability Insurance, 401(k) plans and other such programs. The FPFTY benefits expenses reflect the HTY benefits expenses adjusted to include the costs of the benefits for vacant positions filled and annualized for changes in costs relative to the anticipated results from future contract renewals. Medical and other benefits were increased based upon information provided by our third-party benefits consultants. 401(k) benefits were increased consistent with merit increases utilized to develop the labor claim. The combined benefits expense claim for the FPFTY is $19,531,394.

Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE TO OUTSIDE SERVICES-CONTRACTED ON PAGE 11 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring charges in the HTY, if applicable, and then adjusted for future increases in determining the FTY and FPFTY expense. I made certain adjustments to the FTY and FPFTY. Further, I increased both the FTY and FPFTY by 4.94% which represents the recent 5-year annualized increase in these costs.

Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE TO OUTSIDE SERVICES-IT ON PAGE 12 OF EX. 4, SCH. 1?

A. I added an adjustment for $465,000 in the FTY and $220,000 in the FPFTY for a total of $685,000 for various maintenance contracts on software systems. Further, I increased both the FTY and FPFTY by 2.06% which represents the recent 4-year annualized increase in these costs.

Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE TO OUTSIDE SERVICES-A&G ON PAGE 13 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring reimbursements in the HTY and then increased it by 8.23% which represents the recent 5-year annualized increase in these costs in determining the FTY and FPFTY expense (Lines 3 and 7).

Q. HOW DID YOU DETERMINE THE COSTS OF RENT FOR THE FTY AND FPFTY ON PAGE 14 OF EX. 4, SCH. 1?

A. Our General Office Rent for the FTY and FPFTY are based on the terms and conditions of the lease for our main office and call center operations in downtown Pittsburgh as well as three other field office facilities. The adjustment on Line 2 represents the annualization of rent expense according to the terms of the leases compared to the HTY expense amount.

Q. HOW WERE PEOPLES' INSURANCE COSTS DETERMINED ON PAGE 15 OF EX. 4, SCH. 1?

A. I have adjusted the HTY Corporate Insurance Premium by annualizing the most recent premium invoices. Furthermore, I increased the cost thereafter by 10.6% which represents the average total premium increase experienced from last three insurance periods.

Q. WHAT IS THE BASIS FOR THE INJURIES AND DAMAGES EXPENSE ON PAGE 16 OF EX. 4, SCH. 1?

A. I have reviewed the history of Peoples' Injuries and Damages expenses and have included an average of the past three years' expenses. Further, I increased it by the percentage increase in Injuries and Damages expense from 2024 to 2025.

Q. DISCUSS THE TRAVEL EXPENSES ON PAGE 17 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring charges, if applicable, in the HTY and then increased it by 5.14% which represents the recent 5-year annualized increase in these costs in determining the FTY and FPFTY expense (Lines 5 and 9).

Q. WERE COMPANY MEMBERSHIPS ADJUSTED ON PAGE 18 OF EX. 4, SCH. 1?

A. Yes. The O&M Expense related to Company Memberships has been adjusted for expected increases based upon a 2-year annualized increase in these costs.

Q. WERE LICENSES AND PERMITS ADJUSTED ON PAGE 19 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring charges, if applicable, in the HTY and then increased it by 2.44% which represents the recent 4-year annualized increase in these costs in determining the FTY and FPFTY expense (Lines 5 and 9).

Q. PLEASE EXPLAIN THE ADJUSTMENTS TO UTILITIES AND FUEL USED IN COMPANY OPERATIONS ON PAGE 20 OF EX. 4, SCH. 1?

A. Since the expense of gas used in company operations is recovered through the 1307(f) proceeding, it has been removed from the O&M expense in this proceeding on Line 2 of this schedule. The remaining level of costs in this category represent other utility costs, like electric, that are not recovered through the 1307(f) proceeding. The remaining costs in this category were increased for the FTY and FPFTY based upon recent increases in this category.

Q. WHAT ARE PEOPLES' FPFTY ADVERTISING EXPENSES ON PAGE 21 OF EX. 4, SCH. 1?

A. Peoples advertising expenses total $1,458,032 for the FPFTY. This amount was adjusted to only include expenses which satisfy at least one of the criteria set forth in Section 1316(a) of the Public Utility Code.

Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE TO FLEET MAINTENANCE AND FUEL AS WELL AS MATERIALS & SUPPLIES ON PAGES 22, AND 23, RESPECTIVELY OF EX. 4, SCH. 1?

A. I adjusted these categories for expected increases based upon historical experience in determining the FTY and FPFTY expense.

Q. WERE MATERIALS AND SUPPLIES ADJUSTED ON PAGE 23 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring charges, if applicable, in the HTY and then increased it by 5.45% which represents the recent 5-year annualized increase in these costs in determining the FTY and FPFTY expense (Lines 3 and 6).

Q. PLEASE DESCRIBE THE ADJUSTMENTS MADE TO OTHER O&M EXPENSE ON PAGE 24 OF EX. 4, SCH. 1?

A. I adjusted the HTY costs to remove non-recurring charges, if applicable, in the HTY and then increased it by 3.25% which represents the merit increase percentages as reflected on Page 3 of Ex. 4, Sch. 12 in determining the FTY and FPFTY expense (Lines 3 and 6). As the majority of Other O&M is labor services provided to Peoples from Essential Utilities via PNG Companies, the parent company of Peoples, the merit increase is the most appropriate increase. Essential provides various administrative services to both divisions such as Human Resources, Information Technology, Finance, Accounting and many other such services. Further, I added a $500,000 adjustment in the FPFTY which represents new initiatives as discussed in **Peoples Statement No. 8 – the Direct Testimony of Luke Ravenstahl**.

Q. PLEASE DESCRIBE PEOPLES' ADJUSTMENT FOR DEBT ISSUANCE COSTS ON PAGE 25 OF EX. 4, SCH. 1?

A. PNG Companies recently refinanced the revolving credit facility for debt borrowed for less than one-year which is used to help finance capital expenditures and to fund working capital, particularly in the summer months when revenues are low. The claim in this case represents Peoples' share of such debt issuance costs. I have included one year's worth of that amortization amounting to $515,769 in our O&M expenses as shown on this page.

Q. PLEASE DESCRIBE THE COMPANY'S CLAIM FOR THIRD PARTY PAYMENT PROCESSING FEES IN THE COST OF SERVICE.

A. Currently, both Peoples Natural Gas Division and Peoples Gas Division customers can make payment through various channels such as mail, web and automated telephone ("IVR"). The costs associated with third party payment processing for certain web, IVR and walk-in payments including credit card payments are borne by customers via base rates.

Q. PLEASE DESCRIBE THE ADJUSTMENTS TO PAYMENT PROCESSING FEES MADE ON PAGE 26 OF EX. 4, SCH. 1.

A. I adjusted the HTY costs to remove non-recurring charges, if applicable, in the HTY and then increased it by 22% which represents the average percentage increase of payment processing fees over the last two years resulting from an increase in customer usage for these payment channels.

Q. PLEASE EXPLAIN ANY CLAIM FOR LOBBYING EXPENSE IN THIS PROCEEDING.

A. Peoples is not making a claim for expenses related to lobbying in this case.

Q. PLEASE EXPLAIN THE CALCULATION OF RATE CASE EXPENSES ON PAGE 27 OF EX. 4, SCH. 1.

A. I have used the projected costs for outside services of $1,920,000 related to this proceeding and normalized them over two years.

Q. WHY DID YOU SELECT TWO YEARS FOR THE NORMALIZATION OF THESE COSTS?

A. Peoples filed rate cases in 2010, 2012, 2019 and 2023. The reason seven years elapsed between the 2012 case and the 2019 case was a result of the stay out period committed to in the Company acquisition of the Equitable Gas Company. Further, the main reason for the time that has elapsed between the 2019 and 2023 case was the result of the Company receiving Accounting and Regulatory approval regarding its treatment of the tax repair election in Docket No. P-2020-3021191. Specifically, the Company changed its tax accounting method to define its unit of property under the IRS's tangible property regulations, which allowed the Company to prospectively deduct, as an operating expense on its income tax returns, the costs of certain asset improvements that otherwise would be capitalized and depreciated for tax purposes. See **Peoples Statement No. 7- the Direct Testimony of Angela Jiang** for further discussion. As a result of the above rate case history the time between this rate case and the 2023 is the most appropriate as it normalizes out

the unique items discussed above. As such, the Company is utilizing a two-year amortization of rate case expenses.

Q. HOW DID YOU DEVELOP PEOPLES' EXPENSES FOR WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS ON PAGE 28 OF EX. 4, SCH. 2?

A. The uncollectible write-off amount is based on the relationship between write-offs and revenues. I have used a three-year average of write-offs as the basis for my adjustment based upon the information as provided on **Ex. 19, RR-44**.

Q. HOW WAS THE UNIVERSAL SERVICE PROGRAM ("USP") RIDER ADJUSTMENT DETERMINED ON PAGE 29 OF EX. 4, SCH. 1?

A. In order to normalize USP O&M both the O&M and revenue associated with these programs were removed from the claim. This adjustment has no impact on base rates. However, since the Company is proposing three incremental costs be recovered via the Universal Service Rider they are reflected in the O&M Claim. See **Peoples Statement No. 10 - the Direct Testimony of Rita Black** for further discussion of these programs.

Q. PLEASE EXPLAIN THE INCREMENTAL COSTS YOU PROPOSE TO RECOVER IN THE UNIVERSAL SERVICE RIDER.

A. There are three incremental costs we propose to recover. First is the cost associated with a new LIURP Compliance Specialist. Second is the cost associated with the recurring Independent Program Evaluation. This cost was normalized over a six-year period which represents the frequency of this evaluation. Third is certain costs related to the Company's

Cares program. Refer to **Peoples Statement No. 10 – the Direct Testimony of Rita Black** for more discussion.

Q. HOW WAS THE PNG GATHERING ADJUSTMENT DETERMINED ON PAGE 30 OF EX. 4, SCH. 1?

A. The adjustment in Column 2 represents the actual per books cost recorded on PNG Gathering LLC's books (see discussion above). Adjustments for the FTY and FPFTY represent the percentage increases as derived on the other pages of this exhibit. For example, labor was adjusted by 3.25% consistent with the FTY merit increase derived on **Page 3 of Ex. 4, Sch. 1**.

Q. HOW WAS THE INTEREST EXPENSE ON CUSTOMER DEPOSITS DERIVED ON PAGE 32 OF EX. 4, SCH. 1?

A. Peoples used a twelve-month average of customer deposits which represents the customer deposit amount utilized as a deduction to rate base. This average was then multiplied by the current interest rate of 7%, per Chapter 14 of the Public Utility code, to determine the interest on customer deposits at current rates. No adjustment is needed for the FTY or the FPFTY as the Company has not projected a change to the balance of customer deposits.

<u>EXCESS BOOK CONTINGENCY REVERSED</u>

Q. PLEASE DESCRIBE THE BOOK CONTNGNECY REVERSED.

A. In 2025, the company reversed an excess book contingency reserve related to potential Sales & Use tax exposure when management determined it was no longer needed.

Q. WAS ANY OF THE RESERVE THAT WAS BE REVERSED COLLECTED FROM CUSTOMERS AND WHAT IS YOUR PROPOSAL?

A. As all recent cases were either unanimously or non-unanimously settled, it is not 100% clear whether O&M costs related to the build of this contingency reserve through a non-cash debit to expense were received in earlier cases. Despite this lack of clarity, we are recommending that $3.9M be refunded to customers. Refer to **Peoples Statement No. 3 – the Direct Testimony of Carol Scanlon** for a discussion of how this amount will be refunded to customers.

TAX REPAIR SURCREDIT

Q. PLEASE EXPLAIN THE TAX REPAIR SURCREDIT CURRENTLY IN PLACE AT PEOPLES?

A. In the 2023 Base Rate Case Peoples made the following commitments related to the Tax Repair Surcredit (tax repair catch-up related):

> **50**. Within 90 days following the effective date of new rates in this proceeding, Peoples will file a revised Tax Repair Surcharge Rider ("TRSR") with the following adjustments:
>
> A.) Adjustment to reflect the reduced tax benefits as a result of the reduction in the State Corporate Net Income ("CNI") rate. The state benefit will be returned to customers in the amount monetized;
>
> B.) Adjustment to reflect the impacts of IRS Rev. Proc. 2023-15 ("Natural Gas Safe Harbor" or "NGSH") to the original 481(a) adjustment amount quantified in Docket No. P-2020-3021191 for the Peoples Natural Gas Division ("PNGD").

C.) Adjustment to reflect the impacts of the Natural Gas Safe Harbor 481(a) adjustment amount for the Peoples Gas Division ("PGD");

D.) Adjustment to reflect the impact of the 481(a) adjustment for Mandatory Relocations; and

E.) Extend the amortization period from the 5 years to 10 years including the amortized portion of the previous surcredit authorized in Docket No. P-2020-3021191, including the aforementioned adjustments.

F.) Approval to defer in a regulatory liability all state tax benefits related to the aforementioned adjustments, including the full amount of state tax benefit addressed in Docket No. P-2020-3021191, for return to customers subject to monetization of Pennsylvania state Net Operating Losses.

51. The TRSR will apply to all customers of the combined Company, except for customers with negotiated rates.

Q. HAS THE COMPANY IMPLEMENTED THE ABOVE COMMITMENTS.

A. Yes. On December 20, 2024, the Company made the above-referenced filing at Docket No. R-2023-3044549 to incorporate all of the above changes.

Q. ARE YOU PROPOSING ANY CHANGES IN THIS PROCEEDING TO THE TAX REPAIR SURCREDIT?

A. No. Regarding the current and ongoing benefit, the Company has reflected in its claim for income tax expense the expected repairs deduction to be realized, what I refer to as the "current repair deduction". As far as the catch-up deductions, we will continue to honor the commitments made above.

Q. IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADDRESS REGARDING TAX REPAIRS?

A. Yes. I would like to discuss the "Collar" proposal related to tax repairs.

Q. PLEASE PROVIDE BACKGROUND ON THE COLLAR RELATED TO TAX REPAIRS.

A. In Docket No. P-2020-3021191, the Company was instructed to propose a collar for current repairs deductions similar to the one that was approved for our affiliate companies Aqua Pennsylvania, Inc. & Aqua Pennsylvania Wastewater, Inc., in Docket Nos. R-2018-3003558/3003561 & R-2021-3027385/3027386. As such, in the 2023 Base Rate proceeding at Docket No. R-2023-3044549 the Company proposed a collar mechanism which was ultimately approved. Below are the terms as provided for in the Order:

> 53. Effective with Calendar Year 2025, the level of tax repair benefits claimed in the calculation of income tax expense shall have a collar of $10 million applied on the higher and lower end of the net repairs deductions incorporated into base rates. If the net repairs deductions for Peoples vary by more than $10 million above or below the $390,000,000 amount included in base distribution rates in this proceeding, Peoples will record a regulatory asset or liability for the related income tax expense impacts of the repairs deduction variations above $400,000,000 or below $380,000,000. The effective date of the collar will be January 1, 2025.
>
> 54. Peoples shall report on the regulatory asset or liability amounts of the net repairs deduction income tax impacts in its quarterly earnings reports after the conclusion of the FPFTY. Within 30 days of reporting a regulatory asset or liability with a net cumulative income tax impact amount of $25 million or larger, Peoples shall file with the Commission and shall copy the statutory parties, a plan for recovering or refunding the regulatory asset or liability amount to customers.
>
> 55. If there are remaining deferrals of the differences in income tax expense for Peoples' net repairs deductions, the

balance shall be addressed in Peoples' next base rate case based on the recorded regulatory asset and liability amounts.

56. Whether similar recording of the impact on current income tax expense from net repairs deduction variations above or below a collar in a regulatory asset or liability account should continue shall also be re-evaluated in Peoples' next base rate case.

Q. WHAT ARE YOU PROPOSING AS THE PROSPECTIVE COLLAR?

A. We propose to update the repairs amounts and the collar limits in this case as follows:

> Effective with Calendar Year 2027, the level of tax repair benefits claimed in the calculation of income tax expense shall have a collar of $13.5 million applied on the higher and lower end of the net repairs deductions incorporated into base rates. If the net repairs deductions for Peoples vary by more than $13.5 million above or below the approximately $507.5 amount included in base distribution rates in this proceeding, Peoples will record a regulatory asset or liability for the related income tax expense impacts of the repairs deduction variations above $521.0 million or below $494 million. The effective date of the new collar will be January 1, 2027.

Please note the Company will continue to track against the 2023 rate case collar amounts for calendar year 2026.

Q. DOES THE COMPANY HAVE A REGULATORY ASSET OR LIABILITY RELATED TO THE TAX REPAIRS COLLAR TO ADDRESS IN THIS CASE?

A. For calendar year 2025 the Company has recorded a regulatory liability of $1.0 million before the gross-up for taxes based on the Company's estimate of the net repairs deduction for calendar year 2025 of $404.8 million, which was approximately $4.8 million above the top range of the 2023 Rate Case Collar of $400.0 million. Refer to **Peoples Statement No. 3 – the Direct Testimony of Carol Scanlon** for a discussion of how this amount will be

refunded to customers.

Q. DO YOU HAVE AN ESTIMATE FOR THE POTENTIAL REGULATORY ASSET OR LIABILITY FOR CALENDAR YEAR 2026?

A. Based on current projections of qualifying capital spend, the Company estimates that is will likely record a regulatory liability of more than $15 million (before the gross-up for taxes) for projected net repairs deduction in excess of the $400.0 million collar established in the 2023 Rate Case. Refer to **Peoples Statement No. 3 – the Direct Testimony of Carol Scanlon** for a discussion of how this amount will be refunded to customers.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes, it does.

Appendix A

Reference	FR/SDR#
Ex. 1, Sch. 4	53.53.II.A.18
Ex. 1, Sch. 18	53.53.III.A.13
Ex. 2, Sch. 9	53.53.III.E.21
Ex. 4, Sch. 1	53.53.III.E.17
Ex. 4, Sch. 2	53.53.III.A.20
Ex. 4, Sch. 3	53.53.III.A.21
Ex. 4, Sch. 4	53.53.III.A.25
Ex. 4, Sch. 5	53.53.III.A.29
Ex. 4, Sch. 6	53.53.III.A.33
Ex. 4, Sch. 7	53.53.III.A.22
Ex. 4, Sch. 8	53.53.III.A.23
Ex. 4, Sch. 9	53.53.III.A.24
Ex. 4, Sch. 10	53.53.III.A.27
Ex. 4, Sch. 11	53.53.III.A.28
Ex. 4, Sch. 12	53.53.III.A.31
Ex. 4, Sch. 13	53.53.III.A.32
Ex. 4, Sch. 14	53.53.III.A.30
Ex. 4, Sch. 15	53.53.III.A.34
Ex. 4, Sch. 16	53.53.III.A.35
Ex. 4, Sch. 17	53.53.III.A.36
Ex. 4, Sch. 18	53.53.III.A.37
Ex. 4, Sch. 20	53.53.III.E.29
Ex. 4, Sch. 21	53.53.III.E.33
Ex. 4, Sch. 22	53.53.III.E.34
Ex. 13, Sch. 1	53.53.III.A.39
Ex. 13, Sch. 2	53.52(a)(6)
Ex. 13, Sch. 3	53.53.II.A.13
Ex. 13, Sch. 4	53.53.III.A.40
Ex. 13, Sch. 5	53.53.III.A.44
Ex. 13, Sch. 6	53.53.III.A.46
Ex. 13, Sch. 8	53.53.III.A.41
Ex. 13, Sch. 9	53.53.III.A.19
Ex. 13, Sch. 12	53.52(a)(11)
Ex. 13, Sch. 13	53.52(b)(1)
Ex. 13, Sch. 14	53.52(a)(5)
Ex. 13, Sch. 15	53.52(a)(10)
Ex. 13, Sch. 16	53.52(a)(7)

Reference	FR/SDR#
Ex. 13, Sch. 17	53.52(a)(8)
Ex. 13, Sch. 18	53.52(a)(9)
Ex. 15, Sch. 4	53.53.II.A.24
Ex. 16, Sch. 14	53.53.II.A.16
Ex. 16, Sch. 15	53.53.II.A.17
Ex. 17, COS 1	COS 1
Ex. 18, ROR 3	ROR 3
Ex. 18, ROR 8	ROR 8
Ex. 18, ROR 13	ROR 13
Ex. 18, ROR 14	ROR 14
Ex. 18, ROR 16	ROR 16
Ex. 18, ROR 22	ROR 22
Ex. 18, ROR 23	ROR 23
Ex. 19, RR 15	RR 15
Ex. 19, RR 19	RR 19
Ex. 19, RR 20	RR 20
Ex. 19, RR 21	RR 21
Ex. 19, RR 26	RR 26
Ex. 19, RR 27	RR 27
Ex. 19, RR 28	RR 28
Ex. 19, RR 29	RR.29
Ex. 19, RR 30	RR.30
Ex. 19, RR 31	RR.31
Ex. 19, RR 32	RR 32
Ex. 19, RR 33	RR 33
Ex. 19, RR 34	RR 34
Ex. 19, RR 37	RR 37
Ex. 19, RR 40	RR 40
Ex. 19, RR 43	RR 43
Ex. 19, RR 46	RR 46
Ex. 19, RR 47	RR 47
Ex. 19, RR 50	RR 50
Ex. 19, RR 51	RR 51
Ex. 19, RR 52	RR 52
Ex. 19, RR 53	RR 53
Ex. 19, RR 54	RR 54

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
CAROL A. SCANLON,
MANAGER, RATES
PNG COMPANIES LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 3

PREPARED DIRECT TESTIMONY OF
CAROL A. SCANLON

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Carol A. Scanlon. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Rates Manager. In my position as Rates Manager, I provide rates and regulatory services to Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I graduated from the University of Pittsburgh in 1994 with a Bachelor of Science Degree in Business Administration with a concentration in Finance, and from Robert Morris University in 2001 with a Master's Degree in Business Administration. My career began with the former Equitable Gas Company ("EGC") in 2004, where I was employed in various positions of increasing responsibility. I started with EGC as a Senior Financial Analyst supporting the Collections and Compliance areas of the business. In March 2006, I transitioned to the role of Supervisor of Collections and Analysis. I was in that role until August of 2007, when I was promoted to the Manager of Account Maintenance, during which time I directed the activities of the Audit and Back Office departments. In May 2009, I was promoted to Manager of Commercial and Residential Analysis. In June 2010, I was promoted to Manager of Rates. I continued in that role until December 17, 2013, at which

time EGC was acquired by PNG Companies and merged into Peoples Natural Gas. At that time, I transitioned to Peoples Natural Gas as a Rate Consultant. In August 2017, I was promoted to Manager of Transportation and Revenue. In this role, I managed revenue reporting and the team responsible for all interactions with the Natural Gas Suppliers ("NGSs"). In April 2018, I moved back to the Regulatory team as the Rates Manager.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. I will present Peoples' overall revenue requirement for non-gas costs. In addition, I will support proposed revisions to the universal service rider and changes to miscellaneous service charges and other rider amounts.

Q. PLEASE LIST THE EXHIBITS AND FILING REQUIREMENTS THAT YOU ARE SPONSORING AS A WITNESS.

A. Please refer to Appendix A to this testimony for a complete list of the filing requirements for which I am the responsible witness. Additionally, I am sponsoring **Peoples Natural Gas Exhibit No. CAS-1** and **Peoples Natural Gas Exhibit No. CAS-2.**

II. OVERALL REVENUE REQUIREMENT (EXHIBIT NO. 2)

Q. WHAT IS THE ADDITIONAL PROPOSED NON-GAS COST RECOVERY AMOUNT IN THIS PROCEEDING?

A. Approximately $163.2M of additional revenues are required for Peoples to recover its non-gas costs. This is additional revenue above Peoples' current non-gas revenues.

Q. WHAT DO YOU MEAN BY THE TERM NON-GAS COST REVENUE REQUIREMENT?

A. Peoples' non-gas costs are the costs incurred to provide utility service, other than the commodity cost of natural gas, which is generally recovered in the Commission's annual 1307(f) proceedings.

Q. HOW WAS THAT AMOUNT DETERMINED?

A. The Company's non-gas revenue requirement is comprised of the individual cost components introduced and supported by the other witnesses in this proceeding. Specifically, these individual components include: (1) operation and maintenance expenses presented by witness Andrew Wachter (**Peoples Statement No. 2**); (2) depreciation and amortization expense and negative salvage expense to which witness John Spanos has testified (**Peoples Statement No. 16**); (3) taxes other than income taxes supported by witness Rudolph Hanechak (**Peoples Statement No. 11**); (4) a return allowance which is the product of an overall rate of return of 8.23%, to which witness Jennifer Nelson has testified (**Peoples Statement No. 15**), rate base supported by witness Nick Tufarolo (**Peoples Statement No. 12**); and (5) federal and state income taxes to which witness Angela Jiang has testified (**Peoples Statement No. 7**).

Q. CAN YOU SUMMARIZE THE REVENUE REQUIREMENT?

A. Yes. Below is a table which summarizes the major components of the non-gas revenue requirement necessary to recover Peoples' Fully Projected Future Test Year ("FPFTY")

expenses and a fair return on plant investment at the end of the FPFTY as compared to the revenue at present rates.

Revenue Requirement		
Equity Return	$	351,062,759
Interest Expense		120,341,931
Depreciation		181,181,596
Expenses & TOTI		236,226,119
Income Taxes		(46,945,793)
Revenue Requirement		841,866,612
Revenue at Current Rates		678,694,674
Requested Rate Increase	**$**	**163,171,938**

Q. WHAT EXHIBIT PROVIDES THE REVENUE REQUIREMENT?

A. Exhibit 2, Schedule 4 (53.53.III.A.17) provides the income statement for each period in the case (the Historic Test Year ("HTY"), the Future Test Year ("FTY"), and the FPFTY) at present and proposed rates (pages 2). Further, page 3 of Exhibit 2, Schedule 4 provides a calculation of proforma interest expense, page 4 provides rate of return on rate base including the derivation of the gross revenue conversion factors, and page 5 provides the derivation of the adjustments to proposed rates necessary to derive projected rates. This results in an overall increase in revenues of $163,171,938.

III. UNIVERSAL SERVICE RIDER

Q. IS THE COMPANY PROPOSING CHANGES TO THE UNIVERSAL SERVICE RIDER?

A. Yes. I am sponsoring two changes to Peoples' universal service rider in this proceeding, as described in further detail below. The first change is a revision to the bad debt offset calculation, specifically the Customer Assistance Program ("CAP") participation level that

prompts when the bad debt offset is applicable and the uncollectible percentage amount used in the calculation. The second overall change to the rider is related to a defined credit adjustment to offset universal service rider charges that non-CAP residential customers incur.

Q. PLEASE DESCRIBE THE PROPOSED BAD DEBT OFFSET CALCULATION REVISIONS YOU MENTION.

A. The Company is proposing revisions to the bad debt offset calculation in this proceeding. The reason for the proposed changes is to align both the CAP participation level and the uncollectible percentage used in the bad debt offset calculation with more recently experienced trends. Specifically, Peoples proposes the threshold amount to trigger the bad debt offset calculation be increased to CAP enrollment in excess of 39,010. This is the base number of projected CAP participants used to set rates in this proceeding, as evidenced in **Peoples Natural Gas Exhibit No. 3, Schedule 15** Attachment F for the FPFTY (page 5 of 6).

In relation to the bad debt offset calculation uncollectible percentage, Peoples is proposing to use the recent three-year average of residential uncollectible activity. Refer to **Peoples Exhibit No. 19**, RR-44. As shown in the referenced exhibit, the three-year average residential uncollectible rate is 1.93%. This uncollectible percentage corresponds with the uncollectible percentage used to establish base rates in this proceeding.

Q. PLEASE DESCRIBE THE OTHER CHANGE YOU ARE PROPOSING TO THE UNIVERSAL SERVICE RIDER.

A. The other change is related to providing a defined credit that would offset universal service charges for a period of time. This offset would ultimately reduce the universal service charge rate per Mcf.

Q. PLEASE ELABORATE.

A. In **Peoples Statement No. 2**, witness Andrew Wachter discusses a sales and use tax refund of $3.9M (Page 22, Line 1). Further, Mr. Wachter discusses the tax repairs deduction collar beginning on Page 23, Line 20. In his proposal, Mr. Wachter indicates the Company will continue to track against the 2023 rate case collar amount through calendar year 2026. As a result, in calendar year 2025, the Company recorded a regulatory liability of $1.0 million (before the gross-up for taxes) that will be refunded to customers.

Peoples is proposing to refund both of the above items to non-CAP residential customers through the universal service rider during the period of January 1, 2027 through March 31, 2027. **Peoples Natural Gas Exhibit No. CAS-1** contains an illustrative example of the mechanics of the refund, as compared to Peoples' currently effective universal service rider rate as of February 12, 2026. **Peoples Natural Gas Exhibit No. CAS-2** contains the same illustrative example as shown in **Peoples Natural Gas Exhibit No. CAS-1,** but outlines the calculation of the refund amount in Year 2. The Year 2 refund amount does not include a refund for sales and use tax , but includes a larger amount related to the tax repairs deduction collar.

Q. WHICH CUSTOMERS ARE SUBJECT TO THE UNIVERSAL SERVICE CHARGE RIDER?

A. The universal service charge rider applies to residential customers that are not enrolled in the CAP program.

Q. WHY ARE YOU PROPOSING THE CREDIT TO CUSTOMERS IN THIS FASHION?

A. Residential customers that are not enrolled in CAP contribute to the universal service program charges. Reducing the costs of these universal service programs is a measure towards maintaining affordability for customers, including reducing the universal service cost burden for all residential customers, while not needing to scale back the underlying universal service programs for the most vulnerable customers. Specifically, income eligible customers who are not participating in CAP and customers with incomes that exceed CAP eligibility but that still struggle to make ends meet would benefit from this proposal as it would reduce the monthly bill obligations. If the credits were flowed back through base rates to all customers, the amount of credit per customer group would be less and not as impactful for residential customers, including those with the most difficulty meeting their monthly bill obligation. Please refer to **Peoples Statement No. 10. - the Direct Testimony of Rita Black**, for further discussion on why this approach is reasonable.

Q. CAN YOU SUMMARIZE THE CHANGES SHOWN IN PEOPLES NATURAL GAS EXHIBIT NO. CAS-1?

A. Yes. Page 5 of 5 in **Peoples Natural Gas Exhibit No. CAS-1** outlines the anticipated credit amounts to be refunded beginning January 1, 2027 through March 31, 2027 upon approval of the proposal in this case. Page 5 of 5 includes the sales & use tax credit of $3.9M and

the estimated collar refund amount of $1,268,768, once grossed up for taxes, for calendar year 2025. Summing these two amounts together equates to a total credit amount of $5,168,768. Next, the total credit of $$5,168,768, is divided by the projected throughput for January 2027 through March 2027 to arrive at a credit adjustment of $0.1924 per Mcf. From here, the credit adjustment of $0.1924 per Mcf is carried forward to page 1 of 5 and then added to the Proposed Rider Universal Surcharge per Mcf and the Reconciliation Adjustment Amount per Mcf. The net result of the Total Proposed Rider Universal Service Surcharge is $0.9031 per Mcf compared to the current rate in effect of $1.0955 per Mcf. Pages 2 through 4 of **Peoples Natural Gas Exhibit No. CAS-1** do not have any changes corresponding with this proposal.

Q. WHY DOES PAGE 5 OF 5 CALCULATE A RATE USING JANUARY- MARCH THROUGHPUT RATHER THAN ANNUAL THROUGHPUT?

A. Peoples' proposal is to provide the refund over an accelerated period of January 1st through March 31st each year. The reason for doing so is because usage is generally higher in these historically colder months. Therefore, residential customers will receive a larger benefit when they are subject to higher bills.

Q. CAN YOU SUMMARIZE THE CHANGES SHOWN IN PEOPLES NATURAL GAS EXHIBIT NO. CAS-2?

A. Yes. **Peoples Natural Gas Exhibit No. CAS-2** is almost identical to the illustration shown in **Peoples Natural Gas Exhibit No. CAS-1.** The key difference is on page 5 of 5 in the exhibit, in the form of the line items that are summed together to produce the total credit

amount to be refunded in Year 2. Explicitly, Year 2 of the credit calculation includes a line item for a true-up of the collar refund amount for calendar year 2025. This component of the calculation is to true up any variance between the projected credit amount and the actual credit amount resulting from estimated to actual throughput variances. Further, as mentioned above, the Year 2 refund amount does not include a refund for sales and use tax, but includes a larger amount related to the tax repairs deduction collar.

Q. WILL THE CREDIT ADJUSTMENTS BE IN PERPETUITY?

A. No. Based on People's proposal, the last period of time that a credit related to this initiative would be included is the rate effective January 1, 2029 – March 31, 2029. The initial credit amount, as presented in **Peoples Natural Gas Exhibit No. CAS-1,** would be effective January 1, 2027 – March 31, 2027. The Year 2 credit amount, as well as the true up from Year 1 would be effective January 1, 2028 – March 31, 2028, as shown in **Peoples Natural Gas Exhibit No. CAS-2.** Finally, the last stage of the credit containing only the true up of Year 2, would be effective January 1, 2029 – March 31, 2029.

IV. MISCELLANEOUS SERVICE CHARGES AND OTHER RIDERS

Q. IS THE COMPANY PROPOSING CHANGES TO MISCELLANEOUS SERVICE CHARGES AND OTHER RIDERS?

A. Yes, to some.

Q. WHICH ONES?

A. The tables below outlines the proposed changes to miscellaneous service charges and other riders in this proceeding. These changes are also detailed in the Company's proposed tariffs found in **Peoples Exhibit No. 14, Schedule No. 1**.

Retail Tariff

Description	Current Amount [1/]		Proposed Amount	
Reconnection				
Residential	$ 56		$ 58	
Commercial	$ 114		$ 58	
Dishonored Payment	$ 26		$ 19	
Merchant Function Charge (MFC)				
Residential	2.200%	Uncollectible percentage	1.9300%	Uncollectible percentage
C&I	0.332%	Uncollectible percentage	0.4233%	Uncollectible percentage
Residential	0.1699	Per Mcf [1/]	$ 0.1490	per Mcf
C&I	$ 0.0256	Per Mcf [1/]	$ 0.0327	per Mcf
Gas Procurement Charge (GPC)	$ 0.0865	per Mcf	0.0984	per Mcf

Supplier Tariff

Description	Current Amount [1/]		Proposed Amount	
Supplier Billing fee	$ 0.150	per bill	$ 0.250	per bill
POR Admin Adder	0.0213%		0.0000%	
POR Uncollectible Amount				
Residential	2.200%	Uncollectible percentage	1.9300%	Uncollectible percentage
C&I	0.332%	Uncollectible percentage	0.4233%	Uncollectible percentage

[1/] As of February 12, 2026

Q. WHY ARE THE ABOVE CHANGES BEING PROPOSED?

A. Generally, the processes involved and associated costs incurred to perform the underlying functions have been re-evaluated, consistent with the FPFTY in this case. In the case of the Purchase of Receivable ("POR") admin adder, the costs to establish the POR program are recovered; so the Company is proposing to eliminate the administrative adder applicable to purchased receivables.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as other issues arise during the course of this proceeding. Thank you.

PREPARED DIRECT TESTIMONY OF
CAROL A. SCANLON

Appendix A
Filing Requirements Sponsored by Carol Scanlon

Exhibit/SDR	**Filing Requirement**
Ex. 1, Sch. 22	53.52(d)(1)
Ex. 2, Sch. 3	53.53.II.A.22
Ex. 2, Sch. 4	53.53.III.A.17
Ex. 12, Sch. 8	53.53.III.E.25
Ex. 12, Sch. 14	53.53.IV.B.13
Ex. 17, COS 9	VI.III.COS.9

Peoples Natural Gas Company LLC
Rider Universal Service Costs

		PROPOSED Effective 1/1/2027	CURRENT Effective 2/12/2026	
CAP				
CAP Credit (Shortfall or deficiency)	**Page 2**	$ 41,843,789	$ 41,843,789	2/
Arrearage Forgiveness	**Page 2**	$ 5,751,816	$ 5,751,816	2/
CAP Administration - Third Party Administrator	**Page 3**	$ 1,441,385	$ 1,441,385	
Total CAP Expenses		$ 49,036,990	$ 49,036,990	
Other Universal Services				
LIURP	**Page 3**	$ 5,997,528	$ 5,997,528	1/
Emergency Line Repair	**Page 3**	$ 1,500,000	$ 1,500,000	3/
Billing System Modifications to Support LIHEAP State Plan	**Page 3**	$ -	$ -	
Total Other Universal Services			$ 7,497,528	
Total Projected Universal Service Program Costs		**$ 56,534,518**	**$ 56,534,518**	
Residential Non-CAP Throughput		51,091,555	51,091,555	
Proposed Rider Universal Surcharge per Mcf		$ 1.1065	$ 1.1065	
Plus: Reconciliation Adjustment Dollars - (Over)/Under Recovery	**Page 4**	$ (565,410)	$ (565,410)	
Plus: Reconciliation Adjustment Amount - (Over)/Under Recovery	**Page 4**	$ (0.0111)	$ (0.0111)	
Plus: Rate Case Refund Amount - (Refund)/ Recovery	**Page 5**	$ (0.1924)	$ -	
Total Proposed Rider Universal Service Surcharge per Mcf		**$ 0.9031**	**$ 1.0955**	

1/ *Adjusted to reflect Low Income Stipulation at Docket No. R-2023-3044549.*

2/ *Includes E-CAP Customers*

3/ *Per commitment from Aqua acquisition at Docket A-2018-3006061, Peoples agreed to recover LIURP emergency furnace repair three years post closing in universal service rider.*

Peoples Natural Gas Company LLC
Rider Universal Service Costs
Calculation of CAP Credits and Arrearage Forgiveness

	CAP Credit Calculation				
1	Active CAP Accounts (including E-CAP) + Projected Enrollments			39,100	
2	CAP enrollment level as established @ Docket R-2023-3044549			30,800	
3	Current Average CAP Payment			53	1/
4	Average CAP Usage			112	
	Average Bill Calculation				
5	Monthly Service Charge		$	17.2965	
6	Usage charge per MCF		$	13.5031	
7	Average Annual Bill	**(Line 5 * 12) + (Line 4 * Line 6)**	$	1,721	
8	Annual average CAP Payments per customer	**(Line 3 * 12)**	$	640	
9	Annual average CAP Credit per customer	**(Line 7 - Line 8)**	$	1,081	
10	Projected CAP credit (shortfall)	**(Line 2 * Line 9)**	$	33,293,517	
	Incremental Enrollments				
11	Incremental enrollment above established level (Including E-CAP customers)	**(Line 1- Line 2)**		8,300	
12	Projected Cap Credit for incremental enrollments	**(Line 9 * Line 11)**	$	8,971,954	
13	Bad Debt Offset for Incremental enrollments	**(4.70% * Line 12)**	$	421,682	3/
14	Net Projected CAP Credit (shortfall) for Incremental Enrollments	**(Line 12 - Line 13)**	$	8,550,272	
	Total CAP Credits				
15	**Total Projected CAP Credits**	**(Line 10 + Line 14)**	**$**	**41,843,789**	
	Arrearage Forgiveness				
	Enrollments to Established level				
16	Enrollments up to established level			30,800	
17	Average Arrearage Forgiveness per cust.		$	149	2/
18	Total Projected Annual Arrearage Forgiveness	**(Line 16 * Line 17)**	$	4,576,502	
	Incremental Enrollments				
19	Projected Incremental Enrollment above established level (Including E-CAP custor	**(Line 11)**		8,300	
20	Average Arrearage Forgiveness per cust.	**(Line 17)**	$	149	2/
21	Total Projected Annual Arrearage Forgiveness	**(Line 19 * Line 20)**	$	1,233,278	
22	Bad Debt Offset for Incremental Enrollments	**(4.70% * Line 21)**	$	57,964	3/
23	Net Annual Arrearage Forgiveness for Incremental Enrollments	**(Line 21 - Line 22)**	$	1,175,314	
24	**Total Projected Annual Arrearage Forgiveness**	**(Line 18 + Line 23)**	**$**	**5,751,816**	

1/ *Per Docket No. M-2018-3003177, monthly CAP Plus charges eliminated and no longer included in the total monthly CAP payment.*

2/ *Projected Arrearage Forgiveness is based upon average forgiveness per customer over the Jan 2025 - Dec 2025 period.*

3/ *Bad Debt Offset percentage modified to 4.70% from base rate case R-2023-3044549*

Peoples Natural Gas Company LLC
Rider Universal Service Costs
Universal Service Programs and Administrative Costs

			Annual Cost	
	CAP Administration			
1	Third Party Administrator		$ 1,441,385	
	Other Universal Services			
2	Low Income Usage Reduction Program (LIURP)		$ 5,997,528	2/
3	Emergency Line Repair		$ 1,500,000	3/
4	Billing System Modifications to Support LIHEAP State Plan		$ -	1/
5	Total Program Costs -- Other Universal Services	**(Lines 2 through 4)**	$ 7,497,528	
6	**Total Administrative & Program Costs**	**(Line 1 + Line 5)**	**$ 8,938,913**	

1/ *Billing System Modifications to Support the LIHEAP State Plan were approved through Peoples' base rate proceeding at Docket No. R-2012-2285985.*

2/ *Adjusted to reflect Low Income Stipulation at Docket No. R-2023-3044549.*

3/ *Peoples filed and served Petition at Docket P-2025-3053645 which was approved to amend 2019 USECP to increase annual budget for Emergency Furnace and Service Line repair to $1,500,000.*

Peoples Natural Gas Company LLC
Rider Universal Service - Annual Reconciliation and Rate Adjustment
Annual Reconciliation of CAP Costs to CAP Recoveries

		Reconciliation Rate Adjustment
Prior Period Over/ (Under) Collection	$	(8,076,204)
Actual Total CAP Costs	$	29,797,693
Less:		
Cost Offsets for Customers	$	(95,924)
Audit Adjustment	$	94,108 [1/]
Total CAP Recoveries	$	38,437,491
Over / (Under) Recoveries	$	565,410
Residential throughput (Mcf)	$	51,091,555
Reconciliation Rate Adjustment	$	(0.0111)

[1/] *Per audit findings from PNG Universal Service Rider audit at Docket Nos. D-2023-3037511 and D-2024-3041986, an adjustment made to recover costs due to prior miscalculation.*

Peoples Natural Gas Company LLC
Rate Case Refund Amount
Effective 1/1/2027 - 3/31/2027

Sales & Use Tax Credit	$	(3,900,000)
Collar Refund Credit - 2025 Calendar Year Est	$	(1,268,768)
Total Credit (Refund)/ Recovery	$	(5,168,768)
Residential throughput (Mcf) - Jan 2027 - Mar 2027	$	26,870,000
Credit Adjustment per Mcf - (Refund)/ Recovery	**$**	**(0.1924)**

Peoples Natural Gas Company LLC
Rider Universal Service Costs

		PROPOSED Effective 1/1/2028	CURRENT Effective 2/12/2026	
CAP				
CAP Credit (Shortfall or deficiency)	**Page 2**	$ 41,843,789	$ 41,843,789	2/
Arrearage Forgiveness	**Page 2**	$ 5,751,816	$ 5,751,816	2/
CAP Administration - Third Party Administrator	**Page 3**	$ 1,441,385	$ 1,441,385	
Total CAP Expenses		$ 49,036,990	$ 49,036,990	
Other Universal Services				
LIURP	**Page 3**	$ 5,997,528	$ 5,997,528	1/
Emergency Line Repair	**Page 3**	$ 1,500,000	$ 1,500,000	3/
Billing System Modifications to Support LIHEAP State Plan	**Page 3**	$ -	$ -	
Total Other Universal Services			$ 7,497,528	
Total Projected Universal Service Program Costs		**$ 56,534,518**	**$ 56,534,518**	
Residential Non-CAP Throughput		51,091,555	51,091,555	
Proposed Rider Universal Surcharge per Mcf		$ 1.1065	$ 1.1065	
Plus: Reconciliation Adjustment Dollars - (Over)/Under Recovery	**Page 4**	$ (565,410)	$ (565,410)	
Plus: Reconciliation Adjustment Amount - (Over)/Under Recovery	**Page 4**	$ (0.0111)	$ (0.0111)	
Plus: Rate Case Refund Amount - (Refund)/ Recovery	**Page 5**	$ (0.5582)	$ -	
Total Proposed Rider Universal Service Surcharge per Mcf		**$ 0.5372**	**$ 1.0955**	

1/ *Adjusted to reflect Low Income Stipulation at Docket No. R-2023-3044549.*

2/ *Includes E-CAP Customers*

3/ *Per commitment from Aqua acquisition at Docket A-2018-3006061, Peoples agreed to recover LIURP emergency furnace repair three years post closing in universal service rider.*

Peoples Natural Gas Company LLC
Rider Universal Service Costs
Calculation of CAP Credits and Arrearage Forgiveness

	CAP Credit Calculation				
1	Active CAP Accounts (including E-CAP) + Projected Enrollments			39,100	
2	CAP enrollment level as established @ Docket R-2023-3044549			30,800	
3	Current Average CAP Payment			53	1/
4	Average CAP Usage			112	
	Average Bill Calculation				
5	Monthly Service Charge		$	17.2965	
6	Usage charge per MCF		$	13.5031	
7	Average Annual Bill	**(Line 5 * 12) + (Line 4 * Line 6)**	$	1,721	
8	Annual average CAP Payments per customer	**(Line 3 * 12)**	$	640	
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	Total CAP Credits				
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	Arrearage Forgiveness				
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Peoples Natural Gas Company LLC
Rider Universal Service Costs
Universal Service Programs and Administrative Costs

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Peoples Natural Gas Company LLC
Rider Universal Service - Annual Reconciliation and Rate Adjustment
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Less:		
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Over / (Under) Recoveries	$	565,410
Residential throughput (Mcf)	$	51,091,555
Reconciliation Rate Adjustment	$	(0.0111)

[1/] *Per audit findings from PNG Universal Service Rider audit at Docket Nos. D-2023-3037511 and D-2024-3041986, an adjustment made to recover costs due to prior miscalculation.*

Peoples Natural Gas Company LLC
Rate Case Refund Amount
Effective 1/1/2028 - 3/31/2028

Collar Refund Credit - 2025 Calendar Year True Up	$	-
Collar Refund Credit - 2026 Calendar Year Est	$	(15,000,000) 2/
Total Credit (Refund)/ Recovery	$	(15,000,000)
Residential throughput (Mcf) - Jan 2027 - Mar 2027	$	26,870,000
Credit Adjustment per Mcf - (Refund)/ Recovery	**$**	**(0.5582)**

1/ *The true-up amount would consist of the variance between the projected credit amount in Year 1 and the actual credit amount resulting from estimated to actual throughput variances.*

2/ *2026 Collar is estimated to be $15M or more.*

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
DAWN M. FOLKS,
SENIOR FINANCE AND RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026 Peoples Statement No. 4
DATE ADMITTED: _____

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Dawn M. Folks. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as a Finance and Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. PLEASE DESCRIBE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I received my Master of Science Degree in Industrial Engineering from the University of Pittsburgh in 2005, and a Bachelor of Science Degree in Mathematics and a Bachelor of Arts Degree in Physics from Duquesne University in 2004. After graduation, I was employed as a Control Engineer with SMS Siemag LLC. I began my career within the gas industry when I started working for Peoples Natural Gas in January 2011. I initially worked in the Rates and Regulatory Affairs Department as the Gas Planning and Forecasting Analyst. In October 2011, I accepted my current position as a Finance and Rate Analyst in the Rates and Regulatory Affairs Department.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDING?

A. Yes. I have previously submitted testimony before the Pennsylvania Public Utility Commission ("Commission") in regulatory proceedings. I testified in Peoples Natural Gas Company's 1307(f) proceeding at Docket No. R-2022-3030664 and Docket No. R-2014-2399598. As well as Peoples Gas's 2013 Rate Case Proceeding Docket No. R-2013-2355886 and Peoples Natural Gas's 2023 Rate Case Proceeding Docket No. R-2023-3044549.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. I will provide an overview of the Historic Test Year ("HTY") revenues presented in this case. I will explain the forecasting methods used to develop customer count and usage data for the future and fully projected future test years. I will describe how those forecasted counts and volumes were priced to determine total revenues. I will explain the use of competitive pricing in the Company's business model and the inclusion of negotiated rates in the pricing of the revenue claim. I will also describe adjustments made to normalize and annualize the revenues presented.

Q. PLEASE LIST THE EXHIBITS AND FILING REQUIREMENTS THAT YOU ARE SPONSORING AS A WITNESS.

A. Please refer to Appendix A to this Direct Testimony for a complete list of the filing requirements for which I am the responsible witness.

II. REVENUES (EXHIBIT NO. 3)

Q. PLEASE BRIEFLY DESCRIBE THE TEST YEAR REVENUES AS PRESENTED IN PEOPLES' FILING.

A. Refer to the schedule "Volume and Revenue Summary at Current Rates," **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, page 1. Column 1 reflects the per books revenue for the year prior to the historic test year and Column 2 reflects the per books revenue for the HTY of November 30, 2025 by FERC account. Columns 3-9 display the amounts of per books revenue related to gas cost, universal service rider, Gas Procurement Charge ("GPC"), Merchant Function Charge ("MFC"), Supplier Choice Rider ("SCR"), Distribution System Improvement Charge ("DSIC") and Tax Repairs Surcredit Rider ("TRS"). The calculation of the gas cost revenue for the HTY provided in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment M and the calculation of the rider revenues for the HTY is provided in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment N. Column 10 displays the unbilled and cycle 22 adjustment amount, which is presented in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment K. This amount is being excluded because it is not pertinent to calculate the annualized revenues. Column 11 presents a weather adjustment to normalize the revenues for weather. The weather adjustment calculation is shown **in Peoples Exhibit No. 3, Schedule No. 15**, Attachment H, page 1. Column 12 reflects an adjustment to price the test year bills and volumes to the most current base rates. Column 13 is the annualized delivery service and customer charge revenue at current rates as calculated in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D, pages 1-6.

Refer next to **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, page 2. This schedule summarizes the annualized total revenue at present rates as shown in **Peoples**

Exhibit No. 3, Schedule No. 15, Attachment D, pages 1-6. The present rates used in the schedule are those in effect as of February 12, 2026. The annualized universal service rider revenues in column (3) of **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, page 2, are reduced by the Customer Assistance Program ("CAP") Credit amount shown in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D, page 1, line no. 29.

Q. PLEASE EXPLAIN THE DEVELOPMENT OF YOUR ADJUSTMENT TO NORMALIZE REVENUES FOR THE EFFECTS OF THE HTY WEATHER.

A. Exhibit 3, Schedule 15, Attachment H, page 1 summarizes the adjustment made to normalize the HTY revenues for the effects of weather. This adjustment was calculated by determining the use per customer ("UPC") for each class of customer and multiplying the historical customer counts by this amount. I will discuss the calculation of UPC by class further in my Direct Testimony. Peoples derived heating degree days ("HDDs") to forecast normal weather using a 65-year regression trend for the period ending May 31, 2025. **Peoples Statement No. 17 - the Direct Testimony of John Taylor** supports the use of a 65-year regression model for this case. The Company believes this regression model provides a reasonable basis for weather normalization. The 65-year regression model produces a result of 5,086 HDDs. The HTY billed throughput is deducted from the normalized volume to calculate the adjustment amount in Mcf. The Mcf adjustment amount is multiplied by the current delivery rate to determine the dollar amount of the adjustment.

Q. PLEASE FURTHER DESCRIBE THE DEVELOPMENT OF THE UPC PER CUSTOMER CLASS.

A. A UPC factor was developed for each class of customer to both normalize the HTY and forecast the Future Test Year ("FTY") and Fully Projected Future Test Year ("FPFTY") volumes. Different methods were used to determine the UPC for each class of customer. Residential and commercial Small General Service ("SGS") and Medium General Service ("MGS") customers traditionally are heat sensitive and require a model that includes a weather variable. By comparison, commercial Large General Service ("LGS") and all industrial customers are not predominantly impacted by weather, so using historical usage patterns for this class of customer is more indicative of future usage.

Q. LET'S START WITH HEAT SENSITIVE CUSTOMER CLASSES. PLEASE ELABORATE ON THE MODEL USED TO DEVELOP THE RESIDENTIAL AND COMMERCIAL SGS AND MGS UPC.

A. The Company employed a forecasting model that uses historical actual data to calculate a non-heat sensitive base load factor and a seasonal, heating degree day factor. A regression methodology was used to calculate the UPC for all Residential, SGS, and MGS rate classes. The usage for these rate classes is generally considered to be weather sensitive and therefore should be weather normalized. Refer to **Peoples Statement No. 17 - the Direct Testimony of John Taylor**, for details of this methodology.

Q. HOW WAS THE UPC FOR LARGE COMMERCIAL CUSTOMERS DEVELOPED?

A. Large commercial customers, defined as commercial customers using 25,000 Mcf or greater annually, often have usage patterns that behave more similarly to industrial customers than

to heat sensitive customers. As a result, development of the large commercial customers' UPC is included in the next section with industrial customers.

Q. HOW WAS THE FORECAST FOR LARGE COMMERCIAL CUSTOMERS AND ALL INDUSTRIAL CUSTOMERS DEVELOPED?

A. The large commercial and all of the industrial volume projections were prepared using the actual, HTY history of volumes. The Company believes this is the best indicator of future usage trends for this group of customers. We then utilized the input of our sales representatives to incorporate significant known changes in usage patterns, if necessary.

Q. PLEASE EXPLAIN HOW THE NUMBER OF BILLS ARE ANNUALIZED.

A. Refer to Exhibit 3, Schedule 15, Attachment F, pages 1-2. The net change in customers for growth and attrition, as presented in column (2), is determined from customer count forecasts for Residential, SGS and MGS rate classes using regression methodology. Refer to **Peoples Statement No. 17 - the Direct Testimony of John Taylor,** for details of this methodology. For large Commercial and Industrial rate classes, actual numbers of customers and usage from the HTY are used to project future customer numbers, and the Company uses the input of our sales representatives to incorporate significant known changes. The details of this analysis are presented in Exhibit 3, Schedule 15, Attachment H, page 2.

Depicted in column 3 of Exhibit 3, Schedule 15, Attachment F, pages 1-2 is the change of customers between classes. The purpose of this column is to align the customers with the correct rate category, as compared to the HTY data. For example, customers may switch back and forth between sales and transportation service. Also, as a result of the annual

consumption review process, customers may move to another annual usage tier within the same category.

Q. PLEASE EXPLAIN HOW THE NUMBER OF BILLS ARE FORECASTED FOR THE FTY AND FPFTY.

A. The average annual change in number of customers, as determined by a customer forecast analysis, is described in **Peoples Statement No. 17 - the Direct Testimony of John Taylor**, for the FTY and FPFTY and is shown in Exhibit 3, Schedule 15, Attachment F, pages 3-6.

Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT G.

A. Exhibit 3, Schedule 15, Attachment G summarizes the adjustments to weather normalized volumes and to annualize and forecast customer counts for each of the pertinent time frames; HTY, FTY, FPFTY. The adjustments to annualize volumes for net customer growth and attrition and customer reclasses used in Attachment G are summarized in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment I.

Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT D.

A. **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D incorporates the summary information provided in **Peoples Exhibit No. 3, Schedule No. 15**, Attachments F & G in the first two columns of each page. These volumes and customer counts are then priced out at current rates to calculate the revenue at current rates shown in column 4. This exercise is repeated for each of the pertinent time frames; Adjusted HTY (pages 1-6), FTY (pages 7-12), FPFTY (pages 13-18).

Q. YOU HAVE DESCRIBED THE PROCESS FOR PREPARING THE CUSTOMER COUNTS AND USAGE FORECASTED FOR EACH CLASS. PLEASE EXPLAIN HOW THESE COUNTS AND VOLUMES WERE PRICED IN EXHIBIT 3, SCHEDULE 15, ATTACHMENT D.

A. The retail sales customers are priced at current tariff rates effective February 12, 2026. The transportation service is priced in two parts: customers subject to full tariff rates are priced at the current tariff rates effective February 12, 2026, and competitive customers that have negotiated rates are priced individually at their negotiated delivery rates. The Company also updated the DSIC rate from the currently effective rate of 3.57% to 5.00%, which is the annualized rate expected to be in effect when rates become effective in this proceeding. The negotiated delivery rate line item displayed in Exhibit 3, Schedule 15, Attachment D is the weighted average negotiated delivery rate for the group of competitive customers specific to each rate class.

Q. YOU MENTION NEGOTIATED DELIVERY RATES FOR COMPETITIVE CUSTOMERS. WHAT MAKES A CUSTOMER "COMPETITIVE"?

A. The Company's service territory is a productive market for competition in several ways, including competition among Natural Gas Distribution Companies ("NGDCs"), the ability for customers to bypass the system, and for customers to choose between natural gas and alternate fuels. Some of our commercial customers and most industrial customers have more than one service option available to them. These customers support important operational needs of the Company's system and also offset the cost of service for other

customers. In order to ensure that the Company maintains these accounts, it is necessary to flex our maximum delivery rates to remain competitive. Competitive customers are further discussed in **Peoples Statement No. 8 - the Direct Testimony of Luke Ravenstahl**.

Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT C, PAGES 3 - 6.

A. **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, pages 3-6 are comparable to the schedules presented in the same attachment on pages 1 and 2 and discussed on page 3, lines 4-23, and page 4, lines 1-3 in my testimony. Attachment C, page 3 starts with the pro forma revenue for the FTY as presented in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D, pages 7-12, and walks through the FTY gas costs and rider revenues to arrive at the annualized base revenue for the FTY at current rates. Attachment C, page 4 summarizes the annualized total revenue at present rates as shown **in Peoples Exhibit No. 3, Schedule No. 15**, Attachment D, pages 7-12. Annualized universal service rider revenues (column (3) of Attachment C) are reduced by annualized CAP expenses and net to zero. As a result, in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, universal service rider revenues are excluded from the schedule for the FTY and FPFTY periods, as also presented in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D, pages 7-18.

Q. PLEASE EXPLAIN THE PROPOSED REVENUES.

A. Exhibit 3, Schedule 15, Attachment O shows the allocation of proposed annual revenues by rate schedule based upon the class revenue requirements presented in **Peoples Statement No. 17 - the Direct Testimony of John Taylor**. Next, refer to **Peoples Exhibit**

No. 3, Schedule No. 15, Attachment E. **Peoples Exhibit No. 3, Schedule No. 15**, Attachment E is similar to **Peoples Exhibit No. 3, Schedule No. 15**, Attachment D in that it incorporates the summary information provided in **Peoples Exhibit No. 3, Schedule No. 15**, Attachments F & G in the first two columns of each page. However, the volumes and customer counts are then priced out at proposed rates to calculate the revenue at proposed rates shown in column 4. This exercise is repeated for each of the pertinent time frames; Adjusted HTY (pages 1-6), FTY (pages 7-12), FPFTY (pages 13-18). Schedules that summarize the comparison of current rates to proposed rates for each of the relevant time periods are shown in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment A.

III. OTHER OPERATING REVENUES

Q. PLEASE DESCRIBE, BY CATEGORY, THE OTHER OPERATING REVENUES INCLUDED IN THE HTY, FTY and FPFTY.

A. As displayed in **Peoples Exhibit No. 3, Schedule 15**, Attachment A, Line Nos. 19-27, seven accounts are presented as Other Operating Revenues. Account 487 is Forfeited Discounts which represents late payment charges applied to delinquent customer accounts. Account 483 presents sales for resale. This account contains the sales side of gas to third party suppliers. Account 488 is Miscellaneous Service Revenues which includes revenues from connection fees and service fees. Revenues from Transportation of Gas through Gathering Facilities is shown in Account 489.1 for Peoples Natural Gas. Account 493 provides revenue from rental of gas property. Account 495 includes several different items such as pooling and billing fees, off-system sales revenue, and other non-distribution revenues. Account 496 is Provision for Rate Refunds.

Q. LET'S BEGIN WITH THE FIRST ACCOUNT 483 - SALES FOR RESALE. DID YOU MAKE ANY ADJUSTMENTS TO THIS ACCOUNT?

A. As shown in **Peoples Exhibit No. 3, Schedule No. 15**, Attachment C, page 1 sales for resale are removed from the booked revenue as a normalization adjustment. Refer to **Peoples Exhibit No. 3, Schedule No. 15**, Attachment J. As mentioned, the entries in this account are for the sales side of gas to third party suppliers, but these sales are offset by the expense to suppliers, netting to zero. As a result, there is nothing forecasted for this account in any of the future periods.

Q. NEXT, ACCOUNT 487 - FORFEITED DISCOUNTS. DID YOU MAKE ANY ADJUSTMENTS TO THIS ACCOUNT?

A. Yes. The forfeited discounts are projected as a percentage of gross revenues. Refer to Exhibit 3, Schedule 15, Attachment L, page 1. This schedule shows the actual forfeited discounts as a percentage of gross revenues for the HTY is 0.59%. The gross revenues projected for each of the pertinent time frames are then multiplied by 0.59% to forecast the forfeited discounts amount for each period.

Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 488 – MISCELLANEOUS SERVICE REVENUES?

A. No. The historic revenues for these fees were used to forecast the FTY and FPFTY revenues.

Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 489.1 RELATED TO REVENUES FROM THE TRANSPORTATION OF GAS THROUGH GATHERING FACILITIES?

A. Yes. The Company has experienced declining revenues due to declining production during recent years. As a result, Peoples reflected a decline in the forecasted revenues based upon historical and known changes.

Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 493 – REVENUE FROM RENTAL OF GAS PROPERTY?

A. No. The historic revenues for these fees were used to forecast the FTY and FPFTY revenues.

Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 495 – OTHER GAS REVENUES?

A. No. The historic revenues for these fees were used to forecast the FTY and FPFTY revenues.

Q. FINALLY, DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 496 – PROVISION FOR RATE REFUNDS.

A. No.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as other issues arise during the course of this proceeding. Thank you.

Appendix A -
Filing Requirements Sponsored by Dawn Folks

Exhibit/SDR	Filing Requirement
Ex. 1, Sch. 6	53.53.II.C.1
Ex. 3, Sch. 1	53.52(a)(2)
Ex. 3, Sch. 2	53.52(a)(3)
Ex. 3, Sch. 3	53.52(a)(4)
Ex. 3, Sch. 4	53.52(b)(3)
Ex. 3, Sch. 5	53.52(b)(4)
Ex. 3, Sch. 6	53.52(b)(5)
Ex. 3, Sch. 7	53.52(b)(6)
Ex. 3, Sch. 8	53.53.III.E.4
Ex. 3, Sch. 9	53.53.III.E.6
Ex. 3, Sch. 10	53.53.III.E.8
Ex. 3, Sch. 11	53.53.III.E.9
Ex. 3, Sch. 12	53.53.III.E.10
Ex. 3, Sch. 13	53.53.III.E.11
Ex. 3, Sch. 14	53.53.III.E.13
Ex. 3, Sch. 15	53.53.III.E.14
Ex. 3, Sch. 16	53.53.III.E.15
Ex. 3, Sch. 17	53.53.III.E.20
Ex. 3, Sch. 18	53.53.III.E.37
Ex. 10, Sch. 1	53.53.III.E.12
Ex. 10, Sch. 2	53.53.III.E.19
Ex. 10, Sch. 4	53.53.III.E.38
Ex. 10, Sch. 5	53.53.III.E.39
Ex. 10, Sch. 6	53.53.III.E.7
Ex. 12, Sch. 9	53.53.III.E.31
Ex. 17, COS 13	VI.III.COS.13
Ex. 17, COS 15	VI.III.COS.15
Ex. 17, COS 18	VI.III.COS.18
Ex. 17, COS 21	VI.III.COS.21
Ex. 19, RR 2	VI.I.RR.2
Ex. 19, RR 3	VI.I.RR.3
Ex. 19, RR 4	VI.I.RR.4
Ex. 19, RR 5	VI.I.RR.5
Ex. 19, RR 6	VI.I.RR.6
Ex. 19, RR 7	VI.I.RR.7
Ex. 19, RR 8	VI.I.RR.8
Ex. 19, RR 9	VI.I.RR.9
Ex. 19, RR 10	VI.I.RR.10
Ex. 19, RR 11	VI.I.RR.11
Ex. 19, RR 12	VI.I.RR.12
Ex. 19, RR 16	VI.I.RR.16
Ex. 19, RR 35	VI.II.RR.35
Ex. 19, RR 45	VI.II.RR.45

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
EDWARD A. PALOMBO,
VICE PRESIDENT, RELIABILITY
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 5

PREPARED DIRECT TESTIMONY OF
EDWARD A. PALOMBO

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Edward A. Palombo. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as Vice President, Reliability.

Q. PLEASE STATE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I graduated from The Pennsylvania State University in August 1983 with a Bachelor of Science Degree in Petroleum and Natural Gas Engineering. After graduation, I was hired as a Project Engineer for Washington Gas Light Corporation. I progressed to leadership roles in the Distribution, Planning, and Design department, until January 1987 when I left to join Peoples Natural Gas, and have been employed since. During this time, I've held several leadership positions in the Operations departments, with responsibilities in PA, WV, OH, and KY. Currently, I am Vice President, Reliability and am responsible for directing the activities for Gas Supply & Transportation Services, Local Production Acquisition, Gas Control, System Planning, Pipeline Safety & Compliance, Employee Safety, Technical Training, and GIS.

Q. PLEASE LIST THE FILING REQUIREMENTS THAT YOU ARE SPONSORING AS WITNESS.

A. Please refer to Appendix A for a complete list of the filing requirements for which I am the responsible witness.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. My responsibilities which I will describe in separate sections of my testimony are:

1. Safety Programs
2. Peak Day and Annual Gas Supply Plan
3. Local Production - Gathering and Cost Recovery

SAFETY PROGRAMS

Q. PLEASE DESCRIBE SOME OF THE COMMITMENTS PEOPLES HAS MADE TO THE SAFE OPERATION OF ITS PIPELINE SYSTEM.

A. Peoples is strongly committed to safety and has established a comprehensive safety program that strives to protect employees, its customers, the public, and property. All levels of management and employees are responsible and accountable for safety and expected to continuously work together to foster and promote a healthy safety culture. This culture is integral to making safety a priority by incorporating the following into all Company activities: Management commitment at all levels of the organization; Employee engagement and accountability; Recognizing, controlling, and eliminating workplace hazards and unsafe behaviors; and Safety training and education. No employee will be

required to perform a task or job that they consider unsafe. Peoples complies with all applicable safety and health requirements and maintains occupational safety and health standards that equal or exceed best practices.

The Company demonstrates its commitment to safety by including a Safety component in the incentive compensation plan. In addition, all Operations Department employees also have a pipeline compliance component included in their individual performance expectations and incentive compensation goals.

Additionally, the Company engages our Compliance Process Managers, Safety Department, and the entire Operations leadership team on a regular basis by conducting weekly safety conference calls where injuries, accidents, operating procedures and guidelines, line hit damages, and near miss safety incidents are reviewed and discussed. Further, we have implemented procedures for ongoing safety observations of work activities by supervisors and rapid dissemination of injury details to all field leadership and union personnel. We also work closely with our unions to solve all safety-related issues and to communicate and advance safety initiatives throughout the organization. A component of this is managements and employees' commitment to operational and safety training at our Training Center where employees obtain hands-on experience through controlled simulations of emergency events and other real-life situations that enhance their safety awareness and hone their emergency response capability. We have also perfected our compliance work tracking system. This system schedules our prescribed, routine maintenance, compliance check work and provides for information system tracking of our planning and progress.

Q. PLEASE DESCRIBE THE COMPANY'S EMPLOYEE SAFETY PROGRAM.

A. Peoples' Employee Safety Program is multi-dimensional and includes numerous activities focused on accident prevention and compliance with applicable safety regulations. Safety is supported through active participation by operations leadership, a strong union management partnership, and engagement with industry organizations.

The three cornerstones of Peoples' Employee Safety Program are:

- Training and Education - where technical skills, emergency response, and specialized safety training are provided to employees, contractors, and external partners.
- Awareness and Communication – where weekly and monthly safety meetings, pre-job briefings, safety alerts, and intranet website resources are used to inform and refresh safety messaging.
- Investigations, Observations, and Safety Analysis – where safety incidents and risks are thoroughly investigated, discussed, trended, and mitigated.

Peoples continues to perform at or above the top quartile in safety performance, and received the American Gas Association ("AGA") Industry Leader Accident Prevention Award in the Very Large Gas Distribution category in 2023 and 2024. Peoples has also been recognized by the Energy Association of PA ("EAPA"), achieving several awards in 2023: the Safety Achievement Award, the Safety Improvement Award, the Safety Sustainability Award, and the Motor Vehicle Fleet Safety Achievement Award. In 2024, Peoples achieved the Safety Sustainability Award, the Motor Vehicle Fleet Improvement Award, and the Motor Vehicle Fleet Safety Achievement Award. 2025 industry metrics from AGA and EAPA have not been finalized, however Peoples achieved the best rates on

record for both Lost Time/Restricted Time ("LT/RT") injuries and Responsible Motor Vehicle Accidents ("RMVA").

Q. EARLIER YOU MENTIONED THE COMPANY'S TRAINING PROGRAM, COULD YOU DESCRIBE IT IN MORE DETAIL?

A. Peoples operates an in-house training facility in McKeesport, PA that provides multi-week introductory training for new hires, training for employees entering new job classifications, initial and refresher operator qualification ("OQ") training on covered tasks performed by each field classification for both employees and contractors, and supplemental training for field personnel. By providing training internally, as opposed to using a 3rd party vendor, Peoples is able to ensure training captures Company-specific processes and procedures, and this allows us to provide direct oversight of rigorous testing methods.

In addition to providing training to employees and contractors, the training team also conducts community outreach sessions for audiences beyond those affiliated with Peoples. These sessions include:

- First Responder Training: Emergency training for local volunteer fire departments
- Natural Gas Construction Heat Installation Training
- Natural gas utility and pipeline field skills training: This program is to prepare a new potential workforce for a career in the gas and pipeline industry.

Q. ARE THERE OTHER NOTEWORTHY SAFETY RELATED INITIATIVES THAT YOU WOULD LIKE TO DISCUSS?

A. Yes. Peoples has a well-established Corporate Safety Committee known as the CARE (Combined Accident Reduction Effort) Committee. This committee is comprised of senior leaders from Operations, Safety, and Bargaining Unit personnel whose sole purpose is to provide a cooperative forum for discussions on all safety-related issues and concerns. The main goal is to promote and support a strong safety culture, and to assure a safe and healthy work environment for all employees. Operations management meets monthly with the Salaried and Bargaining Unit CARE Coordinators to discuss safety matters that arise locally at their respective operating locations. The CARE Steering Committee meets quarterly to review and discuss more systemic issues that arise from the local shop discussions, and also Company-wide safety issues to evaluate and implement potential overall corrective actions.

Q. PLEASE PROVIDE AN UPDATE ON THE COMPANY'S SAFETY MANAGEMENT SYSTEM INITIATIVE.

A. Peoples continues to grow and expand the Pipeline Safety Management System ("PSMS") first initiated in 2018. Safety Management Systems have proven to be successful in many industries (aviation, nuclear, petrochemical to name a few) and are being widely adopted and implemented within the natural gas industry. As a result of the Merrimac, MA incident, many organizations, such as the AGA, the US Pipeline and Hazardous Materials Safety Administration ("PHMSA"), as well as state regulators, have recommended gas operators implement a safety management program related to pipeline operations. In 2020, Peoples completed a gap analysis on the API recommended practices to help develop the framework of the PSMS program. A Program Manager was hired in 2020 to lead the

implementation of the overall program, communicate the elements of the program with all operations employees, and develop the staff and resources for the program. Two QA/QC Specialists were hired in 2021 to conduct field audits of employees and contractors to ensure adherence to appropriate SOPs and Job Procedures when completing tasks and jobs.

The PSMS team has been currently focused on four primary functional areas of the operations: plastic fusions on pipeline replacement projects; working in and around live gaseous environments, construction tie-ins, and preventing/mitigating damages to meters and facilities. The PSMS team collects and compiles information from the field audits, analyzes the results for trends, and makes recommendations to the PSMS Steering Committee for revisions or additions to SOPs, Job Procedures, Training materials, etc. that may enhance pipeline safety and reliability. Peoples has targeted 2028 to reach API 1173 "mature status" on the PSMS elements, with three elements reaching maturity to date.

Q. PLEASE DESCRIBE WHAT THE COMPANY HAS DONE AND PLANS TO DO GOING FORWARD TO MANAGE THE RISKS ASSOCIATED WITH LEAKAGE.

A. Peoples has an extensive leak management and repair program with procedures and policies that are designed to ensure safe and reliable delivery of natural gas to our customers. Peoples has implemented enhanced operating procedures regarding leak mitigation to further ensure safety across its system, that also helps reduce emissions and improve the environment. These enhancements include adoption of: 1) the Gas Piping Technology Committee ("GPTC") Leak Classification and Action Criteria for Grade 1, 2, and 3 leaks; 2) operating procedures designed to identify and replace shorter sections of leak prone pipelines instead of repairing those sections; 3) procedures on the handling of

Grade 1 leaks (potentially most hazardous leaks) which require that Grade 1 leaks only be vented as a last resort, Peoples' Operations Management personnel being directly involved and consulted in Grade 1 leak situations, and vented Grade 1 leaks being monitored on a daily basis during frost/frozen ground conditions; and 4) a Leak Detection and Reduction ("LDAR") program that focuses on accelerated leak surveys on certain systems; reducing leaks on gathering pipes, and utilizing newer technologies for identifying potential leaks. Another effective leak mitigation measure is the accelerated replacement of older higher-risk bare steel pipelines under our Long Term Infrastructure Improvement Plan ("LTIIP"), that is described in more detail in **Peoples Statement No. 6 - the Direct Testimony of Paul Becker,** VP Engineering & Construction. As a result of these enhanced leak management efforts, Peoples has experienced a 66% reduction from 2022 to 2025 in outstanding unrepaired leaks at year end, and an 85% reduction since 2019.

PEAK DAY AND ANNUAL GAS SUPPLY PLAN

Q. AS THE WITNESS SUPPORTING THE ANNUAL AND PEAK REQUIREMENTS AND SUPPLY VOLUME PROJECTIONS USED IN THIS FILING, PLEASE GENERALLY DESCRIBE HOW PEOPLES FORMULATES ITS ANNUAL GAS SUPPLY PLAN.

A. Each year, Peoples projects its total system requirements and available sources of supply. On the requirements side of the analysis, Peoples develops throughput projections by various requirements categories including usage by class of customer. The Company then adds monthly projections for company use and lost and unaccounted for gas to arrive at total projected system requirements on a monthly basis.

Certain operational considerations play a role in the requirements analysis. For example, there are portions of Peoples' service territory that are not physically interconnected with the main portion of Peoples' facilities, particularly in the Grove City area. Similarly, there are portions of Peoples' service territory that require support from specific interstate pipeline delivery points at times of high demand, most notably the Punxsutawney area. As a result, Peoples analyzes alternative options in those areas to maintain adequate supplies to maintain reliable service.

On the supply side of the analysis, Peoples pursues a least-cost reliable-service strategy through a combination of local and interstate assets and supplies. Local assets include an on-system storage facility and the gathering system, which allows Peoples to enhance the delivery of gas supplies produced locally in western Pennsylvania. The Company's interstate assets are comprised of a portfolio of transportation and storage services with six interstate pipelines that provides Peoples with access to a variety of supply source locations. Using this gas supply portfolio, Peoples uses an economic dispatch approach that also takes into account reliability, operational requirements, and contractual obligations. Under that approach, Peoples reviews the cost of its various sources of supply and plans to use those that are least costly. The Company starts by base loading local supplies; that is, using local gas first. From there the Company then turns to the existing pipeline supply assets and existing gas supply agreements. These include the firm transportation and storage service agreements with interstate pipelines and the long-term firm gas supply commodity agreement with EQT Energy.

Q. HOW DOES PEOPLES TYPICALLY DETERMINE ITS CUSTOMERS' REQUIREMENTS AND ASSOCIATED GAS SUPPLIES ON A DESIGN PEAK DAY?

A. Peoples uses a regression analysis forecasting model that employs a number of variables including but not limited to temperature, and historical consumption levels. The design day average day temperature utilized in the model is minus 9 degrees Fahrenheit. The values assigned to consumption levels and the other variables change over time. Using send-out data for the four years ended May 2024 the Company calculated total system peak day design requirements of 1,487.6 MMcf per day.

Q. WILL THE COMPANY SUPPLY THE ENTIRETY OF THE 1,487.6 MMCF FOR ITS CUSTOMERS?

A. No. Peoples will supply 1,192.1 MMcf of the Company's customers' design day requirements of 1,487.6 MMcf. The supply of 1,192.1 MMcf per day includes the following components:

- Projected local gas volumes of 8.9 MMcf. This volume is based on a projection of the amount of local gas under contract to Peoples and available on a design day;
- The on-system storage design day supply of 55.3 MMcf reflects the expected volume of supplies available from the Company's on-system storage fields; and
- Interstate delivered gas of 1,127.9 MMcf projected to be received from Equitrans, Eastern Gas Transmission and Storage ("EGTS"), Tennessee Gas Pipeline Company, LLC ("Tennessee"), Texas Eastern Transmission Company ("TETCO"), Columbia Transmission ("TCO") and National Fuel Gas Supply Corporation ("NFG").

Q. WHY DOESN'T PEOPLES HAVE TO BE PREPARED TO SUPPLY ALL OF ITS CUSTOMERS' DESIGN DAY REQUIREMENTS?

A. Many of Peoples' customers, generally also its largest customers, that purchase their supplies from Natural Gas Suppliers ("NGSs") – customers whom the Company refers to as Non-Priority 1 or NP-1 – are responsible for acquiring their own design day assets at a level sufficient to deliver their average daily usage during that month. The Company expects those customers to deliver to the system 294.8 MMcf on a design day during the 1307(f)-2025 projected period.

Q. HOW DO THE DESIGN DAY REQUIREMENTS OF PEOPLES' SMALLER CUSTOMERS WHO PURCHASE THEIR SUPPLIES FROM NGSs FIT INTO PEOPLES' SUPPLY PORTFOLIO?

A. When a substantial alternative supply market for those smaller Priority 1 ("P-1"), or essential human needs customers, first began to develop on the Peoples system in 1997, Peoples addressed the design day requirements of those customers under a program of mandatory capacity assignment. Peoples' tariff requires that the P-1 customers acquire their design day capacity requirements from Peoples by means of mandatory assignment of capacity and that the P-1 customers must pay the costs of that assigned capacity through the capacity charge. The P-1 NGSs are expected to utilize the assigned capacity to deliver to the Peoples system sufficient supplies to meet the projected total usage for their P-1 customers on a design day during the 1307(f)-2025 projected period.

Q. IN ADDITION TO ITS CUSTOMERS' DESIGN DAY CAPACITY AND SUPPLY REQUIREMENTS, WHAT OTHER CUSTOMER REQUIREMENTS MUST PEOPLES GAS SUPPLY PORTFOLIO SATISFY?

A. Peoples must also satisfy the day-to-day supply requirements of Peoples customers who purchase supplies from Peoples, the day-to-day balancing requirements of NP-1 transportation customers, and the requirements for gas that either will be used in Peoples' operations (i.e., company-use gas) or that will be "lost or unaccounted for" because of various reasons.

Q. DOES PEOPLES USE ITS ANNUAL CONSUMPTION PROJECTIONS FOR THOSE CUSTOMERS WHO LIKELY WILL BUY THEIR SUPPLIES FROM NGSs FOR ANY PURPOSE IN THIS PROCEEDING?

A. Yes. Although those customers' capacity requirements are measured strictly by the demands that they will place on the Peoples system on a design peak day, Peoples recovers the costs of meeting those requirements through each Mcf that Peoples delivers to those customers throughout the year. In the case of P-1 customers, Peoples recovers the costs through a capacity charge per Mcf consumed. In the case of NP-1 customers, the recovery is through a balancing charge per Mcf consumed.

Q. HOW DO THE DESIGN DAY SUPPLY ASSETS COMPARE TO THE PROJECTED DESIGN DAY REQUIREMENTS?

A. As shown on **Peoples Natural Gas Exhibit No. EAP-1**, the Company is projecting that its design day supply assets will be within 0.73 MMcf of its design day requirements.

Q. PLEASE DESCRIBE HOW LOCAL GAS PURCHASES FROM CONVENTIONAL WELLS ARE USED TO SATISFY SYSTEM GAS SUPPLY NEEDS.

A. Peoples and NGSs operating on the Peoples system use natural gas produced from local shallow wells as a base load supply to meet customer's usage requirements. However, since 2012, local gas produced and delivered from conventional wells into the Company's system has declined year-over-year. In 2020, Peoples received supplies from conventional wells totaling approximately 37.1 BCF. In 2025, a total of approximately 26.2 Bcf of conventional production was delivered into the Peoples' systems. Over this six-year period, this represents a total decline of 10.9 Bcf, or 29%. A reversal of this ongoing decline is not expected.

Q. DOES PEOPLES HAVE A POLICY REGARDING ADDITIONAL MARCELLUS SHALE WELL PRODUCTION?

A. Peoples' current role in the development of Marcellus Shale has been to provide producers of unconventional gas with similar access to both on-system and off-system markets as provided to conventional producers. Peoples has been able to accept Marcellus Shale production into its systems on a case-by-case basis, using the same analysis for Marcellus Shale production tap requests that it uses for conventional production tap requests. The analysis includes (i) the location and quantity of gas supply, (ii) the unused pipeline capacity at the proposed injection point, (iii) the anticipated gas quality and the investment required to resolve gas quality issues, and (iv) the impact of the production on existing base load supplies from local and interstate alternatives.

Peoples' market fundamentally benefits from having access to additional direct feed local Marcellus Shale production. It provides a replacement supply for declining conventional production volumes. Also, local gas supplies, including gas produced into the Peoples' system from both conventional and Marcellus wells, represent a lower cost supply than interstate delivered gas. Peoples plans to remain involved in finding opportunities to utilize Marcellus Shale gas produced in Peoples' service territory, and is actively pursuing new interconnects with midstream systems to support this goal.

LOCAL PRODUCTION - GATHERING AND COST RECOVERY

Q. PLEASE DESCRIBE GENERALLY THE TRADITIONAL GATHERING PIPELINE SYSTEM.

A. Gathering systems are pipeline facilities that have the primary purpose of moving conventionally produced gas from production fields to transmission and distribution facilities for delivery to end use customers. In contrast, distribution pipelines generally are a system of mains and service lines that primarily function to deliver natural gas to individual homes and businesses. However, in some instances, customers and small distribution systems are connected directly to gathering systems in rural areas where it is not economical to extend pipelines from the major distribution centers because of the low density of potential customers.

In addition to gathering pipelines, gathering systems also typically include compression facilities and equipment to monitor and treat the gas. Gathering compressors are used to increase the flow of local production by raising the gathering pipeline pressure to the pressure of the pipeline that the gathering pipeline feeds into, typically a transmission pipeline

or higher pressure gathering or distribution pipeline. Gas monitoring and treatment is another part of a gathering system. Peoples requires producers to remove water and other contaminants from the gas delivered to the gathering system. In some cases, the gas is further treated by Peoples at compressor stations where dehydration facilities are installed to remove water prior to delivering gas to transmission or distribution systems.

There are also situations where Peoples receives locally produced gas directly into its distribution and transmission systems. This production can be from both conventional and unconventional sources.

Q. DO GAS PRODUCERS BENEFIT FROM GATHERING SYSTEMS?

A. Yes. Producers benefit from gathering lines because, in most cases, it is their only means to get their gas production to a market. The gas produced into the gathering systems originates from conventional wells. Generally, gathering systems cannot be used to receive and deliver higher pressure gas produced from unconventional sources such as Marcellus Shale.

Q. DO CUSTOMERS BENEFIT FROM LOCAL PRODUCTION AND GATHERING SYSTEMS?

A. Yes. Customers receive a notable cost savings benefit from local production delivered into the Peoples' systems. Production directly feeding utility pipelines avoids costly interstate pipeline charges, which typically include fixed reservation charges for interstate pipeline reservation space, usage charges to cover variable interstate pipeline costs and retainage to cover gas loss and gas used in interstate pipeline operations.

Q. HAS THE COMPANY PREPARED A COMPARISON OF THE COST PER MCF OF DELIVERING GAS THROUGH INTERSTATE PIPELINES TO THE COST OF DELIVERING GAS THROUGH THE COMPANY'S GATHERING SYSTEM?

A. Yes. **Peoples Natural Gas Exhibit No. EAP-1** provides this comparison for the projected twelve months ended December 31, 2027 ("Fully Projected Future Test Year" or "FPFTY"). It shows that gas produced into and delivered through the gathering systems is notably less costly than gas procured on and delivered from Peoples' interstate pipeline suppliers. The total average cost of gas delivered via the gathering system for the FPFTY is estimated at $3.08 per Mcf. The total average cost of gas delivered via the interstate systems for the FPFTY is estimated at $3.48 per Mcf. This results in an estimated cost savings of $0.40 per Mcf for the local gas purchased by Peoples' for its on-system customers alone. Customers that purchase local gas supplies from third party marketers or NGSs can reasonably be expected to receive a similar cost per Mcf savings benefit. As noted in **Peoples Natural Gas Exhibit No. EAP-1**, this analysis reflects the various costs incurred by Peoples' ratepayers for the FPFTY which include: the projected average commodity cost of gas delivered to the Peoples' system; Peoples' costs to own and operate the gathering systems (including gathering Unaccounted For Gas ("UFG")); and interstate pipeline costs for capacity, retainage, and delivery. In **Peoples Statement No. 17 – the Direct Testimony of John Taylor,** Mr. Taylor calculated and presented testimony in support of the projected non-gas costs incurred by Peoples to own and operate the PNG gathering system.

Q. DOES INTERSTATE PIPELINE GAS AND LOCAL GAS SERVE THE SAME PURPOSES?

A. While both supply sources provide the gas supply needed by the customer, pipeline gas is much more flexible in that it is provided to the Company at significantly higher pressure which is required in peak periods of usage and for injection into storage. The amount of pipeline gas entering the Company's system can also more easily be adjusted up or down to meet the daily gas consumption swings due to weather. In addition, pipeline gas generally meets higher quality standards relating to containing impurities and water and creates fewer operational problems.

Q. HOW SHOULD THE BASE RATE COSTS OF THE GATHERING SYSTEM BE RECOVERED?

A. Gathering system costs are incurred to provide a market for supplies produced by local wells and to provide cost effective gas supplies to customers. In my opinion, it is appropriate for both producers and customers to share in paying these costs.

Q. WHAT FACTORS SHOULD BE CONSIDERED IN ALLOCATING THESE COSTS BETWEEN CUSTOMERS AND LOCAL SUPPLIERS?

A. As I have noted previously, customers benefit from obtaining local gas at a cost lower than interstate pipeline gas. The gathering system lowers the amount of interstate pipeline capacity that is required to serve customers and lowers pipeline demand costs recovered from all sales and transportation customers. In addition, customers served directly from the gathering system receive their service from gathering pipelines and not distribution

pipelines. Finally, some of Peoples' distribution areas are served only by local gas from the gathering systems.

Producers derive substantial benefit from the gathering facilities as it is their source to a market. In addition, Peoples operates its gathering and distribution systems to facilitate the introduction of lower pressure gas from conventional wells into its system.

While it is difficult to specifically quantify these benefits between producers and customers, it is clear that both producers and customers benefit from the gathering systems.

Q. ARE THERE ANY UNIQUE OPERATIONAL ISSUES AND/OR COSTS ASSOCIATED WITH GATHERING SYSTEMS?

A. Gathering systems present operational challenges uncommon to distribution. Since the facilities typically are in rural areas, and consist of many measurement delivery points, potential leaks are not as readily detectable. This can contribute to potential higher lost and unaccounted for gas than on distribution systems, as well as higher methane emissions. Peoples has attempted to mitigate this by operating and maintaining gathering assets under the same guidelines as distribution assets. While not required by federal codes, Peoples conducts leak surveys on its gathering pipelines at intervals similar to distribution pipelines, and schedules gathering line leak repairs accordingly.

Q. HOW DOES PEOPLES PROPOSE TO RECOVER THE COSTS OF THE GATHERING SYSTEMS?

A. There is a practical limit to how much of the gathering system costs can be recovered from producers. The projected average market price that producers will receive for their gas

purchased by Peoples for system supply is $2.22/Dth for the projected twelve months ended December 31, 2027 (FPFTY). These prices are low by historical standards and it is likely that this has contributed to the reduction of production from conventional wells since 2012.

Peoples currently charges a $0.24/Mcf fee to producers for gathering system costs through its existing Rate Schedule Appalachian Gathering Service ("AGS") for all conventional gas production delivered to the Peoples system. This gathering service fee covers less than one-third of the costs to operate the gathering facilities. As previously stated, both producers and customers benefit from local production suppliers and therefore both should contribute to the gathering cost of service. Also, as noted in **Peoples Statement No. 6 – the Direct Testimony of Paul Becker**, Peoples is proposing to increase the annual capital investment to replace and upgrade certain gathering pipelines beginning in 2027.

As a reasonable shared contribution to cover increase operating and maintenance costs, as well as increased capital to upgrade gathering lines, Peoples proposes to increase this gathering fee to $0.29 per Mcf. This rate was developed by taking the current gathering revenue recovery of about $7.4 million and applying an increase of 13.8% which represents the overall total increase in revenue the Company is seeking in this proceeding. This results in the need to collect about $8.4 million of revenue from customers. About $1.9 million of this will be recovered from producers under a negotiated rate and thus the remaining $6.6 million of revenue will be collected from the full tariff volumes of 23.1 Bcf which results in the $0.29 per Mcf gathering rate. This results in the gathering revenue contributing about 26% towards the gathering system cost of service which is in the range of prior cases. These producer fees help offset customers' share of gathering costs, without creating an economic

disincentive to producers to continue to produce low cost gas supplies into the Peoples' systems.

Q. HOW MUCH GATHERING REVENUE DOES THE COMPANY PROJECT TO RECOVER IN THE FULLY PROJECTED FUTURE TEST YEAR?

A. The annual volume projection of conventional production on Peoples system that will be subject to the gathering fee for the FPFTY is 23 Bcf. This volume projection was based on recent actual production levels adjusted to reflect current production decline trends. The resulting revenues to be paid for by conventional well producers for the FPFTY is projected to be $5.5 million.

Q. YOU MENTIONED EARLIER IN YOUR TESTIMONY THAT PEOPLES ALSO RECEIVES UNCONVENTIONAL SUPPLIES INTO ITS SYSTEMS. ARE THERE GATHERING FEES ASSESSED TO PRODUCERS BY PEOPLES FOR UNCONVENTIONAL SUPPLIES, AND IF SO, WHAT ARE THE EXPECTED ANNUAL REVENUES?

A. Yes. As set forth in the existing tariff rate schedule – AGS (Peoples Natural Gas Exhibit No. 14, Schedule No. 1), Peoples charges a rate for gathering natural gas produced from unconventional sources that is determined through negotiation. It's important that this rate be negotiable because Peoples needs to compete with midstream and interstate pipelines to acquire this gas supply. Marcellus producers generally have multiple options to get their gas to market. Based on the negotiated rate currently charged to existing unconventional producers and the associated expected annual volumes produced from unconventional

sources for the FPFTY, Peoples projects to generate $1.8 million in annual gathering fees from unconventional gas producers for the FPFTY period.

Q. BASED UPON THE COMPANY'S FPFTY PROJECTION OF RECOVERIES UNDER THE GATHERING CHARGES TO CONVENTIONAL AND UNCONVENTIONAL PRODUCERS, HOW MUCH OF THE GATHERING COSTS WILL BE RECOVERED?

A. The Company projects that it will recover $9.4 million, a $2.4M or 34% increase over the existing revenue of $7.0M at present rates.

Q. HOW DOES THE COMPANY PROPOSE TO RECOVER THE REMAINDER OF THE GATHERING COSTS THAT ARE NOT PROJECTED TO BE RECOVERED FROM PRODUCERS?

A. We have directed Mr. Taylor to allocate the remaining costs to the various customer classes. He uses a volumetric allocation factor to assign gathering plant and associated expenses to customer classes based on the percentage of annual gas volumes in each class supplied by Pennsylvania gas producers. This is consistent with the methodology used in the Company's last base rate proceeding.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as other issues arise during the course of this proceeding. Thank you.

APPENDIX A

Exhibit	**Filing Requirement**
Ex. 10, Sch. 3	53.53.III.E.22
Ex. 12, Sch. 1	53.53.III.E.5
Ex. 12, Sch. 2	53.53.III.E.18
Ex. 12, Sch. 3	53.53.III.E.23
Ex. 12, Sch. 4	53.53.III.E.24
Ex. 12, Sch. 5	53.53.III.E.26
Ex. 12, Sch. 6	53.53.III.E.30
Ex. 12, Sch. 7	53.53.III.E.36
Ex. 12, Sch. 10	53.53.IV.B.11
Ex. 12, Sch. 11	53.53.I.C.1
Ex. 12, Sch. 12	53.53.III.E.28
Ex. 12, Sch. 15	53.53.III.E.3
Ex. 12, Sch. 16	53.53.IV.B.14
Ex. 13, Sch. 7	53.53.III.E.27
Ex. 15, Sch. 2	53.53.I.C.2
Ex. 15, Sch. 3	53.53.IV.B.8
Ex. 17, COS-10	COS 10
Ex. 17, COS-11	COS 11
Ex. 17, COS-12	COS 12
Ex. 17, COS-14	COS 14
Ex. 17, COS-16	COS 16
Ex. 17, COS-17	COS 17

Cost Comparison - Local Gas Purchased and Delivered via Gathering vs. Interstate Supplied Deliveries (Peoples Natural Gas and Peoples Gas Combined)

Index - EGTS Appalachian Index Cost per Dth 1/ $ 2.22 / Dth

	Local Gas via Gathering				Interstate Gas*			
Commodity Cost 2/		$ 2.3088	/ Mcf			$ 2.3088	/ Mcf	
Gathering UFG (A) or Interstate Retainage (B)	7.33%	$ 0.1692	/ Mcf	A	1.50%	$ 0.0346	/ Mcf	B
Producer Contribution - Gathering Retainage 3/	-2.47%	$ (0.0570)	/ Mcf					
Delivery Cost to City-Gate		$ -				$ 0.1027	/ Mcf	
Gathering System Cost (A) or Interstate Capacity (B)		$ 0.9200	/ Mcf	A		$ 1.0301	/ Mcf	B
Producer Contribution - Gathering Fee 4/		$ (0.2600)	/ Mcf			$ -		
Total Delivered Cost		**$ 3.0810**	/ Mcf			**$ 3.4762**	/ Mcf	

$ 0.3952 Local Gas Discount

* Based on weighted average cost of all existing Peoples Natural Gas interstate FT and storage contracts.

1/ EGTS Appalachian Index Price as estimated for the FPFTY - October 2024 through September 2025 as of 12/11/2023

2/ Commodity Cost for Local Purchases is 100% EGTS App Index and interstate supplies are converted from Dth to Mcf at 1.04 system average Btu.

3/ Gathering retainage level recovered from producers on the PNG & PG system.

4/ Gathering Fee is the producer paid fee under Peoples' proposed Appalachian Gathering Service rate schedule for the FPFTY - Oct. 2024 - Sept. 2025.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
PAUL BECKER
VICE PRESIDENT, CONSTRUCTION & ENGINEERING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Natural Gas Statement No. 6

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Paul Becker. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as the Vice President, Construction and Engineering.

Q. PLEASE STATE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I have worked in the gas energy industry for four decades and now work as Vice President, Construction & Engineering at Peoples, a position I have held since 2017. I am responsible for the design and construction of natural gas facilities, specifically relating to transmission, storage, gathering and distribution. I received my Bachelor of Science in engineering from the University of Pittsburgh and a Master of Business Administration from Duquesne University. I am a registered professional engineer in Pennsylvania and a member of the American Society of Civil Engineers, the Energy Association of Pennsylvania, and the American Gas Association.

Q. WHAT ARE YOUR RESPONSBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. I will describe the Company's four major pipeline capital programs which make up the majority of the Company's overall capital budget. Moreover, I will provide an update as

to the progress the Company has made with respect to its pipeline capital programs and why the Company should continue to invest in these programs. I will also address investments made in Storage Assets, Intelis Meters, and a project to provide a second supply feed to the Altoona Service area.

From 2023-2025, 92% ($1.59 billion of $1.72 billion) of the Capital Investment in Pennsylvania was invested in pipelines and other gas handling infrastructure. This significant commitment to infrastructure investment continues in this proposed rate case with $1.4 billion of $1.5 billion or 94% invested in gas handling infrastructure.

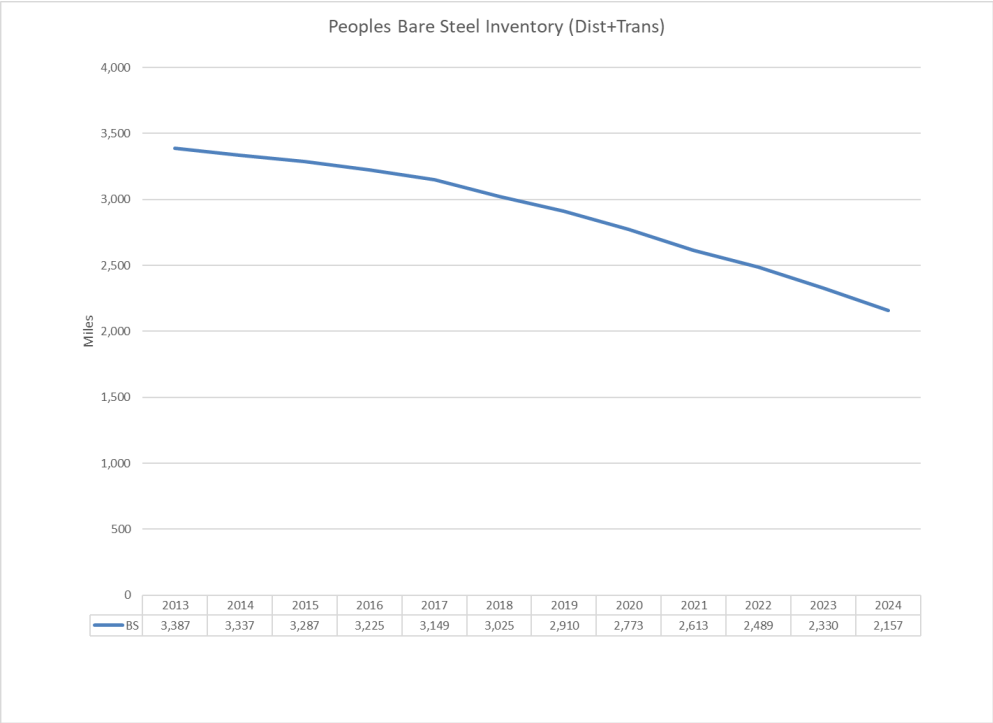
PIPELINE CAPITAL WORK PLAN

Q. PLEASE GENERALLY DESCRIBE WHAT THE COMPANY MEANS BY PIPELINE CAPITAL WORK.

A. The Company is engaged in various programs to modernize its infrastructure (pipelines and related facilities) to maintain the safety and integrity of its natural gas distribution system. As part of its modernization efforts, the Company performs the replacement, improvement and retirement of its pipelines (and related facilities) on a daily basis. The Company's most significant modernization program in terms of cost and mileage is its Long-Term Infrastructure Improvement Plan ("LTIIP"). The Company anticipates that since its last base rate case in 2023 through the end of the Fully Projected Future Test Year ("FPFTY") presented in this filing, it will spend nearly $2.3 billion to replace more than 1,250 miles of its aging infrastructure.

While this investment is significant there is more work to be done. As shown in the Chart below, as of year-end 2024, Peoples still had over 2,000 miles of aging bare steel

Distribution and Transmission pipelines in operation. The point here is that while we have made significant progress, significant inventory remains to be replaced. Significant investment is still needed for years to come.



In addition to its LTIIP, the Company has three other pipeline programs.

Q. PLEASE GENERALLY DESCRIBE THE COMPANY'S FOUR MAJOR CAPITAL PIPELINE WORK PROGRAMS.

A. The four programs include the Company's Long-Term Infrastructure Improvement Plan ("LTIIP"), the Gathering Pipeline Replacement Program ("GP Replacement Program"), the Goodwin Tombaugh Program ("GT Program") and the Mainline Extension Program ("MLX Program").

(1) The Company's LTIIP is a multiyear program targeting primarily the replacement of distribution and transmission bare steel and cast/wrought iron pipelines.

The Company's current five-year LTIIP was approved by the Commission on December 18, 2025 and is in effect January 1, 2026 through December 31, 2030[1]. The five-year program targets replacement of a total of 930 miles of pipeline. The as-filed anticipated total costs of the current LTIIP program for the years 2026-2030 are approximately $3.2 billion.

(2) The GP Replacement Program is an annual program primarily targeting the replacement and/or abandonment of bare steel gathering pipelines. The GP Replacement Program targets between 23 and 77 miles annually of gathering pipeline for abandonment or replacement at an estimated cost of $10-$40 million annually.

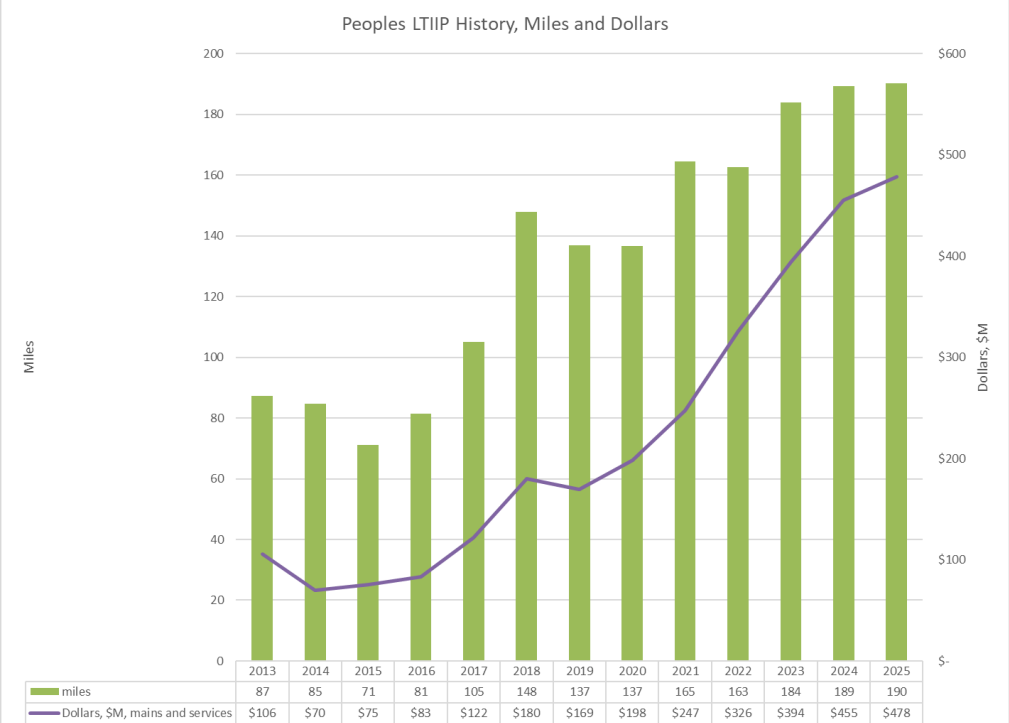
(3) The GT Program is a program specifically targeting the replacement and conversion of an aging legacy gathering system. The replacement of the GT system was a settlement requirement stemming from the 2020 acquisition of Peoples by Essential Utilities, Inc[2]. The settlement requires the Company to replace over 300 miles of the GT pipeline over a seven-year time frame for an estimated total cost of $120 million. Under the acquisition settlement, as the GT plant is completed and placed in service, the plant is transferred to Peoples, regulated under the Commission's jurisdiction and classified as distribution pipeline and operated for safety purposes following all provisions under 49 C.F.R. § 192 for distribution pipeline. See Settlement § A, ¶¶ 29-40[3]. Consistent with the Settlement, as Peoples has replaced GT plant, the new plant has been transferred to Peoples and included in distribution plant.

[1] Docket No. P-2025-3057167
[2] Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063
[3] Id.

(4) The MLX Program is an annual program encompassing the construction of mainlines, meters, and services associated with new customers coming onto the Company's system. Typically, the MLX Program adds about 30-40 miles of distribution pipeline (and associated meters and services) for an estimated cost of $30- $40 million, annually.

Q. PLEASE SUMMARIZE THE COMPANY'S PIPELINE CAPITAL WORK ACCOMPLISHMENTS/INVESTMENTS.

A. LTIIP – As of year-end 2025, approximately 891 miles or 102% of the projected 871 total miles in the Company's 2021-2025 LTIIP have been replaced at a cost of $1.90B or 103% of the estimated program costs for mains and services of $1.84 billion. The chart below shows the LTIIP program since 2013. The table below provides a summary of the Company's current LTIIP results from 2021 through year end 2025.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
miles	87	85	71	81	105	148	137	137	165	163	184	189	190
Dollars, $M, mains and services	$106	$70	$75	$83	$122	$180	$169	$198	$247	$326	$394	$455	$478

LTIIP 2021-2025								
Mains and Services Only								
LTIIP		Miles				Dollars, Millions		
LTIIP Program year	Year	Plan miles	actual miles	actual PTD miles	% actual to plan each year	Planned costs (24+ major mod)	actual costs	% actual to plan each year
1	2021	159	165	165	103%	$247	$247	100%
2	2022	159	163	327	102%	$326	$326	100%
3	2023	181	184	511	102%	$394	$394	100%
4	2024	186	189	700	102%	$430	$455	106%
5	2025	186	190	891	102%	$446	$479	107%
Total		871	891		102%	$1,843	$1,901	103%

As the table above shows, Peoples has an established and proven performance track record to install the pipe it targets and invest the associated capital. The 2026-2030 LTIIP was approved on December 18, 2025 and its summary table is shown below. The first two years of this 2026-2030 LTIIP is included in this proposed rate case.

LTIIP 2026-2030 Total								
LTIIP		Miles				Dollars, Millions		
LTIIP Program year	Year	Plan miles	actual miles	actual PTD miles	% actual to plan each year	Planned costs	actual costs	% actual to plan each year
1	2026	186		0	0%	$ 606		0%
2	2027	186		0	0%	$ 625		0%
3	2028	186		0	0%	$ 648		0%
4	2029	186		0	0%	$ 672		0%
5	2030	186		0	0%	$ 698		0%
Total		930				$ 3,249	$ -	

GP – From 2019 through 2025 the Company has replaced or abandoned more than 275 miles of its bare steel gathering pipeline for a total cost of approximately $30 million. The

following table summarizes the Company's GP Program results from 2019 through 2025:

GP	miles				dollars, millions	
Year	pipe replaced	pipe abandoned	total	cumulative total	capital	cumulative capital
2019	17.5	15.2	32.7	32.7	$ 7.37	$ 7.37
2020	12.1	39.0	51.1	83.8	$ 4.23	$ 11.60
2021	11.9	56.0	67.9	151.7	$ 3.62	$ 15.22
2022	11.2	36.3	47.5	199.2	$ 5.29	$ 20.51
2023	8.9	16.2	25.1	224.3	$ 5.02	$ 25.53
2024	6.1	20.7	26.8	251.1	$ 2.29	$ 27.82
2025	5.8	20.7	26.5	277.6	$ 1.76	$ 29.58
total	73.5	204.2	277.6		$ 29.58	

As the table shows, Peoples has been able to abandon significant portions of the Gathering System. This has been accomplished without an adverse service impact to customers. By abandoning over 200 miles of Gathering Pipe, Peoples has been able to keep the overall cost of the GP program since 2019 to just under $30 million for about 277 miles. Peoples will continue to evaluate gathering pipeline systems for potential segment abandonments. The five-year plan is to continue to replace gathering pipelines as outlined in the table below. The increase in 2027 comes from redirecting pipeline contractor resources from GT (discussed below) to gathering in 2027 and beyond.

GP	miles	dollars, millions
Year	Miles pipe	capital
2026	23.0	$ 10.10
2027	77.0	$ 35.80
2028	77.0	$ 37.20
2029	77.0	$ 38.70
2030	77.0	$ 40.20
total	331.0	$ 162.00

GT - As of year end 2025, the Company has replaced or abandoned 286 miles or 79% of the targeted GT pipe in the Company's system for a cost of $73 million or 61% of the

original $120 million estimate. The Company is meeting its mileage commitment and carrying out the terms of the settlement approving the Company's GT plan[4]. Please see the table below for the Company's progress on its GT Program since 2020:

GT		Miles							dollars			
program year	year	modified actual plan	actual	replaced	abandoned	PTD	% complete	remaining miles	mod plan	actual	PTD	% complete
1	2020	26	26.2	5.5	20.8	26.2	7%	333.8	$2,775,068	$2,775,068	$2,775,068	2%
2	2021	43	43.0	12.2	30.8	69.2	19%	290.8	$9,888,600	$9,888,600	$12,663,668	11%
3	2022	34	33.8	24.1	9.8	103.0	29%	257.0	$13,556,816	$13,556,816	$26,220,484	22%
4	2023	56	55.8	40.2	15.6	158.8	44%	201.2	$13,631,002	$13,631,002	$39,851,486	33%
5	2024	57	57.0	43.5	13.5	215.8	60%	144.2	$12,569,496	$12,569,496	$52,420,982	44%
6	2025	70	70.0	59.3	10.7	285.8	79%	74.2	$20,521,227	$20,521,227	$72,942,209	61%
7	2026	74										
Total		**360**	**285.8**	**184.7**	**101.2**							

To date there have been no adverse impacts to existing GT customers (switched 571 customers to the new pipe). Throughout the process, the Company evaluated ways to achieve efficiencies and minimize costs. A prime example of such efficiencies is that by leveraging system overlap Peoples has been able to abandon over 100 miles without impacting service to customers. Some of these additional abandonments have been offset by additional miles rerouted from rights of way to along the road, thereby minimizing environmental impacts and positioning the new distribution pipe to serve future loads. And over the course of the project some existing plastic and coated steel within the system also had to be replaced and/or abandoned. The net impact of these changes is that the project has encompassed the replacement or abandonment of about 360 miles of pipe. However, the footprint of the GT system after abandonment as of the end of 2025 has been reduced to 296 miles. A net reduction of about 70 miles (or 19%) from the 367 mile starting point.

[4] Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063

Please note that the Company is proposing to include the plant and costs associated with maintaining the GT system in the claim in this case. Please refer to **Peoples Statement No. 2 – the Direct Testimony of Andrew P. Wachter** for further discussion.

MLX - Since 2020, the Company has installed approximately 211 miles of mainline pipe for a total cost of approximately $161 million. Such mainline extensions vary from a short section for a single customer to miles long segments to and in subdivisions serving tens or hundreds of customers. The Company's Tariff Rule 4 addresses the Company's extension of its facilities and is consistent with the Commission's regulations. The Company adheres to these tariff provisions when analyzing potential mainline extension projects. The following table summarizes the Company's progress on its MLX program since 2020:

MLX	Miles		Dollars, Millions	
Year	pipe installed	cumulative total	capital	cumulative capital
2020	35	35	$ 22	$ 22
2021	24	59	$ 21	$ 42
2022	42	101	$ 28	$ 71
2023	38	139	$ 33	$ 104
2024	33	172	$ 29	$ 132
2025	39	211	$ 29	$ 161
total	211		$ 161	

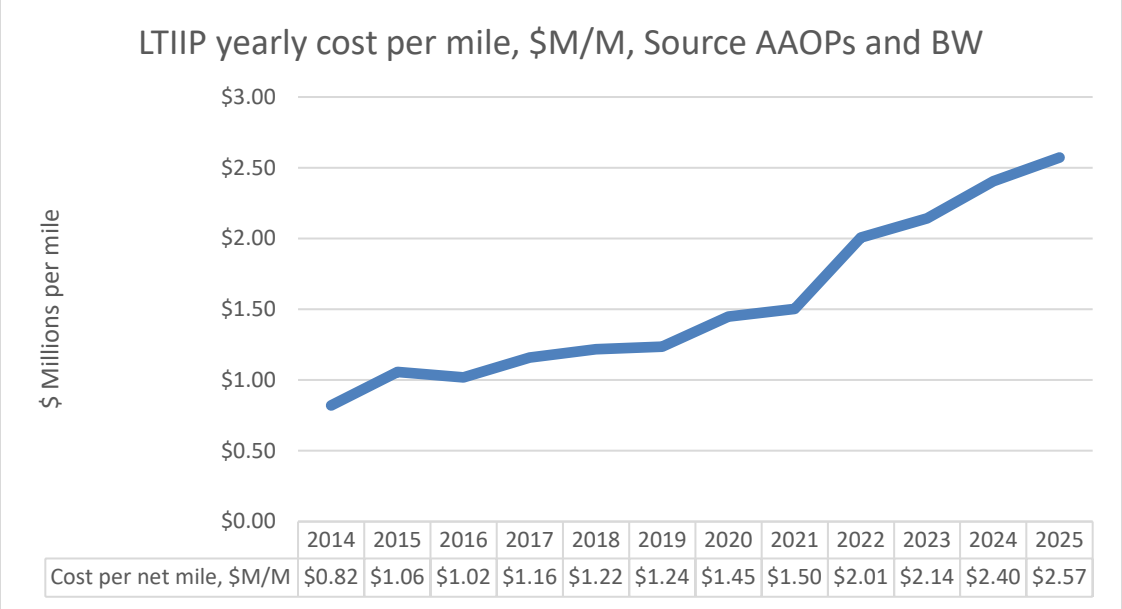
There are over 12,000 projected connections associated with these projects.

Q. WHAT ARE THE DRIVERS FOR LTIIP COST INCREASES?

A. The cost increase between the 2021-2025 LTIIP and the 2026-2030 LTIIP is $1.2 billion or about 60%. The major reasons for this cost increase are as follows:

Component	Approximate Value/% of the difference	Comment
Inflation (CPI-U)	$341 million (28%)	When comparing both programs in 2025 dollars.
Intelis Meter Program	$197 million (16%)	The estimated cost of the proposed five year Intelis meter change project.
Increase in miles	$251 million (20%)	Additional program miles and an anticipated fewer miles of additional abandonments.
Portfolio changes	$451 million (36%)	More challenging projects and damage prevention policy changes.

The graph shown below details the average cost per mile of the Company's LTIIP program. From 2016-2019 the average cost per mile for the Company's LTIIP grew at an average annual compound growth rate of approximately 4% per year. From 2020-2022 the average cost per mile grew at an average annual compound growth rate of approximately 17% per year. From 2023 through 2025 the average cost per mile grew at an average annual compound growth rate ("CAGR") of approximately 8.6% per year.



The table below shows the cost increases by component. One, the CAGR was considerably higher than inflation from the 2019-2022 period. Two, restoration has grown significantly more than the other components and remains in double digit growth. Three, since 2023, and with the exception of restoration, cost growth has been modest and reasonable. And finally, restoration as a proportion of the total cost of the project has grown from 25% to 35%.

Cost per mile CAGR		
Component	2019-2022 CAGR	2023-2025 CAGR
restoration	19.1%	11.4%
contractor	19.6%	1.4%
overhead	7.2%	2.6%
company	12.8%	0.3%
total	15.6%	3.8%

Percent of project		
Component	avg 2019-2022	avg 2023-2025
restoration	25%	35%
contractor	33%	32%
overhead	27%	24%
company	8%	7%
other	7%	2%
total	100%	100%

While the cost data clearly shows increasing costs the Company has the following strategies and programs in place that help minimize the cost increases.

1. Synergy projects: Since 2014 when the three legacy utility companies (Peoples Natural Gas Company LLC, TWP and Equitable Gas) became affiliates, the Company has been able to avoid an estimated $60 million of pipeline projects by replacing one pipeline when two companies had facilities on the same street, by making connections and eliminating redundant company pipelines and by switching customers to one facility.
2. Additional Abandonments: Additional Abandonments are a significant cost-

saving component of the LTIIP program. Since 2021 the replacement of over 100 miles of pipeline has been avoided by leveraging system overlap and reviewing hydraulic models. Such additional abandonments have been realized without adverse impacts to customers and saved an estimated $200 million.

3. Restoration Co-ops – Co-ops can take the form of partnering and coordinating work with other Utilities and entering into agreements with local municipalities that allow/require the municipality to pave a Company Pipeline Project with their local paving companies in conjunction with other local paving projects. This simplifies and streamlines the paving schedule, shifts responsibility and often results in lower cost to Peoples. Over 200 Co-op projects have been completed since 2018, with 150 of those in the last five years. Since 2023 the estimated cost savings related to Co-ops is about $3.5 million.

Q. WHAT ARE THE PROJECTED FUTURE TEST YEAR ("FTY") AND FPFTY AMOUNTS FOR THE COMPANY'S PIPELINE CAPITAL WORK PROGRAMS IN THIS FILING?

A. The Peoples' estimated Pipeline Capital Work Plan (including LTIIP (mains and services), GP, GT and MLX) spend for the FTY and FPFTY is $604 million and $632 million, respectively. Peoples estimates that it will spend over $1.1 billion in LTIIP (mains and services) spending alone over the FTY and FPFTY.

Q. WHY SHOULD THE COMPANY BE ALLOWED TO CONTINUE ITS CAPITAL WORK AS EXPLAINED IN THIS TESTIMONY?

A. Through its capital work programs, the Company is able to modernize its infrastructure from which it ultimately serves homes and businesses in its service territory. By replacing its aging infrastructure and installing state of the art infrastructure, the Company is able to ensure the safe and reliable delivery of natural gas service to its customers. Moreover, upgrading older pipelines helps to protect the environment by reducing methane emissions associated with leak prone, older pipelines. The Program Tables above shown that Peoples consistently executes its capital plans year after year. The Company has proven it can execute its capital plans and should be able to continue its capital program spending at the estimated levels identified in its FTY and FPFTY to meet its infrastructure investment commitments and for the continued safe and reliable distribution of natural gas. The replacement of the remaining 2,100 miles of in-service bare steel, cast/wrought iron and first generation plastic must continue. For more information on the benefits of our capital programs, please see **Peoples Statement No. 1 – the Direct Testimony of Michael Huwar**.

OTHER CAPITAL ASSET PROJECTS

Q. IS THE COMPANY INVESTING IN IT'S STORAGE ASSETS? IF SO, PLEASE BRIEFLY OUTLINE THE PROGRAM.

A. Yes, the Company is investing in its on-system storage assets. The Company has five on-system storage fields. In 2023, the Company initiated a project to evaluate the five fields, which consisted of 21 storage wells (with average well age of 62 years), five compressor stations, and 13 miles of storage pipeline. The five fields collectively provide 55MMscfd of deliverability and 2.1 Bcf of working gas. The purpose of the evaluation was to assess

the assets from a risk point of view and evaluate options to reduce the risk and maximize value. The need for this evaluation was driven by Storage Integrity and high-profile events in the industry. Based on the evaluation, the Company developed a five year $20 million capital plan to address the wells. In 2024 and 2025, the Company invested $6.7 million in Storage resulting in the Plugging and Abandonment of 6 of the 21 wells (without a material impact on deliverability), installed new well heads on three wells, and modernized weatherization on 7 wells. The progress through 2025 resulted in a 50% reduction in relative risk. The Company plans to continue the Storage work through at least 2028. Future projects include Well head upgrades, drilling new/replacement wells, and access and security improvements.

Q. PLEASE DESCRIBE THE COMPANY'S PLAN TO INVEST IN INTELIS METERS.

A. The Intelis meter is an ultrasonic based meter with enhanced safety features including high pressure and high flow shut off. Because of these safety features, the Intelis meter is a significant industry game changer. It provides risk reduction for the natural gas delivery system downstream of the meter. High pressure automatic shut off capability will reduce the probability of a high-pressure event in the customer's dwelling. Similarly, the high flow safety feature reduces the probability of a large amount of gas escaping into a dwelling from a fractured pipe, fitting, or incorrect or improper removal of an appliance. Because of these significant safety features, the Company began a program in 2024 to install Intelis meters (they are only sized for the typical residential and small commercial size classes). As of December 31, 2025, the Company has installed over 100,000 Intelis meters. In the

Company's 2026-2030 LTIIP the Company proposes to install Intelis on the remaining eligible meters (about 600,000) over five years. The estimated cost of this investment over the 2026-2030 is $197 million.

Q. DOES THE COMPANY HAVE PLANS TO ADD A SECOND FEED TO THE ALTOONA SERVICE AREA?

A. Yes, the Company has a five year, $68.5 million project to add a second feed to the Altoona service area. (The Altoona service area, approximately 38,000 customers, is currently supplied primarily by one 26 mile transmission pipeline that still contains 12 miles of bare steel pipe.) The project which physically starts in 2026 will be completed in 2030. The primary components of the project include a new tap and feed from an interstate pipeline, replacing 11 miles of existing 8" pipeline, installing 2.5 miles of new pipeline. Completion of the project will reduce the probability of a significant outage due to a damage or failure of the primary supply line. It will also facilitate the replacement of remaining 12 miles of bare steel transmission pipe in the primary feed. Approximately $30 million of this project are included in the investments in this proposed rate case.

Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
ANGELA JIANG
VICE PRESIDENT, TAX
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026 Peoples Statement No. 7

DATE ADMITTED: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Angela Jiang, and my business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed as Vice President, Tax for Essential Utilities, Inc. ("Essential"), the parent company of Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I graduated from the University of Delaware's Lerner School of Business in 1997 with a Master of Science degree in Accounting. I am a Certified Public Accountant ("CPA") in the Commonwealth of Pennsylvania. I worked at PricewaterhouseCoopers LLP for five years in the Philadelphia office and obtained my CPA license in 1999. I began my career in the utility industry in November 2002, when I joined PECO Energy, a subsidiary of Exelon Corporation, as a Principal Tax Analyst. During my thirteen years at Exelon, I had the opportunity to support the ratemaking process by reviewing the utility's accrual for income tax liabilities, calculating the year end provision as well as the actual federal and state liability calculations, and analyzing the flow through and normalized deferred tax accounts. Prior to joining Essential in August 2024, I have held the position of Tax Director in the energy industry with AES Corporation in Arlington VA and Enviva Corporation in Bethesda MD.

Q. WHAT ARE YOUR DUTIES AS VICE PRESIDENT OF TAXES?

A. My primary responsibilities include oversight of the Company's income tax functions with responsibility for the tax aspects of acquisitions, planning, risk management, financial reporting and compliance. I oversee and manage accounting for income taxes under ASC 740 and ASC 980, and federal and state tax compliance filings for all subsidiaries. I assist in regulatory filings including base rate cases for the regulated businesses. In addition, I perform tax research and provide budget information and guidance on tax matters.

Q. HAVE YOU BEEN A WITNESS IN MATTERS PREVIOUSLY BEFORE THE COMMISSION?

A. No, I have not.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. First, I will explain the calculation of the Company's federal and state income tax expense claims in this case and the tax balances included in rate base. Second, I will explain the Company's mechanism related to the realization of its Pennsylvania State Net Operating Loss ("NOL") carryforward and the State NOL Valuation Allowance. Third, I will provide an update on how the Company is reflecting the effects of its tax treatment of repairs pursuant to the terms of the Joint Petition for Settlement and Approval of Tax Repairs Sur-credit (the "TRS"), which was approved by the Commission in Docket No. P-2020-3021191, including how the Company is reflecting the effects of its tax treatment of repairs under Revenue Procedure 2023-15 (the "Gas Safe Harbor"), and the Company's 2023 Base Rate Case, Docket No. R-2023-3044549. Fourth, I will describe how the reduction in the

Pennsylvania Corporate Net Income ("CNI") tax rate affects the development of the Company's revenue requirement in this case.

Q. ARE YOU SPONSORING ANY EXHIBITS AS PART OF YOUR TESTIMONY?

A. Yes, I am sponsoring **Peoples Exhibit No. 7** (Income Taxes) along with the filing requirements and standard data requests identified in Appendix A to this testimony as well the accumulated deferred tax components of Rate Base included in **Peoples Exhibit No. 8**.

Q. WERE YOU INVOLVED IN THE PREPARATION OF THE TAX-RELATED INFORMATION SUBMITTED IN THIS PROCEEDING?

A. Yes. I participated in the preparation and review of the information along with members of the Company's tax department.

Q. WHAT SCHEDULE SETS FORTH THE COMPANY'S CALCULATION OF ITS INCOME TAX EXPENSE?

A. **Peoples Exhibit No. 7** includes all filing requirements related to income taxes. Specifically, **Peoples Exhibit No. 7, Schedule 8** sets forth the calculation of income tax expense.

THE COMPANY'S CALCULATION OF FEDERAL AND STATE INCOME TAX

Q. PLEASE EXPLAIN THE BASIS FOR THE FEDERAL AND STATE INCOME TAX COMPUTATIONS SET FORTH IN PEOPLES EXHIBIT NO. 7, SCHEDULE 8.

A. **Schedule 8 of PPL Exhibit No. 7** contains four income tax expense computations: one for the Historic Test Year ("HTY") at base rates then in effect (which are the same as current base rates), one for the Future Test Year ("FTY") at current base rates, one for the Fully Projected Future Test Year ("FPFTY") at current base rates, and one for the FPFTY at the rates proposed by the Company. All four of the computations employ the same methodology but, since it is the level of income tax expense applicable to the FPFTY at proposed rates that is of greatest relevance in this case, I will describe that computation (columns G and I). First, the schedule shows the computation of current state and federal income tax expense – that is, the income tax that would be paid with respect to operations during the year assuming the projected levels of income and expense are achieved. The second part is the computation of deferred federal and state tax expense. The two components, when combined, equal the Company's total income tax expense to be recovered in proposed base rates.

Q. PLEASE DESCRIBE THE CALCULATION OF CURRENT INCOME TAX EXPENSE.

A. The purpose of this calculation is to derive income tax expense attributable to the Company's regulated gas operations. The calculation starts on line 1 with Operating Income before Taxes and Interest ("OIBTI"). The calculation of current income tax expense begins with pre-tax income (operating income before income taxes and before interest expense). OIBTI, derived from **Peoples Exhibit No. 2, Schedule 4**, reflects the items of income and expense for the provision of natural gas service. There are adjustments made to OIBIT that are the same for both federal and state income tax purposes. These are

interest expense, meals and entertainment, tax repairs deduction, Sec 263A capitalized interest, contributions in aid of construction, cost of removal, UNICAP 263A inventory and book depreciation.

Interest expense (line 2) is not reflected in pre-tax income but is deductible for both federal and state income tax purposes. Consequently, an adjustment must be made. The interest deduction, calculated at **Peoples Exhibit No. 2, Schedule 4**, is the product of multiplying Peoples' weighted overall cost of debt by its regulated rate base for the same period. This calculation "synchronizes" the tax deduction with the rate base supported by the underlying debt and is consistent with the approach used in previous rate proceedings. Meals & entertainment expense (line 4) is a permanent difference addback. Under federal tax law, most of the Company's meals and entertainment expenditures that are expensed for book purposes are not deductible for tax purposes. Thus, an adjustment is necessary to increase taxable income.

The tax repairs deduction (line 7) is the deduction that the Company projects it will claim during the test years for both federal and state income tax purposes. Tax repairs book depreciation (line 8) is comprised of the book depreciation reversal on the 481(a) deduction taken in 2020 for the repair method change, as well as the book depreciation reversal on the current and on-going deductions taken since the tax accounting method change and the adoption of the Gas Safe Harbor, Rev. Proc. 2023-15.

Other property differences flow through (line 9) is comprised of an addback for the reversal of like kind exchange benefits that are now reversing through book depreciation over the life of the property.

Sec 263A interest (line 12) is an addback for the differences in the methodology for capitalizing construction period interest under the IRS rules.

Contributions in Aid of Construction ("CIAC") (line 13) is an addback for customer payments towards the construction of facilities that are not income for book purposes but are taxable to the Company. Assets depreciated for book purposes have a cost basis net of CIAC, whereas for tax purposes, the basis is not reduced for CIAC. In subsequent years, this basis difference yields a tax depreciation deduction which is greater than the deduction for book purposes.

Cost of removal (line 14) is a deduction for tax purposes when incurred. Under Pennsylvania regulatory accounting principles, these costs are amortized over the five-year period subsequent to the year in which the cost is incurred.

Property basis differences, other (line 15) is an adjustment for the differences in book and tax depreciation on equipment and vehicles required to be capitalized when assets are self-constructed.

UNICAP 263A inventory (line 16) is a deduction for the differences in overhead costs capitalized to inventory for tax purposes under the IRS rules. These differences reverse as gas is withdrawn from storage.

Book depreciation is added back to both the federal and state computation (line 11) and tax depreciation is then deducted for both state and federal income tax purposes (line 11).

Q. WHAT DEPRECIABLE LIVES AND DEPRECIATION METHODS DOES THE COMPANY USE FOR FEDERAL INCOME TAX PURPOSES?

A. The Company uses the following depreciable lives and depreciation methods for tax purposes:

Utility Property Vintages		
1969 and prior	50 years (1)	Straight-Line
1970	50 years (1)	Double Declining Balance Switching to Straight-Line
1971 to 1980	40 years (2)	Double Declining Balance Switching to Straight-Line
1981 to 1986	15 years	Accelerated Cost Recovery System (ACRS)
1987 to April, 2005	20 years	Modified Accelerated Cost Recovery System (MACRS)
April, 2005 to December, 2010	15 years	MACRS
January, 2011 and subsequent	20 years	MACRS
Tax Exempt Financed Property	50 years	Straight-Line
Buildings		
1970 and prior	45 years (1)	Straight-Line
1971 to 1980	45 years (2)	Straight-Line
1981 to 1984 (portion)	15 years	ACRS
1984 (portion) to 1985	18 years	ACRS
1986	19 years	ACRS
1987 and subsequent	31 1/2 years	Straight-Line
Office Equipment		
1970 and prior	10 years (1)	Straight-Line
1971 to 1980	8 years (2)	Double Declining Balance
1981 to 1986	5 years	ACRS

1987 and subsequent 7 years MACRS

Qualified Technological Equipment

1987 and subsequent 5 years MACRS

(1) Guideline Lives

(2) Lives under Asset Depreciation Range ("ADR")

Q. WHY DO THE FEDERAL AND STATE TAX DEPRECIATION AMOUNTS DIFFER FROM ONE ANOTHER?

A. Under Pennsylvania law, the method of depreciation for state income tax does not always conform to the method utilized for federal income tax, primarily due to the years when the state decoupled from federal bonus depreciation. The difference between the two methods results in an adjustment to derive state taxable income. This is reflected in the PA depreciation adjustment (line 20).

Q. IS THERE ANOTHER ADJUSTMENT NECESSARY TO DERIVE STATE TAXABLE INCOME?

A. Yes. In past years, the Company's regulated operations have produced tax net operating losses ("NOLs") for Pennsylvania income tax purposes. As of December 31, 2027, the Company projects that it will have a state net operating loss carryforward ("NOLC") of over $1.3 billion. Under Pennsylvania law, this NOLC can offset state taxable income, subject to both taxable income and time limitations. Pennsylvania law limits the NOLC offset to a percentage of the state taxable income produced. This limit was 35% in 2018 and 2019 and increased to 40% in 2020-2025. Under legislation signed in July 2024 (Act

56), this cap will gradually increase in 10% annual increments starting in 2026 until it aligns with the federal limit of 80% by 2029. Net losses incurred in tax years beginning before January 1, 2025, remain subject to the 40% cap indefinitely, even if used in a later year. Losses incurred in 2025 and later benefit from the higher phased-in percentages, though the total deduction (pre- and post-2024 combined) cannot exceed the cap for that specific tax year. There is no utilization of these NOLCs reflected in the FPFTY due to the level of tax deductions. The state NOLC is increasing into the FPFTY.

Q. ARE THERE ANY OTHER ADJUSTMENTS?

A. Just one. Since state income taxes are deductible for federal purposes, once the current state income tax liability is computed (column I, lines 24 & 25) by multiplying state taxable income (column I, line 23) by the state income tax rate, that amount is deducted to derive federal taxable income. Federal taxable income is then multiplied by the 21% federal income tax rate.

Q. WHAT IS THE TOTAL CURRENT INCOME TAX PROVISION?

A. Total current income tax expense for the FPFTY at proposed rates is projected to be $0 for both current federal and state income tax expense in the FPFTY. As previously stated, the level of current and projected tax deductions results in net operating losses for both federal and state taxable income. When a company is in a net operating loss there are no current taxes payable.

Q. PLEASE EXPLAIN THE DEFERRED INCOME TAX COMPONENT OF THE COMPANY'S TOTAL INCOME TAX EXPENSE.

A. Pennsylvania regulatory policy is, generally, to charge customers a level of tax expense equal to the taxes the utility expects to pay currently. This is referred to as "flow through" tax accounting. However, there are exceptions to this policy – particularly as it relates to the Federal tax benefits of accelerated depreciation (which is subject to the tax normalization rules). Further, in the Company's case, because of the settlement of the Petition for Accounting and Regulatory Approvals and Approval of Related Tariff Sur-credits Associated with Tax Repair Election Docket No. P-2020-3021191, there is also an exception for the Section 481(a) adjustment (the so-called "catch-up" adjustment) relating to the tax repairs change in accounting method. The Company agreed to amortize the tax effect of the catch-up deduction in the manner set forth in the settlement of the TRS, as I explain later in my testimony. As to accelerated depreciation related to property subject to the normalization requirement, the Company records federal deferred taxes. The provision of deferred income taxes is the accounting and ratemaking mechanism that implements the normalization requirement the Internal Revenue Code imposes as a condition for using the liberalized depreciation methodologies allowed for income tax purposes. The normalization requirement does not permit the tax benefit of tax depreciation in excess of book depreciation to be flowed through to customers as a tax deduction in the year(s) those deductions occur. Instead, the tax effects of those amounts are recorded as deferred taxes. These taxes are deferred, not eliminated; the taxes that are deferred will be paid to the government later in the life of the depreciable asset when the relationship between book and tax depreciation reverses. To recognize the fact that deferred taxes are a source of

capital to the Company that does not have an attendant capital cost, accumulated deferred income taxes ("ADIT") are deducted from rate base for ratemaking purposes. The Company's deferred tax expense in this case also includes the flow-through of excess accumulated deferred income taxes, as described later in my testimony.

Q. PLEASE EXPLAIN THE PROVISION OF DEFERRED INCOME TAX EXPENSE FOR ACCELERATED DEPRECIATION.

A. As I introduced earlier, deferred income tax expense arises from the normalization requirement imposed by the Internal Revenue Code and reflects the difference between tax depreciation and book depreciation for post-1969 utility property. Tax depreciation is calculated by multiplying the tax basis of assets by the applicable depreciation rates used for income tax purposes. The applicable depreciation rates are a function of the depreciable lives and depreciation methods that I previously described for each relevant vintage of the Company's property. Because depreciable lives and methods differ based on the year plant was placed in service, the difference between tax and book depreciation and the associated tax effect differs depending on the vintage year of the property involved. For assets acquired prior to 1970, there are no deferred taxes because this property was not subject to a normalization requirement. In total, the difference between tax depreciation and book depreciation (Exhibit No. 7, Schedule 8, Attachment 2, line 3) when multiplied by the 21% federal income tax rate is $13,936,180 for the HTY.

Q. DOES THE COMPANY RECORD DEFERRED STATE INCOME TAX EXPENSE RELATED TO ITS USE OF ACCELERATED DEPRECIATION?

A. No, on property related differences it does not. The federal tax normalization rules only apply to the federal income tax. The only deferred state income taxes recorded are for the temporary differences related to UNICAP 263A Inventory and Line Pack Gas. These differences are treated as normalized for state income taxes and the related state deferred taxes are included in rate base because the underlying assets giving rise to the temporary differences are included in rate base. In addition, there is deferred state income tax expense for the recovery of deficient state deferred income tax as a result of the state income tax rate decrease on line 27 in the amount of $175,807 which I will address later in my Direct Testimony.

Q. PLEASE EXPLAIN THE EFFECT OF PROVIDING THE FINANCIAL STATEMENT TAX BENEFIT OF THE CATCH-UP ADJUSTMENT TO CUSTOMERS, ON THE COMPANY'S DEFERRED INCOME TAX EXPENSE.

A. The tax benefit derived from the catch-up adjustment calculated when the Company changed its accounting method is providing a rate reduction to customers through a sur-credit on customer bills. Due to the differences in depreciation methods under Pennsylvania state law, as discussed earlier in my Direct Testimony, the Company had a higher tax basis for state purposes to which the Section 481(a) calculation was applied. The state 481(a) adjustment included in the sur-credit calculation is $486.6M, while the Federal deduction is $473.8M. Both amounts have been updated to incorporate the impact of finalized 481(a) deductions which I detail later in my testimony. The total benefit that will be provided to customers was calculated based on the respective basis and rate, which is the Pennsylvania basis at the Pennsylvania rate net of Federal benefit or 7.1%; and the Federal basis at the

Federal rate of 21%. As the sur-credit is provided, the Regulatory Liability that accounts for the benefit to be returned, amortizes to and reduces the Company's deferred income tax expense. This reduction is $9,929,504 as reflected in column A, on line 39 of Exhibit 7, Schedule 8, for the HTY. The level of amortization included in the FPFTY is $3,421,264, which is lower to reflect the changes agreed to in the last base rate case. Please refer to **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter** for further discussion of the TRS and returning the tax benefit to customers of the Section 481(a) amortization in rates. I will discuss the tax implications later in my testimony.

Q. PLEASE EXPLAIN THE IMPACT OF THE EXCESS ADIT ON THE COMPANY'S DEFERRED INCOME TAX EXPENSE.

A. The Company's deferred tax expense is reduced by the flow-back to customers of a portion of the excess ADIT resulting from the reduction in federal tax rate from 35% to 21% as legislated by the Tax Cuts and Jobs Act of 2017 ("TCJA") tax rate reduction. As proposed and accepted in the Company's prior rate filing, Docket No. R-2018-3006818, the flow-back of ADIT resulting from accelerated depreciation ("protected ADIT") is computed using the Average Rate Assumption Method ("ARAM") and is $1,103,475, as shown in column A, on line 37, of Schedule 8 of Exhibit No. 7 for the HTY.

Q. HOW ARE NOLCS REFLECTED IN DERIVING TAX EXPENSE?

A. The federal NOLC is estimated to increase to $1.6 billion by the FPFTY. Similar to the state NOLC this is due to the increasing level of tax deductions greater than book income. Federal NOLCs utilized offset 80% of the current year taxable income. The creation and

utilization of federal NOLs does not impact the overall federal income tax expense because deferral of the benefits of the federal NOL are recorded to deferred income tax expense. State NOLCs, incurred prior to 2025, utilized offset 40% of the current year taxable income and State NOLC's, incurred after 2025, utilized offset 40%-80% of current year taxable income beginning in 2026. In contrast to the Federal NOLCs, the creation and utilization of the state NOLCs either decrease the overall state income tax expense (in the event of state NOLC utilization) or increase the overall state income tax expense (in the event of state NOLC creation) because the tax consequences of the creation and utilization of the state NOLC are not reflected in deferred income tax expense. This flow through tax accounting is consistent with Pennsylvania regulatory policy and the Company's treatment of not recording deferred state income tax expense on property related differences.

Q. WHAT IS THE COMPANY'S TOTAL PROJECTED DEFERRED INCOME TAX EXPENSE?

A. The total amount of these various components constitutes the Company's anticipated federal deferred tax expense of ($47,121,599) for the FPFTY at proposed rates as set forth on Schedule 8 of Exhibit Nos. 7. The corresponding state amount is $175,807.

Q. WHAT IS THE COMPANY'S TOTAL PROJECTED INCOME TAX EXPENSE?

A. The Company projects total federal income tax expense of ($47,121,599) and state income tax expense of $175,807. The reason for the large negative total federal income tax expense (benefit) is that the federal tax benefit of the tax repairs deduction is being flowed through

to customers in this case. I will explain the consequences of this treatment later in my testimony.

THE COMPANY'S CALCULATION OF TAX BALANCES IN RATE BASE

Q. HOW IS THE ADIT SET FORTH IN THE COMPANY'S RATE BASE CALCULATION DERIVED?

A. The ADIT for the rate base calculation, as shown on Schedule 8, Attachment 2 of Exhibit 8, is calculated by including the normalized deferred taxes and the unamortized excess ADIT related to the 35% to 21% tax rate reduction resulting from the tax law changes made in 2017 under the TCJA at the end of the FPFTY. This amount is $123,551,222 (Schedule 8, Attachment 2 of Exhibit 7 lines 31-44 and lines 49-50). The unamortized excess ADIT, line 62, is recorded in a regulatory liability and discussed later in my testimony.

Q. WHY IS THE ADIT REFLECTED AS AN INCREASE TO RATE BASE IN THIS CASE?

A. Typically ADIT in rate base is a large deferred tax liability due to the property related book versus tax differences that are normalized for federal income taxes resulting in a decrease to rate base, however, as a result of using different depreciable lives and methods to depreciate property for tax purposes as well as taking tax repairs deductions, the Company has experienced net taxable losses and projects net taxable losses in the FTY and FPFTY. The result is that the Company booked and will continue to book deferred federal income taxes in those years for which the Company has not received any cash for the losses. The Company cannot reflect an increase in deferred taxes for tax depreciation deductions that

have not been realized. To do so would violate the principles of the Normalization requirements under the Internal Revenue Code. Past IRS rulings addressing this issue have made it clear that companies cannot reduce rate base for benefits that have not been realized. Therefore, included as an increase to rate base is a deferred tax asset in the amount of $343,315,488 (line 38) which represents the remaining balance of un-utilized federal net operating loss. As a consequence of the flow through treatment of the tax repairs deduction, the federal deferred tax liability for the amount owed to the IRS for the future reversal of the tax repairs deduction through book depreciation expense is adjusted out of rate base (line 46) since customers are receiving the tax benefit through cost of service. Had the tax benefit of the tax repairs deduction not been flowed through in cost of service, the deferred tax liability would be included in rate base resulting in a significant reduction to rate base. This results in a net increase to rate base for ADIT as shown on lines 60 and 61 of Schedule 8, Attachment 2 of Exhibit 7. I discuss the inclusion of state deferred taxes later in my testimony.

Q. HOW ARE EXCESS DEFERRED TAXES REFLECTED IN RATE BASE?

A. The property related ADIT on lines 31-35 are at the 21% statutory rate, then the excess ADIT resulting from the TCJA rate reduction is recorded in the regulatory liability for excess ADIT (line 62) in the amount of ($84,072,954) and included as a reduction to rate base. This balance represents the remaining amount, after tax gross-up, due to customers for the collection of taxes from customers at higher federal rates for book vs tax differences that will reverse at the current 21% rate in the future. The regulatory liability balance

includes the gross-up for taxes, therefore, also included in rate base are the associated deferred tax assets that represent the tax gross-up of the regulatory liability on line 39.

Q. ARE THERE ANY OTHER ADJUSTMENTS TO ADIT INCLUDED IN RATE BASE?

A. Yes, there are. On Exhibit 7, Schedule 8, Attachment 5, the Company has calculated a projected test period normalization adjustment. Whenever there are estimated changes in the deferred taxes that occur in a future rate period, the Normalization requirements of the Internal Revenue Code require that the deferred taxes be reflected on a pro rata basis as provided under Reg. Section 1.167(I)-1(h)(6)(ii). A future test period is defined as that portion of the test period after the effective date of the rate order. Under the pro rata basis, the change in the deferred taxes is determined by multiplying the change by a fraction of the number of days remaining in the period at the time such change is to be accrued over the total number of days in the future period. Applying this calculation results in an increase to deferred taxes (decrease to rate base) of $647,056 as shown on Exhibit 7, Schedule 8, Attachment 5, line 20.

Q. WHAT IS THE EFFECT OF THE DEFERRED TAX ASSET FOR THE STATE NOLC REFLECTED IN RATE BASE IN THIS CASE?

A. On Schedule 8, Attachment 2 of Exhibit 7, line 51 there is a deferred tax asset for the State NOLC generated based on the level of regulated operations and tax deductions through the FPFTY. This does not include the historical tax repairs (481(a) tax repairs and tax repairs deductions prior to the HTY). The State NOL ADIT is an increase to rate base even though

the State NOLC creation did not result in any deferred tax expense being reflected in rates through cost of service since there is also a deferred tax liability for the State NOLC valuation allowance, Line 52, included in rate base. See the next section of my testimony for a discussion of the State NOLC valuation allowance. The State NOLC deferred tax asset and the State NOLC deferred tax liability result in a net zero rate base impact when combined.

On line 65, there is a Regulatory Asset Valuation Allowance for the State NOL Historical Repairs. It has been grossed-up for taxes and the deferred taxes representing the tax gross-up (line 42) have also been included in rate base. This amount represents the State NOLC generated by the 481(a) tax repairs deduction which the Company has provided to customers but not monetized and is thus referred to as State NOL Historical Repairs. It is included in rate base because the Regulatory Liability for the 481(a) Tax Repairs has been included as a reduction to rate base on line 69. Since the Regulatory Liability is grossed-up for taxes, the deferred taxes representing the tax gross-up (line 43) have also been included in rate base. Even though the Company has not been able to monetize the State NOLC created by the historical repairs deductions, the Company has been providing the tax benefits to customers through the TRS at the tax rate before phase down of 9.99%. The carryforward limitations on the State NOLC create a situation where the Company has provided tax benefits to customers that more likely than not will never be monetized through future state income tax deductions. The Regulatory Asset Valuation Allowance State NOL Historical is the mechanism that allows the Company to recover amounts over refunded to customers via the TRS. Lastly on line 68 is the Regulatory Liability Collar Adjustment which is grossed up for taxes so the deferred taxes representing the tax gross-

up (line 44) have also been included for a net reduction to rate base. I will discuss the Collar Adjustment in more detail later in my testimony.

STATE NOLC AND VALUATION ALLOWANCE

Q. WHAT IS A VALUATION ALLOWANCE?

A. Under ASC 740, companies must value deferred tax assets, including net operating loss carryforwards, at the amount to be realized. A valuation allowance is a reserve that is used to offset the amount of a deferred tax asset, such as the deferred tax asset on a net operating loss, that could not be monetized due to insufficient taxable income or other limitations. The amount of the allowance is based on that portion of the tax asset for which it is more likely than not that a tax benefit will not be realized by the reporting entity.

Q. HOW IS A VALUATION ALLOWANCE DETERMINED?

A. The Company projects its taxable income for future periods. The projections include estimates of capital spending, revenues, depreciation expense, operating expenses and other items impacting income before taxes and taxable income. The Company then estimates the amount of net operating loss carryforward that will be utilized, if any, in each future period. Based on this analysis, the Company projects it is more likely than not that the state NOLC will not be fully utilized by the end of the state's 20-year NOL carryforward limitation. In the case of Pennsylvania, this is largely affected by the taxable income limitation on the utilization of the PA NOLC each year as well as the carryforward period limitation.

Q. IN THE EVENT THE STATE NOLC CANNOT BE FULLY UTILIZED WHAT IMPACTS DOES THAT HAVE?

A. As discussed earlier in my testimony, the Company has been refunding to customers the tax benefit of the deduction for the tax repairs deductions through the TRS even though the Company has not yet been able to monetize the tax benefits (i.e. the Company has not been paying state income taxes nor has it been able to reduce the amount of cash it has to pay for state taxes). A substantial portion of the state NOLC was generated by the catch-up adjustment being refunded to customers by means of the TRS. The result would be that the Company has refunded to customers more than it will eventually recognize in actual state tax benefits.

Q. HOW HAS THE COMPANY HANDLED THE RECOVERY OF THE AMOUNTS REFUNDED TO CUSTOMERS THAT ARE NOT REALIZED DUE TO THE STATE NOLC LIMITATIONS?

A. To the extent the Company has returned to customers state tax benefits through the TRS that it cannot monetize, the Company has received approval in the last base rate case to recover these amounts from customers through the TRS. The following protections are in place: To the extent that the benefit of the Company's state NOLC is affected by: (i) any disallowance due to the 40%-80% taxable income limitation and the 20 year carryforward limitation; (ii) any subsequent disallowance by a future IRS audit; (iii) any changes in tax rate; or (iv) any change in rules or guidance that require a change to the originating amount of the NOL.

UPDATE ON THE COMPANY'S TREATMENT OF THE REPAIRS DEDUCTIONS FOR RATEMAKING PURPOSES SINCE THE LAST BASE RATE CASE

Q. PLEASE DESCRIBE THE COMPANY'S RATEMAKING TREATMENT OF REPAIRS IN THIS CASE.

A. The ratemaking treatment for the Company's repairs deduction, which includes the treatment of the 481(a) adjustment and the ongoing current and going-forward benefits as established originally in the TRS proceeding (Docket No. P-2020-3021191) continue to be the Company's ratemaking methodology reflected in this base rate case. The Joint Petition for Settlement in the TRS, which was approved by the Commission, stated among other things that:

1) The Rider Tax Repair Sur-credit will be credited to customers' bills to provide a rate reduction for the tax benefits of the 481(a) adjustment (the "catch-up" adjustment) over 5 years,

2) The flow-through method of accounting for the tax benefits of the current and going forward tax deduction of the Company's tax repairs election is to be used until the effective date of rates established in the Company's next base rate case filing,

3) The revenue requirement in the next base rate proceeding, which the Company will file not later than December 31, 2023, will reflect the ongoing repair benefit in the Company's calculation of income tax expense (i.e., reduced effective income tax rate) in its revenue requirement,

4) The Company will propose a tracker mechanism to account for variances between the estimated net tax repair benefit incorporated into the Company's

revenue requirement and the actual net tax repair benefit realized on the Company's tax returns on a going-forward basis from the effective date of new base rates, similar to the tracker mechanism adopted in the settlement of the Aqua Pennsylvania, Inc. base rate case at Docket No. R-2018-3003558.

The proposed tracker mechanism will require the Company to return or recoup the tax benefits associated with these variances to or from customers in an expeditious manner; and

5) Subsequent Changes to Benefit of Catch-Up Deduction. To the extent that the benefit of the Company's catch-up deduction is affected by: (i) any subsequent disallowance by a future IRS audit; (ii) any changes in tax rate; or (iii) any change in rules or guidance that require a method change and, therefore, a change of benefit, permission is granted to defer those impacts for future refund or recovery for customers.

As previously discussed, the Company has reflected the continued use of flow through accounting for the tax benefit of the repairs deduction in this case while the benefits of the 481(a) deduction, as adjusted for subsequent changes discussed later in my testimony, continue to be returned to customers through the Rider TRS.

Q. PLEASE DESCRIBE ADJUSTMENTS TO THE TRS MADE AS A RESULT OF THE MOST RECENT BASE RATE CASE.

A. Since the 2023 base rate case, Docket No. R-2023-3044549, the Company has adjusted the amount of the catch-up adjustment to conform to Rev. Proc. 2023-15 as reflected in the

2024 income tax returns filed in October 2025. A summary of all the adjustments reflected in the revised TRS since the 2023 base rate case are as follows:

1) Adjustment to reflect the reduced tax benefits as a result of the reduction in the State CNI rate;

2) Adjustment to reflect the impacts of the new IRS regulations "Natural Gas Safe Harbor" – IRS Rev. Proc. 2023-15 to the "Catch-Up" adjustment amount quantified in Docket No. P-2020-3021191;

3) Adjustment to include the 481(a) adjustment for the former Peoples Gas Division ("PG");

4) Adjustment to include the 481(a) adjustment for Mandatory Relocations; and

5) Extend the amortization period from 5 years to 10 years including the amortized amount as revised for the adoption of the Gas Safe Harbor rules.

Q. IS THIS TREATMENT CONSISTENT WITH THE DICTATES OF THE TRS AND 2023 BASE RATE CASE ORDERS?

A. Yes, it is.

Q. DOES THE COMPANY PROPOSE TO DISCONTINUE THE TRS AND INCLUDE THE REFUND OF THE CATCH-UP ADJUSTMENT IN THE CURRENT CASE?

A. No. The treatment of the catch-up adjustment is discussed in **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter**. Pursuant to the terms of the TRS Order, the current and going forward repair benefit is included in the Company's calculation of

income tax expense (i.e., reduced effective income tax rate) in its revenue requirement in this base rate proceeding.

Q. ARE THERE ANY OTHER UPDATES TO THE TREATMENT OF TAX REPAIRS NOT PREVIOUSLY DISCUSSED?

A. Yes, there is. In the 2023 base rate proceeding, Docket No. R-2023-3044549, the Company proposed and got approval for a collar mechanism to record a regulatory asset or liability in the event the level of the tax repairs deduction was $10 million above or below the amount included in the calculation of base rates effective with calendar year 2025. The Company is proposing to adjust the collar limit and the level of repairs to be effective January 1, 2027, which I address further below. Additionally, please see **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter** for details of the proposal.

STATE TAX RATE CHANGE

Q. WHAT CHANGES IN PENNSYLVANIA TAX LAW HAVE BEEN ENACTED THAT ARE IMPACTING THIS RATE CASE?

A. House Bill 1342 was signed into law in Pennsylvania on July 8, 2022. The bill makes significant changes to the Commonwealth's corporate net income tax laws:

- Corporate net income tax rate reduction from 9.99 to 4.99 percent over a period of years;
- Sales factor changes; and
- Codification of economic nexus standards.

Q. WHEN IS THE RATE REDUCTION EFFECTIVE?

A. House Bill 1342 reduces that rate incrementally to 4.99%. These rate reductions are scheduled to occur automatically and are not contingent on state tax revenues meeting or exceeding specific thresholds. The rate was first reduced to 8.99% for the 2023 tax year. The rate is further reduced as follows:

8.49% for tax year 2024

7.99% for tax year 2025

7.49% for tax year 2026

6.99% for tax year 2027

6.49% for tax year 2028

5.99% for tax year 2029

5.49% for tax year 2030

4.99% for tax years beginning January 1, 2031, and thereafter.

Q. HOW HAS THE RATE REDUCTION BEEN REFLECTED IN THE INCOME TAX CALCULATIONS IN THIS CASE?

A. By the FPFTY the rate is 6.99%. Since the FPFTY consists of 12 months of 2027, the Company has used the 6.99% rate to calculate current state income tax expense for the FPFTY.

Q. WHAT ARE THE EFFECTS OF THE RATE CHANGE ON STATE DEFERRED INCOME TAXES?

A. Whereas, there are no state deferred income taxes on property related book versus tax differences pursuant to Pennsylvania regulatory policy, there do exist state deferred income taxes on non-property related book versus tax timing differences. As a result of the declining state income tax rate, the Company has deferred tax assets and deferred tax liabilities that are required to be remeasured to the reduced state income tax rate in effect at the time. This resulted in a net regulatory asset for the deficient deferred state income taxes in the amount of $1,758,065 before the gross-up for taxes. The Company proposes to amortize the regulatory asset over 10 years and has included an increase to state deferred tax expense in the amount of $175,807 (line 27) in the FPFTY.

Q. HOW WILL FUTURE CHANGES TO THE STATE INCOME TAX RATE BE REFLECTED?

A. Future changes to the state income tax rate will be managed through the State Tax Adjustment Surcharge ("STAS"), or in future base rate proceedings. The Company's STAS has been set to 0% for the state income tax rate since 2025, the effective date of rates from the last base rate case. As I have previously explained, due principally to ongoing repair deductions, the Company is also claiming $0 current state income tax expense in this case. Further, due to substantial state NOLs and expected continued high levels of repair deductions, the Company does not anticipate paying any state income taxes into the foreseeable future. For these reasons, the Company will not be reflecting reductions to the CNI tax rate through the STAS during the period that base rates established in this case remain effective. Future base rate cases will reflect the applicable CNI rate in effect at the time, applied to the pro forma taxable income in those cases.

Q. IS THE COMPANY REQUESTING THAT CERTAIN TAX RELATED PROVISIONS FROM ITS 2023 RATE CASE SETTLEMENT CONTINUE?

A. Yes. In order to maintain consistency in its tax treatment, the Company is requesting that the Commission approve the following tax provisions from its 2023 base rate case settlement, as updated herein.

- The Company's STAS rate shall be reset to 0.00% upon the effective date of new rates.
- The TRSR will continue to apply to all customers, except for customers with negotiated rates.
- Effective with Calendar Year 2027, the level of tax repair benefits claimed in the calculation of income tax expense shall have a collar of $13.5 million applied on the higher and lower end of the net repairs deductions incorporated into base rates. If the net repairs deductions for Peoples vary by more than $13.5 million above or below the $507.5 million amount included in base distribution rates in this proceeding, Peoples will record a regulatory asset or liability for the related income tax expense impacts of the repairs deduction variations above $521 million or below $494 million. The effective date of the revised collar will be January 1, 2027.
- Peoples shall report on the regulatory asset or liability amounts of the net repairs deduction income tax impacts in its quarterly earnings reports after the conclusion of the FPFTY. Within 30 days of reporting a regulatory asset or liability with a net cumulative income tax impact amount of $25 million or larger, Peoples shall file

with the Commission and shall copy the statutory parties, a plan for recovering or refunding the regulatory asset or liability amount to customers.

- If there are remaining deferrals of the differences in income tax expense for Peoples' net repairs deductions, the balance shall be addressed in Peoples' next base rate case based on the recorded regulatory asset and liability amounts.
- Whether similar recording of the impact on current income tax expense from net repairs deduction variations above or below a collar in a regulatory asset or liability account should continue shall also be re-evaluated in Peoples' next base rate case.
- Changes resulting from the enactment of the TCJA created differences in the deferred tax rates that were used prior to January 1, 2018, creating excess accumulated deferred income taxes. Peoples will continue amortizing the total excess ADIT using the ARAM upon the effective date of new rates. The remaining unamortized excess ADIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers.
- The Company's request to recover any amounts refunded to customers that are not realized due to state NOLC limitations is approved. To the extent that the benefit of the Company's state NOLC is affected by: (i) any disallowance due to the 40% taxable income limit and/or the 20 year carryforward limitation; (ii) any subsequent disallowance by a future IRS or Pennsylvania Department of Revenue audit; (iii) any changes in tax rate; or (iv) any change in rules or guidance that require a change to the originating amount of the NOL, the Company will be permitted to defer those impacts for future recovery from customers.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Peoples Natural Gas Company

Appendix A

Filing Requirements and Standard Data Requests

Sponsored by Angela Jiang

Filing Requirements		Standard Data Requests
Exhibit 7, Schedule 1	53.53.II.A.8	Revenue Requirement RR 55
Exhibit 7, Schedule 2	53.53.II.A.9	
Exhibit 7, Schedule 3	53.53.II.A.26	
Exhibit 7, Schedule 4	53.53.III.A.51	
Exhibit 7, Schedule 5	53.53.III.A.52	
Exhibit 7, Schedule 6	53.53.III.A.53	
Exhibit 7, Schedule 7	53.53.III.A.54	
Exhibit 7, Schedule 8	53.53.III.A.55	
Exhibit 7, Schedule 9	53.53.III.A.56	
Exhibit 7, Schedule 10	53.53.III.A.57	
Exhibit 7, Schedule 11	53.53.III.A.58	
Exhibit 7, Schedule 12	53.53.III.A.59	
Exhibit 7, Schedule 13	53.53.III.A.62	
Exhibit 7, Schedule 14	53.53.III.A.63	
Exhibit 7, Schedule 15	53.53.III.A.64	
Exhibit 7, Schedule 16	53.53.III.A.60	
Exhibit 7, Schedule 17	53.53.III.A.61	
Exhibit 7, Schedule 18	53.53.III.A.65	
Exhibit 7, Schedule 19	53.53.III.A.66	
Exhibit 7, Schedule 20	53.53.III.A.67	
Exhibit 7, Schedule 21	53.53.III.A.68	
Exhibit 7, Schedule 22	53.53.III.A.69	
Exhibit 7, Schedule 23	53.53.III.A.70	
Exhibit 7, Schedule 24	53.53.III.A.71	
Exhibit 7, Schedule 25	53.53.II.A.10	

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
LUKE RAVENSTAHL
VICE PRESIDENT OF SALES AND MARKETING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 8

PREPARED DIRECT TESTIMONY OF
LUKE RAVENSTAHL

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Luke Ravenstahl. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as the Vice President of Sales and Marketing.

Q. PLEASE STATE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I graduated from Washington & Jefferson College in 2003 with a Bachelor of Business Administration . I served for 10 years as an elected official in the City of Pittsburgh, serving 7 ½ of those years as the City's mayor. I started with Peoples in a consulting role before becoming a full-time employee in 2015. During that time, I helped launch the Company's Go With Gas expansion program. In my capacity as Vice President of Sales and Marketing at Peoples, I oversee traditional sales work. For the past few years, I have led our Process Operations group which includes Damage Prevention, Corrosion, Leak Survey, Business Analytics, and our Operations Center.

Q. PLEASE LIST THE FILING REQUIREMENTS THAT YOU ARE SPONSORING AS A WITNESS.

A. I am sponsoring Exhibit 19, RR13.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. The purpose of my testimony is to discuss the following items:

1) Competitive customers (including actual contracts and rate discounts)

2) Data Center & Power Generation Opportunities

3) Expansion and modification of Rate MLS

4) Introduction of Natural Gas Hot Water Tank Rebate Pilot

I. COMPETITIVE CUSTOMERS

Q. WHAT MAKES A CUSTOMER COMPETITIVE?

A. The Company's service territory is an active market for competition both among natural gas distribution companies ("NGDC") and between natural gas and alternate energy sources, including private well gas, landfill gas, interstate pipeline companies, and alternative fuels such as electricity or propane. Some of our commercial customers, and most industrial customers, have more than one energy service option available to them. These competitive customers support the operational needs of the Company's system and also offset the cost of service for other non-competitive customers. For example, they generate additional revenue that offsets the rates of non-competitive customers. In order to ensure we maintain these accounts, it is necessary to flex our maximum delivery rates to remain competitive.

Q. DESCRIBE THE COMPANY'S COMPETITIVE ALTERNATIVE ANALYSIS.

A. As contracts are newly negotiated or renewed, the Company performs its normal assessment, which includes verification of the competitive alternative and a fixed cost analysis. Every competitive rate that the Company establishes is directly and exclusively tied to the cost of the customer's alternative service. The Company continually seeks to maximize the revenues it can receive through negotiations with current or potential customers. Doing so is in the non-discounted customers' best interest because it provides additional revenues that would be lost if the discounted customers left the system. It is also in the best interest of the Company to maximize revenues from discounted customers to mitigate potential revenue loss. Peoples must properly balance the competing demands of rate maximization against revenue retention.

Moreover, Peoples has a legal duty to its customers to maintain just and reasonable rates. One way of doing so is to maintain a reasonable customer load. If discounted customers were to reduce or eliminate production at facilities on Peoples' system or to switch to alternative sources of fuel, this would have a substantial negative impact on the Company's non-discounted customer rates. This is because the incremental cost to serve these customers is less than the discounted revenue generated as natural gas customers of Peoples. That is, although the discounted customers do not pay full tariffed rates, they still generate significant annual revenue for Peoples and contribute to the Company's fixed costs. However, if those competitive customers leave the Company's system, the Company's non-discounted customer rates could be increased to offset the lost revenue in future base rate cases. Also, customers may look to reduce their other expenses and investments to maintain their current profit levels, such as by laying off existing employees, not hiring prospective employees, or reducing their production and operations. All of these

would have negative effects on jobs and the local economy. Furthermore, we strongly believe that public policy should favor the use of flexed rates that encourage increased economic development due to the availability and affordability of shale gas, thus utilizing more of this abundant resource in Pennsylvania to benefit the Commonwealth's economy.

Q. WHAT IS THE COMPANY'S PROCESS AND PROCEDURE WITH RESPECT TO COMPETITIVE RATE DISCOUNTS?

A. The Company has agreed to and complied with the following with respect to its competitive rate discounts as provided for in the Company's 2019 Base Rate Case Settlement:

> The log will contain the following information related to negotiated agreements:
>
> Customer number, effective date of the agreement, the reason(s) for offering a negotiated delivery agreement, supporting work papers relied upon to substantiate the negotiated agreement, and an analysis which evaluates the contribution to overall fixed costs provided by each customer.
>
> In implementing this provision in circumstances where a bypass of the Company's facilities is the customer's competitive option, the Company will work with the customer in future negotiations to develop an analysis of the likely construction cost of the bypass facilities and apply that estimate in determining, through negotiations, the discounted rate offered to the customer. This information will be included as a part of the confidential materials presented in the Company's initial filing in future base rate proceedings. The Company will also provide a confidential annual report to the Statutory Advocates listing all customers that currently are receiving a discounted rate due to any of the reasons contained herein. The confidential report will provide information regarding whether the customer is being offered the discounted rate due to gas-on-gas competition, potential bypass, economic reasons or alternative fuel reasons. The Company should include in its analysis the annual log information. In future base rate proceedings, the confidential materials presented as part of the Company's filing will include sworn affidavits from all discount customers as to the facts and reasons for the discounts as set forth in the Company supplied materials.

(2019 Base Rate Case Settlement, Docket No. R-2018-3006818, ¶¶ 72, 73.)

Access to the Company's HIGHLY CONFIDENTIAL competitive customer information is included with the initial materials presented for this base rate case filing and will be made available upon execution of a Protective Agreement.

Q. PLEASE EXPLAIN THE STATUS OF THE COMPANY'S CURRENTLY EFFECTIVE NEGOTIATED CONTRACTS.

A. The Company currently has 11 negotiated contracts in effect. As contracts expire, the Company undertakes a fresh analysis to evaluate whether a discount is still necessary and warranted. Since the 2019 rate case at Docket No. R-2018-3006818, that went into effect in the fourth quarter of 2019, the Company has successfully negotiated 38 customers to tariffed rates, reducing the number of negotiated contracts from 49 to the current total of 11. All customers with negotiated rates have met the justification criteria and a cost of service analysis has been conducted. Included in the group now under tariffed rates are two customers that previously had a flex agreement that have since been moved by request to Rate MLS.

Q. HAS THE COMPANY "LOST" ANY PROJECTS TO COMPETITORS OR COMPETITIVE ALTERNATIVES SINCE ITS LAST BASE RATE CASE?

A. Yes. We are aware of at least two projects. Peoples was actively involved in conversations and negotiations in an effort to secure the customers. In both cases, the customer ultimately agreed to terms with a competitor of Peoples to extend facilities directly to an interstate pipeline.

Q. HAS THE COMPANY ENTERED INTO ANY NEW FLEX AGREEMENTS SINCE ITS LAST BASE RATE PROCEEDING?

A. No.

II. DATA CENTER & POWER GENERATION OPPORTUNITIES

Q. HAS THE COMPANY ADDED ANY NEW DATA CENTER OR POWER GENERATION PROJECTS SINCE ITS LAST BASE RATE CASE?

A. No.

Q. HAS THE COMPANY RECEIVED AN INCREASE IN THE AMOUNT OF INQUIRIES RELATIVE TO DATA CENTER AND POWER GENERATION PROJECTS?

A. Yes. Over the course of the past 12-18 months, the Company's new business team has seen significant interest in the exploration of new potential Data Center/Power Generation projects. While no project has reached a formal signed agreement at this point, Peoples is encouraged by the interest. The Company will continue to allocate resources to the pursuit of these projects to add new throughput and load into our system. In addition, Peoples is actively monitoring and participating in the policy and regulatory discussions regarding the growth of this sector. We do not have any specific proposed rate or regulatory changes in this base rate case, but will remain diligent in our focus on this emerging and expanding market.

Q. IS THE COMPANY PROPOSING ANY SPECIAL TREATMENT FOR DATA CENTER OR POWER GENERATION LOADS?

A. No. Given the ongoing evolution of our discussions with potential customers, the Company does not have a specific request in this base rate proceeding. The Company does anticipate that once there is greater clarity around the market, with the strongest opportunities gaining priority, Peoples will be able to evaluate better the need for potential special treatment and/or alternative rates. As of the date of this pre-filed testimony, it is the Company's position that it is premature to make any specific requests given the ever-changing feedback we are receiving from potential investors and projects. The Company's goal is to understand the market better in order to develop a thoughtful ask at the appropriate time.

Q. IS THE COMPANY'S CURRENT TARIFF SUFFICIENT SUCH THAT IT COULD SERVE A DATA CENTER NOW?

A. Yes. The Company's current tariff would allow it to sufficiently assess incoming applications for potential power generation loads. The Company's analysis and acceptance of any new load would seek to balance adding load (and revenue) that would be accretive to its system while at the same time, ensuring safe, reliable and affordable service to its existing customers. Specifically, Section 20, **Service Agreement & Flexible Rates**, would allow the Company to enter into a service agreement for an applicant seeking to bring a large power generation load onto the Peoples system.

III. RATE MLS ENHANCEMENTS

Q. PLEASE EXPLAIN THE MODIFICATIONS THE COMPANY IS PROPOSING TO ITS RATE MLS.

A. In this proceeding, the Company is proposing to add language for customers who take service under the Company's Rate MLS. The additional language works as protection for the Company's existing customers in that it provides the Company with an opportunity to maintain the existing load and revenues provided by Rate MLS customers. Like many of the Company's negotiated customers, the incremental cost to serve MLS customers is less than the revenue generated by the MLS customers. The Company's MLS customers generate significant annual revenue for Peoples and contribute to the Company's fixed costs. A loss of an MLS customer from the Company's system could mean that other customers' rates may be increased to offset the lost revenue in future base rate cases. See **Peoples Natural Gas Exhibit No. KMS-1**, page 66 for the proposed language.

IV. NATURAL GAS HOT WATER TANK REBATE PILOT

Q. PLEASE EXPLAIN THE COMPANY'S REQUEST TO ADD A NATURAL GAS HOT WATER TANK REBATE PILOT PROGRAM.

A. Peoples proposes to implement a rebate program pilot over a three-year period for interested customers to convert to natural gas hot water tanks beginning in January 2027. The pilot is designed to provide rebate incentives for residential customers to encourage installation of high-efficiency natural gas hot water tank appliances.

Q. PLEASE DESCRIBE THE PROPOSED PILOT'S REBATES FOR ELIGIBLE RESIDENTIAL CUSTOMERS.

A. The program would be a voluntary pilot which will provide eligible residential customers with a $1,000.00 rebate to offset the costs of conversion to a natural gas hot water tank.

Q. WHAT ARE THE EXPECTED COSTS FOR THE REBATE PILOT PROGRAM?

A. See Table 1 below.

Table 1 – Three-Year Natural Gas Hot Water Tank Rebate Pilot Program Budget

Three-Year Pilot Budget			
Budget Item	FY27	FY28	FY29
Rebates	$ 365,000	$ 389,000	$ 402,000
Administration	$ 21,000	$ 17,000	$ 18,000
Outreach/Marketing	$ 114,000	$ 94,000	$ 80,000
Total	**$500,000**	**$500,000**	**$500,000**

Q. HOW DOES PEOPLES PROPOSE TO RECOVER THE COSTS ASSOCIATED WITH THE REBATE PILOT PROGRAM?

A. Peoples has included $500,000 of expense annually in the cost of service for this case. If the Company does not use all of the expected dollars in one calendar year, those dollars would carry-over into the next program pilot year. Once the Company has used its budgeted dollars for the pilot program year; the pilot will close for the remainder of the program year and re-open the following year.

Q. WHO IS ELIGIBLE FOR THE REBATE PILOT PROGRAM?

A. All current residential customers would be eligible for the Company's pilot. However, the accessibility of this rebate pilot program will not replace services that may be available to income qualified households under its Emergency Furnace and Service Line Repair ("EFSLR") Program or Low Income Usage Repair Program ("LIURP"). If a customer's water heater is replaced through either EFSLR or LIURP, there is no cost to the household for the natural gas water heater, therefore the rebate pilot program would not apply.

Q. WHAT ARE THE EXPECTED PARTICIPATION LEVELS FOR THIS PILOT?

A. Peoples will target a participation level of approximately 1,100 customers over the three year period. Once the program matures and awareness grows among customers and contractors, participation may increase.

Q. WHAT ARE THE EXPECTED COST SAVINGS FOR CUSTOMERS?

A. Using the example of a 40-gallon gravity vent water heater, the $1,000 rebate will defray the cost of the conversion from electric to natural gas and the customer will recognize savings of approximately $195 - $376 per year based on current electric and natural gas rates. See Table 2 below for two different scenarios, including cost to operate and the estimated cost savings:

Table 2 – Expected Cost Savings Scenarios for the Hot Water Tank Rebate Pilot Program

Peoples Affordable Fuel Switching Hot Water Tank Rebate Program				
	Natural Gas 40 Gallon Gravity Vent Water Heater	Electric 40 Gallon Water Heater		
Tank* and Installation	$2,600	$1,710		
Less Rebate	**($1,000)**	$0		
Net Customer Cost	**$1,600**	**$1,710**		
	PNG	**Electric Utility A**	**Electric Utility B**	**Electric Utility C**
Annual Cost to Operate	$436	$877	$750	$699
Annual Operating Cost Savings		**$441**	**$314**	**$263**
*high performing tank				
	Natural Gas 40 Gallon Power Vent Water Heater	Electric 40 Gallon Water Heater		
Tank* and Installation**	$3,800	$1,710		
Less Rebate	**($1,000)**	$0		
Net Customer Cost	**$2,800**	**$1,710**		
	PNG	**Electric Utility A**	**Electric Utility B**	**Electric Utility C**
Annual Cost to Operate	$423	$877	$750	$699
Annual Operating Cost Savings		**$454**	**$327**	**$276**
Payback - Number of Years		2.4	3.3	3.9
*high performing tank **does not include electrical outlet installation				

Q. HOW WILL THE COMPANY EVALUATE THE EFFECTIVENESS OF THE PROGRAM?

A. The Company will track program participation, and it will also survey its customers that convert to a natural gas water heater.

Q. HOW WILL PEOPLES PROMOTE THIS PROGRAM?

A. Peoples has budgeted $288,000.00 to be spread out over three years for marketing and outreach for this rebate program. The Company plans to use direct mail, bill inserts, our

website and social media to market this pilot program. Peoples will strive to ensure broad awareness, equitable access and strong participation in the program across its residential customer base.

Q. OVERALL, WHY IS PEOPLES PROPOSING THIS REBATE PILOT PROGRAM?

A. Affordability is on our minds and on our customers' minds. Using a natural gas tank to heat water in residences will result in cost savings to our customers. We want to help our customers afford their energy bills and this is one way we can help.

Moreover, if our customers choose to convert to a natural gas hot water tank they will find that natural gas can heat water more quickly and help to reduce their overall electric load. A reduction in overall electric load would free up electrical capacity and reduce the customer's overall electric demand.

Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to supplement my testimony as other issues arise during this proceeding.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
JOYCE MITOLE
CONTROLLER
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 9

PREPARED DIRECT TESTIMONY OF
JOYCE MITOLE

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Joyce Mitole. My business address is 375 North Shore Drive, Suite 400, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC (PNG Companies) as Controller. PNG Companies provides various administrative functions for Peoples Natural Gas Company LLC ("Peoples" or the "Company") including Accounting.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I received a Bachelor of Science Degree in Accounting from University of Malawi in 1993 and a Master of Business Administration from Carnegie Mellon University in 1997. I am a Certified Public Accountant in the State of Pennsylvania.

From 1997 to 2020, I worked in different accounting roles at Alcoa and its successor companies after two consecutive company splits (Arconic and Howmet Aerospace). In 2021, I joined Peoples Natural Gas as the Controller where my responsibilities include accounting and financial reporting for Peoples in addition to Fixed Asset accounting.

Q. WHAT ARE YOUR RESPONSIBILITIES AS CONTROLLER OF PEOPLES?

A. I am responsible for the overall development and execution of the Company's policies, strategies, and practices in the areas of General and Fixed Asset Accounting.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I will identify the filing requirements that I am sponsoring. Also, I will discuss how the accounting records of Peoples are maintained and what industry standards are followed.

Q. WHAT FILING REQUIREMENTS ARE YOU SPONSORING?

A. A list of the filing requirements that I am sponsoring is attached to my testimony as Appendix A.

Q. PLEASE DISCUSS HOW PEOPLES MAINTAINS ITS ACCOUNTING RECORDS AND WHAT INDUSTRY STANDARDS IT FOLLOWS IN DOING SO.

A. Peoples' accounting records are maintained using both a "Natural" chart of accounts and a "FERC" chart of accounts. Transactional data is recorded, maintained and reported in accordance with Generally Accepted Accounting Principles ("GAAP"). Several authoritative sources are utilized including standards and interpretations issued by the Financial Accounting Standards Board ("FASB") and FASB's Accounting Standards Codification ("ASC"), and the Code of Federal Regulations ("CFR"). Additionally, Pennsylvania Public Utility Commission ("Commission") and Federal Energy Regulatory Commission ("FERC") directives and standards are reviewed to assure compliance with applicable reporting requirements.

Further, Peoples' financial statements are subject to audit for inclusion in the annual audit of its parent company PNG Companies LLC and these financial statements are replete with our independent auditors' report. The report is based on audits conducted in accordance with auditing standards generally accepted in the United States of America.

Q. HOW IS THE ACCOUNTING INFORMATION PRESENTED IN THIS CASE?

A. In the filing requirements, Peoples has provided separate information by division where applicable.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding.

Filing Requirements Sponsored by Joyce Mitole

Exhibit/SDR	**Filing Requirement**
Ex. 1, Sch. 1	53.52(c)(2)
Ex. 1, Sch. 2	53.53.III.A.1
Ex. 1, Sch. 3	53.52(c)(6)
Ex. 1, Sch. 5	53.53.II.A.23
Ex. 1, Sch. 7	53.53.III.A.2
Ex. 1, Sch. 8	53.53.III.A.3
Ex. 1, Sch. 9	53.53.III.A.4
Ex. 1, Sch. 10	53.53.III.A.5
Ex. 1, Sch. 11	53.53.III.A.6
Ex. 1, Sch. 12	53.53.III.A.7
Ex. 1, Sch. 13	53.53.III.A.8
Ex. 1, Sch. 14	53.53.III.A.9
Ex. 1, Sch. 15	53.53.III.A.10
Ex. 1, Sch. 16	53.53.III.A.11
Ex. 1, Sch. 17	53.53.III.A.12
Ex. 1, Sch. 19	53.53.III.E.1
Ex. 1, Sch. 20	53.53.III.E.2
Ex. 1, Sch. 21	53.53.III.E.32
Ex. 1, Sch. 23	53.53.II.A.20
Ex. 2, Sch. 1	53.52(b)(2)
Ex. 2, Sch. 2	53.52(c)(5)
Ex. 2, Sch. 5	53.53.III.A.18
Ex. 2, Sch. 6	53.53.III.A.42
Ex. 2, Sch. 7	53.53.III.A.43
Ex. 2, Sch. 8	53.53.III.E.16
Ex. 4, Sch. 19	53.53.III.A.38
Ex. 16, Sch. 8	53.53.II.A.11
Ex. 17, COS 3	VI.III.COS.3
Ex. 17, COS 4	VI.III.COS.4
Ex. 17, COS 5	VI.III.COS.5
Ex. 17, COS 6	VI.III.COS.6
Ex. 17, COS 7	VI.III.COS.7
Ex. 18, ROR 1	VI.IV.ROR.1
Ex. 18, ROR 2	VI.IV.ROR.2
Ex. 18, ROR 5	VI.IV.ROR.5
Ex. 19, RR 1	VI.I.RR.1
Ex. 19, RR 22	VI.I.RR.22
Ex. 19, RR 23	VI.I.RR.23
Ex. 19, RR 24	VI.II.RR.24
Ex. 19, RR 25	VI.II.RR.25
Ex. 19, RR 38	VI.II.RR.38
Ex. 19, RR 39	VI.II.RR.39
Ex. 19, RR 41	VI.II.RR.41
Ex. 19, RR 42	VI.II.RR.42
Ex. 19, RR 44	VI.II.RR.44

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
RITA F. BLACK
DIRECTOR, COMMUNITY ASSISTANCE PROGRAMS
ESSENTIAL UTILITIES

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 10

PREPARED DIRECT TESTIMONY
OF RITA F. BLACK

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rita F. Black and my business address is located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. as the Director of Community Assistance Programs. In this role, I lead assistance programs for Peoples Natural Gas Company LLC ("Peoples" or the "Company"), Aqua Pennsylvania Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively "Aqua PA"), as well as these companies' affiliated regulated utilities operating in other states.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. Following receipt of a Bachelor of Science Degree in Accounting from Robert Morris University, I joined Peoples Natural Gas Company LLC and began a career spanning more than 30 years across the areas of customer service, rates and regulatory affairs, and low-income programming. From 2001 through 2014, I worked in the Rates and Regulatory Affairs department of Peoples as an analyst. My responsibilities as an analyst in the Rates and Regulatory Affairs department included the development and administration of the Universal Service Rider and preparation of the Universal Service Energy and Conservation Plan ("USECP"), as well as tariff filings, testimony preparation

and other analytical projects. In 2014, I was promoted to Manager, Customer Relations for Peoples Natural Gas and was responsible for oversight of all low-income programming, including its Customer Assistance Program ("CAP"), Low Income Usage Reduction Program ("LIURP"), Emergency Furnace and Houseline Repair Program ("EFHRP"), Hardship Fund, and Customer Assistance, Referral and Evaluation Services ("CARES"). In addition to oversight of low-income programming, I was also responsible for compliance on customer-related issues for Pennsylvania, West Virginia and Kentucky. I was promoted to Director, Customer Relations in 2016 and was subsequently promoted to Director, Community Assistance Programs in April of 2021 with responsibility for all regulated states under the Essential Utilities footprint, including Peoples. In this role, my oversight of low-income programming has expanded to include our water and wastewater entities. I retain responsibility for natural gas low-income programming and compliance across our natural gas footprint.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDING?

A. Yes. I have testified in hearings conducted by the Pennsylvania Public Utility Commission ("PUC" or the "Commission") on formal complaints. I have also submitted direct and rebuttal testimony in base rate proceedings for Peoples Natural Gas[1] and Aqua PA[2]. I submitted written testimony in Aqua PA acquisition proceedings as well[3].

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS CASE?

[1] *See* Docket Nos. R-2010-2201702; R-2012-2285985; R-2023-3044549.
[2] *See* Docket Nos. R-2021-3027385, R-2021-3027386; R-2024-3047822; R-2024-3047824
[3] *See* Docket Nos. A-2022-3033138; A-2024-3049015.

A. In my current role, I provide leadership and guidance on low-income issues, including development, design and implementation of low-income programming for Peoples. I also lead our Universal Service Advisory Group ("USAG"), whose members include representatives from the PA PUC Bureau of Consumer Services ("BCS"), PA PUC Office of Communications, Office of Consumer Advocate ("OCA"), Pennsylvania Utility Law Project ("PULP"), and other stakeholders. My Direct Testimony will provide an overview of our low-income programs, including a description of current open Petitions pertaining to these programs. I will describe proposed tariff language changes to Rate CAP and Rider Universal Service ("Rider US" or "Rider"). I will also describe the Company's Consumer Education and Outreach Plan and its collaboration with members of the USAG to continuously improve awareness of and access to, Peoples universal service programs. Finally, I will discuss the benefit of the proposal to reduce charges under Rider US by crediting various tax refunds, as described in **Peoples Statement No. 3 - the Direct Testimony of Carol Scanlon**.

Q. PLEASE LIST THE EXHIBITS AND FILING REQUIREMENTS THAT YOU ARE SPONSORING AS A WITNESS.

A. **Peoples Natural Gas Exhibit Nos. RFB-1 and RFB-2** are attached to my Direct Testimony.

Q. LET'S BEGIN WITH AN OVERVIEW OF THE PROGRAMS AVAILABLE TO LOW-INCOME CONSUMERS THAT ARE OFFERED BY PEOPLES.

A. Similar to other energy utilities in the Commonwealth, Peoples provides a suite of programs to support customers with limited incomes. Our approved programs are detailed in our current USECP which is provided in **Peoples Natural Gas Exhibit No. RFB-1**. The flagship program to support affordability is CAP. As a percentage-of-income ("PIP") CAP, payments for participants are based on monthly income as shown in the box below. In all cases, participating customers will pay the lower of their calculated PIP or the average bill amount for the service address.

Household Income by Federal Poverty Limit	PIP Amount
0 to 50% FPL	4%
51 to 100% FPL	5%
101 to 150% FPL	6%
151 to 200%FPL	11%

While most energy utility CAPs limit participation at 150% of the Federal Poverty Limit ("FPL"), Peoples expanded its participation to customers with incomes from 151 to 200% FPL through a Pilot CAP Expansion in 2016. This Pilot Expansion was designed to provide an opportunity for customers who do not qualify for LIHEAP to receive arrearage forgiveness benefits to eliminate arrears through participation in CAP. Late payment charges are waived for all CAP participants. CAP customers receive a simplified bill that highlights the benefits of CAP participation, including the amount of CAP credits provided and arrearage forgiveness benefits applied. CAP credit is the difference between the customer's calculated usage bill and the CAP amount.

In addition to CAP, Peoples supports its vulnerable customers through its hardship fund and CARES. The hardship fund, administered by Dollar Energy Fund, serves customers with incomes up to 200% FPL, providing a grant of up to $500. Those with incomes between 151 and 200% FPL are required to apply for the Hardship Fund to

reduce their balance, if the program is open[4], before enrolling their balance into CAP. We also support our customers through CARES. CARES is a safety net. It uses a holistic approach, acting as a wrap-around service, to help customers access Peoples' programs, as well as external programs such as LIHEAP, and provide connections and referrals to other basic needs programming and services. Outreach is an important component of the CARES program.

Low-income customers with high usage may be served by Peoples' LIURP. LIURP provides a heating system clean and tune service along with a full energy audit to determine measures that can be implemented to reduce energy usage. Such measures can include air sealing and insulation. Customers with incomes up to 150% FPL and usage that meets or exceeds the program guideline of 120 MCF annually are eligible for services. Special needs customers with incomes between 151 and 200% FPL may also be served through the program.

Peoples also offers the Emergency Furnace/Service Line Repair Assistance Program ("EFSLR") which serves households with incomes up to 200% FPL that are facing a heating system or gas line emergency. While this program primarily supports homeowners, up to 25% of the annual budget can be used for renters with landlord permission.

Q. PLEASE PROVIDE A BRIEF OVERVIEW OF THE CURRENT STATUS OF THESE PROGRAMS.

[4] Dollar Energy Fund opens October 1st each year and remains open through September 30th or until funds are exhausted. Eligibility varies throughout the program year based on account status (i.e. service on/off; termination, etc.). The specific eligibility is described in the Company's USECP.

A. All approved budgets are described in the USECP. The CAP budget varies according to participation levels, weather and rates, as CAP credits are tied to actual usage bills for participant households. In 2025, through focused efforts to increase enrollment, Peoples has increased its CAP participation by roughly 18%, reaching enrollment of 38,462 as of February 28, 2026. To further support enrollment of customers who have arrears following receipt of LIHEAP, Peoples has filed a Petition for auto-enrollment and recertification.[5]

Peoples LIURP moved to a new administrator in 2025. The new program administrator is Peak Home IQ. This is a local weatherization business that has served customers in the western Pennsylvania area for decades. They have a strong history of participating in other utility programs and have shown significant savings for those utility's customers. Upon moving to the new administrator, Peoples immediately saw an improvement in the choices of measures, including a focus on side-wall insulation in addition to attic insulation which we believe will yield strong results. Due to the transition, and carryover from 2024 under the prior administrator, Peak Home IQ was unable to spend the entire 2025 budget in the current year.

Peoples' EFSLR has been an important safety net for households in 2025. In early 2025, as Peoples closely monitored its annual budget of $1 million, as well as funding challenges to LIHEAP's repair program, it became apparent that the current budget would not be sufficient. On February 27, 2025, the Company filed a Petition to increase its annual EFSLR budget to $1.5 million.[6] This Petition was approved and secured funding through the end of the rider budget year, September 30, 2025, as well as future

[5] *See* Dockets P-2024-3052324; M-2018-3003177, M-2020-3021343.
[6] *See* Dockets P-2025-3053645; M-2018-3003177; M-2020-3021343

budget years. In the fall of 2025, due to funding challenges at the federal level, LIHEAP was delayed in opening until December 10, 2025. As a result, Peoples experienced a very high level of heating system replacements that would normally be handled by the LIHEAP Emergency Services program. Peoples spent $590,108 of its budget for households that would have been served through LIHEAP if that program had opened at beginning of November as is typical. By the time of the January USAG meeting, Peoples' remaining budget was only $348,200 with more than 8 months remaining in the budget year. The Company sought advice from the USAG regarding filing a Petition to stabilize funding of EFSLR on January 28, 2026. On March 3, 2026, Peoples filed a Petition[7], reflecting input gathered from USAG, to request permission to move $500,000 of its 2025 LIURP carryover budget to EFSLR to ensure funding through the end of the current program year. The Petition further requested approval to increase the annual budget to $2 million in future years to ensure stable funding. It also included a language change to allow for any unspent funds to be carried over to the following program year, similar to the current process for LIURP.

The CARES program continues to provide both case management support to vulnerable customers as well as lead the Company's outreach efforts described in its Consumer Education and Outreach Plan ("CEOP"), filed on March 3, 2026 and provided as Peoples Exhibit RFB-2. In addition to hands-on participation at local events, Peoples also provides outreach and promotion of its programs through digital, social and traditional media.

The hardship fund was an important support to customers in the fall of 2025 when LIHEAP was delayed. It functioned as intended, as a fund of last resort, to help those

[7] *See* Docket P-2026-3060819

with termination notices and those who needed assistance with restoration. Funds remain available to customers in need according to the eligibility guidelines described in the USECP.

Q. PLEASE DESCRIBE THE TARIFF CHANGES YOU ARE PROPOSING.

A. I am proposing tariff changes to two areas of the tariff: Rate CAP and Rider Universal Service.

Rate CAP

- Add provision #9 to Rate CAP which states: Use of natural gas, while on CAP, for recreational purposes such as, but not limited to, interior or exterior pool heaters and/or hot tubs, recreational appliances, outdoor appliances, such as gas grills, firepits/rings, fireplaces, gas lamps, heaters and other cooking appliances, and heated outdoor buildings, such as a shed, shop, or garage, is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance(s) has been removed. Unjustified usage as a result of recreational gas use will be billed to the customer.
- Add provision #10 to Rate CAP which states: If the Company determines a CAP participant obtained benefits through fraudulent means, such as failing to report all household income, benefits previously provided may be reversed and the customer will be responsible to pay back the benefits incorrectly received.

Rider Universal Service

- Remove reference to the 'Community Partnership for Weatherization', a program that was discontinued several years ago.
- Update the name of the Emergency Furnace Service Line Repair program to be consistent with the USECP.
- Include outreach costs related to CARES.
- Include third party costs associated with the Independent Evaluation of universal service programs, as required to comply with the BCS requirement to submit such evaluation on a recurrent basis.

Q. IN ADDITION TO THOSE CHANGES, ARE YOU PROPOSING ANY CHANGES TO RECOVERABLE COSTS THAT ARE NOT EXPLICITLY DESCRIBED IN RIDER US?

A. Yes. I am proposing that a new internal role, LIURP Compliance Specialist, be included in the recoverable LIURP budget. This role will provide dedicated oversight and support to LIURP, including to ensure proper implementation and adherence to changes pertaining to the recent LIURP rulemaking[8]. Please refer to **Peoples Statement No. 2 – the Direct Testimony of Andrew P. Wachter** for further discussion on how this cost is reflected in this case.

Q. PLEASE DESCRIBE THE LANGUAGE CHANGES YOU ARE PROPOSING TO RATE CAP, BEGINNING WITH PROVISION NUMBER 9.

[8] *See* Docket L-2016-2557886 FINAL-FORM RULEMAKING ORDER re: Initiative to Review and Revise the Existing Low-Income Usage Reduction (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18.

A. The USECP already contains language prohibiting recreational gas use. This tariff provision provides further clarification by listing common recreational appliances as examples. It also states clearly that if unjustified use is identified, it will be billed back to the customer rather than being recovered from other ratepayers. As monthly CAP payments are based on income, rather than usage, any charges above the CAP payment are borne by other ratepayers. The subsidy is intended to ensure that CAP customers have the benefit of heating, water heating and other common household needs for natural gas while paying a monthly amount that is more affordable to their limited income level. It is not intended to fund recreational use of natural gas.

Q. PLEASE DESCRIBE THE LANGUAGE CHANGES YOU ARE PROPOSING TO PROVISION NUMBER 10.

A. Peoples is proposing this provision in order to allow the Company to hold responsible those households who fraudulently obtain CAP benefits for the cost of those benefits. For example, if a customer with income applies for CAP under the guise of having zero income, they will be enrolled with a minimum CAP payment of $25. During their time in CAP, their usage bills are likely significantly higher than the $25 CAP payment that is applied to their account. And, if they enrolled in CAP with a balance, they are also benefiting from arrearage forgiveness credits as they make CAP payments monthly. If Peoples learns that the customer did indeed have income they did not report, it is reasonable to reverse the CAP credit and arrearage forgiveness benefits they obtained. Both this provision and number 9 described above are intended to control costs of CAP

for non-CAP ratepayers by ensuring only those eligible for benefits receive them and natural gas is used appropriately by participants.

Q. TURNING TO THE CHANGES YOU ARE PROPOSING TO THE UNIVERSAL SERVICE RIDER, CAN YOU PLEASE DESCRIBE THE TWO MINOR LANGUAGE CHANGES, IN PARTICULAR, THE REMOVAL OF REFERENCE TO THE 'COMMUNITY PARTNERSHIP FOR WEATHERIZATION' AND THE RENAMING OF EFSLR?

A. The Community Partnership for Weatherization was a LIURP Pilot launched in 2011 with the intention of providing financial support to local organizations that offered energy conservation events and/or programs in the Peoples service territory. The annual budget was $50,000. Over the years, few, if any partnership opportunities were available to utilize the budget. Therefore, in 2018, the program was eliminated and the $50,000 budget was moved to LIURP. This tariff change is simply a clean-up item to remove reference to the retired program.

The rider currently uses the term 'Emergency Furnace and Houseline Repair' program to refer to EFSLR. In order to synchronize the tariff with the program name used in the USECP, I am proposing to update the tariff language accordingly.

Q. MOVING ON TO THE OTHER CHANGES YOU ARE PROPOSING TO THE RIDER, CAN YOU PLEASE DESCRIBE WHY YOU ARE PROPOSING TO INCLUDE COSTS PERTAINING TO CARES FOR RECOVERY THROUGH THE RIDER?

A. The USECP includes a description, eligibility guidelines and budgets for the four universal service programs required for natural gas distribution companies such as Peoples. These programs, as I described earlier in my Direct Testimony, include: CAP, LIURP, CARES, and the hardship fund. The hardship fund receives its funding through donations from the Company's shareholders, customers and fund-raising efforts of its administrator, Dollar Energy Fund. No ratepayer dollars are used to support the hardship fund.

In the current rider, costs for CAP, LIURP, and the LIURP Pilot EFSLR are recovered. However, it does not currently contain reference to costs pertaining to CARES. CARES includes direct support of vulnerable customers, as well as outreach and education to broaden the awareness of and increase access to utility and other assistance programs. It is a core program within the USECP.

Q. ARE YOU PROPOSING COSTS OF INTERNAL LABOR OR EMPLOYEE EXPENSES RELATED TO OUTREACH EVENTS OR CARES SUPPORT OF VULNERABLE CUSTOMERS?

A. No. Those costs will continue to be recovered through base rates.

Q. PLEASE DESCRIBE THE CARES COSTS THAT YOU PROPOSE SHOULD BE INCLUDED AS RECOVERABLE UNDER RIDER US.

A. I am recommending recovery of the dedicated costs of outreach and customer education discussed in our CEOP. Specifically, I am proposing the costs of the Peoples Energy

Analytics[9] ("PEA") partnership to conduct studies of Peoples' service territory to identify target zones of vulnerability, as well as communication costs for digital, social and traditional advertising be included in the Rider. These costs are limited to promotions of LIHEAP and universal service programs only and do not include any other promotions to Peoples' customers. I am also proposing that as the Company investigates opportunities to expand its outreach to non-English speaking customers, costs related to translation services and materials should also be appropriate to be included as recoverable CARES costs through the Rider. The specific level of costs proposed for inclusion at this time are noted in **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter**.

Q. PLEASE DISCUSS THE PEA PARTNERSHIP AND ITS BENEFITS TO PEOPLES AND ITS CUSTOMERS.

A. Peoples began work with PEA in 2024 in a joint initiative to increase participation in CAP. PEA has developed a unique proprietary algorithm to identify households and areas of its service territory which would benefit from participation in the Company's CAP and other assistance programs. The data developed through this partnership is used by Peoples to identify placement of out-of-home advertising of programs, such as static and electronic billboards, as well as transit advertisements. The heat maps created by this work also identify particular areas that are good targets for the Company's participation in community resource events. The data also identifies specific households that could be eligible for programs and should receive direct outreach.

This work benefits Peoples by guiding our outreach planning to place the resources in the areas in which they most needed. This work also benefits our customers

[9] No affiliation with Peoples Natural Gas.

because it assists us in finding and enrolling eligible households and generally growing the awareness of Peoples' programs to the larger community. By being visible in these target areas, we are reaching community members who may need help themselves or may know others who do.

Q. PLEASE DESCRIBE THE OTHER CARES RELATED COSTS YOU ARE PROPOSING FOR RECOVERY IN THE RIDER.

A. Our communications team reviewed promotional spending pertaining to universal service programs for the past three years. The Company uses a multi-pronged approach to customer outreach and promotion of universal service programs, including the promotion of LIHEAP. The Company publicizes these programs through digital advertising on platforms such as Meta, Google, and NextDoor using geo-targeting to attract the interest of eligible populations. We also utilize 'out of home' advertising to share information on bus shelters and billboards. These outreach costs are appropriate for coverage under CARES within the Rider as these efforts increase awareness of the availability of assistance through Peoples' universal service programs and LIHEAP among our vulnerable customers. For some customers, seeing a promotion with an easy click through link or QR code can be the doorway through which they seek support for their utility bill in the privacy and anonymity of their home or cell phone.

Q. EARLIER IN YOUR TESTIMONY, YOU MENTIONED PEOPLES' CEOP WHICH IS PROVIDED AS PEOPLES NATURAL GAS EXHIBIT NO. RFB-2.

CAN YOU PLEASE TALK ABOUT THE DEVELOPMENT AND IMPLEMENTATION OF THIS PLAN?

A. Yes. Peoples submits a CEOP on an annual basis to the Bureau of Consumer Services. As we think about the CEOP each year, we consider the prior year's outreach efforts and evaluate which of those were beneficial and which were not in order to make informed decisions about how best to allocate resources in the next year. Over the years, the Company has engaged with other utilities to learn about their outreach practices and has also sought input and advice from its USAG. What works well for one utility and its customer base may not work well for another. It is important for each utility to thoughtfully create an education and outreach plan that considers all aspects of its service territory, from geographical location to economic wellbeing, and similarly, to consider comprehension barriers and social challenges. The CEOP should be, in my opinion, a living document that evolves over time, incorporating lessons learned and input from community stakeholders.

Peoples' CEOP is supported by the work of PEA to identify areas of eligible populations for outreach efforts. And, the promotional efforts I described earlier, such as transit advertising and digital ads, are key components of a well-rounded CEOP.

Q. PLEASE DESCRIBE THE INDEPENDENT EVALUATION THAT PEOPLES IS CURRENTLY PARTICIPATING IN.

A. Peoples is required to participate in an independent evaluation of its USECP which will culminate in a report to be submitted to the Bureau of Consumer Services no later than

April 1, 2027[10]. To identify an appropriate evaluator, Peoples sought suggestions from members of its USAG and other utilities. It identified six potential organizations and shared its Request for Proposal ("RFP") with these entities. Four of the six declined to bid on the project. The two that submitted proposals for the evaluation provided detailed scope documents and cost estimates and participated in presentations with our staff. The Company chose Three3 (pronounced Three Cubed), a 501(c)3 research nonprofit, to conduct the independent evaluation. Three3 was chosen because of their extensive experience working with social service and governmental agencies engaged in providing critical services to vulnerable communities. We believe the sensitive and thoughtful approach of Three3 will be beneficial, not only to the evaluation of program effectiveness, but importantly in the customer engagement component of the evaluation.

Prior to issuing the RFP, Peoples sought input from its USAG on the scope of the evaluation. It is our desire to not only identify potential improvements to the universal service programs, but to gain a better understanding of our customers' experience with these programs in order to identify potential barriers. We also desire to find new and creative approaches to outreach and engagement that can support the development of the next USECP which will be filed no later than April 1, 2028 and the annual CEOP. The work of Three3 will continue throughout 2026.

Q. IN YOUR OPENING REMARKS REGARDING THE TARIFF CHANGES YOU ARE PROPOSING, YOU MENTIONED THE INCLUSION OF THE COSTS OF

[10] *See* Order of May 12, 2022 at Dockets M-2018-3003177; M-2020-3021343; P-2020-3017641 and M-2014-2432515

THE INDEPENDENT EVALUATION AS A RECOVERABLE CATEGORY IN THE RIDER. WHY DO YOU FEEL THIS TREATMENT IS APPROPRIATE?

A. The independent evaluation is solely focused on the Company's universal service programs. It is a required action for all natural gas distribution companies ("NGDCs") and electric distribution companies ("EDCs") that operate universal service programs in Pennsylvania. The evaluation will review not only the participation levels and costs of the programs, all of which, with the exception of the hardship fund, are recovered from non-CAP ratepayers through the Rider, but it will also identify any potential improvements or efficiencies that will improve the administration of and access to these programs. For these reasons, I believe inclusion in the Rider is appropriate. The specific costs proposed for inclusion at this time are noted in **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter**.

Q. PLEASE PROVIDE AN OVERVIEW OF THE NECESSITY OF THE LIURP COMPLIANCE SPECIALIST ROLE YOU ARE PROPOSING.

A. Peoples' service territory has grown considerably over the past 15 years with the acquisitions of the former Equitable Gas and T.W. Phillips Gas companies. Prior to those acquisitions, Peoples' annual LIURP budget was roughly $700,000. The program has now grown five times to $3.5 million annually.

In addition to the increase to the LIURP budget and associated projects, weatherization programs across all utilities have continued to evolve. Measures specifically required for health and safety are more common and critical. Coordination of program benefits between natural gas and electric utility programs, as well as state

weatherization, is important to ensure customers receive the most benefit possible. Further, with the recent LIURP rulemaking, there are additional requirements for tracking and reporting that are important to ensuring not only compliance, but effectiveness in serving the Company's eligible population. For these reasons, I believe it is important to add a dedicated role to support LIURP within the Peoples organization.

Q. WHY IS IT APPROPRIATE TO RECOVER THE COSTS OF THIS NEW POSITION THROUGH THE LIURP BUDGET?

A. Similar to third party administration of the program, this role will be 100% dedicated to LIURP. All tasks and responsibilities will be limited to LIURP. Chapter 58 provides detailed requirements of utility LIURP programs. The definition for administrative costs in §58.2 states: *Expenses not directly related to the provision of program services. This term may include salaries, fringe benefits and related personnel costs for administration, secretarial and clerical support involved in fiscal activities, planning, personnel administration, and the like; office expenses, such as rents, postage, copying and equipment; and other expenses, such as audit and evaluation expenses, advertising and insurance.* The responsibilities and daily tasks of this role are explicitly described in the definition of LIURP administrative costs. As such, they should be included under the LIURP budget which is recoverable under Rider US. The specific cost of the position is noted in **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter**.

Q. WHAT ROLE DOES THE USAG PLAY IN PEOPLES UNIVERSAL SERVICE PROGRAMS?

A. Peoples is fortunate to have a long-standing group of participants that include not only advocates and members of the BCS and the Commission's Office of Communications, but members of our community who lead and operate social services throughout our service territory. Our quarterly USAG meetings are not simply opportunities for the Company to report out on its universal service programs, but these are true collaborative sessions. For example, earlier in my Direct Testimony, I mentioned two types of petitions that Peoples has pursued recently. One of which is to institute auto-enrollment for LIHEAP recipients who have shared their household data with Peoples through DHS's data share program. The other are petitions pertaining to the stabilization of its EFSLR. In all three cases, we sought the input of members of the USAG, not only at the quarterly meetings, but through sub-committee petition-focused discussions as well when appropriate. We recognize the value of gaining the perspectives of these members to ensure that our universal service programs continue to be available, accessible, and appropriately funded. It is also our intention as work through the independent evaluation to include the USAG in that process. Looking ahead, as we receive guidance from the evaluator on changes or improvements that could be made to our universal service programs in our upcoming USECP filing, we will bring USAG into that conversation as well. A transparent partnership with these stakeholders will best serve Peoples' customers.

Q. IN PEOPLES STATEMENT NO. 3, WITNESS SCANLON DESCRIBES A PROPOSAL TO OFFSET COSTS OF THE UNIVERSAL SERVICE PROGRAMS

THROUGH THE USE OF TAX REFUNDS. DO YOU AGREE WITH THIS PROPOSAL?

A. I do. Throughout my Direct Testimony, I have discussed the importance of universal service programs to support the needs of vulnerable households by reducing their monthly bill obligations, assisting with arrears and in providing direct improvements to homes to reduce energy and ensure safe and reliable heating equipment. In fact, the term universal service is often used to indicate those programs or offerings that make it possible for consumers to stay connected to utilities and maintain a safe and healthy household. These programs, while necessary and important, bear a cost to ratepayers. In this case, residential ratepayers. Using available tax refunds to reduce the costs to residential non-CAP customers is a wise and important step to maintaining affordability.

Q. YOU MENTIONED THE COSTS OF RIDER US ARE BORNE BY RESIDENTIAL CUSTOMERS, IN PARTICULAR, THOSE THAT ARE NOT PARTICIPATING IN THE COMPANY'S CAP. PLEASE DESCRIBE THE CUSTOMERS WHO WOULD BENEFIT MOST FROM THIS USE OF TAX REFUNDS.

A. There are two particular groups of non-CAP customers that I see as benefiting significantly from this proposal. First, there are income eligible customers who are not participating in CAP and are therefore subject to Rider US. Second, we know that households with incomes that exceed CAP eligibility are often struggling to make ends meet. A common term for these households is 'ALICE'. ALICE stands for Asset Limited, Income Constrained, Employed. These are working families, often employed as essential

workers in child and patient care or in other service industries. Their income often falls above the eligibility guidelines for programs such as LIHEAP and Peoples' universal service programs. However, as the acronym describes, their income is constrained as wages typically aren't keeping up with increases in the costs of basic needs such as housing, child care, transportation and food.

If the tax refunds were flowed back to all ratepayers, these two groups of residential customers would receive a very small benefit. However, through this proposal to flow back the refunds specifically to the residential customers who contribute to the universal service programs, a more noticeable benefit is achieved.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to submit supplemental testimony if additional issues arise during the course of this proceeding. Thank you.

Peoples Natural Gas Company LLC

UNIVERSAL SERVICE
AND
ENERGY CONSERVATION PLAN

2019-2024

Amended March 27,2025 to reflect changes approved in the Peoples Natural Gas Petition at Docket Nos. P-2025-3053645, M-2018-3003177 and M-2020-3021343.

Includes red-lined changes proposed to Pilot LIURP - EFSLR as described in Petition P-2026-3060819 filed 3/3/2026

Peoples Natural Gas
375 North Shore Drive
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2. Attachment B -- Sample CAP Bill
3. Attachment C -- LIURP Customer Pledge and Action Plan Forms
4. Attachment D -- Energy Conservation Education
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7. Attachment G – Needs Analysis
8. Attachment H – Zero Income Form

UNIVERSAL SERVICE AND ENERGY CONSERVATION PLAN

Overview

The Peoples Natural Gas Company (Peoples) submitted its current Universal Service Plan on July 16, 2014[1]. It was approved by Final Order on December 17, 2015. The Plan incorporated the best practices of the Peoples and Equitable Divisions of Peoples Natural Gas and included an expansion of the Customer Assistance Program under a Pilot that allowed for participation for customers with significant balances and incomes between 151 and 200% of Federal Poverty Levels. The Company further amended the plan in 2016 to include an Emergency Furnace and Line Repair Program for the Equitable Division[2].

The Company has an active Universal Service Advisory Group (USAG) whose members include representatives from Office of Consumer Advocate, the PA Public Utility Commission's Office of Investigation & Enforcement and Bureau of Consumer Services, Public Utility Law Project, and local community partners such as Women's Center and Shelter of Pittsburgh, Salvation Army, Allegheny County Department of Aging, United Way PA 2-1-1, Catholic Charities and others. The USAG meets quarterly in January, April, July and October. The group provides valuable input into the outreach methods and communication efforts for the Company's Universal Service programs. It also has an important role in advising the Company on appropriate budgets, eligibility and program parameters. The input of the USAG was crucial to the development of this Plan and the changes proposed are reflective of the engagement of the group. The group's goal is to ensure the programs offered by the Company increase affordability, reach the vulnerable populations who need them and are managed effectively.

This Plan no longer includes the LIURP Pilot Community Partnership program. This program was designed to provide financial support to local organizations that offered energy conservation events and or programs in the Peoples Division service territory. The annual budget was $50,000. When the program was launched in 2011, interest from partnering organizations was high and Peoples was able to support some very valuable conservation education programs. Over time, the number of proposals for support have continued to drop and in 2017, Peoples sponsored only one project and used the remaining funds to provide energy conservation programs developed and presented by Peoples' Energy Consultants. Therefore, the Company proposed, and the USAG agreed, that these annual funds would be better spent in the LIURP weatherization program, providing more available dollars to increase random inspections as well as health and safety spending. A letter of notification was submitted to the Bureau of Consumer Services on June 26, 2018 regarding the elimination of this program and use of these funds in the LIURP weatherization program. The transfer of the $50,000 from the Community Partnership for Weatherization Program to LIURP is reflected in the LIURP budgets provided in this Plan.

[1] Docket M-2014-2432515
[2] Dockets P-2016-2562220 and M-2014-2432515

Plan Submission

This Plan will be in effect during the period from January 1, 2019 through December 31, 2028 and will be implemented upon approval by the Commission.

Plan Modifications

The proposed modifications, which are highlighted below, represent the Company's efforts to continually improve the effectiveness and efficiency of its Universal Service Program offerings. Proposed changes were developed from feedback received in the Independent Evaluation of 2017 and the input of the Company's USAG.

Customer Assistance Program

- Partnership with Duquesne Light to assist customers in enrolling in CAP for both companies with one income documentation submission.
- Provision added to allow customers to re-enter CAP up to 9 months after termination or removal, maintaining the same pre-CAP amount as existed prior to their exit.
- Limit the use of LIHEAP receipts in lieu of providing income documentation for CAP enrollment to those funds received in the current (or prior if the season has recently closed) LIHEAP season. This reduces the timeframe for which LIHEAP receipts can be used to indicate eligibility from 2 years to approximately one year.
- Elimination of the CAP Plus mechanism to improve affordability.
- Elimination of the pre-CAP add-on payment of $5 per month for those that enter the program with arrearages.

CARES/Hardship Funds

- Company will make all efforts to partner with electric companies to provide services to vulnerable customers within the residence to obtain documentation for possible programs participation and provide resources.

Low Income Usage Reduction Program (LIURP)

- Increased allowance per job to include remediation of the heating system in addition to implementing pre-determined measures and in some cases for health and safety measures that allow the Company to move forward with weatherization project that might have otherwise been prohibited.
- Provide for an increase of random inspections above 25% of annual jobs to allow for a more effective quality control of the program measures installation, new contractors and/or of those situations in which the Company deems it appropriate to provide additional oversight to a contractor/(s).

LIURP Emergency Furnace & Line Repair Program

- Increase the annual budget for Peoples Natural Gas to $863,750. to reflect changes in annual budgets determined in prior proceedings. Increase the annual budget for Peoples

Gas Company LLC to $61,250 to reflect changes in annual budget determined in prior other proceedings.
- Increase all annual budgets by 3% for each subsequent year to reflect increases in labor and material costs.
- Include costs of minor restoration that is necessary to ensure safety for gas line replacements that include excavation.

Plan Attachments and Coordination Efforts

A list of attachments to this Plan follows the Table of Contents.

An integral part of the Plan is the coordination of Universal Service Programs both within the Company and through external agencies. Employees receive training regarding sensitivity to those with special needs as well as program availability and eligibility. Employees of the Customer Service Center as well as Field Operations make referrals to the Customer Relations team via email or phone. In addition, area agencies are a key source of outreach efforts to customers and are supported through materials and/or presentations provided by the Company.

The steps used to identify eligible customers and methods of program coordination can be found listed in the first section, Customer Assistance Program. These steps apply to all of the Universal Service Programs in the Plan.

Organization

Universal Service Programs are managed and directed by the Customer Relations Department which is housed in the Operations organization of the Company. The organizational chart for Customer Relations is provided at the end of this section. While the programs themselves are managed exclusively in the Customer Relations department, the important work of outreach and referrals occur throughout the Company.

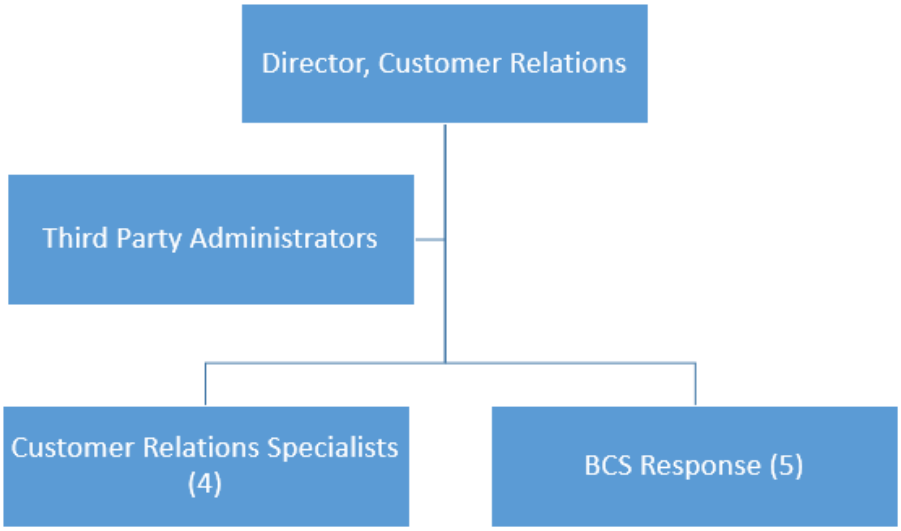
Incoming calls to the Company from low income customers are answered in the Customer Service Center, Monday through Friday from 7 a.m. to 5 p.m. Management of the Customer Service Center is provided by the Sr. Director of Customer Service. All agents receive training on the Company's Universal Service Programs in order to make appropriate referrals. Customers who appear to be eligible and in need of the Customer Assistance Program are transferred directly to Dollar Energy Fund, the Company's CAP administrator, for immediate assistance. CAP participants who need the assistance of a Dollar Energy Fund Hardship Grant are directly transferred to Dollar Energy Fund to apply for the grant over the phone and are not required to visit an agency. Customers who are in need of other Universal Service programs such as weatherization, emergency heating assistance or CARES are referred by the Customer Service Center to the Customer Relations department for follow up.

In addition to the organization which supports the connection of customers with available assistance, customers can additionally self-refer. Through the Company's website, customers

can contact the Company through the 'Peoples Helps' email line which is managed by the Customer Relations department. Customers creating an online payment arrangement through the Company's e-account portal, and who present with income less than 150% FPL are identified and their accounts are forwarded on a weekly basis to the CAP administrator for outreach for potential CAP enrollment and to offer other Universal Service programs as appropriate.

In order to ensure we reach the most vulnerable, an employee-only phone line has been implemented for the Field Operations team. Field technicians can dial directly into the Customer Relations department to make the Company aware of customers in difficult circumstances so help can be provided. Field employees also receive a stock of customer care cards that are essentially business cards with the Company's phone number and a list of programs to hand out to customers who could benefit from these programs. Customer Relations staff members additionally provide 'on call' service to Operations after normal working hours and on weekends. This service allows us to coordinate assistance for vulnerable customers, particularly if an issue arises in colder weather that affects heat to the home.

Customer support has high visibility in the Company as seen through regular presentations to the management team. Educating employees on Universal Service programs is a key focus of Peoples' Making Life Better mission.



CUSTOMER ASSISTANCE PROGRAM (CAP)

Program Description

Peoples CAP is a special payment plan for low-income, payment-troubled customers. Through CAP, low income customers pay a percentage of their income for natural gas service. The reduced payment amount is designed to improve payment compliance and reduce collection activities.

Eligible customers agree to pay 4%, 5%, 6% or 11% of their verified before-tax monthly income for natural gas service. The household income and family size determine which percentage of income the customer is to pay. Earned and unearned income of minor children is excluded in the determination of eligibility and calculation CAP payment, in compliance with the definition of household income found at 66 Pa.C.S. §1403. If the average bill for the premises is lower than the calculated percentage of income payment, the customer's CAP payment will be the average bill amount.

Eligibility for CAP is income at or below 150% FPL. Customers with incomes between 151 and 200% FPL that meet additional eligibility requirements will be eligible to participate in the Pilot CAP expansion.

Findings and Recommendations from Independent Evaluation

1. Phone and Agency Enrollment – Most customers enroll in CAP over the telephone by calling DEF. Customers appear to appreciate the convenience of the telephone enrollment and very few customers visit an agency to enroll in CAP. However, there may be additional cases where agency enrollment may provide important benefits to the customer such as quicker enrollment or more education and referrals, and should be recommended.
2. Income Verification – Peoples has reported that they are working to make it even easier for customer to provide income documentation, by creating additional mechanisms for customers to submit the information.
3. Recertification – As with enrollment, customers appear to appreciate the ability to recertify by mailing in their documentation rather than visiting an agency. However, it may be beneficial for Peoples to suggest that certain customers visit an agency to recertify to obtain a better understanding of the program, the importance of making the monthly CAP payment, and additional resources that may be available to assist them in meeting their needs.
4. CAP Bill – Peoples has designed a CAP bill that provides a clear presentation of the monthly CAP payment, the five-dollar contribution for arrearages and the CAP credit as the difference between actual usage and the CAP payment. Peoples could add information on the amount of arrearage forgiveness that will be received when they pay their bill to make this even more apparent.
5. CAP Plus – The CAP Plus adder impacts energy burden and affordability. Peoples should continue to monitor this adder and asses how increases impact affordability, especially for the lowest income customers.

6. Affordability – The CAP survey and the transactions data analysis clearly showed that the program has improved affordability for participants.
7. Bill Payment – CAP also had a positive impact on bill payment.
8. CAP Satisfaction – Customers reported that CAP was very important in helping them to meet their needs and their satisfaction was high.

Modifications Since Last Plan

Peoples implemented the suggestion provided in finding number 4 above regarding the CAP bill. A message has been added to CAP bills, directly below the CAP payment amount, to remind customers of the Arrearage Forgiveness benefit they will receive by making the payment. Please refer to Attachment B for an example of this bill message.

In response to finding number 5, Peoples engaged the regulatory focused members of its Universal Service Advisory Group to review, analyze and discuss potential CAP Plus modifications to address the affordability impact on the lowest income participants in its program. This working group analyzed data and held discussions that led to the modification of the CAP Plus mechanism that is described in this Plan.

The Company also considered the suggestion from the independent evaluation that some customers will be better served through enrolling in CAP in person. While this option has always existed at any Dollar Energy Fund agency, the Company has taken steps to increase the visibility of this option and to encourage its phone agents to offer this option to customers. There has also been a change to agency compensation, providing for agency reimbursement for the cost of completing a CAP application, regardless of whether the customer is ultimately enrolled. The Company has provided CAP training at Catholic Charities of Allegheny County so that customers can apply for CAP in person.

In order to ensure income eligibility, the Company has changed the LIHEAP eligibility provision of its CAP enrollment process to limit the use of LIHEAP in lieu of income documentation to customers who have received a LIHEAP cash or Crisis grant within the current or most recent program year. Prior to this change, customers could enroll into CAP without submitting income documentation if the Company had received LIHEAP funds in the past two years.

An online application, utilizing Dollar Energy Fund's MyApp application has been implemented, allowing customers to apply for CAP online. During the online application process, customers may submit their income electronically. The online application can be found at: https://www.hardshiptools.org/MyApp/. The Company plans to implement a paper application, to be completed via US mail, for customers who prefer this method. The paper application will be available in October of 2022.

Eligibility Criteria

The CAP program is available to customers who are at or below 150% of the Federal Poverty Income Level (See Attachment E - Income Guidelines). The customer must have active

residential heating service. If a customer reports zero income, a zero-income form, as shown in Attachment H, can be submitted in lieu of income documentation for enrollment in CAP.

Under a pilot expansion of CAP, customers with incomes between 151 and 200% of Federal Poverty Level, at least one broken payment arrangement and a significant arrearage may also participate. A significant arrearage is generally defined as a balance of $800 or more, but flexibility is given in the evaluation of individual circumstances. Customers in this income group must apply for a Dollar Energy Hardship Fund Grant to be applied to their account balance prior to entering the CAP program if such funds are currently available.

Prior CAP customers who apply for service within nine months of service termination or discontinuance will continue to be considered active participants provided that they pay their CAP bill arrearage. An applicant with an outstanding balance that has not previously participated in CAP may enroll and restore service by submitting income documentation supporting their eligibility for the program and will not be required to make an arrearage payment. CAP-eligible customers who receive LIHEAP and/or Hardship Fund for restoration may enroll in CAP without submitting additional documentation and any remaining balance, following the crediting of energy assistance, will be frozen as pre-program arrearages.

Upon contact, a customer may be enrolled in CAP without providing income documentation if he/she has received a LIHEAP payment within the current or most recent LIHEAP program year. Additionally, if service is off and the customer receives approval for LIHEAP or Hardship Fund grants to restore service, no additional income documentation will be required to enroll in CAP. Peoples will accept a customer's participation in an electric or water CAP program as verification of income if the customer provides authorization for the CAP administrator to utilize income documentation submitted by the customer to enroll in another CAP program managed by the administrator (i.e. First Energy, Pennsylvania American Water) or authorizes another utility CAP program to share income information for the purposes of enrollment. Permission to use income data previously provided to Dollar Energy Fund for the purposes of enrolling in another program will only be used if the customer provides informed consent to such use. The use of this income data will be used to determine eligibility only and will not be used for any other purpose. If a customer enrolls in Duquesne Light's CAP program and provides their permission for their information to be shared, the Company will receive the customer's information from Duquesne Light and will complete enrollment on behalf of the customer. The customer may submit income for the past 30 days or 12 months, whichever is more beneficial to the household, for the determination of eligibility to participate in CAP.

The Company will follow its collections procedures for customers who fail to meet their CAP payments in a timely manner. In all cases, the Company reserves the right to delay termination based on individual, extraordinary customer circumstances. Examples of such circumstances may include mental or physical impairment and protection of vulnerable customers such as those with advanced age or victims of domestic violence.

Current CAP participants that move to a new address within the Company's service territory will be identified through a daily report. This report will be reviewed by a member of the Customer Relations team to expedite enrollment of the customer's new account into CAP to ensure benefits

are maintained. Report development and implementation of this process is expected by August 1, 2022.

Low Income Home Energy Assistance Program – LIHEAP Coordination

The LIHEAP and LIHEAP Crisis Program provide grants to eligible households to help with their utility bills. CAP participants should apply for LIHEAP and the Company provides information on how to apply for the grants. The Company mails annual reminder letter to CAP participants who have not yet received a LIHEAP grant within the program year. The LIHEAP Crisis Grant may be requested contingent upon state developed criteria and would be applied consistent with state guidelines.

Current Program Benefits

- Affordable monthly payments based on ability to pay.
- Monthly CAP credits.
- Monthly arrearage forgiveness when timely CAP payments are received.
- Exemption from late payment charges and waived security deposits for CAP eligible applicants.
- Referrals to other Universal Service programs and assistance programs

Payment Plan

Peoples utilizes a "Percent of Income Payment Plan" to establish a customer's monthly payment. Applicants must provide proof of household income when applying for the CAP program unless they have received a LIHEAP grant within the current or prior program year (if the program recently closed). Household income and family size will place customers in a percent of income matrix. The monthly income times the 4, 5, 6 or 11 percent equals the minimum monthly payment, unless the budget amount for the premises is less, in which case the budget amount will become the CAP amount

Federal Poverty Status	Percent of Income	
0 - 50%	4%	
51 – 100%	5%	
101 – 150%	6%	
151 – 200%	11%	CAP Pilot Expansion

Customers' CAP payments are reviewed on a monthly basis, during the billing process, to ensure the customer's CAP payment is the lowest payment for which the customer is eligible (i.e.

budget or percentage of income). If a payment change is needed, it is effective the following month. A bill message on the current bill advises the customer the CAP payment for the following month will be changing in order to alert them to review the next bill closely. In order to maintain a stable payment, absent any special circumstances such as billing adjustments, the payment will be changed no more often than once every three months.

Customers reporting 'zero income' can be enrolled or continue to participate in CAP by completing the Zero Income Form. Customers enrolled with 'zero income' will be billed the CAP minimum payment and will be required to recertify their income status in 6 months.

Payments received from the customer exceeding the current CAP payment due will be used to reduce the following month's CAP payment amount.

Program Dimensions

1. CAP Enrollment

   The current number of active CAP participants, as of December 31, 2019 is provided in the table that follows. Enrollment is not limited to a predetermined level. Customers must be payment-troubled and low-income to be eligible. Income eligibility is established at or below of 200% of the federal poverty level (CAP to 150% FPL and Pilot CAP expansion 151 to 200% FPL).

Peoples Natural Gas
32,870

2. Arrearage Forgiveness

   The outstanding balance at the time of enrollment is frozen and treated as pre-program arrears. CAP customers with pre-program arrearages are eligible for Arrearage Forgiveness credits equal to 1/36th of their pre-program balance when the customer pays the required CAP payment. This program allows CAP participants to fully extinguish their pre-program balance over a three (3) year period. Arrearage Forgiveness credits are provided when the customer makes each on-time and in-full monthly CAP payment, regardless of CAP arrearages.

3. Calculation of CAP Credits

   CAP credits are applied on a monthly basis when the CAP bill is issued to the customer. Per 52 § 69.262, a CAP credit is defined as the difference between the CAP customer's actual usage bill and the CAP monthly bill.

4. CAP Administration and Use of Community Based Organizations

Dollar Energy Fund administers Peoples' CAP program which includes verification of eligibility, recertification and day to day account monitoring. The agency receives customer applications via telephone and has a network of community-based organizations that are available to complete CAP applications for eligible customers. The agency offers an online CAP application which can be found at https://www.hardshiptools.org/MyApp/ and can provide a paper application, as requested, via US mail beginning October 1, 2022.

The Company also utilizes utility partnerships and agencies such as Catholic Charities for CAP enrollment to simplify the process for customers and increase the likelihood customers will enroll in CAP programs with each of their utility providers.

5. CAP Customers who have enrolled on the basis of LIHEAP or who have certain fixed income types (pension, social security or disability) are recertified once every three years. Other income types will recertify once every two years. Customer reporting no income are required to recertify at least every (6) months. The exception to this requirement are those households whose sole income is unearned income for a child. In those cases, recertification, dependent on the type of income received by the child, will follow the recertification schedule provided for that type of income. Recertification begins with the issuance of a letter to the customer, 60 days in advance of the recertification date, requesting the customer to submit proof of income to remain active in the CAP program. A second reminder letter is mailed 30 days later. If at the end of the 60 day period, the customer has not provided the required income documentation, the customer will be dismissed from the CAP program.

6. Final Bills – Final bills are calculated as a prorated CAP amount based on the number of days in the final bill period. In addition to the current portion of the final bill, the formerly frozen pre-CAP balance becomes due.

Control Features

To limit program costs, Peoples, through its administrator, monitors CAP accounts to ensure customers are complying with the terms of the program and are receiving the proper benefits from CAP and other Universal Service Programs.

- The minimum payment for a heating account is $25 per month.

- CAP participants who qualify for weatherization will receive priority in accordance with the criteria established for the LIURP Program.

- A CAP customer who meets the eligibility criteria for LIHEAP will be encouraged to complete an application.

- Upon enrollment in CAP, participants will be advised of the importance of energy conservation and will receive information on conservation tips and weatherization programs. Customers with a history of high energy usage and those who reach review status for exceeding $1,000 in CAP Credits or exceeding annual usage thresholds will be

referred to the Company's weatherization program (LIURP) and any other appropriate programs. All participants will be advised that their usage will be reviewed on an ongoing basis and unjustified excess CAP usage or excess CAP credits may result in removal from the CAP Program if such usage is considered by the Company to be outside of the intentions of the CAP program.

- A daily report allows the CAP Administrator to identify CAP customers whose weather-normalized annual usage has increased by more than 25%. When a CAP customer's account appears in the report, the Company representative will take the following steps:

    - The account will be reviewed and the customer will be contacted in order to determine if the increase in gas usage is justified. Contact is made through phone and paper surveys regarding the household and housing attributes that would justify high usage. Justified usage may include: increase in household size, serious illness of a family member, or usage was beyond the household's ability to control such as poor housing stock and inefficient appliances Special needs customers identified through this process will be referred to the CARES program in accordance with 52 PA Code, § 69.261-267.

    - Any customer with unjustified excess usage will be contacted and provided with conservation information, tips for decreasing usage, and referred to weatherization programs. Unjustified excess usage may result in the CAP customer being removed from the CAP Program. Prior to any consideration of removal, LIURP and energy education services will be offered.
- In addition to usage monitoring, Peoples monitors customers who exceed $1,000 in CAP credits. In advance of reaching the $1,000 threshold, customers will be notified of their current use of CAP credits and offered information about the LIURP weatherization program when they reach 50% or $500 in CAP credits and again at 75% or $750 in CAP credits annually. Such notification will include a description of the customer's responsibility to monitor their gas usage and advisement that the customer may be held responsible for CAP credits exceeding the $1,000 CAP credit limit.

    - When an account exceeds the $1,000 CAP credit threshold, the account is reviewed and the customer may be contacted in order to determine if excess CAP credits are justified. Contact is made through phone and paper surveys regarding the household and housing attributes that would justify high CAP credits. Justification may include: an increase in household size, serious illness of a family member, or usage was beyond the household's ability to control such as poor housing stock and inefficient appliances. Special needs customers identified through this process will be referred to the CARES program in accordance with 52 PA Code, §69.261-267. Customers exceeding the $1,000 threshold due to participation in CAP at the minimum payment level are reviewed. If usage is in line with historical usage, completion of the survey is not required.

- Unjustified CAP credits in excess of $1,000 may result in removal from participation in CAP. Prior to any consideration of removal, LIURP and energy education services will be offered.

Default, Termination Conditions and Requests for Removal

The Company monitors accounts for changes in family size or income, timely payments, appropriate usage and timely meter readings. A CAP participant's failure to comply with one or more of the following may result in the Company ending the customer's opportunity to receive service under CAP:

- Failure to allow access to or provide customer meter readings in four consecutive months.
- Failure to report changes in income or family size.
- Failure to recertify as requested and/or to meet eligibility requirements.
- Failure to make payments may result in the Company undertaking collection activities which may lead to termination of service. To avoid termination, the customer must pay CAP arrears prior to the scheduled termination date. If a CAP account is terminated, the customer must pay all missed CAP payments to restore service. If CAP is the only prior arrangement on the account, making the customer eligible for reduced restoration, the customer may pay 1/24th of arrears to restore service.
- Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters and gas grills is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed.

Appeal Process

CAP applicants may appeal the denial of eligibility. If the CAP applicant is not satisfied with the Company's initial eligibility determination, the Company will follow the dispute procedures at 52 PA. Code §56.151 and 56.152. The CAP applicant may also appeal the denial of eligibility to the PUC's Bureau of Consumer Services in accordance with 52 PA Code §56.161-56.165.

Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided as Attachment A and the additional Needs Assessment information developed by the Company as shown in Attachment G. Historical residential customer counts for Peoples Gas are also included in Attachment G. In the Independent Evaluation, the Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

Program Budget

- The CAP Program is funded by Peoples' customers and administered by the Company. The chart below contains the projected expenditures for 2019-2024 period. Cost recovery of particular CAP components is provided through the Universal Service Rider of Peoples Natural Gas. Recoverable costs include CAP credits, Arrearage Forgiveness, and third-party administration. The budget provided below is based on 2019 actual participant income and using average CAP usage to calculate CAP credits, average pre-CAP balances to calculate Arrearage Forgiveness and contractual costs for CAP administration as projected on a yearly basis. The Rider has other adjustments, such as a bad debt adjustment, that determine the actual amount recoverable. The Rider is subject to an annual reconciliation to actual experience. The rates used in the calculation of CAP credits are effective January 1, 2020 and therefore include the base rate increase approved for Peoples Natural Gas in late October 2019. Year end 2019 participation is used as the basis for the calculation.

	Peoples Natural Gas
2019	
2020	$18,216,507
2021	$18,253,197
2022	$18,290,987
2023	$18,329,911
2024	$18,370,002

Plans to Use Community Based Organizations

Peoples' CAP program is managed by Peoples' staff and administered by Dollar Energy Fund. Dollar Energy Fund will contract with community-based organizations throughout PNG's service territory. While enrollment over the phone is preferred by most customers, the Company recognizes the need to offer in person enrollment for those who prefer and/or are more suited to this approach. Customers can apply in person at Dollar Energy Fund agencies and some Catholic Charities offices. The Company continues to look for other opportunities to expand availability of in-person CAP applications in partnership with Duquesne Light. Peoples continues to work closely with community-based organizations to provide appropriate follow up, information on education, budget counseling and referrals in conjunction with LIURP. In addition, Peoples refers eligible customers to appropriate programs and services including, but not limited to, sources of third-party funding, budget counseling, and consumer education.

Organizational Structure of Staff responsible for CAP

Peoples' CAP program is managed by the Customer Relations department and is administered by Dollar Energy Fund. The Company visits the CAP administrator on a monthly basis, reviewing recorded calls for quality assurance, verifying CAP program control processes are completed in a

timely basis and meeting with supervisory staff to review current processes including training materials for agents, correspondence used for customers and other pertinent components of CAP administration. The Company also holds a biweekly conference call with DEF management staff to share updates on program availability (i.e. LIHEAP opening/closing), discuss current trends and to gain status updates on outreach efforts. In addition, the Company will, on an annual basis, review a selection of randomly chosen accounts for income documentation verification.

Outreach and Intake Efforts for CAP

Peoples will provide outreach for CAP and other Universal Service Programs through the Customer Service Center, the Company website and other forms of media as listed below. Fliers are included with termination notices to inform customers of available programs. Bill inserts, press releases and other information are also provided to the public to encourage referrals. Community-based agencies receive information on these programs and are encouraged to make referrals as well. Meetings are held with social service agencies, elected officials and other community groups to provide current information on available programs. Information on the programs can also be found on the Company's website. Peoples will also utilize the Southwestern PA 2-1-1 for referrals and provide updated information to the Company's Universal Service Advisory Group. The CAP Administrator makes outbound calls to all customers who establish a payment arrangement through the Company's e-account which is reflective of income at or below 150% FPL.

Identification of Specific Steps to Identify and Enroll Low-Income Customers

Potentially eligible customers are identified through their income information that is documented in the Company's billing system. Customer Service Center Representatives receive training on identification of potential referrals to all Universal Service Programs. Following pre-screening for eligibility and appropriateness of CAP program for the customer's situation, the call agent refers them to the administrator for enrollment via phone or provides information to the customer about applying in person if that options is more preferable or suitable to the customer. Customers in need of CAP who appear to have challenges to traditional enrollment and require more support can be referred to the Company's CARES program for additional assistance. Information on income eligibility and program dimensions is provided in training and employee resource materials.

Integration of Programs

All customers calling Peoples' general customer service number (1-800-764-0111) or its Universal Service line (1-800-400-WARM) are screened for eligibility and appropriateness of Universal Service Programs including, but not limited to, CAP, LIURP, LIHEAP, CARES and Hardship Funds.

Field Service Personnel also make referrals to Universal Service Programs through a direct, employee only line that is answered by the Customer Relations department on an immediate

basis. The Company provides Customer Service Center representatives with information and referral mechanisms for all of the Universal Service Programs and includes income guidelines and eligibility criteria.

LOW INCOME USAGE REDUCTION PROGRAM (LIURP)

Program Description

Peoples' LIURP Program is designed to help low income customers who have problems coping with high gas bills. Program goals are to make the home more energy efficient, control high usage and achieve bill reduction through energy savings.

Independent Evaluation Findings & Recommendations

1. Energy Education – Peoples has developed an extensive education program for their LIURP participants. They implemented a Pledge Form to involve the customers with the contractor and an Action Plan form that lists the actions that the customer committed to take to further reduce gas usage. Peoples contracts with energy consultants who perform random inspections and provide additional energy education to the customers about the work completed and additional actions the customers can take to save energy.
2. Energy Savings – Peoples has achieved high savings from LIURP, averaging about 20 percent of the customers' pre-treatment natural gas usage. However, given the high level of pre-treatment usage, and the investment level, Peoples should consider whether it may be possible to achieve even higher savings through targeting and the services that are provided.
3. Targeting – Peoples should consider whether they want to make additional efforts to serve the highest of the high users or the customers who are most payment troubled. They could target a subset of high-usage list for additional outreach to encourage participation.
4. Energy Efficient Measures – Peoples should assess whether they are opportunities to reduce the number of heating system replacements and increase the emphasis on air sealing and insulation.
5. Coordination – Peoples works to complete jobs that are combined with the PA Department of Community and Economic Development Weatherization Program and with electric companies. When jobs are coordinated with State Weatherization or electric companies, Peoples is typically responsible for replacing the heating appliance if replacement is necessary. They completed 17 combined jobs in 2014, 23 combined jobs in 2013, and 33 combined jobs in 2012. Peoples should continue to work with the electric companies, as planned, to try to increase coordination, thus providing improved energy efficiency through a holistic approach.

Modifications Since Last Plan

As described in the Independent Evaluation findings, the Company implemented a pledge form and an action plan form with the goal of enhancing the customer's commitment to conservation as well as the contractor's commitment to usage reduction. The pledge and action plan forms are provided as Attachment C.

Individual project budget guidelines were expanded to allow for remediation of the heating system in addition to implementing the pre-determined usage reduction measures to maximize the efficiency gained in the project. The program also provides a more generous allowance for health and safety items (those measures that do not offer a usage reduction outcome). This allows for the completion of jobs that may have otherwise required the company to forego the project and additionally benefits the overall health and safety of the household.

Participants who do not experience a reduction in pre-treatment usage (non-savers) participate in a Non-Savers Survey which attempts to identify the reasons for the current usage while additionally providing energy conservation education. Survey results are reviewed to determine if additional education and/or a home visit are recommended. Customers whose usage increases by 10 MCF or more annually post-LIURP receive a follow-up home visit where they receive additional conservation education and their appliance temperatures are checked to ensure energy efficiency. All non-savers receive a letter concerning their energy usage that contains conservation information. Non-savers are not penalized for their usage.

The Company accepts Weatherization Assistance Program (WAP) and First Energy Companies' audit forms for those jobs performed as a partnership to reduce the paperwork requirements of the contractors and further encourage coordination of services.

Peoples Natural Gas received approval for a base rate increase effective October 29, 2019. This approval included an increase of $650,000 to the annual LIURP budget. This change is reflected in years 2020 through 2024 below.

Eligibility Criteria

As recommended by the Independent Evaluation, participation will be targeted to customer that are the highest users.

- Prioritize customer participation to the lowest income and highest arrears.
- Total family income does not exceed 150% of Federal Poverty Guidelines. (Up to 20% of the annual program budget may be allocated to customers with incomes from 151-200% of the federal poverty level on a case-by-case basis.)
- Residential, gas-heating customer.
- Customer has not moved and has not had gas service terminated within the last year (to ensure sufficient pre-treatment usage information is available to evaluate the effectiveness of weatherization measures).
- Customer has not received weatherization services provided by the Company within the past 7 years.
- Customer has an annual consumption greater than 120 MCF/year.
- Renters must have the gas account in their name and receive landlord permission to participate. Rental units must be metered separately and have individual heating systems.

Home Weatherization

An energy auditor visits the customer's home and conducts a thorough investigation. The auditor assesses areas where heat is escaping and cold is entering the house and also notes any previous weatherization measures that were installed and evaluates their effectiveness. The auditor asks customers to provide additional information that can assist them during the home inspection.

The information that is gathered by the auditor determines what measures will most benefit the goal of energy reduction in the customer's home. Measures are installed based on established payback criteria and may include:

- Heating system improvements and replacements
- Attic, sidewall, and other types of insulation
- Caulking and weather-stripping
- Air sealing
- Hot water treatments including tank improvements, wrapping and replacements
- Minor repairs that relate to weatherization

A general guideline of $600 per job for health and safety is provided with the understanding that the auditor may recommend measures of up $1,000 if necessary. If health and safety measures are identified exceeding $1,000, the measures are reviewed for approval on a case-by-case basis. Examples of health and safety measures include implementing proper venting of natural gas appliances and minor plumbing or roofing leaks. Health and safety expenditures are tracked individually in the Company's LIURP database and are monitored closely by the program administrator.

State Weatherization (WAP) and First Energy Companies' audit forms are accepted by the Company for coordinated jobs.

Random inspections provide the necessary feedback to better serve customers, evaluate contractor performance and identify areas of improvement. Random inspections will be performed on a minimum of 25% of jobs completed annually.

Energy Education

In addition to weatherization services, LIURP provides customer education to encourage ongoing conservation. When energy conservation measures are being installed, an educator will explain the weatherization program in more detail and provide conservation and energy efficiency suggestions. The educator may provide "hands on" demonstrations of conservation measures such as lowering the heating system thermostat, lowering the water heater setting and regular replacement of furnace filters. The educator provides written reference materials for the

customers. The contractor will also review a pledge form with the customer to emphasize the commitment to energy reduction.

If the customer has had an unusually high increase in consumption, a follow up telephone call or visit may be scheduled one year after the program measures have been completed.

Please refer to Attachment D for a conservation booklet that is commonly used for energy education.

Needs Assessment

Please refer to the Needs Assessment conducted in the Independent Evaluation which is provided at Attachment A. The Needs Assessment executive summary is provided on pages xvi through xvii. The full needs assessment is provided on pages 38 through 43.

Projected Enrollment Levels

	Peoples Natural Gas
2019	311
2020	457
2021	384
2022	374
2023	374
2024	374
Total	2,304

These projections are based on average spending per home, including the implementation of heating appliance replacement (if necessary) and installation of necessary usage reduction measures.

Program Budget

	Peoples Natural Gas
2019	$2,380,000
2020	$3,710,376
2021	$3,030,000
2022	$3,030,000
2023	$3,030,000
2024	$3,030,000
Total	$18,210,376

*Please note 2020 budgets include projected carryover dollars from 2019.

The above figures include installation of program measures, third party contract labor, administrative expenses, agency meetings, equipment, outreach, and educational materials. The Peoples Division budget reflects an increase of $50,000 annually which represents the elimination of the LIURP Pilot Community Partnership for Weatherization program and the transfer of that program's budget to LIURP.

Figures provided include shareholder funds where applicable.

On September 12, 2024, the Commission issued an Order at Docket R-2023-3044549 regarding Peoples requested base rate increase. Included in the Order was the approval of a Low-Income Stipulation reached with multiple parties to the case. This Stipulation increased the annual LIURP budget to $3,500,000.

Plans to use Community Based Organizations

Peoples' LIURP program is administered through CLEAResult. As its current administrator, CLEAResult will conduct energy audits, contract with non-profit community action agencies and private contractors as appropriate to install weatherization measures provide consumer education and perform post-installation inspections. Partnering with state weatherization and other utility programs are emphasized to maximize the benefits to the consumer. CLEAResult provides administrative daily operations including enrollments, contracting and coordination with other programs. In addition, at least 25% of the homes weatherized will be subject to random inspections.

Organizational Structure of Staff responsible for LIURP

See Organizational Chart, page 4. Peoples' internal management provides oversight to the program administrator, CLEAResult.

Outreach and Intake Efforts for LIURP

The company promotes LIURP through internal and external efforts. Training is provided to customer interaction personnel including agents in the customer service center and customer service field personnel. Engagement with organizations who service customers throughout the service territory, the company website which includes a video library on conservation, published articles on easy conservation steps and safety information. Bill inserts are also used to share information about LIURP and identify eligible participants.

All customers who contact the Company for assistance from the Emergency Furnace and Line Repair program are screened for LIURP eligibility.

Customers who participate in the CAP program and meet LIURP eligibility criteria are referred

to LIURP during the CAP Intake Process and during the reviews for use of CAP credits and/or increased annual usage. Additionally, agents in the customer service center routinely refer customers they encounter with high usage.

Peoples' coordinates its LIURP Program with existing community-based programs including Beaver County Redevelopment Authority, Re-Energize Pittsburgh, LIHEAP/ Crisis program, WAP (Weatherization Assistance Program) and others as each individual circumstance permits.

CLEAResult, the LIURP Administrator, receives a list from the Company of potentially eligible customers at the beginning of each calendar year. CLEAResult uses this list to contact customers via mailings and phone calls to inform the customer about the program and offer enrollment.

Steps to Identify and Enroll Low Income Customers

Eligible customers are identified through company internal reports and other universal service programs such as the CAP, CARES and LIHEAP programs. Customers are enrolled in the LIURP program in accordance with program guidelines.

The company provides training to employees who interact with the customers so that they can be informed about program eligibility requirements. In addition, the company makes all efforts to educate agencies who serve our customers so that they may refer potential participants.

Integration of Programs

Peoples continues to look for ways to increase coordination with the federal and state weatherization programs, electric utilities weatherization and Act 129 programs. Additionally, when opportunities offered by other non-profit organizations are available, the Company seeks coordination with these third-party efforts as well.

Peoples will also integrate the program through internal processes such as CAP intake, recertification, CAP usage review process, LIHEAP recipients and the Emergency Furnace/Line replacement program. In addition, the company reinforces the use of an internal Universal Service e-mail to increase referrals.

LIURP -- EMERGENCY FURNACE / SERVICE LINE REPAIR ASSISTANCE

Program Description

Peoples Emergency Furnace/House and Service Line Repair Program serves customers with limited income and who are experiencing a crisis and possibly going through the winter months without heat because they cannot afford to have their furnace or service lines repaired. Additionally, the Company may consider replacement or repair of water heaters, in cases of vulnerable customer needs, safety issues that arise during a furnace replacement and/or as required by the replacement of a heating system, as eligible under this program.

Program budget for 2019 was as follows:

Peoples Natural Gas
$850,000*

*$400,000 budget for Equitable Division was approved in 2019 (M-2014-2432515), resulting in an overall budget for Peoples Natural Gas of $800,000 annually.

These budget levels were also in place during 2017 and were fully exhausted. Early 2018 was colder than normal, resulting in a high number of heating system failures and an increased need for assistance from the program. The budgets included in this Plan were developed using average costs per job type (i.e. furnace, boiler, service line) and activity levels.

The program will allow for restoration of sidewalks, driveways and/or soft ground when necessary to ensure safety following excavation. Restoration costs covered by the program will be limited to those directly necessary to avoid an unsafe condition. All jobs that have the potential to require restoration will be evaluated to determine the prospective level of excavation related costs in determining whether the repair/replacement project can be covered under the Company's program.

The company partners with the Air Conditioners Contractors of Western PA (ACCWPA) to provide cleaning and tune up and a safety check prior to the heating season, of the heating appliance for small number of participants (30 in 2017). While the ACCWPA volunteers their time to provide the service, customers may receive financial assistance through the Company's program to resolve a repair or provide a replacement if a safety issue with the heating system is identified. Participants in the program are required to be homeowners within 200% of FPL.

Eligibility Criteria

- Homeowners and renters are eligible to participate as long as budget dollars remain available. Up to 25% of the annual budget may be used to serve renters. Signed landlord consent is required for participation.
- Total household income may not exceed 200% of FPL.

- Must have a need for emergency repairs and/or replacement of the heating system, hot water heater and/or gas lines. Non-emergency repairs and replacements are not covered by this program.
- Residential, gas-heating customers only
- Customers should apply for LIHEAP/Crisis is the program is available.
- All requests for assistance will be processed on a first-come, first-served basis.

The Company may refer eligible customers to LIHEAP Crisis when that program is available. This referral process allows Peoples to protect available funds of the program for use by those with immediate needs that cannot await LIHEAP Crisis as well as those customers who do not meet LIHEAP Crisis income qualifications (i.e. 151 to 200% FPL).

All potential repairs or replacements are evaluated by a contractor on behalf of the company to determine if the project is suitable to be covered by the program.

Needs Assessment

Based on historical participation Peoples estimates355 customers to receive assistance through this program on an annual basis.

Projected Enrollment Levels

Because the prices for labor and materials consistently increase, and with the addition of limited restoration costs on an as necessary basis, the number of customers assisted will vary in relation to the types and costs of projects completed in a given year.

Program Budget

	Peoples Natural Gas
2019	**$860,000**
2020	**$960,800**
2021	**$987,374**
2022	**$1,014,746**
2023	**$1,042,938**
2024	**$1,068,975**
2025	**$1,500,000**
2026	**$2,000,000**
2027	**$2,000,000**
2028	**$2,000,000**
Total	**$11,934,833**

The budget was developed using average costs for project types: boiler replacement, furnace replacement, heating system repairs and gas service line replacements. Additionally, the

Company assumed 20% of the service line projects will require repair/replacement of sidewalks. The costs above include third party administration, but do not include internal labor.

The approved settlement of the acquisition of the Peoples companies included an increase to this program of $75,000 annually. This increase is funded by shareholders for a three-year period post-closing. After the three-year period, the program will be funded by the approved cost recovery mechanism in place at that time. The increase of $75,000 is an increase of 8.8% to existing budgets ($850,000).

Any unspent funds in a program year will be carried over the next program year.

Organizational Structure

See Organizational Chart on page 4.

Outreach and Intake Efforts

Peoples will coordinate the emergency program with existing programs through Department of Community Economic Development ("DCED") and LIHEAP Crisis and will accept referrals from community-based organizations, Company representatives and other third parties.

Identification of Low-Income Customers

As this is an emergency assistance program, customers self-identify or are referred by local community service agencies or Company field personnel.

Program Integration

The program is currently administered by CLEAResult. In order to realize efficiencies and better coordinate with other programs, the agency will utilize subcontractors who are currently working to implement the Peoples' LIURP program.

CUSTOMER ASSISTANCE REFERRAL AND EVALUATION SERVICES (CARES)

Program Description

The CARES program is designed to provide assessment and referral services for customers who may be experiencing an inability to pay their gas bills and/or have special needs such as a serious medical condition, a mental health condition, limited learning ability, recent unemployment, single parent issues, etc. The program also includes Protection from Abuse Orders as outlined in 66 PA CSA, Chapter 14 and the Address Confidentially Program (ACP).

Findings and Recommendations from the Independent Evaluation

1. Benefits – CARES provides important benefits to special needs customers, including education about the Earned Income Tax Credit and LIHEAP, thermostats for visually-impaired customers and short-term assistance to ensure that customers are able to access the resources that they are referred to.
2. Employee Education – Peoples has levered CARES to educate employees about special needs customers, increase the sensitivity of their employees and increase customer referrals.

Modifications Since last Plan

The company will make efforts to partner with the electric company to provide services to vulnerable customers within the residence. The services will include obtaining documentation for Universal Service eligibility such as CAP, LIHEAP, and Dollar Energy Fund and will also provide resources within the customers' community and also promote the company programs.

Eligibility Criteria

Any special needs customer in danger of losing heat due to non-payment or heating equipment failure is referred to CARES. Customers are identified through referrals from call center agents, Dollar Energy Fund agents and field employees of Peoples. Income guidelines for the LIHEAP and Crisis programs are established by the Pennsylvania Department of Human Services and may change annually. LIHEAP eligibility is currently established at 150% of the federal poverty level.

The CARES program is intended for customers with immediate needs. Specialists provide an assessment to assure customers not only receive all necessary referrals to other programs, but are unable to access resources. The primary objective is to help customers resolve issues related to

and beyond bill payment and energy affordability by utilizing case management and referral services.

Customer Relations Specialists utilize an array of resources throughout the service territory such as: available energy assistance resources, public assistance benefits, local social agencies services etc. Specialists also provide training on programs and sensitivity training to customer service center personnel, field customer service personnel, in addition to providing Universal Service program awareness to social service staff. They also network with community-based organizations and the Universal Service Advisory Group to better enable customers to receive services and possible third-party assistance and funding.

Some of the agencies are as follows:

- Health and Welfare Councils
- Department of Aging
- Allegheny County Community Services Advisory Council
- Health Department
- Pennsylvania Department of Human Services
- Social Service Agency Providers Council
- Cambria County Energy Crisis Council
- Local social agencies such as Catholic Charities and Saint Vincent de Paul Society in the area.
- Beaver County Human Service Forum
- Veterans Leadership
- Allies for Health and Wellbeing- Housing Program
- Latino Family Center

Specialists also participate in awareness programs and fairs sponsored by social service agencies and elected officials to increase visibility and awareness. They also actively network in the community through partnerships with:

- Be Utility Wise
- Air Conditioning Contractors of Western Pennsylvania (ACCWPA) Furnace Inspection program
- Homeless Prevention & Rapid Re-Housing Program
- Southwestern PA 2-1-1
- Beaver County Human Service Forum
- YWCA of Greater Pittsburgh advisory committee

Customer Relations Specialists work with area social service agencies throughout the service territory to provide third party assistance for our customers. As a result, eligible customers might receive financial assistance from third party social service agencies such as Catholic Charities, Salvation Army, St. Vincent de Paul Society, Veterans Leadership in addition to traditional energy assistance etc.

Peoples will also work through a social agencies and electric utilities partnership to provide home visits for those customers with special needs who might benefit from a more personal interaction.

The CARES program has two components:

- One-time contact - includes those customers who might need an immediate referral to resolve an urgent crisis or a short-term situation.

- Case Management – includes a case work approach and ongoing monitoring and follow-up services. Qualifying accounts are coded CARES and require the specialist to monitor the account. Customers with PFA orders and participants of the ACP are part of the case management component.

Field Reporting of CARES Cases

The CARES program also includes the referrals from field employees who identify customers in vulnerable situations and refers those customers for help from our Customer Relations department. A direct employee only phone number is used to connect the field employees to the Customer Relations department on an immediate basis during normal working hours. Recognizing that our field employees respond to emergencies 24 hours/7 days a week and may identify a vulnerable customer issue in the evening or on the weekend, the Company utilizes and 'on call' program which ensures on of the senior Customer Relations Specialists is available via cell phone to provide assistance.

The Company utilizes the CARES program as a way to educate employees to be sensitive to those with special needs and also to recognize certain danger signals such as change in behavior, evidence of confusion or lack of apprehension, or disability in addition to company available programs.

Thermostats & Alternative Bills for Visually Impaired Customers

Thermostats for vision impaired customers are available for those who have been medically Identified as a patient with severe vision impairment. Peoples provides and installs these devices through its CARES program. Customers can also request large print bills or Braille bills depending upon their needs. The company partners with the Western PA School for the Blind Children to prepare Braille bills.

Earned Income Tax Credit Educational Outreach

Peoples promotes the Earned Income Tax Credit Program ("EITC") to educate customers on the availability of the EITC and how to obtain the credit through the filing of their income taxes. Customers will be informed about the program through bill inserts, Peoples' website and through referrals from our call agents and Customer Relations specialists.

Low Income Home Energy Assistance Program Outreach

The Low-Income Home Energy Assistance Program or LIHEAP is an important component of CARES. Peoples identifies income eligible customers and promotes the program through bill inserts, company website, grassroots agencies, company employees and letters sent to CAP participants. Customers can obtain an application by contacting the Company via its call center or can be connected to the online application through the Company's website.

Peoples continues to partner with state, federal and other advocacy groups to encourage full funding for LIHEAP and actively participates in the LIHEAP Action Committee.

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Needs Assessment

The number of CARES referrals received in a given year varies, but a historical review of the program reflects that assistance is provided to an estimated 1,621 customers per year. In addition to these CARES cases, outreach is provided to low-income customers to increase participation in energy assistance programs and EITC.

Program Budget

	Peoples Natural Gas
2019	$313,708
2020	$322,568
2021	$331,696
2022	$341,647
2023	$351,896
2024	$362,453
Total	**$2,023,968**

Total estimated funding amounts for the CARES program including salaries for Customer Relations Specialists, Director, contract labor, professional development; administrative expenses and outreach efforts and materials.

Plans to Use Community Based Organizations

The CARES Program is administered internally through the specialists who network with social service agencies throughout the Peoples' eighteen county service territories to develop partnerships, stay informed of the available programs and to better serve low income customer needs.

Organizational Structure of Staff responsible for CARES

See Organizational Chart, page 4.

Outreach and Intake Efforts for CARES

Peoples Customer Relations specialists promote the Universal Service Programs by maintaining contact with community service organizations throughout the company's service territory. The company also promotes the programs through focused articles in bill inserts, providing information on its website, providing materials to local social service agencies and distributing materials through its Peoples Universal Service Advisory Group.

Please refer to Attachment E for a programs booklet that provides information about all of the Universal Service programs available to Peoples' customers. This booklet is distributed at local outreach events and to agencies that work with low income consumers.

Identification and Referral of Low-Income Customers

Refer to the Identification and Referral of Low-Income Customer information provided in the Customer Assistance Program section.

Program Integration

See Integration Methods as outlined under the Customer Assistance Program.

PEOPLES NATURAL GAS AND PEOPLES GAS Company LLC HARDSHIP FUNDS

Program Description

The Peoples Natural Gas Company LLC Hardship Fund is a partnership with the Dollar Energy Fund. Dollar Energy Fund was founded in 1983 and currently partners with thirteen utilities in Pennsylvania. Dollar Energy Fund is an independent, non-profit organization that provides utility bill financial assistance to customers who are on a low or fixed income. Dollar Energy Fund receives donations from utility investors and individual customers. Peoples contributes shareholder funds annually to match customer donations and to cover administrative costs. Annually, $750,000 is donated for Peoples Natural Gas customers and $65,000 for Peoples Gas Company LLC. These shareholder donations provide funding for grants and cover all administrative costs.

Findings and Recommendations from Independent Evaluation

1. DEF Partnership – Peoples has developed a good partnership with DEF to deliver Hardship Fund grants.
2. Customer Communication – DEF continues to work to improve the process for the customer. They are working to enhance their phone system to enable customers to use text messaging in place of speaking with a representative. This would help lower income customers whose cell phone plan includes only a certain amount of calling, but have unlimited texting.

Eligibility

As a fund of last resort, if gas service is off or in termination status and the applicants are eligible for LIHEAP and Crisis benefits, they must apply for these benefits, when available, before applying for Dollar Energy Fund. The Dollar Energy Fund Program year is open from October 1st to September 30th, and grants are provided until available funds are exhausted. During the months of October and November, applications are restricted to those with termination notices or without gas service. Beginning December 1 through the month of February, applications are restricted to those without gas service. Beginning March 1, applications are fully open to all qualified customers, regardless of service status. Applicants must be the ratepayer of record and the account must be a single-family dwelling. Customers must be at or below 200% of the poverty level to qualify for a grant. In addition, the customer must have made a sincere effort of payment, which is defined as having paid at least $150 toward their utility bill over a ninety-day time period. Applicants under the age of sixty-two must have a balance of at least $100 on their account to be eligible to apply. Applicants over sixty-two years of age may have a balance less than $100, but cannot have an existing credit to be eligible to apply and must have made at least one $100 payment in the last six months. CAP participants are deemed as having made a sincere effort to pay if their payments in the last 90 days are equal or greater than two CAP payments if such amount is less than the generally required $150 or $100 dependent on the customer's age. The applicant's account must be a residential heating account. All income eligible applications are reviewed by the Company for approval. Grants may be rejected if the maximum grant

amount will not satisfy the termination or restoration amount. Notification is provided to applicants whose application is denied, noting any additional payment that is required to be considered for assistance. Applications may be reconsidered if the required additional payment is made and funds continue to be available. Non-heat accounts and commercial accounts are not eligible for assistance from the Dollar Energy Fund.

Needs Assessment

Participation in the Hardship Fund is impacted by customer donations. A historical review of both divisions was used to estimate the number of customers who will receive assistance from the Hardship Fund.

Enrollment Levels

During the 2017-2018 program year, Peoples customers, including those of the former Equitable Gas Company, received a total of $1,177,000 in grants. This includes the matching grant from Dollar Energy Fund.

Program Budget

The Company continues to explore ways to increase customer donations to assist in meeting the matching funds as well as to encourage Dollar Energy Fund to increase its fundraising programs. The below budget is reflective of the amounts provided by Peoples shareholders in support of the Hardship Grants and does not include administrative donations nor customer donations.

	Peoples Natural Gas
2019	$588,500
2020	$688,500
2021	$688,500
2022	$688,500
2023	$688,500
2024	$688,500
Total	**$4,031,000**

Budget increases in 2020 and subsequent years are the result of the approval of the acquisition of the Peoples Companies, approved by the PA PUC in January of 2020. This settlement provided an increase of $100,000 in Hardship Funding per year.

On September 12, 2024, the Commission issued an Order at Docket R-2023-3044549 regarding Peoples requested base rate increase. Included in the Order was the approval of a Low-Income Stipulation reached with multiple parties to the case. This Stipulation increased the annual

Company donation to the hardship fund by $150,000 each year until Peoples files its next USECP.

Community Based Organizations

Dollar Energy Fund partners with community-based organizations to accept applications. Peoples' customers may be referred to any Dollar Energy Fund community-based screening agency to complete an application. Dollar Energy Fund developed an on-line application process entitled "I-Partner" which enables the Company to review grant applications more quickly. Peoples plans to continue to use Dollar Energy Fund Community Based Organizations as a means for customers to apply for Dollar Energy Fund grants. These agencies work closely with the Company and refer eligible customers to CAP, LIURP and CARES as well. The Company will continue to explore ways to streamline the application process for its customers.

Organizational Structure of Staff responsible for Hardship Funds

See Organizational Chart, page 4.

Outreach Efforts

Peoples promotes Dollar Energy Fund and encourages customer donations in a number of ways including:

- Providing information about the program in bill inserts new customer welcome packet, press releases, and bill messaging to encourage customers to contribute to the Dollar Energy Fund by adding a dollar or more to their utility payment.
- A Dollar Energy Fund Pledge form is provided on the back of the bill to allow customers to designate a particular donation amount to be added to their bills on a monthly basis.
- Dollar Energy Fund is promoted on the Company's website and is available for customers who elect to receive their bills electronically.
- Sponsorship of the Dollar Energy Fund FAN Golf Outing Classic and Annual Luncheon. Cold Down for Warmth activities included an advertisement to encourage donations.
- Promotional activities with Lernerville Speedway including radio interviews, advertisements and special recognition during the races.
- Sponsorship of promotional events at the Altoona Curve, Minor League Baseball Team.
- Development of a signature event in partnership with Hearth and Home entitled the Warm Your Hearth...Touch a Heart Campaign featuring television advertisements, annual reception, and silent auction and matching donations from Hearth and Home.
- Peoples' employee support is encouraged through donations that are made on "Casual Fridays."
- Pittsburgh Pirates "Bring on the Heat" campaign where Peoples pledges a donation to Dollar Energy Fund for each strikeout.

Customers referred to the Universal Service Programs are screened for Dollar Energy Fund eligibility and referred to the program. Training is conducted for Customer Service Supervisors and representatives so that they can make referrals to eligible customers.

Identification of Eligible Customers

See information outlined under Customer Assistance Program.

Integration of Programs

See Integration Methods as outlined under the Customer Assistance Program.

PEOPLES™

An Essential Utilities Company

March 3, 2026

VIA ELECTRONIC FILING

Matt Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – 2nd Floor
Harrisburg, PA 17120

Re: Peoples Natural Gas Company LLC – Customer Education and Outreach Plan Report
Docket Nos: M-2018-3003177; M-2020-3021343

Dear Secretary Homsher:

On behalf of Peoples Natural Gas Company LLC ("Peoples"), please accept for filing Peoples' Customer Education and Outreach Plan ("CEOP") for 2026, along with a report on outreach activities for calendar year 2025.

Peoples continues to work closely with its Universal Service Advisory Group ("USAG") on the development and refinement of its CEOP. The 2026 focus areas include the scheduling of events in partnership with groups across Peoples' service territory in Pittsburgh, evaluating the benefit of events that Peoples attends, identifying new events in which to participate and a general promotion of programs through various community groups.

Please contact Rita Black (412-208-6530) or the undersigned should you have any questions or require further information regarding this filing.

Sincerely,

Jennifer L. Petrisek
Sr. Counsel

cc: Certificate of Service

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CERTIFICATE OF SERVICE

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

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Jennifer L. Petrisek
Sr. Counsel

Dated this 3rd day of March, 2026.

EXHIBIT A

Peoples Natural Gas and Peoples Gas Consumer Education and Outreach Plan

Peoples Natural Gas and Peoples Gas Consumer Education and Outreach Plan

Purpose: To provide a multi-pronged approach to consumer education with the goal of connecting eligible populations, for whom CAP is the most beneficial plan, to enrollment. In addition to CAP, promotion of other universal service programs, such as LIURP and Hardship Fund, along with external resources, such as LIHEAP, will be emphasized in appropriate activities.

General Audience Education & Outreach Activities

Activity	Frequency
Annual focused bill inserts	Bill inserts detailing customer support programs 3-4 times per year
Website program information	Available 24/7
Social Media Advertisements and Posts	Multi-season messaging; aligning with colder weather; opening of energy assistance programs, etc.
Community education	Posters/flyers provided to schools, churches, agencies, etc. regarding LIHEAP and CAP. Transit and other paid media advertising promoting LIHEAP and CAP occur throughout the heating season. Conservation tips information was also provided at events.

Target Audience Education & Outreach Activities

Activity	Details
Incoming callers screened for eligibility	Application for service; bill payment discussions; termination/restoration calls; PFA calls; emergency repair & LIURP screening calls and PUC cases.
Help at Peoples Now (HAPN Program)	Field employees utilize a dedicated phone line to refer customers for assistance with CAP and energy assistance to avoid termination or accelerate restoration.
Plain English Notice (prior to Termination)	Mailed via US mail to accounts identified as low income (FPL <=150% FPL) prior to mailing the termination notice.
Hardship Grant applications at Dollar Energy Fund agencies	Benefits of CAP described; customers can be enrolled in CAP after grant posting.
LIHEAP recipient identification	Current: List generated weekly of LIHEAP grants received on accounts that are not currently enrolled in CAP is used for targeted outreach. Customer service representatives

	also directed to send referrals of callers in this category to Universal Services team for CAP enrollment follow-up. Proposed: Peoples has a current Petition under review with the PA PUC regarding utilizing LIHEAP data share information to auto-enroll accounts with balances of $300 into CAP[1].
Community Events	Provide representatives and materials to local events: senior fairs, resource fairs, etc.
Western PA Utility Partnership Activities	Joint promotion of programs through coordinated outreach. Peoples and other western PA utilities partner together through in-person multi-utility resource events, sending referrals between companies, and a utility support flyer created with the Greater Pittsburgh Food Bank.
Supporting At-Risk Populations	Coordination with resettlement agencies to support enrollment in CAP at the time of initiation of service for refugees and immigrants. Peoples continues to develop this model to include organizations helping those transitioning from homeless to housed.
Employee Outreach	Provide materials for employees to distribute in their communities (schools, libraries, etc.). Information shared each heating season on Peoples' intranet and electronic bulletin boards in all Peoples' locations to encourage employees to share information with their communities. Emails to all employees about LIHEAP and CAP to promote awareness.
LIURP Outreach	LIURP outreach, mailings, and phone calls were conducted to potentially eligible customers based on company customer records. All LIURP participants are additionally screened for CAP & LIHEAP. LIHEAP applications are mailed annually to LIURP participants. Post-weatherization inspectors provide CAP & LIHEAP flyer as part of their inspection and visit to further educate participants.

[1] See Dockets P-2024-3052324; M-2018-3003177; M-2020-3021343

Cross-enrollment opportunities	All customers participating in Universal Service programs (LIURP, Emergency Repair Program, CARES) are screened for CAP and LIHEAP. Likewise, CAP participants are screened for LIURP eligibility.
Peoples Energy Analytics partnership	Continued partnership with Peoples Energy Analytics (PEA) to conduct data analysis of customers with limited income for potential targeted CAP outreach. This year, PEA has expanded data collection into the full Peoples service area. This data analysis provides two deliverables: targeted at risk accounts to specific outreach and heat maps to inform target locations for outreach event participation.

Annual Training/Community Education Opportunities

Association	Training/Support
Project Destiny (Pittsburgh's north side)	Multi-pronged support including regular training for field workers who visit customer homes; case management assistance to enroll customers in CAP, resolve terminations, etc.; participation in bi-monthly resource meetings; providing a CAP/LIHEAP application support service at free tax clinics offered by the organization.
BeUtilityWise (Allegheny County & Johnstown)	Annual participation in planning, program development and presentations to attendees regarding CAP.
Allegheny County Area Agency on Aging Community Partner Meetings (PA Link)	Quarterly meetings with Area Agency on Aging Staff and other community partners to share resources
Refugee, Immigrant, & Diverse Populations Support	Ongoing support to refugee and immigrant agencies such as Hello Neighbor, Jewish Family & Community Services, Latino Community Center, & Casa San Jose. Direct contacts with agency representatives to ease start of service, account issues, & CAP enrollment. Staff also participates in Allegheny County Immigrant & International Advisory Council (IIAC) meetings.
Greater Pittsburgh Food Bank Partnership	Distribution of CAP/LIHEAP information in food boxes; LIURP and CAP/LIHEAP outreach at

	food distribution sites. 2025 also included a large-scale flyer distribution along with Thanksgiving meal boxes at Light of Life.
Beaver Human Services Forum	Participate in monthly resource meetings and promote programs within network.
State Legislator Events	Provide presentations and one-on-one assistance, distribute materials, etc.
Resource Fairs & Agency 'Office Hours'	Held throughout the service territory, Peoples staff answer questions, distribute information, and assist with applying for LIHEAP & CAP. 2025 'Office Hours' event locations included North Hills Community Outreach and South Hills Interfaith Movement food pantries, Rainbow Kitchen, Lighthouse Foundation, and Clairton multi-utility resource events in partnership with Mon Valley Initiative.
Train the Trainer events	Offer training to additional local agencies, community partners.
Outreach mailings	Targeting school districts with a high percentage of low income students; local churches; family support centers, social service organizations, food pantries, etc.

Special Needs/Limited English Proficiency/Protection From Abuse

- Outreach materials (posters/handouts) are currently prepared in both English and Spanish translations. As other languages from resettled communities increase the need for materials in other languages, Peoples will work with its partners to provide translated materials.
- Language Line used for LEP customers.
- Visually impaired customers may elect to receive large-print bills. Braille bills are offered and prepared by Vision Resources of Central PA.
- LIHEAP applications in Arabic, Cambodian, Haitian Creole, Nepali, Russian, Simplified Chinese, Spanish and Vietnamese are available to Peoples' customers.
- All PFA customers screened for CAP and LIHEAP.
- Support to vulnerable customers provided by CARES representatives when customers are having difficulty understanding and/or completing steps to enroll in CAP and apply for LIHEAP.
- Help at Peoples Now – Field employees provided with education and dedicated phone line to reach customer program staff to help customers that need CAP or other income eligible programs. Field employees also carry business cards to be given to customers to encourage them to call for assistance.

CAP Enrollment Methods

Method	Availability
Via telephone (most commonly used method)	Monday through Friday from 8 a.m. to 4:30 p.m.; customers that must provide income documentation can submit those via email, fax, or US mail.
Dollar Energy Fund Screening Agency	Applications by appointment with local agency.
Self-service online application	Applications available at https://www.hardshiptools.org/MyApp/
Paper Application	Available through Peoples' CARES team.

Ease of Enrollment Efforts

- No income documentation required if customer has recently received LIHEAP and/or participated in LIHEAP data sharing.
- Customers who receive Hardship Grants that do not cover their entire balance are enrolled into CAP for remaining balance.
- Income submitted to other utility programs managed by CAP administrator (Dollar Energy Fund) can be used, with customer's authorization, to avoid multiple submissions.
- Applicants to Duquesne Light's CAP can provide their permission for DLC to share their data with Peoples to enroll in CAP.
- LIHEAP applicants can opt in for data sharing with Peoples for CAP enrollment. There is potential in the future for auto-enrollment in CAP for LIHEAP recipients*

2025 Lessons Learned

Activity	
Animal Friends Low-Cost Vaccine clinics	Peoples was invited to attend low-cost vaccine clinics hosted by Animal Friends. The events in Sharpsburg and Wilkinsburg had strong attendance and great engagement from customers regarding CAP and other programs. The event's layout and flow contributed significantly to the success of these efforts.
Senior Fairs/Expos	Several senior fairs were attended in 2025. The engagement varied by community – some events were highly productive while others yielded limited interaction with the target population.
School district events	Peoples attended several events hosted by school districts and Children & Youth Services,

	including a large-scale Back to School gathering in Beaver County and Duquesne City School District's annual showcase event. The hope is that these will strengthen partnerships with families in the community as well as school personnel.
New partnerships and events	New collaborations were established with VA Pittsburgh Healthcare Primary Care staff to share information and provide better insight for exchanging referrals. Also engaged with two St. Vincent de Paul groups to inform members of programs that would be available to the families they serve.
Homebuyer resource events	Attended two Homebuyer Resource Fairs to educate new and prospective homeowners about utility assistance programs. However, most attendees exceeded program income eligibility limits, making these events less effective for outreach.

2026 Outreach Focus Areas

Activity	
Agency 'Office Hours'	Continue to organize and hold 'office hours' events and LIHEAP clinics at community sites. Events offer customers opportunities to ask questions about their accounts, provide documents for CAP recertification, etc.
Targeted geographical areas	With the expansion of the PEA partnership throughout the territory, plan to target specific zip codes for outreach as identified by PEA data analysis through both email communications and in-person events.
Medical providers	Expand connections with medical providers, particularly social workers and other support staff at area hospitals and doctors' offices
PA Navigate	Leverage the PA Navigate platform to share program information with customers and community organizations. Establish functionality to receive referrals directly through the system.
Community Relationship Building	Continue to identify and connect with social workers, agency members, church leaders, and others to promote programs. In particular,

	identify and connect with additional St. Vincent de Paul chapters throughout the territory.
Income below 50% FPL emphasis	Continue to strengthen partnerships with resettlement organizations (Jewish Family & Community Services; Hello Neighbor; Bethany Christian Services, etc.). Further develop relationships with transitional housing providers such as Light of Life and domestic violence agencies
Partnering with western PA utilities	Working with electric, gas and water utilities in the western PA area to identify and develop multi-utility outreach opportunities. 'Office Hours' events including multiple utilities have been successful and plans are in place to organize more
Monthly CEOP internal meetings	Evaluate events attended for benefit; identify new events/contacts; continuous improvement of CEOP.

EXHIBIT B

Peoples Natural Gas 2025-2026 CAP Campaign Overview

Peoples Natural Gas 2025-26 CAP Campaign Overview

February 2026

Campaign Overview

During the 2025-26 heating season, Peoples Natural Gas executed a comprehensive, multi-channel outreach and education campaign designed to increase awareness of key programs, enhance customer engagement, and strengthen community relationships across the service territory. Recognizing that customers engage with information through various touchpoints and channels, the campaign integrated digital advertising, traditional media, direct customer communications, and community outreach to ensure consistent messaging and maximum reach.

This integrated approach focused on:

- Educating customers about assistance programs and available resources
- Driving enrollment in customer assistance programs
- Building community trust through transparent, accessible communication
- Leveraging multiple communication channels to meet customers where they are and reinforce key messages

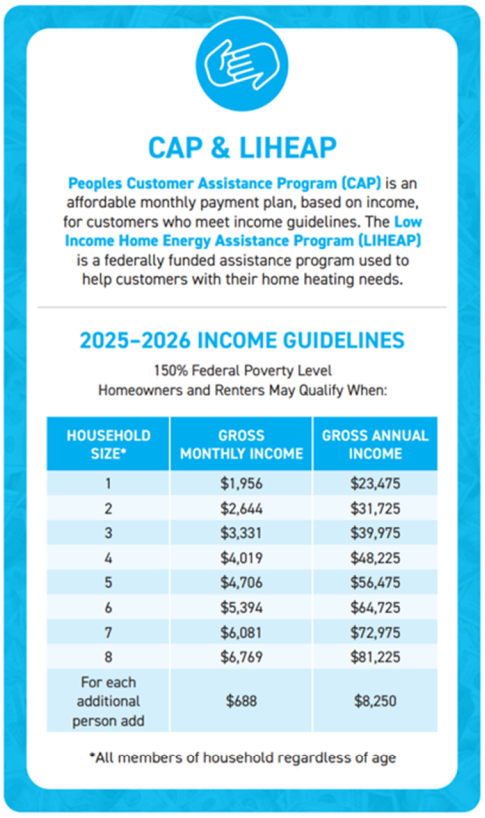
Purpose of this document: To provide a summary of the advertising and outreach activities executed by Vault Communications on behalf of Peoples Natural Gas in calendar year 2025 and into calendar year 2026. The campaign employed a multi-channel approach with the goal of connecting eligible customers to CAP enrollment, while also promoting awareness of other assistance programs including LIURP, LIHEAP, the Dollar Energy Fund, and Emergency Repair Program resources.

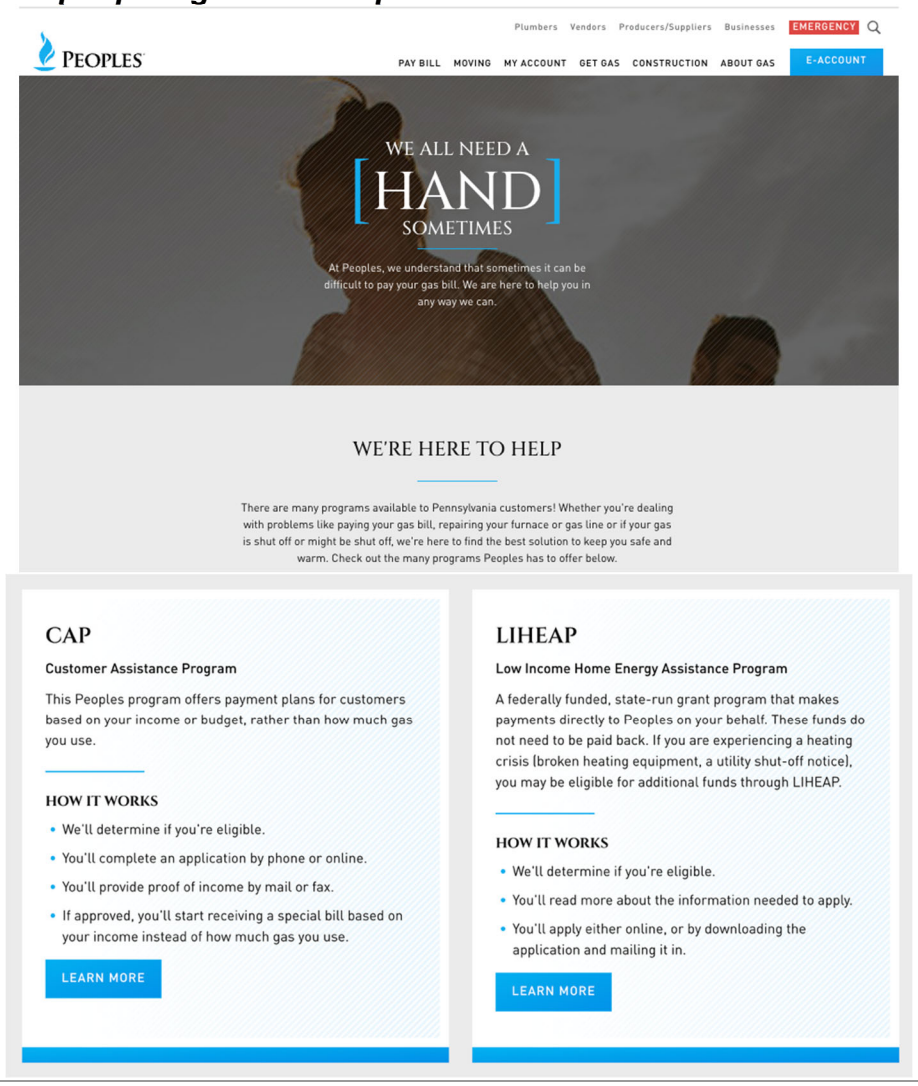
An overview of advertising tactics, customer engagement channels, and marketing materials developed is included in the sections below:

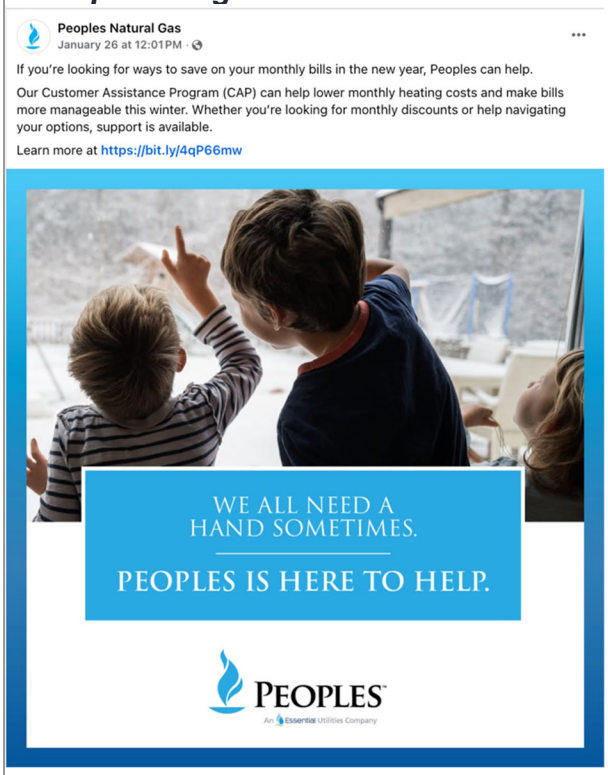
General Audience Education & Outreach Activities
Customer Email Communications
Marketing Materials & Collateral Developed
Key Results

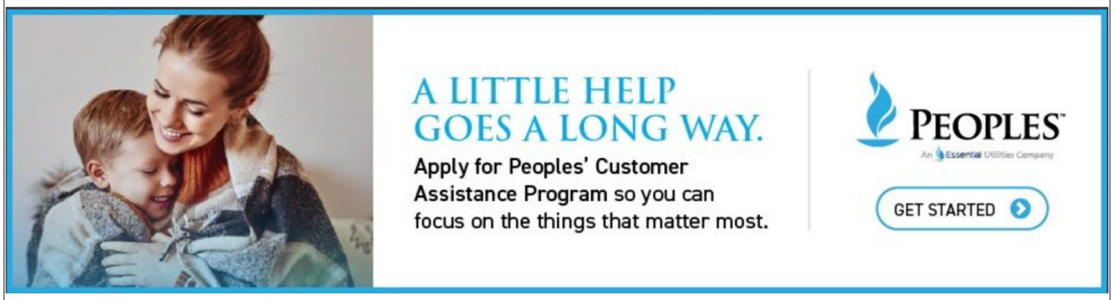
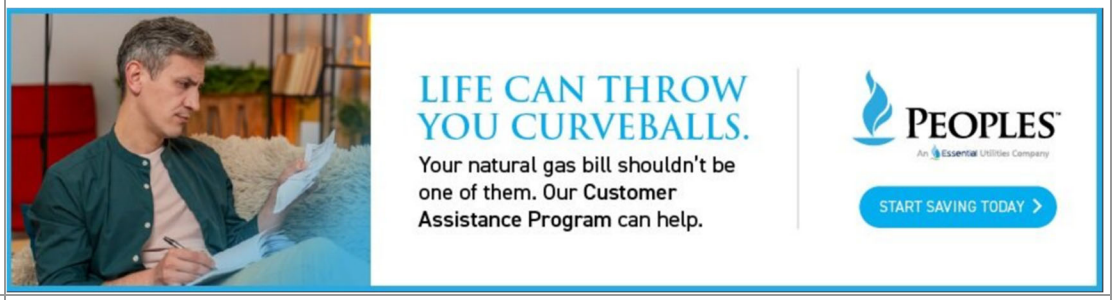
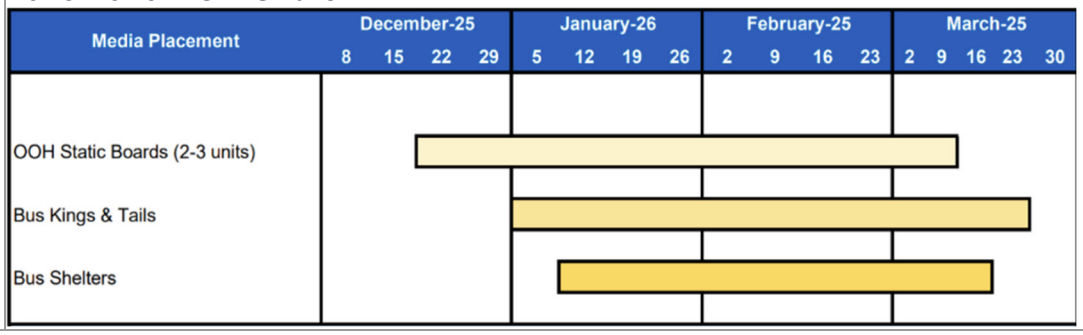
General Audience Education & Outreach Activities

Activity	Details
Bill Inserts	Designed seasonal bill inserts distributed to Peoples customers via monthly billing statements. Inserts promoted CAP, LIHEAP, and Dollar Energy Fund grants with clear eligibility information, enrollment steps, and contact resources. ***Example: December 2025 Bill Insert***



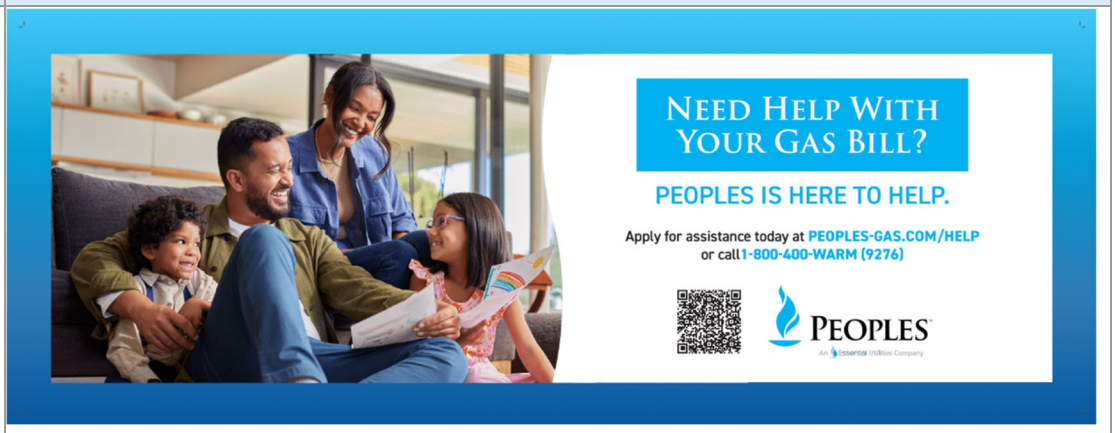
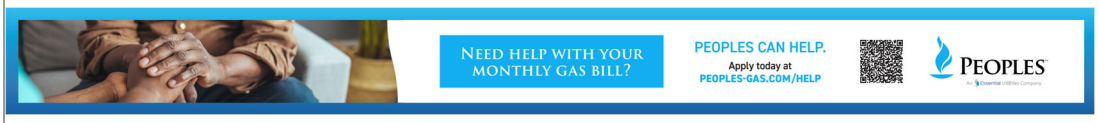
Activity	Details
Website Program Information	Redesigned Peoples-gas.com/help homepage to streamline customer experience and journey to learn more and apply. Digital advertising directed customers to these resources, available 24/7, to self-screen for CAP, LIHEAP, LIURP, and the Dollar Energy Fund. ***Example: peoples-gas.com/help*** 
Paid & Organic Social Media Advertising	Targeted paid social media campaigns executed across Meta (Facebook & Instagram), Nextdoor, and YouTube. Multi-season creative aligned with colder weather, LIHEAP program opening windows, CAP enrollment periods, and assistance messaging. Geotargeted to reach income-eligible customers across Peoples' service territory. ***Examples: YouTube Videos – 6 seconds, 15 seconds, 30 seconds (linked)***

Activity	Details
	Examples: Organic Social Posts  ***Examples: Paid Digital Advertising***
Display & Search Advertising	Digital banner ads placed on local news sites and relevant online platforms through content syndication campaigns. Google Ads campaigns targeting key

Activity	Details
	program-related search terms to reach customers actively seeking energy assistance resources. ***Examples: Display Ads***  
Transit & Out-of-Home (OOH) Advertising	Paid transit and out-of-home media placements — including static boards, billboards, and bus kings, tail, and shelter advertising — in high-traffic areas across the Pittsburgh metro region. Messaging promoted LIHEAP availability and CAP enrollment throughout the heating season, with emphasis on reaching lower-income households in demonstrated high-need areas. ***2025-2026 Flow Chart*** 

Activity	Details
	Examples: Billboards & Static Boards

Examples: Bus Kings, Tails & Shelters

Activity	Details
	 
Earned & Traditional	Press release distribution, op-ed placements, and media pitching to secure editorial coverage in local and regional publications. Targeted direct mail to specific customer segments with program enrollment information. Broadcast outreach including radio and television coverage supporting LIHEAP and CAP awareness. ***Examples: Earned Media & Op-eds***

Activity	Details
	President Mike Huwar's TribLive Letter to the Editor:

LETTERS (WESTMORELAND)

Letter to the editor: Help available to pay gas bills

Guide to Good Health 2026 Ad:

90.5 WESA: Dollar Energy Fund opens for winter season with $500 grants for heating aid

Tribune-Review: Pennsylvania residents can now apply for LIHEAP heating aid after delay

Beaver County Radio: Get Ready for Winter: Peoples Encourages Customers to Apply for Up to $500 Heating Assistance Grants through Dollar Energy Fund

TribLive [Opinion]: Destenie Nock: Help is out there for those struggling with heating costs

Customer Email Communications

Emails covering energy savings tips, bill management resources, and program FAQs to educate and engage customers throughout the year. Designed to reduce barriers to program awareness and self-service enrollment.

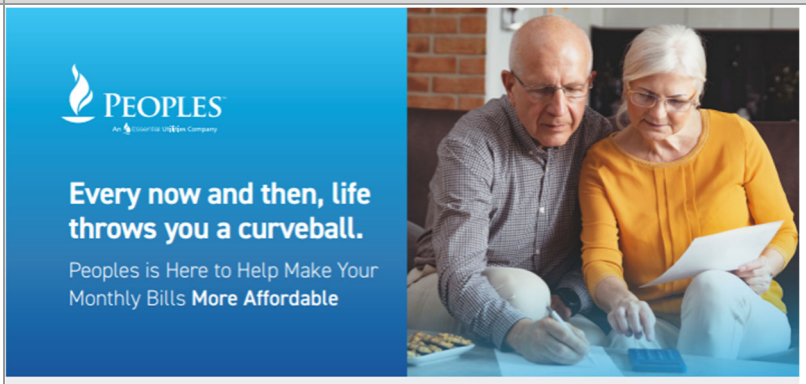
Campaign Type	Details
Program Enrollment Outreach	Targeted email campaigns promoting assistance program enrollment. Messaging included eligibility overviews, enrollment steps, and direct links to peoples-gas.com program pages. ***Example – December 2025 LIHEAP Opening Email:*** PEOPLES An Essential Utilities Company **LIHEAP Grants Available Now!** Help with winter's higher heating bills is now available. The Low Income Home Energy Assistance Program (LIHEAP) opens for the season on December 3. **This federally funded grant can cover up to $1,000 in heating bills,** applied directly to your Peoples account. You do not need to repay this assistance. LIHEAP funding is limited, and grants are awarded on a first-come, first-served basis. Don't delay – find out if you're eligible and apply today! **Apply for LIHEAP Today**

Marketing Materials & Collateral Developed

Material Type	Description & Example
Flyers	Program information sheets, safety guides, and educational handouts distributed at community events, resource fairs, agency office hours, and partner locations across the service territory. Available in English and Spanish. ***Example: CAP Flyers***
Bill Inserts & Postcards	Print-ready bill insert designs distributed to Peoples customers via monthly billing statements. Seasonal versions developed for fall and winter heating assistance timelines, including expanded sections for November and December mailings. ***Example: DEF Grants & Emergency Repair Postcard*** ***Front & Back***

Material Type	Description & Example
	 Example: CAP Postcard ***Front & Back***
Posters & Tear-Off Pads	Quick-reference cards and tear-off pads featuring program contact information, enrollment steps, and the Peoples-Gas.com/help URL. Distributed at community events and via community partners throughout our service territory. ***Example: Poster with Tear-Off***

Material Type	Description & Example



LOOKING FOR HELP WITH YOUR MONTHLY GAS BILL?

If you're struggling to make ends meet, or need support with your natural gas bills, Peoples has options. Income-eligible customers in need may qualify for Peoples' Customer Assistance Program (CAP), Emergency Repair Program, Dollar Energy Fund (DEF) grants, and the Low Income Home Energy Assistance Program (LIHEAP).

Assistance is available to qualified households. Check the income chart below to see if you qualify.

	LIHEAP/CAP/USAGE REDUCTION		DOLLAR ENERGY FUND/ EMERGENCY REPAIR	
HOUSEHOLD SIZE*	GROSS MONTHLY INCOME	GROSS ANNUAL INCOME	GROSS MONTHLY INCOME	GROSS ANNUAL INCOME
1	$1,995	$23,940	$2,660	$31,920
2	$2,705	$32,460	$3,607	$43,284
3	$3,415	$40,980	$4,553	$54,636
4	$4,125	$49,500	$5,500	$66,000
5	$4,835	$58,020	$6,447	$77,364
6	$5,545	$66,540	$7,393	$88,716
7	$6,255	$75,060	$8,340	$100,080
8	$6,965	$83,580	$9,287	$111,444
For each additional person, add	$710	$8,520	$947	$11,364

*All members of household regardless of age

Peoples CAP	This Peoples program offers payment plans for customers based on your income or budget, rather than how much gas you use.
LIHEAP	A federally funded, state-run grant program that makes payments directly to Peoples on your behalf. If you are experiencing a heating crisis (broken heating equipment, a utility shut-off notice), you may be eligible for additional funds through LIHEAP.
Emergency Repair Program	This Peoples program covers the full cost of repairs or replacements of heating systems and gas lines for customers who meet income guidelines.
DEF Grants	Peoples customers can access grants of up to $500 through DEF, available on a first-come, first-served basis while funding is available.

Key Results

The following preliminary metrics reflect campaign performance across all channels from October 1, 2025 – February 19, 2026.

Channel	Metric & Result
Paid Digital Advertising	**4.8M** Total impressions across digital platforms **194K** Total reach & conversions across digital platforms **192.8K** Total clicks across digital platforms
Customer Engagement	**9.5%** Average email open rate average (*CAP emails only)* **156.6K** Website visits to peoples-gas.com/help
Earned & Traditional Media	**27** Earned media news stories, articles, broadcast clips, and op-eds **4.3M** Estimated impressions through earned media coverage **7.3M** Estimated impressions from OOH, billboards, and bus shelter & transit advertising

Organization/Event	Type (In person, Web, Radio, Phone)	Program (i.e. CAP LIHEAP, LIURP, Weatherization)	Outreach Material Taken	Audience (i.e. customers, social service agencies)	Number of Participants	Area (Where is event located)?	Multiple utilities present?	Comments
Project Destiny	Web			Social service providers	40-50	North Side	Yes	
Jewish Family & Community Services, Hello Neighbor, & Bethany Christian Services	Web/phone			Refugee customers				
Beaver County Human Services Forum	In person			Social service providers	10-20	Beaver County		
Allegheny County Immigrant & International Advisory Council (IIAC)	Web	All	Program materials shared as requested	Refugee & immigrant-supporting agencies	30	Online		
Colombia In Pittsburgh	In person meeting with orgaization President	All	Assistance programs - Spanish version materials	Organization members				Met with Maria Consualo Afanador - President
Call Center Rep Training	In person	All	Peoples Programs booklets	New call center reps	8	North Shore/Internal		
Customer Assistance Programs Video Shoot	Video	All	N/A		N/A			Video shoot with communications & YaJagoff podcast covering Peoples programs
LIHEAP Sign-Up Day	In person	LIHEAP	LIHEAP apps	Customers	12	Linmar Terrace - Aliquippa		
City of PGH Dept. of Public Safety	In person meeting	All	LIHEAP/CAP/LIURP/ERF	Community members	25	North Side		
VA Pittsburgh Healthcare Primary Care Social Work Team	Virtual/Teams	All		VA Healthcare Social Workers	9	Virtual meeting		Presented on Peoples assistance programs to VA social work team from 3 VA campuses
Allegheny Immigrant & International Advisory council (IIAC)	Quarterly meeting	All	Outreach materials via email	Over 15 Agencies dealing with Immigrant and international community	28	Virtual meeting		1 of 4 2025 meetings
Peoples Field Tech Training	In person	All	Peoples Programs booklets	New Peoples field techs	8	Peoples Service area		
Area Agency on Aging Resource Fair	In person	All	LIHEAP apps, LIHEAP/CAP flyers, LIURP flyers	Community agencies/customers	70	Commonwealth Charter Academy - Homestead	Yes	
ROSS Partners Meeting	In person	All	LIHEAP apps, LIHEAP/CAP flyers	Community agencies	30	Linmar Terrace - Aliquippa	Yes	Quarterly meeting of Beaver County area community partners - hosted at various Housing Authority of Beaver County locations
Rainbow Kitchen Monthly Resource Event	In person	CAP, DEF, LIURP	CAP cards, LIURP flyers, conservation tips	Customers	45	Rainbow Kitchen - Homestead		
Duquesne School District Dukes Showcase	In person							
Animal Friends Low Cost Vaccine Clinic	In person	CAP, LIURP	SWSM cards, LIURP flyers, business cards	Customers	200	Kennedy Park - Sharpsburg	Yes	Shared table with Duquesne Light
DA Stephen Zappala Senior Justice & Wellness Expo	In person	CAP, LIURP	SWSM cards, LIURP flyers, safety flyers	Customers - seniors	250	Acrisure Stadium	Yes	
'Office Hours' at NHCO Food Pantry	In person	CAP, LIURP, DEF	SWSM cards, LIURP flyers, business cards	Customers	50	NHCO - Allison Park		
Tabling at Lighthouse Foundation Food Pantry	In person	CAP, LIURP, DEF	SWSM cards, LIURP flyers, business cards	Customers	40	Lighthouse Foundation - Butler		
Animal Friends Low Cost Vaccine Clinic	In person	CAP, LIURP	SWSM cards, LIURP flyers, business cards	Customers	260	Wilkinsburg	Yes	
'Office Hours'at NHCO Food Pantry	In person	CAP, LIURP, DEF	SWSM cards, LIURP flyers, business cards	Customers	55	NHCO - Millvale		
Home Resource Fair with NeighborWorks & Operation Better Block	In person	CAP, LIURP	CAP cards, LIURP flyers, conservation tips	Customers	10	Homewood YMCA	Yes	

Organization/Event	Type (In person, Web, Radio, Phone)	Program (i.e. CAP LIHEAP, LIURP, Weatherization)	Outreach Material Taken	Audience (i.e. customers, social service agencies)	Number of Participants	Area (Where is event located)?	Multiple utilities present?	Comments
Beaver County CYS Summerfest	In person	CAP, LIURP	CAP cards, LIURP flyers, conservation tips	Customers - families with school children	2500	M7 Sports - Aliquippa	Yes	
Speak at Beaver County St. Vincent de Paul Meeting	In person	All	Business cards, CAP cards	St. Vincent de Paul members	30	St. John the Baptist - Monaca		Meeting of all Beaver County St. Vincent de Paul chapters
Peoples Field Tech Training	In person	All	Peoples Programs booklets	New Peoples field techs	4	Peoples Service area		
'Office Hours' at SHIM Family Center Food Pantry	In person	CAP	CAP cards	Customers	80	West Mifflin		
Representative Andrew Kuzma & Senator Nick Pisciottano Senior Expo	In person	CAP, LIURP	CAP cards, safety tips, conservation tips, LIURP flyers	Customers (seniors)	250	Boston/Elizabeth area	Yes	
Speak at Lifespan	In person	All	Peoples Programs booklets	Staff of Lifespan	30	Homestead - wider service area throughout Allegheny County	Yes	
Be Utility Wise Pittsburgh	In person	All	N/A	Community agency providers	200	Allegheny County	Yes	
Clairton Utility Assistance Pop-Up Event	In person	CAP, LIURP	CAP cards	Customers	6	Clairton Municipal Building	Yes	
Speak at Homewood Senior Center	In person	All	Peoples Programs booklets	Customers - seniors	40	Homewood Senior Center	Yes	
Senator Langerholc Senior Expo	In person	All	CAP cards, SWSM cards, safety tips	Customers - seniors	200?	Penn Highlands Community College - Johnstown		
Speak at SeniorLine Staff Meeting	In person	All	Peoples Programs booklets	SeniorLine staff	15	Area Agency on Aging/Allegheny County	Yes	Utilities each presented on programs (DLC, Columbia, PAWC, PWSA)
Clairton Utility Assistance Pop-Up Event	In person	All		Customers		Clairton Municipal Building	Yes	
PA Dept. of Community & Economic Development	Virtual Meeting	ERP			110+	Virtual meeting	No	Presentation to audience about ERP services and how to refer customers
Mission of Mercy Pittsburgh	In person	All	LIHEAP and CAP outreach					
Veterans Leadership Program - Stand Down Pittsburgh 2025	In person	All	LIHEAP and CAP outreach	Veterans		Braddock /Allegheny Co.		
Area Agency on Aging Collaborative Partners Meeting	In person	All	N/A - took list of contacts and mailed info later	Community agency partners	35	Allegheny County	Yes	Participated in utility panel to give program info
Be Utility Wise Johnstown	In person	All	LIHEAP/CAP flyers - CAP cards	Community agency partners	100	Johnstown	Yes	
Senator Williams & Rep Kinkead Senior Resource Fair	In person	CAP/LIHEAP	LIHEAP/CAP flyers - CAP cards	Seniors	200	Ross/West View	Yes	
PULP/Summit Legal Aid & Community Action of Cambria County Utility Assistance Event	In person	All	LIHEAP/CAP flyers - CAP cards	Customers	7	Johnstown	Yes	
Representative Lindsay Powell Open Doors Resource Fair	In person	CAP/LIHEAP	LIHEAP/CAP flyers - CAP cards	Customers	70	Lawrenceville	Yes	
Rep. Anita Kulik AARP Monthly Meeting	In person	CAP/LIHEAP/ERP	LIHEAP/CAP flyers	Customers	50	Coraopolis	Yes	
Brief presentation - Project Destiny Quarterly Meeting	Virtual	LIHEAP	N/A - virtual	Community agency partners	60	Allegheny County	Yes	Presented on LIHEAP updates to group - answered a few requests for outreach materials after the meeting

Organization/Event	Type (In person, Web, Radio, Phone)	Program (i.e. CAP LIHEAP, LIURP, Weatherization)	Outreach Material Taken	Audience (i.e. customers, social service agencies)	Number of Participants	Area (Where is event located)?	Multiple utilities present?	Comments
Rainbow Kitchen Monthly Resource Event	In Person	All	LIHEAP/CAP flyers, CAP cards, ERP/DEF cards	Customers	25	Homestead	Yes	
Light of Life Thanksgiving Meal Packing	In person	CAP	Multi-utility flyers	Customers	2800 flyers	Allegheny County	Yes	2800 flyers included in Thanksgiving meal boxes
Steel Valley Holiday Parade	In person	All	LIHEAP applications, LIHEAP/CAP flyers	Customers	100	Homestead		
Present at Beaver County Human Services Forum	In person	All		Social service agencies		Beaver County	Yes	

Materials Distributed

Agency	Area
Aliquippa School District	Aliquippa
Center for Community Action	Blair/Cambria/Indiana counties
Mission of Mercy	Allegheny
Green Building Alliance Innovation Expo	Allegheny
Lifespan	Allegheny County - various
Allegheny County Area Agency on Aging	Allegheny County
Penn Hills Senior Center	Penn Hillls
Allegheny County Treasurers Office	Allegheny County
Chartiers Center	Bridgeville
VFW - Natrona Heights	Natrona Heights
VFW - Brackenridge	Brackenridge
American Legion - Lyndora	Lyndora
Concordia Visiting Nurses	Allegheny County
Rep. Lindsay Powell's Office	Lawrenceville area
Presbyterian Senior Care	Allegheny County
Financial Empowerment Center	Allegheny County
Altoona Area School District	Altoona
Duquesne City School District	Duquesne City

Jewish Family & Community Services	Allegheny County
Buhl Foundation/One Northside	Northside - To be shared on social media/website
Aliquippa School District	Aliquippa
Neighborhood Academy	East Liberty
Allegheny Valley School District	Allegheny Valley - to be included in newsletter to families receiving gov't assistance - about 200 families
Animal Friends	Allegheny County - to be placed at pet food pantry
The New Academy Charter School	Arlington - will be placed in information corner at school
PNG employee/Delivering to Stewart Avenue Church & Food Pantry	Carrick/Brentwood
PNG Employee/south Side area	
PNG Employee/Sharing with Hugh Lane Wellness	

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
RUDOLPH HANECHAK
FINANCIAL ANALYSIS & BUDGET MANAGER
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026

Peoples Statement No. 11

DATE ADMITTED: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rudolph Hanechak. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by PNG Companies LLC ("PNG Companies") as Financial Analysis and Budget Manager. PNG Companies provides various administrative functions for Peoples Natural Gas Company LLC ("Peoples" or the "Company") including Budgeting.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND.

A. I received a Bachelor's of Science in Accounting from Duquesne University in 1998 and a Masters in Organizational Leadership from Geneva College in 2005. Since graduation I have held positions in Accounting and Finance in various organizations. Most recently I was with ERIKS North America, an Industrial Distribution company for 10 years where I was the Director of Financial Planning and Analysis. I began working at PNG Companies in February 2023 as the Financial Analysis and Budget Manager.

Q. PLEASE SUMMARIZE THE SCOPE OF YOUR TESTIMONY.

A. My testimony supports and sponsors information related to non-income taxes.

Q. ARE YOU SPONSORING ANY EXHIBITS AS PART OF YOUR TESTIMONY?

A. Please refer to Appendix A to this testimony for a list of exhibits and filing requirements that I am sponsoring.

Q. WHAT NON-INCOME TAXES ARE INCLUDED IN DETERMINING THE COMPANY'S REVENUE REQUIREMENT?

A. There are five such items (see **Peoples Exhibit No. 6, Schedule No. 2**). They are:

- PUC Assessment;
- Payroll taxes (FICA and unemployment taxes);
- Property taxes (including Public Utility Realty Tax Act ("PURTA"));
- Sales and use tax; and
- Other miscellaneous taxes.

Q. WHAT IS THE TOTAL AMOUNT OF NON-INCOME TAXES?

A. The total amount of non-income tax expense for the fully projected future test period at proposed rates is $13.83 million, as shown in **Peoples Exhibit No. 6, Schedule No. 2**.

Q. HOW WERE THE NON-INCOME TAX AMOUNTS DERIVED?

A. The individual amounts of the projected levies were derived in different ways. In the case of payroll and unemployment taxes, the tax expense for the Historical Test Year ("HTY") was divided by the labor expense in the current year to derive an experience factor. The experience factor was then applied to the Fully Projected Future Test Year ("FPFTY") labor to derive the projected expense, as shown on **Peoples Exhibit No. 6, Schedule No. 2**.

In the case of the PUC assessment, the FPFTY was adjusted from the HTY to reflect the most recent assessment by the PUC. This was then increased by the five-year weighted average increase in PUC assessments.

The HTY Property Tax costs were increased for the FPFTY using a three-year weighted average.

Sales and Use tax was kept at its historical level.

Q. IS THERE ANYTHING YOU WOULD LIKE TO SAY REGARDING SALES AND USE TAX?

A. Yes. The Company is making a proposal related to Sales & Use tax. Please refer to **Peoples Statement No. 2 - the Direct Testimony of Andrew P. Wachter** for further information.

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes, it does.

Appendix A

Filing Requirements Sponsored by

Rudolph Hanechak

	Exhibit/SDR	Filing Requirement
1	Ex. 6, Sch. 1	53.53.III.E.35
2	Ex. 6, Sch. 2	53.53.III.A.50
3	Ex. 6, Sch. 3	53.53.III.A.48
4	Ex. 6, Sch. 4	53.53.III.A.49
5	Ex. 19, RR 48	VI.II.RR.48
6	Ex. 19, RR 49	VI.II.RR.49

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
NICK TUFAROLO
FIXED ASSET ACCOUNTING MANAGER
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 12

PREPARED DIRECT TESTIMONY OF
NICK TUFAROLO

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Nick Tufarolo. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as the Manager of Fixed Asset Accounting. I provide accounting services for Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I received a Bachelors of Science in Business Administration Degree in Finance from Robert Morris University in 2016. I was then employed as a fixed asset accountant by Bayer US LLC until October 2020. I started employment with PNG Companies LLC in January 2021 as a fixed asset accountant. I have been the Manager of Fixed Asset Accounting since May 2023.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDING?

A. No.

Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS OR OTHER EXHIBITS?

A. Yes, I am. Attached to this Direct Testimony as Appendix A is a complete list of the exhibits for which I am the responsible witness.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I am responsible for developing the value of the Company's rate base. In doing so, I have prepared **Peoples Exhibit No. 8, Schedule No. 2**, which reflects the Measures of Value for the Historic Test Year ("HTY"), the Future Test Year ("FTY") and the Fully Projected Future Test Year ("FPFTY"), and **Peoples Natural Gas Exhibit No. NT-1**, which is a workpaper showing the derivation of the FPFTY plant in service.

RATE BASE

Q. WHAT DO YOU MEAN WHEN YOU SAY THAT PEOPLES EXHIBIT NO. 8, SCHEDULE NO. 2 REFLECTS MEASURES OF VALUE FOR THE FULLY PROJECTED FUTURE TEST YEAR OR FPFTY?

A. In complying with the Pennsylvania Public Utility Commission's ("Commission") filing requirements for a general rate case, Peoples has traditionally filed its base rate cases using a HTY and FTY as set forth in section 53.53(b) of the Commission's regulations, 52 Pa. Code § 53.53(b). The use of an FTY as support for a general rate increase is authorized by Section 315 of the Public Utility Code, 66 Pa. C.S. § 315. With the enactment of Act 11 of 2012, effective April 12, 2012, Section 315 was amended to also permit use of a FPFTY in rate cases. The FPFTY is defined as the 12-month period that begins with the first month

that the new rates will be placed into effect, after application of the full suspension period permitted under Section 1308(d). Based on the filing date of this case, the FPFTY is the 12-month period beginning January 1, 2027 and ending December 31, 2027. Peoples has elected to utilize an FPFTY in this case, which I refer to in this testimony as either the Fully Projected Future Test Year or FPFTY. Consistent with this election, I have determined the Company's rate base by projecting the facilities to be in service during the FPFTY.

Q. PLEASE EXPLAIN HOW PEOPLES' FULLY PROJECTED FUTURE TEST YEAR PLANT IN SERVICE WAS DEVELOPED.

A. The FPFTY plant in service for Peoples was determined by taking the plant balance of $5,740,586,936 as of the end of the HTY (November 30, 2025) and then adding forecasted plant additions and subtracting forecasted plant retirements through the end of the FPFTY (December 31, 2027).

Q. WHAT WAS YOUR NEXT STEP IN DETERMINING THE ORIGINAL COST OF PLANT IN SERVICE AS OF DECEMBER 31, 2027?

A. I determined the total plant additions from Peoples' 2026 and 2027 capital budgets, and the amount of Construction Work in Progress ("CWIP") as of November 30, 2025 that will close to plant in 2026 or 2027. These additions to plant are reflected in **Peoples Natural Gas Exhibit No. NT-1**, columns 4, 7, and 10.

Q. HOW DID YOU DETERMINE THE AMOUNT OF FORECASTED PLANT ADDITIONS FROM THE 2026 AND 2027 CAPITAL BUDGETS THAT WILL CLOSE TO PLANT IN THE FTY AND FPFTY?

A. These amounts were determined by applying known closing criteria to the 2026 and 2027 capital budgets, taking into consideration the length of time it generally takes for the completion and placement into service of construction projects that take longer than one month to complete. For example, a transmission pipeline replacement project is estimated to take five months to finish and be placed in service, whereas a distribution pipeline replacement project is estimated to take two months for completion. These guidelines on closing criteria were supplied by Peoples' Operations Department. Please note that certain projects include information technology costs for business process reengineering, current state assessment, preliminary software project stage activities, data conversion and training.

Q. HOW DID YOU DETERMINE THE AMOUNT OF CWIP AS OF NOVEMBER 30, 2025 THAT WILL CLOSE TO PLANT IN THE FTY AND FPFTY?

A. I analyzed the list of projects with open CWIP balances and used the same closing criteria that were applied to the 2026 and 2027 capital budgets.

Q. HOW DID YOU FORECAST PLANT RETIREMENTS FOR THE FTY AND FPFTY?

A. Forecasted retirements are based on an adjusted four-year historical average of plant retirements by FERC account, as well as scheduled retirements for certain assets, such as

intangible software, which are retired at the end of their useful lives, if applicable. Forecasted retirements are reflected in **Peoples Natural Gas Exhibit No. NT-1**, columns 5, 8 and 11.

Q. HAVE YOU INCLUDED ANY PLANT INVESTMENT AMOUNTS IN YOUR RATE BASE PROJECTION THAT FALL OUTSIDE OF THE FPFTY?

A. No.

Q. PLEASE SUMMARIZE PEOPLES' ORIGINAL COST OF GAS PLANT IN SERVICE AS OF DECEMBER 31, 2027.

A. As reflected on **Peoples Natural Gas Exhibit No. NT-1**, column 12, the original cost of gas plant in service as of December 31, 2027 is $7,078,132,872. This amount is carried forward to page 1 of **Peoples Exhibit No. 8, Schedule No. 2**.

Q. HOW DID THE COMPANY DETERMINE THE ACCRUED DEPRECIATION AND AMORTIZATION ASSOCIATED WITH GAS PLANT IN SERVICE AS OF DECEMBER 31, 2027?

A. The claim for Accrued Depreciation and Amortization was supplied by Mr. Spanos. As explained in **Peoples Statement No. 16 – the Direct Testimony of John Spanos** in this proceeding, the appropriate measure of accrued depreciation for use as the deduction from the original cost in determining Peoples' rate base is Peoples' adjusted book depreciation reserve as of December 31, 2027. Those amounts are shown on page 1 of **Peoples Exhibit No. 8, Schedule No. 2.**

Q. HAS THE COMPANY INCLUDED THE GOODWIN TOMBAUGH ASSETS APPROVED FOR TRANSFER FROM PNG GATHERING LLC TO PEOPLES IN RATE BASE?

A. Yes. Peoples' rate base measures of value for the FTY and FPFTY include an addition to plant in service of $2,096,063, based on the book original cost of the assets expected to transfer, as well as an addition to accrued depreciation and amortization of ($225,187), based on the expected book depreciation reserve of the assets at the time of the transfer. Please refer to **Peoples Natural Gas Statement No. 2 – the Direct Testimony of Andrew P. Wachter** for further discussion.

Q. HAS THE COMPANY INCLUDED GAS STORED UNDERGROUND – NONCURRENT IN RATE BASE?

A. Yes. The cost of Gas Stored Underground – Noncurrent is $51,833. Gas Stored Underground – Noncurrent includes a portion of "base" gas that Peoples maintains in its storage pools that is not withdrawn, but rather, is used to maintain sufficient pressure in the storage pools in order to operate in an efficient manner. The cost of this gas is accounted for in Account No. 117.

Q. HAS THE COMPANY INCLUDED GAS STORAGE UNDERGROUND – CURRENT IN RATE BASE?

A. Yes. The cost of Gas Stored Underground – Current is $39,947,360 for the HTY and $50,819,643 for the FPFTY. Gas Stored Underground – Current is the gas that Peoples injects and withdraws seasonally. The cost of this gas is accounted for in Account No. 164.

Q. HOW DID YOU DETERMINE THE COST OF GAS STORED UNDERGROUND – CURRENT FOR INCLUSION IN RATE BASE?

A. To determine the HTY cost for Gas Stored Underground – Current, I used the HTY twelve-month averages of the balances in Account 164. The FPFTY projection for Gas Stored Underground – Current was developed by using projected storage activity and projected Weighted Average Commodity Cost of Gas ("WACCOG") inventory pricing.

Q. HAS THE COMPANY INCLUDED MATERIALS AND SUPPLIES IN RATE BASE?

A. Yes. The cost of Materials and Supplies is $6,179,262. The amount is based on the HTY twelve-month averages of the balances in account 154.

Q. HAS THE COMPANY INCLUDED PREPAYMENTS IN RATE BASE?

A. Yes. The cost of Prepayments is $5,055,085. The amount is based on the HTY twelve-month averages of the balances in account 165, and it reflects prepayments primarily for insurance and computer maintenance.

Q. HAS THE COMPANY INCLUDED AN AMOUNT FOR CASH WORKING CAPITAL IN RATE BASE?

A. Yes. The FPFTY Cash Working Capital Requirement of $47,681,867 was developed and provided to me by Mr. Ribich, as explained in **Peoples Statement No. 14 – the Direct Testimony of Anton Ribich**.

Q. HAS THE COMPANY INCLUDED ANY OTHER ADJUSTMENTS INCLUDING OFFSETS OR REDUCTIONS TO WORKING CAPITAL IN ITS RATE BASE CLAIM?

A. Yes. Offsets or deductions to working capital include Deferred Income Taxes, Customer Advances, and Customer Deposits.

Q. HOW DID YOU DETERMINE THE AMOUNT OF DEFERRED INCOME TAXES AS OF DECEMBER 31, 2027?

A. Ms. Jiang describes the derivation of Deferred Income Taxes in **Peoples Statement No. 7 – the Direct Testimony of Angela Jiang**, and she provided the amount to me for inclusion in rate base.

Q. WHAT ARE CUSTOMER ADVANCES, AND HOW DID YOU DETERMINE THE LEVEL OF CUSTOMER ADVANCES AS OF DECEMBER 31, 2027?

A. Customer Advances are amounts paid by customers in advance of receiving service from the Company. The level of Customer Advances as of December 31, 2027 was projected based on the HTY twelve-month averages of the balances in account 252.

Q. WHAT ARE CUSTOMER DEPOSITS, AND HOW DID YOU DETERMINE THE LEVEL OF CUSTOMER DEPOSITS AS OF DECEMBER 31, 2027?

A. Customer Deposits are amounts paid by customers as security for the payment of bills. The level of Customer Deposits as of December 31, 2027 was projected based on the HTY twelve-month averages of the balances in account 235.

Q. PLEASE SUMMARIZE PEOPLES' FPFTY RATE BASE CLAIM.

A. Peoples' FPFTY rate base derives from a calculation that consists of four components: (1) a determination of the original cost of gas plant in service; (2) a determination of the accrued depreciation and amortization associated with that plant; (3) a determination of the cost of other items of property includable in rate base; and (4) appropriate reductions to working capital related to other sources of funds available to Peoples, such a deferred income taxes, customer advances, and customer deposits. As shown on **Peoples Exhibit No. 8, Schedule No. 2**, Peoples' FPFTY rate base is $5,728,767,833.

Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to submit additional testimony as issues arise during the course of the proceeding. Thank you.

Filing Requirements Sponsored by Nick Tufarolo

Volume	**Filing Requirement**
Ex. 8, Sch. 1	53.52(c)(1)
Ex. 8, Sch. 2	53.53.I.A.2
Ex. 8, Sch. 3	53.52(c)(3)
Ex. 8, Sch. 9	53.53.I.A.12
Ex. 8, Sch. 10	53.53.I.A.13
Ex. 8, Sch. 11	53.53.I.A.14
Ex. 8, Sch. 12	53.53.I.A.15
Ex. 8, Sch. 13	53.53.I.A.16
Ex. 8, Sch. 14	53.53.I.A.18
Ex. 8, Sch. 15	53.53.II.A.21
Ex. 8, Sch. 16	53.53.III.A.14
Ex. 8, Sch. 18	53.53.III.A.16
Ex. 19, RR-14	
Ex. 19, RR-17	

Exhibits Sponsored by Nick Tufarolo

Peoples Natural Gas Exhibit No. NT-1

Gas Plant Rollforward (101 & 106)
Peoples Natural Gas Company LLC

		HTY	FTY Activity		FTY	Stub Month		Stub	FPFTY Activity		FPFTY
Line No	Account No	11/30/2025	Additions	Retirements	11/30/2026	Additions	Retirements	12/31/2026	Additions	Retirements	12/31/2027
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Intangible Plant										
1	3010-Organization	177,886	-	-	177,886	-	-	177,886	-	-	177,886
2	3020-Franchises and Consents	71,371	-	-	71,371	-	-	71,371	-	-	71,371
3	3030-Misc Intangible Plant	114,741,881	12,231,156	(9,997,568)	116,975,469	940,310	(4,556,663)	113,359,117	12,741,504	(11,037,232)	115,063,389
4	3031-Misc Intangible Plt-10%	1,666,256	-	-	1,666,256	-	-	1,666,256	-	-	1,666,256
5	**Subtotal**	**116,657,394**	**12,231,156**	**(9,997,568)**	**118,890,982**	**940,310**	**(4,556,663)**	**115,274,630**	**12,741,504**	**(11,037,232)**	**116,978,902**
	Gas Production & Gathering Plant										
6	32511-Producing Lands-1.44%	138,965	-	-	138,965	-	-	138,965	-	-	138,965
7	3251-Producing Lands	475	-	-	475	-	-	475	-	-	475
8	32521-Producing Leaseholds (Group)	10,016	-	-	10,016	-	-	10,016	-	-	10,016
9	3252-Producing Leaseholds	4,465	-	-	4,465	-	-	4,465	-	-	4,465
10	3253-Gas Rights	20,984	-	-	20,984	-	-	20,984	-	-	20,984
11	3254-Rights of Way	2,051,366	80,697	-	2,132,063	8,070	-	2,140,133	96,836	-	2,236,969
12	3255-Other Land and Land Rights	47,095	-	-	47,095	-	-	47,095	-	-	47,095
13	3270-Field Comp Station-Land Impr	11,674,554	-	-	11,674,554	-	-	11,674,554	-	-	11,674,554
14	3271-Field Comp Station-Structures	634,288	-	-	634,288	-	-	634,288	-	-	634,288
15	3280-Field Meas & Regul Sta Struct	62,778	37,237	-	100,015	-	-	100,015	-	-	100,015
16	3290-Other Structures-Land Impr	1,926,214	-	-	1,926,214	-	-	1,926,214	-	-	1,926,214
17	3300-Producing Gas Wells-Well Const	9,214	-	-	9,214	-	-	9,214	-	-	9,214
18	3310-Producing Gas Wells-Well Equip	2,961	-	-	2,961	-	-	2,961	-	-	2,961
19	3320-Field Lines	81,350,164	7,160,717	(272,107)	88,238,774	1,063,764	(40,423)	89,262,115	28,452,101	(1,081,180)	116,633,036
20	3330-Field Compressor Station Equip	48,788,216	1,349,217	(1,543,899)	48,593,534	235,669	(18,323)	48,810,880	2,674,547	(207,946)	51,277,481
21	3340-Field Meas & Regul Sta Equip	3,490,666	146,250	(907)	3,636,010	22,771	(141)	3,658,640	297,275	(1,843)	3,954,072
22	3370-Other Equipment	66,192	-	(55,368)	10,824	-	(1,178)	9,646	-	-	9,646
23	**Subtotal**	**150,278,613**	**8,774,118**	**(1,872,282)**	**157,180,450**	**1,330,274**	**(60,066)**	**158,450,658**	**31,520,759**	**(1,290,969)**	**188,680,448**
	Underground Storage Plant										
24	3501-Land-Underground Storage Plant	63,644	-	-	63,644	-	-	63,644	-	-	63,644
25	3502-Rights of Way-Undrgnd Stor Plt	138,528	14,500	-	153,028	1,450	-	154,478	17,400	-	171,877
26	3510-Struct & Imprvmnt-USP-Land Imp	2,400,554	-	-	2,400,554	-	-	2,400,554	-	-	2,400,554
27	35201-Well Construction-USP	1,330,069	2,161,659	(86,466)	3,405,261	325,536	(13,021)	3,717,776	2,758,216	(110,329)	6,365,664
28	35202-Well Equipment-USP	707,346	1,149,595	(45,984)	1,810,957	173,124	(6,925)	1,977,156	1,466,851	(58,674)	3,385,332
29	35211-Storage Leaseholds-USP	161,937	-	-	161,937	-	-	161,937	-	-	161,937
30	35212-Storage Rights-USP	413,406	-	-	413,406	-	-	413,406	-	-	413,406
31	3522-Reserviors-Underground Storage	433,139	-	-	433,139	-	-	433,139	-	-	433,139
32	3523-Nonrecoverable Natural Gas-USP	205,251	-	-	205,251	-	-	205,251	-	-	205,251
33	3530-Lines-Underground Storage Plt	3,688,379	-	-	3,688,379	-	-	3,688,379	-	-	3,688,379
34	3540-Compressor Stat Equip-USP-Eqp	15,921,351	2,166,891	(1,314,290)	16,773,952	15,422	(197)	16,789,177	175,020	(2,240)	16,961,957
35	3550-Meas & Regul Equip-Underground	1,591,237	1,111,401	(7,891)	2,694,747	36,527	(259)	2,731,015	476,857	(3,386)	3,204,486
36	3570-Other Equipment-Underground	30,184	-	-	30,184	-	-	30,184	-	-	30,184
37	**Subtotal**	**27,085,024**	**6,604,045**	**(1,454,631)**	**32,234,438**	**552,060**	**(20,403)**	**32,766,094**	**4,894,343**	**(174,629)**	**37,485,809**

Gas Plant Rollforward (101 & 106)
Peoples Natural Gas Company LLC

		HTY	FTY Activity		FTY	Stub Month		Stub	FPFTY Activity		FPFTY
Line No	Account No	11/30/2025	Additions	Retirements	11/30/2026	Additions	Retirements	12/31/2026	Additions	Retirements	12/31/2027
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Transmission Plant										
38	3651-Land and Land Rights-Trans	381,343	-	-	381,343	-	-	381,343	-	-	381,343
39	3652-Rights of Way-Transmission	7,129,175	431,285	-	7,560,460	43,128	-	7,603,588	517,542	-	8,121,130
40	3660-Structures & Impr-Trans M&R	1,729,040	-	-	1,729,040	-	-	1,729,040	-	-	1,729,040
41	3661-Structures & Impr-Trans Compr	2,163,705	-	-	2,163,705	-	-	2,163,705	-	-	2,163,705
42	3662-Structures & Impr-Trans Other	94,789	-	-	94,789	-	-	94,789	-	-	94,789
43	3670-Mains-Transmission Plant	319,649,867	9,753,100	(122,889)	329,280,077	1,060,000	(13,356)	330,326,721	9,862,191	(124,264)	340,064,649
44	3680-Compressor Station Equip-Trans	19,695,331	3,480,089	(337,644)	22,837,776	70,689	(905)	22,907,560	802,231	(10,269)	23,699,523
45	3690-Measuring & Regul Equip-Trans	46,159,736	2,468,822	(51,598)	48,576,960	376,206	(7,863)	48,945,303	4,911,282	(102,646)	53,753,939
46	3710-Other Equipment-Transmission	2,650,785	-	-	2,650,785	-	-	2,650,785	-	-	2,650,785
47	**Subtotal**	**399,653,770**	**16,133,295**	**(512,131)**	**415,274,934**	**1,550,023**	**(22,124)**	**416,802,834**	**16,093,246**	**(237,178)**	**432,658,902**
	Distribution Plant										
48	3740-Land-Distribution Plant	1,061,018	-	-	1,061,018	-	-	1,061,018	-	-	1,061,018
49	3741-Land Right of Way-Distribution	11,761,725	908,023	-	12,669,748	90,802	-	12,760,550	1,089,627	-	13,850,177
50	3751-Structures & Impr-Dist M&R Gen	4,109,993	1,302,345	(187,147)	5,225,191	214,367	(30,804)	5,408,754	2,244,079	(322,474)	7,330,359
51	3752-Structures & Impr-Dist M&R Ind	1,168,928	-	-	1,168,928	-	-	1,168,928	-	-	1,168,928
52	3753-Structures & Impr-Dist Other	24,749,820	-	-	24,749,820	-	-	24,749,820	-	-	24,749,820
53	3761-Mains-Distribution-Low Press	1,827,171,621	253,338,245	(4,408,085)	2,076,101,781	20,830,255	(362,446)	2,096,569,590	270,868,833	(4,713,118)	2,362,725,305
54	3762-Mains-Distribution-Reg Press	1,614,677,492	202,211,917	(3,518,487)	1,813,370,922	14,265,107	(248,213)	1,827,387,816	177,660,806	(3,091,298)	2,001,957,324
55	3780-Meas & Regul Equip-Gen-Dist	126,432,635	33,821,921	(933,485)	159,321,071	2,575,462	(71,083)	161,825,451	33,622,094	(927,970)	194,519,575
56	3800-Services-Distribution Plant	923,796,287	96,334,689	(4,922,703)	1,015,208,274	7,725,879	(394,792)	1,022,539,361	104,267,676	(5,328,078)	1,121,478,959
57	3810-Meters-Distribution Plant	120,345,535	45,574,459	(14,996,622)	150,923,372	4,554,571	(1,498,716)	153,979,227	49,603,193	(16,322,307)	187,260,113
58	3811-Meters ERTs-Distribution Plant	46,543,756	-	(8,533,022)	38,010,734	-	(775,729)	37,235,005	-	(9,308,751)	27,926,254
59	3820-Meter Installations-Dist	77,746,128	-	(9,977,420)	67,768,708	-	(907,038)	66,861,670	-	(10,884,458)	55,977,212
60	3850-Indust Meas & Regul Sta Equip	13,385,526	29,951	(165)	13,415,312	-	-	13,415,312	-	-	13,415,312
61	3860-Other Prop on Customers' Prem	14,644,532	-	-	14,644,532	-	-	14,644,532	-	-	14,644,532
62	3870-Other Equipment-Distribution	16,485,526	-	-	16,485,526	-	-	16,485,526	-	(106,412)	16,379,114
63	**Subtotal**	**4,824,080,524**	**633,521,550**	**(47,477,136)**	**5,410,124,938**	**50,256,444**	**(4,288,823)**	**5,456,092,560**	**639,356,309**	**(51,004,866)**	**6,044,444,002**

Gas Plant Rollforward (101 & 106)
Peoples Natural Gas Company LLC

		HTY	FTY Activity		FTY	Stub Month		Stub	FPFTY Activity		FPFTY
Line No	Account No	11/30/2025	Additions	Retirements	11/30/2026	Additions	Retirements	12/31/2026	Additions	Retirements	12/31/2027
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	General Plant										
64	3890-Land-General Plant	424,152	4,241,743	-	4,665,894	-	-	4,665,894	-	-	4,665,894
65	3891-Land Rights-General Plant	52,996	-	-	52,996	-	-	52,996	-	-	52,996
66	3900-Structures & Impr-General Plt	51,741,445	7,257,416	(399,884)	58,598,978	1,020,516	(56,230)	59,563,264	14,836,143	(817,471)	73,581,936
67	3901-Structures & Impr-Gen-Leaselmp	8,764,253	804,358	(44,320)	9,524,291	192,235	(10,592)	9,705,934	2,783,209	(153,355)	12,335,788
68	3911-Office F&E-Furniture	2,788,316	6,594	(37,303)	2,757,607	-	(1,483)	2,756,123	-	(49,899)	2,706,224
69	3912-Office F&E-Computer Hardware	9,008,836	-	(3,042,683)	5,966,153	-	(272,641)	5,693,512	-	(4,019,707)	1,673,805
70	3913-Office F&E-Equipment	162,176	55,179	-	217,355	-	-	217,355	-	-	217,355
71	3921-Transportation Equip-Autos	-	-	-	-	-	-	-	-	-	-
72	3922-Transportation Equip-Trucks	77,584,465	11,405,375	(7,071,333)	81,918,507	904,313	(560,674)	82,262,146	11,040,142	(6,844,888)	86,457,400
73	3923-Transportation Equip-Trailers	6,150,942	2,368,882	(1,468,707)	7,051,117	115,345	(71,514)	7,094,948	1,408,172	(873,067)	7,630,054
74	3924-Transport Equip-Trucks HEAVY	2,220,494	-	-	2,220,494	-	-	2,220,494	-	-	2,220,494
75	3925-Transportation Equip-NGV Kits	-	-	-	-	-	-	-	-	-	-
76	3930-Stores Equipment-General Plant	457	-	-	457	-	-	457	-	-	457
77	3940-Tools, Shop, Garage Equip	7,178,858	2,018,012	(503,381)	8,693,489	134,936	(16,237)	8,812,189	846,364	(342,378)	9,316,175
78	3943-Tools, Shop, Garage Equip-NGV	717,190	-	-	717,190	-	-	717,190	-	-	717,190
79	3960-Power Operated Equipment-Gen	17,340,828	1,357,122	(841,416)	17,856,534	118,542	(73,496)	17,901,580	1,447,201	(897,265)	18,451,517
80	3970-Communication Equipment-Gen	19,674,407	2,799,571	(4,199,990)	18,273,989	244,009	(327,678)	18,190,319	2,928,110	(927,208)	20,191,222
81	3971-Communic Equip-Microwave Towe	16,949,829	176	-	16,950,005	-	-	16,950,005	-	-	16,950,005
82	3975-Communic Equip-Radios	2,017,081	2,740	(1,337,709)	682,113	-	(20,702)	661,411	-	-	661,411
83	3980-Miscellaneous Equipment-Gen	54,886	-	-	54,886	-	-	54,886	-	-	54,886
84	**Subtotal**	**222,831,611**	**32,317,168**	**(18,946,724)**	**236,202,055**	**2,729,897**	**(1,411,249)**	**237,520,704**	**35,289,343**	**(14,925,237)**	**257,884,809**
85	**Total Gas Plant (101 & 106)**	**5,740,586,936**	**709,581,332**	**(80,260,472)**	**6,369,907,796**	**57,359,008**	**(10,359,326)**	**6,416,907,478**	**739,895,504**	**(78,670,110)**	**7,078,132,872**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
KRISTA SNYDER
FINANCIAL RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 13

PREPARED DIRECT TESTIMONY OF
KRISTA SNYDER

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Krista Snyder. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG") as a Financial Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I received my Master of Business Administration from Point Park University in 2019, and a Bachelor of Science in Business Administration in Finance from West Virginia University in 2014. After receiving my Bachelor's degree, I was employed at The Bank of New York Mellon as a Regulatory and Reporting Lead Analyst. In October 2022, I accepted my current position as a Financial Rates Analyst in the Rates and Regulatory Affairs Department.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDING?

A. Yes. I have previously submitted testimony before the Pennsylvania Public Utility Commission ("Commission") in regulatory proceedings. I testified in Peoples 2023 Rate Case Proceeding at Docket No. R-2023-3044549.

Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS OR OTHER EXHIBITS?

A. Yes, I am. Attached to this Direct Testimony as Appendix A is a complete list of the exhibits for which I am the responsible witness.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I am responsible for explaining the various Retail and Gas Supply tariff provisions proposed by the Company in this proceeding.

Q. PLEASE DESCRIBE THE TARIFF CHANGES THAT THE COMPANY IS PROPOSING IN THIS CASE.

A. Peoples has two separate tariffs on file with the Commission. Peoples Retail Tariff, Gas – PA PUC No. 48 contains the rules and regulations, rate schedules and rates applicable to services for the end-use customers. Peoples Supplier Tariff, Gas - PA PUC No. S-4, contains the rules and regulations, rate schedules and rates applicable to services for natural gas suppliers ("NGSs") that operate on the system. The Company is proposing minimal substantive revisions to both its Retail Tariff and Supplier Tariff. I note, however, that the Company is issuing new tariff numbers for both the Retail and Supplier Tariffs. The new Retail Tariff is Original Tariff Gas – PA PUC No. 49, and the new Supplier Tariff is Original Tariff Gas – PA PUC No. S-5.

Volume V (Exhibit 14, Schedule 1) of the rate filing provides complete versions of Peoples current tariffs and the proposed tariffs. **Peoples Natural Gas Exhibit No. KMS-**

1 provides the proposed red-lined retail tariff and **Peoples Natural Gas Exhibit No. KMS-2** provides the proposed red-lined supplier tariff. Beginning on page 2 of each of the proposed tariffs is a detailed list of all of the revisions, along with a brief description of each.

Q. PLEASE DESCRIBE SOME OF THE MORE SUBSTANTIVE CHANGES TO THE TARIFFS.

A. The only substantive changes to the Tariffs involve the proposed rate changes to the Company's various classes, which is referenced on page 2 of **Peoples Natural Gas Exhibit No. KMS-1**. Otherwise, most of the changes involve clarification of verbiage, pagination changes and other minor revisions. Some of the minor tariff revisions are as follows:

Retail Tariff

- Connections for Service and Extension of Facilities (Rule 4) – The Company will install one meter per customer service line except in the case where the design necessitates a shared customer service line. These require a properly executed agreement, evidencing the responsible parties. In addition, it is noted that a customer may not own a service line or buried house line cross a public road, regardless if paved or maintained.
- Nonliability of Company/Limitation of Liability (Rule 8) – Emphasizing the Customer is solely responsible for property and to protect the premises from damages, regardless if it is inhabited or vacant for any period of time.
- Billing and Payment (Rule 10) – Regarding a dishonored payment, the Company reserves the right to require a payment to prevent service termination or restore service if the

Customer has failed to demonstrate good faith effort to make a payment within twelve month period. The Company also has the right to remove customer from using eAccount on online payment methods when abuse of the platforms is detected.

- Customer Assistance Program (CAP) – If a Customer is on the CAP Program, they may not use natural gas for recreational purposes (pool heaters and/or hot tubs, recreational appliances, outdoor appliances (gas grilles, fire pits/rings, fireplaces, gas lamps and other cooking appliances) and heated outdoor buildings (shed, shop or garage)). They will be removed and can re-enroll upon verification the connection is not being used for recreational appliances. The Company may also determine if a CAP participant obtained benefits through fraudulent means, benefits may be reversed and the customer will be responsible for payment of those amounts.
- Weather Normalization Adjustment - The third formula listed on the tariff page needed to be updated to state Weather Normalization Adjustment ("WNA") equals Weather Normalization Adjustment Mcfs ("WNAM") instead of "WNAC" times the Distribution Charge. Also, the Docket Number was updated to the current proceeding's docket number in regards to the heating degree days used to develop the revenue requirement.
- Mainline Service Rate – Added in language regarding the Right of First Refusal, stipulating a time period in which the customer has to provide the competing offer to the Company prior to terminating service with the Company as well as the time period in which the Company will notify the Customer of their decision prior to termination date.

Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to submit additional testimony as issues arise during the course of the proceeding. Thank you.

Filing Requirements Sponsored by Krista Snyder

Volume	**Filing Requirement**
Ex. 14, Sch. 1	53.53.IV.B.6
Ex. 14, Sch. 2	53.53.III.A.26

Exhibits Sponsored by Krista Snyder

Peoples Natural Gas Exhibit No. KMS-1
Peoples Natural Gas Exhibit No. KMS-2

Original Tariff GAS — PA PUC No.49
Cancels and Supersedes Tariff Gas – PA PUC No. 48

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

ISSUED: March 27, 2026 **EFFECTIVE:** May 26, 2026

BY: **Michael Huwar**
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

This tariff cancels and supersedes Tariff Gas – PA PUC No. 48. Upon approval of Tariff Gas – PA PUC No. 49, all Peoples Natural Gas Company LLC customers will be subject to the rates and rules set forth herein.

This tariff makes changes to existing rates.
(See page 2)

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 49
ORIGINAL PAGE NO. 2

LIST OF CHANGES

Page	Page Description	Revision Description
2	List of Changes	List of Changes
3-4	Summary of Rates	Summary of prices for each rate schedule and rider updated
6	Definition of Terms	Updated Applicant and Customer descriptions
8	Classification of Customers	Updated Residential Customer section
10	Rates Available in Tariff	Added a description for Rate MLS
11	Description of Territory	Moved a city/borough to township
13	Description of Territory	Removed extra cities/boroughs
18	Rules and Regulations	Application for Service: Updated section to note Applicant or Customer as well as additional verbiage
19-20	Rules and Regulations	Rules for Deposit: Updated section to note Applicant or Customer as well as removed section B, 3
22	Rules and Regulations	Connection for Service: Updated section to note Applicate or Customer as well as additional verbiage
24	Rules and Regulations	Discontinuance and Termination of Service: Updated section to note Applicant or Customer as well as additional verbiage and updated turn-on fees.
25	Rules and Regulations	Nonliability of Company/Limitation of Liability: Updated first and second paragraph and added in new paragraph
26, 28	Rules and Regulations	Billing and Payment: Removed duplicate paragraph and added two paragraphs under Dishonored Payment section. Updated fee amount.
35	Rules and Regulations	Selection of NGS: Added bullet point e
38	Rules and Regulations	Rules Part of Contract: Added section under first paragraph as well as under Contact Information section
40	Rate RS – Residential Service	Customer and Delivery Charge updated
42-43	Customer Assistance Program	Added sentence under Rate Table section and added #9 and #10 under Rules and Regulations
45	Rate SGS - Small General Service	Customer and Delivery Charges updated
47	Rate MGS - Medium General Service	Customer and Delivery Charges updated
49	Rate LGS - Large General Service	Customer and Delivery Charges updated
55	Rate GS-T - General Service – Transportation	Customer Charges updated
56	Rate GS-T - General Service – Transportation	Delivery Charges updated
61-62	Rate MLS	Delivery Charges updated, removed DSIC language as it doesn't apply on pg. 62, updated eligibility and added language on Right for First Refusal
64	Application Gathering System	Gathering rate updated
75	Merchant Function Charge	Rates updated
76	Rider Universal Service	Removed the reference to Community Partnership for Weatherization and added reference to CARES. Updated bad debt offset percentage as well as threshold of CAP participants. Updated Annual Reconciliation timing.
78	Rider Tax Repairs Surcredit	Updated Amortization start date from Jan 2025 to Aug 2021
79	Rider WNA	Updated the typed out formula and updated Docket Number
81	Rider DSIC	Rate updated

Formatted Table

ISSUED: March 27, 2026

EFFECTIVE: May 26, 2026

	Rider Purchased Gas Costs			Base Rate	Rider	Rider	Rider Supplier	Rider	Rider	Rider	Rider	Peoples Natural Gas Customers
	Capacity	GCA	Commodity	Charges	STAS	MFC	Choice	USR	GPC	DSIC Charge	TRS	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=SUM 1 to 11)
Residential Sales					0.00%					0.00%	-0.6146%	
Customer Charge				$ 26.00			$ 0.0036			$ -	$ (0.1033)	$ 25.9003
Capacity	$ 1.8641					$ 0.0360						$ 1.9001
Price to Compare - PTC		$ 0.3471	$ 5.5107			$ 0.1131			$ 0.0984			$ 6.0693
Delivery Charge				$ 6.6359				$ 0.0054		$ -	$ (0.0329)	$ 6.6084
State Tax Surcharge					$ -							$ -
Total per MCF						$ 0.1490						$ 14.5778
Small General Service (SGS)												
Customer Charge												
0 to 499 MCF/Yr				$ 32.14			$ 0.0036			$ -	$ (0.1352)	$ 32.0084
500 to 999 MCF/Yr				$ 64.28			$ 0.0036			$ -	$ (0.2704)	$ 64.0132
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.0230
Delivery Charge				$ 5.7095						$ -	$ (0.0245)	$ 5.6850
State Tax Surcharge					$ -							$ -
Total per MCF	$ 1.8641											$ 13.5380
Medium General Service (MGS)												
Customer Charge												
1,000 to 2,499 MCF/Yr				$ 110.00						$ -	$ (0.6207)	$ 109.3793
2,500 to 24,999 MCF/Yr				$ 158.00						$ -	$ (0.8912)	$ 157.1088
1/ Capacity	$ 0.8300											$ 0.8300
Price to Compare - PTC	$ 1.0341	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.0230
Delivery Charge				$ 5.2072						$ -	$ (0.0227)	$ 5.1845
State Tax Surcharge					$ -							$ -
Total per MCF	$ 1.8641											$ 13.0375
Large General Service (LGS)												
Customer Charge												
25,000 to 49,999 MCF/Yr				$ 987.00						$ -	$ (5.7772)	$ 981.2228
50,000 to 99,999 MCF/Yr				$ 1,538.00						$ -	$ (9.0039)	$ 1,528.9961
100,000 to 199,999 MCF/Yr				$ 2,237.00						$ -	$ (13.0910)	$ 2,223.9090
Over 200,000 MCF/Yr				$ 5,912.00						$ -	$ (34.6020)	$ 5,877.3980
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.6790
Delivery Charge												
25,000 - 49,999 MCF/Yr				$ 2.9451	$ -					$ -	$ (0.0162)	$ 2.9289
50,000 - 99,999 MCF/Yr				$ 2.8512	$ -					$ -	$ (0.0157)	$ 2.8355
100,000 - 199,999 MCF/Yr				$ 2.7189	$ -					$ -	$ (0.0150)	$ 2.7039
200,000 to 749,999 MCF/Yr				$ 2.4509	$ -					$ -	$ (0.0135)	$ 2.4374
750,000 to 1,999,999 MCF/Yr				$ 2.1336	$ -					$ -	$ (0.0117)	$ 2.1219
Over 2,000,000 MCF/Yr				$ 1.6123	$ -					$ -	$ (0.0089)	$ 1.6034
2/ Total per MCF	$ 1.8641											$ 10.7819
Mainline Service (MLS)												
Customer Charge												
Over 500,000 MCF/Yr				$ 5,912.00							$ (34.6020)	$ 5,877.3980
1/ Capacity	$ 0.1740											$ 0.1740
Price to Compare - PTC	$ 1.6901	$ 0.3471	$ 5.5107			$ 0.0327			$ 0.0984			$ 7.6790
Delivery Charge												
PNG transmission line				$ 0.7470	$ -						$ (0.0046)	$ 0.7425
Interstate pipeline				$ 0.4446	$ -						$ (0.0027)	$ 0.4419
Total per MCF												$ 8.5955

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

2/ The Total per Mcf displayed for Retail LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.

3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.

4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

	Base Rate Charges	Rider STAS	Rider MFC	Rider USR	Gas Costs Capacity	Balancing Charge	Rider Supplier Choice	Rider DSIC Charge	Rider TRS	Peoples Natural Gas Customers Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Residential		0.00%						0.00%	-0.6146%	
Customer Charge	$ 26.0000						$ 0.0036	$ -	$ (0.1033)	$ 25.9003
Capacity			$ 0.0360		$ 1.8641					$ 1.9001
Delivery Charge	$ 6.6359			$ 0.0054				$ -	$ (0.0329)	$ 6.6084
State Tax Surcharge		$ -								$ -
Total per MCF										$ 8.5085
Rate GS-Transportation SGS										
Customer Charge										
0 to 499 MCF/Yr	$ 32.1400						$ 0.0036	$ -	$ (0.1352)	$ 32.0084
500 to 999 MCF/Yr	$ 64.2800						$ 0.0036	$ -	$ (0.2704)	$ 64.0132
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 5.7095							$ -	$ (0.0245)	$ 5.6850
State Tax Surcharge		$ -								$ -
Total per MCF										$ 6.5150
Rate GS-Transportation MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	$ 110.0000							$ -	$ (0.6207)	$ 109.3793
2,500 to 24,999 MCF/Yr	$ 158.0000							$ -	$ (0.8912)	$ 157.1088
1/ Capacity/BB&A						$ 0.8300				$ 0.8300
Delivery Charge	$ 5.2072							$ -	$ (0.0227)	$ 5.1845
State Tax Surcharge		$ -								$ -
Total per MCF										$ 6.0145
Rate GS-Transportation LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	$ 987.0000							$ -	$ (5.7772)	$ 981.2228
50,000 to 99,999 MCF/Yr	$ 1,538.0000							$ -	$ (9.0039)	$ 1,528.9961
100,000 to 199,999 MCF/Yr	$ 2,237.0000							$ -	$ (13.0910)	$ 2,223.9090
Over 200,000 MCF/Yr	$ 5,912.0000							$ -	$ (34.6020)	$ 5,877.3980
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
25,000 - 49,999 MCF/Yr	$ 2.9451	$ -						$ -	$ (0.0162)	$ 2.9289
50,000 - 99,999 MCF/Yr	$ 2.8512	$ -						$ -	$ (0.0157)	$ 2.8355
100,000 - 199,999 MCF/Yr	$ 2.7189	$ -						$ -	$ (0.0150)	$ 2.7039
200,000 to 749,999 MCF/Yr	$ 2.4509	$ -						$ -	$ (0.0135)	$ 2.4374
750,000 to 1,999,999 MCF/Yr	$ 2.1336	$ -						$ -	$ (0.0117)	$ 2.1219
Over 2,000,000 MCF/Yr	$ 1.6123	$ -						$ -	$ (0.0089)	$ 1.6034
2/ Total per MCF										$ 3.1029
Mainline Service (MLS)										
Customer Charge										
Over 500,000 MCF/Yr	$ 5,912.0000								$ (34.6020)	$ 5,877.3980
1/ Capacity/BB&A						$ 0.1740				$ 0.1740
Delivery Charge										
Delivery Charge										
PNG transmission line	$ 0.7470	$ -							$ (0.0046)	$ 0.7425
Interstate pipeline	$ 0.4446	$ -							$ (0.0027)	$ 0.4419
Total per MCF										$ 0.9165

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the Balancing Charge.
2/ The Total per Mcf displayed for Transport LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.
3/ In addition to the above listed rates the Weather Normalization Adjustment applies during October through May billing months.
4/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

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DEFINITIONS OF TERMS

Applicant - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not receiving from the Company any service provided for in this Tariff. An Applicant shall become a customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff. Applicants for residential service shall be further defined as a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested. Applicants for residential service do not include a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnected at the same location or transferred to another location within Peoples' service territory.

Capacity Charge – A charge designed to recover the costs that the Company incurs to reserve capacity on interstate pipelines.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

City Gate – The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commission – The Pennsylvania Public Utility Commission or any lawful successor thereto that provides oversight, policy, guidance and direction to public utilities and NGSs.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas supplier which involves the purchase of gas commodity by the customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc., (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff. A Customer of residential service includes a person who, within thirty (30) days after service termination or discontinuance of service, seeks to have service reconnection at the same location or transferred to another location within Peoples' service territory.

Customer Charge – A monthly charge to cover such natural gas distribution company costs as maintaining the gas lines, meter reading and billing.

Daily Available Volume – The total volume of gas actually delivered to the Company for the customer's account on a particular day, less an appropriate retainage percentage plus any adjustments associated with the reconciliation of monthly volumes as set forth in Rate GS-T and Rate T.

Daily Consumption Volume – The quantity of gas estimated by the Company to be consumed by the customer on any day.

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Delivery Charge – A charge designed to recover the costs the Company incurs in using its distribution system or local pipelines to deliver natural gas to a customer.

Distribution Charges – Various natural gas distribution charges that may include the Delivery Charge, Capacity Charge and Gas Cost Adjustment Charge.

Distribution Service – Service provided by the Company involving the delivery of gas to the customer.

DEFINITIONS OF TERMS

Gas Cost Adjustment Charge – The amount billed or credited each month to account for differences between projected and actual gas supply costs of the Company.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

Natural Gas Distribution Company - A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to customers that is delivered through the distribution lines of the Company.

Small Business Customer – Any commercial or industrial customer with annual consumption of less than 300 Mcf.

Storage – Placing natural gas into an underground facility for removal and use at a later date.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from another natural gas supplier, or customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Priority-One customers under the terms of this tariff. Each customer may only have one supplier of last resort.

Supplier of Last Resort Service – Service that includes both Distribution Service and Commodity Service provided by the Company in its role as Supplier of Last Resort.

(C) – Indicates change.

(D) – Indicates decrease.

(I) – Indicates increase.

CLASSIFICATION OF CUSTOMERS TO WHOM SERVICE IS MADE AVAILABLE

Gas service is made available under the rules, regulations, and terms and at the rates contained in this tariff, based upon the use to which such gas is put and not upon volumes consumed (except where indicated), to the following classes of customers:

RESIDENTIAL CUSTOMERS

Residential customers are customers who use gas for household purposes, including single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, and governmental housing in which the units are individually metered. In this class, the element of human welfare and comfort in a residential setting is the distinguishing test of the customer's use of gas. Residential service does not include hotels, motels or other temporary housing units. Each meter represents one customer.

COMMERCIAL CUSTOMERS

Commercial customers are customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; and any non-industrial premises where one meter is serving more than one unit. If the customer's predominant usage is for natural gas-powered vehicle service, then the customer will be classified as a Commercial customer.

INDUSTRIAL CUSTOMERS

Industrial customers include customers who are engaged in a process which creates or changes raw material or unfinished materials into another form; customers who use gas for large-volume power; customers who use gas for process steam generation; and customers who use gas for any other purpose not predominantly residential or commercial.

CLASSIFICATION OF CUSTOMERS
TO WHOM SERVICE IS MADE AVAILABLE

NATURAL GAS DISTRIBUTION COMPANY (NGDC) CUSTOMERS

NGDC customers are companies regulated by the Commission. Within this classification the NGDC can be acting either on its own or on its end user's behalf.

CHANGE IN CLASSIFICATION

Any customer who believes that, as a result of a change in the use of the premises served, his classification ought to be changed must contact the Company. All changes will be determined by the Company, on a prospective basis, after it has been notified of the change; however, the Company reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

Eligibility for a particular rate schedule under this tariff and application of the appropriate monthly customer charge shall be based on a review of the customer's annual usage. This review shall not be conducted more frequently than once per year. All changes in rate schedule classification and monthly customer charges as a result of this usage review shall be implemented on a prospective basis. Rate schedule classification and the appropriate customer charge for new customers, shall be determined by the Company based on an estimate of annual usage. The Company also reserves the right to establish the appropriate rate schedule classification and monthly customer charge based on anticipated customer usage.

RATES AVAILABLE UNDER THIS TARIFF

Rate RS - Residential Service
This rate is available to residential customers throughout the territory served by the Company.

Rate CAP and Rate E-CAP
This is available to residential customers who meet the criteria as detailed in this Rate Schedule.

Rate SGS – Small General Service
This rate is available to commercial and industrial customers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate MGS – Medium General Service
This rate is available to commercial and industrial customers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate LGS – Large General Service
This rate is available to commercial and industrial customers and NGDCs consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate NGPV.

Rate CER - Competitive Energy Rate
This rate is available to all customers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

Rate GS-T - General Service Transportation
This rate offers firm transportation service for residential, commercial, industrial, and NGDC customers. Commercial, industrial, and NGDC customers that consume less than 1,000 Mcf per year are classified as Small General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service customers under this tariff. Commercial, industrial, and NGDC customers that consume more than 25,000 Mcf per year are classified as Large General Service customers under this tariff.

Rate GS-SB - General Standby Service
This rate offers standby service for residential, commercial, and industrial transportation customers.

Rate NGPV
This rate offers service for natural gas powered vehicles.

Rate Schedule - Appalachian Gathering Service
This rate is available to any party desiring to deliver conventional well gas directly into the Company's system.

Rate GL- Gas Lights
This rate offers service for any gas lighting where the gas is not measured by a meter.

Rate MLS – Mainline Service
This rate is available at one location, for the total requirements of a commercial or industrial customer when: (i) the customer does not take service under any other rate schedule; (ii) the Customer meets either one of the following qualifications: the Customer has annual throughput requirements greater than 500,000 mcf and is within 1,000 feet of an Interstate pipeline supplier of the Company; or the Customer has annual throughput requirements of greater than 500,000 mcf and is located within 1,000 feet of PNG Transmission class pipeline facilities.

DESCRIPTION OF TERRITORY

The Company serves as a natural gas public Company in the following cities, boroughs, and townships, all of which are in Pennsylvania:

ALLEGHENY COUNTY

Cities and Boroughs

Aspinwall	Elizabeth	Pleasant Hills
Avalon	Emsworth	Plum
Baldwin	Etna	Port Vue
Bellevue	Forest Hils	Rankin
Ben Avon	Fox Chapel	Rosslyn Farms
Ben Avon Heights	Franklin Park	Sewickley Heights
Bethel Park	Glassport	Sewickley Hills
Blawnox	Greentree	Sharpsburg
Brackenridge	Heidelberg	Springdale
Braddock	Homestead	Swissvale
Braddock Hills	Ingram	Tarentum
Brentwood	Jefferson	Thornburg
Bridgeville	Jefferson Hills	Trafford
Carnegie	Liberty	Turtle Creek
Chalfant	Lincoln	Verona
Cheswick	McKees Rocks	Versailles
Churchill	McKeesport	Wall
Clairton	Millvale	West Elizabeth
Coraopolis	Monroeville	West Homestead
Crafton	Mt. Oliver	West Mifflin
Dormont	Munhall	West View
Dravosburg	North Braddock	Whitaker
Duquesne	Oakmont	White Oak
East McKeesport	~~Penn Hills~~	Whitehall
East Pittsburgh	Pitcairn	Wilkinsburg
Edgewood	Pittsburgh	Wilmerding

Townships

Aleppo	Kennedy	Richland
Collier	Kilbuck	Robinson
Crescent	Marshall	Ross
East Deer	McCandless	Scott
Elizabeth	Moon	Shaler
Fawn	Mt. Lebanon	South Fayette
Findlay	North Fayette	South Park
Forward	North Versailles	South Versailles
Frazer	O'Hara	Springdale
Hampton	Ohio	Stowe
Hamar	Penn Hills	Upper St. Clair
Harrison	Pine	West Deer
Indiana	Reserve	Wilkins

DESCRIPTION OF TERRITORY

ARMSTRONG COUNTY

Cities and Boroughs

Apollo	Ford Cliff	North Apollo
Applewold	Freeport	Parker City
Atwood	Kittanning	Rural Valley
Dayton	Leechburg	West Kittanning
Elderton	Manorville	Worthington
Ford City		

Townships

Bethel	Kiskiminetas	Rayburn
Boggs	Kittanning	Redbank
Bradys Bend	Madison	South Bend
Burrell	Mahoning	South Buffalo
Cadogan	Manor	Sugarcreek
Cowanshannock	North Buffalo	Valley
East Franklin	Parks	Washington
Gilpin	Pine	Wayne
Hovey	Plumcreek	West Franklin

BEAVER COUNTY

Cities and Boroughs

Aliquippa	Midland	Shippingport
Beaver	Monaca	South Heights
Industry	Ohioville	

Townships

Brighton	Hopewell	Potter
Center	Independence	Raccoon
Chippewa	Marion	South Beaver
Darlington	New Sewickley	Vanport
Franklin		

BLAIR COUNTY

Cities and Boroughs

Altoona	Duncansville	Tyrone
Bellwood	Hollidaysburg	

Townships

Allegheny	Frankstown	Logan
Antis	Greenfield	Snyder
Blair		

DESCRIPTION OF TERRITORY

BUTLER COUNTY

Boroughs

Bruin	Fairview	Sarver
Butler	Harmony	Saxonburg
Callery	Mars	Seven Fields
Connoquenessing	Petrolia	Slippery Rock
East Butler	Portersville	Valencia
Evans City	Prospect	Zelienople
		~~Zelienople~~

Townships

Adams	Donegal	Muddycreek
Buffalo	Fairview	Oakland
Butler	Forward	Parker
Center	Franklin	Penn
Cherry	Jackson	Slippery Rock
Clearfield	Jefferson	Summit
Clinton	Lancaster	Washington
Concord	Marion	Winfield
Connoquenessing	Middlesex	Worth
Cranberry		

CAMBRIA COUNTY

Cities and Boroughs

Brownstown	Gallitzin	Nanty-Glo
Cresson	Geistown	Portage
Dale	Johnstown	Sankertown
Ebensburg	Lorain	Southmont
Ferndale	Loretto	Westmont
Franklin		

Townships

Adams	East Taylor	Stonycreek
Allegheny	Jackson	Susquehanna
Blacklick	Lower Yoder	Upper Yoder
Cambria	Middle Taylor	Washington
Conemaugh	Munster	West Carroll
Cresson	Portage	West Taylor
Croyle	Richland	

DESCRIPTION OF TERRITORY

CLARION COUNTY

Boroughs

Sligo

Townships

Clarion	Monroe	Redbank
Limestone	Piney	Toby
Madison	Porter	

CLEARFIELD COUNTY

Townships

Bell	Burnside

FAYETTE COUNTY

Boroughs

Belle Vernon	Fayette City	Point Marion
Fairchance	Masontown	

Townships

Franklin	Menallen	Springhill
Georges	North Union	Stewart
German	Perry	Washington
Jefferson	Saltlick	Wharton
Luzerne	South Union	

GREENE COUNTY

Boroughs

Carmichaels	Jefferson	Waynesburg
Clarksville	Mather	

Townships

Aleppo	Greene	Perry
Center	Jackson	Richhill
Cumberland	Jefferson	Springhill
Dunkard	Monongahela	Washington
Franklin	Morgan	Wayne
Freeport	Morris	Whiteley
Gilmore		

DESCRIPTION OF TERRITORY

INDIANA COUNTY

Boroughs

Blairsville
Creekside
Ernest
Glen Cambell
Homer City
Indiana
Marion Center
Plumville
Saltsburg
Shelocta
Smicksburg

Townships

Armstrong
Banks
Black Lick
Brush Valley
Buffington
Burrell
Canoe
Center
Cherryhill
Conemaugh
East Mahoning
East Wheatfield
Grant
Home
Montgomery
North Mahoning
Pine
Rayne
South Mahoning
Washington
West Mahoning
West Wheatfield
White
Young

JEFFERSON COUNTY

Boroughs

Big Run
Punxsutawney
Timblin
Worthville

Townships

Beaver
Bell
Clover
Eldred
Gaskill
Henderson
Knox
McCalmont
Oliver
Perry
Pine Creek
Porter
Ringgold
Rose
Union
Warsaw
Washington
Winslow
Young

LAWRENCE COUNTY

Boroughs

Enon Valley
New Wilmington
Volant

Townships

Hickory
Little Beaver
Neshannock
Pulaski
Scott
Washington
Wilmington

DESCRIPTION OF TERRITORY

MERCER COUNTY

Boroughs

Grove City	Sandy Lake	Stoneboro

Townships

East Lackawannock	Pine	Springfield
Findley	Sandy Lake	Wilmington
Lake	Shenango	Wolf Creek
Liberty		

SOMERSET COUNTY

Boroughs

Boswell	Seven Springs	

Townships

Conemaugh	Jenner	Somerset
Jefferson	Middlecreek	

VENANGO COUNTY

Townships

Clinton	Irwin	

WASHINGTON COUNTY

Cities and Boroughs

Beallsville	Centerville	Ellsworth
Bentleyville	Cokeburg	Finleyville
Burgettstown	Deemston	Monongahela
California	Donora	New Eagle

Townships

Amwell	Jefferson	Somerset
Carroll	Monongahela	South Franklin
Cecil	Morris	South Strabane
Chartiers	Mt. Pleasant	Union
Cross Creek	North Bethlehem	West Bethlehem
East Bethlehem	North Strabane	West Pike Run
East Finley	Nottingham	
East Pike Run	Peters	
Fallowfield	Robinson	
Hanover	Smith	

DESCRIPTION OF TERRITORY

WESTMORELAND COUNTY

Cities and Boroughs

Adamsburg	Irwin	New Derry
Arnold	Jeanette	North Belle Vernon
Avonmore	Latrobe	North Irwin
Bolivar	Ligonier	Oklahoma
Delmomt	Lower Burrell	South Greensburg
Derry	Manor	Southwest Greensburg
East Vandergrift	McCullough	Trafford
Export	Monessen	Vandergrift
Greensburg	Murrysville	West Leechburg
Hunker	New Alexandria	Youngstown
Hyde Park	New Florence	Youngwood
	New Kensington	

Townships

Allegheny	Ligonier	Salem
Bell	Lower Burrell	South Huntingdon
Derry	Loyalhanna	St. Clair
Donegal	Mt. Pleasant	Unity
East Huntingdon	North Huntingdon	Upper Burrell
Fairfield	Penn	Washington
Hempfield	Rostraver	

The above-listed cities, boroughs, and townships in Pennsylvania in which the Company provides natural gas public utility service are not the only cities, boroughs, and townships in which the Company is entitled, either by charter or certificate, to provide such natural gas public utility service.

RULES AND REGULATIONS

1. APPLICATION FOR SERVICE

Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the Applicant or ~~c~~Customer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the Applicant or ~~c~~Customer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant or Customer ~~and/or the Applicant~~'s NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The application information required from a residential Applicant shall include but not be limited to complete name and contact information, including all members of the household, employment information and landlord contact information, if Applicant is renting the service address. The Company may request verification of the identity of Applicant and other adult occupants of service address in the form of government issued photo ID (i.e., driver's license) or two alternative forms of identification, one of which must be a photo ID. The Company may, as a condition of furnishing service to an Applicant, require the Applicant, in accordance with applicable Commission regulations, to pay an outstanding gas service account balance, if the Company can show that the Applicant resided at, or occupied if a non-residential account, the property for which service is requested during the period of time that the outstanding balance accrued. The methods used by the Company to determine an Applicant's liability for any such previously furnished service may include reference to customer service records of the Company, including internal Company notes, service contracts, information collected from the Applicant and other members of the household in connection with any help provided by the Company in determining eligibility for and completing applications to various assistance programs. Other methods which may be used by the Company for such purposes include identity authentication services, public data and information, mortgage, deed or lease information, commercially available consumer credit reporting services, skip-tracing tools, any publicly available information on social media, news or internet platforms and other methods which are or have been approved as valid by the Commission.

Upon the receipt of natural gas service, the Applicant shall become a C~~c~~ustomer of the Company. Acceptance of service by a Customer shall constitute an agreement to accept service under the Rules and Regulations of this Tariff, as amended from time to time, the orders and regulations of the Commission and the applicable laws of the Commonwealth of Pennsylvania.

The Company may decline or refuse to serve an Applicant or Customer for any of the following reasons:

i. The Applicant or Customer has failed to comply with Federal, state and municipal laws, statutes, and regulations governing gas service, including the Commission's regulations, and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto.
ii. The Company does not have adequate facilities in place to render the service desired or if rendering such service would adversely affect service to the Company's existing Customers.
iii. The Applicant or Customer's installation of piping or gas equipment is, in the Company's judgment, hazardous, not installed by qualified personnel or of such character that safe and adequate service cannot be delivered.
iv. An extension of Company facilities is required and the Applicant or Customer refuses to pay the required contribution in-aid-of-construction as calculated in accordance with Rules and Regulations.
v. Amounts due for service to Applicant or Customer at a previous location have not been paid or covered by a payment agreement as outlined under Commission regulations.
vi. Where the requested service may need to be delivered from non-jurisdictional gathering pipeline facility.
vii. The Applicant or Customer has another source of gas supply separately delivered or available to the structure(s) or building(s) where the Company's gas service is desired, such that the gas supplied by the Company would be commingled with the separately delivered gas supply, contrary to Company policy against commingled gas.

The Applicant or ~~c~~Customer shall inform the Company in advance of any proposed additions to (or decreases in) the Applicant or ~~c~~Customer's connected natural gas load.

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RULES AND REGULATION

2. CHARACTER OF SERVICE

The Company offers firm service, unless otherwise provided in this tariff.

3. RULES FOR DEPOSIT

RESIDENTIAL CUSTOMERS

A. A deposit from a Customer shall conform to the requirements of all applicable Commission regulations and statutory requirements. Deposits required by the Company for services under this Tariff shall not be based on unpaid charges for gas supply services provided by an NGS.

B. The Company may also require a security deposit from an Applicant or a Customer if any of the following conditions exist:

1) The Applicant or Customer was a residential distribution service Customer of the Company whose service was terminated for any of the following reasons:
   a. Nonpayment of an undisputed delinquent account.
   b. Failure to complete payment of a deposit, provide a guarantee, or establish credit.
   c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
   d. Unauthorized use of the utility service delivered on or about the affected dwelling.
   e. Failure to comply with the material terms of a settlement or payment agreement.
   f. Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
   g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
   h. Violating Tariff provisions which endanger the safety of a person or the integrity of the Company's gas delivery system.

2) The Applicant or Customer is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice, provided that the methodology does not directly, or have the effect of, discriminating based on a protected class as set forth in the federal Equal Credit Opportunity Act.

~~3) The Applicant has failed to comply with any material term or condition of a settlement or payment agreement.~~

Commented [KS1]: Duplicate of the above

C. If an Applicant or Customer is required to post a security deposit, they ~~Applicant~~ may, in the alternative:

1) Furnish a written guaranty from a third party, which can, to the Company's satisfaction, establish credit in Applicant or Customer's favor sufficient to assure payment to the Company upon demand of an amount equal to that which would otherwise be required in a security deposit. The third party may not be a resident of the premise where service is to be provided.

2) Provide income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's Customer Assistance Program.

A written guaranty in a form acceptable to the Company must be received by the Company prior to commencement of utility service to any Applicant who elects the foregoing alternative to the posting of a security deposit.

3. RULES FOR DEPOSIT (continued)

D. The Company may require an existing or terminated Customer to post a security deposit in order to re-establish credit under any of the following circumstances, after giving the Customer due notice of its intention to require a security deposit in accordance with prevailing Commission regulations:

1) The existing Customer has been delinquent on any two (2) consecutive bills or three (3) or more bills within the preceding twelve (12) month period.

2) The existing Customer has failed to comply with a material term or condition of a settlement or payment agreement, as defined in applicable Commission regulations.

3) The Customer's utility service has been terminated and the Customer desires reconnection.

Notwithstanding subsection (D), the Company may not require a cash deposit from a customer who is, based upon household income, confirmed to be eligible for a customer assistance program. A customer is confirmed to be eligible for a customer assistance program by the public utility if the customer provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirement that are consistent with those of the public utility's Customer Assistance Program.

E. When the Company requires a security deposit from an Applicant or Customer, the due date for the payment of such security deposit will be in accordance with the applicable Commission regulations.

F. A security deposit may be required in an amount equal to twice the average estimated monthly bill of the Applicant or Customer. This estimate shall be based upon prior consumption for like service at the subject premises, wherever available. Should the character or degree of the Customer's usage materially change, or if it is established clearly that either will materially change in the immediate future, the amount of the deposit may be adjusted at the request of either the Company or the Customer.

G. All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Such interest will be credited to the Customer's account at the end of each year after the date of the deposit and if return of deposit results in a credit balance on the account, the credit may be returned to customer in the form of a refund check.

H. The Company shall refund or apply to a Customer's outstanding balance any security deposit held, plus accrued interest, under the following conditions:

1) Upon discontinuance or termination of service.

2) After a Customer has paid bills for utility service in full and on time for twelve (12) consecutive months.

3) At the option of the Company, a security deposit including accrued interest may be refunded in whole or in part at any time earlier than the time stated in this Rule.

4) After the Company has held the Customer deposit for a maximum of 24 months, if none of the above conditions are met.

I. When a security deposit is refunded or applied against an existing account balance, the Company will provide the Customer with a written statement showing the amount of the deposit, the accrued interest thereon, the application of the deposit to any prior or current utility service account balance(s) and the remaining balance(s). Any refunded deposit, together with accrued interest, shall be paid to the Customer.

3. **RULES FOR DEPOSIT (continued)**

NON-RESIDENTIAL CUSTOMERS

A. The Company reserves the right to require a security deposit for all services to be supplied, or to require an increase in an existing deposit if there is an increase in the monthly bill for services rendered. The Company further reserves the right to apply such deposit to bills previously incurred by the Customer under the existing or any previous utility service contract with the Company.

B. A deposit may be required from a Customer in an estimated amount equal to twice the average of the three (3) highest monthly bills anticipated during the succeeding twelve (12) month period. Such estimate shall be made from the record of service rendered to the same premises during the last twelve (12) months of use, whether by Customer or by a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the past use thereof. If there is no prior record of service rendered to the premises, an estimated deposit shall be calculated by the Company based upon the Customer's proposed use of utility service to be provided.

C. All non-residential Customer security deposits shall bear interest at the rate of six percent (6%) per annum, without deduction for any taxes thereon. Interest will be credited at the end of each year after the date of the deposit to the Customer's account and applied against the oldest unpaid bill. Upon final discontinuance or termination of utility service, any security deposit and accrued interest remaining with respect to said discontinued or terminated account will be first applied against the unpaid account balance, if any, with the remainder to be refunded to the Customer restricted in accordance with the Customer's direction.

ISSUED: March 27, 2026 EFFECTIVE: May 26, 2026

RULES AND REGULATIONS

4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES

The Applicant or Customer hereby undertakes to furnish, be responsible for, and pay the necessary costs of customer-owned service pipe, fixtures, fittings, valves, regulators, and appliances to make the necessary connections between the Company's lines and the place of consumption or the delivery point to the Applicant or Customer and keep the same in good repair, in a skillful and workmanlike manner, furnishing at his own expense said materials, and the labor, care, and supervision necessary and proper to safely conduct and burn the gas, but the Applicant or Customer shall not otherwise make changes in or interfere with said pipes and appliances and material. The arrangement and location of all piping and appliances (including meters) shall be subject to the approval of the Company, but the Company shall not be responsible in any manner for the selection, installation, maintenance, or use of said pipes and appliances, or for said labor, care, or supervisions, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities. To facilitate this process, the Company makes available a manual entitled "Service Line Installation Standards" on its website.

The Company shall make the necessary connections between its curb cock or shutoff valve and the Applicant's service pipe, provide a meter and the necessary fittings, and connect the meter.

The meter and all pipe fittings and appliances furnished by the Company on the premises shall remain the property of the Company, and the Company shall have the right at all reasonable times to enter in and upon the premises to read, maintain, remove, change, replace, inspect, and/or reclaim the meter and associated equipment. In the event the Applicant or Customer utilizing the natural gas does not own the premise, the Applicant or Customer shall be solely responsible to coordinate the Company's access to the meter with the premise owner.

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

a) The Company will install one (1) meter per customer service line except in the case of condominiums, townhouses or apartments whose design necessitates a shared customer service line. Shared service lines require a properly executed agreement evidencing the party(ies) responsible for the maintenance, repair and replacement of the customer service line.

b) The type, size and location of the meter will be determined by the Company.

c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate ~~entities, and~~entities and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures, upon the reasonable discretion of the Company. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.

~~d)~~ For all new meter placements or meter relocations, ~~O~~outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by

d) an individual or individuals other than the customer except when a valid easement agreement is executed by all impacted property owners, is properly recorded and provided to Peoples evidencing the right of such piping to be placed on non-customer property. In the event an easement is deemed unlawful or invalid by a court of competent jurisdiction, Peoples reserves the right to discontinue service to the Customer until a replacement easement, meeting the above criteria, is provided.

e) In no event may a customer owned service line, or a buried house line, cross under a public road, regardless of whether the road is paved/unpaved or maintained/unmaintained.

RULES AND REGULATIONS

4. **CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES (continued)**

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company, at its discretion, may extend its distribution mains up to a distance of one-hundred fifty (150) feet on any street or highway without cost to a residential applicant(s), absent any abnormal underground conditions or unusual permitting requirements. When abnormal underground conditions or unusual permitting requirements exist, as determined by the Company, the applicant(s) will be required to pay a contribution in aid of construction (CIAC) in an amount determined by the Company. The Company may also condition the extension of facilities upon the Applicant's providing a CIAC, the amount of which will be determined by the Company and consistent with any parameters approved or required by the Commission.

If the Company requests a CIAC from an Applicant and additional customers are added to the extended facilities financed by the Applicant's CIAC within three years of the date of completion of the facilities, the Applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.
Any CIAC, customer advance, or other like amounts received from the customer that constitute taxable income as defined by the Internal Revenue Service may include a gross up for federal income taxes. To the extent that federal taxes are not included in the CIAC, they shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding.

Where evidence is found that Company facilities or service lines, meters, or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, repairs, and for such protective equipment as, in the judgment of the Company, may be necessary. In addition, where the tampering has resulted in improper measurement of the service supplied, the customer shall be required to pay for such natural gas service, including interest at the late-payment charge rate, and all applicable costs and fees associated with collecting such charges based on the Company's estimate, from available information, of the amount of gas used but not registered by the Company's meters.

The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by the willful acts or negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished.

ISSUED: March 27, 2026 EFFECTIVE: May 26, 2026

RULES AND REGULATIONS

5. DISCONTINUANCE AND TERMINATION OF SERVICE

The authorized agents of the Company shall at all reasonable times have free access to the premises of the customer with the right to shut off the gas and remove its property from the premises for any of the following reasons: failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; nonpayment of any undisputed delinquent bills due for existing or any previous service; tampering with the meter or connections; fraudulent representation in relation to the consumption of gas; removal of Applicant or Customer from the premises; selling or delivering gas to other occupants of the premises without application to the Company; failure to make or increase any deposit; failure to provide a guarantee of payment or establish credit; want of supply or waste of gas from customer's lines or appliances; failure to comply with payment agreements; and failure to comply with or violation of Tariff Rules and Regulations. However, service may not be discontinued or terminated under any circumstances except under Commission Regulations or PA Statute(s) in effect and applicable at the time of such contemplated discontinuance.

The Company may immediately terminate service for any of the following actions by the customer: unauthorized use of the service delivered on or about the affected dwelling; fraud or material misrepresentation of the customer's identity for the purpose of obtaining service; tampering with meters or other public utility's equipment; or violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the public utility's delivery system. Upon termination for such reasons, the Company will make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the Company will conspicuously post the notice at the dwelling, including in common areas when possible.

Unless otherwise authorized by the Commission, after November 30 and before April 1, the Company will not terminate service to residential customers with household incomes at or below 250% of the federal poverty level except for: 1) customers whose actions are grounds for immediate termination, as described above, and 2) any person receiving gas service as a User without Contract. The Company will use financial information from the customer provided within the most recent twelve month period to determine if a customer exceeds the 250% federal poverty level.

The Company may terminate service for nonpayment of billings for service provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

If service is terminated, the same customer, whether an Applicant or customer as defined in the Commission's regulations or PA Statutes, shall pay a reasonable turn-on fee for resumption of service at the same address after termination. The turn-on fee for Residential and Commercial customers is $~~56~~58. This fee is waived for customers at or below 150% of the federal poverty level. ~~The turn-on fee for Commercial customers is $114~~. The turn-on fee for Industrial customers shall be an amount equal to the customer charge for each month of the intervening period since service was terminated.

Upon discontinuance or termination of service, the customer or its agent shall be responsible to winterize the premises to withstand winter conditions, which actions may include, but not limited to, draining plumbing systems, adding insulation and alternative heating units. The Company shall not be responsible for any damages resulting from the discontinuance or termination of service, or for the customer~~,~~ or its agent, as a result of a failure to winterize the property.

The Company reserves it rights to use any and all remedies at law to collect any outstanding debts, including, but not limited to, filing a Complaint in civil court seeking a judgment of record for the debt, with interest and recovery of court costs, attorneys' fees and other collection expenses incurred in the process.

6. TERMINATION OF CUSTOMER'S CONTRACT

In case a writ of execution shall be issued against a customer, or in case the premises described or referred to in the contract as the place at which gas is to be delivered or consumed, or the personal property upon said premises shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in court for the reorganization of any corporation, partnership, or other customer, the contract, at the option of the Company, shall cease and terminate, and all claims for retail or transportation service previously provided or amounts purchased from a NGS through the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy statutes and Commission regulations.

RULES AND REGULATIONS

7. LEAKS AND WASTE

The customer shall use all due care to prevent a waste of gas. It is the responsibility of the customer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas under pressure, the customer agrees to give immediate notice thereof to the Company, and his failure to do so, should loss follow, shall be conclusive evidence of his contributory or comparative negligence.

8. NONLIABILITY OF COMPANY/LIMITATION OF LIABILITY

The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control. The Company shall not be liable for any injury to person or property arising from the use of gas by or the supply of gas to the Customer which is not the result of negligence solely on the part of the Company. The provisions of this section apply regardless of whether the property is inhabited or vacant for any period of time, including extended absences and vacations. The Customer is solely responsible for its premises and the Customer retains sole responsibility to protect the premises from any damages that may occur as a result of the interruption of gas service.

In no event shall the Company be liable for incidental, indirect, special or consequential damages, including loss of use or profit, or loss of business. The liability of the Company to customers or other persons for damages other than incidental, indirect, special or consequential damages, including, but not limited to, loss of use, loss ~~of~~ of profit or revenue, cost of capital, cost of substitute products, loss of business, damage to equipment or appliances, damage to real or personal property, loss of production and downtime costs shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of $500 or two times the charge to the customer for the service affected during the period in which the damages occurred. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's property) is in need of repair, such as the condition or elevation of a Curb Box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer or the person or event.

For the purposes of this Rule, all pipe, fittings, and appliances, and associated materials/equipment on the customer's side of the curbstop or shutoff valve, or the property or lot line if there is no curb valve, of the service pipes which connect with the Company's main line are the property and responsibility of the customer, and in no event shall the Company be liable for any injury to person or property arising there from.

9. MEASUREMENT OF GAS

All gas delivered shall be measured by meter. The term "Mcf," as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

RULES AND REGULATIONS

9. MEASUREMENT OF GAS (continued)

All meters shall be owned by the Company. All such meters and any regulators installed in connection therewith shall be open to inspection at reasonable times by both the Company and the Customer for the purpose of seeing that they are in good condition. If, at any time after installation of any meter or regulator, conditions change so that its location becomes unsuitable, the Company shall have the right to move the meter or regulator to a suitable place at the expense of the Customer or property owner. The measurement of gas by meter shall be conclusive on the customer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions. In the event of the customer's dissatisfaction with the registration of the meter, the Company will, upon request, accompanied by the fee specified in the regulations of the Commission, have the same removed, sealed, and tested and results of the test given to the customer upon request. If the meter so tested shall be found to be inaccurate within the limits specified in the regulations of the Commission, the Company shall refund the charge for such test.

10. BILLING AND PAYMENT

No entity providing billing may share or use information concerning individually negotiated rates of a customer, which has been acquired only through the entity's role as a billing agent, with another customer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential customers to equalize monthly payment amounts.

~~No entity providing billing may share or use information concerning individually negotiated rates of a customer, which has been acquired only through the entity's role as a billing agent, with another customer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential customers to equalize monthly payment amounts.~~

Commented [KS2]: Duplicate

Billing Options
The Company will offer two billing options: (1) the issuance of a bill by the Company which contains the NGS charges; or (2) the issuance of a bill that contains only the Company's charges, in which case the NGS will bill the customer separately for NGS charges. The right of a customer to receive a separate bill from his/her NGS for the NGS' charges is subject to the ability of the NGS to provide a separate bill and the terms under which the NGS may offer to provide a separate bill.

Allocation of Payments
Under billing option (1), the following order for the application of partial payments shall apply to all residential customers and to non-residential customers unless the contract between the non-residential customer and the NGS provides for a different method:

a. Pre-existing Company balance;
b. Current Company charges;
c. NGS charges;
d. Non-basic service charges (including but not limited to warranty charges);
e. Hardship energy fund contribution.

Residential and Commercial Customers

Bills will be rendered and be payable once each month. Amounts due for gas services must be made using US currency in one of the following formats: cash at a valid payment center, credit card, debit card, atm card, or personal check, business check, or money order issued by a properly licensed financial institution, or other commercially acceptable form of payment as determined by the Company. The Company strives to read the meter once every month, but may read every other month. As to any customer whose meter is read once every two months, the volumes consumed for the first month of each bimonthly meter reading period shall be determined by estimation, on the basis of the customer's previous service, adjusted for weather conditions, and the volumes consumed for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated volumes from the total actual volumes consumed or delivered for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the volumes consumed or delivered, the applicable rates, charges, and penalties (if any) set forth in this tariff.

RULES AND REGULATIONS

10. BILLING AND PAYMENT (continued)

Upon request, the Company will supply any customer with an option upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period, and if such reading is received by the Company within two days after the close of such billing month, the bill for such month will be computed from the meter reading provided by the customer instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a customer.

A bill will be rendered to each residential and commercial customer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. A bill shall be deemed delinquent if it is not paid by the due date. The due date for residential and commercial customers shall be twenty (20) days after the date of mailing the bill unless the Company agrees to an extension. Delinquent residential accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month for bills not paid within five days after the due date. Delinquent commercial accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month. Late-payment charges will be based on delinquent charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Payment of bills may be made at authorized collection offices or agencies of the Company during the regular business hours thereof. Payment may be deemed to have been made on the date it is received at any such office or, if remittance is made by mail, on the date of the official U.S. Postal Service postmark.

Industrial Customers

Bills will be rendered and be payable once each month. A bill will be rendered to each industrial account. Bills will be rendered as nearly as possible on the same day of every month and shall be payable monthly upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. An industrial customer's bill shall be deemed delinquent when it remains unpaid after the payment due date specified on the bill. A payment received from a customer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any balance of the payment be applied to the current bill. Industrial accounts shall be subject to a late-payment charge of two percent (2%) per month if the bill is not paid in its entirety on or before the payment due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill. Late-payment charges will be based on delinquency charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Final Bill

At the time the Company receives a notice, which notice must be received at least seven days in advance, to discontinue service. The Company may estimate the final reading if the Company's actual read parameters have been met in previous months. Upon request, the customer may submit a customer meter reading, or request the Company read the meter. The Company will read the meter if the two customer readings are significantly different. The Company will inform the customer that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when, in the case of a transfer of service, disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to establish a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be

reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

RULES AND REGULATIONS

10. BILLING AND PAYMENT (continued)

Dishonored Payment

If the Company receives a negotiable instrument from an Applicant or customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the Applicant or customer a fee of $~~26~~19.

The Company reserves the right to require payment intended to prevent service termination or to restore service to be made via certified funds if the Customer has a history of returned payments or has failed to demonstrate a good faith effort to pay within the preceding twelve (12) month period.

The Company further reserves the right to remove a Customer from utilizing eAccount or other online payment options when abuse of such platforms is detected, which may include, but not be limited to, repeated cancellations of online payments.

11. AUTHORITY OF AGENTS

No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with this Tariff.

OUTSIDE OF DISTRIBUTION SYSTEMS (RULES 12-14)

12. CONDITIONS UNDER WHICH SERVICE WILL BE RENDERED

Applications for service from a transmission, gathering, or storage line outside of the Company's distribution system will not be accepted unless such line is being operated in a manner which will permit gas to be served to the Applicant without interference with the Company's operation. Applications will be accepted only with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that service to the Applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair, or change the use or manner of operating said line after having first canceled the service contract with the Applicant by thirty days written notice to him. The customer agrees that the Company shall have the right to discontinue service for any such reason or in accordance with any other published rule or regulation of the Company, and the customer further agrees that during the term of service the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, or other causes or for any claim for damages on account of any matters set forth in this paragraph, subject to the terms and conditions of Rule 8 of this tariff. Every Applicant must obtain adequate and suitable written rights-of-way and regulator sites, and permit copies thereof to be made before the Company will make any tap or connection for service or install any regulating apparatus for Applicant.

13. CONNECTION FOR SERVICE AND RESPONSIBILITY THEREFOR

The Company will furnish gas service from a transmission, gathering, or storage line, subject to the conditions of Rule 12, Rule 14, and its other rules and regulations, at the varying pressures at which the line is operated from time to time. The Applicant assumes all risks from variation in pressure, defects in pipe, connections, and appliances, from the escape and leakage of gas, from the sticking of valves and regulators, and from the burning of gas on his premises and like causes incident to the use of gas. The Applicant shall provide at his own expense and risk the necessary service line from the place of consumption or other mutually agreed upon delivery point to a point designated by the Company near the Company's pipe line from which gas is to be supplied for safely conducting the gas from the stop or shutoff valve on the connection which the Company will make with its pipe line to the place of consumption or other mutually agreed upon delivery point.

14. COST OF CONNECTION

The Company will at its own cost tap its line and furnish and lay a service line terminating with a stop or shutoff valve at or near the point designated by it under Rule 13. Connection for service will be made under Rule 4.

ISSUED: March 27, 2026 EFFECTIVE: May 26, 2026
PEOPLES NATURAL GAS COMPANY LLC GAS—PA PUC NO. 49
ORIGINAL PAGE NO. 29

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO INDUSTRIAL CUSTOMERS (RULE 15-16)

All service to industrial customers is made subject to the following special rules. The foregoing rules are also applicable to such service unless inconsistent with the following rules.

15. METERS AND REGULATORS

All gas delivered to the customer shall be delivered at and measured by a standard meter to be placed by the Company upon the customer's premises or at another delivery point, as determined by the Company. The said meter or meters and any necessary regulators shall be owned by the Company, and the Company shall pay the cost of keeping the meters and regulators in repair; customer will furnish and maintain suitable building or buildings for same but said meters and regulators shall be at all times open to inspection of both the Company and the customer for the purpose of seeing that they are in a condition of good repair. The customer, or owner of the property where the meter is located, shall not construct any structure(s) on, or around the meter, or permit any obstruction that blocks or encumbers access to the meter. In the event a meter is obstructed, and the Company is unable to obtain access, the Company may take necessary action to obtain access to the meter and the Company shall not be liable for any damage or loss to the property of the customer or the property owner.

All meters shall be owned by the Company and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the customer for the purpose of seeing that they are in condition of good repair. The meter providing service to the customer's premises shall be placed on the property located on the premises. Any meter located on property owned by a third-party who is not the customer or the owner of the real property where the premises is located, shall be relocated to an appropriate location that complies with this Rule.

16. RESPONSIBILITY FOR FIRE, EXPLOSIONS, AND FAILURE OF SUPPLY

The Company shall not be responsible for any lines laid beyond the meter; shall not be held liable for any damage or loss to person or property resulting from explosions or fire or from use of gas in the works of the customer; and shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the customer's gas to the customer for his purpose arising from any cause not the result of the willful and/or wanton misconduct of the Company, subject to the terms and conditions of Rule 8 of this tariff.

17. EMERGENCY CURTAILMENT

This rule has been adopted pursuant to regulations of the Commission set forth at Pa. Code §§59.71 – 59.75 entitled 'Gas Emergency Plans'.

The definitions for terms used in this Rule 17 shall be shown in Appendix A hereto.

An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority-One customers. If this occurs, the Company may require each commercial and industrial customer, who is not a Priority-One customer, to reduce its consumption of gas. The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety; however, the authorized volume shall provide only the minimum volume of firm service necessary for the prevention of damage to plant equipment.

As part of the emergency planning process, the Company shall attempt to make every responsible effort to make contractual or informal arrangements with their sales Customers, transportation Customers, and others to obtain supplies or, as an alternative, to implement voluntary and/or mandatory usage reductions so that resorting to firm service reductions

or curtailments under applicable Commission regulations can be avoided, and severe supply or capacity disruptions can be mitigated. The Plan is designed to minimize the potential for supply shortfalls that threaten public health and safety, not to make up for inadequate performance by individual parties.

ISSUED: March 27, 2026 **EFFECTIVE:** May 26, 2026

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

When all other service has been curtailed except for Priority-One service and the Company continues to be unable to meet Priority-One requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.

The Company will specify in a notice of emergency curtailment the authorized daily consumption until further notice. An emergency curtailment may be made after oral notice to the customer effective when so given and confirmed in writing within 48 hours thereafter.

If a customer exceeds its authorized consumption during a period of emergency curtailment, then a customer shall be subject to penalties as set forth below:

Actual Usage as a Percentage of Emergency Authorized Consumption	Penalty for Excess Takes (in Dollars Per Mcf)
Greater than 103%, but not in excess of 110%	The higher of $10 per Mcf or 110% of the highest cost gas supply purchased by the Company during the month of usage.
Greater than 110%	The higher of $25 per Mcf or 125% of the highest cost gas supply purchased by the Company during the month of usage.

The Company shall have the right to waive any penalty for unauthorized use of gas.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the customer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment.

Utility Liability

The Company may restrict or discontinue service in accordance with 52 PA Code, Sections 59.72 through 59.75 of the Emergency Plan Regulations without thereby incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer, except when the restriction or discontinuation of service is as a result of the Company's willful or wanton misconduct.

The Company's liability for actions taken under 52 PA Code, Section 59.73, or pursuant to any other regulation, policy statement, directive or Order issued by the Commission, or an emergency order issued by the Governor, shall be governed by the following principles:

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

1) If the Company appropriates natural gas during an emergency action, the Company will compensate the applicable entity, whether the Customer or the Customer's NGS, for the cost of lost, firm gas service. The compensation, in the aggregate, shall equal but not exceed the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the Customer for delivered substitute energy, as documented to the Company. The Company may provide compensation in kind only at the discretion of the affected Customer or NGS.

2) The Company will have the right to discontinue service, for the duration of an emergency, to a Customer that continues to take gas in violation of these rules.

Discontinuance of Service and Curtailment

When the evidence available to the Company reasonably indicates that a customer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such customer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.

RULES AND REGULATIONS

17. EMERGENCY CURTAILMENT (continued)

Appendix A to Rule 17

DEFINITIONS FOR TERMS USED IN EMERGENCY CURTAILMENT

1. Alternate Fuel: Any fuel other than natural gas.
2. Alternate Fuel Capability: The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.
3. Commercial Use: Gas usage by customers engaged primarily in the sale of goods or services including but not limited to consumption by office buildings, institutions, and governmental agencies.
4. Critical Uses: Gas usage where natural gas is the only feasible form of energy due to its combustion characteristics, controllability, or chemical properties.
5. Essential Human Needs Use: Gas usage by customers for service to any buildings where persons normally dwell, including but not limited to residences, apartment houses, dormitories, hotels, hospitals, and nursing homes.
6. Firm Service: Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.
7. Industrial Use: Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.
8. Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.
9. NGDC: Natural gas distribution company.
10. NGS: Natural gas supplier.
11. Noncritical Use: Gas usage where natural gas is not the only feasible form of energy, that is, where the user has alternate fuel capability.
12. Plant Protection Use: Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility when such protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
13. Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooking, water heating, or other domestic purposes.

RULES AND REGULATIONS

18. PRIORITY OF SERVICE CURTAILMENT

Upon issuance of an order to initiate priority-based curtailments, the available gas supplies to the Company shall be allocated among its customers in accordance with the priorities of use listed below. Customers in higher priority will not be curtailed until all customers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated, to the extent possible under the circumstances, based upon recent consumption data. The ability to curtail a Priority-One customer is not affected by whether the customer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial customers as described below are those customers that use less than 25,000 Mcf per year. Large commercial and industrial customers as described below are those customers that use 25,000 Mcf per year or more:

1. a. Residential.
1. b. Firm critical commercial essential human needs.

2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., firm large commercial and industrial requirements for plant protection, and operational facilities of electric distribution companies.

2.b. Firm small industrial requirements.

2.c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.

2.d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.

2.e. Firm large noncritical commercial and industrial requirements for boiler fuel use.

2.f. Contractually interruptible use.

19. SALES OF GAS FOR RESALE

All gas sales to residential customers are to the ultimate purchaser and are not to be resold for profit.

20. SERVICE AGREEMENT & FLEXIBLE RATES

Service agreements for delivery services are not required unless the customer has negotiated a delivery rate less than the maximum rate. When a service agreement is required, an agreement for a minimum of one year must be executed by each Applicant as a condition to receiving delivery service, unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the points at which the Company will deliver customer's gas to customer's facilities; 3) maximum daily volumes and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

Specific components of a customer's rate may be lowered or waived if such an adjustment is required to meet competition from an alternative fuel source (including electricity), for economic development purposes, for service to new facilities, or for existing customers that install new technologies utilizing natural gas such as but not limited to: fuel cells, gas heat pumps and cooling, and Combined Heat and Power (CHP) project(s). Determination of eligibility for a flexible rate will be made by the Company and execution of a contract by the customer. When the discount is based on competition from an alternative fuel source, the customer will be required to certify the existence of the alternative fuel source. Electricity delivered by an electric distribution company shall constitute a competitive alternative. Prior to flexing distribution charges for distribution service customers, the Company may reduce charges that are for recovery of balancing charges, and/or the retainage percentage applied to the gas received on behalf of the distribution service customer.

RULES AND REGULATIONS

SPECIAL RULES APPLICABLE TO ALTOONA AND JOHNSTOWN AND VICINITY (Rules 21 and 22)

21. CONNECTION FOR SERVICE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony Creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

22. LEAKS AND WASTE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony Creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The customer shall use all due care to prevent waste of gas. It is the responsibility of the customer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the customer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the customer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the customer to do so, should loss or injury follow, shall be evidence of the customer's negligence and shall relieve the Company from liability for such loss or injury.

23. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES

For purposes of billing more than one type of service provided by the Company to a customer through one meter, the following order of application of rates shall be used:

a. Rate GS-T

b. Firm Retail or Standby

c. Rate CER

24. OPERATIONAL FLOW ORDERS

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation customer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation customers.

RULES AND REGULATIONS

25. SELECTION OF NGS

a. When the Company receives notice that a customer has elected to switch NGSs or to return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of customer's billing cycle.

b. Customers can obtain information at any time on the ability to select an NGS other than the Company by contacting the Company via letter, phone, e-mail, or by visiting the Company's internet web site. The Company will also periodically mail to customers information on the opportunity to choose an alternate supplier.

c. Disclosure Requirements: If a customer selects an NGS, the customer should note that the NGS is required pursuant to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, to disclose certain information to the customer, including but not limited to, agreed-upon pricing in the Company's standard pricing unit, conditions of pricing availability, the length of the agreement, cancellation provisions, and the three-day right of rescission.

d. Selection and Set-up: The customer, or person or entity that is authorized to act on the customer's behalf, should contact their chosen NGS to initiate the request. When a customer, person or entity authorized to act on the customer's behalf contacts the Company with a request, the Company will inform such party to contact the NGS directly. After the Company has received notification from the NGS of the customer's request, the Company shall mail out a confirmation letter to the customer by the end of the next business day after the date the Company receives notification by the NGS of the new customer, asking the customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include the customer's NGS, the applicable billing option, the approximate date when service from the new NGS will begin and the date that the first bill will be mailed, and notification that service may be terminated for failure to pay NGS supply charges. The confirmation letter also shall include the notice of a five (5) day waiting period in which the request may be cancelled by the customer before the change of the NGS takes place. The five (5) day waiting period shall start on the day the confirmation letter is mailed.

Should the Company receive notification from customer within the five (5) calendar days required under the confirmation letter that customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by customer of such error, the Company shall continue billing customer under customer's current billing arrangement. Should the Company receive notification from customer that customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the customer to contact the NGS to request cancellation and if requested by customer the Company will treat this as an alleged slamming complaint under Rule 26.

Should the Company receive notification by more than one NGS within a one-month period that the customer has elected said NGS to supply customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the customer informs the Company such NGS is in error.

e. Cancellation of NGS Service: When the Company receives notice from a Customer that the Customer desires to cancel the NGS service or return to the Company's Supplier of Last Resort service, the Company shall notify the Customer to contact the NGS to request cancellation of the NGS service and the NGS shall be responsible to notify the Company of the cancellation or change.

RULES AND REGULATIONS

26. COMPLAINT PROCEDURES

a. General Complaints - Inquiries and complaints from any customer will be received and processed in a timely manner. Residential customer inquiries and complaints will be handled in conformance with Chapter 56 of the Commission's Rules. When a customer inquiry or complaint relates to services provided by an NGS, the Company will refer the customer to the NGS for a response if a customer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the customer with respect to the NGS's services, the Company will inform the customer of the right to file an informal appeal with the Bureau of Consumer Services (BCS) at the Commission and provide the customer with the toll-free telephone number and mailing address of the Commission.

RULES AND REGULATIONS

27. REQUEST FOR INFORMATION

a. Upon customer request, the Company shall provide to its residential and small business customers appliance energy efficiency information that is readily available to the Company.

b. Upon request, the Company shall provide to a residential or small business customer or the customer's designee, historical billing data, to the extent such information is readily available on Company's billing system. Historical billing data shall be conveyed in Mcf, and associated charges for the current billing period, and for the year preceding the current billing period. The initial request per year shall be provided at no charge to customer.

28. RELEASE OF CUSTOMER INFORMATION

a. The Company shall notify residential and small business customers of its intent to release private customer information before it releases such information to a third party, excluding those instances noted below in paragraph (c). The notification to customer shall provide a convenient method of notifying the Company of the customer's desire to restrict the release of the private information. Customer shall be permitted to restrict information as specified in this section by returning a signed form, orally or electronically. If the customer changes its election on the restriction of the release of information, the customer must inform the Company in a signed form. The Company shall use its best efforts to ensure that any request or a change in request for restricted information be processed in a timely and expeditious manner.

For all other customers, the Company will not disclose customer information to a third party, excluding those instances noted below in paragraph (c), without the consent of the customer.

Nothing herein shall preclude the Company from releasing aggregated customer information or non-private customer information to a third-party.

b. Residential and small business customers may request that the release of its private information be restricted based on one of the following two restrictions:

i. Restrict the release of only the customer's historical billing data in the Company's standard pricing unit, or

ii. Restrict the release of all private customer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the Company's standard pricing unit.

If customer does not choose to restrict the release of information based on one of the two restrictions above, then all of the customer's private information may be released to a third party except for the telephone number. Telephone numbers may not be released to third parties under any circumstances.

iii. Nothing in this section prohibits the Company from performing its mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Public Utility Code.

c. The Company may release private information to (i) law enforcement officers, as part of a legal process (such as in response to a warrant, subpoena, or grand jury investigation issued by a court or governmental agency); (ii) to contractors providing utility-related services on behalf, of Peoples, but only to the extent necessary to render the service and subject to confidentiality and security obligations; (iii) to governmental agencies with jurisdiction over Peoples, when they require such information; (iv) to a third-party bill payment company, for the sole purpose of facilitating electronic payments to a natural gas account as requested by a customer; (v) to others as required by court order or by applicable laws, rules, or regulations governing Peoples; and (vi) to credit reporting agencies, and to collection agencies (if a natural gas account is assigned for collection).

RULES AND REGULATIONS

28. RELEASE OF CUSTOMER INFORMATION (continued)

d. The Company will retain Personal Information for as long as is reasonably necessary to meet its business needs and regulatory and compliance obligations.

29. AUTHORIZATION

A customer may identify persons authorized to make changes to the customer's account. To accomplish this, the customer must provide the Company with a signed document identifying, by name, those persons who have the authority to initiate any change to the customer's account, including a change of the customer's NGS.

30. RULES PART OF CONTRACT

These rules (1 to 29, inclusive), insofar as applicable, are hereby made a part of any contract for public utility service provided by the Company. To the extent that any language contained in this Tariff conflicts with any provisions of the Pennsylvania Code, Pennsylvania Statutes, or Public Utility Commission Orders related to the provision of gas service, the language contained in the Pennsylvania Code, Pennsylvania Statutes or Commission Orders shall control.

Contact Information

A Customer is responsible for providing, and updating when necessary, accurate contact information including telephone number(s), billing address and email addresses, if provided. If a customer's contact information changes and the customer does not timely provide updated contact information, the Customer agrees and understands that the Company shall not be liable for any notices, statements or other communications that are otherwise undeliverable to the Customer, or for any damages that result therefrom.

The Company may use contact information to reach the customer to discuss their natural gas account, to respond to an inquiry that the customer sent to the Company or to keep the customer informed about the services, products and programs offered by the Company, and its affiliates and partners. By providing an e-mail address to the Company, the customer consents to receive communications from the Company electronically. If the customer provides the Company a with a cell phone number, the customer expressly agrees that the Company may contact the customer at this number to discuss their natural gas account. The customer also agrees to receive, from the Company and the Company's service providers, calls and messages, including prerecorded messages, calls from automated dialing systems and text messages. Normal cell phone charges may apply.

Not all communications sent to a Customer or Applicant will also be sent via e-mail, if an e-mail address is provided. Some communications are sent via mail only.

RULES AND REGULATIONS

31. GAS QUALITY

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Customer, supplier or producer shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test at 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to customers shall meet Commission heating value requirements and the Company may charge for this.

Nonconformance – If the gas offered for delivery by a producer, Customer and/or its NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the Customer, producer and/or NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the Customer, producer or NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, Customer, Producer and/or NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

32. OTHER FEES AND SERVICES

The following customer requested services will require a fee as defined below:

Temporary Customer Service Line Installation – If service to a premises would be discontinued due to a customer service line leak and gas service is required to serve essential human needs, the customer or occupant may request the installation of a temporary customer service line. If the Company is able to install such a line, at the occupant's or customer's request, the Company may charge a fee of $300. The line shall be placed only for a temporary period and the Company reserves the right to identify the temporary period and remove the line if that period is exceeded.

Excess Flow Valve – At the Customer's request, the Company will install an excess flow valve. If the customer requests installation of the excess flow valve and the Company has not scheduled the location for a service line replacement or a new service line, or the customer requests the installation prior to the Company's scheduled installation time, the customer shall be responsible for the cost of the materials and installation to be paid prior to installation.

High Bill Investigation Fee – At the Customer's request, the Company will provide a scheduled visit to the customer's home to conduct an investigation into the usage measured and billed to the Customer for service. If the investigation identifies an error in the measurement of gas used or the customer's income is at or below 150% of the federal poverty level, the fee will be waived. The fee for this service is $75. This fee is not applicable to foreign load investigations.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 49
ORIGINAL PAGE NO. 40

RATE RS
RESIDENTIAL SERVICE

AVAILABILITY

This rate is available to residential customers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential customers.

RATE TABLE

Customer Charge per meter per month	$~~16.80~~26.00
Delivery Charge per Mcf	$~~5.3537~~6.6359

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

The Company will assess a late payment charge of 1.50 percent per month when the Company receives the customer's full payment more than five days after the bill's due date. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

ISSUED: March 27, 2026 **EFFECTIVE:** May 26, 2026

CUSTOMER ASSISTANCE PROGRAM (CAP)

AVAILABILITY

Rate CAP is a program designed to enroll residential customers who satisfy the criteria set forth below. Please refer to Peoples' Universal Service and Energy Conservation Plan on file with the PA PUC for a full description of the CAP program terms and conditions. In addition to the terms and conditions in this Tariff, Peoples' Universal Service and Energy Conservation Plan shall govern the provision of service under this rate category.

1. Processing and verification by authorized agencies upon referral by the Company's offices, Customer Assistance Referral Evaluation Service (CARES) representatives, other agencies, or BCS.

2. Customer of the Company and using natural gas for space heating.

3. Annual income no greater than 150 percent of the federal poverty level. The Company will accept a customer's participation in an electric CAP program as verification of income, if the Company is satisfied that the electric company verifies income. For payment purposes, the customers will be defined as follows:

    a. Group A - Customers whose annual income has been verified as being from 0 to 50 percent of poverty.

    b. Group B - Customers whose annual income has been verified as being from 51 to 100 percent of poverty.

    c. Group C - Customers whose annual income has been verified as being from 101 to 150 percent of poverty.

4. A customer who meets the eligibility criteria for the Low Income Home Energy Assistance Program (LIHEAP) should complete an application for a LIHEAP grant when available.

5. The company will monitor the usage of CAP customers on an ongoing basis. Any unjustified excess CAP usage or unjustified CAP credit (designed as the difference between the CAP payment amount, and the current charges as billed under Rate RS) that exceeds a maximum of $1,000 per year will be billed to the CAP customer. An increase in CAP usage or annual CAP credit over $1,000 may be justified if the CAP customer can demonstrate the household has experienced the addition of a family member; a member of the household experienced a serious illness; energy consumption was beyond the ability of the household to control; or the household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption. Before responsibility for the excess CAP usage is imposed on the household, the Company shall notify the customer of the grounds for exemption and assure that the customer has received and understands the grounds for exemption.

6. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company.

7. Customers will automatically be enrolled in CAP if:

    a. the customer has a significant account balance, and

    b. the customer has received a LIHEAP payment within the past two years.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RATE TABLE

Customers will pay a specified percentage of their monthly income as the monthly minimum payment ~~or $25/month, whichever is greater~~. If the calculated percentage of monthly income is less than $25, the minimum monthly payment will be established as $25. The applicable percentage by Group follows:

Group[1]	Percentage
A	4%
B	5%
C	6%

If the customer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any customer account where usage exceeds 125% of the customer's annual usage. In cases where the Company determines that the increase in a CAP customer's usage is unjustified, the Company will provide the customer with conservation information, refer the customer to a usage reduction program, and bill the customer for excess usage.

SURCHARGES

All riders to this tariff, as would otherwise be applicable to Rate RS with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule CAP. Late-payment charges will not be applied during participation in the CAP program.

1/ Defined under Availability Criteria 3.

CUSTOMER ASSISTANCE PROGRAM (CAP)

RULES AND REGULATIONS

1. Customer with earned income must recertify income eligibility biennially. Customers with only certain fixed incomes, such as social security, pension and disability must recertify income eligibility triennially. Customers reporting zero income using the Company's zero income form must recertify within 6 months.

2. If, at any time after acceptance into CAP, a customer's family size or income changes, the customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the customer's opportunity to receive service under CAP.

3. If a customer no longer satisfies the criteria set forth under Availability, with the exception of Item 4, the customer will no longer be eligible to receive service under CAP.

4. At the time of application for CAP, the customer will be advised of the importance of timely payments and energy conservation. The CAP screening administrator will review relevant assistance programs and offer help in applying for programs such as weatherization or energy assistance as appropriate. Energy saving tips will be provided and all participants will be advised that usage will be reviewed on an ongoing basis. Unjustified excess CAP usage will be billed to the CAP customer.

5. If a customer fails to allow access to the Company's meter or fails to provide meter readings in four consecutive months, the customer will no longer receive service under CAP.

6. Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

7. A customer whose service has been terminated pursuant to Rule 5 may be required to pay all CAP arrearages prior to reinstatement and will be advised of appropriate energy assistance programs, including LIHEAP, LIHEAP Crisis and Dollar Energy Fund, which are available to assist in restoration of service.

8. Customers who have been dropped from CAP for the reasons outlined above will be subject to normal termination procedures. The customer will receive a communication providing an opportunity to correct the problem before being removed from CAP.

9. Use of natural gas, while on CAP, for recreational purposes such as, but not limited to, interior or exterior pool heaters and/or hot tubs, recreational appliances, outdoor appliances such as gas grilles, fire pits/rings, fireplaces, gas lamps, heaters and other cooking appliances, and heated outdoor buildings, such as a shed, shop or garage, is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance(s) has been removed. Unjustified usage as a result of recreational gas use will be billed to the customer.

~~8.~~ 10. If the Company determines a CAP participant obtained benefits through fraudulent means, such as failing to report a household income, benefits previously provided may be reversed and the customer will be responsible to pay back the benefits incorrectly received.

PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)

This Rate is established as a Pilot in the Company's Universal Service and Energy Conservation Plan. All provisions of Rate CAP will additionally apply to participants of E-CAP.

AVAILABILITY

Rate E-CAP is a program designed to enroll residential customers who satisfy the criteria set forth below.

a. Customer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level.
c. Agreement by customer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

RATE TABLE

Customers will pay 11% of their monthly income as their E-CAP Payment. If the customer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

SURCHARGES

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider Universal Service.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the customer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 49
ORIGINAL PAGE NO. 45

RATE SGS
SMALL GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming less than 1,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC customers.

RATE TABLE

Customer Charge per meter per month:	
For customers with annual consumption less than 500 Mcf	$~~22.00~~32.14
For customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$~~44.00~~64.28
Delivery Charge per Mcf	$~~3.9844~~5.7095

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates on page No. 3 of this tariff.

ISSUED: March 27, 2026

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RATE SGS
SMALL GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency, curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the customer's load characteristics.

RATE MGS
MEDIUM GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming between 1,000 and 24,999 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$~~101.00~~110.00
For customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$~~145.00~~158.00
Delivery Charge per Mcf	$~~3.6941~~5.2072

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

RATE MGS
MEDIUM GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 49
ORIGINAL PAGE NO. 49

RATE LGS
LARGE GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC customers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC customers.

For purposes of this Rate LGS schedule, Transitional LGS customers shall consist of Peoples Gas Division LGS Ratepayers with annual consumption equal to or greater than 100,000 Mcf and that took service on the Peoples Gas Division Rate LGS rate schedule as of September 27, 2024. No other customers will be eligible for the Transitional LGS rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.

RATE TABLE

Customer Charge per meter per month:

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	~~$940.00~~987.00
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	~~$1,465.00~~1,538.00
For customers including Transitional LGS) with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	~~$2,130.00~~2,237.00
For customers (including Transitional LGS) with annual consumption equal to or greater than 200,000 Mcf	~~$5,630.00~~5,912.00

Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	~~$2.6360~~2.9451
For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	~~$2.5519~~2.8512
For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	~~$2.4335~~2.7189
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	~~$2.1937~~2.4509
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	~~$1.9097~~2.1336
For customers with annual consumption equal to or greater than 2,000,000 Mcf	~~$1.4431~~1.6123

Transitional LGS Delivery Charge per Mcf

For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	~~$1.4012~~1.5655
For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	~~$1.1754~~1.3132
For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	~~$1.1754~~1.3132
For customers with annual consumption equal to or greater than 2,000,000 Mcf	~~$1.1754~~1.3132

The currently effective gas cost charges under Rider Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

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RATE LGS
LARGE GENERAL SERVICE

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per customer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a customer pursuant to Rule 17, or complete or partial suspension of operation by the customer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent per month for industrial customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

AVAILABILITY

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company customers regulated by the Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

RULES AND DELIVERY TERMS

1. The entity to whom the Company delivers the transported gas shall be considered the customer under this rate schedule. The customer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.

2. Any customer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the customer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.

3. A single-entity customer is a customer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one customer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity customer each month. Only one bill will be issued each month to a single-entity customer.

4. The customer will pay for any investment costs required to receive the customer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

5. A Transportation Agreement, as prepared by the Company, must be executed by the customer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.

6. This service will be provided by the Company only if the customer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company's pooling agreement with the NGS providing gas supply service to the customer.

7. Unless otherwise agreed to by the customer and the Company, the customer or its NGS is responsible for all arrangements required to acquire and to deliver the customer's natural gas to the receipt points set forth in the Transportation Agreement.

8. On those days when the transportation gas of an individual industrial customer who uses at least 50,000 Mcf annually is not received into the Company's system at its nominated level, or if the said transportation customer has failed to arrange for deliveries to be made into the Company's system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation customers without exceeding its pipeline contract level, then the Company may declare an "upset day."

   On an upset day, those customers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company's system shall be restricted to the following consumption levels:

   1) Transportation gas volumes received by the Company on the customer's behalf on that day; and

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

2) All standby volumes contracted for the month by the customer.

Transportation customers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an "upset day," the utility will provide notice to any one of three persons designated by the customer. After contact is attempted by the Company with the three persons designated by the customer, the Company will be deemed to have satisfied its notice obligations.

9. Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation customers.

a. Available System Capacity for Transportation Service: Capacity for the transportation of customer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail customers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.

b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of customer-owned gas or is available but restricted, the Company will provide its transportation customer or the customer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation customers without regard to the sources of the customers' natural gas supplies.

c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.

10. As soon as practical after the customer learns of any disruption or interruption in its supply of gas, the customer shall notify the Company.

11. The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A customer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company's 1307(f) proceeding.

12. The Company shall retain 6.5 percent of the total volume of gas received into its system on behalf of all customers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis:

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

1) If customer can obtain alternate transportation service via direct bypass;
2) If customer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
3) If customer has a competitive offer from a non-PUC-jurisdictional entity;
4) If customer can demonstrate economic development or job retention considerations are present; or
5) If customer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, "alternative energy source" shall not include natural gas service from other Natural Gas Distribution Companies.

13. Customer-owned locally produced gas received into the Company's system will be available as nominated by the customer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company's system to nominated volumes will be made in the first month available.

14. Monthly Balancing Provisions Applicable to Rate GS-T Customers Not Served by a Pool

The Company will bank for one month following the month that the customer's gas is available for the customer's use, up to 3.5 percent of the volumes delivered on the customer's behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the customer's meter during the month following the banking period. The Company will balance customer's daily deliveries with customer's actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the customer's behalf in any month. The first gas received on the customer's behalf in the succeeding month will be deemed the payback of advanced gas.

Any difference between the customer's consumption and deliveries shall be subject to the following charges:

Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the customer in excess of gas deliveries plus gas advanced and any contracted for standby service. The negative imbalance volume will be sold by the Company at the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - If the customer fails to use at least 96.5 percent of the volumes delivered to the Company on customer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the customer. The positive imbalance volume will be purchased by the Company at the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South for the month multiplied by 85%.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A balancing charge will be assessed against each Mcf of gas transported for small and medium general service customers and for large general service customers. This rate will be recalculated in each of the Company's annual 1307(f) gas cost proceedings. The currently effective balancing charges are reflected on Tariff Page Nos. 3 and 4.

The balancing charge will not be assessed if (1) the customer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the customer or pool can match its supply and actual consumption on a daily basis in a manner satisfactory to the Company.

15. Backup service is available to customers under this rate schedule only under Rate GS-SB, unless the customer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.

16. The Company reserves the right, as a condition of service under this rate schedule, to require any customer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the customer's expense, as a condition of continuation of service under this rate schedule.

17. When the customer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, customer and the Company may require a separate (operating) agreement by which the customer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of customer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of customer's planned consumption, whether through transportation or retail service; establish penalties for failure of customer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; agree upon the availability of retail service; and establish and impose any other rules or restrictions necessary to ensure reliable service for all customers.

18. The Company will from time to time make pipeline capacity available for release to transportation customers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

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RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RATE TABLE

Customer Charge - The Company shall determine the annual consumption of each General Service customer in order to assess the appropriate customer charge.

$~~16.80~~26.00	Customer Charge per month per meter for all Residential customers.
$~~22.00~~32.14	Customer Charge per month per meter for all NGDC customers consuming less than 500 Mcf annually.
$~~44.00~~64.28	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.
$~~101.00~~110.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.
$~~145.00~~158.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.
$~~940.00~~987.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.
$~~1,465.00~~1,538.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 50,000 but less than 100,000 Mcf.
$~~2,130.00~~2,237.00	Customer Charge per month per meter for NGDC customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.
$~~5,630.00~~5,912.00	Customer Charge per month per meter for NGDC customers with annual consumption greater than 200,000 Mcf annually.

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RATE GS-T
GENERAL SERVICE - TRANSPORTATION

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the customer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service Customers	$~~5.3537~~6.6359
For Small General Service Customers	$~~3.9844~~5.7095
For Medium General Service Customers	$~~3.6941~~5.2072
For Large General Service Customers with annual consumption greater than 25,000 Mcf but less than 50,000 Mcf	$~~2.6360~~2.9451
For Large General Service Customers with annual consumption greater than 50,000 Mcf. but less than 100,000 Mcf	$~~2.5519~~2.8512
For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$~~2.4335~~2.7189
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$~~2.1937~~2.4509
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$~~1.9097~~2.1336
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$~~1.4431~~1.6123

The following is the maximum charge per Mcf for transportation service for Transitional LGS Customers:

For Large General Service Customers with annual consumption greater than 100,000 Mcf. but less than 200,000 Mcf	$~~1.4012~~1.5655
For Large General Service Customers with annual consumption greater than 200,000 Mcf. but less than 750,000 Mcf	$~~1.1754~~1.3132
For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf	$~~1.1754~~1.3132
For Large General Service Customers with annual consumption greater than 2,000,000 Mcf	$~~1.1754~~1.3132

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RATE GS-T
GENERAL SERVICE – TRANSPORTATION

The delivery charge will be assessed on all volumes at the time of delivery to the customer, including current transportation and storage volumes withdrawn and delivered to the Company. A transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One customers (refer to Rate Schedule GS-SB).

The currently effective gas cost charges under Rider Purchased Gas Costs and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial customers and 1.50 percent per month for commercial and NGDC customers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

SURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One customers is threatened. Under this circumstance, the transportation customer must agree to sell its gas supply to the Company at either the customer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of customer, whichever is greater, to be used to supply the needs of Priority-One customers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

2. Gas shall be and remain the property of the customer while transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

3. The Company shall not be liable for any loss to the customer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.

4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.

5. If service furnished pursuant to this rate is disrupted, the Company will notify the customer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a customer, other than an NGDC, the Company will act as its agent for arranging transportation of customer-owned gas by an interstate pipeline(s). The Company will bill the customer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as customer's agent for arranging interstate transportation.

RATE GS-SB
GENERAL SERVICE - STANDBY

AVAILABILITY

This service is available to transportation service customers served under Rate GS-T and/or customers who need or use the Company as backup service to service from an alternate supplier.

RULES AND DELIVERY TERMS

Priority-One Transportation Customers
Priority One customers must pay for standby service through a transportation standby charge applicable to all volumes transported under Rate Schedule GS-T. Backup service for Priority-One customers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation Customers
The customer may execute a Standby Contract for a specified monthly volume. The term of the Standby Contract will be a minimum period of not less than one year. Customers that execute a Standby Contract will pay for standby service through a capacity charge applicable to contracted for monthly volumes and through a standby commodity charge applicable to all standby volumes actually purchased under Rate Schedule GS-SB.

Back-up Standby Service
If a customer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the customer the standby service fees set forth in the rate table below. The Company reserves the right to determine when and the level to which a customer is using the Company as a backup supplier. In situations where the alternative supply is from local well production and before the Company provides backup standby service under the terms of this rate schedule, the Company shall have the right to inspect the pipeline and related facilities of the customer and require that the customer install, at its own expense, any necessary equipment to protect the integrity and safe operation of the Company's system.

RATE TABLE

Capacity Charges Applicable under the Rate Schedule:

RS Capacity Charge per Mcf	$1.8641
SGS Capacity Charge per Mcf	$1.8641
MGS Capacity Charge per Mcf	$1.8641
LGS Capacity Charge per Mcf	$1.8641

Standby Charges for Priority One Transportation Customers

For customers that pay the capacity charge, the Company may release pipeline capacity, the terms of which will be pursuant to the capacity-release terms of the Company's Supplier tariff and this rate schedule.

Priority-One customers who take service under this rate schedule, or their agents, must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the customer's service requirements. Assigned capacity shall be subject to recall pursuant to the conditions described in the Company's Supplier Tariff, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of this rate schedule. More specific terms with respect to capacity assignment requirements may be set forth in the Company's Supplier Tariff and in its contracts with Priority One NGSs. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

RATE GS-SB
GENERAL SERVICE - STANDBY

RATE TABLE

Standby Charges For Non Priority One Customers With a Standby Contract

Standby volumes delivered to the customer will be billed at the applicable supplier of last resort rates, excluding the pipeline demand component that has been paid through the capacity charge up to the contracted for monthly volumes in the standby contract. Volumes consumed in excess of contracted for volumes will be billed using the imbalance fee formula shown in Rate GS-T, paragraph 13, plus applicable taxes.

Customers Using The Company as a Back-up Supplier

Any customer using the Company as back-up service to service from an alternative supplier shall be subject to the charges set forth below. The following charges shall be assessed in lieu of any other standby charges applicable under this rate schedule.

Monthly Capacity Charge – In order to recover demand related purchased gas costs incurred by the Company, the customer shall be charged a monthly capacity charge equal to the customer's projected annual natural gas usage divided by twelve and multiplied by the capacity charges set forth above in this Rate Table. The projected annual natural gas usage shall reflect the estimated volumes assuming that all of the customer's natural gas consumption is served by the Company. The Company may waive this fee if the customer is receiving gas supplies from a NGS and the customer can demonstrate that its NGS has agreed to serve its peak day usage requirements. This charge will be assessed instead of the Capacity Charge applicable under other rate schedules.

Standby Customer Charge – In order to recover the fixed non-purchased gas charges incurred by the Company, the customer shall be charged a standby customer charge on a monthly basis. The standby customer charge shall be the monthly Customer Charge otherwise applicable under other rate schedules.

SURCHARGES - All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 1.50 percent per month for commercial and NGDC customers and 2.00 percent for industrial customers will be made for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RATE MLS
MAINLINE SERVICE RATE

APPLICATION
For customers throughout the territory served under this Tariff.

REQUIREMENTS
Available at one location, for the total requirements of a commercial or industrial customer when: (i) the customer does not take service under any other rate schedule; (ii) the Customer meets either one of the following qualifications:

a) the Customer has annual throughput requirements greater than 500,000 mcf and is within 1,000 feet of an Interstate pipeline supplier of the Company;
or
b) the Customer has annual throughput requirements of greater than 500,000 mcf and Is located within 1,000 feet of PNG Transmission class pipeline facilities.

Customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE
Customers being served with this rate schedule shall have all applicable riders and surcharges applied except for DSIC.

The rate information is detailed in the Rate Summary pages of this Tariff.

The applicable Distribution Charge for all distribution quantities shall be determined based upon the Customer Charge group in which the Customer is placed, as established annually.

The Distribution Charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

Delivery Charge per Mcf (if within 1,000 feet of a PNG transmission line)	$0.~~74307~~7470
Delivery Charge per Mcf (if within 1,000 feet of an interstate pipeline)	$0.~~44224~~4446

DETERMINATION OF CUSTOMER CHARGE
The Customer Charge will be determined based upon the customer's actual throughput quantities, including sales and distribution if the customer previously contracted for distribution service, measured in 1,000 cubic feet of gas (mcf), for the twelve most recent billing cycles ending with the ~~October billing cycle~~annual consumption review.

If a customer does not have sufficient consumption history to determine its Customer Charge based on twelve months, the Customer Charge will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, upon which to develop the Customer Charge. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's Customer Charge will remain constant annually, subject to change as of the January billing cycle of each year.

In all cases, the Company reserves the right to review the Customer Charge and, upon receipt of satisfactory proof, to adjust the Customer Charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

MAIN LINE EXTENSION DEPOSIT INSTALLMENT PLAN
Applicants eligible for Rate Schedule MLS who have entered into an agreement with the Company to make payments for a main line extension pursuant to the Payment Period of Deposit paragraph in the Connections for Service – Extension of Facilities section of Rule 4. Extensions of these Rules and Regulations Governing the Distribution and Sale of Gas, will have the installment amount included in the cyclical bill for service issued by the Company. The installment amount will be added to the Customer Charge for the duration of the installment payment plan.

MINIMUM CHARGE
The minimum charge shall be the Customer Charge. In the event of curtailment in the delivery of gas by the Company or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the Customer Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the number of days in the billing period.

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RATE MLS
MAINLINE SERVICE RATE

STATE TAX ADJUSTMENT SURCHARGE
The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.
~~**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**~~
~~Rate MLS is subject to a Distribution System Improvement Charge as specified within Rider DSIC of this Tariff.~~

RIDER PGC
The Pass-through Charge and Gas Supply Charge in this rate schedule include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider as set forth in this Tariff.

RETAINAGE
The retainage rate for MLS customers shall be the greater of the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer (if available) or 1%. If the actual lost and unaccounted for gas percentage on the facilities used by each MLS customer is not available, the retainage rate shall be the Distribution UFG percentage per the most recently filed UFG report with the PA Public Utility Commission.

TERMS OF PAYMENT
Bills for sales service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than twenty (20) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one half percent (1 1/2%) per billing cycle shall accrue on the portion of the bill that is unpaid on the due date.

SPECIAL PROVISIONS APPLICABLE TO ALL MLS CUSTOMERS

1. Customers desiring to transfer to or from this rate schedule must notify the Company in writing. Transfers to or from this rate schedule will be allowed only if:
   a) the Company can obtain any increase or decrease in its gas supplies, pipeline capacity and storage capacity, or any combination thereof that is required to accommodate such change; or
   b) the Company, in its sole judgment, concludes that no increase or decrease is required. The Company shall establish the date any transfer is to be effective.

2. Energy usage eligibility for this rate schedule shall be determined annually. In the event Customer's annual purchases are less than or equal to 500,000 mcf, the customer shall be transferred to either Rate LGS effective the immediately ~~succeeding January billing cycle~~ per the annual consumption review.

3. New customers or existing customers requesting a transfer to this Rate Schedule shall be permitted to take service under this Rate Schedule only if:
   a) the Company can obtain an increase in its firm pipeline capacity with an interstate pipeline having delivery points on the Company's system where the customer's facility is located, that is required to accommodate such transfer; or
   b) the Company, in its sole judgment, concludes that no increase in the Company's pipeline capacity under an interstate pipeline firm rate schedule or any successor rate schedule is required. The Company shall establish the date any transfer is to be effective.

4. In the event the Customer receives a bona fide offer from another entity to provide natural gas service, Customer must provide the competing offer to the Company at least six months prior to terminating service with the Company. The Company may choose to match the terms and conditions of the competing offer. The Company will notify the Customer of its decision at least forty-five (45) days prior to the Customers termination date with the Company.

RULES AND REGULATIONS
The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of distribution service under this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the customer.

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PEOPLES NATURAL GAS COMPANY LLC

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RATE NGPV

NATURAL GAS POWERED VEHICLES

AVAILABILITY

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public or private fueling station.

RULES AND DELIVERY TERMS

If transportation service is provided hereunder, the applicable rules and delivery terms under rate schedule GS-T apply.

RATES

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the Company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

SURCHARGES

All applicable riders to this tariff.

LATE PAYMENT CHARGE

A late-payment charge of 1.50 percent shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

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RATE APPALACHIAN GATHERING SERVICE

AVAILABILITY

Service under this rate schedule is available to any party desiring to transport gas through the gathering system, as well as to deliver gas directly into the Company's distribution and transmission system*, provided that:

(1) a Master Interconnect and Measurement Agreement ("MIMA") has been executed between the Company and the party; and

(2) the party is in compliance the MIMA, the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

The gathering rate is $0.~~24~~ 29 per Mcf, plus applicable retainage**.

If a conventional producer adds incremental conventional production to the Peoples' system, that producer's incremental production shall qualify for a reduced Rate AGS fee equal to 50% of the effective monthly Rate AGS fee.

Incremental conventional production is any conventional production that is not connected to the Company's facilities as of June 15, 2019 and shall not include any existing production delivered to Peoples' system and subsequently acquired by the producer from any other producer. Incremental conventional production shall also include increased production volumes from existing conventional wells as a result of well stimulation or similar actions. The level of incremental production volumes from existing wells shall be determined by the Company based on supporting information provided to the Company by the producer.

Gathering of natural gas from unconventional sources, including but not limited to, horizontally drilled Marcellus and Utica shale gas and landfill gas, shall be negotiated and agreed to within the MIMA.

TERM

The terms for gathering service shall be ~~a set~~set forth in the MIMA.

CHARACTER OF SERVICE

The Company's only obligation under this Rate Schedule shall be to receive gas from any gathering receipt point and to permit that gas to flow against the existing pressure in the Company's facilities. Peoples shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Item 24 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit the Company's right to interrupt service or to take other action as may be required to alleviate conditions, which threaten the integrity of its system.

* This applies to production into both the former Peoples Natural Gas Division and the former Peoples Gas Division.

** The current applicable retainage rate is 2.61% for all conventional production and is negotiable for unconventional production.

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RATE GL - GAS LIGHTS

APPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential 1.8 Mcf/Month
Commercial and Industrial 2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

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RATE CER
COMPETITIVE ENERGY RATE

AVAILABILITY

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial customers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

RULES AND DELIVERY TERMS

Any qualified customer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the customer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

RATE

The rate will be negotiated between the customer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company's commodity cost of gas at the time the contract is negotiated, as determined from the Company's Section 1307(f) gas cost calculation.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 2 percent per month for industrial customers and 1.50 percent for commercial customers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential customers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

ISSUED: March 27, 2026 EFFECTIVE: May 26, 2026

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RIDER
STATE TAX SURCHARGE

There shall be added to gas bills rendered by the utility for retail gas service a surcharge percent applied to the delivery charge under all rate schedules served by this tariff to reflect changes and new taxes imposed by the General Assembly. The currently effective surcharge percentage is reflected on Tariff Page Nos. 3 and 4.

The Company will recompute the surcharge (i) whenever any of the state tax rates upon which the surcharge is computed are changed and (ii) as of March 31 of every year. The recomputation shall take into account the changed state tax rates as prescribed by the Commission (Policy Statement at 52 Pa. Code § 69.52) in the following manner:

1) Capital Stock Tax ("CST"): To determine the amount to be recovered, the Company shall multiply the change in the CST tax rate by the CST value as reported in the most recent CST return filed with the Department of Revenue.
2) Corporate Net Income Tax ("CNIT"): To determine the amount to be recovered, the Company shall multiply the change in the CNIT tax rate by the taxable income reported in the most recent CNIT return filed with the Department of Revenue. Pursuant to Docket No. R-2023-3044549, impacts of change in the CNI rate should not be adjusted for as the company did not recover state taxes in the referenced proceeding.
3) Public Utility Realty Tax ("PURT"): To determine the amount to be recovered, the Company shall calculate the difference between the PURT liability as stated in the most recent Notice of Determination issued by the Department of Revenue and the current amount of PURT recovered in base rates.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or effective date of such state tax rate change, which occasioned such recomputation. If the recomputed surcharge is less than the one than in effect then the Company will, and if the recomputed surcharge is more than the one then in effect then the Company may, accompany such recomputation with a Tariff or Supplement to reflect such recomputed surcharge - the effective date of which shall be ten (10) days after filing.

SPECIAL PROVISION – This Rider shall not apply to Customers receiving discounted retail or discounted transportation service.

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RIDER
PURCHASED GAS COST (1307(f) RATES)

COMPUTATION OF PURCHASED GAS COSTS

The purchased gas cost rates for Residential, Commercial, and Industrial Service customers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{Demand} = \frac{DC - B - R - DOU}{S+P1AC+SBC}$$

$$\text{Commodity} = \frac{CC}{S+SBR}$$

$$\text{Over/Under Collection} = \frac{E}{S+SBR}$$

(For definitions of "DC", "CC", "E", "S", "SBC", “SBR”, “NP1”, P1AC”, "R", "B", and “DOU” refer to Section below this rider).

The currently effective purchased gas cost rates are reflected on Tariff Pages 3 and 4.

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RIDER
PURCHASED GAS COST (1307(f) RATES)

DEFINITIONS

"DC": The projected demand or capacity cost of purchased gas.

"CC": The projected commodity cost of purchased gas.

"DOU": Experienced net overcollection or undercollection of the demand or capacity cost of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation.[1]

"E": Experienced net overcollection or undercollection of the commodity cost of purchased gas[1].

"S": Projected retail sales in Mcf during the application period.

"NP1": Projected volumes in Mcf for NP-1 transportation customers and any customer served by a NP-1 Supplier.

"P1AC": Projected volumes in Mcf for P-1 transportation customers who are assigned capacity.

"SBC": Projected contracted standby volumes in Mcf by NP-1 transportation customers.

"SBR": Projected retail commodity standby volumes in Mcf.

"R": Shared (savings) or costs for demand charge recovery from the capacity-release program.

"B": Balancing recovery.

"Projected" refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

ADJUSTMENT TO BASE RATES

Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

SUPPLIER REFUND

Supplier refunds will be included in the calculation of current period gas costs and will be reflected in the month such refund is received by the Company. Interest beyond that included from the supplier is not applicable.

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

REPORTING REQUIREMENTS

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

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[1]Interest will be applied in accordance with the applicable law.

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RIDER
TRANSITION COST RECOVERY MECHANISM

1. This Rider establishes a mechanism for the recovery of nongas transition costs from the Company's customers, except to the extent that a customer uses transportation service under Rate GS-T for the delivery of gas transported solely on intrastate pipeline facilities. Nongas transition costs are defined as pipeline gas supply realignment costs and stranded costs.

2. For purposes of nongas transition costs recovery, the Company will assign its recoverable transition costs and any reconciliations of transition costs between two groups of customers--those customers whom the Company designates as "competitive" and those customers whom the Company designates as "noncompetitive." For purposes of this recovery mechanism, competitive customers shall include all customers to whom the Company charges less than its maximum tariffed retail or transportation rates in order to gain or maintain the customers' patronage in the face of competitive pressures. For purposes of this recovery mechanism, noncompetitive customers shall include all of the Company's customers who are not competitive.

3. The assignment of nongas transition cost responsibility to the Company's competitive customers shall be equal to that portion of the revenues that those customers contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff, and that is designated, either through prearrangement or open bidding, as "transition costs." Notwithstanding the foregoing, the Company may charge a volumetric surcharge to competitive customers. Any additional recovery from competitive customers shall be credited against the nongas transition costs allocated to the Company's noncompetitive customers. The assignment of transition cost responsibility to the Company's noncompetitive customers shall be equal to the difference between the Company's total nongas transition cost liability and the amount of that liability that is allocated to competitive customers.

4. A surcharge for the recovery of nongas transition costs from noncompetitive customers will be recalculated every three months, with the recalculations to be effective on or around January 1, April 1, July 1, and October 1 of each year. The Company will file the January 1, April 1, and July 1 recalculations on one day's notice to the Commission, and these filings are referred to in this rider as the "quarterly recalculation," and will file the October 1 recalculation on thirty days' notice to the Commission.

5. The surcharge will be designed to recover (a) those nongas transition costs that have been billed to the Company by interstate pipelines and (b) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the 12-month period following the surcharge filing date.

6. At the time of each quarterly recalculation of the surcharge, the Company will reconcile its actual billed costs over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period and will incorporate the reconciliation within its recalculations; however, no adjustment will be made to reflect variations in billed throughput during such periods. The Company will accompany its recalculation of the surcharge that will become effective on October 1, 1994, with a reconciliation of actual transition cost revenues recovered from the Company's customers from the effective date of the surcharge through July 31, 1994, against the revenues projected to have been recovered over the same period, including adjustments to reflect volumetric variations. The Company will accompany its recalculations of the surcharges that will become effective on or around each October 1 after 1994 with a reconciliation of actual transition cost revenues recovered from its customers over the 12 months ending July 31 of the particular year against the revenues projected to have been recovered over the same 12-month period.

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RIDER
TRANSITION COST RECOVERY MECHANISM

7. The Company will reduce the recoverable nongas transition costs allocated to its noncompetitive customers by the portion of the revenues that those customers are projected to contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff and that is designated, either through prearrangement or open bidding, as transition costs. The Company will calculate the unit surcharge rates applicable to noncompetitive customers by dividing the recoverable nongas transition costs allocated to them, net of any reconciliations (including any additional nongas transition costs recovered by the Company from competitive customers under paragraph 3), and net of capacity release revenues as described in this paragraph, by the retail and transportation volumes projected to be consumed by noncompetitive customers, exclusive of those volumes of Pennsylvania-produced natural gas supplies transported by noncompetitive customers.

8. The surcharge rates applicable to noncompetitive customers are as follows:

Retail	$0.0000/Mcf
Transportation	$0.0000/Mcf

The surcharge rates, if any, applied to competitive customers will be determined on an individual customer basis.

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RIDER SUPPLIER CHOICE

This Rider has been established to recover costs associated with Supplier Choice. The initial filing includes costs related to implementation and administration of the Account Number Access Mechanism per the Commission's Final Order at Docket No. M-2015-2468991 entered June 30, 2016 and costs associated with the implementation and administration of the Supplier Bill in accordance the Commission's Final Order entered August 20, 2015 at Docket No. M-2015-2474802.

The charges assessed per this rider shall be assessed to customers served under rate schedules RS, Commercial SGS, Industrial SGS, Rate GS-T – Residential, Rate GS-T Commercial SGS, and Rate GS-T Industrial SGS. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP) program.

The Company shall provide a reconciliation of actual costs with actual revenues recovered under Rider – Supplier Choice for the twelve month period ended August 31. The rate will be adjusted annually for the resulting over/undercollection to be effective October 1.

Application of the Supplier Choice Charge shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the Supplier Choice Charge and the costs included therein.

No interest shall be included in the Supplier Choice Charge.

The Supplier Choice Rider shall become effective upon Commission approval and shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

The currently effective Supplier Choice Charge per Month is reflected on Tariff Page Nos. 3 and 4.

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RIDER
MERCHANT FUNCTION CHARGE (MFC)

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate SGS, Rate MGS, LGS and GS-T. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MCF shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of ~~2.200~~1.9300% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to Rate RS customers is shown on Tariff Page Nos. 3 and 4.

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of ~~0.332~~0.4233% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to these customers is shown on Tariff Page Nos. 3 and 4.

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EFFECTIVE: May 26, 2026

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RIDER
UNIVERSAL SERVICE

This rider shall be applicable to all residential customers except for any residential customer served in the Company's Customer Assistance Program (CAP). This rider recovers costs related to the Company's universal service programs.

The charges assessed per this rider shall be assessed to residential customers served under rate schedules Rate RS and Rate GS-T. Charges assessed per this rider shall not be applicable to customers served in the Company's CAP or Pilot E-CAP (E-CAP).

The currently effective Rider Universal Service Charge is reflected on Tariff Page Nos. 3 and 4.

Costs related to the following universal service programs shall be calculated and recovered per this rider: CAP; Low Income Usage Reduction Program (LIURP); ~~Community Partnership for Weatherization~~; ~~and the~~ Emergency Furnace and ~~Houseline~~ Service Line Repair Program; Customer Assistance Referral and Evaluation Services (CARES) and third-party costs associated with the Independent Evaluation of universal service programs, as required by the Pennsylvania Public Utility Commission's Bureau of Consumer Services requirement to submit such evaluation on a recurrent basis.

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider Universal Service, and the CAP or E-CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater. The projected CAP Credit shall be calculated based on current rates, current CAP or E-CAP payment amounts and projected normalized annual volumes for CAP and E-CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP and E-CAP participants; and 2) the projected average net change in the number of CAP and E-CAP participants for the projected quarter.
2. Pre-Program Arrearage Forgiveness – Projected CAP and E-CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by ~~4.7~~1.93% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of ~~30,800~~ 39,010 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credit and arrearage forgiveness amounts. Third party costs for the purposes of CAP administration will be included in the calculation of the Rider.

The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected non-CAP residential volumes established in the most recent 1307(f) gas cost recovery proceeding. For bill display purposes, the unit rate calculated under this rider shall be included in a single delivery charge that also includes the residential delivery charge set forth in rate schedules Rate RS and Rate GS-T.

QUARTERLY ADJUSTMENT
Effective with each quarterly 1307(f) gas cost change, the unit rate under this rider shall be recalculated to reflect current cost data for the cost components outlined above. The updated rate will be filed to be effective one day after the filing.

ANNUAL RECONCILIATION
As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under Rider Universal Service and actual universal service costs incurred for the twelve month period ended ~~December 31~~ September 30. The resulting over/undercollection will be included in the quarterly Rider Universal Service rate adjustment to be effective ~~April 1~~ January 1.

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RIDER
GAS PROCUREMENT CHARGE

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

Recoverable Costs

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider Purchased Gas Cost - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

Recalculation of the GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

The currently effective Rider GPC Charge is reflected on Tariff Page No. 3.

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RIDER
TAX REPAIRS SURCREDIT (TRS)

Pursuant to Docket Nos. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549, there shall be a surcredit of negative 0.6146% applied to the customer charge and the base rate delivery charge under all rate schedules served by this tariff. Any customer receiving a discounted flexible delivery charge rate will not be eligible for the surcredit.

Purpose: The purpose of this surcredit is to refund, over a ten-year period beginning ~~January 1, 2025~~ August 1, 2021, the tax benefits of certain catch-up tax deduction resulting from the Company's defining its unit of property under the Internal Revenue Service's Treasury Regulations 1.263(a)-3 and 1.162-4 and IRS Rev. Proc. 2023-15. Specifically, the surcredit shall reflect:

- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2012 through March 15, 2020 for Peoples Natural Gas Company, net of amounts refunded prior to January 1, 2025;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2013 through December 31, 2020 for the former Peoples Gas Company;
- the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for mandatory relocation projects for the tax years ended December 31, 2012 through December 31, 2021 for Peoples Natural Gas Company; and December 31, 2013 through December 31, 2021 for the former Peoples Gas Company.
- the amortization of excess deferred taxes that are no longer protected under the IRS normalization rules due to the change in tax accounting methods.
- adjustments to reflect reduced state income tax benefits resulting from changes to the state Corporate Net Income Tax rate.

Effective Date: Beginning with service rendered January 1, 2025.

Calculation: The annual amount of the surcredit will be approximately $3.9 million, equal to 100% of the tax benefit from the afore-mentioned items of approximately $473.7 million refunded over a ten-year period.

Reconciliation: In accordance with Section 1307(e) of the Public Utility Code, the Company shall provide a reconciliation of the amount refunded and one-tenth of the projected tax benefit of the afore-mentioned items for the twelve-month period ended December 31. The rate will be adjusted annually for the resulting over/undercollection to be effective April 1. The annual reconciliation will be filed by March 21 for the preceding calendar year.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recoup or refund period.

This surcredit will remain in place for eleven years (ten years of refund period and one year for a final reconciliation period). In the final year, the Company also shall include the difference between the actual tax benefits received and the projected tax benefits previously reflected in calculating the surcredit, as provided by the Order at Docket No. P-2020-3021191. Any over or under ratepayer surcredit amounts remaining at the end of year eleven shall be flowed through to Customers in the Company's next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the rate credit, the Company shall file with the Commission and provide a copy to all parties to Docket No. P-2020-3021191, A-2021-3029831 and A-2021-3029833, as amended at Docket No. R-2023-3044549 a final reconciliation of all surcredit amounts.

Upon determination that this surcredit, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of this surcredit.

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RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

APPLICATION AND PURPOSE

A Weather Normalization Adjustment ("WNA") shall be applied to Residential, Commercial SGS, and Commercial MGS customers receiving service under Rate Schedules RS, CAP, SGS, and MGS for bills rendered during the heating season of October 1st through May 31st.

WNA is a distribution charge adjustment and is considered a basic service charge.

Calculated WNA amounts shall be subject to Rider DSIC, Rider STAS, Rider Tax Repairs Surcredit, and Rider TCJA. No additional riders or surcharges will be applied to the calculated WNA.

CALCULATION

The WNA will be applied to bills rendered October 1st through May 31st and shall be calculated on a customer account specific basis in accordance with the formula below:

WNBM = BLMM+ [(NHDD +/- (NHDD x 3%)) /AHDD) x (AMUM-BLMM)]
WNAM = WNBM – AMUM
WNA~~M~~ = ~~WNAC~~ WNAM x Distribution Charge

a) Weather Normalized Billing Mcfs ("WNBM") will be calculated as the Base Load Monthly Mcfs ("BLMM") added to the product of the [Normal Heating Degree Days ("NHDD"), adjusted for a 3% deadband, divided by the Actual Heating Degree Days ("AHDD")] and the [Actual Monthly Usage Mcfs ("AMUM") less the BLMM]. Weather Normalized Billing Mcfs (WNBM) will only be calculated if the AMUM exceeds the BLMM. WNA will not be applicable for the billing period if AMUM is less than the BLMM.

b) BLMM shall be established for each customer by averaging the actual daily consumption from the billing system, measured in Mcf, for service rendered July 1st thru August 31st of the most recent period.

c) AMUM shall be measured for each customer and billing cycle.

d) NHDD shall be based upon the heating degree days utilized to develop the revenue requirement in the Company's general rate case proceeding at Docket No. R-~~2023-3044549.~~2026-3060855. NHDD shall be updated in future general rate case proceedings.

e) AHDD shall be the actual experienced heating degree days during the billing cycle days for the customer based upon experienced actual temperatures as reported by the National Oceanic and Atmospheric Administration (NOAA) for weather stations utilized by the Company for the area.

f) AMUM will be subtracted from the WNBM to compute the Weather Normalized Adjustment Mcfs ("WNAM").

g) A deadband of 3% shall apply. The WNA for a billing cycle will apply only if the AHDD for the billing cycle are lower than 97% or higher than 103% of the NHDD for the billing cycle.

h) The WNAM shall then be multiplied by the applicable Rate Schedule Distribution Charge based on service rendered to compute the WNA amount that will be charged or credited to each Residential, SGS, and MGS customer receiving service under Rate Schedules RS, CAP, SGS, and MGS.

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RIDER
WEATHER NORMALIZATION ADJUSTMENT (WNA)

i) In the event a customer's bill needs to be canceled and rebilled at any time, the WNA will be recalculated using the most recently available data for the billing period. In some cases, updates in data used in the calculation, may result in a different WNA for the billing period.

j) WNA amounts will be displayed as a separate line item on the customer's bill.

k) The WNA adjustment for bills rendered in May will not exceed 100% percent of the billed distribution amount (delivery charge amount plus customer charge amount) for that same period.

l) The Company will file a report annually with the Commission on or before September 1st for the 12-month period ending June of the same year. The filing will contain WNA details as defined in the Company's most recent general rate case proceeding.

RIDER
Distribution System Improvement Charge (DSIC)

In addition to the net charges provided for in this Tariff, a charge of ~~3.57~~0.00% will apply consistent with the Commission Order dated May 23, 2013 at Docket No. P-2013-2346161 approving the DSIC.

Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Eligible Property:

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (accounts 334,369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

Effective Date: The DSIC will become effective for bills rendered on and after 7/1/2013.

Computation of the DSIC

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

Determination of Fixed Costs: The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

RIDER
Distribution System Improvement Charge (DSIC)

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for Rider State Tax Adjustment and Rider Purchased Gas Cost. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company's annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Rider State Tax Adjustment Surcharge and Rider Purchased Gas Cost.

Formula: The formula for calculation of the DSIC is as follows

$$DSIC = \frac{(DSI*PTRR)+STFT+Dep+S}{PQR} + \frac{e}{PQR:}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation and associated accumulated deferred income taxes pertaining to property-related book/tax depreciation timing differences resulting from the use of accelerated depreciation per Internal Revenue Code, 26 U.S. Code § 168.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

STFT = (State Tax Flow Through) Pre-tax flow through calculated on book-tax timing differences between accelerated tax depreciation and book depreciation net of federal tax. [**NOTE: UTILITY MAY ELECT TO INCLUDE THE STFT IN THE PTRR COMPONENT.**]

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.

S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.

PQR = Projected annual revenues for distribution service (excluding Rider State Tax Adjustment and Rider Purchased Gas Cost) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, Office of Small Business Advocate, and Commission's Bureau of Audits at least (10) days prior to the effective date of the update.

RIDER
Distribution System Improvement Charge (DSIC)

Customer Safeguards:

1. **Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

2. **Audit/Reconciliation**: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq,* shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq*.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

3. **New Base Rates**: The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

4. **Customer Notice**: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

5. **All Customer Classes**: The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives or potential competitive alternatives and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

6. **Earnings Reports**: The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

7. **Residual E-Factor Recovery Upon Reset to Zero**: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

PEOPLES NATURAL GAS COMPANY LLC

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Rider TCJA - TCJA TEMPORARY SURCHARGE FOR FORMER PG DIVISION CUSTOMERS

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered Orders superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates and required utilities to implement negative surcharges as a credit for intrastate service to all customer bills to reflect reduced taxes under the TCJA. This negative surcharge was distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

This negative surcharge was reconciled at the end of each calendar year and remained in place until the utility filed and the Commission approved new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. The effects of the TCJA for Peoples Natural Gas Division were fully reflected in the Company's rate case at Docket No. R-2018-3006818. The effects of the TCJA for Peoples Gas Division customers were reflected in the Company's base rate case at Docket No. R-2023-3044549, except for the remaining over/under collection as of the effective date of new rates.

Rider TCJA will remain in effect for former PG Division customers until the remaining TCJA over/under collection is refunded or recovered from customers.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.

The TCJA Temporary Surcharge will be filed with the Commission by December 1 of each year to become effective the following January 1.

RATE CHART

	Surcharge per meter per month	Surcharge per MCF
Residential	$0.0000	$0.0000
SGS with annual consumption less than 500 Mcf	$0.0000	$0.0000
SGS with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	$0.0000	$0.0000
MGS with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	$0.0000	$0.0000
MGS with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf	$0.0000	$0.0000
LGS with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf	$0.0000	$0.0000
LGS with annual consumption greater than 2,000,000 Mcf	$0.0000	$0.0000

ISSUED: March 27, 2026

EFFECTIVE: May 26, 2026

Original Tariff Gas – PA PUC No. S-5
Cancels and Supersedes Tariff Gas - PA PUC No. S-4

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF SERVICE TO NATURAL GAS SUPPLIERS

ISSUED: March 27, 2026 **EFFECTIVE:** May 26, 2026

By: **Michael Huwar**
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

This tariff cancels and supersedes Tariff Gas – PA PUC No. S-4. Upon approval of this Tariff Gas – PA PUC No. S-5, all Peoples Natural Gas Company LLC customers will be subject to the rates and rules set forth herein.

PEOPLES NATURAL GAS COMPANY LLC

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LIST OF CHANGES

Page	Page Description	Revision Description
2	List of Changes	List of Changes
7	Rules and Regulations	Source of Supply: Removed sentence
18	Rules and Regulations	Nomination Procedures: Removed IFERC DTI and replaced with Eastern Gas. Added verbiage to end of sentence
22	P-1	Removed IFERC DTI and replaced with Eastern Gas. Added verbiage to end of sentence
23	P-1	Removed change indicator
26	P-1	Removed change indicator
29	NP1	Removed “Transmission and Storage ("EGTS")” and replace with Gas
30	NP-1	Removed “for period of three years”
35	Rate SBS	Updated merchant function charge percentages and removed sentence regarding management adder
36	Rate SBS	Updated Supplier Bill Fee

ISSUED: March 27, 2026

EFFECTIVE: May 26, 2026

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-5
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ISSUED: March 27, 2026

EFFECTIVE: May 26, 2026

DEFINITION OF TERMS

The following is a list of some of the most commonly used terms in this Tariff. In the event of a conflict between any of the definitions set forth below or those contained in a more specific provision of this Tariff, the definition contained in the more specific provision shall prevail.

Aggregate Daily Consumption Volume - The aggregate quantity of gas estimated by the Company to be consumed by all Customers served by the NGS on any day or the direct end user in an OFO situation under Rule 4 of the Tariff.

Aggregate Monthly Consumption Volume - The aggregate quantity of gas actually consumed by all Customers of Pool Operator's pool over their respective Billing Cycles for the month as determined by the Company through actual or estimated meter readings.

Aggregator - A broker, marketer or producer of natural gas which aggregates locally produced gas, injected directly into the Company's lines, into a pool.

Billing Cycle - The period that occurs between actual or estimated meter readings taken by the Company for billing purposes.

Calendar Month Pool Sendout - The sum of (1) the Aggregate Monthly Consumption Volumes plus (2) Pool-to-Pool Volumes nominated for the month.

Calendar Month Pool Supply - The sum of the Daily Available Volumes during the month as adjusted for any gas received from other Pool Operators during the month and any imbalance sales to or purchases from the Company.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas Supplier which involves the purchase of gas commodity by the Customer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the Customer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A Customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under the Company's Retail Tariff.

Daily Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers on any day. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account on that day, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes and/or the reconciliation of monthly volumes as set forth in Rates P-1 and NP-1.

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Dekatherm (Dth) – 10 therms or 1,000,000 British thermal units ("Btu")

Direct End User – A Customer that receives distribution service from the Company and purchases commodity service from a natural gas Supplier who does not pool supplies under the Company's Rate P-1 or Rate NP-1.

DEFINITION OF TERMS (continued)

Local Gas Aggregation Agreement - The Local Gas Aggregation Agreement between the Company and the NGS.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

Measurement Operating Agreement - The agreement between a producer of natural gas and the Company which sets forth the obligations and responsibilities for owning and operating measurement equipment for designated measuring stations.

Monthly Available Volume - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers for the applicable month. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account for the applicable month, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to Customers that is delivered through the distribution lines of the Company.

Non-Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of one or more Non-Priority One transportation Customers of the Company.

Non-Priority One Pooling Agreement - The Non-Priority-One Pooling Agreement between the Company and the Pool Operator.

Pool Operator – A broker, marketer or producer of natural gas licensed as a gas Supplier by the Pennsylvania Public Utility Commission which has executed a Priority-One or Non-Priority One Pooling Agreement with the Company.

Priority One Pool Operator – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of Priority One transportation Customers of the Company.

Small Business Customer – A Customer receiving natural gas service for commercial or industrial use whose annual usage is equal to or less than 300 MCF.

Supplier – Shall include, but is not limited to, aggregators, brokers, marketers, natural gas distribution companies, natural gas suppliers or producers.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to Customers that do not elect another Supplier or choose to be served by the Supplier of last resort, Customers that are refused service from another natural gas supplier, or Customers whose natural gas Supplier fails to deliver the required gas supplies. Currently, the Company is the Supplier of last resort for all Priority-One Customers under the terms of this tariff. Each Customer may only have one Supplier of last resort.

RATES AVAILABLE UNDER THIS TARIFF

Service is made available to NGSs under the rules, regulations, rates and terms contained in this tariff. The following rates are made available to NGSs:

Rate P-1 - Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Priority One (P-1) transportation Customers of the Company.

Rate NP-1 - Non-Priority One Pooling Service
This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Non-Priority One (NP-1) transportation Customers of the Company.

Rate LGA - Local Gas Aggregation Service
This rate is available to any broker, marketer or producer of natural gas which aggregates locally produced gas injected directly into the Company's pipeline system.

Rate SBS – NGS Billing Service
This rate is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas sold by the NGS.

RULES AND REGULATIONS

1. Sources of Supply

The Company agrees to receive, for the NGS's account, upstream pipeline transportation volumes, local gas volumes, storage volumes, and Pool-to-Pool Volumes.

In determining the volumes available for delivery to Customers in the applicable month, the Company may retain an appropriate percentage, as set forth in the Company's Retail Tariff, of gas used in Company operations and unaccounted for gas from upstream pipeline transportation volumes and local gas volumes as they are received by the Company. ~~For purposes of determining storage inventory volumes, the retainage percentage shall be applied to volumes at the time the volumes are nominated for injection into storage~~. Pool-to-Pool Volumes shall be added to the adjusted volumes.

Suppliers will pay for any investment costs and any other agreed-upon fees relating to the delivery of gas into the Company's system. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. Measurement and Quality of Gas

All gas delivered shall be measured by meter. The term "mcf" as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60ºF.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to Customers shall meet Commission heating value requirements, and the Company may charge for this.

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a Supplier shall not contain more than:

(a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
(b) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
(c) Thirty hundredths (0.3) grains of hydrogen sulfide per 100 cubic feet.
(d) Ten (10) grains of total sulfur per 100 cubic feet.
(e) Two tenths (0.2) percent by volume oxygen.
(f) No more than (5) percent Hydrogen.

The Company may enter into agreements with suppliers whereby the Company will agree to treat gas on behalf of a Supplier in order to meet such gas quality requirements outlined above. Should the Supplier not enter into such an agreement and fail to meet these gas quality requirements, the Company may refuse to accept gas delivered by the Supplier and should a Supplier cause damage to any metering, regulating and/or other equipment or interruption of service, the Supplier shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to Customers and/or repair facilities, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service. The Supplier agrees to allow the Company to make necessary gas samples to permit testing of the delivered gas to determine quality of gas delivered by the supplier.

RULES AND REGULATIONS

2. Measurement and Quality of Gas (continued)

Nonconformance – If the gas offered for delivery by the NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the NGS of such deficiency and may at the Company's option refuse to accept delivery pending correction by the NGS. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, NGS shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

3. Critical Day Planning

As events occur that could develop into system emergencies or lead to a threatening of system integrity, the Company may request and/or require NGSs or Customers to take certain actions to protect, maintain, or reestablish the safe operation of the system.

a. Maintenance Alerts (MA) – A maintenance alert is an announcement of actual or pending events related to various physical connections to the Company's system. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board as soon as practical.

b. Operational Alert (OA) – An operational alert may be called during periods of projected increased or decreased consumer demand for natural gas. An "OA" is a request for specific action on the part of an individual NGS, or all NGSs. The NGSs are expected to respond to "OAs" as soon as practical by giving notice to the Company of their intended action. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board and/or through email as soon as practical.

c. Operational Flow Order (OFO) – An OFO is defined in paragraph 4 of the Supplier Tariff. NGSs are expected to comply with an OFO.

d. Curtailment – In the event of an emergency curtailment of Customer consumption, the Company will alert the appropriate NGSs, and if appropriate, will coordinate with them responses to media and elected officials.

RULES AND REGULATIONS

4. Operational Flow Orders

a. Issuance of OFOs

The Company may issue, in its sole discretion, an OFO (Operational Flow Order) in any of the following circumstances: To the extent possible, the Company will provide a 24-hour prior notice of an OFO in situations where a prior indication of the need to issue an OFO exists.

i. to alleviate conditions that threaten the operational integrity of the Company's system;

ii. to maintain pressures necessary for the Company's operations;

iii. to insure adequate flowing supplies are delivered to specific receipt points on the Company's system; or

iv. to alleviate operational problems arising from overdeliveries or underdeliveries by NGSs or Customers transporting supplies for their own consumption ("Direct End User"), in violation of their agreements or Company tariffs.

b. OFO Procedures

In the event of the issuance of an OFO, NGSs and Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO) will be directed to maintain its supply according to the steps set forth below.

i. The NGS or the Direct End User must adjust supply nominations, including any Pool-to-Pool Volumes to equal Aggregate Daily Consumption Volume and/or hourly consumption levels if necessary, with gas delivered at the points specified by the Company. The Company shall provide such estimates via the electronic bulletin board and/or through email as soon as practical.

ii. Upon the NGS or Direct End User request, the Company will consider, if time permits, adjustments to the Aggregate Daily Consumption Volume or the Daily Available Volume to the extent such adjustment, in the Company's discretion, benefits system operations during the OFO event and if such adjustment is confirmable the Company.

RULES AND REGULATIONS

4. Operational Flow Orders (continued)

c. OFO Penalties

Failure to comply with an OFO may result in the following:

i. The immediate recall of capacity assigned by the Company to the NGS or a Direct End User, if any, throughout the remainder of the OFO period. Further, in the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of end-use Customers of the NGS/Direct End User's and/or the Company's Retail Sales Demand, the Company may, at its sole discretion, recall or otherwise withdraw any capacity rights assigned to the NGS/Direct End User upon five (5) days written notice to the NGS/Direct End User (unless already recalled under the provisions of this section).

ii. The billing of the incremental charges set forth below times the OFO shortfall which is defined as the imbalance between Daily Available Volume and its Aggregate Daily Consumption Volume as calculated by the Company, on those days subject to the OFO.

The OFO incremental charges shall equal:

(1) the payment of a gas cost equal to the highest incremental cost paid by the Company on the date of noncompliance;
(2) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than twelve times in any thirty-day period;
(3) the payment of all other charges incurred by the Company on the date of the OFO shortfall that are associated with the OFO shortfall; and
(4) in the Company's discretion, an appropriate penalty charge, not to exceed $15/Mcf.

The penalties set forth herein shall be billed to NGSs serving Customers under Rates P-1 or NP-1, or to Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO).

iii. In the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other Customers' flowing supplies to meet the needs of any Customer and/or the Company's retail sales demand, the Company may terminate the NGS's/Direct End User's rights to operate on the Company's system under the applicable pooling and/or transportation agreements upon ten (10) days written notice to the NGS.

5. Billing and Payment

Each calendar month the Company shall render a statement of account to the NGS summarizing the charges due the Company, including any purchases by the Company.

The NGS shall pay the Company by wire transfer of federal funds unless the NGS and the Company mutually agree upon a method of payment other than wire transfer which will result in timely receipt of payment by the Company.

RULES AND REGULATIONS

5. Billing and Payment (continued)

Charges previously billed to the NGS by the Company, for which payment has not been received by the Company by the due date, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance.

If the Company has not received payment from the NGS for any services or charges, including late-payment charges, within fifteen (15) days of the statement date, the Company may deduct this unpaid amount from any payments accruing to the NGS under any agreement between the NGS and the Company or take gas in kind from the NGS in satisfaction of obligations and/or terminate the agreement with the NGS upon ten (10) days written notice to the NGS.

6. Creditworthiness

The Company shall not commence service or continue service to the NGS if the NGS fails to meet the creditworthiness criteria outlined in this Section.

The Company will base its creditworthiness evaluation on the financial information provided in response to the "Financial Information" and "Certificate" sections below.

a. Financial Information - In consideration of the opportunity to supply gas to the Company's Customers and in order for the Company to accept the NGS as the Supplier of gas to Customers of the Company, the NGS must provide the following financial information, provided, however, that such financial information will not be required by the Company if the NGS has obtained a Natural Gas Supplier License from the Commission within one year prior to the date it submits an application to the Company for approval to become a NGS of gas to Customers of the Company and that such information has been provided to the Company:
   i. Financial statements, annual report or Form 10-K for the most recent fiscal year-end.
   ii. Current interim financial statements.
   iii. Listing of parent company, affiliates and subsidiaries.
   iv. Any reports from credit reporting and bond rating agencies which are available.
   v. A bank reference and at least two trade references.

b. Certificate: The NGS shall deliver a certificate of a duly elected officer or authorized representative certifying the following:

   i. The NGS is not operating under any chapter of the bankruptcy laws and is not subject to liquidation under any state law.
   ii. The NGS is not subject to the uncertainty of pending or threatened litigation in state or federal courts or regulatory proceedings which could (1) cause a substantial deterioration in its financial condition, (2) cause a condition of insolvency, or (3) endanger its ability to exist as an ongoing business.
   iii. The NGS does not have outstanding lawsuits, actions or judgments, which, individually or in the aggregate, could jeopardize its ability to remain solvent.

RULES AND REGULATIONS

6. Creditworthiness (continued)

iv. The NGS has the power and authority to transact the business it transacts and proposes to transact, has obtained and holds a Natural Gas Suppliers License from the Commission and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which failure to be in good standing would not, individually or in the aggregate, reasonably be expected to jeopardize its ability to transact the business it transacts or to remain solvent.

v. The NGS has no delinquent balances outstanding for billings made previously by the Company or its affiliate, and the NGS must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

c. The NGS has a continuing obligation to notify the Company in writing, within two business days, of the occurrence of any event which would render the NGS unable to provide the certificate required in paragraph (b) of this "Creditworthiness" section, as of the date such event occurred and within two business days of any other significant deterioration of its financial fitness or creditworthiness, including if the NGS's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the NGS's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch. The NGS shall also provide the Company a copy of the financial statements as specified in paragraph (a) of this "Creditworthiness" section upon request by the Company.

d. Evaluation Process to Determine Financial Fitness:

To the extent the Company determines that the NGS's financial condition under paragraph (a) is questionable or the NGS cannot supply the certificate required under paragraph (b) above, the Company will require the establishment of a security enhancement based on the financial exposure imposed on the Company by the NGS for all service fees applicable per the rate schedules governed by this tariff. The amount of the security enhancement shall include the following components and shall be calculated based on the projected peak winter month usage served by the NGS:

1. All applicable pooling and aggregation fees;
2. All applicable billing fees; and
3. Projected imbalance fees using the maximum imbalance price multipliers and assuming that the NGS fails to delivery gas supplies during the peak month.

The Company shall consider the forms of security enhancements as set forth in 52 Pa. Code §§ 62.102 – 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the NGS under Rate SBS of this tariff or such other security as is mutually acceptable to both the Company and the NGS. The Company reserves the right to determine which of these financial instruments shall be established as a security enhancement.

All information submitted or provided to the Company will remain confidential and be used solely for the purpose of evaluating the financial fitness or creditworthiness of the NGS. The amount of the security enhancement may be reviewed and modified based on the criteria established at 52 Pa. Code §§ 62.102 – 62.114.

RULES AND REGULATIONS

7. Bonding Requirement

In addition to any creditworthiness requirements as set forth in Rule 6, the Company may also require that the NGS post a performance bond or any other security suitable to the Company, to cover any costs associated with the NGS prematurely discontinuing service to Customers or the NGS default of payments of Commission imposed financial penalties and restitution to Customers. The amount of the performance bond or other security shall be equal to $2 times the volumes the NGS is expected to serve during the month of January. The level of the bond shall be recalculated annually.

The bonding requirement will be waived for that portion of the NGS's load used to serve Non-Priority One Customers whose annual consumption is 300 Mcf or more, but in such circumstance, the Company shall not be responsible to provide those Customers service as Supplier of last resort and the Company shall have none of the obligations arising under Section 2207(a) and (k) of the Public Utility Code. The Company may waive the bonding requirement related to delivery failure for the NGS that demonstrates to the Company's satisfaction that it will assign the gas supply contract to the Company in the event of a default. With regard to the latter, the Company, in its sole discretion, which shall not be unreasonably exercised, may waive the bonding requirement related to delivery failure if the NGS assigns its gas supply contracts acquired for purposes of serving its Customers on the Company's system (and if applicable, any related financial risk management contracts) to the Company in the event the NGS prematurely discontinues service to its Customers. Such waiver shall be subject to the following conditions:

a. The NGS's Supplier agrees to assign applicable gas supply to the Company.

b. The Company is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions.

c. The Company is satisfied with the NGS's Supplier's credentials or the security of supply.

d. The NGS agrees to reimburse the Company for any losses the Company suffers as a result of agreeing to the assignment of contracts, including, but not limited to, losses from a differential in the assigned gas prices and the NGS's contracted price with its Customers and losses resulting from the NGS's Supplier refusing to assign the relevant gas supply.

8. Procedures when a NGS Exits the System

Prior to exiting the Company's system the NGS shall provide the Company with two months prior notice. Upon the NGS's exit from the Company's system, the Company will serve the NGS's former Customers at the Company's Supplier of last resort rates, or at the agreed-to NGS price for the remainder of the billing cycle if the NGS discontinues service prior to the beginning of the next billing cycle. Any differences between the cost incurred by the Company and the NGS's price shall be recovered from the NGS. Any capacity or supplies previously assigned to the NGS will revert to the Company, including gas held in storage. If the NGS had used capacity not assigned by the Company to bring gas on to the Company's system, then the NGS agrees to offer to assign said capacity, including gas held in storage, to the Company, which the Company may, at its sole discretion, accept or reject.

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the Balancing provisions under Rate NP-1. No imbalance price multipliers will be applied.

RULES AND REGULATIONS

9. Dispute Resolution Process

The Company and each NGS will designate specific personnel for responding to complaints and disputes under this process.

The Company and the NGS shall use good faith and commercially reasonable efforts to informally and timely resolve all disputes that may develop between them. Failing such informal resolution, either party may initiate this Dispute Resolution Process by presenting a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.

Within five (5) days of the Company's and/or the NGS's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.

In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.

If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.

Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

10. Standards of Conduct

a. The Company shall apply its tariffs in a nondiscriminatory manner to its affiliated NGS and any nonaffiliated NGS.

b. The Company shall not apply a tariff provision in any manner that would give its affiliated NGS an unreasonable preference over other NGSs with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated NGS.

c. Mandatory tariff provisions shall not be waived by the Company for any NGS absent prior approval of the Commission.

d. If a tariff provision is not mandatory or provides for waivers, the Company shall grant the waivers without preference to its affiliated NGS or non-affiliated NGS.

e. The Company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours and the Company shall post the log on its website for a period of at least three (3) months.

f. The Company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. The Company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

RULES AND REGULATIONS

10. Standards of Conduct (continued)

g. If the Company provides a distribution service discount, fee waiver or rebate to its favored Customers, or to the favored Customers of its affiliated NGS, the Company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated Customers. Offers shall not be tied to any unrelated service, or incentive or offer on behalf of either the natural gas distribution company or its affiliated NGS. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.

h. Subject to Customer privacy or confidentiality constraints, the Company shall not disclose, directly or indirectly, any Customer proprietary information to its affiliated NGS unless authorized by the Customer. To the extent that the Company does disclose Customer information without Customer authorization, it shall first seek the permission of the Customer consistent with the Company's tariff, any contractual obligations with the Customer and Section 62.78 of the Pennsylvania Code, and if the Customer grants permission, the Company shall contemporaneously provide this same information to other similarly situated NGSs in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated NGS any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours. This provision does not apply to the disclosure of Customer information made under a Customer assistance program mandated by state law or regulation.

i. The Company shall justly and reasonably allocate to its affiliated NGS the costs or expenses for general administration or support services provided to its affiliated NGS.

j. The Company shall not condition or tie the provision of any product, service or price agreement by the Company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated NGS.

k. The Company shall not give its affiliated NGS preference over a nonaffiliated NGS in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. The Company shall provide comparable treatment in its provision of such goods and services without regard to a Customer's chosen NGS.

l. The Company and its affiliated NGS shall maintain separate books and records. Further, transactions between the Company and its affiliated NGS shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Company function and the affiliated NGS function. The Company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated NGS may be clearly identified.

m. The Company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, as well as those responsible for marking and Customer service, shall not be shared with an affiliated NGS, and their offices shall be physically separated from the office(s) used by those working for the affiliated NGS. Such Company employees may transfer to an affiliated NGS provided such transfer is not used as a means to circumvent these interim standards of conduct.

RULES AND REGULATIONS

10. Standards of Conduct (continued)

n. Neither the Company nor its affiliated NGS shall directly or by implication, falsely and unfairly represent to any Customer, the NGS or third party that an advantage may accrue to any party through use of the Company's affiliates or subsidiary, such as:

i. That the Commission regulated services provided by the Company are of a superior quality when services are purchased from its affiliated NGS;
ii. That the merchant services (for natural gas) are being provided by the Company when they are in fact being provided by an affiliated NGS;
iii. That the natural gas purchased from a nonaffiliated NGS may not be reliably delivered; or
iv. That natural gas must be purchased from an affiliated NGS to receive Commission regulated services.

o. When affiliated NGSs market or communicate to the public using the Company's name or logo, it shall include a legible disclaimer that states:

i. That the affiliated NGS is not the same company as the Company;
ii. That the prices of the affiliated NGS are not regulated by the Commission; and
iii. That a Customer does not have to buy natural gas or other products from the affiliated NGS in order to receive the same quality service from the Company.

When an affiliated NGS advertises or communicates verbally through radio or television to the public using the Company name or log, the affiliated NGS shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

p. Except in competitive bid situations, the Company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated NGS or (b) offer or provide to its affiliated NGS products or services, including bill inserts in its Company bills promoting an affiliated NGS's services or a link from the Company's web site, unless the Company offers or provides the products or service to all nonaffiliated NGSs on the same terms and conditions.

q. The Company shall not offer to sell natural gas commodity or capacity to its affiliated NGS without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. The Company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

r. The Company shall utilize, unless otherwise agreed to by the affected parties, the following complaint and dispute resolution procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (r)(i), which are exclusively under the purview of the Commission:

RULES AND REGULATIONS

10. Standards of Conduct (continued)

i. In the event a NGS alleges a violation of any of these Standards of Conduct provisions, the NGS must provide the Company with a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute. The dispute procedures in Section 9 shall apply to any Notice of Dispute issued per Section 10(i). A complainant bears the burden of proof consistent with 66 Pa. C.S. Section 332 (relating to Public Utility Code) in regard to the allegations, and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. Section 3301.

s. The Company shall keep a chronological log of any complaints, excepting paragraph (r)(i), regarding discriminatory treatment of NGS. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

11. Nomination Procedures

a. General Procedures

i. All Transportation Volumes received for NGS's pool account at upstream pipeline transportation receipt points, local production volumes received for NGS's or Aggregator's account at local production receipt points and Pool-to-Pool transfer volumes shall be nominated to the Company in advance according to the procedures outlined in this section.

ii. Nominations are to be transmitted to the Company via the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified on the Company's Electronic Nomination System.

b. Nomination of Upstream Pipeline Volumes

i. Upstream pipeline nominations must conform, in content and format, with Company specifications for transportation volume nominations, which shall include, at a minimum: NGS's contract number; upstream pipeline contract number; and requested daily transportation volume.

RULES AND REGULATIONS

b. Nomination of Upstream Pipeline Volumes (cont.)

ii. The Company will either confirm, in total or in part, or reject NGS's transportation volume nomination based on the Company's operating conditions, the limits and requirements of the Company's system and facilities, previously confirmed nominations and timely confirmation by upstream pipelines. Accepted transportation volumes will be posted on Company's Electronic Nomination System. In order to support system operations, maintain system integrity, and minimize positive or negative imbalance volumes, the Company may request NGS to nominate and deliver transportation volumes to designated transportation receipt points. Such request shall be posted in advance on Company's Electronic Nomination System or through direct communication with the NGS. If, in Company's sole discretion, voluntary compliance by NGS fails to correct operational deficiencies, the Company may exercise it authority under Rule 4 of the Rules and Regulations to issue NGS specific and/or system wide OFOs.

iii. Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination or limited by operational conditions as mentioned above.

iv. Nominations made in accordance with this Section do not relieve NGS of the obligation to submit corresponding nominations for service with an upstream pipeline.

c. Nomination and Reconciliation of Local Production Volumes

i. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month for the metering stations identified in the agreement or other point of interconnection into the Company's System. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within 2 days) by the NGS or Local Gas Aggregator and confirmed by the Company. The confirmed GPP volume shall be used for reconciling local gas nominations and actual production.

ii. The NGS or Local Gas Aggregator may request to change its GPP nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination.

iii. Confirmed GPP nominations will be credited to the NGS's or Local Gas Aggregator's account on the date specified in the GPP nomination. When actual local gas aggregation volumes delivered into the Company's system are known, any discrepancies between actual and GPP nominations will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").

iv. The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the NGS's or Local Gas Aggregator's monthly available volume or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

v. In the event that a pool ceases its existence and due to this, a negative imbalance results, the pool will be cashed out at the first of the month ~~IFERC DTI~~ Eastern Gas Appalachia Index price as established in *Inside* FERC's Gas Market Report.

vi. Unless otherwise agreed upon by the Company, monthly volumes delivered out of the pool must be baseloaded proportionately with regard to the number of days in the month.

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RULES AND REGULATIONS

d. Nomination of Pool-to-Pool Volumes

i. Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, as specified in the Company's Electronic Nominations System.

ii. Such transfers may be used to resolve current daily imbalances created by the NGS's inability to match Daily Available volumes with the projected Aggregate Daily Consumption Volume and shall not be used to resolve daily imbalances occurring for any prior day or days.

iii. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination.

e. Nomination of Assigned Pennsylvania-Produced Supplies

i. All Pennsylvania-produced supplies assigned or sold to the NGS for a given month will be divided by the number of days of that month and automatically credited to the pool operator's Daily Available Volumes.

12. Confirmation of Customer Enrollment

When the Company receives notice that a Customer has elected to switch NGSs or return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of Customer's next billing cycle.

a. The NGS must maintain either a mainframe computer or a personal computer that meets the processing capabilities required by the Company.

b. The NGS shall notify the Company of new or deleted Customers via e-mail file in approved spreadsheet format. The NGS should notify the Company only of additions or deletions to its Customer list; existing Customers shall not be included.

RULES AND REGULATIONS

12. Confirmation of Customer Enrollment (continued)

c. Notification from the NGS of a new or deleted Customer shall consist of the following information: Customer name, Service Address, the Company Account Number, Date and Time of file preparation, the NGS's assigned Pool Code (rather than the NGS name) and the NGS's assigned Rate Numbers, if the Company is billing on behalf of the NGS.

d. The NGS may submit additions, changes or deletions from its Customer list to the Company on a daily basis. Such additions, changes or deletions from the Customer list will become effective for the service period reflected in the second bill issued following the date such additions, changes or deletions are submitted to the Company.

e. The Company shall notify the NGS with a report via the Internet if a new Customer is not processed. The circumstances in which a Customer will not be processed may include, but are not limited to, the information provided by the NGS does not match the Company's required data elements, the Customer submitted by the NGS is not eligible for the requested service, and the Customer is no longer receiving service from the Company. Such report will be issued on the Company's web site following processing and will include the reason the Customer has not been processed.

f. Once a prospective Customer's request has been processed, the Company shall mail out a confirmation letter to each Customer by the end of the next business day after the date the Company receives notification from the NGS that the Customer has elected to switch NGSs or return to the Company's Supplier of last resort service, asking the Customer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include, if appropriate, the Customer's pool operator choice as stated by the NGS, the applicable billing option, the approximate date when transportation service is to begin and the date that the first bill will be mailed.

g. Should the Company receive notification from a Customer within the five (5) calendar days required under the confirmation letter that the Customer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by Customer of such error, the Company shall continue billing the Customer under the Customer's current billing arrangement. Should the Company receive notification from the Customer that the Customer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the Customer to contact the NGS to request cancellation, and if requested by the Customer, the Company will treat this as an alleged slamming complaint.

h. On or about the eighteenth (18th) of the month, the Company will post on its web site, a list of Customers for the forthcoming month. Additions and removals from the NGS will also be reported on a daily basis in an activity file.

i. Should the Company receive notification by more than one NGS within a one-month period that the Customer has elected said NGS to supply Customer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the Customer informs the Company otherwise.

j. The Company will issue, at a minimum, a monthly report of Customers who have discontinued service with the NGS via Internet, which shall include discontinuances initiated by the incumbent NGS, the Customer or Customer's new NGS.

RULES AND REGULATIONS

13. Customer Service, Information Requirements and Slamming Complaints

a. NGSs shall refer to the Commission's Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2206 (a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §§2207 (b), 2208 (e) and (f) and Addressing the Application of Partial Payments at Docket No. M-00991249F0003, for requirements relating to credit determination, deposits, initiation and disconnection of service.

b. NGSs shall refer to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, for requirements relating to disclosure of terms of service, marketing, advertising and sales practices, and privacy of Customer information.

c. NGSs shall refer to the Commission's Guidelines to Ensure Customer Consent to a Change of Natural Gas Suppliers at Docket No. M-00991249F0006, for requirements on handling Customer slamming complaints.

14. Customer Contact

The NGS must maintain a twenty-four (24) hour answering service or a telephone answering machine which informs all callers that if they smell gas or there is any other emergency regarding gas service, the callers should call their gas utility immediately.

If the NGS receives a telephone call from a Customer which should be directed to the Company, the NGS shall direct the Customer to the appropriate contact within the Company.

The NGS shall handle all calls regarding commodity charges and associated rates.

NGSs must coordinate with the Company in resolving Customer inquiries or complaints which involve services provided by both the Company and NGSs.

15. Miscellaneous

a. The NGS shall be deemed to be in control and possession of the gas transported to Company until the gas has been delivered to Company at the agreed-upon delivery point.

b. The NGS warrants the title of the gas delivered to Company and shall indemnify the Company for and save Company harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to Company.

c. The NGS shall be subject to the Liability provisions contained in Company's Retail Gas Tariff.

RATE P-1
PRIORITY ONE POOLING SERVICE

AVAILABILITY

Unless otherwise agreed to by the Company, an NGS that operates a P-1 and a NP-1 pool must serve its P-1 Customers from its P-1 pool and serve its NP-1 Customers from its NP-1 pool. Service under this rate schedule is available to any Priority One Pool Operator who has entered into a Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

RULES AND CONDITIONS

1. **Assignment of Capacity**

Pool Operators with Peak Day Demand < 2,000 Dth per Day

Pool Operators who take service under this rate schedule and have a peak day demand of 2,000 Dth per day or less may choose to decline their pro-rata share of the pipeline and storage capacity. In lieu of such capacity assignment, the Company will deliver the Pool Operator's required daily gas supplies. The Company will bill the Pool Operator monthly at the first of the month ~~IFERC DTI~~ Eastern Gas Appalachia Index price as published in *Inside* FERC's Gas Market Report plus associated delivery charges. Pool operators may change their election to accept or decline capacity each April.

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Pool Operators with Peak Day Demand > 2,000 Dth per Day

Pool Operators who take service under this rate schedule must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the Customer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of the standby rate schedule. More specific terms with respect to capacity assignment requirements are set forth in the following sections. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

Assignment of Pennsylvania –Produced Supplies

Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system may be assigned or sold to the NGS as agent for the Customer of the NGS's Priority-One Pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. Such purchased gas cost shall include any volumetric delivery and fuel charges incurred by the Company for local production volumes delivered to the Company via interstate pipelines. The term of the assignment shall be from the first month in which the NGS renders commodity service to the Customer until the NGS's supply agreement with Customer expires, or as otherwise provided herein.

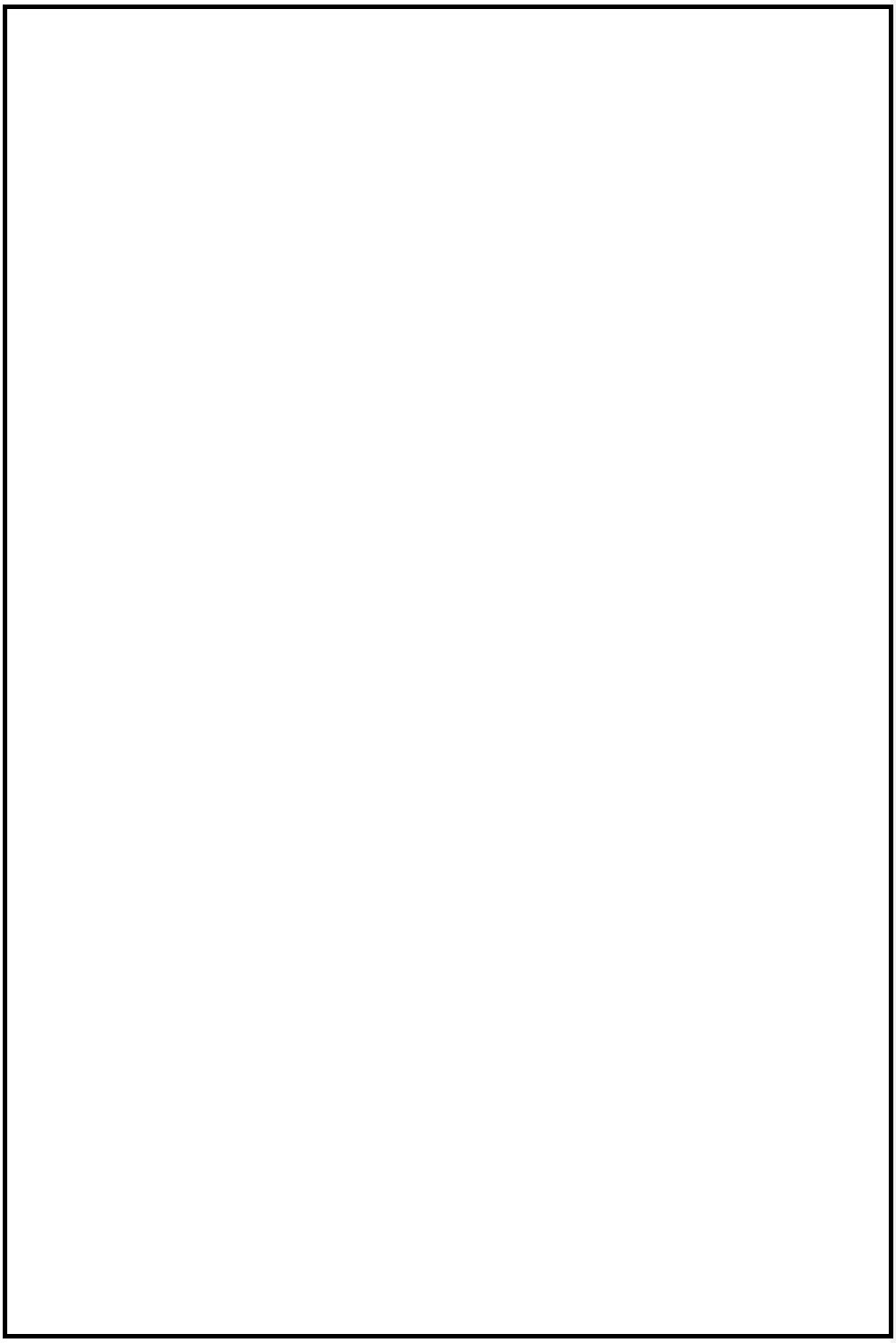
Assigned Pennsylvania-produced supplies shall be recallable by the Company only under the following circumstances:

(1) the Customer on whose behalf the supplies have been assigned is no longer served by the NGS; or

(2) the NGS has failed to comply with terms and conditions set forth herein.

Assignment of Upstream Pipeline Capacity

This section applies to the Company's upstream pipeline capacity on Eastern Gas Transmission and Storage ("EGTS"), Texas Eastern ("TETCO"), Equitrans, and any other pipelines on which the Company may contract for capacity from time to time, excluding National Fuel Gas Supply Corporation and Columbia Gas Transmission, LLC.



RATE P-1
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued)

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a zero cost release of capacity provided, however, that the NGS should be responsible for paying all usage based pipeline charges. The term of the release shall be on a monthly basis, commencing with the first month in which the NGS rendered commodity service to the Customer to the earlier of the end of the seasonal period (Winter releases shall terminate March 31 and summer releases shall terminate October 31) or the termination date of the contract(s) between the Company and the upstream pipeline or the last month in which the NGS renders commodity service to the Customer on whose behalf the capacity had been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system. The NGS is responsible for paying all upstream pipeline variable charges incurred on the upstream pipeline.

The firm transportation capacity released pursuant to the previous section shall be recallable by the Company only under the following circumstances:

a. the Customer on whose behalf the capacity has been assigned is no longer served by the NGS; or

b. the NGS has failed to comply with the terms and conditions set forth herein.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline storage capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at zero cost and may be subject to conditions of release (including, but not limited to, injection and withdrawal rights) that differ from the applicable upstream pipeline storage service. The release shall terminate at the end of the then-current storage season pursuant to the applicable upstream pipeline rate schedule terms and conditions; provided, however, the Company may in its discretion release such capacity on a monthly basis.

Capacity released pursuant to this section shall be recallable by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.

Assignment of Other Supplies

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its Supplier of last resort obligation to Priority-One Customers. To the extent that a Priority-One Supplier receives an assignment of the Company's capacity it holds on the Equitrans System, the Company may provide Priority-One suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the Priority One Customer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of Supplier of last resort Customers currently served by the Company. ~~(C)~~

~~(C) Indicates Change~~

ISSUED: March 27, 2026
PEOPLES NATURAL GAS COMPANY LLC

EFFECTIVE: May 26, 2026
GAS—PA PUC NO. S-5
ORIGINAL PAGE NO. 24

RATE P-1
PRIORITY ONE POOLING SERVICE

Assignment of Other Supplies (continued)

Such gas shall be sold to the NGS as agent for the Customer of the NGS's Priority One Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

1. The Customer on whose behalf the supplies have been sold is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

Determination of Assignment Quantities

Unless provided otherwise herein, assignments of Pennsylvania-produced and other supplies, upstream pipeline firm transportation capacity and upstream pipeline storage capacity shall be assigned on a *pro rata* basis in accordance with the supply portfolio held by the Company at the time of assignment to serve its Priority-One Customers; provided, however, the Company shall not be required to assign capacity that is de minimis in nature. The Company will endeavor to accommodate a Priority-One supplier's request for particular upstream pipeline capacity on a first-come first-served basis.

The Company will evaluate the capacity and supply assignments made to the NGS as agent for Customers of the NGS's Priority-One Pool monthly based on the methodology set forth above. The evaluation will include an assessment of whether the upstream pipeline storage capacity assignments are adequate to serve the needs of the Customers of the Pool Operator at that time. To the extent that the evaluation so indicates, revisions to the upstream pipeline storage and storage capacity assignments will be made effective with the summer period. To the extent that the winter evaluation so indicates, the Company may require the NGS to secure additional reliable natural gas commodity, capacity and delivery service to meet the needs of the NGS's Customers. In addition to the preceding, the Company will evaluate the capacity assignments made pursuant to this section from time to time to ensure adequate compliance with its provisions.

Capacity assigned to the NGS hereunder by the Company may be traded with other Priority-One NGSs as long as each NGS retains an aggregate amount determined by the Company to be necessary to satisfy the total demands of the NGS's Customers. Such trading may occur no more frequently than twice per calendar year unless otherwise agreed to by the Company. Any capacity trades must be reduced to writing and provided to the Company for final approval.

Any assignments made pursuant to this tariff are made subject to any order of the Commission. Should the Commission, or anybody authorized by law require a disallowance in the Company's rates that is directly attributable to the Company's assigning or transferring gas supplies to the NGS pursuant to these procedures, the NGS agrees to reimburse to the Company within 30 days of notification of any monies disallowed by the Commission or such other body that are directly attributable to the NGS. The Company shall provide such notification no later than thirty (30) days after a final order is entered by the Commission or other such body.

ISSUED: March 27, 2026
PEOPLES NATURAL GAS COMPANY LLC

EFFECTIVE: May 26, 2026
GAS—PA PUC NO. S-5
ORIGINAL PAGE NO. 25

RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures

Refer to Rule 11 of the Rules and Regulations.

3. Storage Gas Transfers

Storage Gas Sold by the Company

a. Storage gas transfers may be required by the Company under the following conditions:

i. The NGS is unable to attain the storage inventory level required by the upstream storage service as a result of Customers initially receiving service from the NGS after the commencement of the Summer Period; or

ii. The NGS is assigned upstream pipeline storage capacity during the Winter Period as a result of Customers initially receiving service from the NGS during the Winter Period.

b. The maximum volume of storage gas transfers for the applicable month shall be determined as follows:

i. For assigned upstream pipeline storage capacity, the maximum storage gas transfer shall be the upstream pipeline storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's upstream pipeline storage inventory level to the Company's upstream pipeline storage capacity.

Storage gas transfers shall not be allowed if in the Company's sole discretion it determines such transfers would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The storage gas transfer price each month shall be at the Company's estimated commodity cost of storage gas for the year, plus any applicable taxes. The storage gas transfer price shall be reconciled each calendar year to take into account the actual commodity cost of gas injected into storage net of withdrawals for the current year and, as applicable, the commodity cost of gas from previous years' LIFO inventory layers. The Company shall bill such additional costs as soon as practicable. With respect to storage gas transfers from upstream pipeline storage capacity, the NGS will pay an additional charge equal to the upstream pipeline storage capacity injection and storage fuel charges.

Storage Gas Purchased by the Company

In the event 1) the NGS's Priority-One Pooling Agreement is terminated or canceled or 2) the NGS is no longer serving Customers on whose behalf the storage capacity has been assigned and to the extent the Company in its sole judgment determines it operationally requires such storage capacity to serve the returning Customers, the Company shall have the right, but not the obligation to purchase up to the remaining storage gas in upstream pipeline storage inventories or up to the volumes in storage attributable to the NGS's load loss, respectively. The buyback rate shall be the lower of 1) Storage Gas Transfer Price or 2) the midpoint index price for gas delivered to Eastern Gas Transmission and Storage 's Appalachia Eastern Gas South index as published on the effective date of the buyback plus firm transportation changes to bring the gas to the Company's system, including applicable fuel retainage.

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RATE P-1
PRIORITY ONE POOLING SERVICE

3. Storage Gas Transfers (Cont.)

To the extent this provision is invoked and the NGS's storage gas in inventory is below the minimum inventory levels required by these procedures and the Company is required to purchase additional gas supplies on the open market, the NGS agrees to pay the Company an amount equal to the deficiency in volumes from the required inventory levels multiplied by the difference between the price the Company paid and the buyback rate.

4. Load Forecasting

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when Pool Operators must deliver volumes to the Company. The Company may issue OFOs consistent with the terms of the Company's tariff and, as a result, may provide the Pool Operator with daily projections less than two days in advance.

In a format suitable to the Company, the Pool Operator will provide sufficient information about the Priority-One transportation Customers, whose natural gas requirements shall be supplied by the Pool, for the Company to identify them in the Company's billing system. In the event that those Customers shall vary during the term of the Priority One Agreement, Pool Operator shall provide an updated list of Customers to the Company as soon as reasonably possible.

Each of the Customers of Pool Operator's Priority-One Pool must have all of their natural gas consumption over the entire Customer Billing Cycle supplied by Priority-One Pool volumes nominated by Pool Operator. Seven business days prior to the first nomination period, the Company shall provide Pool Operator an initial listing of the end-use Customer accounts to be served by the Pool Operator's Priority-One Pool during the period to which the nominations apply and one week prior to the nomination period for each subsequent month, a listing with additions and deletions from the initial list.

Each Monday through Friday before 10:00 a.m., the Company will provide a projection of the Aggregate Daily Consumption Volume of the Customers of the Pool Operator's Priority-One Pool for the current and subsequent two days. During periods in which no Operational Flow Orders have been issued, the Company will use the following schedule to establish the Aggregate Daily Consumption Volume for which the Pool Operator will be held accountable:

The Projection Provided On:	Will Be Used to Establish the Aggregate Daily Consumption Volume Accountability for the Following:	
Monday	Wednesday	
Tuesday	Thursday	
Wednesday	Friday	
Thursday	Saturday, Sunday and Monday	~~(C)~~
Friday	Tuesday	~~(C)~~

a. During periods in which an OFO is in effect, the Company shall establish the Aggregate Daily Consumption Volume no later than 10:00 a.m. of the same Day; or

b. During periods when the mean average temperature is projected to be below 20 degrees Fahrenheit and the mean average temperature projection changes to be colder by at least 4 degrees Fahrenheit, the Company may establish the Aggregate Daily Consumption Volume for a particular day by giving 24 hour notice to the Pool Operator.

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RATE P-1
PRIORITY ONE POOLING SERVICE

5. Daily Gas Deliveries and Balancing

The Pool Operator must acquire an adequate supply of natural gas (including any assigned volumes) of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and arrange for the delivery of such gas supply to delivery points specified by the Company.

Any differences between the Aggregate Daily Consumption Volume and the Daily Available Volumes during periods in which no OFOs have been issued shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

In the event the Pool Operator fails to provide Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 50% of daily pool requirements for five or more days in each of two consecutive month the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

6. Reconciliation of Monthly Volumes

The difference between aggregate monthly consumption volume and the sum of the aggregate daily consumption volume, as adjusted for any prior month billing corrections, shall be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's aggregate daily consumption volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

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RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

AVAILABILITY

Service under this rate schedule is available to any Non-Priority One Pool Operator who has entered into a Non-Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Customers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

Unless otherwise agreed to by the Company, an NGS that operates both a P1 and NP-1 pool must serve its P1 Customers from its P1 pool and serve its NP-1 Customers from its NP-1 pool. If the Non-Priority One Pool Operator supplies Priority One Customers with a total annual consumption greater than 30,000 mcf and does not operate a P1 pool, then the Non-Priority One Pool Operator shall establish a separate Priority One Pool for these Customers or eliminate sufficient Priority One Customers from the Non-Priority One Pool to reduce the total annual consumption by Priority One Customers to an amount less than 30,000 mcf.

RULES AND CONDITIONS

1. **Scheduling of Service**

All transportation volumes received for Pool Operator's account at transportation receipt points shall be nominated in advance according to the procedures set forth below. Pool Operators may not nominate volumes in excess of the total maximum daily volumes of its Customers as determined by the Company or as set forth in a Customer's transportation contract with the Company, times the number of days in the month. The Company may issue Operational Flow Orders consistent with the terms of the Company's tariff.

2. **AVC Capacity**

Consistent with FERC's rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system may be assigned to the NGS as agent for the Customers of the NGS's Non-Priority One Pool. The assignment shall be structured as a zero cost release of capacity, provided, however, that the NGS should be responsible for paying all usage based pipeline charges. Assigned capacity shall be subject to recall to at the Company's discretion.

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RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

4. Supply Option

The Company may make available gas supplies to Non-Priority One pools upon request. Supplies sold under this section may be recalled by the Company upon 24-hour notice.

5. Nomination Procedures

Refer to Section 11 of the Rules and Regulations.

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes

AVAILABILITY

The Company will make available for purchase by Non-Priority One pool volumes used by the Company to provide balancing services for Non-Priority One Customers.

The Company will purchase balancing volumes based on the Summer Period schedule set forth below. Such volumes shall be purchased by the Company at the first of the month Eastern Gas ~~Transmission and Storage ("EGTS")~~ Appalachia Index price as published in *Inside FERC's Gas Market Report*. The Company will sell balancing volumes on the Winter Period schedule set forth below. Such monthly volumes shall be sold to Non-Priority One pools at a price equal to the sum of:

1. Weighted average cost of balancing volumes purchased during the summer season;
2. The Company's carrying costs associated with balancing volumes purchased by the Company to be sold to Non-Priority One pools. The rate used to calculate the carrying costs shall be based on the Company's actual short-term debt cost rate; and
3. Any applicable interstate pipeline volumetric charges and fuel associated with the delivery of any balancing volumes to the Company's system.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

All of the revenues generated by the sale of balancing gas to the Non-Priority One pools shall be credited to Customers through the 1307(f) mechanism.

The amount of balancing volumes to be made available for purchase by each Non-Priority One pool will be determined based on the percentage of projected balancing fee revenues served by each Non-Priority One pool to total projected balancing fee revenues served by all Non-Priority One pools, based on January business of each year. The Company will inform each Non-Priority One pool of its allocation of balancing volumes available for purchase no later than nine business days before the end of March and each Non-Priority One pool must inform the Company of the amount of balancing volumes to be purchased, up to 100 percent of its allocated volumes, no later than six business days before the end of March. Any balancing volumes not accepted for purchase by a Non-Priority One pool shall be utilized by the Company and will not be made available to other Non-Priority One pools throughout the winter season. The amount of balancing volumes accepted by a Non-Priority One pool shall be final for the ensuing winter period and shall fix the volume of balancing to be purchased and which the Non-Priority One pool is obligated to utilize throughout the entire winter period.

SUMMER PERIOD PURCHASE
Balancing volumes will be purchased by the Company according to the following schedule, with daily purchase volumes in a given month determined by dividing the monthly amount by the number of days in the month:

April and October - 1/12th of allocated balancing volumes
May – September - 1/6th of allocated balancing volumes

WINTER PERIOD SALE
Balancing volumes shall be sold by the Company according to the following schedule, with daily volumes in a given month determined by dividing the monthly amount by the number of days in the month:

November - 9 percent of allocated balancing volumes
December - 17 percent of allocated balancing volumes
January - 27 percent of allocated balancing volumes
February - 27 percent of allocated balancing volumes
March - 20 percent of allocated balancing volumes

OTHER PROVISIONS

Annual Level of Balancing Volumes to be Made Available for Purchase
On an ongoing annual basis, the Company shall review the total level of balancing volumes made available for sale to Non-Priority One pools and, based on changes in the total annual volumes served by all Non-Priority One pools, may revise from year to year the total level of available balancing volumes. Any proposed revisions to the total level of balancing volumes shall be reflected in the Company's annual 1307(f) filings and will be determined by multiplying a factor of 46.7% times forecasted January Non-Priority One transportation usage. The Company shall~~, for a period of three years~~, notify active Non-Priority One suppliers of any proposed revision to the total level of balancing volumes at the time of any annual 1307(f) filing containing such a revision.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE

6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)

Calendar Month Pool Supply
Balancing gas volumes purchased will be considered as part of the Monthly Available Volumes during periods in which no OFOs have been issued and will have first priority.

All Supplier Tariff provisions shall apply to Non-Priority One pool access to balancing volumes unless otherwise modified herein.

7. Daily Load Forecasting and Balancing

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the Customers in the pool (Aggregate Daily Consumption Volume) at least 7 days in advance of the start of the month. This projection will be based on estimated monthly usage divided by the number of days within the month. The Aggregate Daily Consumption Volume will remain the same throughout the month and any difference in actual monthly usage will be reflected in the calculation of the following month's Aggregate Daily Consumption Volume. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.

Any difference between the Customers' Aggregate Daily Consumption Volume and the Daily Available Volumes, during periods in which no OFOs have been issued, shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern Gas South on the day the excess occurs multiplied by 85%.

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion, in accordance with reasonable and standard industry practice, terminate the Pooling Agreement.

The difference between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections, may be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods made available by the Company including, but not limited to, the selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE (cont.)

8. Local Gas Volumes

Refer to Rule11, part (c), for nomination and reconciliation details.

RATE LGA
LOCAL GAS AGGREGATION SERVICE

AVAILABILITY

Service under this rate schedule is available to any Aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system.

RULES AND CONDITIONS

1. **Points of Receipt**

   The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its Measurement Operating Agreement with the Company or any other designated point where gas is delivered into the Company's system. The Aggregator will pay for any investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. **Nomination of Aggregated Production**

   Refer to Rule 11 of the Rules and Regulations.

3. **Aggregation Balancing**

   Volumes nominated into a Local Gas Aggregation Pool shall equal the volumes delivered out of the Local Gas Aggregation Pool. Aggregators will not be permitted to deliver more gas out of the pool than is nominated into the pool in any given month. If daily volumes nominated into a Local Gas Aggregation Pool are greater than the daily volumes delivered out of the Local Gas Aggregation Pool, those volumes shall be sold to the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Eastern South on the day the excess occurs multiplied by 85%.

4. **Procedures When a Local Gas Aggregator Exits the System**

   Refer to Rule 11, part (c).

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RATE SBS
SUPPLIER BILLING SERVICE

AVAILABILITY

Service under this rate schedule is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas supplied by the NGS.

RULES AND CONDITIONS

1. Limitations

The Company shall provide service under this rate schedule provided that its billing systems have the capacity and capability to bill the rate plans offered by the NGS. The Company shall maintain a limited amount of billing system space and accordingly, shall offer only a limited number of price plans per NGS. The Company shall not be required to make programming changes to accommodate the NGS's rate structure.

2. Notifications

Prior to the NGS commencing marketing, the NGS shall provide a written copy of its rate structure to the Company. All rate information received by the Company shall be confidential.

The NGS shall be notified within ten (10) business days after the Company receives a written copy of the NGS's rate structure if such rate structure can (or cannot) be accommodated by the Company's billing system. The NGS shall not commence marketing until it receives a positive affirmation that its rate structure can be accommodated by the Company.

The NGS must provide fifteen (15) day's notice to the Company of any rate changes, which changes shall be subject to the Company's approval based on the Company's ability to accommodate such changes in its programming. Approved rate changes shall be effective on the Customer's next billing date.

3. Bill Content

The bill sent to the Customer shall be provided under the following conditions:

a. The NGS's name, phone number, business address and internet address shall appear on the bill so the NGS can answer any Customer questions regarding commodity charges.

b. The billing envelope shall not provide space for inserts from the NGS. The bill shall not include messages from the NGS.

c. The bill shall contain the NGS's Commodity charges. The Company shall not be required to bill any charges other than gas commodity charges.

d. The Company will house, bill and display sales tax on the commodity and remit sales tax to the state. The NGS appoints the Company as its agent for the limited purpose of collecting and remitting the NGS's sales tax, and further agrees to indemnify and hold the Company harmless for any claims, suits and/or damages that arise due to the Company acting as the NGS's agent in collecting and remitting such taxes.

e. The Company shall offer a separate billing option for residential Customers to equalize monthly payments.

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RATE SBS
SUPPLIER BILLING SERVICE

4. Purchase of Receivables

NGSs that receive service under this rate schedule may elect to have the Company purchase its accounts receivables. The NGS's option to participate or not participate in the Purchase of Receivables (POR) program is limited to once per year. If an existing NGS elects to participate in the POR program, the Company will not purchase accounts receivable balances that existed prior to the NGS's election to participate in the POR program.

Purchase of Receivables Option

The following operating rules will apply to any NGS electing to participate in the POR program:

1. The POR program is only available to NGSs that operate a P-1 or NP-1 pool. The Company shall purchase receivables for all Customers in a participating pool. All Customers served from a P-1 pool are eligible to have their receivables purchased by the Company. If an NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business Customers consuming less than 1,000 Mcf annually. NGSs serving NP-1 Customers and participating in the POR program must operate a separate NP-1 pool for residential and small business Customers (POR pool) and a separate NP-1 pool for all other Customers;
2. The NGS must include all of its accounts receivable related to commodity sales in its P-1 pool or its NP-1 POR pool (Refer to Availability under Rate P-1 and Rate NP-1);
3. Only receivables associated with basic gas supply will be eligible for purchase by the Company. Basic gas supply does not include a non-gas supply product, carbon-neutral products not tied to the actual provision of natural gas to Customers or security deposits assessed by a natural gas supplier. For residential accounts, basic gas supply shall also not include early contract cancellation fees or late fees;
4. In order to participate in the POR program, the NGS must use consolidated billing services under this rate schedule. Should the NGSs participating in the POR program wish to offer products that are bundled with non-basic services, or where the Company's billing service cannot accommodate the NGS's charge for basic supply, the NGS may issue a separate bill for such service or product for that Customer. NGS separately billed items will not be included in the POR program;
5. The Company will purchase NGS receivables at a discount rate equal to the write-off factor used to derive the Merchant Function Charge. The discount rate for residential Customer receivables is ~~2.20~~1.930%. The discount rate for commercial and industrial Customer receivables is 0.~~332~~423%. The discount rate applicable to each POR pool (Pool Discount Rate) shall be established by the Company and shall be based on the weighted average of the class specific accounts receivables and the class specific discount rates stated above. The Company shall have the right to review and adjust the Pool Discount Rate on a monthly basis to reflect the actual mix of Customers served by the pool;
6. ~~An administrative adder of 0.0213% will also be applicable to purchased receivables. The administrative adder will be eliminated once actual costs of establishing the POR program are recovered;~~
7. ~~7.~~6. The Company shall terminate for the full amount of purchased receivables and require full payment for reconnection in accordance with the service termination provisions of Chapter 14 of the PA Public Utility Code and Chapter 56 of the Commission's regulations;
8. ~~8.~~7. The Company shall inform all eligible Customers by separate bill insert of the policy for termination of service and that service may be terminated for failure to pay NGS supply charges. Further, the enrollment letter sent to Customers selecting a NGS shall state that service may be terminated for failure to pay NGS supply charges;
9. ~~9.~~8. The NGS must confirm to the Company that their Customer terms and conditions are appropriately revised to reflect their collection rights; and
9. The NGS will not deny service to residential Customers whose accounts are included in POR for credit-related reasons and will not ask residential Customers for deposits separate from any deposit required by the Company pursuant to Commission regulations.

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RATE SBS
SUPPLIER BILLING SERVICE

~~Purchase of Receivables (continued)~~

~~10.1. The NGS will not deny service to residential Customers whose accounts are included in POR for credit related reasons and will not ask residential Customers for deposits separate from any deposit required by the Company pursuant to Commission regulations.~~

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Non-Purchase of Receivables Option

The Company will remit to the NGS on a monthly basis all amounts actually paid to the Company by the Customer relating to the charges billed to the Customer on behalf of the NGS, net of amounts due to the Company from the NGS. The amounts remitted to the NGS shall also conform to requirements on the Application of Partial Payments – Rule 5.

5. Application of Partial Payments

The Company will apply partial payments in accordance with Commission guidelines. The following order for the application of partial payments shall apply to all residential Customers and for other Customers whose gas supply contract does not specify the application of partial payments:

a. Payment agreement for pre-existing balance;
b. Current company charges;
c. NGS charges;
d. Non-basic service charges; and
e. Hardship energy fund contribution.

RATE TABLE

Billing Fee: $0.~~15~~25 billing charge per Customer per month.

To the extent the NGS has provided the Company with inaccurate or erroneous information which requires an adjustment to Customer's bills, the NGS agrees to pay the Company $2.00 per bill for bill credits and $4.00 per bill for any Customer's bill that must be canceled and rebilled. The Company may assess a nominal fee to a NGS for reproduction copies of any daily or monthly file previously provided by the Company.

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EFFECTIVE: May 26, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
	:	
	:	
Peoples Natural Gas Company LLC	:	

PREPARED DIRECT TESTIMONY OF
ANTON RIBICH
FINANCE AND RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 14

PREPARED DIRECT TESTIMONY OF
ANTON RIBICH

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Anton Ribich and my business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies") as a Finance and Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE IN THE GAS INDUSTRY.

A. I received a Bachelor of Arts degree in Accounting from Washington and Jefferson College in 2013 and a Master of Business Administration degree with a concentration in Business Analytics from California University of Pennsylvania (now known as Pennsylvania Western University) in 2021.

Prior to joining Peoples, my experience in the gas distribution industry began when I was employed as a Regulatory Analyst for Columbia Gas of Pennsylvania and Columbia Gas of Maryland (both NiSource Inc. subsidiaries) from 2020 to 2024. As a Regulatory Analyst, I assisted in the coordination of regulatory activity, including rates and tariffs, before the Pennsylvania Public Utility Commission ("Commission") and the Public Service Commission of Maryland. In March 2024, I joined Peoples in my current role as a

Finance and Rates Analyst. My general responsibilities in my role at Peoples include analyses, computations, and support of rates and regulatory activity for the Company.

Q. HAVE YOU PREVIOUSLY OFFERED TESTIMONY IN REGULATORY PROCEEDINGS?

A. Yes. I have previously submitted testimony before the Maryland Public Service Commission in regulatory proceedings, supporting Columbia Gas of Maryland's Purchased Gas Adjustment in Case No. 9510(r). Additionally, I have testified before this Commission at Docket No. R-2025-3053184 supporting the Company's 2025 1307(f) Purchased Gas Cost proceeding as the Design Day Planning witness.

Q. ARE YOU SPONSORING ANY FILING REQUIREMENTS OR OTHER EXHIBITS IN THIS PROCEEDING?

A. Yes. Attached to this Direct Testimony as Appendix A is a complete list of the exhibits for which I am the responsible witness.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I am responsible for developing the value of Cash Working Capital. I have also prepared **Peoples Natural Gas Exhibit No. AR-1**, which includes the lead-lag study in support of the Company's cash working capital requirement pursuant to Section 53.53 III. A.15 of the Commission's standard filing requirements.

Q. HAS THE COMPANY PERFORMED A STUDY TO DETERMINE THE LEVEL OF CASH WORKING CAPITAL REQUIRED TO FINANCE ITS DAY-TO-DAY OPERATIONS?

A. Yes, the Company performed a lead-lag study by analyzing the Company's cash transactions and invoices for the twelve months ended November 30, 2025.

Q. PLEASE DEFINE WHAT YOU MEAN BY THE PHRASE "CASH WORKING CAPITAL".

A. Cash working capital is the amount of funds required to finance the day-to-day operations of the Company.

Q. HOW ARE THE RESULTS OF THE CASH WORKING CAPITAL ANALYSIS TREATED FOR RATEMAKING PURPOSES?

A. The cash working capital requirements are included as part of the Company's rate base for ratemaking purposes.

Q. WHAT IS A LEAD-LAG STUDY?

A. A lead-lag study is used to track the timing of cash flow within a utility. The study is performed by analyzing the differences between the revenue "lags" and the expense "leads" of the Company. The revenue lag reflects the time between the date customers receive service and the date that customers' payments are available to the utility. This revenue lag is offset by an expense lead time, or the time between the utility incurring costs for goods or services and the disbursement of subsequent payments for those goods or services. The

leads and lags are both measured in days. The dollar-weighted lead and lag days are then divided by 365 to determine a daily cash working capital factor ("CWC factor") for each specified expense category in the study. These CWC factors are then multiplied by the applicable annual test year cash expenses to determine the amount of cash working capital required for operations. The resulting amount of cash working capital is then included as part of the utility's rate base.

Q. WHAT ARE THE VARIOUS LEADS AND LAGS THAT SHOULD BE CONSIDERED IN A CASH WORKING CAPITAL ANALYSIS?

A. Two broad categories of leads and lags should be considered: 1) lag times associated with the collection of revenues owed to the utility; and 2) lead times associated with the payments for goods and services received by the utility.

Q. WHAT WAS THE SOURCE OF INFORMATION YOU EMPLOYED TO DETERMINE THE LEADS AND LAGS IN YOUR CASH WORKING CAPITAL ANALYSIS?

A. Data from the Company's Accounts Payable, Accounts Receivable ("A/R"), Payroll, and Tax accounts were utilized. The information derived from these sources, together with analyses of specific invoices, led to the determination of the appropriate number of lead-lag days for the Company.

Q. WHAT IS A REVENUE LAG AND HOW IS IT DETERMINED?

A. The revenue lag measures the number of days from the date service was rendered by the Company until the date payment was received from customers and such funds were available to the Company. In this study, the revenue lag was divided into three distinct components: 1) service lag; 2) billing lag; and 3) collections lag. Considered together, these three components of retail revenue lag totaled a weighted average of 58.93 lag days. An explanation of each component of the base revenue lag follows.

Q. WHAT IS MEANT BY SERVICE LAG?

A. The service lag refers to the period of time from when service is rendered to the time the customer's meter is read. Using the mid-point methodology, the average service lag associated with meter reading was 15.21 days (365 days in the year divided by 12 months divided by 2). Twelve months was appropriate to use for purposes of determining the service lag because the Company bills its customers monthly.

Q. WHAT IS THE MID-POINT METHODOLOGY?

A. For purposes of determining the service lead or lag, the Company's methodology presumes that the service was provided (or received) evenly over a given period (i.e., a month). Adding the one-half month to the derivation of the lead or lag is referred to as the mid-point methodology.

Q. WHAT IS MEANT BY BILLING LAG?

A. Billing lag refers to the average number of days from the date on which the meter was read until the date a customer is billed. Based upon the percentage weighted distribution of the mailing of the bills, the Company determined the billing lag to be 1.0 day.

Q. WHAT IS MEANT BY COLLECTIONS LAG?

A. The collections lag refers to the average amount of time from the date when the Company mailed a bill to the date that the Company received payment from its customers. As shown on page 2 of **Peoples Natural Gas Exhibit No. AR-1**, the Company calculated collections lag using the days in accounts receivable methodology. First, average monthly accounts receivable is calculated by adding the end of month accounts receivable balances for each month in the preceding 12 months to the historic test year and dividing the total by 12. Then, A/R Turnover is calculated by taking the trailing twelve months sales divided by the average accounts receivable balance. Finally, we calculate the collection days lag by taking 365 divided by the A/R Turnover previously calculated. Based on this approach, the average collection lag at the Company was determined to be 42.72 days.

Q. PLEASE SUMMARIZE THE CALCULATION OF REVENUE LAG DAYS.

A. The calculation of the overall revenue lag, by lag component is summarized in the following table:

Revenue Lag Component	Lag Days
Service Lag	15.21
Billing Lag	1.0
Collections Lag	42.72
Total Lag Days	58.93

Q. WHAT EXPENSE-RELATED LEADS WERE CONSIDERED IN THE LEAD LAG ANALYSIS?

A. Lead times associated with the following expense categories were considered in the study: a) Gas Purchase Costs; b) Payroll; c) Benefits; d) Taxes other than Income Taxes; e) Other Operations and Maintenance Expenses; f) Federal Income taxes; g) State Income Taxes; and h) Interest on Long-term Debt.

Q. WHAT TYPES OF LEADS WERE ASSOCIATED WITH THE COMPANY'S PURCHASES OF NATURAL GAS?

A. Pipeline companies typically send out invoices around the 10th of the month following the service month with payments due 10 days later. Payments to suppliers were made electronically. The Company also purchases gas from local producers. The Company reads the meters at the end of each month and cuts a check to the producer on the last day of the following month. As shown on pages 3 through 6 of **Peoples Natural Gas Exhibit No. AR-1**; the Company used payment data for the twelve months ended November 30, 2025, and determined that the expense lead time associated with payments for natural gas and pipeline services, including an average of 14.7 days of service lead time, was 33.52 days.

Q. PROVIDE AN EXPLANATION OF THE LEAD ASSOCIATED WITH THE COMPANY'S PAYROLL EXPENSES.

A. The Company's payroll records were analyzed to measure the number of lead days between the Company's receipt of services from its employees and the payment for those services. This includes union and salaried payroll as well as annual incentive payout. As shown on

page 7 through 9 of **Peoples Natural Gas Exhibit No. AR-1**, payroll lead days were calculated by calculating the unweighted (or nominal) lead time by pay day and pay-cycle including a mid-point of the pay period as indicative of a service lead time and weighting the resulting lead days by the amounts paid out by the Company to cover its payroll obligations. The Company's pay-roll cycles are bi-weekly, resulting in a total average payroll expense lag of 15.66 days.

Q. WHAT TYPE OF LEADS ASSOCIATED WITH THE COMPANY'S EMPLOYEE BENEFIT PROGRAMS WERE CONSIDERED IN THE ANALYSIS?

A. As shown on page 10 of **Peoples Natural Gas Exhibit No. AR-1**, the estimated lead times associated with the following major categories of the Company's employee benefit programs were considered: employee benefits including medical, dental, group life, group health, and other employee programs. The medical benefits calculation is for lead time of premium payments and is based on the midpoint of an estimated monthly premium amount. These premiums are typically paid in full before the next month of coverage begins. The monthly amortization of the Company's annual contribution to employee health savings accounts ("HSA's") is also included in these benefits programs. All of these benefits and programs taken together, had a dollar-weighted lead time of -3.68 days.

Q. HOW WAS THE EXPENSE LEAD TIME ASSOCIATED WITH THE COMPANY'S OTHER BENEFIT PROGRAMS DETERMINED?

A. The Company is billed monthly by each of its benefit providers. The bill may consist of service costs and/or administrative fees. The invoices are typically paid within one week

following the receipt of the invoice. Funds for 401K accounts are sent the day following pay day. Employer HSA contributions are paid annually and amortized over a 12 month period.

Q. WHAT ARE OTHER OPERATIONS AND MAINTENANCE EXPENSES AND WHAT LEAD TIMES WERE ASSOCIATED WITH SUCH EXPENSES?

A. The Company engages in transactions with other vendors (not associated with pensions, benefits, payroll, natural gas and pipeline services, or taxes) for a variety of purposes including facility maintenance, maintenance of system reliability, and customer service. As shown on pages 11 through 15 of **Peoples Natural Gas Exhibit No. AR-1**, a random sample of invoices from these service providers was analyzed to estimate a lead time for payment of services related to operations and maintenance activities. The analysis indicates that on average, invoices were paid by the Company 42.87 days after receipt.

Q. WHAT ARE THE GENERAL TAXES CONSIDERED IN THE ANALYSIS OF EXPENSE LEADS?

A. As shown on page 16 through 17 of **Peoples Natural Gas Exhibit No. AR-1**, the following general taxes and similar assessments were considered in the study: a) property taxes; b) State & Federal Alternative Fuel Taxes; c) U.S. DOT Fees; d) Federal Heavy Highway Taxes; e) PUC assessments; f) WV Gas Stored Tax; g) PURTA; and h) Sales and use taxes. Payroll-related taxes were not considered in the analysis because the funds associated with those taxes are forwarded to our payroll processor, at the same time as the payroll funds. The payroll processor is then responsible for remitting the funds to the appropriate taxing bodies. When dollar-weighted using twelve months ended November 30, 2025 actual

payments, the weighted expense lead time for all categories of these general taxes was determined to be 68.92 days. This weighted lead time was then used in computing the cash working capital requirement associated with taxes other than income taxes.

Q. HOW DID YOUR STUDY ADDRESS INCOME TAXES?

A. As shown on page 18 of **Peoples Natural Gas Exhibit No. AR-1**, for Federal and State income taxes, the statutory payment schedules relative to each tax were utilized to arrive at 35.63 and 53.61 lag days, respectively.

Q. PROVIDE A DESCRIPTION OF HOW LEAD TIMES ASSOCIATED WITH THE COMPANY'S INTEREST EXPENSE ON LONG-TERM AND SHORT–TERM DEBT WERE ADDRESSED BY THE STUDY.

A. As shown on page 19 of **Peoples Natural Gas Exhibit No. AR-1**, interest expense on long-term debt was assigned expense lag days based on the semi-annual payments of the Company's installment promissory notes to arrive at an average of 57.92 days. Short-term debt is not applicable to this study as the Company is not making a claim for short-term debt interest in this case.

Q. HAVE YOU PREPARED AN EXHIBIT THAT SUMMARIZES THE RESULTS OF YOUR ANALYSIS OF THE COMPANY'S CASH WORKING CAPITAL REQUIREMENTS?

A. Yes. The results of the cash working capital study are presented in **Peoples Natural Gas Exhibit No. AR-1**, page 1. As shown on page 1, the total cash working capital claim is

$47,681,867. This amount is included in rate base in Peoples Exhibit No. 8, Schedule 2. **Peoples Natural Gas Exhibit No. AR-1** is attached following my testimony.

Q. DOES THIS COMPLETE YOUR PREPARED DIRECT TESTIMONY?

A. Yes. I reserve the right to submit additional testimony as issues arise during the course of this proceeding. Thank you.

Appendix A

Filing Requirements Sponsored by Anton Ribich:

Exhibit	**Filing Requirement**
Exhibit 8, Schedule 17	53.53.III.A.15
Exhibit 19, RR. 18	VI.I.RR.18
Exhibit 19, RR. 36	VI.II.RR.36

Line No.	Description	Revenue Lag	Expense Lead	Net Lag	CWC Factor	Adjusted Historic Test Year Expenses	Historic Test Year Cash Working Capital Requirement	Future Test Year Expenses	Future Test Year Cash Working Capital Requirement	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement
	(A)	(B)	(C)	(D)	(E)	(F)	(G)				
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	499,400,741	34,764,662	504,554,039	35,123,397	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	66,528,154	7,885,320	70,460,096	8,351,358	74,274,937	8,803,516
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,532,769	3,178,744	17,835,994	3,059,233	19,387,857	3,325,409
4	**Taxes Other Than Income Taxes**	58.93	68.92	(10.00)	(0.0274)	12,191,871	(334,005)	12,729,717	(348,740)	13,759,055	(376,940)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	134,873,157	5,934,192	120,995,845	5,323,614	125,682,352	5,529,812
	Income Taxes										
6	State	58.93	53.61	5.31	0.0146	166,011	2,416	-	-	175,807	2,559
7	Federal	58.93	35.63	23.30	0.0638	(34,547,615)	(2,205,375)	(60,022,534)	(3,831,587)	(80,732,103)	(5,153,599)
	Interest Expense										
8	Long Term Debt	58.93	57.92	1.00	0.0027	83,261,982	228,885	99,237,668	272,802	121,014,900	332,667
9	Short Term Debt		-	-	-	-	-	-	-		-
10	**Total**					$ 780,407,070	$ 49,454,839	$ 765,790,824	$ 47,950,077	$ 779,482,194	$ 47,681,867

Calculation of Revenue Lag Time

Line No.	Description	(A) Reference or Factor	(B) Accounts Receivable Balance End of Month	(C) Total Monthly Sales	(D) A/R Turnover	(E) Days Lag
					(C) / (B)	365 / (D)
1	Annual Number of Days					365
2	November, 2024		$ 66,336			
3	December		$ 101,437	$ 133,205		
4	January		$ 145,705	$ 184,230		
5	February		$ 178,118	$ 140,102		
6	March		$ 179,106	$ 114,503		
7	April		$ 162,738	$ 78,405		
8	May		$ 135,204	$ 52,008		
9	June		$ 118,875	$ 34,014		
10	July		$ 93,694	$ 31,922		
11	August		$ 76,809	$ 31,352		
12	September		$ 68,073	$ 33,366		
13	October		$ 66,342	$ 63,157		
14	November, 2025		$ 85,481	$ 108,862		
15	Total	Sum Ln3 to Ln14	$ 1,411,583			
16	Average A/R Balance		$ 117,632	$ 1,005,125		
17	Factor				8.54	42.72
18	Collection Days Lag					42.72
19	Billing Lag					1.00
20	Service Lag		365 / 12 * 0.5			15.21
21	Total Revenue Lag Days	Sum Ln17 to Ln19				**58.93**

Calculation of Purchased Gas Costs

Weighted Expense Lead Time: **33.52** **days**

Line No.	(A) Company	(B) Period Start	(C) Period End	(D) Payment Amount	(E) Payment Date	(F) Service Lead Time	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
1	Eastern Gas Transmision and Storage, Inc.	12/1/2024	12/31/2024	$ (1,341,406.93)	1/7/2025	15.0	7.00	22.00	0.402%	0.09
2	Eastern Gas Transmision and Storage, Inc.-usage	12/1/2024	12/31/2024	$ (32,371.89)	1/7/2025	15.0	7.00	22.00	0.010%	0.00
3	Equitrans	12/1/2024	12/31/2024	$ (12,760,815.55)	1/9/2025	15.0	9.00	24.00	3.825%	0.92
4	Texas Eastern Transmission, LP	12/1/2024	12/31/2024	$ (382,796.32)	1/21/2025	15.0	21.00	36.00	0.115%	0.04
5	Columbia Gas Transmission LLC	12/1/2024	12/31/2024	$ (76,575.99)	1/21/2025	15.0	21.00	36.00	0.023%	0.01
6	Tennessee Gas Pipeline	12/1/2024	12/31/2024	$ (2,663.69)	1/21/2025	15.0	21.00	36.00	0.001%	0.00
7	EQT Energy (EGC NAESB)	12/1/2024	12/31/2024	$ (13,018,478.68)	1/21/2025	15.0	21.00	36.00	3.902%	1.40
8	EQT Energy (PNG NAESB)	12/1/2024	12/31/2024	$ (6,413,377.17)	1/21/2025	15.0	21.00	36.00	1.922%	0.69
9	Sequent Energy Management	12/1/2024	12/31/2024	$ (3,537,954.92)	1/21/2025	15.0	21.00	36.00	1.060%	0.38
10	National Fuel Gas Supply	12/1/2024	12/31/2024	$ (194,177.83)	1/21/2025	15.0	21.00	36.00	0.058%	0.02
11	BP Energy	12/1/2024	12/31/2024	$ (12,400.00)	1/21/2025	15.0	21.00	36.00	0.004%	0.00
12	Mpower	12/1/2024	12/31/2024	$ 16,321.50	1/21/2025	15.0	21.00	36.00	-0.005%	(0.00)
13	SouthStar	12/1/2024	12/31/2024	$ 84,258.00	1/24/2025	15.0	24.00	39.00	-0.025%	(0.01)
14	IGS	12/1/2024	12/31/2024	$ 624,574.75	1/27/2025	15.0	27.00	42.00	-0.187%	(0.08)
15	Eastern Gas Transmision and Storage, Inc.	1/1/2025	1/31/2025	$ (1,341,406.93)	2/13/2025	15.0	13.00	28.00	0.402%	0.11
16	Eastern Gas Transmision and Storage, Inc.-usage	1/1/2025	1/31/2025	$ (52,287.19)	2/13/2025	15.0	13.00	28.00	0.016%	0.00
17	Equitrans	1/1/2025	1/31/2025	$ (12,976,538.56)	2/13/2025	15.0	13.00	28.00	3.890%	1.09
18	Texas Eastern Transmission, LP	1/1/2025	1/31/2025	$ (375,224.64)	2/11/2025	15.0	11.00	26.00	0.112%	0.03
19	Columbia Gas Transmission LLC	1/1/2025	1/31/2025	$ (99,577.80)	2/18/2025	15.0	18.00	33.00	0.030%	0.01
20	Tennessee Gas Pipeline	1/1/2025	1/31/2025	$ 11,418.41	2/12/2025	15.0	12.00	27.00	-0.003%	(0.00)
21	EQT Energy (EGC NAESB)	1/1/2025	1/31/2025	$ (20,131,124.72)	2/25/2025	15.0	25.00	40.00	6.034%	2.41
22	EQT Energy (PNG NAESB)	1/1/2025	1/31/2025	$ (16,655,772.31)	2/25/2025	15.0	25.00	40.00	4.992%	2.00
23	Sequent Energy Management	1/1/2025	1/31/2025	$ (12,758,751.28)	2/25/2025	15.0	25.00	40.00	3.824%	1.53
24	National Fuel Gas Supply	1/1/2025	1/31/2025	$ (199,593.98)	2/20/2025	15.0	20.00	35.00	0.060%	0.02
25	BP Energy	1/1/2025	1/31/2025	$ (12,400.00)	2/18/2025	15.0	18.00	33.00	0.004%	0.00
26	Colonial Energy	1/1/2025	1/31/2025	$ (110,500.00)	2/27/2025	15.0	27.00	42.00	0.033%	0.01
27	Mpower	1/1/2025	1/31/2025	$ 51,306.14	2/24/2025	15.0	24.00	39.00	-0.015%	(0.01)
28	SouthStar	1/1/2025	1/31/2025	$ 189,574.98	2/26/2025	15.0	26.00	41.00	-0.057%	(0.02)
29	IGS	1/1/2025	1/31/2025	$ 1,789,510.86	2/26/2025	15.0	26.00	41.00	-0.536%	(0.22)
30	Eastern Gas Transmision and Storage, Inc.	2/1/2025	2/28/2025	$ (1,335,246.93)	3/11/2025	13.5	11.00	24.50	0.400%	0.10
31	Eastern Gas Transmision and Storage, Inc.-usage	2/1/2025	2/28/2025	$ (35,246.42)	3/11/2025	13.5	11.00	24.50	0.011%	0.00
32	Equitrans	2/1/2025	2/28/2025	$ (12,815,653.00)	3/14/2025	13.5	14.00	27.50	3.841%	1.06
33	Texas Eastern Transmission, LP	2/1/2025	2/28/2025	$ (379,930.24)	3/18/2025	13.5	18.00	31.50	0.114%	0.04
34	Columbia Gas Transmission LLC	2/1/2025	2/28/2025	$ (77,169.40)	3/13/2025	13.5	13.00	26.50	0.023%	0.01
35	Tennessee Gas Pipeline	2/1/2025	2/28/2025	$ 78,992.24	3/12/2025	13.5	12.00	25.50	-0.024%	(0.01)
36	EQT Energy (EGC NAESB)	2/1/2025	2/28/2025	$ (18,504,973.36)	3/25/2025	13.5	25.00	38.50	5.547%	2.14
37	EQT Energy (PNG NAESB)	2/1/2025	2/28/2025	$ (6,160,339.65)	3/25/2025	13.5	25.00	38.50	1.846%	0.71
38	Sequent Energy Management	2/1/2025	2/28/2025	$ (1,870,842.69)	3/20/2025	13.5	20.00	33.50	0.561%	0.19
39	National Fuel Gas Supply	2/1/2025	2/28/2025	$ (194,936.70)	3/20/2025	13.5	20.00	33.50	0.058%	0.02
40	BP Energy	2/1/2025	2/28/2025	$ (300,295.00)	3/20/2025	13.5	20.00	33.50	0.090%	0.03
41	Colonial Energy	2/1/2025	2/28/2025	$ (2,170,179.25)	3/20/2025	13.5	20.00	33.50	0.650%	0.22
42	Mpower	2/1/2025	2/28/2025	$ 24,294.75	3/25/2025	13.5	25.00	38.50	-0.007%	(0.00)
43	SouthStar	2/1/2025	2/28/2025	$ 132,824.39	3/25/2025	13.5	25.00	38.50	-0.040%	(0.02)
44	IGS	2/1/2025	2/28/2025	$ 1,189,502.80	3/25/2025	13.5	25.00	38.50	-0.357%	(0.14)
45	Eastern Gas Transmision and Storage, Inc.	3/1/2025	3/31/2025	$ (1,341,406.93)	4/8/2025	15.0	8.00	23.00	0.402%	0.09
46	Eastern Gas Transmision and Storage, Inc.-usage	3/1/2025	3/31/2025	$ (16,730.39)	4/8/2025	15.0	8.00	23.00	0.005%	0.00
47	Equitrans	3/1/2025	3/31/2025	$ (12,492,065.05)	4/10/2025	15.0	10.00	25.00	3.744%	0.94

Line No.	(A) Company	(B) Period Start	(C) Period End	(D) Payment Amount	(E) Payment Date	(F) Service Lead Time	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
48	Texas Eastern Transmission, LP	3/1/2025	3/31/2025	$ (370,394.39)	4/15/2025	15.0	15.00	30.00	0.111%	0.03
49	Columbia Gas Transmission LLC	3/1/2025	3/31/2025	$ (76,282.92)	4/15/2025	15.0	15.00	30.00	0.023%	0.01
50	Tennessee Gas Pipeline	3/1/2025	3/31/2025	$ (2,574.85)	4/17/2025	15.0	17.00	32.00	0.001%	0.00
51	EQT Energy (EGC NAESB)	3/1/2025	3/31/2025	$ (4,315,789.33)	4/22/2025	15.0	22.00	37.00	1.294%	0.48
52	EQT Energy (PNG NAESB)	3/1/2025	3/31/2025	$ (1,362,351.42)	4/22/2025	15.0	22.00	37.00	0.408%	0.15
53	Sequent Energy Management	3/1/2025	3/31/2025	$ (332,033.30)	4/22/2025	15.0	22.00	37.00	0.100%	0.04
54	National Fuel Gas Supply	3/1/2025	3/31/2025	$ (192,126.36)	4/22/2025	15.0	22.00	37.00	0.058%	0.02
55	BP Energy	3/1/2025	3/31/2025	$ (12,400.00)	4/22/2025	15.0	22.00	37.00	0.004%	0.00
56	Colonial Energy	3/1/2025	3/31/2025	$ (135,765.00)	4/22/2025	15.0	22.00	37.00	0.041%	0.02
57	Mpower	3/1/2025	3/31/2025	$ 12,929.00	4/22/2025	15.0	22.00	37.00	-0.004%	(0.00)
58	SouthStar	3/1/2025	3/31/2025	$ 25,578.16	4/25/2025	15.0	25.00	40.00	-0.008%	(0.00)
59	IGS	3/1/2025	3/31/2025	$ 434,000.00	4/25/2025	15.0	25.00	40.00	-0.130%	(0.05)
60	Eastern Gas Transmision and Storage, Inc.	4/1/2025	4/30/2025	$ (1,341,406.93)	5/8/2025	14.5	8.00	22.50	0.402%	0.09
61	Eastern Gas Transmision and Storage, Inc.-usage	4/1/2025	4/30/2025	$ (24,360.04)	5/6/2025	14.5	6.00	20.50	0.007%	0.00
62	Equitrans	4/1/2025	4/30/2025	$ (7,099,835.69)	5/13/2025	14.5	13.00	27.50	2.128%	0.59
63	Texas Eastern Transmission, LP	4/1/2025	4/30/2025	$ (410,528.24)	5/15/2025	14.5	15.00	29.50	0.123%	0.04
64	Columbia Gas Transmission LLC	4/1/2025	4/30/2025	$ (137,244.61)	5/20/2025	14.5	20.00	34.50	0.041%	0.01
65	Tennessee Gas Pipeline	4/1/2025	4/30/2025	$ (156.03)	5/20/2025	14.5	20.00	34.50	0.000%	0.00
66	EQT Energy (EGC NAESB)	4/1/2025	4/30/2025	$ (15,635,838.00)	5/27/2025	14.5	27.00	41.50	4.687%	1.94
67	EQT Energy (PNG NAESB)	4/1/2025	4/30/2025	$ (307,815.60)	5/27/2025	14.5	27.00	41.50	0.092%	0.04
68	Sequent Energy Management	4/1/2025	4/30/2025	$ (1,551,405.03)	5/15/2025	14.5	15.00	29.50	0.465%	0.14
69	National Fuel Gas Supply	4/1/2025	4/30/2025	$ (189,369.47)	5/22/2025	14.5	22.00	36.50	0.057%	0.02
70	Colonial Energy	4/1/2025	4/30/2025	$ (310,008.00)	5/20/2025	14.5	20.00	34.50	0.093%	0.03
71	Mpower	4/1/2025	4/30/2025	$ 23,605.20	5/20/2025	14.5	20.00	34.50	-0.007%	(0.00)
72	SouthStar	4/1/2025	4/30/2025	$ 69,488.40	5/23/2025	14.5	23.00	37.50	-0.021%	(0.01)
73	IGS	4/1/2025	4/30/2025	$ 208,560.00	5/27/2025	14.5	27.00	41.50	-0.063%	(0.03)
74	Eastern Gas Transmision and Storage, Inc.	5/1/2025	5/31/2025	$ (1,335,206.93)	6/10/2025	15.0	10.00	25.00	0.400%	0.10
75	Eastern Gas Transmision and Storage, Inc.-usage	5/1/2025	5/31/2025	$ (31,355.26)	6/10/2025	15.0	10.00	25.00	0.009%	0.00
76	Equitrans	5/1/2025	5/31/2025	$ (7,019,974.03)	6/19/2025	15.0	19.00	34.00	2.104%	0.72
77	Texas Eastern Transmission, LP	5/1/2025	5/31/2025	$ (363,600.85)	6/17/2025	15.0	17.00	32.00	0.109%	0.03
78	Columbia Gas Transmission LLC	5/1/2025	5/31/2025	$ (137,402.72)	6/19/2025	15.0	19.00	34.00	0.041%	0.01
79	Tennessee Gas Pipeline	5/1/2025	5/31/2025	$ 2,057.06	6/18/2025	15.0	18.00	33.00	-0.001%	(0.00)
80	EQT Energy (EGC NAESB)	5/1/2025	5/31/2025	$ (9,569,694.42)	6/19/2025	15.0	19.00	34.00	2.868%	0.98
81	Sequent Energy Management	5/1/2025	5/31/2025	$ (2,014,031.24)	6/19/2025	15.0	19.00	34.00	0.604%	0.21
82	National Fuel Gas Supply	5/1/2025	5/31/2025	$ (190,344.71)	6/19/2025	15.0	19.00	34.00	0.057%	0.02
83	NextEra Energy	5/1/2025	5/31/2025	$ (920,644.52)	6/19/2025	15.0	19.00	34.00	0.276%	0.09
84	Colonial Energy	5/1/2025	5/31/2025	$ (113,810.50)	6/19/2025	15.0	19.00	34.00	0.034%	0.01
85	Mpower	5/1/2025	5/31/2025	$ 12,331.80	6/17/2025	15.0	17.00	32.00	-0.004%	(0.00)
86	SouthStar	5/1/2025	5/31/2025	$ 54,622.62	6/25/2025	15.0	25.00	40.00	-0.016%	(0.01)
87	IGS	5/1/2025	5/31/2025	$ 72,540.00	6/25/2025	15.0	25.00	40.00	-0.022%	(0.01)
88	Eastern Gas Transmision and Storage, Inc.	6/1/2025	6/30/2025	$ (1,299,545.69)	7/10/2025	14.5	10.00	24.50	0.390%	0.10
89	Eastern Gas Transmision and Storage, Inc.-usage	6/1/2025	6/30/2025	$ (35,379.74)	7/8/2025	14.5	8.00	22.50	0.011%	0.00
90	Equitrans	6/1/2025	6/30/2025	$ (6,815,475.88)	7/10/2025	14.5	10.00	24.50	2.043%	0.50
91	Texas Eastern Transmission, LP	6/1/2025	6/30/2025	$ (363,600.85)	7/15/2025	14.5	15.00	29.50	0.109%	0.03
92	Columbia Gas Transmission LLC	6/1/2025	6/30/2025	$ (82,106.24)	7/15/2025	14.5	15.00	29.50	0.025%	0.01
93	Tennessee Gas Pipeline	6/1/2025	6/30/2025	$ (424.22)	7/24/2025	14.5	24.00	38.50	0.000%	0.00
94	EQT Energy (EGC NAESB)	6/1/2025	6/30/2025	$ (1,720,801.50)	7/24/2025	14.5	24.00	38.50	0.516%	0.20
95	EQT Energy (PNG NAESB)	6/1/2025	6/30/2025	$ (3,316,140.30)	7/24/2025	14.5	24.00	38.50	0.994%	0.38
96	Sequent Energy Management	6/1/2025	6/30/2025	$ (2,151,736.36)	7/22/2025	14.5	22.00	36.50	0.645%	0.24
97	National Fuel Gas Supply	6/1/2025	6/30/2025	$ (189,505.46)	7/22/2025	14.5	22.00	36.50	0.057%	0.02

Line No.	(A) Company	(B) Period Start	(C) Period End	(D) Payment Amount	(E) Payment Date	(F) Service Lead Time	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
98	Range Resources	6/1/2025	6/30/2025	$ (353,350.00)	7/22/2025	14.5	22.00	36.50	0.106%	0.04
99	NextEra Energy	6/1/2025	6/30/2025	$ (197,231.05)	7/22/2025	14.5	22.00	36.50	0.059%	0.02
100	Colonial Energy	6/1/2025	6/30/2025	$ (41,283.00)	7/22/2025	14.5	22.00	36.50	0.012%	0.00
101	Mpower	6/1/2025	6/30/2025	$ 8,276.40	7/25/2025	14.5	25.00	39.50	-0.002%	(0.00)
102	SouthStar	6/1/2025	6/30/2025	$ 12,665.40	7/25/2025	14.5	25.00	39.50	-0.004%	(0.00)
103	Eastern Gas Transmision and Storage, Inc.	7/1/2025	7/31/2025	$ (1,338,306.93)	8/7/2025	15.0	7.00	22.00	0.401%	0.09
104	Eastern Gas Transmision and Storage, Inc.-usage	7/1/2025	7/31/2025	$ (36,361.93)	8/12/2025	15.0	12.00	27.00	0.011%	0.00
105	Equitrans	7/1/2025	7/31/2025	$ (7,095,511.58)	8/19/2025	15.0	19.00	34.00	2.127%	0.72
106	Texas Eastern Transmission, LP	7/1/2025	7/31/2025	$ (362,351.75)	7/14/2025	15.0	(17.00)	(2.00)	0.109%	(0.00)
107	Columbia Gas Transmission LLC	7/1/2025	7/31/2025	$ (82,210.47)	8/19/2025	15.0	19.00	34.00	0.025%	0.01
108	Tennessee Gas Pipeline	7/1/2025	7/31/2025	$ (695.37)	8/19/2025	15.0	19.00	34.00	0.000%	0.00
109	EQT Energy (PNG NAESB)	7/1/2025	7/31/2025	$ (5,986,467.97)	8/19/2025	15.0	19.00	34.00	1.794%	0.61
110	Sequent Energy Management	7/1/2025	7/31/2025	$ (2,893,410.98)	8/19/2025	15.0	19.00	34.00	0.867%	0.29
111	National Fuel Gas Supply	7/1/2025	7/31/2025	$ (189,366.45)	8/19/2025	15.0	19.00	34.00	0.057%	0.02
112	Range Resources	7/1/2025	7/31/2025	$ (3,405,000.00)	8/19/2025	15.0	19.00	34.00	1.021%	0.35
113	Colonial Energy	7/1/2025	7/31/2025	$ (52,815.00)	8/19/2025	15.0	19.00	34.00	0.016%	0.01
114	Mpower	7/1/2025	7/31/2025	$ 4,468.03	8/21/2025	15.0	21.00	36.00	-0.001%	(0.00)
115	SouthStar	7/1/2025	7/31/2025	$ 3,649.94	8/25/2025	15.0	25.00	40.00	-0.001%	(0.00)
116	Eastern Gas Transmision and Storage, Inc.	8/1/2025	8/31/2025	$ (1,341,406.93)	9/19/2025	15.0	19.00	34.00	0.402%	0.14
117	Eastern Gas Transmision and Storage, Inc.-usage	8/1/2025	8/31/2025	$ (37,270.73)	9/19/2025	15.0	19.00	34.00	0.011%	0.00
118	Equitrans	8/1/2025	8/31/2025	$ (7,126,086.56)	9/16/2025	15.0	16.00	31.00	2.136%	0.66
119	Texas Eastern Transmission, LP	8/1/2025	8/31/2025	$ (364,543.35)	9/16/2025	15.0	16.00	31.00	0.109%	0.03
120	Columbia Gas Transmission LLC	8/1/2025	8/31/2025	$ (82,148.39)	9/18/2025	15.0	18.00	33.00	0.025%	0.01
121	Tennessee Gas Pipeline	8/1/2025	8/31/2025	$ (454.34)	9/18/2025	15.0	18.00	33.00	0.000%	0.00
122	EQT Energy (PNG NAESB)	8/1/2025	8/31/2025	$ (8,840,801.48)	9/23/2025	15.0	23.00	38.00	2.650%	1.01
123	Sequent Energy Management	8/1/2025	8/31/2025	$ (1,722,860.37)	9/23/2025	15.0	23.00	38.00	0.516%	0.20
124	National Fuel Gas Supply	8/1/2025	8/31/2025	$ (189,663.42)	9/23/2025	15.0	23.00	38.00	0.057%	0.02
125	Range Resources	8/1/2025	8/31/2025	$ (1,817,964.00)	9/23/2025	15.0	23.00	38.00	0.545%	0.21
126	BP Energy	8/1/2025	8/31/2025	$ (336,836.16)	9/23/2025	15.0	23.00	38.00	0.101%	0.04
127	Colonial Energy	8/1/2025	8/31/2025	$ (39,479.00)	9/23/2025	15.0	23.00	38.00	0.012%	0.00
128	Mpower	8/1/2025	8/31/2025	$ 3,691.48	9/22/2025	15.0	22.00	37.00	-0.001%	(0.00)
129	Eastern Gas Transmision and Storage, Inc.	9/1/2025	9/30/2025	$ (1,341,406.93)	10/9/2025	14.5	9.00	23.50	0.402%	0.09
130	Eastern Gas Transmision and Storage, Inc.-usage	9/1/2025	9/30/2025	$ (33,600.55)	10/9/2025	14.5	9.00	23.50	0.010%	0.00
131	Equitrans	9/1/2025	9/30/2025	$ (7,081,035.37)	10/16/2025	14.5	16.00	30.50	2.122%	0.65
132	Texas Eastern Transmission, LP	9/1/2025	9/30/2025	$ (364,543.35)	10/16/2025	14.5	16.00	30.50	0.109%	0.03
133	Columbia Gas Transmission LLC	9/1/2025	9/30/2025	$ (82,007.29)	10/14/2025	14.5	14.00	28.50	0.025%	0.01
134	Tennessee Gas Pipeline	9/1/2025	9/30/2025	$ (1,299.86)	10/14/2025	14.5	14.00	28.50	0.000%	0.00
135	EQT Energy (PNG NAESB)	9/1/2025	9/30/2025	$ (7,494,262.80)	10/21/2025	14.5	21.00	35.50	2.246%	0.80
136	Sequent Energy Management	9/1/2025	9/30/2025	$ (1,336,654.57)	10/21/2025	14.5	21.00	35.50	0.401%	0.14
137	National Fuel Gas Supply	9/1/2025	9/30/2025	$ (189,147.95)	10/21/2025	14.5	21.00	35.50	0.057%	0.02
138	Range Resources	9/1/2025	9/30/2025	$ (551,650.00)	10/21/2025	14.5	21.00	35.50	0.165%	0.06
139	BP Energy	9/1/2025	9/30/2025	$ (314,665.86)	10/21/2025	14.5	21.00	35.50	0.094%	0.03
140	Colonial Energy	9/1/2025	9/30/2025	$ (325,757.25)	10/21/2025	14.5	21.00	35.50	0.098%	0.03
141	Mpower	9/1/2025	9/30/2025	$ 2,296.20	10/30/2025	14.5	30.00	44.50	-0.001%	(0.00)
142	SouthStar	9/1/2025	9/30/2025	$ 15,966.60	10/24/2025	14.5	24.00	38.50	-0.005%	(0.00)
143	Colonial Energy	10/1/2025	10/31/2025	$ (354,702.50)	11/20/2025	15.0	20.00	35.00	0.106%	0.04
144	Columbia Gas Transmission LLC	10/1/2025	10/31/2025	$ (94,902.37)	11/18/2025	15.0	18.00	33.00	0.028%	0.01
145	Eastern Gas Transmision and Storage, Inc.	10/1/2025	10/31/2025	$ (1,341,406.93)	11/12/2025	15.0	12.00	27.00	0.402%	0.11
146	Eastern Gas Transmision and Storage, Inc.-usage	10/1/2025	10/31/2025	$ (26,129.33)	11/12/2025	15.0	12.00	27.00	0.008%	0.00
147	EQT Energy (PNG NAESB)	10/1/2025	10/31/2025	$ (6,569,529.30)	11/20/2025	15.0	20.00	35.00	1.969%	0.69

Line No.	(A) Company	(B) Period Start	(C) Period End	(D) Payment Amount	(E) Payment Date	(F) Service Lead Time	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
148	Equitrans	10/1/2025	10/31/2025	$ (7,194,970.98)	11/18/2025	15.0	18.00	33.00	2.157%	0.71
149	Mpower	10/1/2025	10/31/2025	$ 6,528.60	11/10/2025	15.0	10.00	25.00	-0.002%	(0.00)
150	National Fuel Gas Supply	10/1/2025	10/31/2025	$ (189,340.59)	11/20/2025	15.0	20.00	35.00	0.057%	0.02
151	Range Resources	10/1/2025	10/31/2025	$ (2,390,365.00)	11/20/2025	15.0	20.00	35.00	0.716%	0.25
152	Sequent Energy Management	10/1/2025	10/31/2025	$ (1,393,821.67)	11/20/2025	15.0	20.00	35.00	0.418%	0.15
153	SouthStar	10/1/2025	10/31/2025	$ 34,400.70	11/25/2025	15.0	25.00	40.00	-0.010%	(0.00)
154	Tennessee Gas Pipeline	10/1/2025	10/31/2025	$ (1,588.39)	11/18/2025	15.0	18.00	33.00	0.000%	0.00
155	Texas Eastern Transmission, LP	10/1/2025	10/31/2025	$ (374,557.96)	11/18/2025	15.0	18.00	33.00	0.112%	0.04
156	Columbia Gas Transmission LLC	11/1/2025	11/30/2025	$ 19,485.41	12/22/2025	14.5	22.00	36.50	-0.006%	(0.00)
157	Eastern Gas Transmision and Storage, Inc.	11/1/2025	11/30/2025	$ (17,772.21)	12/9/2025	14.5	9.00	23.50	0.005%	0.00
158	Eastern Gas Transmision and Storage, Inc.-usage	11/1/2025	11/30/2025	$ (1,340,042.93)	12/11/2025	14.5	11.00	25.50	0.402%	0.10
159	EQT Energy (EGC NAESB)	11/1/2025	11/30/2025	$ (12,095,849.71)	12/26/2025	14.5	26.00	40.50	3.626%	1.47
160	EQT Energy (PNG NAESB)	11/1/2025	11/30/2025	$ (3,089,809.43)	12/26/2025	14.5	26.00	40.50	0.926%	0.38
161	Equitrans	11/1/2025	11/30/2025	$ (13,028,158.58)	12/11/2025	14.5	11.00	25.50	3.905%	1.00
162	National Fuel Gas Supply	11/1/2025	11/30/2025	$ (189,859.54)	12/26/2025	14.5	26.00	40.50	0.057%	0.02
163	Range Resources	11/1/2025	11/30/2025	$ (185,792.00)	12/26/2025	14.5	26.00	40.50	0.056%	0.02
164	Sequent Energy Management	11/1/2025	11/30/2025	$ (2,987,419.28)	12/26/2025	14.5	26.00	40.50	0.895%	0.36
165	Tennessee Gas Pipeline	11/1/2025	11/30/2025	$ (5,751.09)	12/16/2025	14.5	16.00	30.50	0.002%	0.00
166	Texas Eastern Transmission, LP	11/1/2025	11/30/2025	$ (384,434.82)	12/16/2025	14.5	16.00	30.50	0.115%	0.04
167	Local Producer Gas Payments - Ensyte	12/1/2024	12/31/2024	$ 977,785.61	1/31/2025	15.0	31.00	46.00	-0.293%	(0.13)
168	Local Producer Gas Payments - Ensyte	1/1/2025	1/31/2025	$ 789,713.51	2/28/2025	15.0	28.00	43.00	-0.237%	(0.10)
169	Local Producer Gas Payments - Ensyte	2/1/2025	2/28/2025	$ 826,865.43	3/31/2025	13.5	31.00	44.50	-0.248%	(0.11)
170	Local Producer Gas Payments - Ensyte	3/1/2025	3/31/2025	$ 1,045,189.38	4/30/2025	15.0	30.00	45.00	-0.313%	(0.14)
171	Local Producer Gas Payments - Ensyte	4/1/2025	4/30/2025	$ 914,188.25	5/29/2025	14.5	29.00	43.50	-0.274%	(0.12)
172	Local Producer Gas Payments - Ensyte	5/1/2025	5/31/2025	$ 676,645.81	6/30/2025	15.0	30.00	45.00	-0.203%	(0.09)
173	Local Producer Gas Payments - Ensyte	6/1/2025	6/30/2025	$ 652,715.40	7/31/2025	14.5	31.00	45.50	-0.196%	(0.09)
174	Local Producer Gas Payments - Ensyte	7/1/2025	7/31/2025	$ 687,262.44	8/28/2025	15.0	28.00	43.00	-0.206%	(0.09)
175	Local Producer Gas Payments - Ensyte	8/1/2025	8/31/2025	$ 713,302.18	9/30/2025	15.0	30.00	45.00	-0.214%	(0.10)
176	Local Producer Gas Payments - Ensyte	9/1/2025	9/30/2025	$ 567,991.01	10/31/2025	14.5	31.00	45.50	-0.170%	(0.08)
177	Local Producer Gas Payments - Ensyte	10/1/2025	10/31/2025	$ 525,945.99	11/26/2025	15.0	26.00	41.00	-0.158%	(0.06)
178	Local Producer Gas Payments - Ensyte	11/1/2025	11/30/2025	$ 742,246.74	12/31/2025	14.5	31.00	45.50	-0.222%	(0.10)
179				$ (333,626,220.05)						

Calculation of Payroll Lead Time

Weighted Expense Lead Time: **15.66** days

Line No.		(A) Type	(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
1	1M4	Union Payroll	11/30/2024	12/11/2024	$ 3,584,370.19	11/17/2024	6.5	11.00	17.50	2.30%	0.40
2	1M4	Union Payroll	12/14/2024	12/24/2024	$ 3,698,273.83	12/1/2024	6.5	10.00	16.50	2.37%	0.39
3	1M4	Union Payroll	12/28/2024	1/8/2025	$ 3,757,532.69	12/15/2024	6.5	11.00	17.50	2.41%	0.42
4	1M4	Union Payroll	1/11/2025	1/22/2025	$ 3,391,322.56	12/29/2024	6.5	11.00	17.50	2.17%	0.38
5	1M4	Union Payroll	1/25/2025	2/5/2025	$ 3,756,640.55	1/12/2025	6.5	11.00	17.50	2.41%	0.42
6	1M4	Union Payroll	2/8/2025	2/19/2025	$ 3,739,214.91	1/26/2025	6.5	11.00	17.50	2.40%	0.42
7	1M4	Union Payroll	2/22/2025	3/5/2025	$ 3,537,322.60	2/9/2025	6.5	11.00	17.50	2.27%	0.40
8	1M4	Union Payroll	3/2/2025	3/11/2025	$ 5,293,840.43	2/17/2025	6.5	9.00	15.50	3.39%	0.53
9	1M4	Union Payroll	3/8/2025	3/19/2025	$ 3,552,630.16	2/23/2025	6.5	11.00	17.50	2.28%	0.40
10	1M4	Union Payroll	3/22/2025	4/2/2025	$ 3,530,052.29	3/9/2025	6.5	11.00	17.50	2.26%	0.40
11	1M4	Union Payroll	4/5/2025	4/16/2025	$ 3,412,624.49	3/23/2025	6.5	11.00	17.50	2.19%	0.38
12	1M4	Union Payroll	4/19/2025	4/30/2025	$ 3,474,493.49	4/6/2025	6.5	11.00	17.50	2.23%	0.39
13	1M4	Union Payroll	5/3/2025	5/14/2025	$ 3,489,130.11	4/20/2025	6.5	11.00	17.50	2.24%	0.39
14	1M4	Union Payroll	5/17/2025	5/28/2025	$ 3,468,626.10	5/4/2025	6.5	11.00	17.50	2.22%	0.39
15	1M4	Union Payroll	5/31/2025	6/11/2025	$ 3,296,720.32	5/18/2025	6.5	11.00	17.50	2.11%	0.37
16	1M4	Union Payroll	6/14/2025	6/25/2025	$ 3,467,432.39	6/1/2025	6.5	11.00	17.50	2.22%	0.39
17	1M4	Union Payroll	6/28/2025	7/9/2025	$ 3,464,122.03	6/15/2025	6.5	11.00	17.50	2.22%	0.39
18	1M4	Union Payroll	7/12/2025	7/23/2025	$ 3,455,665.57	6/29/2025	6.5	11.00	17.50	2.21%	0.39
19	1M4	Union Payroll	7/26/2025	8/6/2025	$ 3,559,643.97	7/13/2025	6.5	11.00	17.50	2.28%	0.40
20	1M4	Union Payroll	8/9/2025	8/20/2025	$ 3,643,084.84	7/27/2025	6.5	11.00	17.50	2.33%	0.41
21	1M4	Union Payroll	8/23/2025	9/3/2025	$ 3,555,380.55	8/10/2025	6.5	11.00	17.50	2.28%	0.40
22	1M4	Union Payroll	9/6/2025	9/17/2025	$ 3,501,535.50	8/24/2025	6.5	11.00	17.50	2.24%	0.39
23	1M4	Union Payroll	9/20/2025	10/1/2025	$ 3,561,653.09	9/7/2025	6.5	11.00	17.50	2.28%	0.40
24	1M4	Union Payroll	10/4/2025	10/15/2025	$ 3,459,002.70	9/21/2025	6.5	11.00	17.50	2.22%	0.39
25	1M4	Union Payroll	10/18/2025	10/29/2025	$ 3,539,621.36	10/5/2025	6.5	11.00	17.50	2.27%	0.40
26	1M4	Union Payroll	11/1/2025	11/12/2025	$ 3,650,287.67	10/19/2025	6.5	11.00	17.50	2.34%	0.41
27	1M4	Union Payroll	11/15/2025	11/26/2025	$ 3,890,453.92	11/2/2025	6.5	11.00	17.50	2.49%	0.44
28	CWA	Union Payroll	11/24/2024	12/4/2024	$ 56,048.68	11/11/2024	6.5	10.00	16.50	0.04%	0.01
29	CWA	Union Payroll	12/8/2024	12/18/2024	$ 56,694.86	11/25/2024	6.5	10.00	16.50	0.04%	0.01
30	CWA	Union Payroll	12/22/2024	12/31/2024	$ 55,142.62	12/9/2024	6.5	9.00	15.50	0.04%	0.01
31	CWA	Union Payroll	1/5/2025	1/15/2025	$ 56,704.25	12/23/2024	6.5	10.00	16.50	0.04%	0.01
32	CWA	Union Payroll	1/19/2025	1/29/2025	$ 57,220.73	1/6/2025	6.5	10.00	16.50	0.04%	0.01
33	CWA	Union Payroll	2/2/2025	2/12/2025	$ 59,966.51	1/20/2025	6.5	10.00	16.50	0.04%	0.01
34	CWA	Union Payroll	2/16/2025	2/26/2025	$ 59,189.64	2/3/2025	6.5	10.00	16.50	0.04%	0.01
35	CWA	Union Payroll	3/2/2025	3/11/2025	$ 87,256.77	2/17/2025	6.5	9.00	15.50	0.06%	0.01
36	CWA	Union Payroll	3/2/2025	3/12/2025	$ 57,305.97	2/17/2025	6.5	10.00	16.50	0.04%	0.01
37	CWA	Union Payroll	3/16/2025	3/26/2025	$ 57,075.67	3/3/2025	6.5	10.00	16.50	0.04%	0.01
38	CWA	Union Payroll	3/30/2025	4/9/2025	$ 57,096.58	3/17/2025	6.5	10.00	16.50	0.04%	0.01
39	CWA	Union Payroll	4/13/2025	4/23/2025	$ 60,272.70	3/31/2025	6.5	10.00	16.50	0.04%	0.01
40	CWA	Union Payroll	4/27/2025	5/7/2025	$ 62,953.24	4/14/2025	6.5	10.00	16.50	0.04%	0.01
41	CWA	Union Payroll	5/11/2025	5/21/2025	$ 61,194.69	4/28/2025	6.5	10.00	16.50	0.04%	0.01
42	CWA	Union Payroll	5/25/2025	6/4/2025	$ 64,945.30	5/12/2025	6.5	10.00	16.50	0.04%	0.01
43	CWA	Union Payroll	6/8/2025	6/18/2025	$ 63,107.56	5/26/2025	6.5	10.00	16.50	0.04%	0.01
44	CWA	Union Payroll	6/22/2025	7/2/2025	$ 62,120.30	6/9/2025	6.5	10.00	16.50	0.04%	0.01
45	CWA	Union Payroll	7/6/2025	7/16/2025	$ 59,649.51	6/23/2025	6.5	10.00	16.50	0.04%	0.01

Line No.	(A) Type		(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
46	CWA	Union Payroll	7/20/2025	7/30/2025	$ 59,346.43	7/7/2025	6.5	10.00	16.50	0.04%	0.01
47	CWA	Union Payroll	8/3/2025	8/13/2025	$ 59,856.36	7/21/2025	6.5	10.00	16.50	0.04%	0.01
48	CWA	Union Payroll	8/17/2025	8/27/2025	$ 61,096.58	8/4/2025	6.5	10.00	16.50	0.04%	0.01
49	CWA	Union Payroll	8/31/2025	9/10/2025	$ 63,279.03	8/18/2025	6.5	10.00	16.50	0.04%	0.01
50	CWA	Union Payroll	9/14/2025	9/24/2025	$ 59,933.20	9/1/2025	6.5	10.00	16.50	0.04%	0.01
51	CWA	Union Payroll	9/28/2025	10/8/2025	$ 59,687.92	9/15/2025	6.5	10.00	16.50	0.04%	0.01
52	CWA	Union Payroll	10/12/2025	10/22/2025	$ 59,878.74	9/29/2025	6.5	10.00	16.50	0.04%	0.01
53	CWA	Union Payroll	10/26/2025	11/5/2025	$ 33,238.56	10/13/2025	6.5	10.00	16.50	0.02%	0.00
54	1M6	Salaried Payroll	12/7/2024	12/13/2024	$ 757,968.73	11/24/2024	6.5	6.00	12.50	0.49%	0.06
55	1M6	Salaried Payroll	12/21/2024	12/27/2024	$ 755,691.38	12/8/2024	6.5	6.00	12.50	0.48%	0.06
56	1M6	Salaried Payroll	1/4/2025	1/10/2025	$ 759,465.96	12/22/2024	6.5	6.00	12.50	0.49%	0.06
57	1M6	Salaried Payroll	1/18/2025	1/24/2025	$ 753,313.59	1/5/2025	6.5	6.00	12.50	0.48%	0.06
58	1M6	Salaried Payroll	2/1/2025	2/7/2025	$ 763,074.96	1/19/2025	6.5	6.00	12.50	0.49%	0.06
59	1M6	Salaried Payroll	2/15/2025	2/21/2025	$ 762,102.51	2/2/2025	6.5	6.00	12.50	0.49%	0.06
60	1M6	Salaried Payroll	3/1/2025	3/7/2025	$ 763,901.34	2/16/2025	6.5	6.00	12.50	0.49%	0.06
61	1M6	Salaried Payroll	3/2/2025	3/11/2025	$ 1,607,667.64	2/17/2025	6.5	9.00	15.50	1.03%	0.16
62	1M6	Salaried Payroll	3/15/2025	3/21/2025	$ 757,085.14	3/2/2025	6.5	6.00	12.50	0.49%	0.06
63	1M6	Salaried Payroll	3/29/2025	4/4/2025	$ 752,673.33	3/16/2025	6.5	6.00	12.50	0.48%	0.06
64	1M6	Salaried Payroll	4/12/2025	4/17/2025	$ 767,977.62	3/30/2025	6.5	5.00	11.50	0.49%	0.06
65	1M6	Salaried Payroll	4/26/2025	5/2/2025	$ 769,255.14	4/13/2025	6.5	6.00	12.50	0.49%	0.06
66	1M6	Salaried Payroll	5/10/2025	5/16/2025	$ 772,355.49	4/27/2025	6.5	6.00	12.50	0.49%	0.06
67	1M6	Salaried Payroll	5/24/2025	5/30/2025	$ 769,555.95	5/11/2025	6.5	6.00	12.50	0.49%	0.06
68	1M6	Salaried Payroll	6/7/2025	6/13/2025	$ 792,886.20	5/25/2025	6.5	6.00	12.50	0.51%	0.06
69	1M6	Salaried Payroll	6/21/2025	6/27/2025	$ 765,616.66	6/8/2025	6.5	6.00	12.50	0.49%	0.06
70	1M6	Salaried Payroll	7/5/2025	7/11/2025	$ 765,320.60	6/22/2025	6.5	6.00	12.50	0.49%	0.06
71	1M6	Salaried Payroll	7/19/2025	7/25/2025	$ 766,782.69	7/6/2025	6.5	6.00	12.50	0.49%	0.06
72	1M6	Salaried Payroll	8/2/2025	8/8/2025	$ 772,193.19	7/20/2025	6.5	6.00	12.50	0.49%	0.06
73	1M6	Salaried Payroll	8/16/2025	8/22/2025	$ 775,838.33	8/3/2025	6.5	6.00	12.50	0.50%	0.06
74	1M6	Salaried Payroll	8/30/2025	9/5/2025	$ 768,325.81	8/17/2025	6.5	6.00	12.50	0.49%	0.06
75	1M6	Salaried Payroll	9/13/2025	9/19/2025	$ 768,066.22	8/31/2025	6.5	6.00	12.50	0.49%	0.06
76	1M6	Salaried Payroll	9/27/2025	10/3/2025	$ 760,839.60	9/14/2025	6.5	6.00	12.50	0.49%	0.06
77	1M6	Salaried Payroll	10/11/2025	10/17/2025	$ 762,076.04	9/28/2025	6.5	6.00	12.50	0.49%	0.06
78	1M6	Salaried Payroll	10/25/2025	10/31/2025	$ 771,076.55	10/12/2025	6.5	6.00	12.50	0.49%	0.06
79	1M6	Salaried Payroll	11/8/2025	11/14/2025	$ 764,586.27	10/26/2025	6.5	6.00	12.50	0.49%	0.06
80	1M6	Salaried Payroll	11/22/2025	11/28/2025	$ 759,548.85	11/9/2025	6.5	6.00	12.50	0.49%	0.06
81	7TY	Salaried Payroll	12/7/2024	12/13/2024	$ 1,314,822.80	11/24/2024	6.5	6.00	12.50	0.84%	0.11
82	7TY	Salaried Payroll	12/21/2024	12/27/2024	$ 1,188,163.57	12/8/2024	6.5	6.00	12.50	0.76%	0.10
83	7TY	Salaried Payroll	1/4/2025	1/10/2025	$ 1,219,369.59	12/22/2024	6.5	6.00	12.50	0.78%	0.10
84	7TY	Salaried Payroll	1/18/2025	1/24/2025	$ 1,297,945.97	1/5/2025	6.5	6.00	12.50	0.83%	0.10
85	7TY	Salaried Payroll	2/1/2025	2/7/2025	$ 1,185,605.02	1/19/2025	6.5	6.00	12.50	0.76%	0.09
86	7TY	Salaried Payroll	2/15/2025	2/21/2025	$ 1,178,509.04	2/2/2025	6.5	6.00	12.50	0.76%	0.09
87	7TY	Salaried Payroll	3/1/2025	3/7/2025	$ 1,152,428.92	2/16/2025	6.5	6.00	12.50	0.74%	0.09
88	7TY	Salaried Payroll	3/2/2025	3/11/2025	$ 3,458,903.58	2/17/2025	6.5	9.00	15.50	2.22%	0.34
89	7TY	Salaried Payroll	3/15/2025	3/21/2025	$ 1,188,480.88	3/2/2025	6.5	6.00	12.50	0.76%	0.10
90	7TY	Salaried Payroll	3/29/2025	4/4/2025	$ 1,173,421.70	3/16/2025	6.5	6.00	12.50	0.75%	0.09
91	7TY	Salaried Payroll	4/12/2025	4/17/2025	$ 1,254,173.55	3/30/2025	6.5	5.00	11.50	0.80%	0.09
92	7TY	Salaried Payroll	4/26/2025	5/2/2025	$ 1,278,636.78	4/13/2025	6.5	6.00	12.50	0.82%	0.10
93	7TY	Salaried Payroll	5/10/2025	5/16/2025	$ 1,220,550.52	4/27/2025	6.5	6.00	12.50	0.78%	0.10

Line No.		(A) Type	(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
94	7TY	Salaried Payroll	5/24/2025	5/30/2025	$ 1,212,544.69	5/11/2025	6.5	6.00	12.50	0.78%	0.10
95	7TY	Salaried Payroll	6/7/2025	6/13/2025	$ 1,243,058.51	5/25/2025	6.5	6.00	12.50	0.80%	0.10
96	7TY	Salaried Payroll	6/21/2025	6/27/2025	$ 1,219,163.34	6/8/2025	6.5	6.00	12.50	0.78%	0.10
97	7TY	Salaried Payroll	7/5/2025	7/11/2025	$ 1,249,113.64	6/22/2025	6.5	6.00	12.50	0.80%	0.10
98	7TY	Salaried Payroll	7/19/2025	7/25/2025	$ 1,223,704.59	7/6/2025	6.5	6.00	12.50	0.78%	0.10
99	7TY	Salaried Payroll	8/2/2025	8/8/2025	$ 1,218,059.27	7/20/2025	6.5	6.00	12.50	0.78%	0.10
100	7TY	Salaried Payroll	8/16/2025	8/22/2025	$ 1,247,659.86	8/3/2025	6.5	6.00	12.50	0.80%	0.10
101	7TY	Salaried Payroll	8/30/2025	9/5/2025	$ 1,200,899.19	8/17/2025	6.5	6.00	12.50	0.77%	0.10
102	7TY	Salaried Payroll	9/13/2025	9/19/2025	$ 1,215,330.24	8/31/2025	6.5	6.00	12.50	0.78%	0.10
103	7TY	Salaried Payroll	9/27/2025	10/3/2025	$ 1,197,897.28	9/14/2025	6.5	6.00	12.50	0.77%	0.10
104	7TY	Salaried Payroll	10/11/2025	10/17/2025	$ 1,201,121.77	9/28/2025	6.5	6.00	12.50	0.77%	0.10
105	7TY	Salaried Payroll	10/25/2025	10/31/2025	$ 1,319,056.02	10/12/2025	6.5	6.00	12.50	0.85%	0.11
106	7TY	Salaried Payroll	11/8/2025	11/14/2025	$ 1,196,642.51	10/26/2025	6.5	6.00	12.50	0.77%	0.10
107	7TY	Salaried Payroll	11/22/2025	11/28/2025	$ 1,211,463.99	11/9/2025	6.5	6.00	12.50	0.78%	0.10
108					$ 156,052,913.32						

Calculation of Pension & Benefits Lead Time

Weighted Expense Lead Time: **(3.68)** **days**

Line No.	(A) Pensions & Benefits	(B) End of Period	(C) Paid Date		(D) Amount	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighted Lead Time
1	Benefits - Medical - Salary & Union	12/31/2024	11/19/2024	$	1,441,597.02	15.21	(42.00)	(26.79)	6.97%	(1.87)
2	Benefits - Medical - Salary & Union	1/31/2025	2/6/2025	$	1,497,887.40	15.21	6.00	21.21	7.25%	1.54
3	Benefits - Medical - Salary & Union	2/28/2025	2/25/2025	$	1,526,766.64	15.21	(3.00)	12.21	7.39%	0.90
4	Benefits - Medical - Salary & Union	3/31/2025	3/5/2025	$	1,525,002.22	15.21	(26.00)	(10.79)	7.38%	(0.80)
5	Benefits - Medical - Salary & Union	4/30/2025	4/3/2025	$	1,386,727.49	15.21	(27.00)	(11.79)	6.71%	(0.79)
6	Benefits - Medical - Salary & Union	5/31/2025	5/5/2025	$	1,478,402.24	15.21	(26.00)	(10.79)	7.15%	(0.77)
7	Benefits - Medical - Salary & Union	6/30/2025	6/4/2025	$	1,520,336.38	15.21	(26.00)	(10.79)	7.35%	(0.79)
8	Benefits - Medical - Salary & Union	7/31/2025	7/7/2025	$	1,528,489.46	15.21	(24.00)	(8.79)	7.39%	(0.65)
9	Benefits - Medical - Salary & Union	8/31/2025	8/11/2025	$	1,531,910.93	15.21	(20.00)	(4.79)	7.41%	(0.36)
10	Benefits - Medical - Salary & Union	9/30/2025	9/10/2025	$	1,519,866.41	15.21	(20.00)	(4.79)	7.35%	(0.35)
11	Benefits - Medical - Salary & Union	10/31/2025	10/21/2025	$	1,348,567.67	15.21	(10.00)	5.21	6.52%	0.34
12	Benefits - Medical - Salary & Union	11/30/2025	11/10/2025	$	1,522,272.38	15.21	(20.00)	(4.79)	7.36%	(0.35)
13	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	12/31/2024	1/3/2025	$	125,750.97	15.21	3.00	18.21	0.61%	0.11
14	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	1/31/2025	2/6/2025	$	140,288.46	15.21	6.00	21.21	0.68%	0.14
15	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	2/28/2025	2/25/2025	$	131,526.62	15.21	(3.00)	12.21	0.64%	0.08
16	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	3/31/2025	3/5/2025	$	134,916.30	15.21	(26.00)	(10.79)	0.65%	(0.07)
17	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	4/30/2025	4/3/2025	$	131,617.84	15.21	(27.00)	(11.79)	0.64%	(0.08)
18	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	5/31/2025	5/5/2025	$	152,150.07	15.21	(26.00)	(10.79)	0.74%	(0.08)
19	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	6/30/2025	6/4/2025	$	167,344.39	15.21	(26.00)	(10.79)	0.81%	(0.09)
20	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	7/31/2025	7/7/2025	$	167,376.33	15.21	(24.00)	(8.79)	0.81%	(0.07)
21	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	8/31/2025	8/11/2025	$	168,304.46	15.21	(20.00)	(4.79)	0.81%	(0.04)
22	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	9/30/2025	9/10/2025	$	166,525.95	15.21	(20.00)	(4.79)	0.81%	(0.04)
23	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	10/31/2025	10/21/2025	$	154,435.55	15.21	(10.00)	5.21	0.75%	0.04
24	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	11/30/2025	11/10/2025	$	168,148.62	15.21	(20.00)	(4.79)	0.81%	(0.04)
25	Health Equity - HSA Employer Amortization	12/31/2024		$	84,809.97	7.02	1.00	8.02	0.41%	0.03
26	Health Equity - HSA Employer Amortization	1/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
27	Health Equity - HSA Employer Amortization	2/28/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
28	Health Equity - HSA Employer Amortization	3/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
29	Health Equity - HSA Employer Amortization	4/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
30	Health Equity - HSA Employer Amortization	5/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
31	Health Equity - HSA Employer Amortization	6/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
32	Health Equity - HSA Employer Amortization	7/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
33	Health Equity - HSA Employer Amortization	8/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
34	Health Equity - HSA Employer Amortization	9/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
35	Health Equity - HSA Employer Amortization	10/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
36	Health Equity - HSA Employer Amortization	11/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
37				$	20,672,452.79					

Calculation of Other O&M Lead Time

Weighted Expense Lead Time: **42.87** **days**

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
1	Selection Item 1	1,289.92	9/28/2025	10/23/2025	15.21	25.00	40.21	0.063%	0.03
2	Selection Item 2	967.50	3/27/2025	4/22/2025	15.21	26.00	41.21	0.048%	0.02
3	Selection Item 3	424.22	3/18/2025	4/15/2025	15.21	28.00	43.21	0.021%	0.01
4	Selection Item 4	218,024.31	4/29/2025	5/27/2025	15.21	28.00	43.21	10.707%	4.63
5	Selection Item 5	116.60	10/19/2025	11/13/2025	15.21	25.00	40.21	0.006%	0.00
6	Selection Item 6	2,682.31	3/31/2025	5/20/2025	15.21	50.00	65.21	0.132%	0.09
7	Selection Item 7	1,408.28	4/21/2025	5/15/2025	15.21	24.00	39.21	0.069%	0.03
8	Selection Item 8	104.80	5/2/2025	5/15/2025	15.21	13.00	28.21	0.005%	0.00
9	Selection Item 9	906.99	3/31/2025	5/1/2025	15.21	31.00	46.21	0.045%	0.02
10	Selection Item 10	723.10	4/10/2025	5/6/2025	15.21	26.00	41.21	0.036%	0.01
11	Selection Item 11	244.16	1/30/2025	2/4/2025	15.21	5.00	20.21	0.012%	0.00
12	Selection Item 12	4,716.40	5/26/2025	9/9/2025	15.21	106.00	121.21	0.232%	0.28
13	Selection Item 13	420.00	5/22/2025	5/27/2025	15.21	5.00	20.21	0.021%	0.00
14	Selection Item 14	85.00	1/24/2025	3/11/2025	15.21	46.00	61.21	0.004%	0.00
15	Selection Item 15	840.11	7/9/2025	8/12/2025	15.21	34.00	49.21	0.041%	0.02
16	Selection Item 16	5,644.93	10/15/2025	11/13/2025	15.21	29.00	44.21	0.277%	0.12
17	Selection Item 17	9,597.50	4/30/2025	6/3/2025	15.21	34.00	49.21	0.471%	0.23
18	Selection Item 18	1,006.53	9/5/2025	9/30/2025	15.21	25.00	40.21	0.049%	0.02
19	Selection Item 19	2,184.77	3/27/2025	4/22/2025	15.21	26.00	41.21	0.107%	0.04
20	Selection Item 20	300.00	10/6/2025	10/30/2025	15.21	24.00	39.21	0.015%	0.01
21	Selection Item 21	315.00	8/18/2025	9/23/2025	15.21	36.00	51.21	0.015%	0.01
22	Selection Item 22	1,489.01	7/15/2025	8/12/2025	15.21	28.00	43.21	0.073%	0.03
23	Selection Item 23	28,713.96	2/6/2025	3/11/2025	15.21	33.00	48.21	1.410%	0.68
24	Selection Item 24	3,960.00	7/3/2025	9/2/2025	15.21	61.00	76.21	0.194%	0.15
25	Selection Item 25	322.48	4/7/2025	5/1/2025	15.21	24.00	39.21	0.016%	0.01
26	Selection Item 26	1,454.01	10/31/2025	11/20/2025	15.21	20.00	35.21	0.071%	0.03
27	Selection Item 27	459.00	4/30/2025	5/27/2025	15.21	27.00	42.21	0.023%	0.01
28	Selection Item 28	453.59	12/18/2024	1/14/2025	15.21	27.00	42.21	0.022%	0.01
29	Selection Item 29	1,370.47	9/16/2025	10/14/2025	15.21	28.00	43.21	0.067%	0.03
30	Selection Item 30	2,004.64	2/12/2025	3/11/2025	15.21	27.00	42.21	0.098%	0.04
31	Selection Item 31	906.98	10/20/2025	11/13/2025	15.21	24.00	39.21	0.045%	0.02
32	Selection Item 32	4,600.00	8/6/2025	10/14/2025	15.21	69.00	84.21	0.226%	0.19
33	Selection Item 33	26,857.87	2/20/2025	2/25/2025	15.21	5.00	20.21	1.319%	0.27
34	Selection Item 34	3,939.69	2/12/2025	3/11/2025	15.21	27.00	42.21	0.193%	0.08
35	Selection Item 35	65,789.87	9/5/2025	9/29/2025	15.21	24.00	39.21	3.231%	1.27
36	Selection Item 36	277.57	9/18/2025	9/23/2025	15.21	5.00	20.21	0.014%	0.00
37	Selection Item 37	1,026.61	6/27/2025	8/26/2025	15.21	60.00	75.21	0.050%	0.04
38	Selection Item 38	1,954.00	4/10/2025	5/6/2025	15.21	26.00	41.21	0.096%	0.04

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39	Selection Item 39	1,104.95	8/21/2025	9/16/2025	15.21	26.00	41.21	0.054%	0.02
40	Selection Item 40	100,000.00	6/19/2025	7/8/2025	15.21	19.00	34.21	4.911%	1.68
41	Selection Item 41	92,453.96	12/3/2024	12/30/2024	15.21	27.00	42.21	4.540%	1.92
42	Selection Item 42	84,972.77	7/18/2025	8/14/2025	15.21	27.00	42.21	4.173%	1.76
43	Selection Item 43	2,335.48	10/16/2025	11/13/2025	15.21	28.00	43.21	0.115%	0.05
44	Selection Item 44	457.20	5/14/2025	7/15/2025	15.21	62.00	77.21	0.022%	0.02
45	Selection Item 45	2,272.66	5/12/2025	9/23/2025	15.21	134.00	149.21	0.112%	0.17
46	Selection Item 46	122.00	10/20/2025	11/20/2025	15.21	31.00	46.21	0.006%	0.00
47	Selection Item 47	880.25	6/27/2025	11/13/2025	15.21	139.00	154.21	0.043%	0.07
48	Selection Item 48	7,066.05	12/2/2024	12/26/2024	15.21	24.00	39.21	0.347%	0.14
49	Selection Item 49	393.50	2/22/2025	2/27/2025	15.21	5.00	20.21	0.019%	0.00
50	Selection Item 50	504.90	8/13/2025	11/24/2025	15.21	103.00	118.21	0.025%	0.03
51	Selection Item 51	669.38	6/28/2025	7/22/2025	15.21	24.00	39.21	0.033%	0.01
52	Selection Item 52	118.40	5/13/2025	6/24/2025	15.21	42.00	57.21	0.006%	0.00
53	Selection Item 53	99.36	2/20/2025	4/22/2025	15.21	61.00	76.21	0.005%	0.00
54	Selection Item 54	584.50	12/19/2024	1/14/2025	15.21	26.00	41.21	0.029%	0.01
55	Selection Item 55	902.75	2/8/2025	2/13/2025	15.21	5.00	20.21	0.044%	0.01
56	Selection Item 56	146.59	10/21/2025	11/24/2025	15.21	34.00	49.21	0.007%	0.00
57	Selection Item 57	1,403.92	10/23/2025	11/18/2025	15.21	26.00	41.21	0.069%	0.03
58	Selection Item 58	81.77	5/16/2025	6/10/2025	15.21	25.00	40.21	0.004%	0.00
59	Selection Item 59	13,079.00	7/8/2025	8/14/2025	15.21	37.00	52.21	0.642%	0.34
60	Selection Item 60	20.00	7/24/2025	8/19/2025	15.21	26.00	41.21	0.001%	0.00
61	Selection Item 61	1,210.25	5/30/2025	9/23/2025	15.21	116.00	131.21	0.059%	0.08
62	Selection Item 62	109,257.98	9/22/2025	11/13/2025	15.21	52.00	67.21	5.366%	3.61
63	Selection Item 63	62,297.43	10/23/2025	10/23/2025	15.21	-	15.21	3.059%	0.47
64	Selection Item 64	15,315.26	10/15/2025	11/13/2025	15.21	29.00	44.21	0.752%	0.33
65	Selection Item 65	23,443.17	10/27/2025	11/20/2025	15.21	24.00	39.21	1.151%	0.45
66	Selection Item 66	26.14	3/26/2025	9/9/2025	15.21	167.00	182.21	0.001%	0.00
67	Selection Item 67	214.35	10/2/2025	10/28/2025	15.21	26.00	41.21	0.011%	0.00
68	Selection Item 68	132.00	8/12/2025	9/30/2025	15.21	49.00	64.21	0.006%	0.00
69	Selection Item 69	15,448.01	10/31/2025	11/20/2025	15.21	20.00	35.21	0.759%	0.27
70	Selection Item 70	195.52	12/10/2024	1/30/2025	15.21	51.00	66.21	0.010%	0.01
71	Selection Item 71	3,408.35	5/22/2025	5/22/2025	15.21	-	15.21	0.167%	0.03
72	Selection Item 72	40,826.85	12/23/2024	12/26/2024	15.21	3.00	18.21	2.005%	0.37
73	Selection Item 73	2,500.00	9/16/2025	10/16/2025	15.21	30.00	45.21	0.123%	0.06
74	Selection Item 74	19,968.94	3/10/2025	4/3/2025	15.21	24.00	39.21	0.981%	0.38
75	Selection Item 75	14,745.35	6/5/2025	7/2/2025	15.21	27.00	42.21	0.724%	0.31
76	Selection Item 76	328.75	10/25/2025	11/4/2025	15.21	10.00	25.21	0.016%	0.00
77	Selection Item 77	34,660.00	12/10/2024	1/7/2025	15.21	28.00	43.21	1.702%	0.74
78	Selection Item 78	1,486.26	4/8/2025	4/22/2025	15.21	14.00	29.21	0.073%	0.02
79	Selection Item 79	13,318.46	8/15/2025	9/9/2025	15.21	25.00	40.21	0.654%	0.26

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80	Selection Item 80	17,801.59	4/21/2025	5/15/2025	15.21	24.00	39.21	0.874%	0.34
81	Selection Item 81	685.28	8/10/2025	9/4/2025	15.21	25.00	40.21	0.034%	0.01
82	Selection Item 82	7,500.00	4/1/2025	6/26/2025	15.21	86.00	101.21	0.368%	0.37
83	Selection Item 83	16,602.58	5/21/2025	6/19/2025	15.21	29.00	44.21	0.815%	0.36
84	Selection Item 84	4,615.57	5/12/2025	6/26/2025	15.21	45.00	60.21	0.227%	0.14
85	Selection Item 85	367.07	4/18/2025	5/13/2025	15.21	25.00	40.21	0.018%	0.01
86	Selection Item 86	5,003.51	5/19/2025	7/22/2025	15.21	64.00	79.21	0.246%	0.19
87	Selection Item 87	2,746.04	10/31/2025	11/24/2025	15.21	24.00	39.21	0.135%	0.05
88	Selection Item 88	97,658.00	2/10/2025	2/11/2025	15.21	1.00	16.21	4.796%	0.78
89	Selection Item 89	1,752.68	7/29/2025	8/26/2025	15.21	28.00	43.21	0.086%	0.04
90	Selection Item 90	5,218.64	3/18/2025	4/15/2025	15.21	28.00	43.21	0.256%	0.11
91	Selection Item 91	1,050.00	8/6/2025	9/2/2025	15.21	27.00	42.21	0.052%	0.02
92	Selection Item 92	5,914.70	5/29/2025	6/24/2025	15.21	26.00	41.21	0.290%	0.12
93	Selection Item 93	28.00	12/20/2024	1/14/2025	15.21	25.00	40.21	0.001%	0.00
94	Selection Item 94	3,485.83	11/3/2025	11/20/2025	15.21	17.00	32.21	0.171%	0.06
95	Selection Item 95	1,014.82	9/19/2025	10/14/2025	15.21	25.00	40.21	0.050%	0.02
96	Selection Item 96	2,490.60	2/13/2025	3/11/2025	15.21	26.00	41.21	0.122%	0.05
97	Selection Item 97	726.48	7/31/2025	8/26/2025	15.21	26.00	41.21	0.036%	0.01
98	Selection Item 98	8,302.00	8/5/2025	10/28/2025	15.21	84.00	99.21	0.408%	0.40
99	Selection Item 99	1,146.54	7/18/2025	9/9/2025	15.21	53.00	68.21	0.056%	0.04
100	Selection Item 100	4,415.97	4/8/2025	5/6/2025	15.21	28.00	43.21	0.217%	0.09
101	Selection Item 101	255.00	3/24/2025	4/17/2025	15.21	24.00	39.21	0.013%	0.00
102	Selection Item 102	709.59	7/1/2025	7/10/2025	15.21	9.00	24.21	0.035%	0.01
103	Selection Item 103	15,867.88	3/28/2025	4/24/2025	15.21	27.00	42.21	0.779%	0.33
104	Selection Item 104	950.00	1/29/2025	2/18/2025	15.21	20.00	35.21	0.047%	0.02
105	Selection Item 105	5,845.02	10/13/2025	11/6/2025	15.21	24.00	39.21	0.287%	0.11
106	Selection Item 106	585.68	12/8/2024	12/17/2024	15.21	9.00	24.21	0.029%	0.01
107	Selection Item 107	933.56	1/2/2025	3/20/2025	15.21	77.00	92.21	0.046%	0.04
108	Selection Item 108	404.46	7/17/2025	8/1/2025	15.21	15.00	30.21	0.020%	0.01
109	Selection Item 109	835.70	7/10/2025	8/5/2025	15.21	26.00	41.21	0.041%	0.02
110	Selection Item 110	2,560.42	6/11/2025	7/29/2025	15.21	48.00	63.21	0.126%	0.08
111	Selection Item 111	2,928.79	4/27/2025	5/8/2025	15.21	11.00	26.21	0.144%	0.04
112	Selection Item 112	376.66	5/19/2025	6/26/2025	15.21	38.00	53.21	0.018%	0.01
113	Selection Item 113	2,658.62	1/28/2025	2/25/2025	15.21	28.00	43.21	0.131%	0.06
114	Selection Item 114	1,592.28	1/10/2025	1/16/2025	15.21	6.00	21.21	0.078%	0.02
115	Selection Item 115	2,176.76	1/24/2025	4/22/2025	15.21	88.00	103.21	0.107%	0.11
116	Selection Item 116	25,270.56	9/24/2025	10/21/2025	15.21	27.00	42.21	1.241%	0.52
117	Selection Item 117	171.00	5/5/2025	5/29/2025	15.21	24.00	39.21	0.008%	0.00
118	Selection Item 118	3,733.03	8/11/2025	10/2/2025	15.21	52.00	67.21	0.183%	0.12
119	Selection Item 119	65.92	4/2/2025	5/8/2025	15.21	36.00	51.21	0.003%	0.00
120	Selection Item 120	72.50	4/30/2025	5/27/2025	15.21	27.00	42.21	0.004%	0.00

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121	Selection Item 121	9,307.50	8/19/2025	9/16/2025	15.21	28.00	43.21	0.457%	0.20
122	Selection Item 122	671.69	7/25/2025	8/19/2025	15.21	25.00	40.21	0.033%	0.01
123	Selection Item 123	15,972.28	6/19/2025	6/24/2025	15.21	5.00	20.21	0.784%	0.16
124	Selection Item 124	702.08	10/23/2025	11/18/2025	15.21	26.00	41.21	0.034%	0.01
125	Selection Item 125	600.00	4/14/2025	5/8/2025	15.21	24.00	39.21	0.029%	0.01
126	Selection Item 126	483.72	6/9/2025	7/24/2025	15.21	45.00	60.21	0.024%	0.01
127	Selection Item 127	3,259.35	8/1/2025	8/26/2025	15.21	25.00	40.21	0.160%	0.06
128	Selection Item 128	253.93	9/23/2025	11/24/2025	15.21	62.00	77.21	0.012%	0.01
129	Selection Item 129	81.40	4/15/2025	5/13/2025	15.21	28.00	43.21	0.004%	0.00
130	Selection Item 130	17,078.91	1/22/2025	2/18/2025	15.21	27.00	42.21	0.839%	0.35
131	Selection Item 131	1,557.40	6/9/2025	7/3/2025	15.21	24.00	39.21	0.076%	0.03
132	Selection Item 132	40,645.52	4/2/2025	4/29/2025	15.21	27.00	42.21	1.996%	0.84
133	Selection Item 133	34,497.65	8/11/2025	10/16/2025	15.21	66.00	81.21	1.694%	1.38
134	Selection Item 134	7,613.20	6/6/2025	7/2/2025	15.21	26.00	41.21	0.374%	0.15
135	Selection Item 135	4,863.84	4/8/2025	5/6/2025	15.21	28.00	43.21	0.239%	0.10
136	Selection Item 136	558.12	9/9/2025	10/7/2025	15.21	28.00	43.21	0.027%	0.01
137	Selection Item 137	3,653.35	7/19/2025	9/18/2025	15.21	61.00	76.21	0.179%	0.14
138	Selection Item 138	886.84	7/11/2025	9/11/2025	15.21	62.00	77.21	0.044%	0.03
139	Selection Item 139	7.44	1/31/2025	3/13/2025	15.21	41.00	56.21	0.000%	0.00
140	Selection Item 140	16,018.69	5/26/2025	6/26/2025	15.21	31.00	46.21	0.787%	0.36
141	Selection Item 141	652.02	10/23/2025	11/18/2025	15.21	26.00	41.21	0.032%	0.01
142	Selection Item 142	674.33	7/31/2025	8/7/2025	15.21	7.00	22.21	0.033%	0.01
143	Selection Item 143	8,802.00	3/27/2025	6/17/2025	15.21	82.00	97.21	0.432%	0.42
144	Selection Item 144	177.00	12/31/2024	2/20/2025	15.21	51.00	66.21	0.009%	0.01
145	Selection Item 145	293.70	6/6/2025	7/1/2025	15.21	25.00	40.21	0.014%	0.01
146	Selection Item 146	128,091.26	3/14/2025	4/15/2025	15.21	32.00	47.21	6.291%	2.97
147	Selection Item 147	62,832.47	1/2/2025	1/28/2025	15.21	26.00	41.21	3.086%	1.27
148	Selection Item 148	360.00	7/17/2025	8/12/2025	15.21	26.00	41.21	0.018%	0.01
149	Selection Item 149	947.31	3/6/2025	4/22/2025	15.21	47.00	62.21	0.047%	0.03
150	Selection Item 150	372.50	2/21/2025	3/18/2025	15.21	25.00	40.21	0.018%	0.01
151	Selection Item 151	531.14	7/17/2025	8/19/2025	15.21	33.00	48.21	0.026%	0.01
152	Selection Item 152	13,242.33	9/26/2025	10/21/2025	15.21	25.00	40.21	0.650%	0.26
153	Selection Item 153	9,671.29	3/31/2025	5/8/2025	15.21	38.00	53.21	0.475%	0.25
154	Selection Item 154	6,844.00	2/14/2025	3/11/2025	15.21	25.00	40.21	0.336%	0.14
155	Selection Item 155	280.14	4/24/2025	5/20/2025	15.21	26.00	41.21	0.014%	0.01
156	Selection Item 156	901.92	5/19/2025	6/26/2025	15.21	38.00	53.21	0.044%	0.02
157	Selection Item 157	262.00	6/26/2025	7/22/2025	15.21	26.00	41.21	0.013%	0.01
158	Selection Item 158	3,309.50	7/20/2025	8/21/2025	15.21	32.00	47.21	0.163%	0.08
159	Selection Item 159	1,420.98	5/23/2025	7/3/2025	15.21	41.00	56.21	0.070%	0.04
160	Selection Item 160	846.51	6/5/2025	7/10/2025	15.21	35.00	50.21	0.042%	0.02
161	Selection Item 161	17,801.59	5/8/2025	6/3/2025	15.21	26.00	41.21	0.874%	0.36

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162	Selection Item 162	148.68	1/27/2025	2/20/2025	15.21	24.00	39.21	0.007%	0.00
163	Selection Item 163	430.00	7/28/2025	8/21/2025	15.21	24.00	39.21	0.021%	0.01
164	Selection Item 164	1,630.96	8/7/2025	9/2/2025	15.21	26.00	41.21	0.080%	0.03
165	Selection Item 165	464.00	12/17/2024	1/14/2025	15.21	28.00	43.21	0.023%	0.01
166	Selection Item 166	156.95	7/23/2025	8/19/2025	15.21	27.00	42.21	0.008%	0.00
167	Selection Item 167	151,131.92	6/13/2025	7/8/2025	15.21	25.00	40.21	7.422%	2.98
168	Selection Item 168	130.13	8/31/2025	10/28/2025	15.21	58.00	73.21	0.006%	0.00
169	Selection Item 169	1,015.25	4/10/2025	5/6/2025	15.21	26.00	41.21	0.050%	0.02
170	Selection Item 170	2,000.00	5/15/2025	8/12/2025	15.21	89.00	104.21	0.098%	0.10
171	Selection Item 171	13,050.00	12/18/2024	1/14/2025	15.21	27.00	42.21	0.641%	0.27
172	Selection Item 172	359.04	8/29/2025	9/23/2025	15.21	25.00	40.21	0.018%	0.01
173	Selection Item 173	2,706.00	2/3/2025	2/11/2025	15.21	8.00	23.21	0.133%	0.03
174	Selection Item 174	533.40	4/23/2025	5/29/2025	15.21	36.00	51.21	0.026%	0.01
175	Selection Item 175	32,692.08	3/28/2025	4/22/2025	15.21	25.00	40.21	1.605%	0.65
176	Selection Item 176	2,713.45	2/10/2025	2/27/2025	15.21	17.00	32.21	0.133%	0.04
177	Selection Item 177	1,000.00	9/3/2025	10/16/2025	15.21	43.00	58.21	0.049%	0.03
178	Selection Item 178	5,552.74	8/15/2025	9/9/2025	15.21	25.00	40.21	0.273%	0.11
179	Selection Item 179	7,532.19	4/1/2025	4/29/2025	15.21	28.00	43.21	0.370%	0.16
180	Selection Item 180	2,097.70	7/22/2025	9/25/2025	15.21	65.00	80.21	0.103%	0.08
181	Selection Item 181	869.55	6/10/2025	8/1/2025	15.21	52.00	67.21	0.043%	0.03
182	Selection Item 182	273.81	4/21/2025	5/15/2025	15.21	24.00	39.21	0.013%	0.01
183	Selection Item 183	576.80	6/23/2025	11/6/2025	15.21	136.00	151.21	0.028%	0.04
184	Selection Item 184	322.48	5/5/2025	5/29/2025	15.21	24.00	39.21	0.016%	0.01
185	Selection Item 185	1,500.00	1/23/2025	4/1/2025	15.21	68.00	83.21	0.074%	0.06
186	Selection Item 186	1,120.00	1/2/2025	3/18/2025	15.21	75.00	90.21	0.055%	0.05
187	Selection Item 187	140.00	12/31/2024	2/13/2025	15.21	44.00	59.21	0.007%	0.00
188	Selection Item 188	289.46	8/21/2025	8/21/2025	15.21	-	15.21	0.014%	0.00
189	Selection Item 189	29,547.46	8/15/2025	9/9/2025	15.21	25.00	40.21	1.451%	0.58
190	Selection Item 190	2,196.30	10/9/2025	11/4/2025	15.21	26.00	41.21	0.108%	0.04
191	Selection Item 191	1,807.33	2/1/2025	3/4/2025	15.21	31.00	46.21	0.089%	0.04
192	Selection Item 192	11,536.47	4/30/2025	6/26/2025	15.21	57.00	72.21	0.567%	0.41
193	Selection Item 193	520.08	1/30/2025	2/27/2025	15.21	28.00	43.21	0.026%	0.01
194	Selection Item 194	4,738.23	5/7/2025	5/13/2025	15.21	6.00	21.21	0.233%	0.05
195	Selection Item 195	12,396.88	1/13/2025	2/6/2025	15.21	24.00	39.21	0.609%	0.24
196	Selection Item 196	644.96	9/26/2025	11/12/2025	15.21	47.00	62.21	0.032%	0.02
197	Selection Item 197	644.96	2/17/2025	3/13/2025	15.21	24.00	39.21	0.032%	0.01
198	Selection Item 198	2,042.32	12/12/2024	1/7/2025	15.21	26.00	41.21	0.100%	0.04
199	Selection Item 199	166.40	2/8/2025	3/6/2025	15.21	26.00	41.21	0.008%	0.00
200		$ 2,036,258.85							

Calculation of Taxes Other than Income Lead Time

Weighted Expense Lead Time: **68.92** **days**

Line No.	(A) Type of Tax	(B) Begin of Period	(C) MidPoint Method	(D) End of Period	(E) Payment Date		(F) Amount	(G) Service Lead Time	(H) Payment Lead Time	(I) Total Lead time	(J) Weighting Factor	(K) Weighted Lead Time
1	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	2/10/2025	$	63.41	182.00	(142.00)	40.00	0.00%	0.00
2	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	3/12/2025	$	1,040.27	182.00	(112.00)	70.00	0.00%	0.00
3	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	3/13/2025	$	891.60	182.00	(111.00)	71.00	0.00%	0.00
4	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	4/10/2025	$	759.00	182.00	(83.00)	99.00	0.00%	0.00
5	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	5/7/2025	$	5,941.70	182.00	(56.00)	126.00	0.02%	0.03
6	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	6/5/2025	$	2,577.86	182.00	(27.00)	155.00	0.01%	0.01
7	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	6/12/2025	$	13.50	182.00	(20.00)	162.00	0.00%	0.00
8	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	8/7/2025	$	2,891.45	182.00	36.00	218.00	0.01%	0.02
9	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	9/11/2025	$	22,412.47	182.00	71.00	253.00	0.08%	0.21
10	PA and Local Sales Tax	11/1/2024	11/15/2024	11/30/2024	12/12/2024	$	768,746.98	14.50	26.50	41.00	2.87%	1.18
11	PA and Local Sales Tax	12/1/2024	12/16/2024	12/31/2024	1/16/2025	$	1,686,714.28	15.00	31.00	46.00	6.29%	2.90
12	PA and Local Sales Tax	1/1/2025	1/16/2025	1/31/2025	2/17/2025	$	2,335,115.58	15.00	32.00	47.00	8.71%	4.10
13	PA and Local Sales Tax	2/1/2025	2/14/2025	2/28/2025	3/17/2025	$	2,416,399.06	13.50	30.50	44.00	9.02%	3.97
14	PA and Local Sales Tax	3/1/2025	3/16/2025	3/31/2025	4/16/2025	$	2,016,948.44	15.00	31.00	46.00	7.53%	3.46
15	PA and Local Sales Tax	4/1/2025	4/15/2025	4/30/2025	5/15/2025	$	1,370,798.86	14.50	29.50	44.00	5.12%	2.25
16	PA and Local Sales Tax	5/1/2025	5/16/2025	5/31/2025	6/16/2025	$	790,396.37	15.00	31.00	46.00	2.95%	1.36
17	PA and Local Sales Tax	6/1/2025	6/15/2025	6/30/2025	7/16/2025	$	583,525.38	14.50	30.50	45.00	2.18%	0.98
18	PA and Local Sales Tax	7/1/2025	7/16/2025	7/31/2025	8/18/2025	$	442,368.83	15.00	33.00	48.00	1.65%	0.79
19	PA and Local Sales Tax	8/1/2025	8/16/2025	8/31/2025	9/18/2025	$	390,289.15	15.00	33.00	48.00	1.46%	0.70
20	PA and Local Sales Tax	9/1/2025	9/15/2025	9/30/2025	10/15/2025	$	429,645.45	14.50	29.50	44.00	1.60%	0.71
21	PA and Local Sales Tax	10/1/2025	10/16/2025	10/31/2025	11/19/2025	$	580,566.72	15.00	34.00	49.00	2.17%	1.06
22	PA and Local Sales Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$	541,165.00	15.00	(4.00)	11.00	2.02%	0.22
23	PA and Local Sales Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$	790,666.00	15.00	-	15.00	2.95%	0.44
24	PA and Local Sales Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$	897,537.00	13.50	2.50	16.00	3.35%	0.54
25	PA and Local Sales Tax	3/1/2025	3/16/2025	3/31/2025	3/17/2025	$	657,990.00	15.00	1.00	16.00	2.46%	0.39
26	PA and Local Sales Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$	564,478.00	14.50	0.50	15.00	2.11%	0.32
27	PA and Local Sales Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$	351,133.00	15.00	(1.00)	14.00	1.31%	0.18
28	PA and Local Sales Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$	296,408.00	14.50	0.50	15.00	1.11%	0.17
29	PA and Local Sales Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$	282,593.00	15.00	-	15.00	1.05%	0.16
30	PA and Local Sales Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$	299,018.00	15.00	2.00	17.00	1.12%	0.19
31	PA and Local Sales Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$	283,933.00	14.50	2.50	17.00	1.06%	0.18
32	PA and Local Sales Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$	375,134.00	15.00	(1.00)	14.00	1.40%	0.20
33	PA and Local Sales Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$	471,300.00	14.50	3.50	18.00	1.76%	0.32
34	PA and Local Use Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$	173,878.01	15.00	(4.00)	11.00	0.65%	0.07
35	PA and Local Use Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$	204,710.85	15.00	-	15.00	0.76%	0.11
36	PA and Local Use Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$	116,506.38	13.50	2.50	16.00	0.43%	0.07
37	PA and Local Use Tax	3/1/2025	3/16/2025	3/31/2025	3/17/2025	$	212,245.43	15.00	1.00	16.00	0.79%	0.13
38	PA and Local Use Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$	111,780.44	14.50	0.50	15.00	0.42%	0.06
39	PA and Local Use Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$	214,082.71	15.00	(1.00)	14.00	0.80%	0.11
40	PA and Local Use Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$	162,184.25	14.50	0.50	15.00	0.61%	0.09
41	PA and Local Use Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$	208,052.53	15.00	-	15.00	0.78%	0.12
42	PA and Local Use Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$	202,827.66	15.00	2.00	17.00	0.76%	0.13
43	PA and Local Use Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$	168,177.68	14.50	2.50	17.00	0.63%	0.11
44	PA and Local Use Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$	202,145.97	15.00	(1.00)	14.00	0.75%	0.11
45	PA and Local Use Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$	203,146.91	14.50	3.50	18.00	0.76%	0.14

Line No.	(A) Type of Tax	(B) Begin of Period	(C) MidPoint Method	(D) End of Period	(E) Payment Date	(F) Amount	(G) Service Lead Time	(H) Payment Lead Time	(I) Total Lead time	(J) Weighting Factor	(K) Weighted Lead Time
46	PA Excise Alternative Fuel Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$ 398.13	15.00	(4.00)	11.00	0.00%	0.00
47	PA Excise Alternative Fuel Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$ 426.23	15.00	-	15.00	0.00%	0.00
48	PA Excise Alternative Fuel Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$ 783.61	13.50	2.50	16.00	0.00%	0.00
49	PA Excise Alternative Fuel Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$ 725.69	14.50	0.50	15.00	0.00%	0.00
50	PA Excise Alternative Fuel Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$ 315.51	15.00	(1.00)	14.00	0.00%	0.00
51	PA Excise Alternative Fuel Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$ 311.50	14.50	0.50	15.00	0.00%	0.00
52	PA Excise Alternative Fuel Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$ 278.23	15.00	-	15.00	0.00%	0.00
53	PA Excise Alternative Fuel Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$ 334.45	15.00	2.00	17.00	0.00%	0.00
54	PA Excise Alternative Fuel Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$ 211.68	14.50	2.50	17.00	0.00%	0.00
55	PA Excise Alternative Fuel Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$ 670.60	15.00	(1.00)	14.00	0.00%	0.00
56	PA Excise Alternative Fuel Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$ 1,559.21	14.50	3.50	18.00	0.01%	0.00
57	U.S DOT Pipeline Safety User Fee	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 74,984.94	182.00	(62.00)	120.00	0.28%	0.34
58	U.S DOT Underground Natural Gas Stora	1/1/2025	7/2/2025	12/31/2025	4/15/2025	$ 30,769.00	182.00	(78.00)	104.00	0.11%	0.12
59	Federal Excise - Alternative Fuels Tax	10/1/2024	11/15/2024	12/31/2024	1/20/2025	$ (793.46)	45.50	65.50	111.00	0.00%	(0.00)
60	Federal Excise - Alternative Fuels Tax	1/1/2025	2/14/2025	3/31/2025	4/16/2025	$ 493.73	44.50	60.50	105.00	0.00%	0.00
61	Federal Excise - Alternative Fuels Tax	4/1/2025	5/16/2025	6/30/2025	7/16/2025	$ 295.91	45.00	61.00	106.00	0.00%	0.00
62	Federal Excise - Alternative Fuels Tax	7/1/2025	8/15/2025	9/30/2025	10/23/2025	$ 397.66	45.50	68.50	114.00	0.00%	0.00
63	Federal Heavy Highway Tax	7/1/2024	12/30/2024	6/30/2025	9/10/2024	$ 6,173.33	182.00	(111.00)	71.00	0.02%	0.02
64	Federal Heavy Highway Tax	7/1/2025	12/30/2025	6/30/2026	9/12/2025	$ 5,095.00	182.00	(109.00)	73.00	0.02%	0.01
65	PURTA	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 875,000.00	182.00	(62.00)	120.00	3.27%	3.92
66	PURTA	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 102,000.00	182.00	(62.00)	120.00	0.38%	0.46
67	PA PUC Assessment	1/1/2025	7/2/2025	12/31/2025	9/25/2025	$ 3,434,911.00	182.00	85.00	267.00	12.82%	34.23
68	WV Gas Stored	1/1/2025	7/2/2025	12/31/2025	2/10/2025	$ 294,840.34	182.00	(142.00)	40.00	1.10%	0.44
69	WV Gas Stored	1/1/2025	7/2/2025	12/31/2025	8/26/2025	$ 126,855.31	182.00	55.00	237.00	0.47%	1.12
70						$ 26,796,237.78					

Calculation of Income Tax Lead Time - State & Federal

Line No.	Period Covered Beginning	Period Covered End	Mid-Point of Period	Date Paid	(Lead) / Lag Days (D) - (C)	Payment Schedule	Dollar Weighted Days
	(A)	(B)	(C)	(D)	(F)	(E)	(G)
	Federal Income Tax						
1	1/1/2024	12/31/2024	7/1/2024	12/13/2024	164.50	25.0%	41.13
2	1/1/2025	12/31/2025	7/2/2025	4/15/2025	(78.00)	25.0%	(19.50)
3	1/1/2025	12/31/2025	7/2/2025	6/13/2025	(19.00)	25.0%	(4.75)
4	1/1/2025	12/31/2025	7/2/2025	9/15/2025	75.00	25.0%	18.75
						100.0%	**35.63**
	State Income Tax						
5	1/1/2024	12/31/2024	7/1/2024	12/13/2024	164.50	22.5%	37.01
6	1/1/2025	12/31/2025	7/2/2025	3/14/2025	(110.00)	22.5%	(24.75)
7	1/1/2024	12/31/2024	7/1/2024	4/15/2025	287.50	10.0%	28.75
8	1/1/2025	12/31/2025	7/2/2025	6/13/2025	(19.00)	22.5%	(4.28)
9	1/1/2025	12/31/2025	7/2/2025	9/15/2025	75.00	22.5%	16.88
						100.0%	**53.61**

Calculation of Interest Expense Lead Time - Both Short Term and Long Term

Line No.	(A) Date of Issuance	(B) Date of Maturity	(C) Payment Date	(D) Start of Period	(E) End of Period	(F) Mid Point of Half	(G) Payment Lead Time	(H) Principal	(I) Interest	(J) Payment	(K) Nominal Net Lead	(L) Weighting Factor	(M) Weighted Lead
1	12/19/2013	12/19/2025	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$ 110,007,200	4.25%	$ 2,337,653	90.75	6.45%	5.86
2	12/18/2017	12/18/2027	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$ 178,911,000	3.38%	$ 3,023,596	90.75	10.50%	9.53
3	12/18/2017	12/18/2032	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$ 178,911,000	3.63%	$ 3,247,235	90.75	10.50%	9.53
4	10/31/2021	4/15/2030	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 221,786,218	2.70%	$ 499,758	45.50	13.01%	5.92
5	10/31/2021	4/15/2050	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 266,143,463	3.35%	$ 743,206	45.50	15.62%	7.11
6	12/31/2021	5/1/2031	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 65,364,587	2.40%	$ 130,729	45.50	3.84%	1.75
7	12/31/2021	5/1/2052	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 81,705,732	5.30%	$ 360,867	45.50	4.79%	2.18
8	7/31/2022	5/1/2031	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 152,444,444	2.40%	$ 304,889	45.50	8.95%	4.07
9	7/31/2022	5/1/2052	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 190,555,556	5.30%	$ 841,620	45.50	11.18%	5.09
10	7/31/2024	5/1/1931	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 48,839,507	2.40%	$ 97,679	45.50	2.87%	1.30
11	7/31/2024	5/2/1952	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 61,049,382	5.30%	$ 269,635	45.50	3.58%	1.63
12	1/2/2025	1/15/2034	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$ 148,500,000	5.38%	$ 665,156	45.50	8.71%	3.96
13	**Historical Test Year - Long Term Debt Outstanding**							**$ 1,704,218,089**		**$ 12,522,023**			**LT DEBT**
									0.73%		**Weighted Expense Lead Time**		**57.92**

ST Debt from previous month; est invoice on 25th of the month, int "paid" by month end

(A) ST Debt	(B) End of Period	(C) Posting Date	(D) Paid Date	(E) Amount	(F) Service Lead Time	(G) Payment Lead time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time

NOT APPLICABLE FOR PEOPLES NATURAL GAS COMPANY

		ST DEBT
Weighted Expense Lead Time		**-**

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Volume IX

Direct Testimony and Exhibits of:
Jennifer Nelson, Statement No. 15
John P. Spanos, Statement No. 16
John Taylor, Statement No. 17

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
JENNIFER E. NELSON
CONCENTRIC ENERGY ADVISORS
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026 Peoples Statement No. 15

DATE ADMITTED: _____

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PREPARED DIRECT TESTIMONY
OF JENNIFER E. NELSON

I. WITNESS IDENTIFICATION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, AFFILIATION, AND BUSINESS ADDRESS.

A. My name is Jennifer E. Nelson. I am a Vice President at Concentric Energy Advisors. Concentric is a management consulting and economic advisory firm that specializes in the North American energy and water industries. Based in Marlborough, Massachusetts; Washington, D.C.; and Calgary, Alberta; Concentric specializes in regulatory and litigation support, financial advisory services, energy market strategies, market assessments, energy commodity contracting and procurement, economic feasibility studies, and capital market analyses. My business address is 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts, 01752.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor's degree in Business Economics from Bentley University and a Master's degree in Resource and Applied Economics from the University of Alaska. I have more than fifteen years of experience in the energy industry, having served as a consultant and energy/regulatory economist for state government agencies. Since 2013, I have provided consulting services to clients on a range of financial and regulatory issues including cost of capital, ratemaking policy, and regulatory and financial strategy issues. Prior to consulting, I was a staff economist at the Massachusetts Department of Public Utilities, and a petroleum economist for the State of Alaska. I completed utility regulatory training offered by New Mexico State University's Center for Public Utilities and have earned the Certified Rate of Return Analyst designation from the Society of Utility and Regulatory Financial Analysts

based on my experience and successful completion of an examination. A summary of my professional and educational background, including a list of my testimonies filed before regulatory commissions, is included as Exhibit JEN-1.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Peoples Natural Gas Company LLC ("Peoples" or the "Company"). Peoples is a wholly-owned subsidiary of PNG Companies, LLC, which is ultimately owned by Essential Utilities, Inc., ("Essential").

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION ("PAPUC" OR THE "COMMISSION")?

A. Yes, I filed testimony before the Commission on behalf of PPL Electric Utilities Corporation in Docket No. R-2025-3057164 regarding the cost of capital. Additionally, I have filed testimony before more than 20 state regulatory commissions as detailed in Exhibit JEN-1. During my time as a consultant, I have supported the development of expert witness testimony and analyses regarding the cost of capital (*i.e.*, Return on Equity ("ROE") and capital structure) in more than 100 proceedings filed before numerous U.S. state regulatory commissions and the Federal Energy Regulatory Commission.

II. PURPOSE AND OVERVIEW OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to present evidence and provide a recommendation regarding the Company's return on equity. I also present and support the Company's proposed long-term capital structure and cost of long-term debt.

Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS CASE?

A. Yes. My analyses and recommendations are supported by the data presented in Exhibit JEN-2 through Exhibit JEN-13, which have been prepared by me or under my direction. I sponsor the following exhibits:

Exhibit JEN-1	Résumé and Testimony Listing of Jennifer E. Nelson
Exhibit JEN-2	Constant Growth DCF Results
Exhibit JEN-3	Quarterly Growth DCF Results
Exhibit JEN-4	Market Return Calculations
Exhibit JEN-5	CAPM and Empirical CAPM Results
Exhibit JEN-6	Bond Yield Plus Risk Premium Analysis
Exhibit JEN-7	Capital Expenditure Analysis
Exhibit JEN-8	Regulatory Risk
Exhibit JEN-9	Flotation Costs
Exhibit JEN-10	Capital Structure for Peoples Natural Gas
Exhibit JEN-11	Proxy Group Capital Structure Analysis
Exhibit JEN-12	Proxy Group Authorized Equity Ratios
Exhibit JEN-13	Cost of Long-Term Debt

Additionally, the list of the Standard Filing Requirement schedules that I sponsor is provided in Appendix A to my testimony.

Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR DIRECTION?

A. Yes.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING THE APPROPRIATE COST OF EQUITY FOR PEOPLES.

A. In this proceeding, I recommend the Commission authorize a base ROE of 11.00 percent for Peoples. To develop my ROE recommendation, I rely on the results of three widely used market-based financial models: (1) the constant growth and quarterly growth forms of the Discounted Cash Flow ("DCF") model, (2) the traditional and empirical forms of the Capital Asset Pricing Model ("CAPM"), and (3) the Bond Yield Plus Risk Premium. As shown in Figure 1 below, these models indicate a base cost of equity ranging from approximately 10.20 percent to 11.90 percent. The approximate average of the three models and midpoint of the range is 11.00 percent. Further, I do not make an additional adjustment for Peoples' planned capital expenditures, customer concentration and bypass risk, or flotation costs. Therefore, I conclude that a base ROE of 11.00 percent is a reasonable estimate of Peoples' cost of equity.

Figure 1: Summary of Results[1]

Model	**ROE Estimate**
Constant Growth DCF	10.79%
Quarterly Growth DCF	11.03%
Average DCF	**10.91%**
Forward CAPM	13.09%
Forward ECAPM	13.91%
Historical CAPM	10.11%
Historical ECAPM	10.64%
Average CAPM	**11.94%**
Risk Premium	10.24%
3-Model Average	**11.03%**

[1] *See*, Exhibit JEN-2 to Exhibit JEN-6. DCF and CAPM results reflect the average of the proxy group mean and median ROE estimates. Data as of January 30, 2026.

Model	ROE Estimate
Range of Model Results (Rounded)	10.20%-11.90%
Base ROE Recommendation	**11.00%**
Management Adder	0.25%
Final ROE Request	**11.25%**

As explained in **Peoples Statement No. 1 – the Direct Testimony of Michael Huwar**, Peoples is requesting a 25 basis point performance adder to reflect its superior management performance.[2] As stated in Witness Huwar's Direct Testimony, Peoples' strong management performance—evidenced by improved customer service, accelerated infrastructure investment, and its economic and civic contributions—supports a modest management adder. A 25 basis point increase to my recommended return of 11.00 percent within the range of model results and helps ensure continued access to capital for critical infrastructure investment in Pennsylvania.

As to the Company's capital structure, the requested permanent capital structure consisting of 54.47 percent common equity and 45.43 percent long-term debt reflects its Fully Projected Future Test Year ("FPFTY") capital structure and is within the range of the proxy group. It is also consistent with the actual and authorized capital structures of the gas utility peers.[3] Accordingly, the Company's requested capital structure is reasonable and should be approved. The Company's requested FPFTY Weighted Average Cost of Capital ("WACC") is shown in Figure 2 below.

[2] Direct Testimony of Michael Huwar, at 30.
[3] *See,* Exhibit JEN-11 and Exhibit JEN-12.

Figure 2: FPFTY Weighted Average Cost of Capital[4]

	% of Capital	Cost (%)	Weighted Cost
Long-Term Debt	45.53%	4.61%	2.10%
Common Equity	54.47%	11.25%	6.13%
Total	100.00%		8.23%

Q. WHAT FACTORS DO YOU CONSIDER IN DETERMINING YOUR ROE RECOMMENDATION?

A. The cost of equity is an opportunity cost that cannot be precisely quantified. Therefore, it must be estimated using various financial models. Each of the ROE estimation models is subject to limiting assumptions and each provides a different perspective on investors' return requirements under varying market conditions. The use of multiple financial models, therefore, enables a robust and comprehensive assessment of the cost of equity instead of relying on one specific estimation model.

In addition to the analytical results summarized above, my recommendation considers: (1) the Company's significant capital investment needs; (2) the regulatory environment in which the Company operates; (3) the risk associated with the ability of large customers to bypass Peoples' system; (4) the cost of issuing common equity (or flotation costs); (5) Peoples' financial risk reflected in its capital structure; and (6) the current capital market environment. Although those factors are relevant to investors, their effect on the Company's cost of equity cannot be directly quantified. While I do not make any explicit adjustments to my ROE estimates for Peoples' business risks, I consider them when determining my ROE recommendation.

[4] *See,* Exhibit JEN-10 and Exhibit JEN-13.

Based on those considerations, it is my opinion that a base ROE of 11.00 percent, before an adjustment for the Company's management performance, is a reasonable, if not conservative estimate of Peoples' cost of equity.

Q. IS YOUR BASE ROE RECOMMENDATION SUPPORTED BY DATA REPORTED IN THE COMMISSION'S BUREAU OF TECHNICAL UTILITY SERVICES QUARTERLY EARNINGS REPORTS?

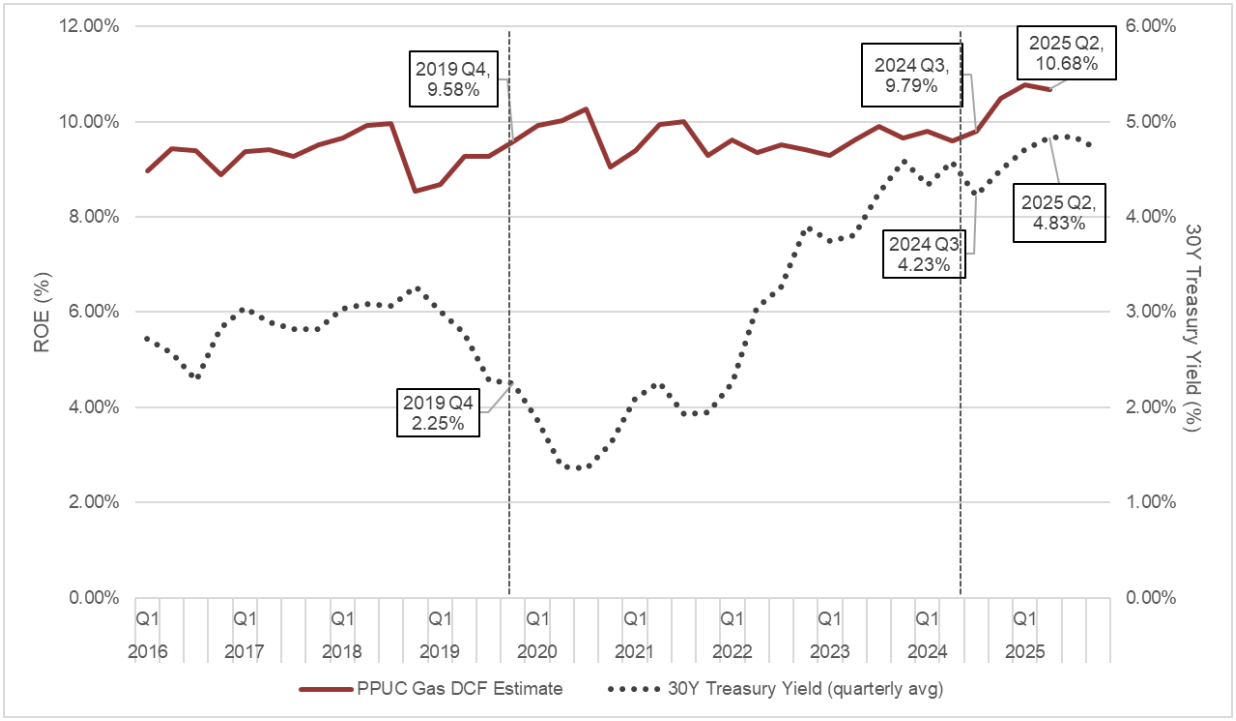
A. Yes. In its most recent *Bureau Of Technical Utility Services Report On The Quarterly Earnings Of Jurisdictional Utilities for the Year Ended June 30, 2025*, the Current Market Indicated ROE for the gas utilities ranged from 9.33 percent to 12.02 percent.[5] My base ROE recommendation of 11.00 percent is within this range.

Additionally, the quarterly DCF results for the gas barometer group reported in the quarterly earnings reports have been increasing (*see*, Figure 3 below). Figure 3 graphs the PPUC's published gas barometer group DCF results for the past ten years, as well as the 30-year Treasury yield over the same period. As shown in Figure 3, the 30-year Treasury yield has increased considerably since Peoples' last two rate cases, and the DCF results reflected in the Commission-developed have increased correspondingly. For example, the Commission issued its Order in Peoples' 2019 rate case on October 3, 2019 when the 30-year Treasury yield was 2.25 percent and the Q4 2019 Commission-developed DCF analysis for the natural gas barometer group was 9.58 percent. The Company's most recent rate case concluded on September 12, 2024, when the 30-year Treasury yield escalated nearly 200 basis points to 4.23 percent. The Commission's gas group DCF analysis increased 20 basis points to 9.79 percent.

[5] Bureau Of Technical Utility Services Report On The Quarterly Earnings Of Jurisdictional Utilities for the Year Ended June 30, 2025, at 14, https://www.puc.pa.gov/filing-resources/reports/quarterly-earnings-summary-reports/

As of June 30, 2025, the most recently published PPUC earnings report calculated a gas group DCF estimate nearly than 90 basis points higher, or 10.68 percent, compared to the 30-year Treasury yield of 4.83 percent. This data demonstrates that the cost of equity for the natural gas utilities as estimated by the Commission's DCF analysis has increased since the Company's last two rate cases.

Figure 3: Historical PAPUC Gas



DCF Estimate and 30-Year Treasury Yield[6]

Q. DOES YOUR RECOMMENDATION CONSIDER THE CURRENT AND EXPECTED INTEREST RATE ENVIRONMENT?

A. Yes, it does. As shown in Figure 3 above, the 30-year Treasury bond yield has risen over 200 basis points over the course of the Company's last two rate cases. As discussed in more detail

[6] Sources: https://www.puc.pa.gov/filing-resources/reports/quarterly-earnings-summary-reports/; Federal Reserve Bank of St. Louis, FRED Economic Database.

in Section VI, although the Federal Reserve reduced the Federal Funds rate by 75 basis points in 2025, long-term government and utility bond yields have not followed suit and are expected to remain near current levels over the next five years.

Q. HAS THE COMMISSION PREVIOUSLY ACKNOWLEDGED THE IMPORTANCE OF CONSIDERING PREVAILING MARKET CONDITIONS IN DETERMINING THE APPROPRIATE ROE?

A. Yes, in its July 2024 Opinion and Order for Pennsylvania American Water Company in Docket No. R-2023-3043189, the Commission considered the prevailing market conditions of increasing inflation, higher interest rates, and capital costs in approving an ROE that reflected the average of the DCF and CAPM results.[7] As explained later in my Direct Testimony, these conditions persist, and are expected to persist, going forward.

Q. HOW IS THE REMAINDER OF YOUR DIRECT TESTIMONY ORGANIZED?

A. The remainder of my Direct Testimony is organized as follows:

- Section III – Summarizes the regulatory guidelines relevant to the cost of capital estimation in regulatory proceedings, explains my selection of the proxy group used to develop my analytical results, and describes the analyses on which my ROE determination is based;
- Section IV – Discusses the effect of the Company's business risks, including its planned capital expenditures, the ability of large customers to bypass Peoples' system, its regulatory environment, and flotation costs on its cost of equity;

[7] Pennsylvania American Water Company, Docket No. R-2023-3043189, Opinion and Order, at 194 (July 11, 2024).

- Section V – Provides an assessment of the Company's requested capital structure and cost of long-term debt; and
- Section VI – Reviews the current capital market conditions and the implication on the cost of equity; and
- Section VII – Summarizes my conclusions and recommendations.

III. COST OF EQUITY ESTIMATION

A. Regulatory Guidelines and Financial Considerations

Q. BEFORE ADDRESSING THE SPECIFIC ASPECTS OF THIS PROCEEDING, PLEASE EXPLAIN THE CONNECTION BETWEEN THE COST OF CAPITAL AND A UTILITY'S COST OF SERVICE.

A. Under the cost-of-service ratemaking paradigm, the development of utility rates begins with determining the utility's total cost to serve customers. This is known as the revenue requirement, since the utility's revenues must be sufficient to recover its costs to serve customers. The revenue requirement consists of four components: (1) operating and maintenance ("O&M") expenses, (2) taxes, (3) the return *of* capital through depreciation expense, and (4) the return *on* capital through the regulated return on rate base. The return on rate base is calculated as the weighted average cost of capital multiplied by the rate base. The return on capital must be sufficient to allow the utility to repay its debt obligations and compensate equity investors for the use of their financial capital. From that important perspective, the return on capital reflects a cost to the utility just as any other component of the revenue requirement.

Q. PLEASE EXPLAIN THE COST OF CAPITAL CONCEPTUALLY.

A. The cost of capital is the return that investors require to commit capital to a firm. Investors will provide funds to a firm only if the return that they *expect* is equal to, or greater than, the return that they *require* to accept the risk of investing capital in the firm. Simply, the cost of capital is the required rate of return prevailing in the capital markets on alternative investments of similar risk.[8] Conceptually, the cost of capital is: (1) forward looking; (2) an opportunity cost; (3) determined in the capital markets, and (4) dependent on, and proportional to, the risk of the investment.[9]

Because the cost of equity is expectational and premised on the principle of opportunity costs, it cannot be precisely quantified. Instead, it must be estimated by applying market data to various financial models that are simplified representations of investor behavior and expectations. Moreover, equity investors have a subordinate claim to cash flows owed to debt investments and other claims; the uncertainty (or risk) associated with those residual cash flows determines the cost of equity. In the end, the cost of equity should reflect the return that investors require considering the subject company's risk profile and the returns available on comparable investments.

Q. HOW IS THE COST OF EQUITY ESTIMATED IN REGULATORY PROCEEDINGS?

A. Regulated utilities primarily use long-term capital (*e.g.*, common stock and long-term debt) to finance their permanent rate base. The rate of return for a regulated utility is calculated as its

[8] Lawrence A. Kolbe, James A. Read, Jr., and George R. Hall, The Cost of Capital – Estimating the Rate of Return for Public Utilities, The MIT Press, Cambridge, MA, at 13 (1985).

[9] Lawrence A. Kolbe, James A. Read, Jr., and George R. Hall, The Cost of Capital – Estimating the Rate of Return for Public Utilities, The MIT Press, Cambridge, MA, at 13 (1985).

weighted average cost of capital, in which the costs of the individual sources of capital are weighted by their respective book values.

The cost of equity reflects the cost of raising and retaining equity capital and is estimated by using one or more market-based analytical approaches. Although quantitative models are used to estimate the cost of equity, it cannot be precisely quantified through a strict mathematical exercise. As such, a reasonable and appropriate ROE reflects the financial, economic, and regulatory environment in which the estimate is developed, as well as the subject company's risk profile.

Q. PLEASE BRIEFLY SUMMARIZE THE GUIDELINES USED IN ESTABLISHING THE COST OF CAPITAL FOR A REGULATED UTILITY.

A. Public utility regulation is rooted in the principle that utilities are entitled to a fair rate of return sufficient to attract the capital required to provide safe and reliable public utility service for customers at reasonable rates. The U.S. Supreme Court ("Supreme Court") established the guiding principles for establishing a fair return for capital in two seminal cases: (1) *Bluefield Water Works and Improvement Co. v. Public Service Comm'n.* ("*Bluefield*");[10] and (2) *Federal Power Comm'n v. Hope Natural Gas Co.* ("*Hope*").[11] In *Bluefield*, the Court stated:

> A public utility is entitled to such rates as will permit it to earn a return upon the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit, and enable it to raise the money necessary for the proper

[10] *See, Bluefield Water Works and Improvement Co. v. Public Service Comm'n*., 262 U.S. 679, 692 (1923).
[11] *See, Federal Power Comm'n v. Hope Natural Gas Co*., 320 U.S. 591, 603 (1944).

discharge of its public duties.[12]

The Supreme Court therefore recognized that: (1) a regulated public utility cannot remain financially sound unless the return it is allowed to earn on its invested capital is at least equal to the cost of capital (the principle relating to the demand for capital); and (2) a regulated public utility will not be able to attract capital if it does not offer investors an opportunity to earn a return on their investment equal to the return they expect to earn on other investments of similar risk (the principle relating to the supply of capital).

In *Hope*, the Supreme Court reiterated the three primary standards for a regulated rate of return:

> [Th]e return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.[13]

In summary, the Supreme Court has recognized that the fair return should be: (1) commensurate with returns investors expect to earn on other investments of similar risk (the "comparable return" standard); (2) sufficient to assure confidence in the company's financial integrity (the "financial integrity" standard); and (3) adequate to maintain and support the company's credit and to attract capital (the "capital attraction" standard). Importantly, a fair and reasonable rate of return satisfies all three standards.

Q. HAS THE COMMISSION ALSO APPLIED THE *HOPE* AND *BLUEFIELD* STANDARDS AS GUIDANCE FOR SETTING RATES?

A. Yes, it has. The Commission upholds the precedents of the *Hope* and *Bluefield* cases and regularly acknowledges that a utility is entitled to a fair and reasonable return. For example, in

[12] *Bluefield Water Works and Improvement Co. v. Public Service Comm'n*., 262 U.S. 679, 692 (1923).
[13] *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).

its September 2024 order in Peoples' last filed rate case, the Commission stated, "In determining a fair rate of return, the Commission is guided by the criteria provided by the United States Supreme Court in the landmark cases of *Bluefield Water Works and Improvement Co. v. Public Service Comm'n of West Virginia*, 262 U.S. 679 (1923) and *Federal Power Comm'n v. Hope Natural Gas Co*., 320 U.S. 591 (1944)."[14] Based on those standards, the authorized ROE should provide Peoples with the opportunity (which is not a guarantee) to earn a fair and reasonable return and should enable efficient access to external capital under a variety of market conditions.

Q. WHY IS IT IMPORTANT FOR A UTILITY TO BE ALLOWED THE OPPORTUNITY TO EARN A RETURN THAT IS ADEQUATE TO ATTRACT CAPITAL AT REASONABLE TERMS?

A. Regulated utilities have a legal obligation to serve regardless of prevailing economic and capital market conditions. Unlike non-regulated firms, a regulated utility cannot decide to whom it provides utility service in its footprint, how much service it delivers, nor when it provides service. Because utilities are one of the most capital-intensive sectors, they must ensure they have access to external financial capital on reasonable terms in all market environments, including when capital markets are volatile or constrained (*e.g*., during periods of high inflation and interest rates, global pandemics, changes in government, and economic recessions). The ability to attract adequate capital at reasonable terms allows a utility to maintain its financial integrity while funding its operations in a safe and reliable manner. As

[14] *Pa. PUC v. Peoples Natural Gas Company, LLC*, Opinion and Order, Docket No. R-2023-3044549, at 7 (September 12, 2024).

discussed above, and in keeping with the *Hope* and *Bluefield* standards, that return should be commensurate with the returns expected for investments of equivalent risk.

The ratemaking process is based on the principle that, for investors and companies to commit the capital needed to provide safe and reliable utility services, the utility must have a reasonable opportunity to recover the return of, and the market-required return on, invested capital. To meet its legal obligation to serve, the allowed ROE should enable the subject utility to maintain its financial integrity in a variety of economic and capital market conditions. To preserve and enhance service reliability, Peoples must generate adequate cash flow from operations and have efficient access to external capital needed to undertake its capital investment plan regardless of the economic and capital market conditions at the time.

Further, the financial community carefully monitors utility companies' current and expected financial conditions, as well as the regulatory environment in which those companies operate. In that respect, the regulatory environment is one of the most important factors considered in both debt and equity investors' assessments of risk.[15] That consideration is especially important during uncertain economic and financial conditions in which the utility may require access to capital markets.

The outcome of the Commission's order in this case, therefore, should provide Peoples with the opportunity to earn an ROE that is: (1) adequate to attract capital at reasonable terms, (2) sufficient to ensure its financial integrity, and (3) commensurate with returns on investments in enterprises having corresponding risks. To the extent Peoples has a reasonable opportunity to earn its market-based cost of equity, neither customers nor shareholders are disadvantaged. In fact, a return that is adequate to attract capital at reasonable terms enables

[15] *See, e.g.*, Moody's Ratings, *Rating Methodology: Regulated Gas and Electric Utilities*, at 7 (August 6, 2024).

Peoples to provide customers with safe, reliable service while maintaining its financial integrity.

Q. WHAT ARE YOUR CONCLUSIONS REGARDING THE REGULATORY PRINCIPLES PERTAINING TO THE COST OF CAPITAL FOR A PUBLIC UTILITY?

A. Congruent with other costs in a utility's cost of service, the regulated return on rate base is a cost that Peoples incurs as part of its normal operations, including the need to compensate equity investors for the use of their capital. Under the *Hope* and *Bluefield* standards, the cost of equity authorized for Peoples in this proceeding should be: (1) adequate to attract capital at reasonable terms; (2) sufficient to ensure its financial integrity; and (3) commensurate with returns on investments having similar risks.

Because utilities are capital intensive and investors have many investment alternatives, the Company's financial profile must be adequate on a relative basis to ensure its ability to attract capital under a variety of economic and financial market conditions. The Commission's decision regarding the authorized ROE and capital structure in this proceeding will directly affect the Company's ability to attract the capital needed to maintain and enhance service to customers.

B. Proxy Group Selection

Q. WHY IS IT NECESSARY TO SELECT A GROUP OF PROXY COMPANIES TO DETERMINE THE COST OF EQUITY FOR PEOPLES?

A. Because the ROE is a market-based concept, and Peoples is not a separate entity with its own stock price, it is necessary to establish a group of companies that are both publicly traded and

comparable to the Company in certain fundamental respects to serve as its "proxy" in the ROE estimation process. Even if the Company were a publicly traded entity, short-term events could bias its market value during a given period. A significant benefit of using a proxy group is that it moderates the effects of anomalous, temporary events associated with any one company. As a result of the screening criteria used to select the proxy group, the companies used in my ROE analyses have similar business and operating characteristics to Peoples and thus provide a reasonable basis for the derivation and assessment of ROE estimates.

Q. PLEASE PROVIDE A SUMMARY PROFILE OF PEOPLES.

A. Peoples is a wholly owned subsidiary of PNG Companies LLC, which is in turn owned by Essential. Peoples provides natural gas distribution services to approximately 740,000 customers in portions of Pennsylvania and Kentucky.[16] Peoples is not independently rated; the current issuer credit ratings for PNG Companies LLC and Essentialare shown in Figure 4 below:

Figure 4: Current Long-term Issuer Credit Ratings[17]

Rating Agency	PNG Companies LLC	Essential Utilities, Inc.
S&P Global Ratings	A- (Stable)	A- (Positive)
Moody's Ratings ("Moody's")	Baa2 (Negative)	Baa2 (Negative)

Q. DOES THE FACT THAT PEOPLES IS AN INDIRECT SUBSIDIARY OF ESSENTIAL AFFECT ITS COST OF EQUITY?

A. No. The cost of equity depends on the risk of a firm's operations and the assets supporting those operations. In other words, the cost of equity depends on the *use* of capital, not on the

[16] https://www.peoples-gas.com/about/
[17] Sources: S&P and Moody's.

source of capital. Therefore, the Company's corporate structure, including whether it (or its parent) is privately held or publicly traded, does not affect the analysis. That is, the ROE is not determined by reference to Peoples' parent company.

Q. HOW DID YOU SELECT THE COMPANIES INCLUDED IN YOUR PROXY GROUP?

A. Because estimating the cost of equity is a comparative exercise, it is necessary to develop a proxy group of companies with risk profiles that are reasonably comparable to the subject company. As each company is unique, no two companies will have identical business and financial risk profiles. In selecting a proxy group, my objective is to balance the competing interests of selecting companies that are representative of the risks and prospects faced by Peoples, while at the same time ensuring that there is a sufficient number of companies in the proxy group. To develop the proxy group, I began with the nine companies that Value Line classifies as "Natural Gas Utilities" and then screened companies according to the following criteria to develop a proxy group reasonably comparable to Peoples:

1. Pays quarterly cash dividends that have not been reduced or omitted in the last two years;
2. Maintains an investment grade long-term issuer rating (BBB- or higher from S&P or Baa3 or higher from Moody's) from both S&P and Moody's;
3. Is consistently covered by more than one equity analyst;
4. Has positive earnings growth rates published by at least two of the following sources: Value Line Investment Survey ("Value Line"), S&P Capital IQ, and Zacks Investment Research ("Zacks");

5. Regulated net operating income makes up the majority of the consolidated company's net operating income, on average, for the three years ended 2024;
6. Natural gas distribution net operating income makes up a majority of the consolidated company's net operating income, on average, for the three years ended 2024; and
7. Has not had a recent significant merger activity or transaction or a recent significant financial event that could affect its market data or financial condition.

Q. DO YOU INCLUDE ESSENTIAL IN YOUR PROXY GROUP?

A. No. Essential is not classified by Value Line as a natural gas utility, nor does it meet my screening criterion of having at least 50 percent of net operating income from regulated natural gas utility operations. Further, it would be circular logic to include Peoples' ultimate parent company in my analysis.

Q. WHICH COMPANIES MEET YOUR SCREENING CRITERIA?

A. The criteria discussed above resulted in a proxy group of the following seven companies:

Figure 5: Proxy Group Screening Results

Company	Ticker
Atmos Energy Corporation	ATO
New Jersey Resources Corporation	NJR
NiSource, Inc.	NI
Northwest Natural Holding Company	NWN
ONE Gas, Inc.	OGS
Southwest Gas Holdings, Inc.	SWX
Spire, Inc.	SR

Q. DOES THE PROXY GROUP OF SEVEN COMPANIES PROVIDE A REASONABLE BASIS TO ESTIMATE PEOPLES' COST OF EQUITY?

A. Yes. As noted earlier, my objective is to balance the competing interests of selecting companies that are representative of Peoples' risks, while also ensuring that there is a sufficient number of companies in the proxy group. The analyses performed in estimating the ROE are more likely to be representative of the subject utility's cost of equity to the extent that the selected proxy companies are fundamentally comparable to the subject utility. A larger proxy group does not necessarily improve the representative nature of the proxy group. Including companies whose fundamental comparability may be questionable simply for the purpose of expanding the number of observations does not improve the reliability of the results or the conclusions drawn from them. On balance, the proxy group is reasonably comparable to Peoples and is an appropriate set of companies to use in the ROE estimation process.

Q. DOES YOUR SCREENING CRITERIA RESULT IN A GROUP OF COMPANIES THAT INVESTORS WOULD VIEW AS COMPARABLE TO PEOPLES?

A. Yes. The proxy group has been selected to develop a group of companies that are reasonably comparable (but not identical) to the financial and operational characteristics of Peoples in

aggregate. The screening criterion requiring an investment grade credit rating ensures that the proxy companies, like Peoples, are generally in sound financial condition. Additionally, the criterion based on the percentage of net operating income from regulated natural gas distribution operations differentiates between utilities that derive a meaningful proportion of income from regulated natural gas distribution operations from those with substantial unregulated risks. These screens collectively reflect the risk factors that investors consider in making their investment decisions in natural gas utility companies.

C. Cost of Equity Models

Q. WHAT ANALYTICAL APPROACHES DO YOU RELY ON TO DETERMINE THE COMPANY'S ROE?

A. As discussed earlier, I rely on the constant growth and quarterly growth forms of the DCF model, the traditional and empirical forms of the CAPM, and the Risk Premium approach. The models I apply are commonly used in practice, as well as in regulatory proceedings.[18] Additionally, each model provides a different perspective of investors' views of risk and return. Therefore, using multiple methods provides a more comprehensive, and therefore more reliable, perspective on investors' return requirements.

1. Constant Growth Discounted Cash Flow Model

Q. PLEASE DESCRIBE THE CONSTANT GROWTH DCF APPROACH.

A. The Constant Growth DCF model is based on the theory that a stock's current price represents the present value of all expected future cash flows. In its simplest form, the Constant Growth

[18] *See, for example,* Eugene Brigham, Louis Gapenski, Financial Management: Theory and Practice, 7th Ed., 1994, at 341.

DCF model expresses the cost of equity shown in Equation [1] below sets the ROE equal to the expected dividend yield plus the expected long-term annual growth rate in perpetuity:

$$k = \frac{D_0\ (1+g)}{P} + g \qquad [1]$$

where:

k = the required market cost of equity,

D_0 = the current annualized dividend,

P = the current stock price, and

g = the expected long-term annual growth rate.

Q. WHAT ASSUMPTIONS UNDERLIE THE CONSTANT GROWTH DCF MODEL?

A. The Constant Growth DCF model assumes: (1) a constant average annual growth rate for earnings and dividends; (2) a stable dividend payout ratio; (3) a constant Price/Earnings multiple; and (4) a discount rate greater than the expected growth rate. The model also assumes that the current cost of equity remains constant in perpetuity.

Q. WHAT MARKET DATA DO YOU USE AS INPUTS TO YOUR CONSTANT GROWTH DCF ANALYSIS?

A. I calculate the Constant Growth DCF result for each of the proxy companies using the following inputs:

- The average daily closing prices for the 30-, 90-, and 180-trading days ended January 30, 2026 for the term P_0;
- The current quarterly dividend as of January 30, 2026 multiplied by 4, for the term D_0; and

- Long-term earnings per share ("EPS") growth rate projections as of January 30, 2026 reported by Zacks, S&P Capital IQ, and Value Line.

Q. WHY DO YOU USE THREE AVERAGING PERIODS TO CALCULATE AN AVERAGE STOCK PRICE?

A. I do so to ensure that the model's results are not skewed by anomalous events that may affect stock prices on any given trading day. At the same time, the averaging period should be reasonably reflective of expected capital market conditions over the long term. Using 30-, 90- and 180-trading day averaging periods balances those concerns.

Q. HOW DO YOU CALCULATE THE EXPECTED DIVIDEND YIELD OVER THE COMING YEAR?

A. Because utility companies tend to increase their quarterly dividends at different times throughout the year, it is reasonable to assume that dividend increases will be evenly distributed over calendar quarters. Given that assumption, it is appropriate to calculate the expected dividend yield by applying one-half of the long-term growth rate to the current dividend yield. That adjustment ensures that the expected dividend yield is, on average, representative of the coming 12-month period.

Q. WHY ARE ANALYSTS' PROJECTED EPS GROWTH RATES THE APPROPRIATE MEASURE OF LONG-TERM GROWTH IN THE CONSTANT GROWTH DCF MODEL?

A. In its Constant Growth form, the DCF model (*i.e.*, as presented in Equation [1] above) assumes a single expected growth estimate in perpetuity, which assumes a fixed payout ratio, and the

same constant growth rate in EPS, dividends per share, and book value per share. In the long run, dividend growth can only be sustained by earnings growth.

Further, academic studies have clearly and consistently shown that measures of earnings and cash flow are strongly related to returns, and that analysts' forecasts of growth are superior to other measures of growth in predicting stock prices.[19] For example, the research of Vander Weide and Carleton demonstrates that earnings growth projections have a statistically significant relationship to stock valuation levels, while dividend growth rates do not.[20] An academic study from The Journal of Portfolio Management found that securities analysts' growth estimates have been shown to be more accurate predictors of future returns than historical earnings and dividend growth rates, as well as sustainable growth rates.[21] Additionally, a 2002 study in the Journal of Accounting Research examined "the valuation performance of a comprehensive list of value drivers" and found that "forward earnings explain stock prices remarkably well" and were generally superior to other value drivers analyzed.[22] A 2013 study from the journal Contemporary Accounting Research found that the sell-side analysts with the most accurate stock price targets were those whom the researchers found to

[19] *See, e.g.*, Andreas C. Christofi, Petros C. Christofi, Marcus Lori and Donald M. Moliver, *Evaluating Common Stocks Using Value Line's Projected Cash Flows and Implied Growth Rate*, Journal of Investing (Spring 1999); Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management at 21 (Summer 1992); and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management (Spring 1988); Robert S. Harris, *Using Analysts' Growth Forecasts to Estimate Shareholder Required Rate of Return*, Financial Management (Spring 1986).

[20] *See,* Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management (Spring 1988).

[21] David A. Gordon, Myron J. Gordon & Lawrence I. Gould, "Choice Among Methods of Estimating Share Yield," The Journal of Portfolio Management, Spring 1989.

[22] Liu, Jing, et al., "Equity Valuation Using Multiples," Journal of Accounting Research, Vol. 40 No. 1, March 2002.

have more accurate earnings forecasts.[23] Further, academic studies suggest that investors base their investment decisions on analysts' expectations of growth in earnings.[24]

Lastly, the only forward-looking growth rates that are available on a consensus basis are analysts' EPS growth rates. The fact that earnings growth projections are the only widely available estimates of growth further supports the conclusion that earnings growth is the most meaningful measure of growth among the investment community. For these reasons, earnings growth is the appropriate measure of long-term growth in the DCF model.

Q. WHAT ARE THE RESULTS OF YOUR CONSTANT GROWTH DCF ANALYSIS?

A. To provide a spectrum of DCF-based ROE estimates, I calculate the low, mean, and high Constant Growth DCF result for each proxy company. The mean result combines the average of the three EPS growth rate estimates with each proxy company's expected dividend yield. The high DCF result adds the maximum EPS growth rate estimate with each proxy company's expected dividend yield. Similarly, the low DCF result adds the minimum EPS growth rate estimate for each proxy company to the expected dividend yield. In developing my ROE recommendation, I rely on the average of the mean and median proxy group Constant Growth DCF results using the mean EPS growth rates (*see,* Figure 6, below). By relying on the average of the mean and median proxy group results, I consider the individual DCF results of each proxy company while mitigating the effect of the highest and lowest estimates.

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[23] Gleason, C.A., et al., "Valuation Model Use and the Price Target Performance of Sell Side Equity Analysts," Contemporary Accounting Research, Vol. 30 No. 1, (Spring 2013).

[24] *See*, *e.g.*, Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts Growth Forecasts,* Financial Management, Summer 1992, at 65; and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988, at 81. Please note that while the original study was published in 1988, it was updated in 2004 under the direction of Dr. Vander Weide. The results of that updated study are consistent with Vander Weide and Carleton's original conclusions.

Figure 6: Constant Growth DCF Results Using Mean EPS Growth Rates[25]

	Mean	Median	Average of Mean & Median
30-Day Average	11.08%	10.36%	10.72%
90-Day Average	11.07%	10.37%	10.72%
180-Day Average	11.20%	10.64%	10.92%
		Average	10.79%

2. Quarterly Growth DCF Model

Q. PLEASE BRIEFLY DESCRIBE THE QUARTERLY GROWTH DCF MODEL.

A. As noted earlier, the Constant Growth DCF model is based on several limiting assumptions, one of which is that dividends are paid annually. However, most dividend-paying companies, including utilities, pay dividends on a quarterly (as opposed to an annual) basis. Although the dividend yield adjustment discussed earlier is meant to address that assumption (by increasing the current dividend yield by one-half of the expected growth rate), it does not fully account for the quarterly receipt and reinvestment of dividends. Consequently, the Constant Growth DCF model likely understates the cost of equity.

The Quarterly Growth DCF model specifically incorporates investors' expectations of the quarterly payment of dividends, and the associated quarterly compounding of those dividends as they are reinvested at the required ROE. As noted by Dr. Roger Morin:

> Clearly, given that dividends are paid quarterly and that the observed stock price reflects the quarterly nature of dividend payments, the market-required return must recognize quarterly compounding, for the investor receives dividend checks and reinvests the proceeds on a quarterly schedule ... The annual DCF model inherently understates the investors' true return because it

[25] Exhibit JEN-2.

assumes all cash flows received by investors are paid annually.[26]

Q. HOW IS THE DIVIDEND YIELD COMPONENT OF THE QUARTERLY GROWTH DCF MODEL CALCULATED?

A. To reflect the timing and compounding of quarterly dividends more accurately, the model replaces the "*D*" component of the Constant Growth DCF equation with the following equation:

$$D = d_1(1+k)^{0.75} + d_2(1+k)^{0.50} + d_3(1+k)^{0.25} + d_4(1+k)^{0} \quad [2]$$

where:

d_1, d_2, d_3, d_4 = expected quarterly dividends over the coming year; and

k = the required market cost of equity.[27]

To calculate the expected dividends over the coming year for the proxy companies (*i.e.*, $d_1, d_2, d_3,$ and d_4), I obtained the last four paid quarterly dividends for each company and multiplied them by one plus the growth rate (*i.e.,* $1 + g$). For the P_0 component of the dividend yield, I used the same average stock prices applied in the Constant Growth DCF analysis for each proxy company.

Q. WHAT ARE THE RESULTS OF YOUR QUARTERLY GROWTH DCF ANALYSIS?

A. My Quarterly Growth DCF results are summarized in Figure 7, below (*see also* Exhibit JEN-3). As with my Constant Growth DCF results, I rely on the average of the mean and median proxy group results.

[26] Roger A. Morin, Ph.D., New Regulatory Finance, Public Utility Reports, Inc., 2006 at 344.

[27] Because the required ROE (k) is a variable in the dividend yield calculation, the Quarterly Growth DCF model is solved iteratively.

Figure 7: Quarterly Growth DCF Results[28]

	Mean	Median	Average of Mean & Median
30-Day Average	11.28%	10.63%	10.95%
90-Day Average	11.27%	10.66%	10.96%
180-Day Average	11.41%	10.96%	11.18%
		Average	11.03%

3. Capital Asset Pricing Model and Empirical Capital Asset Pricing Model

Q. PLEASE DESCRIBE THE GENERAL FORM OF THE CAPM.

A. The CAPM is a risk premium method that estimates the cost of equity for a given security as a function of a risk-free return plus a risk premium to compensate investors for the non-diversifiable or "systematic" risk of that security. As shown in Equation [3], the CAPM is defined by four components, each of which is meant to be a forward-looking estimate:

$$K_e = r_f + \beta\ (r_m - r_f) \quad [3]$$

where:

K_e = the required market cost of equity for a security;

β = the Beta coefficient of that security;

r_f = the risk-free rate of return; and

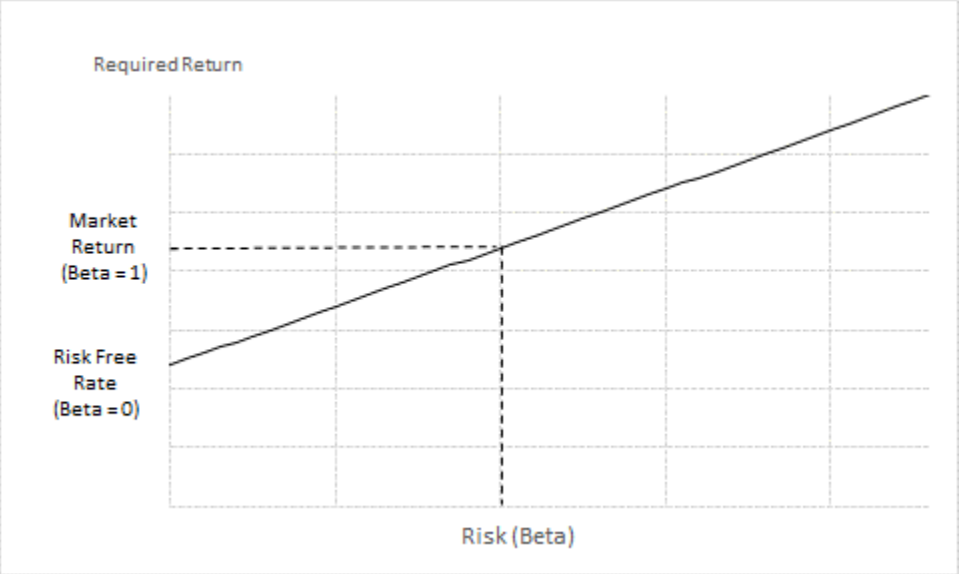
r_m = the required return on the market as a whole.

Equation [3] describes the Security Market Line ("SML"), or the CAPM risk-return relationship, depicted in Figure 8 below. The intercept is the risk-free rate (r_f) that has a Beta

[28] Exhibit JEN-3.

coefficient of zero, and the slope is the expected market risk premium ($r_m - r_f$). As shown in Figure 8, the slope of the line is upward sloping, illustrating the principle that investments of higher risk require a higher return. By definition, r_m, the return on the market, has a Beta coefficient of 1.00.

Figure 8: Security Market Line



The CAPM assumes that all non-market or unsystematic risk can be eliminated through diversification. The risk that cannot be eliminated through diversification is called market, or systematic, risk. Therefore, the CAPM assumes that investors require compensation only for systematic, or market, risk. Systematic (or non-diversifiable) risk is measured by the Beta coefficient, which is defined as:

$$\beta_j = \frac{\sigma_j}{\sigma_m} \times \rho_{j,m} \qquad [4]$$

where:

β_j = the Beta coefficient of company "j";

σ_j = the standard deviation of returns for company "j";

σ_m = the standard deviation of returns for the broad market ("*m*," as measured, for example, by the S&P 500 Index); and

$\rho_{j,m}$ = the correlation of returns between company j and the broad market, "m".

The Beta coefficient, therefore, represents both relative volatility (*i.e.*, the standard deviation) of returns, and the correlation in returns between the subject company and the overall market. Intuitively, higher Beta coefficients indicate that the subject company's returns have been relatively volatile and have moved in tandem with the overall market.

Q. WHAT RISK-FREE RATES DO YOU ASSUME IN YOUR CAPM ANALYSIS?

A. I apply two estimates of the risk-free rate: (1) the current 30-day average yield on 30-year Treasury bonds (*i.e.*, 4.83 percent)[29] and (2) a projected 30-year Treasury yield (*i.e.*, 4.68 percent).[30]

Q. WHY DO YOU RELY ON THE 30-YEAR TREASURY YIELD AS THE RISK-FREE RATE IN YOUR CAPM ANALYSIS?

A. In determining the security most relevant to the application of the CAPM, the term (or maturity) should approximate the life of the underlying investment. Natural gas utilities are typically long-duration investments; therefore, the 30-year Treasury yield is more suitable for the risk-free rate applied in the CAPM.

[29] Source: Federal Reserve Bank of St. Louis (FRED) Economic Database, as of January 30, 2026.

[30] The average of: (1) the average projected 30-year Treasury yield for the six quarters ended Q2 2027 and (2) the average long-term projected 30-year Treasury yield for the years 2027-2031 and 2032-2036 reported by Blue Chip Financial Forecasts. *See,* Blue Chip Financial Forecasts Vol. 45, No. 2, January 30, 2026 at 2, and Vol. 44, No. 12, December 1, 2025, at 14.

Q. WHAT BETA COEFFICIENTS DO YOU USE IN YOUR CAPM MODEL?

A. As shown in Exhibit JEN-5, I rely on two estimates of the Beta coefficient. I first consider the average 5-year Beta coefficients from Value Line and Bloomberg for each proxy company as of January 30, 2026. Beta coefficients from both services are calculated using weekly returns over a five-year period, adjusted to reflect the tendency of Beta coefficients to regress toward the market mean of 1.00. As a second measure, I also consider Bloomberg Beta coefficients calculated using weekly return data over the ten years ended January 30, 2026, rather than a five-year period.

Q. WHAT ESTIMATES OF THE MARKET RETURN DO YOU USE TO CALCULATE THE MARKET RISK PREMIUM?

A. I apply two estimates of the market return. The first estimate calculates the market capitalization-weighted ROE of the S&P 500 Index by applying the Constant Growth DCF model described earlier to the S&P 500 Index. The second estimate applies the long run historical arithmetic average market return of 12.23 percent between 1926 and 2025 reported by Kroll (formerly Duff & Phelps).[31]

Q. PLEASE EXPLAIN YOUR FORWARD-LOOKING DCF APPROACH TO ESTIMATING THE MARKET RETURN.

A. Using the Constant Growth DCF model described earlier, I develop three estimates of the market return for the S&P 500 Index. I consider projected earnings growth rates and dividend yields from three sources: (1) S&P's Earnings and Estimates Report; (2) Bloomberg Professional; and (3) Value Line by applying dividend yields from S&P Capital IQ and

[31] Source: Kroll, Cost of Capital Navigator.

projected earnings growth rates from S&P, Bloomberg, and Value Line. As shown in Figure 9 below, these independent estimates of the market return range from 16.38 percent to 19.08 percent (*see also* Exhibit JEN-4). To be conservative, I rely on Value Line's market return estimate of 16.38 percent in my CAPM analysis.

Figure 9: DCF-Based Forward Market Return Estimates[32]

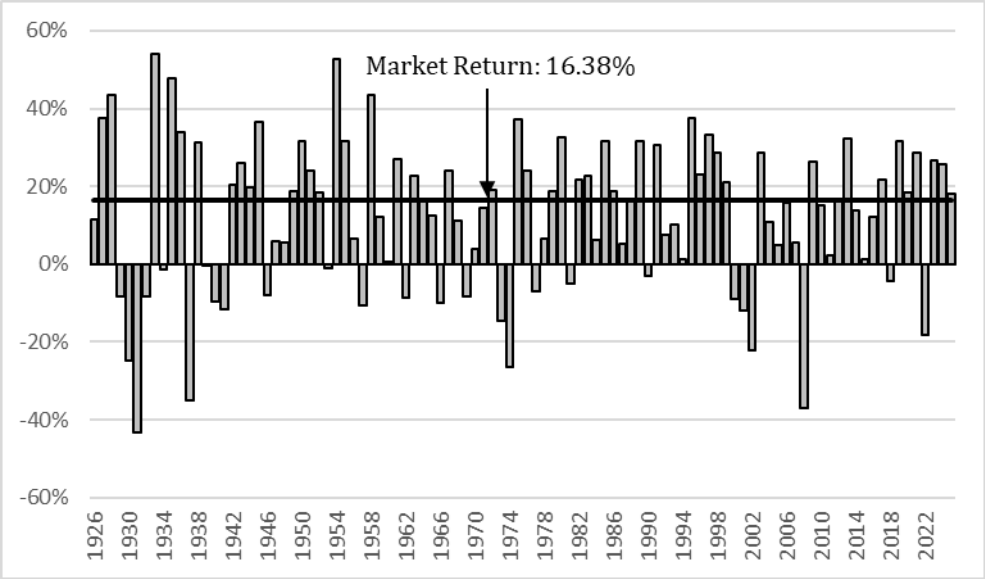
Source	Market Return
Value Line	16.38%
Bloomberg Professional	19.08%
S&P Earnings & Estimates Report	18.56%

Q. IS THE VALUE LINE DCF-BASED MARKET RETURN ESTIMATE OF 16.38 PERCENT CONSISTENT WITH ACTUAL OBSERVED RETURNS ON THE MARKET?

A. Yes, it is. As shown in Figure 10 below, a market return estimate of 16.38 percent or higher occurred in 48 of the last 100 years (*i.e.,* nearly 50 percent of the time). Since 2009, the annual market return has averaged 15.72 percent, and equaled or exceeded 16.38 percent in nine of the last 17 years. In other words, an annual market return of 16.38 percent, or higher, has occurred frequently and is not an outlier.

[32] Exhibit JEN-4.

Figure 10: Annual Market Return (1926 – 2025)[33]



Q. WHY DO YOU ALSO CONSIDER THE LONG-TERM ARITHMETIC AVERAGE HISTORICAL RETURN ON THE MARKET OF 12.23 PERCENT AS AN ALTERNATE ESTIMATE OF THE MARKET RETURN?

A. My objective is to develop a reasonable estimate of the market return over the long term to calculate a market risk premium. Because the cost of equity is forward looking, any estimate – whether based on historical or projected data – assumes the estimate reflects investors' expectations into the future. Although the 16.38 percent forward market return estimate is highly consistent with historically observed market returns (as shown in Figure 10 above), it is above the long-term arithmetic annual average market return. Therefore, it may be reasonable to expect that, over the long term, the market return will revert to its long-run historical arithmetic average. From that perspective, the application of the long-run historical

[33] Source: Kroll, 2023 SBBI Yearbook, Appendix A-1, (years 1926-2022); Cost of Capital Navigator (2023-2025 data).

arithmetic average market return as an alternate estimate of the market return is prospective in nature.

Q. WITH THE RISK-FREE RATES AND MARKET RETURN ESTIMATES DESCRIBED ABOVE, HOW DO YOU CALCULATE THE MARKET RISK PREMIUM?

A. I apply two estimates of the risk-free rate and two estimates of the market return. Combined, those variables produce four estimates of the market risk premium, ranging from 7.40 percent to 11.70 percent, as shown below in Figure 11.

Figure 11: Market Risk Premium Estimates

	Current Risk-Free Rate (4.83%)	Projected Risk-Free Rate (4.68%)
Value Line DCF-based Forward Market Return (16.38%)	11.55%	11.70%
Long-Term Historical Average Market Return (12.23%)	7.40%	7.56%

Q. DO YOU CONSIDER ANOTHER FORM OF THE CAPM?

A. Yes, I also consider the Empirical CAPM ("ECAPM") approach, which calculates the product of the adjusted Beta coefficient and the Market Risk Premium and applies a weight of 75.00 percent to that result. The model then applies a 25.00 percent weight to the Market Risk Premium, without any effect from the Beta coefficient.[34] The results of the two calculations are summed, along with the risk-free rate, to produce the ECAPM result, as noted in Equation [5] below:

$$K_e = r_f + 0.75\beta(r_m - r_f) + 0.25(r_m - r_f) \quad [5]$$

where:

[34] *See, e.g.*, Roger A. Morin, Ph.D., New Regulatory Finance, at 189-190 (2006).

K_e = the required market cost of equity for a security;

β = the Beta coefficient of that security;

r_f = the risk-free rate of return; and

r_m = the required return on the market as a whole.

Q. WHAT IS THE BENEFIT OF THE ECAPM APPROACH?

A. The ECAPM addresses the tendency of the CAPM to underestimate the cost of equity for companies, such as regulated utilities, with relatively low Beta coefficients. As discussed below, the ECAPM recognizes academic research that indicates the risk-return relationship is flatter than that estimated by the CAPM, and that the CAPM underestimates the Alpha (α), or the constant return term.[35]

Numerous tests of the CAPM have measured the extent to which security returns and Beta coefficients are related as predicted by the CAPM. The ECAPM method reflects the finding that the actual SML described by the CAPM formula is not as steeply sloped as the predicted SML.[36] Fama and French state that "[t]he returns on the low beta portfolios are too high, and the returns on the high beta portfolios are too low."[37] Similarly, Dr. Morin states:

> With few exceptions, the empirical studies agree that . . . low-beta securities earn returns somewhat higher than the CAPM would predict, and high-beta securities earn less than predicted. . . .
>
> Therefore, the empirical evidence suggests that the expected return on a security is related to its risk by the following approximation:
>
> $$K = R_F + x\,(R_M - R_F) + (1-x)\beta(R_M - R_F)$$
>
> where x is a fraction to be determined empirically. The value of x that best

[35] Roger A. Morin, Ph.D., New Regulatory Finance, at 191 (2006).

[36] Roger A. Morin, Ph.D., New Regulatory Finance, at 175 (2006). The Security Market Line plots the CAPM estimate on the Y-axis, and Beta coefficients on the X-axis as shown in Figure 8.

[37] Eugene F. Fama & Kenneth R. French, *The Capital Asset Pricing Model: Theory and Evidence*, Journal of Economic Perspectives, Vol. 18, No. 3, Summer 2004, at 33.

explains the observed relationship Return = 0.0829 + 0.0520 β is between 0.25 and 0.30. If x = 0.25, the equation becomes:

$$K = R_F + 0.25(R_M - R_F) + 0.75\ \beta(R_M - R_F)$$ [38]

Q. DOES THE USE OF ADJUSTED BETA COEFFICIENTS IN THE ECAPM ADDRESS THE EMPIRICAL ISSUES WITH THE CAPM?

A. No, it does not. Beta coefficients are adjusted because of their general regression tendency to converge toward 1.00 over time, *i.e.*, over successive calculations. As also noted earlier, numerous studies have determined that at any given point in time, the SML described by the CAPM formula is not as steeply sloped as the predicted SML. To that point, Dr. Morin explains:

> Some have argued that the use of the ECAPM is inconsistent with the use of adjusted betas, such as those supplied by Value Line and Bloomberg. This is because the reason for using the ECAPM is to allow for the tendency of betas to regress toward the mean value of 1.00 over time, and, since Value Line betas are already adjusted for such trend, an ECAPM analysis results in double-counting. This argument is erroneous. Fundamentally, the ECAPM is not an adjustment, increase or decrease, in beta. This is obvious from the fact that the expected return on high beta securities is actually lower than that produced by the CAPM estimate. The ECAPM is a formal recognition that the observed risk-return tradeoff is flatter than predicted by the CAPM based on myriad empirical evidence. The ECAPM and the use of adjusted betas comprised two separate features of asset pricing. Even if a company's beta is estimated accurately, the CAPM still understates the return for low-beta stocks. Even if the ECAPM is used, the return for low-beta securities is understated if the betas are understated. Referring back to Figure 6-1, the ECAPM is a return (vertical axis) adjustment and not a beta (horizontal axis) adjustment. Both adjustments are necessary.[39]

Therefore, it is appropriate to rely on adjusted Beta coefficients in both the CAPM and ECAPM.

[38] Roger A. Morin, Ph.D., New Regulatory Finance at 175, 190 (2006).
[39] Roger A. Morin, Ph.D., New Regulatory Finance, at 191 (2006).

Q. ARE YOU AWARE OF ACADEMIC STUDIES THAT SUPPORT THE USE OF THE ECAPM FOR UTILITIES?

A. Yes, I am. In a 2011 study by Stéphane Chrétien and Frank Coggins, the authors studied the CAPM's ability to estimate the risk premium for the utility industry in particular subgroups of utilities.[40] The study considered the traditional CAPM approach, the Fama-French three-factor model, and a model similar to the ECAPM. In the study, the ECAPM relied on adjusted Beta coefficients similar to Value Line's approach. As Chrétien and Coggins found, the ECAPM significantly outperformed the traditional CAPM model at predicting the observed risk premium for the various utility subgroups.

Q. DO INVESTORS USE THE ECAPM APPROACH?

A. Yes. Investors do use the ECAPM, or models that are very similar and assume a flatter security market line as the ECAPM does. For example, in chapter four of Professional Investment Portfolio Management, Kolari, Liu, and Pynnönen detail how they worked with the pension investment division at the Teachers Retirement System of Texas to manage about $100 million using the ZCAPM model (which is a special case of the zero-beta CAPM) from 2012 to 2014.[41]

Q. HAVE ANY REGULATORY COMMISSIONS EXPLICITLY ACCEPTED THE ECAPM?

A. Yes. The New York Public Service Commission ("NYPSC") relies on both the traditional and empirical forms of the CAPM.[42] Additionally, the North Carolina Utilities Commission

[40] Stéphane Chrétien and Frank Coggins, *Cost of Equity for Energy Utilities: Beyond The CAPM*, Energy Studies Review, Vol. 18, No. 2 (2011).

[41] Kolari, James W., Liu, Wei, and Pynnönen, Seppo, Professional Investment Portfolio Management, "A New Asset Pricing Model: The ZCAPM," 2023, at 87.

[42] *See*, New York Public Service Commission, Case 16-G-0058, P*roceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National Grid for Gas Service*, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plans, at 32 (December 16, 2016).

("NCUC") accepted the ECAPM in recent orders for Duke Energy Carolinas and Duke Energy Progress.[43] I note that both the NYPSC and NCUC used adjusted Beta coefficients with the ECAPM analysis. Additionally, I am aware that the ECAPM has been accepted by regulatory commissions in Alaska, Maryland, and Mississippi.[44] Lastly, I am aware the ECAPM has been presented by state regulatory commission staff in Maryland, Nevada, and by the Department of Commerce in Minnesota.[45] In summary, the ECAPM is an accepted approach used by investors and should be accepted by the Commission.

Q. WHAT ARE THE RESULTS OF YOUR CAPM AND ECAPM ANALYSES?

A. I apply the same market return, Beta coefficients, and risk-free rates described earlier in my ECAPM analysis to Equation [5] above. The results of my CAPM and ECAPM analyses are summarized in Figure 12 below.

[43] *See*, *In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-7, Sub 1276, Order Accepting Stipulations, Granting Partial Rate Increase, Requiring Public Notice, And Modifying Lincoln CT CPCN Conditions, at 209-210 (December 18, 2023); *In the Matter of Application of Duke Energy Progress, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-2, Sub 1300, Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Public Notice, at 162-163 (August 18, 2023).

[44] *See,* Regulatory Commission of Alaska, Docket No. P-97-4, Order No. 151, at 146 (November 27, 2002); Maryland Public Service Commission, Case No. 9311, Order No. 85724, at 105 (July 12, 2013); Mississippi Public Service Commission, Docket No. 01-UN-0548, *Notice of Intent of Mississippi Power Company to Change Rates for Electric Service in its Certificated Areas in the Twenty-Three Counties of Southeast Mississippi*, Final Order, December 3, 2001, at 19 (December 3, 2001).

[45] *See,* Maryland Public Service Commission, Case No. 9311, Order No. 85724, at 88; Minnesota Public Utilities Commission, MPUC Docket No. G011/GR-15-736, *Findings of Fact, Conclusions of Law, and Recommendation*, August 19, 2016, at 29 (August 19, 2016); Public Utilities Commission of Nevada, Docket No. 12-02019, Second Modified Final Order, at 36 (March 20, 2013).

Figure 12: Summary of CAPM and ECAPM Results[46]

	Current 30-Year Treasury Yield (4.83%)	Projected 30-Year Treasury Yield (4.68%)	Average
CAPM: Forward Market Return	13.11%	13.06%	13.09%
ECAPM: Forward Market Return	13.93%	13.89%	13.91%
CAPM: Historical Market Return	10.14%	10.09%	10.11%
ECAPM: Historical Market Return	10.66%	10.63%	10.64%
Average			11.94%

4. Risk Premium Approach

Q. PLEASE DESCRIBE THE RISK PREMIUM APPROACH.

A. The Risk Premium approach is based on the basic financial principle of risk and return, which states that equity investors require a premium over the return required as a bondholder to account for the incremental residual risk associated with equity ownership. Risk premium approaches estimate the cost of equity as the sum of the equity risk premium and the yield on a particular class of bonds.

Q. PLEASE EXPLAIN HOW YOU PERFORM YOUR RISK PREMIUM ANALYSIS.

A. I first define the equity risk premium as the difference between the authorized ROE and the then-prevailing 30-year Treasury bond yield, using the authorized ROE for 1,389 natural gas utility rate proceedings between January 1, 1980, and January 31, 2026. To reflect the prevailing level of bond yields during the pendency of the proceedings, I calculate the average

[46] Exhibit JEN-5. Results reflect the average of the proxy group mean and median CAPM and ECAPM results using 5-year and 10-year Beta coefficients.

30-year Treasury yield over the average lag period between the filing of the rate case and the date of the final order (approximately 189 days).

Because the data covers several economic cycles, the analysis is helpful in assessing the change in the equity risk premium over time. Prior research, for example, has shown that the equity risk premium is inversely related to the level of bond yields.[47]

Q. HOW DO YOU ANALYZE THE RELATIONSHIP BETWEEN BOND YIELDS AND THE EQUITY RISK PREMIUM?

A. I estimate the relationship between bond yields and the equity risk premium by applying a regression analysis, in which the equity risk premium described above is the dependent variable, and the 30-year Treasury yield is the independent variable. To account for the variability in bond yields and authorized ROEs over several decades, I use the semi-log regression, in which the equity risk premium is expressed as a function of the natural log of the 30-year Treasury yield:

$$RP = \alpha + \beta\ (\mathrm{LN}(T_{30}))\quad [6]$$

where:

RP = the equity risk premium;

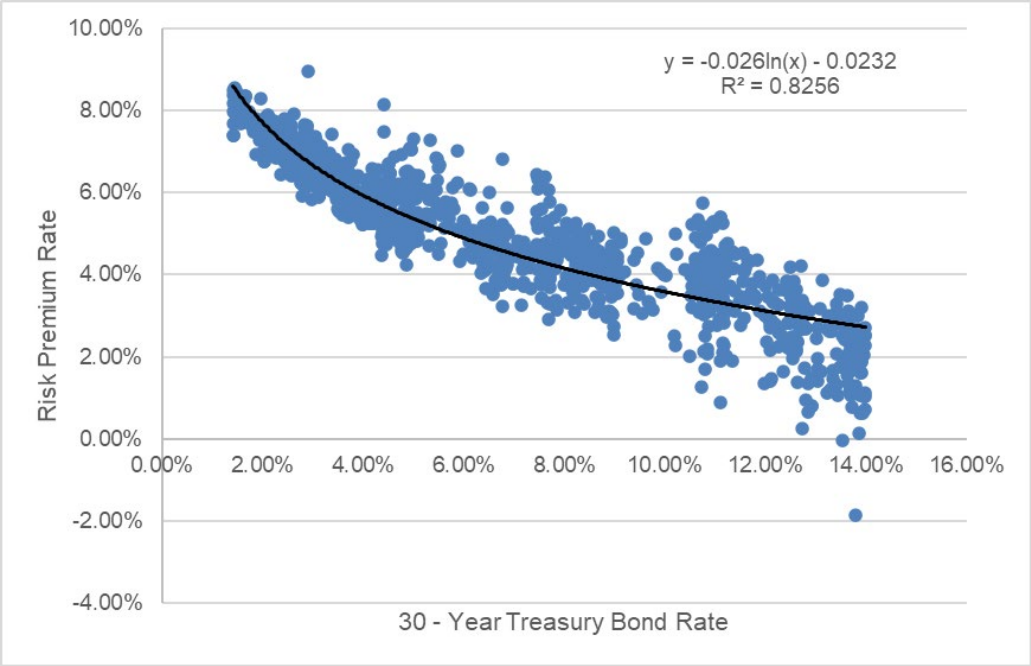
T_{30} = the lagged 30-year Treasury bond yield;

α = the constant term of the regression; and

β = the slope coefficient of the regression.

[47] *See*, *e.g.,* Robert S. Harris and Felicia C. Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management at 63-70 (Summer 1992); Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, Financial Management at 33-45 (Spring 1985); and Farris M. Maddox, Donna T. Pippert, and Rodney N. Sullivan, *An Empirical Study of Ex Ante Risk Premiums for the Electric Utility Industry*, Financial Management at 89-95 (Autumn 1995).

Figure 13: Equity Risk Premium[48]



As Figure 13 illustrates, the equity risk premium increases as interest rates fall. The finding that the equity risk premium and interest rates are inversely related is supported by published research. For example, Dr. Morin notes that: "… [p]ublished studies by Brigham, Shome, and Vinson (1985), Harris (1986), Harris and Marston (1992, 1993), Carleton, Chambers, and Lakonishok (1983), Morin (2005), McShane (2005), and others demonstrate that, beginning in 1980, risk premiums varied inversely with the level of interest rates – rising when rates fell and declining when interest rates rose."[49] Based on the regression coefficients in Figure 13, the implied ROE is between 10.21 percent and 10.28 percent (*see* Figure 14 and Exhibit JEN-6).

[48] Exhibit JEN-6.
[49] Roger A: Morin, Ph.D., New Regulatory Finance, Public Utilities Reports, Inc., 2006, at 128 (clarification added).

Figure 14: Summary of Risk Premium Results[50]

	Bond Yield	Risk Premium	Return on Equity
Current 30-Year Treasury	4.83%	5.45%	10.28%
Projected 30-Year Treasury	4.68%	5.53%	10.21%

Q. DO INVESTORS USE A REGRESSION-BASED APPROACH SIMILAR TO YOUR RISK PREMIUM METHOD?

A. Yes, they do. As an example, in a December 2023 report from UBS on the utility sector, the investment bank presented a regression analysis showing that then-current authorized ROEs were below what would be expected given the level of the 10-year Treasury bond yield – *i.e.*, the premise of my Risk Premium analysis.[51]

Q. WHAT ARE THE ADVANTAGES OF THE RISK PREMIUM APPROACH?

A. There are several advantages. First, authorized ROEs in other jurisdictions are a significant part of the market information that investors consider when evaluating their investment alternatives. Therefore, they are a direct measure of returns available to other natural gas utilities, as required under the comparable return standard of the Hope and Bluefield decisions. The authorized ROE also provides a signal to investors about the degree of regulatory support that a company can expect with regard to its ability to compete for capital and to ensure its financial integrity. An ROE below its peers for a given period may be an impediment to the Company's ability to attract capital and finance the infrastructure required to provide safe, reliable service to its customers.

[50] Exhibit JEN-6.
[51] UBS, "US Utilities 2024 Outlook: A Year for Resolutions and Resolve," at 10 (December 12, 2023).

Second, the use of the Risk Premium model in conjunction with the DCF and CAPM approaches adds diversity to the model results, which enables a more robust and reliable ROE estimate. The fewer models that are relied upon, the more likely it is that model risk biases the ultimate ROE determination. For the same reasons that diversity is a wise and prudent investment strategy, diversity of the models used to estimate the ROE is similarly prudent, as it reduces the risk that the results of any single model may not reasonably reflect investors' return requirements.

A third advantage of the Risk Premium approach is its simplicity and reliance on fewer contentious inputs. The Risk Premium approach adds a measure of stability because it is less vulnerable to changes in market data. As shown in the regression equation in Figure 13, the change in the risk premium (and therefore the ROE estimate) as a result of a change in bond yields is less than one-to-one. For example, as shown in Figure 14 above, a 15-basis point increase in the bond yield (from 4.68 percent to 4.83 percent) results in an seven-basis point change in the ROE from 10.21 percent to 10.28 percent.

IV. BUSINESS RISKS AND OTHER CONSIDERATIONS

Q. ARE THERE FACTORS SPECIFIC TO PEOPLES' RISK PROFILE THAT YOU ALSO CONSIDERED IN DEVELOPING YOUR ROE RECOMMENDATION?

A. Yes, there are several factors that have a direct bearing on Peoples' risk profile in relation to the proxy group. Those risk factors include: (a) the Company's substantial capital expenditure program; (b) threat of bypass; (c) regulatory risk relative to the proxy group companies; and (d) flotation costs associated with issuing debt. In aggregate, those risk factors elevate Peoples' risk profile relative to the proxy group and would support an authorized ROE above the midpoint, but I have not made an explicit adjustment.

A. Capital Expenditure Plan

Q. PLEASE DISCUSS PEOPLES' CAPITAL EXPENDITURE PROGRAM.

A. Peoples plans a major capital investment program over the 2026-2030 period, driven mainly by its PUC-approved Long-Term Infrastructure Improvement Plan ("LTIIP"), totaling nearly $4.0 billion. Recognizing customers' focus on safety and reliability as top priorities, the Company's investments are intended to improve the reliability and resiliency. Peoples' significant investments are largely focused on replacement of bare steel and cast/wrought iron pipes pursuant to its LTIIP, which began in 2014 in an effort to replace aging, unsafe gas pipelines.

Q. HOW IS PEOPLES' RISK PROFILE AFFECTED BY ITS CAPITAL EXPENDITURE REQUIREMENTS?

A. As with any utility facing substantial capital expenditure requirements, the Company's risk profile is affected in two significant and related ways: (1) the heightened level of investment increases the risk of under recovery or delayed recovery of the invested capital; and (2) an inadequate return would put downward pressure on key credit metrics. The Company's adjustment clauses should help mitigate the first risk, but only to the extent the allowed return is compensatory. The absolute level of investment required will put significant pressure on the Company's ability to raise capital, and the terms will have lasting impacts for the Company's customers.

Q. DO CREDIT RATING AGENCIES RECOGNIZE THE RISKS ASSOCIATED WITH ELEVATED LEVELS OF CAPITAL EXPENDITURES?

A. Yes. From a credit perspective, the additional pressure on cash flows associated with higher levels of capital expenditures exerts corresponding pressure on credit metrics and, therefore, credit ratings. To that point, S&P explains the importance of regulatory support for large capital projects:

> When applicable, a jurisdiction's willingness to support large capital projects with cash during construction is an important aspect of our analysis. This is especially true when the project represents a major addition to rate base and entails long lead times and technological risks that make it susceptible to construction delays. Broad support for all capital spending is the most credit-sustaining. Support for only specific types of capital spending, such as specific environmental projects or system integrity plans, is less so, but still favorable for creditors. Allowance of a cash return on construction work-in-progress or similar ratemaking methods historically were extraordinary measures for use in unusual circumstances, but when construction costs are rising, cash flow support could be crucial to maintain credit quality through the spending program. Even more favorable are those jurisdictions that present an opportunity for a higher return on capital projects as an incentive to investors.[52]

Moody's also notes that growing power demand, the need to improve grid resilience, and advancing efforts to reduce carbon emissions is increasing capital expenditure pressure for utilities, widening cash flow deficits and weakening their financial strength:

> Credit pressure is emerging most acutely for companies with large, complete or multiyear projects or for those that are experiencing a delay in the recovery of investment costs. Unlike exogenous events of recent year – such as severe storms, commodity price spikes and the COVID-19 pandemic, which we viewed as temporary events – capital spending and related financings are core long-term financial policy issues.[53]

[52] S&P Global Ratings, *Assessing U.S. Investor-Owned Utility Regulatory Environments*, at 7 (August 10, 2016).
[53] Moody's Ratings, *High capital spending will weigh on credit quality without supportive company actions*, at 2 (October 21, 2024).

With regard to PNG Companies LLC, intermediate holding company of Peoples, Moody's notes:

> In addition to the pressured credit metrics, the negative outlook on PNG reflects the lack of any immediate plans to significantly decrease leverage, the utility's elevated capital expenditure plan, and the potential that financial metrics will decline further, with CFO pre-WC to debt possibly falling into the single digits.[54]

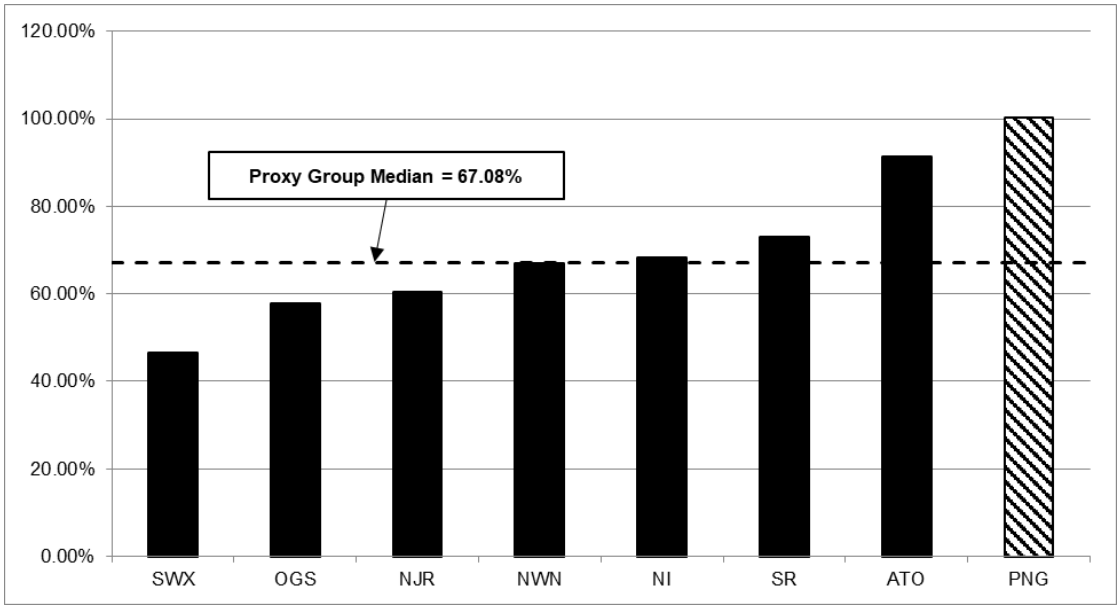
To the extent that Peoples' rates do not permit the Company an opportunity to recover its full cost of doing business, Peoples will face increased recovery risk and thus continued pressure on its credit metrics. Maintaining access to capital markets on reasonable terms is especially important for utilities and their customers, during periods of significant capital investment.

Q. HAVE YOU ANALYZED HOW PEOPLES' CAPITAL SPENDING PROGRAM COMPARES TO THOSE OF THE PROXY GROUP COMPANIES?

A. Yes. I compared the ratio of projected capital expenditures to net utility plant for Peoples to the ratios for the proxy group companies. Figure 15 demonstrates that Peoples' ratio of projected capital expenditures to net utility plant is higher than all of the proxy group companies and is 1.49 times higher than the median ratio for the proxy group of 67.08 percent (*see also* Exhibit JEN-7).

[54] Moody's Ratings, *PNG Companies LLC: Credit Opinion*, at 1 (August 27, 2025).

Figure 15: Ratio of 2026-2030 Capital Expenditures to 2024 Net Utility Plant[55]



Q. WHAT IS YOUR CONCLUSION REGARDING PEOPLES' PROJECTED CAPITAL EXPENDITURE PROGRAM AND THE EFFECT ON THE COMPANY'S RISK PROFILE AND COST OF EQUITY?

A. My primary conclusion is that Peoples has extensive capital investment needs through 2030 that will require the Company to maintain access to capital markets on reasonable terms and conditions. Peoples' ratio of capital expenditure requirements to net utility plant is well above the ratios for the proxy group companies, and the absolute magnitude of Peoples' capital program places pressure on the Company's cash flows and credit metrics. These investments elevate the risk profile of Peoples. For these reasons, it is important that the authorized ROE be set at a level that allows Peoples to continue to attract both debt and equity under favorable terms under a variety of economic and financial market conditions.

[55] Exhibit JEN-7.

B. Risk of Bypass

Q. WHAT IS BYPASS RISK?

A. "Bypass risk" refers to the risk that certain large-volume commercial and industrial customers may reduce its reliance on the Company's distribution service – or bypass it altogether – by arranging an alternative means of procuring natural gas service. This can include (1) physical bypass, such as a direct connection to an interstate pipeline or other upstream facility, or (2) economic bypass, such as shifting away from natural gas distribution service through fuel switching or materially reducing throughput when alternative supply and fuel options are available. Moreover, Peoples' overlapping service territory with Columbia Gas of Pennsylvania in areas surrounding Pittsburgh creates bypass-like incentives for large customers. The alternative fuel competition in Western Pennsylvania is particularly unique relative to monopoly service for other gas utilities (including gas on gas with other natural gas distribution companies, interstate pipeline bypass, and other alternative fuels). Approximately 12 of the Company's customers that represent 20 percent of total throughput (approximately 26.6 billion cubic feet),[56] have the ability to bypass the Company's system.

Q. HOW IS PEOPLES' RISK PROFILE AFFECTED BY THE COMPETITIVE THREAT OF BYPASS?

A. Bypass risk affects Peoples' financial risk primarily through:

- Throughput loss: Large customers contribute significant volumes; losing them can materially reduce throughput, and therefore revenues, cash flow, and earnings.

[56] Company provided data.

- Fixed-cost recovery pressure: Distribution systems are largely fixed-cost in the short to medium term. If large throughput declines, the remaining customer base may bear a larger share of fixed costs.

- Revenue and margin volatility: Unanticipated loss of sales volume can affect revenue timing and recovery between rate proceedings.

- Credit impacts: A material or sustained loss of large-load sales volume can adversely affect cash flow metrics and credit quality.

In summary, loss of large-load throughput can increase earnings and cash flow volatility and elevate the Company's risk relative to fully captive gas distribution utility peers.

C. Regulatory Environment

Q. HOW DOES THE REGULATORY ENVIRONMENT IN WHICH A UTILITY OPERATES AFFECT ITS COST OF CAPITAL?

A. The regulatory environment is one of the most important factors investors consider when assessing a utility's risk, as it is a significant driver of earnings and cash flow that are of utmost importance to investors.[57] Investors and rating agencies understand that a constructive regulatory environment is critical to utilities' credit and financial integrity, especially during stressed market conditions. In fact, 50 percent of the factors that weigh in Moody's ratings determinations relate to the nature of regulation.[58] Predictability and consistency of regulatory actions are crucial factors considered by Moody's in assessing the regulatory framework:

> As the revenues set by the regulator are a primary component of a utility's

[57] Moody's Ratings, *Rating Methodology, Regulated Electric and Gas Utilities*, at 8-11 (August 6, 2024).
[58] Moody's Ratings, *Rating Methodology, Regulated Electric and Gas Utilities*, at 2 (August 6, 2024).

> cash flow, the utility's ability to obtain predictable and supportive treatment within its regulatory framework is one of the most significant factors in assessing a utility's credit quality.
>
> ***
>
> In situations where the regulatory framework is less supportive, or is more contentious, a utility's credit quality can deteriorate rapidly.[59]

Similarly, S&P states that regulatory advantage is "of critical importance" because "[i]t defines the environment in which a utility operates and has a significant bearing on a utility's financial performance."[60] S&P explains that it considers four subfactors when assessing a utility's ability to recover all its costs "on time and in full – and to earn a return on the capital it deploys."[61] Those four subfactors are (1) regulatory stability, (2) tariff-setting procedures and design, (3) financial stability, and (4) regulatory independence and insulation.[62] With respect to capital expenditures, S&P notes that a regulatory "framework's ability to attract long-term capital, and the availability of capital support during construction," support a utility's financial stability as they "alleviate funding and cash flow pressure when heavy investment is needed."[63] Thus, predictability and consistency of regulatory actions are among the primary concerns for the rating agencies, as is full and timely cost recovery, including recovery of capital costs.

Consequently, a utility that operates in a less predictable and more challenging regulatory environment is likely to be viewed as a riskier investment, and may result in lower credit ratings, constrained access to capital (particularly in volatile and adverse market

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59 Moody's Investors Service, *Regulatory Frameworks – Ratings and Credit Quality for Investor-Owned Utilities*, at 2 (June 18, 2010).
60 S&P Global Ratings, *Sector-Specific Corporate Methodology*, Section 29 Regulated Utilities, at 147 (April 4, 2024).
61 *Id*.
62 *Id*.
63 *Id*.

environments), and higher costs of both debt and equity, all else equal. To meet the obligation to serve, it is in customers' best interests to ensure that a utility has efficient access to capital on reasonable terms in all market environments.

Q. HOW DO THE CREDIT RATING AGENCIES VIEW THE REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES?

A. The rating agencies view Pennsylvania as a credit supportive regulatory environment and the current credit ratings of Peoples' immediate parent, PNG Companies LLC, depend on the continued stability and predictability of Pennsylvania's regulatory environment. S&P explains that "PNG's low-risk gas distribution operations in Pennsylvania operate under a credit-supportive regulatory environment. We expect PNG will continue to benefit from the credit-supportive regulatory environment through the use of various regulatory mechanisms, including forward-looking test years and the distribution-system improvement charge mechanism (DSIC)."[64]

Q. HAVE YOU COMPARED PEOPLES' REGULATORY RISK, INCLUDING THE EFFECT OF ITS RATE STRUCTURES, RELATIVE TO THE GAS UTILITIES WITHIN THE PROXY GROUP?

A. Yes, I have. The regulatory environment significantly affects both the access to and the cost of capital. Regulatory decisions regarding the authorized ROE and capital structure directly affect the subject utility's internal cash flow generation, and therefore the financial metrics reviewed by ratings agencies in their ratings assessments. Because credit ratings are intended to reflect the ability to meet financial obligations as they come due, the ability to generate the cash flows

[64] S&P Global Ratings, *PNG Cos. LLC*, October 1, 2025, at 1.

required to meet those obligations (and to provide a cushion for unexpected events) is of critical importance to both debt and equity investors.

To assess the regulatory environment of the proxy companies and Peoples, I reviewed the key cost recovery mechanisms and ratemaking frameworks for each of the natural gas operating companies within the proxy group in the jurisdictions in which they operate, including the cost recovery and volumetric risk mitigation mechanisms in place, test year, and rate base methodology.

As shown in Exhibit JEN-8, like Peoples, all the proxy group operating companies with a retail supply obligation have a purchased gas cost recovery mechanism, 96 percent have a full or partial decoupling mechanism that mitigate volumetric risk, 71 percent have a mechanism to recover energy efficiency program costs, and 96 percent have a mechanism that provides timely recovery of capital costs. Further, 57 percent of the jurisdictions in which proxy group companies operate permit a full or partial forecast test year like the Company.

On balance, from an investor perspective, the regulatory mechanisms available to the Company do not offer a level of risk mitigation that is meaningfully different from the proxy companies. Furthermore, these regulatory mechanisms are only as effective as their implementation, including a compensatory return. It is in customers' best interest that the regulatory environment in Pennsylvania be viewed as predictable, balanced, and supportive of utility investment.

Q. DO THE COMPANY'S REGULATORY MECHANISMS, INCLUDING ITS WEATHER NORMALIZATION ADJUSTMENT CLAUSE AND DSIC, REDUCE ITS RISK RELATIVE TO THE PROXY GROUP?

A. No, they do not. The Company employs cost recovery mechanisms similar to those used by the proxy group; consequently, its risk relative to the proxy group is not reduced because of its rate structures. Further, because the proxy companies all have similar mechanisms, any effects on the cost of equity associated with the rate mechanisms are implicitly captured in the analytical model results.

It is important to remember that risk assessment is a comparative exercise. Rate adjustment mechanisms are common in the utility industry, and the financial community is fully aware of their prevalence. In fact, rate adjustment mechanisms have become more common in the utility industry, not less. As noted earlier, the proxy companies all have similar mechanisms available to them. While the specific details of the mechanics of the rate adjustment mechanisms may differ from utility to utility and jurisdiction to jurisdiction, their objective is the same: to improve the timeliness of cost recovery and mitigate (but not necessarily eliminate) earnings erosion associated with regulatory lag. Because the proxy companies all have mechanisms that improve the timeliness of cost recovery, the Company's regulatory mechanisms simply render it comparable to its peers.

Q. WHAT ARE YOUR CONCLUSIONS REGARDING THE EFFECT OF THE COMPANY'S CAPITAL EXPENDITURE PLANS, ITS NEED TO MAINTAIN

ACCESS TO CAPITAL, AND THE REGULATORY ENVIRONMENT ON ITS RISK PROFILE?

A. The Company's capital expenditure program reflects a significant increase of its net plant in service and increases pressure on its cash flows, making regulatory support critical to Peoples' ability to finance and earn a reasonable return on its planned utility investments. The Company's capital expenditure plan emphasizes the importance of the Commission's decision in this proceeding, which will have a direct bearing on the Company's ability to maintain its financial profile and its access to the capital market at reasonable costs and terms.

The Company will need to rely on external sources of capital to fund critical generation and distribution investments to meet Peoples' significant distribution system requirements. In order to maintain access to external capital at reasonable costs and terms for customers in all market environments, the Company must have a reasonable opportunity to recover its full cost of service, including timely cost recovery of its capital investments and a competitive and compensatory return.

D. Flotation Costs

Q. WHAT ARE FLOTATION COSTS?

A. Flotation costs are the costs associated with the sale of new issues of common stock. These costs include out-of-pocket expenditures for preparation, filing, underwriting, and other costs of issuance of common stock. To the extent that a company is denied the opportunity to recover prudently incurred flotation costs, actual returns will fall short of expected (or required) returns, thereby diminishing the utility's ability to attract adequate capital on reasonable terms. To estimate flotation costs, the DCF calculation is modified to provide a dividend yield that reimburses investors for issuance costs. Based on the proxy group actual issuance costs shown

in Exhibit JEN-9, flotation costs for the proxy companies have equaled roughly 2.62 percent of gross equity raised. To properly reflect these issuance costs in my cost of capital estimates, it would be necessary to increase the authorized ROE by nine basis points for Peoples, as quantified in Exhibit JEN-9.

Q. DO ACADEMIC AND FINANCIAL EXPERTS RECOGNIZE THE NEED TO CONSIDER FLOTATION COSTS IN A UTILITY'S COST OF EQUITY?

A. Yes. Dr. Morin summarizes:

> The costs of issuing these securities are just as real as operating and maintenance expenses or costs incurred to build utility plants, and fair regulatory treatment must permit recovery of these costs…. The simple fact of the matter is that common equity capital is not free…. [Flotation costs] must be recovered through a rate of return adjustment. [65]

> According to Dr. Shannon Pratt, a published expert in cost of capital estimation:

> Flotation costs occur when new issues of stock or debt are sold to the public. The firm usually incurs several kinds of flotation or transaction costs, which reduce the actual proceeds received by the firm. Some of these are direct out-of-pocket outlays, such as fees paid to underwriters, legal expenses, and prospectus preparation costs. Because of this reduction in proceeds, the firm's required returns on these proceeds equate to a higher return to compensate for the additional costs. Flotation costs can be accounted for either by amortizing the cost, thus reducing the cash flow to discount, or by incorporating the cost into the cost of capital. Because flotation costs are not typically applied to operating cash flow, one must incorporate them into the cost of capital.[66]

Q. ARE FLOTATION COSTS PART OF THE UTILITY'S INVESTED COSTS OR EXPENSES?

A. Flotation costs are invested (*i.e.*, capital) costs of the utility and are reflected on the balance sheet under "paid in capital." Flotation costs are not expenses and are not included on the

[65] Roger A. Morin, New Regulatory Finance (Public Utility Reports, Inc., 2006), at 321.
[66] Shannon P. Pratt, Cost of Capital Estimation and Applications, Second Edition, at 220-221.

income statement. Like rate base or long-term debt issuance costs, flotation costs are incurred over time. Although much of a utility's flotation costs are incurred prior to the test year, they remain part of the cost structure long after they are incurred. As such, recovery of equity issuance costs is appropriate for the same reasons debt issuance costs are recoverable. Even if no new issuances are planned in the near future, failure to allow such cost recovery may deny Peoples the opportunity to earn its required rate of return going forward.

Q. DO THE DCF, CAPM, AND RISK PREMIUM MODELS ACCOUNT FOR THE EFFECT OF FLOTATION COSTS?

A. No. The models used to estimate the investor-required return assume no transaction costs (*i.e.*, "friction"); therefore, flotation costs are not reflected in stock prices or the risk premium.

Q. DO YOU MAKE AN EXPLICIT ADJUSTMENT TO YOUR ROE RECOMMENDATION FOR FLOTATION COST RECOVERY?

A. No, I do not. While appropriate to do so, in this case, I have conservatively not made an explicit adjustment to my ROE recommendation for flotation cost recovery.

V. CAPITAL STRUCTURE AND COST OF LONG-TERM DEBT

Q. WHAT IS THE COMPANY'S REQUESTED CAPITAL STRUCTURE?

A. As shown in Exhibit JEN-10, the Company's FPFTY capital structure consists of 54.47 percent common equity and 45.53 percent long-term debt.

Q. HOW DOES CAPITAL STRUCTURE AFFECT THE COST OF CAPITAL?

A. A company's total risk consists of business risk and financial risk. Business risk includes operating, market, regulatory, and competitive uncertainties, while financial risk is the incremental risk to investors associated with additional leverage, or levels of debt. Therefore,

the capital structure indicates a company's financial risk, which reflects the risk that a company may not have adequate cash flows to meet its financial obligations.

As the percentage of debt in the capital structure increases, so do the fixed obligations for the repayment of that debt and the risk of financial distress.[67] In essence, even if two firms face the same business risks, a company with meaningfully higher levels of debt in its capital structure is riskier, which increases its costs of both debt and equity.

Q. IS THERE A GENERALLY ACCEPTED APPROACH TO ASSESSING THE CAPITAL STRUCTURE FOR A REGULATED NATURAL GAS UTILITY?

A. Yes, there is. In general, it is important to consider the capital structure in light of industry norms and investor requirements. That is, the capital structure should be reasonably consistent with industry practice and enable the subject company to maintain its financial integrity, thereby enabling access to capital at competitive rates under a variety of economic and financial market conditions.

Q. WHAT ARE THE GUIDELINES FOR DETERMINING WHETHER A UTILITY'S CAPITAL STRUCTURE IS WITHIN INDUSTRY STANDARDS?

A. In a 2020 publication titled *A Cost of Capital and Capital Markets Primer for Utility Regulators*, the National Association of Regulatory Utility Commissioners ("NARUC") states that actual capital structure ratios should be used unless they "greatly diverge" from sound industry practice:

> A utility management must be permitted latitude, discretion, and flexibility in managing capital structure ratios. Since there is no practical methodology to pinpoint theoretically optimal capital structure ratios, targeted ratios can only be broadly conceptualized. Appropriate ratios may shift over time as capital

[67] *See,* Roger A. Morin, Ph.D., New Regulatory Finance, Public Utility Reports, Inc. at 45-46 (2006).

> market conditions or business risk characteristics change. Additionally, the timing of upcoming issuances and maturities may influence the capital structure ratios because both the size and frequency of issuances are affected by the relative cost-effectiveness of various issuance increments.
>
> Given these practical considerations, capital structure ratios cannot be deemed to be inappropriate unless the ratios greatly diverge from sound industry practice and cause a lack of financial flexibility that may lead to higher overall costs.
>
> ***
>
> As increasing financial leverage shifts the weight from common equity to lower cost debt, it also increases both the cost of debt and the cost of common equity. In practice, these offsetting impacts cancel each other out over a wide range of capital structure ratios".[68]

Further, James C. Bonbright explains in his seminal text Principles of Public Utility Rates that a hypothetical capital structure should be used only when actual capital structures are "clearly unsound" or "extravagantly conservative," reasoning that using hypothetical capital structures "substitutes an estimate of what the capital cost would be under non-existing conditions for what it actually is or will soon be under prevailing conditions."[69]

Q. HAVE YOU ASSESSED WHETHER PEOPLES' CAPITAL STRUCTURE IS CONSISTENT WITH SOUND INDUSTRY PRACTICE?

A. Yes, I have. To make that assessment, I calculated the average capital structure for each of the proxy group operating companies over the last three years (*see,* Exhibit JEN-11). On average, the proxy group operating companies finance their regulated natural gas distribution operations with 54.26 percent common equity (and a median of 54.83 percent), within a range of 46.51 percent to 60.16 percent.[70] From that perspective, Peoples' proposed capital structure is consistent with its peers.

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[68] NARUC, *A Cost of Capital and Capital Markets Primer for Utility Regulators* (April 2020), at 11 (emphasis added).
[69] James C. Bonbright, Principles of Public Utility Rates, at 243-44.
[70] Exhibit JEN-11.

Q. WHY DO YOU COMPARE PEOPLES' PROPOSED CAPITAL STRUCTURE TO THE PROXY GROUP OPERATING COMPANIES, RATHER THAN THE PROXY GROUP CONSOLIDATED HOLDING COMPANIES?

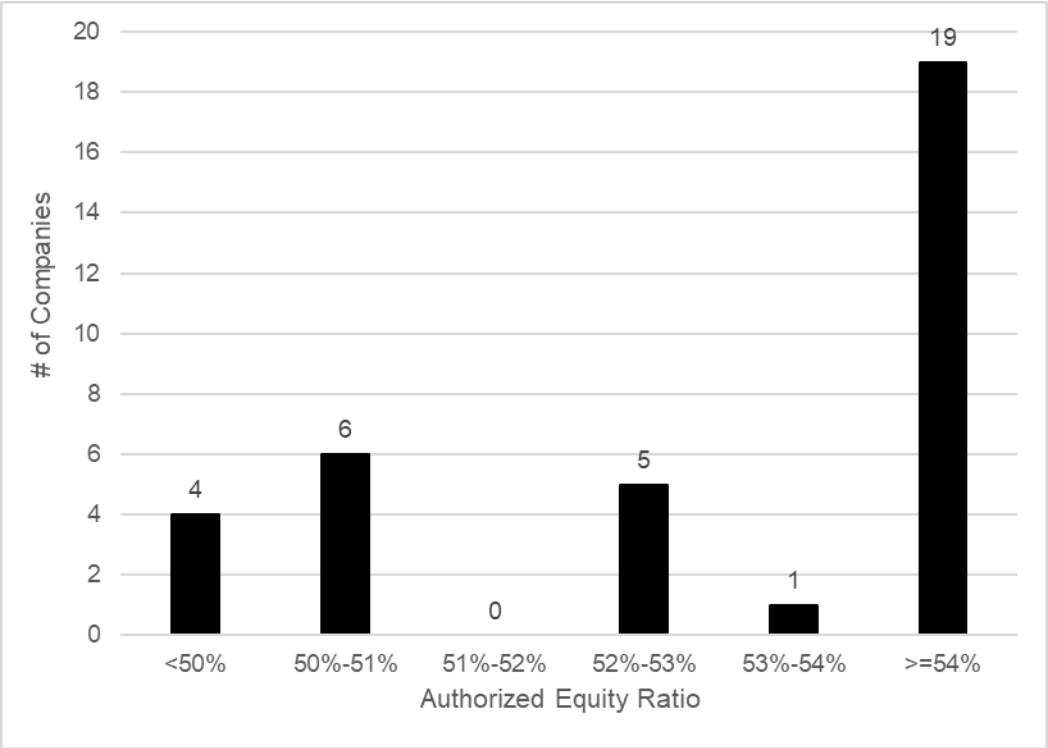
A. The capital structure at the consolidated holding company level does not influence the capital structure of the operating subsidiaries, as operating subsidiaries are financed according to the unique risks and financing needs of each subsidiary. Holding companies do not have the obligation to serve like regulated operating subsidiaries do. Because of the obligation to serve, operating subsidiaries must maintain financial flexibility and access to capital under a variety of operating and capital market environments and constraints. Thus, operating subsidiaries require more equity in the capital structure than their consolidated parent holding companies.

Comparisons to the consolidated holding company capital structures simply do not reflect the common financing constraints faced by operating subsidiaries with the obligation to serve. The only apples-to-apples comparison to discern the appropriate capitalization for a regulated operating utility is a comparison to other regulated operating utility subsidiaries.

Q. IS A CAPITAL STRUCTURE CONSISTING OF 54.47 PERCENT COMMON EQUITY CONSISTENT WITH AUTHORIZED EQUITY RATIOS FOR THE PROXY GROUP?

A. Yes. As shown in Exhibit JEN-12, an equity ratio of 54.47 percent is close to the average and median current authorized equity ratios for the proxy companies in the jurisdictions in which they operate (54.72 percent and 54.40 percent, respectively). Additionally, approximately 54 percent of the proxy group companies have an authorized equity ratio equal to or greater than 54.00 percent in the jurisdictions in which they operate (*see*, Figure 16).

Figure 16: Distribution of Proxy Group Current Authorized Equity Ratios[71]



Q. WHAT IS YOUR CONCLUSION REGARDING THE COMPANY'S REQUESTED CAPITAL STRUCTURE?

A. The requested common equity ratio of 54.47 percent is within the range of actual and authorized equity ratios for its peers and is, therefore, consistent with industry standards. As such, a capital structure including 54.47 percent common equity and 45.53 percent long-term debt is reasonable and should be approved.

Q. WHAT IS THE REQUESTED COST OF LONG-TERM DEBT IN THIS PROCEEDING?

A. The cost of debt reflects the interest rate payable on Peoples' long-term debt. The cost of debt is calculated as the weighted average interest rate of the Company's existing long-term

[71] Exhibit JEN-12.

debt outstanding, including any discount or premium and issuance expenses. As shown in Exhibit JEN-13, the Company's embedded cost of long-term debt is 4.02 percent as of November 30, 2025, 4.31 percent as of November 30, 2026; and 4.61 percent for the FPFTY.

Q. HOW DID YOU DETERMINE THE PROJECTED YIELDS FOR PEOPLES' ANTICIPATED DEBT ISSUANCES IN 2026 AND 2027?

A. Since there are no publicly available forecasts of utility bond yields that I am aware of, I estimated the projected yields on 12-year bonds for Peoples using the 2026 and 2027 projected Corporate BBB bond yield reported by Blue Chip Financial Forecasts less the long-term average spread of 70 basis points between Moody's Corporate BBB bonds and 12-year Utility BBB bonds between January 2000 and February 2026. Figure 17 below summarizes the 2026 and 2027 long-term debt costs estimates.

Figure 17: 2026 and 2027 Peoples' Long-Term Debt Coupon Rates[72]

	Blue Chip Projected BBB Corporate Bond Yield	Lont-Term Average Spread on 12-Year Utility BBB Bond Yields and BBB Corporate Bond Yields	Projected Peoples' Long-Term Debt Coupon Rate
2026	6.03%	-0.7%	5.33%
2027	6.10%	-0.7%	5.40%

The coupon rate for each current and projected debt issuance is then translated into an effective cost rate using the yield to maturity method, as calculated on page 4 of Exhibit JEN-13.

[72] Sources: Blue Chip Financial Forecasts, Vol. 45 No. 3, February 27, 2026 page 2 (2026 forecast); Blue Chip Financial Forecasts, Vol. 44 No. 12, December 1, 2025 page 14 (2027 forecast); Bloomberg Professional.

VI. CAPITAL MARKET ENVIRONMENT

Q. DO ECONOMIC CONDITIONS INFLUENCE THE REQUIRED COST OF CAPITAL, INCLUDING THE ROE?

A. Yes. The required cost of capital, including the ROE, is a function of prevailing and expected economic and capital market conditions. Each of the analytical models used to estimate the required ROE is influenced by current and expected capital market conditions. Therefore, an evaluation of current and projected market conditions is integral to any ROE recommendation.

Q. WHAT ARE THE KEY MACROECONOMIC FACTORS AFFECTING THE COST OF EQUITY FOR REGULATED UTILITIES IN THE CURRENT AND PROSPECTIVE CAPITAL MARKETS?

A. The cost of equity for regulated utilities is currently affected by several key factors, including: (1) the interest rate environment and central bank monetary policy; (2) inflationary pressure and the outlook for inflation and long-term government and utility bond yields; and (3) uncertainty in the economic environment due to geopolitical events. As discussed below, although the Federal Reserve reduced the Federal Funds rate three times in both 2024 and 2025, interest rates and inflation are expected to remain above the levels experienced prior to the COVID-19 pandemic. Further, geopolitical events present uncertainties with respect to the near-term economic and capital market in which the Company will be raising external capital.

Q. HOW HAVE ECONOMIC AND FINANCIAL MARKET CONDITIONS CHANGED IN RECENT MONTHS?

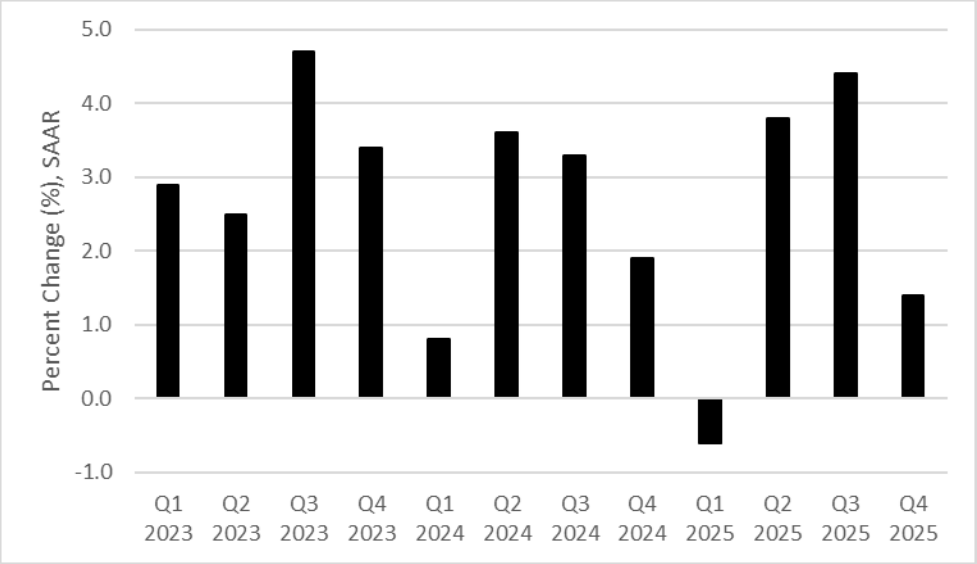
A. At the end of 2024, financial markets were optimistic that the Federal Reserve was close to attaining a "soft landing" by taming inflation without a consequential rise in unemployment. In 2025, however, economic and federal policy uncertainty climbed sharply. As Blue Chip

Financial Forecasts explains, "Numerous Fed officials have noted that there are currently upside risks to the inflation outlook while there are downside risks to the employment outlook, a combination that makes the near-term course for monetary policy very uncertain."[73] Further, in its Outlook 2026 report, J.P. Morgan Private Bank emphasized the structural, rather than temporary, shift in the state of inflation.[74] J.P. Morgan notes that inflation is expected to remain more volatile and prone to upward shocks compared with the pre-pandemic period.[75] Consumer sentiment fell nearly 21 percent between January 2025 and February 2026.[76]

Despite the uncertain economic outlook and weak consumer sentiment, Gross Domestic Product ("GDP") remained resilient. As shown in Figure 18, after posting a decline in the first quarter of 2025, real GDP rose in each of the next three quarters, posting an annual increase of 1.4 percent in the fourth quarter of 2025. This demonstrates that there are mixed signals among the economic indicators.

[73] Blue Chip Financial Forecasts, Vol. 44, No. 12, December 1, 2025, at 1.
[74] J.P. Morgan Private Bank, *2026 Outlook: Promise and Pressure*, at 7.
[75] *Ibid.*
[76] University of Michigan, Survey of Consumers, Index of Consumer Sentiment, https://www.sca.isr.umich.edu/charts.html.

Figure 18: Quarterly Real GDP (Seasonally Adjusted at Annual Rates)[77]



Q. PLEASE DESCRIBE RECENT MONETARY POLICY ACTIONS BY THE FEDERAL RESERVE.

A. At its December 2025 meeting, the Federal Open Market Committee ("FOMC") lowered the target range of the Federal Funds rate by 25 basis points for the third time in 2025 to 3.50 to 3.75 percent. In doing so, the FOMC noted the downside risks to employment on the one hand but that "[i]nflation has moved up since earlier in the year and remains somewhat elevated."[78] The FOMC maintained its federal funds rate target range at its January 2026 meeting, noting that inflation remains "somewhat elevated" and uncertainty about the economic outlook remains "elevated."[79]

[77] Source: U.S. Bureau of Economic Analysis.
[78] Federal Reserve FOMC Press Release, December 10, 2025, https://www.federalreserve.gov/newsevents/pressreleases/monetary20251210a.htm.
[79] Federal Reserve FOMC Press Release, January 28, 2026, https://www.federalreserve.gov/newsevents/pressreleases/monetary20260128a.htm.

Q. DO THE FEDERAL RESERVE'S RECENT CUTS TO THE FEDERAL FUNDS RATE MEAN THAT LONG-TERM GOVERNMENT AND UTILITY BOND YIELDS WILL AUTOMATICALLY FOLLOW?

A. Not necessarily. Long-term bond yields – like the 30-year Treasury yield that is applied in the ROE models and used as a benchmark for long-term utility debt – are less sensitive to the Federal Reserve's monetary policy. Long-term interest rates are influenced by the demand and supply for long-term bonds, inflation expectations, fiscal policy, and federal debt levels. As explained in more detail below, consumers' long-term inflation expectations remain elevated and fiscal policy has become more uncertain; thus, long-term government bonds have not declined commensurate with the Federal Reserve's reductions in the Federal Funds rate. As shown in Figure 19 below, since the end of June 2024 (prior to the Fed's first round of rate cuts), the 1-year and 2-year Treasury yields declined by 161 and 119 basis points, respectively, whereas the 30-year Treasury yields *increased* by 36 basis points. Since models used to estimate the just and reasonable ROE rely on long-term yields, the market movement of short-term bond yields does not influence the ROE model results in the way that long-term yields do.

Figure 19: U.S. Treasury Yields (June 2024 vs. January 2026)[80]

	1-year Treasury	2-year Treasury	30-year Treasury
June 28, 2024	5.09%	4.71%	4.51%
January 30, 2026	3.48%	3.52%	4.87%
Change	-1.61%	-1.19%	+0.36%

[80] Source: Federal Reserve Board of Governors, H.15 Selected Interest Rates.

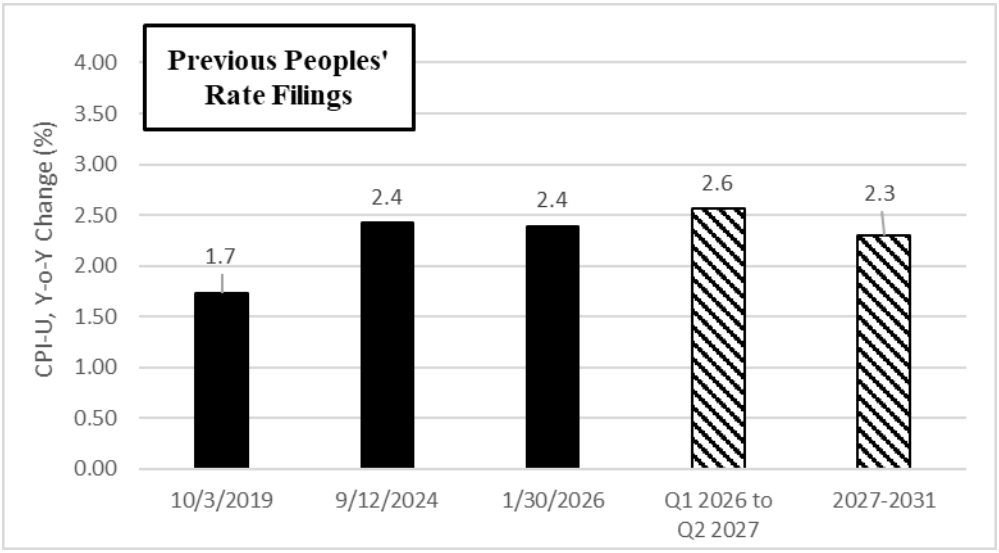
Q. ARE CHANGES IN LONG-TERM BOND YIELDS MORE RELEVANT TO THE COST OF EQUITY FOR UTILITIES THAN SHORT-TERM INTEREST RATES?

A. Yes. The 30-year Treasury bond yield is a direct input to both the CAPM and Risk Premium models because the term of the bond aligns with the long life of electric utility assets. As long-term bond yields increase, the cost of capital generally increases, and the ROE estimates from those two models also increase, although not on a one-to-one basis. While interest rates are not a direct input to the DCF model, dividend yields on utility stocks must compete with yields on Treasury bonds. As interest rates on government bonds increase, utilities must offer a higher dividend yield to attract and retain investors, signaling an increase in the cost of equity for utilities. All else equal, higher dividend yields produce higher ROE estimates in the DCF model.

Q. WHAT ARE THE EXPECTATIONS FOR INFLATION AND LONG-TERM GOVERNMENT AND UTILITY BOND YIELDS IN THE NEAR TERM?

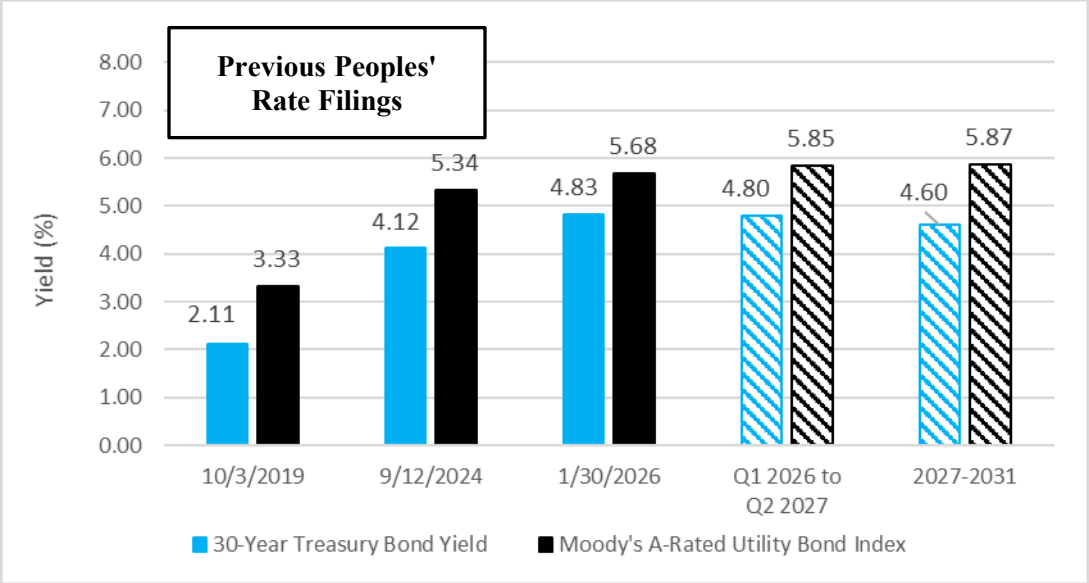
A. Both inflation and long-term government and utility bond yields are expected to remain above their pre-pandemic levels. As shown in Figure 20 and Figure 21 below, inflation and long-term government and utility bond yields have been higher than the levels experienced in 2019 prior to the COVID-19 pandemic and are expected to remain elevated and near current levels over the next five years.

Figure 20: Consumer Price Index (2019 and 2024 vs. 2026 and Forecasted)[81]



[81] Sources: Federal Reserve Bank of St. Louis, FRED Economic Database, series CPIAUCSL, https://fred.stlouisfed.org/series/CPIAUCSL; Blue Chip Financial Forecasts, Vol. 45 No. 2, at 2 and Blue Chip Financial Forecasts, Vol. 44, No. 12, at 14.

Figure 21: 30-Year Treasury Yield and Moody's A Rated Utility Bond Index (2019 and 2024 vs. 2026 and Forecasted)[82]



Q. HOW MIGHT PERSISTENT INFLATION AND ELEVATED INTEREST RATES AFFECT THE COST OF EQUITY FOR UTILITIES?

A. Longer-term bonds like the 30-year Treasury bond are more sensitive to inflation expectations than shorter-term bonds because their value is influenced more by inflation due to their longer maturity holding period and reinvestment rate implications. Thus, as the value (price) of bonds declines due to higher inflation expectations, the yield increases. Because utilities are capital intensive enterprises, higher inflation and interest rates tend to have a negative effect on utility stocks. Higher inflation and interest rates lead to increases in the cost of capital for utilities.

[82] Sources: Federal Reserve Bank of St. Louis, FRED Economic Database, series DGS30, https://fred.stlouisfed.org/series/DGS30; Bloomberg Professional; Federal Reserve Bank of St. Louis, FRED Economic Database, series DAAA, https://fred.stlouisfed.org/series/DAAA; Blue Chip Financial Forecasts, Vol. 45 No. 2, at 2 and Blue Chip Financial Forecasts, Vol. 44 No. 12, at 14. Projected Utility "A" bond yields are estimated from Blue Chip's projected AAA corporate bond yields plus the average historical spread between AAA-rated corporate and A-rated utility bond yields over the last five years.

Q. PLEASE DISCUSS THE RECENT CHANGES IN U.S. TRADE POLICY AND GEOPOLITICAL EVENTS.

A. During 2025, the Trump administration announced, implemented, or delayed implementation of tariffs on numerous U.S. trade partners. A highlight of this is when, on April 2, 2025, President Trump announced the administration would impose a 10 percent base tariff on all imports from nearly every country plus an additional "reciprocal" tariff customized for each of approximately 60 countries.[83] These reciprocal tariffs were subsequently paused, but significant uncertainty remains around the future course of U.S. trade policy and how it will affect the economy. More recently, on February 20, 2026, the Supreme Court struck down President Trump's tariffs,[84] though he responded with a pledge to impose a new global 15 percent tariff.[85]

This created significant policy and market uncertainty; as can be seen in Figure 22 below, the Federal Reserve Bank of St. Louis' Economic Policy Uncertainty Index (the "EPU Index") spiked to levels not seen since the COVID-19 pandemic. While the EPU Index has partially subsided in recent months (to 349.75 as of January 2026), it is still significantly above the average over the last eleven years (154.02). This heightened U.S. policy and market uncertainty is further evidenced by the weakened U.S. dollar ("USD"), which depreciated against gold and a broad set of foreign currencies in 2025; from December 31, 2024, to December 31, 2025, the USD depreciated 7.80 percent against the Federal Reserve's trade-weighted USD index, and gold prices (as measured in USD) increased by approximately 65

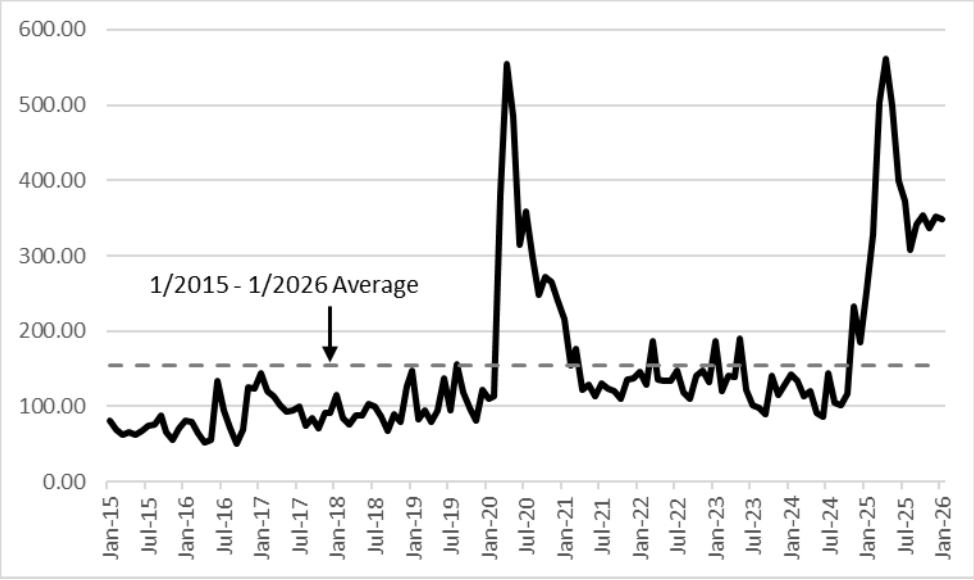
[83] https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/

[84] https://apnews.com/article/supreme-court-tariffs-trump-0485fcda30a7310501123e4931dba3f9.

[85] https://www.nytimes.com/2026/02/21/business/trump-tariffs.html.

percent.[86] The January 3, 2026 U.S. bombing of Venezuela and subsequent capture of Venezuelan President Maduro,[87] potential criminal investigations into Federal Reserve Board members, including Chair Powell,[88] and the U.S. and Israeli attack on Iran[89] further add to the economic and geopolitical uncertainty. Uncertainty increases risk, which increases the cost of equity, all else equal.

Figure 22: Economic Policy Uncertainty Index January 1, 2015 – January 31, 2026[90]



Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR REVIEW OF THE CURRENT CAPITAL MARKET ENVIRONMENT AND ITS IMPLICATIONS FOR THE COMPANY'S COST OF EQUITY?

A. My primary conclusion is that the economic and financial market environment is uncertain concerning inflation, the strength of the economy, the outcome of federal trade policy and other

[86] Sources: Federalreserve.gov H10 data; Goldprice.org.

[87] https://www.cbsnews.com/live-updates/venezuela-us-military-strikes-maduro-trump/.

[88] https://abcnews.go.com/Politics/doj-launches-criminal-investigation-fed-chair-jerome-powell/story?id=129114228.

[89] https://www.pbs.org/newshour/world/u-s-and-israel-launch-a-major-attack-on-iran-trump-says-supreme-leader-khamenei-killed.

[90] Source: Federal Reserve Bank of St. Louis, FRED Economic Database, series USEPUINDXD, https://fred.stlouisfed.org/series/USEPUINDXD/.

geopolitical events, and the path of monetary policy. Although the Federal Reserve has cut the level of short-term interest rates, long-term government and utility bond yields have not followed suit and remain elevated relative to the very low-interest rate environment experienced in the prior decade. Lastly, inflation is expected to remain elevated and above pre-pandemic levels. These factors underscore the importance of using multiple models when determining the Company's cost of equity to gain a comprehensive perspective of the effect of fluid and evolving market conditions on the cost of equity.

VII. CONCLUSION

Q. WHAT IS YOUR CONCLUSION REGARDING THE ROE AND CAPITAL STRUCTURE FOR PEOPLES?

A. As discussed throughout my Direct Testimony, it is important to consider a variety of quantitative and qualitative information in reviewing analytical results and arriving at ROE determinations. The results from three commonly used analytical approaches indicate a cost of equity ranging from approximately 10.20 percent to 11.90 percent. Within that range, I recommend a base ROE of 11.00 percent, which is the approximate midpoint of the range of model results. The base ROE recommendation does not include additional adjustments for Peoples' heightened capital expenditures, risk associated with the potential for customers to bypass its system, and flotation costs. Additionally, I support the Company's requests for a 25 basis point premium to reflect its superior management performance.

As to the capital structure, the Company's requested capital structure of 54.47 percent common equity and 45.53 percent long-term debt is within the range of capital structures that finance the regulated utility operations of the proxy group and, therefore, is reasonable and

appropriate and should be approved. I also support the requested cost of long-term debt of 4.61 percent.

Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

A. Yes, it does.

VERIFICATION

I, Jennifer E. Nelson, under penalty of perjury, on this 20th day of March, 2026, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Jennifer E. Nelson

APPENDIX A: SPONSORED STANDARD FILING REQUIREMENTS

Reference	Filing Requirement
Ex. 16, Sch. 1	53.53.II.A.1
Ex. 16, Sch. 2	53.53.II.A.2
Ex. 16, Sch. 3	53.53.II.A.3
Ex. 16, Sch. 4	53.53.II.A.4
Ex. 16, Sch. 5	53.53.II.A.5
Ex. 16, Sch. 6	53.53.II.A.6
Ex. 16, Sch. 7	53.53.II.A.7
Ex. 16, Sch. 9	53.53.II.A.12
Ex. 16, Sch. 10	53.53.II.A.14
Ex. 16, Sch. 11	53.53.II.A.15
Ex. 16, Sch. 12	53.53.II.A.19
Ex. 16, Sch. 13	53.53.II.A.25
Ex. 18, ROR 4	Exhibit VI.IV.ROR.4
Ex. 18, ROR 6	Exhibit VI.IV.ROR.6
Ex. 18, ROR 7	Exhibit VI.IV.ROR.7
Ex. 18, ROR 9	Exhibit VI.IV.ROR.9
Ex. 18, ROR 10	Exhibit VI.IV.ROR.10
Ex. 18, ROR 11	Exhibit VI.IV.ROR.11
Ex. 18, ROR 12	Exhibit VI.IV.ROR.12
Ex. 18, ROR 15	Exhibit VI.IV.ROR.15
Ex. 18, ROR 17	Exhibit VI.IV.ROR.17
Ex. 18, ROR 18	Exhibit VI.IV.ROR.18
Ex. 18, ROR 19	Exhibit VI.IV.ROR.19
Ex. 18, ROR 20	Exhibit VI.IV.ROR.20
Ex. 18, ROR 21	Exhibit VI.IV.ROR.21

JENNIFER E. NELSON
VICE PRESIDENT

Jennifer Nelson is a Certified Rate of Return Analyst with more than 15 years of experience in the energy industry. As an expert witness, she has testified to the cost of capital and alternative ratemaking proposals for electric, natural gas, and water utilities. In her time as a consultant, Ms. Nelson has provided consulting services on a variety of utility regulatory matters including ratemaking and regulatory policy, cost of service and revenue requirements, integrated resource planning, natural gas pipeline development, utility supply planning issues, and merger and acquisition transactions. She also has extensive experience performing statistical analyses, developing economic and financial models, and providing policy analyses and recommendations.

Prior to joining Concentric, Ms. Nelson was a Director at ScottMadden, Inc., and a managing consultant at Sussex Economic Advisors, LLC. Prior to consulting, she was a staff economist at the Massachusetts Department of Public Utilities and a petroleum economist for the State of Alaska. Ms. Nelson holds a Master of Science degree in Resource and Applied Economics from the University of Alaska and a Bachelor of Science degree in Business Economics from Bentley University. Ms. Nelson has been recognized as one of the *Top 25 Women Leaders in Consulting for 2026* by The Consulting Report.

AREAS OF EXPERTISE

Cost of Capital

- Submitted expert testimony on behalf of electric utilities before regulatory commissions in Arkansas, Kansas, Michigan, New Hampshire, New Mexico, North Carolina, Pennsylvania, South Carolina, Texas, and Virginia regarding the cost of capital.
- Submitted expert testimony on behalf of natural gas utilities before regulatory commissions in Alaska, Florida, Michigan, North Carolina, Ohio, Oregon, South Carolina, Utah, West Virginia, and Wyoming regarding the cost of capital.
- Submitted expert testimony on behalf of a water utility before the Kentucky Public Service Commission regarding the appropriate capital structure and cost of debt.
- Supported expert testimony regarding the cost of capital before numerous state utility regulatory commissions and the FERC on behalf of electric and natural gas utilities through research, financial analysis and modeling, and testimony development.

Alternative Ratemaking Mechanisms

- Submitted expert testimony on behalf of electric utilities and a water utility before the Arkansas Public Service Commission regarding the utilities' proposed Formula Rate Plans.
- Submitted expert testimony on behalf of an electric utility before the Oklahoma Corporation Commission regarding the utility's proposed Formula Rate Plan.
- Submitted expert testimony on behalf of an electric and natural gas utility before the Delaware Public Service Commission regarding the utility's proposed performance-based rate plan.

- Submitted expert testimony on behalf of an electric and natural gas utility before the Montana Public Service Commission regarding the utility's proposed alternative rate mechanisms.
- Co-sponsored expert testimony on behalf of a natural gas utility before the Maine Public Utilities Commission regarding the utility's proposed capital investment cost recovery mechanism.
- Supported expert testimony and performed research and analysis on alternative ratemaking frameworks.

Resource and Supply Planning

- Supported expert testimony on the reasonableness of utility resource supply portfolio decisions.
- Assisted in a benchmarking analysis on behalf of a Northeast U.S. natural gas utility regarding its supply planning standards and design day demand forecast process.
- Supported rebuttal testimony filed on behalf of an Alaska natural gas utility regarding the utility's gas supply planning standards.
- Supported the development of a New Hampshire electric utility's Integrated Resource Plan filed with the New Hampshire Public Utility Commission.
- Performed research and financial analysis to evaluate the benefits, costs, and policy options associated with natural gas expansion by Massachusetts natural gas utilities as part of a prepared report for the Massachusetts Department of Energy Resources.
- Developed a dynamic natural gas demand forecast model for in-state use for the State of Alaska, which included forecasting demand from both existing and anticipated natural gas utilities, power consumption, and large commercial operations.
- Conducted research and prepared analyses for a natural gas pipeline Open Season.

Other Regulatory Financial Issues

- Filed expert testimony before the California PUC regarding the benefits of financial flexibility and diversity in sources of financial capital associated with an electric utility's request to lease entitlements as a means of raising capital.
- Supported expert testimony on the appropriate level of remuneration associated with the Massachusetts electric utilities' long-term contracts for wind power through research, financial analysis and modeling, and testimony development.
- Provided research and analytical support estimating financial damages incurred as a result of construction delays for an electric transmission company.
- Prepared a Feasibility Study for an electric cooperative utility supporting a utility-owned solar project.

Mergers & Acquisitions

- Performed buy-side benchmarking and regulatory analysis for utility acquisitions.

RELEVANT PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2021-present)
Vice President
Assistant Vice President

ScottMadden, Inc. (2016-2021)
Director
Manager

Sussex Economic Advisors, LLC (2013-2016)
Managing Consultant

Massachusetts Department of Public Utilities (2011-2013)
Economist, Electric Power Division

State of Alaska Department of Revenue, Tax Division (2007-2010)
Petroleum Economist

Federal Reserve Bank of Boston (2000-2002)
Research Assistant, Economic Research Department

EDUCATION AND RELEVANT COURSEWORK

University of Alaska
Master of Science, Resource and Applied Economics

Bentley University (formerly Bentley College)
Bachelor of Science, Business Economics
Graduated *magna cum laude*

New Mexico State University
Center for Public Utilities, Regulatory Basics

ISO New England
Wholesale Energy Markets (WEM-101)

Colorado School of Mines
Petroleum Engineering SuperSchool

EUCI
Course Instructor – Performance-Based Ratemaking

AWARDS, DESIGNATIONS, AND PROFESSIONAL AFFILIATIONS

Recognized as one of the *Top 25 Women Leaders in Consulting for 2026* by The Consulting Report
Certified Rate of Return Analyst, Society of Utility and Regulatory Financial Analysts
Member, Society of Utility and Regulatory Financial Analysts

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company	04/25	ENSTAR Natural Gas Company	TA-352-4	Cost of Capital
Arkansas Public Service Commission				
Liberty Utilities (Pine Bluff Water)	10/18	Liberty Utilities (Pine Bluff Water)	18-027-U	Formula Rate Plan and tariff
Entergy Arkansas, LLC	11/20	Entergy Arkansas, LLC	16-036-FR	Evaluated the Return on Equity included in Rider FRP
Oklahoma Gas & Electric	10/21	Oklahoma Gas & Electric	21-087-U	Formula Rate Plan
California Public Utilities Commission				
Pacific Gas & Electric Co.	01/25	Pacific Gas & Electric Co.	A-24-03-009	Financial flexibility and capital diversity
Delaware Public Service Commission				
Delmarva Power & Light Company	08/24	Delmarva Power & Light Company	24-0868	Alternative Ratemaking Proposal
Florida Public Service Commission				
Pivotal Utility Holdings, Inc. d/b/a Florida City Gas	05/22	Pivotal Utility Holdings, Inc. d/b/a Florida City Gas	20220069-GU	Cost of Capital
State Corporation Commission of Kansas				
Evergy Kansas Central and Evergy Kansas South, Inc.	07/25	Evergy Kansas Central and Evergy Kansas South, Inc.	25-EKCE-294-RTS	Capital Structure
The Empire District Electric Company d/b/a Liberty	12/25	The Empire District Electric Company d/b/a Liberty	26-EPDE-0180-RTS	Capital Structure, Cost of Capital and Cost of Debt
Kentucky Public Service Commission				
Bluegrass Water Utility Operating Company, LLC	09/20	Bluegrass Water Utility Operating Company, LLC	2020-290	Capital Structure and Cost of Long-Term Debt
Maine Public Utilities Commission				
Unitil Corporation	06/19	Northern Utilities, Inc.	19-00092	Co-sponsored testimony supporting a proposed capital tracking mechanism
Michigan Public Service Commission				
DTE Electric Company	04/25	DTE Electric Company	U-21860	Cost of Capital
DTE Gas Company	11/25	DTE Gas Company	U-21973	Cost of Capital

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Montana Public Utilities Commission				
NorthWestern Corporation	08/22	NorthWestern Corporation	2022-7-78 (elect.) 2022-7-78 (gas)	Alternative Ratemaking Proposals
New Hampshire Public Utilities Commission				
Unitil Energy Systems, Inc.	04/21	Unitil Energy Systems, Inc.	DE 21-030	Cost of Capital
New Mexico Public Regulation Commission				
El Paso Electric Company	07/20	El Paso Electric Company	20-00104-UT	Cost of Capital
North Carolina Utilities Commission				
Public Service Company of North Carolina d/b/a Dominion Energy North Carolina	04/21	Public Service Company of North Carolina d/b/a Dominion Energy North Carolina	G-5, Sub 632	Cost of Capital
Virginia Electric & Power Co., d/b/a Dominion Energy North Carolina	03/24	Virginia Electric & Power Co., d/b/a Dominion Energy North Carolina	E-22, Sub 694	Cost of Capital
Public Service Company of North Carolina	04/25	Public Service Company of North Carolina	G-5, Sub 686	Cost of Capital
Public Utilities Commission of Ohio				
The East Ohio Gas Company d/b/a Dominion Energy Ohio	11/23	The East Ohio Gas Company d/b/a Dominion Energy Ohio	23-0894-GA-AIR	Cost of Capital
The East Ohio Gas Company d/b/a Enbridge Gas Ohio	01/26	The East Ohio Gas Company d/b/a Enbridge Gas Ohio	25-1097-GA-AIR	Cost of Capital
Oklahoma Corporation Commission				
Oklahoma Gas & Electric	12/21	Oklahoma Gas & Electric	PUD202100164	Formula Rate Plan
Public Utility Commission of Oregon				
Northwest Natural Gas Company d/b/a NW Natural	12/23	Northwest Natural Gas Company d/b/a NW Natural	UG 490	Cost of Capital
Northwest Natural Gas Company d/b/a NW Natural	12/24	Northwest Natural Gas Company d/b/a NW Natural	UG 520	Cost of Capital
Pennsylvania Public Utility Commission				
PPL Electric Utilities Corporation	09/25	PPL Electric Utilities Corporation	R-2025-3057164	Cost of Capital

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Public Utilities Commission of South Carolina				
Dominion Energy South Carolina	04/23	Dominion Energy South Carolina	2023-70-G	Cost of Capital
Dominion Energy South Carolina	03/24	Dominion Energy South Carolina	2024-34-E	Cost of Capital
Dominion Energy South Carolina, Inc.	01/26	Dominion Energy South Carolina, Inc.	2025-325-E	Cost of Capital
Public Utilities Commission of Texas				
Sharyland Utilities L.L.C.	12/20	Sharyland Utilities L.L.C.	51611	Cost of Capital
El Paso Electric Company	06/21	El Paso Electric Company	52195	Cost of Capital
Wind Energy Transmission Texas, LLC dba WETT	12/24	Wind Energy Transmission Texas, LLC dba WETT	57299	Cost of Capital
El Paso Electric Company	01/25	El Paso Electric Company	57568	Cost of Capital
Utah Public Service Commission				
Enbridge Gas Utah	05/25	Enbridge Gas Utah	25-057-06	Cost of Capital
Dominion Energy Utah	05/22	Dominion Energy Utah	22-057-03	Cost of Capital
Virginia State Corporation Commission				
Virginia Electric & Power Company (Dominion Energy Virginia)	03/25	Virginia Electric & Power Company (Dominion Energy Virginia)	PUR-2025-00058	Cost of Capital
Public Service Commission of West Virginia				
Hope Gas, Inc.	04/25	Hope Gas, Inc.	25-0417-G-42T	Cost of Capital
Hope Gas, Inc. d/b/a Dominion Energy West Virginia	11/20	Hope Gas, Inc. d/b/a Dominion Energy West Virginia	20-0746-G-42T	Cost of Capital
Washington Utilities & Transportation Commission				
Northwest Natural Gas Company d/b/a NW Natural	08/25	Northwest Natural Gas Company d/b/a NW Natural	UG-250610	Cost of Capital
Wyoming Public Service Commission				
Dominion Energy Wyoming	03/23	Dominion Energy Wyoming	30010-215-GR-23	Cost of Capital

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
30 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] CIQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$167.81	2.38%	2.48%	6.50%	8.26%	8.50%	7.75%	8.96%	10.23%	10.98%
New Jersey Resources Corporation	NJR	$1.90	$47.20	4.03%	4.18%	n/a	8.40%	6.50%	7.45%	10.66%	11.63%	12.59%
NiSource Inc.	NI	$1.12	$42.61	2.63%	2.73%	6.00%	8.90%	8.00%	7.63%	8.71%	10.36%	11.65%
Northwest Natural Holding Co.	NWN	$1.97	$46.74	4.21%	4.34%	n/a	5.50%	6.50%	6.00%	9.83%	10.34%	10.85%
ONE Gas, Inc.	OGS	$2.68	$77.89	3.44%	3.55%	6.70%	7.10%	4.50%	6.10%	8.02%	9.65%	10.67%
Southwest Gas Holdings, Inc.	SWX	$2.48	$82.09	3.02%	3.17%	9.20%	10.50%	n/a	9.85%	12.36%	13.02%	13.68%
Spire, Inc.	SR	$3.30	$83.22	3.97%	4.13%	10.50%	9.60%	4.50%	8.20%	8.55%	12.33%	14.67%
Proxy Group Mean				3.38%	3.51%	7.78%	8.32%	6.42%	7.57%	9.58%	11.08%	12.16%
Proxy Group Median				3.44%	3.55%	6.70%	8.40%	6.50%	7.63%	8.96%	10.36%	11.65%
Average of the Mean and Median				**3.41%**	**3.53%**	**7.24%**	**8.36%**	**6.46%**	**7.60%**	**9.27%**	**10.72%**	**11.90%**

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Cols. [5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
90 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] CIQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$171.40	2.33%	2.42%	6.50%	8.26%	8.50%	7.75%	8.91%	10.18%	10.93%
New Jersey Resources Corporation	NJR	$1.90	$46.59	4.08%	4.23%	n/a	8.40%	6.50%	7.45%	10.71%	11.68%	12.65%
NiSource Inc.	NI	$1.12	$42.79	2.62%	2.72%	6.00%	8.90%	8.00%	7.63%	8.70%	10.35%	11.63%
Northwest Natural Holding Co.	NWN	$1.97	$46.47	4.24%	4.37%	n/a	5.50%	6.50%	6.00%	9.86%	10.37%	10.88%
ONE Gas, Inc.	OGS	$2.68	$79.74	3.36%	3.46%	6.70%	7.10%	4.50%	6.10%	7.94%	9.56%	10.58%
Southwest Gas Holdings, Inc.	SWX	$2.48	$80.57	3.08%	3.23%	9.20%	10.50%	n/a	9.85%	12.42%	13.08%	13.74%
Spire, Inc.	SR	$3.30	$84.45	3.91%	4.07%	10.50%	9.60%	4.50%	8.20%	8.50%	12.27%	14.61%
Proxy Group Mean				3.37%	3.50%	7.78%	8.32%	6.42%	7.57%	9.57%	11.07%	12.15%
Proxy Group Median				3.36%	3.46%	6.70%	8.40%	6.50%	7.63%	8.91%	10.37%	11.63%
Average of the Mean and Median				**3.37%**	**3.48%**	**7.24%**	**8.36%**	**6.46%**	**7.60%**	**9.24%**	**10.72%**	**11.89%**

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Cols. [5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
180 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] CIQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$164.95	2.43%	2.52%	6.50%	8.26%	8.50%	7.75%	9.00%	10.27%	11.03%
New Jersey Resources Corporation	NJR	$1.90	$46.33	4.10%	4.25%	n/a	8.40%	6.50%	7.45%	10.73%	11.70%	12.67%
NiSource Inc.	NI	$1.12	$41.70	2.69%	2.79%	6.00%	8.90%	8.00%	7.63%	8.77%	10.42%	11.71%
Northwest Natural Holding Co.	NWN	$1.97	$43.69	4.51%	4.64%	n/a	5.50%	6.50%	6.00%	10.13%	10.64%	11.16%
ONE Gas, Inc.	OGS	$2.68	$76.94	3.48%	3.59%	6.70%	7.10%	4.50%	6.10%	8.06%	9.69%	10.71%
Southwest Gas Holdings, Inc.	SWX	$2.48	$78.18	3.17%	3.33%	9.20%	10.50%	n/a	9.85%	12.52%	13.18%	13.84%
Spire, Inc.	SR	$3.30	$79.70	4.14%	4.31%	10.50%	9.60%	4.50%	8.20%	8.73%	12.51%	14.86%
Proxy Group Mean				3.50%	3.63%	7.78%	8.32%	6.42%	7.57%	9.71%	11.20%	12.28%
Proxy Group Median				3.48%	3.59%	6.70%	8.40%	6.50%	7.63%	9.00%	10.64%	11.71%
Average of the Mean and Median				**3.49%**	**3.61%**	**7.24%**	**8.36%**	**6.46%**	**7.60%**	**9.36%**	**10.92%**	**11.99%**

Notes:

[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Cols. [5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Quarterly Growth Discounted Cash Flow Model
30 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] CIQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$1.00	$0.94	$0.94	$0.94	$1.08	$167.81	6.50%	8.26%	8.50%	7.75%	8.86%	10.16%	10.92%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$47.20	n/a	8.40%	6.50%	7.45%	10.84%	11.84%	12.84%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$42.61	6.00%	8.90%	8.00%	7.63%	8.88%	10.57%	11.89%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$46.74	n/a	5.50%	6.50%	6.00%	10.10%	10.63%	11.16%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.67	$0.67	$0.71	$0.71	$0.71	$0.71	$77.89	6.70%	7.10%	4.50%	6.10%	8.20%	9.88%	10.94%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$82.09	9.20%	10.50%	n/a	9.85%	12.65%	13.33%	14.01%
Spire, Inc.	SR	$0.79	$0.79	$0.79	$0.83	$0.85	$0.85	$0.85	$0.89	$83.22	10.50%	9.60%	4.50%	8.20%	8.62%	12.52%	14.95%
Proxy Group Mean											7.78%	8.32%	6.42%	7.57%	9.74%	11.28%	12.39%
Proxy Group Median											6.70%	8.40%	6.50%	7.63%	8.88%	10.63%	11.89%
Average of Mean and Median															9.31%	10.95%	12.14%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Quarterly Growth Discounted Cash Flow Model
90 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] CIQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$1.00	$0.94	$0.94	$0.94	$1.08	$171.40	6.50%	8.26%	8.50%	7.75%	8.81%	10.10%	10.87%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$46.59	n/a	8.40%	6.50%	7.45%	10.89%	11.90%	12.90%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$42.79	6.00%	8.90%	8.00%	7.63%	8.87%	10.56%	11.87%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$46.47	n/a	5.50%	6.50%	6.00%	10.13%	10.66%	11.19%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.67	$0.67	$0.71	$0.71	$0.71	$0.71	$79.74	6.70%	7.10%	4.50%	6.10%	8.12%	9.80%	10.85%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$80.57	9.20%	10.50%	n/a	9.85%	12.72%	13.40%	14.08%
Spire, Inc.	SR	$0.79	$0.79	$0.79	$0.83	$0.85	$0.85	$0.85	$0.89	$84.45	10.50%	9.60%	4.50%	8.20%	8.56%	12.46%	14.88%
Proxy Group Mean											7.78%	8.32%	6.42%	7.57%	9.73%	11.27%	12.38%
Proxy Group Median											6.70%	8.40%	6.50%	7.63%	8.87%	10.66%	11.87%
Average of Mean and Median															9.30%	10.96%	12.13%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Quarterly Growth Discounted Cash Flow Model
180 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] CIQ Earnings Growth	[12] Value Line Earnings Growth	[14] Average Earnings Growth	[15] Low ROE	[16] Mean ROE	[17] High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$1.00	$0.94	$0.94	$0.94	$1.08	$164.95	6.50%	8.26%	8.50%	7.75%	8.90%	10.20%	10.97%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$46.33	n/a	8.40%	6.50%	7.45%	10.92%	11.92%	12.93%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$41.70	6.00%	8.90%	8.00%	7.63%	8.94%	10.64%	11.95%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$43.69	n/a	5.50%	6.50%	6.00%	10.43%	10.96%	11.49%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.67	$0.67	$0.71	$0.71	$0.71	$0.71	$76.94	6.70%	7.10%	4.50%	6.10%	8.25%	9.93%	10.98%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$78.18	9.20%	10.50%	n/a	9.85%	12.83%	13.51%	14.19%
Spire, Inc.	SR	$0.79	$0.79	$0.79	$0.83	$0.85	$0.85	$0.85	$0.89	$79.70	10.50%	9.60%	4.50%	8.20%	8.80%	12.72%	15.15%
Proxy Group Mean											7.78%	8.32%	6.42%	7.57%	9.87%	11.41%	12.52%
Proxy Group Median											6.70%	8.40%	6.50%	7.63%	8.94%	10.96%	11.95%
Average of Mean and Median															9.40%	11.18%	12.24%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 1/30/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Forward Market Return
Market DCF Based Method - Value Line EPS Growth

[1] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.15%
[2] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	15.14%
[3] Market Cap. Weighted Estimated Required Market Return	16.38%

Notes:
[1] Source: S&P Capital IQ as of 1/31/2026
[2] Source: Value Line DCF-based expected market return. See Confidential WP-12 for calculation
[3] Equals ([1] x (1 + (0.5 x [2]))) + [2]

Forward Market Return
Market DCF Based Method - Bloomberg EPS Growth

[4] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.17%
[5] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	17.81%
[6] Market Cap. Weighted Estimated Required Market Return	19.08%

Notes:
[4] Source: S&P Capital IQ as of 1/31/2026
[5] Source: Bloomberg DCF-based expected market return. See Confidential WP-13 for calculation
[6] Equals ([4] x (1 + (0.5 x [5]))) + [5]

Forward Market Return
Market DCF Based Method - S&P 500 EPS Growth

[7] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.15%
[8] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	17.31%
[9] Market Cap. Weighted Estimated Required Market Return	18.56%

Notes:
[7], [8] Source: S&P Global, S&P 500 Earnings and Estimate Report, January 31, 2026
[9] Equals (Col. [7] x (1 + (0.5 x Col. Col. [8]))) + Col. Col. [8]

Summary of CAPM and ECAPM Results

	Current 30-Year Treasury Yield (4.92%)	**Projected 30-Year Treasury Yield (4.52%)**	**Average**
CAPM Forward Market Return	13.11%	13.06%	13.09%
ECAPM Forward Market Return	13.93%	13.89%	13.91%
CAPM Historical Market Return	10.14%	10.09%	10.11%
ECAPM Historical Market Return	10.66%	10.63%	10.64%
			11.94%

Source: Exhibit JEN-5, pages 2-5

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Expected Market Return and 5-year Beta Coefficients

Company	Ticker	[1] Current 30-Year Treasury Yield	[2] 5-Year Bloomberg Beta Coefficient	[3] 5-Year Value Line Beta Coefficient	[4] Average Beta Coefficient	[5] DCF Forward Market Return	[6] Market Risk Premium	[7] Traditional CAPM	[8] Empirical CAPM
Atmos Energy Corporation	ATO	4.83%	0.64	0.75	0.70	16.38%	11.55%	12.87%	13.75%
New Jersey Resources Corporation	NJR	4.83%	0.61	0.75	0.68	16.38%	11.55%	12.66%	13.59%
NiSource Inc.	NI	4.83%	0.68	0.85	0.76	16.38%	11.55%	13.65%	14.33%
Northwest Natural Holding Co.	NWN	4.83%	0.58	0.75	0.67	16.38%	11.55%	12.51%	13.48%
ONE Gas, Inc.	OGS	4.83%	0.59	0.75	0.67	16.38%	11.55%	12.54%	13.50%
Southwest Gas Holdings, Inc.	SWX	4.83%	0.65	0.75	0.70	16.38%	11.55%	12.90%	13.77%
Spire, Inc.	SR	4.83%	0.62	0.75	0.69	16.38%	11.55%	12.76%	13.66%
							Proxy Group Mean:	12.84%	13.73%
							Proxy Group Median:	12.76%	13.66%
							Average of the Mean and Median:	**12.80%**	**13.70%**

Company	Ticker	[9] Projected 30-Year Treasury Yield	[10] 5-Year Bloomberg Beta Coefficient	[11] 5-Year Value Line Beta Coefficient	[12] Average Beta Coefficient	[13] DCF Forward Market Return	[14] Market Risk Premium	[15] Traditional CAPM	[16] Empirical CAPM
Atmos Energy Corporation	ATO	4.68%	0.64	0.75	0.70	16.38%	11.70%	12.82%	13.71%
New Jersey Resources Corporation	NJR	4.68%	0.61	0.75	0.68	16.38%	11.70%	12.61%	13.56%
NiSource Inc.	NI	4.68%	0.68	0.85	0.76	16.38%	11.70%	13.62%	14.31%
Northwest Natural Holding Co.	NWN	4.68%	0.58	0.75	0.67	16.38%	11.70%	12.46%	13.44%
ONE Gas, Inc.	OGS	4.68%	0.59	0.75	0.67	16.38%	11.70%	12.49%	13.46%
Southwest Gas Holdings, Inc.	SWX	4.68%	0.65	0.75	0.70	16.38%	11.70%	12.85%	13.73%
Spire, Inc.	SR	4.68%	0.62	0.75	0.69	16.38%	11.70%	12.71%	13.63%
							Proxy Group Mean:	12.80%	13.69%
							Proxy Group Median:	12.71%	13.63%
							Average of the Mean and Median:	**12.75%**	**13.66%**

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Source: Exhibit JEN-4; Value Line DCF-based forward market return
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 45, No. 2, January 30, 2026 at 2 and Vol. 44, No. 12, December 1, 2025 at 14
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Expected Market Return and 10-Year Bloomberg Beta Coefficient

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	DCF Forward Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.83%	0.72	16.38%	11.55%	13.16%	13.96%
New Jersey Resources Corporation	NJR	4.83%	0.76	16.38%	11.55%	13.57%	14.27%
NiSource Inc.	NI	4.83%	0.77	16.38%	11.55%	13.73%	14.40%
Northwest Natural Holding Co.	NWN	4.83%	0.68	16.38%	11.55%	12.67%	13.59%
ONE Gas, Inc.	OGS	4.83%	0.73	16.38%	11.55%	13.30%	14.07%
Southwest Gas Holdings, Inc.	SWX	4.83%	0.81	16.38%	11.55%	14.23%	14.77%
Spire, Inc.	SR	4.83%	0.74	16.38%	11.55%	13.40%	14.14%
					Proxy Group Mean:	13.44%	14.17%
					Proxy Group Median:	13.40%	14.14%
					Average of the Mean and Median:	**13.42%**	**14.16%**

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	DCF Forward Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.68%	0.72	16.38%	11.70%	13.11%	13.93%
New Jersey Resources Corporation	NJR	4.68%	0.76	16.38%	11.70%	13.53%	14.25%
NiSource Inc.	NI	4.68%	0.77	16.38%	11.70%	13.70%	14.37%
Northwest Natural Holding Co.	NWN	4.68%	0.68	16.38%	11.70%	12.62%	13.56%
ONE Gas, Inc.	OGS	4.68%	0.73	16.38%	11.70%	13.26%	14.04%
Southwest Gas Holdings, Inc.	SWX	4.68%	0.81	16.38%	11.70%	14.20%	14.75%
Spire, Inc.	SR	4.68%	0.74	16.38%	11.70%	13.36%	14.11%
					Proxy Group Mean:	13.40%	14.14%
					Proxy Group Median:	13.36%	14.11%
					Average of the Mean and Median:	**13.38%**	**14.13%**

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Exhibit JEN-4; Value Line DCF-based forward market return
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 45, No. 2, January 30, 2026 at 2 and Vol. 44, No. 12, December 1, 2025 at 14
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 5-year Beta Coefficients

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Company	Ticker	Current 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.83%	0.64	0.75	0.70	12.23%	7.40%	9.98%	10.54%
New Jersey Resources Corporation	NJR	4.83%	0.61	0.75	0.68	12.23%	7.40%	9.85%	10.45%
NiSource Inc.	NI	4.83%	0.68	0.85	0.76	12.23%	7.40%	10.48%	10.92%
Northwest Natural Holding Co.	NWN	4.83%	0.58	0.75	0.67	12.23%	7.40%	9.75%	10.37%
ONE Gas, Inc.	OGS	4.83%	0.59	0.75	0.67	12.23%	7.40%	9.77%	10.39%
Southwest Gas Holdings, Inc.	SWX	4.83%	0.65	0.75	0.70	12.23%	7.40%	10.00%	10.56%
Spire, Inc.	SR	4.83%	0.62	0.75	0.69	12.23%	7.40%	9.91%	10.49%
							Proxy Group Mean:	9.96%	10.53%
							Proxy Group Median:	9.91%	10.49%
							Average of the Mean and Median:	**9.94%**	**10.51%**

		[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Projected 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.68%	0.64	0.75	0.70	12.23%	7.56%	9.93%	10.51%
New Jersey Resources Corporation	NJR	4.68%	0.61	0.75	0.68	12.23%	7.56%	9.80%	10.41%
NiSource Inc.	NI	4.68%	0.68	0.85	0.76	12.23%	7.56%	10.45%	10.89%
Northwest Natural Holding Co.	NWN	4.68%	0.58	0.75	0.67	12.23%	7.56%	9.70%	10.33%
ONE Gas, Inc.	OGS	4.68%	0.59	0.75	0.67	12.23%	7.56%	9.72%	10.35%
Southwest Gas Holdings, Inc.	SWX	4.68%	0.65	0.75	0.70	12.23%	7.56%	9.95%	10.52%
Spire, Inc.	SR	4.68%	0.62	0.75	0.69	12.23%	7.56%	9.86%	10.45%
							Proxy Group Mean:	9.92%	10.49%
							Proxy Group Median:	9.86%	10.45%
							Average of the Mean and Median:	**9.89%**	**10.47%**

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Kroll, Cost of Capital Navigator
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 45, No. 2, January 30, 2026 at 2 and Vol. 44, No. 12, December 1, 2025 at 14
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 10-Year Bloomberg Beta Coefficient

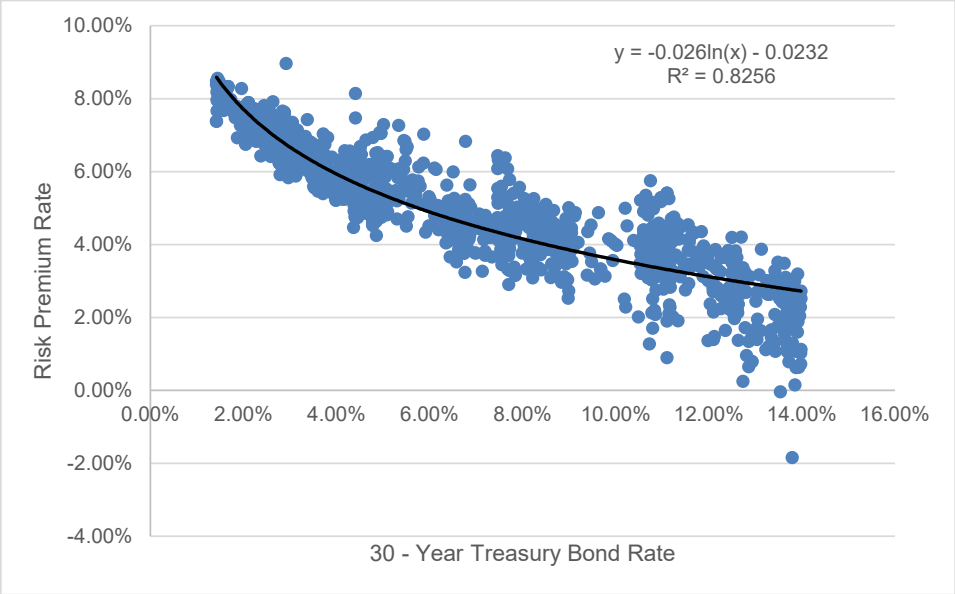
		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.83%	0.72	12.23%	7.40%	10.16%	10.68%
New Jersey Resources Corporation	NJR	4.83%	0.76	12.23%	7.40%	10.43%	10.88%
NiSource Inc.	NI	4.83%	0.77	12.23%	7.40%	10.54%	10.96%
Northwest Natural Holding Co.	NWN	4.83%	0.68	12.23%	7.40%	9.85%	10.45%
ONE Gas, Inc.	OGS	4.83%	0.73	12.23%	7.40%	10.26%	10.75%
Southwest Gas Holdings, Inc.	SWX	4.83%	0.81	12.23%	7.40%	10.85%	11.20%
Spire, Inc.	SR	4.83%	0.74	12.23%	7.40%	10.32%	10.80%
					Proxy Group Mean:	10.34%	10.82%
					Proxy Group Median:	10.32%	10.80%
					Average of the Mean and Median:	**10.33%**	**10.81%**

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.68%	0.72	12.23%	7.56%	10.12%	10.65%
New Jersey Resources Corporation	NJR	4.68%	0.76	12.23%	7.56%	10.39%	10.85%
NiSource Inc.	NI	4.68%	0.77	12.23%	7.56%	10.50%	10.93%
Northwest Natural Holding Co.	NWN	4.68%	0.68	12.23%	7.56%	9.80%	10.41%
ONE Gas, Inc.	OGS	4.68%	0.73	12.23%	7.56%	10.21%	10.72%
Southwest Gas Holdings, Inc.	SWX	4.68%	0.81	12.23%	7.56%	10.83%	11.18%
Spire, Inc.	SR	4.68%	0.74	12.23%	7.56%	10.28%	10.77%
					Proxy Group Mean:	10.31%	10.79%
					Proxy Group Median:	10.28%	10.77%
					Average of the Mean and Median:	**10.29%**	**10.78%**

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Kroll, Cost of Capital Navigator
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 45, No. 2, January 30, 2026 at 2 and Vol. 44, No. 12, December 1, 2025 at 14
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Bond Yield Plus Risk Premium

[1]	[2]	[3]	[4]	[5]
Constant	Slope	30-Year Treasury Yield	Risk Premium	Return on Equity
-2.32%	-2.56%			
Current 30-Year Treasury		4.83%	5.45%	10.28%
Projected 30-Year Treasury		4.68%	5.53%	10.21%



Notes:
[1] Constant of regression equation
[2] Slope of regression equation
[3] Sources: Current = Federal Reserve Bank of St. Louis,
Projected = Average of near-term and long-term projected 30-year Treasury yield from
Blue Chip Financial Forecasts, Vol. 45, No. 2, January 30, 2026 at 2 and Vol. 44, No. 12, December 1, 2025 at 14
[4] Equals [1] + ln([3]) x [2]
[5] Equals [3] + [4]
[6] Source: S&P Capital IQ
[7] Source: S&P Capital IQ
[8] Source: Bloomberg Professional, equals 189-trading day average (i.e. lag period)
[9] Equals [7] - [8]

Bond Yield Plus Risk Premium

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/3/1980	12.55%	9.39%	3.16%
1/4/1980	13.75%	9.40%	4.35%
1/14/1980	13.20%	9.44%	3.76%
1/18/1980	14.00%	9.47%	4.53%
1/31/1980	12.61%	9.55%	3.06%
2/8/1980	14.50%	9.63%	4.87%
2/14/1980	13.00%	9.67%	3.33%
2/15/1980	13.00%	9.69%	3.31%
2/29/1980	14.00%	9.85%	4.15%
3/5/1980	14.00%	9.90%	4.10%
3/7/1980	13.50%	9.94%	3.56%
3/14/1980	14.00%	10.02%	3.98%
3/27/1980	12.69%	10.19%	2.50%
4/1/1980	14.75%	10.24%	4.51%
4/29/1980	12.50%	10.49%	2.01%
5/7/1980	14.27%	10.54%	3.73%
5/8/1980	13.75%	10.55%	3.20%
5/19/1980	15.50%	10.60%	4.90%
5/27/1980	14.60%	10.64%	3.96%
5/29/1980	16.00%	10.65%	5.35%
6/10/1980	13.78%	10.69%	3.09%
6/25/1980	14.25%	10.72%	3.53%
7/9/1980	14.51%	10.76%	3.75%
7/17/1980	12.90%	10.78%	2.12%
7/18/1980	13.80%	10.78%	3.02%
7/22/1980	14.10%	10.78%	3.32%
7/23/1980	14.19%	10.79%	3.40%
8/1/1980	12.50%	10.80%	1.70%
8/11/1980	14.85%	10.81%	4.04%
8/21/1980	13.03%	10.84%	2.19%
8/28/1980	13.61%	10.86%	2.75%
8/28/1980	14.00%	10.86%	3.14%
9/4/1980	14.00%	10.89%	3.11%
9/24/1980	15.00%	10.97%	4.03%
10/9/1980	14.50%	11.05%	3.45%
10/9/1980	14.50%	11.05%	3.45%
10/24/1980	14.00%	11.09%	2.91%
10/27/1980	15.20%	11.10%	4.10%
10/27/1980	15.20%	11.10%	4.10%
10/28/1980	12.00%	11.10%	0.90%
10/28/1980	13.00%	11.10%	1.90%
10/31/1980	14.50%	11.12%	3.38%
11/4/1980	15.00%	11.13%	3.87%
11/6/1980	14.35%	11.14%	3.21%
11/10/1980	13.25%	11.15%	2.10%
11/17/1980	15.50%	11.16%	4.34%
11/19/1980	13.50%	11.16%	2.34%
12/5/1980	14.60%	11.15%	3.45%
12/8/1980	16.40%	11.15%	5.25%
12/12/1980	15.45%	11.16%	4.29%
12/17/1980	14.40%	11.17%	3.23%
12/17/1980	14.20%	11.17%	3.03%
12/18/1980	14.00%	11.17%	2.83%
12/22/1980	13.45%	11.17%	2.28%
12/26/1980	14.00%	11.16%	2.84%
12/30/1980	14.50%	11.15%	3.35%
12/31/1980	14.56%	11.15%	3.41%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/7/1981	14.30%	11.14%	3.16%
1/12/1981	14.95%	11.14%	3.81%
1/26/1981	15.25%	11.20%	4.05%
1/30/1981	13.25%	11.23%	2.02%
2/11/1981	14.50%	11.32%	3.18%
2/20/1981	14.50%	11.39%	3.11%
3/12/1981	15.65%	11.58%	4.07%
3/25/1981	15.30%	11.72%	3.58%
4/1/1981	15.30%	11.80%	3.50%
4/8/1981	15.00%	11.88%	3.12%
4/29/1981	13.50%	12.10%	1.40%
4/29/1981	14.25%	12.10%	2.15%
4/30/1981	15.00%	12.12%	2.88%
4/30/1981	13.60%	12.12%	1.48%
5/21/1981	14.00%	12.36%	1.64%
6/3/1981	14.67%	12.44%	2.23%
6/22/1981	16.00%	12.56%	3.44%
6/25/1981	14.75%	12.59%	2.16%
7/2/1981	14.00%	12.63%	1.37%
7/10/1981	16.00%	12.68%	3.32%
7/14/1981	16.90%	12.70%	4.20%
7/21/1981	15.78%	12.76%	3.02%
7/27/1981	13.77%	12.81%	0.96%
7/27/1981	15.50%	12.81%	2.69%
7/31/1981	14.20%	12.86%	1.34%
7/31/1981	13.50%	12.86%	0.64%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	14.41%	12.93%	1.48%
8/25/1981	15.45%	13.01%	2.44%
8/27/1981	14.43%	13.04%	1.39%
8/28/1981	15.00%	13.05%	1.95%
9/23/1981	14.34%	13.23%	1.11%
9/24/1981	16.25%	13.24%	3.01%
9/29/1981	14.50%	13.29%	1.21%
9/30/1981	15.94%	13.31%	2.63%
10/2/1981	14.80%	13.34%	1.46%
10/12/1981	16.25%	13.41%	2.84%
10/20/1981	15.25%	13.49%	1.76%
10/20/1981	17.00%	13.49%	3.51%
10/20/1981	16.50%	13.49%	3.01%
10/23/1981	15.50%	13.53%	1.97%
10/26/1981	13.50%	13.54%	-0.04%
10/29/1981	16.50%	13.58%	2.92%
11/4/1981	15.33%	13.61%	1.72%
11/6/1981	15.17%	13.63%	1.54%
11/12/1981	15.00%	13.64%	1.36%
11/25/1981	16.10%	13.65%	2.45%
11/25/1981	16.10%	13.65%	2.45%
11/25/1981	15.25%	13.65%	1.60%
11/30/1981	16.75%	13.65%	3.10%
12/1/1981	15.70%	13.65%	2.05%
12/1/1981	16.00%	13.65%	2.35%
12/15/1981	15.81%	13.68%	2.13%
12/17/1981	14.75%	13.69%	1.06%
12/22/1981	16.00%	13.71%	2.29%
12/22/1981	15.70%	13.71%	1.99%
12/30/1981	16.00%	13.73%	2.27%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/30/1981	16.25%	13.73%	2.52%
1/4/1982	15.50%	13.74%	1.76%
1/14/1982	11.95%	13.80%	-1.85%
1/25/1982	16.25%	13.84%	2.41%
1/27/1982	16.84%	13.85%	2.99%
1/31/1982	14.00%	13.85%	0.15%
2/2/1982	16.24%	13.86%	2.38%
2/8/1982	15.50%	13.88%	1.62%
2/9/1982	14.95%	13.88%	1.07%
2/9/1982	15.75%	13.88%	1.87%
2/11/1982	16.00%	13.89%	2.11%
3/1/1982	15.96%	13.90%	2.06%
3/3/1982	15.00%	13.90%	1.10%
3/8/1982	17.10%	13.91%	3.19%
3/26/1982	16.00%	13.96%	2.04%
3/31/1982	16.25%	13.97%	2.28%
4/1/1982	16.50%	13.97%	2.53%
4/5/1982	15.00%	13.98%	1.02%
4/8/1982	16.50%	13.98%	2.52%
4/11/1982	15.10%	13.98%	1.12%
4/11/1982	16.70%	13.98%	2.72%
4/17/1982	14.70%	13.98%	0.72%
4/27/1982	15.00%	13.97%	1.03%
5/10/1982	14.57%	13.94%	0.63%
5/14/1982	15.80%	13.92%	1.88%
5/20/1982	15.82%	13.91%	1.91%
5/21/1982	15.50%	13.90%	1.60%
5/25/1982	16.25%	13.90%	2.35%
6/2/1982	14.50%	13.88%	0.62%
6/7/1982	16.00%	13.86%	2.14%
6/23/1982	15.50%	13.82%	1.68%
6/25/1982	16.50%	13.82%	2.68%
7/1/1982	16.00%	13.81%	2.19%
7/1/1982	15.55%	13.81%	1.74%
7/2/1982	15.10%	13.80%	1.30%
7/13/1982	16.80%	13.76%	3.04%
7/22/1982	14.50%	13.72%	0.78%
7/28/1982	16.10%	13.70%	2.40%
7/30/1982	14.82%	13.68%	1.14%
8/4/1982	15.58%	13.65%	1.93%
8/6/1982	16.50%	13.64%	2.86%
8/11/1982	17.11%	13.62%	3.49%
8/25/1982	16.00%	13.58%	2.42%
8/30/1982	16.25%	13.57%	2.68%
9/3/1982	15.50%	13.56%	1.94%
9/9/1982	16.04%	13.54%	2.50%
9/15/1982	16.04%	13.52%	2.52%
9/17/1982	15.25%	13.51%	1.74%
9/29/1982	14.50%	13.43%	1.07%
9/30/1982	16.50%	13.42%	3.08%
9/30/1982	16.70%	13.42%	3.28%
9/30/1982	15.50%	13.42%	2.08%
9/30/1982	14.74%	13.42%	1.32%
10/1/1982	16.50%	13.41%	3.09%
10/8/1982	15.00%	13.34%	1.66%
10/15/1982	15.90%	13.27%	2.63%
10/19/1982	15.90%	13.23%	2.67%
10/27/1982	17.00%	13.13%	3.87%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/28/1982	14.75%	13.12%	1.63%
11/2/1982	16.25%	13.09%	3.16%
11/4/1982	15.75%	13.05%	2.70%
11/5/1982	14.73%	13.03%	1.70%
11/17/1982	16.00%	12.88%	3.12%
11/23/1982	15.50%	12.80%	2.70%
11/24/1982	16.02%	12.78%	3.24%
11/24/1982	14.50%	12.78%	1.72%
11/30/1982	16.10%	12.73%	3.37%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	12.98%	12.73%	0.25%
11/30/1982	15.65%	12.73%	2.92%
11/30/1982	16.00%	12.73%	3.27%
12/3/1982	15.33%	12.69%	2.64%
12/8/1982	15.75%	12.64%	3.11%
12/13/1982	16.00%	12.59%	3.41%
12/14/1982	16.40%	12.58%	3.82%
12/17/1982	16.25%	12.53%	3.72%
12/20/1982	15.00%	12.52%	2.48%
12/21/1982	15.70%	12.50%	3.20%
12/28/1982	15.25%	12.44%	2.81%
12/28/1982	15.25%	12.44%	2.81%
12/29/1982	16.25%	12.42%	3.83%
12/29/1982	16.25%	12.42%	3.83%
1/11/1983	15.90%	12.27%	3.63%
1/12/1983	15.50%	12.25%	3.25%
1/18/1983	15.00%	12.19%	2.81%
1/24/1983	16.00%	12.14%	3.86%
1/24/1983	15.50%	12.14%	3.36%
1/28/1983	14.90%	12.09%	2.81%
1/31/1983	15.00%	12.08%	2.92%
2/10/1983	15.00%	11.99%	3.01%
2/25/1983	15.70%	11.86%	3.84%
3/2/1983	15.25%	11.81%	3.44%
3/16/1983	16.00%	11.65%	4.35%
3/21/1983	14.96%	11.60%	3.36%
3/23/1983	15.40%	11.56%	3.84%
3/23/1983	16.10%	11.56%	4.54%
3/24/1983	15.00%	11.54%	3.46%
4/11/1983	13.25%	11.34%	1.91%
4/29/1983	15.05%	11.12%	3.93%
5/3/1983	15.40%	11.09%	4.31%
5/9/1983	15.50%	11.02%	4.48%
5/19/1983	14.85%	10.91%	3.94%
5/31/1983	14.00%	10.86%	3.14%
6/2/1983	14.50%	10.84%	3.66%
6/7/1983	14.50%	10.82%	3.68%
6/9/1983	14.85%	10.80%	4.05%
6/20/1983	14.15%	10.75%	3.40%
6/20/1983	16.50%	10.75%	5.75%
6/27/1983	14.50%	10.72%	3.78%
6/30/1983	14.80%	10.71%	4.09%
6/30/1983	15.90%	10.71%	5.19%
7/1/1983	14.80%	10.71%	4.09%
7/5/1983	15.00%	10.71%	4.29%
7/8/1983	15.50%	10.70%	4.80%
7/19/1983	15.10%	10.71%	4.39%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/19/1983	15.00%	10.71%	4.29%
8/18/1983	15.30%	10.81%	4.49%
8/19/1983	15.79%	10.81%	4.98%
8/29/1983	16.00%	10.85%	5.15%
8/31/1983	15.25%	10.86%	4.39%
8/31/1983	14.75%	10.86%	3.89%
9/8/1983	14.75%	10.89%	3.86%
9/16/1983	15.51%	10.92%	4.59%
9/26/1983	14.50%	10.95%	3.55%
9/28/1983	14.25%	10.96%	3.29%
9/30/1983	16.15%	10.97%	5.18%
9/30/1983	16.25%	10.97%	5.28%
10/1/1983	16.25%	10.97%	5.28%
10/13/1983	15.52%	11.02%	4.50%
10/19/1983	15.20%	11.04%	4.16%
10/26/1983	14.75%	11.06%	3.69%
10/27/1983	15.33%	11.07%	4.26%
10/27/1983	14.88%	11.07%	3.81%
11/9/1983	14.82%	11.10%	3.72%
11/9/1983	16.51%	11.10%	5.41%
11/9/1983	16.51%	11.10%	5.41%
12/1/1983	14.50%	11.16%	3.34%
12/8/1983	15.90%	11.20%	4.70%
12/9/1983	15.30%	11.20%	4.10%
12/12/1983	14.50%	11.21%	3.29%
12/12/1983	15.50%	11.21%	4.29%
12/20/1983	16.00%	11.25%	4.75%
12/20/1983	15.40%	11.25%	4.15%
12/22/1983	15.75%	11.26%	4.49%
12/29/1983	15.00%	11.29%	3.71%
12/30/1983	15.00%	11.29%	3.71%
1/10/1984	15.90%	11.33%	4.57%
1/13/1984	15.50%	11.35%	4.15%
1/18/1984	15.53%	11.37%	4.16%
1/26/1984	15.90%	11.41%	4.49%
2/14/1984	14.25%	11.50%	2.75%
2/28/1984	14.50%	11.57%	2.93%
3/20/1984	16.00%	11.69%	4.31%
3/23/1984	15.50%	11.71%	3.79%
4/8/1984	15.20%	11.80%	3.40%
4/17/1984	16.20%	11.84%	4.36%
4/26/1984	15.85%	11.89%	3.96%
5/15/1984	13.35%	11.99%	1.36%
5/16/1984	15.00%	11.99%	3.01%
5/22/1984	14.40%	12.03%	2.37%
6/13/1984	15.50%	12.18%	3.32%
7/10/1984	16.00%	12.36%	3.64%
8/7/1984	16.69%	12.50%	4.19%
8/9/1984	15.33%	12.50%	2.83%
8/17/1984	14.82%	12.53%	2.29%
8/21/1984	14.64%	12.53%	2.11%
8/27/1984	14.52%	12.55%	1.97%
8/28/1984	14.75%	12.56%	2.19%
8/30/1984	15.60%	12.57%	3.03%
9/12/1984	15.90%	12.59%	3.31%
9/12/1984	15.60%	12.59%	3.01%
9/25/1984	16.25%	12.60%	3.65%
10/2/1984	14.80%	12.62%	2.18%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/9/1984	14.75%	12.62%	2.13%
10/10/1984	15.50%	12.63%	2.87%
10/18/1984	15.00%	12.64%	2.36%
10/24/1984	15.50%	12.64%	2.86%
11/7/1984	15.00%	12.63%	2.37%
11/20/1984	15.92%	12.62%	3.30%
11/30/1984	15.50%	12.59%	2.91%
12/18/1984	15.00%	12.55%	2.45%
12/20/1984	15.00%	12.54%	2.46%
12/28/1984	15.75%	12.51%	3.24%
12/28/1984	16.25%	12.51%	3.74%
1/2/1985	16.00%	12.50%	3.50%
1/31/1985	14.75%	12.38%	2.37%
2/7/1985	14.85%	12.34%	2.51%
2/15/1985	15.00%	12.28%	2.72%
2/20/1985	14.50%	12.26%	2.24%
2/22/1985	14.86%	12.26%	2.60%
3/14/1985	15.50%	12.18%	3.32%
3/28/1985	14.80%	12.10%	2.70%
4/8/1985	15.50%	12.05%	3.45%
4/15/1985	15.70%	11.99%	3.71%
6/10/1985	15.75%	11.59%	4.16%
6/26/1985	14.82%	11.47%	3.35%
7/9/1985	15.00%	11.39%	3.61%
7/26/1985	14.50%	11.27%	3.23%
8/29/1985	14.50%	11.12%	3.38%
8/30/1985	14.38%	11.11%	3.27%
9/12/1985	15.25%	11.07%	4.18%
9/23/1985	15.30%	11.04%	4.26%
9/25/1985	14.50%	11.03%	3.47%
9/26/1985	13.80%	11.02%	2.78%
9/26/1985	14.50%	11.02%	3.48%
10/25/1985	15.25%	10.92%	4.33%
11/8/1985	12.94%	10.86%	2.08%
11/20/1985	14.90%	10.81%	4.09%
11/25/1985	13.30%	10.79%	2.51%
12/6/1985	12.00%	10.73%	1.27%
12/11/1985	14.90%	10.69%	4.21%
12/20/1985	15.00%	10.60%	4.40%
12/20/1985	14.88%	10.60%	4.28%
12/20/1985	15.00%	10.60%	4.40%
12/30/1985	15.75%	10.54%	5.21%
12/31/1985	14.00%	10.52%	3.48%
12/31/1985	14.50%	10.52%	3.98%
1/17/1986	14.50%	10.39%	4.11%
2/11/1986	12.50%	10.22%	2.28%
2/12/1986	15.20%	10.20%	5.00%
3/11/1986	14.00%	9.98%	4.02%
4/2/1986	12.90%	9.77%	3.13%
4/28/1986	13.01%	9.48%	3.53%
5/21/1986	13.25%	9.19%	4.06%
5/28/1986	14.00%	9.13%	4.87%
5/29/1986	13.90%	9.12%	4.78%
6/2/1986	13.00%	9.09%	3.91%
6/11/1986	14.00%	8.99%	5.01%
6/13/1986	13.55%	8.96%	4.59%
6/27/1986	11.88%	8.79%	3.09%
7/14/1986	12.60%	8.61%	3.99%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/30/1986	13.30%	8.41%	4.89%
8/14/1986	13.50%	8.24%	5.26%
9/5/1986	13.30%	8.04%	5.26%
9/23/1986	12.75%	7.92%	4.83%
10/30/1986	13.00%	7.69%	5.31%
10/31/1986	13.75%	7.68%	6.07%
11/10/1986	14.00%	7.63%	6.37%
11/19/1986	13.75%	7.58%	6.17%
11/25/1986	13.15%	7.55%	5.60%
12/22/1986	13.80%	7.48%	6.32%
12/30/1986	13.90%	7.47%	6.43%
1/20/1987	12.75%	7.46%	5.29%
1/23/1987	13.55%	7.47%	6.08%
1/27/1987	12.16%	7.47%	4.69%
2/13/1987	12.60%	7.47%	5.13%
2/24/1987	12.00%	7.47%	4.53%
3/30/1987	12.20%	7.46%	4.74%
3/31/1987	13.00%	7.46%	5.54%
5/5/1987	12.85%	7.60%	5.25%
5/28/1987	13.50%	7.72%	5.78%
6/15/1987	13.20%	7.80%	5.40%
6/30/1987	12.60%	7.85%	4.75%
7/10/1987	12.90%	7.88%	5.02%
7/27/1987	13.50%	7.93%	5.57%
8/25/1987	11.40%	8.08%	3.32%
9/18/1987	13.00%	8.26%	4.74%
10/20/1987	12.60%	8.53%	4.07%
10/20/1987	12.98%	8.53%	4.45%
11/12/1987	12.75%	8.66%	4.09%
11/13/1987	12.75%	8.67%	4.08%
11/24/1987	12.50%	8.72%	3.78%
12/8/1987	12.50%	8.80%	3.70%
12/22/1987	12.00%	8.89%	3.11%
12/31/1987	13.25%	8.93%	4.32%
12/31/1987	12.85%	8.93%	3.92%
1/15/1988	13.15%	8.98%	4.17%
1/20/1988	12.75%	8.98%	3.77%
1/29/1988	13.20%	8.99%	4.21%
2/4/1988	12.60%	8.98%	3.62%
3/23/1988	13.00%	8.94%	4.06%
5/27/1988	13.18%	9.02%	4.16%
6/14/1988	13.50%	9.00%	4.50%
6/17/1988	11.72%	8.99%	2.73%
6/24/1988	11.50%	8.98%	2.52%
7/1/1988	12.75%	8.96%	3.79%
7/8/1988	12.00%	8.94%	3.06%
7/18/1988	12.00%	8.92%	3.08%
7/20/1988	13.40%	8.91%	4.49%
8/8/1988	12.74%	8.90%	3.84%
9/20/1988	12.90%	8.93%	3.97%
9/26/1988	12.40%	8.93%	3.47%
9/27/1988	13.65%	8.93%	4.72%
9/30/1988	13.25%	8.94%	4.31%
10/13/1988	13.10%	8.93%	4.17%
10/21/1988	12.80%	8.93%	3.87%
10/25/1988	13.25%	8.94%	4.31%
10/26/1988	13.50%	8.94%	4.56%
10/27/1988	12.95%	8.94%	4.01%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/28/1988	13.00%	8.94%	4.06%
11/15/1988	12.00%	8.97%	3.03%
11/29/1988	12.75%	9.00%	3.75%
12/19/1988	13.00%	9.05%	3.95%
12/21/1988	12.90%	9.05%	3.85%
12/22/1988	13.50%	9.05%	4.45%
1/26/1989	12.60%	9.06%	3.54%
1/27/1989	13.00%	9.06%	3.94%
2/8/1989	13.37%	9.05%	4.32%
3/8/1989	13.00%	9.04%	3.96%
5/4/1989	13.00%	9.04%	3.96%
6/8/1989	13.50%	8.96%	4.54%
7/19/1989	11.80%	8.84%	2.96%
7/25/1989	12.80%	8.82%	3.98%
7/31/1989	13.00%	8.80%	4.20%
8/14/1989	12.50%	8.76%	3.74%
8/22/1989	12.80%	8.73%	4.07%
8/23/1989	12.90%	8.73%	4.17%
9/21/1989	12.10%	8.63%	3.47%
10/6/1989	13.00%	8.58%	4.42%
10/17/1989	12.41%	8.55%	3.86%
10/18/1989	13.25%	8.54%	4.71%
10/20/1989	12.90%	8.53%	4.37%
10/31/1989	13.60%	8.50%	5.10%
11/3/1989	12.93%	8.49%	4.44%
11/5/1989	13.20%	8.49%	4.71%
11/9/1989	12.60%	8.46%	4.14%
11/9/1989	13.00%	8.46%	4.54%
11/28/1989	12.75%	8.38%	4.37%
12/7/1989	13.25%	8.38%	4.87%
12/15/1989	13.00%	8.38%	4.62%
12/20/1989	12.90%	8.38%	4.52%
12/21/1989	12.80%	8.38%	4.42%
12/21/1989	12.90%	8.38%	4.52%
12/27/1989	12.50%	8.38%	4.12%
1/9/1990	13.00%	8.35%	4.65%
1/18/1990	12.50%	8.31%	4.19%
1/26/1990	12.10%	8.29%	3.81%
3/21/1990	12.80%	8.20%	4.60%
3/28/1990	13.00%	8.20%	4.80%
4/5/1990	12.20%	8.21%	3.99%
4/12/1990	13.25%	8.22%	5.03%
4/30/1990	12.45%	8.26%	4.19%
5/31/1990	12.40%	8.34%	4.06%
6/15/1990	13.20%	8.36%	4.84%
6/27/1990	12.90%	8.37%	4.53%
6/29/1990	13.25%	8.37%	4.88%
7/6/1990	12.10%	8.38%	3.72%
7/19/1990	11.70%	8.40%	3.30%
8/31/1990	12.50%	8.52%	3.98%
8/31/1990	12.50%	8.52%	3.98%
9/13/1990	12.50%	8.57%	3.93%
9/18/1990	12.75%	8.59%	4.16%
9/20/1990	12.50%	8.60%	3.90%
10/2/1990	13.00%	8.64%	4.36%
10/17/1990	11.90%	8.68%	3.22%
10/31/1990	12.95%	8.70%	4.25%
11/9/1990	13.25%	8.70%	4.55%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/19/1990	13.00%	8.70%	4.30%
11/21/1990	12.50%	8.70%	3.80%
11/21/1990	12.10%	8.70%	3.40%
11/28/1990	12.75%	8.70%	4.05%
11/29/1990	12.75%	8.70%	4.05%
12/18/1990	13.10%	8.67%	4.43%
12/20/1990	12.50%	8.67%	3.83%
12/21/1990	13.60%	8.67%	4.93%
12/21/1990	13.00%	8.67%	4.33%
12/21/1990	12.50%	8.67%	3.83%
1/3/1991	13.02%	8.66%	4.36%
1/16/1991	13.25%	8.64%	4.61%
1/25/1991	11.70%	8.61%	3.09%
2/15/1991	12.70%	8.56%	4.14%
2/15/1991	12.80%	8.56%	4.24%
4/3/1991	13.00%	8.51%	4.49%
4/30/1991	12.45%	8.48%	3.97%
4/30/1991	13.00%	8.48%	4.52%
6/25/1991	11.70%	8.35%	3.35%
6/28/1991	12.50%	8.34%	4.16%
7/1/1991	11.70%	8.34%	3.36%
7/19/1991	12.10%	8.31%	3.79%
7/19/1991	12.30%	8.31%	3.99%
7/22/1991	12.90%	8.31%	4.59%
8/15/1991	12.25%	8.28%	3.97%
8/29/1991	13.30%	8.26%	5.04%
9/27/1991	12.50%	8.23%	4.27%
9/30/1991	12.40%	8.23%	4.17%
10/3/1991	11.30%	8.22%	3.08%
10/9/1991	11.70%	8.21%	3.49%
10/15/1991	13.40%	8.20%	5.20%
11/1/1991	12.90%	8.19%	4.71%
11/8/1991	12.75%	8.19%	4.56%
11/26/1991	12.00%	8.18%	3.82%
11/26/1991	11.60%	8.18%	3.42%
11/27/1991	12.70%	8.18%	4.52%
12/6/1991	12.70%	8.16%	4.54%
12/10/1991	11.75%	8.16%	3.59%
12/19/1991	12.60%	8.14%	4.46%
12/19/1991	12.80%	8.14%	4.66%
12/30/1991	12.10%	8.11%	3.99%
1/22/1992	12.84%	8.05%	4.79%
1/31/1992	12.00%	8.03%	3.97%
2/20/1992	13.00%	8.00%	5.00%
2/27/1992	11.75%	7.99%	3.76%
3/18/1992	12.50%	7.95%	4.55%
5/15/1992	12.75%	7.87%	4.88%
6/24/1992	12.20%	7.85%	4.35%
6/29/1992	11.00%	7.85%	3.15%
7/14/1992	12.00%	7.83%	4.17%
7/22/1992	11.20%	7.82%	3.38%
8/10/1992	12.10%	7.79%	4.31%
8/26/1992	12.43%	7.75%	4.68%
9/30/1992	11.60%	7.72%	3.88%
10/6/1992	12.25%	7.72%	4.53%
10/13/1992	12.75%	7.71%	5.04%
10/23/1992	11.65%	7.71%	3.94%
10/28/1992	12.25%	7.71%	4.54%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/29/1992	12.75%	7.71%	5.04%
10/30/1992	11.40%	7.70%	3.70%
11/9/1992	10.60%	7.70%	2.90%
11/25/1992	12.00%	7.68%	4.32%
11/25/1992	11.00%	7.68%	3.32%
12/3/1992	11.85%	7.67%	4.18%
12/16/1992	11.90%	7.64%	4.26%
12/22/1992	12.30%	7.63%	4.67%
12/22/1992	12.40%	7.63%	4.77%
12/30/1992	12.00%	7.61%	4.39%
12/31/1992	12.00%	7.61%	4.39%
1/12/1993	12.00%	7.59%	4.41%
1/12/1993	12.00%	7.59%	4.41%
2/2/1993	11.40%	7.53%	3.87%
2/22/1993	11.60%	7.48%	4.12%
4/23/1993	11.75%	7.27%	4.48%
5/3/1993	11.75%	7.25%	4.50%
5/3/1993	11.50%	7.25%	4.25%
6/3/1993	12.00%	7.20%	4.80%
6/7/1993	11.50%	7.20%	4.30%
6/22/1993	11.75%	7.17%	4.58%
7/21/1993	11.78%	7.07%	4.71%
7/21/1993	11.90%	7.07%	4.83%
7/23/1993	11.50%	7.06%	4.44%
7/29/1993	11.50%	7.04%	4.46%
8/12/1993	10.75%	6.98%	3.77%
8/24/1993	11.50%	6.92%	4.58%
8/31/1993	11.90%	6.89%	5.01%
9/1/1993	11.25%	6.88%	4.37%
9/1/1993	11.47%	6.88%	4.59%
9/27/1993	10.50%	6.75%	3.75%
9/29/1993	11.00%	6.73%	4.27%
9/30/1993	11.60%	6.72%	4.88%
10/8/1993	11.50%	6.68%	4.82%
10/14/1993	11.20%	6.66%	4.54%
10/15/1993	11.75%	6.65%	5.10%
10/25/1993	11.55%	6.61%	4.94%
10/28/1993	11.50%	6.59%	4.91%
10/29/1993	11.25%	6.58%	4.67%
10/29/1993	10.20%	6.58%	3.62%
10/29/1993	10.10%	6.58%	3.52%
11/2/1993	10.80%	6.57%	4.23%
11/12/1993	11.80%	6.53%	5.27%
11/23/1993	12.50%	6.51%	5.99%
11/26/1993	11.00%	6.50%	4.50%
12/1/1993	11.45%	6.49%	4.96%
12/16/1993	11.20%	6.46%	4.74%
12/16/1993	10.60%	6.46%	4.14%
12/21/1993	11.30%	6.45%	4.85%
12/22/1993	11.00%	6.45%	4.55%
12/23/1993	10.10%	6.44%	3.66%
1/5/1994	11.50%	6.41%	5.09%
1/10/1994	11.00%	6.41%	4.59%
1/25/1994	12.00%	6.37%	5.63%
2/2/1994	10.40%	6.36%	4.04%
2/9/1994	10.70%	6.34%	4.36%
4/6/1994	11.24%	6.35%	4.89%
4/25/1994	11.00%	6.39%	4.61%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/16/1994	10.50%	6.63%	3.87%
6/23/1994	10.60%	6.67%	3.93%
7/19/1994	10.70%	6.82%	3.88%
9/29/1994	10.90%	7.19%	3.71%
9/29/1994	11.00%	7.19%	3.81%
10/7/1994	11.87%	7.25%	4.62%
10/18/1994	11.50%	7.30%	4.20%
10/18/1994	11.50%	7.30%	4.20%
10/24/1994	11.00%	7.34%	3.66%
11/22/1994	12.12%	7.51%	4.61%
11/29/1994	11.30%	7.54%	3.76%
12/1/1994	11.00%	7.56%	3.44%
12/8/1994	11.70%	7.58%	4.12%
12/8/1994	11.50%	7.58%	3.92%
12/12/1994	11.82%	7.59%	4.23%
12/14/1994	11.50%	7.60%	3.90%
12/19/1994	11.50%	7.62%	3.88%
4/19/1995	11.00%	7.71%	3.29%
9/11/1995	11.30%	7.17%	4.13%
9/15/1995	10.40%	7.14%	3.26%
9/29/1995	11.50%	7.07%	4.43%
10/13/1995	10.76%	6.99%	3.77%
11/7/1995	12.50%	6.87%	5.63%
11/8/1995	11.30%	6.86%	4.44%
11/8/1995	11.10%	6.86%	4.24%
11/17/1995	10.90%	6.81%	4.09%
11/20/1995	11.40%	6.81%	4.59%
11/27/1995	13.60%	6.77%	6.83%
12/14/1995	11.30%	6.68%	4.62%
12/20/1995	11.60%	6.66%	4.94%
1/31/1996	11.30%	6.46%	4.84%
3/11/1996	11.60%	6.40%	5.20%
4/3/1996	11.13%	6.41%	4.72%
4/15/1996	10.50%	6.41%	4.09%
4/17/1996	10.77%	6.41%	4.36%
4/26/1996	10.60%	6.41%	4.19%
5/10/1996	11.00%	6.41%	4.59%
5/13/1996	11.25%	6.41%	4.84%
7/3/1996	11.25%	6.49%	4.76%
7/22/1996	11.25%	6.54%	4.71%
10/3/1996	10.00%	6.76%	3.24%
10/29/1996	11.30%	6.83%	4.47%
11/26/1996	11.30%	6.86%	4.44%
11/27/1996	11.30%	6.86%	4.44%
11/29/1996	11.00%	6.85%	4.15%
12/12/1996	11.96%	6.84%	5.12%
12/17/1996	11.50%	6.84%	4.66%
1/22/1997	11.30%	6.83%	4.47%
1/27/1997	11.25%	6.83%	4.42%
1/31/1997	11.25%	6.83%	4.42%
2/13/1997	11.00%	6.82%	4.18%
2/13/1997	11.80%	6.82%	4.98%
2/20/1997	11.80%	6.81%	4.99%
3/27/1997	10.75%	6.79%	3.96%
4/29/1997	11.70%	6.80%	4.90%
7/17/1997	12.00%	6.77%	5.23%
10/29/1997	10.75%	6.70%	4.05%
10/31/1997	11.25%	6.70%	4.55%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/24/1997	10.75%	6.54%	4.21%
4/28/1998	10.90%	6.11%	4.79%
4/30/1998	12.20%	6.10%	6.10%
6/30/1998	11.00%	5.95%	5.05%
8/26/1998	10.93%	5.82%	5.11%
9/3/1998	11.40%	5.80%	5.60%
9/15/1998	11.90%	5.77%	6.13%
10/7/1998	11.06%	5.71%	5.35%
10/30/1998	11.40%	5.63%	5.77%
12/10/1998	12.20%	5.52%	6.68%
12/17/1998	12.10%	5.50%	6.60%
2/19/1999	11.15%	5.32%	5.83%
3/1/1999	10.65%	5.31%	5.34%
3/1/1999	10.65%	5.31%	5.34%
6/8/1999	11.25%	5.35%	5.90%
11/12/1999	10.25%	5.91%	4.34%
12/14/1999	10.50%	5.99%	4.51%
1/28/2000	10.71%	6.16%	4.55%
2/17/2000	10.60%	6.19%	4.41%
5/25/2000	10.80%	6.19%	4.61%
6/19/2000	11.05%	6.18%	4.87%
6/22/2000	11.25%	6.18%	5.07%
7/17/2000	11.06%	6.15%	4.91%
7/20/2000	12.20%	6.14%	6.06%
8/11/2000	11.00%	6.11%	4.89%
9/27/2000	11.25%	6.01%	5.24%
9/29/2000	11.16%	6.00%	5.16%
10/5/2000	11.30%	5.99%	5.31%
11/28/2000	12.90%	5.87%	7.03%
11/30/2000	12.10%	5.87%	6.23%
2/5/2001	11.50%	5.76%	5.74%
3/15/2001	11.25%	5.67%	5.58%
5/8/2001	10.75%	5.61%	5.14%
10/24/2001	11.00%	5.54%	5.46%
10/24/2001	10.30%	5.54%	4.76%
1/9/2002	10.00%	5.50%	4.50%
1/30/2002	11.00%	5.48%	5.52%
1/31/2002	11.00%	5.47%	5.53%
4/17/2002	11.50%	5.44%	6.06%
4/29/2002	11.00%	5.45%	5.55%
6/11/2002	11.77%	5.48%	6.29%
6/20/2002	12.30%	5.47%	6.83%
8/28/2002	11.00%	5.49%	5.51%
9/11/2002	11.20%	5.45%	5.75%
9/12/2002	12.30%	5.45%	6.85%
10/28/2002	11.30%	5.35%	5.95%
10/30/2002	10.60%	5.34%	5.26%
11/1/2002	12.60%	5.34%	7.26%
11/7/2002	11.40%	5.33%	6.07%
11/8/2002	10.75%	5.33%	5.42%
11/20/2002	10.00%	5.30%	4.70%
11/20/2002	10.50%	5.30%	5.20%
12/4/2002	10.75%	5.27%	5.48%
12/30/2002	11.20%	5.19%	6.01%
1/6/2003	11.25%	5.17%	6.08%
2/28/2003	12.30%	5.01%	7.29%
3/7/2003	9.96%	4.99%	4.97%
3/12/2003	11.40%	4.98%	6.42%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
3/20/2003	12.00%	4.96%	7.04%
4/3/2003	12.00%	4.93%	7.07%
5/2/2003	11.40%	4.89%	6.51%
5/15/2003	11.05%	4.87%	6.18%
6/26/2003	11.00%	4.80%	6.20%
7/1/2003	11.00%	4.79%	6.21%
7/29/2003	11.71%	4.78%	6.93%
8/22/2003	10.20%	4.82%	5.38%
9/17/2003	9.90%	4.84%	5.06%
9/25/2003	10.25%	4.85%	5.40%
10/17/2003	10.54%	4.87%	5.67%
10/22/2003	10.46%	4.87%	5.59%
10/22/2003	10.71%	4.87%	5.84%
10/30/2003	11.00%	4.88%	6.12%
10/31/2003	10.20%	4.88%	5.32%
10/31/2003	10.75%	4.88%	5.87%
11/10/2003	10.60%	4.89%	5.71%
12/9/2003	10.50%	4.93%	5.57%
12/18/2003	10.50%	4.94%	5.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
1/13/2004	10.25%	4.95%	5.30%
1/13/2004	12.00%	4.95%	7.05%
2/9/2004	11.25%	4.98%	6.27%
3/16/2004	10.90%	5.05%	5.85%
3/16/2004	10.90%	5.05%	5.85%
5/25/2004	10.00%	5.06%	4.94%
6/2/2004	11.22%	5.07%	6.15%
6/30/2004	10.50%	5.10%	5.40%
7/8/2004	10.00%	5.10%	4.90%
7/22/2004	10.25%	5.10%	5.15%
8/26/2004	10.50%	5.10%	5.40%
8/26/2004	10.50%	5.10%	5.40%
9/9/2004	10.40%	5.10%	5.30%
9/21/2004	10.50%	5.09%	5.41%
9/27/2004	10.30%	5.09%	5.21%
9/27/2004	10.50%	5.09%	5.41%
10/20/2004	10.20%	5.08%	5.12%
11/30/2004	10.60%	5.08%	5.52%
12/8/2004	9.90%	5.08%	4.82%
12/21/2004	11.50%	5.09%	6.41%
12/22/2004	11.50%	5.09%	6.41%
12/28/2004	10.25%	5.09%	5.16%
2/18/2005	10.30%	4.95%	5.35%
3/29/2005	11.00%	4.87%	6.13%
4/13/2005	10.60%	4.84%	5.76%
4/28/2005	11.00%	4.80%	6.20%
5/17/2005	10.00%	4.77%	5.23%
6/8/2005	10.18%	4.72%	5.46%
6/10/2005	10.90%	4.71%	6.19%
7/6/2005	10.50%	4.65%	5.85%
7/19/2005	11.50%	4.64%	6.86%
8/11/2005	10.40%	4.60%	5.80%
9/19/2005	9.45%	4.54%	4.91%
9/30/2005	10.51%	4.52%	5.99%
10/4/2005	9.90%	4.52%	5.38%
10/4/2005	10.75%	4.52%	6.23%
10/14/2005	10.40%	4.52%	5.88%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/31/2005	10.25%	4.53%	5.72%
11/2/2005	9.70%	4.53%	5.17%
11/30/2005	10.00%	4.54%	5.46%
12/9/2005	9.70%	4.53%	5.17%
12/12/2005	11.00%	4.53%	6.47%
12/20/2005	10.13%	4.53%	5.60%
12/21/2005	11.00%	4.53%	6.47%
12/21/2005	10.40%	4.53%	5.87%
12/22/2005	10.20%	4.53%	5.67%
12/22/2005	11.00%	4.53%	6.47%
12/28/2005	10.00%	4.52%	5.48%
1/5/2006	11.00%	4.52%	6.48%
1/25/2006	11.20%	4.52%	6.68%
1/25/2006	11.20%	4.52%	6.68%
2/3/2006	10.50%	4.52%	5.98%
2/15/2006	9.50%	4.53%	4.97%
4/26/2006	10.60%	4.65%	5.95%
7/24/2006	9.60%	4.86%	4.74%
7/24/2006	10.00%	4.86%	5.14%
9/20/2006	11.00%	4.93%	6.07%
9/26/2006	10.75%	4.93%	5.82%
10/20/2006	9.80%	4.96%	4.84%
11/2/2006	9.71%	4.96%	4.75%
11/9/2006	10.00%	4.97%	5.03%
11/21/2006	11.00%	4.98%	6.02%
12/5/2006	10.20%	4.97%	5.23%
1/5/2007	10.40%	4.95%	5.45%
1/9/2007	11.00%	4.95%	6.05%
1/11/2007	10.90%	4.94%	5.96%
1/19/2007	10.80%	4.93%	5.87%
1/26/2007	10.00%	4.92%	5.08%
2/8/2007	10.40%	4.91%	5.49%
3/14/2007	10.10%	4.86%	5.24%
3/20/2007	10.25%	4.85%	5.40%
3/21/2007	11.35%	4.85%	6.50%
3/22/2007	10.50%	4.84%	5.66%
3/29/2007	10.00%	4.83%	5.17%
6/13/2007	10.75%	4.81%	5.94%
6/29/2007	10.10%	4.84%	5.26%
6/29/2007	9.53%	4.84%	4.69%
7/3/2007	10.25%	4.85%	5.40%
7/13/2007	9.50%	4.86%	4.64%
7/24/2007	10.40%	4.87%	5.53%
8/1/2007	10.15%	4.88%	5.27%
8/29/2007	10.50%	4.91%	5.59%
9/10/2007	9.71%	4.91%	4.80%
9/19/2007	10.00%	4.91%	5.09%
9/25/2007	9.70%	4.91%	4.79%
10/8/2007	10.48%	4.92%	5.56%
10/19/2007	10.50%	4.91%	5.59%
10/25/2007	9.65%	4.91%	4.74%
11/15/2007	10.00%	4.89%	5.11%
11/20/2007	9.90%	4.89%	5.01%
11/27/2007	10.00%	4.88%	5.12%
11/29/2007	10.90%	4.88%	6.02%
12/14/2007	10.80%	4.87%	5.93%
12/18/2007	10.40%	4.86%	5.54%
12/19/2007	9.80%	4.86%	4.94%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/19/2007	9.80%	4.86%	4.94%
12/19/2007	10.20%	4.86%	5.34%
12/21/2007	9.10%	4.86%	4.24%
1/8/2008	10.75%	4.83%	5.92%
1/17/2008	10.75%	4.81%	5.94%
1/17/2008	10.75%	4.81%	5.94%
2/5/2008	9.99%	4.78%	5.21%
2/5/2008	10.19%	4.78%	5.41%
2/13/2008	10.20%	4.76%	5.44%
3/31/2008	10.00%	4.64%	5.36%
5/28/2008	10.50%	4.53%	5.97%
6/24/2008	10.00%	4.53%	5.47%
6/27/2008	10.00%	4.52%	5.48%
7/31/2008	10.70%	4.50%	6.20%
7/31/2008	10.82%	4.50%	6.32%
8/27/2008	10.25%	4.51%	5.74%
9/2/2008	10.25%	4.50%	5.75%
9/19/2008	10.70%	4.48%	6.22%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/30/2008	10.20%	4.48%	5.72%
10/3/2008	10.30%	4.47%	5.83%
10/8/2008	10.15%	4.47%	5.68%
10/20/2008	10.06%	4.47%	5.59%
10/24/2008	10.60%	4.46%	6.14%
10/24/2008	10.60%	4.46%	6.14%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/24/2008	10.50%	4.42%	6.08%
12/3/2008	10.39%	4.37%	6.02%
12/24/2008	10.00%	4.26%	5.74%
12/26/2008	10.10%	4.24%	5.86%
12/29/2008	10.20%	4.23%	5.97%
1/13/2009	10.45%	4.14%	6.31%
2/2/2009	10.05%	4.04%	6.01%
3/9/2009	10.30%	3.90%	6.40%
3/25/2009	10.17%	3.84%	6.33%
4/2/2009	10.75%	3.81%	6.94%
5/5/2009	10.75%	3.72%	7.03%
5/15/2009	10.20%	3.71%	6.49%
5/29/2009	9.54%	3.71%	5.83%
6/3/2009	10.10%	3.71%	6.39%
6/22/2009	10.00%	3.73%	6.27%
6/29/2009	10.21%	3.74%	6.47%
6/30/2009	9.31%	3.74%	5.57%
7/17/2009	9.26%	3.75%	5.51%
7/17/2009	10.50%	3.75%	6.75%
10/16/2009	10.40%	4.08%	6.32%
10/26/2009	10.10%	4.10%	6.00%
10/28/2009	10.15%	4.11%	6.04%
10/28/2009	10.15%	4.11%	6.04%
10/30/2009	9.95%	4.12%	5.83%
11/20/2009	9.45%	4.18%	5.27%
12/14/2009	10.50%	4.24%	6.26%
12/16/2009	10.75%	4.25%	6.50%
12/17/2009	10.30%	4.25%	6.05%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/18/2009	10.40%	4.25%	6.15%
12/18/2009	10.50%	4.25%	6.25%
12/18/2009	10.40%	4.25%	6.15%
12/22/2009	10.20%	4.27%	5.93%
12/22/2009	10.40%	4.27%	6.13%
12/28/2009	10.85%	4.29%	6.56%
12/29/2009	10.38%	4.29%	6.09%
1/11/2010	10.24%	4.34%	5.90%
1/21/2010	10.33%	4.36%	5.97%
1/21/2010	10.23%	4.36%	5.87%
1/26/2010	10.40%	4.37%	6.03%
2/10/2010	10.00%	4.39%	5.61%
2/23/2010	10.50%	4.40%	6.10%
3/9/2010	9.60%	4.40%	5.20%
3/24/2010	10.13%	4.42%	5.71%
3/31/2010	10.70%	4.43%	6.27%
4/1/2010	9.50%	4.43%	5.07%
4/2/2010	10.10%	4.44%	5.66%
4/8/2010	10.35%	4.44%	5.91%
4/29/2010	9.40%	4.46%	4.94%
4/29/2010	9.19%	4.46%	4.73%
4/29/2010	9.40%	4.46%	4.94%
5/17/2010	10.55%	4.46%	6.09%
5/24/2010	10.05%	4.46%	5.59%
6/3/2010	11.00%	4.45%	6.55%
6/16/2010	10.00%	4.45%	5.55%
6/18/2010	10.30%	4.45%	5.85%
8/9/2010	12.55%	4.41%	8.14%
8/17/2010	10.10%	4.40%	5.70%
9/16/2010	10.30%	4.31%	5.99%
9/16/2010	9.60%	4.31%	5.29%
9/16/2010	10.00%	4.31%	5.69%
9/16/2010	10.00%	4.31%	5.69%
10/21/2010	10.40%	4.20%	6.20%
11/2/2010	9.75%	4.18%	5.57%
11/2/2010	9.75%	4.18%	5.57%
11/3/2010	10.75%	4.18%	6.57%
11/19/2010	10.20%	4.15%	6.05%
12/1/2010	10.00%	4.13%	5.87%
12/6/2010	9.56%	4.13%	5.43%
12/6/2010	10.09%	4.13%	5.96%
12/9/2010	10.25%	4.12%	6.13%
12/14/2010	10.33%	4.12%	6.21%
12/17/2010	10.10%	4.12%	5.98%
12/20/2010	10.10%	4.12%	5.98%
12/23/2010	9.92%	4.11%	5.81%
1/6/2011	10.35%	4.10%	6.25%
1/12/2011	10.30%	4.09%	6.21%
1/13/2011	10.30%	4.09%	6.21%
3/10/2011	10.10%	4.16%	5.94%
3/31/2011	9.45%	4.20%	5.25%
4/18/2011	10.05%	4.23%	5.82%
5/26/2011	10.50%	4.31%	6.19%
6/21/2011	10.00%	4.35%	5.65%
6/29/2011	8.83%	4.37%	4.46%
8/1/2011	9.20%	4.41%	4.79%
9/1/2011	10.10%	4.33%	5.77%
11/14/2011	9.60%	3.94%	5.66%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/13/2011	9.50%	3.77%	5.73%
12/20/2011	10.00%	3.72%	6.28%
12/22/2011	10.40%	3.71%	6.69%
1/10/2012	9.06%	3.60%	5.46%
1/10/2012	9.45%	3.60%	5.85%
1/10/2012	9.45%	3.60%	5.85%
1/23/2012	10.20%	3.53%	6.67%
1/31/2012	10.00%	3.49%	6.51%
4/24/2012	9.75%	3.16%	6.59%
4/24/2012	9.50%	3.16%	6.34%
5/7/2012	9.80%	3.14%	6.66%
5/22/2012	9.60%	3.10%	6.50%
5/24/2012	9.70%	3.09%	6.61%
6/7/2012	10.30%	3.06%	7.24%
6/15/2012	10.40%	3.05%	7.35%
6/18/2012	9.60%	3.05%	6.55%
7/2/2012	9.75%	3.04%	6.71%
10/24/2012	10.30%	2.92%	7.38%
10/26/2012	9.50%	2.92%	6.58%
10/31/2012	10.00%	2.92%	7.08%
10/31/2012	9.30%	2.92%	6.38%
10/31/2012	9.90%	2.92%	6.98%
11/1/2012	9.45%	2.92%	6.53%
11/8/2012	10.10%	2.91%	7.19%
11/9/2012	10.30%	2.91%	7.39%
11/26/2012	10.00%	2.89%	7.11%
11/28/2012	10.40%	2.88%	7.52%
11/28/2012	10.50%	2.88%	7.62%
12/4/2012	10.50%	2.87%	7.63%
12/4/2012	10.00%	2.87%	7.13%
12/20/2012	10.40%	2.84%	7.56%
12/20/2012	10.30%	2.84%	7.46%
12/20/2012	10.10%	2.84%	7.26%
12/20/2012	10.25%	2.84%	7.41%
12/20/2012	10.50%	2.84%	7.66%
12/20/2012	9.50%	2.84%	6.66%
12/26/2012	9.80%	2.83%	6.97%
2/22/2013	9.60%	2.86%	6.74%
3/14/2013	9.30%	2.89%	6.41%
3/27/2013	9.80%	2.91%	6.89%
4/23/2013	9.80%	2.95%	6.85%
5/10/2013	9.25%	2.96%	6.29%
6/13/2013	9.40%	3.01%	6.39%
6/18/2013	9.28%	3.02%	6.26%
6/18/2013	9.28%	3.02%	6.26%
6/25/2013	9.80%	3.04%	6.76%
9/23/2013	9.60%	3.32%	6.28%
11/6/2013	10.20%	3.42%	6.78%
11/13/2013	9.84%	3.44%	6.40%
11/14/2013	10.25%	3.44%	6.81%
11/22/2013	9.50%	3.46%	6.04%
12/5/2013	10.20%	3.49%	6.71%
12/13/2013	9.60%	3.52%	6.08%
12/16/2013	9.73%	3.52%	6.21%
12/17/2013	10.00%	3.52%	6.48%
12/18/2013	9.08%	3.53%	5.55%
12/23/2013	9.72%	3.54%	6.18%
12/30/2013	10.00%	3.57%	6.43%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/21/2014	9.65%	3.65%	6.00%
1/22/2014	9.18%	3.65%	5.53%
2/20/2014	9.30%	3.71%	5.59%
2/21/2014	9.85%	3.71%	6.14%
2/28/2014	9.55%	3.72%	5.83%
3/16/2014	9.72%	3.73%	5.99%
4/21/2014	9.50%	3.73%	5.77%
4/22/2014	9.80%	3.73%	6.07%
5/8/2014	9.59%	3.71%	5.88%
5/8/2014	9.10%	3.71%	5.39%
6/6/2014	10.40%	3.66%	6.74%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%
7/7/2014	9.30%	3.63%	5.67%
7/25/2014	9.30%	3.61%	5.69%
7/31/2014	9.90%	3.59%	6.31%
9/4/2014	9.10%	3.51%	5.59%
9/24/2014	9.35%	3.46%	5.89%
9/30/2014	9.75%	3.45%	6.30%
10/29/2014	10.80%	3.37%	7.43%
11/6/2014	10.20%	3.35%	6.85%
11/14/2014	10.20%	3.33%	6.87%
11/14/2014	10.30%	3.33%	6.97%
11/26/2014	10.20%	3.31%	6.89%
12/3/2014	10.00%	3.29%	6.71%
1/13/2015	10.30%	3.16%	7.14%
1/21/2015	9.05%	3.13%	5.92%
1/21/2015	9.05%	3.13%	5.92%
4/9/2015	9.50%	2.88%	6.62%
5/11/2015	9.80%	2.82%	6.98%
6/17/2015	9.00%	2.79%	6.21%
8/21/2015	9.75%	2.78%	6.97%
10/7/2015	9.55%	2.82%	6.73%
10/13/2015	9.75%	2.83%	6.92%
10/15/2015	9.00%	2.83%	6.17%
10/30/2015	9.80%	2.86%	6.94%
11/19/2015	10.00%	2.89%	7.11%
12/3/2015	10.00%	2.91%	7.09%
12/9/2015	9.60%	2.91%	6.69%
12/11/2015	9.90%	2.92%	6.98%
12/18/2015	9.50%	2.93%	6.57%
1/6/2016	9.50%	2.96%	6.54%
1/6/2016	9.50%	2.96%	6.54%
1/28/2016	9.40%	2.97%	6.43%
2/10/2016	9.60%	2.95%	6.65%
2/16/2016	9.50%	2.94%	6.56%
2/29/2016	9.40%	2.92%	6.48%
4/29/2016	9.80%	2.83%	6.97%
5/5/2016	9.49%	2.82%	6.67%
6/1/2016	9.55%	2.80%	6.75%
6/3/2016	9.65%	2.79%	6.86%
6/15/2016	9.00%	2.77%	6.23%
6/15/2016	9.00%	2.77%	6.23%
9/2/2016	9.50%	2.57%	6.93%
9/23/2016	9.75%	2.52%	7.23%
9/27/2016	9.50%	2.51%	6.99%
9/29/2016	9.11%	2.51%	6.60%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/13/2016	10.20%	2.49%	7.71%
10/28/2016	9.70%	2.47%	7.23%
11/9/2016	9.80%	2.48%	7.32%
11/18/2016	10.00%	2.49%	7.51%
12/9/2016	10.10%	2.52%	7.58%
12/15/2016	9.00%	2.53%	6.47%
12/15/2016	9.00%	2.53%	6.47%
12/20/2016	9.75%	2.53%	7.22%
12/22/2016	9.50%	2.54%	6.96%
1/24/2017	9.00%	2.59%	6.41%
2/21/2017	10.55%	2.63%	7.92%
3/1/2017	9.25%	2.65%	6.60%
4/11/2017	9.50%	2.76%	6.74%
4/20/2017	8.70%	2.79%	5.91%
4/28/2017	9.50%	2.81%	6.69%
5/23/2017	9.60%	2.87%	6.73%
6/6/2017	9.70%	2.90%	6.80%
6/22/2017	9.70%	2.93%	6.77%
6/30/2017	9.60%	2.94%	6.66%
7/20/2017	9.55%	2.97%	6.58%
7/31/2017	10.10%	2.98%	7.12%
9/13/2017	9.40%	2.93%	6.47%
9/19/2017	9.70%	2.92%	6.78%
9/22/2017	11.88%	2.92%	8.96%
9/27/2017	10.20%	2.92%	7.28%
10/20/2017	9.60%	2.90%	6.70%
10/26/2017	10.20%	2.90%	7.30%
10/30/2017	10.05%	2.90%	7.15%
12/5/2017	9.50%	2.86%	6.64%
12/7/2017	9.80%	2.86%	6.94%
12/13/2017	9.25%	2.85%	6.40%
12/28/2017	9.50%	2.84%	6.66%
1/31/2018	9.80%	2.83%	6.97%
2/21/2018	9.80%	2.84%	6.96%
2/21/2018	9.80%	2.84%	6.96%
2/28/2018	9.50%	2.85%	6.65%
3/15/2018	9.00%	2.87%	6.13%
3/26/2018	10.19%	2.88%	7.31%
4/26/2018	9.50%	2.90%	6.60%
4/27/2018	9.30%	2.91%	6.39%
5/2/2018	9.50%	2.91%	6.59%
5/3/2018	9.70%	2.91%	6.79%
5/29/2018	9.40%	2.95%	6.45%
6/6/2018	9.80%	2.96%	6.84%
6/14/2018	8.80%	2.97%	5.83%
7/16/2018	9.60%	2.98%	6.62%
7/20/2018	9.40%	2.99%	6.41%
8/24/2018	9.28%	3.02%	6.26%
8/28/2018	10.00%	3.02%	6.98%
9/13/2018	10.00%	3.04%	6.96%
9/14/2018	10.00%	3.04%	6.96%
9/19/2018	9.85%	3.05%	6.80%
9/20/2018	9.80%	3.05%	6.75%
9/26/2018	9.40%	3.06%	6.34%
9/26/2018	10.20%	3.06%	7.14%
9/28/2018	9.50%	3.06%	6.44%
9/28/2018	9.50%	3.06%	6.44%
10/5/2018	9.61%	3.08%	6.53%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/15/2018	9.80%	3.09%	6.71%
10/26/2018	9.40%	3.11%	6.29%
10/29/2018	9.60%	3.11%	6.49%
11/1/2018	9.87%	3.11%	6.76%
11/8/2018	9.70%	3.12%	6.58%
11/8/2018	9.70%	3.12%	6.58%
12/11/2018	9.70%	3.14%	6.56%
12/12/2018	9.30%	3.14%	6.16%
12/13/2018	9.60%	3.14%	6.46%
12/19/2018	9.30%	3.14%	6.16%
12/21/2018	9.35%	3.14%	6.21%
12/24/2018	9.25%	3.14%	6.11%
12/24/2018	9.25%	3.14%	6.11%
1/4/2019	9.80%	3.14%	6.66%
1/18/2019	9.70%	3.14%	6.56%
3/14/2019	9.00%	3.12%	5.88%
3/27/2019	9.70%	3.12%	6.58%
4/30/2019	9.73%	3.11%	6.62%
5/7/2019	9.65%	3.10%	6.55%
5/21/2019	9.80%	3.10%	6.70%
9/4/2019	10.00%	2.76%	7.24%
9/26/2019	9.90%	2.69%	7.21%
10/2/2019	9.73%	2.67%	7.06%
10/2/2019	9.90%	2.67%	7.23%
10/8/2019	9.40%	2.65%	6.75%
10/15/2019	9.70%	2.62%	7.08%
10/21/2019	9.40%	2.61%	6.79%
10/31/2019	9.70%	2.58%	7.12%
10/31/2019	10.00%	2.58%	7.42%
10/31/2019	10.00%	2.58%	7.42%
10/31/2019	10.20%	2.58%	7.62%
11/7/2019	9.35%	2.56%	6.79%
11/13/2019	9.60%	2.54%	7.06%
11/13/2019	9.60%	2.54%	7.06%
12/6/2019	9.87%	2.47%	7.40%
12/11/2019	9.40%	2.46%	6.94%
12/17/2019	9.75%	2.45%	7.30%
12/18/2019	9.60%	2.45%	7.15%
12/18/2019	9.60%	2.45%	7.15%
12/19/2019	10.20%	2.44%	7.76%
12/19/2019	10.05%	2.44%	7.61%
12/19/2019	10.25%	2.44%	7.81%
12/20/2019	9.20%	2.44%	6.76%
12/26/2019	9.75%	2.43%	7.32%
1/9/2020	9.80%	2.40%	7.40%
1/15/2020	9.35%	2.38%	6.97%
1/16/2020	8.80%	2.38%	6.42%
1/24/2020	9.44%	2.35%	7.09%
2/3/2020	9.40%	2.33%	7.07%
2/17/2020	9.80%	2.29%	7.51%
2/24/2020	9.10%	2.27%	6.83%
2/25/2020	9.50%	2.27%	7.23%
2/28/2020	9.70%	2.26%	7.44%
3/25/2020	9.40%	2.15%	7.25%
3/26/2020	9.48%	2.15%	7.33%
4/21/2020	9.80%	2.02%	7.78%
5/19/2020	9.20%	1.94%	7.26%
6/16/2020	9.65%	1.87%	7.78%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/8/2020	9.40%	1.81%	7.59%
8/4/2020	9.50%	1.70%	7.80%
8/20/2020	9.90%	1.65%	8.25%
8/21/2020	9.35%	1.64%	7.71%
9/10/2020	9.90%	1.58%	8.32%
9/23/2020	9.60%	1.54%	8.06%
9/25/2020	9.25%	1.53%	7.72%
9/25/2020	9.25%	1.53%	7.72%
10/4/2020	9.80%	1.50%	8.30%
10/7/2020	9.70%	1.49%	8.21%
10/12/2020	9.20%	1.48%	7.72%
10/16/2020	9.40%	1.47%	7.93%
10/30/2020	9.90%	1.45%	8.45%
11/7/2020	9.60%	1.43%	8.17%
11/19/2020	9.90%	1.42%	8.48%
11/19/2020	8.80%	1.42%	7.38%
11/19/2020	8.80%	1.42%	7.38%
11/24/2020	9.80%	1.42%	8.38%
12/9/2020	9.10%	1.43%	7.67%
12/10/2020	9.40%	1.43%	7.97%
12/16/2020	9.65%	1.44%	8.21%
12/16/2020	9.38%	1.44%	7.94%
12/23/2020	10.00%	1.45%	8.55%
1/4/2021	9.95%	1.46%	8.49%
1/6/2021	9.60%	1.47%	8.13%
1/6/2021	9.40%	1.47%	7.93%
1/12/2021	9.95%	1.48%	8.47%
1/13/2021	9.67%	1.49%	8.18%
1/26/2021	9.50%	1.51%	7.99%
2/16/2021	9.80%	1.56%	8.24%
2/19/2021	9.86%	1.57%	8.29%
2/24/2021	9.25%	1.58%	7.67%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
4/9/2021	9.70%	1.73%	7.97%
5/5/2021	9.30%	1.82%	7.48%
5/18/2021	9.40%	1.87%	7.53%
5/19/2021	8.80%	1.87%	6.93%
6/17/2021	10.24%	1.96%	8.28%
6/30/2021	9.43%	1.99%	7.44%
7/27/2021	9.54%	2.03%	7.51%
7/30/2021	9.30%	2.03%	7.27%
8/12/2021	8.80%	2.05%	6.75%
8/12/2021	8.80%	2.05%	6.75%
9/1/2021	9.40%	2.07%	7.33%
9/8/2021	9.67%	2.07%	7.60%
9/9/2021	9.85%	2.08%	7.77%
9/14/2021	9.50%	2.08%	7.42%
9/27/2021	9.40%	2.09%	7.31%
9/29/2021	9.80%	2.09%	7.71%
9/30/2021	9.70%	2.09%	7.61%
10/6/2021	9.70%	2.10%	7.60%
10/27/2021	9.37%	2.12%	7.25%
11/17/2021	9.80%	2.11%	7.69%
11/17/2021	9.60%	2.11%	7.49%
11/18/2021	9.75%	2.11%	7.64%
11/18/2021	9.00%	2.11%	6.89%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/18/2021	10.00%	2.11%	7.89%
11/18/2021	10.00%	2.11%	7.89%
11/23/2021	9.80%	2.10%	7.70%
11/30/2021	9.40%	2.09%	7.31%
12/3/2021	9.65%	2.08%	7.57%
12/9/2021	9.90%	2.07%	7.83%
12/13/2021	9.20%	2.06%	7.14%
12/28/2021	9.60%	2.04%	7.56%
12/28/2021	9.35%	2.04%	7.31%
12/28/2021	9.38%	2.04%	7.34%
1/3/2022	9.25%	2.03%	7.22%
1/6/2022	9.60%	2.02%	7.58%
1/20/2022	9.00%	2.02%	6.98%
1/21/2022	9.60%	2.02%	7.58%
3/22/2022	9.40%	2.02%	7.38%
3/22/2022	9.40%	2.02%	7.38%
4/14/2022	9.20%	2.08%	7.12%
5/19/2022	9.23%	2.23%	7.00%
5/19/2022	9.95%	2.23%	7.72%
5/19/2022	9.95%	2.23%	7.72%
6/16/2022	9.25%	2.36%	6.89%
7/7/2022	9.90%	2.45%	7.45%
7/20/2022	9.30%	2.50%	6.80%
7/27/2022	9.85%	2.53%	7.32%
8/2/2022	9.40%	2.55%	6.85%
8/17/2022	9.60%	2.61%	6.99%
8/18/2022	9.39%	2.62%	6.77%
8/23/2022	9.40%	2.64%	6.76%
9/15/2022	9.30%	2.78%	6.52%
10/10/2022	9.60%	2.93%	6.67%
10/12/2022	9.60%	2.95%	6.65%
10/24/2022	9.40%	3.03%	6.37%
10/25/2022	9.20%	3.04%	6.16%
10/27/2022	9.70%	3.06%	6.64%
10/27/2022	9.80%	3.06%	6.74%
11/3/2022	10.20%	3.11%	7.09%
11/17/2022	9.65%	3.21%	6.44%
11/30/2022	9.38%	3.28%	6.10%
12/15/2022	9.80%	3.35%	6.45%
12/21/2022	9.60%	3.37%	6.23%
12/22/2022	9.40%	3.38%	6.02%
12/22/2022	9.80%	3.38%	6.42%
12/23/2022	9.60%	3.38%	6.22%
12/29/2022	9.80%	3.41%	6.39%
12/29/2022	9.80%	3.41%	6.39%
1/19/2023	9.60%	3.4757%	6.12%
1/23/2023	9.30%	3.48%	5.82%
1/24/2023	10.25%	3.49%	6.76%
1/26/2023	9.60%	3.49%	6.11%
3/15/2023	9.80%	3.61%	6.19%
3/23/2023	9.57%	3.62%	5.95%
3/28/2023	9.50%	3.63%	5.87%
5/4/2023	9.30%	3.72%	5.58%
6/30/2023	9.50%	3.81%	5.69%
7/20/2023	9.25%	3.80%	5.45%
8/30/2023	9.90%	3.85%	6.05%
8/30/2023	9.80%	3.85%	5.95%
8/31/2023	9.40%	3.85%	5.55%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/20/2023	9.35%	3.90%	5.45%
9/20/2023	9.49%	3.90%	5.59%
10/5/2023	9.30%	3.95%	5.35%
10/6/2023	9.80%	3.96%	5.84%
10/12/2023	9.20%	3.99%	5.21%
10/12/2023	9.20%	3.99%	5.21%
10/25/2023	9.55%	4.05%	5.50%
10/26/2023	9.65%	4.06%	5.59%
10/26/2023	9.50%	4.06%	5.44%
11/1/2023	9.60%	4.09%	5.51%
11/3/2023	9.70%	4.10%	5.60%
11/7/2023	9.65%	4.11%	5.54%
11/9/2023	10.15%	4.12%	6.03%
11/9/2023	9.80%	4.12%	5.68%
11/9/2023	9.80%	4.12%	5.68%
11/16/2023	9.44%	4.14%	5.30%
11/16/2023	9.38%	4.14%	5.24%
11/16/2023	9.51%	4.14%	5.37%
11/16/2023	9.38%	4.14%	5.24%
12/4/2023	9.80%	4.18%	5.62%
12/14/2023	9.45%	4.20%	5.25%
12/14/2023	9.50%	4.20%	5.30%
12/15/2023	9.65%	4.20%	5.45%
12/21/2023	9.75%	4.21%	5.54%
12/22/2023	10.50%	4.21%	6.29%
1/17/2024	9.85%	4.25%	5.60%
1/31/2024	9.70%	4.28%	5.42%
3/24/2024	9.30%	4.38%	4.92%
4/8/2024	11.88%	4.41%	7.47%
4/8/2024	9.50%	4.41%	5.09%
4/8/2024	9.50%	4.41%	5.09%
4/17/2024	9.75%	4.44%	5.31%
5/13/2024	9.80%	4.48%	5.32%
6/26/2024	9.80%	4.49%	5.31%
6/28/2024	9.40%	4.48%	4.92%
7/18/2024	9.50%	4.45%	5.05%
7/23/2024	9.90%	4.44%	5.46%
7/25/2024	9.38%	4.44%	4.94%
7/31/2024	9.75%	4.43%	5.32%
8/15/2024	9.35%	4.40%	4.95%
8/15/2024	9.35%	4.40%	4.95%
9/17/2024	9.65%	4.38%	5.27%
9/18/2024	9.45%	4.38%	5.07%
9/26/2024	9.86%	4.38%	5.48%
10/1/2024	9.85%	4.38%	5.47%
10/9/2024	9.60%	4.38%	5.22%
10/17/2024	10.08%	4.38%	5.70%
10/25/2024	9.35%	4.39%	4.96%
10/25/2024	9.40%	4.39%	5.01%
10/31/2024	9.90%	4.39%	5.51%
11/6/2024	10.00%	4.40%	5.60%
11/7/2024	9.80%	4.40%	5.40%
11/7/2024	9.90%	4.40%	5.50%
11/7/2024	9.90%	4.40%	5.50%
11/18/2024	9.15%	4.40%	4.75%
11/18/2024	9.15%	4.40%	4.75%
11/20/2024	9.70%	4.40%	5.30%
11/21/2024	9.85%	4.40%	5.45%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/21/2024	9.60%	4.40%	5.20%
11/21/2024	9.60%	4.40%	5.20%
12/19/2024	9.70%	4.42%	5.28%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/20/2024	9.80%	4.42%	5.38%
12/30/2024	9.75%	4.43%	5.32%
1/7/2025	9.80%	4.43%	5.37%
1/15/2025	9.90%	4.44%	5.46%
2/13/2025	9.60%	4.45%	5.15%
2/24/2025	9.50%	4.46%	5.04%
3/20/2025	9.75%	4.47%	5.28%
3/27/2025	9.84%	4.47%	5.37%
4/10/2025	9.90%	4.48%	5.42%
4/22/2025	9.80%	4.50%	5.30%
4/25/2025	9.95%	4.51%	5.44%
4/25/2025	9.95%	4.51%	5.44%
5/13/2025	9.80%	4.55%	5.25%
5/15/2025	9.75%	4.56%	5.19%
5/23/2025	9.50%	4.58%	4.92%
6/12/2025	9.50%	4.65%	4.85%
6/17/2025	9.80%	4.66%	5.14%
6/18/2025	9.60%	4.66%	4.94%
6/24/2025	9.55%	4.68%	4.87%
6/24/2025	9.65%	4.68%	4.97%
6/26/2025	9.79%	4.69%	5.10%
7/1/2025	9.75%	4.70%	5.05%
8/11/2025	9.75%	4.76%	4.99%
8/14/2025	9.50%	4.76%	4.74%
8/14/2025	9.50%	4.76%	4.74%
8/26/2025	9.30%	4.78%	4.52%
8/29/2025	9.60%	4.79%	4.81%
9/30/2025	9.80%	4.80%	5.00%
10/7/2025	10.30%	4.79%	5.51%
10/8/2025	9.60%	4.79%	4.81%
10/24/2025	9.50%	4.78%	4.72%
11/4/2025	9.40%	4.77%	4.63%
11/5/2025	9.32%	4.77%	4.55%
11/6/2025	9.80%	4.77%	5.03%
11/6/2025	9.80%	4.77%	5.03%
11/19/2025	9.60%	4.78%	4.82%
11/19/2025	9.60%	4.78%	4.82%
11/19/2025	9.60%	4.78%	4.82%
11/20/2025	9.65%	4.78%	4.87%
11/20/2025	9.80%	4.78%	5.02%
12/4/2025	10.00%	4.78%	5.22%
12/9/2025	9.65%	4.79%	4.86%
12/9/2025	9.85%	4.79%	5.06%
12/17/2025	9.60%	4.79%	4.81%
12/17/2025	9.85%	4.79%	5.06%
12/18/2025	9.78%	4.79%	4.99%
12/23/2025	9.80%	4.80%	5.00%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/30/2025	9.50%	4.80%	4.70%
1/7/2026	9.79%	4.81%	4.98%
1/22/2026	9.40%	4.81%	4.59%
		# of Cases:	1,389

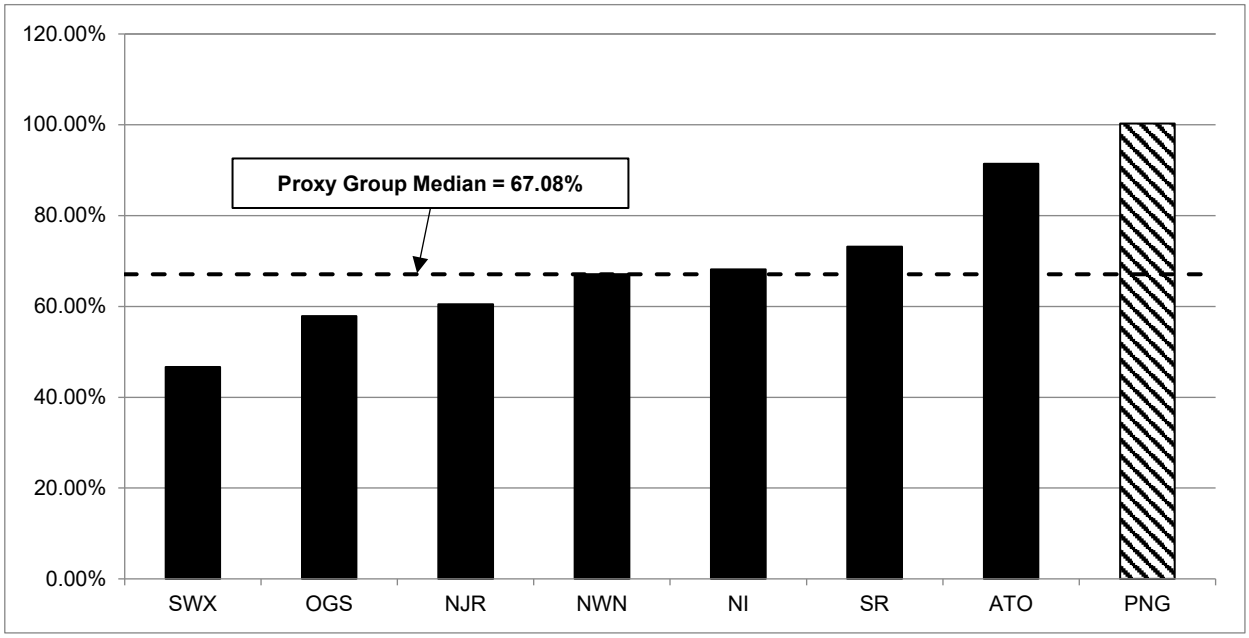
2026-2030 Capital Expenditures as a Percent of 2024 Net Plant
($ Millions)

Company	Ticker	[1] 2024	[2] 2026	[3] 2027	[4] 2028	[5] 2029	[6] 2030	[7] 2026-2030 Cap. Ex. / 2024 Net Plant
Atmos Energy Corporation	ATO							
Capital Spending per Share			$25.00	$23.30	$21.60	$21.60	$21.60	
Common Shares Outstanding			168.00	176.50	185.00	185.00	185.00	
Capital Expenditures			$4,200.0	$4,112.5	$3,996.0	$3,996.0	$3,996.0	91.43%
Net Plant		$22,204.0						
New Jersey Resources Corporation	NJR							
Capital Spending per Share			$5.75	$6.13	$6.50	$6.50	$6.50	
Common Shares Outstanding			102.00	103.50	105.00	105.00	105.00	
Capital Expenditures			$586.5	$633.9	$682.5	$682.5	$682.5	60.48%
Net Plant		$5,403.2						
NiSource Inc.	NI							
Capital Spending per Share			$6.00	$6.50	$7.00	$7.00	$7.00	
Common Shares Outstanding			500.00	512.50	525.00	525.00	525.00	
Capital Expenditures			$3,000.0	$3,331.3	$3,675.0	$3,675.0	$3,675.0	68.19%
Net Plant		$25,454.0						
Northwest Natural Holding Company	NWN							
Capital Spending per Share			$9.80	$10.05	$10.30	$10.30	$10.30	
Common Shares Outstanding			45.00	47.50	50.00	50.00	50.00	
Capital Expenditures			$441.0	$477.4	$515.0	$515.0	$515.0	67.08%
Net Plant		$3,672.3						
ONE Gas, Inc.	OGS							
Capital Spending per Share			$11.95	$11.55	$11.15	$11.15	$11.15	
Common Shares Outstanding			62.00	66.00	70.00	70.00	70.00	
Capital Expenditures			$740.9	$762.3	$780.5	$780.5	$780.5	57.85%
Net Plant		$6,645.9						
Southwest Gas Holdings, Inc.	SWX							
Capital Spending per Share			$10.30	$10.08	$9.85	$9.85	$9.85	
Common Shares Outstanding			73.00	75.00	77.00	77.00	77.00	
Capital Expenditures			$751.9	$755.6	$758.5	$758.5	$758.5	46.65%
Net Plant		$8,109.1						
Spire Inc.	SR							
Capital Spending per Share			$14.50	$13.63	$12.75	$12.75	$12.75	
Common Shares Outstanding			62.00	67.00	72.00	72.00	72.00	
Capital Expenditures			$899.0	$912.9	$918.0	$918.0	$918.0	73.13%
Net Plant		$6,243.3						
Peoples Natural Gas	PNG	2024	2026	2027	2028	2029	2030	
Capital Expenditures (2026-2030) [8]			$736.69	$783.70	$803.32	$817.32	$845.89	100.27%
Net Plant [9]		$3,976.0						

Peoples Natural Gas CapEx Total (2026 - 2030)	$3,986.9
Peoples Natural Gas CapEx Annual Average	$797.4
Proxy Group Median	67.08%
Peoples Natural Gas / Proxy Group Median	1.49

Notes:
[1] - [6] Source: Value Line company reports dated November 21, 2025
[7] Equals (Col. [2] + [3] + [4] + [5] + [6]) / Col. [1]
[8] Source: Company provided data
[9] Source: S&P Capital IQ

2026-2030 Capital Expenditures as a Percent of 2024 Net Plant



Projected CAPEX / 2024 Net Plant

Rank	Company		2026-2030
1	Southwest Gas Holdings, Inc.	SWX	46.65%
2	ONE Gas, Inc.	OGS	57.85%
3	New Jersey Resources Corporation	NJR	60.48%
4	Northwest Natural Holding Company	NWN	67.08%
5	NiSource Inc.	NI	68.19%
6	Spire Inc.	SR	73.13%
7	Atmos Energy Corporation	ATO	91.43%
8	Peoples Natural Gas	PNG	100.27%
	Proxy Group Median		67.08%
	PNG/Proxy Group		1.49

Notes:
Source: JEN-7, page 1 Col. [7]

Proxy Group Regulatory Risk Comparative Assessment

Company	Parent	Jurisdiction	Natural Gas Commodity [1]	Decoupling (F/P) [2]	New Capital Investment [3]	Energy Efficiency [4]	Other [5]	Jurisdiction Test Year Convention	Jurisdiction Rate Base Methodology	Formula-Based Rates / Annual Rate Review Mechanism
Atmos Energy	ATO	**Colorado**	✓	P	✓	✓	✓	Historical	Average	
Atmos Energy	ATO	**Kansas**	✓	P	✓		✓	Historical	Year End	
Atmos Energy	ATO	**Kentucky**	✓	P	✓	✓	✓	Historical	Year End	
Atmos Energy	ATO	**Louisiana — PSC**	✓	P	✓	✓	✓	Historical	Average	✓
Atmos Energy	ATO	**Mississippi**	✓	P	✓	✓	✓	Forecast Permitted	Average	✓
Atmos Energy	ATO	**Tennessee**	✓	P	✓		✓	Forecast	Average	✓
Atmos Energy	ATO	**Texas — RRC**	✓	P	✓	✓	✓	Historical	Year End	✓
Atmos Energy	ATO	**Virginia**	✓	P	✓			Forecast Permitted	Average	
New Jersey Natural Gas	NJR	**New Jersey**	✓	P	✓	✓	✓	Partially Forecast	Year End	
Northern Indiana Public Service Co.	NI	**Indiana**	✓	P	✓	✓	✓	Forecast Permitted	Year End	
Columbia Gas of Kentucky Inc	NI	**Kentucky**	✓	P	✓	✓	✓	Historical	Year End	
Columbia Gas of Maryland Inc.	NI	**Maryland**	✓	P	✓	✓	✓	Forecast Permitted	Average	
Columbia Gas of Ohio Inc.	NI	**Ohio**	NA	F	✓	✓	✓	Partially Forecast	Year End	
Columbia Gas of Pennsylvania Inc.	NI	**Pennsylvania**	✓	P	✓	✓	✓	Forecast	Year End	
Columbia Gas of Virginia Inc.	NI	**Virginia**	✓	F	✓	✓	✓	Forecast Permitted	Average	
Northwest Natural Gas Company	NWN	**Oregon**	✓	P	✓	✓	✓	Partially Forecast	Average	
Northwest Natural Gas Company	NWN	**Washington**	✓			✓	✓	Forecast Permitted	Average	
Kansas Gas Service	OGS	**Kansas**	✓	P	✓		✓	Historical	Year End	
Oklahoma Natural Gas	OGS	**Oklahoma**	✓	P	✓	✓	✓	Historical	Year End	✓
Texas Gas Service	OGS	**Texas — RRC**	✓	P	✓	✓	✓	Historical	Year End	
Southwest Gas Corp	SWX	**Arizona**	✓	F	✓	✓	✓	Historical	Year End	
Southwest Gas Corp	SWX	**California**	✓	F	✓	✓	✓	Forecast	Average	
Southwest Gas Corp	SWX	**Nevada**	✓	F	✓	✓	✓	Forecast Permitted	Year End	
Spire Alabama	SR	**Alabama**	✓	P	✓		✓	Historical	Year End	✓
Spire Gulf, Inc.	SR	**Alabama**	✓	P	✓		✓	Historical	Year End	✓
Spire Mississippi	SR	**Mississippi**	✓	P	✓	✓		Forecast Permitted	Average	✓
Spire Missouri - East	SR	**Missouri**	✓	P	✓		✓	Partially Forecast	Year End	
Spire Missouri - West	SR	**Missouri**	✓	P	✓		✓	Partially Forecast	Year End	
	% of Proxy Group (Op Co)		100%	96%	96%	71%	93%	57%	61%	29%
Peoples Natural Gas		Pennsylvania	✓	P	✓	✓	✓	Forecast	Year End	

Notes:

A mechanism may cover one or more cost categories; therefore, designations may not indicate separate mechanisms for each category.

[1] Columbia Gas of Ohio does not have a supply obligation for retail customers.

[2] Full or partial decoupling (such as Straight-Fixed Variable rate design, weather normalization clauses, and recovery of lost revenues as a result of Energy Efficiency programs).

[3] Includes recovery of capital costs including infrastructure replacement programs and capital/plant additions.

[4] Utility-sponsored conservation, energy efficiency, or other demand side management programs.

[5] Pension expenses, bad debt costs, storm costs, environmental costs, regulatory fee, government franchise fees and taxes, economic development, and low income assistance

Sources: Company SEC Form 10-Ks; Operating company tariffs; Regulatory Research Associates, *State Regulatory Evaluations Quarterly Update* , June 2025; Regulatory Research Associates, *Adjustment Clauses: A State-by-State Overview,* September 2025; Regulatory Research Associates, Alternative Ratemaking Frameworks in the U.S., April 16, 2020.

Flotation Cost Adjustment

Company	Date [i]	[1] Shares Issued (000)	[2] Offering Price	[3] Under-writing Discount [ii]	[4] Offering Expense ($000)	[5] Net Proceeds Per Share	[6] Total Flotation Costs ($000)	[7] Gross Equity Issue Before Costs ($000)	[8] Net Proceeds ($000)	[9] Flotation Cost Percentage
Atmos Energy Corporation	11/28/2018	8,059	$ 92.75	$ 0.98	1000	$ 91.65	$ 8,873	$ 747,500	$ 738,627	1.187%
Atmos Energy Corporation	11/28/2017	4,558	$ 88.56	$ 1.77	NA	$ 86.79	$ 8,068	$ 403,692	$ 395,624	1.999%
New Jersey Resources Corporation	12/4/2019	6,545	$ 41.25	$ 1.24	500	$ 39.94	$ 8,600	$ 270,000	$ 261,400	3.185%
NiSource Inc.	9/8/2010	24,265	$ 16.50	$ 0.54	400	$ 15.95	$ 13,411	$ 400,373	$ 386,962	3.350%
NiSource Inc.	11/6/2002	41,400	$ 18.30	$ 0.55	300	$ 17.74	$ 23,029	$ 757,620	$ 734,591	3.040%
Northwest Natural Holding Company	3/30/2022	2,875	$ 50.00	$ 1.63	450	$ 48.22	$ 5,122	$ 143,750	$ 138,628	3.563%
Northwest Natural Holding Company	6/4/2019	1,438	$ 67.00	$ 2.18	400	$ 64.54	$ 3,530	$ 96,313	$ 92,782	3.665%
ONE Gas, Inc.	5/8/2025	2,500	$ 78.76	$ 0.95	350	$ 77.67	$ 2,725	$ 196,900	$ 194,175	1.384%
ONE Gas, Inc.	9/11/2023	2,300	$ 76.18	$ 1.65	135	$ 74.47	$ 3,930	$ 175,214	$ 171,284	2.243%
Southwest Gas Holdings, Inc.	3/7/2023	4,113	$ 60.12	$ 2.03	538	$ 57.96	$ 8,883	$ 247,250	$ 238,367	3.593%
Southwest Gas Holdings, Inc.	3/28/2022	6,325	$ 74.00	$ 2.50	730	$ 71.39	$ 16,527	$ 468,050	$ 451,523	3.531%
Spire, Inc.	6/13/2023	1,745	$ 64.20	$ 0.60	450	$ 63.34	$ 1,497	$ 112,000	$ 110,503	1.336%
Spire, Inc.	5/7/2018	2,300	$ 68.75	$ 2.11	325	$ 66.50	$ 5,177	$ 158,125	$ 152,948	3.274%
Total							$ 109,371	$ 4,176,786	$ 4,067,415	
							WEIGHTED AVERAGE FLOTATION COSTS			2.62% [10]

Notes:
[i] Offering Completion Date
[ii] Underwriting discount was calculated as the market price minus the offering price when not explicitly given in the prospectus.

The flotation cost adjustment is derived by dividing the dividend yield by 1 − F (where F = flotation costs expressed in percentage terms), or by 0.9738, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

$$k = \frac{D \times (1 + 0.5g)}{P \times (1 - F)} + g$$

Company	Ticker	[11] Annualized Dividend	[12] Stock Price	[13] Dividend Yield	[14] Expected Dividend Yield	[15] Expected Dividend Yield Adjusted for Flotation Costs	[16] Zacks Earnings Growth	[17] CIQ Earnings Growth	[18] Value Line Earnings Growth	[19] Average Earnings Growth	[20] ROE	[21] ROE Adjusted for Flotation Costs
Atmos Energy Corporation	ATO	$4.00	$167.81	2.38%	2.48%	2.54%	6.50%	8.26%	8.50%	7.75%	10.23%	10.30%
New Jersey Resources Corporation	NJR	$1.90	$47.20	4.03%	4.18%	4.29%	n/a	8.40%	6.50%	7.45%	11.63%	11.74%
NiSource Inc.	NI	$1.12	$42.61	2.63%	2.73%	2.80%	6.00%	8.90%	8.00%	7.63%	10.36%	10.44%
Northwest Natural Holding Co.	NWN	$1.97	$46.74	4.21%	4.34%	4.46%	n/a	5.50%	6.50%	6.00%	10.34%	10.46%
ONE Gas, Inc.	OGS	$2.68	$77.89	3.44%	3.55%	3.64%	6.70%	7.10%	4.50%	6.10%	9.65%	9.74%
Southwest Gas Holdings, Inc.	SWX	$2.48	$82.09	3.02%	3.17%	3.26%	9.20%	10.50%	n/a	9.85%	13.02%	13.11%
Spire, Inc.	SR	$3.30	$83.22	3.97%	4.13%	4.24%	10.50%	9.60%	4.50%	8.20%	12.33%	12.44%
Mean											11.08%	11.17%
Flotation Cost Adjustment											[22]	0.09%

Notes:
[1] - [4] Source: SEC Form 424B2 (Prospectus)
[5] Equals [8]/[1]
[6] Equals [4] + ([1] x [3])
[7] Equals [1] x [2]
[8] Equals [7] - [6]
[9] Equals [6] / [7]
[10] Equals average [6] / average [7]
[11] Source: S&P Capital IQ
[12] Source: S&P Capital IQ, equals 30 trading day average as of 1/30/2026
[13] Equals [11] / [12]
[14] Equals [13] x (1 + 0.5 x [19])
[15] Equals [14] / (1 − Flotation Cost)
[16] Source: Zacks
[17] Source: S&P Capital IQ
[18] Source: Value Line
[19] Equals Average ([16], [17], [18])
[20] Equals [14] + [19]
[21] Equals [15] + [19]
[22] Equals Average ([21]) − Average ([20])

Peoples Natural Gas Company LLC
Investor Provided Capitalization
Actual at November 30, 2025 and Estimated at November 30, 2026 and December 31, 2027

	Actual at November 30, 2025			Estimated at November 30, 2026			Estimated at December 31, 2027		
		Ratios			Ratios			Ratios	
	Amount Outstanding	Excl. ST Debt	Incl. ST Debt	Amount Outstanding	Excl. ST Debt	Incl. ST Debt	Amount Outstanding	Excl. ST Debt	Incl. ST Debt
Long-Term Debt	$ 1,988,122,867	45.86%	45.86%	$ 2,250,004,309	45.53%	45.53%	$ 2,572,425,035	45.53%	45.53%
Common Equity									
Contributions from Members, net	$ 1,186,208,162			$ 1,290,023,037			$ 1,288,621,817		
Retained Earnings	$ 1,160,637,137			$ 1,401,980,969			$ 1,789,121,620		
Total Common Equity	$ 2,346,845,299	54.14%	54.14%	$ 2,692,004,006	54.47%	54.47%	$ 3,077,743,437	54.47%	54.47%
Total Permanent Capital	$ 4,334,968,166	100.00%	100.00%	$ 4,942,008,315	100.00%	100.00%	$ 5,650,168,471	100.00%	100.00%
Short-Term Debt	$ -		0.00%	$ -		0.00%	$ -		0.00%
Total Capital Employed	$ 4,334,968,166		100.00%	$ 4,942,008,315		100.00%	$ 5,650,168,471		100.00%

CAPITAL STRUCTURE ANALYSIS

COMMON EQUITY RATIO [1]

Proxy Group Company	Ticker	2024	2023	2022	Average
Atmos Energy Corp.	ATO	60.26%	60.20%	60.01%	60.16%
New Jersey Resources Corporation	NJR	55.92%	55.15%	53.98%	55.01%
NiSource Inc.	NI	54.89%	55.44%	54.17%	54.83%
Northwest Natural Holding Co.	NWN	49.60%	47.26%	53.27%	50.05%
ONE Gas, Inc.	OGS	58.96%	60.41%	58.24%	59.21%
Southwest Gas Holdings, Inc.	SWX	48.13%	47.45%	43.96%	46.51%
Spire, Inc.	SR	52.99%	51.91%	57.15%	54.02%
Proxy Group					
MEAN		54.39%	53.98%	54.40%	54.26%
MEDIAN		54.89%	55.15%	54.17%	54.83%
LOW		48.13%	47.26%	43.96%	46.51%
HIGH		60.26%	60.41%	60.01%	60.16%

COMMON EQUITY RATIO - UTILITY OPERATING COMPANIES [2]

Company Name	Ticker	2024	2023	2022	Average
Atmos Energy Corporation	ATO	60.26%	60.20%	60.01%	60.16%
New Jersey Natural Gas Company	NJR	55.92%	55.15%	53.98%	55.01%
Columbia Gas of Kentucky, Incorporated	NI	51.44%	53.66%	54.91%	53.34%
Columbia Gas of Maryland, Incorporated	NI	52.00%	52.00%	51.96%	51.99%
Columbia Gas of Ohio, Inc.	NI	50.27%	50.50%	50.67%	50.48%
Columbia Gas of Pennsylvania, Inc.	NI	56.07%	55.88%	56.64%	56.20%
Columbia Gas of Virginia, Incorporated	NI	44.58%	45.25%	44.25%	44.69%
Northern Indiana Public Service Company, LLC	NI	58.24%	59.26%	56.92%	58.14%
Northwest Natural Gas Company	NWN	49.60%	47.26%	53.27%	50.05%
Kansas Gas Service Company, Inc.	OGS	59.53%	60.44%	58.37%	59.45%
Oklahoma Natural Gas Company	OGS	59.23%	60.46%	58.26%	59.32%
Texas Gas Service Company, Inc.	OGS	58.22%	60.35%	58.13%	58.90%
Southwest Gas Corporation	SWX	48.13%	47.45%	43.96%	46.51%
Spire Alabama Inc.	SR	55.84%	55.31%	61.18%	57.44%
Spire Gulf Inc.	SR	48.89%	46.42%	51.61%	48.97%
Spire Mississippi Inc.	SR	NA	NA	NA	NA
Spire Missouri Inc.	SR	51.95%	50.66%	55.55%	52.72%
Operating Company					
MEAN		53.76%	53.76%	54.35%	53.96%
MEDIAN		53.92%	54.40%	55.23%	54.18%
LOW		44.58%	45.25%	43.96%	44.69%
HIGH		60.26%	60.46%	61.18%	60.16%

Notes:
Sources: Operating Company Annual LDC Reports; S&P Capital IQ
[1] Ratios are weighted by actual common equity and total long-term debt of operating subsidiaries.
[2] Spire Mississippi was excluded because it does not report long-term debt.

CAPITAL STRUCTURE ANALYSIS

LONG-TERM DEBT RATIO [1]

Proxy Group Company	Ticker	2024	2023	2022	Average
Atmos Energy Corp.	ATO	39.74%	39.80%	39.99%	39.84%
New Jersey Resources Corporation	NJR	44.08%	44.85%	46.02%	44.99%
NiSource Inc.	NI	45.11%	44.56%	45.83%	45.17%
Northwest Natural Holding Co.	NWN	50.40%	52.74%	46.73%	49.95%
ONE Gas, Inc.	OGS	41.04%	39.59%	41.76%	40.79%
Southwest Gas Holdings, Inc.	SWX	51.87%	52.55%	56.04%	53.49%
Spire, Inc.	SR	47.01%	48.09%	42.85%	45.98%
Proxy Group					
MEAN		45.61%	46.02%	45.60%	45.74%
MEDIAN		45.11%	44.85%	45.83%	45.17%
LOW		39.74%	39.59%	39.99%	39.84%
HIGH		51.87%	52.74%	56.04%	53.49%

LONG-TERM DEBT RATIO - UTILITY OPERATING COMPANIES [2]

Company Name	Ticker	2024	2023	2022	Average
Atmos Energy Corporation	ATO	39.74%	39.80%	39.99%	39.84%
New Jersey Natural Gas Company	NJR	44.08%	44.85%	46.02%	44.99%
Columbia Gas of Kentucky, Incorporated	NI	48.56%	46.34%	45.09%	46.66%
Columbia Gas of Maryland, Incorporated	NI	48.00%	48.00%	48.04%	48.01%
Columbia Gas of Ohio, Inc.	NI	49.73%	49.50%	49.33%	49.52%
Columbia Gas of Pennsylvania, Inc.	NI	43.93%	44.12%	43.36%	43.80%
Columbia Gas of Virginia, Incorporated	NI	55.42%	54.75%	55.75%	55.31%
Northern Indiana Public Service Company, LLC	NI	41.76%	40.74%	43.08%	41.86%
Northwest Natural Gas Company	NWN	50.40%	52.74%	46.73%	49.95%
Kansas Gas Service Company, Inc.	OGS	40.47%	39.56%	41.63%	40.55%
Oklahoma Natural Gas Company	OGS	40.77%	39.54%	41.74%	40.68%
Texas Gas Service Company, Inc.	OGS	41.78%	39.65%	41.87%	41.10%
Southwest Gas Corporation	SWX	51.87%	52.55%	56.04%	53.49%
Spire Alabama Inc.	SR	44.16%	44.69%	38.82%	42.56%
Spire Gulf Inc.	SR	51.11%	53.58%	48.39%	51.03%
Spire Mississippi Inc.	SR	NA	NA	NA	NA
Spire Missouri Inc.	SR	48.05%	49.34%	44.45%	47.28%
Operating Company					
MEAN		46.24%	46.24%	45.65%	46.04%
MEDIAN		46.08%	45.60%	44.77%	45.82%
LOW		39.74%	39.54%	38.82%	39.84%
HIGH		55.42%	54.75%	56.04%	55.31%

Notes:
Sources: Operating Company Annual LDC Reports; S&P Capital IQ
[1] Ratios are weighted by actual common equity and total long-term debt of operating subsidiaries.
[2] Spire Mississippi was excluded because it does not report long-term debt.

Gas Proxy Group Current Authorized Equity Ratio by Jurisdiction

Ticker	Company Name	Docket Number	Jurisdiction	Date Authorized	Current Authorized Equity Ratio	
ATO	Atmos Energy Corporation					
	Colorado Division	D-22AL-0348G	CO	5/4/2023	58.00%	
	Kansas Division	D-23-ATMG-359-RTS	KS	5/9/2023	NA	
	Kansas Division	D-19-ATMG-525-RTS	KS	2/24/2020	56.32%	
	Kentucky Division	C-2024-00276	KY	8/11/2025	53.50%	
	Louisiana Division	D-U-37754	LA	7/21/2025	58.00%	[1]
	Mississippi Division	D-2025-UN-59	MS	11/4/2025	50.00%	
	Tennessee Division	D-25-00007	TN	7/15/2025	61.05%	
	West Texas Division	OS-24-00018879 [2]	TX RRC	5/13/2025	61.00%	
	Mid-Tex (Environs)	OS-24-00019196	TX RRC	6/17/2025	60.97%	
	Mid-Tex (Cities)	[2]	TX RRC	10/1/2023	58.00%	
	Mid-Tex (Dallas)	[2]	TX RRC	6/1/2024	60.00%	
	Mid-Tex (ATM Cities)	[2]	TX RRC	6/17/2025	61.00%	
	Virginia Division	PUR-2023-00008	VA	5/13/2024	60.59%	
NI	NiSource Inc.					
	Columbia Gas of Kentucky, Incorporated	C-2024-00092	KY	12/30/2024	52.64%	
	Columbia Gas of Maryland, Incorporated	C-9754	MD	4/22/2025	52.17%	
	Columbia Gas of Ohio, Inc.	C-21-0637-GA-AIR	OH	1/26/2023	50.60%	
	Columbia Gas of Pennsylvania, Inc.	D-R-2025-3053499	PA	12/4/2025	54.40%	
	Columbia Gas of Virginia, Incorporated	C-PUR-2024-00030	VA	5/15/2025	43.16%	[3]
	Northern Indiana Public Service Company	Ca-45967	IN	7/31/2024	58.51%	[4]
NJR	New Jersey Resources Corporation					
	New Jersey Natural Gas Company	D-GR24010071	NJ	11/21/2024	54.00%	
NWN	Northwest Natural Holding Company					
	Northwest Natural Gas Company	D-UG-520	OR	10/24/2025	50.00%	
	Northwest Natural Gas Company	D-UG-200994	WA	10/21/2021	NA	
	Northwest Natural Gas Company	D-UG-181053	WA	10/21/2019	49.00%	
OGS	ONE Gas, Inc.					
	Kansas Gas Service Company, Inc.	D-24-KGSG-610-RTS	KS	10/3/2024	NA	
	Oklahoma Natural Gas Company	Ca-PUD2025-000011	OK	7/23/2025	NA	
	Oklahoma Natural Gas Company	Ca-PUD202200023	OK	11/29/2022	NA	
	Oklahoma Natural Gas Company	Ca-PUD202100063	OK	11/30/2021	58.55%	
	Texas Gas Service Company, Inc. (Central-Gulf)	D-OS-24-00017471	TX RRC	11/20/2024	59.58%	
	Texas Gas Service Company, Inc. (Rio Grande)	D-OSS-23-00014399	TX RRC	1/31/2024	59.07%	
	Texas Gas Service Company, Inc. (WTX North)	D-OSS-22-00009896	TX RRC	1/19/2023	59.74%	
SR	Spire Inc.					[5]
	Spire Alabama Inc.	D-18328	AL	9/30/2022	55.50%	
	Spire Missouri Inc.	C-GR-2025-0107	MO	9/3/2025	NA	
	Spire Missouri Inc.	C-GR-2021-0108	MO	10/27/2021	49.86%	
	Spire Mississippi	D-2015-UN-109	MS	12/2/2022	50.00%	
	Spire Gulf Inc.	D-28101	AL	9/30/2021	55.50%	
SWX	Southwest Gas Holdings Inc.					
	Arizonia Division	D-G-G-01551A-23-0341	AZ	3/27/2025	48.50%	
	California Division (SoCal)	A-19-08-015 (SoCal)	CA	3/25/2021	52.00%	
	California Division (NoCal)	A-19-08-015 (NoCal)	CA	3/25/2021	52.00%	
	California Division (LkTah)	A-19-08-015 (LkTah)	CA	3/25/2021	52.00%	
	Nevada Division (Northern)	D-23-09012 (Northern)	NV	4/8/2024	50.00%	
	Nevada Division (Southern)	D-23-09012 (Southern)	NV	4/8/2024	50.00%	
	Average				54.72%	
	Median				54.40%	
	High				61.05%	
	Low				43.16%	
	Count≥54.00%				19	
	Total Count				35	
	Percentage≥54.00%				54%	

Source: Regulatory Research Associates; SEC Form 10-K for ATO and SR
If the capital structure was not determined in the most recent rate proceeding, the authorized equity ratio determined in the next most recent proceeding with a determination was used.

Notes:

[1] Atmos' Louisiana jurisdiction is authorized through rate stabilization clause (RSC) proceedings, not a general rate case

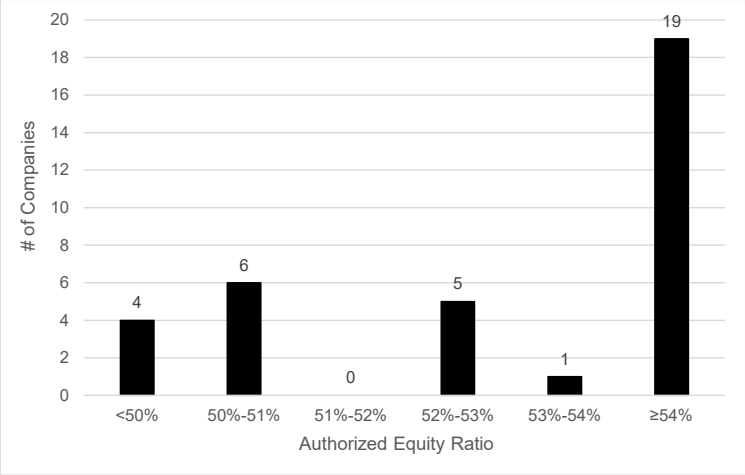
[2] Gas utilities regulated by the Texas Rail Road Commission (RRC) have a general rate case only if they are unable to reach a settlement with the cities and unincorporated areas ("environs") within their service territories. Current authorized equity ratio for Atmos Texas' territories is published in ATO's December 2025 Investor Presentation and 2024 10-K.

[3] Calculated using investor-supplied capital sources only. Columbia Gas of Virginia's authorized capital structure includes 7.316% short-term debt, 47.348% long-term debt, 2.166% preferred stock, 43.147% common equity and 0.023% Job Development Credits.

[4] Calculated using investor-supplied capital sources only. Indiana includes non-investor supplied capital in the ratemaking capital structure reported by RRA. Including non-investor supplied capital, NIPSCO's authorized equity ratio is 52.39%

[5] Source: Spire, Inc. 2025 Investor Presentation and 2024 10-K; authorized equity ratios in Spire's AL and MS jurisdictions are authorized through rate stabilization proceedings, not general rate cases

Equity Ratio	Count
<50%	4
50%-51%	6
51%-52%	0
52%-53%	5
53%-54%	1
≥54%	19



Peoples Natural Gas Company LLC
Calculation of the Embeded Costs of Long Term Debt

Actual at 11/30/2025

Series	Principal Amount Outstanding	Percent to Total	Effective Cost Rate (1)	Weighted Cost Rate
2013 Intercompany Promissory Note, Tranche 3	$ 110,007,200	5.53%	4.30%	0.24%
2017 Intercompany Promissory Note, Tranche 2	178,911,000	9.00%	3.47%	0.31%
2017 Intercompany Promissory Note, Tranche 3	178,911,000	9.00%	3.70%	0.33%
2022 Intercompany Promissory Note, Tranche 1	183,149,854	9.21%	2.80%	0.26%
2022 Intercompany Promissory Note, Tranche 2	219,779,827	11.05%	3.41%	0.38%
2022 Intercompany Promissory Note, Tranche 7	65,364,587	3.29%	2.51%	0.08%
2022 Intercompany Promissory Note, Tranche 8	81,705,732	4.11%	5.43%	0.22%
2022 Intercompany Promissory Note, Tranche 1	38,636,364	1.94%	2.80%	0.05%
2022 Intercompany Promissory Note, Tranche 2	46,363,636	2.33%	3.41%	0.08%
2023 Intercompany Promissory Note, Tranche 1	152,444,444	7.67%	2.51%	0.19%
2023 Intercompany Promissory Note, Tranche 2	190,555,556	9.58%	5.41%	0.52%
2024 Intercompany Promissory Note, Tranche 1	48,839,507	2.46%	2.54%	0.06%
2024 Intercompany Promissory Note, Tranche 2	61,049,382	3.07%	5.46%	0.17%
2025 Intercompany Promissory Note, Tranche 1	148,500,000	7.47%	5.50%	0.41%
Intercompany Demand Note	283,904,778	14.28%	4.97% (2)	0.71%
Long Term Debt	$ 1,988,122,867	100.00%		4.02%
Long Term Debt	$ 1,988,122,867	100.00%	4.02%	4.02%
Short Term Debt	$ -	0.00%	4.97% (2)	0.00%
TOTAL	$ 1,988,122,867	100.00%		4.02%

Peoples Natural Gas Company LLC
Calculation of the Embeded Costs of Long Term Debt

Estimated at 11/30/2026

Series	Principal Amount Outstanding	Percent to Total	Effective Cost Rate	Weighted Cost Rate
2013 Intercompany Promissory Note, Tranche 3	$ -	0.00%	4.30%	0.00%
2017 Intercompany Promissory Note, Tranche 2	178,911,000	7.95%	3.47%	0.28%
2017 Intercompany Promissory Note, Tranche 3	178,911,000	7.95%	3.70%	0.29%
2022 Intercompany Promissory Note, Tranche 1	183,149,854	8.14%	2.80%	0.23%
2022 Intercompany Promissory Note, Tranche 2	219,779,827	9.77%	3.41%	0.33%
2022 Intercompany Promissory Note, Tranche 7	65,364,587	2.91%	2.51%	0.07%
2022 Intercompany Promissory Note, Tranche 8	81,705,732	3.63%	5.43%	0.20%
2022 Intercompany Promissory Note, Tranche 1	38,636,364	1.72%	2.80%	0.05%
2022 Intercompany Promissory Note, Tranche 2	46,363,636	2.06%	3.41%	0.07%
2023 Intercompany Promissory Note, Tranche 1	152,444,444	6.78%	2.51%	0.17%
2023 Intercompany Promissory Note, Tranche 2	190,555,556	8.47%	5.41%	0.46%
2024 Intercompany Promissory Note, Tranche 1	48,839,507	2.17%	2.54%	0.06%
2024 Intercompany Promissory Note, Tranche 2	61,049,382	2.71%	5.46%	0.15%
2025 Intercompany Promissory Note, Tranche 1	148,500,000	6.60%	5.50%	0.36%
2025 Intercompany Promissory Note, Tranche 2	61,409,190	2.73%	5.49%	0.15%
2025 Intercompany Promissory Note, Tranche 2	323,735,810	14.39%	5.39%	0.78%
2026 Intercompany Promissory Note, Tranche 1	129,000,000	5.73%	5.50%	0.32%
2026 Intercompany Promissory Note, Tranche 2	166,000,000	7.38%	5.50%	0.41%
Intercompany Demand Note	(24,351,580)	-1.08%	4.40% (3)	-0.05%
Long Term Debt	$ 2,250,004,309	100.00%		4.31%
Long Term Debt	$ 2,250,004,309	100.00%	4.31%	4.31%
Short Term Debt	$ -	0.00%	4.40% (3)	0.00%
TOTAL	$ 2,250,004,309	100.00%		4.31%

Peoples Natural Gas Company LLC
Calculation of the Embeded Costs of Long Term Debt

Estimated at 12/31/2027

Series	Principal Amount Outstanding	Percent to Total	Effective Cost Rate	Weighted Cost Rate
2017 Intercompany Promissory Note, Tranche 2	-	0.00%	3.47%	0.00%
2017 Intercompany Promissory Note, Tranche 3	178,911,000	6.95%	3.70%	0.26%
2022 Intercompany Promissory Note, Tranche 1	183,149,854	7.12%	2.80%	0.20%
2022 Intercompany Promissory Note, Tranche 2	219,779,827	8.54%	3.41%	0.29%
2022 Intercompany Promissory Note, Tranche 7	65,364,587	2.54%	2.51%	0.06%
2022 Intercompany Promissory Note, Tranche 8	81,705,732	3.18%	5.43%	0.17%
2022 Intercompany Promissory Note, Tranche 1	38,636,364	1.50%	2.80%	0.04%
2022 Intercompany Promissory Note, Tranche 2	46,363,636	1.80%	3.41%	0.06%
2023 Intercompany Promissory Note, Tranche 1	152,444,444	5.93%	2.51%	0.15%
2023 Intercompany Promissory Note, Tranche 2	190,555,556	7.41%	5.41%	0.40%
2024 Intercompany Promissory Note, Tranche 1	48,839,507	1.90%	2.54%	0.05%
2024 Intercompany Promissory Note, Tranche 2	61,049,382	2.37%	5.46%	0.13%
2025 Intercompany Promissory Note, Tranche 1	148,500,000	5.77%	5.50%	0.32%
2025 Intercompany Promissory Note, Tranche 2	61,409,190	2.39%	5.49%	0.13%
2025 Intercompany Promissory Note, Tranche 2	323,735,810	12.58%	5.39%	0.68%
2026 Intercompany Promissory Note, Tranche 1	129,000,000	5.01%	5.50%	0.28%
2026 Intercompany Promissory Note, Tranche 2	166,000,000	6.45%	5.50%	0.35%
2027 Intercompany Promissory Note, Tranche 1	137,000,000	5.33%	5.57%	0.30%
2027 Intercompany Promissory Note, Tranche 2	339,980,146	13.22%	5.57%	0.74%
Intercompany Demand Note	(0)	0.00%	4.30% (3)	0.00%
Long Term Debt	$ 2,572,425,035	100.00%		4.61%
Long Term Debt	$ 2,572,425,035	100.00%	4.61%	4.61%
Short Term Debt	$ -	0.00%	4.30% (3)	0.00%
TOTAL	$ 2,572,425,035	100.00%		4.61%

Notes:
(1) As Calculated on Page 4 of this Schedule
(2) Actual Rate at 11/30/2025
(3) Represents projected SOFR rate plus margin of 1.00%

Sources: Company provided data; Blue Chip Financial Forecasts; Bloomberg Professional

Peoples Natural Gas Company LLC
Calculation of the Effective Cost of Long Term Debt by Series

Series	Coupon Rate	Date of Issue	Date of Maturity	Average Term in Years	Principal Amount Issued	Discount and Expenses	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate
2013 Intercompany Promissory Note, Tranche 3	4.25%	12/19/2013	12/19/2025	12	$ 110,007,200	$ 523,077	$ 109,484,123	99.52%	4.30%
2017 Intercompany Promissory Note, Tranche 2	3.38%	12/18/2017	12/18/2027	10	$ 178,911,000	$ 1,338,539	$ 177,572,461	99.25%	3.47%
2017 Intercompany Promissory Note, Tranche 3	3.63%	12/18/2017	12/18/2032	15	$ 178,911,000	$ 1,340,456	$ 177,570,544	99.25%	3.70%
2022 Intercompany Promissory Note, Tranche 1	2.70%	10/31/2021	4/15/2030	8	$ 183,149,854	$ 1,334,416	$ 181,815,438	99.27%	2.80%
2022 Intercompany Promissory Note, Tranche 2	3.35%	10/31/2021	4/15/2050	28	$ 219,779,827	$ 2,272,105	$ 217,507,722	98.97%	3.41%
2022 Intercompany Promissory Note, Tranche 7	2.40%	12/31/2021	5/1/2031	9	$ 65,364,587	$ 618,896	$ 64,745,691	99.05%	2.51%
2022 Intercompany Promissory Note, Tranche 8	5.30%	12/31/2021	5/1/2052	30	$ 81,705,732	$ 1,621,181	$ 80,084,551	98.02%	5.43%
2022 Intercompany Promissory Note, Tranche 1	2.70%	12/31/2023	4/15/2030	6	$ 38,636,364	$ 288,944	$ 38,347,420	99.25%	2.83%
2022 Intercompany Promissory Note, Tranche 2	3.35%	12/31/2023	4/15/2050	26	$ 46,363,636	$ 483,062	$ 45,880,574	98.96%	3.41%
2023 Intercompany Promissory Note, Tranche 1	2.40%	12/31/2023	5/1/2031	7	$ 152,444,444	$ 1,084,290	$ 151,360,154	99.29%	2.51%
2023 Intercompany Promissory Note, Tranche 2	5.30%	12/31/2023	5/1/2052	28	$ 190,555,556	$ 3,149,448	$ 187,406,108	98.35%	5.41%
2024 Intercompany Promissory Note, Tranche 1	2.40%	7/31/2024	5/1/2031	7	$ 48,839,507	$ 427,408	$ 48,412,099	99.12%	2.54%
2024 Intercompany Promissory Note, Tranche 2	5.30%	7/31/2024	5/2/2052	28	$ 61,049,382	$ 1,387,828	$ 59,661,554	97.73%	5.46%
2025 Intercompany Promissory Note, Tranche 1	5.38%	1/2/2025	1/15/2034	9	$ 148,500,000	$ 1,344,240	$ 147,155,760	99.09%	5.50%
Intercompany Demand Note, Capex Portion	4.97%				$ 283,904,778	$ -	$ 283,904,778		4.97%
2025 Intercompany Promissory Note, Tranche 2	5.38%	12/31/2025	1/15/2034	8	$ 61,409,190	$ 456,309	$ 60,952,881	99.26%	5.49%
2025 Intercompany Promissory Note, Tranche 2	5.25%	12/31/2025	8/15/2035	10	$ 323,735,810	$ 3,324,481	$ 320,411,329	98.97%	5.39%
2026 Intercompany Promissory Note, Tranche 1	5.33%	7/31/2026	7/31/2038	12	$ 129,000,000	$ 1,935,000	$ 127,065,000	98.50%	5.50%
2026 Intercompany Promissory Note, Tranche 2	5.33%	12/31/2026	12/31/2038	12	$ 166,000,000	$ 2,490,000	$ 163,510,000	98.50%	5.50%
2027 Intercompany Promissory Note, Tranche 1	5.40%	7/31/2027	7/31/2039	12	$ 137,000,000	$ 2,055,000	$ 134,945,000	98.50%	5.57%
2027 Intercompany Promissory Note, Tranche 2	5.40%	12/31/2027	12/31/2039	12	$ 339,980,146	$ 5,099,702	$ 334,880,444	98.50%	5.57%

Notes:
(1) The effective cost for each issue is the yield to maturity ("ytm") using as inputs the average term of the issue, the coupon rate and the net proceeds ratio.

PEOPLES STATEMENT NO. 16

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
	:	
vs.	:	Docket No. R-2026-3060855
	:	
	:	
Peoples Natural Gas Company, LLC	:	

DIRECT TESTIMONY OF

JOHN J. SPANOS

ON BEHALF OF

PEOPLES NATURAL GAS COMPANY, LLC

March 27, 2026

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg, Pennsylvania (formerly 207 Senate Avenue, Camp Hill, Pennsylvania).

Q. WITH WHAT FIRM ARE YOU ASSOCIATED AND IN WHAT CAPACITY?

A. I am associated with the firm of Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming"), a subsidiary of GFT Infrastructure, Inc. as President.

Q. HOW LONG HAVE YOU BEEN ASSOCIATED WITH GANNETT FLEMING?

A. I have been associated with the firm since June 1986.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have Bachelor of Science degrees in Industrial Management and Mathematics from Carnegie Mellon University and a Master of Business Administration from York College of Pennsylvania.

Q. ARE YOU A MEMBER OF ANY PROFESSIONAL SOCIETIES?

A. Yes. I am a member and past President of the Society of Depreciation Professionals. I am also a member of the American Gas Association/Edison Electric Institute Industry Accounting Committee.

Q. DO YOU HOLD ANY SPECIAL CERTIFICATION AS A DEPRECIATION EXPERT?

A. Yes. The Society of Depreciation Professionals has established national standards for depreciation professionals. The Society administers an examination to become certified in this field. I passed the certification exam in September 1997 and was recertified in August 2003, February 2008, January 2013, February 2018 and February 2023.

Q. WILL YOU OUTLINE YOUR EXPERIENCE IN THE FIELD OF DEPRECIATION?

A. I have over 39 years of depreciation experience which includes giving expert testimony in more than 510 cases before 47 regulatory commissions, including the Pennsylvania Public Utility Commission ("Commission"). My participation in the cases where I appeared as an expert witness has included conducting and analyzing depreciation studies for companies, government-owned utilities and other service providers in the electric, gas, water, wastewater and pipeline industries. In addition to the cases in which I submitted testimony, I have supervised over 900 other depreciation or valuation assignments. Please refer to Appendix A for additional information on my qualifications, work history, case experience, and my leadership in the Society of Depreciation Professionals.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony is in support of the depreciation studies conducted under my direction and supervision for the gas plant of the Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. HAVE YOU PREPARED EXHIBITS PRESENTING THE RESULTS OF YOUR STUDIES?

A. Yes, I have prepared three exhibits, consisting of the following: Exhibit Nos. 5A, 5B, and 5C present the results of the depreciation studies for the gas operations as of November 30, 2025, November 30, 2026 and December 31, 2027.

In addition, I am responsible for the responses to Depreciation Data Filing Requirements FR Sch 4, FR Sch 5, FR Sch 6, FR Sch 7 and FR Sch 8 that are presented as Exhibit No. 8 and FR Sch 1, FR Sch 2, FR Sch 3, FR Sch 4, FR Sch 5 and FR Sch 6 that are presented as Exhibit No. 9.

Q. PLEASE DESCRIBE WHAT IS SET FORTH IN EACH OF THE EXHIBIT NOS. 5.

A. Exhibit No. 5A, titled "2025 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of November 30, 2025," includes the results of the depreciation study related to the assets as of November 30, 2025. The report also includes the detailed depreciation calculations. Exhibit No. 5B, titled "2026 Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant as of November 30, 2026," includes the results of the depreciation study related to the assets estimated as of November 30, 2026. The report also includes explanatory text, statistics related to the estimation of service life, and the detailed depreciation calculations. Exhibit No. 5C, titled "2027 Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant as of December 31, 2027," includes the results of the depreciation study related to the assets estimated as of December 31, 2027.

Q. WHAT WERE THE PURPOSES OF YOUR DEPRECIATION STUDIES?

A. The purposes of the depreciation studies were to estimate the annual depreciation accruals

related to gas plant in service for ratemaking purposes and, using Commission-approved procedures, to estimate the Company's book reserve as of November 30, 2025, November 30, 2026 and December 31, 2027.

Q. IS THE COMPANY'S CLAIM FOR ANNUAL DEPRECIATION IN THE CURRENT PROCEEDING BASED ON THE SAME METHODS OF DEPRECIATION WHICH WERE USED IN ITS MOST RECENT ANNUAL DEPRECIATION REPORTS FILED IN JUNE 2025?

A. Yes, it is. For most plant accounts, the current claim for annual depreciation is based on the straight line remaining life method of depreciation, which has been used for over thirty years. For Accounts 391.01, 391.02, 391.03, 393, 394, 394.01, 397.02, 397.03, 397.10, 397.20 and 398, the claim is based on the straight line remaining life method of amortization. The accounts have a large number of units, but small asset values representing slightly more than 1 percent of the depreciable plant. The assets represent items located in office buildings, service centers, garages and warehouses. Given the difficulty in maintaining accounting records for these numerous assets and high cost for periodic inventories, retirements are recorded when a vintage is fully amortized, rather than as the units are removed from service. All units are retired when the age of the vintage reaches the amortization period. The annual amortization is based on amortization accounting which distributes the unrecovered cost of fixed capital assets over the remaining amortization period selected for each account.

Q. WHAT GROUP PROCEDURE IS BEING USED IN THIS PROCEEDING FOR DEPRECIABLE ACCOUNTS?

A. The average service life procedure is used in the current proceeding for plant installed prior to 1983 and the equal life group procedure for 1983 and subsequent vintages. These calculations have been used in the same manner for the Company's most recent annual depreciation reports.

Q. IS THE COMPANY'S CLAIM FOR ACCRUED DEPRECIATION IN THE CURRENT PROCEEDING MADE ON THE SAME BASIS AS HAS BEEN USED FOR OVER THIRTY YEARS?

A. Yes. The current claim for accrued depreciation is the book reserve brought forward from the book reserve approved by the Commission in the last proceeding.

Q. HOW WAS THE BOOK RESERVE USED IN THE CALCULATION OF ANNUAL DEPRECIATION?

A. The book reserve by account was allocated to vintages to determine original cost less accrued depreciation by vintage. The total annual accrual is the sum of the results of dividing the original costs less accrued depreciation by the vintage composite remaining lives.

Q. HOW WAS THE BOOK RESERVE AS OF NOVEMBER 30, 2026, ESTIMATED?

A. The book reserve as of November 30, 2026, by account, was projected by adding estimated accruals, gross salvage and the amortization of net salvage, and subtracting estimated retirements and cost of removal from the book reserve as of November 30, 2025. Annual accruals were estimated using the annual accruals calculated as of November 30, 2025. For most accounts, gross salvage and cost of removal were estimated by: (1) expressing actual

gross salvage and cost of removal as a percent of retirements by account, for the most recent five-year period, and (2) applying those percents to the projected retirements by account.

For the purpose of calculating the annual accruals, the projected book reserve by account was allocated to vintages based on calculated accrued depreciation as of November 30, 2026.

Q. WAS THE BOOK RESERVE AS OF DECEMBER 31, 2027, ESTIMATED USING THE SAME METHODOLOGY?

A. Yes.

Q. HAS A SERVICE LIFE STUDY OF THE COMPANY'S GAS UTILITY PROPERTY BEEN PERFORMED?

A. Yes. A service life study was performed as of December 2022. The service life study was the basis for the service lives I used to calculate annual accruals. The service life study was used for Exhibit No. 5.

Q. BRIEFLY OUTLINE THE PROCEDURE USED IN PERFORMING THE SERVICE LIFE STUDY.

A. The service life study consisted of assembling and compiling historical data from the records related to the gas utility plant of the Company; statistically analyzing such data to obtain historical trends of survivor characteristics; obtaining supplementary information from management and operating personnel concerning Company practices and plans as they relate to plant operations; and interpreting the above data to form judgments of service

life characteristics. Iowa type survivor curves were used to describe the estimated survivor characteristics of the mass property groups. Individual service lives were used for major individual units of plant, such as distribution buildings housing offices and shops. The life span concept was recognized by coordinating the lives of associated plant installed in subsequent years with the probable retirement date defined by the life estimated for the major unit.

Q. WHAT STATISTICAL DATA WERE EMPLOYED IN THE HISTORICAL ANALYSES PERFORMED FOR THE PURPOSE OF ESTIMATING SERVICE LIFE CHARACTERISTICS?

A. The data consisted of the entries made to record retirements and other transactions related to the gas plant during the period 1939-2022. The year 1939 is the first year continuing property records were maintained.

These entries were classified by depreciable group, type of transaction, the year in which the transaction took place, and the year in which the plant was installed. Types of transactions included in the data were plant additions, retirements, transfers, and balances. In the presentation of service life statistics, only the significant exposure points that were utilized in determining survivor curves were plotted. This process is utilized to show my judgment in service life determinations.

Q. WHAT WAS THE SOURCE OF THESE DATA?

A. They were assembled from Company records related to its gas plant in service.

Q. WERE THE METHODS USED IN THE SERVICE LIFE STUDY THE SAME AS

THOSE USED IN OTHER DEPRECIATION STUDIES FOR GAS UTILITY PLANT PRESENTED BEFORE THIS COMMISSION?

A. Yes. The methods are the same ones that have been presented previously for Peoples Natural Gas Company LLC and for other gas companies before the Commission and that have been accepted by the Commission in its past orders concerning gas utilities.

Q. WERE THERE ANY NEW ASSET CLASSES INCLUDED IN THE STUDIES?

A. Yes. Since the last service life study was performed, the Company has added new technology meters identified as Intelis meters. These assets are in Account 381.20, Meters – Intelis and have a survivor curve of 20-S2. Based on the technology of the meters and how the meters will be utilized, the average life of 20 years is consistent with Company plans and others in the industry that have these types of meters.

Q. WHAT APPROACH DID YOU USE TO ESTIMATE THE LIVES OF SIGNIFICANT STRUCTURES SUCH AS OFFICE BUILDINGS AND SERVICE CENTERS?

A. I used the life span technique to estimate the lives of significant structures. In this technique, the survivor characteristics of the structures are described by the use of interim survivor curves and estimated probable retirement dates. The interim survivor curve describes the rate of retirement related to the replacement of elements of the structure such as plumbing, heating, doors, windows, roofs, etc. that occur during the life of the facility. The probable retirement date provides the rate of final retirement for each year of installation for the structure by truncating the interim survivor curve for each installation year at its attained age at the date of probable retirement. The use of interim survivor curves

truncated at the date of probable retirement provides a consistent method for estimating the lives of the several years of installation inasmuch as concurrent retirement of all years of installation will occur when the structure is retired.

Q. HAS YOUR FIRM USED THIS APPROACH IN OTHER PROCEEDINGS BEFORE THIS COMMISSION?

A. Yes, we have used the life span technique on many occasions before the Commission.

Q. WHAT ARE THE BASES FOR THE PROBABLE RETIREMENT YEARS THAT YOU HAVE ESTIMATED FOR EACH STRUCTURE?

A. The bases for the estimates of probable retirement years are life spans for each structure that are based on judgment and incorporate consideration of the age, use, size, nature of construction, management outlook and typical life spans experienced and used by other gas utilities for similar structures. Most of the life spans result in probable retirement dates that are many years in the future. As a result, the retirement of these structures is not yet subject to specific management plans. Such plans would be premature. At the appropriate time, studies of the economics of rehabilitation and continued use or retirement of the structure will be analyzed and the results incorporated in the estimation of the structure's life span.

Q. ARE THE FACTORS CONSIDERED IN YOUR ESTIMATES OF SERVICE LIFE PRESENTED IN EXHIBIT NO. 5B?

A. Yes. A discussion of the factors considered in the estimation of service lives is presented in Part III of the exhibit.

Q. PLEASE OUTLINE THE CONTENTS OF EXHIBIT NOS. 5B.

A. Exhibit Nos. 5B, is presented in eight parts. Part I, Introduction, sets forth the scope and basis of the study. Part II, Estimation of Survivor Curves, includes a description of the Iowa Curves and the formulation of the retirement rate method. Part III, Service Life Considerations, and Part IV, Calculation of Annual and Accrued Depreciation, include a description of the judgment utilized for life parameters and the explanation of depreciation procedures. Part V, Results of Study, presents a description of the results and summaries of the depreciation calculations. Part VI, Service Life Statistics, presents the graphs and tables which relate to the service life study. Part VII, Detailed Depreciation Calculations, sets forth the detailed depreciation calculations by account. Part VIII, Experienced and Estimated Net Salvage, presents the cost of removal and gross salvage by account for the years 2021 through 2025. For Exhibit No. 5B, Table 1, pages V-4 through V-6 presents the estimated survivor curve, the original cost as of November 30, 2026, and the book reserve and calculated annual depreciation for each account or subaccount of Gas Plant. Table 2, pages V-7 and V-8 presents the bringforward to November 30, 2026, of the book depreciation reserve as of November 30, 2025. Table 3 on pages V-9 and V-10 sets forth the calculation of the annual accruals used in the bringforward. Table 4, page V-11, presents the experienced and estimated net salvage during the five-year period, 2021 through 2025. The section beginning on page VI-1 presents the results of the retirement rate analyses prepared as the historical bases for the service life estimates. The section beginning on page VII-1 presents the depreciation calculations related to original cost. The tabulation on pages VII-3 through VII- 5 presents the cumulative depreciated original cost by year installed. The tabulations on pages VII-7 through VII-122 present the calculation

of annual depreciation by vintage by account for each depreciable group of utility plant. The tabulation on pages VIII-2 through VIII-4 presents the retirements, gross salvage, and cost of removal by account for each year during the period 2021 through 2025.

Q. PLEASE OUTLINE THE CONTENTS OF EXHIBIT NO. 5C.

A. Exhibit No. 5C includes a description of the results, summaries of the depreciation calculations, and the detailed depreciation calculations as of December 31, 2027. The descriptions and explanations presented in Exhibit No. 5B are also applicable to the depreciation calculations presented in Exhibit No. 5C. The graphs and tables related to service life presented in Exhibit No. 5B, also support the service life estimates used in Exhibit No. 5C inasmuch as the estimates are the same for both test years. The summary tables and detailed depreciation calculations as of December 31, 2027, are organized and presented in the same manner as those as of November 30, 2026.

Q. PLEASE OUTLINE THE CONTENTS OF EXHIBIT NOS. 5A.

A. Exhibit No. 5A includes a description of the results, summaries of the depreciation calculations, and the detailed depreciation calculations as of November 30, 2025. The descriptions and explanations presented in Exhibit No. 5B are also applicable to the depreciation calculations presented in Exhibit No. 5A. The graphs and tables related to service life presented in Exhibit No. 5B also support the service life estimates used in Exhibit No. 5A, inasmuch as the estimates are the same for both test years. The summary tables and detailed depreciation calculations as of November 30, 2025, are organized and presented in the same manner as those as of November 30, 2026.

Q. PLEASE USE AN EXAMPLE TO ILLUSTRATE THE MANNER IN WHICH THE STUDIES ARE AS PRESENTED IN EXHIBIT NO. 5B.

A. I will use Account 380, Services, as my example, inasmuch as it is one of the largest depreciable groups and represents 16 percent of the original cost of depreciable gas plant as of November 30, 2026. The retirement rate method was used to analyze the survivor characteristics of this group. The life table for the 1939-2022 experience band is presented on pages VI-167 through VI-170 of Exhibit No. 5B. The life table, or original survivor curve, is plotted along with the estimated smooth survivor curve, the 55-R2, on page VI-166. The calculations of the annual depreciation related to the original cost as of November 30,2025, of gas plant are presented on pages II-89 through II-91 of Exhibit No. 5A. The calculation is based on the 55-R2 survivor curve, the attained age, and the allocated book reserve. The calculations as of November 30, 2026, are presented on pages VII-91 through VII-93 of Exhibit No. 5B and are based in part on the bringforward of the book reserve. Also, the calculations as of December 31, 2027 are presented on pages II-92 and II-94 of Exhibit No. 5C and are based in part on the bringforward of the book reserve. The tabulations in Exhibit Nos. 5A, 5B, and 5C set forth the installation year, the original cost, calculated accrued depreciation, allocated book reserve, future accruals, remaining life and annual accrual. The totals are brought forward to Table 1 on page I-4 in Exhibit No. 5A, page V-5 in Exhibit No. 5B, and on page I-4 in Exhibit No. 5C.

Q. IN WHAT MANNER IS NET SALVAGE INCORPORATED IN THE DEPRECIATION CALCULATIONS?

A. As stated on page IV-9 of Exhibit No. 5B no adjustment for net salvage was made to the calculated annual depreciation amounts. The total calculated annual depreciation set forth

on page I-5 of Exhibit No. 5A, page V-6 of Exhibit No. 5B, and on page I-5 of Exhibit No. 5C should include an addition for the amortization of negative net salvage in accordance with the practice of this Commission. The amortization is based on experience during the period 2021 through 2025 for the calculation as of November 30, 2025, and on experience during the period 2022 through 2026 for the calculation as of November 30, 2026. The amortization for the December 31, 2027 calculation is based on experience during the period 2023 through 2027. The amounts of the five-year amortizations are calculated in Table 2 on page I-6 of Exhibit No. 5A, in Table 4 on page V-11 of Exhibit No. 5B, and in Table 4 on page I-10 of Exhibit No. 5C.

Q. DOES THIS COMPLETE YOUR TESTIMONY AT THIS TIME?

A. Yes, it does.

Appendix A

JOHN SPANOS

DEPRECIATION EXPERIENCE

Q. PLEASE STATE YOUR NAME.

A. My name is John J. Spanos.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I have Bachelor of Science degrees in Industrial Management and Mathematics from Carnegie-Mellon University and a Master of Business Administration from York College.

Q. DO YOU BELONG TO ANY PROFESSIONAL SOCIETIES?

A. Yes. I am a member and past President of the Society of Depreciation Professionals and a member of the American Gas Association/Edison Electric Institute Industry Accounting Committee.

Q. DO YOU HOLD ANY SPECIAL CERTIFICATION AS A DEPRECIATION EXPERT?

A. Yes. The Society of Depreciation Professionals has established national standards for depreciation professionals. The Society administers an examination to become certified in this field. I passed the certification exam in September 1997 and was recertified in August 2003, February 2008, January 2013, February 2018 and February 2023.

Q. PLEASE OUTLINE YOUR EXPERIENCE IN THE FIELD OF DEPRECIATION.

A. In June 1986, I was employed by Gannett Fleming Valuation and Rate Consultants, Inc. as

a Depreciation Analyst. During the period from June 1986 through December 1995, I helped prepare numerous depreciation and original cost studies for utility companies in various industries. I helped perform depreciation studies for the following telephone companies: United Telephone of Pennsylvania, United Telephone of New Jersey, and Anchorage Telephone Utility. I helped perform depreciation studies for the following companies in the railroad industry: Union Pacific Railroad, Burlington Northern Railroad, and Wisconsin Central Transportation Corporation.

I helped perform depreciation studies for the following organizations in the electric utility industry: Chugach Electric Association, The Cincinnati Gas and Electric Company ("CG&E"), The Union Light, Heat and Power Company ("ULH&P"), Northwest Territories Power Corporation, and the City of Calgary - Electric System.

I helped perform depreciation studies for the following pipeline companies: TransCanada Pipelines Limited, Trans Mountain Pipe Line Company Ltd., Interprovincial Pipe Line Inc., Nova Gas Transmission Limited and Lakehead Pipeline Company.

I helped perform depreciation studies for the following gas utility companies: Columbia Gas of Pennsylvania, Columbia Gas of Maryland, The Peoples Natural Gas Company, T. W. Phillips Gas & Oil Company, CG&E, ULH&P, Lawrenceburg Gas Company and Penn Fuel Gas, Inc.

I helped perform depreciation studies for the following water utility companies: Indiana-American Water Company, Consumers Pennsylvania Water Company and The York Water Company; and depreciation and original cost studies for Philadelphia Suburban Water Company and Pennsylvania-American Water Company.

In each of the above studies, I assembled and analyzed historical and simulated data, performed field reviews, developed preliminary estimates of service life and net salvage,

calculated annual depreciation, and prepared reports for submission to state public utility commissions or federal regulatory agencies. I performed these studies under the general direction of William M. Stout, P.E.

In January 1996, I was assigned to the position of Supervisor of Depreciation Studies. In July 1999, I was promoted to the position of Manager, Depreciation and Valuation Studies. In December 2000, I was promoted to the position as Vice-President of Gannett Fleming Valuation and Rate Consultants, Inc., in April 2012, I was promoted to the position as Senior Vice President of the Valuation and Rate Division of Gannett Fleming Inc. (now doing business as Gannett Fleming Valuation and Rate Consultants, LLC) and in January of 2019, I was promoted to my present position of President of Gannett Fleming Valuation and Rate Consultants, LLC. In my current position I am responsible for conducting all depreciation, valuation and original cost studies, including the preparation of final exhibits and responses to data requests for submission to the appropriate regulatory bodies.

Since January 1996, I have conducted depreciation studies similar to those previously listed including assignments for Pennsylvania-American Water Company; Aqua Pennsylvania; Kentucky-American Water Company; Virginia-American Water Company; Indiana-American Water Company; Iowa-American Water Company; New Jersey-American Water Company; Hampton Water Works Company; Omaha Public Power District; Enbridge Pipe Line Company; Inc.; Columbia Gas of Virginia, Inc.; Virginia Natural Gas Company National Fuel Gas Distribution Corporation - New York and Pennsylvania Divisions; The City of Bethlehem - Bureau of Water; The City of Coatesville Authority; The City of Lancaster - Bureau of Water; Peoples Energy Corporation; The York Water Company; Public Service Company of Colorado; Enbridge Pipelines; Enbridge Gas

Distribution, Inc.; Reliant Energy-HLP; Massachusetts-American Water Company; St. Louis County Water Company; Missouri-American Water Company; Chugach Electric Association; Alliant Energy; Oklahoma Gas & Electric Company; Nevada Power Company; Dominion Virginia Power; NUI-Virginia Gas Companies; Pacific Gas & Electric Company; PSI Energy; NUI - Elizabethtown Gas Company; Cinergy Corporation – CG&E; Cinergy Corporation – ULH&P; Columbia Gas of Kentucky; South Carolina Electric & Gas Company; Idaho Power Company; El Paso Electric Company; Aqua North Carolina; Aqua Ohio; Aqua Texas, Inc.; Aqua Illinois, Inc.; Ameren Missouri; Central Hudson Gas & Electric; Centennial Pipeline Company; CenterPoint Energy-Arkansas; CenterPoint Energy – Oklahoma; CenterPoint Energy – Entex; CenterPoint Energy - Louisiana; NSTAR – Boston Edison Company; Westar Energy, Inc.; United Water Pennsylvania; PPL Electric Utilities; PPL Gas Utilities; Wisconsin Power & Light Company; TransAlaska Pipeline; Avista Corporation; Northwest Natural Gas; Allegheny Energy Supply, Inc.; Public Service Company of North Carolina; South Jersey Gas Company; Duquesne Light Company; MidAmerican Energy Company; Laclede Gas; Duke Energy Company; E.ON U.S. Services Inc.; Elkton Gas Services; Anchorage Water and Wastewater Utility; Kansas City Power and Light; Duke Energy North Carolina; Duke Energy South Carolina; Monongahela Power Company; Potomac Edison Company; Duke Energy Ohio Gas; Duke Energy Kentucky; Duke Energy Indiana; Duke Energy Progress; Northern Indiana Public Service Company; Tennessee- American Water Company; Columbia Gas of Maryland; Maryland-American Water Company; Bonneville Power Administration; NSTAR Electric and Gas Company; EPCOR Distribution, Inc.; B. C. Gas Utility, Ltd; Entergy Arkansas; Entergy Texas; Entergy Mississippi; Entergy Louisiana; Entergy Gulf States Louisiana; the Borough of Hanover; Louisville Gas and Electric Company; Kentucky Utilities Company; Madison Gas and

Electric; Central Maine Power; PEPCO; PacifiCorp; Minnesota Energy Resource Group; Jersey Central Power & Light Company; Cheyenne Light, Fuel and Power Company; United Water Arkansas; Central Vermont Public Service Corporation; Green Mountain Power; Portland General Electric Company; Atlantic City Electric; Nicor Gas Company; Black Hills Power; Black Hills Colorado Gas; Black Hills Energy Arkansas, Inc.; Black Hills Kansas Gas; Black Hills Service Company; Black Hills Utility Holdings; Public Service Company of Oklahoma; City of Dubois; Peoples Gas Light and Coke Company; North Shore Gas Company; Connecticut Light and Power; New York State Electric and Gas Corporation; Rochester Gas and Electric Corporation; Greater Missouri Operations; Tennessee Valley Authority; Omaha Public Power District; Indianapolis Power & Light Company; Vermont Gas Systems, Inc.; Metropolitan Edison; Pennsylvania Electric; West Penn Power; Pennsylvania Power; PHI Service Company - Delmarva Power and Light; Atmos Energy Corporation; Citizens Energy Group; PSE&G Company; Berkshire Gas Company; Alabama Gas Corporation; Mid-Atlantic Interstate Transmission, LLC; SUEZ Water; WEC Energy Group; Rocky Mountain Natural Gas, LLC; Illinois-American Water Company; Northern Illinois Gas Company; Public Service of New Hampshire; FirstEnergy Service Corporation; Northeast Ohio Natural Gas Corporation; Blue Granite Water Company; Spire Missouri, Inc.; Dominion Energy South Carolina, Inc.; South FirstEnergy Operating Companies; Dayton Power and Light Company; Liberty Utilities; East Kentucky Power Cooperative; Bangor Natural Gas; Hanover Borough Municipal Water Works; West Virginia American Water Company; Evergy Metro; Evergy Missouri West; Granite State Electric; Bluegrass Water; The Borough of Ambler; Newtown Artesian Water Company and Connecticut Water Company.

My additional duties include determining final life and salvage estimates,

conducting field reviews, presenting recommended depreciation rates to management for its consideration and supporting such rates before regulatory bodies.

Q. HAVE YOU SUBMITTED TESTIMONY TO ANY STATE UTILITY COMMISSION ON THE SUBJECT OF UTILITY PLANT DEPRECIATION?

A. Yes. I have submitted testimony to: the Pennsylvania Public Utility Commission; the Commonwealth of Kentucky Public Service Commission; the Public Utilities Commission of Ohio; the Nevada Public Utility Commission; the Public Utilities Board of New Jersey; the Missouri Public Service Commission; the Massachusetts Department of Telecommunications and Energy; the Alberta Energy & Utility Board; the Idaho Public Utility Commission; the Louisiana Public Service Commission; the State Corporation Commission of Kansas; the Oklahoma Corporate Commission; the Public Service Commission of South Carolina; Railroad Commission of Texas – Gas Services Division; the New York Public Service Commission; Illinois Commerce Commission; the Indiana Utility Regulatory Commission; the California Public Utilities Commission; the Federal Energy Regulatory Commission ("FERC"); the Arkansas Public Service Commission; the Public Utility Commission of Texas; Maryland Public Service Commission; Washington Utilities and Transportation Commission; The Tennessee Regulatory Commission; the Regulatory Commission of Alaska; Minnesota Public Utility Commission; Utah Public Service Commission; District of Columbia Public Service Commission; the Mississippi Public Service Commission; Delaware Public Service Commission; Virginia State Corporation Commission; Colorado Public Utility Commission; Oregon Public Utility Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission; Wyoming Public Service Commission; the Public Service Commission of

West Virginia; Maine Public Utility Commission; Iowa Utility Board; Connecticut Public Utilities Regulatory Authority; New Mexico Public Regulation Commission; Commonwealth of Massachusetts Department of Public Utilities; Rhode Island Public Utilities Commission; and the North Carolina Utilities Commission.

Q. HAVE YOU HAD ANY ADDITIONAL EDUCATION RELATING TO UTILITY PLANT DEPRECIATION?

A. Yes. I have completed the following courses conducted by Depreciation Programs, Inc.: "Techniques of Life Analysis," "Techniques of Salvage and Depreciation Analysis," "Forecasting Life and Salvage," "Modeling and Life Analysis Using Simulation," and "Managing a Depreciation Study." I have also completed the "Introduction to Public Utility Accounting" program conducted by the American Gas Association.

Q. DOES THIS CONCLUDE YOUR QUALIFICATION STATEMENT?

A. Yes.

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY

	Year	Jurisdiction	Docket No.	Client Utility	Subject
01.	1998	PA PUC	R-00984375	City of Bethlehem – Bureau of Water	Original Cost and Depreciation
02.	1998	PA PUC	R-00984567	City of Lancaster	Original Cost and Depreciation
03.	1999	PA PUC	R-00994605	The York Water Company	Depreciation
04.	2000	D.T.&E.	DTE 00-105	Massachusetts-American Water Company	Depreciation
05.	2001	PA PUC	R-00016114	City of Lancaster	Original Cost and Depreciation
06.	2001	PA PUC	R-00017236	The York Water Company	Depreciation
07.	2001	PA PUC	R-00016339	Pennsylvania-American Water Company	Depreciation
08.	2001	OH PUC	01-1228-GA-AIR	Cinergy Corp – Cincinnati Gas & Elect Company	Depreciation
09.	2001	KY PSC	2001-092	Cinergy Corp – Union Light, Heat & Power Co.	Depreciation
10.	2002	PA PUC	R-00016750	Philadelphia Suburban Water Company	Depreciation
11.	2002	KY PSC	2002-00145	Columbia Gas of Kentucky	Depreciation
12.	2002	NJ BPU	GF02040245	NUI Corporation/Elizabethtown Gas Company	Depreciation
13.	2002	ID PUC	IPC-E-03-7	Idaho Power Company	Depreciation
14.	2003	PA PUC	R-0027975	The York Water Company	Depreciation
15.	2003	IN URC	R-0027975	Cinergy Corp – PSI Energy, Inc.	Depreciation
16.	2003	PA PUC	R-00038304	Pennsylvania-American Water Company	Depreciation
17.	2003	MO PSC	WR-2003-0500	Missouri-American Water Company	Depreciation
18.	2003	FERC	ER03-1274-000	NSTAR-Boston Edison Company	Depreciation
19.	2003	NJ BPU	BPU 03080683	South Jersey Gas Company	Depreciation
20.	2003	NV PUC	03-10001	Nevada Power Company	Depreciation
21.	2003	LA PSC	U-27676	CenterPoint Energy – Arkla	Depreciation
22.	2003	PA PUC	R-00038805	Pennsylvania Suburban Water Company	Depreciation
23.	2004	AB En/Util Bd	1306821	EPCOR Distribution, Inc.	Depreciation
24.	2004	PA PUC	R-00038168	National Fuel Gas Distribution Corp (PA)	Depreciation
25.	2004	PA PUC	R-00049255	PPL Electric Utilities	Depreciation
26.	2004	PA PUC	R-00049165	The York Water Company	Depreciation
27.	2004	OK Corp Cm	PUC 200400187	CenterPoint Energy – Arkla	Depreciation
28.	2004	OH PUC	04-680-El-AIR	Cinergy Corp. – Cincinnati Gas and Electric Company	Depreciation
29.	2004	RR Com of TX	GUD#	CenterPoint Energy – Entex Gas Services Div.	Depreciation
30.	2004	NY PUC	04-G-1047	National Fuel Gas Distribution Gas (NY)	Depreciation
31.	2004	AR PSC	04-121-U	CenterPoint Energy – Arkla	Depreciation
32.	2005	IL CC	05-ICC-06	North Shore Gas Company	Depreciation
33.	2005	IL CC	05-ICC-06	Peoples Gas Light and Coke Company	Depreciation
34.	2005	KY PSC	2005-00042	Union Light Heat & Power	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
35.	2005	IL CC	05-0308	MidAmerican Energy Company	Depreciation
36.	2005	MO PSC	GF-2005	Laclede Gas Company	Depreciation
37.	2005	KS CC	05-WSEE-981-RTS	Westar Energy	Depreciation
38.	2005	RR Com of TX	GUD #	CenterPoint Energy – Entex Gas Services Div.	Depreciation
39.	2005	US District Court	Cause No. 1:99-CV-1693-LJM/VSS	Cinergy Corporation	Accounting
40.	2005	OK CC	PUD 200500151	Oklahoma Gas and Electric Company	Depreciation
41.	2005	MA Dept Tele-com & Ergy	DTE 05-85	NSTAR	Depreciation
42.	2005	NY PUC	05-E-934/05-G-0935	Central Hudson Gas & Electric Company	Depreciation
43.	2005	AK Reg Com	U-04-102	Chugach Electric Association	Depreciation
44.	2005	CA PUC	A05-12-002	Pacific Gas & Electric	Depreciation
45.	2006	PA PUC	R-00051030	Aqua Pennsylvania, Inc.	Depreciation
46.	2006	PA PUC	R-00051178	T.W. Phillips Gas and Oil Company	Depreciation
47.	2006	NC Util Cm.	G-5, Sub522	Pub. Service Company of North Carolina	Depreciation
48.	2006	PA PUC	R-00051167	City of Lancaster	Depreciation
49.	2006	PA PUC	R00061346	Duquesne Light Company	Depreciation
50.	2006	PA PUC	R-00061322	The York Water Company	Depreciation
51.	2006	PA PUC	R-00051298	PPL GAS Utilities	Depreciation
52.	2006	PUC of TX	32093	CenterPoint Energy – Houston Electric	Depreciation
53.	2006	KY PSC	2006-00172	Duke Energy Kentucky	Depreciation
54.	2006	SC PSC		SCANA	Accounting
55.	2006	AK Reg Com	U-06-6	Municipal Light and Power	Depreciation
56.	2006	DE PSC	06-284	Delmarva Power and Light	Depreciation
57.	2006	IN URC	IURC43081	Indiana American Water Company	Depreciation
58.	2006	AK Reg Com	U-06-134	Chugach Electric Association	Depreciation
59.	2006	MO PSC	WR-2007-0216	Missouri American Water Company	Depreciation
60.	2006	FERC	IS05-82-002, et al	TransAlaska Pipeline	Depreciation
61.	2006	PA PUC	R-00061493	National Fuel Gas Distribution Corp. (PA)	Depreciation
62.	2007	NC Util Com.	E-7 SUB 828	Duke Energy Carolinas, LLC	Depreciation
63.	2007	OH PSC	08-709-EL-AIR	Duke Energy Ohio Gas	Depreciation
64.	2007	PA PUC	R-00072155	PPL Electric Utilities Corporation	Depreciation
65.	2007	KY PSC	2007-00143	Kentucky American Water Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
66.	2007	PA PUC	R-00072229	Pennsylvania American Water Company	Depreciation
67.	2007	KY PSC	2007-0008	NiSource – Columbia Gas of Kentucky	Depreciation
68.	2007	NY PSC	07-G-0141	National Fuel Gas Distribution Corp (NY)	Depreciation
69.	2008	AK PSC	U-08-004	Anchorage Water & Wastewater Utility	Depreciation
70.	2008	TN Reg Auth	08-00039	Tennessee-American Water Company	Depreciation
71.	2008	DE PSC	08-96	Artesian Water Company	Depreciation
72.	2008	PA PUC	R-2008-2023067	The York Water Company	Depreciation
73.	2008	KS CC	08-WSEE1-RTS	Westar Energy	Depreciation
74.	2008	IN URC	43526	Northern Indiana Public Service Company	Depreciation
75.	2008	IN URC	43501	Duke Energy Indiana	Depreciation
76.	2008	MD PSC	9159	NiSource – Columbia Gas of Maryland	Depreciation
77.	2008	KY PSC	2008-000251	Kentucky Utilities	Depreciation
78.	2008	KY PSC	2008-000252	Louisville Gas & Electric	Depreciation
79.	2008	PA PUC	2008-20322689	Pennsylvania American Water Co. - Wastewater	Depreciation
80.	2008	NY PSC	08-E887/08-00888	Central Hudson	Depreciation
81.	2008	WV TC	VE-080416/VG-8080417	Avista Corporation	Depreciation
82.	2008	IL CC	ICC-09-166	Peoples Gas, Light and Coke Company	Depreciation
83.	2009	IL CC	ICC-09-167	North Shore Gas Company	Depreciation
84.	2009	DC PSC	1076	Potomac Electric Power Company	Depreciation
85.	2009	KY PSC	2009-00141	NiSource – Columbia Gas of Kentucky	Depreciation
86.	2009	FERC	ER08-1056-002	Entergy Services	Depreciation
87.	2009	PA PUC	R-2009-2097323	Pennsylvania American Water Company	Depreciation
88.	2009	NC Util Cm	E-7, Sub 090	Duke Energy Carolinas, LLC	Depreciation
89.	2009	KY PSC	2009-00202	Duke Energy Kentucky	Depreciation
90.	2009	VA St. CC	PUE-2009-00059	Aqua Virginia, Inc.	Depreciation
91.	2009	PA PUC	2009-2132019	Aqua Pennsylvania, Inc.	Depreciation
92.	2009	MS PSC	Docket No. 2011-UA-183	Entergy Mississippi	Depreciation
93.	2009	AK PSC	09-08-U	Entergy Arkansas	Depreciation
94.	2009	TX PUC	37744	Entergy Texas	Depreciation
95.	2009	TX PUC	37690	El Paso Electric Company	Depreciation
96.	2009	PA PUC	R-2009-2106908	The Borough of Hanover	Depreciation
97.	2009	KS CC	10-KCPE-415-RTS	Kansas City Power & Light	Depreciation
98.	2009	PA PUC	R-2009-	United Water Pennsylvania	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
99.	2009	OH PUC		Aqua Ohio Water Company	Depreciation
100.	2009	WI PSC	3270-DU-103	Madison Gas & Electric Company	Depreciation
101.	2009	MO PSC	WR-2010	Missouri American Water Company	Depreciation
102.	2009	AK Reg Cm	U-09-097	Chugach Electric Association	Depreciation
103.	2010	IN URC	43969	Northern Indiana Public Service Company	Depreciation
104.	2010	WI PSC	6690-DU-104	Wisconsin Public Service Corp.	Depreciation
105.	2010	PA PUC	R-2010-2161694	PPL Electric Utilities Corp.	Depreciation
106.	2010	KY PSC	2010-00036	Kentucky American Water Company	Depreciation
107.	2010	PA PUC	R-2009-2149262	Columbia Gas of Pennsylvania	Depreciation
108.	2010	MO PSC	GR-2010-0171	Laclede Gas Company	Depreciation
109.	2010	SC PSC	2009-489-E	South Carolina Electric & Gas Company	Depreciation
110.	2010	NJ BD OF PU	ER09080664	Atlantic City Electric	Depreciation
111.	2010	VA St. CC	PUE-2010-00001	Virginia American Water Company	Depreciation
112.	2010	PA PUC	R-2010-2157140	The York Water Company	Depreciation
113.	2010	MO PSC	ER-2010-0356	Greater Missouri Operations Company	Depreciation
114.	2010	MO PSC	ER-2010-0355	Kansas City Power and Light	Depreciation
115.	2010	PA PUC	R-2010-2167797	T.W. Phillips Gas and Oil Company	Depreciation
116.	2010	PSC SC	2009-489-E	SCANA – Electric	Depreciation
117.	2010	PA PUC	R-2010-22010702	Peoples Natural Gas, LLC	Depreciation
118.	2010	AK PSC	10-067-U	Oklahoma Gas and Electric Company	Depreciation
119.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Company - NIFL	Depreciation
120.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Co. - Kokomo	Depreciation
121.	2010	PA PUC	R-2010-2166212	Pennsylvania American Water Co. - WW	Depreciation
122.	2010	NC Util Cn.	W-218,SUB310	Aqua North Carolina, Inc.	Depreciation
123.	2011	OH PUC	11-4161-WS-AIR	Ohio American Water Company	Depreciation
124.	2011	MS PSC	EC-123-0082-00	Entergy Mississippi	Depreciation
125.	2011	CO PUC	11AL-387E	Black Hills Colorado	Depreciation
126.	2011	PA PUC	R-2010-2215623	Columbia Gas of Pennsylvania	Depreciation
127.	2011	PA PUC	R-2010-2179103	City of Lancaster – Bureau of Water	Depreciation
128.	2011	IN URC	43114 IGCC 4S	Duke Energy Indiana	Depreciation
129.	2011	FERC	IS11-146-000	Enbridge Pipelines (Southern Lights)	Depreciation
130.	2011	IL CC	11-0217	MidAmerican Energy Corporation	Depreciation
131.	2011	OK CC	201100087	Oklahoma Gas & Electric Company	Depreciation
132.	2011	PA PUC	2011-2232243	Pennsylvania American Water Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
133.	2011	FERC	RP11-___-000	Carolina Gas Transmission	Depreciation
134.	2012	WA UTC	UE-120436/UG-120437	Avista Corporation	Depreciation
135.	2012	AK Reg Cm	U-12-009	Chugach Electric Association	Depreciation
136.	2012	MA PUC	DPU 12-25	Columbia Gas of Massachusetts	Depreciation
137.	2012	TX PUC	40094	El Paso Electric Company	Depreciation
138.	2012	ID PUC	IPC-E-12	Idaho Power Company	Depreciation
139.	2012	PA PUC	R-2012-2290597	PPL Electric Utilities	Depreciation
140.	2012	PA PUC	R-2012-2311725	Borough of Hanover – Bureau of Water	Depreciation
141.	2012	KY PSC	2012-00222	Louisville Gas and Electric Company	Depreciation
142.	2012	KY PSC	2012-00221	Kentucky Utilities Company	Depreciation
143.	2012	PA PUC	R-2012-2285985	Peoples Natural Gas Company	Depreciation
144.	2012	DC PSC	Case 1087	Potomac Electric Power Company	Depreciation
145.	2012	OH PSC	12-1682-EL-AIR	Duke Energy Ohio (Electric)	Depreciation
146.	2012	OH PSC	12-1685-GA-AIR	Duke Energy Ohio (Gas)	Depreciation
147.	2012	PA PUC	R-2012-2310366	City of Lancaster – Sewer Fund	Depreciation
148.	2012	PA PUC	R-2012-2321748	Columbia Gas of Pennsylvania	Depreciation
149.	2012	FERC	ER-12-2681-000	ITC Holdings	Depreciation
150.	2012	MO PSC	ER-2012-0174	Kansas City Power and Light	Depreciation
151.	2012	MO PSC	ER-2012-0175	KCPL Greater Missouri Operations Company	Depreciation
152.	2012	MO PSC	GO-2012-0363	Laclede Gas Company	Depreciation
153.	2012	MN PUC	G007,001/D-12-533	Integrys – MN Energy Resource Group	Depreciation
154.	2012	TX PUC	SOAH 582-14-1051/ TECQ 2013-2007-UCR	Aqua Texas	Depreciation
155.	2012	PA PUC	2012-2336379	York Water Company	Depreciation
156.	2013	NJ BPU	ER12121071	PHI Service Company– Atlantic City Electric	Depreciation
157.	2013	KY PSC	2013-00167	Columbia Gas of Kentucky	Depreciation
158.	2013	VA St CC	2013-00020	Virginia Electric and Power Company	Depreciation
159.	2013	IA Util Bd	2013-0004	MidAmerican Energy Corporation	Depreciation
160.	2013	PA PUC	2013-2355276	Pennsylvania American Water Company	Depreciation
161.	2013	NY PSC	13-E-0030, 13-G-0031, 13-S-0032	Consolidated Edison of New York	Depreciation
162.	2013	PA PUC	2013-2355886	Peoples TWP LLC	Depreciation
163.	2013	TN Reg Auth	12-0504	Tennessee American Water	Depreciation
164.	2013	ME PUC	2013-168	Central Maine Power Company	Depreciation
165.	2013	DC PSC	Case 1103	PHI Service Company – PEPCO	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
166.	2013	WY PSC	2003-ER-13	Cheyenne Light, Fuel and Power Company	Depreciation
167.	2013	FERC	ER13-2428-0000	Kentucky Utilities	Depreciation
168.	2013	FERC	ER13- -0000	MidAmerican Energy Company	Depreciation
169.	2013	FERC	ER13-2410-0000	PPL Utilities	Depreciation
170.	2013	PA PUC	R-2013-2372129	Duquesne Light Company	Depreciation
171.	2013	NJ BPU	ER12111052	Jersey Central Power and Light Company	Depreciation
172.	2013	PA PUC	R-2013-2390244	Bethlehem, City of – Bureau of Water	Depreciation
173.	2013	OK CC	UM 1679	Oklahoma, Public Service Company of	Depreciation
174.	2013	IL CC	13-0500	Nicor Gas Company	Depreciation
175.	2013	WY PSC	20000-427-EA-13	PacifiCorp	Depreciation
176.	2013	UT PSC	13-035-02	PacifiCorp	Depreciation
177.	2013	OR PUC	UM 1647	PacifiCorp	Depreciation
178.	2013	PA PUC	2013-2350509	Dubois, City of	Depreciation
179.	2014	IL CC	14-0224	North Shore Gas Company	Depreciation
180.	2014	FERC	ER14- -0000	Duquesne Light Company	Depreciation
181.	2014	SD PUC	EL14-026	Black Hills Power Company	Depreciation
182.	2014	WY PSC	20002-91-ER-14	Black Hills Power Company	Depreciation
183.	2014	PA PUC	2014-2428304	Borough of Hanover – Municipal Water Works	Depreciation
184.	2014	PA PUC	2014-2406274	Columbia Gas of Pennsylvania	Depreciation
185.	2014	IL CC	14-0225	Peoples Gas Light and Coke Company	Depreciation
186.	2014	MO PSC	ER-2014-0258	Ameren Missouri	Depreciation
187.	2014	KS CC	14-BHCG-502-RTS	Black Hills Service Company	Depreciation
188.	2014	KS CC	14-BHCG-502-RTS	Black Hills Utility Holdings	Depreciation
189.	2014	KS CC	14-BHCG-502-RTS	Black Hills Kansas Gas	Depreciation
190.	2014	PA PUC	2014-2418872	Lancaster, City of – Bureau of Water	Depreciation
191.	2014	WV PSC	14-0701-E-D	First Energy – MonPower/PotomacEdison	Depreciation
192	2014	VA St CC	PUC-2014-00045	Aqua Virginia	Depreciation
193.	2014	VA St CC	PUE-2013	Virginia American Water Company	Depreciation
194.	2014	OK CC	PUD201400229	Oklahoma Gas and Electric Company	Depreciation
195.	2014	OR PUC	UM1679	Portland General Electric	Depreciation
196.	2014	IN URC	Cause No. 44576	Indianapolis Power & Light	Depreciation
197.	2014	MA DPU	DPU. 14-150	NSTAR Gas	Depreciation
198.	2014	CT PURA	14-05-06	Connecticut Light and Power	Depreciation
199.	2014	MO PSC	ER-2014-0370	Kansas City Power & Light	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
200.	2014	KY PSC	2014-00371	Kentucky Utilities Company	Depreciation
201.	2014	KY PSC	2014-00372	Louisville Gas and Electric Company	Depreciation
202.	2015	PA PUC	R-2015-2462723	United Water Pennsylvania Inc.	Depreciation
203.	2015	PA PUC	R-2015-2468056	NiSource - Columbia Gas of Pennsylvania	Depreciation
204.	2015	NY PSC	15-E-0283/15-G-0284	New York State Electric and Gas Corporation	Depreciation
205.	2015	NY PSC	15-E-0285/15-G-0286	Rochester Gas and Electric Corporation	Depreciation
206.	2015	MO PSC	WR-2015-0301/SR-2015-0302	Missouri American Water Company	Depreciation
207.	2015	OK CC	PUD 201500208	Oklahoma, Public Service Company of	Depreciation
208.	2015	WV PSC	15-0676-W-42T	West Virginia American Water Company	Depreciation
209.	2015	PA PUC	2015-2469275	PPL Electric Utilities	Depreciation
210.	2015	IN URC	Cause No. 44688	Northern Indiana Public Service Company	Depreciation
211.	2015	OH PSC	14-1929-EL-RDR	First Energy-Ohio Edison/Cleveland Electric/ Toledo Edison	Depreciation
212.	2015	NM PRC	15-00127-UT	El Paso Electric	Depreciation
213.	2015	TX PUC	PUC-44941; SOAH 473-15-5257	El Paso Electric	Depreciation
214.	2015	WI PSC	3270-DU-104	Madison Gas and Electric Company	Depreciation
215.	2015	OK CC	PUD 201500273	Oklahoma Gas and Electric	Depreciation
216.	2015	KY PSC	Doc. No. 2015-00418	Kentucky American Water Company	Depreciation
217.	2015	NC UC	Doc. No. G-5, Sub 565	Public Service Company of North Carolina	Depreciation
218.	2016	WA UTC	Docket UE-17	Puget Sound Energy	Depreciation
219.	2016	NY PSC	Case No. 16-W-0130	SUEZ Water New York, Inc.	Depreciation
220.	2016	MO PSC	ER-2016-0156	KCPL – Greater Missouri	Depreciation
221.	2016	WI PSC		Wisconsin Public Service Corporation	Depreciation
222.	2016	KY PSC	Case No. 2016-00026	Kentucky Utilities Company	Depreciation
223.	2016	KY PSC	Case No. 2016-00027	Louisville Gas and Electric Company	Depreciation
224.	2016	OH PUC	Case No. 16-0907-WW-AIR	Aqua Ohio	Depreciation
225.	2016	MD PSC	Case 9417	NiSource - Columbia Gas of Maryland	Depreciation
226.	2016	KY PSC	2016-00162	Columbia Gas of Kentucky	Depreciation
227.	2016	DE PSC	16-0649	Delmarva Power and Light Company – Electric	Depreciation
228.	2016	DE PSC	16-0650	Delmarva Power and Light Company – Gas	Depreciation
229.	2016	NY PSC	Case 16-G-0257	National Fuel Gas Distribution Corp – NY Div	Depreciation
230.	2016	PA PUC	R-2016-2537349	Metropolitan Edison Company	Depreciation
231.	2016	PA PUC	R-2016-2537352	Pennsylvania Electric Company	Depreciation
232.	2016	PA PUC	R-2016-2537355	Pennsylvania Power Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
233.	2016	PA PUC	R-2016-2537359	West Penn Power Company	Depreciation
234.	2016	PA PUC	R-2016-2529660	NiSource - Columbia Gas of PA	Depreciation
235.	2016	KY PSC	Case No. 2016-00063	Kentucky Utilities / Louisville Gas & Electric Co	Depreciation
236.	2016	MO PSC	ER-2016-0285	KCPL Missouri	Depreciation
237.	2016	AR PSC	16-052-U	Oklahoma Gas & Electric Co	Depreciation
238.	2016	PSCW	6680-DU-104	Wisconsin Power and Light	Depreciation
239.	2016	ID PUC	IPC-E-16-23	Idaho Power Company	Depreciation
240.	2016	OR PUC	UM1801	Idaho Power Company	Depreciation
241.	2016	ILL CC	16-	MidAmerican Energy Company	Depreciation
242.	2016	KY PSC	Case No. 2016-00370	Kentucky Utilities Company	Depreciation
243.	2016	KY PSC	Case No. 2016-00371	Louisville Gas and Electric Company	Depreciation
244.	2016	IN URC	Cause No. 45029	Indianapolis Power & Light	Depreciation
245.	2016	AL RC	U-16-081	Chugach Electric Association	Depreciation
246.	2017	MA DPU	D.P.U. 17-05	NSTAR Electric Company and Western Massachusetts Electric Company	Depreciation
247.	2017	TX PUC	PUC-26831, SOAH 973-17-2686	El Paso Electric Company	Depreciation
248.	2017	WA UTC	UE-17033 and UG-170034	Puget Sound Energy	Depreciation
249.	2017	OH PUC	Case No. 17-0032-EL-AIR	Duke Energy Ohio	Depreciation
250.	2017	VA SCC	Case No. PUE-2016-00413	Virginia Natural Gas, Inc.	Depreciation
251.	2017	OK CC	Case No. PUD201700151	Public Service Company of Oklahoma	Depreciation
252.	2017	MD PSC	Case No. 9447	Columbia Gas of Maryland	Depreciation
253.	2017	NC UC	Docket No. E-2, Sub 1142	Duke Energy Progress	Depreciation
254.	2017	VA SCC	Case No. PUR-2017-00090	Dominion Virginia Electric and Power Company	Depreciation
255.	2017	FERC	ER17-1162	MidAmerican Energy Company	Depreciation
256.	2017	PA PUC	R-2017-2595853	Pennsylvania American Water Company	Depreciation
257.	2017	OR PUC	UM1809	Portland General Electric	Depreciation
258.	2017	FERC	ER17-217-000	Jersey Central Power & Light	Depreciation
259.	2017	FERC	ER17-211-000	Mid-Atlantic Interstate Transmission, LLC	Depreciation
260.	2017	MN PUC	Docket No. G007/D-17-442	Minnesota Energy Resources Corporation	Depreciation
261.	2017	IL CC	Docket No. 17-0124	Northern Illinois Gas Company	Depreciation
262.	2017	OR PUC	UM1808	Northwest Natural Gas Company	Depreciation
263.	2017	NY PSC	Case No. 17-W-0528	SUEZ Water Owego-Nichols	Depreciation
264.	2017	MO PSC	GR-2017-0215	Laclede Gas Company	Depreciation
265.	2017	MO PSC	GR-2017-0216	Missouri Gas Energy	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
266.	2017	ILL CC	Docket No. 17-0337	Illinois-American Water Company	Depreciation
267.	2017	FERC	Docket No. ER18-22-000	PPL Electric Utilities Corporation	Depreciation
268.	2017	IN URC	Cause No. 44988	Northern Indiana Public Service Company	Depreciation
269.	2017	NJ BPU	BPU Docket No. WR17090985	New Jersey American Water Company, Inc.	Depreciation
270.	2017	RI PUC	Docket No. 4800	SUEZ Water Rhode Island	Depreciation
271.	2017	OK CC	Cause No. PUD 201700496	Oklahoma Gas and Electric Company	Depreciation
272.	2017	NJ BPU	ER18010029 & GR18010030	Public Service Electric and Gas Company	Depreciation
273.	2017	NC Util Com.	Docket No. E-7, SUB 1146	Duke Energy Carolinas, LLC	Depreciation
274.	2017	KY PSC	Case No. 2017-00321	Duke Energy Kentucky, Inc.	Depreciation
275.	2017	MA DPU	D.P.U. 18-40	Berkshire Gas Company	Depreciation
276.	2018	IN IURC	Cause No. 44992	Indiana-American Water Company, Inc.	Depreciation
277.	2018	IN IURC	Cause No. 45029	Indianapolis Power and Light	Depreciation
278.	2018	NC Util Com.	Docket No. W-218, Sub 497	Aqua North Carolina, Inc.	Depreciation
279.	2018	PA PUC	Docket No. R-2018-2647577	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
280.	2018	OR PUC	Docket UM 1933	Avista Corporation	Depreciation
281.	2018	WA UTC	Docket No. UE-108167	Avista Corporation	Depreciation
282.	2018	ID PUC	AVU-E-18-03, AVU-G-18-02	Avista Corporation	Depreciation
283.	2018	IN URC	Cause No. 45039	Citizens Energy Group	Depreciation
284.	2018	FERC	Docket No. ER18-	Duke Energy Progress	Depreciation
285.	2018	PA PUC	Docket No. R-2018-3000124	Duquesne Light Company	Depreciation
286.	2018	MD PSC	Case No. 948	NiSource - Columbia Gas of Maryland	Depreciation
287.	2018	MA DPU	D.P.U. 18-45	NiSource - Columbia Gas of Massachusetts	Depreciation
288.	2018	OH PUC	Case No. 18-0299-GA-ALT	Vectren Energy Delivery of Ohio	Depreciation
289.	2018	PA PUC	Docket No. R-2018-3000834	SUEZ Water Pennsylvania Inc.	Depreciation
290.	2018	MD PSC	Case No. 9847	Maryland-American Water Company	Depreciation
291.	2018	PA PUC	Docket No. R-2018-3000019	The York Water Company	Depreciation
292.	2018	FERC	ER-18-2231-000	Duke Energy Carolinas, LLC	Depreciation
293.	2018	KY PSC	Case No. 2018-00261	Duke Energy Kentucky, Inc.	Depreciation
294.	2018	NJ BPU	BPU Docket No. WR18050593	SUEZ Water New Jersey	Depreciation
295.	2018	WA UTC	Docket No. UE-180778	PacifiCorp	Depreciation
296.	2018	UT PSC	Docket No. 18-035-36	PacifiCorp	Depreciation
297.	2018	OR PUC	Docket No. UM-1968	PacifiCorp	Depreciation
298.	2018	ID PUC	Case No. PAC-E-18-08	PacifiCorp	Depreciation
299.	2018	WY PSC	20000-539-EA-18	PacifiCorp	Depreciation
300.	2018	PA PUC	Docket No. R-2018-3003068	Aqua Pennsylvania, Inc.	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
301.	2018	IL CC	Docket No. 18-1467	Aqua Illinois, Inc.	Depreciation
302.	2018	KY PSC	Case No. 2018-00294	Louisville Gas & Electric Company	Depreciation
303.	2018	KY PSC	Case No. 2018-00295	Kentucky Utilities Company	Depreciation
304.	2018	IN URC	Cause No. 45159	Northern Indiana Public Service Company	Depreciation
305.	2018	VA SCC	Case No. PUR-2019-00175	Virginia American Water Company	Depreciation
306.	2019	PA PUC	Docket No. R-2018-3006818	Peoples Natural Gas Company, LLC	Depreciation
307.	2019	OK CC	Cause No. PUD201800140	Oklahoma Gas and Electric Company	Depreciation
308.	2019	MD PSC	Case No. 9490	FirstEnergy – Potomac Edison	Depreciation
309.	2019	SC PSC	Docket No. 2018-318-E	Duke Energy Progress	Depreciation
310.	2019	SC PSC	Docket No. 2018-319-E	Duke Energy Carolinas	Depreciation
311.	2019	DE PSC	DE 19-057	Public Service of New Hampshire	Depreciation
312.	2019	NY PSC	Case No. 19-W-0168 & 19-W-0269	SUEZ Water New York	Depreciation
313.	2019	PA PUC	Docket No. R-2019-3006904	Newtown Artesian Water Company	Depreciation
314.	2019	MO PSC	ER-2019-0335	Ameren Missouri	Depreciation
315.	2019	MO PSC	EC-2019-0200	KCP&L Greater Missouri Operations Company	Depreciation
316.	2019	MN DOC	G011/D-19-377	Minnesota Energy Resource Corp.	Depreciation
317.	2019	NY PSC	Case 19-E-0378 & 19-G-0379	New York State Electric and Gas Corporation	Depreciation
318.	2019	NY PSC	Case 19-E-0380 & 19-G-0381	Rochester Gas and Electric Corporation	Depreciation
319.	2019	WA UTC	Docket UE-190529 / UG-190530	Puget Sound Energy	Depreciation
320.	2019	PA PUC	Docket No. R-2019-3010955	City of Lancaster	Depreciation
321.	2019	IURC	Cause No. 45253	Duke Energy Indiana	Depreciation
322.	2019	KY PSC	Case No. 2019-00271	Duke Energy Kentucky, Inc.	Depreciation
323.	2019	OH PUC	Case No. 18-1720-GA-AIR	Northeast Ohio Natural Gas Corp	Depreciation
324.	2019	NC Util.	Docket No. E-2, Sub 1219	Duke Energy Carolinas	Depreciation
325.	2019	FERC	Docket No. ER20-277-000	Jersey Central Power & Light Company	Depreciation
326.	2019	MA DPU	D.P.U. 19-120	NSTAR Gas Company	Depreciation
327.	2019	SC PSC	Docket No. 2019-290-WS	Blue Granite Water Company	Depreciation
328.	2019	NC Util.	Docket No. E-2, Sub 1219	Duke Energy Progress	Depreciation
329.	2019	MD PSC	Case No. 9609	NiSource Columbia Gas of Maryland, Inc.	Depreciation
330.	2019	HI PUC	Docket No. 2019-0117	Young Brothers, LLC	Depreciation
331.	2020	NJ BPU	Docket No. ER20020146	Jersey Central Power & Light Company	Depreciation
332.	2020	PA PUC	Docket No. R-2020-3018835	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
333.	2020	PA PUC	Docket No. R-2020-3019369	Pennsylvania-American Water Company	Depreciation
334.	2020	PA PUC	Docket No. R-2020-3019371	Pennsylvania-American Water Company	Depreciation
335.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation
336.	2020	NM PRC	Case No. 20-00104-UT	El Paso Electric Company	Depreciation
337.	2020	MD PSC	Case No. 9644	Columbia Gas of Maryland, Inc.	Depreciation
338.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
339.	2020	VA St CC	Case No. PUR-2020-00095	Virginia Natural Gas Company	Depreciation
340.	2020	SC PSC	Docket No. 2020-125-E	Dominion Energy South Carolina, Inc.	Depreciation
341.	2020	WV PSC	Case No. 20-0745-G-D	Hope Gas, Inc. d/b/a Dominion Energy West Virginia	Depreciation
342.	2020	VA St CC	Case No. PUR-2020-00106	Aqua Virginia, Inc.	Depreciation
343.	2020	PA PUC	Docket No. R-2020-3020256	City of Bethlehem – Bureau of Water	Depreciation
344.	2020	NE PSC	Docket No. NG-109	Black Hills Nebraska	Depreciation
345.	2020	NY PSC	Case No. 20-E-0428 & 20-G-0429	Central Hudson Gas & Electric Corporation	Depreciation
346.	2020	FERC	ER20-598	Duke Energy Indiana	Depreciation
347.	2020	FERC	ER20-855	Northern Indiana Public Service Company	Depreciation
348.	2020	OR PSC	UE 374	PacifiCorp	Depreciation
349.	2020	MD PSC	Case No. 9490 Phase II	Potomac Edison – Maryland	Depreciation
350.	2020	IN URC	Case No. 45447	Southern Indiana Gas and Electric Company	Depreciation
351.	2020	IN URC	IURC Cause No. 45468	Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery	Depreciation
352.	2020	KY PSC	Case No. 2020-00349	Kentucky Utilities Company	Depreciation
353.	2020	KY PSC	Case No. 2020-00350	Louisville Gas and Electric Company	Depreciation
354.	2020	FERC	Docket No. ER21- 000	South FirstEnergy Operating Companies	Depreciation
355.	2020	OH PUC	Case Nos 20-1651-EL-AIR, 20-1652-EL-AAM & 20-1653-EL-ATA	Dayton Power and Light Company	Depreciation
356.	2020	OR PSC	UG 388	Northwest Natural Gas Company	Depreciation
357.	2020	MO PSC	Case No. GR-2021-0241	Ameren Missouri Gas	Depreciation
358.	2021	KY PSC	Case No. 2021-00103	East Kentucky Power Cooperative	Depreciation
359.	2021	MPUC	Docket No. 2021-00024	Bangor Natural Gas	Depreciation
360.	2021	PA PUC	Docket No. R-2021-3024296	Columbia Gas of Pennsylvania, Inc.	Depreciation
361.	2021	NC Util.	Doc. No. G-5, Sub 632	Public Service of North Carolina	Depreciation
362.	2021	MO PSC	ER-2021-0240	Ameren Missouri	Depreciation
363.	2021	PA PUC	Docket No. R-2021-3024750	Duquesne Light Company	Depreciation
364.	2021	KS PSC	21-BHCG-418-RTS	Black Hills Kansas Gas	Depreciation
365.	2021	KY PSC	Case No. 2021-00190	Duke Energy Kentucky	Depreciation
366.	2021	OR PSC	Docket UM 2152	Portland General Electric	Depreciation
367.	2021	ILL CC	Docket No. 20-0810	North Shore Gas Company	Depreciation
368.	2021	FERC	ER21-1939-000	Duke Energy Progress	Depreciation
369.	2021	FERC	ER21-1940-000	Duke Energy Carolina	Depreciation
370.	2021	KY PSC	Case No. 2021-00183	NiSource Columbia Gas of Kentucky	Depreciation
371.	2021	MD PSC	Case No. 9664	NiSource Columbia Gas of Maryland	Depreciation
372.	2021	OH PUC	Case No. 21-0596-ST-AIR	Aqua Ohio	Depreciation
373.	2021	PA PUC	Docket No. R-2021-3026116	Hanover Borough Municipal Water Works	Depreciation
374.	2021	OR PSC	UM-2180	Idaho Power Company	Depreciation
375.	2021	ID PUC	Case No. IPC-E-21-18	Idaho Power Company	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
376.	2021	WPSC	6690-DU-104	Wisconsin Public Service Company	Depreciation
377.	2021	PAPUC	Docket No. R-2021-3026116	Borough of Hanover	Depreciation
378.	2021	OH PUC	Case No. 21-637-GA-AIR; Case No. 21-638-GA-ALT; Case No. 21-639-GA-UNC; Case No. 21-640-GA-AAM	NiSource Columbia Gas of Ohio	Depreciation
379.	2021	TX PUC	Texas PUC Docket No. 52195; SOHA Docket No. 473-21-2606	El Paso Electric	Depreciation
380.	2021	MO PSC	Case No. GR.2021-0108	Spire Missouri	Depreciation
381.	2021	WV PSC	Case No. 21-0215-WS-P	West Virginia American Water Company	Depreciation
382.	2021	FERC	ER21-2736	Duke Energy Carolinas	Depreciation
383.	2021	FERC	ER21-2737	Duke Energy Progress	Depreciation
384.	2021	IN URC	Cause #45621	Northern Indiana Public Service Company	Depreciation
385.	2021	PA PUC	Docket No. R-2021-3026682	City of Lancaster	Depreciation
386.	2021	OH PUC	Case No. 21-887-EL-AIR; Case No. 21-888-EL-ATA; Case No. 889-El-AAM	Duke Energy Ohio	Depreciation
387.	2021	AK PSC	Docket No. 21-097-U	Black Hills Energy Arkansas, Inc.	Depreciation
388.	2021	OK CC	Cause No. PUD202100164	Oklahoma Gas & Electric	Depreciation
389.	2021	FERC	Case ER-22-392-001	El Paso Electric	Depreciation
390.	2021	FERC	Case ER-21-XXX	MidAmerican Electric	Depreciation
391.	2021	PA PUC	Docket Nos. R-2021-3027385, R-2021-3027386	Aqua Pennsylvania, Inc. Aqua Pennsylvania Wastewater, Inc.	Depreciation
392.	2022	FERC	Case ER-22-282-000	El Paso Electric	Depreciation
393.	2022	ILL CC	Docket No. 22-0154	MidAmerican Gas	Depreciation
394.	2022	MO PSC	Case No. ER-2022-0129	Evergy Metro	Depreciation
395.	2022	MO PSC	Case No. ER-2022-0130	Evergy Missouri West	Depreciation
396.	2022	PA PUC	Docket No. R-2022-3031211	NiSource Columbia Gas of Pennsylvania, Inc.	Depreciation
397.	2022	MA DPU	D.P.U. 22-20	The Berkshire Gas Company	Depreciation
398.	2022	PA PUC	R-2022-3031672; R-2022-3031673	Pennsylvania-American Water Company	Depreciation
399.	2022	SD PUC	Docket No. NG22-	MidAmerican Gas	Depreciation
400.	2022	MD PSC	Case No. 9680	NiSource Columbia Gas of Maryland	Depreciation
401.	2022	WYPSC	Docket No. 20003-214-ER-22	Black Hills Energy – Cheyenne Light, Fuel and Power	Depreciation
402.	2022	MA DPU	D.P.U. 22.22	NSTAR Electric Company d/b/a Eversource Energy	Depreciation
403.	2022	NC Util Com	Docket No. W-218, Sub 573	Aqua North Carolina, Inc.	Depreciation
404.	2022	OR PUC	UM2213	Northwest Natural Gas	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
405.	2022	OR PUC	UM2214	Northwest Natural Gas	Depreciation
406.	2022	ME PUC	Docket No. 2022-00152	Central Maine Power	Depreciation
407.	2022	SC PSC	Docket No. 2022-254-E	Duke Energy Progress	Depreciation
408.	2022	NC Util Com	Docket No. E-2, SUB 1300	Duke Energy Progress	Depreciation
409.	2022	IN URC	Cause #45772	Northern Indiana Public Service Company	Depreciation
410.	2022	PA PUC	R-2022-3031340	The York Water Company	Depreciation
411.	2022	PA PUC	R-2022-3032806	The York Water Company	Depreciation
412.	2022	PA PUC	R-2022-3031704	Borough of Ambler	Depreciation
413.	2022	MO PSC	ER-2022-0337	Ameren Missouri	Depreciation
414.	2022	OH PUC	Case No. 22-507-GA-AIR	Duke Energy Ohio	Depreciation
415.	2022	PA PUC	R-2022-3035730	National Fuel Gas Distribution Corporation – PA Division	Depreciation
416.	2022	NC Util Com	Docket No. E-22, Sub 493	Virginia Electric and Power Company	Depreciation
417.	2022	WY PSC	20003-214-ER-22	Cheyenne Light, Fuel and Power Company	Depreciation
418.	2022	NJ BPU	BPU Docket No. ER2303144	Jersey Central Power & Light Company	Depreciation
419.	2022	KY PSC	Case No. 2022-00372	Duke Energy Kentucky	Depreciation
420.	2022	TX PUC	SOAH Docket No. 473-23-04521	Aqua Texas, Inc.	Depreciation
421.	2022	NC Util Com	Docket No. E-7, Sub 1276	Duke Energy Carolinas, LLC	Depreciation
422.	2022	KY PSC	Case No. 2022-00432	Bluegrass Water	Depreciation
423.	2023	ILL CC	Docket No. 23-0069	The Peoples Gas Light and Coke Company	Depreciation
424.	2023	ILL CC	Docket No. 23-0068	North Shore Gas Company	Depreciation
425.	2023	WV PSC	Case No. 23-0030-E-D	Monongahela Power Company and The Potomac Edison	Depreciation
426.	2023	ID PUC	AVU-E-23-01; AVU-G-23-01	Avista Corporation	Depreciation
427.	2023	ILL CC	Docket No. 23-0066	Northern Illinois Gas Company d/b/a Nicor Gas Company	Depreciation
428.	2023	SC PSC	Docket No. 2023-70-G	Dominion Energy South Carolina, Inc.	Depreciation
429.	2023	FERC	Docket No. ER23-xxx-00	Duke Energy Ohio, Inc.	Depreciation
430.	2023	WY PSC	Docket No. 30036-78-GR-23	Black Hills Wyoming Gas Company d/b/a Black Hills Energy	Depreciation
431.	2023	MD PSC	Case No. 9695	The Potomac Edison Company	Depreciation
432.	2023	OR PUC	Case No. UM2277	Avista Corporation	Depreciation
433.	2023	FERC	Docket No. ER23-1629-000	PPL Electric Utilities	Depreciation
434.	2023	OH PUC	Case No. 23-0154-GA-AIR	Northeast Ohio Natural Gas Corporation	Depreciation
435.	2023	DE PSC	PSC Docket No. 23-0601	Artesian Water Company	Depreciation
436.	2023	CO PUC	No. 23AL-0231G	Black Hills Colorado d/b/a Black Hills Energy	Depreciation
437.	2023	NH PUC	Docket No. DE 23-039	Granite State Electric d/b/a Liberty Utilities	Depreciation
438.	2023	MD PSC	Case No. 9701	Columbia Gas of Maryland	Depreciation
439.	2023	NY PSC	Case Nos. 23-E-0418; 23-G-0419	Central Hudson Gas and Electric	Depreciation
440.	2023	FERC	Docket No. ER23-xxx-000	Central Maine Power Company	Depreciation
441.	2023	SD PUC	Docket Number EL23-016	Northwestern Energy	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
442.	2023	CT PURA	Docket No. 23-08-32	Connecticut Water Company	Depreciation
443.	2023	OH PUC	Case 23-0894-GA-AIR	The East Ohio Gas Company d/b/a Dominion Energy Ohio	Depreciation
444.	2023	IN URC	Cause No. 45911	Indianapolis Power & Light	Depreciation
445.	2023	IN URC	Cause No. 45967	Northern Indiana Public Service Company	Depreciation
446.	2023	PA PUC	Docket No. R-2023-3043189 and Docket No. R-2023-3043190	Pennsylvania-American Water Company	Depreciation
447.	2023	IN URC	Cause No. 45988	Citizens Energy Group	Depreciation
448.	2023	NY PSC	Case No. 23-G-0627	National Fuel Gas Distribution Corporation	Depreciation
449.	2023	IN URC	Cause No. 45990	Southern Indiana Gas and Electric Company d/b/a Centerpoint Energy Indiana South	Depreciation
450.	2023	PA PUC	Docket No. R-2023-3044549	Peoples Natural Gas Company LLC	Depreciation
451.	2023	OR PUC	Docket No. UM-2312	Northwest Natural Gas Company	Depreciation
452.	2023	AZ PCC	Docket No. WS-21182A-23-2092	Northwest Natural Water Company, LLC	Depreciation
453.	2023	SC PSC	Docket No. 2023-388-E	Duke Energy Carolinas	Depreciation
454.	2024	FERC	Docket No. ER24-768-000	Duke Energy Progress	Depreciation
455.	2024	FERC	Docket No. ER24-2057	Duke Energy Carolina	Depreciation
456.	2024	FERC	Docket No. SPP-0007	Evergy Metro, Inc. and Evergy Missouri West, Inc.	Depreciation
457.	2024	NJ BPU	Docket No. WR24010057	Aqua New Jersey, Inc.	Depreciation
458.	2024	ILL CC	Docket No. 24-0044	Aqua Illinois, Inc.	Depreciation
459.	2024	PA PUC	Docket No. R-2024-3046519	NiSource – Columbia Gas of Pennsylvania, Inc.	Depreciation
460.	2024	KY PSC	Case No. 2024-00092	NiSource – Columbia Gas of Kentucky, Inc.	Depreciation
461.	2024	VA SCC	Case No. PUR-2024-00030	NiSource – Columbia Gas of Virginia, Inc.	Depreciation
462.	2024	NE PSC	Docket No. 24-	Northwestern Energy	Depreciation
463.	2024	IA Util Bd	Docket No. RPU-2023-0002	Alliant - Interstate Power and Light Company	Depreciation
464.	2024	PA PUC	Docket No. R-2024-3047068	FirstEnergy Pennsylvania – Metropolitan Edison; Pennsylvania Electric; Pennsylvania Power; West Penn Power	Depreciation
465.	2024	PA PUC	Docket No. R-2024-3046523	Duquesne Light Company	Depreciation
466.	2024	NCUC	Docket No. E-22, Sub 694	Dominion Energy North Carolina	Depreciation
467.	2024	IN URC	IURC Cause No. 46038	Duke Energy Indiana	Depreciation
468.	2024	NJ BPU	Docket Nos. ER23120924 and	Public Service Electric and Gas Company	Depreciation
469.	2024	CO PUC	Docket No. 24-AL-0275E	Black Hills Colorado Electric, LLC	Depreciation
470.	2024	OH PUC	Case No. 24-0468-EL-AIR, Case No. 24-0469-EL-ATA, Case No. 24-0470-EL-AAM, Case No. 24-0471-EL-UNC	FirstEnergy Ohio	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
471.	2024	SD PUC	Docket No. NG24-005	Northwestern Energy	Depreciation
472.	2024	PA PUC	Docket No. R-2024-3047822	Aqua Pennsylvania, Inc	Depreciation
473.	2024	PA PUC	Docket No. R-2024-3047824	Aqua Pennsylvania Wastewater, Inc	Depreciation
474.	2024	NH PUC	Docket No. DE 24-070	Eversource Energy - Public Service of New Hampshire	Depreciation
475.	2024	VA SCC	Case No. PUR-2024-00048	Virginia Natural Gas Company	Depreciation
476.	2024	WV PSC	Case No. 24-0678-G-D	Hope Gas, Inc.	Depreciation
477.	2024	MO PSC	ER-2024-0319	Ameren Missouri	Depreciation
478.	2024	PA PUC	Docket No. R-2024-3050208	Newtown Artesian Water Company	Depreciation
479.	2024	PA PUC	Docket No. RP-24-1106-00	Adelphia Gateway	Depreciation
480.	2024	OH PUC	Case No. 24-0832-GA-AIR	Centerpoint Energy Ohio	Depreciation
481.	2024	MT PSC	Docket 2024-05-053	Northwestern Energy	Depreciation
482.	2024	MD PSC	Case No. 9754	NiSource – Columbia Gas of Maryland	Depreciation
483.	2024	OR PUC	UM 2363	Northwest Natural Gas Company	Depreciation
484.	2024	IURC	Cause No. 46120	Northern Indiana Public Service Company LLC	Depreciation
485.	2024	MO PSC	GR-2024-0369	Ameren Missouri	Depreciation
486.	2024	PUCO	Case No. 24-1009-EL-AIR, Case No. 24-1010-El-AAM, Case No. 24-1011-El-ATA	The Dayton Power and Light Company d/b/a AES Ohio	Depreciation
487.	2024	KY PSC	Case No. 2024-00354	Duke Energy Kentucky	Depreciation
488.	2024	MO PSC	GR-2025-0107	Spire Missouri, Inc.	Depreciation
489.	2024	OR PUC	UG 520	Northwest Natural Gas	Depreciation
490.	2024	TX PUC	SOAH Docket No. 473-25-11219; PUC Docket No. 57568	El Paso Electric	Depreciation
491.	2024	FERC	Docket No. RP24-1106-002	Adelphia Gateway, LLC	Depreciation
492.	2025	PA PUC	Docket No.R-2025-3053499	Columbia Gas of Pennsylvania, Inc.	Depreciation
493.	2025	NE PSC	Case No. NG-124	Black Hills Nebraska	Depreciation
494.	2025	KY PSC	Case No. 2025-00114	Louisville Gas and Electric	Depreciation
495.	2025	KY PSC	Case No. 2025-00113	Kentucky Utilities	Depreciation
496.	2025	PA PUC	Docket No. R-2025-2025-3053442, R-2025-3053573	The York Water Company	Depreciation
497.	2025	NC UC	Docket No. W-218, Sub 629	Aqua North Carolina, Inc.	Depreciation
498.	2025	TX PUC	Docket No. 58124	Aqua Texas, Inc.	Depreciation
499.	2025	FERC	Docket No. ER25-2479-000	Duke Energy Indiana, LLC	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
500.	2025	IURC	Cause No. 46258	Indianapolis Power & Light Company d/b/a AES Indiana	Depreciation
501.	2025	NY PSC	Case 25-E-0375 & Case 25-G-378	New York State Electric and Gas Corporation	Depreciation
502.	2025	NY PSC	Case 25-E-0379 & Case 25-G-0380	Rochester Gas and Electric Corporation	Depreciation
503.	2025	ILL CC	Docket No. 25-0055	Northern Illinois Gas Company d/b/a Nicor Gas Company	Depreciation
504.	2025	CA PUC	A.25-01-001	San Gabriel Water Company	Depreciation
505.	2025	FERC	Docket EL25-77-000	Valley Link	Depreciation
506.	2025	KY PSC	Docket No. 2025-00125	Duke Energy Kentucky	Depreciation
507.	2025	KY PSC	Docket No 2025-00208	East Kentucky Power Cooperative	Depreciation
508.	2025	SC PSC	Docket No. 2025-243-WS	Kiawah Island Utility	Depreciation
509.	2025	MA DPU	D.P.U. 25-170	The Berkshire Gas Company	Depreciation
510.	2025	WA UTC	Docket No. UG-250610	Northwest Natural Gas Company	Depreciation
511.	2025	SC PSC	Docket No. 2025-243-WS	Kiawah Island Utility, Inc. (South Carolina Water)	Depreciation
512.	2025	PA PUC	Docket No. R-2025-3057983, Docket No. R-2025-3058051	Pennsylvania-American Water Company	Depreciation
513.	2025	RI PUC	Docket No. 25-45-GE	Rhode Island Energy	Depreciation
514.	2025	IN URC	Cause No. 46334	Aqua Indiana, Inc.	Depreciation
515.	2025	SC PSC	Docket No. 2025-325-E	Dominion Energy South Carolina, Inc.	Depreciation
516.	2025	CA PUC	A.26-01-001	Suburban Water Systems	Depreciation
517.	2025	VA SCC	Case No. PUR-2025-00071	Aqua Virginia, Inc.	Depreciation
518.	2025	FERC	Docket No. ER26-750-000	Black Hills Power, Inc.	Depreciation
519.	2025	NC UTC	Docket No. E-7, Sub 1329	Duke Energy Carolinas, LLC	Depreciation
520.	2025	NC UTC	Docket No. E-2, Sub 1380	Duke Energy Progress, LLC	Depreciation
521.	2025	KY PSC	Case No. 2025-00257	Kentucky Power Company	Depreciation
522.	2025	PA PUC	Docket No. R-2025-3057237	City of Lancaster	Depreciation
523.	2025	PA PUC	Docket No. R-2025-3057164	PPL Electric Utilities	Depreciation
524.	2025	PA PUC	Docket No. R-2025-3059428	National Fuel Gas Distribution Corporation	Depreciation
525.	2026	PUCO	Case No. 25-1097-GA-AIR, Case No. 25-1098-GA-ALT, Case No. 25-1099-GA-AAM, Case No. 25-1100-GA-ATA	Enbridge Gas Ohio	Depreciation
526.	2026	OR PUC	UM 2428	Portland General Electric	Depreciation
527.	2026	MO PSC	Case No. ER-2026-0143	Evergy Missouri Metro	Depreciation

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY, cont.

	Year	Jurisdiction	Docket No.	Client Utility	Subject
528.	2025	SD PUC	Docket No. EL26-	Black Hills Power	Depreciation
529.	2025	NM PRC	Case No. 25-XXXX	El Paso Electric Company	Depreciation
530.	2026	ILL CC	Docket No. 26-0065	North Shore Gas Company	Depreciation
531.	2026	ILL CC	Docket No. 26-0066	The Peoples Gas Light and Coke Company	Depreciation

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
JOHN D. TAYLOR
CHIEF EXECUTIVE OFFICER – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026 Peoples Statement No. 17
DATE ADMITTED: _____

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PREPARED DIRECT TESTIMONY
OF JOHN D. TAYLOR

I. WITNESS IDENTIFICATION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, AFFILIATION, AND BUSINESS ADDRESS.

A. My name is John D. Taylor, and I am employed by Atrium Economics, LLC ("Atrium") as a Chief Executive Officer. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, SC 29926.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?

A. I am submitting testimony on behalf of Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. Peoples Exhibit JDT-1 contains background information summarizing my education, presentation of expert testimony, and other industry-related activities.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony provides the analytical foundation for Peoples' proposed rates and revenue recovery mechanisms. As such, my testimony addresses four integrated topics. First, I will present the Company's determination of normal weather and test year billing determinants. Second, I prepared and am sponsoring Peoples' fully allocated cost of service study ("ACOSS"), which is found in **Peoples Exhibit No. 11**. The ACOSS determines the embedded costs of serving Peoples' distribution customers associated with the Pennsylvania Public Utility Commission's ("Commission") jurisdiction. Third, I

support the apportionment, or allocation, of the class revenue increase, and the Company's rate design proposal. Finally, I am supporting the Company's Weather Normalization Adjustment ("WNA") mechanism update.

Q. PLEASE SUMMARIZE THE CONTENT OF YOUR TESTIMONY.

My testimony consists of this introduction section (I) and the following nine additional sections: (II) Normal Heating Degree Day Methodology, (III) Peoples' Billing Determinants, (IV) Allocated Cost of Service Study Overview, (V) Peoples' Allocated Cost of Service Study, (VI) Principals of Sound Rate Design, (VII) Peoples' Revenue Apportionment, (VIII) Peoples' Rate Design, (IX) Weather Normalization Adjustment Mechanism, and (X) Summary and Conclusions.

Q. MR. TAYLOR, ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?

A. Yes. I am sponsoring the following exhibits :

- Peoples Natural Gas Exhibit No. JDT-1, Resume of John D. Taylor;
- Peoples Natural Gas Exhibit No. JDT-2, Derivation of Total Gathering Cost of Service;
- Peoples Natural Gas Exhibit No. JDT-3, Proposed Class Revenue Apportionment;
- Peoples Natural Gas Exhibit No. JDT-4, Rate Design;
- Peoples Natural Gas Exhibit No. JDT-5, Bill Comparisons;
- Peoples Natural Gas Exhibit No. JDT-6, WNA Mechanism Policy Factors; and
- Peoples Natural Gas Exhibit No. No. 11, Allocated Cost of Service Study.

II. NORMAL HEATING DEGREE DAY METHODOLOGY

Q. PLEASE SUMMARIZE THIS SECTION OF YOUR DIRECT TESTIMONY.

A. In this section of my testimony, I first present the Company's chosen methodology for determining normal weather, specifically for determining normal Heating Degree Days ("HDD"). Normal HDD is used to estimate the level of gas usage if HDD had been at a normal level, whether for a historic period or a future period.

Q. WHAT METHODOLOGY IS USED TO DETERMINE NORMAL HDD?

A. Peoples has chosen to use a trend methodology to estimate normal HDD. Recognizing that there is a clear, and generally accepted, climate warming trend (a downward trend in annual HDD), Peoples has chosen to use a regression-based methodology to estimate that warming trend and to develop an estimate of normal HDD. The trend is first estimated using sixty-five years of annual HDD data, and then that trend is extrapolated to calculate normal HDD in the Fully Projected Future Test Year ("FPFTY") of calendar year 2027.

The regression uses sixty-five years of annual Pittsburgh Area[1] HDD data (from 1960 to 2024) for the regression dependent variable, with a constant and trend as explanatory (or independent) variables. This is the standard method to estimate a linear trend in data. The regression equation is:

$$Annual\ HDD_y = \mathbf{Constant} + \boldsymbol{\beta} \times Trend_y$$

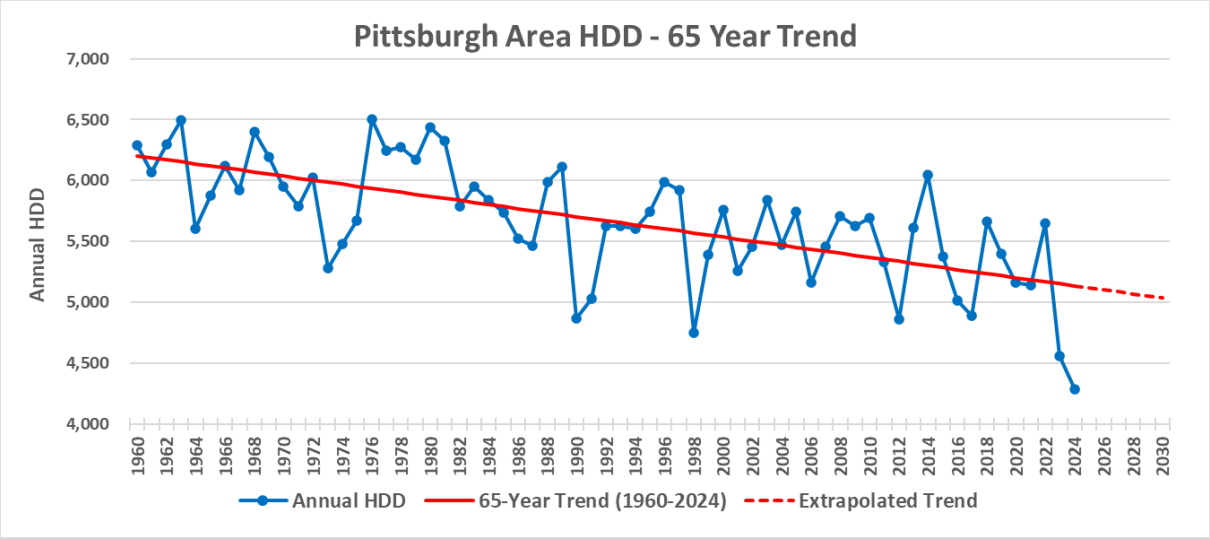
Where:

[1] HDD data is from the National Weather Service / NOAA for the "Pittsburgh Area". https://www.weather.gov/wrh/Climate?wfo=pbz

- *Annual HDD$_y$* is annual Pittsburgh Area HDD with a 65-degree base for year 'y' from 1960 to 2024, e.g., HDD$_{1970}$ is the annual HDD in 1970.
- *Trend$_y$* is the trend annual series, 1, 2, 3, 4, …, 65, from 1960 to 2024. The trend series could equivalently be the years 1960, 1961, 1962, …, 2024 and would produce an identical HDD trend, but with different coefficient estimates.
- **Constant** is the regression constant coefficient (or "intercept"), estimated to be 6,221 in this case.
- **β** is the coefficient of the trend variable, estimated to be -16.69 in this case, meaning that each year, it is estimated that annual HDD will be lower by 16.69 degrees.

The resulting trend is graphically depicted in Figure 1:

Figure 1 - Pittsburgh Area HDD - 65 Year Trend



Q. WHAT IS THE ESTIMATE OF NORMAL HDD FOR THE FPFTY USING THE TREND METHODOLOGY?

A. Extrapolating the regression trend (dotted red line in Figure 1) results in an annual HDD estimate for 2027, the FPFTY, of 5,086. The estimated normal HDD for 2026 is 5,103 and for 2028 is 5,069, reflecting the negative trend in annual HDD.

Q. CAN MONTHLY NORMAL HDDS BE DERIVED FROM THE ANNUAL TREND REGRESSION, AND IF SO, HOW?

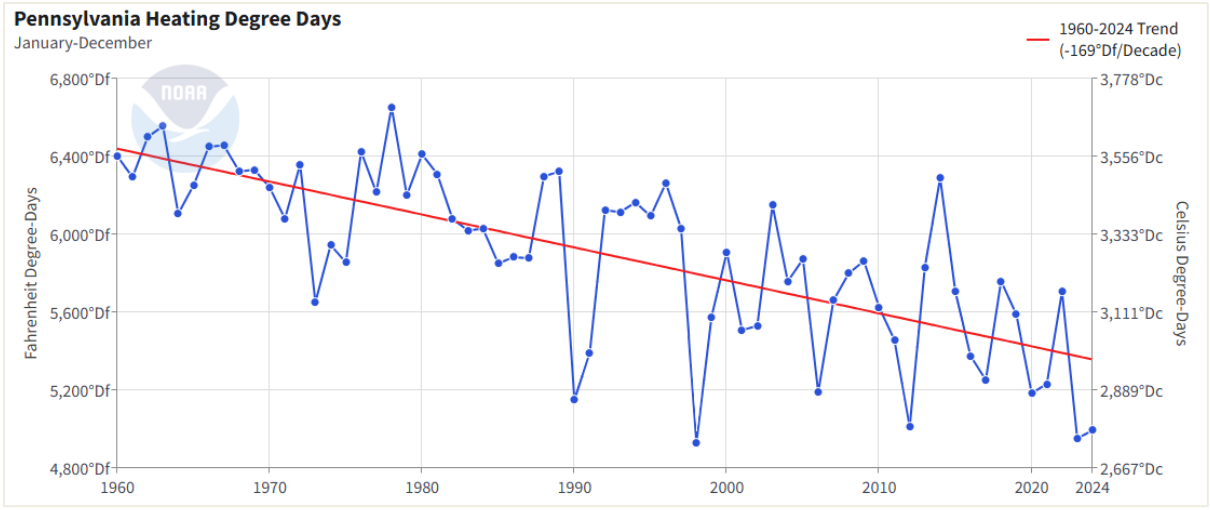
A. Yes. Monthly normal HDD is derived from annual normal HDD based on the average monthly HDD as a percentage of annual HDD over the 65-year period from 1960 to 2024. For example, over the past 65 years, actual HDD in January has on average been 20.21-percent (20.21%) of total annual HDD, so January normal HDD for 2027 is 20.21% of 5,086, or 1,028 HDD.

Q. ARE THESE RESULTS CONSISTENT WITH OTHER INDEPENDENT ANALYSIS?

A. Yes. The National Oceanic and Atmospheric Administration ("NOAA") provides the ability to do similar HDD analysis by State and Region through their internet site[2]. Figure 2 below shows annual HDD and trend for the Commonwealth of Pennsylvania for the same historical date range; 1960 through 2024.

[2] https://www.ncei.noaa.gov/access/monitoring/climate-at-a-glance/statewide/time-series

Figure 2 - NOAA Annual Pennsylvania HDD



The trend (-169 degrees per decade) in Figure 2 is very similar to the trend coefficient in the Pittsburgh Area HDD regression (-16.69 degrees per year).

Q. IN THE PREVIOUS RATE CASE (R-2023-3044549) AN AVERAGE OF THE 65-YEAR TREND AND A 20-YEAR AVERAGE WAS USED TO ESTIMATE NORMAL HDD. WHY HAS THIS CHANGED?

A. In the prior proceeding, the blended methodology reflected a gradual transition toward greater reliance on regression-based normalization. Averaging the 65-year regression trend with a 20-year historical average balanced long-term trend recognition with a more recent historical reference point, consistent with the principle of gradualism.

Since that case, additional data have further confirmed the persistence and consistency of a long-term warming trend. The 65-year regression framework captures that trend in a statistically rigorous manner by incorporating the full historical dataset and identifying the central tendency over time, rather than relying on a fixed historical averaging window.

While a 20-year average reflects relatively recent conditions, it does not account for the directional trend observed across the broader historical record. As a result, it embeds legacy weather patterns that are not representative of forward-looking expectations. The regression methodology, by contrast, reflects both the long-term record and the directional evolution of HDD.

Given the continued confirmation of the trend and the Company's use of the 65-year regression to normalize billing determinants in this proceeding, reliance solely on the regression methodology is appropriate. Continuation of the blended approach does not reflect the most reasonable estimate of HDD for the FPFTY in this case. The regression framework alone provides a transparent and analytically sound estimate of normal HDD.

III. PEOPLES' BILLING DETERMINANTS

Q. PLEASE SUMMARIZE THIS SECTION OF YOUR DIRECT TESTIMONY.

A. In this section of my testimony, I present the customer count forecast and normal usage estimate for the FPFTY. The same methodology used to develop the FPFTY normal usage estimate is used to normalize usage for the Historic Test Year ("HTY"), or in other words, estimate what usage would have been in the HTY had HDD been at normal levels.

Q. FOR WHAT RATE CLASSES HAVE YOU DEVELOPED CUSTOMER COUNT FORECASTS AND NORMAL USAGE ESTIMATES?

A. I have developed customer count forecasts and normal usage estimates for Residential, Small General Service ("SGS"), and Medium General Service ("MGS") rate classes using a regression methodology. The usage for these rate classes is generally considered to be weather sensitive and therefore should be weather normalized.

For Large Commercial and Industrial rate classes, actual numbers of customers and usage from the HTY is used to project future customer numbers and usage. The Company performs this calculation drawing upon its expertise and insights regarding these large customers to provide a reliable projection of future usage.

Q. PLEASE DESCRIBE THE PROCESS USED TO DEVELOP THE FPFTY NORMALIZED USAGE ESTIMATE FOR RESIDENTIAL, SGS, AND MGS RATE CLASSES.

A. The process consists of two primary components:

1) Forecasting the number of customers by rate class, and

2) Estimating normal Usage Per Customer ("UPC") by rate class.

The normalized usage estimate results from the multiplication of the customer count forecast by the normalized UPC estimate (i.e., an estimate of UPC at normal HDD) at the FPFTY.

Q. WHAT IS THE SOURCE OF THE CUSTOMER, UPC, AND HDD DATA?

A. Peoples provided historical monthly customer counts for Residential and Commercial, retail and transport, from January 2015 to May 2025. UPC is developed from individual customer billing data provided by Peoples, aggregated by rate category and billing month. Data is from January 2017 through May 2025. HDD data is from the National Weather Service / NOAA for the "Pittsburgh Area".

Q. HOW IS THE NUMBER OF CUSTOMERS FORECAST?

A. The number of customers is forecasted with a two-step process. First, the number of monthly Retail and Transport within Residential and Commercial is estimated, then

forecasted, using a regression methodology. Second, the Retail and Transport forecasts are broken down into sub-classes. The Residential Retail forecast is broken into Retail (non-CAP) and Retail CAP using the Company's assumption about the future number of CAP customers. The Commercial Retail and Transport forecasts are broken into SGS and MGS (each with two usage tier subclasses) based on the actual number of customers in May 2025.

Q. PLEASE FURTHER EXPLAIN THE REGRESSION METHODOLOGY FOR THE CUSTOMER FORECAST.

A. Regression models are used to estimate a relationship between the number of customers, which is the "dependent" variable in the regression, and "independent" or "explanatory" variables, which consist of a Constant, a Trend, and monthly indicator variables (often informally called "dummy" variables). The monthly indicator variables model the cyclical pattern often seen in monthly customer numbers. Although evaluated individually for each customer class, the customer regression models are generally of the form:

$$Customers_m = \textbf{Constant} + \boldsymbol{\beta_1} \times Trend_m + \boldsymbol{\beta_2} \times M_2 + \boldsymbol{\beta_3} \times M_3 + \ldots + \boldsymbol{\beta_{12}} \times M_{12}$$

Where:

- $Customers_m$ is monthly number of customers for the month 'm' from January 2023 to May 2025.
- $Trend_m$ is the monthly trend series 1, 2, 3, ...
- M_2 through M_{12} are monthly indicator variables for February through December, which take the value 1 for the month and 0 otherwise. The indicator variable for January is excluded.

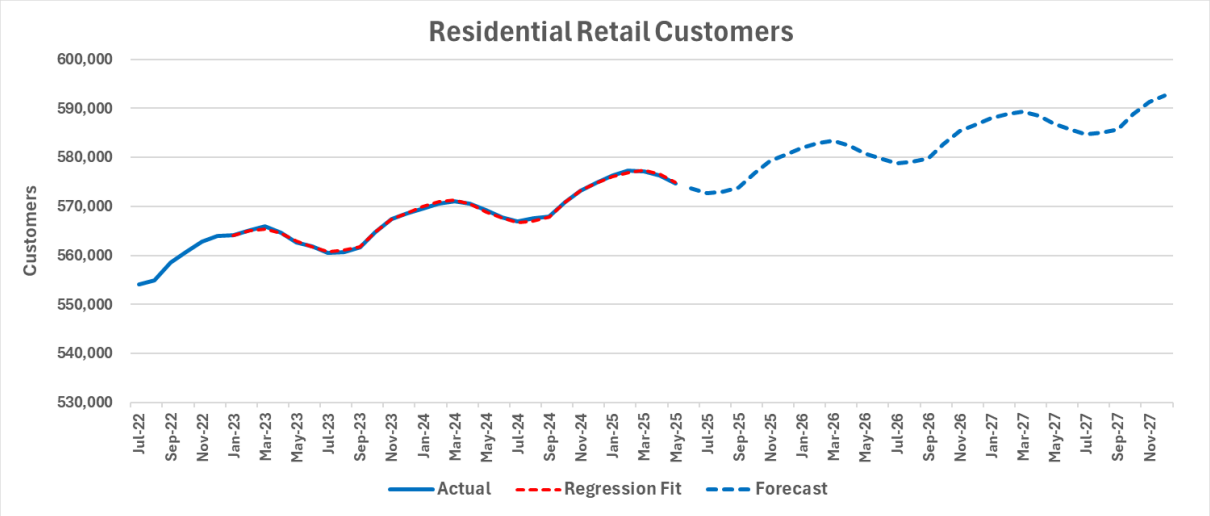
- **Constant** is the estimated constant coefficient in the regression.
- β_1 through β_{12} are the estimated regression coefficients.

The estimates of the Constant, Trend coefficient and monthly indicator variable coefficients are used to forecast the number of customers through 2027. The forecast is primarily driven by the Trend variable. For example, if the Trend variable for the last month of actual data, May-2025, has a value of 100, the customer forecast for June-2025 would use the Trend variable with a value of 101.

Q. PLEASE GIVE AN EXAMPLE OF THE CUSTOMER FORECAST ANALYSIS.

A. Figure 3 illustrates this analysis for Residential Retail customers.

Figure 3 - Residential Retail Customers - Actual & Forecast



Recent historical Residential customer numbers are first used to estimate a regression model, and then the estimates of the Constant, Trend coefficient, and monthly coefficient estimates are used to forecast the customer numbers through 2027. A similar regression analysis is performed for Residential Transport customers, and Commercial Retail and Transport customers.

Q. HOW IS THE ESTIMATE OF NORMAL UPC DEVELOPED?

A. First, regression models are used to estimate the relationship between UPC and HDD. Then the models are evaluated at an estimate of normal HDD to develop an estimate of normal UPC, or what UPC would be if HDD was at normal levels.

Q. PLEASE PROVIDE A DETAILED EXPLANATION OF THE UPC REGRESSION MODELS.

A. Regression models are specified to estimate the relationship between UPC and a Constant, HDD, and monthly indicator variables. In the regression, UPC is the "dependent" variable, and the Constant, HDD terms and monthly indicator variables are the "independent" or "explanatory" variables. Although evaluated individually for each rate class, the UPC regression models are generally of the form:

$$UPC_m = \textbf{Constant} + \boldsymbol{\beta_1} \times HDD_m + \boldsymbol{\beta_2} \times HDD_{m-1} + \boldsymbol{\beta_3} \times M_1 + \ldots + \boldsymbol{\beta_{13}} \times M_{12}$$

Where:

- UPC_m is monthly UPC for the month 'm' from August 2018 to May 2025.
- HDD_m and HDD_{m-1} are HDD for month 'm' and the prior month. Current and prior month HDD are used because UPC is based on usage billed in a month, which is comprised of actual usage during the current (billed) month and prior month.
- M_1 through M_{12} are monthly indicator variables for January through December and take the value 1 for the month and 0 otherwise. A monthly indicator variable, usually August, is excluded.
- **Constant** is the estimated constant coefficient in the regression.

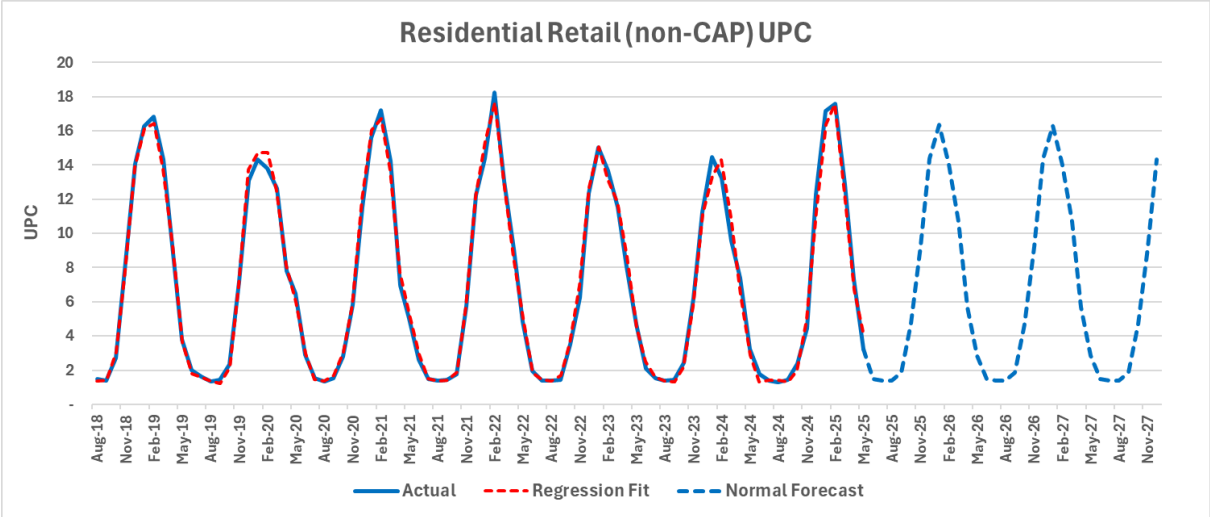
- β_1 through β_{13} are the estimated regression coefficients.

Second, the estimated regression coefficients, for each rate class, along with the monthly normal HDD develop with the HDD trend regression, are used to estimate (or "forecast") the normal monthly UPC; or in other words, estimate what UPC would be if HDD were the normal HDD developed with the HDD trend regression.

Q. PLEASE GIVE AN EXAMPLE OF THE UPC REGRESSION ANALYSIS AND FORECAST.

A. Figure 4 represents this analysis for Residential Retail (non-CAP) UPC.

Figure 4 - Residential Retail (non-CAP) UPC - Actual & Forecast



Historical Residential Retail (non-CAP) UPC is used to estimate the regression model. The Constant, HDD and monthly parameter estimates, along with the estimate of normal HDD, are used to forecast the UPC for the FPFTY (2027). Similarly for Residential CAP and Transport and Commercial rate classes.

Q. PLEASE SHOW AN EXAMPLE OF HOW THE FORECAST COMPONENTS COME TOGETHER TO PRODUCE AN ESTIMATE OF NORMAL USAGE FOR THE FPFTY (2027).

A. Figure 5 shows actual historical and estimated normal Total Residential usage, and Table 1 shows the three components of Total Residential usage; each component having a forecast of the number of customers, an estimate of normal UPC and the resulting usage for the FPFTY (2027).

Figure 5 - Residential Total Usage - Actual & Normal Estimate

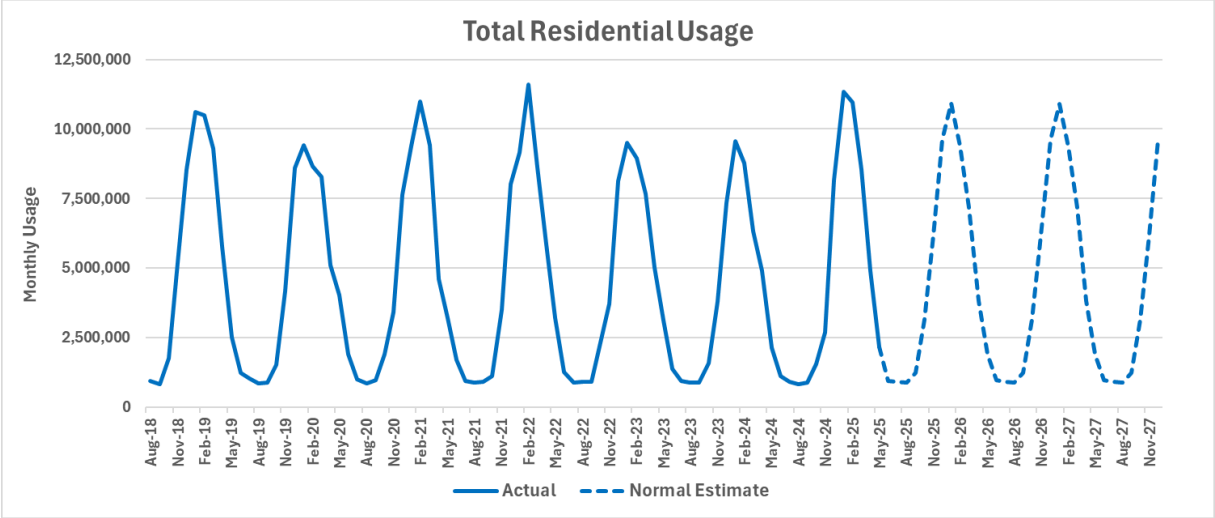


Table 1 - Residential Customer Forecast & Estimated Normal Usage

	Residential Retail (non CAP)			Residential CAP			Residential Transport		
Month	Customers	UPC	Usage	Customers	UPC	Usage	Customers	UPC	Usage
Jan-27	548,954	16.30	8,947,244	39,010	21.44	836,347	66,487	16.96	1,127,777
Feb-27	549,892	13.99	7,691,359	39,010	18.43	718,905	66,126	14.55	962,010
Mar-27	550,293	10.68	5,876,275	39,010	14.35	559,946	65,766	11.19	736,156
Apr-27	549,454	5.68	3,122,586	39,010	7.88	307,535	65,405	6.04	394,829
May-27	547,811	2.85	1,560,004	39,010	3.84	149,626	65,044	3.04	197,534
Jun-27	546,677	1.46	798,982	39,010	1.72	66,924	64,684	1.53	98,842
Jul-27	545,714	1.40	762,892	39,010	1.54	60,215	64,323	1.44	92,533
Aug-27	546,040	1.38	752,812	39,010	1.55	60,567	63,962	1.41	90,284
Sep-27	546,730	1.87	1,024,407	39,010	2.58	100,786	63,602	1.95	124,250
Oct-27	549,745	4.69	2,579,961	39,010	6.75	263,285	63,241	4.97	314,592
Nov-27	552,276	9.20	5,082,200	39,010	12.63	492,860	62,880	9.71	610,559
Dec-27	553,625	14.32	7,925,185	39,010	19.08	744,222	62,520	14.98	936,614
Total	**6,587,212**	**83.82**	**46,123,907**	**468,120**	**111.80**	**4,361,218**	**774,040**	**87.77**	**5,685,980**

Q. HOW ARE THE UPC REGRESSION RESULTS USED TO WEATHER-NORMALIZE HTY USAGE?

A. The estimated coefficient, β_1, for the HDD term in the UPC regression equation represents an estimate of the weather sensitivity of UPC to HDD, specifically, β_1 is the estimate of monthly Mcf per customer per HDD degree. The difference between normal HDD and actual HDD for a particular month, multiplied by β_1, provides an estimate of the difference in actual UPC from UPC had HDD been normal, or "normal UPC". Multiplying by the number of customers gives the estimate of the difference in actual usage from "normal usage", or usage had HDD been normal. The equation for the Normal Weather Usage Adjustment ("NWUA") for month 'm' is:

$$NWUA_m = (\text{Normal } HDD_m - \text{Actual } HDD_m) \times \beta_1 \times (\text{Actual Customers}_m)$$

Applying this equation to the months of the HTY, by rate class, and summing to annual, is the HTY Normal Weather Usage Adjustment.

For a hypothetical example, if for January, Actual HDD is 1,000 and Normal HDD is 1,100, and β_1 is 0.014, and there were 500,000 customers, the Weather Normalization Adjustment would be 700,000 Mcf. From the above equation for NWUA:

$$700{,}000 = (1{,}100 - 1{,}000) \times 0.014 \times 500{,}000$$

Due to January being 100 HDD warmer than normal, 700,000 Mcf is added to actual usage in January to produce weather normalized usage. In other words, it is estimated that 700,000 more Mcf would have been used in January had HDD been normal.

IV. ALLOCATED COST OF SERVICE STUDY OVERVIEW

Q. WHAT IS THE GENERAL PURPOSE AND USE OF AN ACOSS IN REGULATORY PROCEEDINGS?

A. The purpose of an ACOSS is to allocate the gas distribution utility's overall FPFTY costs to the various classes of service in a manner that reflects the relative costs of providing service to each class. An ACOSS represents an analysis of which customer or group of customers cause the utility to incur the costs to provide service. The requirement to develop the ACOSS results from the nature of utility costs. Utility costs are characterized by the existence of common costs. Common costs occur when the fixed costs of providing service to one or more rate classes, or the cost of providing multiple products to the same rate class, use the same facilities and the use by one rate class precludes the use by another rate class.

In addition, utility costs may be fixed or variable in nature. Fixed costs do not change with the level of gas throughput, while variable costs change directly with changes in gas throughput. Most non-fuel related utility costs are fixed in the short run and do not vary with changes in customers' loads. This includes the cost of distribution mains, service lines, meters, and regulators.

Finally, the ACOSS provides different contributions to the development of economically efficient rates and the cost responsibility by rate class. This is accomplished through analyzing costs and assigning each rate class its proportionate share of the utility's total revenues and costs within the test year. The results of these studies can be utilized to determine the relative cost of service for each rate class to help determine the individual class revenue responsibility and provide guidance with rate design. Using the cost information per unit of demand, customer, and commodity developed in the ACOSS to

understand and quantify the allocated costs in each rate class is a useful step in the rate design process to guide the development of rates.

Q. IS THE PREPARATION OF AN ACOSS AN EXACT SCIENCE?

A. No. The fundamental purpose of an ACOSS is to aid in the design of rates to be charged by identifying all of the capital and operating costs incurred by a utility to provide service to all of its customers and then assigning or allocating those costs to individual rate classes based on how those rate classes cause the costs to be incurred. The allocation of costs using an ACOSS is a practical requirement of utility regulation since rates are based on the cost of service for the utility under a cost-based regulatory model. As a general matter, utilities must be allowed a reasonable opportunity to earn a return of and on the assets used to serve their customers, with such return on being reflective of a fair rate of return. This is the cost of service standard and equates to the revenue requirements for utility service. The opportunity for the utility to earn its allowed rate of return depends on the rates applied to customers producing revenues that equate to the level of the revenue requirement.

Q. IS THERE A GUIDING PRINCIPLE THAT SUPPORTS THE APPROPRIATE ALLOCATION OF COSTS?

A. Yes, a fundamental foundational principle, cost causation, should be followed to produce accurate and reasonable results. Cost causation addresses the need to identify which customer or group of customers causes the utility to incur particular types of costs, so the analysis results in an appropriate allocation of the utility's total revenue requirement among the various rate classes. In other words, the costs assigned or allocated to particular

customers should be those costs that the particular customers caused the utility to incur because of the characteristics of the customers' usage of utility service.

Q. HOW DO YOU ESTABLISH THE COST AND UTILITY SERVICE RELATIONSHIPS?

A. An important element in the selection and development of a reasonable ACOSS methodology is the establishment of relationships between customer requirements, load profiles, and usage characteristics on the one hand and the costs incurred by the company in serving those requirements on the other hand. To accomplish this, I reviewed Peoples' expense and plant accounts, operational data, usage information, and conducted interviews with Peoples' employees. The details and data gathered provided information on the key factors that cause the costs to vary and supported studies of the relative costs of providing facilities and services for each rate class. From the results of those analyses, methods of direct assignment and common cost allocation methodologies can be chosen for the utility's plant and expense elements.

Q. WHAT ARE THE STEPS TO PERFORMING AN ACOSS?

A. A three-step analysis of the utility's total operating costs must be undertaken to establish each customer class's cost responsibility. The three steps that are the basis to conduct an ACOSS are: (1) cost functionalization, (2) cost classification, and (3) cost allocation.

Q. PLEASE DESCRIBE COST FUNCTIONALIZATION.

A. The first step, cost functionalization, identifies and separates plant and expenses into specific categories based on the various characteristics of utility operation. Peoples' primary functional cost categories associated with natural gas distribution services include

gas supply, gathering, storage, transmission, distribution, on-site distribution (services, meters, etc.), and customer accounts and services. Indirect costs that support these functions, such as general plant and administrative and general expenses, are allocated to functions using allocation factors related to plant and/or labor ratios, i.e., internal allocation factors.

Q. PLEASE DESCRIBE COST CLASSIFICATION.

A. The second step, cost classification, further separates the functionalized plant and expenses according to the primary factors that determine the amount of costs incurred. These factors are: (1) the number of customers; (2) the need to meet the peak demand requirements that customers place on the gas distribution system; and (3) the amount of gas consumed by customers. These classification categories have been identified for purposes of the ACOSS as: (1) customer costs; (2) demand costs; and (3) commodity costs, respectively.

Q. PLEASE DESCRIBE THE TYPES OF COSTS CONTAINED IN THE CUSTOMER, DEMAND, AND COMMODITY COSTS CATEGORIES.

A. Customer-related costs are incurred to attach a customer to the gas distribution system, meter any gas usage, and maintain the customer's account. Customer costs are a function of the number of customers served by the utility and continue to be incurred whether or not the customer uses any gas. They may include capital costs associated with minimum size distribution mains, services, meters, regulators, customer service, and accounting expenses.

Demand or capacity related costs are associated with plant that is designed, installed, and operated to meet maximum hourly or daily gas flow requirements, such as the utility's transmission and distribution mains, or more localized distribution facilities that are designed to satisfy individual customer maximum demands. Gas supply contracts also have a capacity related component of cost relative to Peoples' requirements for serving daily peak demands and the winter peaking season.

Commodity related costs are those costs that vary with the throughput sold to, or transported for, customers. Costs related to gas supply are classified as commodity because they vary with the amount of gas volumes purchased by Peoples for its customers.

Q. PLEASE DESCRIBE THE COST ALLOCATION PROCESS.

A. The final step is to allocate each functionalized and classified cost element to the individual rate class. Costs are typically allocated on customer, demand, commodity, or revenue allocation factors. From a cost-of-service perspective, the best approach is a direct assignment of costs where costs are incurred by a customer or class of customers and can be so identified. Where costs cannot be directly assigned, the development of allocation factors by rate class uses principles of both economics and engineering. This results in appropriate allocation factors for different elements of costs based on cost causation. For example, we know from the way customers are billed that each customer requires a meter. Meters differ in size and type depending on the customer's load characteristics. These meters have different costs based on size and type. Therefore, differences in the cost of meters are reflected by using a different average meter cost for each class of service.

Q. ARE THERE FACTORS THAT CAN INFLUENCE THE OVERALL COST ALLOCATION FRAMEWORK UTILIZED BY A GAS UTILITY WHEN PERFORMING AN ACOSS?

A. Yes. First, the fundamental and underlying philosophy applicable to all cost studies pertains to the concept of cost causation for purposes of allocating costs to customer groups. Cost causation addresses the question – which customer or group of customers causes the utility to incur particular types of costs? To answer this question, it is necessary to establish a linkage between a utility's customers and the particular costs incurred by the utility in serving those customers. The factors that can influence the cost allocation used to perform an ACOSS include: (1) the physical configuration of the utility's gas system; (2) the availability of data within the utility; and (3) the state regulatory policies and requirements applicable to the utility.

Q. WHY ARE THESE CONSIDERATIONS RELEVANT TO CONDUCTING PEOPLES' ACOSS?

A. It is important to understand these considerations because they influence the overall context within which a utility's cost study is conducted. In particular, they provide an indication of where efforts should be focused for purposes of conducting a more detailed analysis of the utility's gas system design and operations and understanding the regulatory environment in the state the utility operates in as it pertains to cost of service studies and gas ratemaking issues.

Q. HOW DOES THE AVAILABILITY OF DATA INFLUENCE AN ACOSS?

A. The structure of the utility's books and records can influence the cost study framework. This structure relates to attributes such as the level of detail, segregation of data by operating unit or geographic region, and the types of load data available.

Q. HOW DO STATE REGULATORY POLICIES AFFECT A UTILITY'S ACOSS?

A. State regulatory policies and requirements prescribe whether there are any historical precedents used to establish utility rates in the state. Specifically, state regulations and past precedents set forth the methodological preferences or guidelines for performing cost studies or designing rates which can influence the proposed cost allocation method utilized by the utility.

V. PEOPLES' ALLOCATED COST OF SERVICE STUDY

Q. PLEASE DESCRIBE THE ATRIUM MODEL USED IN CONDUCTING THE ACOSS FILED IN THIS PROCEEDING.

A. Peoples has selected the Atrium excel-based model ("Atrium ACOSS Model") to conduct the ACOSS in this general base rate case. Atrium developed the Atrium ACOSS Model on a proprietary basis for its consulting engagements, and it has been used in multiple jurisdictions. This is the same model I sponsored in the UGI Utilities, Inc. - Gas Division Docket No. R-2024-3052716 and Docket No. R-2025-3059523, and also National Fuel Gas Distribution Docket No. R-2022-3035730 and Docket No. R-2025-3059428.

Q. PLEASE DESCRIBE THE PROCESS OF PERFORMING PEOPLES' ACOSS PRESENTED IN THIS FILING.

A. The detailed process description of Peoples' ACOSS analysis is presented in **Peoples Exhibit No. 11**, providing a full scope of the process including the development of

allocation factors that support various cost of service studies presented in this proceeding as discussed below.

Q. PLEASE DISCUSS THE CONTENT OF EXHIBIT NO. 11.

A. **Peoples Exhibit No. 11** provides the information required under 52 Pa. Code § 53.53(a)(1) and, in particular, Exhibit A - Gas Utilities, by providing a cost of service study that fully distributes the Pennsylvania jurisdictional costs of providing retail distribution service to the various rate classes at both present and proposed rates. See 52 Pa. Code § 53.53(a)(1), Exhibit A.

Peoples Exhibit No. 11 consists of three sections detailing the process of developing the ACOSS. Section I – Introduction includes an introduction, the general purpose and process of the ACOSS, as well as an overview of the excel-based fully functional ACOSS model presented in this proceeding. Section II – Peoples' Cost of Service Procedures presents the ACOSS development process specific to the Company, including the Functionalization, Classification, and Allocation of costs. The Allocation section (Section II.3) describes all internal and external allocation factors and the allocation processes used in the ACOSS. The last section, Section III – Peoples' Cost of Service Results depicts the results of the ACOSS, including revenue requirement apportionment, comparison of cost of service with revenues under current and proposed rates, and development of rate of return by customer class under current and proposed rates.

Q. PLEASE DESCRIBE THE SCHEDULES INCLUDED IN EXHIBIT NO. 11.

A. **Peoples Exhibit No. 11** contains a narrative description of the ACOSS procedures, provides details on the allocation factors, and contains the following Schedules:

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

Q. WHAT WAS THE SOURCE OF THE COST DATA ANALYZED IN PEOPLES' ACOSS?

A. All cost-of-service data was extracted from the Company's total cost of service (*i.e.*, total revenue requirement) and schedules contained in this general rate case filing for the FPFTY ending December 31, 2027. Where more detailed information was required to perform various analyses related to certain plant and expense elements, the data was derived from the historical books and records of the Company and information provided by Company personnel.

Q. HOW ARE PEOPLES' RATE CLASSES STRUCTURED FOR THE PURPOSES OF CONDUCTING ITS ACOSS?

A. For Peoples' ACOSS, I included five customer classes:

ACOSS Customer Class	Rate Schedule[3]
Residential	Rate RS, Rate CAP, Rate E-CAP
Small General	Rate SGS
Medium General	Rate MGS
Large General	Rate LGS
Mainline Service	Rate MLS

Q. IS THE COMPANY PROPOSING ANY MODIFICATION TO THE CURRENT CUSTOMER CLASSES?

A. No. The Company is not proposing any modifications to the existing customer classes. The current class structure aligns with the Company's approved tariff schedules and is consistent with the configuration adopted in the Company's most recent general rate case, Docket No. R-2023-3044549.

Q. HOW DID YOU CLASSIFY AND ALLOCATE THE COST OF DISTRIBUTION MAINS?

A. The cost of distribution mains was classified using an Average Study that combines the results of a Customer–Demand study and a Demand–Commodity study. This approach was applied separately to low-pressure and regulated pressure mains.

Under the Customer–Demand study, mains costs are classified between customer and demand components based on the results of a Minimum Size System ("MSS") study. Under the Demand–Commodity study, mains costs are classified on a 50/50 basis between demand and commodity components.

The Average Study reflects an equal weighting of these two approaches. The resulting classification is shown below in Table 2.

[3] Including transportation and standby services

Table 2 –Average Study Classification

	(a) Customer-Demand Study	(b) Demand-Commodity Study	(a) and (b) Average
Customer	48.14%	0.00%	24.07%
Demand	51.86%	50.00%	50.93%
Commodity	0.00%	50.00%	25.00%
Total	100.00%	100.00%	100.00%

The classified costs are then allocated to customer classes using the corresponding allocation factors for each component.

Q. IS THE METHOD USED BY THE COMPANY TO DETERMINE A CUSTOMER COST COMPONENT OF DISTRIBUTION MAINS A GENERALLY ACCEPTED TECHNIQUE FOR DETERMINING CUSTOMER COSTS?

A. Yes. The two most commonly used methods for determining the customer cost component of distribution mains facilities consist of the following: (1) the zero-intercept approach and (2) the most commonly installed, minimum-sized unit of plant investment or MSS.

Two widely recognized references relied upon in the preparation of embedded cost of service studies—Electric Utility Cost Allocation Manual by John J. Doran et al. (National Association of Regulatory Utility Commissioners) and Gas Rate Fundamentals (American Gas Association)—describe minimum system concepts and methods as an appropriate technique for determining the customer component of utility distribution facilities. Accordingly, the inclusion and application of a customer component for distribution facilities, including distribution mains, is a well-supported and commonly accepted practice in the gas industry.

Please refer to Exhibit No. 11 for the detailed MSS study development process and results.

Q. HOW WERE THE COSTS OF THE COMPANY'S GATHERING SYSTEM ALLOCATED IN ITS COST-OF-SERVICE STUDY.

A. Peoples' gathering system is used to transport gas supplies delivered to its gas distribution system for its system supply and its end-use customers from local production facilities located within its service area. The plant and associated expenses for Peoples' gathering system were allocated to its classes of service based on the percentage of annual gas volumes in each class supplied by Pennsylvania gas producers that moved through the Company's gathering system. It is important to note that only a portion of the costs of People's gathering system allocated to each class of service was ultimately reflected in those classes' overall cost to serve. This is because a portion of gathering costs is recovered directly from the local gas producers connected to Peoples' system, with these associated producer revenues credited to the same rate classes receiving the cost allocation. In addition, the total Gathering cost of service is summarized in **Peoples Natural Gas Exhibit No. JDT-2**.

Q. HOW WERE THE COSTS OF THE COMPANY'S UNDERGROUND STORAGE FACILITIES ALLOCATED IN ITS COST-OF-SERVICE STUDIES?

A. Peoples currently owns and operates the Dice Storage Field, which has 1,530,000 Mcf of storage capacity and 32,000 Mcf of maximum design day withdrawal capacity. Peoples' underground storage is used to generally support the unplanned daily balancing requirements of its sales and transportation service customers. Based on a five-year

historical review of the daily withdrawal activity of this facility, it was determined that gas volumes are primarily withdrawn from this storage facility on most days during the months of December through May. As a result, Peoples' Storage Lines and Storage M&R Equipment were allocated to the rate classes in proportion to the total gas sales and transportation volumes for each class during the six-month period of December through May.

Q. DOES PEOPLES' ACOSS INCLUDE GAS COMMODITY COSTS?

A. Yes. The gas costs reflected in the ACOSS correspond to gas cost revenues that have a neutral impact on the study's results, resulting in a net-zero effect.

Q. PLEASE SUMMARIZE THE RESULTS OF THE COMPANY'S ACOSS.

A. Table 3 below presents a summary of the Company's ACOSS that can be reviewed in **Peoples Exhibit No. 11**. The ACOSS shows an overall revenue requirement of $1,347.8 million and a resulting deficiency of $163.2 million. The Company is proposing changes to forfeited discount revenue, gathering revenue and miscellaneous services charges equal to $2.3 million, resulting in a base rate deficiency of $160.9 million as shown in Table 3. The revenue deficiency/excess for each rate class shows revenue increases or decreases necessary to get the classes to their cost to serve.

Table 3 - Summary Results of the Company's ACOSS[4]

Customer Classes	Current Revenues	Cost to Serve	Class Revenue (Deficiency)/ Excess	Percentage Change to Cost to Serve
Residential	$ 875,171,173	$ 1,000,138,402	$ (124,967,230)	14.28%
Small General	116,045,549	146,336,484	(30,290,935)	26.10%
Medium General	108,167,260	130,673,890	(22,506,630)	20.81%
Large General	72,051,809	52,346,079	19,705,730	-27.35%
Mainline Service	13,178,274	18,291,147	(5,112,874)	38.80%
Total System	**$ 1,184,614,065**	**$ 1,347,786,003**	**$ (163,171,938)**	**13.77%**
Increase to Other Revenues			2,300,922	
Total	**1,184,614,065**	**1,347,786,003**	**(160,871,017)**	**13.58%**

The ACOSS shows that all classes, except Large General, are in a deficit position, requiring a revenue increase to reach their cost to serve. The Large General class is in a surplus position and would require a decrease to move to its cost to serve.

Q. PLEASE DESCRIBE THE RESULTS SHOWN IN TABLE 4.

A. Table 4, shown below, presents the current rate of return, revenue-to-cost ratio, and parity ratio by customer class based on the Company's ACOSS.

Table 4 – Current Rate of Return and Ratios

Customer Classes	Current Rate of Return	Current Revenue to Cost Ratio	Current Parity Ratio
Residential	5.8%	0.88	1.00
Small General	3.1%	0.79	0.90
Medium General	5.3%	0.83	0.94
Large General	18.1%	1.38	1.57
Mainline Service	0.6%	0.72	0.82
Total System	**6.0%**	**0.88**	**1.00**

The revenue-to-cost ratio compares the revenues collected from each class to the cost of serving that class, where values below 1.00 indicate under-recovery and values above 1.00 indicate over-recovery. The parity ratio reflects each class's rate of return relative to the system average. As shown, most customer classes, including Residential,

[4] See Exhibit No. 11, Schedule 1, lines 13, 52, 57, 24, 26, and 27.
Percent Change = Class Revenue (Deficiency)/Sufficiency ÷ Current Revenues

Small General, Medium General, and Mainline Service, are contributing less than their cost of service, while the Large General class is contributing more than its cost of service. Overall, the system revenue-to-cost ratio of 0.88 indicates that current revenues are below the cost of providing service.

Q. HAVE YOU PREPARED MORE DETAILED REPORTS OF PEOPLES' ACOSS RESULTS?

A. Yes, additional details are included in **Peoples Exhibit No. 11**. Schedule 4 "Account Balances and Allocation Methods" of **Peoples Exhibit No. 11** includes revenue requirement information by FERC account provided by Peoples and shows assigned functions, categories, and allocation factors. Schedule 3 "Cost of Service Allocation Study Detail by Account" of **Peoples Exhibit No. 11** presents the resulting allocations by customer class of Peoples' proposed revenue requirement based on the results of the computations included in the ACOSS.

VI. PRINCIPLES OF SOUND RATE DESIGN

Q. PLEASE IDENTIFY THE RATE DESIGN PRINCIPLES UTILIZED IN DEVELOPING THE COMPANY'S RATE DESIGN PROPOSALS.

A. The rate design principles below draw heavily upon the "Attributes of a Sound Rate Structure" developed by James Bonbright in Principles of Public Utility Rates. [5] Each of these principles plays an important role in analyzing the rate design proposals of Peoples and provides a roadmap that helps guide utilities and regulators when considering how to

[5] James Bonbright et al. Principles of Public Utility Rates, Public Utilities Reports, Inc. 2nd Edition, 1988.

achieve utility rates that are fair, efficient, practical, and reasonable. The foundation of rates should include:

- Fairness: Rates should be fair to all customer classes, avoiding undue discrimination.
- Efficiency: Rates should promote the efficient use of resources and encourage conservation while avoiding undue restriction of economic use.
- Simplicity: Rates should be simple and understandable for customers.
- Stability/Gradualism: Rates should provide bill stability for customers and revenue stability for the utility.
- Reflective of Costs: Rates should reflect the cost of providing service to different customer classes.
- Revenue Sufficiency: Rates should generate enough revenue to cover the utility's costs, including a reasonable return on investment.

In addition, these principles are consistent with Pennsylvania practice and precedent, including the *Lloyd* decision,[6] where the Commonwealth Court indicated that cost of service is the "polestar" of ratemaking but that other factors, including those listed above, can be considered as well.

Q. HOW ARE THESE PRINCIPLES TRANSLATED INTO THE DESIGN OF RATES?

A. The overall rate design process, which includes both the apportionment of the revenues to be recovered among rate classes and the determination of rate structures within rate

[6] *Lloyd v. Pa. P.U.C.*, 904 A.2d 1010 (Pa. Cmwlth. 2006), *appeal denied*, 591 Pa. 676, 916 A.2d 1104 (2007) ("*Lloyd*").

classes, consists of finding a reasonable balance between the above-described criteria or guidelines that relate to the design of utility rates. Economic, regulatory, historical, and social factors all enter the process. In other words, both quantitative and qualitative information are evaluated before reaching a final rate design determination. Out of necessity, the rate design process must be, in part, influenced by judgmental evaluations.

VII. PEOPLES' REVENUE APPORTIONMENT

Q. PLEASE DESCRIBE THE APPROACH USED BY PEOPLES TO ALLOCATE ITS PROPOSED $160.9 MILLION BASE RATE REVENUE INCREASE AMONG ITS CUSTOMER RATE CLASSES.

A. Peoples' proposed allocation of the revenue increase is informed by the results of the ACOSS and reflects a deliberate effort to move all rate classes closer to the overall system rate of return, thereby reducing the subsidies that currently exist between classes. This approach is consistent with long-standing regulatory practice and precedent, including the *Lloyd* decision and the Commission's Order on remand approving the settlement in that case.

The benchmark option evaluated under Peoples' proposed total revenue level was to adjust the revenue level for each customer class so that the revenue-to-cost for each class was equal to 1.00. This is shown in **Peoples Natural Gas Exhibit No. JDT-3**, Scenario 1, where the changes in each classes' revenues would be set to their deficiency or surplus. It was decided that this fully cost-based option was not the preferred solution to the interclass revenue issue, given the large decrease that was required for the Large General class which would result in more of an increase needed from the other classes,

and the fact that the vast majority of revenues within the Mainline Service class are from negotiated contract customers. After discussions with the Company, the increase proposed in this case was allocated based on a desire to move toward full parity over time, while addressing issues of gradualism and recognizing these dynamics with the Large General and Mainline Service classes. To accomplish this, the Company first set Large General and Mainline Service's proposed revenues to their current revenues. Second, capped the increase to the Small General class to 1.5 times the overall system increase and set the targeted increase for Residential and Medium General to their cost to serve. Finally, allocated the additional increase required between Residential and Medium General based on the relative targeted revenue increase for each class, which ultimately results in Residential's increase at 1.05 times the overall system increase and Medium General at 1.25 times. While there are various yardsticks used to measure the degree of movement toward cost of service, the Company evaluated two metrics: (1) the percentage movement towards the system rate of return; and (2) the reduction in the subsidies occurring between classes. With these considerations, the Company is proposing the revenue changes shown in Table 5 below.

Table 5 – Proposed Class Revenue Apportionment

Customer Classes	Current Revenues	Proposed Revenue Change	Proposed Percentage Change	Proposed Rate of Return	Proposed Revenue to Cost Ratio (Parity Ratio)
Residential	$ 875,171,173	$ 118,163,447	13.50%	8.1%	0.99
Small General	$ 116,045,549	$ 21,443,151	18.48%	6.6%	0.94
Medium General	$ 108,167,260	$ 21,264,419	19.66%	8.0%	0.99
Large General	$ 72,051,809	$ -	0.00%	15.5%	1.38
Mainline Service	$ 13,178,274	$ -	0.00%	1.0%	0.74
Total	**$ 1,184,614,065**	**$ 160,871,017**	**13.58%**		

Q. TO WHAT DEGREE DOES THE COMPANY'S PROPOSED REVENUE APPORTIONMENT MOVE THE CLASSES TOWARD THEIR COST OF SERVICE?

A. The Company's proposed revenue apportionment results in the reduction of the existing rate subsidies and excesses among the Company's rate classes, moving classes toward the overall system rate of return. From a class cost of service standpoint, this type of class movement and reduction in class rate subsidies is desirable, as it brings class revenues and rates closer to the indicated cost of service for each rate class.

Table 6 below compares the current and proposed rates of returns and parity ratios. The Company's proposal moves the return for all rate classes closer to the Company's proposed return.

Table 6 - Comparison of Relative Rate of Return by Rate Class[7]

Customer Classes	Current Total Revenues	Total Revenues at Proposed	Current Return	Proposed Return	Current Revenue to Cost Parity Ratio	Proposed Revenue to Cost Parity Ratio
Residential	$ 875,171,173	$ 994,520,060	5.8%	8.1%	1.00	0.99
Small General	$ 116,045,549	$ 137,617,255	3.1%	6.6%	0.90	0.94
Medium General	$ 108,167,260	$ 129,662,826	5.3%	8.0%	0.94	0.99
Large General	$ 72,051,809	$ 72,454,884	18.1%	15.5%	1.57	1.38
Mainline Service	$ 13,178,274	$ 13,530,978	0.6%	1.0%	0.82	0.74
Total System	**$ 1,184,614,065**	**$ 1,347,786,003**	**6.0%**	**8.2%**	**1.00**	**1.00**

VIII. PEOPLES' RATE DESIGN

Q. PLEASE SUMMARIZE THE RATE DESIGN CHANGES PEOPLES HAS PROPOSED IN THIS RATE PROCEEDING.

A. In general, Peoples' rate design strategy is to make incremental movements toward reflecting the Company's relative cost of serving each rate class to provide natural gas distribution service to those customers. Therefore, Peoples has proposed to increase the

[7] Exhibit D, Schedule 1, lines 10, 52, 24, 70, 27, and 73.

customer charge for its current tariff schedules as shown in Table 7 below, with the remaining proposed increase to be recovered in the volumetric charge.

Table 7 – Fixed Monthly Customer Charges

Rate Schedule	Annual Consumption	Current	Proposed
Residential	All	$ 16.80	$ 26.00
SGS	0 to 499 Mcf	$ 22.00	$ 32.14
SGS	500 to 999 Mcf	$ 44.00	$ 64.28
MGS	1,000 to 2,499 Mcf	$ 101.00	$ 110.00
MGS	2,500 to 24,999 Mcf	$ 145.00	$ 158.00
LGS	25,000 to 49,999 Mcf	$ 940.00	$ 987.00
LGS	50,000 to 99,999 Mcf	$ 1,465.00	$ 1,538.00
LGS	100,000 to 199,999 Mcf	$ 2,130.00	$ 2,237.00
LGS	Over 200,000 Mcf	$ 5,630.00	$ 5,912.00
MLS	Over 500,000 Mcf	$ 5,630.00	$ 5,912.00

For Rates LGS and MLS the proposed monthly customer charge represents the current monthly fixed charge which includes both the current monthly customer charge, the roll-in of the Distribution System Improvement Charge ("DSIC") and the Tax Repair Surcredit ("TRS") riders rounded to the nearest whole dollar.

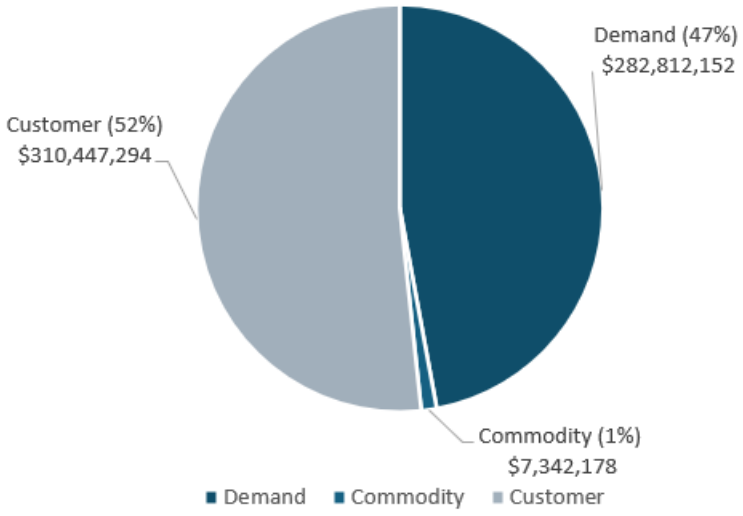
Q. HAS THE COMPANY PREPARED A COMPARISON OF THE COMPANY'S CURRENT AND PROPOSED RATES AND RESULTING REVENUES BY RATE CLASS?

A. Yes. **Peoples Natural Gas Exhibit No. JDT-4** – Rate Design provides the calculation of revenues using current and proposed rates. In addition, **Peoples Exhibit No. 3 – Proof of Revenue**, sponsored by Company witness Dawn M. Folks, whose Direct Testimony is **Peoples Statement No. 4**, presents a detailed comparison of current and proposed revenues for each of Peoples' rate classes.

Q. HOW DOES THE ACOSS SUPPORT THE PROPOSED INCREASES TO FIXED MONTHLY CHARGES?

A. Atrium's ACOSS model allows for developing the total revenue requirement by functions and classifications. As such, we can see directly the revenue requirement associated with the customer classification and the respective functions that form this revenue requirement. **Peoples Exhibit No. 11, Schedule 2** provides the customer-related unit cost per customer per month, for Rates RS, SGS, MGS, LGS, MLS and provides useful insights on the fixed monthly costs of providing service to these customers, inclusive of both customer-related costs and demand-related costs. Figure 6 below indicates that 1% of the Residential revenue requirement, excluding gas costs, is categorized as "commodity" in the ACOSS, which primarily represents costs associated with storage and gathering before any credit from the Company's producers.

Figure 6 - Residential - Total Revenue Requirement by Component



Q. WHY ARE SETTING FIXED MONTHLY CHARGES MORE IN ALIGNMENT WITH THE FIXED COST OF SERVICE AN IMPORTANT OUTCOME OF RATEMAKING?

A. These proposed fixed monthly customer charges help to reduce customer bill volatility, alleviate a significant portion of the instability in the Company's margin recovery, are fair to customers, are easily understood, convey more appropriate price signals with respect to recovery of fixed utility costs, benefit low-income customers that have higher than average use, and are not regressive in application to low-income customers who may have little control over their use of energy and are negatively impacted when recovering more costs in volumetric charges.

Establishing higher monthly fixed charges helps to equalize the contribution each customer within a class makes towards recovery of the fixed costs attributable to this class. This method of cost recovery is preferable to including such costs in the volumetric charges, which has the effect of causing some customers to pay too much while others pay too little. The customer charges provide for recovery of a portion of the Company's fixed costs, which are incurred solely because of the existence of customers connected to the system. These costs, such as the expense of reading meters and billing, occur regardless of whether natural gas is used and are not related to demands placed on the system. The proposed customer charge increases will also help to ensure the Company's recovery of a greater portion of its fixed costs of providing service. In as much as costs are not related to usage, they should be recovered, to the extent possible, through a tariff mechanism that does not depend upon volumetric billing.

In terms of understandability, customers easily recognize fixed cost charges and are used to these pricing structures in their everyday lives. Because these costs do not vary with the customer's usage, it is perfectly understandable that the charge should not vary as well.

Q. HAS THE COMPANY PREPARED BILL IMPACT ANALYSES COMPARING CUSTOMER BILLS UNDER CURRENT AND PROPOSED RATES?

Yes. **Peoples Natural Gas Exhibit No. JDT-5**, Bill Comparisons provides average monthly and annual bill comparisons for each rate class under current and proposed rates in table and chart formats.

IX. WNA MECHANISM

Q. WHAT IS THE COMPANY'S PROPOSAL REGARDING WNA IN THIS PROCEEDING?

A. The Company is not proposing to make any structural modifications to the WNA. The Company is only updating the WNA normalization period to rely on a 65-year regression-based methodology, consistent with the normalization approach used to develop billing determinants in this rate case.

Q. WHAT IS THE COMPANY'S WNA?

A. The WNA is a Commission-approved adjustment mechanism that reconciles distribution revenues to the level that would have been collected under normal weather conditions. It compares actual HDD to normal HDD embedded in base rates and adjusts revenues for deviations during the heating season. The mechanism operates symmetrically, producing surcharges in warmer-than-normal periods and credits in colder-than-normal periods.

Q. WHY IS A WNA MECHANISM NECESSARY UNDER THE COMPANY'S RATE STRUCTURE?

A. The Company's rate design recovers a substantial portion of fixed distribution costs through volumetric charges. Because volumetric revenues are established using normalized billing determinants, deviations in actual weather from normal conditions can result in under-recovery in warm winters and over-recovery in cold winters. The WNA stabilizes recovery of authorized distribution revenues attributable to weather-sensitive usage while operating symmetrically to protect customers when weather is colder than normal. In other words, the WNA does not guarantee earnings; it provides the Company with a reasonable opportunity to recover its authorized revenue requirement while protecting customers from additional charges in colder-than-normal winters.

Q. CAN YOU ELABORATE ON THE RELATIONSHIP BETWEEN FIXED COSTS AND USAGE-BASED RECOVERY?

A. The Company incurs significant fixed costs to design, construct, maintain, and operate its distribution system. These costs do not vary meaningfully with short-term changes in customer usage. However, a substantial portion of those fixed costs is recovered through volumetric distribution charges that vary with consumption. When winter weather is warmer than normal, usage declines and fixed costs may be under-recovered. When weather is colder than normal, revenues may exceed normalized levels. The WNA addresses this mismatch by adjusting revenues to reflect normalized weather assumptions approved in rates.

Q. COULD THE COMPANY ELIMINATE WEATHER-RELATED REVENUE VARIABILITY THROUGH A DIFFERENT RATE DESIGN?

A. A Straight-Fixed-Variable ("SFV") rate design would reduce weather sensitivity by recovering fixed costs through the monthly fixed charge rather than volumetric rates. However, as previously indicated, the Company's current rate structure continues to recover a substantial portion of fixed distribution costs through volumetric charges. The WNA serves as a targeted and limited mechanism to address weather-related variability within that existing rate design framework.

Q. WHEN DID THE COMMISSION APPROVE THE COMPANY'S WNA?

A. The Company's current WNA was approved by the Commission in the Company's last base rate proceeding, that was approved on September 12, 2024 in Docket No. R-2023-3044549. The WNA was included in a non-unanimous settlement agreement that was opposed by the Office of Consumer Advocate ('OCA"). As a result, the WNA was fully litigated by Peoples and OCA, including hearings, cross-examination, Main and Reply Briefs, Exceptions and Reply Exceptions.

Q. PLEASE DESCRIBE THE KEY FEATURES OF THE CURRENTLY APPROVED WNA.

A. The currently approved WNA:

- Applies to the Residential and Small/Medium General Service classes;
- Operates during the October through May heating season;
- Includes a 3% deadband;
- Is calculated on a bills-rendered basis;
- Is presented as a separate line item on customer bills;

- Includes a limiter for bills rendered in May such that the WNA adjustment will not exceed 100% of the billed distribution amount (delivery charge plus customer charge) for that same billing period; and
- Requires annual reporting of billed WNA revenues, actual and normal HDD, and bill impact information.

Q. HAS THE COMPANY COMPLIED WITH THE WNA REQUIREMENTS ESTABLISHED IN DOCKET NO. R-2023-3044549?

A. Yes. The Company has implemented the WNA consistent with the Commission-approved settlement, including the operational parameters and reporting requirements described above. In accordance with those requirements, the Company filed its annual WNA report for the 2024–2025 heating season on August 29, 2025, which is available on the Commission's website at: https://www.puc.pa.gov/pcdocs/1893389.pdf

Q. WHAT NORMALIZATION METHODOLOGY WAS APPROVED IN DOCKET NO. R-2023-3044549?

A. The HDD values reflected in the settlement are consistent with the blended approach, which averages results from a 65-year regression and a 20-year average HDD normalization.

Q. WHY IS THE COMPANY PROPOSING TO CHANGE THE WNA NORMALIZATION PERIOD?

A. First, the Company is proposing a new normalization period as its Tariff requires that it update the HDDs in its next base rate proceeding. The Company is proposing this change to ensure methodological consistency between the weather normalization assumptions used to establish base-rate billing determinants and those used in the WNA.

When rates are set, billing determinants are normalized to reflect "normal" weather conditions. The WNA then compares actual weather to that same normalized baseline. If different normalization methodologies are used for rate-setting and WNA reconciliation, the mechanism could over- or under-correct relative to the assumptions embedded in customer rates. That outcome would be inconsistent with the WNA's purpose, which is to reconcile revenues to the same weather conditions used to establish rates.

In this proceeding, the Company is normalizing billing determinants using a 65-year regression framework. Aligning the WNA normalization methodology with that same 65-year regression ensures that both base rates and subsequent WNA calculations rely on the same weather foundation. This approach:

- Maintains internal consistency between revenue requirement development and WNA reconciliation;
- Avoids unintended distortions that could arise from using different normalization baselines;
- Preserves the integrity of the matching principle by ensuring that revenue assumptions and reconciliation mechanisms rely on the same weather foundation; and
- Enhances transparency and predictability for both customers and the Commission.

Q. WHY DOES UPDATING THE NORMALIZATION PERIOD TO A 65-YEAR REGRESSION DOES NOT ELIMINATE THE NEED FOR A WNA?

A. Even when billing determinants are normalized using a statistically robust long-term regression, actual weather will continue to vary from normal conditions from year to year. The WNA remains necessary to address annual deviations between actual HDD and normal HDD assumptions embedded in rates. The regression improves the definition of

"normal," but it does not eliminate weather variability. The WNA continues to function as a symmetric mechanism that reconciles revenues for deviations from that normal baseline.

Q. WHY IS THE COMPANY NOT PROPOSING ANY MODIFICATIONS TO THE WNA AT THIS TIME?

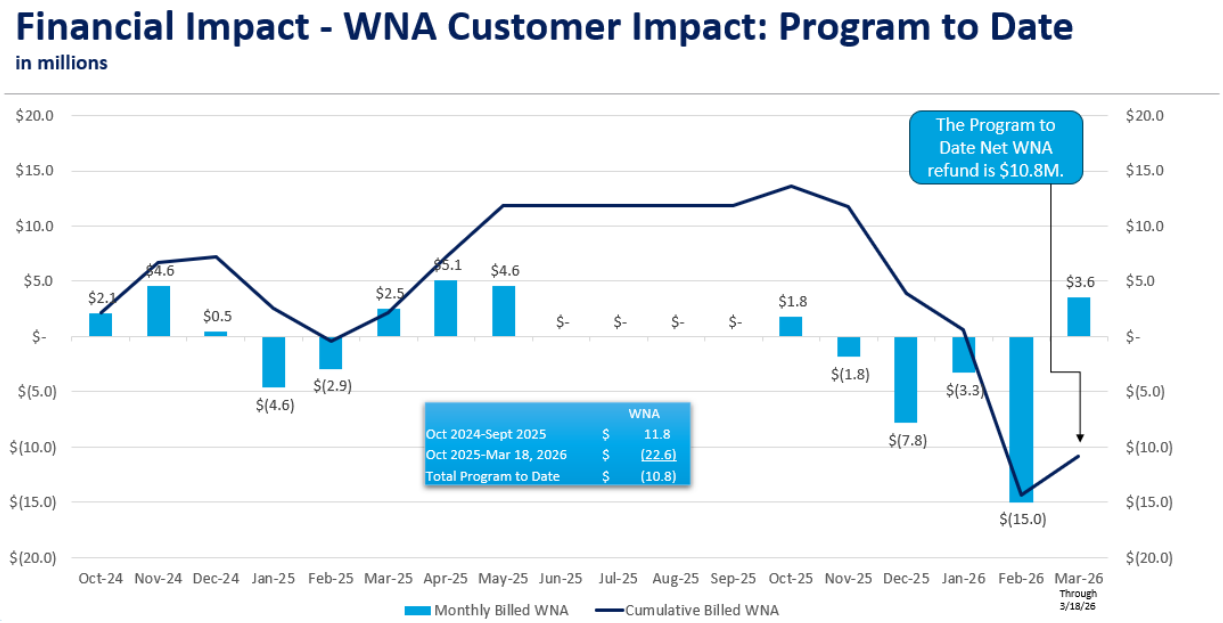
A. The Company has carefully evaluated the performance of its WNA since approval and has monitored developments in Pennsylvania regarding similar mechanisms, including the Commission's recent decision approving continuation of Columbia Gas of Pennsylvania's WNA. Based on that review and the Company's own reports, the existing WNA structure is operating as intended. Customer acceptance has been satisfactory with only two formal complaints since implementation. The mechanism has functioned symmetrically, producing charges during warmer-than-normal conditions and credits during colder-than-normal conditions, consistent with its design. Moreover, the data shows that during the current colder-than-normal heating season, low-income residential customers are receiving credits in the same proportion as other residential customers. This confirms that the mechanism operates neutrally across the residential class and does not disproportionately burden vulnerable customers. Accordingly, the Company believes that the current WNA structure, including its 3% deadband, limited class applicability, seasonal operation, and May limiter, continues to provide appropriate customer protections. For that reason, the Company is proposing only the update of the normal HDDs and is not seeking any broader structural modifications.

Q. WHAT HAS THE COMPANY'S EXPERIENCE BEEN WITH THE WNA SINCE ITS APPROVAL?

A. The Company's experience demonstrates that the mechanism operates symmetrically.

- The 2024-2025 heating season was warmer than normal, resulting in net WNA charges to customers to address weather-driven revenue shortfalls.
- The 2025-2026 heating season, through February, has been colder than normal, resulting in net WNA credits to customers.

These results illustrate that the WNA does not guarantee revenues or earnings. Rather, it adjusts for deviations from normal weather in either direction; therefore, operating symmetrically.



As noted in the table above, through mid-March 2026, the WNA has provided customers with a total net credit of $10.8 million since inception. During this past winter, which has been much colder than normal, the WNA has provided customers with a credit of $22.6 million as of mid-March 2026.

Q. HOW DOES THE PROPOSED UPDATE ALIGN WITH COMMISSION POLICY REGARDING ALTERNATIVE RATEMAKING MECHANISMS?

A. As shown in **Peoples Natural Gas Exhibit No. JDT-6**, the proposal satisfies the Commission's Statement of Policy at Docket No. M-2015-2518883, including symmetry, customer protections, transparency, limited scope, and consistency with cost recovery principles. The Company is not expanding or redesigning the mechanism; it is simply aligning normalization methodology to ensure consistency normal HDDs between base-rate (revenue requirement) development and WNA operation. All consumer protections previously approved by the Commission remain in place.

Q. ARE WNA MECHANISMS COMMON IN THE UTILITY INDUSTRY?

A. Yes. Weather normalization mechanisms are widely used across the United States to stabilize revenues and customer bills in the presence of weather variability. They are a well-established regulatory tool and have been approved for multiple Pennsylvania gas utilities.

X. CONCLUSION

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS FOR PEOPLES' ACOSS, CLASS REVENUES, AND RATE DESIGN.

A. I recommend that the Commission approve the following:

- The Company's 65-year regression-based HDD trend method, which provides a transparent, data-driven estimate of normal weather for the FPFTY and supports consistent, forward-looking normalization of weather-sensitive usage.
- The Company's customer forecasts and weather-normalized usage estimates developed for the FPFTY based on statistically sound, data-driven methods, resulting

in a reasonable set of billing determinants for use in setting just and reasonable rates.

- The Company's proposed ACOSS, as a realistic reflection of cost causation and the design and operating characteristics of the Company's distribution system, and as a guide to evaluate and set Peoples' class revenues and rate design in this proceeding.
- The Company's proposed apportionment of revenues to its rate classes, because it reasonably balances the various criteria that the Company considered in the revenue apportionment process and moves classes towards their cost to serve.
- The rate design proposed by the Company, including the proposed fixed monthly customer charge increases, because it reasonably balances key rate design objectives I presented earlier in my testimony, including: (1) achieving fair and equitable rate levels that are reflective of the cost to serve; (2) avoiding undue discrimination between and within rate classes; (3) developing rates that are stable and understandable; (4) creating economically efficient pricing for delivery service; (5) encouraging conservation and efficient use; and (6) recovering the revenue requirement in a manner that maintains revenue stability and minimizes year-to-year under- or over-collections.
- The Company's proposed WNA update for the weather normalization method, is consistent with the Company's tariff and the updated weather method is narrow, reasonable, and supported by operational experience. Peoples' WNA mechanism and the updated weather normalization method used (1) maintains all Commission-approved customer protections; (2) demonstrates symmetric operation based on actual heating season results; (3) preserves methodological consistency between billing determinant normalization and WNA calculations; and (4) supports stable recovery of authorized distribution revenues without expanding the mechanism's scope.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

John D. Taylor

CEO

Mr. John D. Taylor is the Co-Founder and Chief Executive Officer of Atrium Economics and a senior regulatory economist with more than twenty years of experience advising electric and natural gas utilities across the United States and Canada. Mr. Taylor has served as a lead expert in rate and regulatory proceedings across more than 20 jurisdictions in the United States and Canada. His testimony has been presented before the Federal Energy Regulatory Commission, numerous state public utility commissions, provincial utility regulators, and trial courts.

He has testified on matters including revenue requirements, class cost of service, advanced rate design, revenue stabilization mechanisms, affiliate transactions, demand forecasts, return on equity, lead lag studies, audit testing, and infrastructure cost recovery. In addition to matters in which he was the lead witness, he has supported over one hundred engagements for other expert witnesses, contributing to the development and defense of analytical models, regulatory strategy, and evidentiary submissions.

Mr. Taylor's experience spans vertically integrated electric utilities, gas distribution utilities, transmission providers, pipeline operators, municipally owned utilities, and multi-state holding companies. He has also served as market monitor for ISO New England's capacity market and has supported wholesale power purchase agreement evaluations and generation feasibility and prudence analyses. He regularly advises executive leadership and boards on regulatory strategy, risk allocation, revenue stability, infrastructure investment, and long-term rate design considerations.

In addition to his consulting leadership, Mr. Taylor served as Chief Executive Officer of a non-destructive testing and industrial inspection firm serving the power generation, petrochemical, and heavy industrial sectors. That role provided direct experience in capital-intensive infrastructure operations, asset integrity management, maintenance planning, safety compliance, and operational risk oversight. This operating perspective informs his work in utility capital planning, infrastructure expansion review, and regulatory cost recovery.

EDUCATION

M.A., Economics, American University

B.A., Environmental Economics, University of North Carolina at Asheville

YEARS EXPERIENCE

20

RELEVANT EXPERTISE

Revenue Requirements & Capital Recovery, Class Cost of Service & Advanced Rate Design, Revenue Stabilization Mechanisms, Demand Forecasting & Resource Planning, Natural Gas & Pipeline Infrastructure Analysis, Return on Equity & Capital Structure, Affiliate Transactions & Operational Audits, Transmission & FERC Matters, Transaction Advisory & Regulatory Due Diligence

EXPERT WITNESS TESTIMONY PRESENTATION

UNITED STATES:

- California Superior Court of California
- Delaware Public Service Commission
- Florida Public Service Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Indiana Utility Regulatory Commission
- Maine Public Service Commission
- Maryland Public Service Commission
- Massachusetts Department of Public Utilities
- Minnesota Public Utilities Commission
- New Hampshire Public Utilities Commission
- North Carolina Utilities Commission
- North Carolina – Brunswick Superior Court
- Oregon Public Utility Commission
- Ohio Public Utility Commission
- Pennsylvania Public Utility Commission
- South Carolina Public Service Commission
- Virginia State Corporation Commission
- Washington Utilities and Transportation Commission
- Public Service Commission of West Virginia

CANADA:

- Alberta Utilities Commission
- British Columbia Utilities Commission
- Ontario Energy Board

REPRESENTATIVE EXPERIENCE

RATE DESIGN AND REGULATORY PROCEEDINGS

Mr. Taylor has extensive experience developing and evaluating utility revenue requirements, including review of test year construction, pro forma adjustments, operating expense normalization, capital investment recovery, depreciation and amortization treatment, and cash working capital analyses, including lead-lag studies. He has assessed prudence and regulatory treatment of major capital programs, infrastructure modernization initiatives, and incremental investment proposals. In addition, Mr. Taylor has designed and evaluated revenue stabilization mechanisms, including Weather Normalization Adjustments, Revenue Adjustment Mechanisms, and other forms of decoupling and revenue recovery tools. His work includes back-casting analyses, risk assessment modeling, and evaluation of tradeoffs between customer bill stability and utility revenue certainty. He has testified regarding both the technical design and policy implications of such mechanisms in contested regulatory proceedings.

CLASS COST OF SERVICE AND RATE DESIGN

Mr. Taylor has extensive experience developing and defending embedded and marginal class cost of service studies in contested regulatory proceedings across the United States and

Canada. His work includes functionalization, classification, and allocation of utility costs; development of jurisdictional and class revenue requirements; and evaluation of fixed-variable cost recovery methodologies. He has designed and evaluated residential, commercial, and industrial rate structures, including demand-based rates, time-of-use designs, economic development tariffs, and revenue apportionment strategies. Mr. Taylor has also assessed rate stability, equity considerations, and cost causation principles in the context of evolving load patterns, electrification, and policy-driven rate reforms.

DEMAND AND CUSTOMER FORECASTING

Mr. Taylor has extensive experience developing and evaluating demand and customer forecasting models for electric and natural gas utilities. His work includes econometric modeling of customer growth, usage normalization, peak demand forecasting, and weather-sensitive load analysis. He has assessed forecast methodologies for rate proceedings, infrastructure planning, and resource adequacy evaluations, including review of macroeconomic drivers, demographic trends, and end-use consumption patterns. Mr. Taylor has also evaluated forecast inputs used in capital planning, pipeline capacity assessments, LNG resource planning, and revenue requirement development. His experience includes back-casting analyses, scenario modeling, and sensitivity testing to assess forecast risk and regulatory defensibility. He has testified regarding forecast methodology, assumptions, and alignment with regulatory standards in contested proceedings.

RETURN ON EQUITY AND CAPITAL STRUCTURE

Mr. Taylor has provided testimony and advisory analysis regarding return on equity and capital structure for regulated electric and natural gas utilities in both transmission and distribution contexts. His work includes evaluation of regulatory capital structures, cost of capital components, and risk considerations associated with infrastructure investment, revenue stability mechanisms, and business model evolution. He has supported financial modeling in rate proceedings, including assessment of cash flow implications, earnings stability, and alignment between authorized returns and underlying business risk. Mr. Taylor has also evaluated the interaction between capital structure, revenue recovery mechanisms, and regulatory policy objectives, including the treatment of large capital programs and expansion initiatives.

TRANSACTION ADVISORY AND REGULATORY DUE DILIGENCE

Mr. Taylor has advised utilities and infrastructure stakeholders in connection with asset acquisitions, divestitures, and wholesale power supply evaluations. His transaction experience includes regulatory due diligence, evaluation of revenue requirements and rate structures, infrastructure risk assessment, and financial modeling to support investment decisions. Mr. Taylor has advised on regulated utility and energy infrastructure transactions, including buy-side and sell-side evaluation of utility operations and generation asset divestitures. His work has

included assessment of revenue requirements, rate structures, customer forecasts, regulatory risk, operational performance, and capital recovery considerations to support informed investment decisions. His advisory work has also included evaluation of comparable utility transactions, merger activity, and regulatory approval considerations affecting infrastructure investment decisions.

NATURAL GAS INFRASTRUCTURE & RESOURCE PLANNING EXPERIENCE

Mr. Taylor has extensive experience supporting natural gas utilities and pipeline operators in forecasting, peak demand planning, LNG resource evaluation, balancing mechanisms, transportation modeling, and line extension reviews. His work includes demand forecasting for local distribution companies, evaluation of peak day planning standards, LNG peaking facility analyses, storage utilization review, pipeline transport cost allocation, and balancing service design. He has evaluated integrated resource planning approaches, supply portfolio risk assessment, and incremental pipeline capacity expansion proposals. His experience includes review of expansion economics, regulatory treatment of new infrastructure investment, and cost recovery mechanisms associated with large capital programs. Mr. Taylor has also assessed alignment between demand forecasts, contracted capacity, storage strategy, and long-term system reliability objectives, providing analytical support for regulatory filings and board-level capital planning decisions.

AFFILIATE RELATIONSHIPS & PERFORMANCE REVIEWS

Mr. Taylor has led and supported affiliate transaction reviews, shared services cost allocation studies, and operational performance assessments in both U.S. and Canadian jurisdictions. His work includes evaluation of overhead allocation methodologies, overhead capitalization practices, and cost recovery treatment associated with corporate support functions, transmission-related shared assets, and early contractor engagement for major infrastructure projects. He has assessed capitalization rates, allocation between transmission and distribution functions, and cost attribution to regulated versus affiliate activities, ensuring consistency with regulatory standards and precedent. His experience includes shared assets studies, evaluation of contractor cost structures in large capital programs, and review of governance controls supporting regulatory compliance. In addition, Mr. Taylor has conducted operational audits and benchmarking analyses addressing operations and maintenance (O&M) and administrative and general (A&G) expenses. His work includes comparative peer analysis, assessment of cost drivers, and evaluation of organizational efficiency and cost discipline in regulated utility environments.

PROFESSIONAL EXPERIENCE

CO-FOUNDER & CHIEF EXECUTIVE OFFICER | ATRIUM ECONOMICS | 2020 – PRESENT

Leads a regulatory advisory firm serving electric and natural gas utilities across the United States and Canada. Serves as lead expert witness in rate and regulatory proceedings and oversees firm strategy, analytical methodology, and evidentiary quality control. Advises executive leadership and boards on revenue requirements, rate design, infrastructure investment, and regulatory risk.

CHIEF EXECUTIVE OFFICER | NOVA DATA TESTING | 2019 – 2026

Led a non-destructive testing and industrial inspection firm serving power generation and petrochemical facilities. Responsible for strategic planning, capital allocation, regulatory compliance, operational leadership, and risk oversight in asset-intensive, safety-sensitive environments. This operating experience informs his perspective on infrastructure investment and operations.

PRINCIPAL CONSULTANT | BLACK & VEATCH MANAGEMENT CONSULTING | 2015 – 2020

Led regulatory and financial advisory engagements for electric and gas utilities, including revenue requirements, class cost of service, affiliate transactions, and return on equity matters. Filed expert testimony and supported infrastructure transaction advisory and regulatory approval strategy.

SENIOR PROJECT MANAGER & PRINCIPAL | CONCENTRIC ENERGY ADVISORS | 2006 – 2015

Managed regulatory consulting engagements involving revenue requirements, cost allocation, and rate design across multiple jurisdictions. Led project teams, supported expert testimony, and contributed to business development and firm-wide analytical quality control initiatives.

EDUCATION

MASTER OF ARTS, ECONOMICS| AMERICAN UNIVERSITY | 2004 – 2006

Graduate coursework included econometrics, advanced microeconomics and macroeconomics, mathematical economics, monetary policy, and history of economic thought. Served as a teaching assistant for undergraduate microeconomics and macroeconomics courses.

BACHELOR OF ARTS, ENVIRONMENTAL ECONOMICS | UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE | 2000 – 2004

Coursework emphasized the application of economic theory and quantitative analysis to environmental and resource issues, including statistics and applied modeling. Completed independent study examining the intersection of ethics and economic theory.

BOARD AND ADVISORY BOARDS

Treasurer, Board of Directors – The Outside Foundation (2023–Present)

Member – 278 Gateway Corridor Committee, Town of Hilton Head Island (2019–2022)

Richmond Advisory Board – Higher Achievement (2014–2015)

Peoples Natural Gas Company LLC
Gas Class Cost of Service Study: Average of Customer-Demand and Demand-Commodity Allocation of Distribution Mains
12 Months Ending December 31, 2027
Peoples Exhibit JDT-2 - Derivation of Total Gathering Cost of Service

Line No.	Description		Gathering System Amount
1	**Rate Base**		
2	Plant in Service		
3	Intangible Plant	$	4,846,007
4	Production Plant		188,680,448
5	General Plant		7,253,614
6	Total Plant in Service	$	200,780,069
7	Accumulated Reserve		
8	Intangible Plant	$	(2,928,577)
9	Production Plant		(65,793,263)
10	General Plant		(2,371,079)
11	Total Accumulated Reserve	$	(71,092,920)
12	Other Rate Base Items		
13	Materials and Supplies	$	173,931
14	Prepayments		142,288
15	Cash Working Capital		1,342,127
16	Deferred Income Taxes		3,396,064
17	Total Other Rate Base Items	$	5,054,409
18	**Total Rate Base**	**$**	**134,741,559**
19	Required Return		8.23%
20	**Return on Ratebase**	**$**	**11,087,516**
21	**Expenses**		
22	Natual Gas Production and Gathering	$	12,417,071
23	Administrative and General		2,964,339
24	Depreciation and Amortization Expense		5,899,038
25	Taxes Other Than Income		565,414
26	**Total Expenses**	**$**	**21,845,862**
27	Income Taxes at Proposed Rates	$	-
28	**Total Gathering Cost of Servcie**	**$**	**32,933,378**
29	**Gathering Service Revenues**		
30	Gathering Revenue at Current Rates	$	7,404,749
31	Gathering Revenue at Proposed Rates (FPFTY)	$	8,551,629

Peoples Natural Gas Company LLC
Gas Class Cost of Service Study: Average of Customer-Demand and Demand-Commodity Allocation of Distribution Mains
12 Months Ending December 31, 2027
Peoples Exhibit JDT-3 - Proposed Class Revenue Apportionment

Line No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
1	Total Rate Base	$ 5,728,767,833	$ 4,075,749,520	$ 601,933,351	$ 672,002,216	$ 305,362,042	$ 73,720,705
2	**Revenue at Current Rates**						
3	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
4	Other	-	-	-	-	-	-
5	**Subtotal Base Revenue at Current Rates**	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
6	Gas Cost Revenue	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
7	Riders and Other Revenue	62,138,892	44,145,876	4,152,549	4,722,430	7,303,180	1,814,856
8	**Total Revenue at Current Rates**	**$ 1,184,614,065**	**$ 875,171,173**	**$ 116,045,549**	**$ 108,167,260**	**$ 72,051,809**	**$ 13,178,274**
9	**Current Revenue to Cost Ratio**	0.88	0.88	0.79	0.83	1.38	0.72
10	**Current Parity Ratio**	1.00	1.00	0.90	0.94	1.57	0.82
11	**Scenario 1: Revenues at Equalized Rates of Return**						
12	Margin Revenue Increase/(Decrease)	$ 160,871,017	$ 123,781,790	$ 30,162,380	$ 22,275,482	$ (20,108,804)	$ 4,760,169
13	Base Revenue at Current Rates	616,555,782	431,488,517	54,788,815	65,431,384	57,668,118	7,178,949
14	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
15	Riders and Other Revenue	64,439,814	45,331,316	4,281,105	4,953,577	7,706,254	2,167,561
16	**Total Revenue at Equalized Rates of Return**	$ 1,347,786,003	$ 1,000,138,402	$ 146,336,484	$ 130,673,890	$ 52,346,079	$ 18,291,147
17	**Rate Revenue at Equalized Rates of Return**	$ 777,426,799	$ 555,270,307	$ 84,951,195	$ 87,706,866	$ 37,559,313	$ 11,939,118
18	**% Increase of Total Revenues**	13.6%	14.1%	26.0%	20.6%	-27.9%	36.1%
19	**% Increase of Margin Revenues**	26.1%	28.7%	55.1%	34.0%	-34.9%	66.3%
20	**Resulting Revenue to Cost Ratio (Parity Ratio)**	1.00	1.00	1.00	1.00	1.00	1.00
21	**Scenario 2: Equal Percentage Increase on Service Revenue**						
22	Percent Increase	26.1%	26.1%	26.1%	26.1%	26.1%	26.1%
23	Margin Revenue Increase/(Decrease)	$ 160,871,017	$ 112,583,481	$ 14,295,434	$ 17,072,280	$ 15,046,698	$ 1,873,123
24	Base Revenue at Current Rates	616,555,782	431,488,517	54,788,815	65,431,384	57,668,118	7,178,949
25	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
26	Riders and Other Revenue	64,439,814	45,331,316	4,281,105	4,953,577	7,706,254	2,167,561
27	**Total Revenue at Equal Percentage Increase**	$ 1,347,786,003	$ 988,940,094	$ 130,469,538	$ 125,470,688	$ 87,501,582	$ 15,404,101
28	**Rate Revenue at Equal Percent Increase**	$ 777,426,799	$ 544,071,998	$ 69,084,249	$ 82,503,664	$ 72,714,816	$ 9,052,072
29	**Resulting Revenue to Cost Ratio (Parity Ratio)**	1.00	0.99	0.89	0.96	1.67	0.84
30	**Scenario 3: Moderated based on Current Parity Ratio**						
37	Multiple of System Increase		1.05	1.50	1.25	-	-
38	Percent Increase		27.39%	39.14%	32.50%	0.00%	0.00%
39	Margin Revenue Increase/(Decrease)	$ 160,871,017	$ 118,163,447	$ 21,443,151	$ 21,264,419	$ -	$ -
40	**Total Margin Revenue at Proposed Rates**	**$ 777,426,799**	**$ 549,651,964**	**$ 76,231,966**	**$ 86,695,802**	**$ 57,668,118**	**$ 7,178,949**
41	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
42	Riders and Other Revenue	64,439,814	45,331,316	4,281,105	4,953,577	7,706,254	2,167,561
43	**Total Revenue at Proposed Rates**	**$ 1,347,786,003**	**$ 994,520,060**	**$ 137,617,255**	**$ 129,662,826**	**$ 72,454,884**	**$ 13,530,978**
44	**% Increase of Total Revenues**	13.6%	13.5%	18.5%	19.7%	0.0%	0.0%
44	Percent Increase on Base Rate Margin	26.1%	27.4%	39.1%	32.5%	0.0%	0.0%
45	**Proposed Revenue to Cost Ratio (Parity Ratio)**	1.00	0.99	0.94	0.99	1.38	0.74

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-4 - Rate Design

		Current Base Rates	Current Plus Rolled-in Riders	Billing Determinants	Current Base Revenue	Rolled-in Rider Revenue					Revenue Increase	Target Base Revenue	Proposed Rates	Proposed Base Revenue
						STAS	MFC	USR	GPC	DSIC				
Residential														
Customer Charge	Sales	$16.80	$17.64	6,587,212	$ 110,665,160	$ -	$ -	$ -	$ -	$ 5,533,258			$26.00	$ 171,267,510
	CAP	$16.80	$17.64	468,120	$ 7,864,416	$ -	$ -	$ -	$ -	$ 393,221			$26.00	$ 12,171,120
	Transport	$16.80	$17.64	774,040	$ 13,003,878	$ -	$ -	$ -	$ -	$ 650,194			$26.00	$ 20,125,049
Delivery Charge	Sales	$5.3537	$5.6962	46,273,106	$ 247,732,328	$ 171,210	$ 965,606	$ (249,875)	$ (550,650)	$ 15,514,447			$6.6359	$ 307,063,704
	CAP	$5.3537	$5.7016	4,103,527	$ 21,969,054	$ 15,183	$ 85,631	$ -	$ (48,832)	$ 1,375,831			$6.6359	$ 27,230,597
	Transport	$5.3537	$5.6815	5,650,985	$ 30,253,681	$ 20,909	$ 28,384	$ (30,515)	$ -	$ 1,833,801			$6.6359	$ 37,499,375
Residential Total					$ 431,488,517	$ 207,302	$ 1,079,621	$ (280,390)	$ (599,482)	$ 25,300,752	$ 118,163,447	$ 575,359,766		$ 575,357,355
Commercial SGS														
Customer Charge														
0 to 499 MCF/Yr	Sales	$22.00	$23.10	425,015	$ 9,350,338	$ -	$ -	$ -	$ -	$ 467,517			$32.14	$ 13,659,994
500 to 999 MCF/Yr	Sales	$44.00	$46.20	34,838	$ 1,532,876	$ -	$ -	$ -	$ -	$ 76,644			$64.28	$ 2,239,393
0 to 499 MCF/Yr	Transport	$22.00	$23.10	99,910	$ 2,198,021	$ -	$ -	$ -	$ -	$ 109,901			$32.14	$ 3,211,109
500 to 999 MCF/Yr	Transport	$44.00	$46.20	24,578	$ 1,081,426	$ -	$ -	$ -	$ -	$ 54,071			$64.28	$ 1,579,866
Delivery Charge	Sales	$3.9844	$4.1730	7,025,463	$ 27,992,254	$ 19,671	$ (49,788)	$ -	$ (83,603)	$ 1,438,990			$5.7095	$ 40,111,881
	Transport	$3.9844	$4.1864	3,113,845	$ 12,406,803	$ 8,685	$ -	$ -	$ -	$ 620,340			$5.7095	$ 17,778,496
Negotiated		$0.1100	$0.3121	3,601	$ 396	$ 10	$ -	$ -	$ -	$ 717			$0.1100	$ 396
Industrial SGS														
Customer Charge														
0 to 499 MCF/Yr	Sales	$22.00	$23.10	393	$ 8,646	$ -	$ -	$ -	$ -	$ 432			$32.14	$ 12,631
500 to 999 MCF/Yr	Sales	$44.00	$46.20	217	$ 9,548	$ -	$ -	$ -	$ -	$ 477			$64.28	$ 13,949
0 to 499 MCF/Yr	Transport	$22.00	$23.10	419	$ 9,218	$ -	$ -	$ -	$ -	$ 461			$32.14	$ 13,467
500 to 999 MCF/Yr	Transport	$44.00	$46.20	98	$ 4,312	$ -	$ -	$ -	$ -	$ 216			$64.28	$ 6,299
						$ -	$ -	$ -	$ -	$ -				
Delivery Charge	Sales	$3.9844	$4.1730	32,361	$ 128,937	$ 91	$ (229)	$ -	$ (385)	$ 6,628			$5.7095	$ 184,762
	Transport	$3.9844	$4.1864	16,481	$ 65,666	$ 46	$ -	$ -	$ -	$ 3,283			$5.7095	$ 94,098
Negotiated		$0.0936		3,970	$ 371	$ 11	$ -	$ -	$ -	$ 791			$0.0936	$ 371
SGS Total					$ 54,788,815	$ 28,514	$ (50,017)	$ -	$ (83,988)	$ 2,780,470	$ 21,443,151	$ 78,906,944		$ 78,906,713

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-4 - Rate Design

		Current Base Rates	Current Plus Rolled-in Riders	Billing Determinants	Current Base Revenue	Rolled-in Rider Revenue					Revenue Increase	Target Base Revenue	Proposed Rates	Proposed Base Revenue
						STAS	MFC	USR	GPC	DSIC				
Commercial MGS														
Customer Charge														
1,000 to 2,499 MCF/Yr	Sales	$101.00	$106.05	16,193	$ 1,635,467	$ -	$ -	$ -	$ -	$ 81,773			$110.00	$ 1,781,201
2,500 to 24,999 MCF/Yr	Sales	$145.00	$152.25	4,123	$ 597,849	$ -	$ -	$ -	$ -	$ 29,892			$158.00	$ 651,449
1,000 to 2,499 MCF/Yr	Transport	$101.00	$106.05	21,089	$ 2,129,993	$ -	$ -	$ -	$ -	$ 106,500			$110.00	$ 2,319,794
2,500 to 24,999 MCF/Yr	Transport	$145.00	$152.25	16,024	$ 2,323,455	$ -	$ -	$ -	$ -	$ 116,173			$158.00	$ 2,531,765
						$ -	$ -	$ -	$ -	$ -				
Delivery Charge	Sales	$3.6941	$3.8680	3,414,015	$ 12,611,713	$ 8,828	$ (24,194)	$ -	$ (40,627)	$ 649,721			$5.2072	$ 17,777,459
	Transport	$3.6941	$3.8814	11,001,976	$ 40,642,400	$ 28,450	$ -	$ -	$ -	$ 2,032,120			$5.2072	$ 57,289,490
Negotiated	Transport	$0.6192		35,014	$ 21,679	$ 91	$ -	$ -	$ -	$ 6,467			$0.6192	$ 21,679
Industrial MGS														
Customer Charge														
1,000 to 2,499 MCF/Yr	Sales	$101.00	$106.05	265	$ 26,765	$ -	$ -	$ -	$ -	$ 1,338			$110.00	$ 29,150
2,500 to 24,999 MCF/Yr	Sales	$145.00	$152.25	286	$ 41,470	$ -	$ -	$ -	$ -	$ 2,074			$158.00	$ 45,188
1,000 to 2,499 MCF/Yr	Transport	$101.00	$106.05	335	$ 33,835	$ -	$ -	$ -	$ -	$ 1,692			$110.00	$ 36,850
2,500 to 24,999 MCF/Yr	Transport	$145.00	$152.25	1,212	$ 175,740	$ -	$ -	$ -	$ -	$ 8,787			$158.00	$ 191,496
						$ -	$ -	$ -	$ -	$ -				
Delivery Charge	Sales	$3.6941	$3.8680	181,655	$ 671,051	$ 470	$ (1,287)	$ -	$ (2,162)	$ 34,571			$5.2072	$ 945,912
	Transport	$3.6941	$3.8814	1,215,942	$ 4,491,811	$ 3,144	$ -	$ -	$ -	$ 224,591			$5.2072	$ 6,331,653
Negotiated	Transport	$0.2990		94,157	$ 28,157	$ 243	$ -	$ -	$ -	$ 17,391			$0.2990	$ 28,157
MGS Total					$ 65,431,384	$ 41,226	$ (25,482)	$ -	$ (42,788)	$ 3,313,090	$ 21,264,419	$ 89,981,847		$ 89,981,243

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-4 - Rate Design

		Current Base Rates	Current Plus Rolled-in Riders	Billing Determinants	Current Base Revenue	Rolled-in Rider Revenue					Revenue Increase	Target Base Revenue	Proposed Rates	Proposed Base Revenue
						STAS	MFC	USR	GPC	DSIC				
Commercial LGS														
Customer Charge														
25,000 to 49,999 MCF/Yr	Sales	$940.00	$987.00	103	$ 96,820	$ -	$ -	$ -	$ -	$ 4,841			$987.00	$ 101,661
50,000 to 99,999 MCF/Yr	Sales	$1,465.00	$1,538.25	3	$ 4,395	$ -	$ -	$ -	$ -	$ 220			$1,538.00	$ 4,614
100,000 to 199,999 MCF/Yr	Sales	$2,130.00	$2,236.50	-	$ -	$ -	$ -	$ -	$ -	$ -			$2,237.00	$ -
Over 200,000 MCF/Yr	Sales	$5,630.00	$5,911.50	-	$ -	$ -	$ -	$ -	$ -	$ -			$5,912.00	$ -
25,000 to 49,999 MCF/Yr	Transport	$940.00	$987.00	670	$ 629,800	$ -	$ -	$ -	$ -	$ 31,490			$987.00	$ 661,290
50,000 to 99,999 MCF/Yr	Transport	$1,465.00	$1,538.25	384	$ 562,560	$ -	$ -	$ -	$ -	$ 28,128			$1,538.00	$ 590,592
100,000 to 199,999 MCF/Yr	Transport	$2,130.00	$2,236.50	156	$ 332,280	$ -	$ -	$ -	$ -	$ 16,614			$2,237.00	$ 348,972
Over 200,000 MCF/Yr	Transport	$5,630.00	$5,911.50	48	$ 270,240	$ -	$ -	$ -	$ -	$ 13,512			$5,912.00	$ 283,776
Delivery Charge														
25,000 - 49,999 MCF/Yr	Sales	$2.6360	$2.8881	314,695									$2.9451	$ 926,809
50,000 - 99,999 MCF/Yr	Sales	$2.5519	$2.7955	-									$2.8512	$ -
100,000 - 199,999 MCF/Yr	Sales	$2.4335	$2.6652	-									$2.7189	$ -
200,000 to 749,999 MCF/Yr	Sales	$2.1937	$2.4012	-									$2.4509	$ -
750,000 to 1,999,999 MCF/Yr	Sales	$1.9097	$2.0886	-									$2.1336	$ -
Over 2,000,000 MCF/Yr	Sales	$1.4431	$1.5750	-									$1.6123	$ -
Blended Full Tariff	Sales	$2.6360	$2.8581	*314,695*	$ 829,536	$ 581	$ (2,230)	$ -	$ (3,745)	$ 75,289			$2.9451	
25,000 - 49,999 MCF/Yr	Transport	$2.6360	$2.7696	1,945,530									$2.9451	$ 5,729,780
50,000 - 99,999 MCF/Yr	Transport	$2.5519	$2.6813	2,378,579									$2.8512	$ 6,781,805
100,000 - 199,999 MCF/Yr	Transport	$2.4335	$2.5569	1,692,774									$2.7189	$ 4,602,483
200,000 to 749,999 MCF/Yr	Transport	$2.1937	$2.3049	1,513,389									$2.4509	$ 3,709,165
750,000 to 1,999,999 MCF/Yr	Transport	$1.9097	$2.0065	-									$2.1336	$ -
Over 2,000,000 MCF/Yr	Transport	$1.4431	$1.5163	-									$1.6123	$ -
Blended Full Tariff	Transport	$2.4747	$2.7157	*7,530,272*	$ 18,635,391	$ 13,045	$ -	$ -	$ -	$ 1,801,579			$2.7649	
Negotiated	Transport	$2.3379	$2.3396	171,195	$ 400,232	$ 297	$ -	$ -	$ -	$ -			$2.3379	$ 400,232

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-4 - Rate Design

		Current Base Rates	Current Plus Rolled-in Riders	Billing Determinants	Current Base Revenue	Rolled-in Rider Revenue					Revenue Increase	Target Base Revenue	Proposed Rates	Proposed Base Revenue
						STAS	MFC	USR	GPC	DSIC				
Industrial LGS														
Customer Charge														
25,000 to 49,999 MCF/Yr	Sales	$940.00	$987.00	28	$ 26,320	$ -	$ -	$ -	$ -	$ 1,316			$987.00	$ 27,636
50,000 to 99,999 MCF/Yr	Sales	$1,465.00	$1,538.25	-	$ -	$ -	$ -	$ -	$ -	$ -			$1,538.00	$ -
100,000 to 199,999 MCF/Yr	Sales	$2,130.00	$2,236.50	3	$ 6,390	$ -	$ -	$ -	$ -	$ 320			$2,237.00	$ 6,711
Over 200,000 MCF/Yr	Sales	$5,630.00	$5,911.50	12	$ 67,560	$ -	$ -	$ -	$ -	$ 3,378			$5,912.00	$ 70,944
25,000 to 49,999 MCF/Yr	Transport	$940.00	$987.00	353	$ 331,820	$ -	$ -	$ -	$ -	$ 16,591			$987.00	$ 348,411
50,000 to 99,999 MCF/Yr	Transport	$1,465.00	$1,538.25	353	$ 517,145	$ -	$ -	$ -	$ -	$ 25,857			$1,538.00	$ 542,914
100,000 to 199,999 MCF/Yr	Transport	$2,130.00	$2,236.50	278	$ 592,140	$ -	$ -	$ -	$ -	$ 29,607			$2,237.00	$ 621,886
Over 200,000 MCF/Yr	Transport	$5,630.00	$5,911.50	379	$ 2,133,770	$ -	$ -	$ -	$ -	$ 106,689			$5,912.00	$ 2,240,648
Delivery Charge														
25,000 - 49,999 MCF/Yr	Sales	$2.6360	$2.7563	17,128									$2.9451	$ 50,445
50,000 - 99,999 MCF/Yr	Sales	$2.5519	$2.6679	762									$2.8512	$ 2,173
100,000 - 199,999 MCF/Yr	Sales	$2.4335	$2.5435	-									$2.7189	$ -
200,000 to 749,999 MCF/Yr	Sales	$2.1937	$2.2915	-									$2.4509	$ -
750,000 to 1,999,999 MCF/Yr	Sales	$1.9097	$1.9931	-									$2.1336	$ -
Over 2,000,000 MCF/Yr	Sales	$1.4431	$1.5029	-									$1.6123	$ -
Blended Full Tariff	Sales	$2.6172	$2.8393	17,891	$ 46,823	$ 33	$ (127)	$ -	$ (213)	$ 4,280			$2.9241	
25,000 - 49,999 MCF/Yr	Transport	$2.6360	$2.7696	1,277,708									$2.9451	$ 3,762,977
50,000 - 99,999 MCF/Yr	Transport	$2.5519	$2.6813	1,466,279									$2.8512	$ 4,180,654
100,000 - 199,999 MCF/Yr	Transport	$2.4335	$2.5569	3,336,684									$2.7189	$ 9,072,110
200,000 to 749,999 MCF/Yr	Transport	$2.1937	$2.3049	5,950,590									$2.4509	$ 14,584,302
750,000 to 1,999,999 MCF/Yr	Transport	$1.9097	$2.0065	836,183									$2.1336	$ 1,784,080
Over 2,000,000 MCF/Yr	Transport	$1.4431	$1.5163	-									$1.6123	$ -
Blended Full Tariff		$2.3846	$2.6252	12,867,444	$ 30,684,151	$ 16,622	$ -	$ -	$ -	$ 3,078,471			$2.6643	
Negotiated		$0.2634	$0.2647	5,696,556	$ 1,500,745	$ 7,359	$ -	$ -	$ -	$ -			$0.2634	$ 1,500,745
LGS Total					$ 57,668,118	$ 37,936	$ (2,357)	$ -	$ (3,958)	$ 5,238,182	$ -	$ 62,937,921		$ 62,937,814

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-4 - Rate Design

		Current Base Rates	Current Plus Rolled-in Riders	Billing Determinants	Current Base Revenue	Rolled-in Rider Revenue					Revenue Increase	Target Base Revenue	Proposed Rates	Proposed Base Revenue
						STAS	MFC	USR	GPC	DSIC				
Mainline Service (MLS)														
Customer Charge														
Over 500,000 MCF/Yr	Sales	$5,630.00	$5,630.00		$ -	$ -	$ -	$ -	$ -	$ -			$5,912.00	$ -
Over 500,000 MCF/Yr	Transport	$5,630.00	$5,630.00	96	$ 540,480	$ -	$ -	$ -	$ -	$ -			$5,912.00	$ 567,552
Delivery Charge														
PNG transmission line	Sales	$0.7430	$0.7245		$ -	$ -	$ -	$ -	$ -	$ -			$0.7470	$ -
Interstate pipeline	Sales	$0.4422	$0.4235		$ -	$ -	$ -	$ -	$ -	$ -			$0.4446	$ -
PNG transmission line	Transport	$0.7430	$0.7435	-	$ -	$ -	$ -	$ -	$ -	$ -			$0.7470	$ -
Interstate pipeline	Transport	$0.4422	$0.4349	1,694,527	$ 749,320	$ 2,189	$ -	$ -	$ -	$ -			$0.4446	$ 753,387
Negotiated		$0.2634	$0.2647	22,354,141	$ 5,889,149	$ 28,877	$ -	$ -	$ -	$ -			$0.2634	$ 5,889,149
MLS Total					$ 7,178,949	$ 31,066	$ -	$ -	$ -	$ -	$ -	$ 7,210,016		$ 7,210,088
SYSTEM TOTAL					$ 616,555,782	$ 346,045	$ 1,001,765	$ (280,390)	$ (730,216)	$ 36,632,493	$ 160,871,017	$ 814,396,494		$ 814,393,212
Difference due to rounding														*$ (3,282)*

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Residential Service

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
1	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
2	Customer Charge	12	$ 16.80	$ 201.60	$26.00	$ 312.00	$ 16.80	$ 201.60	$26.00	$ 312.00
3	Riders:									
4	Supplier Choice	12	$ 0.0036	$ 0.04	$0.0036	$ 0.04	$ 0.0036	$ 0.04	$0.0036	$ 0.04
5	DSIC	12	$ 0.8400	$ 10.08	$0.0000	$ -	$ 0.8400	$ 10.08	$0.0000	$ -
6	TRS	12	$ (0.1033)	$ (1.24)	$ (0.1033)	$ (1.24)	$ (0.1033)	$ (1.24)	$ (0.1033)	$ (1.24)
7	Total Monthly Charge		$ 17.54	$ 210.48	$ 25.90	$ 310.80	$ 17.54	$ 210.48	$ 25.90	$ 310.80
8	Volumetric Charges	Usage (Mcf)								
9	Delivery Charge per Mcf	86	$ 5.3537	$ 460.42	$ 6.6359	$ 570.69	$ 5.3537	$ 460.42	$ 6.6359	$ 570.69
10	Riders:									
11	STAS	86	$ 0.0037	$ 0.32	$ -	$ -	$ 0.0037	$ 0.32	$ -	$ -
12	MFC	86	$ 0.1699	$ 14.61	$ 0.1490	$ 12.82	$ 0.0410	$ 3.53	$ 0.0360	$ 3.09
13	USR	86	$ -	$ -	$ 0.0054	$ 0.46	$ -	$ -	$ 0.0054	$ 0.46
14	GPC	86	$ 0.0865	$ 7.44	$ 0.0984	$ 8.46	$ -	$ -	$ -	$ -
15	DSIC	86	$ 0.3353	$ 28.83	$ -	$ -	$ 0.3245	$ 27.91	$ -	$ -
16	TRS	86	$ (0.0329)	$ (2.83)	$ (0.0329)	$ (2.83)	$ (0.0329)	$ (2.83)	$ (0.0329)	$ (2.83)
17	Total Delivery Rate per Mcf		$ 5.9162	$ 508.79	$ 6.8558	$ 589.60	$ 5.6900	$ 489.34	$ 6.6444	$ 571.42
18	Annual Bill without Gas Cost			$ 719.28		$ 900.41		$ 699.82		$ 882.22
19	Average Monthly Bill without Gas Cost			$ 59.94		$ 75.03		$ 58.32		$ 73.52
20	Gas Cost 1/	86	$ 7.7219	$ 664.08	$ 7.7219	$ 664.08	$ 1.8641	$ 160.31	$ 1.8641	$ 160.31
21	Total Rate per Mcf with Gas Cost		$ 13.6381		$ 14.5777		$ 7.5541		$ 8.5085	
22	Annual Bill with Gas Cost			$ 1,383.36		$ 1,564.49		$ 860.14		$ 1,042.53
23	Average Monthly Bill with Gas Cost			$ 115.28		$ 130.37		$ 71.68		$ 86.88
24	Change in Annual Bill					$ 181.13				$ 182.40
25	Change in Monthly Bill					$ 15.09				$ 15.20
26	Percent Change in Bill without Gas Cost					25.2%				26.1%
27	Percent Change in Bill with Gas Cost					13.1%				21.2%

1/ gas cost capacity for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Small General Service - 0 to 499 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
28	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
29	Customer Charge	12	$ 22.00	$ 264.00	$32.14	$ 385.68	$ 22.00	$ 264.00	$32.14	$ 385.68
30	Riders:									
31	Supplier Choice	12	$ 0.0036	$ 0.04	$0.0036	$ 0.04	$ 0.0036	$ 0.04	$0.0036	$ 0.04
32	DSIC	12	$ 1.1000	$ 13.20	$0.0000	$ -	$ 1.1000	$ 13.20	$0.0000	$ -
33	TRS	12	$ (0.1352)	$ (1.62)	$ (0.1352)	$ (1.62)	$ (0.1352)	$ (1.62)	$ (0.1352)	$ (1.62)
34	Total Monthly Charge		$ 22.97	$ 275.62	$ 32.01	$ 384.10	$ 22.97	$ 275.62	$ 32.01	$ 384.10
35	Volumetric Charges	Usage (Mcf)								
36	Delivery Charge per Mcf	250	$ 3.9844	$ 996.10	$ 5.7095	$ 1,427.38	$ 3.9844	$ 996.10	$ 5.7095	$ 1,427.38
37	Riders:									
38	STAS	250	$ 0.0028	$ 0.70	$ -	$ -	$ 0.0028	$ 0.70	$ -	$ -
39	MFC	250	$ 0.0256	$ 6.40	$ 0.0327	$ 8.17	$ -	$ -	$ -	$ -
40	GPC	250	$ 0.0865	$ 21.63	$ 0.0984	$ 24.60	$ -	$ -	$ -	$ -
41	DSIC	250	$ 0.2048	$ 51.21	$ -	$ -	$ 0.1992	$ 49.81	$ -	$ -
42	TRS	250	$ (0.0245)	$ (6.12)	$ (0.0245)	$ (6.12)	$ (0.0245)	$ (6.12)	$ (0.0245)	$ (6.12)
43	Total Delivery Rate per Mcf		$ 4.2796	$ 1,069.91	$ 5.8161	$ 1,454.02	$ 4.1619	$ 1,040.48	$ 5.6850	$ 1,421.25
44	Annual Bill without Gas Cost			$ 1,345.53		$ 1,838.13		$ 1,316.10		$ 1,805.35
45	Average Monthly Bill without Gas Cost			$ 112.13		$ 153.18		$ 109.68		$ 150.45
46	Gas Cost 1/	250	$ 7.7219	$ 1,930.47	$ 7.7219	$ 1,930.47	$ 0.8300	$ 207.50	$ 0.8300	$ 207.50
47	Total Rate per Mcf with Gas Cost		$ 12.0015		$ 13.5380		$ 4.9919		$ 6.5150	
48	Annual Bill with Gas Cost			$ 3,276.00		$ 3,768.60		$ 1,523.60		$ 2,012.85
49	Average Monthly Bill with Gas Cost			$ 273.00		$ 314.05		$ 126.97		$ 167.74
50	Change in Annual Bill					$ 492.60				$ 489.25
51	Change in Monthly Bill					$ 41.05				$ 40.77
52	Percent Change in Bill without Gas Cost					36.6%				37.2%
53	Percent Change in Bill with Gas Cost					15.0%				32.1%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Small General Service - 500 to 999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
54	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
55	Customer Charge	12	$ 44.00	$ 528.00	$64.28	$ 771.36	$ 44.00	$ 528.00	$64.28	$ 771.36
56	Riders:									
57	Supplier Choice	12	$ 0.0036	$ 0.04	$0.0036	$ 0.04	$ 0.0036	$ 0.04	$0.0036	$ 0.04
58	DSIC	12	$ 2.2000	$ 26.40	$0.0000	$ -	$ 2.2000	$ 26.40	$0.0000	$ -
59	TRS	12	$ (0.2704)	$ (3.25)	$ (0.2704)	$ (3.25)	$ (0.2704)	$ (3.25)	$ (0.2704)	$ (3.25)
60	Total Monthly Charge		$ 45.93	$ 551.20	$ 64.01	$ 768.16	$ 45.93	$ 551.20	$ 64.01	$ 768.16
61	Volumetric Charges	Usage (Mcf)								
62	Delivery Charge per Mcf	750	$ 3.9844	$ 2,988.30	$ 5.7095	$ 4,282.13	$ 3.9844	$ 2,988.30	$ 5.7095	$ 4,282.13
63	Riders:									
64	STAS	750	$ 0.0028	$ 2.10	$ -	$ -	$ 0.0028	$ 2.09	$ -	$ -
65	MFC	750	$ 0.0256	$ 19.20	$ 0.0327	$ 24.52	$ -	$ -	$ -	$ -
66	GPC	750	$ 0.0865	$ 64.88	$ 0.0984	$ 73.80	$ -	$ -	$ -	$ -
67	DSIC	750	$ 0.2048	$ 153.62	$ -	$ -	$ 0.1992	$ 149.42	$ -	$ -
68	TRS	750	$ (0.0245)	$ (18.37)	$ (0.0245)	$ (18.37)	$ (0.0245)	$ (18.37)	$ (0.0245)	$ (18.37)
69	Total Delivery Rate per Mcf		$ 4.2796	$ 3,209.73	$ 5.8161	$ 4,362.07	$ 4.1619	$ 3,121.44	$ 5.6850	$ 4,263.76
70	Annual Bill without Gas Cost			$ 3,760.93		$ 5,130.23		$ 3,672.64		$ 5,031.92
71	Average Monthly Bill without Gas Cost			$ 313.41		$ 427.52		$ 306.05		$ 419.33
72	Gas Cost 1/	750	$ 7.7219	$ 5,791.42	$ 7.7219	$ 5,791.42	$ 0.8300	$ 622.50	$ 0.8300	$ 622.50
73	Total Rate per Mcf with Gas Cost		$ 12.0015		$ 13.5380		$ 4.9919		$ 6.5150	
74	Annual Bill with Gas Cost			$ 9,552.34		$ 10,921.65		$ 4,295.14		$ 5,654.42
75	Average Monthly Bill with Gas Cost			$ 796.03		$ 910.14		$ 357.93		$ 471.20
76	Change in Annual Bill					$ 1,369.31				$ 1,359.28
77	Change in Monthly Bill					$ 114.11				$ 113.27
78	Percent Change in Bill without Gas Cost					36.4%				37.0%
79	Percent Change in Bill with Gas Cost					14.3%				31.6%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Medium General Service - 1,000 to 2,499 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
80	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
81	Customer Charge	12	$ 101.00	$ 1,212.00	$110.00	$ 1,320.00	$ 101.00	$ 1,212.00	$110.00	$ 1,320.00
82	Riders:									
83	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
84	DSIC	12	$ 5.0500	$ 60.60	$0.0000	$ -	$ 5.0500	$ 60.60	$0.0000	$ -
85	TRS	12	$ (0.6207)	$ (7.45)	$ (0.6207)	$ (7.45)	$ (0.6207)	$ (7.45)	$ (0.6207)	$ (7.45)
86	Total Monthly Charge		$ 105.43	$ 1,265.15	$ 109.38	$ 1,312.55	$ 105.43	$ 1,265.15	$ 109.38	$ 1,312.55
87	Volumetric Charges	Usage (Mcf)								
88	Delivery Charge per Mcf	1,750	$ 3.6941	$ 6,464.68	$ 5.2072	$ 9,112.60	$ 3.6941	$ 6,464.68	$ 5.2072	$ 9,112.60
89	Riders:									
90	STAS	1,750	$ 0.0026	$ 4.53	$ -	$ -	$ 0.0026	$ 4.53	$ -	$ -
91	MFC	1,750	$ 0.0256	$ 44.80	$ 0.0327	$ 57.20	$ -	$ -	$ -	$ -
92	GPC	1,750	$ 0.0865	$ 151.38	$ 0.0984	$ 172.20	$ -	$ -	$ -	$ -
93	DSIC	1,750	$ 0.1903	$ 333.04	$ -	$ -	$ 0.1847	$ 323.23	$ -	$ -
94	TRS	1,750	$ (0.0227)	$ (39.73)	$ (0.0227)	$ (39.73)	$ (0.0227)	$ (39.73)	$ (0.0227)	$ (39.73)
95	Total Delivery Rate per Mcf		$ 3.9764	$ 6,958.69	$ 5.3156	$ 9,302.27	$ 3.8587	$ 6,752.70	$ 5.1845	$ 9,072.87
96	Annual Bill without Gas Cost			$ 8,223.84		$ 10,614.82		$ 8,017.85		$ 10,385.42
97	Average Monthly Bill without Gas Cost			$ 685.32		$ 884.57		$ 668.15		$ 865.45
98	Gas Cost 1/	1,750	$ 7.7219	$ 13,513.31	$ 7.7219	$ 13,513.31	$ 0.8300	$ 1,452.50	$ 0.8300	$ 1,452.50
99	Total Rate per Mcf with Gas Cost		$ 11.6983		$ 13.0375		$ 4.6887		$ 6.0145	
100	Annual Bill with Gas Cost			$ 21,737.14		$ 24,128.13		$ 9,470.35		$ 11,837.92
101	Average Monthly Bill with Gas Cost			$ 1,811.43		$ 2,010.68		$ 789.20		$ 986.49
102	Change in Annual Bill					$ 2,390.98				$ 2,367.57
103	Change in Monthly Bill					$ 199.25				$ 197.30
104	Percent Change in Bill without Gas Cost					29.1%				29.5%
105	Percent Change in Bill with Gas Cost					11.0%				25.0%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Medium General Service - 2,500 to 24,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
106	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
107	Customer Charge	12	$ 145.00	$ 1,740.00	$158.00	$ 1,896.00	$ 145.00	$ 1,740.00	$158.00	$ 1,896.00
108	Riders:									
109	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
110	DSIC	12	$ 7.2500	$ 87.00	$0.0000	$ -	$ 7.2500	$ 87.00	$0.0000	$ -
111	TRS	12	$ (0.8912)	$ (10.69)	$ (0.8912)	$ (10.69)	$ (0.8912)	$ (10.69)	$ (0.8912)	$ (10.69)
112	Total Monthly Charge		$ 151.36	$ 1,816.31	$ 157.11	$ 1,885.31	$ 151.36	$ 1,816.31	$ 157.11	$ 1,885.31
113	Volumetric Charges	Usage (Mcf)								
114	Delivery Charge per Mcf	13,750	$ 3.6941	$ 50,793.88	$ 5.2072	$ 71,599.00	$ 3.6941	$ 50,793.88	$ 5.2072	$ 71,599.00
115	Riders:									
116	STAS	13,750	$ 0.0026	$ 35.56	$ -	$ -	$ 0.0026	$ 35.56	$ -	$ -
117	MFC	13,750	$ 0.0256	$ 352.00	$ 0.0327	$ 449.44	$ -	$ -	$ -	$ -
118	GPC	13,750	$ 0.0865	$ 1,189.38	$ 0.0984	$ 1,353.00	$ -	$ -	$ -	$ -
119	DSIC	13,750	$ 0.1903	$ 2,616.76	$ -	$ -	$ 0.1847	$ 2,539.69	$ -	$ -
120	TRS	13,750	$ (0.0227)	$ (312.18)	$ (0.0227)	$ (312.18)	$ (0.0227)	$ (312.18)	$ (0.0227)	$ (312.18)
121	Total Delivery Rate per Mcf		$ 3.9764	$ 54,675.39	$ 5.3156	$ 73,089.26	$ 3.8587	$ 53,056.95	$ 5.1845	$ 71,286.82
122	Annual Bill without Gas Cost			$ 56,491.70		$ 74,974.57		$ 54,873.25		$ 73,172.13
123	Average Monthly Bill without Gas Cost			$ 4,707.64		$ 6,247.88		$ 4,572.77		$ 6,097.68
124	Gas Cost 1/	13,750	$ 7.7219	$ 106,175.98	$ 7.7219	$ 106,175.98	$ 0.8300	$ 11,412.50	$ 0.8300	$ 11,412.50
125	Total Rate per Mcf with Gas Cost		$ 11.6983		$ 13.0375		$ 4.6887		$ 6.0145	
126	Annual Bill with Gas Cost			$ 162,667.67		$ 181,150.55		$ 66,285.75		$ 84,584.63
127	Average Monthly Bill with Gas Cost			$ 13,555.64		$ 15,095.88		$ 5,523.81		$ 7,048.72
128	Change in Annual Bill					$ 18,482.87				$ 18,298.88
129	Change in Monthly Bill					$ 1,540.24				$ 1,524.91
130	Percent Change in Bill without Gas Cost					32.7%				33.3%
131	Percent Change in Bill with Gas Cost					11.4%				27.6%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - 25,000 - 49,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
132	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
133	Customer Charge	12	$ 940.00	$ 11,280.00	$987.00	$ 11,844.00	$ 940.00	$ 11,280.00	$987.00	$ 11,844.00
134	Riders:									
135	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
136	DSIC	12	$ 47.0000	$ 564.00	$0.0000	$ -	$ 47.0000	$ 564.00	$0.0000	$ -
137	TRS	12	$ (5.7772)	$ (69.33)	$ (5.7772)	$ (69.33)	$ (5.7772)	$ (69.33)	$ (5.7772)	$ (69.33)
138	Total Monthly Charge		$ 981.22	$ 11,774.67	$ 981.22	$ 11,774.67	$ 981.22	$ 11,774.67	$ 981.22	$ 11,774.67
139	Volumetric Charges	Usage (Mcf)								
140	Delivery Charge per Mcf	37,500	$ 2.6360	$ 98,850.00	$ 2.9451	$ 110,441.25	$ 2.6360	$ 98,850.00	$ 2.9451	$ 110,441.25
141	Riders:									
142	STAS	37,500	$ 0.0018	$ 69.20	$ -	$ -	$ 0.0018	$ 69.20	$ -	$ -
143	MFC	37,500	$ 0.0256	$ 960.00	$ 0.0327	$ 1,225.75	$ -	$ -	$ -	$ -
144	GPC	37,500	$ 0.0865	$ 3,243.75	$ 0.0984	$ 3,690.00	$ -	$ -	$ -	$ -
145	DSIC	37,500	$ 0.1374	$ 5,152.69	$ -	$ -	$ 0.1318	$ 4,942.50	$ -	$ -
146	TRS	37,500	$ (0.0162)	$ (607.53)	$ (0.0162)	$ (607.53)	$ (0.0162)	$ (607.53)	$ (0.0162)	$ (607.53)
147	Total Delivery Rate per Mcf		$ 2.8711	$ 107,668.10	$ 3.0600	$ 114,749.47	$ 2.7534	$ 103,254.16	$ 2.9289	$ 109,833.72
148	Annual Bill without Gas Cost			$ 119,442.77		$ 126,524.14		$ 115,028.84		$ 121,608.39
149	Average Monthly Bill without Gas Cost			$ 9,953.56		$ 10,543.68		$ 9,585.74		$ 10,134.03
150	Gas Cost 1/	37,500	$ 7.7219	$ 289,570.84	$ 7.7219	$ 289,570.84	$ 0.1740	$ 6,525.00	$ 0.1740	$ 6,525.00
151	Total Rate per Mcf with Gas Cost		$ 10.5930		$ 10.7819		$ 2.9274		$ 3.1029	
152	Annual Bill with Gas Cost			$ 409,013.62		$ 416,094.99		$ 121,553.84		$ 128,133.39
153	Average Monthly Bill with Gas Cost			$ 34,084.47		$ 34,674.58		$ 10,129.49		$ 10,677.78
154	Change in Annual Bill					$ 7,081.37				$ 6,579.55
155	Change in Monthly Bill					$ 590.11				$ 548.30
156	Percent Change in Bill without Gas Cost					5.9%				5.7%
157	Percent Change in Bill with Gas Cost					1.7%				5.4%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - 50,000 - 99,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
158	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
159	Customer Charge	12	$ 1,465.00	$ 17,580.00	$1,538.00	$ 18,456.00	$ 1,465.00	$ 17,580.00	$1,538.00	$ 18,456.00
160	Riders:									
161	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
162	DSIC	12	$ 73.2500	$ 879.00	$0.0000	$ -	$ 73.2500	$ 879.00	$0.0000	$ -
163	TRS	12	$ (9.0039)	$ (108.05)	$ (9.0039)	$ (108.05)	$ (9.0039)	$ (108.05)	$ (9.0039)	$ (108.05)
164	Total Monthly Charge		$ 1,529.25	$ 18,350.95	$ 1,529.00	$ 18,347.95	$ 1,529.25	$ 18,350.95	$ 1,529.00	$ 18,347.95
165	Volumetric Charges	Usage (Mcf)								
166	Delivery Charge per Mcf	75,000	$ 2.5519	$ 191,392.50	$ 2.8512	$ 213,840.00	$ 2.5519	$ 191,392.50	$ 2.8512	$ 213,840.00
167	Riders:									
168	STAS	75,000	$ 0.0018	$ 133.97	$ -	$ -	$ 0.0018	$ 133.97	$ -	$ -
169	MFC	75,000	$ 0.0256	$ 1,920.00	$ 0.0327	$ 2,451.51	$ -	$ -	$ -	$ -
170	GPC	75,000	$ 0.0865	$ 6,487.50	$ 0.0984	$ 7,380.00	$ -	$ -	$ -	$ -
171	DSIC	75,000	$ 0.1332	$ 9,990.00	$ -	$ -	$ 0.1276	$ 9,569.63	$ -	$ -
172	TRS	75,000	$ (0.0157)	$ (1,176.30)	$ (0.0157)	$ (1,176.30)	$ (0.0157)	$ (1,176.30)	$ (0.0157)	$ (1,176.30)
173	Total Delivery Rate per Mcf		$ 2.7833	$ 208,747.68	$ 2.9666	$ 222,495.21	$ 2.6656	$ 199,919.80	$ 2.8355	$ 212,663.70
174	Annual Bill without Gas Cost			$ 227,098.63		$ 240,843.16		$ 218,270.75		$ 231,011.66
175	Average Monthly Bill without Gas Cost			$ 18,924.89		$ 20,070.26		$ 18,189.23		$ 19,250.97
176	Gas Cost 1/	75,000	$ 7.7219	$ 579,141.68	$ 7.7219	$ 579,141.68	$ 0.1740	$ 13,050.00	$ 0.1740	$ 13,050.00
177	Total Rate per Mcf with Gas Cost		$ 10.5052		$ 10.6885		$ 2.8396		$ 3.0095	
178	Annual Bill with Gas Cost			$ 806,240.31		$ 819,984.85		$ 231,320.75		$ 244,061.66
179	Average Monthly Bill with Gas Cost			$ 67,186.69		$ 68,332.07		$ 19,276.73		$ 20,338.47
180	Change in Annual Bill					$ 13,744.53				$ 12,740.90
181	Change in Monthly Bill					$ 1,145.38				$ 1,061.74
182	Percent Change in Bill without Gas Cost					6.1%				5.8%
183	Percent Change in Bill with Gas Cost					1.7%				5.5%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - 100,000 - 199,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
184	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
185	Customer Charge	12	$ 2,130.00	$ 25,560.00	$2,237.00	$ 26,844.00	$ 2,130.00	$ 25,560.00	$2,237.00	$ 26,844.00
186	Riders:									
187	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
188	DSIC	12	$ 106.5000	$ 1,278.00	$0.0000	$ -	$ 106.5000	$ 1,278.00	$0.0000	$ -
189	TRS	12	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)
190	Total Monthly Charge		$ 2,223.41	$ 26,680.91	$ 2,223.91	$ 26,686.91	$ 2,223.41	$ 26,680.91	$ 2,223.91	$ 26,686.91
191	Volumetric Charges	Usage (Mcf)								
192	Delivery Charge per Mcf	150,000	$ 2.4335	$ 365,025.00	$ 2.7189	$ 407,835.00	$ 2.4335	$ 365,025.00	$ 2.7189	$ 407,835.00
193	Riders:									
194	STAS	150,000	$ 0.0017	$ 255.52	$ -	$ -	$ 0.0017	$ 255.52	$ -	$ -
195	MFC	150,000	$ 0.0256	$ 3,840.00	$ 0.0327	$ 4,903.01	$ -	$ -	$ -	$ -
196	GPC	150,000	$ 0.0865	$ 12,975.00	$ 0.0984	$ 14,760.00	$ -	$ -	$ -	$ -
197	DSIC	150,000	$ 0.1273	$ 19,092.00	$ -	$ -	$ 0.1217	$ 18,251.25	$ -	$ -
198	TRS	150,000	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)
199	Total Delivery Rate per Mcf		$ 2.6596	$ 398,944.07	$ 2.8350	$ 425,254.57	$ 2.5419	$ 381,288.32	$ 2.7039	$ 405,591.56
200	Annual Bill without Gas Cost			$ 425,624.98		$ 451,941.48		$ 407,969.23		$ 432,278.46
201	Average Monthly Bill without Gas Cost			$ 35,468.75		$ 37,661.79		$ 33,997.44		$ 36,023.21
202	Gas Cost 1/	150,000	$ 7.7219	$ 1,158,283.37	$ 7.7219	$ 1,158,283.37	$ 0.1740	$ 26,100.00	$ 0.1740	$ 26,100.00
203	Total Rate per Mcf with Gas Cost		$ 10.3815		$ 10.5569		$ 2.7159		$ 2.8779	
204	Annual Bill with Gas Cost			$ 1,583,908.35		$ 1,610,224.85		$ 434,069.23		$ 458,378.46
205	Average Monthly Bill with Gas Cost			$ 131,992.36		$ 134,185.40		$ 36,172.44		$ 38,198.21
206	Change in Annual Bill					$ 26,316.50				$ 24,309.23
207	Change in Monthly Bill					$ 2,193.04				$ 2,025.77
208	Percent Change in Bill without Gas Cost					6.2%				6.0%
209	Percent Change in Bill with Gas Cost					1.7%				5.6%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - 200,000 to 749,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
210	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
211	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
212	Riders:									
213	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
214	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
215	TRS	12	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)
216	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
217	Volumetric Charges	Usage (Mcf)								
218	Delivery Charge per Mcf	475,000	$ 2.1937	$ 1,042,007.50	$ 2.4509	$ 1,164,177.50	$ 2.1937	$ 1,042,007.50	$ 2.4509	$ 1,164,177.50
219	Riders:									
220	STAS	475,000	$ 0.0015	$ 729.41	$ -	$ -	$ 0.0015	$ 729.41	$ -	$ -
221	MFC	475,000	$ 0.0256	$ 12,160.00	$ 0.0327	$ 15,526.21	$ -	$ -	$ -	$ -
222	GPC	475,000	$ 0.0865	$ 41,087.50	$ 0.0984	$ 46,740.00	$ -	$ -	$ -	$ -
223	DSIC	475,000	$ 0.1153	$ 54,762.75	$ -	$ -	$ 0.1097	$ 52,100.38	$ -	$ -
224	TRS	475,000	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)
225	Total Delivery Rate per Mcf		$ 2.4091	$ 1,144,342.98	$ 2.5685	$ 1,220,039.53	$ 2.2914	$ 1,088,433.10	$ 2.4374	$ 1,157,773.32
226	Annual Bill without Gas Cost			$ 1,214,865.75		$ 1,290,568.31		$ 1,158,955.88		$ 1,228,302.10
227	Average Monthly Bill without Gas Cost			$ 101,238.81		$ 107,547.36		$ 96,579.66		$ 102,358.51
228	Gas Cost 1/	475,000	$ 7.7219	$ 3,667,897.33	$ 7.7219	$ 3,667,897.33	$ 0.1740	$ 82,650.00	$ 0.1740	$ 82,650.00
229	Total Rate per Mcf with Gas Cost		$ 10.1310		$ 10.2904		$ 2.4654		$ 2.6114	
230	Annual Bill with Gas Cost			$ 4,882,763.09		$ 4,958,465.64		$ 1,241,605.88		$ 1,310,952.10
231	Average Monthly Bill with Gas Cost			$ 406,896.92		$ 413,205.47		$ 103,467.16		$ 109,246.01
232	Change in Annual Bill					$ 75,702.55				$ 69,346.22
233	Change in Monthly Bill					$ 6,308.55				$ 5,778.85
234	Percent Change in Bill without Gas Cost					6.2%				6.0%
235	Percent Change in Bill with Gas Cost					1.6%				5.6%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - 750,000 to 1,999,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
236	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
237	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
238	Riders:									
239	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
240	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
241	TRS	12	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)
242	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
243	Volumetric Charges	Usage (Mcf)								
244	Delivery Charge per Mcf	1,375,000	$ 1.9097	$ 2,625,837.50	$ 2.1336	$ 2,933,700.00	$ 1.9097	$ 2,625,837.50	$ 2.1336	$ 2,933,700.00
245	Riders:									
246	STAS	1,375,000	$ 0.0013	$ 1,838.09	$ -	$ -	$ 0.0013	$ 1,838.09	$ -	$ -
247	MFC	1,375,000	$ 0.0256	$ 35,200.00	$ 0.0327	$ 44,944.29	$ -	$ -	$ -	$ -
248	GPC	1,375,000	$ 0.0865	$ 118,937.50	$ 0.0984	$ 135,300.00	$ -	$ -	$ -	$ -
249	DSIC	1,375,000	$ 0.1011	$ 138,998.75	$ -	$ -	$ 0.0955	$ 131,291.88	$ -	$ -
250	TRS	1,375,000	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)
251	Total Delivery Rate per Mcf		$ 2.1125	$ 2,904,673.44	$ 2.2529	$ 3,097,805.89	$ 1.9948	$ 2,742,829.06	$ 2.1219	$ 2,917,561.60
252	Annual Bill without Gas Cost			$ 2,975,196.22		$ 3,168,334.67		$ 2,813,351.84		$ 2,988,090.38
253	Average Monthly Bill without Gas Cost			$ 247,933.02		$ 264,027.89		$ 234,445.99		$ 249,007.53
254	Gas Cost 1/	1,375,000	$ 7.7219	$ 10,617,597.55	$ 7.7219	$ 10,617,597.55	$ 0.1740	$ 239,250.00	$ 0.1740	$ 239,250.00
255	Total Rate per Mcf with Gas Cost		$ 9.8344		$ 9.9748		$ 2.1688		$ 2.2959	
256	Annual Bill with Gas Cost			$ 13,592,793.76		$ 13,785,932.22		$ 3,052,601.84		$ 3,227,340.38
257	Average Monthly Bill with Gas Cost			$ 1,132,732.81		$ 1,148,827.68		$ 254,383.49		$ 268,945.03
258	Change in Annual Bill					$ 193,138.45				$ 174,738.54
259	Change in Monthly Bill					$ 16,094.87				$ 14,561.54
260	Percent Change in Bill without Gas Cost					6.5%				6.2%
261	Percent Change in Bill with Gas Cost					1.4%				5.7%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Large General Service - Over 2,000,000 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
262	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
263	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
264	Riders:									
265	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
266	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
267	TRS	12	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)
268	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
269	Volumetric Charges	Usage (Mcf)								
270	Delivery Charge per Mcf	2,100,000	$ 1.4431	$ 3,030,510.00	$ 1.6123	$ 3,385,830.00	$ 1.4431	$ 3,030,510.00	$ 1.6123	$ 3,385,830.00
271	Riders:									
272	STAS	2,100,000	$ 0.0010	$ 2,121.36	$ -	$ -	$ 0.0010	$ 2,121.36	$ -	$ -
273	MFC	2,100,000	$ 0.0256	$ 53,760.00	$ 0.0327	$ 68,642.19	$ -	$ -	$ -	$ -
274	GPC	2,100,000	$ 0.0865	$ 181,650.00	$ 0.0984	$ 206,640.00	$ -	$ -	$ -	$ -
275	DSIC	2,100,000	$ 0.0778	$ 163,296.00	$ -	$ -	$ 0.0722	$ 151,525.50	$ -	$ -
276	TRS	2,100,000	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)
277	Total Delivery Rate per Mcf		$ 1.6251	$ 3,412,711.84	$ 1.7345	$ 3,642,486.67	$ 1.5074	$ 3,165,531.34	$ 1.6034	$ 3,367,204.49
278	Annual Bill without Gas Cost			$ 3,483,234.62		$ 3,713,015.45		$ 3,236,054.12		$ 3,437,733.26
279	Average Monthly Bill without Gas Cost			$ 290,269.55		$ 309,417.95		$ 269,671.18		$ 286,477.77
280	Gas Cost 1/	2,100,000	$ 7.7219	$ 16,215,967.16	$ 7.7219	$ 16,215,967.16	$ 0.1740	$ 365,400.00	$ 0.1740	$ 365,400.00
281	Total Rate per Mcf with Gas Cost		$ 9.3470		$ 9.4564		$ 1.6814		$ 1.7774	
282	Annual Bill with Gas Cost			$ 19,699,201.78		$ 19,928,982.61		$ 3,601,454.12		$ 3,803,133.26
283	Average Monthly Bill with Gas Cost			$ 1,641,600.15		$ 1,660,748.55		$ 300,121.18		$ 316,927.77
284	Change in Annual Bill					$ 229,780.83				$ 201,679.14
285	Change in Monthly Bill					$ 19,148.40				$ 16,806.60
286	Percent Change in Bill without Gas Cost					6.6%				6.2%
287	Percent Change in Bill with Gas Cost					1.2%				5.6%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Mainline Service - Over 500,000 Mcf per year, PNG transmission line

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
288	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
289	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
290	Riders:									
291	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
292	DSIC	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
293	TRS	12	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)
294	Total Monthly Charge		$ 5,595.40	$ 67,144.78	$ 5,877.40	$ 70,528.78	$ 5,595.40	$ 67,144.78	$ 5,877.40	$ 70,528.78
295	Volumetric Charges	Usage (Mcf)								
296	Delivery Charge per Mcf	2,100,000	$ 0.7430	$ 1,560,300.00	$ 0.7470	$ 1,568,768.39	$ 0.7430	$ 1,560,300.00	$ 0.7470	$ 1,568,768.39
297	Riders:									
298	STAS	2,100,000	$ 0.0005	$ 1,092.21	$ -	$ -	$ 0.0005	$ 1,092.21	$ -	$ -
299	MFC	2,100,000	$ 0.0256	$ 53,760.00	$ 0.0327	$ 68,642.19	$ -	$ -	$ -	$ -
300	GPC	2,100,000	$ 0.0865	$ 181,650.00	$ 0.0984	$ 206,640.00	$ -	$ -	$ -	$ -
301	DSIC	2,100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
302	TRS	2,100,000	$ (0.0046)	$ (9,589.60)	$ (0.0046)	$ (9,589.60)	$ (0.0046)	$ (9,589.60)	$ (0.0046)	$ (9,589.60)
303	Total Delivery Rate per Mcf		$ 0.8511	$ 1,787,212.61	$ 0.8736	$ 1,834,460.97	$ 0.7390	$ 1,551,802.61	$ 0.7425	$ 1,559,178.78
304	Annual Bill without Gas Cost			$ 1,854,357.38		$ 1,904,989.75		$ 1,618,947.38		$ 1,629,707.56
305	Average Monthly Bill without Gas Cost			$ 154,529.78		$ 158,749.15		$ 134,912.28		$ 135,808.96
306	Gas Cost 1/	2,100,000	$ 7.7219	$ 16,215,967.16	$ 7.7219	$ 16,215,967.16	$ 0.1740	$ 365,400.00	$ 0.1740	$ 365,400.00
307	Total Rate per Mcf with Gas Cost		$ 8.5729		$ 8.5954		$ 0.9130		$ 0.9165	
308	Annual Bill with Gas Cost			$ 18,070,324.55		$ 18,120,956.91		$ 1,984,347.38		$ 1,995,107.56
309	Average Monthly Bill with Gas Cost			$ 1,505,860.38		$ 1,510,079.74		$ 165,362.28		$ 166,258.96
310	Change in Annual Bill					$ 50,632.36				$ 10,760.18
311	Change in Monthly Bill					$ 4,219.36				$ 896.68
312	Percent Change in Bill without Gas Cost					2.7%				0.7%
313	Percent Change in Bill with Gas Cost					0.3%				0.5%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

Mainline Service - Over 500,000 Mcf per year, Interstate pipeline

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
314	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
315	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
316	Riders:									
317	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
318	DSIC	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
319	TRS	12	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)
320	Total Monthly Charge		$ 5,595.40	$ 67,144.78	$ 5,877.40	$ 70,528.78	$ 5,595.40	$ 67,144.78	$ 5,877.40	$ 70,528.78
321	Volumetric Charges	Usage (Mcf)								
322	Delivery Charge per Mcf	2,100,000	$ 0.4422	$ 928,620.00	$ 0.4446	$ 933,660.00	$ 0.4422	$ 928,620.00	$ 0.4446	$ 933,660.00
323	Riders:									
324	STAS	2,100,000	$ 0.0003	$ 650.03	$ -	$ -	$ 0.0013	$ 2,712.82	$ -	$ -
325	MFC	2,100,000	$ 0.0256	$ 53,760.00	$ 0.0327	$ 68,642.19	$ -	$ -	$ -	$ -
326	GPC	2,100,000	$ 0.0865	$ 181,650.00	$ 0.0984	$ 206,640.00	$ -	$ -	$ -	$ -
327	DSIC	2,100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
328	TRS	2,100,000	$ (0.0027)	$ (5,707.30)	$ (0.0027)	$ (5,707.30)	$ (0.0113)	$ (23,818.53)	$ (0.0027)	$ (5,707.30)
329	Total Delivery Rate per Mcf		$ 0.5519	$ 1,158,972.74	$ 0.5730	$ 1,203,234.89	$ 0.4321	$ 907,514.29	$ 0.4419	$ 927,952.70
330	Annual Bill without Gas Cost			$ 1,226,117.51		$ 1,273,763.67		$ 974,659.06		$ 998,481.48
331	Average Monthly Bill without Gas Cost			$ 102,176.46		$ 106,146.97		$ 81,221.59		$ 83,206.79
332	Gas Cost 1/	2,100,000	$ 7.7219	$ 16,215,967.16	$ 7.7219	$ 16,215,967.16	$ 0.1740	$ 365,400.00	$ 0.1740	$ 365,400.00
333	Total Rate per Mcf with Gas Cost		$ 8.2738		$ 8.2949		$ 0.6061		$ 0.6159	
334	Annual Bill with Gas Cost			$ 17,442,084.68		$ 17,489,730.83		$ 1,340,059.06		$ 1,363,881.48
335	Average Monthly Bill with Gas Cost			$ 1,453,507.06		$ 1,457,477.57		$ 111,671.59		$ 113,656.79
336	Change in Annual Bill					$ 47,646.16				$ 23,822.41
337	Change in Monthly Bill					$ 3,970.51				$ 1,985.20
338	Percent Change in Bill without Gas Cost					3.9%				2.4%
339	Percent Change in Bill with Gas Cost					0.3%				1.8%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

TRANSITIONAL - Large General Service - 100,000 - 199,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
340	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
341	Customer Charge	12	$ 2,130.00	$ 25,560.00	$2,237.00	$ 26,844.00	$ 2,130.00	$ 25,560.00	$2,237.00	$ 26,844.00
342	Riders:									
343	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
344	DSIC	12	$ 106.5000	$ 1,278.00	$0.0000	$ -	$ 106.5000	$ 1,278.00	$0.0000	$ -
345	TRS	12	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)	$ (13.0910)	$ (157.09)
346	Total Monthly Charge		$ 2,223.41	$ 26,680.91	$ 2,223.91	$ 26,686.91	$ 2,223.41	$ 26,680.91	$ 2,223.91	$ 26,686.91
347	Volumetric Charges	Usage (Mcf)								
348	Delivery Charge per Mcf	150,000	$ 1.4012	$ 210,180.00	$ 1.5655	$ 234,827.11	$ 1.4012	$ 210,180.00	$ 1.5655	$ 234,827.11
349	Riders:									
350	STAS	150,000	$ 0.0017	$ 255.52	$ -	$ -	$ 0.0017	$ 255.52	$ -	$ -
351	MFC	150,000	$ 0.0256	$ 3,840.00	$ 0.0327	$ 4,903.01	$ -	$ -	$ -	$ -
352	GPC	150,000	$ 0.0865	$ 12,975.00	$ 0.0984	$ 14,760.00	$ -	$ -	$ -	$ -
353	DSIC	150,000	$ 0.1273	$ 19,092.00	$ -	$ -	$ 0.1217	$ 18,251.25	$ -	$ -
354	TRS	150,000	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)	$ (0.0150)	$ (2,243.44)
355	Total Delivery Rate per Mcf		$ 1.6273	$ 244,099.07	$ 1.6816	$ 252,246.68	$ 1.5096	$ 226,443.32	$ 1.5506	$ 232,583.66
356	Annual Bill without Gas Cost			$ 270,779.98		$ 278,933.59		$ 253,124.23		$ 259,270.57
357	Average Monthly Bill without Gas Cost			$ 22,565.00		$ 23,244.47		$ 21,093.69		$ 21,605.88
358	Gas Cost 1/	150,000	$ 7.7219	$ 1,158,283.37	$ 7.7219	$ 1,158,283.37	$ 0.1740	$ 26,100.00	$ 0.1740	$ 26,100.00
359	Total Rate per Mcf with Gas Cost		$ 9.3492		$ 9.4035		$ 1.6836		$ 1.7246	
360	Annual Bill with Gas Cost			$ 1,429,063.35		$ 1,437,216.96		$ 279,224.23		$ 285,370.57
361	Average Monthly Bill with Gas Cost			$ 119,088.61		$ 119,768.08		$ 23,268.69		$ 23,780.88
362	Change in Annual Bill					$ 8,153.60				$ 6,146.34
363	Change in Monthly Bill					$ 679.47				$ 512.20
364	Percent Change in Bill without Gas Cost					3.0%				2.4%
365	Percent Change in Bill with Gas Cost					0.6%				2.2%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

TRANSITIONAL - Large General Service - 200,000 to 749,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
366	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
367	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
368	Riders:									
369	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
370	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
371	TRS	12	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)
372	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
373	Volumetric Charges	Usage (Mcf)								
374	Delivery Charge per Mcf	475,000	$ 1.1754	$ 558,315.00	$ 1.3132	$ 623,786.74	$ 1.1754	$ 558,315.00	$ 1.3132	$ 623,786.74
375	Riders:									
376	STAS	475,000	$ 0.0015	$ 729.41	$ -	$ -	$ 0.0015	$ 729.41	$ -	$ -
377	MFC	475,000	$ 0.0256	$ 12,160.00	$ 0.0327	$ 15,526.21	$ -	$ -	$ -	$ -
378	GPC	475,000	$ 0.0865	$ 41,087.50	$ 0.0984	$ 46,740.00	$ -	$ -	$ -	$ -
379	DSIC	475,000	$ 0.1153	$ 54,762.75	$ -	$ -	$ 0.1097	$ 52,100.38	$ -	$ -
380	TRS	475,000	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)	$ (0.0135)	$ (6,404.18)
381	Total Delivery Rate per Mcf		$ 1.3908	$ 660,650.48	$ 1.4308	$ 679,648.77	$ 1.2731	$ 604,740.60	$ 1.2998	$ 617,382.56
382	Annual Bill without Gas Cost			$ 731,173.25		$ 750,177.55		$ 675,263.38		$ 687,911.34
383	Average Monthly Bill without Gas Cost			$ 60,931.10		$ 62,514.80		$ 56,271.95		$ 57,325.94
384	Gas Cost 1/	475,000	$ 7.7219	$ 3,667,897.33	$ 7.7219	$ 3,667,897.33	$ 0.1740	$ 82,650.00	$ 0.1740	$ 82,650.00
385	Total Rate per Mcf with Gas Cost		$ 9.1127		$ 9.1527		$ 1.4471		$ 1.4738	
386	Annual Bill with Gas Cost			$ 4,399,070.59		$ 4,418,074.88		$ 757,913.38		$ 770,561.34
387	Average Monthly Bill with Gas Cost			$ 366,589.22		$ 368,172.91		$ 63,159.45		$ 64,213.44
388	Change in Annual Bill					$ 19,004.29				$ 12,647.96
389	Change in Monthly Bill					$ 1,583.69				$ 1,054.00
390	Percent Change in Bill without Gas Cost					2.6%				1.9%
391	Percent Change in Bill with Gas Cost					0.4%				1.7%

1/ balancing charge for Transport

Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

TRANSITIONAL - Large General Service - 750,000 to 1,999,999 Mcf per year

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
392	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
393	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
394	Riders:									
395	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
396	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
397	TRS	12	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)	$ (34.6020)	$ (415.22)	-$34.6020	$ (415.22)
398	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
399	Volumetric Charges	Usage (Mcf)								
400	Delivery Charge per Mcf	1,375,000	$ 1.1754	$ 1,616,175.00	$ 1.3132	$ 1,805,698.46	$ 1.1754	$ 1,616,175.00	$ 1.3132	$ 1,805,698.46
401	Riders:									
402	STAS	1,375,000	$ 0.0013	$ 1,838.09	$ -	$ -	$ 0.0013	$ 1,838.09	$ -	$ -
403	MFC	1,375,000	$ 0.0256	$ 35,200.00	$ 0.0327	$ 44,944.29	$ -	$ -	$ -	$ -
404	GPC	1,375,000	$ 0.0865	$ 118,937.50	$ 0.0984	$ 135,300.00	$ -	$ -	$ -	$ -
405	DSIC	1,375,000	$ 0.1011	$ 138,998.75	$ -	$ -	$ 0.0955	$ 131,291.88	$ -	$ -
406	TRS	1,375,000	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)	$ (0.0117)	$ (16,138.40)
407	Total Delivery Rate per Mcf		$ 1.3782	$ 1,895,010.94	$ 1.4326	$ 1,969,804.35	$ 1.2605	$ 1,733,166.56	$ 1.3015	$ 1,789,560.06
408	Annual Bill without Gas Cost			$ 1,965,533.72		$ 2,040,333.13		$ 1,803,689.34		$ 1,860,088.83
409	Average Monthly Bill without Gas Cost			$ 163,794.48		$ 170,027.76		$ 150,307.45		$ 155,007.40
410	Gas Cost 1/	1,375,000	$ 7.7219	$ 10,617,597.55	$ 7.7219	$ 10,617,597.55	$ 0.1740	$ 239,250.00	$ 0.1740	$ 239,250.00
411	Total Rate per Mcf with Gas Cost		$ 9.1001		$ 9.1545		$ 1.4345		$ 1.4755	
412	Annual Bill with Gas Cost			$ 12,583,131.26		$ 12,657,930.67		$ 2,042,939.34		$ 2,099,338.83
413	Average Monthly Bill with Gas Cost			$ 1,048,594.27		$ 1,054,827.56		$ 170,244.95		$ 174,944.90
414	Change in Annual Bill					$ 74,799.41				$ 56,399.49
415	Change in Monthly Bill					$ 6,233.28				$ 4,699.96
416	Percent Change in Bill without Gas Cost					3.8%				3.1%
417	Percent Change in Bill with Gas Cost					0.6%				2.8%

1/ balancing charge for Transport

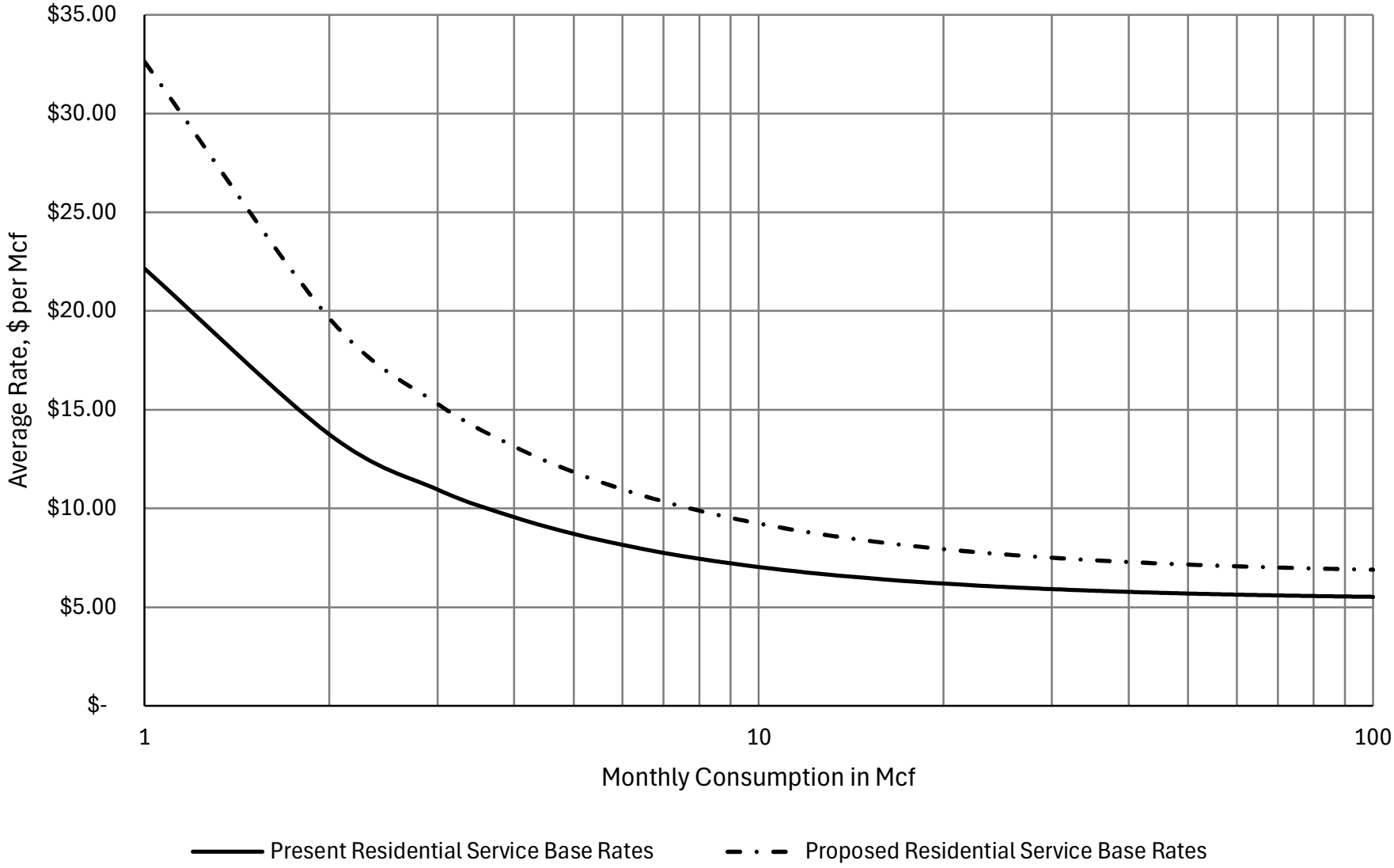
Peoples Natural Gas Company LLC
12 Months Ending December 31, 2027
Peoples Exhibit JDT-5 - Bill Impacts

TRANSITIONAL - Large General Service - Over 2,000,000 Mcf per year

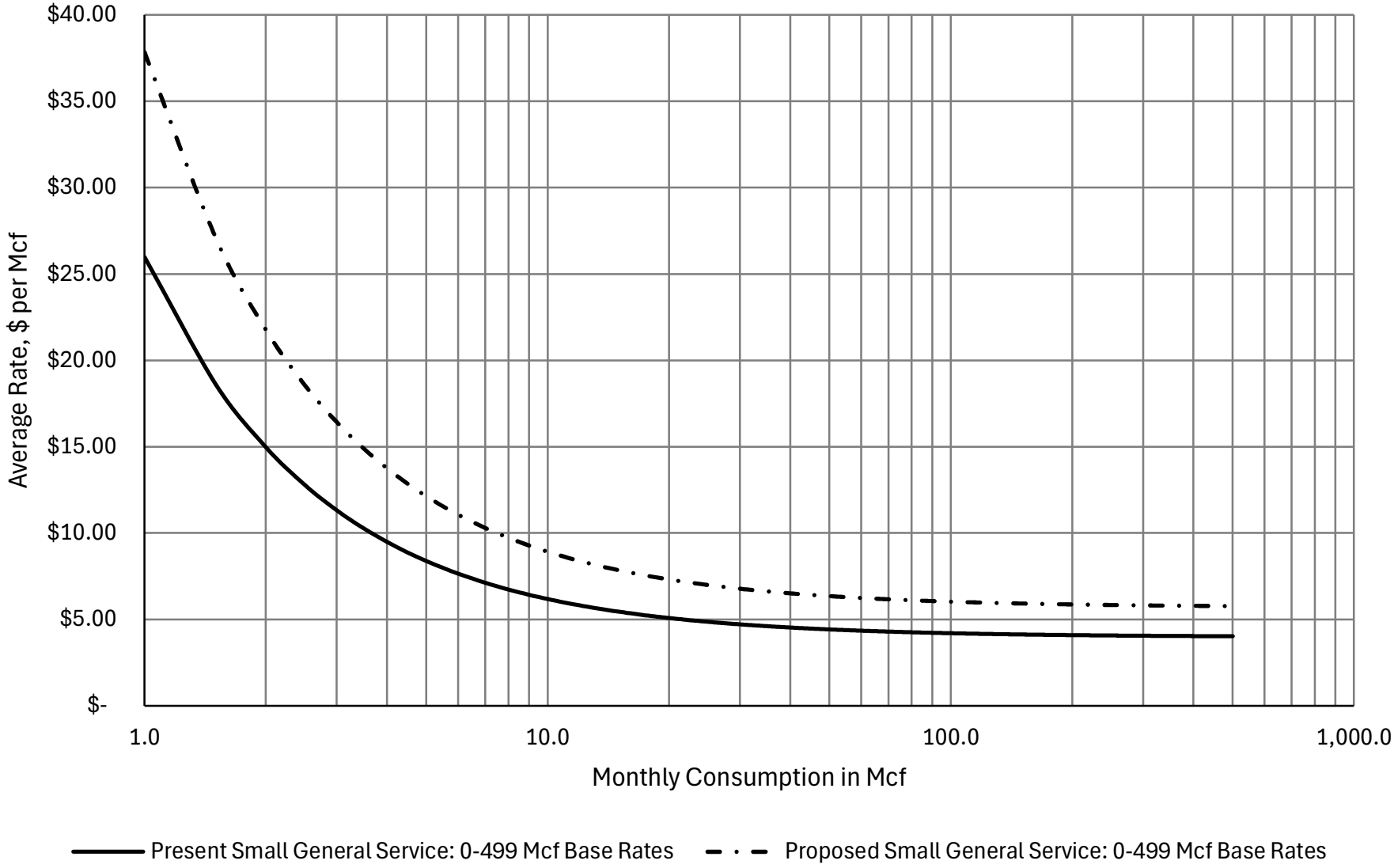
Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			RETAIL				TRANSPORT			
			Current Rates		Proposed Rates		Current Rates		Proposed Rates	
418	Monthly Charges	Bills	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount	Rate	Annual Amount
419	Customer Charge	12	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00	$ 5,630.00	$ 67,560.00	$5,912.00	$ 70,944.00
420	Riders:									
421	Supplier Choice	12	$ -	$ -	$0.0000	$ -	$ -	$ -	$0.0000	$ -
422	DSIC	12	$ 281.5000	$ 3,378.00	$0.0000	$ -	$ 281.5000	$ 3,378.00	$0.0000	$ -
423	TRS	12	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)	$ (34.6020)	$ (415.22)
424	Total Monthly Charge		$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78	$ 5,876.90	$ 70,522.78	$ 5,877.40	$ 70,528.78
425	Volumetric Charges	Usage (Mcf)								
426	Delivery Charge per Mcf	2,100,000	$ 1.1754	$ 2,468,340.00	$ 1.3132	$ 2,757,794.01	$ 1.1754	$ 2,468,340.00	$ 1.3132	$ 2,757,794.01
427	Riders:									
428	STAS	2,100,000	$ 0.0010	$ 2,121.36	$ -	$ -	$ 0.0010	$ 2,121.36	$ -	$ -
429	MFC	2,100,000	$ 0.0256	$ 53,760.00	$ 0.0327	$ 68,642.19	$ -	$ -	$ -	$ -
430	GPC	2,100,000	$ 0.0865	$ 181,650.00	$ 0.0984	$ 206,640.00	$ -	$ -	$ -	$ -
431	DSIC	2,100,000	$ 0.0778	$ 163,296.00	$ -	$ -	$ 0.0722	$ 151,525.50	$ -	$ -
432	TRS	2,100,000	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)	$ (0.0089)	$ (18,625.51)
433	Total Delivery Rate per Mcf		$ 1.3574	$ 2,850,541.84	$ 1.4355	$ 3,014,450.68	$ 1.2397	$ 2,603,361.34	$ 1.3044	$ 2,739,168.49
434	Annual Bill without Gas Cost			$ 2,921,064.62		$ 3,084,979.46		$ 2,673,884.12		$ 2,809,697.27
435	Average Monthly Bill without Gas Cost			$ 243,422.05		$ 257,081.62		$ 222,823.68		$ 234,141.44
436	Gas Cost 1/	2,100,000	$ 7.7219	$ 16,215,967.16	$ 7.7219	$ 16,215,967.16	$ 0.1740	$ 365,400.00	$ 0.1740	$ 365,400.00
437	Total Rate per Mcf with Gas Cost		$ 9.0793		$ 9.1573		$ 1.4137		$ 1.4784	
438	Annual Bill with Gas Cost			$ 19,137,031.78		$ 19,300,946.62		$ 3,039,284.12		$ 3,175,097.27
439	Average Monthly Bill with Gas Cost			$ 1,594,752.65		$ 1,608,412.22		$ 253,273.68		$ 264,591.44
440	Change in Annual Bill					$ 163,914.84				$ 135,813.15
441	Change in Monthly Bill					$ 13,659.57				$ 11,317.76
442	Percent Change in Bill without Gas Cost					5.6%				5.1%
443	Percent Change in Bill with Gas Cost					0.9%				4.5%

1/ balancing charge for Transport

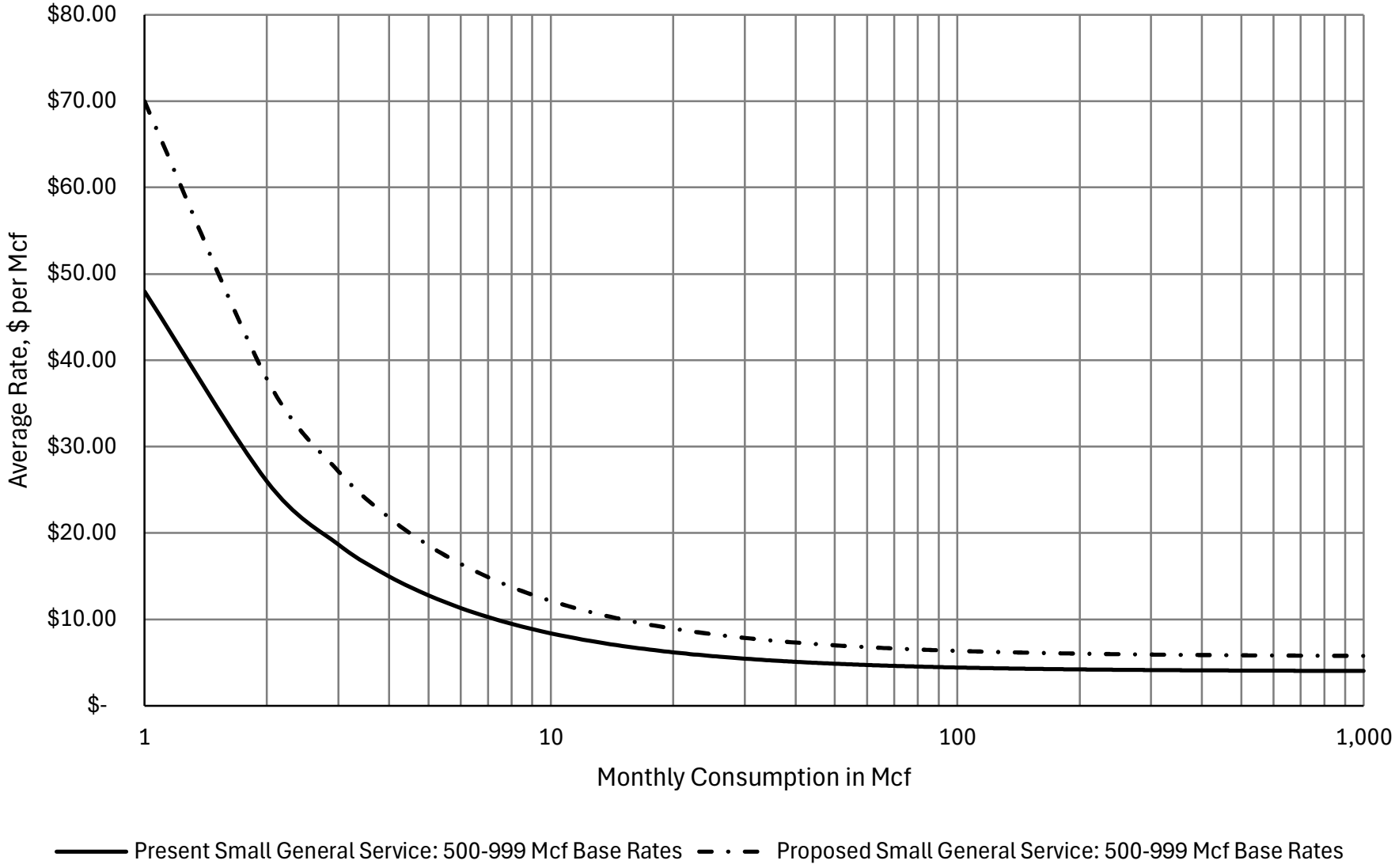
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Residential Service



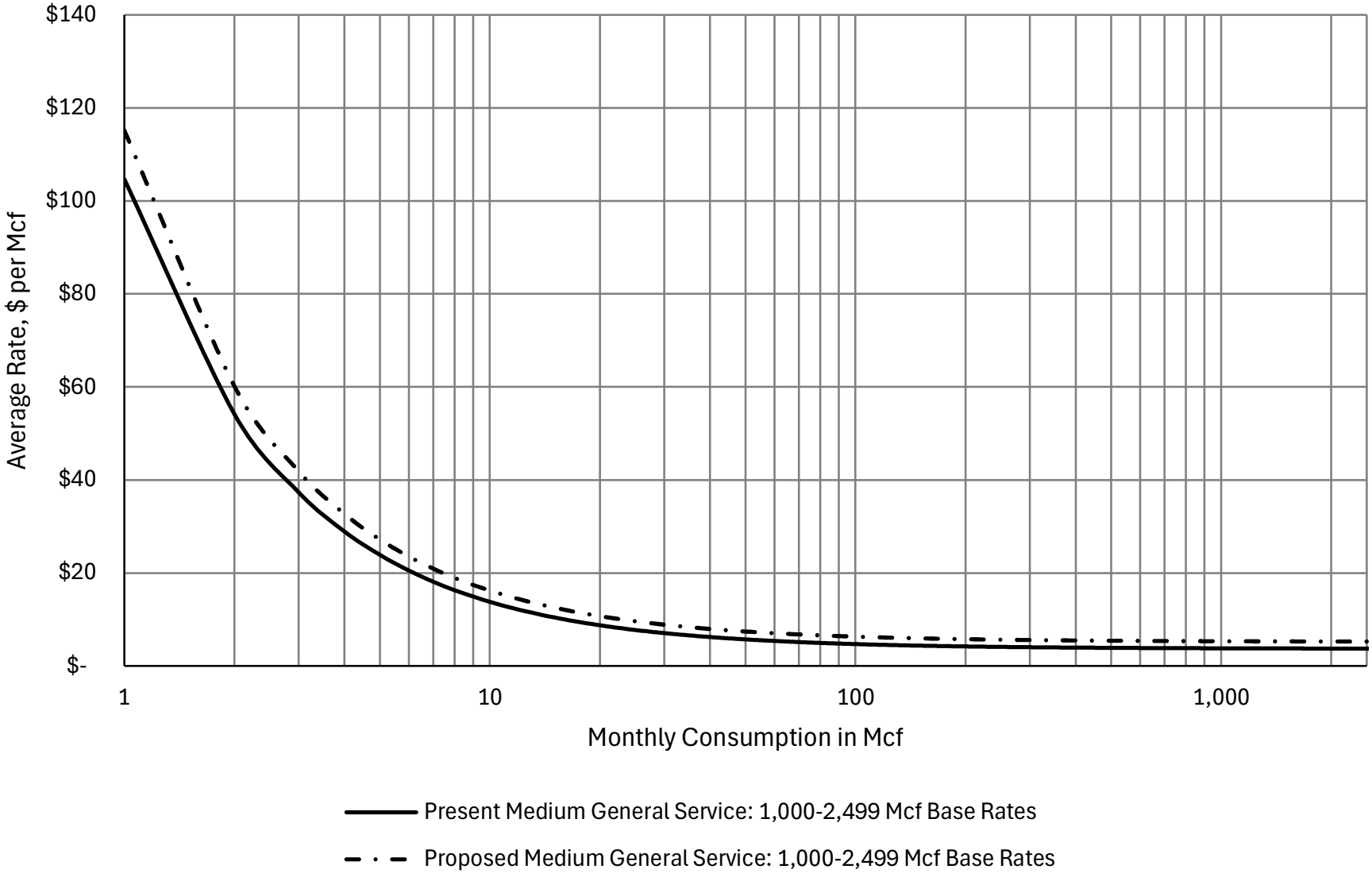
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Small General Service: 0-499 Mcf annual consumption



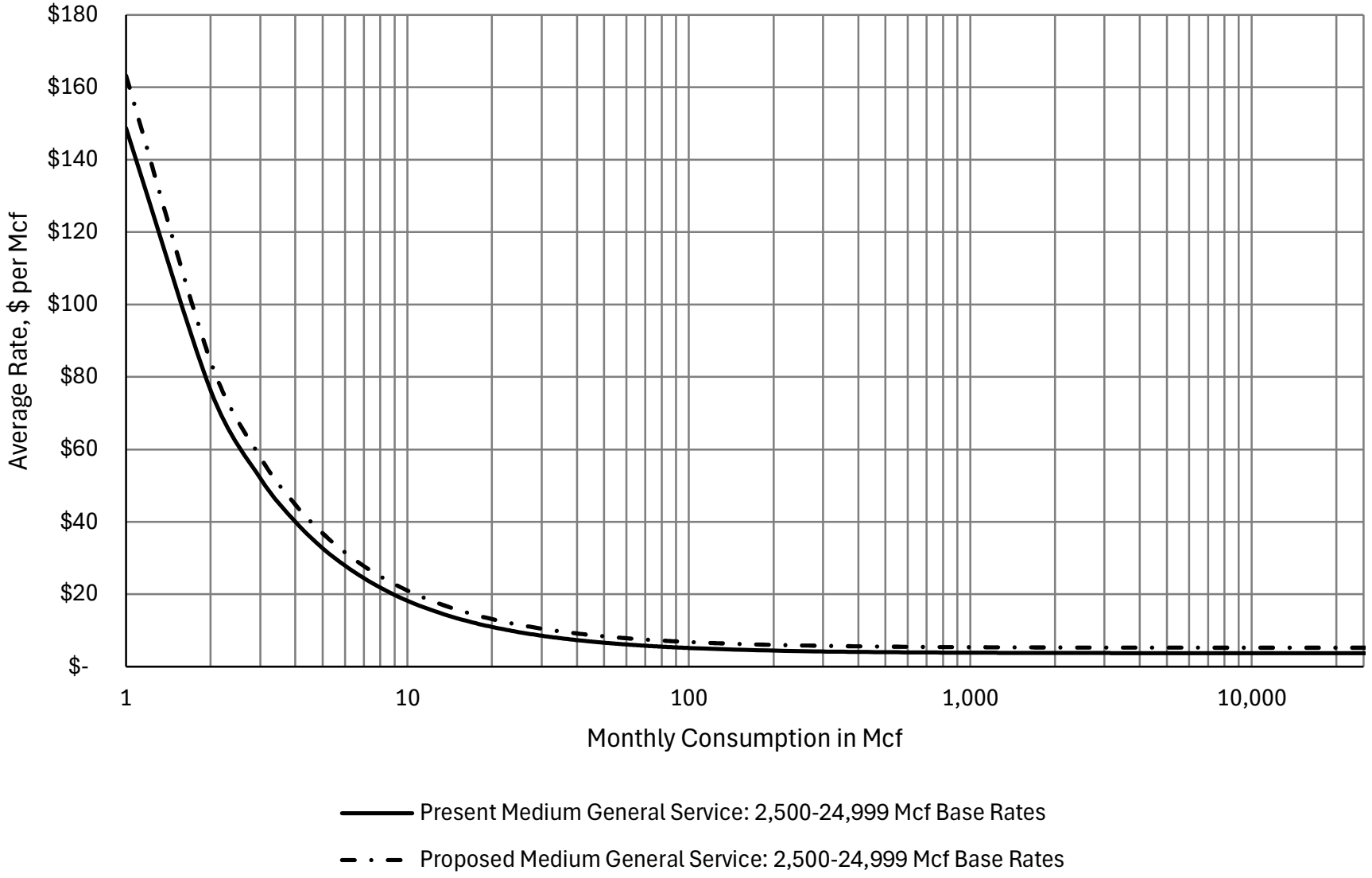
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Small General Service: 500-999 Mcf annual consumption



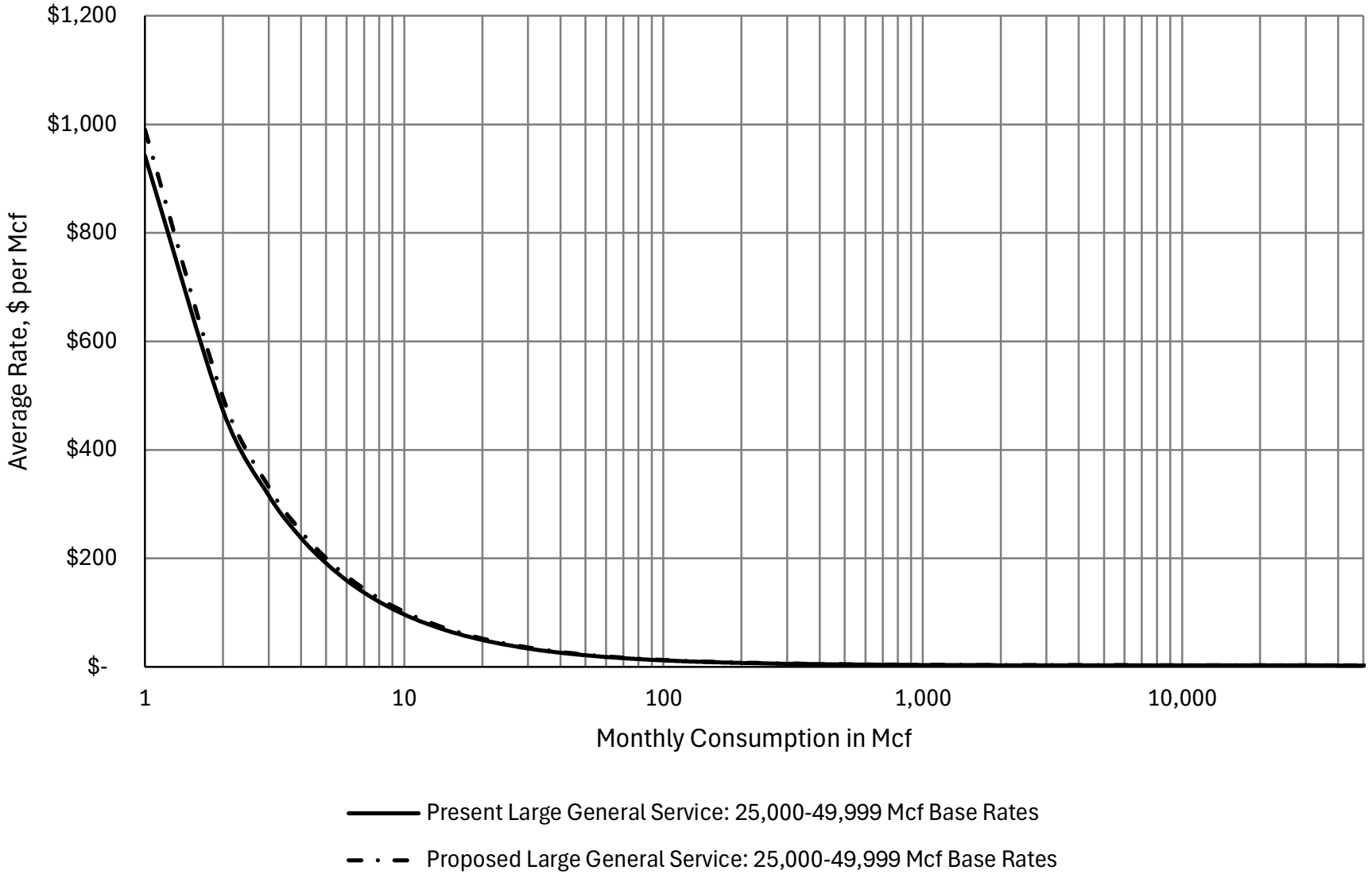
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Medium General Service: 1,000-2,499 Mcf annual consumption



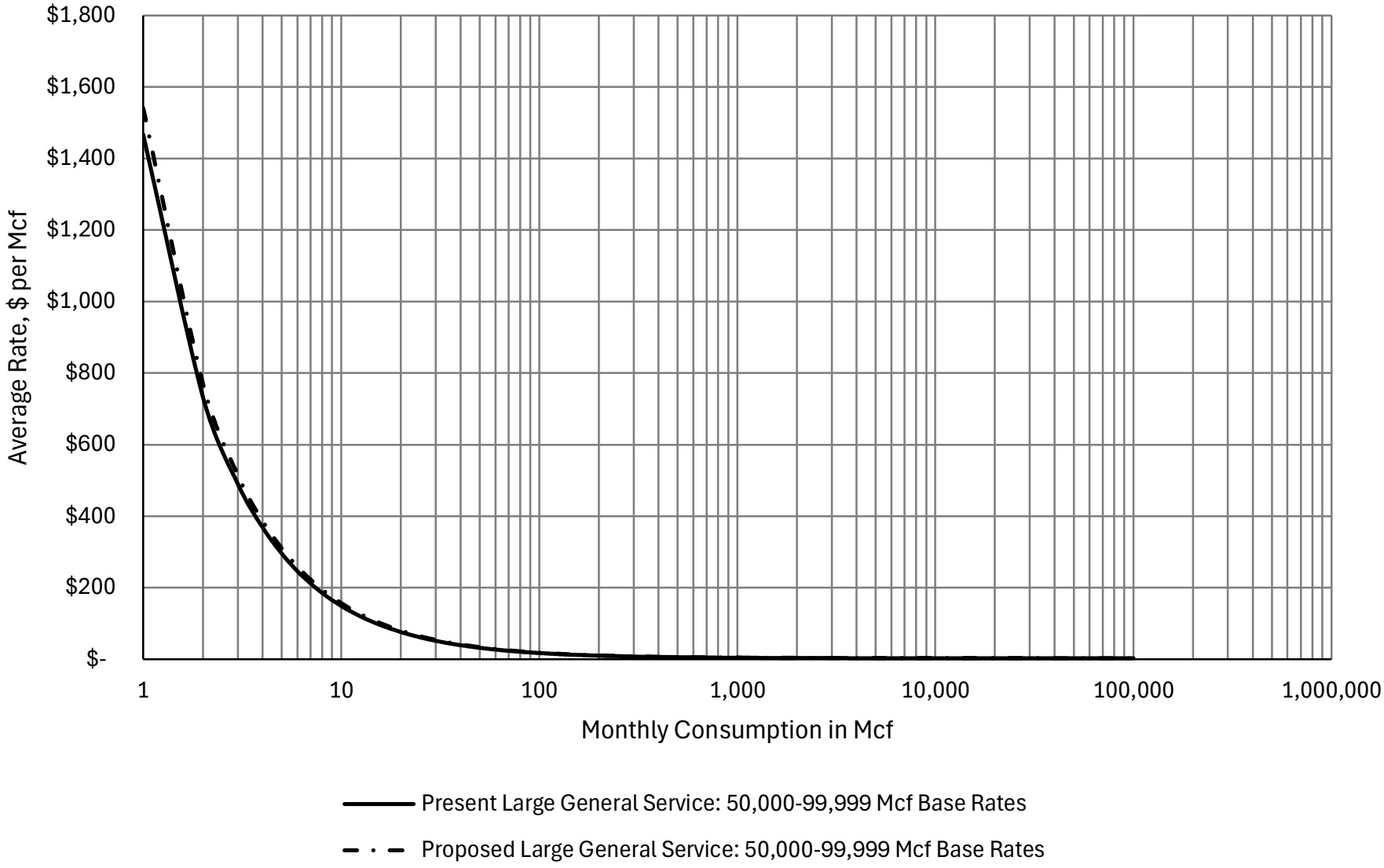
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Medium General Service: 2,500-24,999 Mcf annual consumption



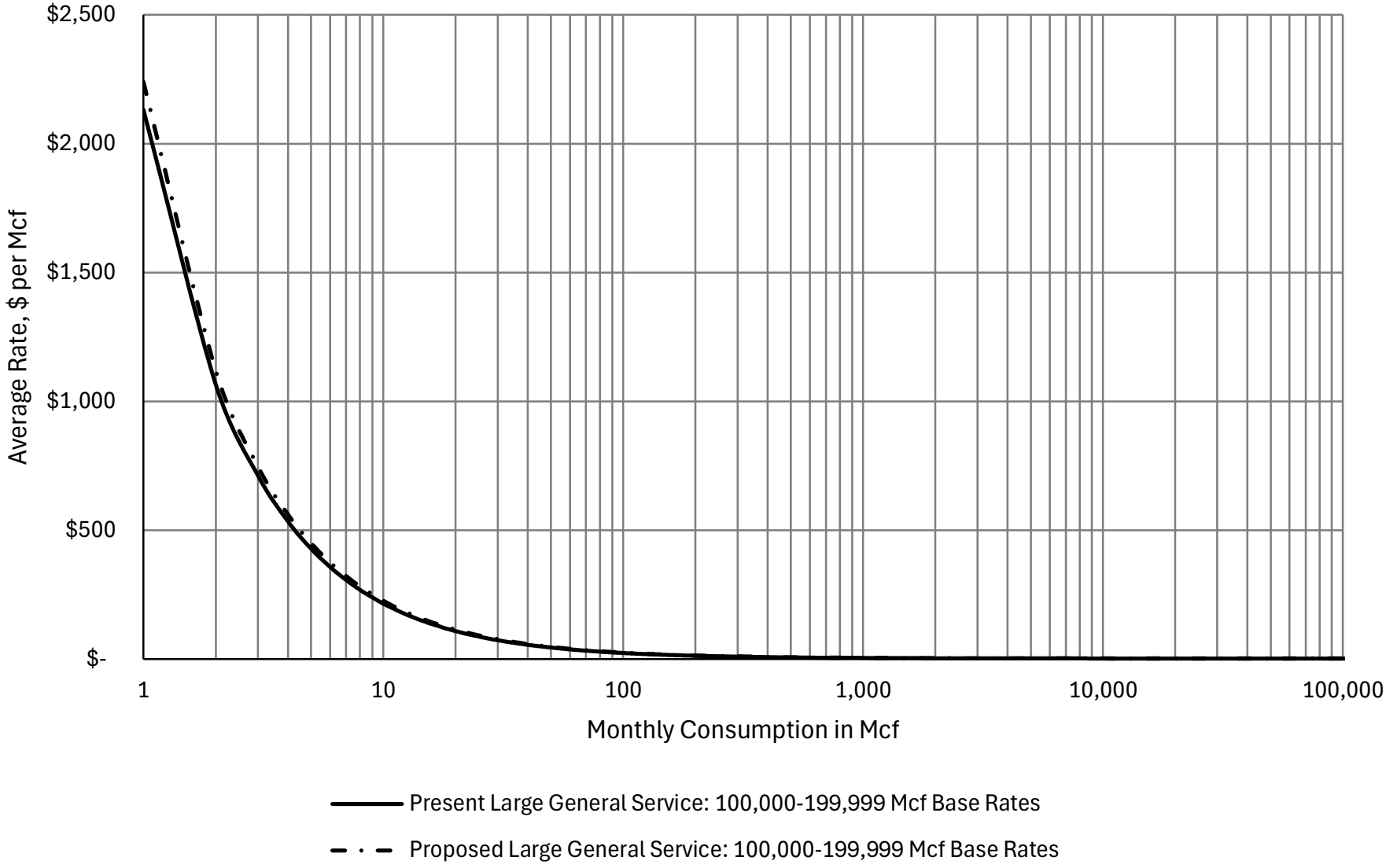
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: 25,000-49,999 Mcf annual consumption



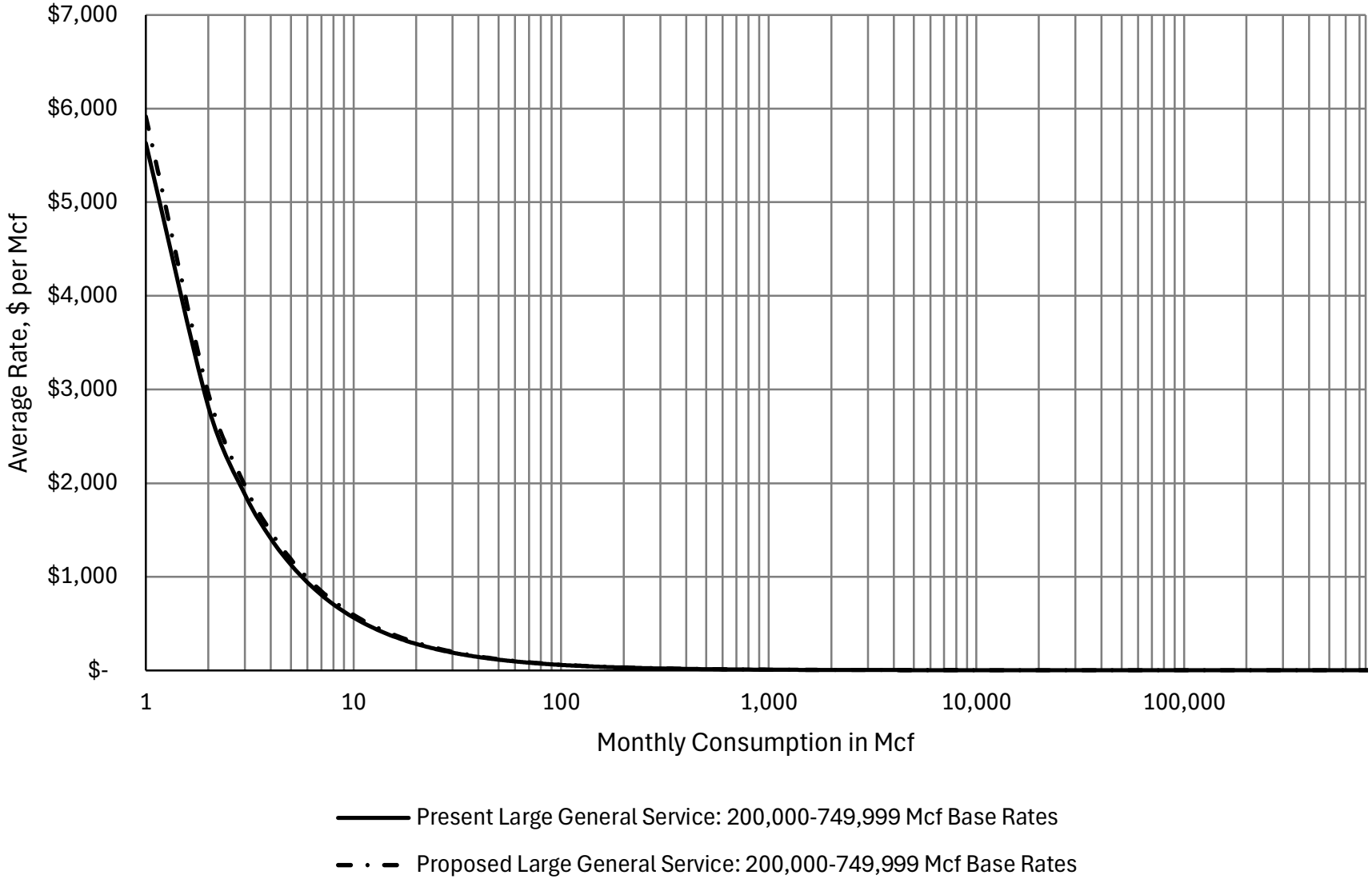
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: 50,000-99,999 Mcf annual consumption



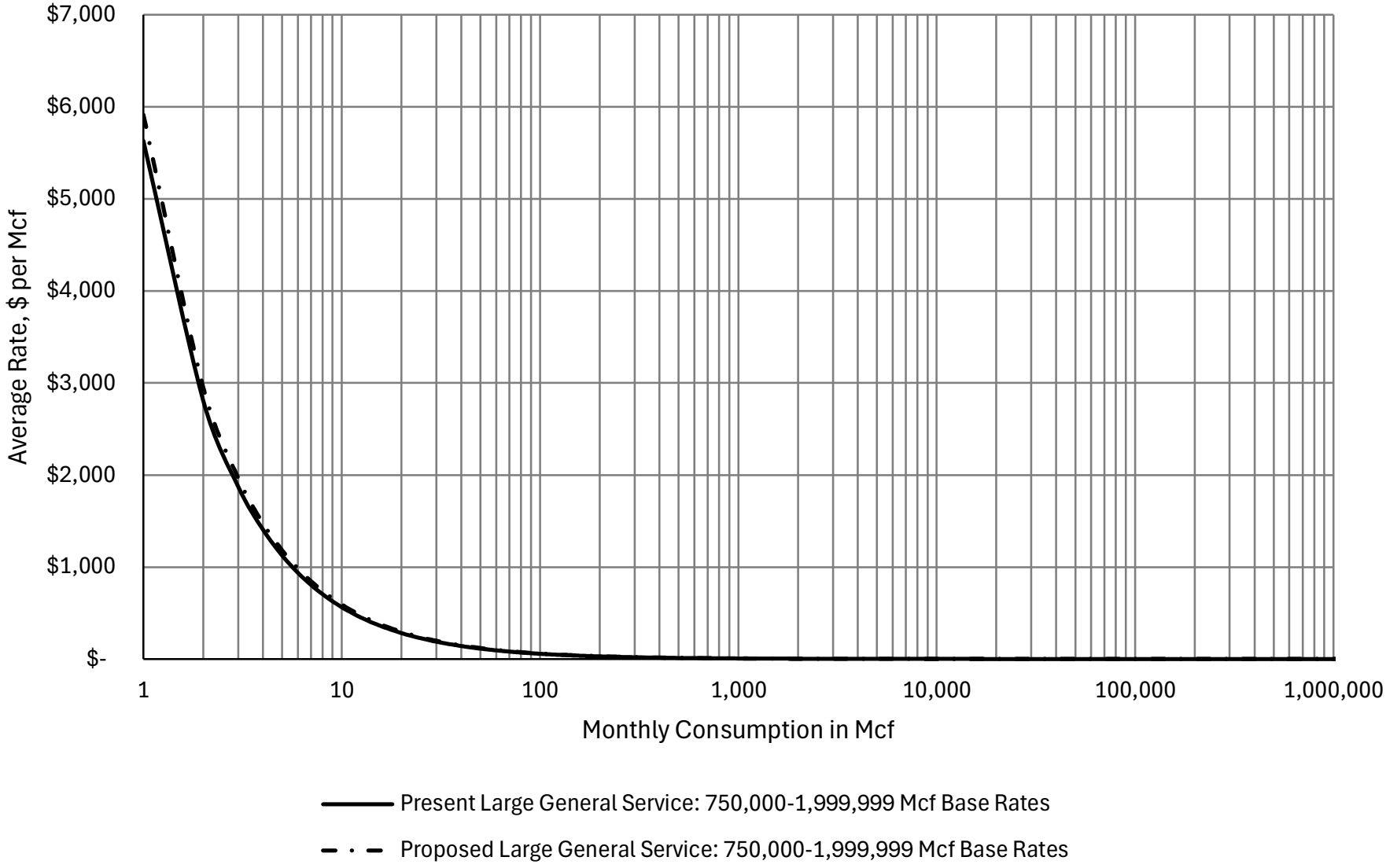
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: 100,000-199,999 Mcf annual consumption



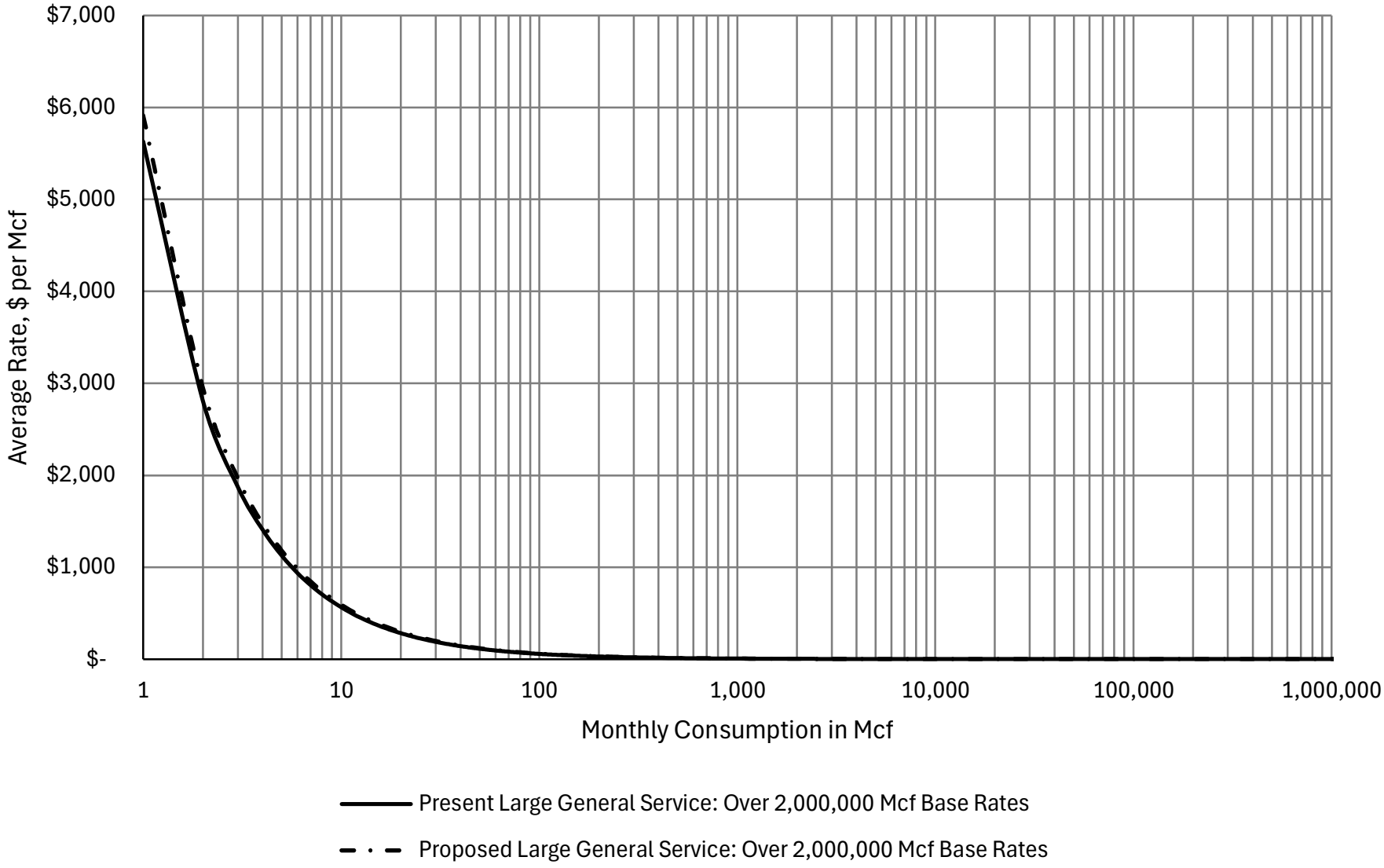
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: 200,000-749,999 Mcf annual consumption



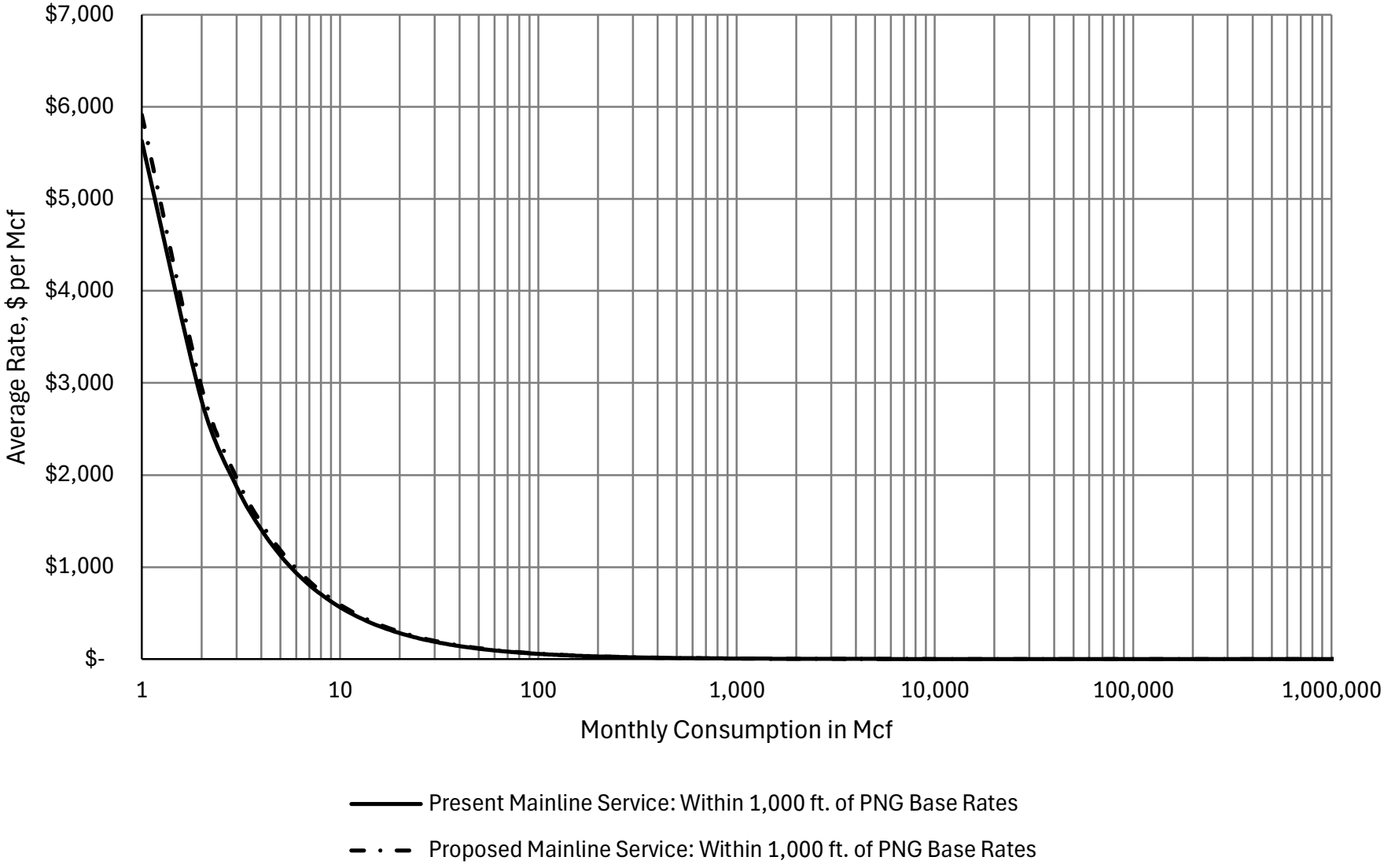
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: 750,000-1,999,999 Mcf annual consumption



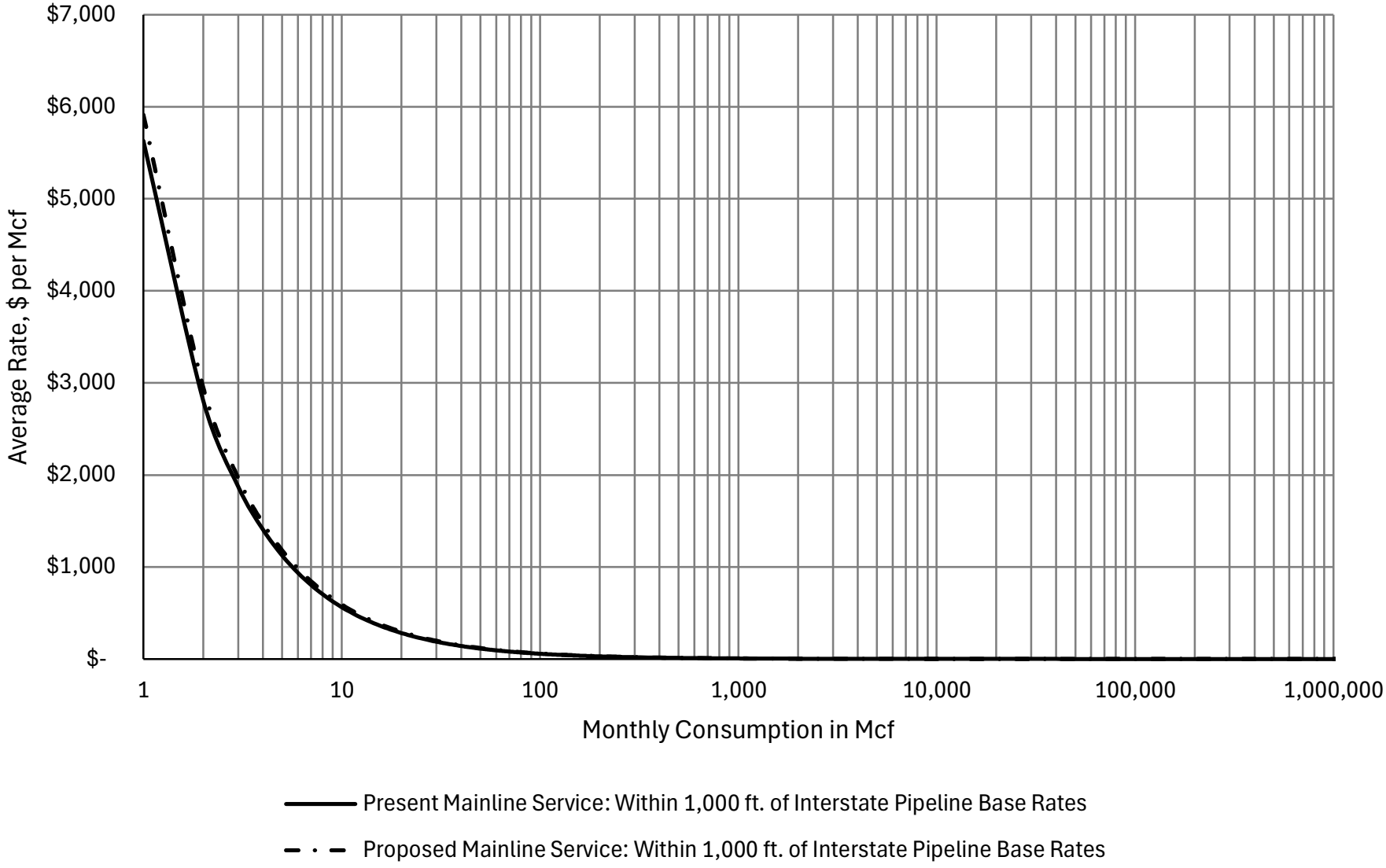
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Large General Service: Over 2,000,000 Mcf annual consumption



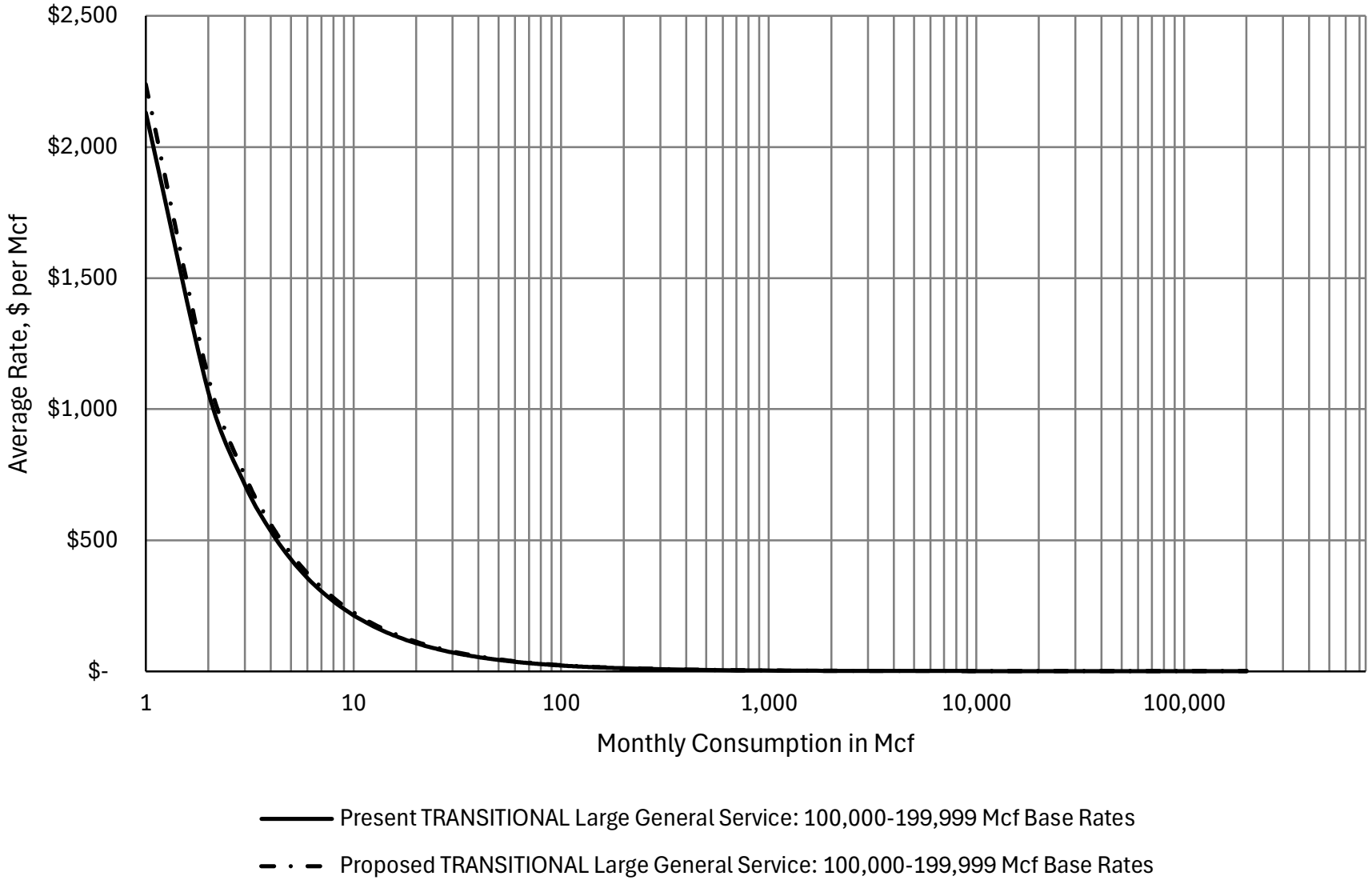
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Mainline Service: Within 1,000 ft. of PNG



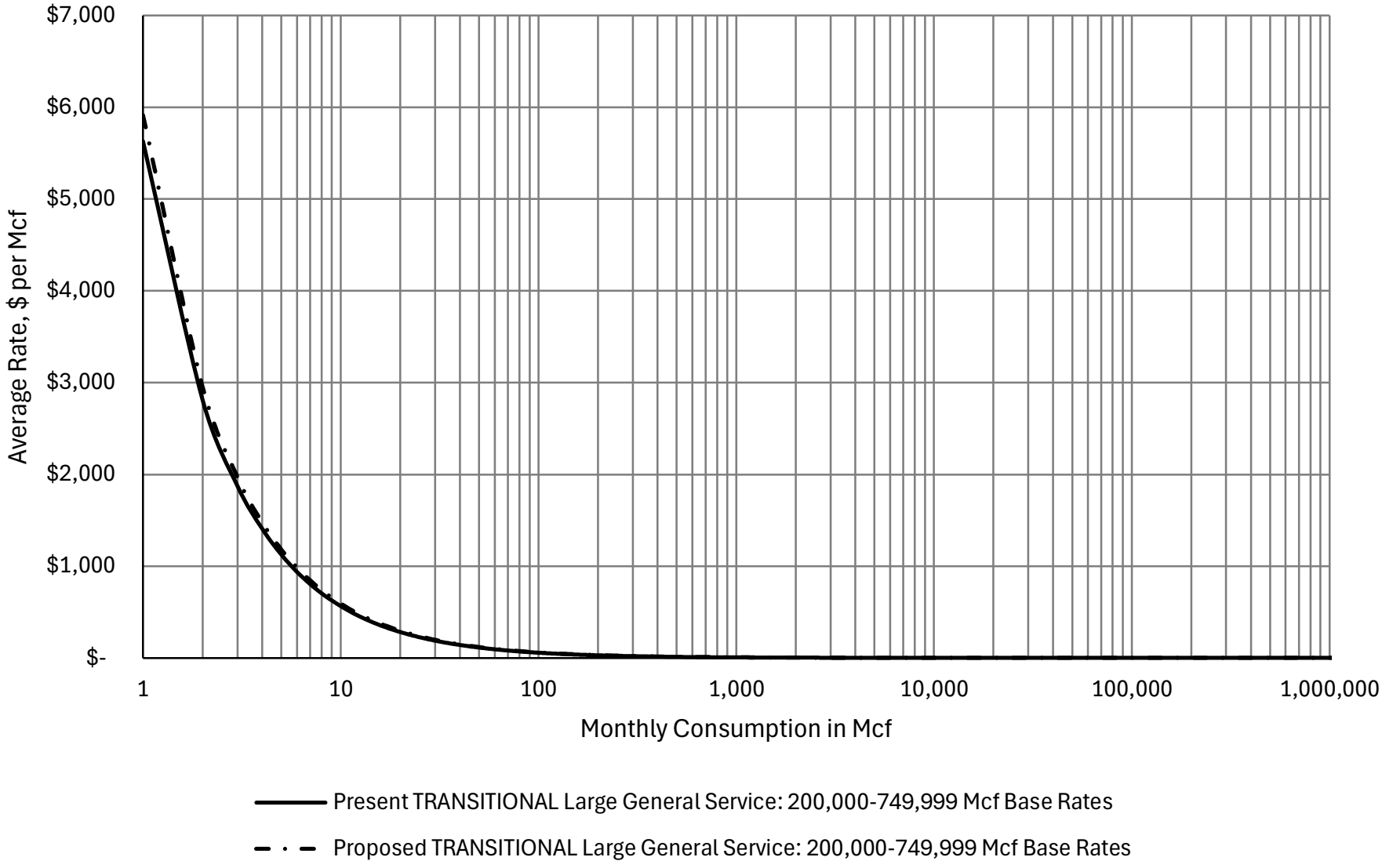
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
Mainline Service: Within 1,000 ft. of Interstate Pipeline



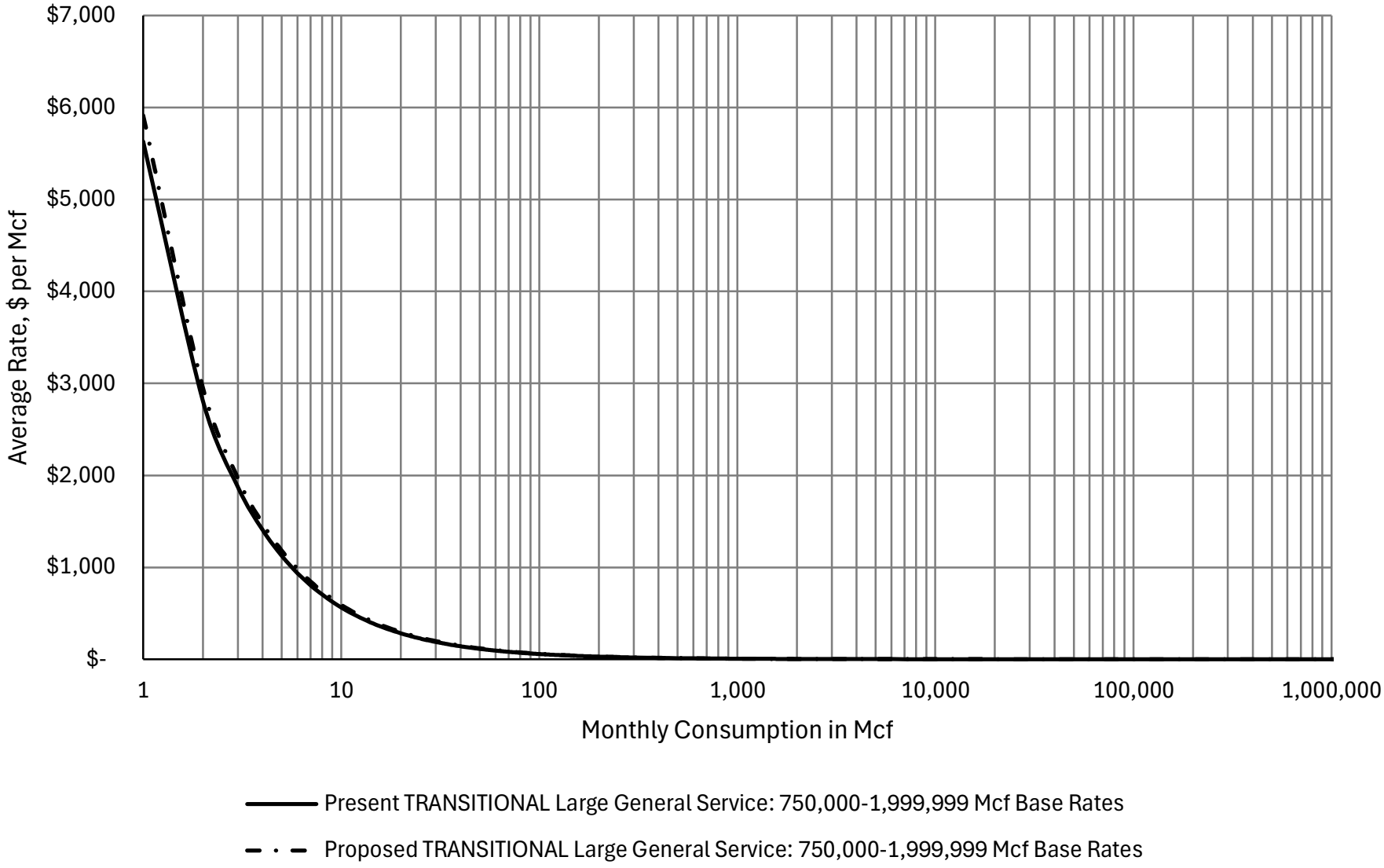
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
TRANSITIONAL Large General Service: 100,000-199,999 Mcf annual consumption



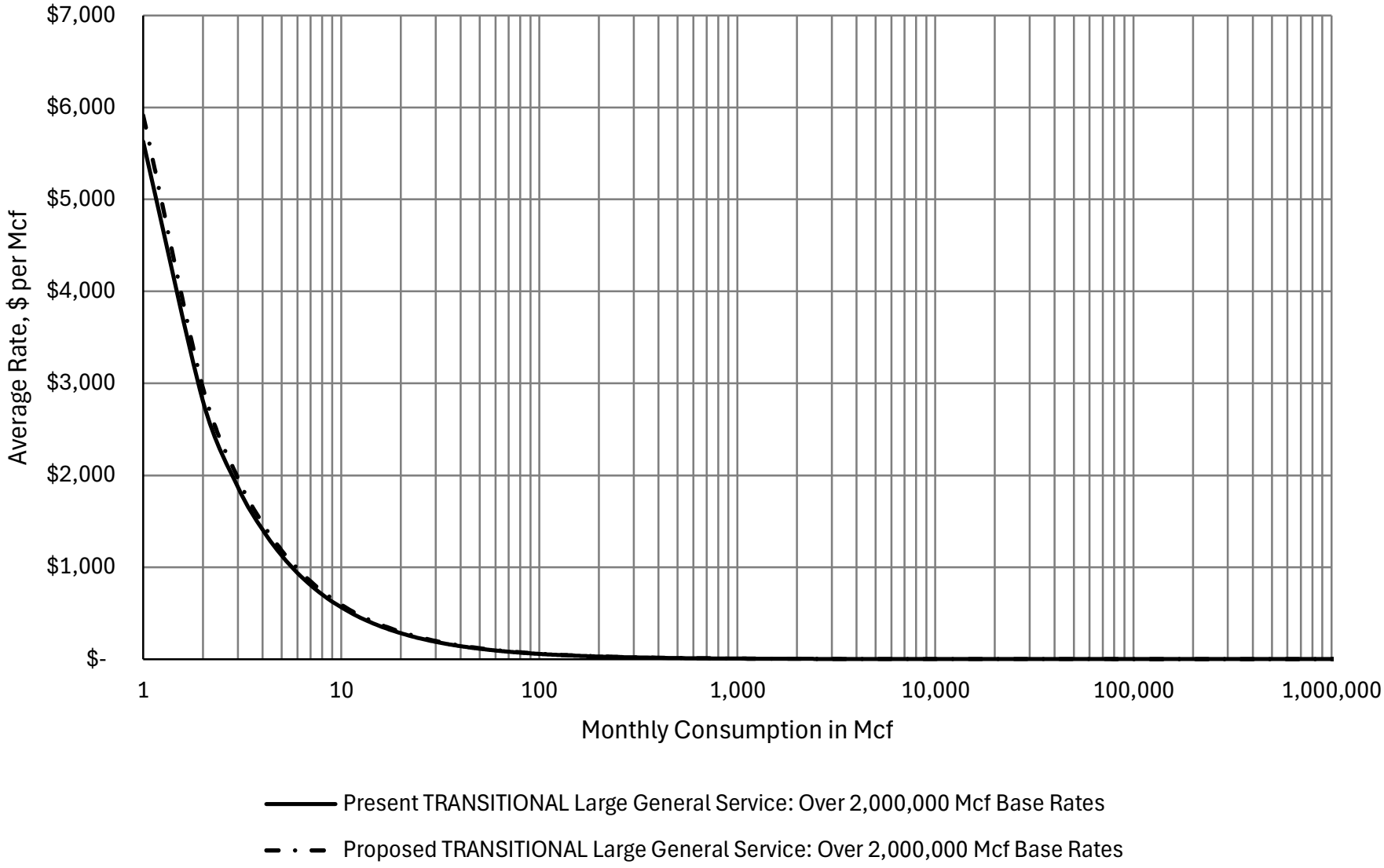
PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
TRANSITIONAL Large General Service: 200,000-749,999 Mcf annual consumption



PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
TRANSITIONAL Large General Service: 750,000-1,999,999 Mcf annual consumption



PEOPLES NATURAL GAS COMPANY LLC
Present and Proposed Base Rates
TRANSITIONAL Large General Service: Over 2,000,000 Mcf annual consumption



#	**Statement of Policy**	**Company's Response**
1	How the ratemaking mechanism and rate design align revenues with cost causation principles as to both fixed and variable costs.	Peoples's WNA is designed to recover distribution revenues needed to satisfy the cost-of-service requirement determined in this proceeding, while mitigating the variance between actual and projected distribution revenues due to weather. The Company recovers a significant portion of fixed costs through volumetric rates. These fixed costs do not vary with the amount of gas delivered to customers and are composed of fixed operation and maintenance expenses, administrative and general expenses, depreciation, certain taxes, a portion of working capital requirements, and return on investment. These costs also do not vary in the short-term with changes in temperature. In the absence of a rate design that affords the Company the opportunity to recover all fixed costs in a fixed monthly charge, the WNA mechanism better aligns distribution revenues with cost causation principles.
2	How the ratemaking mechanism and rate design impact the fixed utility's capacity utilization.	While the WNA mechanism does not directly alter customer usage patterns or system peak demand, it plays an important enabling role in the efficient utilization of the Company's gas distribution capacity. Gas system capacity is designed to meet peak-day requirements driven by weather-sensitive load. Traditional volumetric recovery exposes the Company to revenue volatility when conservation, or efficiency efforts reduce throughput, even though peak-driven infrastructure costs remain largely unchanged.
3	Whether the ratemaking mechanism and rate design reflect the level of demand associated with the customer's anticipated consumption levels.	Customer specific usage factors corresponding to their individual demand is continually updated through the WNA formula and reflects the level of demand associated with the customer's anticipated consumption levels. In this proceeding, the Company is also proposing to set Normal Heating Degree Days using a 65-year regression rather than the average of a 65-year regression and a 20-year average, which more accurately captures recent warming trends. Using a more current weather baseline ensures that the WNA formula better aligns normalized usage with customers' anticipated consumption levels under today's climate conditions.

#	**Statement of Policy**	**Company's Response**
4	How the ratemaking mechanism and rate design limit or eliminate interclass and intraclass cost shifting.	Peoples's WNA is applied on a customer-specific basis and is designed to be revenue-neutral within each customer class, such that it does not create or exacerbate cross-subsidization either within or across classes.
5	How the ratemaking mechanism and rate design limit or eliminate disincentives for the promotion of efficiency programs.	The Company's WNA only addresses variations due to weather and does not affect customers' ability to pursue energy efficiency measures.
6	How the ratemaking mechanism and rate design impact customer incentives to employ efficiency measures and distributed energy resources.	Customers retain strong incentives to reduce usage because the commodity and other charges remain volumetric. The proposed WNA does not eliminate these price signals, so lower usage still results in lower bills.
7	How the ratemaking mechanism and rate design impact low-income customers and support consumer assistance programs.	Under the current WNA mechanism, customers who are currently enrolled to pay their bills based on a percentage of their household income see little to no impact to their bills under the WNA mechanism.
8	How the ratemaking mechanism and rate design impact customer rate stability principles.	The American Gas Association Gas Rate Fundamentals book (Pages 152 – 156) states: "The goal of stability recognizes historical relationships among customers in terms of the proportion of system costs each customer group bears. Stability leads to a policy of gradualism in rate changes if substantial increases (or decreases) are called for in the context of a single rate case. Changes in gas utility pricing policy should be imposed gradually so that customers can adjust and any adverse impacts on the customers' operation are minimized." The WNA mechanism provides customers with more stable annual bills and directly mitigates volatility in their monthly costs. Customers would pay for the costs assigned to the volumetric

#	**Statement of Policy**	**Company's Response**
		base rate in the most recent rate case and customers would not pay more or less than that amount (outside of any established WNA deadband) solely because the actual weather for the month the customers are billed is different than the weather used to determine the rate design of the volumetric base rate.
9	How weather impacts utility revenue under the ratemaking mechanism and rate design.	The Company's WNA adjusts customers' bills due to variations from normal weather during the heating season months of October through May, and it mitigates the revenue effect of weather on the original rate design of the volumetric base rate (outside of any established deadband and limiters). It only applies to Residential and Small/Medium General Service classes and it does not ensure the utility will recover 100% of its authorized distribution revenues, but it does reduce the amount of weather-related variation in both customer bills and associated utility distribution revenues.
10	How the ratemaking mechanism and rate design impact the frequency of rate case filings and affect regulatory lag.	The WNA does not impact the Company's rate case frequency nor does it affect regulatory lag.
11	If or how the ratemaking mechanism and rate design interact with other revenue sources (e.g., surcharges).	The Company's proposed WNA only applies to distribution related charges that are recovering the base distribution revenue requirement from applicable WNA customer classes for the heating season of October through May.
12	Whether the alternative ratemaking mechanism and rate design include appropriate consumer protections.	Peoples's WNA includes several consumer protections to ensure fairness and transparency, as follows: a. No Over-Recovery of Revenue: The WNA mechanism operates with a deadband and a limiter. Outside of the deadband and the limiter, the WNA results in an adjusted bill that reflects the revenues that would be recovered under normal weather, i.e., the same normal weather used to set rates. b. No Cross-Subsidization: The WNA is customer-specific.

#	**Statement of Policy**	**Company's Response**
		c. Regulatory Oversight: The WNA is subject to Commission review and regulatory reporting requirements to ensure compliance with approved revenue stabilization objectives and to protect consumers from unintended rate impacts. d. Customer Transparency and Education: Peoples provides clear bill disclosures and customer education regarding WNA adjustments, ensuring consumers understand how the mechanism works and how it impacts their bills.
13	Whether the alternative ratemaking mechanism and rate design are understandable to consumers.	The WNA is not a new concept to the regulated utility industry and similar versions have been successfully implemented by other Pennsylvania natural gas distribution companies. The WNA tariff provides detailed information to the customer of how the mechanism would work and the adjustments are displayed separately on bills and the Company maintains a detailed FAQ related to the WNA on its website, ensuring transparency. Link to Peoples Website → https://www.peoples-gas.com/weather-normalization-adjustment.php
14	How the ratemaking mechanism and rate design will support improvements in utility reliability.	The proposed WNA targets the revenue requirement that would have been already subject to scrutiny and approved by the Commission, meaning that its prudency and reasonableness would have been reviewed and deemed appropriate to support reliability driven initiatives. The proposed WNA helps to minimize the volatility of the recovery of these costs.

Peoples Natural Gas Company LLC

§ 53.53.III.E

34. Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts):

a. Column 1—Test Year

b. Column 2 and 3—The two previous years

Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)

* *

Refer to Attachment A.

Peoples Natural Gas Company LLC
Attachment A

Cost Element Description	Twelve Months Ended November 30, 2025 (1)	November 30, 2024 (2)	November 30, 2023 (3)
Labor	$ 59,626,644	$ 61,585,908	$ 60,190,209
APIP/Incentive Compensation	6,618,724	6,796,478	6,472,482
Pension	3,857	102,647	1,809,422
Post Retirement Benefits Other Than Pensions	1,598,879	1,390,292	1,110,685
Other Employee Benefits	17,600,062	18,173,011	17,762,448
Outside Services - Contracted	21,704,759	21,402,059	17,938,575
Outside Services - IT	6,651,408	8,811,604	9,143,963
Outside Services - A&G	4,335,821	5,993,188	4,825,740
Building Leases	3,928,235	4,150,432	3,762,698
Corporate Insurance	6,213,492	5,668,377	5,284,165
Injuries and Damages	1,727,388	1,324,231	776,469
Travel	1,030,648	813,606	1,108,560
Company Memberships	1,062,518	949,894	920,748
Licenses & Permits	704,167	861,328	745,241
Utilities & Fuel Used in Company Operations	2,908,985	2,760,764	2,851,568
Public Relations	1,304,685	1,713,747	1,386,327
Fleet	746,507	1,261,287	2,062,672
Materials & Supplies	10,183,664	10,137,352	11,777,902
Other O&M	28,813,109	24,492,078	23,173,236
Rate Case Expense	1,515,799	288,000	-
Uncollectible Accounts	9,094,940	7,389,983	7,930,381
Subtotal	**187,374,292**	**186,066,267**	**181,033,491**
Total USP Rider	22,571,957	4,939,645	5,789,655
Total Operation and Maintenance Expense	**$ 209,946,248**	**$ 191,005,912**	**$ 186,823,146**

REVISED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
EDWARD A. PALOMBO,
VICE PRESIDENT, RELIABILITY
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: March 27, 2026
DATE ADMITTED: _____

Peoples Statement No. 5

PREPARED DIRECT TESTIMONY OF EDWARD A. PALOMBO

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Edward A. Palombo. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as Vice President, Reliability.

Q. PLEASE STATE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I graduated from The Pennsylvania State University in August 1983 with a Bachelor of Science Degree in Petroleum and Natural Gas Engineering. After graduation, I was hired as a Project Engineer for Washington Gas Light Corporation. I progressed to leadership roles in the Distribution, Planning, and Design department, until January 1987 when I left to join Peoples Natural Gas, and have been employed since. During this time, I've held several leadership positions in the Operations departments, with responsibilities in PA, WV, OH, and KY. Currently, I am Vice President, Reliability and am responsible for directing the activities for Gas Supply & Transportation Services, Local Production Acquisition, Gas Control, System Planning, Pipeline Safety & Compliance, Employee Safety, Technical Training, and GIS.

Q. PLEASE LIST THE FILING REQUIREMENTS THAT YOU ARE SPONSORING AS WITNESS.

A. Please refer to Appendix A for a complete list of the filing requirements for which I am the responsible witness.

Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS PROCEEDING?

A. My responsibilities which I will describe in separate sections of my testimony are:

1. Safety Programs
2. Peak Day and Annual Gas Supply Plan
3. Local Production - Gathering and Cost Recovery

SAFETY PROGRAMS

Q. PLEASE DESCRIBE SOME OF THE COMMITMENTS PEOPLES HAS MADE TO THE SAFE OPERATION OF ITS PIPELINE SYSTEM.

A. Peoples is strongly committed to safety and has established a comprehensive safety program that strives to protect employees, its customers, the public, and property. All levels of management and employees are responsible and accountable for safety and expected to continuously work together to foster and promote a healthy safety culture. This culture is integral to making safety a priority by incorporating the following into all Company activities: Management commitment at all levels of the organization; Employee engagement and accountability; Recognizing, controlling, and eliminating workplace hazards and unsafe behaviors; and Safety training and education. No employee will be

required to perform a task or job that they consider unsafe. Peoples complies with all applicable safety and health requirements and maintains occupational safety and health standards that equal or exceed best practices.

The Company demonstrates its commitment to safety by including a Safety component in the incentive compensation plan. In addition, all Operations Department employees also have a pipeline compliance component included in their individual performance expectations and incentive compensation goals.

Additionally, the Company engages our Compliance Process Managers, Safety Department, and the entire Operations leadership team on a regular basis by conducting weekly safety conference calls where injuries, accidents, operating procedures and guidelines, line hit damages, and near miss safety incidents are reviewed and discussed. Further, we have implemented procedures for ongoing safety observations of work activities by supervisors and rapid dissemination of injury details to all field leadership and union personnel. We also work closely with our unions to solve all safety-related issues and to communicate and advance safety initiatives throughout the organization. A component of this is managements and employees' commitment to operational and safety training at our Training Center where employees obtain hands-on experience through controlled simulations of emergency events and other real-life situations that enhance their safety awareness and hone their emergency response capability. We have also perfected our compliance work tracking system. This system schedules our prescribed, routine maintenance, compliance check work and provides for information system tracking of our planning and progress.

Q. PLEASE DESCRIBE THE COMPANY'S EMPLOYEE SAFETY PROGRAM.

A. Peoples' Employee Safety Program is multi-dimensional and includes numerous activities focused on accident prevention and compliance with applicable safety regulations. Safety is supported through active participation by operations leadership, a strong union management partnership, and engagement with industry organizations.

The three cornerstones of Peoples' Employee Safety Program are:

- Training and Education - where technical skills, emergency response, and specialized safety training are provided to employees, contractors, and external partners.
- Awareness and Communication – where weekly and monthly safety meetings, pre-job briefings, safety alerts, and intranet website resources are used to inform and refresh safety messaging.
- Investigations, Observations, and Safety Analysis – where safety incidents and risks are thoroughly investigated, discussed, trended, and mitigated.

Peoples continues to perform at or above the top quartile in safety performance, and received the American Gas Association ("AGA") Industry Leader Accident Prevention Award in the Very Large Gas Distribution category in 2023 and 2024. Peoples has also been recognized by the Energy Association of PA ("EAPA"), achieving several awards in 2023: the Safety Achievement Award, the Safety Improvement Award, the Safety Sustainability Award, and the Motor Vehicle Fleet Safety Achievement Award. In 2024, Peoples achieved the Safety Sustainability Award, the Motor Vehicle Fleet Improvement Award, and the Motor Vehicle Fleet Safety Achievement Award. 2025 industry metrics from AGA and EAPA have not been finalized, however Peoples achieved the best rates on

record for both Lost Time/Restricted Time ("LT/RT") injuries and Responsible Motor Vehicle Accidents ("RMVA").

Q. EARLIER YOU MENTIONED THE COMPANY'S TRAINING PROGRAM, COULD YOU DESCRIBE IT IN MORE DETAIL?

A. Peoples operates an in-house training facility in McKeesport, PA that provides multi-week introductory training for new hires, training for employees entering new job classifications, initial and refresher operator qualification ("OQ") training on covered tasks performed by each field classification for both employees and contractors, and supplemental training for field personnel. By providing training internally, as opposed to using a 3rd party vendor, Peoples is able to ensure training captures Company-specific processes and procedures, and this allows us to provide direct oversight of rigorous testing methods.

In addition to providing training to employees and contractors, the training team also conducts community outreach sessions for audiences beyond those affiliated with Peoples. These sessions include:

- First Responder Training: Emergency training for local volunteer fire departments
- Natural Gas Construction Heat Installation Training
- Natural gas utility and pipeline field skills training: This program is to prepare a new potential workforce for a career in the gas and pipeline industry.

Q. ARE THERE OTHER NOTEWORTHY SAFETY RELATED INITIATIVES THAT YOU WOULD LIKE TO DISCUSS?

A. Yes. Peoples has a well-established Corporate Safety Committee known as the CARE (Combined Accident Reduction Effort) Committee. This committee is comprised of senior leaders from Operations, Safety, and Bargaining Unit personnel whose sole purpose is to provide a cooperative forum for discussions on all safety-related issues and concerns. The main goal is to promote and support a strong safety culture, and to assure a safe and healthy work environment for all employees. Operations management meets monthly with the Salaried and Bargaining Unit CARE Coordinators to discuss safety matters that arise locally at their respective operating locations. The CARE Steering Committee meets quarterly to review and discuss more systemic issues that arise from the local shop discussions, and also Company-wide safety issues to evaluate and implement potential overall corrective actions.

Q. PLEASE PROVIDE AN UPDATE ON THE COMPANY'S SAFETY MANAGEMENT SYSTEM INITIATIVE.

A. Peoples continues to grow and expand the Pipeline Safety Management System ("PSMS") first initiated in 2018. Safety Management Systems have proven to be successful in many industries (aviation, nuclear, petrochemical to name a few) and are being widely adopted and implemented within the natural gas industry. As a result of the Merrimac, MA incident, many organizations, such as the AGA, the US Pipeline and Hazardous Materials Safety Administration ("PHMSA"), as well as state regulators, have recommended gas operators implement a safety management program related to pipeline operations. In 2020, Peoples completed a gap analysis on the API recommended practices to help develop the framework of the PSMS program. A Program Manager was hired in 2020 to lead the

implementation of the overall program, communicate the elements of the program with all operations employees, and develop the staff and resources for the program. Two QA/QC Specialists were hired in 2021 to conduct field audits of employees and contractors to ensure adherence to appropriate SOPs and Job Procedures when completing tasks and jobs.

The PSMS team has been currently focused on four primary functional areas of the operations: plastic fusions on pipeline replacement projects; working in and around live gaseous environments, construction tie-ins, and preventing/mitigating damages to meters and facilities. The PSMS team collects and compiles information from the field audits, analyzes the results for trends, and makes recommendations to the PSMS Steering Committee for revisions or additions to SOPs, Job Procedures, Training materials, etc. that may enhance pipeline safety and reliability. Peoples has targeted 2028 to reach API 1173 "mature status" on the PSMS elements, with three elements reaching maturity to date.

Q. PLEASE DESCRIBE WHAT THE COMPANY HAS DONE AND PLANS TO DO GOING FORWARD TO MANAGE THE RISKS ASSOCIATED WITH LEAKAGE.

A. Peoples has an extensive leak management and repair program with procedures and policies that are designed to ensure safe and reliable delivery of natural gas to our customers. Peoples has implemented enhanced operating procedures regarding leak mitigation to further ensure safety across its system, that also helps reduce emissions and improve the environment. These enhancements include adoption of: 1) the Gas Piping Technology Committee ("GPTC") Leak Classification and Action Criteria for Grade 1, 2, and 3 leaks; 2) operating procedures designed to identify and replace shorter sections of leak prone pipelines instead of repairing those sections; 3) procedures on the handling of

Grade 1 leaks (potentially most hazardous leaks) which require that Grade 1 leaks only be vented as a last resort, Peoples' Operations Management personnel being directly involved and consulted in Grade 1 leak situations, and vented Grade 1 leaks being monitored on a daily basis during frost/frozen ground conditions; and 4) a Leak Detection and Reduction ("LDAR") program that focuses on accelerated leak surveys on certain systems; reducing leaks on gathering pipes, and utilizing newer technologies for identifying potential leaks. Another effective leak mitigation measure is the accelerated replacement of older higher-risk bare steel pipelines under our Long Term Infrastructure Improvement Plan ("LTIIP"), that is described in more detail in **Peoples Statement No. 6 - the Direct Testimony of Paul Becker,** VP Engineering & Construction. As a result of these enhanced leak management efforts, Peoples has experienced a 66% reduction from 2022 to 2025 in outstanding unrepaired leaks at year end, and an 85% reduction since 2019.

PEAK DAY AND ANNUAL GAS SUPPLY PLAN

Q. AS THE WITNESS SUPPORTING THE ANNUAL AND PEAK REQUIREMENTS AND SUPPLY VOLUME PROJECTIONS USED IN THIS FILING, PLEASE GENERALLY DESCRIBE HOW PEOPLES FORMULATES ITS ANNUAL GAS SUPPLY PLAN.

A. Each year, Peoples projects its total system requirements and available sources of supply. On the requirements side of the analysis, Peoples develops throughput projections by various requirements categories including usage by class of customer. The Company then adds monthly projections for company use and lost and unaccounted for gas to arrive at total projected system requirements on a monthly basis.

Certain operational considerations play a role in the requirements analysis. For example, there are portions of Peoples' service territory that are not physically interconnected with the main portion of Peoples' facilities, particularly in the Grove City area. Similarly, there are portions of Peoples' service territory that require support from specific interstate pipeline delivery points at times of high demand, most notably the Punxsutawney area. As a result, Peoples analyzes alternative options in those areas to maintain adequate supplies to maintain reliable service.

On the supply side of the analysis, Peoples pursues a least-cost reliable-service strategy through a combination of local and interstate assets and supplies. Local assets include an on-system storage facility and the gathering system, which allows Peoples to enhance the delivery of gas supplies produced locally in western Pennsylvania. The Company's interstate assets are comprised of a portfolio of transportation and storage services with six interstate pipelines that provides Peoples with access to a variety of supply source locations. Using this gas supply portfolio, Peoples uses an economic dispatch approach that also takes into account reliability, operational requirements, and contractual obligations. Under that approach, Peoples reviews the cost of its various sources of supply and plans to use those that are least costly. The Company starts by base loading local supplies; that is, using local gas first. From there the Company then turns to the existing pipeline supply assets and existing gas supply agreements. These include the firm transportation and storage service agreements with interstate pipelines and the long-term firm gas supply commodity agreement with EQT Energy.

Q. HOW DOES PEOPLES TYPICALLY DETERMINE ITS CUSTOMERS' REQUIREMENTS AND ASSOCIATED GAS SUPPLIES ON A DESIGN PEAK DAY?

A. Peoples uses a regression analysis forecasting model that employs a number of variables including but not limited to temperature, and historical consumption levels. The design day average day temperature utilized in the model is minus 9 degrees Fahrenheit. The values assigned to consumption levels and the other variables change over time. Using send-out data for the four years ended May 2024 the Company calculated total system peak day design requirements of 1,487.6 MMcf per day.

Q. WILL THE COMPANY SUPPLY THE ENTIRETY OF THE 1,487.6 MMCF FOR ITS CUSTOMERS?

A. No. Peoples will supply 1,192.1 MMcf of the Company's customers' design day requirements of 1,487.6 MMcf. The supply of 1,192.1 MMcf per day includes the following components:

- Projected local gas volumes of 8.9 MMcf. This volume is based on a projection of the amount of local gas under contract to Peoples and available on a design day;
- The on-system storage design day supply of 55.3 MMcf reflects the expected volume of supplies available from the Company's on-system storage fields; and
- Interstate delivered gas of 1,127.9 MMcf projected to be received from Equitrans, Eastern Gas Transmission and Storage ("EGTS"), Tennessee Gas Pipeline Company, LLC ("Tennessee"), Texas Eastern Transmission Company ("TETCO"), Columbia Transmission ("TCO") and National Fuel Gas Supply Corporation ("NFG").

Q. WHY DOESN'T PEOPLES HAVE TO BE PREPARED TO SUPPLY ALL OF ITS CUSTOMERS' DESIGN DAY REQUIREMENTS?

A. Many of Peoples' customers, generally also its largest customers, that purchase their supplies from Natural Gas Suppliers ("NGSs") – customers whom the Company refers to as Non-Priority 1 or NP-1 – are responsible for acquiring their own design day assets at a level sufficient to deliver their average daily usage during that month. The Company expects those customers to deliver to the system 294.8 MMcf on a design day during the 1307(f)-2025 projected period.

Q. HOW DO THE DESIGN DAY REQUIREMENTS OF PEOPLES' SMALLER CUSTOMERS WHO PURCHASE THEIR SUPPLIES FROM NGSs FIT INTO PEOPLES' SUPPLY PORTFOLIO?

A. When a substantial alternative supply market for those smaller Priority 1 ("P-1"), or essential human needs customers, first began to develop on the Peoples system in 1997, Peoples addressed the design day requirements of those customers under a program of mandatory capacity assignment. Peoples' tariff requires that the P-1 customers acquire their design day capacity requirements from Peoples by means of mandatory assignment of capacity and that the P-1 customers must pay the costs of that assigned capacity through the capacity charge. The P-1 NGSs are expected to utilize the assigned capacity to deliver to the Peoples system sufficient supplies to meet the projected total usage for their P-1 customers on a design day during the 1307(f)-2025 projected period.

Q. IN ADDITION TO ITS CUSTOMERS' DESIGN DAY CAPACITY AND SUPPLY REQUIREMENTS, WHAT OTHER CUSTOMER REQUIREMENTS MUST PEOPLES GAS SUPPLY PORTFOLIO SATISFY?

A. Peoples must also satisfy the day-to-day supply requirements of Peoples customers who purchase supplies from Peoples, the day-to-day balancing requirements of NP-1 transportation customers, and the requirements for gas that either will be used in Peoples' operations (i.e., company-use gas) or that will be "lost or unaccounted for" because of various reasons.

Q. DOES PEOPLES USE ITS ANNUAL CONSUMPTION PROJECTIONS FOR THOSE CUSTOMERS WHO LIKELY WILL BUY THEIR SUPPLIES FROM NGSs FOR ANY PURPOSE IN THIS PROCEEDING?

A. Yes. Although those customers' capacity requirements are measured strictly by the demands that they will place on the Peoples system on a design peak day, Peoples recovers the costs of meeting those requirements through each Mcf that Peoples delivers to those customers throughout the year. In the case of P-1 customers, Peoples recovers the costs through a capacity charge per Mcf consumed. In the case of NP-1 customers, the recovery is through a balancing charge per Mcf consumed.

Q. HOW DO THE DESIGN DAY SUPPLY ASSETS COMPARE TO THE PROJECTED DESIGN DAY REQUIREMENTS?

A. As shown on **Peoples Natural Gas Exhibit No. EAP-1**, the Company is projecting that its design day supply assets will be within 0.73 MMcf of its design day requirements.

Q. PLEASE DESCRIBE HOW LOCAL GAS PURCHASES FROM CONVENTIONAL WELLS ARE USED TO SATISFY SYSTEM GAS SUPPLY NEEDS.

A. Peoples and NGSs operating on the Peoples system use natural gas produced from local shallow wells as a base load supply to meet customer's usage requirements. However, since 2012, local gas produced and delivered from conventional wells into the Company's system has declined year-over-year. In 2020, Peoples received supplies from conventional wells totaling approximately 37.1 BCF. In 2025, a total of approximately 26.2 Bcf of conventional production was delivered into the Peoples' systems. Over this six-year period, this represents a total decline of 10.9 Bcf, or 29%. A reversal of this ongoing decline is not expected.

Q. DOES PEOPLES HAVE A POLICY REGARDING ADDITIONAL MARCELLUS SHALE WELL PRODUCTION?

A. Peoples' current role in the development of Marcellus Shale has been to provide producers of unconventional gas with similar access to both on-system and off-system markets as provided to conventional producers. Peoples has been able to accept Marcellus Shale production into its systems on a case-by-case basis, using the same analysis for Marcellus Shale production tap requests that it uses for conventional production tap requests. The analysis includes (i) the location and quantity of gas supply, (ii) the unused pipeline capacity at the proposed injection point, (iii) the anticipated gas quality and the investment required to resolve gas quality issues, and (iv) the impact of the production on existing base load supplies from local and interstate alternatives.

Peoples' market fundamentally benefits from having access to additional direct feed local Marcellus Shale production. It provides a replacement supply for declining conventional production volumes. Also, local gas supplies, including gas produced into the Peoples' system from both conventional and Marcellus wells, represent a lower cost supply than interstate delivered gas. Peoples plans to remain involved in finding opportunities to utilize Marcellus Shale gas produced in Peoples' service territory, and is actively pursuing new interconnects with midstream systems to support this goal.

LOCAL PRODUCTION - GATHERING AND COST RECOVERY

Q. PLEASE DESCRIBE GENERALLY THE TRADITIONAL GATHERING PIPELINE SYSTEM.

A. Gathering systems are pipeline facilities that have the primary purpose of moving conventionally produced gas from production fields to transmission and distribution facilities for delivery to end use customers. In contrast, distribution pipelines generally are a system of mains and service lines that primarily function to deliver natural gas to individual homes and businesses. However, in some instances, customers and small distribution systems are connected directly to gathering systems in rural areas where it is not economical to extend pipelines from the major distribution centers because of the low density of potential customers.

In addition to gathering pipelines, gathering systems also typically include compression facilities and equipment to monitor and treat the gas. Gathering compressors are used to increase the flow of local production by raising the gathering pipeline pressure to the pressure of the pipeline that the gathering pipeline feeds into, typically a transmission pipeline

or higher pressure gathering or distribution pipeline. Gas monitoring and treatment is another part of a gathering system. Peoples requires producers to remove water and other contaminants from the gas delivered to the gathering system. In some cases, the gas is further treated by Peoples at compressor stations where dehydration facilities are installed to remove water prior to delivering gas to transmission or distribution systems.

There are also situations where Peoples receives locally produced gas directly into its distribution and transmission systems. This production can be from both conventional and unconventional sources.

Q. DO GAS PRODUCERS BENEFIT FROM GATHERING SYSTEMS?

A. Yes. Producers benefit from gathering lines because, in most cases, it is their only means to get their gas production to a market. The gas produced into the gathering systems originates from conventional wells. Generally, gathering systems cannot be used to receive and deliver higher pressure gas produced from unconventional sources such as Marcellus Shale.

Q. DO CUSTOMERS BENEFIT FROM LOCAL PRODUCTION AND GATHERING SYSTEMS?

A. Yes. Customers receive a notable cost savings benefit from local production delivered into the Peoples' systems. Production directly feeding utility pipelines avoids costly interstate pipeline charges, which typically include fixed reservation charges for interstate pipeline reservation space, usage charges to cover variable interstate pipeline costs and retainage to cover gas loss and gas used in interstate pipeline operations.

Q. HAS THE COMPANY PREPARED A COMPARISON OF THE COST PER MCF OF DELIVERING GAS THROUGH INTERSTATE PIPELINES TO THE COST OF DELIVERING GAS THROUGH THE COMPANY'S GATHERING SYSTEM?

A. Yes. **Peoples Natural Gas Exhibit No. EAP-1** provides this comparison for the projected twelve months ended December 31, 2027 ("Fully Projected Future Test Year" or "FPFTY"). It shows that gas produced into and delivered through the gathering systems is notably less costly than gas procured on and delivered from Peoples' interstate pipeline suppliers. The total average cost of gas delivered via the gathering system for the FPFTY is estimated at $4.14per Mcf. The total average cost of gas delivered via the interstate systems for the FPFTY is estimated at $5.21 per Mcf. This results in an estimated cost savings of $1.07 per Mcf for the local gas purchased by Peoples' for its on-system customers alone. Customers that purchase local gas supplies from third party marketers or NGSs can reasonably be expected to receive a similar cost per Mcf savings benefit. As noted in **Peoples Natural Gas Exhibit No. EAP-1**, this analysis reflects the various costs incurred by Peoples' ratepayers for the FPFTY which include: the projected average commodity cost of gas delivered to the Peoples' system; Peoples' costs to own and operate the gathering systems (including gathering Unaccounted For Gas ("UFG")); and interstate pipeline costs for capacity, retainage, and delivery. In **Peoples Statement No. 17 – the Direct Testimony of John Taylor,** Mr. Taylor calculated and presented testimony in support of the projected non-gas costs incurred by Peoples to own and operate the PNG gathering system.

Q. DOES INTERSTATE PIPELINE GAS AND LOCAL GAS SERVE THE SAME PURPOSES?

A. While both supply sources provide the gas supply needed by the customer, pipeline gas is much more flexible in that it is provided to the Company at significantly higher pressure which is required in peak periods of usage and for injection into storage. The amount of pipeline gas entering the Company's system can also more easily be adjusted up or down to meet the daily gas consumption swings due to weather. In addition, pipeline gas generally meets higher quality standards relating to containing impurities and water and creates fewer operational problems.

Q. HOW SHOULD THE BASE RATE COSTS OF THE GATHERING SYSTEM BE RECOVERED?

A. Gathering system costs are incurred to provide a market for supplies produced by local wells and to provide cost effective gas supplies to customers. In my opinion, it is appropriate for both producers and customers to share in paying these costs.

Q. WHAT FACTORS SHOULD BE CONSIDERED IN ALLOCATING THESE COSTS BETWEEN CUSTOMERS AND LOCAL SUPPLIERS?

A. As I have noted previously, customers benefit from obtaining local gas at a cost lower than interstate pipeline gas. The gathering system lowers the amount of interstate pipeline capacity that is required to serve customers and lowers pipeline demand costs recovered from all sales and transportation customers. In addition, customers served directly from the gathering system receive their service from gathering pipelines and not distribution

pipelines. Finally, some of Peoples' distribution areas are served only by local gas from the gathering systems.

Producers derive substantial benefit from the gathering facilities as it is their source to a market. In addition, Peoples operates its gathering and distribution systems to facilitate the introduction of lower pressure gas from conventional wells into its system.

While it is difficult to specifically quantify these benefits between producers and customers, it is clear that both producers and customers benefit from the gathering systems.

Q. ARE THERE ANY UNIQUE OPERATIONAL ISSUES AND/OR COSTS ASSOCIATED WITH GATHERING SYSTEMS?

A. Gathering systems present operational challenges uncommon to distribution. Since the facilities typically are in rural areas, and consist of many measurement delivery points, potential leaks are not as readily detectable. This can contribute to potential higher lost and unaccounted for gas than on distribution systems, as well as higher methane emissions. Peoples has attempted to mitigate this by operating and maintaining gathering assets under the same guidelines as distribution assets. While not required by federal codes, Peoples conducts leak surveys on its gathering pipelines at intervals similar to distribution pipelines, and schedules gathering line leak repairs accordingly.

Q. HOW DOES PEOPLES PROPOSE TO RECOVER THE COSTS OF THE GATHERING SYSTEMS?

A. There is a practical limit to how much of the gathering system costs can be recovered from producers. The projected average market price that producers will receive for their gas

purchased by Peoples for system supply is $3.06/Dth for the projected twelve months ended December 31, 2027 (FPFTY). These prices are low by historical standards and it is likely that this has contributed to the reduction of production from conventional wells since 2012.

Peoples currently charges a $0.24/Mcf fee to producers for gathering system costs through its existing Rate Schedule Appalachian Gathering Service ("AGS") for all conventional gas production delivered to the Peoples system. This gathering service fee covers less than one-third of the costs to operate the gathering facilities. As previously stated, both producers and customers benefit from local production suppliers and therefore both should contribute to the gathering cost of service. Also, as noted in **Peoples Statement No. 6 – the Direct Testimony of Paul Becker**, Peoples is proposing to increase the annual capital investment to replace and upgrade certain gathering pipelines beginning in 2027.

As a reasonable shared contribution to cover increase operating and maintenance costs, as well as increased capital to upgrade gathering lines, Peoples proposes to increase this gathering fee to $0.29 per Mcf. This rate was developed by taking the current gathering revenue recovery of about $7.4 million and applying an increase of 13.8% which represents the overall total increase in revenue the Company is seeking in this proceeding. This results in the need to collect about $8.4 million of revenue from customers. About $1.9 million of this will be recovered from producers under a negotiated rate and thus the remaining $6.6 million of revenue will be collected from the full tariff volumes of 23.1 Bcf which results in the $0.29 per Mcf gathering rate. This results in the gathering revenue contributing about 26% towards the gathering system cost of service which is in the range of prior cases. These producer fees help offset customers' share of gathering costs, without creating an economic

disincentive to producers to continue to produce low cost gas supplies into the Peoples' systems.

Q. HOW MUCH GATHERING REVENUE DOES THE COMPANY PROJECT TO RECOVER IN THE FULLY PROJECTED FUTURE TEST YEAR?

A. The annual volume projection of conventional production on Peoples system that will be subject to the gathering fee for the FPFTY is 23 Bcf. This volume projection was based on recent actual production levels adjusted to reflect current production decline trends. The resulting revenues to be paid for by conventional well producers for the FPFTY is projected to be $5.5 million.

Q. YOU MENTIONED EARLIER IN YOUR TESTIMONY THAT PEOPLES ALSO RECEIVES UNCONVENTIONAL SUPPLIES INTO ITS SYSTEMS. ARE THERE GATHERING FEES ASSESSED TO PRODUCERS BY PEOPLES FOR UNCONVENTIONAL SUPPLIES, AND IF SO, WHAT ARE THE EXPECTED ANNUAL REVENUES?

A. Yes. As set forth in the existing tariff rate schedule – AGS (Peoples Natural Gas Exhibit No. 14, Schedule No. 1), Peoples charges a rate for gathering natural gas produced from unconventional sources that is determined through negotiation. It's important that this rate be negotiable because Peoples needs to compete with midstream and interstate pipelines to acquire this gas supply. Marcellus producers generally have multiple options to get their gas to market. Based on the negotiated rate currently charged to existing unconventional producers and the associated expected annual volumes produced from unconventional

sources for the FPFTY, Peoples projects to generate $1.8 million in annual gathering fees from unconventional gas producers for the FPFTY period.

Q. BASED UPON THE COMPANY'S FPFTY PROJECTION OF RECOVERIES UNDER THE GATHERING CHARGES TO CONVENTIONAL AND UNCONVENTIONAL PRODUCERS, HOW MUCH OF THE GATHERING COSTS WILL BE RECOVERED?

A. The Company projects that it will recover $9.4 million, a $2.4M or 34% increase over the existing revenue of $7.0M at present rates.

Q. HOW DOES THE COMPANY PROPOSE TO RECOVER THE REMAINDER OF THE GATHERING COSTS THAT ARE NOT PROJECTED TO BE RECOVERED FROM PRODUCERS?

A. We have directed Mr. Taylor to allocate the remaining costs to the various customer classes. He uses a volumetric allocation factor to assign gathering plant and associated expenses to customer classes based on the percentage of annual gas volumes in each class supplied by Pennsylvania gas producers. This is consistent with the methodology used in the Company's last base rate proceeding.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as other issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	
	:	

PREPARED REBUTTAL TESTIMONY OF MICHAEL HUWAR, PRESIDENT PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026 Peoples Statement No. 1-R
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
MICHAEL HUWAR

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michael Huwar. My business address is Peoples Natural Gas Company LLC, 375 North Shore Drive, Suite 600, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples Natural Gas," "Peoples," or the "Company") as President. I am also the President of Peoples Natural Gas' direct parent, PNG Companies LLC ("PNG").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth as Peoples Statement No. 1.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will respond to the testimony of the witnesses who raised concerns with the management efficiency adjustment component of the Company's proposed return on equity in this proceeding. Specifically, I will respond to certain issues identified by the Office of Consumer Advocate ("OCA") witness Larkin-Connolly and the Bureau of Investigation and Enforcement ("I&E") witness Patel. Secondly, I will address the issue of affordability

in this proceeding. Moreover, we have various witnesses who discuss affordability and I will summarize a number of affordability approaches they sponsor.

II. MANAGEMENT EFFECTIVENESS ADJUSTMENT

Q. WHAT IS THE COMPANY PROPOSING WITH RESPECT TO MANAGEMENT EFFECTIVENESS IN THIS PROCEEDING?

A. As outlined in my direct testimony, as well as the direct testimony of witness Nelson, the Company proposed to include an adjustment of 25 basis points to its proposed return on equity for its exemplary management performance. I note that I have been advised by counsel that, under Pennsylvania law, the Pennsylvania Public Utility Commission ("Commission") shall consider the efficiency, effectiveness and adequacy of service of each utility when determining just and reasonable rates. Specifically, the Commission can make "adjustments to specific components of the utility's claimed cost of service as it may determine to be proper and appropriate." See 66 Pa. C.S. § 523(a).

In my direct testimony, as well as in the testimony of other Company witnesses, we have offered support for and evidence of above average operational performance, efficiency, effectiveness and adequacy of service such that the Commission should consider an appropriate upwards adjustment to the Company's rate of return.

Q. WHAT IS OCA'S POSITION WITH RESPECT TO THE COMPANY'S REQUEST FOR A MANAGEMENT EFFICIENCY ADJUSTMENT?

A. Overall, OCA recommends that the Commission should deny the Company's proposed 0.25% management performance adder. OCA's witness Larkin-Connolly claims that "the customer service record does not demonstrate exceptional performance that would support

granting such an incentive.[1]" Specific responses to witness Larkin-Connolly's customer service concerns are available in the rebuttal testimonies of Company witnesses Michelle Parks and Rita Black.

Q. WHAT IS YOUR RESPONSE TO OCA'S CLAIMS CONCERNING MANAGEMENT PERFORMANCE?

A. I disagree with OCA's contention that we have not demonstrated exceptional performance that supports the granting of an incentive. OCA does not contemplate the Company's demonstration of exceptional operational and safety performance as outlined in my direct testimony. Throughout pages 9-15 of my direct testimony, I provide examples of certain operational and safety metrics that warrant acknowledgement and recognition. On page 13 of my direct testimony, I include the Company's outstanding leaks metrics on its system. The Company has reduced its outstanding leaks by more than 90% since 2018[2]. Additionally, Company witnesses Palombo and Becker, in their direct testimonies, provide evidence of the Company's exemplary performance with metrics concerning safety and compliance, as well as infrastructure investment progress. The Company has provided evidence that it does show above average performance.

Q. WHAT IS I&E'S POSITION WITH RESPECT TO THE COMPANY'S REQUEST FOR A MANAGEMENT PERFORMANCE ADJUSTMENT?

A. I&E witness Patel asserts that the stated reasons the Company uses to justify its claim for management performance fall under what the Pennsylvania Public Utility Code requires of

[1] Larkin Connolly Direct, at page 7-8.
[2] Represents the year end leaks outstanding as reported in the annual DOT distribution report.

all utilities under 66 Pa C.S.A. Section 1501. Further, Mr. Patel argues that the benefits of any cost-cutting measures should be passed on to customers, not recovered through an increase in ROE[3]. Lastly, Mr. Patel notes that in Columbia's most recent base rate proceeding, the Commission did not award them an upward increase of 0.25% to ROE for management effectiveness.[4]

Q. WHAT IS YOUR RESPONSE TO I&E'S ASSERTIONS REGARDING MANAGEMENT PERFORMANCE?

A. The Company agrees with Mr. Patel in his assertion that it has used its above average performance in areas which fall under its responsibilities under 66 Pa C.S.A. Section 1501 to justify its claim for a management performance adjustment. Moreover, Mr. Patel does not refute that the Company's performance is above average or exemplary. Rather, Mr. Patel disregards the above average performance altogether and this has the effect of treating the Company's exemplary, above average performance in the same way as a company with just average performance. Mr. Patel's assertions effectively disregard the provisions of Section 523 of the Public Utility Code.

Q. PLEASE FURTHER EXPLAIN THE COMPANY'S EXEMPLARY PERFORMANCE.

A. Peoples consistently provides safe and reliable natural gas service to its customers at reasonable rates. This is the product of a dedicated and knowledgeable workforce that is constantly seeking to improve its quality of service and control costs. As part of its

[3] Patel Direct, at pages 55-60.
[4] *Id.* At 58.

commitment to providing low-cost natural gas delivery service to its customers, the Company has committed significant resources to improving its infrastructure. In his direct testimony in this proceeding, on pages 3-9, Company witness Becker provides metrics which illustrate the robust capital investments the Company has made to its system, outlining its four major capital pipeline work programs. The Company is continuing to invest in bettering its system and improving its facilities for the benefit of its customers. The Company's Long-Term Infrastructure Improvement Plan is one of the largest in the Commonwealth and it demonstrates the Company's commitment to reducing methane emissions and keeping its system safe and reliable.

In addition to its infrastructure improvement plans, and as I outline in my direct testimony, the Company has made tremendous progress in the areas of leak reduction, having reduced outstanding leaks on its system by more than 90% since 2018[5]. Reducing outstanding leaks is critical and necessary for protecting our customers and the public, preventing system incidents and minimizing methane emissions.

Additionally, another important example of operational performance is the Company's Goodwin Tombaugh project. In 2020, the Company agreed to undertake a project to replace a troubled gathering system that needed substantial improvement as it served more than 1,600 utility customers (either by direct connect to Goodwin Tombaugh or adjacent systems). The project included the replacement of more than 300 miles of bare steel gathering pipeline for the estimated budget of $120 million dollars over a seven-year

[5] Represents the year end leaks outstanding as reported in the annual DOT distribution report.

period. As we come up to the close of those seven years, we are proud to report that the project is on track to be completed by year's end and on track to be under budget as well.

Q. BUREAU OF INVESTIGATION AND ENFORCEMENT'S WITNESS PATEL MENTIONS IN HIS TESTIMONY (I&E Statement No. 2, page 57) THAT THE COMMISSION AWARDED AQUA PENNSYLVANIA 25 BASIS POINTS FOR ITS EFFORTS IN RESCUING A TROUBLED WATER AND WASTEWATER SYSTEM. DO YOU HAVE ANY RESPONSE TO THIS?

A. Yes, I do. In my opinion, the Company's project for its Goodwin Tombaugh system is comparable to "rescuing a troubled water and wastewater system", although in this case it was a "troubled natural gas gathering system." When the Company took over this system, it agreed to do an engineering assessment of the system. That assessment concluded that due to the age, state of the facilities and other factors, it was not economically viable to continue operating. However, the Company agreed to take over the distressed system and find a way to improve the facilities in a cost-effective way. The alternative would have been to abandon the system which would mean leaving more than 1,600 customers without natural gas service.

As I mentioned previously, the Company is nearing the end of 2026 and by that time it will have addressed more than 300 miles of a primarily bare steel gathering system for under the budgeted amount of $120 million. Despite the numerous permitting issues at the start of the project and throughout, the Company has worked tirelessly to retire and replace the system, converting it from gathering pipe into distribution assets and moving about 80 miles of pipe from private property into public rights of way. Perhaps the most

significant achievement in this process is that the Company did not have to abandon a single customer in completing this project. As of June 2026, for a total investment of approximately $85 million, Peoples has replaced 218 miles of bare steel with new plastic pipe and retired 106 miles of bare steel with no adverse impacts to customers as its kept over 1,600 customers in natural gas distribution service on the Goodwin Tombaugh system.

Q. PLEASE PROVIDE YOUR RECOMMENDATION REGARDING MANAGEMENT PERFORMANCE.

A. Overall, I've referenced several examples of exemplary operational performance by the team at Peoples. I respectfully recommend that the Commission evaluate the many ways that Peoples goes above and beyond for its customers and the communities it serves in its operational performance and strongly consider acknowledging that the Company's operational performance, which is above average in its efficiency, effectiveness, and adequacy, is worthy of an enhanced return on equity.

III. AFFORDABILITY

Q. WITNESSES FOR OCA, CAUSE-PA AND PUBLIC INPUT HEARING WITNESSES PRESENTED TESTIMONY REGARDING AFFORDABILITY CONCERNS, BOTH WITH RESPECT TO MACRO ECONOMIC TRENDS, UTILITY BILL COSTS AND PEOPLES PROPOSED RATE REQUEST. PLEASE RESPOND.

A. As I mentioned in my direct testimony, the Company's top priority is safety. We do recognize that affordability is a priority, as well. A balance of both affordability and

safety is extremely important to the Company, our customers and the communities we serve. I want to point to and reiterate the various strategies and measures the Company employs to address affordability as outlined in my direct testimony, pages 15-22. Overall, the Company prioritizes both safety and affordability and demonstrates its priorities through the exemplary operational performance I mentioned in Section II regarding Management Effectiveness.

Q. WHAT ARE SOME OTHER WAYS THE COMPANY DEMONSTRATES ITS FOCUS ON AFFORDABILITY? PLEASE EXPLAIN.

A. I will highlight some of the various ways that the Company demonstrates its focus on affordability and the various witnesses who offer testimony on affordability:

- **WNA** - Through this past heating (2025-2026) season, Peoples credited customers just over $10 million through its Weather Normalization Adjustment ("WNA") Mechanism. See **Peoples Statement No. 17-R** for more information about the effectiveness of the Company's WNA mechanism.
- **Customer Programs -** Over the past five (5) years, the Company has donated more than $4.8 million of non-customer funds to its hardship fund to support our customers in need of financial assistance. Further, recognizing the uncertainty of federal funding available through the Low Income Home Energy Assistance Program ("LIHEAP") to assist customers with heating system repairs, Peoples sought increases to its Emergency Furnace and Service Line Repair ("EFSLR") program twice in the past two (2) years to ensure funding remained available to repair and replace failing heating systems and replace gas

lines for vulnerable households. This proactive effort ensured that Peoples' program never closed and all eligible customers seeking assistance were able to receive the services they need. For more information on the ways in which we support our customers, see **Peoples Statement No. 10-R,** the Rebuttal Testimony of Rita Black.

- **Gas Procurement** –The Company's service footprint overlays Marcellus and Utica shales and affords the Company the ability to purchase natural gas at a discount to national indices. As a result, the Company passes on those savings to our customers. Moreover, the Company's practice of purchasing gas volumes and injecting them into storage at a lower cost during the summer months, allows for the safe and affordable delivery of natural gas to customers in the withdrawal season.

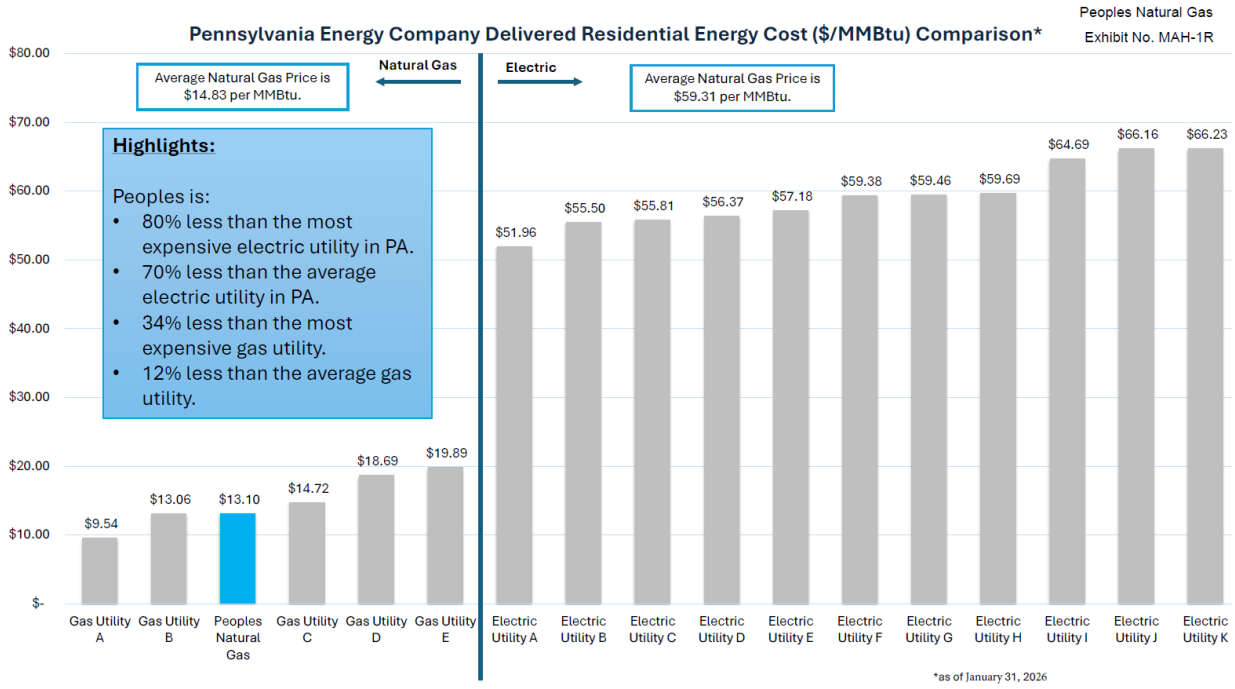
- **Unique Credit Proposal -** Peoples is proposing a unique method of crediting customers for an excess book contingency reserve and the tax repairs deduction collar refund, aimed at maintaining affordability for residential customers, particularly income eligible customers who are not participating in Peoples Customer Assistance Program ("CAP") and customers with incomes that exceed CAP eligibility but that still struggle to make ends meet. Refer to **Peoples Statement No. 3-R**, the Rebuttal Testimony of Carol Scanlon for more details.

Q. PEOPLES WITNESS FANG (Peoples Statement No. 20-R) ALSO ADDRESSES AFFORDABILITY. DO YOU HAVE ANYTHING TO ADD?

A. Yes. Overall, based upon the assessment presented below, Peoples gas service is clearly affordable. This was determined by evaluating the cost of Peoples service compared to the other Pennsylvania energy companies (natural gas distribution utilities and electric utilities).

Q. EXPLAIN THE ANALYSIS PEOPLES CREATED TO DETERMINE THAT PEOPLES' SERVICE IS AFFORDABLE.

A. The Company has prepared **Peoples Natural Gas Exhibit No. MAH-1R**, which is attached to my testimony and also shown below. This compares the per MMBtu price of all PA-PUC regulated energy companies in Pennsylvania.



Q. PLEASE SUMMARIZE HOW PEOPLES COMPARES TO THE OTHER ENERGY COMPANIES.

A. Peoples is:

- 80% less than the most expensive electric utility in Pennsylvania.
- 70% less than the average electric utility in Pennsylvania.
- 34% less than the most expensive gas utility in Pennsylvania.
- 12% less than the average gas utility in Pennsylvania.

Q. WHAT IMPACT WOULD THE PROPOSED RATE INCREASE HAVE ON THIS ANALYSIS?

A. If Peoples' entire requested residential rate increase of 13.1% (**Peoples Natural Gas Exhibit No. JDT-6**, p. 1) was granted, the price per MMBtu would increase from $13.10 per MMBtu in this analysis to $14.81 per MMBtu which is still below the average price for a natural gas utility. I also note that this analysis does not reflect the rate increases for other ongoing base rates cases such as National Fuel Gas and UGI Gas.

Q. PLEASE STATE THE PURPOSE OF THE EXHIBIT.

A. The purpose of the exhibit is to present a comparative analysis of residential delivered energy costs for electric and natural gas utilities in Pennsylvania, expressed on a BTU-equivalent basis, and to evaluate the implications of those costs for customer affordability.

Q. WHAT DATA DID YOU RELY UPON TO PERFORM THIS ANALYSIS?

A. Peoples relied on the PUC's Rate Comparison Report (2026), which was prepared by the Bureau of Technical Utility Services pursuant to 66 Pa. C.S. § 308.1(b).[1] This report

provides the Average monthly residential usage levels, and Corresponding average monthly bills for all eleven (11) electric distribution companies and six (6) large natural gas distribution companies in Pennsylvania.

Q. DOES THE PUC REPORT PROVIDE A CONSISTENT BASIS FOR COMPARISON ACROSS UTILITIES?

A. Yes. The report explicitly states that rates reflect conditions as of January 31, 2026, and usage and bill values are standardized averages to allow apples-to-apples comparisons across service territories. Accordingly, the report is an appropriate and authoritative source for cross-utility rate comparison.

Q. HOW DID YOU CONVERT ELECTRIC AND NATURAL GAS COSTS INTO A COMPARABLE METRIC?

A. To compare electric and natural gas costs on a common basis, the Peoples' team converted both forms of energy into MMBtu (million British thermal units). Specifically:

- Electric usage (kWh) was converted using 1 kWh = 0.003412 MMBtu
- Natural gas usage (Mcf) was converted using 1 Mcf ≈ 1.037 MMBtu

These are standard engineering conversion factors used in energy economics.

Q. HOW DID YOU CALCULATE THE DELIVERED COST OF ENERGY?

A. For each utility, I calculated:

- Delivered cost ($/MMBtu) = Monthly residential bill ÷ total MMBtu consumption

In addition:

- For electric utilities, we calculated cents per kWh
- For natural gas utilities, we calculated dollars per Mcf or Ccf where applicable

All inputs used in these calculations—usage and bills—were taken directly from the PUC report.

Q. WHAT DID YOUR ANALYSIS SHOW FOR NATURAL GAS UTILITIES IN PENNSYLVANIA?

A. For the six large natural gas distribution companies, the delivered residential energy costs range from about $10 per MMBtu (low end) to about $20 per MMBtu (high end) with an average of about $15 per MMBtu. I note that Peoples price of about $13 per MMBtu is the third lowest but only four cents per MMBtu higher than the second lowest natural gas utility. Further, Peoples is 34% less than the most expensive gas utility and 12% less than the average gas utility.

Q. WHAT DID YOUR ANALYSIS SHOW FOR ELECTRIC UTILITIES IN PENNSYLVANIA?

A. The analysis indicates that delivered residential energy costs for electric utilities range from about $52 per MMBtu (low end) to $66 per MMBtu (high end) with an overall average of about $59 per MMBtu across the 11 electric distribution companies.

I note that Peoples is 80% less than the most expensive electric utility in PA and 78% less than the average electric utility in PA. Further, it is 75% less than the lowest cost electric utility. These results demonstrate that electric energy costs are about 4.0 times to 5.1 times higher than natural gas energy costs, and on average, are approximately 4.5 times higher than Peoples specifically.

Q. WHAT CONCLUSIONS CAN BE DRAWN REGARDING NATURAL GAS AS AN ENERGY RESOURCE AND SPECIFICALLY PEOPLES GAS' SERVICE?

A. The analysis demonstrates that natural gas is a substantially lower-cost source of delivered energy compared to electricity when measured on an equivalent energy-content basis. This cost differential is material, persistent and system-wide across Pennsylvania.

The analysis in **Peoples Natural Gas Exhibit No. MAH-1R** also demonstrates how increased demand on local electric distribution companies, including power generation, has exacerbated supply and demand issues which ultimately drive up electric costs for consumers. As we assess affordability in the context of Peoples rate case, the analysis clearly shows that Peoples, even with a reasonable increase in rates as proposed in this case, remains an affordable energy option in Pennsylvania.

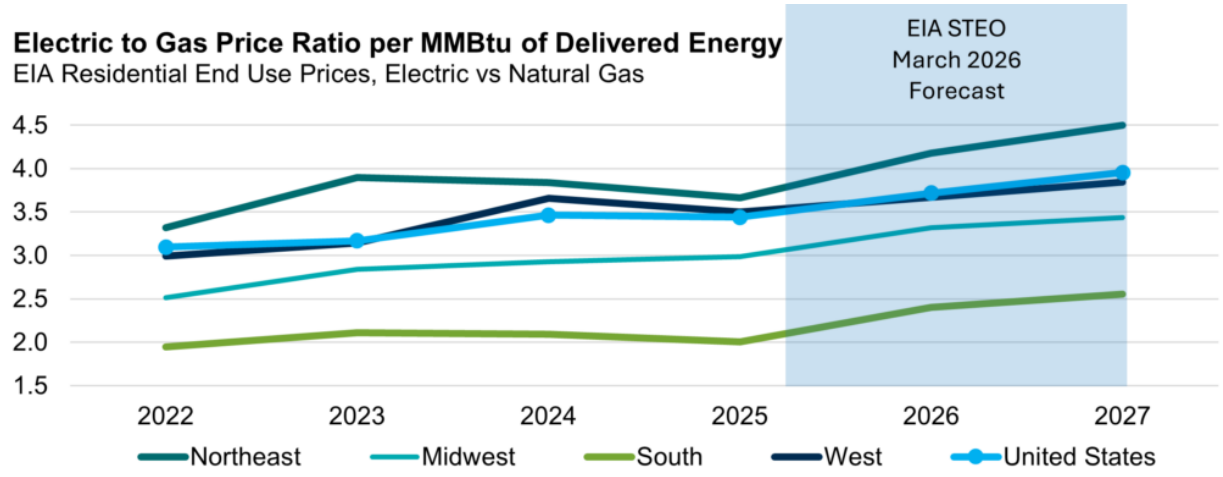
Q. WHAT ARE THE IMPLICATIONS OF THESE FINDINGS FOR CUSTOMER AFFORDABILITY?

A. The magnitude of the cost differential has direct implications for residential customers. Customers using natural gas, including Peoples service, experience

significantly lower costs per unit of energy consumed. This contributes to lower bills for comparable energy needs and greater protection against rising energy costs. Direct natural gas use remains important for households and businesses as the price gap between electric and gas continues to widen[6]. Accordingly, Peoples plays a meaningful role in supporting energy affordability in Pennsylvania.

Q. IS THE PRICE GAP BETWEEN NATURAL GAS AND ELECTRIC UTILITIES UNIQUE TO PENNSYLVANIA? PLEASE RESPOND.

A. No, this issue is not unique to Pennsylvania and the gap is going to continue to widen. The Table below[7] demonstrates that the gap will continue to rise in regions across the United States, with electricity prices reaching 4.0 times the price of natural gas by 2027.



Source: EIA Short Term Energy Outlook, March 10, 2026

[6] https://www.aga.org/research-policy/resource-library/eia-projects-rising-electricity-prices-widening-the-gap-with-natural-gas-to-4-0x-in-2027/

[7] *Id.*

Moreover, the current conditions of this price gap between gas and electrics were predicted and anticipated with federal, state and local policies aimed at electrification. In a 2018 American Gas Association ("AGA") study[8], the study concluded that the overall impact of policy-driven electrification will result in increased electricity demand and overall increased energy costs for consumers. To summarize, customers are currently realizing the impact of these policy decisions supporting electrification coupled with decreasing supply of affordable and reliable power generation.

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS.

A. Based on this analysis, Peoples service is clearly affordable as compared to the other PUC-approved (i.e. deemed just and reasonable through a legal process) tariff services provided by Energy Companies across Pennsylvania. Peoples remains a low-cost energy resource and plays a critical role in providing affordable service.

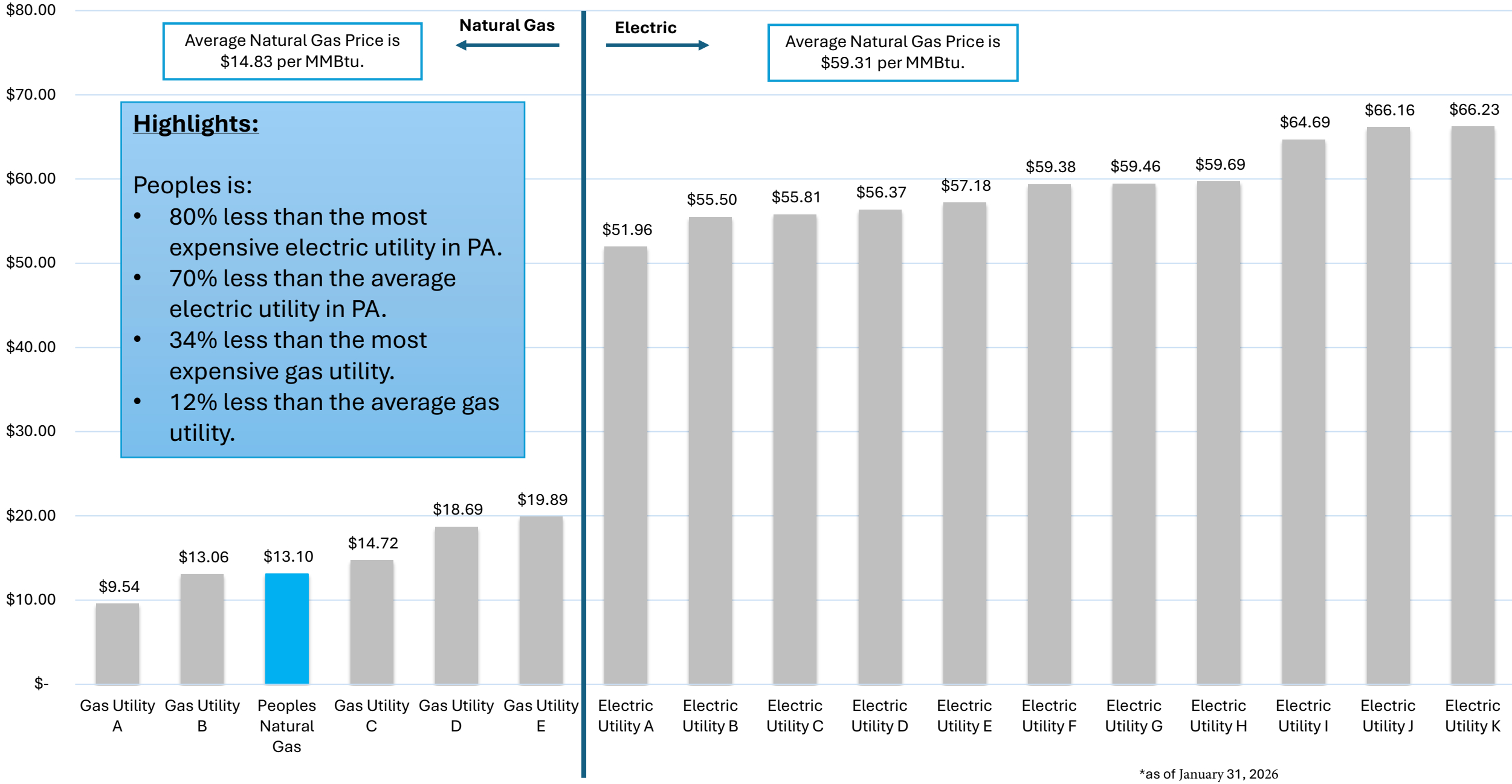
IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

[8] https://www.aga.org/wp-content/uploads/2018/07/aga_study_on_residential_electrification.pdf

Pennsylvania Energy Company Delivered Residential Energy Cost ($/MMBtu) Comparison*



*as of January 31, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
ANDREW P. WACHTER
DIRECTOR OF FINANCE AND REGULATION
PNG COMPANIES LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 2-R

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PREPARED REBUTTAL TESTIMONY OF
ANDREW P. WACHTER

I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Andrew P. Wachter, and my business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as Director, Finance and Regulation for PNG Companies LLC ("PNG"). I provide services to Peoples Natural Gas Company LLC ("Peoples" or the "Company"). As Director, Finance and Regulation, I oversee the Rates and Regulatory department and the Financial, Planning and Analysis department at Peoples and its affiliates.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 2.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I am presenting testimony in rebuttal of certain expense positions and recommendations of the Bureau of Investigation and Enforcement ("I&E") witness Vanessa Okum and the Office of Consumer Advocate ("OCA") witness Jared Geiger.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. I have arranged my rebuttal testimony by subject matter. Where more than one witness has addressed the same subject matter with testimony that I wish to rebut, I address all of that testimony in the same section. I will address the following issues in the order listed.

- Updates to Original Filing
- Responses to Other Parties Adjustments
  - Average Annual Increases
  - Inflation Adjustments
  - Labor/Vacancy Expense
  - Incentive Compensation
  - Employee Benefits Expense
  - Corporate Insurance
  - Employee Expenses
  - Travel & Entertainment
  - Company Memberships
  - License and Permits
  - Utilities and Fuel Expense
  - Advertising Expense
  - Fleet Expense
  - Materials and Supplies Expense
  - Rate Case Expense

- Pension Expense
- Outside Services – A&G
- Payment Processing Expense
- Building Leases
- Universal Service Program Rider
- Residential Collection Expense
- Cost of Other Parties Proposals
- Interest Synchronization

II. UPDATES TO THE COMPANY'S ORIGINAL FILING

Q. HAS THE COMPANY UPDATED OR ADJUSTED THE COST OF SERVICE AS FILED?

A. Yes. The Company has identified three adjustments either through the discovery process or during rebuttal testimony preparation.

Q. CAN YOU SUMMARIZE THE ADJUSTMENTS IDENTIFIED ON THE AMOUNT OF RATE INCREASE REQUESTED?

A. Yes. Below are the adjustments:

1. Increase in existing Revenue of $206,179 as referenced in the response to OSBA-I-9 (refer to **Peoples Statement No. 4-R, the Rebuttal Testimony of Dawn Folks** for further discussion). This reduces the claim.;
2. Reduction in O&M of $785,433 related to building leases as referenced in the response to I&E-RE-20 (see Building Leases section below). This reduces the claim.; and

3. Increase in O&M of $1,738,446 related to Insurance expense referenced in the response to I&E-RE-21 (see Insurance section below). This increases the claim.

Please note that there is an increase in Cash Working Capital associated with these adjustments as well.

Q. PLEASE EXPLAIN THE IMPACT THESE ADJUSTMENTS HAVE ON THE COST OF SERVICE AS FILED?

A. The impact of these changes increases the overall claimed revenues by approximately $746,783 excluding the cash working capital amount.

III. RESPONSE TO OTHER PARTIES ADJUSTMENTS

A. AVERAGE ANNUAL INCREASES

Q. PLEASE SUMMARIZE HOW THE COMPANY USED AVERAGE ANNUAL INCREASES TO MAKE ADJUSTMENTS TO CERTAIN HISTORIC TEST YEAR ("HTY") EXPENSES.

A. In order to appropriately project how certain expenses are expected to change during the FTY and FPFTY, the Company used a multi-year historical percentage experience change for each expense type individually and applied it to the HTY balances to determine the amount of change in balance to expect.

Q. HOW IS APPLYING AVERAGE ANNUAL INCREASES DIFFERENT THAN APPLYING A STANDARD INFLATION ADJUSTMENT?

A. Utilizing a multi-year average increase methodology, as described above, utilizes known and recently incurred activity for each specific expense account. Whereas a standard

inflation adjustment often is based upon broad inflation indicators or even one over-riding inflation metric applied to different expense categories. An inflation adjustment is an approach that weights various categories into one such as CPI – the Consumer Price Index.

Q. WHAT IS I&E WITNESS OKUM RECOMMENDING WITH RESPECT TO THE APPLICATION OF THE AVERAGE ANNUAL INCREASES?

A. I&E Witness Okum is proposing to disallow any sort of percentage increases as she refers to them as inflationary adjustments that are not actually known or measurable as they do not reflect the true cost of expenses. In various places she claims that increases in expenses should be based on contractual terms or other known variables. Witness Okum also refers to such items as "speculative."

The table below summarizes all such adjustments that I&E Witness Okum proposes:

Outside Services - Contracted	$	(2,055,313)
Outside Services - IT	$	(286,705)
Outside Services - A&G	$	(926,459)
Corporate Insurance	$	(1,402,736)
Travel	$	(108,657)
Memberships	$	(157,918)
Licenses & Permits	$	(34,718)
Utilities & Fuel	$	(234,304)
Advertising	$	(75,656)
Fleet	$	(90,469)
Materials & Supplies	$	(1,141,328)
	$	(6,514,263)

Q. DO YOU AGREE WITH I&E WITNESS OKUM'S RECOMMENDATION TO DISALLOW THE APPLICATION OF THE AVERAGE ANNUAL EXPENSE ADJUSTMENTS FOR THESE EXPENSES?

A. I do not.

Q. WITNESS OKUM CLAIMS THAT THE INCREASES MUST BE KNOWN AND MEASURABLE AND NOT BASED ON SPECULATIVE OR PERCENTAGE INCREASES. ARE THE COMPANY'S PROPOSED EXPENSE ADJUSTMENTS KNOWN AND MEASUREABLE?

A. Yes, they are known and measurable. It is unrealistic to think that inflation is not going to continue related to the Company's expenses. The Company utilized its own history of such expense increases to project future costs. With OCA Witness Duepree's testimony (discussed further below), our own Company's experience and the historical trend of rising prices (see table in the next section of testimony), it is clear that the Company's proposed expense adjustments are known and measurable.

Q. WITNESS OKUM CLAIMS THAT THE COMPANY LOOKS AT HISTORIC DATA TO CALCULATE THE AVERAGE INCREASE BUT IGNORES THE MOST RECENT HTY DATA. HOW DO YOU RESPOND?

A. The Company calculated the percentage increases utilizing the most recent calendar years available when the data was being prepared. This was not done for any nefarious reason. Rather, it was more about logistics of timely completing the filing.

Q. I&E WITNESS OKUM CLAIMS THAT THE DATA USED TO CALCULATE THE ADJUSTMENTS INCLUDES THE CAPITALIZED PORTION OF THE EXPENSE; WHEREAS, ACCORDING TO WITNESS OKUM, IT WOULD BE MORE ACCURATE TO BASE THE CALCULATION ON THE EXPENSED PORTION ONLY. PLEASE EXPLAIN.

A. I&E Witness Okum is correct that the difference mentioned is due to capitalization. However, it is appropriate to base the percentage increases off of the original underlying cost prior to capitalization as the capitalization rate would then not have an impact on the underlying percentage changes over time. Since the Company normalizes/annualizes the capitalization rate based upon a more recent rate factor, changes in the percentage change calculation would skew the numbers if they included the historical capitalization rates.

Q. WITNESS OKUM CLAIMS THAT THE COMPANY'S CHOSEN TIME PERIOD IS INCONSISTENT ACROSS THE ADJUSTED CATEGORIES WITH NO EXPLANATION GIVEN. HOW DO YOU RESPOND?

A. The Company utilized a 5-year average increase for all categories except Outside Services – IT, Outside Services – A&G and Licenses and Permits where a 4-year average was utilized and Company memberships where a 2-year average was utilized. The Company utilized a shorter timeframe as there were some abnormal items in the longer historical periods, thus using a shorter period would provide a more normalized percentage increase to utilize.

Q. DOES OCA WITNESS GEIGER ALSO RECOMMEND DISALLOWING THE ADJUSTMENTS FOR AVERAGE ANNUAL INCREASES FOR ANY OF THE EXPENSE CATEGORIES?

A. The table below summarizes all adjustments that OCA Witness Geiger proposes:

Materials and Supplies	$	(625,000)
Travel Expenses	$	(108,625)
Advertising Expense	$	(75,656)
PUC Assessment	$	(823,737)
	$	(1,633,018)

Q. DO YOU AGREE WITH MR. GEIGER'S ADJUSTMENTS?

A. No, for all the reasons above when discussing I&E Witness Okum's proposals.

Q. DID ANY WITNESSES ADDRESS THE RISING COSTS AND INFLATION?

A. Yes. OCA Witness Deupree discussed that inflation is expected to continue. Witness Deupree cited the Federal Reserve's prediction that inflation will be 2.7% and cited other sources that inflation is expected to continue.

Q. DOES I&E'S AND OCA'S APPROACH TO PERCENTAGE ADJUSTMENTS EFFECTIVELY UTILIZE A HISTORIC TEST YEAR ("HTY") METHODOLOGY RATHER THAN A FULLY PROJECTED FUTURE TEST YEAR ("FPFTY") METHODOLOGY?

A. Yes. By not allowing a reasonable methodology to project increases, such as recent average Company-experienced increases by specific expense categories, they effectively revert to

utilization of historic test year balances. This approach is contrary to the FPFTY methodology widely accepted in Pennsylvania base rate cases and authorized by law.

B. INFLATION ADJUSTMENT ITEMS

Q. DID THE COMPANY APPLY A STANDARD INFLATION ADJUSTMENT TO ANY EXPENSE ITEMS?

A. Yes, the Company applied a standard inflation adjustment to both Payment Processing ($77,284 adjustment) and the Advertising ($75,656 adjustment) categories of expenses.

Q. HOW DID THE COMPANY DETERMINE THE INFLATION AMOUNT?

A. The Company utilized the CPI – Consumer Price Index for both of these categories.

Q. WHY DIDN'T THE COMPANY PROPOSE AN AVERAGE ANNUAL INCREASE FOR THESE ITEMS INSTEAD OF AN INFLATION ADJUSTMENT?

A. Due to the fluctuating nature of these categories and types of expenses it was more reasonable to use an index-based approach.

Q. WHAT DOES I&E WITNESS OKUM PROPOSE WITH RESPECT TO THE INFLATION ADJUSTMENT FOR THESE EXPENSES.

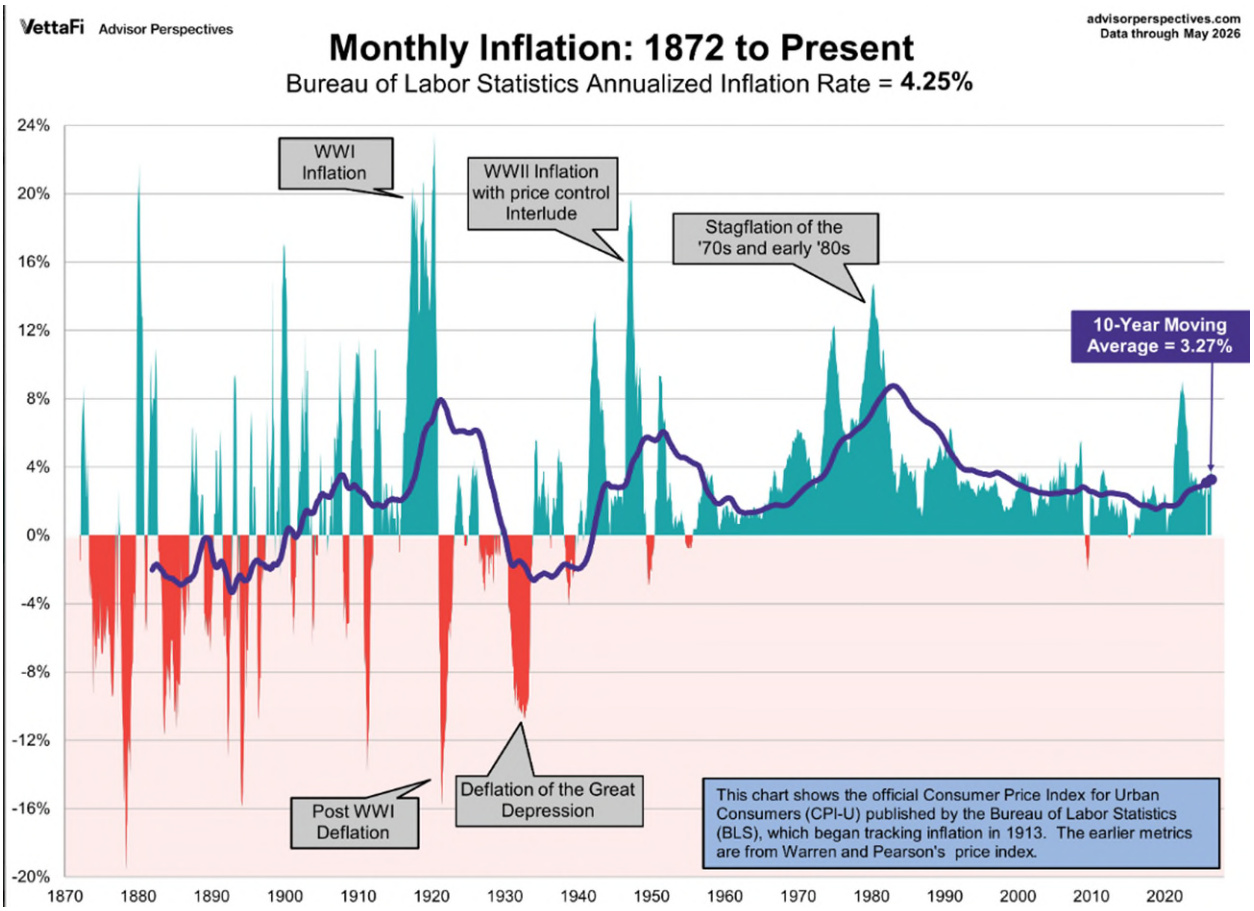
A. I&E Witness Okum recommends that these adjustments be rejected because she believes it is inappropriate to increase expenses using a general inflation percentage as it is speculative and not known or measurable.

Q. DO YOU AGREE WITH MS. OKUM'S ADJUSTMENTS?

A. I do not.

Q. WHY IS IT REASONABLE TO INCLUDE AN INFLATION FACTOR FOR THESE ITEMS?

A. As stated above, inflation is a real thing and is expected in all expense categories over time. Utilizing an actual experienced inflation factor to project these costs is a reasonable approach. The table below from VettaFi Advisor Perspectives shows the history of inflation based upon data from Bureau of Labor Statistics data which shows that inflation has occurred in most months for the last six decades.



Further, as discussed above, OCA Witness Deupree discussed that inflation is expected to continue thus validating the Company's position.

C. LABOR/VACANCY EXPENSE

Q. PLEASE EXPLAIN THE ADJUSTMENTS PROPOSED BY I&E AND OCA REGARDING LABOR AND LABOR RELATED EXPENSES.

A. Both the OCA and I&E make proposed adjustments related to increasing the level of vacant positions to be included in the FPFTY labor claim. OCA witness Geiger and I&E witness Okum proposed a vacancy rate of 5.25% and 4.98%, respectively. Both witnesses Okum and Geiger's proposals were based upon a three-year historical average of vacancies. I note that witness Geiger's calculation needs to be updated, which will be discussed later in this section. I also note that the incentive compensation adjustments will be addressed in a separate section below.

Q. DO YOU AGREE WITH THESE ADJUSTMENTS?

A. I do not.

Q. PLEASE EXPLAIN WHY THE COMPANY EXPECTS ITS EMPLOYEE VACANCY RATE TO DECLINE DURING THE FORECAST PERIOD.

A. The Company's expectation that employee vacancies will decline during the forecast period is reasonable, supported by both recent Company experience and broader labor market trends.

First, the Company has already demonstrated progress in filling open positions. For example, as provided in the Response to I&E-RE-7, the vacancy rate for the months of

December 2025 through March 2026 was 4.38% down 14% from the average during the twelve months ended November 30, 2025. This reflects a substantial improvement in recruiting effectiveness and workforce replenishment efforts.

Second, the labor market conditions that contributed to elevated vacancy levels following the COVID-19 pandemic have moderated significantly. During 2021 through 2023, utilities and other employers across the United States experienced unprecedented recruiting and retention challenges. However, more recent labor market data indicate that the labor market has normalized substantially. The U.S. Bureau of Labor Statistics reported that the national quits rate remained approximately 1.9% during 2026, significantly below the elevated turnover levels experienced during the post-pandemic "Great Resignation." The Bureau also reported that job openings have stabilized following several years of exceptionally high vacancy levels. These trends indicate that employees are changing jobs less frequently and employers are facing a more balanced labor market than existed several years ago.[1]

Third, external labor market research similarly demonstrates that hiring conditions have become more favorable for employers. Indeed Hiring Lab reported that hiring demand has largely returned to pre-pandemic levels, while job postings have moderated from their historical peaks[2]. The report characterized the current environment as a more balanced labor market than existed during the supply-constrained labor conditions of 2021 through 2023. At the same time, the ratio of vacancies to unemployed workers has declined substantially from pandemic-era highs, indicating improved availability of qualified candidates.

[1] https://www.bls.gov/news.release/jolts.nr0.htm
[2] https://www.hiringlab.org/2026/06/18/us-labor-market-snapshot-may-2026/

Fourth, the Company's forecast is not premised solely upon general economic conditions. It reflects the implementation of specific recruiting and retention initiatives, including enhanced workforce planning, targeted recruiting efforts, competitive compensation programs, employee development initiatives, and succession planning activities. These efforts are designed to improve employee retention while accelerating the filling of vacant positions. As labor market conditions normalize, these Company-specific initiatives are expected to become increasingly effective.

Q. IS IT REASONABLE TO RELY EXCLUSIVELY UPON HISTORICAL VACANCY PERCENTAGES WHEN FORECASTING FUTURE VACANCIES?

A. No. Historical vacancy rates are an important consideration, but they are not the only factor that should be considered when forecasting future workforce levels. A forecast is intended to estimate expected future conditions, not merely replicate historical averages. Historical vacancy data from the period immediately following the COVID-19 pandemic reflects extraordinary labor market disruptions, including elevated employee turnover, labor shortages, and recruiting challenges that affected employers nationwide.

If those abnormal conditions are expected to moderate, it is reasonable to forecast vacancy levels below the historical levels observed during that period. In fact, the Company would be expected to consider known and measurable changes in labor market conditions and Company recruiting performance when preparing its forecast.

For example, the vacancy rate for December 2025 through March 2026, was lower at 4.38%, showing a trend downwards.

Q. IF I&E WITNESS OKUM'S PROPOSED VACANCY ADJUSTMENT IS ACCEPTED IS THE CALCULATION CORRECT?

A. Not entirely. On page 8 of Okum's testimony, she removes out $362,184 related to the eight vacancies included in the FPFTY. The $362,184 is after capitalization whereas this should be pre-capitalization or gross similar to the other numbers in the table. As such, this amount should be $873,153 ($362,185/41.48% O&M Ratio) for a difference of $510,968 in gross labor. As a result this would increase I&E's recommended O&M claim for labor by $211,950 ($510,968 x 41.48% O&M Ratio) and increase I&E's recommended rate base claim by $299,019 ($510,968 x 58.52% Capitalization Ratio).

Q. IF OCA WITNESS GEIGER'S PROPOSED VACANCY ADJUSTMENT IS ACCEPTED IS THE CALCULATION CORRECT?

A. No. OCA Witness Geiger incorrectly calculated the vacancy rate by dividing the vacant positions by the filled positions rather than the budgeted positions. As such, the vacancy rate would be 4.98% as shown in the table below and agrees with I&E's calculation. This would increase OCA's proposed O&M claim by $181,282. This would also increase OCA's proposed benefits by $53,809 and payroll tax adjustments by $14,525. The grand total is $249,615. Please note that Mr. Geiger's noted months in his table were incorrect as well. Those were corrected in the table below.

Total Vacancy Percentage (%)			
	2022-2023	2023-2024	2024-2025
Dec	4.01%	5.85%	4.95%
Jan	3.55%	5.55%	5.30%
Feb	3.42%	5.82%	5.50%
Mar	3.49%	6.08%	5.03%
Apr	4.03%	5.68%	4.83%
May	3.56%	6.02%	4.90%
Jun	3.89%	6.35%	4.16%
Jul	4.16%	5.55%	5.03%
Aug	4.50%	5.95%	5.30%
Sep	4.44%	5.61%	5.37%
Oct	4.77%	5.41%	5.64%
Nov	4.84%	5.48%	5.44%

Q. IN ADDITION TO THE CORRECTIONS ABOVE DO YOU HAVE ANY OTHER OBSERVATIONS?

A. Yes. Peoples has about 460 positions that are fully capitalized as they 100% support the Company's capital expenditure programs. Based upon further assessment, they have a higher vacancy rate than positions that are not fully capitalized, an average of 6.19% over the three-year period compared to 4.85% for non-capitalized positions over that same period. As such, the adjustment would be even lower.

Q. DOES I&E'S AND OCA'S REDUCTION TO THE COMPANY'S EMPLOYEE HEADCOUNT AFFECT OTHER EXPENSES?

A. Yes. I&E proposed related adjustments to benefits of $922,599 and payroll taxes of $333,659 and OCA proposed related adjustments to benefits of $941,164 and payroll taxes of $253,701 (to be addressed in **Statement No. 11-R – the Rebuttal Testimony of Rudolph Hanechak**). These adjustments should also be rejected for the reasons stated above.

Q. IF I&E'S AND OCA'S EMPLOYEE HEADCOUNT ADJUSTMENTS ARE DENIED, SHOULD THESE RELATED ADJUSTMENTS ALSO BE DENIED?

A. Yes.

D. INCENTIVE COMPENSATION

Q. I&E PROPOSES TO REDUCE THE COMPANY'S CLAIM FOR INCENTIVE COMPENSATION EXPENSE BY $949,448 AND RATE BASE BY $782,008. OCA PROPOSES TO REDUCE THE COMPANY'S CLAIM FOR INCENTIVE COMPENSATION BY $2,520,984. (I&E St. No. 1, pp. 11-14; OCA St. No. 2, pp. 9-16). PLEASE SUMMARIZE THE BASIS FOR I&E'S AND OCA'S PROPOSED ADJUSTMENTS TO INCENTIVE COMPENSATION.

A. Both witnesses make these proposals to remove the incentive compensation related to financial metrics. I&E Witness Okum states that they "align with shareholder interests" and also cites the recent Columbia rate case as a basis. I&E Witness Geiger makes similar claims.

Q. I&E WITNESS OKUM CITES THE PUC'S RULING ON THE MOST RECENT COLUMBIA GAS OF PA CASE. IS THAT APPROPRIATE?

A. In my opinion I&E Witness Okum misconstrues the PUC's ruling on Columbia Gas. She states that "In the most recent Columbia Gas of Pennsylvania, Inc. (Columbia Gas) base rate proceeding, the Commission removed 70% of Columbia Gas' total incentive compensation claim, equal to the portion related to financial goals, finding that it was not necessary in providing safe and reliable service to ratepayers." However, that is not

accurate. The PUC stated "Columbia did not explain why 70% of the incentive compensation expense is necessary to provide adequate service to ratepayers, given that only 30% of this claimed expense is related to operational safety and customer experience."

Further, they stated "We also agree with the ALJs and the OCA that Columbia failed to present credible evidence that the totality of its LTI compensation plan is reasonable, given that only 30% of the plan is related to safety, customer care, customer satisfaction, or other benefits to ratepayers." As I will demonstrate below, Peoples has provided sufficient evidence of the benefit to ratepayers and thus it is appropriate to recover 100% of these costs.

Q. OCA WITNESS GEIGER STATES THAT "SHAREHOLDERS ARE THE PRIMARY BENEFICIARIES OF IMPROVEMENTS IN THE COMPANY'S FINANCIAL PERFORMANCE. INCREASED EARNINGS, ENHANCED CASH FLOW, STOCK APPRECIATION, AND DIVIDEND GROWTH ACCRUE TO INVESTORS RATHER THAN RATEPAYERS." DO YOU AGREE WITH THIS?

A. No. Whether shareholders are the primary beneficiary of this is not an appropriate assessment. The correct evaluation is whether customers benefit from these metrics which contribute to a financially sound Company. As demonstrated above, they do and thus the entire amount of incentive compensation is appropriate to recover.

Q. OCA WITNESS GEIGER CLAIMS THAT "THE COMPANY HAS NOT ESTABLISHED A DIRECT AND MEASURABLE CONNECTION BETWEEN

INCENTIVE COMPENSATION AND CUSTOMER BENEFITS." IS THIS ACCURATE?

A. It is not. There is a direct and measurable connection between incentive compensation and customer benefits as I will explain below.

Q. PLEASE EXPLAIN WHY YOU DISAGREE WITH OCA'S AND I&E's PROPOSED ADJUSTMENT TO INCENTIVE COMPENSATION.

A. OCA's and I&E's proposal on incentive compensation should be rejected for three main reasons: 1) financial metrics provide customers a direct benefit by incentivizing employees to be good financial stewards of Company and ultimately customer funds; 2) the overall level of incentive compensation claimed is part of a fair, market-based level of total compensation; and 3) there are no regulations that prohibit utilities from recovery of incentive compensation that is tied to financial metrics and a recent UGI Utilities, Inc. – Electric Division ("UGI") Commission order (Docket No. R-2017-2640058) supports this position.

Q. REGARDING YOUR FIRST REASON TO REJECT OCA'S POSITION, PLEASE EXPLAIN WHY THESE COSTS PROVIDE A DIRECT BENEFIT TO THE CUSTOMERS.

A. Financial metrics incentivize employees to be good financial stewards of Company and ultimately customer resources, thus they provide customers a direct benefit. I point out that the impact most employees have on financial targets is to achieve their O&M budgets. As such, this drives employees to be efficient with the costs they incur while still achieving

the Company's mission to "Make Customers Lives Better". Such savings have the potential to ultimately delay the need for future rate cases. Further, this compensation is also tied to and aimed at improving operational effectiveness.

Utility customers benefit from incentive compensation programs that include financial performance metrics when those metrics support the delivery of safe, reliable, and affordable utility service. Maintaining financial strength provides the utility with the ability to attract capital, invest in infrastructure, maintain credit quality and provide service at the lowest reasonable long-term cost. These outcomes can directly and indirectly benefit customers.

Financial performance metrics can encourage management and employees to focus on cost control, productivity improvements, and the efficient use of company resources. When a utility successfully manages its costs, those efficiencies can help moderate future revenue requirements and reduce upward pressure on customer rates. Company testimony in prior proceedings has recognized that financial metrics can incentivize employees to reduce costs where possible, thereby providing benefits to customers.

In addition, financial performance metrics can support the utility's ability to maintain strong creditworthiness. Utilities are capital-intensive businesses that rely heavily on access to debt and equity markets to finance system investments. A utility with stronger financial performance generally has greater access to capital and may be able to obtain financing on more favorable terms. Because financing costs are ultimately reflected in rates, maintaining financial health can contribute to lower costs for customers over time.

Q. HOW DO YOU RESPOND TO THE ARGUMENT THAT FINANCIAL PERFORMANCE METRICS BENEFIT SHAREHOLDERS RATHER THAN CUSTOMERS?

A. It is true that shareholders benefit when a utility performs well financially. However, shareholder benefits and customer benefits are not necessarily mutually exclusive. A financially healthy utility is generally better positioned to attract capital, maintain infrastructure, respond to emergencies, retain qualified employees, and support ongoing investments necessary to provide safe and reliable service.

The relevant regulatory question is not whether shareholders receive some or even a primary benefit from a financial metric. Rather, the question is whether the metric also advances legitimate utility objectives that support customer service, affordability, reliability, safety, or operational efficiency. Where such a connection exists, customers may derive meaningful benefits from the incentive program.

Q. IS IT REASONABLE TO CONCLUDE THAT CUSTOMERS CAN BENEFIT FROM INCENTIVE COMPENSATION PROGRAMS THAT INCLUDE FINANCIAL PERFORMANCE MEASURES?

A. Yes. In my opinion, incentive compensation programs that include reasonable financial performance metrics can benefit customers by encouraging efficient operations, controlling costs, supporting workforce retention, maintaining financial strength, and preserving access to capital needed to provide safe and reliable utility service. Consistent with prior Commission precedent, the existence of financial metrics within an incentive compensation program should not, by itself, determine whether the associated costs are

recoverable. Instead, the appropriate inquiry is whether the program, viewed as a whole, promotes outcomes that benefit utility customers.

Q. REGARDING YOUR SECOND REASON TO REJECT OCA'S POSITION, PLEASE EXPLAIN HOW PEOPLES INCENTIVE COMPENSATION IS PART OF A FAIR, MARKET-BASED LEVEL OF TOTAL COMPENSATION.

A. As discussed in my Direct Testimony, **Peoples Statement No. 2**, to retain talent, Peoples must offer benefits comparable to other companies. Offering Incentive Compensation is one way for Peoples to retain talent by offering market-based incentives to Company employees. The Company has undertaken research to ensure that it offers market-based compensation and incentive programs. Eliminating or reducing these programs would have a significant impact on the Company's ability to attract and retain competent employees.

Compensation programs are regularly reviewed to ensure market competitiveness to attract, retain, and reward talented employees necessary to provide safe and reliable service. The Company utilizes several compensation surveys to compare itself against market data and trends. Further, benchmarking against the market is done internally by human resources utilizing various third-party sources based upon third-party survey information.

Q. DO MS. OKUM AND MR. GEIGER OBJECT TO THE OVERALL LEVEL OF INCENTIVE COMPENSATION OR THE PROGRAMS THEMSELVES?

A. No. Neither is opposed to the existence of incentive compensation programs nor the levels of such programs rather they are only opposed to the portion tied to financial metrics.

Q. PLEASE EXPLAIN YOUR THIRD REASON WHY I&E'S AND OCA'S POSITION ON INCENTIVE COMPENSATION SHOULD BE REJECTED.

A. I am not aware of and I have been advised by counsel that there are no regulations that prohibit utilities from recovery of incentive compensation that is tied to financial metrics.

Further, as part of a prior UGI Electric base rate case proceeding (Docket No. R-2017-2640058) an argument was made to disallow recovery of certain employee compensation costs because they contained certain financial metrics beyond metrics related to duties directly related to the provision of service. The Commission rejected that argument. In particular, the Order specifically stated that "the fact that the program includes a financial metric does not disqualify it from allowance as an expense for inclusion in the rate base". (*See e.g., UGI 2018 Order* at 74.)

Q. MS. OKUM STATES THAT SHE IS UNABLE TO MAKE A SPECIFIC RECOMMENDATION REGARDING LONG-TERM INCENTIVE COMPENSATION AT THIS TIME. HOW DO YOU RESPOND?

A. I&E submitted the interrogatory on June 11, 2026, with a due date of June 22, 2026, which was four days after June 18, 2026, when other parties' direct testimony was due. Regardless, I&E has had the response for 24 days and has not filed supplemental testimony. As such, any further recommendations for an adjustment should be rejected as the Company will not have sufficient time to rebut the adjustment and allowing such an adjustment to be introduced at a later stage of the proceeding raises due process concerns.

E. EMPLOYEE BENEFITS EXPENSE

Q. WHAT ADJUSTMENT DOES I&E MAKE TO THE COMPANY'S CLAIM FOR EMPLOYEE BENEFITS EXPENSE?

A. I&E witness Okum made two adjustments related to employee benefits expense: 1) employee benefits impact of the vacancy adjustment discussed above and 2) an adjustment related to the LIURP employee add back discussed below.

Q. DO YOU AGREE WITH THIS ADJUSTMENT?

A. I do not. The employee benefits expense adjustment proposed by Ms. Okum related to the vacancy adjustment and LIURP position are both inappropriate as discussed above in the "Labor/Vacancy Expense" section.

F. CORPORATE INSURANCE

Q. EXPLAIN I&E'S PROPOSED ADJUSTMENT TO THE COMPANY'S CORPORATE INSURANCE CLAIM.

A. I&E Witness Okum accepts the Company's adjusted claim amount as presented in the response to Interrogatory No. I&E-RE-21. The corrected claim for Corporate Insurance is $7,668,379 (from I&E-RE-21, see **Exhibit No. APW-1-R**) which is a $1,738,446 increase from the original amount included in the claim of $5,929,933 (**Exhibit No. 4, Page 2, Line 10**). Please note that the response to Interrogatory No. I&E-RE-21 incorrectly stated the impact to the Company's claim. However, I&E did not accept the Company's proposed increase resulting from the historical average which amounts to a reduction of $1,430,352. The net of these adjustment is an increase of $335,710 to the Company's original claim.

Q. DO YOU AGREE WITH I&E'S RECOMMENDATIONS.

A. I agree with the adjustment to increase the Corporate Insurance claim by $1,738,446 but do not agree with the reduction of $1,430,352 as this is based upon the multi-year average increase proposal which was addressed in Section III. B. above.

Q. EXPLAIN OCA'S PROPOSED ADJUSTMENT TO THE COMPANY'S CORPORATE INSURANCE CLAIM.

A. OCA Witness Geiger proposes to reduce the Company's claim for insurance by $150,963. However, this is based upon the incorrect description of the impact of the revisions made in the response to Interrogatory No. I&E-RE-21. As noted above, I&E pointed out that the Company original claim for insurance was $5,929,933 (**Exhibit No. 4, Page 2, Line 10**) not the $7,819, 341 as shown on **Exhibit No. 4, Page 15, Line 10**. As a result of this, it appears that OCA is accepting the Company's adjusted claim amount and thus their proposed expenses should be increased by $1,889,409 ($1,738,446 – from above plus adding back the erroneous adjustment of $150,963 which is no longer necessary.)

G. <u>EMPLOYEE EXPENSES</u>

Q. THE OCA PROPOSED TO REMOVE $756,875 OF EXPENSE FOR EMPLOYEE EVENTS AND EMPLOYEE SERVICE AND SAFETY AWARDS. (OCA St. No. 2, p. 18). DO YOU AGREE WITH THIS ADJUSTMENT?

A. I do not. OCA Witness Geiger provides a generic argument against these expenses. Specifically, he states that "Ratepayers should not be responsible for expenses which do not relate to the provision of safe and reliable utility service" (OCA Stmt. No. 2, page 18).

Q. PLEASE EXPLAIN THESE PROGRAMS.

A. Below is a table for the Company's response to I&E-RE-30.

e. Employee Activity Costs:	Peoples Natural Gas Company LLC
EMPLOYEE EVENTS	51,541
MANAGEMENT LEADERSHIP MEETING	768
DEVICE REIMBURSEMENT	126,820
OTHER	74,402
PARKING LEASES	203,085
SERVICE/SAFETY AWARDS	247,078
< $500	34,305
SAFETY-RELATED	18,875
Total Employee Activity Costs	**$ 756,875**

Below is a table explaining each of these items and the basis for recovery:

Description	Reason for Inclusion
Employee Events & Management Leadership Meeting	These costs mainly relate to small employee gatherings such as the Special Olympics Polar Plunge event, team lunches and other similar costs. These costs are an integral part of the Company's employee recognition and engagement program that ensures an engaged workforce.
Device Reimbursement	This is the cost of the Company's Bring Your Own Device Program ("BYOD"). In lieu of paying for company cell phones for employees that require a cell phone as part of their core responsibilities, the Company reimburses employees $60 per month for use of the employee's own cell phone. This eliminated the need to administer cell phones and cell phone contracts for employees.
Parking Leases	These costs represent the reimbursement for parking on the North Shore for certain employees due to the location of the Company's headquarters in the city of Pittsburgh having no surface lot as part of its building. This is considered an important employee benefit to attract and retain employees. Further, this cost is in lieu of having to build and maintain a surface lot like at other company locations.
Service/Safety Awards & Safety-Related	Service Awards are another important component of the Company's recognition programs. As part of the workplace culture survey completed in mid-2018 the results revealed that employees felt the company could improve both recognition and reward program objectives and frequency. In particular, non-union employees specifically noted that the discontinuation of the service anniversary awards was one component of their dissatisfaction with recognition at the company. With a seasoned, experienced workforce capable of effectively and efficiently addressing customer needs, the company approved the

Description	Reason for Inclusion
	reinstatement of service awards to reward employees' on-going commitment of their careers to Peoples. This is intended to encourage a more frequent and broader recognition of the behaviors and achievements that reflect excellent performance and contributions to Peoples' values, mission, and vision. They report being very pleased and appreciative that Peoples is recognizing that they have committed their careers to the company.
Other, <$500	These represent various other employee activities.

Q. SHOULD THE COMMISSION ACCEPT OCA'S ADJUSTMENTS?

A. No. The Company has demonstrated that these programs are prudent costs that reflect reasonable and important costs aimed at retaining and attracting employees.

H. TRAVEL AND ENTERTAINMENT EXPENSES

Q. OCA AND I&E ALSO PROPOSE TO REMOVE CERTAIN TRAVEL AND ENTERTAINMENT EMPLOYEE EXPENSES. (OCA St. No. 2, p. 40). WHAT IS THEIR BASIS FOR THEIR ADJUSTMENTS?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above. OCA Witness Geiger proposes a reduction of $908,032 as he removes the Company's proposed FTY and FPFTY adjustments and removes $799,375 of other expenses that he asserts are "discretionary entertainment and promotional expenses".

Please note that OCA Witness Geiger has a typo on Row 2 on page 19 of his testimony. He states we used a 5.45% rate whereas we used a 5.14% rate as noted elsewhere

in his testimony. This does not impact his proposal, rather it corrects what he inadvertently stated.

Q. PLEASE EXPLAIN THE $799,375 OF EXPENSES THAT OCA WITNESS GEIGER PROPOSES TO REMOVE AND HOW THESE PROGRAMS BENEFIT CUSTOMERS.

A. First of all, these are not "discretionary entertainment and promotional expenses" as OCA Witness Geiger asserts. Below is a table describing these expenses and the benefits of incurring them.

Description	**Amount**	**Reason for Inclusion**
Employee events	$269,797	These costs mainly relate to the costs associated with an employee picnic at Kennywood, an annual employee event at Lerner Speedway and other such events. These are important employee events that act as a way to build camaraderie and reward employees for hard work. The best places to work have these types of activities.
Sports Sponsorship Related expense	$207,066	Costs represent costs related to corporate functions at sporting venues and other company events. These costs include the value of the tickets received in conjunction with the advertising partnerships the Company has with the various sports teams among other costs. These tickets are used for employee recognition and other such business purposes.
Service Awards & Related	$112,213	These costs relate to the service awards provided to employees to recognize their service anniversary and to reward them for their commitment to serving our customers. This also includes costs related to employee items such as Company shirts for the annual picnic.
Misc. Employee Spending	$210,299	Represents other employee related costs such as other reimbursable meals incurred during approved overtime, business related meals and working meals This equate to about $110 per employee.
Total	**$799,375**	

I. COMPANY MEMBERSHIPS

Q. WHAT IS I&E WITNESS OKUM'S POSITION WITH RESPECT TO COMPANY MEMBERSHIPS?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

Q. OCA PROPOSES TO DISALLOW $115,828 OF CERTAIN EXPENSES RELATED TO THE COMPANY'S CORPORATE MEMBERSHIPS. (OCA St. No. 2, pp. 16-17.) OCA ARGUES THAT THESE EXPENSES SHOULD BE DISALLOWED BECAUSE THESE MEMBERSHIPS ARE NOT RELATED TO PROVIDING UTILITY SERVICE, DO YOU AGREE?

A. I do not. Below is a matrix of the organization that he proposes disallowing along with the Company's explanation of why they should be included:

Organization	Amount	Basis for Inclusion in the Claim
AI Horizons	$28,716	This is a business development group comparable to a chamber with a focus on attracting business & industry related to artificial intelligence and data centers to Western Pennsylvania. The Company joined the group to support their economic development in the region.
African American Chamber of Commerce, Beaver County Chamber of Commerce, Greater Pittsburgh Chamber of Commerce, North Side Chamber of commerce, Pittsburgh Airport Area Chamber of commerce, Pennsylvania Chamber of Business & Industry,	$68,619	These organizations are created to serve both the companies and the individuals in these specific regions to improve the economy and quality of life through legislative and regulatory improvements. These are a "unified voice" to convey the needs and priorities of the region to local, state, and federal decision makers. Without being part of these organizations that are created for the greater good of our region, the organizations

Organization	Amount	Basis for Inclusion in the Claim
Downtown Neighbors Alliance, Pittsburgh Metropolitan Area Hispanic Chamber of Commerce, and Downtown Neighbors Alliance		lose power in their voice to do right by our region and its inhabitants.
Curate Solutions Inc.	$13,701	This is a technology that allows our business to track city and county ordinances, policies and regulations that could impact our business. This technology keeps us abreast of any policy changes that could affect Peoples Gas and its customers.
Leadership Pittsburgh Inc.	$13,324	The Company supports participation in Leadership Pittsburgh Inc. because it provides valuable leadership development, community engagement, and regional collaboration opportunities that ultimately benefit both the Company and its customers. Leadership Pittsburgh's mission is to strengthen regional leadership through programs, partnerships, and connections that bring together leaders from business, government, nonprofit, and civic organizations to address issues affecting Southwestern Pennsylvania. Participation in Leadership Pittsburgh enhances an employee's understanding of the economic, social, and infrastructure challenges facing the communities the Company serves. Through interaction with leaders from diverse sectors, participants gain broader perspectives, learn best practices, and develop relationships that can facilitate collaboration on issues affecting customers and the region. From a customer perspective, these experiences help Company leaders become more informed and effective decision-makers. Improved leadership capabilities support better strategic planning, stronger stakeholder engagement, and more responsive customer-focused policies. In addition, the program's emphasis on regional problem-solving and community impact aligns with the Company's obligation to

Organization	Amount	Basis for Inclusion in the Claim
		provide safe, reliable, and affordable utility service while contributing positively to the economic vitality of the communities it serves. The Company has numerous leaders participate in this development program.
Total	**$115,828**	

J. LICENSE AND PERMITS

Q. WHAT IS I&E WITNESS OKUM'S POSITION WITH RESPECT TO LICENSE AND PERMITS EXPENSE?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

K. UTILITIES AND FUEL EXPENSE

Q. WHAT IS I&E WITNESS OKUM'S POSITION WITH RESPECT TO UTILITIES AND FUEL EXPENSE?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

L. ADVERTISTING EXPENSE

Q. WHAT ADJUSTMENTS DO I&E AND OCA RECOMMEND TO THE COMPANY'S ADVERTISING EXPENSE AND WHAT IS THE REASONING FOR THE PROPOSED ADJUSTMENTS?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above ($75,656), the Holiday Market Costs ($150,000) and various sports related advertising items ($997,630).

OCA Witness Geiger proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above ($75,656) and an adjustment for the Holiday Market ($125,000).

Q. BOTH I&E WITNESS OKUM AND OCA WITNESS GEIGER PROPOSE TO REMOVE $125,000 RELATED TO THE HOLIDAY MARKET. DO YOU AGREE WITH THIS ADJUSTMENT?

A. I do not. OCA Witness Geiger references the response to I&E-RE-26. However, the amount shown on that schedule was related to a HTY adjustment that was necessary because the HTY included an accrual reversal credit. This positive adjustment of $125,000 was necessary to ensure the amount in the HTY related to the Holiday Market was zero. Starting in 2024 this sponsorship was funded by the Essential Foundation not by Peoples and was not claimed in this case. Exhibit 4, Schedule No. 4 illustrates these adjustments. In 2023 Peoples paid for this so the expense was removed. In late 2024 an accrual was booked and reversed in 2025 thus a credit was necessary to remove this in the 2024 amounts and a charge was necessary in 2025 to remove the reversal of the accrual.

Q. WHAT WAS THE BASIS FOR INCLUDING THE ADVERTISING COSTS THAT I&E PROPOSES TO REMOVE FROM THE CLAIM?

A. There are three main reasons. First, Peoples claim for advertising expenses reflects only expenses which satisfy at least one of the criteria set forth in Section 1316(a) of the Public Utility Code which are as follows:

1. Advertising that is required by law or regulation is addressed, for example, by costs projected for notices to ratepayers of proposed changes in our rates, pamphlets that advise them of their rights as consumers, and information on means of using their energy services more effectively and efficiently.

2. Advertising that is in support of financing.

3. Advertising that encourages energy independence is addressed, for example, by costs projected for publications that educate consumers on the use of domestic natural gas as a heating fuel instead of oil, or as a motor vehicle fuel instead of gasoline.

4. Advertising that provides important information to the public regarding the pipelines being replaced as part of our infrastructure replacement program and safety messages such as “Call before you dig” and explanations of gas odorization. Rate changes, means of reducing usage or bills, and energy conservation are addressed, for example, by costs projected for notices of changes in rates, for publications that provide maintenance tips and information on home winterization, budget payment programs, for billing and payment options as well as for the availability of public funds for payment of utility bills, and for bill inserts.

5. Advertising that provided a direct benefit to ratepayers is represented by most if not all of our projected advertising costs, in that those costs are designed to keep all of our ratepayers or targeted groups of our ratepayers well informed of issues of interest to them, including information related to our infrastructure replacement program.

6. Advertising that is for the promotion of community service or economic development.

Second, these costs are integral components of the Company's advertising and outreach program and directly benefit our customers. Peoples maintains ongoing sports partnerships with the Pittsburgh Penguins, Pittsburgh Steelers, and the Altoona Curve.

Through these relationships, Peoples is able to share information about key customer services and vital safety messages with large, concentrated groups of customers and with the public. These opportunities include digital and video ads on scoreboards and stadium televisions, on-site promotions such as banners, wraps and decals, digital advertising on widely visited team websites, print ads in sports programs, and radio spots during games. These advertising and outreach programs focus on safety, bill assistance programs, and other key messages.

Peoples uses partnerships with local professional sports teams to increase customer and public awareness of critical safety information in the seasons which most closely correspond to the potential dangers.

For example, Peoples leverages its partnerships with the Altoona Curve to promote "Call 811" safe digging practices, using print and video advertising at the ballpark as follows:

- Video ads, shown on the stadium scoreboards, promote Safe Digging with rotating messages to reinforce the importance of Calling 811, including a spot debuting in 2026 with the slogan: "Before You Dig A Hole, Make 811 Your Goal"

- Printed programs include ads promoting 811 and the Pennsylvania One Call system, informing fans why and how to call before excavation.
- The ads refer the public to valuable resources on safe digging and other gas safety priorities on Peoples' website at peoples-gas.com/safety. This web page and related Safe Digging pages accrued more than 47,000 views from 2024 – July 2026, driven by the Company's advertising efforts at these venues and in other formats.
- The campaign is supported by Peoples' social media channels, where content regularly promotes safety messages such the Locate the Locator series that educates on safe digging while spotlighting local landmarks, including the Altoona Curve stadium.

The Company also works with other partners to focus campaigns on other key safety initiatives. During the fall and winter months, Peoples' communications assets for the Pittsburgh Steelers partnership focus on regulatory messaging surrounding how to use your senses to recognize and respond to natural gas leaks, while advertising assets at Pittsburgh Penguins games educate the public about carbon monoxide poisoning and how to detect and prevent this danger.

Sharing these vital safety messages serves to directly protect Peoples customers and the public, including the customers of all other utility companies in the region. Additionally, all three partnerships are used as platforms to communicate about bill assistance programs such as LIHEAP and the Dollar Energy Fund during the winter heating seasons.

Peoples' sports partnerships deliver significant value to customers by increasing awareness of high-demand services and important safety messages in a timely manner, while also contributing to significant, holistic economic growth within Peoples' service territory. The ongoing health of the company is directly connected to this growth.

Peoples' company mission is to make lives better. By supporting popular sporting events and thoughtfully leveraging corresponding message opportunities, Peoples upholds its commitment to the customers and communities it serves and provides them a direct benefit.

Third, they provide a direct benefit to our community and thus our customers. Although these partnerships are integral aspects of our advertising campaigns related to billing practices, safety, and other messaging, these partnerships have further benefits. Section 1316(a) of the Public Utility code sets forth criteria regarding the recoverability of advertising expenses incurred by a utility. The last item listed, (6), states that advertising that "is for the promotion of community service or economic development" is recoverable.

Peoples' partnerships with the Pittsburgh Penguins, Pittsburgh Steelers and Altoona Curve fit under item (6) as these major league sports franchises are catalysts for economic development in the City of Pittsburgh and the Western Pennsylvania region, as well as are regional leaders in community service.

A 2024 study by PricewaterhouseCoopers LLC estimated that the Pittsburgh Steelers generated approximately $3.4 billion in direct or indirect contributions to Allegheny County and helped create more than 3,000 jobs in a four-year period studied, in addition to providing $140 million in tax revenue to local and state

governments[3]. The Steelers economic impact, supported by Peoples and fellow advertising partners, brought the 2026 NFL Draft to Pittsburgh, attracting 805,000 attendees during a three-day period, of which nearly half visited from more than 50 miles away. The NFL Draft also spurred unprecedented investments in public spaces throughout Pittsburgh and generated more than 14.8 billion media impressions worldwide, creating lasting positive impressions of the region that experts anticipate will lead to future investment and visitation to Western Pennsylvania. Steelers executive Dan Rooney has estimated the economic impact of the 2026 NFL Draft alone at $200 million dollars.[4]

In addition, these franchises are engaged in many community service projects throughout the region, promoting healthy lifestyles and civic pride among local residents. For example, the Pittsburgh Penguins Foundation's most recent Community Impact Report[5] cites charitable investments exceeding $6 million benefitting more than 200 local organizations in 2024 – 2025. The team has also awarded more than $250,000 in scholarship grants to hundreds of local students since the Foundation's inception.

By sponsoring the major league sports franchises, Peoples helps spur economic development in the region and creates a positive community brand for Western Pennsylvania, which makes the region a more attractive place for businesses to locate and create jobs and has a direct benefit for our customers.

M. <u>FLEET EXPENSE</u>

[3] https://www.bizjournals.com/pittsburgh/news/2024/09/19/steelers-economic-impact-new-report.html

[4] https://www.monvalleyindependent.com/2026/02/20/rooney-discusses-impact-of-nfl-draft-at-economic-forum/

[5] https://online.flippingbook.com/view/790203871/6/

Q. WHAT IS I&E WITNESS OKUM'S POSITION WITH RESPECT TO FLEET EXPENSES?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

N. MATERIALS AND SUPPLIES EXPENSE

Q. WHAT IS I&E WITNESS OKUM'S POSITION WITH RESPECT TO MATERIALS AND SUPPLIES EXPENSE?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

Q. WHAT IS OCA WITNESS GEIGER'S POSITION WITH RESPECT TO MATERIALS AND SUPPLIES EXPENSE AND DO YOU AGREE WITH THE ADJUSTMENT?

A. OCA Witness Geiger recommends utilizing a three-year average of expenses. I do not agree with this adjustment for the reasons stated in Section III. B. above.

O. RATE CASE EXPENSE

Q. BOTH OCA AND I&E PROPOSE ADJUSTMENTS TO THE COMPANY'S RATE CASE EXPENSE CLAIM. PLEASE SUMMARIZE THESE ADJUSTMENTS.

A. OCA Witness Geiger proposes a 5-year normalization of rate case expense and I&E Witness Okum proposes a 56-month amortization of rate case expense rather than the Company's two-year amortization. I note that no party objected to the underlying claim for rate case expense.

Q. DO YOU AGREE WITH EITHER OCA OR I&E'S RECOMMENDATION REGARDING THE NORMALIZATION PERIOD?

A. No. I do not.

Q. PLEASE EXPLAIN PEOPLES' BASIS FOR A TWO-YEAR AMORTIZATION PERIOD AS ORIGINALLY PROPOSED.

A. Peoples filed rate cases in 2010, 2012, 2019 and 2023. The reason seven years elapsed between the 2012 case and the 2019 case was a result of the stay out period committed to in the Company's acquisition of the Equitable Gas Company. Further, the main reason for the time that has elapsed between the 2019 and 2023 case was the result of the Company receiving Accounting and Regulatory approval regarding its treatment of the tax repair election in Docket No. P-2020-3021191. Specifically, the Company changed its tax accounting method to define its unit of property under the IRS's tangible property regulations, which allowed the Company to prospectively deduct, as an operating expense on its income tax returns, the costs of certain asset improvements that otherwise would be capitalized and depreciated for tax purposes. See **Peoples Statement No. 7-** the Direct Testimony of Angela Jiang for further discussion. As a result of the above rate case history the time between this rate case and the 2023 is the most appropriate as it normalizes out the unique items discussed above. As such, the Company is utilizing a two-year amortization of rate case expenses.

Q. IS THE COMPANY'S PROPOSAL GENERALLY CONSISTENT WITH BOTH THE OCA AND I&E'S PROPOSALS?

A. Yes. The Company utilized the timeframe between its most recent case and the current case for the reasons stated above and did not use a longer history as there were extenuating circumstances that caused the longer period between cases. Neither OCA nor I&E provided reasons to ignore the Company's use of a shorter period. At worst an argument could be made that 27 months is appropriate rather than the 24 months the Company proposed as the Company's proposal rounded the 27-month period between the two most recent cases to 24 months. This would result in reducing the Company's claim by $108,889 ($1,960,000 ÷ 27 months x 12 months = 871,111 - $980,000 = ($108,889)). However, due to the Company's LTIIP commitments alone it is reasonable to round down from 27 months to 24 months as the time period between future rate cases is likely to be closer to 24 months or even less.

Q. WHAT IS THE COMPANY'S PROJECTED LTIIP SPEND FOR THE TWO CALENDAR YEARS SUBSEQUENT TO THE FPFTY?

A. The Company expects to spend $1.23 billion in 2028 and 2029.

Q. DID YOU PREPARE AN ANALYSIS REGARDING LTIIP COMMITMENTS AND SUFFICIENCY OF DSIC RECOVERY?

A. Yes. The revenue requirement on $1.23 Billion in spend would be over $100 million. 5% of proposed distribution revenue is less than $45 million. As this clearly illustrates DSIC revenue would cover less than half of the revenue requirement on this spend. This

illustrates that DSIC revenue is insufficient to provide an adequate return on two years of LTIIP capital expenditures for infrastructure replacement beyond the FPFTY. Further, this analysis does not take into account the Company's anticipated cost increases expected during 2028 and 2029 as well as further capital expenditures related to non-LTIIP needs. As such, this more than supports a two-year amortization of rate case expenses as it is more indicative of the time period between future rate cases.

Q. WHY ARE BOTH OCA AND I&E'S AMORTIZATION PERIOD FLAWED?

A. Both ignore significant factors why the historical periods chosen by each party are not an appropriate indicator of future circumstance in this instance. First, both I&E and OCA ignore the undisputed fact that the reason seven years elapsed between the 2012 case and the 2019 case was a result of the stay out period committed to in the Company acquisition of the Equitable Gas Company. Second, both I&E and OCA ignore the undisputed fact that the main reason for the time that has elapsed between the 2019 case and the 2023 case was the result of the Company receiving Accounting and Regulatory approval regarding its treatment of the tax repair election. This election alone reduced the Company's revenue requirement by over $100 million dollars.

Q. WHAT IS THE APPROPRIATE CALCULATION TO DETERMINE THE COMPANY'S RECENT RATE CASE FILING HISTORY?

A. The Company's two-year amortization is more appropriate to use and is quite frankly conservative.

Q. I&E CITES OTHER COMPANIES AS EXAMPLES TO SUPPORT ITS POSITION. ARE THESE REFERENCES RELEVANT?

A. No. They are not. The timing between base rate cases depends on many factors and is determined on a case-by-case basis by each utility. The unique facts and circumstances of Peoples should be considered rather than the facts and circumstances of the other companies that are unrelated to Peoples. Peoples has no control over the frequency at which another unrelated utility files its rate cases. The information provided above regarding the circumstances unique to Peoples supports the argument that a two-year amortization is appropriate in this case.

Q. DO YOU AGREE WITH THESE PROPOSED ADJUSTMENTS?

A. For the reasons stated above, I do not. The Company's original proposal of a two-year normalization should be accepted.

P. PENSION EXPENSE

Q. PLEASE EXPLAIN I&E'S PROPOSED ADJUSTMENTS TO THE COMPANY'S PENSION EXPENSE.

A. I&E Witness Okum recommends disallowance of the entire FPFTY claim for pension expense based on the overfunded status of the plan and because she believes that "It is questionable whether the Company will need to make a cash contribution in 2026 or 2027."

Q. DO YOU AGREE WITH I&E'S PROPOSED ADJUSTMENTS?

A. No. The Company utilized the same methodology of using a historical average of contributions that was used in prior cases and proposed in prior cases by I&E. For example,

in the Company's previous rate case at Docket No. R-2024-3044549 I&E proposed a 3-year average of contributions in a period of time where contributions were increasing. I also find this argument inconsistent with I&E Witness Okum's argument regarding rate case expense where she refused to take external factors into account.

Q. PLEASE EXPLAIN WHY A COMPANY MAY CONTINUE TO MAKE PENSION CONTRIBUTIONS DESPITE THE PENSION PLAN BEING OVERFUNDED.

A. The existence of an overfunded pension position at a particular point in time does not mean that future pension contributions are unnecessary or imprudent. Pension funding decisions are based on long-term obligations and funding policies designed to ensure that sufficient assets are available to meet promised retirement benefits over many decades.

A pension plan's funded status is highly sensitive to factors that are outside of management's control, including investment performance, discount rates, employee demographics, mortality assumptions, retirement patterns, and other actuarial factors. As a result, a funded position that appears favorable in one year can change materially in subsequent years. Consequently, prudent pension management requires the Company to evaluate funding needs on a prospective basis rather than relying solely on a snapshot of the plan's funded status at a single point in time.

The Company also seeks to maintain an appropriate funding cushion to mitigate the effects of potential market volatility and changing actuarial assumptions. Maintaining a strong funded status reduces the risk that significant future contribution requirements could arise during periods of economic stress. This approach benefits both employees and

customers by promoting long-term financial stability and reducing the likelihood of substantial swings in future pension expense.

Furthermore, pension contributions reflect cash funding requirements and funding policies that are distinct from pension accounting measurements. The accounting funded status reported on the balance sheet does not, by itself, determine the amount of prudent future contributions. Pension funding decisions are based upon actuarial evaluations of future obligations, expected benefit payments, regulatory requirements, and the Company's long-term funding objectives.

The Company's approach is consistent with sound financial management principles. A well-funded pension plan strengthens benefit security for employees, supports long-term financial stability, and reduces the potential for larger funding requirements in future periods. For these reasons, the mere existence of an overfunded pension position does not support eliminating pension expense from rates or concluding that future pension contributions are unnecessary.

Q. DO YOU BELIEVE THAT THE COMPANY'S PROPOSAL IN THIS CASE IS FAIR TO RATEPAYERS?

A. Yes. Ratepayers have received the benefit of the Company contributing more to pensions than the accrual amount over recent years. It is fair for ratepayers to include the Company's projected contribution in rates in this proceeding. Further, in recent cases multi-year averages were used as contributions were increasing. As such, the amount recovered from ratepayers likely did not match the amount the company contributed.

Q. OUTSIDE SERVICES – CONTRACTED

Q. WHAT DOES I&E PROPOSE WITH RESPECT TO THE COMPANY'S CLAIM FOR OUTSIDE SERVICES – CONTRACTED?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase adjustments which were addressed in Section III. B. above.

R. OUTSIDE SERVICES – A&G

Q. WHAT DO I&E AND OCA PROPOSE WITH RESPECT TO THE COMPANY'S CLAIM FOR OUTSIDE SERVICES – A&G?

A. I&E Witness Okum proposed to eliminate the Company's multi-year average increase and OCA Witness Geiger proposes to utilize a 3-year average of these expenses rather than the Company's proposal.

Both of these adjustments were addressed in Section III. B. above.

S. NATURAL GAS WATER TANK REBATE PILOT

Q. DOES ANY PARTY MAKE EXPENSE ADJUSTMENTS RELATED TO THE COMPANY'S PROPOSED NATURAL GAS WATER TANK REBATE PILOT?

A. Yes. OCA Witness Geiger makes an adjustment to reject this program and the proposed $500,000 expense recovery related to it. Peoples Witness Ravenstahl addresses the reasons for this program in his testimony **Peoples Statement No. 8-R**. For the reasons he outlined this program should be approved as well as the expense claim of $500,000.

T. PAYMENT PROCESSING EXPENSES

Q. PLEASE EXPLAIN OCA'S AND I&E's PROPOSED ADJUSTMENTS TO THE COMPANY'S PAYMENT PROCESSING EXPENSE?

A. Both I&E Witness Okum and OCA Witness Geiger propose using the HTY expense in the claim and rejected both of the Company's proposed adjustments to the HTY expense.

Q. PLEASE EXPLAIN THE ADJUSTMENTS TO THE HTY EXPENSE THE COMPANY PROPOSED?

A. The Company increased the FTY and FPFTY expense by 22% or $939,253 to account for the expected increased adoption of this service by customers and increased the FPFTY expense by 2.7% or $77,284.

Q. HOW DID THE COMPANY ARRIVE AT ITS PROJECTION FOR INCREASED ADOPTION OF THIS SERVICE?

A. The 22% represents the average percentage increase of payment processing fees over the last two years resulting from an increase in customer usage for these payment channels. The Company did not utilize a longer period of time because the increase prior to that would have been impacted by the adoption of no fee credit cards by the former Peoples Gas Company customers that was approved in the prior base rate case.

Q. SHOULD THE COMPANY'S CLAIM BE ACCEPTED?

A. Yes. There are numerous reasons which I will elaborate on below.

Q. PLEASE EXPLAIN WHY IT IS REASONABLE TO EXPECT A GROWING PERCENTAGE OF CUSTOMERS TO PAY THEIR UTILITY BILLS USING CREDIT CARDS.

A. Based on well-documented national payment trends, advancements in digital payment technology, and the Company's expansion of electronic payment options, it is reasonable to expect an increasing share of customers to utilize credit cards for utility bill payments.

First, national payment studies conducted by the Federal Reserve demonstrate a continuing migration toward electronic and card-based payments. The Federal Reserve's 2025 *Diary of Consumer Payment Choice* found that credit cards accounted for 35% of all consumer payments, making them the most frequently used payment instrument in the United States. The study further found that increased credit card usage, remote payments, and mobile-device payments were significant contributors to the growth in overall consumer payment activity. Consumers made an average of 48 digital payments per month in 2024, reflecting a continuation of the trend toward digital payment methods.

Second, the Federal Reserve has documented long-term growth in non-cash payment activity. Data from the Federal Reserve Payments Study show continuing increases in card payment volumes and values across the U.S. economy. The growth of general-purpose card payments has been persistent over multiple reporting periods, demonstrating widespread consumer acceptance of electronic payment methods for both recurring and discretionary expenses.

Third, utility-specific research shows that consumers increasingly view credit cards as an acceptable and convenient method for paying utility bills. A 2025 study of consumer bill-payment behavior found that 70% of consumers use credit cards to pay at least some

of their bills, including utility bills. The same study reported that 42% of respondents specifically use credit cards for utility payments and that approximately one-half of respondents believe credit cards make it easier to pay bills on time. The research also found that consumers often use credit cards to gain convenience, financial flexibility, rewards benefits, and automated payment capabilities.

Fourth, utility customers increasingly expect digital and mobile payment options. The Federal Reserve's consumer payment studies indicate that remote and mobile payments continue to grow. Remote payments have increased year after year since 2021, while mobile-phone-based payments have nearly tripled since 2018. These findings demonstrate that customers increasingly prefer payment methods that allow them to make payments electronically without mailing checks or visiting payment locations.

Accordingly, when national consumer payment trends, utility-industry payment research, and the Company's available payment technologies are viewed collectively, the expectation that a higher percentage of customers will pay their bills using credit cards is supported by objective evidence and reflects observable marketplace behavior rather than mere speculation.

U. BUILDING LEASES

Q. WHAT ADJUSTMENT DID I&E WITNESS OKUM HAVE REGARDING BUILDING LEASES?

A. I&E Witness Okum accepted the Company’s adjustment of $785,433 which was acknowledged in the response to Interrogatory No. I&E-RE-20.

V. UNIVERSAL SERVICE PROGRAM (“USP”) RIDER

Q. PLEASE SUMMARIZE THE ADJUSTMENTS THE COMPANY PROPOSED TO THE USP RIDER EXPENSE?

A. In order to normalize USP O&M both the O&M and revenue associated with these programs were removed from the claim. This adjustment has no impact on base rates. However, since the Company is proposing three incremental costs be recovered via the USP Rider they are reflected in the O&M Claim. See **Peoples Statement No. 10 - the Direct Testimony of Rita Black** for further discussion of these programs.

Q. PLEASE EXPLAIN THE INCREMENTAL COSTS YOU PROPOSE TO RECOVER IN THE UNIVERSAL SERVICE RIDER.

A. There are three incremental costs the Company proposes to recover. First is the cost associated with a new LIURP Compliance Specialist. Second is the cost associated with the recurring Independent Program Evaluation. This cost was normalized over a six-year period, which represents the frequency of this evaluation. Third is certain costs related to the Company's Cares program. Refer to **Peoples Statement No. 10 – the Direct Testimony of Rita Black** for more discussion.

Q. DID ANY PARTY OPPOSE THE COMPANY'S PROPOSAL?

A. Yes. I&E Witness Okum proposed that the costs of the new LIURP specialist should be recovered in base rates not through the USP Rider. Ms. Okum's basis for this is that "All labor costs should continue to be included in base rates as the Company has done in the past." (I&E St. No. 1, pp. 58-59)

Q. DO YOU AGREE WITH I&E'S RECOMMENDATIONS?

A. I do not. These costs are appropriate to recover through the Rider as they are solely associated with the Universal Service Programs and would not be incurred without these programs. I&E has not provided a sufficient basis other than a need for consistency to past practice as the basis.

Q. IS IT STILL THE COMPANY'S POSITION THAT THE RECOVERY OF THESE COSTS THROUGH THE USP RIDER SHOULD BE APPROVED?

A. Yes.

W. RESIDENTIAL COLLECTION EXPENSE

Q. WHAT DOES OCA WITNESS GEIGER PROPOSE WITH RESPECT TO RESIDENTIAL COLLECTION EXPENSE?

A. OCA Witness Geiger adopts OCA Witness Colton's recommendation with respect to residential collection expense. Specifically, Mr. Colton recommends an adjustment to Peoples' claimed cost of service based on his suggestion that Peoples be directed to implement a 50-50 sharing of the credit and collection expenses which Peoples most recently reported to BCS. (OCA Statement No. 4, pp. 4, 50.) This amounts to a reduction of $3,833,503. This purports to represent 50% of residential collections expense of $6,516,518 and 50% of Confirmed Low-income collection expenses of $1,150,487. However, the Confirmed Low-income collection expenses of $1,150,487 are included in the total residential collections expense of $6,516,518. Thus the adjustment proposed double counts the amount related to Confirmed Low-income collection expenses. As a

result, if Mr. Geiger and Mr. Colton's recommendation is accepted, the adjustment should be $3,258,259 rather than $3,833,503, a reduction of $575,244 in OCA's proposal.

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. I do not. First, Mr. Colton has various observations regarding the Company's collections activity. Peoples Witness Parks (Peoples Statement No. 18-R) will address those specifically. Based upon Witness Parks' testimony it is clear that is a valid recovery expense and OCA Witness Geiger's adjustment should be rejected.

Q. IF MR. COLTON'S PROPOSAL IS ACCEPTED IS THE AMOUNT MR. COLTON'S ADJUSTMENT CORRECT?

A. It is not. Even though I disagree with his adjustment, the amount of the adjustment if it were calculated correctly would be $2,800,493. Colton utilized the sum of the Residential Amount of $5,600,986 plus the confirmed low-income amount of $1,058,271 or $6,659,229 as the base for his adjustment. 50% of this is his adjustment of $3,329,615. However, the confirmed low-income amount of $1,058,271 is included in the residential amount of $6,659,229. Thus he doubled counted the low-income amount. 50% of the confirmed low-income amount is $529,135 and should be rejected. As such, if Mr. Colton's proposal is accepted it should be $2,800,493 not $3,329,615.

X. INTEREST SYNCHRONIZATION

Q. PLEASE EXPLAIN OCA'S INTEREST SYNCHRONIZATION ADJUSTMENT.

A. OCA Witness Geiger proposes a reduction in state income taxes of $2.2 million and Federal income tax expense of $6.0 million associated with the proposed adjustments to the Company's proposed capital structure.

Q. DO YOU AGREE WITH THIS ADJUSTMENT?

A. No. I note that Peoples Witness Nelson responds to OCA's proposed capital structure, cost of equity and overall rate of return in her testimony. Ms. Nelson rejects the OCA's proposals and thus this interest synchronization adjustment should be rejected. However, if the OCA's capital structure adjustment is accepted the interest synchronization adjustment itself should be rejected.

Although interest expense is tax deductible, the resulting increase in revenue is taxable. Thus, this has no impact on income taxes. In other words, a reduction in interest would create lower taxes, but there would be a corresponding increase in revenue which would increase taxes. Below is a chart that illustrates this.

in 000s	Increase Tax Expense	Flow Reduced Interest through Rate Increase	Total
Revenue		$ 31,172	$ 31,172
Interest	$ 31,172		$ 31,172
Pre-Tax Book Income	$ (31,172)	$ 31,172	$ -
Income Taxes at 21%	$ (6,546)	$ 6,546	$ -
Net Income	$ (24,626)	$ 24,626	$ -

Q. IF OCA WITNESS GEIGER'S ADJUSTMENT IS ACCPETED ARE THERE ANY CORRECTIONS?

A. Yes. Witness Geiger utilized the wrong income tax rate as the Company is not requesting nor is it currently recovering state income taxes. Further, the current federal income tax rate is 21%.

Y. COST OF OTHER PARTIES PROPOSALS

Q. DID PARTIES MAKE RECOMMENDATIONS THAT COULD RESULT IN INCURRING ADDITIONAL COSTS?

A. Yes. The following are the recommendations made by both OCA and CAUSE-PA.

OCA:

- Recommendation to implement a 50-50 sharing of credit and collection expenses (Mr. Colton Direct Testimony, p. 50)
- Recommendation to conduct an independent root cause analysis to determine the driver of the disproportionate level of utility disconnections and take steps to reduce the level of disconnections (Mr. Colton Direct Testimony, pp. 4-5 and 56)
- Recommendation to develop and adopt an alternative to the use of SSNs (Mr. Colton Direct Testimony, p. 5 and 57)
- Recommendation for establishing a base CAP participation (Mr. Colton Direct Testimony, pp. 5, 71)
- Recommendation to address call center staffing levels in April (Mr. Larkin Connolly Direct Testimony, pp. 14-18)
- Recommendation to send a direct written explanation to every customer whose bill is rebilled or back billed and flag every affected account (Mr. Larkin Connolly Direct Testimony, p. 39-40)

- Recommendation to implement a policy requiring periodically mailed cost summaries for residential customers (Mr. Larkin Connolly Direct Testimony, pp. 42-43)

CAUSE-PA:

- Recommendation to use the Self Sufficiency Standard for evaluating income (Mr. Cicero Direct Testimony, pp. 21-23)
- Recommendation to conduct a root cause analysis that seeks to address why CAP termination rate increased in 2024 and develop a plan to ensure that it continues to decrease (Mr. Cicero Direct Testimony, p. 73)
- Recommendation to conduct root cause analysis as to why there is a growing number of customers seeking CAP applications but failing to complete the application (Mr. Cicero Direct Testimony, p. 74)

Q. WERE THESE COSTS INCLUDED IN THE REVENUE REQUIREMENTS PROPOSED BY THESE PARTIES?

A. No, the parties did not identify the costs associated with these proposals. As such, the Company is proposing that certain accommodations be made for future recovery of incremental costs incurred as a result of recommendations made by the other parties in this proceeding should any of those proposals be adopted. For example, the Company should be entitled to seek recovery of the corresponding costs in rates.

Please note I am only discussing the cost implications of these proposals. Other Company witnesses will be addressing the underlying proposals.

IV. <u>CONCLUSION</u>

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
CAROL A. SCANLON,
MANAGER, RATES
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 3-R

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PREPARED REBUTTAL TESTIMONY OF
CAROL A. SCANLON

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Carol A. Scanlon. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Rates Manager. In my position as Rates Manager, I provide rates and regulatory services to Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 3.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will respond to portions of testimonies set forth by the Pennsylvania Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement's ("I&E") Witnesses Vanessa Okum, D.C. Patel, and Ethan H. Cline, the Office of Consumer Advocate's ("OCA") Witnesses Michael Deupree and Roger Colton, and customer Garrett Ebeck from a public input hearing on June 3, 2026 at 6:00 PM in Ross Township, PA.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. Yes, I am sponsoring Exhibits CAS-1R, CAS-2R, CAS-3R, CAS-4R. CAS-5R.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. I address each witness and topic in the following order: (1) other parties' direct testimony related to the Company's proposal to credit customers for the excess book contingency reserve and tax repairs deduction collar by partially offsetting universal service costs as identified by Ms. Okum in I&E Statement No. 1 (Section I, *supra*); (2) the effective date of new rates (January 1, 2027 versus December 27, 2026), identified by Mr. Patel in I&E Statement No. 2 (Section II, *supra*); (3) the recommendation that Peoples be required to provide I&E, OCA, and the Office of Small Business Advocate ("OSBA") an update including actual utility plant balances, actual plant additions, and actual retirements for the 12 months ending 11/30/2026 (by 6/1/2027) and the 12 months ending 11/30/2027 (by 6/1/2028) raised by Mr. Cline in I&E Statement No. 3 (Section III, *supra*); (4) reference to the Governor's letter related to less reliance on black box settlements presented by Mr. Deupree in OCA Statement No. 1 (Section IV, *supra*); (5) issues with the Company's bad debt offset proposal related to both the threshold number of customers and the uncollectible percentage raised by Mr. Colton in OCA Statement No. 4, (Section V, *supra*); and (6) concern about paying both a rate increase and Distribution System Improvement Charge ("DSIC") "simultaneously," expressed by customer Garrett Ebeck at a public input hearing on June 3, 2026 (Section VI, *supra*). Finally, if the Commission were to order any changes

to the Company's Weather Normalization Adjustment ("WNA") result from this proceeding, I will address the appropriate timing of any such changes.

II. PROPOSED CREDIT PARTIALLY OFFSETTING UNIVERSAL SERVICE COSTS

Q. PLEASE EXPLAIN THE POSITION OF MS. OKUM PERTAINING TO THE COMPANY'S PROPOSAL TO PARTIALLY OFFSET THE UNIVERSAL SERVICE COSTS WITH A DEFINED CREDIT.

A. Ms. Okum states that the credit should not partially offset universal service costs, but rather should be treated as a regulatory liability and credited back to all customers. Her reason for this is that the original accumulation of the credit amount was funded by all classes and therefore should be returned to all classes. (I&E Statement No. 1, pp. 59-60.)

Q. DO YOU AGREE WITH MS. OKUM'S POSITION?

A. In part. Fundamentally, the Company understands and appreciates Ms. Okum's stance on this matter. However, as discussed in my direct testimony at Peoples Statement No. 3 and the direct testimony of Rita Black at Peoples Statement No. 10, Peoples believes that its proposal to partially offset universal service costs as a measure towards maintaining affordability for customers is the optimal approach in this unique circumstance. Reducing the costs of these universal service programs is an active measure towards maintaining affordability of these programs for residential customers, while not needing to scale back the underlying universal service programs for the most vulnerable customers. Specifically, income eligible customers who are not participating in Peoples' Customer Assistance Program ("CAP") and customers with incomes that exceed CAP eligibility but that still

struggle to make ends meet would benefit from this proposal as it would reduce the monthly bill obligations. If the credits were flowed back through base rates to all customers, the amount of credit per customer group would be less and not as impactful for residential customers, including those with the most difficulty meeting their monthly bill obligation, as demonstrated in the Company's response to CAUSE-PA-VI-007 attached as **Peoples Natural Gas Exhibit No. CAS-1R.**

Q. DO ANY OF THE OTHER PARTIES RAISE THIS SAME CONCERN ABOUT TREATMENT OF THE CREDIT?

A. No.

Q. IF THE COMMISSION DECIDES THAT ALL CUSTOMERS SHOULD RECEIVE THE CREDIT, AS IS MS. OKUM'S POSITION, HOW SHOULD THIS BE REFUNDED?

A. If the Commission supports the position that all customers receive the credit, Peoples proposes that the credit amount would flow through the existing Tax Repairs Surcredit ("TRS") mechanism rather than the Universal Service Rider mechanism.

Q. PLEASE DESCRIBE HOW THIS REFUND APPROACH WOULD BE EFFECTUATED.

A. **Peoples Natural Gas Exhibit No. CAS-2R** contains an illustrative example of the mechanics of the refund, as compared to Peoples' currently effective TRS rider rate as of April 1, 2026. **Peoples Natural Gas Exhibit No. CAS-3R** contains the same illustrative

example as shown in **Peoples Natural Gas Exhibit No. CAS-2R** but outlines the calculation of the refund amount in Year 2. The Year 2 refund amount does not include a refund for sales and use tax, but includes a larger amount related to the tax repairs deduction collar. I also note that the refund amounts in Years 1 or 2 would not be subject to interest through the rider calculation, consistent with the representation shown in **Peoples Natural Gas Exhibit Nos. CAS-2R and CAS-3R**.

Q. WHICH CUSTOMERS ARE SUBJECT TO THE TRS RIDER?

A. The TRS rider applies to all rate schedules except for customers that receive a discounted delivery charge.

Q. PLEASE EXPLAIN WHY THIS APPROACH IS REASONABLE.

A. Customers that receive a discounted delivery charge rate do not pay the otherwise applicable tariff rate for service. Since negotiated customers already receive the benefit of a discounted delivery rate for service, it is reasonable that the refund at hand is provided to all rate schedules except for customers that receive a discounted delivery charge.

III. EFFECTIVE DATE OF NEW RATES

Q. PLEASE EXPLAIN THE POSITION OF MR. PATEL IN RELATION TO THE EFFECTIVE DATE OF NEW BASE RATES.

A. Mr. Patel avers that the effective date of new rates should be January 1, 2027 rather than December 27, 2026. (I&E Statement No. 2, p. 66.) He points to the Company's Fully Projected Future Test Year ("FPFTY") period of January 1, 2027 through December 31,

2027, and states that the ratemaking claim and calculations are based upon this time period, and therefore it is unjust and unreasonable for the new rates to become effective before this time. (I&E Statement No. 2, pp. 66-68.)

Q. WHAT DOES MR. PATEL STATE THE COMPANY SHOULD HAVE DONE IN ORDER FOR RATES TO BECOME EFFECTIVE ON DECEMBER 27, 2026?

A. Mr. Patel indicates that if Peoples wanted rates effective December 27, 2026, the Company should have used December 1, 2026 through November 30, 2027 as the FPFTY period. (I&E Statement No. 2, pp. 66-68.) Instead, Peoples included a gap month and utilized January 1, 2027 through December 31, 2027 as the FPFTY period.

Q. PLEASE EXPLAIN WHY PEOPLES DID NOT USE DECEMBER 1, 2026 THROUGH NOVEMBER 30, 2027 AS THE FPFTY PERIOD.

A. As has been the practice from prior base rate proceedings, the Company projected its FPFTY in this proceeding with a one-month bridge or gap month between the end of its FTY and the beginning of its FPFTY. In this proceeding, December 2026 is the gap month. The reason for this one-month gap between the end of the FTY and the beginning of the FPFTY is due to the requirements of 66 Pa. C.S. §1308(d), which do not allow the Company to begin the FPFTY prior to the legal effective date of new rates. According to the Commission's Order issued April 16, 2026, "Pursuant to 66 Pa. C.S. §1308(d), the filing will be suspended by operation of law until December 26, 2026, unless permitted by Commission Order to become effective at an earlier date."

Q. IN YOUR PRIOR RESPONSE, YOU MENTION "AS HAS BEEN THE PRACTICE FROM PRIOR BASE RATE PROCEEDINGS." PLEASE ELABORATE.

A. Prior to this base rate case, Peoples' two most recent base rate cases were filed in 2018 at Docket No. R-2018-3006818 and in 2023 at Docket No. R-2023-3044549. As shown in the table below, new base rates became effective during the gap month, but after the suspension period, in both of these cases. The timing of new base rates reflected in this base rate case mimics that of the prior Commission approved effective dates for base rates.

Docket No.	**R-2023-3044549**	**R-2018-3006818**
Filing Date	Dec 29, 2023	Jan 28, 2019
Historic Test Year ("HTY")	Sep 2022 – Aug 2023	Oct 2017 – Sep 2018
Future Test Year ("FTY")	Sep 2023 – Aug 2024	Oct 2018 – Sep 2019
Gap Month	Sep 2024	Oct 2019
FPFTY	Oct 2024 – Sep 2025	Nov 2019 – Oct 2020
Effective Date of New Rates	Sep 27, 2024	Oct 29, 2019

Q. MR. PATEL MENTIONS A SIMILAR RECOMMENDATION IN COLUMBIA GAS OF PENNSYLVANIA, INC.'S ("COLUMBIA") LAST BASE RATE CASE AT DOCKET NO. R-2025-3053499. CAN YOU ELABORATE ON THIS?

A. Yes. Mr. Patel indicates that in Columbia's last base rate case, Columbia requested a rate increase for a 13-day period prior to the beginning of its FPFTY. He states that I&E raised this issue and the Commission agreed with I&E's recommendation to make the new rates

effective on January 1, 2026, and not Columbia's requested rate increase effective December 19, 2025.

Q. HAVE YOU REVIEWED THE COMMISSION'S FINAL ORDER IN COLUMBIA'S LAST BASE RATE CASE RELATED TO THIS TOPIC.

A. Yes.

Q. DO YOU AGREE THAT PEOPLES CASE IS SIMILAR IN MANNER TO COLUMBIA'S CASE WITH RESPECT TO THE PROPOSED EFFECTIVE DATE OF NEW RATES?

A. No, not entirely. One area specifically that the Commission discusses in their Final Order at Docket No. R-2025-3053499 is the concept of rate overlap that triggers an obvious unjust and unreasonable result. In Columbia's circumstance, Columbia filed a rate case on March 15, 2024 at Docket No. R-2024-3046519 that utilized a FPFTY based upon January 1, 2025 to December 31, 2025. As deliberated in the Commission's disposition on the matter, because the rates that the Commission approved for Columbia in their prior case already accounted for the Company's projected expenses through December 31, 2025, allowing another increase to take effect prior to January 1, 2026, would result in rates in excess of the rates established by the settlement agreement of the prior case.

Q. HOW IS PEOPLES' CIRCUMSTANCE DIFFERENT?

A. Peoples' last base rate case was filed December 29, 2023 at Docket No. R-2023-3044549. The FPFTY in that case was based on October 1, 2024 through September 30, 2025. The

FPFTY in this proceeding is January 1, 2027 through December 31, 2027. As evidenced, there is no overlap between rate effective periods or the possibility of duplicate recovery.

IV. UPDATE OF UTILITY PLANT BALANCES, ADDITIONS, AND RETIREMENTS

Q. PLEASE RECAP THE RECOMMENDATION BY MR. CLINE REGARDING PLANT ADDITIONS THAT PEOPLES PROJECTS TO BE IN SERVICE DURING THE FPFTY ENDING DECEMBER 31, 2027.

A. In his direct testimony, Mr. Cline recommends that Peoples be required to provide I&E, OCA, and OSBA an update that includes actual utility plant balances, actual plant additions, and actual retirements for the twelve months ending 11/30/2026 (by 6/1/2027) and the 12 months ending 11/30/2027 (by 6/1/2028). (I&E Statement No. 3, p. 3.)

Q. HOW DO YOU RESPOND TO MR. CLINE'S RECOMMENDATION?

A. The Company is amenable to Mr. Cline's recommendation. In Peoples' 2023 base rate case at Docket No. R-2023-3044549, the Company agreed to the following settlement condition (#47):

> *Peoples will file a Total Company Pennsylvania jurisdictional report showing capital expenditures, plant additions and retirements, by month, for the Future Test Year ("FTY") ending September 30, 2024, and the FPFTY ending October 31, 2025, by January 31 of each of the years following the test years. In Peoples' next base rate proceeding, the Company will prepare a comparison of its actual rate base additions for the twelve months ending October 31, 2025, to its projections in this case. However, it is recognized by Settlement Parties that this is a black box settlement that is a compromise of the Settlement Parties' positions on various issues.*

Attached as **Peoples Natural Gas Exhibit CAS-4R** is the report filed by the Company on January 30, 2026 in relation to the above settlement term. Peoples agrees to file a comparable report for the twelve months ending 11/30/2026 (by 6/1/2027) and the

12 months ending 11/30/2027 (by 6/1/2028) upon approval of new base rates in this proceeding.

V. BLACK BOX SETTLEMENTS

Q. PLEASE DESCRIBE THE TESTIMONY THAT MAKES REFERENCE TO LESS RELIANCE ON "BLACK BOX" SETTLEMENTS.

A. OCA Statement 1, sponsored by Witness Michael Deupree, discusses an open letter sent by Governor Shapiro to utility leaders and the Commission that outlines specific action items that he believes are necessary to combat affordability concerns. (OCA Statement 1, p. 18.) The third of three action items outlined pertains to negotiated settlements wherein the Governor asks for greater transparency and less reliance on "black box" settlements.

Q. WOULD YOU LIKE TO COMMENT ON THIS?

A. Yes. Respectfully, Peoples would like to note the long-standing precedent in relation to "black box" settlements and point out the Commission has long since encouraged "black box" settlement among parties as a means to reduce costs to customers. Specifically, in a prior base rate case for the Company's former Peoples TWP LLC entity, dating back thirteen years, a similar concern over "black box" settlements came up. In the Commission's Final Order at Docket No. R-2013-2355886, Commission stated the following, in part, in its disposition on the matter:

> *We have historically permitted the use of "black box" settlements as a means of promoting settlement among the parties in contentious base rate proceedings. See, Pa. PUC v. Wellsboro Electric Co., Docket No. R-2010-2172662 (Final Order entered January 13, 2011); Pa. PUC v. Citizens' Electric Co. of Lewisburg, PA, Docket No. R-2010-2172665 (Final Order entered January 13, 2011). Settlement of rate cases saves a significant amount of time and expense for customers, companies, and the Commission and often results in*

alternatives that may not have been realized during the litigation process. Determining a company's revenue requirement is a calculation involving many complex and interrelated adjustments that affect expenses, depreciation, rate base, taxes and the company's cost of capital. Reaching an agreement between various parties on each component of a rate increase can be difficult and impractical in many cases.

Q. DO YOU HAVE ANY FURTHER COMMENTS ON "BLACK BOX SETTLEMENTS"?

A. Yes. In terms of transparency, Peoples agrees generally in providing transparency to our customers and interested stakeholders. As such, the Company will include the following clear and transparent information as recommended by Chairman DeFrank's Statement issued February 9, 2026 in Docket No. R-2025-3059523, in the event a settlement is reached in this case:

1. The total average bill for residential, commercial, and industrial customers;

2. The exact percentage of rate increase that residential, commercial, and industrial customers will experience under the settlement rates compared to existing rates; and

3. The Recommended Decision should include the settlement rate impact information identified above.

VI. <u>UNIVERSAL SERVICE RIDER BAD DEBT OFFSET CALCULATION</u>

Q. WHAT ARE THE CONCERNS RAISED BY MR. COLTON RELATED TO PEOPLES' PROPOSED MODIFICATIONS TO THE UNIVERSAL SERVICE RIDER BAD DEBT OFFSET CALCULATION?

A. Mr. Colton does not object to modifying the universal service bad debt offset calculation in this proceeding, however, he does not agree with the Company's proposed base CAP participation level or uncollectible percentage to be used in the calculation. (OCA Statement 4, p. 70.)

Q. PLEASE DISCUSS THE PROPOSED BASE CAP PARTICIPATION LEVEL OVER WHICH THE OFFSET WOULD BE APPLIED.

A. Peoples' proposal for the threshold CAP participation level, over which the offset would be applied, is CAP enrollment in excess of 39,010. This figure is consistent with the base number of projected CAP participants used to set rates in this proceeding, as evidenced in Peoples Natural Gas Exhibit No. 3, Schedule 15 Attachment F for the FPFTY (page 5 of 6). Mr. Colton claims that Peoples has not historically been good at projecting CAP participation for purposes of setting a base over which a CAP offset will apply. (OCA Statement 4, p. 70.) He further goes on to indicate that in the 2023 base rate case, the proposed projected CAP participation level was 33,800 customers, yet by December 2024, the actual CAP participation for Peoples had only reached 26,753 customers. (OCA Statement 4, pp. 70-71.)

Q. DO YOU AGREE WITH MR. COLTON'S ASSESSMENT?

A. No, I do not. First, I note that while the Company proposed 33,800 customers as the base CAP participation level in the 2023 base rate case, Mr. Colton did not agree with the proposal in that case. His recommendation at that time was a participation level of 30,800 based upon projected CAP participation for the year starting October 2024, as presented in Peoples Exhibit No. 3, Schedule 15 Attachment E in that case (rounded to the nearest 100). Peoples accepted his proposal in rebuttal testimony in that proceeding and set the CAP participation level at 30,800. The methodology Mr. Colton recommended in that proceeding is uniform with the Company's proposal in this proceeding. Further, Mr. Colton

indicates that Peoples had only reached 26,753 customers by December 2024. This is not accurate. Mr. Colton referred to Peoples' response to OCA-IV-1 as the basis for his assertion. The response to OCA-IV-1 contains the Company's Universal Service and Collections Report data submitted to the PUC for the years 2019 through 2025. However, these reports only contain the data for customers up to 150% FPL. Peoples' program extends to the 151 to 200% FPL group. Therefore, Mr. Colton is missing these enrollments. The correct CAP participation level as of December 2024 is 31,585.

Q. WHAT DOES MR. COLTON RECOMMEND AS THE BASE CAP PARTICIPATION LEVEL IN THIS PROCEEDING?

A. Mr. Colton recommends a methodology versus a number. Specifically, he indicates the base number should be set at the month-end participation as of the month of a Final Order in this proceeding. (OCA Statement 4, pp. 4, 71.)

Q. DO YOU AGREE WITH MR. COLTON'S PROPOSAL?

A. No. The CAP participation level fluctuates from month to month. While some months remain fairly constant, others do not. The below table depicts the CAP participation levels from January 2025 through May 2026. As evidenced by the data, the CAP participation level from January 2025 to July 2025 increased by 14%. More recently, CAP participation from March 2026 to April 2026 decreased by 7%, and then from April 2026 to May 2026, increased by 3%. As a result of these variations, determining the base CAP participation level using a single data point in time is not appropriate.

Month/Year	CAP Participation
Jan-25	32,547
Feb-25	33,085
Mar-25	33,745
Apr-25	34,640
May-25	35,106
Jun-25	36,008
Jul-25	37,123
Aug-25	37,040
Sep-25	37,028
Oct-25	37,302
Nov-25	37,282
Dec-25	37,717
Jan-26	38,587
Feb-26	38,833
Mar-26	38,926
Apr-26	36,255
May-26	37,359

Q. WHAT DO YOU RECOMMEND AS THE BASE CAP PARTICIPATION LEVEL IN THIS PROCEEDING?

A. My recommendation remains the same. The threshold amount to trigger the bad debt offset calculation should be CAP enrollment in excess of 39,010. This is the base number of projected CAP participants used to set rates in this proceeding and is consistent with the methodology recommended by Mr. Colton in the 2023 base rate case proceeding. However, if the Commission decides that Mr. Colton's recommendation in this proceeding is more appropriate, the base CAP participation level should be determined using an average CAP participation over a period of time rather than a single data point for the reasons discussed above. Further, as discussed above, Peoples' program is unique in that the program extends to customers in the 151 – 200% FPL. This group of customers also needs to be a part of the established base CAP participation level.

Q. PLEASE DISCUSS THE UNCOLLECTIBLE PERCENTAGE TO BE USED IN THE BAD DEBT OFFSET CALCULATION.

A. Peoples' proposal is to use the three-year average residential uncollectible rate of 1.93%, as demonstrated in **Peoples Natural Gas Exhibit No. 19, RR-44**. This uncollectible percentage corresponds with the uncollectible percentage used to establish base rates in this proceeding. Mr. Colton disagrees with this approach and states the offset should not only reflect the uncollectibles, but should also consider avoided working capital expense.

Q. WHAT IS MR. COLTON'S PROPOSAL FOR THE UNCOLLECTIBLE PERCENTAGE?

A. Mr. Colton recommends that Peoples revert back to the approach the Company utilized in the 2023 base rate case proceeding, which is to determine the percentage by dividing the gross write-offs in dollars for confirmed low-income customers by the annual residential revenues for confirmed low-income customers as reported in the Commission's Universal Service Programs and Collections Performance Report(s). (OCA Statement 4, pp. 72-73.) He specifies the appropriate offset is 8.1%, but also offers that if the Company wants to use a multi-year average, it should use a two-year average for 2023/2024, which results in an offset of 7.4%. (OCA Statement 4, pp. 72-73.) He declines use of a three year average because he points out that 2022 data still contains COVID-19 pandemic impacts. (OCA Statement 4, p. 72.)

Q. HOW DO YOU RESPOND?

A. Peoples accepts Mr. Coltons recommendation for the uncollectible percentage and will revert back to the 2023 base rate case approach to establish the percentage offset. The Company does wish to employ a multi-year average for 2023/2024. This results in an offset of 7.4%, as stated by Mr. Colton, and shown in **Peoples Natural Gas Exhibit CAS-5R**.

VII. TIMING OF DSIC RESET

Q. PLEASE DESCRIBE THE CONCERN RAISED BY CUSTOMER GARRETT EBECK AT THE PUBLIC INPUT HEARING IN ROSS TOWNSHIP ON JUNE 3, 2026.

A. Mr. Ebeck raises concerns about the DSIC surcharge mechanism. Specifically, he expresses concerns about paying a surcharge on top of a base rate increase. (Tr. at 157.) He indicates this feels like double dipping and further states customers should not be absorbing a base rate increase and a surcharge simultaneously for the same infrastructure improvements. (Tr. at 157.) He requests that the Commission eliminate the DSIC surcharge versus resetting it to zero in this proceeding. (Tr. at 157.)

Q. PLEASE EXPLAIN WHY DSIC IS RESET TO ZERO UPON THE APPROVAL OF NEW BASE RATES.

A. DSIC is reset to zero when new base rates go into effect because the plant investments that were being recovered through the DSIC surcharge mechanism are rolled into the new base rates established through the base rate case proceeding.

Q. DOES THIS CREATE DOUBLE DIPPING?

A. No, to the contrary. Once the investments previously recovered through the DSIC mechanism are included in base rates, continuing to charge DSIC would result in double recovery. As discussed in the previous question, this is the reason why the DSIC surcharge is reset to zero upon approval of new base rates. Thereafter, the DSIC surcharge would only be utilized to begin recovering costs of new eligible plant additions placed in service after the effective date and level of spending included in the new base rates are surpassed.

VIII. TIMING OF ANY CHANGES TO WNA

Q. IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADDRESS?

A. Yes. Several parties made recommendations to the Company's WNA mechanism, such as modifying the deadband percentage and changing the mechanism to be class based versus a per customer base, among other things. The Company's position on these matters is addressed by Peoples' witness John Taylor at **Peoples Statement No. 17-R**. However, the Company is requesting that if the Commission approves changes to the existing WNA mechanism, outside of the Company's proposal to update the Normal Heating Degree Days ("NHDD") to rely on a 65-year regression-based normal, that the changes not be applicable until the start of next WNA heating season after the Final Order in this proceeding (i.e. October 1, 2027). The Company's new base rates will be effective in the middle of the heating season. In order to effectuate the billing changes and conduct testing, in addition to ensuring consistent WNA treatment to all customers during the heating season, the Company believes it is vital to implement further changes at the start of the WNA period.

IX. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-VI-007

Witness: Scanlon, Carol **Title:** Rates Manager

Question: Refer to Peoples Statement 6 at pages 6-7 and Peoples Statement 10 at pages 20-21. Regarding the tax refunds proposed to be refunded to customers through the Universal Service Rider:

a. What is the projected refund per customer under Peoples's proposal?

b. What would be the projected refund per customer if it were refunded through base rates?

c. Has Peoples considered including CAP customers who are billed according to their average bill in the refund calculation? If so, why did Peoples not include them in the proposal?

d. What would be the projected refund per customer if CAP customers who are billed according to their average bill were included in the refund calculation?

Answer: a. For a residential customer using 86 Mcf annually, the Company estimates that approximately 44 Mcf is used in the months of January through March. Under Peoples proposal, this would yield a total credit of $8.46 (44 Mcf x $0.1924) in 2027 and $24.56 (44 Mcf x $0.5582) in 2028.

b. The proposed credit adjustment per Mcf in Year 1 would change from an estimated ($0.1924) per Mcf to an estimated ($0.0389) per Mcf if refunded through base rates, assuming all customer classes are included, and providing the credit over an annual basis versus January through March as proposed.

The proposed credit adjustment per Mcf in Year 2 would change from an estimated ($0.5582) per Mcf to an estimated ($0.1129) per Mcf if refunded through base rates, assuming all customer classes are included, and providing the credit over an annual basis versus January through March as proposed.

The Company notes the above calculations are based upon spreading the proposed credit amount in each year over the FPFTY volumes versus including the proposed credit amounts in

the cost of service study and allocating the costs to each class.

c. No. Peoples' proposal focused on the two groups of non-CAP customers that would benefit most from this approach as discussed in the direct testimony of Rita Black at Peoples Statement No. 10. Further, Peoples would likely incur significant programming costs to implement such a proposal.

d. If CAP customers are included, Peoples estimates the credit adjustment per Mcf in 2027 would change from an estimated ($0.1924) per Mcf to an estimated ($0.1783) per Mcf.

If CAP customers are included, Peoples estimates the credit adjustment per Mcf in 2028 would change from an estimated ($0.5582) per Mcf to an estimated ($0.5174) per Mcf.

Submit Date: 5/15/2026

Peoples Natural Gas Company LLC
2025 Reconciliation of Tax Repairs Surcredit

		January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	TOTAL
1	Projected Surcredit	$ 633,746	$ 575,087	$ 462,657	$ 280,758	$ 197,314	$ 157,859	$ 142,627	$ 143,840	$ 152,312	$ 241,420	$ 386,667	$ 565,088	$ 3,939,374
2	Actual Surcredit	$ 1,053,927	$ 556,229	$ 429,112	$ 269,615	$ 178,642	$ 146,902	$ 146,245	$ 142,184	$ 149,082	$ 226,900	$ 387,119	$ 594,185	$ 4,280,139
3	Current Period (Over)/Under	$ (420,180)	$ 18,858	$ 33,545	$ 11,143	$ 18,672	$ 10,957	$ (3,618)	$ 1,656	$ 3,230	$ 14,521	$ (452)	$ (29,097)	$ (340,765)
	Interest Impact													
4	Time Factor	1.75	1.67	1.58	1.50	1.42	1.33	1.25	1.17	1.08	1.00	0.92	0.83	
5	Interest Rate (a)	7.00%	7.00%	7.25%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	
6	Interest Expense/(Income)	$ (51,472)	$ 2,200	$ 3,851	$ 1,170	$ 1,852	$ 1,023	$ (328)	$ 140	$ 254	$ 1,053	$ (29)	$ (1,697)	$ (41,983)

Current Period (Over)/Under Refund w/ Interest	$ (382,748)
Prior Period (Over)/Under Refund	$ (165,842)
Total (Over)/Under Refund w/ Interest as of 12/31/25	**$ (548,590)**

Notes:
(a) Residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.)

Peoples Natural Gas Company LLC
Rider Tax Repairs Surcredit Calculation

CURRENT Effective 4/1/2026

	Federal Income Tax	State Income Tax	Federal Benefit of State	Total	
Original 481(a) Give Back - GrossTax Base	$ 390,959,027	$ 407,205,588	$ 407,205,588		
PNG Original Mandatory Relos	34,433,905	34,433,905	34,433,905		
PNG NGSH 481(a) impact	(259,540)	(274,466)	(274,466)		
PGC Original 481(a)	33,984,032	30,582,227	30,582,227		
PGC Original Mandatory Relos	2,027,232	2,027,232	2,027,232		
PGC NGSH 481(a) impact	12,632,818	12,632,818	12,632,818		
Total Gross 481(a) - RL	**$ 473,777,474**	**$ 486,607,304**	**$ 486,607,304**		
Tax Rate in effect on Tax Return =>	21.00%	8.99%	-1.89%	28.10%	
481(a) Tax Benefit/(Exp)	**$ 99,493,270**	**$ 43,745,997**	**$ (9,186,659)**	**$ 134,052,607**	
2025 Gross-Up Factor	1.2658	1.2658	1.2658		
Gross Revenue Give Back	**$ 125,940,848**	**$ 55,374,679**	**$ (11,628,683)**	**$ 169,686,844**	
NOL Valuation Allowance	$ -	$ (55,374,679)	$ 11,628,683	$ (43,745,997)	**(a)**
Subtotal	**$ 125,940,848**	**$ -**	**$ -**	**$ 125,940,848**	
Compliance Costs to refund/(recover)				$ (562,200)	**(b)**
Cumulative Interest to refund/(recover) from Customers				$ 141,185	**(c)**
Gross Amount Subject to Give Back/(Recovery)				**$ 125,519,833**	

		April 1, 2026		
		C-Factor	E- Factor	
Amount Previously Refunded to Customers	**$ (104,132,713)** (c)			
Total Amount Subject to Give Back/(Recovery)	**$ 21,387,120**	**$ 21,935,709**	**$ (548,590)**	*See Page 1 of 2
Remaining Amortization Period	================>	5.59	1.00	**(d)**
New Annual Refund to/(Collection) from Customers	**$ 3,375,509**	**$ 3,924,098**	**$ (548,590)**	
Projected Annual Delivery Rate Revenue	$ 629,884,762	$ 629,884,762	$ 629,884,762	
% Surcredit as of April 1, 2026	**0.5359%**	**0.6230%**	**-0.0871%**	

Notes:

(a) The Company does not expect to be able to take the deduction for State tax purposes. Thus, consistent with the Order, the Company is not required to refund a deduction it will never realize.

(b) Certain external costs were incurred to update the various tax calcualtions based upon the new IRS regulations which reduced the net benefit of the catch-up deduction.

(c) Includes actuals through December 2025.

(d) Original Refund Period was 8/1/21 through 8/1/26. The new period is extended to 8/1/31 in the Base Rate Case at Docket No. R-2023-3044549. Thus, 5.59 years remain. In accordance with Section 1307(e) of the Public Utility Code, the resulting E-Factor refund /(collection) will be adjusted annually to be effective April 1.

Peoples Natural Gas Company LLC
Rider Tax Repairs Surcredit Calculation

PROPOSED Effective 4/1/2027

	Federal Income Tax	State Income Tax	Federal Benefit of State	Total	
Original 481(a) Give Back - GrossTax Base	$ 390,959,027	$ 407,205,588	$ 407,205,588		
PNG Original Mandatory Relos	34,433,905	34,433,905	34,433,905		
PNG NGSH 481(a) impact	(259,540)	(274,466)	(274,466)		
PGC Original 481(a)	33,984,032	30,582,227	30,582,227		
PGC Original Mandatory Relos	2,027,232	2,027,232	2,027,232		
PGC NGSH 481(a) impact	12,632,818	12,632,818	12,632,818		
Total Gross 481(a) - RL	**$ 473,777,474**	**$ 486,607,304**	**$ 486,607,304**		
Tax Rate in effect on Tax Return =>	21.00%	8.99%	-1.89%	28.10%	
481(a) Tax Benefit/(Exp)	**$ 99,493,270**	**$ 43,745,997**	**$ (9,186,659)**	**$ 134,052,607**	
2025 Gross-Up Factor	1.2658	1.2658	1.2658		
Gross Revenue Give Back	**$ 125,940,848**	**$ 55,374,679**	**$ (11,628,683)**	**$ 169,686,844**	
NOL Valuation Allowance	$ -	$ (55,374,679)	$ 11,628,683	$ (43,745,997)	**(a)**
Subtotal	**$ 125,940,848**	**$ -**	**$ -**	**$ 125,940,848**	
Compliance Costs to refund/(recover)				$ (562,200)	**(b)**
Cumulative Interest to refund/(recover) from Customers				$ 141,185	**(c)**
Gross Amount Subject to Give Back/(Recovery)				**$ 125,519,833**	

			April 1, 2026 C-Factor	April 1, 2026 E- Factor	
Amount Previously Refunded to Customers		**$ (104,132,713)**			**(c)**
Total Amount Subject to Give Back/(Recovery)		**$ 21,387,120**	**$ 21,935,709**	**$ (548,590)**	*See Page 1 of 2
Remaining Amortization Period		==========>	5.59	1.00	**(d)**
New Annual Refund to/(Collection) from Customers		**$ 3,375,509**	**$ 3,924,098**	**$ (548,590)**	
Plus: Rate Case Refund Amount - Refund to/(Collection) from Customers	**Page 4**	**$ 5,168,768**		**$ 5,168,768**	
Total Annual Refund to/(Collection) from Customers		**$ 8,544,277**	**$ 3,924,098**	**$ 4,620,178**	
Projected Annual Delivery Rate Revenue		$ 629,884,762	$ 629,884,762	$ 629,884,762	
% Surcredit		**1.3565%**	**0.6230%**	**0.7335%**	

Notes:

(a) The Company does not expect to be able to take the deduction for State tax purposes. Thus, consistent with the Order, the Company is not required to refund a deduction it will never realize.

(b) Certain external costs were incurred to update the various tax calcualtions based upon the new IRS regulations which reduced the net benefit of the catch-up deduction.

(c) Includes actuals through December 2025.

(d) Original Refund Period was 8/1/21 through 8/1/26. The new period is extended to 8/1/31 in the Base Rate Case at Docket No. R-2023-3044549. Thus, 5.59 years remain. In accordance with Section 1307(e) of the Public Utility Code, the resulting E-Factor refund /(collection) will be adjusted annually to be effective April 1.

Peoples Natural Gas Company LLC
Rate Case Refund Amount
Effective 4/1/2027 - 3/31/2028

Sales & Use Tax Credit	$	(3,900,000)
Collar Refund Credit - 2025 Calendar Year Est	$	(1,268,768)
Total Credit (Refund)/ Recovery	$	(5,168,768)

Peoples Natural Gas Company LLC
2025 Reconciliation of Tax Repairs Surcredit

		January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	TOTAL
1	Projected Surcredit	$ 633,746	$ 575,087	$ 462,657	$ 280,758	$ 197,314	$ 157,859	$ 142,627	$ 143,840	$ 152,312	$ 241,420	$ 386,667	$ 565,088	$ 3,939,374
2	Actual Surcredit	$ 1,053,927	$ 556,229	$ 429,112	$ 269,615	$ 178,642	$ 146,902	$ 146,245	$ 142,184	$ 149,082	$ 226,900	$ 387,119	$ 594,185	$ 4,280,139
3	Current Period (Over)/Under	$ (420,180)	$ 18,858	$ 33,545	$ 11,143	$ 18,672	$ 10,957	$ (3,618)	$ 1,656	$ 3,230	$ 14,521	$ (452)	$ (29,097)	$ (340,765)
	Interest Impact													
4	Time Factor	1.75	1.67	1.58	1.50	1.42	1.33	1.25	1.17	1.08	1.00	0.92	0.83	
5	Interest Rate (a)	7.00%	7.00%	7.25%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	
6	Interest Expense/(Income)	$ (51,472)	$ 2,200	$ 3,851	$ 1,170	$ 1,852	$ 1,023	$ (328)	$ 140	$ 254	$ 1,053	$ (29)	$ (1,697)	$ (41,983)

Current Period (Over)/Under Refund w/ Interest	$ (382,748)
Prior Period (Over)/Under Refund	$ (165,842)
Total (Over)/Under Refund w/ Interest as of 12/31/25	**$ (548,590)**

Notes:
(a) Residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.)

Peoples Natural Gas Company LLC
Rider Tax Repairs Surcredit Calculation

CURRENT Effective 4/1/2026

	Federal Income Tax	State Income Tax	Federal Benefit of State	Total	
Original 481(a) Give Back - GrossTax Base	$ 390,959,027	$ 407,205,588	$ 407,205,588		
PNG Original Mandatory Relos	34,433,905	34,433,905	34,433,905		
PNG NGSH 481(a) impact	(259,540)	(274,466)	(274,466)		
PGC Original 481(a)	33,984,032	30,582,227	30,582,227		
PGC Original Mandatory Relos	2,027,232	2,027,232	2,027,232		
PGC NGSH 481(a) impact	12,632,818	12,632,818	12,632,818		
Total Gross 481(a) - RL	**$ 473,777,474**	**$ 486,607,304**	**$ 486,607,304**		
Tax Rate in effect on Tax Return =>	21.00%	8.99%	-1.89%	28.10%	
481(a) Tax Benefit/(Exp)	**$ 99,493,270**	**$ 43,745,997**	**$ (9,186,659)**	**$ 134,052,607**	
2025 Gross-Up Factor	1.2658	1.2658	1.2658		
Gross Revenue Give Back	**$ 125,940,848**	**$ 55,374,679**	**$ (11,628,683)**	**$ 169,686,844**	
NOL Valuation Allowance	$ -	$ (55,374,679)	$ 11,628,683	$ (43,745,997)	**(a)**
Subtotal	**$ 125,940,848**	**$ -**	**$ -**	**$ 125,940,848**	
Compliance Costs to refund/(recover)				$ (562,200)	**(b)**
Cumulative Interest to refund/(recover) from Customers				$ 141,185	**(c)**
Gross Amount Subject to Give Back/(Recovery)				**$ 125,519,833**	

		April 1, 2026		
		C-Factor	E- Factor	
Amount Previously Refunded to Customers	**$ (104,132,713)** (c)			
Total Amount Subject to Give Back/(Recovery)	**$ 21,387,120**	**$ 21,935,709**	**$ (548,590)**	*See Page 1 of 2
Remaining Amortization Period	================>	5.59	1.00	**(d)**
New Annual Refund to/(Collection) from Customers	**$ 3,375,509**	**$ 3,924,098**	**$ (548,590)**	
Projected Annual Delivery Rate Revenue	$ 629,884,762	$ 629,884,762	$ 629,884,762	
% Surcredit as of April 1, 2026	**0.5359%**	**0.6230%**	**-0.0871%**	

Notes:

(a) The Company does not expect to be able to take the deduction for State tax purposes. Thus, consistent with the Order, the Company is not required to refund a deduction it will never realize.

(b) Certain external costs were incurred to update the various tax calcualtions based upon the new IRS regulations which reduced the net benefit of the catch-up deduction.

(c) Includes actuals through December 2025.

(d) Original Refund Period was 8/1/21 through 8/1/26. The new period is extended to 8/1/31 in the Base Rate Case at Docket No. R-2023-3044549. Thus, 5.59 years remain. In accordance with Section 1307(e) of the Public Utility Code, the resulting E-Factor refund /(collection) will be adjusted annually to be effective April 1.

Peoples Natural Gas Company LLC
Rider Tax Repairs Surcredit Calculation

PROPOSED Effective 4/1/2028

	Federal Income Tax	State Income Tax	Federal Benefit of State	Total	
Original 481(a) Give Back - GrossTax Base	$ 390,959,027	$ 407,205,588	$ 407,205,588		
PNG Original Mandatory Relos	34,433,905	34,433,905	34,433,905		
PNG NGSH 481(a) impact	(259,540)	(274,466)	(274,466)		
PGC Original 481(a)	33,984,032	30,582,227	30,582,227		
PGC Original Mandatory Relos	2,027,232	2,027,232	2,027,232		
PGC NGSH 481(a) impact	12,632,818	12,632,818	12,632,818		
Total Gross 481(a) - RL	**$ 473,777,474**	**$ 486,607,304**	**$ 486,607,304**		
Tax Rate in effect on Tax Return =>	21.00%	8.99%	-1.89%	28.10%	
481(a) Tax Benefit/(Exp)	**$ 99,493,270**	**$ 43,745,997**	**$ (9,186,659)**	**$ 134,052,607**	
2025 Gross-Up Factor	1.2658	1.2658	1.2658		
Gross Revenue Give Back	**$ 125,940,848**	**$ 55,374,679**	**$ (11,628,683)**	**$ 169,686,844**	
NOL Valuation Allowance	$ -	$ (55,374,679)	$ 11,628,683	$ (43,745,997)	**(a)**
Subtotal	**$ 125,940,848**	**$ -**	**$ -**	**$ 125,940,848**	
Compliance Costs to refund/(recover)				$ (562,200)	**(b)**
Cumulative Interest to refund/(recover) from Customers				$ 141,185	**(c)**
Gross Amount Subject to Give Back/(Recovery)				**$ 125,519,833**	

			April 1, 2026 C-Factor	April 1, 2026 E- Factor	
Amount Previously Refunded to Customers		**$ (104,132,713)**			**(c)**
Total Amount Subject to Give Back/(Recovery)		**$ 21,387,120**	**$ 21,935,709**	**$ (548,590)**	*See Page 1 of 2
Remaining Amortization Period		==========>	5.59	1.00	**(d)**
New Annual Refund to/(Collection) from Customers		**$ 3,375,509**	**$ 3,924,098**	**$ (548,590)**	
Plus: Rate Case Refund Amount - Refund to/(Collection) from Customers	**Page 4**	**$ 15,000,000**		**$ 15,000,000**	
Total Annual Refund to/(Collection) from Customers		**$ 18,375,509**	**$ 3,924,098**	**$ 14,451,410**	
Projected Annual Delivery Rate Revenue		$ 629,884,762	$ 629,884,762	$ 629,884,762	
% Surcredit		**2.9173%**	**0.6230%**	**2.2943%**	

Notes:

(a) The Company does not expect to be able to take the deduction for State tax purposes. Thus, consistent with the Order, the Company is not required to refund a deduction it will never realize.

(b) Certain external costs were incurred to update the various tax calcualtions based upon the new IRS regulations which reduced the net benefit of the catch-up deduction.

(c) Includes actuals through December 2025.

(d) Original Refund Period was 8/1/21 through 8/1/26. The new period is extended to 8/1/31 in the Base Rate Case at Docket No. R-2023-3044549. Thus, 5.59 years remain. In accordance with Section 1307(e) of the Public Utility Code, the resulting E-Factor refund /(collection) will be adjusted annually to be effective April 1.

Peoples Natural Gas Company LLC
Rate Case Refund Amount
Effective 4/1/2028 - 3/31/2029

Collar Refund Credit - 2025 Calendar Year True Up	$	-
Collar Refund Credit - 2026 Calendar Year Est	$	(15,000,000) [2/]
Total Credit (Refund)/ Recovery	$	(15,000,000)

[1/] *The true-up amount would consist of the variance between the projected credit amount in Year 1 and the actual credit amount resulting from estimated to actual throughput variances.*

[2/] *2026 Collar is estimated to be $15M or more.*

Peoples Natural Gas Company
Capital expenditures, plant additions, and retirements
For the Fully Projected Future Test Year ending October 31, 2025
Settlement Commitment #47
Docket No. R-2023-3044549

	Capital Expenditures and Additions	Retirements	TOTAL
Nov. 2024	$ 50,183,210	$ (173,657)	$ 50,009,553
Dec. 2024	$ 49,085,138	$ (13,845,827)	$ 35,239,311
Jan. 2025	$ 27,412,742	$ (4,435,283)	$ 22,977,459
Feb. 2025	$ 28,215,962	$ (1,243,694)	$ 26,972,268
Mar. 2025	$ 51,672,163	$ (2,222,627)	$ 49,449,536
Apr. 2025	$ 61,714,367	$ (3,081,649)	$ 58,632,718
May. 2025	$ 59,897,528	$ (11,208,310)	$ 48,689,218
Jun. 2025	$ 64,208,943	$ (27,552,389)	$ 36,656,554
Jul. 2025	$ 59,908,879	$ (1,311,448)	$ 58,597,431
Aug. 2025	$ 46,213,781	$ (466,084)	$ 45,747,697
Sept. 2025	$ 54,973,814	$ (2,827,527)	$ 52,146,287
Oct. 2025	$ 61,948,243	$ (886,606)	$ 61,061,637
Total FPFTY Activity	$ 615,434,770	$ (69,255,101)	$ 546,179,669
FPFTY as filed	$ 586,314,940	$ (47,771,827)	$ 538,543,114
Difference	$ 29,119,830	$ (21,483,275)	$ 7,636,556

Derivation of CAP Bad Debt Offset Percentage for CAP Credits and Arrearage Forgiveness

		2023	2024	2 Year Average
Annual Residential Revenue_Confirmed Low Income [1/]				
	Peoples	$ 98,619,912	$ 87,815,212	$ 93,217,562
Gross Write-Offs in Dollars_Confirmed Low Income [1/]				
	Peoples	$ 6,642,964	$ 7,092,816	$ 6,867,890
		6.74%	8.08%	7.4%

[1/] As reported in the Commission's Universal Service Programs and Collections Performance Reports for 2023 - 2024 respectively.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
DAWN M. FOLKS
SENIOR FINANCE AND RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

TABLE OF CONTENTS

I. INTRODUCTION 1

II. ADJUSTMENT TO PEOPLES NATURAL GAS EXHIBIT NO. 3 1

III. CONCLUSION.....2

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Dawn M. Folks. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as a Finance and Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 4.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am also sponsoring one exhibit, **Peoples Natural Gas Exhibit No. DMF-1R**.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I am presenting testimony in rebuttal to address updates to the Company's originally filed **Peoples Natural Gas Exhibit No. 3**, a revised version of which is attached to my rebuttal testimony as **Peoples Natural Gas Exhibit No. DMF-1R**.

II. ADJUSTMENT TO PEOPLES NATURAL GAS EXHIBIT NO. 3

Q. CAN YOU SUMMARIZE THE ADJUSTMENT MADE TO PEOPLES NATURAL GAS EXHIBIT NO. 3?

A. Yes. The Company has identified an adjustment through the discovery process, which is a change in revenue of $206,179 as referenced in the Company's response to OSBA-I-9. Please see the attached **Exhibit DMF-1R**.

Q. CAN YOU EXPLAIN THIS ADJUSTMENT FURTHER?

A. Reference PNG Volume 1, Exhibit No. 3, Schedule 15, Attachment B, page 1, line 9; Rent from Gas Property in the Fully Projected Future Test Year ("FPFTY"). This revenue is rent from various towers. One of the towers was sold during the Historic Test Year ("HTY") which is why it has been excluded in future years. However, the remaining revenue was incorrectly excluded from the FPFTY and has been adjusted in the revised Exhibit 3 attached to the Company's response to OSBA-I-9. This results in additional existing revenue of $206,179.

Q. WERE THERE ANY OTHER ADJUSTMENTS PROPOSED BY OTHER PARTIES THAT WOULD IMPACT REVENUE?

A. Yes. All other proposed adjustments such as changes to Heating Degree Days will be addressed in **Peoples Statement No. 17-R**, the Rebuttal Testimony of John Taylor.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OSBA-I-009

Witness: Folks, Dawn **Title:** Finance and Rates Analyst III

Question: Reference PNG Volume 1, Exhibit No. 3, Schedule 15, Attachment B, page 1, line 9 concerning $219,899 of Rent from Gas Property, explain why this revenue is being eliminated in the FPFTY.

Answer: This revenue is rents from various towers. One of the towers was sold during the HTY which is why it has been excluded in future years. The remaining was incorrectly excluded and has been adjusted in the attached revised Exhibit 3 attached. This results in additional existing revenue of $206,179.

Submit Date: 5/8/2026

Exhibit No. 3, Schedule No. 15
Attachment B
Page 1 of 1
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue Summary

Line No.	Acct No.	Description	HTY Per Books	HTY Adjustments at Present Rates	Proforma HTY	FTY Adjustments at Present Rates	Proforma FTY	FPFTY Adjustments at Present Rates	FPFTY at Present Rates	Proposed Rate Adjustments	Proposed FPFTY
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch C)*		*(Ex 3, Sch 15, Atch E)*
1	**Operating Revenues (by FERC account):**										
2	480	Residential Sales Revenue	645,633,578	176,726,814	822,360,393	(16,969,870)	805,390,523	5,400,578	810,791,101	106,296,943	917,088,044
3	481	Commercial and Industrial Sales	115,288,707	29,477,784	144,766,491	(550,891)	144,215,601	11,154	144,226,755	20,292,428	164,519,183
4	483	Sales for Resale	5,491,450	(5,455,377)	36,073	-	36,073	-	36,073	-	36,073
5	487	Forfeited Discounts	5,824,920	1,272,280	7,097,201	(168,989)	6,928,212	3,283	6,931,495	1,168,126	8,099,621
6	488	Miscellaneous Service Revenues	1,125,013	-	1,125,013	-	1,125,013	-	1,125,013	(7,147)	1,117,866
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,123,308	305,060	8,428,368	(420,135)	8,008,233	(603,484)	7,404,749	1,146,880	8,551,629
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	222,146,770	8,517,575	230,664,345	(10,999,384)	219,664,961	(4,857,714)	214,807,247	34,274,708	249,081,955
9	493	Rent from Gas Property	219,899	-	219,899	(13,720)	206,179	-	206,179	-	206,179
10	495	Other Gas Revenues	6,056,864	(5,818,222)	238,642	(343,526)	(104,884)	(603,484)	(708,368)	-	(708,368)
11	496	Provision for Rate Refunds	322,213	(322,213)	-	-	-	-	-	-	-
12	Total Operating Revenues		1,010,232,723	204,703,701	1,214,936,425	(29,466,514)	1,185,469,911	(649,667)	1,184,820,244	163,171,938	1,347,992,182

Exhibit No. 3, Schedule No. 15
Attachment C
Page 1 of 6
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2025

(661,358)

Line No.	Acct No	Description	Year Prior to HTY Per Books	HTY Per Books	Test Year Gas Cost	Test Year Rider USP	Test Year Rider GPC	Test Year MFC	Test Year SCR	Test Year DSIC Rider	Test Year TRS Rider	Unbilled/ Cycle 22 Revenue Adj	Weather Adjustment	Adjustment to Reflect Annualization	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=13-(2-11))	(13)
			$	$	$	$	$	$	$	$	$	$	$	$	$
				(Ex 2, Sch 2)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch K)*	*(Ex 3, Sch 15, Atch H, Pg 1)*		*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account													
2	480	Residential Sales Revenue	437,489,792	645,633,578	(233,242,600)	(15,423,162)	(4,239,159)	(5,047,799)	(47,170)	(927,209)	5,420,839	12,679,086	1,426,495	(26,388,642)	379,844,256
3	481	Commercial and Industrial Sales	76,556,983	115,288,707	(55,141,453)	-	(1,033,355)	(186,038)	45,607	(126,915)	846,525	2,475,463	(3,608,405)	(2,623,339)	55,936,796
4	483	Sales for Resale	3,459,834	5,491,450	(5,455,377)	-	-	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	4,506,980	5,824,920	-	-	-	-	-	-	-	-	-	1,272,280	7,097,201
6	488	Miscellaneous Service Revenues	1,021,556	1,125,013	-	-	-	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,583,396	8,123,308	-	-	-	-	-	-	-	-	-	305,060	8,428,368
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	178,290,495	222,146,770	(43,316,037)	(5,169,857)	-	(186,422)	(229)	(1,993,897)	2,544,337	2,688,615	(5,077,559)	7,738,256	179,373,978
9	493	Rent from Gas Property	247,585	219,899	-	-	-	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	2,659,141	6,056,864	(5,183,653)	-	-	-	-	1,526,555	(1,856,064)	-	-	(305,060)	238,642
11	496	Provision for Rate Refunds	(2,079,051)	322,213	-	-	-	-	-	-	-	-	-	(322,213)	-
									-						
12		Total Revenue	709,736,713	1,010,232,723	(342,339,121)	(20,593,019)	(5,272,514)	(5,420,260)	(1,792)	(1,521,466)	6,955,637	17,843,163	(7,259,469)	(20,323,657)	632,300,226
13		Sales Throughput (Mcf)													
14		Residential	42,467,863	50,003,445	-	-	-	-	-	-	-	209,416	266,450	(1,205,238)	49,274,074
15		Commercial & Industrial	10,055,379	11,907,923	-	-	-	-	-	-	-	62,036	(920,979)	(23,662)	11,025,318
16		Total Sales Throughput	52,523,242	61,911,368	-	-	-	-	-	-	-	271,452	(654,529)	(1,228,900)	60,299,391
17		Transportation Throughput (Mcf)	69,571,370	74,442,196	-	-	-	-	-	-	-	436,801	(1,366,139)	(1,139,946)	72,372,913
18		Total Throughput	122,094,612	136,353,565	-	-	-	-	-	-	-	708,253	(2,020,668)	(2,368,846)	132,672,304

Exhibit No. 3, Schedule No. 15
Attachment C
Page 2 of 6
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2025

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	379,844,256	380,488,934	29,389,593	4,262,207	8,371,665	23,361	22,313,778	(2,333,402)	822,360,393
3	481	Commercial and Industrial Sales	55,936,796	85,078,410	-	953,690	282,248	1,668	2,857,283	(343,604)	144,766,491
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	7,097,201	-	-	-	-	-	-	-	7,097,201
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,428,368	-	-	-	-	-	-	-	8,428,368
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	179,373,978	33,833,397	7,171,920	-	268,415	3,660	11,363,866	(1,350,892)	230,664,345
9	493	Rent from Gas Property	219,899	-	-	-	-	-	-	-	219,899
10	495	Other Gas Revenues	238,642	-	-	-	-	-	-	-	238,642
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	632,300,226	499,400,741	36,561,513	5,215,897	8,922,328	28,690	36,534,927	(4,027,899)	1,214,936,425
13		Sales Throughput (Mcf)									
14		Residential	49,274,074	-	-	-	-	-	-	-	49,274,074
15		Commercial & Industrial	11,025,318	-	-	-	-	-	-	-	11,025,318
16		Total Sales Throughput	60,299,391	-	-	-	-	-	-	-	60,299,391
17		Transportation Volume (Mcf)	72,372,913	-	-	-	-	-	-	-	72,372,913
18		Total Throughput	132,672,304	-	-	-	-	-	-	-	132,672,304

Exhibit No. 3, Schedule No. 15
Attachment C
Page 3 of 6
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2026

Line No.	Acct No	Description	Per Proforma Future Test Year	Proforma Future Test Year Gas Cost	Proforma Future Test Year Rider USP	Proforma Future Test Year Rider GPC	Proforma Future Test Year MFC	Proforma Future Test Year SCR	Proforma Future Test Year DSIC Rider	Proforma Future Test Year TRS Rider	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	805,390,523	(386,717,468)	-	(4,331,979)	(8,508,708)	(23,434)	(22,652,191)	2,368,298	385,525,042
3	481	Commercial and Industrial Sales	144,215,601	(84,762,178)	-	(950,148)	(281,200)	(1,660)	(2,846,051)	342,252	55,716,617
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,928,212	-	-	-	-	-	-	-	6,928,212
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,008,233	-	-	-	-	-	-	-	8,008,233
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	219,664,961	(33,074,393)	-	-	(249,782)	(3,439)	(11,187,555)	1,332,394	176,482,187
9	493	Rent from Gas Property	206,179	-	-	-	-	-	-	-	206,179
10	495	Other Gas Revenues	(104,884)	-	-	-	-	-	-	-	(104,884)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	1,185,469,911	(504,554,039)	-	(5,282,126)	(9,039,689)	(28,533)	(36,685,796)	4,042,944	633,922,671
13		Sales Throughput (Mcf)									
14		Residential	50,080,681	-	-	-	-	-	-	-	50,080,681
15		Commercial & Industrial	10,984,365	-	-	-	-	-	-	-	10,984,365
16		Total Sales Throughput	61,065,046	-	-	-	-	-	-	-	61,065,046
17		Transportation Throughput (Mcf)	72,024,683	-	-	-	-	-	-	-	72,024,683
18		Total Throughput	133,089,729	-	-	-	-	-	-	-	133,089,729

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Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended November 30, 2026

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	385,525,042	386,717,468	-	4,331,979	8,508,708	23,434	22,652,191	(2,368,298)	805,390,523
3	481	Commercial and Industrial Sales	55,716,617	84,762,178	-	950,148	281,200	1,660	2,846,051	(342,252)	144,215,601
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,928,212	-	-	-	-	-	-	-	6,928,212
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	8,008,233	-	-	-	-	-	-	-	8,008,233
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	176,482,187	33,074,393	-	-	249,782	3,439	11,187,555	(1,332,394)	219,664,961
9	493	Rent from Gas Property	206,179	-	-	-	-	-	-	-	206,179
10	495	Other Gas Revenues	(104,884)	-	-	-	-	-	-	-	(104,884)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	633,922,671	504,554,039	-	5,282,126	9,039,689	28,533	36,685,796	(4,042,944)	1,185,469,911
13		Sales Throughput (Mcf)									
14		Residential	50,080,681	-	-	-	-	-	-	-	50,080,681
15		Commercial & Industrial	10,984,365	-	-	-	-	-	-	-	10,984,365
16		Total Sales Throughput	61,065,046	-	-	-	-	-	-	-	61,065,046
17		Transportation Throughput (Mcf)	72,024,683	-	-	-	-	-	-	-	72,024,683
18		Total Throughput	133,089,729	-	-	-	-	-	-	-	133,089,729

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Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended December 31, 2027

Line No.	Acct No	Description	Per Proforma Future Test Year	Proforma Future Test Year Gas Cost	Proforma Future Test Year Rider USP	Proforma Future Test Year Rider GPC	Proforma Future Test Year MFC	Proforma Future Test Year SCR	Proforma Future Test Year DSIC Rider	Proforma Future Test Year TRS Rider	Annualized Base Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch D)	*(Ex 3, Sch 15, Atch M)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch N)*	*(Ex 3, Sch 15, Atch D)*
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	810,791,101	(389,002,777)	-	(4,357,579)	(8,558,990)	(23,714)	(22,816,756)	2,386,067	388,417,352
3	481	Commercial and Industrial Sales	144,226,755	(84,775,414)	-	(950,296)	(281,244)	(1,658)	(2,845,951)	342,239	55,714,431
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,931,495	-	-	-	-	-	-	-	6,931,495
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,404,749	-	-	-	-	-	-	-	7,404,749
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	214,807,247	(32,141,199)	-	-	(231,690)	(3,237)	(10,969,785)	1,308,708	172,770,043
9	493	Rent from Gas Property	206,179	-	-	-	-	-	-	-	206,179
10	495	Other Gas Revenues	(708,368)	-	-	-	-	-	-	-	(708,368)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	1,184,820,244	(505,919,390)	-	(5,307,875)	(9,071,924)	(28,608)	(36,632,493)	4,037,014	631,896,968
13		Sales Throughput (Mcf)									
14		Residential	50,376,633	-	-	-	-	-	-	-	50,376,633
15		Commercial & Industrial	10,986,079	-	-	-	-	-	-	-	10,986,079
16		Total Sales Throughput	61,362,712	-	-	-	-	-	-	-	61,362,712
17		Transportation Throughput (Mcf)	71,450,106	-	-	-	-	-	-	-	71,450,106
18		Total Throughput	132,812,818	-	-	-	-	-	-	-	132,812,818

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Peoples Natural Gas Company LLC
Volume and Revenue Summary at Current Rates
For the 12 Months Ended December 31, 2027

Line No.	Acct No	Description	Annualized Base Revenue	Annualized Gas Cost	Annualized Rider USP	Annualized Rider GPC	Annualized MFC	Annualized SCR	Annualized DSIC Rider	Annualized TRS	Annualized Revenue
			(1)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8=1+2+3+4+5+6+7)
			$	$	$	$	$	$	$	$	$
			(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	*(Ex 3, Sch 15, Atch D)*	
1		Gas Service Revenue by FERC Account									
2	480	Residential Sales Revenue	388,417,352	389,002,777	-	4,357,579	8,558,990	23,714	22,816,756	(2,386,067)	810,791,101
3	481	Commercial and Industrial Sales	55,714,431	84,775,414	-	950,296	281,244	1,658	2,845,951	(342,239)	144,226,755
4	483	Sales for Resale	36,073	-	-	-	-	-	-	-	36,073
5	487	Forfeited Discounts	6,931,495	-	-	-	-	-	-	-	6,931,495
6	488	Miscellaneous Service Revenues	1,125,013	-	-	-	-	-	-	-	1,125,013
7	489.1	Revs from Transp of Gas of Others thru Gath Fac.	7,404,749	-	-	-	-	-	-	-	7,404,749
8	489.3	Revs from Transp of Gas of Others thru Distri Fac.	172,770,043	32,141,199	-	-	231,690	3,237	10,969,785	(1,308,708)	214,807,247
9	493	Rent from Gas Property	206,179	-	-	-	-	-	-	-	206,179
10	495	Other Gas Revenues	(708,368)	-	-	-	-	-	-	-	(708,368)
11	496	Provision for Rate Refunds	-	-	-	-	-	-	-	-	-
12		Total Revenue	631,896,968	505,919,390	-	5,307,875	9,071,924	28,608	36,632,493	(4,037,014)	1,184,820,244
13		Sales Throughput (Mcf)									
14		Residential	50,376,633	-	-	-	-	-	-	-	50,376,633
15		Commercial & Industrial	10,986,079	-	-	-	-	-	-	-	10,986,079
16		Total Sales Throughput	61,362,712	-	-	-	-	-	-	-	61,362,712
17		Transportation Throughput (Mcf)	71,450,106	-	-	-	-	-	-	-	71,450,106
18		Total Throughput	132,812,818	-	-	-	-	-	-	-	132,812,818

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=(1 or 2 x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,489,280		16.80	109,019,904	
4	DSIC Rider	6,489,280		0.8400	5,450,995	
5	Supplier Choice Rider	6,489,280		0.0036	23,361	
6	TRS Rider	6,489,280		(0.1033)	(670,036)	
7	Subtotal - Customer Charge				113,824,224	
8	Delivery Charge					
9	Base Rate Delivery		45,694,701	5.3537	244,635,719	
10	Universal Service Rider		45,694,701	1.0955	50,058,545	
11	Rider GPC - Gas Procurement Charge		45,694,701	0.0865	3,952,592	
12	DSIC Rider		45,694,701	0.3353	15,320,519	
13	TRS Rider		45,694,701	(0.0329)	(1,503,531)	
14	Subtotal - Delivery				312,463,843	
15	STAS		45,694,701	0.0037	169,070	
16	Subtotal Customer Charge and Delivery Revenue				426,457,138	
17	Gas Cost		45,694,701	7.7219	352,849,412	
18	Merchant Function Charge		45,694,701	0.1699	7,763,530	
19	Total Residential Sales	6,489,280	45,694,701		787,070,080	17.224537
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	407,347		16.80	6,843,430	
23	DSIC Rider	407,347		0.8400	342,171	
24	Supplier Choice Rider	407,347		-	-	
25	TRS Rider	407,347		(0.1033)	(42,060)	
26	Subtotal - Customer Charge				7,143,541	
27	Delivery Charge					
28	Base Rate Delivery		3,579,373	5.3537	19,162,889	
29	Cap Credit		3,579,373	(5.7745)	(20,668,952)	
30	Rider GPC - Gas Procurement Charge		3,579,373	0.0865	309,616	
31	DSIC Rider		3,579,373	0.3353	1,200,092	
32	TRS Rider		3,579,373	(0.0329)	(117,775)	
33	Subtotal - Delivery				(114,130)	
34	STAS		3,579,373	0.0037	13,244	
35	Subtotal Customer Charge and Delivery Revenue				7,042,655	
36	Gas Cost		3,579,373	7.7219	27,639,522	
37	Merchant Function Charge		3,579,373	0.1699	608,135	
38	Total Residential CAP Sales	407,347	3,579,373		35,290,313	9.859356
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	427,682		22.00	9,409,004	
42	DSIC Rider	427,682		1.1000	470,450	
43	Supplier Choice Rider	427,682		0.0036	1,540	
44	TRS Rider	427,682		(0.1352)	(57,828)	
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,823,166	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	35,112		44.00	1,544,928	
48	DSIC Rider	35,112		2.2000	77,246	
49	Supplier Choice Rider	35,112		0.0036	126	
50	TRS Rider	35,112		(0.2704)	(9,495)	
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,612,806	
52	Delivery Charge					
53	Base Rate Delivery		7,070,387	3.9844	28,171,251	
54	Rider GPC - Gas Procurement Charge		7,070,387	0.0865	611,588	
55	DSIC Rider		7,070,387	0.2048	1,448,192	
56	TRS Rider		7,070,387	(0.0245)	(173,141)	
57	Subtotal - Delivery				30,057,891	
58	STAS		7,070,387	0.0028	19,797	
59	Subtotal Customer Charge and Delivery Revenue				41,513,660	
60	Gas Cost		7,070,387	7.7219	54,596,747	
61	Merchant Function Charge		7,070,387	0.0256	181,002	
62	Total Commercial SGS Sales	462,794	7,070,387		96,291,408	13.618972

136,659,045	Fixed Charge	
894,678,130	Total Charge	
758,019,085	Volumetric Charge	

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.1000	432	
5	Supplier Choice Rider	393		0.0036	1	
6	TRS Rider	393		(0.1352)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.2000	477	
11	Supplier Choice Rider	217		0.0036	1	
12	TRS Rider	217		(0.2704)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.9844	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.0865	2,799	
17	DSIC Rider		32,361	0.2048	6,628	
18	TRS Rider		32,361	(0.0245)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.0028	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.7219	249,884	
23	Merchant Function Charge		32,361	0.0256	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,228		101.00	1,639,028	
28	DSIC Rider	16,228		5.0500	81,951	
29	TRS Rider	16,228		(0.6207)	(10,073)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,710,906	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,054		145.00	587,830	
33	DSIC Rider	4,054		7.2500	29,392	
34	TRS Rider	4,054		(0.8912)	(3,613)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				613,609	
36	Delivery Charge					
37	Base Rate Delivery		3,408,329	3.6941	12,590,709	
38	Rider GPC - Gas Procurement Charge		3,408,329	0.0865	294,820	
39	DSIC Rider		3,408,329	0.1903	648,639	
40	TRS Rider		3,408,329	(0.0227)	(77,383)	
41	Subtotal - Delivery				13,456,787	
42	STAS		3,408,329	0.0026	8,813	
43	Subtotal Customer Charge and Delivery Revenue				15,790,115	
44	Gas Cost		3,408,329	7.7219	26,318,741	
45	Merchant Function Charge		3,408,329	0.0256	87,253	
46	Total Commercial MGS Sales	20,282	3,408,329		42,196,109	12.380291
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.6941	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.0865	15,713	
61	DSIC Rider		181,655	0.1903	34,571	
62	TRS Rider		181,655	(0.0227)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.0026	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.7219	1,402,717	
67	Merchant Function Charge		181,655	0.0256	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.6360	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.0865	27,221	
15	DSIC Rider		314,695	0.1374	43,241	
16	TRS Rider		314,695	(0.0162)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.0018	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.5479	2,375,284	
21	Merchant Function Charge		314,695	0.0256	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.7548
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.0865	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.5479	135,037	
48	Merchant Function Charge		17,891	0.0256	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.3155
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				379,661,942	
53	STAS				182,314	
54	Supplier Choice Rider				23,361	
55	Universal Services Program				29,389,593	
56	Merchant Function Charge				8,371,665	
57	Gas Procurement Charge				4,262,207	
58	DSIC				22,313,778	
59	TRS				(2,333,402)	
60	Gas Cost				380,488,934	
61	Total Residential Sales	6,896,627	49,274,074		822,360,393	
62	**SGS Sales**					
63	Base Rate Revenue				39,272,314	
64	STAS				19,888	
65	Supplier Choice Rider				1,668	
66	Merchant Function Charge				181,830	
67	Gas Procurement Charge				614,388	
68	DSIC				2,003,427	
69	TRS				(241,368)	
70	Gas Cost				54,846,631	
71	Total SGS Sales	463,404	7,102,748		96,698,778	
72	**MGS Sales**					
73	Base Rate Revenue				15,556,853	
74	STAS				9,283	
75	Merchant Function Charge				91,904	
76	Gas Procurement Charge				310,534	
77	DSIC				797,965	
78	TRS				(95,612)	
79	Gas Cost				27,721,459	
80	Total MGS Sales	20,833	3,589,984		44,392,384	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,907,011	
92	STAS				29,784	
93	Supplier Choice Rider				1,668	
94	Merchant Function Charge				282,248	
95	Gas Procurement Charge				953,690	
96	DSIC				2,857,283	
97	TRS				(343,604)	
98	Gas Cost				85,078,410	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	484,386	11,025,318		144,766,491	
100	**Total Tariff Sales**					
101	Base Rate Revenue				435,568,953	
102	STAS				212,098	
103	Supplier Choice Rider				25,030	
104	Universal Services Program				29,389,593	
105	Merchant Function Charge				8,653,913	
106	Gas Procurement Charge				5,215,897	
107	DSIC				25,171,062	
108	TRS				(2,677,007)	
109	Gas Cost				465,567,344	
110	Total Tariff Sales	7,381,013	60,299,391		967,126,884	

Blended rate used to account for multiple LGS Usage Tiers

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	894,582		16.80	15,028,978	
4	DSIC Rider	894,582		0.8400	751,449	
5	Supplier Choice Rider	894,582		0.0036	3,220	
6	TRS Rider	894,582		(0.1033)	(92,368)	
7	Subtotal - Customer Charge				15,691,279	
8	Delivery Charge:					
9	Base Rate Delivery		6,546,709	5.3537	35,049,118	
10	Universal Service Rider		6,546,709	1.0955	7,171,920	
11	DSIC Rider		6,546,709	0.3245	2,124,473	
12	TRS Rider		6,546,709	(0.0329)	(215,412)	
13	Subtotal - Delivery				44,130,099	
14	STAS		6,546,709	0.0037	24,223	
15	Subtotal Customer Charge and Delivery Revenue				59,845,601	
16	Gas Cost		6,546,709	1.8641	12,203,721	
17	Merchant Function Charge		6,546,709	0.0410	268,415	
18	Total Residential Transport	894,582	6,546,709		72,317,737	11.046425
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	97,788		22.0000	2,151,336	
22	DSIC Rider	97,788		1.1000	107,567	
23	Supplier Choice Rider	97,788		0.0036	352	
24	TRS Rider	97,788		(0.1352)	(13,222)	
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,246,033	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	23,849		44.0000	1,049,356	
28	DSIC Rider	23,849		2.2000	52,468	
29	Supplier Choice Rider	23,849		0.0036	86	
30	TRS Rider	23,849		(0.2704)	(6,449)	
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,095,460	
32	Delivery Charge:					
33	Base Rate Delivery		3,042,181	3.9844	12,121,267	
34	Negotiated Delivery		3,871	0.1351	523	
35	DSIC Rider		3,046,052	0.1992	606,835	
36	TRS Rider		3,046,052	(0.0245)	(74,592)	
37	Subtotal - Delivery				12,654,033	
38	STAS		3,046,052	0.0028	8,496	
39	Subtotal Customer Charge and Delivery Revenue				16,004,021	
40	Gas Cost		3,046,052	0.8300	2,528,223	
41	Total Commercial SGS Transport	121,637	3,046,052		18,532,245	6.084021
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	419		22.0000	9,218	
45	DSIC Rider	419		1.1000	461	
46	Supplier Choice Rider	419		0.0036	2	
47	TRS Rider	419		(0.1352)	(57)	
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	98		44.0000	4,312	
51	DSIC Rider	98		2.2000	216	
52	Supplier Choice Rider	98		0.0036	0	
53	TRS Rider	98		(0.2704)	(27)	
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.9844	65,666	
57	Negotiated Delivery		3,970	0.0900	357	
58	DSIC Rider		20,451	0.1992	4,074	
59	TRS Rider		20,451	(0.0245)	(501)	
60	Subtotal - Delivery				69,597	
61	STAS		20,451	0.0028	57	
62	Subtotal Customer Charge and Delivery Revenue				83,780	
63	Gas Cost		20,451	0.8300	16,974	
64	Total Industrial SGS Transport	517	20,451		100,754	4.926567

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,214		101.0000	2,142,614	
4	DSIC Rider	21,214		5.0500	107,131	
5	TRS Rider	21,214		(0.6207)	(13,169)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,236,576	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,230		145.0000	2,353,350	
9	DSIC Rider	16,230		7.2500	117,668	
10	TRS Rider	16,230		(0.8912)	(14,464)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,456,554	
12	Delivery Charge:					
13	Base Rate Delivery		11,100,453	3.6941	41,006,183	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,135,466	0.1847	2,056,776	
16	TRS Rider		11,135,466	(0.0227)	(252,819)	
17	Subtotal - Delivery				42,831,819	
18	STAS		11,135,466	0.0026	28,795	
19	Subtotal Customer Charge and Delivery Revenue				47,553,744	
20	Gas Cost		11,135,466	0.8300	9,242,437	
21	Total Commercial MGS Transport	37,444	11,135,466		56,796,181	5.100476
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.0000	33,835	
25	DSIC Rider	335		5.0500	1,692	
26	TRS Rider	335		(0.6207)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.0000	175,740	
30	DSIC Rider	1,212		7.2500	8,787	
31	TRS Rider	1,212		(0.8912)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.6941	4,491,811	
35	Negotiated Delivery		94,157	0.2990	28,157	
36	DSIC Rider		1,310,099	0.1847	241,982	
37	TRS Rider		1,310,099	(0.0227)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.0026	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.8300	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.0000	629,800	
46	DSIC Rider	670		47.0000	31,490	
47	TRS Rider	670		(5.7772)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.0000	562,560	
51	DSIC Rider	384		73.2500	28,128	
52	TRS Rider	384		(9.0039)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.0000	332,280	
56	DSIC Rider	156		106.5000	16,614	
57	TRS Rider	156		(13.0910)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.0000	270,240	
61	DSIC Rider	48		281.5000	13,512	
62	TRS Rider	48		(34.6020)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,415,177	2.4747	18,350,562	
66	Negotiated Delivery		286,290	1.8136	519,206	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,748,751	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,635,685	
72	Gas Cost		7,701,467	0.1740	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		22,975,740	2.983294

Blended rate used to account for multiple LGS Usage Tiers

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Per Books Adjusted Bills and Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.0000	331,820	
4	DSIC Rider	353		47.0000	16,591	
5	TRS Rider	353		(5.7772)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.0000	517,145	
9	DSIC Rider	353		73.2500	25,857	
10	TRS Rider	353		(9.0039)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.0000	592,140	
14	DSIC Rider	278		106.5000	29,607	
15	TRS Rider	278		(13.0910)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.0000	2,674,250	
19	DSIC Rider	475		281.5000	133,713	
20	TRS Rider	475		(34.6020)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2600	7,293,656	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,134,465	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,485,343	
30	Gas Cost		42,612,668	0.1740	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,899,947	1.264881
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				50,078,096	
35	STAS				24,223	
36	Supplier Choice Rider				3,220	
37	Rider USP				7,171,920	
38	Merchant Function Charge				268,415	
39	DSIC				2,875,922	
40	TRS				(307,780)	
41	Gas Cost				12,203,721	
42	Total Residential Transport	894,582	6,546,709		72,317,737	
43	**SGS Transport**					
44	Base Rate Revenue				15,402,036	
45	STAS				8,553	
46	Supplier Choice Rider				440	
47	DSIC				771,620	
48	TRS				(94,848)	
49	Gas Cost				2,545,198	
50	Total SGS Transport	122,154	3,066,503		18,632,999	
51	**MGS Transport**					
52	Base Rate Revenue				50,253,368	
53	STAS				32,183	
54	DSIC				2,534,035	
55	TRS				(311,484)	
56	Gas Cost				10,329,819	
57	Total MGS Transport	38,991	12,445,565		62,837,921	
58	**LGS Transport**					
59	Base Rate Revenue				63,507,130	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		76,875,687	
65	**Transport**					
66	Base Rate Revenue				179,240,631	
67	STAS				133,347	
68	Supplier Choice Rider				3,660	
69	Rider USP				7,171,920	
70	Merchant Function Charge				268,415	
71	DSIC				11,363,866	
72	TRS				(1,350,892)	
73	Gas Cost				33,833,397	
74	Total Transport	1,058,444	72,372,913		230,664,345	
75	Residential Sales Revenue	6,896,627	49,274,074		822,360,393	
76	Commercial and Industrial Sales	484,386	11,025,318		144,766,491	
77	Sales for Resale				36,073	
78	Forfeited Discounts				7,097,201	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				8,428,368	
81	Revs from Transp of Gas of Others thru Distri Fac.	1,058,444	72,372,913		230,664,345	
82	Rent from Gas Property				219,899	
83	Other Gas Revenues				238,642	
84	Provision for Rate Refunds				-	
85	Total	8,439,457	132,672,304		1,214,936,425	

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,509,428		16.80	109,358,384	
4	DSIC Rider	6,509,428		0.84	5,467,919	
5	Supplier Choice Rider	6,509,428		0.00	23,434	
6	TRS Rider	6,509,428		(0.10)	(672,117)	
7	Subtotal - Customer Charge				114,177,621	
8	Delivery Charge					
9	Base Rate Delivery		45,956,529	5.3537	246,037,467	
10	Universal Service Rider		45,956,529	-	-	
11	Rider GPC - Gas Procurement Charge		45,956,529	0.0865	3,975,240	
12	DSIC Rider		45,956,529	0.3353	15,408,305	
13	TRS Rider		45,956,529	(0.0329)	(1,512,146)	
14	Subtotal - Delivery				263,908,866	
15	STAS		45,956,529	0.0037	170,039	
16	Subtotal Customer Charge and Delivery Revenue				378,256,526	
17	Gas Cost		45,956,529	7.7219	354,871,219	
18	Merchant Function Charge		45,956,529	0.1699	7,808,014	
19	Total Residential Sales	6,509,428	45,956,529		740,935,759	16.122535
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	468,120		16.8000	7,864,416	
23	DSIC Rider	468,120		0.8400	393,221	
24	Supplier Choice Rider	468,120		-	-	
25	TRS Rider	468,120		(0.1033)	(48,335)	
26	Subtotal - Customer Charge				8,209,302	
27	Delivery Charge					
28	Base Rate Delivery		4,124,153	5.3537	22,079,476	
29	Cap Credit		4,124,153	-	-	
30	Rider GPC - Gas Procurement Charge		4,124,153	0.0865	356,739	
31	DSIC Rider		4,124,153	0.3353	1,382,746	
32	TRS Rider		4,124,153	(0.0329)	(135,700)	
33	Subtotal - Delivery				23,683,260	
34	STAS		4,124,153	0.0037	15,259	
35	Subtotal Customer Charge and Delivery Revenue				31,907,822	
36	Gas Cost		4,124,153	7.7219	31,846,249	
37	Merchant Function Charge		4,124,153	0.1699	700,694	
38	Total Residential CAP Sales	468,120	4,124,153		64,454,764	15.628608
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	425,507		22.0000	9,361,164	
42	DSIC Rider	425,507		1.1000	468,058	
43	Supplier Choice Rider	425,507		0.0036	1,532	
44	TRS Rider	425,507		(0.1352)	(57,534)	
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,773,220	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	34,878		44.0000	1,534,651	
48	DSIC Rider	34,878		2.2000	76,733	
49	Supplier Choice Rider	34,878		0.0036	126	
50	TRS Rider	34,878		(0.2704)	(9,432)	
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,602,077	
52	Delivery Charge					
53	Base Rate Delivery		7,033,597	3.9844	28,024,665	
54	Rider GPC - Gas Procurement Charge		7,033,597	0.0865	608,406	
55	DSIC Rider		7,033,597	0.2048	1,440,657	
56	TRS Rider		7,033,597	(0.0245)	(172,240)	
57	Subtotal - Delivery				29,901,488	
58	STAS		7,033,597	0.0028	19,694	
59	Subtotal Customer Charge and Delivery Revenue				41,296,480	
60	Gas Cost		7,033,597	7.7219	54,312,658	
61	Merchant Function Charge		7,033,597	0.0256	180,060	
62	Total Commercial SGS Sales	460,386	7,033,597		95,789,198	13.618806

136,950,792	Fixed Charge	
865,975,774	Total Charge	
729,024,983	Volumetric Charge	

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.10	432	
5	Supplier Choice Rider	393		0.00	1	
6	TRS Rider	393		(0.14)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.20	477	
11	Supplier Choice Rider	217		0.00	1	
12	TRS Rider	217		(0.27)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.98	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.09	2,799	
17	DSIC Rider		32,361	0.20	6,628	
18	TRS Rider		32,361	(0.02)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.00	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.72	249,884	
23	Merchant Function Charge		32,361	0.03	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,146		101.00	1,630,749	
28	DSIC Rider	16,146		5.05	81,537	
29	TRS Rider	16,146		(0.62)	(10,023)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,702,264	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,111		145.00	596,124	
33	DSIC Rider	4,111		7.25	29,806	
34	TRS Rider	4,111		(0.89)	(3,664)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				622,267	
36	Delivery Charge					
37	Base Rate Delivery		3,404,167	3.69	12,575,332	
38	Rider GPC - Gas Procurement Charge		3,404,167	0.09	294,460	
39	DSIC Rider		3,404,167	0.19	647,847	
40	TRS Rider		3,404,167	(0.02)	(77,288)	
41	Subtotal - Delivery				13,440,352	
42	STAS		3,404,167	0.00	8,803	
43	Subtotal Customer Charge and Delivery Revenue				15,773,685	
44	Gas Cost		3,404,167	7.72	26,286,598	
45	Merchant Function Charge		3,404,167	0.03	87,147	
46	Total Commercial MGS Sales	20,257	3,404,167		42,147,429	12.381130
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.69	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.09	15,713	
61	DSIC Rider		181,655	0.19	34,571	
62	TRS Rider		181,655	(0.02)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.00	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.72	1,402,717	
67	Merchant Function Charge		181,655	0.03	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.64	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.09	27,221	
15	DSIC Rider		314,695	0.14	43,241	
16	TRS Rider		314,695	(0.02)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.00	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.55	2,375,284	
21	Merchant Function Charge		314,695	0.03	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.754772
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.09	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.55	135,037	
48	Merchant Function Charge		17,891	0.03	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.315456
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				385,339,743	
53	STAS				185,299	
54	Supplier Choice Rider				23,434	
55	Universal Services Program				-	
56	Merchant Function Charge				8,508,708	
57	Gas Procurement Charge				4,331,979	
58	DSIC				22,652,191	
59	TRS				(2,368,298)	
60	Gas Cost				386,717,468	
61	Total Residential Sales	6,977,548	50,080,681		805,390,523	
62	**SGS Sales**					
63	Base Rate Revenue				39,067,611	
64	STAS				19,785	
65	Supplier Choice Rider				1,660	
66	Merchant Function Charge				180,889	
67	Gas Procurement Charge				611,205	
68	DSIC				1,992,985	
69	TRS				(240,110)	
70	Gas Cost				54,562,542	
71	Total SGS Sales	460,996	7,065,958		96,196,567	
72	**MGS Sales**					
73	Base Rate Revenue				15,541,491	
74	STAS				9,272	
75	Merchant Function Charge				91,797	
76	Gas Procurement Charge				310,174	
77	DSIC				797,173	
78	TRS				(95,518)	
79	Gas Cost				27,689,315	
80	Total MGS Sales	20,808	3,585,821		44,343,704	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,686,946	
92	STAS				29,671	
93	Supplier Choice Rider				1,660	
94	Merchant Function Charge				281,200	
95	Gas Procurement Charge				950,148	
96	DSIC				2,846,051	
97	TRS				(342,252)	
98	Gas Cost				84,762,178	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,953	10,984,365		144,215,601	
100	**Total Tariff Sales**					
101	Base Rate Revenue				441,026,690	
102	STAS				214,969	
103	Supplier Choice Rider				25,094	
104	Universal Services Program				-	
105	Merchant Function Charge				8,789,907	
106	Gas Procurement Charge				5,282,126	
107	DSIC				25,498,241	
108	TRS				(2,710,550)	
109	Gas Cost				471,479,646	
110	Total Tariff Sales	7,459,501	61,065,046		949,606,124	

Blended rate used to account for multiple LGS Usage Tiers

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	830,307		16.80	13,949,154	
4	DSIC Rider	830,307		0.84	697,458	
5	Supplier Choice Rider	830,307		0.00	2,989	
6	TRS Rider	830,307		(0.10)	(85,731)	
7	Subtotal - Customer Charge				14,563,869	
8	Delivery Charge:					
9	Base Rate Delivery		6,092,234	5.35	32,615,993	
10	Universal Service Rider		6,092,234	-	-	
11	DSIC Rider		6,092,234	0.32	1,976,991	
12	TRS Rider		6,092,234	(0.03)	(200,458)	
13	Subtotal - Delivery				34,392,526	
14	STAS		6,092,234	0.00	22,541	
15	Subtotal Customer Charge and Delivery Revenue				48,978,936	
16	Gas Cost		6,092,234	1.86	11,356,533	
17	Merchant Function Charge		6,092,234	0.04	249,782	
18	Total Residential Transport	830,307	6,092,234		60,585,251	9.944669
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	99,910		22.00	2,198,021	
22	DSIC Rider	99,910		1.10	109,901	
23	Supplier Choice Rider	99,910		0.00	360	
24	TRS Rider	99,910		(0.14)	(13,509)	
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,294,773	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	24,578		44.00	1,081,426	
28	DSIC Rider	24,578		2.20	54,071	
29	Supplier Choice Rider	24,578		0.00	88	
30	TRS Rider	24,578		(0.27)	(6,646)	
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,128,940	
32	Delivery Charge:					
33	Base Rate Delivery		3,113,845	3.98	12,406,803	
34	Negotiated Delivery		3,601	0.14	487	
35	DSIC Rider		3,117,446	0.20	621,058	
36	TRS Rider		3,117,446	(0.02)	(76,340)	
37	Subtotal - Delivery				12,952,007	
38	STAS		3,117,446	0.00	8,695	
39	Subtotal Customer Charge and Delivery Revenue				16,384,414	
40	Gas Cost		3,117,446	0.83	2,587,480	
41	Total Commercial SGS Transport	124,488	3,117,446		18,971,894	6.085718
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	419		22.00	9,218	
45	DSIC Rider	419		1.10	461	
46	Supplier Choice Rider	419		0.00	2	
47	TRS Rider	419		(0.14)	(57)	
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	98		44.00	4,312	
51	DSIC Rider	98		2.20	216	
52	Supplier Choice Rider	98		0.00	0	
53	TRS Rider	98		(0.27)	(27)	
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.98	65,666	
57	Negotiated Delivery		3,970	0.09	357	
58	DSIC Rider		20,451	0.20	4,074	
59	TRS Rider		20,451	(0.02)	(501)	
60	Subtotal - Delivery				69,597	
61	STAS		20,451	0.00	57	
62	Subtotal Customer Charge and Delivery Revenue				83,780	
63	Gas Cost		20,451	0.83	16,974	
64	Total Industrial SGS Transport	517	20,451		100,754	4.926567

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,344		101.00	2,155,723	
4	DSIC Rider	21,344		5.05	107,786	
5	TRS Rider	21,344		(0.62)	(13,249)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,250,260	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,217		145.00	2,351,523	
9	DSIC Rider	16,217		7.25	117,576	
10	TRS Rider	16,217		(0.89)	(14,452)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,454,646	
12	Delivery Charge:					
13	Base Rate Delivery		11,135,305	3.69	41,134,929	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,170,318	0.18	2,063,214	
16	TRS Rider		11,170,318	(0.02)	(253,610)	
17	Subtotal - Delivery				42,966,211	
18	STAS		11,170,318	0.00	28,885	
19	Subtotal Customer Charge and Delivery Revenue				47,700,002	
20	Gas Cost		11,170,318	0.83	9,271,364	
21	Total Commercial MGS Transport	37,561	11,170,318		56,971,366	5.100246
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.00	33,835	
25	DSIC Rider	335		5.05	1,692	
26	TRS Rider	335		(0.62)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.00	175,740	
30	DSIC Rider	1,212		7.25	8,787	
31	TRS Rider	1,212		(0.89)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.69	4,491,811	
35	Negotiated Delivery		94,157	0.30	28,157	
36	DSIC Rider		1,310,099	0.18	241,982	
37	TRS Rider		1,310,099	(0.02)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.00	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.83	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.00	629,800	
46	DSIC Rider	670		47.00	31,490	
47	TRS Rider	670		(5.78)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.00	562,560	
51	DSIC Rider	384		73.25	28,128	
52	TRS Rider	384		(9.00)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.00	332,280	
56	DSIC Rider	156		106.50	16,614	
57	TRS Rider	156		(13.09)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.00	270,240	
61	DSIC Rider	48		281.50	13,512	
62	TRS Rider	48		(34.60)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,530,272	2.4747	18,635,391	
66	Negotiated Delivery		171,195	1.81	310,474	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,824,847	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,711,781	
72	Gas Cost		7,701,467	0.17	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		23,051,837	2.993175

Blended rate used to account for multiple LGS Usage Tiers

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended November 30, 2026

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.00	331,820	
4	DSIC Rider	353		47.00	16,591	
5	TRS Rider	353		(5.78)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.00	517,145	
9	DSIC Rider	353		73.25	25,857	
10	TRS Rider	353		(9.00)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.00	592,140	
14	DSIC Rider	278		106.50	29,607	
15	TRS Rider	278		(13.09)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.00	2,674,250	
19	DSIC Rider	475		281.50	133,713	
20	TRS Rider	475		(34.60)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2615	7,335,826	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,176,636	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,527,513	
30	Gas Cost		42,612,668	0.1740	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,942,117	1.265870
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				46,565,147	
35	STAS				22,541	
36	Supplier Choice Rider				2,989	
37	Rider USP				-	
38	Merchant Function Charge				249,782	
39	DSIC				2,674,449	
40	TRS				(286,189)	
41	Gas Cost				11,356,533	
42	Total Residential Transport	830,307	6,092,234		60,585,251	
43	**SGS Transport**					
44	Base Rate Revenue				15,766,291	
45	STAS				8,752	
46	Supplier Choice Rider				450	
47	DSIC				789,781	
48	TRS				(97,080)	
49	Gas Cost				2,604,454	
50	Total SGS Transport	125,005	3,137,897		19,072,648	
51	**MGS Transport**					
52	Base Rate Revenue				50,393,396	
53	STAS				32,273	
54	DSIC				2,541,036	
55	TRS				(312,344)	
56	Gas Cost				10,358,746	
57	Total MGS Transport	39,108	12,480,417		63,013,107	
58	**LGS Transport**					
59	Base Rate Revenue				63,625,397	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		76,993,954	
65	**Transport**					
66	Base Rate Revenue				176,350,232	
67	STAS				131,955	
68	Supplier Choice Rider				3,439	
69	Rider USP				-	
70	Merchant Function Charge				249,782	
71	DSIC				11,187,555	
72	TRS				(1,332,394)	
73	Gas Cost				33,074,393	
74	Total Transport	997,137	72,024,683		219,664,961	
75	Residential Sales Revenue	6,977,548	50,080,681		805,390,523	
76	Commercial and Industrial Sales	481,953	10,984,365		144,215,601	
77	Sales for Resale				36,073	
78	Forfeited Discounts				6,928,212	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				8,008,233	
81	Revs from Transp of Gas of Others thru Distri Fac.	997,137	72,024,683		219,664,961	
82	Rent from Gas Property				206,179	
83	Other Gas Revenues				(104,884)	
84	Provision for Rate Refunds				-	
85	Total	8,456,638	133,089,729		1,185,469,911	

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate		
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)		
			Mcf	$/Mcf	$	$/Mcf		
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*					
1	**Residential Sales**							
2	Customer Charge							
3	Service Charge	6,587,212		16.80	110,665,160		6	
4	DSIC Rider	6,587,212		0.84	5,533,258			
5	Supplier Choice Rider	6,587,212		0.00	23,714			
6	TRS Rider	6,587,212		(0.10)	(680,148)			
7	Subtotal - Customer Charge				115,541,984		137,328,222	Fixed Charge
8	Delivery Charge						867,056,181	Total Charge
9	Base Rate Delivery		46,273,106	5.35	247,732,328	50,900,417	729,727,959	Volumetric Charge
10	Universal Service Rider		46,273,106	-	-			
11	Rider GPC - Gas Procurement Charge		46,273,106	0.09	4,002,624			
12	DSIC Rider		46,273,106	0.34	15,514,447			
13	TRS Rider		46,273,106	(0.03)	(1,522,563)			
14	Subtotal - Delivery				265,726,836			
15	STAS		46,273,106	0.00	171,210			
16	Subtotal Customer Charge and Delivery Revenue				381,440,030			
17	Gas Cost		46,273,106	7.72	357,315,794			
18	Merchant Function Charge		46,273,106	0.17	7,861,801			
19	Total Residential Sales	6,587,212	46,273,106		746,617,626	16.135023		
20	**Residential CAP Sales**							
21	Customer Charge							
22	Service Charge	468,120		16.80	7,864,416			
23	DSIC Rider	468,120		0.84	393,221			
24	Supplier Choice Rider	468,120		-	-			
25	TRS Rider	468,120		(0.10)	(48,335)			
26	Subtotal - Customer Charge				8,209,302			
27	Delivery Charge						22,816,756	
28	Base Rate Delivery		4,103,527	5.35	21,969,054	4,513,880		
29	Cap Credit		4,103,527	-	-			
30	Rider GPC - Gas Procurement Charge		4,103,527	0.09	354,955			
31	DSIC Rider		4,103,527	0.34	1,375,831			
32	TRS Rider		4,103,527	(0.03)	(135,022)			
33	Subtotal - Delivery				23,564,818			
34	STAS		4,103,527	0.00	15,183			
35	Subtotal Customer Charge and Delivery Revenue				31,789,303			
36	Gas Cost		4,103,527	7.72	31,686,983			
37	Merchant Function Charge		4,103,527	0.17	697,189			
38	Total Residential CAP Sales	468,120	4,103,527		64,173,475	15.638613		
39	**Commercial SGS Sales**							
40	Customer Charge (0 - 499 Mcf/Yr)							
41	Service Charge	425,015		22.00	9,350,338			
42	DSIC Rider	425,015		1.10	467,517			
43	Supplier Choice Rider	425,015		0.00	1,530			
44	TRS Rider	425,015		(0.14)	(57,467)			
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,761,918			
46	Customer Charge (500 - 999 Mcf/Yr)							
47	Service Charge	34,838		44.00	1,532,876			
48	DSIC Rider	34,838		2.20	76,644			
49	Supplier Choice Rider	34,838		0.00	125			
50	TRS Rider	34,838		(0.27)	(9,421)			
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,600,225			
52	Delivery Charge							
53	Base Rate Delivery		7,025,463	3.98	27,992,254			
54	Rider GPC - Gas Procurement Charge		7,025,463	0.09	607,703			
55	DSIC Rider		7,025,463	0.20	1,438,990			
56	TRS Rider		7,025,463	(0.02)	(172,040)			
57	Subtotal - Delivery				29,866,907			
58	STAS		7,025,463	0.00	19,671			
59	Subtotal Customer Charge and Delivery Revenue				41,248,721			
60	Gas Cost		7,025,463	7.72	54,249,846			
61	Merchant Function Charge		7,025,463	0.03	179,852			
62	Total Commercial SGS Sales	459,853	7,025,463		95,678,418	13.618806		

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		22.00	8,646	
4	DSIC Rider	393		1.10	432	
5	Supplier Choice Rider	393		0.00	1	
6	TRS Rider	393		(0.14)	(53)	
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,027	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	217		44.00	9,548	
10	DSIC Rider	217		2.20	477	
11	Supplier Choice Rider	217		0.00	1	
12	TRS Rider	217		(0.27)	(59)	
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				9,967	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.98	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.09	2,799	
17	DSIC Rider		32,361	0.20	6,628	
18	TRS Rider		32,361	(0.02)	(792)	
19	Subtotal - Delivery				137,572	
20	STAS		32,361	0.00	91	
21	Subtotal Customer Charge and Delivery Revenue				156,657	
22	Gas Cost		32,361	7.72	249,884	
23	Merchant Function Charge		32,361	0.03	828	
24	Total Industrial SGS Sales	610	32,361		407,369	12.588478
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,193		101.00	1,635,467	
28	DSIC Rider	16,193		5.05	81,773	
29	TRS Rider	16,193		(0.62)	(10,052)	
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,707,188	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,123		145.00	597,849	
33	DSIC Rider	4,123		7.25	29,892	
34	TRS Rider	4,123		(0.89)	(3,674)	
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				624,067	
36	Delivery Charge					
37	Base Rate Delivery		3,414,015	3.69	12,611,713	
38	Rider GPC - Gas Procurement Charge		3,414,015	0.09	295,312	
39	DSIC Rider		3,414,015	0.19	649,721	
40	TRS Rider		3,414,015	(0.02)	(77,512)	
41	Subtotal - Delivery				13,479,235	
42	STAS		3,414,015	0.00	8,828	
43	Subtotal Customer Charge and Delivery Revenue				15,819,318	
44	Gas Cost		3,414,015	7.72	26,362,646	
45	Merchant Function Charge		3,414,015	0.03	87,399	
46	Total Commercial MGS Sales	20,316	3,414,015		42,269,363	12.381130
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		5.05	1,338	
51	TRS Rider	265		(0.62)	(164)	
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				27,939	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		7.25	2,074	
56	TRS Rider	286		(0.89)	(255)	
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				43,289	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.69	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.09	15,713	
61	DSIC Rider		181,655	0.19	34,571	
62	TRS Rider		181,655	(0.02)	(4,124)	
63	Subtotal - Delivery				717,210	
64	STAS		181,655	0.00	470	
65	Subtotal Customer Charge and Delivery Revenue				788,907	
66	Gas Cost		181,655	7.72	1,402,717	
67	Merchant Function Charge		181,655	0.03	4,650	
68	Total Industrial MGS Sales	551	181,655		2,196,275	12.090384

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		47.00	4,841	
5	TRS Rider	103		(5.78)	(595)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		73.25	220	
10	TRS Rider	3		(9.00)	(27)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,588	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.64	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.09	27,221	
15	DSIC Rider		314,695	0.14	43,241	
16	TRS Rider		314,695	(0.02)	(5,098)	
17	Subtotal - Delivery				894,900	
18	STAS		314,695	0.00	581	
19	Subtotal Customer Charge and Delivery Revenue				1,001,134	
20	Gas Cost		314,695	7.55	2,375,284	
21	Merchant Function Charge		314,695	0.03	8,056	
22	Total Commercial LGS Sales	106	314,695		3,384,474	10.754772
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		47.00	1,316	
27	TRS Rider	28		(5.78)	(162)	
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
29	Customer Charge (100000 - 199999 Mcf/Yr)					
30	Service Charge	3		2,130.00	6,390	
31	DSIC Rider	3		106.50	320	
32	TRS Rider	3		(13.09)	(39)	
33	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,670	
34	Customer Charge (>200000 Mcf/Yr)					
35	Service Charge	12		5,630.00	67,560	
36	DSIC Rider	12		281.50	3,378	
37	TRS Rider	12		(34.60)	(415)	
38	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,523	
39	Delivery Charge					
40	Base Rate Delivery		17,891	2.6172	46,823	
41	Rider GPC - Gas Procurement Charge		17,891	0.09	1,548	
42	DSIC Rider		17,891	0.1441	2,577	
43	TRS Rider		17,891	(0.0161)	(288)	
44	Subtotal - Delivery				50,660	
45	STAS		17,891	0.0018	33	
46	Subtotal Customer Charge and Delivery Revenue				84,837	
47	Gas Cost		17,891	7.55	135,037	
48	Merchant Function Charge		17,891	0.03	458	
49	Total Industrial LGS Sales	43	17,891		220,332	12.315456
50	**Tariff Sales Summary by Rate Class**					
51	**Residential Sales**					
52	Base Rate Revenue				388,230,958	
53	STAS				186,394	
54	Supplier Choice Rider				23,714	
55	Universal Services Program				-	
56	Merchant Function Charge				8,558,990	
57	Gas Procurement Charge				4,357,579	
58	DSIC				22,816,756	
59	TRS				(2,386,067)	
60	Gas Cost				389,002,777	
61	Total Residential Sales	7,055,332	50,376,633		810,791,101	
62	**SGS Sales**					
63	Base Rate Revenue				39,022,600	
64	STAS				19,762	
65	Supplier Choice Rider				1,658	
66	Merchant Function Charge				180,680	
67	Gas Procurement Charge				610,502	
68	DSIC				1,990,689	
69	TRS				(239,833)	
70	Gas Cost				54,499,730	
71	Total SGS Sales	460,463	7,057,823		96,085,788	
72	**MGS Sales**					
73	Base Rate Revenue				15,584,314	
74	STAS				9,298	
75	Merchant Function Charge				92,049	
76	Gas Procurement Charge				311,025	
77	DSIC				799,369	
78	TRS				(95,781)	
79	Gas Cost				27,765,363	
80	Total MGS Sales	20,867	3,595,670		44,465,638	
81	**LGS Sales**					
82	Base Rate Revenue				1,077,844	
83	STAS				613	
84	Merchant Function Charge				8,514	
85	Gas Procurement Charge				28,769	
86	DSIC				55,892	
87	TRS				(6,624)	
88	Gas Cost				2,510,321	
89	Total LGS Sales	149	332,586		3,675,329	
90	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
91	Base Rate Revenue				55,684,758	
92	STAS				29,673	
93	Supplier Choice Rider				1,658	
94	Merchant Function Charge				281,244	
95	Gas Procurement Charge				950,296	
96	DSIC				2,845,951	
97	TRS				(342,239)	
98	Gas Cost				84,775,414	
99	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,479	10,986,079		144,226,755	
100	**Total Tariff Sales**					
101	Base Rate Revenue				443,915,716	
102	STAS				216,067	
103	Supplier Choice Rider				25,372	
104	Universal Services Program				-	
105	Merchant Function Charge				8,840,234	
106	Gas Procurement Charge				5,307,875	
107	DSIC				25,662,707	
108	TRS				(2,728,306)	
109	Gas Cost				473,778,191	
110	Total Tariff Sales	7,536,811	61,362,712		955,017,856	

Blended rate used to account for multiple LGS Usage Tiers

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate	
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)	
			Mcf	$/Mcf	$	$/Mcf	
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*				
1	**Residential Transport**						
2	Customer Charge						
3	Service Charge	774,040		16.80	13,003,878		
4	DSIC Rider	774,040		0.84	650,194		
5	Supplier Choice Rider	774,040		0.00	2,787		
6	TRS Rider	774,040		(0.10)	(79,922)		
7	Subtotal - Customer Charge				13,576,936		
8	Delivery Charge:						
9	Base Rate Delivery		5,650,985	5.35	30,253,681	6,216,084	61,630,381
10	Universal Service Rider		5,650,985	-	-		
11	DSIC Rider		5,650,985	0.32	1,833,801		
12	TRS Rider		5,650,985	(0.03)	(185,939)		
13	Subtotal - Delivery				31,901,543		
14	STAS		5,650,985	0.00	20,909		
15	Subtotal Customer Charge and Delivery Revenue				45,499,388		
16	Gas Cost		5,650,985	1.86	10,534,002		
17	Merchant Function Charge		5,650,985	0.04	231,690		
18	Total Residential Transport	774,040	5,650,985		56,265,080	9.956685	
19	**Commercial SGS Transport**						
20	Customer Charge (0 - 499 Mcf/Yr)						
21	Service Charge	99,910		22.00	2,198,021		
22	DSIC Rider	99,910		1.10	109,901		
23	Supplier Choice Rider	99,910		0.00	360		
24	TRS Rider	99,910		(0.14)	(13,509)		
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,294,773		
26	Customer Charge (500 - 999 Mcf/Yr)						
27	Service Charge	24,578		44.00	1,081,426		
28	DSIC Rider	24,578		2.20	54,071		
29	Supplier Choice Rider	24,578		0.00	88		
30	TRS Rider	24,578		(0.27)	(6,646)		
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,128,940		
32	Delivery Charge:						
33	Base Rate Delivery		3,113,845	3.98	12,406,803		
34	Negotiated Delivery		3,601	0.1100	396		
35	DSIC Rider		3,117,446	0.20	621,058		
36	TRS Rider		3,117,446	(0.02)	(76,340)		
37	Subtotal - Delivery				12,951,916		
38	STAS		3,117,446	0.00	8,695		
39	Subtotal Customer Charge and Delivery Revenue				16,384,324		
40	Gas Cost		3,117,446	0.83	2,587,480		
41	Total Commercial SGS Transport	124,488	3,117,446		18,971,804	6.085689	
42	**Industrial SGS Transport**						
43	Customer Charge (0 - 499 Mcf/Yr)						
44	Service Charge	419		22.00	9,218		
45	DSIC Rider	419		1.10	461		
46	Supplier Choice Rider	419		0.00	2		
47	TRS Rider	419		(0.14)	(57)		
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,624		
49	Customer Charge (500 - 999 Mcf/Yr)						
50	Service Charge	98		44.00	4,312		
51	DSIC Rider	98		2.20	216		
52	Supplier Choice Rider	98		0.00	0		
53	TRS Rider	98		(0.27)	(27)		
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				4,501		
55	Delivery Charge:						
56	Base Rate Delivery		16,481	3.98	65,666		
57	Negotiated Delivery		3,970	0.0936	371		
58	DSIC Rider		20,451	0.20	4,074		
59	TRS Rider		20,451	(0.02)	(501)		
60	Subtotal - Delivery				69,611		
61	STAS		20,451	0.00	57		
62	Subtotal Customer Charge and Delivery Revenue				83,794		
63	Gas Cost		20,451	0.83	16,974		
64	Total Industrial SGS Transport	517	20,451		100,768	4.927250	

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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,089		101.00	2,129,993	
4	DSIC Rider	21,089		5.05	106,500	
5	TRS Rider	21,089		(0.62)	(13,091)	
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,223,401	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,024		145.00	2,323,455	
9	DSIC Rider	16,024		7.25	116,173	
10	TRS Rider	16,024		(0.89)	(14,280)	
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,425,348	
12	Delivery Charge:					
13	Base Rate Delivery		11,001,976	3.69	40,642,400	
14	Negotiated Delivery		35,014	0.6192	21,679	
15	DSIC Rider		11,036,990	0.18	2,038,587	
16	TRS Rider		11,036,990	(0.02)	(250,583)	
17	Subtotal - Delivery				42,452,083	
18	STAS		11,036,990	0.00	28,540	
19	Subtotal Customer Charge and Delivery Revenue				47,129,372	
20	Gas Cost		11,036,990	0.83	9,160,701	
21	Total Commercial MGS Transport	37,113	11,036,990		56,290,074	5.100129
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.00	33,835	
25	DSIC Rider	335		5.05	1,692	
26	TRS Rider	335		(0.62)	(208)	
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				35,319	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,212		145.00	175,740	
30	DSIC Rider	1,212		7.25	8,787	
31	TRS Rider	1,212		(0.89)	(1,080)	
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,447	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	3.69	4,491,811	
35	Negotiated Delivery		94,157	0.2990	28,157	
36	DSIC Rider		1,310,099	0.18	241,982	
37	TRS Rider		1,310,099	(0.02)	(29,744)	
38	Subtotal - Delivery				4,732,206	
39	STAS		1,310,099	0.00	3,388	
40	Subtotal Customer Charge and Delivery Revenue				4,954,359	
41	Gas Cost		1,310,099	0.83	1,087,382	
42	Total Industrial MGS Transport	1,547	1,310,099		6,041,741	4.611668
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.00	629,800	
46	DSIC Rider	670		47.00	31,490	
47	TRS Rider	670		(5.78)	(3,871)	
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.00	562,560	
51	DSIC Rider	384		73.25	28,128	
52	TRS Rider	384		(9.00)	(3,457)	
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,231	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.00	332,280	
56	DSIC Rider	156		106.50	16,614	
57	TRS Rider	156		(13.09)	(2,042)	
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,852	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.00	270,240	
61	DSIC Rider	48		281.50	13,512	
62	TRS Rider	48		(34.60)	(1,661)	
63	Subtotal - Customer Charge (>200000 Mcf/Year)				282,091	
64	Delivery Charge:					
65	Base Rate Delivery		7,530,272	2.4747	18,635,391	
66	Negotiated Delivery		171,195	2.3379	400,232	
67	DSIC Rider		7,701,467	0.1293	996,119	
68	TRS Rider		7,701,467	(0.0152)	(117,137)	
69	Subtotal - Delivery				19,914,605	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				21,801,539	
72	Gas Cost		7,701,467	0.17	1,340,055	
73	Total Commercial LGS Transport	1,258	7,701,467		23,141,595	3.004829

Blended rate used to account for multiple LGS Usage Tiers

Exhibit No. 3, Schedule No. 15
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Peoples Natural Gas Company LLC
Revenue @ Current Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		940.00	331,820	
4	DSIC Rider	353		47.00	16,591	
5	TRS Rider	353		(5.78)	(2,039)	
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	353		1,465.00	517,145	
9	DSIC Rider	353		73.25	25,857	
10	TRS Rider	353		(9.00)	(3,178)	
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,824	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	278		2,130.00	592,140	
14	DSIC Rider	278		106.50	29,607	
15	TRS Rider	278		(13.09)	(3,639)	
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,108	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	475		5,630.00	2,674,250	
19	DSIC Rider	475		281.50	133,713	
20	TRS Rider	475		(34.60)	(16,436)	
21	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,527	
22	Delivery Charge:					
23	Base Rate Delivery		14,561,971	2.1586	31,433,471	
24	Negotiated Delivery		28,050,697	0.2634	7,389,894	
25	DSIC Rider		42,612,668	0.0913	3,890,658	
26	TRS Rider		42,612,668	(0.0113)	(483,320)	
27	Subtotal - Delivery				42,230,703	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				46,581,581	
30	Gas Cost		42,612,668	0.17	7,414,604	
31	Total Industrial LGS Transport	1,459	42,612,668		53,996,185	1.267139
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				43,257,559	
35	STAS				20,909	
36	Supplier Choice Rider				2,787	
37	Rider USP				-	
38	Merchant Function Charge				231,690	
39	DSIC				2,483,995	
40	TRS				(265,861)	
41	Gas Cost				10,534,002	
42	Total Residential Transport	774,040	5,650,985		56,265,080	
43	**SGS Transport**					
44	Base Rate Revenue				15,766,215	
45	STAS				8,752	
46	Supplier Choice Rider				450	
47	DSIC				789,781	
48	TRS				(97,080)	
49	Gas Cost				2,604,454	
50	Total SGS Transport	125,005	3,137,897		19,072,572	
51	**MGS Transport**					
52	Base Rate Revenue				49,847,070	
53	STAS				31,928	
54	DSIC				2,513,720	
55	TRS				(308,986)	
56	Gas Cost				10,248,083	
57	Total MGS Transport	38,660	12,347,088		62,331,814	
58	**LGS Transport**					
59	Base Rate Revenue				63,769,223	
60	STAS				68,389	
61	DSIC				5,182,289	
62	TRS				(636,781)	
63	Gas Cost				8,754,659	
64	Total LGS Transport	2,717	50,314,135		77,137,780	
65	**Transport**					
66	Base Rate Revenue				172,640,066	
67	STAS				129,978	
68	Supplier Choice Rider				3,237	
69	Rider USP				-	
70	Merchant Function Charge				231,690	
71	DSIC				10,969,785	
72	TRS				(1,308,708)	
73	Gas Cost				32,141,199	
74	Total Transport	940,422	71,450,106		214,807,247	
75	Residential Sales Revenue	7,055,332	50,376,633		810,791,101	
76	Commercial and Industrial Sales	481,479	10,986,079		144,226,755	
77	Sales for Resale				36,073	
78	Forfeited Discounts				6,931,495	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				7,404,749	
81	Revs from Transp of Gas of Others thru Distri Fac.	940,422	71,450,106		214,807,247	
82	Rent from Gas Property				206,179	
83	Other Gas Revenues				(708,368)	
84	Provision for Rate Refunds				-	
85	Total	8,477,233	132,812,818		1,184,820,244	

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Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,587,212		26.00	171,267,510	
4	Supplier Choice Rider	6,587,212		0.0036	23,714	
5	Rider TRS	6,587,212		(0.1033)	(680,148)	
6	Subtotal - Customer Charge				170,611,076	
7	Delivery Charge					
8	Base Rate Delivery		46,273,106	6.6359	307,063,704	
9	Universal Service Rider		46,273,106	0.0054	249,875	
10	Rider GPC - Gas Procurement Charge		46,273,106	0.0984	4,553,274	
11	Rider TRS		46,273,106	(0.0329)	(1,522,563)	
12	Subtotal - Delivery		46,273,106		310,344,290	
13	Subtotal Customer Charge and Delivery Revenue				480,955,366	
14	Gas Cost		46,273,106	7.7219	357,315,794	
15	Merchant Function Charge		46,273,106	0.1490	6,896,195	
16	Total Residential Sales	6,587,212	46,273,106		845,167,355	18.264764
17	**Residential CAP Sales**					
18	Customer Charge					
19	Service Charge	468,120		26.00	12,171,120	
20	Supplier Choice Rider	468,120		-	-	
21	Rider TRS	468,120		(0.1033)	(48,335)	
22	Subtotal - Customer Charge				12,122,785	
23	Delivery Charge					
24	Base Rate Delivery		4,103,527	6.6359	27,230,597	
25	Cap Credit		4,103,527	-	-	
26	Rider GPC - Gas Procurement Charge		4,103,527	0.0984	403,787	
27	Rider TRS		4,103,527	(0.0329)	(135,022)	
28	Subtotal - Delivery		4,103,527		27,499,362	
29	Subtotal Customer Charge and Delivery Revenue				39,622,147	
30	Gas Cost		4,103,527	7.7219	31,686,983	
31	Merchant Function Charge		4,103,527	0.1490	611,559	
32	Total Residential CAP Sales	468,120	4,103,527		71,920,689	17.526553
33	**Commercial SGS Sales**					
34	Customer Charge (0 - 499 Mcf/Yr)					
35	Service Charge	425,015		32.14	13,659,994	
36	Supplier Choice Rider	425,015		0.0036	1,530	
37	Rider TRS	425,015		(0.1352)	(57,467)	
38	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				13,604,057	
39	Customer Charge (500 - 999 Mcf/Yr)					
40	Service Charge	34,838		64.28	2,239,393	
41	Supplier Choice Rider	34,838		0.0036	125	
42	TRS Rider	34,838		(0.2704)	(9,421)	
43	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				2,230,097	
44	Delivery Charge					
45	Base Rate Delivery		7,025,463	5.7095	40,111,881	
46	Rider GPC - Gas Procurement Charge		7,025,463	0.0984	691,306	
47	Rider TRS		7,025,463	(0.0245)	(172,040)	
48	Subtotal - Delivery		7,025,463		40,631,146	
49	Subtotal Customer Charge and Delivery Revenue				56,465,300	
50	Gas Cost		7,025,463	7.7219	54,249,846	
51	Merchant Function Charge		7,025,463	0.0327	229,640	
52	Total Commercial SGS Sales	459,853	7,025,463		110,944,785	15.791811

202,781,775	Fixed Charge	
985,217,217	Total Charge	
782,435,442	Volumetric Charge	

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	393		32.14	12,631	
4	Supplier Choice Rider	393		0.0036	1	
5	Rider TRS	393		(0.1352)	(53)	
6	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				12,579	
7	Customer Charge (500 - 999 Mcf/Yr)					
8	Service Charge	217		64.28	13,949	
9	Supplier Choice Rider	217		0.0036	1	
10	Rider TRS	217		(0.2704)	(59)	
11	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				13,891	
12	Delivery Charge					
13	Base Rate Delivery		32,361	5.7095	184,762	
14	Rider GPC - Gas Procurement Charge		32,361	0.0984	3,184	
15	Rider TRS		32,361	(0.0245)	(792)	
16	Subtotal - Delivery		32,361		187,154	
17	Subtotal Customer Charge and Delivery Revenue				213,624	
18	Gas Cost		32,361	7.7219	249,884	
19	Merchant Function Charge		32,361	0.0327	1,058	
20	Total Industrial SGS Sales	610	32,361		464,566	14.355965
21	**Commercial MGS Sales**					
22	Customer Charge (1000 - 2499 Mcf/Yr)					
23	Service Charge	16,193		110.00	1,781,201	
24	Rider TRS	16,193		(0.6207)	(10,052)	
25	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,771,150	
26	Customer Charge (2500 - 24999 Mcf/Yr)					
27	Service Charge	4,123		158.00	651,449	
28	Rider TRS	4,123		(0.8912)	(3,674)	
29	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				647,775	
30	Delivery Charge					
31	Base Rate Delivery		3,414,015	5.2072	17,777,459	
32	Rider GPC - Gas Procurement Charge		3,414,015	0.0984	335,939	
33	Rider TRS		3,414,015	(0.0227)	(77,512)	
34	Subtotal - Delivery		3,414,015		18,035,887	
35	Subtotal Customer Charge and Delivery Revenue				20,454,811	
36	Gas Cost		3,414,015	7.7219	26,362,646	
37	Merchant Function Charge		3,414,015	0.0327	111,593	
38	Total Commercial MGS Sales	20,316	3,414,015		46,929,050	13.746000
39	**Industrial MGS Sales**					
40	Customer Charge (1000 - 2499 Mcf/Yr)					
41	Service Charge	265		110.00	29,150	
42	Rider TRS	265		(0.6207)	(164)	
43	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				28,986	
44	Customer Charge (2500 - 24999 Mcf/Yr)					
45	Service Charge	286		158.00	45,188	
46	Rider TRS	286		(0.8912)	(255)	
47	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				44,933	
48	Delivery Charge					
49	Base Rate Delivery		181,655	5.2072	945,912	
50	Rider GPC - Gas Procurement Charge		181,655	0.0984	17,875	
51	Rider TRS		181,655	(0.0227)	(4,124)	
52	Subtotal - Delivery		181,655		959,663	
53	Subtotal Customer Charge and Delivery Revenue				1,033,582	
54	Gas Cost		181,655	7.7219	1,402,717	
55	Merchant Function Charge		181,655	0.0327	5,938	
56	Total Industrial MGS Sales	551	181,655		2,442,237	13.444390

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		987.00	101,661	
4	Rider TRS	103		(5.7772)	(595)	
5	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				101,066	
6	Customer Charge (50000 - 99999 Mcf/Yr)					
7	Service Charge	3		1,538.00	4,614	
8	Rider TRS	3		(9.0039)	(27)	
9	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,587	
10	Delivery Charge					
11	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		314,695	2.9451	926,809	
12	Rider GPC - Gas Procurement Charge		314,695	0.0984	30,966	
13	Rider TRS		314,695	(0.0162)	(5,098)	
14	Subtotal - Delivery		314,695		952,676	
15	Subtotal Customer Charge and Delivery Revenue				1,058,329	
16	Gas Cost		314,695	7.5479	2,375,284	
17	Merchant Function Charge		314,695	0.0327	10,286	
18	Total Commercial LGS Sales	106	314,695		3,443,899	10.943606
19	**Industrial LGS Sales**					
20	Customer Charge (25000 - 49999 Mcf/Yr)					
21	Service Charge	28		987.00	27,636	
22	Rider TRS	28		(5.7772)	(162)	
23	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				27,474	
24	Customer Charge (100000 - 199999 Mcf/Yr)					
25	Service Charge	3		2,237.00	6,711	
26	Rider TRS	3		(13.0910)	(39)	
27	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				6,672	
28	Customer Charge (>200000 Mcf/Yr)					
29	Service Charge	12		5,912.00	70,944	
30	TRS Rider	12		(13.0910)	(157)	
31	Subtotal - Customer Charge (>200000 Mcf/Yr)				70,787	
32	Delivery Charge					
33	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		17,128	2.9451	50,445	
34	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		762	2.8512	2,173	
35	Rider GPC - Gas Procurement Charge		17,891	0.0984	1,760	
36	Rider TRS		17,891	(0.0161)	(288)	
37	Subtotal - Delivery		17,891		54,091	
38	Subtotal Customer Charge and Delivery Revenue				88,237	
39	Gas Cost		17,891	7.5479	135,037	
40	Merchant Function Charge		17,891	0.0327	585	
41	Total Industrial LGS Sales	43	17,891		223,859	12.512577
42	**Tariff Sales Summary by Rate Class**					
43	**Residential Sales**					
44	Base Rate Revenue				517,732,931	
45	Supplier Choice Rider				23,714	
46	Rider TRS				(2,386,067)	
47	Universal Services Program				249,875	
48	Merchant Function Charge				7,507,754	
49	Gas Procurement Charge				4,957,061	
50	Gas Cost				389,002,777	
51	Total Residential Sales	7,055,332	50,376,633		917,088,044	
52	**SGS Sales**					
53	Base Rate Revenue				56,222,610	
54	Supplier Choice Rider				1,658	
55	Rider TRS				(239,833)	
56	Merchant Function Charge				230,697	
57	Gas Procurement Charge				694,490	
58	Gas Cost				54,499,730	
59	Total SGS Sales	460,463	7,057,823		111,409,351	
60	**MGS Sales**					
61	Base Rate Revenue				21,230,360	
62	Rider TRS				(95,781)	
63	Merchant Function Charge				117,531	
64	Gas Procurement Charge				353,814	
65	Gas Cost				27,765,363	
66	Total MGS Sales	20,867	3,595,670		49,371,286	
67	**LGS Sales**					
68	Base Rate Revenue				1,190,993	
69	Rider TRS				(6,366)	
70	Merchant Function Charge				10,871	
71	Gas Procurement Charge				32,726	
72	Gas Cost				2,510,321	
73	Total LGS Sales	149	332,586		3,738,545	
74	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
75	Base Rate Revenue				78,643,962	
76	Supplier Choice Rider				1,658	
77	Rider TRS				(341,980)	
78	Merchant Function Charge				359,099	
79	Gas Procurement Charge				1,081,030	
80	Gas Cost				84,775,414	
81	Total Commercial & Industrial Sales (Total SGS, MGS, LGS)	481,479	10,986,079		164,519,183	
82	**Total Tariff Sales**					
83	Base Rate Revenue				596,376,894	
84	Supplier Choice Rider				25,372	
85	Rider TRS				(2,728,048)	
86	Universal Services Program				249,875	
87	Merchant Function Charge				7,866,853	
88	Gas Procurement Charge				6,038,091	
89	Gas Cost				473,778,191	
90	Total Tariff Sales	7,536,811	61,362,712		1,081,607,227	

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Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate	
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)	
			Mcf	$/Mcf	$	$/Mcf	
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*				
1	**Residential Transport**						
2	Customer Charge						
3	Service Charge	774,040		26.00	20,125,049		191,392,559
4	Supplier Choice Rider	774,040		0.0036	2,787		26,501
	Rider TRS	774,040		(0.1033)	(79,922)		(760,070)
5	Subtotal - Customer Charge				20,047,913		190,658,989
6	Delivery Charge:						
7	Base Rate Delivery		5,650,985	6.6359	37,499,375		
8	Universal Service Rider		5,650,985	0.0054	30,515		
	Rider TRS		5,650,985	(0.0329)	(185,939)		
9	Subtotal - Delivery		5,650,985		37,343,951		
10	Subtotal Customer Charge and Delivery Revenue				57,391,864		
11	Gas Cost		5,650,985	1.8641	10,534,002		
12	Merchant Function Charge		5,650,985	0.0360	203,306		
13	Total Residential Transport	774,040	5,650,985		68,129,172	12.056158	
14	**Commercial SGS Transport**						
15	Customer Charge (0 - 499 Mcf/Yr)						
16	Service Charge	99,910		32.14	3,211,109		
17	Supplier Choice Rider	99,910		0.0036	360		
	Rider TRS	99,910		(0.1352)	(13,509)		
18	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				3,197,960		
19	Customer Charge (500 - 999 Mcf/Yr)						
20	Service Charge	24,578		64.28	1,579,866		
21	Supplier Choice Rider	24,578		0.0036	88		
	Rider TRS	24,578		(0.2704)	(6,646)		
22	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,573,308		
23	Delivery Charge:						
24	Base Rate Delivery		3,113,845	5.7095	17,778,496		
25	Negotiated Delivery		3,601	0.1100	396		
	Rider TRS		3,117,446	(0.0245)	(76,340)		
26	Subtotal - Delivery		3,117,446		17,702,552		
27	Subtotal Customer Charge and Delivery Revenue				22,473,820		
28	Gas Cost		3,117,446	0.8300	2,587,480		
29	Total Commercial SGS Transport	124,488	3,117,446		25,061,300	8.039049	
30	**Industrial SGS Transport**						
31	Customer Charge (0 - 499 Mcf/Yr)						
32	Service Charge	419		32.15	13,471		
33	Supplier Choice Rider	419		0.0036	2		
	Rider TRS	419		(0.1352)	(57)		
34	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				13,416		
35	Customer Charge (500 - 999 Mcf/Yr)						
36	Service Charge	98		64.28	6,299		
37	Supplier Choice Rider	98		0.0036	0		
	Rider TRS	98		(0.2704)	(27)		
38	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				6,273		
39	Delivery Charge:						
40	Base Rate Delivery		16,481	5.7186	94,248		
41	Negotiated Delivery		3,970	0.0936	371		
	Rider TRS		20,451	(0.0245)	(501)		
42	Subtotal - Delivery		20,451		94,118		
43	Subtotal Customer Charge and Delivery Revenue				113,807		
44	Gas Cost		20,451	0.8300	16,974		
45	Total Industrial SGS Transport	517	20,451		130,782	6.394823	

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	(Ex 3, Sch 15, Atch G)			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,089		110.00	2,319,794	
	Rider TRS	21,089		(0.6207)	(13,091)	
4	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,306,703	
5	Customer Charge (2500 - 24999 Mcf/Yr)					
6	Service Charge	16,024		158.00	2,531,765	
	Rider TRS	16,024		(0.8912)	(14,280)	
7	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,517,485	
8	Delivery Charge:					
9	Base Rate Delivery		11,001,976	5.2072	57,289,490	
10	Negotiated Delivery		35,014	0.6192	21,679	
	Rider TRS		11,036,990	(0.0227)	(250,583)	
11	Subtotal - Delivery		11,036,990		57,060,586	
12	Subtotal Customer Charge and Delivery Revenue				61,884,774	
13	Gas Cost		11,036,990	0.8300	9,160,701	
14	Total Commercial MGS Transport	37,113	11,036,990		71,045,475	6.437034
15	**Industrial MGS Transport**					
16	Customer Charge (1000 - 2499 Mcf/Yr)					
17	Service Charge	335		110.00	36,850	
	Rider TRS	335		(0.6207)	(208)	
18	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				36,642	
19	Customer Charge (2500 - 24999 Mcf/Yr)					
20	Service Charge	1,212		158.00	191,496	
	Rider TRS	1,212		(0.8912)	(1,080)	
21	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				190,416	
22	Delivery Charge:					
23	Base Rate Delivery		1,215,942	5.2072	6,331,653	
24	Negotiated Delivery		94,157	0.2990	28,157	
	Rider TRS		1,310,099	(0.0227)	(29,744)	
25	Subtotal - Delivery		1,310,099		6,330,066	
26	Subtotal Customer Charge and Delivery Revenue				6,557,124	
27	Gas Cost		1,310,099	0.8300	1,087,382	
28	Total Industrial MGS Transport	1,547	1,310,099		7,644,505	5.835061
29	**Commercial LGS Transport**					
30	Customer Charge (25000 - 49999 Mcf/Yr)					
31	Service Charge	670		987.00	661,290	
	Rider TRS	670		(5.7772)	(3,871)	
32	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				657,419	
33	Customer Charge (50000 - 99999 Mcf/Yr)					
34	Service Charge	384		1,538.00	590,592	
	Rider TRS	384		(9.0039)	(3,457)	
35	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				587,135	
36	Customer Charge (100000 - 199999 Mcf/Yr)					
37	Service Charge	156		2,237.00	348,972	
	Rider TRS	156		(13.0910)	(2,042)	
38	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				346,930	
39	Customer Charge (>200000 Mcf/Year)					
40	Service Charge	48		5,912.00	283,776	
	Rider TRS	48		(34.6020)	(1,661)	
41	Subtotal - Customer Charge (>200000 Mcf/Year)				282,115	
42	Delivery Charge:					
43	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		1,945,530	2.9451	5,729,780	
44	Base Rate Delivery - Consumption 50000-99999 Mcf/Yr		2,378,579	2.8512	6,781,805	
45	Base Rate Delivery - Consumption 100000-199999 Mcf/Yr		1,692,774	2.7189	4,602,483	
46	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		1,513,389	2.4509	3,709,165	
47	Base Rate Delivery - Consumption 750000-1999999 Mcf/Yr		-	2.1336	-	
48	Base Rate Delivery - Consumption >2000000 Mcf/Yr		-	1.6123	-	
49	Negotiated Delivery		171,195	2.3379	400,232	
	Rider TRS		7,701,467	(0.0152)	(117,137)	
50	Subtotal - Delivery		7,701,467		21,106,327	
51	Subtotal Customer Charge and Delivery Revenue				22,979,926	
52	Gas Cost		7,701,467	0.1740	1,340,055	
53	Total Commercial LGS Transport	1,258	7,701,467		24,319,981	3.157838

Amounts Removed (Negotiated)	
23952.7	
0	
147242.6	
171195.3	-

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Revenue @ Proposed Rates Based on Forecasted Bills and Volumes
For the 12 Months Ended December 31, 2027

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	353		987.00	348,411	
	Rider TRS	353		(5.7772)	(2,039)	
4	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				346,372	
5	Customer Charge (50000 - 99999 Mcf/Yr)					
6	Service Charge	353		1,538.00	542,914	
	Rider TRS	353		(9.0039)	(3,178)	
7	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				539,736	
8	Customer Charge (100000 - 199999 Mcf/Yr)					
9	Service Charge	278		2,237.00	621,886	
	Rider TRS	278		(13.09)	(3,639)	
10	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				618,247	
11	Customer Charge (>200000 Mcf/Year)					
12	Service Charge	475		5,912.00	2,808,200	
	Rider TRS	475		(34.6020)	(16,436)	
13	Subtotal - Customer Charge (>200000 Mcf/Year)				2,791,764	
14	Delivery Charge:					
15	Base Rate Delivery - Consumption 25000-49999 Mcf/Yr		1,277,708	2.9451	3,762,977	
16	Base Rate Delivery - Consumption 50000-99999 Mcf/Yr		1,466,279	2.8512	4,180,654	
17	Base Rate Delivery - Consumption 100000-199999 Mcf/Yr		3,336,684	2.7189	9,072,110	
18	Base Rate Delivery - Consumption 200000-749999 Mcf/Yr		5,950,590	2.4509	14,584,302	
19	Base Rate Delivery - Consumption 750000-199999 Mcf/Yr		836,183	2.1336	1,784,080	
20	Base Rate Delivery - Consumption >2000000 Mcf/Yr		-	1.6123	-	
	Base Rate Delivery - MLS Rate		1,694,527	0.4422	749,320	
21	Negotiated Delivery		28,050,697	0.2634	7,389,894	
	Rider TRS		42,612,668	(0.0113)	(483,320)	
22	Subtotal - Delivery		42,612,668		41,040,017	
23	Subtotal Customer Charge and Delivery Revenue				45,336,135	
24	Gas Cost		42,612,668	0.1740	7,414,604	
25	Total Industrial LGS Transport	1,459	42,612,668		52,750,739	
26	**Transport Summary by Rate Class**					
27	**Residential Transport**					
28	Base Rate Revenue				57,624,423	
29	Supplier Choice Rider				2,787	
	Rider TRS				(265,861)	
30	Rider USP				30,515	
31	Merchant Function Charge				203,306	
32	Gas Cost				10,534,002	
33	Total Residential Transport	774,040	5,650,985		68,129,172	
34	**SGS Transport**					
35	Base Rate Revenue				22,684,257	
36	Supplier Choice Rider				450	
	Rider TRS				(97,080)	
37	Gas Cost				2,604,454	
38	Total SGS Transport	125,005	3,137,897		25,192,082	
39	**MGS Transport**					
40	Base Rate Revenue				68,750,884	
	Rider TRS				(308,986)	
41	Gas Cost				10,248,083	
42	Total MGS Transport	38,660	12,347,088		78,689,980	
43	**LGS Transport**					
44	Base Rate Revenue				68,952,842	
	Rider TRS				(636,781)	
45	Gas Cost				8,754,659	
46	Total LGS Transport	2,717	50,314,135		77,070,721	
47	**Transport**					
48	Base Rate Revenue				218,012,406	
49	Supplier Choice Rider				3,237	
	Rider TRS				(1,308,708)	
50	Rider USP				30,515	
51	Merchant Function Charge				203,306	
52	Gas Cost				32,141,199	
53	Total Transport	940,422	71,450,106		249,081,955	
54	Residential Sales Revenue	7,055,332	50,376,633		917,088,044	
55	SGS, MGS, LGS Sales	481,479	10,986,079		164,519,183	
56	Sales for Resale				36,073	
57	Forfeited Discounts				8,099,621	
58	Miscellaneous Service Revenues				1,117,866	
59	Revs from Transp of Gas of Others thru Gath Fac.				8,551,629	
60	Revs from Transp of Gas of Others thru Distri Fac.	940,422	71,450,106		249,081,955	
61	Rent from Gas Property				206,179	
62	Other Gas Revenues				(708,368)	
63	Provision for Rate Refunds				-	
64	Total	8,477,233	132,812,818		1,347,992,182	

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2025

Line No.	Description	Per Book	Incremental Bills Growth/Attrition	Rate Schedule Change	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 19, RR-4)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,489,280	20,148	(20,148)	6,489,280
3	Residential CAP	407,347		-	407,347
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	427,682	(2,175)	2,175	427,682
7	500-999 Mcf/Year	35,112	(234)	234	35,112
8	Total Commercial SGS (<1000 Mcf/Yr)	462,794	(2,408)	2,408	462,794
9	INDUSTRIAL				
10	0-499 Mcf/Year	403	-	(10)	393
11	500-999 Mcf/Year	229	-	(12)	217
12	Total Industrial SGS (<1000 Mcf/Yr)	632	-	(22)	610
13	Total SGS (<1000 Mcf/Yr)	463,426	(2,408)	2,386	463,404
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,228	(82)	82	16,228
17	2500-24999 Mcf/Year	4,054	57	(57)	4,054
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,282	(25)	25	20,282
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-	-	265
21	2500-24999 Mcf/Year	286	-	-	286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,833	(25)	25	20,833
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-	-	103
27	50000-99999 Mcf/Year	3	-	-	3
28	100000-199999 Mcf/Year	-	-	-	-
29	>200000 Mcf/Year	-	-	-	-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-	-	28
33	50000-99999 Mcf/Year	-	-	-	-
34	100000-199999 Mcf/Year	3	-	-	3
35	200000-749999 Mcf/Year	4	-	-	4
36	750000-1999999 Mcf/Year	8	-	-	8
37	>2000000 Mcf/Year	-	-	-	-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,896,627	20,148	(20,148)	6,896,627
42	Commercial	483,182	(2,433)	2,433	483,182
43	Industrial	1,226	-	(22)	1,204
44	Total Tariff Sales Bills	7,381,035	17,715	(17,737)	7,381,013

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2025

Line No.	Description	Per Book	Incremental Bills Growth/Attrition	Rate Schedule Change	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 19, RR-4)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	894,582	(64,275)	64,275	894,582
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	97,788	2,122	(2,122)	97,788
6	500-999 Mcf/Year	23,849	729	(729)	23,849
7	Total Commercial SGS (<1000 Mcf/Yr)	121,637	2,851	(2,851)	121,637
8	INDUSTRIAL				
9	0-499 Mcf/Year	465	-	(46)	419
10	500-999 Mcf/Year	142	-	(44)	98
11	Total Industrial SGS (<1000 Mcf/Yr)	607	-	(90)	517
12	Total SGS (<1000 Mcf/Yr)	122,244	2,851	(2,941)	122,154
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,214	130	(130)	21,214
16	2500-24999 Mcf/Year	16,230	(13)	13	16,230
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,444	117	(117)	37,444
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335	-	-	335
20	2500-24999 Mcf/Year	1,278	-	(66)	1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,613	-	(66)	1,547
22	Total MGS (1000-24999 Mcf/Yr)	39,057	117	(183)	38,991
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-	-	670
26	50000-99999 Mcf/Year	384	-	-	384
27	100000-199999 Mcf/Year	156	-	-	156
28	>200000 Mcf/Year	48	-	-	48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	376	-	(23)	353
32	50000-99999 Mcf/Year	371	-	(18)	353
33	100000-199999 Mcf/Year	290	-	(12)	278
34	>200000 Mcf/Year	626	-	(151)	475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,663	-	(204)	1,459
36	Total LGS (>24999 Mcf/Yr)	2,921	-	(204)	2,717
37	**Transport Bills by Customer Class**				
38	Residential	894,582	(64,275)	64,275	894,582
39	Commercial	160,339	2,968	(2,968)	160,339
40	Industrial	3,883	-	(360)	3,523
41	Total Transport Bills	1,058,804	(61,307)	60,947	1,058,444
42	**Overall Bills by Customer Class**				
43	Residential	7,791,209	(44,128)	44,128	7,791,209
44	Commercial	643,521	535	(535)	643,521
45	Industrial	5,109	-	(382)	4,727
46	Total Bills	8,439,839	(43,592)	43,210	8,439,457

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,489,280	20,148	-	6,509,428
3	Residential CAP	407,347	60,773	-	468,120
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	427,682	(2,175)	-	425,507
7	500-999 Mcf/Year	35,112	(234)	-	34,878
8	Total Commercial SGS (<1000 Mcf/Yr)	462,794	(2,408)	-	460,386
9	INDUSTRIAL				
10	0-499 Mcf/Year	393	-	-	393
11	500-999 Mcf/Year	217	-	-	217
12	Total Industrial SGS (<1000 Mcf/Yr)	610	-	-	610
13	Total SGS (<1000 Mcf/Yr)	463,404	(2,408)	-	460,996
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,228	(82)	-	16,146
17	2500-24999 Mcf/Year	4,054	57	-	4,111
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,282	(25)	-	20,257
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-	-	265
21	2500-24999 Mcf/Year	286	-	-	286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,833	(25)	-	20,808
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-	-	103
27	50000-99999 Mcf/Year	3	-	-	3
28	100000-199999 Mcf/Year	-	-	-	-
29	>200000 Mcf/Year	-	-	-	-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-	-	28
33	50000-99999 Mcf/Year	-	-	-	-
34	100000-199999 Mcf/Year	3	-	-	3
35	200000-749999 Mcf/Year	4			4
36	750000-1999999 Mcf/Year	8			8
37	>2000000 Mcf/Year	-	-	-	-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,896,627	80,921	-	6,977,548
42	Commercial	483,182	(2,433)	-	480,749
43	Industrial	1,204	-	-	1,204
44	Total Tariff Sales Bills	7,381,013	78,488	-	7,459,501

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	894,582	(64,275)		830,307
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	97,788	2,122		99,910
6	500-999 Mcf/Year	23,849	729		24,578
7	Total Commercial SGS (<1000 Mcf/Yr)	121,637	2,851	-	124,488
8	INDUSTRIAL				
9	0-499 Mcf/Year	419	-		419
10	500-999 Mcf/Year	98	-		98
11	Total Industrial SGS (<1000 Mcf/Yr)	517	-	-	517
12	Total SGS (<1000 Mcf/Yr)	122,154	2,851	-	125,005
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,214	130		21,344
16	2500-24999 Mcf/Year	16,230	(13)		16,217
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,444	117	-	37,561
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335	-		335
20	2500-24999 Mcf/Year	1,212	-		1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,547	-	-	1,547
22	Total MGS (1000-24999 Mcf/Yr)	38,991	117	-	39,108
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-		670
26	50000-99999 Mcf/Year	384	-		384
27	100000-199999 Mcf/Year	156	-		156
28	>200000 Mcf/Year	48	-		48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	353	-		353
32	50000-99999 Mcf/Year	353	-		353
33	100000-199999 Mcf/Year	278	-		278
34	>200000 Mcf/Year	475	-		475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,459	-	-	1,459
36	Total LGS (>24999 Mcf/Yr)	2,717	-	-	2,717
37	**Transport Bills by Customer Class**				
38	Residential	894,582	(64,275)	-	830,307
39	Commercial	160,339	2,968	-	163,307
40	Industrial	3,523	-	-	3,523
41	Total Transport Bills	1,058,444	(61,307)	-	997,137
42	**Overall Bills by Customer Class**				
43	Residential	7,791,209	16,645	-	7,807,854
44	Commercial	643,521	535	-	644,056
45	Industrial	4,727	-	-	4,727
46	Total Bills	8,439,457	17,181	-	8,456,638

Exhibit No. 3, Schedule No. 15
Attachment F
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Tariff Sales**				
2	Residential	6,509,428	77,784		6,587,212
3	Residential CAP	468,120	-		468,120
4	SGS (<1000 Mcf/Yr)				
5	COMMERCIAL				
6	0-499 Mcf/Year	425,507	(492)		425,015
7	500-999 Mcf/Year	34,878	(40)		34,838
8	Total Commercial SGS (<1000 Mcf/Yr)	460,386	(532)	-	459,853
9	INDUSTRIAL				
10	0-499 Mcf/Year	393	-		393
11	500-999 Mcf/Year	217	-		217
12	Total Industrial SGS (<1000 Mcf/Yr)	610	-	-	610
13	Total SGS (<1000 Mcf/Yr)	460,996	(532)	-	460,463
14	MGS (1000-24999 Mcf/Yr)				
15	COMMERCIAL				
16	1000-2499 Mcf/Year	16,146	47		16,193
17	2500-24999 Mcf/Year	4,111	12		4,123
18	Total Commercial MGS (1000-24999 Mcf/Yr)	20,257	59	-	20,316
19	INDUSTRIAL				
20	1000-2499 Mcf/Year	265	-		265
21	2500-24999 Mcf/Year	286	-		286
22	Total Industrial MGS (1000-24999 Mcf/Yr)	551	-	-	551
23	Total MGS (1000-24999 Mcf/Yr)	20,808	59	-	20,867
24	LGS (>24999 Mcf/Yr)				
25	COMMERCIAL				
26	25000-49999 Mcf/Year	103	-		103
27	50000-99999 Mcf/Year	3	-		3
28	100000-199999 Mcf/Year	-	-		-
29	>200000 Mcf/Year	-	-		-
30	Total Commercial LGS (>24999 Mcf/Yr)	106	-	-	106
31	INDUSTRIAL				
32	25000-49999 Mcf/Year	28	-		28
33	50000-99999 Mcf/Year	-	-		-
34	100000-199999 Mcf/Year	3			3
35	200000-749999 Mcf/Year	4			4
36	750000-1999999 Mcf/Year	8	-		8
37	>2000000 Mcf/Year	-	-		-
38	Total Industrial LGS (>24999 Mcf/Yr)	43	-	-	43
39	Total LGS (>24999 Mcf/Yr)	149	-	-	149
40	**Tariff Sales Bills by Customer Class**				
41	Residential	6,977,548	77,784	-	7,055,332
42	Commercial	480,749	(474)	-	480,275
43	Industrial	1,204	-	-	1,204
44	Total Tariff Sales Bills	7,459,501	77,310	-	7,536,811

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Number of Bills
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Incremental Bills Growth/Attrition	Rate Schedule Change	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch H, Pg 2)*		
1	**Transport Bills**				
2	Residential	830,307	(56,266)		774,040
3	SGS (<1000 Mcf/Yr)				
4	COMMERCIAL				-
5	0-499 Mcf/Year	99,910	-		99,910
6	500-999 Mcf/Year	24,578	-		24,578
7	Total Commercial SGS (<1000 Mcf/Yr)	124,488	-	-	124,488
8	INDUSTRIAL				
9	0-499 Mcf/Year	419	-		419
10	500-999 Mcf/Year	98	-		98
11	Total Industrial SGS (<1000 Mcf/Yr)	517	-	-	517
12	Total SGS (<1000 Mcf/Yr)	125,005	-	-	125,005
13	MGS (1000-24999 Mcf/Yr)				
14	COMMERCIAL				
15	1000-2499 Mcf/Year	21,344	(255)		21,089
16	2500-24999 Mcf/Year	16,217	(194)		16,024
17	Total Commercial MGS (1000-24999 Mcf/Yr)	37,561	(448)	-	37,113
18	INDUSTRIAL				
19	1000-2499 Mcf/Year	335			335
20	2500-24999 Mcf/Year	1,212			1,212
21	Total Industrial MGS (1000-24999 Mcf/Yr)	1,547	-	-	1,547
22	Total MGS (1000-24999 Mcf/Yr)	39,108	(448)	-	38,660
23	LGS (>24999 Mcf/Yr)				
24	COMMERCIAL				
25	25000-49999 Mcf/Year	670	-		670
26	50000-99999 Mcf/Year	384	-		384
27	100000-199999 Mcf/Year	156	-		156
28	>200000 Mcf/Year	48	-		48
29	Total Commercial LGS (>24999 Mcf/Yr)	1,258	-	-	1,258
30	INDUSTRIAL				
31	25000-49999 Mcf/Year	353	-		353
32	50000-99999 Mcf/Year	353	-		353
33	100000-199999 Mcf/Year	278	-		278
34	>200000 Mcf/Year	475	-		475
35	Total Industrial LGS (>24999 Mcf/Yr)	1,459	-	-	1,459
36	Total LGS (>24999 Mcf/Yr)	2,717	-	-	2,717
37	**Transport Bills by Customer Class**				
38	Residential	830,307	(56,266)	-	774,040
39	Commercial	163,307	(448)	-	162,859
40	Industrial	3,523	-	-	3,523
41	Total Transport Bills	997,137	(56,715)	-	940,422
42	**Overall Bills by Customer Class**				
43	Residential	7,807,854	21,518	-	7,829,372
44	Commercial	644,056	(922)	-	643,134
45	Industrial	4,727	-	-	4,727
46	Total Bills	8,456,638	20,596	-	8,477,233

Exhibit No. 3, Schedule No. 15
Attachment G
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended November 30, 2025

Line No.	Description	Billed Throughput	Weather Normalization Adjustment	Customer Reclass, Growth & Attrition	Per Books Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch M)	*(Ex 3, Sch 15, Atch H, Pg 1)*	*(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	
1	**Tariff Sales Throughput**				
2	Residential	45,447,606	247,095	(0)	45,694,701
3	Residential CAP	3,560,018	19,356	-	3,579,373
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,780,740	(710,353)	(0)	7,070,387
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,813,101	(710,353)	(0)	7,102,748
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,618,956	(210,626)	0	3,408,329
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,800,610	(210,626)	0	3,589,984
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	49,007,623	266,450	(0)	49,274,074
18	Commercial	11,714,391	(920,979)	(0)	10,793,412
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	60,953,920	(654,529)	(0)	60,299,391
21	**Transport Throughput**				
22	Residential	6,511,308	35,401	-	6,546,709
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,354,894	(308,842)	-	3,046,052
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,375,345	(308,842)	-	3,066,503
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	12,228,165	(1,092,698)	-	11,135,466
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	13,538,263	(1,092,698)	-	12,445,565
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,511,308	35,401	-	6,546,709
37	Commercial	23,284,526	(1,401,540)	-	21,882,985
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	73,739,052	(1,366,139)	-	72,372,913
40	**Overall Throughput by Customer Class**				
41	Residential	55,518,931	301,852	(0)	55,820,783
42	Commercial	34,998,917	(2,322,520)	(0)	32,676,397
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	134,692,972	(2,020,668)	(0)	132,672,304

Exhibit No. 3, Schedule No. 15
Attachment G
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended November 30, 2026

Line No.	Description	Forecasted	Change in Customer Usage	Customer Reclass, Growth & Attrition	Forecasted Adjusted
		(1)	(2)	(3)	(4)=(1+2+3)
		(Ex 3, Sch 15, Atch M)	*(Ex 3, Sch 15, Atch H, Pg 1; Ex 19, RR-5)*	*(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	
1	**Tariff Sales Throughput**				
2	Residential	45,694,701	119,585.78	142,242	45,956,529
3	Residential CAP	3,579,373	9,367	535,412	4,124,153
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,070,387	0	(36,790)	7,033,597
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,102,748	0	(36,790)	7,065,958
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,408,329	(0)	(4,163)	3,404,167
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,589,984	(0)	(4,163)	3,585,821
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	49,274,074	128,953	677,654	50,080,681
18	Commercial	10,793,412	0	(40,953)	10,752,459
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	60,299,391	128,953	636,702	61,065,046
21	**Transport Throughput**				
22	Residential	6,546,709	17,133	(471,609)	6,092,234
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,046,052	0	71,394	3,117,446
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,066,503	0	71,394	3,137,897
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	11,135,466	(0)	34,852	11,170,318
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	12,445,565	(0)	34,852	12,480,417
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,546,709	17,133	(471,609)	6,092,234
37	Commercial	21,882,985	(0)	106,245	21,989,231
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	72,372,913	17,133	(365,363)	72,024,683
40	**Overall Throughput by Customer Class**				
41	Residential	55,820,783	146,086	206,046	56,172,915
42	Commercial	32,676,397	0	65,293	32,741,690
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	132,672,304	146,086	271,338	133,089,729

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Volumes (Mcf)
For the 12 Months Ended December 31, 2027

Line No.	Description	Forecasted	Change in Customer Usage	Customer Reclass, Growth & Attrition	Forecasted Adjusted
		(1) *(Ex 3, Sch 15, Atch M)*	(2) *(Ex 3, Sch 15, Atch H, Pg 1; Ex 19, RR-5)*	(3) *(Ex 3, Sch 15, Atch I; Ex 19, RR-5)*	(4)=(1+2+3)
1	**Tariff Sales Throughput**				
2	Residential	45,956,529	(229,832.98)	546,410	46,273,106
3	Residential CAP	4,124,153	(20,625)	-	4,103,527
4	SGS (<1000 Mcf Annually)				
5	Commercial SGS (<1000 Mcf/Yr)	7,033,597	-	(8,134)	7,025,463
6	Industrial SGS (<1000 Mcf/Yr)	32,361	-	-	32,361
7	Total SGS (<1000 Mcf/Yr)	7,065,958	-	(8,134)	7,057,823
8	MGS (1000-24999 Mcf Annually)				
9	Commercial MGS (1000-24999 Mcf/Yr)	3,404,167	-	9,848	3,414,015
10	Industrial MGS (1000-24999 Mcf/Yr)	181,655	-	-	181,655
11	Total MGS (1000-24999 Mcf/Yr)	3,585,821	-	9,848	3,595,670
12	LGS (>24999 Mcf Annually)				
13	Commercial LGS (>24999 Mcf/Yr)	314,695	-	-	314,695
14	Industrial LGS (>24999 Mcf/Yr)	17,891	-	-	17,891
15	Total LGS (>24999 Mcf/Yr)	332,586	-	-	332,586
16	**Tariff Sales Throughput by Customer Class**				
17	Residential	50,080,681	(250,458)	546,410	50,376,633
18	Commercial	10,752,459	-	1,714	10,754,173
19	Industrial	231,906	-	-	231,906
20	Total Tariff Sales Throughput	61,065,046	(250,458)	548,124	61,362,712
21	**Transport Throughput**				
22	Residential	6,092,234	(30,468)	(410,781)	5,650,985
23	SGS (<1000 Mcf/Yr)				
24	Commercial SGS (<1000 Mcf/Yr)	3,117,446	-	-	3,117,446
25	Industrial SGS (<1000 Mcf/Yr)	20,451	-	-	20,451
26	Total SGS (<1000 Mcf/Yr)	3,137,897	-	-	3,137,897
27	MGS (1000-24999 Mcf/Yr)				
28	Commercial MGS (1000-24999 Mcf/Yr)	11,170,318	-	(133,328)	11,036,990
29	Industrial MGS (1000-24999 Mcf/Yr)	1,310,099	-	-	1,310,099
30	Total MGS (1000-24999 Mcf/Yr)	12,480,417	-	(133,328)	12,347,088
31	LGS (>24999 Mcf/Yr)				
32	Commercial LGS (>24999 Mcf/Yr)	7,701,467	-	-	7,701,467
33	Industrial LGS (>24999 Mcf/Yr)	42,612,668	-	-	42,612,668
34	Total LGS (>24999 Mcf/Yr)	50,314,135	-	-	50,314,135
35	**Transport Throughput by Customer Class**				
36	Residential	6,092,234	(30,468)	(410,781)	5,650,985
37	Commercial	21,989,231	-	(133,328)	21,855,902
38	Industrial	43,943,218	-	-	43,943,218
39	Total Transport Throughput	72,024,683	(30,468)	(544,109)	71,450,106
40	**Overall Throughput by Customer Class**				
41	Residential	56,172,915	(280,926)	135,630	56,027,619
42	Commercial	32,741,690	-	(131,614)	32,610,075
43	Industrial	44,175,124	-	-	44,175,124
44	Total Throughput	133,089,729	(280,926)	4,015	132,812,818

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Adjustment based on Normalized Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Billed Throughput	Normalized	Normalized Adjustment	Base Rate	Revenue
		(1)	(2)	(3)=(2-1)	(4)	(5 = 3 x 4)
		Mcf	Mcf	Mcf	$/Mcf	$
		(Ex 3, Sch 15, Atch G)	*(Ex 3, Sch 15, Atch F; Ex 19, RR-5)*			
1	**Tariff Sales**					
2	Residential	45,447,606	45,694,701	247,095	5.3537	1,322,871
3	Residential CAP	3,560,018	3,579,373	19,356	5.3537	103,624
4	Commercial SGS (<1000 Mcf/Yr)	7,780,740	7,070,387	(710,353)	3.9844	(2,830,331)
5	Commercial MGS (1000-24999 Mcf/Yr)	3,618,956	3,408,329	(210,626)	3.6941	(778,075)
6	**Tariff Sales Summary by Customer Class**					
7	Residential	49,007,623	49,274,074	266,450		1,426,495
8	Commercial	11,399,696	10,478,717	(920,979)		(3,608,405)
9	Total Tariff Sales Normalization	60,407,319	59,752,790	(654,529)		(2,181,910)
10	**Transport**					
11	Residential	6,511,308	6,546,709	35,401	5.3537	189,529
12	Commercial SGS (<1000 Mcf/Yr)	3,354,894	3,046,052	(308,842)	3.9844	(1,230,550)
13	Commercial MGS (1000-24999 Mcf/Yr)	12,228,165	11,135,466	(1,092,698)	3.6941	(4,036,537)
14	**Transport Summary by Customer Class**					
15	Residential	6,511,308	6,546,709	35,401		189,529
16	Commercial	15,583,059	14,181,518	(1,401,540)		(5,267,087)
17	Total Transport Normalization	22,094,367	20,728,228	(1,366,139)		(5,077,559)
18	**Summary by Customer Class**					
19	Residential	55,518,931	55,820,783	301,852		1,616,024
20	Commercial	26,982,755	24,660,235	(2,322,520)		(8,875,493)
21	Total Normalization	82,501,686	80,481,018	(2,020,668)		(7,259,469)

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Net Customer Change Calculation

Line No.		HTY Average Customers	FTY Average Customers	FTY Growth	FPFTY Average Customers	FPFTY Growth
1	**Tariff Customers**					
2	Residential	540,773	542,452	1,679	548,934	6,482
3	Residential CAP	33,946	39,010	5,064	39,010	-
4	SGS (<1000 Mcf/Yr)					
5	COMMERCIAL					
6	0-499 Mcf/Year	35,640	35,459	(181)	35,418	(41)
7	500-999 Mcf/Year	2,926	2,907	(19)	2,903	(3)
8	Total Commercial SGS (<1000 Mcf/Yr)	38,566	38,365	(201)	38,321	(44)
9	MGS (1000-24999 Mcf/Yr)					
10	COMMERCIAL					
11	1000-2499 Mcf/Year	1,352	1,346	(7)	1,349	4
12	2500-24999 Mcf/Year	338	343	5	344	1
13	Total Commercial MGS (1000-24999 Mcf/Yr)	1,690	1,688	(2)	1,693	5
14	**Transport Customers**					
15	Residential	74,549	69,192	(5,356)	64,503	(4,689)
16	SGS (<1000 Mcf/Yr)					
17	COMMERCIAL					
18	0-499 Mcf/Year	8,149	8,326	177	8,326	-
19	500-999 Mcf/Year	1,987	2,048	61	2,048	-
20	Total Commercial SGS (<1000 Mcf/Yr)	10,136	10,374	238	10,374	-
21	MGS (1000-24999 Mcf/Yr)					
22	COMMERCIAL					
23	1000-2499 Mcf/Year	1,768	1,779	11	1,757	(21)
24	2500-24999 Mcf/Year	1,353	1,351	(1)	1,335	(16)
25	Total Commercial MGS (1000-24999 Mcf/Yr)	3,120	3,130	10	3,093	(37)

Notes:
*SGS/MGS commercial distribution based on HTY representation.

Exhibit No. 3, Schedule No. 15
Attachment I
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended November 30, 2025

Line No.	Description	Growth & Attrition	Rate Schedule Change
		(1)	(2)
		Mcf	Mcf
		(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)	*(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	141,871	(141,871)
3	Residential CAP	-	-
4	Commercial SGS (<1000 Mcf/Yr)	(36,790)	36,790
5	Commercial MGS (1000-24999 Mcf/Yr)	(4,163)	4,163
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	141,871	(141,871)
12	Commercial	(40,953)	40,953
13	Industrial	-	-
14	Total Tariff Sales Volume Change	100,918	(100,918)
15	**Transport Volume Change**		
16	Residential	(470,378)	470,378
17	Commercial SGS (<1000 Mcf/Yr)	71,394	(71,394)
18	Commercial MGS (1000-24999 Mcf/Yr)	34,852	(34,852)
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(470,378)	470,378
25	Commercial	106,245	(106,245)
26	Industrial	-	-
27	Total Transport Volume Change	(364,132)	364,132
28	**Overall Summary by Customer Class**		
29	Residential	(328,507)	328,507
30	Commercial	65,293	(65,293)
31	Industrial	-	-
32	Total Volume Change	(263,214)	263,214

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended November 30, 2026

Line No.	Description	Growth & Attrition (1) Mcf *(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*	Rate Schedule Change (2) Mcf *(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	142,242	-
3	Residential CAP	535,412	-
4	Commercial SGS (<1000 Mcf/Yr)	(36,790)	-
5	Commercial MGS (1000-24999 Mcf/Yr)	(4,163)	-
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	677,654	-
12	Commercial	(40,953)	-
13	Industrial	-	-
14	Total Tariff Sales Volume Change	636,702	-
15	**Transport Volume Change**		
16	Residential	(471,609)	-
17	Commercial SGS (<1000 Mcf/Yr)	71,394	-
18	Commercial MGS (1000-24999 Mcf/Yr)	34,852	-
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(471,609)	-
25	Commercial	106,245	-
26	Industrial	-	-
27	Total Transport Volume Change	(365,363)	-
28	**Overall Summary by Customer Class**		
29	Residential	206,046	-
30	Commercial	65,293	-
31	Industrial	-	-
32	Total Volume Change	271,338	-

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Summary of Adjustments to Annualize Volumes for Customer Changes
For the 12 Months Ended December 31, 2027

Line No.	Description	Growth & Attrition	Rate Schedule Change
		(1)	(2)
		Mcf	Mcf
		(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)	*(Ex 3, Sch 15, Atch F; Ex VI.I.RR.5)*
1	**Tariff Sales Volume Change**		
2	Residential	546,410	-
3	Residential CAP	-	-
4	Commercial SGS (<1000 Mcf/Yr)	(8,134)	-
5	Commercial MGS (1000-24999 Mcf/Yr)	9,848	-
6	Commercial LGS (>24999 Mcf/Yr)		-
7	Industrial SGS (<1000 Mcf/Yr)		-
8	Industrial MGS (1000-24999 Mcf/Yr)		-
9	Industrial LGS (>24999 Mcf/Yr)		-
10	**Tariff Sales Summary by Customer Class**		
11	Residential	546,410	-
12	Commercial	1,714	-
13	Industrial	-	-
14	Total Tariff Sales Volume Change	548,124	-
15	**Transport Volume Change**		
16	Residential	(410,781)	-
17	Commercial SGS (<1000 Mcf/Yr)	-	-
18	Commercial MGS (1000-24999 Mcf/Yr)	(133,328)	-
19	Commercial LGS (>24999 Mcf/Yr)		-
20	Industrial SGS (<1000 Mcf/Yr)		-
21	Industrial MGS (1000-24999 Mcf/Yr)		-
22	Industrial LGS (>24999 Mcf/Yr)		-
23	**Transport Summary by Customer Class**		
24	Residential	(410,781)	-
25	Commercial	(133,328)	-
26	Industrial	-	-
27	Total Transport Volume Change	(544,109)	-
28	**Overall Summary by Customer Class**		
29	Residential	135,630	-
30	Commercial	(131,614)	-
31	Industrial	-	-
32	Total Volume Change	4,015	-

Exhibit No. 3, Schedule No. 15
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Adjustment to Eliminate Off-System Sales and Sales for Resale
For the 12 Months Ended November 30, 2025

Line No.	Account Number	Description	Adjustment
			$
1	495	Off-System Sales Revenue	(5,183,653)
2	803	Off-System Sales Gas Cost	5,183,653
3	483	Sales for Resale Revenue	(5,491,450)
4	803	Sales for Resale Gas Cost	5,491,450

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Peoples Natural Gas Company LLC
Elimination of Unbilled
For the 12 Months Ended November 30, 2025

Line No.	Account Number	Description	Adjustment
1		**Elimination of Unbilled**	
2		**Revenue Adjustment $**	
3	480	Residential	12,657,986
4	481	Commercial & Industrial	2,395,234
5	489.3	Transportation	1,413,075
6		Total Unbilled Revenue Adjustment	16,466,295
7		**Gas Cost Adjustment $**	
8	480	Residential	7,235,731
9	481	Commercial & Industrial	1,841,513
10	489.3	Transportation	127,175
11		Total Unbilled Gas Cost Adjustment	9,204,420
12		**Volume Adjustment (Mcf)**	
13	480	Residential	209,416
14	481	Commercial & Industrial	59,711
15	489.3	Transportation	97,664
16		Total Unbilled Volume Adjustment	366,791
17		**Elimination of Large Customer Unbilled (Cycle 22)**	
18		**Revenue Adjustment $**	
19	480	Residential	21,100
20	481	Commercial & Industrial	80,228
21	489.3	Transportation	1,275,540
22		Total Cycle 22 Revenue Adjustment	1,376,868
23		**Gas Cost Adjustment $**	
24	480	Residential	3,846
25	481	Commercial & Industrial	67,106
26	489.3	Transportation	(3,440)
27		Total Cycle 22 Gas Cost Adjustment	67,511
28		**Volume Adjustment (Mcf)**	
29	480	Residential	-
30	481	Commercial & Industrial	2,325
31	489.3	Transportation	339,138
32		Total Cycle 22 Volume Adjustment	341,462
33		**Total Elimination of Unbilled and Cycle 22**	
34		**Revenue Adjustment $**	
35	480	Residential	12,679,086
36	481	Commercial & Industrial	2,475,463
37	489.3	Transportation	2,688,615
38		Total Unbilled/Cycle 22 Revenue Adjustment	17,843,163
39		**Gas Cost Adjustment $**	
40	480	Residential	7,239,577
41	481	Commercial & Industrial	1,908,619
42	489.3	Transportation	123,735
43		Total Unbilled/Cycle 22 Gas Cost Adjustment	9,271,931
44		**Volume Adjustment (Mcf)**	
45	480	Residential	209,416
46	481	Commercial & Industrial	62,036
47	489.3	Transportation	436,801
48		Total Unbilled/Cycle 22 Volume Adjustment	708,253

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Calculation of Late Fees

Line No.	Description	Gross Distribution Revenue	Late Fees	Late Fees % Gross Revenue	Reference
		(1)	(2)	(3)=(2 / 1)	
		$	$	%	
		(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch C)*		
1	Actual HTY	983,069,056	5,824,920	0.59%	Actual Late Fees / Actual Gross Distribution Revenue*
2	Adjusted HTY	1,197,791,229	7,097,201	0.59%	Actual HTY Late Fees % of Gross Revenue X Adjusted HTY Gross Distribution Revenue
3	FTY	1,169,271,085	6,928,212	0.59%	Actual HTY Late Fees % of Gross Revenue X FTY Gross Distribution Revenue
4	FPFTY Present	1,169,825,102	6,931,495	0.59%	Actual HTY Late Fees % of Gross Revenue X FPFTY at Present Rates Gross Distribution Revenue
5	FPFTY Proposed	1,330,689,182	8,099,621	0.61%	Actual HTY Late Fees % of Gross Revenue X FPFTY at Proposed Rates Gross Distribution Revenue

*Gross Distribution Revenue is comprised of reported Gross Revenues in FERC 480, 481, 489.3 - Residential, Commercial & Industrial Gas Sales & Transport

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Gathering Projection

Line No.	Measure	Type	HTY	FTY	FPFTY
1	Volume (Mcf)				
2		Total Traditional/Non-Traditional	35,521,759	32,941,097	30,359,964
3		Total	35,521,759	32,941,097	30,359,964
4	Revenue ($)				
5		FERC Acct 495	(76,609)	-	-
6		FERC Acct 489.1	8,428,368	8,008,233	7,404,749
7		Total (Ex 3, Sch 15, Atch C)	8,351,759	8,008,233	7,404,749
					603,484

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	GCA	Commodity	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)	(5)=(1+2+3+4)	(6)	(7)=(5 * 6)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Residential Sales**							
2	December 2024	1.2293	0.7345	(0.0689)	2.2144	4.1093	6,682,934	27,462,181
3	January 2025	1.2446	0.7345	(0.0358)	2.4859	4.4292	9,309,064	41,231,705
4	February	1.2446	0.7345	(0.0358)	2.4859	4.4292	9,019,776	39,950,390
5	March	1.2446	0.7345	(0.0358)	3.5884	5.5317	7,000,368	38,723,935
6	April	1.2445	0.7440	(0.0362)	4.1112	6.0635	3,998,818	24,246,835
7	May	1.2445	0.7440	(0.0362)	4.1112	6.0635	1,756,065	10,647,898
8	June	1.2445	0.7440	(0.0362)	4.1112	6.0635	1,297,791	7,869,155
9	July	1.2445	0.7440	(0.0362)	2.8829	4.8352	733,836	3,548,242
10	August	1.2445	0.7440	(0.0362)	2.8829	4.8352	631,081	3,051,402
11	September	1.2445	0.7440	(0.0362)	2.8829	4.8352	766,193	3,704,694
12	October	1.8531		0.3462	3.0831	5.2824	1,132,688	5,983,312
13	November 2025	1.8531		0.3462	3.0831	5.2824	3,118,994	16,475,771
14	Total					4.9045	45,447,606	222,895,521
15	**Commercial SGS Sales**							
16	December 2024	1.2293	0.6683	(0.0689)	2.2144	4.0431	1,120,655	4,530,921
17	January 2025	1.2446	0.6683	(0.0358)	2.4859	4.3630	1,631,142	7,116,674
18	February	1.2446	0.6683	(0.0358)	2.4859	4.3630	1,628,711	7,106,067
19	March	1.2446	0.6683	(0.0358)	3.5884	5.4655	1,217,559	6,654,570
20	April	1.2445	0.6773	(0.0362)	4.1112	5.9968	653,035	3,916,118
21	May	1.2445	0.6773	(0.0362)	4.1112	5.9968	282,426	1,693,653
22	June	1.2445	0.6773	(0.0362)	4.1112	5.9968	197,366	1,183,561
23	July	1.2445	0.6773	(0.0362)	2.8829	4.7685	127,204	606,571
24	August	1.2445	0.6773	(0.0362)	2.8829	4.7685	111,287	530,671
25	September	1.2445	0.6773	(0.0362)	2.8829	4.7685	133,411	636,170
26	October	1.8531		0.3462	3.0831	5.2824	184,667	975,487
27	November 2025	1.8531		0.3462	3.0831	5.2824	493,278	2,605,689
28	Total					4.8268	7,780,740	37,556,151
29	**Industrial SGS Sales**							
30	December 2024	1.2293	0.6683	(0.0689)	2.2144	4.0431	3,930	15,889
31	January 2025	1.2446	0.6683	(0.0358)	2.4859	4.3630	8,102	35,347
32	February	1.2446	0.6683	(0.0358)	2.4859	4.3630	7,838	34,199
33	March	1.2446	0.6683	(0.0358)	3.5884	5.4655	5,761	31,486
34	April	1.2445	0.6773	(0.0362)	4.1112	5.9968	2,909	17,445
35	May	1.2445	0.6773	(0.0362)	4.1112	5.9968	1,238	7,423
36	June	1.2445	0.6773	(0.0362)	4.1112	5.9968	1,205	7,226
37	July	1.2445	0.6773	(0.0362)	2.8829	4.7685	(801)	(3,821)
38	August	1.2445	0.6773	(0.0362)	2.8829	4.7685	(424)	(2,022)
39	September	1.2445	0.6773	(0.0362)	2.8829	4.7685	181	865
40	October	1.8531		0.3462	3.0831	5.2824	1,469	7,759
41	November 2025	1.8531		0.3462	3.0831	5.2824	953	5,035
42	Total					4.8463	32,361	156,830
43	**Commercial MGS Sales**							
44	December 2024	1.2293	0.4209	(0.0689)	2.2144	3.7957	459,231	1,743,102
45	January 2025	1.2446	0.4209	(0.0358)	2.4859	4.1156	651,405	2,680,921
46	February	1.2446	0.4209	(0.0358)	2.4859	4.1156	669,589	2,755,760
47	March	1.2446	0.4209	(0.0358)	3.5884	5.2181	537,135	2,802,823
48	April	1.2445	0.4267	(0.0362)	4.1112	5.7462	333,989	1,919,166
49	May	1.2445	0.4267	(0.0362)	4.1112	5.7462	183,125	1,052,275
50	June	1.2445	0.4267	(0.0362)	4.1112	5.7462	134,287	771,637
51	July	1.2445	0.4267	(0.0362)	2.8829	4.5179	92,752	419,043
52	August	1.2445	0.4267	(0.0362)	2.8829	4.5179	82,982	374,904
53	September	1.2445	0.4267	(0.0362)	2.8829	4.5179	107,018	483,494
54	October	1.8531		0.3462	3.0831	5.2824	126,596	668,731
55	November 2025	1.8531		0.3462	3.0831	5.2824	240,849	1,272,259
56	Total					4.6820	3,618,956	16,944,116

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	GCA	Commodity	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)	(5)=(1+2+3+4)	(6)	(7)=(5 * 6)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Industrial MGS Sales**							
2	December 2024	1.2293	0.4209	(0.0689)	2.2144	3.7957	22,221	84,343
3	January 2025	1.2446	0.4209	(0.0358)	2.4859	4.1156	29,708	122,264
4	February	1.2446	0.4209	(0.0358)	2.4859	4.1156	29,144	119,947
5	March	1.2446	0.4209	(0.0358)	3.5884	5.2181	25,559	133,372
6	April	1.2445	0.4267	(0.0362)	4.1112	5.7462	19,956	114,672
7	May	1.2445	0.4267	(0.0362)	4.1112	5.7462	9,933	57,078
8	June	1.2445	0.4267	(0.0362)	4.1112	5.7462	7,851	45,112
9	July	1.2445	0.4267	(0.0362)	2.8829	4.5179	5,996	27,090
10	August	1.2445	0.4267	(0.0362)	2.8829	4.5179	6,233	28,158
11	September	1.2445	0.4267	(0.0362)	2.8829	4.5179	5,042	22,780
12	October	1.8531		0.3462	3.0831	5.2824	6,963	36,779
13	November 2025	1.8531		0.3462	3.0831	5.2824	13,049	68,932
14	Total					4.7372	181,655	860,526
15	**Commercial LGS Sales**							
16	December 2024	1.2293	0.1297	(0.0689)	2.2144	3.5045	26,561	93,084
17	January 2025	1.2446	0.1297	(0.0358)	2.4859	3.8244	43,983	168,208
18	February	1.2446	0.1297	(0.0358)	2.4859	3.8244	48,710	186,287
19	March	1.2446	0.1297	(0.0358)	3.5884	4.9269	40,738	200,710
20	April	1.2445	0.1329	(0.0362)	4.1112	5.4524	32,209	175,616
21	May	1.2445	0.1329	(0.0362)	4.1112	5.4524	36,980	201,630
22	June	1.2445	0.1329	(0.0362)	4.1112	5.4524	17,793	97,014
23	July	1.2445	0.1329	(0.0362)	2.8829	4.2241	15,738	66,477
24	August	1.2445	0.1329	(0.0362)	2.8829	4.2241	12,164	51,383
25	September	1.2445	0.1329	(0.0362)	2.8829	4.2241	11,360	47,985
26	October	1.8531		0.3462	3.0831	5.2824	11,837	62,527
27	November 2025	1.8531		0.3462	3.0831	5.2824	16,623	87,808
28	Total					4.5718	314,695	1,438,730
29	**Industrial LGS Sales**							
30	December 2024	1.2293	0.1297	(0.0689)	2.2144	3.5045	1,019	3,571
31	January 2025	1.2446	0.1297	(0.0358)	2.4859	3.8244	1,280	4,893
32	February	1.2446	0.1297	(0.0358)	2.4859	3.8244	2,239	8,564
33	March	1.2446	0.1297	(0.0358)	3.5884	4.9269	1,857	9,149
34	April	1.2445	0.1329	(0.0362)	4.1112	5.4524	798	4,353
35	May	1.2445	0.1329	(0.0362)	4.1112	5.4524	2,713	14,791
36	June	1.2445	0.1329	(0.0362)	4.1112	5.4524	3,916	21,352
37	July	1.2445	0.1329	(0.0362)	2.8829	4.2241	(5,705)	(24,096)
38	August	1.2445	0.1329	(0.0362)	2.8829	4.2241	1,272	5,372
39	September	1.2445	0.1329	(0.0362)	2.8829	4.2241	(815)	(3,441)
40	October	1.8531		0.3462	3.0831	5.2824	5,758	30,416
41	November 2025	1.8531		0.3462	3.0831	5.2824	3,558	18,795
42	Total					5.2384	17,891	93,719
43	**Residential CAP Sales**							
44	December 2024	1.2293	0.7345	(0.0689)	2.2144	4.1093	493,793	2,029,142
45	January 2025	1.2446	0.7345	(0.0358)	2.4859	4.4292	686,503	3,040,658
46	February	1.2446	0.7345	(0.0358)	2.4859	4.4292	688,463	3,049,342
47	March	1.2446	0.7345	(0.0358)	3.5884	5.5317	551,933	3,053,126
48	April	1.2445	0.7440	(0.0362)	4.1112	6.0635	333,855	2,024,332
49	May	1.2445	0.7440	(0.0362)	4.1112	6.0635	151,075	916,040
50	June	1.2445	0.7440	(0.0362)	4.1112	6.0635	111,836	678,115
51	July	1.2445	0.7440	(0.0362)	2.8829	4.8352	52,082	251,828
52	August	1.2445	0.7440	(0.0362)	2.8829	4.8352	45,789	221,400
53	September	1.2445	0.7440	(0.0362)	2.8829	4.8352	58,930	284,939
54	October	1.8531		0.3462	3.0831	5.2824	105,262	556,038
55	November 2025	1.8531		0.3462	3.0831	5.2824	280,497	1,481,695
56	Total					4.9400	3,560,018	17,586,656

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Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Residential Transport**						
2	December 2024	1.2293	0.7345		1.9638	976,869	1,918,376
3	January 2025	1.2446	0.7345		1.9791	1,339,871	2,651,739
4	February	1.2446	0.7345		1.9791	1,258,646	2,490,986
5	March	1.2446	0.7345		1.9791	991,936	1,963,140
6	April	1.2445	0.7440		1.9885	576,596	1,146,561
7	May	1.2445	0.7440		1.9885	250,235	497,592
8	June	1.2445	0.7440		1.9885	188,572	374,974
9	July	1.2445	0.7440		1.9885	102,777	204,373
10	August	1.2445	0.7440		1.9885	90,192	179,347
11	September	1.2445	0.7440		1.9885	108,523	215,798
12	October	1.8531			1.8531	164,078	304,053
13	November 2025	1.8531			1.8531	463,013	858,010
14	Total				1.9666	6,511,308	12,804,949
15	**Commercial SGS Transport**						
16	December 2024		0.6683	0.4199	1.0882	363,997	396,102
17	January 2025		0.6683	0.4199	1.0882	531,085	577,927
18	February		0.6683	0.4199	1.0882	521,840	567,866
19	March		0.6683	0.4199	1.0882	387,190	421,341
20	April		0.6773	0.4199	1.0972	214,816	235,696
21	May		0.6773	0.4199	1.0972	96,654	106,048
22	June		0.6773	0.4199	1.0972	65,843	72,243
23	July		0.6773	0.4199	1.0972	41,807	45,871
24	August		0.6773	0.4199	1.0972	35,807	39,287
25	September		0.6773	0.4199	1.0972	42,162	46,260
26	October			0.8300	0.8300	56,369	46,786
27	November 2025			0.8300	0.8300	158,600	131,638
28	Total				1.0679	2,516,171	2,687,066
29	**Industrial SGS Transport**						
30	December 2024		0.6683	0.4199	1.0882	2,986	3,250
31	January 2025		0.6683	0.4199	1.0882	5,143	5,597
32	February		0.6683	0.4199	1.0882	4,298	4,677
33	March		0.6683	0.4199	1.0882	3,485	3,793
34	April		0.6773	0.4199	1.0972	1,930	2,118
35	May		0.6773	0.4199	1.0972	634	695
36	June		0.6773	0.4199	1.0972	241	264
37	July		0.6773	0.4199	1.0972	123	135
38	August		0.6773	0.4199	1.0972	159	174
39	September		0.6773	0.4199	1.0972	135	148
40	October			0.8300	0.8300	485	402
41	November 2025			0.8300	0.8300	833	692
42	Total				1.0730	20,451	21,944
43	**Commercial MGS Transport**						
44	December 2024		0.4209	0.4199	0.8408	1,233,862	1,037,431
45	January 2025		0.4209	0.4199	0.8408	1,663,918	1,399,022
46	February		0.4209	0.4199	0.8408	1,655,776	1,392,176
47	March		0.4209	0.4199	0.8408	1,287,779	1,082,764
48	April		0.4267	0.4199	0.8466	827,764	700,785
49	May		0.4267	0.4199	0.8466	461,195	390,448
50	June		0.4267	0.4199	0.8466	346,844	293,638
51	July		0.4267	0.4199	0.8466	237,429	201,007
52	August		0.4267	0.4199	0.8466	208,702	176,687
53	September		0.4267	0.4199	0.8466	254,023	215,056
54	October			0.8300	0.8300	355,828	295,337
55	November 2025			0.8300	0.8300	638,005	529,544
56	Total				0.8411	9,171,124	7,713,896

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Industrial MGS Transport**						
2	December 2024		0.4209	0.4199	0.8408	133,029	111,851
3	January 2025		0.4209	0.4199	0.8408	166,411	139,918
4	February		0.4209	0.4199	0.8408	173,544	145,915
5	March		0.4209	0.4199	0.8408	179,750	151,134
6	April		0.4267	0.4199	0.8466	122,971	104,107
7	May		0.4267	0.4199	0.8466	81,298	68,826
8	June		0.4267	0.4199	0.8466	74,199	62,817
9	July		0.4267	0.4199	0.8466	69,162	58,553
10	August		0.4267	0.4199	0.8466	68,283	57,809
11	September		0.4267	0.4199	0.8466	67,534	57,174
12	October			0.8300	0.8300	85,187	70,705
13	November 2025			0.8300	0.8300	88,731	73,647
14	Total				0.8415	1,310,099	1,102,457
15	**Commercial LGS Transport**						
16	December 2024		0.1297	0.1048	0.2345	609,126	142,840
17	January 2025		0.1297	0.1048	0.2345	873,209	204,768
18	February		0.1297	0.1048	0.2345	1,078,858	252,992
19	March		0.1297	0.1048	0.2345	760,615	178,364
20	April		0.1329	0.1048	0.2377	652,927	155,201
21	May		0.1329	0.1048	0.2377	533,288	126,763
22	June		0.1329	0.1048	0.2377	404,886	96,241
23	July		0.1329	0.1048	0.2377	368,087	87,494
24	August		0.1329	0.1048	0.2377	354,369	84,234
25	September		0.1329	0.1048	0.2377	363,581	86,423
26	October			0.1740	0.1740	462,479	80,471
27	November 2025			0.1740	0.1740	469,895	81,762
28	Total				0.2276	6,931,320	1,577,553
29	**Industrial LGS Transport**						
30	December 2024		0.1297	0.1048	0.2345	3,638,227	853,164
31	January 2025		0.1297	0.1048	0.2345	4,164,164	976,497
32	February		0.1297	0.1048	0.2345	4,113,541	964,625
33	March		0.1297	0.1048	0.2345	4,604,719	1,079,807
34	April		0.1329	0.1048	0.2377	3,635,631	864,190
35	May		0.1329	0.1048	0.2377	3,418,760	812,639
36	June		0.1329	0.1048	0.2377	3,340,700	794,084
37	July		0.1329	0.1048	0.2377	3,092,511	735,090
38	August		0.1329	0.1048	0.2377	2,980,062	708,361
39	September		0.1329	0.1048	0.2377	3,287,130	781,351
40	October			0.1740	0.1740	2,983,068	519,054
41	November 2025			0.1740	0.1740	3,354,154	583,623
42	Total				0.2270	42,612,668	9,672,484

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Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Capacity	AVC Cap	BB&A	Gas Cost	Billed Volumes	Total Gas Cost
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)=(4 * 5)
		$/Mcf	$/Mcf	$/Mcf	$/Mcf	Mcf	$
1	**Commercial SGS Transport _ P1**						
2	December 2024	1.2293	0.6683		1.8976	121,332	230,240
3	January 2025	1.2446	0.6683		1.9129	177,028	338,638
4	February	1.2446	0.6683		1.9129	173,947	332,742
5	March	1.2446	0.6683		1.9129	129,063	246,885
6	April	1.2445	0.6773		1.9218	71,605	137,611
7	May	1.2445	0.6773		1.9218	32,218	61,916
8	June	1.2445	0.6773		1.9218	21,948	42,179
9	July	1.2445	0.6773		1.9218	13,936	26,782
10	August	1.2445	0.6773		1.9218	11,936	22,938
11	September	1.2445	0.6773		1.9218	14,054	27,009
12	October	1.8531			1.8531	18,790	34,819
13	November 2025	1.8531			1.8531	52,867	97,968
14	Total				1.9073	838,724	1,599,728
15	**Commercial MGS Transport _ P1**						
16	December 2024	1.2293	0.4209		1.6502	411,287	678,706
17	January 2025	1.2446	0.4209		1.6655	554,639	923,752
18	February	1.2446	0.4209		1.6655	551,925	919,232
19	March	1.2446	0.4209		1.6655	429,260	714,932
20	April	1.2445	0.4267		1.6712	275,921	461,120
21	May	1.2445	0.4267		1.6712	153,732	256,916
22	June	1.2445	0.4267		1.6712	115,615	193,215
23	July	1.2445	0.4267		1.6712	79,143	132,264
24	August	1.2445	0.4267		1.6712	69,567	116,261
25	September	1.2445	0.4267		1.6712	84,674	141,508
26	October	1.8531			1.8531	118,609	219,795
27	November 2025	1.8531			1.8531	212,668	394,096
28	Total				1.6852	3,057,041	5,151,795
29	**Commercial LGS Transport _ P1**						
30	December 2024	1.2293	0.1297		1.3590	67,681	91,978
31	January 2025	1.2446	0.1297		1.3743	97,023	133,339
32	February	1.2446	0.1297		1.3743	119,873	164,742
33	March	1.2446	0.1297		1.3743	84,513	116,146
34	April	1.2445	0.1329		1.3774	72,547	99,927
35	May	1.2445	0.1329		1.3774	59,254	81,617
36	June	1.2445	0.1329		1.3774	44,987	61,966
37	July	1.2445	0.1329		1.3774	40,899	56,334
38	August	1.2445	0.1329		1.3774	39,374	54,234
39	September	1.2445	0.1329		1.3774	40,398	55,644
40	October	1.8531			1.8531	51,387	95,224
41	November 2025	1.8531			1.8531	52,211	96,751
42	Total				1.4386	770,147	1,107,902

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Peoples Natural Gas Company LLC
Per Books Gas Cost Revenue @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Calculated Gas Cost	
		$	
1	Residential Sales Gas Cost	240,482,177	
2	Commercial & Industrial Sales Gas Cost	57,050,073	
3	Transportation Gas Cost	43,439,772	
4	Total	340,972,022	
5	Plus:		
6	Unbilled Residential (Exh 3, Sch 15, Atch K)	(7,239,577)	
7	Unbilled Commercial & Industrial (Exh 3, Sch 15, Atch K)	(1,908,619)	
8	Unbilled Transportation (Exh 3, Sch 15, Atch K)	(123,735)	
9	Line Hit/Gas Lost		
10	Direct Imbalance	75,886	4118160
11	Sales For Resale	5,455,377	4113115
12	Off-System	5,107,767	4220011
13	Total Cost of Gas	$ 342,339,121	

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Peoples Natural Gas Company LLC
Gas Cost Revenue Per Pro Forma Future Test Year
For the 12 Months Ended November 30, 2026

Line No.	Description	Total Gas Cost
		$ *(Ex 3, Sch 15, Atch D)*
1	**Sales Gas Cost Summary by Rate Class**	
2	Residential	386,717,468
3	Commercial/Industrial	84,762,178
4	Total Sales Gas Cost	471,479,646
5	**Transport Gas Cost Summary by Customer Class**	
6	Residential	11,356,533
7	Comm/Industrial	21,717,860
8	Total Transport Gas Cost	33,074,393
9	Total Gas Cost (Ex 3, Sch 15, Atch C)	504,554,039

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Peoples Natural Gas Company LLC
Gas Cost Revenue Per Pro Forma Future Test Year
For the 12 Months Ended December 31, 2026

Line No.	Description	Total Gas Cost
		$
		(Ex 3, Sch 15, Atch D)
1	**Sales Gas Cost Summary by Rate Class**	
2	Residential	389,002,777
3	Commercial/Industrial	84,775,414
4	Total Sales Gas Cost	473,778,191
5	**Transport Gas Cost Summary by Customer Class**	
6	Residential	10,534,002
7	Comm/Industrial	21,607,197
8	Total Transport Gas Cost	32,141,199
9	Total Gas Cost (Ex 3, Sch 15, Atch C)	505,919,390

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			(Ex 3, Sch 15, Atch M)			
1	**Residential Sales (Non-Cap)**							
2	Rider USP							
3	December 2024				6,682,934	0.6055	4,046,517	4,046,517
4	January 2025				9,309,064	0.8571	7,978,798	7,978,798
5	February				9,019,776	0.8571	7,730,850	7,730,850
6	March				7,000,368	0.8571	6,000,015	6,000,015
7	April				3,998,818	0.9401	3,759,289	3,759,289
8	May				1,756,065	0.9401	1,650,876	1,650,876
9	June				1,297,791	0.9401	1,220,053	1,220,053
10	July				733,836	0.8567	628,677	628,677
11	August				631,081	0.8567	540,647	540,647
12	September				766,193	0.8567	656,397	656,397
13	October				1,132,688	1.0414	1,179,581	1,179,581
14	November 2025				3,118,994	1.0414	3,248,120	3,248,120
15	Total Residential Sales (Non-Cap) Rider USP				45,447,606	0.8502	38,639,821	38,639,821
16	Gas Procurement Charge							
17	December 2024				6,682,934	0.0865	578,074	578,074
18	January 2025				9,309,064	0.0865	805,234	805,234
19	February				9,019,776	0.0865	780,211	780,211
20	March				7,000,368	0.0865	605,532	605,532
21	April				3,998,818	0.0865	345,898	345,898
22	May				1,756,065	0.0865	151,900	151,900
23	June				1,297,791	0.0865	112,259	112,259
24	July				733,836	0.0865	63,477	63,477
25	August				631,081	0.0865	54,588	54,588
26	September				766,193	0.0865	66,276	66,276
27	October				1,132,688	0.0865	97,978	97,978
28	November 2025				3,118,994	0.0865	269,793	269,793
29	Total Residential Sales (Non-Cap) Gas Procurement Charge				45,447,606	0.0865	3,931,218	3,931,218
30	Merchant Function Charge							
31	December 2024				6,682,934	0.0742	495,874	495,874
32	January 2025				9,309,064	0.1055	982,106	982,106
33	February				9,019,776	0.1055	951,586	951,586
34	March				7,000,368	0.1055	738,539	738,539
35	April				3,998,818	0.1170	467,862	467,862
36	May				1,756,065	0.1170	205,460	205,460
37	June				1,297,791	0.1170	151,842	151,842
38	July				733,836	0.0900	66,045	66,045
39	August				631,081	0.0900	56,797	56,797
40	September				766,193	0.0900	68,957	68,957
41	October				1,132,688	0.1162	131,618	131,618
42	November 2025				3,118,994	0.1162	362,427	362,427
43	Total Residential Sales (Non-Cap) Merchant Function Charge				45,447,606	0.1030	4,679,113	4,679,113
44	DSIC Rider							
45	December 2024	544,295	0.0000	-	6,682,934	0.0000	-	-
46	January 2025	544,912	0.0000	-	9,309,064	0.0000	-	-
47	February	545,111	0.0000	-	9,019,776	0.0000	-	-
48	March	544,576	0.0000	-	7,000,368	0.0000	-	-
49	April	543,391	0.0706	38,342	3,998,818	0.0273	109,122	147,464
50	May	541,288	0.0706	38,193	1,756,065	0.0273	47,921	86,114
51	June	538,871	0.0706	38,023	1,297,791	0.0273	35,415	73,438
52	July	536,431	0.0706	37,851	733,836	0.0268	19,685	57,536
53	August	535,900	0.0706	37,813	631,081	0.0268	16,929	54,742
54	September	536,260	0.0706	37,839	766,193	0.0268	20,553	58,392
55	October	538,340	0.1394	75,066	1,132,688	0.0548	62,028	137,094
56	November 2025	539,905	0.1394	75,284	3,118,994	0.0548	170,802	246,086
57	Total Residential Sales (Non-Cap) DSIC Rider	6,489,280	0.0583	378,410	45,447,606	0.0106	482,454	860,865
58	TRS Rider							
59	December 2024	544,295	(1.1494)	(625,588)	6,682,934	(0.3663)	(2,447,745)	(3,073,333)
60	January 2025	544,912	(0.1131)	(61,610)	9,309,064	(0.0360)	(335,409)	(397,019)
61	February	545,111	(0.1131)	(61,632)	9,019,776	(0.0360)	(324,986)	(386,619)
62	March	544,576	(0.1131)	(61,572)	7,000,368	(0.0360)	(252,226)	(313,798)
63	April	543,391	(0.1033)	(56,107)	3,998,818	(0.0329)	(131,576)	(187,683)
64	May	541,288	(0.1033)	(55,890)	1,756,065	(0.0329)	(57,781)	(113,671)
65	June	538,871	(0.1033)	(55,640)	1,297,791	(0.0329)	(42,702)	(98,342)
66	July	536,431	(0.1033)	(55,388)	733,836	(0.0329)	(24,146)	(79,534)
67	August	535,900	(0.1033)	(55,333)	631,081	(0.0329)	(20,765)	(76,098)
68	September	536,260	(0.1033)	(55,370)	766,193	(0.0329)	(25,211)	(80,581)
69	October	538,340	(0.1033)	(55,585)	1,132,688	(0.0329)	(37,270)	(92,855)
70	November 2025	539,905	(0.1033)	(55,747)	3,118,994	(0.0329)	(102,627)	(158,374)
71	Total Residential Sales (Non-Cap) TRS Rider	6,489,280	(0.1935)	(1,255,462)	45,447,606	(0.0837)	(3,802,445)	(5,057,907)
72	Supplier Choice Rider							
73	December 2024	544,295	0.0080	4,354				4,354
74	January 2025	544,912	0.0080	4,359				4,359
75	February	545,111	0.0080	4,361				4,361
76	March	544,576	0.0080	4,357				4,357
77	April	543,391	0.0080	4,347				4,347
78	May	541,288	0.0080	4,330				4,330
79	June	538,871	0.0080	4,311				4,311
80	July	536,431	0.0080	4,291				4,291
81	August	535,900	0.0080	4,287				4,287
82	September	536,260	0.0080	4,290				4,290
83	October	538,340	0.0036	1,938				1,938
84	November 2025	539,905	0.0036	1,944				1,944
85	Total Residential Sales (Non-Cap) Supplier Choice Rider	6,489,280	0.0073	47,170				47,170

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			(Ex 3, Sch 15, Atch M)			
1	**Residential Sales (Cap)**							
2	Cap Credit							
3	December 2024				493,793	(4.3418)	(2,143,942)	(2,143,942)
4	January 2025				686,503	(5.6887)	(3,905,318)	(3,905,318)
5	February				688,463	(6.8966)	(4,748,062)	(4,748,062)
6	March				551,933	(7.7401)	(4,272,010)	(4,272,010)
7	April				333,855	(7.3071)	(2,439,509)	(2,439,509)
8	May				151,075	(5.9349)	(896,612)	(896,612)
9	June				111,836	(3.9864)	(445,825)	(445,825)
10	July				52,082	(2.1319)	(111,032)	(111,032)
11	August				45,789	(1.7236)	(78,922)	(78,922)
12	September				58,930	(2.0042)	(118,106)	(118,106)
13	October				105,262	(3.2519)	(342,306)	(342,306)
14	November 2025				280,497	(4.1616)	(1,167,307)	(1,167,307)
15	Total Residential Sales (Cap) Cap Credit				3,560,018	(5.8059)	(20,668,952)	(20,668,952)
16	Gas Procurement Charge							
17	December 2024				493,793	0.0865	42,713	42,713
18	January 2025				686,503	0.0865	59,382	59,382
19	February				688,463	0.0865	59,552	59,552
20	March				551,933	0.0865	47,742	47,742
21	April				333,855	0.0865	28,878	28,878
22	May				151,075	0.0865	13,068	13,068
23	June				111,836	0.0865	9,674	9,674
24	July				52,082	0.0865	4,505	4,505
25	August				45,789	0.0865	3,961	3,961
26	September				58,930	0.0865	5,097	5,097
27	October				105,262	0.0865	9,105	9,105
28	November 2025				280,497	0.0865	24,263	24,263
29	Total Residential Sales (Cap) Gas Procurement Charge				3,560,018	0.0865	307,942	307,942
30	Merchant Function Charge							
31	December 2024				493,793	0.0742	36,639	36,639
32	January 2025				686,503	0.1055	72,426	72,426
33	February				688,463	0.1055	72,633	72,633
34	March				551,933	0.1055	58,229	58,229
35	April				333,855	0.1170	39,061	39,061
36	May				151,075	0.1170	17,676	17,676
37	June				111,836	0.1170	13,085	13,085
38	July				52,082	0.0900	4,687	4,687
39	August				45,789	0.0900	4,121	4,121
40	September				58,930	0.0900	5,304	5,304
41	October				105,262	0.1162	12,231	12,231
42	November 2025				280,497	0.1162	32,594	32,594
43	Total Residential Sales (Cap) Merchant Function Charge				3,560,018	0.1036	368,686	368,686
44	DSIC Rider							
45	December 2024	30,735	0.0000	-	493,793	0.0000	-	-
46	January 2025	31,352	0.0000	-	686,503	0.0000	-	-
47	February	32,131	0.0000	-	688,463	0.0000	-	-
48	March	32,833	0.0000	-	551,933	0.0000	-	-
49	April	33,230	0.0706	2,345	333,855	0.0273	9,110	11,455
50	May	33,774	0.0706	2,383	151,075	0.0273	4,123	6,506
51	June	34,725	0.0706	2,450	111,836	0.0273	3,052	5,502
52	July	35,532	0.0706	2,507	52,082	0.0268	1,397	3,904
53	August	35,638	0.0706	2,515	45,789	0.0268	1,228	3,743
54	September	35,518	0.0706	2,506	58,930	0.0268	1,581	4,087
55	October	35,793	0.1394	4,991	105,262	0.0548	5,764	10,755
56	November 2025	36,086	0.1394	5,032	280,497	0.0548	15,360	20,392
57	Total Residential Sales (Cap) DSIC Rider	407,347	0.0607	24,729	3,560,018	0.0117	41,616	66,345
58	TRS Rider							
59	December 2024	30,735	(1.1494)	(35,325)	493,793	-0.3663	(180,860)	(216,186)
60	January 2025	31,352	(0.1131)	(3,545)	686,503	-0.0360	(24,735)	(28,280)
61	February	32,131	(0.1131)	(3,633)	688,463	-0.0360	(24,806)	(28,438)
62	March	32,833	(0.1131)	(3,712)	551,933	-0.0360	(19,886)	(23,599)
63	April	33,230	(0.1033)	(3,431)	333,855	-0.0329	(10,985)	(14,416)
64	May	33,774	(0.1033)	(3,487)	151,075	-0.0329	(4,971)	(8,458)
65	June	34,725	(0.1033)	(3,585)	111,836	-0.0329	(3,680)	(7,265)
66	July	35,532	(0.1033)	(3,669)	52,082	-0.0329	(1,714)	(5,382)
67	August	35,638	(0.1033)	(3,680)	45,789	-0.0329	(1,507)	(5,186)
68	September	35,518	(0.1033)	(3,667)	58,930	(0.0329)	(1,939)	(5,606)
69	October	35,793	(0.1033)	(3,696)	105,262	(0.0329)	(3,464)	(7,159)
70	November 2025	36,086	(0.1033)	(3,726)	280,497	(0.0329)	(9,229)	(12,955)
71	Total Residential Sales (Cap) TRS Rider	407,347	(0.1845)	(75,157)	3,560,018	(0.0808)	(287,776)	(362,932)

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial SGS Sales**							
2	Gas Procurement Charge							
3	December 2024				1,120,655	0.0865	96,937	96,937
4	January 2025				1,631,142	0.0865	141,094	141,094
5	February				1,628,711	0.0865	140,884	140,884
6	March				1,217,559	0.0865	105,319	105,319
7	April				653,035	0.0865	56,487	56,487
8	May				282,426	0.0865	24,430	24,430
9	June				197,366	0.0865	17,072	17,072
10	July				127,204	0.0865	11,003	11,003
11	August				111,287	0.0865	9,626	9,626
12	September				133,411	0.0865	11,540	11,540
13	October				184,667	0.0865	15,974	15,974
14	November 2025				493,278	0.0865	42,669	42,669
15	Total Commercial SGS Sales Gas Procurement Charge				7,780,740	0.0865	673,034	673,034
16	Merchant Function Charge							
17	December 2024				1,120,655	0.0113	12,663	12,663
18	January 2025				1,631,142	0.0159	25,935	25,935
19	February				1,628,711	0.0159	25,897	25,897
20	March				1,217,559	0.0159	19,359	19,359
21	April				653,035	0.0177	11,559	11,559
22	May				282,426	0.0177	4,999	4,999
23	June				197,366	0.0177	3,493	3,493
24	July				127,204	0.0136	1,730	1,730
25	August				111,287	0.0136	1,513	1,513
26	September				133,411	0.0136	1,814	1,814
27	October				184,667	0.0175	3,232	3,232
28	November 2025				493,278	0.0175	8,632	8,632
29	Total Commercial SGS Sales Merchant Function Charge				7,780,740	0.0155	120,827	120,827
30	DSIC Rider							
31	December 2024	38,657	0.0000	-	1,120,655	0.0000	-	-
32	January 2025	38,877	0.0000	-	1,631,142	0.0000	-	-
33	February	38,946	0.0000	-	1,628,711	0.0000	-	-
34	March	38,935	0.0000	-	1,217,559	0.0000	-	-
35	April	38,856	0.0994	3,862	653,035	0.0172	11,214	15,076
36	May	38,526	0.0994	3,830	282,426	0.0172	4,850	8,680
37	June	38,428	0.0994	3,821	197,366	0.0172	3,389	7,210
38	July	38,267	0.0994	3,805	127,204	0.0172	2,182	5,987
39	August	38,232	0.0994	3,802	111,287	0.0172	1,909	5,711
40	September	38,167	0.0994	3,795	133,411	0.0172	2,289	6,084
41	October	38,351	0.1966	7,540	184,667	0.0339	6,266	13,806
42	November 2025	38,552	0.1966	7,578	493,278	0.0339	16,739	24,316
43	Total Commercial SGS Sales DSIC Rider	462,794	0.0822	38,033	7,780,740	0.0063	48,838	86,871
44	TRS Rider							
45	December 2024	38,657	(1.6183)	(62,559)	1,120,655	(0.2726)	(305,478)	(368,037)
46	January 2025	38,877	(0.1592)	(6,190)	1,631,142	(0.0268)	(43,739)	(49,929)
47	February	38,946	(0.1592)	(6,201)	1,628,711	(0.0268)	(43,674)	(49,875)
48	March	38,935	(0.1593)	(6,202)	1,217,559	(0.0268)	(32,649)	(38,851)
49	April	38,856	(0.1454)	(5,651)	653,035	(0.0245)	(15,992)	(21,643)
50	May	38,526	(0.1455)	(5,604)	282,426	(0.0245)	(6,916)	(12,521)
51	June	38,428	(0.1455)	(5,591)	197,366	(0.0245)	(4,833)	(10,424)
52	July	38,267	(0.1455)	(5,568)	127,204	(0.0245)	(3,115)	(8,683)
53	August	38,232	(0.1455)	(5,563)	111,287	(0.0245)	(2,725)	(8,288)
54	September	38,167	(0.1455)	(5,553)	133,411	(0.0245)	(3,267)	(8,820)
55	October	38,351	(0.1456)	(5,583)	184,667	(0.0245)	(4,522)	(10,105)
56	November 2025	38,552	(0.1455)	(5,611)	493,278	(0.0245)	(12,079)	(17,690)
57	Total Commercial SGS Sales TRS Rider	462,794	(0.2720)	(125,875)	7,780,740	(0.0616)	(478,989)	(604,865)
58	Supplier Choice Rider							
59	December 2024	38,657	0.0080	309				309
60	January 2025	38,877	0.0080	311				311
61	February	38,946	0.0080	312				312
62	March	38,935	0.0080	311				311
63	April	38,856	0.0080	311				311
64	May	38,526	0.0080	308				308
65	June	38,428	0.0080	307				307
66	July	38,267	0.0080	306				306
67	August	38,232	0.0080	306				306
68	September	38,167	0.0080	305				305
69	October	38,351	0.0036	138				138
70	November 2025	38,552	0.0036	139				139
71	Total Commercial SGS Sales Supplier Choice Rider	462,794	0.0073	3,364				3,364

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Industrial SGS Sales**							
2	Gas Procurement Charge							
3	December 2024				3,930	0.0865	340	340
4	January 2025				8,102	0.0865	701	701
5	February				7,838	0.0865	678	678
6	March				5,761	0.0865	498	498
7	April				2,909	0.0865	252	252
8	May				1,238	0.0865	107	107
9	June				1,205	0.0865	104	104
10	July				(801)	0.0865	(69)	(69)
11	August				(424)	0.0865	(37)	(37)
12	September				181	0.0865	16	16
13	October				1,469	0.0865	127	127
14	November 2025				953	0.0865	82	82
15	Total Industrial SGS Sales Gas Procurement Charge				32,361	0.0865	2,799	2,799
16	Merchant Function Charge							
17	December 2024				3,930	0.0113	44	44
18	January 2025				8,102	0.0159	129	129
19	February				7,838	0.0159	125	125
20	March				5,761	0.0159	92	92
21	April				2,909	0.0177	51	51
22	May				1,238	0.0177	22	22
23	June				1,205	0.0177	21	21
24	July				(801)	0.0136	(11)	(11)
25	August				(424)	0.0136	(6)	(6)
26	September				181	0.0136	2	2
27	October				1,469	0.0175	26	26
28	November 2025				953	0.0175	17	17
29	Total Industrial SGS Sales Merchant Function Charge				32,361	0.0158	512	512
30	DSIC Rider							
31	December 2024	52	0.0000	-	3,930	0.0000	-	-
32	January 2025	53	0.0000	-	8,102	0.0000	-	-
33	February	52	0.0000	-	7,838	0.0000	-	-
34	March	52	0.0000	-	5,761	0.0000	-	-
35	April	53	0.1220	6	2,909	0.0172	50	56
36	May	53	0.1220	6	1,238	0.0172	21	28
37	June	53	0.1220	6	1,205	0.0172	21	27
38	July	53	0.1220	6	(801)	0.0172	(14)	(7)
39	August	53	0.1220	6	(424)	0.0172	(7)	(1)
40	September	52	0.1244	6	181	0.0172	3	10
41	October	53	0.2515	13	1,469	0.0339	50	63
42	November 2025	53	0.2515	13	953	0.0339	32	46
43	Total Industrial SGS Sales DSIC Rider	632	0.1036	65	32,361	0.0048	156	222
44	TRS Rider							
45	December 2024	52	(2.0261)	(105)	3,930	(0.2726)	(1,071)	(1,177)
46	January 2025	53	(0.2012)	(11)	8,102	(0.0268)	(217)	(228)
47	February	52	(0.2022)	(11)	7,838	(0.0268)	(210)	(221)
48	March	52	(0.2022)	(11)	5,761	(0.0268)	(154)	(165)
49	April	53	(0.1837)	(10)	2,909	(0.0245)	(71)	(81)
50	May	53	(0.1837)	(10)	1,238	(0.0245)	(30)	(40)
51	June	53	(0.1837)	(10)	1,205	(0.0245)	(30)	(39)
52	July	53	(0.1837)	(10)	(801)	(0.0245)	20	10
53	August	53	(0.1837)	(10)	(424)	(0.0245)	10	1
54	September	52	(0.1846)	(10)	181	(0.0245)	(4)	(14)
55	October	53	(0.1862)	(10)	1,469	(0.0245)	(36)	(46)
56	November 2025	53	(0.1862)	(10)	953	(0.0245)	(23)	(33)
57	Total Industrial SGS Sales TRS Rider	632	(0.3403)	(215)	32,361	(0.0562)	(1,818)	(2,033)
58	Supplier Choice Rider							
59	December 2024	52	0.0080	0				0
60	January 2025	53	0.0080	0				0
61	February	52	0.0080	0				0
62	March	52	0.0080	0				0
63	April	53	0.0080	0				0
64	May	53	0.0080	0				0
65	June	53	0.0080	0				0
66	July	53	0.0080	0				0
67	August	53	0.0080	0				0
68	September	52	0.0080	0				0
69	October	53	0.0036	0				0
70	November 2025	53	0.0036	0				0
71	Total Industrial SGS Sales Supplier Choice Rider	632	0.0073	5				5

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial MGS Sales**							
2	Gas Procurement Charge							
3	December 2024				459,231	0.0865	39,723	39,723
4	January 2025				651,405	0.0865	56,347	56,347
5	February				669,589	0.0865	57,919	57,919
6	March				537,135	0.0865	46,462	46,462
7	April				333,989	0.0865	28,890	28,890
8	May				183,125	0.0865	15,840	15,840
9	June				134,287	0.0865	11,616	11,616
10	July				92,752	0.0865	8,023	8,023
11	August				82,982	0.0865	7,178	7,178
12	September				107,018	0.0865	9,257	9,257
13	October				126,596	0.0865	10,951	10,951
14	November 2025				240,849	0.0865	20,833	20,833
15	Total Commercial MGS Sales Gas Procurement Charge				3,618,956	0.0865	313,040	313,040
16	Merchant Function Charge							
17	December 2024				459,231	0.0113	5,189	5,189
18	January 2025				651,405	0.0159	10,357	10,357
19	February				669,589	0.0159	10,646	10,646
20	March				537,135	0.0159	8,540	8,540
21	April				333,989	0.0177	5,912	5,912
22	May				183,125	0.0177	3,241	3,241
23	June				134,287	0.0177	2,377	2,377
24	July				92,752	0.0136	1,261	1,261
25	August				82,982	0.0136	1,129	1,129
26	September				107,018	0.0136	1,455	1,455
27	October				126,596	0.0175	2,215	2,215
28	November 2025				240,849	0.0175	4,215	4,215
29	Total Commercial MGS Sales Merchant Function Charge				3,618,956	0.0156	56,539	56,539
30	DSIC Rider							
31	December 2024	1,665	0.0000	-	459,231	0.0000	-	-
32	January 2025	1,684	0.0000	-	651,405	0.0000	-	-
33	February	1,695	0.0000	-	669,589	0.0000	-	-
34	March	1,707	0.0000	-	537,135	0.0000	-	-
35	April	1,698	0.4525	768	333,989	0.0160	5,328	6,096
36	May	1,683	0.4566	768	183,125	0.0160	2,921	3,690
37	June	1,686	0.4557	768	134,287	0.0160	2,142	2,911
38	July	1,696	0.4531	768	92,752	0.0159	1,478	2,246
39	August	1,688	0.4552	768	82,982	0.0159	1,322	2,091
40	September	1,679	0.4576	768	107,018	0.0159	1,705	2,474
41	October	1,698	0.9108	1,547	126,596	0.0315	3,991	5,537
42	November 2025	1,703	0.9108	1,551	240,849	0.0315	7,593	9,144
43	Total Commercial MGS Sales DSIC Rider	20,282	0.3800	7,708	3,618,956	0.0073	26,481	34,189
44	TRS Rider							
45	December 2024	1,665	(7.5173)	(12,516)	459,231	(0.2527)	(116,061)	(128,577)
46	January 2025	1,684	(0.7393)	(1,245)	651,405	(0.0249)	(16,195)	(17,440)
47	February	1,695	(0.7400)	(1,254)	669,589	(0.0249)	(16,647)	(17,901)
48	March	1,707	(0.7404)	(1,264)	537,135	(0.0249)	(13,354)	(14,618)
49	April	1,698	(0.6758)	(1,148)	333,989	(0.0227)	(7,583)	(8,730)
50	May	1,683	(0.6749)	(1,136)	183,125	(0.0227)	(4,158)	(5,293)
51	June	1,686	(0.6740)	(1,136)	134,287	(0.0227)	(3,049)	(4,185)
52	July	1,696	(0.6737)	(1,143)	92,752	(0.0227)	(2,106)	(3,248)
53	August	1,688	(0.6741)	(1,138)	82,982	(0.0227)	(1,884)	(3,022)
54	September	1,679	(0.6737)	(1,131)	107,018	(0.0227)	(2,430)	(3,561)
55	October	1,698	(0.6744)	(1,145)	126,596	(0.0227)	(2,874)	(4,019)
56	November 2025	1,703	(0.6744)	(1,148)	240,849	(0.0227)	(5,468)	(6,617)
57	Total Commercial MGS Sales TRS Rider	20,282	(1.2525)	(25,404)	3,618,956	(0.0530)	(191,807)	(217,212)

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Industrial MGS Sales**							
2	Gas Procurement Charge							
3	December 2024				22,221	0.0865	1,922	1,922
4	January 2025				29,708	0.0865	2,570	2,570
5	February				29,144	0.0865	2,521	2,521
6	March				25,559	0.0865	2,211	2,211
7	April				19,956	0.0865	1,726	1,726
8	May				9,933	0.0865	859	859
9	June				7,851	0.0865	679	679
10	July				5,996	0.0865	519	519
11	August				6,233	0.0865	539	539
12	September				5,042	0.0865	436	436
13	October				6,963	0.0865	602	602
14	November 2025				13,049	0.0865	1,129	1,129
15	Total Industrial MGS Sales Gas Procurement Charge				181,655	0.0865	15,713	15,713
16	Merchant Function Charge							
17	December 2024				22,221	0.0113	251	251
18	January 2025				29,708	0.0159	472	472
19	February				29,144	0.0159	463	463
20	March				25,559	0.0159	406	406
21	April				19,956	0.0177	353	353
22	May				9,933	0.0177	176	176
23	June				7,851	0.0177	139	139
24	July				5,996	0.0136	82	82
25	August				6,233	0.0136	85	85
26	September				5,042	0.0136	69	69
27	October				6,963	0.0175	122	122
28	November 2025				13,049	0.0175	228	228
29	Total Industrial MGS Sales Merchant Function Charge				181,655	0.0157	2,846	2,846
30	DSIC Rider							
31	December 2024	45	0.0000	-	22,221	0.0000	-	-
32	January 2025	46	0.0000	-	29,708	0.0000	-	-
33	February	48	0.0000	-	29,144	0.0000	-	-
34	March	49	0.0000	-	25,559	0.0000	-	-
35	April	46	0.5206	24	19,956	0.0160	318	342
36	May	46	0.5206	24	9,933	0.0160	158	182
37	June	46	0.5206	24	7,851	0.0160	125	149
38	July	46	0.5206	24	5,996	0.0159	96	120
39	August	44	0.5208	23	6,233	0.0159	99	122
40	September	45	0.5187	23	5,042	0.0159	80	104
41	October	45	1.0250	46	6,963	0.0315	219	266
42	November 2025	45	1.0250	46	13,049	0.0315	411	457
43	Total Industrial MGS Sales DSIC Rider	551	0.4252	234	181,655	0.0083	1,508	1,742
44	TRS Rider							
45	December 2024	45	(8.4483)	(380)	22,221	(0.2527)	(5,616)	(5,996)
46	January 2025	46	(0.8342)	(38)	29,708	(0.0249)	(739)	(777)
47	February	48	(0.8340)	(40)	29,144	(0.0249)	(725)	(765)
48	March	49	(0.8369)	(41)	25,559	(0.0249)	(635)	(676)
49	April	46	(0.7618)	(35)	19,956	(0.0227)	(453)	(488)
50	May	46	(0.7618)	(35)	9,933	(0.0227)	(226)	(261)
51	June	46	(0.7618)	(35)	7,851	(0.0227)	(178)	(213)
52	July	46	(0.7618)	(35)	5,996	(0.0227)	(136)	(171)
53	August	44	(0.7621)	(34)	6,233	(0.0227)	(142)	(175)
54	September	45	(0.7590)	(34)	5,042	(0.0227)	(114)	(149)
55	October	45	(0.7590)	(34)	6,963	(0.0227)	(158)	(192)
56	November 2025	45	(0.7590)	(34)	13,049	(0.0227)	(296)	(330)
57	Total Industrial MGS Sales TRS Rider	551	(1.4079)	(776)	181,655	(0.0518)	(9,418)	(10,193)

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial LGS Sales**							
2	Gas Procurement Charge							
3	December 2024				26,561	0.0865	2,298	2,298
4	January 2025				43,983	0.0865	3,805	3,805
5	February				48,710	0.0865	4,213	4,213
6	March				40,738	0.0865	3,524	3,524
7	April				32,209	0.0865	2,786	2,786
8	May				36,980	0.0865	3,199	3,199
9	June				17,793	0.0865	1,539	1,539
10	July				15,738	0.0865	1,361	1,361
11	August				12,164	0.0865	1,052	1,052
12	September				11,360	0.0865	983	983
13	October				11,837	0.0865	1,024	1,024
14	November 2025				16,623	0.0865	1,438	1,438
15	Total Commercial LGS Sales Gas Procurement Charge				314,695	0.0865	27,221	27,221
16	Merchant Function Charge							
17	December 2024				26,561	0.0113	300	300
18	January 2025				43,983	0.0159	699	699
19	February				48,710	0.0159	774	774
20	March				40,738	0.0159	648	648
21	April				32,209	0.0177	570	570
22	May				36,980	0.0177	655	655
23	June				17,793	0.0177	315	315
24	July				15,738	0.0136	214	214
25	August				12,164	0.0136	165	165
26	September				11,360	0.0136	154	154
27	October				11,837	0.0175	207	207
28	November 2025				16,623	0.0175	291	291
29	Total Commercial LGS Sales Merchant Function Charge				314,695	0.0159	4,993	4,993
30	DSIC Rider							
31	December 2024	9	0.0000	-	26,561	0.0000	-	-
32	January 2025	9	0.0000	-	43,983	0.0000	-	-
33	February	9	0.0000	-	48,710	0.0000	-	-
34	March	9	0.0000	-	40,738	0.0000	-	-
35	April	9	3.9480	36	32,209	0.0115	371	406
36	May	9	3.9480	36	36,980	0.0115	426	461
37	June	9	3.9480	36	17,793	0.0115	205	240
38	July	7	3.9480	28	15,738	0.0115	181	208
39	August	7	3.9480	28	12,164	0.0115	140	167
40	September	10	4.1685	42	11,360	0.0115	131	172
41	October	10	8.2378	82	11,837	0.0227	269	352
42	November 2025	9	8.2862	75	16,623	0.0227	378	453
43	Total Commercial LGS Sales DSIC Rider	106	3.4010	361	314,695	0.0067	2,099	2,460
44	TRS Rider							
45	December 2024	9	(64.3092)	(579)	26,561	(0.1803)	(4,790)	(5,369)
46	January 2025	9	(6.3262)	(57)	43,983	(0.0177)	(780)	(837)
47	February	9	(6.3262)	(57)	48,710	(0.0177)	(864)	(921)
48	March	9	(6.3262)	(57)	40,738	(0.0177)	(723)	(780)
49	April	9	(5.7772)	(52)	32,209	(0.0162)	(522)	(574)
50	May	9	(5.7772)	(52)	36,980	(0.0162)	(599)	(651)
51	June	9	(5.7772)	(52)	17,793	(0.0162)	(288)	(340)
52	July	7	(5.7772)	(40)	15,738	(0.0162)	(255)	(295)
53	August	7	(5.7772)	(40)	12,164	(0.0162)	(197)	(238)
54	September	10	(6.0999)	(61)	11,360	(0.0162)	(184)	(245)
55	October	10	(6.0999)	(61)	11,837	(0.0162)	(192)	(253)
56	November 2025	9	(6.1357)	(55)	16,623	(0.0162)	(269)	(325)
57	Total Commercial LGS Sales TRS Rider	106	(10.9781)	(1,164)	314,695	(0.0307)	(9,663)	(10,827)

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			(Ex 3, Sch 15, Atch M)			
1	**Industrial LGS Sales**							
2	Gas Procurement Charge							
3	December 2024				1,019	0.0865	88	88
4	January 2025				1,280	0.0865	111	111
5	February				2,239	0.0865	194	194
6	March				1,857	0.0865	161	161
7	April				798	0.0865	69	69
8	May				2,713	0.0865	235	235
9	June				3,916	0.0865	339	339
10	July				(5,705)	0.0865	(493)	(493)
11	August				1,272	0.0865	110	110
12	September				(815)	0.0865	(70)	(70)
13	October				5,758	0.0865	498	498
14	November 2025				3,558	0.0865	308	308
15	Total Industrial LGS Sales Gas Procurement Charge				17,891	0.0865	1,548	1,548
16	Merchant Function Charge							
17	December 2024				1,019	0.0113	12	12
18	January 2025				1,280	0.0159	20	20
19	February				2,239	0.0159	36	36
20	March				1,857	0.0159	30	30
21	April				798	0.0177	14	14
22	May				2,713	0.0177	48	48
23	June				3,916	0.0177	69	69
24	July				(5,705)	0.0136	(78)	(78)
25	August				1,272	0.0136	17	17
26	September				(815)	0.0136	(11)	(11)
27	October				5,758	0.0175	101	101
28	November 2025				3,558	0.0175	62	62
29	Total Industrial LGS Sales Merchant Function Charge				17,891	0.0179	320	320
30	DSIC Rider							
31	December 2024	3	0.0000	-	1,019	0.0000	-	-
32	January 2025	4	0.0000	-	1,280	0.0000	-	-
33	February	4	0.0000	-	2,239	0.0000	-	-
34	March	4	0.0000	-	1,857	0.0000	-	-
35	April	4	9.4238	38	798	0.0930	74	112
36	May	3	10.5140	32	2,713	0.0952	258	290
37	June	3	10.5140	32	3,916	0.0951	373	404
38	July	3	10.5140	32	(5,705)	0.0947	(540)	(509)
39	August	4	8.8725	35	1,272	0.0979	124	160
40	September	3	3.9480	12	(815)	0.0260	(21)	(9)
41	October	4	8.8914	36	5,758	0.0979	564	599
42	November 2025	4	8.8914	36	3,558	0.0979	348	384
43	Total Industrial LGS Sales DSIC Rider	43	5.8322	251	17,891	0.0659	1,180	1,431
44	TRS Rider							
45	December 2024	3	(171.2631)	(514)	1,019	(0.0160)	(16)	(530)
46	January 2025	4	(22.1081)	(88)	1,280	(0.0158)	(20)	(109)
47	February	4	(22.1081)	(88)	2,239	(0.0135)	(30)	(119)
48	March	4	(22.1081)	(88)	1,857	(0.0136)	(25)	(114)
49	April	4	(14.8119)	(59)	798	(0.0154)	(12)	(72)
50	May	3	(15.3855)	(46)	2,713	(0.0157)	(43)	(89)
51	June	3	(15.3855)	(46)	3,916	(0.0157)	(62)	(108)
52	July	3	(15.3855)	(46)	(5,705)	(0.0157)	89	43
53	August	4	(12.9834)	(52)	1,272	(0.0162)	(21)	(73)
54	September	3	(5.7772)	(17)	(815)	(0.0038)	3	(14)
55	October	4	(7.6057)	(30)	5,758	(0.0162)	(93)	(124)
56	November 2025	4	(7.6057)	(30)	3,558	(0.0162)	(58)	(88)
57	Total Industrial LGS Sales TRS Rider	43	(25.7422)	(1,107)	17,891	(0.0161)	(288)	(1,395)

Blended rate used to account for Industrial Transitional Customers

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Tariff Sales Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge & Cap Credit				49,007,623	0.3667	17,970,870	17,970,870
4	Gas Procurement Charge				49,007,623	0.0865	4,239,159	4,239,159
5	Merchant Function Charge				49,007,623	0.1030	5,047,799	5,047,799
6	DSIC Charge	6,896,627	0.0585	403,139	49,007,623	0.0107	524,070	927,209
7	TRS Credit	6,896,627	(0.1929)	(1,330,619)	49,007,623	(0.0835)	(4,090,221)	(5,420,839)
8	Supplier Choice	6,489,280	0.0073	47,170				47,170
9	**SGS**							
10	Gas Procurement Charge				7,813,101	0.0865	675,833	675,833
11	Merchant Function Charge				7,813,101	0.0155	121,340	121,340
12	DSIC	463,426	0.0822	38,098	7,813,101	0.0063	48,994	87,093
13	TRS	463,426	(0.2721)	(126,091)	7,813,101	(0.0615)	(480,807)	(606,898)
14	Supplier Choice	463,426	0.0073	3,369				3,369
15	**MGS**							
16	Gas Procurement Charge				3,800,610	0.0865	328,753	328,753
17	Merchant Function Charge				3,800,610	0.0156	59,385	59,385
18	DSIC Charge	20,833	0.3812	7,942	3,800,610	0.0074	27,989	35,931
19	TRS Credit	20,833	(1.2567)	(26,180)	3,800,610	(0.0529)	(201,225)	(227,405)
20	**LGS**							
21	Gas Procurement Charge				332,586	0.0865	28,769	28,769
22	Merchant Function Charge				332,586	0.0160	5,313	5,313
23	DSIC	149	4.1026	611	332,586	0.0099	3,279	3,891
24	TRS	149	(15.2388)	(2,271)	332,586	(0.0299)	(9,951)	(12,222)
25	**Commercial/Industrial Subtotal**							
26	Gas Procurement Charge				11,946,297	0.0865	1,033,355	1,033,355
27	Merchant Function Charge				11,946,297	0.0156	186,038	186,038
28	DSIC	484,408	0.0963	46,652	11,946,297	0.0067	80,263	126,915
29	TRS	484,408	(0.3190)	(154,541)	11,946,297	(0.0579)	(691,984)	(846,525)
30	Supplier Choice	463,426	0.0073	3,369				3,369
31	**Sales Total**							
32	Universal Service Charge				49,007,623	0.3667	17,970,870	17,970,870
33	Gas Procurement Charge				60,953,920	0.0865	5,272,514	5,272,514
34	Merchant Function Charge				60,953,920	0.0859	5,233,838	5,233,838
35	DSIC	7,381,035	0.0609	449,791	60,953,920	0.0099	604,333	1,054,124
36	TRS	7,381,035	(0.2012)	(1,485,160)	60,953,920	(0.0785)	(4,782,204)	(6,267,364)
37	Supplier Choice	6,952,706	0.0073	50,539				50,539

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Residential Transport**							
2	Rider USP							
3	December 2024				976,869	0.6055	591,494	591,494
4	January 2025				1,339,871	0.8571	1,148,404	1,148,404
5	February				1,258,646	0.8571	1,078,785	1,078,785
6	March				991,936	0.8571	850,188	850,188
7	April				576,596	0.9401	542,058	542,058
8	May				250,235	0.9401	235,246	235,246
9	June				188,572	0.9401	177,276	177,276
10	July				102,777	0.8567	88,049	88,049
11	August				90,192	0.8567	77,268	77,268
12	September				108,523	0.8567	92,972	92,972
13	October				164,078	1.0414	170,871	170,871
14	November 2025				463,013	1.0414	482,182	482,182
15	Total Residential Transport Rider USP				6,511,308	0.8500	5,534,792	5,534,792
16	Merchant Function Charge							
17	December 2024				976,869	0.0270	26,375	26,375
18	January 2025				1,339,871	0.0274	36,712	36,712
19	February				1,258,646	0.0274	34,487	34,487
20	March				991,936	0.0274	27,179	27,179
21	April				576,596	0.0274	15,799	15,799
22	May				250,235	0.0274	6,856	6,856
23	June				188,572	0.0274	5,167	5,167
24	July				102,777	0.0274	2,816	2,816
25	August				90,192	0.0274	2,471	2,471
26	September				108,523	0.0274	2,974	2,974
27	October				164,078	0.0408	6,694	6,694
28	November 2025				463,013	0.0408	18,891	18,891
29	Total Residential Transport Merchant Function Charge				6,511,308	0.0286	186,422	186,422
30	DSIC Rider							
31	December 2024	75,554	0.0000	-	976,869	0.0000	-	-
32	January 2025	75,296	0.0000	-	1,339,871	0.0000	-	-
33	February	74,745	0.0000	-	1,258,646	0.0000	-	-
34	March	74,323	0.0000	-	991,936	0.0000	-	-
35	April	74,209	0.0706	5,236	576,596	0.0265	15,308	20,544
36	May	74,137	0.0706	5,231	250,235	0.0265	6,643	11,875
37	June	74,163	0.0706	5,233	188,572	0.0265	5,006	10,239
38	July	74,315	0.0706	5,244	102,777	0.0262	2,693	7,936
39	August	74,245	0.0706	5,239	90,192	0.0262	2,363	7,602
40	September	74,339	0.0706	5,245	108,523	0.0262	2,843	8,089
41	October	74,571	0.1394	10,398	164,078	0.0534	8,765	19,163
42	November 2025	74,685	0.1394	10,414	463,013	0.0534	24,733	35,147
43	Total Residential Transport DSIC Rider	894,582	0.0584	52,240	6,511,308	0.0105	68,355	120,595
30	TRS Rider							
31	December 2024	75,554	(1.1494)	(86,838)	976,869	(0.3663)	(357,796)	(444,634)
32	January 2025	75,296	(0.1131)	(8,513)	1,339,871	(0.0360)	(48,276)	(56,789)
33	February	74,745	(0.1131)	(8,451)	1,258,646	(0.0360)	(45,350)	(53,800)
34	March	74,323	(0.1131)	(8,403)	991,936	(0.0360)	(35,740)	(44,143)
35	April	74,209	(0.1033)	(7,662)	576,596	(0.0329)	(18,972)	(26,635)
36	May	74,137	(0.1033)	(7,655)	250,235	(0.0329)	(8,234)	(15,889)
37	June	74,163	(0.1033)	(7,658)	188,572	(0.0329)	(6,205)	(13,862)
38	July	74,315	(0.1033)	(7,673)	102,777	(0.0329)	(3,382)	(11,055)
39	August	74,245	(0.1033)	(7,666)	90,192	(0.0329)	(2,968)	(10,634)
40	September	74,339	(0.1033)	(7,676)	108,523	(0.0329)	(3,571)	(11,247)
41	October	74,571	(0.1033)	(7,700)	164,078	(0.0329)	(5,399)	(13,098)
42	November 2025	74,685	(0.1033)	(7,711)	463,013	(0.0329)	(15,235)	(22,946)
43	Total Residential Transport TRS Rider	894,582	(0.1941)	(173,607)	6,511,308	(0.0846)	(551,126)	(724,733)
44	Supplier Choice Rider							
45	December 2024	75,554	0.0080	604				604
46	January 2025	75,296	0.0080	602				602
47	February	74,745	0.0080	598				598
48	March	74,323	0.0080	595				595
49	April	74,209	0.0080	594				594
50	May	74,137	0.0080	593				593
51	June	74,163	0.0080	593				593
52	July	74,315	0.0080	595				595
53	August	74,245	0.0080	594				594
54	September	74,339	0.0080	595				595
55	October	74,571	0.0036	268				268
56	November 2025	74,685	0.0036	269				269
57	Total Residential Transport Supplier Choice Rider	894,582	0.0073	6,500				6,500

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			(Ex 3, Sch 15, Atch M)			
1	**Commercial SGS Transport**							
2	DSIC Rider							
3	December 2024	10,312	0.0000	-	485,330	0.0000	-	-
4	January 2025	10,200	0.0000	-	708,114	0.0000	-	-
5	February	10,136	0.0000	-	695,786	0.0000	-	-
6	March	10,038	0.0000	-	516,254	0.0000	-	-
7	April	9,986	0.1107	1,105	286,422	0.0167	4,793	5,898
8	May	10,169	0.1105	1,123	128,872	0.0167	2,157	3,280
9	June	10,134	0.1105	1,120	87,791	0.0167	1,469	2,589
10	July	10,131	0.1105	1,120	55,743	0.0167	933	2,053
11	August	10,112	0.1105	1,118	47,742	0.0167	799	1,917
12	September	10,128	0.1106	1,120	56,216	0.0167	941	2,061
13	October	10,138	0.2182	2,212	75,158	0.0331	2,486	4,698
14	November 2025	10,153	0.2182	2,215	211,467	0.0331	6,993	9,208
15	Total Commercial SGS Transport DSIC Rider	121,637	0.0915	11,133	3,354,894	0.0061	20,570	31,703
16	TRS Rider							
17	December 2024	10,312	(1.7986)	(18,547)	485,330	(0.2726)	(132,295)	(150,843)
18	January 2025	10,200	(0.1770)	(1,806)	708,114	(0.0268)	(18,988)	(20,794)
19	February	10,136	(0.1772)	(1,796)	695,786	(0.0268)	(18,658)	(20,454)
20	March	10,038	(0.1773)	(1,780)	516,254	(0.0268)	(13,843)	(15,623)
21	April	9,986	(0.1619)	(1,617)	286,422	(0.0245)	(7,014)	(8,631)
22	May	10,169	(0.1616)	(1,644)	128,872	(0.0245)	(3,156)	(4,799)
23	June	10,134	(0.1617)	(1,639)	87,791	(0.0245)	(2,150)	(3,789)
24	July	10,131	(0.1617)	(1,639)	55,743	(0.0245)	(1,365)	(3,004)
25	August	10,112	(0.1617)	(1,636)	47,742	(0.0245)	(1,169)	(2,805)
26	September	10,128	(0.1618)	(1,639)	56,216	(0.0245)	(1,377)	(3,016)
27	October	10,138	(0.1616)	(1,638)	75,158	(0.0245)	(1,840)	(3,478)
28	November 2025	10,153	(0.1615)	(1,640)	211,467	(0.0245)	(5,178)	(6,818)
29	Total Commercial SGS Transport TRS Rider	121,637	(0.3043)	(37,019)	3,354,894	(0.0617)	(207,034)	(244,053)
30	Supplier Choice Rider							
31	December 2024	10,312	0.0080	82				82
32	January 2025	10,200	0.0080	82				82
33	February	10,136	0.0080	81				81
34	March	10,038	0.0080	80				80
35	April	9,986	0.0080	80				80
36	May	10,169	0.0080	81				81
37	June	10,134	0.0080	81				81
38	July	10,131	0.0080	81				81
39	August	10,112	0.0080	81				81
40	September	10,128	0.0080	81				81
41	October	10,138	0.0036	36				36
42	November 2025	10,153	0.0036	37				37
43	Total Commercial SGS Transport Supplier Choice Rider	121,637	0.0073	884				884
44	**Industrial SGS Transport**							
45	DSIC Rider							
46	December 2024	52	0.0000	-	2,986	0.0000	-	-
47	January 2025	52	0.0000	-	5,143	0.0000	-	-
48	February	52	0.0000	-	4,298	0.0000	-	-
49	March	51	0.0000	-	3,485	0.0000	-	-
50	April	51	0.1141	6	1,930	0.0167	32	38
51	May	51	0.1141	6	634	0.0167	11	16
52	June	51	0.1141	6	241	0.0167	4	10
53	July	51	0.1141	6	123	0.0167	2	8
54	August	50	0.1146	6	159	0.0167	3	8
55	September	50	0.1146	6	135	0.0167	2	8
56	October	48	0.2244	11	485	0.0331	16	27
57	November 2025	48	0.2244	11	833	0.0331	28	38
58	Total Industrial SGS Transport DSIC Rider	607	0.0927	56	20,451	0.0048	97	154
59	TRS Rider							
60	December 2024	52	(1.8524)	(96)	2,986	(0.2726)	(814)	(910)
61	January 2025	52	(0.1823)	(9)	5,143	(0.0268)	(138)	(147)
62	February	52	(0.1823)	(9)	4,298	(0.0268)	(115)	(125)
63	March	51	(0.1829)	(9)	3,485	(0.0268)	(93)	(103)
64	April	51	(0.1671)	(9)	1,930	(0.0245)	(47)	(56)
65	May	51	(0.1671)	(9)	634	(0.0245)	(16)	(24)
66	June	51	(0.1671)	(9)	241	(0.0245)	(6)	(14)
67	July	51	(0.1670)	(9)	123	(0.0245)	(3)	(12)
68	August	50	(0.1676)	(8)	159	(0.0245)	(4)	(12)
69	September	50	(0.1676)	(8)	135	(0.0245)	(3)	(12)
70	October	48	(0.1662)	(8)	485	(0.0245)	(12)	(20)
71	November 2025	48	(0.1662)	(8)	833	(0.0245)	(20)	(28)
72	Total Industrial SGS Transport TRS Rider	607	(0.3153)	(191)	20,451	(0.0622)	(1,272)	(1,463)
73	Supplier Choice Rider							
74	December 2024	52	0.0080	0				0
75	January 2025	52	0.0080	0				0
76	February	52	0.0080	0				0
77	March	51	0.0080	0				0
78	April	51	0.0080	0				0
79	May	51	0.0080	0				0
80	June	51	0.0080	0				0
81	July	51	0.0080	0				0
82	August	50	0.0080	0				0
83	September	50	0.0080	0				0
84	October	48	0.0036	0				0
85	November 2025	48	0.0036	0				0
86	Total Industrial SGS Transport Supplier Choice Rider	607	0.0073	4				4

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			*(Ex 3, Sch 15, Atch M)*			
1	**Commercial MGS Transport**							
2	DSIC Rider							
3	December 2024	3,157	0.0000	-	1,645,149	0.0000	-	-
4	January 2025	3,135	0.0000	-	2,218,557	0.0000	-	-
5	February	3,128	0.0000	-	2,207,701	0.0000	-	-
6	March	3,112	0.0000	-	1,717,038	0.0000	-	-
7	April	3,113	0.5040	1,569	1,103,686	0.0155	17,124	18,693
8	May	3,126	0.5041	1,576	614,926	0.0155	9,541	11,116
9	June	3,120	0.5045	1,574	462,458	0.0155	7,175	8,749
10	July	3,116	0.5047	1,573	316,571	0.0155	4,912	6,484
11	August	3,111	0.5046	1,570	278,270	0.0155	4,317	5,887
12	September	3,115	0.5047	1,572	338,697	0.0155	5,255	6,827
13	October	3,106	0.9976	3,099	474,437	0.0307	14,547	17,645
14	November 2025	3,105	0.9977	3,098	850,674	0.0307	26,083	29,180
15	Total Commercial MGS Transport DSIC Rider	37,444	0.4174	15,630	12,228,165	0.0073	88,953	104,583
16	TRS Rider							
17	December 2024	3,157	(8.2066)	(25,908)	1,645,149	(0.2527)	(415,775)	(441,684)
18	January 2025	3,135	(0.8074)	(2,531)	2,218,557	(0.0249)	(55,156)	(57,688)
19	February	3,128	(0.8073)	(2,525)	2,207,701	(0.0249)	(54,886)	(57,412)
20	March	3,112	(0.8074)	(2,513)	1,717,038	(0.0249)	(42,688)	(45,201)
21	April	3,113	(0.7375)	(2,296)	1,103,686	(0.0227)	(25,058)	(27,354)
22	May	3,126	(0.7376)	(2,306)	614,926	(0.0227)	(13,961)	(16,267)
23	June	3,120	(0.7383)	(2,303)	462,458	(0.0227)	(10,500)	(12,803)
24	July	3,116	(0.7385)	(2,301)	316,571	(0.0227)	(7,187)	(9,489)
25	August	3,111	(0.7383)	(2,297)	278,270	(0.0227)	(6,318)	(8,615)
26	September	3,115	(0.7385)	(2,301)	338,697	(0.0227)	(7,690)	(9,990)
27	October	3,106	(0.7387)	(2,294)	474,437	(0.0227)	(10,772)	(13,066)
28	November 2025	3,105	(0.7387)	(2,294)	850,674	(0.0227)	(19,314)	(21,607)
29	Total Commercial MGS Transport TRS Rider	37,444	(1.3853)	(51,869)	12,228,165	(0.0547)	(669,305)	(721,174)
30	**Industrial MGS Transport**							
31	DSIC Rider							
32	December 2024	136	0.0000	-	133,029	0.0000	-	-
33	January 2025	135	0.0000	-	166,411	0.0000	-	-
34	February	133	0.0000	-	173,544	0.0000	-	-
35	March	132	0.0000	-	179,750	0.0000	-	-
36	April	134	0.5704	76	122,971	0.0155	1,908	1,984
37	May	134	0.5704	76	81,298	0.0155	1,261	1,338
38	June	134	0.5704	76	74,199	0.0155	1,151	1,228
39	July	134	0.5704	76	69,162	0.0155	1,073	1,149
40	August	136	0.5696	77	68,283	0.0155	1,059	1,137
41	September	135	0.5707	77	67,534	0.0155	1,048	1,125
42	October	135	1.1278	152	85,187	0.0307	2,612	2,764
43	November 2025	135	1.1278	152	88,731	0.0307	2,721	2,873
44	Total Industrial MGS Transport DSIC Rider	1,613	0.4741	765	1,310,099	0.0098	12,833	13,598
45	TRS Rider							
46	December 2024	136	(9.3003)	(1,265)	133,029	(0.2527)	(33,620)	(34,885)
47	January 2025	135	(0.9145)	(123)	166,411	(0.0249)	(4,137)	(4,261)
48	February	133	(0.9158)	(122)	173,544	(0.0249)	(4,315)	(4,436)
49	March	132	(0.9153)	(121)	179,750	(0.0249)	(4,469)	(4,590)
50	April	134	(0.8347)	(112)	122,971	(0.0227)	(2,792)	(2,904)
51	May	134	(0.8347)	(112)	81,298	(0.0227)	(1,846)	(1,958)
52	June	134	(0.8347)	(112)	74,199	(0.0227)	(1,685)	(1,796)
53	July	134	(0.8347)	(112)	69,162	(0.0227)	(1,570)	(1,682)
54	August	136	(0.8335)	(113)	68,283	(0.0227)	(1,550)	(1,664)
55	September	135	(0.8351)	(113)	67,534	(0.0227)	(1,533)	(1,646)
56	October	135	(0.8351)	(113)	85,187	(0.0227)	(1,934)	(2,047)
57	November 2025	135	(0.8351)	(113)	88,731	(0.0227)	(2,015)	(2,127)
58	Total Industrial MGS Transport TRS Rider	1,613	(1.5684)	(2,530)	1,310,099	(0.0469)	(61,465)	(63,995)

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
		(Ex 19, RR-4)			(Ex 3, Sch 15, Atch M)			
1	**Commercial LGS Transport**							
2	DSIC Rider							
3	December 2024	104	0.0000	-	676,806	0.0000	-	-
4	January 2025	104	0.0000	-	970,232	0.0000	-	-
5	February	104	0.0000	-	1,198,731	0.0000	-	-
6	March	104	0.0000	-	845,128	0.0000	-	-
7	April	104	6.0088	625	725,474	0.0104	7,538	8,163
8	May	103	6.0288	621	592,542	0.0103	6,123	6,743
9	June	104	6.0088	625	449,873	0.0104	4,693	5,318
10	July	106	5.9699	633	408,986	0.0103	4,223	4,856
11	August	106	5.9699	633	393,744	0.0104	4,076	4,709
12	September	106	5.9699	633	403,979	0.0103	4,173	4,806
13	October	106	11.7977	1,251	513,866	0.0203	10,413	11,664
14	November 2025	107	11.7604	1,258	522,106	0.0208	10,836	12,095
15	Total Commercial LGS Transport DSIC Rider	1,258	4.9906	6,278	7,701,467	0.0068	52,076	58,355
16	TRS Rider							
17	December 2024	104	(97.8781)	(10,179)	676,806	(0.1708)	(115,579)	(125,759)
18	January 2025	104	(9.6284)	(1,001)	970,232	(0.0167)	(16,196)	(17,197)
19	February	104	(9.6284)	(1,001)	1,198,731	(0.0166)	(19,886)	(20,887)
20	March	104	(9.6284)	(1,001)	845,128	(0.0168)	(14,190)	(15,191)
21	April	104	(8.7929)	(914)	725,474	(0.0152)	(11,031)	(11,945)
22	May	103	(8.8222)	(909)	592,542	(0.0151)	(8,959)	(9,868)
23	June	104	(8.7929)	(914)	449,873	(0.0153)	(6,867)	(7,782)
24	July	106	(8.7360)	(926)	408,986	(0.0151)	(6,180)	(7,106)
25	August	106	(8.7360)	(926)	393,744	(0.0151)	(5,965)	(6,891)
26	September	106	(8.7360)	(926)	403,979	(0.0151)	(6,107)	(7,033)
27	October	106	(8.7360)	(926)	513,866	(0.0150)	(7,711)	(8,637)
28	November 2025	107	(8.7083)	(932)	522,106	(0.0154)	(8,024)	(8,956)
29	Total Commercial LGS Transport TRS Rider	1,258	(16.3409)	(20,557)	7,701,467	(0.0294)	(226,696)	(247,252)
30	**Industrial LGS Transport**							
31	DSIC Rider							
32	December 2024	140	0.0000	-	3,638,227	0.0000	-	-
33	January 2025	139	0.0000	-	4,164,164	0.0000	-	-
34	February	139	0.0000	-	4,113,541	0.0000	-	-
35	March	139	0.0000	-	4,604,719	0.0000	-	-
36	April	139	12.7976	1,779	3,635,631	0.0618	224,564	226,343
37	May	141	12.8274	1,809	3,418,760	0.0628	214,789	216,597
38	June	140	12.7502	1,785	3,340,700	0.0628	209,693	211,478
39	July	140	12.7502	1,785	3,092,511	0.0631	195,006	196,791
40	August	137	12.6553	1,734	2,980,062	0.0615	183,375	185,109
41	September	137	12.6553	1,734	3,287,130	0.0634	208,412	210,146
42	October	136	25.1359	3,418	2,983,068	0.0645	192,466	195,885
43	November 2025	136	25.1359	3,418	3,354,154	0.0653	219,142	222,561
44	Total Industrial LGS Transport DSIC Rider	1,663	10.5004	17,462	42,612,668	0.0387	1,647,447	1,664,909
45	TRS Rider							
46	December 2024	140	(208.2693)	(29,158)	3,638,227	(0.0114)	(41,322)	(70,480)
47	January 2025	139	(20.3626)	(2,830)	4,164,164	(0.0115)	(47,955)	(50,785)
48	February	139	(20.3050)	(2,822)	4,113,541	(0.0115)	(47,333)	(50,155)
49	March	139	(20.3050)	(2,822)	4,604,719	(0.0117)	(54,054)	(56,876)
50	April	139	(18.5479)	(2,578)	3,635,631	(0.0111)	(40,345)	(42,923)
51	May	141	(18.5940)	(2,622)	3,418,760	(0.0112)	(38,443)	(41,065)
52	June	140	(18.4797)	(2,587)	3,340,700	(0.0112)	(37,326)	(39,913)
53	July	140	(18.6577)	(2,612)	3,092,511	(0.0112)	(34,701)	(37,313)
54	August	137	(18.5190)	(2,537)	2,980,062	(0.0110)	(32,812)	(35,349)
55	September	137	(18.5190)	(2,537)	3,287,130	(0.0113)	(36,995)	(39,532)
56	October	136	(18.6127)	(2,531)	2,983,068	(0.0116)	(34,485)	(37,017)
57	November 2025	136	(18.6127)	(2,531)	3,354,154	(0.0112)	(37,727)	(40,258)
58	Total Industrial LGS Transport TRS Rider	1,663	(34.9783)	(58,169)	42,612,668	(0.0113)	(483,498)	(541,667)

Blended rate used to account for Industrial Transitional Customers
Blended rate used to account for multiple LGS Usage Tiers

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Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Transport Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge				6,511,308	$ 0.8500	5,534,792	5,534,792
4	Merchant Function Charge				6,511,308	$ 0.0286	186,422	186,422
5	DSIC	894,582	$ 0.0584	52,240	6,511,308	$ 0.0105	68,355	120,595
6	TRS	894,582	$ (0.1941)	(173,607)	6,511,308	$ (0.0846)	(551,126)	(724,733)
7	Supplier Choice	894,582	$ 0.0073	6,500				6,500
8	**SGS**							
9	DSIC	122,244	$ 0.0915	11,189	3,375,345	$ 0.0061	20,668	31,857
10	TRS	122,244	$ (0.3044)	(37,211)	3,375,345	$ (0.0617)	(208,305)	(245,516)
11	Supplier Choice	122,244	$ 0.0073	888				888
12	**MGS**							
13	DSIC	39,057	$ 0.4198	16,394	13,538,263	$ 0.0075	101,786	118,181
14	TRS	39,057	$ (1.3928)	(54,399)	13,538,263	$ (0.0540)	(730,770)	(785,170)
15	**LGS**							
16	DSIC	2,921	$ 8.1274	23,740	50,314,135	$ 0.0338	1,699,524	1,723,264
17	TRS	2,921	$ (26.9516)	(78,726)	50,314,135	$ (0.0141)	(710,193)	(788,919)
18	**Total Transport**							
19	Universal Service Charge				6,511,308	$ 0.8500	5,534,792	5,534,792
20	Merchant Function Charge				6,511,308	$ 0.0286	186,422	186,422
21	DSIC	1,058,804	$ 0.0978	103,564	73,739,052	$ 0.0256	1,890,333	1,993,897
22	TRS	1,058,804	$ (0.3248)	(343,942)	73,739,052	$ (0.0298)	(2,200,395)	(2,544,337)
23	Supplier Choice	1,016,826	$ 0.0073	7,388				7,388

Exhibit No. 3, Schedule No. 15
Attachment N
Page 15 of 17
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Per Books Riders @ Test Year Rates Based on Billed Volumes
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Service Base Rate	Service Revenue	Volumes	Volume Base Rate	Volume Revenue	Total Revenue
		(1)	(2)	(3=1*2)	(4)	(5)	(6=4*5)	(7=3*6)
			$/Bill	$	Mcf	$/Mcf	$	$
1	**Component Summary by Customer Class**							
2	**Residential**							
3	Universal Service Charge				55,518,931	0.4234	23,505,662	23,505,662
4	Gas Procurement Charge				49,007,623	0.0865	4,239,159	4,239,159
5	Merchant Function Charge				55,518,931	0.0943	5,234,221	5,234,221
6	DSIC Charge	7,791,209	0.0584	455,379	55,518,931	0.0107	592,425	1,047,804
7	TRS Credit	7,791,209	(0.1931)	(1,504,225)	55,518,931	(0.0836)	(4,641,347)	(6,145,572)
8	Supplier Choice	7,383,862	0.0073	53,670				53,670
9	**SGS**							
10	Gas Procurement Charge				7,813,101	0.0865	675,833	675,833
11	Merchant Function Charge				7,813,101	0.0155	121,340	121,340
12	DSIC	585,670	0.0842	49,288	11,188,446	0.0062	69,662	118,950
13	TRS	585,670	(0.2788)	(163,301)	11,188,446	(0.0616)	(689,113)	(852,414)
14	Supplier Choice	585,670	0.0073	4,257				4,257
15	**MGS**							
16	Gas Procurement Charge				3,800,610	0.0865	328,753	328,753
17	Merchant Function Charge				3,800,610	0.0156	59,385	59,385
18	DSIC Charge	59,890	0.4064	24,336	17,338,874	0.0075	129,775	154,112
19	TRS Credit	59,890	(1.3455)	(80,579)	17,338,874	(0.0538)	(931,995)	(1,012,575)
20	**LGS**							
21	Gas Procurement Charge				332,586	0.0865	28,769	28,769
22	Merchant Function Charge				332,586	0.0160	5,313	5,313
23	DSIC	3,070	7.9321	24,352	50,646,721	0.0336	1,702,803	1,727,155
24	TRS	3,070	(26.3832)	(80,996)	50,646,721	(0.0142)	(720,145)	(801,141)
25	**Commercial/Industrial Subtotal**							
26	Gas Procurement Charge				11,946,297	0.0865	1,033,355	1,033,355
27	Merchant Function Charge				11,946,297	0.0156	186,038	186,038
28	DSIC	648,630	0.1511	97,976	79,174,041	0.0240	1,902,241	2,000,216
29	TRS	648,630	(0.5009)	(324,877)	79,174,041	(0.0296)	(2,341,253)	(2,666,129)
30	Supplier Choice	585,670	0.0073	4,257				4,257
31	**Overall Total**							
32	Universal Service Charge				55,518,931	0.4234	23,505,662	23,505,662
33	Gas Procurement Charge				60,953,920	0.0865	5,272,514	5,272,514
34	Merchant Function Charge				67,465,228	0.0803	5,420,260	5,420,260
35	DSIC	8,439,839	0.0656	553,355	134,692,972	0.0185	2,494,666	3,048,021
36	TRS	8,439,839	(0.2167)	(1,829,102)	134,692,972	(0.0518)	(6,982,599)	(8,811,701)
37	Supplier Choice	7,969,532	0.0073	57,927				57,927
38	Rider USP Summary							
39	Residential Sales Rider				38,639,821	87.5%	36,092,114	
40	Residential Sales Cap Credit				(20,668,952)	0.0%	(20,668,952)	
41	Residential Transport Rider				5,534,792	12.5%	5,169,857	
42	Total				23,505,662	100.0%	20,593,019	
43	Plus:							
44	Unbilled USP Rider						1,978,938	
45	Total USP (per Exhibit 4)						22,571,957	
46	Supplier Choice Rider Summary							
47	Supplier Choice Sales Rider				50,539	87.2%	1,563	
48	Supplier Choice Transport Rider				7,388	12.8%	229	
49	Total				57,927	0.2%	1,792	
50	Plus:							
51	Unbilled Supplier Choice Rider						(1,792)	
52	Total Supplier Choice (per Exhibit 4)						-	
53	Total Rider						22,571,957	

Exhibit No. 3, Schedule No. 15
Attachment N
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Rider USP, Merchant Function Charge, Gas Procurement Charge
Per Pro Forma Future Test Year
For the 12 Months Ended November 30, 2026

Line No.	Description	Revenue
		$
		(Ex 3, Sch 15, Atch D)
1	**Residential Sales Riders**	
2	Universal Services Program	0
3	Merchant Function Charge	8,508,708
4	Gas Procurement Charge	4,331,979
5	DSIC	22,652,191
6	TRS Rider	(2,368,298)
7	Supplier Choice Rider	23,434
8	**Commercial/Industrial Sales Riders**	
9	Merchant Function Charge	281,200
10	Gas Procurement Charge	950,148
11	DSIC	2,846,051
12	TRS Rider	(342,252)
13	Supplier Choice Rider	1,660
14	**Tariff Sales Rider Summary**	
15	Rider USP	0
16	Merchant Function Charge	8,789,907
17	Gas Procurement Charge	5,282,126
18	DSIC	25,498,241
19	TRS Rider	(2,710,550)
20	Supplier Choice Rider	25,094
21	**Transport Riders**	
22	Rider USP	0
23	Merchant Function Charge	249,782
24	Gas Procurement Charge	0
25	DSIC	11,187,555
26	TRS Rider	(1,332,394)
27	Supplier Choice Rider	3,439
28	**Overall Rider Summary**	
29	Rider USP	0
30	Merchant Function Charge	9,039,689
31	Gas Procurement Charge	5,282,126
32	DSIC	36,685,796
33	TRS Rider	(4,042,944)
34	Supplier Choice Rider	28,533

Exhibit No. 3, Schedule No. 15
Attachment N
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Rider USP, Merchant Function Charge, Gas Procurement Charge
Per Pro Forma Future Test Year
For the 12 Months Ended December 31, 2027

Line No.	Description	Revenue
		$
		(Ex 3, Sch 15, Atch D)
1	**Residential Sales Riders**	
2	Rider USP	0
3	Merchant Function Charge	8,558,990
4	Gas Procurement Charge	4,357,579
5	DSIC	22,816,756
6	TRS Rider	(2,386,067)
7	Supplier Choice Rider	23,714
8	**Commercial/Industrial Sales Riders**	
9	Merchant Function Charge	281,244
10	Gas Procurement Charge	950,296
11	DSIC	2,845,951
12	TRS Rider	(342,239)
13	Supplier Choice Rider	1,658
14	**Sales Rider Summary**	
15	Rider USP	0
16	Merchant Function Charge	8,840,234
17	Gas Procurement Charge	5,307,875
18	DSIC	25,662,707
19	TRS Rider	(2,728,306)
20	Supplier Choice Rider	25,372
21	**Transport Riders**	
22	Rider USP	0
23	Merchant Function Charge	231,690
24	Gas Procurement Charge	0
25	DSIC	10,969,785
26	TRS Rider	(1,308,708)
27	Supplier Choice Rider	3,237
28	**Overall Rider Summary**	
29	Rider USP	0
30	Merchant Function Charge	9,071,924
31	Gas Procurement Charge	5,307,875
32	DSIC	36,632,493
33	TRS Rider	(4,037,014)
34	Supplier Choice Rider	28,608

Exhibit No. 3, Schedule No. 15
Attachment O
Page 1 of 3
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Total Revenues**					
2	Residential Sales	7,055,332	50,376,633	810,791,101	106,296,943	917,088,044
4	SGS Sales	460,463	7,057,823	96,085,788	15,323,564	111,409,351
5	MGS Sales	20,867	3,595,670	44,465,638	4,905,649	49,371,286
6	LGS Sales	149	332,586	3,675,329	63,216	3,738,545
7	Residential Transport	774,040	5,650,985	56,265,080	11,864,092	68,129,172
8	SGS Transport	125,005	3,137,897	19,072,572	6,119,510	25,192,082
9	MGS Transport	38,660	12,347,088	62,331,814	16,358,166	78,689,980
10	LGS Transport	2,717	50,314,135	77,137,780	(67,059)	77,070,721
11	Other Revenues			14,995,142	2,307,858	17,303,000
12	Total Revenues	8,477,233	132,812,818	1,184,820,244	163,171,938	1,347,992,182
12	**Base Rates Revenue Only**					
13	Residential Sales	7,055,332	50,376,633	388,230,958	129,501,973	517,732,931
14	SGS Sales	460,463	7,057,823	39,022,600	17,200,009	56,222,610
15	MGS Sales	20,867	3,595,670	15,584,314	5,646,046	21,230,360
16	LGS Sales	149	332,586	1,077,844	113,149	1,190,993
17	Residential Transport	774,040	5,650,985	43,257,559	14,366,865	57,624,423
18	SGS Transport	125,005	3,137,897	15,766,215	6,918,042	22,684,257
19	MGS Transport	38,660	12,347,088	49,847,070	18,903,814	68,750,884
20	LGS Transport	2,717	50,314,135	63,769,223	5,183,619	68,952,842
21	Total Base Rate Revenue	8,477,233	132,812,818	616,555,782	197,833,517	814,389,299
22	**STAS**					
23	Residential Sales	7,055,332	50,376,633	186,394	(186,394)	-
24	SGS Sales	460,463	7,057,823	19,762	(19,762)	-
25	MGS Sales	20,867	3,595,670	9,298	(9,298)	-
26	LGS Sales	149	332,586	613	(613)	-
27	Residential Transport	774,040	5,650,985	20,909	(20,909)	-
28	SGS Transport	125,005	3,137,897	8,752	(8,752)	-
29	MGS Transport	38,660	12,347,088	31,928	(31,928)	-
30	LGS Transport	2,717	50,314,135	68,389	(68,389)	-
31	Total STAS	8,477,233	132,812,818	346,044	(346,044)	-

Exhibit No. 3, Schedule No. 15
Attachment O
Page 2 of 3
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Supplier Choice Rider**					
2	Residential Sales	6,587,212	46,273,106	23,714	-	23,714
3	SGS Sales	460,463	7,057,823	1,658	-	1,658
4	Residential Transport	774,040	5,650,985	2,787	-	2,787
5	SGS Transport	125,005	3,137,897	450	-	450
6	Total Supplier Choice Rider	7,946,721	62,119,812	28,608	-	28,608
7	**DSIC Rider**					
8	Residential Sales	7,055,332	50,376,633	22,816,756	(22,816,756)	-
9	SGS Sales	460,463	7,057,823	1,990,689	(1,990,689)	-
10	MGS Sales	20,867	3,595,670	799,369	(799,369)	-
11	LGS Sales	149	332,586	55,892	(55,892)	-
12	Residential Transport	774,040	5,650,985	2,483,995	(2,483,995)	-
13	SGS Transport	125,005	3,137,897	789,781	(789,781)	-
14	MGS Transport	38,660	12,347,088	2,513,720	(2,513,720)	-
15	LGS Transport	2,717	50,314,135	5,182,289	(5,182,289)	-
16	Total DSIC Rider	8,477,233	132,812,818	36,632,493	(36,632,493)	-
17	**Merchant Function Charge**					
18	Residential Sales	7,055,332	50,376,633	8,558,990	(1,051,236)	7,507,754
19	SGS Sales	460,463	7,057,823	180,680	50,017	230,697
20	MGS Sales	20,867	3,595,670	92,049	25,482	117,531
21	LGS Sales	149	332,586	8,514	2,357	10,871
22	Residential Transport	774,040	5,650,985	231,690	(28,384)	203,306
23	Total Merchant Function Charge	8,310,852	67,013,698	9,071,924	(1,001,765)	8,070,159

Exhibit No. 3, Schedule No. 15
Attachment O
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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2027

Line No.	Description	Adjusted Bills	Adjusted Volumes	Revenue @ Current Rates	Proposed Revenue Impact	Total Proposed Revenue
		(1)	(2)	(3)	(4)	(5)
			Mcf	$	$	$
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*	*(Ex 3, Sch 15, Atch D)*		*(Ex 3, Sch 15, Atch E)*
1	**Universal Service Program**					
2	Residential Sales	7,055,332	50,376,633	-	249,875	249,875
3	Residential Transport	774,040	5,650,985	-	30,515	30,515
4	Total Universal Service Program	7,829,372	56,027,619	-	280,390	280,390
5	**Tax Repairs Rider**					
6	Residential Sales	7,055,332	50,376,633	(2,386,067)	-	(2,386,067)
7	SGS Sales	460,463	7,057,823	(239,833)	-	(239,833)
8	MGS Sales	20,867	3,595,670	(95,781)	-	(95,781)
9	LGS Sales	149	332,586	(6,624)	258	(6,366)
10	Residential Transport	774,040	5,650,985	(265,861)	-	(265,861)
11	SGS Transport	125,005	3,137,897	(97,080)	-	(97,080)
12	MGS Transport	38,660	12,347,088	(308,986)	-	(308,986)
13	LGS Transport	2,717	50,314,135	(636,781)	-	(636,781)
14	Total Tax Cuts Job Act Rider	8,477,233	132,812,818	(4,037,014)	258	(4,036,756)
15	**Gas Procurement Charge**					
16	Residential Sales	7,055,332	50,376,633	4,357,579	599,482	4,957,061
17	SGS Sales	460,463	7,057,823	610,502	83,988	694,490
18	MGS Sales	20,867	3,595,670	311,025	42,788	353,814
19	LGS Sales	149	332,586	28,769	3,958	32,726
20	Total Gas Procurement Charge	7,536,811	61,362,712	5,307,875	730,216	6,038,091
21	**Gas Cost**					
22	Residential Sales	7,055,332	50,376,633	389,002,777	-	389,002,777
23	SGS Sales	460,463	7,057,823	54,499,730	-	54,499,730
24	MGS Sales	20,867	3,595,670	27,765,363	-	27,765,363
25	LGS Sales	149	332,586	2,510,321	-	2,510,321
26	Residential Transport	774,040	5,650,985	10,534,002	-	10,534,002
27	SGS Transport	125,005	3,137,897	2,604,454	-	2,604,454
28	MGS Transport	38,660	12,347,088	10,248,083	-	10,248,083
29	LGS Transport	2,717	50,314,135	8,754,659	-	8,754,659
30	Total Gas Cost	8,477,233	132,812,818	505,919,390	-	505,919,390

Exhibit No. 3, Schedule No. 16
Page 1 of 1
Witness: Dawn Folks

Peoples Natural Gas Company LLC
§ 53.53 III E

15. State manner in which revenues are being presented for ratemaking purposes:
    a. Accrued Revenues
    b. Billed Revenues
    c. Cash Revenues
    Provide details of the method followed.

    Response: Billed revenues are presented for rate-making purposes for both the historic test year actuals and future test year projections.

Exhibit No. 3, Schedule No. 17
Page 1 of 1
Witness: Dawn Folks

Peoples Natural Gas Company LLC
§ 53.53 III E

20. Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.

Response: Please refer to Exhibit No. 3, Schedule No. 14, Attachment A

Exhibit No. 17, COS-21
Page 1 of 1
Respondent: Dawn Folks

Peoples Natural Gas Company LLC
Standard Data Request
Cost of Service

COS 21. If not provided elsewhere, please provide a detailed proof of revenues at both present and proposed rates.

Response:

For proof of revenues at present rates, please see attachment.
For proof of revenues at proposed rates, please see Exhibit 3, Schedule 15, Attachment E.

Exhibit 17, COS-21
Page 1 of 7
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Historic Test Year Rate Proof
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=(1 or 2 x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Sales**					
2	Customer Charge					
3	Service Charge	6,489,280		16.80	109,019,904	
4	DSIC Rider	6,489,280		0.0583	378,410	*Ex 3, Sch 15, Atch N*
5	Supplier Choice Rider	6,489,280		0.0073	47,170	*Ex 3, Sch 15, Atch N*
6	TRS Rider	6,489,280		(0.1935)	(1,255,462)	*Ex 3, Sch 15, Atch N*
7	Subtotal - Customer Charge				108,190,022	
8	Delivery Charge					
9	Base Rate Delivery		45,447,606	5.3537	243,312,848	
10	Universal Service Rider		45,447,606	0.8502	38,639,821	*Ex 3, Sch 15, Atch N*
11	Rider GPC - Gas Procurement Charge		45,447,606	0.0865	3,931,218	*Ex 3, Sch 15, Atch N*
12	DSIC Rider		45,447,606	0.0106	482,454	*Ex 3, Sch 15, Atch N*
13	TRS Rider		45,447,606	(0.0837)	(3,802,445)	*Ex 3, Sch 15, Atch N*
14	Subtotal - Delivery				282,563,896	
15	STAS		45,447,606	0.0037	168,156	
16	Subtotal Customer Charge and Delivery Revenue				390,922,075	
17	Gas Cost		45,447,606	4.9045	222,895,521	*Ex 3, Sch 15, Atch M*
18	Merchant Function Charge		45,447,606	0.1030	4,679,113	*Ex 3, Sch 15, Atch N*
19	Total Residential Sales	6,489,280	45,447,606		618,496,709	13.609005
20	**Residential CAP Sales**					
21	Customer Charge					
22	Service Charge	407,347		16.80	6,843,430	
23	DSIC Rider	407,347		0.0607	24,729	*Ex 3, Sch 15, Atch N*
24	Supplier Choice Rider	407,347		-	-	*Ex 3, Sch 15, Atch N*
25	TRS Rider	407,347		(0.1845)	(75,157)	*Ex 3, Sch 15, Atch N*
26	Subtotal - Customer Charge				6,793,002	
27	Delivery Charge					
28	Base Rate Delivery		3,560,018	5.3537	19,059,266	
29	Cap Credit		3,560,018	(5.8059)	(20,668,952)	*Ex 3, Sch 15, Atch N*
30	Rider GPC - Gas Procurement Charge		3,560,018	0.0865	307,942	*Ex 3, Sch 15, Atch N*
31	DSIC Rider		3,560,018	0.0117	41,616	*Ex 3, Sch 15, Atch N*
32	TRS Rider		3,560,018	(0.0808)	(287,776)	*Ex 3, Sch 15, Atch N*
33	Subtotal - Delivery				(1,547,904)	
34	STAS		3,560,018	0.0037	13,172	
35	Subtotal Customer Charge and Delivery Revenue				5,258,270	
36	Gas Cost		3,560,018	4.9400	17,586,656	*Ex 3, Sch 15, Atch M*
37	Merchant Function Charge		3,560,018	0.1036	368,686	*Ex 3, Sch 15, Atch N*
38	Total Residential CAP Sales	407,347	3,560,018		23,213,612	6.520645
39	**Commercial SGS Sales**					
40	Customer Charge (0 - 499 Mcf/Yr)					
41	Service Charge	427,682		22.00	9,409,004	
42	DSIC Rider	427,682		0.0822	35,147	*Ex 3, Sch 15, Atch N*
43	Supplier Choice Rider	427,682		0.0073	3,109	*Ex 3, Sch 15, Atch N*
44	TRS Rider	427,682		(0.2720)	(116,325)	*Ex 3, Sch 15, Atch N*
45	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				9,330,935	
46	Customer Charge (500 - 999 Mcf/Yr)					
47	Service Charge	35,112		44.00	1,544,928	
48	DSIC Rider	35,112		0.0822	2,886	*Ex 3, Sch 15, Atch N*
49	Supplier Choice Rider	35,112		0.0073	255	*Ex 3, Sch 15, Atch N*
50	TRS Rider	35,112		(0.2720)	(9,550)	*Ex 3, Sch 15, Atch N*
51	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,538,519	
52	Delivery Charge					
53	Base Rate Delivery		7,780,740	3.9844	31,001,582	
54	Rider GPC - Gas Procurement Charge		7,780,740	0.0865	673,034	*Ex 3, Sch 15, Atch M*
55	DSIC Rider		7,780,740	0.0063	48,838	*Ex 3, Sch 15, Atch M*
56	TRS Rider		7,780,740	(0.0616)	(478,989)	*Ex 3, Sch 15, Atch N*
57	Subtotal - Delivery				31,244,464	
58	STAS		7,780,740	0.0028	21,786	
59	Subtotal Customer Charge and Delivery Revenue				42,135,704	
60	Gas Cost		7,780,740	4.8268	37,556,151	*Ex 3, Sch 15, Atch M*
61	Merchant Function Charge		7,780,740	0.0155	120,827	*Ex 3, Sch 15, Atch N*
62	Total Commercial SGS Sales	462,794	7,780,740		79,812,682	10.257723

Peoples Natural Gas Company LLC
Historic Test Year Rate Proof
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial SGS Sales**					
2	Customer Charge (0 - 499 Mcf/Yr)					
3	Service Charge	403		22.00	8,866	
4	DSIC Rider	403		0.1036	42	*Ex 3, Sch 15, Atch N*
5	Supplier Choice Rider	403		0.0073	3	*Ex 3, Sch 15, Atch N*
6	TRS Rider	403		(0.3403)	(137)	*Ex 3, Sch 15, Atch N*
7	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				8,774	
8	Customer Charge (500 - 999 Mcf/Yr)					
9	Service Charge	229		44.00	10,076	
10	DSIC Rider	229		0.1036	24	*Ex 3, Sch 15, Atch N*
11	Supplier Choice Rider	229		0.0073	2	*Ex 3, Sch 15, Atch N*
12	TRS Rider	229		(0.3403)	(78)	*Ex 3, Sch 15, Atch N*
13	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				10,023	
14	Delivery Charge					
15	Base Rate Delivery		32,361	3.9844	128,937	
16	Rider GPC - Gas Procurement Charge		32,361	0.0865	2,799	*Ex 3, Sch 15, Atch N*
17	DSIC Rider		32,361	0.0048	156	*Ex 3, Sch 15, Atch N*
18	TRS Rider		32,361	(0.0562)	(1,818)	*Ex 3, Sch 15, Atch N*
19	Subtotal - Delivery				130,075	
20	STAS		32,361	0.0028	91	
21	Subtotal Customer Charge and Delivery Revenue				148,962	
22	Gas Cost		32,361	4.8463	156,830	*Ex 3, Sch 15, Atch M*
23	Merchant Function Charge		32,361	0.0158	512	*Ex 3, Sch 15, Atch N*
24	Total Industrial SGS Sales	632	32,361		306,305	9.465386
25	**Commercial MGS Sales**					
26	Customer Charge (1000 - 2499 Mcf/Yr)					
27	Service Charge	16,228		101.00	1,639,028	
28	DSIC Rider	16,228		0.3800	6,167	*Ex 3, Sch 15, Atch N*
29	TRS Rider	16,228		(1.2525)	(20,326)	*Ex 3, Sch 15, Atch N*
30	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				1,624,869	
31	Customer Charge (2500 - 24999 Mcf/Yr)					
32	Service Charge	4,054		145.00	587,830	
33	DSIC Rider	4,054		0.3800	1,541	*Ex 3, Sch 15, Atch N*
34	TRS Rider	4,054		(1.2525)	(5,078)	*Ex 3, Sch 15, Atch N*
35	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				584,293	
36	Delivery Charge					
37	Base Rate Delivery		3,618,956	3.6941	13,368,784	
38	Rider GPC - Gas Procurement Charge		3,618,956	0.0865	313,040	*Ex 3, Sch 15, Atch N*
39	DSIC Rider		3,618,956	0.0073	26,481	*Ex 3, Sch 15, Atch N*
40	TRS Rider		3,618,956	(0.0530)	(191,807)	*Ex 3, Sch 15, Atch N*
41	Subtotal - Delivery				13,516,497	
42	STAS		3,618,956	0.0026	9,358	
43	Subtotal Customer Charge and Delivery Revenue				15,735,017	
44	Gas Cost		3,618,956	4.6820	16,944,116	*Ex 3, Sch 15, Atch M*
45	Merchant Function Charge		3,618,956	0.0156	56,539	*Ex 3, Sch 15, Atch N*
46	Total Commercial MGS Sales	20,282	3,618,956		32,735,673	9.045613
47	**Industrial MGS Sales**					
48	Customer Charge (1000 - 2499 Mcf/Yr)					
49	Service Charge	265		101.00	26,765	
50	DSIC Rider	265		0.4252	113	*Ex 3, Sch 15, Atch N*
51	TRS Rider	265		(1.4079)	(373)	*Ex 3, Sch 15, Atch N*
52	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				26,505	
53	Customer Charge (2500 - 24999 Mcf/Yr)					
54	Service Charge	286		145.00	41,470	
55	DSIC Rider	286		0.4252	122	*Ex 3, Sch 15, Atch N*
56	TRS Rider	286		(1.4079)	(403)	*Ex 3, Sch 15, Atch N*
57	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				41,189	
58	Delivery Charge					
59	Base Rate Delivery		181,655	3.6941	671,051	
60	Rider GPC - Gas Procurement Charge		181,655	0.0865	15,713	*Ex 3, Sch 15, Atch N*
61	DSIC Rider		181,655	0.0083	1,508	*Ex 3, Sch 15, Atch N*
62	TRS Rider		181,655	(0.0518)	(9,418)	*Ex 3, Sch 15, Atch N*
63	Subtotal - Delivery				678,854	
64	STAS		181,655	0.0026	470	
65	Subtotal Customer Charge and Delivery Revenue				747,017	
66	Gas Cost		181,655	4.7372	860,526	*Ex 3, Sch 15, Atch M*
67	Merchant Function Charge		181,655	0.0157	2,846	*Ex 3, Sch 15, Atch N*
68	Total Industrial MGS Sales	551	181,655		1,610,390	8.865114

Peoples Natural Gas Company LLC
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For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial LGS Sales**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	103		940.00	96,820	
4	DSIC Rider	103		3.4010	350	*Ex 3, Sch 15, Atch N*
5	TRS Rider	103		(10.9781)	(1,131)	*Ex 3, Sch 15, Atch N*
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				96,040	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	3		1,465.00	4,395	
9	DSIC Rider	3		3.4010	10	*Ex 3, Sch 15, Atch N*
10	TRS Rider	3		(10.9781)	(33)	*Ex 3, Sch 15, Atch N*
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				4,372	
12	Delivery Charge					
13	Base Rate Delivery		314,695	2.6360	829,536	
14	Rider GPC - Gas Procurement Charge		314,695	0.0865	27,221	*Ex 3, Sch 15, Atch N*
15	DSIC Rider		314,695	0.0067	2,099	*Ex 3, Sch 15, Atch N*
16	TRS Rider		314,695	(0.0307)	(9,663)	*Ex 3, Sch 15, Atch N*
17	Subtotal - Delivery				849,193	
18	STAS		314,695	0.0018	581	
19	Subtotal Customer Charge and Delivery Revenue				950,186	
20	Gas Cost		314,695	4.5718	1,438,730	*Ex 3, Sch 15, Atch M*
21	Merchant Function Charge		314,695	0.0159	4,993	*Ex 3, Sch 15, Atch N*
22	Total Commercial LGS Sales	106	314,695		2,393,909	7.6071
23	**Industrial LGS Sales**					
24	Customer Charge (25000 - 49999 Mcf/Yr)					
25	Service Charge	28		940.00	26,320	
26	DSIC Rider	28		5.8322	163	*Ex 3, Sch 15, Atch N*
27	TRS Rider	28		(25.7422)	(721)	*Ex 3, Sch 15, Atch N*
28	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				25,763	
29	Customer Charge (50000 - 99999 Mcf/Yr)					
30	Service Charge	-		1,465.00	-	
31	DSIC Rider	-		5.8322	-	*Ex 3, Sch 15, Atch N*
32	TRS Rider	-		(25.7422)	-	*Ex 3, Sch 15, Atch N*
33	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				-	
34	Delivery Charge					
35	Base Rate Delivery		17,891	2.6172	46,823	
36	Rider GPC - Gas Procurement Charge		17,891	0.0865	1,548	*Ex 3, Sch 15, Atch N*
37	DSIC Rider		17,891	0.0659	1,180	*Ex 3, Sch 15, Atch N*
38	TRS Rider		17,891	(0.0161)	(288)	*Ex 3, Sch 15, Atch N*
39	Subtotal - Delivery				49,262	
40	STAS		17,891	0.0018	33	
41	Subtotal Customer Charge and Delivery Revenue				75,058	
42	Gas Cost		17,891	5.2384	93,719	*Ex 3, Sch 15, Atch M*
43	Merchant Function Charge		17,891	0.0179	320	*Ex 3, Sch 15, Atch N*
44	Total Industrial LGS Sales	28	17,891		169,097	9.4517
45	**Tariff Sales Summary by Rate Class**					
46	**Residential Sales**					
47	Base Rate Revenue				378,235,447	
48	STAS				181,328	
49	Supplier Choice Rider				47,170	
50	Universal Services Program				17,970,870	
51	Merchant Function Charge				5,047,799	
52	Gas Procurement Charge				4,239,159	
53	DSIC				927,209	
54	TRS				(5,420,839)	
55	Gas Cost				240,482,177	
56	Total Residential Sales	6,896,627	49,007,623		641,710,321	
57	**SGS Sales**					
58	Base Rate Revenue				42,103,393	
59	STAS				21,877	
60	Supplier Choice Rider				3,369	
61	Merchant Function Charge				121,340	
62	Gas Procurement Charge				675,833	
63	DSIC				87,093	
64	TRS				(606,898)	
65	Gas Cost				37,712,981	
66	Total SGS Sales	463,426	7,813,101		80,118,987	
67	**MGS Sales**					
68	Base Rate Revenue				16,334,928	
69	STAS				9,828	
70	Merchant Function Charge				59,385	
71	Gas Procurement Charge				328,753	
72	DSIC				35,931	
73	TRS				(227,405)	
74	Gas Cost				17,804,642	
75	Total MGS Sales	20,833	3,800,610		34,346,062	
76	**LGS Sales**					
77	Base Rate Revenue				1,003,894	
78	STAS				613	
79	Merchant Function Charge				5,313	
80	Gas Procurement Charge				28,769	
81	DSIC				3,803	
82	TRS				(11,836)	
83	Gas Cost				1,532,449	
84	Total LGS Sales	134	332,586		2,563,006	
85	**Commercial & Industrial Sales (Total SGS, MGS, LGS)**					
86	Base Rate Revenue				59,442,215	
87	STAS				32,318	
88	Supplier Choice Rider				3,369	
89	Merchant Function Charge				186,038	
90	Gas Procurement Charge				1,033,355	
91	DSIC				126,827	
92	TRS				(846,139)	
93	Gas Cost				57,050,073	
94	Commercial & Industrial Sales (Total SGS, MGS, LGS)	484,393	11,946,297		117,028,055	
95	**Total Tariff Sales**					
96	Base Rate Revenue				437,677,662	
97	STAS				213,646	
98	Supplier Choice Rider				50,539	
99	Universal Services Program				17,970,870	
100	Merchant Function Charge				5,233,838	
101	Gas Procurement Charge				5,272,514	
102	DSIC				1,054,037	
103	TRS				(6,266,978)	
104	Gas Cost				297,532,250	
105	Total Tariff Sales	7,381,020	60,953,920		758,738,376	

Blended rate used to account for multiple LGS Usage Tiers

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Peoples Natural Gas Company LLC
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For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Residential Transport**					
2	Customer Charge					
3	Service Charge	894,582		16.80	15,028,978	
4	DSIC Rider	894,582		0.0584	52,240	*Ex 3, Sch 15, Atch M*
5	Supplier Choice Rider	894,582		0.0073	6,500	*Ex 3, Sch 15, Atch M*
6	TRS Rider	894,582		(0.1941)	(173,607)	*Ex 3, Sch 15, Atch M*
7	Subtotal - Customer Charge				14,914,111	
8	Delivery Charge:					
9	Base Rate Delivery		6,511,308	5.3537	34,859,590	
10	Universal Service Rider		6,511,308	0.8500	5,534,792	
11	DSIC Rider		6,511,308	0.0105	68,355	*Ex 3, Sch 15, Atch M*
12	TRS Rider		6,511,308	(0.0846)	(551,126)	*Ex 3, Sch 15, Atch M*
13	Subtotal - Delivery				39,911,611	
14	STAS		6,511,308	0.0037	24,092	
15	Subtotal Customer Charge and Delivery Revenue				54,849,814	
16	Gas Cost		6,511,308	1.9666	12,804,949	*Ex 3, Sch 15, Atch N*
17	Merchant Function Charge		6,511,308	0.0286	186,422	*Ex 3, Sch 15, Atch M*
18	Total Residential Transport	894,582	6,511,308		67,841,185	10.418980
19	**Commercial SGS Transport**					
20	Customer Charge (0 - 499 Mcf/Yr)					
21	Service Charge	97,788		22.00	2,151,336	
22	DSIC Rider	97,788		0.0915	8,950	*Ex 3, Sch 15, Atch M*
23	Supplier Choice Rider	97,788		0.0073	711	*Ex 3, Sch 15, Atch M*
24	TRS Rider	97,788		(0.3043)	(29,761)	*Ex 3, Sch 15, Atch M*
25	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				2,131,236	
26	Customer Charge (500 - 999 Mcf/Yr)					
27	Service Charge	23,849		44.00	1,049,356	
28	DSIC Rider	23,849		0.0915	2,183	*Ex 3, Sch 15, Atch M*
29	Supplier Choice Rider	23,849		0.0073	173	*Ex 3, Sch 15, Atch M*
30	TRS Rider	23,849		(0.3043)	(7,258)	*Ex 3, Sch 15, Atch M*
31	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				1,044,454	
32	Delivery Charge:					
33	Base Rate Delivery		3,350,654	3.9844	13,350,345	
34	Negotiated Delivery		4,240	0.1878	796	
35	DSIC Rider		3,354,894	0.0061	20,570	*Ex 3, Sch 15, Atch M*
36	TRS Rider		3,354,894	(0.0617)	(207,034)	*Ex 3, Sch 15, Atch M*
37	Subtotal - Delivery				13,164,678	
38	STAS		3,354,894	0.0028	9,357	
39	Subtotal Customer Charge and Delivery Revenue				16,349,725	
40	Gas Cost		3,354,894	1.2778	4,286,793	*Ex 3, Sch 15, Atch N*
41	Total Commercial SGS Transport	121,637	3,354,894		20,636,519	6.151168
42	**Industrial SGS Transport**					
43	Customer Charge (0 - 499 Mcf/Yr)					
44	Service Charge	465		22.00	10,230	
45	DSIC Rider	465		0.0927	43	*Ex 3, Sch 15, Atch M*
46	Supplier Choice Rider	465		0.0073	3	*Ex 3, Sch 15, Atch M*
47	TRS Rider	465		(0.3153)	(147)	*Ex 3, Sch 15, Atch M*
48	Subtotal - Customer Charge (0 - 499 Mcf/Yr)				10,130	
49	Customer Charge (500 - 999 Mcf/Yr)					
50	Service Charge	142		44.00	6,248	
51	DSIC Rider	142		0.0927	13	*Ex 3, Sch 15, Atch M*
52	Supplier Choice Rider	142		0.0073	1	*Ex 3, Sch 15, Atch M*
53	TRS Rider	142		(0.3153)	(45)	*Ex 3, Sch 15, Atch M*
54	Subtotal - Customer Charge (500 - 999 Mcf/Yr)				6,217	
55	Delivery Charge:					
56	Base Rate Delivery		16,481	3.9844	65,666	
57	Negotiated Delivery		3,970	0.0900	357	
58	DSIC Rider		20,451	0.0048	97	*Ex 3, Sch 15, Atch M*
59	TRS Rider		20,451	(0.0622)	(1,272)	*Ex 3, Sch 15, Atch M*
60	Subtotal - Delivery				64,850	
61	STAS		20,451	0.0028	57	
62	Subtotal Customer Charge and Delivery Revenue				81,254	
63	Gas Cost		20,451	1.0730	21,944	*Ex 3, Sch 15, Atch N*
64	Total Industrial SGS Transport	607	20,451		103,198	5.046050

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Peoples Natural Gas Company LLC
Historic Test Year Rate Proof
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Commercial MGS Transport**					
2	Customer Charge (1000 - 2499 Mcf/Yr)					
3	Service Charge	21,214		101.00	2,142,614	
4	DSIC Rider	21,214		0.4174	8,855	*Ex 3, Sch 15, Atch M*
5	TRS Rider	21,214		(1.3853)	(29,387)	*Ex 3, Sch 15, Atch M*
6	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				2,122,082	
7	Customer Charge (2500 - 24999 Mcf/Yr)					
8	Service Charge	16,230		145.00	2,353,350	
9	DSIC Rider	16,230		0.4174	6,775	*Ex 3, Sch 15, Atch M*
10	TRS Rider	16,230		(1.3853)	(22,483)	*Ex 3, Sch 15, Atch M*
11	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				2,337,642	
12	Delivery Charge:					
13	Base Rate Delivery		12,164,288	3.6941	44,936,097	
14	Negotiated Delivery		63,876	0.6738	43,037	
15	DSIC Rider		12,228,165	0.0073	88,953	*Ex 3, Sch 15, Atch M*
16	TRS Rider		12,228,165	(0.0547)	(669,305)	*Ex 3, Sch 15, Atch M*
17	Subtotal - Delivery				44,398,783	
18	STAS		12,228,165	0.0026	31,620	
19	Subtotal Customer Charge and Delivery Revenue				48,890,127	
20	Gas Cost		12,228,165	1.0521	12,865,691	*Ex 3, Sch 15, Atch N*
21	Total Commercial MGS Transport	37,444	12,228,165		61,755,819	5.050293
22	**Industrial MGS Transport**					
23	Customer Charge (1000 - 2499 Mcf/Yr)					
24	Service Charge	335		101.00	33,835	
25	DSIC Rider	335		0.4741	159	*Ex 3, Sch 15, Atch M*
26	TRS Rider	335		(1.5684)	(525)	*Ex 3, Sch 15, Atch M*
27	Subtotal - Customer Charge (1000 - 2499 Mcf/Yr)				33,468	
28	Customer Charge (2500 - 24999 Mcf/Yr)					
29	Service Charge	1,278		145.00	185,310	
30	DSIC Rider	1,278		0.4741	606	*Ex 3, Sch 15, Atch M*
31	TRS Rider	1,278		(1.5684)	(2,004)	*Ex 3, Sch 15, Atch M*
32	Subtotal - Customer Charge (2500 - 24999 Mcf/Yr)				183,911	
33	Delivery Charge:					
34	Base Rate Delivery		1,215,942	2.3636	2,873,947	
35	Negotiated Delivery		94,157	0.2990	28,157	
36	DSIC Rider		1,310,099	0.0098	12,833	*Ex 3, Sch 15, Atch N*
37	TRS Rider		1,310,099	(0.0469)	(61,465)	*Ex 3, Sch 15, Atch N*
38	Subtotal - Delivery				2,853,471	
39	STAS		1,310,099	0.0019	2,477	
40	Subtotal Customer Charge and Delivery Revenue				3,073,329	
41	Gas Cost		1,310,099	0.8415	1,102,457	*Ex 3, Sch 15, Atch M*
42	Total Industrial MGS Transport	1,613	1,310,099		4,175,785	3.187382
43	**Commercial LGS Transport**					
44	Customer Charge (25000 - 49999 Mcf/Yr)					
45	Service Charge	670		940.00	629,800	
46	DSIC Rider	670		4.9906	3,344	*Ex 3, Sch 15, Atch N*
47	TRS Rider	670		(16.3409)	(10,948)	*Ex 3, Sch 15, Atch N*
48	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				622,195	
49	Customer Charge (50000 - 99999 Mcf/Yr)					
50	Service Charge	384		1,465.00	562,560	
51	DSIC Rider	384		4.9906	1,916	*Ex 3, Sch 15, Atch N*
52	TRS Rider	384		(16.3409)	(6,275)	*Ex 3, Sch 15, Atch N*
53	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				558,201	
54	Customer Charge (100000 - 199999 Mcf/Yr)					
55	Service Charge	156		2,130.00	332,280	
56	DSIC Rider	156		4.9906	779	*Ex 3, Sch 15, Atch N*
57	TRS Rider	156		(16.3409)	(2,549)	*Ex 3, Sch 15, Atch N*
58	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				330,509	
59	Customer Charge (>200000 Mcf/Year)					
60	Service Charge	48		5,630.00	270,240	
61	DSIC Rider	48		4.9906	240	*Ex 3, Sch 15, Atch N*
62	TRS Rider	48		(16.3409)	(784)	*Ex 3, Sch 15, Atch N*
63	Subtotal - Customer Charge (>200000 Mcf/Year)				269,695	
64	Delivery Charge:					
65	Base Rate Delivery		6,994,452	2.4747	17,309,383	
66	Negotiated Delivery		707,015	1.1747	830,542	
67	DSIC Rider		7,701,467	0.0068	52,076	*Ex 3, Sch 15, Atch N*
68	TRS Rider		7,701,467	(0.0294)	(226,696)	*Ex 3, Sch 15, Atch N*
69	Subtotal - Delivery				17,965,306	
70	STAS		7,701,467	0.0017	13,341	
71	Subtotal Customer Charge and Delivery Revenue				19,759,249	
72	Gas Cost		7,701,467	0.3487	2,685,454	*Ex 3, Sch 15, Atch M*
73	Total Commercial LGS Transport	1,258	7,701,467		22,444,703	2.914341

Blended rate used to account for multiple LGS Usage Tiers

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Witness: Dawn Folks

Peoples Natural Gas Company LLC
Historic Test Year Rate Proof
For the 12 Months Ended November 30, 2025

Line No.	Description	Bills	Volumes	Base Rate	Revenue	Average Rate
		(1)	(2)	(3)	(4)=((1 or 2) x 3)	(5)=(4 / 2)
			Mcf	$/Mcf	$	$/Mcf
		(Ex 3, Sch 15, Atch F)	*(Ex 3, Sch 15, Atch G)*			
1	**Industrial LGS Transport**					
2	Customer Charge (25000 - 49999 Mcf/Yr)					
3	Service Charge	376		940.00	353,440	
4	DSIC Rider	376		10.5004	3,948	*Ex 3, Sch 15, Atch N*
5	TRS Rider	376		(34.9783)	(13,152)	*Ex 3, Sch 15, Atch N*
6	Subtotal - Customer Charge (25000 - 49999 Mcf/Yr)				344,236	
7	Customer Charge (50000 - 99999 Mcf/Yr)					
8	Service Charge	371		1,465.00	543,515	
9	DSIC Rider	371		10.5004	3,896	*Ex 3, Sch 15, Atch N*
10	TRS Rider	371		(34.9783)	(12,977)	*Ex 3, Sch 15, Atch N*
11	Subtotal - Customer Charge (50000 - 99999 Mcf/Yr)				534,434	
12	Customer Charge (100000 - 199999 Mcf/Yr)					
13	Service Charge	290		2,130.00	617,700	
14	DSIC Rider	290		10.5004	3,045	*Ex 3, Sch 15, Atch N*
15	TRS Rider	290		(34.9783)	(10,144)	*Ex 3, Sch 15, Atch N*
16	Subtotal - Customer Charge (100000 - 199999 Mcf/Yr)				610,601	
17	Customer Charge (>200000 Mcf/Year)					
18	Service Charge	626		5,630.00	3,524,380	
19	DSIC Rider	626		10.5004	6,573	*Ex 3, Sch 15, Atch N*
20	TRS Rider	626		(34.9783)	(21,896)	*Ex 3, Sch 15, Atch N*
21	Subtotal - Customer Charge (>200000 Mcf/Year)				3,509,057	
22	Delivery Charge:					
23	Base Rate Delivery		13,568,470	1.8455	25,039,978	
24	Negotiated Delivery		29,044,198	0.2730	7,929,894	
25	DSIC Rider		42,612,668	0.0387	1,647,447	*Ex 3, Sch 15, Atch N*
26	TRS Rider		42,612,668	(0.0113)	(483,498)	*Ex 3, Sch 15, Atch N*
27	Subtotal - Delivery				34,133,822	
28	STAS		42,612,668	0.0013	55,048	
29	Subtotal Customer Charge and Delivery Revenue				39,187,198	
30	Gas Cost		42,612,668	0.2270	9,672,484	*Ex 3, Sch 15, Atch M*
31	Total Industrial LGS Transport	1,663	42,612,668		48,859,682	1.146600
32	**Transport Summary by Rate Class**					
33	**Residential Transport**					
34	Base Rate Revenue				49,888,567	
35	STAS				24,092	
36	Supplier Choice Rider				6,500	
37	Rider USP				5,534,792	
38	Merchant Function Charge				186,422	
39	DSIC				120,595	
40	TRS				(724,733)	
41	Gas Cost				12,804,949	
42	Total Residential Transport	894,582	6,511,308		67,841,185	
43	**SGS Transport**					
44	Base Rate Revenue				16,634,336	
45	STAS				9,414	
46	Supplier Choice Rider				888	
47	DSIC				31,857	
48	TRS				(245,516)	
49	Gas Cost				4,308,737	
50	Total SGS Transport	122,244	3,375,345		20,739,716	
51	**MGS Transport**					
52	Base Rate Revenue				52,596,347	
53	STAS				34,098	
54	DSIC				118,181	
55	TRS				(785,170)	
56	Gas Cost				13,968,148	
57	Total MGS Transport	39,057	13,538,263		65,931,604	
58	**LGS Transport**					
59	Base Rate Revenue				57,943,713	
60	STAS				68,389	
61	DSIC				1,723,264	
62	TRS				(788,919)	
63	Gas Cost				12,357,938	
64	Total LGS Transport	2,921	50,314,135		71,304,385	
65	**Transport**					
66	Base Rate Revenue				177,062,963	
67	STAS				135,993	
68	Supplier Choice Rider				7,388	
69	Rider USP				5,534,792	
70	Merchant Function Charge				186,422	
71	DSIC				1,993,897	
72	TRS				(2,544,337)	
73	Gas Cost				43,439,772	
74	Total Transport	1,058,804	73,739,052		225,816,890	
75	Residential Sales Revenue	6,896,627	49,007,623		641,710,321	
76	Commercial and Industrial Sales	484,393	11,946,297		117,028,055	
77	Sales for Resale				5,491,450	
78	Forfeited Discounts				5,824,920	
79	Miscellaneous Service Revenues				1,125,013	
80	Revs from Transp of Gas of Others thru Gath Fac.				8,123,308	
81	Revs from Transp of Gas of Others thru Distri Fac.	1,058,804	73,739,052		225,816,890	
82	Rent from Gas Property				219,899	
83	Other Gas Revenues				6,056,864	
84	Provision for Rate Refunds				322,213	
85	Total Revenue	8,439,824	134,692,972		1,011,718,934	

Blended rate used to account for Industrial Transitional Customers

Exhibit 17, COS-21
Page 7 of 7
Witness: Dawn Folks

Peoples Natural Gas Company LLC
Historic Test Year Rate Proof
For the 12 Months Ended November 30, 2025

Line No.	Description	FERC I/S	Unbilled	Cycle 22 Estimates	Manual Billing Adjustments	Lost / Damaged / Theft Gas	Reclass to Imbalance / NGPV	Customer Mapping	Off-System	All Other	HTY Revenue Proof
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9=10-(1+2+3+4+5+6+7+8))	(10)
		(Ex 3, Sch 15, Atch C)	*(Ex 3, Sch 15, Atch K)*	*(Ex 3, Sch 15, Atch K)*							*Pg. 6*
1	Distribution Revenue										
2	Residential Sales Volumes (Mcf)	50,003,445	209,416	1,503						(1,206,741)	49,007,623
3	Residential Sales Revenue $	645,633,578	12,657,986	21,100		-			5,107,767	(21,710,110)	641,710,321
4	Commercial & Industrial Volumes (Mcf)	11,907,923	59,711	2,325						(23,662)	11,946,297
5	Commercial and Industrial Sales $	115,288,707	2,395,234	80,228						(736,114)	117,028,055
6	Transportation Volumes (Mcf)	74,442,196	97,664	339,138						(1,139,946)	73,739,052
7	Revs from Transp of Gas of Others thru Distri Fac. $	222,146,770	1,413,075	1,275,540			75,886			905,619	225,816,890
8	**Total Distribution Volumes (Mcf)**	**136,353,565**	**366,791**	**342,965**	**-**	**-**	**-**	**-**	**-**	**(2,370,348)**	**134,692,972**
9	**Total Distribution Revenue $**	**983,069,056**	**16,466,295**	**1,376,868**	**-**	**-**	**75,886**	**-**	**5,107,767**	**(21,540,605)**	**984,555,266**
10	Other Miscellaneous Revenue										
11	Sales for Resale	36,073									5,491,450
12	Forfeited Discounts	7,097,201									5,824,920
13	Miscellaneous Service Revenues	1,125,013									1,125,013
14	Revs from Transp of Gas of Others thru Gath Fac.	8,428,368									8,123,308
15	Rent from Gas Property	219,899									219,899
16	Other Gas Revenues	238,642									6,056,864
17	Provision for Rate Refunds	-									322,213
18	Other Miscellaneous Revenue Total	17,145,196	-	-	-	-	-	-	-	-	27,163,668
19	Total Revenue	1,000,214,251	16,466,295	1,376,868	-	-	75,886	-	5,107,767	(21,540,605)	1,011,718,934

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
EDWARD A. PALOMBO,
VICE PRESIDENT, RELIABILITY
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
EDWARD A. PALOMBO

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Edward A. Palombo. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as Vice President, Reliability.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 5.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of the Pennsylvania Independent Oil & Gas Association ("PIOGA") witnesses Daniel J. Weaver, Mark Jacobs, and Shane Kriebel. Those witnesses oppose Peoples' proposed increase to Rate Schedule Appalachian Gathering Service ("Rate AGS") from $0.24/Mcf to $0.29/Mcf and contend that the increase should be rejected unless Peoples provides a producer-specific justification. Their position overlooks the shared customer and producer benefits of the gathering system, the costs and operational responsibilities Peoples bears to maintain the gathering facilities, and the reasonableness of a modest, shared cost contribution by conventional producers. In my Rebuttal Testimony, I will explain why their

recommendations regarding the Company's gathering rates and service are flawed and should not be accepted.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring **Peoples Natural Gas Exhibit No. EAP-1R**.

II. LOCAL PRODUCTION – GATHERING AND COST RECOVERY

Q. DO ANY OF THE WITNESSES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS REGARDING PEOPLES' GATHERING AND COST RECOVERY AS IT RELATES TO LOCAL PRODUCTION?

A. Yes. PIOGA Witnesses Weaver, Jacobs, and Kriebel all provide comments and recommendations related to gathering and cost recovery for local producers.

Q. PLEASE SUMMARIZE PIOGA'S PRIMARY POSITION REGARDING THE RATE AGS INCREASE.

A. PIOGA's witnesses assert that the proposed $0.05/Mcf increase is not supported because it was developed by applying the overall base-rate increase percentage to the current gathering revenue recovery rather than by assigning the incremental increase to a separate producer-specific cost study. Mr. Weaver also argues that local production benefits customers, that conventional production is declining, and that an increase could further burden producers. Mr. Jacobs and Mr. Kriebel add operational concerns involving line pressure, regulator set points, receipt-point activity, meter issues, low-volume wells,

pipeline abandonment, and the Master Interconnect and Measurement Agreement ("MIMA").

Q. DO YOU AGREE THAT THESE POINTS JUSTIFY REJECTING THE PROPOSED RATE AGS INCREASE?

A. No. PIOGA's testimony confirms several important points that support, rather than challenge, Peoples' proposal. First, the gathering system provides producers with a market path that is often their only practical means of delivering conventional production. Second, customers benefit from local production because it can be lower cost than interstate delivered gas. Third, both customers and producers benefit from the continued safe and reliable operation of the gathering system. Because both groups benefit, it is reasonable for both groups to contribute to the cost of that system. Peoples' proposed increase continues to reflect that shared-cost principle and remains well below full recovery of gathering costs from conventional producers. In fact, the Company's proposal only requires the producers to contribute 25.7% of the total costs of the gathering system, which is about 10% less of a contribution than the 28.4% that rates were designed to recover in the Company's 2023 Base Rate case.

Q. WHY IS THE GATHERING SYSTEM RELEVANT TO BOTH PRODUCERS AND CUSTOMERS?

A. The gathering system is not maintained solely for customers and it is not maintained solely for producers. It performs a dual function. For producers, the system provides the connection to a market for conventional gas that generally cannot access other markets on

the same practical terms as unconventional production. For customers, the system provides access to local supplies that reduce reliance on interstate pipeline deliveries and can lower the overall cost of gas supply. PIOGA's witnesses acknowledge both sides of this equation. The disagreement is not whether the gathering system has value, but whether producers should continue to make a reasonable contribution to a system that makes their production marketable.

Q. DOES THE FACT THAT CUSTOMERS BENEFIT FROM LOCAL GAS MEAN PRODUCERS SHOULD NOT PAY THE PROPOSED RATE AGS INCREASE?

A. No. Customer benefit is already reflected in Peoples' proposal because customers continue to bear the majority of gathering system costs. The proposed Rate AGS increase does not shift all gathering costs to producers. It simply tries to maintain the producer contribution toward facilities that enable producers to deliver gas to market (as noted above, the proposed contribution from producers towards the cost of the gathering system is declining by approximately 10% as compared to the 2023 Base Rate case). PIOGA's argument would effectively treat the customer benefit of local production as a reason to freeze the producer charge, even though producers also receive benefits from the same facilities.

Q. WHAT ARE THE PIOGA WITNESSES' REASONING FOR RECOMMENDING THAT THE PROPOSED INCREASE IN THE RATE AGS BE REJECTED?

A. Mr. Weaver testifies that Peoples has proposed this increase "simply because Peoples is seeking an overall base rate increase from customers," and states that "the proposed AGS increase is not based on an AGS-specific showing that conventional producers caused or

will cause an incremental $0.05/Mcf of costs." (PIOGA St. No. 1, pp. 3-4.) Mr. Jacobs similarly opines that the proposed increase should be tied to a demonstrated increase in the value of the service or to producer-caused costs, and that the Company has not shown cost causation. (PIOGA St. No. 2, pp. 2-3.) Mr. Kriebel avers that the value of Rate AGS is dependent on whether producers can actually deliver gas and testifies that the rate should be tied to an increase in the value of the service or costs caused by producers. (PIOGA St. No. 3, pp. 4-5.)

Q. IS THE REASONING PROIVDED BY THE PIOGA WITNESSES AS A BASIS FOR THEIR RECOMMENDATION REASONABLE?

A. No. The absence of a separate incremental producer-specific study does not make the proposed rate unreasonable. Gathering system costs are incurred to maintain facilities used to receive, monitor, treat, compress, operate, and safely manage local production. Those costs are not created only by a single incremental item in a single year; they are embedded in the continued operation of the gathering system. Peoples evaluated the existing rate, the overall cost recovery level, the practical limit on producer recovery given low market prices, and the need for both producers and customers to share costs. The selected rate of $0.29/Mcf is a measured approach that increases producer contribution while still leaving most gathering costs with customers.

Further, PIOGA's testimony ignores that the Company evaluated four options for setting this rate and selected the option that had the lowest impact on the producers. Below is a summary of those options and the resulting chosen rate:

- Recover the entire gathering system cost service from producers. This results in a gathering rate of $1.506 per Mcf.
- Maintain the producers 28.4% contribution towards the entire gathering system cost service as set in the 2023 base rate case. This results in a gathering rate of $0.324 per Mcf.
- Increase the gathering rate by the overall increase in rates requested in this case. This results in a gathering rate of $0.295 per Mcf which was rounded to $0.29 per Mcf. [Option Selected]
- Recover the same total gathering revenues from producers as this rate was designed to do in the 2023 base rate case. This results in a gathering rate of $0.30 per Mcf.

For more information on each option, please see the exhibit attached to my rebuttal testimony, **Peoples Natural Gas Exhibit No. EAP-1R**.

Q. WHY IS IT REASONABLE TO CONSIDER THE COMPANY'S OVERALL COST INCREASE WHEN SETTING RATE AGS?

A. Rate AGS is a contribution toward the costs of a broader utility system function. Peoples operates and maintains gathering facilities in a manner intended to support safety, reliability, compliance, and continued receipt of local gas. Those responsibilities are affected by systemwide cost pressures, including labor, materials, compliance, maintenance, and capital requirements. Applying a modest increase consistent with the overall revenue increase is a reasonable way to maintain the shared contribution without imposing a full cost-based gathering charge on producers.

Q. DOES THE PROPOSED INCREASE CREATE AN UNREASONABLE ECONOMIC DISINCENTIVE FOR CONVENTIONAL PRODUCERS?

A. No. The increase is $0.05/Mcf. Peoples recognizes that conventional producers face low market prices and declining production, which is why Peoples did not propose to recover the full gathering cost of service from producers. The proposed $0.29/Mcf rate maintains a practical balance: producers continue to contribute to the system that provides their access to market, while customers continue to pay the majority of gathering costs because they also benefit from local supplies.

Q. DOES MR. WEAVER RAISE ANY OTHER CONERNS RELATED TO PEOPLES' PROPOSED INCREASE IN RATE AGS?

A. Yes. Mr. Weaver raises concerns related to Peoples' representation that local production is valuable but that it is also emphasizing the reduction in local, conventional gas in its system while proposing to increase Rate AGS. (PIOGA St. No. 1, p. 5.) Relatedly, Mr. Weaver testifies that the potential decline in conventional production is important to PIOGA's position because conventional production is already under economic pressure, and applying another cost to these producers without showing cost causation is inconsistent with preserving a supply source Peoples recognizes as lower cost for customers. (PIOGA St. No. 1, p. 7.)

Q. HOW DO YOU RESPOND TO PIOGA'S RELIANCE ON THE DECLINE IN CONVENTIONAL PRODUCTION?

A. The decline in conventional production is real, but it does not establish that Rate AGS should remain unchanged. Peoples' direct testimony explains that conventional volumes have declined year-over-year since 2012, including a decline from approximately 37.1 Bcf in 2020 to approximately 26.2 Bcf in 2025. That trend reflects broader market and production realities, including aging wells and low commodity prices. PIOGA's witnesses attribute part of the decline to Peoples' operational practices, but they do not show that the proposed $0.05/Mcf increase is the cause of the historical decline or that freezing the rate would reverse the trend. Peoples must still maintain and operate the gathering system safely and reliably even as volumes decline.

Q. DO THE PIOGA WITNESSES PROVIDE TESTIMONY AS TO PEOPLES' RATE AGS TARIFF LANGUAGE?

A. Yes. The PIOGA witnesses testify that the tariff language "materially limits the value of the service from the producer's perspective because practical access to the system can be limited by line pressure and operational decisions," and that under the language, a producer could "pay for a service which practical value can be limited or eliminated." (PIOGA St. No. 1, p. 7; PIOGA St. No. 2, p. 3.)

Q. IS THIS A FAIR CHARACTERIZATION OF PEOPLES' RATE AGS TARIFF LANGUAGE?

A. No it is not. The tariff language reflects the operational reality that Peoples' first obligation is to operate its system safely and reliably for customers. The Company cannot be required to lower system pressure, add compression, or modify operations in a way that could impair

customer service, system integrity, or safety simply to accommodate a particular receipt point. That does not mean Rate AGS has no value. Producers receive access to Peoples' system subject to the physical and operational conditions that govern any gas system. Rate AGS does not guarantee delivery under every operating condition, and it would be inappropriate to price the service as though Peoples assumes that obligation.

Q. DO YOU AGREE WITH MR. JACOBS' AVERMENT THAT IT IS PROBLEMATIC FOR CONVENTIONAL PRODUCERS WHEN PEOPLES' LINE PRESSURE IS HIGHER THAN THE PRODUCER REGULATOR SET POINT, AND THAT PRODUCERS' ACCESS TO THE MARKET IS NOT FULLY VALUABLE IF IT IS SUBJECT TO SYSTEM DOWNGRADES OR OTHER LINE PRESSURE CONDITIONS THAT PREVENT FLOW SUBJECT OT TARIFF LANGUAGE? (PIOGA St. No. 2, pp. 4-5.)

A. Mr. Jacobs' comments are operationally accurate in that line pressure can impact deliveries. These are basic gas flow principles. However, the comments do not have the effect of demonstrating that Peoples disregards producer operational concerns. PIOGA's own testimony identifies an example involving Kriebel on the Greensburg Loop where Peoples and the producer developed a seasonal regulator-set-point solution that allowed production to continue flowing while preserving reliable service to a customer. That example demonstrates that Peoples can and does work with producers when operationally feasible. It also demonstrates why broad claims that the Rate AGS charge lacks value are overstated. The proper framework is not to reject the rate increase, but to recognize that

operational issues should be addressed on a case-by-case basis within safety and reliability limits.

Q. DOES MR. WEAVER PROVIDE ANY TESTIMONY RELATED TO MIMAs?

A. Yes. Mr. Weaver testifies that he believes the terms of MIMAs should preserve the Company's "ability to operate safely and reliably while preserving practical producer access" where reasonable, and that producers "should not face increase AGS charges while the operational terms of service allow indefinite or avoidable restrictions that reduce or eliminate the value of service," and characterizes these as "unnecessary barriers to conventional production." (PIOGA St. No. 1, pp. 8-9.)

Q. DOES THE COMPANY AGREE WITH MR. WEAVER'S TESTIMONY RELATED TO UNNECESSARY BARRIERS TO CONVENTIONAL PRODUCTION CONTAINED WITHIN MIMAs?

A. No. The MIMA is necessary because producers deliver gas into a large utility system that serves more than 700,000 customers, and must be operated safely, reliably, and in compliance with applicable codes and regulations. Requirements concerning measurement, gas quality, water vapor, documentation, meter testing, receipt-point status, and operational coordination are not incidental burdens; they are part of the framework that protects the system and service to customers. PIOGA points to notices involving expired non-producing points, pipeline abandonment, and producer-expired points. Those categories do not show improper conduct by Peoples. Rather they show that Peoples actively manages all assets, including receipt points, prudently and operationally justified.

Q. MR. JACOBS AND MR. KRIEBEL TESTIFY THAT THE ABSENCE OF FORMAL MIMA TERMINATIONS DOES NOT MEAN THERE ARE NO PRACTICAL ACCESS ISSUES TO PEOPLES' SYSTEM, BECAUSE OF "SUBSTANTIAL RECEIPT-POINT OR METER-EXPIRATION ACTIVITY". (PIOGA St. No. 2, p. 5; PIOGA St. No. 3, p. 6.) DOES THE ABSENCE OF FORMAL MIMA TERMINATIONS SUPPORT PIOGA'S POSITION?

A. No. Peoples' statement that no MIMAs were terminated, cancelled, not renewed, allowed to expire, or discontinued during 2024, 2025, or 2026 to date demonstrates that Peoples has not broadly used the MIMA to eliminate producer access. PIOGA attempts to convert receipt-point and meter activity into evidence that practical access is being improperly restricted, but those operational actions must be evaluated with context. A non-producing, expired, uneconomic, unsafe, or abandoned receipt point may require action even if the broader MIMA remains in effect. Managing those receipt points is consistent with responsible system operation.

Q. DOES MR. JACOBS MAKE ANY RECOMMENDATIONS WITH RESPECT TO MIMAs?

A. Yes. Mr. Jacobs recommends that the Commission consider the proposed Rate AGS increase and MIMA together, as Rate AGS "is the price producers pay for a service whose practical value is controlled by the tariff and MIMA."

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. No. The tariff reflects Peoples' obligation to operate and provide safe and reliable service; Rate AGS is a mechanism for recovering a portion of the gathering system cost of service from producers as they utilize such system. The MIMA governs the requirements for delivering gas into the Peoples system. The Commission should not associate or combine operational accommodations and MIMA requirements with establishing a reasonable Rate AGS.

Q. DOES MR. KRIEBEL PROVIDE TESTIMONY RELATED TO MIMAs?

A. Yes. Mr. Kriebel testifies that distribution systems are "consistently making it more difficult to bring gas to market, such as with inconsistent MIMA enforcement and application and unnecessary shut-ins and meter abandonments." (PIOGA St. No. 3, p. 6.)

Q. IS THIS A FAIR CHARACTERIZATION OF PEOPLES' DISTRIBUTION SYSTEM?

A. No. The enforcement of the MIMA requirements for gas quality, operating set points, water vapor, etc. are central and critical to operate the gathering systems safely and reliably. Violations of these requirements can cause operating issues that could negatively impact pipelines and facilities, and ultimately lead to customer outages, or even worse, pipeline incidents. The fact that local gas has customer benefits does not eliminate the operational responsibilities associated with receiving it.

Q. WHAT DOES MR. KRIEBEL RECOMMEND WITH RESPECT TO PEOPLES' DISTRIBUTION SYSTEM?

A. Mr. Kriebel recommends that Peoples be required to use reasonable efforts to work with producers before operational changes result in lost flow, receipt-point expiration, or avoidable shut-ins, including: reasonable notice, good-faith discussions, consideration of alternative delivery points or reroutes where feasible, reasonable treatment of low-volume wells and practical regulator set-point adjustments where they can be made safely and reliably. (PIOGA St. No. 3, p. 7.)

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. No. As previously stated, the Commission should not impose open-ended operating accommodations that could possibly conflict with safety, reliability, or the Company's overall operational judgment. Peoples is willing to communicate with producers and evaluate feasible solutions, but any requirement must preserve the Company's ability to prudently operate system pressure, gas quality, customer loads, and unplanned emergency conditions. The desire to flow gas at a specific receipt point(s) cannot override the Company's tariff obligation to provide service to customers safely and reliably.

Q. MR. WEAVER STATES THAT PEOPLES' TREATMENT OF UNCONVENTIONAL PRODUCTION DIFFERENTLY THAN CONVENTIONAL PRODUCTION CAN IMPOSE A COST TO CONVENTIONAL PRODUCERS WHO MAY NOT THEN HAVE A REALISTIC MARKET ALTERNATIVE. (PIOGA St. No. 1, p. 8.) DO YOU AGREE WITH THIS?

A. No. Peoples negotiates rates for unconventional production because those producers generally have multiple market alternatives and Peoples must compete with midstream and

interstate pipeline options. Conventional production is different. Conventional wells often depend on the existing gathering system for access to market, and the Rate AGS tariff provides a standardized framework for that access. The fact that unconventional producers may be subject to negotiated rates does not show that the conventional Rate AGS charge is unreasonable.

III. CONCLUSION

Q. WHAT SHOULD THE COMMISSION CONCLUDE REGARDING PEOPLES' PROPOSED RATE AGS INCREASE?

A. The Commission should approve Peoples' proposed Rate AGS rate of $0.29/Mcf. PIOGA's testimony confirms that the gathering system provides producers with market access and customers with lower-cost local supply. The proposed increase preserves the shared-cost approach, does not recover full gathering costs from producers, and remains sensitive to the economic conditions facing conventional production, and customer affordability. PIOGA's operational concerns should not be used to deny a reasonable rate increase where Peoples must continue to operate the system safely and reliably for customers and producers alike.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes. I reserve the right to supplement this testimony should additional issues arise.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: PIOGA-I-002

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Explain how Peoples calculated the proposed $0.29/Mcf Rate AGS gathering rate, including each mathematical step, input, source, assumption, and adjustment.

Answer: Refer to the attached spreadsheet provided in Excel format that includes the various sources and referenced information. Please note that this also includes the other options considered and the support. Also, refer to the response to PIOGA-I-2 through PIOGA-I-7 for more information.

Submit Date: 5/22/2026

Rate AGS - Calculation

	2027 FPFTY Volumes	Current Rate	Current Revenue	FPFTY
Full Tariff-Peoples	23,014,291	$ 0.2400	$ 5,523,430	*Support provid*
Goodwin Tombaugh	34,863	$ 0.4000	$ 13,945	*Support provid*
Negotiated Rate	7,310,809	$ 0.2554	$ 1,867,374	*Support provid*
Total	30,359,964		$ 7,404,749	*ties to Exh 3 Sc*

Rate Calculation

1) Approach: Recover full COS from Producers			
Total Cost of Service	$ 32,846,478	*see "Gathering COS as of 3.5.26" tab*	
Full Recovery	100%		
Revenue Requirement	$ 32,846,478		
Revenue from Negotiated Customers	$ 1,867,374	*see formula*	
Remaining to Recovery	$ 34,713,852		
Full Tariff Volumes	23,049,155	*see formula*	
Rate per Mcf	**$ 1.506**		
Current Rate	$ 0.240		
% Increase	527.5%		
FPFTY @ Present Rates	$ 7,404,749	*see formula*	
Increase from Gathering	$ 25,441,729		
% Increase	344%		

2) Approach: Maintain COS Ratio				
Total Cost of Service	$ 32,846,478	*see "Gathering COS as of 3.5.26" tab*		
'23 Case Revenue as a % of COS	28%	*see formula*	34%	'19 Case Rever
Revenue Requirement	$ 9,334,877	@		
Revenue from Negotiated Customers	$ (1,867,374)	*see formula*		
Remaining to Recovery	$ 7,467,503		23%	Contributing n
Full Tariff Volumes	23,049,155	*see formula*		
Rate per Mcf	**$ 0.324**			
Current Rate	$ 0.240			
% Increase	35.0%			
FPFTY @ Present Rates	$ 7,404,749	*see formula*		
Increase from Gathering	$ 1,930,128			
% Increase	26%			

3) Increase gathering by overall rate increase %- option selected.				
Rate Calculation	**Overall Rate Inc.**			
Total Existing Revenue	$ 7,404,749	*see formula*		
% Increase	1,021,855	13.8%	Ex 2, Sch 1	
Total to Recover	8,426,605			
Less: Negotiated Revenue	$ (1,867,374)	*see formula*		
Remaining to Recovery	$ 6,559,231			
Full Tariff Volumes	23,049,155	*see formula*		
Rate per Mcf	$ 0.285	Round to $0.29	25.7%	contribution to
	19%			

Peoples Natural Gas Company LLC
Gas Class Cost of Service Study
12 Months Ending December 31, 2027
Gathering System Cost of Service

Peoples Natural Gas Compan
Docket No. R-2026-3060855
PIOGA-I-002 Attachment

Line No.	Description	Gathering System Amount (a)
1	**Rate Base**	
2	Plant in Service	
3	Intangible Plant	$ 4,845,501
4	Production Plant	188,680,448
5	General Plant	7,253,614
6	Total Plant in Service	$ 200,779,563
7	Accumulated Reserve	
8	Intangible Plant	$ (2,928,238)
9	Production Plant	(66,018,449)
10	General Plant	(2,371,079)
11	Total Accumulated Reserve	$ (71,317,766)
12	Other Rate Base Items	
13	Materials and Supplies	$ 173,931
14	Prepayments	142,288
15	Cash Working Capital	1,326,902
16	Deferred Income Taxes	3,431,788
17	Total Other Rate Base Items	$ 5,074,909
18	**Total Rate Base**	**$ 134,536,705**
19	Required Return	8.23%
20	**Return on Ratebase**	**$ 11,070,659**
21	**Expenses**	
22	Natual Gas Production and Gathering	$ 12,510,217
23	Administrative and General	2,800,785
24	Depreciation and Amortization Expense	5,898,942
25	Taxes Other Than Income	565,876
26	**Total Expenses**	**$ 21,775,820**
27	Income Taxes at Proposed Rates	$ -
28	**Total Gathering Cost of Servcie**	**$ 32,846,478**
29	**Gathering Service Revenues**	
30	Gathering Revenue at Current Rates	$ 7,404,749
31	Gathering Revenue at Proposed Rates (FPFTY)	$ 9,373,519

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
PIOGA-I-002 Attachment

Support:

PNG Last Case	2023 Case	2019 Case
Gathering Revenue	$ 9,373,519	$ 8,929,271
Total Cost of Service	$ 32,982,446	$ 26,559,887
Revenue as a % of Cost of Service	28%	34%
COS est per Mcf	$ 0.91	$ 0.77
% increase in COS	24.2%	

Peoples Exhibit RNZ-3
Page 1 of 2

Peoples Natural Gas Company LLC
Combined Divisions
Gathering Revenue Requirement Calcualtion
12 Months Ended September 30, 2025
Mains Classification: MINSYSTEM
Mains Allocation: Cust Avg/Design Day

Rate Base	
Plant in Service	
Intangible Plant	$4,063,013
Production Plant	$158,771,264
General Plant	$7,451,519
Total Plant in Service	$170,285,796
Depreciation Reserve	
Intangible Plant	$1,295,280
Production Plant	$59,495,813
General Plant	$2,747,500
Total Depreciation Reserve	$63,538,594
Other Rate Base Items	
Materials and Supplies	$168,496
Prepayments	$174,740
Cash Working Capital	$1,096,798
Deferred Income Taxes	$796,991
Total Other Rate Base Items	$2,237,025
Total Net Rate Base	$108,984,228
Return on Rate Base %	8.40%

Peoples Exhibit RNZ-3
Page 2 of 2

Return on Rate Base $	$9,159,702
Expenses	
Natural Gas Production and Gathering	$13,550,312
Administrative & General	$3,089,661
Depreciation Expense	$5,062,606
Taxes Other Than Income Taxes	$2,120,165
Total Expenses	$23,822,744
Income Taxes @ Proposed Rates	$0
Total Gathering Cost of Service	$32,982,446
Gathering Service Revenues	
At Present Rates	$6,995,675
At Proposed Rates (FPFTY)	$9,373,519

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
PAUL BECKER
VICE PRESIDENT, CONSTRUCTION & ENGINEERING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
PAUL BECKER

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Paul Becker. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as the Vice President, Construction and Engineering.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 6.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. In my rebuttal testimony, I respond to the direct testimony of Bureau of Investigation and Enforcement ("I&E") witness Robert Gobrecht. I also address various comments that were made during the public input hearings for this case.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring **Peoples Natural Gas Exhibit Nos. PB-1R through PB-7R**.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. First, I respond to Mr. Gobrecht's testimony regarding meter move outs and methane detection. Then I address certain issues that were raised in the public input hearing testimony.

II. RESPONSE TO I&E WITNESS GOBRECHT

A. METER MOVE OUTS

Q. PLEASE EXPLAIN HOW PEOPLES HAS BEEN TAKING STEPS TO MOVE INSIDE METERS OUTSIDE?

A. Peoples has continued its longstanding practice of relocating medium pressure indoor meters to outdoor locations, in accordance with Pennsylvania Public Utility Code Section 52 Pa. Code § 59.18.

Q. MR. GOBRECHT STATES THAT THE DATA RECEIVED FROM PEOPLES CONFLICTS WITH THE NUMBER OF METER MOVE-OUTS. (I&E STATEMENT NO. 4, p. 17.) HOW DO YOU RESPOND?

A. The Company appreciates I&E for bringing this issue to our attention. Upon review, Peoples determined that the move-out data previously provided in discovery was incorrect for calendar years 2022 through 2024. The corrected data is shown below:

Year	Inside Meters (Year-End)	Meter Move-Outs
2021	79,378	2,140
2022	78,896	482
2023	77,950	946
2024	75,478	2,472
2025	73,135	2,343

Based on the corrected data, Peoples averaged approximately **1,677** meter move-outs **per year** during the 2021–2025 period. Attached to my rebuttal testimony is an updated discovery response that was served on July 16, 2026. Refer to **Peoples Natural Gas Exhibit No. PB-1R** for the updated response.

B. METHANE DETECTION

Q. PLEASE DESCRIBE THE STEPS THAT PEOPLES IS TAKING TO IMPROVE SAFETY WITH RESPECT WITH METHANE?

A. Peoples employs a layered approach to methane risk reduction across its natural gas distribution system. This approach includes ongoing leak survey and repair programs, modernization of aging infrastructure, relocation of medium-pressure indoor meter sets where appropriate, and deployment of Intelis meters with enhanced safety functionality.

Q. HOW COULD THE INSTALLATION OF INTELIS METERS IMPROVE SAFETY?

A. Intelis meters can provide enhanced safety capabilities including high-flow alarms, high-flow shutoff capability, high-temperature alarms and shutoff functionality, pressure monitoring, enhanced diagnostics, and operational visibility. These capabilities could mitigate potential gas-related incidents. The Intelis meters improve safety by shutting off the gas if high pressure, high flow or high temperature is detected. These events can be caused by the failure of an upstream pressure regulator, a significant failure or unintentional separation of house piping, or a fire. The meter's ability to shut off the gas quickly in these circumstances potentially improves the safety of the building occupants, first responders, and the environment.

Q. MR. GOBRECHT RECOMMENDS THAT PEOPLES IMPLEMENT A PILOT PROGRAM UTILIZING SMART REMOTE METHANE DETECTORS ("SRMDs") AND MONITOR RELATED EXPENSES. HE ALSO RECOMMENDS THAT PEOPLES CONSIDER USING ADVANCED METERING INFRASTRUCTURE ("AMI") TECHNOLOGY AND LoRaWAN OR OTHER COMMUNICATION NETWORK TECHNOLOGY AS PART OF THE PILOT. (I&E Statement No. 4, pp. 20-21.) HOW DO YOU RESPOND TO THIS RECOMMENDATION?

A. Peoples generally agrees that smart methane detection technologies warrant further evaluation; however, additional analysis regarding technology maturity, communications architecture, cybersecurity, deployment costs, and measurable customer benefits is necessary before full implementation.

Q. DO YOU HAVE ANY CONCERNS ABOUT MR. GOBRECHT'S RECOMMENDATION?

A. Yes, I do. While the Company is willing to evaluate the feasibility of implementing SRMD and AMI technology, Peoples cannot agree to implement a pilot without first investigating the use of such technology and the impact to its distribution system. If the Commission orders the Company to pursue a methane detection pilot, the Company respectfully requests that it be given the opportunity to first assess the feasibility of deploying this technology and the flexibility to implement what the Company deems as the best fit for its system.

Q. IS THE COMPANY DOING ANYTHING TODAY WITH RESPECT TO THE DEPLOYMENT OF METHANE DETECTION?

A, Yes. In May of 2026, as the result of a Commission-approved settlement[1], the Company made donations to two different volunteer fire stations for the deployment of methane detectors to the residents served by those stations.

III. RESPONSE TO PUBLIC INPUT HEARING TESTIMONY

Q. WOULD YOU LIKE TO ADDRESS ANY OF THE TESTIMONY PROVIDED AT THE PUBLIC HEARINGS?

A. Yes.

Q. WHAT PORTIONS OF THE PUBLIC INPUT HEARING TESTIMONY WILL YOU ADDRESS?

A. I will respond to a statement made by Richard Culbertson regarding API 1173. I will also address several questions raised by Matthew Kaminski related to the Company's infrastructure replacement projects. Finally, I will respond to certain portions of the testimony provided by Mark Szybist.

Q. MR. CULBERTSON STATED THAT PEOPLES DOES NOT APPEAR TO ADOPT API 1173. (Tr. at 102.) WHAT IS API 1173?

A. API 1173 is the American Petroleum Institute's Recommended Practice for Pipeline Safety Management Systems ("PSMS"). It provides a structured framework for pipeline operators

[1] C-2024-3050319.

to improve safety performance by managing risk, strengthening safety culture, and continuously improving processes. Key elements include:

- Leadership commitment to safety and accountability
- Risk management through identifying, assessing, and controlling hazards
- Operational controls for safe pipeline design, construction, operation, and maintenance
- Incident investigation and learning to prevent recurrence
- Emergency preparedness and response
- Competence, training, and communication
- Performance measurement and continuous improvement

Overall, API 1173 is intended to help pipeline organizations move beyond compliance and build proactive, organization-wide safety management system.

Q. DOES THE COMPANY FOLLOW API 1173?

A. Yes. While not mandated by PHMSA or DOT, in 2021, Peoples developed a framework document under the API 1173 recommendations that is referred to as their PSMS. In 2022, Peoples created a PSMS Manager role to conduct a gap analysis of existing operating procedures and policies with API 1173 standards, and implement a full PSMS program. In 2023, two Quality Assurance/Quality Control Analyst positions were added to the team to conduct field audits of operating procedures. To date, Peoples has reached maturity in 3 of the 10 program elements, with full maturity targeted by 2029.

Q. DURING HIS TESTIMONY AT THE PUBLIC INPUT HEARING, MR. KAMINSKI RAISED SEVERAL QUESTIONS RELATED TO THE COMPANY'S

INFRASTRUCTURE REPLACEMENTS. (Tr. at 167-168.) CAN YOU PROVIDE A SUMMARY OF THE INFORMATION THAT MR. KAMINSKI IS SEEKING?

A. Mr. Kaminski states that he would like to know the following information related to the Company's infrastructure replacement projects:

- Is the proposed rate increase for future projects or projects that have already been completed?
- Does the Company perform the work or are contractors involved?
- Is there a transparent competitive bidding process to ensure cost effectiveness and what happens when a project is over or under budget?
- Has the Company implemented any operational efficiency or cost cutting measures that have resulted in savings?
- Has the Company pursued federal or state grants to fund its projects?
- What is driving the increase in costs and how does the Company make sure that costs are reasonable?

Q. CAN YOU ADDRESS THESE QUESTIONS?

A. Yes, I will address each of these questions.

A. PROJECTS

Q. PLEASE EXPLAIN WHAT PROJECTS ARE BEING INCLUDED IN THE COMPANY'S CLAIM IN THIS CASE.

A. The proposed rate case includes capital projects completed in 2026 and the projects expected to be completed through 2027. Most of these capital projects are pipeline projects and most are driven by the Company's Long Term Infrastructure Improvement Plan ("LTIIP"). The LTIIP is publicly available on the Commission's website at Docket No. P-2025-3057167. I am also attaching a copy of the LTIIP to my testimony as **Peoples Natural**

Gas Exhibit No. PB-2R. The Company's LTIIP is subject to review by the Pennsylvania Public Utility Commission ("Commission") and interested stakeholders. Each year an Annual Asset Optimization Plan or AAOP is filed with the Commission and lists projects completed and proposed. These reports are also publicly available on the Commission's website. A copy of the Company's most recently approved AAOP is attached to my testimony as **Peoples Natural Gas Exhibit No. PB-3R**.

B. CONTRACTED STAFFING

Q. PLEASE EXPLAIN HOW THE COMPANY USES OUTSIDE CONTRACTORS.

A. About 80% of the Company's capital pipeline projects are performed by third party contractors. These contractors are responsible for installing and testing the pipe and services. The Company handles the connections, customer changeovers, purging and relighting aspects of all the pipeline projects.

C. COMPETITIVE PROCESS

Q. DOES THE COMPANY HAVE A PROCESS TO ENSURE THAT CONTRACTOR COSTS REMAIN COMPETITIVE?

A. Yes. For pipeline projects the Company utilizes two processes of competitive bidding. For smaller projects, where the estimated pipeline contractor labor cost is under $300,000, the Company uses blanket/area compatible unit ("CU") based contracts. Such contracts are based on competitive bids and allow the company to award projects by area. For larger projects, where the estimated pipeline contractor labor cost is over $300,000, the company competitively bids the individual projects. Both processes ensure the contractor cost is competitive/market based.

D. PROJECT COSTS AND DRIVERS

Q. WHAT ARE THE DRIVERS OF PIPELINE REPLACEMENT COSTS?

A. On a macro level the drivers of pipeline replacement costs can include, but are not limited to, labor market, fuel/energy costs, heavy equipment availability, location, volume of work, raw material costs, interest rates, insurance costs, and unemployment levels. On a micro level, the physical drivers of pipeline replacement costs can include, but are not limited to, size, material type, pressure class, construction method (i.e. open trench, bore, directional drill) location, traffic, soil conditions, permitting requirements, restoration requirements, surface type, testing and inspection requirements, ROW width/work space, depth, number and length of crossings (road, stream, river, other utilities), the number of mainline and service connections, and weather/time of year.

Q. WHAT DOES THE COMPANY DO TO CONTROL PIPELINE REPLACEMENT COSTS?

A. The Company has the following strategies and programs in place that help minimize the replacement cost:

Synergy projects: Since 2014 when the three legacy utility companies (Peoples Natural Gas Company LLC, TWP and Equitable Gas) became affiliates, the Company has been able to avoid an estimated $60 million of pipeline projects by replacing one pipeline when two companies had facilities on the same street, by making connections and eliminating redundant company pipelines and by switching customers to one facility.

Additional Abandonments: Additional Abandonments are a significant cost saving component of the LTIIP program. Since 2021 the replacement of over 100 miles of pipeline

has been avoided by leveraging system overlap and reviewing hydraulic models. Such additional abandonments have been realized without adverse impacts to customers and saved an estimated $200 million.

Restoration Co-ops: Co-ops can take the form of partnering and coordinating work with other Utilities and entering into agreements with local municipalities that allow/require the municipality to pave a Company Pipeline Project with their local paving companies in conjunction with other local paving projects. This simplifies and streamlines the paving schedule, shifts responsibility and often results in lower cost to Peoples. Over 200 Co-op projects have been completed since 2018, with 150 of those in the last five years. Since 2023, the estimated cost savings related to Co-ops is about $3.5 million.

E. GRANT ELIGIBILITY

Q. HAS THE COMPANY BEEN ELIGIBLE FOR OR RECEIVED ANY GOVERNMENT GRANTS TO FUND ITS PIPELINE REPLACEMENT PROJECTS?

A. No. Historically, the Company has not been eligible for grants for pipeline replacement projects. The Natural Gas Distribution Infrastructure Safety and Modernization ("NGDISM") Grant Program is made available to municipality or community owned utilities and investor owned entities do not qualify.

Q. IS THERE ANYTHING THAT YOU WOULD LIKE TO ADDRESS REGARDING THE PUBLIC INPUT HEARING TESTIMONY OF MARK SZYBIST (Tr. at 250-258)?

A. Yes, I would like to respond to Mr. Szybist's statements requesting that a utility seeking a rate increase should explain in "plain, clear language" why the proposed investments are necessary and should use transparent data to ensure that the investments are cost-effective and benefit ratepayers.

Q. WHY IS THE COMPANY'S PIPELINE REPLACEMENT PROGRAM NECESSARY?

A. The Company's pipeline replacement program is necessary for the following reasons:

First, in 2011 the Federal Pipeline Hazardous Materials and Safety Administration known as PHMSA[2], in response to tragic events, urged States to review their replacement plans for the highest risk pipelines and consider what would be necessary to accelerate the plans. Bare steel and cast iron were specifically noted as high risk. The Company's LTIIP is an accelerated plan targeting bare steel, cast and wrought iron and other pipelines with integrity risks. Refer to **Peoples Natural Gas Exhibit No. PB-2R**.

Second, the Company still has approximately 2,000 miles of bare steel and cast/wrought iron distribution and transmission pipe in operation. Some of these pipes are 139 years old and the average age is 80 years. In accordance with 49 CFR Part 192, Subpart P, the Company has a Distribution Integrity Management Plan that risk ranks pipelines made of bare steel the highest. Refer to CONFIDENTIAL **Peoples Natural Gas Exhibit No. PB-4R**. Over half of this pipe is in Allegheny, Blair and Westmoreland Counties, primarily in and around the urban areas of Pittsburgh, Altoona and Greensburg.

[2] Refer to **Peoples Natural Gas Exhibit Nos. PB-5R and PB-6R.**

Third, in 2025 approximately 85% of all distribution leaks occurred on bare steel and cast/wrought iron pipelines and approximately 62% of the leaks on bare steel and cast/wrought iron were hazardous leaks.

Based on these facts, in the context of safety and reliability, continued replacement of this aging infrastructure is necessary.

Q. DO ANY PARTIES TO THE CASE RECOGNIZE PEOPLES PIPELINE REPLACEMENT PROGRAM?

A. Yes, I&E Witness Gobrecht in his direct testimony discusses DIMP, LTIIP, Peoples' capital programs, and what he deems as the top risks on our system. (I&E Statement No. 4, pp. 4-12.)

Q. WHAT HAS THE COMPANY DONE TO CONTROL COSTS RELATED TO ITS PIPELINE REPLACMENT PROGRAM?

A. As previously mentioned, the Company uses a number of tools to control costs related to its pipeline replacement program. I outline these steps above in my rebuttal. Moreover, the Company tracks and monitors municipality ordinances which detail specific requirements for various fees related to utility work. The Company uses this data to communicate with municipalities, insist on reasonable fees for its work and to negotiate when appropriate.

Q. HOW DO THE COMPANY'S CAPITAL INVESTMENTS BENEFIT RATEPAYERS?

A. As discussed above, the drivers of the capital pipeline programs are safety and reliability.

Specifically replacement/removal of high risk, 80 year old pipelines, that have historically corroded and leaked.

Q. IS THE COMPANY ABLE TO QUANTIFY THE SAFETY IMPROVEMENTS THAT HAVE RESULTED FROM ITS PIPELINE REPLACEMENT PROGRAM?

A. Yes, please refer to CONFIDENTIAL **Peoples Natural Gas Exhibit No. PB-7R**. This exhibit shows the relative risk has been declining over time.

Q. ARE THERE ADDITIONAL BENEFITS TO RATEPAYERS AND THE COMMUNITY FROM THE COMPANY'S PIPELINE REPLACEMENT PROGRAM?

A. Yes. Most importantly, the Company's pipeline replacement program benefits the public by improving the Company's provision of safe and reliable service. For example, Michael Daniher, a local fire department chief, testified in a public input hearing in this matter that investment in infrastructure improvements benefits the community by improving safety and reducing the number of natural gas related emergencies that require the response of local fire departments. (Tr. at 202-204).

Additionally, the Company's program brings jobs to the communities it serves. The Company estimates the number of people employed by its pipeline replacement programs in the areas of Design/Engineering, Pipeline Construction, and Restoration is approximately 1,100 persons.

Q. MR. SZYBIST STATES THAT THE COMPANY REFERENCES ITS LTIIP IN TESTIMONY BUT DOES NOT PROVIDE A COPY OF THE PLAN. WHAT IS YOUR RESPONSE?

A. The Company's LTIIP is publicly available on the Commission's website at Docket No. P-2025-3057167. The Company's current LTIIP is attached as **Peoples Natural Gas Exhibit No. PB-2R**.

Q. HAS THE COMMISSION APPROVED THE COMPANY'S LTIIP?

A. Yes, the LTIIP was approved by the Commission on December 18, 2025 at Docket No. P-2025-3057167.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does. I reserve the right to supplement my testimony as additional information arises. Thank you.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-027(U)

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: Provide the number of existing inside meter sets, broken out by system pressure, for the last 5 calendar years. How many meter move outs have occurred each year?

Answer: The following are the number of inside meter sets at the end of the calendar year and meter move-outs by year for the last 5 calendar years. The move-out data from 2022 through 2024 has been corrected from the original response.

	Inside Meters	Meter Move-Outs
2021 -	79,378	2,140
2022 -	78,896	482
2023 -	77,950	946
2024 -	75,478	2,472
2025 -	73,135	2,343

Submit Date: 7/15/2026

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August 29, 2025

VIA ELECTRONIC FILING

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Homsher:

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

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

Sincerely,

Anthony D. Kanagy

ADK/sa
Enclosures

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: August 29, 2025

Anthony D. Kanagy

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

---

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

Pursuant to Act 11 of 2012 ("Act 11" or the "Act"), which amends Chapters 3, 13 and 33 of the Pennsylvania Public Utility Code ("Code"), Peoples Natural Gas Company LLC ("Peoples" or the "Company") hereby files this Petition seeking approval of its Third Long-Term Infrastructure Improvement Plan ("Third LTIIP" or "Third LTIIP Plan"). This filing is being made pursuant to the Final Implementation Order of the Pennsylvania Public Utility Commission (the "Commission") entered at Docket No. M-2012-2293611 on August 2, 2012[1] and the Commission's regulations at 52 Pa. Code § 121.1 *et. seq.*

Peoples' Third LTIIP (attached hereto as Appendix A) will succeed the Company's current LTIIP (its Second Combined LTIIP), which was originally approved by Commission Order entered January 14, 2021[2]. Peoples proposes to continue its significant program to evaluate, repair, improve and replace its natural gas pipeline system as reflected in its First and Second LTIIPs, which focused on the portions of its system that were constructed using cast iron and bare steel. As described in its Third LTIIP, Peoples will continue the acceleration of its infrastructure repairs,

[1] Implementation of Act 11 of 2012, Docket No. M-2012-2293611, entered on August 2, 2012. ("Implementation Order").
[2] See Petition of Peoples Natural Gas Company LLC and Peoples Gas Company LLC for Approval of a Combined Distribution Long-Term Infrastructure Improvement Plan for the Period January 1, 2021 through December 31, 2025, Docket Nos. P-2020-3021942 and P-2020-3022053.

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

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

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

I. INTRODUCTION

1. Peoples is a Commission-regulated natural gas distribution company providing sales, transportation, and supplier of last resort services to approximately 700,000 customers throughout its service territory, which includes all or portions of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland.

2. Peoples is a "public utility" and a "natural gas distribution company" as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa. C.S. §§ 102, 2202.

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

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

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

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

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

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

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

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

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

> (1) Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.
>
> (2) An initial schedule for planned repair and replacement of eligible property.
>
> (3) A general description of location of eligible property.
>
> (4) A reasonable estimate of quantity of eligible property to be improved or repaired.
>
> (5) Projected annual expenditures and means to finance the expenditures.
>
> (6) A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers.
>
> (7) A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner.
>
> (8) A description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.

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

II. LONG TERM INFRASTRUCTURE IMPROVEMENT PLAN

A. PEOPLES PRIOR AND CURRENT LTIIPS

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

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

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

14. On March 15, 2024, Peoples filed for a Major Modification of its Second Combined LTIIP for 2021-2025, to increase the projected capital expenditures necessary to meet its infrastructure replacement goals. The Commission approved Peoples' Major Modification on July 11, 2024. Peoples is executing its current LTIIP (Second Combined LTIIP, modified) which is due to expire December 31, 2025. The instant Petition is Peoples' request for its Third LTIIP for the period of 2026-2030.

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

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

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

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

18. In its Third LTIIP, Peoples has committed to upgrade, replace and improve other facilities such as but not limited to plastic pipe, coated steel, meters and other facilities. Currently, Peoples has identified a subset of approximately 232 miles of first generation plastic pipe on its system. Peoples' intention is to continue to evaluate and appropriately risk-rank this subset of plastic pipe on its system. The Company addresses this subset of plastic on pages 12 and 13 of its Third LTIIP[3].

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

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

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

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

C. ELEMENTS OF PEOPLES THIRD LTIIP

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

1. Types and Age of Eligible Property.

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

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

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

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

failing service facilities at the time the main is being replaced. Therefore, Peoples sought and received Commission approval to replace failing customer-owned service lines as part of its LTIIP work[4]. The cost of such replacements is capitalized to the Company's mains account, just as other customer-owned property, such as sidewalks or driveways, are when replaced as part of main replacement.

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

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

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

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

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

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

2. Schedule for Repair and Replacement

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

3. Location of Eligible Property.

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

4. Quantity of Property to be Improved.

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

5. Projected Annual Expenditures and Cost-Effectiveness.

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

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

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

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

6. Accelerated Replacement.

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

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

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

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

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

7. Workforce management and training program.

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

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

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

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

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

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

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

8. Outreach and Coordination Efforts.

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

III. SERVICE

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

IV. CONCLUSION

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

Respectfully submitted,

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Date: August 29, 2025

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APPENDIX A

PEOPLES NATURAL GAS COMPANY LLC

THIRD LTIIP (2026-2030)

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8. A description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP. 26

I. INTRODUCTION

This document serves as Peoples Natural Gas Company LLC's ("Peoples" or "the Company") Third Distribution Long-Term Infrastructure Improvement Plan ("Third LTIIP") for the period January 1, 2026 through December 31, 2030. This Third LTIIP replaces the Company's current LTIIP (Peoples' Second Combined LTIIP) which was approved by the Pennsylvania Public Utility Commission's ("Commission") order entered on January 14, 2021 at Docket Nos. P-2020-3021942 and P-2020-3022053[1]. Peoples received approval for a Major Modification to its Second Combined LTIIP by Commission ordered entered July 11, 2024 at the referenced dockets.

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

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

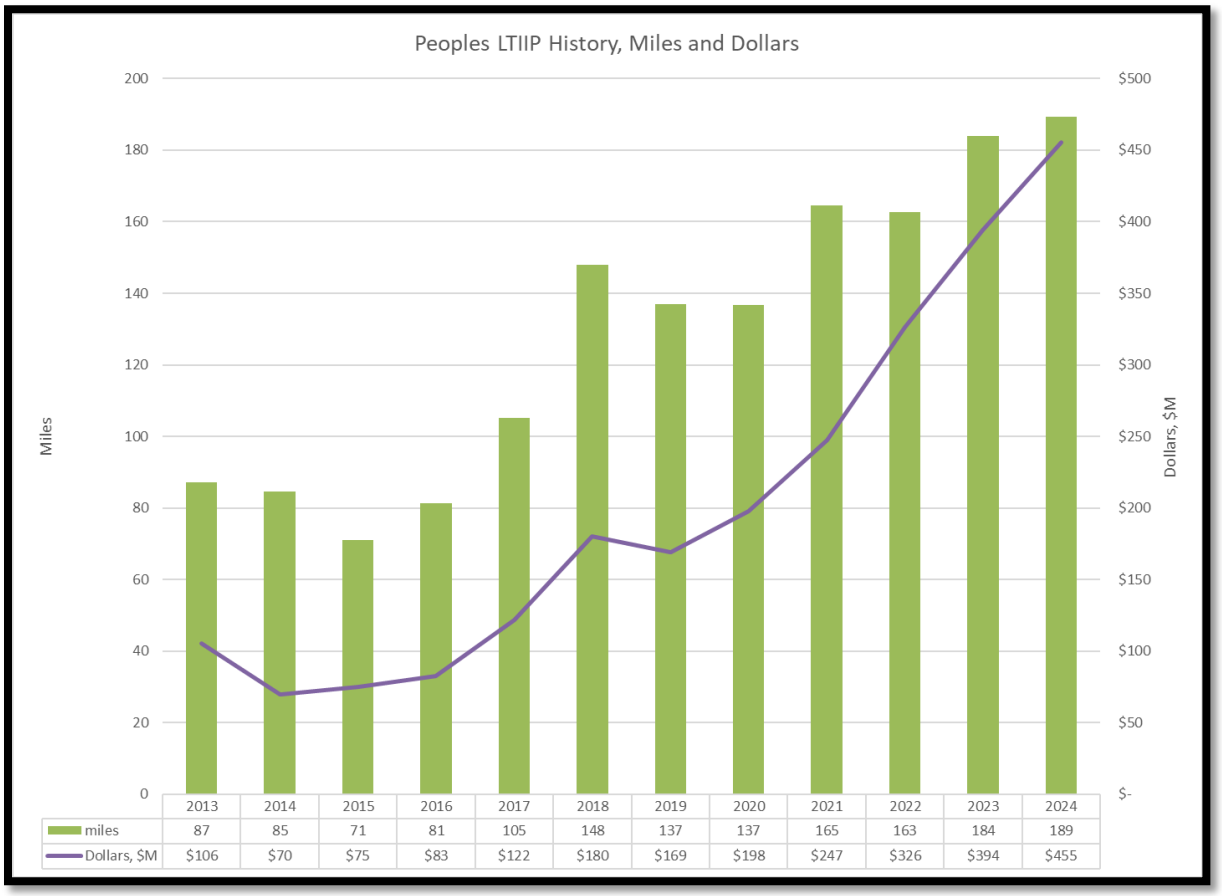
II. PEOPLES LTIIP HISTORY

Since 2013, Peoples has accomplished significant acceleration in the rate of infrastructure repair, improvement and replacement over historical baseline levels[2]. As shown in the Table 1, Peoples LTIIP history began in 2013 and focused on the replacement of at risk plant. Over time, the Company's LTIIPs have evolved but generally its investment decisions have been based on replacing the highest risk pipe segments on its system and that focus remains paramount to its LTIIP work today.

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

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

Table 1 - Peoples LTIIP History from 2013-2024



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
miles	87	85	71	81	105	148	137	137	165	163	184	189
Dollars, $M	$106	$70	$75	$83	$122	$180	$169	$198	$247	$326	$394	$455

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

Table 2 - Peoples Bare Steel Inventory from 2013-2024

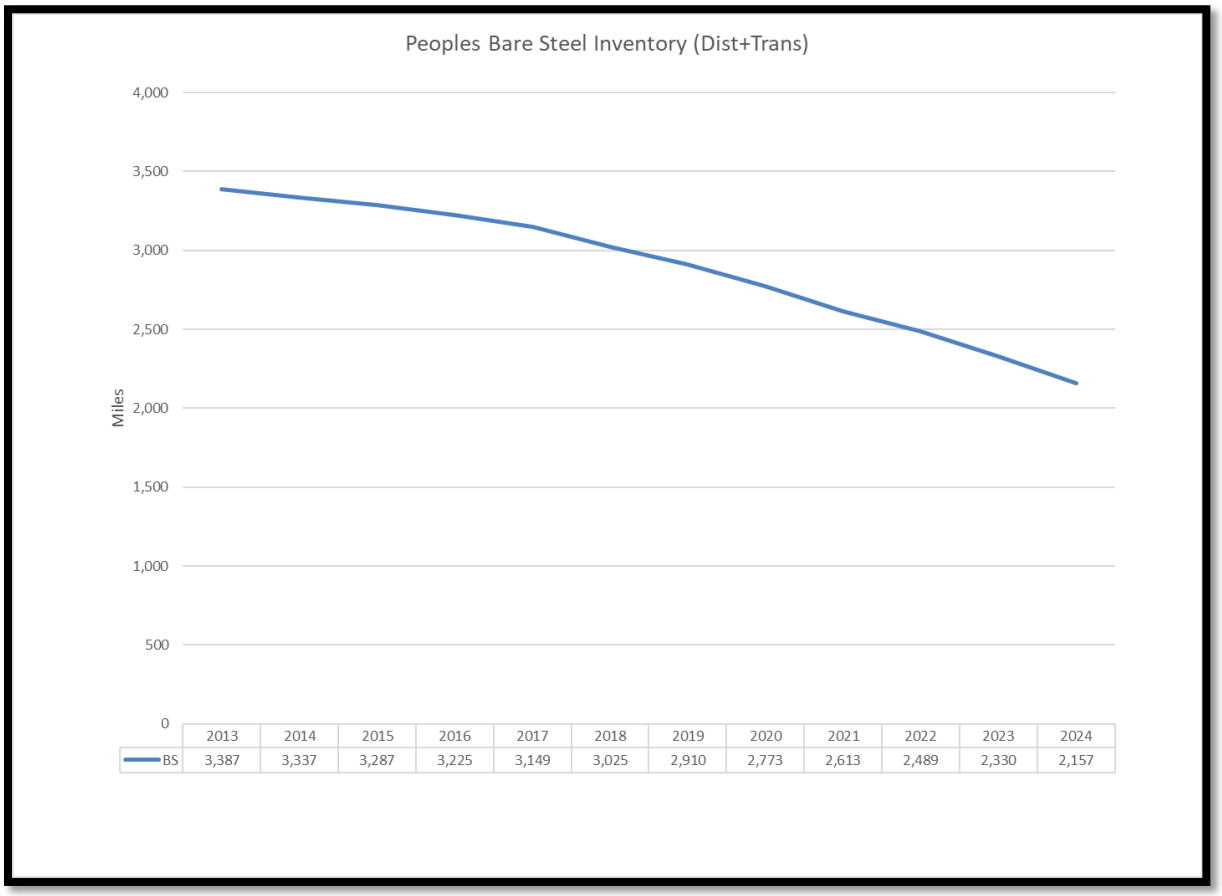
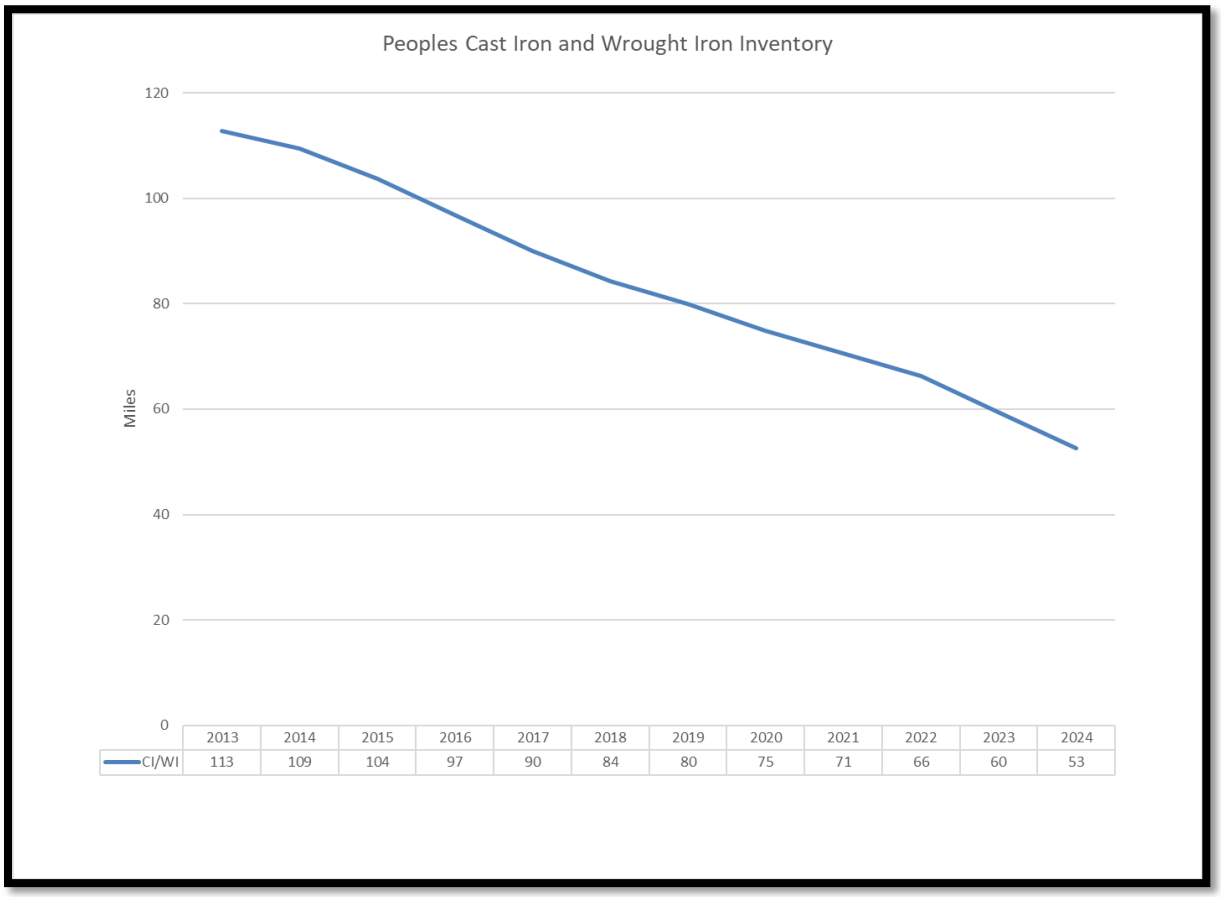


Table 3 - Peoples Cast Iron and Wrought Iron Inventory from 2013-2024



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

III. PEOPLES PIPELINE AND FACILITY REPLACEMENT STRATEGY

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

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

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

Additionally, Peoples will include other pipelines including but not limited to a subset of first-generation plastic pipeline[3] and certain segments of coated steel pipelines as additional pipeline assets for replacement in its Third LTIIP.

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

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

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

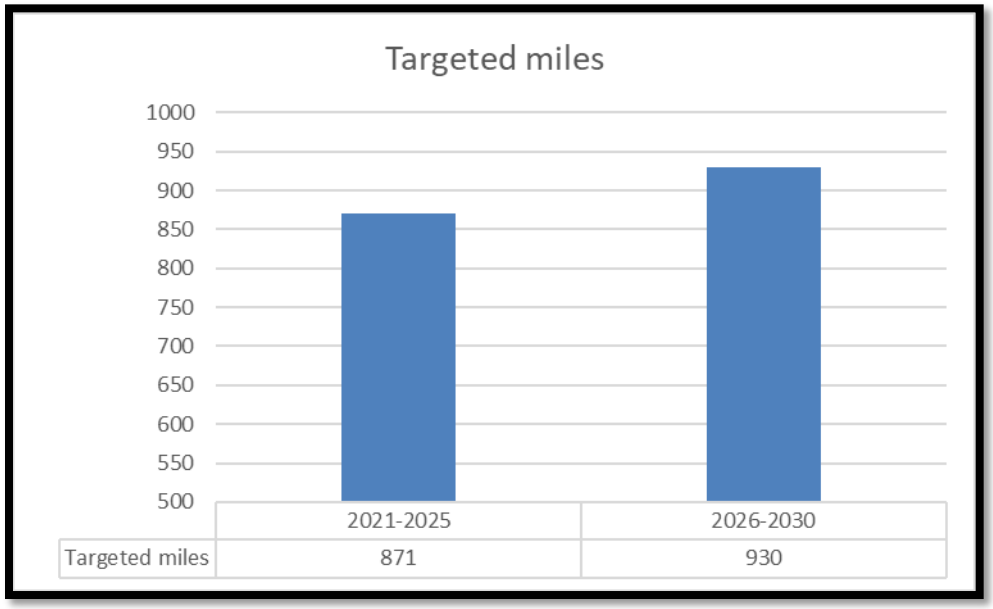
pipeline it encounters through its DIMP. Peoples estimates this program will replace approximately two miles annually of this subset of coated steel.

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

IV. PEOPLES THIRD LTIIP MILES

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

Table 4 - Peoples LTIIP Targeted Miles



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

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

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

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

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

V. PEOPLES THIRD LTIIP CAPITAL INVESTMENT

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

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

VI. STAFFING PLAN

LTIIP Construction

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

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

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

Intelis Meters

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

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

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

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

VII. PIPE REPLACEMENT CATEGORIES

Bare Steel, Wrought Iron and Cast Iron

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

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

A Subset of First-Generation Plastic Pipelines

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

vulnerability to stress cracking. This subset of plastic pipe is currently a subject of PHMSA Advisory Bulletins and Pennsylvania Public Utility Commission examination[4]. Both agencies are urging operators to consider inclusion of first-generation plastic pipe in their replacement programs. In its Third LTIIP, Peoples will evaluate the replacement of certain first-generation plastic pipe on a case-by-case basis. Consistent with the Company's current LTIIP, when Peoples identifies a higher risk plastic pipe, and it is replaced, Peoples will include this pipe as eligible LTIIP infrastructure replacement in terms of miles and dollars.

Other Pipe

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

VIII. M&R STATION REPLACEMENTS AND UPGRADES

Metering and Regulating ("M&R") stations are critical points where gas pressure and delivery volumes are regulated to ensure that gas delivered into or out of a pipeline system is maintained within a specified and safe operating pressure range. M&R stations are located at points where gas is delivered between higher- and lower-pressure pipelines. An M&R station regulates or adjusts pressure and volumes from a

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

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

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

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

IX. OVER-PRESSURE PROTECTION ("OPP")

The Merrimack, MA Natural Gas Incident in September 2018 and the subsequent findings/ recommendations of various regulators, industry groups, and United States Senators, resulted in Pipeline Operators reviewing their regulated systems and focusing on prevention of a similar incident. The Merrimack Incident involved the over pressurization of a low-pressure distribution system. Peoples operates over 640 such low-pressure systems, comprised of over 4,500 miles of low-pressure pipe and over 1,800 regulator stations. The Company's low-pressure systems serve natural gas to over 450,000 customers.

In an effort to reduce the likelihood of a similar event, Peoples began an Over Pressure Capital Improvement Program for regulator stations in 2020. The program consists of three project types intended to mitigate over-pressurization risk: (i) adding remote pressure detection equipment, (ii) adding another form of over pressure protection such as adding relief valves or making station piping modifications

depending upon what is best suited for the individual regulator station, and (iii) relocating underground control lines[5] (which were involved in the Merrimack Incident) to above ground locations whenever possible and feasible. The targets of the program are shown Table 6 below:

Table 6 - OPP Component

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

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

X. METERS

Peoples' Third LTIIP includes meter replacement expenditures totaling approximately $224 million for the five-year period covered by its Third LTIIP. The majority of the meter expenditures are related to the Company's Intelis Meter Program. The remaining meter-related dollars are dedicated to the replacement of rotary and diaphragm meters[6].

Intelis Meter Program

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

[5] Control lines are small diameter lines that connect the regulator with the downstream system to provide pressure feedback to the regulator. In general, underground control lines can extend a few feet to 30 feet or more downstream of the regulator.
[6] Intelis meter technology for larger capacity (rotary & diaphragm) meters is not yet available.

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

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

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

Other Meters

For rotary meters, the Company performs an audio and visual inspection every two years pre-1990 installation and every five years post-1990 installation and a differential test every ten years in accordance with manufacturer recommendations. The replacement of such meters occurs as a result of issues

discovered as a result of this inspection process. In addition, a spin test is performed for all turbine meters once every two years and meters are replaced accordingly.

The Company determines its annual diaphragm meter replacements based on meter test results. The meter test program that the Company follows for diaphragm meters is the statistical sampling method set forth in 52 Pa. Code § 59.21(d). A utility that elects the statistical sampling program shall remain on that program for at least four years. Under the statistical sampling program, Peoples divides meters into groups and then test samples from each group annually. For a group to remain in service, at least 80% of the meters in the sample test must meet Commission-required accuracy limits. If a group does not meet those limits, corrective action must be taken, which may consist of removing the entire group from service within four years. Should a meter family currently in use be condemned during the term of this LTIIP, meter replacements may increase beyond projected levels in order to remove those meters from service within a four year period.

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

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

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

(7) A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner.

(8) A description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.

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

1. Types and Age of Eligible Property

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

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

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

(residential and small commercial), the Company will continue to replace rotary and diaphragm meters annually based on meter test results and statistical sampling. The meter test program that the Company follows for rotary meters, the Company performs an audio and visual inspection every two years pre-1990 installation and every five years post-1990 installation and a differential test every ten years in accordance with manufacturer recommendations. The replacement of such meters occurs as a result of issues discovered as a result of this inspection process. In addition, a spin test is performed for all turbine meters once every two years and meters are replaced accordingly.

Under the statistical sampling program, Peoples divides meters into groups and then test samples from each group annually. For a group to remain in service, at least 80% of the meters in the sample test must meet Commission-required accuracy limits. If a group does not meet those limits, corrective action must be taken, which may consist of removing the entire group from service within four years.

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

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

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

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

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

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

3. Location of Eligible Property

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

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

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

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

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

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

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

Table 8 - Projected Annual LTIIP Expenditures

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

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

6. Manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain adequate, efficient, safe, reliable and reasonable service.

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

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

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

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

7. A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner.

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

Supervisor Assessment and Development Program

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

Training

Peoples provides technical skills training and OQ training at operating locations and a training center for field workers and works to ensure that the qualifications and work quality meet regulatory and

Company expectations. Peoples believes that this helps the Company protect system integrity and reliability as well as public safety.

New employees receive seven weeks of training. Typically, the first week of training is their Safety Orientation followed by three weeks of training consisting of construction and maintenance fundamentals training. This includes OSHA compliance and accident prevention training as well as field construction techniques, tool and equipment operation, and other natural gas distribution field work exposure. The construction and maintenance training is complemented by three weeks of on the job training.

When these employees advance to Field Customer Service positions, a similar three-week course is provided that includes safe appliance inspection and maintenance procedures, Natural Fuel Gas Code compliance, and leak and odor investigation. The training department also conducts courses on specific equipment used in the gas distribution industry, including training from manufacturer staff experts.

Intelis Meter Training and Implementation

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

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

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

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

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

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

OQ Training

In order to ensure that workers involved in LTIIP-eligible work are qualified, Peoples has an extensive OQ Program. The Safety and Training Department is responsible for re-qualifying one-third of the Operations' workforce each year (includes acquiring, developing, and/or providing the training that supports OQ training, maintaining qualification records, and maintaining a database of qualified individuals); tracking Role assignments and scheduling training sessions; publishing a monthly Role status report; coordinating the development and maintenance of the written OQ Program, the identification of covered tasks and abnormal operating conditions, the development of evaluation instruments, and the qualification of employees and evaluation of qualified individuals; and verifying contractor compliance.

Company hired Contractors that solely do work for Peoples are also required to adhere to federal DOT's Pipeline Safety regulations pertaining to OQ, Drug and Alcohol Testing and Program Administration, and other requirements designed to assure safe and accurate installation and operation of pipeline components.

Peoples will verify that all individuals performing covered tasks, including contractor or subcontractor employees, are qualified according to the provision of the Operator Qualification Rule. For the purposes of OQ, the term contractor includes individuals who are not Peoples employees and who perform covered tasks on Peoples facilities. Contractors recognized as "Service Line Installers" by Peoples are exempt from the requirements of this section.

Contractors shall demonstrate compliance to Peoples safety requirements by attaining qualification through Peoples programs held at the Companies' training facility. Evidence of compliance may include, but is not limited to:

1. Identification of qualified individuals.
2. Date current qualification was completed.
3. Additional information requested by Peoples pertaining to the qualification of individuals.

All applicable contracts will include provisions specifying contractor Operator Qualification requirements. Inspection of contractor qualification will occur at job sites or at contractor's facilities at the discretion of Peoples.

Contractors utilizing any non-English speaking employees must make provisions or provide for adequate translation capabilities prior to, and during, training and the performance of work.

8. A description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.

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

- Penn-DOT Utility – Highway Liaison Committee (UHLC)
- Penn-DOT Annual planning and LET schedule meetings for coordination of projects
- Penn-DOT Individual Project Design/Utility Coordination site visits and meetings
- Penn-DOT Call – Coordinate PA, Complex Tickets
- PUC Public Crossings Project
- CONNECT- "Congress of Neighboring Communities"- representatives from CONNECT member municipalities and the utilities meet for planning, networking, and coordination efforts
- Allegheny County Utility Coordinating Committee
- Armstrong County Utility Coordinating Committee
- Butler County Utility Coordinating Committee
- Indiana County Utility Coordinating Committee
- Jefferson County Utility Coordinating Committee
- Johnstown County Utility Coordinating Committee
- Altoona County Utility Coordinating Committee
- Fayette County Utility Coordinating Committee
- Westmoreland County Utility Coordinating Committee
- City of Pittsburgh Department of Mobility and Infrastructure - monthly utility co-ordination meetings
- Annual- Individual City of Pittsburgh Council meetings on projects per ward
- Pittsburgh Water & Sewer Authority (PWSA) - Water/Gas co-op renewal projects
- Project Communications in local papers {i.e. print - Pittsburgh East End Newspaper)
- Allegheny County Department of Public Works- Coordination meetings for upcoming work, pending work, and active work
- Ad hoc coordination meetings with local governments
- Peoples website, https://www.peoples-gas.com/street-work/future-work.php, is updated to reflect Interactive Mapping under the "Future Work" link which can display projects that are coming up in the next two weeks and where customers can check the status of ongoing construction
- Peoples sends letters requesting local governments to share upcoming paving plans. Responses received are integrated into Peoples overall project planning
- Individual Communications - Project mailings (construction letters and door hangers)

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

APPENDIX 1

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

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

Miles by Vintage	Distribution	Storage	Transmission	Grand Total
Unknown	587	0	0	587
Pre 1940	527	-	0	527
1940-1949	276	-	-	276
1950-1959	948	-	46	994
1960-1969	1,929	1	21	1,951
1970-1979	1,571	2	19	1,592
1980-1989	1,412	2	11	1,425
1990-1999	1,679	0	12	1,692
2000-2009	1,592	7	21	1,621
2010-2019	1,107	0	7	1,114
2020-2029	1,098	-	12	1,109
Grand Total	**12,726**	**12**	**150**	**12,888**

Services

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

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

Meters

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

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

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

APPENDIX 2

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

Plant Type	**Replacement Strategy**	**Schedule**
Standard Categories		
Distribution Lines (including company owned service renewals)	Peoples Companies' distribution system and associated services based upon a risk ranking prioritization approach. Such approach will be consistent and compliant with the Company's Distribution Integrity Management Plan ("DIMP"). The approach recognizes the threat and consequences of pipeline failure as well as factors such as the population density and the density of pipelines eligible for replacement. Tracking and traceability equipment and resources will be included in these replacements.	Scheduled completion by 2038
Transmission Line Replacements	As identified, the Company will replace transmission line sections based upon prioritization of the transmission asset matrix and the internal corrosion program. In addition, as in-line inspection (i.e. smart pig runs) and pipeline reassessments are conducted, segments of transmission and storage pipelines will be replaced as required by the transmission Integrity Management Plan (TRIMP); often driven from anomalies or defects discovered during in-line inspection.	As needed
Government Relocations	Facility relocations will continue to be scheduled consistently with request from the governmental agency.	As needed
Plant Type	**Replacement Strategy**	**Schedule**
Non-Intelis (replacement & inside meters move outs)	Meters will be replaced according to a statistical sampling based methodology that involves meter type based risk assessments. Medium pressure inside meters will be moved out during normal pipeline replacement and target areas unless restricted by state or local laws.	Ongoing
Intelis	Intelis Meters installation be executed using a three-pronged approach: Targeted, Construction, and Touchpoint. The Targeted strategy focuses on proactive meter replacements in high-priority areas/groups. The Construction strategy aligns meter replacements with planned infrastructure projects. The Touchpoint strategy integrates meter replacements into routine field operations.	Projected completion 2030
Special Considerations		
Customer service line replacements	Replace all at-risk customer service lines as the Peoples Companies repair or replace its company owned facilities.	Scheduled completion by 2038
Reliability Improvements (Betterments)	As existing pipelines are replaced, we will improve system reliability in distribution areas that experience low pressure issues or have experienced considerable growth over the years. These areas typically have one main pipeline source of supply and present a reliability risk should there be an emergency within that single supply asset. In this case, the Reliability Improvement provides an additional source of gas supply by	As needed

	looping existing pipelines, (or) extending higher pressure pipelines, or enlarging the pipeline. Additionally, the Company plans to interconnect the systems of the Peoples Companies in areas where there has been service (pressure) or supply issues and areas in which a critical single feed exists.	
M&R Station and Equipment	Upgrades and improvements to M&R stations are planned to ensure continued safe and reliable services. The replacement strategy will target those stations where age, obsolescence, malfunctions, resizing, performance, reliability, pressures changes, over pressure protection, and relocations are issues. Upgrades and revisions focused on mitigating over pressurization risk include; • moving regulator sense lines above ground (excluding regulators in vaults/pits), • adding remote monitoring locations (SCADA) on low pressure systems, • relocating valves to prevent relief bypass • the addition of external reliefs to closed and dead end systems.	As needed
Coated Steel Pipelines, non-protected	Coated steel pipelines installed in 1971 and prior that were not cathodically projected shall be is eligible for replacement. The coating can disbond and become ineffective.	As needed
First Generation Plastic Pipelines	Generally defined as Polyethylene plastic pipeline line installed in the early 1970's that may become brittle and susceptible to cracking. These pipelines will be replaced compliant with the Company's Distribution Integrity Management Plan ("DIMP").	As needed
Other pipelines	Segments/subsets of pipe (albeit plastic or steel) that is considered relatively higher risk than other pipelines and thus warrants consideration for replacement.	As needed
Other Related Capitalized Costs		
Vehicles / Tools / Equipment	Purchase incremental tools and equipment specific to the projects in this LTIIP as support of an incremental increase with this filing.	As needed, with increased purchases over the 2026 - 2030 period.

APPENDIX 3

Peoples Distribution

Long-Term Infrastructure Improvement Plan

January 1, 2026 through December 31, 2030

Projected Quantity of Property Improved

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

[1/] *Includes Other Meters, Inside Meters and Meter Move Outs*

APPENDIX 4

Peoples Distribution

Long-Term Infrastructure Improvement Plan

January 1, 2026 through December 31, 2030

Third LTIIP Appendix 4
Page 1 of 1

Projected Annual LTIIP Expenditures

Type (in millions $)	**2026**	**2027**	**2028**	**2029**	**2030**	**5 year Total**
Distribution Lines [1/]	$539.5	$561.1	$583.6	$606.9	$631.2	$2,922.3
Meter Replacement - Intelis	39.8	37.3	38.6	39.9	41.3	$197.0
Meter Replacement - Other [2/]	6.4	6.5	6.5	6.5	6.7	$32.7
M&R Station Upgrades	6.0	6.3	6.4	6.6	6.8	$32.1
M&R OPP	14.8	15.2	14.1	13.1	13.5	$70.7
Grand Total	**$606.6**	**$626.3**	**$649.2**	**$673.1**	**$699.5**	**$3,254.8**

[1/] *Includes Company & Customer Owned Services and Transmission Lines*

[2/] *Includes Other Meters, Inside Meters and Meter Move Outs*

VERIFICATION

I, Paul Becker, Vice President Construction and Engineering for Peoples Natural Gas Company LLC hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Date: August 29, 2025

Paul Becker

PEOPLES
An Essential Utilities Company

375 North Shore Drive
Pittsburgh, PA 15212

Carol Scanlon
Rates Manager

PNG Companies LLC
Phone: 412-208-6931
Email: carol.scanlon@peoples-gas.com

March 2, 2026

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

Re: Peoples Natural Gas Company LLC
Annual Asset Optimization Plan Filing
Docket No. M-2026-_____

Dear Secretary Homsher:

Enclosed on behalf of Peoples Natural Gas Company LLC is the Annual Asset Optimization Plan containing actual performance for the twelve months ended December 31, 2025 and projected performance for the calendar year 2026 from the Peoples Companies' recently approved LTIIP.

Respectfully submitted,

Carol Scanlon

Enclosure
cc: Certificate of Service
Matt Stewart, Bureau of Technical Utility Services (via E-mail)

Peoples Natural Gas Company LLC
2026 – 2030 Long-Term Infrastructure Improvement Plan ("LTIIP")
CY 2025 Annual Asset Optimization Plan

Background

On September 22, 2017, Peoples Natural Gas Company LLC, Peoples Natural Gas Division ("PNGD") and Peoples Gas Division ("PGD") (collectively the "Peoples or "the Company"), filed a combined distribution LTIIP for 2017-2021. The petition was a revision of Peoples Natural's and Peoples Gas' current LTIIPs. The Combined LTIIP was approved on January 18, 2018.

Per Order entered on January 24, 2020, the Commission approved, with certain modifications, a Joint Petition for Settlement authorizing Aqua America Inc. to acquire the Peoples. As part of the approved settlement, Peoples committed to file a modified LTIIP within six months following closing of the acquisition that further accelerated the rate of replacement of higher risk pipe after closing. The closing of the transaction occurred on March 16, 2020. On September 15, 2020, Peoples filed a Modified Combined Distribution LTIIP for 2021-2025 in compliance with the commitments made in the aforementioned acquisition of Peoples by Aqua America Inc., now Essential Utilities Inc. ("Essential"). The Modified Combined Distribution LTIIP was approved on January 14, 2021 at Docket Nos. P-2020-3022053 and P-2020-3021942. On March 15, 2024, Peoples filed for Approval of a Major Modification to its Combined Existing LTIIP for both PNGD and PGD. On September 3, 2024, the Major Modification was approved.

Peoples notes that with the Commission's approval of Peoples' 2023 base rate case at Docket No. R-2023-3044549 on September 12, 2024, the rates and tariffs of the divisions were merged and the requirement to maintain separate books and records for the former PNGD and former PGD was terminated. As a result, this filing is combined and encompasses both former Divisions.

On August 29, 2025, Peoples filed its Third Distribution LTIIP for 2026-2030 and was approved on December 18, 2025 at Docket No. P-2025-3057167.

Annual Asset Optimization Plan

In accordance with the requirements at 66 Pa. Code §1356, a utility with an approved DSIC must file an Annual Asset Optimization Plan ("AAOP"). The AAOP must contain:

(1) A description that specifies all eligible property repaired, improved and replaced in the immediately preceding 12-month period pursuant to the utility's long-term infrastructure improvement plan and prior year's asset optimization plan.

(2) A detailed description of all the facilities to be improved in the upcoming 12-month period.

1. **A description that specifies all eligible property repaired, improved and replaced in the immediately preceding 12-month period pursuant to the utility's long-term infrastructure improvement plan and prior year's asset optimization plan.**

The projects completed in 2025 by Peoples resulted in a reduction of 190 miles of LTIIP eligible pipeline and replacement of 12,681 company-owned services, 9,423 customer-owned service lines and 79,939 meters. Please note the significant increase in meter replacement is due to Peoples initiative to install Intelis meters. Through the duration of the Combined Distribution LTIIP (2021 – 2025), Peoples has removed/replaced 891 miles (+102%) compared to a target of 871 miles of the eligible pipelines.

Peoples Combined Distribution LTIIP included projected total spending of $468.5 million for 2025 projects. As a result of factors including: the increase of Intelis meter replacements, mix of projects and inflationary factors, Peoples spent $516 million on 2025 projects or $47.51 million (+10.1%) more than projected in the Combined Distribution LTIIP, while removing 190 miles of at-risk pipe compared to a projected replacement of 186 miles.

More detailed analysis by category can be found in the attached Table 1.

2. **A detailed description of all the facilities to be improved in the upcoming 12-month period.**

The Third Distribution LTIIP for Peoples reflects the higher spending commitments as required by the settlement commitment in the aforementioned acquisition of Peoples by Essential. The projected 2026 LTIIP expenditures are stated in the currently approved Third Distribution LTIIP in the amount of $606.6 million, respectively. Peoples estimates that it will replace approximately 186 miles of pipeline in 2026.

Attached Table 2 provides further details on the projected amounts of 2026 LTIIP facilities to be replaced and the related capital expenditures.

Peoples Natural Gas Company LLC
Annual Asset Optimization Plan (AAOP)
Comparison of 2025 from Combined Distribution LTIIP to 2025 Project Completions
Table 1

	Property Repaired, Improved and Replaced As Projected for 2025 [1/]	Property Repaired, Improved and Replaced - 2025 Projects Completed
Pipe in Miles [2/]	186	190
Company Owned Services	9,525	12,681
Customer Owned Services	6,090	9,423
Meter Replacement	12,830	79,939
M&R Station and OPP [3/]	51	159
Capital $		
Pipeline Replacement [4/]	$358.9	$478.5
Company Owned Services	$57.8	*included above*
Customer Owned Services	$29.7	*included above*
Meters [5/]	$9.0	$26.1
Fleet/Tools	$0.0	$0.0
M&R Station & OPP	$13.1	$11.4
Total	$468.5	$516.0

[1/] *See Major Modification petition approved September 3, 2024 (Docket Nos. P-2020-3022053 and P-2020-3021942)*

[2/] 2025 Actual Pipe by Type in Miles

Bare Steel	160
Coated Steel	19
Plastic	2
Cast Iron	1
Wrought Iron	6
AldylA/Fiberglass	2
	190.2

[3/] *M&R Station property quantities include the number of M&R stations improved by both traditional station upgrades and over pressure protection upgrades.*

[4/] *Includes Mains, Company & Customer Owned Services and Transmission Lines*

[5/] *Includes Other Meters, Inside Meters and Meter Move Outs*

Peoples Natural Gas Company LLC
Annual Asset Optimization Plan (AAOP)
2026 LTIIP Projections from Combined Distribution LTIIP
Table 2

	Property Repaired, Improved and Replaced as Projected for 2026
Pipe in Miles	186
Company Owned Services	13,700
Customer Owned Services	10,400
Meter Replacement	125,680
M&R Station & OPP	346
Capital $	
Pipeline Replacement [1/]	$539.5
Company Owned Services	$0.0
Customer Owned Services	$0.0
Meters [2/]	$46.3
Fleet	$0.0
M&R Station & OPP	$20.8
Total	**$606.6**

[1/] *Includes Mains, Company & Customer Owned Services and Transmission Lines*
[2/] *Includes Other Meters, Inside Meters and Meter Move Outs*

CERTIFICATE OF SERVICE

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

VIA EMAIL

Darryl A. Lawrence, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
ra-oca@paoca.org

NazAarah Sabree
Small Business Advocate
Pennsylvania Office of Small Business Advocate
555 Walnut Street, 1st Floor
Forum Place
Harrisburg, PA 17101
ra-sba@pa.gov

Allison C. Kaster, Esquire
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265
akaster@pa.gov

Date: March 2, 2026

Carol Scanlon

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY, PLEASE
REFER TO OUR FILE

April 22, 2026

Docket No. M-2026-3060802
Utility Code: 122250

CAROL SCANLON
RATES MANAGER
PNG COMPANIES LLC
375 N. SHORE DR.
PITTSBURGH, PA 15212
CAROL.SCANLON@PEOPLES-GAS.COM

Re: Annual Asset Optimization Plan for Peoples Natural Gas Company LLC at Docket No. M-2026-3060802

Dear Carol Scanlon,

On March 2, 2026, Peoples Natural Gas Company LLC (Peoples) filed its Annual Asset Optimization Plan (AAOP), pursuant to 52 Pa. Code § 121.6.

The Commission's regulations require utilities with an approved Distribution System Improvement Charge (DSIC) to file annually an AAOP with the Commission. The AAOP shall be filed 60 days after the prior 12 months of the company's Long-Term Infrastructure Improvement Plan (LTIIP) has expired, and pursuant to this timeframe for each successive AAOP. 52 Pa. Code § 121.6(a).

The AAOP must include:

1) A description that specifies all of the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIP and prior year's AAOP.

2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

The Commission is charged with reviewing each AAOP only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIIP, for the corresponding 12-month timeframes. 52 Pa. Code § 121.6(d). The Commission has delegated the review of AAOPs to the Bureau of Technical Utility Services (TUS).

Timely Filing
52 Pa. Code § 121.6(a)

A utility with an approved DSIC shall file with the Commission, for informational purposes, an AAO plan. The AAO plan shall be filed annually with the Commission 60 days after the 12 months of its LTIIP has expired and under this time frame for each successive year of the term of the LTIIP.

Peoples' AAOP substantially complies with this requirement.

Content

52 Pa. Code § 121.6(b)

An AAO plan must include:

(1) A description that specifies all the eligible property repaired, improved and replaced in the prior 12-month period under its LTIIP and prior year's AAO plan.

(2) A description of the eligible property to be repaired, improved and replaced in the upcoming 12-month period.

Peoples' AAOP substantially complies with this requirement.

Substantial Adherence to LTIIP

52 Pa. Code § 121.6(d)

An AAO plan will be reviewed by the Commission only to determine whether the utility is in substantial compliance with the repairs, improvements or replacements of the specific eligible property in its approved LTIIP for the corresponding 12-month time frames.

52 Pa. Code § 121.6(e)

Absent any major modifications to the LTIIP or Commission action to reject an AAO plan within 60 days of its submission to the Commission, the AAO plan will be deemed approved. The Commission may extend its consideration period if necessary.

52 Pa. Code § 121.6(f)

If an AAO plan is rejected by the Commission, the utility will be notified of the plan's deficiencies and actions needed to repair, improve or replace eligible property to bring the utility into compliance with the work schedule in its approved LTIIP. If the utility concludes that it needs to revise its LTIIP to comply with the Commission's determinations, it shall file a petition for modification under § 121.5.

Peoples' expenditures in 2025 were $516.0 million, which is an increase of $47.5 million, or 10.1% more than the company's planned expenditures of $468.5 million in its LTIIP. Peoples replaced 190 miles of distribution main, which is 2.2% more than the 186 miles planned in Peoples' LTIIP.

Peoples reported replacing more service lines than projected in 2025 with 22,104 services replaced, which is 41.6% more than the 15,615 projected in the company's LTIIP. Peoples relocated/replaced 79,939 meters, which is 523% more than the 12,830 projected in the company's LTIIP. Peoples explains that the substantial increase in meter replacement is due to its initiative to install Intellis Meters. Much of the additional total spending in 2025 appears to be due to Peoples' substantial increase in the quantities of infrastructure replaced as compared to its LTIIP projections.

Peoples stated that its projected 2026 LTIIP expenditures match the LTIIP the LTIIP projection of $606.6 million. Peoples reported that it estimates that it will replace approximately 186 miles of pipeline in 2026.

Compliance with the LTIIP is evaluated on a multiyear basis over the life of the LTIIP. Construction and budget variations in individual years can be expected and it is reasonable to expect that over a multi-year timeframe, much of this variation will be mitigated.

The AAOP does not propose a Major Modification to the company's LTIIP.

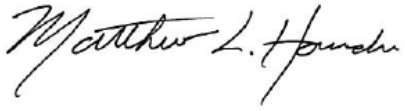
Accordingly, Peoples' AAOP appears to substantially conform to the schedule set forth in the company's LTIIP.

Conclusion

Upon review of Peoples' AAOP filed on March 2, 2026, it appears that the filing substantially complies with the requirements of 52 Pa. Code § 121.6 and it is approved. This approval is contingent upon the possibility that subsequent audits, reviews and inquiries, in any Commission proceeding, may be conducted pursuant to 52 Pa. Code § 121.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within twenty (20) days after the date of this letter. Please direct any questions regarding this filing to Matthew Stewart, TUS, at mattstewar@pa.gov.

Sincerely,



Matthew L. Homsher
Secretary

cc: Kriss Brown, LAW
Allison Kaster, BIE
Dan Searfoorce, TUS
John Van Zant, TUS

CONFIDENTIAL

Peoples Natural Gas Exhibit No. 4-R

U.S. Department
of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

Administrator

1200 New Jersey Avenue, SE.
Washington, DC 20590

MAR 31 2011

Dear Commissioner:

Recent tragedies involving natural gas explosions and spills of hazardous liquids highlight the need to take a hard look at the integrity of the Nation's pipelines. As you are keenly aware, some of this infrastructure is aging and requires prompt attention to ensure the safety of communities across the country.

On April 18, 2011, U.S. Transportation Secretary Ray LaHood will convene a Pipeline Safety Forum with the goal of accelerating the rehabilitation, repair, and replacement of critical pipeline infrastructure with known integrity risks. This forum will bring together pipeline safety experts, researchers, industry representatives, State partners, other Federal agency officials, and members of the public to share their expertise, experience, research, and ideas.

On behalf of the Secretary, I invite you to participate in this very important discussion. You may RSVP to pipelineforum@dot.gov with the name(s) and contact information of attending individual(s) from your organization or register on-line at our Pipeline Safety Forum website: www.phmsa.dot.gov/pipelineforum.

As a Commissioner with responsibility for safety oversight of pipelines in your state, I know you share my concern that these facilities are operated correctly and provide safe and reliable service to the American public. In preparation for the Forum, I urge you to review your State's current replacement plans for the highest risk pipelines (for example, bare steel, cast iron pipe, and pipe whose integrity is questionable or not confirmed), and consider what would be necessary to accelerate these plans. We encourage you to bring your findings to the Forum.

Please reply with this information and any related studies or reports by April 10, 2011. We will post your submissions on the Forum website, www.phmsa.dot.gov/pipelineforum. Our plan is to issue a Report to the Nation on the steps needed to achieve the Secretary's goal within the next six months.

Together, we can improve public safety through infrastructure assessment and reinvestment, open communication of concerns and creative solutions, and strong, effective oversight and

robust excavation damage prevention programs including promotion of “Safe Digging Month” this April and the national “Call Before You Dig" (811) programs.

Thank you in advance for partnering with us for public safety.

Regards,

Cynthia L. Quarterman

We believe that the timely repair, rehabilitation, and replacement of high-risk gas pipeline infrastructure are critical to ensuring public safety. A series of recent gas pipeline accidents, including the September 9, 2010 San Bruno, California accident, the January 19, 2011 Philadelphia, Pennsylvania accident, and the February 10, 2011 accident, show the terrible loss of life and property that can occur without adequate attention to the integrity of pipeline infrastructure.

PHMSA believes that an effective program for ensuring the timely rehabilitation, repair, or replacement of high-risk gas pipelines might have helped prevent these accidents. Accordingly, we recommend that State public utility commissions consider accelerating work on the following kinds of high-risk intrastate gas infrastructure in the future:

- Cast iron gas mains, which can be prone to failure as a result of graphitization or brittleness;
- Plastic pipe manufactured in the 1960s to the early 1980s, which is susceptible to premature failures as a result of brittle-like cracking;
- Mechanical couplings used for joining and pressure sealing pipe, which are prone to failure under certain conditions;
- Bare steel pipe without adequate corrosion control (i.e., cathodic protection or coating);
- Copper piping;
- Older pipe, if it is vulnerable to failure from time-dependent forces, such as corrosion, stress corrosion cracking, settlement, or cyclic fatigue factor; and
- Pipelines with inadequate construction records or assessment results to verify their integrity.

PHMSA requests your support in ensuring that State commissions implement effective programs for the timely repair, replacement, and rehabilitation of high-risk gas pipeline infrastructure.

I look forward to continuing to work with the NARUC on pipeline safety and welcome any thoughts that you have on the issues discussed in this letter. Please send your response to Jeffrey Wiese, Associate Administrator for Pipeline Safety, or to contact me if you have any questions or concerns.

Regards,

Cynthia L. Quarterman

Enclosure: White Paper

UNITED STATES DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

White Paper on State Pipeline Infrastructure Replacement Programs

Prepared for

National Association of Regulatory Commissioners

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Introduction

Under the leadership of Transportation Secretary Ray LaHood and Administrator Cynthia Quarterman, the Pipeline and Hazardous Materials Safety Administration (PHMSA) has issued a Call to Action with the goal of accelerating the rehabilitation, repair, and replacement of high-risk pipeline infrastructure. This effort comes on the heels of several high profile pipeline accidents, including two recent gas distribution line explosions in Pennsylvania that resulted in multiple deaths.

As part of Secretary LaHood's Call to Action, PHMSA has prepared this white paper to urge State public utility commissions to expand the use of pipeline infrastructure replacement programs. It includes an overview of natural gas ratemaking, a discussion of the need to take prompt action to remediate high-risk pipeline infrastructure, and a description of the various State programs that are being used for that purpose.

Executive Summary

Public safety requires prompt action to repair, remediate, and replace high-risk gas pipeline infrastructure, including cast iron mains, certain vintages of plastic pipe and mechanical coupling installations, bare steel pipe without adequate corrosion control, and copper piping. Several recent gas pipeline accidents show the terrible consequences that can occur if such action is not taken.

The Federal Energy Regulatory Commission establishes rates for interstate natural gas pipeline service under the "just and reasonable" standard provided in the Natural Gas Act of 1938. State public utility commissions (and in some cases local authorities) establish rates for intrastate natural gas pipeline service. While based on State and local laws, those determinations are generally made on the basis of a formula that is similar to the "just and reasonable" standard.

Pipeline infrastructure replacement programs for gas distribution systems exist in nearly 30 States. Some State Public utility commissions have used their traditional ratemaking authority to approve these programs, the terms and conditions of which are established under a generally applicable statutory provision. Other State public utility commissions have specific authority to approve such programs. The terms, conditions, and cost recovery mechanisms of these programs vary by statute. Whether as part of the traditional ratemaking process or in a separate proceeding, PHMSA is encouraging the States to accelerate the remediation of high-risk gas pipeline infrastructure.

PHMSA intends to focus on this issue in implementing the new Gas Distribution Pipeline Integrity Management Program Rule and as part of the annual certification process for State pipeline safety programs. PHMSA is also willing to provide other assistance to State public utility commissions who are seeking to establish or improve programs for the repair, rehabilitation, and replacement of high-risk pipeline infrastructure.

I. General Ratemaking Principles

Federal Ratemaking

The Federal Energy Regulatory Commission (FERC) regulates the interstate sale and transportation of natural gas under the Natural Gas Act of 1938 (NGA). The NGA imposes a "just and reasonable" requirement on the rates charged for interstate pipeline services, a standard that requires FERC to consider both the interests of pipeline operators and ratepayers. FERC utilizes varying ratemaking methodologies to meet the "just and reasonable" standard, such as selective discounting, market-based rates, and negotiated rates. However, the underlying premise that ratemaking should be based on the cost of providing service remains a strong principle in rate-making proceedings. Accordingly, cost-of-service ratemaking is the primary method that FERC uses to establish rates.

Cost-of-service ratemaking bases rates on the cost of service and affords the pipeline a reasonable rate of return. The Cost-of-Service:

> Includes the product of the pipeline's Rate Base (which is the pipeline's investment) and the Overall Rate of Return, plus its Operation and Maintenance Expenses (O&M), Administrative and General Expenses (A&G), Depreciation Expense, Non-Income Taxes and Income Taxes, less Revenue Credits.

In this equation, the Rate Base captures the total amount invested in the pipeline and is used to calculate the permissible return on investment. The Overall Rate of Return is a product of the pipeline's capitalization ratio, the cost of debt, and the rate of return that is allowed on the pipeline's equity. Total cost-of-service captures the amount of rate revenue that a pipeline company must charge in order to maintain profitability and remain an attractive prospect for future investment.

FERC applies cost-of-service and other rate methodologies in rate proceedings to set initial rates for new or expanding pipelines, increase rates for existing pipelines, and require prospective changes to existing rates. Applications to establish new or expanded pipeline service must be approved by FERC and are required to meet a "public convenience and necessity" standard. In a certificate proceeding, FERC authorizes initial rates that remain in effect until a further rate proceeding is held. In a general Section 4 rate case, a pipeline files to increase rates and is required to prove that its proposal is "just and reasonable." Alternatively, in a Section 5 rate proceeding, FERC may require prospective rate changes, if it is determined that a pipeline's rates no longer meet the "just and reasonable" standard.[1]

State Ratemaking

[1] Cost-of-Service Rates Manual, Federal Energy Regulatory Commission, June 1999.

State public utility commission (PUCs) regulate the intrastate sale of natural gas, which includes establishing rates for the end user. State PUCs evaluate ratemaking proposals according to a variety of legislative mandates, policy objectives, and consumer interests, but have traditionally set rates according to the "just and reasonable" standard. As articulated by the National Regulatory Research Institute, these rates share four general characteristics. First, rates are reflective of "an efficient or prudent utility" and, therefore, do not include those costs that a utility could eliminate without impairing efficiency or profitability. Second, rates incorporate the natural consequences of a utility's provision of service at different levels and to different classes of customers. Third, rates are set at a level that provides the utility with an acceptable return to ensure that it remains an attractive candidate for new capital investment. Lastly, the utility's provision of service should be nondiscriminatory. Within these general principles, the States use varying methods to establish rates, some of which are outlined below.

Rates for Investor-Owned Local Gas Distribution Companies

Local distribution companies are privately-owned utilities and are required to provide distribution of natural gas to any customer within its geographic franchise area upon reasonable request. These utilities own the natural gas being distributed for their "sales customers" and get paid a fee for the distribution service. Local distribution companies do not earn any money from the sale of the natural gas itself, whether the utility owns the natural gas or transports it on behalf of the customer. The companies simply pass the cost of the gas straight through to the customer. Customers who have purchased their natural gas from a third party supplier or market and wish the distribution company to transport the gas to their business or home, commonly referred to as "transportation customers," pay a fee for the transport of natural gas over the local distribution company's pipeline.

State PUCs regulate the rates, terms, and conditions of service for investor-owned natural gas distribution systems. Local agencies generally perform that regulatory function for publicly-owned distribution utilities. These State and local authorities are also responsible for ensuring that the operation of these utilities serves the public interest. In some cases, that may require prohibiting a utility from turning off a residential customer's gas service for nonpayment during cold weather, asking for safety-driven changes beyond those required by the Federal and State safety regulators, or requiring utilities to offer energy conservation programs.

Natural gas utilities are required to post the rates, terms, and other conditions of service with their State PUCs, and customers must pay the posted rates to obtain the applicable service. Utilities also have information on file with State PUCs on the current "purchased gas adjustment charge." These charges account for market-driven changes in the price the utility pays for the gas supplied to its customers.

Rates for Publicly-Owned Local Gas Utility Systems

Publicly-owned gas utility systems are non-profit enterprises that are owned by the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. These

utilities own the natural gas that is provided to their customers and charge a fee for the distribution service. Publicly-owned utilities also pass through and recover the cost of acquiring the natural gas that is distributed.

Unlike privately-owned pipeline systems, most State PUCs do not establish rates for publicly-owned gas distribution systems. That function is typically performed by a local body, like a city or county council or utility board. There is no requirement that the rate charged by the utility be based on the cost of service, and the utility may charge whatever rate is established by its governing body.

Rates for publicly-owned utilities do not include costs for return on investment or profit, and any necessary capital is raised by issuing bonds. Customers of municipal utilities pay the purchased gas adjustment charge for the amount of gas the utility distributes during the billing period. Rate changes must be approved by the city council or the utility board.

II. Need for Repair, Rehabilitation, and Replacement of High-Risk Gas Pipeline Infrastructure

The safety of natural gas distribution systems has improved significantly since the enactment of the Natural Gas Pipeline Safety Act of 1968, which provided DOT with the authority to establish safety standards for natural gas systems. A number of serious incidents in natural gas distribution systems, however, still occur each year, and many of those incidents are caused by failures of high-risk pipeline infrastructure. Thus, there is a need to improve pipeline safety by repairing, rehabilitating and replacing high risk pipe.

High-risk pipeline infrastructure is piping or equipment that is no longer fit for service. As discussed below, that lack of fitness can be the product of a variety of factors.

- Cast iron gas mains and service lines can be prone to failure as a result of graphitization or brittleness. The installation of cast iron pipe dates to the 1830s, and remained prevalent until the post-World War II period. Many major urban areas, including Philadelphia, PA; Boston, MA; Baltimore, MD; Washington, DC; Detroit, MI; Chicago, IL; and San Francisco, CA, still have cast iron pipe in their natural gas distribution systems.[2]

- Certain vintages of plastic pipe are susceptible to premature failures as a result of brittle-like cracking. In April 1998, the National Transportation Safety Board (NTSB) released a Special Investigation Report on Brittle-Like Cracking in Plastic Pipe for Gas Service. NTSB found that the long-term strength and resistance of plastic pipe to brittle-like cracking may have been overrated for much of the plastic pipe manufactured and installed from the 1960s through the early 1980s. The NTSB

[2] http://opsweb.phmsa.dot.gov/pipelineforum/reports-and-research/cast-iron-pipeline/

also found that any potential public safety hazards from these failures are likely to be limited to locations where stress intensification exists. In response to the NTSB report and subsequent investigations, PHMSA issued four advisory bulletins on the susceptibility of certain kinds of older plastic pipe to brittle-like cracking.[3]

- Mechanical coupling installations are devices that are used for the joining and pressure sealing of two pieces of pipe. These devices are prone to failure under certain conditions. In March 2008, PHMSA issued an Advisory Bulletin (ADB) on the use of mechanical couplings in natural gas distribution systems. The ADB noted that these devices are more likely to fail when there is inadequate restraint for the potential stresses on the two pipes, when the couplings are incorrectly installed or supported, or when components experience age-related deterioration. The ADB also noted that inadequate leak surveys can fail to detect a coupling in need of repair and lead to more serious incidents.[4]

- Pipelines lacking adequate construction records or assessment results to verify their integrity. In January 2011, PHMSA issued an ADB on the need to use traceable, verifiable, and complete records in establishing the maximum allowable operating pressures and developing and implementing integrity management programs for natural gas pipelines. The ADB responded to an NTSB recommendation, which resulted from its investigation of the September 2010 intrastate natural gas transmission line rupture in San Bruno, California, which is discussed below.

- Other kinds of pipe installations, including bare steel pipe without adequate corrosion control (i.e., cathodic protection or coating) and copper piping, are also more susceptible to failure.

- Age of pipe should be considered in determining whether pipeline infrastructure is vulnerable to failure from time-dependent forces, like corrosion, stress corrosion cracking, settlement, or cyclic fatigue.

Several recent gas pipeline accidents show the grave consequences that can occur if high-risk gas pipeline infrastructure is not properly repaired, rehabilitated, or replaced. For example,

- On September 9, 2010, an intrastate natural gas transmission line ruptured in San Bruno, California. The ensuing explosion and fire resulted in 8 fatalities, multiple injuries, and destroyed 38 homes. NTSB has released a final report on the cause of the accident and concluded that the failure was the result of an improperly-welded section of pipe that had been installed in 1956 and never subjected to hydrostatic pressure testing.

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[3] 72 FR 51301.

[4] 73 FR 11695.

- On January 19, 2011, a natural gas explosion and fire in a natural gas distribution system killed one person and injured five others in Philadelphia, Pennsylvania. The cause of the accident remains under investigation, but preliminary reports indicate that the source of the gas leak was a 12-inch cast iron gas main installed in the 1920s.

- On February 10, 2011, another natural gas explosion and fire in a natural gas distribution system killed five people and destroyed several homes in Allentown, Pennsylvania. The cause of the accident remains under investigation, but preliminary reports indicate that the source of the gas leak was an 83-year-old, 12-inch cast iron gas main.

Recognizing that prompt action to replace these high-risk gas pipelines might have prevented each of these accidents, Transportation Secretary Ray LaHood issued a Call to Action in April 2009 encouraging the States to expand and accelerate the use of such programs.[5] Twenty-two States responded to the Secretary's initiative by providing PHMSA with information on their efforts to remediate high-risk pipeline infrastructure.

After reviewing that information and performing additional research, PHMSA decided to prepare the following overview of the State pipeline infrastructure replacement programs. PHMSA urges the appropriate regulatory authorities will use this information to accelerate their efforts to repair, rehabilitate, and replace high-risk gas pipeline infrastructure in their jurisdictions. In addition to the analysis provided below, a comprehensive list of all of these programs is included in Appendix I.

III. Using Traditional Ratemaking Authority to Establish Infrastructure Replacement Programs

Several state public utility commissions have used their traditional ratemaking authority to approve pipeline infrastructure replacement programs. The examples discussed below show how that authority can be used to ensure the timely repair, rehabilitation, and replacement of high-risk pipeline infrastructure without additional legislation.

New Jersey

Originally established in 1911 as the Department of Public Utilities, the mission of the New Jersey Board of Public Utilities (BPU) is "[t]o ensure the provision of safe, adequate and proper utility and regulated service at reasonable rates, while enhancing the quality of life for the citizens of New Jersey and performing these public duties with integrity, responsiveness and efficiency."[6] The Division of Energy is responsible for regulating the State's four natural gas

[5] http://opsweb.phmsa.dot.gov/pipelineforum/

[6] http://www.nj.gov/bpu/about/index.html.

service providers: Elizabethtown Gas, New Jersey Natural Gas (NJNG), PSE&G, and South Jersey Gas.[7]

As part of then-Governor Jon Corzine's economic stimulus plan, BPU approved accelerated pipeline infrastructure replacement programs using its plenary authority to require or enable natural gas companies to provide safe, adequate, and proper service to its customer.[8] In a December 22, 2009 provisional order, BPU approved Elizabethtown Gas's petition to implement a Utility Enhancement Infrastructure Rider (i.e., a rate increase to allow for an accelerated recovery of the costs associated with performing certain gas-distribution infrastructure related projects). The list of qualifying projects included the replacement of 29 miles of 10- and 12-inch and 41.9 miles of 4-inch cast iron gas mains; the installation of 6 miles of 8-inch main and 20 miles of 12-inch main in certain locations. In a subsequent filing, Elizabethtown petitioned BPU to approve an additional rate increase to cover greater-than-anticipated costs for each of these projects.[9]

Likewise, in an April 29, 2009 order, BPU approved NJNG's petition to implement an Accelerated Infrastructure Investment Program (AIIP), i.e., a rate increase to allow for an accelerated recovery of the costs associated with performing 14 infrastructure projects. In a March 30, 2011, BPU approved NJNG's petition to add 9 additional projects to the AIIP. The total anticipated cost for these projects is approximately 130 million dollars.[10]

Kentucky

Created in 1934, the Kentucky Public Service Commission (KPSC) is a three member administrative body with authority to regulate investor-owned natural gas companies. KPSC does not regulate natural gas utilities subject to the control of cities or political subdivisions, or those served by the Tennessee Valley Authority.[11]

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[7] http://www.state.nj.us/bpu/index.shtml

[8] Specifically, § 48: 2-23 states:

The board may, after public hearing, upon notice, by order in writing, require any public utility to furnish safe, adequate and proper service, including furnishing and performance of service in a manner that tends to conserve and preserve the quality of the environment and prevent the pollution of the waters, land and air of this State, and including furnishing and performance of service in a manner which preserves and protects the water quality of a public water supply, and to maintain its property and equipment in such condition as to enable it to do so.

The board may, pending any such proceeding, require any public utility to continue to furnish service and to maintain its property and equipment in such condition as to enable it to do so.

[9] *See* http://www.elizabethtowngas.com/Universal/RatesandTariff/RegulatoryInformation.aspx

[10] *See* http://www.njng.com/regulatory/filings.asp

[11] http://psc.ky.gov/

In a January 31, 2002 order, KPSC approved a petition filed by Duke Energy Kentucky, Inc. (Duke) for approval of an Accelerated Main Replacement Program (AMRP) Rider, which was designed to allow Duke to reduce the time for replacing its cast iron and bare steel mains from 15 years to 10 years. The Kentucky Attorney General appealed that order, arguing that KPSC lacked the authority to approve such a program outside of the confines of a general rate case. The Kentucky Supreme Court later ruled that KPSC had the power to approve the AMRP Rider under its plenary authority to ensure that rates are "fair, just and reasonable."[12]

Indiana

Established in the early 20th century, the Indiana Regulatory Utility Commission (IRUC) is comprised of five Commissioners who are appointed by the Governor to staggered four-year terms. The Gas Division is responsible for regulating the rates and terms and conditions of service for intrastate gas utilities.[13]

IRUC uses a deferred accounting alternative to allow eligible infrastructure investment costs to be diverted to a special deferred account. In the next rate case, the costs are amortized, recovered in rates, and the balance in the special deferred account is either reduced or eliminated. Gas utilities must establish, through the ratemaking proceeding, that all infrastructure investment costs in such accounts are properly accounted for. The assets in these deferred accounts may accrue interest, which isamortized and recoverable. The amount and type of infrastructure costs may be limited and are subject to state approval.

IRUC has approved Vectren Corporation's program to target 90 miles of pipeline replacements per year, as part of a broader, 20-year effort to replace 1,700 miles of aging bare steel and cast iron mains in Indiana and Ohio.[14]

IV. Using Specific Ratemaking Authority to Establish Infrastructure Replacement Programs

Several states have provided their public utility commissions with specific statutory authority to approve pipeline infrastructure replacement programs. Some states, like Missouri, Kansas, and Nebraska, have enacted statutes with detailed eligibility requirements and cost-recovery formulas. Other states, like Ohio, have adopted statutes that provide their commissions with far more flexibility and discretion. Still other states, like Texas and Virginia, fall somewhere in between.

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[12] *Kentucky Public Service Commission v. Commonwealth of Kentucky*, 324 S.W.3d 373 (KY 2010).

[13] http://www.in.gov/iurc/

[14] *http://www.enengineering.com/pdf/p&gj4_05.pdf.*

Infrastructure Replacement Surcharge: Missouri, Kansas, and Nebraska

Missouri, Kansas, and Nebraska have adopted statutes that authorize the approval of infrastructure replacement surcharges. Local distribution companies are allowed to charge current customers for the cost of replacing existing infrastructure through the performance of certain projects. A specific formula is provided for determining the permissible amount of the surcharge; procedural requirements are also included to facilitate commission review and approval.

Missouri and Kansas

Established in 1913, the Missouri Public Service Commission (MPSC) regulates local gas distribution companies and is composed of five commissioners who are appointed by the governor.[15] Founded two decades later, the Kansas Corporation Commission (KCC) regulates natural gas companies and is composed of three commissioners who are appointed by the Governor for 4-year terms with the approval of the Senate.[16]

On July 9, 2003, the Missouri General Assembly enacted a statute allowing gas corporations to petition MPSC for approval of an infrastructure system replacement surcharge (ISRS) as of August 28, 2003. Using Missouri's ISRS statute as a model, the Kansas Legislature enacted the Gas Safety and Reliability Act (GSRA) three years later, on April 12, 2006. The GSRA provided that as of July 1, 2006, a natural gas public utility could petition the KCC to establish or change gas system reliability surcharge (GSRS) rate schedules.

These two statutes are similar in many respects and include provisions that define the kinds of gas utility projects which are eligible for a cost recovery surcharge, establish a formula for determining and limiting the amount of that surcharge, and prescribe the procedural requirements that must be met before a surcharge can be imposed.

Both statutes generally limit eligible infrastructure system replacements to gas utility plant projects that:

- Do not increase revenues by directly connecting the infrastructure replacement to new customers;
- Are in service and used and useful;
- Were not included in the gas corporation's rate base in its most recent general rate case; and
- Replace, or extend the useful life of an existing infrastructure.

The statutes also list the kinds of "gas utility plant projects" that are eligible for the surcharge:

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[15] http://psc.mo.gov/

[16] http://www.kcc.state.ks.us/index.htm

- Mains, valves, service lines, regulator stations, vaults, and other pipeline system components installed to comply with State or Federal safety requirements as replacements for existing facilities that are in deteriorated condition;

- Main relining projects, service line insertion projects, joint encapsulation projects, and other similar projects extending the useful life, or enhancing the integrity of pipeline system components for compliance with State or Federal safety requirements; and

- Facility relocations as a result of construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, the State (or political subdivision thereof), or another entity having the power of eminent domain provided that the costs related to such projects have not been reimbursed to the gas corporation.

The two statutes also prescribe a formula for determining the maximum amount and duration of the surcharge:

- MPSC and KCC cannot approve a surcharge that produces a total annualized surcharge revenue below the lesser of $1,000,000 or 1/2 percent of the gas company's base revenue level or exceeds 10 percent of the base revenue approved at the gas company's most recent general rate proceeding.

- A surcharge cannot be approved for a gas company that has not had a general rate proceeding decided or dismissed within a certain number of months (the past 36 months for Missouri and the past 60 months for Kansas), unless the gas company has filed for one or is the subject of a new proceeding.[17]

Finally, there are also procedural requirements that must be met to authorize the surcharge:

- Gas companies that petition MPSC or KCC for a surcharge must submit a proposed ISRS or GSRS and supporting documentation.

- MPSC and KCC must publish notice of that filing, and their respective staffs are required to confirm underlying costs and submit a report within 60 days.

- MPSC and KCC may hold a hearing on the petition but must issue an order that is effective no later than 120 days after the filing.

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[17] As originally enacted, the GSRA prohibited a utility from collecting a GSRS for any period exceeding 60 months unless a filing had been made or was subject to a new proceeding. However, on April 13, 2011, the Kansas Legislature amended the GSRA to allow the KCC, on motion from a natural gas public utility, to extend that 60-month deadline for up to 12 months.

- A gas company cannot effectuate a change in its rates more often than twice every 12 months.

Nebraska

The Nebraska Public Service Commission (NPSC) regulates the rates and quality of service for investor-owned natural gas public utilities and is composed of five elected commissioners who serve 6-year terms.[18] On August 30, 2009, the Nebraska legislature enacted a statute allowing a jurisdictional utility to file an application and proposed rate schedule with NPSC to establish or change "infrastructure system replacement cost recovery charge rate schedules." Through this process, utilities may request an adjustment of their rates to recover costs for eligible infrastructure system replacements. Nebraska's legislation is largely bifurcated: utilities are treated differently depending on whether or not their prior rate filings were subject to negotiation.

NPSC is specifically disallowed from approving rate schedules that produce total annualized infrastructure system cost recovery charge revenue either:

- Below the lesser of one million dollars or one-half percent of the utility's base revenue level, as approved by the commission in the most recent general rate proceeding; or

- Exceeding ten percent of the utility's base revenue level, as approved by the commission in the most recent general rate proceeding.

Furthermore, NPSC cannot approve any rate schedules for a utility that has not had a general rate proceeding decided or dismissed by order within the 60 months immediately preceding the application for a infrastructure system replacement cost recovery charge. Utilities cannot collect a recovery rate for a period exceeding 60 months after the initial approval, unless that utility has filed for or is the subject of a new general rate proceeding within the 60-month period. (The rate may be collected until the effective date of a new rate schedule established as a result of a new general rate proceeding or until the rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established).

Two processes exist for establishing or changing a rate schedule. If the utility's last general rate filing was not subject to negotiation, the utility must submit to NPSC:

- A list of eligible projects;

- A description of the projects;

- The location of the projects;

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[18] http://www.psc.state.ne.us/index.htm

- The purpose of the projects;
- The dates construction began and ended;
- The total expenses for each project at completion; and
- The extent to which such expenses are eligible for inclusion in the calculation of the infrastructure system replacement cost recovery charge.

After the public advocate conducts an examination of this information to verify the underlying costs, NPSC must require a report on this examination to be prepared and filed not later than 60 days after the application. NPSC must hold a hearing on the application and issue an order that is effective not later than 120 days after the application is filed (there is a good-cause 30-day extension). If NPSC finds that an application complies with the applicable requirements, an order is issued authorizing the utility to recover appropriate pretax revenue. Utilities may apply for a change in any infrastructure system replacement cost no more than once in any 12-month period.

If a utility's last general rate filing was subject to negotiation, it must submit to NPSC the schedules, supporting documentation, and a written notice for each city that will be affected by the charge. The notice must identify the cities that will be affected by the filing and copies must be provided to each such city. Affected cities have 30 days from that filing to adopt a resolution of intent to negotiate a charge rate with the utility. A copy of the resolution in support, or a resolution of rejection, of the offer to negotiate must be provided to the utility and NPSC within seven days of adoption.

If NPSC receives timely resolutions from cities that represent more than 50 percent of the ratepayers within the affected cities, to negotiate a recovery rate with the utility, the commission will certify the case for negotiation and will take no action until the negotiation period has expired. If agreement is reached, it must be put in writing and filed with the commission, which then must enter an order either approving or rejecting the rate within 30 days of the filing of the agreement. If agreement is not reached, the affected cities and the utility must submit all documentation within 14 days after the commission receives notice that the negotiations have failed. A hearing must be held not later than 35 days after the receipt of this report. If the commission receives resolutions from cities representing more than 50 percent of ratepayers that expressly reject negotiations, the rate review proceeds immediately.

Interim Rate Adjustment: Texas and Virginia

Texas

Established in 1891, the Texas Railroad Commission (TRC) has primary regulatory authority over various aspects of the oil and natural gas industry. The Gas Services Division regulates the day-to-day activities of approximately 200 natural gas utilities and is responsible for ensuring that a continuous, safe supply of natural gas is available to local consumers at the lowest, reasonable price. TRC has exclusive authority over the rates and terms of service for gas

utilities in unincorporated areas and original jurisdiction over utilities at a city gate. TRC is composed of three members who are elected to serve 6-year terms.[19]

On May 16, 2003, the Texas Legislature enacted the Gas Reliability Infrastructure Program (GRIP) statute, which allows gas utilities to recover a return on capital expenditures made during the interim period between general rate cases.[20] Specifically, a gas utility may file a tariff or rate schedule with TRC providing for an interim rate adjustment within two years of the utility's last general rate case. That tariff or rate schedule must be filed at least 60 days before the proposed implementation date of the new rates. During that 60-day period, implementation of the new rates may be suspended by the TRC or an affected municipality for up to 45 days.

The allowable amount of the interim rate adjustment is based on values associated with the utility's return on investment, depreciation expenses, ad valorem taxes, revenue-related taxes, and incremental federal income taxes. The reasonableness and prudence of the investments recovered by an interim rate adjustment is subject to review in the utility's next general rate case. Until the TRC issues a final order approving the interim rate adjustment in that rate case, all amounts collected under the tariff or rate schedule before the filing of that rate case are subject to refund (including with interest, if appropriate). Any utility that implements an interim rate adjustment is required to file a general rate case no later than 180 days after the fifth anniversary of the date its interim rate became effective. The regulatory authority itself may also initiate a rate case at any time to review the reasonableness of the utility's rates.

It should also be noted that TRC has issued regulations mandating the removal, rehabilitation, or replacement of gas distribution pipeline facilities as part of their state pipeline safety program.[21] That includes requirements for the removal of compression couplings and, more recently, for the submission of a written risk-based program, by August 1, 2011, for the removal or replacement of all other distribution facilities.

Virginia

Established in 1902, the Virginia State Corporation Commission (VSCC) is composed of three commissioners who are elected by the General Assembly for 6-year terms. Its Division of Energy Regulation is responsible for providing assistance in regulating investor-owned natural gas utilities.[22]

On April 11, 2010, the SAVE Act (Steps to Advance Virginia's Energy Plan) was enacted, authorizing certain natural gas utilities to petition the State Corporation Commission

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[19] http://www.rrc.state.tx.us/

[20] Tex. Util.Code Ann. § 104.301.

[21] http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=16&pt=1&ch=8&sch=C&rl=Y

[22] http://www.scc.virginia.gov/pue/index.aspx

(SCC) for a separate rider ("SAVE rider"), allowing for the recovery of certain costs associated with eligible infrastructure replacement projects. While utilities are still required to apply for the SAVE rider, the statute places restrictions on the VSCC approval process, ostensibly to wall off this process from traditional ratemaking.

Under the Act, an eligible "natural gas utility" is any investor-owned public service company that furnishes natural gas service to the public. Natural gas utilities may apply for "eligible infrastructure replacement" projects that:

- Enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, natural forces, or other outside force damage;

- Do not increase revenues by directly connecting the infrastructure replacement to new customers;

- Reduce or have the potential to avoid greenhouse gas emissions; and

- Are not included in the natural gas utility's rate base in its most recent rate case or in the rate base filed with a performance based regulation plan.

Specifically, eligible "natural gas utility facility replacement projects" are intended to replace storage, peak shaving, transmission or distribution facilities used in the delivery of natural gas, or supplemental or substitute forms of gas sources by a natural gas utility. The act specifically delineates recoverable costs, including return on investment, depreciation, property taxes, and carrying costs of the eligible infrastructure replacement projects.

In order to qualify for the SAVE rider, utilities must file a petition with VSCC to establish a plan, which must include a completion timeline, a schedule of cost recovery, and a certification that the plan is "prudent and reasonable." Prior to approval, VSCC must provide notice and an opportunity for a hearing on the plan. SAVE plans must be approved or denied within 180 days; in the case of a denial, VSCC must specifically detail the reasons for the denial and the utility may refile, without prejudice, an amended plan within 60 days, at which point the Commission has an additional 60 days to approve or deny. VSCC is specifically prohibited from requiring the filing of rate case schedules in conjunction with the consideration of a SAVE plan. In addition, no other revenue requirement or ratemaking issues may be examined in conjunction with the consideration of an application filed pursuant to the SAVE Act.

At the end of each 12-month period that a SAVE rider is in effect, the utility must reconcile the difference between the eligible replacement costs and the amounts recovered under the SAVE rider. This reconciliation provides the basis for an adjustment to the SAVE rider, which VSCC must approve or deny within 90 days, whether it is an additional recovery or a refund. Finally, the Act states that this rider is in addition to all other costs that a utility is permitted to recover and cannot be considered as an offset to other VSCC-approved cost of service or revenue requirements. In addition, the rider cannot be included in the computation of a performance based regulation plan revenue-sharing mechanism.

In summary, the Virginia SAVE Act:

- Uses a rider for the recovery of certain eligible infrastructure costs;
- Uses a statutorily prescribed process that is separated from the ratemaking process;
- Includes an amendment process to incorporate increased project costs, but also requires refunds;
- Requires approval or denial within specific timeframe; and
- Restricts VSCC from considering any costs that the utilities are already allowed to recover in the consideration of whether a utility should be able to recover infrastructure costs.

Alternative Rate Plan: Ohio

Established in 1913, the Public Utilities Commission of Ohio (PUCO) regulates various public utilities in Ohio, including more than two dozen natural gas companies. Those companies provide gas service to more than 3 million users and operate a network of approximately 54,000 miles of regulated distribution lines. PUCO is composed of 5 commissioners who are appointed by the Governor for 5 year terms.[23]

Ohio Chapter 4901: 1-19 governs the filing and consideration of an alternative rate case by a natural gas company. Alternative rate plans may include automatic adjustments based on a specified index or changes in a specified cost. In its "alternative rate plan filing," the applicant must notify the commission and the consumer services department of its intent to file at least 30 days prior to the expected date of filing. The application (sample is included in rule appendix) must include the proposed rates, a summary of the proposed plan, a comparison of the typical "before" and "after" customer bill, and any waiver requests. In addition, the applicant must fully justify any proposal to deviate from the traditional rate of return regulation, including the rationale for the alternative plan, including "how it better matches actual experience of performance of the company in terms of costs and quality of service to its regulated customers."

PUCO may grant alternative rate regulation on the basis of this application. However, PUCO may subsequently determine that the natural gas company is not in substantial compliance with state policy, or on the motion of an adversely affected party, abrogate any order when (1) the commission determines that the findings are no longer valid and that modification or abrogation is in the public interest; and (2) the modification or abrogation is not made more than eight years after the effective date of the order, unless the affected natural gas company consents.

California

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[23] http://www.puco.ohio.gov/puco/

The California Public Utilities Commission (CPUC) is responsible for regulating intrastate natural gas pipelines in the State of California, except for municipal gas systems.[24] CPUC is composed of five commissioners who are appointed by the Governor.

On October 7, 2011, the Governor approved a package of pipeline safety bills with several new mandates for gas pipeline operators and CPUC. The relevant provisions include:

- Requiring operators of intrastate gas transmission lines to prepare and submit to CPUC a plan for pressure testing each line segment and to replace each segment that is not tested. Plans must include a timeline for completing all testing and replacements as soon as practicable with interim safety measures during implementation. Where warranted, segments must also be capable of accommodating inline inspection devices.

- Requiring gas pipeline operators to submit to CPUC for approval a plan for the safe and reliable operation of their gas pipeline facilities. Plans must be consistent with Federal pipeline safety laws and must address specific criteria, including: minimizing hazards and systemic risks; identifying safety-related systems that may be deployed; patrolling and inspecting for leaks; responding to reports of leaks; determining MAOP; ensuring qualified and adequately-sized workforce; and meeting applicable pipeline safety standards.

- Requiring gas pipeline operators to report to CPUC twice per year on the strategic planning and decisionmaking approach that is used to determine and rank pipeline safety, integrity, reliability, operations and maintenance activities, and inspections.

- Establishing that is the policy of the State and CPUC for each gas pipeline operator to place safety as its top priority. CPUC must take reasonable and appropriate action to carry out this policy, including through ratemaking.

- Requiring gas pipeline operators who recover expenses for integrity management program and related pipeline maintenance and repairs to have a balancing account, with any unspent money being returned to ratepayers at the end of each rate cycle.

In a June 2011 order, CPUC had previously used its general authority to require operators of intrastate natural gas transmission lines to submit comprehensive pressure testing implementation plans. The purpose of these plans is to achieve the orderly and cost effective replacement or testing of all natural gas transmission lines in the State. The plans permit the use of alternatives that achieve the same standard of safety, but must include a prioritized schedule based on risk assessment and maintaining service reliability, as well as cost estimates with proposed ratemaking. The plans also address the retrofitting of pipelines to accommodate the use of in-line inspection tools and, where appropriate, automated or remotely controlled shut off valves.

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[24] CA PUB UTIL §§ 2101 *et seq.*, 4351-61, 4451-64.

V. CONCLUSIONS

Nearly 30 State public utility commissions have established pipeline infrastructure replacement programs as part of the ratemaking process. These programs play a vital role in protecting the public by ensuring the prompt rehabilitation, repair, or replacement of high-risk gas distribution infrastructure.

Several state public utility commissions, including those in New Jersey, Kentucky, and Indiana, have used their traditional ratemaking authority to approve such programs. Other States, like Missouri, Kansas, and Nebraska, have provided their public utility commissions with specific statutory authority to approve pipeline infrastructure replacement programs based on detailed eligibility requirements and cost-recovery formulas. Ohio has a statute in place that provides its commission with far more flexibility and discretion. California recently enacted a statutory scheme requiring the implementation of a comprehensive program for pressure testing and replacement of gas pipelines.

Whether as part of the traditional ratemaking process or in a separate proceeding, PHMSA urges State public utility commissions to accelerate the repair, rehabilitation, and replacement of high-risk pipeline infrastructure. The recent pipeline accidents in San Bruno, Philadelphia, and Allentown show the tremendous cost in terms of fatalities, injuries, and property damage that can result in the absence of such action.

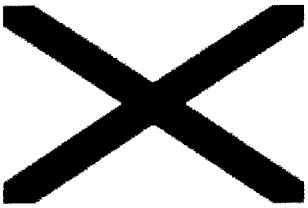
PHMSA is focused on this issue in implementing its integrity management requirements for natural gas transmission and distribution lines and as part of the state certification process. PHMSA is willing to provide assistance to State public utility commissions who are seeking to establish or improve programs for the repair, rehabilitation, and replacement of high risk pipeline infrastructure. Such assistance could include offering testimony at legislative hearings or in state proceedings, providing technical expertise in identifying high-risk pipeline infrastructure, and ensuring that state pipeline safety regulators are effectively implementing the integrity management requirements for natural gas transmission and distribution lines.

Appendix I:

Additional Information on State Pipeline Infrastructure Replacement Programs

Hyperlinks Confirmed as of Date of Publication and Available for Use in Electronic Version Only

Alabama



STATE AUTHORITY: Alabama Public Service Commission

PROGRAM: Rate Stabilization and Equalization Plan

PARTICIPANTS: Mobile Gas

Alabama Gas

Arkansas

STATE AUTHORITY: Arkansas Public Service Commission

PROGRAM: Main Replacement Program Rider

PARTICIPANTS: CenterPoint Energy

California

STATE AUTHORITY: California Public Utilities Commission

PROGRAM: Comprehensive Implementation Plan

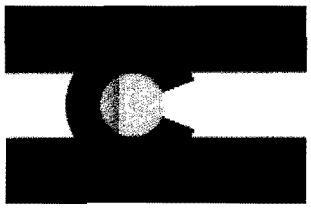
PARTICIPANT: San Diego Gas and Electric

PROGRAM: Pipeline Safety Enhancement Plan

PARTICIPANTS: Southern California Gas

Pacific Gas & Electric

Colorado



STATE AUTHORITY: Colorado Public Service Commission

PROGRAM: Pending

PARTICIPANT: Colorado Public Service Company

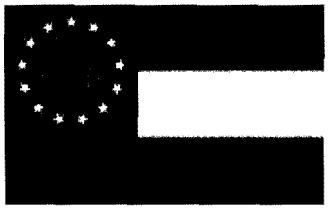
District of Columbia

STATE AUTHORITY: District of Columbia Public Service Commission

PROGRAM: Pending

PARTICIPANT: Washington Gas

Georgia



STATE AUTHORITY: Georgia Public Service Commission

PROGRAM: Pipeline Replacement Program

PARTICIPANT: Atlanta Gas Light

PROGRAM: Pipeline Replacement Surcharge

PARTICIPANT: Atmos Energy

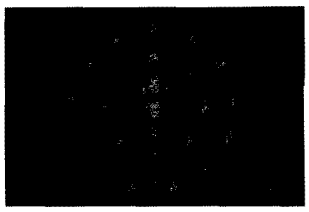
Illinois

STATE AUTHORITY: Illinois Commerce Commission

PROGRAM: Infrastructure Cost Recovery Rider

PARTICIPANT: Integrys Peoples Gas

Indiana



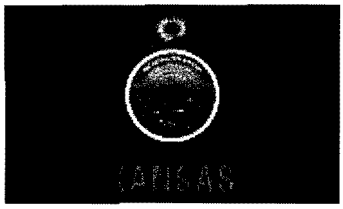
STATE AUTHORITY: Indiana Utility Regulatory Commission, Gas Division

PROGRAM: Pipeline Safety Adjustment

PARTICIPANT: Vectren Energy Delivery of Indiana, Inc.

Vectren South – SICEGO

Kansas



STATE AUTHORITY: Kansas Corporation Commission

PROGRAM: Accelerated Pipeline Replacement Rider

PARTICIPANT: Black Hills Energy

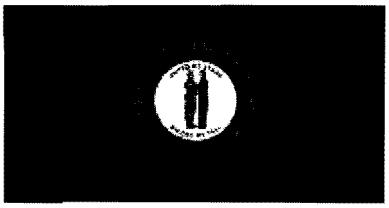
PROGRAM: Gas System Reliability Surcharge Rider

PARTICIPANT: Kansas Gas Service

Atmos Energy

LAWS: Gas Safety and Reliability Policy Act

Kentucky



STATE AUTHORITY: Kentucky Public Service Commission

PROGRAM: Accelerated Main Replacement Program Rider

PARTICIPANT: Columbia Gas Kentucky

PROGRAM: Pipeline Replacement Program

PARTICIPANT: Delta Natural Gas

PROGRAM: Accelerated Main Replacement Program

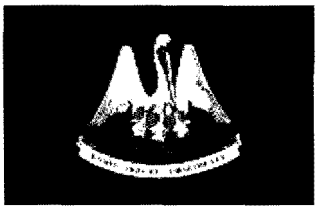
PARTICIPANT: Duke Energy Kentucky

PROGRAM: Pipeline Replacement Program Rider

PARTICIPANT: Atmos Energy

LAWS: KRS 278.509

Louisiana



STATE AUTHORITY: Louisiana Public Service Commission

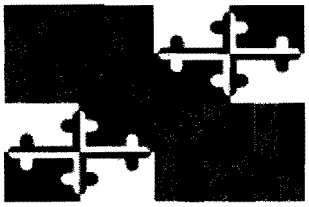
PROGRAM: Rate Stabilization Tariffs

PARTICIPANTS: Atmos Energy – LA

Entergy

CenterPoint Energy

Maryland



STATE AUTHORITY: Maryland Public Service Commission

PROGRAM: Pending

PARTICIPANTS: Washington Gas

Massachusetts

STATE AUTHORITY: Massachusetts Department of Public Utilities, Pipeline Engineering and Safety Division

PROGRAM: Targeted Infrastructure Reinvestment Factor

PARTICIPANTS: Columbia Gas Massachusetts

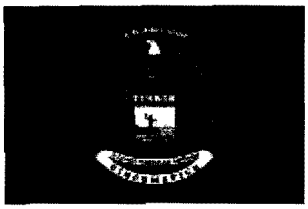
National Grid Massachusetts

New England Gas

PROGRAM: Pending

PARTICIPATNT: Fitchburg Gas and Electric

Michigan

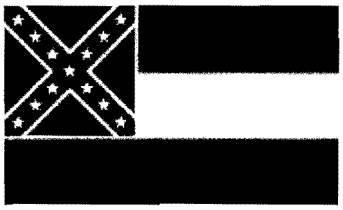


STATE AUTHORITY: Michigan Public Service Commission

PROGRAM: Main Replacement Program Rider

PARTICIPANT: SEMCO Energy

Mississippi



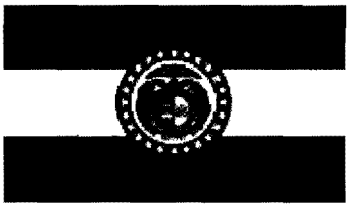
STATE AUTHORITY: Mississippi Public Service Commission

PROGRAM: Rate Stabilization Tariffs

PARTICIPANTS: Atmos Energy – MS

CenterPoint Energy

Missouri



STATE AUTHORITY: Missouri Public Service Commission

PROGRAM: Infrastructure System Replacement Surcharge

PARTICIPANTS: Ameren Missouri

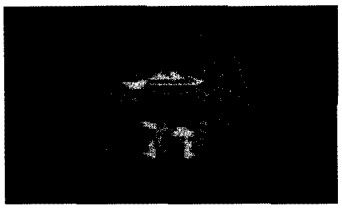
Laclede Gas

Missouri Gas Energy

Atmos Energy - MO

LAWS: MO ST 393.1009 *et seq.*

Nebraska



STATE AUTHORITY: Nebraska Public Service Commission

PROGRAM: Infrastructure System Replacement Cost Recovery Charge

PARTICIPANT: Black Hills Energy

LAWS: NE ST 66-1865

NE ST 66-1866

NE ST 66-1867

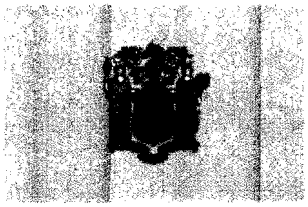
New Hampshire

STATE AUTHORITY: New Hampshire Public Utilities Commission

PROGRAM: Cast Iron Bare Steel Replacement Program

PARTICIPANT: National Grid Energy North

New Jersey



STATE AUTHORITY: New Jersey Board of Public Utilities

PROGRAM: Utility Enhancement Infrastructure Rider

PARTICIPANT: Elizabethtown Gas

PROGRAM: Accelerated Infrastructure Investment Program

PARTICIPANT: New Jersey Natural Gas

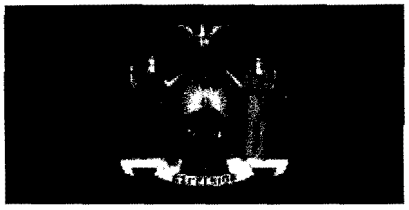
PROGRAM: Capital Adjustment Charge

PARTICIPANT: Public Service Electric and Gas

PROGRAM: Capital Investment Recovery Tracker

PARTICIPANT: South Jersey Gas

New York

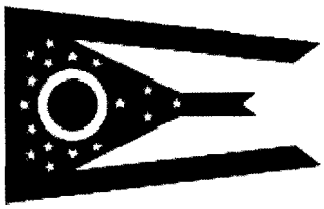


STATE AUTHORITY: New York State Public Service Commission

PROGRAM: LIMITED INFRASTRUCTURE REPLACEMENT

PARTICIPANTS: National Grid Long Island, Niagara Mohawk, and NYC
Corning Natural Gas

Ohio



STATE AUTHORITY: Ohio Public Utility Commission

PROGRAM: Infrastructure Replacement Program

PARTICIPANTS: Columbia Gas Ohio

PROGRAM: Pipeline Infrastructure Replacement Cost Recovery Charge

PARTICIPANT: Dominion East Ohio

PROGRAM: Accelerated Main Replacement Program Rider

PARTICIPANT: Duke Energy Ohio

PROGRAM: Distribution Replacement Rider

PARTICIPANT: Vectren Energy Delivery of Ohio, Inc.

Oklahoma

STATE AUTHORITY: Oklahoma Corporation Commission

PROGRAM: Rate Stabilization Tariffs

PARTICIPANTS: Oklahoma Natural Gas

CenterPoint Energy

Oregon

STATE AUTHORITY: Oregon Public Utility Commission

PROGRAM: Replacement Projects

PARTICIPANT: Avista Corp

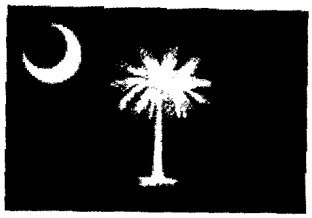
Rhode Island

STATE AUTHORITY: Rhode Island Public Utilities Commission

PROGRAM: Capital Expenditure Tracker Factor, Accelerated Replacement Program

PARTICIPANT: National Grid Narragansett Gas

South Carolina



STATE AUTHORITY: South Carolina Office of Regulatory Staff

PROGRAM: Rate Stabilization Tariff

PARTICIPANTS: Piedmont Natural Gas

South Carolina Electric and Gas

Texas

STATE AUTHORITY: Texas Railroad Commission

PROGRAM: Gas Reliability Infrastructure Program

PARTICIPANTS: CenterPoint Energy

Atmos Energy – TX

Texas Gas Service

PROGRAM: Rate Stabilization Tariffs

PARTICIPANTS: Atmos Energy – TX

CenterPoint Energy

LAWS: Tex. Util.Code § 104.301

Utah

STATE AUTHORITY: Utah Public Service Commission

PROGRAM: Infrastructure Rate Adjustment Tracker

PARTICIPANT: Questar Gas

Virginia

STATE AUTHORITY: Virginia State Corporation Commission

PROGRAM: Pending

PARTICIPANT: Washington Gas

LAWS: SAVE Act

CONFIDENTIAL

Peoples Natural Gas Exhibit No. 7-R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
LUKE RAVENSTAHL
VICE PRESIDENT OF SALES AND MARKETING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
LUKE RAVENSTAHL

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Luke Ravenstahl. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company") as the Vice President of Sales and Marketing.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 8.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond to certain portions of the Direct Testimonies of Bureau of Investigation and Enforcement ("I&E") Witnesses Cline and Gobrecht, Office of Small Business Advocate ("OSBA") Witness Kubas, Office of Consumer Advocate ("OCA") Witness Geiger, and Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA") Witness Cicero.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. Part I is the introduction. Part II addresses parties' proposals regarding competitive customers. Part III addresses comments regarding data centers and power generator opportunities. Part IV addresses arguments made in response to the Company's proposed Natural Gas Hot Water Tank Rebate Pilot. Part V addresses the Company's Damage Prevention Program. I conclude in Part VI.

II. COMPETITIVE CUSTOMERS

Q. DO ANY OF THE PARTIES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS RELATED TO PEOPLES' COMPETITIVE CUSTOMERS?

A. Yes. I&E Witness Cline provides a recommendation related to Peoples' competitive rate customers. OSBA Witness Kubas provides testimony regarding the Company's Cost of Service Study ("COSS") with respect to negotiated rate customers.

Q. MR. CLINE TESTIFIES THAT "[I]T IS IMPORTANT TO PERIODICALLY ANALYZE COMPETITVE ALTERNATIVES TO ENSURE THAT THE RATES CHARGED TO DISCOUNT RATE CUSTOMERS RESULT IN THE MAXIMUM POSSIBLE CONTRIBUTION TO FIXED COSTS," AND SO THAT "RATES ARE NOT DISCOUNTED LOWER THAN WOULD BE NECESSARY TO PREVENT THE CUSTOMER FROM CHOOSING THE ALTERNATIVE SUPPLY." (I&E STATEMENT NO. 3, p. 8.) DO YOU AGREE WITH THIS RECOMMENDATION?

A. Yes. Any time a discounted contract is newly negotiated or renewed, the Company performs its normal assessment, which includes an assessment and verification of a competitive alternative and a fixed cost analysis.

Q. WHAT DOES MR. CLINE RECOMMEND WITH RESPECT TO PEOPLES' DISCOUNT RATE CUSTOMERS?

A. Mr. Cline recommends that Peoples be required to provide a competitive alternative analysis for each of its discount rate customers that has not had their competitive alternatives verified for more than ten years at the time of the Company's next base rate case. (I&E Statement No. 3, p. 6) He recommends that Peoples provide this analysis and justify those customers' rates as a part of that next base rate case. (I&E Statement No. 3, p. 6.) He finally recommends that Peoples be required to provide a competitive alternative analysis for each discount rate customer that has not had their competitive alternatives verified for more than ten years at the time of each of Peoples' prospective rate cases in perpetuity. (I&E Statement No. 3, p. 6.)

Q. WHAT IS THE REASONING THAT MR. CLINE PROVIDES FOR MAKING THIS RECOMMENDATION?

A. Mr. Cline reasons that the customers' alternative supply should be periodically analyzed because Peoples' costs to supply service and operational conditions or customers' access to alternative supply may have changed since the initial alternative supply studies were completed when the contracts were initiated. (I&E Statement No. 3, pp. 6-7.)

Q. DO YOU AGREE WITH MR. CLINE'S REASONING OR WITH HIS RECOMMENDATION? PLEASE EXPLAIN.

A. Not exactly. Mr. Cline raised this issue in Peoples' prior base rate case in 2023, and Peoples maintains its stance. Given that existing negotiated customers have already agreed to terms and entered into legally binding agreements, a more appropriate solution would be to consider this issue prospectively. Further, as Peoples suggested in its prior base rate case, Peoples is engaging in the practice of limiting any new contract terms to 10 years, and prior to entering a new contract with a customer, verifying the competitive alternatives. Further, and in the spirit of that approach, we have reduced our number of negotiated contracts since the last base rate case from 17 to 11. Several discounted delivery rate customers also had their competitive options and associated discounts reviewed and approved or were unopposed in prior 1307(f) settlements. We are in support of ensuring discounts offered are appropriate and in the interests of all ratepayers.

Q. WHAT ANALYSIS IS DONE BY THE COMPANY BEFORE IT ENTERS INTO NEGOTIATED RATE AGREEMENT?

A. Prior to entering into a negotiated rate agreement, Peoples requires the customer to provide us, via a confidential affidavit, a viable competitive alternative. The customer conducts an analysis of the economic and operational viability of the alternative and shares the analysis and any supporting information with us. We then validate and confirm the viability of a competitive alternative before proceeding with or considering a negotiated rate. It should also be noted that if an alternative energy rate is negotiated, it's only valid through the term of the contract. At that point, the process starts over, and we re-evaluate to determine if the

customer's competitive alternative is still viable before we consider continuing with a negotiated rate.

In addition, the Company also performs a fixed cost analysis. The first step of the fixed cost analysis is to project the amount of annual revenue that will be received from the customer. The next step is to determine the annual incremental costs of service for the customer. The annual incremental costs of service consist of the following components: Return on Rate Base, Annual Depreciation, and Associated Income Taxes. In order to determine the return on rate base, Peoples first identifies any dedicated facilities used to serve the customer. The net book value of the facilities is calculated as the original cost of the facilities less accumulated depreciation. The net book value is then multiplied by the current return rate to arrive at the return on rate base. The current return rate is based upon the capital structure and cost of capital filed in the Company's most recent Pennsylvania Public Utility Commission earnings report at the time the analysis is prepared. The annual depreciation expense is calculated as the original cost of the dedicated facilities times the current annual depreciation rate based upon the FERC coding for the type of asset being valued. The associated income taxes are calculated as the amount of federal and state income taxes that will be assessed on the return on rate base amount less interest expense. Once the annual incremental costs of service components are calculated, the final step of the analysis is to take the projected annual revenue less the sum of the annual incremental costs of service components. If the result is a positive number, it indicates the projected annual revenues exceed the annual incremental costs to serve the customer. Therefore, the customer is contributing to the overall fixed costs, which benefits the other ratepayers. In

short, other ratepayers benefit by having the customer with a negotiated rate on Peoples' system versus Peoples' not serving that customer.

Q. PLEASE DESCRIBE THE COMMITMENTS MADE IN THE COMPANY'S PRIOR TWO RATE CASES REGARDING WHAT IS PROVIDED TO THE PARTIES WITH THE FILING OF A BASE RATE.

A. In its last two rate cases and in the instant case, Peoples filed the following materials with its base rate request as justification for each negotiated customer contract: customer number, effective date of the agreement, the reason(s) for offering a negotiated delivery agreement, supporting workpapers relied upon to substantiate the negotiated delivery agreement, and an analysis which evaluates the contribution to overall fixed costs provided by each customer.

Q. MR. CLINE ALSO STATES THAT HIS PROPOSAL IS CONSISTENT WITH THE COMMISSION'S ORDER ISSUED IN A PROCEEDING INVOLVING COLUMBIA GAS OF PENNSYLVANIA, INC ("COLUMBIA").[1] (I&E STATEMENT NO. 3, p. 9.) ARE THERE ANY DIFFERENCES BETWEEN THIS CASE AND THE COLUMBIA CASE THAT MR. CLINE REFERENCES?

A. Understandably, I am not privy to the terms of any of Columbia's negotiated contracts and as such I cannot opine on the differences between their contracts and Peoples' contracts. However, generally speaking, I would like to note that while we both may have negotiated customer contracts, we are not the same utilities. At a very basic level, we have different

[1] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2020-3018835, p. 217 (Order entered Feb. 19, 2021).

footprints, different numbers of customers, different physical system configurations and varying costs to serve. I would assume that we also have different customers, specifically, different negotiated customers with individualized contracts. Negotiated customer contracts are often unique to the customer's specific needs and utility system operational requirements. As such, it is not necessarily appropriate for one utility to perform a specific evaluation just because another utility was ordered to do so.

Yet another potential difference I would note is in the previously-asked question on page six (6) pertaining to information provided by Peoples in its base rate filings as justification for each of its negotiated customer contracts. Peoples provides highly confidential information about each of its contracts upfront and with the initial filing of its base rate proceedings. I am not aware of this being a mandate for all utilities with negotiated customer contracts.

As Peoples already mentioned, Peoples is willing to accept Mr. Cline's recommendation on a going forward, prospective basis. It is simply not appropriate to perform this analysis on legally binding, existing agreements, nor is it appropriate to apply something to Peoples just because Columbia does it.

Q. PLEASE DESCRIBE MR. KUBAS' TESTIMONY WITH RESPECT TO NEGOTIATED RATE CUSTOMERS AND PEOPLES' COSS.

A. Mr. Kubas testifies that granting negotiated rates to customers within a class results in a revenue shortfall for that class, skewing the results of the COSS, and uses this as a basis to recommend that Peoples separate the negotiated customers and corresponding revenue into

a separate class for the purpose of preparing COSSs in the future. (OSBA Statement No. 1, pp. 10-11.)

Q. DO YOU AGREE WITH THE REASONING FOR MR. KUBAS' REOMMENDATION? PLEASE EXPLAIN.

A. As I understand the basics of Cost of Service and Rate Classes, they are usually determined by cost causation. As such, it is unlikely that all discounted customers would have similar cost causation and thus it may be difficult to group them into one customer class. Company Witness Taylor addresses this issue further in his rebuttal testimony, **Peoples Statement No. 17-R**.

III. DATA CENTER & POWER GENERATOR OPPORTUNITIES

Q. DO ANY OF THE PARTIES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS RELATED TO DATA CENTER AND POWER GENERATOR OPPORTUNITIES?

A. Yes. I&E Witness Cline does not make a recommendation related to this topic but does express concern related to future data center and large generation customers.

Q. WHAT CONCERN DOES MR. CLINE EXPRESS REGARDING FUTURE DATA CENTER AND LARGE GENERATION CUSTOMERS?

A. Mr. Cline testifies that the "potential negative impact on customer distribution and energy rates" that may result from the addition of new large load customers "requires a thoughtful approach." (I&E Statement No. 3, p. 10.) He also suggests possible means to mitigate those potential negative impacts. (I&E Statement No. 3, p. 10.)

Q. DO YOU HAVE ANY RESPONSE TO THE CONCERNS IDENTIFIED BY MR. CLINE?

A. The Company is continuing to analyze and monitor the industry and its potential need for large volumes of natural gas. We understand and agree this is a complex issue with many interested parties having questions and/or concerns. We will continue to refine our approach on these projects as opportunities arise in the future.

IV. NATURAL GAS HOT WATER TANK REBATE PILOT

Q. DO ANY OF THE PARTIES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS RELATED TO PEOPLES' PROPOSED NATURAL GAS HOT WATER TANK REBATE PILOT?

A. Yes. OCA Witness Geiger and CAUSE-PA Witness Cicero provide recommendations related to the pilot program.

Q. WHAT DO THESE WITNESSES RECOMMEND?

A. Mr. Geiger and Mr. Cicero both oppose the pilot. Specifically, Witness Geiger recommends that the Commission reject the entire proposed budget of $500,000 for the pilot. (OCA St. 2, pp. 26-27.) Witness Cicero recommends that the pilot be denied, or that, at a minimum, the pilot be paid for by shareholders rather than through ratepayer funds. (CAUSE-PA Statement 1, p. 82.)

Q. UPON WHAT BASIS WAS MR. GEIGER'S RECOMMENDATION MADE?

A. It appears that Mr. Geiger has recommended that the budget for the Natural Gas Hot Water Tank Rebate Pilot be rejected based on the assumption that it is a fuel switching program that will help increase the Company's future gas sales, and therefore that it should not be paid for by ratepayers. (OCA St. 2, p. 27.) He also opines that it is not reasonable for the Company to spend "ratepayer funds to advertise a voluntary fuel-switching program." (OCA St. 2, p. 27.)

Q. UPON WHAT BASIS WAS MR. CICERO'S RECOMMENDATION MADE?

A. Similarly to Mr. Geiger, Mr. Cicero testifies that the pilot "is a load building program." (CAUSE-PA St. No. 1, p. 81.) Mr. Cicero also reasons that the pilot does not align with the Commission's historical stance as related to fuel switching. (CAUSE-PA Statement 1, p. 82.)

Q. DO YOU AGREE WITH THE RECOMMENDATIONS OF MR. GEIGER AND MR. CICERO?

A. No. The Company believes an incentive for residential customers to install high-efficiency natural gas hot water tanks is appropriate and warranted. The conversion from electric to natural gas will provide customers with financial savings, making their utility costs more affordable. Additionally, the increased volume into our delivery system will help keep rates low for all customers. A conversion from electric to natural gas also helps reduce the strain on an already challenged electric grid. The Company believes that dismissing or rejecting pilot programs like this will only add to the overall energy challenges customers face long-term.

Q. MR. CICERO CRITICIZES THE COMPANY FOR NOT APPLYING THE TOTAL RESOURCE COST ("TRC") TEST TO DETERMINE THE COST EFFECTIVENESS OF THE PILOT. (CAUSE-PA Statement 1, p. 82.) DO YOU WISH TO RESPOND?

A. Yes. Mr. Cicero's claim that we did not apply the TRC test is misapplied as the TRC is inapplicable to Peoples as it is a natural gas distribution company, not an electric distribution company. As I am advised by counsel, a total resource cost test is required for certain electric distribution utilities to implement an Energy Efficiency and Conservation ("EE&C") Plan under Act 129. I am not aware of this mandate for natural gas distribution companies in Pennsylvania. Moreover, Peoples' requested pilot is not a full-blown EE&C plan, but a simple pilot to allow customers an opportunity to choose a more cost-effective energy source to offset a small portion of their electric load. The pilot is a small step to gauge customer interest; it would allow Peoples to evaluate whether it could and should establish a full EE&C plan someday.

Q. WILL THE COMPANY'S PROPOSAL PROVIDE A BENEFIT TO CUSTOMERS?

A. Yes. As described in my direct testimony and in the instant rebuttal testimony, the customer will benefit in a number of ways. Using a natural gas tank to heat water will result in cost savings to customers (estimated savings $195-$376 annually) who would have previously heated water with electric. We want to help our customers afford their energy bills and this is one way we can help our customers' bottom line. In addition, the rebate would help

alleviate the financial burden of up-front conversion costs, thus allowing more customers to make a choice as to energy source.

Q. MR. CICERO STATES THAT THERE MAY BE A REBATE AVAILABLE FROM AN ELECTRIC UTILITY FOR A HOT WATER HEATER. (CAUSE-PA Statement 1, p. 82.) DOES THIS CHANGE YOUR RECOMMENDATION TO IMPLEMENT THE COMPANY'S PROPOSAL?

A. No. Given that no specific rebate is cited, this is speculative. Even so, the rebate does not account for the additional ongoing savings that a customer would realize.

Q. DOES MR. CICERO EXPRESS ANY OTHER CONCERNS RELATED TO FUEL SWITCHING?

A. Yes. Mr. Cicero expresses concern over Peoples' fuel switching practices and states that it should clarify the scope of its fuel switching through its Emergency Furnace and Service Line Repair Program ("EFSLR Program") and Low Income Usage Repair Program ("LIURP"). (CAUSE-PA Statement 1, pp. 82-83.) He requests that Peoples clarify whether it is coordinating the conduction of fuel switching with other utilities.

Q. HOW DO YOU RESPOND TO MR. CICERO'S REQUEST?

A. Peoples' EFSLR assists eligible customers with heating system repairs and/or replacements and gas line repairs. It also provides water heater repairs and replacements on a limited basis. It does not conduct any fuel switching activities. As noted in Mr. Cicero's testimony, LIURP does allow for limited fuel switching under the recently finalized LIURP

regulations. However, Peoples' LIURP is focused on measures that will reduce natural gas consumption in the home and its energy audit process does not identify fuel switching alternatives, but instead focuses the home treatment plan on the repairs and installations necessary to improve the health, safety and energy conservation of the home. For clarification between the requested pilot program and Peoples' EFSLR and LIURP, please see the Rebuttal Testimony of Rita Black, **Peoples Statement No. 10-R.**

V. DAMAGE PREVENTION

Q. DOES PEOPLES HAVE A DAMAGE PREVENTION PROGRAM?

A. Yes. Peoples maintains a Damage Prevention Program under its Standard Operating Procedure ("SOP") 090 – Damage Prevention and in accordance with Pennsylvania's One Call Law.

Q. PLEASE DESCRIBE THE COMPANY'S DAMAGE PREVENTION PROGRAM.

A. The Company's Damage Prevention Program includes procedures designed to prevent damages to Peoples' buried pipeline facilities and the facilities of others because of excavation activities. The objectives of the program are to reduce underground damages, minimize service interruptions, promote public safety, and protect the environment.

Q. ARE EMPLOYEES AND CONTRACTORS TRAINED ON THE COMPANY'S DAMAGE PREVENTION PROGRAM?

A. Yes. Peoples' employees and contractors receive training and communications related to the Company's Damage Prevention Program.

Q. PLEASE PROVIDE AN OVERVIEW OF THE TRAINING THAT EMPLOYEES AND CONTRACTORS RECEIVE.

A. Peoples employees receive training on damage prevention requirements, one-call requirements, locating and marking practices, excavation safety, damage reporting, and lessons learned from damages and near misses. Peoples also provides damage prevention training and communications to second-party contractors through contractor meetings, safety discussions, project oversight activities, and reviews of damage events. In 2022, Peoples added a requirement for its three Central pipeline contractors to maintain Damage Prevention programs, which has supported improvement in second-party damage performance.

Q. MR. GOBRECHT ACKNOWLEDGES THAT PEOPLES' DAMAGES HAVE BEEN TRENDING DOWNWARDS BUT NOTES THAT THERE IS STILL A CONCERN WITH THE TOTAL NUMBER OF DAMAGES CAUSED BY THE FIRST AND SECOND PARTIES. (I&E STATEMENT NO. 4, p. 13.) DO YOU WISH TO COMMENT?

A. Yes. Peoples recognizes the importance of reducing first- and second-party damages and continues to review damage events to identify contributing factors and opportunities for improvement. The Company investigates damages, provides training and communications to employees and contractors, and has implemented contractor-focused requirements intended to reduce second-party damages. Peoples will continue to evaluate and implement corrective actions, as appropriate, to support continued improvement in damage prevention performance.

Q. MR. GOBRECHT NOTES THAT PEOPLES HAS SEEN A DECREASE IN LINE HITS PER 1,000 TICKETS MARKED BUT ALSO OBSERVES THAT LINES MARKED INCORRECTLY HAVE BEEN TRENDING UPWARDS. (I&E STATEMENT NO. 4, pp. 14-15.) HOW DO YOU RESPOND?

A. Peoples takes location accuracy seriously and continuously reviews damage investigations and location performance to identify opportunities for improvement. The Company provides coaching, training, and oversight, as appropriate, to improve locating practices and reduce incorrect marks.

Q. PLEASE SUMMARIZE MR. GOBRECHT'S RECOMMENDATIONS FOR HOW TO IMPROVE THE COMPANY'S DAMAGE PREVENTION PROGRAM.

A. Mr. Gobrecht recommends that Peoples review first- and second-party damages to identify opportunities for improvement, provide additional training to employees, contractors, and locator personnel, and utilize quality assurance, quality control, and performance metrics to evaluate and improve the Company's Damage Prevention Program.

Q. DO YOU AGREE WITH MR. GOBRECHT'S RECOMMENDATIONS?

A. Peoples agrees that reviewing damages, providing training, and monitoring performance are important components of an effective Damage Prevention Program. Peoples currently performs these activities and will continue evaluating opportunities to further enhance program performance and reduce damages.

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
RITA F. BLACK
DIRECTOR, COMMUNITY ASSISTANCE PROGRAMS
ESSENTIAL UTILITIES

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 10-R

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PREPARED REBUTTAL TESTIMONY OF
RITA F. BLACK

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rita F. Black and my business address is located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. as the Director of Community Assistance Programs. In this role, I lead assistance programs for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or "the Company"), Aqua Pennsylvania Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively "Aqua PA"), as well as these companies' affiliated regulated utilities operating in other states.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 10.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I will respond to the statements made in the testimony of Witnesses Roger Colton and Brendan Larkin-Connolly on behalf of the Office of Consumer Advocate ("OCA"); Witness Patrick M. Cicero on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"); and Witness Jennifer Warabak on

behalf of the Pennsylvania Weatherization Providers Task Force ("Task Force") regarding universal service programs, low-income issues and customer complaints filed with the Pennsylvania Public Utility Commission ("PUC" or the "Commission"). I will also respond to the public input hearing testimony of Carrie Nolan-Robson, Executive Director of the Northside Chamber of Commerce, regarding expanding eligibility of customer assistance programs.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. Yes. I am sponsoring **Peoples Natural Gas Exhibit No. RFB-1R**.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. I have arranged my testimony by topic. Each topic is denoted with a heading to identify the pertinent area of focus for each section.

II. TARIFF CHANGES PERTAINING TO CUSTOMER ASSISTANCE PROGRAM ("CAP")

Q. WITNESSES COLTON AND CICERO RAISED CONCERNS REGARDING THE PROPOSED TARIFF CHANGE PROHIBITING RECREATIONAL USE OF NATURAL GAS WHILE PARTICIPATING IN CAP. IS THIS A NEW PROPOSAL REGARDING CAP PARTICIPATION?

A. No. The prohibition against recreational use of natural gas has been in the Company's Universal Service and Energy Conservation Plan ("USECP") for quite some time. This provision was present in the prior USECP filed in 2014, effective 2015 through 2017 and was maintained in the current USECP which was filed in 2018. This provision is found in

the 'Default, Termination Conditions and Requests for Removal' sub-section under the CAP section of the Plan. The language in the currently approved Plan specifically states: "Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters and gas grills is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed." Peoples proposed the tariff change to align the tariff provisions with the Plan.

Q. IS THIS PROVISION ENFORCED BY THE COMPANY?

A. Yes. The Company is required to ensure the cost of using natural gas for recreational purposes is not recovered from other ratepayers through CAP. The Company does, however, waive this provision if the customer submits verification of a medical need. Customers who need a natural gas heated pool or hot tub due to a medical condition, for example, are exempted from this provision by providing a letter from their physician confirming a medical need for the appliance.

If the Company fails to identify use of a natural gas pool heater while participating in CAP, CAP credits associated with this use can be disallowed by the PUC. This occurred during the Bureau of Audits Universal Service Audit for the 12-month periods ended December 31, 2021, December 31, 2020 and December 31, 2019. Specifically, Finding 3 of the Audit identified a failure of the Company to identify the use of a pool heater by a CAP participant and required the Company to refund $3,528 to its customers through an adjustment to the E-factor in the next Universal Service Rider rate filing. It further

recommended that training for identification of recreational use among Peoples' billing team members be reinforced.[1]

Q. DOES THE PROPOSED TARIFF PROVISION ALIGN WITH THE USECP ON THIS ISSUE?

A. Generally, yes. However, the proposed language included a list of appliances that could be considered recreational in nature. It also stated that 'Unjustified usage as a result of recreational gas use will be billed to the customer', a provision that is not in the USECP.

Q. HAVE YOU CONSIDERED THE TESTIMONY OF WITNESSES COLTON AND CICERO REGARDING THE PROPOSED TARIFF LANGUAGE?

A. Yes, I have. Both witnesses make reasonable points regarding some of the specific appliances listed within the proposed tariff provision. They also raise concerns that a gas grill, for example, should not be considered recreational as it is a cooking device. Considering these viewpoints and balancing those with the desire to provide transparency regarding this long-standing CAP provision by placing it within the tariff, I would like to revise the Company's proposed language. I am providing the originally proposed language, along with a revised proposed provision for ease of comparison.

Original Proposed Tariff Provision: Use of natural gas, while on CAP, for recreational purposes such as, but not limited to, interior or exterior pool heaters and/or hot tubs, recreational appliances, outdoor appliances such as gas grills, fire pits/rings, fireplaces, gas lamps, heaters and other cooking appliances, and heated outdoor buildings such as a shed,

[1] *See* Docket D-2023-3037511.

shop or garage, is prohibited. Customers using gas for recreational purposes will be removed and can be re-enrolled upon verification that the natural gas connection to the recreational appliance(s) has been removed. Unjustified usage as a result of recreational gas use will be billed to the customer.

Revised Proposed Tariff Provision: Use of natural gas, while on the CAP Program, for recreational purposes such as, but not limited to pool heaters, is prohibited. Customers using gas for recreational purposes will be removed from CAP and can be re-enrolled upon verification that the natural gas connection to the recreational appliance has been removed or upon providing certification that the natural gas appliance is medically necessary.

Q. THE REVISED PROPOSED TARIFF PROVISION YOU ARE SUGGESTING DIFFERS FROM THE USECP LANGUAGE ON THIS ISSUE. CAN YOU PLEASE EXPLAIN THOSE DIFFERENCES?

A. The proposed tariff language does not include the statement regarding billing a customer for unjustified use of gas as is mentioned in the USECP. It is not the Company's practice to bill customers for this usage and that USECP language will be removed accordingly when the next USECP is filed with the Commission. And, the USECP version does not explicitly mention the ability of a customer to provide medical certification that the appliance is necessary in order to participate in CAP. It is the Company's practice to allow customers to re-enroll in CAP if they provide certification from their physician that their heated pool is necessary due to manage health conditions. This practice will also be updated within the USECP when the next USECP is filed.

Q. LET'S MOVE ON TO THE SECOND PROPOSED TARIFF PROVISION PERTAINING TO CAP. THAT PROVISION PERTAINS TO CUSTOMERS WHO OBTAINED BENEFITS FROM CAP THROUGH FRAUDULENT MEANS. WITNESS COLTON TESTIFIED THAT YOU DID NOT PROVIDE ANY TESTIMONY ON THE SCOPE OF THE CAP BENEFITS RECEIVED FRAUDULENTLY AND SUGGESTED THIS IS "A SOLUTION IN SEARCH OF A PROBLEM". (OCA Statement 4, p. 69.) WOULD YOU LIKE TO RESPOND?

A. Yes. I would first like to note that this type of behavior from CAP customers is not in any way a common occurrence. The Company is not seeking to identify customers who may have mistakenly excluded income in their application or those who may have gained a bit more income while participating and forgot to notify the Company of their income change. This provision is intended to both recoup the costs of benefits paid by other ratepayers for the fraudulent behavior of some, while also deterring further fraudulent behavior. This is not a widespread issue. However, when it does occur, the costs to the ratepayers for the misuse of CAP can be significant.

For example, the Company identified a CAP participant that had a pool heater through the review of high summer usage reports, as required by our USECP. The home was valued at more than $700,000 and was using in excess of 490 MCF annually, more than 5 times the average usage of a typical residential consumer. The customer was participating at a $25 CAP minimum payment and, during CAP participation of roughly 18 months, the CAP benefits provided were $6,319.39 in CAP Credits and $911.88 in arrearage forgiveness. Publicly available information indicated that both of the adults in the home appeared to have income beyond the $204 monthly income that was reported to

CAP. We attempted to work with this customer in a number of ways to validate their eligibility and allow them to remain in CAP as they had submitted a doctor's letter regarding their need for the pool heater. While Peoples had never received a LIHEAP grant for the account, we offered to accept either a letter of approval from LIHEAP for their electric account as validation that household income had been verified through the LIHEAP application process or a copy of the electric bill showing the LIHEAP payment. We offered to accept filed income tax returns as proof of income for the household. The customer chose not to provide any of these documents and, following the end of winter moratorium, instead chose to enroll in a payment plan. After enrolling in the payment plan, the customer has made payments of $1,540.87 in one month and $733.79 the following month. The account is current. It is my opinion that the unwillingness to provide documentation to support the lack of income reported, along with the ability to pay much higher monthly payments after exiting CAP, indicate the customer obtained benefits of CAP they were not eligible for. If this proposed tariff provision were in place, Peoples would have billed the customer for the benefits received, providing the opportunity for the customer to dispute these charges through submission of documentation proving eligible income during the period of CAP participation.

Q. THIS IS ONE EXAMPLE OF AN ACCOUNT THAT APPEARS TO HAVE RECEIVED BENEFITS THAT MAY HAVE BEEN INAPPROPRIATE. WHY IS A TARIFF CHANGE NECESSARY AT THIS TIME IF THIS IS NOT A COMMON ISSUE?

A. Absent this tariff provision, Peoples' ratepayers subsidized more than $7,000 in utility charges for a household that had sufficient income to pay those charges. I hope that this is the only account engaging in this type of behavior, but if it is not, it is important that there be a tariff authorized process by which these fraudulent costs can be returned to ratepayers.

Q. MR. CICERO RECOMMENDED PEOPLES CONSULT WITH ITS UNIVERSAL SERVICE ADVISORY GROUP ("USAG") TO DEVELOP OBJECTIVE PARAMETERS FOR IDENTIFYING CAP FRAUD. (CAUSE-PA Statement No. 1, p. 72.) PLEASE RESPOND TO THIS RECOMMENDATION.

A. Peoples' USAG is an engaging and collaborative group. We often take items to the USAG for their input, ideas and guidance. I am happy to review the Company's current process and gain input from the group into any suggested modifications at a future USAG meeting. However, I do not agree that approval of this tariff provision be delayed to a future proceeding in order to allow the USAG to review and discuss Peoples' process.

I would also like to note that the Company's current process does not allow for the CAP administrator to simply remove accounts from CAP for fraud. Any potential fraud is handled internally by Peoples staff as these cases involve careful review and provide more than ample time and documentation flexibility for customers to provide sufficient proof refuting their inappropriate use of CAP while working directly with Peoples. As these are sensitive situations, they are managed carefully.

III. <u>TARIFF REVISION TO EXPAND EXPENSES RECOVERED UNDER RIDER UNIVERSAL SERVICE ("RIDER US")</u>

Q. IN HIS TESTIMONY, MR. CICERO RECOMMENDS THE COMPANY'S PROPOSAL TO ADD NEW COSTS TO THE RIDER BE REJECTED. HE STATES "ARTIFICIALLY INFLATING ITS RIDER UNIVERSAL SERVICE COSTS WILL HAMPER THE ABILITY OF THE COMPANY TO FUND NECESSARY PROGRAMS IN THE LONG TERM. PLEASE RESPOND TO THIS CONCERN."

A. The Commission's Bureau of Consumer Services ("BCS") has identified four programs as required universal service programs that must be operated in accordance with the utility company's USECP. These four programs are: CAP, Low Income Usage Reduction Program ("LIURP"), hardship fund, and Customer Assistance and Referral Evaluation Services ("CARES"). All four programs are considered universal services as they are in place to ensure vulnerable households are able to remain connected to important utility services. As such, costs associated with the operation of these programs, excluding utility hardship funds which are supported through donations rather than ratepayer funds, should be recoverable through utility riders that are designed to recover universal service costs. The Company has proposed two general changes to the recoverable costs under Rider Universal Service ("Rider US") in this proceeding. First, it seeks to recover costs associated with CARES, a Commission required universal service program. Second, it seeks to clarify in language pertaining to LIURP that rider recoverable administrative costs should include the cost of a LIURP dedicated position. The Company is only seeking to recover costs that are incurred in support of CARES and LIURP and absent these programs, these costs would not exist. Therefore, as they are costs limited to promotion, enrollment and administration of universal service programs, these costs should be recoverable under Rider US.

The Company has not artificially inflated its recovery of these expenses items. In the case of CARES costs proposed to be included in Rider US, Peoples only included actual costs incurred in the historical period. Further, Peoples' LIURP annual budget is already included in Rider US and this proposed change is simply to identify that administrative costs, which are permitted to be up to 15%[2] of the LIURP annual budget, may include both externally provided services as well as internal dedicated costs.

Q. MR. CICERO STATES THAT PEOPLES PROPOSAL IS SIMILAR TO THAT OF COLUMBIA GAS OF PENNSYLVANIA, INC. ("COLUMBIA") "TO RECOVER THE COSTS OF ITS ENERGY ASSISTANCE TEAM ("EAT") THROUGH ITS RIDER USP RATHER THAN BASE RATES." (CAUSE-PA Statement 1, p. 75.) PLEASE RESPOND TO THIS STATEMENT.

A. I disagree with his characterization. Peoples is not proposing to include any labor associated or internal costs associated with its CARES support of customers within Rider US. In the case of CARES, the only costs proposed for recovery through the rider are costs of third parties engaging in work designed to identify and promote participation in the Company's programs. Further, Columbia has had an internal LIURP position for a number of years, recovered through its Rider USP, as the function of that internal role is fully dedicated to LIURP administration activities which are approved expenses under LIURP. Mr. Cicero states that the LIURP Compliance Position proposed in this case should be recovered through base rates to "allow the Commission to continue to review the reasonableness and prudency of these costs." (CAUSE-PA Statement 1, p. 76.) Any costs

[2] *See* 52 Pa. Code §58.5(a) Administrative Costs

recovered through Rider US, as the Company is proposing, are audited by the PA PUC Bureau of Audits on a regular basis. Therefore, by including these costs in Rider US, the oversight of these costs is increased and if any costs are found not to be appropriate for recovery by an audit, those costs will be disallowed.

IV. CAP PARTICIPATION

Q. IN HIS TESTIMONY, MR. CICERO RAISES A CONCERN THAT PEOPLES' CAP ENROLLMENT IS UNDERSUBSCRIBED. (CAUSE-PA Statement 1, p. 31.) WOULD YOU LIKE TO RESPOND TO THIS CONCERN?

A. Yes. I'd first like to describe a key difference between CAP participants and Confirmed Low Income ("CLI") populations that are used in Mr. Cicero's testimony. Customers may be classified as CLI based on participation in CAP or receipt of LIHEAP, but most are classified as CLI based on verbal income information provided to the Company at any point in time. This is an important distinction. If I am attending college and have only part time income when I first start service with Peoples and provide verbal information reflecting my current household income is roughly 150% of federal poverty level ("FPL"), this information will remain on my account until and unless is it modified at a later date. Therefore, I may graduate from college and obtain full time employment with an income significantly higher than I provided 5, 10 or more years ago and yet, according to Peoples' customer information system, my household is still classified as CLI. I give this example as a caution against depending too heavily on percentage of CAP participation in comparison to CLI figures as CLI figures do not reflect only current circumstance and for that reason, should be considered more of an estimate than a verified figure.

Mr. Cicero points to CAP enrollment growing by only 4.9% of residential customers over the past 2 years, citing Peoples responses to interrogatories. (CAUSE-PA Statement 1, p. 31.) However, there is strong growth in CAP enrollment. As shown in the CAP participation table provided on page 15 of **Peoples Statement No. 13-R**, the rebuttal testimony of Carol A. Scanlon, participation in CAP grew by 14.8% from January of 2025 through May of 2026. A major barrier to enrollment in CAP is the requirement to provide documented income. While Peoples has a comprehensive outreach plan and its contact center refers all potential income eligible customers to CAP, enrollment still requires submission of verified income, unless the customer has received LIHEAP. Many customers providing verbal income are sharing their net income as this is the income figure that they are most familiar with. As gross income is used for CAP, they may not be eligible. Or, they may be income-eligible, but do not wish to participate in the enrollment process because a payment arrangement, using verbal income only, is faster and easier in the moment.

Q. PLEASE DESCRIBE THE COMPANY'S PROCESSES FOR OBTAINING HOUSEHOLD INCOME GENERALLY AND ITS USE IN REFERRING CUSTOMERS TO CAP.

A. Customers are given the opportunity to voluntarily share household income on a number of occasions. The first of which is the initiation of service, at which time the applicant is asked if they would like to provide household income. Income identifying the household as low-income at this event will lead to the waiver of security deposit requirements as well as a referral to CAP. As the life of the customer continues, if the customer experiences

difficulty in paying their bill or has concerns regarding their billing amount, these are also opportunities at which the Company asks if they would like to voluntarily provide income information that could be used to screen them for eligibility to participate in programs such as CAP, LIURP or LIHEAP. Additionally, a customer contacting the Company for assistance with a failing heating appliance, for example, would be asked if they would like to share their income to determine eligibility for assistance through the Emergency Furnace and Service Line Repair ("EFSLR") program. And, importantly, each touchpoint with a customer, such as a EFSLR referral for a heating system issue, become a CAP enrollment touchpoint as well. We encourage all customers that are income eligible to participate in CAP and will use income documentation provided for one purpose, such as an EFSLR repair, to qualify the customer into CAP with simply their verbal approval.

Q. MR. CICERO IS CONCERNED THAT POTENTIALLY ELIGIBLE CUSTOMERS ARE NOT ENROLLED IN CAP AND SUGGESTS A ROOT CAUSE ANALYSIS TO DETERMINE THE REASONS FOR THIS. (CAUSE-PA Statement 1, p. 74.) PLEASE RESPOND TO THIS RECOMMENDATION.

A. Mr. Cicero's recommendation is not necessary because Peoples is currently undergoing an independent evaluation of its universal service programs by Three3 (pronounced Three Cubed), a 501(c)3 research non-profit. Enrollment, and in particular the customer experience of enrollment as well as identifying barriers to enrollment, is a key part of this evaluation. The findings and recommendations from this process will be provided to the PA PUC BCS in the form of a written report in April of 2027 and will also be shared with

the USAG. These findings and recommendations will also inform the USECP the Company will develop for filing in early 2028.

V. CAP AND CLI SERVICE TERMINATIONS

Q. WITNESSES CICERO AND COLTON ARE CONCERNED REGARDING TERMINATION OF SERVICE DUE TO NON-PAYMENT FOR CAP PARTICIPANTS. WITNESS CICERO CITES AN INCREASE IN CAP TERMINATION RATES IN 2024 AND SUGGESTS A ROOT CAUSE ANALYSIS. (CAUSE-PA Statement 1, p. 73.) PLEASE RESPOND TO HIS TESTIMONY ON THIS TOPIC.

A. Mr. Cicero mentioned that "While the numbers improved in 2025…", but does not point out that 2025's CAP termination rate was 6.5%, a significant reduction. (CAUSE-PA Statement 1, p. 73.) I think we would all agree that the ideal CAP termination rate would be zero. However, customers enrolling in CAP do not always pay their monthly CAP payment for a number of reasons. Customers in CAP do not always apply for other benefits available to them, such as LIHEAP or the Company's hardship fund. As a result, CAP customers, similar to other utility customers, may find their service terminated as a result of non-payment. Given that 2025's rate is already showing a significant improvement over 2024, I do not believe a root cause analysis within 180 days of effective rates in this case, as recommended by the witness is necessary. I do agree that reviewing this issue with the USAG has value and Peoples will commit to including this topic in its January 2027 USAG meeting for discussion.

Q. MR. COLTON POINTS OUT THAT THE RATE OF SERVICE DISCONNECTION FOR CONFIRMED LOW INCOME CUSTOMERS IS HIGHER THAN THE RESIDENTIAL CUSTOMER GROUP AS A WHOLE. (OCA Statement 4, p. 46.) ARE THERE OTHER DATA POINTS THAT SHOULD BE CONSIDERED AS WE TALK ABOUT SERVICE DISCONNECTION FOR LOW INCOME HOUSEHOLDS?

A. Yes. It is important to consider not only termination rates, but reconnection rates as well. Unfortunately, more low income households experience utility termination than higher income residential households, primarily due to availability of resources. Peoples' termination rate for CLI customers aligns with the NGDC average as shown in the table below, taken from the 2024 Universal Service Report, published by the PA PUC.

Terminations – Confirmed Low-Income Natural Gas – 2022-2024

Utility	2022		2023		2024	
	Number	Termination Rate	Number	Termination Rate	Number	Termination Rate
Columbia	6,124	8.7%	5,974	8.3%	6,277	8.9%
NFG	3,260	13.9%	3,268	13.7%	2,895	12.2%
PECO-Gas	5,531	19.1%	6,487	20.9%	570*	2.0%
Peoples	4,253	3.9%	11,815	10.5%	11,502	10.2%
PGW	9,548	8.3%	20,339	15.8%	19,806	15.0%
UGI Gas	4,810	5.7%	5,548	6.2%	5,681	6.4%
Total/Industry Average	**33,526**	**7.8%**	**53,431**	**11.6%**	**46,731**	**10.2%**

*In 2024, PECO suspended terminations for several months due to the implementation of a new operating system, which resulted in a reduction in terminations in 2024.

However, when considering reconnections, Peoples' CLI customers are more likely to restore service than the NGDC average.

Reconnections – Confirmed Low-Income Natural Gas – 2022-2024

Utility	2022		2023		2024	
	Number	Reconnection Rate	Number	Reconnection Rate	Number	Reconnection Rate
Columbia	3,273	53.4%	2,936	49.1%	3,251	51.8%
NFG	2,464	75.6%	2,509	76.8%	2,312	79.9%
PECO-Gas	5,193	93.9%	5,888	90.8%	493*	86.5%
Peoples	4,123	96.9%	9,054	76.6%	9,446	82.1%
PGW	7,401	77.5%	16,403	80.6%	16,199	81.8%
UGI Gas	3,453	71.8%	4,147	74.7%	4,219	74.3%
Total/Industry Average	**25,907**	**77.3%**	**40,937**	**76.6%**	**35,920**	**76.9%**

*In 2024, PECO suspended terminations for several months due to the implementation of a new operating system, which resulted in a reduction in terminations and reconnections in 2024.

This performance in reconnections is reflective of Peoples' efforts to assist customers in enrolling in CAP as a way to restore service. If a customer has not participated in CAP in the past and service is terminated, the customer can provide proof of household income to enroll in CAP and will not be required to make any payment towards the outstanding balance to restore service. The full account balance is frozen in pre-CAP, allowing the customer the opportunity for a fresh start and more affordable monthly bill.

Q. IN PART 3 OF HIS TESTIMONY, WITNESS COLTON DISCUSSES WHAT HE REFERS TO AS "THE DISPARATE RACIAL IMPACTS OF PEOPLES NONPAYMENT DISCONNECTIONS." (OCA Statement 4, p. 51.) IN THE CLOSING OF THAT SECTION, HE RECOMMENDS THAT PEOPLES CONDUCT A ROOT CAUSE ANALYSIS WITH THE GOAL OF REDUCING "THE DISPROPORTIONATE LEVEL OF DISCONNECTIONS." (OCA Statement 4, p. 56.) PLEASE RESPOND TO THIS RECOMMENDATION.

A. I reviewed the disconnection statistics by zip code as provided in response to discovery that Mr. Colton also utilized in his analysis[3]. I sorted the zip codes for CLI to identify those with the highest level of disconnections. These top zip codes correspond with the heat maps created by Peoples Energy Analytics ("PEA"). I have provided **Exhibit RFB-1R** which includes three heat maps of these areas: Allegheny County, Butler County and Westmoreland County, all three of which contain high disconnection zip codes. The heat maps were developed through an in-depth data analysis process that looked at both energy burdens and risk of pipe freeze. It identified zip codes, and specific accounts, in which energy burdens are high and CAP participation would be a great benefit. This work also identified pipe freeze which can occur when a household restricts energy usage in order to maintain affordability of monthly bills, leading to risk of pipe freeze in the home as well as the potential for health consequences for the household. Pipe freeze risk is also an indicator of a likely high energy burden issue, one that is being self-mitigated by a customer.

Q. WHAT WAS THE INTENTION BEHIND THE CREATION OF THESE HEAT MAPS?

A. The goal with the heat maps is two-fold. First, it provides us with planning information for community outreach activities. It shows us where our time and funds are best spent in promoting programs. This information is used in planning for out-of-home advertising, such as billboards, as well as placement of digital ads on platforms such as NextDoor. It is also used to determine where the social service agencies are, as well as community events,

[3] Peoples' response to OCA-IV-4.

that we should include in our in-person outreach event planning. The second benefit of the heat map process is the data analysis behind it identified the specific accounts at risk due to high energy burden or under-usage of natural gas for heating so that we can provide direct outreach.

Q. DO YOU AGREE WITH WITNESS COLTON'S RECOMMENDATION THAT A ROOT CAUSE ANALYSIS SHOULD BE CONDUCTED, WITH RESULTS REVIEWED IN PEOPLES' NEXT BASE RATE CASE?

A. I believe the analysis that has been completed through the work of PEA has already identified CAP eligible CLI populations in these geographical areas of concern. CAP can address the energy burden challenges experienced by this population. It is my opinion that it is a better use of the Company's resources to act on the information provided through PEA's work to inform our outreach activities, the goal of which is to connect eligible households with CAP to avoid service disconnection through an improved energy burden. I also think it appropriate that we review results of our outreach activities, specifically as it pertains to the use of the heat maps, with the USAG. One of our quarterly meetings each year is dedicated to the topic of outreach and this item will be a component of that annual review.

VI. <u>SEASONAL BILL VOLATILITY AND AFFORDABILITY</u>

Q. MR. COLTON AND MR. CICERO PROVIDE TESTIMONY REGARDING THE SEASONALITY OF BILLS AND ITS IMPACT ON LOW-INCOME HOUSEHOLDS. (CAUSE-PA Statement 1, p. 27; OCA Statement 4, p. 35.) ARE

THERE PAYMENT OPTIONS FOR RESIDENTIAL CUSTOMERS TO MITIGATE THE IMPACT OF SEASONALITY OF MONTHLY BILLS?

A. Yes. In addition to CAP, for those who are income eligible, any residential customer can enroll in the Company's budget billing plan. Budget billing smooths out this volatility by providing a monthly average bill. Customers can enroll in budget billing online through the Company's e-account, or with a customer service agent via telephone. Customers can enroll in the budget plan at any time during the year.

Q. ON PAGE 31 OF HIS TESTIMONY, WHEN DISCUSSING CAP PARTICPANTS THAT PAY THE BUDGET BILL RATHER THAN THE PERCENTAGE OF INCOME ("PIP") AMOUNT, MR. CICERO STATES, "THE RATE INCREASE MAKES IT MORE LIKELY THAT CUSTOMERS BUDGET BILLS WILL BE HIGHER THAN THEIR PIP AMOUNT, THUS LIKELY INCREASING THAT WHICH THEY HAVE TO PAY EACH MONTH." (CAUSE-PA Statement 1, p. 31.) WOULD YOU LIKE TO CLARIFY HOW CAP PAYMENTS ARE CALCULATED?

A. Yes. When participating in CAP, customers pay the lower of their calculated PIP or the budget bill for their home. The customer's CAP payment is reviewed on a monthly basis to ensure they are always on the most affordable payment amount available to them. If a CAP customer is currently paying the budget amount, because that amount is lower than the calculated PIP, and if the budget were to increase due to a rate increase, for example, the budget amount would also increase. The payment review process would compare the newly calculated budget amount to the PIP to identify which is lower and will move the

customer to the PIP if it is more affordable. In this manner, CAP participants are protected from paying anything higher than the Commission approved PIP amounts for their income level.

Q. WITNESSES CICERO AND COLTON BOTH DISCUSS ALTERNATIVE MEASURES OF INCOME AS IT PERTAINS TO OVERALL AFFORDABILITY AND HOUSEHOLD STABILIZATION. THESE ALTERNATIVES INCLUDE ASSET-LIMITED, INCOME CONSTRAINED, EMPLOYED ("ALICE") AND THE SELF SUFFICIENCY STANDARD. ARE THESE INCOME CLASSIFICATIONS USED IN ESTABLISHING ELIGIBLITY FOR UNIVERSAL SERVICE PROGRAMS IN PENNSYLVANIA?

A. No, they are not. Income eligibility for utility programs in Pennsylvania is driven by federal poverty level ("FPL"). The majority of energy utility CAPs are available only to those with incomes at or below 150% FPL. Roughly 10 years ago, Peoples recognized the need for CAP's arrearage forgiveness benefit for those with incomes between 151 and 200% FPL and initiated its Pilot CAP Expansion, sometimes referred to as 'E-CAP' to serve this need. Water and wastewater CAPs initiated in the past several years have also set income eligibility thresholds at 200% FPL, but other energy utility programs typically follow the Commission's guideline of 150% FPL.

Q. WITNESS CICERO RAISES THE CONCERN THAT THE COMPANY'S PROPOSED FIXED CHARGE WILL AFFECT LIURP. (CAUSE-PA Statement 1, pp. 53-54.) WOULD YOU LIKE TO RESPOND TO THIS CONCERN?

A. Yes, I would. I disagree with his concern. As reported in the Company's 2024 LIURP Annual Report, 97% of LIURP participants were also CAP participants. As CAP participants, the share of fixed versus variable charges on the monthly bill do not impact the CAP payment amount. Therefore, LIURP participants will not be negatively impacted by the proposed rate design.

VII. INCREASE TO PROGRAM FUNDING

Q. WITNESS WARABAK SUGGESTED AN INCREASE TO LIURP ANNUAL FUNDING OF $975,000. (PWPTF Statement No. 1, p. 7.) PLEASE RESPOND TO THIS RECOMMENDATION.

A. In her testimony, Ms. Warabak explains that she developed the recommendation by using an average job cost of $13,000 and applying this to 75 jobs. (PWPTF Statement No. 1, p. 7.) She references the Company having completed 186 jobs in 2024 and 170 jobs in 2025. (*Id*.) The years 2024 and 2025 were transitional years as the Company moved to a new program administrator. The new administrator began work in the second quarter of 2025 and the initial focus was on building out the contractor coverage of the service territory while establishing processes and setting the program up for success into the future. Through the middle of 2026, the Company has already seen 144 jobs with an average job completion rate of 24 jobs per month. Assuming this productivity continues through the end of the year, the Company will exceed the level of households that would be served through Ms. Warabak's recommendation.

Q. MS. WARABAK ALSO RECOMMENDED AN INCREASE IN SHAREHOLDER DONATIONS TO THE HARDSHIP FUND. PLEASE RESPOND.

A. Ms. Warabak recommends an increase in the Company's contribution to the hardship fund commensurate with the percentage increase in residential rates approved in this proceeding. (PWPTF Statement No. 1, p. 7.) It appears the witness may not be aware that the Company's donation to the hardship fund does not come from ratepayer funds at all. All donations to the hardship fund come from shareholder dollars. A residential rate increase does not result in a corresponding increase to its shareholders.

Q. MS. WARABAK ALSO RECOMMENDED THAT "HARDSHIP FUNDING BE DISTRIBUTED IN ACCORDANCE WITH THE PERCENTAGE OF LOW-INCOME CUSTOMERS IN THE COUNTIES SERVED BY THE COMPANY." (PWPTF Statement No. 1, p. 7.) PLEASE DESCRIBE HOW HARDSHIP FUNDS ARE DISTRIBUTED AND THE BENEFIT OF THIS ARRANGEMENT.

A. Hardship funds are available on a first-come, first-serve basis to any eligible customer of Peoples. This is an important arrangement because it ensures that those who apply are eligible to receive support from the total dollars available in the fund, regardless of where their residence is located. In the past, when we operated separate hardship funds for Peoples Natural Gas and its former affiliate Peoples Gas LLC, we often saw challenges in fund availability. As a smaller NGDC, Peoples Gas LLC had a smaller hardship fund. If that fund ran out of money and a customer was in need, they were unable to access available funds in the Peoples Natural Gas hardship fund. By combining the two funds into one, the Company was able to ensure that any customer of the broader Peoples system would have equal access to available funds. My concern with Ms. Warabak's approach is that the

Company would see similar challenges to what we experienced in the past if funding were distributed based on county.

VIII. NATURAL GAS WATER TANK REBATE PILOT

Q. IN HIS TESTIMONY, MR. CICERO STATED THAT THE COMPANY SHOULD CLARIFY HOW THE PROPOSED WATER TANK REBATE PILOT WOULD INTERACT WITH ITS EXISTING LIURP AND EFSLR PROGRAMS. (CAUSE-PA Statement 1, pp. 82-83.) WOULD YOU LIKE TO PROVIDE CLARIFICATION?

A. Yes, I would. The pilot rebate program described in **Peoples Statement No. 8**, the Direct Testimony of Luke Ravenstahl, describes the program as a $1,000 rebate provided to residential customers to offset the costs of conversion to a natural gas hot water tank. Customers receiving the rebate through this program would be homeowners choosing to install a natural gas water heater at their own expense. The rebate would assist them in covering that expense. The LIURP and EFSLR programs, however, are not self-paid programs. Customers participating in these programs are income-eligible homeowners and renters and all measures and appliances provided through the program are covered fully by the program. Both LIURP and EFSLR programs are focused on health, safety and usage reduction measures. Neither LIURP or EFSLR engage in fuel switching of appliances as a means to reduce household usage. As described in Mr. Cicero's testimony, any fuel switching that may occur within LIURP or EFSLR would fall under the LIURP regulations and would require utility coordination.

IX. RECOVERY OF RIDER UNIVERSAL SERVICE COSTS

Q. MR. CICERO RECOMMENDS THAT THE COMPANY'S RIDER USP COSTS SHOULD BE PAID BY ALL CUSTOMERS, NOT JUST RESIDENTIAL CUSTOMERS AND THAT HISTORICALLY, THESE COSTS HAVE ONLY BEEN RECOVERED FROM RESIDENTIAL CUSTOMERS. (*See* CAUSE-PA Statement 1, pp. 74-81.) CAN YOU COMMENT?

A. Mr. Cicero is correct that the Company's current Universal Service Rider is applicable to residential customers except for CAP customers. However, it has not always been the case that these costs are only recovered from residential customers. More than twenty years ago, prior to the implementation of the Rider, CAP costs were recovered through a mechanism that adjusted delivery base rates on a quarterly basis to align with changing gas costs and enrollment levels. In that mechanism, CAP costs were allocated 95.75% to the residential class and 4.25% to non-residential customers.

Q. CAN THE COMPANY AGREE TO SPREAD THESE COSTS TO OTHER RATE CLASSES?

A. While the Company acknowledges the desire to spread these costs over more classes than just residential, at this time the Company's Universal Service Rider is designed to recover costs from residential non-CAP customers only. The Company would need to evaluate the feasibility of spreading these costs taking into account potential IT changes that would be necessary for such a change.

X. <u>COMMISSION INFORMAL AND FORMAL COMPLAINTS</u>

Q. WITNESS LARKIN-CONNOLLY REVIEWED INFORMAL COMPLAINT STATISTICS FOR PEOPLES AND OTHER NGDC'S, CATEGORIZED BY

'REASON' FOR COMPLAINT. (OCA Statement 5, pp. 28-29.) PLEASE DESCRIBE AND RESPOND TO HIS CONCLUSION FROM THIS REVIEW.

A. Mr. Larkin-Connolly suggests that Peoples' complaint profile has shifted towards operational issues as he identified higher number of complaints categorized as Personnel Problems, Damages and Service Quality as compared to results for other NGDCs. (OCA Statement 5, pp. 28-29.) It is my opinion that caution must be exercised when reviewing these reported statistics. Complaint classifications are subjective as BCS staff attempt to classify cases into pre-defined categories. There is also a category entitled 'All Other'. In that particular category, other NGDCs in Mr. Larkin-Connolly's Table 7 have 14% of their cases categories in this manner as compared to 11% for Peoples. (OCA statement 5, p. 29.) It is possible that some of these All Other cases for other NGDCs may pertain to Personnel Problems, Damages or Service Quality, but again, we are relying on subjective opinions of BCS staff members in classifying these.

Q. MR. LARKIN-CONNOLLY ALSO REVIEWED FORMAL COMPLAINT STATISTICS AS SHOWN IN FIGURE 7 ON PAGE 31. (OCA Statement 5, p. 31.) WHAT IS YOUR RESPONSE TO THIS ANALYSIS?

A. Unlike the informal complaint review, which compared Peoples' informal complaints to that of other NGDCs, Mr. Larkin-Connolly does not provide any comparison of Peoples' formal case statistics with other NGDCs. Therefore, we should not conclude that the increase in formal cases is a phenomenon that is specific to Peoples. Other NGDCs may be experiencing similar increases in the number of formal cases received. Further, an increase in formal cases could occur for any number of reasons. For example, we've seen

instances in which the customer has filed a formal case without having first followed the informal case process. Customers are more aware of the formal complaint process as this information is included not only in their closing materials from their informal cases, but also on the PUC's website. And, the PUC's website information[4] regarding the formal complaint process does not indicate that a customer should first follow the informal complaint process. Formal complaints are provided as an option for the customer to raise their concern before an Administrative Law Judge ("ALJ"), without the need for an attorney, in the case of a non-corporate entity, while it is noted the utility must utilize an attorney. Therefore, customers seeking resolution through the PUC may choose the formal route in order to ensure their complaint is handled at a higher level.

Q. MR. LARKIN-CONNOLLY ALSO RAISES CONCERN ABOUT THE OUTCOMES OF FORMAL PROCEEDINGS. IN PARTICULAR, HE IS CONCERNED ABOUT 18% OF THE 74[5] FORMAL COMPLAINT PROCEEDINGS REVIEWED IN HIS ANALYSIS WERE DENIED, DISMISSED OR WITHDRAWN, SUGGESTING THIS PERCENTAGE MAY BE HIGH DUE TO CUSTOMERS DISENGAGING EVEN THOUGH THEIR CASES HAVE MERIT. (OCA Statement 5, p. 31.) PLEASE RESPOND TO THIS.

A. I disagree with the characterization that customers are unable to complete the formal complaint process due to practical concerns and a burdensome process. On the contrary, we find the ALJs to be extremely flexible to customers who are unable to attend a scheduled

[4] *See* https://www.puc.pa.gov/complaints/formal-complaints/

[5] *See* OCA Statement No. 5, page 31, Lines 5 through 17.

hearing. They are very careful to ensure customers' concerns are heard and to encourage mediation with the utility. It is Peoples' practice to agree to the granting of at least one, and sometimes more, continuances when requested to accommodate customers. According to the Company's records, only 1 formal case was withdrawn in the past 3 years, while the remaining were denied because there was not a sufficient basis for the customer's claim.

Q. MR. LARKIN-CONNOLLY CONCLUDES THAT "PROPERTY DAMAGE EMERGES AS A RECURRING THEME…WHETHER THIS REFLECTS THE SCALE OF PEOPLES' PIPELINE REPLACEMENT AND INFRASTRUCTURE WORK, PRACTICES AROUND SITE MANAGEMENT AND RESTORATION, OR SOMETHING ELSE IS A QUESTION THE COMPANY SHOULD BE EXPECTED TO ANSWER." (OCA Statement 5, pp. 32-33.) PLEASE RESPOND.

A. The Company carefully reviews all customer complaints, whether those be informal or formal, to determine the root cause of the issue. Complaints can often be attributed to lack of customer awareness of utility processes. This is particularly true regarding restoration expectations, for example. If a pipeline project is still underway on a street, repair of the street cannot begin until the project is complete, although a customer may file a complaint because they are dissatisfied with waiting for this to occur. Or, landscaping may be disturbed and given the time of year, cannot be appropriately restored until the spring season. If our team sees customer complaints regarding these types of issues, they are raised with leadership to ensure the customer receives appropriate communication and a resolution to their concern. An increase in pipeline replacement activities does not automatically cause an increase in customer complaints.

XI. PUBLIC INPUT HEARINGS

Q. CARRIE NOLAN-ROBSON, EXECUTIVE DIRECTOR OF THE NORTHSIDE CHAMBER OF COMMERCE PROVIDED TESTIMONY AT ONE OF THE PUBLIC INPUT HEARINGS. IN HER TESTIMONY, SHE RECOMMENDED THE COMPANY EXPAND ELIGIBILITY OF ITS CUSTOMER ASSISTANCE PROGRAMS TO ASSIST CUSTOMERS IN LIGHT OF THE PROPOSED RATE INCREASE[6]. WOULD YOU LIKE TO RESPOND TO HER COMMENTS?

A. Yes. I understand Ms. Nolan-Robson's concern, particularly as it regards seniors in our service territory whose income places them just above eligibility for programs such as LIHEAP and CAP. It is this concern that led Peoples to expand its CAP eligibility threshold more than a decade ago, beyond the standard definition of 150% FPL. The Company's percentage of income payments ("PIP") for those with incomes below 150% FPL align with the guidance provided by the Commission in its CAP Policy Statement and were approved in Peoples' Petition to lower them, however its proposal to also lower energy burden for its CAP participants in the expanded CAP program which serves customers with incomes between 151 and 200% FPL was rejected[7]. These customers do receive the benefit of arrearage forgiveness. In addition to the availability of expanded CAP, households in this income category are also eligible for valuable services and support through the EFSLR program, CARES, and LIURP weatherization if special needs exist in the home.

XII. CONCLUSION

[6] *See* Public Input Hearing Transcript, Ross Township 6 p.m. Hearing; p. 48, lines 3 – 6.
[7] *See* P-2020-3017641

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

Peoples Energy Analytics

ZIP Code Hot-Spot Analysis (Oct 2024 - Sept 2025)

Allegheny County - Prepared for PNG on April 15, 2026

COUNT OF HOUSEHOLDS THAT ARE AT-RISK IN ZIP CODE RANGE

At Peoples Energy Analytics (PEA), one of our core offerings involves identifying locations (i.e., ZIP codes) where abnormal energy consumption patterns indicate that households are showing elevated risks of high energy burdens and pipe freeze. PEA received data for approximately 340,697 households spanning September 2020 through September 2025 across 128 ZIP codes. 14 of those ZIP codes (22 households) outside Allegheny County were also present in the dataset, but are not present in this report as they are outside the county.

Of the 330,125 cleaned and geolocated households within Allegheny County, 46,898 households are identified as having a high energy burden, which is defined as spending more than 6% of their average monthly income on natural gas bills. Of the total accounts, 274,576 had a good model, which is defined as an adjusted R-squared > 0.6. Among them, 7,707 households are classified as high pipe freeze risk (PFR). High pipe freeze risk accounts were those accounts which had temperature response function slopes of less than 0.2 MCF per degree Fahrenheit. This means their gas usage increases by less than 0.2 MCF for each 1°F drop in temperature.This threshold was determined using a previous analysis of temperature response functions. \Appendix A further breaks down the details of modeled numbers.

Figure 1. Total count of at-risk households across Allegheny County in 2024-2025 provided to PEA (~ 340,697 households). The orange scale represents the total household count with either a high energy burden OR were using so little heating that they are high energy-limiting (e.g., risk of their pipes freezing). The light grey striped ZIP codes represent locations without data (e.g., no households were identified within the dataset, but this does not indefinitely mean there is no risk).

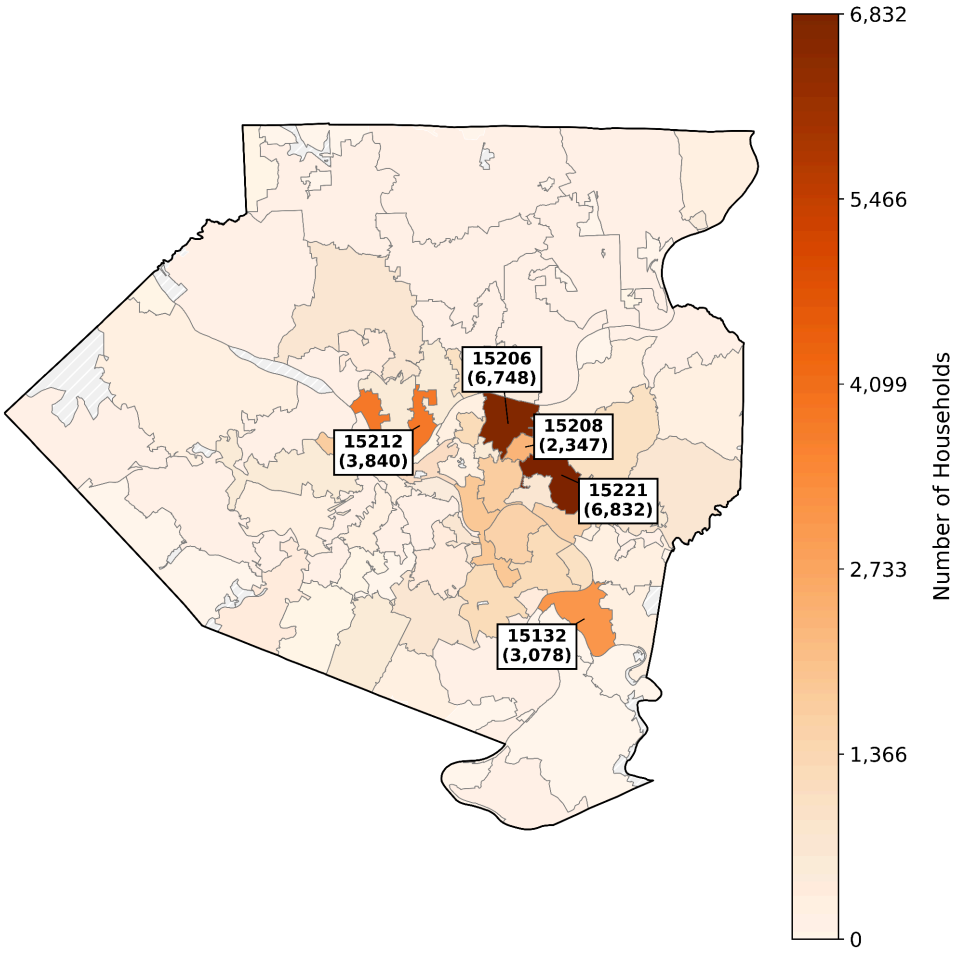

Table 1. Count of Households with either High Energy Burden or High Pipe Freeze Risk by ZIP Codes across Allegheny County.

ZIP Codes	Total Accounts[1]	High Energy Burden or High Pipe Freeze Risk (Count)	High Energy Burden or High Pipe Freeze Risk (Percent)
15221	10,089	6,832	67.71
15206	8,501	6,748	79.37
15212	8,249	3,840	46.55
15132	5,277	3,078	58.32
15208	2,930	2,347	80.10
15207	3,975	1,867	46.96
15204	2,059	1,741	84.55
15217	8,657	1,673	19.32
15120	6,665	1,483	22.25
15104	2,028	1,483	73.12

[1] Total Accounts include accounts that had a good model and enough data to calculate energy burden.

TOP LOCATIONS

There is meaningful variation across ZIP codes for both high energy burden and pipe freeze risk. Figures 2 and 3 map ZIP codes and their respective vulnerability metric. Table 2 and Table 3 show the top ZIP codes by percentage of at-risk households detected. ZIP code 15221 has the highest energy burden risk with over 6,000 households that pay over 6 percent of their income on energy bills. ZIP code 15237 has the highest number of households experiencing pipe freeze risk, with over 400 households showing a low gas usage response to temperature.

It is important to look at the counts in addition to the percentages. As seen in Tables 2 and 3, some ZIP codes report small percentages in the high risk categories, but have high absolute numbers. For example, ZIP code 15237 has 3.20% households with High Pipe Freeze risk, but one of the highest absolute numbers (453 households).

Figure 2. Count of High Energy Burden Households in each ZIP Code across Allegheny County.

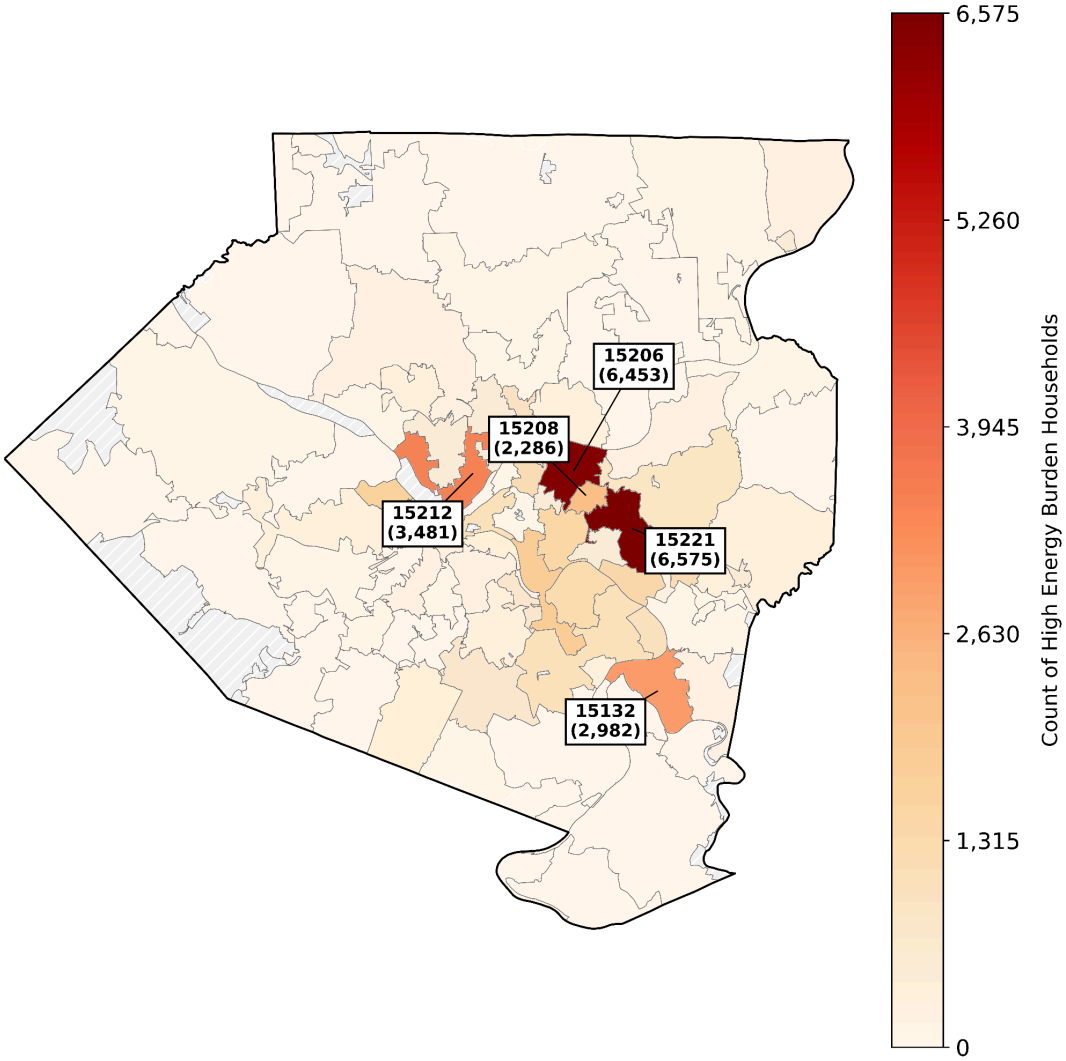

Table 2. Count of Households with High Energy Burden by ZIP Codes across Allegheny County

ZIP Codes	Total Accounts[1]	High Energy Burden (Count)	High Energy Burden (Percent)
15221	10,089	6,575	65.16
15206	8,501	6,453	75.90
15212	8,251	3,481	42.18
15132	5,277	2,982	56.50
15208	2,930	2,286	78.02
15207	3,975	1,813	45.61
15204	2,059	1,718	83.43
15217	8,657	1,513	17.47
15104	2,028	1,383	68.19
15120	6,665	1,255	18.82

[1] Total Accounts include accounts with enough data to calculate energy burden.

Figure 3. Count of High Pipe Freeze Risk Households in each ZIP Code across Allegheny County

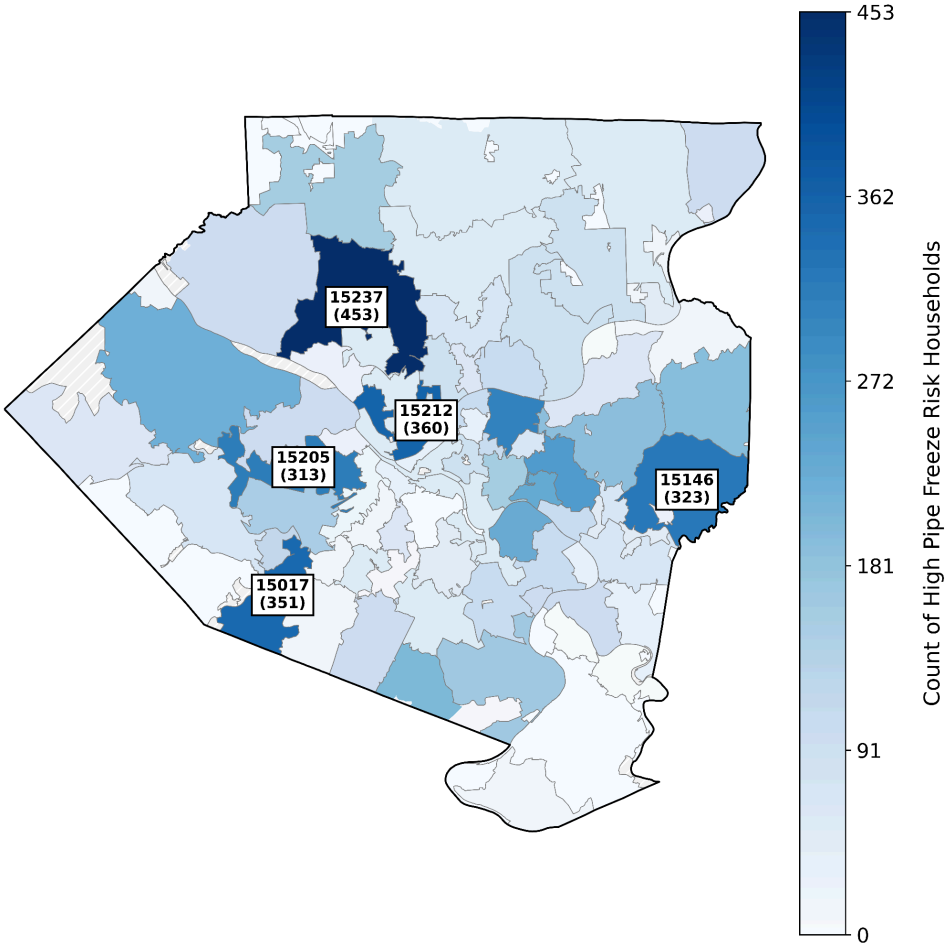

Table 3. Count of Households with Pipe Freeze Risk by ZIP Code across Allegheny County.

ZIP Codes	Total Accounts	High Pipe Freeze Risk (Count)	High Pipe Freeze Risk (Percent)
15237	14,138	453	3.20
15212	7,094	360	5.07
15017	5,325	351	6.59
15146	5,769	323	5.59
15205	6,383	313	4.90
15206	6,632	306	4.61
15221	8,686	257	2.95
15218	4,939	233	4.71
15120	5,884	228	3.87
15108	5,712	219	3.83

[1] Total Accounts include accounts that had a good model.

Two actionable insights can be drawn from the illustrations above:

1. Figures 2 and 3 do not overlap in all ZIP codes, which shows that marketing interventions should be disbursed depending on the type of risk Peoples Natural Gas (PNG) wants to tackle. Figure 2 provides insights on locations where households may already be using more than **6% of their income on their bills** (**RED**), while Figure 3 shows the ZIP codes with an estimated high pipe freeze risk (**BLUE**), which may be prime candidates for weatherization and bill assistance.

2. Figure 1 combines populations from both risk metrics and maps them by ZIP code. PNG can utilize this for maximum coverage of its resources by targeting those areas. Tables 1-3 give population numbers for those ZIP codes.

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CTO, Peoples Energy Analytics
andrew@peoplesenergyanalytics.com

Appendix A: Households Analyzed

Certain energy-limiting behavior metrics could only be calculated for households with good models (high accuracy energy models; models with adjusted r-squared greater than 0.6 or 60%), hence not all households had data for those energy limiting behavior metrics. Households Analyzed for October 2024 - September 2025:

Key Data Points used in the ZIP Code analysis

- Count of Geolocated Households with usage data: 330,125
  - Count of Households with High Energy Burden: 46,898
  - Percentage of Households with High Energy Burden Risk: 14.20%
- Count of Households with good models (adjusted r-squared > 0.6): 274,576
  - Count of Households with High Pipe Freeze Risk: 7,707
  - Percentage of Households with High Pipe Freeze Risk: 2.80%

Additional Data Points that include households that were excluded due to extreme and zero values as well as outside county

- Count of Geolocated Households with usage data: 340,697
  - Count of Households with High Energy Burden: 46,901
  - Percentage of Households with High Energy Burden Risk: 13.76%
- Count of Households with valid models: 295,135
- Count of Households with good models (adjusted r-squared > 0.6): 274,901
  - Count of Households with High Pipe Freeze Risk: 7,719
  - Percentage of Households with High Pipe Freeze Risk: 2.80%

Peoples Energy Analytics

ZIP Code Hot-Spot Analysis (Oct 2024 - Sept 2025)

Butler County - Prepared for PNG on April 15, 2026

COUNT OF HOUSEHOLDS THAT ARE AT-RISK IN ZIP CODE RANGE

At Peoples Energy Analytics (PEA), one of our core offerings involves identifying locations (i.e., ZIP codes) where abnormal energy consumption patterns indicate that households are showing elevated risks of high energy burdens and pipe freeze. PEA received data for approximately 44,339 households spanning September 2020 through September 2025 across 57 ZIP codes. 23 of those ZIP codes (120 households) outside Butler County were also present in the dataset, but are not present in this report as they are outside the county.

Of the 43,635 cleaned and geolocated households within Butler County, 1,297 households are identified as having a high energy burden, which is defined as spending more than 6% of their average monthly income on natural gas bills. Of the total accounts, 38,818 had a good model, which is defined as an adjusted R-squared > 0.6. Among them, 1,254 households are classified as high pipe freeze risk (PFR). High pipe freeze risk accounts were those accounts which had temperature response function slopes of less than 0.2 MCF per degree Fahrenheit. This means their gas usage increases by less than 0.2 MCF for each 1°F drop in temperature.This threshold was determined using a previous analysis of temperature response functions. Appendix A further breaks down the details of modeled numbers.

Figure 1. Total count of at-risk households across Butler County in 2024-2025 provided to PEA (~ 44,339 households). The orange scale represents the total household count with either a high energy burden OR were using so little heating that they are high energy-limiting (e.g., risk of their pipes freezing). The light grey striped ZIP codes represent locations without data (e.g., no households were identified within the dataset, but this does not indefinitely mean there is no risk).

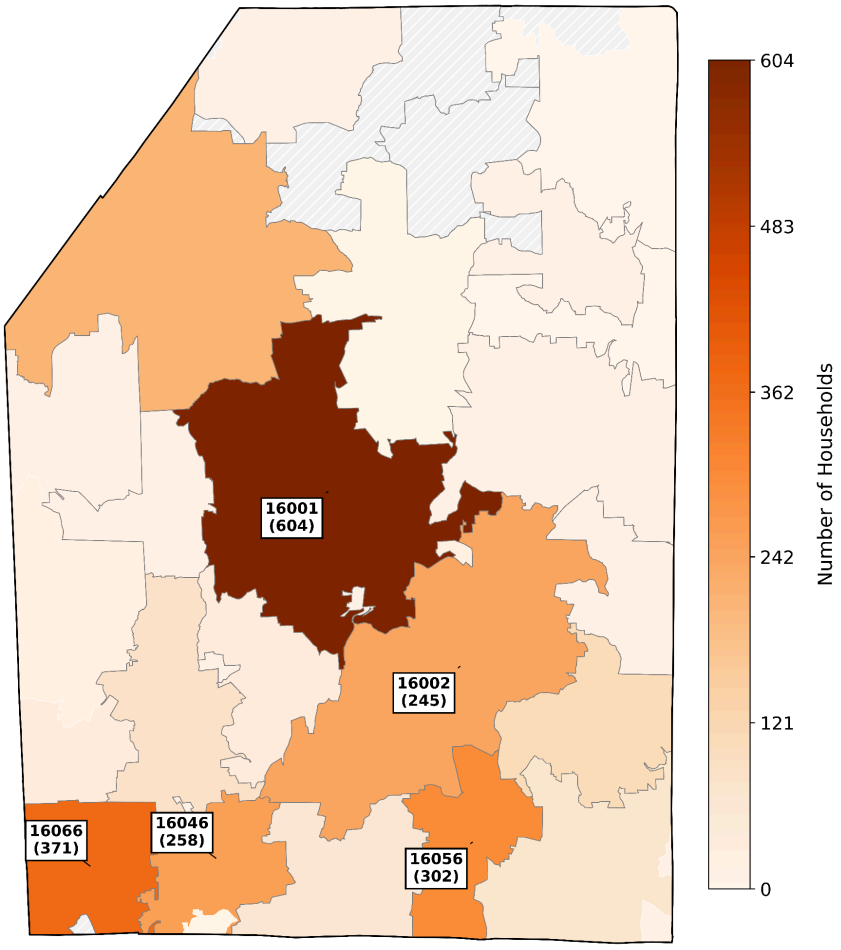

Table 1. Count of Households with either High Energy Burden or High Pipe Freeze Risk by ZIP Codes across Butler County.

ZIP Codes	Total Accounts[1]	High Energy Burden or High Pipe Freeze Risk (Count)	High Energy Burden or High Pipe Freeze Risk (Percent)
16001	13,323	604	4.53
16066	3,739	371	9.92
16056	1,623	302	18.60
16046	5,408	258	4.77
16002	2,712	245	9.03
16057	1,123	210	18.69
16023	910	106	11.64
16033	1,514	87	5.74
16055	2,435	74	3.03
16059	2,613	60	2.29

[1] Total Accounts include accounts that had a good model and enough data to calculate energy burden.

TOP LOCATIONS

There is meaningful variation across ZIP codes for both high energy burden and pipe freeze risk. Figures 2 and 3 map ZIP codes and their respective vulnerability metric. Table 2 and Table 3 show the top ZIP codes by percentage of at-risk households detected. ZIP code 16001 has the highest energy burden risk with over 400 households that pay over 6 percent of their income on energy bills. ZIP code 16066 has the highest number of households experiencing pipe freeze risk, with over 300 households showing a low gas usage response to temperature.

It is important to look at the counts in addition to the percentages. As seen in Tables 2 and 3, some ZIP codes report small percentages in the high risk categories, but have high absolute numbers. For example, ZIP code 16001 has 3.41% households with High Energy Burden risk, but one of the highest absolute numbers (455 households).

Figure 2. Count of High Energy Burden Households in each ZIP Code across Butler County.

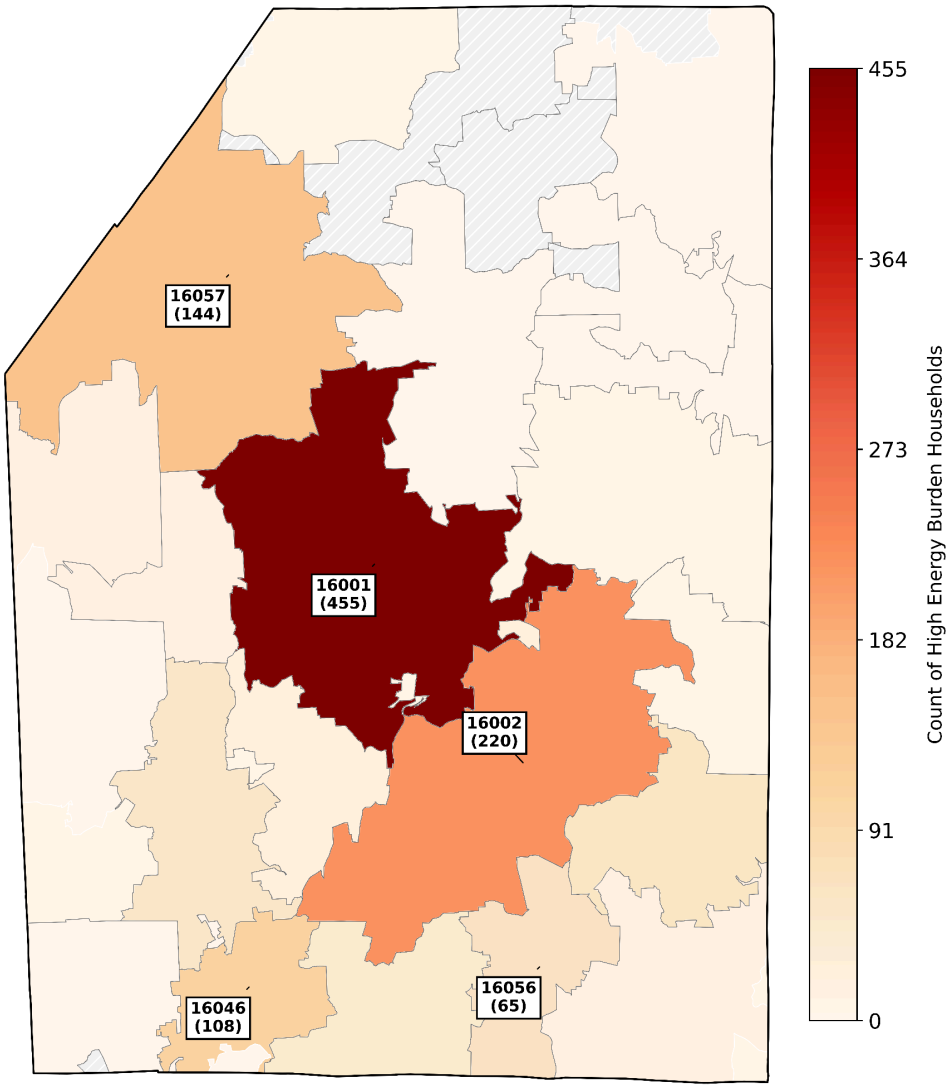

Table 2. Count of Households with High Energy Burden by ZIP Codes across Butler County

ZIP Codes	Total Accounts[1]	High Energy Burden (Count)	High Energy Burden (Percent)
16001	13,323	455	3.41
16002	2,712	220	8.11
16057	1,123	144	12.82
16046	5,408	108	1.99
16056	1,623	65	4.00
16023	910	61	6.70
16033	1,514	52	3.43
16059	2,613	44	1.68
16053	1,121	26	2.31
16029	246	23	9.34

[1] Total Accounts include accounts with enough data to calculate energy burden.

Figure 3. Count of High Pipe Freeze Risk Households in each ZIP Code across Butler County

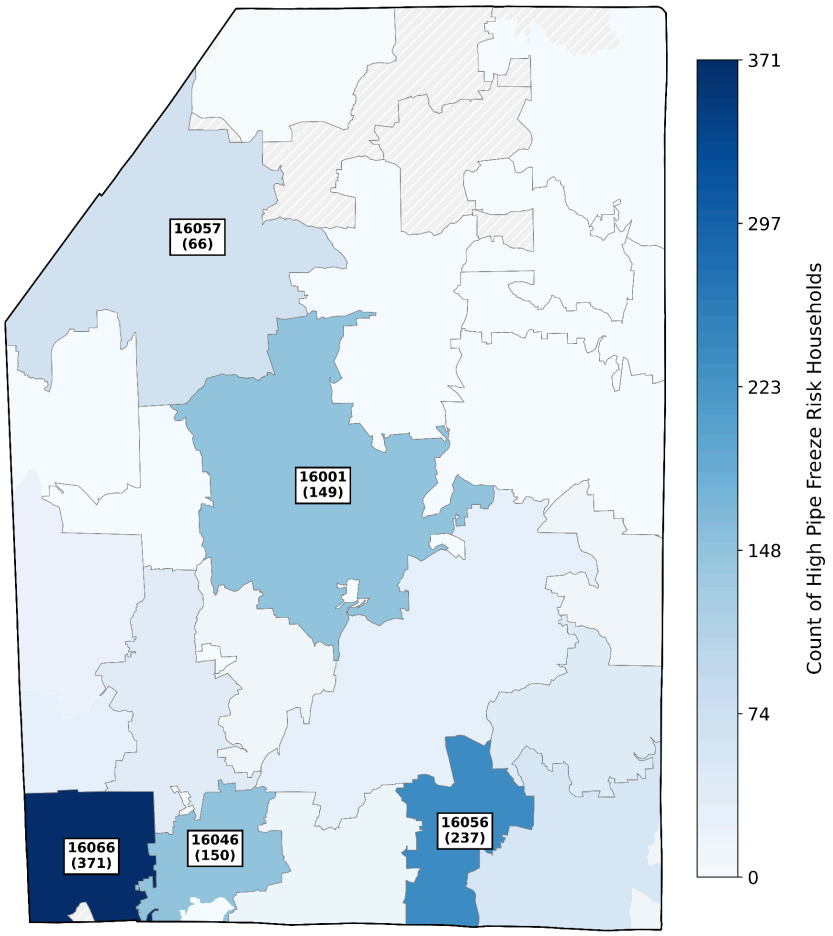

Table 3. Count of Households with Pipe Freeze Risk by ZIP Code across Butler County.

ZIP Codes	Total Accounts	High Pipe Freeze Risk (Count)	High Pipe Freeze Risk (Percent)
16066	3,351	371	11.07
16056	416	237	56.97
16046	4,916	150	3.05
16001	12,106	149	1.23
16057	987	66	6.68
16055	2,269	60	2.64
16023	827	45	5.44
16033	1,370	35	2.55
16063	2,594	30	1.156
16002	2,534	25	0.98
16037	1,380	23	1.66

[1] Total Accounts include accounts that had a good model.

Two actionable insights can be drawn from the illustrations above:

1

Figures 2 and 3 do not overlap in all ZIP codes, which shows that marketing interventions should be disbursed depending on the type of risk Peoples Natural Gas (PNG) wants to tackle. Figure 2 provides insights on locations where households may already be using more than **6% of their income on their bills** (**RED**), while Figure 3 shows the ZIP codes with an estimated high pipe freeze risk (**BLUE**), which may be prime candidates for weatherization and bill assistance.

2

Figure 1 combines populations from both risk metrics and maps them by ZIP code. PNG can utilize this for maximum coverage of its resources by targeting those areas. Tables 1-3 give population numbers for those ZIP codes.

CONTACT

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Dr. Andrew Jones
CTO, Peoples Energy Analytics
andrew@peoplesenergyanalytics.com

Appendix A: Households Analyzed

Certain energy-limiting behavior metrics could only be calculated for households with good models (high accuracy energy models; models with adjusted r-squared greater than 0.6 or 60%), hence not all households had data for those energy limiting behavior metrics. Households Analyzed for October 2024 - September 2025:

Key Data Points used in the ZIP Code analysis

- Count of Geolocated Households with usage data: 43,635
  - Count of Households with High Energy Burden: 1,297
  - Percentage of Households with High Energy Burden Risk: 2.97%
- Count of Households with good models (adjusted r-squared > 0.6): 38,818
  - Count of Households with High Pipe Freeze Risk: 1,254
  - Percentage of Households with High Pipe Freeze Risk: 3.23%

Additional Data Points that include households that were excluded due to extreme and zero values as well as outside county

- Count of Geolocated Households with usage data: 44,339
  - Count of Households with High Energy Burden: 1,299
  - Percentage of Households with High Energy Burden Risk: 2.92%
- Count of Households with valid models: 40,347
- Count of Households with good models (adjusted r-squared > 0.6): 38,934
  - Count of Households with High Pipe Freeze Risk: 1,902
  - Percentage of Households with High Pipe Freeze Risk: 4.88%

Peoples Energy Analytics

ZIP Code Hot-Spot Analysis (Oct 2024 - Sept 2025)

Westmoreland County - Prepared for PNG on April 15, 2026

COUNT OF HOUSEHOLDS THAT ARE AT-RISK IN ZIP CODE RANGE

At Peoples Energy Analytics (PEA), one of our core offerings involves identifying locations (i.e., ZIP codes) where abnormal energy consumption patterns indicate that households are showing elevated risks of high energy burdens and pipe freeze. PEA received data for approximately 79,580 households spanning September 2020 through September 2025 across 88 ZIP codes. 15 of those ZIP codes (17 households) outside Westmoreland County were also present in the dataset, but are not present in this report as they are outside the county.

Of the 78,087 cleaned and geolocated households within Westmoreland County, 5,308 households are identified as having a high energy burden, which is defined as spending more than 6% of their average monthly income on natural gas bills. Of the total accounts, 69,943 had a good model, which is defined as an adjusted R-squared > 0.6. Among them, 1,186 households are classified as high pipe freeze risk (PFR). High pipe freeze risk accounts were those accounts which had temperature response function slopes of less than 0.2 MCF per degree Fahrenheit. This means their gas usage increases by less than 0.2 MCF for each 1°F drop in temperature.This threshold was determined using a previous analysis of temperature response functions. Appendix A further breaks down the details of modeled numbers.

Figure 1. Total count of at-risk households across Westmoreland County in 2024-2025 provided to PEA (~ 79,580 households). The orange scale represents the total household count with either a high energy burden OR were using so little heating that they are high energy-limiting (e.g., risk of their pipes freezing). The light grey striped ZIP codes represent locations without data (e.g., no households were identified within the dataset, but this does not indefinitely mean there is no risk).

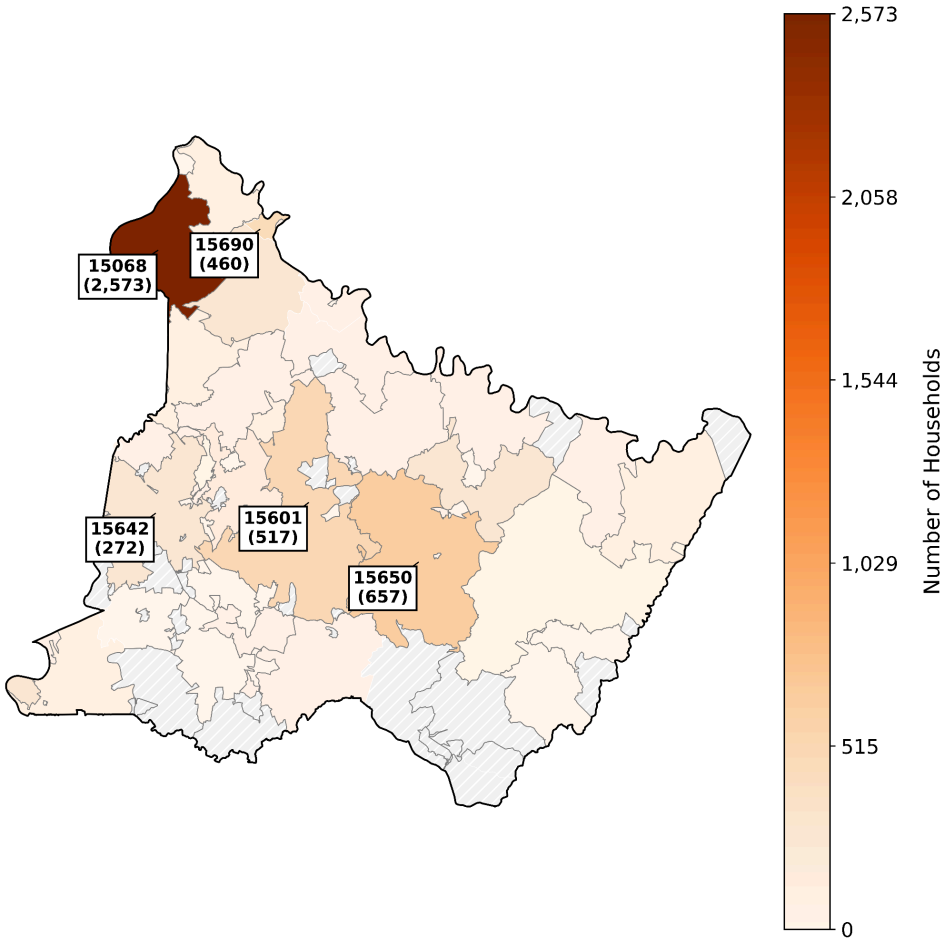

Table 1. Count of Households with either High Energy Burden or High Pipe Freeze Risk by ZIP Codes across Westmoreland County.

ZIP Codes	Total Accounts[1]	High Energy Burden or High Pipe Freeze Risk (Count)	High Energy Burden or High Pipe Freeze Risk (Percent)
15068	11,180	2,573	23.01
15650	7,278	657	9.02
15601	16,511	517	3.13
15690	1,910	460	24.08
15642	9,783	272	2.78
15062	2,627	242	9.21
15627	1,588	241	15.17
15613	2,333	237	10.15
15644	2,638	141	5.34
15656	1,632	116	7.10

[1] Total Accounts include accounts that had a good model and enough data to calculate energy burden.

TOP LOCATIONS

There is meaningful variation across ZIP codes for both high energy burden and pipe freeze risk. Figures 2 and 3 map ZIP codes and their respective vulnerability metric. Table 2 and Table 3 show the top ZIP codes by percentage of at-risk households detected. ZIP code 15068 has the highest energy burden risk with over 2,000 households that pay over 6 percent of their income on energy bills. The same ZIP code has the highest number of households experiencing pipe freeze risk, with over 150 households showing a low gas usage response to temperature.

It is important to look at the counts in addition to the percentages. As seen in Tables 2 and 3, some ZIP codes report small percentages in the high risk categories, but have high absolute numbers. For example, ZIP code 15068 has 1.90% households with High Pipe Freeze risk, but one of the highest absolute numbers (184 households).

Figure 2. Count of High Energy Burden Households in each ZIP Code across Westmoreland County.

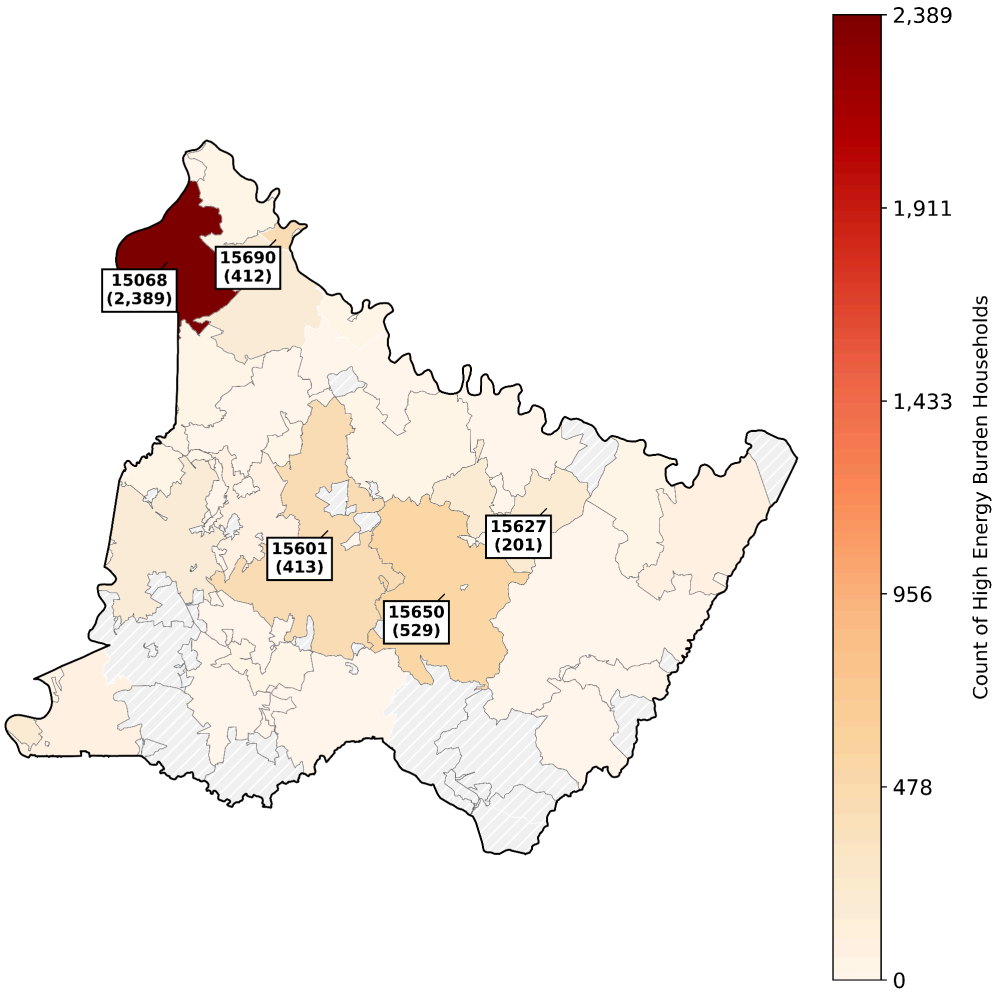

Table 2. Count of Households with High Energy Burden by ZIP Codes across Westmoreland County

ZIP Codes	Total Accounts[1]	High Energy Burden (Count)	High Energy Burden (Percent)
15068	11,180	2,389	21.36
15650	7,278	529	7.26
15601	16,511	413	2.50
15690	1,910	412	21.57
15627	1,588	201	12.65
15062	2,627	201	7.65
15642	9,783	177	1.80
15613	2,333	173	7.41
15644	2,638	99	3.75
15944	346	79	22.83

[1] Total Accounts include accounts with enough data to calculate energy burden.

Figure 3. Count of High Pipe Freeze Risk Households in each ZIP Code across Westmoreland County

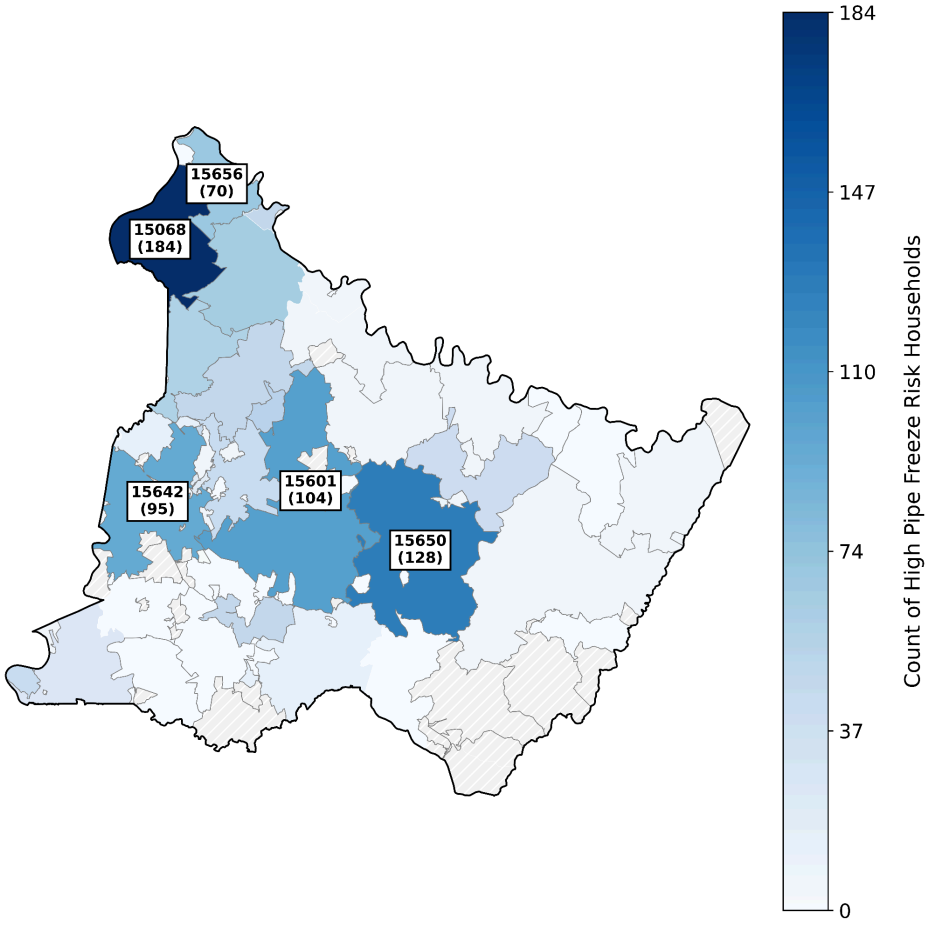

Table 3. Count of Households with Pipe Freeze Risk by ZIP Code across Westmoreland County.

ZIP Codes	Total Accounts	High Pipe Freeze Risk (Count)	High Pipe Freeze Risk (Percent)
15068	9,653	184	1.90
15650	6,658	128	1.92
15601	15,387	104	0.67
15642	9,142	95	1.03
15656	1,488	70	4.70
15613	2,022	64	3.16
15668	4,416	57	1.29
15626	1,912	53	2.77
15639	328	48	14.63
15690	1,678	48	2.86
15068	9,653	184	1.90

[1] Total Accounts include accounts that had a good model.

Two actionable insights can be drawn from the illustrations above:

1. Figures 2 and 3 do not overlap in all ZIP codes, which shows that marketing interventions should be disbursed depending on the type of risk Peoples Natural Gas (PNG) wants to tackle. Figure 2 provides insights on locations where households may already be using more than **6% of their income on their bills** (**RED**), while Figure 3 shows the ZIP codes with an estimated high pipe freeze risk (**BLUE**), which may be prime candidates for weatherization and bill assistance.

2. Figure 1 combines populations from both risk metrics and maps them by ZIP code. PNG can utilize this for maximum coverage of its resources by targeting those areas. Tables 1-3 give population numbers for those ZIP codes.

CONTACT

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Appendix A: Households Analyzed

Certain energy-limiting behavior metrics could only be calculated for households with good models (high accuracy energy models; models with adjusted r-squared greater than 0.6 or 60%), hence not all households had data for those energy limiting behavior metrics. Households Analyzed for October 2024 - September 2025:

Key Data Points used in the ZIP Code analysis

- Count of Geolocated Households with usage data: 78,087
    - Count of Households with High Energy Burden: 5,308
    - Percentage of Households with High Energy Burden Risk: 6.79%
- Count of Households with good models (adjusted r-squared > 0.6): 69,943
    - Count of Households with High Pipe Freeze Risk: 1,186
    - Percentage of Households with High Pipe Freeze Risk: 1.69%

Additional Data Points that include households that were excluded due to extreme and zero values as well as outside county

- Count of Geolocated Households with usage data: 79,580
    - Count of Households with High Energy Burden: 5,308
    - Percentage of Households with High Energy Burden Risk: 6.67%
- Count of Households with valid models: 73,708
- Count of Households with good models (adjusted r-squared > 0.6): 69,981
    - Count of Households with High Pipe Freeze Risk: 1,187
    - Percentage of Households with High Pipe Freeze Risk: 1.70%

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
RUDOLPH HANECHAK
FINANCIAL ANALYSIS & BUDGET MANAGER
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16,2026
DATE ADMITTED: _____

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Peoples Statement No. 11-R

PREPARED REBUTTAL TESTIMONY OF

RUDOLPH HANECHAK

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rudolph Hanechak. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies") as Financial Analysis and Budget Manager. PNG Companies provides various administrative functions for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company") including Budgeting.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 11.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I am presenting testimony in rebuttal of certain expense positions and recommendations of the Bureau of Investigation and Enforcement ("I&E") Witness Vanessa Okum and the Office of Consumer Advocate ("OCA") Witness Jared Geiger.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. PAYROLL TAXES

Q. DO ANY OF THE PARTIES MAKE AN ADJUSTMENT TO NON-INCOME TAXES?

A. Yes. Both I&E Witness Vanessa Okum and OCA Witness Jared Geiger propose adjustments to payroll taxes as a result of a proposed change in labor expense to increase the vacancy credit. (I&E Statement No. 1, p. 16; OCA Statement 2, pp. 22-24.) I&E Witness Okum also proposes a reduction to the payroll taxes related to incentive compensation ("STI") to remove financial related metrics. (I&E Statement No. 1, p. 16.)

Q. WHAT IS THE RESULT OF THEIR PROPOSED ADJUSTMENTS?

A. Ms. Okum's proposed adjustment would reduce Operations and Maintenance ("O&M") payroll taxes by $333,659 and Mr. Geiger's proposed adjustment would reduce O&M payroll taxes by $253,701. (I&E Statement No. 1, p. 16; OCA Statement 2, pp. 22-24.) Ms. Okum also proposes to decrease payroll taxes in rate base by $426,046. (I&E Statement No. 1, p. 16.)

Q. DO YOU AGREE WITH THE PROPOSED ADJUSTMENTS TO PAYROLL TAXES?

A. No. I do not agree with the adjustments to payroll taxes on the grounds that I do not agree with the proposed change to the vacancy credit or the incentive compensation adjustment. For additional rebuttal testimony concerning the proposed adjustments to the vacancy

credit and incentive compensation please refer to **Peoples Statement No. 2-R,** the rebuttal testimony of Andrew Wachter.

Q. DO YOU AGREE WITH THEIR CALCULATIONS OF THE PROPOSED ADJUSTMENTS TO PAYROLL TAXES IF EITHER OF THEIR POSITIONS IS ACCEPTED?

A. Yes. If the additional vacancy credit and incentive adjustments are accepted, then the calculations proposed are accurate.

Q. WHAT IS THE COMPANY'S PROPOSED CHANGE TO PAYROLL TAX EXPENSE ADJUSTMENTS?

A. I propose increasing the O&M payroll taxes from Ms. Okum by $333,659, rate base payroll taxes by $426,046 and Mr. Geiger's O&M payroll taxes by $253,701 to reflect the Company's original submission.

Q. DID MR. GEIGER MAKE ANY ADDITIONAL RECOMMENDED CHANGES TO TAXES OTHER THAN INCOME?

A. Yes, Mr. Geiger proposes a reduction to the Pennsylvania Public Utility Commission ("PUC") Assessment by $823,737 based on using an average of the most recent three-year PUC Assessments instead of the five-year weighted average increase in PUC assessments the Company proposed in the case.

Q. PLEASE FURTHER EXPLAIN THE ADJUSTMENT TO THE PUC ASSESSMENT.

A. The Company does not agree with proposed adjustment to the PUC Assessment due to the fluctuations experienced in the historical periods, a five-year average increase is more appropriate to provide an estimate that minimizes the impact of high and low points. The chart below shows the last five years of invoices with increases in 2023 of 15.9% and in2025 of 14.5%, while 2024 decreased by 3.5%.

	TOTAL
2020	2,643,104
2021	3,068,198
2022	2,682,219
2023	3,109,691
2024	2,999,799
2025	3,434,911

For all the reasons that both OCA Witness Duepree and Peoples Witness Wachter state in their respective testimonies (OCA Statement 1 and Peoples Statement No. 2-R), it his highly unlikely that the PUC Assessment is going to go down over the next two years (the FTY and the FPFTY). The Mr. Geiger also ignores the fact that more of the PUC Assessment will be allocated to Peoples as a result of the rate increase in this proceeding.

Q. WHAT IS THE COMPANY'S PROPOSED CHANGE TO THE PUC ASSESSMENT ADJUSTMENTS?

A. I propose increasing the PUC Assessment from Mr. Geiger by $823,737 to reflect the Company's original submission.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
NICK TUFAROLO
FIXED ASSET ACCOUNTING MANAGER
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
NICK TUFAROLO

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Nick Tufarolo. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as the Manager of Fixed Asset Accounting. I provide accounting services for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 12.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to address the Other Parties' proposed adjustments to the Company's rate base claim.

II. RATE BASE

Q. WHAT IS OCA WITNESS GARRETT'S RECOMMENDATION WITH RESPECT TO THE COMPANY'S RATE BASE CLAIM?

A. Mr. Garrett proposes depreciation rates under the ALG method, and estimates the proposed rates would reduce the Company's FPFTY accumulated depreciation by $36.8 million. (OCA St. 3, pp. 8-9.)

Q. WHAT IS YOUR RESPONSE TO MR. GARRETT'S RECOMMENDATION TO ADJUST THE COMPANY'S RATE BASE CLAIM?

A. I do not agree with Mr. Garrett's recommendation. Refer to Company Witness Spanos' testimony, **Peoples Statement No. 16-R**, for further explanation on the Company's position regarding this adjustment.

Q. WHAT IS OCA WITNESS GEIGER'S RECOMMENDATION WITH RESPECT TO THE COMPANY'S RATE BASE CLAIM?

A. Mr. Geiger proposes a decrease of $957,403 million to the Company's Cash Working Capital claim based on adjustments to expenses and long-term debt interest. (OCA St. 2, pp. 6-7.)

Q. WHAT IS YOUR RESPONSE TO MR. GEIGER'S RECOMMENDATION TO ADJUST THE COMPANY'S RATE BASE CLAIM?

A I do not agree with Mr. Geiger's recommendation. Refer to Company Witness Ribich's testimony, **Peoples Statement No. 14-R**, for further explanation on the Company's position regarding this adjustment.

Q. WHAT IS I&E WITNESS OKUM'S RECOMMENDATION WITH RESPECT TO THE COMPANY'S RATE BASE CLAIM?

A. Ms. Okum proposes 1) a decrease of $1,935,974 to the Company's rate base claim based on O&M adjustments affecting Cash Working Capital, and 2) a decrease of $782,008 to the Company's rate base claim based on adjustments to capitalized incentive compensation. (I&E Statement No. 1, pp. 3-4, 11, and 61.)

Q. WHAT IS YOUR RESPONSE TO MS. OKUM'S RECOMMENDATION TO ADJUST THE COMPANY'S RATE BASE CLAIM?

A I do not agree with Ms. Okum's recommendations. Refer to 1) Company Witness Ribich's testimony, **Peoples Statement No. 14-R**, and 2) Company Witness Wachter's testimony, **Peoples Statement No. 2-R**, for further explanation on the Company's position regarding these adjustments.

Q. WHAT IS YOUR RECOMMENDATION WITH RESPECT TO I&E WITNESS CLINE'S PROPOSAL TO PROVIDE UPDATED ACTUAL PLANT ACTIVITY?

A. I can agree to Mr. Cline's request to provide actual plant balances, additions, and retirements for the 12 months ending 11/30/2026 by 6/1/2027, and to provide actual plant balances, additions, and retirements for the 12 months ending 12/31/2027 by 6/1/2028. (I&E Statement No. 3, p. 3.) Refer to Company Witness Scanlon's testimony, **Peoples Statement 3-R** for further discussion on this requirement.

Q. ARE YOU PRESENTING ANY UPDATES TO THE VALUE OF THE COMPANY'S RATE BASE AS PRESENTED ON PEOPLES NATURAL GAS EXHIBIT NO. 8, SCHEDULE NO. 2 AS A RESULT OF THE OTHER PARTIES' DIRECT TESTIMONY?

A. No.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
KRISTA SNYDER
FINANCIAL RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
KRISTA SNYDER

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Krista Snyder. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG") as a Financial Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in **Peoples Statement No. 13**.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond certain portions of the Office of Consumer Advocate ("OCA") Witness Brendan Larkin-Connolly's Direct Testimony concerning the Company's proposed tariff changes.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

II. PROPOSED TARIFF CHANGES

Q. DO ANY OF THE PARTIES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS RELATED TO THE COMPANY'S PROPOSED TARIFF CHANGES?

A. Yes. OCA Witness Larkin-Connolly identifies concerns with four of Peoples' proposed tariff changes, related to: (1) limitation of liability, (2) dishonored payments, (3) CAP restrictions on recreational gas use, and (4) CAP benefit reversal for alleged fraud. (OCA St. 5, pp. 43-45.) He broadly states that Peoples' proposed tariff changes with respect to each of the above items tends "to push the tariff language in favor of the Company." (OCA St. 5, p. 45.)

Q. IS MR. LARKIN-CONNOLLY'S TESTIMONY THAT PEOPLES' PROPOSED TARIFF CHANGES WITH RESPECT TO THE FOUR CATEGORIES IDENTIFIED IN THE ABOVE QUESTION TEND TO PUSH THE TARIFF LANGUAGE IN FAVOR OF THE COMPANY A FAIR CHARACTERIZTION OF THE PROPOSED CHANGES?

A. No, this is not a fair characterization of these proposed changes. As I will describe below, the four proposed tariff changes identified by Mr. Larkin-Connolly are reasonable and necessary and will have the effect of supporting both Peoples and its customers.

Q. PLEASE SUMMARIZE MR. LARKIN-CONNOLLY'S CONCERN AND ANY RECOMMENDATIONS WITH REGARD TO THE PROPOSED LIMITATION OF LIABILITY LANGUAGE WITHIN ITS TARIFF.

A. Mr. Larkin-Connolly testifies that he is concerned with the timing of this proposed tariff change, given the tightening of nonliability provisions "when property damage complaints are trending upward." (OCA St. 5, p. 45.) He recommends that the proposed language be rejected and states his belief that the existing language is sufficient and that it be retained. (OCA St. 5, p. 45.)

Q. DO YOU AGREE WITH MR. LARKIN-CONNOLLY'S CONCERN AND RECOMMENDATION? PLEASE EXPLAIN.

A. No, I do not. Regarding the language added to the end of the first paragraph of Section 8, this language clarifies that a customer or property owner has a responsibility to maintain and safeguard from potential damage to vacant properties or properties they are going to be away from for extended periods of time. This added language further clarifies that the Company cannot guarantee a continuous or uninterrupted supply of gas. Any damages resulting from an interruption of gas service in which a customer does not respond to have service restored are the responsibility of the customer/property owner. A customer/property owner is the party in control of maintenance and guardianship of their property. The Company is not responsible for being aware of when a property owner is absent or if a property is vacant. In instances when the gas must be interrupted, the customer/property owner needs to ensure the property is maintained and monitored by someone in their absence so that if a notice of interruption is left at the property it can be responded to in a timely manner. I have been advised by Counsel that this language is not a further limitation of the Company's liability or responsibility, it is a clarification and

further explanation of long-standing language and theories in the tariff that the Company is not liable for interruptions of service, absent negligence.

Regarding the additional language added to the second paragraph of Section 8, I have been advised by Counsel that the additional language further clarifies the long-standing language already contained in this Section of the tariff. Specifically, the added language clarifies the types of damages that are considered incidental, indirect, special or consequential and not the responsibility of the Company. These further clarifications to the long-standing terms are suggested to provide transparency and to allow the reader to easily understand what is, and what is not, covered by the Company in the case of damages. These additions do not change the substantive meaning of the long-standing provision in Section 8 of the tariff.

Regarding the fourth paragraph added to Section 8 of the tariff, this language is present in other utility tariffs, specifically the tariff of the Company's affiliate, Aqua Pennsylvania (Section 51, page 61). The addition of this language provides consistency between utility tariffs. The intent is to not hold the Company and its ratepayers responsible for incidents and claims due to changes made to a property after the Company installs facilities. The Company has not been informed or made aware of these changes, or that they possibly created a hazard that was unknown to the Company.

Q. PLEASE SUMMARIZE MR. LARKIN-CONNOLLY'S CONCERN AND ANY RECOMMENDATIONS WITH REGARD TO THE PROPOPSED ADDITION OF DISHONORED PAYMENT LANGUAGE WITHIN ITS TARIFF.

A. Mr. Larkin-Connolly expresses concern with the "broad discretionary authority" which will be afforded to the Company in light of a lack of "criteria, notice requirements, or review process" available for customers to contest a determination that certified funds or removal from electronic payment options is necessary. (OCA St. 5, pp. 45-46.)

Mr. Larkin-Connolly recommends that the proposed language be rejected, or, in the alternative, that it be adopted with revisions to include defined criteria as to when the restrictions will be made, require advance written notice to the customer and BCS, and a mechanism for review of the determination. (OCA St. 5, pp. 46-47.)

Q. DO YOU AGREE WITH MR. LARKIN-CONNOLLY'S CONCERN AND RECOMMENDATION? PLEASE EXPLAIN.

A. The proposed additions to Section 10, under "Dishonored Payments," serve a limited but important purpose. Although the provision would apply only in certain circumstances, it is necessary to address recurring payment-related issues that create operational burdens, increase collection costs, and contribute to growing arrearages

Mr. Larkin-Connolly objects that the language is overly broad, grants discretionary authority to the utility, and does not include a separate notice or review process. Peoples disagrees. The proposed language is narrowly directed at customers with a history of dishonored or stopped payments and is intended to protect the Company's ability to manage arrearages and collection activity in a reasonable and efficient manner. Moreover, the Company routinely exercises reasonable discretion in many operational processes that are not expressly detailed in the Commission's regulations.

With respect to dishonored payments, customers already receive written notice when a payment is returned. Thus, the customer is made aware of the issue before any limitation on payment method is imposed. In addition, Peoples already maintains an internal process for disallowing checks after repeated returned payments. This is a standard business practice and is not unique to Peoples or to public utilities.

Section 56.94 of the Pennsylvania Code already recognizes that utilities are not required to accept personal checks in all circumstances. 52 Pa. Code § 56.94. Specifically, the regulation provides that "[p]ayment in any reasonable manner includes payment by personal check unless the customer within the past year has tendered a check which has been returned for insufficient funds or for which payment has been stopped." *Id*. The proposed tariff language is consistent with this regulatory framework and is more limited in application because it requires a "history of returned payment," rather than a single returned or stopped payment.

The same concern arises when a customer seeks restoration of service despite a prior balance and a history of returned or stopped payments. Where a customer has not demonstrated a good-faith effort to pay and has accumulated a substantial arrearage, reconnection should be conditioned on payment in full or, if applicable, participation in a payment arrangement. Peoples has encountered situations in which a customer with a significant unpaid balance tenders a large payment to obtain restoration, only for that payment to be dishonored later. Although Section 56.94 permits the utility to disconnect service again following a dishonored payment, doing so requires an additional personal contact notification, additional scheduling, field visits, and internal resources. 52 Pa. Code § 56.94. The resulting delay may also move the account into a period when termination is

restricted, such as the winter moratorium, thereby allowing the arrearage to continue increasing.

Repeated dishonored or cancelled payments also present concerns in connection with eAccount, the Company's online payment platform. Customers may schedule payments through eAccount and then cancel those payments at the last minute to delay termination notices or actual service termination. eAccount is provided as a customer convenience and is not required by statute or regulation. Customers remain able to pay through other available methods, including phone payments, mailed payments, and bill-pay vendors. Accordingly, where a customer abuses eAccount through repeated dishonored or cancelled payments, limiting access to that platform is reasonable and does not deprive the customer of the ability to make payment.

Q. PLEASE SUMMARIZE MR. LARKIN-CONNOLLY'S CONCNERN WITH REGARD TO THE PROPOSED RESTICTION ON CAP ENROLLMENT FOR CUSTOMERS ENGAGING IN RECREATIONAL GAS USE.

A. Refer to **Peoples Statement No. 10-R**, the Rebuttal Testimony of Rita Black, wherein she addresses Mr. Larkin-Connolly's concern regarding the restriction on CAP enrollment for customers engaging in recreational gas use.

Q. PLEASE SUMMARIZE MR. LARKIN-CONNOLLY'S CONCERN REGARDNIG THE PROPOSED CAP BENEFIT REVERSAL IN CASES OF FRAUD.

A. Refer to **Peoples Statement No. 10-R**, the Rebuttal Testimony of Rita Black, wherein she addresses Mr. Larkin-Connolly's concern regarding the proposed CAP benefit reversal in cases of fraud.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does. I reserve the right to supplement my testimony as additional information arises. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
ANTON RIBICH
FINANCE AND RATES ANALYST
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 14-R

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PREPARED REBUTTAL TESTIMONY OF
ANTON RIBICH

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Anton Ribich and my business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies") as a Finance and Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 14.

Q. HAVE YOU REVIEWED THE DIRECT TESTIMONY SUBMITTED BY OTHER PARTIES?

A. Yes. I have reviewed the Direct Testimony submitted by Vanessa Okum on behalf of the Bureau of Investigation and Enforcement ("I&E") and the Direct Testimony submitted by Jared N. Geiger on behalf of the Office of Consumer Advocate ("OCA").

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. In direct testimony, I&E's Witness Okum and OCA's Witness Geiger made statements and suggested modifications regarding the Cash Working Capital ("CWC") claim that I provided as part of my lead/lag study. I will rebut those claims and recommendations in this testimony.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. Yes. I am also sponsoring **Peoples Natural Gas Exhibit No. AR-1R**, a revised CWC claim.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. I have arranged my testimony to address updates to the Company's original filing due to O&M expense adjustments identified during discovery or testimony as well as I&E's and OCA's suggested modifications to my CWC claim. I will address the following issues in the order listed: (1) O&M adjustments to the Company's original filing; (2) revisions to the CWC claim identified in direct testimony from I&E Witness Okum; and (3) revisions to the CWC claim identified in direct testimony from OCA Witness Geiger.

II. <u>CASH WORKING CAPITAL ADJUSTMENTS</u>

Q. PLEASE EXPLAIN THE ADJUSTMENTS TO O&M EXPENSE IN RELATION TO THE COMPANY'S ORIGINAL FILING.

A. The Company has identified O&M expense adjustments and made revisions to update its original filing. The following adjustments were identified either through the discovery process or during rebuttal testimony preparation (and through intervenor direct testimony review) and will have an impact on the associated cash working capital claim:

- A reduction of $785,433 to the expense claim for building leases.
- An increase of $1,738,446 to the expense claim for Corporate Insurance.
- A reduction of $17,980,722 in uncollectible expense included in Other O&M Expenses in the company's original cash working capital calculation, **Peoples Natural Gas Exhibit No. AR-1**. Please note that this is a removal of the amount from the Cash Working Capital study, not a reduction in the Company's overall revenue requirement claim related to O&M.

Refer to **Peoples Statement No. 2-R**, the Rebuttal Testimony of Andrew P. Wachter, for further detail regarding the O&M adjustments for building leases and corporate insurance.

Q. HAVE THE AFOREMENTIONED EXPENSE ADJUSTMENTS AFFECTED THE CWC CLAIM IN THE COMPANY'S ORIGINAL FILING.

A. Yes. The expense adjustments have impacted the Company's original CWC claim and as a result they have been incorporated into my rebuttal as part of the Company's adjusted CWC claim. The Company's initial CWC claim was $47,681,867 as shown in **Peoples Exhibit No. AR-1** in the Company's original filing. The revised CWC claim in rebuttal is $46,932,677, which is presented in **Peoples Exhibit No. AR-1R.** I will provide additional detail regarding my basis for the Company's revised CWC claim in this rebuttal testimony.

Q. DO YOU AGREE WITH I&E WITNESS OKUM'S ADJUSTMENTS TO THE COMPANY'S CASH WORKING CAPITAL CLAIM?

A. Partially.

Q. WHAT DO YOU RECOMMEND?

A. I recommend an adjusted CWC allowance of $46,932,677 or an increase of $1,186,784 to I&E's proposed allowance. This represents a modest 2.6% increase over I&E's proposed CWC allowance of $45,745,893. (I&E Statement No. 1, p. 61.)

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on specific adjustments to the Company's initial CWC claim as stated earlier in my rebuttal. I have also accepted Ms. Okum's recommendation to remove the entire uncollectible expense from the Company's initial CWC calculation. (I&E Statement No. 1, p. 62.) However, the Company does not accept I&E's other expense adjustments, and therefore, the CWC allowance of $45,745,893 recommended by I&E should not be accepted. (I&E Statement No. 1, p. 61.) The CWC adjustments shown below in **Figure 1** are incorporated into the final CWC claim presented in **Peoples Natural Gas Exhibit No. AR-1R**.

Figure 1. Peoples' Expense Adjustments for CWC

Expense	Description	Original Amt	Revised Amt	FPFTY Adjustment
O&M	Uncollectibles	$17,980,722	$ 0	$(17,980,722)
O&M	Building Leases	$4,693,640	$3,908,207	$(785,433)
O&M	Corporate Insurance	$5,929,933	$ 7,668,379	$1,738,446
			Total Adjustment	$(17,027,709)

Q. DO YOU AGREE WITH OCA WITNESS GEIGER THAT THE CWC ALLOWANCE SHOULD BE $46,724,464?

A. No.

Q. WHY DO YOU DISAGREE WITH MR. GEIGER'S ADJUSTED CWC ALLOWANCE?

A. Mr. Geiger has made different expense adjustments which impact the Company's CWC claim. The Company does not accept these adjustments and therefore the OCA's adjusted cash working capital allowance should not be accepted. Further, Mr. Geiger has incorporated the OCA's recommended long-term debt ratio and cost of long-term debt into the adjusted calculation of the interest component of cash working capital. (OCA Statement 2, p. 6.) The Company does not accept the OCA's recommended long-term debt ratio and cost of long-term debt. Therefore, Mr. Geiger's associated adjustments to the interest component of cash working capital must also be rejected. Please reference the Rebuttal Testimony of Jennifer E. Nelson, **Peoples Statement No. 15-R**, for further detail regarding Peoples' proposed capital structure. I would also note that it appears as though Mr. Geiger has a typo in his testimony. I believe Mr. Geiger inadvertently used the term "million" in conjunction with the amount stated as a reduction to the Company's cash working capital allowance. (OCA Statement 2, p. 6, line 25.) OCA's total cash working capital reduction presented in OCA Statement 2, Schedule JNG-4, is $957,403.

Q. HAVE YOU ADJUSTED YOUR CWC CLAIM TO AGREE WITH THE COMPANY'S ADJUSTED FPFTY LEVEL OF EXPENSES AT PROPOSED RATES?

A. Yes. I have included the Company's accepted revisions described above and adjusted FPFTY expenses consistent with Peoples' rebuttal testimony. The final rebuttal CWC

claim is $46,932,677 as shown on **Peoples Natural Gas Exhibit No. AR-1R**, attached hereto.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	Description	Revenue Lag	Expense Lead	Net Lag	CWC Factor	Adjusted Historic Test Year Expenses	Historic Test Year Cash Working Capital Requirement	Future Test Year Expenses	Future Test Year Cash Working Capital Requirement	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement
	(A)	(B)	(C)	(D)	(E)	(F)	(G)				
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	499,400,741	34,764,662	504,554,039	35,123,397	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	66,528,154	7,885,320	70,460,096	8,351,358	74,274,937	8,803,516
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,532,769	3,178,744	17,835,994	3,059,233	19,387,857	3,325,409
4	**Taxes Other Than Income Taxes**	58.93	68.92	(10.00)	(0.0274)	12,191,871	(334,005)	12,729,717	(348,740)	13,759,055	(376,940)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	134,873,157	5,934,192	120,995,845	5,323,614	108,654,643	4,780,621
	Income Taxes										
6	State	58.93	53.61	5.31	0.0146	166,011	2,416	-	-	175,807	2,559
7	Federal	58.93	35.63	23.30	0.0638	(34,547,615)	(2,205,375)	(60,022,534)	(3,831,587)	(80,732,103)	(5,153,599)
	Interest Expense										
8	Long Term Debt	58.93	57.92	1.00	0.0027	83,261,982	228,885	99,237,668	272,802	121,014,900	332,667
9	Short Term Debt		-	-	-	-	-	-	-		-
10	**Total**					$ 780,407,070	$ 49,454,839	$ 765,790,824	$ 47,950,077	$ 762,454,485	$ 46,932,677

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Revenue Lag Time

Line No.	Description	(A) Reference or Factor	(B) Accounts Receivable Balance End of Month	(C) Total Monthly Sales	(D) A/R Turnover	(E) Days Lag
					(C) / (B)	365 / (D)
1	Annual Number of Days					365
2	November, 2024		$ 66,336			
3	December		$ 101,437	$ 133,205		
4	January		$ 145,705	$ 184,230		
5	February		$ 178,118	$ 140,102		
6	March		$ 179,106	$ 114,503		
7	April		$ 162,738	$ 78,405		
8	May		$ 135,204	$ 52,008		
9	June		$ 118,875	$ 34,014		
10	July		$ 93,694	$ 31,922		
11	August		$ 76,809	$ 31,352		
12	September		$ 68,073	$ 33,366		
13	October		$ 66,342	$ 63,157		
14	November, 2025		$ 85,481	$ 108,862		
15	Total	Sum Ln3 to Ln14	$ 1,411,583			
16	Average A/R Balance		$ 117,632	$ 1,005,125		
17	Factor				8.54	42.72
18	Collection Days Lag					42.72
19	Billing Lag					1.00
20	Service Lag			365 / 12 * 0.5		15.21
21	Total Revenue Lag Days	Sum Ln17 to Ln19				**58.93**

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Purchased Gas Costs

Weighted Expense Lead Time: **33.52** **days**

Line No.	(A) Company	(B) Period Start	(C) Period End	(D) Payment Amount	(E) Payment Date	(F) Service Lead Time	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
1	Eastern Gas Transmision and Storage, Inc.	12/1/2024	12/31/2024	$ (1,341,406.93)	1/7/2025	15.0	7.00	22.00	0.402%	0.09
2	Eastern Gas Transmision and Storage, Inc.-usage	12/1/2024	12/31/2024	$ (32,371.89)	1/7/2025	15.0	7.00	22.00	0.010%	0.00
3	Equitrans	12/1/2024	12/31/2024	$ (12,760,815.55)	1/9/2025	15.0	9.00	24.00	3.825%	0.92
4	Texas Eastern Transmission, LP	12/1/2024	12/31/2024	$ (382,796.32)	1/21/2025	15.0	21.00	36.00	0.115%	0.04
5	Columbia Gas Transmission LLC	12/1/2024	12/31/2024	$ (76,575.99)	1/21/2025	15.0	21.00	36.00	0.023%	0.01
6	Tennessee Gas Pipeline	12/1/2024	12/31/2024	$ (2,663.69)	1/21/2025	15.0	21.00	36.00	0.001%	0.00
7	EQT Energy (EGC NAESB)	12/1/2024	12/31/2024	$ (13,018,478.68)	1/21/2025	15.0	21.00	36.00	3.902%	1.40
8	EQT Energy (PNG NAESB)	12/1/2024	12/31/2024	$ (6,413,377.17)	1/21/2025	15.0	21.00	36.00	1.922%	0.69
9	Sequent Energy Management	12/1/2024	12/31/2024	$ (3,537,954.92)	1/21/2025	15.0	21.00	36.00	1.060%	0.38
10	National Fuel Gas Supply	12/1/2024	12/31/2024	$ (194,177.83)	1/21/2025	15.0	21.00	36.00	0.058%	0.02
11	BP Energy	12/1/2024	12/31/2024	$ (12,400.00)	1/21/2025	15.0	21.00	36.00	0.004%	0.00
12	Mpower	12/1/2024	12/31/2024	$ 16,321.50	1/21/2025	15.0	21.00	36.00	-0.005%	(0.00)
13	SouthStar	12/1/2024	12/31/2024	$ 84,258.00	1/24/2025	15.0	24.00	39.00	-0.025%	(0.01)
14	IGS	12/1/2024	12/31/2024	$ 624,574.75	1/27/2025	15.0	27.00	42.00	-0.187%	(0.08)
15	Eastern Gas Transmision and Storage, Inc.	1/1/2025	1/31/2025	$ (1,341,406.93)	2/13/2025	15.0	13.00	28.00	0.402%	0.11
16	Eastern Gas Transmision and Storage, Inc.-usage	1/1/2025	1/31/2025	$ (52,287.19)	2/13/2025	15.0	13.00	28.00	0.016%	0.00
17	Equitrans	1/1/2025	1/31/2025	$ (12,976,538.56)	2/13/2025	15.0	13.00	28.00	3.890%	1.09
18	Texas Eastern Transmission, LP	1/1/2025	1/31/2025	$ (375,224.64)	2/11/2025	15.0	11.00	26.00	0.112%	0.03
19	Columbia Gas Transmission LLC	1/1/2025	1/31/2025	$ (99,577.80)	2/18/2025	15.0	18.00	33.00	0.030%	0.01
20	Tennessee Gas Pipeline	1/1/2025	1/31/2025	$ 11,418.41	2/12/2025	15.0	12.00	27.00	-0.003%	(0.00)
21	EQT Energy (EGC NAESB)	1/1/2025	1/31/2025	$ (20,131,124.72)	2/25/2025	15.0	25.00	40.00	6.034%	2.41
22	EQT Energy (PNG NAESB)	1/1/2025	1/31/2025	$ (16,655,772.31)	2/25/2025	15.0	25.00	40.00	4.992%	2.00
23	Sequent Energy Management	1/1/2025	1/31/2025	$ (12,758,751.28)	2/25/2025	15.0	25.00	40.00	3.824%	1.53
24	National Fuel Gas Supply	1/1/2025	1/31/2025	$ (199,593.98)	2/20/2025	15.0	20.00	35.00	0.060%	0.02
25	BP Energy	1/1/2025	1/31/2025	$ (12,400.00)	2/18/2025	15.0	18.00	33.00	0.004%	0.00
26	Colonial Energy	1/1/2025	1/31/2025	$ (110,500.00)	2/27/2025	15.0	27.00	42.00	0.033%	0.01
27	Mpower	1/1/2025	1/31/2025	$ 51,306.14	2/24/2025	15.0	24.00	39.00	-0.015%	(0.01)
28	SouthStar	1/1/2025	1/31/2025	$ 189,574.98	2/26/2025	15.0	26.00	41.00	-0.057%	(0.02)
29	IGS	1/1/2025	1/31/2025	$ 1,789,510.86	2/26/2025	15.0	26.00	41.00	-0.536%	(0.22)
30	Eastern Gas Transmision and Storage, Inc.	2/1/2025	2/28/2025	$ (1,335,246.93)	3/11/2025	13.5	11.00	24.50	0.400%	0.10
31	Eastern Gas Transmision and Storage, Inc.-usage	2/1/2025	2/28/2025	$ (35,246.42)	3/11/2025	13.5	11.00	24.50	0.011%	0.00
32	Equitrans	2/1/2025	2/28/2025	$ (12,815,653.00)	3/14/2025	13.5	14.00	27.50	3.841%	1.06
33	Texas Eastern Transmission, LP	2/1/2025	2/28/2025	$ (379,930.24)	3/18/2025	13.5	18.00	31.50	0.114%	0.04
34	Columbia Gas Transmission LLC	2/1/2025	2/28/2025	$ (77,169.40)	3/13/2025	13.5	13.00	26.50	0.023%	0.01
35	Tennessee Gas Pipeline	2/1/2025	2/28/2025	$ 78,992.24	3/12/2025	13.5	12.00	25.50	-0.024%	(0.01)
36	EQT Energy (EGC NAESB)	2/1/2025	2/28/2025	$ (18,504,973.36)	3/25/2025	13.5	25.00	38.50	5.547%	2.14
37	EQT Energy (PNG NAESB)	2/1/2025	2/28/2025	$ (6,160,339.65)	3/25/2025	13.5	25.00	38.50	1.846%	0.71
38	Sequent Energy Management	2/1/2025	2/28/2025	$ (1,870,842.69)	3/20/2025	13.5	20.00	33.50	0.561%	0.19
39	National Fuel Gas Supply	2/1/2025	2/28/2025	$ (194,936.70)	3/20/2025	13.5	20.00	33.50	0.058%	0.02
40	BP Energy	2/1/2025	2/28/2025	$ (300,295.00)	3/20/2025	13.5	20.00	33.50	0.090%	0.03
41	Colonial Energy	2/1/2025	2/28/2025	$ (2,170,179.25)	3/20/2025	13.5	20.00	33.50	0.650%	0.22
42	Mpower	2/1/2025	2/28/2025	$ 24,294.75	3/25/2025	13.5	25.00	38.50	-0.007%	(0.00)
43	SouthStar	2/1/2025	2/28/2025	$ 132,824.39	3/25/2025	13.5	25.00	38.50	-0.040%	(0.02)
44	IGS	2/1/2025	2/28/2025	$ 1,189,502.80	3/25/2025	13.5	25.00	38.50	-0.357%	(0.14)
45	Eastern Gas Transmision and Storage, Inc.	3/1/2025	3/31/2025	$ (1,341,406.93)	4/8/2025	15.0	8.00	23.00	0.402%	0.09
46	Eastern Gas Transmision and Storage, Inc.-usage	3/1/2025	3/31/2025	$ (16,730.39)	4/8/2025	15.0	8.00	23.00	0.005%	0.00
47	Equitrans	3/1/2025	3/31/2025	$ (12,492,065.05)	4/10/2025	15.0	10.00	25.00	3.744%	0.94

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48	Texas Eastern Transmission, LP	3/1/2025	3/31/2025	$ (370,394.39)	4/15/2025	15.0	15.00	30.00	0.111%	0.03
49	Columbia Gas Transmission LLC	3/1/2025	3/31/2025	$ (76,282.92)	4/15/2025	15.0	15.00	30.00	0.023%	0.01
50	Tennessee Gas Pipeline	3/1/2025	3/31/2025	$ (2,574.85)	4/17/2025	15.0	17.00	32.00	0.001%	0.00
51	EQT Energy (EGC NAESB)	3/1/2025	3/31/2025	$ (4,315,789.33)	4/22/2025	15.0	22.00	37.00	1.294%	0.48
52	EQT Energy (PNG NAESB)	3/1/2025	3/31/2025	$ (1,362,351.42)	4/22/2025	15.0	22.00	37.00	0.408%	0.15
53	Sequent Energy Management	3/1/2025	3/31/2025	$ (332,033.30)	4/22/2025	15.0	22.00	37.00	0.100%	0.04
54	National Fuel Gas Supply	3/1/2025	3/31/2025	$ (192,126.36)	4/22/2025	15.0	22.00	37.00	0.058%	0.02
55	BP Energy	3/1/2025	3/31/2025	$ (12,400.00)	4/22/2025	15.0	22.00	37.00	0.004%	0.00
56	Colonial Energy	3/1/2025	3/31/2025	$ (135,765.00)	4/22/2025	15.0	22.00	37.00	0.041%	0.02
57	Mpower	3/1/2025	3/31/2025	$ 12,929.00	4/22/2025	15.0	22.00	37.00	-0.004%	(0.00)
58	SouthStar	3/1/2025	3/31/2025	$ 25,578.16	4/25/2025	15.0	25.00	40.00	-0.008%	(0.00)
59	IGS	3/1/2025	3/31/2025	$ 434,000.00	4/25/2025	15.0	25.00	40.00	-0.130%	(0.05)
60	Eastern Gas Transmision and Storage, Inc.	4/1/2025	4/30/2025	$ (1,341,406.93)	5/8/2025	14.5	8.00	22.50	0.402%	0.09
61	Eastern Gas Transmision and Storage, Inc.-usage	4/1/2025	4/30/2025	$ (24,360.04)	5/6/2025	14.5	6.00	20.50	0.007%	0.00
62	Equitrans	4/1/2025	4/30/2025	$ (7,099,835.69)	5/13/2025	14.5	13.00	27.50	2.128%	0.59
63	Texas Eastern Transmission, LP	4/1/2025	4/30/2025	$ (410,528.24)	5/15/2025	14.5	15.00	29.50	0.123%	0.04
64	Columbia Gas Transmission LLC	4/1/2025	4/30/2025	$ (137,244.61)	5/20/2025	14.5	20.00	34.50	0.041%	0.01
65	Tennessee Gas Pipeline	4/1/2025	4/30/2025	$ (156.03)	5/20/2025	14.5	20.00	34.50	0.000%	0.00
66	EQT Energy (EGC NAESB)	4/1/2025	4/30/2025	$ (15,635,838.00)	5/27/2025	14.5	27.00	41.50	4.687%	1.94
67	EQT Energy (PNG NAESB)	4/1/2025	4/30/2025	$ (307,815.60)	5/27/2025	14.5	27.00	41.50	0.092%	0.04
68	Sequent Energy Management	4/1/2025	4/30/2025	$ (1,551,405.03)	5/15/2025	14.5	15.00	29.50	0.465%	0.14
69	National Fuel Gas Supply	4/1/2025	4/30/2025	$ (189,369.47)	5/22/2025	14.5	22.00	36.50	0.057%	0.02
70	Colonial Energy	4/1/2025	4/30/2025	$ (310,008.00)	5/20/2025	14.5	20.00	34.50	0.093%	0.03
71	Mpower	4/1/2025	4/30/2025	$ 23,605.20	5/20/2025	14.5	20.00	34.50	-0.007%	(0.00)
72	SouthStar	4/1/2025	4/30/2025	$ 69,488.40	5/23/2025	14.5	23.00	37.50	-0.021%	(0.01)
73	IGS	4/1/2025	4/30/2025	$ 208,560.00	5/27/2025	14.5	27.00	41.50	-0.063%	(0.03)
74	Eastern Gas Transmision and Storage, Inc.	5/1/2025	5/31/2025	$ (1,335,206.93)	6/10/2025	15.0	10.00	25.00	0.400%	0.10
75	Eastern Gas Transmision and Storage, Inc.-usage	5/1/2025	5/31/2025	$ (31,355.26)	6/10/2025	15.0	10.00	25.00	0.009%	0.00
76	Equitrans	5/1/2025	5/31/2025	$ (7,019,974.03)	6/19/2025	15.0	19.00	34.00	2.104%	0.72
77	Texas Eastern Transmission, LP	5/1/2025	5/31/2025	$ (363,600.85)	6/17/2025	15.0	17.00	32.00	0.109%	0.03
78	Columbia Gas Transmission LLC	5/1/2025	5/31/2025	$ (137,402.72)	6/19/2025	15.0	19.00	34.00	0.041%	0.01
79	Tennessee Gas Pipeline	5/1/2025	5/31/2025	$ 2,057.06	6/18/2025	15.0	18.00	33.00	-0.001%	(0.00)
80	EQT Energy (EGC NAESB)	5/1/2025	5/31/2025	$ (9,569,694.42)	6/19/2025	15.0	19.00	34.00	2.868%	0.98
81	Sequent Energy Management	5/1/2025	5/31/2025	$ (2,014,031.24)	6/19/2025	15.0	19.00	34.00	0.604%	0.21
82	National Fuel Gas Supply	5/1/2025	5/31/2025	$ (190,344.71)	6/19/2025	15.0	19.00	34.00	0.057%	0.02
83	NextEra Energy	5/1/2025	5/31/2025	$ (920,644.52)	6/19/2025	15.0	19.00	34.00	0.276%	0.09
84	Colonial Energy	5/1/2025	5/31/2025	$ (113,810.50)	6/19/2025	15.0	19.00	34.00	0.034%	0.01
85	Mpower	5/1/2025	5/31/2025	$ 12,331.80	6/17/2025	15.0	17.00	32.00	-0.004%	(0.00)
86	SouthStar	5/1/2025	5/31/2025	$ 54,622.62	6/25/2025	15.0	25.00	40.00	-0.016%	(0.01)
87	IGS	5/1/2025	5/31/2025	$ 72,540.00	6/25/2025	15.0	25.00	40.00	-0.022%	(0.01)
88	Eastern Gas Transmision and Storage, Inc.	6/1/2025	6/30/2025	$ (1,299,545.69)	7/10/2025	14.5	10.00	24.50	0.390%	0.10
89	Eastern Gas Transmision and Storage, Inc.-usage	6/1/2025	6/30/2025	$ (35,379.74)	7/8/2025	14.5	8.00	22.50	0.011%	0.00
90	Equitrans	6/1/2025	6/30/2025	$ (6,815,475.88)	7/10/2025	14.5	10.00	24.50	2.043%	0.50
91	Texas Eastern Transmission, LP	6/1/2025	6/30/2025	$ (363,600.85)	7/15/2025	14.5	15.00	29.50	0.109%	0.03
92	Columbia Gas Transmission LLC	6/1/2025	6/30/2025	$ (82,106.24)	7/15/2025	14.5	15.00	29.50	0.025%	0.01
93	Tennessee Gas Pipeline	6/1/2025	6/30/2025	$ (424.22)	7/24/2025	14.5	24.00	38.50	0.000%	0.00
94	EQT Energy (EGC NAESB)	6/1/2025	6/30/2025	$ (1,720,801.50)	7/24/2025	14.5	24.00	38.50	0.516%	0.20
95	EQT Energy (PNG NAESB)	6/1/2025	6/30/2025	$ (3,316,140.30)	7/24/2025	14.5	24.00	38.50	0.994%	0.38
96	Sequent Energy Management	6/1/2025	6/30/2025	$ (2,151,736.36)	7/22/2025	14.5	22.00	36.50	0.645%	0.24
97	National Fuel Gas Supply	6/1/2025	6/30/2025	$ (189,505.46)	7/22/2025	14.5	22.00	36.50	0.057%	0.02

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98	Range Resources	6/1/2025	6/30/2025	$ (353,350.00)	7/22/2025	14.5	22.00	36.50	0.106%	0.04
99	NextEra Energy	6/1/2025	6/30/2025	$ (197,231.05)	7/22/2025	14.5	22.00	36.50	0.059%	0.02
100	Colonial Energy	6/1/2025	6/30/2025	$ (41,283.00)	7/22/2025	14.5	22.00	36.50	0.012%	0.00
101	Mpower	6/1/2025	6/30/2025	$ 8,276.40	7/25/2025	14.5	25.00	39.50	-0.002%	(0.00)
102	SouthStar	6/1/2025	6/30/2025	$ 12,665.40	7/25/2025	14.5	25.00	39.50	-0.004%	(0.00)
103	Eastern Gas Transmision and Storage, Inc.	7/1/2025	7/31/2025	$ (1,338,306.93)	8/7/2025	15.0	7.00	22.00	0.401%	0.09
104	Eastern Gas Transmision and Storage, Inc.-usage	7/1/2025	7/31/2025	$ (36,361.93)	8/12/2025	15.0	12.00	27.00	0.011%	0.00
105	Equitrans	7/1/2025	7/31/2025	$ (7,095,511.58)	8/19/2025	15.0	19.00	34.00	2.127%	0.72
106	Texas Eastern Transmission, LP	7/1/2025	7/31/2025	$ (362,351.75)	7/14/2025	15.0	(17.00)	(2.00)	0.109%	(0.00)
107	Columbia Gas Transmission LLC	7/1/2025	7/31/2025	$ (82,210.47)	8/19/2025	15.0	19.00	34.00	0.025%	0.01
108	Tennessee Gas Pipeline	7/1/2025	7/31/2025	$ (695.37)	8/19/2025	15.0	19.00	34.00	0.000%	0.00
109	EQT Energy (PNG NAESB)	7/1/2025	7/31/2025	$ (5,986,467.97)	8/19/2025	15.0	19.00	34.00	1.794%	0.61
110	Sequent Energy Management	7/1/2025	7/31/2025	$ (2,893,410.98)	8/19/2025	15.0	19.00	34.00	0.867%	0.29
111	National Fuel Gas Supply	7/1/2025	7/31/2025	$ (189,366.45)	8/19/2025	15.0	19.00	34.00	0.057%	0.02
112	Range Resources	7/1/2025	7/31/2025	$ (3,405,000.00)	8/19/2025	15.0	19.00	34.00	1.021%	0.35
113	Colonial Energy	7/1/2025	7/31/2025	$ (52,815.00)	8/19/2025	15.0	19.00	34.00	0.016%	0.01
114	Mpower	7/1/2025	7/31/2025	$ 4,468.03	8/21/2025	15.0	21.00	36.00	-0.001%	(0.00)
115	SouthStar	7/1/2025	7/31/2025	$ 3,649.94	8/25/2025	15.0	25.00	40.00	-0.001%	(0.00)
116	Eastern Gas Transmision and Storage, Inc.	8/1/2025	8/31/2025	$ (1,341,406.93)	9/19/2025	15.0	19.00	34.00	0.402%	0.14
117	Eastern Gas Transmision and Storage, Inc.-usage	8/1/2025	8/31/2025	$ (37,270.73)	9/19/2025	15.0	19.00	34.00	0.011%	0.00
118	Equitrans	8/1/2025	8/31/2025	$ (7,126,086.56)	9/16/2025	15.0	16.00	31.00	2.136%	0.66
119	Texas Eastern Transmission, LP	8/1/2025	8/31/2025	$ (364,543.35)	9/16/2025	15.0	16.00	31.00	0.109%	0.03
120	Columbia Gas Transmission LLC	8/1/2025	8/31/2025	$ (82,148.39)	9/18/2025	15.0	18.00	33.00	0.025%	0.01
121	Tennessee Gas Pipeline	8/1/2025	8/31/2025	$ (454.34)	9/18/2025	15.0	18.00	33.00	0.000%	0.00
122	EQT Energy (PNG NAESB)	8/1/2025	8/31/2025	$ (8,840,801.48)	9/23/2025	15.0	23.00	38.00	2.650%	1.01
123	Sequent Energy Management	8/1/2025	8/31/2025	$ (1,722,860.37)	9/23/2025	15.0	23.00	38.00	0.516%	0.20
124	National Fuel Gas Supply	8/1/2025	8/31/2025	$ (189,663.42)	9/23/2025	15.0	23.00	38.00	0.057%	0.02
125	Range Resources	8/1/2025	8/31/2025	$ (1,817,964.00)	9/23/2025	15.0	23.00	38.00	0.545%	0.21
126	BP Energy	8/1/2025	8/31/2025	$ (336,836.16)	9/23/2025	15.0	23.00	38.00	0.101%	0.04
127	Colonial Energy	8/1/2025	8/31/2025	$ (39,479.00)	9/23/2025	15.0	23.00	38.00	0.012%	0.00
128	Mpower	8/1/2025	8/31/2025	$ 3,691.48	9/22/2025	15.0	22.00	37.00	-0.001%	(0.00)
129	Eastern Gas Transmision and Storage, Inc.	9/1/2025	9/30/2025	$ (1,341,406.93)	10/9/2025	14.5	9.00	23.50	0.402%	0.09
130	Eastern Gas Transmision and Storage, Inc.-usage	9/1/2025	9/30/2025	$ (33,600.55)	10/9/2025	14.5	9.00	23.50	0.010%	0.00
131	Equitrans	9/1/2025	9/30/2025	$ (7,081,035.37)	10/16/2025	14.5	16.00	30.50	2.122%	0.65
132	Texas Eastern Transmission, LP	9/1/2025	9/30/2025	$ (364,543.35)	10/16/2025	14.5	16.00	30.50	0.109%	0.03
133	Columbia Gas Transmission LLC	9/1/2025	9/30/2025	$ (82,007.29)	10/14/2025	14.5	14.00	28.50	0.025%	0.01
134	Tennessee Gas Pipeline	9/1/2025	9/30/2025	$ (1,299.86)	10/14/2025	14.5	14.00	28.50	0.000%	0.00
135	EQT Energy (PNG NAESB)	9/1/2025	9/30/2025	$ (7,494,262.80)	10/21/2025	14.5	21.00	35.50	2.246%	0.80
136	Sequent Energy Management	9/1/2025	9/30/2025	$ (1,336,654.57)	10/21/2025	14.5	21.00	35.50	0.401%	0.14
137	National Fuel Gas Supply	9/1/2025	9/30/2025	$ (189,147.95)	10/21/2025	14.5	21.00	35.50	0.057%	0.02
138	Range Resources	9/1/2025	9/30/2025	$ (551,650.00)	10/21/2025	14.5	21.00	35.50	0.165%	0.06
139	BP Energy	9/1/2025	9/30/2025	$ (314,665.86)	10/21/2025	14.5	21.00	35.50	0.094%	0.03
140	Colonial Energy	9/1/2025	9/30/2025	$ (325,757.25)	10/21/2025	14.5	21.00	35.50	0.098%	0.03
141	Mpower	9/1/2025	9/30/2025	$ 2,296.20	10/30/2025	14.5	30.00	44.50	-0.001%	(0.00)
142	SouthStar	9/1/2025	9/30/2025	$ 15,966.60	10/24/2025	14.5	24.00	38.50	-0.005%	(0.00)
143	Colonial Energy	10/1/2025	10/31/2025	$ (354,702.50)	11/20/2025	15.0	20.00	35.00	0.106%	0.04
144	Columbia Gas Transmission LLC	10/1/2025	10/31/2025	$ (94,902.37)	11/18/2025	15.0	18.00	33.00	0.028%	0.01
145	Eastern Gas Transmision and Storage, Inc.	10/1/2025	10/31/2025	$ (1,341,406.93)	11/12/2025	15.0	12.00	27.00	0.402%	0.11
146	Eastern Gas Transmision and Storage, Inc.-usage	10/1/2025	10/31/2025	$ (26,129.33)	11/12/2025	15.0	12.00	27.00	0.008%	0.00
147	EQT Energy (PNG NAESB)	10/1/2025	10/31/2025	$ (6,569,529.30)	11/20/2025	15.0	20.00	35.00	1.969%	0.69

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148	Equitrans	10/1/2025	10/31/2025	$ (7,194,970.98)	11/18/2025	15.0	18.00	33.00	2.157%	0.71
149	Mpower	10/1/2025	10/31/2025	$ 6,528.60	11/10/2025	15.0	10.00	25.00	-0.002%	(0.00)
150	National Fuel Gas Supply	10/1/2025	10/31/2025	$ (189,340.59)	11/20/2025	15.0	20.00	35.00	0.057%	0.02
151	Range Resources	10/1/2025	10/31/2025	$ (2,390,365.00)	11/20/2025	15.0	20.00	35.00	0.716%	0.25
152	Sequent Energy Management	10/1/2025	10/31/2025	$ (1,393,821.67)	11/20/2025	15.0	20.00	35.00	0.418%	0.15
153	SouthStar	10/1/2025	10/31/2025	$ 34,400.70	11/25/2025	15.0	25.00	40.00	-0.010%	(0.00)
154	Tennessee Gas Pipeline	10/1/2025	10/31/2025	$ (1,588.39)	11/18/2025	15.0	18.00	33.00	0.000%	0.00
155	Texas Eastern Transmission, LP	10/1/2025	10/31/2025	$ (374,557.96)	11/18/2025	15.0	18.00	33.00	0.112%	0.04
156	Columbia Gas Transmission LLC	11/1/2025	11/30/2025	$ 19,485.41	12/22/2025	14.5	22.00	36.50	-0.006%	(0.00)
157	Eastern Gas Transmision and Storage, Inc.	11/1/2025	11/30/2025	$ (17,772.21)	12/9/2025	14.5	9.00	23.50	0.005%	0.00
158	Eastern Gas Transmision and Storage, Inc.-usage	11/1/2025	11/30/2025	$ (1,340,042.93)	12/11/2025	14.5	11.00	25.50	0.402%	0.10
159	EQT Energy (EGC NAESB)	11/1/2025	11/30/2025	$ (12,095,849.71)	12/26/2025	14.5	26.00	40.50	3.626%	1.47
160	EQT Energy (PNG NAESB)	11/1/2025	11/30/2025	$ (3,089,809.43)	12/26/2025	14.5	26.00	40.50	0.926%	0.38
161	Equitrans	11/1/2025	11/30/2025	$ (13,028,158.58)	12/11/2025	14.5	11.00	25.50	3.905%	1.00
162	National Fuel Gas Supply	11/1/2025	11/30/2025	$ (189,859.54)	12/26/2025	14.5	26.00	40.50	0.057%	0.02
163	Range Resources	11/1/2025	11/30/2025	$ (185,792.00)	12/26/2025	14.5	26.00	40.50	0.056%	0.02
164	Sequent Energy Management	11/1/2025	11/30/2025	$ (2,987,419.28)	12/26/2025	14.5	26.00	40.50	0.895%	0.36
165	Tennessee Gas Pipeline	11/1/2025	11/30/2025	$ (5,751.09)	12/16/2025	14.5	16.00	30.50	0.002%	0.00
166	Texas Eastern Transmission, LP	11/1/2025	11/30/2025	$ (384,434.82)	12/16/2025	14.5	16.00	30.50	0.115%	0.04
167	Local Producer Gas Payments - Ensyte	12/1/2024	12/31/2024	$ 977,785.61	1/31/2025	15.0	31.00	46.00	-0.293%	(0.13)
168	Local Producer Gas Payments - Ensyte	1/1/2025	1/31/2025	$ 789,713.51	2/28/2025	15.0	28.00	43.00	-0.237%	(0.10)
169	Local Producer Gas Payments - Ensyte	2/1/2025	2/28/2025	$ 826,865.43	3/31/2025	13.5	31.00	44.50	-0.248%	(0.11)
170	Local Producer Gas Payments - Ensyte	3/1/2025	3/31/2025	$ 1,045,189.38	4/30/2025	15.0	30.00	45.00	-0.313%	(0.14)
171	Local Producer Gas Payments - Ensyte	4/1/2025	4/30/2025	$ 914,188.25	5/29/2025	14.5	29.00	43.50	-0.274%	(0.12)
172	Local Producer Gas Payments - Ensyte	5/1/2025	5/31/2025	$ 676,645.81	6/30/2025	15.0	30.00	45.00	-0.203%	(0.09)
173	Local Producer Gas Payments - Ensyte	6/1/2025	6/30/2025	$ 652,715.40	7/31/2025	14.5	31.00	45.50	-0.196%	(0.09)
174	Local Producer Gas Payments - Ensyte	7/1/2025	7/31/2025	$ 687,262.44	8/28/2025	15.0	28.00	43.00	-0.206%	(0.09)
175	Local Producer Gas Payments - Ensyte	8/1/2025	8/31/2025	$ 713,302.18	9/30/2025	15.0	30.00	45.00	-0.214%	(0.10)
176	Local Producer Gas Payments - Ensyte	9/1/2025	9/30/2025	$ 567,991.01	10/31/2025	14.5	31.00	45.50	-0.170%	(0.08)
177	Local Producer Gas Payments - Ensyte	10/1/2025	10/31/2025	$ 525,945.99	11/26/2025	15.0	26.00	41.00	-0.158%	(0.06)
178	Local Producer Gas Payments - Ensyte	11/1/2025	11/30/2025	$ 742,246.74	12/31/2025	14.5	31.00	45.50	-0.222%	(0.10)
179				$ (333,626,220.05)						

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Payroll Lead Time

Weighted Expense Lead Time: **15.66** days

Line No.		(A) Type	(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
1	1M4	Union Payroll	11/30/2024	12/11/2024	$ 3,584,370.19	11/17/2024	6.5	11.00	17.50	2.30%	0.40
2	1M4	Union Payroll	12/14/2024	12/24/2024	$ 3,698,273.83	12/1/2024	6.5	10.00	16.50	2.37%	0.39
3	1M4	Union Payroll	12/28/2024	1/8/2025	$ 3,757,532.69	12/15/2024	6.5	11.00	17.50	2.41%	0.42
4	1M4	Union Payroll	1/11/2025	1/22/2025	$ 3,391,322.56	12/29/2024	6.5	11.00	17.50	2.17%	0.38
5	1M4	Union Payroll	1/25/2025	2/5/2025	$ 3,756,640.55	1/12/2025	6.5	11.00	17.50	2.41%	0.42
6	1M4	Union Payroll	2/8/2025	2/19/2025	$ 3,739,214.91	1/26/2025	6.5	11.00	17.50	2.40%	0.42
7	1M4	Union Payroll	2/22/2025	3/5/2025	$ 3,537,322.60	2/9/2025	6.5	11.00	17.50	2.27%	0.40
8	1M4	Union Payroll	3/2/2025	3/11/2025	$ 5,293,840.43	2/17/2025	6.5	9.00	15.50	3.39%	0.53
9	1M4	Union Payroll	3/8/2025	3/19/2025	$ 3,552,630.16	2/23/2025	6.5	11.00	17.50	2.28%	0.40
10	1M4	Union Payroll	3/22/2025	4/2/2025	$ 3,530,052.29	3/9/2025	6.5	11.00	17.50	2.26%	0.40
11	1M4	Union Payroll	4/5/2025	4/16/2025	$ 3,412,624.49	3/23/2025	6.5	11.00	17.50	2.19%	0.38
12	1M4	Union Payroll	4/19/2025	4/30/2025	$ 3,474,493.49	4/6/2025	6.5	11.00	17.50	2.23%	0.39
13	1M4	Union Payroll	5/3/2025	5/14/2025	$ 3,489,130.11	4/20/2025	6.5	11.00	17.50	2.24%	0.39
14	1M4	Union Payroll	5/17/2025	5/28/2025	$ 3,468,626.10	5/4/2025	6.5	11.00	17.50	2.22%	0.39
15	1M4	Union Payroll	5/31/2025	6/11/2025	$ 3,296,720.32	5/18/2025	6.5	11.00	17.50	2.11%	0.37
16	1M4	Union Payroll	6/14/2025	6/25/2025	$ 3,467,432.39	6/1/2025	6.5	11.00	17.50	2.22%	0.39
17	1M4	Union Payroll	6/28/2025	7/9/2025	$ 3,464,122.03	6/15/2025	6.5	11.00	17.50	2.22%	0.39
18	1M4	Union Payroll	7/12/2025	7/23/2025	$ 3,455,665.57	6/29/2025	6.5	11.00	17.50	2.21%	0.39
19	1M4	Union Payroll	7/26/2025	8/6/2025	$ 3,559,643.97	7/13/2025	6.5	11.00	17.50	2.28%	0.40
20	1M4	Union Payroll	8/9/2025	8/20/2025	$ 3,643,084.84	7/27/2025	6.5	11.00	17.50	2.33%	0.41
21	1M4	Union Payroll	8/23/2025	9/3/2025	$ 3,555,380.55	8/10/2025	6.5	11.00	17.50	2.28%	0.40
22	1M4	Union Payroll	9/6/2025	9/17/2025	$ 3,501,535.50	8/24/2025	6.5	11.00	17.50	2.24%	0.39
23	1M4	Union Payroll	9/20/2025	10/1/2025	$ 3,561,653.09	9/7/2025	6.5	11.00	17.50	2.28%	0.40
24	1M4	Union Payroll	10/4/2025	10/15/2025	$ 3,459,002.70	9/21/2025	6.5	11.00	17.50	2.22%	0.39
25	1M4	Union Payroll	10/18/2025	10/29/2025	$ 3,539,621.36	10/5/2025	6.5	11.00	17.50	2.27%	0.40
26	1M4	Union Payroll	11/1/2025	11/12/2025	$ 3,650,287.67	10/19/2025	6.5	11.00	17.50	2.34%	0.41
27	1M4	Union Payroll	11/15/2025	11/26/2025	$ 3,890,453.92	11/2/2025	6.5	11.00	17.50	2.49%	0.44
28	CWA	Union Payroll	11/24/2024	12/4/2024	$ 56,048.68	11/11/2024	6.5	10.00	16.50	0.04%	0.01
29	CWA	Union Payroll	12/8/2024	12/18/2024	$ 56,694.86	11/25/2024	6.5	10.00	16.50	0.04%	0.01
30	CWA	Union Payroll	12/22/2024	12/31/2024	$ 55,142.62	12/9/2024	6.5	9.00	15.50	0.04%	0.01
31	CWA	Union Payroll	1/5/2025	1/15/2025	$ 56,704.25	12/23/2024	6.5	10.00	16.50	0.04%	0.01
32	CWA	Union Payroll	1/19/2025	1/29/2025	$ 57,220.73	1/6/2025	6.5	10.00	16.50	0.04%	0.01
33	CWA	Union Payroll	2/2/2025	2/12/2025	$ 59,966.51	1/20/2025	6.5	10.00	16.50	0.04%	0.01
34	CWA	Union Payroll	2/16/2025	2/26/2025	$ 59,189.64	2/3/2025	6.5	10.00	16.50	0.04%	0.01
35	CWA	Union Payroll	3/2/2025	3/11/2025	$ 87,256.77	2/17/2025	6.5	9.00	15.50	0.06%	0.01
36	CWA	Union Payroll	3/2/2025	3/12/2025	$ 57,305.97	2/17/2025	6.5	10.00	16.50	0.04%	0.01
37	CWA	Union Payroll	3/16/2025	3/26/2025	$ 57,075.67	3/3/2025	6.5	10.00	16.50	0.04%	0.01
38	CWA	Union Payroll	3/30/2025	4/9/2025	$ 57,096.58	3/17/2025	6.5	10.00	16.50	0.04%	0.01
39	CWA	Union Payroll	4/13/2025	4/23/2025	$ 60,272.70	3/31/2025	6.5	10.00	16.50	0.04%	0.01
40	CWA	Union Payroll	4/27/2025	5/7/2025	$ 62,953.24	4/14/2025	6.5	10.00	16.50	0.04%	0.01
41	CWA	Union Payroll	5/11/2025	5/21/2025	$ 61,194.69	4/28/2025	6.5	10.00	16.50	0.04%	0.01
42	CWA	Union Payroll	5/25/2025	6/4/2025	$ 64,945.30	5/12/2025	6.5	10.00	16.50	0.04%	0.01
43	CWA	Union Payroll	6/8/2025	6/18/2025	$ 63,107.56	5/26/2025	6.5	10.00	16.50	0.04%	0.01
44	CWA	Union Payroll	6/22/2025	7/2/2025	$ 62,120.30	6/9/2025	6.5	10.00	16.50	0.04%	0.01
45	CWA	Union Payroll	7/6/2025	7/16/2025	$ 59,649.51	6/23/2025	6.5	10.00	16.50	0.04%	0.01

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.		(A) Type	(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
46	CWA	Union Payroll	7/20/2025	7/30/2025	$ 59,346.43	7/7/2025	6.5	10.00	16.50	0.04%	0.01
47	CWA	Union Payroll	8/3/2025	8/13/2025	$ 59,856.36	7/21/2025	6.5	10.00	16.50	0.04%	0.01
48	CWA	Union Payroll	8/17/2025	8/27/2025	$ 61,096.58	8/4/2025	6.5	10.00	16.50	0.04%	0.01
49	CWA	Union Payroll	8/31/2025	9/10/2025	$ 63,279.03	8/18/2025	6.5	10.00	16.50	0.04%	0.01
50	CWA	Union Payroll	9/14/2025	9/24/2025	$ 59,933.20	9/1/2025	6.5	10.00	16.50	0.04%	0.01
51	CWA	Union Payroll	9/28/2025	10/8/2025	$ 59,687.92	9/15/2025	6.5	10.00	16.50	0.04%	0.01
52	CWA	Union Payroll	10/12/2025	10/22/2025	$ 59,878.74	9/29/2025	6.5	10.00	16.50	0.04%	0.01
53	CWA	Union Payroll	10/26/2025	11/5/2025	$ 33,238.56	10/13/2025	6.5	10.00	16.50	0.02%	0.00
54	1M6	Salaried Payroll	12/7/2024	12/13/2024	$ 757,968.73	11/24/2024	6.5	6.00	12.50	0.49%	0.06
55	1M6	Salaried Payroll	12/21/2024	12/27/2024	$ 755,691.38	12/8/2024	6.5	6.00	12.50	0.48%	0.06
56	1M6	Salaried Payroll	1/4/2025	1/10/2025	$ 759,465.96	12/22/2024	6.5	6.00	12.50	0.49%	0.06
57	1M6	Salaried Payroll	1/18/2025	1/24/2025	$ 753,313.59	1/5/2025	6.5	6.00	12.50	0.48%	0.06
58	1M6	Salaried Payroll	2/1/2025	2/7/2025	$ 763,074.96	1/19/2025	6.5	6.00	12.50	0.49%	0.06
59	1M6	Salaried Payroll	2/15/2025	2/21/2025	$ 762,102.51	2/2/2025	6.5	6.00	12.50	0.49%	0.06
60	1M6	Salaried Payroll	3/1/2025	3/7/2025	$ 763,901.34	2/16/2025	6.5	6.00	12.50	0.49%	0.06
61	1M6	Salaried Payroll	3/2/2025	3/11/2025	$ 1,607,667.64	2/17/2025	6.5	9.00	15.50	1.03%	0.16
62	1M6	Salaried Payroll	3/15/2025	3/21/2025	$ 757,085.14	3/2/2025	6.5	6.00	12.50	0.49%	0.06
63	1M6	Salaried Payroll	3/29/2025	4/4/2025	$ 752,673.33	3/16/2025	6.5	6.00	12.50	0.48%	0.06
64	1M6	Salaried Payroll	4/12/2025	4/17/2025	$ 767,977.62	3/30/2025	6.5	5.00	11.50	0.49%	0.06
65	1M6	Salaried Payroll	4/26/2025	5/2/2025	$ 769,255.14	4/13/2025	6.5	6.00	12.50	0.49%	0.06
66	1M6	Salaried Payroll	5/10/2025	5/16/2025	$ 772,355.49	4/27/2025	6.5	6.00	12.50	0.49%	0.06
67	1M6	Salaried Payroll	5/24/2025	5/30/2025	$ 769,555.95	5/11/2025	6.5	6.00	12.50	0.49%	0.06
68	1M6	Salaried Payroll	6/7/2025	6/13/2025	$ 792,886.20	5/25/2025	6.5	6.00	12.50	0.51%	0.06
69	1M6	Salaried Payroll	6/21/2025	6/27/2025	$ 765,616.66	6/8/2025	6.5	6.00	12.50	0.49%	0.06
70	1M6	Salaried Payroll	7/5/2025	7/11/2025	$ 765,320.60	6/22/2025	6.5	6.00	12.50	0.49%	0.06
71	1M6	Salaried Payroll	7/19/2025	7/25/2025	$ 766,782.69	7/6/2025	6.5	6.00	12.50	0.49%	0.06
72	1M6	Salaried Payroll	8/2/2025	8/8/2025	$ 772,193.19	7/20/2025	6.5	6.00	12.50	0.49%	0.06
73	1M6	Salaried Payroll	8/16/2025	8/22/2025	$ 775,838.33	8/3/2025	6.5	6.00	12.50	0.50%	0.06
74	1M6	Salaried Payroll	8/30/2025	9/5/2025	$ 768,325.81	8/17/2025	6.5	6.00	12.50	0.49%	0.06
75	1M6	Salaried Payroll	9/13/2025	9/19/2025	$ 768,066.22	8/31/2025	6.5	6.00	12.50	0.49%	0.06
76	1M6	Salaried Payroll	9/27/2025	10/3/2025	$ 760,839.60	9/14/2025	6.5	6.00	12.50	0.49%	0.06
77	1M6	Salaried Payroll	10/11/2025	10/17/2025	$ 762,076.04	9/28/2025	6.5	6.00	12.50	0.49%	0.06
78	1M6	Salaried Payroll	10/25/2025	10/31/2025	$ 771,076.55	10/12/2025	6.5	6.00	12.50	0.49%	0.06
79	1M6	Salaried Payroll	11/8/2025	11/14/2025	$ 764,586.27	10/26/2025	6.5	6.00	12.50	0.49%	0.06
80	1M6	Salaried Payroll	11/22/2025	11/28/2025	$ 759,548.85	11/9/2025	6.5	6.00	12.50	0.49%	0.06
81	7TY	Salaried Payroll	12/7/2024	12/13/2024	$ 1,314,822.80	11/24/2024	6.5	6.00	12.50	0.84%	0.11
82	7TY	Salaried Payroll	12/21/2024	12/27/2024	$ 1,188,163.57	12/8/2024	6.5	6.00	12.50	0.76%	0.10
83	7TY	Salaried Payroll	1/4/2025	1/10/2025	$ 1,219,369.59	12/22/2024	6.5	6.00	12.50	0.78%	0.10
84	7TY	Salaried Payroll	1/18/2025	1/24/2025	$ 1,297,945.97	1/5/2025	6.5	6.00	12.50	0.83%	0.10
85	7TY	Salaried Payroll	2/1/2025	2/7/2025	$ 1,185,605.02	1/19/2025	6.5	6.00	12.50	0.76%	0.09
86	7TY	Salaried Payroll	2/15/2025	2/21/2025	$ 1,178,509.04	2/2/2025	6.5	6.00	12.50	0.76%	0.09
87	7TY	Salaried Payroll	3/1/2025	3/7/2025	$ 1,152,428.92	2/16/2025	6.5	6.00	12.50	0.74%	0.09
88	7TY	Salaried Payroll	3/2/2025	3/11/2025	$ 3,458,903.58	2/17/2025	6.5	9.00	15.50	2.22%	0.34
89	7TY	Salaried Payroll	3/15/2025	3/21/2025	$ 1,188,480.88	3/2/2025	6.5	6.00	12.50	0.76%	0.10
90	7TY	Salaried Payroll	3/29/2025	4/4/2025	$ 1,173,421.70	3/16/2025	6.5	6.00	12.50	0.75%	0.09
91	7TY	Salaried Payroll	4/12/2025	4/17/2025	$ 1,254,173.55	3/30/2025	6.5	5.00	11.50	0.80%	0.09
92	7TY	Salaried Payroll	4/26/2025	5/2/2025	$ 1,278,636.78	4/13/2025	6.5	6.00	12.50	0.82%	0.10
93	7TY	Salaried Payroll	5/10/2025	5/16/2025	$ 1,220,550.52	4/27/2025	6.5	6.00	12.50	0.78%	0.10

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.		(A) Type	(B) Pay Period End Date	(C) Pay Date	(D) Payroll Amount	(E) Pay Period Begin	(F) Mid Point of Pay Period	(G) Payment Lead Time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time
94	7TY	Salaried Payroll	5/24/2025	5/30/2025	$ 1,212,544.69	5/11/2025	6.5	6.00	12.50	0.78%	0.10
95	7TY	Salaried Payroll	6/7/2025	6/13/2025	$ 1,243,058.51	5/25/2025	6.5	6.00	12.50	0.80%	0.10
96	7TY	Salaried Payroll	6/21/2025	6/27/2025	$ 1,219,163.34	6/8/2025	6.5	6.00	12.50	0.78%	0.10
97	7TY	Salaried Payroll	7/5/2025	7/11/2025	$ 1,249,113.64	6/22/2025	6.5	6.00	12.50	0.80%	0.10
98	7TY	Salaried Payroll	7/19/2025	7/25/2025	$ 1,223,704.59	7/6/2025	6.5	6.00	12.50	0.78%	0.10
99	7TY	Salaried Payroll	8/2/2025	8/8/2025	$ 1,218,059.27	7/20/2025	6.5	6.00	12.50	0.78%	0.10
100	7TY	Salaried Payroll	8/16/2025	8/22/2025	$ 1,247,659.86	8/3/2025	6.5	6.00	12.50	0.80%	0.10
101	7TY	Salaried Payroll	8/30/2025	9/5/2025	$ 1,200,899.19	8/17/2025	6.5	6.00	12.50	0.77%	0.10
102	7TY	Salaried Payroll	9/13/2025	9/19/2025	$ 1,215,330.24	8/31/2025	6.5	6.00	12.50	0.78%	0.10
103	7TY	Salaried Payroll	9/27/2025	10/3/2025	$ 1,197,897.28	9/14/2025	6.5	6.00	12.50	0.77%	0.10
104	7TY	Salaried Payroll	10/11/2025	10/17/2025	$ 1,201,121.77	9/28/2025	6.5	6.00	12.50	0.77%	0.10
105	7TY	Salaried Payroll	10/25/2025	10/31/2025	$ 1,319,056.02	10/12/2025	6.5	6.00	12.50	0.85%	0.11
106	7TY	Salaried Payroll	11/8/2025	11/14/2025	$ 1,196,642.51	10/26/2025	6.5	6.00	12.50	0.77%	0.10
107	7TY	Salaried Payroll	11/22/2025	11/28/2025	$ 1,211,463.99	11/9/2025	6.5	6.00	12.50	0.78%	0.10
108					$ 156,052,913.32						

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Pension & Benefits Lead Time

Weighted Expense Lead Time: **(3.68)** **days**

Line No.	(A) Pensions & Benefits	(B) End of Period	(C) Paid Date		(D) Amount	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighted Lead Time
1	Benefits - Medical - Salary & Union	12/31/2024	11/19/2024	$	1,441,597.02	15.21	(42.00)	(26.79)	6.97%	(1.87)
2	Benefits - Medical - Salary & Union	1/31/2025	2/6/2025	$	1,497,887.40	15.21	6.00	21.21	7.25%	1.54
3	Benefits - Medical - Salary & Union	2/28/2025	2/25/2025	$	1,526,766.64	15.21	(3.00)	12.21	7.39%	0.90
4	Benefits - Medical - Salary & Union	3/31/2025	3/5/2025	$	1,525,002.22	15.21	(26.00)	(10.79)	7.38%	(0.80)
5	Benefits - Medical - Salary & Union	4/30/2025	4/3/2025	$	1,386,727.49	15.21	(27.00)	(11.79)	6.71%	(0.79)
6	Benefits - Medical - Salary & Union	5/31/2025	5/5/2025	$	1,478,402.24	15.21	(26.00)	(10.79)	7.15%	(0.77)
7	Benefits - Medical - Salary & Union	6/30/2025	6/4/2025	$	1,520,336.38	15.21	(26.00)	(10.79)	7.35%	(0.79)
8	Benefits - Medical - Salary & Union	7/31/2025	7/7/2025	$	1,528,489.46	15.21	(24.00)	(8.79)	7.39%	(0.65)
9	Benefits - Medical - Salary & Union	8/31/2025	8/11/2025	$	1,531,910.93	15.21	(20.00)	(4.79)	7.41%	(0.36)
10	Benefits - Medical - Salary & Union	9/30/2025	9/10/2025	$	1,519,866.41	15.21	(20.00)	(4.79)	7.35%	(0.35)
11	Benefits - Medical - Salary & Union	10/31/2025	10/21/2025	$	1,348,567.67	15.21	(10.00)	5.21	6.52%	0.34
12	Benefits - Medical - Salary & Union	11/30/2025	11/10/2025	$	1,522,272.38	15.21	(20.00)	(4.79)	7.36%	(0.35)
13	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	12/31/2024	1/3/2025	$	125,750.97	15.21	3.00	18.21	0.61%	0.11
14	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	1/31/2025	2/6/2025	$	140,288.46	15.21	6.00	21.21	0.68%	0.14
15	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	2/28/2025	2/25/2025	$	131,526.62	15.21	(3.00)	12.21	0.64%	0.08
16	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	3/31/2025	3/5/2025	$	134,916.30	15.21	(26.00)	(10.79)	0.65%	(0.07)
17	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	4/30/2025	4/3/2025	$	131,617.84	15.21	(27.00)	(11.79)	0.64%	(0.08)
18	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	5/31/2025	5/5/2025	$	152,150.07	15.21	(26.00)	(10.79)	0.74%	(0.08)
19	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	6/30/2025	6/4/2025	$	167,344.39	15.21	(26.00)	(10.79)	0.81%	(0.09)
20	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	7/31/2025	7/7/2025	$	167,376.33	15.21	(24.00)	(8.79)	0.81%	(0.07)
21	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	8/31/2025	8/11/2025	$	168,304.46	15.21	(20.00)	(4.79)	0.81%	(0.04)
22	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	9/30/2025	9/10/2025	$	166,525.95	15.21	(20.00)	(4.79)	0.81%	(0.04)
23	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	10/31/2025	10/21/2025	$	154,435.55	15.21	(10.00)	5.21	0.75%	0.04
24	Benefits - Dental, Life, LTD, IDI, Voluntary Benefits	11/30/2025	11/10/2025	$	168,148.62	15.21	(20.00)	(4.79)	0.81%	(0.04)
25	Health Equity - HSA Employer Amortization	12/31/2024		$	84,809.97	7.02	1.00	8.02	0.41%	0.03
26	Health Equity - HSA Employer Amortization	1/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
27	Health Equity - HSA Employer Amortization	2/28/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
28	Health Equity - HSA Employer Amortization	3/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
29	Health Equity - HSA Employer Amortization	4/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
30	Health Equity - HSA Employer Amortization	5/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
31	Health Equity - HSA Employer Amortization	6/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
32	Health Equity - HSA Employer Amortization	7/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
33	Health Equity - HSA Employer Amortization	8/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
34	Health Equity - HSA Employer Amortization	9/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
35	Health Equity - HSA Employer Amortization	10/31/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
36	Health Equity - HSA Employer Amortization	11/30/2025		$	86,493.73	7.02	1.00	8.02	0.42%	0.03
37				$	20,672,452.79					

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Other O&M Lead Time

Weighted Expense Lead Time: **42.87** **days**

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
1	Selection Item 1	1,289.92	9/28/2025	10/23/2025	15.21	25.00	40.21	0.063%	0.03
2	Selection Item 2	967.50	3/27/2025	4/22/2025	15.21	26.00	41.21	0.048%	0.02
3	Selection Item 3	424.22	3/18/2025	4/15/2025	15.21	28.00	43.21	0.021%	0.01
4	Selection Item 4	218,024.31	4/29/2025	5/27/2025	15.21	28.00	43.21	10.707%	4.63
5	Selection Item 5	116.60	10/19/2025	11/13/2025	15.21	25.00	40.21	0.006%	0.00
6	Selection Item 6	2,682.31	3/31/2025	5/20/2025	15.21	50.00	65.21	0.132%	0.09
7	Selection Item 7	1,408.28	4/21/2025	5/15/2025	15.21	24.00	39.21	0.069%	0.03
8	Selection Item 8	104.80	5/2/2025	5/15/2025	15.21	13.00	28.21	0.005%	0.00
9	Selection Item 9	906.99	3/31/2025	5/1/2025	15.21	31.00	46.21	0.045%	0.02
10	Selection Item 10	723.10	4/10/2025	5/6/2025	15.21	26.00	41.21	0.036%	0.01
11	Selection Item 11	244.16	1/30/2025	2/4/2025	15.21	5.00	20.21	0.012%	0.00
12	Selection Item 12	4,716.40	5/26/2025	9/9/2025	15.21	106.00	121.21	0.232%	0.28
13	Selection Item 13	420.00	5/22/2025	5/27/2025	15.21	5.00	20.21	0.021%	0.00
14	Selection Item 14	85.00	1/24/2025	3/11/2025	15.21	46.00	61.21	0.004%	0.00
15	Selection Item 15	840.11	7/9/2025	8/12/2025	15.21	34.00	49.21	0.041%	0.02
16	Selection Item 16	5,644.93	10/15/2025	11/13/2025	15.21	29.00	44.21	0.277%	0.12
17	Selection Item 17	9,597.50	4/30/2025	6/3/2025	15.21	34.00	49.21	0.471%	0.23
18	Selection Item 18	1,006.53	9/5/2025	9/30/2025	15.21	25.00	40.21	0.049%	0.02
19	Selection Item 19	2,184.77	3/27/2025	4/22/2025	15.21	26.00	41.21	0.107%	0.04
20	Selection Item 20	300.00	10/6/2025	10/30/2025	15.21	24.00	39.21	0.015%	0.01
21	Selection Item 21	315.00	8/18/2025	9/23/2025	15.21	36.00	51.21	0.015%	0.01
22	Selection Item 22	1,489.01	7/15/2025	8/12/2025	15.21	28.00	43.21	0.073%	0.03
23	Selection Item 23	28,713.96	2/6/2025	3/11/2025	15.21	33.00	48.21	1.410%	0.68
24	Selection Item 24	3,960.00	7/3/2025	9/2/2025	15.21	61.00	76.21	0.194%	0.15
25	Selection Item 25	322.48	4/7/2025	5/1/2025	15.21	24.00	39.21	0.016%	0.01
26	Selection Item 26	1,454.01	10/31/2025	11/20/2025	15.21	20.00	35.21	0.071%	0.03
27	Selection Item 27	459.00	4/30/2025	5/27/2025	15.21	27.00	42.21	0.023%	0.01
28	Selection Item 28	453.59	12/18/2024	1/14/2025	15.21	27.00	42.21	0.022%	0.01
29	Selection Item 29	1,370.47	9/16/2025	10/14/2025	15.21	28.00	43.21	0.067%	0.03
30	Selection Item 30	2,004.64	2/12/2025	3/11/2025	15.21	27.00	42.21	0.098%	0.04
31	Selection Item 31	906.98	10/20/2025	11/13/2025	15.21	24.00	39.21	0.045%	0.02
32	Selection Item 32	4,600.00	8/6/2025	10/14/2025	15.21	69.00	84.21	0.226%	0.19
33	Selection Item 33	26,857.87	2/20/2025	2/25/2025	15.21	5.00	20.21	1.319%	0.27
34	Selection Item 34	3,939.69	2/12/2025	3/11/2025	15.21	27.00	42.21	0.193%	0.08
35	Selection Item 35	65,789.87	9/5/2025	9/29/2025	15.21	24.00	39.21	3.231%	1.27
36	Selection Item 36	277.57	9/18/2025	9/23/2025	15.21	5.00	20.21	0.014%	0.00
37	Selection Item 37	1,026.61	6/27/2025	8/26/2025	15.21	60.00	75.21	0.050%	0.04
38	Selection Item 38	1,954.00	4/10/2025	5/6/2025	15.21	26.00	41.21	0.096%	0.04

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
39	Selection Item 39	1,104.95	8/21/2025	9/16/2025	15.21	26.00	41.21	0.054%	0.02
40	Selection Item 40	100,000.00	6/19/2025	7/8/2025	15.21	19.00	34.21	4.911%	1.68
41	Selection Item 41	92,453.96	12/3/2024	12/30/2024	15.21	27.00	42.21	4.540%	1.92
42	Selection Item 42	84,972.77	7/18/2025	8/14/2025	15.21	27.00	42.21	4.173%	1.76
43	Selection Item 43	2,335.48	10/16/2025	11/13/2025	15.21	28.00	43.21	0.115%	0.05
44	Selection Item 44	457.20	5/14/2025	7/15/2025	15.21	62.00	77.21	0.022%	0.02
45	Selection Item 45	2,272.66	5/12/2025	9/23/2025	15.21	134.00	149.21	0.112%	0.17
46	Selection Item 46	122.00	10/20/2025	11/20/2025	15.21	31.00	46.21	0.006%	0.00
47	Selection Item 47	880.25	6/27/2025	11/13/2025	15.21	139.00	154.21	0.043%	0.07
48	Selection Item 48	7,066.05	12/2/2024	12/26/2024	15.21	24.00	39.21	0.347%	0.14
49	Selection Item 49	393.50	2/22/2025	2/27/2025	15.21	5.00	20.21	0.019%	0.00
50	Selection Item 50	504.90	8/13/2025	11/24/2025	15.21	103.00	118.21	0.025%	0.03
51	Selection Item 51	669.38	6/28/2025	7/22/2025	15.21	24.00	39.21	0.033%	0.01
52	Selection Item 52	118.40	5/13/2025	6/24/2025	15.21	42.00	57.21	0.006%	0.00
53	Selection Item 53	99.36	2/20/2025	4/22/2025	15.21	61.00	76.21	0.005%	0.00
54	Selection Item 54	584.50	12/19/2024	1/14/2025	15.21	26.00	41.21	0.029%	0.01
55	Selection Item 55	902.75	2/8/2025	2/13/2025	15.21	5.00	20.21	0.044%	0.01
56	Selection Item 56	146.59	10/21/2025	11/24/2025	15.21	34.00	49.21	0.007%	0.00
57	Selection Item 57	1,403.92	10/23/2025	11/18/2025	15.21	26.00	41.21	0.069%	0.03
58	Selection Item 58	81.77	5/16/2025	6/10/2025	15.21	25.00	40.21	0.004%	0.00
59	Selection Item 59	13,079.00	7/8/2025	8/14/2025	15.21	37.00	52.21	0.642%	0.34
60	Selection Item 60	20.00	7/24/2025	8/19/2025	15.21	26.00	41.21	0.001%	0.00
61	Selection Item 61	1,210.25	5/30/2025	9/23/2025	15.21	116.00	131.21	0.059%	0.08
62	Selection Item 62	109,257.98	9/22/2025	11/13/2025	15.21	52.00	67.21	5.366%	3.61
63	Selection Item 63	62,297.43	10/23/2025	10/23/2025	15.21	-	15.21	3.059%	0.47
64	Selection Item 64	15,315.26	10/15/2025	11/13/2025	15.21	29.00	44.21	0.752%	0.33
65	Selection Item 65	23,443.17	10/27/2025	11/20/2025	15.21	24.00	39.21	1.151%	0.45
66	Selection Item 66	26.14	3/26/2025	9/9/2025	15.21	167.00	182.21	0.001%	0.00
67	Selection Item 67	214.35	10/2/2025	10/28/2025	15.21	26.00	41.21	0.011%	0.00
68	Selection Item 68	132.00	8/12/2025	9/30/2025	15.21	49.00	64.21	0.006%	0.00
69	Selection Item 69	15,448.01	10/31/2025	11/20/2025	15.21	20.00	35.21	0.759%	0.27
70	Selection Item 70	195.52	12/10/2024	1/30/2025	15.21	51.00	66.21	0.010%	0.01
71	Selection Item 71	3,408.35	5/22/2025	5/22/2025	15.21	-	15.21	0.167%	0.03
72	Selection Item 72	40,826.85	12/23/2024	12/26/2024	15.21	3.00	18.21	2.005%	0.37
73	Selection Item 73	2,500.00	9/16/2025	10/16/2025	15.21	30.00	45.21	0.123%	0.06
74	Selection Item 74	19,968.94	3/10/2025	4/3/2025	15.21	24.00	39.21	0.981%	0.38
75	Selection Item 75	14,745.35	6/5/2025	7/2/2025	15.21	27.00	42.21	0.724%	0.31
76	Selection Item 76	328.75	10/25/2025	11/4/2025	15.21	10.00	25.21	0.016%	0.00
77	Selection Item 77	34,660.00	12/10/2024	1/7/2025	15.21	28.00	43.21	1.702%	0.74
78	Selection Item 78	1,486.26	4/8/2025	4/22/2025	15.21	14.00	29.21	0.073%	0.02
79	Selection Item 79	13,318.46	8/15/2025	9/9/2025	15.21	25.00	40.21	0.654%	0.26

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
80	Selection Item 80	17,801.59	4/21/2025	5/15/2025	15.21	24.00	39.21	0.874%	0.34
81	Selection Item 81	685.28	8/10/2025	9/4/2025	15.21	25.00	40.21	0.034%	0.01
82	Selection Item 82	7,500.00	4/1/2025	6/26/2025	15.21	86.00	101.21	0.368%	0.37
83	Selection Item 83	16,602.58	5/21/2025	6/19/2025	15.21	29.00	44.21	0.815%	0.36
84	Selection Item 84	4,615.57	5/12/2025	6/26/2025	15.21	45.00	60.21	0.227%	0.14
85	Selection Item 85	367.07	4/18/2025	5/13/2025	15.21	25.00	40.21	0.018%	0.01
86	Selection Item 86	5,003.51	5/19/2025	7/22/2025	15.21	64.00	79.21	0.246%	0.19
87	Selection Item 87	2,746.04	10/31/2025	11/24/2025	15.21	24.00	39.21	0.135%	0.05
88	Selection Item 88	97,658.00	2/10/2025	2/11/2025	15.21	1.00	16.21	4.796%	0.78
89	Selection Item 89	1,752.68	7/29/2025	8/26/2025	15.21	28.00	43.21	0.086%	0.04
90	Selection Item 90	5,218.64	3/18/2025	4/15/2025	15.21	28.00	43.21	0.256%	0.11
91	Selection Item 91	1,050.00	8/6/2025	9/2/2025	15.21	27.00	42.21	0.052%	0.02
92	Selection Item 92	5,914.70	5/29/2025	6/24/2025	15.21	26.00	41.21	0.290%	0.12
93	Selection Item 93	28.00	12/20/2024	1/14/2025	15.21	25.00	40.21	0.001%	0.00
94	Selection Item 94	3,485.83	11/3/2025	11/20/2025	15.21	17.00	32.21	0.171%	0.06
95	Selection Item 95	1,014.82	9/19/2025	10/14/2025	15.21	25.00	40.21	0.050%	0.02
96	Selection Item 96	2,490.60	2/13/2025	3/11/2025	15.21	26.00	41.21	0.122%	0.05
97	Selection Item 97	726.48	7/31/2025	8/26/2025	15.21	26.00	41.21	0.036%	0.01
98	Selection Item 98	8,302.00	8/5/2025	10/28/2025	15.21	84.00	99.21	0.408%	0.40
99	Selection Item 99	1,146.54	7/18/2025	9/9/2025	15.21	53.00	68.21	0.056%	0.04
100	Selection Item 100	4,415.97	4/8/2025	5/6/2025	15.21	28.00	43.21	0.217%	0.09
101	Selection Item 101	255.00	3/24/2025	4/17/2025	15.21	24.00	39.21	0.013%	0.00
102	Selection Item 102	709.59	7/1/2025	7/10/2025	15.21	9.00	24.21	0.035%	0.01
103	Selection Item 103	15,867.88	3/28/2025	4/24/2025	15.21	27.00	42.21	0.779%	0.33
104	Selection Item 104	950.00	1/29/2025	2/18/2025	15.21	20.00	35.21	0.047%	0.02
105	Selection Item 105	5,845.02	10/13/2025	11/6/2025	15.21	24.00	39.21	0.287%	0.11
106	Selection Item 106	585.68	12/8/2024	12/17/2024	15.21	9.00	24.21	0.029%	0.01
107	Selection Item 107	933.56	1/2/2025	3/20/2025	15.21	77.00	92.21	0.046%	0.04
108	Selection Item 108	404.46	7/17/2025	8/1/2025	15.21	15.00	30.21	0.020%	0.01
109	Selection Item 109	835.70	7/10/2025	8/5/2025	15.21	26.00	41.21	0.041%	0.02
110	Selection Item 110	2,560.42	6/11/2025	7/29/2025	15.21	48.00	63.21	0.126%	0.08
111	Selection Item 111	2,928.79	4/27/2025	5/8/2025	15.21	11.00	26.21	0.144%	0.04
112	Selection Item 112	376.66	5/19/2025	6/26/2025	15.21	38.00	53.21	0.018%	0.01
113	Selection Item 113	2,658.62	1/28/2025	2/25/2025	15.21	28.00	43.21	0.131%	0.06
114	Selection Item 114	1,592.28	1/10/2025	1/16/2025	15.21	6.00	21.21	0.078%	0.02
115	Selection Item 115	2,176.76	1/24/2025	4/22/2025	15.21	88.00	103.21	0.107%	0.11
116	Selection Item 116	25,270.56	9/24/2025	10/21/2025	15.21	27.00	42.21	1.241%	0.52
117	Selection Item 117	171.00	5/5/2025	5/29/2025	15.21	24.00	39.21	0.008%	0.00
118	Selection Item 118	3,733.03	8/11/2025	10/2/2025	15.21	52.00	67.21	0.183%	0.12
119	Selection Item 119	65.92	4/2/2025	5/8/2025	15.21	36.00	51.21	0.003%	0.00
120	Selection Item 120	72.50	4/30/2025	5/27/2025	15.21	27.00	42.21	0.004%	0.00

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
121	Selection Item 121	9,307.50	8/19/2025	9/16/2025	15.21	28.00	43.21	0.457%	0.20
122	Selection Item 122	671.69	7/25/2025	8/19/2025	15.21	25.00	40.21	0.033%	0.01
123	Selection Item 123	15,972.28	6/19/2025	6/24/2025	15.21	5.00	20.21	0.784%	0.16
124	Selection Item 124	702.08	10/23/2025	11/18/2025	15.21	26.00	41.21	0.034%	0.01
125	Selection Item 125	600.00	4/14/2025	5/8/2025	15.21	24.00	39.21	0.029%	0.01
126	Selection Item 126	483.72	6/9/2025	7/24/2025	15.21	45.00	60.21	0.024%	0.01
127	Selection Item 127	3,259.35	8/1/2025	8/26/2025	15.21	25.00	40.21	0.160%	0.06
128	Selection Item 128	253.93	9/23/2025	11/24/2025	15.21	62.00	77.21	0.012%	0.01
129	Selection Item 129	81.40	4/15/2025	5/13/2025	15.21	28.00	43.21	0.004%	0.00
130	Selection Item 130	17,078.91	1/22/2025	2/18/2025	15.21	27.00	42.21	0.839%	0.35
131	Selection Item 131	1,557.40	6/9/2025	7/3/2025	15.21	24.00	39.21	0.076%	0.03
132	Selection Item 132	40,645.52	4/2/2025	4/29/2025	15.21	27.00	42.21	1.996%	0.84
133	Selection Item 133	34,497.65	8/11/2025	10/16/2025	15.21	66.00	81.21	1.694%	1.38
134	Selection Item 134	7,613.20	6/6/2025	7/2/2025	15.21	26.00	41.21	0.374%	0.15
135	Selection Item 135	4,863.84	4/8/2025	5/6/2025	15.21	28.00	43.21	0.239%	0.10
136	Selection Item 136	558.12	9/9/2025	10/7/2025	15.21	28.00	43.21	0.027%	0.01
137	Selection Item 137	3,653.35	7/19/2025	9/18/2025	15.21	61.00	76.21	0.179%	0.14
138	Selection Item 138	886.84	7/11/2025	9/11/2025	15.21	62.00	77.21	0.044%	0.03
139	Selection Item 139	7.44	1/31/2025	3/13/2025	15.21	41.00	56.21	0.000%	0.00
140	Selection Item 140	16,018.69	5/26/2025	6/26/2025	15.21	31.00	46.21	0.787%	0.36
141	Selection Item 141	652.02	10/23/2025	11/18/2025	15.21	26.00	41.21	0.032%	0.01
142	Selection Item 142	674.33	7/31/2025	8/7/2025	15.21	7.00	22.21	0.033%	0.01
143	Selection Item 143	8,802.00	3/27/2025	6/17/2025	15.21	82.00	97.21	0.432%	0.42
144	Selection Item 144	177.00	12/31/2024	2/20/2025	15.21	51.00	66.21	0.009%	0.01
145	Selection Item 145	293.70	6/6/2025	7/1/2025	15.21	25.00	40.21	0.014%	0.01
146	Selection Item 146	128,091.26	3/14/2025	4/15/2025	15.21	32.00	47.21	6.291%	2.97
147	Selection Item 147	62,832.47	1/2/2025	1/28/2025	15.21	26.00	41.21	3.086%	1.27
148	Selection Item 148	360.00	7/17/2025	8/12/2025	15.21	26.00	41.21	0.018%	0.01
149	Selection Item 149	947.31	3/6/2025	4/22/2025	15.21	47.00	62.21	0.047%	0.03
150	Selection Item 150	372.50	2/21/2025	3/18/2025	15.21	25.00	40.21	0.018%	0.01
151	Selection Item 151	531.14	7/17/2025	8/19/2025	15.21	33.00	48.21	0.026%	0.01
152	Selection Item 152	13,242.33	9/26/2025	10/21/2025	15.21	25.00	40.21	0.650%	0.26
153	Selection Item 153	9,671.29	3/31/2025	5/8/2025	15.21	38.00	53.21	0.475%	0.25
154	Selection Item 154	6,844.00	2/14/2025	3/11/2025	15.21	25.00	40.21	0.336%	0.14
155	Selection Item 155	280.14	4/24/2025	5/20/2025	15.21	26.00	41.21	0.014%	0.01
156	Selection Item 156	901.92	5/19/2025	6/26/2025	15.21	38.00	53.21	0.044%	0.02
157	Selection Item 157	262.00	6/26/2025	7/22/2025	15.21	26.00	41.21	0.013%	0.01
158	Selection Item 158	3,309.50	7/20/2025	8/21/2025	15.21	32.00	47.21	0.163%	0.08
159	Selection Item 159	1,420.98	5/23/2025	7/3/2025	15.21	41.00	56.21	0.070%	0.04
160	Selection Item 160	846.51	6/5/2025	7/10/2025	15.21	35.00	50.21	0.042%	0.02
161	Selection Item 161	17,801.59	5/8/2025	6/3/2025	15.21	26.00	41.21	0.874%	0.36

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	(A) Name	(B) Inv Amount	(C) Invoice Date	(D) Paid Date	(E) Service Lead Time	(F) Payment Lead Time	(G) Total Lead Time	(H) Weighting Factor	(I) Weighed Lead Time
162	Selection Item 162	148.68	1/27/2025	2/20/2025	15.21	24.00	39.21	0.007%	0.00
163	Selection Item 163	430.00	7/28/2025	8/21/2025	15.21	24.00	39.21	0.021%	0.01
164	Selection Item 164	1,630.96	8/7/2025	9/2/2025	15.21	26.00	41.21	0.080%	0.03
165	Selection Item 165	464.00	12/17/2024	1/14/2025	15.21	28.00	43.21	0.023%	0.01
166	Selection Item 166	156.95	7/23/2025	8/19/2025	15.21	27.00	42.21	0.008%	0.00
167	Selection Item 167	151,131.92	6/13/2025	7/8/2025	15.21	25.00	40.21	7.422%	2.98
168	Selection Item 168	130.13	8/31/2025	10/28/2025	15.21	58.00	73.21	0.006%	0.00
169	Selection Item 169	1,015.25	4/10/2025	5/6/2025	15.21	26.00	41.21	0.050%	0.02
170	Selection Item 170	2,000.00	5/15/2025	8/12/2025	15.21	89.00	104.21	0.098%	0.10
171	Selection Item 171	13,050.00	12/18/2024	1/14/2025	15.21	27.00	42.21	0.641%	0.27
172	Selection Item 172	359.04	8/29/2025	9/23/2025	15.21	25.00	40.21	0.018%	0.01
173	Selection Item 173	2,706.00	2/3/2025	2/11/2025	15.21	8.00	23.21	0.133%	0.03
174	Selection Item 174	533.40	4/23/2025	5/29/2025	15.21	36.00	51.21	0.026%	0.01
175	Selection Item 175	32,692.08	3/28/2025	4/22/2025	15.21	25.00	40.21	1.605%	0.65
176	Selection Item 176	2,713.45	2/10/2025	2/27/2025	15.21	17.00	32.21	0.133%	0.04
177	Selection Item 177	1,000.00	9/3/2025	10/16/2025	15.21	43.00	58.21	0.049%	0.03
178	Selection Item 178	5,552.74	8/15/2025	9/9/2025	15.21	25.00	40.21	0.273%	0.11
179	Selection Item 179	7,532.19	4/1/2025	4/29/2025	15.21	28.00	43.21	0.370%	0.16
180	Selection Item 180	2,097.70	7/22/2025	9/25/2025	15.21	65.00	80.21	0.103%	0.08
181	Selection Item 181	869.55	6/10/2025	8/1/2025	15.21	52.00	67.21	0.043%	0.03
182	Selection Item 182	273.81	4/21/2025	5/15/2025	15.21	24.00	39.21	0.013%	0.01
183	Selection Item 183	576.80	6/23/2025	11/6/2025	15.21	136.00	151.21	0.028%	0.04
184	Selection Item 184	322.48	5/5/2025	5/29/2025	15.21	24.00	39.21	0.016%	0.01
185	Selection Item 185	1,500.00	1/23/2025	4/1/2025	15.21	68.00	83.21	0.074%	0.06
186	Selection Item 186	1,120.00	1/2/2025	3/18/2025	15.21	75.00	90.21	0.055%	0.05
187	Selection Item 187	140.00	12/31/2024	2/13/2025	15.21	44.00	59.21	0.007%	0.00
188	Selection Item 188	289.46	8/21/2025	8/21/2025	15.21	-	15.21	0.014%	0.00
189	Selection Item 189	29,547.46	8/15/2025	9/9/2025	15.21	25.00	40.21	1.451%	0.58
190	Selection Item 190	2,196.30	10/9/2025	11/4/2025	15.21	26.00	41.21	0.108%	0.04
191	Selection Item 191	1,807.33	2/1/2025	3/4/2025	15.21	31.00	46.21	0.089%	0.04
192	Selection Item 192	11,536.47	4/30/2025	6/26/2025	15.21	57.00	72.21	0.567%	0.41
193	Selection Item 193	520.08	1/30/2025	2/27/2025	15.21	28.00	43.21	0.026%	0.01
194	Selection Item 194	4,738.23	5/7/2025	5/13/2025	15.21	6.00	21.21	0.233%	0.05
195	Selection Item 195	12,396.88	1/13/2025	2/6/2025	15.21	24.00	39.21	0.609%	0.24
196	Selection Item 196	644.96	9/26/2025	11/12/2025	15.21	47.00	62.21	0.032%	0.02
197	Selection Item 197	644.96	2/17/2025	3/13/2025	15.21	24.00	39.21	0.032%	0.01
198	Selection Item 198	2,042.32	12/12/2024	1/7/2025	15.21	26.00	41.21	0.100%	0.04
199	Selection Item 199	166.40	2/8/2025	3/6/2025	15.21	26.00	41.21	0.008%	0.00
200		$ 2,036,258.85							

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Taxes Other than Income Lead Time

Weighted Expense Lead Time: **68.92** **days**

Line No.	(A) Type of Tax	(B) Begin of Period	(C) MidPoint Method	(D) End of Period	(E) Payment Date	(F) Amount	(G) Service Lead Time	(H) Payment Lead Time	(I) Total Lead time	(J) Weighting Factor	(K) Weighted Lead Time
1	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	2/10/2025	$ 63.41	182.00	(142.00)	40.00	0.00%	0.00
2	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	3/12/2025	$ 1,040.27	182.00	(112.00)	70.00	0.00%	0.00
3	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	3/13/2025	$ 891.60	182.00	(111.00)	71.00	0.00%	0.00
4	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	4/10/2025	$ 759.00	182.00	(83.00)	99.00	0.00%	0.00
5	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	5/7/2025	$ 5,941.70	182.00	(56.00)	126.00	0.02%	0.03
6	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	6/5/2025	$ 2,577.86	182.00	(27.00)	155.00	0.01%	0.01
7	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	6/12/2025	$ 13.50	182.00	(20.00)	162.00	0.00%	0.00
8	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	8/7/2025	$ 2,891.45	182.00	36.00	218.00	0.01%	0.02
9	PA Local Property Taxes	1/1/2025	7/2/2025	12/31/2025	9/11/2025	$ 22,412.47	182.00	71.00	253.00	0.08%	0.21
10	PA and Local Sales Tax	11/1/2024	11/15/2024	11/30/2024	12/12/2024	$ 768,746.98	14.50	26.50	41.00	2.87%	1.18
11	PA and Local Sales Tax	12/1/2024	12/16/2024	12/31/2024	1/16/2025	$ 1,686,714.28	15.00	31.00	46.00	6.29%	2.90
12	PA and Local Sales Tax	1/1/2025	1/16/2025	1/31/2025	2/17/2025	$ 2,335,115.58	15.00	32.00	47.00	8.71%	4.10
13	PA and Local Sales Tax	2/1/2025	2/14/2025	2/28/2025	3/17/2025	$ 2,416,399.06	13.50	30.50	44.00	9.02%	3.97
14	PA and Local Sales Tax	3/1/2025	3/16/2025	3/31/2025	4/16/2025	$ 2,016,948.44	15.00	31.00	46.00	7.53%	3.46
15	PA and Local Sales Tax	4/1/2025	4/15/2025	4/30/2025	5/15/2025	$ 1,370,798.86	14.50	29.50	44.00	5.12%	2.25
16	PA and Local Sales Tax	5/1/2025	5/16/2025	5/31/2025	6/16/2025	$ 790,396.37	15.00	31.00	46.00	2.95%	1.36
17	PA and Local Sales Tax	6/1/2025	6/15/2025	6/30/2025	7/16/2025	$ 583,525.38	14.50	30.50	45.00	2.18%	0.98
18	PA and Local Sales Tax	7/1/2025	7/16/2025	7/31/2025	8/18/2025	$ 442,368.83	15.00	33.00	48.00	1.65%	0.79
19	PA and Local Sales Tax	8/1/2025	8/16/2025	8/31/2025	9/18/2025	$ 390,289.15	15.00	33.00	48.00	1.46%	0.70
20	PA and Local Sales Tax	9/1/2025	9/15/2025	9/30/2025	10/15/2025	$ 429,645.45	14.50	29.50	44.00	1.60%	0.71
21	PA and Local Sales Tax	10/1/2025	10/16/2025	10/31/2025	11/19/2025	$ 580,566.72	15.00	34.00	49.00	2.17%	1.06
22	PA and Local Sales Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$ 541,165.00	15.00	(4.00)	11.00	2.02%	0.22
23	PA and Local Sales Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$ 790,666.00	15.00	-	15.00	2.95%	0.44
24	PA and Local Sales Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$ 897,537.00	13.50	2.50	16.00	3.35%	0.54
25	PA and Local Sales Tax	3/1/2025	3/16/2025	3/31/2025	3/17/2025	$ 657,990.00	15.00	1.00	16.00	2.46%	0.39
26	PA and Local Sales Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$ 564,478.00	14.50	0.50	15.00	2.11%	0.32
27	PA and Local Sales Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$ 351,133.00	15.00	(1.00)	14.00	1.31%	0.18
28	PA and Local Sales Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$ 296,408.00	14.50	0.50	15.00	1.11%	0.17
29	PA and Local Sales Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$ 282,593.00	15.00	-	15.00	1.05%	0.16
30	PA and Local Sales Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$ 299,018.00	15.00	2.00	17.00	1.12%	0.19
31	PA and Local Sales Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$ 283,933.00	14.50	2.50	17.00	1.06%	0.18
32	PA and Local Sales Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$ 375,134.00	15.00	(1.00)	14.00	1.40%	0.20
33	PA and Local Sales Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$ 471,300.00	14.50	3.50	18.00	1.76%	0.32
34	PA and Local Use Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$ 173,878.01	15.00	(4.00)	11.00	0.65%	0.07
35	PA and Local Use Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$ 204,710.85	15.00	-	15.00	0.76%	0.11
36	PA and Local Use Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$ 116,506.38	13.50	2.50	16.00	0.43%	0.07
37	PA and Local Use Tax	3/1/2025	3/16/2025	3/31/2025	3/17/2025	$ 212,245.43	15.00	1.00	16.00	0.79%	0.13
38	PA and Local Use Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$ 111,780.44	14.50	0.50	15.00	0.42%	0.06
39	PA and Local Use Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$ 214,082.71	15.00	(1.00)	14.00	0.80%	0.11
40	PA and Local Use Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$ 162,184.25	14.50	0.50	15.00	0.61%	0.09
41	PA and Local Use Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$ 208,052.53	15.00	-	15.00	0.78%	0.12
42	PA and Local Use Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$ 202,827.66	15.00	2.00	17.00	0.76%	0.13
43	PA and Local Use Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$ 168,177.68	14.50	2.50	17.00	0.63%	0.11
44	PA and Local Use Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$ 202,145.97	15.00	(1.00)	14.00	0.75%	0.11
45	PA and Local Use Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$ 203,146.91	14.50	3.50	18.00	0.76%	0.14

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Line No.	(A) Type of Tax	(B) Begin of Period	(C) MidPoint Method	(D) End of Period	(E) Payment Date	(F) Amount	(G) Service Lead Time	(H) Payment Lead Time	(I) Total Lead time	(J) Weighting Factor	(K) Weighted Lead Time
46	PA Excise Alternative Fuel Tax	12/1/2024	12/16/2024	12/31/2024	12/12/2024	$ 398.13	15.00	(4.00)	11.00	0.00%	0.00
47	PA Excise Alternative Fuel Tax	1/1/2025	1/16/2025	1/31/2025	1/16/2025	$ 426.23	15.00	-	15.00	0.00%	0.00
48	PA Excise Alternative Fuel Tax	2/1/2025	2/14/2025	2/28/2025	2/17/2025	$ 783.61	13.50	2.50	16.00	0.00%	0.00
49	PA Excise Alternative Fuel Tax	4/1/2025	4/15/2025	4/30/2025	4/16/2025	$ 725.69	14.50	0.50	15.00	0.00%	0.00
50	PA Excise Alternative Fuel Tax	5/1/2025	5/16/2025	5/31/2025	5/15/2025	$ 315.51	15.00	(1.00)	14.00	0.00%	0.00
51	PA Excise Alternative Fuel Tax	6/1/2025	6/15/2025	6/30/2025	6/16/2025	$ 311.50	14.50	0.50	15.00	0.00%	0.00
52	PA Excise Alternative Fuel Tax	7/1/2025	7/16/2025	7/31/2025	7/16/2025	$ 278.23	15.00	-	15.00	0.00%	0.00
53	PA Excise Alternative Fuel Tax	8/1/2025	8/16/2025	8/31/2025	8/18/2025	$ 334.45	15.00	2.00	17.00	0.00%	0.00
54	PA Excise Alternative Fuel Tax	9/1/2025	9/15/2025	9/30/2025	9/18/2025	$ 211.68	14.50	2.50	17.00	0.00%	0.00
55	PA Excise Alternative Fuel Tax	10/1/2025	10/16/2025	10/31/2025	10/15/2025	$ 670.60	15.00	(1.00)	14.00	0.00%	0.00
56	PA Excise Alternative Fuel Tax	11/1/2025	11/15/2025	11/30/2025	11/19/2025	$ 1,559.21	14.50	3.50	18.00	0.01%	0.00
57	U.S DOT Pipeline Safety User Fee	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 74,984.94	182.00	(62.00)	120.00	0.28%	0.34
58	U.S DOT Underground Natural Gas Stora	1/1/2025	7/2/2025	12/31/2025	4/15/2025	$ 30,769.00	182.00	(78.00)	104.00	0.11%	0.12
59	Federal Excise - Alternative Fuels Tax	10/1/2024	11/15/2024	12/31/2024	1/20/2025	$ (793.46)	45.50	65.50	111.00	0.00%	(0.00)
60	Federal Excise - Alternative Fuels Tax	1/1/2025	2/14/2025	3/31/2025	4/16/2025	$ 493.73	44.50	60.50	105.00	0.00%	0.00
61	Federal Excise - Alternative Fuels Tax	4/1/2025	5/16/2025	6/30/2025	7/16/2025	$ 295.91	45.00	61.00	106.00	0.00%	0.00
62	Federal Excise - Alternative Fuels Tax	7/1/2025	8/15/2025	9/30/2025	10/23/2025	$ 397.66	45.50	68.50	114.00	0.00%	0.00
63	Federal Heavy Highway Tax	7/1/2024	12/30/2024	6/30/2025	9/10/2024	$ 6,173.33	182.00	(111.00)	71.00	0.02%	0.02
64	Federal Heavy Highway Tax	7/1/2025	12/30/2025	6/30/2026	9/12/2025	$ 5,095.00	182.00	(109.00)	73.00	0.02%	0.01
65	PURTA	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 875,000.00	182.00	(62.00)	120.00	3.27%	3.92
66	PURTA	1/1/2025	7/2/2025	12/31/2025	5/1/2025	$ 102,000.00	182.00	(62.00)	120.00	0.38%	0.46
67	PA PUC Assessment	1/1/2025	7/2/2025	12/31/2025	9/25/2025	$ 3,434,911.00	182.00	85.00	267.00	12.82%	34.23
68	WV Gas Stored	1/1/2025	7/2/2025	12/31/2025	2/10/2025	$ 294,840.34	182.00	(142.00)	40.00	1.10%	0.44
69	WV Gas Stored	1/1/2025	7/2/2025	12/31/2025	8/26/2025	$ 126,855.31	182.00	55.00	237.00	0.47%	1.12
70						$ 26,796,237.78					

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Income Tax Lead Time - State & Federal

	Period Covered		Mid-Point of		(Lead) / Lag Days		Dollar Weighted
	Beginning	End	Period	Date Paid	(D) - (C)	Payment Schedule	Days
	(A)	(B)	(C)	(D)	(F)	(E)	(G)
Line No.	**Federal Income Tax**						
1	1/1/2024	12/31/2024	7/1/2024	12/13/2024	164.50	25.0%	41.13
2	1/1/2025	12/31/2025	7/2/2025	4/15/2025	(78.00)	25.0%	(19.50)
3	1/1/2025	12/31/2025	7/2/2025	6/13/2025	(19.00)	25.0%	(4.75)
4	1/1/2025	12/31/2025	7/2/2025	9/15/2025	75.00	25.0%	18.75
						100.0%	**35.63**
	State Income Tax						
5	1/1/2024	12/31/2024	7/1/2024	12/13/2024	164.50	22.5%	37.01
6	1/1/2025	12/31/2025	7/2/2025	3/14/2025	(110.00)	22.5%	(24.75)
7	1/1/2024	12/31/2024	7/1/2024	4/15/2025	287.50	10.0%	28.75
8	1/1/2025	12/31/2025	7/2/2025	6/13/2025	(19.00)	22.5%	(4.28)
9	1/1/2025	12/31/2025	7/2/2025	9/15/2025	75.00	22.5%	16.88
						100.0%	**53.61**

Peoples Natural Gas Company LLC
Cash Working Capital Lead/Lag Study

Calculation of Interest Expense Lead Time - Both Short Term and Long Term

Line No.	(A) Date of Issuance	(B) Date of Maturity	(C) Payment Date	(D) Start of Period	(E) End of Period	(F) Mid Point of Half	(G) Payment Lead Time		(H) Principal	(I) Interest		(J) Payment	(K) Nominal Net Lead	(L) Weighting Factor	(M) Weighted Lead
1	12/19/2013	12/19/2025	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$	110,007,200	4.25%	$	2,337,653	90.75	6.45%	5.86
2	12/18/2017	12/18/2027	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$	178,911,000	3.38%	$	3,023,596	90.75	10.50%	9.53
3	12/18/2017	12/18/2032	6/19/2025	12/19/2024	6/19/2025	3/20/2025	90.75	$	178,911,000	3.63%	$	3,247,235	90.75	10.50%	9.53
4	10/31/2021	4/15/2030	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	221,786,218	2.70%	$	499,758	45.50	13.01%	5.92
5	10/31/2021	4/15/2050	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	266,143,463	3.35%	$	743,206	45.50	15.62%	7.11
6	12/31/2021	5/1/2031	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	65,364,587	2.40%	$	130,729	45.50	3.84%	1.75
7	12/31/2021	5/1/2052	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	81,705,732	5.30%	$	360,867	45.50	4.79%	2.18
8	7/31/2022	5/1/2031	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	152,444,444	2.40%	$	304,889	45.50	8.95%	4.07
9	7/31/2022	5/1/2052	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	190,555,556	5.30%	$	841,620	45.50	11.18%	5.09
10	7/31/2024	5/1/1931	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	48,839,507	2.40%	$	97,679	45.50	2.87%	1.30
11	7/31/2024	5/2/1952	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	61,049,382	5.30%	$	269,635	45.50	3.58%	1.63
12	1/2/2025	1/15/2034	12/31/2025	11/1/2025	11/30/2025	11/15/2025	45.50	$	148,500,000	5.38%	$	665,156	45.50	8.71%	3.96
13	**Historical Test Year - Long Term Debt Outstanding**							**$**	**1,704,218,089**		**$**	**12,522,023**			**LT DEBT**
										0.73%			**Weighted Expense Lead Time**		**57.92**

ST Debt from previous month; est invoice on 25th of the month, int "paid" by month end

(A) ST Debt	(B) End of Period	(C) Posting Date	(D) Paid Date	(E) Amount	(F) Service Lead Time	(G) Payment Lead time	(H) Total Lead Time	(I) Weighting Factor	(J) Weighted Lead Time

NOT APPLICABLE FOR PEOPLES NATURAL GAS COMPANY

		ST DEBT
Weighted Expense Lead Time		**-**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
JENNIFER E. NELSON
CONCENTRIC ENERGY ADVISORS
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026 Peoples Statement No. 15-R

DATE ADMITTED: _____

PREPARED REBUTTAL TESTIMONY
OF JENNIFER E. NELSON

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PREPARED REBUTTAL TESTIMONY
OF JENNIFER E. NELSON

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jennifer E. Nelson, and I am employed by Concentric Energy Advisors, Inc. ("Concentric") as a Vice President. My business address is 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts, 01752.

Q. DID YOU PREVIOUSLY FILE TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted direct testimony, Statement No. 15, on behalf of Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company") on March 27, 2026.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond to the direct testimonies of the following witnesses as they relate to the appropriate return on equity ("ROE"), capital structure, and cost of long-term debt for Peoples:

- D.C. Patel on behalf of the Bureau of Investigation and Enforcement ("I&E", "I&E Statement No. 2");
- David J. Garrett on behalf of the Pennsylvania Office of Consumer Advocate ("OCA", "OCA Statement 3");
- Mark D. Ewen on behalf of the Office of Small Business Advocate ("OSBA", "OSBA Statement No. 2");
- Patrick M. Cicero on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA", "CAUSE-PA Statement 1"); and
- Michael Deupree on behalf of OCA ("OCA Statement 1").

I collectively refer to these individual witnesses as the "Witnesses." My silence on a particular issue should not be construed as agreement with respect to that issue.

Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR REBUTTAL TESTIMONY?

A. Yes. I sponsor the following schedules:

Exhibit JEN-1R	Constant Growth DCF Results
Exhibit JEN-2R	Quarterly Growth DCF Results
Exhibit JEN-3R	Market Return Calculations
Exhibit JEN-4R	CAPM and Empirical CAPM Results
Exhibit JEN-5R	Bond Yield Plus Risk Premium Analysis
Exhibit JEN-6R	Proxy Group Capital Structure
Exhibit JEN-7R	Revisions to Mr. Patel's Authorized Equity Ratio Analysis
Exhibit JEN-8R	Proxy Group Current Authorized Equity Raito by Jurisdiction
Exhibit JEN-9R	Adjustments to Mr. Garrett's Implied Equity Risk Premium Calculation
Exhibit JEN-10R	Adjustments to Mr. Patel's CAPM Forecasted Market Return
Exhibit JEN-11R	Illustrative Flotation Cost Recovery
Exhibit JEN-12R	CAUSE-PA Response to Peoples Interrogatories, Requests for Production of Documents and Requests for Admission Set III-1

Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR DIRECTION?

A. Yes.

Q. HOW IS THE REMAINDER OF YOUR REBUTTAL TESTIMONY ORGANIZED?

A. My Rebuttal Testimony is organized by topic/issue raised by these Witnesses, as follows:

- Section II – provides an Executive Summary of my Rebuttal Testimony;
- Section III – responds to the Witnesses' positions regarding Peoples' proposed capital structure;

- Section IV – responds to the cost of capital proposals put forth by Governor Shapiro;
- Section V – responds to the Witnesses' references to national average authorized returns for natural gas utilities as a benchmark for establishing the return for Peoples in this proceeding, and the importance of placing those authorized returns in the proper context;
- Section VI – responds to the Witnesses regarding trends in the current capital market environment;
- Section VII – responds to certain witnesses with respect to the composition of a risk-comparable proxy group for Peoples in this proceeding;
- Section VIII – addresses the proper application of the Discounted Cash Flow ("DCF") model and discusses areas of disagreement in the application of the DCF model;
- Section IX – discusses areas of disagreement in the application of the Capital Asset Pricing Model ("CAPM"), and in particular, the appropriate inputs to that model;
- Section X – responds to the Witnesses' comments and concerns with my application of the Bond Yield Plus Risk Premium ("Risk Premium") model;
- Section XI – responds to the Witnesses' positions regarding Peoples's business risks;
- Section XII – presents the results of my updated ROE analyses based on market data through May 31, 2026; and
- Section XIII – summarizes my key conclusions and recommendations.

II. EXECUTIVE SUMMARY

Q. WHAT ARE YOUR KEY CONCLUSIONS REGARDING THE ANALYSIS AND RECOMMENDATIONS PROVIDED BY THE WITNESSES REGARDING THE APPROPRIATE ROE AND CAPITAL STRUCTURE FOR PEOPLES?

A. Although there are several areas in which I disagree with the Witnesses' methods and conclusions, the key issues are:

1. *Insufficiency of Mr. Garrett's ROE recommendation and Mr. Cicero's ROE estimate*. Mr. Garrett's 8.80 percent ROE recommendation is unjustly low – below all but one authorized ROE for natural gas utilities in at least the past 46 years.[1] Although he contends that his modeled ROE of 7.68 percent is not a specific recommendation per se,[2] Mr. Cicero's ROE falls 112 basis points lower than Mr. Garrett's and below all authorized ROEs for natural gas utilities in the last 46 years. (CAUSE-PA Statement 1, p. 34.) No rational equity investor would invest in Peoples if they could earn a return hundreds of basis points higher by investing in any other natural gas utility. Mr. Garrett's and Mr. Cicero's ROE estimates fail to meet the *Hope* and *Bluefield* fair return standards, defy any rational basis, and should be dismissed from the outset.

2. *Flawed application of the ROE analyses*. The Witnesses' analyses contain flaws and inconsistencies, with some that produce results below any reasonable measure of Peoples'

[1] Source: S&P Capital IQ Regulatory Research Associates ("RRA"). Excludes limited-issue rider cases and transmission cases.
[2] Mr. Cicero modeled an ROE estimate of 7.68 percent "based on the principles outlined by Governor Shapiro."

cost of equity. I address each analytical approach and recommend adjustments where appropriate.

3. *Misunderstanding of the current capital market environment and disregard for the higher long-term capital cost environment*. The Witnesses generally do not acknowledge the higher long-term interest rate and elevated inflationary environment. Mr. Garrett in particular gives undue weight to inputs and models that bias his ROE estimates and recommendations downward and result in recommendations to materially *reduce* Peoples' authorized ROE, contrary to prevailing capital market trends. As explained in Section VI, long-term government and utility bond yields increased since I filed my Direct Testimony, Peoples Statement No. 15, and are approximately 55-100 basis points higher than the levels at the time of the Commission's order approving the non-unanimous settlement in Peoples' last rate case.[3] It is important that the return authorized in this proceeding keeps pace directionally with the increase in capital costs that Peoples faces so that the Company can compete for capital among its peers that also have significant capital needs.[4] Doing so ensures that the Company continues to provide safe and reliable service to customers at a reasonable cost.

4. *Incorrect comparison of Peoples' capital structure to the proxy group holding companies rather than the proxy group operating companies*. Under the standalone principle of ratemaking, the correct comparison when analyzing a subject company's capital structure

[3] Note that there was no ROE determination in Peoples' non-unanimous settlements in 2019 and 2023. See also, Figure 2 later in this section and Figure 7 below in Section VI.
[4] *See, e.g.,* **Peoples Natural Gas Exhibit No. JEN-7**.

is to the proxy group *operating companies*, not the proxy group *holding companies*. The Witnesses' flawed comparisons lead to equity ratio recommendations that are significantly below Peoples's projected actual equity ratio. When the comparison is performed correctly to the proxy group operating company capital structures, Peoples' requested 54.47 percent equity ratio is within the range of the proxy group companies, consistent with sound industry practice, and is consequently reasonable and appropriate.

Q. PLEASE PROVIDE AN OVERVIEW OF THE WITNESSES' ROE ANALYTICAL RESULTS AND OVERALL ROE RECOMMENDATIONS IN THIS PROCEEDING.

A. As shown in Figure 1, the Witnesses base their recommendations on analyses that range from a low of 7.10 percent to a high of 11.42 percent.

Figure 1: ROE Ranges and Recommendations of the Witnesses

	I&E Witness Patel	OCA Witness Garrett	CAUSE-PA Witness Cicero	OSBA Witness Ewen	OCA Witness Deupree
DCF Results (Range)	11.33% (11.23% - 11.42%)	(7.1% - 7.6%)	NA	NA	NA
CAPM Results (Range)	9.57% (8.86%-10.28%)	8.8% (8.7%-9.2%)	NA	NA	NA
ROE Recommendation	**10.20%**	**8.8% (49% equity); 8.5% (54% equity)[5]**	**7.68%[6]**	**NA**	**NA**
Equity Ratio Recommendation	**50%**	**49%**	**50%[7]**	**NA**	**NA**

There are several flaws and inconsistencies with the analyses conducted by these witnesses. I address each analytical approach and recommend adjustments where appropriate. At the outset, one must question analyses producing results that are below nearly every authorized ROE for other natural gas utilities in at least the past 46 years. Further, I submit that the only reliable method for determining the cost of capital is through the application of rigorous analysis using financial models and market data from reliable sources, coupled with a comprehensive risk assessment of the regulated utility. Therefore, the ROE recommendations of OCA Witness Garrett and CAUSE-PA Witness Cicero should be disregarded from the

[5] Mr. Garrett recommends a CAPM cost of equity of 8.8 percent only if his recommended 49 percent equity ratio is used. If the Company's requested equity ratio is adopted, Mr. Garrett recommends an 8.5 percent ROE. OCA St. 3 at 3.

[6] Mr. Cicero states that his modeled ROE is based on the principles outlined by Governor Shapiro, but is not an ROE recommendation *per se*. See CAUSE-PA St. No. 1 at 34.

[7] Mr. Cicero presents three capital structure scenarios combined with his 7.68 percent modeled ROE; however, he ultimately recommends a 50/50 capital structure. See CAUSE-PA St. No. 1, at 44, 47.

outset. As for I&E Witness Patel, his CAPM ROE estimate that relies on Kroll's normalized equity risk premium fails the *Hope* and *Bluefield* fair return standards and should be similarly rejected.

Q. PLEASE SUMMARIZE THE COST OF CAPITAL RECOMMENDATIONS PRESENTED BY THE VARIOUS WITNESSES IN THIS PROCEEDING.

A. Mr. Patel performs a DCF analysis that is largely similar to mine and produces ROE estimates ranging from 11.23 percent to 11.42 percent (average of 11.33 percent).[8] He also performs two CAPM analyses that produce results ranging from 8.86 percent to 10.28 percent, and average of 9.57 percent.[9] To reach his 10.20 percent ROE recommendation, Mr. Patel averages his 11.33 percent DCF and 9.57 percent CAPM results with the national average authorized ROE for natural gas utilities reported by S&P (9.69 percent). (I&E Statement No. 2, p. 7.) Mr. Garrett performs two DCF analyses and a CAPM analysis, each of which produces a result at or below 8.8 percent (i.e., below all but one authorized ROE for other natural gas utilities in at least the past 46 years). His ultimate 8.8 percent ROE recommendation is based on his CAPM result combined with his proposed 49 percent equity ratio. (OCA Statement 3, p. 3.) Mr. Cicero estimates an ROE of 7.68 percent based on his interpretation of Governor Shapiro's proposed risk premium methodology, but states that it is not an ROE recommendation in this proceeding. (CAUSE-PA St. No. 1, p. 34.) Mr. Ewen and Mr. Deupree do not give a specific ROE recommendation, though recommend that the Commission consider affordability concerns.

[8] I&E Exhibit No. 2, Schedule 6.
[9] I&E Exhibit No. 2, Schedule 10.

Regarding Peoples's capital structure, Mr. Patel and Mr. Garrett incorrectly reference the proxy group *holding company* capital structures, as opposed to the proxy group *operating company* capital structures, to arrive at their respective 50 percent and 49 percent equity ratio recommendations. Meanwhile, Mr. Cicero relies on qualitative factors to arrive at his 50 percent equity ratio recommendation.

Finally, none of the parties object to Peoples' proposed cost of debt. Therefore, I do not respond to the Witnesses on the cost of debt.

Q. WHAT ARE THE PRACTICAL IMPLICATIONS FOR A UTILITY THAT HAS AN AUTHORIZED RETURN THAT IS FAR BELOW ROES AUTHORIZED FOR OTHER NATURAL GAS UTILITIES?

A. The significant difference between Mr. Garrett's and Mr. Cicero's ROE estimates and those available to other natural gas utilities raises a very practical concern. The Company must compete with other companies, including other utilities, for the long-term capital needed to provide utility service. Given the choice between an investment in two utilities, one with a return that falls far below industry levels and a utility with a return consistent with the market, investors will choose the latter. Further, if Mr. Garrett's or Mr. Cicero's recommendations were adopted, it would introduce significant uncertainty in the stability and consistency of the regulatory environment in Pennsylvania. The market would likely react swiftly and harshly to authorized ROEs and equity ratios that were each hundreds of basis points lower than those previously authorized by the Commission without a demonstration of a corresponding decline in risk or capital costs. Such a significant departure from the Commission's practice would

not only adversely affect the Company's financial integrity, but could have severe ramifications for all Pennsylvania utilities.

Q. HOW HAS THE COST OF CAPITAL CHANGED SINCE PEOPLES' 2023 RATE CASE?

A. The cost of capital has increased. As can be seen in Figure 2 below, government and utility bond yields are, on average, approximately 55-100 basis points above where they were when the Company's most recent black-box settlement was approved by the Commission in September 2024.

Figure 2: Treasury Bond and Utility Bond Yields (Sept. 2024 vs. May 2026)[10]

	10-yr Treasury Bond	30-yr Treasury Bond	Moody's A Utility Bond	Moody's Baa Utility Bond
9/12/24 (Peoples 2023 Rate Case)	3.68%	4.00%	5.19%	5.41%
1/30/26 (Nelson Direct)	4.26%	4.83%	5.69%	5.85%
05/29/26 (Nelson Rebuttal)	4.45%	4.99%	5.80%	5.97%
05/29/26 vs. 9/12/24 Change (bps)	77 bp	99 bp	61 bp	56 bp

The Witnesses recommend an ROE that is lower than the Commission's ROE authorized for Peoples' Distribution System Improvement Charge ("DSIC," 10.25 percent) even though the cost of capital has increased. Further, none of the Witnesses demonstrate that Peoples' risk is so much lower now than in 2024.

Notably, the Gas Industry DCF and CAPM proxy group average ROEs published by the Commission in its Quarterly Earnings reports show that the Commission's average DCF

[10] Source: Federal Reserve Bank of St. Louis, FRED Economic Database (Treasury bond yields), Bloomberg Professional (Moody's utility bond yields). Spot yields as of the date referenced.

estimates have increased 131 basis points from 9.79 percent in Q3 2024 to 11.10 percent in Q4 2025; the CAPM estimates declined from 11.01 percent to 10.33 percent (-68 basis points).[11] The average of these two model estimates increased from 10.40 percent to 10.72 percent. The market evidence points to a higher cost of equity for Peoples since its last rate case, not lower.

Q. MESSRS. PATEL, CICERO, EWEN, AND DEUPREE OPPOSE YOUR RECOMMENDED ROE DUE TO AFFORDABILITY CONCERNS. WHAT IS YOUR RESPONSE?

A. I emphasize that I do not dismiss the real impact that any rate increase has on customers. I understand that the Company offers programs to assist customers who experience hardships. As discussed in Company Witness Black's Direct Testimony (Peoples St. No. 10), Peoples maintains multiple programs to address affordability challenges, including the income-based Customer Assistance Program ("CAP") rates with arrearage forgiveness, hardship grants, weatherization and energy-efficiency assistance through the Low-Income Usage Reduction Program ("LIURP"), the Emergency Furnace and Service Line Repair Assistance Program ("EFSLR"), and the Customer Assistance, Referral and Evaluation Services ("CARES") case-management services that connect customers with utility and community resources. (Peoples Statement No. 10, pp. 3, 5.) These programs are supported by extensive outreach and enrollment efforts to ensure vulnerable households can access available assistance and maintain affordable, reliable natural gas service. As Ms. Black describes, these programs are

[11] Bureau of Technical Utility Services Report on the Quarterly Earnings of Jurisdictional Utilities for the Year Ended December 31, 2025, at 24. Accessible at: https://www.puc.pa.gov/pcdocs/1936067.pdf

specifically designed to mitigate affordability challenges while supporting continued access to safe and reliable natural gas service.

Nevertheless, the Company must balance customer affordability with its need for ongoing system investment to meet its obligation to provide customers with safe and reliable service. Customers benefit from a just and reasonable ROE that reflects the market-based cost of equity. In my opinion, affordability issues are better addressed with the programs discussed by Ms. Black, rather than through an unjustly low ROE that could have significant long-term consequences on the Company's ability to access capital on cost-effective terms for the benefit of customers.

Q. PLEASE SUMMARIZE YOUR CONCERNS REGARDING THE IMPLICATIONS OF GOVERNOR SHAPIRO'S LETTER ON THE COST OF EQUITY FOR PEOPLES AND ALL PENNSYLVANIA UTILITIES.

A. My primary concern is that Governor Shapiro's letter would move the cost-of-capital analysis away from a case-specific evaluation of utility risk and toward general benchmarks that may produce returns closer to returns on utility bonds than the return required by equity investors. The proposed ROE methodology does not adequately consider utility-specific business risks, including capital investment needs, regulatory lag, credit quality, access to capital, and the obligation to provide safe and reliable service. Those concerns are not merely theoretical: Moody's has already characterized the Governor's letter as credit negative because it represents a material escalation of political involvement in Pennsylvania utility rate-setting and could weaken the predictability and consistency of the regulatory framework.[12] Historical

[12] Moody's Ratings, Sector In-Depth, "Regulated Utilities – Pennsylvania, Political intervention in rate process is

examples from Arizona, Connecticut, and other jurisdictions further demonstrate that adverse or unexpectedly restrictive regulatory outcomes can lead to credit downgrades, higher borrowing costs, reduced investor confidence, and lower levels of utility investment — outcomes that ultimately can increase, rather than reduce, long-term customer costs. In the end, Pennsylvania utilities would be at a severe disadvantage in their ability to compete for capital among other utilities that operate in more stable and constructive regulatory environments.

Q. MR. PATEL, MR. CICERO, AND MR. DEUPREE CONTEND THAT PEOPLES' REGULATORY MECHANISMS REDUCE ITS RISK. DO YOU AGREE?

A. While regulatory mechanisms can mitigate certain risks, they do not eliminate them. Further, risk is a relative concept and none of the Witnesses compare Peoples' regulatory framework components to those available to the proxy group as I have (*see* **Peoples Natural Gas Exhibit No. JEN-8**). While regulatory mechanisms such as the Distribution System Improvement Charge ("DSIC"), fully projected future test year ("FPFTY"), and Weather Normalization Adjustment ("WNA") may mitigate risk on an absolute basis, the majority of the proxy group operating companies utilize similar mechanisms, as I explain in Section XI. In other words, these mechanisms are common across the industry and Peoples' business risk is no different than its peers in that regard. Further, the market data used in my various models reflect the regulatory constructs in which the proxy companies operate and, therefore, investors' perceptions regarding the effect of these constructs on the proxy companies' risk profiles. Mr. Cicero, on the other hand, acknowledges that "[m]any other gas utilities in Pennsylvania use

credit negative for electric, gas and water utilities," May 19, 2026.

the modifications allowed by the Public Utility Code to reduce regulatory lag , including filing a rate case using a Fully Projected Future Test Year, the use of alternative ratemaking mechanisms such as a Weather Normalization Adjustment (WNA), and the use of a Distribution System Improvement Charge (DSIC) between rate cases", yet concedes that he did not rely on specific reports about these or other modifications to ratemaking in the preparation of his testimony.[13] (CAUSE-PA Statement 1, pp. 12-13.) In summary, Peoples' risk is similar to its peers; therefore, my analysis captures this effect and the Company's authorized ROE should not be lowered due to its regulatory mechanisms.

Q. WHAT ARE YOUR CONCLUSIONS?

A. As discussed in my Direct and Rebuttal Testimonies, it is critical that Peoples maintain a strong financial profile in order to provide safe, reliable service to the benefit of customers. Whereas Mr. Patel's recommended ROE overlaps with my estimates, the remaining Witnesses' recommendations are materially below industry benchmarks for a comparable return and run counter to the higher capital cost environment the Company faces, and would impede its ability to compete for the external capital it needs to fund necessary investments. As discussed above, Mr. Cicero's ROE estimate is below all authorized ROEs for other natural gas utilities since 1980, while Mr. Garrett's ROE estimate is below all but one. This highlights that both Mr. Garrett and Mr. Cicero rely on flawed ROE analytical approaches that apply unreasonable inputs and disregard current capital market conditions. Further, the results of my collective updated DCF, CAPM, ECAPM, and Risk Premium analyses have generally remained flat, on

[13] CAUSE-PA Responses to Interrogatories, Requests for Production of Documents, and Requests for Admission – Set III, Docket No. R-2026-3060855, Peoples to CAUSE-PA III-1, which is attached as **Peoples Natural Gas Exhibit No. JEN-12R**.

average, since the initial filing (see Figure 3). Based on the analyses discussed throughout my Rebuttal Testimony, my 11.00 percent base ROE recommendation remains a just and reasonable estimate of Peoples' cost of equity that appropriately reflects the increased cost of capital since its last rate case.

Figure 3: Summary of Updated Results[14]

Model	**ROE Model Results (As Filed)**	**ROE Model Results (5/29/26)**	**Change**
Constant Growth DCF	10.79%	10.93%	+0.14%
Quarterly Growth DCF	11.03%	11.14%	+0.11%
Average DCF	**10.91%**	**11.03%**	**+0.12%**
Forward CAPM	13.09%	12.17%	-0.92%
Forward ECAPM	13.91%	12.94%	-0.97%
Historical CAPM	10.11%	10.05%	-0.06%
Historical ECAPM	10.64%	10.60%	-0.04%
Average CAPM	**11.94%**	**11.44%**	-0.50%
Risk Premium	10.24%	10.30%	0.06%
3-Model Average	**11.03%**	**10.92%**	**-0.10%**
Range of Model Results (Rounded)	10.20%-11.90%	10.30%-11.40%	-
Base ROE Recommendation	**11.00%**	**11.00%**	**No change**

Lastly, Mr. Patel and Mr. Garrett present flawed arguments to compare Peoples's proposed capital structure to the proxy group *holding company* capital structure instead of the proxy group *operating company* capital structure, while CAUSE-PA Witness Cicero argues

[14] *See*, **Peoples Natural Gas Exhibit Nos. JEN-2** through **JEN-6** and **Peoples Natural Gas Exhibit Nos. JEN-1R** through **JEN-5R**. DCF and CAPM results reflect the average of the proxy group mean and median ROE estimates. Data as of May 31, 2026. Numbers may not sum due to rounding.

without evidence that the Commission should enact a 50 percent equity and 50 percent long-term debt capital structure. As I explain in Section III, Peoples' requested 54.47 percent equity ratio, is within industry standards and consistent with the Commission's precedent.

III. CAPITAL STRUCTURE

Q. PLEASE SUMMARIZE THE WITNESSES' RECOMMENDATIONS REGARDING THE APPROPRIATE CAPITAL STRUCTURE FOR PEOPLES.

A. Witnesses Patel, Garrett, and Cicero each recommend a hypothetical capital structure for Peoples that contains less common equity than the Company's requested capital structure. The Witnesses' recommendations are summarized in Figure 4 below.

Figure 4: Witnesses' Capital Structure Recommendations[15]

Witness	Common Equity	Long-term Debt
Nelson	54.47%	45.53%
Patel	50.00%	50.00%
Garrett	49.00%	51.00%
Cicero	50.00%	50.00%
Ewen	N/A	N/A
Deupree	N/A	N/A

Mr. Patel reviews the five-year historical proxy group holding company capital structures reported by S&P and projected capital structures reported by Value Line. (I&E Exhibit No. 2, Schedule 2, page 6; I&E Statement No. 2, p. 20.) Mr. Patel also reviews authorized equity ratios for natural gas distribution utilities during 2025 through May 2026.

[15] I&E St. No. 2, at 15; OCA St. No. 3, at 3; CAUSE-PA St. No. 1, at 47.

(I&E Exhibit No. 2, Schedule 2, p. 17.) He then concludes that an equity ratio of 50 percent "represents a reasonable ratio when trying to balance the financial integrity of a utility as well as trying to control costs to ratepayers in this proceeding." (I&E Statement No. 2, p. 15.) Mr. Garrett similarly examines the proxy group holding company capital structures reported by Value Line, for which he calculates an average equity ratio of 49 percent. (OCA Statement 3, p. 56; Exhibit DJG-13.) Mr. Cicero recommends a 50 percent equity ratio, and references Essential Utilities' consolidated capital structure. (CAUSE-PA Statement 1, p. 47.) Finally, Mr. Ewen and Mr. Deupree do not address the capital structure. As I explain in this section, the Witnesses' capital structure proposals violate established regulatory standards that prevail in regulatory jurisdictions across the United States. Abandoning the use of Peoples' actual capital structure as proposed by Messers. Patel, Garrett, and Cicero would ignore Commission precedent, as well as long standing and widely recognized regulatory and utility financing principles. In the end, Messers. Patel, Garrett, and Cicero have not demonstrated that Peoples' actual capital structure deviates substantially from industry standards and that an alternative or hypothetical capital structure is necessary. Peoples' requested capital structure is consistent with regulatory principles, Commission precedent, and industry practice. Therefore, I recommend Peoples' actual test year capital structure to establish a fair return for the Company in this case.

Q. IS MR. CICERO'S 50/50 CAPITAL STRUCTURE RECOMMENDATION BASED ON ANY OBJECTIVE, QUANTITATIVE ANALYSIS?

A. No. Mr. Cicero's 50/50 capital structure recommendation is not based on evaluation of the financial risk of the proxy group, nor any other quantitative analysis. Rather, Mr. Cicero

explains that his recommendation is "a means [of] recognizing the principle of gradualism". (CAUSE-PA Statement 1, p. 47.)

Q. DO YOU AGREE WITH MESSERS. PATEL'S, GARRETT'S, AND CICERO'S RECOMMENDATIONS TO IMPUTE A SIGNIFICANTLY MORE LEVERAGED CAPITAL STRUCTURE FOR PEOPLES?

A. No, I do not. Simply, Messers. Patel's, Garrett's, and Cicero's hypothetical capital structure recommendations are not based on Peoples' specific risks and financing requirements and are contrary to widely recognized regulatory principles and utility financing practices. As explained in more detail in this section, utility capital structures vary widely based on the unique needs of each company and the assets being financed. Although reviewing the actual and authorized capital structures in place at other natural gas distribution utilities may inform the reasonableness of a utility's capital structure and may be used as a broad indicator of industry practice, it is inconsistent with regulatory principles to impute a hypothetical capital structure for ratemaking purposes unless the actual capital structure deviates substantially from sound utility practice. Setting Peoples' ratemaking capital structure according to a proxy group average actual or authorized capital structure presumes that Peoples should be financed with the same proportion of debt and equity as the "average" natural gas distribution utility. It ignores the fact that each operating utility is unique, and therefore, the financing requirements for each operating company are also unique and can vary widely. The fact that Peoples' equity ratio differs from an average does not mean that it is unreasonable.

Q. WHAT HAS BEEN THE COMMISSION'S PRECEDENT FOR SETTING A UTILITY'S RATEMAKING CAPITAL STRUCTURE?

A. The Commission has routinely adopted a utility's actual capital structure so long as it falls within the range of the capital structure ratios of the proxy group.[16] Importantly, the Commission has reinforced the finding that a utility's actual capitalization forms the basis upon which the Company attracts capital."[17] Further, in rejecting recommendations to impute a hypothetical capital structure, the Commission has noted that its standard is as follows:

> Absent a finding by the Commission that a utility's actual capital structure is atypical or too heavily weighted on either the debt or equity side, we would not normally exercise our discretion with regard to implementing a hypothetical capital structure.[18]

As shown in **Peoples Natural Gas Exhibit No. JEN-6R**, Peoples' requested equity ratio of 54.47 percent is within the range of the proxy group five-year average equity ratio that ranges from 48.15 percent to 60.07 percent, and in fact, is slightly *below* the proxy group mean and median of the five-year average equity ratio of 54.63 percent and 55.04 percent, respectively.[19] Further, it is below the five-year average equity ratios of four of the seven

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[16] See, e.g., *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499 Opinion and Order entered December 9, 2025, at 210; *Pa. PUC v. PECO Energy Company - Gas Division*, Docket No. R-2020-3018929, Opinion and Order entered June 22, 2021, at 146-147; *Pa. PUC v. Pennsylvania-American Water Company, Docket No.* R-2023-3043189, Opinion and Order entered July 22, 2024, at 158-160.

[17] See, e.g., *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499 Opinion and Order entered December 9, 2025, at 210-211, *Pa. PUC v. Pennsylvania-American Water Company, Docket No.* R-2023-3043189, Opinion and Order entered July 22, 2024, at 158; see also *Pa. PUC v. PPL Electric Utilities Corp*., R-2012-2290597, Opinion and Order entered December 28, 2012, at 68; *Pa. PUC v. Columbia Gas of Pennsylvania*, R-2020-3018835, Opinion and Order entered February 19, 2021, at 116; *Pa. PUC v. PECO Energy Company - Gas Division*, Docket No. R-2020-3018929, Opinion and Order entered June 22, 2021, at 144; and Columbia Water 2024, at 83.

[18] See, e.g., *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499 Opinion and Order entered December 9, 2025, at 212; *Pa. PUC v. Pennsylvania-American Water Company, Docket No.* R-2023-3043189, Opinion and Order entered July 22, 2024, at 158; see also *Pa. PUC v. PPL Electric Utilities Corp*., R-2012-2290597, Opinion and Order entered December 28, 2012, at 68; *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2020-3018835 Opinion and Order entered February 19, 2021, at 116-17; *Pa. PUC v. PECO Energy Company - Gas Division*, at 144-45.

[19] **Peoples Natural Gas Exhibit No. JEN-6R**.

proxy companies. There is no evidence to support the finding that Peoples' requested capital structure is atypical or too heavily weighted toward debt or equity, as outlined by the Commission's standard.

Q. WHAT ARE THE REGULATORY GUIDELINES FOR DETERMINING THE REASONABLENESS OF A UTILITY'S CAPITAL STRUCTURE FOR RATEMAKING PURPOSES?

A. In a 2020 publication titled *A Cost of Capital and Capital Markets Primer for Utility Regulators,* NARUC advises that actual capital structure ratios should be used unless they "greatly diverge" from sound industry practice:

> A utility management must be permitted latitude, discretion, and flexibility in managing capital structure ratios. Since there is no practical methodology to pinpoint theoretically optimal capital structure ratios, targeted ratios can only be broadly conceptualized. Appropriate ratios may shift over time as capital market conditions or business risk characteristics change. Additionally, the timing of upcoming issuances and maturities may influence the capital structure ratios because both the size and frequency of issuances are affected by the relative cost-effectiveness of various issuance increments.
>
> Given these practical considerations, capital structure ratios cannot be deemed to be inappropriate unless the ratios greatly diverge from sound industry practice and cause a lack of financial flexibility that may lead to higher overall costs.
>
> ***
>
> As increasing financial leverage shifts the weight from common equity to lower cost debt, it also increases both the cost of debt and the cost of common equity. In practice, these offsetting impacts cancel each other out over a wide range of capital structure ratios".[20]

[20] NARUC, *A Cost of Capital and Capital Markets Primer for Utility Regulators* (April 2020), at 12 (emphasis added).

Further, James C. Bonbright explains in his seminal text *Principles of Public Utility Rates* that a hypothetical capital structure should be used only when actual capital structures are "clearly unsound" or "extravagantly conservative," reasoning that using hypothetical capital structures "substitutes an estimate of what the capital cost would be under non-existing conditions for what it actually is or will soon be under prevailing conditions."[21]

As discussed below, none of the Witnesses have demonstrated that Peoples' actual capital structure *deviates substantially* from industry standards. Rather, Peoples' capital structure is well within industry standards and the capital structures in place for its peers.

Q. BEFORE RESPONDING TO THE WITNESSES' POSITIONS REGARDING CAPITAL STRUCTURE, PLEASE EXPLAIN THE FACTORS UTILITIES GENERALLY CONSIDER IN DEVELOPING THEIR CAPITAL STRUCTURES AND WHY IT IS IMPORTANT TO REFLECT UTILITY-SPECIFIC FINANCING REQUIREMENTS WHEN DETERMINING THE APPROPRIATE RATEMAKING CAPITAL STRUCTURE.

A. Companies (including subsidiary companies) are financed considering the specific risks and funding requirements associated with their unique individual operations. Capital structure management is dynamic and complex because it must satisfy multiple objectives subject to multiple constraints. It is therefore important to understand utility financing practices, including the principles and constraints that drive utility financing decisions, and how those practices are reflected in the cost of capital. As explained below, utility financing practices reflect the nature of regulation and utilities' investments made under the regulatory compact.

[21] James C. Bonbright, Principles of Public Utility Rates, at 243-44.

Although regulated utilities face common financing principles and constraints, the unique risks and operations of each individual utility result in a broad range of capital structures.

In many respects, the nature of regulation determines the nature of utility assets, and how they are financed. In exchange for the obligation to serve, equity investors expect utilities to have a reasonable opportunity to earn a fair return on prudent investments over the life of those investments. It is the nature of regulation, therefore, that enables utilities to finance large, essentially irreversible, investments that are recovered over decades. Moreover, because the obligation to serve must be fulfilled regardless of capital market conditions, utility capital structures (and the financial strength they support) are established to ensure capital access not only during normal markets, but when markets are constrained as well. When markets are constrained, only those utilities with sufficient financial strength can attract capital at reasonable terms to customers' benefit. That financial strength provides utilities with critical financial flexibility. Relying more heavily on debt increases the risk of refinancing maturing obligations during less accommodating market environments at higher costs. Financial flexibility, therefore, has a cost. As Moody's explains:

> Liquidity and access to financing are of particular importance in this sector. Utility assets can often have a very long useful life – 30, 40 or even 60 years is not uncommon, as well as high costs…Utilities are among the largest debt issuers in the corporate universe and typically require consistent access to the capital markets to assure adequate sources of funding and to maintain financial flexibility.[22]

The requirement to access capital markets in all market conditions contrasts with the financial needs of other entities without the legal obligation to serve. Because of that

[22] Moody's Ratings, *Rating Methodology: Regulated Electric and Gas Utilities*, at 18 (August 6, 2024).

obligation, the financial flexibility required to access both long-term capital and short-term liquidity is critical to meet the obligation to serve. Unregulated companies can adjust the timing and amount of major capital expenditures to align with economic cycles and defer investments to better match market conditions, whereas utilities have limited options to do so. Reduced financial flexibility, therefore, must be compensated for by ensuring utilities have sufficient financial strength to provide safe and reliable service to customers at all times.

Q. ARE YOU AWARE OF CIRCUMSTANCES IN WHICH UTILITIES' ACCESS TO CAPITAL BECAME CONSTRAINED EVEN FOR UTILITIES WITH AN INVESTMENT GRADE CREDIT RATING?

A. Yes. For example, a 2009 report by the Edison Electric Institute ("EEI") entitled "The Financial Crisis and Its Impact on the Electric Utility Industry" discussed the effect of the 2008 Financial Crisis on utilities' ability to access capital. EEI noted that Lehman Brothers had been a major issuer of commercial paper and when it collapsed, "the commercial paper market literally evaporated."[23] EEI also observed that spreads for electric utility debt increased significantly, several hundred basis points above their normal ranges.[24] Utilities with credit ratings in the "A" range were generally able to secure long-term debt at lower premiums than utilities with "BBB" credit ratings, saving customers more than 100 basis points per year in debt costs on average. The report further explained that equity financing was also difficult to

[23] Edison Electric Institute, "The Financial Crisis and Its Impact on the Electric Utility Industry," at 5 (February 2009).

[24] Edison Electric Institute, "The Financial Crisis and Its Impact on the Electric Utility Industry," at 5-6 (February 2009).

secure during that time.[25] Given the obligation to serve and continuous need to access capital, utilities must be prepared for such events that may occur beyond their control.

Q. WHEN SETTING THE AUTHORIZED CAPITAL STRUCTURE, IS IT CORRECT TO ANALYZE THE PROXY GROUP HOLDING COMPANY CAPITAL STRUCTURE, RATHER THAN THE PROXY GROUP OPERATING COMPANY CAPITAL STRUCTURE?

A. No. Mr. Patel and Mr. Garrett reference equity ratios reported by Value Line and S&P at the holding company level. Such comparisons are apples-to-oranges comparisons and suggest that the Commission should ignore relevant data that accurately represents the financial risk profiles and common financing practices of regulated natural gas utility operating companies. Because capital at the consolidated holding company level may finance unregulated operations, comparisons to the parent company capital structure leads to flawed and misleading conclusions. As explained above, regulated utilities' obligation to serve presents a unique set of constraints that affect their financing practices compared to unregulated operations, which reduces financing flexibility that is critical for utilities.

Consolidated holding companies are financed differently than their regulated operating subsidiaries because capital at the holding company level finances a variety of business segments (both regulated and unregulated) each with different risk profiles and return requirements. For these reasons, the proper comparison of the Company's capital structure is to the capital structures that finance the proxy companies' regulated natural gas operations.

[25] Edison Electric Institute, "The Financial Crisis and Its Impact on the Electric Utility Industry," at 7 (February 2009).

My capital structure analyses presented in Exhibit JEN-10 and updated in JEN-6R calculates the capital structures in place for the proxy companies' regulated natural gas operations using FERC Form 2 data; therefore, it provides an apples-to-apples assessment of the reasonableness of Peoples' requested capital structure as a regulated natural gas operating utility. As shown in Exhibit JEN-6R, the proxy group operating companies are all financed differently and there is a range of capital structures that finance the natural gas utility operations. The Company's requested equity ratio of 54.47 percent is slightly below the proxy group three-year and five-year average equity ratios (54.51 percent and 54.63 percent, respectively), demonstrating Peoples' financial risk is typical of its peers.

In short, comparisons to the consolidated holding company capital structures simply do not reflect the common financing constraints faced by operating subsidiaries with the obligation to serve. The only appropriate apples-to-apples comparison to discern the appropriate capitalization for a regulated operating utility like Peoples is a comparison to other regulated operating utility subsidiaries.

In summary, Mr. Patel's and Mr. Garrett's analyses using consolidated holding company capital structure do not accurately reflect how natural gas distribution utilities are financed because they are at the holding company level, not the operating company level. As such, I recommend that the Commission give no weight to Mr. Patel's and Mr. Garrett's analyses and recommendations that are based on consolidated holding company capital structures.

Q. IF THE COMMISSION WERE TO RELY ON MR. PATEL'S OR MR. GARRETT'S CONSOLIDATED HOLDING COMPANY CAPITAL STRUCTURE ANALYSES, IS

THE COMPANY'S REQUESTED EQUITY RATIO WITHIN THE RANGES OF THE CONSOLIDATED HOLDING COMPANIES?

A. Yes it is. Although analyses at the consolidated holding company level are not the appropriate basis to evaluate the reasonableness of an operating subsidiary's financial risk, Peoples' requested equity ratio of 54.47 percent is within the proxy group equity ratio ranges presented by Mr. Patel and Mr. Garrett. (I&E Statement No. 2, p. 17; I&E Exhibit No. 2, Schedule 2, p. 17; Exhibit DJG-13.) Therefore, the Company's requested equity ratio adheres to the Commission's standard described earlier.

Q. MR. PATEL'S FIVE-YEAR HISTORICAL PROXY GROUP CAPITAL STRUCTURE ANALYSIS SHOWS THAT ONE GAS, INC.'S ("ONE GAS") EQUITY RATIO IN 2021 AND 2022 WAS MATERIALLY LOWER THAN ITS TYPICAL EQUITY RATIO IN 2023-2025.[26] CAN YOU EXPLAIN WHAT HAPPENED IN 2021 THAT CAUSED ONE GAS'S EQUITY RATIO TO BE ABNORMALLY LOW IN 2021 AND 2022?

A. Yes. In February of 2021, Winter Storm Uri hit Texas and the midwestern U.S., knocking out electric power to millions of customers and constraining natural gas supplies, which pushed customer demand and natural gas commodity costs to record highs. Because of their obligation to serve, natural gas utilities cannot delay or defer purchasing natural gas in the winter, as many customers rely on natural gas to heat their homes. Consequently, as Moody's noted, the surge in natural gas commodity costs "strained liquidity for utilities in Texas, Oklahoma, Kansas, and neighboring states."[27] ONE Gas, Inc., reported more than $2 billion in additional natural

[26] I&E Exhibit No. 2, Schedule 2, page 6.
[27] S&P Capital IQ, "Gas utilities 'most severely affected' by winter storm prices, Moody's says," March 8, 2021.

gas commodity costs attributed to Winter Storm Uri.[28] However, it was able to secure a $2.5 billion term loan facility,[29] which may not have been possible but for its 'A' credit rating, historically strong balance sheet with approximately 60% equity,[30] and expectation for constructive regulatory treatment to recover its extraordinary natural gas commodity costs.[31] I emphasize that despite its strong balance sheet and expectation for cost recovery, S&P downgraded ONE Gas two notches from A to BBB+ on February 23, 2021. ONE Gas ultimately received approval in 2022 to securitize Winter Storm Uri purchased gas costs for its Oklahoma and Kansas utilities.[32] Therefore, Mr. Patel's 2021 and 2022 equity ratios for ONE Gas are uncharacteristic of its typical equity ratio and are skewed by the fact that it secured significant interim financing in order to maintain safe and reliable service in an emergency until it could receive cost recovery through securitization. If ONE Gas's more typical capital structure is considered, Peoples' requested equity ratio is lower than three of eight consolidated holding company equity ratios in Mr. Patel's proxy group.

Q. DO YOU HAVE ANY CONCERNS WITH MR. PATEL'S REVIEW OF RECENT AUTHORIZED EQUITY RATIOS FOR NATURAL GAS UTILITIES?

A. Yes, I have several concerns. In I&E Exhibit No. 2, Schedule 2, Page 17-18, Mr. Patel lists authorized ROEs and equity ratios in 2025 through May 27, 2026. While I do not dispute that

[28] S&P Capital IQ, "One Gas to pay $2.2B for gas purchases, secures $2.5B term loan facility," February 22, 2021.

[29] S&P Capital IQ, "One Gas to pay $2.2B for gas purchases, secures $2.5B term loan facility," February 22, 2021. I note that the $2.5 billion term loan facility was more than twice the size of ONE Gas's outstanding debt at the end of 2020.

[30] Source: S&P Capital IQ. Excluding 2021 and 2022, ONE Gas's consolidated holding company equity ratio ranged from 56.55% to 62.35% between 2015 and 2025, and averaged 59.83%.

[31] *See, e.g.*, S&P Capital IQ, "Gas utilities face multibillion-dollar financing needs after storm price surge," February 22, 2021.

[32] ONE Gas, Inc. SEC Form 10-K for the year ended December 31, 2022, at 18.

those are the equity ratios reported by S&P's Regulatory Research Associates ("RRA"), my first concern is that only 15 of 52 rate cases (i.e., less than 30 percent) in which an equity ratio was determined were for companies included in my or Mr. Patel's proxy group. Notably, the average authorized equity ratio for those 15 companies is approximately 53.89 percent (*see* **Peoples Natural Gas Exhibit No. JEN-7R**), which is not far removed from Peoples' requested equity ratio.

My second concern is that Mr. Patel's analysis fails to acknowledge that the authorized equity ratios reported by RRA report the percentage of equity to *total capital*, which may include short-term debt and non-investor supplied sources of capital that are not included in Peoples' capital structure. In other words, the reported authorized equity ratios may not be directly comparable to Peoples' capital structure. For example, Mr. Patel's analysis reports a 48.10 percent authorized equity ratio for Florida utility Peoples Gas System and a 41.95 percent authorized equity ratio for Consumers Energy Company in Michigan. Both Florida and Michigan include non-investor supplied capital (e.g., deferred taxes, customer deposits) in the ratemaking capital structure, which are not included in the ratemaking capital structure for Pennsylvania utilities. Using only investor supplied capital sources (i.e., common equity and long-term debt), the actual authorized equity ratios for Peoples System and Consumers Energy Co. are 54.70 percent[33] and 50.00 percent,[34] respectively.

Moreover, authorized equity ratios in 2025 and 2026 range from 43.17 percent to 61.05 percent. Peoples' requested equity ratio of 54.47 percent is well within this range. As further shown in Exhibit JEN-7R, more than 61 percent of the 52 rate cases with an equity ratio

[33] Florida Public Service Commission Order No. PSC-2025-0413-S-GU, at page 7.
[34] Michigan Public Service Commission Docket No. U-21860, Order at pages 162, 181.

determination in 2025 and 2026 are above Mr. Patel's recommended equity ratio of 50 percent, and more than one-third of those above 50 percent are equal to or greater than 54 percent. When his analysis is corrected to exclude non-investor supplied capital, and the distribution of authorized equity ratios is considered, it is clear that Peoples' requested equity ratio of 54.47 percent is not an outlier. Mr. Patel's recommended equity ratio is at the lower end of those authorized for other natural gas distribution utilities and is therefore not supported by his own evidence. I note that the reported authorized equity ratios of these cases may still include short-term debt, which I have not attempted to reconcile, indicating that the reported authorized equity ratios may be understated compared to Peoples' ratemaking capital structure that does not include short-term debt.

Lastly, even if these numbers were accurately cited, referencing an industry average authorized equity ratio is not a reasonable methodology to set a utility's authorized equity ratio. Each utility is different, and the operational and financial aspects that inform a utility's appropriate capital structure vary from utility to utility. For that reason, it is important to also review the range of authorized equity ratios. For example, the authorized equity ratios referenced by Mr. Patel range from 43.17 percent to 61.05 percent.[35] This further demonstrates that Peoples' requested 54.47 percent equity ratio is well within industry standards. The correct methodology is to use the utility's actual (or projected actual) capital structure if it is reasonable and consistent with industry standards for companies with commensurate risk, as explained earlier.

[35] *See*, **Peoples Natural Gas Exhibit No. JEN-7R**.

Q. WHAT IS YOUR RESPONSE TO MR. PATEL'S AND MR. GARRETT'S REFERENCE TO VICE CHAIR BARROW'S STATEMENTS REGARDING THE CAPITAL STRUCTURE?

A. I respectfully disagree with the conclusions that they drawn from Vice Chair Barrow's statements. Mr. Patel refers to Vice Chair Barrow's statement issued in Columbia Gas of Pennsylvania's 2025 rate case (Docket No. R-2025-3053499) in which she compared Columbia Gas of Pennsylvania's capital structure to the proxy group and asserted that a 50/50 capital structure was "a better representation of [Columbia Gas of Pennsylvania's] **actual** financial risk." (I&E Statement No. 2, p. 14; I&E Exhibit No. 2, Schedule 2, p. 4 (emphasis in original).) To the extent that Mr. Patel is suggesting that a proxy group's average capital ratios represent a specific utility's actual financial risk, I respectfully disagree. A company's actual financial risk is represented by the proportions of debt and equity on its books. Imputing a significantly more leveraged hypothetical capital structure substitutes Peoples' actual financial risk with higher financial risk that arises from greater leverage.

Similarly, Mr. Garrett refers to Vice Chair Barrow's April 16, 2026 statement in this proceeding. (OCA Statement 3, pp. 4-5.) Mr. Garrett interprets Vice Chair Barrow's statement as instruction that "the Commission must impute a ratemaking debt ratio of 51%, which is equal to the proxy group average". (OCA Statement 3, pp. 5-6 (emphasis added).) I respectfully disagree with Mr. Garrett's interpretation. First, I disagree with Mr. Garrett's use of consolidated holding company capital structures as the appropriate point of comparison for the reasons described earlier. Second, I respectfully disagree with Mr. Garrett's interpretation

that Vice Chair Barrow's statement "instructs" the imputation of the proxy group average capital structure. (OCA Statement 3, p. 6.)

Q. DO THE PROXY GROUP AVERAGE CONSOLIDATED HOLDING COMPANY CAPITAL STRUCTURES REPORTED BY MR. PATEL OR MR. GARRETT ACCURATELY REPRESENT THE FINANCIAL RISK OF REGULATED NATURAL GAS DISTRIBUTION UTILITIES?

A. No, they represent the financial risk of the consolidated holding companies that do not have a legal obligation to serve. The capital structures of the operating companies represent the true financial risk of regulated natural gas distribution companies like Peoples.

Q. HAVE OTHER UTILITIES EXPERIENCED ADVERSE FINANCIAL IMPLICATIONS AFTER A COMMISSION IMPUTED A HYPOTHETICAL CAPITAL STRUCTURE WITH SIGNIFICANT REDUCTIONS TO THE EQUITY RATIO?

A. Yes, they have. For example, in Case No. 23-894-GA-AIR, East Ohio Gas ("EOG") requested its actual common equity ratio of 61.09 percent,[36] while the Public Utility Commission of Ohio approved a 51.87 percent hypothetical common equity ratio.[37] Moody's subsequently downgraded EOG's credit rating one notch and retained a negative outlook, noting that "EOG's downgrade reflects the unfavorable outcome of the rate case which will lead to

[36] EOG's requested common equity ratio was later revised to 58 percent common equity prior to the evidentiary hearing.

[37] *In The Matter of the Application of the East Ohio Gas Company D/B/A Dominion Energy Ohio for Approval to Increase Natural Gas Rates*, Case No. 23-894-GA-AIR, Opinion and Order, June 26, 2025, at 56, 59.

increased pressure on the company's balance sheet."[38] Similarly, in Docket No. 22-057-03, Dominion Energy Utah ("DEU") requested its actual common equity ratio of 53.21 percent; however, the Public Service Commission of Utah authorized a hypothetical common equity ratio of 51 percent.[39] Afterwards, Moody's downgraded DEU's[40] credit rating one notch, explaining that "[DEU's] Baa1 rating is premised on its 51% equity capitalization, which is down from 55% as a result of a December 2022 Utah Public Service Commission (UPSC) rate order. While Moody's does not view the order to be a sign of regulatory contentiousness, it will increase the utility's leverage and reduce key financial metrics."[41] As such, if the Commission authorizes a hypothetical capital structure in this case that is materially more leveraged, Peoples could potentially face a credit rating downgrade.

Q. MR. GARRETT ASSERTS THAT THE COMPANY IS ENGAGING IN DOUBLE LEVERAGE THAT RESULTS IN "EXCESSIVE RETURNS." (OCA STATEMENT 3, P. 6.) PLEASE EXPLAIN THE TERM "DOUBLE LEVERAGE" AS USED BY MR. GARRETT?

A. The concept of "double leverage" refers to the financial practice in which a parent company borrows money to invest in the equity of its subsidiary. Mr. Garrett suggest that the Company is engaging in double leverage to the benefit of Essential Utilities shareholders and,

[38] Moody's Ratings, *Moody's Ratings downgrades East Ohio Gas Company to A3; outlook remains negative*, November 5, 2025, https://www.moodys.com/research/Moodys-Ratings-downgrades-East-Ohio-Gas-Company-to-A3-outlook-Rating-Action--PR_515224.

[39] *Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 22-057-03, Order, December 23, 2022, at 11, 13. Dominion Energy Utah's authorized equity ratio at the time was 55 percent.

[40] Note that Moody's refers to DEU as Questar Gas Company; Questar Gas Company was rebranded as DEU.

[41] Moody's Ratings, *Moody's downgrades Questar Gas to Baa1; stable outlook*, February 23, 2024, https://www.moodys.com/research/Moodys-downgrades-Questar-Gas-to-Baa1-stable-outlook-Rating-Action--PR_486058 (clarification added).

therefore, that Peoples' ratemaking capital structure should reflect the higher leverage at the parent company level.

Q. IS MR. GARRETT'S "DOUBLE LEVERAGE" ARGUMENT CONSISTENT WITH FINANCIAL THEORY REGARDING HOW INVESTORS DEVELOP THEIR RETURN REQUIREMENTS?

A. No, it is not. Financial theory specifies that it is the risk inherent in an investment that determines the cost of capital, not the source of the funds used to make an investment. For example, a utility's cost of debt is based on the risk of the utility, not on the risk of the debt investor supplying the capital. The same is true for equity capital.

From an external investor's perspective, the consolidated parent company must provide a return reflecting the risks of its constituent parts. As such, investors value the consolidated entity on a "sum-of-the-parts" basis, expecting each operating segment to provide its appropriate, risk-adjusted return. This is consistent with the standalone regulatory principle that requires that the utility rates reflect the costs, risks, and financial requirements of the operating utility that provides regulated service to customers. Under both financial and regulatory principles, it is the subsidiary utility's operating risk (i.e., the *use of funds*) that defines the capital structure and cost of capital, not the parent company or *source of funds*. Mr. Garrett's double leverage arguments, however, would require every affiliate within the corporate family to have the same cost of capital, regardless of differences in risk. As Dr. Roger Morin notes in his text New Regulatory Finance:

> Just as individual investors require different returns from different assets in managing their personal affairs, why should regulation cause parent companies making investment decisions on behalf of their shareholders to act

> any differently? A parent company normally invests money in many operating companies of varying sizes and varying risks. These operating subsidiaries pay different rates for the use of investor capital, such as long-term debt capital, because investors recognize the differences in capital structure, risk, and prospects between the subsidiaries. Yet, the double leverage calculation would assign the same return to each activity, based on the parent's cost of capital. Investors recognize that different subsidiaries are exposed to different risks, as evidenced by the different bond ratings and cost rates of operating subsidiaries. The same argument carries over to common equity. If the cost rate for debt is different because the risk is different, the cost rate for common equity is also different, and the double leverage adjustment shouldn't obscure this fact.[42]

Several financial texts support these principles. For example, in Principles of Corporate Finance, Brealey, Myers, and Allen state:

> In principle, each project should be evaluated at its own opportunity cost of capital; the true cost of capital depends on the use to which the capital is put. If we wish to estimate the cost of capital for a particular project, it is project risk that counts.[43]

Mr. Garrett's position implies that one investor who buys shares in a gas utility using cash (*i.e.*, equity) has a different return requirement than an investor who buys shares funded by a bank loan or using margin in a brokerage account. That is simply illogical. In an efficient market, identical assets have the same price, or value. Assets that are not identical will be priced according to each asset's risks and returns. As Dr. Roger Morin explains in New Regulatory Finance, "[e]quity is equity, irrespective of its source, and the cost of equity is governed by its use, by the risk to which it is exposed."[44]

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[42] Roger A. Morin, New Regulatory Finance, Public Utility Reports, Inc., at 524-525 (2006).

[43] Richard A. Brealey, Stewart C. Myers, Franklin Allen, Principles of Corporate Finance, McGraw-Hill Irwin, 8th Ed., 2006, at 234.

[44] Morin, Roger A., New Regulatory Finance, Public Utilities Reports, Inc., 2006, at 523.

Q. HAVE OTHER REGULATORS CONSIDERED AND REJECTED THE CONCEPT OF DOUBLE LEVERAGE?

A. Yes. For example, the Maryland Public Service Commission came to a similar conclusion about the imputation of parent company debt or double leverage in a 2007 rate proceeding, stating:

> We reject People's Counsel's proposed capital structure [reflecting a double leverage adjustment] because it suffers from numerous flaws. First, it assumes that the rate of return depends on the source of capital rather than the risks faced by the capital.[45]

Similarly, the Tennessee Public Utility Commission also rejected double leverage arguments in a 2019 order, while emphasizing the comparability standard:

> The Consumer Advocate's witness recommends a rate of return that is over 120 basis points beneath the average return for gas utilities and almost 100 basis points beneath the average rate of return set for electric utilities. Given the large difference between Consumer Advocate witness Dr. Klein recommended double-leverage based rate of return of 5.93% and the average recent rates of return decisions for other companies, the panel found that adopting the Consumer Advocate's methodology would run counter to the comparability requirement of the *Hope* and *Bluefield* decisions. As such, the panel rejected the double leverage capital structure and rate of return proposed by the Consumer Advocate.[46]

The Regulatory Commission of Alaska has stated that "[i]n determining capital structure for ratemaking, regulators should set a capital structure that reflects the riskiness of the project and allows the company to attract new investors. 'The capital structure ratios

[45] Maryland Public Service Commission, Order No. 81517; Case No. 9092, *In the Matter of the Application of Potomac Electric Power Company for Authority to Revise its Rate and Charges for Electric Service and for Certain Rate Design Changes*, July 19, 2007. Clarification added.

[46] Tennessee Public Utility Commission, Amended Order, Docket No. 18-00017, *In re: Petition of Chattanooga Gas Company for Approval of an Adjustment in Rates and Tariff; The Termination of the AUA Mechanism and the Related Tariff Changes and Revenue Deficiency Recovery; and an Annual Rate Review Mechanism*, January 15, 2019 [citation from Amended Order omitted].

employed should be consistent with the prospective level of business risk of the enterprise and with similar risk companies whose capital structure ratios have found acceptance in the marketplace.'"[47] In addition, "[w]ithout a reasonable matching of business activities between the parent and subsidiary, if the parent's capital structure is used in rate making it reflects the business costs of the parent, rather than those of a prudently managed and regulated pipeline company."[48] Therefore, because the source of an investor's funds is not determinative of the investor-required return, Mr. Garrett's reference to the debt that is held at Essential Utilities is irrelevant.

Q. MR. PATEL AND MR. CICERO CALCULATE SAVINGS TO CUSTOMERS BASED ON HYPOTHETICAL CAPITAL STRUCTURES. (I&E STATEMENT NO. 2, PP. 18-19; CAUSE-PA STATEMENT 1, PP. 44-46.) DO YOU AGREE WITH THEIR CALCULATIONS?

A. No, I do not. Messrs. Patel's and Cicero's calculations assume that if the debt leverage in Peoples capital structure was increased from its requested actual equity ratio, that the cost of debt and cost of equity would stay the same. This is not a sound assumption. The cost of debt depends, in part, on the amount of financial risk associated with the proportion of debt in the capital structure.[49] While these witnesses suggest increasing leverage, they do not account for the cost implications of the additional long-term debt into their proposed hypothetical capital

47 Regulatory Commission of Alaska, Order No. 151; the TAPS Proceeding, p. 69.
48 *Id*.
49 The Commission has acknowledged that "there is a direct relationship between the cost of debt and the amount of financial risk shown by the debt ratio." See e.g., *Pa. PUC v. PECO Energy Company*, R-2020-3018929, Opinion and Order, at page 145 (June 22, 2020). See also, *Pa. PUC v. Columbia Gas of Pennsylvania*, R-2020-3018835, Opinion and Order entered February 19, 2021, at 116, where the Commission noted that Columbia Gas's "actual capitalization forms the basis upon which Columbia attracts capital. For example, proposed long-term debt cost rate of 4.73%, *infra*, fully reflects the capitalization determined by the Company to be appropriate."

structures. Having higher levels of debt increases financial risk, which increases the cost of debt and equity, all else equal. As explained by NARUC, "[a]s increasing financial leverage shifts the weight from common equity to lower cost debt, it also increases both the cost of debt and the cost of common equity. In practice, these offsetting impacts cancel each other out over a wide range of capital structure ratios." (Peoples Statement No. 15, pp. 57-58.) As such, these witnesses' analyses are incomplete and do not reflect the higher costs of debt and equity that would result from significantly more debt leverage. Lastly, their acceptance of (or lack of objection to) Peoples' proposed cost of debt is incongruent with the recommendation to impute a more leveraged capital structure.

Q. MR. GARRETT CITES CAPITAL STRUCTURES OF OTHER INDUSTRIES. (OCA STATEMENT 3, PP. 54-56.) IS THIS DATA RELEVANT IN THIS PROCEEDING?

A. No, it is not. Non-regulated companies do not have an obligation to serve like regulated utilities do. While companies in other sectors have more flexibility as to when they issue debt or equity, raise or lower prices, change product offerings or even temporarily cease operations based on changing economic and capital market conditions, regulated utilities do not have those options because the obligation to serve compels utilities to provide service to all customers in their footprint without discrimination, and to meet customers' energy demands every day regardless of the prevailing economic or capital market environment. As explained in my Direct Testimony, unlike non-regulated firms, a regulated utility cannot decide to whom it provides utility service in its footprint, how much service it delivers, nor when it provides service; for these reasons, utilities require more financial flexibility than unregulated entities and the ability to access capital in all market environments. (Peoples Statement No. 15, pp. 14-

15.) Mr. Garrett acknowledges that he is not basing his capital structure recommendation on any industry or company outside of the proxy group; the Commission should similarly not give any weight to these non-utility industry capital structures. (OCA Statement 3, p. 56.)

Q. HAS YOUR RECOMMENDATION RELATED TO PEOPLES' CAPITAL STRUCTURE IN THIS PROCEEDING CHANGED?

A. No, it has not. As shown in **Peoples Natural Gas Exhibit No. JEN-6R**, the Company's proposed capital structure of 54.47 percent common equity and 45.53 percent long-term debt remains typical of its peers and meets the Commission's standard for adopting a utility's actual capital structure. The Witnesses' recommendations to impute a hypothetical capital structure should be rejected.

IV. RESPONSE TO GOVERNOR SHAPIRO'S COST OF CAPITAL PROPOSALS

Q. PLEASE SUMMARIZE GOVERNOR SHAPIRO'S LETTER TO UTILITY EXECUTIVES.

A. On April 29, 2026, Governor Shapiro issued a letter to Pennsylvania utility leaders identifying three asserted "commonsense practices" that his Administration intends to use as benchmarks in evaluating utility rate case proposals. (I&E Exhibit No. 2, Schedule 2, pp. 13-16.) First, he proposes that utilities should seek to raise capital through the most cost-effective sources, including greater reliance on debt, including Department of Energy loan guarantees, and any proposed ratemaking equity share above the equity employed by the utility's parent holding company would require "extraordinary justification." Second, when requesting new revenue, utilities should clearly explain why the proposed investments are necessary, using transparent

data to identify the specific reliability or safety concern being addressed or to demonstrate through a cost-benefit analysis that the investment will produce meaningful customer benefits. Third, he proposes that utilities should provide "transparent, justifiable equity returns", either through a public competitive process for a benchmark portion of incremental equity or by limiting the requested ROE to a formula based on the current 10-year Treasury yield plus the five-year median of the equity risk premium as published in the *Federal Reserve's Financial Stability Reports*.

Q. WHAT IS YOUR OVERARCHING REACTION TO GOVERNOR SHAPIRO'S LETTER?

A. Overall, these proposals raise a common set of concerns regarding the potential shift away from established, case-specific regulatory principles toward more prescriptive or formulaic approaches. In particular, they may constrain utilities' ability to determine appropriate capital structures based on their own risk profiles, impose additional and potentially duplicative requirements for demonstrating the prudence and benefits of investments, and rely on simplistic metrics that may not fully capture forward-looking capital market conditions or investors' return requirements. Taken together, these elements increase regulatory instability and uncertainty, and risk outcomes that may not adhere to the constitutional standards established in the *Hope* and *Bluefield* Supreme Court decisions that reinforce the regulatory compact and enable utilities to access the necessary capital to maintain safe and reliable utility service. I address these concerns in greater detail in this section.

Q. FOR CONTEXT, PLEASE REITERATE THE STANDARDS FOR SETTING A FAIR RETURN FOR A PUBLIC UTILITY ESTABLISHED BY THE *HOPE* AND *BLUEFIELD* SUPREME COURT DECISIONS.

A. As explained in my Direct Testimony, **Peoples Statement No. 15**, at pages 12 and 13, public utility regulation is grounded in the principle that utilities are entitled to a fair rate of return sufficient to attract the capital required to provide safe and reliable public utility service for customers at reasonable rates. In the seminal *Hope* and *Bluefield* decisions, the Supreme Court recognized three foundational standards for establishing a fair return for a public utility; specifically, that the fair return should be: (1) commensurate with returns investors expect to earn on other investments of similar risk (the "comparable return" standard); (2) sufficient to assure confidence in the company's financial integrity (the "financial integrity" standard); and (3) adequate to maintain and support the company's credit and to attract capital (the "capital attraction" standard). Importantly, a fair and reasonable rate of return satisfies all three standards. Mr. Patel and Mr. Garrett acknowledge these Constitutional standards for setting the fair return. (I&E Statement No. 2, p. 4; OCA Statement 3, p. 12.) In *Hope*, the Supreme Court further noted that it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business, including service on the debt and dividends on the stock.

Importantly, in *Hope,* the Supreme Court concluded that "it is the result reached not the method employed which is controlling."[50] In other words, regardless of the methodologies used to determine the just and reasonable ROE, the ultimate result must meet the three

[50] *Federal Power Company v. Hope Natural Gas*, 320 U.S., at 602.

standards established by the Supreme Court. In my opinion, the ROE estimate that would result from Governor Shaprio's proposed methodology would fail to meet each of the *Hope* and *Bluefield* "comparable return," "financial integrity," and "capital attraction" standards.

Q. DOES GOVERNOR SHAPIRO'S LETTER EXPLAIN HOW THE PROPOSAL WOULD RESULT IN AN ROE THAT IS COMPARABLE TO RETURNS AVAILABLE TO OTHER INVESTMENTS OF SIMILAR RISK AS ESTABLISHED BY THE *HOPE* AND *BLUEFIELD* DECISIONS?

A. No, it does not. Governor Shapiro's letter does not explain how his proposal meets the *Hope* and *Bluefield* "comparable return" standard. In fact, Governor Shapiro's proposal would not account for differences in risk in a Pennsylvania utility's ROE for ratemaking purposes. Instead, all utilities before the Commission at a given point in time – whether electric, natural gas, or water utilities – would receive the same ROE, assuming the same risk-free rate and five year average equity risk premium was used. In other words, utility ROEs in Pennsylvania would only differ based on timing and the corresponding level of risk-free rate and equity risk premium. Such an approach is counter to financial principle that the risk of the investment drives the cost of capital.

Q. DOES GOVERNOR SHAPIRO'S LETTER EXPLAIN HOW THE PROPOSAL WOULD RESULT IN AN ROE THAT IS SUFFICIENT TO ASSURE CONFIDENCE IN THE COMPANY'S FINANCIAL INTEGRITY AND ADEQUATE TO MAINTAIN AND SUPPORT THE COMPANY'S CREDIT AND TO ATTRACT CAPITAL?

A. No, it does not. Governor Shapiro's letter does not explain or appear to consider how his proposal would affect Pennsylvania utilities' credit profile, financial integrity, and ability to

attract capital. Reducing both the ROE and ratemaking equity ratio each by hundreds of basis points under Governor Shapiro's proposal would place significant pressure on Peoples' – and all Pennsylvania utilities – credit profile, financial integrity, and ability to attract capital. Additionally, the significant shift away from the transparent and predictable regulatory framework under which the Commission has operated for decades would substantially increase the regulatory risk for all Pennsylvania utilities, thus increasing the cost of capital to customers. As explained in my Direct Testimony, **Peoples Statement No. 15**, at pages 49 and 50, the regulatory environment weighs heavily in the assessment of a utility's risk and its credit rating. In fact, the rating agencies and the market has reacted negatively to the Governor's proposal, demonstrating that the financial community perceives that the proposal may adversely affect Pennsylvania utilities' risk, credit profile, and financial integrity.

Q. PLEASE EXPLAIN THE REACTION FROM THE FINANCIAL COMMUNITY TO GOVERNOR SHAPIRO'S LETTER.

A. In the two days following the Governor's letter, the stock prices for all major utilities providing service in Pennsylvania fell, demonstrating an increase in capital costs for utility investments in Pennsylvania, all else equal. S&P's Regulatory Research Associates expressed its view that "this most recent action further increases regulatory risk for utility investors in the state and could lead to a change in the state's ranking in the next comprehensive assessment."[51] More recently, Moody's Ratings published a report on May 19, 2026, noting that "[t]he governor's letter is credit negative because it represents a material escalation of political involvement in

[51] S&P Regulatory Research Associates, "Pa. governor tells utilities to 'change behaviors causing rate increases,'" May 1, 2026.

the utility rate-setting process that could weaken the predictability and consistency of the state's regulatory framework and the estimated $24 billion of capital investment that state utilities have planned through 2028."[52] While the intention of the policies contained in the Governor's letter is to lower costs to customers, so far, the effect has been upward pressure on capital costs.

A. Proposed ROE Methodology

Q. WHAT ARE YOUR CONCERNS WITH THE ROE BENCHMARKING PROPOSAL IN GOVERNOR SHAPIRO'S LETTER?

A. My principal concern is that the proposal would replace a rigorous, case-specific evidentiary process with a formulaic benchmark based on the 10-year Treasury yield and a trailing equity risk premium measure. I emphasize that the current regulatory process is already transparent and subject to significant scrutiny by the Commission, I&E, and other intervenors through the submission of expert testimony, multiple cost-of-equity models, discovery, and is subject to cross-examination. Further, the Commission regularly publishes its DCF and CAPM barometer estimates for each sector on a quarterly basis in its Quarterly Earnings Summary Reports, which provides a high level of transparency. A formulaic benchmark cannot substitute for a comprehensive analysis of current capital market conditions, investor expectations, utility-specific risk, and the need to maintain financial integrity and attract capital.

[52] Moody's Ratings, *Political intervention in rate process is credit negative for electric, gas and water utilities*, May 19, 2026, at 1.

Q. IS IT PRUDENT TO RELY ON A SINGLE FORMULA TO DETERMINE THE COST OF EQUITY?

A. No. The cost of equity is not observable in the market and must be estimated. Although various quantitative models have been developed to estimate the cost of equity, no single model or formula can precisely determine the cost of equity in all market environments. Cost-of-equity estimation requires judgment and it is prudent and consistent with investor practice to use multiple approaches, including the DCF model, CAPM, Risk Premium analysis, and other relevant market evidence. Each methodology has strengths and limitations, and each may become more or less informative depending on prevailing market conditions. Limiting the ROE determination to a single formula with pre-determined inputs would constrain regulatory judgment and could produce results that either understate or overstate the investor-required return at a given point in time.

Q. WHY IS THE PROPOSED EQUITY RISK PREMIUM APPROACH PROBLEMATIC?

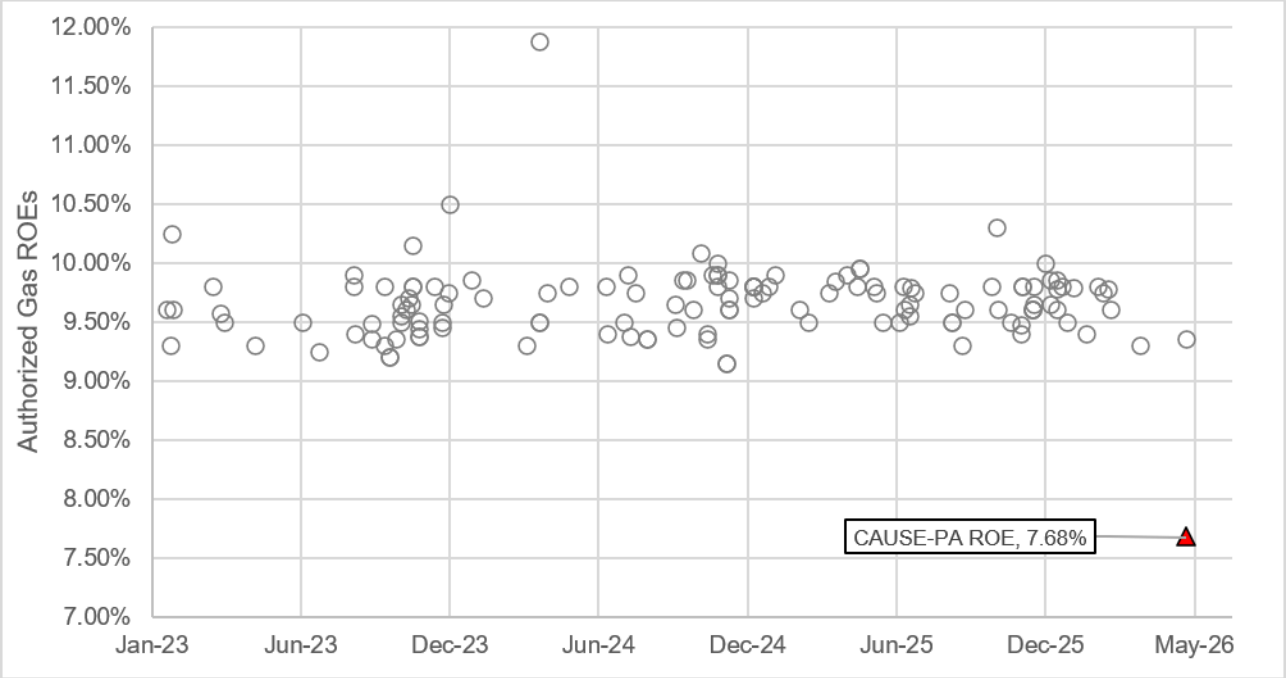
A. First, as noted earlier, the proposed approach would not distinguish differences in risk among each utility. Second, the proposed equity risk premium approach is problematic because it results in an ROE that may not necessarily reflect the return investors currently require to commit capital to a specific regulated utility, nor is comparable to returns available to other utilities as required by *Hope* and *Bluefield*. Assuming for the sake of argument Mr. Cicero's 7.68 percent ROE estimate that he asserts is calculated according to Governor Shapiro's proposed methodology, an ROE of 7.68 percent is only approximately 165 basis points (1.65

percent) above the current yield on Baa-rated utility bonds.[53] Equity investors bear greater risk than debt investors because the return to equity investors are not contractually guaranteed and are subordinate to debt investors. In my opinion, it simply is not rational to assume that equity investors would be willing to accept a premium less than the current rate of inflation for taking on the risk of utility equity investment, particularly when there are comparable investment alternatives (i.e., other natural gas utility investments) that offer significantly higher returns.

Figure 5 below illustrates the extreme departure of the 7.68 percent ROE produced by the Governor's proposed methodology as calculated by Mr. Cicero with recent authorized ROEs available for other natural gas utilities. As shown in Figure 5, the ROE produced by Governor Shapiro's proposal would not meet the *Hope* and *Bluefield* comparable return standard.

[53] Source: Bloomberg Professional. The 30-day average yield on Moody's Baa-utility bond index as of May 31, 2026 is approximately 6.04 percent.

Figure 5: Governor Shapiro's Proposed ROE Methodology vs. Authorized ROEs for Natural Gas Utilities (Jan. 2023 – May 2026)[54]



Q. WHAT CONCERNS DO YOU HAVE WITH USING THE FEDERAL RESERVE'S *FINANCIAL STABILITY REPORT* AS THE SOURCE FOR AN EQUITY RISK PREMIUM?

A. The Federal Reserve's *Financial Stability Report* is not designed to estimate the cost of equity for regulated utilities. It is a financial stability monitoring document intended to support the central bank's objectives of price stability, full employment, a safe and sound banking system, and an efficient payments system.[55] Its equity risk premium estimates are not intended to

[54] Sources: CAUSE-PA St. No. 1, at 43-44; Regulatory Research Associates. Excludes limited issue rider and transmission cases.

[55] See, May 2026 *Financial Stability Report*, page iii, accessible at: https://www.federalreserve.gov/publications/files/financial-stability-report-20260508.pdf. Past reports accessible at: https://www.federalreserve.gov/publications/financial-stability-report.htm.

represent the return required by investors to commit capital to a particular regulated utility; instead, the purpose of the *Financial Stability Report* is to identify potential vulnerabilities in the financial and banking systems. In addition, the use of a five-year median equity risk premium is backward-looking and slow to adjust to current market conditions. Because the utility cost of equity is forward-looking, a trailing median may understate the current required return in a rising-interest rate or increasing risk environment, precisely when the utility most needs access to capital. By contrast, a utility's cost of equity is forward looking and reflects the return investors currently require to commit equity capital to a particular utility. Lastly, the *Financial Stability Report* assumes that a one-year forward earnings yield[56] represents investors' long-term required return on equity for the market. However, the earnings yield is not the same as the return shareholders require. A company's value depends on earnings and cash flows far beyond the next 12 months and corporate finance theory values securities based on expected cash flows over the long-term. Investors receive value from future earnings growth expectations beyond 12 months, including returns from dividend growth and share repurchases.

Q. IS THE 10-YEAR TREASURY YIELD THE APPROPRIATE BENCHMARK FOR UTILITY ROE DETERMINATIONS?

A. No, it is not. Financial theory provides that the risk-free rate should match the life of the underlying investment. Utility assets are long-lived, often with service lives of 30 years or more. For that reason, the 30-year Treasury bond is commonly used as a benchmark risk-free

[56] The Financial Stability Report explains that it calculates its equity risk premium as the difference between the forward earnings-to-price ratio of Standard & Poor's 500 firms and the expected real Treasury yields, based on expected earnings for 12 months ahead. See, May 2026 *Financial Stability Report*, page 7.

rate in utility cost-of-capital analysis. Using the 10-year Treasury yield creates a maturity mismatch and does not appropriately reflect the long-term nature of utility infrastructure investment.

Q. WHAT ARE THE PRACTICAL IMPLICATIONS OF THE ROE LEVELS IMPLIED BY GOVERNOR SHAPIRO'S LETTER?

A. The practical implication is that the proposed benchmarks may result in ROEs substantially below returns available to other utilities. According to Mr. Cicero, the Governor's proposed formula could produce an ROE of approximately 7.68 percent. That result would be materially below all natural gas distribution utility authorized ROEs in at least the past 46 years,[57] and, is closer to returns on utility bonds without providing the protections associated with debt ownership. Such an outcome raises serious concerns under the comparable risk, capital attraction, and financial integrity standards established by *Hope* and *Bluefield*.

Q. ARE THERE RECENT EXAMPLES THAT DEMONSTRATE THE EFFECT OF ADVERSE REGULATORY OUTCOMES ON A UTILITY'S ABILITY TO ACCESS TO CAPITAL?

A. Yes. Connecticut provides a recent example. Avangrid Inc. subsidiaries Connecticut Natural Gas Corp ("CNG"), Southern Connecticut Gas ("SCG"), and United Illuminating experienced restricted access to capital and higher borrowing costs in 2024 after an adverse regulatory decision for United Illuminating in Connecticut in 2022. In testimony filed before the Connecticut Public Utilities Regulatory Authority ("PURA") in Docket No. 24-10-04, United

[57] Source: RRA.

Illuminating explained that on November 15, 2023, Avangrid attempted to place a bond issuance for five of its operating affiliates, including United Illuminating, CNG, and SCG. On the day of pricing, the subscriptions sought for SCG and CNG were only roughly 50 percent fulfilled. The Revenue Requirements Panel explained:

> After some additional negotiation, Avangrid secured the full financing level sought for SCG and CNG and priced the transaction on the following day; however, the credit spreads were wider than anticipated for all three companies, raising the financing cost by approximately 10-15 basis points, or by approximately $300,000-$450,000 annually. The bankers informed Avangrid that the difficulty in fulfilling the necessary subscription levels and the wider credit spreads attracted **were caused in part by the limited interest to invest in Connecticut utilities due to concerns over the regulatory environment impacting current ratings.**[58]

I emphasize that although CNG and SCG were ultimately able to access capital, it was at a less competitive price and higher premium that their customers will ultimately bear for the term of the loan. This example illustrates that regulatory outcomes can directly affect investor willingness to provide capital and the cost at which that capital is available.

Q. HOW HAS THE MARKET REACTED TO UNDULY LOW AUTHORIZED ROES?

A. The market has reacted adversely to unduly low authorized ROEs that are below industry benchmarks and expectations. The consequences of Connecticut's restrictive regulatory environment also extended to other Connecticut utilities. In 2024, S&P and Moody's downgraded the Avangrid utilities, as well as Eversource Energy and its subsidiaries that operate in Connecticut due to highly restrictive regulatory outcomes. In

[58] Connecticut PURA Docket No. 24-10-04, Direct Testimony of the Revenue Requirements Panel, at 23-24, accessible at: https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/d3b44da492184a1285258bd30063f5d0/$FILE/17844817.pdf/Exh%20UI-RRP-1%20Revenue%20Requirement%20Testimony.pdf

discussing Eversource's downgrade, S&P noted that adverse orders for the Avangrid utilities increased Eversource Energy's regulatory risk:

> On Nov. 18, 2024, the Connecticut Public Utilities Regulatory Authority (PURA) issued final rate-case orders for Connecticut Natural Gas Corp. and Southern Connecticut Gas Co., which included material base-rate decreases for both utilities. These rate orders follow a recent pattern of adverse regulatory developments for investor-owned utilities operating in Connecticut, which we believe has increased business risk for Eversource Energy and its Connecticut-based subsidiaries.[59]

Both S&P Global Ratings and its affiliate RRA downgraded their assessment of Connecticut's regulatory environment to the lowest tier. Further, Eversource Energy announced that it would reduce investment in Connecticut by up to $500 million over five years due to a lack of alignment between state policy and regulatory decisions.[60] Similarly, Exelon announced that it would reduce capital spending at Commonwealth Edison following an adverse Illinois regulatory decision, with management explaining that the company could not invest at the same pace under an ROE that did not fairly recognize its cost of financing.[61] As a result, Eversource's Connecticut utilities and Commonwealth Edison will have reduced access to capital from its parent relative to its affiliates in more constructive jurisdictions. These examples demonstrate that regulatory decisions can affect both access to capital and the level of investment directed to a particular jurisdiction.

When commissions have authorized ROEs below 9.0 percent, it has resulted in higher capital costs that are borne by customers. For example, in November 2021, the Arizona

[59] S&P Global Ratings, RatingsDirect, "Eversource Energy Issuer Credit Rating Lowered To 'BBB+' From 'A-'; Subsidiaries Ratings Also Lowered; Outlooks Stable," December 9, 2024.
[60] See, Eversource Energy's Q1 2024 earnings transcript, accessible at: https://investors.eversource.com/static-files/9fb99d29-bfeb-408f-a44a-e63ebb5f1416
[61] See, Exelon Corporation Q4 2023 Earnings Call transcript.

Corporation Commission ("ACC") authorized an ROE of 8.70 percent for Arizona Public Service Company ("APS"), a large vertically integrated electric utility. The market's reaction to this decision was negative and immediate. All three major credit rating agencies (S&P, Moody's, and Fitch) downgraded the credit rating for APS and its parent holding company. RRA commented that the decision was "negative from an investor perspective" that imposed "numerous disallowances on the utility, and has garnered strong reactions in the investment community."[104] RRA further noted that the decision was "expected to impede APS' ability to earn its authorized return in the first year of new rates."[105] Lastly, RRA lowered the ranking of Arizona regulation to Below Average/3, its lowest ranking.

The stock price of APS's parent company, Pinnacle West Capital Corporation, declined by approximately 28 percent. Even though APS's authorized ROE was increased more recently, its credit ratings were not increased back to prior levels; lower credit ratings lead to a higher cost of debt, which ultimately results in higher bills for customers. Despite a decision in March 2024 that increased the authorized ROE to 9.55 percent, APS's credit rating has remained the same.

Further, it is notable that APS issued long-term, senior unsecured bonds at least once each year from 2014 through 2021 at coupon rates below five percent, particularly 2.20 percent on August 11, 2021, prior to the ACC authorizing APS's 8.70 percent ROE. While APS was able to issue debt afterwards, it did so at a greatly increased price, a 6.35 percent coupon rate on November 4, 2022.[62] While the Moody's A-rated utility bond yield increased from a spot rate of 3.04 percent on August 11, 2021 to 6.05 percent on November 4, 2022,[63] that 301 basis

[62] Moody's Ratings, Arizona Public Service Company.
[63] Source: Bloomberg Professional.

point increase is far below the 415 basis point increase that APS experienced. Moreover, APS' customers are responsible for paying that additional 114 basis point spread through December 2032, even though APS's authorized ROE was later increased. This example demonstrates that while a utility may be able to attract capital when its ROE is set below the cost of equity, it faces increased costs of doing so, which can have long-term negative impacts on customers.

B. Capital Structure Discipline

Q. WHAT IS YOUR PRIMARY CONCERN WITH THE CAPITAL STRUCTURE PROPOSAL IN GOVERNOR SHAPIRO'S LETTER?

A. My primary concern is that the proposal would require the use of the parent holding company's capital structure to determine the operating utility's ratemaking capital structure. I explained the reasons why the operating company capital structure is the appropriate basis to set the ratemaking capital structure earlier in Section III. Setting the ratemaking capital structure based on the capital structure of the consolidated parent company is inconsistent with the standalone ratemaking principle discussed earlier and may not reflect the operating utility's specific risks, obligations, financing needs, or cost of service. The obligation to serve rests with the operating utility, not the holding company parent. Because the operating utility must be able to access capital in all market conditions to meet that obligation, it may require a capital structure with more equity than the consolidated holding company to maintain financial flexibility, as explained in Section III.

Q. DOES THE FACT THAT PEOPLES' FINANCING IS PROVIDED THROUGH ITS PARENT CHANGE YOUR VIEWS REGARDING STANDALONE RATEMAKING PRINCIPLES?

A. No. The fact that Peoples obtains capital through its ultimate parent company, Essential Utilities, Inc., does not undermine the standalone ratemaking principle. The standalone ratemaking principle requires that the utility rates reflect the costs, risks, and financial requirements of the operating utility that provides regulated service to customers. The fact Essential is the ultimate source of Peoples' capital does not justify mechanically imputing Essential's consolidated capital structure to Peoples for ratemaking purposes.

Q. COULD RELYING ON THE CONSOLIDATED HOLDING COMPANY'S CAPITAL STRUCTURE PRODUCE INEQUITABLE OUTCOMES?

A. Yes. The proposal could produce inequitable and arbitrary outcomes because two operating utilities with identical operations, customers, and risk profiles could receive different authorized capital structures solely because their parent companies have different corporate structure and financing policies at the consolidated holding company level. Under Governor Shapiro's proposal, a utility owned by a conservatively financed pure-play utility holding company could be treated differently than an identical utility owned by a more leveraged, diversified energy company. In that situation, the regulated utility's ratemaking capital structure would be driven by the parent's consolidated financing choices rather than the utility's own risk profile and service obligations. As explained earlier, the cost of capital depends on the underlying risk of the investment, not on a company's corporate structure or source of capital.

Q. HOW COULD THE USE OF A HOLDING COMPANY CAPITAL STRUCTURE AFFECT CUSTOMERS?

A. Imputing the parent company's higher financial risk to the operating utility could harm customers over time. If a regulatory regime requires an operating utility to use a capital structure with insufficient equity, credit rating agencies may view the utility as financially weaker, which can increase the risk of credit downgrades and raise the cost of both debt and equity capital. Those higher financing costs ultimately flow through to customers in future rates. Any near-term savings from a lower equity ratio may therefore be offset, or more than offset, by higher borrowing costs, increased financial risk, and reduced access to capital.

Q. DOES ENCOURAGING GREATER RELIANCE ON LOWER-COST DEBT NECESSARILY REDUCE CUSTOMER COSTS?

A. No. Although debt is typically less expensive than equity, increasing debt does not automatically reduce the overall cost of capital or customer costs over the long term. Higher leverage increases financial risk, which can weaken credit metrics, reduce financial flexibility, and place pressure on credit ratings. To compensate for greater financial risk, both debt and equity investors will then require higher returns. Debt lenders may demand higher interest rates or more restrictive terms. Similarly, equity investors will require a higher return to compensate for greater financial risk as increased debt erodes the cushion of earnings to shareholders that have a subordinate claim on earnings after debt is paid. As a result, excessive reliance on debt can increase, rather than decrease, total financing costs and can increase longer-term costs for customers.

C. Competitive Equity Auction Framework

Q. WHAT IS YOUR CONCERN WITH A PROPOSED COMPETITIVE EQUITY AUCTION FRAMEWORK?

A. The proposed competitive equity auction framework is vague, untested, and potentially disruptive to utility financing. Governor Shapiro's letter refers to a public process with competitive bidding by multiple participants to establish a fair market cost of equity. However, no details of how such an auction would function in practice were explained in the letter. It is not evident who would participate, what instrument would be sold, how ownership rights would be defined, how liquidity would be provided, or how the auction result would translate into a durable regulatory ROE for an operating utility. details are scant, and it is unlikely that a novel equity interest instrument would be equivalent to the rights bestowed to common stock ownership. Nor have the mechanics regarding how capital recovery and returns (i.e., dividends) would be distributed to investors. Further, there appears to be no established resale market, which would inhibit liquidity and price discovery and would likely reduce investor demand or require higher returns to compensate for those constraints. Investors would likely be reluctant to purchase an instrument with limited upside and uncertain liquidity when they can purchase common stock in other publicly traded utilities with defined dividend policies, market liquidity, and the potential for capital appreciation.

Q. HAS SUCH A COMPETITIVE EQUITY AUCTION BEEN TESTED IN UTILITY REGULATION?

A. To my knowledge, no competitive equity auction of this type has been implemented for a regulated utility. That absence of precedent is significant. Utility financing is not an appropriate

area for experimental mechanisms that may impair access to capital or disrupt established financing practices. Because utilities have an obligation to provide safe and reliable service and require consistent and reliable access to capital under a wide range of market conditions, introducing an untested auction framework could create unintended consequences for both utilities and customers.

D. Customer Impacts and Access to Capital

Q. DO CONCERNS REGARDING CUSTOMER AFFORDABILITY CHANGE THE ANALYSIS OF A FAIR RETURN?

A. Customer affordability is an important concern, and I do not dismiss the effect that any rate increase can have on customers. However, affordability concerns do not justify overriding the fair return standards established by *Hope* and *Bluefield*. A utility's authorized return must be sufficient to maintain financial integrity and attract capital on reasonable terms. If the allowed return is set too low, the utility may face higher financing costs, weaker credit metrics, reduced investor demand, and diminished access to capital. Those consequences ultimately harm customers through higher long-term financing costs and potential reductions in service quality or infrastructure investment. As explained by the National Association of Regulatory Utility Commissioners in an April 2020 report:

> Customers benefit by having a financially stable utility that has the earnings and cash flow sufficient to attract equity and debt on reasonable terms, and the resulting ability to provide safe, reliable, and affordable utility service. Receiving a reasonable authorized ROE and capital structure from regulators is an important contributor to financial stability. The customer benefits that result from being served by a financially healthy utility outweigh the illusory short-term "benefits" of a negative regulatory climate that heightens regulatory risk.

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> Regulators are charged with balancing the interests of investors and customers. Utility management has a fiduciary responsibility to deploy investors' capital productively. Investors recognize the importance of regulatory and stakeholder relationships and expect utility management to provide safe, reliable, and affordable service to customers in order to preserve and enhance the value of their invested capital. In many ways, the interests of investors and customers are aligned and not in conflict and can become more aligned through regulatory policy. **Regulators are more effective at serving customers when they harness investors' desire to provide capital rather than constrain it**.[64]

E. Conclusion

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS REGARDING GOVERNOR SHAPIRO'S LETTER.

A. Although the opinion in Governor Shapiro's letter are framed as customer affordability measures, they raise concerns from a cost of capital and regulatory policy perspective. The proposals would move away from longstanding established regulatory principles and toward prescriptive formulas, and an untested competitive equity auction framework. Those approaches are inconsistent with the standalone ratemaking principle and may fail to satisfy the comparable risk, financial integrity, and capital attraction standards established by *Bluefield* and *Hope*. In particular, imputing a holding company capital structure to an operating utility would misstate the utility's cost to serve customers and could weaken the utility's financial profile. Likewise, formulaic ROE benchmarks based on the 10-year Treasury yield and an unrelated trailing equity risk premium measure may fail to reflect current market conditions, utility-specific risks, or investors' forward-looking return requirements.

[64] *Cost of Capital and Capital Markets: A Primer for Utility Regulators*, prepared for USAID by the National Association of Regulatory Utility Commissioners (NARUC), April 2020, at 8 (emphasis added).

Customer affordability is an important objective, but long-term affordability depends on regulatory policies that support financial integrity, predictable capital recovery, and continued access to capital on reasonable terms. Although an artificially low ROE may create the appearance of lower costs in the near-term, the end result would likely be an increase in costs to customers over the long term. Maintaining the established regulatory framework that relies on a rigorous, transparent, evidence-based, and case-specific review of each utility's cost of capital best balances customer affordability with the utility's obligation to provide safe and reliable service and is most consistent with the standards established by *Hope* and *Bluefield*.

V. COMPARABLE RETURNS FOR NATURAL GAS UTILITIES

Q. MR. PATEL GIVES ONE-THIRD WEIGHT TO THE NATIONAL AVERAGE AUTHORIZED RETURN FOR NATURAL GAS UTILITIES IN DEVELOPING HIS RECOMMENDED ROE. (I&E STATEMENT NO. 2, PP. 37-38.) DO YOU AGREE THAT NATIONAL AVERAGE AUTHORIZED ROES SHOULD BE GIVEN EXPLICIT WEIGHT IN DETERMINING THE APPROPRIATE ROE FOR PEOPLES IN THIS PROCEEDING?

A. No, I do not. National average returns must be placed in the proper context in order to be useful. While I agree that investors consider authorized returns in other states in assessing the reasonableness of the authorized ROE for Peoples, it is important to remember that authorized ROEs are a trailing indicator because they are established based on market conditions that existed at the time those proceedings were litigated and decided. A more robust approach would be to model the relationship between the utility equity risk premium and the prevailing

interest rate environment like I have done in my Bond Yield Plus Risk Premium analysis. Moreover, simple benchmarking against authorized returns in other jurisdictions does not reflect the specific risks facing Peoples. In short, authorized returns in other jurisdictions may serve as a broad reference point, but they cannot replace a fact-specific evaluation of current market evidence and Peoples' particular risk profile. For that reason, I continue to believe that the appropriate ROE for Peoples should be based primarily on market-based cost-of-equity analyses, considered in conjunction with the Company's specific business and financial risks.

Q. MR. PATEL ARGUES THAT YOUR RECOMMENDED ROE IS TOO HIGH RELATIVE TO AUTHORIZED RETURNS FOR NATURAL GAS UTILITIES ACROSS THE COUNTRY. (I&E STATEMENT NO. 2, P. 63.) WHAT IS YOUR RESPONSE?

A. I disagree. While authorized ROEs from other jurisdictions can provide useful context, they are not a substitute for a market-based assessment of investors' required return. The returns cited by Mr. Patel reflect different time periods, regulatory environments, capital structures, and utility-specific circumstances, and therefore do not establish the appropriate ROE for Peoples. More importantly, investors make decisions based on current and expected future conditions, not historical regulatory outcomes. My recommendation is based on market-based ROE analyses and reflects the specific risks facing Peoples, including its significant capital investment program, bypass risk, financing needs, and the importance of maintaining access to capital. Accordingly, I do not believe that comparisons to national average authorized ROEs demonstrate that my recommended ROE is excessive or inconsistent with the return required by investors today.

Q. IN SUMMARY, WHAT IS YOUR RECOMMENDATION REGARDING THE WEIGHT GIVEN TO COMPARABLE AUTHORIZED RETURNS?

A. Comparable authorized returns can provide useful context concerning industry practice broadly, but they should not be viewed in isolation or as a substitute for current market evidence of the forward-looking cost of equity. Primary weight should be given to market-based methods designed to estimate investors' required return, while also considering Peoples' specific risk profile, capital requirements, and need to maintain access to capital. Taken together, those considerations support the Company's requested return on equity.

VI. CURRENT CAPITAL MARKET ENVIRONMENT

Q. MR. PATEL DISCUSSES RECENT AND PROSPECTIVE MONETARY POLICY ACTIONS BY THE FEDERAL RESERVE. (I&E STATEMENT NO. 2, PP. 51-52.) DO REDUCTIONS IN THE FEDERAL FUNDS RATE MEAN THAT REDUCTIONS IN LONG-TERM GOVERNMENT AND UTILITY BOND YIELDS WILL AUTOMATICALLY FOLLOW?

A. Not necessarily. As a preliminary matter, Mr. Patel's contention that "potential future reductions in interest rates could have the effect of reducing debt cost rates in the capital costs in 2027, when the Company's new rates will be in effect" is incorrect. (I&E Statement No. 2, p. 52.) This assumes a direct pass-through from the Federal Funds rate to the Company's long-term cost of debt that is not supported by the record or by current market data. As a general principle, the Federal Reserve reduces the Federal Funds rate to stimulate the economy and job growth (i.e., money is cheaper to borrow, so people and businesses spend and invest more), which can increase inflation, whereas it increases rates as a means to tame inflation (i.e., people

and businesses are more likely to save and not borrow money when interest rates are higher). This is why the Federal Reserve's dual mandate to maintain price stability while maximizing employment is challenging – the two objectives are at odds with each other. As such, if the Federal Reserve were to further cut rates in 2026, it is possible that inflation could continue to increase. I note, however, that price control is not easily achieved through monetary policy alone and that high inflation can occur even if economic growth is weak and unemployment is rising (this phenomenon is commonly referred to as "stagflation").

Notwithstanding, long-term bond yields – like the 30-year Treasury yield that is applied in the ROE models and used as a benchmark for long-term debt – are less sensitive to the Federal Reserve's monetary policy. As I explained in my Direct Testimony, **Peoples Statement No. 15**, at page 65, and updated below in Figure 6, while short-term 1-year and 2-year Treasury yields have declined by 130 and 73 basis points, respectively, since the Federal Reserve first signaled in 2024 it would reduce interest rates, 10-year Treasury yields and long-term 30-year Treasury yields have actually *increased* by 9 basis points and 48 basis points, respectively. Since models used to estimate the just and reasonable ROE rely primarily on long-term yields, the market movement of short-term yields does not influence the ROE model results as the longer-term yields do. Therefore, even though the Federal Reserve cut the Federal Funds Rate by 75 basis points in 2025, the cost of equity for a regulated utility such as Peoples has not declined commensurately.

Figure 6: U.S. Treasury Yields (June 2024 vs. December 2025)[65]

	1-year Treasury	2-year Treasury	10-year Treasury	30-year Treasury
June 28, 2024	5.09%	4.71%	4.36%	4.51%
May 31, 2026	3.79%	3.98%	4.45%	4.99%
Change	-1.30%	-0.73%	0.09%	0.48%

Q. ARE THE KEY FACTORS AFFECTING THE COST OF EQUITY FOR REGULATED UTILITIES IN THE CURRENT AND PROSPECTIVE CAPITAL MARKETS THAT YOU DESCRIBED IN YOUR DIRECT TESTIMONY STILL PRESENT AT THIS TIME?

A. Yes, they are. Long-term government and utility bond yields have increased since I filed my direct testimony, inflation levels have risen and remain above the Federal Reserve's two percent target, and geopolitical uncertainty is still elevated.

As shown in Figure 7, the 30-day average long-term government and utility bond yields have increased by 16-17 basis points since I filed my direct testimony.

Figure 7: Long-Term Government and Utility Bond Yields

(January 2026 vs. May 2026)[66]

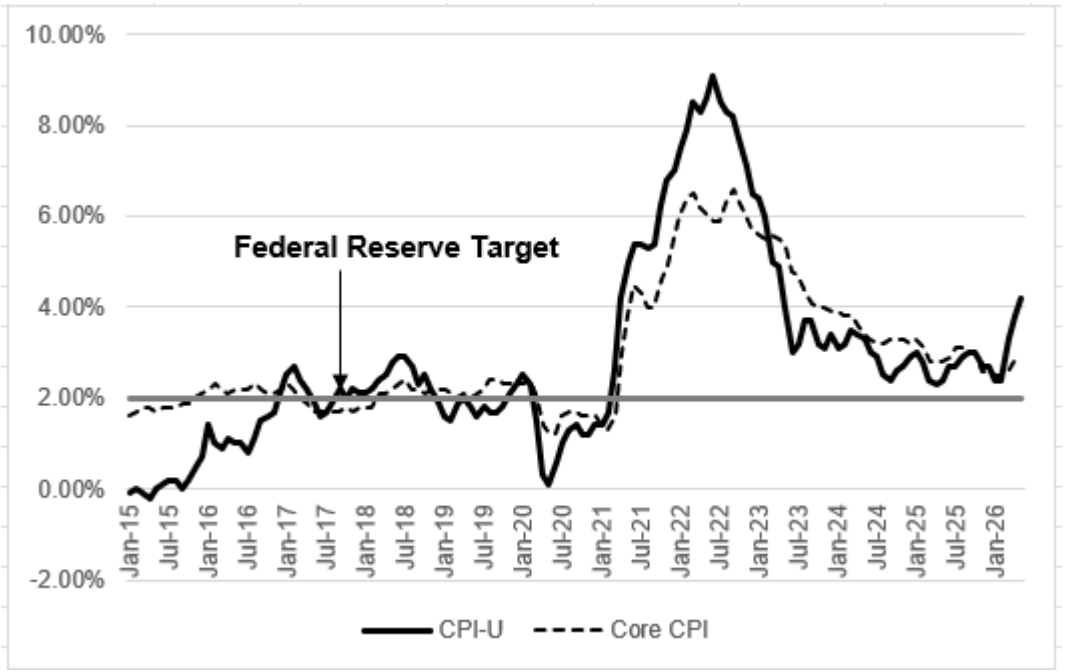
	January 30, 2026	May 31, 2026	Change
30-Year Treasury Bond	4.83%	4.99%	+0.16%
Moody's Utility 'A' Index	5.68%	5.86%	+0.17%
Moody's Utility 'Baa' Index	5.87%	6.04%	+0.17%

[65] Source: Spot yields reported by Federal Reserve Board of Governors, H15 Selected Interest Rates. https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H15.

[66] Sources: Federal Reserve Bank of St. Louis FRED Economic Database, series DGS30; Bloomberg Professional. Values represent 30-day averages as of the date listed.

As shown in Figure 8 below, inflation jumped in May 2026 and remains elevated above the Federal Reserve's 2.0 percent target.

Figure 8: Year-Over-Year Inflation (2015-2026)[67]



U.S. consumers continue to expect inflation to remain elevated. As the University of Michigan's Surveys of Consumers Director Joanne Hsu explains in the June 2026 consumer sentiment report on inflation:

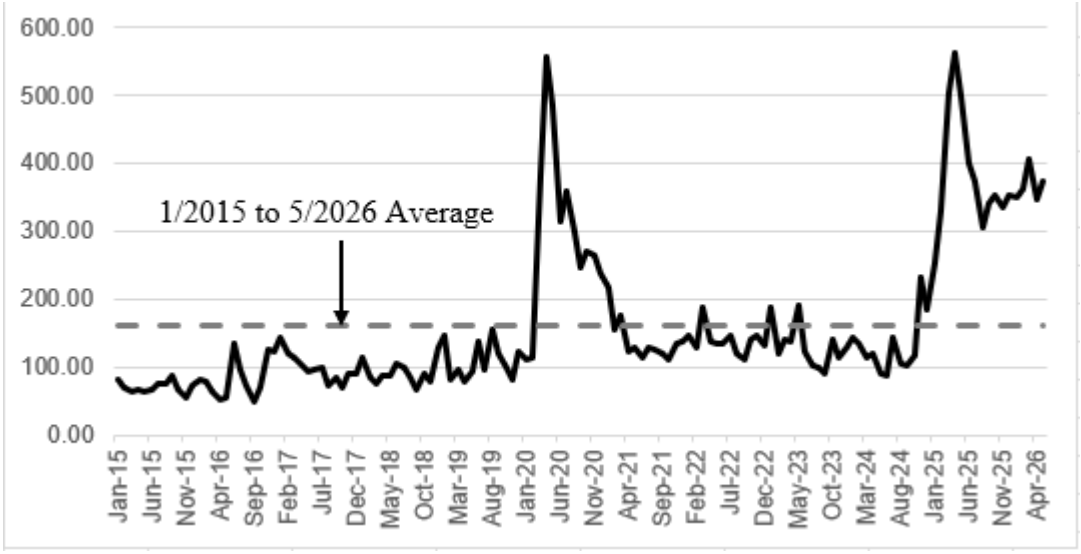
> Year-ahead inflation expectations inched down from 4.8% in May to a still-elevated 4.6% this month. The current reading substantially exceeds the 3.4% reading seen in February before the Iran conflict began, along with all 2024 readings. Long-run inflation expectations fell back from 3.9% last month to 3.3% in June, remaining a bit higher than the 2.8% to 3.2% range seen in 2024.[68]

[67] Source: U.S. Bureau of Labor Statistics.

[68] University of Michigan, Survey of Consumers, "Final Results for June 2026", accessed July 16, 2026, https://www.sca.isr.umich.edu/.

Additionally, the policy uncertainty that has resulted from the federal administration's shifting trade policies remains. As can be seen in Figure 9 below, the Federal Reserve Bank of St. Louis' Economic Policy Uncertainty Index remains elevated (372.15 as of May 2026 vs. an average level of 160.36). This indicates that there is still significant uncertainty related to international trade and the economy. The ongoing conflict between the United States and Iran adds further to the economic and geopolitical uncertainty. Uncertainty increases risk, which increases the cost of equity, all else equal.

Figure 9: Economic Policy Uncertainty Index January 2015 – May 2026[69]



Q. MR. GARRETT CONTENDS THAT BECAUSE UTILITIES ARE "DEFENSIVE FIRMS" WITH LOW BETAS, THEY ARE "RELATIVELY INSULATED FROM

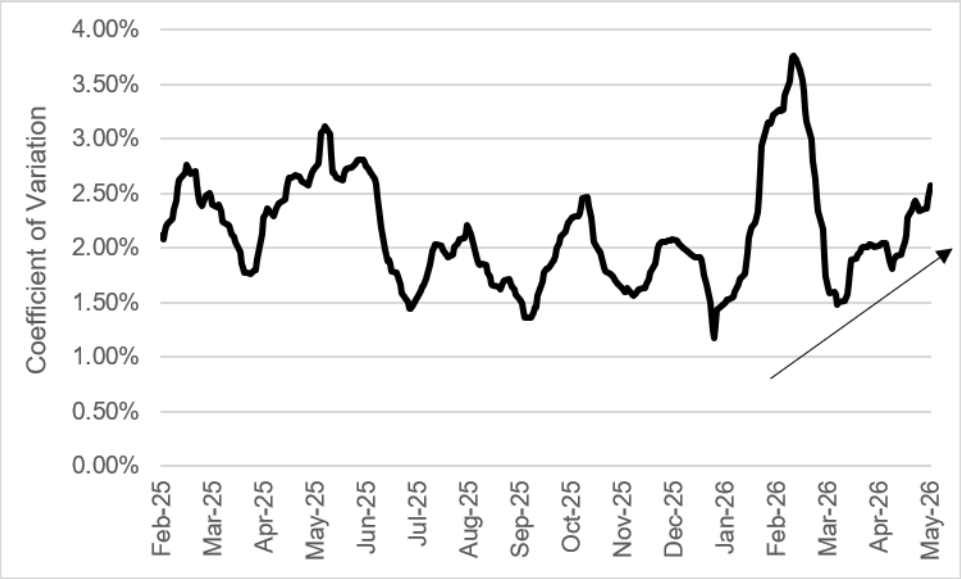
[69] Federal Reserve Bank of St. Louis Economic Database (FRED), Economic Policy Uncertainty Index for United States (USEPUINDXD), https://fred.stlouisfed.org/series/USEPUINDXD.

OVERALL MARKET CONDITIONS." (OCA STATEMENT 3, P. 22.) DO YOU AGREE?

A. No. Mr. Garrett's argument appears to be that because utilities are defensive stocks (by reference to Beta coefficients that are below 1.0), they are less volatile than the market. This argument ignores the fact that Beta coefficients not only measure volatility, but also measure correlation with the market. If the correlation in returns between a company's stock and the market declines, even as relative volatility increases, the Beta coefficient may still fall. In other words, changes in Beta coefficients may obscure absolute changes in volatility. As shown in Figure 10 below, volatility for the proxy group (as measured by the Coefficient of Variation) increased relative to February 2025 when President Trump announced the first of his executive orders implementing tariffs, and spiked considerably in 2026 due to the ongoing conflict in Iran. In other words, the proxy group has not been immune to market volatility stemming from recent geopolitical events.

Figure 10: Proxy Group Average Stock Price Volatility (February 2025-May 2026)[70]

[70] Source: S&P Capital IQ. Represents the average of Coefficient of Variation on a rolling 30-trading day basis for the proxy group.



In short, although utilities may have lower market risk than the overall market, they are not risk-free. Mr. Garrett's simple observation that utility Beta coefficients are less than 1.0 does not justify his 8.80 percent ROE recommendation.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR REVIEW OF THE CURRENT CAPITAL MARKET ENVIRONMENT AND ITS IMPLICATIONS FOR THE COMPANY'S COST OF EQUITY?

A. The economic and financial market environment continues to experience elevated capital cost and inflationary environment, as well as heightened risk and uncertainty associated with geopolitical events. Although the Federal Reserve cut the level of short-term interest rates in 2024 and 2025, long-term government and utility bond yields have not followed suit and remain elevated relative to the very low-interest rate environment experienced in the prior decade, as well as compared to interest rates during Peoples' last rate case. These factors support an increase in the cost of equity and underscore the importance of using multiple models when determining the Company's cost of equity.

VII. PROXY GROUP COMPOSITION

Q. PLEASE SUMMARIZE THE WITNESSES' PROXY GROUPS.

A. Mr. Patel develops a proxy group of eight natural gas utilities based on his seven screening criteria, which consist of: (1) majority of revenues generated from regulated gas business; (2) publicly traded stock; (3) investment information must be available from more than one source, including Value Line; (4) not involved in a merger or other business transformation; (5) four consecutive years of historical earnings data; and (6) operating in a state that has a deregulated gas utility market. (I&E Statement No. 2, p. 10.) OCA Witness Garrett adopts my proxy group. (OCA Statement 3, p. 16.) The remaining witnesses do not develop proxy groups of comparable companies.

Q. HAVE YOU MADE ANY CHANGES TO YOUR PROXY GROUP?

A. No, I have not. However, to narrow the scope of contested issues and to reflect Mr. Patel's concern about the high earnings growth rate from S&P for Southwest Gas Holdings, Inc., I excluded the S&P earnings growth estimate for Southwest Gas in my DCF analyses. (I&E Statement No. 2, p. 10.) My proxy group is otherwise unchanged from what I used in my Direct Testimony. Further, while I disagree with Mr. Patel's revenue screen criterion, which I discuss below, I will not take objection to his inclusion of Chesapeake Utilities Corp. in his proxy group in an effort to narrow the scope of contested issues.

Q. DO YOU DISAGREE WITH ANY OF THE SCREENING CRITERIA THAT MR. PATEL USES TO SELECT HIS PROXY GROUP FOR PEOPLES IN THIS PROCEEDING?

A. Yes. My primary area of disagreement is that Mr. Patel relies on percentage of revenue, rather than percentage of operating income as a screening criterion. Net operating income better reflects the contribution of each business segment to a given company's earnings, which is the factor that equity investors are most focused on as they establish their return requirements and make investment decisions. Since regulated natural gas utilities pass through the cost of purchased gas without margin, regulated revenue can fluctuate materially from year-to-year with changes in weather and the cost of purchased gas, without affecting earnings or the company's financial position. In contrast, net operating income, which excludes pass-through commodity costs, more closely represents the effect of each business segment on the corporation's overall earnings, and therefore its risk profile. For that reason, the percentage of net operating income from regulated natural gas operations is more representative of the risks faced by Peoples and its investors than is the percentage of regulated revenue that Mr. Patel uses to screen his proxy group. In practice, however, this screening criterion does not affect the composition of the proxy group compared to my regulated natural gas operating income screen.

Q. WHAT ARE YOUR CONCLUSIONS REGARDING THE COMPOSITION OF THE PROXY GROUP FOR PEOPLES IN THIS PROCEEDING?

A. The composition of our respective proxy groups is not a primary factor driving the differences in my ROE recommendation for Peoples and those of the Witnesses in this proceeding. While

I maintain my screening criteria better measures the contribution of a regulated business' earnings, to narrow the scope of contested issues, I do not object to his inclusion of Chesapeake Utilities Corp. in his proxy group.

VIII. DCF MODEL

Q. PLEASE SUMMARIZE THE WITNESSES' DCF-BASED ROE ESTIMATES.

A. Both I&E Witness Patel and OCA Witness Garrett perform a Constant Growth DCF analysis to estimate the ROE for Peoples in this proceeding. Mr. Patel relies on analysts' projected earnings per share ("EPS") growth rates, while Mr. Garrett relies on projected dividend per share ("DPS") growth rates from Value Line and projected nominal GDP growth from the Congressional Budget Office. I note that Mr. Patel's DCF result of 11.33 percent is 33 basis points higher than my base ROE recommendation of 11.00 percent and eight basis points above the Company's requested 11.25 percent ROE inclusive of the management performance adder. Mr. Garrett's DCF analysis produces ROE estimates ranging from 7.1 percent to 7.6 percent, depending on his growth rate assumption.

Q. ARE THERE AREAS OF THE DCF ANALYSIS WITH WHICH YOU AND THE WITNESSES AGREE?

A. Yes. I agree with Mr. Patel's use of analysts' earnings growth rate projections in his DCF model. (I&E Statement No. 2, p. 30.) However, I disagree with Mr. Garrett's reliance on alternative measures of growth, including dividend growth and GDP growth, as discussed below. Further, while Messrs. Patel and Garrett use slightly different approaches than I use to calculate their respective forward-looking dividend yields in the DCF model, the end results

are generally similar. Finally, Mr. Patel excluded an earnings growth from S&P for Southwest Gas of 12.59 percent. (I&E Statement No. 2, p. 30.) My direct testimony relied on Southwest Gas' projected earnings growth rates from Zacks and S&P were 9.20 percent and 10.50 percent, respectively, as of January 30, 2026. As of May 31, 2026, Zacks and S&P earnings growth rates were 9.90 percent and 13.00 percent, respectively. To narrow the scope of contested issues, I also exclude the 13.00 percent growth rate for Southwest Gas in my updated DCF analyses shown in **Peoples Natural Gas Exhibit Nos. JEN-1R** and **JEN-2R**.

Q. OCA WITNESS GARRETT ASSERTS YOUR DCF RESULTS ARE OVERSTATED DUE TO YOUR USE OF "AVERAGE GROWTH RATES FOR THE PROXY GROUP THAT ARE UNSUSTAINABLY HIGH." (OCA STATEMENT 3, PP. 32-33.) WHAT IS YOUR RESPONSE?

A. I disagree. Both Mr. Patel and I have used analyst EPS growth rate projections in our DCF models to estimate the ROE for Peoples. As explained in my Direct Testimony, **Peoples Statement No. 15**, at pages 23 and 24, over the long term, dividend growth can only be sustained by earnings growth. Importantly, when providing guidance to investors regarding the overall total return targets in their investor presentations, companies define the total return as the dividend yield plus *earnings* growth, not dividend or sustainable growth.[71] As I explain in my Direct Testimony, **Peoples Statement No. 15**, at pages 23 and 24, academic research has shown that analysts' consensus earnings forecasts are better at predicting the valuation of common stocks and studies suggest that investors base their investment decisions on analysts'

[71] *See, e.g.,* PPL Corporation Earnings Presentation, May 2026 at 5; NiSource Inc., June 2026 Investor Deck, at 3; American Electric Power Company, Inc, June 2026 Investor Meetings, at 5.

expectations of growth in earnings.[72] I am not aware of any similar findings regarding dividend-based growth estimates. In addition, the only forward-looking growth rates that are available on a consensus basis are analysts' EPS growth rate projections. Because dividend growth rate projections are only reported by a single source (Value Line), they are more susceptible to potential anomalies than earnings growth rates, which are reported by many sources and generally represent a consensus view. The fact that earnings growth projections are the only widely reported and accepted estimates of growth further supports the finding that earnings growth is the most meaningful measure of growth among the investment community.

Q. HAS THE COMMISSION PREVIOUSLY RELIED ON DCF ESTIMATES THAT SOLELY RELIED ON ANALYST EPS GROWTH RATES AS THE EXPECTED LONG-TERM ANNUAL GROWTH RATE INPUT WHEN DETERMINING ITS AUTHORIZED ROE?

A. Yes. For example, in Columbia Gas of Pennsylvania, Inc.'s ("Columbia Gas") recent base rate case at Docket No. R-2025-3053499, the Commission adopted an ROE that utilized I&E's DCF methodology using analysts' earnings growth rates combined with I&E's CAPM methodologies.[73]

[72] *See*, *e.g.*, Harris and Marston, *Estimating Shareholder Risk Premia Using Analysts Growth Forecasts,* Financial Management, Summer 1992, at 65; and Vander Weide and Carleton, *Investor Growth Expectations: Analysts vs. History*, The Journal of Portfolio Management, Spring 1988, at 81. Please note that while the original study was published in 1988, it was updated in 2004 under the direction of Dr. Vander Weide. The results of that updated study are consistent with Vander Weide and Carleton's original conclusions.

[73] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, Opinion and Order entered December 9, 2025, at 218, 234-235.

Q. PLEASE EXPLAIN WHY YOU DISAGREE WITH MR. GARRETT'S USE OF DIVIDEND GROWTH RATES IN THE DCF MODEL.

A. As explained above and in my Direct Testimony at pages 23 and 24, over the long term, dividend growth can only be sustained by earnings growth. Additionally, dividend growth depends on management decisions regarding the dividend payout ratio over the near term and may not necessarily reflect the long-term growth prospects of the company. As noted earlier, Value Line is the only source I am aware of that publishes dividend growth rate projections, which supports the conclusion that investors view earnings growth as the most meaningful measure of growth. In other words, if investors relied heavily on projections of dividend growth, more sources would offer that data. Further, the dividend growth rates assumed by Mr Garrett result in DCF estimates below current utility bond yields. For example, his "analyst growth" DCF results for Northwest Natural Holding Co., ONE Gas, Inc., and Southwest Gas Holdings are 4.4 percent 5.4 percent, and 5.5 percent, respectively. (OCA Statement 3, Exhibit DJG-6.) Such results defy economic logic and are below any rational estimate of Peoples' cost of equity. As such, the DCF estimate that Mr. Garrett calculated using dividend growth rates should not be given any weight.

Q. PLEASE EXPLAIN WHY YOU DISAGREE WITH MR. GARRETT'S USE OF A PROJECTED NOMINAL GDP GROWTH RATE IN THE DCF MODEL.

A. Using a uniform growth rate for each of the proxy companies is inconsistent with the DCF model's assumptions and dividend yields that differ for each proxy company. Stock prices and investors' return requirements are based on expectations of an individual company's growth,

which will differ from company to company. Relying on a uniform growth rate for all companies, as Mr. Garrett assumes, violates the assumptions of the DCF model.

In addition, other commissions have decided against using GDP growth in the DCF model. For example, the Florida Public Service Commission noted "[w]e find that [Office of Public Counsel] witness Garrett's DCF model result of 7.1 percent is not reasonable because it uses the national GDP as the growth rate and does not reflect the growth rate of regulated natural gas utilities, and shall be given little weight."[74] Similarly, the North Carolina Utilities Commission noted that "Witness Walters' 'generic' GDP-based growth rate simply does not reflect the real world expected growth of a utility like [Duke Energy Carolinas]. Accordingly, the Commission determines that neither the sustainable growth methodology nor the Multi-Stage DCF should be accorded any weight in this case."[75]

Lastly, no company, or investor, would be satisfied with growth that simply tracks the broader economy. Investors would and do shift capital to more attractive investments. Companies are constantly searching for new avenues of growth and have levers such as capital resource allocation to achieve growth greater than GDP. There is no reason to expect that an individual corporation competing for capital as a going concern will limit its future earnings to that of GDP. Limiting growth in the DCF model to long-term GDP is an unfounded constraint.

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[74] *In re: Petition for rate increase by Florida City Gas*, Order Granting in Part and Denying in Part Florida City Gas' Petition for Certain Rate Increases, Docket No. 20220069-GU, June 9, 2023, at 41 (clarification added).

[75] *In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Order Accepting Stipulations, Granting Partial Rate Increase, Requiring Public Notice, and Modifying Lincoln CT CPCN Conditions, Docket No. E-7, Sub 1276, at 203 (clarification added).

Q. IS THERE EVIDENCE TO REFUTE MR. GARRETT'S CLAIM THAT "THE AGGREGATE GROWTH RATE OF THE ECONOMY [IS] TYPICALLY A LIMITING FACTOR FOR THE TERMINAL GROWTH RATE OF THE DCF MODEL"[76]?

A. Yes, I present two analyses that illustrate utility growth is not limited by GDP growth. First, from 2010 through May 2026, the S&P 500 Utilities Index had a compound annual growth rate ("CAGR") of 7.33 percent, when looking at price-only growth (excluding dividends, which would be comparable to the analyst growth rates used in my DCF analysis, as stock prices are driven by earnings growth over the long-term). (OCA Statement 3, p. 31.) This CAGR is much more comparable to the analyst growth rates that I use in my analysis (proxy group average of 7.84 percent)[77] than Mr. Garrett's 3.8 percent GDP growth rate.

Second, utilities' earnings and consequently dividend growth are driven by increased utility investment or rate base that is not necessarily dependent on GDP growth. Utility capital expenditures have been growing at a rate that far exceeds GDP over the past 3-, 5-, and 10-year periods, as can be seen in Figure 11 below.

Figure 11: Compound Annual Growth in Capital Expenditures (2015-2025)[78]

	3-yr CAGR (2022-2025)	5-yr CAGR (2020-2025)	10-yr CAGR (2015-2025)
Peoples' Proxy Group	9.93%	9.19%	11.29%
Total Gas Utility Sector	9.47%	8.76%	8.57%

[76] OCA St. No. 3, at 31 (clarification added).
[77] **Peoples Natural Gas Exhibit No. JEN-1R**, column [8], proxy group mean.
[78] S&P Global Market Intelligence, *Utility Capex Capital Expenditures Databook – H1 2026*, April 13, 2026.

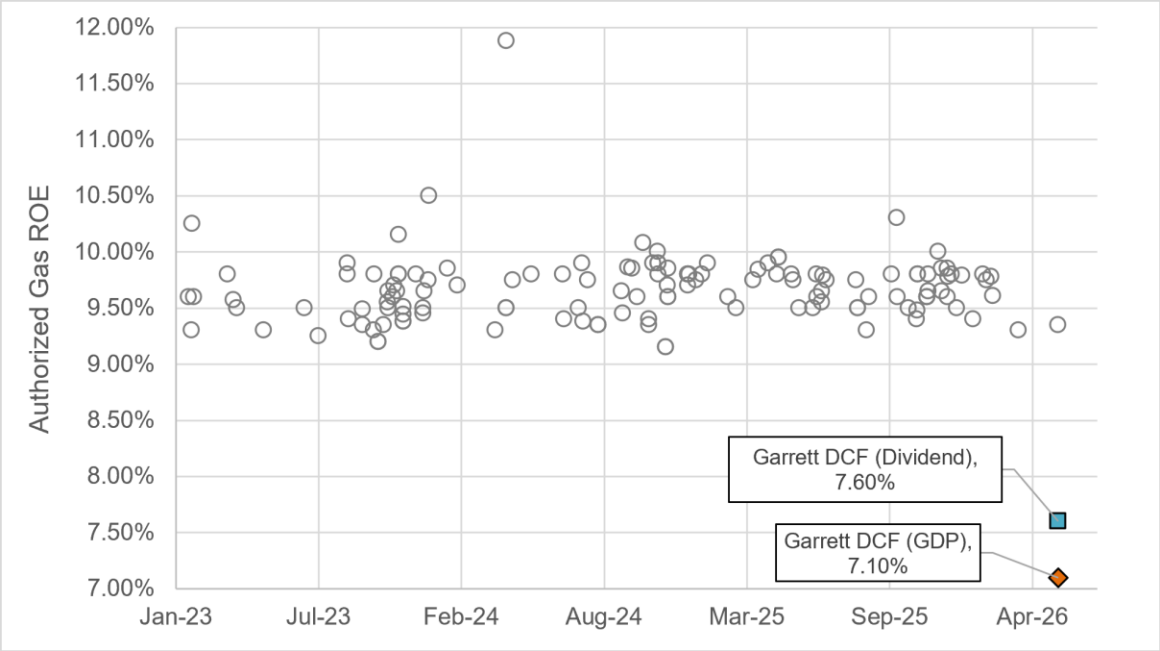
The analyst average projected EPS growth rates for the proxy group used in my and Mr. Patel's DCF analyses (7.84 percent and 8.27 percent, respectively)[79] are lower than the rate of growth in utility capital expenditures over the past 10 years and, therefore, are not overstated. Rather, they are highly consistent with rate base growth, as would be expected. Moreover, these capital expenditure growth rates indicate that utility growth is not constrained by economic growth.

Q. DO MR. GARRETT'S DCF-BASED ROE ESTIMATES SATISFY THE *HOPE* AND *BLUEFIELD* COMPARABLE RETURN STANDARD?

A. No, they do not. As can be seen in Figure 12 below, Mr. Garrett's DCF-based ROE estimates are well below the bottom of recently authorized ROEs for gas distribution utilities, which is especially problematic given the increase in interest rates that I described earlier.

[79] **Peoples Natural Gas Exhibit No. JEN-1R**, column [8]; I&E Exhibit. No. 2, Schedule 5.

Figure 12: Mr. Garrett's DCF-based ROE Estimates vs. Natural Gas Utility Authorized ROEs[80]



Q. PLEASE SUMMARIZE YOUR CONCLUSIONS REGARDING THE WITNESSES' DCF MODELS.

A. The Witnesses present several different DCF models with various inputs and results. Mr. Garrett's DCF results are unjustifiably low and below all authorized ROEs for other gas utilities in at least the past 46 years. The results of my DCF analyses are substantially similar to Mr. Patel's DCF results and the methodology that has been previously adopted by the Commission.

IX. CAPITAL ASSET PRICING MODEL

[80] Sources: Exhibit DJG-6; RRA, rate case decisions for gas utilities as of May 31, 2026. Excludes limited-issue rider cases and transmission cases, as well as states with formulaic rates.

Q. PLEASE SUMMARIZE THE WITNESSES' CAPM-BASED ROE ESTIMATES.

A. Both I&E Witness Patel and OCA Witness Garrett perform a CAPM analysis to estimate the ROE for Peoples in this proceeding. Mr. Patel uses Value Line Beta coefficients and a projected yield on the 10-year Treasury bond from Blue Chip Financial Forecasts for his estimate of the risk-free rate. To determine the equity risk premium,[81] Mr. Patel first determines the overall market return by averaging a forward-looking Value Line average return estimate and the average return of the S&P 500 over the past 100 years. Mr. Patel also provides a second CAPM-based ROE estimate, relying on Kroll's recommended equity risk premium and the 20-Year U.S. Treasury Bond yield. Mr. Patel estimates a 10.28 percent CAPM cost of equity using a forecasted and historical market return average and an 8.86 percent ROE using Kroll's recommended equity risk premium.[82] Mr. Patel averages these two results together to produce a CAPM-based ROE result of 9.57 percent.

Mr. Garrett also uses Value Line Beta coefficients, but instead uses the 30-day average yield of the 30-year U.S. Treasury bond. He arrives at his overall estimate of the equity risk premium by taking the average equity risk premium from four sources: (1) the 2026 IESE Business School Survey, (2) Kroll, (3) NYU Professor Dr. Aswath Damodaran's equity risk premium estimate, and (4) Mr. Garrett's own implied equity risk premium calculation.[83] (OCA Statement 3, p. 42.) Mr. Garrett's estimates a CAPM cost of equity of 8.8 percent if his recommended 49 percent equity ratio is used. If the Company's recommended equity ratio of

[81] In the context of the CAPM, the equity risk premium and market risk premium are synonymous.
[82] I&E Exhibit No. 2, Schedule 10.
[83] Note that Mr. Garrett references an equity risk premium of 4.5 percent from NYU as if "June of 2024." I assume that this was a typo and was meant to reference NYU's average equity risk premium as of June 2026 that averages 4.52 percent.

approximately 54 percent is used, Mr. Garrett's estimates a 8.5 percent CAPM-based ROE. (OCA Statement 3, pp. 42-43.) Figure 13 below summarizes Mr. Patel's and Mr. Garrett's ROE estimates using the CAPM model. The remaining witnesses did not provide a CAPM-based ROE estimate.

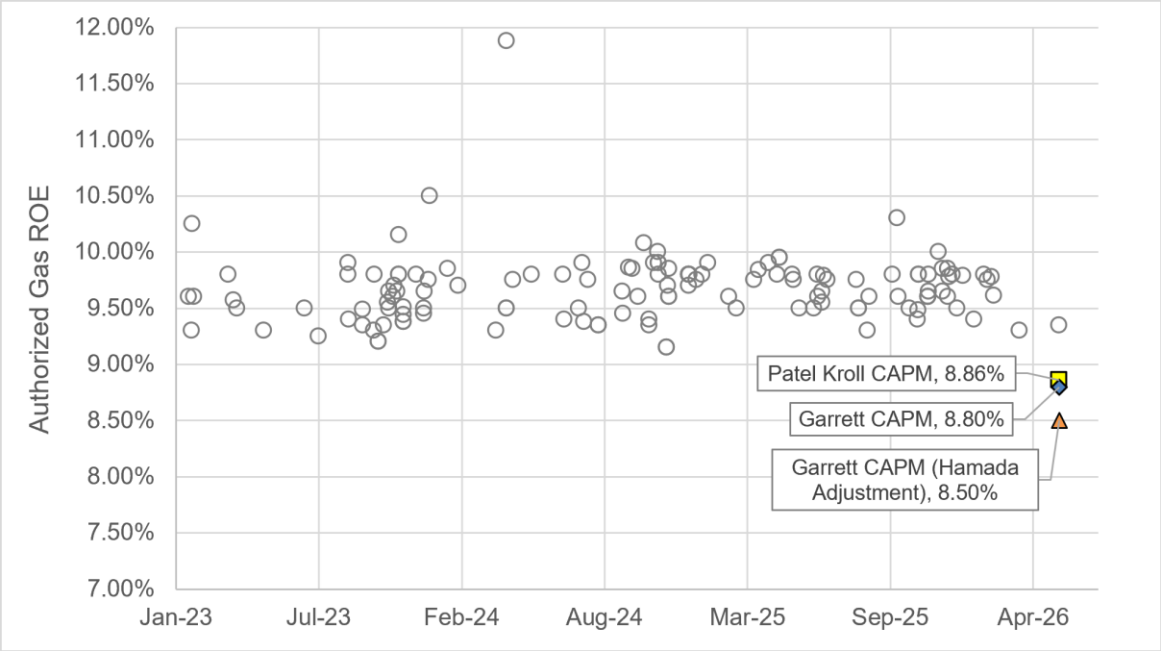
Figure 13: Witnesses' CAPM Estimates, As Filed

Witness	CAPM Range	CAPM-based ROE Estimate(s)
I&E Witness Patel[84]	8.86% - 10.28%	9.57%
OCA Witness Garrett[85]	8.5% - 8.8%	8.5%, 8.8%

From the outset, I disagree with Mr. Garrett's CAPM estimates and Mr. Patel's CAPM estimate based on Kroll's recommended equity risk premium, as those estimates would not meet the comparable return standard as required by the *Hope* and *Bluefield* decisions. As shown in Figure 14 below, Mr. Garrett's CAPM-based ROE estimates and Mr. Patel's Kroll market risk premium CAPM-based ROE estimate are well below recently authorized ROEs for natural gas utilities, and counter to the higher interest rate environment.

[84] I&E St. No. 2, at 35-36; I&E Exhibit No. 2, Schedule 10.
[85] OCA St. No. 3, Exhibits DJG-11 and DJG-12.

Figure 14: Mr. Garrett's CAPM ROE Estimates and Mr. Patel's Kroll MRP CAPM ROE Estimate vs. Natural Gas Utility Authorized ROEs (Jan. 2023-May 2026)[86]



Q. BEFORE RESPONDING TO THE WITNESSES' CRITICISMS OF YOUR CAPM ANALYSIS, ARE THERE AREAS OF AGREEMENT WITH RESPECT TO YOUR RESPECTIVE CAPM ANALYSES?

A. Yes, there are. First, I agree with Mr. Garrett that the 30-year Treasury bond yield is appropriate to use as the risk-free rate. (OCA Statement 3, p. 35.) Additionally, Mr. Patel, Mr. Garrett, and I all rely on Value Line Beta coefficients. (I&E Statement No. 2, pp. 32-33; OCA Statement 3, p. 36.)

[86] Sources: I&E St. No. 2, at 36; OCA St. No. 3, Exhibit DJG-12; RRA, rate case decisions for natural gas utilities as of May 31, 2026. Excludes limited-issue rider cases, and transmission cases.

A. Risk-Free Rate of Return

Q. MR. PATEL USES THE PROJECTED YIELD ON 10-YEAR TREASURY BONDS TO ESTIMATE THE RISK-FREE RATE, AS HE BELIEVES IT BALANCES THE SHORT-TERM VOLATILITY OF T-BILLS AND THE "SUBSTANTIAL MATURITY RISK" ASSOCIATED WITH LONG-TERM TREASURY BONDS. (I&E STATEMENT NO. 2, PP. 33-34.) WHAT IS YOUR RESPONSE?

A. I respectfully disagree with Mr. Patel's use of 10-year Treasury bonds to serve as the risk-free rate for the CAPM and his concerns surrounding the use of 30-Year Treasury bonds. In determining the security most relevant to the application of the CAPM, it is important to select the term that best matches the life of the underlying investment. As explained by Morningstar:

> The traditional thinking regarding the time horizon of the chosen Treasury security is that it should match the time horizon of whatever is being valued… Note that the horizon is a function of the investment, not the investor. If an investor plans to hold stock in a company for only five years, the yield on a five-year Treasury note would not be appropriate since the company will continue to exist beyond those five years.[87]

[87] Morningstar Inc., Ibbotson SBBI 2013 Valuation Yearbook, at 44.

Since utility assets are long-duration investments, it is appropriate to use yields on long-term Treasury bonds as the risk-free rate component of the CAPM. Therefore, the 30-year Treasury bond is the most appropriate security for that purpose.

Q. MR. PATEL CLAIMS THAT "THE 30-YEAR TREASURY BOND EXHIBITS MORE STABILITY BUT IS NOT RISK-FREE" (I&E STATEMENT NO. 2, P. 33.) WHEN DISCUSSING HIS RISK-FREE RATE ESTIMATE. WHAT IS YOUR RESPONSE?

A. I agree with Mr. Patel that the 30-year Treasury bonds exhibit more stability. As explained by Dr. Roger Morin, "On grounds of stability and consistency, the yields on long-term Treasury bonds match more closely with expected common stock returns."[88] However, Mr. Patel's claim that 30-year Treasury bonds are "not risk-free" comingles two types of risk: default risk and interest rate risk. Because long-term Treasury bonds are backed by the U.S. government, they are essentially free of default risk. Furthermore, as Dr. Morin goes on to explain, "While long-term Treasury bonds are potentially subject to interest rate risk, and are not theoretically 'risk-free,' this is only true if the bonds are sold prior to maturity. A substantial fraction of bond market participants, usually institutional investors with long-term liabilities (pension funds, insurance companies), in fact, hold bonds until they mature, and therefore are not subject to interest rate risk."[89] Given that investments in any government security will have some theoretical level of interest rate risk, as rates can change over time, it is important to consider the practical level of risk for such investments. Thus, given that the 30-year Treasury bond is a stable security free of default risk, has minimal real interest rate risk, and aligns with the life

[88] Roger A. Morin, PhD., New Regulatory Finance, Public Utility Reports, Inc., at 152 (2006).
[89] *Id.*

of the underlying investment in utility assets, as described above, it serves as an appropriate security for the risk-free rate component of the CAPM.

B. Beta Coefficient

Q. WHAT IS YOUR RESPONSE TO MR. GARRETT'S ALTERNATE BETA USING THE HAMADA MODEL TO ESTIMATE AN "UNLEVERED" BETA, AND THEN "RELEVERING" THE BETA AT A DIFFERENT DEBT RATIO? (OCA STATEMENT NO. 3, PP. 56-58.)

A. Mr. Garrett developed an alternative Beta coefficient estimate by unlevering and relevering the Beta coefficient using the book value of debt and equity to arrive at a relevered Beta coefficient of 0.77, based on the capital structure of the proxy group consisting of 51 percent debt and 49 percent equity. However, Mr. Garrett's approach is incorrect. The Hamada adjustment is typically applied to the *market value* of a company's capital structure, not the *book value*.[90] Further, the Beta coefficient is a market parameter that is based on the relative volatility and correlation of a company's *market value* stock price against the overall market index (which is also priced at market value). Relevering the Beta coefficient with *book value* leverage mixes measurement bases and distorts the Beta coefficient (and thus the cost of equity and WACC). Because the proxy companies' equity on a market value basis is greater than the book values of equity,[91] a properly applied Hamada adjustment should result in an *upward*

[90] Hamada's original research relied on market values for common equity and debt. See, Hamada, Robert S., "The Effect of the Firm's Capital Structure on the Systematic Risk of Common Stocks," The Journal of Finance, vol. 27, no. 2, 1972, pp. 435–52.
[91] Source: S&P Capital IQ.

adjustment to the ROE, not a *downward* adjustment. For those reasons, Mr. Garrett's Hamada adjustment is misapplied and should be rejected.

C. Market Risk Premium

Q. PLEASE SUMMARIZE THE WITNESSES' APPROACH FOR DETERMINING THE MARKET RISK PREMIUM.

A. As described previously, Mr. Patel takes two approaches to determining the market risk premium. First, Mr. Patel averages forward-looking and historical estimates of the market return, from which he subtracts his estimate of the risk-free rate to arrive at an estimated market risk premium. To conduct the forward-looking market return approach, Mr. Patel relies on the May 22, 2026 edition of the *Value Line Investment Survey*, covering roughly 1,700 companies in the Value Line universe. From this report, he combines a 2.10 percent median forecasted dividend yield for all dividend-paying companies with a growth rate of 9.73 percent, derived from a median estimated three-to-five year stock price appreciation potential of 45 percent for all companies. Mr. Patel averages this expected market return of 11.83 percent with the average annual return of the S&P 500 over the last 100 years, 12.35 percent, to arrive at his market return estimate of 12.09 percent. Additionally, Mr. Patel provides a second market risk premium estimate, relying on Kroll's recommended equity risk premium of 5.00 percent. (I&E Statement No. 2, pp. 35-36.)

Mr. Garrett's market risk premium is determined by averaging the market risk premium from four sources: (1) the 2026 IESE Business School Survey, (2) Kroll, (3) Dr. Damodaran's equity risk premium estimate, and (4) Mr. Garrett's own implied market risk premium method. (OCA Statement 3, pp. 39-42.) As Mr. Garrett asserts, his implied market risk premium method

develops the internal rate of return that sets the current value of the market index equal to the projected value of cash flows associated with owning the market index. Mr. Garrett's method is a two-stage form of the DCF model, which calculates the present value of cash flows over the five-year initial period, together with the terminal price (based on the Gordon Model), to be received in the last (*i.e.,* terminal) year. (OCA Statement 3, p. 39.) Ultimately, Mr. Garrett calculates a market risk premium estimate of 5.0 percent from his implied MRP method. When averaged with the three additional market risk premium estimates, Mr. Garrett arrives at an overall MRP estimate of 4.9 percent. (OCA Statement 3, Exhibit DJG-10.)

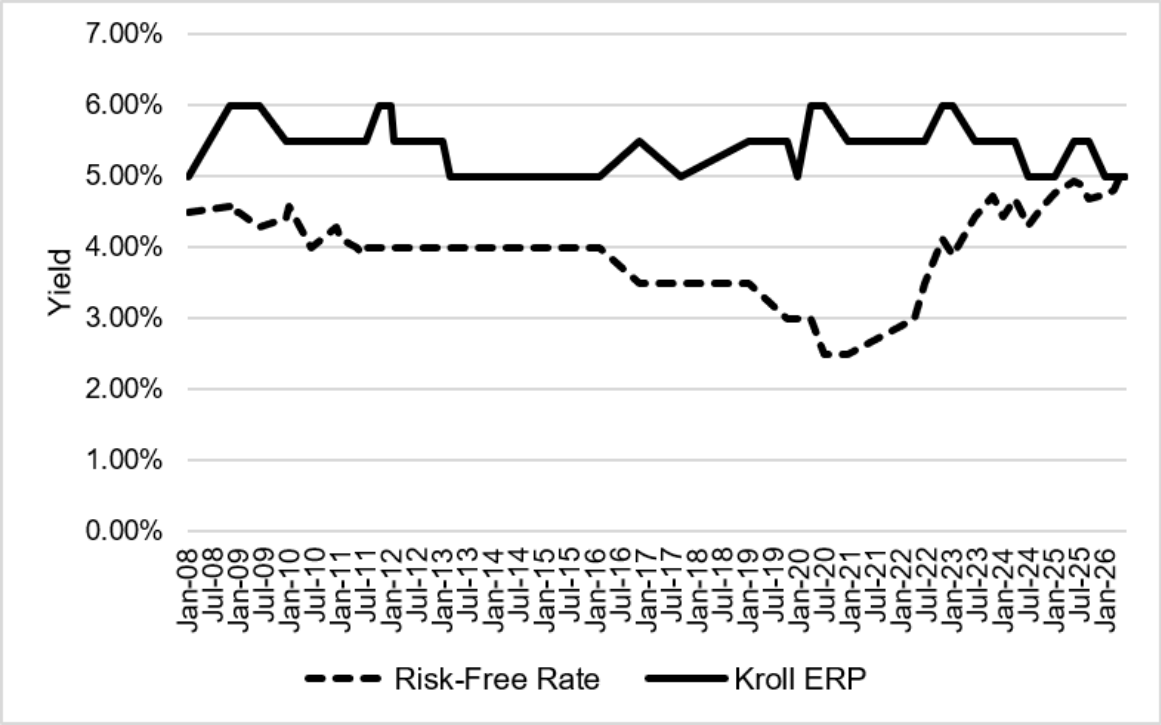
Q. DO YOU HAVE ANY CONCERNS WITH KROLL'S RECOMMENDED EQUITY RISK PREMIUM ESTIMATE THAT I&E WITNESS PATEL AND OCA WITNESS GARRETT REFERENCE? (I&E STATEMENT NO. 2, P. 35; OCA STATEMENT 3, P. 42.)

A. Yes, I do. I disagree with Kroll's recommended equity risk premium. Kroll's methodology is opaque and it is not clear that Kroll develops its market risk premium in relation to its risk-free rate. The market risk premium is calculated as the difference between the expected market return and risk-free rate; therefore, it is a function of the expected market return and risk-free rate at a point in time. Consequently, the market risk premium and risk-free rate are not independent of each other, they are interrelated. In fact, academic studies have shown that the two are inversely related.[92] As the risk-free rate decreases, the market risk premium increases and vice versa. However, as shown in Figure 15 below, there is no clear relationship between

[92] *See, e.g.*, Robert S. Harris and Felicia C. Marston, *Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts*, Financial Management, (Summer 1992), at 63-70.

Kroll's recommended equity risk premium and risk-free rate. Whereas academic studies indicate that the two lines should move in opposite directions, Figure 15 shows the relationship is unclear.

Figure 15: Kroll Recommended Equity Risk Premium and Risk-Free Rate (2008-2026)[93]



The conclusion that there is no clear relationship between Kroll's variables is supported by statistical analysis. To assess whether there is a relationship, I performed a linear regression in which Kroll's recommended equity risk premium was the dependent variable and the recommended risk-free rate was the independent variable. The R-square was 0.0397, which means that Kroll's risk-free rate explains only 3.97 percent – very little - of the change in the

[93] Sources: Kroll Cost of Capital Navigator, Federal Reserve Bank of St. Louis FRED Economic Data.

Equity Risk Premium. This runs counter to the fundamental principle that the market risk premium is a function of the risk-free rate, as noted earlier. This is not to suggest that Kroll is not a valid or credible source of data. Rather, it suggests that the usefulness of Kroll's equity risk premium recommendation at the current time is questionable given that it runs counter to academic and financial theory.

Q. HAVE OTHER COMMISSIONS REJECTED KROLL'S RECOMMENDED EQUITY RISK PREMIUM AS AN INPUT TO THE CAPM?

A. Yes, they have. For example, in Order No. PSC-2023-0177-FOF-GU, the Florida Public Service Commission found that the "use of Kroll's equity risk premium and the results of the CAPM using that data are unreasonable."[94] Additionally, in docket no. E-7 Sub 1276, the North Carolina Utilities Commission similarly concluded that the "use of Kroll's 5.5% MRP fails the test of Bluefield/Hope, in that it does not meet the test of comparable return."[95] In conclusion, while I recognize that the Commission gave weight to Kroll's recommended equity risk premium in its 2025 Order for Columbia Gas,[96] I respectfully disagree with that finding and recommend dismissing Kroll's equity risk premium when calculating the CAPM-based ROE estimate in this case.

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[94] Florida Public Service Commission Docket No. 20220069-GU, *In re: Petition for rate increase by Florida City Gas*, Order No. PSC-2023-0177-FOF-GU, at 43 (June 9, 2023).

[95] *In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-7, Sub 1276, Order Accepting Stipulations, Granting Partial Rate Increase, Requiring Public Notice, And Modifying Lincoln CT CPCN Conditions, at 208.

[96] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499, Opinion and Order entered December 9, 2025, at 234-235.

Q. DO YOU AGREE WITH HOW MR. PATEL CALCULATED HIS 11.83 PERCENT VALUE LINE FORWARD-LOOKING MARKET RETURN? (I&E STATEMENT NO. 2, P. 34.)

A. No, I do not. As a preliminary matter, Mr. Patel is not correct when he notes that "Value Line expects its universe of approximately 1,700 stocks to have an *average* yearly return of 11.83% percent over the next three to five years based on a forecasted dividend yield of 2.10% and a yearly index appreciation of 45%." (I&E Statement No. 2, p. 34 (emphasis added).)As Value Line's Summary & Index report clearly states, the 2.10 percent and 45 percent are "The *Median* of Estimated Dividend Yields (next 12 months) of all dividend paying stocks" and "The *Median* Estimated Three-To-Five Year Price Appreciation Potential of all stocks in the VL Universe", respectively.[97] When an investor invests in the overall market (which is being approximated here by the Value Line universe of stocks), they receive the *weighted average* market return, not the *median* market return. If Mr. Patel were to use the average as he stated, his result would be higher, as I demonstrate in **Peoples Natural Gas Exhibit No. JEN-10R**. Adjusting Mr. Patel's CAPM analysis to use the *weighted average* market return (without any other corrections) produces an ROE estimate of 11.99 percent.[98]

Q. WHAT IS YOUR CONCERN WITH THE USE OF SURVEYS SUCH AS THE IESE BUSINESS SCHOOL SURVEY CONSIDERED BY MR. GARRETT?

A. My concern with relying on surveys is that surveys are often ambiguous and not clearly designed to have confidence that the responses are based on a uniform baseline understanding

[97] The Value Line Investment Survey, Part 1 Summary & Index, May 22, 2026, at 1 (emphasis added).
[98] As shown on **Peoples Natural Gas Exhibit No. JEN-10R**, I adjust both the dividend yield and growth rate to use the weighted average of the Value Line universe of companies rather than the median.

of what is being surveyed. Analysts are likely to give different responses regarding the expected market return or equity risk premium depending on whether they are considering short or long periods, the current market environment, the risk-free rate that is assumed, real vs. nominal returns, arithmetic vs. geometric returns, and the prevailing point in the economic cycle (expansion vs. contraction; high vs. low inflation, etc.). In other words, we cannot verify respondents' inputs and assumptions to assess whether the responses are comparable. In fact, recognizing the limitations of the survey, the authors explicitly state that the average of the distribution of survey responses "cannot be interpreted as the [Required Equity Premium ("REP")] of the market nor as the REP of a representative investor."[99]

Q. TURNING TO MR. GARRETT'S IMPLIED MARKET RISK PREMIUM METHOD, DO YOU HAVE ANY OBSERVATIONS REGARDING MR. GARRETT'S ASSUMED FIRST-STAGE GROWTH RATE?

A. Yes. Mr. Garrett's 6.95 percent growth rate relates only to geometric (or compound) growth in operating earnings and does not reflect capital appreciation or growth in dividends or stock buy backs. (OCA Statement 3, Exhibit DJG-9.) If Mr. Garrett's position is that historical growth rates are meant to reflect expected growth, they should reflect year-to-year variation (that is, uncertainty). That is best accomplished using the arithmetic average growth rate rather than the compound growth rate.

[99] Fernandez, Pablo; Habibian, Amir; and Acin, Antonio F., "Survey: Market Risk Premium and Risk-Free Rate used for 97 countries in 2026," at 11-12. IESE Business School (clarification added). Accessible at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6570342

Q. HOW DID MR. GARRETT DEVELOP HIS ASSUMED TERMINAL GROWTH RATE?

A. The terminal growth rate represents investors' expectations of the rate at which the broad stock market will grow, in perpetuity, beginning in the terminal stage. Mr. Garrett assumes terminal growth, beginning six years from now and extending indefinitely into the future, is equal to his risk-free rate, i.e., the average yield on 30-year Treasury securities over the 30 days ended June 9, 2026.

Q. IS MR. GARRETT'S TERMINAL GROWTH RATE ASSUMPTION OF 5.02 PERCENT REASONABLE?

A. No, it is not. I understand that Mr. Garrett followed Dr. Damodaran's approach to use the risk-free rate as the terminal growth rate. (OCA Statement 3, Exhibit DJG-9.) In terms of historical experience, over the long term, the broad economy has grown at an average rate of approximately 6.34 percent.[100] For another perspective, the long-term average rate of price appreciation on large company stocks between 1928 and May 2026 is 8.14 percent.[101]

Assuming long-term inflation will be approximately 2.20 percent, Mr. Garrett's terminal growth rate based on his risk-free rate of 5.02 percent assumes that real growth will be close to just 2.76 percent[102] in perpetuity. Nowhere in his testimony has Mr. Garrett explained that investors expect real growth of 2.76 percent for riskier equities in perpetuity.

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100 Source: Bureau of Economic Analysis for the years 1929 to 2025.

101 S&P Capital IQ.

102 For example, in line with the Federal Reserve's target rate of inflation. *See also*, Garrett Exhibit DJG-5. Inflation estimated by subtracting real GDP of 1.6 percent (row ([1]) from Nominal GDP of 3.8 percent (row [2])

Given that equities are riskier than government bonds, it is highly improbable that equity investors would only require growth equal to the risk-free rate in perpetuity.

Q. HAVE ACTUAL OBSERVED MARKET RISK PREMIA BEEN CONSISTENT WITH THE MARKET RISK PREMIA ESTIMATES PRODUCED BY NYU?

A. No, they have not. As shown in Figure 16 below, the annual implied market risk premium published by NYU has been far removed from actual observed market risk premia in recent years. Moreover, the average actual market risk premium over the past 15 years, 12.01 percent, is above the highest market risk premium that I use in my rebuttal CAPM models, 10.47 percent, and any of the market risk premia that Mr. Patel or Mr. Garrett use. (**Peoples Natural Gas Exhibit No. JEN-4R.**)

Figure 16: NYU Annual Implied vs. Observed Market Risk Premium[103]

Year	NYU Implied Market Risk Premium	Actual Market Risk Premium
2010	5.20%	10.81%
2011	6.01%	-1.71%
2012	5.78%	13.54%
2013	4.96%	29.51%
2014	5.78%	10.28%
2015	6.12%	-1.09%
2016	5.69%	9.66%
2017	5.08%	19.16%
2018	5.96%	-7.20%
2019	5.20%	28.94%
2020	4.72%	16.98%
2021	4.24%	26.98%
2022	5.94%	-20.72%
2023	4.60%	22.44%
2024	4.33%	21.28%
2025	4.23%	13.23%
Average	**5.24%**	**12.01%**

Q. WHAT IS YOUR RESPONSE TO MR. GARRETT'S POSITION THAT YOUR MARKET RISK PREMIUM ESTIMATE IS TOO HIGH? (OCA STATEMENT 3, PP. 45-46.)

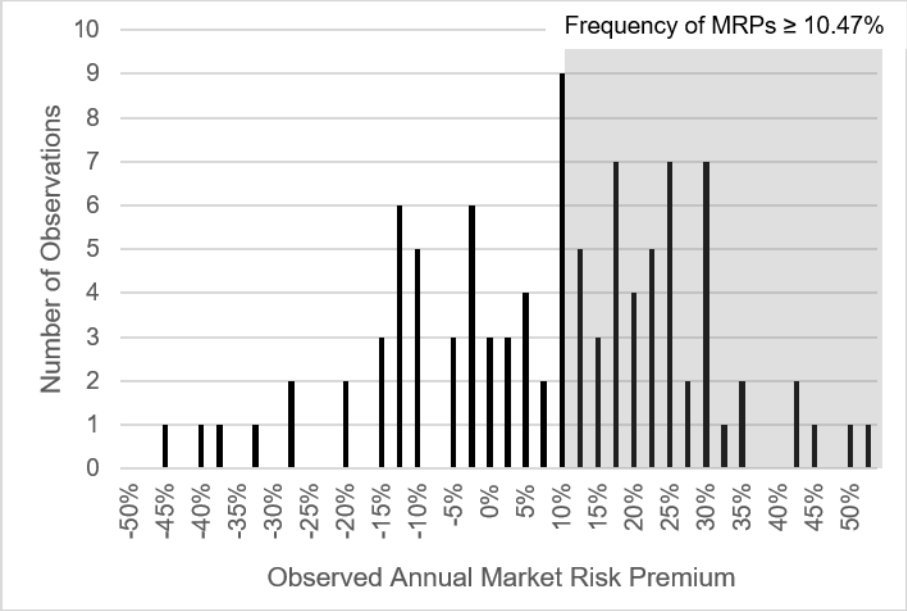
A. I disagree with that position. First, I emphasize that I do not rely solely on my forward-looking market risk premium. As shown in Figure 1 of my Direct Testimony, the low end of my recommended range is supported by the CAPM results using the long-term average historical market return. (Peoples Statement No. 15, pp. 4-5.) Nevertheless, the use of a forward-looking

[103] Sources: https://pages.stern.nyu.edu/~adamodar/New_Home_Page/home.htm; Kroll, 2023 SBBI Yearbook, Appendix A-1 and A-7 (years 1926-2022); Cost of Capital Navigator (2023-2025 data).

or projected MRP is reasonable because the cost of equity is forward-looking and each of the CAPM components is meant to be a forward-looking parameter.

Second, as discussed in my Direct Testimony, market returns in the range of my forward-looking market return estimates have occurred quite frequently. (Peoples Statement No. 15, pp. 32-33.) For an additional perspective, I also reviewed the frequency of the highest MRP presented in my Rebuttal Testimony, 10.47 percent. (**Peoples Natural Gas Exhibit No. JEN-4R.**) As shown in the shaded area in Figure 17 below, MRPs in the range of 10.47 percent or higher have occurred in 47 of the past 100 years (47.0 percent of the time). From that perspective, the forward-looking market risk premium estimates are not unreasonably high.

Figure 17: Frequency of Observed Market Risk Premia – 1926-2025[104]



Moreover, because market returns historically have been volatile, my market return estimates are statistically indistinguishable from the long-term historical arithmetic average

[104] Source: Kroll, 2023 SBBI Yearbook, Appendix A-1, A-7 (years 1926-2022); Cost of Capital Navigator (2023-2025 data)

market return.[105] As such, my projected market return estimates are reasonable and consistent with historically observed market returns. Finally, I note that I have relied on the most conservative forward market return estimate from Value Line and excluded the higher forward market return estimates from Bloomberg.

D. Empirical CAPM Analysis

Q. PLEASE SUMMARIZE THE WITNESSES' CONCERNS WITH YOUR EMPIRICAL CAPM ("ECAPM") ANALYSIS.

A. Mr. Patel objects to my use of the ECAPM, contending that the "ECAPM reduces the purpose of beta, which is the only company-specific variable in the CAPM." (I&E Statement No. 2, p. 42.) He also claims that the ECAPM is subjective and is not aware of the ECAPM being used as an accepted methodology by regulatory commissions. Mr. Patel also rejected my assertion that the Commission implicitly approved of FirstEnergy Pennsylvania Electric Company's use of the ECAPM, stating that the Commission's approval of a settlement "is not the same as its approval of the ECAPM methodology in the context of a fully litigated rate case." (*Id*.)

Q. HOW DO YOU RESPOND TO MR. PATEL'S CONCERNS?

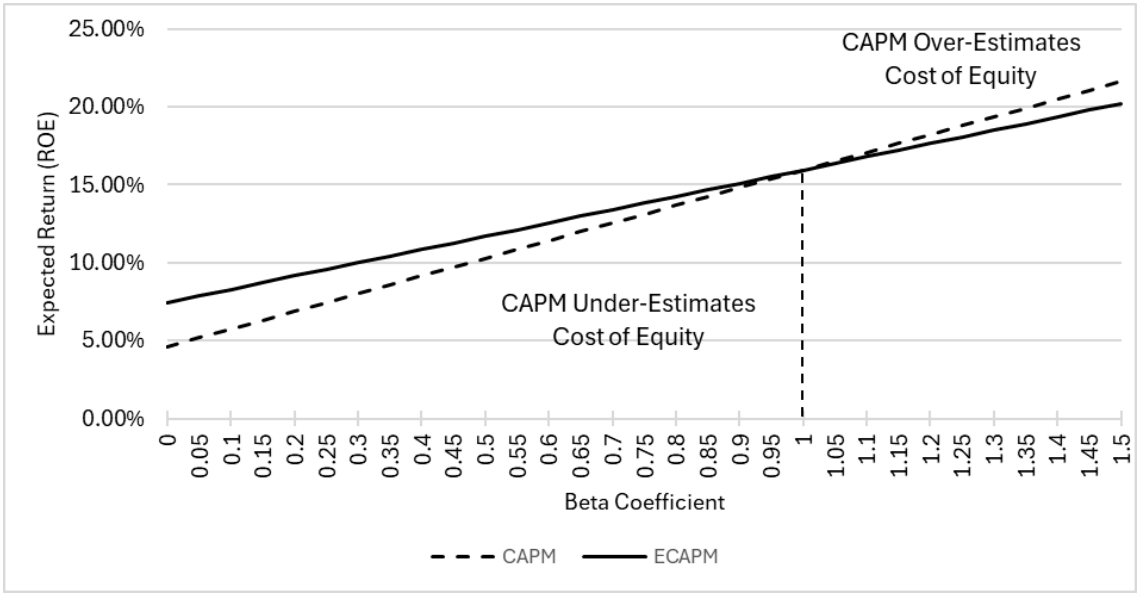
A. Mr. Patel's concerns are misplaced, and his criticism of the CAPM's performance in predicting actual returns further supports the use of the ECAPM in determining the Company's cost of equity. As explained in my Direct Testimony, the ECAPM reflects published research that companies with lower Beta coefficients tend to have higher returns than those predicted by the traditional CAPM, and those with higher Beta coefficients tend to have lower returns than

[105] The standard deviation of the observed market return and market risk premium is approximately 19.60 percent and 19.70 percent, respectively. Source: Kroll Cost of Capital Navigator.

predicted.[106] (Peoples Statement No. 15, pp. 34-35.) Beta coefficient adjustments such as those used by Value Line, on the other hand, address the tendency of "raw" Beta coefficients to regress toward the market mean of 1.00 over time. As explained below, the ECAPM is not an adjustment to the Beta coefficient; the two are different issues and are addressed with different methods.[107]

The relationship between expected returns from the CAPM and ECAPM can be seen in Figure 18, below. As an example, Figure 18 reflects my projected risk-free rate and forward-looking market risk premium and illustrates the extent to which the CAPM under-states the expected return relative to the ECAPM when Beta coefficients, whether adjusted or unadjusted, are less than 1.00.

Figure 18: CAPM and ECAPM Expected Returns



[106] *See also*, Roger A. Morin, PhD., New Regulatory Finance, Public Utility Reports, Inc., at 175-176 (2006).

[107] Roger A. Morin, PhD., New Regulatory Finance, Public Utility Reports, Inc., at 191 (2006).

The ECAPM is an adjustment to the risk/return line or "Security Market Line," which, as shown in Figure 18 above, is flatter than the CAPM assumes. The Security Market Line is the market risk premium, not the Beta coefficient. Thus, the ECAPM and Blume's adjustment to Beta coefficients are two different adjustments. Eugene F. Brigham and Joel F. Houston explain at page 198 in their textbook, Fundamentals of Financial Management (10th edition):

> The slope of the SML…reflects the degree of risk aversion in the economy – the greater the average investor's aversion to risk, then (a) the steeper the slope of the line, (b) the greater the risk premium for all stocks, and (c) the higher the required rate of return on all stocks.[108]

In a footnote the authors add: "Students sometimes confuse beta with the slope of the SML. This is a mistake. The slope of any straight line is equal to the 'rise' divided by the 'run'."

The ECAPM adjustment is required even with the use of adjusted Beta coefficients, such as those provided by Value Line. As Dr. Morin observes (emphasis added):

> Fundamentally, *the ECAPM is not an adjustment, increase or decrease, in beta*. This is obvious from the fact that the expected return on high beta securities is actually lower than that produced by the CAPM estimate. The ECAPM is a formal recognition that the observed risk-return tradeoff is flatter than predicted by the CAPM based on myriad empirical evidence. *The ECAPM and the use of adjusted betas comprised two separate features of asset pricing…Both adjustments are necessary*.[109]

As for Mr. Patel's argument that the Commission's approval of a settlement is not the same as its approval of the ECAPM methodology, his argument appears to set an unnecessarily high standard for consideration of the ECAPM. The relevant question is not whether the Pennsylvania Commission has expressly stated that it relied on the ECAPM in a litigated order,

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[108] Eugene F. Brigham and Joel F. Houston, Fundamentals of Financial Management, 10th Edition, at 198 (2004).
[109] Roger A. Morin, PhD., New Regulatory Finance, Public Utility Reports, Inc., at 191 (2006) (emphasis added).

but whether the ECAPM is a reasonable and recognized financial model that may provide useful evidence regarding investor-required returns. Regulatory commissions routinely consider multiple cost-of-equity methodologies without expressly endorsing every component of every witness's analysis. To elaborate on my response to I&E-RR-9 that Mr. Patel referenced, I am aware that the ECAPM (sometimes referred to as the "Zero Beta CAPM") has been accepted by regulatory commissions in Alaska, Maryland, Mississippi, New York, and North Carolina.[110] Additionally, I am aware the ECAPM has been presented by state regulatory commission staff in Maryland and Nevada and by the Department of Commerce in Minnesota.[111]

For example, the ECAPM is the preferred CAPM methodology and is explicitly relied on by the New York Public Service Commission including the use of adjusted Beta coefficients.[112] Additionally, the North Carolina Utilities Commission accepted the ECAPM

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[110] *See,* Regulatory Commission of Alaska, Docket No. P-97-4, Order No. 151, at 146; Maryland Public Service Commission, Case No. 9311, Order No. 85724, at 105; Mississippi Public Service Commission, Docket No. 01-UN-0548, *Notice of Intent of Mississippi Power Company to Change Rates for Electric Service in its Certificated Areas in the Twenty-Three Counties of Southeast Mississippi*, Final Order, December 3, 2001, at 19; New York Public Service Commission, Case 16-G-0058, P*roceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National Grid for Gas Service*, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plans, December 16, 2016, at 32; *In the Matter of Application of Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina*, Docket No. E-22, Sub 562 Order Accepting Public Staff Stipulation in Part, Accepting CIGFUR Stipulation, Deciding Contested Issues, and Granting Partial Rate Increase, February 24, 2020, at 40; *In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-7, Sub 1276, Order Accepting Stipulations, Granting Partial Rate Increase, Requiring Public Notice, And Modifying Lincoln CT CPCN Conditions, at 209-210; *In the Matter of Application of Duke Energy Progress, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-2, Sub 1300, Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Public Notice, at 162-163.

[111] *See,* Maryland Public Service Commission, Case No. 9311, Order No. 85724, at 88; Minnesota Public Utilities Commission, MPUC Docket No. G011/GR-15-736, *Findings of Fact, Conclusions of Law, and Recommendation*, August 19, 2016, at 29; Public Utilities Commission of Nevada, Docket No. 12-02019, Second Modified Final Order, at 36.

[112] *See, e.g.*, New York Public Service Commission, Case 16-G-0058, P*roceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National Grid for Gas Service*, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plans, December 16, 2016, at 32.

in Duke Energy Carolinas' and Duke Energy Progress' most recent completed rate cases, including the use of adjusted Beta coefficients in the ECAPM.[113] Consequently, I believe the ECAPM is a reasonable approach and should be considered by the Commission.

E. Witness CAPM Adjustments and Conclusion

Q. DO YOU RECOMMEND ANY ADJUSTMENTS TO THE WITNESSES' CAPM ANALYSES?

A. Yes, I do. As I explained previously, Mr. Garrett's CAPM-based ROE estimates or Mr. Patel's Kroll CAPM ROE estimate should be rejected outright because they do not meet the *Hope* and *Bluefield* comparable return standard. Accordingly, I do not make adjustments to these estimates. However, modest adjustments can be made to several inputs to Mr. Patel's "forecasted CAPM analysis" to remedy weaknesses with certain of his inputs and assumptions. (I&E Statement No. 3, pp. 36-37.) First, solely replacing Mr. Patel's use of a projected yield on the 10-year U.S. Treasury Note with the projected yield on the 30-year U.S. Treasury Bond increases his CAPM ROE estimate by 12 basis points. (*See*, **Peoples Natural Gas Exhibit No. JEN-10R**.) Additionally, I revised Mr. Patel's Value Line-based estimate of the expected market return ("R_m") to combine the weighted average growth rate and dividend yield (as opposed to the median growth rate and dividend yield that Mr. Patel used) for the 1,351 Value Line companies that have available both projected 3-5 year EPS growth rates and market capitalization data. As shown in **Peoples Natural Gas Exhibit No. JEN-10R**, correctly using

[113] *In the Matter of Application of Duke Energy Carolinas, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-7, Sub 1276, Order Accepting Stipulations, Granting Partial Rate Increase, Requiring Public Notice, And Modifying Lincoln CT CPCN Conditions, at 209-210; *In the Matter of Application of Duke Energy Progress, LLC for Adjustment of Rates and Charges Applicable to Electric Service in North Carolina and Performance-Based Regulation*, Docket No. E-2, Sub 1300, Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Public Notice, at 162-163.

the weighted average estimates, instead of the median data that Mr. Patel uses, brings the CAPM ROE estimate from 10.28 percent to 11.99 percent. Incorporating both adjustments together, as shown below in Figure 19, raises the CAPM ROE estimate of Mr. Patel's forecasted CAPM analysis from 10.28 percent to 12.11 percent, or by 183 basis points.

Figure 19: Mr. Patel's Adjusted CAPM Results[114]

Adjusted CAPM Input(s)	As Filed[115]	Adjusted	Adjusted CAPM ROE	CAPM ROE Impact
Risk-free Rate	4.23%	4.78%	10.40%	+12 bp
Value Line Estimated R_m	11.83%	16.29%	11.99%	+171 bp
Risk-free Rate and Value Line Estimated R_m	4.08% and 11.83%	4.78% and 16.29%	12.11%	+183 bp

Q. WHAT IS YOUR CONCLUSION WITH REGARD TO THE CAPM?

A. My conclusion is that using sound inputs for the risk-free rate and market risk premium, along with current Beta estimates, the CAPM is producing reasonable results that should be considered along with the results from the DCF and Risk Premium models. In particular, Mr. Patel's Kroll CAPM analysis and Mr. Garrett's CAPM analyses have multiple flaws and produce ROE estimates below nearly all authorized ROEs for other natural gas utilities and should be disregarded.

X. BOND YIELD PLUS RISK PREMIUM MODEL

114 **Peoples Natural Gas Exhibit No. JEN-10R**.
115 I&E Exhibit No. 2, Schedules 9, 10.

Q. PLEASE ADDRESS THE WITNESSES' CONCERNS REGARDING YOUR USE OF A BOND YIELD PLUS RISK PREMIUM ("RISK PREMIUM") MODEL.

A. Mr. Garrett raises three concerns: (1) my risk premium model is not market-based or truly forward-looking; (2) the model does not actually estimate the cost of equity and adds no marginal value beyond the CAPM; and (3) the approach is circular. (OCA Statement 3, pp. 47-48.) Regarding his first concern, my Risk Premium analysis determines the appropriate risk premium based on the relationship between historical authorized ROEs for natural gas utilities and Treasury bond yields over the last 46 years. As shown in Exhibit JEN-5R, my Risk Premium analysis is supported by a regression equation that evaluates the relationship between Treasury bond yields and the equity risk premium over time. The regression equation has an R-square of 0.8252, which indicates a high degree of correlation (82.52 percent) between the change in the equity risk premium and changes in interest rates, making the model a reliable predictor of the equity risk premium at various levels of interest rates. This is a highly statistically significant and intuitive relationship, reflecting how the equity risk premium responds to changes in interest rates and economic conditions. Regarding his second concern, the CAPM is a distinct, separate model that adds value in addition to the Risk Premium analysis; the two models are not redundant, and the differences between them are summarized in Figure 20 below.

Figure 20: CAPM vs. Risk Premium Differences

CAPM	Risk Premium
Market risk premium calculated based on the market (S&P 500) return	Equity risk premium calculated by reference to natural gas utility authorized ROEs
Estimates company-specific market risk through Beta coefficients	Derives an industry-specific cost of equity estimate by using natural gas utility ROEs as the basis for calculating the equity risk premium
Does not use a statistical relationship to determine the market risk premium	Uses a statistical relationship to determine the equity risk premium
Market risk premium can be more volatile as the expected market return and risk-free rate are more variable	Equity risk premium relationship is more stable over time due to the use of nearly than 1,400 natural gas rate cases over 46 years and bond yields that are lagged over the average length of a rate case
The market risk premium estimate is often the most contentious	Fewer contentious inputs, and the inputs (e.g., authorized ROEs and bond yields) are observable and objective.

Regarding his third concern, Mr. Garrett's circularity argument assumes that authorized ROEs mechanically ratchet upward over time without regard to underlying capital market conditions. My Risk Premium analysis does not simply carry forward prior authorized returns; it models how the equity risk premium has historically moved in relation to changes in interest rates, which allows the analysis to calibrate for current capital market conditions rather than anchor to historical ROE levels in isolation.

Mr. Patel raises three primary concerns regarding my use of the Risk Premium method: (1) the settled cases I cited as precedent reflect only approval of settlements, not Commission approval of the methodology in a litigated case; (2) the risk premium methodologies in those

cited cases were not, in his view, similar to mine; and (3) to his knowledge, the Commission has never explicitly relied on the risk premium method to determine cost of equity for a Pennsylvania utility. (I&E Statement No. 2, p. 43.) In response to Mr. Patel's concerns, contrary to Mr. Patel's assertion, the Commission has considered the Risk Premium method. In its Order and Opinion in PPL Electric's 2012 rate case (Docket No. R-2012-2290597), the Commission explained "We also note that we historically have primarily relied upon the DCF methodology in arriving at previous determinations of the proper cost of equity and utilized the results of methods, such as the CAPM and RP methods, as a check upon the reasonableness of the DCF derived equity return amount, tempered by informed judgment."[116] In Docket Nos. R-2021-3027385 and R-2021-3027386 (Aqua Pennsylvania). The Commission reiterated its reference to the 2012 PPL Order concluding that "methodologies other than the DCF can be used as a check upon the reasonableness of the DCF derived ROE calculation."[117] This suggests that the Risk Premium method has a place in the Commission's ROE determinations. Further, other state regulators have placed weight on the results of the Risk Premium model in setting authorized returns for utilities under their jurisdiction. These include the following jurisdictions: California, Florida, Georgia, North Carolina, Texas, Virginia, West Virginia, and Wisconsin. In my view, the Risk Premium model provides another relevant perspective on investors' return requirements for gas distributors and should be used by the Commission to inform its decision on the authorized ROE for Peoples Natural Gas in this proceeding.

[116] *Pa. PUC v. PPL Electric Utilities Corp*., R-2012-2290597, Opinion and Order entered December 28, 2012, at 80-81.

[117] *Pa. PUC v. Aqua Pennsylvania, Inc*., Docket Nos. R-2021-3027385 & R-2021-3027386, Opinion and Order entered May 16, 2022, at 154-155.

Q. I&E WITNESS PATEL FURTHER CONTENDS THAT THE RISK PREMIUM METHOD SHOULD BE EXCLUDED BECAUSE IT "IS A SIMPLIFIED VERSION OF THE CAPM," RELIES ON THE ASSUMPTION THAT "THE EQUITY RISK PREMIUM IS CONSTANT OVER TIME," AND "DOES NOT RECOGNIZE COMPANY-SPECIFIC RISK THROUGH BETA." (I&E STATEMENT NO. 2, P. 25.) DO YOU AGREE?

A. No, Mr. Patel is incorrect. The Risk Premium analysis provides another useful perspective on investors' required return for Peoples. I disagree with Mr. Patel that the Risk Premium analysis is duplicative of the CAPM method and the differences between these models are summarized in Figure 20 above. While the Risk Premium model does not measure the specific risk of a company, it provides an industry estimate of the equity risk premium and resulting cost of equity for natural gas utilities broadly. Whereas both models use a risk-free rate to anchor the return estimate, the CAPM analysis applies an industry specific Beta coefficient to the total market return to estimate the risk premium required by investors in gas distribution utilities such as Peoples, whereas the Risk Premium model is based on the assumption that there is an inverse relationship between Treasury bond yields and the equity risk premium, as shown by nearly 1,400 natural gas utility authorized ROEs set by utility regulators across the country since 1980. However, the equity risk premium is not assumed to be constant over time, nor does my model a constant equity risk premium. Rather, my Risk Premium model is based on a regression equation where the equity risk premium varies with the change in yields on Treasury bonds.

Q. WHAT IS YOUR CONCLUSION REGARDING THE RISK PREMIUM ANALYSIS?

A. The Risk Premium analysis is based on a statistical analysis supported by academic literature that models the change in the equity risk premium for natural gas utilities for a given change in long-term government bond yields spanning more than four decades of varying capital markets and economic cycles. In addition, the Risk Premium approach provides stability to the CAPM and DCF results that can fluctuate based on market conditions. Therefore, I continue believe that the Risk Premium analysis provides probative value that enhances the robustness of the cost of equity estimation process and should be considered in determining Peoples' authorized ROE.

XI. BUSINESS RISK

Q. PLEASE SUMMARIZE THE WITNESSES' TESTIMONY REGARDING THE BUSINESS RISK OF PEOPLES AND THE IMPLICATIONS FOR THE COMPANY'S AUTHORIZED ROE IN THIS PROCEEDING.

A. Mr. Patel disagrees that Peoples has greater than average business risk due to the Company's elevated capital expenditure program, threat of bypass, and regulatory mechanisms, and he disagrees with the flotation cost adjustment for Peoples. (I&E Statement No. 2, pp. 46-54.) Mr. Garrett approaches business risk from the perspective that investors are compensated only for market, or systematic, risk rather than firm-specific risk, and characterizes utilities as defensive firms with low betas and low market risk that are less affected by overall market conditions than the market as a whole. (OCA Statement 3, pp. 19-21.) Mr. Cicero argues that Peoples' regulatory mechanisms shift "the risk of under recovery of the authorized revenue

requirement from the utility to its customers". (CAUSE-PA Statement 1, p. 13.) Similarly, Mr. Deupree argues that the Company's existing regulatory mechanisms provide protection against regulatory lag and that the Company's proposed ROE shifts risks from shareholders to ratepayers. (OCA Statement 1, pp. 27-29.) Finally, Mr. Ewen argues that Peoples has lower regulatory lag due to the Company's regulatory mechanisms. (OSBA Statement No. 2, p. 4.)

I respond to each of these points in this section, starting with the effect of Peoples' projected capital expenditures on its risk profile. In addition, it is important to keep in mind that I did not make an explicit adjustment to my ROE recommendation for any of these business risks or flotation costs. Rather, I considered them in developing my ROE recommendation for Peoples from within the range of reasonable results. In the end, my base ROE recommendation reflects the approximate midpoint of my recommended range. (*See*, Peoples Statement No. 15, p. 71.)

Q. MR. PATEL CHALLENGES THE NOTION THAT PEOPLES' ELEVATED CAPITAL SPENDING PROGRAM SUPPORTS A HIGHER AUTHORIZED ROE FOR THE COMPANY AND ASSERTS THAT MY CREDIT RATING CONCERNS DUE TO THE CAPITAL EXPENDITURE PROGRAM ARE "SPECULATIVE AND UNSUPPORTED". (I&E STATEMENT NO. 2, PP. 48-49.) WHAT IS YOUR RESPONSE?

A. As a preliminary matter, Mr. Patel misinterprets my testimony when he says that he disagrees with my notion "that Peoples require *[sic]* a higher authorized ROE due to its planned capital expenditures, regulatory environment, large customers bypass risk, flotation costs, financial risk, and capital market environment." (I&E Statement No. 2, p. 39.) I did not state that

Peoples requires a "higher authorized ROE" or make an adjustment to my recommended ROE due to Peoples' heightened capital expenditures or other business risks I identified. That aside, Mr. Patel asserts that all natural gas utilities are facing the issues of upgrading or replacing infrastructure, that Peoples has the opportunity to file a rate case at any time to address revenue inadequacy, and that the Commission offers risk reducing mechanisms to help reduce regulatory lag in recovery of infrastructure investments or other unforeseen expenditures. As explained below, Mr. Patel's position does not compare the Company to its peers on these points.

As discussed in my Direct Testimony, Peoples is planning a major capital investment program from 2026-2030 nearing $4.0 billion. (Peoples Statement No. 15, p. 44.) The Company will require access to external debt and equity capital to fund its capital program. Credit rating agencies have commented on the Company's heightened capital program as one of its key credit challenges, as discussed in my Direct Testimony. (Peoples Statement No. 15, p. 46.)

Q. DO YOU AGREE WITH MR. PATEL THAT BYPASS RISK IS NOT A CONCERN FOR PEOPLES?

A. No. Mr. Patel acknowledges that the loss of large customers would place pressure on revenue, fixed-cost recovery, and cash-flow metrics, but he concludes that bypass risk is not material because Peoples has not lost or gained large-volume customers during 2021–2025 under the criterion of annual consumption of 500,000 Mcf or more. That conclusion is too narrow. Bypass risk is forward-looking and reflects the potential for large-volume customers to reduce

or eliminate reliance on the Company's distribution system through physical bypass, interstate pipeline alternatives, fuel switching, or other competitive options.

As explained in my Direct Testimony, approximately 12 customers representing approximately 20 percent of total throughput, or approximately 26.6 billion cubic feet, have the ability to bypass the Company's system. (Peoples Statement No. 15, p. 48.) Because the Company's distribution system is largely fixed-cost in nature, the loss or reduction of large-load throughput could affect revenues, cash flow, earnings, fixed-cost recovery, and credit quality. The fact that this risk has not recently materialized does not mean that it is irrelevant to investors' assessment of the Company's risk profile.

Importantly, I did not make a separate upward adjustment to my recommended ROE for bypass risk. Instead, I considered bypass risk as part of the totality of company-specific risks supporting my 11.00 percent base ROE recommendation within the range of market-based model results. Therefore, Mr. Patel's testimony does not undermine my conclusion; rather, it confirms that if bypass were to occur, the financial consequences would be meaningful.

Q. MR. PATEL, MR. CICERO, MR. DEUPREE, AND MR. EWEN ARGUE THAT PEOPLES HAS LOWER RISK DUE TO ITS REGULATORY MECHANISMS. (I&E STATEMENT NO. 2, P. 47; CAUSE-PA STATEMENT 1, P. 13; OCA STATEMENT 1, PP. 27-29; OSBA STATEMENT NO. 2, P. 4.) DO YOU AGREE WITH THESE WITNESSES' POSITIONS ON THIS ISSUE?

A. No, I do not. As noted earlier, while regulatory mechanisms can mitigate certain risks, they do not eliminate them. Further, risk is relative and these witnesses overlook the fact that

determining a utility's just and reasonable ROE is a *comparative* exercise. It is necessary to compare the regulatory mechanisms available to Peoples to those that are available to the proxy group operating companies, and none of these Witnesses perform a comparative analysis as I have. These mechanisms are not unique to Pennsylvania or to other natural gas utilities, and all of proxy group operating companies utilize mechanisms that also mitigate risk.

My direct testimony reviewed the regulatory mechanisms available to the proxy group and found that similar mechanisms are common: all proxy group operating companies with a retail supply obligation have purchased gas cost recovery, 96 percent have full or partial decoupling mechanisms, 96 percent have timely capital cost recovery mechanisms, and 57 percent operate in jurisdictions that permit a full or partial forecast test year. (Peoples Statement No. 15, p. 52; Peoples Natural Gas Exhibit No. JEN-8.) Because these mechanisms are common among the proxy companies, their risk-reducing effects are already reflected in the market-based model results used to estimate investors' required return

The Witnesses therefore conflate risk mitigation with risk elimination. The DSIC, FPFTY, and WNA may reduce certain timing or volumetric risks, but they do not eliminate regulatory risk, capital market risk, credit risk, execution risk, or the need to attract external capital on reasonable terms. Moreover, regulatory mechanisms are only effective if implemented in a timely and supportive manner, including through authorization of a compensatory return. For that reason, the existence of these mechanisms does not support reducing the authorized ROE below the level indicated by market-based cost-of-equity evidence.

Q. MR. PATEL CONTESTS YOUR POSITION THAT THE AUTHORIZED ROE FOR PEOPLES SHOULD RECOGNIZE THE NEED FOR THE COMPANY TO RECOVER FLOTATION COSTS. (I&E STATEMENT NO. 2, P. 54.) HOW DO YOU RESPOND TO HIS ARGUMENTS ON THIS ISSUE?

A. Mr. Patel testifies that (1) Peoples and PNG Companies do not issue common equity, (2) PNG Companies and Peoples have not received equity infusions in the last five years, (3) he is not aware that the Commission has approved a flotation cost adjustment in previous base rate cases, and (4) argues that flotation costs are operating expenses that should be normalized and recovered through rates similar to the treatment of rate case expense, not through an adjustment to the authorized ROE. (I&E Statement No. 2, p. 54.)

As a preliminary matter, I have not recommended an adjustment to the authorized ROE for Peoples in this proceeding to account for flotation costs. Further, I disagree with Mr. Patel's conclusions. First, the fact that Peoples and PNG Companies do not directly issue common equity or have not recently received equity infusions does not eliminate flotation costs from the process of raising equity capital. Under the stand alone principle of ratemaking, the authorized ROE is intended to reflect the return required by investors supplying capital to support utility operations. Those investors incur issuance and transaction costs when capital is raised, whether directly by the utility, by a parent company, or through the capital markets more broadly. As explained in my Direct Testimony, to the extent a company is denied the opportunity to recover prudently incurred flotation costs, actual returns will fall short of expected returns, thereby diminishing the utility's ability to attract capital on reasonable terms. (Peoples Statement No. 15, p. 54.) I demonstrate this quantitively in an illustrative analysis

shown in **Peoples Natural Gas Exhibit No. JEN-11R**. As shown in **Peoples Natural Gas Exhibit No. JEN-11R**, without flotation cost recovery, retained earnings, book value, earnings pers share, and dividends per share are all lower than the scenario in which recovery of flotation costs is allowed in the ROE. The result is that utility perpetually underearns its authorized ROE.

Second, the absence of recent equity issuances does not mean that flotation costs are irrelevant. As explained in my Direct Testimony, flotation costs remain part of the cost structure long after they are incurred, even if no new issuances have occurred recently or are planned in the near future. (Peoples Statement No. 15, p. 56.) As such, recovery of equity issuance costs is appropriate for the same reasons debt issuance costs are recoverable.

Third, Mr. Patel's statement that he is unaware of prior Commission approvals of a flotation cost adjustment does not demonstrate that recovery is unwarranted. The relevant question is whether flotation costs represent a real and measurable cost of obtaining equity capital. As discussed in my Direct Testimony, finance theory and regulatory precedent recognize that flotation costs reduce the net proceeds available from capital issuances and therefore increase investors' required return. (Peoples Statement No. 15, pp. 55-56.)

Finally, I disagree with the suggestion that flotation costs should be treated as a normal operating expense and recovered in the same manner as rate case expenses. Flotation costs are not incurred in the course of day-to-day utility operations, rather they are recorded on the balance sheet as paid-in capital. Equity issuance costs are associated with obtaining long-term investor-supplied capital and are therefore directly related to the utility's cost of equity. For that reason, flotation costs are more appropriately reflected as an adjustment to the ROE than

treated as an operating expense. This approach aligns the recovery mechanism with the nature of the cost and ensures that investors have a reasonable opportunity to recover the full cost of providing equity capital to the Company.

Q. MR. GARRETT SUGGESTS FIRM-SPECIFIC RISKS SHOULD NOT BE REFLECTED IN THE COMPANY'S COST OF EQUITY BECAUSE THOSE RISKS CAN BE SUBSTANTIALLY REDUCED THROUGH DIVERSIFICATION. (OCA STATEMENT 3, P. 19.) WHAT IS YOUR RESPONSE?

A. Mr. Garrett's position that investors do not expect to be compensated for firm specific risk contradicts his position that risk is among the most important factors for the Commission to consider when "determining the allowed return." (OCA Statement 3, p. 33.) Mr. Garrett's position that diversification eliminates firm-specific risk stems from the Modern Portfolio Theory underlying the CAPM.[118] However, the objective in this proceeding is to estimate the cost of equity for one enterprise, Peoples, which necessarily requires an assessment of the Company's risk relative to a group of peers that are comparable in risk. The objective is not to evaluate the diversification attributes of adding Peoples to an investment portfolio. Within a portfolio each investment will have a unique risk profile – some higher, some lower – demonstrating that the return required for each investment will differ. The fact that investors can mitigate exposure to risk through diversification, however, does not mean they ignore firm-specific risk in their return requirements for each investment within a portfolio.

[118] Notably, the assumption regarding diversification is not an assumption underlying the DCF or Risk Premium models.

Q. HAVE YOUR CONCLUSIONS REGARDING PEOPLES' BUSINESS RISK CHANGED FROM THOSE YOU PRESENTED IN YOUR DIRECT TESTIMONY?

A. No, they have not. My research and analyses show Peoples has elevated capital spending risk relative to the proxy group, is exposed to greater risk due to bypass risk, should be allowed to recover flotation costs associated with equity issuances through the authorized ROE, and has regulatory mechanisms similar to those utilized by the proxy group operating companies. Nonetheless, my ROE recommendation does not depend on the Commission finding that Peoples has greater business risk than the proxy group. My ROE recommendation is based on the results of the financial models I have used to estimate the cost of equity and does not include an upward adjustment for business risk or for flotation costs.

XII. UPDATED ROE RESULTS

Q. PLEASE COMMENT ON THE IMPORTANCE OF USING MULTIPLE MODELS IN DETERMINING THE COST OF EQUITY.

A. As explained in my Direct Testimony, the cost of equity cannot be precisely quantified, thus driving the need to estimate the cost of equity through the use of multiple financial models. (Peoples Statement No. 15, pp. 70-71.) Each model has limiting assumptions and offers a unique perspective on investors' return requirements under varying market conditions. The use of multiple financial models is therefore crucial in providing a robust and comprehensive estimate of the cost of equity for Peoples. Accordingly, I encourage the Commission to rely on multiple models using sound inputs, to set Peoples' authorized ROE.

Q. HAVE YOU UPDATED YOUR ROE ANALYSES?

A. Yes, I have updated the results of the financial models used to estimate the cost of equity for Peoples in my Direct Testimony (data as of January 30, 2026) to include market data through May 31, 2026. The results of the updated analyses are shown in Figure 20 and **Peoples Natural Gas Exhibit Nos. JEN-1R** through **JEN-5R**.

Figure 20: Updated ROE Results[119]

Model	**January 30, 2026**	**May 31, 2026**
Constant Growth DCF	10.79%	10.93%
Quarterly Growth DCF	11.03%	11.14%
Average DCF	**10.91%**	**11.03%**
Forward CAPM	13.09%	12.17%
Forward ECAPM	13.91%	12.94%
Historical CAPM	10.11%	10.05%
Historical ECAPM	10.64%	10.60%
Average CAPM	**11.94%**	**11.44%**
Risk Premium	10.24%	10.30%
ROE Range	**10.20%-11.90%**	**10.30%-11.40%**
3-Model Average	**11.03%**	**10.92%**
Base ROE Recommendation	**11.00%**	**11.00%**
Management Adder	0.25%	0.25%
Final ROE Request	**11.25%**	**11.25%**

[119] *See,* Exhibit JEN-2 through Exhibit JEN-6 and Exhibit JEN-1R through Exhibit JEN-5R. DCF and CAPM results reflect the average of the proxy group mean and median ROE estimates.

Q. HOW DO THESE UPDATED RESULTS COMPARE WITH THOSE PRESENTED IN YOUR DIRECT TESTIMONY?

A. Using updated market data, the average DCF results increased 12 basis point from 10.91 percent to 11.03 percent on average, driven by higher analyst EPS growth rates. The high end of the CAPM using the forward-looking MRP decreased by approximately 95 basis points, driven by a lower Value Line-projected market return, while the CAPM results using the historical market return did not meaningfully change. The Risk Premium model increased slightly from 10.24 percent to 10.30 percent. The low end of my recommended range of the cost of equity in my Direct Testimony, 10.30 percent, continues to be supported by the average Risk Premium results and the low CAPM results that rely on the long-term average historical market return. The updated CAPM results confirm that the top end of my range is supported by the average CAPM results using both the forward and historical market return, narrowing the high end of my range to 11.40 percent. My 11.00 percent base ROE recommendation remains well-supported, falling comfortably within this updated range. Therefore, I do not change my recommendation.

XIII. CONCLUSION

Q. WHAT IS YOUR CONCLUSION REGARDING THE ROE AND CAPITAL STRUCTURE FOR PEOPLES?

A. As discussed throughout my Direct Testimony, it is important to consider a variety of quantitative and qualitative information in reviewing analytical results and arriving at ROE determinations. My base ROE recommendation of 11.00 percent continues to be supported by

the updated model results, as well as by Mr. Patel's DCF analysis. Further, my 11.00 percent base ROE recommendation remains only eight basis points from the three model average, before considering flotation costs (nine basis points). The base ROE recommendation does not include additional adjustments for Peoples' heightened capital expenditures, risk associated with the potential for customers to bypass its system, and flotation costs. Additionally, I continue to support the Company's requests for a 25 basis point premium to reflect its superior management performance.

As to the capital structure, the Company's requested capital structure of 54.47 percent common equity and 45.53 percent long-term debt is within the range of capital structures that finance the regulated utility operations of the proxy group and, therefore, is consistent with the Commission's precedent.

Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

PREPARED REBUTTAL TESTIMONY
OF JENNIFER E. NELSON

VERIFICATION

I, Jennifer E. Nelson, under penalty of perjury, on this 16th day of July, 2026, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Jennifer E. Nelson

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
30 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] S&P Capital IQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$181.87	2.20%	2.28%	6.80%	8.02%	8.50%	7.77%	9.07%	10.06%	10.79%
New Jersey Resources Corporation	NJR	$1.90	$56.32	3.37%	3.49%	n/a	8.10%	6.00%	7.05%	9.48%	10.54%	11.61%
NiSource Inc.	NI	$1.20	$47.49	2.53%	2.63%	6.10%	9.80%	9.00%	8.30%	8.70%	10.93%	12.45%
Northwest Natural Holding Co.	NWN	$1.97	$51.18	3.85%	3.97%	n/a	6.30%	6.50%	6.40%	10.27%	10.37%	10.47%
ONE Gas, Inc.	OGS	$2.72	$85.18	3.19%	3.30%	6.20%	6.16%	7.00%	6.45%	9.45%	9.75%	10.30%
Southwest Gas Holdings, Inc.	SWX	$2.58	$90.02	2.87%	3.01%	9.90%	Exclude	NMF	9.90%	12.91%	12.91%	12.91%
Spire, Inc.	SR	$3.30	$87.85	3.76%	3.92%	11.20%	7.20%	8.50%	8.97%	11.09%	12.89%	15.17%
Proxy Group Mean				3.11%	3.23%	8.04%	7.60%	7.58%	7.84%	10.14%	11.07%	11.96%
Proxy Group Median				3.19%	3.30%	6.80%	7.61%	7.75%	7.77%	9.48%	10.54%	11.61%
Average of Mean and Median				3.15%	3.26%	7.42%	7.60%	7.67%	7.80%	9.81%	10.80%	11.78%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average ([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
90 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] S&P Capital IQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$181.02	2.21%	2.30%	6.80%	8.02%	8.50%	7.77%	9.08%	10.07%	10.80%
New Jersey Resources Corporation	NJR	$1.90	$54.45	3.49%	3.61%	n/a	8.10%	6.00%	7.05%	9.59%	10.66%	11.73%
NiSource Inc.	NI	$1.20	$46.52	2.58%	2.69%	6.10%	9.80%	9.00%	8.30%	8.76%	10.99%	12.51%
Northwest Natural Holding Co.	NWN	$1.97	$51.12	3.85%	3.98%	n/a	6.30%	6.50%	6.40%	10.28%	10.38%	10.48%
ONE Gas, Inc.	OGS	$2.72	$85.12	3.20%	3.30%	6.20%	6.16%	7.00%	6.45%	9.46%	9.75%	10.31%
Southwest Gas Holdings, Inc.	SWX	$2.58	$87.89	2.94%	3.08%	9.90%	Exclude	NMF	9.90%	12.98%	12.98%	12.98%
Spire, Inc.	SR	$3.30	$89.12	3.70%	3.87%	11.20%	7.20%	8.50%	8.97%	11.04%	12.84%	15.11%
Proxy Group Mean				3.14%	3.26%	8.04%	7.60%	7.58%	7.84%	10.17%	11.10%	11.99%
Proxy Group Median				3.20%	3.30%	6.80%	7.61%	7.75%	7.77%	9.59%	10.66%	11.73%
Average of Mean and Median				3.17%	3.28%	7.42%	7.60%	7.67%	7.80%	9.88%	10.88%	11.86%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average ([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
180 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] S&P Capital IQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$4.00	$176.09	2.27%	2.36%	6.80%	8.02%	8.50%	7.77%	9.15%	10.13%	10.87%
New Jersey Resources Corporation	NJR	$1.90	$50.44	3.77%	3.90%	n/a	8.10%	6.00%	7.05%	9.88%	10.95%	12.02%
NiSource Inc.	NI	$1.20	$44.49	2.70%	2.81%	6.10%	9.80%	9.00%	8.30%	8.88%	11.11%	12.63%
Northwest Natural Holding Co.	NWN	$1.97	$48.60	4.05%	4.18%	n/a	6.30%	6.50%	6.40%	10.48%	10.58%	10.69%
ONE Gas, Inc.	OGS	$2.72	$82.30	3.31%	3.41%	6.20%	6.16%	7.00%	6.45%	9.57%	9.87%	10.42%
Southwest Gas Holdings, Inc.	SWX	$2.58	$84.04	3.07%	3.22%	9.90%	Exclude	NMF	9.90%	13.12%	13.12%	13.12%
Spire, Inc.	SR	$3.30	$86.43	3.82%	3.99%	11.20%	7.20%	8.50%	8.97%	11.16%	12.96%	15.23%
Proxy Group Mean				3.28%	3.41%	8.04%	7.60%	7.58%	7.84%	10.32%	11.25%	12.14%
Proxy Group Median				3.31%	3.41%	6.80%	7.61%	7.75%	7.77%	9.88%	10.95%	12.02%
Average of Mean and Median				3.29%	3.41%	7.42%	7.60%	7.67%	7.80%	10.10%	11.10%	12.08%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[3] Equals [1] / [2]
[4] Equals [3] x (1 + 0.5 x [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average ([5], [6], [7])
[9] Equals [3] x (1 + 0.5 x Minimum([5], [6], [7])) + Minimum([5], [6], [7])
[10] Equals [4] + [8]
[11] Equals [3] x (1 + 0.5 x Maximum([5], [6], [7])) + Maximum([5], [6], [7])

Quarterly Growth Discounted Cash Flow Model
30 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Dividend 1	Dividend 2	Dividend 3	Dividend 4	Expected Dividend 1	Expected Dividend 2	Expected Dividend 3	Expected Dividend 4	Average Stock Price	Zacks Earnings Growth	S&P Capital IQ Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
Atmos Energy Corporation	ATO	$0.87	$1.00	$1.00	$1.00	$0.94	$1.08	$1.08	$1.08	$181.87	6.80%	8.02%	8.50%	7.77%	9.15%	10.15%	10.90%
New Jersey Resources Corporation	NJR	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$0.51	$56.32	n/a	8.10%	6.00%	7.05%	9.65%	10.75%	11.85%
NiSource Inc.	NI	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$0.32	$0.32	$47.49	6.10%	9.80%	9.00%	8.30%	8.77%	11.05%	12.60%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$51.18	n/a	6.30%	6.50%	6.40%	10.54%	10.65%	10.76%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.68	$0.68	$0.71	$0.71	$0.72	$0.72	$85.18	6.20%	6.16%	7.00%	6.45%	9.65%	9.95%	10.52%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.65	$0.68	$0.68	$0.68	$0.71	$90.02	9.90%	Exclude	NMF	9.90%	13.10%	13.10%	13.10%
Spire, Inc.	SR	$0.79	$0.79	$0.83	$0.83	$0.86	$0.86	$0.90	$0.90	$87.85	11.20%	7.20%	8.50%	8.97%	11.29%	13.15%	15.50%
Proxy Group Mean											8.04%	7.60%	7.58%	7.84%	10.31%	11.26%	12.18%
Proxy Group Median											6.80%	7.61%	7.75%	7.77%	9.65%	10.75%	11.85%
Average of Mean and Median															9.98%	11.01%	12.01%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Quarterly Growth Discounted Cash Flow Model
90 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] S&P Capital IQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$1.00	$1.00	$1.00	$0.94	$1.08	$1.08	$1.08	$181.02	6.80%	8.02%	8.50%	7.77%	9.16%	10.16%	10.91%
New Jersey Resources Corporation	NJR	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$0.51	$54.45	n/a	8.10%	6.00%	7.05%	9.78%	10.88%	11.98%
NiSource Inc.	NI	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$0.32	$0.32	$46.52	6.10%	9.80%	9.00%	8.30%	8.83%	11.11%	12.66%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$51.12	n/a	6.30%	6.50%	6.40%	10.55%	10.66%	10.76%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.68	$0.68	$0.71	$0.71	$0.72	$0.72	$85.12	6.20%	6.16%	7.00%	6.45%	9.65%	9.95%	10.52%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.65	$0.68	$0.68	$0.68	$0.71	$87.89	9.90%	Exclude	NMF	9.90%	13.18%	13.18%	13.18%
Spire, Inc.	SR	$0.79	$0.79	$0.83	$0.83	$0.86	$0.86	$0.90	$0.90	$89.12	11.20%	7.20%	8.50%	8.97%	11.23%	13.09%	15.44%
Proxy Group Mean											8.04%	7.60%	7.58%	7.84%	10.34%	11.29%	12.21%
Proxy Group Median											6.80%	7.61%	7.75%	7.77%	9.78%	10.88%	11.98%
Average of Mean and Median															10.06%	11.09%	12.10%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Quarterly Growth Discounted Cash Flow Model
180 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] S&P Capital IQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$1.00	$1.00	$1.00	$0.94	$1.08	$1.08	$1.08	$176.09	6.80%	8.02%	8.50%	7.77%	9.22%	10.23%	10.98%
New Jersey Resources Corporation	NJR	$0.45	$0.48	$0.48	$0.48	$0.48	$0.51	$0.51	$0.51	$50.44	n/a	8.10%	6.00%	7.05%	10.08%	11.19%	12.30%
NiSource Inc.	NI	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$0.32	$0.32	$44.49	6.10%	9.80%	9.00%	8.30%	8.96%	11.24%	12.79%
Northwest Natural Holding Co.	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$48.60	n/a	6.30%	6.50%	6.40%	10.77%	10.88%	10.98%
ONE Gas, Inc.	OGS	$0.67	$0.67	$0.68	$0.68	$0.71	$0.71	$0.72	$0.72	$82.30	6.20%	6.16%	7.00%	6.45%	9.77%	10.08%	10.65%
Southwest Gas Holdings, Inc.	SWX	$0.62	$0.62	$0.62	$0.65	$0.68	$0.68	$0.68	$0.71	$84.04	9.90%	Exclude	NMF	9.90%	13.33%	13.33%	13.33%
Spire, Inc.	SR	$0.79	$0.79	$0.83	$0.83	$0.86	$0.86	$0.90	$0.90	$86.43	11.20%	7.20%	8.50%	8.97%	11.36%	13.22%	15.57%
Proxy Group Mean											8.04%	7.60%	7.58%	7.84%	10.50%	11.45%	12.37%
Proxy Group Median											6.80%	7.61%	7.75%	7.77%	10.08%	11.19%	12.30%
Average of Mean and Median															10.29%	11.32%	12.33%

Notes:
[1] Source: S&P Capital IQ
[2] Source: S&P Capital IQ
[3] Source: S&P Capital IQ
[4] Source: S&P Capital IQ
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: S&P Capital IQ, equals indicated number of trading day average as of 05/31/2026
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Forward Market Return
Market DCF Based Method - Value Line EPS Growth

[1] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.12%
[2] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	14.04%
[3] Market Cap. Weighted Estimated Required Market Return	15.25%

Notes:
[1] Source: S&P Capital IQ as of May 29, 2026
[2] Source: Value Line as of May 29, 2026
[3] Equals ([1] x (1 + (0.5 x [2]))) + [2]

Forward Market Return
Market DCF Based Method - Bloomberg EPS Growth

[4] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.09%
[5] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	24.16%
[6] Market Cap. Weighted Estimated Required Market Return	25.38%

Notes:
[4] Source: S&P Capital IQ as of May 29, 2026
[5] Source: Bloomberg Professional
[6] Equals ([4] x (1 + (0.5 x [5]))) + [5]

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Forward Market Return and 5-Year Beta Coefficients

Company	Ticker	[1] Current 30-Year Treasury Yield	[2] Bloomberg Beta Coefficient	[3] Value Line Beta Coefficient	[4] Average Beta Coefficient	[5] DCF Forward Market Return	[6] Market Risk Premium	[7] Traditional CAPM	[8] Empirical CAPM
Atmos Energy Corporation	ATO	4.99%	0.60	0.75	0.68	15.25%	10.25%	11.94%	12.77%
New Jersey Resources Corporation	NJR	4.99%	0.58	0.75	0.67	15.25%	10.25%	11.84%	12.69%
NiSource Inc.	NI	4.99%	0.65	0.85	0.75	15.25%	10.25%	12.71%	13.34%
Northwest Natural Holding Co.	NWN	4.99%	0.55	0.75	0.65	15.25%	10.25%	11.66%	12.56%
ONE Gas, Inc.	OGS	4.99%	0.55	0.75	0.65	15.25%	10.25%	11.65%	12.55%
Southwest Gas Holdings, Inc.	SWX	4.99%	0.63	0.80	0.72	15.25%	10.25%	12.33%	13.06%
Spire, Inc.	SR	4.99%	0.58	0.75	0.67	15.25%	10.25%	11.83%	12.69%
							Mean:	11.99%	12.81%
							Median:	11.84%	12.69%
							Average of the Mean and Median:	11.92%	12.75%

Company	Ticker	[9] Projected 30-Year Treasury Yield	[10] Bloomberg Beta Coefficient	[11] Value Line Beta Coefficient	[12] Average Beta Coefficient	[13] DCF Forward Market Return	[14] Market Risk Premium	[15] Traditional CAPM	[16] Empirical CAPM
Atmos Energy Corporation	ATO	4.78%	0.60	0.75	0.68	15.25%	10.47%	11.87%	12.71%
New Jersey Resources Corporation	NJR	4.78%	0.58	0.75	0.67	15.25%	10.47%	11.76%	12.63%
NiSource Inc.	NI	4.78%	0.65	0.85	0.75	15.25%	10.47%	12.65%	13.30%
Northwest Natural Holding Co.	NWN	4.78%	0.55	0.75	0.65	15.25%	10.47%	11.58%	12.50%
ONE Gas, Inc.	OGS	4.78%	0.55	0.75	0.65	15.25%	10.47%	11.58%	12.49%
Southwest Gas Holdings, Inc.	SWX	4.78%	0.63	0.80	0.72	15.25%	10.47%	12.27%	13.02%
Spire, Inc.	SR	4.78%	0.58	0.75	0.67	15.25%	10.47%	11.76%	12.63%
							Mean:	11.92%	12.76%
							Median:	11.76%	12.63%
							Average of the Mean and Median:	11.84%	12.69%

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Source: JEN-3R; Value Line DCF-based forward market return
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 45, No. 6, June 1, 2026 at 2 and 14
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Forward Market Return and 10-Year Bloomberg Beta Coefficient

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	Bloomberg Beta Coefficient (10 Year)	DCF Forward Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.99%	0.71	15.25%	10.25%	12.29%	13.03%
New Jersey Resources Corporation	NJR	4.99%	0.75	15.25%	10.25%	12.64%	13.29%
NiSource Inc.	NI	4.99%	0.76	15.25%	10.25%	12.83%	13.43%
Northwest Natural Holding Co.	NWN	4.99%	0.67	15.25%	10.25%	11.88%	12.72%
ONE Gas, Inc.	OGS	4.99%	0.73	15.25%	10.25%	12.43%	13.14%
Southwest Gas Holdings, Inc.	SWX	4.99%	0.80	15.25%	10.25%	13.23%	13.74%
Spire, Inc.	SR	4.99%	0.73	15.25%	10.25%	12.45%	13.15%
					Mean:	12.54%	13.21%
					Median:	12.45%	13.15%
					Average of the Mean and Median:	12.50%	13.18%

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	Bloomberg Beta Coefficient (10 Year)	DCF Forward Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.78%	0.71	15.25%	10.47%	12.22%	12.98%
New Jersey Resources Corporation	NJR	4.78%	0.75	15.25%	10.47%	12.58%	13.25%
NiSource Inc.	NI	4.78%	0.76	15.25%	10.47%	12.78%	13.40%
Northwest Natural Holding Co.	NWN	4.78%	0.67	15.25%	10.47%	11.81%	12.67%
ONE Gas, Inc.	OGS	4.78%	0.73	15.25%	10.47%	12.37%	13.09%
Southwest Gas Holdings, Inc.	SWX	4.78%	0.80	15.25%	10.47%	13.19%	13.70%
Spire, Inc.	SR	4.78%	0.73	15.25%	10.47%	12.39%	13.11%
					Mean:	12.48%	13.17%
					Median:	12.39%	13.11%
					Average of the Mean and Median:	12.44%	13.14%

Notes:
[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: JEN-3R; Value Line DCF-based forward market return
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 45, No. 6, June 1, 2026 at 2 and 14
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 5-Year Beta Coefficients

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Company	Ticker	Current 30-Year Treasury Yield	Bloomberg Beta Coefficient	Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.99%	0.60	0.75	0.68	12.23%	7.24%	9.90%	10.48%
New Jersey Resources Corporation	NJR	4.99%	0.58	0.75	0.67	12.23%	7.24%	9.83%	10.43%
NiSource Inc.	NI	4.99%	0.65	0.85	0.75	12.23%	7.24%	10.44%	10.89%
Northwest Natural Holding Co.	NWN	4.99%	0.55	0.75	0.65	12.23%	7.24%	9.70%	10.33%
ONE Gas, Inc.	OGS	4.99%	0.55	0.75	0.65	12.23%	7.24%	9.70%	10.33%
Southwest Gas Holdings, Inc.	SWX	4.99%	0.63	0.80	0.72	12.23%	7.24%	10.18%	10.69%
Spire, Inc.	SR	4.99%	0.58	0.75	0.67	12.23%	7.24%	9.82%	10.43%
							Mean:	9.94%	10.51%
							Median:	9.83%	10.43%
						Average of the Mean and Median:		9.88%	10.47%

		[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Projected 30-Year Treasury Yield	Bloomberg Beta Coefficient	Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.78%	0.60	0.75	0.68	12.23%	7.46%	9.83%	10.43%
New Jersey Resources Corporation	NJR	4.78%	0.58	0.75	0.67	12.23%	7.46%	9.75%	10.37%
NiSource Inc.	NI	4.78%	0.65	0.85	0.75	12.23%	7.46%	10.38%	10.85%
Northwest Natural Holding Co.	NWN	4.78%	0.55	0.75	0.65	12.23%	7.46%	9.62%	10.27%
ONE Gas, Inc.	OGS	4.78%	0.55	0.75	0.65	12.23%	7.46%	9.62%	10.27%
Southwest Gas Holdings, Inc.	SWX	4.78%	0.63	0.80	0.72	12.23%	7.46%	10.11%	10.64%
Spire, Inc.	SR	4.78%	0.58	0.75	0.67	12.23%	7.46%	9.75%	10.37%
							Mean:	9.87%	10.46%
							Median:	9.75%	10.37%
						Average of the Mean and Median:		9.81%	10.42%

[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Kroll Cost of Capital Navigator
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 45, No. 6, June 1, 2026 at 2 and 14
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 10-Year Bloomberg Beta Coefficient

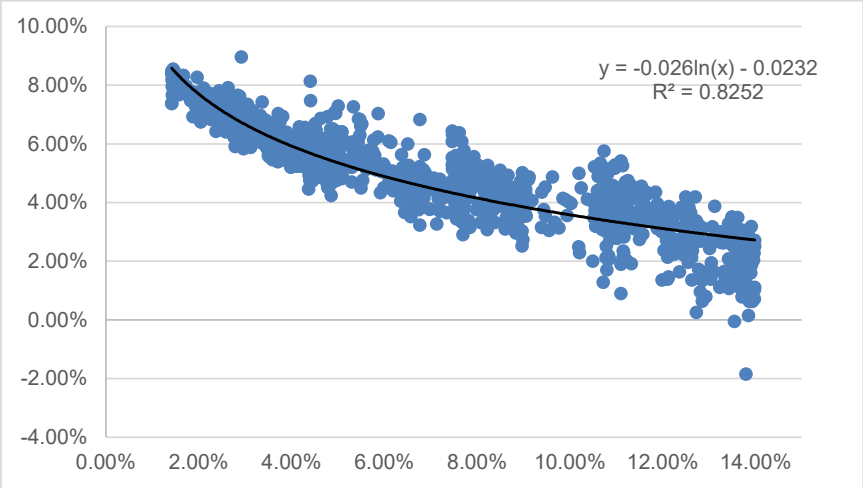
		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	Bloomberg Beta Coefficient (10 Year)	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.99%	0.71	12.23%	7.24%	10.14%	10.67%
New Jersey Resources Corporation	NJR	4.99%	0.75	12.23%	7.24%	10.39%	10.85%
NiSource Inc.	NI	4.99%	0.76	12.23%	7.24%	10.53%	10.95%
Northwest Natural Holding Co.	NWN	4.99%	0.67	12.23%	7.24%	9.85%	10.45%
ONE Gas, Inc.	OGS	4.99%	0.73	12.23%	7.24%	10.25%	10.74%
Southwest Gas Holdings, Inc.	SWX	4.99%	0.80	12.23%	7.24%	10.81%	11.17%
Spire, Inc.	SR	4.99%	0.73	12.23%	7.24%	10.26%	10.75%
					Mean:	10.32%	10.80%
					Median:	10.26%	10.75%
				Average of the Mean and Median:		10.29%	10.78%

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	Bloomberg Beta Coefficient (10 Year)	Long-Term Average Historical Market Return (1926-2025)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.78%	0.71	12.23%	7.46%	10.08%	10.62%
New Jersey Resources Corporation	NJR	4.78%	0.75	12.23%	7.46%	10.33%	10.81%
NiSource Inc.	NI	4.78%	0.76	12.23%	7.46%	10.48%	10.91%
Northwest Natural Holding Co.	NWN	4.78%	0.67	12.23%	7.46%	9.78%	10.40%
ONE Gas, Inc.	OGS	4.78%	0.73	12.23%	7.46%	10.19%	10.70%
Southwest Gas Holdings, Inc.	SWX	4.78%	0.80	12.23%	7.46%	10.77%	11.13%
Spire, Inc.	SR	4.78%	0.73	12.23%	7.46%	10.20%	10.71%
					Mean:	10.26%	10.75%
					Median:	10.20%	10.71%
				Average of the Mean and Median:		10.23%	10.73%

[1] Source: Federal Reserve Bank of St. Louis (FRED); 30-day average
[2] Source: Bloomberg Professional Service
[3] Kroll Cost of Capital Navigator
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 45, No. 6, June 1, 2026 at 2 and 14
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Bond Yield Plus Risk Premium

[1]	[2]	[3]	[4]	[5]
Constant	Slope	30-Year Treasury Yield	Risk Premium	Return on Equity
-2.32%	-2.56%			
Current 30-Year Treasury		4.99%	5.36%	10.35%
Projected 30-Year Treasury		4.78%	5.47%	10.25%



Notes:
[1] Constant of regression equation
[2] Slope of regression equation
[3] Sources: Current = Federal Reserve Bank of St. Louis (FRED),
Projected = Average of near-term and long-term projected 30-year Treasury yield from Blue Chip Financial Forecasts, Vol. 45, No. 6, June 1, 2026, at 2 and 14
[4] Equals [1] + ln([3]) x [2]
[5] Equals [3] + [4]
[6] Source: S&P Capital IQ
[7] Source: S&P Capital IQ
[8] Source: Bloomberg Professional, equals 201-trading day average (i.e. lag period)
[9] Equals [7] - [8]

Bond Yield Plus Risk Premium

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
1/3/1980	12.55%	9.39%	3.16%
1/4/1980	13.75%	9.40%	4.35%
1/14/1980	13.20%	9.44%	3.76%
1/18/1980	14.00%	9.47%	4.53%
1/31/1980	12.61%	9.56%	3.05%
2/8/1980	14.50%	9.63%	4.87%
2/14/1980	13.00%	9.67%	3.33%
2/15/1980	13.00%	9.69%	3.31%
2/29/1980	14.00%	9.85%	4.15%
3/5/1980	14.00%	9.90%	4.10%
3/7/1980	13.50%	9.94%	3.56%
3/14/1980	14.00%	10.03%	3.97%
3/27/1980	12.69%	10.19%	2.50%
4/1/1980	14.75%	10.25%	4.50%
4/29/1980	12.50%	10.50%	2.00%
5/7/1980	14.27%	10.55%	3.72%
5/8/1980	13.75%	10.55%	3.20%
5/19/1980	15.50%	10.61%	4.89%
5/27/1980	14.60%	10.64%	3.96%
5/29/1980	16.00%	10.66%	5.34%
6/10/1980	13.78%	10.70%	3.08%
6/25/1980	14.25%	10.73%	3.52%
7/9/1980	14.51%	10.77%	3.74%
7/17/1980	12.90%	10.78%	2.12%
7/18/1980	13.80%	10.79%	3.01%
7/22/1980	14.10%	10.79%	3.31%
7/23/1980	14.19%	10.79%	3.40%
8/1/1980	12.50%	10.80%	1.70%
8/11/1980	14.85%	10.81%	4.04%
8/21/1980	13.03%	10.84%	2.19%
8/28/1980	13.61%	10.87%	2.74%
8/28/1980	14.00%	10.87%	3.13%
9/4/1980	14.00%	10.89%	3.11%
9/24/1980	15.00%	10.98%	4.02%
10/9/1980	14.50%	11.05%	3.45%
10/9/1980	14.50%	11.05%	3.45%
10/24/1980	14.00%	11.09%	2.91%
10/27/1980	15.20%	11.10%	4.10%
10/27/1980	15.20%	11.10%	4.10%
10/28/1980	12.00%	11.10%	0.90%
10/28/1980	13.00%	11.10%	1.90%
10/31/1980	14.50%	11.12%	3.38%
11/4/1980	15.00%	11.13%	3.87%
11/6/1980	14.35%	11.13%	3.22%
11/10/1980	13.25%	11.14%	2.11%
11/17/1980	15.50%	11.15%	4.35%
11/19/1980	13.50%	11.15%	2.35%
12/5/1980	14.60%	11.14%	3.46%
12/8/1980	16.40%	11.14%	5.26%
12/12/1980	15.45%	11.15%	4.30%
12/17/1980	14.40%	11.16%	3.24%
12/17/1980	14.20%	11.16%	3.04%
12/18/1980	14.00%	11.17%	2.83%
12/22/1980	13.45%	11.16%	2.29%
12/26/1980	14.00%	11.15%	2.85%
12/30/1980	14.50%	11.15%	3.35%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/31/1980	14.56%	11.15%	3.41%
1/7/1981	14.30%	11.14%	3.16%
1/12/1981	14.95%	11.14%	3.81%
1/26/1981	15.25%	11.20%	4.05%
1/30/1981	13.25%	11.23%	2.02%
2/11/1981	14.50%	11.33%	3.17%
2/20/1981	14.50%	11.39%	3.11%
3/12/1981	15.65%	11.59%	4.06%
3/25/1981	15.30%	11.73%	3.57%
4/1/1981	15.30%	11.81%	3.49%
4/8/1981	15.00%	11.88%	3.12%
4/29/1981	13.50%	12.11%	1.39%
4/29/1981	14.25%	12.11%	2.14%
4/30/1981	15.00%	12.13%	2.87%
4/30/1981	13.60%	12.13%	1.47%
5/21/1981	14.00%	12.37%	1.63%
6/3/1981	14.67%	12.45%	2.22%
6/22/1981	16.00%	12.57%	3.43%
6/25/1981	14.75%	12.59%	2.16%
7/2/1981	14.00%	12.64%	1.36%
7/10/1981	16.00%	12.68%	3.32%
7/14/1981	16.90%	12.71%	4.19%
7/21/1981	15.78%	12.77%	3.01%
7/27/1981	13.77%	12.82%	0.95%
7/27/1981	15.50%	12.82%	2.68%
7/31/1981	14.20%	12.86%	1.34%
7/31/1981	13.50%	12.86%	0.64%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	14.41%	12.93%	1.48%
8/25/1981	15.45%	13.01%	2.44%
8/27/1981	14.43%	13.04%	1.39%
8/28/1981	15.00%	13.05%	1.95%
9/23/1981	14.34%	13.23%	1.11%
9/24/1981	16.25%	13.25%	3.00%
9/29/1981	14.50%	13.30%	1.20%
9/30/1981	15.94%	13.32%	2.62%
10/2/1981	14.80%	13.35%	1.45%
10/12/1981	16.25%	13.42%	2.83%
10/20/1981	15.25%	13.49%	1.76%
10/20/1981	17.00%	13.49%	3.51%
10/20/1981	16.50%	13.49%	3.01%
10/23/1981	15.50%	13.53%	1.97%
10/26/1981	13.50%	13.55%	-0.05%
10/29/1981	16.50%	13.59%	2.91%
11/4/1981	15.33%	13.62%	1.71%
11/6/1981	15.17%	13.63%	1.54%
11/12/1981	15.00%	13.64%	1.36%
11/25/1981	16.10%	13.66%	2.44%
11/25/1981	16.10%	13.66%	2.44%
11/25/1981	15.25%	13.66%	1.59%
11/30/1981	16.75%	13.65%	3.10%
12/1/1981	15.70%	13.65%	2.05%
12/1/1981	16.00%	13.65%	2.35%
12/15/1981	15.81%	13.68%	2.13%
12/17/1981	14.75%	13.70%	1.05%
12/22/1981	16.00%	13.71%	2.29%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/22/1981	15.70%	13.71%	1.99%
12/30/1981	16.00%	13.74%	2.26%
12/30/1981	16.25%	13.74%	2.51%
1/4/1982	15.50%	13.74%	1.76%
1/14/1982	11.95%	13.80%	-1.85%
1/25/1982	16.25%	13.84%	2.41%
1/27/1982	16.84%	13.85%	2.99%
1/31/1982	14.00%	13.85%	0.15%
2/2/1982	16.24%	13.86%	2.38%
2/8/1982	15.50%	13.87%	1.63%
2/9/1982	14.95%	13.88%	1.07%
2/9/1982	15.75%	13.88%	1.87%
2/11/1982	16.00%	13.89%	2.11%
3/1/1982	15.96%	13.91%	2.05%
3/3/1982	15.00%	13.91%	1.09%
3/8/1982	17.10%	13.91%	3.19%
3/26/1982	16.00%	13.96%	2.04%
3/31/1982	16.25%	13.97%	2.28%
4/1/1982	16.50%	13.98%	2.52%
4/5/1982	15.00%	13.98%	1.02%
4/8/1982	16.50%	13.99%	2.51%
4/11/1982	15.10%	13.99%	1.11%
4/11/1982	16.70%	13.99%	2.71%
4/17/1982	14.70%	13.98%	0.72%
4/27/1982	15.00%	13.97%	1.03%
5/10/1982	14.57%	13.94%	0.63%
5/14/1982	15.80%	13.92%	1.88%
5/20/1982	15.82%	13.91%	1.91%
5/21/1982	15.50%	13.90%	1.60%
5/25/1982	16.25%	13.90%	2.35%
6/2/1982	14.50%	13.87%	0.63%
6/7/1982	16.00%	13.86%	2.14%
6/23/1982	15.50%	13.81%	1.69%
6/25/1982	16.50%	13.81%	2.69%
7/1/1982	16.00%	13.80%	2.20%
7/1/1982	15.55%	13.80%	1.75%
7/2/1982	15.10%	13.79%	1.31%
7/13/1982	16.80%	13.76%	3.04%
7/22/1982	14.50%	13.72%	0.78%
7/28/1982	16.10%	13.69%	2.41%
7/30/1982	14.82%	13.67%	1.15%
8/4/1982	15.58%	13.65%	1.93%
8/6/1982	16.50%	13.63%	2.87%
8/11/1982	17.11%	13.62%	3.49%
8/25/1982	16.00%	13.58%	2.42%
8/30/1982	16.25%	13.58%	2.67%
9/3/1982	15.50%	13.56%	1.94%
9/9/1982	16.04%	13.55%	2.49%
9/15/1982	16.04%	13.52%	2.52%
9/17/1982	15.25%	13.51%	1.74%
9/29/1982	14.50%	13.43%	1.07%
9/30/1982	16.50%	13.42%	3.08%
9/30/1982	16.70%	13.42%	3.28%
9/30/1982	15.50%	13.42%	2.08%
9/30/1982	14.74%	13.42%	1.32%
10/1/1982	16.50%	13.41%	3.09%
10/8/1982	15.00%	13.34%	1.66%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
10/15/1982	15.90%	13.26%	2.64%
10/19/1982	15.90%	13.23%	2.67%
10/27/1982	17.00%	13.13%	3.87%
10/28/1982	14.75%	13.11%	1.64%
11/2/1982	16.25%	13.08%	3.17%
11/4/1982	15.75%	13.04%	2.71%
11/5/1982	14.73%	13.02%	1.71%
11/17/1982	16.00%	12.87%	3.13%
11/23/1982	15.50%	12.79%	2.71%
11/24/1982	16.02%	12.78%	3.24%
11/24/1982	14.50%	12.78%	1.72%
11/30/1982	16.10%	12.73%	3.37%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	12.98%	12.73%	0.25%
11/30/1982	15.65%	12.73%	2.92%
11/30/1982	16.00%	12.73%	3.27%
12/3/1982	15.33%	12.68%	2.65%
12/8/1982	15.75%	12.64%	3.11%
12/13/1982	16.00%	12.59%	3.41%
12/14/1982	16.40%	12.57%	3.83%
12/17/1982	16.25%	12.53%	3.72%
12/20/1982	15.00%	12.51%	2.49%
12/21/1982	15.70%	12.50%	3.20%
12/28/1982	15.25%	12.43%	2.82%
12/28/1982	15.25%	12.43%	2.82%
12/29/1982	16.25%	12.41%	3.84%
12/29/1982	16.25%	12.41%	3.84%
1/11/1983	15.90%	12.26%	3.64%
1/12/1983	15.50%	12.25%	3.25%
1/18/1983	15.00%	12.19%	2.81%
1/24/1983	16.00%	12.14%	3.86%
1/24/1983	15.50%	12.14%	3.36%
1/28/1983	14.90%	12.09%	2.81%
1/31/1983	15.00%	12.07%	2.93%
2/10/1983	15.00%	11.98%	3.02%
2/25/1983	15.70%	11.85%	3.85%
3/2/1983	15.25%	11.80%	3.45%
3/16/1983	16.00%	11.64%	4.36%
3/21/1983	14.96%	11.58%	3.38%
3/23/1983	15.40%	11.54%	3.86%
3/23/1983	16.10%	11.54%	4.56%
3/24/1983	15.00%	11.53%	3.47%
4/11/1983	13.25%	11.33%	1.92%
4/29/1983	15.05%	11.11%	3.94%
5/3/1983	15.40%	11.08%	4.32%
5/9/1983	15.50%	11.01%	4.49%
5/19/1983	14.85%	10.90%	3.95%
5/31/1983	14.00%	10.85%	3.15%
6/2/1983	14.50%	10.83%	3.67%
6/7/1983	14.50%	10.81%	3.69%
6/9/1983	14.85%	10.80%	4.05%
6/20/1983	14.15%	10.74%	3.41%
6/20/1983	16.50%	10.74%	5.76%
6/27/1983	14.50%	10.72%	3.78%
6/30/1983	14.80%	10.71%	4.09%
6/30/1983	15.90%	10.71%	5.19%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
7/1/1983	14.80%	10.70%	4.10%
7/5/1983	15.00%	10.70%	4.30%
7/8/1983	15.50%	10.69%	4.81%
7/19/1983	15.10%	10.71%	4.39%
7/19/1983	15.00%	10.71%	4.29%
8/18/1983	15.30%	10.81%	4.49%
8/19/1983	15.79%	10.82%	4.97%
8/29/1983	16.00%	10.85%	5.15%
8/31/1983	15.25%	10.86%	4.39%
8/31/1983	14.75%	10.86%	3.89%
9/8/1983	14.75%	10.89%	3.86%
9/16/1983	15.51%	10.93%	4.58%
9/26/1983	14.50%	10.96%	3.54%
9/28/1983	14.25%	10.97%	3.28%
9/30/1983	16.15%	10.98%	5.17%
9/30/1983	16.25%	10.98%	5.27%
10/1/1983	16.25%	10.98%	5.27%
10/13/1983	15.52%	11.02%	4.50%
10/19/1983	15.20%	11.04%	4.16%
10/26/1983	14.75%	11.06%	3.69%
10/27/1983	15.33%	11.07%	4.26%
10/27/1983	14.88%	11.07%	3.81%
11/9/1983	14.82%	11.10%	3.72%
11/9/1983	16.51%	11.10%	5.41%
11/9/1983	16.51%	11.10%	5.41%
12/1/1983	14.50%	11.17%	3.33%
12/8/1983	15.90%	11.20%	4.70%
12/9/1983	15.30%	11.21%	4.09%
12/12/1983	14.50%	11.21%	3.29%
12/12/1983	15.50%	11.21%	4.29%
12/20/1983	16.00%	11.26%	4.74%
12/20/1983	15.40%	11.26%	4.14%
12/22/1983	15.75%	11.27%	4.48%
12/29/1983	15.00%	11.29%	3.71%
12/30/1983	15.00%	11.30%	3.70%
1/10/1984	15.90%	11.34%	4.56%
1/13/1984	15.50%	11.36%	4.14%
1/18/1984	15.53%	11.38%	4.15%
1/26/1984	15.90%	11.41%	4.49%
2/14/1984	14.25%	11.50%	2.75%
2/28/1984	14.50%	11.58%	2.92%
3/20/1984	16.00%	11.69%	4.31%
3/23/1984	15.50%	11.72%	3.78%
4/8/1984	15.20%	11.80%	3.40%
4/17/1984	16.20%	11.85%	4.35%
4/26/1984	15.85%	11.89%	3.96%
5/15/1984	13.35%	11.99%	1.36%
5/16/1984	15.00%	12.00%	3.00%
5/22/1984	14.40%	12.03%	2.37%
6/13/1984	15.50%	12.18%	3.32%
7/10/1984	16.00%	12.36%	3.64%
8/7/1984	16.69%	12.50%	4.19%
8/9/1984	15.33%	12.51%	2.82%
8/17/1984	14.82%	12.53%	2.29%
8/21/1984	14.64%	12.54%	2.10%
8/27/1984	14.52%	12.56%	1.96%
8/28/1984	14.75%	12.56%	2.19%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
8/30/1984	15.60%	12.57%	3.03%
9/12/1984	15.90%	12.60%	3.30%
9/12/1984	15.60%	12.60%	3.00%
9/25/1984	16.25%	12.61%	3.64%
10/2/1984	14.80%	12.62%	2.18%
10/9/1984	14.75%	12.63%	2.12%
10/10/1984	15.50%	12.63%	2.87%
10/18/1984	15.00%	12.64%	2.36%
10/24/1984	15.50%	12.64%	2.86%
11/7/1984	15.00%	12.64%	2.36%
11/20/1984	15.92%	12.62%	3.30%
11/30/1984	15.50%	12.60%	2.90%
12/18/1984	15.00%	12.55%	2.45%
12/20/1984	15.00%	12.53%	2.47%
12/28/1984	15.75%	12.51%	3.24%
12/28/1984	16.25%	12.51%	3.74%
1/2/1985	16.00%	12.50%	3.50%
1/31/1985	14.75%	12.37%	2.38%
2/7/1985	14.85%	12.33%	2.52%
2/15/1985	15.00%	12.28%	2.72%
2/20/1985	14.50%	12.26%	2.24%
2/22/1985	14.86%	12.26%	2.60%
3/14/1985	15.50%	12.17%	3.33%
3/28/1985	14.80%	12.09%	2.71%
4/8/1985	15.50%	12.04%	3.46%
4/15/1985	15.70%	11.98%	3.72%
6/10/1985	15.75%	11.59%	4.16%
6/26/1985	14.82%	11.47%	3.35%
7/9/1985	15.00%	11.39%	3.61%
7/26/1985	14.50%	11.27%	3.23%
8/29/1985	14.50%	11.12%	3.38%
8/30/1985	14.38%	11.11%	3.27%
9/12/1985	15.25%	11.07%	4.18%
9/23/1985	15.30%	11.04%	4.26%
9/25/1985	14.50%	11.03%	3.47%
9/26/1985	13.80%	11.02%	2.78%
9/26/1985	14.50%	11.02%	3.48%
10/25/1985	15.25%	10.92%	4.33%
11/8/1985	12.94%	10.86%	2.08%
11/20/1985	14.90%	10.81%	4.09%
11/25/1985	13.30%	10.79%	2.51%
12/6/1985	12.00%	10.72%	1.28%
12/11/1985	14.90%	10.69%	4.21%
12/20/1985	15.00%	10.60%	4.40%
12/20/1985	14.88%	10.60%	4.28%
12/20/1985	15.00%	10.60%	4.40%
12/30/1985	15.75%	10.53%	5.22%
12/31/1985	14.00%	10.52%	3.48%
12/31/1985	14.50%	10.52%	3.98%
1/17/1986	14.50%	10.38%	4.12%
2/11/1986	12.50%	10.21%	2.29%
2/12/1986	15.20%	10.20%	5.00%
3/11/1986	14.00%	9.98%	4.02%
4/2/1986	12.90%	9.77%	3.13%
4/28/1986	13.01%	9.47%	3.54%
5/21/1986	13.25%	9.19%	4.06%
5/28/1986	14.00%	9.12%	4.88%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
5/29/1986	13.90%	9.11%	4.79%
6/2/1986	13.00%	9.08%	3.92%
6/11/1986	14.00%	8.98%	5.02%
6/13/1986	13.55%	8.95%	4.60%
6/27/1986	11.88%	8.78%	3.10%
7/14/1986	12.60%	8.60%	4.00%
7/30/1986	13.30%	8.39%	4.91%
8/14/1986	13.50%	8.23%	5.27%
9/5/1986	13.30%	8.03%	5.27%
9/23/1986	12.75%	7.91%	4.84%
10/30/1986	13.00%	7.68%	5.32%
10/31/1986	13.75%	7.67%	6.08%
11/10/1986	14.00%	7.62%	6.38%
11/19/1986	13.75%	7.57%	6.18%
11/25/1986	13.15%	7.54%	5.61%
12/22/1986	13.80%	7.48%	6.32%
12/30/1986	13.90%	7.47%	6.43%
1/20/1987	12.75%	7.47%	5.28%
1/23/1987	13.55%	7.47%	6.08%
1/27/1987	12.16%	7.47%	4.69%
2/13/1987	12.60%	7.47%	5.13%
2/24/1987	12.00%	7.47%	4.53%
3/30/1987	12.20%	7.46%	4.74%
3/31/1987	13.00%	7.46%	5.54%
5/5/1987	12.85%	7.60%	5.25%
5/28/1987	13.50%	7.72%	5.78%
6/15/1987	13.20%	7.80%	5.40%
6/30/1987	12.60%	7.85%	4.75%
7/10/1987	12.90%	7.88%	5.02%
7/27/1987	13.50%	7.93%	5.57%
8/25/1987	11.40%	8.08%	3.32%
9/18/1987	13.00%	8.27%	4.73%
10/20/1987	12.60%	8.54%	4.06%
10/20/1987	12.98%	8.54%	4.44%
11/12/1987	12.75%	8.67%	4.08%
11/13/1987	12.75%	8.68%	4.07%
11/24/1987	12.50%	8.73%	3.77%
12/8/1987	12.50%	8.81%	3.69%
12/22/1987	12.00%	8.90%	3.10%
12/31/1987	13.25%	8.93%	4.32%
12/31/1987	12.85%	8.93%	3.92%
1/15/1988	13.15%	8.98%	4.17%
1/20/1988	12.75%	8.99%	3.76%
1/29/1988	13.20%	8.99%	4.21%
2/4/1988	12.60%	8.99%	3.61%
3/23/1988	13.00%	8.94%	4.06%
5/27/1988	13.18%	9.02%	4.16%
6/14/1988	13.50%	9.00%	4.50%
6/17/1988	11.72%	8.99%	2.73%
6/24/1988	11.50%	8.97%	2.53%
7/1/1988	12.75%	8.95%	3.80%
7/8/1988	12.00%	8.94%	3.06%
7/18/1988	12.00%	8.91%	3.09%
7/20/1988	13.40%	8.90%	4.50%
8/8/1988	12.74%	8.90%	3.84%
9/20/1988	12.90%	8.93%	3.97%
9/26/1988	12.40%	8.93%	3.47%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
9/27/1988	13.65%	8.93%	4.72%
9/30/1988	13.25%	8.94%	4.31%
10/13/1988	13.10%	8.93%	4.17%
10/21/1988	12.80%	8.93%	3.87%
10/25/1988	13.25%	8.94%	4.31%
10/26/1988	13.50%	8.94%	4.56%
10/27/1988	12.95%	8.94%	4.01%
10/28/1988	13.00%	8.94%	4.06%
11/15/1988	12.00%	8.97%	3.03%
11/29/1988	12.75%	9.01%	3.74%
12/19/1988	13.00%	9.05%	3.95%
12/21/1988	12.90%	9.05%	3.85%
12/22/1988	13.50%	9.05%	4.45%
1/26/1989	12.60%	9.06%	3.54%
1/27/1989	13.00%	9.06%	3.94%
2/8/1989	13.37%	9.05%	4.32%
3/8/1989	13.00%	9.04%	3.96%
5/4/1989	13.00%	9.04%	3.96%
6/8/1989	13.50%	8.96%	4.54%
7/19/1989	11.80%	8.84%	2.96%
7/25/1989	12.80%	8.82%	3.98%
7/31/1989	13.00%	8.80%	4.20%
8/14/1989	12.50%	8.76%	3.74%
8/22/1989	12.80%	8.73%	4.07%
8/23/1989	12.90%	8.73%	4.17%
9/21/1989	12.10%	8.63%	3.47%
10/6/1989	13.00%	8.58%	4.42%
10/17/1989	12.41%	8.54%	3.87%
10/18/1989	13.25%	8.54%	4.71%
10/20/1989	12.90%	8.53%	4.37%
10/31/1989	13.60%	8.50%	5.10%
11/3/1989	12.93%	8.48%	4.45%
11/5/1989	13.20%	8.48%	4.72%
11/9/1989	12.60%	8.46%	4.14%
11/9/1989	13.00%	8.46%	4.54%
11/28/1989	12.75%	8.37%	4.38%
12/7/1989	13.25%	8.33%	4.92%
12/15/1989	13.00%	8.28%	4.72%
12/20/1989	12.90%	8.26%	4.64%
12/21/1989	12.80%	8.26%	4.54%
12/21/1989	12.90%	8.26%	4.64%
12/27/1989	12.50%	8.24%	4.26%
1/9/1990	13.00%	8.19%	4.81%
1/18/1990	12.50%	8.17%	4.33%
1/26/1990	12.10%	8.15%	3.95%
3/21/1990	12.80%	8.15%	4.65%
3/28/1990	13.00%	8.16%	4.84%
4/5/1990	12.20%	8.17%	4.03%
4/12/1990	13.25%	8.19%	5.06%
4/30/1990	12.45%	8.24%	4.21%
5/31/1990	12.40%	8.31%	4.09%
6/15/1990	13.20%	8.33%	4.87%
6/27/1990	12.90%	8.34%	4.56%
6/29/1990	13.25%	8.34%	4.91%
7/6/1990	12.10%	8.35%	3.75%
7/19/1990	11.70%	8.38%	3.32%
8/31/1990	12.50%	8.52%	3.98%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
8/31/1990	12.50%	8.52%	3.98%
9/13/1990	12.50%	8.58%	3.92%
9/18/1990	12.75%	8.60%	4.15%
9/20/1990	12.50%	8.61%	3.89%
10/2/1990	13.00%	8.65%	4.35%
10/17/1990	11.90%	8.68%	3.22%
10/31/1990	12.95%	8.70%	4.25%
11/9/1990	13.25%	8.70%	4.55%
11/19/1990	13.00%	8.70%	4.30%
11/21/1990	12.50%	8.70%	3.80%
11/21/1990	12.10%	8.70%	3.40%
11/28/1990	12.75%	8.70%	4.05%
11/29/1990	12.75%	8.70%	4.05%
12/18/1990	13.10%	8.68%	4.42%
12/20/1990	12.50%	8.67%	3.83%
12/21/1990	13.60%	8.67%	4.93%
12/21/1990	13.00%	8.67%	4.33%
12/21/1990	12.50%	8.67%	3.83%
1/3/1991	13.02%	8.66%	4.36%
1/16/1991	13.25%	8.64%	4.61%
1/25/1991	11.70%	8.61%	3.09%
2/15/1991	12.70%	8.56%	4.14%
2/15/1991	12.80%	8.56%	4.24%
4/3/1991	13.00%	8.51%	4.49%
4/30/1991	12.45%	8.48%	3.97%
4/30/1991	13.00%	8.48%	4.52%
6/25/1991	11.70%	8.35%	3.35%
6/28/1991	12.50%	8.34%	4.16%
7/1/1991	11.70%	8.34%	3.36%
7/19/1991	12.10%	8.31%	3.79%
7/19/1991	12.30%	8.31%	3.99%
7/22/1991	12.90%	8.31%	4.59%
8/15/1991	12.25%	8.28%	3.97%
8/29/1991	13.30%	8.26%	5.04%
9/27/1991	12.50%	8.23%	4.27%
9/30/1991	12.40%	8.23%	4.17%
10/3/1991	11.30%	8.22%	3.08%
10/9/1991	11.70%	8.21%	3.49%
10/15/1991	13.40%	8.20%	5.20%
11/1/1991	12.90%	8.20%	4.70%
11/8/1991	12.75%	8.20%	4.55%
11/26/1991	12.00%	8.18%	3.82%
11/26/1991	11.60%	8.18%	3.42%
11/27/1991	12.70%	8.18%	4.52%
12/6/1991	12.70%	8.16%	4.54%
12/10/1991	11.75%	8.16%	3.59%
12/19/1991	12.60%	8.14%	4.46%
12/19/1991	12.80%	8.14%	4.66%
12/30/1991	12.10%	8.11%	3.99%
1/22/1992	12.84%	8.05%	4.79%
1/31/1992	12.00%	8.03%	3.97%
2/20/1992	13.00%	8.00%	5.00%
2/27/1992	11.75%	7.99%	3.76%
3/18/1992	12.50%	7.95%	4.55%
5/15/1992	12.75%	7.87%	4.88%
6/24/1992	12.20%	7.85%	4.35%
6/29/1992	11.00%	7.85%	3.15%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
7/14/1992	12.00%	7.83%	4.17%
7/22/1992	11.20%	7.82%	3.38%
8/10/1992	12.10%	7.79%	4.31%
8/26/1992	12.43%	7.75%	4.68%
9/30/1992	11.60%	7.72%	3.88%
10/6/1992	12.25%	7.72%	4.53%
10/13/1992	12.75%	7.71%	5.04%
10/23/1992	11.65%	7.71%	3.94%
10/28/1992	12.25%	7.71%	4.54%
10/29/1992	12.75%	7.71%	5.04%
10/30/1992	11.40%	7.70%	3.70%
11/9/1992	10.60%	7.70%	2.90%
11/25/1992	12.00%	7.68%	4.32%
11/25/1992	11.00%	7.68%	3.32%
12/3/1992	11.85%	7.67%	4.18%
12/16/1992	11.90%	7.64%	4.26%
12/22/1992	12.30%	7.63%	4.67%
12/22/1992	12.40%	7.63%	4.77%
12/30/1992	12.00%	7.61%	4.39%
12/31/1992	12.00%	7.61%	4.39%
1/12/1993	12.00%	7.59%	4.41%
1/12/1993	12.00%	7.59%	4.41%
2/2/1993	11.40%	7.53%	3.87%
2/22/1993	11.60%	7.48%	4.12%
4/23/1993	11.75%	7.27%	4.48%
5/3/1993	11.75%	7.25%	4.50%
5/3/1993	11.50%	7.25%	4.25%
6/3/1993	12.00%	7.20%	4.80%
6/7/1993	11.50%	7.20%	4.30%
6/22/1993	11.75%	7.16%	4.59%
7/21/1993	11.78%	7.07%	4.71%
7/21/1993	11.90%	7.07%	4.83%
7/23/1993	11.50%	7.06%	4.44%
7/29/1993	11.50%	7.03%	4.47%
8/12/1993	10.75%	6.98%	3.77%
8/24/1993	11.50%	6.92%	4.58%
8/31/1993	11.90%	6.88%	5.02%
9/1/1993	11.25%	6.88%	4.37%
9/1/1993	11.47%	6.88%	4.59%
9/27/1993	10.50%	6.74%	3.76%
9/29/1993	11.00%	6.73%	4.27%
9/30/1993	11.60%	6.72%	4.88%
10/8/1993	11.50%	6.68%	4.82%
10/14/1993	11.20%	6.65%	4.55%
10/15/1993	11.75%	6.65%	5.10%
10/25/1993	11.55%	6.60%	4.95%
10/28/1993	11.50%	6.58%	4.92%
10/29/1993	11.25%	6.58%	4.67%
10/29/1993	10.20%	6.58%	3.62%
10/29/1993	10.10%	6.58%	3.52%
11/2/1993	10.80%	6.56%	4.24%
11/12/1993	11.80%	6.53%	5.27%
11/23/1993	12.50%	6.51%	5.99%
11/26/1993	11.00%	6.50%	4.50%
12/1/1993	11.45%	6.49%	4.96%
12/16/1993	11.20%	6.46%	4.74%
12/16/1993	10.60%	6.46%	4.14%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/21/1993	11.30%	6.45%	4.85%
12/22/1993	11.00%	6.44%	4.56%
12/23/1993	10.10%	6.44%	3.66%
1/5/1994	11.50%	6.41%	5.09%
1/10/1994	11.00%	6.40%	4.60%
1/25/1994	12.00%	6.37%	5.63%
2/2/1994	10.40%	6.35%	4.05%
2/9/1994	10.70%	6.34%	4.36%
4/6/1994	11.24%	6.35%	4.89%
4/25/1994	11.00%	6.39%	4.61%
6/16/1994	10.50%	6.63%	3.87%
6/23/1994	10.60%	6.67%	3.93%
7/19/1994	10.70%	6.83%	3.87%
9/29/1994	10.90%	7.20%	3.70%
9/29/1994	11.00%	7.20%	3.80%
10/7/1994	11.87%	7.25%	4.62%
10/18/1994	11.50%	7.31%	4.19%
10/18/1994	11.50%	7.31%	4.19%
10/24/1994	11.00%	7.35%	3.65%
11/22/1994	12.12%	7.52%	4.60%
11/29/1994	11.30%	7.55%	3.75%
12/1/1994	11.00%	7.56%	3.44%
12/8/1994	11.70%	7.59%	4.11%
12/8/1994	11.50%	7.59%	3.91%
12/12/1994	11.82%	7.60%	4.22%
12/14/1994	11.50%	7.61%	3.89%
12/19/1994	11.50%	7.62%	3.88%
4/19/1995	11.00%	7.71%	3.29%
9/11/1995	11.30%	7.16%	4.14%
9/15/1995	10.40%	7.13%	3.27%
9/29/1995	11.50%	7.06%	4.44%
10/13/1995	10.76%	6.99%	3.77%
11/7/1995	12.50%	6.87%	5.63%
11/8/1995	11.30%	6.86%	4.44%
11/8/1995	11.10%	6.86%	4.24%
11/17/1995	10.90%	6.81%	4.09%
11/20/1995	11.40%	6.80%	4.60%
11/27/1995	13.60%	6.77%	6.83%
12/14/1995	11.30%	6.68%	4.62%
12/20/1995	11.60%	6.65%	4.95%
1/31/1996	11.30%	6.46%	4.84%
3/11/1996	11.60%	6.40%	5.20%
4/3/1996	11.13%	6.41%	4.72%
4/15/1996	10.50%	6.41%	4.09%
4/17/1996	10.77%	6.41%	4.36%
4/26/1996	10.60%	6.40%	4.20%
5/10/1996	11.00%	6.41%	4.59%
5/13/1996	11.25%	6.41%	4.84%
7/3/1996	11.25%	6.49%	4.76%
7/22/1996	11.25%	6.54%	4.71%
10/3/1996	10.00%	6.77%	3.23%
10/29/1996	11.30%	6.84%	4.46%
11/26/1996	11.30%	6.86%	4.44%
11/27/1996	11.30%	6.86%	4.44%
11/29/1996	11.00%	6.85%	4.15%
12/12/1996	11.96%	6.85%	5.11%
12/17/1996	11.50%	6.85%	4.65%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
1/22/1997	11.30%	6.83%	4.47%
1/27/1997	11.25%	6.83%	4.42%
1/31/1997	11.25%	6.83%	4.42%
2/13/1997	11.00%	6.82%	4.18%
2/13/1997	11.80%	6.82%	4.98%
2/20/1997	11.80%	6.81%	4.99%
3/27/1997	10.75%	6.79%	3.96%
4/29/1997	11.70%	6.80%	4.90%
7/17/1997	12.00%	6.77%	5.23%
10/29/1997	10.75%	6.70%	4.05%
10/31/1997	11.25%	6.70%	4.55%
12/24/1997	10.75%	6.53%	4.22%
4/28/1998	10.90%	6.11%	4.79%
4/30/1998	12.20%	6.10%	6.10%
6/30/1998	11.00%	5.94%	5.06%
8/26/1998	10.93%	5.82%	5.11%
9/3/1998	11.40%	5.80%	5.60%
9/15/1998	11.90%	5.77%	6.13%
10/7/1998	11.06%	5.70%	5.36%
10/30/1998	11.40%	5.63%	5.77%
12/10/1998	12.20%	5.52%	6.68%
12/17/1998	12.10%	5.49%	6.61%
2/19/1999	11.15%	5.32%	5.83%
3/1/1999	10.65%	5.31%	5.34%
3/1/1999	10.65%	5.31%	5.34%
6/8/1999	11.25%	5.35%	5.90%
11/12/1999	10.25%	5.92%	4.33%
12/14/1999	10.50%	5.99%	4.51%
1/28/2000	10.71%	6.16%	4.55%
2/17/2000	10.60%	6.20%	4.40%
5/25/2000	10.80%	6.19%	4.61%
6/19/2000	11.05%	6.18%	4.87%
6/22/2000	11.25%	6.18%	5.07%
7/17/2000	11.06%	6.15%	4.91%
7/20/2000	12.20%	6.14%	6.06%
8/11/2000	11.00%	6.11%	4.89%
9/27/2000	11.25%	6.01%	5.24%
9/29/2000	11.16%	6.00%	5.16%
10/5/2000	11.30%	5.98%	5.32%
11/28/2000	12.90%	5.87%	7.03%
11/30/2000	12.10%	5.87%	6.23%
2/5/2001	11.50%	5.76%	5.74%
3/15/2001	11.25%	5.67%	5.58%
5/8/2001	10.75%	5.61%	5.14%
10/24/2001	11.00%	5.54%	5.46%
10/24/2001	10.30%	5.54%	4.76%
1/9/2002	10.00%	5.50%	4.50%
1/30/2002	11.00%	5.47%	5.53%
1/31/2002	11.00%	5.47%	5.53%
4/17/2002	11.50%	5.44%	6.06%
4/29/2002	11.00%	5.45%	5.55%
6/11/2002	11.77%	5.48%	6.29%
6/20/2002	12.30%	5.47%	6.83%
8/28/2002	11.00%	5.49%	5.51%
9/11/2002	11.20%	5.45%	5.75%
9/12/2002	12.30%	5.45%	6.85%
10/28/2002	11.30%	5.35%	5.95%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
10/30/2002	10.60%	5.34%	5.26%
11/1/2002	12.60%	5.34%	7.26%
11/7/2002	11.40%	5.33%	6.07%
11/8/2002	10.75%	5.33%	5.42%
11/20/2002	10.00%	5.30%	4.70%
11/20/2002	10.50%	5.30%	5.20%
12/4/2002	10.75%	5.27%	5.48%
12/30/2002	11.20%	5.19%	6.01%
1/6/2003	11.25%	5.17%	6.08%
2/28/2003	12.30%	5.01%	7.29%
3/7/2003	9.96%	4.99%	4.97%
3/12/2003	11.40%	4.97%	6.43%
3/20/2003	12.00%	4.95%	7.05%
4/3/2003	12.00%	4.93%	7.07%
5/2/2003	11.40%	4.88%	6.52%
5/15/2003	11.05%	4.87%	6.18%
6/26/2003	11.00%	4.80%	6.20%
7/1/2003	11.00%	4.80%	6.20%
7/29/2003	11.71%	4.78%	6.93%
8/22/2003	10.20%	4.82%	5.38%
9/17/2003	9.90%	4.84%	5.06%
9/25/2003	10.25%	4.85%	5.40%
10/17/2003	10.54%	4.87%	5.67%
10/22/2003	10.46%	4.87%	5.59%
10/22/2003	10.71%	4.87%	5.84%
10/30/2003	11.00%	4.88%	6.12%
10/31/2003	10.20%	4.88%	5.32%
10/31/2003	10.75%	4.88%	5.87%
11/10/2003	10.60%	4.89%	5.71%
12/9/2003	10.50%	4.93%	5.57%
12/18/2003	10.50%	4.94%	5.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
1/13/2004	10.25%	4.95%	5.30%
1/13/2004	12.00%	4.95%	7.05%
2/9/2004	11.25%	4.98%	6.27%
3/16/2004	10.90%	5.05%	5.85%
3/16/2004	10.90%	5.05%	5.85%
5/25/2004	10.00%	5.06%	4.94%
6/2/2004	11.22%	5.07%	6.15%
6/30/2004	10.50%	5.10%	5.40%
7/8/2004	10.00%	5.10%	4.90%
7/22/2004	10.25%	5.10%	5.15%
8/26/2004	10.50%	5.10%	5.40%
8/26/2004	10.50%	5.10%	5.40%
9/9/2004	10.40%	5.10%	5.30%
9/21/2004	10.50%	5.09%	5.41%
9/27/2004	10.30%	5.09%	5.21%
9/27/2004	10.50%	5.09%	5.41%
10/20/2004	10.20%	5.08%	5.12%
11/30/2004	10.60%	5.08%	5.52%
12/8/2004	9.90%	5.09%	4.81%
12/21/2004	11.50%	5.09%	6.41%
12/22/2004	11.50%	5.09%	6.41%
12/28/2004	10.25%	5.09%	5.16%
2/18/2005	10.30%	4.95%	5.35%
3/29/2005	11.00%	4.86%	6.14%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
4/13/2005	10.60%	4.84%	5.76%
4/28/2005	11.00%	4.80%	6.20%
5/17/2005	10.00%	4.77%	5.23%
6/8/2005	10.18%	4.71%	5.47%
6/10/2005	10.90%	4.71%	6.19%
7/6/2005	10.50%	4.65%	5.85%
7/19/2005	11.50%	4.63%	6.87%
8/11/2005	10.40%	4.60%	5.80%
9/19/2005	9.45%	4.53%	4.92%
9/30/2005	10.51%	4.52%	5.99%
10/4/2005	9.90%	4.52%	5.38%
10/4/2005	10.75%	4.52%	6.23%
10/14/2005	10.40%	4.52%	5.88%
10/31/2005	10.25%	4.53%	5.72%
11/2/2005	9.70%	4.53%	5.17%
11/30/2005	10.00%	4.54%	5.46%
12/9/2005	9.70%	4.53%	5.17%
12/12/2005	11.00%	4.53%	6.47%
12/20/2005	10.13%	4.53%	5.60%
12/21/2005	11.00%	4.53%	6.47%
12/21/2005	10.40%	4.53%	5.87%
12/22/2005	10.20%	4.53%	5.67%
12/22/2005	11.00%	4.53%	6.47%
12/28/2005	10.00%	4.52%	5.48%
1/5/2006	11.00%	4.52%	6.48%
1/25/2006	11.20%	4.52%	6.68%
1/25/2006	11.20%	4.52%	6.68%
2/3/2006	10.50%	4.52%	5.98%
2/15/2006	9.50%	4.53%	4.97%
4/26/2006	10.60%	4.65%	5.95%
7/24/2006	9.60%	4.86%	4.74%
7/24/2006	10.00%	4.86%	5.14%
9/20/2006	11.00%	4.93%	6.07%
9/26/2006	10.75%	4.93%	5.82%
10/20/2006	9.80%	4.96%	4.84%
11/2/2006	9.71%	4.96%	4.75%
11/9/2006	10.00%	4.97%	5.03%
11/21/2006	11.00%	4.98%	6.02%
12/5/2006	10.20%	4.97%	5.23%
1/5/2007	10.40%	4.95%	5.45%
1/9/2007	11.00%	4.94%	6.06%
1/11/2007	10.90%	4.94%	5.96%
1/19/2007	10.80%	4.93%	5.87%
1/26/2007	10.00%	4.92%	5.08%
2/8/2007	10.40%	4.91%	5.49%
3/14/2007	10.10%	4.86%	5.24%
3/20/2007	10.25%	4.85%	5.40%
3/21/2007	11.35%	4.84%	6.51%
3/22/2007	10.50%	4.84%	5.66%
3/29/2007	10.00%	4.83%	5.17%
6/13/2007	10.75%	4.81%	5.94%
6/29/2007	10.10%	4.84%	5.26%
6/29/2007	9.53%	4.84%	4.69%
7/3/2007	10.25%	4.85%	5.40%
7/13/2007	9.50%	4.86%	4.64%
7/24/2007	10.40%	4.87%	5.53%
8/1/2007	10.15%	4.88%	5.27%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
8/29/2007	10.50%	4.91%	5.59%
9/10/2007	9.71%	4.91%	4.80%
9/19/2007	10.00%	4.91%	5.09%
9/25/2007	9.70%	4.91%	4.79%
10/8/2007	10.48%	4.92%	5.56%
10/19/2007	10.50%	4.91%	5.59%
10/25/2007	9.65%	4.91%	4.74%
11/15/2007	10.00%	4.89%	5.11%
11/20/2007	9.90%	4.89%	5.01%
11/27/2007	10.00%	4.88%	5.12%
11/29/2007	10.90%	4.88%	6.02%
12/14/2007	10.80%	4.87%	5.93%
12/18/2007	10.40%	4.86%	5.54%
12/19/2007	9.80%	4.86%	4.94%
12/19/2007	9.80%	4.86%	4.94%
12/19/2007	10.20%	4.86%	5.34%
12/21/2007	9.10%	4.86%	4.24%
1/8/2008	10.75%	4.83%	5.92%
1/17/2008	10.75%	4.81%	5.94%
1/17/2008	10.75%	4.81%	5.94%
2/5/2008	9.99%	4.78%	5.21%
2/5/2008	10.19%	4.78%	5.41%
2/13/2008	10.20%	4.76%	5.44%
3/31/2008	10.00%	4.63%	5.37%
5/28/2008	10.50%	4.53%	5.97%
6/24/2008	10.00%	4.52%	5.48%
6/27/2008	10.00%	4.52%	5.48%
7/31/2008	10.70%	4.50%	6.20%
7/31/2008	10.82%	4.50%	6.32%
8/27/2008	10.25%	4.50%	5.75%
9/2/2008	10.25%	4.50%	5.75%
9/19/2008	10.70%	4.48%	6.22%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/30/2008	10.20%	4.48%	5.72%
10/3/2008	10.30%	4.47%	5.83%
10/8/2008	10.15%	4.47%	5.68%
10/20/2008	10.06%	4.47%	5.59%
10/24/2008	10.60%	4.46%	6.14%
10/24/2008	10.60%	4.46%	6.14%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/24/2008	10.50%	4.42%	6.08%
12/3/2008	10.39%	4.37%	6.02%
12/24/2008	10.00%	4.26%	5.74%
12/26/2008	10.10%	4.24%	5.86%
12/29/2008	10.20%	4.23%	5.97%
1/13/2009	10.45%	4.14%	6.31%
2/2/2009	10.05%	4.04%	6.01%
3/9/2009	10.30%	3.90%	6.40%
3/25/2009	10.17%	3.84%	6.33%
4/2/2009	10.75%	3.81%	6.94%
5/5/2009	10.75%	3.71%	7.04%
5/15/2009	10.20%	3.70%	6.50%
5/29/2009	9.54%	3.70%	5.84%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
6/3/2009	10.10%	3.71%	6.39%
6/22/2009	10.00%	3.73%	6.27%
6/29/2009	10.21%	3.74%	6.47%
6/30/2009	9.31%	3.74%	5.57%
7/17/2009	9.26%	3.75%	5.51%
7/17/2009	10.50%	3.75%	6.75%
10/16/2009	10.40%	4.09%	6.31%
10/26/2009	10.10%	4.11%	5.99%
10/28/2009	10.15%	4.11%	6.04%
10/28/2009	10.15%	4.11%	6.04%
10/30/2009	9.95%	4.12%	5.83%
11/20/2009	9.45%	4.18%	5.27%
12/14/2009	10.50%	4.24%	6.26%
12/16/2009	10.75%	4.25%	6.50%
12/17/2009	10.30%	4.25%	6.05%
12/18/2009	10.40%	4.26%	6.14%
12/18/2009	10.50%	4.26%	6.24%
12/18/2009	10.40%	4.26%	6.14%
12/22/2009	10.20%	4.27%	5.93%
12/22/2009	10.40%	4.27%	6.13%
12/28/2009	10.85%	4.29%	6.56%
12/29/2009	10.38%	4.29%	6.09%
1/11/2010	10.24%	4.34%	5.90%
1/21/2010	10.33%	4.37%	5.96%
1/21/2010	10.23%	4.37%	5.86%
1/26/2010	10.40%	4.37%	6.03%
2/10/2010	10.00%	4.39%	5.61%
2/23/2010	10.50%	4.40%	6.10%
3/9/2010	9.60%	4.40%	5.20%
3/24/2010	10.13%	4.42%	5.71%
3/31/2010	10.70%	4.43%	6.27%
4/1/2010	9.50%	4.43%	5.07%
4/2/2010	10.10%	4.44%	5.66%
4/8/2010	10.35%	4.44%	5.91%
4/29/2010	9.40%	4.46%	4.94%
4/29/2010	9.19%	4.46%	4.73%
4/29/2010	9.40%	4.46%	4.94%
5/17/2010	10.55%	4.46%	6.09%
5/24/2010	10.05%	4.46%	5.59%
6/3/2010	11.00%	4.46%	6.54%
6/16/2010	10.00%	4.45%	5.55%
6/18/2010	10.30%	4.45%	5.85%
8/9/2010	12.55%	4.41%	8.14%
8/17/2010	10.10%	4.40%	5.70%
9/16/2010	10.30%	4.31%	5.99%
9/16/2010	9.60%	4.31%	5.29%
9/16/2010	10.00%	4.31%	5.69%
9/16/2010	10.00%	4.31%	5.69%
10/21/2010	10.40%	4.20%	6.20%
11/2/2010	9.75%	4.18%	5.57%
11/2/2010	9.75%	4.18%	5.57%
11/3/2010	10.75%	4.17%	6.58%
11/19/2010	10.20%	4.15%	6.05%
12/1/2010	10.00%	4.13%	5.87%
12/6/2010	9.56%	4.12%	5.44%
12/6/2010	10.09%	4.12%	5.97%
12/9/2010	10.25%	4.12%	6.13%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/14/2010	10.33%	4.12%	6.21%
12/17/2010	10.10%	4.11%	5.99%
12/20/2010	10.10%	4.11%	5.99%
12/23/2010	9.92%	4.11%	5.81%
1/6/2011	10.35%	4.09%	6.26%
1/12/2011	10.30%	4.09%	6.21%
1/13/2011	10.30%	4.09%	6.21%
3/10/2011	10.10%	4.16%	5.94%
3/31/2011	9.45%	4.20%	5.25%
4/18/2011	10.05%	4.23%	5.82%
5/26/2011	10.50%	4.31%	6.19%
6/21/2011	10.00%	4.36%	5.64%
6/29/2011	8.83%	4.37%	4.46%
8/1/2011	9.20%	4.41%	4.79%
9/1/2011	10.10%	4.33%	5.77%
11/14/2011	9.60%	3.93%	5.67%
12/13/2011	9.50%	3.76%	5.74%
12/20/2011	10.00%	3.72%	6.28%
12/22/2011	10.40%	3.70%	6.70%
1/10/2012	9.06%	3.60%	5.46%
1/10/2012	9.45%	3.60%	5.85%
1/10/2012	9.45%	3.60%	5.85%
1/23/2012	10.20%	3.53%	6.67%
1/31/2012	10.00%	3.49%	6.51%
4/24/2012	9.75%	3.16%	6.59%
4/24/2012	9.50%	3.16%	6.34%
5/7/2012	9.80%	3.13%	6.67%
5/22/2012	9.60%	3.10%	6.50%
5/24/2012	9.70%	3.09%	6.61%
6/7/2012	10.30%	3.06%	7.24%
6/15/2012	10.40%	3.05%	7.35%
6/18/2012	9.60%	3.05%	6.55%
7/2/2012	9.75%	3.04%	6.71%
10/24/2012	10.30%	2.92%	7.38%
10/26/2012	9.50%	2.92%	6.58%
10/31/2012	10.00%	2.92%	7.08%
10/31/2012	9.30%	2.92%	6.38%
10/31/2012	9.90%	2.92%	6.98%
11/1/2012	9.45%	2.92%	6.53%
11/8/2012	10.10%	2.91%	7.19%
11/9/2012	10.30%	2.91%	7.39%
11/26/2012	10.00%	2.89%	7.11%
11/28/2012	10.40%	2.88%	7.52%
11/28/2012	10.50%	2.88%	7.62%
12/4/2012	10.50%	2.87%	7.63%
12/4/2012	10.00%	2.87%	7.13%
12/20/2012	10.40%	2.84%	7.56%
12/20/2012	10.30%	2.84%	7.46%
12/20/2012	10.10%	2.84%	7.26%
12/20/2012	10.25%	2.84%	7.41%
12/20/2012	10.50%	2.84%	7.66%
12/20/2012	9.50%	2.84%	6.66%
12/26/2012	9.80%	2.83%	6.97%
2/22/2013	9.60%	2.86%	6.74%
3/14/2013	9.30%	2.89%	6.41%
3/27/2013	9.80%	2.91%	6.89%
4/23/2013	9.80%	2.95%	6.85%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
5/10/2013	9.25%	2.96%	6.29%
6/13/2013	9.40%	3.01%	6.39%
6/18/2013	9.28%	3.02%	6.26%
6/18/2013	9.28%	3.02%	6.26%
6/25/2013	9.80%	3.04%	6.76%
9/23/2013	9.60%	3.32%	6.28%
11/6/2013	10.20%	3.42%	6.78%
11/13/2013	9.84%	3.44%	6.40%
11/14/2013	10.25%	3.44%	6.81%
11/22/2013	9.50%	3.47%	6.03%
12/5/2013	10.20%	3.50%	6.70%
12/13/2013	9.60%	3.52%	6.08%
12/16/2013	9.73%	3.52%	6.21%
12/17/2013	10.00%	3.53%	6.47%
12/18/2013	9.08%	3.53%	5.55%
12/23/2013	9.72%	3.54%	6.18%
12/30/2013	10.00%	3.57%	6.43%
1/21/2014	9.65%	3.65%	6.00%
1/22/2014	9.18%	3.66%	5.52%
2/20/2014	9.30%	3.71%	5.59%
2/21/2014	9.85%	3.71%	6.14%
2/28/2014	9.55%	3.72%	5.83%
3/16/2014	9.72%	3.73%	5.99%
4/21/2014	9.50%	3.73%	5.77%
4/22/2014	9.80%	3.73%	6.07%
5/8/2014	9.59%	3.71%	5.88%
5/8/2014	9.10%	3.71%	5.39%
6/6/2014	10.40%	3.66%	6.74%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%
7/7/2014	9.30%	3.63%	5.67%
7/25/2014	9.30%	3.60%	5.70%
7/31/2014	9.90%	3.59%	6.31%
9/4/2014	9.10%	3.51%	5.59%
9/24/2014	9.35%	3.46%	5.89%
9/30/2014	9.75%	3.45%	6.30%
10/29/2014	10.80%	3.37%	7.43%
11/6/2014	10.20%	3.35%	6.85%
11/14/2014	10.20%	3.33%	6.87%
11/14/2014	10.30%	3.33%	6.97%
11/26/2014	10.20%	3.31%	6.89%
12/3/2014	10.00%	3.29%	6.71%
1/13/2015	10.30%	3.16%	7.14%
1/21/2015	9.05%	3.13%	5.92%
1/21/2015	9.05%	3.13%	5.92%
4/9/2015	9.50%	2.88%	6.62%
5/11/2015	9.80%	2.82%	6.98%
6/17/2015	9.00%	2.79%	6.21%
8/21/2015	9.75%	2.78%	6.97%
10/7/2015	9.55%	2.82%	6.73%
10/13/2015	9.75%	2.83%	6.92%
10/15/2015	9.00%	2.83%	6.17%
10/30/2015	9.80%	2.86%	6.94%
11/19/2015	10.00%	2.89%	7.11%
12/3/2015	10.00%	2.91%	7.09%
12/9/2015	9.60%	2.92%	6.68%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/11/2015	9.90%	2.92%	6.98%
12/18/2015	9.50%	2.93%	6.57%
1/6/2016	9.50%	2.96%	6.54%
1/6/2016	9.50%	2.96%	6.54%
1/28/2016	9.40%	2.97%	6.43%
2/10/2016	9.60%	2.95%	6.65%
2/16/2016	9.50%	2.94%	6.56%
2/29/2016	9.40%	2.92%	6.48%
4/29/2016	9.80%	2.83%	6.97%
5/5/2016	9.49%	2.82%	6.67%
6/1/2016	9.55%	2.80%	6.75%
6/3/2016	9.65%	2.79%	6.86%
6/15/2016	9.00%	2.77%	6.23%
6/15/2016	9.00%	2.77%	6.23%
9/2/2016	9.50%	2.57%	6.93%
9/23/2016	9.75%	2.52%	7.23%
9/27/2016	9.50%	2.51%	6.99%
9/29/2016	9.11%	2.50%	6.61%
10/13/2016	10.20%	2.48%	7.72%
10/28/2016	9.70%	2.47%	7.23%
11/9/2016	9.80%	2.47%	7.33%
11/18/2016	10.00%	2.49%	7.51%
12/9/2016	10.10%	2.52%	7.58%
12/15/2016	9.00%	2.53%	6.47%
12/15/2016	9.00%	2.53%	6.47%
12/20/2016	9.75%	2.53%	7.22%
12/22/2016	9.50%	2.54%	6.96%
1/24/2017	9.00%	2.59%	6.41%
2/21/2017	10.55%	2.63%	7.92%
3/1/2017	9.25%	2.65%	6.60%
4/11/2017	9.50%	2.77%	6.73%
4/20/2017	8.70%	2.79%	5.91%
4/28/2017	9.50%	2.81%	6.69%
5/23/2017	9.60%	2.88%	6.72%
6/6/2017	9.70%	2.90%	6.80%
6/22/2017	9.70%	2.93%	6.77%
6/30/2017	9.60%	2.94%	6.66%
7/20/2017	9.55%	2.97%	6.58%
7/31/2017	10.10%	2.98%	7.12%
9/13/2017	9.40%	2.93%	6.47%
9/19/2017	9.70%	2.92%	6.78%
9/22/2017	11.88%	2.92%	8.96%
9/27/2017	10.20%	2.92%	7.28%
10/20/2017	9.60%	2.90%	6.70%
10/26/2017	10.20%	2.90%	7.30%
10/30/2017	10.05%	2.90%	7.15%
12/5/2017	9.50%	2.86%	6.64%
12/7/2017	9.80%	2.86%	6.94%
12/13/2017	9.25%	2.85%	6.40%
12/28/2017	9.50%	2.84%	6.66%
1/31/2018	9.80%	2.83%	6.97%
2/21/2018	9.80%	2.84%	6.96%
2/21/2018	9.80%	2.84%	6.96%
2/28/2018	9.50%	2.85%	6.65%
3/15/2018	9.00%	2.87%	6.13%
3/26/2018	10.19%	2.88%	7.31%
4/26/2018	9.50%	2.90%	6.60%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
4/27/2018	9.30%	2.91%	6.39%
5/2/2018	9.50%	2.91%	6.59%
5/3/2018	9.70%	2.91%	6.79%
5/29/2018	9.40%	2.95%	6.45%
6/6/2018	9.80%	2.96%	6.84%
6/14/2018	8.80%	2.97%	5.83%
7/16/2018	9.60%	2.98%	6.62%
7/20/2018	9.40%	2.99%	6.41%
8/24/2018	9.28%	3.02%	6.26%
8/28/2018	10.00%	3.02%	6.98%
9/13/2018	10.00%	3.04%	6.96%
9/14/2018	10.00%	3.04%	6.96%
9/19/2018	9.85%	3.05%	6.80%
9/20/2018	9.80%	3.05%	6.75%
9/26/2018	9.40%	3.06%	6.34%
9/26/2018	10.20%	3.06%	7.14%
9/28/2018	9.50%	3.07%	6.43%
9/28/2018	9.50%	3.07%	6.43%
10/5/2018	9.61%	3.08%	6.53%
10/15/2018	9.80%	3.09%	6.71%
10/26/2018	9.40%	3.11%	6.29%
10/29/2018	9.60%	3.11%	6.49%
11/1/2018	9.87%	3.11%	6.76%
11/8/2018	9.70%	3.12%	6.58%
11/8/2018	9.70%	3.12%	6.58%
12/11/2018	9.70%	3.14%	6.56%
12/12/2018	9.30%	3.14%	6.16%
12/13/2018	9.60%	3.14%	6.46%
12/19/2018	9.30%	3.14%	6.16%
12/21/2018	9.35%	3.14%	6.21%
12/24/2018	9.25%	3.14%	6.11%
12/24/2018	9.25%	3.14%	6.11%
1/4/2019	9.80%	3.14%	6.66%
1/18/2019	9.70%	3.14%	6.56%
3/14/2019	9.00%	3.12%	5.88%
3/27/2019	9.70%	3.12%	6.58%
4/30/2019	9.73%	3.11%	6.62%
5/7/2019	9.65%	3.10%	6.55%
5/21/2019	9.80%	3.10%	6.70%
9/4/2019	10.00%	2.76%	7.24%
9/26/2019	9.90%	2.69%	7.21%
10/2/2019	9.73%	2.67%	7.06%
10/2/2019	9.90%	2.67%	7.23%
10/8/2019	9.40%	2.65%	6.75%
10/15/2019	9.70%	2.62%	7.08%
10/21/2019	9.40%	2.61%	6.79%
10/31/2019	9.70%	2.57%	7.13%
10/31/2019	10.00%	2.57%	7.43%
10/31/2019	10.00%	2.57%	7.43%
10/31/2019	10.20%	2.57%	7.63%
11/7/2019	9.35%	2.55%	6.80%
11/13/2019	9.60%	2.54%	7.06%
11/13/2019	9.60%	2.54%	7.06%
12/6/2019	9.87%	2.47%	7.40%
12/11/2019	9.40%	2.46%	6.94%
12/17/2019	9.75%	2.45%	7.30%
12/18/2019	9.60%	2.44%	7.16%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
12/18/2019	9.60%	2.44%	7.16%
12/19/2019	10.20%	2.44%	7.76%
12/19/2019	10.05%	2.44%	7.61%
12/19/2019	10.25%	2.44%	7.81%
12/20/2019	9.20%	2.44%	6.76%
12/26/2019	9.75%	2.43%	7.32%
1/9/2020	9.80%	2.39%	7.41%
1/15/2020	9.35%	2.38%	6.97%
1/16/2020	8.80%	2.37%	6.43%
1/24/2020	9.44%	2.35%	7.09%
2/3/2020	9.40%	2.33%	7.07%
2/17/2020	9.80%	2.29%	7.51%
2/24/2020	9.10%	2.27%	6.83%
2/25/2020	9.50%	2.27%	7.23%
2/28/2020	9.70%	2.25%	7.45%
3/25/2020	9.40%	2.15%	7.25%
3/26/2020	9.48%	2.15%	7.33%
4/21/2020	9.80%	2.02%	7.78%
5/19/2020	9.20%	1.94%	7.26%
6/16/2020	9.65%	1.87%	7.78%
7/8/2020	9.40%	1.81%	7.59%
8/4/2020	9.50%	1.70%	7.80%
8/20/2020	9.90%	1.64%	8.26%
8/21/2020	9.35%	1.64%	7.71%
9/10/2020	9.90%	1.58%	8.32%
9/23/2020	9.60%	1.53%	8.07%
9/25/2020	9.25%	1.52%	7.73%
9/25/2020	9.25%	1.52%	7.73%
10/4/2020	9.80%	1.50%	8.30%
10/7/2020	9.70%	1.49%	8.21%
10/12/2020	9.20%	1.48%	7.72%
10/15/2020	9.35%	1.47%	7.88%
10/16/2020	9.40%	1.47%	7.93%
10/30/2020	9.90%	1.44%	8.46%
11/7/2020	9.60%	1.43%	8.17%
11/19/2020	9.90%	1.42%	8.48%
11/19/2020	8.80%	1.42%	7.38%
11/19/2020	8.80%	1.42%	7.38%
11/24/2020	9.80%	1.42%	8.38%
12/9/2020	9.10%	1.43%	7.67%
12/10/2020	9.40%	1.43%	7.97%
12/16/2020	9.65%	1.44%	8.21%
12/16/2020	9.38%	1.44%	7.94%
12/23/2020	10.00%	1.45%	8.55%
1/4/2021	9.95%	1.46%	8.49%
1/6/2021	9.60%	1.47%	8.13%
1/6/2021	9.40%	1.47%	7.93%
1/12/2021	9.95%	1.48%	8.47%
1/13/2021	9.67%	1.49%	8.18%
1/26/2021	9.50%	1.51%	7.99%
2/16/2021	9.80%	1.56%	8.24%
2/19/2021	9.86%	1.57%	8.29%
2/24/2021	9.25%	1.58%	7.67%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
4/9/2021	9.70%	1.73%	7.97%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
5/5/2021	9.30%	1.83%	7.47%
5/18/2021	9.40%	1.87%	7.53%
5/19/2021	8.80%	1.88%	6.92%
6/17/2021	10.24%	1.97%	8.27%
6/30/2021	9.43%	1.99%	7.44%
7/27/2021	9.54%	2.03%	7.51%
7/30/2021	9.30%	2.03%	7.27%
8/12/2021	8.80%	2.05%	6.75%
8/12/2021	8.80%	2.05%	6.75%
9/1/2021	9.40%	2.07%	7.33%
9/8/2021	9.67%	2.08%	7.59%
9/9/2021	9.85%	2.08%	7.77%
9/14/2021	9.50%	2.08%	7.42%
9/27/2021	9.40%	2.09%	7.31%
9/29/2021	9.80%	2.09%	7.71%
9/30/2021	9.95%	2.10%	7.85%
9/30/2021	9.70%	2.10%	7.60%
10/6/2021	9.70%	2.10%	7.60%
10/27/2021	9.37%	2.12%	7.25%
11/17/2021	9.80%	2.11%	7.69%
11/17/2021	9.60%	2.11%	7.49%
11/18/2021	9.75%	2.11%	7.64%
11/18/2021	9.00%	2.11%	6.89%
11/18/2021	10.00%	2.11%	7.89%
11/18/2021	10.00%	2.11%	7.89%
11/23/2021	9.80%	2.10%	7.70%
11/30/2021	9.40%	2.09%	7.31%
12/3/2021	9.65%	2.08%	7.57%
12/9/2021	9.90%	2.07%	7.83%
12/13/2021	9.20%	2.06%	7.14%
12/28/2021	9.60%	2.03%	7.57%
12/28/2021	9.35%	2.03%	7.32%
12/28/2021	9.38%	2.03%	7.35%
1/3/2022	9.25%	2.03%	7.22%
1/6/2022	9.60%	2.02%	7.58%
1/20/2022	9.00%	2.02%	6.98%
1/21/2022	9.60%	2.01%	7.59%
3/22/2022	9.40%	2.02%	7.38%
3/22/2022	9.40%	2.02%	7.38%
4/14/2022	9.20%	2.08%	7.12%
5/19/2022	9.23%	2.23%	7.00%
5/19/2022	9.95%	2.23%	7.72%
5/19/2022	9.95%	2.23%	7.72%
6/16/2022	9.25%	2.36%	6.89%
7/7/2022	9.90%	2.45%	7.45%
7/20/2022	9.30%	2.50%	6.80%
7/27/2022	9.85%	2.53%	7.32%
8/2/2022	9.40%	2.55%	6.85%
8/17/2022	9.60%	2.62%	6.98%
8/18/2022	9.39%	2.62%	6.77%
8/23/2022	9.40%	2.65%	6.75%
9/15/2022	9.30%	2.79%	6.51%
9/30/2022	9.70%	2.88%	6.82%
10/10/2022	9.60%	2.93%	6.67%
10/12/2022	9.60%	2.95%	6.65%
10/24/2022	9.40%	3.04%	6.36%
10/25/2022	9.20%	3.05%	6.15%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
10/27/2022	9.70%	3.07%	6.63%
10/27/2022	9.80%	3.07%	6.73%
11/3/2022	10.20%	3.12%	7.08%
11/17/2022	9.65%	3.22%	6.43%
11/30/2022	9.38%	3.29%	6.09%
12/15/2022	9.80%	3.35%	6.45%
12/21/2022	9.60%	3.38%	6.22%
12/22/2022	9.40%	3.38%	6.02%
12/22/2022	9.80%	3.38%	6.42%
12/23/2022	9.60%	3.39%	6.21%
12/29/2022	9.80%	3.41%	6.39%
12/29/2022	9.80%	3.41%	6.39%
1/19/2023	9.60%	3.48%	6.12%
1/23/2023	9.30%	3.48%	5.82%
1/24/2023	10.25%	3.49%	6.76%
1/26/2023	9.60%	3.49%	6.11%
3/15/2023	9.80%	3.61%	6.19%
3/23/2023	9.57%	3.63%	5.94%
3/28/2023	9.50%	3.64%	5.86%
5/4/2023	9.30%	3.73%	5.57%
6/30/2023	9.50%	3.81%	5.69%
7/20/2023	9.25%	3.80%	5.45%
8/30/2023	9.90%	3.85%	6.05%
8/30/2023	9.80%	3.85%	5.95%
8/31/2023	9.40%	3.85%	5.55%
9/20/2023	9.35%	3.90%	5.45%
9/20/2023	9.49%	3.90%	5.59%
10/5/2023	9.30%	3.96%	5.34%
10/6/2023	9.80%	3.96%	5.84%
10/12/2023	9.20%	3.99%	5.21%
10/12/2023	9.20%	3.99%	5.21%
10/19/2023	9.35%	4.02%	5.33%
10/25/2023	9.55%	4.05%	5.50%
10/26/2023	9.65%	4.06%	5.59%
10/26/2023	9.50%	4.06%	5.44%
11/1/2023	9.60%	4.09%	5.51%
11/3/2023	9.70%	4.10%	5.60%
11/7/2023	9.65%	4.11%	5.54%
11/9/2023	10.15%	4.12%	6.03%
11/9/2023	9.80%	4.12%	5.68%
11/9/2023	9.80%	4.12%	5.68%
11/16/2023	9.44%	4.14%	5.30%
11/16/2023	9.38%	4.14%	5.24%
11/16/2023	9.51%	4.14%	5.37%
11/16/2023	9.38%	4.14%	5.24%
12/4/2023	9.80%	4.18%	5.62%
12/14/2023	9.45%	4.20%	5.25%
12/14/2023	9.50%	4.20%	5.30%
12/15/2023	9.65%	4.21%	5.44%
12/21/2023	9.75%	4.21%	5.54%
12/22/2023	10.50%	4.21%	6.29%
1/17/2024	9.85%	4.26%	5.59%
1/31/2024	9.70%	4.29%	5.41%
3/24/2024	9.30%	4.38%	4.92%
4/8/2024	11.88%	4.41%	7.47%
4/8/2024	9.50%	4.41%	5.09%
4/8/2024	9.50%	4.41%	5.09%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
4/17/2024	9.75%	4.44%	5.31%
5/13/2024	9.80%	4.48%	5.32%
6/26/2024	9.80%	4.48%	5.32%
6/28/2024	9.40%	4.48%	4.92%
7/18/2024	9.50%	4.45%	5.05%
7/23/2024	9.90%	4.44%	5.46%
7/25/2024	9.38%	4.43%	4.95%
7/31/2024	9.75%	4.43%	5.32%
8/15/2024	9.35%	4.40%	4.95%
8/15/2024	9.35%	4.40%	4.95%
9/17/2024	9.65%	4.38%	5.27%
9/18/2024	9.45%	4.38%	5.07%
9/26/2024	9.86%	4.38%	5.48%
10/1/2024	9.85%	4.38%	5.47%
10/9/2024	9.60%	4.38%	5.22%
10/17/2024	10.08%	4.38%	5.70%
10/25/2024	9.35%	4.39%	4.96%
10/25/2024	9.40%	4.39%	5.01%
10/31/2024	9.90%	4.39%	5.51%
11/6/2024	10.00%	4.40%	5.60%
11/7/2024	9.80%	4.40%	5.40%
11/7/2024	9.90%	4.40%	5.50%
11/7/2024	9.90%	4.40%	5.50%
11/18/2024	9.15%	4.40%	4.75%
11/18/2024	9.15%	4.40%	4.75%
11/20/2024	9.70%	4.40%	5.30%
11/21/2024	9.85%	4.40%	5.45%
11/21/2024	9.60%	4.40%	5.20%
11/21/2024	9.60%	4.40%	5.20%
12/19/2024	9.70%	4.42%	5.28%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/20/2024	9.80%	4.42%	5.38%
12/30/2024	9.75%	4.43%	5.32%
1/7/2025	9.80%	4.43%	5.37%
1/15/2025	9.90%	4.44%	5.46%
2/13/2025	9.60%	4.45%	5.15%
2/24/2025	9.50%	4.46%	5.04%
3/20/2025	9.75%	4.47%	5.28%
3/27/2025	9.84%	4.47%	5.37%
4/10/2025	9.90%	4.48%	5.42%
4/22/2025	9.80%	4.50%	5.30%
4/25/2025	9.95%	4.51%	5.44%
4/25/2025	9.95%	4.51%	5.44%
5/13/2025	9.80%	4.55%	5.25%
5/15/2025	9.75%	4.56%	5.19%
5/23/2025	9.50%	4.59%	4.91%
6/12/2025	9.50%	4.65%	4.85%
6/17/2025	9.80%	4.66%	5.14%
6/18/2025	9.60%	4.67%	4.93%
6/24/2025	9.55%	4.68%	4.87%
6/24/2025	9.65%	4.68%	4.97%
6/26/2025	9.79%	4.69%	5.10%
7/1/2025	9.75%	4.70%	5.05%
8/11/2025	9.75%	4.76%	4.99%
8/14/2025	9.50%	4.76%	4.74%

[6] Date of Electric Rate Case	[7] Return on Equity	[8] 30-Year Treasury Yield	[9] Risk Premium
8/14/2025	9.50%	4.76%	4.74%
8/26/2025	9.30%	4.79%	4.51%
8/29/2025	9.60%	4.79%	4.81%
9/30/2025	9.80%	4.80%	5.00%
10/7/2025	10.30%	4.79%	5.51%
10/8/2025	9.60%	4.79%	4.81%
10/24/2025	9.50%	4.78%	4.72%
11/4/2025	9.40%	4.77%	4.63%
11/5/2025	9.48%	4.77%	4.71%
11/6/2025	9.80%	4.77%	5.03%
11/6/2025	9.80%	4.77%	5.03%
11/19/2025	9.60%	4.78%	4.82%
11/19/2025	9.60%	4.78%	4.82%
11/19/2025	9.60%	4.78%	4.82%
11/20/2025	9.65%	4.78%	4.87%
11/20/2025	9.80%	4.78%	5.02%
12/4/2025	10.00%	4.78%	5.22%
12/9/2025	9.65%	4.79%	4.86%
12/9/2025	9.85%	4.79%	5.06%
12/17/2025	9.60%	4.79%	4.81%
12/17/2025	9.85%	4.79%	5.06%
12/18/2025	9.78%	4.79%	4.99%
12/23/2025	9.80%	4.80%	5.00%
12/30/2025	9.50%	4.80%	4.70%
1/7/2026	9.79%	4.81%	4.98%
1/22/2026	9.40%	4.81%	4.59%
2/5/2026	9.80%	4.81%	4.99%
2/10/2026	9.75%	4.81%	4.94%
2/16/2026	9.78%	4.80%	4.98%
2/19/2026	9.61%	4.80%	4.81%
3/27/2026	9.30%	4.79%	4.51%
5/21/2026	9.35%	4.80%	4.55%
		# of Cases:	1,399

CAPITAL STRUCTURE ANALYSIS

COMMON EQUITY RATIO [1]

Proxy Group Company	Ticker	2025	2024	2023	2022	2021	3-Yr Average	5-Yr Average
Atmos Energy Corp.	ATO	60.00%	60.26%	60.20%	60.01%	59.88%	60.15%	60.07%
New Jersey Resources Corporation	NJR	55.86%	55.92%	55.15%	53.98%	55.19%	55.64%	55.22%
NiSource Inc.	NI	55.83%	54.89%	55.44%	54.17%	54.85%	55.39%	55.04%
Northwest Natural Holding Co.	NWN	50.30%	49.60%	47.26%	53.27%	49.57%	49.06%	50.00%
ONE Gas, Inc.	OGS	59.76%	58.96%	60.41%	58.24%	61.09%	59.71%	59.70%
Southwest Gas Holdings, Inc.	OGS	50.52%	48.13%	47.45%	43.96%	50.70%	48.70%	48.15%
Spire, Inc.	OGS	53.85%	52.99%	51.91%	57.15%	55.30%	52.92%	54.24%
	OGS							
Proxy Group								
MEAN		55.16%	54.39%	53.98%	54.40%	55.23%	54.51%	54.63%
MEDIAN		55.83%	54.89%	55.15%	54.17%	55.19%	55.39%	55.04%
LOW		50.30%	48.13%	47.26%	43.96%	49.57%	48.70%	48.15%
HIGH		60.00%	60.26%	60.41%	60.01%	61.09%	60.15%	60.07%

COMMON EQUITY RATIO - UTILITY OPERATING COMPANIES [2]

Company Name	Ticker	2025	2024	2023	2022	2021	3-Yr Average	5-Yr Average
Atmos Energy Corporation	ATO	60.00%	60.26%	60.20%	60.01%	59.88%	60.15%	60.07%
New Jersey Natural Gas Company	NJR	55.86%	55.92%	55.15%	53.98%	55.19%	55.64%	55.22%
Columbia Gas of Kentucky, Incorporated	NI	53.65%	51.44%	53.66%	54.91%	53.87%	52.91%	53.51%
Columbia Gas of Maryland, Incorporated	NI	55.10%	52.00%	52.00%	51.96%	55.26%	53.03%	53.26%
Columbia Gas of Ohio, Inc.	NI	50.68%	50.27%	50.50%	50.67%	50.79%	50.48%	50.58%
Columbia Gas of Pennsylvania, Inc.	NI	56.22%	56.07%	55.88%	56.64%	56.05%	56.06%	56.17%
Columbia Gas of Virginia, Incorporated	NI	52.94%	44.58%	45.25%	44.25%	44.52%	47.59%	46.31%
Northern Indiana Public Service Company, LLC	NI	58.48%	58.24%	59.26%	56.92%	58.59%	58.66%	58.30%
Northwest Natural Gas Company	NWN	50.30%	49.60%	47.26%	53.27%	49.57%	49.06%	50.00%
Kansas Gas Service Company, Inc.	OGS	59.96%	59.53%	60.44%	58.37%	61.37%	59.98%	59.93%
Oklahoma Natural Gas Company	OGS	59.66%	59.23%	60.46%	58.26%	60.99%	59.78%	59.72%
Texas Gas Service Company, Inc.	OGS	59.73%	58.22%	60.35%	58.13%	60.98%	59.43%	59.48%
Southwest Gas Corporation	SWX	50.52%	48.13%	47.45%	43.96%	50.70%	48.70%	48.15%
Spire Alabama Inc.	SR	57.77%	55.84%	55.31%	61.18%	58.51%	56.31%	57.72%
Spire Gulf Inc.	SR	50.44%	48.89%	46.42%	51.61%	49.48%	48.58%	49.37%
Spire Mississippi Inc.	SR	NA	NA	NA	NA	NA	NA	NA
Spire Missouri Inc.	SR	52.43%	51.95%	50.66%	55.55%	53.96%	51.68%	52.91%
Operating Company								
MEAN		55.23%	53.76%	53.76%	54.35%	54.98%	54.25%	54.42%
MEDIAN		55.48%	53.92%	54.40%	55.23%	55.23%	54.34%	54.36%
LOW		50.30%	44.58%	45.25%	43.96%	44.52%	47.59%	46.31%
HIGH		60.00%	60.26%	60.46%	61.18%	61.37%	60.15%	60.07%

Notes:
Sources: Operating Company Annual LDC Reports; S&P Capital IQ
[1] Ratios are weighted by actual common equity and total long-term debt of operating subsidiaries.
[2] Spire Mississippi was excluded because it does not report long-term debt.

CAPITAL STRUCTURE ANALYSIS

LONG-TERM DEBT RATIO [1]

Proxy Group Company	Ticker	2025	2024	2023	2022	2021	3-Yr Average	5-Yr Average
Atmos Energy Corp.	ATO	40.00%	39.74%	39.80%	39.99%	40.12%	39.85%	39.93%
New Jersey Resources Corporation	NJR	44.14%	44.08%	44.85%	46.02%	44.81%	44.36%	44.78%
NiSource Inc.	NI	44.17%	45.11%	44.56%	45.83%	45.15%	44.61%	44.96%
Northwest Natural Holding Co.	NWN	49.70%	50.40%	52.74%	46.73%	50.43%	50.94%	50.00%
ONE Gas, Inc.	OGS	40.24%	41.04%	39.59%	41.76%	38.91%	40.29%	40.30%
Southwest Gas Holdings, Inc.	OGS	49.48%	51.87%	52.55%	56.04%	49.30%	51.30%	51.85%
Spire, Inc.	OGS	46.15%	47.01%	48.09%	42.85%	44.70%	47.08%	45.76%
Proxy Group								
MEAN		44.84%	45.61%	46.02%	45.60%	44.77%	45.49%	45.37%
MEDIAN		44.17%	45.11%	44.85%	45.83%	44.81%	44.61%	44.96%
LOW		40.00%	39.74%	39.59%	39.99%	38.91%	39.85%	39.93%
HIGH		49.70%	51.87%	52.74%	56.04%	50.43%	51.30%	51.85%

LONG-TERM DEBT RATIO - UTILITY OPERATING COMPANIES [2]

Company Name	Ticker	2025	2024	2023	2022	2021	3-Yr Average	5-Yr Average
Atmos Energy Corporation	ATO	40.00%	39.74%	39.80%	39.99%	40.12%	39.85%	39.93%
New Jersey Natural Gas Company	NJR	44.14%	44.08%	44.85%	46.02%	44.81%	44.36%	44.78%
Columbia Gas of Kentucky, Incorporated	NI	46.35%	48.56%	46.34%	45.09%	46.13%	47.09%	46.49%
Columbia Gas of Maryland, Incorporated	NI	44.90%	48.00%	48.00%	48.04%	44.74%	46.97%	46.74%
Columbia Gas of Ohio, Inc.	NI	49.32%	49.73%	49.50%	49.33%	49.21%	49.52%	49.42%
Columbia Gas of Pennsylvania, Inc.	NI	43.78%	43.93%	44.12%	43.36%	43.95%	43.94%	43.83%
Columbia Gas of Virginia, Incorporated	NI	47.06%	55.42%	54.75%	55.75%	55.48%	52.41%	53.69%
Northern Indiana Public Service Company, LLC	NI	41.52%	41.76%	40.74%	43.08%	41.41%	41.34%	41.70%
Northwest Natural Gas Company	NWN	49.70%	50.40%	52.74%	46.73%	50.43%	50.94%	50.00%
Kansas Gas Service Company, Inc.	OGS	40.04%	40.47%	39.56%	41.63%	38.63%	40.02%	40.07%
Oklahoma Natural Gas Company	OGS	40.34%	40.77%	39.54%	41.74%	39.01%	40.22%	40.28%
Texas Gas Service Company, Inc.	OGS	40.27%	41.78%	39.65%	41.87%	39.02%	40.57%	40.52%
Southwest Gas Corporation	SWX	49.48%	51.87%	52.55%	56.04%	49.30%	51.30%	51.85%
Spire Alabama Inc.	SR	42.23%	44.16%	44.69%	38.82%	41.49%	43.69%	42.28%
Spire Gulf Inc.	SR	49.56%	51.11%	53.58%	48.39%	50.52%	51.42%	50.63%
Spire Mississippi Inc.	SR	NA	NA	NA	NA	NA	NA	NA
Spire Missouri Inc.	SR	47.57%	48.05%	49.34%	44.45%	46.04%	48.32%	47.09%
Operating Company								
MEAN		44.77%	46.24%	46.24%			45.75%	
MEDIAN		44.52%	46.08%	45.60%			45.66%	
LOW		40.00%	39.74%	39.54%			39.85%	
HIGH		49.70%	55.42%	54.75%			52.41%	

Notes:
Sources: Operating Company Annual LDC Reports; S&P Capital IQ
[1] Ratios are weighted by actual common equity and total long-term debt of operating subsidiaries.
[2] Spire Mississippi was excluded because it does not report long-term debt.

Correction to Mr. Patel's Authorized Equity Ratio Analysis to Include only Investor Supplied Capital

State	Company	Parent Ticker	Docket No.	Requested ROE (%)	Requested Common Equity (%)	Authorized Date	Decision Type	Authorized ROE (%)	Authorized Common Equity (%)	I&E Proxy Group?	
Arizona	Southwest Gas Corp.	SWX	D-G-01551A-23-0341	9.65	48.50	3/27/2025	Settled	9.84	48.50	Y	
Arizona	UNS Gas Inc.	FTS	D-G-04204A-24-0237	10.25	55.55	2/19/2026	Fully Litigated	9.61	55.55		
California	Southern California Gas Co.	SRE	A-25-03-011	11.00	52.00	12/18/2025	Fully Litigated	9.78	52.00		
Connecticut	Yankee Gas Services Co.	ES	D-24-12-01	10.80	53.81	11/5/2025	Fully Litigated	9.48	53.00		
District of Columbia	Washington Gas Light Co.	ALA	FC-1180	10.50	52.49	11/20/2025	Fully Litigated	9.65	52.49		
Delaware	Chesapeake Utilities Corp.	CPK	D-24-0906	11.50	52.14	6/18/2025	Settled	9.60	52.00	Y	
Delaware	Delmarva Power & Light Co.	EXC	D-24-1044	10.65	50.51	12/17/2025	Settled	9.60	50.51		
Florida	Peoples Gas System	EMA	D-20250029-GU	10.91	NA	10/7/2025	Settled	10.30	54.70		[1]
Idaho	Avista Corp.	AVA	C-AVU-G-25-01	10.40	50.00	8/29/2025	Settled	9.60	50.00		
Idaho	Intermountain Gas Co.	MDU	C-INT-G-25-02	10.80	50.00	12/30/2025	Settled	9.50	50.00		
Illinois	Ameren Illinois	AEE	D-25-0084	10.70	52.00	11/19/2025	Fully Litigated	9.60	50.00		
Illinois	Northern Illinois Gas Co.	SO	D-25-0055	10.35	54.59	11/19/2025	Fully Litigated	9.60	50.00		
Kansas	Atmos Energy Corp.	ATO	D-26-ATMG-026-RTS	10.80	59.86	2/26/2026	Settled	NA	NA	Y	
Kansas	Black Hills Kansas Gas Utility	BKH	D-25-BHCG-298-RTS	10.50	50.44	7/24/2025	Settled	NA	NA		
Kentucky	Atmos Energy Corp.	ATO	C-2024-00276	10.95	60.88	8/11/2025	Fully Litigated	9.75	53.50	Y	
Kentucky	Delta Natural Gas Co.	WTRG	C-2024-00346	10.95	52.76	7/1/2025	Settled	9.75	52.76		
Kentucky	Duke Energy Kentucky Inc.	DUK	C-2025-00125	10.75	52.65	12/23/2025	Settled	9.80	52.65		
Kentucky	Louisville Gas & Electric Co.	PPL	C-2025-00114 (gas)	10.95	52.93	2/16/2026	Settled	9.78	53.00		
Louisiana	Delta North LA Gas Co LLC		D-U-37346 (Arkla)	NA	NA	4/25/2025	Fully Litigated	9.95	52.00		
Louisiana	Delta South LA Gas Co LLC		D-U-37345 (Entex)	NA	NA	4/25/2025	Fully Litigated	9.95	52.00		
Massachusetts	Boston Gas Co.	NG.	DPU 25-74	NA	NA	9/30/2025	Fully Litigated	NA	NA		
Massachusetts	Fitchburg Gas & Electric Light	UTL	DPU 25-24	NA	NA	6/20/2025	Fully Litigated	NA	NA		
Massachusetts	Liberty Utilities (NE Nat Gas)	AQN	DPU 25-85	9.90	52.88	3/27/2026	Settled	9.30	52.88		
Massachusetts	NSTAR Gas Co.	ES	DPU 25-53	NA	NA	10/29/2025	Settled	NA	NA		
Maryland	Columbia Gas of Maryland Inc	NI	C-9754	11.05	52.17	4/22/2025	Fully Litigated	9.80	52.17	Y	
Michigan	Consumers Energy Co.	CMS	C-U-21806	10.25	42.58	9/30/2025	Fully Litigated	9.80	50.00		[2]
Minnesota	CenterPoint Energy Resources	CNP	D-G-008/GR-23-173	10.30	52.49	5/29/2025	Settled	NA	NA		
Minnesota	Northern States Power Co.	XEL	D-G-002/GR-23-413	10.20	52.50	2/13/2025	Settled	9.60	52.50		
Missouri	Empire District Gas Co.	AQN	C-GR-2025-0212	NA	NA	5/22/2025	Withdrawn	NA	NA		
Missouri	Empire District Gas Co.	AQN	C-GR-2026-0059	NA	NA	10/28/2025	Withdrawn	NA	NA		
Missouri	Spire Missouri Inc.	SR	C-GR-2025-0107	10.50	55.00	9/3/2025	Settled	NA	NA	Y	
Missouri	Union Electric Co.	AEE	C-GR-2024-0369	10.25	52.00	7/16/2025	Settled	NA	NA		
Mississippi	Atmos Energy Corp.	ATO	D-2025-UN-59	10.41	60.00	11/4/2025	Fully Litigated	9.40	50.00	Y	
Montana	MDU Resources Group	MDU	D-2024-05-061	10.80	50.16	10/8/2025	Settled	9.60	50.16		
Montana	NorthWestern Energy Group	NWE	D-2024-05-053 (gas)	10.80	47.84	11/19/2025	Settled	9.60	47.84		
North Carolina	Piedmont Natural Gas Co.	DUK	D-G-9 Sub 837	10.50	53.00	1/7/2025	Settled	9.80	52.30		
North Carolina	Public Service Co. NC	ENB	D-G-5, Sub 686	10.60	56.67	12/9/2025	Settled	9.65	54.00		
Nebraska	Black Hills Nebraska Gas LLC	BKH	D-NG-124	10.50	50.52	12/9/2025	Settled	9.85	50.52		
Nebraska	NorthWestern Energy Group	NWE	D-NG-0122	10.70	53.13	6/24/2025	Settled	9.55	NA		

State	Company	Parent Ticker	Docket No.	Requested ROE (%)	Requested Common Equity (%)	Authorized Date	Decision Type	Authorized ROE (%)	Authorized Common Equity (%)	I&E Proxy Group?	
New Hampshire	Liberty Utilities EnergyNorth	AQN	D-DG-23-067	10.35	55.00	8/26/2025	Settled	9.30	52.00		
New York	Central Hudson Gas & Electric	FTS	24-G-0462	10.00	48.00	8/14/2025	Settled	9.50	48.00		
New York	Consolidated Edison Co.	ED	C-25-G-0073	10.00	48.00	1/22/2026	Settled	9.40	48.00		
New York	Corning Natural Gas Corp.		C-24-G-0447	10.40	48.00	6/12/2025	Settled	9.50	48.00		
New York	Niagara Mohawk Power Corp.	NG.	C-24-G-0323	10.00	48.00	8/14/2025	Settled	9.50	48.00		
New York	Orange & Rockland Utlts Inc.	ED	C-24-G-0061	10.25	50.00	3/20/2025	Settled	9.75	48.00		
Ohio	The East Ohio Gas Co.	ENB	C-23-0894-GA-AIR	9.85	58.00	6/26/2025	Fully Litigated	9.79	51.87		
Ohio	Vectren Energy Delivery OH LLC	CNP	C-24-0832-GA-AIR	10.40	54.13	1/7/2026	Settled	9.79	52.90		
Oklahoma	Oklahoma Natural Gas Co	OGS	Ca-PUD2025-000011	NA	NA	7/23/2025	Settled	NA	NA	Y	
Oregon	Avista Corp.	AVA	D-UG-519	10.40	50.00	5/23/2025	Settled	9.50	50.00		
Oregon	Northwest Natural Gas Co.	NWN	D-UG-520	10.40	52.00	10/24/2025	Settled	9.50	50.00	Y	
Pennsylvania	Columbia Gas of Pennsylvania	NI	D-R-2025-3053499	11.35	54.40	12/4/2025	Fully Litigated	10.00	54.40	Y	
Pennsylvania	PECO Energy Co	EXC	D-R-2026-3060860	10.95	53.40	4/30/2026	Withdrawn	NA	NA		
Pennsylvania	UGI Utilities Inc.	UGI	D-R-2024-3052716	11.20	54.11	9/11/2025	Settled	NA	NA		
Tennessee	Atmos Energy Corp.	ATO	D-25-00007 (ARM)	NA	61.05	7/15/2025	Settled	NA	61.05	Y	
Tennessee	Chattanooga Gas Co.	SO	D-25-00028 (ARM)	NA	49.23	9/29/2025	Settled	NA	NA		
Tennessee	Piedmont Natural Gas Co.	DUK	D-25-00036 (ARM)	NA	47.89	11/25/2025	Settled	NA	47.89		
Texas	Atmos Energy Corp.	ATO	D-OS-24-00019196	10.85	60.97	6/17/2025	Settled	9.80	60.97	Y	
Texas	Atmos Energy Corp.	ATO	D-OS-24-00018879	10.85	60.97	5/13/2025	Settled	9.80	60.97	Y	
Texas	Texas Gas Service Co.	OGS	D-OS-25-00028202	10.40	59.92	2/5/2026	Settled	9.80	59.92	Y	
Utah	Questar Gas Co.	ENB	D-25-057-06	10.60	53.00	12/24/2025	Settled	NA	NA		
Virginia	Columbia Gas of Virginia Inc	NI	C-PUR-2024-00030	10.85	42.76	5/15/2025	Settled	9.75	43.17	Y	
Virginia	Roanoke Gas Co.	RGCO	C-PUR-2024-00006	10.35	58.61	4/10/2025	Settled	9.90	58.18		
Virginia	Virginia Natural Gas Inc.	SO	C-PUR-2024-00048	10.45	54.92	12/17/2025	Settled	9.85	49.35		
Washington	Cascade Natural Gas Corp.	MDU	D-UG-240008	10.50	50.29	2/24/2025	Settled	9.50	49.50		
Washington	Puget Sound Energy Inc.		D-UG-240005	10.50	51.00	1/15/2025	Fully Litigated	9.90	50.00		
Wisconsin	Madison Gas & Electric Co.	MGEE	D-3270-UR-126 (Gas)	10.00	56.04	11/20/2025	Settled	9.80	56.05		
Wisconsin	Northern States Power Co.	XEL	D-4220-UR-127 (Gas)	10.00	53.50	11/6/2025	Fully Litigated	9.80	NA		
Wisconsin	Wisconsin Power & Light Co	LNT	D-6680-UR-125 (Gas)	9.90	55.27	11/6/2025	Settled	9.80	54.53		
West Virginia	Hope Gas Inc.		C-25-0417-G-42T	11.00	50.00	2/10/2026	Settled	9.75	NA		
Wyoming	MDU Resources Group	MDU	D-30013-415-GR-24	10.80	50.18	6/24/2025	Settled	9.65	50.18		
			Average	**10.54**	**52.80**		**Average**	**9.69**	**51.92**	**53.89**	*Proxy Avg*
							Low		43.17	15	*Count*
							High		61.05		
							Median		52.00		

Note: Revisions are highlighted

Sources:
I&E Exhibit 2, Schedule 2, page 17
[1] Florida Public Service Commission Order No. PSC-2025-0413-S-GU, at page 7.
[2] Michigan Public Service Commission Docket No. U-21860, Order at page 162, 181.

Count	
20	≤ 50% equity
32	> 50% equity
11	≥ 54% equity

61.54% > 50% equity
34.38% % of decisions >50% that are ≥ 54% equity

Proxy Group Current Authorized Equity Ratio by Jurisdiction

Ticker	Company Name	Docket Number	Jurisdiction	Date Authorized	Current Authorized Equity Ratio	
ATO	Atmos Energy Corporation					
	Colorado Division	D-25AL-0499G	CO	5/21/2026	54.00%	
	Kansas Division	D-23-ATMG-359-RTS	KS	5/9/2023	NA	
	Kansas Division	D-19-ATMG-525-RTS	KS	2/24/2020	56.32%	
	Kentucky Division	C-2024-00276	KY	8/11/2025	53.50%	
	Louisiana Division	C-2024-00277	LA	7/21/2025	58.00%	[1]
	Mississippi Division	C-2024-00278	MS	11/4/2025	50.00%	
	Tennessee Division	C-2024-00279	TN	7/15/2025	61.05%	
	West Texas Division	OS-24-00018879 [2]	TX RRC	5/13/2025	60.97%	
	Mid-Tex (Environs)	OS-24-00019196	TX RRC	6/17/2025	60.97%	
	Mid-Tex (Cities)	[2]	TX RRC	10/1/2023	58.00%	
	Mid-Tex (Dallas)	[2]	TX RRC	6/1/2024	60.00%	
	Mid-Tex (ATM Cities)	[2]	TX RRC	6/17/2025	61.00%	
	Virginia Division	PUR-2023-00008	VA	5/13/2024	60.59%	
NI	NiSource Inc.					
	Columbia Gas of Kentucky, Incorporated	C-2024-00092	KY	12/30/2024	52.64%	
	Columbia Gas of Maryland, Incorporated	C-9754	MD	4/22/2025	52.17%	
	Columbia Gas of Ohio, Inc.	C-21-0637-GA-AIR	OH	1/26/2023	50.60%	
	Columbia Gas of Pennsylvania, Inc.	D-R-2025-3053499	PA	12/4/2025	54.40%	
	Columbia Gas of Virginia, Incorporated	C-PUR-2024-00030	VA	5/15/2025	43.17%	[3]
	Northern Indiana Public Service Company	Ca-45967	IN	7/31/2024	58.51%	[4]
NJR	New Jersey Resources Corporation					
	New Jersey Natural Gas Company	D-GR24010071	NJ	11/21/2024	54.00%	
NWN	Northwest Natural Holding Company					
	Northwest Natural Gas Company	D-UG-520	OR	10/24/2025	50.00%	
	Northwest Natural Gas Company	D-UG-200994	WA	10/21/2021	NA	
	Northwest Natural Gas Company	D-UG-181053	WA	10/21/2019	49.00%	
OGS	ONE Gas, Inc.					
	Kansas Gas Service Company, Inc.	D-24-KGSG-610-RTS	KS	10/3/2024	NA	
	Oklahoma Natural Gas Company	Ca-PUD2025-000011	OK	7/23/2025	NA	
	Oklahoma Natural Gas Company	Ca-PUD202200023	OK	11/29/2022	NA	
	Oklahoma Natural Gas Company	Ca-PUD202100063	OK	11/30/2021	58.55%	
	Texas Gas Service Company, Inc.	D-OS-25-00028202	TX RRC	2/5/2026	59.92%	
SR	Spire Inc.					[5]
	Spire Alabama Inc.	D-18328	AL	9/30/2022	55.50%	
	Spire Missouri Inc.	C-GR-2025-0107	MO	9/3/2025	NA	
	Spire Missouri Inc.	C-GR-2021-0108	MO	10/27/2021	49.86%	
	Spire Mississippi	D-2015-UN-109	MS	12/2/2022	50.00%	
	Spire Gulf Inc.	D-28101	AL	9/30/2021	55.50%	
SWX	Southwest Gas Holdings Inc.					
	Arizonia Division	D-G-G-01551A-23-0341	AZ	3/27/2025	48.50%	
	California Division (SoCal)	A-19-08-015 (SoCal)	CA	3/25/2021	52.00%	
	California Division (NoCal)	A-19-08-015 (NoCal)	CA	3/25/2021	52.00%	
	California Division (LkTah)	A-19-08-015 (LkTah)	CA	3/25/2021	52.00%	
	Nevada Division (Northern)	D-23-09012 (Northern)	NV	4/8/2024	50.00%	
	Nevada Division (Southern)	D-23-09012 (Southern)	NV	4/8/2024	50.00%	
	Average				54.32%	
	Median				54.00%	
	High				61.05%	
	Low				43.17%	
	Count≥54.00%				17	
	Total Count				33	
	Percentage ≥54.00%				52%	

Source: Regulatory Research Associates; SEC Form 10-K for ATO and SR
If the capital structure was not determined in the most recent rate proceeding, the authorized equity ratio determined in the next most recent proceeding with a determination was used.

Notes:

[1] Atmos' Louisiana jurisdiction is authorized through rate stabilization clause (RSC) proceedings, not a general rate case

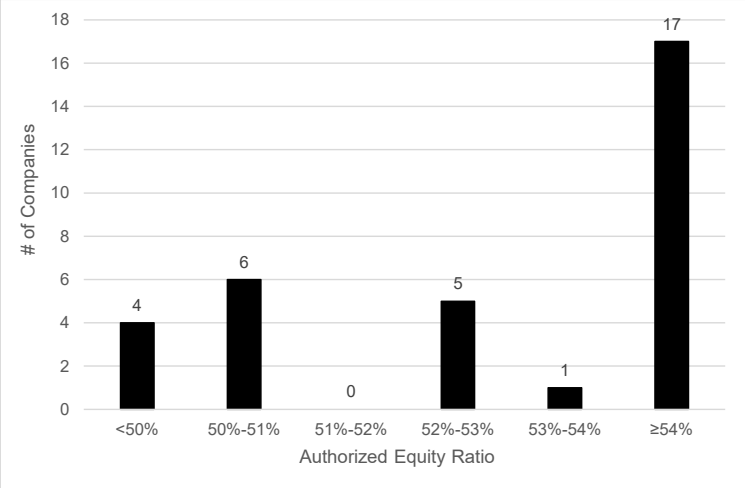
[2] Gas utilities regulated by the Texas Rail Road Commission (RRC) have a general rate case only if they are unable to reach a settlement with the cities and unincorporated areas ("environs") within their service territories. Current authorized equity ratio for Atmos Texas' territories is published in ATO's December 2025 Investor Presentation and 2024 10-K.

[3] Calculated using investor-supplied capital sources only. Columbia Gas of Virginia's authorized capital structure includes 7.316% short-term debt, 47.348% long-term debt, 2.166% preferred stock, 43.147% common equity and 0.023% Job Development Credits.

[4] Calculated using investor-supplied capital sources only. Indiana includes non-investor supplied capital in the ratemaking capital structure reported by RRA. Including non-investor supplied capital, NIPSCO's authorized equity ratio is 52.39%.

[5] Source: Spire, Inc. 2025 Investor Presentation and 2024 10-K; authorized equity ratios in Spire's AL and MS jurisdictions are authorized through rate stabilization proceedings, not general rate cases.

Equity Ratio	Count
<50%	4
50%-51%	6
51%-52%	0
52%-53%	5
53%-54%	1
≥54%	17



Adjustments to Mr. Garrett's Implied Equity Risk Premium Calculation

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Year	Market Value	Operating Earnings	Dividends	Buybacks	Earnings Yield	Dividend Yield	Buyback Yield	Gross Cash Yield
2014	18,245	1,004	350	553	5.50%	1.92%	3.03%	4.95%
2015	17,900	885	382	572	4.95%	2.14%	3.20%	5.33%
2016	19,268	920	397	536	4.77%	2.06%	2.78%	4.85%
2017	19,268	1,066	420	519	5.53%	2.18%	2.70%	4.87%
2018	19,268	1,282	456	806	6.65%	2.37%	4.19%	6.55%
2019	19,268	1,305	485	729	6.77%	2.52%	3.78%	6.30%
2020	31,659	1,019	480	520	3.22%	1.52%	1.64%	3.16%
2021	40,356	1,739	511	882	4.31%	1.27%	2.18%	3.45%
2022	32,133	1,656	565	923	5.15%	1.76%	2.87%	4.63%
2023	36,870	1,790	588	795	4.85%	1.60%	2.16%	3.75%
2024	49,805	1,967	630	943	3.95%	1.26%	1.89%	3.16%

Growth Rates				
Market Value	Operating Earnings	Dividends	Buybacks	Average
-1.89%	-11.83%	9.10%	3.41%	
7.65%	3.89%	3.90%	-6.25%	
0.00%	15.89%	5.68%	-3.17%	
0.00%	20.23%	8.70%	55.26%	
0.00%	1.79%	6.39%	-9.63%	
64.31%	-21.89%	-1.05%	-28.69%	
27.47%	70.61%	6.42%	69.66%	
-20.38%	-4.78%	10.43%	4.65%	
14.74%	8.11%	4.19%	-13.82%	
35.08%	9.90%	7.04%	18.54%	
12.70%	9.19%	6.08%	9.00%	9.24%

Cash Yield	4.64%	[9]
Growth Rate	9.24%	[10]
Risk-free Rate	5.02%	[11]
Current Index Value	7,409	[12]

	[13]	[14]	[15]	[16]	[17]
Year	1	2	3	4	5
Expected Dividends	375	410	448	489	534
Expected Terminal Value					10338
Present Value	340	336	332	329	6614

Intrinsic Index Value	7951	[18]
Required Return on Market	**10.4%**	[19]
Implied Equity Risk Premium	**5.4%**	[20]

76.92% % Terminal Value

Note: Revisions are highlighted

[1-4] S&P Quarterly Press Releases, data found at https://us.spindices.com/indices/equity/sp-500 (additional info tab) (all dollar figures are in $ billions)
[1] Market value of S&P 500
[5] = [2] / [1]
[6] = [3] / [1]
[7] = [4] / [1]
[8] = [6] + [7]
[9] = Average of [8]
[10] Average arithmetic growth rate (Market Value, Operating Earnings, Dividends, Buybacks)
[11] Risk-free rate from DJG risk-free rate exhibit
[12] 30-day average of closing index prices from DJG stock price exhibit
[13-16] Expected dividends = [9]*[12]*(1+[10])^n ; Present value = expected dividend / (1+[11]+[19])^n
[17] Expected terminal value = expected dividend * (1+[11]) / [19] ; Present value = (expected dividend + expected terminal value) / (1+[11]+[19])^n
[18] = Sum([13-17]) present values.
[19] = [20] + [11]
[20] Internal rate of return calculation setting [18] equal to [12] and solving for the discount rate

Adjustments to Mr. Patel's CAPM Forecasted Market Return

Required Rate of Return on Market as a Whole Forecasted

		[1] Projected Dividend Yield		[2] Growth Rate		[3] = [1] + [2] Expected Market Return	
	Value Line Estimate	1.47%	[1]	14.82%	[2]	16.29%	[3]
[4]	S&P 500 Historical Return					12.35%	[4]
[5]	Average Expected Market Return				=	**14.32%**	[5]

Sources:

[1] Value Line Screener
[2] Value Line Screener
[3] Equals [1] + [2]
[4] I&E Exhibit No. 2, Schedule 9
[5] Equals average of [3] and [4]

Adjusted Input

Adjusted Patel Capital Asset Pricing Model with Forecasted Return

Scenario 1: Adjusted Risk-free Rate and Market Return Estimate

CAPM with Forecasted Return

Re		Required return on individual equity security
Rf		Risk-free rate
Rf		Required return on the market as a whole
Rf		Beta on individual equity security
Rf		
Re	=	Rf + Be(Rm - Rf)

Rf	=	4.78	%
Rm	=	14.32	%
Be	=	0.77	
Re	=	**12.11**	%

Sources:

Rf Blue Chip Financial Forecasts, Vol. 45, No. 5, May 1, 2026, at 2 and Vol. 44, No.12, December 1, 2025 at 14. Uses Mr. Patel's methodology (I&E Exhibit No. 2, Schedule 8) and 30-Yr Treasury Bond yields.

Rm Exhibit JEN-10R, page 1

Be I&E Exhibit No. 2, Schedule 7

Patel Forecasted CAPM ROE (%)	10.28
Basis Point Delta	183

Adjusted Input

Adjusted Patel Capital Asset Pricing Model with Forecasted Return

Scenario 2: Adjusted Risk-free Rate only

CAPM with Forecasted Return

Re		Required return on individual equity security
Rf		Risk-free rate
Rm		Required return on the market as a whole
Be		Beta on individual equity security
Re	**=**	Rf + Be(Rm - Rf)
Rf	**=**	4.78 %
Rm	**=**	12.09 %
Be	**=**	0.77
Re	**=**	**10.40** %

Sources:

Rf Blue Chip Financial Forecasts, Vol. 45, No. 5, May 1, 2026, at 2 and Vol. 44, No.12, December 1, 2025 at 14. Uses Mr. Patel's methodology (I&E Exhibit No. 2, Schedule 8) and 30-Yr Treasury Bond yields.

Rm I&E Exhibit No. 2, Schedule 10

Be I&E Exhibit No. 2, Schedule 7

Patel Forecasted CAPM ROE (%)	10.28
Basis Point Delta	12

Adjusted Input

Adjusted Patel Capital Asset Pricing Model with Forecasted Return

Scenario 3: Adjusted Market Return Estimate only

CAPM with Forecasted Return

Re		Required return on individual equity security
Rf		Risk-free rate
Rm		Required return on the market as a whole
Be		Beta on individual equity security
Re	=	Rf + Be(Rm - Rf)
Rf	=	4.23 %
Rm	=	14.32 %
Be	=	0.77
Re	=	**11.99** %

Sources:

Rf I&E Exhibit No. 2, Schedule 8
Rm Exhibit JEN-10R, page 1
Be I&E Exhibit No. 2, Schedule 7

Patel Forecasted CAPM ROE (%)	10.28
Basis Point Delta	171

Adjusted Input

Illustrative Example: Flotation Cost Recovery

Return on Equity	11.25%
Flotation Costs	2.62%
Market Value/Share	$ 35.00
Dividend Yield	4.50%
Growth Rate	6.75%
Adjusted ROE	6.75%
Flotation Cost Recovery:	6.75%
DCF Estimate	6.75%

	Common Stock	Retained Earnings	Book Value	Market Price	Market/ Book Value	Earnings Per Share	Dividends Per Share	Payout Ratio
1	$ 34.08		$ 34.08	$ 35.00	1.0269	$ 3.83	$ 1.58	41.08%
2	$ 34.08	$ 2.26	$ 36.34	$ 37.32	1.0269	$ 4.09	$ 1.68	41.08%
3	$ 34.08	$ 4.67	$ 38.75	$ 39.79	1.0269	$ 4.36	$ 1.79	41.08%
4	$ 34.08	$ 7.24	$ 41.32	$ 42.43	1.0269	$ 4.65	$ 1.91	41.08%
5	$ 34.08	$ 9.98	$ 44.06	$ 45.24	1.0269	$ 4.96	$ 2.04	41.08%
6	$ 34.08	$ 12.90	$ 46.98	$ 48.24	1.0269	$ 5.29	$ 2.17	41.08%
7	$ 34.08	$ 16.01	$ 50.10	$ 51.44	1.0269	$ 5.64	$ 2.31	41.08%
8	$ 34.08	$ 19.33	$ 53.42	$ 54.85	1.0269	$ 6.01	$ 2.47	41.08%
9	$ 34.08	$ 22.87	$ 56.96	$ 58.49	1.0269	$ 6.41	$ 2.63	41.08%
10	$ 34.08	$ 26.65	$ 60.73	$ 62.37	1.0269	$ 6.83	$ 2.81	41.08%
	Growth Rate		6.63%	6.63%		6.63%	6.63%	

Return on Equity	11.25%
Flotation Costs	2.62%
Market Value/Share	$ 35.00
Dividend Yield	4.50%
Growth Rate	6.75%
Adjusted ROE	11.37%
Flotation Cost Recovery:	**Yes**
DCF Estimate	**11.25%**

	Common Stock	Retained Earnings	Book Value	Market Price	Market/ Book Value	Earnings Per Share	Dividends Per Share	Payout Ratio
1	$ 34.08		$ 34.08	$ 35.00	1.0269	$ 3.88	$ 1.58	40.64%
2	$ 34.08	$ 2.30	$ 36.38	$ 37.36	1.0269	$ 4.14	$ 1.68	40.64%
3	$ 34.08	$ 4.76	$ 38.84	$ 39.88	1.0269	$ 4.42	$ 1.79	40.64%
4	$ 34.08	$ 7.38	$ 41.46	$ 42.58	1.0269	$ 4.71	$ 1.92	40.64%
5	$ 34.08	$ 10.18	$ 44.26	$ 45.45	1.0269	$ 5.03	$ 2.05	40.64%
6	$ 34.08	$ 13.16	$ 47.25	$ 48.52	1.0269	$ 5.37	$ 2.18	40.64%
7	$ 34.08	$ 16.35	$ 50.44	$ 51.79	1.0269	$ 5.74	$ 2.33	40.64%
8	$ 34.08	$ 19.76	$ 53.84	$ 55.29	1.0269	$ 6.12	$ 2.49	40.64%
9	$ 34.08	$ 23.39	$ 57.48	$ 59.02	1.0269	$ 6.54	$ 2.66	40.64%
10	$ 34.08	$ 27.27	$ 61.36	$ 63.01	1.0269	$ 6.98	$ 2.84	40.64%
	Growth Rate		6.75%	6.75%		6.75%	6.75%	

PEOPLES TO CAUSE -PA III-1:

Please refer to CAUSE-PA Statement No. 1, pages 13-15 (Cicero testimony). Did Mr. Cicero evaluate whether any other utility companies also have "modifications to traditional ratemaking" that mitigate regulatory lag? If so, please provide all analyses Mr. Cicero performed, or reports relied upon, regarding mechanisms that modify traditional ratemaking that are employed by other utility companies.

RESPONSE:

Many other gas utilities in Pennsylvania use the modifications allowed by the Public Utility Code to reduce regulatory lag, including filing a rate case using a Fully Projected Future Test Year, the use of alternative ratemaking mechanisms such as a Weather Normalization Adjustment (WNA), and the use of a Distribution System Improvement Charge (DSIC) between rate cases. The combination of these is common, but not universal. For example, PECO Gas does not have an approved WNA, and Columbia Gas has not historically utilized DSIC. Electric and water/wastewater utilities also use these and other methods.

Mr. Cicero's testimony outlines his analysis of these issues, and he has not relied on specific reports about these or other modifications to ratemaking in the preparation of his testimony.

Response Prepared by or under the supervision of Patrick M. Cicero.

Dated: July 10, 2026

PEOPLES STATEMENT NO. 16-R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
	)	
vs.	)	Docket No. R-2026-3060855
	)	
	)	
Peoples Natural Gas Company, LLC	)	

DIRECT TESTIMONY OF

JOHN J. SPANOS

ON BEHALF OF

PEOPLES NATURAL GAS COMPANY, LLC

July 16, 2026

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I. INTRODUCTION

Q. Please state your name and address.

A. John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg, Pennsylvania, 17050 (formerly 207 Senate Avenue, Camp Hill, Pennsylvania, 17011).

Q. With what firm are you associated and in what capacity?

A. I am associated with the firm of Gannett Fleming Valuation and Rate Consultants, LLC (Gannett Fleming), a subsidiary of GFT Infrastructure, Inc., as President.

Q. Are you the same John J. Spanos that submitted direct testimony in this proceeding?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony responds to the depreciation-related testimony of David J. Garrett on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). Mr. Garrett has proposed the use of the Average Life Group ("ALG") procedure to calculate depreciation expense and depreciation annual accrual rates in an effort to provide what he deems "fairer depreciation rates"[1] than those based on the Equal Life Group ("ELG") method that is used in the Company's depreciation rates. Additionally, I will address Mr. Garrett's proposal for a different life estimate for Account 380.00, Services.

Q. Please summarize your rebuttal testimony.

[1] OCA Statement 3, p. 74, lines 7-8

A. Mr. Garrett has proposed a reduction in depreciation expense of $36.8 million based on an issue that the Commission has already clearly addressed and decided consistently for almost 40 years. The issue relates to the depreciation procedure that Peoples Natural Gas Company ("PNG" or "Company") has been utilizing for developing depreciation rates and expense for 40 years. Peoples Natural Gas uses the ELG procedure instead of the ALG procedure for most vintages. The Average Life Group procedure is most commonly identified in Pennsylvania as the Average Service Life ("ASL") procedure. The use of the ELG procedure was established with the Pennsylvania Public Utility Commission ("PUC") during the 1980s and has been used by most utilities within the Commonwealth of Pennsylvania to calculate depreciation expense and annual depreciation accrual rates since that time spanning a period of approximately 40 years.

In my testimony, I will address the following topics. First, I will explain Mr. Garrett's lack of understanding of how depreciation expense and annual depreciation accrual rates are calculated within the confines of a rate case in the State of Pennsylvania. Second, I will explain the impact of proposing such an excessive reduction of depreciation expense to the Company without any change in operation or practice. Third, I will address how Mr. Garrett's proposed depreciation rates and his perspective on his justification of those rates are completely misinformed. Mr. Garrett clearly ignores all of the components of how depreciation rates are established in Pennsylvania and quite disturbingly is selective on following the proper concepts of depreciation. Fourth, I will explain why the recent decisions regarding ELG in other state jurisdictions that Mr. Garrett

uses to support his ALG proposal are not applicable in this case. Fifth, I will address the proper life estimate for Account 380.00, Services. And lastly, I will show that the Company's proposed composite annual depreciation accrual rate of 2.56% calculated as of December 31, 2027 is consistent with the range of composite annual depreciation accrual rates of other gas distribution utilities within the United States regardless of the depreciation procedure utilized.

II. EQUAL LIFE GROUP VERSUS AVERAGE LIFE GROUP

Q. What is the equal life group procedure?

A. For the ELG procedure, a group of property (e.g., a vintage within a property account) is subdivided into groups having equal service lives. The size of these "equal life groups" is based on the estimated survivor characteristics of the account. Depreciation can then be calculated for each equal life group based on the straight line method, meaning that an equal amount of the group's service value is recorded as depreciation expense in each year of service. The total depreciation for an account is then the summation of the calculated depreciation for each equal life group. Based on the survivor curve estimate for an account, the ELG procedure mathematically estimates the life for each unit in the account, and then depreciates each unit over its expected life. The procedure is also known as the Unit Summation Procedure.

Q. How does the ELG procedure differ from the ASL (also referred to as ALG) procedure?

While the ELG procedure calculates depreciation for each equal life group, the ASL (or ALG) procedure depreciates every asset within an account over the average life of the entire account. Using equal life groups, rather than an average life, as the basis for depreciation provides a more precise calculation that better matches recovery with consumption of assets by depreciating assets that have shorter lives than the average over their shorter lives (and the longer-lived assets over their longer lives) rather than depreciating all assets over the average life for the group.

Q. Is ELG supported by depreciation authorities?

A. Yes. ELG is discussed and supported in authoritative depreciation texts and academic literature. For example, Robley Winfrey, who developed the Iowa survivor curves at Iowa State University and is regarded as a pioneer of utility depreciation practices, referred to the ELG procedure as "the only mathematically correct procedure."[2]

Depreciation Systems by Wolf and Fitch, also supports the appropriateness of ELG stating, "Application of the equal life group procedure is generally considered to better match the consumption of capital with service provided than does application of the average life procedure."[3]

Q. Please explain how depreciation is determined using the ELG procedure.

[2] Robley Winfrey, Depreciation of Group Properties, Bulletin 155 (Ames, IA: Iowa State University Press, 1942, reprinted 1969); p. 71

[3] Frank K. Wolf and W. Chester Fitch, *Depreciation Systems* (Ames, IA: Iowa State University Press, 1994); p.75

A. A simple two-unit example will demonstrate how the ELG procedure more appropriately matches cost recovery to consumption than the ASL procedure. In this example, each unit costs $1,000. Unit A will be in service for 5 years, and unit B will be in service for 15 years. There is no net salvage for these units.

For the ASL procedure, the average service life for the two units is 10 years ([5+15]/2), so the annual depreciation rate is 10% (1/10) throughout the lives of both units. For the first five years, the total annual depreciation amount is $200 ($2,000 x 10%). At the end of year 5, the total in annual accruals for the account is $1,000 ($200 x 5). Unit A is then retired, which results in a reduction in the plant in service and accumulated depreciation of $1,000, consistent with established plant retirement procedure. At the start of year 6, Unit B remains in service with an accumulated depreciation balance of $0. At this point, one-third of Unit B's service life has expired, and its full original cost must still be recovered.

For the remaining 10 years, $100 ($1,000 x 10%) of annual expense is accumulated in depreciation, for a total of $1,000 when Unit B is retired. Thus, at the time of Unit B's retirement, the Company will have fully recovered the total depreciable cost of both units. However, at the end of year five, only one unit remained in service with two-thirds of its life expectancy left but with 100% of that unit's original investment still to be recovered. As a result, the ASL procedure is ineffective in matching cost recovery to the actual consumption of the asset. This is a characteristic deficiency of the ASL procedure.

When depreciation is determined using the ELG procedure, the pattern of cost recovery better matches actual consumption. Using the same two-unit

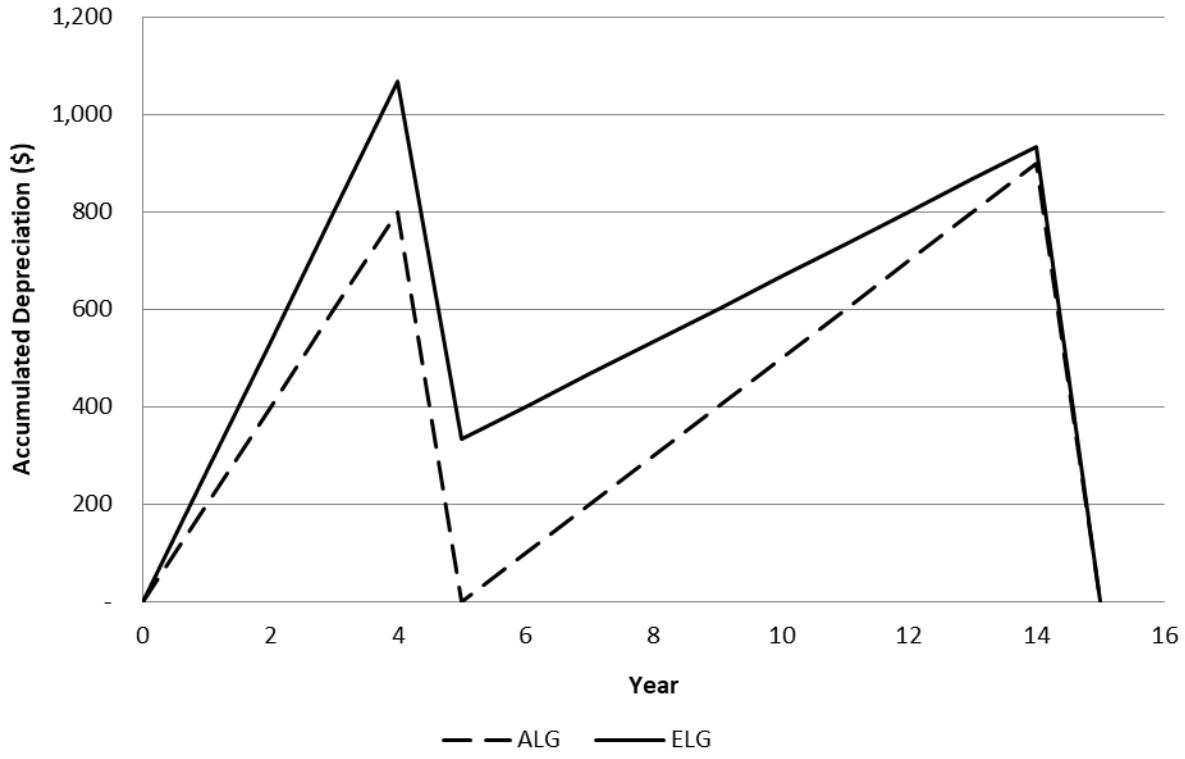
example, the annual depreciation expense under the ELG procedure is calculated by summing the annual expense for each equal life group. In this case, there are two equal life groups – one for Unit A, which has a life of 5 years, and one for Unit B, which has a life of 15 years. The annual depreciation rate for Unit A is 20% (1/5) and for Unit B is 6.67% (1/15). Thus, the annual accruals for years 1 through 5 will be $200 ($1,000 x 20%) for the first equal life group (Unit A) summed with $66.67 ($1,000 x 6.67%) for the second (Unit B), or $266.67. At the end of year 5, when Unit A is retired, the total accruals would be $1,333.33 ($266.67 x 5). The retirement of Unit A results in a reduction of $1,000 in accumulated depreciation, and at the start of year 6, the $1,000 original cost of Unit B remains with $333.33 in accumulated depreciation. Thus, with one-third of Unit B's life consumed, accumulated depreciation is exactly one-third of the original cost for this unit.

In the years 6 through 15, the annual depreciation expense is $66.67 for a total of $666.67 over the 10-year period. After the retirement of Unit B, the accumulated depreciation is $0 ($1,000 of accruals less the $1,000 retirement of Unit B), and the full recovery of both units has been obtained.

As this example shows, the ELG procedure better matches the cost recovery of both units with their actual service lives. Figure 1 below provides a graph of the accumulated depreciation for both procedures. The end of year 5 provides the best illustration of the difference between the two procedures. Under the ELG procedure, Unit A is fully recovered when retired at the end of year 5; Unit B is one-third through its service life and has had one-third of its cost recovered. This contrasts with the ASL procedure, in which accumulated depreciation is $0 at the

end of year 5, even though the only unit remaining in service has consumed one-third of its service life. Clearly, the ELG procedure provides a better match regarding the consumption of the service value for the two units. Additionally, rate base under ELG at the end of year 5 is $667 (=$1,000-$333) versus $1,000 (=$1,000 - $0) under ASL.

Figure 1. Comparison of Accumulated Depreciation Using the ALG and ELG Procedures



Q. You have provided a simple two-unit example demonstrating how ELG works. Do the same principles apply to larger property groups with many units?

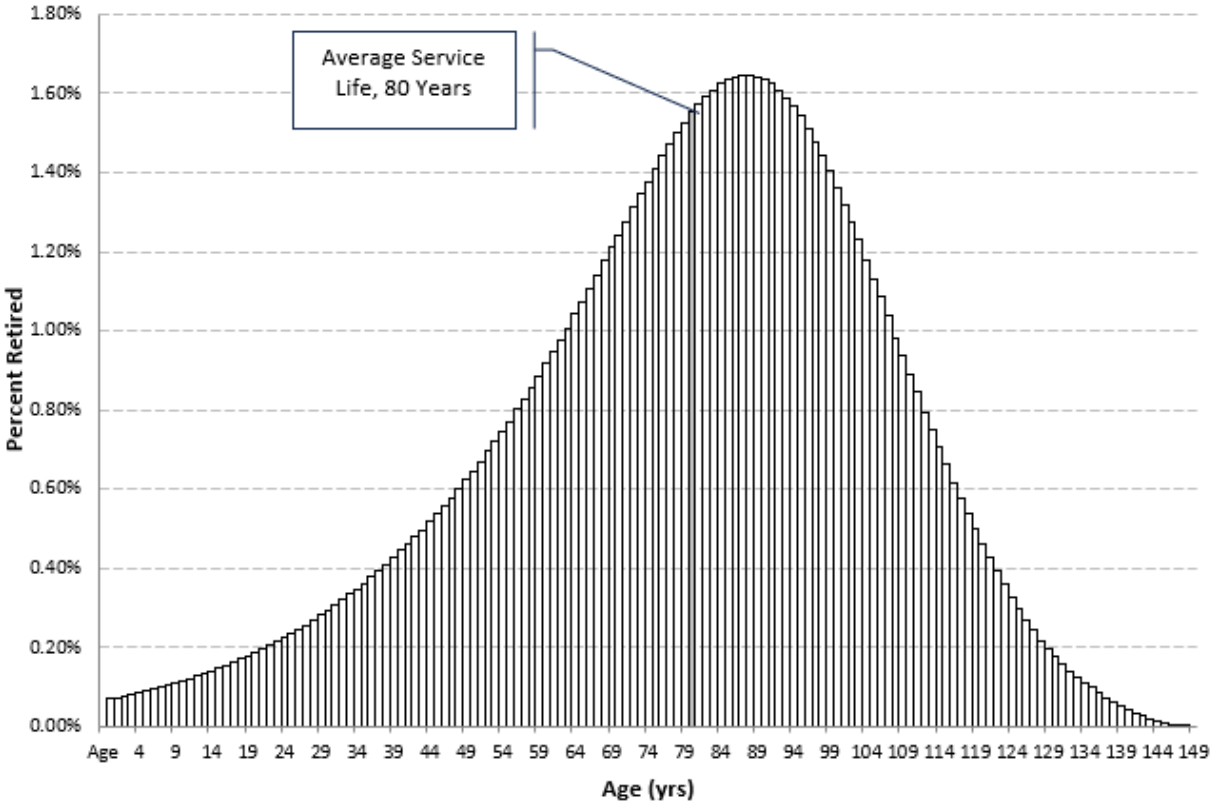
A. Yes. The same principles apply when the ELG procedure is applied to a large group of property with many units, as is typical of utility property. The survivor curve

estimated for each property account can be used to divide an account into equal life groups. The survivor curve allows for the calculation of the percentage of the property account that is in each equal life group, which allows for the calculation of ELG annual depreciation accruals for the entire property group. Under the ASL procedure, the depreciation expense for all property in the account is calculated based on the average service life for the entire group.

The ELG procedure recognizes the reality of dispersion. Specifically, it recognizes that in actual utility operations only a very small percentage of the account will be retired at the average service life. Figure 2 below is a chart of the frequency curve for the 80-R2.5 survivor curve. The frequency curve shows the percentage of property in this account that will be retired at each age, based on the estimated survivor curve. This percentage is also the size of each equal life group.

The shaded bar in Figure 2 represents the percentage of property that will have a life of 80 years. In other words, this shows the percentage of property that is expected to be in service for the average service life. Only 1.55% of the assets will be in service for exactly 80 years. In contrast, a majority, 98.45%, of the assets will have a service life different than 80 years.

Figure 2. Percent Retired by Age Based on 80-R2.5 Survivor Curve



The ELG procedure recognizes this dispersion and allocates costs for each equal life group over the expected life for that group. The service lives indicated by the 80-R2.5 survivor curves range from 1 year to 147 years. As a result, the ELG procedure allocates cost in a manner that approximates the result of each asset being depreciated over its actual life. Conversely, the ASL procedure depreciates every unit of property within an account over the same life, that is, the average life. As Figure 2 shows, this average life will be incorrect most of the time – in this example, the average life will be the wrong life for 98.45% of the individual assets.

Just as in the case for the two-unit example provided above, the ELG procedure better matches capital recovery with the actual lives forecast by the estimated survivor curve.

III. PENNSYLVANIA PRECEDENT

Q. Is the ELG procedure supported by other depreciation authorities?

A. Yes. ELG is discussed and supported in authoritative depreciation texts and academic literature. As noted previously, Robley Winfrey, who developed the Iowa survivor curves that are universally used in estimating service lives based on historical retirement data, referred to the ELG procedure as "the only mathematically correct procedure." [4]

Q. Has the ELG procedure been previously adopted in Pennsylvania?

A. Yes. ELG is the predominant method used in Pennsylvania for many years. Most Pennsylvania gas, electric and water utilities have used the ELG procedure since the 1980s. ELG was adopted for Peoples Natural Gas in the 1980s related to vintages from the previous rate case and has been used for depreciation since this approval.[5] Generally, every five years beginning in the mid-1980s, the Company has filed a service life study report with the Commission for approval based on Commission regulations. In 2023, Peoples Natural Gas submitted its most recent five-year service life study report to the Commission and all depreciation parameters and methods, including the use of the ELG procedure, were approved. Additionally, PNG submits annual depreciation reports to the Commission each year updating the Company's depreciation accrual rates for book purposes as well as identifying the underlying depreciation parameters and calculation methods

[4] Robley Winfrey, Depreciation of Group Properties, Bulletin 155 (Ames, IA: Iowa State University Press, 1942, reprinted 1969); p. 71

[5] ELG was adopted for many Pennsylvania utilities on a go-forward basis. For this reason, vintages of plant subsequent to the adoption of ELG use ELG while older vintages use ASL. For Peoples Natural Gas, vintages 1983 and subsequent use ELG and vintages 1982 and prior use ASL.

and procedures used to determine depreciation expense. Under the Commission's regulation 52 Pa. Code §73.9(c), once such depreciation reports are filed and accepted "*[i]n subsequent ratemaking proceedings, the most recent annual depreciation report or service life study approved or deemed approved for accounting purposes only under this chapter, constitutes a rebuttable presumption as to the reasonableness of the accrued depreciation claimed for ratemaking purposes, and the burden of proving the unreasonableness of the accrued depreciation shall be on the challenging party*."

Q. Are the Company's current depreciation rates based on the ELG procedure?

A. Yes. The Company's most recent annual depreciation report was filed on June 30, 2026 and most recent service life study was filed in August 2023. All have been approved for accounting purposes using the ELG procedure. The ELG procedure was also adopted in the most recent rate case, Docket No. R-2023-3044549, for the appropriate vintages.

Q. Since the use of ELG is the predominant and longstanding practice in Pennsylvania, has Mr. Garrett provided evidentiary support for his recommendation that the Company should deviate from this practice?

A. No. None of Mr. Garrett's arguments support overturning longstanding precedent despite having the burden of doing so under 52 Pa. Code §73.9(c). He appears to disagree with ELG simply because it can produce higher depreciation rates, but he provides no evidence for why lower depreciation rates are more appropriate or "fairer" as he describes it.

Mr. Garrett has not supported his claim that the Company's approved depreciation rates or calculation procedures, which are based on longstanding precedent, are unreasonable. Further, Mr. Garrett ignores the issue of precedent, in effect only arguing that his proposal should be adopted because it results in lower depreciation expense and a short-term reduction in rates for current customers. He does not consider the other associated components of developing rates or why PNG should have considerably lower rates than other gas companies.

However, as I will explain, Mr. Garrett is incorrect that the longstanding use of ELG costs customers more than ASL. In fact, the opposite is true. Current customers benefit from the continued use of ELG, because rate base is lower than had ASL been used for this time. The more precise recovery through ELG benefits customers over time, because shorter-lived assets are correctly recovered over their useful lives, resulting in a lower rate base and lower return on rate base that exceeds the higher annual depreciation expense. Further, the alleged benefit proposed by Mr. Garrett, of lower short-term rates, is the result of the *change* in procedure, not from the procedure itself. Over time, the ASL depreciation rates will result in a higher rate base and higher overall cost to customers.

Q. Has the commission issued a recent ruling regarding the ELG versus ALG?

A. Yes. In December of 2025, the Commission issued its Opinion and Order addressing ELG versus ALG in Docket No. R-2025-3053499 and in May of 2026 in Docket No. R-2025-3057983.

Q. Please provide the excerpt from the opinion and order in Docket No. R-2025-3053499 addressing the ELG versus ALG issue.

A. In Docket No. R-2025-3053499, the Commission's Opinion and Order addressing ELG versus ALG is reflected below.

> Based on our review of the record, the ALJs' Recommended Decision, the Exceptions to the Recommended Decision, and Replies thereto, we agree with the ALJs that the Company presented evidence outweighing the evidence presented by the OCA on this issue. Therefore, we find that the ALJs properly recommended that the Commission reject the OCA's proposal to adopt the ASL procedure in this proceeding. Accordingly, we shall deny the OCA's Exception No. 1.[6]

Q. Please provide the excerpt from the opinion and order in Docket No. R-2025-3057983 addressing the ELG versus ALG issue.

A. In Docket No. R-2025-3057983, the Commission's Opinion and Order addressing ELG versus ALG is reflected below.

> Accordingly, we conclude that PAWC has supported the continued use of its long-standing ELG procedure while the OCA has failed to provide any reasonable basis – whether based on equity, accuracy or precedent – to compel a switch to the ALG procedure.[7]

Q. Was OCA Witness Garrett also the OCA Witness related to depreciation in Dockets No. R-2025-3053499 and R-2025-3057983?

A. Yes. Mr. Garrett was the OCA witness on depreciation in Docket No. R-2025-3053499 and R-2025-3057983. From these cases, he should be aware of not only

[6] Pa. PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2025-3053499 (Opinion and Order entered Dec. 9, 2025), p. 111.
[7] Pa. PUC, Docket No. R-2025-3057983 (Recommended Decision entered May 15, 2026), p. 222.

the precedent in Pennsylvania but also the many components of determining depreciation rates in this state jurisdiction which he ignores.

Q. Has OCA Witness Garrett offered any support for his ALG proposal in the instant case that was not provided in other cases recently in Pennsylvania?

A. No, he has not. In fact, his positions in this case clearly show he does not consider any of the factors that would properly recover depreciation expense under the guidance in this jurisdiction.

IV. DEPRECIATION AND RATE BASE

Q. How does Mr. Garrett discuss the impact of ELG on customer rates?

A. Mr. Garrett states on page 64, lines 16 and 21 of his testimony, "In order for the ELG method to be properly applied, a utility would need to revise depreciation each year. However, given the logistical realities involved with prosecuting rate cases, this would be impractical and inefficient. When a utility has made substantial, recent capital investments, depreciation expense calculated under the ELG method will always be higher than the expense calculated under the ALG method." He further asserts on page 68, lines 8 and 9, that, "the ALG method results in a fairer application of depreciation rates compared with the ELG method given the realities of ratemaking proceedings."

Q. Has PNG filed a recent rate case?

A. Yes. Including the instant rate case, PNG filed a rate case most recently in 2023.

Q. Is PNG required by Pennsylvania regulations to update its depreciation expense and annual depreciation accrual rates each year by filing an Annual Depreciation Report?

A. Yes.

Q. Do PNG's proposed ELG depreciation rates produce just and reasonable rates?"

A. Absolutely yes.

Q. Do depreciation rates based on the ELG procedure produce the most appropriate match of recovery of the assets within an account by the utilization of the assets in an account based on the survivor curve?

A. Absolutely yes.

Q. Please explain this concept further.

A. Depreciation impacts customer rates in two ways. Depreciation expense is a direct component of the revenue requirement; however, accumulated depreciation[8] is also a *reduction* to rate base. A higher level of accumulated depreciation results in a lower rate base, a lower return on rate base and, therefore, lower customer rates when compared to a lower level of accumulated depreciation.

The implication of Mr. Garrett's testimony is that a utility has an incentive for higher depreciation expense because it results in higher customer rates, and thus more cash flow for the Company. However, in the long term, his description of the rate impact is fundamentally incorrect. Higher depreciation expense will,

[8] Accumulated depreciation is the depreciation expense recorded to date, less recorded retirements and cost of removal, plus recorded gross salvage.

over time, result in higher accumulated depreciation. Because average depreciation rates for a utility are typically in the 2% to 3% range and the return on rate base is higher (typically 7% to 8% or more), higher depreciation expense tends to produce lower customer rates over time. Mr. Garrett's suggestion that a utility has an incentive to have higher rates for depreciation expense is simply incorrect and does not create an intergenerational inequity.

The longstanding use of ELG depreciation rates for Pennsylvania utilities has resulted in a lower rate base than if ASL had been used. Customers today pay lower customer rates than if ASL had been used during the years since ELG's adoption. As a result, it has been in customers' interest, not only to use ELG but also to use it consistently.

Over time ASL will result in higher customer rates than ELG. It is correct to assume that if the Company were to switch from ELG to ASL there would be a *short*-term benefit to current customers. However, this is not because ASL is in customers' best interest in the long term, but only because current customers would benefit from both lower ASL depreciation rates and from the lower rate base that exists due to the longstanding use of ELG.

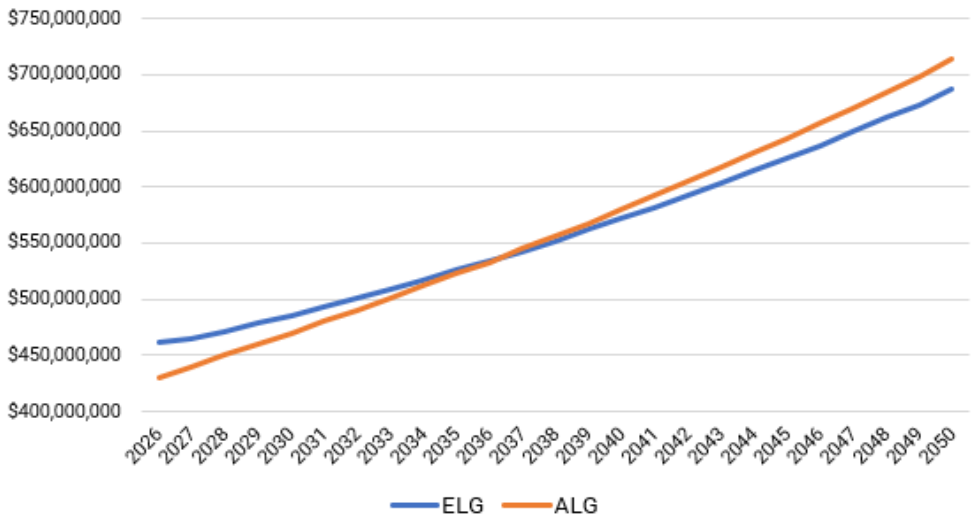
Mr. Garrett's proposal is therefore not a recommendation that is in the long-term interest of lower customer rates. It is instead a short-term subsidy only to current customers who benefit from ELG depreciation rates that were paid by a previous generation of customers. The costs of a higher rate base will be paid for by future customers who will have to pay higher overall customer rates. Adopting

ALG would serve as an intergenerational subsidy to current customers at the expense of other generations of customers.

Q. Can you illustrate this concept?

A. Yes, this concept is illustrated in **Exhibit No. JJS-1R**, which forecasts plant and reserve balances for PNG through 2050 under two scenarios: one adopting the ALG procedure and the other maintaining the currently-approved ELG procedure for vintages 1983 and newer. Figure 3 below shows a high-level estimate of the Company's revenue requirement for the period 2025 through 2050 under each of these scenarios. This demonstrates that while ELG leads to higher depreciation expenses in the short term, it results in lower revenue requirements over the long term. The ELG approach is more beneficial to customers, as it provides more stable and lower rates over time.

Figure 3. Comparison of Revenue Requirement



V. INTERGENERATIONAL EQUITY

Q. Please explain the concept of "intergenerational equity."

A. Intergenerational equity is a ratemaking principle in which customers receiving benefit from the use of an asset (e.g., from gas utility property used to provide gas service) are the same customers who pay for the cost of that asset - no more, no less. There are two related concepts when considering intergenerational equity as it pertains to depreciation. The first is the inequity that results when customers pay for assets from which they receive no service. For example, if an asset is retired before becoming fully depreciated, then customers subsequent to its retirement will have to pay for an asset from which they are not receiving service. This is less equitable, as one generation of customers bears the cost of an asset from which they receive no service. Depreciation rates should be designed to avoid such an outcome. However, in real-world operations, circumstances can change such that assets are retired earlier than expected. This results in a situation that is different than designing depreciation rates to include intergenerational inequity, which should be avoided.

The second concept is related to the distribution of depreciation charges over the life of an asset. For example, if depreciation expense is higher in the earlier years of an asset's life and lower in later years (or vice versa), this also is less equitable because one generation of customers pays a higher share than the next.

In my professional opinion, the first concept related to intergenerational equity can be more detrimental to customers than the second. That is, there is

greater inequity resulting from a customer paying for an asset from which they received no service than the inequity resulting from one generation paying a somewhat different share of the same asset than another generation.

Q. How does the ELG procedure calculate depreciation expense?

A. The ELG procedure calculates depreciation expense for assets with like lives within a depreciable group in accordance with the Iowa Survivor Curve proposed for the account and summing that depreciation expense for each similar life group of assets to develop an annual depreciation accrual rate applicable to the depreciable group. This procedure is designed to more appropriately match the recovery of the assets' costs to the period of time over which they are providing service to rate payers.

Q. How does the ALG procedure calculate depreciation expense?

A. The ALG procedure calculates depreciation expense by applying the same average service life from the proposed Iowa Survivor Curve to all assets within a depreciable group rather than grouping assets within a depreciable group by like lives. The ALG procedure operates with the assumption that some of the assets within a depreciable group will retire prior to the average service life applied to the depreciable group and other assets will survive longer than the average service life applied to the depreciable group. Continuing, the ALG procedure assumes the over-recovery of the assets surviving longer than the average service life will offset the amount of the under-recovery of the assets retiring prior to reaching the average service life of the depreciable group.

Q. Does the use of ELG versus ALG, or vice versa, impact the total amount of asset cost to be recovered?

A. No. Both procedures are designed to recover the total service value of an asset over the asset's service life.

Q. Does the use of the ELG procedure produce Intergenerational Inequity?

A. No, quite the opposite. The very nature of the ELG procedure more precisely calculates depreciation expense for assets with similar lives within a depreciable group and sums that expense to develop an annual depreciation accrual rate applicable to the depreciable group. As a result, it more appropriately matches the recovery of the asset's cost to the period of time over which it is providing service to rate payers.

In contrast, there is a stronger argument that the ASL procedure results in intergenerational inequity. Because depreciation expense on shorter-lived assets occurs over the average service life, recovery for these assets is deferred. ELG produces a more equitable recovery by recovering these costs over the actual, shorter, service lives.

Q. Does the use of the ELG procedure require the calculation of annual depreciation rates to be updated more frequently than the ALG procedure to prevent intergenerational inequity?

A. No. Regardless of the procedure selected, the calculation of depreciation expense and annual depreciation accrual rates should be updated regularly to prevent intergenerational inequity and the inherent variable of plant activity.

Q. How frequently does Pennsylvania regulation require the calculation of depreciation rates?

A. Pennsylvania regulation requires utilities operating within the state to calculate and file updated depreciation rates annually. This annual requirement alleviates concern for the development of generational inequity.[9]

VI. ALL FACTORS FOR DETERMING DEPRECIATION RATES

Q. Has Mr. Garrett considered all the key components for determining depreciation rates?

A. Absolutely not. He clearly ignores all the key factors of developing a depreciation rate in order to emphasize only one factor, which is completely improper.

Q. Please explain all of the factors that affect the development of a depreciation rate.

A. Depreciation rates are determined with many factors or key components that each affect the depreciation rate that should be used to properly recover the full service value of all assets by account. Additionally, this should be done in a systematic and rational manner. The first two key components are the service life and net salvage percentage. The service life estimate is represented by the survivor curve. The net salvage component is typically a percentage of cost of removal minus gross salvage that are applied to the accrual rate in order to recover the full service value over the life of the asset. Pennsylvania is unique to all other states in that the net salvage component is a five-year amortization of the incurred costs after the asset is

[9] Bulletin 155, p. 71

retired. Thus, a deferral. Second is the depreciation procedure and method. Procedures are ALG or ELG, and the method is either remaining life or whole life. The next component to focus on is the plant to reserve ratio at the test year dates. Finally, the age of the surviving plant at the test year dates. Each of these factors has an impact on the depreciation rate. It is not simply the depreciation procedure. Additionally, one must consider all of these factors when comparing to other utilities within the same state as well as those in other state jurisdictions.

Q. Has Mr. Garrett considered all of these factors in developing his testimony?

A. Disturbingly, it appears not. He clearly ignores the special handling of the net salvage recovery deferral in Pennsylvania. He does not consider how close the theoretical reserve to book reserve variance[10] is, which clearly shows the recovery of many years has been fair and reasonable based on the factors in place and the expected plant investment that has taken place in the past and forecasted into the future.

Q. Is Mr. Garrett selective in which depreciation factors he wants to follow when conducting his depreciation calculations?

A. Yes. He attempts to compare the depreciation procedure across other jurisdictions but none of the other factors when considering how depreciation rates are determined within each jurisdiction. Mr. Garrett continually frames ELG as an accelerated procedure and claims that in a high investment period depreciation

[10] Comparisons of the theoretical to book reserve for each test year are provided in the attachments to filing requirement Ex. 9, Sch. 3. Variances for each test year are 5% as of November 30, 2025, 3% as of November 30, 2026, and 1% as of December 31, 2027.

rates would be getting higher. However, from the historic test year to the fully projected future test year, when investments are projected to increase by over 20%, the composite rate hardly changes (increase of 0.02%) using the ELG procedure.

Q. Has Mr. Garrett provided decisions regarding ELG procedure from other jurisdictions to support his proposed use of the ALG procedure?

A. Yes. Mr. Garrett cites decisions from Indiana and Kentucky to support his proposal of the ALG procedure in this case.

Q. Why are the Indiana and Kentucky decisions not applicable to the instant case?

A. Both the decisions referenced by Mr. Garrett were cases involving electric utilities with an asset base including electric generation, transmission and distribution assets which are significantly different assets involving significantly different costs associated with them and more importantly assets that are being recovered over much shorter remaining lives than originally planned.

Q. Have there been recent cases in Indiana that have approved the use of the ELG procedure?

A. Yes. In the Citizens Energy Group and Aqua Indiana – Aboite cases the Indiana Commission accepted the ELG procedure[11].

VII. MASS PROPERTY SERVICE LIVES

Q. Has a service life study been conducted specifically for this rate case?

[11]Indiana Utility Regulatory Commission, Cause No. 45988 and Cause No. 46334.

A. No. It was not necessary to prepare a service life study for this rate case because the Commission's regulation at 52 Pa. Code Section 73.5 provides that a gas public utility with gross intrastate revenues exceeding $20 million per year "shall file a service life study report every 5 years." The most recent prior service life study was conducted by Gannett Fleming in 2023, and the service life parameters established by that service life study have been used by PNG to record depreciation expense on its regulated books of account and for financial reporting purposes since that time. Therefore, there was no need to update the service life estimates for this proceeding. The next service life study update will not be required until 2028.

Q. Please explain the difference between depreciation studies, which the Company filed with its supporting data in this case, and a service life study?

A. A service life study employs the retirement rate method to analyze historical plant data, together with professional judgment, to develop reasonable estimates of the average service life of property recorded in each mass property account. Those average service lives are used to develop depreciation rates, expressed as a percentage, for each plant account. As I previously explained, PNG completed its last service life study in 2023, which it filed with the Commission. A depreciation study, such as those filed in this case, uses the service life parameters developed in a prior service life study to calculate annual depreciation expense based on the plant balances for the applicable test year or years.

Q. What do the Commission's regulations state regarding the effect of filing a service life study pursuant to 52 Pa. Code Section 73.5?

A. The Commission's regulations at 52 Pa. Code Section 73.9(b) and (c) state as follows:

> (b) A service life study or annual depreciation report containing proposed changes to service lives or other depreciation parameters or methods, will be deemed approved by the Commission, for accounting purposes only, within 180 days from the filing date unless the Commission takes other action. The filing utility may request Commission authorization to implement proposed changes in a new service life study.
> (c) In subsequent ratemaking proceedings, the most recent depreciation report or service life study approved or deemed approved for accounting purposes only under this chapter, constitutes a rebuttable presumption as to the reasonableness of the accrued depreciation claimed for ratemaking purposes, and the burden of proving the unreasonableness of the accrued depreciation shall be on the challenging party.

Q. Was the service life study PNG filed in 2023 deemed approved by the Commission for accounting purposes?

A. Yes, it was. The Commission took no action for 180 days following the filing of the service life study and, pursuant to Section 73.9(b), the service lives were deemed approved for accounting purposes.

Q. Did PNG use the service lives from the 2023 service life study to calculate the depreciation rates used to record depreciation expense?

A. Yes. The Company used the service life estimates in its 2023 service life study to calculate the depreciation rates it employed to record depreciation expense for each fiscal year since that study was performed, including depreciation expense recorded on its financial statements for financial reporting purposes.

Q. Did OCA witness Garrett propose changes to any of the service lives for mass property proposed by PNG?

A. Yes. Although the service lives from the last service life study are still being used by PNG to record annual depreciation expense, Mr. Garrett has proposed a change to the average service life of one plant account.

Q. Please summarize the adjustment Mr. Garrett proposed.

A. Mr. Garrett has proposed an adjustment to the survivor curve for one plant account. Mr. Garrett proposes to change the survivor curve for Account 380.00, Services, from the approved 55-R2 survivor curve to a 62-R2 survivor curve. Please note that on page 72 of Garrett Testimony, the Account 380 is identified as Account 376.10, Mains, but the information supports analysis for Account 380.00.

For the Depreciation Studies presented in this case, I have continued to use the average service lives that were developed in the last (2023) service life study. In contrast, Mr. Garrett proposes to lengthen the average service life of gas services by 7 years. Mr. Garrett's proposed adjustment is a significant increase when compared to the current estimate. The 7 year average life also produces a 12 year maximum life increase. The 62 year average life for gas service is beyond the upper end of the industry ranges.

Mr. Garrett's proposed adjustment is not reasonable. His recommendation is the product of the flawed analysis Mr. Garrett used to develop his estimate, which relies primarily on mathematical curve fitting, as I explain later in my rebuttal testimony. Mr. Garrett's approach does not give adequate or appropriate consideration to the mortality characteristics of the assets he purported to study or to other factors that should be considered in developing a reasonable service life estimate.

A. <u>The Estimation of Service Lives Is Not a Purely Mathematical Exercise and Must Incorporate Informed Judgment</u>

Q. Has Mr. Garrett used the same approach to estimating service lives as you used in the last service life study?

A. No. While both Mr. Garrett and I used the retirement rate method to analyze historical data and Iowa type survivor curves to smooth and extend the observed life data, Mr. Garrett's overall approach differs from mine in several important ways. Mr. Garrett's approach also differs from the correct and proper approach to estimating service lives that is set forth in authoritative treatises on depreciation, such as the National Association of Regulatory Utility Commissioners ("NARUC") *Public Utility Depreciation Practices ("NARUC Treatise")*. Specifically, Mr. Garrett's direct testimony indicates that he believes estimating service lives is primarily a mathematical exercise in which little more than mathematical computations of historical accounting data will produce reasonable service life estimates[12]. This concept is based on his opinion that there is nothing in the recent past or into the future will be different than that overall statistical analysis through 2022. This interpretation of Mr. Garrett's testimony related to his manner of determining survivor curves is based on the fact that all of his discussion relates to mathematical curve fitting. The overall approach is incorrect. Depreciation, and particularly estimating service lives, is a forecast of the future rather than a calculation of what has happened in the past.

[12] Garrett, p. 73, lines 7-12.

Q. Please explain in more detail why Mr. Garrett's approach does not comply with the proper approach to determining reasonable service life estimates.

A. Consider, as an example, the following statement from Mr. Garrett's testimony in which he describes the curve-fitting process:

> Mathematical curve fitting promotes objective, unbiased results. While mathematical curve-fitting is important, it may not always yield the optimum result. Simply determining which Iowa curve best fits an OLT curve ignores professional judgment that may be needed for specific situations. For example, if there is insufficient historical data in a particular account and the OLT curve derived from that data is relatively short and flat, the mathematically "best" curve may be one with a very long average life. However, when there is sufficient data available, mathematical curve fitting can be used as part of an objective service life analysis[13].

Mr. Garrett's direct testimony creates the erroneous impression that mathematical results should generally be accepted, and instances in which the proper service life estimate is not a best "mathematical fit" would be a relatively unusual exception (such as, if there is insufficient data). His purported justification for relying on the results of mathematical curve fitting is that doing so promotes "objectivity." While one may desire "objective" results to remove uncertainty and presumably to make the job of estimating service lives easier, the objectivity sought by Mr. Garrett is neither realistic nor desirable in developing an accurate and reasonable forecast of the future. Further, recognized authorities on the subject of depreciation, such as NARUC, are clear that estimating service lives must include the exercise of the analyst's informed professional judgment.

[13] Garrett, p. 70, lines 15-22.

Q. Does the NARUC Treatise explain and emphasize the importance of using informed professional judgment in estimating service lives?

A. Yes. The NARUC Treatise explains the role that professional judgment plays in estimating service lives. Chapter XIII of the NARUC Treatise, entitled "Actuarial Life Analysis," discusses and emphasizes the use of informed professional judgment in the process of estimating service lives. NARUC starts this chapter by explaining that the analysis of historical data is only one part of the process of estimating service lives:

> Actuarial analysis objectively measures how the company has retired its investment. The analyst must then judge whether this historical view depicts the future life of the property in service. The analyst takes into consideration various factors, such as changes in technology, services provided, or capital budgets.[14]

NARUC further explains that the process of estimating service lives must consider more than just an allegedly "objective" measurement of past retirements. In describing the determination of a survivor curve estimate (referred to as the "projection life" in this passage), NARUC states:

> The projection life is a projection, or forecast, of the future of the property. Historical indications may be useful in estimating a projection life curve. Certainly, the observations based on the property's history are a starting point. Trends in life or retirement dispersion can often be expected to continue. Likewise, unless there is some reason to expect otherwise, stability in life or retirement dispersion can be expected to continue, at least in the near term.
>
> Depreciation analysts should avoid becoming ensnared in the mechanics of the historical life study and relying solely on mathematical solutions. The reason for making an historical life analysis is to develop a sufficient understanding of history in order to evaluate whether it is a reasonable predictor of the future. The importance of being aware of circumstances having direct bearing on

[14] NARUC Treatise (1996), p. 111.

> the reason for making an historical life analysis cannot be understated. These circumstances, when factored into the analysis, determine the application and limitations of an historical life analysis.[15]

Thus, NARUC strongly advises against the approach used by Mr. Garrett by stating clearly that "relying solely on mathematical solutions" should be avoided. NARUC further elaborates on the need for the analyst's "informed judgment" in forecasting service lives:

> A depreciation study is commonly described as having three periods of analysis: the past, present, and future. The past and present can usually be analyzed with great accuracy using many currently available analytical tools. The future still must be predicted and must largely include some subjective analysis. *Informed judgment* is a term used to define the subjective portion of the depreciation study process. It is based on a combination of general experience, knowledge of the properties and a physical inspection, information gathered throughout the industry, and other factors which assist the analyst in making a knowledgeable estimate.
>
> The use of informed judgment can be a major factor in forecasting. A logical process of examining and prioritizing the usefulness of information must be employed, since there are many sources of data that must be considered and weighed by importance. For example, the following forces of retirement need to be considered: Do the past and current service life dispersions represent the future? Will scrap prices rise or fall? What will be the impact of future technological obsolescence? Will the company be in existence in the future? The analyst must rank the factors and decide the relative weight to apply to each. The final estimate might not resemble any one of the specific factors; however, the result would be a decision based upon a combination of the components.[16]

Q. Have you incorporated the various factors discussed by NARUC into your estimates?

[15] NARUC Treatise, p. 126. Emphasis added.
[16] NARUC Treatise, p. 128. Emphasis added.

A. Yes. For the most recent service life study, I conducted site visits and discussions with Company personnel to familiarize myself with the Company's assets. I have also performed previous depreciation studies for the Company and have incorporated information obtained from those studies as well. In addition, throughout my career, I have performed hundreds of depreciation studies for numerous utilities. The information obtained from this experience has also been incorporated into my recommendations.

Q. Has Mr. Garrett incorporated these factors into his recommendations?

A. No, at least not to the degree necessary to develop a reasonable forecast. Estimating service lives is not, and should not be, a purely mathematical exercise and must include some degree of "informed judgment." Mr. Garrett's process for estimating service lives, as described in his direct testimony, does not follow the proper approach of incorporating informed judgment. Further, as I will explain later in my testimony, his actual estimate shows that he did not properly consider all of the relevant factors needed to develop reasonable service life estimates.

B. <u>The Curve Fitting Process Must Also Incorporate Informed Judgment</u>

Q. Please briefly describe the curve fitting process used in a depreciation study.

A. As described in both Mr. Garrett's direct testimony and in the Depreciation Study for the FTY (PNG Exhibit JJS-2), the statistical life analysis we both used is referred to as the retirement rate method. The retirement rate method is used when aged data are available. Specifically, the retirement rate method requires the vintage year of historical transactions so that the age of each transaction can be

accurately determined. The retirement rate method develops an original life table[17] ("OLT"), or a series of original life tables, for each depreciable group. An OLT presents calculations, based on the historical data, of the percentage of plant that has survived to a given age. The OLT can also be shown graphically with age in the x-axis and the percent surviving in the y-axis.

For the curve fitting process, the analyst can fit or match standard Iowa survivor curves to the data from an OLT. This can be performed either visually or mathematically. For visual curve matching, Iowa curves are graphed on the same graph as the OLT. For mathematical curve matching, the mathematical deviation from a given Iowa curve to the OLT is calculated for each data point using the "sum-of-squared-differences" ("SSD"). The lower the difference between a given survivor curve and the OLT (as measured by the SSD), the better the "mathematical" (i.e., statistical) fit.

Q. Are there advantages and disadvantages to both visual and mathematical curve matching?

A. Yes. Visual curve matching offers a number of advantages over mathematical curve matching. Different ranges of data points can be given more or less emphasis depending on the characteristics of the account. It is easier to identify irregularities in the data when performing visual curve matching. Visual curve matching also allows the analyst to view the full Iowa survivor curve to assess whether the full life cycle forecasted by a given Iowa curve is reasonable for the property studied. Understanding the nature of the assets within the account and

[17] Original life tables may also be referred to as "observed life tables" or the shorthand "life tables."

a reasonable full life cycle of the account is not considered by Mr. Garrett, based on the estimated full life cycle of his survivor curve.

Many years ago, a disadvantage of visual curve matching was that it was cumbersome because of the need to manually overlay standard curves on plots of original life tables. However, since the advent of computers with sophisticated graphical capabilities, visual curve matching has become easier and more efficient. As a result, in recent decades the advantages of visual curve matching have made it more prominent, and it is used by most depreciation analysts.

Mr. Garrett discusses the alleged advantages of mathematical curve matching in his direct testimony, including his opinion that it promotes "objective, unbiased results."[18] Although mathematical curve matching provides a numerical value reflecting the statistical "fit" of an Iowa curve to the OLT data, Mr. Garrett does not discuss the disadvantages of mathematical curve matching or the fact that mathematical curve matching can also introduce biases. One of the disadvantages of mathematical curve matching is that it treats every data point within a range of fit equally. Different data points are typically based on different levels of data and different ages (e.g., older data points typically are based on much smaller levels of investment than earlier data points). There is not a good way to de-emphasize the irregularities in the data when performing mathematical curve matching, other than to exclude older data points entirely. However, excluding older data points when they present a full life cycle is not appropriate either. Mathematical curve matching can also introduce biases because of the nature of the statistical

[18] Garrett, p. 70, line 15.

calculations. As previously explained, indicators of mathematical "fit" are typically calculated by squaring the differences between the OLT points and a given Iowa curve. As a result, the mathematical curve fitting routine will amplify larger differences between the Iowa curve and OLT. Because data irregularities are often common towards the end of the curve when smaller amounts of data are available, the real-world result is that mathematical curve matching will amplify less meaningful deviations towards the end or "tail" of the curve. That is, differences in curve fitting indicators are often the result of data irregularities and do not provide as meaningful an indication of the historical life characteristics. For this reason, if proper care is not taken when interpreting the results, mathematical curve fitting can mislead the analyst into selecting a curve that is not representative of the predominant mortality characteristics of the depreciable group being studied.

Q. Given all of the considerations discussed above, how do you approach the curve fitting process?

A. I believe that both mathematical and visual curve fitting should be used. Using both approaches enhances the information available to the analyst and aids in developing the most reasonable forecast. Importantly, the analyst should also understand the advantages and disadvantages of both approaches to avoid being misled by the results.

Q. Does the use of judgment also apply to the analysis of historical data curve matching process?

A. Yes. There are numerous reasons why informed judgment must also be applied to the mathematical processes of analyzing historical data, including the availability and limitations of the historical data; the interpretation of trends in the data; the interpretation of data irregularities; which data points to include or emphasize in mathematical or visual curve matching; and whether the curve fitting results are reasonable for the types of assets studied. The importance of informed judgment in evaluating the results of statistical analysis is also emphasized by NARUC. For example, when discussing a stub (or incomplete) survivor curve, the NARUC Treatise states:

> The longer the stub, the more reliable the resulting curve fit and extension. As a result, the analyst may be forced to choose between a more reliable longer stub, which by necessity reflects older data, and a less reliable shorter stub, which reflects more recent vintages and, therefore, is more likely to reflect the future.[19]

Q. Before discussing the account for which OCA witness Garrett has proposed a change to your life estimate, address what you perceive as a critical fundamental flaw in his analysis?

A As I explained previously, a service life study was not conducted specifically for this case because it is standard practice in proceedings before this Commission to conduct service life studies on a five-year cycle. Mr. Garrett has performed his life analysis on the basis of service life data through 2022. Therefore, he has not included any transactions that occurred during the period January 1, 2023, through November 30, 2025. If you primarily focus on statistical data, then you should include the most up to date transactional data in your analysis to capture

[19] NARUC Treatise, p. 129.

all the factors that affect the life estimation process, which NARUC refers to as the "forces of retirement." Moreover, if a complete analysis of all the transactional data were to be undertaken, it should be done for all the Company's accounts, not a selective subset of accounts that, based on Mr. Garrett's purely statistical analysis, appear not to exhibit the closest "mathematical" fit between an Iowa curve and the OLT for each account. In summary, PNG is entitled to rely on the results of the service life study performed and filed with the Commission in 2022, as permitted by the Commission's regulations. The 2023 service life study was a consistent analysis of all the forces of retirement acting on all the Company's plant accounts at the time it was performed, and the fact that Mr. Garrett contends that one discrete plant account does not exhibit the closest statistical "fit" between the OLT data and the Iowa curves I used is not an appropriate approach to service life estimation.

C. Account by Account Analysis

1. *Account 380 – Services*

Q. What service life estimate did you use for this account, and how does it compare to the service life estimate Mr. Garrett proposes?

A. Mr. Garrett has challenged the service life for Account 380.00, Services, from the 2023 service life study. The service life estimate from the Company's last service life study is a 55-R2 survivor curve. Mr. Garrett proposes a 62-R2 survivor curve, which would increase the average service life by seven years and the maximum life by 12 years.

Q. What reasons does Mr. Garrett give for recommending a longer service life than your estimate?

A. Mr. Garrett only discusses mathematical reasons for selected a curve that is seven years longer on average. Because Mr. Garrett has not updated the transactional data to include a more current estimate, his reliance on mathematical curve-fitting is misguided and inappropriate. Moreover, he does not consider any of the other key factors that need to be assessed in the life estimation process. He does not consider how much of the gas services will be replaced along with the change out of low pressure mains. Similarly, he does not consider service life estimates used by other gas companies. The survivor curve is a projection of the future. Therefore, any analysis that does not consider elements of growth or the on-going need for the Company to provide reliable, high-quality service under various operating conditions, lacks a proper foundation and should not be adopted.

Q. Please provide reasons why your estimate is more reasonable than that proposed by Mr. Garrett.

A. Mr. Garrett's proposal appears to be based entirely on the results of mathematical curve fitting. As I discussed previously, relying solely on mathematical curve fitting is not an appropriate way to develop service life estimates particularly when you do not consider what has occurred in the most recent three years. Instead, other factors must be considered. There are two primary factors that support my estimate over that of Mr. Garrett. Mine is the currently approved estimate and is more consistent with the mortality characteristics for the account through the entire life cycle and my estimate is more consistent with estimates for other gas

utilities. The data does not support a change in estimate for this account nor is it a reasonable basis to propose a longer service life than is typically used by other gas utilities. As a result, my estimate is more reasonable than Mr. Garrett's.

Q. Is the Company's proposed 2.56% composite depreciation rate calculated using the ELG procedure as of December 31, 2027 reasonable and consistent with comparable gas distribution utilities in the United States?

A. Yes. In fact, in reviewing the composite depreciation rate utilized by various other gas distribution utilities one can see the average exceeds 2.56%. The attached **Exhibit No. JJS-2R** sets forth composite depreciation rates of comparable gas distribution utilities from recent rate cases. In fact, Mr. Garrett never addresses this in his testimony, although he claims that his proposal is "fairer" than the Company's. This illustrates Mr. Garrett's disregard for the components of developing a fair rate for utilities in Pennsylvania.

Q. Does this complete your Prepared Rebuttal Testimony?

A. Yes, it does.

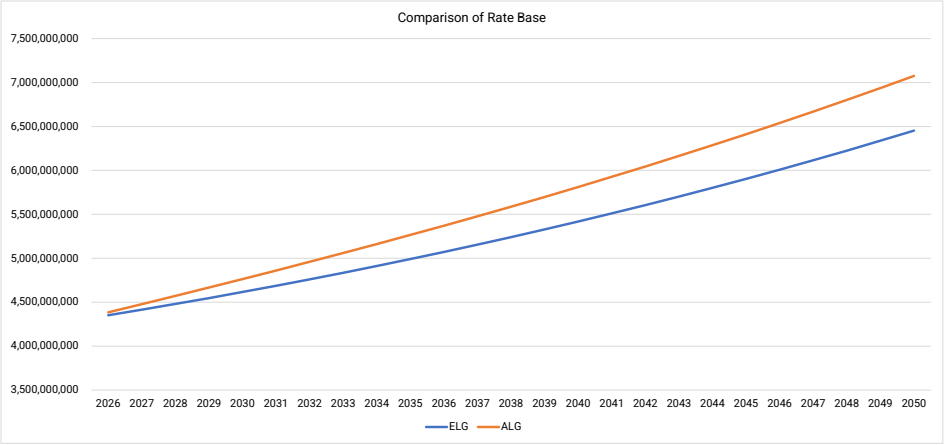
PEOPLES NATURAL GAS

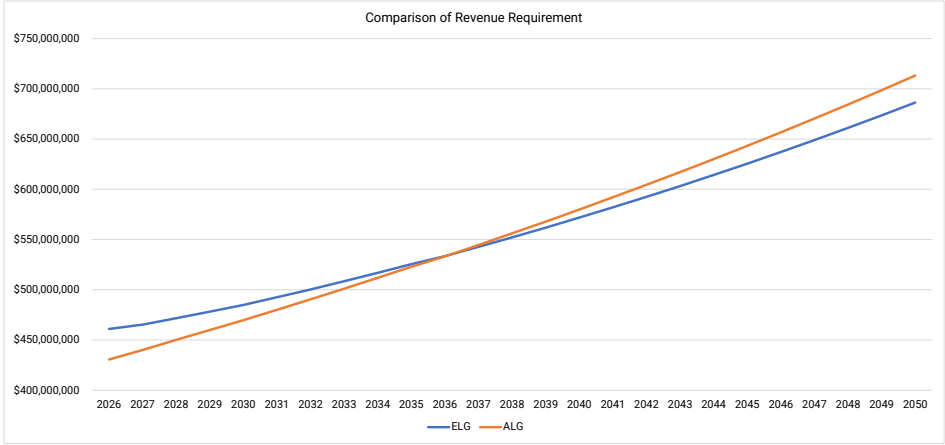
Assumptions

0 *Future Net Salvage*

8.0% *Rate of Return*

		EQUAL LIFE GROUP								AVERAGE LIFE GROUP									
TEST YEAR	AVERAGE ORIGINAL COST	BOOK RESERVE	COMPOSITE REMAINING LIFE	FUTURE ACCRUALS	EXPENSE	RATE	RETURN	REVENUE REQUIREMENT	RATE BASE	BOOK RESERVE	COMPOSITE REMAINING LIFE	FUTURE ACCRUALS	EXPENSE	RATE	RETURN	REVENUE REQUIREMENT	RATE BASE	RETIREMENTS	NET SALVAGE
2025	5,763,191,106	1,446,050,072	38.2	4,317,141,034						1,446,050,072	54.1	4,317,141,034							
2026	5,839,153,331	1,487,609,789	38.8	4,351,543,542	112,894,446	1.93	348,123,483	461,017,929	4,351,543,542	1,454,525,373	53.6	4,384,627,958	79,810,030	1.37	350,770,237	430,580,267	4,384,627,958	71,334,729	-
2027	5,959,310,863	1,544,750,748	38.9	4,414,560,115	112,121,063	1.88	353,164,809	465,285,872	4,414,560,115	1,481,378,862	53.1	4,477,932,001	81,833,594	1.37	358,234,560	440,068,154	4,477,932,001	54,980,104	-
2028	6,059,483,572	1,579,574,932	39.1	4,479,908,640	113,352,981	1.87	358,392,691	471,745,672	4,479,908,640	1,487,211,464	52.8	4,572,272,108	84,361,400	1.39	365,781,769	450,143,169	4,572,272,108	78,528,798	-
2029	6,155,391,049	1,608,426,242	39.3	4,546,964,807	114,467,035	1.86	363,757,185	478,224,220	4,546,964,807	1,488,164,040	52.6	4,667,227,009	86,568,301	1.41	373,378,161	459,946,462	4,667,227,009	85,615,725	-
2030	6,289,578,427	1,673,667,170	39.2	4,615,911,257	115,661,592	1.84	369,272,901	484,934,493	4,615,911,257	1,526,417,830	52.2	4,763,160,598	88,674,453	1.41	381,052,848	469,727,301	4,763,160,598	50,420,664	-
2031	6,422,906,435	1,736,023,414	39.2	4,686,883,021	117,616,780	1.83	374,950,642	492,567,422	4,686,883,021	1,562,411,515	51.8	4,860,494,919	91,254,222	1.42	388,839,594	480,093,816	4,860,494,919	55,260,536	-
2032	6,562,278,500	1,802,353,249	39.1	4,759,925,251	119,570,613	1.82	380,794,020	500,364,633	4,759,925,251	1,602,937,978	51.5	4,959,340,523	93,767,240	1.43	396,747,242	490,514,482	4,959,340,523	53,240,778	-
2033	6,704,054,631	1,868,946,942	39.0	4,835,107,688	121,685,918	1.82	386,808,615	508,494,533	4,835,107,688	1,644,193,943	51.1	5,059,860,688	96,348,190	1.44	404,788,855	501,137,045	5,059,860,688	55,092,225	-
2034	6,849,613,617	1,937,301,708	38.9	4,912,311,909	123,917,419	1.81	392,984,953	516,902,372	4,912,311,909	1,687,611,321	50.8	5,162,002,296	98,980,031	1.45	412,960,184	511,940,215	5,162,002,296	55,562,653	-
2035	6,966,927,882	1,975,785,229	39.1	4,991,142,653	126,209,781	1.81	399,291,412	525,501,193	4,991,142,653	1,701,516,613	50.9	5,265,411,269	101,631,553	1.46	421,232,902	522,864,455	5,265,411,269	87,726,261	-
2036	7,117,291,702	2,044,836,730	38.9	5,072,454,972	127,695,518	1.79	405,796,398	533,491,916	5,072,454,972	1,746,409,966	50.5	5,370,881,736	103,537,369	1.45	429,670,539	533,207,908	5,370,881,736	58,644,016	-
2037	7,273,898,551	2,118,300,319	38.8	5,155,598,232	130,283,964	1.79	412,447,859	542,731,823	5,155,598,232	1,795,921,616	50.2	5,477,976,934	106,332,026	1.46	438,238,155	544,570,181	5,477,976,934	56,820,376	-
2038	7,436,454,604	2,195,502,749	38.7	5,240,951,856	132,863,333	1.79	419,276,148	552,139,481	5,240,951,856	1,849,424,672	49.9	5,587,029,933	109,163,958	1.47	446,962,395	556,126,353	5,587,029,933	55,660,903	-
2039	7,606,134,106	2,277,590,691	38.5	5,328,543,415	135,502,078	1.78	426,283,473	561,785,551	5,328,543,415	1,908,000,817	49.6	5,698,133,289	111,990,282	1.47	455,850,663	567,840,945	5,698,133,289	53,414,136	-
2040	7,779,867,203	2,361,468,194	38.4	5,418,399,009	138,328,430	1.78	433,471,921	571,800,351	5,418,399,009	1,968,510,093	49.3	5,811,357,110	114,960,202	1.48	464,908,569	579,868,771	5,811,357,110	54,450,926	-
2041	7,956,274,633	2,445,646,836	38.2	5,510,627,797	141,167,228	1.77	440,850,224	582,017,452	5,510,627,797	2,029,468,127	49.0	5,926,806,506	117,946,620	1.48	474,144,520	592,091,140	5,926,806,506	56,988,586	-
2042	8,136,775,648	2,531,532,799	38.1	5,605,242,849	144,073,186	1.77	448,419,428	592,492,614	5,605,242,849	2,092,249,413	48.7	6,044,526,235	120,968,510	1.49	483,562,099	604,530,609	6,044,526,235	58,187,224	-
2043	8,320,962,965	2,618,692,055	38.0	5,702,270,909	147,075,209	1.77	456,181,673	603,256,882	5,702,270,909	2,156,380,090	48.5	6,164,582,875	124,046,629	1.49	493,166,630	617,213,259	6,164,582,875	59,915,953	-
2044	8,508,939,081	2,707,203,245	37.8	5,801,735,835	150,163,963	1.76	464,138,867	614,302,830	5,801,735,835	2,221,906,547	48.2	6,287,032,534	127,179,230	1.49	502,962,603	630,141,833	6,287,032,534	61,652,773	-
2045	8,700,859,298	2,797,137,777	37.7	5,903,721,521	153,282,487	1.76	472,297,722	625,580,209	5,903,721,521	2,288,927,225	48.0	6,411,932,073	130,368,633	1.50	512,954,566	643,323,199	6,411,932,073	63,347,955	-
2046	8,896,575,896	2,888,322,313	37.6	6,008,253,583	156,493,717	1.76	480,660,287	637,154,004	6,008,253,583	2,357,235,995	47.8	6,539,339,901	133,617,951	1.50	523,147,192	656,765,143	6,539,339,901	65,309,181	-
2047	9,095,978,271	2,980,587,712	37.5	6,115,390,559	159,760,301	1.76	489,231,245	648,991,546	6,115,390,559	2,426,665,707	47.5	6,669,312,564	136,924,614	1.51	533,545,005	670,469,619	6,669,312,564	67,494,902	-
2048	9,299,936,239	3,074,793,244	37.4	6,225,142,995	163,126,912	1.75	498,011,440	661,138,352	6,225,142,995	2,498,031,462	47.3	6,801,904,777	140,287,135	1.51	544,152,382	684,439,517	6,801,904,777	68,921,380	-
2049	9,508,307,346	3,170,745,896	37.2	6,337,561,450	166,579,632	1.75	507,004,916	673,584,548	6,337,561,450	2,571,124,728	47.1	6,937,182,618	143,720,246	1.51	554,974,609	698,694,855	6,937,182,618	70,626,980	-
2050	9,721,112,181	3,268,448,448	37.1	6,452,663,733	170,146,937	1.75	516,213,099	686,360,036	6,452,663,733	2,645,902,069	46.9	7,075,210,112	147,221,727	1.51	566,016,809	713,238,536	7,075,210,112	72,444,386	-
					3,394,040,525		***10,597,825,411***						***2,771,494,146***		***11,278,043,088***				





COMPOSITE DEPRECIATION RATES
OF GAS DISTRIBUTION UTILITIES

COMPANY	COMPOSITE DEPRECIATION RATE
COMPANY 01	2.56
COMPANY 02	3.16
COMPANY 03	2.49
COMPANY 04	2.63
COMPANY 05	2.81
COMPANY 06	2.37
COMPANY 07	2.61
COMPANY 08	3.15
COMPANY 09	2.35
COMPANY 10	2.85
COMPANY 11	3.06
COMPANY 12	3.05
COMPANY 13	2.88
COMPANY 14	2.68
COMPANY 15	2.63
AVERAGE	**2.75**

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
JOHN D. TAYLOR
CHIEF EXECUTIVE OFFICER – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026 Peoples Statement No. 17-R
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY
OF JOHN D. TAYLOR

I. WITNESS IDENTIFICATION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, AFFILIATION, AND BUSINESS ADDRESS.

A. My name is John D. Taylor, and I am employed by Atrium Economics, LLC ("Atrium") as a Chief Executive Officer. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, SC 29926.

Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING ON BEHALF OF PEOPLES NATURAL GAS COMPANY LLC ("PEOPLES" OR THE "COMPANY")?

A. Yes. I submitted my direct testimony, Peoples Statement No. 17, on March 27, 2026.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony responds to certain portions of the direct testimony submitted by other parties. The areas I address are outlined below, with reference to the corresponding direct testimony of the other parties:

Revenue Apportionment

- Office of Consumer Advocate ("OCA") Statement 1 – Direct testimony of Michael Deupree ("OCA Witness Deupree" or "Witness Deupree");
- Bureau of Investigation and Enforcement ("I&E") Statement 3 – Direct Testimony of Ethan H. Cline ("I&E Witness Cline" or "Witness Cline"); and
- Office of Small Business Advocate ("OSBA") Statement No. 2 – Direct testimony of Mark D. Ewen ("OSBA Witness Ewen" or "Witness Ewen").

Allocated Class Cost of Service Study

- OCA Witness Deupree;

- I&E Witness Cline;
- OSBA Witness Ewen; and
- Coalition For Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") Statement No. 1 – Direct testimony of Patrick M. Cicero ("CAUSE-PA Witness Cicero" or "Witness Cicero").

Treatment of Negotiated-Rate Customers

- Office of Small Business Advocate ("OSBA") Statement No. 1 – Direct testimony of Joseph Kubas ("OSBA Witness Kubas" or "Witness Kubas").

Rate Design

- OCA Witness Deupree;
- OCA Statement 4 – Direct testimony of Roger Colton ("OCA Witness Colton" or "Witness Colton");
- OSBA Witness Kubas;
- I&E Witness Cline;
- CAUSE-PA Witness Cicero; and
- Pennsylvania Weatherization Providers Task Force ("PWPTF") Statement No. 1 – Direct Testimony of Jennifer Warabak ("PWPTF Witness Warabak") or "Witness Warabak").

Normal Weather Methodology and Weather Normalization Adjustment

- OCA Witness Deupree;
- I&E Witness Cline;
- OSBA Witness Ewen; and
- CAUSE-PA Witness Cicero.

Q. CAN YOU PROVIDE A BRIEF SUMMARY OF YOUR PRINCIPAL RECOMMENDATIONS IN THIS REBUTTAL TESTIMONY?

A. Yes. My principal recommendations are summarized below:

• Revenue Apportionment: The Commission should approve the Company's proposed revenue apportionment because it appropriately balances the class cost responsibility

identified in the Company's Allocated Cost of Service Study ("ACOSS") while also considering rate design principles such as gradualism, rate stability, and customer impacts.

• Allocated Cost of Service Study: The Commission should approve the Company's blended ACOSS because it reasonably recognizes both customer-related and load-related cost causation and provides a sound basis for revenue apportionment and rate design.

• Negotiated-Rate Customers: While separately identifying negotiated-rate customers may be one reasonable approach for future studies, Witness Kubas has not demonstrated that any modification to the Company's ACOSS or revenue allocation is warranted in this proceeding.

• Rate Design: The Commission should approve the Company's proposed customer charges because they remain below customer-related costs, preserve meaningful conservation incentives, produce reasonable bill impacts, and reasonably balance cost causation with customer impact considerations.

• Normal Weather Methodology and Weather Normalization Adjustment: The Commission should approve the Company's proposed 65-year regression methodology and continuation of its existing WNA because they provide a consistent, objective, and analytically sound framework for estimating normal weather and normalizing weather-sensitive revenues.

II. REVENUE APPORTIONMENT

Q. PLEASE SUMMARIZE PEOPLES' PROPOSED REVENUE APPORTIONMENT.

A. As discussed in my Direct Testimony, Peoples' proposed revenue apportionment is informed by the results of the Company's ACOSS, which identifies the relative cost

responsibility of each customer class. However, revenue apportionment also requires regulatory judgment and consideration of other accepted ratemaking principles, including gradualism, rate stability, and customer impacts. The Company's proposal appropriately balances these considerations.

Q. WHAT REVENUE APPORTIONMENT RECOMMENDATIONS HAVE BEEN PRESENTED BY OTHER PARTIES?

A. OCA Witness Deupree recommends that the Commission adopt a revenue apportionment based upon his alternative ACOSS. In addition, Witness Deupree recommends that "the Commission cap the proposed rate increase to any single customer class to no more than 1.15 times the system average increase" and that "no class receive a rate increase less than 0.50 times the system average increase."[1]

I&E Witness Cline recommends that the Commission reject the Company's proposed ACOSS and instead base revenue apportionment on "a peak and average COSS that does not allocate the cost of mains on a customer basis."[2]

OSBA Witness Ewen does not present a separate ACOSS methodology or recommend a specific alternative treatment of distribution mains. Rather, Witness Ewen recommends modifications to the allocation of the Company's requested revenue increase based primarily on considerations of gradualism and value-of-service principles.[3] While Witness Ewen discusses prior Commission decisions regarding the allocation of

[1] OCA Stmt. No. 1, at p. 5.
[2] I&E Stmt. No. 3, at p. 35.
[3] OSBA Stmt. No. 2, at p. 10.

distribution mains, his revenue allocation recommendations are not principally driven by an independent assessment of class cost responsibility reflected in an alternative ACOSS.[4]

Q. HAVE YOU PREPARED A COMPARISON OF THE VARIOUS REVENUE APPORTIONMENT PROPOSALS PRESENTED IN THIS PROCEEDING?

A. Yes. Table 1 summarizes the percentage of the overall revenue increase assigned to each customer class under the principal revenue apportionment proposals presented in this proceeding.

Table 1 - Revenue Apportionment Comparison

Rate Classes	Peoples	OCA	I&E	OSBA	Average (OCA, I&E, OSBA)
Residential	73%	72%	51%	73%	65%
Small General	13%	10%	21%	12%	14%
Medium General	13%	12%	25%	11%	16%
Large General	0%	5%	0%	3%	3%
Mainline Service	0%	1%	3%	0%	1%
Total	100%	100%	100%	100%	100%

Note: I&E did not present a specific revenue apportionment recommendation but instead recommended a revenue allocation based on the P&A ACOSS study with no decrease to the Large General Service class, thus this presentation spreads the ~$6.6M of decrease to LGS to the remaining classes based on their percentage of the revenue increase, excluding LGS.

Q. WHAT OBSERVATIONS CAN BE MADE FROM THESE RESULTS?

The primary differences among the revenue apportionment proposals are driven either by (1) differing views regarding class cost responsibility reflected in the underlying ACOSS, or (2) differing views regarding the appropriate degree of gradualism in moving customer classes toward cost-based rates. The issue before the Commission is not simply

[4] OSBA Stmt. No. 2, at pp. 7-8

which ACOSS is preferred, but how cost responsibility should be balanced with other accepted revenue apportionment principles.

Witnesses Deupree and Cline primarily focus on the first issue. Their recommendations are based upon alternative ACOSS methodologies that assign distribution mains and related costs differently than the Company's study. As a result, their proposed revenue apportionments produce different indications of class cost responsibility.

Witness Ewen's recommendations largely represent the second issue. While Witness Ewen discusses historical Commission treatment of distribution mains, his revenue allocation recommendations place greater emphasis on gradualism and value-of-service considerations than on the cost responsibility reflected in the Company's ACOSS.

Q. DOES PEOPLES' PROPOSED ACOSS ALREADY INCORPORATE ELEMENTS OF THE APPROACH ADVOCATED BY OCA WITNESS DEUPREE AND I&E WITNESS CLINE?

A. Yes. Unlike a cost study that relies exclusively on a single allocation methodology, the Company's proposed revenue apportionment already recognizes a balanced consideration of customer-related and load-related cost responsibility as identified by the Company's ACOSS.

By contrast, the recommendations of Witnesses Deupree and Cline would effectively eliminate the customer-related component reflected in the Company's study and place exclusive reliance on a Peak-and-Average framework.

Q. DO YOU AGREE WITH WITNESS DEUPREE'S RECOMMENDATION TO CAP CLASS RATE INCREASES AT 1.15 TIMES THE SYSTEM AVERAGE INCREASE AND ESTABLISH A FLOOR OF 0.50 TIMES THE SYSTEM AVERAGE INCREASE?[5]

A. No. While gradualism is an appropriate consideration in revenue apportionment, the specific caps and floors proposed by Witness Deupree are not derived from any cost-of-service principle. Rather, they are policy constraints that override the cost responsibility reflected in the underlying study. The practical effect of such constraints is to preserve existing disparities in class rates of return and slow movement toward rates that more closely identify the costs incurred to serve each class.

Q. DO YOU AGREE WITH WITNESS CLINE'S RECOMMENDED REVENUE APPORTIONMENT?

A. No. Witness Cline's revenue apportionment recommendation is entirely dependent upon his proposed Peak-and-Average ACOSS. As discussed later in my rebuttal testimony, I do not agree with Witness Cline's recommendation to eliminate the customer-related component reflected in the Company's ACOSS. Because his revenue apportionment results are derived directly from that alternative ACOSS, I likewise do not agree with his proposed allocation of the Company's requested revenue increase among customer classes.

Q. DO YOU AGREE WITH WITNESS EWEN'S APPROACH TO REVENUE APPORTIONMENT?

[5] OCA Stmt. No. 1, at p. 64.

A. No. Revenue apportionment necessarily involves the exercise of judgment and consideration of multiple ratemaking objectives. However, in my opinion, cost responsibility should remain the primary guide in determining how a utility's revenue requirement is allocated among customer classes. Other considerations, including gradualism, customer impacts, and value-of-service considerations, may appropriately influence the final result, but they should not replace cost responsibility as the starting point for revenue allocation decisions.

Witness Ewen's recommendations place significant emphasis on gradualism and value-of-service considerations. While those factors may be relevant, I do not believe they should be given greater weight than the cost responsibility reflected in a reasonable cost of service study. Doing so risks perpetuating existing disparities among classes and weakening the relationship between rates and the costs incurred to serve those classes. There is also a subjective level of interpretation when it comes to value-of-service considerations, which is not fully vetted or explained by Witness Ewen.

Q. WHAT IS YOUR OVERALL CONCLUSION REGARDING REVENUE APPORTIONMENT?

A. Peoples' proposed revenue apportionment appropriately represents the class cost responsibility identified in the Company's balanced ACOSS while also incorporating accepted ratemaking considerations such as gradualism and rate stability. The alternative recommendations presented by OCA, I&E, and OSBA either rely on different assessments of class cost responsibility or place greater emphasis on policy considerations than on the

cost responsibility reflected in the Company's ACOSS. Therefore, I continue to support the Company's proposed revenue apportionment.

III. ALLOCATED COST OF SERVICE STUDY

A. Allocated Cost of Service Study

Q. PLEASE SUMMARIZE THE COMPANY'S ACOSS PRESENTED IN YOUR DIRECT TESTIMONY.

A. As discussed in my Direct Testimony, Peoples developed an Allocated Cost of Service Study ("ACOSS") to measure the cost responsibility of each customer class and provide a reasonable basis for revenue apportionment and rate design. The Company's ACOSS incorporates the results of both a Customer-Demand study and a Demand-Commodity study. Rather than relying exclusively on either methodology, Peoples assigned equal weight to the results of the two studies.

This approach appropriately recognizes that distribution system costs exhibit both customer-related and load-related characteristics. Accordingly, the Company's ACOSS recognizes a balanced assessment of class cost responsibility and provides a reasonable foundation for revenue apportionment and rate design.

Q. WHAT ACOSS RECOMMENDATIONS HAVE BEEN PRESENTED BY OTHER PARTIES?

A. OCA Witness Deupree recommends that the Commission reject the Company's Minimum System Study ("MSS") approach and related customer classification of a portion of distribution mains. Witness Deupree states that "MSS approaches that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in

setting just and reasonable rates." Witness Deupree further recommends replacing the Company's approach with a Peak-and-Average ("P&A") methodology that allocates distribution mains entirely on a load-related basis.[6]

I&E Witness Cline similarly recommends that "cost allocation and rates should be designed based on the Peak and Average methodology and that the costs associated with distribution mains are not considered customer costs."[7] Witness Cline also recommends that the Commission reject the Company's blended methodology and instead rely exclusively on a P&A methodology.[8]

OSBA Witness Ewen does not present a separate ACOSS methodology. However, Witness Ewen discusses prior Commission decisions regarding the treatment of distribution mains and relies upon those decisions in support of his recommendations concerning revenue allocation and rate design.[9]

CAUSE-PA Witness Cicero generally aligns with the recommendations advanced by OCA Witness Deupree regarding the treatment of distribution mains and the Company's ACOSS methodology.[10]

Q. WHAT OBSERVATIONS CAN BE MADE REGARDING THESE RECOMMENDATIONS?

A. The principal disagreement concerns the treatment of distribution mains and related facilities. Witnesses Deupree and Cline recommend methodologies that allocate

[6] OCA Stmt. No.1, at pp.58-59.
[7] I&E Stmt. No. 3, at p. 31.
[8] I&E Stmt. No. 3, at p. 35.
[9] OSBA Stmt. No. 2, at pp. 7-8
[10] CAUSE-PA Stmt. 1, at p. 20.

distribution mains entirely on a load-related basis through a P&A methodology. Witnesses Deupree, Cline, and Ewen also rely, to varying degrees, on prior Commission decisions that favored similar approaches. Witness Cicero generally supports the OCA's position.

Q. DO YOU AGREE WITH THE RECOMMENDATIONS OF WITNESSES DEUPREE, CLINE, EWEN, AND CICERO?

A. No. At a fundamental level, the recommendations of these witnesses are based on the premise that distribution mains should be allocated exclusively on a load-related basis and that customer-related classification of distribution mains is inappropriate. I disagree with that premise.

Cost allocation is not an exact science. Different methodologies reflect different judgments regarding cost causation and the allocation of common utility costs among customer classes. The relevant question is whether a methodology reasonably captures the characteristics of the utility system and provides a reasonable measure of class cost responsibility.

Unlike the recommendations of Witnesses Deupree and Cline, Peoples did not ask the Commission to choose exclusively between competing methodologies. Rather, the Company evaluated both approaches and incorporated both into its proposed ACOSS through an equal weighting of the Customer-Demand and Demand-Commodity studies. That equal-weighting approach more fairly reflects multiple parties' perspectives on the factors that drive distribution system investment than either methodology standing alone.

Q. DOES THE COMPANY'S USE OF AN EQUAL WEIGHTING OF THE CUSTOMER-DEMAND AND DEMAND-COMMODITY STUDIES HAVE ANY RELEVANCE TO THE CRITICISMS ADVANCED BY WITNESS DEUPREE?

A. Yes. Witness Deupree's testimony largely critiques methodologies that assign a substantial portion of distribution mains costs to customer-related factors. However, Peoples did not rely exclusively on a Customer-Demand methodology. Instead, the Company developed both a Customer-Demand study and a Demand-Commodity study and assigned equal weight to each. Consequently, the Company's ACOSS already incorporates substantial recognition of the load-related considerations advocated by Witness Deupree.

That balanced approach more reasonably reflects the multiple factors that drive distribution system investment than either methodology standing alone.

Q. DO YOU AGREE WITH WITNESS DEUPREE'S ASSERTION THAT MSS METHODOLOGIES ARE "FUNDAMENTALLY FLAWED"?[11]

A. No. Witness Deupree's characterization overstates the limitations of MSS methodologies. MSS and related zero-intercept approaches have been utilized by natural gas utilities and regulatory commissions for decades as one means of identifying the customer-related characteristics of distribution systems. While reasonable experts may disagree regarding the appropriate classification of distribution mains, such disagreement does not render MSS methodologies "fundamentally flawed."

Like all cost allocation methodologies, MSS studies involve assumptions and professional judgment. The fact that a methodology has limitations does not establish that

[11] OCA Stmt. No.1, at p. 76.

it should be discarded entirely. The relevant question is whether the methodology provides useful information regarding cost causation. The Company's study does. Moreover, Peoples did not rely exclusively on the results of the Customer-Demand study. Instead, the Company balanced those results with a Demand-Commodity study and assigned equal weight to each methodology.

Q. ON PAGES 50 AND 51 OF HIS DIRECT TESTIMONY, MR. DEUPREE PRESENTS SELECTED STATEMENTS FROM A RECOGNIZED AUTHORITY THAT HE CONTENDS SUPPORTS HIS CONCLUSION THAT IT IS IMPROPER TO ALLOCATE A PORTION OF A GAS UTILITY'S DISTRIBUTION MAINS ON A CUSTOMER BASIS. HOW DO YOU RESPOND?

A. The recognized authority cited by Witness Deupree, Professor James Bonbright, makes other statements that strongly suggest the opposite view that the recognition of a customer component of distribution mains for a gas utility is appropriate.

In Principles of Public Utility Rates[12], Professor Bonbright notes that the use of a two-part rate structure is based on the assumption that one part of the total cost of a utility's business is a function of the output or energy of the system, whereas another part is a function of plant capacity and hence of all costs related to this capacity. Professor Bonbright goes on to point out, however, that "this two-fold distinction overlooks the fact that a material part of the operation and capital costs of a utility business is more directly

[12] Principles of Public Utility Rates, Second Editions, James C. Bonbright, Albert L. Danielson, David R. Kamerschen, Public Utility Reports, Inc., 1988

and closely related to the number of customers than to energy consumption on the one hand or maximum kilowatt demand on the other hand." (Emphasis added).[13]

In addition, in this section dealing with the criteria of a sound rate structure, Professor Bonbright states that,

> "customer costs incurred to serve a customer are invariant with respect to consumption. They are the costs incurred to serve a customer even if the customer does not use the service at all. The most obvious examples of these customer costs are the expenses associated with local connection facilities, metering equipment and meter reading, billing and accounting, and a portion of the distribution system."[14] (emphasis added)

Finally, on page 492, Professor Bonbright states that "in actual practice the vast majority of utilities utilized some form of minimum system to classify costs, which is in line with FERC accounts."

Q. WITNESS DEUPREE SUGGESTS THAT YOUR POSITION IN THIS PROCEEDING IS INCONSISTENT WITH POSITIONS YOU HAVE TAKEN IN OTHER PENNSYLVANIA RATE PROCEEDINGS. DO YOU AGREE?[15]

A. No. Cost allocation is inherently a matter of judgment, and no single methodology can be demonstrated to be universally appropriate in all circumstances. The appropriate inquiry is whether the methodology proposed in a particular proceeding reasonably recognizes the characteristics of the utility system being studied and provides a better measure of class cost responsibility.

[13] Id. at page 401.
[14] Id. at page 401.
[15] OCA Stmt. No. 1, at pp. 54-55.

Moreover, Witness Deupree's characterization overlooks an important aspect of the Company's proposal in this proceeding. Peoples is not proposing exclusive reliance on a Customer-Demand methodology. Rather, Peoples developed both a Customer-Demand study and a Demand-Commodity study and assigned equal weight to each methodology. As a result, the Company's cost study already incorporates substantial recognition of the load-related concepts advocated by Witness Deupree.

Q. WITNESS DEUPREE ALSO CRITICIZES THE COMPANY'S DEMAND-COMMODITY STUDY BECAUSE IT UTILIZES PEAK-DAY DEMAND AS THE DEMAND ALLOCATOR. DO YOU AGREE WITH THAT CRITICISM?[16]

A. No. By definition, a Demand-Commodity methodology recognizes both demand-related and commodity-related characteristics of the distribution system. The demand component captures peak-day usage requirements, while the commodity component represents throughput-related usage.

Therefore, the Company's Demand-Commodity study incorporates both peak-demand and throughput considerations. Witness Deupree's criticism focuses on the demand allocator while overlooking the fact that throughput is explicitly recognized through the commodity allocation component of the study. The Company's Demand-Commodity study appropriately recognizes both peak-day requirements and throughput-related usage characteristics.

Q. WITNESSES DEUPREE, CLINE, AND EWEN ALL RELY ON PRIOR COMMISSION DECISIONS, INCLUDING THE RECENT COLUMBIA GAS OF

[16] OCA Stmt. No. 1, at p. 53.

PENNSYLVANIA PROCEEDING, IN SUPPORT OF THEIR POSITIONS. DO YOU BELIEVE THOSE DECISIONS REQUIRE REJECTION OF THE COMPANY'S ACOSS?

A. I agree that prior Commission decisions provide useful guidance regarding cost allocation issues. However, those decisions must be considered in the context of the facts, evidence, and methodologies presented in the specific proceedings in which they were rendered. Witnesses Deupree, Cline, and Ewen overstate the applicability of those decisions to the facts and circumstances presented in this proceeding.

Accordingly, even if one accepts the concerns expressed in prior proceedings regarding exclusive reliance on customer-demand methodologies, those concerns do not apply with the same force to the Company's blended methodology in this proceeding. The Company's blended methodology directly addresses many of the concerns raised in those prior proceedings by recognizing both customer-related and load-related cost causation.

Moreover, I do not believe prior Commission decisions establish that any single cost allocation methodology must be adopted in every future proceeding regardless of the circumstances presented. Cost allocation is inherently a matter of judgment, and reasonable differences of opinion exist regarding the classification and allocation of distribution mains. In this proceeding, the Commission should evaluate whether Peoples' methodology reasonably reflects the characteristics of its distribution system and provides a reasonable measure of class cost responsibility.

Q. DO YOU AGREE WITH THE CONTENTION OF WITNESSES DEUPREE AND CLINE THAT COST CAUSATION PRINCIPLES REQUIRE EXCLUSIVE RELIANCE ON A PEAK-AND-AVERAGE METHODOLOGY?

A. The key to a reasonable cost allocation is a thorough understanding of cost causation. Witnesses Deupree and Cline place too much emphasis on a single dimension of cost causation while giving insufficient recognition to the customer-related characteristics of the distribution system. Simply stated, system use is not the same as cost causation.

Distribution mains recognize two cost-causative realities. First, mains investment is driven by the need to connect and maintain an integrated delivery system for a given number and geographic dispersion of customers. Second, mains must be sized to provide sufficient capacity to serve coincident peak-day requirements safely and reliably.

Therefore, distribution facilities are not constructed solely to accommodate annual throughput; if they were built to this standard, there would be massive outages and significant safety implications. They are also constructed to connect customers to the system, provide access to service, and maintain sufficient capacity to meet customer requirements. The Company's blended methodology recognizes both realities and therefore provides a more balanced assessment of cost causation than an approach that relies exclusively on a single methodology.

Q. DO YOU AGREE WITH WITNESS CICERO'S RECOMMENDATION TO ADOPT THE OCA'S ACOSS APPROACH?[17]

[17] CAUSE-PA, Stmt. 1, at p. 20.

A. No. Witness Cicero does not present an independent ACOSS methodology. Rather, his recommendation largely relies upon and supports the conclusions reached by Witness Deupree. For the reasons discussed above, I do not agree with Witness Deupree's recommendation to eliminate the customer-related component reflected in the Company's ACOSS or to rely exclusively on a Peak-and-Average framework.[18] Likewise, I do not support Witness Cicero's recommendation.

Q. WHAT IS YOUR OVERALL CONCLUSION REGARDING THE COMPANY'S ACOSS?

A. The Company's ACOSS recognizes the two principal drivers of distribution system investment. Distribution mains are installed to connect and serve customers across the service territory, but they also must be sized to satisfy peak-day requirements. Neither a purely customer-related methodology nor a purely load-related methodology fully captures those realities.

Unlike Witnesses Deupree and Cline, Peoples did not ask the Commission to choose exclusively between competing methodologies. The Company evaluated both a Customer-Demand study and a Demand-Commodity study and incorporated both into its proposed ACOSS through an equal weighting of the two studies.

As a result, the Company's ACOSS captures both customer-related and load-related characteristics of the distribution system. That blended approach provides a more reasonable measure of class cost responsibility than the exclusive reliance on a single methodology advocated by Witnesses Deupree and Cline.

[18] OCA Stmt. No. 1, at pp. 4-5.

B. Negotiated-Rate Customers

Q. PLEASE SUMMARIZE THE COMPANY'S TREATMENT OF NEGOTIATED-RATE CUSTOMERS IN THIS PROCEEDING.

A. Negotiated-rate customers remain within the tariff classes under which they receive service and were not presented as a separate customer class in the Company's ACOSS. However, the Company's revenue proof separately identifies negotiated delivery volumes and applies the applicable negotiated delivery rates in calculating current class revenues. Accordingly, the Company's study reflects the negotiated delivery revenues associated with those customers rather than assuming they pay the otherwise applicable tariff delivery rates.

Q. WHAT RECOMMENDATION DOES OSBA WITNESS KUBAS MAKE REGARDING NEGOTIATED-RATE CUSTOMERS?

A. Witness Kubas recommends that future cost-of-service studies separately identify negotiated-rate customers and the associated revenues as a distinct negotiated customer class.[19] According to Witness Kubas, presenting negotiated-rate customers separately would allow the Commission and interested parties to evaluate the cost responsibility and revenue relationships of tariff-rate customers independently of negotiated-rate customers.[20]

Q. DO YOU AGREE WITH WITNESS KUBAS' RECOMMENDATION?

A. I believe Witness Kubas identifies one reasonable approach that could be considered in future cost-of-service studies. However, I do not believe his recommendation

[19] OSBA Stmt. No. 1, at p. 10.
[20] OSBA Stmt. No. 1, at pp. 10-11.

demonstrates that the Company's ACOSS is unreasonable or that any modification to the Company's revenue allocation or rate design proposals is warranted in this proceeding.

The Company's study evaluates the tariff classes as they currently exist while separately recognizing negotiated delivery volumes and negotiated delivery rates in the revenue proof. As a result, negotiated delivery revenues are reflected based upon the negotiated rates actually associated with those customers rather than being assumed to pay otherwise applicable tariff rates. Negotiated-rate arrangements are generally intended to retain customers that may have competitive alternatives while continuing to recover a portion of the Company's fixed costs from those customers.

Although establishing a separate negotiated customer class represents an alternative study design, Witness Kubas has not demonstrated that the Company's current treatment of negotiated-rate customers results in unreasonable cost allocations, unreasonable revenue apportionment, or unreasonable rates in this proceeding. Accordingly, I do not recommend any modification to the Company's ACOSS, revenue allocation, or proposed rates based on Witness Kubas' recommendation.

C. Allocation and Recovery of Universal Service Program Costs

Q. HOW DO YOU RESPOND TO CAUSE-PA WITNESS CICERO'S PROPOSAL TO ALLOCATE UNIVERSAL SERVICE COSTS TO ALL CUSTOMER CLASSES.

A. Witness Cicero raises a policy question regarding whether universal service costs should continue to be recovered exclusively from residential customers, and a policy issue that should not be isolated to this case. His proposal would materially change the recovery of these costs by shifting a portion of them to commercial and industrial customers that do

not currently pay the Universal Service Rider. Before adopting such a change, the Commission should require a complete analysis of the resulting rate and bill impacts by customer class. Just as important as determining who pays these costs is determining how they are recovered. Whether universal service costs are recovered through a fixed monthly charge, a volumetric charge, or some combination of the two can produce significantly different outcomes for customers with different usage characteristics and load factors. For example, a predominantly fixed recovery mechanism would generally place a proportionally greater burden on smaller-use customers, while a volumetric recovery would affect higher-volume customers more significantly. Before modifying the recovery of universal service costs, the Commission should evaluate both the proposed allocation among customer classes and the resulting bill impacts under the proposed recovery mechanism to ensure the costs are recovered in an equitable and reasonable manner.

Q. DO YOU HAVE ANY ADDITIONAL OBSERVATIONS REGARDING WITNESS CICERO'S PROPOSAL?

Witness Cicero correctly observes that assisting low-income customers serves an important public policy objective that benefits society more broadly. To the extent the Commission determines that commercial and industrial customers should begin contributing to these costs, I believe it is important that the policy be implemented consistently across Pennsylvania's natural gas utilities. Commercial and industrial customers routinely evaluate energy costs when making siting, expansion, and investment decisions. If one utility recovers universal service costs from all customer classes while another continues to recover those costs only from residential customers, similarly situated

businesses could face different utility cost structures depending solely on their service territory. Such inconsistencies can affect the relative competitiveness of different regions within the Commonwealth without any corresponding difference in the underlying cost of providing utility service. Accordingly, if the Commission concludes that a broader allocation of universal service costs is appropriate as a matter of policy, consideration should be given to implementing that policy on a consistent statewide basis and on a similar timeline of implementation rather than on a utility-by-utility basis.

IV. RATE DESIGN

Q. PLEASE SUMMARIZE THE COMPANY'S PROPOSED RATE DESIGN.

A. Peoples proposes to increase certain monthly customer charges as part of its overall rate design proposal. The proposed customer charges are supported by the customer-related costs identified in the Company's ACOSS and customer cost studies. As demonstrated in my Direct Testimony, the proposed customer charges remain below the customer-related unit costs identified for the applicable customer classes.

The Company's proposal better advances more cost-reflective rates by recovering a greater portion of customer-related fixed costs through the monthly customer charge while preserving substantial recovery through volumetric delivery charges. This approach better aligns the recovery of customer-related costs with the manner in which those costs are caused and incurred, promotes more equal contributions toward recovery of customer-related costs among customers within a class, and improves the relationship between fixed customer-related costs and fixed monthly charges. The proposed customer charges also

represent a reasonable balance among the various objectives of rate design, including cost causation, fairness, customer impacts, revenue stability, and conservation.

Q. WHAT RECOMMENDATIONS HAVE BEEN PRESENTED BY OTHER PARTIES REGARDING THE COMPANY'S PROPOSED RATE DESIGN?

A. Several intervenors raise concerns regarding the Company's proposed rate design, including the proposed customer charges, affordability, conservation, bill impacts, and customer bill management. While those witnesses approach the issues from different perspectives, they generally recommend rejecting or modifying aspects of the Company's proposed residential rate design, including the proposed residential customer charge increases, or urge the Commission to place greater emphasis on affordability and customer bill impacts when evaluating the Company's proposal.

OCA Witness Deupree recommends that the Commission reject the Company's proposed increases to customer charges and retain existing customer charge levels.[21] Witness Deupree argues that current customer charges already recover a substantial portion of customer-related costs and that higher customer charges weaken conservation incentives and disproportionately impact lower-use customers.[22]

OSBA Witness Kubas recommends retaining the current SGS customer charge for customers using between 0 and 499 Mcf annually.[23] Witness Kubas argues that the Company did not provide sufficient detail regarding the customer-related costs supporting

[21] OCA Stmt. No. 1, at p. 74.
[22] OCA Stmt. No. 1, at p. 74.
[23] OSBA Stmt. No. 1, at p 6.

the proposed SGS customer charge and further expresses concern regarding the impact of higher customer charges on conservation and customer bill management.[24]

I&E Witness Cline does not recommend a specific adjustment to the Company's proposed customer charges. However, Witness Cline argues that customer charges should be based upon a Peak-and-Average ACOSS that excludes distribution mains from customer-related costs.[25] Witness Cline also recommends that customer charges be proportionately reduced if the Commission authorizes less than the Company's requested revenue increase.[26]

CAUSE-PA Witness Cicero recommends that the Commission reject the Company's proposed increase in the residential customer charge, or alternatively approve only a modest increase if the Company's Weather Normalization Adjustment remains in place.[27] Witness Cicero's concerns focus primarily on affordability, low-income customer impacts, and customer bill control.

PWPTF Witness Warabak likewise recommends that the Company's proposed increase in the residential customer charge be denied.[28] Witness Warabak argues that higher fixed charges reduce customers' ability to lower bills through conservation and disproportionately affect low-income customers.[29]

OCA Witness Colton recommends that the Commission evaluate the Company's proposed residential rates in light of customer affordability and bill impacts, particularly

[24] OSBA Stmt. No. 1, at p 6.
[25] I&E Stmt. No.3, at p. 35.
[26] I&E Stmt. No.3, at p. 36.
[27] CAUSE-PA Stmt. No. 1, at p. 56.
[28] PWPTF Stmt. No. 1, at p. 7.
[29] PWPTF Stmt. No. 1, at p. 4.

for lower-income households.[30] Witness Colton contends that affordability should play a more prominent role in evaluating the reasonableness of the Company's proposed residential rate design and concludes that the proposed rates would increase customer bill burdens for financially vulnerable customers.

Q. DO YOU AGREE WITH THE CUSTOMER CHARGE RECOMMENDATIONS OF WITNESSES DEUPREE, KUBAS, AND CLINE?

A. No. Although Witnesses Deupree, Kubas, and Cline approach the issue from different perspectives, they recommend lower customer charges based on differing views regarding customer-related costs, affordability, conservation, customer bill management, and the appropriate balance between fixed and variable charges.

As discussed in Section III of my rebuttal testimony, I do not agree with the alternative cost allocation methodologies relied upon by Witnesses Deupree and Cline. Likewise, I do not agree with the customer charge recommendations that flow from those methodologies. Rather than repeating those cost allocation issues here, this section addresses the broader rate design considerations raised by the intervenors.

Unlike Witnesses Deupree and Cline, Witness Kubas does not challenge the Company's cost allocation methodology. Rather, Witness Kubas argues that the Company did not provide sufficient support for the proposed SGS customer charge. I address those concerns separately below.

[30] OCA Stmt. 4, at p. 6.

Q. HOW DO YOU RESPOND TO WITNESS KUBAS' CLAIM THAT THE COMPANY FAILED TO PROVIDE SUFFICIENT SUPPORT FOR THE PROPOSED SGS CUSTOMER CHARGE?[31]

A. I disagree. Witness Kubas argues that the Company did not provide sufficient detail regarding the costs underlying the proposed SGS customer charge.[32] However, Witness Kubas does not identify any specific cost that is improperly included in the Company's customer cost analysis, nor does he demonstrate that the customer-related costs reflected in the ACOSS are unreasonable.

The Company's ACOSS provides the information necessary to evaluate the customer-related costs supporting the proposed customer charge. Furthermore, Witness Kubas utilized the Company's ACOSS in the formulation of his recommendations. The customer-related unit costs presented in the ACOSS are derived from the functionalized revenue requirement, which in turn is based on the underlying plant, expense, and other cost components measured in the study. Interested parties can trace the customer-related costs through the ACOSS model and evaluate the accounts included in those customer-related cost assignments. The fact that Witness Kubas would have preferred the information to be presented in a different format does not mean that the Company's customer cost analysis lacks adequate support.

The Company's customer cost study identifies customer-related costs that exceed the proposed SGS customer charge. Therefore, the Company is not proposing to recover

[31] OSBA Stmt. No. 1, at pp. 8-9.
[32] OSBA Stmt. No. 1, at pp. 8-9.

the full customer-related cost of serving SGS customers through the monthly customer charge.

Witness Kubas also disputes the Company's discussion of intra-class equity and fixed cost recovery.[33] However, those considerations follow directly from the customer cost analysis. To the extent customer-related costs exceed the existing customer charge, a greater portion of those costs must be recovered through volumetric rates, resulting in differing contributions toward recovery of customer-related costs among customers within the class. The Company's proposal represents a reasonable movement toward improved alignment between customer-related costs and customer-related revenues.

Q. HOW DO YOU RESPOND TO THE ARGUMENTS OF WITNESSES DEUPREE, KUBAS, CICERO, AND WARABAK THAT HIGHER CUSTOMER CHARGES ARE INCONSISTENT WITH CONSERVATION?

A. Conservation is an important policy objective, but it is only one of several objectives that must be considered in rate design. Rate design must also consider cost causation, fairness, revenue stability, rate continuity, customer impacts, and the appropriate relationship between fixed and variable cost recovery.

Witness Kubas also questions several of the Company's broader rate design objectives, including improved recovery of fixed costs, revenue stability, and appropriate price signals.[34] However, the Company's proposed customer charges are not based on any single rate design objective. Instead, they reflect a balancing of multiple ratemaking

[33] OSBA Stmt. No. 1, at p 8.
[34] OSBA Stmt. No. 1, at p 7.

considerations, including cost causation, fairness, revenue stability, customer impacts, rate continuity, and conservation. Focusing on any one objective in isolation does not provide an appropriate basis for evaluating the overall reasonableness of the Company's proposed rate design.

The customer charge is intended to recover a portion of costs that do not vary with usage. Placing too much emphasis on conservation in designing customer charges risks shifting fixed customer-related costs into volumetric delivery rates. Because those costs do not vary with usage, recovering them through volumetric charges can produce less stable recovery of fixed distribution costs over time while weakening the relationship between costs and the manner in which they are recovered. That can create less accurate price signals because customers may be led to believe they can avoid fixed distribution costs by reducing usage even though many of those costs do not change when usage declines.

Energy efficiency can still be promoted through volumetric delivery rates, commodity charges, and targeted conservation programs without compromising the appropriate recovery of customer-related fixed costs. The Company's proposal does not eliminate volumetric pricing signals. Rather, it preserves substantial usage-based recovery while improving the alignment between fixed customer-related costs and fixed monthly charges.

Q. WHAT DEFINITION OF CONSERVATION SHOULD BE USED WHEN EVALUATING RATE DESIGN?

A. In the context of distribution rate design, conservation should be understood as the wise and efficient use of utility resources, not merely a reduction in consumption for its own sake.

A rate design that recovers fixed distribution costs through volumetric rates may encourage reductions in usage, but those reductions do not necessarily reduce the fixed costs incurred to connect and serve customers. If a customer reduces usage but the Company's fixed cost to serve that customer remains unchanged, those unrecovered costs must ultimately be recovered from other customers or addressed in future rate proceedings.

Rate design should not create price signals that overstate the avoidable cost of using natural gas distribution service. A balanced rate design recognizes that some costs are customer-related and fixed while others vary with usage.

Q. DO HIGHER CUSTOMER CHARGES ELIMINATE CUSTOMERS' ABILITY TO REDUCE THEIR BILLS THROUGH CONSERVATION?

A. No. Customers continue to have the ability to reduce their bills through reductions in usage because a substantial portion of the residential bill remains usage-based. Under the Company's proposed residential distribution rate design, approximately 65% of residential distribution base rate revenues would continue to be recovered through volumetric delivery charges. Accordingly, a majority of the Company's residential distribution base rate revenues—and all commodity costs—remain associated with usage, allowing customers to continue to realize meaningful savings through conservation and energy efficiency.

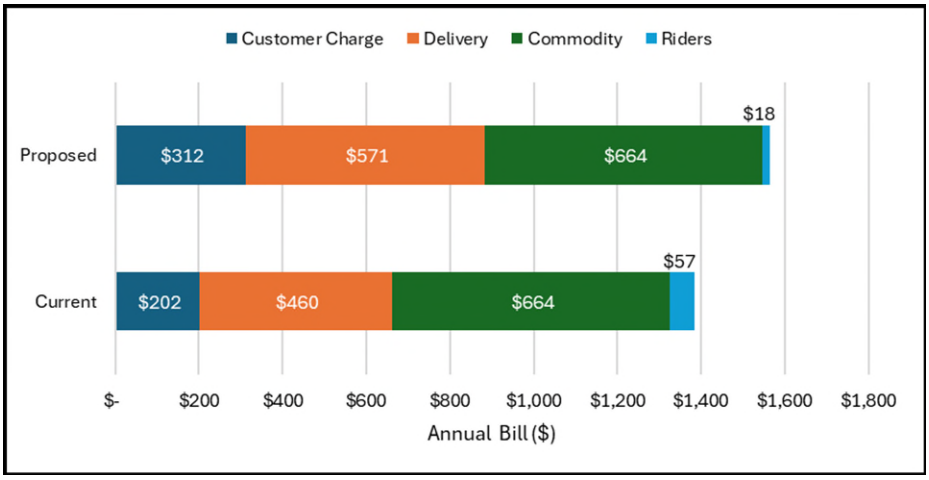
The Company's proposal does not eliminate volumetric delivery rates or gas cost recovery. Rather, it modestly changes the balance between fixed and variable recovery to better align rates with the underlying cost structure. The assertion that the Company's proposal eliminates customers' ability or incentive to conserve is therefore overstated and not supported by facts presented by these witnesses. Customers continue to benefit from reducing usage through lower commodity costs and lower volumetric delivery charges while the Company more appropriately recovers a portion of customer-related costs through the monthly customer charge.

Q. CAN THE COMPANY'S PROPOSED CUSTOMER CHARGE BE EVALUATED IN THE CONTEXT OF A CUSTOMER'S TOTAL BILL?

A. Yes. Several intervenors focus primarily on the percentage increase in the monthly customer charge. While the percentage increase in that individual rate component is readily observable, evaluating only that component does not provide a complete picture of the Company's proposed rate design or its effect on a customer's overall bill.

Figure 1 illustrates the composition of the average residential customer's annual bill under current and proposed rates. As shown, although the proposed customer charge increases, it represents approximately 20 percent of the average customer's annual bill under the proposed rates. The remaining approximately 80 percent of the bill continues to consist of delivery charges, commodity costs, and volumetric rider charges.

Figure 1: Annual Average Residential Bill



Q. WHAT DOES FIGURE 1 DEMONSTRATE REGARDING THE COMPANY'S PROPOSED RATE DESIGN?

A. Figure 1 demonstrates that the Company's proposal should be evaluated based upon its effect on a customer's total bill rather than the percentage change in any single rate component. Although the proposed customer charge increases, it remains only one component of the customer's annual bill. Commodity costs continue to represent the largest portion of the average residential customer's annual bill, while delivery charges and rider charges also comprise significant portions of the total bill.

The figure further illustrates that a substantial majority of the average residential customer's annual bill continues to consist of charges that vary with customer usage. Therefore, customers retain meaningful opportunities to manage their bills through conservation while the Company more appropriately aligns recovery of customer-related costs with the manner in which those costs are incurred.

Q. HOW DO THE COMPANY'S PROPOSED RATES AFFECT REPRESENTATIVE CUSTOMER BILLS?

A. Several intervenors express concern that the Company's proposed rate design would result in unreasonable bill impacts, particularly for lower-income customers. To evaluate those assertions, I analyzed representative annual bill impacts for several customer groups, including the average residential customer, CAP participants, non-CAP customers, and customers grouped by Federal Poverty Level ("FPL").

Table 2 summarizes those representative bill impacts under current and proposed rates using 2025 billing data. As shown, the Company's proposed rate design produces generally consistent bill impacts across the representative customer groups evaluated. While bill impacts vary modestly based upon customer usage characteristics, the analysis does not indicate that the Company's proposed rate design produces disproportionate bill impacts for the representative lower-income customer groups evaluated. In fact, there is a lower annual percentage increase for customers with the same usage as average CAP customers and customers that are at or below the 250% FPL.

Table 2 - Average Annual Bill Impacts Under Current and Proposed Rates

Customer Group	Annual Usage (Mcf)	Current Annual Bill	Company Proposed Annual Bill	Annual Increase ($)	Annual Increase (%)
Residential Average	88	$1,404	$1,587	$183	13.0%
CAP	114	$1,765	$1,972	$207	11.7%
Non-CAP	86	$1,385	$1,566	$181	13.1%
<150% FPL	96	$1,513	$1,703	$190	12.6%
151% to 250% FPL	90	$1,438	$1,622	$185	12.9%
251% to 350% FPL	87	$1,400	$1,582	$182	13.0%
>350% FPL	86	$1,386	$1,567	$181	13.1%

Note: the CAP bill impact is representative of customers that use the same average annual usage as CAP participants, not the actual impact to CAP participants.

Q. DO THESE ANALYSES SUPPORT THE ASSERTION THAT THE COMPANY'S PROPOSED CUSTOMER CHARGE PRODUCES DISPROPORTIONATE BILL IMPACTS FOR LOWER-USE OR LOWER-INCOME CUSTOMERS?

A. No. The representative bill impact analyses presented above indicate that the Company's proposed rate design produces generally consistent annual bill impacts across the customer groups evaluated, with modest benefits to low-income customers who have higher than average usage. While bill impacts naturally vary based on usage characteristics, the analyses do not demonstrate that the proposed customer charge produces disproportionate annual bill impacts for representative lower-income customer groups. Moreover, as discussed below, maintaining the current customer charge and recovering the same revenue through higher volumetric delivery charges does not necessarily produce lower annual bills for those customers.

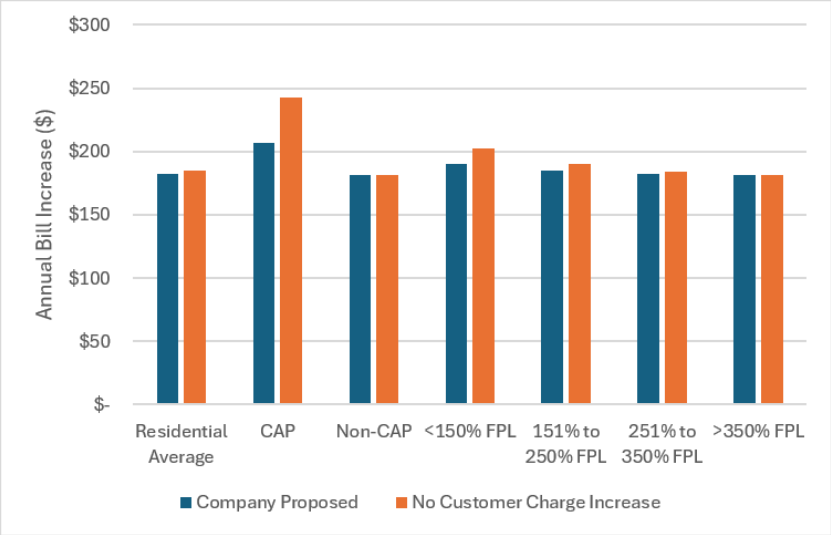
Q. HOW DOES THE COMPANY'S PROPOSED RATE DESIGN COMPARE TO AN ALTERNATIVE THAT MAINTAINS THE CURRENT RESIDENTIAL CUSTOMER CHARGE?

A. Several intervenors recommend rejecting or limiting the Company's proposed residential customer charge increase. To illustrate the practical effect of that recommendation, I compared the Company's proposed rate design to an alternative scenario that maintains the current residential customer charge while recovering the same revenue requirement through higher volumetric delivery charges.

Figure 2 compares the annual bill increases produced under each approach. The analysis demonstrates that maintaining the current residential customer charge produces

only minimal differences in annual bill impacts for the average residential customer and representative non-CAP customers. However, because the alternative recovers a greater portion of revenues through volumetric delivery charges, representative CAP customers and customers within the lowest FPL cohort experience larger annual bill increases than under the Company's proposed rate design. These results demonstrate that maintaining the current residential customer charge does not result in lower annual bills for representative lower-income customer groups, as increased recovery through volumetric delivery charges offsets the lower monthly customer charge.

Figure 2 - Comparison of Annual Bill Increases Under Alternative Customer Charge Scenario



Likewise, Table 3 below provides the numerical dollar values that are observed in Figure 2 above. As shown in Table 3, the representative CAP customer experiences an annual bill that is approximately $36 higher if this Commission were to maintain the current residential customer charge than under the Company's proposed rate design.

Table 3 - Comparison of Annual Bill Increases Under Alternative Customer Charge Scenario

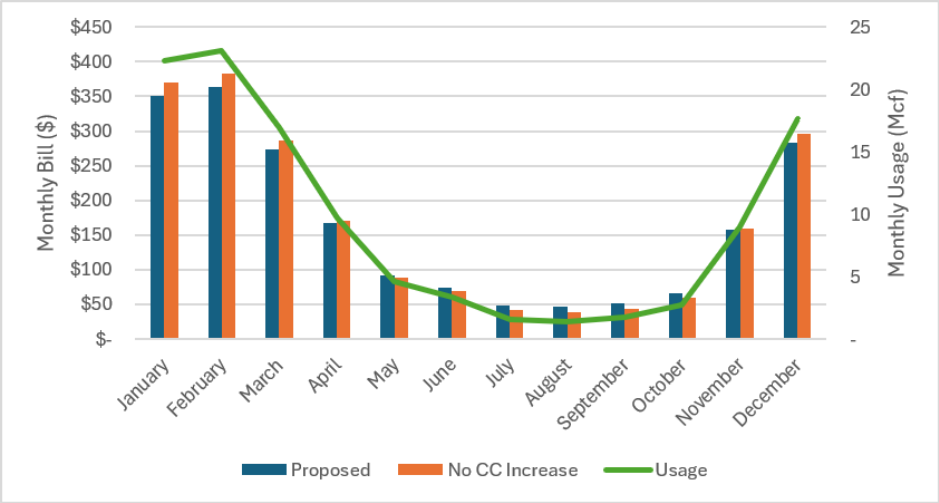
Customer Group	Company Proposed	No Customer Charge Increase	Diference
Residential Average	$182.56	$184.69	$2.13
CAP	$206.81	$242.96	$36.15
Non-CAP	$181.24	$181.57	$0.33
<150% FPL	$190.07	$202.48	$12.40
151% to 250% FPL	$184.87	$190.15	$5.28
251% to 350% FPL	$182.25	$183.95	$1.70
>350% FPL	$181.32	$181.75	$0.43

Q. DOES THE COMPANY'S PROPOSED RATE DESIGN ALSO AFFECT WHEN CUSTOMERS EXPERIENCE BILL IMPACTS?

A. Yes. Although annual bill impacts under the Company's proposed rate design and the alternative scenario are generally similar for many customer groups, the timing of those bill impacts differs because the alternative recovers a greater portion of fixed costs through volumetric delivery charges.

Figure 3 illustrates representative monthly CAP customer bills under the Company's proposal and the alternative rate design. As shown, maintaining the current residential customer charge results in modestly higher customer bills during the Weather Normalization Adjustment ("WNA") period, when customer heating costs are generally highest. Conversely, the Company's proposed rate design modestly lowers customer bills during the WNA period while shifting a comparable amount of recovery to lower-usage summer months.

Figure 3 - Average Monthly CAP Customer Bills Under Alternative Rate Design



For the representative CAP customer evaluated, the Company's proposed rate design reduces the average monthly bill during the WNA period (October through May) by approximately $7.84 compared to the alternative scenario, while increasing the average monthly bill during the non-WNA period (June through September) by approximately $6.64. Accordingly, the Company's proposed rate design modestly moderates customer bills during the highest-usage winter months while producing substantially similar annual bill impacts overall.

Table 4 - Summary of Average CAP Customer Monthly Bill Impacts

Period	Company Proposed	No CC Increase	$ Difference
Avg Winter - Oct. to May	$219.02	$226.85	**$7.84**
Avg Summer - Jun. to Sep.	$54.92	$48.28	**-$6.64**

Taken together, Figures 1 through 3 and Tables 2 through 4 demonstrate that the Company's proposed rate design should be evaluated based on its overall effect on customer bills rather than the percentage change in any single rate component. These

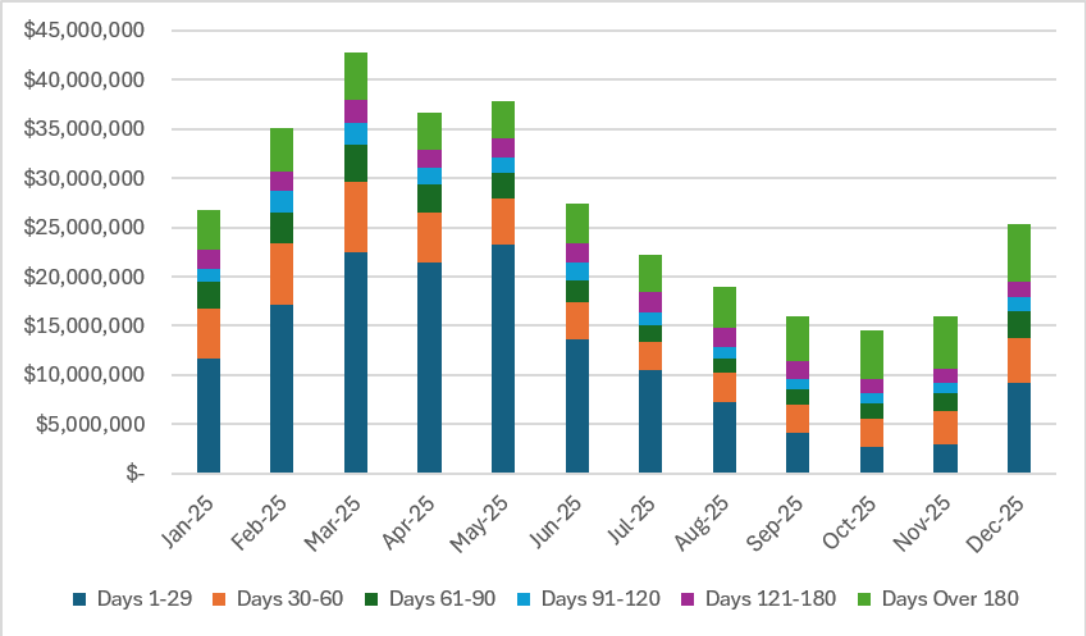
analyses further demonstrate that maintaining the current residential customer charge does not necessarily produce more favorable bill outcomes for representative lower-income customer groups.

Q. WHAT DOES THE COMPANY'S ARREARAGE DATA SHOW ABOUT WHEN CUSTOMERS STRUGGLE MOST TO PAY THEIR BILLS?

A. Figure 4 below provides the monthly residential arrears data for the Company and demonstrates a clear seasonal pattern; arrears increase materially during the winter heating season. As shown in the accompanying stacked column chart, the amount of arrears increases significantly starting in December, and further increase over the winter season. This indicates that customers are not only falling behind, but are increasingly unable to catch up as the heating season continues. This compounding effect results in a buildup of arrearages over the course of the winter. Notably, these elevated arrearage levels do not dissipate immediately after the heating season ends. The Company continues to carry millions of dollars in arrearages well into the summer months.

Taken together, this pattern shows that affordability challenges are most acute during the winter months, when energy usage is highest and least discretionary, and that the effects of those challenges persist behind the heating season. Ultimately, a portion of these delinquent bills are never recovered from the customers billed, contributing to the Company's uncollectible expense. This demonstrates that rate designs which concentrate cost recovery in volumetric charges can exacerbate these outcomes by increasing bills during precisely the periods when customers are least able to manage their usage, resulting in a higher number of delinquent customers and higher amounts of uncollectible expense.

Figure 4 - Monthly Residential Arrearages by Aging Category



Q. TO THE EXTENT INTERVENORS RAISE BROADER AFFORDABILITY AND UNIVERSAL SERVICE POLICY ISSUES, WHO ADDRESSES THOSE MATTERS?

Witnesses Colton, Cicero, and Warabak, together with portions of Witness Deupree's testimony, raise broader affordability, low-income customer impact, and universal service policy issues. My testimony demonstrates that the Company's proposed rate design results in reasonable representative bill impacts and does not support the conclusion that maintaining the current residential customer charge produces more favorable bill outcomes for representative lower-income customers. Those broader affordability and universal service policy considerations, however, are addressed by Company Witness Mike Huwar at **Peoples Statement No. 1-R,** Rita Black at **Peoples Statement No. 10-R**, and Cyndee Fang at **Peoples Statement No. 20-R**.

My testimony addresses the cost-causation and rate-design aspects of the proposed customer charges. The Company incurs costs to connect, maintain, meter, bill, and serve customers regardless of individual usage levels. Those customer-related costs should be reasonably recognized when designing customer charges.

In addition, the Company is not proposing full recovery of customer-related costs through the monthly customer charge. The proposed charges represent a measured movement toward cost-based rates while preserving substantial volumetric recovery. In that respect, the Company's proposal balances cost causation with customer impact considerations.

Q. DO YOU AGREE WITH WITNESS CLINE'S RECOMMENDATION THAT CUSTOMER CHARGES SHOULD BE INCLUDED IN ANY PROPORTIONAL SCALE-BACK IF THE COMMISSION AUTHORIZES LESS THAN THE COMPANY'S REQUESTED REVENUE INCREASE?[35]

A. No. Customer charges should be evaluated based upon customer-related costs and sound rate design principles, not mechanically reduced in proportion to any reduction in the Company's requested revenue increase.

The purpose of the customer charge is to recover customer-related fixed costs. A reduction in the overall revenue requirement does not necessarily alter the customer-related costs identified in the Company's customer cost analysis. Consequently, a mechanical scale-back of customer charges could disconnect customer charges from cost causation and shift additional fixed costs into volumetric rates.

[35] I&E Stmt. No.3, at pp. 36-37.

Q. WHAT IS YOUR OVERALL CONCLUSION REGARDING CUSTOMER CHARGES?

A. The Company's proposed customer charges are reasonable and should be approved. They remain below the customer-related costs identified for the applicable customer classes and represent a measured movement toward more cost-reflective rate design.

The analyses presented in this rebuttal testimony further demonstrate that the Company's proposed rate design preserves meaningful conservation incentives, produces generally consistent bill impacts across representative customer groups, and should be evaluated based upon its overall effect on customer bills rather than the percentage change in any single rate component. The bill impact analyses also demonstrate that maintaining the current residential customer charge while recovering the same revenue requirement through higher volumetric delivery charges does not necessarily produce more favorable bill outcomes for representative lower-income customer groups and results in higher bills during the WNA period for the representative CAP customer evaluated. While Witnesses Deupree and Cline rely upon alternative cost allocation methodologies that I do not support, and Witnesses Cicero, Warabak, and Colton raise broader affordability and low-income policy considerations that are addressed elsewhere by the Company, the Company's proposed customer charges are reasonable from both a cost-of-service and rate design perspective and should be approved.

V. MERCHANT FUNCTION CHARGE UPDATE

Q. ARE THERE ANY ADDITIONAL RATE DESIGN ISSUES THAT SHOULD BE ADDRESSED?

A. Yes. Since the filing of the Company's Direct Testimony, the Company's gas cost rates have declined from the levels reflected in the Company's originally proposed Merchant Function Charge. Because the Merchant Function Charge is calculated based upon the applicable gas cost rate, I recommend that the Merchant Function Charge included in the Company's final rate design be updated to reflect the gas cost rates expected to be in effect when the Company's new base rates become effective.

Q. WHAT UPDATE ARE YOU RECOMMENDING TO THE MERCHANT FUNCTION CHARGE?

A. The Company's original application reflected a Merchant Function Charge of $0.1490 per Mcf for Residential class and $0.0327 per Mcf for Commercial and Industrial classes, which was based upon the gas cost rates in effect at the time the application was prepared. Based upon the Company's current gas cost rates effective July 1, 2026, the Merchant Function Charge would be $0.1045 per Mcf for Residential class and $0.0229 per Mcf for Commercial and Industrial classes.. Accordingly, I recommend that the final rate design reflect the updated Merchant Function Charge calculated using the gas cost rates expected to be in effect when the Company's new base rates become effective.

Q. WHY IS THE COMPANY PROPOSING THIS UPDATE?

A. The purpose of this update is simply to ensure that the Merchant Function Charge reflected in the Company's final tariffs is based upon current gas cost information rather than commodity prices that existed several months earlier when the Company's application was filed. Updating the Merchant Function Charge in this manner allows the Company's final

rate design to reflect the most current information available at the time rates become effective.

Q. DOES THIS UPDATE CHANGE ANY OF YOUR OTHER RATE DESIGN RECOMMENDATIONS?

A. No. This recommendation affects only the Merchant Function Charge reflected in the Company's final rate design. It does not affect my recommendations regarding revenue apportionment, customer charges, or any of the other rate design issues addressed in my testimony.

VI. NORMAL WEATHER METHODOLOGY

Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY REGARDING THE COMPANY'S PROPOSED NORMAL WEATHER METHODOLOGY.

A. In my direct testimony, I explained that the Company proposes to continue its Weather Normalization Adjustment ("WNA") while updating the methodology used to estimate normal Heating Degree Days ("HDD").[36] Specifically, I recommended replacing the current methodology of averaging a 65-year trend with a 20-year average with a regression-based trend methodology utilizing 65 years of historical HDD data to estimate normal weather for the Fully Projected Future Test Year ("FPFTY"). I explained that the proposed methodology provides a statistically sound and objective estimate of normal weather that reflects the long-term downward (i.e., warming) trend in annual Pittsburgh Area HDD.

[36] Peoples Stmt. No. 17, at p. 37.

Q. HAVE YOU REVIEWED THE TESTIMONY OF WITNESSES DEUPREE, CLINE, EWEN, AND CICERO REGARDING THE COMPANY'S PROPOSED NORMAL WEATHER METHODOLOGY?

A. Yes. I have reviewed each witness's testimony regarding the Company's proposed methodology for estimating normal Heating Degree Days and developing weather-normalized billing determinants. Although the witnesses recommend different modifications to the Company's proposal, including retaining the current methodology or requiring additional analyses before approving the Company's proposal, I do not believe they demonstrate that the Company's proposed methodology is unreasonable. Rather, I continue to believe the Company's proposed methodology provides the most reasonable estimate of normal HDD for the FPFTY and should be approved.

Q. WHAT IS THE FUNDAMENTAL DIFFERENCE BETWEEN THE COMPANY'S PROPOSED METHODOLOGY AND THE APPROACHES RECOMMENDED BY THE INTERVENORS?

A. The principal difference is not whether historical weather data should be considered, but rather how historical data should be used to estimate normal weather.

As discussed in my direct testimony, Peoples proposes to estimate normal HDD using a regression methodology that statistically estimates the long-term downward (i.e., warming) trend in Pittsburgh Area annual HDD using sixty-five years of historical data.[37] That estimated trend is then projected (extrapolated) to develop an estimate of normal HDD for the FPFTY.

[37] Peoples Stmt. No. 17, at pp. 40-41.

By contrast, the intervenors generally recommend continuing to rely upon the current blended methodology or evaluating alternative historical periods rather than adopting the Company's proposal. In my opinion, those recommendations do not demonstrate that the Company's regression methodology is unreasonable nor that an alternative methodology would provide a better estimate of expected future HDD.

Q. WHY DO YOU BELIEVE THE COMPANY'S REGRESSION METHODOLOGY PROVIDES THE MOST REASONABLE ESTIMATE OF NORMAL HDD?

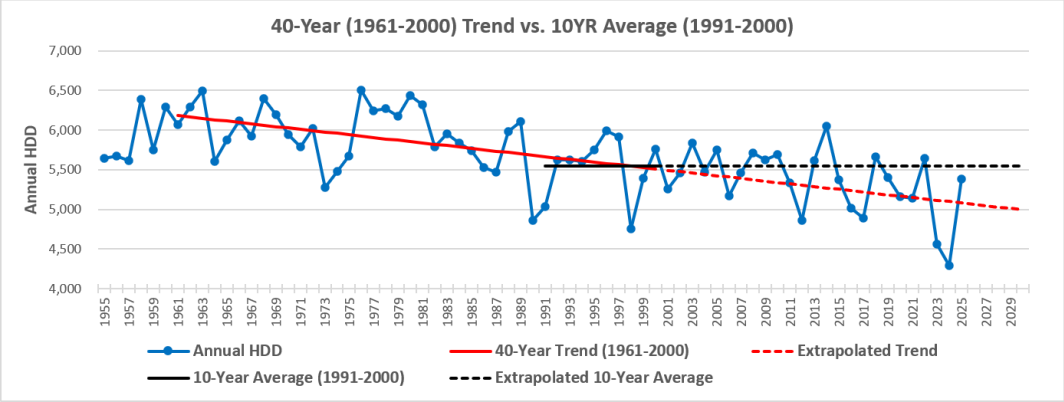
A. The Company's methodology to estimate normal HDD recognizes that there is a well-established and accepted long-term warming trend reflected in the historical HDD record. Rather than simply averaging historical HDD, such as over 20 years or 10 years, the regression statistically estimates the downward trend in HDD and projects (extrapolates) that trend forward to 2027, the FPFTY.

Given the downward trend in Pittsburgh Area annual HDD, it stands to reason that a trend provides a better indication or estimate of future HDD than a simple average. The trend does not strictly provide a "forecast" of future HDD for any particular year, but provides an indication of central tendency or mean of future HDD.

Consider a simple example illustrated in Figure 4. Although not necessarily accurate as a forecast of annual HDD for every single year or period, a trend has generally been a more accurate estimate of future annual HDD than a 10-year average (or any average). The Root Mean Squared Error ("RMSE") is a common method for evaluating regression and forecast accuracy. The RMSE of the extrapolated 40-year (1961-2000) trend to estimate future annual HDD from 2001 to 2025 is less (i.e., more accurate) than

the RMSE from extrapolating the 10-year (1991-2000) average. Trend RMSE = 365, Average RMSE = 441. It is also visually clear the trend provides a better estimate of future HDD than the 10-year average.

Figure 5 –
Comparison of Trend and Simple Average Estimate of Future HDD



Accordingly, I continue to believe the regression trend methodology provides a transparent, objective, unbiased and analytically sound estimate of normal HDD.

Q. WITNESS CLINE DISAGREES WITH THE COMPANY'S PROPOSAL TO USE A 65-YEAR TREND REGRESSION METHODOLOGY TO DEFINE NORMAL HDD, ON GROUNDS OF INSUFFICIENT ANALYSIS AND LACK OF SUPPORT FOR WHY 65 YEARS IS SELECTED. HOW DO YOU RESPOND?[38]

A. I respectfully disagree with witness Cline for two reasons:

1. There is ample statistical support for the use of 65 years, both in the current case and the prior case, and

[38] I&E Stmt. No. 3, at pp. 14, 18.

2. The use of 65 years is consistent with the methodology relied upon in the prior case, where it was used as part of the calculation of normal HDD[39]. Normal HDD was defined using the average of the normal HDD resulting from a 65-year regression analysis and a 20-year historical average. The intention at the time was that the methodology be transitional to a purely regression trend-based methodology (as is proposed in the current case).

The use of 65 years is **not**, as suggested by witness Cline, used to justify a specific HDD result[40]; not in the present case, nor in the prior case (as discussed below).

Q. PLEASE EXPLAIN AND PROVIDE STATISTICAL SUPPORT FOR THE SPECIFIC USE OF 65 YEARS.

A. As stated in my direct testimony[41], to estimate a trend in data, in this case annual Pittsburgh Area HDD, a standard approach is to estimate a regression with a constant and a trend variable (e.g., 1, 2, 3, … or equivalently 1960, 1961, 1962, …).

$$Annual\ HDD_y = \mathbf{Constant} + \boldsymbol{\beta} \times Trend_y$$

Standard statistical tests, such as R^2 and t-statistics, are useful in evaluating regression results, and thus the statistical veracity of the trend estimate (i.e., the estimate of **β**).

In evaluating the trend regression results, both for the current rate case proceeding, and recreating results from the prior proceeding[42], I calculated R^2 for the overall regression, and t-statistics for the Trend coefficient, β, for all regression terms from 70

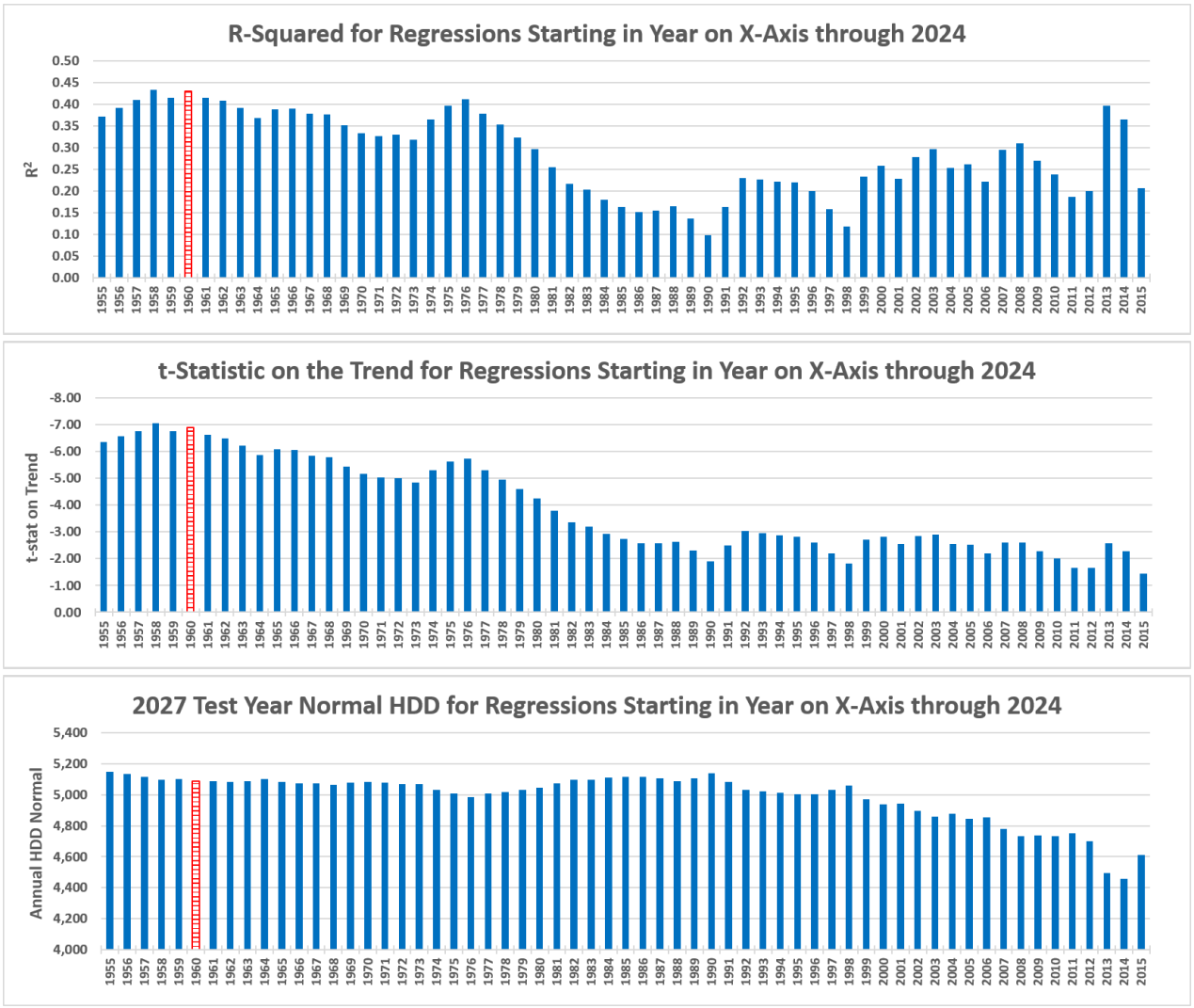
[39] Docket No. R-2023-3044549.
[40] I&E Stmt. No. 3 at p. 19, lines. 1-2.
[41] Peoples Stmt. No. 17, at pp. 3-4.
[42] Although I did not originally calculate the 65-year regression in the prior case, I recreated and evaluated the results.

years to 8 years using annual Pittsburgh Area HDD data from 1955 to 2024. For each regression term I also calculated the implied normal HDD for the test year 2027 in the current case and for 2024 in the prior case.

In the current proceeding, the Company proposes using a 65-year regression on annual Pittsburgh Area HDD from 1960 to 2024. All regressions from a 70-year term (1955 to 2024) to a 10-year term (2015 to 2024) were evaluated. Please see Figure 6 for a presentation of these results[43]. The red horizontally slashed bars are for the currently proposed 65-year regression (1960-2024). The R^2 and t-statistics for the proposed regression are the second largest (absolute value of the t-statistic) of the regressions evaluated. A larger t-statistic for the Trend coefficient can generally be interpreted as the trend from that regression being "more significant." The normal HDD from the proposed 65-year regression is 5,086; higher than average of the evaluated regressions, and only slightly lower than the normal HDD (5,096) from the regression with the slightly "better" statistics (the 67-year regression beginning in 1958).

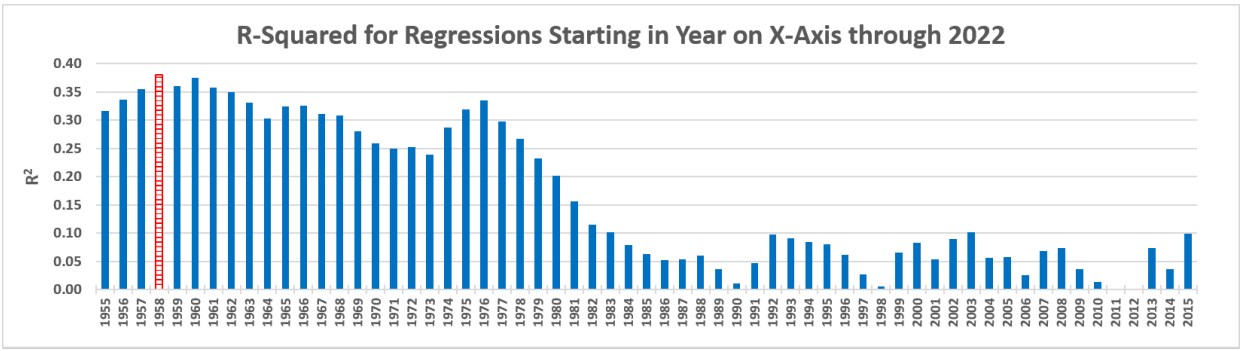
[43] All the data needed to recreate this analysis is provided in response to OSBA TO PNG-II-14 B, with the addition of the following data: Annual HDD, 1955 (5647 HDD), 1956 (5672 HDD), 1957 (5617 HDD), 1958 (6385 HDD), 1959 (5751 HDD).

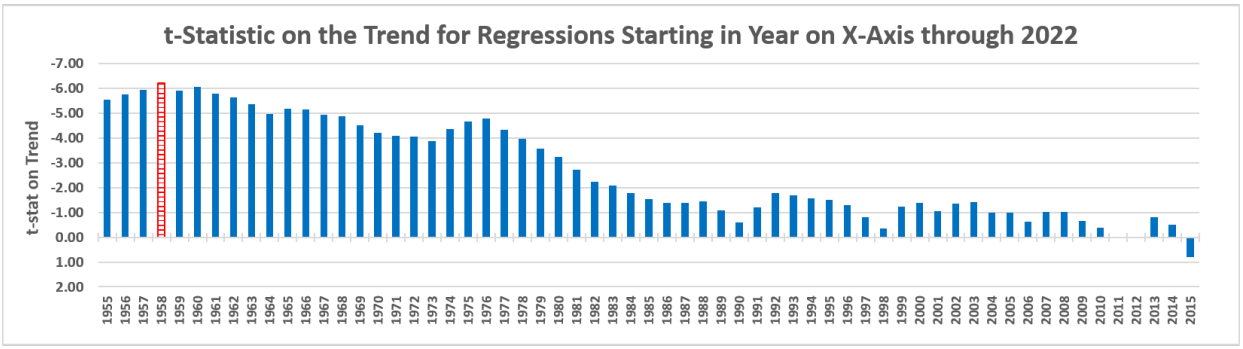
Figure 6 - Evaluation of Regression Results & Alternatives – 2027 Test Year

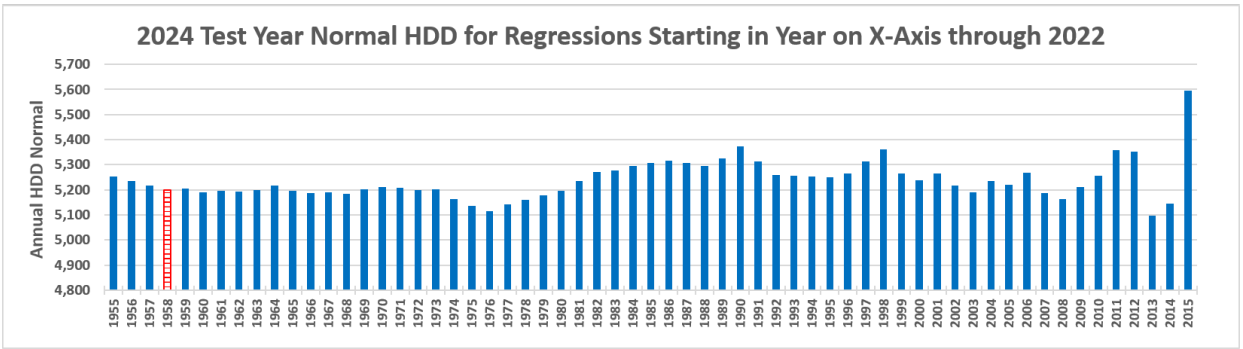


I performed a similar analysis on the prior case regression, see Figure 7. In that case, a 65-year regression from 1958 to 2022 was used. All regressions from a 68-year term (1955 to 2022) to an 8-year term (2013 to 2022) were evaluated. The 65-year regression had the highest R^2, the lowest t-statistic on the Trend coefficient, and a normal HDD close to the average of all the evaluated regressions.

Figure 7 - Evaluation of Regression Results & Alternatives – 2022 Test Year







In summary, supported by my analysis, the 65-year regression was chosen based on statistical significance, and in the current rate case to be consistent with precedent set in the previous rate case; not simply to justify a specific normal HDD result as hypothesized by I&E witness Cline.

Q. WITNESS CLINE RECOMMENDS THAT THE COMPANY PROVIDE ADDITIONAL ANALYSES USING A TEN-YEAR HDD METHODOLOGY. HOW DO YOU RESPOND?[44]

A. While additional analyses can always be performed using different historical periods or assumptions, the existence of alternative analytical approaches does not demonstrate that the Company's methodology is unreasonable. Nor has Witness Cline presented an alternative regression analysis demonstrating that the Company's methodology is statistically unsound or that another methodology provides a more reasonable estimate of expected future HDD.

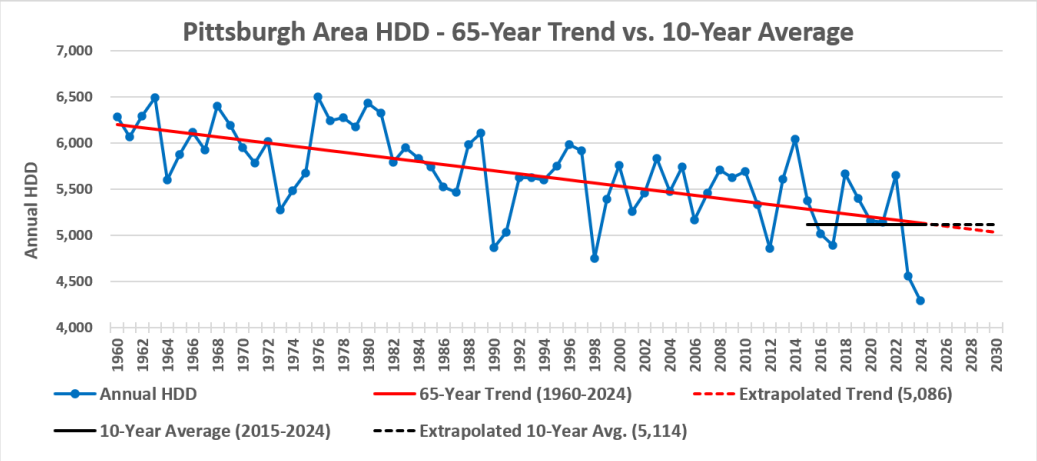
Q. DID YOU EVALUATE THE DIFFERENCE BETWEEN THE PROPOSED 65-YEAR TREND METHODOLOGY AND 10-YEAR AVERAGE METHODOLOGY FOR CALCULATING NORMAL HDD?

A. Yes. The 65-year trend methodology results in an annual normal HDD estimate of 5,086 for 2027, the FPFTY. A 10-year average results in a very similar annual normal HDD estimate of 5,114 HDD. Please see Figure 8 for a graphical representation of this result. Updating this analysis through 2025 produces a 65-year trend (1961-2025) estimate for 2027 of 5,105 HDD and a 10-average (2016-2025) estimate of 5,115; again, very similar.

Although similar in this instance, as previously discussed, the trend methodology will likely produce a superior estimate of annual normal HDD, given the clear downward (i.e., warming) trend in Pittsburgh Area HDD.

[44] I&E Stmt. No. 3, at p. 14.

Figure 8 - HDD Normal Methodology Comparison



Q. WHY IS THE COMPANY NO LONGER PROPOSING THE BLENDED METHODOLOGY USED IN ITS LAST RATE CASE?

A. As I explained in my direct testimony, the blended methodology adopted in the Company's previous rate case reflected a gradual transition toward greater reliance on regression-based weather normalization.[45] At that time, averaging the regression estimate with a twenty-year historical average balanced recognition of the long-term trend with a more recent historical reference point, consistent with the principle of gradualism.

Since that proceeding, however, additional historical data have continued to confirm both the persistence and consistency of the long-term warming trend. Consequently, continued reliance upon the blended methodology no longer provides the most reasonable estimate of normal HDD for the FPFTY. In my opinion, the regression methodology alone now provides the more appropriate estimate because it recognizes and incorporates the recognized and accepted long-term warming trend.

[45] Peoples Stmt. No. 17, at pp. 6-7.

Q. WITNESS EWEN RECOMMENDS THAT THE COMPANY PREPARE AN ADDITIONAL BILL IMPACT ANALYSIS BEFORE THE COMMISSION APPROVES THE COMPANY'S PROPOSED HDD METHODOLOGY. DO YOU BELIEVE SUCH ANALYSIS IS NECESSARY?[46]

A. No. Additional sensitivity analyses or bill impact analyses could always be prepared using alternative assumptions or methodologies. However, I do not believe such analyses are necessary for the Commission to evaluate the reasonableness of the Company's proposal. If Witness Ewen feels this type of analysis would add probative facts to this proceeding, he could have completed one.

The issue before the Commission is whether the Company's proposed methodology provides a reasonable estimate of normal HDD. In my opinion, it does. The methodology is transparent, statistically sound, supported by historical data, and consistently applied throughout the Company's weather normalization analyses. I do not believe the Commission should require additional comparative analyses before approving the Company's proposed methodology.

Q. WHY IS IT IMPORTANT THAT THE SAME NORMAL WEATHER METHODOLOGY BE USED THROUGHOUT THE COMPANY'S RATEMAKING ANALYSIS?

A. Consistency is an important attribute of sound ratemaking. As discussed in my direct testimony, the Company utilizes the proposed regression methodology to develop weather-normalized billing determinants for this proceeding. The Company likewise

[46] OSBA Stmt. No. 2, at p. 16.

proposes to utilize that same methodology for purposes of the WNA. Using a common estimate of normal HDD ensures that the weather assumptions embedded in customer rates are the same weather assumptions used when the WNA subsequently reconciles revenues.

If different methodologies were used for rate development and WNA administration, the WNA could either over- or under-correct relative to the weather assumptions captured in base rates. Aligning both processes with the same methodology maintains internal consistency, avoids unintended distortions, preserves the matching principle, and enhances transparency for both the Commission and customers.

VII. WEATHER NORMALIZATION ADJUSTMENT

Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY REGARDING THE COMPANY'S WEATHER NORMALIZATION ADJUSTMENT.

A. In my direct testimony, I explain that the Company's approved WNA continues to serve its intended purpose of reducing the impact of abnormal weather on the recovery of authorized weather-sensitive distribution revenues while preserving symmetrical treatment of both the Company and its customers. The mechanism benefits customers as well because it reduces the degree to which customer bills vary solely due to actual weather being warmer or colder than the normal weather assumptions used to establish rates. Based on the Company's experience under the Commission-approved mechanism and the analyses presented in my direct testimony, I concluded that the Company's updates to the normal weather methodology and continued use of the WNA are reasonable and should be approved.

Q. PLEASE SUMMARIZE THE POSITIONS OF THE INTERVENORS REGARDING THE COMPANY'S PROPOSED NORMAL WEATHER METHODOLOGY AND EXISTING, APPROVED WEATHER NORMALIZATION ADJUSTMENT.

A. Several intervenors address the Company's proposed updates to the normal weather methodology and continued use of the Weather Normalization Adjustment, although they approach these issues from different perspectives and recommend different modifications to the Company's proposal.

OCA Witness Deupree recommends that the Commission discontinue the Company's WNA, arguing that the Company's use of a FPFTY and Distribution System Improvement Charge ("DSIC") have substantially reduced regulatory lag and weather-related business risk, thereby eliminating the need for the WNA.[47] Alternatively, Witness Deupree recommends increasing the WNA deadband from three percent to five percent, excluding the months of October and May from the WNA, rejecting the Company's proposed 65-year regression methodology for estimating normal Heating Degree Days, and limiting continued operation of the WNA to an additional three-year period.[48] Witness Deupree also discusses the Company's historical WNA experience, including recent colder-than-normal weather, and questions whether the Company's proposed methodology changes are supported by the operating experience under the WNA.[49]

[47] OCA Stmt. No. 1, at pp. 37-38.
[48] OCA Stmt. No. 1, at pp. 37-38.
[49] OCA Stmt. No. 1, at pp. 36-37

I&E Witness Cline does not oppose weather normalization in concept but recommends modifications to the Company's proposal. Witness Cline opposes the Company's proposed use of a 65-year regression methodology to estimate normal HDD, recommends increasing the WNA deadband from three percent to five percent, and raises concerns regarding the Company's present-rate revenue weather adjustment and related weather normalization assumptions.[50]

OSBA Witness Ewen likewise does not oppose continuation of the WNA but recommends that the Commission reject the Company's proposed change to the normal weather methodology unless the Company first performs additional analyses evaluating the customer bill impacts associated with replacing the current blended methodology with the proposed 65-year regression methodology.[51] Witness Ewen also recommends increasing the WNA deadband from three percent to five percent and raises broader concerns regarding customer understanding of the WNA, customer bill volatility, conservation incentives, and the Company's operating experience under the Commission-approved WNA.[52]

CAUSE-PA Witness Cicero recommends that the Commission discontinue the Company's WNA.[53] Witness Cicero contends that the WNA improperly shifts weather-related risk from the Company to customers, reduces traditional regulatory risk borne by shareholders, increases customer bill complexity, and is no longer warranted given the

[50] I&E Stmt. No. 3, at pp. 11-15.
[51] OSBA Stmt. No. 2, at pp. 16-17.
[52] OSBA Stmt. No. 2, at pp. 16-17.
[53] CAUSE-PA, Stmt. 1, at pp. 63-64.

Company's use of a FPFTY and other regulatory mechanisms.[54] Witness Cicero also raises broader concerns regarding affordability, customer bill impacts, and the interaction between the WNA and the Company's proposed rate design.[55]

Q. WITNESSES DEUPREE AND CICERO CONTEND THAT THE COMPANY'S USE OF A FULLY PROJECTED FUTURE TEST YEAR, THE DSIC, AND OTHER REGULATORY MECHANISMS ELIMINATES OR SUBSTANTIALLY REDUCES THE NEED FOR THE COMPANY'S WEATHER NORMALIZATION ADJUSTMENT. DO YOU AGREE?

A. No. I believe those arguments conflate several regulatory mechanisms that serve fundamentally different purposes.

The Company's FPFTY is intended to better align authorized rates with the costs expected during the period rates will be in effect, thereby reducing traditional regulatory lag associated with historic test years. Likewise, the DSIC provides a mechanism for recovering qualifying infrastructure investments between general rate cases.

The WNA serves a different purpose. While the FPFTY and DSIC address the timing of cost recovery and infrastructure investment recovery, the WNA addresses the impact of abnormal weather on weather-sensitive distribution revenues after rates have been established. It does so by normalizing customer bills to the same estimate of normal weather that was used in developing the Company's billing determinants.

[54] CAUSE-PA, Stmt. 1, at pp. 58-59.
[55] CAUSE-PA, Stmt. 1, at pp. 65-66.

Accordingly, the existence of a FPFTY or other regulatory mechanisms does not eliminate the effects of abnormal weather or diminish the need for an appropriate weather normalization mechanism. Those mechanisms are complementary rather than duplicative because each addresses a different source of revenue or bill variability. The WNA also benefits customers by moderating bill impacts caused solely by weather deviations from normal, thereby reducing the extent to which customers experience higher or lower bills because actual weather differs from the weather assumptions used to set rates.

Q. WITNESS CICERO CONTENDS THAT THE COMPANY'S EXISTING APPROVED WNA IMPROPERLY SHIFTS WEATHER-RELATED RISK FROM SHAREHOLDERS TO CUSTOMERS AND REDUCES THE COMPANY'S TRADITIONAL REGULATORY RISK. DO YOU AGREE?[56]

A. No. The WNA does not eliminate the Company's business risk nor does it guarantee the recovery of earnings. Rather, it addresses a single, identifiable source of revenue variability—abnormal weather—that is unrelated to the Company's management decisions or operational performance.

Under the Company's existing WNA, customers continue to pay for the gas they consume, and the Company remains responsible for prudently managing its operating costs, capital investments, and all other aspects of its business. The WNA does not affect the Commission's determination of the Company's authorized revenue requirement or authorized return, nor does it insulate the Company from changes in customer growth,

[56] CAUSE-PA Stmt. 1, at p. 50.

operating expenses, capital expenditures, bad debt expense, or numerous other business risks.

Instead, the WNA simply partially normalizes weather-sensitive distribution revenues to the same estimate of normal weather that was used to establish rates. In that respect, it promotes greater consistency between the assumptions used to set rates and the revenues ultimately collected under those rates.

It is also important to recognize that weather risk is not borne only by the Company. Abnormal weather also affects customers because colder-than-normal weather can materially increase customer bills, while warmer-than-normal weather can reduce usage and produce under-recovery of weather-sensitive distribution revenues. The WNA moderates these effects by reducing the degree to which customer bills and Company revenues vary solely because actual weather differs from the normal weather assumptions embedded in rates.

Therefore, I do not agree that the WNA improperly shifts business risk to customers. Rather, it appropriately limits the effects of abnormal weather while leaving the Company responsible for the many other risks inherent in providing utility service.

Q. DOES THE COMPANY'S EXISTING WNA GUARANTEE THE RECOVERY OF AUTHORIZED REVENUES?

A. No. The WNA should not be viewed as a revenue guarantee. The Company's opportunity to recover its authorized revenues continues to depend upon numerous factors unrelated to weather, including customer growth, economic conditions, operating efficiency,

collection of customer bills, capital investment, regulatory outcomes, and the Company's overall management of its business.

The WNA addresses only deviations in weather from the normal weather assumptions used to establish rates. Consequently, the mechanism neither guarantees revenues nor ensures that the Company will earn its authorized rate of return. Rather, it removes only one source of revenue variability while leaving all other business and regulatory risks unchanged.

Q. WITNESS DEUPREE DISCUSSES THE COMPANY'S RECENT OPERATING EXPERIENCE UNDER THE WEATHER NORMALIZATION ADJUSTMENT AND QUESTIONS WHETHER THAT EXPERIENCE SUPPORTS CONTINUATION OF THE MECHANISM. HOW DO YOU RESPOND?[57]

A. I do not agree with Witness Deupree's characterization of the Company's operating experience. The purpose of the WNA is not to produce a charge or a credit in every year, nor should its effectiveness be evaluated based upon the results experienced during one or two recent heating seasons. Rather, the WNA is intended to reduce the effect that abnormal weather can have on the Company's recovery of weather-sensitive distribution revenues while also reducing the degree to which customers experience bill variations caused by weather that is warmer or colder than normal over time by comparing actual weather to the normal weather assumptions that were used to establish rates.

As discussed in my Direct Testimony, the Company's proposed updates to the estimation of normal weather are intended to improve the consistency between the weather

[57] OCA Stmt. No. 1, at pp 32-33.

assumptions used to establish base rates and the weather assumptions used to administer the WNA. That objective is independent of whether recent weather has resulted in customer credits or customer surcharges.

Individual years will naturally produce different WNA outcomes depending upon actual weather conditions. Some years will produce customer credits, while other years will produce customer surcharges. Those results simply reflect whether actual weather was warmer or colder than normal during a particular period and do not, by themselves, demonstrate that the mechanism is functioning improperly.

As identified by witness Deupree and illustrated in his first[58] Table 1 on page 32 of his direct testimony[59], the WNA provided a net credit to date to customers across the past two heating seasons (2024-205, 2025-2026); the only two heating seasons the WNA has been in effect. Both credits and charges occurred in each heating season, credits in months when weather was colder than normal, and charges in warmer than normal months (credits occurred January and February in both heating seasons). This is precisely how the WNA is intended to work.

Accordingly, and contrary to witness Deupree's suggestion, the recent operating experience of the WNA provides strong support for the continuation of the existing and approved WNA.

Additionally, the proposed change in the methodology to calculate normal HDD is likely to increase the chance of evenly distributed WNA credits and charges (as weather

[58] There are 2 Table 1s in witness Deupree's testimony; one on page 32 and another on page 35.
[59] OCA Stmt. No 1, at p 32, lines 12-15, p. 33, 1-3.

is colder or warmer than normal); again contrary to witness Deupree's suggestion that the WNA is more likely to result in charges.

Q. WITNESS DEUPREE SUGGESTS THAT THE COLDER-THAN-NORMAL, WEATHER EXPERIENCED DURING THE 2025-2026 HEATING SEASON THAT PRODUCED WNA CREDITS FOR CUSTOMERS WAS "ANOMALOUS."[60] WHAT IS YOUR RESPONSE TO THIS?

A. I respectfully disagree with witness Deupree's characterization of colder-than-normal weather as being "anomalous" and the implication that future weather will be consistently warmer-than-normal, resulting predominantly in WNA charges to customers.

Observed weather is highly volatile, and however "normal" weather is defined, there have been, and likely will continue to be, years and even longer periods of weather that is warmer and colder than normal (resulting in WNA credits and charges to customers). Despite the observed warming trend, each and every year has not been, nor is likely to be warmer than the prior year. Colder than normal weather is not "anomalous" as witness Deupree suggests, it is simply an observed characteristic of volatile weather.

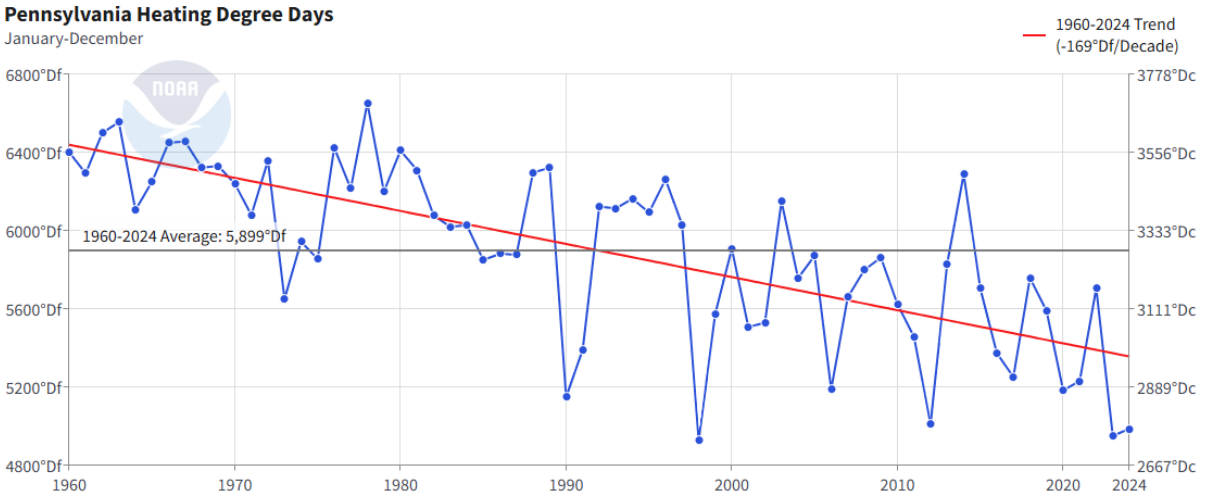
Please see Figure 9 which charts annual Pennsylvania HDD. For transparency, this figure is from NOAA[61] and displays annual HDD for all of Pennsylvania, not just the Pittsburgh Area, but the overall pattern is very similar to Pittsburgh Area HDD. Even using a 65-year average definition of normal HDD (black horizontal line in Figure 9),

[60] OCA Stmt. No 1, at p 33, lines 1-10.
[61] NOAA, https://www.ncei.noaa.gov/access/monitoring/climate-at-a-glance/statewide/time-series/.

which is clearly too high (too “cold”), there are still recent years that are colder than normal (which imply credits to customers).

If a simple historical average of HDD were used as the definition of normal HDD, Witness Deupree's implication could be correct if the historical average is no longer representative of future weather conditions. This is precisely why the Company is proposing a trend-based definition of normal HDD and not a simple average; so that future observed HDD is more likely to be evenly distributed around calculated normal HDD, resulting in a more even distribution of charges and credits to customers than would occur with a simple average-based definition of normal HDD. As demonstrated above, and clear from Figure 9, a trend is a better representation of historic, and presumably future, HDD that any simple average, regardless of term.

Figure 9 - Pennsylvania Annual HDD



Q. WITNESSES DEUPREE, CLINE, AND EWEN RECOMMEND INCREASING THE WNA DEADBAND FROM THREE PERCENT TO FIVE PERCENT.[62] DO YOU AGREE?

A. No. The purported purpose of the deadband is to prevent relatively minor weather deviations from triggering WNA adjustments while continuing to recognize more meaningful departures from normal weather. In that respect, the deadband establishes a reasonable threshold below which no adjustment is made because the variation is not sufficiently material to warrant operation of the mechanism. However, any deadband will reduce credits to customers in colder than normal periods and similarly will reduce surcharges in warmer than normal periods.

The Company's existing three-percent deadband already limits the application of the WNA. It excludes relatively small weather deviations while preserving the general effectiveness of the WNA during periods of more significant abnormal weather. Increasing the deadband to five percent would reduce the effectiveness of the WNA by allowing a greater amount of weather-related revenue variation to remain outside the mechanism before any adjustment occurs.

Importantly, Witnesses Deupree, Cline, and Ewen have not demonstrated that the existing three-percent deadband has failed to function as intended or has produced unreasonable results. Rather, their recommendations simply represent a preference for shifting additional weather-related variability back outside the WNA.

[62] OCA Stmt. No. 1, at pp.34-35; I&E Stmt. No. 3, at p. 15; OSBA Stmt. No. 2, at pp. 16-17.

I continue to recommend that the Commission retain the existing three-percent deadband.

Q. WITNESS DEUPREE ALSO RECOMMENDS EXCLUDING OCTOBER AND MAY FROM THE OPERATION OF THE WNA.[63] DO YOU AGREE?

A. No. Witness Deupree's recommendation is based primarily upon his observation that October and May exhibit greater relative variation in historical Heating Degree Days than the core winter months. While I do not disagree that weather during the shoulder months is generally more variable, I do not believe that observation supports excluding those months from the operation of the WNA.

The purpose of the WNA is to normalize the effects of abnormal weather on weather-sensitive distribution revenues. Consequently, the existence of greater weather variability during October and May is not, by itself, a reason to exclude those months from the mechanism. To the contrary, weather variability is precisely the circumstance the WNA is intended to address; and the higher observed variability of October and May HDD identified by witness Deupree is likely a better argument for why October and May should be retained, not excluded.

Moreover, Witness Deupree's analysis focuses on the relative variability of monthly HDD but does not demonstrate that including October and May has produced unreasonable WNA results or that excluding those months would improve the operation of the mechanism. Nor does his analysis evaluate the effect that excluding those months

[63] OCA Stmt. No. 1, at p. 35.

would have on the Company's ability to normalize weather-sensitive distribution revenues over the full heating season.

Finally, retaining October and May is also consistent with the Company's objective of applying the same weather assumptions throughout its weather normalization framework. Excluding those months from the WNA would reduce that consistency by treating portions of the heating season differently than the remainder of the period.

Accordingly, I continue to recommend that October and May remain within the WNA period.

Q. WITNESS DEUPREE RECOMMENDS THAT THE COMMISSION CONTINUE THE WNA FOR ONLY AN ADDITIONAL THREE YEARS[64], WHILE WITNESS EWEN RECOMMENDS THAT THE COMPANY OBTAIN ADDITIONAL EXPERIENCE BEFORE IMPLEMENTING THE PROPOSED METHODOLOGY[65]. DO YOU AGREE?

A. No. I believe the Commission has sufficient evidence in this proceeding to evaluate both the Company's proposed updates to the estimation of normal weather and the continued operation of the Company's existing WNA mechanism.

As discussed in my Direct Testimony, the Company is proposing updates (Peoples agreed to update its Heating Degree Days in its next base rate case, which is now the instant case) intended to improve the consistency between the weather assumptions used to establish rates and those used to administer the WNA.[66] Those updates are supported

[64] OCA Stmt. No. 1, at p. 38.
[65] OSBA Stmt. No. 2, at pp. 16-17.
[66] Peoples Stmt. No. 17, at pp.40-41.

by the Company's analyses and are consistent with the objective of ensuring that the same estimate of normal weather is applied throughout the ratemaking process.

While additional operating experience will naturally be accumulated over time, I do not believe the Commission should delay approval of otherwise reasonable updates simply because additional years of experience may become available in the future. Nearly every regulatory mechanism can be refined as additional experience is gained. That possibility, standing alone, does not provide a basis for rejecting or postponing reasonable updates supported by the evidentiary record developed in this proceeding.

Accordingly, I believe the Commission has sufficient information to approve the continuation of the Company's existing WNA.

Q. SEVERAL WITNESSES ALSO EXPRESS CONCERNS REGARDING CUSTOMER BILL IMPACTS, BILL VOLATILITY, AND CUSTOMER AFFORDABILITY ASSOCIATED WITH THE WNA. HOW DO YOU RESPOND?

A. The Company recognizes that customer bill stability and affordability are important considerations in the design and operation of any rate mechanism. However, those broader policy considerations do not alter the purpose of the WNA.

The WNA is intended to normalize weather-sensitive distribution revenues to the same normal weather assumptions used to establish rates. It does not change the Commission-approved revenue requirement, alter the Company's authorized rate of return, or affect the recovery of gas costs. Rather, it reduces the impact of abnormal weather on weather-sensitive distribution revenues by applying the same normal weather assumptions prospectively and retrospectively.

That purpose benefits both the Company and customers. For the Company, the WNA reduces the extent to which recovery of weather-sensitive distribution revenues depends on whether actual weather is warmer or colder than normal. For customers, the WNA reduces the extent to which bills vary solely because actual weather differs from the normal weather used to set rates. This customer benefit is particularly relevant in a rate design that continues to recover a substantial portion of distribution costs through volumetric rates, because weather-related usage variation can otherwise produce larger bill swings during the heating season.

To the extent the intervenors raise broader concerns regarding affordability, customer bill burdens, or universal service policy, those matters are addressed by Company Witness Fang and other Company witnesses. My testimony is limited to the technical design and operation of the Company's existing WNA.

Q. HOW DO YOU RESPOND TO CAUSE-PA WITNESS CICERO'S ALTERNATIVE PROPOSAL TO ACCUMULATE WNA CHARGES AND CREDITS BY CUSTOMER CLASS AND RECOVER OR REFUND THE RESULTING NET AMOUNT OVER THE SUBSEQUENT 12-MONTH PERIOD.

A. While I continue to recommend that the Commission approve the continuation of the Company's existing Normal Weather Normalization Adjustment, conceptually, a class-based mechanism that accumulates WNA adjustments during the heating season and subsequently spreads the net class-level charge or credit over a longer period is not inherently unreasonable. However, Witness Cicero has not developed the proposal in sufficient detail to determine whether it would be administratively workable, equitable

among customers, or superior to Peoples' existing WNA design. Among other matters, the proposal does not fully address how charges and credits would be calculated and reconciled by class, how customers entering or leaving the system during the recovery period would be treated, whether the adjustment would apply to usage occurring during the recovery period or to customers responsible for the underlying weather variance, how credits would be distributed, how carrying costs and regulatory accounting would be handled, or how the mechanism would interact with CAP and other customer protections. Witness Cicero also has not provided an analysis comparing the customer impacts, revenue effects, administrative requirements, or potential intergenerational and intraclass cost shifts of his proposal with those of the existing WNA. Accordingly, the record does not presently support a conclusion that CAUSE-PA's alternative is preferable to Peoples' current WNA mechanism. If CAUSE-PA continues to advocate for this alternative, it should provide the additional operational details and supporting analysis necessary for the Company and the Commission to evaluate the proposal more fully.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATION REGARDING THE COMPANY'S PROPOSED NORMAL WEATHER METHODOLOGY AND WEATHER NORMALIZATION ADJUSTMENT.

A. I continue to recommend that the Commission approve the Company's proposed estimation of normal weather and the continuation of the Company's existing and approved Weather Normalization Adjustment mechanism.

As discussed throughout my Direct and Rebuttal Testimony, the Company's sixty-five-year regression framework provides a transparent, objective, and analytically sound

estimate of normal Heating Degree Days by recognizing the demonstrated long-term trend reflected in the historical weather data. The methodology is independently supported by NOAA data, provides the most reasonable estimate of normal HDD for the Fully Projected Future Test Year and promotes internal consistency by applying the same weather assumptions throughout the Company's weather normalization analyses.

I further believe the Company's existing WNA remains a reasonable and appropriate mechanism for normalizing the effects of abnormal weather on weather-sensitive distribution revenues and for reducing customer bill variation caused solely by deviations from normal weather. The intervenors have not demonstrated that the Company's proposed HDD methodology or existing WNA are unreasonable, nor have they shown that the modifications they recommend would improve the operation of the mechanism. To the contrary, several of those recommendations would reduce the effectiveness or consistency of the WNA without advancing its underlying purpose.

I continue to recommend that the Commission approve the Company's proposed estimation of normal weather and continuation of the existing Weather Normalization Adjustment mechanism.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
MICHELLE PARKS
DIRECTOR CUSTOMER OPERATIONS
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 18-R

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PREPARED REBUTTAL TESTIMONY OF
MICHELLE PARKS

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Michelle Parks. My business address is 375 North Shore Drive, Suite 600, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. ("Essential") as Director Customer Operations. Essential is the ultimate parent company of PNG Companies LLC ("PNG"), and PNG provides various administrative functions for Peoples Natural Gas Company LLC ("Peoples" or the "Company") including Customer Operations.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond to certain portions of the direct testimony and recommendations of Office of Consumer Advocate ("OCA") witnesses Roger Colton and Brendan Larkin-Connolly, Office of Small Business Advocate witness Mark Ewen and Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero as they relate to the Company's customer service.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR REBUTTAL TESTIMONY?

A. My testimony is divided into sections based on the witness to whom I am responding.

II. CUSTOMER SERVICE

Q. DO ANY OF THE PARTIES PROVIDE COMMENTS OR PROPOSE ADJUSTMENTS OR RECOMMENDATIONS RELATED TO THE COMPANY'S CUSTOMER SERVICE?

A. Yes. OCA Witness Colton makes comments and recommendations related to Peoples' Customer Assistance Program ("CAP") enrollments, credit and collection expenses, disconnections, and use of social security numbers ("SSN"). OCA Witness Larkin-Connolly makes comments and recommendations related to Peoples' customer service performance. CAUSE-PA Witness Cicero testifies about termination rates.

III. RESPONSE TO OCA WITNESS COLTON

Q. WHAT DOES MR. COLTON AVER WITH RESPECT TO PEOPLES' IDENTIFICATION OF LOW-INCOME CUSTOMERS?

A. Mr. Colton testifies that Peoples is not effective in identifying its low-income customers and in enrolling those customers in its Customer Assistance Program ("CAP"). (OCA Statement No. 4, pp. 43, 49-50.) Mr. Colton also testifies that Peoples "substantially" under-enrolls its low-income customers in CAP, and that it "seems to ignore" the

Commission's findings regarding customer assistance programs in that Peoples is relying on unrealistic agreements rather than aggressively identifying low-income customers and enrolling them in CAP. (OCA Statement No. 4, pp. 47-49.)

Q. HAS MR. COLTON FAIRLY OR ACCURATELY CHARACTERIZED THE COMPANY'S EFFORTS TO IDENTIFY ITS LOW-INCOME CUSTOMERS AND TO ENROLL THOSE CUSTOMERS IN CAP?

A. No. The Company acknowledges the importance of engaging in efforts to identify low-income customers and enroll those customers in CAP. The Company stresses the importance of obtaining up-to-date income information to all employees from the time of new-hire training through refresher training that occurs on a regular basis. Peoples Customer Service Representatives ("CSRs") are trained and skilled in identifying low-income customers, and in the normal course of business, refer customers to CAP.

Specifically, Peoples encourages enrollment in CAP through several methods. Prior to the issuance of a termination notice, Peoples provides a plain language CAP notice to customers who have reported their status as low-income, but have not enrolled in CAP. Further, all of Peoples' termination notices include information on currently available energy assistance programs. The Company also encourages customers to call and to discuss CAP options and eligibility with representatives from its contact center, who do an exceptional job of identifying CAP eligible customers and explaining the program. Finally, Peoples attempts to encourage CAP enrollment and promote awareness using broad methods such as bill inserts, email campaigns, advertising, and participation in local community events.

Q. MR. COLTON AVERS THAT A DISPROPORTIONATELY HIGH NUMBER OF PEOPLES' CONFIRMED LOW-INCOME ("CLI") CUSTOMERS HAVE BALANCES IN ARREARS, AND THAT THESE CLI CUSTOMERS ALSO "HAVE A LARGE AMOUNT IN ARREARS." (OCA STATEMENT NO. 4, p. 45.) DO YOU HAVE A RESPONSE TO THIS STATEMENT?

A. As shown in the tables below, CLI customers are more likely to carry a balance and to have a larger balance than non-CLI customers, across NGDC's generally. Peoples' results, as shown in these tables taken from the 2024 Universal Service Programs and Collections Report, are similar to other NGDC's in western Pennsylvania and better than the NGDC group in total.

Percent of Customers in Debt – Confirmed Low-Income Natural Gas – 2022-2024

Utility	2022		2023		2024	
	As a Percent of Residential	As a Percent of Confirmed Low-Income	As a Percent of Residential	As a Percent of Confirmed Low-Income	As a Percent of Residential	As a Percent of Confirmed Low-Income
Columbia	2.3%	13.3%	2.5%	14.3%	2.5%	14.8%
NFG	2.5%	21.0%	3.0%	24.4%	2.9%	24.4%
PECO-Gas	0.3%	5.7%	0.3%	4.9%	0.3%	6.2%
Peoples	2.5%	14.0%	2.7%	14.2%	2.7%	14.1%
PGW	2.3%	9.6%	3.4%	12.7%	3.4%	12.5%
UGI Gas	4.2%	30.5%	4.6%	32.0%	4.2%	29.6%
Total/Industry Average	**2.4%**	**15.8%**	**2.8%**	**17.2%**	**2.7%**	**16.8%**

Total Average Arrearage – Natural Gas – 2022-2024

Utility	2022		2023		2024	
	Total Residential	Confirmed Low-Income	Total Residential	Confirmed Low-Income	Total Residential	Confirmed Low-Income
Columbia	$788.61	$955.15	$791.92	$945.16	$692.92	$861.47
NFG	$342.06	$535.44	$396.89	$565.21	$339.69	$481.79
PECO-Gas	$759.34	$2,158.61	$798.08	$2,035.87	$948.22	$1,776.19
Peoples	$394.22	$599.51	$484.60	$681.02	$393.34	$572.82
PGW	$789.81	$998.95	$809.82	$892.75	$645.80	$745.57
UGI Gas	$523.84	$896.65	$538.37	$884.22	$492.15	$798.34
Total/Industry Average	**$634.39**	**$859.88**	**$654.03**	**$851.30**	**$571.67**	**$747.59**

The increased likelihood of a CLI household to carry arrears points to broader economic strains and is not a reflection on Peoples' collections practices. Further, I note that the confirmed low income customers are those that have provided us their income not all low income customers. As such, if a low income customer were able to regularly pay their bill they would be unlikely to provide their income to Company thus they would be excluded from the confirmed low income and skew the results of this data.

Q. HOW DOES MR. COLTON SUMMARIZE THE COMPANY'S USAGE OF PAYMENT ARRANGEMENTS?

A. Mr. Colton testifies that Peoples' usage of payment arrangements is that they are not effective or efficient because they do not provide customers with a "reasonable opportunity" to pay off their balances in arrears. (OCA Statement No. 4, p. 46.) He also provides his own analysis of data provided by Peoples regarding defaults on residential payment arrangements and opines that this is "likely an undercount of the number of broken arrangements." (OCA Statement No. 4, pp. 46-47.)

Q. IS THIS A FAIR SUMMARY OF THE COMPANY'S USAGE OF PAYMENT ARRANGEMENTS?

A. No. Peoples disagrees that the default rates show its payment arrangements fail to give residential customers a reasonable opportunity to retire arrears. The testimony relies on aggregate default percentages from 2023–2025, but those figures alone do not prove the arrangements were ineffective or unreasonable because defaults are affected by many factors outside the Company's control, including income instability, other household bills,

customer behavior, and changing financial circumstances within the household. The testimony also does not assess whether arrangements complied with Pennsylvania regulatory requirements or account-specific conditions, nor does it show that alternative terms would have produced better outcomes. While payment arrangements are an important tool to help customers manage arrears and maintain service, they cannot eliminate all defaults or resolve broader financial challenges that may be faced by the household.

Q. WHAT RECOMMENDATION(S) DOES MR. COLTON MAKE WITH RESPECT TO PEOPLES' CREDIT AND COLLECTION EXPENSE?

A. Mr. Colton recommends an adjustment to Peoples' claimed cost of service based on his suggestion that Peoples be directed to implement a 50-50 sharing of the credit and collection expenses which Peoples most recently reported to BCS. (OCA Statement No. 4, pp. 4, 50.)

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. No.

Q. WHY NOT?

A. First, Mr. Colton's argument that the Company should share its credit and collections expenses 50/50 due to what he deems as ineffective collections practices is flawed. The Company's payment arrangement practices are consistent with regulations as reflected in

its justified PAR Rate which is one third of the industry average as shown in the 2024 Utilities Consumer Activities Report and Evaluation Report.

2024 Residential PAR Rates,
Justified PAR Rates, and Percent of Justified PARs
Major Natural Gas Distribution Companies

Utility	PAR Rate	Justified PAR Rate	Percent of Justified PARs
Columbia	1.49	0.06	4.1%
NFG	1.58	0.12	7.5%
Peoples	1.80	0.10	5.8%
PGW	9.95	0.91	9.2%
UGI Gas	6.55	0.44	6.8%
Industry Average	**4.27**	**0.33**	**7.6%**

Mr. Colton also cites concern regarding CAP enrollment. However, CAP enrollment has grown significantly as discussed in the rebuttal testimony of Rita Black, **Peoples Statement No. 10-R**. Further, the Annual Collection Operating Expense Mr. Colton refers to is reported to the Commission following the requirements of the Universal Service Reporting Requirements Data Dictionary[1]. Specifically, the Data Dictionary definition for reportable expenses states the following should be provided in the total reported Annual Collection Operating Expenses field: "include administrative expenses associated with termination activity, negotiating payment arrangements, budget counseling, investigation and resolving informal and formal complaints associated with payment arrangements, securing and maintaining deposits, tracking delinquent accounts, collection agencies' expenses, litigation expenses other than Commission related, dunning

[1] 52 Pa. Code § 54.75.

expenses and winter survey expenses." The data dictionary also states that CAP recipients should be excluded in the calculation of this figure. While some of these expenses may be directly identified, many are derived by developing an estimated cost of internal labor and applying that estimate against a count of tasks to arrive at an estimated total cost for that activity. The 2025 residential annual collection operating expense amount is addressed in the rebuttal testimony of Andrew Wachter, **Peoples Statement No. 2-R.** The reported figures are intended to provide a comparison point between utilities and to provide broad information to interested stakeholders regarding credit and collection activities. This figure is not intended for ratemaking purposes. For these reasons, his recommendation to share the credit and collections expense should be rejected.

Q. DOES MR. COLTON MAKE ANY FINDINGS RELATED TO THE RACIAL IMPACTS OF PEOPLES' DISCONNECTIONS?

A. Yes. Mr. Colton testifies that, while not an issue unique to Peoples, the nonpayment disconnections employed by Peoples have a disparate impact on Black and African-American populations. (OCA Statement No. 4, pp. 51-56.) Mr. Colton concludes through this finding that "Peoples should recognize that its disconnection of service for nonpayment has a disparate impact on its Black neighborhoods," and undertake an analysis to determine how to address those impacts. (OCA Statement No. 4, p. 56.)

Q. DOES PEOPLES HAVE A RESPONSE TO THIS FINDING?

A. Peoples disagree with this finding. Peoples' termination process is automated through established SAP workflow controls and is based strictly on objective arrearage criteria. The

process does not consider, collect, or apply customer race, ethnicity, neighborhood demographics, or any other protected characteristic in determining whether an account is eligible for nonpayment disconnection. Accordingly, Peoples does not agree that its nonpayment disconnection practices reflect disparate treatment or are administered in a manner that targets any racial or ethnic population. Peoples remains committed to administering its credit and collections practices consistently, fairly, and in compliance with Commission regulations and customer protection requirements.

Q. WHAT RECOMMENDATIONS(S) DOES MR. COLTON MAKE WITH RESPECT TO DISCONNECTIONS WITHIN PEOPLES' SERVICE TERRITORY?

A. Mr. Colton makes two recommendations related to Peoples' disconnection rates. Mr. Colton first recommends that "Peoples be directed to conduct an independent root cause analysis to determine the driver of the disproportionate level of utility disconnections within the Company's service territory," and that the Company "commit to taking steps to address the cause with the commitment of reducing the disproportionate level of disconnections." (OCA Statement No. 4, pp. 4-5, 56.) Mr. Colton also recommends that "the extent to which Peoples mitigates the disproportionate disconnection of service for nonpayment in zip codes with high penetrations of Black households," be reviewed in its next base rate case. (OCA Statement No. 4, pp. 5, 56.)

Q. DO YOU AGREE WITH THIS RECOMMENDATION?

A. I do not. Mr. Colton made this same recommendation in the Company's 2023 Base Rate Case at Docket No. R-2023-3044549, and the Company's position remains the same. It is

important to note that, before resorting to termination of service, it is always Peoples' desire to work with customers with arrearages and to assist those customers in identifying resources such as LIHEAP, CAP, hardship funds or payment arrangements. However, the steps taken in Peoples' collection and service termination process are automated and are based strictly on arrearages. Peoples does not terminate its customers' service based on demographics or geographical location, nor does it discriminate.

Q. HOW DOES MR. COLTON CHARACTERIZE THE USE OF SSNs?

A. Mr. Colton describes in great detail the importance of SSNs and refers to the use of SSNs as an "aging technology." (OCA Statement No. 4, pp. 57-62.) He cites to guidance from the federal Office of Management and Budget and the Federal Trade Commission regarding a reduction in the use of SSNs and opines that there is no need for Peoples to use SSNs in order to prevent fraud. (OCA Statement No. 4, pp. 59-61.)

Q. DOES THE COMPANY AGREE WITH MR. COLTON'S CHARACTERIZATION OF THE USE OF SSNs?

A. Peoples respectfully disagrees with Mr. Colton's position. Peoples believes it is important to accurately identify and understand who our customers are. However, Peoples agrees that there may be opportunities to enhance its processes and reduce the retention of SSNs within its systems where feasible and appropriate.

Q. WHAT RECOMMENDATION(S) DOES MR. COLTON MAKE WITH RESPSECT TO PEOPLES' USE OF SSNs?

A. Mr. Colton makes several recommendations with respect to SSNs. He first recommends that Peoples be directed to develop and adopt an alternative to its use of SSNs within twelve months of the issuance of the final order in the instant proceeding. (OCA Statement No. 4, pp. 5, 57.) Mr. Colton next recommends that Peoples "be directed to: (1) refrain from retaining SSNs for more than 30 days after the customer establishes service, (2) refrain from providing a customer SSN to any entity outside of the Company, and (3) notify the Customer at the time the customer is asked to provide his/her/their SSN that, in the absence of the first two steps outlined above, that the SSN will be retained in perpetuity and that the SSN will be provided to a multi-national credit firm to allow the customer to take such notice into account in deciding whether to provide their SSN."

Q. DO YOU AGREE WITH THESE RECOMMENDATIONS?

A. Peoples does not agree with Mr. Colton's recommendation that the Company be required to develop and adopt an alternative to its use of SSNs within twelve months, or that it be restricted from retaining SSNs beyond 30 days after service is established. As a public utility, Peoples has a responsibility to maintain reliable and accurate customer-identification information throughout the customer relationship. The SSN remains one of the most effective and consistent identifiers available to confirm customer identity, distinguish between customers with similar names or addresses, and support the Company's ability to administer accounts accurately and responsibly.

Accurate customer identification is particularly important when applying for service, in addition to when a customer moves from one premises to another within Peoples' service territory. In those circumstances, the Company must be able to confidently

determine whether the customer establishing service at the new premises is the same customer responsible for any prior account balance. SSNs support that process by helping Peoples appropriately associate prior balances with the correct customer and avoid either failing to transfer a valid balance or, conversely, transferring a balance to the wrong individual. The ability to make that identification with confidence is important for both sound utility operations and fair treatment of customers.

The continued availability of SSNs also supports Peoples' credit, collections, and bankruptcy processes. For collection activities, SSNs assist in identifying the correct customer, linking accounts that belong to the same individual, and pursuing lawful collection efforts against the appropriate responsible party. Similarly, in bankruptcy processing, the ability to accurately match a customer account to a bankruptcy filing is essential to ensure that Peoples complies with applicable legal requirements, applies the correct account treatment, and avoids collection activity that may be prohibited by a bankruptcy stay or discharge.

Peoples is also concerned that eliminating or materially limiting the use and availability of SSNs could impair the Company's ability to identify customers with sufficient certainty. That risk could result in account mismatches, delayed or inaccurate balance transfers, reduced effectiveness of collection efforts, and complications in bankruptcy administration. Over time, those impacts could increase uncollectible accounts and bad debt expense, which ultimately affects the Company's ability to manage customer account risk in a prudent and responsible manner. For these reasons, Peoples does not believe Mr. Colton's recommendation adequately accounts for the operational and financial importance of SSNs as a customer-identification tool. While Peoples recognizes

the sensitivity of SSNs and the importance of protecting customer information, the Company's position is that appropriate data-protection practices should be balanced against the need to maintain accurate customer records, support lawful collections and bankruptcy processes, and prevent avoidable increases in bad debt. Accordingly, Peoples does not support adoption of Mr. Colton's recommendations as stated in the form proposed.

IV. RESPONSE TO OCA WITNESS LARKIN-CONNOLLY

Q. WHAT FINDING(S) DOES MR. LARKIN-CONNOLLY MAKE WITH RESPECT TO PEOPLES' CUSTOMER SERVICE PERFORMANCE?

A. Mr. Larkin-Connolly finds that Peoples' customer service is "adequate but unexceptional," in that it performs at or near the average of its peer utilities. (OCA Statement No. 5, p. 6.) Mr. Larkin-Connolly also testifies that Peoples has "no clear area of strength," and points to satisfaction measures which have declined over the past six years. (OCA Statement No. 5, p. 6.)

Q. DO YOU AGREE WITH MR. LARKIN-CONNOLLY'S FINDINGS?

A. No. The data shows that customers continue to have strong access to live assistance and generally positive experiences with Peoples CSRs. Call abandonment has remained very low, speed of answer has improved modestly since 2019, and representative courtesy and knowledge continue to score in the 90% range. Recent improvement in satisfaction with reaching the company and wait time also suggests stabilization in key access-related measures. Overall, the results indicate that the Company's live customer service

interactions remain a strength, while automated telephone system experience represents the clearest opportunity for improvement.

Q. DOES MR. LARKIN-CONNOLLY IDENTIFY ANY CONCERNS RELATED TO PEOPLE'S CALL CENTER PERFORMANCE?

A. Yes. Mr. Larkin-Connolly testifies that the Company has not taken steps to increase the number of representatives within its call center during the months that phone calls peaked. (OCA Statement No. 5, p. 14.) He also testifies that staffing data shows a gap between Peoples' actual staffing and its approved staffing level, in that it is operating at a "chronic deficit." (OCA Statement No. 5, pp. 15-16.)

Q. IS THIS A FAIR CHARACTERIZATION OF PEOPLES' CALL CENTER PERFORMANCE AND STAFFING?

A. The Company disagrees with Mr. Larkin-Connolly's characterization that Peoples has failed to take steps to increase call center staffing during periods of elevated call volume or that the organization is operating with a "chronic deficit" in staffing. Peoples continuously monitors call volumes, service levels, staffing availability, and workload trends, and it takes operational steps to align resources with customer demand, including the use of schedule utilization of Back Office support staff who are trained for Contact Center call handling, to assist with inbound voice calls in high call volume months. Peoples also adjusts CSR schedules to cover peak volumes, offers overtime, and other workforce management measures as appropriate. While actual staffing levels may fluctuate due to ordinary attrition, hiring timelines, training requirements, leave activity, and other

operational factors, those fluctuations do not demonstrate inaction or a sustained failure to properly staff the contact center. Rather, the Company actively manages staffing needs in response to seasonal call volume expectations, and customer service requirements.

Q. MR. LARKIN-CONNOLLY AVERS THAT THE DATA ON PEOPLES' CALL CENTER STAFFING SHOWS A LACK OF INVESTMENT IN LIGHT OF A "FORESEEABLE DROP IN SERVICE QUALITY". (OCA STATEMENT NO. 5, p. 18.) HOW DO YOU RESPOND TO THIS TESTIMONY?

A. Peoples disagrees with Mr. Larkin-Connolly's assertion that Peoples' call center staffing data reflects a lack of investment or supports a conclusion that any decline in service quality was foreseeable. Staffing levels must be evaluated in the context of overall operational performance, evolving customer demand, workforce availability, process improvements, and the Company's broader customer service strategy. Peoples has continued to monitor contact center performance and resource needs and has taken actions intended to support service quality, including staffing adjustments, training, technology enhancements, and process improvements where appropriate. Accordingly, the staffing data alone does not establish that the Company failed to invest in customer service or that any service quality impact was foreseeable.

Q. DOES MR. LARKIN-CONNOLLY IDENTIFY ANY OTHER AREAS OF PEOPLES' CUSTOMER SERVICE PERFORMANCE?

A. Yes. Mr. Larkin-Connolly testifies in regards to billing events experienced by Peoples in 2024. He avers that Peoples only explained these events "in general terms," that it

"attributes the rebill increase to a cause that does not reconcile with the figures it provided," and raises concern that Peoples was not aware of a vendor failure "until BCS and a member of the Consumer Advisory Council raised it." (OCA Statement No. 5, pp. 6-7.) Mr. Larkin-Connolly also opines that data provided by Peoples indicates that "there were other billing issues that the Company is unable to account for." (OCA Statement No. 5, p. 23.) He also expresses concern that the 2024 billing events were not treated with the seriousness they warranted and were rather treated as "operational blips." (OCA Statement No. 5, p. 24.)

Q. HOW DOES THE COMPANY RESPOND TO MR. LARKIN-CONNOLLY'S TESTIMONY ON THE 2024 BILING EVENTS?

A. Peoples' billing operations remain reliable and effective when viewed in the context of its annual billing volume. The Company produces approximately 9.36 million bills each year, and the 2024 vendor failure represented an isolated exception rather than a systemic deficiency. Peoples continues to maintain billing processes, controls, and vendor oversight intended to support timely and accurate customer billing.

Q. MR. LARKING-CONNOLLY RECOMMENDED IN HIS TESTIMONY THAT PEOPLES "SHOULD ADDRESS THESE 2024 BILLING ISSUES IN EVEN GREATER DETAIL" IN ITS REBUTTAL TESTIMONY. (OCA STATEMENT NO. 5, p. 23.) DO YOU HAVE ANY FURTHER COMMENTARY OR INFORMATION TO PROIVDE WITH REGARD TO BILLING EVENTS IN 2024?

A. Peoples does not agree with the characterization that it experienced "multiple billing problems" in 2024. With respect to the bill-print vendor issue, the Company notified the

Bureau of Consumer Services promptly once the issue was identified. This was a one-time vendor failure, not an ongoing Company billing-system issue. Upon discovery, Peoples took immediate steps to protect affected customers and ensure accounts were made whole, including removing late payment charges or issuing credits and dunning locks on all accounts processed in those billing files, posting customer notifications on the Company website and e-Account customer portal, and adding messaging to the interactive voice response system.

Q. DOES MR. LARKIN-CONNOLLY TESTIFY ABOUT PEOPLES' REBILLING AND BACK-BILING POLICY?

A. Yes. Mr. Larkin-Connolly expresses unsurety as to when Peoples employs its rebilling or back-billing policy with regard to the number of customers affected, dollar amount, or otherwise. (OCA Statement No. 5, p. 35.) He also testifies that notification is "left to a case-by-case judgment about expected call volume." (OCA Statement No. 5, p. 35.)

Q. CAN YOU PROVIDE ANY FURTHER CLARITY REGARDING MR. LARKIN-CONNOLLY'S STATEMENT ON THE COMPANY'S REBILLING AND BACK-BILLING POLICY?

A. When an account is reviewed and rebilled on a case-by-case basis—for example, but not limited to, a non-registering meter situation that results in a significant credit or debit to the account—the customer is notified by letter and/or phone call. The communication includes the reason for the rebill, the amount of the adjustment, available payment arrangement options if applicable, the total account balance, an account statement and

copies of the rebill month. In the event of a system error that affects a broader group of customers, any related credits and/or debits are processed in mass. Historically, these adjustments have been minimal and are not comparable to a rebill that may cover several months of usage. These system errors have not resulted in customers requiring payment arrangements or account statements.

For system-related mass adjustments, an interaction record is placed on the customer's account. In addition, a message is added to the IVR and website, and talking points are provided to call center representatives so they can appropriately respond to customer inquiries.

Q. MR. LARKIN-CONNOLLY TESTIFIES THAT HE IS UNSURE WHETHER THERE WAS A VIOLATION OF THE COMMISSION'S REGULATIONS AT 52 PA. CODE § 56.14 RESULTING FROM THE 2024 BILLING INCIDENT INVOLVING A DELAY IN PRINTED BILLS. (OCA STATEMENT NO. 5, p. 37.) HOW DO YOU RESPOND TO THIS TESTIMONY?

A. Although 52 Pa. Code § 56.14 addresses back billing requirements, the print vendor issue did not involve back billing. The matter related to the timing and/or delivery of customer bills, not the rebilling of previously unbilled or underbilled service. Accordingly, the Company does not view § 56.14 as applicable to this issue.

Q. WHAT RECOMMENDATION(S) DOES MR. LARKIN-CONNOLLY MAKE WITH RESPECT TO PEOPLES CUSTOMER SERVICE PERFORMANCE?

A. Mr. Larkin-Connolly makes several recommendations as related to customer service: (1) the Commission reject Peoples' proposed tariff changes regarding nonliability limits, dishonored payment procedures, and CAP restrictions; (2) a requirement that Peoples notify BCS of any rebilling, back-billing, or billing-delivery event affecting more than 1,000 customers within a defined timeframe; (3) a requirement that Peoples send "a direct written explanation to every customer whose bill is rebilled or back-billed, stating the reason for the correction, the period covered, the amount, and the available payment arrangement"; (4) that every account affected by a billing event such that it must be rebilled or back-billed should be flagged so that customers can obtain immediate and consistent information about the billing event and the customer's options; and (5) that the Commission consider a policy for NGDCs requiring periodic mailed cost summaries for all residential customers in order to preserve "baseline bill visibility." (OCA Statement No. 5, pp. 6-7, 39-40.)

Q. DO YOU AGREE WITH THOSE RECOMMENDATIONS? WHY OR WHY NOT?

A. When Peoples issues a revised bill through its SAP CR&B Billing Implausible and/or Exception case process, the customer is notified either through a phone call or written notification that includes the details of the amount, the reason, copies of the rebills and options they have for payment. Further, the Company already self-reports any large-scale billing issues that may affect its customers to BCS leadership.

Q. CAN YOU COMMENT ON MR. LARKIN-CONNOLLY'S RECOMMENDATION THAT THE COMMISSION CONSIDER A POLICY WHEREBY NGDCS MAIL COST SUMMARIES TO ALL RESIDENTIAL CUSTOMERS?

A. Yes. I question whether one utility's rate case is the best place for the Commission to make a general policy decision impacting all natural gas utilities in Pennsylvania. Nonetheless, while I do not know exactly what OCA deems a cost summary, I do want to note that we can and do provide, upon request, any available customer-specific billing information. We do not need a Commission decision to provide customers with information about their accounts. Further, Mr. Larkin-Connolly does not address the additional costs that the Company would incur to provide customers with mailed "cost summaries" nor does he provide any evidence that demonstrates that customers would want to receive a mailed cost summary without requesting this information. Moreover, much of the information that a customer would typically seek regarding their bill (e.g., usage and rate information) is readily available either on the customer's regular mailed bill or online for those customers with an online account, and that information can be accessed by customers at any time.

Q. DO YOU HAVE A REPLY TO MR. LARKIN-CONNOLLY'S AVERMENT THAT "BILL ENGAGEMENT TENDS TO BE INVERSELY RELATED TO INCOME", AND THAT PEOPLES' DATA PROVIDES AN ILLUSTRATION OF THIS TYPE OF DYNAMIC?

A. Enrollment in those options should not be treated as a direct proxy for bill engagement without additional supporting evidence. While it is possible that customers facing greater pressures may review their bills more closely, the record does not establish that lower-

income customers are disproportionately more likely to identify broader billing or cost issues, or that their concerns are routinely categorized in a way that obscures wider system impacts.

V. RESPONSE TO CAUSE-PA WITNESS CICERO

Q. WHAT DOES MR. CICERO AVER WITH RESPECT TO TERMINATION RATES?

A. Mr. Cicero testifies about a spike in termination rates of CAP customers that occurred in 2024 and characterizes this spike as troubling. (CAUSE-PA Statement 1, pp. 28-29.)

Q. DO YOU HAVE A REPLY TO MR. CICERO'S TESTIMONY ABOUT PEOPLES' TERMINATION RATES, IN BOTH 2024 AND 2025?

A. Peoples disagrees with Mr. Cicero's characterization of the increase in CAP customer terminations in 2024 as troubling, given that the termination rate in 2025 for the CAP population is reduced by more than 38% to 6.5%. The termination process is automated and driven by customer account balances and arrearages, not by a customer's participation in CAP. Work orders are generated through the automated workflow and assigned to field personnel based on schedule availability.

VI. RESPONSE TO OSBA WITNESS MARK EWEN

Q. MR. EWEN RECOMMENDS THE COMPANY ADD A FORMAL PAYMENT PLAN OPTION FOR SMALL GENERAL SERVICE ("SGS") AND MEDIUM GENERAL SERVICE ("MGS") CUSTOMERS ALONG WITH IMPLEMENTING A TRACKING MECHANISM TO ALLOW FOR REPORTING ON THE NUMBER

OF THESE CUSTOMERS EXPERIENCING FINANCIAL DIFFICULTIES. HE ALSO RECOMMENDS THAT PEOPLES ADD OSBA'S CONTACT INFORMATION AND A DESCRIPTION OF ITS SERVICES TO THE COMPANY'S WEBSITE. PLEASE RESPOND TO THESE RECOMMENDATIONS.

A. Peoples works with all of its customers, both residential and non-residential, that are facing short-term financial difficulties. SGS and MGS customers contacting the Company for assistance may request a temporary hold to allow for payment. And, in some cases, the Company establishes a payment arrangement, spreading arrears across a number of months as well. I do not believe a formal payment plan option for SGS and MGS customers is necessary. Regarding Mr. Ewen's second recommendation, that Peoples add OSBA's information to its website, I would note that Peoples' website does not include information or links for any of the statutory advocates or other stakeholders, and OSBA's information is already publicly available online and through the PUC.

VII. <u>CONCLUSION</u>

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
DANIEL J. SCHULLER
EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER,
ESSENTIAL UTILITIES

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

Peoples Statement No. 19-R

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PREPARED REBUTTAL TESTIMONY OF
DANIEL SCHULLER

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Daniel J. Schuller. My business address is 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. ("Essential") as Executive Vice President and Chief Financial Officer. Peoples Natural Gas Company LLC ("Peoples" or the "Company") is a wholly-owned subsidiary of PNG Companies LLC ("PNG"). PNG is a wholly-owned, indirect subsidiary of Essential Utilities, Inc. f/k/a Aqua American, Inc. Essential acquired PNG effective March 16, 2020.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have a Bachelor of Science, Master of Science, and Doctorate in civil engineering from Purdue University. I participated in continuing executive education at the University of Chicago's Booth School of Business.

Prior to joining Essential (previously known as Aqua America, Inc.) in 2015, I spent eight years focused on infrastructure investments with J.P. Morgan Asset Management's Infrastructure Investments Group. In this role, I was responsible for a three-state water and wastewater utility owned by the group's infrastructure fund. I also sat on the board of directors of a natural gas LDC owned by the fund. Prior to J.P. Morgan, I spent eight years

as a management consultant with Mars & Co. Upon joining Essential, I was Executive Vice President of Strategy & Corporate Development. In this role, I was responsible for overseeing Essential's efforts to proactively serve additional customers throughout our multi-state footprint. I was named to my current role in 2018.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony will respond to certain portions of the testimony presented at the public input hearings held in this matter as it pertains to how the Company finances its capital projects.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring exhibits **Peoples Natural Gas Exhibit No. DJS-1R**.

Q. PLEASE EXPLAIN THE RELATIONSHIP BETWEEN ESSENTIAL UTILITIES AND PEOPLES NATURAL GAS.

A. Essential is the holding company for Aqua, Peoples, and their affiliates. Essential's leadership provides management, oversight, and overall guidance for Aqua, Peoples, and their affiliates. The organization operates under a shared services platform in which many services, including, but not limited to, accounting, finance, human resources, information

technology, and customer service are provided to Aqua and Peoples. These services have been reviewed in PUC management audits and other regulatory filings.

Q. MARK SZYBIST, SPECIAL COUNSEL FOR ENERGY AFFORDABILITY FOR GOVERNOR JOSH SHAPIRO, TESTIFIED THAT GOVERNOR SHAPIRO HAS CALLED ON UTILITIES TO RAISE CAPITAL IN THE MOST EFFECTIVE WAY POSSIBLE. (TR. AT 250-51). DO YOU WISH TO RESPOND?

A. Yes, Essential, on behalf of Peoples, raises capital in a highly effective manner and, in my opinion, in the most cost-effective manner possible. Essential, as a public company, raises both equity and debt capital for funding its operations and capital investments in the existing, well-functioning United States capital markets, which are recognized to be the most liquid markets in the world. For equity financing, Essential is listed on the New York Stock Exchange or NYSE as WTRG and is able to efficiently raise equity via a variety of offering types, including issuing additional WTRG shares under an At-the-Market Program or ATM, whereby we can issue shares directly into the market on an opportunistic basis, paying a minimal discount to do so.

Additionally, we undertake multiple efforts to obtain low-cost debt financing. These efforts include but are not limited to engaging with credit rating agencies to obtain the highest credit rating possible to facilitate our competitive, market-based debt financing process. Since Essential has owned Peoples, we have worked hard to maintain investment grade credit metrics at both the Essential and PNG levels to ensure the most favorable borrowing costs. Moreover, by financing at the Essential level (on behalf of our subsidiaries), we aggregate the borrowing needs of many subsidiaries, which allows us to

access the competitive public debt markets where a wider investor base can lead to optimal pricing. On a standalone basis, none of our subsidiaries, including Peoples, would have an issuance need in excess of $300M, which is generally the minimum offering size to attract public market participants, as smaller offerings cannot be included in bond index funds. I will note that Peoples was formerly owned by private equity and lacked a larger parent, and thus only had regular access to private debt markets; the 2020 acquisition by Essential facilitated access to the public markets.

One example of our public market borrowings, is our most recent 10-year $500 million public debt offering, where the issuance was oversubscribed by seven (7) times, allowing us to reduce the credit spread (i.e., the interest amount paid over the 10-year treasury rate) from 130 basis points at the initial announcement to 100 basis points, resulting in an all-in borrowing cost of 5.142%. The competitively priced public debt raised at the Essential level is then allocated as intercompany debt ("Pushdown Debt") to Essential's subsidiaries to allow them to realign their capital structures to their regulatory capital structure targets, including Peoples. The Pushdown Debt interest rate, repayment terms, maturity date and debt issuance expenses allocated are on a pro rata basis based on the principal amount allocated as a percent of the total unallocated balance as of the allocation date. There are no additional mark ups or fees allocated to the subsidiaries. Essential continually pursues other types of debt for its subsidiaries. For example, at its Pennsylvania water subsidiary, Aqua PA, Essential has issued low interest rate Pennvest loans and received loan forgiveness for eligible capital projects and passed those savings along to Aqua PA customers. At this time, we are unaware of such opportunities for Peoples but continue to explore such options.

Finally, in accordance with the Essential Acquisition Settlement Paragraph 39 at Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063, we have implemented a commercial paper ("CP") program to reduce the cost of short-term borrowings. This CP program provides short-term borrowing flexibility as borrowing levels are set each day and can be more closely matched to our exact short-term cash needs. These short-term CP borrowings are at a lower interest rate than we pay for our revolving credit facilities.

Q. PLEASE EXPLAIN HOW PEOPLES RECEIVES THE CAPITAL THAT IS NEEDED TO FUND ITS INFRASTRUCTURE REPLACEMENT PROGRAM.

A. The Company's most recently approved Securities Certificate Registration on file with the Pennsylvania Public Utility Commission at Docket No. S-2024-3049880 and G-2024-3049928, describes one part of Peoples' financing strategy to obtain funding for its capital programs. Peoples is authorized to issue up to $950 million of long-term financing to support the Company's capital needs. In the interim period between the time the capital expenditures are incurred and the allocation of Pushdown Debt, the Company borrows under the intercompany short-term demand note between PNG and the Company. The Pushdown Debt is used to refinance a portion of the Company's intercompany short-term debt to rebalance Peoples' capital structure to be in line with other utilities, and to refinance Peoples' debt maturing through December 31, 2026. The new long-term debt will be issued through a series of tranches under the PNG Promissory Note. All the debt is expected to be issued on or before December 31, 2026. Through this process, Peoples agreed to pay PNG

the aggregate principal sum not to exceed $950 million. See **Peoples Natural Gas Exhibit No. DJS-1R** for a copy of the Company's Promissory Note.

PNG obtains the funds lent to Peoples from Essential, pursuant to a Pushdown Debt Promissory Note between PNG and Essential (the "Essential Promissory Note"). The Essential Promissory Note has similar terms to the promissory note between PNG and Peoples. The full terms and conditions of the Essential Promissory Note are expected to be similar to the form of the PNG Promissory Note. Essential will periodically issue the underlying debt supporting the tranches in the external debt markets at competitive market rates and prices, as described above. The interest rates and maturity dates of long-term debt issued by Essential form the basis for the interest rates and maturity dates under the Essential Promissory Note, which in turn establish the interest rates and maturity dates for the PNG Promissory Note. Essential is following generally accepted debt placement procedures to ensure market-based interest rates and terms in the tranches to be issued pursuant to the Essential Promissory Note. Therefore, the interest rates associated with the PNG Promissory Note are reasonable in light of the market coupon rates.

A pro rata portion of the unamortized debt issuance expenses incurred by Essential will be allocated each time additional debt is allocated to Peoples. The issuance costs that will be allocated to Peoples are expected to be approximately 1% of the principal allocation amount and will not exceed 2% of the principal allocation. The recovery of costs associated with the PNG Promissory Note are determined in a base rate case proceeding.

The issuance of the PNG Promissory Note will not result in Peoples' capital structure exceeding 50% debt measured at an annual level, consistent with the

Commission-approved Joint Petition for Settlement in the Aqua/Peoples Acquisition Proceeding.

Q. HOW DOES PEOPLES ENSURE THAT IT HAS ACCESS TO COST-EFFECTIVE SOURCES OF CAPITAL?

A. Essential is an active participant in the US equity and debt markets as previously mentioned above. On an ongoing basis we are looking at competitive market options and opportunities.

Q. MR. SZYBIST STATED THAT THE COMPANY'S PARENT (ESSENTIAL) IS ABLE TO ACCESS CAPITAL AT RELATIVELY LOW RATES, BUT CUSTOMERS OF THE COMPANY (PEOPLES) PAYS RELATIVELY HIGH COSTS FOR CAPITAL. DO YOU WISH TO RESPOND?

A. Yes. Mr. Szybist's understanding is not accurate. The Company interprets that by "low rates", Mr. Szybist is referring to interest paid on debt/borrowings. In the Company's push down debt process, where Essential issues debt in the market and then loans it to PNG Peoples via intercompany notes, our customers pay exactly the same interest rate that Essential is paying on its public debt. As mentioned previously, the interest rates on the debt issued by Essential are competitive market-based rates.

Q. AT THE PUBLIC INPUT HEARINGS, CHRIS HARRISON TESTIFIED THAT BLACKROCK IS ESSENTIAL'S BIGGEST SHAREHOLDER AND RATEPAYER FUNDS ARE NOT GOING TOWARD INFRASTRUCTURE INVESTMENTS BUT

ARE GOING TO BLACKROCK. (TR. AT 114-17.) DO YOU WISH TO RESPOND TO THESE STATEMENTS?

A. Yes. Mr. Harrison's understanding of BlackRock is misguided and inaccurate. While BlackRock-managed funds may be a large holder of WTRG/Essential stock, it is important to understand what Blackrock is – and who "owns" Blackrock. BlackRock is one of the world's largest asset managers and is a publicly traded corporation. BlackRock manages funds that hold the common stock of diverse groups of companies, including Essential, with the funds used to buy these stocks coming from the investments of institutional and retail investors. Thus, the retail investor who selects a Blackrock fund (that holds WTRG shares) for his or her 401K or brokerage account is the ultimate investor in Essential, not BlackRock itself.

With respect to ratepayer funds, I disagree with Mr. Harrison's characterization as to what we do with ratepayer funds. Ratepayer revenue helps to fund the Company's infrastructure investments, cover our operations and maintenance expenses, pay interest costs and taxes, and provide a fair and reasonable return to our equity investors (i.e., shareholders), but ratepayer revenue is not enough to fund it all. We need incremental debt and equity to fund all of our outlays. Additionally, the portion actually flowing back to investors, "BlackRock" in Mr. Harrison's lexicon, is only the Essential dividend, which is currently approximately $1.37 per share. As outlined in the testimony of Company witness Paul Becker, the Company anticipates that, since its last base rate case in 2023 through the end of the Fully Projected Future Test Year ("FPFTY") presented in this filing, it will invest nearly $2.3 billion to replace more than 1,250 miles of its aging infrastructure with new plastic pipe. This is real investment in system improvements for our customers, not a

flowback of capital to investors. Over the past several years, the Company has made material improvements to its distribution system, which reduces methane emissions and allows the Company to operate the system safely and reliably for many years to come.

Not only does the debt and capital markets activity, combined with Ratepayer funds cover the aforementioned investments at Peoples, it also includes the investment across all of Essential. In 2025 alone, we invested more than $1.6 billion across the company – nearly three times the Essential profits.

Regarding funds that go to investors, on an annual basis Tare limited to dividends paid by the company on its outstanding public share at a yield of 3.5% of the particular day's share price. Dividends compensate investors for the use of the capital they have entrusted to Essential and, as such, constitute an integral element of the aforementioned U.S. capital markets as indicated in Jennifer Nelson's rebuttal testimony, established regulatory standards have recognized the concept that a utility's capital costs recovered in rates be sufficient not only for debt service payments, but also for dividends on the stock.

II. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

INTERCOMPANY PROMISSORY NOTE

No. 2025-B December 31, 2025

$385,145,000

For Value Received, PEOPLES NATURAL GAS COMPANY LLC, a limited liability company formed under the laws of the Commonwealth of Pennsylvania (the "Borrower"), hereby promises to pay to the order of PNG COMPANIES LLC or registered assigns (the "Lender"), a limited liability company formed under the laws of the State of Delaware, the principal sum of THREE HUNDRED EIGHTY FIVE MILLION ONE HUNDRED FORTY FIVE THOUSAND DOLLARS ($385,145,000), together with interest (computed on the basis of a 360 day year of twelve 30-day months) on the unpaid balance thereof at the rate per annum from the date hereof as noted on Exhibit A.

Payments of principal of and interest on this Note are to be made in lawful money of the United States of America at the principal office of the Lender in Pittsburgh, Pennsylvania or at such other place as the Lender shall have designated by written notice to the Borrower.

This Note is subject to optional prepayment, in whole or in part, from time to time, at a redemption price of 100% or the principal amount prepaid, plus accrued interest thereon. Prepayments of this Note shall be noted on Exhibit B. attached hereto and made a part hereof; provided that the failure of the Lender to make any such recordation shall not limit or otherwise affect the obligations of the Borrower hereunder.

The Borrower represents that (a) it has full power and authority, not restricted by any law or governmental regulation, to execute and deliver this Note and to perform hereunder; (b) this Note evidences its valid and legally binding obligation, enforceable in accordance with its terms; and (c) its execution, delivery and performance of this Note do not and will not contravene any bylaw or contractual restriction binding on or affecting it.

This Note may not be changed or modified orally, nor any right or provision hereof be waived orally, but in each instance only by an instrument in writing signed by the party against which enforcement of such change, modification or waiver is sought.

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right, remedy or power hereunder preclude any other or future exercise thereof or the exercise of any other right, remedy or power.

Each and every right, remedy and power hereby granted to the Lender or allowed it by law or other agreement shall be cumulative and not exclusive the one of any other and may be exercised by the Lender from time to time.

Every provision of this note is intended to be severable; if any term or provision of this note shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the Commonwealth of Pennsylvania excluding choice-of-law principles of the law such Commonwealth that would require the application of the laws of a jurisdiction other than such Commonwealth.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first above written.

ATTEST:
By: _____

Name: Michael Turzai
Title: Assistant Secretary

PEOPLES NATURAL GAS COMPANY LLC
By: _____

Name: Michael Huwar
Title: President

ATTEST:

By: _____
Name: Michael Turzai
Title: Assistant Secretary

PNG COMPANIES LLC

By: _____
Name: Kim Edvardsson
Title: VP & Gas Segment CFO

PNG COMPANIES LLC

EXHIBIT A

LONG TERM DEBT SCHEDULE

Structure	Interest Rate	Issue Date	Maturity Date	Amount
Senior Unsecured Note	5.375%	12/31/2025	1/15/2034	$ 61,409,190
Senior Unsecured Note	5.25%	12/31/2025	8/15/2035	$ 323,735,810
Total				**$ 385,145,000**

PNG COMPANIES LLC

EXHIBIT B

RECORD OF PREPAYMENTS

Amount Prepaid	Date Prepaid

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
CYNTHIA S. FANG
DIRECTOR – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026 Peoples Statement No. 20-R
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY
OF CYNDEE S. FANG

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, AFFILIATION, AND BUSINESS ADDRESS.

A. My name is Cynthia ("Cyndee") S. Fang. I am employed by Atrium Economics, LLC as a Director. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, South Carolina 29926.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND AND EXPERIENCE.

A. I have more than 20 years of experience in utility regulation, regulatory strategy, rate design, cost recovery, utility finance, and affordability issues. I joined Atrium Economics in December 2024. Before joining Atrium Economics, I was Vice President of Regulatory at NorthWestern Energy. In this role I was responsible for the development and execution of the Company's regulatory strategy in Montana, South Dakota, and Nebraska. I joined NorthWestern Energy in 2021 as the Director of Regulatory Affairs in Montana. Prior to NorthWestern Energy, I held various leadership roles at San Diego Gas & Electric, which included overseeing the Company's electric rate strategy as well as electric forecasting, electric load analysis and research, and origination teams. I began my career in the energy industry as a Public Utilities Rates Analyst at the Minnesota Department of Commerce, Energy Division. I received my Bachelor of Science in Political Economics of Natural Resources from the University of California at Berkeley and completed all coursework required for a Ph.D. in Applied Economics at the University of Minnesota, focusing on environmental economics. My qualifications and experience are outlined in my resume which is attached as Exhibit CSF-1.

Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING ON BEHALF OF PEOPLES NATURAL GAS COMPANY ("PEOPLES" OR "COMPANY")?

A. No, I did not. However, this rebuttal testimony is submitted in response to the direct testimony filed by certain intervening parties in this proceeding. My rebuttal testimony explains that utility ratemaking is not a reasonable mechanism for addressing economywide inflationary pressures or other macroeconomic conditions, and that energy affordability concerns are more appropriately addressed through Pennsylvania Public Utility Commission ("PUC" or "Commission")-approved, targeted universal service programs that are the subject of separate proceedings designed to address those issues specifically.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony responds to certain portions of the direct testimony submitted by the other parties listed below, specific to affordability issues that are experienced by residential customers:

- Office of Consumer Advocate ("OCA") Witness Michael Deupree;
- OCA Witness Roger Colton;
- Office of Small Business Advocate ("OSBA") Witness Mark Ewen; and
- Pennsylvania Weatherization Providers Task Force ("PWPTF") Witness Jennifer Warabak.
- The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") Witness Patrick Cicero.

Q. **ARE YOU THE ONLY PEOPLES WITNESS THAT IS ADDRESSING AFFORDABILITY ISSUES RAISED BY OTHER PARTIES IN THEIR DIRECT TESTIMONY?**

A. No. Other Company witnesses address affordability-related issues that fall within their respective areas of responsibility. Company Witness Rita Black addresses the Company's customer assistance programs and Company Witness John Taylor addresses revenue apportionment, cost of service, and rate design issues, including the relationship between rate design, conservation, bill impacts, and affordability. Company witness Huwar also addresses the affordability of the Company's rates for natural gas service in Pennsylvania.

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR REBUTTAL TESTIMONY?

A. Yes. I am sponsoring Exhibit CSF-1 – Resume.

II. SCOPE OF UTILITY RESPONSIBILITY

Q. PLEASE SUMMARIZE THE PRINCIPAL AFFORDABILITY-RELATED POSITIONS ADVANCED BY THE INTERVENOR WITNESSES ADDRESSED IN THIS REBUTTAL TESTIMONY.

A. OCA Witness Michael Deupree addresses affordability through broader macroeconomic conditions and customer cost-of-living pressures, including inflation, energy prices, interest rates, tariffs, and economic uncertainty. He recommends that the Commission take those conditions into account when determining just and reasonable rates.[1] That macroeconomic discussion provides useful context regarding current customer pressures, but it does not alter the Commission's obligation to evaluate the Company's proposed rates under established cost-of-service and prudence principles.

[1] Deupree Direct at 3, 8-19.

OCA Witness Roger Colton addresses the role of affordability in this proceeding and presents affordability analyses for low-income, moderate-income, and residential customers generally. He also discusses energy burden, household resources, bill volatility, arrears, payment behavior, and the financial circumstances of aging customers.[2]

OSBA Witness Mark Ewen asserts that the Company's affordability discussion does not adequately address small business customers and recommends that affordability and ratepayer interests be considered in evaluating the Company's requested rates.[3]

PWPTF Witness Jennifer Warabak addresses affordability for low-income customers in connection with the proposed rate increase, including concerns regarding low-income customer impacts, LIURP funding, hardship fund support, and conservation-related affordability issues.[4]

CAUSE-PA Witness Patrick Cicero addresses affordability impacts on low- and moderate-income customers, measures of household financial need including the Self-Sufficiency Standard, and related recommendations concerning rate levels, rate design, and universal service cost recovery.

Q. HOW SHOULD THE COMMISSION DISTINGUISH BETWEEN RESIDENTIAL AFFORDABILITY CONCERNS AND THE SMALL BUSINESS CONCERNS RAISED BY OSBA WITNESS EWEN?

A. While both residential affordability and small business impacts are important customer considerations, they should be evaluated through related but distinct policy lenses. Residential affordability focuses on whether households, particularly low-income and

[2] Colton Direct at 7-43.
[3] Ewen Direct at 2-4
[4] Warabak Direct at 3-8.

limited-income households, can maintain essential utility service while meeting other basic needs. By contrast, OSBA Witness Ewen's concerns relate primarily to the financial condition of small commercial customers and are more appropriately understood as business sustainability or economic development concerns. Those concerns may be considered through the Commission's traditional rate design framework, including gradualism and customer impacts, but they do not, standing alone, justify departing from cost-causation principles or shifting costs to other customers.

Q. PLEASE SUMMARIZE THE INTERVENOR PERCEIVED SCOPE OF A REGULATED UTILITY'S RESPONSIBILITY FOR ADDRESSING AFFORDABILITY CONCERNS THROUGH BASE RATES.

A. Intervenors contend that, because household budgets are strained by rising costs for housing, food, healthcare, and other necessities, utilities should take on a broader role in addressing overall affordability through base rates.

Q. DO YOU AGREE WITH HOW PARTIES HAVE CHARACTERIZED THE SCOPE OF A REGULATED UTILITY'S RESPONSIBILITY FOR ADDRESSING BROADER AFFORDABILITY CONCERNS THROUGH A RATE CASE?

A. No. I do not agree with that characterization. It would expand the role of utility regulation beyond its appropriate scope. The Commission's statutory obligation is to ensure that utility rates are just and reasonable based on the prudent costs of providing regulated utility service. That obligation does not require utilities to offset or internalize macroeconomic conditions unrelated to the provision of regulated utility service. Expanding utility responsibility to address economywide affordability pressures through base rates would move ratemaking away from its traditional cost-of-service function and toward broader

social policy objectives that are more appropriately addressed through targeted programs and statewide policy processes.

Q. HOW DOES THE EXISTING CUSTOMER PROTECTION AND ASSISTANCE FRAMEWORK INFORM THE BOUNDARIES OF UTILITY RESPONSIBILITY FOR AFFORDABILITY?

A. The regulatory framework includes well-established customer protection and assistance tools that address payment difficulty in a focused, practical way— through clear rules for: billing (52 Pa. Code § 56.11 et seq.), collections and payment arrangements (52 Pa. Code §§ 56.41, 56.97, 56.151, 56.191), termination (52 Pa. Code §§ 56.81 et seq.); and low-income assistance programs and universal service plans (52 Pa. Code § 62.1 et seq.). Those tools are designed to help customers maintain service on reasonable terms while also protecting timely paying customers from undue cost shifting. Importantly, this framework does not treat utilities as responsible for offsetting the full range of household cost pressures (such as housing, food, or healthcare) through base rates. Instead, it reflects a policy choice to address utility affordability through targeted mechanisms within utility regulation, rather than by changing core, cost-based ratemaking principles. Consistent with that structure, the Commission's role in rate regulation is to balance the interests of customers and the utility by establishing just and reasonable rates based on the cost of providing regulated service, while ensuring the utility can maintain safe and reliable operations over the long term.

This framework reflects an important distinction between cost-based ratemaking and targeted affordability mechanisms. It addresses utility affordability through customer protection rules, payment options, and Commission-approved assistance programs rather than by treating base rates as the mechanism for offsetting the full range of household cost

pressures, such as housing, food, healthcare, or other broader economic conditions. Consistent with that structure, the Commission's role in a base rate proceeding is to balance customer impacts with the utility's obligation to provide safe, adequate, and reliable service by establishing just and reasonable rates based on the cost of providing regulated utility service.

Further, Pennsylvania's affordability challenges are best addressed through coordinated policy processes that can evaluate customer needs, program design, funding, and cost allocation across essential utility services and across multiple utilities. The Commission's affordability proceeding at Docket No. M-2017-2587711 and the January 2019 Staff Affordability Study reflect that broader statewide approach. Accordingly, material changes to affordability programs are more appropriately considered through universal service proceedings, rulemakings, or other Commission policy processes, rather than through ad hoc modifications in an individual base rate case.

Q. HOW SHOULD THE COMMISSION EVALUATE INTERVENORS' BROADER AFFORDABILITY RECOMMENDATIONS WITHIN ITS STATUTORY OBLIGATION TO ESTABLISH JUST AND REASONABLE RATES?

A. The Commission's responsibility is to establish just and reasonable rates based on the prudent costs of providing regulated utility service while ensuring the Company can continue to provide safe, adequate, and reliable service. In carrying out that responsibility, the Commission appropriately considers affordability together with other important ratemaking objectives, including cost recovery, financial integrity, and customer equity. I recognize that many customers are experiencing real financial hardship and that those concerns warrant careful consideration. However, broader macroeconomic conditions do not alter the Commission's statutory role or transform a base rate proceeding into a vehicle

to address economywide affordability challenges. Pennsylvania's regulatory framework deliberately distinguishes between cost-of-service ratemaking and targeted Universal Service Programs, allowing affordability concerns to be addressed through Commission-approved assistance mechanisms while preserving the integrity of traditional ratemaking principles. Maintaining that distinction promotes regulatory certainty, protects customers from undue cost shifting, and ensures affordability policy is addressed through Commission-approved processes rather than ad hoc adjustments to otherwise prudent cost recovery.

Q. WHAT ROLE SHOULD AFFORDABILITY PLAY IN THE COMMISSION'S EVALUATION OF THE COMPANY'S REQUESTED RATE INCREASE?

A. Affordability is an important consideration in every base rate proceeding involving an essential utility service. I agree with OCA Witnesses Michael Deupree and Roger Colton and CAUSE-PA Witness Patrick Cicero that the Commission should consider the potential impact of proposed rates on customers, particularly those who have limited household income. At the same time, affordability is one of several important considerations the Commission balances in determining whether proposed rates are just and reasonable under the Pennsylvania Public Utility Code. See 66 Pa. C.S. § 1301(a). The Commission must also ensure that the Company has a reasonable opportunity to recover the prudent costs of providing regulated utility service while continuing to provide safe, adequate, and reliable natural gas service. See 66 Pa. C.S. §§ 1301. Affordability should be evaluated within this broader regulatory framework rather than in isolation. Overall, preserving cost-of-service ratemaking while directly providing affordability relief through targeted public programs and Commission-approved universal service mechanisms provides a more appropriate and effective framework.

Q. WHY IS IT IMPORTANT TO CONSIDER MULTIPLE AFFORDABILITY INDICATORS RATHER THAN RELYING ON A SINGLE METRIC?

A. Different affordability metrics capture distinct aspects of customers' financial circumstances. For example, energy burden analyses estimate the share of household income devoted to energy costs. Delinquency and arrearage statistics provide information on payment behavior. Household financial data offers insight into customers' ability to absorb unexpected expenses or seasonal household bill fluctuations. Each of these measures can contribute valuable information, but each also has limitations. Accordingly, these metrics should be viewed collectively and interpreted within the broader context of the Company's rates, customer assistance programs, and the Commission's statutory responsibility to establish just and reasonable rates. To the extent the Commission seeks to develop a more comprehensive affordability framework or determine which metrics should guide program policy, that inquiry should occur in a focused Universal Service Program review, rulemaking, or other policy proceeding rather than in this base rate case.

Q. WHAT ARE THE IMPLICATIONS OF USING UTILITY RATES TO ADDRESS MACROECONOMIC AFFORDABILITY PRESSURES ON A UTILITY'S ABILITY TO EARN A FAIR RETURN AND ATTRACT CAPITAL FOR NECESSARY INVESTMENTS?

A. Expanding the role of utility rate regulation to address economywide affordability pressures by suppressing or denying recovery of prudent costs would increase regulatory uncertainty and weaken the link between the cost of service and rates. Over time, that approach can impair a utility's opportunity to achieve a fair rate of return, which, in turn, can increase the Company's cost of capital and hinder access to financing on reasonable terms. These outcomes directly affect customers because safe and reliable service depends

on continued investment in distribution infrastructure, system integrity, and compliance with safety and environmental requirements. Maintaining traditional cost-based ratemaking, while addressing affordability through targeted assistance and program design, supports both customer protection and the Company's ability to attract capital for the investments necessary to provide safe and reliable service.

Q. WHAT IS THE PRACTICAL EFFECT OF PROPOSALS TO DENY OR MATERIALLY REDUCE RECOVERY DUE TO BROADER MACROECONOMIC ISSUES?

A. The practical effect is to shift the burden of economywide affordability pressures onto the utility by suppressing recovery of prudent costs and, in turn, eroding the Company's opportunity to earn a fair return. Over time, that can weaken financial integrity by increasing regulatory risk, impairing credit quality and access to capital, and constraining the Company's ability to make needed investments in safety, reliability, and compliance. Those impacts can be significant for all customers because they can increase long-run costs through higher financing costs, deferred maintenance, or accelerated replacement needs, and raise operational and service risks that a stable, cost-based ratemaking framework is intended to avoid. This is discussed further by Company Witness Jennifer Nelson.

Q. IF MACROECONOMIC CONSIDERATIONS ARE CONTRIBUTING TO BROADER AFFORDABILITY PRESSURES, WHAT IS THE APPROPRIATE FORUM FOR ADDRESSING THOSE ISSUES?

A. To the extent broader macroeconomic conditions are driving household hardship, the most effective tools for addressing those conditions generally lie at the state or federal level through tax policy and broad-based social assistance programs designed to be income-

targeted and coordinated across essential needs, including housing, food, healthcare, and energy. If utility rates are expected to absorb or offset broader macroeconomic pressures by suppressing the recovery of prudent costs, that creates regulatory uncertainty and can impair the Company's opportunity to earn a fair return and to attract capital on reasonable terms. Those risks ultimately affect customers because continued access to capital supports the investments necessary to maintain safe and reliable service for essential energy needs. Preserving cost-of-service ratemaking while providing affordability relief through targeted public programs and Commission-approved universal service mechanisms provides a more appropriate and effective framework.

Similarly, references to broader state policy discussions or public statements regarding utility affordability do not change the Commission's obligation in this proceeding to apply the statutory just-and-reasonable standard based on the record evidence.

Q. PLEASE RESPOND TO MR. CICERO'S DISCUSSION REGARDING THE SELF SUFFICIENCY STANDARD AND HOW THIS STANDARD PERTAINS TO ESTABLISHING RATES IN THIS CASE.

A. The Self Sufficiency Standard is similar to the Asset-Limited, Income Constrained, Employed ("ALICE") Survival Budget that is discussed in Mr. Colton's testimony. Both measures estimate the income needed to meet basic household expenses without public assistance. Mr. Cicero notes that the Commission does not use the Self Sufficiency Standard to determine eligibility for utility assistance programs. To the extent parties believe that eligibility thresholds or related affordability benchmarks should be reconsidered, these concerns regarding eligibility are best examined in a broad Commission review of universal service programs rather than in this base rate proceeding.

III. ENERGY BURDEN AND AFFORDABILITY ANALYSIS

Q. HOW DO YOU RESPOND TO MR. COLTON'S ENERGY-BURDEN METRICS AND AFFORDABILITY CONCERNS?

A. I recognize that many customers are under real financial strain, and that higher bills can be especially difficult for low-income households with limited flexibility in their budgets. The energy-burden metrics presented by Mr. Colton highlight the real financial pressures many customers face, and they underscore why affordability is an important issue for both the Commission and the Company. Consistent with that concern, the Company supports and administers multiple universal service programs intended to mitigate bill burdens for vulnerable customers, which are discussed further by Company Witness Black. This evidence further reinforces the importance of ensuring that available assistance programs are effective, accessible, and functioning as intended for the customers they are designed to serve.

Q. WHAT IS YOUR PRINCIPAL CONCERN WITH MR. COLTON'S AFFORDABILITY ANALYSIS?

A. My principal concern is the weight Mr. Colton places on individual affordability metrics to support his recommendations. Metrics such as energy burden, income, arrears, household liquidity, household resources, and bill volatility are informative, but each has limitations and reflects assumptions about customer circumstances and broader economic conditions. Income alone does not capture all aspects of household financial stress, and Mr. Colton's discussion of aging customers further illustrates that customer circumstances may differ across groups.

These considerations are relevant to broader affordability policy and program design, including whether additional or redesigned assistance may be appropriate for seniors or other customer groups. However, those issues are better evaluated in a focused Universal Service Program review, rulemaking, or other policy proceeding rather than through base-rate cost recovery adjustments. In this base rate case, affordability metrics and customer circumstances should be considered collectively, together with customer-level billing and income data, assistance programs, and the Commission's obligation to set just and reasonable rates based on the prudent costs of providing regulated utility service.

Q. DOES MR. COLTON'S AFFORDABILITY AND ENERGY-BURDEN ANALYSIS DEMONSTRATE THAT THE COMPANY'S PROPOSED RATES ARE UNREASONABLE?

A. No. Mr. Colton's analysis provides useful insight into customer circumstances, but it primarily reflects income limitations and broader economic conditions, not the prudence of the Company's costs or the revenue needed to provide safe and reliable service. His testimony supports continued attention to assistance program effectiveness, which Company Witness Black addresses. Mr. Colton's analysis does not support a conclusion that recovery of the prudent costs of providing regulated utility service should be denied.

Q. OCA WITNESS MR. COLTON NOTES THAT AFFORDABILITY CHALLENGES ARE EXACERBATED BY SEASONAL BILL VOLATILITY, PARTICULARLY DURING WINTER MONTHS WHEN USAGE INCREASES. HOW DO YOU RESPOND?

A. Seasonal usage can create significant winter bill volatility and cash-flow stress, particularly for low-income customers with limited savings. That issue reflects timing and usage patterns, not the prudence of the Company's costs. Rate design can help moderate seasonal bill swings, while targeted assistance programs address underlying income and liquidity constraints. Company Witness Taylor further explains that the Company's Weather Normalization Adjustment reduces the extent to which customer bills vary solely because actual weather differs from the normal weather assumptions used to establish rates, thereby helping to moderate seasonal bill volatility. Company Witness Taylor also addresses rate design impacts on affordability. Company Witness Black discusses the availability of the Company's budget program to smooth utility payments across the year, avoiding seasonal variances of payment obligations.

Q. MR. COLTON PRESENTS AFFORDABILITY ANALYSES FOR FIRST QUARTILE-INCOME HOUSEHOLDS, LOW-INCOME HOUSEHOLDS, MODERATE-INCOME HOUSEHOLDS, AND RESIDENTIAL CUSTOMERS IN GENERAL. DO YOU HAVE ANY OBSERVATIONS REGARDING THESE ANALYSES?

A. Yes. Considering multiple customer populations is useful, but those analyses rely on generalized assumptions about income, household composition, expenditures, or representative customer characteristics. They can identify broad trends, but they do not fully capture the diversity of customer circumstances or actual bill impacts. For that reason, they should be supplemented, where possible, with customer-level analyses of actual Peoples customers.

Q. DID ATRIUM ECONOMICS CONDUCT A GAS-BURDEN ANALYSIS FOR THE COMPANY, AND IF SO, WHAT DID IT ENTAIL?

A. Yes. Atrium conducted additional analyses using Peoples' customer billing and usage data, which supplement Mr. Colton's analyses that primarily evaluate affordability using population-level data and representative household characteristics. Atrium Economics conducted a customer-level "gas-burden" study, defining gas burden as the percentage of household income spent on the Peoples gas bill, with the household income data available. The testimony of Peoples Witness Black discusses how the Company obtains income information. Customer-level analyses complement broader affordability measures by illustrating how proposed rates affect customers across the Company's service territory rather than relying solely on representative households or generalized assumptions. The analysis excludes benefits from customer assistance programs.

Q. WHY DID YOU PERFORM A CUSTOMER-LEVEL AFFORDABILITY ANALYSIS RATHER THAN RELYING SOLELY ON GENERALIZED AFFORDABILITY METRICS?

A. Customer-level analyses evaluate actual customers rather than representative households constructed from population averages. While both approaches provide useful information, customer-level analyses better reflect how gas burdens vary across the Company's service territory and therefore provide a more direct assessment of affordability conditions for Peoples' customers. They also reduce the need to rely upon assumptions regarding representative household income, consumption patterns, or demographic characteristics. For these reasons, customer-level analyses provide important context for the Commission's evaluation of the Company's requested rate increase by showing current

affordability conditions for Peoples' customers and the extent to which existing targeted assistance mitigates gas burdens for CAP-enrolled customers.

Q. WHAT DOES ATRIUM'S GAS-BURDEN ANALYSIS SHOW FOR PEOPLES CUSTOMERS AS A WHOLE?

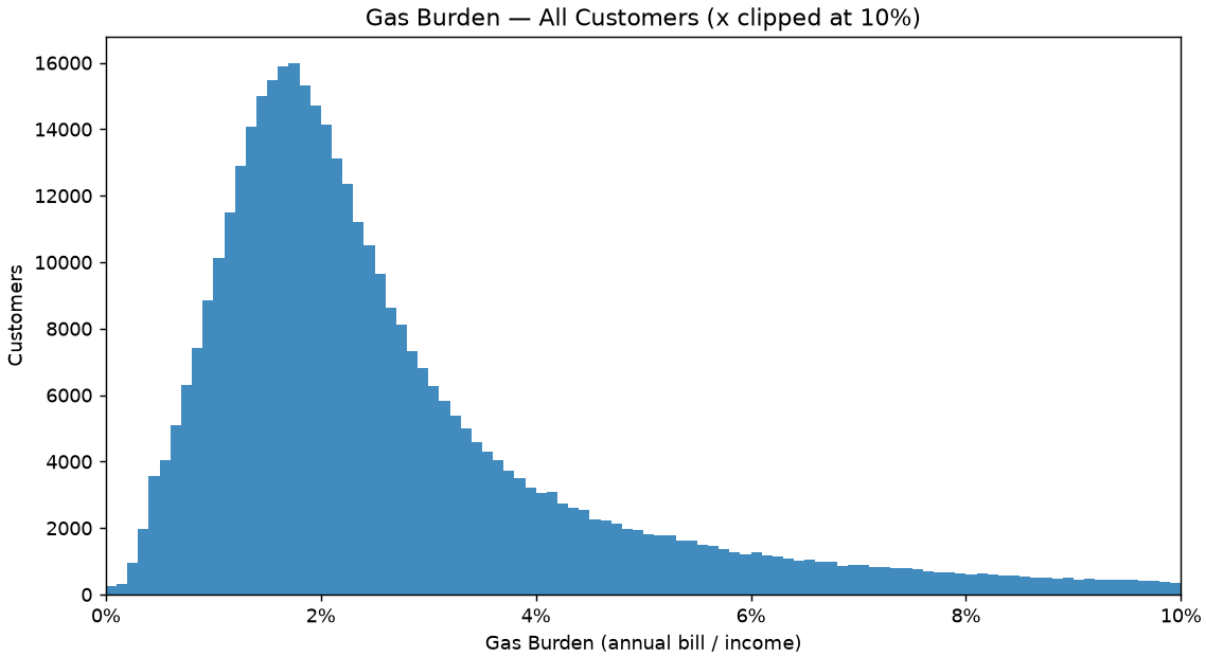
A. The analysis included 412,655 residential gas customers with at least 12 months of usage data.[5]

- Estimated average annual household income: $54,974
- Estimated median annual household income: $48,732
- Average Annual gas spend: $1,196
- Median annual gas spend: $1,108
- Average annual gas usage: 87.8 MCF
- Median annual gas usage: 80.6 MCF

The average gas burden for this group was 3.40% with a median of 2.20% and a maximum energy burden of 544.20%. The results of the gas burden analysis are presented in Figure 1 below.

[5] This number excludes transportation customers and only includes customers with 12 or more months of gas usage.

Figure 1: Gas Burden for Residential Customers



In addition, Table 1 summarizes Figure 1. The analysis includes 412,655 residential customers. The distribution shows an average gas burden of 3.40%. The first quartile (25% of customers) has a gas burden of 1.50% or below, the median (50% of customers) is 2.20%, and the third quartile (75% of customers) is 3.50%. A more granular look at the upper tail shows that 90% of customers have a gas burden of 6.30% or below, 95% have a gas burden of 9.20% or below, and 99% have a gas burden of 19.20% or below. The maximum calculated gas burden is 544.20%.

Table 1: Gas Burden for Residential Customers

Residential Customers	
Number of Customers included in analysis	**412,655**
Average	**3.40%**
First Quartile - 25% of population	**1.50%**
Second Quartile/Median – 50% of population	**2.20%**
Third Quartile – 75 % of population	**3.50%**
90% of population	**6.30%**
95% of population	**9.20%**

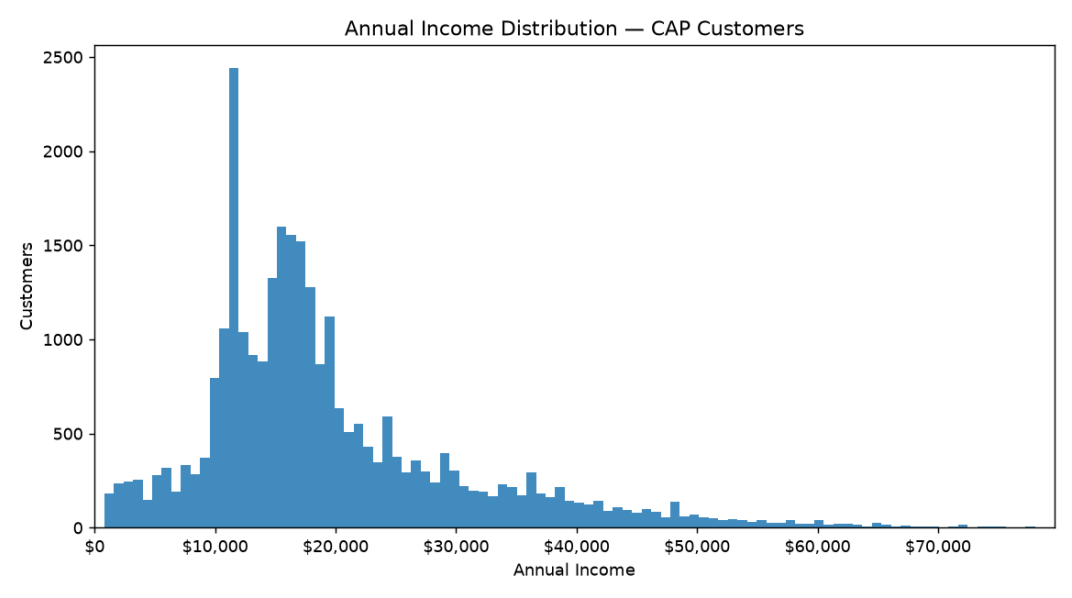
99% of population	**19.20%**
Maximum	**544.20%**

Q. DID ATRIUM CONDUCT ANY ADDITIONAL ANALYSIS TO EVALUATE THE GAS BURDEN FOR PEOPLES' CAP-ENROLLED CUSTOMERS? IF SO, PLEASE DESCRIBE.

A. Atrium conducted a customer-level gas-burden analysis using anonymized customer data provided by the Company. For purposes of this analysis, references to CAP-enrolled customers include customers enrolled in Customer Assistance Program ("CAP"). Gas burden was defined as the percentage of household income spent on the customer's gas bill. Rather than relying on publicly available income estimates, the analysis utilized customer-specific income information provided by the Company, along with customer billing data for the period beginning January 2025 and ending December 2025. Gas burden was calculated by dividing each customer's annual gas bill by the corresponding household income. The analysis included:

- **Customer income information** (monthly, aggregated across the 12 months), which reflects the most recent income information provided by the customer to the Company; and
- **CAP bill amount** (monthly, aggregated across the 12 months), which reflects the with-benefits bill amount charged to a CAP customer; and
- **Normal bill amount** (monthly, aggregated across the 12 months), which reflects what the CAP-enrolled customer would have been charged on their bill if they were not enrolled in the CAP (i.e., the without-benefits bill amount).

Figure 2: Distribution of Annual Income for CAP Enrolled Customers



Atrium's analysis included 28,975 CAP-enrolled gas-only customers with 12 months of CAP bill data; customers with fewer than 12 months of CAP bill data were excluded. Figure 2 presents the distribution of annual income for this population. The average annual income for this population was $19,643, with a median annual income of $16,668.

For all charts in this section, Atrium effectively "clipped" the right tail of the x-axis in an effort to keep the distribution charts legible. The cutoff removes the long, sparse right tail that would otherwise compress the bulk of the distribution into a small portion of the chart. For any chart that includes two distributions (overlaid on top of each other), the cutoff brings the majority of both distributions into view. For the annual income chart, the cutoff is the 99.9th percentile of the income distribution itself. Because gas burden is defined as the ratio of the annual gas bill to the annual household income, it cannot be calculated for customers with a verified annual income of $0, as the metric is undefined

(division by zero). This data limitation was also identified in the Commission's report on Home Energy Affordability for Low-Income Customers in Pennsylvania published in January 2019 under Docket No. M-2017-2587711. As noted in that report, there are mathematical limitations when performing an energy burden analysis for customers who enroll in utility CAPs with zero income. Such customers must sign an affidavit at the time of enrollment stating that there is currently no adult receiving income and identifying the source of funds to meet monthly living expenses, such as savings; support from friends, family, or the community; or other means. The PUC stated:

> Customers who enroll in utility CAPs with zero income (zero-income customers) may inflate the average energy burden levels, particularly for the analysis of customers with incomes at or below 50% of the FPIG. Utilities require customers that report zero income to pay the utility's CAP minimum payment amount. Thus, it is not mathematically possible for zero-income customers to receive bills below the maximum energy burden guidelines in the CAP Policy Statement because any billed amount will exceed 100% of their household income (pp. 21).

Due to these limitations, customers enrolled in CAP with zero income have been excluded from this analysis. Pursuant to the Company's approved USECP at Docket Nos. For M-2019-3014966 and P-2020-3019196, zero-income customers would be subject to the minimum CAP payment amount of $25.

Q. DID ATRIUM LOOK AT ANY METRICS IN ADDITION TO GAS BURDEN?

A. Yes. Atrium also evaluated annual gas bill amounts (in dollars) without and with CAP benefits, i.e., comparing each customer's estimated bill without CAP benefits (the amount that would be charged to the CAP-enrolled customer) to the CAP bill (with benefits) to quantify the extent to which CAP benefits reduce customers' actual billed charges.

Q. PLEASE SUMMARIZE THE RESULTS OF THAT ANALYSIS.

A. Figure 3 presents the distribution of gas burden for CAP-enrolled customers with and without CAP benefits. The results show that CAP is functioning as an effective affordability tool for participating customers. CAP benefits materially reduce gas burdens across the distribution. The mean gas burden falls from 10.50% without benefits to 4.00% with benefits, the median falls from 7.40% to 4.00%, and the 95th percentile falls from 26.20% to 6.60%. Overall, the with-benefits distribution is more concentrated at lower burden levels, indicating that CAP substantially mitigates both typical burdens and high-burden outliers for participating customers. Although some customers still experience high gas burdens, the analysis demonstrates that the existing CAP provides meaningful and measurable affordability benefits to enrolled customers. These results are further summarized in Table 2 discussed below.

Figure 3: Gas Burden for Peoples' CAP-Enrolled Customers With and Without CAP Benefits

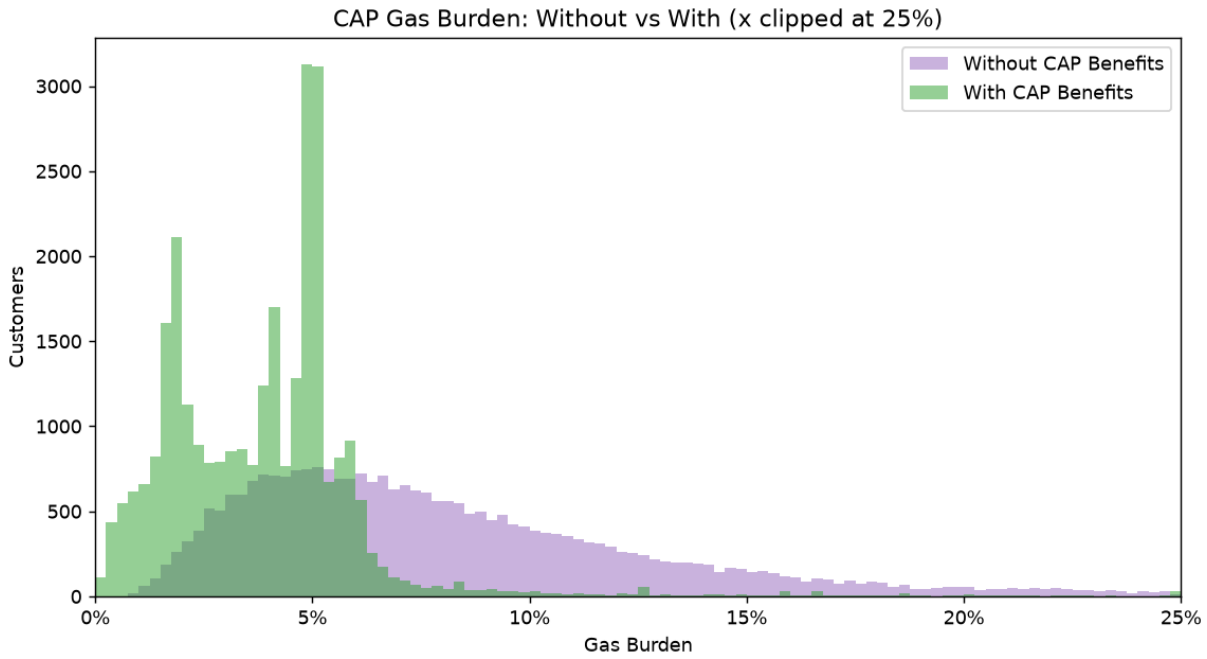


Table 2 summarizes the same result numerically. For the 28,975 CAP-enrolled customers included in the analysis, CAP benefits reduce gas burdens across the distribution: the average gas burden falls from 10.50% without CAP benefits to 4.00% with CAP benefits, the median falls from 7.40% to 4.00%, and the 95th percentile falls from 26.20% to 6.60%. These results show that CAP benefits materially reduce both typical burdens and higher-burden outcomes for participating customers. These results are consistent with the Commission's CAP Policy Statement, which generally provides that maximum payments for natural gas heating should not exceed 4% of income for

households at 0–50% of the Federal Poverty Income Guidelines and 6% of income for households at 51–150% of the Federal Poverty Income Guidelines.[6]

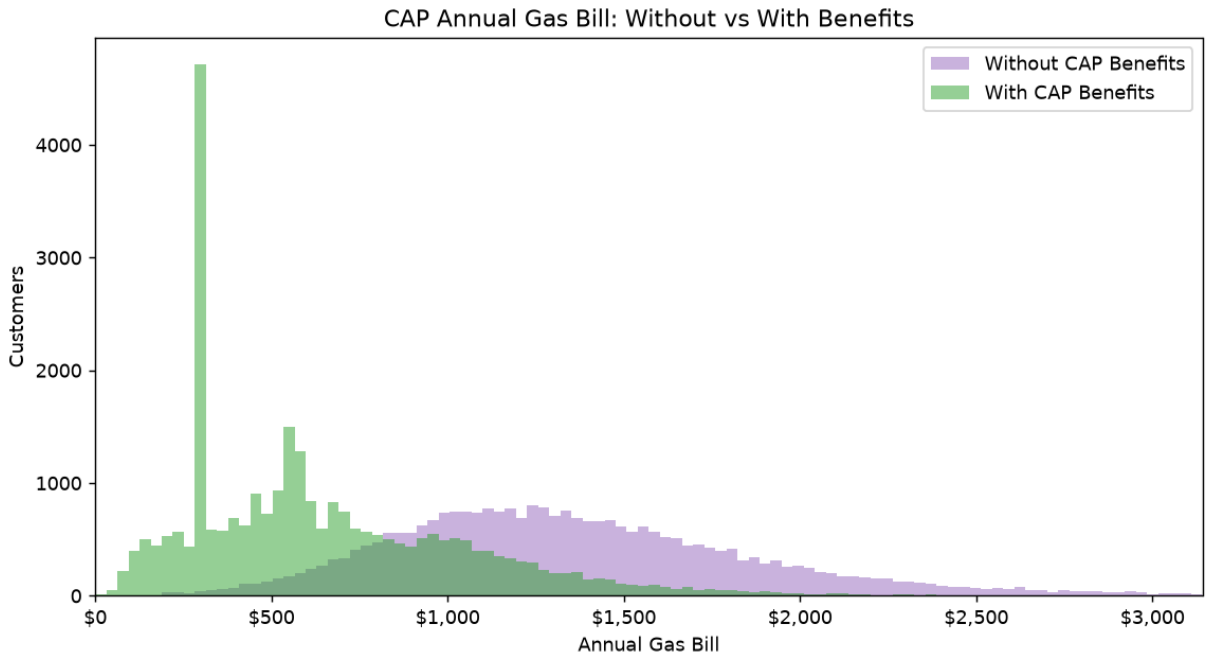
Table 2: Gas Burden for Peoples' CAP-Enrolled Customers

	Without CAP Benefits	With CAP Benefits
Number of Customers included in analysis	**28,975**	**28,975**
Average	**10.50%**	**4.00%**
First Quartile - 25% of population	**4.80%**	**2.10%**
Second Quartile/Median – 50% of population	**7.40%**	**4.00%**
Third Quartile – 75 % of population	**11.30%**	**5.00%**
90% of population	**17.50%**	**5.90%**
95% of population	**26.20%**	**6.6%**
99% of population	**74.10%**	**16.20%**
Maximum	**250.2%**	**48.80%**

Figure 4 summarizes Atrium's analysis of annual billed amounts for CAP-enrolled customers, comparing each customer's annual bill without CAP benefits to the annual bill charged with CAP benefits. The results show that CAP benefits substantially reduce customers' actual billed charges: the median annual bill declines from approximately $1,301 to $576, a reduction of approximately 55.7%, and the mean annual bill declines from approximately $1,376 to $665, a reduction of approximately 51.7%.

[6] 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261—69.267

Figure 4: Annual Gas Bills for Peoples' CAP-Enrolled Customers with and without CAP Benefits- excluding zero income



Q. HOW SHOULD THE COMMISSION INTERPRET MR. COLTON'S AFFORDABILITY ANALYSES IN LIGHT OF ATRIUM'S CUSTOMER-LEVEL ANALYSES?

A. Mr. Colton presents a thoughtful and comprehensive discussion of affordability and the financial challenges experienced by many utility customers. I agree that affordability deserves careful consideration and that multiple measures, including energy burden, payment behavior, household resources, and representative affordability methodologies such as Patterson and Doyle, can provide useful information. I do not reject the use of representative affordability methodologies, but they should not substitute for customer-level analysis of actual Peoples customers where such analysis is available. My principal

difference is not whether affordability matters, but how that evidence should be interpreted in a base rate case. Collectively, the customer-level analyses sponsored with my testimony provide the Commission with direct and more useful evidence regarding the affordability impacts of the Company's proposed rates and complement the broader affordability metrics discussed by Mr. Colton.

Q. WHAT DO YOU CONCLUDE REGARDING THE AFFORDABILITY OF PEOPLES RATES AND THE PROPOSED RATE INCREASE BASED ON YOUR ANALYSIS?

A. The customer-level analyses discussed above provide important context regarding the current state of affordability for Peoples customers and the effectiveness of existing assistance programs for CAP-enrolled customers. For residential customers overall, the gas-burden analysis shows that the median gas burden is approximately 2.00%, and 90% of customers have a gas burden of 4.70% or below. For CAP-enrolled customers, the analysis shows that CAP materially reduces gas burdens and annual billed amounts, lowering the average gas burden from 10.50% without CAP benefits to 4.00% with CAP benefits and reducing the median annual bill by more than 50%. These results demonstrate that the Company's targeted assistance programs provide meaningful affordability benefits to participating customers under current rates.

Company witness Taylor presents annual bill impacts for the average residential customer and for average CAP and non-CAP customers under current rates and the Company's proposed rates.[7] The table below uses those illustrative annual bill amounts, together with the average annual income levels identified in the affordability analysis

[7] Taylor Direct at 32.

discussed above, to estimate the corresponding gas-burden impacts for each illustrative customer group.

Table 3: Impact of the Company's Proposed Rates on the Gas Burden of Illustrative Residential Customers

Customer Group	Annual Usage (Mcf)	Average Annual Income	Current Annual Bill	Gas Burden - Current Rates	Company Proposed Annual Bill	Gas Burden - Proposed Rates	Gas Burden - Change
Residential Average	88	$59,619	$1,404	2.4%	$1,587	2.7%	0.3%
CAP	114	$19,643	$1,765	9.0%	$1,972	10.0%	1.1%
Non-CAP	86	$63,024	$1,385	2.2%	$1,566	2.5%	0.3%

As shown in Table 3, the illustrative impact of the Company's proposed rates is modest for the average residential and non-CAP customer groups, increasing gas burden by approximately 0.3 percentage points. Even under the Company's proposed rates, the illustrative average residential gas burden remains below the maximum payment levels reflected in the Commission's CAP Policy Statement for natural gas heating customers.

The illustrative CAP impact is larger because it is measured against lower average income and is shown before CAP benefits. As discussed above, those benefits materially reduce gas burdens for participating customers, including reducing the average burden from 10.50% to 4.00%.

Taken together, the customer-level affordability analysis and the illustrative examples provided in Table 3 support the conclusion that Peoples' current residential gas bills are generally within reasonable affordability ranges for most customers and that the proposed increase does not materially change that overall profile. The analysis also confirms that the existing CAP is functioning as an effective affordability tool for enrolled customers. Accordingly, the affordability evidence provides useful customer-

impact context for the Commission's review, while the requested increase should continue to be evaluated under traditional prudence and cost-of-service principles.

IV. ROLE OF UTILITY ASSISTANCE PROGRAMS

Q. DO CUSTOMER ASSISTANCE AND UNIVERSAL SERVICE PROGRAMS PLAY AN IMPORTANT ROLE IN ADDRESSING AFFORDABILITY CONCERNS?

A. Yes. Customer assistance and Universal Service Programs play an important role in promoting affordability for customers experiencing financial hardship. Natural gas is an essential service, and targeted assistance programs, including the Company's CAP, help eligible customers maintain service and reduce the financial burden of paying utility bills. As discussed above, these programs are the appropriate regulatory tools for addressing income-based utility hardship while preserving cost-based ratemaking. The current affordability analysis, discussed further below, reinforces that targeted programs are the appropriate affordability tool because CAP benefits materially reduce burdens for enrolled customers while preserving the Commission's ability to evaluate base rates under traditional prudence and cost-of-service principles.

Peoples offers and supports a suite of programs that generally fall into three categories: (i) grant assistance for customers facing financial hardship; (ii) usage-reduction offerings intended to lower bills over time by reducing consumption; and (iii) bill-stabilization and payment-flexibility options that help customers manage seasonal volatility and cash-flow constraints. These tools include federal programs, utility-administered assistance, community-based grants, usage-reduction initiatives, and flexible payment options.

I do not address the reasonableness of specific program funding levels, tariff modifications, administration issues, eligibility, participation, or program performance. Those program-specific matters, are addressed by Company Witness Black. My testimony addresses the broader regulatory and economic framework for considering affordability concerns in this base rate case.

Q. AT A HIGH LEVEL, HOW DO THESE TOOLS DIFFER IN PURPOSE AND FUNDING?

A. These tools serve different functions and rely on different funding sources. Some bill-payment assistance is supported through the federal Low Income Home Energy Assistance Program ("LIHEAP") that provides grants to eligible households. Other components—particularly the Company's Commission-approved Universal Service Programs, including ratepayer-funded assistance and usage-reduction offerings—are supported through Commission-approved cost recovery and therefore reflect an explicit balancing of the interests of participating and non-participating customers. Still other resources, such as the Company's hardship fund, rely on voluntary or community-based support. Regardless of funding source, the common objective is targeted relief for customers with demonstrated need, coupled with tools that help reduce usage or stabilize payment obligations.

Q. WHAT DO THE INTERVENOR WITNESSES' CUSTOMER ASSISTANCE CONCERNS INDICATE, EVEN WITH THESE TOOLS IN PLACE?

A. The intervenor witnesses identify real customer affordability concerns, including the difficulty that even modest bill increases or seasonal bill changes can create for customers with limited resources. As discussed above, those concerns provide useful context and reinforce the importance of effective, accessible assistance programs. These concerns

support continued focus on effective, accessible targeted assistance programs; they do not, standing alone, show that the Company's proposed rates are unreasonable or that recovery of prudent costs of providing regulated utility service should be denied.

Q. DO RECOMMENDATIONS TO INCREASE LIURP, HARDSHIP FUNDING, OR OTHER UNIVERSAL SERVICE PROGRAM SUPPORT CHANGE YOUR OVERALL CONCLUSION REGARDING THE APPROPRIATE REGULATORY RESPONSE TO AFFORDABILITY CONCERNS?

A. A. No. Those recommendations confirm that customer assistance and usage-reduction programs are important affordability tools. My testimony does not reject the importance of those programs; rather, it explains that targeted program tools are the appropriate mechanism for addressing income-based utility hardship, while base rates should continue to reflect the prudent costs necessary to provide safe, adequate, and reliable natural gas service. My analysis further demonstrates that the Company's CAP materially reduces energy burden for participating customers and provides meaningful affordability benefits.

Q. CAN UTILITY ASSISTANCE PROGRAMS OR BASE RATEMAKING RESOLVE BROADER MACROECONOMIC AFFORDABILITY CHALLENGES?

A. Utility assistance programs can provide important, targeted relief for income-eligible customers, but neither assistance programs nor base ratemaking is designed to resolve broader macroeconomic affordability pressures such as inflation, housing costs, or healthcare expenses. Those broader issues, along with any proposed changes to CAP design, funding, or program structure, are better addressed through Universal Service Program review, rulemakings, or other focused policy proceedings where all stakeholders across the industry have an opportunity to participate.

Q. WHAT IS THE APPROPRIATE ROLE OF A REGULATED UTILITY IN ADDRESSING CUSTOMER AFFORDABILITY CONCERNS?

A. The Company's responsibility is to provide safe, adequate, and reliable service at rates that reflect prudent costs and comply with statutory ratemaking principles, while also implementing Commission-approved customer assistance and Universal Service Programs. These programs can help mitigate bill impacts for income-eligible customers, but they cannot fully resolve affordability challenges that are driven by income disparities, household liquidity constraints, broader economic forces, and other factors that are outside of the company's control. Assigning utilities undue responsibility for addressing economywide affordability pressures through base rates would extend beyond traditional ratemaking objectives and would not be an effective substitute for broader public policy solutions.

Q. WHY ARE TARGETED CUSTOMER ASSISTANCE PROGRAMS GENERALLY MORE APPROPRIATE THAN ACROSS-THE-BOARD REDUCTIONS IN COST RECOVERY?

A. Targeted customer assistance programs are generally more appropriate because they direct available resources to customers with demonstrated need. Across-the-board reductions provide benefits to all customers regardless of financial circumstances and may not meaningfully address the specific customers experiencing the greatest hardship. By contrast, targeted programs improve affordability for customers most in need while preserving the Company's ability to recover prudent costs and continue investing in the infrastructure, operations, and compliance activities necessary to provide safe, adequate, and reliable service.

Q. HOW WOULD YOU SUMMARIZE THE COMPANY'S OVERALL APPROACH TO AFFORDABILITY WHILE CONTINUING TO MAINTAIN SAFE AND RELIABLE SERVICE?

A. The Company's approach to affordability is responsible, targeted, and balanced. Peoples administers and supports customer assistance, Universal Service, usage-reduction, and payment-flexibility tools for customers facing hardship, with program-specific details addressed by Company Witness Black. At the same time, the Company must continue making prudent investments necessary to maintain the safety, adequacy, and reliability of its natural gas system. This approach reflects the fundamental ratemaking principle, discussed throughout my testimony, that just and reasonable rates must support both customer protection and the utility's operational integrity. The Company's proposed rates are consistent with that principle.

V. CONCLUSIONS

Q. PLEASE SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS.

A. My conclusions and recommendations are as follows:

- **Affordability concerns are legitimate, but broader program and policy questions should be addressed outside this base rate case**. The testimony of OCA Witnesses Michael Deupree and Roger Colton, OSBA Witness Mark Ewen, PWPTF Witness Jennifer Warabak and CAUSE-PA Witness Patrick Cicero identifies real customer affordability concerns. Those concerns warrant attention, but questions regarding program design, funding levels, enrollment, and broader affordability policy are more appropriately evaluated through the Commission's Universal Service Program review processes, rulemakings, or other focused policy proceedings, rather than by departing from cost-of-service ratemaking in this base rate case.

- **No single affordability metric is determinative, and metric development should occur in a focused forum.** Energy burden, arrears, payment behavior, household resources, and bill volatility provide useful context, but each metric has limitations and should be considered together with customer-level evidence. To the extent the Commission seeks to develop a more comprehensive understanding of affordability, that assessment is better suited to a Universal Service Program review, rulemaking, or other focused policy proceeding where parties can evaluate definitions, data sources, thresholds, customer segments, and program objectives on a consistent record.
- **Customer-level affordability analysis provides important context for evaluating the requested rate increase..** The customer-level gas-burden analysis provides important context for the Commission's evaluation of the Company's requested rate increase. Under current rates, Peoples' residential gas bills are generally within reasonable affordability ranges for most customers: the median gas burden is approximately 2.00%, and 90% of residential customers have a gas burden of 4.70% or below. The analysis provides important context regarding current affordability conditions for Peoples' customers, while the proposed rate increase should continue to be evaluated within the Commission's traditional prudence and cost-of-service framework.
- **CAP effectiveness and potential program changes should be evaluated in the appropriate program forum.** The CAP-specific analysis shows that existing CAP benefits materially reduce gas burdens and payment obligations for enrolled customers. CAP benefits reduce the average gas burden from 10.50% to 4.00%, reduce the median gas burden from 7.40% to 4.00%, reduce the 95th percentile gas burden from 26.20% to 6.60%, and reduce the median annual bill by more than 50%. These

results support the conclusion that CAP is functioning as an effective affordability tool for enrolled customers.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

Cyndee Fang

Ms. Fang is a utility regulatory and pricing executive with more than 20 years of experience leading regulatory strategy, rate design, cost recovery, and affordability initiatives. She has served as an expert witness in numerous proceedings and jurisdictions and is recognized for developing practical, data-driven solutions to complex utility policy and pricing challenges.

EDUCATION

University of Minnesota, Ph.D. (ABD), Applied Economics

University of California, Berkeley, B.S., Political Economics of Natural Resources

YEARS EXPERIENCE

20+

RELEVANT EXPERTISE

Expert Witness, Allocated Cost of Service & Rate Design, Regulatory Strategy

PROFESSIONAL HISTORY

ATRIUM ECONOMICS

DIRECTOR, 2024 - CURRENT

- Expert witness focused on the following areas:
  - Regulatory Policy & Strategy;
  - Cost Recovery & Alternative Regulatory Mechanisms;
  - Allocated Cost of Service Studies & other Base Rate Case issues; and
  - Rate Design.

NORTHWESTERN ENERGY

VICE PRESIDENT - REGULATORY; 2021 - 2024

- Oversaw the Company's regulatory activities in Montana, South Dakota, and Nebraska.
- Developed and executed a regulatory strategy to advance a more constructive regulatory framework to meet the Company's strategic needs.
- Established an in-house cost of service and rate design team.
- Led regulatory strategy for Montana rate reviews, including proposals to modernize and strengthen the regulatory framework.

SAN DIEGO GAS AND ELECTRIC

ENERGY SUPPLY - ORIGINATION & PORTFOLIO DESIGN MANAGER; 2020 – 2021

- Led electric and fuel procurement portfolio design as SDG&E right-sized its portfolio, using market analytics to guide long-term strategy, daily optimization, and forward planning.
- Led competitive procurement of renewable and conventional resources beyond one year to meet SDG&E's energy and resource capacity needs.

FORECASTING, RESEARCH & ANALYTICS – MANAGER OF ENERGY RESEARCH & ANALYSIS; 2018 – 2020

- Led load forecasting, research, and analysis teams to advance data-driven decision-making in support of the company's strategic objectives, including operational improvements responsive to evolving California energy policy.
- Developed collaborative internal stakeholder processes to align the company's direction on electric sales forecasting, including key drivers and CCA expansion.
- Built collaborative relationships with external stakeholders to support the company's strategic objectives related to the sales forecast.

RATES AND PRICING – MANAGER OF CUSTOMER PRICING; 2017 – 2018

- Oversaw pricing policy to support SDG&E's strategic objectives and ensure fair, equitable rates for 1.4 million electric customers.
- Developed, advocated, and implemented the company's rate strategy, including regulatory filings to support that strategy.
- Developed collaborative internal stakeholder processes to align the company's direction on electric rates.
- Built collaborative relationships with external stakeholders, served as a witness in regulatory proceedings, and led settlement negotiations in support of the company's rate strategy.

RATE STRATEGY AND ANALYSIS MANAGER; 2015 – 2017
ELECTRIC RATES MANAGER; 2010 – 2015
PRINCIPAL/REGULATORY ECONOMIC ADVISOR; 2006 - 2010

MINNESOTA DEPARTMENT OF COMMERCE

PUBLIC UTILITIES RATES ANALYST; 2003 - 2006

- Developed the Minnesota Department of Commerce's positions on energy policy matters and presented those positions before the Minnesota Public Utilities Commission.
- Supported implementation of Minnesota's Renewable Energy Objective, including establishment of the Minnesota Renewable Energy Tracking System and review of utility compliance filings, integrated resource plans, and certificates of need.

REGULATORY EXPERIENCE

Alternative Regulatory Mechanisms/Cost Recovery

- Consideration of the Formula Rate Mechanism Tariff Revision Designated as TA 353-4 *on behalf of ENSTAR Natural Gas Company, LLC of Alaska* (Docket No. U-25-013). Filed April 2025.
- 2022 Montana Rate Review (Docket No. 2022.07.078) - Witness: Priority Regulatory Mechanisms proposing new revenue adjustment mechanisms and redesign of existing mechanisms https://www.northwesternenergy.com/docs/default- source/default-document-library/billing-and-payment/2022-montana-rate-review/08-fang- direct-testimony-regulatory-policy.pdf
- PCIA Reform (A.17-04-018) - Joint Application of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company for Approval of the Portfolio Allocation Methodology for All Customers – *Cost Recovery and Rate Design witness for SDG&E*
- Establishment of Tree Mortality Non-Bypassable Charge (TM-NBC) (A.16-11-005) Application to Establish Non-Bypassable Charge ("NBC") for Above-Market Costs Associated with Tree Mortality Power Purchase Agreements ("Tree Mortality") in Compliance with Senate Bill 859 and Resolution E-4805 – *Cost Recovery and Rate Design witness for SDG&E*
- SDG&E's Wildfire Expense Memorandum Account (WEMA) Proceeding (A.15-09-010) – *Cost Recovery witness*
- SONGS Decommissioning (A.14-12-007) Joint Application of SDG&E and SCE for 2014 SONGS Units 2 & 3 Decommissioning Cost Estimate and related Decommissioning – *Cost Recovery witness*
- Establishment of Cost Allocation Mechanism (CAM) (A.11-05-023) - SDG&E's Authority to Enter into Purchase Power Tolling Agreements with Escondido Energy Center, Pio Pico Energy Center and Quail Brush Power – *Cost Recovery and Rate Design witness*
- ERRA Trigger (A.17-05-012) Expedited Application of San Diego Gas & Electric Under the Energy Resource Recovery Account Trigger Mechanism
- SDG&E's Energy Resource Recovery Account (ERRA) Forecast Application for the recovery of costs associated with electric procurement – *Cost Recovery and Rate Design witness, multiple years*

Affordability

- 2026 Base Rate Case *on behalf of UGI Utilities, Inc. – Gas Division* (Docket No. R-2025-3059523) - *rebuttal witness to address general affordability concerns*. Filed May 2026.
- Affordability Rulemaking – R.18-07-006: Order Instituting Rulemaking to Establish A Framework and Processes for Assessing the Affordability of Utility Service – *SDG&E lead*
- Residential Essential Use Study – A.19-11-019: Joint Utility Proposal for the Study to Identify Electric Essential Usage for Residential Customers – *SDG&E lead*

- A.17-10-007: SDG&E 2019 General Rate Case – *rebuttal witness addressing affordability*
- Residential TOU Exclusions Pursuant to Section 745 – R.12-06-013: To ensure residential customers defaulting to TOU do not experience unreasonable hardship under TOU rates – *Rate Design Policy witness*

Future of Gas

- Petition of the Office of People's Counsel for Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland's Gas Companies *on behalf of NiSOURCE d/b/a Columbia Gas of Maryland, Inc.* (Case No. 9707) Filed February 2026.
- Assessment of Potential Gas LDC Capital Transition Costs and Analysis of Depreciation and Alternative Cost Recovery Approaches for Pathways to Commonwealth Decarbonization Goals *on behalf of Massachusetts Gas Local Distribution Companies (National Grid; Eversource Energy; Berkshire Gas Company; Liberty Utilities; Unitil)* Filed March 2025.
- Strategic Targeted Pipe Replacement Plan *on behalf of Washington Gas and Light Company of the District of Columbia* (Formal Case No. 1179) – rebuttal witness: responding to parties on risk of stranded assets and stranded costs. Filed January 2025.

Base Rate Case/Allocated Cost of Service

- In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for an Increase in Electric Distribution Rates; for Tariff Approval; for Approval to Change Accounting Methods; and for Approval of Miscellaneous Customer Programs (Case Nos. 26-0347-EL-AIR; 26-0348-EL-ATA; 26-0349-EL-AAM; 26-0350-EL-UNC)– *witness: Load forecast process and projected billing units for TYRP*. Filed May 2026.
- In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates; for Tariff Approval; and for Approval to Change Accounting Methods (Case Nos. 26-132-EL-AIR; 26-133-EL-ATA; 26-134-EL-AAM)– *witness: cost of service study*. Filed March 2026.
- 2026 Base Rate Case on behalf of UGI Utilities, Inc. – Electric Division (Docket No. R-2025-3059430) – *witness: Cost of Service Revenue Allocation Rate Design*. Filed March 2026.
- In the matter of the application of SEMCO Energy Gas Company for authority to increase its rates for the distribution and transportation of natural gas and for other relief. (Case No. U-22002) – *witness: billing determinants, allocated cost of service study, weather normalization adjustment mechanisms.* Filed February 2026.
- Washington Gas Light Company's Application for Authority to Increase Rates and Charges for Natural Gas (Case No. 9849) – *Witness: Class Cost of Service Studies, Revenue Apportionment, and Rate Design*. Filed December 2025.

- 2022 Montana Rate Review (Docket No. 2022.07.078) - Witness: Allocated Cost of Service and Rate Design presenting the Company's moderation proposals to allocated cost of service and rate design for customers https://www.northwesternenergy.com/docs/default-source/default-document-library/billing- and-payment/2022-montana-rate-review/31-fang-acos-rd-direct-testimony.pdf
- SDG&E General Rate Case Application for Authority to Update its Electric and Gas Revenue Requirements and Base Rates - *Cost Recovery and Rate Design witness; multiple years*
- SDG&E General Rate Case Phase 2 Application for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design - *Rate Design and Policy Witness*

Rate Design

Time-Variant Pricing and Residential Default Time-of-Use

- The Narragansett Electric Company d/b/a Rhode Island Energy Application for Approval of a Change in Electric and Gas Base Distribution Rates Pursuant to R.I. Gen. Laws §§39-3-10 and 39-3-11 (Docket No. 25-45-GE) – Witness: presenting the Company's framework for development of time-varying rates ("TVR") and a TVR implementation plan. Filed November 2025.
- Petition for Approval of (1) Time of Use ("TOU") and Critical Peak Pricing ("CPP") Rates and (2) Modification of the TOU Summer Period for the CPP Pilot Program, and (3) CEI South's Rate RS-CPP Tariff *on behalf of Southern Indiana Gas and Electric Company d/b/a CenterPoint Energy Indiana South* (Cause No. 46263) Filed June 2025.
- Application of San Diego Gas & Electric Company for Authority to Update Electric Rate Design Regarding Residential Default Time-Of-Use Rates and Fixed Charges (A.17-12-013)
- Residential Rate Reform (R.12-06-013) - SDG&E's Application in response to Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations – *multiple phases*
- SDG&E's 2016 General Rate Case Phase 2 Proceeding (A.15-04-012) - includes proposal to update TOU periods
- SDG&E's 2015 Rate Design Window Filing (A.14-01-027) – includes proposal to update TOU periods and residential baseline

Innovative Rate Design and Emerging Technologies

- SDG&E's Electric Vehicle Grid Integration (VGI) Pilot Program (A.14-04-014) – *Rate Design Policy and Cost Recovery witness*
    - SDG&E was recognized as the 2020 Investor-Owned Utility of the Year by Smart Electric Power Alliance (SEPA) for its "Power Your Drive" program and the innovative VGI rate, an hourly dynamic grid integrated rate. https://sepapower.org/knowledge/2020-sepa-power-players- award-winners/

- Net Energy Metering Reform (R.14-07-002) - SDG&E Application in response to Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering
- Application of SDG&E for Authority to Implement Priority Review and Standard Review Proposals to Accelerate Widespread Transportation Electrification (A.17-01-020) – *Rate Design Policy and Cost Recovery witness*

Economic Development Rates

- Application of San Diego Gas & Electric Company for Authority to Implement Rate Relief and Increase Spend in Support of the San Diego Unified Port District's Energy Management Plan (A.17-09-005) – *Cost Recovery and Rate Design witness*
- Application of SDG&E for Authority to Implement Economic Development Rates (A.17-02-008) – *Cost Recovery and Rate Design witness*

SELECTED PUBLICATIONS / PRESENTATIONS

Panelist at Critical Consumer Issue Forum (CCIF)

- Critical Consumer Issues Forum (CCIF) 14th Annual Kickoff Forum in Collaboration at 2023 NARUC Annual Meeting; Topic: "Exploring Rate Design & Other Regulatory Tools: Maximizing Grid Value & the Customer Experience."
- "Navigating the Challenges & Opportunities of Today's Regulatory Landscape"
- "The Customer-Centered Clean Energy Transition: Balancing Technology, People & the Planet"

Presenter/Instructor at EEI Advanced Rate School, Wisconsin Public Utility Institute (WPUI), July 2021.

Advanced Workshop in Regulation and Competition – Annual Western Conference held by Center for Research in Regulated Industries, of Rutgers Business School, Rutgers University

- "Zen and the Art of Rate Design" – Webinar sponsored by Center for Research in Regulated Industries, of Rutgers Business School, Rutgers University, January 13, 2021
- Member of Western Conference Organizing Committee from 2015-2022.
- Author/Co-author and Presenter as well as chair/discussant – multiple years.
    - 2022 – "Residential Time of Use Rates…and how one utility got there"
    - 2019 – "A Modern Rate Architecture for California's Future"
    - 2017 – "Solar Adoption and Customer Consumption in the Residential Sector"
    - 2016 – "Solar Adoption and Customer Demand in the Residential Sector"
    - 2014 - "Revisiting Rate Structure Reform to Meet a Low Carbon Future"
    - 2013 - "Unbundling – A Needed Fix for Residential Rate Design"
    - 2012 - "Rate Structure Reform to Meet a Low Carbon Future"

"Residential Time of Use…and what it took to get there" Presentation at EPRI's Rates Working Group (September 2020)

Discussant for 2020 POWER Conference– Session: Retail Rate Design (April-May 2020, Energy Institute at Haas School of Business, University of California, Berkeley)

Panelist at CEC Workshop on Scope of Load Management Rulemaking (January 2020)

Presenter at Advanced Rate Design Strategy Workshop hosted by Hawaiian Electric (July 2019)

Panelist at Forth Roadmap Conference 2019 – Session: Rate Design to Accelerate Transportation Electrification (June 2019)

"A Modern Rate Architecture for California's Future," by Margot Everett (PG&E), Cynthia Fang (SDG&E), Andre Ramirez (SCE), and Jude Schneider (SCE), *Public Utilities Fortnightly*, Vol. 156, No. 12 (November 1, 2018).

Panelist, “SDG&E’s Design of Grid Integrated Rates,” CEC Workshop: California Vehicle-Grid Integration Roadmap (October 2018).

Panelist, CPUC ZEV Rate Design Forum 2018, on electric rate designs supporting California’s zero-emission vehicle goals (June 2018).

Panelist, CPUC Rate Design Forum on Demand Charges and Advanced Rate Designs (December 2017).

Presentations at Utility of the Future Rate Group sponsored by Economics Incorporated

- “COVID 19 Impacts – Some Early Insights” (May 2020)
- “A Customer-Focused Alternative to Pricing” (November 2019)
- “SDG&E’s Design of Real Time Pricing and Other Dynamic Rates” (April 2017)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REBUTTAL TESTIMONY OF
STEVEN KOLICH
DIRECTOR GAS SUPPLY
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 16, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
STEVEN KOLICH

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Steven P. Kolich. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as the Director, Gas Supply. In this position, I manage the team that provides the gas supply acquisition services and administers the transportation services programs for Peoples Natural Gas Company LLC ("Peoples," "Peoples Natural Gas" or "the Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. In my rebuttal testimony, I respond to certain recommendations raised by CAUSE-PA Witness Patrick Cicero regarding the Company's Purchase of Receivable ("POR") Program.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

II. DEFINITIONS

Q. WHAT IS RATE GS-T GENERAL SERVICE TRANSPORTATION?

A. Rate GS-T General Service – Transportation provides customers with the option to purchase natural gas from a third-party supplier while utilizing Peoples' distribution system to transport and deliver that gas to their premises. Under this rate, the customer is responsible for procuring its gas supply, and Peoples provides transportation, balancing, metering, and related delivery services pursuant to its approved tariff. Peoples is required by its Pennsylvania Public Utility Commission ("PUC" or the "Commission") approved tariff and authorized by the Pennsylvania Public Utility Code to offer this program.

Q. WHAT IS THE PRICE TO COMPARE ("PTC")?

A. The PTC is the Company's default service price and serves as the gas supply benchmark for the purpose of allowing customers to compare the price of gas supply offered by the Company with the price of gas supply offered by suppliers.

III. POR PROGRAM

Q. WHAT IS THE POR PROGRAM?

A. Peoples' POR Program enables participating Natural Gas Suppliers ("NGS") to sell eligible customer commodity receivables to Peoples at a tariff-approved discount. Participating suppliers must comply with the requirements of Peoples' tariff, and only eligible basic natural gas supply charges qualify for purchase under the program. In exchange, Peoples assumes responsibility for consolidated billing, collection, and uncollectible account risk associated with those receivables which facilitate customer choice and participation in Pennsylvania's competitive natural gas market. Consolidated billing is a billing

arrangement under which Peoples issues a single bill containing both the Company's delivery charges and a participating Natural Gas Supplier's commodity charges and is mandatory if participating in the POR program. This approach provides customers with the convenience of one bill and one payment while enabling participation in Pennsylvania's competitive natural gas market. Suppliers may also choose consolidated billing without participating in the POR but would be responsible for their own collections if their charges go unpaid.

Q. DID ANY PARTIES RAISE CONCERNS REGARDING THE POR PROGRAM?

A. Yes. CAUSE-PA Witness Cicero proposes that the Company provide notice to suppliers that as of June 1, 2027, the Company will no longer purchase the receivables from participating suppliers unless the supplier provides natural gas supply service at a price that is at or below the Company's default service price, also known as the PTC. (CAUSE-PA Statement 1, pp. 83-89.)

Q. WHAT REASONING DID MR. CICERO PROVIDE FOR HIS PROPOSAL?

A. Witness Cicero points to data indicating that residential shopping customers have paid more than default service customers. (CAUSE-PA Statement 1, pp. 85-86.) He also states that suppliers' participation in the POR program removes the risk proposed by uncollectible costs from suppliers, which leaves them with little incentive to moderate the prices that they charge customers. (CAUSE-PA Statement 1, p. 84.) Additionally, he argues that write-offs for shopping customers are much higher than non-shopping customers. (CAUSE-PA Statement 1, p. 87.)

Q. WHAT IS THE COMPANY'S RESPONSE?

A. Peoples administers its POR Program in accordance with PUC regulations and recognizes the important role POR programs have played in facilitating the entry of alternative suppliers into Pennsylvania's competitive natural gas market. By reducing suppliers' credit and collection risks, the POR program has helped remove barriers to participation and supported the development of retail competition. However, the Commission's competitive market framework was developed with the expectation that competition would provide benefits to customers.

When POR protections are coupled with unrestricted supplier pricing, the result can cause significant market distortions. POR programs insulate NGSs from much of the financial risk associated with uncollectible accounts and allow NGSs the ability to charge prices above or substantially above the utility's default service rate. This structure has led to excessive commodity charges and as a result, in most cases, shopping customers are paying more than the Company's default service customers.

Mr. Cicero's recommendation would not eliminate the Company's POR program or consolidated billing option, nor would it prevent suppliers from offering the same commodity pricing options currently available to customers. Rather, the recommendation would limit POR participation to suppliers whose prices are at or below the Company's PTC. In doing so, it would help reduce the risk that customers, including low-income customers or limited-credit customers, are enrolled in higher-priced gas commodity products and pay more than they would under the Company's default service rate.

Q. DO YOU BELIEVE THAT MR. CICERO'S RECOMMENDATION COULD HELP CUSTOMERS SAVE MONEY ON NATURAL GAS COMMODITY COSTS?

A. Yes. I believe the recommendation could help reduce customer costs. As of July 2026, approximately 95.8% of residential shopping customers pay more than the PTC for commodity service, and the average supplier price is 82% above the PTC, with some supplier prices reaching as much as ten times the PTC. If suppliers charging above the PTC are no longer permitted to participate in Peoples' POR program, many may choose not to offer those higher-priced products.

Q. PLEASE EXPLAIN THE LEVEL OF EFFORT AND POTENTIAL COSTS OF IMPLEMENTING MR. CICERO'S RECOMMENDATIONS?

A. The Company has not yet fully evaluated the level of effort or potential costs associated with implementing Mr. Cicero's recommendation because the proposal does not specify how the Company would be expected to adopt it. However, the Company expects any implementation costs to be minimal because it already has the capability for suppliers to operate both POR and non-POR pools. There would need to be clear rules for Suppliers regarding timing for entry into a POR pool and exiting a POR pool, as well as rules for communicating with customers.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does and I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

Peoples Natural Gas Company LLC
Statement of Income at Present and Proposed Rates
REBUTTAL 7.16.2026 1/
Revised

Line No.	Description	Reference	Per Books Historic Test Year 11.30.2025	Adjustments	Proforma Historic Test Year 11.30.2025	Adjustments	Proforma Future Test Year 11.30.2026	Adjustments	Proforma Fully Projected Future Test Year at Present Rates 12.31.2027	Adjustments (Page 7 of 7)	Fully Projected Future Test Year at Proposed Rates 12.31.2027
1	**Operating Revenues:**	Ex. 3, Sch. 15, Att. B	$ 1,010,232,723	$ 204,703,701	$ 1,214,936,425	$ (29,466,514)	$ 1,185,469,911	$ (649,667)	$ 1,184,820,244	$ 163,933,339	$ 1,348,753,583
	Operating Revenue Deductions:										
2	Gas Supply Expense	Ex. 3, Sch. 15, Att. C	344,130,886	155,269,855	499,400,741	5,153,298	504,554,039	1,365,351	505,919,390		505,919,390
3	Operating and Maintenance Expense	Ex. 4, Sch. 1	209,946,248	10,968,459	220,914,707	(10,655,256)	210,259,451	10,038,708	220,298,159	3,136,486	223,434,645
4	Depreciation and Amortization	Ex. 5, Table 1	143,917,721	(5,732,921)	138,184,800	15,699,094	153,883,894	19,229,419	173,113,313		173,113,313
5	Net Salvage Amortized	Ex. 5, Table 4	-	7,590,331	7,590,331	(433,025)	7,157,306	910,977	8,068,283		8,068,283
6	Taxes Other Than Income Taxes	Ex. 6, Sch. 2	9,891,350	2,300,521	12,191,871	537,845	12,729,717	1,029,338	13,759,055		13,759,055
7	Total Operating Revenue Deductions		707,886,205	170,396,246	878,282,451	10,301,956	888,584,407	32,573,793	921,158,200	3,136,486	924,294,686
8	**Operating Income Before Income Taxes**		302,346,518	34,307,456	336,653,973	(39,768,470)	296,885,504	(33,223,459)	263,662,044	160,796,853	424,458,897
9	**Income Taxes**	Ex. 7, Sch. 8, Att. 1	(64,306,846)	29,719,309	(34,587,536)	(25,641,057)	(60,228,594)	(20,484,538)	(80,713,132)	33,767,339	(46,945,793)
10	**Operating Income**		366,653,363	4,588,146	371,241,510	(14,127,412)	357,114,097	(12,738,921)	344,375,176	127,029,514	471,404,690
	Other Income										
11	Interest Revenue		811,225	(811,225)	-		-		-		-
12	Miscellaneous Nonoperating Income / Expense		12,223,886	(12,223,886)	-		-		-		-
13	Total Other Income		13,035,111	(13,035,111)	-	-	-	-	-	-	-
	Other Income Deductions										
14	Rent Expense - Nonutility Operations	Ex. 4, Sch. 1	1,392,914	(1,392,914)	-	-	-	-	-		-
15	Charitable and Civic Contributions	Ex. 4, Sch. 1	13,675	(13,675)	-	-	-	-	-		-
16	Expense - Civic, Political & Rel. Act	Ex. 4, Sch. 1	226,380	(226,380)	-	-	-	-	-		-
17	Other Expense Miscellaneous	Ex. 4, Sch. 1	1,990,892	(1,990,892)	-	-	-	-	-		-
18	Total Other Income Deductions		3,623,862	(3,623,862)	-	-	-	-	-	-	-
19	**Taxes Applicable to Other Income and Deductions**	Ex. 7, Sch. 8, Att. 1	-	-	-	-	-	-	-		-
	Interest Charges:										
20	Interest on Debt to Associated Companies	Page 5 of 7 of this sched	67,425,808	15,836,174	$ 83,261,982	15,975,686	99,237,668	21,777,232	121,014,900		121,014,900
21	Other Interest Charges		57,363	(57,363)	-	-	-	-	-		-
22	Amortization of Debt Discount and Expense		1,218,024	(1,218,024)	-	-	-	-	-		-
23	AFUDC		(5,426,732)	5,426,732	-	-	-	-	-		-
24	Total Interest Charges		63,274,463	19,987,518	83,261,982	15,975,686	99,237,668	21,777,232	121,014,900	-	121,014,900
25	**Net Income**		$ 312,790,149	$ (24,810,621)	$ 287,979,528	$ (30,103,099)	$ 257,876,429	$ (34,516,153)	$ 223,360,276	$ 127,029,514	$ 350,389,790
26	**Rate Base**	Ex. 8, Sch. 2	$ 4,515,634,214		$ 4,515,634,214		$ 5,042,257,469		$ 5,760,803,876		$ 5,728,767,833
27	**% Rate of Return Earned on Rate Base** Operating Income (line 10) divided by Rate Base (line 26)		8.12%		8.22%		7.08%		5.98%		8.23%

1/ Rate base implications are excluded due to immateriality.

Peoples Natural Gas Company LLC
Calculation of Proforma Interest Expense at Present and Proposed Rates
REBUTTAL 7.16.2026 1/

HISTORIC TEST YEAR

Line No.	Description		Amount
1	Rate Base	$	4,515,634,214
2	Weighted Long Term Debt Cost		1.84%
3	Synchronized Interest Expense - LT	$	83,261,982
4	Weighted Short Term Debt Cost		0.00%
5	Synchronized Interest Expense - ST	$	-
6	Synchronized Interest Expense - Total	$	83,261,982

FUTURE TEST YEAR

Line No.	Description		Amount
7	Rate Base	$	5,042,257,469
8	Weighted Long Term Debt Cost		1.97%
9	Synchronized Interest Expense - LT	$	99,237,668
10	Weighted Short Term Debt Cost		0.00%
11	Synchronized Interest Expense - ST	$	-
12	Synchronized Interest Expense - Total	$	99,237,668

FULLY PROJECTED FUTURE TEST YEAR

	Description		Amount
13	Rate Base	$	5,760,803,876
14	Weighted Long Term Debt Cost		2.10%
15	Synchronized Interest Expense - LT	$	121,014,900
16	Weighted Short Term Debt Cost		0.00%
17	Synchronized Interest Expense - ST	$	-
18	Synchronized Interest Expense - Total	$	121,014,900

1/ Rate base implications are excluded due to immateriality.

Peoples Natural Gas Company, LLC
Rate of Return on Rate Base
Twelve Months Ended November 30, 2025
REBUTTAL 7.16.2026 1/

Line No.	Description		Amount
1	Proforma Rate Base at Present Rates	$	5,728,767,833
2	Return on Rate Base		8.23%
3	Operating Income at Proposed Rates	$	471,404,690
4	Less: Net Operating Income at Present Rates	$	344,375,176
5	Operating Income Deficit	$	127,029,514
6	Revenue Conversion Factor		1.28127517
7	Additional Revenues	$	162,759,762
8	Additional Late Fees		1,173,577
9	Additional Revenue Requirement	$	163,933,339
	Revenue Conversion Factor:		
10	Operating Revenue		1.00000000
11	Less: Uncollectible		0.01927065
12	Plus: late payments		0.00721049
13	Income Before State Taxes		0.98793984
	State Income Tax Effect Tax Rate		
14	Less: State Income Tax		-
15	Income Before Federal Taxes		0.98793984
16	Less: Federal Tax at 21%		0.20746737
17	Adjusted Operating Income		0.78047247
18	Revenue Conversion Factor		1.28127517

1/ Rate base implications are excluded due to immateriality.

Peoples Natural Gas Company LLC
Exhibit No. 2, Schedule No. 4
Additional Revenue Requirement Adjustments
REBUTTAL 7.16.2026 1/

1	Additional Revenue Requirement		$ 162,759,762
2	Additional Late Fees	Ln 1 x Late Fee Rate	1,173,577
3	Less Operating & Maintenance Expense		3,136,486
4	Income Before State Income Tax	Ln 1 + Ln 2- Ln 3	$ 160,796,853
	State Income Taxes		
5	Line 4 Times Effect Tax Rate	Ex. 7, Sch. 8	-
6	Income Before Federal Income Tax	Ln 4 - Ln 5	160,796,853
7	Federal Income Taxes	Ln 6 x 21%	33,767,339
8	Operating Income	Ln 6 - Ln 7	127,029,514

1/ Rate base implications are excluded due to immateriality.

3. Increase in O&M of $1,738,446 related to Insurance expense referenced in the response to I&E-RE-21 (see Insurance section below). This increases the claim.

Please note that there is an increase in Cash Working Capital associated with these adjustments as well.

Q. PLEASE EXPLAIN THE IMPACT THESE ADJUSTMENTS HAVE ON THE COST OF SERVICE AS FILED?

A. The impact of these changes increases the overall claimed revenues by approximately $746,~~783~~ 833 excluding the cash working capital amount.

III. RESPONSE TO OTHER PARTIES ADJUSTMENTS

A. AVERAGE ANNUAL INCREASES

Q. PLEASE SUMMARIZE HOW THE COMPANY USED AVERAGE ANNUAL INCREASES TO MAKE ADJUSTMENTS TO CERTAIN HISTORIC TEST YEAR ("HTY") EXPENSES.

A. In order to appropriately project how certain expenses are expected to change during the FTY and FPFTY, the Company used a multi-year historical percentage experience change for each expense type individually and applied it to the HTY balances to determine the amount of change in balance to expect.

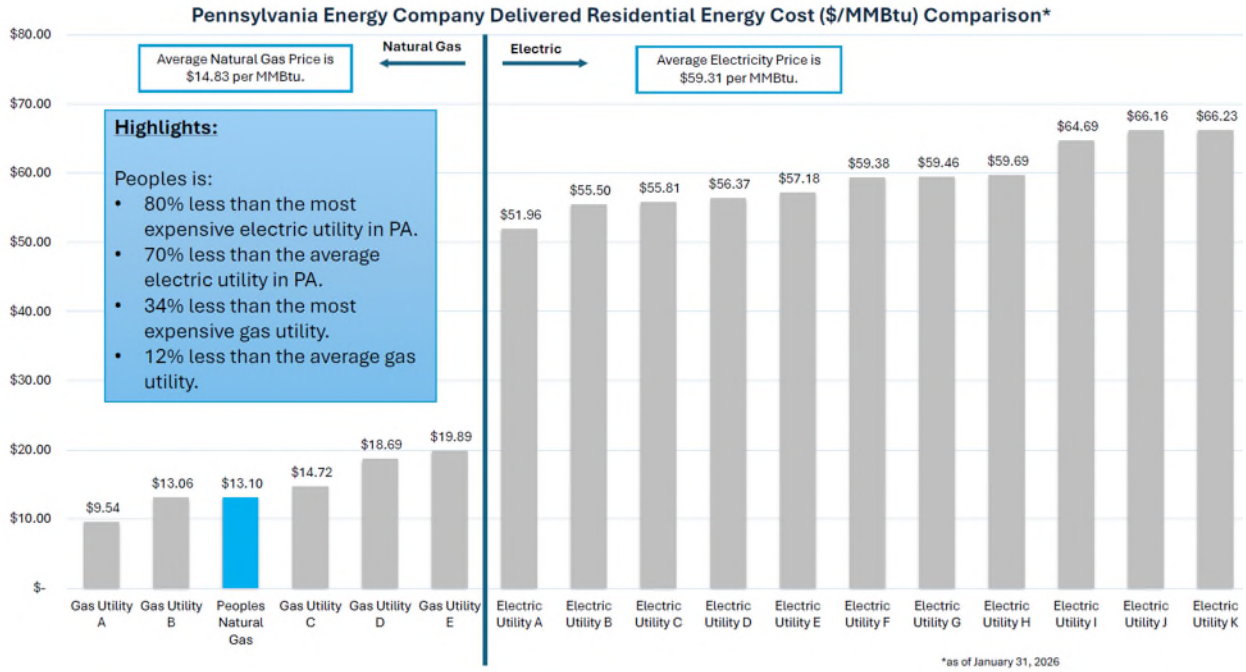
Q. HOW IS APPLYING AVERAGE ANNUAL INCREASES DIFFERENT THAN APPLYING A STANDARD INFLATION ADJUSTMENT?

A. Utilizing a multi-year average increase methodology, as described above, utilizes known and recently incurred activity for each specific expense account. Whereas a standard

A. Yes. Overall, based upon the assessment presented below, Peoples gas service is clearly affordable. This was determined by evaluating the cost of Peoples service compared to the other Pennsylvania energy companies (natural gas distribution utilities and electric utilities).

Q. EXPLAIN THE ANALYSIS PEOPLES CREATED TO DETERMINE THAT PEOPLES' SERVICE IS AFFORDABLE.

A. The Company has prepared **Peoples Natural Gas Exhibit No. MAH-1R**, which is attached to my testimony and also shown below. This compares the per MMBtu price of all PA-PUC regulated energy companies in Pennsylvania.



Q. PLEASE SUMMARIZE HOW PEOPLES COMPARES TO THE OTHER ENERGY COMPANIES.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED SURREBUTTAL TESTIMONY OF
CAROL A. SCANLON,
MANAGER, RATES
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 31, 2026 Peoples Statement No. 3-SR
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
CAROL A. SCANLON

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Carol A. Scanlon. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Rates Manager. In my position as Rates Manager, I provide rates and regulatory services to Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 3 and my rebuttal testimony is set forth in Peoples Statement No. 3-R.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. I will respond to certain points raised in the Office of Consumer Advocate ("OCA") witness Michael Deupree's rebuttal testimony on regulatory lag.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. RESPONSE TO OCA WITNESS DEUPREE ON REGULATORY LAG

Q. WITNESS DUEPREE CLAIMS THAT THE COMPANY'S ABILITY TO USE THE DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") BETWEEN RATE CASES MITIGATES THE RISK PROPOSED BY REGULATORY LAG. (OCA Statement No. 1-R, p. 7.) ARE THERE ANY LIMITATIONS TO THE COMPANY'S USE OF THE DSIC?

A. Yes. There are two main limitations. First, as set forth in 66 Pa. C.S.A § 1358(a)(l), the DSIC mechanism has a limit of 5.00% of distribution revenue. Once this rate cap of 5.00% is reached, additional investments cannot be recovered through the DSIC mechanism until base rates are reset through a base rate case proceeding. The Company's current DSIC rate is 5% and will be until new rates from this base rate case go into effect later this year. I note that the Company has experienced a total of six quarterly periods from 2023, 2024 and 2026 where the fixed costs eligible for recovery under DSIC surpassed the rate cap of 5.00%, as evidenced in Table 1 below.

Table 1 – Quarterly DSIC Surcharge Rate Based on Investment Amounts for Periods Exceeding the DSIC Rate Cap

DSIC RATE BASED ON INVESTMENT FOR PERIODS OVER THE DSIC RATE CAP OF 5.00%

Quarterly Filing	2023	2024	2026
Jan 1		24.20%	
Apr 1		25.95%	
Jul 1	17.63%	28.51%	6.20%
Oct 1	20.27%		

As demonstrated in Table 1 above, the DSIC rate based on the Company's investment amount, if no cap existed, increased over 10% from July 1, 2023 through July 1, 2024. Further, the DSIC rate based on investment amount as of July 1, 2024, is over 5

times the DSIC cap amount of 5.00%. On October 1, 2024 the DSIC rate was re-set to zero due to new rates going into effect on September 27, 2024 from Peoples Base Rate Case at Docket No. R-2023-3044549. From April 1, 2025 through July 1, 2026 quarterly rate changes, the DSIC eligible plant through the reporting period has surpassed the eligible plant in Peoples base rates from the 2023 rate case. As of July 1, 2026, the DSIC rate reached the DSIC cap of 5%.

Second, the DSIC mechanism recovers costs for historical capital expenditures; it does not recover the revenue requirement associated with capital expenditures as they are incurred, as the company may do when using a Fully Projected Future Test Year in a base rate case. In other words, when a quarterly DSIC rate takes effect, the Company earns a return on and of capital expenditures incurred from one month to four months prior. For example, the July 1, 2026 rate provided the Company a return on capital expenditures incurred from March 2026 (four months earlier) through May 2026 (one month earlier).

Q. HAS THE COMPANY UTILIZED THE DSIC?

A. Yes. As illustrated in Table 2 below, the Company has used DSIC to offset the capital needs for its capital expenditure program. Starting July 1, 2023, the DSIC rate was turned on once the DSIC eligible plant exceeded the amounts included in base rates from the 2019 Peoples Base Rate Case (R-2018-3006818).

Table 2 – Effective Quarterly DSIC Surcharge Rate January 1, 2020-July 1, 2026

Quarterly Filing	2020	2021	2022	2023	2024	2025	2026
Jan 1	0.00%	-0.13%	0.00%	0.00%	5.00%[1/]	0.00%	3.57%
Apr 1	-0.13%	-0.06%	0.00%	0.00%	5.00%[1/]	0.42%	4.17%
Jul 1	-0.13%	0.00%	0.00%	5.00%[1/]	5.00%[1/]	0.42%	5.00%[1/]
Oct 1	-0.13%	0.00%	0.00%	5.00%[1/]	0.00%	0.83%	

[1/] DSIC surcharge over the 5% cap

Q. IS THE DSIC A VIABLE SOLUTION FOR THE COMPANY TO REDUCE REGULATORY LAG?

A. It helps, but it has its limits. The DSIC is not a complete solution to reduce regulatory lag at the existing 5% limit. Since the implementation of Peoples' 2023 base rate case, the Company was only able to utilize the DSIC mechanism for approximately 15 months (April 1, 2025 through July 1, 2026) before reaching the cap on July 1, 2026. At this point, Peoples' can no longer use the DSIC mechanism for any additional investments despite plans to spend significant amounts on capital expenditures from July 1, 2026 until new rates from this proceeding go into effect at the end of 2026.

Q. IS THERE ANYTHING ELSE THAT YOU WISH TO NOTE IN TERMS OF REGULATORY LAG?

A. Yes. I would like to state that the Company has only filed three rate cases in the past thirteen years (see Table 3 below). Prior to that, the former Peoples Gas Division filed a rate case in 2013 and the former Peoples Natural Gas Division filed a rate case in 2012.

Table 3 - Rate Case History

	Filing Date	Effective Date	FPFTY End
1	3/27/2026	12/27/2026	12/31/2027
2	12/29/2023	9/27/2024	9/20/2025
3	1/28/2019	10/29/2019	10/31/2020

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED SURREBUTTAL TESTIMONY OF
RITA F. BLACK
DIRECTOR, COMMUNITY ASSISTANCE PROGRAMS
ESSENTIAL UTILITIES

DATE SERVED: July 31, 2026
DATE ADMITTED: _____

Peoples Statement No. 10-SR

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PREPARED SURREBUTTAL TESTIMONY OF
RITA F. BLACK

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rita F. Black and my business address is located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. as the Director of Community Assistance Programs. In this role, I lead assistance programs for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or "the Company"), Aqua Pennsylvania Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively "Aqua PA"), as well as these companies' affiliated regulated utilities operating in other states.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in Peoples Statement No. 10 and my rebuttal testimony is set forth in Peoples Statement No. 10-R.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. I will respond to universal service program matters and issues pertaining to vulnerable populations discussed in the rebuttal testimony of Office of Consumer Advocate ("OCA")

witness Michael Dupree and Retail Energy Supply Association ("RESA") witness Francis Caliva.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. Yes. I am sponsoring Exhibit Peoples Natural Gas Exhibit No. RFB-1SR.

Q. HOW HAVE YOU ARRANGED YOUR SURREBUTTAL TESTIMONY?

A. My testimony is ordered by the witness to which I am responding.

II. RESPONSE TO OCA WITNESS MICHAEL DUPREE.

Q. PLEASE SUMMARIZE MR. DUPREE'S TESTIMONY WITH REGARDS TO THE LOW-INCOME USAGE REDUCTION PROGRAM ("LIURP") FUNDING RECOMMENDATION OF WITNESS JENNIFER WARABACK ON BEHALF OF THE PENNSYLVANIA WEATHERIZATION PROVIDERS TASK FORCE ("PWPTF").

A. On page 3 of his testimony, Mr. Dupree summarizes the position of PWPTF regarding PWPTF's proposal to increase the Company's LIURP budget by $975,000[1]. Mr. Dupree states, "The PWPTF recommends that annual LIURP funding be increased at least commensurate with the percentage increase in rates for residential customers that result from this proceeding."

[1] See PWPTF Stmt. 1, Page 7.

Q. DO YOU AGREE WITH MR. DUPREE'S SUMMARY OF PWPTF'S POSITION REGARDING LIURP FUNDING?

A. No. On page 7 of her testimony, Ms. Warabek recommends an increase of $975,000 to the LIURP budget. She goes on to explain her proposed increase was developed by considering an average job cost of $13,000 and a desire to increase the number of jobs completed annually by 75. She does not tie an increase in LIURP funding to the percentage increase in rates in this proceeding.

Q. DO YOU AGREE WITH MS. WARABEK'S DIRECT TESTIMONY REGARDING THE LIURP INCREASE?

A. I do not. I responded to Ms. Warabek's LIURP recommendation in my rebuttal testimony.

Q. IN HIS TESTIMONY, WITNESS DUPREE ASSERTS THE PROPOSED INCREASE IN THE RESIDENTIAL CUSTOMER CHARGE WILL LIKELY IMPACT LIURP PARTICIPATION[2]. DO YOU FORSEE SUCH AN IMPACT?

A. I do not. In both his Direct and Rebuttal testimony, Mr. Dupree appears to conclude that a higher residential customer charge leads to a lack of conservation efforts by customers as they are not as incentivized to reduce usage if those efforts will not correlate directly with lowering their monthly bill. He then ties this idea to LIURP participation and appears to conclude that if the proposed customer charge is approved, low-income households will begin using more gas, as they would not be incentivized to conserve, and thus more of these households would require LIURP services, leading to a need to increase LIURP

[2] See OCA Stmt. 1R, Page 3, lines 10 through 12.

funding. My experience with LIURP qualifying households does not align with this train of thought. To be eligible for LIURP services, a household must use 120 MCF or more annually. This is a significantly high threshold in comparison to typical residential household usage. The homes that we serve through LIURP are typically old housing stock, often in significant disrepair. These homes have little or no insulation and may also have very old heating equipment. All of these issues, which are directly impacting household usage, are beyond the ability of the household to control as income qualifying customers do not have the means to make these needed improvements. Therefore, approval of the proposed monthly charge will not have a corresponding impact to LIURP participation.

III. RESPONSE TO RESA WITNESS FRANCIS CALIVA

Q. IN HIS REBUTTAL TESTIMONY, MR. CALIVA RESPONDS TO THE DIRECT TESTIMONY OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA") PATRICK CICERO. MR. CALIVA POINTS TO LOW WRITE-OFF RATES FOR BOTH THE RESIDENTIAL CLASS IN TOTAL AND LOW-INCOME CUSTOMERS AS WELL IN HIS TESTIMONY. WOULD YOU LIKE TO RESPOND?

A. Yes, I would. Beginning on page 9 and continuing to page 10 of his rebuttal testimony, Mr. Caliva discusses the write-off percentages of receivables pertaining to suppliers for both residential and low-income groups. I think it is important to consider how the write-off process works in order to temper the claim that low write-offs indicate that pricing by suppliers participating in the Company's Purchase of Receivables ("POR") is not a concern. Accounts are only written off when a customer is no longer a customer of Peoples. If a customer remains in their home, or remains in the Peoples' service territory, any

balance they owe will continue to be part of their active account balance and is subject to collections activities. These balances are not reflected in the Company's write-offs. This matters, because if the argument is that write-offs are low for receivables pertaining to suppliers, therefore supplier pricing under POR is not a concern, then we have missed the full impact of supplier pricing for residential customers, in particular low income and senior populations.

Q. YOU MENTION THE IMPACT OF SUPPLIER PRICING TO LOW-INCOME AND SENIOR HOUSEHOLDS. WHAT HAVE YOU OBSERVED REGARDING THESE POPULATIONS?

A. In addition to my work with the Company's universal service programs, I also lead our compliance team as they respond to customer complaint cases submitted to the Pennsylvania Public Utility Commission ("PUC"). When a customer opens a complaint regarding a supplier issue, the Natural Gas Distribution Company ("NGDC") is also served with the complaint and must provide a response. My team maintains an informal tracker of supplier complaints that includes both the price the customer was being charged for natural gas commodity at the time of their complaint, along with notations from our team on whether the customer is a senior and/or has income at or below 150% of the federal poverty level. We have been tracking this information since 2024. Using this tracker, I prepared a table that reflects the average commodity price of customers filing supplier-related complaints in the year, the highest commodity price among those customer complaints and the percentage of the customers who are low-income or seniors. Some of these customers are both senior and low income.

Year	Avg. Supplier Price	High Supplier Price	Average PTC	Highest PTC	% Seniors	% Low-income
2024	$7.1272	$20.0730	$2.3511	$2.5214	40%	29%
2025	$7.2460	$21.9966	$3.4510	$4.2511	26%	20%
2026 (Jan to May)	$11.0025	$22.8990	$4.8948	$6.0732	35%	37%

The tracker is provided as Peoples Natural Gas Exhibit No. RFB-1SR.. To maintain pricing and customer confidentiality, I have removed customer details along with the name of the supplier involved. I included average and highest Peoples Price to Compare ("PTC") in the table above as a comparison point.

Q. THE TRACKER REFLECTS A RELATIVELY SMALL NUMBER OF ACCOUNTS. WHY DO YOU BELIEVE THIS TRACKER IS SIGNIFICANT?

A. Only a small portion of customers experiencing a utility concern contact the PUC. Many more contact their utility and/or supplier directly. As a result, we are only seeing a sub-set of customers in this informal tracker. I believe the tracker provides some important and concerning trend information for consideration in this discussion of how POR may be impacting the ability of suppliers to apply pricing. First, the average price increased from $7.1272 to $11.0025. The high price has also increased from $20.0730 to $22.8990. The average price (and the highest supplier price) is significantly higher than Peoples' PTC. The share of these customers that are identified as either seniors or low-income in 2026 is

more than 1/3 of all customers who filed a complaint pertaining to a supplier. This, in particular, is concerning as these are vulnerable populations that may not have a full understanding of alternative supplier pricing or contracts. And, as I noted earlier, write-off statistics do not capture active receivables. As we think about the senior population, for example, and their likelihood of remaining in one home for a long period of time, their balances pertaining to supplier charges are not reflected in write-off statistics. Company witness Steven Kolich provides a further discussion of pricing impacts to customers in Peoples Statement No. 21-SR.

Q. WHAT DO YOU CONCLUDE FROM YOUR REVIEW OF THE INFORMAL TRACKER AND THE TESTIMONY PROVIDED BY MR. CALIVA?

A. As the informal tracker shows, supplier prices are increasing and those increases have a direct impact on residential households, particularly if those households include seniors or low-income customers. Write-off rates are only one piece of data that should be considered in the discussion of the impact of supplier rates on any household, but in particular, vulnerable households. Write-off rates are not reflective of the current economic impact of supplier pricing to customers who remain active within Peoples' service territory.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

Statement No. 15-SR

Surrebuttal Testimony of Jennifer E. Nelson

Topics: **Return on Equity**
Capital Structure

Dated: July 31, 2026

I. INTRODUCTION AND SUMMARY

Q. Please state your name and business address.

A. My name is Jennifer E. Nelson, and I am employed by Concentric Energy Advisors, Inc. ("Concentric") as a Vice President. My business address is 293 Boston Post Road West, Suite 500, Marlborough, MA 01752.

Q. Did you previously file testimony in this proceeding?

A. Yes. I submitted my direct testimony, **Peoples Natural Gas Company LLC Statement No. 15** ("Peoples St. No. 15"), to the Pennsylvania Public Utility Commission ("PUC" or the "Commission") on behalf Peoples Natural Gas Company LLC ("Peoples", "Peoples Gas" or the "Company"), which is a wholly-owned subsidiary of PNG Companies LLC, which is ultimately owned by Essential Utilities, Inc. ("Essential"), on March 27, 2026. I also submitted rebuttal testimony, **Peoples Statement No. 15-R** ("Peoples St. No. 15-R") to the Commission on behalf of Peoples Gas on July 16, 2026.

Q. Are you sponsoring any surrebuttal schedules in this case?

A. No, I am not.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Mr. David J. Garrett on behalf of the Pennsylvania Office of Consumer Advocate ("OCA", "OCA St. 3-R") and the errata direct testimony of Mr. Patrick M. Cicero on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA", "CAUSE-PA St. 1 Errata"). My silence on a particular issue should not be construed as agreement with respect to that issue.

Q. Based on your review of the rebuttal testimony of Mr. Garrett and errata direct testimony of Mr. Cicero, do you propose any changes in your recommended return for Peoples in this proceeding?

A. No. Nothing contained in either Mr. Garrett's rebuttal testimony or Mr. Cicero's errata testimony changes my conclusions or recommendation in this proceeding. My analyses, positions, and recommendations made in my direct and rebuttal testimonies remain unchanged. Specifically, my 11.25 percent ROE recommendation (including management adder of 25 basis points) remains a just and reasonable estimate of Peoples Gas's cost of equity, and I continue to support Peoples Gas's requested 54.47 percent equity ratio. Further, I reiterate my responses to, and criticisms of, the Witnesses' direct testimonies that I discussed in my rebuttal testimony. I respond to select topics presented by Mr. Garrett in his rebuttal testimony and Mr. Cicero in his errata direct testimony.

Q. What does Mr. Garrett conclude in his rebuttal testimony?

A. Mr. Garrett concludes that Mr. Patel's proposed 10.2 percent ROE is too high, principally because Mr. Patel's Discounted Cash Flow ("DCF") model result of 11.33 percent relies on growth rates that Mr. Garrett characterizes as unsustainable, and because Mr. Garrett views Mr. Patel's 8.86 percent Kroll-based Capital Asset Pricing Model ("CAPM") result as generally consistent with his own 8.8 percent recommendation.[1]

Q. What is the basis for Mr. Garrett's arguments?

A. Mr. Garrett largely repeats arguments already made in his direct testimony and observes that his analysis resulted in a lower ROE than that recommended by Mr. Patel.

[1] OCA St. 3-R, at 1-2, 4-5.

Q. Please summarize Mr. Garrett's criticism of Mr. Patel's DCF analysis.

A. Mr. Garrett argues that Mr. Patel's DCF result is too high because Mr. Patel used an adjusted composite proxy group growth rate of approximately 8.10 percent (based on analyst earnings-per-share ("EPS") growth rates), rather than his own gross domestic product ("GDP") capped "sustainable" growth rate of 3.7 percent or alternative 6.2 percent "analyst" growth rate based on Value Line dividend growth rates.[2] These figures, however, are incorrect and do not match his direct testimony and exhibits that include a 3.8 percent GDP growth rate and 4.3 percent analyst growth rate.[3] Further, Mr. Garrett incorrectly states that Mr. Patel considered a five-year annual growth rate of 12.59 percent for Spire Inc ("Spire").[4] However, Mr. Patel's direct testimony stated that the 12.59 percent S&P growth estimate was for Southwest Gas Holdings ("Southwest Gas"), not Spire.[5] Additionally, Mr. Garrett ignores Mr. Patel's testimony that he excluded S&P's 12.59 percent estimate for Southwest Gas from his DCF analysis.[6]

Q. Do you agree with Mr. Garrett that analyst EPS growth rates should be rejected as unsustainable?

A. No. As I explained in my rebuttal testimony, analyst EPS growth rates are widely used in DCF analyses because earnings growth is the growth measure most directly tied to investor valuation and long-term dividend sustainability.[7] I also explained that both Mr. Patel and I used analyst EPS growth rates in our DCF models, while Mr. Garrett relied on dividend

2 OCA St. 3-R, at 3.
3 OCA Direct Exhibit DJG-6.
4 OCA St. 3-R, at 3.
5 I&E St. 2, at 30.
6 I&E St. 2, at 30.
7 Peoples St. 15-R, at 70-71.

growth and GDP growth measures that produced results well below reasonable market-based estimates of Peoples' cost of equity.[8]

Q. Does the evidence in your rebuttal testimony support the reasonableness of analyst EPS growth rates for gas utilities, rather than GDP growth rates?

A. Yes. My rebuttal testimony showed that the S&P 500 Utilities Index had a compound annual price-only growth rate of 7.33 percent from 2010 through May 2026 and that utility capital expenditures grew at compound annual rates that exceeded GDP over the three-, five-, and ten-year periods presented in my Figure 11.[9] Those data points support the conclusion that utility growth is not mechanically limited to GDP growth and that analyst EPS growth rates are not inherently overstated simply because they exceed long-term GDP growth.

Additionally, Mr. Garrett's 3.8 percent GDP growth rate estimate is far below the long-term average historical GDP growth rate of 6.4 percent.[10] Mr. Garrett has not explained what factors in the U.S. economy would cause future GDP growth to slow by 40 percent relative to historical GDP growth over the last nearly 80 years.

Q. What conclusion should the Commission draw regarding Mr. Garrett's DCF results?

A. The Commission should reject Mr. Garrett's DCF results and his position that utility earnings growth rates are unsustainable. As explained in my rebuttal testimony, his 7.1 percent and 7.6 percent DCF estimates are not reliable indicators of Peoples' cost of equity

[8] Peoples St. 15-R, at 75-76.
[9] Peoples St. 15-R, at 74.
[10] Source: Federal Reserve Bank of St. Louis, FRED Economic Database, series GDP 1947-2025, https://fred.stlouisfed.org/series/GDP#

because they are based on growth assumptions that are inconsistent with investor expectations, inconsistent with utility capital investment trends, and materially below recently authorized ROEs for natural gas utilities in Pennsylvania and across the United States.

Q. Please summarize Mr. Garrett's CAPM position in his rebuttal testimony.

A. Mr. Garrett states that his CAPM analysis indicates a cost of equity of 8.8 percent for Peoples and that Mr. Patel's Kroll-based CAPM result of 8.86 percent indicates a reasonable cost of equity.[11] He also states that Mr. Patel's higher CAPM result of 10.28 percent should be rejected because it overstates Peoples' cost of equity.[12]

Q. Do you agree that Mr. Patel's 8.86 percent Kroll-based CAPM result validates Mr. Garrett's 8.8 percent ROE recommendation?[13]

A. No. The fact that two flawed CAPM estimates are numerically similar does not make either estimate reliable. As stated in my rebuttal testimony, I disagree with reliance on Kroll's recommended equity risk premium because Kroll's methodology is not transparent enough to demonstrate that its market risk premium is developed in relation to the contemporaneous risk-free rate.[14] As I explained in my rebuttal testimony, the market risk premium and risk-free rate are interrelated, but my analysis of Kroll's published recommendations showed no clear relationship between the two variables, with the risk-

[11] OCA St. 3-R, at 4-5.
[12] OCA St. 3-R, at 5.
[13] OCA St. 3-R, at 4-5.
[14] Peoples St. 15-R, at 84-86.

free rate explaining only 3.97 percent of the change in Kroll's recommended equity risk premium.[15]

Q. What is your conclusion regarding Mr. Garrett's CAPM analysis?

A. Mr. Garrett's CAPM analysis should be rejected because it produces an ROE estimate that is below nearly all authorized natural gas utility ROEs, relies on market risk premium inputs that understate current investor return requirements, and fails to reflect the current higher-cost capital market environment.

Q. Please summarize the CAUSE-PA errata filed by Mr. Cicero.[16]

A. Mr. Cicero's errata revises certain calculations in CAUSE-PA Statement No. 1 related to the revenue requirement impact of applying his 7.68 percent ROE under alternative capital structure scenarios. The errata changes the arithmetic, but does not change the underlying analytical concern: a 7.68 percent ROE remains far below any reasonable market-based estimate of Peoples' cost of equity. The correction therefore does not provide a basis for the Commission to adopt Mr. Cicero's analysis or to impute a more leveraged capital structure to Peoples.

Q. Does the CAUSE-PA errata change your opinion regarding Mr. Cicero's ROE analysis?

A. No. The errata does not address the central capital structure concern raised in my rebuttal testimony: Peoples' requested 54.47 percent common equity ratio should be evaluated based on the Company's regulated utility operations, financing needs, business risks, and

[15] Peoples St. 15-R, at 85.
[16] CAUSE-PA Stmt. 1 Errata, at 45.

ability to attract capital, rather than by mechanically imputing a parent-company or alternative capital structure. The errata also does not address the fact that increasing leverage is not costless. A proposal that increases the debt ratio while holding the cost of debt and cost of equity fixed wholly ignores the increase in financial risk that would result from a more leveraged capital structure.

Q. What conclusion should the Commission draw from the CAUSE-PA errata?

A. The Commission should conclude that the errata does not cure the fundamental flaws in CAUSE-PA's cost of capital proposal. A corrected arithmetic table does not transform an unsupported 7.68 percent ROE into a market-based estimate of Peoples' cost of equity, nor does it justify imputing a parent company capital structure to the regulated operating utility.

Q. What is your conclusion regarding the positions advanced in Mr. Garrett's rebuttal testimony and Mr. Cicero's errata?

A. Neither filing changes my recommendations or undermines my analysis and conclusions. Mr. Garrett's rebuttal testimony does not undermine my 11.00 percent base ROE recommendation or the Company's requested 11.25 percent ROE, inclusive of the management performance adder. His rebuttal testimony selectively focuses on Mr. Patel's 8.86 percent Kroll CAPM result while ignoring the full record that supports an ROE within my recommended range. The filed workpapers also show that Mr. Garrett's criticism of Mr. Patel's growth rate is overstated and, in part, factually inaccurate. Mr. Patel did not use a 12.59 percent Spire growth rate; the 12.59 percent S&P estimate related to Southwest Gas, and Mr. Patel removed that estimate from his DCF analysis. Mr. Garrett's own DCF analysis relies on Value Line dividend growth rates and a GDP cap, which are not comparable to Mr. Patel's EPS-based DCF analysis.

Mr. Cicero's errata likewise does not affect my recommendation. It revises numerical outputs associated with his 7.68 percent ROE, but it does not address the fundamental problem that 7.68 percent is far below a reasonable market-based cost of equity and does not support imputing a more leveraged capital structure to Peoples. For these reasons, the Commission should reject Mr. Garrett's 8.80 percent ROE recommendation and CAUSE-PA's 7.68 percent ROE analysis, approve Peoples' requested 54.47 percent common equity ratio, and authorize an ROE consistent with my 11.00 percent base ROE recommendation and the Company's 11.25 percent final ROE request.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED SURREBUTTAL TESTIMONY OF
JOHN D. TAYLOR
CHIEF EXECUTIVE OFFICER – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 31, 2026 Peoples Statement No. 17-SR
DATE ADMITTED: _____

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PREPARED SURREBUTTAL TESTIMONY
OF JOHN D. TAYLOR

I. WITNESS IDENTIFICATION AND BACKGROUND

Q. PLEASE STATE YOUR NAME, AFFILIATION, AND BUSINESS ADDRESS.

A. My name is John D. Taylor, and I am employed by Atrium Economics, LLC ("Atrium") as a Chief Executive Officer. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, SC 29926.

Q. DID YOU PREVIOUSLY SUBMIT TESTIMONY IN THIS PROCEEDING ON BEHALF OF PEOPLES NATURAL GAS COMPANY LLC ("PEOPLES" OR THE "COMPANY")?

A. Yes. I submitted my direct and rebuttal testimony, **Peoples Statement No. 17 and 17-R**, on March 27, 2026, and July 16, 2026, respectively.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. My surrebuttal testimony responds to certain portions of the rebuttal testimony submitted by the Pennsylvania Office of Consumer Advocate Witness Michael W. Deupree ("Witness Deupree") and the Pennsylvania Office of Small Business Advocate Witness Mark D. Ewen ("Witness Ewen") regarding revenue allocation, customer charges and the Universal Service Program cost recovery.

II. REVENUE ALLOCATION

Q. PLEASE SUMMARIZE THE REVENUE ALLOCATION RECOMMENDATIONS PRESENTED IN THE INTERVENORS' REBUTTAL TESTIMONY.

A. Witness Deupree continues to recommend a revenue allocation based on his alternative ACOSS, together with a maximum class increase of 1.15 times the system average and a minimum increase of 0.50 times the system average.[1] Witness Ewen, whose original revenue allocation proposal used the Company's ACOSS, states in rebuttal that he considers Witness Deupree's proposal reasonable given the size of the proposed rate increases, although he acknowledges that Witness Deupree's proposal places greater emphasis on gradualism than movement toward cost-based rates.[2]

Q. DOES WITNESS EWEN'S REBUTTAL TESTIMONY CHANGE YOUR OPINION?

A. No. Witness Ewen does not present a new cost-of-service study or new revenue allocation analysis. Rather, he expresses support for Witness Deupree's proposal as a matter of gradualism. As explained in my rebuttal testimony, I continue to believe the Company's proposed revenue allocation provides the more reasonable balance of class cost responsibility, gradualism, rate stability, and customer impacts. Witness Ewen's preference for a different balance between gradualism and movement toward cost-based rates does not change that conclusion.

Q. HOW DO YOU RESPOND TO WITNESS DEUPREE'S CONTINUED REVENUE ALLOCATION RECOMMENDATION?

A. Witness Deupree's recommendation remains dependent on his alternative ACOSS and his proposed class caps and floors. I addressed both issues in my rebuttal testimony. Nothing in his rebuttal testimony changes my conclusion that the Company's proposed revenue

[1] OCA Statement No. 1R, at p. 5
[2] OSBA Statement No. 2-R, at pp. 2-3

allocation more reasonably reflects class cost responsibility while also considering gradualism and rate stability.

III. CUSTOMER CHARGES

Q. PLEASE SUMMARIZE WITNESS DEUPREE'S REBUTTAL TESTIMONY REGARDING THE COMPANY'S PROPOSED CUSTOMER CHARGES.

A. Witness Deupree continues to recommend rejection of the Company's proposed customer charges. In addition to reiterating the concerns presented in his direct testimony, he disagrees with Witness Cline's decision not to recommend a modification to the Company's customer charge proposal. Witness Deupree maintains that the proposed charges are not supported by an appropriate cost-of-service methodology and that the Company's future test year, Distribution System Improvement Charge ("DSIC"), and proposed Weather Normalization Adjustment ("WNA") reduce the need to increase the fixed monthly charges. He also continues to raise concerns regarding conservation, affordability, and customer bill impacts.[3]

Q. DOES WITNESS DEUPREE'S DISAGREEMENT WITH WITNESS CLINE CHANGE YOUR OPINION REGARDING THE COMPANY'S PROPOSED CUSTOMER CHARGES?

A. No. Witness Deupree's disagreement with Witness Cline does not provide new evidence regarding the reasonableness of the Company's proposal. Witness Cline evaluated the Company's proposed customer charges and did not recommend that they be modified. While Witness Deupree may disagree with that conclusion, his rebuttal testimony

[3] OCA Statement No. 1R, at pp. 5-7

reiterates the same methodological and policy arguments that I addressed in my rebuttal testimony.

Q. HOW DO YOU RESPOND TO WITNESS DEUPREE'S CONTINUED RELIANCE ON HIS ALTERNATIVE COST-OF-SERVICE METHODOLOGY?

A. As explained in my rebuttal testimony, I disagree with the methodology upon which Witness Deupree evaluates the Company's customer charges. His conclusions are driven in substantial part by his rejection of a customer-related component of distribution mains. I continue to believe the Company's customer cost study provides a more reasonable basis for evaluating the customer-related costs of providing service. The Company's proposed charges remain below the full level of customer-related costs indicated by that study and represent a measured movement toward more cost-reflective rates.

Q. DO THE FUTURE TEST YEAR, DSIC, OR PROPOSED WNA ELIMINATE THE BASIS FOR THE COMPANY'S PROPOSED CUSTOMER CHARGES?

A. No. Those mechanisms address different regulatory and revenue-recovery issues. A future test year is intended to align rates with the period in which they will be in effect. The DSIC provides recovery of qualifying infrastructure investment between base rate cases, and the proposed WNA addresses variations in usage associated with weather. None of those mechanisms changes the customer-related costs the Company incurs to connect, meter, bill, and remain available to serve each customer. Accordingly, none of these mechanisms eliminates the basis for recovering an appropriate portion of those costs through the monthly customer charge.

Q. DOES WITNESS DEUPREE'S REBUTTAL TESTIMONY CHANGE YOUR CONCLUSIONS REGARDING CONSERVATION, AFFORDABILITY, OR CUSTOMER IMPACTS?

A. No. I addressed those considerations in my rebuttal testimony. Customer charges are not established solely by reference to a cost study, but the study provides important information concerning the costs caused by each customer. The Company's proposal balances that information with gradualism, affordability, conservation, bill impacts, and revenue stability. Nothing in Witness Deupree's rebuttal testimony demonstrates that the Company failed to consider those objectives or that its proposed charges are unreasonable.

Q. HAS YOUR RECOMMENDATION REGARDING THE COMPANY'S PROPOSED CUSTOMER CHARGES CHANGED?

A. No. For the reasons discussed in my rebuttal and surrebuttal testimony, I continue to recommend approval of the Company's proposed customer charges.

IV. UNIVERSAL SERVICE COST RECOVERY

Q. PLEASE SUMMARIZE WITNESS EWEN'S REBUTTAL TESTIMONY REGARDING UNIVERSAL SERVICE COST RECOVERY.

A. Witness Ewen continues to oppose proposals to allocate universal service costs to non-residential customer classes. He recommends that such costs continue to be recovered solely from residential customers and further states that, if the Commission were to approve broader recovery, those costs should be separately identified on customer bills.

Q. DOES WITNESS EWEN'S REBUTTAL TESTIMONY CHANGE YOUR OPINION REGARDING THE COMPANY'S PROPOSED TREATMENT OF UNIVERSAL SERVICE COSTS?

A. No. Witness Ewen's rebuttal testimony does not present new information that changes the conclusions I reached in my rebuttal testimony. As I explained there, any proposal to expand recovery of universal service costs beyond the residential class would represent a significant policy decision that should not be considered in isolation in this proceeding.

Before adopting such a change, the Commission should evaluate both the appropriate allocation of those costs among customer classes and the resulting bill impacts under the proposed recovery mechanism.

Q. HAVE YOUR RECOMMENDATIONS REGARDING UNIVERSAL SERVICE COST RECOVERY CHANGED?

A. No. I continue to recommend that the Commission approve the Company's proposed and current treatment of universal service costs which recover universal service costs entirely from Residential customers. If the Commission ultimately determines that a broader allocation of universal service costs is appropriate as a matter of policy, I continue to believe such a policy should be implemented consistently across Pennsylvania's natural gas utilities rather than on a utility-by-utility basis.

Q. HAVE THE INTERVENORS' REBUTTAL TESTIMONIES CAUSED YOU TO CHANGE ANY OF THE RECOMMENDATIONS PRESENTED IN YOUR DIRECT OR REBUTTAL TESTIMONY?

A. No. For the reasons discussed in my rebuttal, and surrebuttal testimony, I continue to recommend that the Commission approve the Company's proposed revenue allocation, customer charges, and treatment of universal service costs.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED SURREBUTTAL TESTIMONY OF
STEVEN KOLICH
DIRECTOR GAS SUPPLY
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: July 31, 2026
DATE ADMITTED: _____

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PREPARED REBUTTAL TESTIMONY OF
STEVEN KOLICH

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Steven P. Kolich. My business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as the Director, Gas Supply. In this position, I manage the team that provides the gas supply acquisition services and administers the transportation services programs for Peoples Natural Gas Company LLC ("Peoples," "Peoples Natural Gas" or "the Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. No. I did not submit direct testimony in this proceeding, but my rebuttal testimony is **Peoples Statement No. 21-R**.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. In my surrebuttal testimony, I respond to certain recommendations raised by Retail Energy Supply Association ("RESA") Witness Francis S. Caliva III regarding the Company's Purchase of Receivable ("POR") Program.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No.

II. POR PROGRAM

Q. WHAT DO YOU ADDRESS IN YOUR SURREBUTTAL TESTIMONY?

A. I respond to RESA Witness Francis S. Caliva III's rebuttal testimony opposing CAUSE-PA Witness Patrick Cicero's recommendation to condition participation in Peoples' POR Program on suppliers pricing POR-eligible basic natural gas supply at or below Peoples' applicable Price to Compare, or PTC.

Q. HOW DOES MR. CALIVA CHARACTERIZE MR. CICERO'S RECOMMENDATIONS REGARDING THE COMPANY'S POR PROGRAM?

A. Mr. Caliva opines that Mr. Cicero's recommendations will "radically and negatively" modify Peoples' POR Program, "that has been working without issue for more than 10 years." (RESA Statement No. 1-R, p. 3.)

Q. DO YOU HAVE A RESPONSE TO MR. CALIVA'S CHARACTERIZATION OF MR. CICERO'S RECOMMENDATIONS WITH RESPECT TO THE POR PROGRAM?

A. Yes. From the Company's perspective, Mr. Cicero's recommendation does not eliminate customer choice, nor does it prohibit suppliers from offering products. However, Mr. Cicero's recommendation would place a condition on the Company's purchase of receivable program.

Q. DO YOU HAVE ANY ADDITIONAL COMMENT ON CAUSE-PA'S POR RECOMMENDATION?

A. It is Peoples position that the current POR structure allows suppliers to receive the benefit of prompt payment and the structure transfers collection risk regardless of whether the supplier charges a price at, below or above the PTC. POR was initiated to promote competition that benefits customers. [1] 52 Pa. Code § 62.221. It is Peoples' position that there must be a balanced approach between promoting competition and protecting customers. Currently, Peoples' shopping customers are, on average, paying more than the Company's Price To Compare ("PTC"). Peoples will continue to follow the law with respect to natural gas choice and competition, but at the same time, the Company wants to ensure that the proper consumer protections are in place with respect to shopping.

Q. DOES MR. CICERO SHOW THAT SHOPPING CUSTOMERS HAVE PAID MORE THAN PEOPLES' PTC?

A. Yes. Mr. Cicero's analysis shows that from January 2024-April 2026, residential customers who were served by a retail NGS paid in aggregate $57.3 million more than they would have otherwise paid had they been charged the default service rate for the same period. (CAUSE PA Statement No. 1, pp. 85-86.)

Q. DOES PEOPLES' DATA SHOW THAT A MAJORITY OF SHOPPING CUSTOMERS ARE PAYING MORE THAN THE PTC?

A. Yes it does. The chart below shows that, over the last three years, the percentage of shopping customers on Peoples' system who paid more than the PTC ranged from 71.6% of shopping customers to 99.4% of shopping customers. The vast majority of shopping

[1] *Pennsylvania Public Utility Commission et. al v. PPL Electric Utilities Corporation*, 2010 Pa. PUC LEXIS 2001, *95 Docket No. R-2010-2161694 et. al (Order Entered December 21, 2010).

customers paid more than Peoples' PTC for commodity supply, with many paying two to three times as much and with some customers currently paying more than $40 per Mcf. Please note that the Company instituted monthly tracking in January of 2025 and prior to that date, collected the data periodically on a bi-annual basis.

P1 Customers (Residential & Human Needs Commercial) - Supplier Statistics								
Month	PTC	Wtd Avg NGS Price	% Above/ (Below) PTC	No. of Customer Participating	% of Customers Paying > PTC	Highest Price Charged	No. of Customer Paying > 2 X PTC	No. of Customer Paying > 3 X PTC
May-23	$ 2.51	$ 6.97	177%	83,338	99.4%	$ 18.37	69,838	15,022
Dec-23	$ 2.52	$ 6.63	163%	79,830	97.8%	$ 20.08	61,035	11,803
Aug-24	$ 2.47	$ 6.53	164%	78,381	96.5%	$ 20.16	63,000	8,293
Nov-24	$ 2.28	$ 6.69	194%	69,832	98.8%	$ 20.93	59,961	50,274
Jan-25	$ 2.59	$ 6.69	158%	69,832	95.5%	$ 20.93	54,866	6,654
Aug-25	$ 3.00	$ 6.81	127%	74,895	97.1%	$ 20.72	56,006	5,853
Dec-25	$ 3.59	$ 6.83	90%	75,536	92.2%	$ 29.90	8,518	4,288
Jan-26	$ 4.04	$ 6.85	69%	73,141	87.3%	$ 32.90	5,876	3,520
Feb-26	$ 6.07	$ 6.82	12%	71,038	72.0%	$ 36.90	3,563	265
Mar-26	$ 6.07	$ 6.80	12%	75,983	71.6%	$ 40.90	3,822	271
Apr-26	$ 4.14	$ 6.77	63%	76,144	85.8%	$ 40.90	5,570	3,644
May-26	$ 4.14	$ 6.77	63%	73,377	86.8%	$ 40.90	5,466	3,539
Jun-26	$ 4.14	$ 6.75	63%	76,755	87.2%	$ 40.90	5,611	3,634
Jul-26	$ 3.71	$ 6.75	82%	76,755	95.8%	$ 40.90	6,986	4,177

The Company is concerned about customers paying well above the PTC and wants to make sure that customers understand what they are paying for and that there are adequate protections in place to protect consumers who choose an alternate supplier.

Q. WHAT DOES THE RECORD SHOW CONCERNING WRITE-OFFS FOR SHOPPING CUSTOMERS?

A. According to the analysis presented in Mr. Cicero's testimony, shopping customers with debt written off experienced much higher average write-offs than default service customers. (OCA Statement 1, pp. 86-87). For the January 2024 through April 2026 period,

residential shopping customers with debt written off had average write-offs of $602.13, compared to $124.31 for residential default service customers. For confirmed low-income non-CAP customers, average write-offs were $978.89 for shopping customers compared to $114.75 for default service customers.

Q. DO YOU HAVE ANY ADDITIONAL COMMENTS ON MR. CALIVA'S REBUTTAL TESTIMONY?

A. Yes. Mr. Caliva correctly notes that suppliers receive payment net of the POR discount. In the Company's experience, this means the Company assumes the collection risk for shopping customers – and the suppliers yield little to no risk. The POR discount is an average system-based discount; it is not tied to a particular supplier's prices, customer portfolio, or collection experience. This also means that the Company's collection risk goes up if supplier pricing increases but the risk remains the same for suppliers which is little to no risk.

Q. ON PAGE 11 OF HIS TESTIMONY, MR CALIVA STATES THAT SUPPLIERS ARE PRICING BASED ON THEIR EXPECTATIONS FOR FUTURE MARKET PRICES. MEANWHILE, THE UTILITY'S PTC, BASED ON PURCHASED GAS COSTS, WITH GUARANTEED COST RECOVERY, CHANGES AT A DIFFERENT CADENCE – EVERY QUARTER. IT IS NOT A TRUE MARKET PRICE AND MAY OR MAY NOT BE REFLECTIVE OF CURRENT WHOLESALE MARKET REALITIES. DO YOU HAVE A RESPONSE?

A. Yes. While there may be slight differences in timing and perhaps, cost recovery[2], the Company's PTC is a transparent and useful benchmark available to customers, suppliers, Peoples, and the Commission to compare and contrast commodity rates. The Company's PTC reflects the default commodity supply price available to customers who purchase their natural gas supplies from Peoples. While suppliers may offer products with different terms or features outside the POR framework, the issue here concerns POR-eligible basic natural gas supply. For that purpose, the PTC is the relevant comparison because it shows what a customer would pay for basic commodity supply from Peoples.

Q. IN YOUR OPINION, DOES CAUSE-PA'S RECOMMENDATION ELIMINATE CUSTOMER CHOICE?

A. No. Customers would remain free to choose a supplier. The proposal conditions access to POR on suppliers' pricing POR-eligible basic natural gas supply at or below the PTC. Suppliers that elect not to participate in POR would retain flexibility to offer non-basic gas supply products or other differentiated services outside the POR framework, including offerings for which customers may be willing to pay a premium. Peoples' own experience also demonstrates that POR is not necessary for customer choice. Before Peoples implemented POR, approximately 30%[3] of eligible residential customers chose a supplier.

[2] Note that the Company is not guaranteed cost recovery for its purchased gas costs. The Company undergoes an annual proceeding on its purchased gas costs and periodic Commission audit reviews of its expenditures as well. Moreover, the Company's purchased gas costs are based on future markets, as the Company uses NYMEX futures pricing to set its gas costs.

[3] This was calculated by taking the average number of residential customers who shopped in Calendar Year 2009 of 98,127 divided by the average number of total residential customers during that same time period of 328,332.

By comparison, only around 13%[4] of eligible residential customers currently choose a supplier. That experience shows that customer choice can continue without requiring Peoples to purchase receivables for above-PTC supplier charges.

Q. WHY SHOULD THE COMMISSION BE PARTICULARLY CONCERNED ABOUT LOW-INCOME CUSTOMERS?

A. Low-income customers have less ability to absorb avoidable commodity-cost increases. Mr. Cicero's updated analysis shows that confirmed low-income non-CAP shopping customers paid approximately $7.4 million more than they would have paid at Peoples' default service price from January 2024 through April 2026, and that their average shopping price was more than twice the average PTC. The same analysis shows much higher average write-offs for low-income shopping customers than for low-income default service customers. These results indicate that higher-priced supplier service can contribute to affordability challenges, arrearages, and service insecurity for customers least likely to effectively manage those costs.

Q. DOES PEOPLES AGREE WITH RESA THAT MR. CICERO'S POR RECOMMENDATION WOULD CREATE BILLING OR CUSTOMER-SERVICE PROBLEMS THAT OUTWEIGH THE CUSTOMER-PROTECTION BENEFITS?

A. Not exactly. Peoples already administers supplier billing and POR functions through tariffed processes, data exchanges, and supplier agreements. POR is not necessary for a

[4] This was calculated by taking the average number of residential customers who shopped during January 2026 through June 2026 of 75,211 divided by the average number of total residential customers during that same time period of 592,350.

supplier to participate in the combined bill option offered by Peoples. In addition, even if a supplier were to separately bill or collect its own supply charges, Peoples would still issue bills to customers for distribution service and other non-supplier utility charges. Customers would not be removed from Peoples' billing platform for utility charges merely because a supplier elects not to participate in POR. Peoples therefore would continue to maintain billing and collections capabilities for its utility service obligations.

Q. COULD MR. CICERO'S POR RECOMMENDATION REDUCE CUSTOMER CONFUSION OR COMPLAINTS?

A. Possibly. Mr. Cicero's POR recommendation could actually reduce friction among customers, suppliers, Peoples, and the Commission by reducing high-bill inquiries and complaints from customers whose introductory or fixed supplier rates convert to materially higher variable rates without the customer fully understanding the change. This concern is especially significant during the winter heating season, when customer usage is highest.

Q. IN WHAT OTHER WAYS CAN THE COMMISSION ADDRESS CONCERNS REGARDING SHOPPING CUSTOMERS PAYING HIGHER PRICES?

A. The Commission could consider broad retail market reforms in a separate statewide rulemaking or policy proceeding with the goal of striking a balance between the availability of a competitive shopping market and proper consumer protections.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does, and I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	**Docket No. R-2026-3060855**
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
ANDREW P. WACHTER
DIRECTOR OF FINANCE AND REGULATION
PNG COMPANIES LLC

DATE SERVED: August 3, 2026 Peoples Statement No. 2-RJ
DATE ADMITTED: _____

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Andrew P. Wachter, and my business address is 375 North Shore Drive, Suite 600, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as Director, Finance and Regulation for PNG Companies LLC ("PNG"). I provide services to Peoples Natural Gas Company LLC ("Peoples" or the "Company"). As Director, Finance and Regulation, I oversee the Rates and Regulatory department and the Financial, Planning and Analysis department at Peoples and its affiliates.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in **Peoples Statement No. 2**, and my rebuttal testimony is set forth in **Peoples Statement No. 2-R** and the Errata to **Peoples Statement No. 2-R**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I am presenting testimony in response to certain expense positions and recommendations contained in the surrebuttal testimony submitted by Michael Deupree, Jared N. Geiger and Roger Colton on behalf of the Office of Consumer Advocate ("OCA") and by Vanessa Okum on behalf of the Bureau of Investigation and Enforcement ("I&E"). Please note that The Coalition for Affordable Utility Services and Energy Efficiency in

Pennsylvania ("CAUSE-PA") witness Patrick Cicero mentions that he will address my Rebuttal Testimony in his Surrebuttal (CAUSE-PA Statement No. 1), but he does not ultimately address my testimony in the body of his Surrebuttal.

My silence on a particular issue should not be construed as agreement with respect to that issue. It is not my intention to address every matter in my Rejoinder.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR REJOINDER TESTIMONY?

A. I have arranged my rejoinder testimony by subject matter. Where more than one witness has addressed the same subject matter with testimony that I wish to rebut, I address all of that testimony in the same section. I will address the following issues in the order listed.

- Responses to Other Parties Adjustments
  - Average Annual Increases
  - Labor/Vacancy Expense
  - Incentive Compensation
  - Employee Benefits Expense
  - Corporate Insurance
  - Employee Expenses
  - Travel & Entertainment
  - Company Memberships
  - License and Permits

- Utilities and Fuel Expense
- Advertising Expense
- Fleet Expense
- Materials and Supplies Expense
- Rate Case Expense
- Pension Expense
- Outside Services – CONTRACTED
- Outside Services – IT
- Outside Services – A&G
- Payment Processing Expense
- Building Leases
- Universal Service Program Rider
- Residential Collection Expense
- Interest Synchronization
- Cost of Other Parties Proposals
- Uncollectible Accounts Expense

II. RESPONSE TO OTHER PARTIES ADJUSTMENTS

A. UPDATES TO ORIGINAL FILING

Q. CAN YOU SUMMARIZE THE UPDATES TO THE ORIGINAL FILING YOU DISCUSSED IN YOUR REBUTTAL TESTIMONY – PEOPLES STATEMENT NO. 2-R.

A. Yes. Below are the adjustments:

1. Increase in existing Revenue of $206,179. This reduces the claim;
2. Reduction in O&M of $785,433 related to building leases. This reduces the claim; and
3. Increase in O&M of $1,738,446 related to insurance expense. This increases the claim.

The impact of these changes increases the overall claimed revenue requirement by $746,833 excluding the cash working capital amount.

Q. DID ANY PARTY FILE SURREBUTTAL ON YOUR UPDATES TO THE ORIGINAL FILING?

A. Yes, I&E Witness Okum filed Surrebuttal on this matter.

Q. DID I&E WITNESS OKUM ACCEPT YOUR UPDATES TO THE ORIGINAL FILING?

A. Yes. Although not clearly explained, Witness Okum updated the Proforma Present Rates column in Table I on page 7 of her Rebuttal to reflect the adjustments.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL REFLECT YOUR UPDATES TO THE ORIGINAL FILING?

A. Not entirely. Based upon review of Schedule JNG-1 as compared to Schedule JNG-1SR, it appears OCA Witness Geiger only reflected the revenue adjustment and not the expense adjustments. Based upon review of the Insurance Expense adjustment of his Surrebuttal he intended to accept that adjustment but did not update the Company

Amounts at Present rates column on JNG-1SR. He just removed his adjustment. He did not address the Building Lease Expense adjustment.

B. AVERAGE ANNUAL INCREASES AND INFLATION ADJUSTMENTS

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S CORPORATE INSURANCE EXPENSE CLAIM?

A. Yes, OCA witness Deupree, OCA witness Geiger and I&E Witness Okum filed Surrebuttal regarding this claim.

Q. DID OCA WITNESS DEUPREE'S SURREBUTTAL CHANGE YOUR POSITION ON YOUR USE OF MULTI-YEAR AVERAGE ANNUAL INCREASES?

A. No. OCA Witness Geiger makes the argument that references to inflation should only be considered by the PUC in the context of affordability for customers, but its impact would be "speculative as it pertains to the Company's expense claim." Specifically, OCA witness Deupree stated "Decisions on appropriate expense estimates require examination of known and measurable expected growth in expenses in order to ensure that the Company is allowed a reasonable opportunity to recover all prudent expenses while not burdening ratepayers with speculative future expenses that may never arise." (OCA Statement No. 1SR, page 5) He goes on to note that his reference was to a consumer index so it is not applicable to the Company.

My reference to the index was merely pointing out that one of OCA's witnesses believes costs are going to rise and thus it supports the "known and reasonable" amounts that I proposed in this case. OCA witness Deupree seems to contradict himself by saying

that inflation and rising costs are "speculative" when it comes to the Company requesting FPFTY expenses, but it should be considered fact when evaluating the impacts on customers with regards to affordability. As I discussed in my direct testimony and rebuttal testimony, the Company has put forth a historical look at rising costs that are known and measurable and references to inflation are merely another indicator of the appropriateness of the costs.

Q. DID OCA WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON YOUR USE OF MULTI -YEAR AVERAGE ANNUAL INCREASES?

A. No.

C. <u>LABOR/VACANCY ADJUSTMENTS</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S LABOR CLAIM?

A. Yes, both I&E Witness Okum and OCA witness Geiger filed Surrebuttal on this claim.

Q. DOES I&E WITNESS OKUM'S OR OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON YOUR CALCULATION OF THE VACANCY RATE?

A. They do not. However, I note that Witness Okum accepted the corrections I proposed to her original calculation as discussed in my Rebuttal Testimony, **Peoples Statement No. 2-R**. I further note that Mr. Geiger accepted the corrections I proposed to his original calculation as discussed in my Rebuttal Testimony, **Peoples Statement No. 2-R**.

D. INCENTIVE COMPENSATION

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S INCENTIVE COMPENSATION CLAIM?

A. Yes, both I&E Witness Okum and OCA witness Geiger filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON INCENTIVE COMPENSATION EXPENSE BASED UPON FINANCIAL METRICS?

A. It does not.

Q. IS THE CALCULATION CORRECT?

A. The calculation appears to be reasonable. However, due to the limited time between surrebuttal and rejoinder testimony I was unable to do as thorough of a review as I would have been able to if the adjustment was timely provided with Witness Okum's Direct testimony or soon thereafter.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON INCENTIVE COMPENSATION EXPENSE BASED UPON FINANCIAL METRICS?

A. It does not. Overall, Mr. Geiger believes our compensation levels are appropriate and no other party challenged the overall level of incentive compensation. However, he continues to make arguments about the financial metrics in the Company's incentive

compensation plan. Incentive compensation is a necessary part of overall compensation in order to attract and retain employees, which directly benefits customers as discussed in my Rebuttal testimony. Offering incentive compensation is a standard practice among utilities in Pennsylvania. I note that if incentive compensation tied to financial metrics was switched to other non-financial metrics the Company would still seek the same overall level of expense.

E. EMPLOYEE BENEFITS EXPENSE

Q. DID ANY PARTY FILE SURREBUTTAL ON THE EMPLOYEE EXPENSES CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON EMPLOYEE EXPENSES?

A. It does not. However, I note that Witness Okum accepted the corrections I proposed to her original calculation and discussed in my Rebuttal Testimony, **Peoples Statement No. 2-R**.

F. CORPORATE INSURANCE

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S CORPORATE INSURANCE EXPENSE CLAIM?

A. Yes, both I&E Witness Okum and OCA witness Geiger filed Surrebuttal on this claim.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL UPDATE HIS POSITION ON INSURANCE EXPENSE?

A. Yes. Based upon the clarification of amounts in my Surrebuttal Testimony, Mr. Geiger no longer has an adjustment for insurance expense. However, as noted above in Section II. A., Mr. Geiger did not appropriately reflect the Company's correction to the insurance claim thus the overall level of insurance expense is not correctly reflected by OCA.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON CORPORATE INSURANCE EXPENSE?

A. It does not.

G. <u>EMPLOYEE EXPENSES</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S EMPLOYEE EXPENSES CLAIM?

A. Yes, OCA witness Geiger filed Surrebuttal regarding this claim.

Q. DID OCA WITNESS GEIGER CHANGE HIS POSITION ON RECOVERABILITY OF EMPLOYEE EXPENSES?

A. Yes. He no longer challenges the inclusion of costs related to the reimbursement of employee use of personal cell phones for company use of $126,820 and the reimbursement of parking at the Company's headquarters of $203,085.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON TRAVEL AND ENTERTAINMENT EXPENSE?

A. It does not. OCA Witness Geiger did not provide any rebuttal to the remaining costs that he proposes to remove from the case despite the additional information provided in my Rebuttal Testimony, **Peoples Statement No. 2-R**.

H. TRAVEL AND ENTERTAINMENT EXPENSES

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S TRAVEL AND ENTERTAINMENT EXPENSE CLAIM?

A. Yes, both I&E Witness Okum and OCA witness Geiger filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S OR OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR CLAIM FOR TRAVEL AND ENTERTAINMENT EXPENSE?

A. No.

I. COMPANY MEMBERSHIPS

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S CORPORATE MEMBERSHIPS EXPENSE CLAIM?

A. Yes, both I&E Witness Okum and OCA witness Geiger filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR COMPANY MEMBERSHIPS?

A. No.

Q. DID OCA WITNESS GEIGER CHANGE HIS POSITION ON RECOVERABILITY OF COMPANY MEMBERSHIPS?

A. Yes. Mr. Geiger now recommends recovery of 50% of the disputed memberships, or $57,914. His basis for this change is that he now agrees that they provide both customer and shareholder benefits.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON COMPANY MEMBERSHIP EXPENSE?

A. It does not. I believe that by admitting these have a benefit to customers he is supporting my argument that 100% of these costs should be recovered. He also offers no basis for why these benefit shareholders nor does he make a primary or secondary argument about benefit as he does in his incentive compensation arguments. I reiterate my position in my Rebuttal Testimony, **Peoples Statement No. 2-R**, that these costs are valid, recoverable business expenses and point to the chart provided in my Surrebuttal testimony on pages 28-30 that explains the reasoning.

J. <u>LICENSES & PERMITS</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S CORPORATE LICENSES & PERMITS EXPENSE CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR CORPORATE LICENSES AND PERMITS?

A. It does not.

K. <u>UTILITIES AND FUEL EXPENSE</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S UTILITIES AND FUEL EXPENSE CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR UTILITIES AND FUEL EXPENSE?

A. It does not.

L. <u>ADVERTISING EXPENSES</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S ADVERTISING EXPENSE CLAIM?

A. Yes, both I&E Witness Okum and OCA Witness Geiger filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON COMPANY ADVERTISING EXPENSE?

A. It does not.

Q. DID OCA WITNESS GEIGER UPDATE HIS RECOMMENDATION ON ADVERTISING EXPENSE?

A. Yes. Mr. Geiger removed his reduction in expense of $125,000 related to the Holiday Market based upon the explanation in my Rebuttal Testimony.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON COMPANY ADVERTISING EXPENSE?

A. It does not as Mr. Geiger provided no additional information on the remainder of his recommendation.

M. <u>FLEET EXPENSE</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S FLEET EXPENSE?

A. Yes, I&E Witness Okum filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON FLEET EXPENSE?

A. It does not.

N. <u>MATERIALS AND SUPPLIES</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S MATERIALS AND SUPPLIES EXPENSE?

A. Yes, both I&E Witness Okum and OCA Witness Geiger filed Surrebuttal regarding this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON MATERIALS AND SUPPLIES EXPENSE?

A. It does not.

Q. OCA WITNESS GEIGER MENTIONED AN ERROR IN YOUR CALCULATION OF THE INCREASE IN MATERIALS AND SUPPLIES. DO YOU AGREE WITH HIS ASSESSMENT?

A. I am unsure. Based upon the limited time between surrebuttal testimony and rejoinder, the Company was unable to validate Mr. Geiger's calculation.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON MATERIALS AND SUPPLIES EXPENSE?

A. It does not.

O. RATE CASE EXPENSE

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S RATE CASE EXPENSE CLAIM?

A. Yes, both I&E Witness Okum and OCA Witness Geiger filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S OR OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON THE CLAIM FOR RATE CASE EXPENSES?

A. It does not. I have clearly demonstrated why the Company's rate case filing history should be normalized for unique circumstances that caused extended periods of time between previous rate case filings. These items are unlikely to occur in the next two years.

I do note that OCA witness Geiger updated his position to a 3.5-year amortization period. This is based upon Mr. Geiger recognizing that the stay out period between 2012 to 2019 as less representative of future base rate case filing frequency.

I agree with Mr. Geiger that it is appropriate to ignore the 2012 to 2019 period but that same thought process should be applied to the period of 2019 to 2023 as described in both my Direct Testimony, **Peoples Statement No. 2** and my Rebuttal Testimony, **Peoples Statement No. 2-R.** This testimony explains that the period between 2019 to 2023 was impacted by the Company's election of a tax methodology change which was a one-time occurrence. For these reasons, it is clear that the Company's original claim should be accepted.

P. <u>PENSION EXPENSE</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S PENSION EXPENSE CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR PENSION EXPENSE?

A. It does not. However, I note that Ms. Okum does provide an alternative to her original recommendation which would be to utilize a 3-year average rather than the Company's methodology. Ms. Okum continues to make the argument that she believes we will not make a contribution which is inconsistent with the methodology used in prior cases (i.e. to utilize a historical approach to contributions).

Q. <u>OUTSIDE SERVICES – CONTRACTED</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S OUTSIDE SERVICES – CONTRACTED EXPENSE CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR OUTSIDE SERVICES – CONTRACTED?

A. It does not.

R. <u>OUTSIDE SERVICES – IT</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S OUTSIDE SERVICES – IT EXPENSE CLAIM?

A. Yes, I&E Witness Okum filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR OUTSIDE SERVICES – IT?

A. It does not.

S. <u>OUTSIDE SERVICES – A&G</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S OUTSIDE SERVICES – A&G EXPENSE CLAIM AND DID IT CHANGE YOUR POSITION

A. Yes, both I&E Witness Okum and OCA Witness Geiger filed Surrebuttal on this claim.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR CLAIM FOR OUTSIDE SERVICES – A&G?

A. It does not.

Q. DID OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR POSITION ON COMPANY OUTSIDE SERVICES – A&G?

A. It does not as Mr. Geiger provided no additional information to support his recommendation.

T. <u>NATURL GAS WATER TANK REBATE PROGRAM</u>

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S NATURAL GAS WATER TANK REBATE PROGRAM?

A. Yes, OCA witness Geiger filed Surrebuttal regarding this claim. Please refer to the Rejoinder Testimony of Luke Ravenstahl, **Peoples Statement No. 8-RJ**, for further discussion of this topic.

U. PAYMENT PROCESSING EXPENSES

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S PAYMENT PROCESSING EXPENSE CLAIM?

A. Yes, both I&E witness Okum and OCA Witness Geiger filed Surrebuttal regarding this claim.

Q. DID EITHER I&E WITNESS OKUM'S OR OCA WITNESS GEIGER'S SURREBUTTAL CHANGE YOUR CLAIM FOR PAYMENT PROCESSING EXPENSES?

A. Neither did. However, I note that Mr. Geiger's reference to Peoples Gas adoption of fee-free payment processing was to explain why we used a short period of time for the increase rather than a reason for the increase.

V. BUILDING LEASES

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S BUILDING LEASES?

A. The only testimony that mentioned building leases was with regard to the Company Adjustments, discussed above.

W. UNIVERSAL SERVICE PROGRAM ("USP") RIDER

Q. DID ANY PARTY FILE SURREBUTTAL ON YOUR UNIVERSAL SERVICE PROGRAM ("USP") RIDER TESTIMONY?

A. Yes, I&E witness Okum filed Surrebuttal on this matter.

Q. DID I&E WITNESS OKUM'S SURREBUTTAL CHANGE YOUR POSITION ON THE INCLUSION OF THIS UNIVERSAL SERVICE RIDER EXPENSES?

A. It does not. However, I note that I&E does not reflect the offsetting reduction in existing revenue for this claim as the Company included that in its original existing revenue amount. Thus, even if Ms. Okum's position would be granted it would have no impact on the rate increase granted in this proceeding.

Q. I&E WITNESS OKUM SUGGESTED THAT IT IS IMPORTANT TO HAVE TRANSPARENCY AROUND LABOR AND LABOR-RELATED COSTS AND THAT IF PARTIES ARE UNABLE TO REVIEW THESE COSTS IN ISOLATION IT COULD HINDER THE PARTIES ABILITY TO VERIFY SUCH COSTS ARE PRUDENTLY REVIEWED?

A. This is not accurate. I would argue that the costs would receive as much if not more scrutiny if they were included in USP Rider as that rider is subject to extensive scrutiny as part to of the PUC's annual review of the Company programs and cost recovery via the audits performed by the PUC's Bureau of Audits.

X. RESIDENTIAL COLLECTION EXPENSE

Q. DID ANY PARTY FILE SURREBUTTAL ON YOUR RESIDENTIAL COLLECTION EXPENSE TESTIMONY?

A. Yes, OCA witness Colton filed Surrebuttal on this matter.

Q. DID OCA WITNESS COLTON ACCEPT YOUR CORRECTION TO HIS ADJUSTMENT FOR RESIDENTIAL COLLECTION EXPENSE?

A. Yes. Mr. Colton recognized that he inadvertently double counted the $1,150,487 of low-income collection expense in his adjustment. As such, he reduced his proposed disallowance by $575,244. Please note that on page 50 of my Rebuttal Testimony, **Peoples Statement No. 2-R**, I inadvertently utilized the incorrect numbers in lines 12 through 19 on page 50. The correct amounts are reflected in lines 14 through 23 on page 49 and 1 through 2 on page 50.

Q. DID OCA WITNESS GEIGER PROPERLY REFLECT MR. COLTON'S UPDATE TO HIS RECOMMMENDATION?

A. He did not. Mr. Geiger makes no mention of updating Mr. Colton's recommended amount. Further, the amount was not updated in any of his surrebuttal schedules, nor in the calculation of his revised recommended increase in the revenue requirement.

Q. DID OCA WITNESS COLTON'S SURREBUTTAL CHANGE YOUR POSITION ON RESIDENTIAL COLLECTION EXPENSE?

A. It does not. Please refer to the Rejoinder Testimony of Michelle Parks (**Peoples Statement No. 18-RJ**) for further response to Mr. Colton's recommendation.

Y. INTEREST SYNCRONIZATION

Q. DID ANY PARTY FILE SURREBUTTAL ON INTEREST SYNCRONIZATION?

A. Yes, OCA Witness Geiger filed Surrebuttal testimony.

Q. DOES MR. GEIGER'S REBUTTAL TESTIMONY CHANGE YOUR POSITION ON INTEREST SYNCHRONIZATION?

A. It does not. Mr. Geiger did update his Federal income tax rate in response to my Rebuttal testimony. However, he did not correct his state income tax rate to zero which, as I discussed in my Rebuttal testimony, is necessary because the Company is not requesting nor is it currently recovering state income taxes. I note that Mr. Geiger did not respond to my Rebuttal that the adjustment in and of itself should be rejected because of an offsetting change in revenue which results in no overall revenue requirement impact.

Z. COST OF OTHER PROPOSALS

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S COST OF OTHER PARTIES' PROPOSALS IN THEIR REBUTTAL TESTIMONY?

A. Yes, OCA witness Colton filed Surrebuttal on this claim.

Q. PLEASE ADDRESS OCA WITNESS COLTON'S SURREBUTTAL ON THE COST OF HIS PROPOSALS?

A. We appreciate the information provided by OCA Witness Colton. However, the Company's request that certain accommodations be made for future recovery of incremental

costs incurred as a result of recommendations made by the other parties in this proceeding is reasonable considering the unknown ultimate impact of such recommendations as the Company has not had sufficient time during this proceeding to evaluate the true impact of Mr. Colton's recommendations.

AA. UNCOLLECTIBLE ACCOUNTS EXPENSE

Q. DID ANY PARTY FILE SURREBUTTAL ON THE COMPANY'S UNCOLLECTIBLE ACCOUNTS EXPENSE CLAIM?

A. No. Neither I&E Witness Okum nor OCA witness Geiger filed Surrebuttal on this claim.

Q. DO YOU HAVE ANYTHING TO ADDRESS ON THIS TOPIC?

A. Yes. In both of the overall revenue requirements put forth by I&E Witness Okum and OCA witness Geiger they rolled back their allowance for uncollectable accounts expense concurrently with their reduction in the overall claim based upon their adjustments.

For the reasons noted in the Company' rebuttal testimony, surrebuttal testimony and now rejoinder testimony, both I&E's and OCA's *revenue* adjustments are unreasonable. Therefore, both I&E's and OCA's adjustments to uncollectible accounts expense also should be rejected. Ultimate recovery of incremental uncollectable accounts expense should be calculated based on the rate increase approved in this proceeding.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
CAROL A. SCANLON,
MANAGER, RATES
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

Peoples Statement No. 3-RJ

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Carol A. Scanlon. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Rates Manager. In my position as Rates Manager, I provide rates and regulatory services to Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in **Peoples Statement No. 3**, my rebuttal testimony is set forth in **Peoples Statement No. 3-R** and my surrebuttal testimony is set forth in **Peoples Statement No. 3-SR**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I will address the surrebuttal testimonies related to the Company's proposal to delay implementation of new WNA modifications in this proceeding, but most specifically responding to the surrebuttal testimony set forth by the Commission's Bureau of Investigation and Enforcement's ("I&E") witness Ethan H. Cline. I also respond to I&E witness Vanessa Okum related to the one-time credit adjustment proposal to the Company's Universal Service Rider ("USR").

My silence on a particular issue should not be interpreted as agreement with respect to that issue. It is not my intention to address every matter in my Rejoinder.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. RESPONSE TO TIMING OF WNA MODIFICATIONS PROPOSAL

Q. DID OTHER PARTIES SUBMIT SURREBUTTAL TESTIMONY REGARDING THE COMPANY'S TIMING REQUEST FOR NEW MODIFICATIONS TO PEOPLES' EXISTING WNA MECHANISM?

A. Yes, in addition to I&E Witness Cline, the Office of Consumer Advocate's ("OCA") witness Michael Deupree, and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero filed Surrebuttal testimony that touched on this matter.

Q. BRIEFLY SUMMARIZE THE MATTER AND SURREBUTTAL POSITIONS.

A. In my Rebuttal testimony at **Peoples Statement No. 3-R**, the Company requested that if the Commission approves changes to the existing WNA mechanism, outside of the Company's proposal to update the Normal Heating Degree Days ("NHDD") to rely on a 65-year regression-based normal, that the changes not be applicable until the start of the next WNA heating season after the Final Order in this proceeding (i.e. October 1, 2027). In surrebuttal testimony, both I&E witness Cline and OCA witness Deupree disagreed with

this request. CAUSE-PA witness Cicero noted, in part, that he did not take issue with this request (CAUSE-PA Statement No. 1-SR, p. 40).

Q. DID I&E WITNESS CLINE OR OCA WITNESS DEUPREE MAKE RECOMMENDATIONS RELATED TO THE TIMING REQUEST FOR ANY CHANGES TO THE WNA?

A. In part. Mr. Deupree did not make a new recommendation, but rather pointed back to his recommendations in Direct Testimony and recapped his initial position. However, Mr. Cline offered a new solution which is to pause the WNA program in its entirety for the 2026-2027 WNA period.

Q. HOW DO YOU RESPOND TO MR. CLINE'S RECOMMENDATION?

A. I disagree with Mr. Cline's recommendation. The WNA mechanism should continue as-is and not be "turned off" until such newly proposed and unanticipated changes can be accommodated. I do not agree that suspending it, or turning it off, is a reasonable solution. In fact, I note that based on the most recent WNA season, for the months of January 1, 2026 through May 31, 2026, Mr. Cline's solution of suspending the WNA for this time frame would have resulted in customers not receiving approximately $2.7M of credits.

Q. DO YOU HAVE ANYTHING FURTHER TO ADD?

A. Yes. I would like to elaborate on the Company's request in my Rebuttal testimony. Peoples' request was not intended to mean that only the Company's proposal to update the

NHDD to rely on a 65-year regression-based normal could be accommodated. Peoples' current WNA tariff language states, in part:

> *d) NHDD shall be based upon the heating degree days utilized to develop the revenue requirement in the Company's general rate case proceeding at Docket No. R-2023-3044549. NHDD shall be updated in future general rate case proceedings.*

As such, Peoples anticipated a change to the NHDD as a result of this proceeding. Whether the methodology for determining the NHDDs is ultimately the 65-year regression or another means, Peoples stands ready to implement the new NHDD at the same time the new base rates in this proceeding are effective.

Q. WHAT WAS THE COMPANY'S REQUEST RELATED TO TIMING OF ANY CHANGES TO WNA PERTAINING TO?

A. The last public meeting date before rates from this proceeding are effective is December 17, 2026. With rates effective by the end of 2026, it is possible the Company may only have two weeks, over a holiday also, to implement the new rates. As mentioned in my Rebuttal testimony, several parties made recommendations in this proceeding to modify the Company's WNA mechanism beyond updating the NHDD. Most specifically, several such recommendations include changing the deadband amount, changing the existing WNA mechanism from a per customer basis to a per class basis and the recommendation that WNA should not apply to Distribution System Improvement Charge ("DSIC") revenues. The spirit of the Company's timing request was in relation to the above mentioned types of extensive modifications that were not already anticipated. Peoples does not agree the said changes are necessary. Refer to witness John Taylor's testimonies in this proceeding at Statement Nos. 17, 17-R, 17-SR, and 17-RJ for more detail addressing why

Peoples' does not agree with the recommendations. However, to the extent that Peoples would be ordered to implement any of these other modifications to the existing WNA mechanism, outside of the NHDD changes already planned, the Company will need adequate time to effectuate the billing changes and conduct testing, in addition to ensuring consistent WNA treatment to all customers during the heating season.

III. RESPONSE TO THE ONE-TIME CREDIT ADJUSTMENT TO UNIVERSAL SERVICE RIDER

Q. DID OTHER PARTIES SUBMIT SURREBUTTAL TESTIMONY REGARDING THE COMPANY'S PROPOSAL FOR THE ONE TIME CREDIT ADJUSTMENT TO THE UNIVERSAL SERVICE RIDER?

A. Yes. I&E witness Okum submitted surrebuttal on this matter.

Q. SUMMARIZE MS. OKUM'S POSITION.

A. In my Rebuttal testimony at **Peoples Statement No. 3-R**, I discussed that while the Company understands Ms. Okum's position on the credit adjustment matter, that the Company's proposal to partially offset universal service costs as a measure towards maintaining affordability for customers is an optimal approach in this unique circumstance. I further went on to say that if the Commission ultimately supports Ms. Okum's position, that Peoples' proposes that the credit amount would flow through the existing Tax Repairs Surcredit ("TRS") mechanism rather than the Universal Service Rider mechanism.

In surrebuttal testimony, Ms. Okum addresses the Company's proposal to effectuate the credit through the TRS mechanism if the Commission supports the position

that all customers should receive the credit amount. Ms. Okum is in agreement with this approach for the portion of the credit related to the tax repairs collar refund. However, Ms. Okum does not support this proposal related to the Sales and Use tax portion of the refund. For the $3,900,000 Sales and Use tax portion of the refund, Ms. Okum recommends the amount be treated as a regulatory liability and be amortized over a period of four years, which is consistent with Ms. Okum's recommendation for rate case expense. This equates to an annual amortization of ($975,000) for four years.

Q. HOW DO YOU RESPOND TO MS. OKUM'S RECOMMENDATIONS?

A. Again, consistent with my Rebuttal testimony, Peoples believes that its initial proposal to partially offset universal service costs as a measure towards maintaining affordability for customers is the optimal approach in this unique circumstance. If, however, the Commission supports the position that all customers receive the credit, Peoples recommends that the credit amount flow through the existing TRS mechanism rather than the Universal Service Rider mechanism for all of the credit amounts. In the event that the Commission supports Ms. Okum's position that it is not appropriate to include the $3,900,000 Sales and Use tax portion of the credit in the TRS mechanism, Peoples is amenable to Ms. Okums recommendation to treat the amount as a regulatory liability, amortized over a four year period.[1]

[1] The Company notes that acceptance of the four year amortization is a comprise on this specific matter. Peoples does not agree that rate case expenses should be amortized over four years also. Refer to the Rejoinder testimony of Andrew Wachter at Statement No. 2-RJ.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
PAUL BECKER
VICE PRESIDENT, CONSTRUCTION & ENGINEERING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

Peoples Statement No. 6-RJ

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Paul Becker. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples" or the "Company") as the Vice President, Construction and Engineering.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in **Peoples Statement No. 6** and my rebuttal testimony is set forth in **Peoples Statement No. 6-R**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I am presenting testimony in response to the Bureau of Investigation and Enforcement's ("I&E") surrebuttal testimony submitted by Robert N. Gobrecht IV concerning Methane Detection.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. RESPONSE TO WITNESS GOBRECHT ON METHANE DETECTION

Q. MR. GOBRECHT'S DIRECT TESTIMONY RECOMMENDS THE COMPANY IMPLEMENT A METHANE DETECTION PILOT. WHAT DOES MR. GOBRECHT RECOMMEND IN HIS SURREBUTTAL TESTIMONY REGARDING METHANE DETECTION?

A. On page 6 of his surrebuttal testimony, Mr. Gobrecht states that "I continue to maintain that a pilot program of methane detectors, whether smart or simply audible, would benefit overall public safety, especially in those rural areas where response times may be slower."

Q. DOES THE COMPANY HAVE A RESPONSE TO MR. GOBRECHT'S RECOMMENDATION REGARDING METHANE DETECTION?

A. Yes. The Company understands the importance of I&E's recommendation and agrees to explore the feasibility of methane detection, so long as the Company is afforded the flexibility and time to properly evaluate the efficacy of methane detection and its impact on the Company's natural gas distribution system. Currently, the Company does not have the network capabilities to centrally monitor smart methane detection equipment as Advanced Metering Infrastructure is not deployed across Peoples' territory. It follows then, that the Company would begin with an assessment of audible methane detection.

Q. WHAT DOES THE COMPANY RECOMMEND WITH RESPECT TO A METHANE DETECTION PILOT?

A. The Company is willing to implement a methane detection pilot which will include but is not limited to: the evaluation of available methane detection technology equipment such as

local audible alarms; the operational impacts and requirements associated with the methane detection equipment; the legal and regulatory implications of deploying methane detection across the Peoples service territory; customer interest in methane detection; and the remote communication capabilities of that methane detection and Peoples' systems. As part of its pilot, the Company agrees to monitor related expenses. The Company will report on the results of its pilot in its next base rate proceeding.

Q. DO YOU HAVE ANYTHING FURTHER TO ADD ON THIS TOPIC?

A. Yes. If the Pennsylvania Public Utility Commission ("Commission") orders the Company to perform a methane detection pilot, Peoples respectfully requests that it be afforded the flexibility and time to evaluate the feasibility of methane detection across the Peoples service territory prior to mandated deployment of any specific methane detection technology.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
LUKE RAVENSTAHL
VICE PRESIDENT OF SALES AND MARKETING
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

Peoples Statement No. 8-RJ

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Luke Ravenstahl. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or the "Company") as the Vice President of Sales and Marketing.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in P**eoples Statement No. 8** and my rebuttal testimony is set forth in **Peoples Statement No. 8-R**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I am presenting testimony in response to certain recommendations made in surrebuttal testimony by the Investigation and Enforcement's ("I&E") Witness Robert N. Gobrecht IV regarding damage prevention. I will also respond to certain claims made in surrebuttal testimony by CAUSE-PA's Witness Patrick Cicero regarding the Company's proposed hot water tank pilot.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. RESPONSE TO I&E WITNESS GOBRECHT REGARDING DAMAGE PREVENTION

Q. IN DIRECT TESTIMONY PP. 13-15, WITNESS GOBRECHT RECOMMENDS THAT THE COMPANY REVIEW ITS FIRST AND SECOND PARTY DAMAGES, PROVIDE ADDITIONAL TRAINING FOR EMPLOYEES AND CONTRACTORS AND THAT PEOPLES CREATE A QA/QC PROGRAM FOR IMPROVEMENTS TO REDUCE DAMAGES. WHAT DOES MR. GOBRECHT'S SURREBUTTAL TESTIMONY RECOMMEND?

A. Mr. Gobrecht's surrebuttal testimony reaffirms his original recommendations and adds the following to his recommendation:

> *Peoples should provide to I&E's Gas Safety Division a list of metrics and root cause procedures that Peoples will use to analyze their Damage Prevention Program by October 2026. Then, beginning in 2027, Peoples should schedule quarterly meetings with I&E's Gas Safety Division to review the root cause investigations that were performed along with the metrics that were created to show Peoples is driving down its damage numbers on its facilities. (I&E No. 4-SR, p. 4).*

Q. HOW DO YOU RESPOND TO MR. GOBRECHT'S SURREBUTTAL TESTIMONY?

A. Before addressing Mr. Gobrecht's recommendations, it is important to clarify how damage events are classified within the damage prevention industry. Damage events are commonly categorized based on the responsible party and the underlying cause of the damage. These classifications are standard throughout the damage prevention industry and are not unique to Peoples. First-party damages occur when Peoples employees damage Company facilities while performing work. Second-party damages occur when

contractors performing work on behalf of Peoples damage Company facilities. Third-party damages occur when external excavators or other entities damage Company facilities. Separately, Peoples assigns a root cause to every damage event to identify contributing factors and opportunities for corrective action.

Q. WHAT SPECIFIC ISSUES RELATED TO DAMAGE PREVENTION DOES MR. GOBRECHT IDENTIFY AS NEEDING FURTHER IMPROVEMENT?

A. In his direct testimony on page 14, Mr. Gobrecht asserts that Peoples needs to improve its damage prevention metrics related to certain causes of damages, specifically (1) mapping errors, (2) lines not marked, and (3) lines marked incorrectly, to determine areas of improvement to reduce damages.

Q. ARE MR. GOBRECHT'S DAMAGE PREVENTION RECOMMENDATIONS ACCEPTABLE TO THE COMPANY?

A. Generally, the Company can accept what Mr. Gobrecht recommends, but with certain specific clarifying edits. First, Mr. Gobrecht asks the Company to assess all first and second party damages. As I stated in my rebuttal testimony, the Company already performs a root cause analysis on every first and second party damage. Second, since Mr. Gobrecht expresses concerns over three specific causes of damages (lines not marked, lines marked incorrectly and mapping errors), the Company proposes to tailor Mr. Gobrecht's recommendations to specifically address those three causes of damages.

Q. WHAT IS THE COMPANY'S RECOMMENDATION REGARDING DAMAGE PREVENTION?

A. The Company's recommendation is as follows:

1) The Company agrees to continue performing root cause analyses of utility fault damages to determine areas of improvement;

2) The Company agrees that Peoples employees and contractors (as well as locator personnel) will receive additional training to address damage trends on Peoples system;

3) The Company agrees to create a QA/QC program to assess causes of damages related to (1) mapping errors, (2) lines not marked and (3) lines marked incorrectly to determine areas of improvements to reduce damages.

The Company agrees to meet with I&E periodically to review its root cause analyses and the metrics related to the specific causes of damages referenced herein.

Q. ARE THE COMPANY'S RECOMMENDATIONS CONSISTENT WITH WITNESS GOBRECHT'S DAMAGE PREVENTION RECOMMENDATIONS?

A. Yes, the Company's recommendations are consistent with Witness Gobrecht's recommendations and they add further clarity regarding the assessment of certain areas of improvement related to damages on Peoples system.

III. <u>RESPONSE TO CAUSE-PA WITNESS CICERO REGARDING PEOPLES' HOT WATER TANK PILOT.</u>

Q. WHAT DOES MR. CICERO'S SURREBUTTAL TESTIMONY RECOMMEND WITH RESPECT TO PEOPLES PROPOSED HOT WATER TANK PILOT?

A. On pages 52-53 of his surrebuttal testimony, Mr. Cicero continues to recommend that the Company's pilot proposal be denied. Mr. Cicero also continues to ignore that this pilot could produce affordability benefits to customers.

Q. WHAT EVIDENCE DOES MR. CICERO IGNORE?

A. Mr. Cicero claims that I provided no evidence to substantiate my claim that this pilot would "meaningfully" put downward pressure on rates. In my direct testimony on pages 11-12, I demonstrate how this pilot program is projected to save customers money. For example, if a customer installed a 40-gallon natural gas gravity vent water heater, with the proposed rebate offered instead of a 40-gallon electric water heater, the customer would begin saving on their electric bill almost immediately, with only a slight increase to their gas bill resulting in net savings. Over the course of the next year, the customer could save a few hundred dollars a year by lowering electric usage and thereby their electric utility rates. Annually, a few hundred dollars can represent meaningful cost savings for customers.

Q. MR. CICERO STATES THAT BOTH ELECTRIC UTILITIES IN PEOPLES' SERVICE TERRITORY OFFER REBATES FOR ELECTRIC HOT WATER HEATERS SO HE STANDS BY HIS RECOMMENDATION THAT THE COMMISSION DISALLOW PEOPLES PILOT PROGRAM. HOW DO YOU RESPOND?

A. Again, I want to reiterate that the goal of this pilot is to help customers afford their utility bills. I demonstrated in my direct testimony on pages 11-12 that converting an electric

hot water heater to a gas hot water heater can save customers money. The Company has also demonstrated that Peoples overall rates are more affordable than most utilities in the Commonwealth and specifically more affordable than all the electric utilities in the Commonwealth[1]. Since our rates are lower than the two electric utilities in Peoples' service territory, Peoples hot water tank pilot is an avenue through which customers can have the option to reduce their overall utility costs by using a more affordable energy source for hot water heat.

Q. MR. CICERO ALSO STATES THAT RATEPAYERS SHOULD NOT PAY FOR THIS PILOT PROGRAM. DO RATEPAYERS PAY FOR THE ELECTRIC UTILITY REBATES MR. CICERO MENTIONED?

A. Yes. I have been informed by counsel that electric utilities in Pennsylvania have energy efficiency riders through which they recover the costs of their rebate programs and those riders are assessed to ratepayers.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

A. Yes. Thank you.

[1] *See MAH-1R, attached to the rebuttal testimony of Company Witness Michael Huwar.*

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
RITA F. BLACK
DIRECTOR, COMMUNITY ASSISTANCE PROGRAMS
ESSENTIAL UTILITIES

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

Peoples Statement No. 10-RJ

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PREPARED SURREBUTTAL TESTIMONY OF
RITA F. BLACK

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rita F. Black and my business address is located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. as the Director of Community Assistance Programs. In this role, I lead assistance programs for Peoples Natural Gas Company LLC ("Peoples", "Peoples Natural Gas", or "the Company"), Aqua Pennsylvania Inc. and Aqua Pennsylvania Wastewater, Inc. (collectively "Aqua PA"), as well as these companies' affiliated regulated utilities operating in other states.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT, REBUTTAL AND SURREBUTTAL TESTIMONIES IN THIS PROCEEDING?

A. Yes. My direct testimony is set forth in **Peoples Statement No. 10**, my rebuttal testimony is set forth in **Peoples Statement No. 10-R**, and my surrebuttal testimony is set forth in **Peoples Statement No. 10-SR**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. I will respond to surrebuttal testimony provided by Bureau of Investigation and Enforcement ("I&E") witness Vanessa Okum, the Coalition for Affordable Utility Service

and Energy Efficiency in Pennsylvania ("CAUSE-PA") witness Patrick Cicero and Office of Consumer Advocate ("OCA") witnesses Roger Colton and Brendon Larkin-Connolly.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR SURREBUTTAL TESTIMONY?

A. My testimony is arranged according to the witness testimony to which I am responding. To the extent that I do not address an issue raised in the surrebuttal testimony of another witness, it should not be construed as agreement with that testimony.

II. RESPONSE TO I&E WITNESS VANESSA OKUM

Q. IN HER TESTIMONY, MS. OKUM DISCUSSES THE COMPANY'S PROPOSAL TO INCLUDE THE COST OF THE LOW INCOME USAGE REDUCTION PROGRAM ("LIURP") SPECIALIST POSITION THROUGH THE UNIVERSAL SERVICE RIDER. WOULD YOU LIKE TO RESPOND?

A. Yes. On page 41, lines 14 through 17, Ms. Okum raises a concern that IF Peoples recovered these labor costs through the rider, the Company could make "unverified changes to such costs without the ability of parties to review them for prudency". I disagree with this concern. All charges recovered through the universal service rider are subject to a detailed audit through the Bureau of Audits. The Company must show documentation of each charge reported on its 1307(e) annual filing as part of these audits. In my opinion, the audit

process provides a more thorough review of costs than is available through the base rate process.

III. RESPONSE TO CAUSE-PA WITNESS PATRICK CICERO.

Q. ON PAGE 31 OF HIS TESTIMONY, LINES 9 AND 10, MR. CICERO STATES THAT THE PROPOSED INCREASE WOULD "WEAKEN THE EFFECTIVENESS OF WEATHERIZATION MEASURES" PROVIDED THROUGH THE COMPANY'S LOW INCOME USAGE REDUCTION PROGRAM ("LIURP"). DO YOU AGREE?

A. I do not. The usage threshold for participation in the Company's LIURP is 120 Mcf per year. This is significantly high usage, typically due to lack of insulation in the home, overall age of the housing stock and inefficient appliances. The measures installed through LIURP address the high usage of the home, providing a strong reduction to annual usage and therefore a reduction to the annual charges that is well beyond the proposed increase to the monthly service charge of $9.20. In its most recent report to the Commission, Peoples LIURP results for 2024 reflected an average reduction of 24.89% in annual usage for homes served. This is important because Mr. Cicero raises concern in his testimony on pages 34 and 35, that while the Customer Assistance Program ("CAP") participation rate in the 2024 report was 97% for LIURP participants, customers may not remain in CAP. The significant reductions in annual usage continue to provide savings to the household, even while not participating in CAP and these savings are significantly higher than the proposed increase in the monthly customer charge.

Q. MOVING ON TO MR. CICERO'S TESTIMONY REGARDING CAP, LET'S BEGIN WITH HIS RESPONSE TO YOUR TESTIMONY REGARDING THE PROPOSED TARIFF PROVISION PERTAINING TO FRAUDULENT USE OF CAP BENEFITS. WOULD YOU LIKE TO RESPOND?

A. Yes, I would. Mr. Cicero continues his recommendation that the Company's Universal Service Advisory Group ("USAG") should be involved in the development of a dispute process specific to this tariff provision and recommends the tariff provision be rejected. As noted in my rebuttal testimony, I welcome the input of the USAG into the Company's processes and programs. Also noted in my rebuttal testimony is clarification that these cases are not handled by our CAP administrator, but are handled with care by a member of our internal team to ensure that customers involved in this process are given every opportunity and sufficient flexibility to provide documentation of their eligibility. Therefore, I disagree that this tariff provision be rejected. Instead, it is my opinion that the tariff provision should be approved, in order to protect non-CAP ratepayers from paying the costs of CAP benefits obtained fraudulently, and the USAG be consulted on the implementation of the provision, following approval, but before implementation.

IV. <u>RESPONSE TO OCA WITNESS ROGER COLTON</u>

Q. ON PAGES 7 AND 8 OF HIS TESTIMONY, MR. COLTON DISCUSSES HIS CONCERNS REGARDING AFFORDABILITY FOR LOW-INCOME POPULATIONS AS WELL AS THOSE HOUSEHOLDS HE DESCRIBED IN HIS DIRECT TESTIMONY – ASSET-LIMITED, INCOME-CONSTRAINED, EMPLOYED ("ALICE"). WOULD YOU LIKE TO RESPOND TO THESE CONCERNS?

A. Yes, I would. Affordability and providing appropriate safety nets to customers who are struggling economically has long been recognized at Peoples. As I noted on page 28 of my rebuttal testimony, Peoples expanded its CAP eligibility threshold more than a decade ago, beyond the standard definition of 150% of federal poverty level ("FPL") that is utilized by energy CAPs in Pennsylvania, to provide more support to this households in this income group. The Company developed a strong Consumer Education and Outreach Plan ("CEOP"), the current version which is provided as Exhibit A in my direct testimony, to provide a comprehensive approach to outreach with the goal of increasing participation in available programs for income eligible households.

Q. ON PAGES 9 AND 10 OF HIS TESTIMONY REGARDING THE GAS BURDEN ANALSYIS PREPARED BY COMPANY WITNESS CYNDEE FANG, MR. COLTON DISCUSSES THE INCOME USED IN THE ANALYSIS AND STATES ON PAGE 10, BEGINNING WITH LINE 1, THAT "THERE IS NO BASIS, IN OTHER WORDS, TO DETERMINE THAT THE INCOME INFORMATION USED BY MS. FANG IS ACCURATE, LET ALONE TIMELY." WOULD YOU LIKE TO RESPOND TO THIS STATEMENT?

A. Yes, I would. As described in my rebuttal testimony, I explained the many opportunities at which customers are asked if they would like to provide their income information. I would like to further clarify that income information is asked from any residential customer starting service with Peoples. This information not only screens customers for eligibility to participate in universal service programs, it also allows the income-eligible customers to avoid certain fees or charges, such as reconnection fees and security deposits. As a result

of this initial income screening of all customers who choose to provide their income, Peoples has amassed, over time, income information for more than 400,000 of its customers, as described in Ms. Fang's gas burden analysis. This information is also updated at other points in time when the Company interacts with customers, such as in the negotiation of a payment arrangement. The income information that the Company has obtained is not only reflective of low-income households, but any households who agreed to share income information with the Company. The income used by Ms. Fang in her analysis is the most recent known income information available.

Q. LET'S MOVE ON TO MR. COLTON'S RESPONSE TO YOUR TESTIMONY REGARDING THE TARIFF PROVISION THAT RESTRICTS THE USE OF GAS FOR RECREATIONAL PURPOSES. MR. COLTON PROVIDES FOUR ISSUES THAT HE SAYS YOU DID NOT ADDRESS IN YOUR REBUTTAL TESTIMONY PERTAINING TO THIS ISSUE. PLEASE BRIEFLY EXPLAIN THOSE ITEMS AND RESPOND TO THEM.

A. First, he states that I did not provide an explanation on how the tariff provision would be enforced. He goes on to state that I did not explain how the Company determines the customer is actually using the recreational appliance. He says that I do not quantify the extent of the problem or document the cost of providing the CAP credits is more than the cost of identifying this situation. He then closes this discussion with the statement that the tariff provision proposal should be rejected.

As pool heaters are the key appliance for which this provision is targeted, I will explain the Company's process regarding identifying these situations. Natural gas in

Pennsylvania is used in a seasonal manner. We see usage begin to climb in the fall, reach its highest point in the coldest part of winter, then gradually reduce in the spring. Summer usage is low in comparison to winter usage and is base load only usage for appliances such as gas stoves, gas dryers and gas water heaters. When high summer usage indicates the presence of a pool heater, or if there is a prior pool heater flag on the account that was present before the customer enrolled in CAP, a letter is sent to the customer advising our records indicate use of a pool heater which is prohibited while participating in CAP. Customers have the ability to restore participation in CAP by providing documentation from their medical provider that the pool heater is necessary. Therefore, if the pool heater were not being used, the customer would not be flagged for removal from CAP. Mr. Colton appears to ignore the enforceable provision in the Company's Universal Service and Energy Conservation Plan ("USECP") on this topic in his testimony. It is not the Company's option to weigh the costs of enforcement of the USECP provision against the cost of CAP credits that may be given when a pool heater is used by a CAP participant. CAP is intended to assist income eligible households obtain necessary natural gas service for home heating, water heating, cooking and laundry purposes, all of which are important needs. Non-CAP customers subject to the Rider should not be asked to subsidize unnecessary uses of natural gas by CAP participants, unless such use is medically required.

Q. MR. COLTON ALSO PROVIDED TESTIMONY REGARDING THE SECOND PROPOSED TARIFF PROVISION PERTAINING TO THE FRAUDULENT USE OF CAP BENEFITS. WOULD YOU LIKE TO RESPOND?

A. Yes. Mr. Colton describes the level of fraudulent use as *de minimis* because I provided one example of what the Company sees as a misuse of CAP benefits and noted that the majority of customers use CAP appropriately. He goes on to conclude that because the Company has not quantified the costs of this behavior along with the costs of implementing this tariff provision, the proposed tariff language should be rejected. He also recommends revisiting Mr. Cicero's recommendation that the USAG be consulted on this issue. As I stated earlier in my response to Mr. Cicero, I do not believe a delay in the tariff language approval is necessary to allow for the engagement of the USAG before the tariff provision is implemented into practice. To delay this tariff provision is to allow customers to obtain benefits to which they are not entitled while non-CAP ratepayers subsidize their behavior.

Q. MR. COLTON DISCUSSES HIS CONCERNS REGARDING TERMINATION OF CONFIRMED LOW-INCOME ("CLI") HOUSEHOLDS AND CLI HOUSEHOLDS CARRYING DEBT ON PAGES 17-19 OF HIS TESTIMONY. WOULD YOU LIKE TO RESPOND?

A. Yes. Mr. Colton uses a number of statistics that are reflected in the Universal Service and Collections Report published by the PUC's Bureau of Consumer Services ("BCS") on an annual basis, using data reported by the utilities using the BCS data dictionary. To gain a clear picture of Peoples' statistics and how it compares to its peer utilities for termination rates, it is helpful to look at the three-year review and average termination rate for CLI as provided in the Report.

Terminations – Confirmed Low-Income Natural Gas – 2022-2024

Utility	2022		2023		2024	
	Number	Termination Rate	Number	Termination Rate	Number	Termination Rate
Columbia	6,124	8.7%	5,974	8.3%	6,277	8.9%
NFG	3,260	13.9%	3,268	13.7%	2,895	12.2%
PECO-Gas	5,531	19.1%	6,487	20.9%	570*	2.0%
Peoples	4,253	3.9%	11,815	10.5%	11,502	10.2%
PGW	9,548	8.3%	20,339	15.8%	19,806	15.0%
UGI Gas	4,810	5.7%	5,548	6.2%	5,681	6.4%
Total/Industry Average	**33,526**	**7.8%**	**53,431**	**11.6%**	**46,731**	**10.2%**

*In 2024, PECO suspended terminations for several months due to the implementation of a new operating system, which resulted in a reduction in terminations in 2024.

As shown, Peoples termination rate aligns with the industry average, the latter of which was calculated using an extremely low figure from PECO-Gas due to their suspension of terminations in 2024, indicating that without this abnormality in PECO-Gas' reported statistics, Peoples termination rate would fall below the industry average.

Similarly, with regards to CLI households in debt, it is important to view the entire picture. The data dictionary requires a customer to be reported as 'in debt' using the due date as day zero. Therefore, if a customer is late in making a payment, they are considered in debt. When reviewing the full picture of households in debt, including those that are actively participating in a payment arrangement as well as those that are not in a formal payment arrangement, Peoples has a total in debt percentage of 14.1% as compared to the industry average of 16.8%.

Number of Customers in Debt – Confirmed Low-Income Natural Gas – 2024

Utility	On Arrangement		Not On Arrangement		Total in Debt	
	Number	Percent of Confirmed Low-Income	Number	Percent of Confirmed Low-Income	Number	Percent of Confirmed Low-Income
Columbia	7,246	10.2%	3,211	4.5%	10,457	14.8%
NFG	2,278	9.6%	3,492	14.7%	5,770	24.4%
PECO-Gas	564	2.0%	1,197	4.2%	1,761	6.2%
Peoples	5,911	5.2%	9,947	8.8%	15,858	14.1%
PGW	12,156	9.2%	4,361	3.3%	16,517	12.5%
UGI Gas	23,653	26.6%	2,685	3.0%	26,338	29.6%
Total/Industry Average	**51,808**	**11.3%**	**24,893**	**5.5%**	**76,701**	**16.8%**

Q. MR. COLTON'S CONCLUSION IN THE DISCUSSION OF THESE STATISTICS IS THAT PEOPLES SHOULD BE ENROLLING MORE CUSTOMERS INTO CAP.

A. The statistics discussed in Mr. Colton's testimony are through 2024. Peoples continues to encourage enrollment into its CAP through the activities described in its Consumer Education and Outreach Plan ("CEOP") and has succeeded in steadily increasing its enrollment as reflected in the rebuttal testimony of Company witness Carol Scanlon in Peoples Statement No. 13-R.

Q. LET'S MOVE ON TO MR. COLTON'S TESTIMONY THAT PEOPLES DISPROPORTIONALLY DISCONNECTS SERVICE TO COMMUNITIES OF COLOR AND SPECIFICALLY STATES 'MS. BLACK'S REBUTTAL TESTIMONY IMPLICITLY DENIES THE PRESENCE OF THE RACIAL DISCRIMINATION WHICH I DOCUMENTED IN MY DIRECT TESTIMONY[1].' PLEASE RESPOND.

[1] *See* OCA Statement No. 4SR, Page 20, lines 16 through 18.

A. I disagree that Mr. Colton has in any way proven that the households disconnected were in fact households of color, therefore he has not documented "the presence of racial discrimination". As the Company's data reviewed by Mr. Colton in discovery does not include racial data on its customers because the Company does not obtain such data and the census data used by Mr. Colton in his prior testimony is not specific to households, a direct correlation cannot be drawn. For this reason, my rebuttal testimony focused on the zip codes that he highlighted as being of concern. These zip codes mirror the analysis performed by Peoples Energy Analytics ("PEA") in the development of its heat maps of vulnerable households to be targeted for increased CAP outreach. Following Mr. Colton's own hypothesis that the Company should be enrolling more customers into CAP to avoid termination of service, my recommendation, as a result of his analysis, is the application of additional outreach to encourage CAP enrollment, thereby avoiding disconnections.

Q. MR. COLTON ALSO RESPONDS TO YOUR TESTIMONY ON THE TOPIC OF BUDGET BILLING AND STATES THAT YOU DID NOT 'ADDRESS THE NEED FOR INCREASED MARKETING[2]'

A. Marketing of budget billing is not an issue in this proceeding, nor was an issue to which I was responding in my rebuttal testimony. My testimony regarding budget billing, as provided on page 19 of my rebuttal testimony, was in response to concerns raised by Mr. Colton and Mr. Cicero that seasonality of bills has a negative impact on low-income customers that are not participating in CAP. I responded by noting that budget billing, the method by which any residential customer, regardless of income, can spread their annual

[2] *See* OCA Stmt. No. 4SR, page 21, lines 7 and 8.

gas bills evenly across the year to better manage their household budget is an available option to smooth out the impacts of seasonality. Budget billing is widely publicized by Peoples through a number of methods including bill inserts, the Company's website, digital and social media advertising and email campaigns. I would also note that customers contacting Peoples are regularly offered budget billing.

Q. FINALLY, MR. COLTON DISCUSSES THE ISSUE OF SPREADING UNIVERSAL SERVICE COSTS RECOVERED THROUGH THE RIDER TO ADDITIONAL CLASSES. REGARDING YOUR TESTIMONY ON THIS TOPIC, HE STATES, "IT IS, HOWEVER, IMPORTANT THAT MS. BLACK OFFERS NO DISPUTE OF THE NEED TO MAKE SUCH CHANGES"[3]. WOULD YOU LIKE TO RESPOND TO HIS STATEMENT?

A. My rebuttal testimony on the topic of sharing the costs of universal service programs to other classes of customers is provided on page 24. Prior to leading universal service programs for Peoples, I was a rates analyst for the Company, responsible for preparing the Company's cost recovery filings pertaining to universal service costs. As a result, I am familiar with both the history of cost recovery as well as the rider which is currently in use. In my rebuttal testimony, I responded to two aspects of other parties' direct testimony on this issue. In particular, I confirmed that 4.25% of costs pertaining to CAP were shared with non-residential ratepayers prior to the implementation of the Company's universal service rider. I then stated that the Company acknowledged the desire of some parties in this proceeding to spread costs beyond the residential class, in reference to the testimony

[3] *See* OCA Stmt. 4SR, page 22, lines 16 and 17.

of other parties on this issue, but that such a change would require an evaluation of the feasibility of this change, including considering potential IT impacts. I did not opine the appropriateness of such a change, therefore my testimony should not be viewed as having agreed to a 'need' to make such a change.

V. RESPONSE TO OCA WITNESS BRENDAN LARKIN-CONNOLLY.

Q. REGARDING THE PROPOSED TARIFF PROVISION PERTAINING TO CUSTOMERS OBTAINING CAP BENEFITS TO WHICH THEY ARE NOT ELIGIBLE, PLEASE RESPOND TO THE RECOMMENDATION OF MR. LARKIN-CONNOLLY AS PROVIDED IN HIS SURREBUTTAL TESTIMONY.

A. Mr. Larkin-Connolly recommended "a defined standard of proof, advance notice and a customer appeal process before any reversal or repayment obligations take effect[4]." It has always been the Company's approach to provide sufficient notice to customers and to allow the customers to provide evidence of their eligibility to avoid a reversal of benefits. As noted earlier in my testimony, the Company commits to working with the USAG in defining a process that balances the needs of both the affected customer and the non-CAP ratepayers who are impacted by any inappropriate use of CAP benefits.

VI. CONCLUSION

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY AT THIS TIME?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

[4] *See* OCA Stmt. 5SR, page 10, lines 1 and 2.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
JOHN D. TAYLOR
CHIEF EXECUTIVE OFFICER – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 3, 2026
DATE ADMITTED: _____

Peoples Statement No. 17-RJ

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John D. Taylor, and I am employed by Atrium Economics, LLC ("Atrium") as a Chief Executive Officer. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, SC 29926.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted my direct, rebuttal, and surrebuttal testimony, Peoples Statement No. 17, 17-R, and 17-SR on March 27, 2026, July 16, 2026, and July 31, 2026 respectively.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. My rejoinder testimony responds to certain arguments of the surrebuttal testimony submitted by other parties. The areas I address are outlined below, with reference to the corresponding surrebuttal testimony of the other parties:

A. Customer-Related Costs

- Pennsylvania Office of Small Business Advocate ("OSBA") Statement 1-SR – surrebuttal testimony of Joseph Kubas ("OSBA witness Kubas").

B. Weather Normalization Adjustment ("WNA")

- Bureau of Investigation and Enforcement ("I&E") Statement No. 3-SR – surrebuttal testimony of Ethan H. Cline ("I&E witness Cline"); and

- Coalition For Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") Statement No. 1-SR – surrebuttal testimony of witness Patrick M. Cicero ("CAUSE-PA witness Cicero").

C. Gathering Rates and Revenues

- Pennsylvania Independent Oil & Gas Association ("PIOGA") – surrebuttal testimony of Daniel J. Weaver ("PIOGA witness Weaver").

Q. DOES YOUR REJOINDER TESTIMONY ADDRESS EVERY ARGUMENT RAISED BY THE OTHER PARTIES IN SURREBUTTAL TESTIMONY?

A. No. My rejoinder testimony focuses on certain arguments in the surrebuttal testimony submitted by other parties that have not already been addressed in prior rebuttal or surrebuttal testimony, to avoid unnecessary repetition. The fact that I do not address a particular argument in this testimony should not be interpreted as agreement with, or acceptance of, any position advanced by an intervenor that is contrary to the Company's position.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

II. <u>RESPONSE TO OTHER PARTIES ARGUMENTS</u>

A. <u>CUSTOMER RELATED COSTS</u>

Q. HOW DO YOU RESPOND TO OSBA WITNESS KUBAS'S CLAIM THAT THE COMPANY DID NOT PROVIDE EVIDENCE IDENTIFYING THE

COMPONENTS OF CUSTOMER-RELATED COSTS SUPPORTING THE PROPOSED CUSTOMER CHARGES[1]?

A. I disagree with OSBA witness Kubas's characterization. His surrebuttal testimony asserts that the Company failed to provide a customer cost analysis showing the individual components supporting the proposed SGS customer charge. However, he also acknowledges that the Company's allocated cost of service study ("ACOSS") identifies the customer-related cost components he discusses, including Distribution On-site and Accounts and Service. Accordingly, his testimony confirms that the information was provided, even if he believes it was not presented in the particular summary format he would have preferred.

Q. DID YOUR PRIOR TESTIMONY AND EXHIBITS PROVIDE THE INFORMATION NECESSARY TO EVALUATE THE CUSTOMER-RELATED COSTS SUPPORTING THE COMPANY'S PROPOSED CUSTOMER CHARGES?

A. Yes. My direct testimony sponsored Peoples Exhibit No. 11, the Company's ACOSS, and explained the functionalization, classification, and allocation process used to identify customer-, demand-, and commodity-related costs.[2] My direct testimony also described the types of costs included in the customer cost category, including costs incurred to attach a customer to the distribution system, meter usage, and maintain the customer's account.[3] In addition, Peoples Exhibit No. 11, Schedule 2 provides the customer-related unit cost per customer per month by rate class, for each and every combination of functions and

[1] OSBA Statement No. 1-SR, at pp. 5-11
[2] Peoples Statement No. 17, at p. 22
[3] Peoples Statement No. 17, at pp. 18-19

classification where costs reside, including the SGS class, and Schedule 3 provides the detailed allocation of the Company's proposed revenue requirement by account and customer class.

Q. DOES OSBA WITNESS KUBAS'S CLAIM CHANGE YOUR CONCLUSION REGARDING THE COMPANY'S PROPOSED SGS CUSTOMER CHARGE?

A. No. The evidence provided in my direct and rebuttal testimony, together with Peoples Exhibit No. 11, provides the information necessary to evaluate the customer-related costs supporting the Company's proposed SGS customer charge. The fact that OSBA witness Kubas would have preferred an additional one- or two-page summary does not mean the underlying evidence was absent. The Company's proposed SGS customer charge remains below the customer-related unit cost indicated by the ACOSS and represents a measured movement toward more cost-reflective rates.

B. WEATHER NORMALIZATION ADJUSTMENT

Q. PLEASE RESPOND TO I&E WITNESS CLINE'S RECOMMENDATION TO INCREASE THE WNA DEADBAND FROM 3% TO 5% WHICH RELIES ON THE COMMISSION'S DECISION IN THE COLUMBIA GAS OF PENNSYLVANIA, INC. ("COLUMBIA GAS") 2025 RATE CASE.[4]

A. I continue to disagree with increasing the WNA deadband from 3% to 5%.[5] While I do not dispute that a 5% deadband may have been found reasonable for Columbia Gas based on

[4] I&E Statement No. 3-SR, p. 7
[5] Peoples Statement No. 17, at pp. 63-64

the record and WNA design presented in that proceeding, it does not mean a 5% deadband is the most appropriate result for Peoples in this proceeding. The question here is not whether 5% can be a reasonable deadband in some circumstances; the question is whether increasing Peoples's deadband from 3% to 5% is appropriate when evaluated together with the Company's full WNA proposal and the evidentiary record in this case.

Q. WHY IS INCREASING THE DEADBAND NOT APPROPRIATE FOR PEOPLES?

A. The deadband level should not be evaluated in isolation. In this case, the Company made a proposal to move from an average of the 65-year trend and a 20-year average ("the average method") to a 65-year trend that better represents forward-looking weather expectations. This change narrows the circumstances in which the WNA will produce adjustments by improving the definition of "normal" weather- by moving from the average method to the 65-year trend weather normal. These facts were not present in the Columbia Gas 2025 Rate Case's evidentiary record, and the Commission made its determination without the benefit of any analysis on the impact changing the normal weather period would have on the function of the WNA and deadband. Adding a larger 5% deadband on top of the move to a 65-year trend normal weather is unnecessary.

Q. HOW DO YOU RESPOND TO I&E WITNESS CLINE'S POINT THAT A 5% DEADBAND CAPTURES "NORMAL WEATHER FLUCTUATIONS"?[6]

[6] I&E Statement 3-SR, p. 5.

A. Mr. Cline's statement does not resolve the issue, nor was it supported by any analysis. A deadband is not simply a meteorological judgment about what range of weather may be considered "normal." It is a ratemaking design choice that determines how much of the weather-related revenue and bill volatility remains unaddressed and is still borne as risk to customers and the Company. A 3% deadband already prevents minor weather variations from triggering WNA adjustments. Increasing the deadband to 5% would expand the range of deviations for which no adjustment is made, even when those deviations can still have meaningful bill and revenue effects that distort the revenue recovered away from the cost of service.

Q. WOULD INCREASING THE DEADBAND FROM 3% TO 5% BENEFIT CUSTOMERS?

A. No, and I&E witness Cline has not demonstrated that it would. A larger deadband would reduce surcharges in some warmer-than-normal periods, but it would also reduce credits to customers in colder-than-normal periods. The recent colder-than-normal winter months illustrate this point: larger deadbands reduce the extent to which customers receive the benefit of WNA credits when actual weather is colder than the normal weather assumptions embedded in rates. In my review, the Company should make the adjustment from the average method to the 65-year trend normal and evaluate that change's impact, which is expected to result in a more symmetrical set of WNA credits and collections, before layering on another significant change, i.e., increasing the deadband from 3% to 5%.

Q. HOW DO YOU RESPOND TO I&E WITNESS CLINE'S STATEMENT THAT "EXTENDING THE 20-YEAR AVERAGE ANALYSIS TO A 65-YEAR REGRESSION IS NOT CONSISTENT WITH COMMISSION PRECEDENT"[7]?

A. I disagree. I&E witness Cline's conclusion overstates the relevance of the Commission's decision in the Columbia Gas 2025 Rate Case and treats that decision as if it resolved an evidentiary question that was not before the Commission in that proceeding. Columbia Gas did not present the Commission with the same record presented by Peoples here. In Columbia Gas, the options before the Commission were shorter historical averaging periods, including a 20-year average and a 10-year average. The Commission was not asked to evaluate, and did not reject, a 65-year regression methodology comparable to the methodology supported in this proceeding.

Q. WHY DOES THE COLUMBIA GAS DECISION NOT CONTROL THE NORMAL WEATHER METHODOLOGY IN THIS PROCEEDING?

A. The Columbia Gas decision should be understood in the context of the record presented in that case. A Commission decision selecting one methodology from among the alternatives presented in a particular record does not establish that no other methodology can be reasonable in a later case supported by different evidence. Here, Peoples has presented statistical evidence supporting a 65-year regression methodology, including the relationship between long-term weather trends and forward-looking normal heating degree days. I&E witness Cline does not identify a flaw in that analysis. Instead, he states that his

[7] I&E Statement No. 3-SR, p. 8

recommendation is not based on the statistical analysis or results of the 65-year regression, but on his reading of the Columbia Gas decision. That approach does not rebut the evidence supporting Peoples's proposed methodology. In addition, I&E's position in the Columbia case was that the ten-year weather cycle better reflects the warming trend. That may be the case when compared to a 20-year average as was the alternative offered in the Columbia case, but I&E has provided no factual basis or analysis disputing that the 65-year regression is a better reflection than the 10 year average, and has provided no response to the plethora of analysis and facts presented by the Company on why the 65-year regression is superior.

Q. DOES I&E WITNESS CLINE'S RELIANCE ON THE COLUMBIA GAS DECISION CHANGE YOUR RECOMMENDATION?

A. No. Peoples's proposed 65-year regression methodology remains reasonable and better aligned with the purpose of establishing forward-looking normal weather for base-rate billing determinants and WNA administration. I&E witness Cline's reliance on Columbia Gas does not demonstrate that the Company's proposal is wrong; it only reflects his preference to follow what he considers precedent from a case that involved different options and a different evidentiary record. The Commission should evaluate the evidence in this proceeding and approve the Company's proposed 65-year regression methodology.

Q. HOW DO YOU RESPOND TO CAUSE-PA WITNESS CICERO'S RECOMMENDATION TO EXEMPT CAP CUSTOMERS FROM WNA CHARGES[8]?

[8] CAUSE-PA Statement No. 1-SR, pp. 41-42

A. I disagree with CAUSE-PA witness Cicero's recommendation. His concern appears to assume that the WNA will operate only as a surcharge and, therefore, will always increase CAP customer bills, CAP program costs, and universal service rider recovery. That assumption is incorrect. The WNA is designed to operate symmetrically and has done so. When weather is warmer than normal (and outside the deadband), the WNA produces a surcharge; when weather is colder than normal (and outside the deadband), the WNA will produce a credit. Exempting CAP customers from the WNA would therefore exclude them from both potential charges and potential credits.

Q. WOULD EXEMPTING CAP CUSTOMERS FROM THE WNA IMPROVE THE OPERATION OF THE MECHANISM?

A. No. The WNA reconciles weather-driven differences between the normal weather assumptions embedded in base rates and actual weather during the WNA period. CAP customers are part of the residential class and receive service under rates that embed those same normal weather assumptions. Removing CAP customers from the WNA would create a mismatch between the rates used to establish revenues and the customers included in the weather reconciliation. It would also shift the effect of that exemption to other customers or to the universal service recovery mechanism, depending on how the exemption were implemented. In other words, it could subject the customers who pay for CAP credits to have such credits be subject to 100% of the fluctuations in weather for CAP customer usage. That outcome would not make the mechanism more accurate or more equitable.

Q. DOES CAUSE-PA WITNESS CICERO'S RECOMMENDATION CHANGE YOUR POSITION REGARDING THE WNA?

A. No. The WNA should continue to apply to the residential class, including CAP customers, consistent with its approved design and symmetric operation. The possibility that a WNA surcharge may increase CAP-related costs in a warmer-than-normal period does not justify excluding CAP customers from the mechanism, particularly when the same mechanism can provide credits in colder-than-normal periods. The more appropriate approach is to evaluate the WNA based on its full operation over time, not based on an assumption that it will only produce surcharges.

Q. HOW DO YOU RESPOND TO CAUSE-PA WITNESS CICERO'S ALTERNATIVE CLASS-BASED WNA PROPOSAL[9]?

A. As I stated in rebuttal testimony, the concept of a class-based WNA is not inherently unreasonable[10]. However, CAUSE-PA witness Cicero's proposal still lacks the supporting analysis necessary for the Commission to determine whether it would be preferable to the Company's existing WNA. In surrebuttal, he provides additional procedural detail, including a proposal to track class-level WNA charges and credits during the WNA period and then recover or refund the net amount over the following 12 months. That additional detail is helpful, but it does not resolve the practical and analytical questions that would need to be answered before adopting such a change.

[9] CAUSE-PA Statement No. 1-SR, pp. 39-40
[10] Peoples Statement No. 17-R, at pp. 67-68

Q. WHAT ADDITIONAL EVALUATION WOULD BE NECESSARY BEFORE ADOPTING SUCH A PROPOSAL?

A. At a minimum, the proposal would require testing of the mechanics, evaluation of customer and class impacts, and comparison of results against the current WNA methodology. The proposed schedule does not provide time to perform that work in this proceeding. It is not enough to describe when entries would be accumulated and when a later charge or credit would be applied. The Commission and Company would also need to understand how the proposal would affect monthly bills, annual bills, cash flow, class-level revenue recovery, customer credits, and customer charges under different weather scenarios.

Q. HAS CAUSE-PA WITNESS CICERO PROVIDED THE ANALYSIS NEEDED TO SUPPORT ADOPTION OF HIS ALTERNATIVE WNA PROPOSAL IN THIS CASE?

A. No. CAUSE-PA witness Cicero does not provide supporting calculations, illustrative bill-impact comparisons, or quantitative results showing how his proposal would perform relative to the existing WNA. Without that information, the Commission cannot determine whether the proposed alternative would improve customer outcomes, reduce volatility, preserve symmetry, or create unintended cost shifts among customers or classes. For those reasons, his alternative class-based WNA proposal should not be adopted in this proceeding.

C. GATHERING RATES AND REVENUES

Q. DO YOU AGREE WITH PIOGA WITNESS WEAVER THAT PEOPLES MUST IDENTIFY PRODUCER-SPECIFIC INCREMENTAL COSTS TO SUPPORT THE PROPOSED RATE APPALACHIAN GATHERING SERVICE ("RATE AGS") INCREASE?

A. No. PIOGA witness Weaver's position places too much emphasis on narrowly defined incremental costs and does not adequately account for the embedded and common costs of the gathering system. Rate AGS enables producers to contribute towards the cost of an existing system that Peoples must continue to own, operate, maintain, inspect, repair, and replace in order to receive and move producer gas. Those costs do not arise only when a producer causes a new, separately identifiable expense.

Cost of service is the principal foundation of Pennsylvania ratemaking, but a just-and-reasonable rate is not limited to incremental cost or determined by a single mechanical allocation. A reasonable allocation should recognize both directly attributable costs and an appropriate share of the embedded and common costs necessary to provide the service. Peoples has identified the total gathering cost of service, and PIOGA does not dispute that producers use and benefit from the facilities whose costs are at issue.

Q. DOES THE ABSENCE OF A SEPARATE PRODUCER-ONLY COST STUDY MEAN THAT THE PROPOSED RATE CANNOT BE FOUND JUST AND REASONABLE?

A. No. A cost-of-service analysis involving shared infrastructure does not necessarily produce one uniquely correct allocation or rate. Reasonable judgment is required in determining how common costs should be shared, and final rates may also reflect gradualism, rate

stability, and rate impacts, provided cost responsibility remains the primary consideration. Peoples identified the gathering system's fully allocated cost of service, considered several approaches to the producer contribution, and selected a measured increase that remains substantially below full gathering cost recovery from producers. The alternatives demonstrate that the proposed rate represents a gradual rate-design judgment within a broader cost-of-service framework, not an attempt to assign all gathering costs to producers.

Q. WHAT IS THE COST-ALLOCATION CONSEQUENCE OF WITNESS WEAVER'S RECOMMENDATION TO RETAIN THE EXISTING RATE?

A. Retaining the existing Rate AGS would not eliminate or reduce Peoples' gathering-system costs. It would reduce producer contributions toward those costs and leave a greater share to be borne by customers. Witness Weaver has not presented an alternative fully allocated cost analysis demonstrating that the existing $0.24/Mcf rate produces a more reasonable allocation than the proposed rate of $0.29/Mcf. His recommendation therefore preserves a larger customer responsibility without establishing that the resulting allocation is more consistent with cost causation or the just-and-reasonable standard. The Commission should evaluate whether producers are making a reasonable contribution toward the embedded and common costs of the gathering facilities they use—not require Peoples to prove that each cent of the proposed increase corresponds to a newly incurred, producer-specific incremental cost.

Q. IS THERE OTHER RELEVANT RATE EVIDENCE THAT HELPS PLACE PEOPLES' PROPOSED RATE AGS IN CONTEXT?

A. Yes. Although another utility's tariff does not determine the appropriate rate for Peoples, it can provide a useful reasonableness check. Just across the Pennsylvania border, Hope Gas, Inc.'s West Virginia Production Gathering and Aggregation Service tariff establishes gathering rates of $0.55 per Dth for its DGP facilities and $0.65 per Dth for its Equitrans facilities.[11]

Using the 1.039 Dth-per-Mcf system-average conversion factor applied by Peoples in Exhibit EAP-1, those rates are equivalent to approximately $0.57 per Mcf and $0.68 per Mcf, respectively. Peoples' proposed rate of $0.29 per Mcf is therefore approximately one-half of those nearby tariffed producer gathering rates. In addition, this comparison is conservative because Peoples' tariff applies a relatively low 2.61% retainage rate to conventional production, whereas Hope applies retention percentages of 15% for DGP facilities and 20% for Equitrans facilities, further increasing the producer's effective cost of gathering service under those neighboring tariff provisions. This comparison does not establish that Hope Gas's rates should apply to Peoples or that the two tariff structures are completely comparable, but it provides a useful reasonableness check and additional context indicating that Peoples' proposed rate does not appear excessive relative to nearby producer gathering charges.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

[11] https://hopegas.com/docs/complete%20tariff%20package.pdf – Original Sheet No. 73

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of this proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2026-3060855
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
MICHELLE PARKS
DIRECTOR CUSTOMER OPERATIONS
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 4, 2026
DATE ADMITTED: _____

Peoples Statement No. 18-RJ

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PREPARED REJOINDER TESTIMONY OF
MICHELLE PARKS

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Michelle Parks. My business address is 375 North Shore Drive, Suite 600, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Essential Utilities, Inc. ("Essential") as Director Customer Operations. Essential is the ultimate parent company of PNG Companies LLC ("PNG"), and PNG provides various administrative functions for Peoples Natural Gas Company LLC ("Peoples" or the "Company") including Customer Operations.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes, I submitted Rebuttal Testimony in this proceeding.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. The purpose of my Rejoinder Testimony is to respond to certain portions of the testimony and recommendations of Office of Consumer Advocate ("OCA") witnesses Roger Colton and Brendan Larkin-Connolly.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. No

Q. HOW HAVE YOU ARRANGED YOUR REJOINDER TESTIMONY?

A. My testimony is divided into sections based on the witness to whom I am responding. To the extent that I do not address an issue raised in the surrebuttal testimony of another witness, it should not be construed as agreement with that testimony.

II. RESPONSE TO OCA WITNESS COLTON

Q. Mr. Colton claims that you make a fundamental error in responding to his testimony on Peoples' collections activity by examining the issue only from the perspective of Confirmed Low-Income ("CLI") Customers. (OCA St. 4-SR, pp. 23-24.) When looking at the Company's collections activity for residential customers as a whole, does this change your conclusion?

A. No it does not. My rebuttal testimony was responsive to Mr. Colton's testimony, specifically 'Part 2. The Effectiveness and Efficiency of Peoples Collection Activities' which began on page 43 of OCA Statement 4. Mr. Colton discussed CLI related issues extensively in this section, therefore my rebuttal testimony responded to those issues accordingly. His broader discussion regarding residential collections was limited to the use of payment arrangements in the collections process and collections expenses, both of which I addressed in my rebuttal testimony. On pages 6-8 of my Rebuttal Testimony, I responded to Mr. Colton's recommendation to adjust Peoples' credit and collection expenses.[1] I do not focus solely on CLI customers in my response. My objective was not to focus solely on the CLI subset of residential customers, but rather, I respond to the ways in which Mr. Colton calls out CLI customer arrears and payment arrangements in his argument concerning Peoples' credit and collection efforts. If you look on pages 43-50 of

[1] See the Rejoinder testimony of Company Witness Wachter for further response as to this recommended expense adjustment.

his direct testimony, Mr. Colton focuses on collection efforts, payment arrangements and arrears while toggling back and forth with comparison between residential and confirmed low-income customers. The Company's response to this overall recommendation to adjust the Company's credit and collection expenses regards both residential customers and CLI customers – just as Mr. Colton's testimony reflected on both categories and just as credit and collections activities covers all residential customers, including CLI customers. Overall, the Company's position remains the same. The report Mr. Colton uses to argue for an adjustment to credit and collection expenses is a reported figure intended to compare utility information on credit and collection activities – this report is not used, nor should it be used for justification of ratemaking expense adjustments.

Q. Why did Peoples see an increase in terminations among CLI in 2023 and 2024?

A. The increase in terminations in 2023 and 2024 must be understood in the context of Peoples' expanded definition of residential customers subject to collection activity as Confirmed Low Income. As the Company broadened the population of Confirmed Low Income, using the definition agreed upon in its 2023 base rate proceeding[2] to include customers who self-identify as low-income, it follows that, with a larger population of accounts within that definition, the Company would also experience increases in reported collection activities within that group. All residential customers are eligible for a number of collections activities including notices, payment follow-up, and ultimately terminations where customers did not resolve arrearages or establish and maintain satisfactory payment arrangements. Therefore, the increase in reported figures as CLI does not indicate that

[2] See Docket No. R-2023-3044549, Settlement page 69.

Peoples' practices were inappropriate or targeted toward low-income customers; rather, it reflects the application of a different definition of which accounts were classified as general residential versus CLI.

Q. Mr. Colton claims that the data regarding Peoples' performance relative to Low-Income customers "fails to present a complimentary picture." (OCA St. 4-SR, pp. 24-25.) Do you wish to respond?

A. The comparison presented by Mr. Colton does not support the conclusion that Peoples' collections performance with respect to CLI customers was in "sharp decline." Rather, the data reflects that Peoples continued to manage arrearages within a highly constrained post-pandemic collections environment while complying with applicable Commission requirements governing payment arrangements, notices, termination activity, and customer protections. The fact that CLI arrearage dollars remained essentially flat from 2022 to 2024—despite continuing inflationary pressure, customer affordability challenges, and changing payment behavior—undercuts the suggestion that Peoples' approach was ineffective. Disconnection activity is not, by itself, a measure of collection "effectiveness"; it is one component of a regulated collections process that is used only after required notices, outreach, payment opportunities, and applicable protections have been provided. Similarly, the increase in payment-troubled customers does not establish that Peoples failed to offer or administer payment arrangements appropriately. A customer may become payment-troubled because an arrangement is defaulted, which reflects the customer's ability or willingness to maintain the arrangement—not merely the utility collection practices. Peoples' increased credit and collections expenditures further demonstrate that

the Company devoted additional resources to customer contact, account management, and compliance activities; those costs should not be characterized as evidence of inefficiency. Finally, comparisons to statewide percentages are incomplete unless they control differences in service territory demographics, customer mix, arrearage aging, heating load, enrollment patterns, local economic conditions, and the timing of collections activity. I would also note that among other Pennsylvania utilities, the definitions applied when reporting statistics, such as CLI identification, vary by utility, therefore caution must be taken when making statewide comparisons. For these reasons, the cited figures do not demonstrate that Peoples performed poorly relative to CLI customers.

Q. Mr. Colton claims that your response to his testimony on disconnections for nonpayment misses the point that Mr. Colton was making, which is not that the Company engages in disparate "treatment" but rather that there are disparate "impacts". He further claims that Peoples addresses the difference between disparate treatment and disparate impacts when it comes to the Company's tariff regarding cash security deposits. (OCA St. 4-SR, pp. 26-27.) What is your response?

A. Mr. Colten's statement is incorrect. My response did not rest on a distinction between disparate "treatment" and disparate "impact," nor did it miss the point of Mr. Colton's testimony. The Company's position is that its disconnection practices for nonpayment are applied consistently and in accordance with applicable regulations, customer protections, and established procedures. Mr. Colton has not demonstrated that the Company's practices result in an unlawful or improper disparate impact. To the extent he asserts such an impact, that claim requires evidence showing that the Company's policies or practices cause the

alleged disparity, rather than merely identifying differences in outcomes that may be attributable to other factors outside the Company's control. Moreover, Mr. Colton's reference to the tariff language around cash security deposits is irrelevant to the Company's termination procedures. His reference to the tariff language regarding cash security deposits is an attempt find new ways to criticize the Company's termination procedures as evidence of his "disparate impact" does not exist. The security deposit tariff language that Mr. Colton references was modified by the Low Income Stipulation in the 2023 base rate proceeding. It was not added to address any alleged disparate treatment or disparate impacts, but rather was intended to align with other credit approval related language as reflected in the Equal Credit Opportunity Act.

Q. Mr. Colton disagrees with your testimony that SSNs are effective at verifying a customer's identity and claims that the use of SSNs does not address "extensive research" against the use of SSNs. Has your position on the use of SSNs changed?

A. No, my opinion has not changed. I continue to believe that Social Security numbers are an effective tool for verifying a customer's identity when used appropriately. While I understand Mr. Colton's concerns regarding the risks associated with SSNs, those concerns do not alter my position that SSNs may still serve a legitimate verification purpose when handled securely, limited to appropriate circumstances and protected by applicable privacy and security controls.

III. RESPONSE TO OCA WITNESS LARKIN-CONNOLLY

Q. While Mr. Larkin-Connolly accepts that the Company already self reports any large scale billing issues, he continues to claim that the Company has not provided the customer counts or dollar amounts for certain rebilling instances. Accordingly, he revises his recommendation to suggest that the Company maintain contemporaneous records of each back billing or rebilling event affecting more than 100 customers and be prepared to provide them in its next rate case. (OCA St. 5-Sr, pp. 6-7). How do you respond?

A. I disagree with Mr. Larkin-Connolly's revised recommendation. As he acknowledges, the Company already self-reports large-scale billing issues when they occur, consistent with its regulatory obligations and established internal escalation practices. The Company does not lack adequate control, records, or transparency. Rather, rebilling events can vary significantly in cause, scope, timing, customer impact, and remediation approach, and the relevant information is often maintained through existing operational, billing, customer service, and regulatory processes. Requiring the Company to maintain a separate contemporaneous record for every back billing or rebilling event affecting more than 100 customers, solely for potential production in a future rate case, would create an additional administrative requirement without a clear showing that existing processes are insufficient or that customers would receive a corresponding benefit. Accordingly, the Company does not believe Mr. Larkin-Connolly's recommendation is necessary. The appropriate focus should remain on timely identification, customer impact mitigation, accurate billing corrections, and compliance.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

Statement No. 15-RJ

Rejoinder Testimony of Jennifer E. Nelson

Topics: **Return on Equity**
Capital Structure

Dated: August 4, 2026

I. INTRODUCTION AND SUMMARY

Q. Please state your name and business address.

A. My name is Jennifer E. Nelson, and I am employed by Concentric Energy Advisors, Inc. ("Concentric") as a Vice President. My business address is 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts, 01752.

Q. Did you previously file testimony in this proceeding?

A. Yes. I submitted my direct testimony, Peoples Natural Gas Company LLC Statement No. 15 ("Peoples St. No. 15") to the Pennsylvania Public Utility Commission ("PUC" or the "Commission") on behalf of Peoples Natural Gas Company LLC ("Peoples", or the "Company"), which is a wholly-owned subsidiary of PNG Companies LLC, which is ultimately owned by Essential Utilities, Inc. ("Essential"), on March 27, 2026. I also submitted rebuttal testimony, Peoples Statement No. 15-R ("Peoples St. No. 15-R"), on July 16, 2026, and surrebuttal testimony, Peoples Statement No. 15-SR ("Peoples St. No. 15-SR"), to the Commission on behalf of Peoples on July 31, 2026.

Q. Are you sponsoring any rejoinder schedules in this case?

A. Yes, I sponsor two exhibits:

- Exhibit JEN-1RJ: Value Line Summary & Index Report, May 22, 2026; and
- Exhibit JEN-2RJ: National Association of Regulatory Utility Commissioners CPI-1 Resolution Regarding Sound Public Utility Ratemaking Principles.

Q. What is the purpose of your rejoinder testimony?

A. The purpose of my rejoinder testimony is to respond to the surrebuttal testimony of D.C. Patel on behalf of the Bureau of Investigation and Enforcement ("I&E", "I&E St. No. 2-SR"). I also respond to the surrebuttal testimonies of David J. Garrett on behalf of the

Pennsylvania Office of Consumer Advocate ("OCA", "OCA St. No. 3-SR") and Patrick M. Cicero on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA", "CAUSE-PA St. No. 1-SR") regarding the Company's return on equity ("ROE") and capital structure. I collectively refer to these individuals as the "Witnesses." My silence on a particular issue should not be construed as agreement with respect to that issue.

Q. Please summarize your rejoinder testimony.

A. My analyses, positions, and recommendations made in my direct, rebuttal, and surrebuttal testimonies remain unchanged. My base ROE recommendation of 11.00 percent (11.25 percent inclusive of an adjustment for Peoples' management performance) remains a just and reasonable estimate of Peoples' cost of equity, and I continue to support Peoples' requested 54.47 percent equity ratio. Further, I reiterate my responses to, and criticisms of, the Witnesses' direct and rebuttal testimonies that I discussed in my rebuttal and surrebuttal testimonies. I respond to select topics raised by Messrs. Patel, Garrett, and Cicero in their surrebuttal testimonies; lack of a response on a particular issue does not mean that I agree with that witness's position.

Q. How is the remainder of your rejoinder testimony organized?

A. My rejoinder testimony is organized by witness, as follows:

Section II – responds to the surrebuttal testimony of I&E Witness Patel;

Section III – responds to the surrebuttal testimony of OCA Witness Garrett;

Section IV – responds to the surrebuttal testimony of CAUSE-PA Witness Cicero; and

Section V – concludes my rejoinder testimony.

II. RESPONSE TO I&E WITNESS PATEL

Q. Mr. Patel continues to recommend a hypothetical 50/50 capital structure and asserts that Peoples' requested 54.47 percent equity ratio is "unreasonable for ratemaking purposes."[1] Has he demonstrated that Peoples' actual capital structure is atypical or unsound?

A. No, he has not. As explained in my rebuttal testimony, the Commission's standard is to adopt a company's actual capital structure unless it is "atypical or too heavily weighted toward either debt or equity."[2] Even the sources Mr. Patel relies upon in his surrebuttal testimony apply the same standard. For example, Mr. Patel refers to the Society of Utility and Regulatory Financial Analysts ("SURFA") Cost of Capital Manual provided as a study guide for candidates for the Certified Rate of Return Certification Examination,[3] which explains that a hypothetical capital structure is appropriate when the actual structure is "*substantially different* from the typical or proper utility capital structure," subject to a "reasonableness test."[4] In practice, the Commission has evaluated the reasonableness of a utility's capital structure by reference to the *range* of proxy group equity ratios,[5] not the *average* that Mr. Patel believes to be the valid test of reasonableness. The fact of the matter is that regardless of the data source presented in this case, Peoples' equity ratio is *within the range* of actual and authorized equity ratios, and meets the standard for concluding a utility's capital structure is not atypical:

[1] I&E St. No. 2-SR, at 6.
[2] Peoples St. No. 15-R, at 19.
[3] I&E St. No. 2-SR, at 8-9, citing *The Cost of Capital – A Practitioner's Guide* prepared for the Society of Utility and Regulatory Financial Analysts, 2020 Edition, at 47. As noted in my Direct Testimony, I earned the CRRA certification and am a Certified Rate of Return Analyst.
[4] I&E St. No. 2-SR, at 9 (emphasis added).
[5] Peoples St. No. 15-R, at 19, footnote 16.

- Peoples' requested 54.47 percent equity ratio is *below* the proxy group operating companies' three-year and five-year average equity ratios (54.51 percent and 54.63 percent, respectively) and falls within the proxy group five-year range of 48.15 percent to 60.07 percent (see Exhibit JEN-6R);
- Peoples' requested equity ratio is consistent with the average and median current authorized equity ratios of the proxy group (of 54.32 percent and 54.00 percent, respectively), and falls within the proxy group range of 43.17 percent to 61.05 percent (see Exhibit JEN-8R);
- Peoples' requested equity ratio is within the range of authorized equity ratios in 2025 and 2026 as reported by Mr. Patel (43.17 percent to 61.05 percent; see I&E Exhibit No. 2, Schedule 2, pp. 17-18 and Exhibit JEN-7R);
- Peoples' requested equity ratio is within the range of the five-year average proxy group consolidated holding company equity ratios reported by Mr. Patel (37.17 percent to 60.58 percent;[6] see I&E Exhibit No. 2, Schedule 2, pp. 6-7);
- Peoples' requested equity ratio is within the range of Value Line's projected equity ratios in 2027 for the proxy group consolidated holding companies as reported by Mr. Patel (39.00 percent to 60.00 percent; see I&E St. No. 2, p. 17); and

[6] As explained in my rebuttal testimony, ONE Gas's 2021 and 2022 reported equity ratios are abnormally low due to interim financing associated with extraordinary gas commodity costs from Winter Storm Uri. See Peoples St. No. 15-R, at 26-27.

- Peoples' requested equity ratio is within the range of Value Line's reported equity ratios for the proxy group consolidated holding companies in 2025 as reported by Mr. Garrett (38 percent to 60 percent, see Exhibit DJG-13).[7]

All evidence in the record supports the conclusion that Peoples' capital structure is not substantially different from its peers nor atypical.

Q. Mr. Patel asserts that the national average authorized equity ratio of 51.64 percent for natural gas distribution utilities should serve as an "upper limit" for Peoples' equity ratio.[8] Do you agree?

A. No. Mr. Patel's position that the national average authorized equity ratio should be an "upper limit" is unsupported and is an attempt to move the goalposts of the Commission's long-standing precedent. Undoubtedly, all capital structures approved for ratemaking purposes have been deemed by the regulator to be "in compliance with recognized regulatory ratemaking principles,"[9] not just those that equal the nationwide average. There is no analytical or regulatory basis for treating an industry average as a ceiling; by definition, roughly half of the authorized equity ratios in any sample fall above the average. As I explained in my rebuttal testimony and Exhibit JEN-7R, more than 61 percent of the 52 cases in Mr. Patel's own data set are above his recommended 50 percent equity ratio, and more than one-third of those are equal to or greater than 54 percent.[10] Patel's recommended 50 percent equity ratio sits at the low end of authorized equity ratios for natural gas distribution utilities.

[7] Calculated as 100% - debt ratio reported in Exhibit DJG-13.
[8] I&E St. No. 2-SR, at 8.
[9] I&E St. No. 2-SR, at 8.
[10] Peoples St. No. 15-R, at 28-29; Exhibit JEN-7R

Q. Mr. Patel argues that the current economic environment and rate affordability now make it "necessary" to impute a 50/50 capital structure, and calculates an approximate $22.9 million in ratepayer savings from doing so.[11] How do you respond?

A. Mr. Patel's $22.9 million savings figure is illusory because it holds the cost of debt and equity constant.[12] That unsound assumption disregards the interrelationship between the capital structure and the costs of both debt and equity. The fact of the matter is that if the Commission were to impute Mr. Patel's recommended 50/50 capital structure, not only would it represent a significant departure from the Commission's long-standing practice heightening regulatory risk, but the greater financial risk resulting from higher leverage would also increase the costs of both debt and equity, largely offsetting any claimed savings.[13] Further, Mr. Patel's acceptance of Peoples' proposed cost of debt[14] conflicts with his recommendation to impute a hypothetical capital structure. As explained in my rebuttal testimony, the Commission has acknowledged that a company's cost of long-term debt is based on its actual capitalization and that "there is a direct relationship between the cost of debt and the amount of financial risk shown by the debt ratio."[15] Customers benefit over the long term from being served by a financially healthy utility and those benefits outweigh the illusory short-term "benefits" of a negative regulatory climate that heightens regulatory risk.[16]

[11] I&E St. No. 2-SR, at 7-8.
[12] I&E St. No. 2-SR, at 8 ("if the company were to employ a 50/50 capital structure instead of 54.47% equity and 45.53% long-term debt *and not change the cost of debt or requested return on equity*, the cost savings to ratepayers would be $22,881,642". Emphasis added).
[13] Peoples St. No. 15-R, at 20.
[14] I&E St. No. 2, at 6-7.
[15] Peoples St. No. 15-R, at 36, footnote 49.
[16] Peoples St. No. 15-R, at 56-57.

Q. Mr. Patel points to Essential's consolidated capital structure as evidence that Peoples' requested 54.47 percent equity ratio is too high.[17] Do you agree?

A. No. I explained at length in my rebuttal testimony the reasons why operating utilities are financed differently than consolidated holding companies and why consolidated holding company capital structures are not the appropriate benchmark for assessing the reasonableness of an operating utility's capital structure.[18] The standalone ratemaking principle requires that Peoples' rates reflect the costs, risks, and financial requirements of Peoples, not those of its parent. There is no rational basis why Peoples' cost of capital should be determined differently. Essential's consolidated capital structure finances a portfolio of regulated water, regulated natural gas, and other operations, each with a different risk profile and financing requirement. Further, Essential's debt ratio incorporates the consolidated debt within the Essential family, including debt from other affiliates. Imputing Essential's more leveraged consolidated capital structure to Peoples effectively conveys the risks of debt incurred for other Essential affiliates to Peoples' customers. I do not believe it is reasonable for Peoples' customers to bear the risks of debt incurred for other Essential affiliates. I reiterate that Peoples' cost of debt – which all parties have either accepted or not objected to – assumes Peoples' actual book capitalization. One cannot accept the cost of debt without accepting the capital structure that enables that cost of debt.

Q. Mr. Patel continues to give one-third weight to the national average authorized ROE of 9.69 percent and asserts that his 10.20 percent recommendation is

[17] I&E St. No. 2-SR, at 7.
[18] Peoples St. No. 15-R, at 21-23, 24-26.

reasonable because it is "comparable, yet higher than" that average.[19] What is your response?

A. Mr. Patel believes it is reasonable to determine Peoples' authorized ROE, in part, by reference to authorized ROEs, yet continues to criticize my Risk Premium analysis, a perplexing contradiction. The difference is that my Risk Premium analysis uses a statistical analysis to model the relationship between the utility equity risk premium that references authorized ROEs and the prevailing bond yield during the pendency of rate cases, an objective approach rather than a simple average calculated over a subjective period of time.

Q. Mr. Patel clarifies that his point regarding monetary policy is that potential future reductions in interest rates could reduce Peoples' debt costs in 2027, when new rates take effect.[20] Does that change your view of the current capital market environment?

A. No. Mr. Patel's position assumes a direct pass-through from the Federal Funds rate to Peoples' long-term cost of capital that the market data do not support. The ROE models and long-term debt costs are driven by long-term yields, and long-term yields have not followed the Federal Reserve's short-term rate cuts. As I showed in my rebuttal testimony, even though the Federal Reserve cut the Federal Funds rate in 2024 and 2025, 10-year and 30-year Treasury yields actually increased over the same period, and long-term government and utility bond yields remain elevated relative to the levels at the time of Peoples' last rate case.[21] A speculative future reduction in short-term rates therefore

[19] I&E St. No. 2-SR, at 16.
[20] I&E St. No. 2-SR, at 17-18.
[21] Peoples St. No. 15-R, at 60–64.

provides no basis to reduce Peoples' authorized ROE, which must reflect the forward-looking, long-term cost of equity.

Q. Mr. Patel maintains that the 10-year U.S. Treasury note is the appropriate risk-free rate because the "most important consideration is that the rate be as risk-free as possible," and he argues that the risk-free rate need only reflect the period during which rates will be in effect.[22] What is your response?

A. I continue to respectfully disagree, for the reasons detailed in my rebuttal testimony. The position that the risk-free rate must match the underlying life of the security is supported by financial texts.[23] Utility assets are long-lived, and the life of equity is perpetual and infinite; therefore, the 30-year Treasury bond is the appropriate risk-free rate. Mr. Patel conflates the interest rate risk of holding a bond with default risk. Mr. Patel's new emphasis confuses the periodic resetting of rates with the long-lived nature of the assets investors value.[24]

Q. In your rebuttal testimony, you corrected Mr. Patel's characterization of his forward market return using Value Line's dividend yield and three- to five-year price appreciation as the *median*, not the *average*.[25] Has Mr. Patel acknowledged this correction?

A. No. Mr. Patel continues to misconstrue Value Line's dividend yield and three- to five-year price appreciation reported in its Summary and Index report as the *average* of the 1,700 stocks covered by Value Line.[26] Exhibit JEN-1RJ is the May 22, 2026 Summary and Index

[22] I&E St. No. 2-SR, at 25.
[23] Peoples St. No. 15-R, at 80.
[24] I&E St. No. 2-SR, at 26.
[25] Peoples St. No. 15-R, at 87.
[26] I&E St. No. 2-SR, at 27.

report that Mr. Patel relies on, which clearly shows Value Line reports *median* values, not *average* values. My primary point in my rebuttal testimony is that if Mr. Patel intends to use an average, he should calculate the weighted average as an index is traditionally calculated, rather than erroneously applying a median misconstrued as an average.

Additionally, Mr. Patel's surrebuttal testimony contains a second error: he mistakenly asserts that when his Value Line market return estimate is corrected using a weighted average calculation, the market return estimate "would be 11.99% rather than 11.83%."[27] The 11.99 percent correction in my rebuttal testimony is not Mr. Patel's corrected market return estimate using a weighted average, it is his corrected CAPM-based *ROE estimate*.[28]

Q. Mr. Patel continues to rely on Kroll's recommended equity risk premium in his composite CAPM and points to the Commission's use of the Kroll ERP CAPM in the 2025 Columbia Gas order.[29] What is your response?

A. Continued reliance on flawed inputs that are inconsistent with financial theory (including the reliance on the 10-year Treasury yield as the risk-free rate and Kroll's recommended equity risk premium) is misguided and perpetuates flawed and unreliable measures of the cost of equity. As I discussed in my rebuttal testimony, Kroll's methodology is opaque and contradicts the fundamental concept that the equity risk premium is a function of the risk-free rate at a point in time. Other commissions have rejected it as failing the comparable return standard established by the U.S. Supreme Court.[30] Mr. Patel's reliance

[27] I&E St. No. 2-SR, at 26.
[28] Peoples St. No. 15-R, at 87, lines 15-16 ("Adjusting Mr. Patel's CAPM analysis to use the *weighted average* market return (without any other corrections) produces an ROE estimate of 11.99 percent." Underline added. Italics in original).
[29] I&E St. No. 2-SR, at 28-29.
[30] Peoples St. No. 15-R, at 86.

on the Commission's 2025 Columbia Gas order does not change the fact that his Kroll-based CAPM produces an ROE of 8.86 percent, below nearly every authorized gas-utility ROE in the past 46 years. Regardless of methodology and inputs, the cost of equity must meet the constitutional standards that even Mr. Patel acknowledges,[31] and the estimates produced from Kroll's recommended equity risk premium fail those standards.

Q. Mr. Patel suggests that you criticize him for not performing an ECAPM analysis.[32] Is he correct?

A. No. Nowhere in my testimony do I criticize Mr. Patel for not performing an ECAPM analysis. I simply respond to his critique of my analysis. Mr. Patel mischaracterizes my testimony.

Q. Mr. Patel argues that the ECAPM "merely adds another measure of subjectivity to the CAPM," "reduces the purpose of the beta," and has not been used by the Commission.[33] How do you respond?

A. Mr. Patel simply repeats his arguments from his direct testimony that are answered in my rebuttal testimony.[34] Further, I reiterate that the ECAPM is not an adjustment to the Beta coefficient; it is an adjustment to the slope of the security market line, or the market risk premium. I further reiterate that it has been relied upon by commissions in New York, North Carolina, Alaska, Maryland, and Mississippi, among others. I continue to believe it has probative value and should be considered as one of several models in determining Peoples' cost of equity.

[31] I&E St. No. 2, at 4.
[32] I&E St. No. 2-SR, at 4.
[33] I&E St. No. 2-SR, at 30-31.
[34] Peoples St. No. 15-R, at 93–97.

Q. Mr. Patel maintains that your Risk Premium analysis should be excluded because it is a "simplified version of the CAPM" that does not recognize company-specific risk, and he argues that you misread the Commission's orders in the 2012 PPL Electric and 2021 Aqua Pennsylvania cases.[35] How do you respond?

A. Mr. Patel again repeats his arguments from his direct testimony and I addressed these arguments in detail in my rebuttal testimony.[36] I emphasize that the Risk Premium approach is not duplicative of the CAPM; the differences between the two models are summarized in Figure 20 in my rebuttal testimony. Further, since Mr. Patel gives explicit weight to average authorized ROEs for natural gas utilities in reaching his recommended 10.20 percent ROE, his criticisms of the Risk Premium approach that models the relationship between the change in bond yields and the natural gas utility equity risk premium that are established by reference to the authorized ROEs is puzzling. Lastly, I reiterate that the Commission recognized the method as a check on the DCF results in the 2012 PPL Electric and 2021 Aqua Pennsylvania cases and I do not misinterpret these orders.

Q. Mr. Patel characterizes your discussion of Peoples' capital expenditure program, bypass risk, and regulatory mechanisms as support for a higher ROE, and he describes your credit-related concerns as "speculative and unsupported."[37] Have you recommended an upward ROE adjustment for Peoples' business risk?

A. No. As I explained in my rebuttal testimony, I make no explicit upward ROE adjustment for business risk; I discuss Peoples' risks because the cost of equity is proportional to the

[35] I&E St. No. 2-SR, at 33.
[36] Peoples St. No. 15-R, at 99–102.
[37] I&E St. No. 2-SR, at 35.

risk of the investment. Further, risk is relative and determining the cost of equity is a comparative exercise. Mr. Patel does not evaluate Peoples' risks relative to the proxy group.[38] Mr. Patel's surrebuttal testimony adds no new information that changes these facts.

Q. Mr. Patel continues to argue that flotation costs are irrelevant because Peoples and the PNG companies do not directly issue common equity, and that any such costs should be recovered as an operating expense rather than through the ROE.[39] How do you respond?

A. As I stated in my rebuttal testimony, I have not recommended an explicit ROE adjustment for flotation costs, and I disagree with Mr. Patel's reasoning.[40] Flotation costs are real issuance costs incurred when equity capital is raised — directly or through the parent — and, because they are recorded as a reduction to paid-in capital rather than as a day-to-day operating expense, issuance costs should be reflected in the ROE, as shown in Exhibit JEN-11R.

[38] Peoples St. No. 15-R, at 103–107.
[39] I&E St. No. 2-SR, at 37-38.
[40] Peoples St. No. 15-R, at 108–110.

III. RESPONSE TO OCA WITNESS GARRETT

Q. Mr. Garrett contends that your updated ROE analysis "suffer[s] from the same errors and unrealistic assumptions" as your direct testimony.[41] Have these arguments caused you to change your recommendation?

A. No. Mr. Garrett states that his surrebuttal does not change his positions and that his criticisms rest on "the same reasons discussed in [his] direct testimony."[42] He raises no new arguments in his surrebuttal testimony, and I responded to his criticisms in detail in my rebuttal testimony.

Mr. Garrett's criticism repeats his growth rate arguments from his direct testimony, which I addressed in detail in my rebuttal.[43] Mr. Garrett concedes that it is not "unreasonable to consider earnings growth rates as a proxy for a dividend growth rate," subject to his subjective opinion on whether the growth rates are "sustainable."[44] His surrebuttal presents no new basis to disregard my DCF results.

Mr. Garrett also continues to defend his equity risk premium, which he draws from the IESE Business School survey, Kroll, and Dr. Damodaran, and his own implied equity risk premium calculation. Further, he mischaracterizes the estimates of the equity risk premium I use as my "personal" estimates. However, the equity risk premium estimates I use in my CAPM are not, as he asserts, my "personal" estimate.[45] My equity risk premium estimates are developed from independent, investor-focused sources and I rely on the most

[41] OCA St. No. 3-SR, at 2-3.
[42] OCA St. No. 3-SR, at 1–2.
[43] Peoples St. No. 15-R, at 69–76.
[44] OCA St. No. 3-SR, at 4.
[45] OCA St. No. 3-SR, at 5-7.

conservative estimates.[46] Instead, it is Mr. Garrett's equity risk premium that falls outside the range of reasonableness. His estimates are well below both investors' forward-looking expectations and long-term historical experience, as I demonstrated in my rebuttal testimony, where I showed that the implied market risk premium Mr. Garrett relies upon has been far removed from the market risk premia actually observed.[47] Mr. Garrett offers no evidence to explain why investors would expect a market risk premium so far below the level actually experienced over nearly the last century.

Q. Mr. Garrett argues that cost of equity and authorized returns are "entirely different concepts," that an authorized return is "simply whatever a regulator says it is," and that your comparison of his CAPM results to recently authorized ROEs is therefore misplaced.[48] Do you agree?

A. No. The objective in this proceeding is to estimate the cost of equity for Peoples, and the authorized ROE is widely understood to represent regulators' determination of the cost of equity, based on evidence from market-based models like those presented in this proceeding. Moreover, regulators, including this Commission, are guided by the constitutional standards established in the *Hope* and *Bluefield* decisions when setting authorized ROEs. The *Hope* and *Bluefield* comparable return standard — that Mr. Garrett acknowledges — governs[49] that the authorized return be commensurate with the returns available on investments of comparable risk. The ROEs authorized for comparable-risk natural gas utilities are direct, observable evidence of that comparable return. When a model input produces a CAPM result — in Mr. Garrett's case, approximately 8.8 percent

[46] Peoples St. No. 15-R, at 83–93.
[47] Peoples St. No. 15-R, at 83–93.
[48] OCA St. No. 3-SR, at 5.
[49] OCA St. No. 3, at 11-12.

— that is below all but one authorized ROE for natural gas distribution utilities in at least the past 46 years, that is a strong indication that the input (i.e., Mr. Garrett's equity risk premium) does not produce a return that meets the required standards.

Q. Mr. Garrett maintains that Peoples' actual capital structure is "not at issue in this case," that the proxy group holding companies' capital structures should be used, and that your approach improperly "mismatches" holding-company return data with operating-company capital-structure data.[50] What is your response?

A. I strongly disagree and Mr. Garrett makes several inaccurate statements. Peoples' capital structure is absolutely at issue in this case. As explained earlier in my response to Mr. Patel, the objective in this proceeding is to set the rates for Peoples, based on Peoples' costs, revenues, and expenses, including Peoples' cost of capital. Therefore, its cost of capital should be based on Peoples' costs, risks, and financial requirements, not those of its parent. There is no "mismatch" and I do not use a different group of companies as Mr. Garrett erroneously asserts. My capital structure analysis calculates the per-book capital structures for the same proxy group companies as my cost of equity analyses; the difference is that the capital structure analysis appropriately uses only debt and equity capital that finances the regulated natural gas utilities within those proxy companies. Holding company market data must be used in the cost of equity models because only holding companies are publicly traded and have the market data the ROE models require. That constraint does not exist for capital structure data where capital structure data is available at the regulated operating company level. My analysis, therefore, accurately reflects the capitalization and financial risk of an operating company like Peoples. Furthermore, as I

[50] OCA St. No. 3-SR, at 8-9.

explained in response to Mr. Patel, imputing the capital structure of the consolidated parent effectively asks Peoples' customers to bear the financial risk of debt incurred for other affiliates unrelated to Peoples. This is an unreasonable ask. Lastly, Mr. Garrett also accepts Peoples' proposed cost of long-term debt, and since the Company's cost of debt is fundamentally based on its actual book capital structure, his acceptance of the cost of debt conflicts with his recommendation to impute a more leveraged capital structure.

IV. RESPONSE TO CAUSE-PA WITNESS CICERO

Q. Mr. Cicero contends that your recommendation reflects your own "judgment … over the judgment of other witnesses" rather than objective evidence, and that the Commission should center affordability instead of on the parties' cost of capital models in setting the ROE.[51] Do you agree?

A. No. As a preliminary matter, my analyses are based on objective market-based evidence. The cost of equity is an opportunity cost that, by definition, is estimated against a comparable peer group. The *Hope* and *Bluefield* comparable-return standard is firmly grounded in the opportunity cost concept and requires exactly that comparison as I explained in my direct and rebuttal testimonies.[52]

Moreover, Mr. Cicero appears to contradict statements he has made previously; in a 2024 article in the *Pittsburgh Post Gazette*, Mr. Cicero suggests that regulators should ignore market-based evidence and instead set the return at the same (presumably below market) level without regard to differences in risk, stating, "If all PUCs across all the land

[51] CAUSE-PA St. No. 1-SR, at 19.
[52] Peoples St. No. 15-R, at 58–60.

started granting 8% [ROEs], that's what it would be."[53] As explained above, it is necessary to compare Peoples to a proxy group of comparable peers, and the *Hope* and *Bluefield* comparable return standard requires it.

Q. Mr. Cicero maintains that he does not perform a traditional cost-of-equity analysis and instead recommends that the Commission authorize the lowest ROE the financial models suggest and then consider whether an even lower return is "legally" justified.[54] Does that framework satisfy the *Hope* and *Bluefield* standards?

A. No. The *Hope* and *Bluefield* decisions require a return that is commensurate with the returns investors expect on other investments of comparable risk and sufficient to assure the utility's financial integrity and to attract capital. Mr. Cicero performs no DCF, CAPM, or Risk Premium analysis and offers no market-based estimate of the return investors actually require to commit capital to Peoples. As I explained in my rebuttal testimony, the only defensible, reliable way to estimate the cost of equity is through the rigorous application of multiple financial models using market data, considered together with the utility's risk profile.[55] Mr. Cicero's affordability-driven framework, however well intentioned, does not measure Peoples' cost of equity and does not substitute for a robust, market-based analysis grounded in long-standing established principles.[56]

The importance of maintaining a transparent, rigorous regulatory process grounded in case-specific evidence, expert testimony, comprehensive financial analysis, and the fair return principles established in the *Hope* and *Bluefield* decisions was recently affirmed by the

[53] Litvak, Anya, *Pittsburgh Post-Gazette*, April 28, 2024 (clarification added).
[54] CAUSE-PA St. No. 1-SR, at 4.
[55] Peoples St. No. 15-R, at 4-7.
[56] Peoples St. No. 15-R, at 4, 7.

National Association of Regulatory Utility Commissioners ("NARUC") in its Resolution Regarding Sound Public Utility Ratemaking Principles (see Exhibit JEN-2RJ):

> *Resolved*, that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2026 Summer Policy Summit in Minneapolis, Minnesota, reaffirms that sound public utility ratemaking should remain grounded in the evidentiary record, governing law, and the informed judgment of state commissions, consistent with the principles reflected in *Munn*, *Bluefield*, and *Hope*; supports regulatory frameworks that preserve and optimize commission authority to determine return on equity and other ratemaking components based on the facts and circumstances presented in each proceeding; maintains that under rate-of-return regulation, commissions determine appropriate returns on equity, and other rate case elements, based on case-specific analysis, expert evaluation, and record evidence rather than imposing arbitrary limits; and supports the technical expertise of commissions to resolve issues that clearly fall within their statutory jurisdiction.[57]

Q. Mr. Cicero points to Essential Utilities' price-to-book ratio of 1.63 as evidence that investors believe the company is "over-performing relative to what it should earn," and argues that a lower ROE would not cause investors to flee.[58] How do you respond?

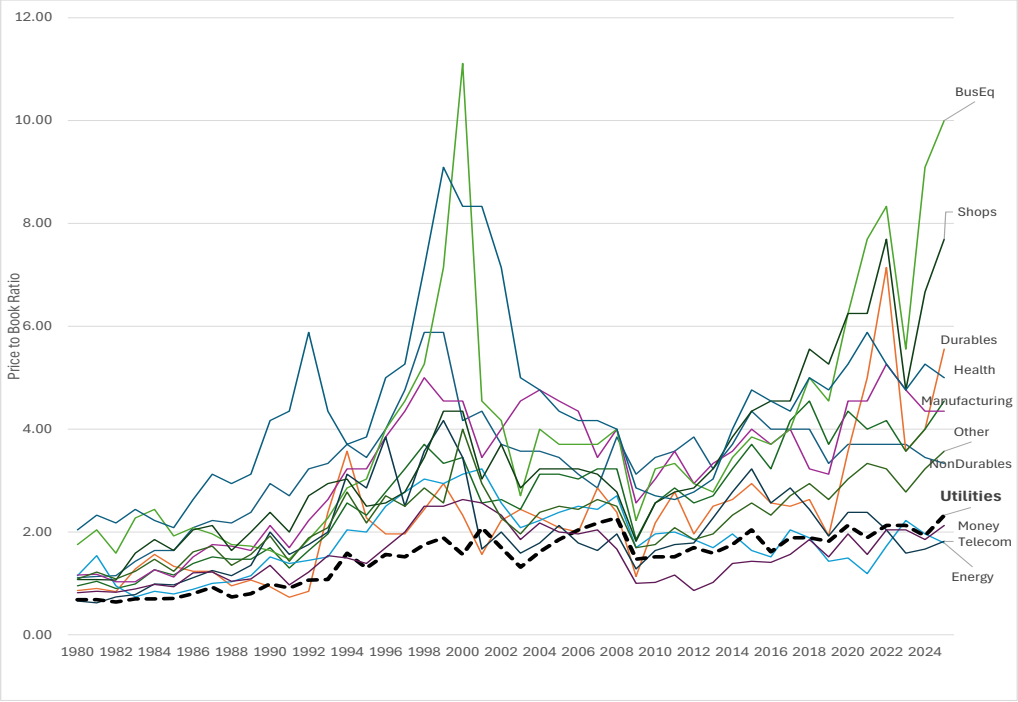
A. I have several responses. First and foremost, the objective in this proceeding is not to determine the cost of equity for Essential; it is to determine the cost of equity for Peoples, a company that is not publicly traded with no observable price-to-book ratio. Second, publicly traded holding companies are diversified companies, many of which operate both regulated and unregulated business segments across multiple jurisdictions. The stock prices of these publicly traded holding companies therefore reflect investors' return requirements

[57] National Association of Regulatory Utility Commissioners, CPI-1 Resolution Regarding Sound Public Utility Ratemaking Principles, 2026. Provided as Exhibit JEN-2RJ.
[58] CAUSE-PA St. No. 1-SR, at 22.

for the consolidated entity on a sum-of-the-parts basis. Mr. Cicero conflates Essential's price-to-book ratio with that of Peoples with no evidence to support that conclusion.

Third, a price-to-book ratio above 1.0 is not evidence of over-earning. Utility price-to-book ratios have exceeded 1.0 across the industry for decades, yet are well below those of other sectors. As shown in Figure 1 below, fluctuations in price-to-book ratios over time have not been unique to utilities, and utilities are at the lower end of all sectors. Price-to-book ratios have increased across industries and economic cycles since 1980 due to factors unrelated to the authorized ROEs, including structural macroeconomic factors, the increasing real value of all assets, the interest rate environment, and shifts in investor expectations.

Figure 1: Price-to-Book Ratios by Industry (1980 – 2025)[59]



[59] Source: Dartmouth College Data Library, Eugene F. Fama and Kenneth R. French Current Research Returns. Accessible here: https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html.

Book value (or book equity) is an accounting measure that reflects historical cost less depreciation, and depreciation, accumulated deferred taxes, regulatory assets and liabilities each affect regulatory value. Market value is forward-looking and reflects future earnings dependent upon many factors, including future cash flows. Market value reflects, in part, the outcome of regulation, not the inverse. The expectation that a backward-looking accounting measure should equal a forward-looking market measure is contrary to market economics.

Lastly, a regulator publicly committed to driving the price-to-book ratio down toward 1.0 signals to the market that it will reduce the allowed return whenever the stock appreciates above that level. Investors thus face capped upside but retain full exposure to downside risk. This asymmetry increases the perceived risk of the security, and investors respond by demanding a higher required return. The result is paradoxical and self-defeating. In short, a policy aimed at lowering the allowed return raises the utility's cost of capital, further impairing its access to capital relative to peers whose regulators impose no comparable constraint.

Q. Mr. Cicero comments on Peoples' profits over the last four years and observes it has not had a "capital infusion of any capital since 2018" and has "kicked considerable income up the corporate ladder over this same period".[60] Is Mr. Cicero's characterization accurate?

A. Not entirely. First, I agree that Peoples has not had an *equity* infusion from its parent in the last five years, however, it has had capital infusions of *debt*. Second, capital returned to the parent between 2021 and 2025 has totaled less than two percent of Peoples' retained

[60] CAUSE-PA St. No. 1-SR, at 21.

earnings and accounted for less than one percent of its uses of funds.[61] Between 2022 and 2025, Peoples has returned only [BEGIN PROPRIETARY] [redacted] [END PROPRIETARY] to the parent. I do not consider that amount to be "considerable."

More importantly, Mr. Cicero's commentary regarding Peoples' profits ignores the fact that Peoples has been reinvesting all its profits back into its system. For example, the Company's ratio of capital expenditures to retained earnings between 2021 and 2025 has been approximately 2.3x on average, meaning that Peoples' capital needs exceed its internally generated funds by more than double.[62] Company witness Schuller explains that Peoples is investing billions into system improvements rather than a flowback of capital to investors.[63] Nevertheless, even if Peoples was paying dividends regularly, the U.S. Supreme Court concluded in *Hope* that a public utility is entitled to revenues that allow it to repay its debt expense, and pay dividends on the stock:

> From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. **These include service on the debt and dividends on the stock**...By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.[64]

Q. Mr. Cicero argues that Peoples' regulatory mechanisms reduce its risk and that treating an aggressive capital program as a basis for a higher return reflects

[61] Peoples' Confidential response to OCA-I-008.
[62] Peoples' Confidential response to OCA-I-008.
[63] Peoples St. No. 19-R, at 8-9.
[64] *Federal Power Comm'n v. Hope Natural Gas Co*., 320 U.S. 591, 603 (1944). (Emphasis added.)

"capital bias" that lets the utility "set the conditions for its own awarded equity."[65] How do you respond?

A. Mr. Cicero's argument is misdirected. I make no upward ROE adjustment for Peoples' capital program or business risk. My 11.00 percent base ROE is derived from market-based models applied to companies of comparable risk. As I explained in my rebuttal testimony, the Distribution System Improvement Charge ("DSIC"), forecasted test years, and the Weather Normalization Adjustment are common across the proxy group and are already reflected in the market data used to estimate the cost of equity.[66] Like Mr. Patel, Mr. Cicero does not compare Peoples' regulatory mechanisms to those of the proxy group, as I have.

Q. Mr. Cicero recommends a 50/50 capital structure in order to move Peoples "gradually" toward a structure that he says is "more reflective" of the risk of its corporate parent, Essential Utilities.[67] Do you agree?

A. No. For the reasons explained earlier in response to Mr. Patel and Mr. Garrett, Peoples' ratemaking capital structure should reflect the financial risk of Peoples, not Essential. Further, Mr. Cicero's recommendation effectively asks customers to bear the risk of Essential's consolidated debt, including that of other affiliates. Mr. Cicero's 50/50 recommendation rests on qualitative grounds rather than a comparable financial risk analysis. When that comparison is made, Peoples' requested 54.47 percent equity ratio is within the proxy group range and slightly below the average.

[65] CAUSE-PA St. No. 1-SR, at 23-24.
[66] Peoples St. No. 15-R, at 103–107.
[67] CAUSE-PA St. No. 1-SR, at 4.

Q. Mr. Cicero presents a table showing that, even assuming a 100-basis-point increase in Peoples' cost of debt, imputing a 50/50 capital structure would still reduce the revenue requirement, and he argues that the large spread between the requested ROE and the cost of debt means debt costs would have to rise "dramatically" to offset the change.[68] How do you respond?

A. Mr. Cicero commits the same mistake as Mr. Patel by assuming that the costs of both debt and equity will remain unchanged if Peoples' capital structure is dramatically altered. Increasing the debt ratio and an unjustifiably low authorized ROE both increase Peoples' risk, increasing both the cost of debt and the cost of equity. Further, a material reduction in authorized ROE and the equity ratio to the levels that Mr. Cicero presents would significantly impair Peoples' cash flow and pressure its cash-flow-to-debt metric, which is the primary metric monitored by the rating agencies.

Additionally, Mr. Cicero compares his ROE estimate under Governor Shapiro's proposal (7.68 percent) to Peoples' requested cost of debt to conclude that "it is 307 basis points higher than the company's cost of long-term debt."[69] Mr. Cicero fails to acknowledge that the Company's requested 4.61 percent cost of debt is an *embedded* cost of debt that is a weighted average of all outstanding and projected debt issuances, including those that were issued during a lower interest rate environment than exists currently. The proper comparison is to the current yield on utility bonds, which is currently above 6 percent, which is only a 165-basis point premium, rather than the 307-basis point premium Mr. Cicero references in error.

[68] CAUSE-PA St. No. 1-SR, at 25–26.
[69] CAUSE-PA St. No. 1-SR, at 25–26.

Q. Mr. Cicero asserts that you testify that "the Commission should not look to the authorized capital structure in place at other natural gas distribution companies".[70] Has Mr. Cicero accurately quoted your testimony?

A. No, Mr. Cicero mischaracterizes my testimony. It is not my testimony that the Commission should not look to authorized capital structures in place at other natural gas distribution companies. In fact, I evaluated the current authorized equity ratios of my proxy companies in Exhibit JEN-12 and updated in Exhibit JEN-8R. That evaluation demonstrated that Peoples' requested equity ratio is consistent with authorized equity ratios "in place at other natural gas distribution utilities." My primary point is that each utility is unique and is financed according to the unique risks and needs of the business. Simplistic references to an average at a point in time fail to capture the wide range of capital structures and presume that all utilities should be capitalized the same. This assumption defies reality.

Q. Mr. Cicero argues that because the Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters projects a median 10-year return of approximately 7 percent for the overall market, and utilities are safer than the market, a 7.68 percent ROE for Peoples under Governor Shapiro's approach is sufficient.[71] How do you respond?

A. I disagree, for several reasons. First, I explained the limitations of relying on survey responses in my rebuttal testimony.[72] Second, the survey represents just 37 responses that range from 4.00 percent to 13.50 percent.[73] The wide dispersion in estimates illustrates the

[70] CAUSE-PA St. No. 1-SR, at 24.
[71] CAUSE-PA St. No. 1-SR, at 29.
[72] Peoples St. No. 15-R, at 87-88.
[73] Survey of Professional Forecasters (STOCK10), Fed. Reserve Bank of Philadelphia. (May 15, 2026), https://www.philadelphiafed.org/surveys-and-data/stock10 (Median Responses).

considerable uncertainty in investors' market return expectations. Nevertheless, a 7.68 percent ROE is well below nearly every authorized ROE for natural gas distribution utilities in at least the past 46 years and would fail to meet the *Hope* and *Bluefield* standards for a fair return. For these reasons, the Philadelphia Fed Survey does not show that a 7.68 percent return is adequate for Peoples.[74]

V. CONCLUSION

Q. Have any of the Witnesses' surrebuttal arguments caused you to change your recommendations?

A. No. I continue to recommend an 11.00 percent base ROE (11.25 percent inclusive of the management performance adjustment) and Peoples' requested capital structure of 54.47 percent common equity and 45.53 percent long-term debt.

Q. Does this conclude your rejoinder testimony?

A. Yes, it does.

[74] Peoples St. No. 15-R, at 38–57.

THE VALUE LINE Investment Survey®

Part 1
Summary & Index

File at the front of the *Ratings & Reports* binder. Last week's *Summary & Index* should be removed.

May 22, 2026

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The Median of Estimated **PRICE-EARNINGS RATIOS** of all stocks with earnings

17.7

26 Weeks Ago	Market Low 3-23-20	Market High 5-11-26
17.8	11.0	17.7

The Median of Estimated **DIVIDEND YIELDS** (next 12 months) of all dividend paying stocks

2.1%

26 Weeks Ago	Market Low 3-23-20	Market High 5-11-26
2.2%	3.7%	2.1%

The Median Estimated **THREE-TO-FIVE YEAR PRICE APPRECIATION POTENTIAL** of all stocks in the VL Universe

45%

26 Weeks Ago	Market Low 3-23-20	Market High 5-11-26
45%	145%	45%

The Median Estimated **18-MONTH APPRECIATION POTENTIAL TO TARGET PRICE RANGE** of all stocks in the VL Universe

18%

26 Weeks Ago	Market Low 3-23-20	Market High 5-11-26
20%	72%	18%

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Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

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In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LXXXI, No. 42.

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See back cover for important disclosures.

Index to Stocks

Prices quoted are as of May 11, 2026.
All shares are traded on the New York Stock Exchange except where noted.

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Bold type refers to full report.
The number on the left signifies a Supplement (if available).

		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	1702	**AAON, Inc.**	(NDQ)	AAON	**141.70**	3	3	5	1.25	110- 160 (N- 15%)	**72.7**	**0.3**	1.95	.40	29	3/31	◆**.48**	.35	3/31	.10	.10	YES
	702	AAR Corp.		AIR	**117.57**	3	3	2	1.25	115- 175 (N- 50%)	**22.6**	**NIL**	5.20	NIL	59	2/28	**1.25**	.99	3/31	NIL	NIL	YES
	1957	AB InBev ADR		BUD	**79.86**	3	2	3	.90	95- 130 (20- 65%)	**18.4**	**1.5**	4.35	1.21	65	12/31	**.95**	.62	6/30	▲.88	.838	YES
	1749	ABB Ltd. ADR	(NDQ)	ABBNY	**107.75**	3	2	4	1.15	90- 135 (N- 25%)	**37.2**	**1.0**	2.90	1.10	22	3/31	**.73**	.56	6/30	▲1.03	.993	YES
	378	ABM Industries Inc.		ABM	**39.39**	3	3	4	1.10	55- 85 (40-115%)	**9.4**	**2.9**	4.17	1.16	11	1/31	**.83**	.87	6/30	.29	.265	YES
	2502	ACI Worldwide	(NDQ)	ACIW	**42.36**	3	3	5	1.10	55- 80 (30- 90%)	**18.8**	**NIL**	2.25	NIL	35	3/31	◆**.37**	.55	3/31	NIL	NIL	YES
	379	ADT Inc.		ADT	**6.79**	▲1	3	4	1.20	9- 14 (35-105%)	**7.4**	**3.2**	.92	.22	11	3/31	**.23**	.21	6/30	.055	.055	YES
	1217	AES Corp.		AES	**14.35**	–	3	–	1.20	20- 30 (40-110%)	**6.8**	**4.9**	2.10	.71	85	3/31	◆**.67**	.39	6/30	.176	.176	YES
	141	AGCO Corp.		AGCO	**118.83**	2	3	2	1.30	150- 225 (25- 90%)	**20.5**	**1.0**	5.80	1.16	4	3/31	◆**.94**	.41	3/31	.29	.29	YES
	1630	AMN Healthcare		AMN	**30.27**	▲2	3	4	.85	19- 30 (N- N%)	**14.8**	**NIL**	2.05	NIL	37	3/31	◆**2.10**	.45	3/31	NIL	NIL	YES
	2384	APA Corp.	(NDQ)	APA	**36.70**	1	3	2	1.35	45- 65 (25- 75%)	**6.2**	**2.7**	5.90	1.00	13	3/31	◆**1.38**	1.06	6/30	.25	.25	YES
	1002	APi Group Corp.		APG	**44.12**	3	3	3	1.35	60- 95 (35-115%)	**26.0**	**NIL**	1.70	NIL	8	3/31	**.32**	.11	3/31	NIL	NIL	YES
231	2385	ARC Resources Ltd.	(TSE)	ARX.TO	**30.94**	–	3	–	.80	30- 45 (N- 45%)	**12.9**	**2.7**	2.40	.84	13	3/31	**1.03**	.69	6/30	.21	.19	
		ASGN Inc.								NAME CHANGED TO EVERFORTH, INC.												
	1384	ASML Holding N.V.	(NDQ)	ASML	**1565.81**	1	3	3	1.40	1520-2280 (N- 45%)	**58.8**	**0.4**	26.62	7.00	1	3/31	**7.15**	6.48	6/30	▲2.693	1.777	YES
	916	AST SpaceMobile Inc	(NDQ)	ASTS	**82.55**	5	4	2	1.65	150- 250 (80-205%)	**NMF**	**NIL**	d1.04	NIL	41	12/31	**d.26**	d.18	3/31	NIL	NIL	YES
	917	AT&T Inc.		T	**24.87**	3	3	1	.70	35- 45 (40- 80%)	**10.8**	**5.0**	2.30	1.24	41	3/31	**.57**	.51	6/30	.277	.277	YES
	946	A10 Networks		ATEN	**28.02**	3	3	3	1.10	25- 35 (N- 25%)	**27.5**	**0.9**	1.02	.24	32	3/31	**.24**	.20	3/31	.06	.06	YES
	1579	ATI Inc.		ATI	**161.16**	2	3	3	1.45	110- 165 (N- N%)	**37.9**	**NIL**	4.25	NIL	33	3/31	**1.00**	.72	3/31	NIL	NIL	YES
	1302	AZZ Inc.		AZZ	**148.65**	2	3	3	1.20	170- 255 (15- 70%)	**23.1**	**0.5**	6.43	.80	9	2/28	**1.34**	.67	6/30	.20	.17	YES
1825	192	Abbott Labs.		ABT	**82.56**	4	1	3	.75	135- 165 (65-100%)	**15.0**	**3.1**	5.50	2.52	74	3/31	**1.15**	1.09	6/30	.63	.59	YES
	1605	AbbVie Inc.		ABBV	**202.78**	4	2	1	.65	270- 370 (35- 80%)	**13.9**	**3.4**	14.55	6.92	69	3/31	**2.65**	2.46	6/30	1.73	1.64	YES
	2183	Abercrombie & Fitch		ANF	**72.33**	2	4	2	1.15	90- 150 (25-105%)	**7.0**	**NIL**	10.40	NIL	20	1/31	**3.68**	3.57	3/31	NIL	NIL	YES
	2434	Aberdeen Australia Fd.		IAF						SEE FINAL SUPPLEMENT												
	1208	Aberdeen Asia-Pac. Fd.	(ASE)	FAX	**14.69**	–	3	–	.75	10- 16 (N- 10%)	**NMF**	**13.5**	NMF	1.98	–	10/31	**16.60(q)**	17.70(q)	6/30	▼.165	.33	
	418	Aberdeen India Fund, Inc		IFN	**11.79**	–	3	–	.90	11- 16 (N- 35%)	**NMF**	**NIL**	NMF	NIL	–	6/30	**17.29(q)**	19.93(q)	3/31	▲.85	.947	
	2164	Academy Sports	(NDQ)	ASO	**51.54**	3	3	1	1.30	60- 90 (15- 75%)	**8.1**	**1.2**	6.35	.60	16	1/31	**1.97**	1.96	6/30	▲.15	.13	YES
	790	Acadia Healthcare	(NDQ)	ACHC	**25.01**	3	3	4	1.00	25- 40 (N- 60%)	**11.4**	**NIL**	2.20	NIL	14	3/31	**.37**	.40	3/31	NIL	NIL	YES
	2345	Accel Entertainment		ACEL	**11.55**	3	3	3	1.00	16- 25 (40-115%)	**12.8**	**NIL**	.90	NIL	61	3/31	◆**.17**	.24	3/31	NIL	NIL	YES
	2597	Accenture Plc		ACN	**172.35**	2	2	3	1.05	340- 460 (95-165%)	**12.7**	**3.8**	13.61	6.52	17	2/28	**2.93**	2.82	6/30	1.63	1.48	YES
	1303	Acuity Inc.		AYI	**289.62**	3	3	4	1.15	340- 510 (15- 75%)	**14.1**	**0.3**	20.61	.80	9	2/28	**4.14**	2.45	6/30	.20	.17	YES
	2302	Acushnet Holdings		GOLF	**87.69**	4	3	2	1.05	70- 105 (N- 20%)	**21.7**	**1.2**	4.05	1.02	72	3/31	◆**1.36**	1.62	3/31	▲.255	.235	YES
	1209	Adams Divers. Equity Fd		ADX	**24.60**	–	2	–	1.00	20- 25 (N- N%)	**NMF**	**0.7**	NMF	.18	–	12/31	**22.64(q)**	22.64(q)	6/30	▲.48	.05	
	193	AdaptHealth Corp.	(NDQ)	AHCO	**11.24**	▼3	4	3	1.20	15- 25 (35-120%)	**11.2**	**NIL**	1.00	NIL	74	3/31	◆**d.12**	d.05	3/31	NIL	NIL	YES
	194	Adaptive Biotech.	(NDQ)	ADPT	**13.54**	5	5	3	1.70	17- 30 (25-120%)	**NMF**	**NIL**	d.50	NIL	74	3/31	◆**d.12**	d.20	3/31	NIL	NIL	YES
	962	Adient plc		ADNT	**22.12**	▲2	3	3	1.65	30- 45 (35-105%)	**9.4**	**NIL**	2.35	NIL	54	3/31	◆**.52**	.69	3/31	NIL	NIL	YES
1644	2549	Adobe Inc.	(NDQ)	ADBE	**246.15**	1	3	4	1.20	405- 610 (65-150%)	**10.4**	**NIL**	23.75	NIL	40	2/28	**6.06**	4.14	3/31	NIL	NIL	YES
	947	ADTRAN Holdings	(NDQ)	ADTN	**15.68**	2	5	3	1.25	12- 20 (N- 30%)	**30.2**	**NIL**	.52	NIL	32	3/31	◆**.14**	.03	3/31	NIL	NIL	YES
	2117	Advance Auto Parts		AAP	**51.83**	4	3	2	1.10	75- 115 (45-120%)	**18.8**	**1.9**	2.75	1.00	64	12/31	**.86**	d1.18	6/30	.25	.25	YES
	1102	Advanced Drainage		WMS	**143.81**	3	3	2	1.35	200- 300 (40-110%)	**21.1**	**0.6**	6.81	.80	36	12/31	**1.27**	1.03	3/31	.18	.16	YES
	1385	Advanced Energy	(NDQ)	AEIS	**354.97**	3	3	3	1.40	280- 420 (N- 20%)	**43.0**	**0.1**	8.25	.40	1	3/31	**2.09**	1.23	3/31	.10	.10	YES
	1347	Advanced Micro Dev.	(NDQ)	AMD	**458.79**	1	3	4	1.55	345- 520 (N- 15%)	**82.1**	**NIL**	5.59	NIL	5	3/31	◆**1.37**	.96	3/31	NIL	NIL	YES
	543	AdvanSix Inc.		ASIX	**22.53**	3	3	3	1.30	25- 35 (10- 55%)	**19.6**	**2.8**	▼1.15	.64	39	3/31	◆**d.58**	.86	3/31	.16	.16	YES
	1003	AECOM		ACM	**79.50**	3	3	3	1.10	150- 220 (90-175%)	**13.1**	**1.6**	6.06	1.24	8	3/31	◆**1.39**	1.25	6/30	.31	.26	YES
	703	AerCap Hldgs. NV		AER	**146.22**	2	3	3	1.35	140- 210 (N- 45%)	**9.0**	**0.8**	16.20	1.14	59	3/31	**5.39**	3.68	3/31	▲.40	.27	YES
1237	704	AeroVironment	(NDQ)	AVAV	**166.45**	5	3	3	1.30	270- 400 (60-140%)	**42.7**	**NIL**	3.90	NIL	59	1/31	**.64**	.30	3/31	NIL	NIL	YES
	2206	Affiliated Managers		AMG	**301.28**	3	3	3	1.40	360- 540 (20- 80%)	**9.7**	**NIL**	31.00	.04	38	3/31	**3.84**	5.20	6/30	◆.01	.01	YES
	2503	Affirm Holdings Inc	(NDQ)	AFRM	**66.45**	4	4	5	2.75	75- 125 (15- 90%)	**19.5**	**NIL**	3.40	NIL	35	3/31	◆**.30**	.42	3/31	NIL	NIL	YES
	1555	Aflac Inc.		AFL	**115.48**	4	2	3	1.00	115- 155 (N- 35%)	**14.7**	**2.1**	7.85	2.48	66	3/31	**1.75**	1.66	3/31	▲.61	.58	
	195	Agilent Technologies		A	**111.46**	3	3	4	1.10	170- 255 (55-130%)	**18.7**	**0.9**	5.95	1.02	74	1/31	**1.36**	1.31	6/30	.255	.248	YES
	1566	Agnico Eagle Mines		AEM	**196.84**	3	3	2	.90	150- 230 (N- 15%)	**16.4**	**0.8**	12.00	1.60	51	3/31	**3.40**	1.53	3/31	▲.45	.40	YES
	2611	Airbnb, Inc.	(NDQ)	ABNB	**137.05**	3	3	3	1.45	180- 270 (30- 95%)	**28.3**	**NIL**	4.85	NIL	57	3/31	◆**.26**	.24	3/31	NIL	NIL	YES
	302	Air Canada ″B″	(TSE)	AC.TO	**19.26**	3	3	3	1.20	17- 25 (N- 30%)	**8.8**	**NIL**	2.20	NIL	60	3/31	**.16**	d.31	3/31	NIL	NIL	YES
	2416	Air Products & Chem.		APD	**304.50**	4	2	3	1.00	320- 430 (5- 40%)	**23.0**	**2.4**	13.24	7.22	45	3/31	**3.20**	2.69	6/30	▲1.81	1.79	YES
	1805	Akamai Technologies	(NDQ)	AKAM	**153.01**	2	3	2	1.00	145- 220 (N- 45%)	**21.4**	**NIL**	7.15	NIL	58	3/31	◆**1.61**	1.70	3/31	NIL	NIL	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential		Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	142	Alamo Group		ALG	154.80	▲2	3	3	1.15	215- 325	(40-110%)	15.3	0.9	10.15	1.32	4	3/31	◆2.41	2.65	6/30	.34	.30	YES
	2012	Alarm.com Holdings	(NDQ)	ALRM	43.72	2	3	4	1.05	65- 100	(50-130%)	15.6	NIL	2.80	NIL	63	3/31	◆.65	.52	3/31	NIL	NIL	YES
	303	Alaska Air Group		ALK	39.06	▼4	3	4	1.40	65- 95	(65-145%)	NMF	NIL	d1.40	NIL	60	3/31	d1.68	d.77	3/31	NIL	NIL	YES
	1703	Albany Int'l 'A'		AIN	61.42	▲3	3	4	1.25	75- 110	(20- 80%)	21.9	1.8	2.81	1.12	29	3/31	.06	.73	6/30	.28	.27	YES
	2417	Albemarle Corp.		ALB	209.99	▲3	3	2	1.50	140- 210	(N- N%)	35.0	0.8	6.00	1.62	45	3/31	◆2.95	NIL	6/30	.405	.405	YES
	1940	Albertsons Companies		ACI	15.92	2	3	3	.65	25- 35	(55-120%)	7.0	4.0	2.26	.64	26	2/28	.48	.46	6/30	▲.17	.15	YES
2026	1580	Alcoa Corp.		AA	65.34	3	3	1	1.85	60- 95	(N- 45%)	7.9	0.6	8.30	.40	33	3/31	1.40	2.15	3/31	.10	.10	YES
	158	Alcon Inc.		ALC	62.02	3	2	3	1.05	100- 140	(60-125%)	19.2	0.6	3.23	.36	79	3/31	◆.85	.73	6/30	▲.359	.333	YES
	1511	Alexandria Real Estate		ARE	46.00	5	3	3	1.30	75- 105	(65-130%)	30.7	6.3	1.50	2.88	90	3/31	2.10	d.07	6/30	.72	1.32	YES
	2632	Alibaba Group ADS		BABA	137.30	4	3	3	1.30	145- 220	(5- 60%)	11.5	NIL	11.93	NIL	73	12/31	1.82	2.93	12/31	▲NIL	NIL	YES
	196	Align Techn.	(NDQ)	ALGN	164.61	3	3	3	1.45	260- 390	(60-135%)	14.6	NIL	11.30	NIL	74	3/31	2.58	2.13	3/31	NIL	NIL	YES
	2165	Ali. Couche-Tard	(TSE)	ATD.TO	78.03b	3	2	2	.75	80- 110	(5- 40%)	17.7	1.2	4.42	.90	16	1/31	.81(b)	.96(b)	6/30	.215(b)	.195(b)	YES
	818	Alkermes plc	(NDQ)	ALKS	35.47	3	3	3	.90	35- 50	(N- 40%)	17.7	NIL	2.00	NIL	89	3/31	◆d.40	.13	3/31	NIL	NIL	YES
	304	Allegiant Travel	(NDQ)	ALGT	79.38	4	3	2	1.55	110- 165	(40-110%)	18.7	NIL	4.25	NIL	60	3/31	3.82	1.81	6/30	.60	NIL	YES
	1103	Allegion plc		ALLE	132.35	2	3	2	1.05	175- 260	(30- 95%)	15.2	1.7	8.70	2.20	36	3/31	1.80	1.86	3/31	▲.55	.51	YES
	1348	Allegro MicroSystems	(NDQ)	ALGM	48.39	▲3	3	4	1.60	35- 50	(N- 5%)	60.5	NIL	.80	NIL	5	3/31	◆.17	.06	3/31	NIL	NIL	YES
	2207	AllianceBernstein Hldg.		AB	38.42	4	3	2	1.15	35- 55	(N- 45%)	11.0	9.0	3.50	3.45	38	3/31	.83	.80	6/30	▼.83	.80	YES
	902	Alliant Energy	(NDQ)	LNT	72.47	4	1	2	.80	70- 90	(N- 25%)	21.0	2.8	3.45	2.03	82	3/31	.87	.83	6/30	.535	.507	YES
	963	Allison Transmission		ALSN	123.72	▼2	3	2	1.05	115- 170	(N- 35%)	13.7	0.9	9.00	1.08	54	3/31	2.57	2.23	3/31	▲.29	.27	YES
	752	Allstate Corp.		ALL	213.80	2	2	3	.90	285- 385	(35- 80%)	8.6	1.9	25.00	4.00	30	3/31	10.65	3.53	6/30	▲1.08	1.00	YES
	775	Ally Financial		ALLY	42.74	3	3	3	1.55	50- 75	(15- 75%)	8.0	2.8	5.35	1.20	31	3/31	1.11	.58	6/30	.30	.30	YES
	819	Alnylam Pharmac.	(NDQ)	ALNY	284.84	4	3	2	.90	320- 480	(10- 70%)	55.9	NIL	5.10	NIL	89	3/31	1.51	d.14	3/31	NIL	NIL	YES
438	2612	Alphabet Inc.	(NDQ)	GOOG	386.77	2	2	4	.95	410- 500	(5- 30%)	35.8	0.2	10.80	.84	57	3/31	2.62	2.81	3/31	.21	.20	YES
	159	Alphatec Holdings Inc	(NDQ)	ATEC	6.99	5	4	3	1.30	20- 35	(185-400%)	17.5	NIL	.40	NIL	79	3/31	NIL	d.06	3/31	NIL	NIL	YES
		Altice USA				NAME CHANGED TO OPTIMUM COMMS. INC.																	
	1975	Altria Group		MO	68.61	3	1	3	.65	65- 80	(N- 15%)	12.1	6.2	5.65	4.24	80	3/31	1.32	1.23	6/30	1.06	1.02	YES
437	2633	Amazon.com	(NDQ)	AMZN	268.99	2	2	4	1.20	400- 540	(50-100%)	35.4	NIL	7.60	NIL	73	3/31	2.78	1.59	3/31	NIL	NIL	YES
	1349	Ambarella, Inc.	(NDQ)	AMBA	79.72	4	4	5	1.95	90- 150	(15- 90%)	NMF	NIL	.75	NIL	5	1/31	.13	.11	3/31	NIL	NIL	YES
	1174	Amcor plc		AMCR	40.20	4	2	3	.95	50- 70	(25- 75%)	13.1	6.6	3.07	2.66	62	3/31	◆.96	.68	3/31	▼.65	3.185	YES
	2598	Amdocs Ltd.	(NDQ)	DOX	62.57	2	1	3	.80	115- 140	(85-125%)	8.5	3.4	7.34	2.11	17	12/31	1.81	1.33	6/30	▲.569	.527	YES
	380	Amentum Holdings Inc		AMTM	23.94	–	3	–	NMF	50- 70	(110-190%)	9.7	NIL	2.46	NIL	11	3/31	◆.22	.02	3/31	NIL	NIL	YES
	903	Ameren Corp.		AEE	109.99	4	1	2	.75	115- 145	(5- 30%)	20.6	2.7	5.35	2.96	82	3/31	◆1.28	1.07	3/31	▲.75	.71	YES
	918	America Movil		AMX	27.42	▲3	2	2	.75	25- 35	(N- 30%)	16.3	2.0	1.68	.55	41	3/31	.44	.30	12/31	▲.282	.245	YES
	305	Amer. Airlines	(NDQ)	AAL	12.79	4	4	4	1.45	17- 30	(35-135%)	32.0	NIL	.40	NIL	60	3/31	.40	d.59	3/31	NIL	NIL	YES
	2184	Amer. Eagle Outfitters		AEO	15.52	3	3	2	1.25	25- 35	(60-125%)	9.1	3.2	1.70	.50	20	1/31	.84	.54	6/30	.125	.125	YES
	904	Amer. Elec. Power		AEP	130.70	▼4	1	1	.70	120- 145	(N- 10%)	20.7	3.0	6.30	3.92	82	3/31	◆1.64	1.54	6/30	◆.95	.93	YES
	2504	Amer. Express		AXP	312.32	2	3	3	1.40	320- 480	(N- 55%)	18.1	1.2	17.30	3.88	35	3/31	4.28	3.64	6/30	▲.95	.82	YES
	753	Amer. Financial Group		AFG	131.97	4	2	3	.95	160- 215	(20- 65%)	11.7	2.7	11.30	3.52	30	3/31	2.47	1.81	6/30	.88	.80	YES
	1512	Amer. Homes 4 Rent		AMH	32.05	3	2	5	.95	40- 50	(25- 55%)	24.7	4.1	1.30	1.32	90	3/31	◆.35	.30	3/31	▲.33	.30	YES
	2505	Amer. Int'l Group		AIG	76.06	2	2	3	1.15	100- 140	(30- 85%)	9.8	2.6	7.80	1.95	35	3/31	2.11	1.17	3/31	.45	.40	YES
	2166	Amer Sports Inc		AS	34.50	–	3	–	NMF	50- 75	(45-115%)	28.8	NIL	1.20	NIL	16	12/31	.31	.03	3/31	NIL	NIL	YES
	1772	Amer. States Water		AWR	77.15	▼3	1	3	.70	110- 135	(45- 75%)	20.9	2.8	3.70	2.15	88	3/31	◆.76	.70	3/31	.504	.465	YES
	1513	Amer. Tower 'A'		AMT	177.47	3	3	4	.85	230- 345	(30- 95%)	27.3	4.1	6.50	7.21	90	3/31	1.84	1.04	6/30	▲1.79	1.70	YES
	1773	Amer. Water Works		AWK	126.01	4	2	2	.75	170- 230	(35- 85%)	20.7	2.8	6.10	3.55	88	3/31	1.01	1.05	3/31	.827	.765	YES
	1104	Amer. Woodmark	(NDQ)	AMWD	36.49	–	3	–	1.20	70- 105	(90-190%)	14.1	NIL	2.58	NIL	36	1/31	.45	1.05	3/31	NIL	NIL	YES
	2208	Ameriprise Fin'l		AMP	463.70	▲2	3	4	1.35	565- 850	(20- 85%)	10.7	1.5	43.25	6.80	38	3/31	11.26	9.50	6/30	▲1.70	1.60	YES
	1750	AMETEK, Inc.		AME	232.16	2	1	3	1.05	275- 340	(20- 45%)	28.8	0.6	8.05	1.36	22	3/31	1.97	1.75	3/31	▲.34	.31	YES
	820	Amgen	(NDQ)	AMGN	329.59	4	2	1	.70	345- 465	(5- 40%)	14.8	3.0	22.20	9.84	89	3/31	5.15	4.90	3/31	▲2.52	2.38	YES
	1386	Amkor Technology	(NDQ)	AMKR	76.69	1	3	3	1.65	40- 60	(N- N%)	43.8	0.4	1.75	.34	1	3/31	.33	.09	3/31	.083	NIL	YES
	1606	Amphastar Pharma.	(NDQ)	AMPH	18.45	3	3	4	.90	30- 45	(65-145%)	5.6	NIL	3.30	NIL	69	3/31	◆.42	.74	3/31	NIL	NIL	YES
	1304	Amphenol Corp.		APH	122.47	2	2	3	1.15	185- 250	(50-105%)	27.2	0.8	4.50	1.04	9	3/31	1.06	.63	6/30	.25	.165	YES
	1105	Amrize Ltd.		AMRZ	52.04	–	3	–	NMF	70- 105	(35-100%)	18.9	NIL	2.75	NIL	36	3/31	d.21	d.16	6/30	NIL	NIL	YES
	1350	Analog Devices	(NDQ)	ADI	422.73	2	3	3	1.25	380- 570	(N- 35%)	34.5	1.0	12.24	4.40	5	1/31	2.46	1.63	3/31	▲1.10	.99	YES
	1567	AngloGold Ashanti plc		AU	108.34	3	3	3	1.05	110- 165	(N- 50%)	12.9	3.4	8.40	3.64	51	3/31	◆2.51(p)	.88(p)	3/31	▲1.73	.69	YES
	1514	Annaly Capital Mgmt.		NLY	22.44	4	3	3	1.15	25- 40	(10- 80%)	7.5	12.5	3.00	2.80-1.76	90	3/31	.76	.72	6/30	.70	.70	YES
	577	Antero Midstream Corp.		AM	21.31	3	3	2	1.00	25- 35	(15- 65%)	17.8	4.2	1.20	.90	48	3/31	.29	.25	6/30	.225	.225	YES
	523	Antero Resources		AR	36.59	2	3	2	1.20	▲ 55- 85	(50-130%)	8.4	NIL	4.35	NIL	70	3/31	1.14	.78	3/31	NIL	NIL	YES
	2506	Aon plc		AON	312.07	3	2	3	.85	420- 570	(35- 85%)	16.4	1.0	19.00	3.15	35	3/31	6.48	5.67	6/30	▲.82	.745	YES
2034	1607	Apellis Pharmac.	(NDQ)	APLS	41.02	–	4	–	1.25	25- 40	(N- N%)	NMF	NIL	d1.15	NIL	69	3/31	◆.14	d.74	3/31	NIL	NIL	YES
	1106	Apogee Enterprises	(NDQ)	APOG	36.22	3	3	4	1.20	55- 85	(50-135%)	11.0	2.9	3.29	1.04	36	2/28	.92	.89	3/31	▲.27	.26	YES
	2424	Apollo Global Mgmt		APO	130.46	3	3	5	1.60	95- 145	(N- 10%)	16.3	1.6	8.00	2.04	84	3/31	◆1.94	.68	3/31	.51	.46	YES
	2550	AppFolio, Inc.	(NDQ)	APPF	159.56	2	3	5	.90	225- 335	(40-110%)	25.1	NIL	6.35	NIL	40	3/31	1.61	1.21	3/31	NIL	NIL	YES
	2551	Appian Corp.	(NDQ)	APPN	20.53	3	4	4	1.65	35- 55	(70-170%)	22.8	NIL	.90	NIL	40	3/31	◆.27	.13	3/31	NIL	NIL	YES
437	1405	Apple Inc.	(NDQ)	AAPL	292.68	2	2	3	1.05	335- 455	(15- 55%)	33.2	0.4	8.81	1.04	46	3/31	2.01	1.65	6/30	▲.27	.26	YES
	1704	Applied Ind'l Techn.		AIT	310.55	2	3	3	1.15	300- 450	(N- 45%)	28.2	0.7	11.01	2.04	29	3/31	2.65	2.57	3/31	▲.51	.46	YES
	1387	Applied Materials	(NDQ)	AMAT	443.62	1	3	3	1.40	225- 335	(N- N%)	38.2	0.4	11.62	1.84	1	1/31	2.38	2.38	3/31	.46	.40	YES
839	2552	AppLovin Corp.	(NDQ)	APP	478.42	3	3	3	1.95	885-1325	(85-175%)	35.8	NIL	13.36	NIL	40	3/31	◆3.56	2.09	3/31	NIL	NIL	YES
	1175	AptarGroup		ATR	119.96	3	1	3	.95	185- 230	(55- 90%)	21.4	1.6	5.60	1.92	62	3/31	1.19	1.20	6/30	◆.48	.45	YES
	964	Aptiv PLC		APTV	55.41	3	3	3	1.35	125- 190	(125-245%)	6.6	NIL	8.45	NIL	54	3/31	◆.88	1.69	3/31	NIL	NIL	YES
	381	ARAMARK Holdings		ARMK	44.56	2	3	3	1.00	60- 85	(35- 90%)	19.0	1.1	2.34	.48	11	12/31	.51	.51	3/31	▲.12	.105	YES
	317	ArcBest Corp.	(NDQ)	ARCB	118.31	1	3	3	1.40	145- 215	(25- 80%)	25.2	0.4	4.70	.48	21	3/31	.32	.51	6/30	◆.12	.12	YES
	741	ArcelorMittal		MT	62.34	▲1	3	2	1.55	70- 105	(10- 70%)	13.0	1.0	4.80	.60	15	3/31	.76	1.04	3/31	▼.127	NIL	YES
	754	Arch Capital Group	(NDQ)	ACGL	93.83	▼3	2	1	.95	125- 170	(35- 80%)	9.4	NIL	9.95	NIL	30	3/31	2.50	1.54	3/31	NIL	NIL	YES
	1902	Archer Daniels Midl'd		ADM	79.84	–	3	–	.80	70- 105	(N- 30%)	19.2	2.6	4.15	2.04	68	3/31	◆.71	.70	3/31	▲.52	.51	YES
	2399	Archrock, Inc.		AROC	36.71	1	3	3	1.30	35- 50	(N- 35%)	18.4	2.4	2.00	.89	19	3/31	◆.41	.42	3/31	▲.22	.19	YES
	2425	Ares Management		ARES	124.61	3	3	4	1.55	160- 240	(30- 95%)	19.9	4.3	6.25	5.40	84	3/31	1.24	1.09	3/31	▲1.35	1.12	YES
2026	1004	Argan Inc.		AGX	683.52	1	3	3	.95	400- 605	(N- N%)	74.3	0.3	9.20	2.10	8	1/31	3.47	2.22	6/30	.50	.375	YES
	821	argenx SE	(NDQ)	ARGX	813.28	4	3	3	.75	1725-2590	(110-220%)	29.0	NIL	28.00	NIL	89	3/31	◆5.52	2.58	3/31	NIL	NIL	
	1155	Arhaus, Inc.	(NDQ)	ARHS	6.12	▼4	3	4	1.50	15- 20	(145-225%)	12.2	NIL	.50	NIL	87	3/31	◆.02	.03	3/31	NIL	NIL	YES
	948	Arista Networks		ANET	136.43	2	3	3	1.30	90- 140	(N- 5%)	40.1	NIL	3.40	NIL	32	3/31	◆.87	.64	3/31	NIL	NIL	YES
	2102	Aritzia Inc.	(TSE)	ATZ.TO	145.25	3	3	3	1.25	155- 230	(5- 60%)	39.3	NIL	3.70	NIL	42	2/28	◆1.15	.84	3/31	NIL	NIL	
2026	1351	ARM Holdings	(NDQ)	ARM	212.65	–	3	–	NMF	185- 280	(N- 30%)	NMF	NIL	2.08	NIL	5	3/31	◆.29	.55	3/31	NIL	NIL	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	1107	Armstrong World Inds.		AWI	159.43	3	3	3	1.10	165- 250 (5- 55%)	21.0	0.8	7.60	1.23	36	3/31	1.69	1.66	6/30	◆.339	.308	YES
	919	Array Digital Infra.		AD	52.52	–	3	–	.75	50- 75 (N- 45%)	58.4	NIL	.90	NIL	41	3/31	◆1.67	.21	3/31	NIL	NIL	YES
	1321	Arrow Electronics		ARW	202.56	▲1	3	3	1.15	165- 250 (N- 25%)	15.2	NIL	13.30	NIL	10	3/31	◆5.22	1.80	3/31	NIL	NIL	YES
	2118	Asbury Automotive		ABG	197.49	3	3	4	1.05	225- 335 (15- 70%)	7.5	NIL	26.35	NIL	64	3/31	5.37	6.82	3/31	NIL	NIL	YES
	544	Ashland Inc.		ASH	54.08	3	3	3	1.15	70- 100 (30- 85%)	24.4	3.1	▼2.22	1.66	39	3/31	.34	.56	3/31	.415	.405	YES
	776	Assoc. Banc-Corp		ASB	27.91	3	3	3	1.25	30- 40 (5- 45%)	9.8	3.4	2.85	.96	31	3/31	.70	.59	3/31	.24	.23	YES
	2507	Assurant Inc.		AIZ	244.14	2	2	3	.95	320- 430 (30- 75%)	11.9	1.4	20.55	3.52	35	3/31	◆5.95	3.39	3/31	.88	.80	YES
	2003	Assured Guaranty		AGO	78.91	4	2	3	1.10	100- 135 (25- 70%)	11.3	2.0	7.00	1.55	49	3/31	◆2.50	3.18	3/31	▲.38	.34	YES
	143	Astec Inds.	(NDQ)	ASTE	52.81	3	3	2	1.40	80- 120 (50-125%)	14.1	1.0	3.75	.52	4	3/31	◆.54	.88	3/31	.13	.13	YES
	1352	Astera Labs Inc	(NDQ)	ALAB	207.35	–	4	–	NMF	170- 285 (N- 35%)	88.2	NIL	2.35	NIL	5	3/31	◆.61	.33	3/31	NIL	NIL	YES
	1608	AstraZeneca PLC		AZN	181.86	3	2	1	.85	210- 285 (15- 55%)	17.7	1.8	10.30	3.23	69	3/31	2.58	2.48	3/31	▲2.17	2.10	YES
	1005	Atkinsrealis Group	(TSE)	ATRL.TO	90.20b	3	3	3	1.00	120- 185 (35-105%)	22.6	0.1	4.00	.08	8	12/31	.97(b)	.30(b)	3/31	.02(b)	NIL(b)	YES
	734	Atkore, Inc.		ATKR	74.63	3	3	4	1.35	80- 120 (5- 60%)	14.2	1.8	5.25	1.32	2	3/31	◆1.23	2.04	3/31	.33	.32	YES
441	2553	Atlassian Corp.	(NDQ)	TEAM	87.31	▲4	3	5	1.45	170- 260 (95-200%)	17.2	NIL	5.09	NIL	40	3/31	1.75	d.27	3/31	NIL	NIL	YES
	533	Atmos Energy		ATO	182.13	4	1	2	.75	175- 210 (N- 15%)	21.0	2.3	8.66	4.18	86	3/31	◆3.47	3.03	3/31	1.00	.87	YES
437	965	Atmus Filtration		ATMU	56.60	2	3	2	1.25	65- 95 (15- 70%)	19.5	0.4	2.90	.22	54	3/31	.69	.63	3/31	.055	.05	YES
	160	AtriCure, Inc.	(NDQ)	ATRC	26.30	▼5	4	4	1.30	35- 55 (35-110%)	NMF	NIL	.15	NIL	79	3/31	NIL	d.14	3/31	NIL	NIL	YES
	966	Aurora Innovation Inc	(NDQ)	AUR	7.26	5	4	5	1.95	6- 9 (N- 25%)	NMF	NIL	d.40	NIL	54	3/31	◆d.11	d.12	3/31	NIL	NIL	YES
	2554	Autodesk, Inc.	(NDQ)	ADSK	236.07	2	3	4	1.30	365- 545 (55-130%)	38.1	NIL	6.20	NIL	40	1/31	1.48	1.40	3/31	NIL	NIL	YES
	967	Autoliv, Inc.		ALV	120.53	2	3	3	1.25	150- 225 (25- 85%)	11.2	3.1	10.80	3.70	54	3/31	2.05	2.15	3/31	.87	.70	YES
	1631	Automatic Data Proc.	(NDQ)	ADP	211.67	3	1	4	.85	265- 325 (25- 55%)	18.4	3.2	11.50	6.80	37	3/31	3.38	3.06	6/30	1.70	1.54	YES
	2119	AutoNation, Inc.		AN	200.48	2	3	3	.85	225- 340 (10- 70%)	9.3	NIL	21.60	NIL	64	3/31	4.69	4.68	3/31	NIL	NIL	YES
	2120	AutoZone Inc.		AZO	3427.80	3	2	3	.80	2945-3985 (N- 15%)	23.0	NIL	148.96	NIL	64	2/28	27.63	28.29	3/31	NIL	NIL	YES
	1515	AvalonBay Communities		AVB	187.27	4	2	5	1.00	240- 330 (30- 75%)	27.7	3.8	6.75	7.20	90	3/31	2.33	1.66	6/30	▲1.78	1.75	YES
2434	197	Avanos Medical		AVNS	24.81	–	3	–	1.15	19- 30 (N- 20%)	23.4	NIL	1.06	NIL	74	3/31	◆.22	.26	3/31	NIL	NIL	YES
	198	Avantor, Inc.		AVTR	7.97	3	3	5	1.00	14- 20 (75-150%)	8.0	NIL	1.00	NIL	74	3/31	.06	.23	3/31	NIL	NIL	YES
	1176	Avery Dennison		AVY	162.02	3	2	3	1.00	215- 295 (35- 80%)	16.4	2.5	9.90	4.00	62	3/31	2.47	2.30	3/31	.94	.88	YES
	545	Avient Corp.		AVNT	35.99	3	3	3	1.45	35- 55 (N- 55%)	18.9	3.1	1.90	1.10	39	3/31	◆.61	d.22	6/30	.275	.27	YES
1025	2167	Avis Budget Group	(NDQ)	CAR	151.19	▲3	4	2	1.85	145- 240 (N- 60%)	39.8	NIL	3.80	NIL	16	3/31	d7.85	d14.35	3/31	NIL	NIL	YES
	2193	Avista Corp.		AVA	40.68	4	2	1	.70	45- 60 (10- 45%)	15.4	4.8	2.65	1.97	78	3/31	◆1.10	.98	3/31	▲.492	.49	YES
	1322	Avnet, Inc.	(NDQ)	AVT	82.86	2	3	3	1.05	80- 120 (N- 45%)	14.8	1.7	5.61	1.40	10	3/31	1.48	1.01	3/31	.35	.33	YES
	546	Axalta Coating		AXTA	28.39	–	3	–	1.25	▼ 50- 70 (75-145%)	15.3	NIL	1.85	NIL	39	3/31	.56	.59	3/31	NIL	NIL	YES
	1388	Axcelis Technologies	(NDQ)	ACLS	165.08	–	3	–	1.55	75- 115 (N- N%)	55.0	NIL	3.00	NIL	1	3/31	◆.72	1.04	3/31	NIL	NIL	YES
	2004	AXIS Capital Hldgs.		AXS	98.51	4	2	2	.95	145- 195 (45-100%)	7.1	1.8	13.80	1.81	49	3/31	3.42	3.17	6/30	.44	.44	YES
	705	Axon Enterprise	(NDQ)	AXON	394.36	5	3	4	1.40	690-1035 (75-160%)	43.8	NIL	9.00	NIL	59	3/31	◆1.61	1.41	3/31	NIL	NIL	YES
	1502	Axos Financial		AX	85.49	2	3	3	1.45	100- 150 (15- 75%)	9.8	NIL	8.76	NIL	50	3/31	2.53	1.80	3/31	NIL	NIL	YES
438	1609	Axsome Therapeutics	(NDQ)	AXSM	216.47	5	4	4	1.25	165- 275 (N- 25%)	NMF	NIL	d2.00	NIL	69	3/31	d1.26	d1.22	3/31	NIL	NIL	YES
	199	Azenta, Inc.	(NDQ)	AZTA	17.95	4	3	3	1.30	35- 55 (95-205%)	22.2	NIL	.81	NIL	74	3/31	◆d.04	.05	3/31	NIL	NIL	YES
	1903	**B&G Foods**		BGS	5.09	–	4	–	.75	7- 12 (40-135%)	8.5	14.9	.60	.76-.10	68	12/31	.28	.31	6/30	.19	.19	YES
	1941	BBB Foods Inc		TBBB	36.50	–	3	–	NMF	45- 65 (25- 80%)	NMF	NIL	d.45	NIL	26	3/31	◆d.27	d.04	12/31	NIL	NIL	YES
	920	BCE Inc.		BCE	24.28	4	2	3	.65	30- 45 (25- 85%)	12.5	5.3	1.95	1.28	41	3/31	◆.63	.50	6/30	▲.319	.693	YES
	1581	BHP Group Ltd. ADR		BHP	87.65	3	3	3	1.15	55- 85 (N- N%)	18.3	3.2	4.80	2.80(h)	33	12/31	2.44(p)	.87(p)	3/31	▲1.445	.985	YES
	354	BJ's Restaurants	(NDQ)	BJRI	42.11	3	3	3	1.30	50- 70 (20- 65%)	18.3	NIL	2.30	NIL	47	3/31	◆.57	.59	3/31	NIL	NIL	YES
	2137	BJ's Wholesale Club		BJ	91.11	▲1	3	3	.55	120- 180 (30-100%)	19.2	NIL	4.75	NIL	18	1/31	.96	.92	3/31	NIL	NIL	YES
	777	BOK Financial	(NDQ)	BOKF	129.89	▼3	3	2	1.20	110- 165 (N- 25%)	13.4	1.9	9.70	2.52	31	3/31	2.58	1.86	3/31	.63	.57	YES
	502	BP PLC ADR		BP	44.22	2	3	2	.95	50- 75 (15- 70%)	9.8	4.3	▲4.50	1.92	3	3/31	1.47	.26	3/31	.494	.48	YES
	1218	BWX Technologies		BWXT	210.80	▼3	3	2	.95	140- 210 (N- N%)	46.3	0.5	4.55	1.04	85	3/31	1.12	.82	3/31	▲.27	.25	YES
	1516	BXP Inc.		BXP	58.94	5	3	5	1.30	80- 125 (35-110%)	28.8	6.7	2.05	3.92	90	3/31	◆.64	.39	6/30	.70	.98	YES
2642	1705	Badger Meter		BMI	116.67	4	3	3	1.05	255- 380 (120-225%)	25.1	1.4	4.65	1.60	29	3/31	.93	1.30	3/31	.40	.34	YES
	2400	Baker Hughes	(NDQ)	BKR	64.60	3	3	3	1.10	60- 90 (N- 40%)	25.3	1.4	2.55	.92	19	3/31	.58	.51	6/30	◆.23	.23	YES
	547	Balchem Corp.	(NDQ)	BCPC	158.93	3	2	2	.95	220- 300 (40- 90%)	28.4	0.6	5.60	.96	39	3/31	1.25	1.13	3/31	▲.96	.87	YES
	1177	Ball Corp.		BALL	57.72	3	3	2	1.10	110- 165 (90-185%)	14.6	1.4	3.95	.80	62	3/31	◆.94	.76	3/31	.20	.20	YES
	601	Bank of America		BAC	50.55	2	2	3	1.30	70- 95 (40- 90%)	11.4	2.5	4.45	1.28	43	3/31	1.11	.90	3/31	.28	.26	YES
	602	Bank of Montreal	(TSE)	BMO.TO	209.38b	3	1	3	.95	190- 235 (N- 10%)	16.4	3.3	12.80	6.92	43	1/31	3.39(b)	2.83(b)	6/30	1.67(b)	1.59(b)	YES
	603	Bank of NY Mellon		BK	132.49	3	1	3	1.15	150- 180 (15- 35%)	15.2	1.8	8.70	2.36	43	3/31	2.24	1.58	6/30	.53	.47	YES
	604	Bank of Nova Scotia	(TSE)	BNS.TO	105.43b	5	1	3	.85	100- 120 (N- 15%)	12.6	4.3	8.35	4.56	43	1/31	2.05(b)	1.76(b)	6/30	1.10(b)	1.06(b)	YES
	1568	Barrick Mining Corp.		B	47.00	3	3	2	.85	60- 90 (30- 90%)	12.5	1.5	3.75	.70	51	3/31	◆.96	.34	3/31	▲.42	.10	YES
	2168	Bath & Body Works		BBWI	19.16	2	4	3	1.20	25- 40 (30-110%)	7.5	4.2	2.55	.80	16	1/31	2.05	2.09	3/31	.20	.20	YES
	200	Bausch & Lomb Corp		BLCO	16.03	4	3	2	1.20	20- 30 (25- 85%)	21.4	NIL	.75	NIL	74	3/31	.08	d.15	3/31	NIL	NIL	YES
	1610	Bausch Health		BHC	5.37	–	5	–	1.20	6- 12 (10-125%)	1.4	NIL	3.95	NIL	69	3/31	.78	.59	3/31	NIL	NIL	YES
	161	Baxter Int'l Inc.		BAX	17.53	4	3	4	.85	25- 35 (45-100%)	9.2	0.2	1.90	.04	79	3/31	.36	.62	6/30	.01	.17	YES
		Beauty Health (The)								NAME CHANGED TO SKINHEALTH SYSTEMS INC.												
	162	Becton, Dickinson		BDX	143.15	2	2	3	.80	205- 275 (45- 90%)	11.3	2.9	12.64	4.22	79	3/31	◆2.90	3.35	3/31	1.05	1.04	YES
	1305	Belden Inc.		BDC	110.91	3	3	3	1.25	180- 270 (60-145%)	13.9	0.2	8.00	.20	9	3/31	1.77	1.60	6/30	.05	.05	YES
	1904	BellRing Brands		BRBR	9.40	▼4	3	4	.70	25- 40 (165-325%)	6.5	NIL	1.45	NIL	68	3/31	◆.14	.45	3/31	NIL	NIL	YES
	2555	Bentley Systems Inc	(NDQ)	BSY	32.64	▲3	3	4	1.10	55- 85 (70-160%)	24.2	0.9	1.35	.30	40	3/31	◆.38	.35	3/31	.07	.07	YES
	822	BeOne Medicines Ltd	(NDQ)	ONC	310.75	4	3	2	1.25	355- 530 (15- 70%)	29.0	NIL	10.70	NIL	89	3/31	◆1.97	1.22	3/31	NIL	NIL	YES
	755	Berkley (W.R.)		WRB	66.41	▲2	2	2	.85	90- 120 (35- 80%)	14.4	0.5	4.60	.36	30	3/31	1.30	1.01	3/31	.09	.08	YES
	756	Berkshire Hathaway 'B'		BRKB	479.55	▼5	1	2	.95	720- 880 (50- 85%)	20.0	NIL	24.00	NIL	30	3/31	5.26	4.47	3/31	NIL	NIL	YES
	2169	Best Buy Co.		BBY	57.62	▼3	3	2	1.10	75- 115 (30-100%)	8.6	6.7	6.68	3.84	16	1/31	2.61	2.58	6/30	▲.96	.95	YES
	2556	Bill Holdings	(NYS)	BILL	41.50	4	4	4	1.75	70- 115 (70-175%)	17.7	NIL	2.34	NIL	40	3/31	◆.68	.50	3/31	NIL	NIL	YES
	201	Bio-Rad Labs. 'A'		BIO	243.79	5	3	3	1.10	420- 630 (70-160%)	23.8	NIL	10.25	NIL	74	3/31	1.89	2.54	3/31	NIL	NIL	YES
	202	Bio-Techne Corp.	(NDQ)	TECH	47.42	4	3	4	1.20	80- 120 (70-155%)	23.9	0.7	1.98	.32	74	3/31	◆.53	.14	3/31	.08	.08	YES
2034	823	Biogen	(NDQ)	BIIB	197.95	3	3	3	.95	200- 300 (N- 50%)	12.6	NIL	15.75	NIL	89	3/31	2.15	1.64	3/31	NIL	NIL	YES
	824	BioMarin Pharmac.	(NDQ)	BMRN	52.58	4	3	3	.80	90- 135 (70-155%)	12.1	NIL	4.35	NIL	89	3/31	.54	1.13	3/31	NIL	NIL	YES
1428	825	BioNTech SE	(NDQ)	BNTX	93.34	5	4	4	1.10	105- 170 (10- 80%)	NMF	NIL	d3.50	NIL	89	3/31	◆d2.10	d2.37	3/31	NIL	NIL	YES
	2156	Birkenstock Holding		BIRK	39.15	–	3	–	NMF	55- 85 (40-115%)	18.7	NIL	2.09	NIL	23	12/31	.32	.21	3/31	NIL	NIL	YES
	2194	Black Hills		BKH	73.44	–	2	–	.85	65- 90 (N- 25%)	17.1	3.8	4.30	2.81	78	3/31	◆1.73	1.87	3/31	▲.703	.676	YES
	2386	Black Stone Minerals		BSM	13.38	3	3	1	.85	16- 25 (20- 85%)	9.2	9.0	1.45	1.20	13	3/31	.03	.04	6/30	◆.30	.375	YES
	569	BlackBerry		BB	6.22	3	5	5	1.65	▲ 9- 16 (45-155%)	36.6	NIL	.17	NIL	34	2/28	.06	d.01	3/31	NIL	NIL	YES
	2209	BlackRock, Inc.		BLK	1081.32	3	1	3	1.30	1370-1670 (25- 55%)	20.0	2.2	54.03	23.81	38	3/31	12.53	11.30	3/31	▲5.73	5.21	YES
	2426	Blackstone Inc.		BX	121.40	3	3	4	1.60	120- 175 (N- 45%)	22.5	4.9	5.40	5.96	84	3/31	1.36	.80	6/30	▼1.16	.93	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	2509	Block (H&R)		HRB	36.06	3	3	4	.75	45- 70 (25- 95%)	7.3	4.7	4.94	1.68	35	3/31	◆6.02	5.31	6/30	.42	.375	YES
	2508	Block, Inc.		XYZ	73.17	▲2	3	5	2.00	130- 190 (80-160%)	19.8	NIL	3.70	NIL	35	3/31	◆.85	.56	3/31	NIL	NIL	YES
2434	1219	Bloom Energy		BE	283.92	2	5	4	2.05	70- 130 (N- N%)	NMF	NIL	1.30	NIL	85	3/31	.44	d.10	3/31	NIL	NIL	YES
	355	Bloomin' Brands	(NDQ)	BLMN	8.37	–	4	–	1.35	11- 18 (30-115%)	8.4	NIL	1.00	NIL	47	3/31	◆.67	.58	9/30	.15	.24	YES
1026	2427	Blue Owl Capital Inc	(NYSE)	OWL	10.08	4	3	3	1.65	17- 25 (70-150%)	33.6	8.9	.30	.90	84	3/31	.19	NIL	3/31	.225	.18	YES
	706	Boeing		BA	238.21	4	3	3	1.40	295- 440 (25- 85%)	73.3	NIL	3.25	NIL	59	3/31	d.20	d.49	3/31	NIL	NIL	YES
	1108	Boise Cascade		BCC	69.20	3	3	3	1.20	95- 145 (35-110%)	17.3	1.3	4.00	.92	36	3/31	.50	1.06	3/31	.22	.21	YES
	707	Bombardier Inc. 'B'	(TSE)	BBDB.TO	273.99	3	4	2	1.45	235- 395 (N- 45%)	53.7	NIL	5.10	NIL	59	3/31	1.81	.61	3/31	NIL	NIL	YES
	2613	Booking Holdings	(NDQ)	BKNG	157.80	3	3	2	1.25	270- 405 (70-155%)	14.9	1.0	10.60	1.54	57	3/31	1.14	.99	3/31	▲.42	.384	YES
	2185	Boot Barn Holdings		BOOT	153.10	3	3	3	1.45	200- 300 (30- 95%)	18.7	NIL	8.20	NIL	20	12/31	2.79	2.43	3/31	NIL	NIL	YES
	382	Booz Allen Hamilton		BAH	74.95	1	3	3	.75	110- 165 (45-120%)	12.5	3.1	6.01	2.36	11	12/31	1.77	1.55	3/31	▲.59	.55	YES
	968	BorgWarner		BWA	63.15	–	3	–	1.15	65- 95 (5- 50%)	12.3	1.1	5.15	.68	54	3/31	◆1.24	1.11	3/31	.17	.11	YES
	1958	Boston Beer 'A'		SAM	188.54	4	3	2	.75	335- 505 (80-170%)	18.5	NIL	10.20	NIL	65	3/31	1.64	2.16	3/31	NIL	NIL	YES
	163	Boston Scientific		BSX	53.37	3	2	3	.95	90- 120 (70-125%)	16.4	NIL	3.25	NIL	79	3/31	.80	.75	3/31	NIL	NIL	YES
	2557	Box, Inc.		BOX	24.50	2	3	4	1.00	35- 55 (45-125%)	15.8	NIL	1.55	NIL	40	1/31	.50	1.12	3/31	NIL	NIL	YES
	2346	Boyd Gaming		BYD	82.75	▼3	3	2	1.25	110- 165 (35-100%)	10.9	1.0	7.60	.80	61	3/31	1.60	1.62	6/30	▲.20	.18	YES
	1751	Brady Corp.		BRC	76.42	3	2	2	.95	105- 140 (35- 85%)	14.7	1.3	5.20	1.00	22	1/31	1.10	1.00	6/30	.245	.24	YES
	2510	Bread Financial		BFH	84.93	1	3	3	1.50	80- 115 (N- 35%)	7.3	1.1	11.60	.96	35	3/31	4.18	2.86	3/31	.23	.21	YES
	1982	Bright Horizons Family		BFAM	68.68	3	3	3	1.05	150- 230 (120-235%)	13.7	NIL	5.00	NIL	28	3/31	◆.82	.77	3/31	NIL	NIL	YES
	2347	Brightstar Lottery		BRSL	12.77	–	3	–	1.50	18- 30 (40-135%)	13.4	6.9	.95	.88	61	12/31	.36	.40	3/31	▲.23	.20	YES
	356	Brinker Int'l		EAT	139.61	2	3	2	1.35	180- 270 (30- 95%)	12.2	NIL	11.45	NIL	47	3/31	2.90	2.66	3/31	NIL	NIL	YES
	383	Brink's (The) Co.		BCO	105.20	1	3	3	1.05	120- 180 (15- 70%)	11.4	1.0	9.20	1.02	11	3/31	◆1.80	1.62	3/31	.255	.242	YES
	1611	Bristol-Myers Squibb		BMY	55.67	2	2	1	.70	60- 80 (10- 45%)	15.9	4.5	3.50	2.52	69	3/31	1.58	1.20	6/30	.63	.62	YES
	1976	Brit. Am. Tobacco ADR		BTI	60.44	3	2	2	.70	65- 85 (10- 40%)	12.3	5.5	4.90	3.34	80	12/31	2.53(p)	2.40(p)	6/30	▲.824	.792	YES
	1353	Broadcom Inc.	(NDQ)	AVGO	428.43	2	3	3	1.10	585- 880 (35-105%)	33.1	0.6	12.95	2.60	5	1/31	2.05	1.60	3/31	.65	.59	YES
	424	Broadridge Fin'l		BR	149.13	3	2	3	.95	250- 340 (70-130%)	15.4	2.6	9.69	3.90	7	3/31	2.72	2.44	6/30	.975	.88	YES
	2428	Brookfield Corp.		BN	46.34	4	3	3	1.60	50- 70 (10- 50%)	77.2	0.6	.60	.28	84	12/31	.30	.17	3/31	▲.07	.06	YES
	1752	Brookfield Infrastruc.		BIP	37.44	4	3	2	1.10	35- 55 (N- 45%)	35.7	4.6	1.05	1.72	22	3/31	d.11	.04	3/31	▲.455	.43	YES
	2511	Brown & Brown		BRO	55.35	4	2	3	.95	105- 145 (90-160%)	11.9	1.3	4.65	.70	35	3/31	1.39	1.29	6/30	◆.165	.15	YES
2221	1959	Brown-Forman 'B'		BFB	26.83	–	3	–	.75	35- 55 (30-105%)	15.2	3.4	1.77	.92	65	1/31	.58	.57	6/30	.231	.226	YES
	203	Bruker Corp.	(NDQ)	BRKR	43.27	▲3	3	4	1.15	70- 110 (60-155%)	20.6	0.5	2.10	.20	74	3/31	◆.31	.47	6/30	.05	.05	YES
	2303	Brunswick Corp.		BC	79.53	3	3	2	1.35	105- 155 (30- 95%)	18.7	2.2	4.25	1.76	72	3/31	.70	.56	3/31	▲.44	.43	YES
	2186	Buckle (The), Inc.		BKE	50.18	3	3	2	1.05	50- 80 (N- 60%)	11.7	2.8	4.30	1.40	20	1/31	1.59	1.53	6/30	.35	.35	YES
	1109	Builders FirstSource		BLDR	74.88	3	3	3	1.40	145- 220 (95-195%)	11.5	NIL	6.50	NIL	36	3/31	.27	1.51	3/31	NIL	NIL	YES
	1905	Bunge Global SA		BG	126.14	3	3	2	.75	105- 160 (N- 25%)	16.2	2.3	7.80	2.88	68	3/31	.35	1.81	3/31	.70	.68	YES
	2138	Burlington Stores		BURL	292.21	3	3	2	1.15	390- 585 (35-100%)	25.5	NIL	11.45	NIL	18	1/31	4.99	3.69	3/31	NIL	NIL	YES
	384	**CACI Int'l**		CACI	482.57	3	3	1	.75	695-1040 (45-115%)	16.2	NIL	29.84	NIL	11	3/31	7.27	5.00	3/31	NIL	NIL	YES
	708	CAE Inc.	(TSE)	CAE.TO	35.73b	4	3	2	1.10	40- 60 (10- 70%)	25.2	NIL	1.42	NIL	59	12/31	.34(b)	.29(b)	3/31	NIL(b)	NIL(b)	
	1779	Cboe Global Markets	(CBO)	CBOE	350.48	2	1	3	.60	285- 345 (N- N%)	29.8	0.8	11.75	2.88	67	3/31	3.70	2.37	3/31	.72	.63	YES
	385	CBRE Group		CBRE	146.11	3	3	3	1.30	155- 230 (5- 55%)	19.1	NIL	7.65	NIL	11	3/31	1.61	.89	3/31	NIL	NIL	YES
	1178	CCL Industries	(TSE)	CCLB.TO	83.43	3	2	1	.70	105- 145 (25- 75%)	16.9	1.4	4.95	1.16	62	12/31	.99	1.01	3/31	▲.36	.32	
	2599	CDW Corp.	(NDQ)	CDW	102.54	2	3	4	1.15	195- 290 (90-185%)	10.1	2.4	10.15	2.50	17	3/31	◆2.28	2.15	3/31	.63	.625	YES
	1595	CF Industries		CF	124.48	1	3	2	.75	120- 185 (N- 50%)	13.8	1.8	9.00	2.20	44	3/31	◆2.89	1.85	3/31	.50	.50	YES
	2600	CGI Inc	(TSE)	GIBA.TO	89.43	2	1	4	.65	160- 195 (80-120%)	11.0	0.7	8.10	.60	17	3/31	2.09	1.89	3/31	.17	.15	
	318	C.H. Robinson	(NDQ)	CHRW	169.98	3	3	2	.85	170- 250 (N- 45%)	27.9	1.5	6.10	2.52	21	3/31	1.35	1.17	6/30	.63	.62	YES
	1780	CME Group	(NDQ)	CME	282.58	3	1	2	.70	290- 350 (5- 25%)	23.5	1.8	12.00	5.20	67	3/31	3.36	2.62	3/31	▲1.30	1.25	YES
	905	CMS Energy Corp.		CMS	73.19	4	2	1	.70	90- 120 (25- 65%)	19.3	3.1	3.80	2.28	82	3/31	1.13	1.01	6/30	◆.57	.542	YES
	757	CNA Fin'l		CNA	43.13	3	2	2	.95	70- 95 (60-120%)	9.0	4.5	4.80	1.92	30	3/31	.83	1.03	3/31	▲.48	.46	YES
	144	CNH Industrial N.V.		CNH	10.97	3	3	3	1.25	12- 19 (10- 75%)	27.4	0.9	.40	.10	4	3/31	.01	.10	6/30	▼.25	.47	YES
	524	CNX Resources		CNX	36.11	3	3	2	.95 ▲	40- 60 (10- 65%)	7.6	NIL	▲4.75	NIL	70	3/31	2.18	d1.34	3/31	NIL	NIL	YES
	1110	CRH plc		CRH	112.57	4	3	3	1.30	130- 190 (15- 70%)	19.2	1.4	5.85	1.56	36	3/31	d.20	d.15	6/30	▲.39	.37	YES
	2601	CSG Systems Int'l	(NDQ)	CSGS	80.35	–	3	–	.85	90- 135 (10- 70%)	15.5	1.5	5.20	1.20	17	3/31	◆1.37	1.14	6/30	▲.34	.32	YES
	1111	CSW Industrials		CSW	274.09	3	3	4	1.05	255- 385 (N- 40%)	29.8	0.4	9.20	1.08	36	12/31	.62	1.60	6/30	▲.30	.24	YES
	344	CSX Corp.	(NDQ)	CSX	44.74	2	2	2	1.00	40- 55 (N- 25%)	23.5	1.3	1.90	.56	27	3/31	.43	.34	3/31	▲.14	.13	YES
	1323	CTS Corp.		CTS	61.49	3	3	3	1.10	45- 70 (N- 15%)	25.6	0.3	2.40	.18	10	3/31	.62	.44	6/30	.04	.04	YES
	503	CVR Energy		CVI	34.88	4	4	2	1.20	30- 50 (N- 45%)	46.5	1.1	▼.75	.40	3	3/31	d1.24	d1.22	6/30	▼.10	NIL	YES
	791	CVS Health		CVS	92.22	2	3	3	.90	85- 125 (N- 35%)	12.8	3.1	7.20	2.85	14	3/31	◆2.57	2.25	6/30	.665	.665	YES
	995	Cable One		CABO	56.04	5	4	3	.95	105- 180 (85-220%)	2.2	NIL	25.35	NIL	52	3/31	6.12	.46	3/31	2.95	2.95	
	2418	Cabot Corp.		CBT	84.55	▲2	3	4	1.20	105- 160 (25- 90%)	13.6	2.1	6.22	1.80	45	3/31	◆1.61	1.90	3/31	.45	.43	YES
	2401	Cactus, Inc.		WHD	56.53	3	3	3	1.45	65- 100 (15- 75%)	20.2	1.1	2.80	.60	19	3/31	◆.70	.64	3/31	.14	.13	YES
	2558	Cadence Design Sys.	(NDQ)	CDNS	364.20	4	3	5	1.10	335- 500 (N- 35%)	47.7	NIL	7.64	NIL	40	3/31	1.96	1.57	3/31	NIL	NIL	YES
	2348	Caesars Entertainment	(NDQ)	CZR	27.77	3	4	3	1.75	35- 60 (25-115%)	55.5	NIL	.50	NIL	61	3/31	d.48	d.54	3/31	NIL	NIL	YES
	1906	Cal-Maine Foods	(NDQ)	CALM	75.45	2	3	3	.65	85- 125 (15- 65%)	21.9	3.8	3.45	2.88-.29	68	2/28	1.06	10.38	6/30	▼.357	3.49	YES
	1774	California Water		CWT	42.88	4	2	3	.75	65- 85 (50-100%)	16.5	3.1	2.60	1.34	88	3/31	.07	.22	6/30	◆.335	.30	YES
	949	Calix, Inc.		CALX	42.73	4	4	3	1.45	60- 100 (40-135%)	24.4	NIL	1.75	NIL	32	3/31	.46	.19	3/31	NIL	NIL	YES
	2304	Callaway Golf Co.		CALY	16.11	2	4	2	1.40	17- 30 (5- 85%)	32.2	NIL	.50	NIL	72	3/31	◆.56	.11	3/31	NIL	NIL	YES
	1517	Camden Property Trust		CPT	104.92	4	2	4	1.00	140- 185 (35- 75%)	NMF	4.1	.75	4.28	90	3/31	.40	.36	6/30	▲1.06	1.05	YES
	1582	Cameco Corp.	(TSE)	CCO.TO	164.54b	3	3	3	1.20	105- 155 (N- N%)	NMF	0.1	1.55	.24	33	3/31	◆.30(b)	.16(b)	12/31	▲.24(b)	.16(b)	YES
	1907	**The Campbell's Company**		CPB	20.63	4	3	3	.45	35- 50 (70-140%)	9.5	7.7	2.17	1.58	68	1/31	.51	.74	6/30	.39	.39	YES
	2121	**Camping World Holdings**		CWH	6.76	4	5	3	1.50	13- 25 (90-270%)	11.3	NIL	.60	NIL	64	3/31	d.21	d.16	12/31	.125	.125	YES
	2103	Canada Goose Hldgs.	(TSE)	GOOS.TO	15.24	4	4	4	1.20	25- 40 (65-160%)	17.3	NIL	.88	NIL	42	12/31	1.43	1.51	3/31	NIL	NIL	
	605	Can. Imperial Bank	(TSE)	CM.TO	151.77b	3	1	4	.85 ▲	155- 190 (N- 25%)	14.8	2.9	10.24	4.44	43	1/31	2.76(b)	2.20(b)	6/30	1.07(b)	.97(b)	YES
	345	Can. National Railway		CNI	110.60	3	1	3	.95	140- 170 (25- 55%)	18.4	2.5	6.00	2.72	27	3/31	1.30	1.35	3/31	▲.674	.615	YES
	2387	Can. Natural Res.	(TSE)	CNQ.TO	61.76b	3	3	2	.95	55- 85 (N- 40%)	11.8	4.0	5.25	2.50	13	3/31	◆1.17(b)	1.16(b)	6/30	▲.625(b)	.587(b)	YES
	346	Can. Pac. Kansas City		CP	84.77	3	2	3	.95	95- 125 (10- 45%)	22.3	0.8	3.80	.68	27	3/31	.75	.68	6/30	▼.164	.14	YES
	2139	Canadian Tire 'A'	(TSE)	CTCA.TO	185.19b	3	2	2	.85	185- 255 (N- 40%)	12.8	3.8	14.45	7.10	18	12/31	4.47(b)	4.07(b)	6/30	1.80(b)	1.775(b)	YES
	1324	Canon Inc. ADR(g)	(NDQ)	CAJPY	26.19	3	2	3	.80	45- 65 (70-150%)	10.7	4.1	2.45	1.07	10	3/31	.35	.51	6/30	▼.41	.491	YES
	2512	Capital One Fin'l		COF	183.93	5	3	3	1.40	290- 435 (60-135%)	8.8	2.0	21.00	3.60	35	3/31	4.42	4.06	3/31	.80	.60	YES
	1503	Capitol Fed. Fin'l	(NDQ)	CFFN	7.77	3	3	3	.95	9- 14 (15- 80%)	12.0	4.4	.65	.34	50	3/31	.16	.12	6/30	.085	.085	YES
	2104	Capri Holdings Ltd.		CPRI	17.64	–	4	–	1.60	25- 40 (40-125%)	11.2	NIL	1.57	NIL	42	12/31	.81	d4.61	3/31	NIL	NIL	YES
	204	Cardinal Health		CAH	182.50	1	3	2	.85	195- 295 (5- 60%)	16.7	1.1	10.92	2.04	74	3/31	3.17	2.35	6/30	.51	.505	YES
	1112	Carlisle Cos.		CSL	357.60	2	3	4	1.15	420- 630 (15- 75%)	17.0	1.3	21.00	4.60	36	3/31	3.63	3.61	3/31	1.10	1.00	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	2429	Carlyle Group	(NDQ)	CG	49.46	5	3	4	1.65	85- 130 (70-165%)	12.4	2.8	4.00	1.40	84	3/31	◆.89	.35	3/31	.35	.35	YES
2434	2122	CarMax, Inc.		KMX	39.08	2	3	3	1.25	60- 90 (55-130%)	14.0	NIL	2.79	NIL	64	2/28	d.85	.58	3/31	NIL	NIL	YES
	2305	Carnival Corp.		CCL	25.44	4	4	2	2.00	35- 60 (40-135%)	11.6	2.4	2.20	.60	72	2/28	.20	.13	3/31	▲.15	NIL	YES
	742	Carpenter Technology		CRS	429.06	2	3	3	1.60	300- 450 (N- 5%)	39.0	0.2	10.99	.80	15	3/31	2.77	1.88	6/30	.20	.20	YES
	1706	Carrier Global		CARR	65.88	3	3	4	1.30	70- 105 (5- 60%)	23.5	1.5	2.80	.96	29	3/31	.57	.65	6/30	.24	.225	YES
	2105	Carter's Inc.		CRI	32.73	3	3	3	1.05	40- 60 (20- 85%)	10.9	3.1	3.00	1.00	42	3/31	◆.39	.66	3/31	.25	.80	YES
	2123	Carvana Co.		CVNA	76.23	▲3	4	3	2.65	▲ 60- 100 (N- 30%)	55.2	NIL	▲1.38	NIL	64	3/31	.34	.30	3/31	NIL	NIL	YES
	409	Casella Waste Sys.	(NDQ)	CWST	83.15	4	3	3	.85	80- 120 (N- 45%)	87.5	NIL	.95	NIL	25	3/31	.20	.19	3/31	NIL	NIL	YES
	2170	Casey's Gen'l Stores	(NDQ)	CASY	877.07	1	2	4	.80	565- 760 (N- N%)	44.6	0.3	19.66	2.40	16	1/31	3.49	2.33	6/30	.57	.50	YES
★★	1612	Catalyst Pharmac.	(NDQ)	CPRX	31.15	–	3	–	1.25	20- 40 (N- 30%)	16.8	NIL	1.85	NIL	69	12/31	.40	.44	3/31	NIL	NIL	YES
438	145	Caterpillar Inc.		CAT	926.79	1	2	3	1.25	580- 780 (N- N%)	40.6	0.7	22.80	6.04	4	3/31	5.54	4.25	6/30	1.51	1.41	YES
	357	CAVA Group Inc		CAVA	79.99	3	3	3	1.70	85- 125 (5- 55%)	NMF	NIL	.55	NIL	47	12/31	.04	.05	3/31	NIL	NIL	YES
	2419	Celanese Corp.		CE	59.55	3	3	3	1.40	80- 120 (35-100%)	11.9	0.2	5.00	.12	45	3/31	◆.85	.54	6/30	.03	.03	YES
231	1325	Celestica Inc.		CLS	380.99	1	3	3	1.40	355- 535 (N- 40%)	42.3	NIL	9.00	NIL	10	3/31	2.16	1.20	3/31	NIL	NIL	YES
	1960	Celsius Holdings	(NDQ)	CELH	30.64	4	4	3	1.55	45- 75 (45-145%)	18.6	NIL	1.65	NIL	65	3/31	◆.41	.18	3/31	NIL	NIL	YES
	1113	CEMEX ADS		CX	13.29	3	3	2	1.55	10- 14 (N- 5%)	13.3	0.7	1.00	.09	36	3/31	.16	.08	3/31	.022	.02	YES
	205	Cencora		COR	259.70	3	2	2	.65	320- 430 (25- 65%)	14.5	0.9	17.97	2.40	74	3/31	◆4.75	4.42	3/31	.60	.55	YES
	504	Cenovus Energy	(TSE)	CVE.TO	39.83b	3	3	3	1.00	▲ 40- 60 (N- 50%)	14.5	2.2	▲2.75	.88	3	3/31	◆.83(b)	.47(b)	3/31	.20(b)	.18(b)	
1428	792	Centene Corp.		CNC	56.36	1	3	5	.80	35- 55 (N- N%)	18.5	NIL	3.05	NIL	14	3/31	3.37	2.90	3/31	NIL	NIL	YES
	906	CenterPoint Energy		CNP	42.27	3	2	1	.75	45- 60 (5- 40%)	22.2	2.2	1.90	.92	82	3/31	.56	.45	3/31	▲.23	.22	YES
	419	Central & East. Europe		CEE	21.23	–	4	–	1.25	17- 30 (N- 40%)	NMF	1.8	NMF	.39	–	4/30	20.22(q)	13.88(q)	3/31	▲.387	.353	
	1189	Central Garden & Pet	(NDQ)	CENT	37.76	3	3	2	.90	45- 65 (20- 70%)	13.5	NIL	2.79	NIL	75	3/31	◆1.28	.98	3/31	NIL	NIL	YES
2027	1583	Century Aluminum	(NDQ)	CENX	60.18	3	4	2	2.00	50- 85 (N- 40%)	12.0	NIL	5.00	NIL	33	3/31	◆1.63	.36	3/31	NIL	NIL	YES
	1421	Certara, Inc.	(NDQ)	CERT	5.13	4	4	4	1.45	14- 25 (175-385%)	11.4	NIL	.45	NIL	81	3/31	◆d.06	.14	3/31	NIL	NIL	YES
	1132	Champion Homes, Inc.		SKY	69.37	3	3	3	1.40	100- 150 (45-115%)	19.2	NIL	3.62	NIL	56	12/31	.97	.96	3/31	NIL	NIL	YES
	793	Charles River		CRL	168.46	3	3	3	1.30	205- 305 (20- 80%)	15.7	NIL	10.70	NIL	14	3/31	◆2.06	.50	3/31	NIL	NIL	YES
	735	Chart Industries		GTLS	207.79	–	4	–	1.40	230- 385 (10- 85%)	15.3	NIL	13.57	NIL	2	12/31	2.51	2.66	3/31	NIL	NIL	YES
	996	Charter Communic.	(NDQ)	CHTR	147.79	1	3	3	1.15	345- 515 (135-250%)	3.4	NIL	44.00	NIL	52	3/31	9.17	8.42	3/31	NIL	NIL	YES
	2013	Check Point Software	(NDQ)	CHKP	115.42	3	2	3	.85	220- 300 (90-160%)	8.9	NIL	13.00	NIL	63	3/31	2.50	2.21	3/31	NIL	NIL	YES
	358	Cheesecake Factory	(NDQ)	CAKE	61.17	3	3	3	1.30	70- 105 (15- 70%)	14.7	2.0	4.15	1.20	47	3/31	1.05	.92	3/31	▲.30	.27	YES
	1942	Chefs' Warehouse	(NDQ)	CHEF	80.69	3	3	4	1.35	60- 90 (N- 10%)	37.5	NIL	2.15	NIL	26	3/31	.40	.25	3/31	NIL	NIL	YES
	1753	Chemed Corp.		CHE	421.43	▲1	2	5	.70	645- 875 (55-110%)	17.6	0.6	24.00	2.40	22	3/31	5.65	5.63	3/31	.60	.50	YES
1025	548	Chemours Co. (The)		CC	25.26	▼3	4	3	1.70	20- 35 (N- 40%)	19.4	1.4	▼1.30	.35	39	3/31	◆.05	.13	3/31	.087	.25	YES
	578	Cheniere Energy Inc.		LNG	240.70	▼2	3	1	.90	210- 315 (N- 30%)	26.6	0.9	▼9.05	2.22	48	3/31	◆d16.65	1.57	6/30	◆.555	.50	YES
	591	Cheniere Energy Part.		CQP	61.84	▼4	3	2	.90	70- 105 (15- 70%)	19.9	5.0	▼3.10	3.10	24	3/31	◆.19	1.08	6/30	◆.775	.775	YES
	534	Chesapeake Utilities		CPK	125.56	4	2	2	.75	130- 175 (5- 40%)	18.9	2.4	6.65	2.99	86	3/31	◆2.47	2.22	6/30	.685	.64	YES
	505	Chevron Corp.		CVX	184.74	4	1	2	.85	▲ 245- 295 (35- 60%)	19.4	3.9	▲9.50	7.20	3	3/31	1.41	2.18	3/31	▲1.78	1.71	YES
	2634	Chewy, Inc.		CHWY	22.49	3	4	3	1.35	35- 60 (55-165%)	15.0	NIL	1.50	NIL	73	1/31	.27	.05	3/31	NIL	NIL	YES
	2513	Chime Financial Inc	(NDQ)	CHYM	18.23	–	3	–	NMF	30- 45 (65-145%)	NMF	NIL	d.20	NIL	35	3/31	◆.13	.06	12/31	NIL	NIL	YES
	359	Chipotle Mex. Grill		CMG	31.92	2	3	3	1.10	60- 85 (90-165%)	27.8	NIL	1.15	NIL	47	3/31	.24	.29	3/31	NIL	NIL	YES
	2349	Choice Hotels Int'l		CHH	104.23	4	3	4	1.05	170- 255 (65-145%)	14.6	1.1	7.14	1.15	61	3/31	1.07	1.34	6/30	.287	.288	YES
	758	Chubb Ltd.		CB	320.26	2	1	2	.85	440- 535 (35- 65%)	11.7	1.3	27.40	4.06	30	3/31	6.82	3.68	6/30	.97	.91	YES
	1190	Church & Dwight		CHD	90.72	3	1	3	.55	120- 150 (30- 65%)	23.9	1.3	3.80	1.18	75	3/31	.95	.91	3/31	▲.307	.295	YES
	2350	Churchill Downs	(NDQ)	CHDN	86.17	2	3	3	1.10	185- 275 (115-220%)	13.1	0.5	6.60	.44	61	3/31	1.21	1.07	3/31	▲.438	.409	YES
1428	950	Ciena Corp.		CIEN	581.47	2	3	3	1.25	195- 295 (N- N%)	NMF	NIL	5.54	NIL	32	1/31	1.35	.64	3/31	NIL	NIL	YES
	794	Cigna Group		CI	289.07	▼3	3	3	.80	440- 660 (50-130%)	8.6	2.2	33.55	6.24	14	3/31	7.79	6.74	3/31	▲1.56	1.51	YES
	2369	Cimpress plc	(NDQ)	CMPR	88.45	▲1	4	3	1.40	90- 150 (N- 70%)	44.2	NIL	2.00	NIL	6	3/31	.55	d.33	3/31	NIL	NIL	YES
	759	Cincinnati Financial	(NDQ)	CINF	163.33	2	2	3	1.05	250- 340 (55-110%)	19.7	2.3	8.30	3.83	30	3/31	2.10	d.24	6/30	▲.94	.87	YES
	2306	Cinemark Hldgs.		CNK	26.76	3	3	2	1.05	30- 55 (10-105%)	13.4	1.3	2.00	.36	72	3/31	d.06	d.32	3/31	.09	.08	YES
	386	Cintas Corp.	(NDQ)	CTAS	164.67	2	2	3	1.00	200- 275 (20- 65%)	31.7	1.2	5.19	2.04	11	2/28	1.24	1.13	3/31	.45	.39	YES
	2514	Circle Internet Group		CRCL	131.76	–	4	–	NMF	135- 220 (N- 65%)	NMF	NIL	1.00	NIL	35	3/31	◆.21	.28	12/31	NIL	NIL	YES
	1354	Cirrus Logic	(NDQ)	CRUS	174.23	2	3	3	1.20	160- 240 (N- 40%)	19.7	NIL	8.84	NIL	5	3/31	◆1.95	1.67	3/31	NIL	NIL	YES
	951	Cisco Systems	(NDQ)	CSCO	98.72	3	1	3	.85	90- 110 (N- 10%)	23.5	1.7	4.20	1.68	32	1/31	1.04	.94	6/30	▲.42	.41	YES
	606	Citigroup Inc.		C	125.85	▲2	3	3	1.35	▲ 125- 185 (N- 45%)	11.7	2.0	10.80	2.56	43	3/31	3.06	1.96	6/30	.60	.56	YES
	607	Citizens Fin'l Group		CFG	62.16	3	3	3	1.45	75- 115 (20- 85%)	12.1	3.2	5.15	1.96	43	3/31	1.13	.77	6/30	.46	.42	YES
	2434	Clarivate Plc		CLVT						SEE FINAL SUPPLEMENT												
	410	Clean Harbors		CLH	293.45	1	3	3	1.00	245- 370 (N- 25%)	35.4	NIL	8.30	NIL	25	3/31	◆1.19	1.09	3/31	NIL	NIL	YES
	952	Clearfield, Inc.	(NDQ)	CLFD	46.73	–	4	–	1.70	35- 60 (N- 30%)	91.6	NIL	.51	NIL	32	3/31	◆d.04	.17	3/31	NIL	NIL	YES
	743	Cleveland-Cliffs Inc.		CLF	11.24	5	4	5	1.65	14- 25 (25-120%)	NMF	NIL	d.50	NIL	15	3/31	d.42	d.92	3/31	NIL	NIL	YES
	1191	Clorox Co.		CLX	88.90	4	3	3	.65	160- 240 (80-170%)	14.3	5.6	6.21	4.96	75	3/31	1.64	1.50	6/30	1.24	1.22	YES
★★	1806	Cloudflare, Inc.		NET	193.52	4	4	3	1.85	170- 285 (N- 45%)	NMF	NIL	1.05	NIL	58	3/31	◆.25	.16	3/31	NIL	NIL	YES
	335	CMB.TECH NV		CMBT	14.77	4	3	3	.95	18- 25 (20- 70%)	6.3	4.3	2.36	.64-.27	12	12/31	.31	.48	6/30	▲.112	NIL	YES
	1961	Coca-Cola		KO	78.66	2	1	2	.65	80- 100 (N- 25%)	24.2	2.7	3.25	2.12	65	3/31	.86	.73	6/30	▼.53	.51	YES
	1962	Coca-Cola Consol.	(NDQ)	COKE	170.48	2	3	2	.80	205- 305 (20- 80%)	18.9	0.6	9.00	1.00	65	3/31	◆1.45	1.56	6/30	.25	.25	
	1963	Coca-Cola Euro. Part.		CCEP	93.45	3	2	2	.90	115- 160 (25- 70%)	18.1	2.6	5.15	2.44	65	12/31	2.49	1.40	12/31	▲1.46	1.34	YES
	1569	Coeur Mining		CDE	19.80	3	4	3	1.80	20- 30 (N- 50%)	16.5	NIL	1.20	NIL	51	3/31	◆.36	.11	3/31	NIL	NIL	YES
	997	Cogeco Communic.	(TSE)	CCA.TO	63.41b	4	3	1	.70	80- 120 (25- 90%)	7.4	6.2	8.62	3.95	52	2/28	1.89(b)	1.90(b)	6/30	.987(b)	.922(b)	YES
	921	Cogent Comms. Hldgs	(NDQ)	CCOI	16.40	5	4	4	1.00	25- 40 (50-145%)	NMF	0.5	d3.40	.08	41	3/31	d.83	d1.09	3/31	.02	1.005	YES
839	114	Cognex Corp.	(NDQ)	CGNX	67.26	3	3	4	1.40	60- 90 (N- 35%)	58.5	0.5	1.15	.34	53	3/31	◆.34	.16	3/31	.085	.08	YES
	2602	Cognizant Technology	(NDQ)	CTSH	49.25	2	2	3	1.05	110- 135 (125-175%)	8.7	2.7	5.65	1.32	17	3/31	1.39	1.23	3/31	▲.33	.31	YES
	2210	Cohen & Steers		CNS	72.15	3	3	5	1.20	75- 110 (5- 50%)	21.5	3.7	3.35	2.68	38	3/31	.79	.77	6/30	◆.67	.62	YES
	115	Coherent Corp.		COHR	379.69	3	3	3	1.80	265- 400 (N- 5%)	69.2	NIL	5.49	NIL	53	3/31	◆1.41	d.11	3/31	NIL	NIL	YES
	1389	Cohu, Inc.	(NDQ)	COHU	51.28	3	3	4	1.40	35- 50 (N- N%)	NMF	NIL	.50	NIL	1	3/31	.01	d.02	3/31	NIL	NIL	YES
	1781	Coinbase Global	(NDQ)	COIN	216.60	5	4	5	2.20	295- 490 (35-125%)	34.9	NIL	6.20	NIL	67	3/31	◆d1.49	.24	3/31	NIL	NIL	YES
	1192	Colgate-Palmolive		CL	86.74	4	1	3	.60	125- 150 (45- 75%)	22.5	2.4	3.85	2.08	75	3/31	.97	.91	6/30	▲.53	.52	YES
	1504	Columbia Banking	(NDQ)	COLB	29.42	4	3	2	1.25	30- 45 (N- 55%)	9.6	5.0	3.05	1.48	50	3/31	.72	.67	3/31	.37	.36	YES
	2106	Columbia Sportswear	(NDQ)	COLM	59.24	2	3	4	1.10	70- 100 (20- 70%)	17.2	2.0	3.45	1.20	42	3/31	.65	.75	3/31	.30	.30	YES
	1707	Columbus McKinnon	(NDQ)	CMCO	15.72	3	4	4	1.50	30- 50 (90-220%)	6.0	1.8	2.63	.28	29	12/31	.62	.56	6/30	.07	.07	YES
	998	Comcast Corp.	(NDQ)	CMCSA	25.03	2	2	3	.90	50- 65 (100-160%)	6.8	5.3	3.70	1.32	52	3/31	.79	1.09	6/30	.33	.33	YES
	387	Comfort Systems USA		FIX	2032.98	1	3	4	1.35	1710-2565 (N- 25%)	47.3	0.2	43.00	3.20	11	3/31	10.51	4.75	3/31	▲.70	.40	YES
	778	Commerce Bancshs.	(NDQ)	CBSH	50.98	4	2	4	1.00	65- 90 (30- 75%)	12.3	2.0	4.15	1.04	31	3/31	.96	.93	3/31	▲.275	.261	YES
	744	Commercial Metals		CMC	71.16	2	3	3	1.30	110- 165 (55-130%)	9.8	1.0	7.26	.74	15	2/28	1.16	.26	6/30	▲.20	.18	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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The number on the left signifies a Supplement (if available).

		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	1596	Compass Minerals Int'l		CMP	29.26	3	4	3	1.30	20- 35 (N- 20%)	27.3	NIL	1.07	NIL	44	3/31	◆.30	.63	12/31	▲NIL	NIL	YES
	1908	Conagra Brands		CAG	13.93	▼4	2	3	.50	20- 25 (45- 80%)	7.9	10.1	1.76	1.40	68	2/28	.39	.51	6/30	.35	.35	YES
	164	CONMED Corp.		CNMD	35.23	3	3	3	1.25	55- 85 (55-140%)	7.9	NIL	4.45	NIL	79	3/31	.89	.95	12/31	.20	.20	YES
	2388	ConocoPhillips		COP	115.55	▲1	3	1	1.00	110- 160 (N- 40%)	16.0	2.9	7.20	3.36	13	3/31	1.89	2.23	6/30	◆.84	.78	YES
	129	Consol. Edison		ED	106.21	3	1	1	.65	120- 150 (15- 40%)	17.4	3.4	6.10	3.61	91	3/31	◆2.18	2.25	3/31	▲.887	.85	YES
	1964	Constellation Brands		STZ	142.41	3	2	3	.70	235- 315 (65-120%)	11.7	2.9	12.20	4.11	65	2/28	1.90	2.63	6/30	▲1.03	1.02	YES
	1220	Constellation Energy	(NDQ)	CEG	299.69	4	3	3	1.20	340- 510 (15- 70%)	25.6	0.6	11.70	1.71	85	3/31	◆4.49	2.14	3/31	▲.426	.387	YES
	2559	Constellation Software	(TSE)	CSU.TO	2414.31	4	2	4	.80	4520-6120 (85-155%)	52.5	0.2	46.00	4.00	40	12/31	5.19	13.44	6/30	▲1.388	1.00	
	1006	Construction Partners	(NDQ)	ROAD	135.45	3	3	3	1.30	150- 220 (10- 60%)	44.0	NIL	3.08	NIL	8	3/31	◆.18	.08	3/31	NIL	NIL	YES
	206	Cooper Cos.	(NDQ)	COO	58.98	2	3	2	1.15	80- 120 (35-105%)	12.5	NIL	4.70	NIL	74	1/31	1.10	.92	3/31	NIL	NIL	YES
	306	Copa Holdings, S.A.		CPA	117.04	3	3	2	1.20	150- 225 (30- 90%)	7.0	5.8	16.70	6.84	60	12/31	4.18	3.99	3/31	▲1.71	1.61	YES
	2124	Copart, Inc.	(NDQ)	CPRT	33.27	▲3	3	4	1.00	40- 60 (20- 80%)	19.6	NIL	1.70	NIL	64	1/31	.36	.40	3/31	NIL	NIL	YES
	1708	Core & Main		CNM	48.91	3	3	3	1.25	65- 95 (35- 95%)	18.8	NIL	2.60	NIL	29	1/31	.37	.34	3/31	NIL	NIL	YES
2027	1556	Corebridge Financial Inc		CRBG	26.34	–	3	–	1.40	30- 40 (15- 50%)	4.9	3.8	5.40	1.00	66	3/31	◆d.11	1.16	3/31	▲.25	.24	YES
	388	CoreCivic, Inc.		CXW	19.88	3	3	3	1.10	30- 40 (50-100%)	12.0	NIL	1.65	NIL	11	3/31	◆.38	.23	3/31	NIL	NIL	YES
	2402	Core Laboratories		CLB	13.30	4	4	2	1.35	25- 40 (90-200%)	19.0	0.3	.70	.04	19	3/31	.06	.14	6/30	◆.01	.01	YES
	1807	CoreWeave Inc	(NDQ)	CRWV	114.70	–	4	–	NMF	85- 130 (N- 15%)	NMF	NIL	d2.90	NIL	58	3/31	◆d1.12	d1.49	6/30	NIL	NIL	YES
231	1326	Corning Inc.		GLW	207.39	2	3	3	1.25	100- 150 (N- N%)	65.8	0.6	3.15	1.16	10	3/31	.70	.54	3/31	.28	.28	YES
	2515	Corpay		CPAY	341.58	2	3	4	1.35	500- 750 (45-120%)	13.7	NIL	25.00	NIL	35	3/31	◆5.80	4.51	3/31	NIL	NIL	YES
	1994	Corsair Gaming	(NDQ)	CRSR	7.91	▲3	4	5	1.70	9- 15 (15- 90%)	12.2	NIL	.65	NIL	93	3/31	◆.27	.11	3/31	NIL	NIL	YES
	1597	Corteva, Inc.		CTVA	82.83	3	2	2	1.00	85- 115 (5- 40%)	22.7	0.9	3.65	.78	44	3/31	◆1.50	1.13	3/31	.18	.17	YES
	2614	CoStar Group	(NDQ)	CSGP	32.92	5	3	3	1.05	60- 100 (80-205%)	28.6	NIL	1.15	NIL	57	3/31	.23	.15	3/31	NIL	NIL	YES
	2140	Costco Wholesale	(NDQ)	COST	999.47	3	1	2	.80	1245-1525 (25- 55%)	49.2	0.6	20.32	5.80	18	2/28	4.58	4.02	6/30	▲1.47	1.30	YES
★★	525	Coterra Energy		CTRA		SEE FINAL SUPPLEMENT																
	988	Coty Inc.		COTY	2.33	–	3	–	1.20	9- 14 (285-500%)	6.5	NIL	.36	NIL	–	3/31	◆d.03	.01	3/31	NIL	NIL	YES
	2635	Coupang Inc		CPNG	16.13	4	3	4	1.20	25- 40 (55-150%)	64.5	NIL	.25	NIL	73	3/31	◆d.15	.06	3/31	NIL	NIL	YES
	1983	Coursera, Inc.		COUR	5.66	4	4	4	1.35	10- 16 (75-185%)	12.6	NIL	.45	NIL	28	3/31	.07	.12	3/31	NIL	NIL	YES
	1984	Covista Inc.		CVSA	130.23	2	3	2	1.00	155- 235 (20- 80%)	16.2	NIL	8.02	NIL	28	3/31	◆1.98	1.92	3/31	NIL	NIL	YES
	360	Cracker Barrel	(NDQ)	CBRL	31.37	4	3	4	1.15	50- 75 (60-140%)	NMF	3.2	d.46	1.00	47	1/31	.25	1.38	6/30	.25	.25	YES
	1709	Crane Company		CR	182.57	–	3	–	NMF	225- 335 (25- 85%)	27.2	0.6	6.70	1.02	29	3/31	1.14	1.34	3/31	▲.255	.23	YES
	1754	Crane NXT		CXT	44.48	3	3	4	1.25	70- 105 (55-135%)	10.5	1.6	4.25	.72	22	3/31	◆.60	.54	3/31	▲.18	.17	YES
	2516	Credit Acceptance	(NDQ)	CACC	521.74	3	3	4	1.25	570- 855 (10- 65%)	11.9	NIL	44.00	NIL	35	3/31	◆10.71	9.35	3/31	NIL	NIL	YES
2434	1355	Credo Technology	(NDQ)	CRDO	210.22	3	4	4	1.55	105- 175 (N- N%)	52.7	NIL	3.99	NIL	5	1/31	1.07	.16	3/31	NIL	NIL	YES
	2157	Crocs, Inc.	(NDQ)	CROX	100.42	1	3	4	1.60	115- 175 (15- 75%)	7.5	NIL	13.40	NIL	23	3/31	2.99	3.00	3/31	NIL	NIL	YES
	1632	Cross Country Health.	(NDQ)	CCRN	13.12	–	3	–	.60	12- 18 (N- 35%)	NMF	NIL	.05	NIL	37	3/31	◆d.03	d.02	3/31	NIL	NIL	YES
	2014	CrowdStrike Hldgs.	(NDQ)	CRWD	542.26	4	3	3	1.40	425- 640 (N- 20%)	NMF	NIL	4.80	NIL	63	1/31	1.12	d.37	3/31	NIL	NIL	YES
	1518	Crown Castle Inc.		CCI	90.67	4	3	4	.85	115- 170 (25- 85%)	45.3	4.7	2.00	4.25	90	3/31	.34	.65	3/31	▼1.062	1.565	YES
	1179	Crown Holdings		CCK	100.38	3	3	2	1.05	130- 190 (30- 90%)	12.2	1.0	8.26	1.04	62	3/31	1.86	1.67	3/31	▲.35	.26	YES
	1519	CubeSmart		CUBE	40.82	4	3	4	1.05	50- 70 (20- 70%)	25.5	5.2	1.60	2.14	90	3/31	.36	.39	6/30	.53	.52	YES
	779	Cullen/Frost Bankers		CFR	135.65	▲3	3	2	1.20	160- 240 (20- 75%)	12.9	3.1	10.50	4.15	31	3/31	2.65	2.30	3/31	1.00	.95	YES
	146	Cummins Inc.		CMI	702.66	2	2	4	1.15	555- 755 (N- 5%)	28.1	1.1	25.00	8.00	4	3/31	◆4.71	5.96	3/31	2.00	1.82	YES
	709	Curtiss-Wright		CW	728.58	1	2	3	1.05	530- 720 (N- N%)	48.6	0.1	15.00	.96	59	3/31	◆3.48	2.82	6/30	▼.24	.21	YES
	1406	**D-Wave Quantum Inc**		QBTS	24.03	5	5	3	2.00	25- 45 (5- 85%)	NMF	NIL	d.35	NIL	46	12/31	d.09	d.08	3/31	NIL	NIL	YES
	1210	DNP Select Inc. Fund		DNP	10.75	–	2	–	.75	11- 15 (N- 40%)	NMF	2.3	NMF	.25	–	10/31	9.31(q)	8.93(q)	6/30	▼.13	.065	
	907	DTE Energy		DTE	142.43	4	2	1	.75	145- 195 (N- 35%)	18.5	3.3	7.70	4.66	82	3/31	1.95	2.10	6/30	1.165	1.09	YES
	579	DT Midstream		DTM	145.30	3	3	3	.95	▲ 100- 150 (N- 5%)	30.3	2.3	4.80	3.28	48	3/31	1.27	1.06	6/30	▲.88	.82	YES
	2603	DXC Technology		DXC	8.88	▼4	3	3	1.40	20- 30 (125-240%)	2.4	NIL	3.67	NIL	17	3/31	◆.77	.84	3/31	NIL	NIL	YES
	969	Dana Inc.		DAN	33.86	▼4	3	3	1.75	35- 50 (5- 50%)	13.5	1.4	2.50	.48	54	12/31	.37	.25	6/30	◆.12	.10	YES
840	207	Danaher Corp.		DHR	166.52	–	3	–	1.05	190- 290 (15- 75%)	19.7	1.0	8.45	1.60	74	3/31	2.06	1.32	6/30	▲.40	.32	YES
	361	Darden Restaurants		DRI	195.80	3	3	2	1.00	245- 370 (25- 90%)	18.0	3.1	10.90	6.10	47	2/28	2.95	2.80	6/30	1.50	1.40	YES
	1909	Darling Ingredients		DAR	63.82	3	3	2	1.15	65- 95 (N- 50%)	19.9	NIL	3.20	NIL	68	3/31	.83	d.16	3/31	NIL	NIL	YES
★★	1808	Datadog, Inc.	(NDQ)	DDOG	202.32	▲3	3	5	1.40	165- 245 (N- 20%)	94.1	NIL	2.15	NIL	58	3/31	◆.60	.46	3/31	NIL	NIL	YES
	970	Dauch Corporation		DCH	6.69	–	4	–	1.75	9- 15 (35-125%)	12.2	NIL	.55	NIL	54	3/31	◆.34	.09	3/31	NIL	NIL	YES
	362	Dave & Buster's Ent.	(NDQ)	PLAY	10.25	4	4	3	1.50	15- 25 (45-145%)	NMF	NIL	d.40	NIL	47	1/31	d.35	.24	3/31	NIL	NIL	YES
	795	DaVita Inc.		DVA	198.93	1	3	3	.80	220- 330 (10- 65%)	14.0	NIL	14.25	NIL	14	3/31	◆2.87	2.00	3/31	NIL	NIL	YES
	2158	Deckers Outdoor		DECK	96.65	1	3	3	1.20	160- 235 (65-145%)	13.5	NIL	7.17	NIL	23	12/31	3.33	3.00	3/31	NIL	NIL	YES
	147	Deere & Co.		DE	588.74	3	3	2	1.10	525- 785 (N- 35%)	33.1	1.1	17.80	6.48	4	1/31	2.42	3.19	6/30	1.62	1.62	YES
	506	Delek US Holdings		DK	46.82	1	4	2	1.20	▲ 45- 75 (N- 60%)	12.2	2.2	▲3.85	1.02	3	3/31	.08	d2.32	6/30	.255	.255	YES
1237	1407	Dell Technologies		DELL	247.04	1	3	3	1.35	205- 305 (N- 25%)	19.2	0.9	12.90	2.10	46	1/31	3.89	2.68	6/30	▲.63	.525	YES
	307	Delta Air Lines		DAL	71.20	2	3	2	1.40	75- 115 (5- 60%)	13.7	1.1	5.20	.77	60	3/31	.64	.46	3/31	.187	.15	YES
	2370	Deluxe Corp.		DLX	25.80	1	3	3	1.20	40- 60 (55-135%)	6.5	4.7	4.00	1.20	6	3/31	◆1.05	.75	3/31	.30	.30	YES
	165	Dentsply Sirona	(NDQ)	XRAY	10.91	3	3	3	1.05	20- 30 (85-175%)	7.5	NIL	1.45	NIL	79	3/31	◆.27	.43	3/31	.16	.16	YES
	2560	Descartes Sys Group Inc	(NDQ)	DSGX	68.88	3	3	3	.85	135- 200 (95-190%)	25.0	NIL	2.75	NIL	40	1/31	.52	.43	3/31	NIL	NIL	YES
	923	Deutsche Telekom ADR	(NDQ)	DTEGY	32.35	2	2	1	.80	50- 70 (55-115%)	13.2	3.2	2.45	1.02	41	12/31	.38	.88	6/30	▲1.138	.992	
	525	Devon Energy		DVN	46.73	–	3	–	1.25	▲ 65- 95 (40-105%)	9.3	2.7	▼5.00	1.28	70	3/31	◆1.04	1.21	3/31	.24	.24	YES
	208	DexCom Inc.	(NDQ)	DXCM	59.33	▲1	3	3	1.10	120- 185 (100-210%)	23.7	NIL	2.50	NIL	74	3/31	.56	.32	3/31	NIL	NIL	YES
1237	1965	Diageo plc		DEO	82.01	▲3	2	4	.90	70- 90 (N- 10%)	51.3	2.5	1.60	2.07	65	12/31	.95(p)	3.44(p)	6/30	▼.76	1.62	YES
	2389	Diamondback Energy	(NDQ)	FANG	196.15	–	3	–	1.15	170- 250 (N- 25%)	19.0	2.1	10.30	4.20	13	3/31	4.23	4.83	3/31	▲1.05	1.00	YES
	2171	Dick's Sporting Goods		DKS	220.25	3	3	4	1.10	295- 440 (35-100%)	15.4	2.2	14.30	4.85	16	1/31	3.45	3.62	6/30	▲1.25	2.42	YES
	570	Digi Int'l	(NDQ)	DGII	62.80	2	3	3	1.30	50- 80 (N- 25%)	24.2	NIL	2.59	NIL	34	3/31	◆.62	.28	3/31	NIL	NIL	YES
	1520	Digital Realty Trust		DLR	196.24	▼5	3	3	1.00	185- 275 (N- 40%)	75.5	2.5	2.60	4.88	90	3/31	.47	.27	3/31	▲2.44	2.44	YES
	2141	Dillard's, Inc.		DDS	556.79	3	3	2	1.30	450- 755 (N- 35%)	16.7	0.2	33.25	1.30	18	1/31	12.32	13.48	6/30	.30	.25	
	363	Dine Brands Global		DIN	29.07	–	4	–	1.25	40- 65 (40-125%)	6.5	2.6	4.50	.76	47	3/31	◆1.07	1.03	6/30	.19	.51	YES
	1356	Diodes Inc.		DIOD	111.99	2	3	3	1.45	75- 115 (N- 5%)	59.6	NIL	1.88	NIL	5	3/31	◆.43	.19	3/31	NIL	NIL	YES
	2330	Disney (Walt)		DIS	104.72	3	3	4	1.20	160- 240 (55-130%)	13.3	1.4	7.87	1.50	71	3/31	◆1.57	1.81	3/31	▲.75	.50	YES
	2561	DocuSign, Inc.	(NDQ)	DOCU	45.49	2	4	4	1.70	75- 130 (65-185%)	11.1	NIL	4.10	NIL	40	1/31	1.01	.14	3/31	NIL	NIL	YES
	1995	Dolby Labs.		DLB	57.59	4	2	4	1.00	95- 125 (65-115%)	13.1	2.5	4.39	1.46	93	3/31	1.37	.94	3/31	▲.36	.33	YES
	2142	Dollar General		DG	104.63	3	3	2	.45	140- 210 (35-100%)	14.3	2.3	7.30	2.36	18	1/31	1.93	.87	6/30	.59	.59	YES
	2143	Dollar Tree, Inc.	(NDQ)	DLTR	90.02	2	3	1	.70	130- 190 (45-110%)	13.2	NIL	6.80	NIL	18	1/31	2.56	1.86	3/31	NIL	NIL	YES
	2144	Dollarama Inc	(TSE)	DOL.TO	173.77	3	2	3	.55	215- 295 (25- 70%)	33.1	0.3	5.25	.51	18	1/31	1.43	1.40	6/30	▲.12	.106	
	130	Dominion Energy		D	62.56	4	2	2	.80	65- 85 (5- 35%)	17.4	4.3	3.60	2.67	91	3/31	.95	.93	3/31	▼.667	.668	YES
231	364	Domino's Pizza	(NDQ)	DPZ	313.22	3	3	3	.85	590- 885 (90-185%)	16.9	2.6	18.55	8.06	47	3/31	3.96	4.33	3/31	▲1.99	1.74	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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1237	1710	Donaldson Co.		DCI	85.59	3	2	2	1.00	115- 160 (35- 85%)	20.2	1.5	4.23	1.29	29	1/31	.83	.79	3/31	.30	.27	YES
	2615	DoorDash, Inc.	(NDQ)	DASH	157.33	4	3	4	1.55	270- 400 (70-155%)	61.7	NIL	2.55	NIL	57	3/31	◆.42	.44	3/31	NIL	NIL	YES
	971	Dorman Products	(NDQ)	DORM	121.01	5	3	5	.80	190- 285 (55-135%)	12.9	NIL	9.35	NIL	54	3/31	1.57	2.02	3/31	NIL	NIL	YES
	1711	Dover Corp.		DOV	219.97	3	2	2	1.15	180- 240 (N- 10%)	21.6	0.9	10.19	2.08	29	3/31	2.28	2.05	3/31	.52	.515	YES
2642	1598	Dow Inc.		DOW	38.76	3	3	2	1.15	30- 40 (N- 5%)	NMF	3.6	d.45	1.40-.70	44	3/31	d.14	.02	3/31	.35	.70	YES
	1422	Doximity, Inc.		DOCS	26.26	4	4	5	1.35	40- 60 (50-130%)	17.2	NIL	1.53	NIL	81	12/31	.46	.45	3/31	NIL	NIL	YES
	2351	DraftKings Hldgs.	(NDQ)	DKNG	24.51	4	4	4	1.70	45- 70 (85-185%)	70.0	NIL	.35	NIL	61	3/31	◆.03	.12	3/31	NIL	NIL	YES
1238	2125	Driven Brands	(NDQ)	DRVN	13.25	4	3	4	1.15	18- 27 (35-105%)	9.8	NIL	1.35	NIL	64	9/30	.34	.26	3/31	NIL	NIL	YES
	2562	Dropbox, Inc.	(NDQ)	DBX	26.49	2	3	5	1.05	30- 45 (15- 70%)	8.8	NIL	3.00	NIL	40	3/31	◆.76	.70	3/31	NIL	NIL	YES
	131	Duke Energy		DUK	124.90	4	1	1	.65	145- 175 (15- 40%)	18.6	3.5	6.70	4.33	91	3/31	◆1.93	1.76	3/31	1.065	1.045	YES
	1985	Duolingo, Inc.	(NDQ)	DUOL	105.15	▲4	4	4	1.35	70- 120 (N- 15%)	15.0	NIL	7.00	NIL	28	3/31	.89	.72	3/31	NIL	NIL	YES
	1599	DuPont de Nemours		DD	50.58	–	3	–	NMF	55- 80 (10- 60%)	23.0	1.6	2.20	.80	44	3/31	◆.55	.36	3/31	.20	.41	YES
	365	Dutch Bros Inc		BROS	51.13	3	4	4	1.65	70- 115 (35-125%)	56.8	NIL	.90	NIL	47	3/31	◆.16	.14	3/31	NIL	NIL	YES
	1007	Dycom Inds.		DY	430.95	3	3	4	1.15	395- 595 (N- 40%)	28.6	NIL	15.05	NIL	8	1/31	2.03	1.17	3/31	NIL	NIL	YES
	1809	Dynatrace Inc		DT	40.23	3	3	5	1.25	60- 90 (50-125%)	21.6	NIL	1.86	NIL	58	12/31	.44	1.19	3/31	NIL	NIL	YES
	989	**e.l.f. Beauty**		ELF	55.19	4	3	3	1.05	130- 195 (135-255%)	17.0	NIL	3.24	NIL	–	12/31	1.24	.74	3/31	NIL	NIL	YES
	526	EOG Resources		EOG	133.31	3	3	2	1.00	180- 270 (35-105%)	9.5	3.1	▲14.00	4.19	70	3/31	◆3.41	2.87	6/30	1.02	.975	YES
1025	2604	EPAM Systems		EPAM	97.35	▼2	3	3	1.45	195- 290 (100-200%)	7.8	NIL	12.45	NIL	17	3/31	◆2.86	2.41	3/31	NIL	NIL	YES
	527	EQT Corp.		EQT	56.45	4	3	1	1.20	75- 110 (35- 95%)	11.8	1.2	4.80	.66	70	3/31	2.33	1.18	6/30	◆.165	.157	YES
	1712	ESAB Corp.		ESAB	96.57	5	3	4	1.35	110- 170 (15- 75%)	16.7	0.4	5.80	.40	29	3/31	◆1.31	1.31	6/30	.10	.08	YES
	1114	Eagle Materials		EXP	204.93	2	3	4	1.30	250- 370 (20- 80%)	16.6	0.5	12.34	1.00	36	12/31	3.22	3.59	6/30	.25	.25	YES
	608	East West Bancorp	(NDQ)	EWBC	121.91	2	3	3	1.50	135- 205 (10- 70%)	11.4	2.8	10.65	3.40	43	3/31	2.57	2.08	6/30	.80	.60	YES
	2420	Eastman Chemical		EMN	74.64	2	3	3	1.30	75- 115 (N- 55%)	16.6	4.5	4.50	3.36	45	3/31	1.09	1.57	6/30	.84	.83	YES
	1755	Eaton Corp. plc		ETN	419.00	2	2	3	1.10	410- 560 (N- 35%)	31.3	1.0	13.40	4.16	22	3/31	◆2.81	2.72	6/30	◆1.10	1.04	YES
	2636	eBay Inc.	(NDQ)	EBAY	108.13	–	3	–	1.05	95- 145 (N- 35%)	18.0	1.1	6.00	1.24	73	3/31	1.66	1.38	3/31	▲.31	.29	YES
	922	EchoStar Corp.	(NDQ)	SATS	129.14	–	5	–	1.20	90- 170 (N- 30%)	NMF	NIL	d3.60	NIL	41	3/31	◆d.51	d.71	3/31	NIL	NIL	YES
	549	Ecolab Inc.		ECL	251.10	3	2	2	1.05	280- 380 (10- 50%)	33.5	1.2	7.50	2.92	39	3/31	◆1.52	1.41	6/30	.73	.65	YES
	550	Ecovyst Inc.		ECVT	14.42	3	3	3	1.25	12- 18 (N- 25%)	41.2	NIL	▼.35	NIL	39	3/31	◆.04	d.03	3/31	NIL	NIL	YES
	1193	Edgewell Personal Care		EPC	19.67	4	3	3	.90	30- 45 (55-130%)	10.5	3.1	1.87	.60	75	3/31	◆.41	.60	6/30	.15	.15	YES
	2195	Edison Int'l		EIX	70.58	3	3	1	.90	80- 125 (15- 75%)	11.6	5.1	6.10	3.61	78	3/31	1.42	1.37	6/30	.877	.828	YES
	166	Edwards Lifesciences		EW	77.17	3	3	2	1.00	110- 165 (45-115%)	25.7	NIL	3.00	NIL	79	3/31	.78	.64	3/31	NIL	NIL	YES
	1613	Elanco Animal Health		ELAN	21.72	3	3	2	1.30	25- 35 (15- 60%)	20.7	NIL	1.05	NIL	69	3/31	◆.40	.37	3/31	NIL	NIL	YES
	1810	Elastic N.V.		ESTC	50.38	4	4	4	1.55	65- 110 (30-120%)	18.5	NIL	2.73	NIL	58	1/31	.73	d.16	3/31	NIL	NIL	YES
1644	710	Elbit Systems	(NDQ)	ESLT	794.95	3	2	1	.65	495- 670 (N- N%)	56.4	0.4	14.10	3.00	59	12/31	3.56	2.66	6/30	▲1.00	.60	YES
	1996	Electronic Arts	(NDQ)	EA	200.22	–	2	–	.75	190- 260 (N- 30%)	39.1	0.4	5.12	.84	93	3/31	◆1.59	.98	3/31	.19	.19	YES
	389	Element Fleet Mgmt.	(TSE)	EFN.TO	26.85	4	2	2	.85	30- 45 (10- 70%)	15.8	1.9	1.70	.52	11	3/31	◆.35	.34	6/30	▲.15	.13	
	551	Element Solutions		ESI	45.06	3	3	3	1.30 ▲	55- 80 (20- 80%)	25.7	0.7	1.75	.32	39	3/31	.41	.34	3/31	.08	.08	YES
	796	Elevance Health		ELV	381.75	1	3	5	.80	520- 780 (35-105%)	14.7	1.9	26.00	7.14	14	3/31	12.58	11.97	3/31	▲1.72	1.71	YES
	711	Embraer SA		EMBJ	60.36	3	3	3	1.50	65- 100 (10- 65%)	22.8	NIL	2.65	NIL	59	3/31	◆.15	.40	12/31	▲.061	NIL	YES
	1008	EMCOR Group		EME	931.50	2	3	4	1.10	665-1000 (N- 5%)	33.0	0.2	28.20	1.60	8	3/31	6.84	5.26	6/30	.40	.25	YES
	1221	Emera Inc.	(TSE)	EMA.TO	71.43b	4	2	1	.50	80- 105 (10- 45%)	20.7	4.1	3.45	2.93	85	3/31	◆1.37(b)	1.28(b)	6/30	.732(b)	.725(b)	YES
	1306	Emerson Electric		EMR	139.43	3	2	3	1.20	195- 265 (40- 90%)	21.1	1.6	6.60	2.25	9	3/31	◆1.54	1.48	3/31	.555	.527	YES
	1943	Empire Company Ltd.	(TSE)	EMPA.TO	45.82b	3	2	1	.45	50- 70 (10- 55%)	14.1	2.0	3.26	.93	26	1/31	.72(b)	.62(b)	6/30	.22(b)	.20(b)	YES
	580	Enbridge Inc.	(TSE)	ENB.TO	74.48b	4	2	2	.70	75- 100 (N- 35%)	28.6	5.1	2.60	3.77	48	3/31	◆.98(b)	1.03(b)	3/31	▲.97(b)	.942(b)	
	797	Encompass Health		EHC	104.82	2	3	4	.95	150- 225 (45-115%)	17.3	0.6	6.05	.68	14	3/31	1.60	1.37	6/30	.19	.17	YES
	1194	Energizer Holdings		ENR	17.58	▲2	3	4	.90	30- 45 (70-155%)	5.1	6.8	3.44	1.20	75	3/31	◆.15	.67	3/31	.30	.30	YES
	592	Energy Transfer LP		ET	19.61	2	3	2	1.00	25- 35 (25- 80%)	15.7	6.9	▼1.25	1.35	24	3/31	◆.35	.36	6/30	▲.337	.327	YES
	1713	Enerpac Tool Group		EPAC	34.98	3	3	3	1.00	45- 70 (30-100%)	17.9	0.1	1.95	.04	29	2/28	.31	.39	12/31	.04	.04	YES
	1222	EnerSys		ENS	236.82	1	3	4	1.25	170- 250 (N- 5%)	25.5	0.4	9.30	1.05	85	12/31	2.40	2.88	3/31	.262	.24	YES
	167	Enovis Corp.		ENOV	24.78	3	3	5	1.35	45- 70 (80-180%)	6.9	NIL	3.60	NIL	79	3/31	◆.89	.81	3/31	NIL	NIL	YES
	1223	Enphase Energy	(NDQ)	ENPH	37.65	4	5	4	1.50	50- 90 (35-140%)	27.9	NIL	1.35	NIL	85	3/31	.47	.22	3/31	NIL	NIL	YES
	1756	EnPro Inc.		NPO	315.08	3	3	3	1.35	230- 345 (N- 10%)	35.4	0.4	8.90	1.24	22	3/31	◆2.14	1.90	3/31	▲.32	.31	YES
	1390	Entegris, Inc.	(NDQ)	ENTG	149.15	2	3	3	1.65	130- 200 (N- 35%)	43.9	0.3	3.40	.40	1	3/31	.86	.67	6/30	.10	.10	YES
	908	Entergy Corp.		ETR	112.97	3	1	1	.75	70- 85 (N- N%)	31.4	2.1	3.60	2.40	82	3/31	.83	.82	6/30	.64	.60	YES
	593	Enterprise Products		EPD	37.90	2	1	3	.85	50- 60 (30- 60%)	13.1	6.1	2.90	2.30	24	3/31	.68	.64	6/30	.55	.535	YES
	411	Enviri Corp.		NVRI	18.88	4	4	1	1.60	11- 19 (N- N%)	NMF	NIL	d.50	NIL	25	12/31	d.17	d.04	3/31	NIL	NIL	YES
	168	Envista Holdings		NVST	24.20	3	3	2	1.15	30- 45 (25- 85%)	17.3	NIL	1.40	NIL	79	3/31	◆.36	.24	3/31	NIL	NIL	YES
	1327	ePlus Inc	(NDQ)	PLUS	89.00	3	3	3	1.10	105- 155 (20- 75%)	16.6	1.1	5.36	1.00	10	12/31	1.45	1.06	3/31	.25	NIL	YES
	425	Equifax, Inc.		EFX	167.82	3	3	3	1.20	240- 360 (45-115%)	19.2	1.3	8.75	2.24	7	3/31	1.86	1.53	3/31	▲.56	.39	YES
	1521	Equinix, Inc.	(NDQ)	EQIX	1086.22	4	3	3	1.00	995-1490 (N- 35%)	66.4	1.9	16.35	20.64	90	3/31	4.41	3.50	3/31	▲5.16	4.69	YES
	507	Equinor ASA		EQNR	38.22	1	3	2	.75 ▲	45- 65 (20- 70%)	6.8	4.2	▲5.60	1.60	3	3/31	◆1.48	.66	3/31	▼.272	.35	YES
2026	2517	Equitable Holdings		EQH	40.99	–	3	–	1.40	60- 95 (45-130%)	5.7	2.6	7.20	1.08	35	3/31	◆1.62	1.30	3/31	.27	.24	YES
	1522	Equity Lifestyle Propert	(NDQ)	ELS	63.39	4	2	3	.80	70- 90 (10- 40%)	30.2	3.5	2.10	2.20	90	3/31	.56	.57	6/30	▲.542	.515	YES
	1523	Equity Residential		EQR	66.18	3	2	5	1.00	70- 95 (5- 45%)	44.1	4.2	1.50	2.79	90	3/31	.24	.67	6/30	▲.702	.692	YES
	953	Ericsson ADR(g)	(NDQ)	ERIC	12.49	3	3	3	1.15	10- 15 (N- 20%)	16.7	2.6	.75	.33	32	3/31	.15	.13	6/30	▲.107	.142	YES
	760	Erie Indemnity	(NDQ)	ERIE	217.09	4	3	3	.80	405- 605 (85-180%)	15.0	2.7	14.50	5.93	30	3/31	2.88	2.65	6/30	1.462	1.37	YES
	1757	ESCO Technologies		ESE	297.85	2	3	3	1.10	245- 370 (N- 25%)	36.5	0.1	8.16	.32	22	3/31	◆1.91	1.44	6/30	.08	.08	YES
	1775	Essential Utilities		WTRG	37.57	–	2	–	.80	55- 75 (45-100%)	15.0	3.6	2.50	1.37	88	3/31	◆.79	1.03	3/31	.342	.325	YES
	1524	Essex Property Trust		ESS	268.77	4	2	5	.95	240- 355 (N- 30%)	28.7	4.0	9.35	10.65	90	3/31	1.65	3.16	6/30	▲2.59	2.57	YES
	1156	Ethan Allen Interiors		ETD	19.63	▼4	3	3	1.05	35- 55 (80-180%)	10.2	7.9	1.92	1.56	87	3/31	.23	.37	3/31	.39	.39	YES
	2637	Etsy, Inc.		ETSY	59.86	2	4	4	1.40	80- 130 (35-115%)	22.6	NIL	2.65	NIL	73	3/31	.89	.40	3/31	NIL	NIL	YES
	2518	Euronet Worldwide	(NDQ)	EEFT	69.60	3	3	4	1.35	155- 230 (125-230%)	6.4	NIL	10.85	NIL	35	3/31	1.58	1.13	3/31	NIL	NIL	YES
	2563	EverCommerce Inc.	(NDQ)	EVCM	11.00	2	3	2	1.25	17- 25 (55-125%)	15.7	NIL	.70	NIL	40	3/31	◆.19	.01	3/31	NIL	NIL	YES
	1794	Evercore Inc.		EVR	335.38	3	3	3	1.60	360- 540 (5- 60%)	18.1	1.0	18.50	3.49	55	3/31	7.20	3.48	3/31	.84	.80	YES
	2005	Everest Group		EG	350.78	2	3	4	1.00	440- 660 (25- 90%)	7.6	2.4	46.00	8.30	49	3/31	16.08	6.45	3/31	2.00	2.00	YES
	2596	Everforth, Inc.		EFOR	18.90	4	3	3	1.15	60- 90 (215-375%)	3.9	NIL	4.90	NIL	17	3/31	.69	.92	3/31	NIL	NIL	YES
	909	Evergy, Inc.		EVRG	83.43	4	2	2	.75	80- 110 (N- 30%)	19.6	3.3	4.25	2.78	82	3/31	◆.69	.54	3/31	.695	.667	YES
★★	1408	Everpure, Inc.		P	87.34	3	3	4	1.25	85- 125 (N- 45%)	36.4	NIL	2.40	NIL	46	1/31	.69	.12	3/31	NIL	NIL	YES
	132	Eversource Energy		ES	67.24	4	2	1	.80	85- 115 (25- 70%)	13.9	4.7	4.85	3.19	91	3/31	◆1.61	1.50	3/31	▲.787	.753	YES
	1009	Everus Construction Grp.	(NDQ)	ECG	163.85	–	3	–	NMF	145- 220 (N- 35%)	32.8	NIL	5.00	NIL	8	3/31	◆1.14	.73	3/31	NIL	NIL	YES
1825	798	Exact Sciences	(NDQ)	EXAS	0.00	–	4	–	NMF	80- 130 (0- 0%)	NMF	NIL	d.30	NIL	14	12/31	d.45	d.05	12/31	NIL	NIL	YES
	826	Exelixis, Inc.	(NDQ)	EXEL	49.71	2	3	2	.75	60- 85 (20- 70%)	14.2	NIL	3.50	NIL	89	3/31	◆.79	.62	3/31	NIL	NIL	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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RANKS: Timeliness | Safety | Technical | Beta | Industry Rank | Do Options Trade?

Rank	Recent Price	NAME OF STOCK		Ticker Symbol	Price	Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS: Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	133	Exelon Corp.	(NDQ)	EXC	44.19	4	2	1	.70	55- 75 (25- 70%)	15.5	3.8	2.85	1.68	91	3/31	◆.91	.92	3/31	▲.42	.40	YES
	426	ExlService Holdings Inc	(NDQ)	EXLS	30.19	2	3	3	1.10	65- 100 (115-230%)	15.1	NIL	2.00	NIL	7	3/31	.58	.40	3/31	NIL	NIL	YES
	390	eXp World Holdings	(NDQ)	AGNT	6.74	4	4	4	1.65	9- 15 (35-125%)	NMF	3.0	.05	.20	11	3/31	◆d.03	d.07	3/31	.05	.05	YES
	528	Expand Energy Corp.	(NDQ)	EXE	96.70	–	3	–	NMF	110- 165 (15- 70%)	38.7	2.4	▲2.50	2.30	70	3/31	4.81	d1.06	3/31	.575	.575	YES
	2616	Expedia Group	(NDQ)	EXPE	221.46	2	3	3	1.55	340- 505 (55-130%)	12.4	0.7	17.85	1.60	57	3/31	◆1.95	.40	3/31	▲.48	.40	YES
	391	Expeditors Int'l		EXPD	155.54	▲2	2	2	1.00	155- 210 (N- 35%)	25.7	1.0	6.05	1.54	11	3/31	◆1.71	1.47	12/31	.77	.73	YES
	427	Exponent, Inc.	(NDQ)	EXPO	60.16	3	3	3	1.00	80- 120 (35-100%)	26.7	2.1	2.25	1.24	7	3/31	.59	.51	3/31	▲.31	.30	YES
	1525	Extra Space Storage		EXR	144.58	5	3	4	1.05	145- 220 (N- 50%)	30.4	4.5	4.75	6.52	90	3/31	1.14	1.27	3/31	1.62	1.62	YES
	954	Extreme Networks	(NDQ)	EXTR	24.31	3	4	5	1.45	20- 35 (N- 45%)	21.5	NIL	1.13	NIL	32	3/31	.26	.21	3/31	NIL	NIL	YES
	508	Exxon Mobil Corp.		XOM	149.68	3	1	1	.80	▲ 145- 180 (N- 20%)	20.0	2.6	7.50	3.96	3	3/31	1.16	1.76	3/31	1.03	.99	YES
	1812	**F5, Inc.**	(NDQ)	FFIV	358.30	2	2	3	1.00	350- 475 (N- 35%)	22.3	NIL	16.05	NIL	58	3/31	3.90	2.48	3/31	NIL	NIL	YES
	1600	FMC Corp.		FMC	13.11	5	4	3	1.10	25- 45 (90-245%)	7.5	2.4	1.75	.32	44	3/31	d.23	.18	6/30	.08	.58	YES
	392	FTI Consulting		FCN	159.09	2	3	3	.55	200- 300 (25- 90%)	17.1	NIL	9.30	NIL	11	3/31	1.90	2.29	3/31	NIL	NIL	YES
	712	FTAI Aviation Ltd	(NDQ)	FTAI	280.36	3	3	3	1.50	280- 420 (N- 50%)	41.5	0.5	6.75	1.40	59	3/31	1.29	.87	3/31	▲.40	.30	YES
	1328	Fabrinet		FN	649.53	2	3	3	1.30	400- 600 (N- N%)	45.4	NIL	14.32	NIL	10	3/31	3.72	2.25	3/31	NIL	NIL	YES
	428	FactSet Research		FDS	219.19	1	3	4	.95	440- 660 (100-200%)	11.9	2.1	18.39	4.58	7	2/28	4.46	4.28	3/31	1.10	1.04	YES
	761	Fairfax Financial Hldgs.	(TSE)	FFH.TO	2257.83	3	2	2	.75	3315-4485 (45-100%)	11.0	0.7	205.00	15.00	30	3/31	31.11	42.70	3/31	*****	*****	
	429	Fair Isaac		FICO	1092.00	2	3	3	1.15	1440-2160 (30-100%)	23.4	NIL	46.67	NIL	7	3/31	12.50	7.81	3/31	NIL	NIL	YES
	1144	Fastenal Co.	(NDQ)	FAST	43.30	2	1	2	.90	55- 65 (25- 50%)	37.7	2.2	1.15	.96	76	3/31	.30	.26	6/30	.24	.22	YES
★★	1811	Fastly, Inc.	(NDQ)	FSLY	19.58	3	4	2	1.80	25- 45 (30-130%)	78.3	NIL	.25	NIL	58	3/31	◆.15	d.05	3/31	NIL	NIL	YES
	1526	Federal Rlty. Inv. Trust		FRT	115.42	4	2	3	1.10	130- 175 (15- 50%)	29.2	3.9	3.95	4.53	90	3/31	1.81	.72	6/30	1.13	1.10	YES
	148	Federal Signal		FSS	117.38	1	2	3	1.05	135- 185 (15- 60%)	25.0	0.5	4.70	.60	4	3/31	1.18	.76	3/31	▲.15	.14	YES
	2211	Federated Hermes		FHI	55.72	3	2	1	1.05	60- 80 (10- 45%)	10.9	2.4	5.10	1.36	38	3/31	1.27	1.25	6/30	▲.38	.34	YES
	308	FedEx Corp.		FDX	378.90	1	3	2	1.15	290- 435 (N- 15%)	18.1	1.0	20.90	3.80	60	2/28	5.25	4.51	6/30	1.45	1.38	YES
	1145	Ferguson Enterprises Inc		FERG	243.98	3	3	3	1.30	210- 320 (N- 30%)	25.4	1.4	9.60	3.32	76	10/31	2.28	2.07	6/30	.89	.83	YES
	102	Ferrari N.V.		RACE	329.26	3	3	4	1.10	515- 770 (55-135%)	31.1	1.0	10.58	3.13	83	3/31	◆2.33	2.70	6/30	▲4.248	3.389	YES
	2519	Fidelity Nat'l Fin'l		FNF	48.29	▼4	3	4	1.20	60- 85 (25- 75%)	9.2	4.4	5.25	2.12	35	3/31	◆.93	.78	3/31	.52	.50	YES
	2520	Fidelity Nat'l Info.		FIS	42.36	–	3	–	1.05	50- 70 (20- 65%)	6.7	4.2	6.30	1.80	35	3/31	◆1.36	1.21	3/31	▲.44	.40	YES
	609	Fifth Third Bancorp	(NDQ)	FITB	48.65	4	3	2	1.40	65- 100 (35-105%)	11.9	3.4	4.10	1.66	43	3/31	.83	.71	6/30	.40	.37	YES
	2564	Figma Inc		FIG	20.05	–	4	–	NMF	55- 95 (175-375%)	83.5	NIL	.24	NIL	40	12/31	.08	NA	12/31	NIL	NIL	YES
	2521	Figure Technology Solns.	(NDQ)	FIGR	38.97	–	3	–	NMF	35- 50 (N- 30%)	37.1	NIL	1.05	NIL	35	12/31	.10	NA	6/30	NIL	NIL	YES
	149	Finning Int'l	(TSE)	FTT.TO	97.58b	2	3	3	1.10	100- 150 (N- 55%)	21.0	1.2	4.65	1.21	4	12/31	1.02(b)	1.02(b)	3/31	.302(b)	.275(b)	
	762	First American Fin'l		FAF	68.45	3	3	3	1.15	95- 145 (40-110%)	10.9	3.3	6.30	2.23	30	3/31	1.33	.84	3/31	.55	.54	YES
	610	First Citzn BncSh-NC	(NDQ)	FCNCA	1919.94	3	3	3	1.20	2410-3620 (25- 90%)	10.9	0.5	176.00	8.70	43	3/31	42.63	34.47	3/31	2.10	1.95	YES
	780	First Horizon Corp.		FHN	24.04	3	3	3	1.20	30- 45 (25- 85%)	11.2	2.8	2.15	.68	31	3/31	.53	.42	6/30	▲.17	.15	YES
	1224	First Solar, Inc.	(NDQ)	FSLR	233.27	3	3	3	1.10	300- 450 (30- 95%)	13.7	NIL	17.00	NIL	85	3/31	3.22	1.95	3/31	NIL	NIL	YES
	2522	FirstCash Holdings	(NDQ)	FCFS	233.00	2	3	3	.80	220- 335 (N- 45%)	22.3	0.7	10.45	1.68	35	3/31	2.69	2.07	3/31	.42	.38	YES
	134	FirstEnergy Corp.		FE	44.60	4	2	1	.70	55- 70 (25- 55%)	16.5	4.2	2.70	1.88	91	3/31	.72	.67	6/30	▲.465	.445	YES
	393	FirstService Corp.	(NDQ)	FSV	131.34	▼4	2	4	.95	235- 320 (80-145%)	21.4	0.9	6.15	1.22	11	3/31	.95	.92	6/30	▲.305	.275	YES
	2523	Fiserv Inc.	(NDQ)	FISV	54.39	3	3	4	1.10	105- 160 (95-195%)	5.9	NIL	9.20	NIL	35	3/31	◆1.79	2.14	3/31	NIL	NIL	YES
	2145	Five Below, Inc.	(NDQ)	FIVE	208.15	▼3	3	2	1.20	190- 290 (N- 40%)	26.0	NIL	8.00	NIL	18	1/31	4.31	3.39	3/31	NIL	NIL	YES
	924	Five9, Inc.	(NDQ)	FIVN	21.41	2	4	5	1.55	35- 55 (65-155%)	6.7	NIL	3.20	NIL	41	3/31	.76	.62	3/31	NIL	NIL	YES
	1505	Flagstar Bank, N.A.		FLG	14.05	–	4	–	1.20	19- 30 (35-115%)	18.7	0.3	.75	.04	50	3/31	.04	d.22	3/31	.01	.01	YES
	1329	Flex Ltd.	(NDQ)	FLEX	145.07	–	3	–	1.60	50- 75 (N- N%)	41.4	NIL	3.50	NIL	10	3/31	◆.93	.73	3/31	NIL	NIL	YES
	1146	Floor & Decor Hldgs.		FND	48.76	▼4	3	3	1.40	85- 125 (75-155%)	23.2	NIL	2.10	NIL	76	3/31	.37	.45	3/31	NIL	NIL	YES
	1910	Flowers Foods		FLO	8.22	3	3	3	.60	17- 25 (105-205%)	9.7	12.0	.85	.99	68	12/31	.22	.22	3/31	.247	.24	YES
	1714	Flowserve Corp.		FLS	70.77	3	3	2	1.40	80- 120 (15- 70%)	19.3	1.2	3.66	.84	29	3/31	.85	.72	6/30	▲.22	.21	YES
★★	1225	Fluence Energy Inc	(NDQ)	FLNC	25.23	▲4	5	3	1.85	15- 25 (N- N%)	NMF	NIL	d.11	NIL	85	3/31	◆d.16	d.24	3/31	NIL	NIL	YES
	1010	Fluor Corp.		FLR	43.69	4	3	2	1.20	55- 85 (25- 95%)	14.8	NIL	2.95	NIL	8	3/31	◆.14	.74	3/31	NIL	NIL	YES
1238	2352	Flutter Entertainment pl	(NYSE)	FLUT	93.96	–	3	–	NMF	130- 190 (40-100%)	13.2	NIL	7.10	NIL	61	3/31	◆1.23	1.60	3/31	NIL	NIL	YES
	103	Ford Motor		F	12.05	2	3	3	1.40	16- 25 (35-105%)	10.2	5.0	1.18	.60	83	3/31	.66	.14	3/31	.15	.15	YES
	1391	FormFactor, Inc.	(NDQ)	FORM	151.40	2	3	3	1.45	60- 90 (N- N%)	81.8	NIL	1.85	NIL	1	3/31	.57	.23	3/31	NIL	NIL	YES
★★	2015	Fortinet Inc.	(NDQ)	FTNT	115.44	1	3	5	1.25	125- 185 (10- 60%)	38.5	NIL	3.00	NIL	63	3/31	◆.82	.58	3/31	NIL	NIL	YES
	910	Fortis Inc.	(TSE)	FTS.TO	76.89b	4	1	1	.50	90- 110 (15- 45%)	21.4	3.3	3.60	2.56	82	3/31	◆.99(b)	1.00(b)	3/31	.64(b)	.615(b)	YES
	116	Fortive Corp.		FTV	60.31	–	3	–	NMF	75- 115 (25- 90%)	20.4	0.4	2.95	.24	53	3/31	.70	.85	3/31	.06	.08	YES
	1115	Fortune Brands Innovs.		FBIN	37.78	4	3	3	1.30	85- 125 (125-230%)	9.3	2.8	4.05	1.04	36	3/31	◆.53	.66	3/31	▲.26	.25	YES
	319	Forward Air	(NDQ)	FWRD	10.46	5	5	4	1.60	35- 60 (235-475%)	NMF	NIL	d.65	NIL	21	3/31	◆d.45	d1.13	3/31	NIL	NIL	YES
	2331	Fox Corp. 'A'	(NDQ)	FOXA	67.72	3	2	3	.95	60- 85 (N- 25%)	13.6	0.8	4.97	.56	71	3/31	◆.38	1.10	3/31	.28	.27	YES
	2307	Fox Factory Holding	(NDQ)	FOXF	17.40	▲3	3	3	1.40	30- 50 (70-185%)	12.9	NIL	1.35	NIL	72	3/31	◆.18	.23	3/31	NIL	NIL	YES
	1570	Franco-Nevada Corp.		FNV	237.60	4	2	1	.85	335- 455 (40- 90%)	35.7	0.7	6.65	1.76	51	12/31	1.85	.95	3/31	▲.44	.38	YES
	1307	Franklin Electric	(NDQ)	FELE	99.01	3	2	3	1.05	140- 185 (40- 85%)	22.2	1.1	4.45	1.12	9	3/31	.83	.67	6/30	◆.28	.265	YES
	2212	Franklin Resources		BEN	31.55	3	3	4	1.35	25- 40 (N- 25%)	18.3	4.1	1.72	1.28	38	3/31	.71	.26	6/30	.33	.32	YES
	1584	Freep't-McMoRan Inc.		FCX	64.37	3	3	3	1.60	60- 90 (N- 40%)	20.1	0.9	3.20	.60	33	3/31	.57	.24	6/30	.075	.15	YES
	799	Fresenius Medical ADR		FMS	21.76	▼4	3	4	.95	35- 50 (60-130%)	7.9	3.8	2.75	.82	14	3/31	◆.46	.42	6/30	▲.694	.643	YES
	1911	Fresh Del Monte Prod.		FDP	35.52	3	2	1	.65	35- 55 (N- 55%)	9.0	3.5	3.95	1.25	68	3/31	◆.63	.98	3/31	.30	.30	YES
	1912	Freshpet, Inc.	(NDQ)	FRPT	49.64	3	4	3	1.25	75- 125 (50-150%)	35.5	NIL	1.40	NIL	68	3/31	◆d.24	d.26	3/31	NIL	NIL	YES
	394	frontdoor, inc.	(NDQ)	FTDR	63.78	3	3	3	1.10	90- 135 (40-110%)	14.7	NIL	4.35	NIL	11	3/31	.73	.64	3/31	NIL	NIL	YES
	336	Frontline plc		FRO	38.15	2	4	3	1.05	30- 55 (N- 45%)	9.1	10.8	4.18	4.12-NIL	12	12/31	1.03	.30	3/31	▲1.03	.20	YES
	1330	FUJIFILM Hldgs. ADR(g)	(NDQ)	FUJIY	9.71	3	2	4	.90	14- 19 (45- 95%)	12.1	3.0	.80	.29	10	12/31	.20	.38	12/31	▼.112	.10	
	552	Fuller (H.B.)		FUL	60.35	2	3	3	1.15	65- 95 (10- 55%)	NMF	1.6	▼.40	.94	39	2/28	.38	.24	6/30	▲.245	.235	YES
1645	2107	**G-III Apparel Group**	(NDQ)	GIII	30.26	2	3	3	1.30	25- 40 (N- 30%)	14.4	NIL	2.10	NIL	42	1/31	.30	1.07	3/31	.10	NIL	YES
	347	GATX Corp.		GATX	186.80	4	3	3	1.10	245- 365 (30- 95%)	18.6	1.4	10.05	2.64	27	3/31	◆2.35	2.15	3/31	▲.66	.61	YES
	209	GE HealthCare	(NDQ)	GEHC	61.70	4	3	3	1.30	85- 130 (40-110%)	12.6	0.2	4.90	.14	74	3/31	.85	1.01	6/30	.035	.035	YES
	1226	GE Vernova Inc		GEV	1073.08	–	3	–	NMF	880-1320 (N- 25%)	74.0	0.2	14.50	2.00	85	3/31	17.44	.80	6/30	.50	.25	YES
	412	GFL Environmental Inc		GFL	36.65	–	3	–	1.05	40- 65 (10- 75%)	45.8	0.2	.80	.07	25	3/31	.08	d.42	6/30	▲.016	.015	YES
	1614	GSK plc ADR(g)		GSK	49.81	3	1	1	.70	55- 65 (10- 30%)	22.6	3.9	2.20	1.94	69	3/31	1.25	.50	6/30	▲.47	.40	YES
	1211	Gabelli Equity		GAB	5.59	–	2	–	.95	7- 10 (25- 80%)	NMF	0.9	NMF	.05	–	12/31	5.59(q)	5.24(q)	3/31	▲.15	.148	
	2524	Gallagher (Arthur J.)		AJG	198.57	3	2	3	.90	320- 430 (60-115%)	15.0	1.4	13.20	2.80	35	3/31	4.47	3.66	3/31	▲.70	.65	YES
	2172	GameStop Corp.		GME	23.17	–	4	–	1.40	20- 35 (N- 50%)	25.7	NIL	.90	NIL	16	1/31	.49	.29	3/31	NIL	NIL	YES
	1527	Gaming and Leisure	(NDQ)	GLPI	48.03	▼4	2	4	.90	50- 70 (5- 45%)	16.6	6.6	2.90	3.18	90	3/31	.82	.60	3/31	.78	.76	YES
1428	2187	Gap (The), Inc.		GAP	21.74	3	3	1	1.40	25- 35 (15- 60%)	10.1	3.3	2.15	.72	20	1/31	.45	.54	6/30	▲.175	.165	YES
	1331	Garmin Ltd.		GRMN	242.38	▼3	3	3	1.15	300- 450 (25- 85%)	26.3	1.7	9.20	4.20	10	3/31	2.08	1.61	3/31	.90	.75	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	972	Garrett Motion	(NDQ)	GTX	**29.14**	▲2	3	4	1.10	20- 30 (N- 5%)	**16.2**	**1.1**	1.80	.32	**54**	3/31	**.49**	.30	3/31	.08	.06	YES
	430	Gartner Inc.		IT	**153.80**	▲1	3	4	1.10	275- 410 (80-165%)	**11.0**	**NIL**	13.95	NIL	**7**	3/31	◆**3.32**	2.98	3/31	NIL	NIL	YES
	1715	Gates Industrial plc		GTES	**25.98**	**2**	3	3	1.40	30- 40 (15- 55%)	**16.7**	**NIL**	1.56	NIL	**29**	3/31	**.35**	.36	3/31	NIL	NIL	YES
	2016	Gen Digital Inc.	(NDQ)	GEN	**22.40**	▲2	3	5	1.05	40- 60 (80-170%)	**8.1**	**2.2**	2.77	.50	**63**	3/31	◆**.67**	.59	3/31	.125	.125	YES
	1227	Generac Holdings		GNRC	**271.40**	**3**	3	4	1.40	250- 375 (N- 40%)	**38.2**	**NIL**	7.10	NIL	**85**	3/31	**1.24**	1.25	3/31	NIL	NIL	YES
	1212	Gen'l Amer. Invest		GAM	**64.65**	–	2	–	1.05	70- 100 (10- 55%)	**NMF**	**0.9**	NMF	.60	**–**	12/31	**65.20(q)**	57.78(q)	3/31	▲NIL	NIL	
	714	Gen'l Dynamics		GD	**344.03**	**3**	1	1	.85	395- 480 (15- 40%)	**20.9**	**1.7**	16.50	6.00	**59**	3/31	**4.10**	3.66	6/30	▲1.59	1.50	YES
	713	Gen'l Electric		GE	**300.77**	–	3	–	NMF	255- 385 (N- 30%)	**40.6**	**0.5**	7.40	1.44	**59**	3/31	**1.81**	1.49	6/30	▲.47	.36	YES
	1913	Gen'l Mills		GIS	**33.80**	**4**	2	3	.40	45- 65 (35- 90%)	**9.8**	**7.3**	3.46	2.47	**68**	2/28	**.64**	1.00	6/30	.61	.60	YES
	104	Gen'l Motors		GM	**75.29**	**1**	3	2	1.35	75- 110 (N- 45%)	**6.7**	**0.8**	11.25	.60	**83**	3/31	**3.70**	2.78	3/31	▲.18	.12	YES
	395	Genpact Limited		G	**31.30**	**1**	3	3	.95	55- 85 (75-170%)	**7.8**	**2.4**	4.00	.75	**11**	3/31	◆**.98**	.84	3/31	▲.187	.17	YES
	973	Gentex Corp.	(NDQ)	GNTX	**23.20**	**3**	3	4	1.00	40- 60 (70-160%)	**11.9**	**2.1**	1.95	.48	**54**	3/31	**.48**	.42	6/30	.12	.12	YES
	974	Gentherm Inc.	(NDQ)	THRM	**30.49**	**3**	3	4	1.20	35- 50 (15- 65%)	**12.4**	**NIL**	2.45	NIL	**54**	3/31	**.84**	.51	3/31	NIL	NIL	YES
	2126	Genuine Parts		GPC	**101.42**	**4**	3	3	.95	150- 205 (50-100%)	**13.1**	**4.2**	7.75	4.25	**64**	3/31	**1.77**	1.75	6/30	▲1.062	1.03	YES
	1557	Genworth Fin'l		GNW	**9.06**	**4**	3	3	1.20	7- 11 (N- 20%)	**22.7**	**NIL**	.40	NIL	**66**	3/31	◆**.12**	.12	3/31	NIL	NIL	YES
	745	Gibraltar Inds.	(NDQ)	ROCK	**39.24**	**4**	3	3	1.25	80- 115 (105-195%)	**9.2**	**NIL**	4.25	NIL	**15**	3/31	◆**.45**	.69	3/31	NIL	NIL	YES
	2565	GitLab Inc	(NDQ)	GTLB	**25.64**	**4**	4	5	1.75	25- 40 (N- 55%)	**NMF**	**NIL**	d.35	NIL	**40**	1/31	**d.02**	.06	3/31	NIL	NIL	YES
	2108	Gildan Activewear		GIL	**57.68**	**5**	3	3	1.20	90- 135 (55-135%)	**13.4**	**1.7**	4.30	1.00	**42**	3/31	**.43**	.59	6/30	▲.249	.226	YES
	1615	Gilead Sciences	(NDQ)	GILD	**133.52**	**4**	1	1	.75	160- 200 (20- 50%)	**17.8**	**2.5**	7.50	3.28	**69**	3/31	◆**2.03**	1.04	3/31	▲.82	.79	YES
	169	Glaukos Corp.		GKOS	**135.37**	**5**	4	2	1.30	110- 185 (N- 35%)	**NMF**	**NIL**	d.58	NIL	**79**	3/31	**d.18**	d.22	3/31	NIL	NIL	YES
	1813	Global-e Online Ltd	(NDQ)	GLBE	**29.91**	**3**	4	3	1.60	50- 80 (65-165%)	**24.9**	**NIL**	1.20	NIL	**58**	12/31	**.46**	.28	3/31	NIL	NIL	YES
	1357	GLOBALFOUNDRIES Inc	(NDQ)	GFS	**74.99**	▲2	3	4	1.45	55- 80 (N- 5%)	**38.5**	**NIL**	1.95	NIL	**5**	3/31	◆**.18**	.38	3/31	NIL	NIL	YES
	2525	Global Payments		GPN	**68.77**	▼4	3	4	1.35	100- 150 (45-120%)	**16.4**	**1.5**	4.20	1.03	**35**	3/31	◆**2.96**	.96	3/31	.25	.25	YES
	925	Globalstar, Inc.	(NDQ)	GSAT	**82.25**	–	4	–	1.35	55- 90 (N- 10%)	**NMF**	**NIL**	d.05	NIL	**41**	3/31	◆**d.16**	d.16	3/31	NIL	NIL	YES
	1558	Globe Life Inc.		GL	**153.86**	**2**	3	3	1.10	160- 240 (5- 55%)	**10.1**	**0.9**	15.25	1.32	**66**	3/31	**3.43**	3.07	6/30	▲.33	.27	YES
	170	Globus Medical		GMED	**76.68**	**2**	3	2	1.10	100- 150 (30- 95%)	**17.0**	**NIL**	4.50	NIL	**79**	3/31	◆**1.12**	.68	3/31	NIL	NIL	YES
	1814	GoDaddy Inc.		GDDY	**88.08**	**3**	3	4	1.10	120- 180 (35-105%)	**12.8**	**NIL**	6.90	NIL	**58**	3/31	**1.60**	1.51	3/31	NIL	NIL	YES
	926	Gogo Inc.	(NDQ)	GOGO	**4.21**	**3**	5	3	1.35	8- 14 (90-235%)	**10.5**	**NIL**	.40	NIL	**41**	3/31	◆**.10**	.09	3/31	NIL	NIL	YES
	337	Golar LNG Ltd.	(NDQ)	GLNG	**56.82**	**3**	4	3	1.30	65- 110 (15- 95%)	**66.8**	**1.8**	.85	1.00	**12**	12/31	**.10**	.03	3/31	.25	.25	YES
	1795	Goldman Sachs		GS	**944.86**	**1**	2	3	1.35	795-1080 (N- 15%)	**15.9**	**1.9**	59.25	18.00	**55**	3/31	**17.55**	14.12	3/31	▲4.50	3.00	YES
	975	Goodyear Tire	(NDQ)	GT	**5.95**	**3**	4	3	1.60	11- 19 (85-220%)	**9.9**	**NIL**	.60	NIL	**54**	3/31	◆**d.39**	d.04	3/31	NIL	NIL	YES
	2617	Grab Holdings Limited	(NDQ)	GRAB	**3.65**	**5**	4	3	1.45	6- 10 (65-175%)	**36.5**	**NIL**	.10	NIL	**57**	3/31	◆**.03**	.01	3/31	NIL	NIL	YES
	1716	Graco Inc.		GGG	**77.39**	**3**	2	1	1.05	90- 125 (15- 60%)	**24.6**	**1.5**	3.15	1.18	**29**	3/31	**.66**	.70	6/30	.295	.275	YES
	1758	Graham Hldgs.		GHC	**1104.03**	**3**	3	3	1.05	1095-1645 (N- 50%)	**17.7**	**0.7**	62.20	7.52	**22**	3/31	**16.79**	11.64	6/30	1.88	1.80	
	1308	Grainger (W.W.)		GWW	**1226.09**	**2**	2	3	.95	1170-1585 (N- 30%)	**28.1**	**0.8**	43.65	9.64	**9**	3/31	◆**11.69**	9.86	6/30	▲2.49	2.26	YES
	1986	Grand Canyon Educ.	(NDQ)	LOPE	**161.96**	**3**	3	3	.85	245- 365 (50-125%)	**16.2**	**NIL**	10.00	NIL	**28**	3/31	**2.86**	2.57	3/31	NIL	NIL	YES
	1011	Granite Construction		GVA	**141.21**	**2**	3	3	1.15	145- 220 (5- 55%)	**22.6**	**0.4**	6.25	.52	**8**	3/31	**.26**	.01	6/30	.13	.13	YES
	1180	Graphic Packaging		GPK	**10.22**	**3**	3	4	1.00	15- 25 (45-145%)	**9.3**	**4.3**	1.10	.44	**62**	3/31	◆**.09**	.51	6/30	.11	.11	YES
	2006	Great-West Lifeco	(TSE)	GWO.TO	**75.93**	**3**	1	4	.75	70- 90 (N- 20%)	**14.3**	**3.6**	5.30	2.74	**49**	3/31	◆**1.37**	1.11	3/31	▲.67	.61	YES
	348	Greenbrier (The) Cos.		GBX	**50.18**	**2**	3	1	1.25	60- 85 (20- 70%)	**17.2**	**2.7**	2.91	1.36	**27**	2/28	**.47**	1.69	6/30	▲.34	.32	YES
	1181	Greif, Inc.		GEF	**66.61**	▼5	3	2	1.05	85- 130 (30- 95%)	**17.7**	**3.1**	3.77	2.08	**62**	4/30	**1.00**	NA	6/30	.56	.54	YES
1428	**1944**	Grocery Outlet	(NDQ)	GO	**7.85**	**4**	4	4	.65	7- 12 (N- 55%)	**15.7**	**NIL**	.50	NIL	**26**	12/31	**.19**	.15	3/31	NIL	NIL	YES
	2127	Group 1 Automotive		GPI	**348.60**	**3**	3	4	.95	415- 625 (20- 80%)	**8.2**	**0.6**	42.40	2.00	**64**	3/31	**8.69**	10.17	3/31	▲.55	.50	YES
	800	Guardant Health	(NDQ)	GH	**96.71**	**5**	5	3	1.60	60- 115 (N- 20%)	**NMF**	**NIL**	d2.60	NIL	**14**	3/31	◆**d.45**	d.49	3/31	NIL	NIL	YES
	2566	Guidewire Software		GWRE	**134.32**	**4**	3	4	1.10	165- 250 (25- 85%)	**35.8**	**NIL**	3.75	NIL	**40**	1/31	**1.17**	d.45	3/31	NIL	NIL	YES
	1776	**H2O America**	(NDQ)	HTO	**57.39**	**4**	3	2	.75	70- 105 (20- 85%)	**17.4**	**2.9**	3.30	1.68	**88**	3/31	**.50**	.50	6/30	◆.44	.42	YES
232	**801**	HCA Healthcare		HCA	**426.37**	**2**	3	1	.90	485- 725 (15- 70%)	**13.9**	**0.7**	30.60	3.04	**14**	3/31	**7.15**	6.45	3/31	▲.78	.72	YES
	509	HF Sinclair		DINO	**72.81**	**1**	3	3	1.05	▲ 75- 115 (5- 60%)	**16.2**	**2.8**	4.50	2.05	**3**	3/31	**.69**	d.27	6/30	◆.50	.50	YES
	1157	HNI Corp.		HNI	**32.44**	**4**	3	4	1.15	60- 90 (85-175%)	**8.9**	**4.2**	3.65	1.36	**87**	3/31	◆**.34**	.44	3/31	.34	.33	YES
	1409	HP Inc.		HPQ	**21.67**	**3**	3	4	1.10	30- 45 (40-110%)	**7.6**	**5.4**	2.84	1.17	**46**	1/31	**.81**	.74	6/30	.30	.289	YES
	611	HSBC Holdings PLC		HSBC	**90.55**	**3**	2	3	1.10	▲ 90- 120 (N- 35%)	**12.7**	**4.0**	▲7.15	3.65	**43**	3/31	◆**2.00**	1.95	6/30	▲2.245	.495	YES
	210	Haemonetics Corp.		HAE	**52.24**	**2**	3	3	.90	90- 135 (70-160%)	**10.1**	**NIL**	5.19	NIL	**74**	3/31	◆**1.29**	.03	3/31	NIL	NIL	YES
	2403	Halliburton Co.		HAL	**40.26**	**1**	3	2	1.25	40- 65 (N- 60%)	**17.1**	**1.7**	2.35	.68	**19**	3/31	**.55**	.60	3/31	.17	.17	YES
	2007	Hamilton Insurance Group		HG	**30.90**	–	3	–	NMF	35- 55 (15- 80%)	**5.1**	**NIL**	6.10	NIL	**49**	3/31	**1.35**	.77	3/31	NIL	NIL	YES
	2430	Hamilton Lane Inc.	(NDQ)	HLNE	**88.56**	**2**	3	3	1.40	155- 235 (75-165%)	**14.3**	**2.4**	6.21	2.16	**84**	12/31	**1.37**	1.32	6/30	.54	.49	YES
	781	Hancock Whitney Corp.	(NDQ)	HWC	**67.75**	**2**	3	3	1.35	65- 100 (N- 50%)	**10.8**	**2.7**	6.30	1.80	**31**	3/31	**1.52**	1.38	3/31	▲.50	.45	YES
	763	Hanover Insurance		THG	**189.89**	**2**	2	3	.90	265- 360 (40- 90%)	**9.5**	**2.0**	20.00	3.85	**30**	3/31	**5.25**	3.87	3/31	.95	.90	YES
	2308	Harley-Davidson		HOG	**25.53**	**3**	3	4	1.20	30- 45 (20- 75%)	**85.1**	**2.9**	.30	.75	**72**	3/31	◆**.30**	1.07	3/31	▲.187	.18	YES
	955	Harmonic Inc.	(NDQ)	HLIT	**12.83**	**2**	3	5	1.20	18- 25 (40- 95%)	**22.5**	**NIL**	.57	NIL	**32**	3/31	◆**.07**	.07	3/31	NIL	NIL	YES
	2526	Hartford Ins. Group		HIG	**132.11**	**2**	2	2	1.00	135- 180 (N- 35%)	**9.8**	**1.8**	13.45	2.40	**35**	3/31	**3.09**	2.20	6/30	.60	.52	YES
	2309	Hasbro, Inc.	(NDQ)	HAS	**95.19**	**4**	3	2	1.05	110- 165 (15- 75%)	**16.7**	**2.9**	5.70	2.80	**72**	12/31	**1.51**	.46	3/31	.70	.70	YES
	2196	Hawaiian Elec.		HE	**13.93**	**3**	4	1	.95	13- 20 (N- 45%)	**13.9**	**NIL**	1.00	NIL	**78**	3/31	◆**.18**	.23	3/31	NIL	NIL	YES
	1309	Hayward Holdings		HAYW	**14.38**	▼4	3	3	1.30	25- 40 (75-180%)	**16.9**	**NIL**	.85	NIL	**9**	3/31	**.13**	.06	3/31	NIL	NIL	YES
	1528	Healthcare Realty		HR	**20.03**	▲4	3	3	.85	15- 23 (N- 15%)	**NMF**	**4.8**	d.05	.96	**90**	3/31	**NIL**	d.13	6/30	◆.24	.31	YES
	396	Healthcare Svcs.	(NDQ)	HCSG	**22.35**	**3**	3	3	.95	30- 40 (35- 80%)	**19.4**	**NIL**	1.15	NIL	**11**	3/31	**.37**	.23	3/31	NIL	NIL	YES
	1423	HealthEquity, Inc.	(NDQ)	HQY	**81.65**	**3**	3	4	.80	115- 175 (40-115%)	**16.3**	**NIL**	5.00	NIL	**81**	1/31	**.95**	.68	3/31	NIL	NIL	YES
	1529	Healthpeak Properties		DOC	**19.76**	▲3	3	4	1.05	17- 25 (N- 25%)	**56.5**	**6.2**	.35	1.22	**90**	3/31	◆**.28**	.05	6/30	▼.101	.203	YES
	320	Heartland Express	(NDQ)	HTLD	**12.67**	**3**	3	3	.95	13- 19 (5- 50%)	**NMF**	**0.6**	.05	.08	**21**	3/31	**d.06**	d.18	6/30	.02	.02	YES
	1571	Hecla Mining		HL	**20.67**	**3**	4	2	1.45	20- 35 (N- 70%)	**19.7**	**0.1**	1.05	.02	**51**	3/31	◆**.25**	.04	3/31	.003	.003	YES
	715	HEICO Corp.		HEI	**289.77**	**3**	2	3	1.05	335- 450 (15- 55%)	**50.8**	**0.1**	5.70	.24	**59**	1/31	**1.35**	1.20	3/31	.12	.11	YES
	990	Helen of Troy Ltd.		HELE	SEE FINAL SUPPLEMENT																	
	1759	Helios Technologies		HLIO	**68.02**	**3**	3	2	1.30	55- 85 (N- 25%)	**24.7**	**0.7**	2.75	.48	**22**	3/31	◆**.59**	.44	6/30	▲.12	.09	YES
	2404	Helix Energy Solutions		HLX	**9.97**	**3**	3	2	1.35	10- 15 (N- 50%)	**19.9**	**NIL**	.50	NIL	**19**	3/31	**d.09**	.02	3/31	NIL	NIL	YES
	2405	Helmerich & Payne		HP	**38.63**	**3**	3	3	1.30	40- 60 (5- 55%)	**35.1**	**2.6**	1.10	1.00	**19**	3/31	◆**d.59**	.02	3/31	.25	.25	YES
	2527	Henry (Jack) & Assoc.	(NDQ)	JKHY	**143.65**	▲2	1	3	.80	215- 260 (50- 80%)	**22.5**	**1.7**	6.38	2.44	**35**	3/31	◆**1.71**	1.45	3/31	▲.61	.55	YES
1025	**1914**	Herbalife Nutrition		HLF	**13.51**	**1**	5	3	1.00	15- 25 (10- 85%)	**12.9**	**NIL**	1.05	NIL	**68**	3/31	◆**.64**	.59	3/31	NIL	NIL	YES
	1717	Herc Holdings		HRI	**136.12**	**3**	4	5	1.70	175- 265 (30- 95%)	**17.2**	**2.1**	7.90	2.80	**29**	3/31	**.21**	1.30	3/31	.70	.70	YES
	1915	Hershey Co.		HSY	**189.23**	**3**	2	1	.55	200- 270 (5- 45%)	**23.1**	**3.1**	8.20	5.88	**68**	3/31	**2.35**	2.09	3/31	▲1.452	1.37	YES
	2173	Hertz Global	(NDQ)	HTZ	**6.19**	**4**	4	4	1.40	6- 11 (N- 80%)	**NMF**	**NIL**	d.76	NIL	**16**	3/31	◆**d.72**	d1.12	3/31	NIL	NIL	YES
	594	Hess Midstream LP		HESM	**39.19**	**2**	3	2	.95	▼ 40- 60 (N- 55%)	**15.1**	**8.1**	▼2.60	3.17	**24**	3/31	**.68**	.65	6/30	▲.779	.709	YES
	1410	Hewlett Packard Ent.		HPE	**30.87**	**3**	3	4	1.30	35- 50 (15- 60%)	**12.6**	**1.8**	2.45	.57	**46**	1/31	**.65**	.49	6/30	.142	.13	YES
	716	Hexcel Corp.		HXL	**94.15**	**3**	3	3	1.25	100- 150 (5- 60%)	**41.8**	**0.8**	2.25	.72	**59**	3/31	**.59**	.37	6/30	.18	.17	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	628	Hillenbrand, Inc.		HI						SEE FINAL SUPPLEMENT												
	1116	Hillman Solutions	(NDQ)	HLMN	7.72	3	3	3	1.30	10- 15 (30- 95%)	12.9	NIL	.60	NIL	36	3/31	.07	NIL	3/31	NIL	NIL	YES
	2353	Hilton Grand Vacations		HGV	46.04	3	3	3	1.45	50- 75 (10- 65%)	13.0	NIL	3.55	NIL	61	3/31	.99	.09	3/31	NIL	NIL	YES
	2354	Hilton Worldwide		HLT	315.53	3	3	3	1.20	290- 435 (N- 40%)	34.9	0.2	9.05	.60	61	3/31	2.01	1.72	3/31	.15	.15	YES
★★	802	Hims & Hers Health Inc.		HIMS	29.14	4	4	5	1.80	40- 65 (35-125%)	25.3	NIL	1.15	NIL	14	12/31	.08	.11	3/31	NIL	NIL	YES
	1760	Hitachi, Ltd. ADR(g)	(NDQ)	HTHIY	31.43	3	3	3	1.15	35- 55 (10- 75%)	25.3	1.0	1.24	.32	22	3/31	.23	.01	6/30	NIL	NIL	
	2221	Hologic, Inc.		HOLX						SEE FINAL SUPPLEMENT												
	1147	Home Depot		HD	311.40	4	1	3	.95	405- 495 (30- 60%)	20.8	3.0	15.00	9.32	76	1/31	2.58	3.02	3/31	▲2.33	2.30	YES
	105	Honda Motor ADR(g)		HMC	23.98	3	2	4	.90	30- 40 (25- 65%)	24.2	5.7	.99	1.36	83	12/31	.73	1.54	6/30	▲.628	.712	YES
	1761	Honeywell Int'l	(NDQ)	HON	219.11	3	1	1	.95	250- 305 (15- 40%)	20.0	2.2	10.95	4.76	22	3/31	1.29	2.51	3/31	1.19	1.13	YES
	1916	Hormel Foods		HRL	20.16	4	2	3	.50	35- 50 (75-150%)	13.4	6.0	1.51	1.20	68	1/31	.34	.35	6/30	.292	.29	YES
	1133	Horton D.R.		DHI	144.96	3	3	3	1.05	175- 260 (20- 80%)	13.8	1.3	10.50	1.83	56	3/31	2.24	2.58	6/30	◆.45	.40	YES
	1530	Host Hotels & Resorts	(NDQ)	HST	21.78	3	3	3	1.25	16- 25 (N- 15%)	13.2	3.7	1.65	.80	90	3/31	◆.72	.35	6/30	.20	.20	YES
	1796	Houlihan Lokey		HLI	148.85	▼4	3	4	1.15	170- 230 (15- 55%)	17.5	1.7	8.50	2.60	55	3/31	◆1.63	1.76	3/31	.60	.57	YES
	397	Howard Hughes Hldgs.		HHH	64.28	–	3	–	1.45	95- 145 (50-125%)	13.5	NIL	4.75	NIL	11	3/31	◆.14	.21	3/31	NIL	NIL	YES
	717	Howmet Aerospace		HWM	273.58	2	3	3	1.20	155- 230 (N- N%)	61.5	0.2	4.45	.48	59	3/31	◆1.22	.86	6/30	◆.12	.10	YES
	321	Hub Group	(NDQ)	HUBG	41.86	3	3	3	1.10	50- 75 (20- 80%)	18.6	1.2	2.25	.50	21	9/30	.49	.52	3/31	.125	.125	YES
	1310	Hubbell Inc.		HUBB	490.16	1	2	2	1.00	590- 800 (20- 65%)	24.8	1.2	19.75	5.78	9	3/31	3.93	3.50	3/31	1.42	1.32	YES
★★	2567	HubSpot, Inc.		HUBS	191.34	3	3	4	1.45	300- 450 (55-135%)	15.4	NIL	12.40	NIL	40	3/31	◆2.72	1.78	3/31	NIL	NIL	YES
	1585	Hudbay Minerals		HBM	25.50	2	3	3	1.75	25- 40 (N- 55%)	14.2	NIL	1.80	.01	33	3/31	.40	.24	3/31	.007	.006	YES
	803	Humana Inc.		HUM	274.26	3	3	5	.80	210- 315 (N- 15%)	28.1	1.3	9.75	3.54	14	3/31	9.83	11.58	6/30	.885	.885	YES
	322	Hunt (J.B.)	(NDQ)	JBHT	240.75	1	3	3	1.10	240- 360 (N- 50%)	33.0	0.8	7.30	1.82	21	3/31	1.49	1.17	6/30	◆.45	.44	YES
	612	Huntington Bancshs.	(NDQ)	HBAN	15.96	4	3	3	1.35	25- 35 (55-120%)	10.0	3.9	1.60	.63	43	3/31	.37	.34	6/30	.155	.155	YES
	718	Huntington Ingalls		HII	317.75	▼3	3	1	.90	490- 735 (55-130%)	17.9	1.7	17.80	5.55	59	3/31	◆3.79	3.79	3/31	1.38	1.35	YES
	2421	Huntsman Corp.		HUN	14.84	3	3	4	1.20	16- 25 (10- 70%)	NMF	2.4	d1.55	.35	45	3/31	d.20	d.03	3/31	▼.087	.25	YES
	398	Huron Consulting	(NDQ)	HURN	115.94	3	3	3	.75	200- 305 (75-165%)	13.3	NIL	8.70	NIL	11	3/31	◆1.73	1.68	3/31	NIL	NIL	YES
	2355	Hyatt Hotels		H	165.15	4	3	3	1.40	170- 255 (5- 55%)	48.6	0.4	3.40	.60	61	3/31	.63	.46	3/31	.15	.15	YES
	135	Hydro One Limited	(TSE)	H.TO	58.73	4	3	3	NMF	40- 65 (N- 10%)	26.1	2.3	2.25	1.33	91	12/31	.39	.33	3/31	.333	.314	YES
	2618	**IAC Inc.**	(NDQ)	IAC	41.59	–	3	–	1.45	40- 60 (N- 45%)	69.3	NIL	.60	NIL	57	3/31	◆.05	1.26	3/31	NIL	NIL	YES
	804	ICON plc	(NDQ)	ICLR	118.96	–	3	–	1.25	120- 180 (N- 50%)	9.0	NIL	13.20	NIL	14	9/30	3.31	3.35	3/31	NIL	NIL	YES
	171	ICU Medical	(NDQ)	ICUI	124.68	4	3	4	1.00	155- 235 (25- 90%)	15.6	NIL	8.00	NIL	79	3/31	◆1.97	1.72	3/31	NIL	NIL	YES
	927	IDT Corp.		IDT	52.16	3	3	5	1.05	50- 75 (N- 45%)	14.9	0.5	3.50	.24	41	1/31	.84	.84	3/31	▲.07	.06	YES
	1012	IES Holdings Inc.	(NDQ)	IESC	685.11	2	3	4	1.35	595- 895 (N- 30%)	37.2	NIL	18.44	NIL	8	3/31	5.44	3.30	3/31	NIL	NIL	YES
	2213	IGM Financial Inc.	(TSE)	IGM.TO	77.38	3	2	4	.95	65- 85 (N- 10%)	15.3	2.9	5.05	2.25	38	3/31	◆1.20	.98	6/30	▲.62	.562	
840	928	IHS Holding		IHS	8.24	–	4	–	1.50	10- 17 (20-105%)	11.8	NIL	.70	NIL	41	12/31	.97	.73	3/31	NIL	NIL	YES
	1392	IPG Photonics	(NDQ)	IPGP	103.48	▼4	3	2	1.40	105- 160 (N- 55%)	51.7	NIL	2.00	NIL	1	3/31	◆.29	.31	3/31	NIL	NIL	YES
	805	IQVIA Holdings		IQV	173.55	▲2	3	4	1.25	300- 450 (75-160%)	13.6	NIL	12.75	NIL	14	3/31	◆2.90	2.70	3/31	NIL	NIL	YES
	1762	ITT Inc.		ITT	206.83	3	3	3	1.35	175- 265 (N- 30%)	28.0	0.7	7.40	1.54	22	3/31	◆1.98	1.45	6/30	▲.386	.351	YES
	2197	IDACORP, Inc.		IDA	145.41	4	1	1	.65	135- 165 (N- 15%)	22.7	2.4	6.40	3.52	78	3/31	1.21	1.10	6/30	◆.88	.86	YES
	1718	IDEX Corp.		IEX	214.01	1	2	3	1.00	235- 320 (10- 50%)	25.9	1.3	8.25	2.84	29	3/31	2.00	1.75	3/31	.71	.69	YES
	211	IDEXX Labs.	(NDQ)	IDXX	532.00	3	3	2	1.15	705-1055 (35-100%)	36.6	NIL	14.55	NIL	74	3/31	◆3.47	2.96	3/31	NIL	NIL	YES
	1719	Illinois Tool Works		ITW	252.09	1	1	2	1.00	340- 420 (35- 65%)	22.3	2.6	11.30	6.44	29	3/31	2.66	2.38	6/30	1.61	1.50	YES
	212	Illumina Inc.	(NDQ)	ILMN	142.51	2	3	3	1.30	160- 240 (10- 70%)	27.7	NIL	5.15	NIL	74	3/31	1.15	.97	3/31	NIL	NIL	YES
	2310	IMAX Corp.		IMAX	33.84	3	3	1	.95	45- 65 (35- 90%)	19.9	NIL	1.70	NIL	72	3/31	.17	.13	3/31	NIL	NIL	YES
	1977	Imperial Brands PLC	(PNK)	IMBBY	37.24	3	2	2	.75	55- 80 (50-115%)	9.3	5.9	4.00	2.20	80	9/30	2.08	2.48	6/30	▲.53	.667	
	510	Imperial Oil Ltd.	(ASE)	IMO	130.23	2	3	2	1.05	▲ 115- 170 (N- 30%)	12.8	2.0	▲10.15	2.54	3	3/31	1.40	1.84	6/30	▲.635	.525	YES
	571	Impinj, Inc.	(NDQ)	PI	153.74	▲4	5	5	1.75	▲ 140- 260 (N- 70%)	80.9	NIL	1.90	NIL	34	3/31	.14	.21	3/31	NIL	NIL	YES
	827	Incyte Corp.	(NDQ)	INCY	100.32	3	3	3	.70	105- 160 (5- 60%)	12.9	NIL	7.80	NIL	89	3/31	1.81	1.16	3/31	NIL	NIL	YES
		India Fund (The)								NAME CHANGED TO ABERDEEN INDIA FUND, INC.												
	2605	Infosys Ltd. ADR		INFY	12.30	3	2	3	.90	25- 35 (105-185%)	13.2	4.2	.93	.52	17	3/31	.23	.20	12/31	▲.22	.25	YES
	1720	Ingersoll Rand Inc.		IR	74.70	3	3	2	1.35	90- 135 (20- 80%)	21.3	0.1	3.50	.08	29	3/31	.77	.72	3/31	.02	.02	YES
	553	Ingevity Corp.		NGVT	74.44	3	3	3	1.45	80- 115 (5- 55%)	14.9	NIL	5.00	NIL	39	3/31	◆1.15	.99	3/31	NIL	NIL	YES
	1945	Ingles Markets	(NDQ)	IMKTA	85.41	3	3	1	.65	95- 140 (10- 65%)	12.4	0.8	6.87	.66	26	3/31	◆1.28	.80	6/30	.165	.165	YES
	1411	Ingram Micro Holding Cor		INGM	27.00	–	3	–	NMF	30- 50 (10- 85%)	8.4	1.2	3.20	.32	46	3/31	.42	.61	3/31	▲.082	.074	YES
	1917	Ingredion Inc.		INGR	106.20	3	2	3	.80	135- 185 (25- 75%)	9.3	3.1	11.45	3.30	68	3/31	◆2.34	2.97	6/30	.82	.80	YES
	828	Insmed Inc	(NDQ)	INSM	103.89	5	4	1	.95	160- 270 (55-160%)	NMF	NIL	d4.50	NIL	89	3/31	◆d.76	d1.42	3/31	NIL	NIL	YES
	554	Innospec Inc.	(NDQ)	IOSP	80.82	3	3	5	1.05	135- 205 (65-155%)	16.3	2.4	▼4.95	1.91	39	3/31	◆1.05	1.42	12/31	▲.87	.79	YES
	1332	Insight Enterprises	(NDQ)	NSIT	88.23	3	3	4	1.10	130- 190 (45-115%)	8.5	NIL	10.40	NIL	10	3/31	◆2.88	.22	3/31	NIL	NIL	YES
	1633	Insperity Inc.		NSP	32.43	4	3	5	1.00	30- 45 (N- 40%)	13.0	7.4	2.50	2.40	37	3/31	1.31	1.57	3/31	.60	.60	YES
	172	Inspire Medical Sys.		INSP	43.35	▼4	4	3	1.30	80- 130 (85-200%)	17.0	NIL	2.55	NIL	79	3/31	d.39	.10	3/31	NIL	NIL	YES
	1117	Installed Building Prod.		IBP	206.20	▼2	3	2	1.25	305- 460 (50-125%)	18.3	0.8	11.25	1.56	36	3/31	◆1.79	2.07	3/31	▲.39	.37	YES
	173	Insulet Corp.	(NDQ)	PODD	154.17	3	3	3	1.10	420- 625 (170-305%)	26.1	NIL	5.90	NIL	79	3/31	◆1.42	1.02	3/31	NIL	NIL	YES
	2356	InterContinental Hotels		IHG	148.23	3	3	3	1.20	155- 235 (5- 60%)	25.1	1.1	5.90	1.68	61	12/31	1.91	1.81	6/30	▲1.219	1.114	
	174	Integer Holdings		ITGR	84.85	3	3	3	1.05	115- 175 (35-105%)	12.9	NIL	6.60	NIL	79	3/31	1.20	1.31	3/31	NIL	NIL	YES
	175	Integra LifeSciences	(NDQ)	IART	13.97	4	3	5	1.15	16- 25 (15- 80%)	5.9	NIL	2.35	NIL	79	3/31	◆.54	.41	3/31	NIL	NIL	YES
232	1358	Intel Corp.	(NDQ)	INTC	129.44	4	3	4	1.45	55- 80 (N- N%)	NMF	NIL	1.25	NIL	5	3/31	.29	.13	9/30	.125	.125	YES
	1782	Interactive Brokers	(NDQ)	IBKR	84.91	1	3	4	1.30	80- 120 (N- 40%)	34.5	0.4	2.46	.32	67	3/31	.60	.49	3/31	.08	.063	YES
	1783	Intercontinental Exch.		ICE	157.82	4	2	3	1.00	165- 200 (5- 25%)	20.5	1.3	7.70	2.08	67	3/31	2.35	1.72	3/31	▲.52	.48	YES
	572	InterDigital Inc.	(NDQ)	IDCC	269.58	3	3	2	.95	▼ 360- 535 (35-100%)	30.0	1.0	9.00	2.80	34	3/31	2.57	4.21	6/30	.70	.60	YES
232	2568	Int'l Business Mach.		IBM	223.55	4	2	3	.85	300- 405 (35- 80%)	18.1	3.2	12.35	7.20	40	3/31	1.91	1.60	6/30	▲1.69	1.68	YES
	555	Int'l Flavors & Frag.		IFF	78.75	3	3	3	1.15	85- 130 (10- 65%)	17.5	2.0	4.50	1.60	39	3/31	◆1.25	1.20	6/30	.40	.40	YES
	1166	Int'l Paper		IP	32.47	5	3	3	1.20	55- 80 (70-145%)	20.3	5.7	1.60	1.85	92	3/31	.15	.23	3/31	.462	.462	YES
	338	Int'l Seaways Inc		INSW	89.71	▲1	3	3	.90	55- 85 (N- N%)	13.0	0.5	6.90	.48	12	3/31	◆5.76	.80	3/31	.12	.12	YES
	991	Interparfums Inc.	(NDQ)	IPAR	90.25	3	3	4	1.10	120- 180 (35-100%)	18.6	3.5	4.85	3.20	–	3/31	◆1.35	1.32	3/31	.80	.80	YES
	2569	Intuit Inc.	(NDQ)	INTU	393.29	4	3	4	1.10	800-1200 (105-205%)	16.3	1.2	24.11	4.80	40	1/31	4.15	3.32	6/30	1.20	1.04	YES
	176	Intuitive Surgical	(NDQ)	ISRG	420.06	3	3	3	1.15	530- 795 (25- 90%)	40.4	NIL	10.40	NIL	79	3/31	2.50	1.81	3/31	NIL	NIL	YES
	2214	Invesco Ltd.		IVZ	27.99	4	3	3	1.55	35- 50 (25- 80%)	10.8	3.1	2.60	.88	38	3/31	.57	.44	3/31	.21	.205	YES
	1531	Invitation Homes		INVH	28.92	3	2	5	.95	35- 50 (20- 75%)	28.9	4.3	1.00	1.24	90	3/31	.26	.27	6/30	.30	.29	YES
	1412	IonQ Inc		IONQ	56.89	5	5	4	2.20	45- 80 (N- 40%)	NMF	NIL	d.90	NIL	46	3/31	◆d.34	d.16	3/31	NIL	NIL	YES
	829	Ionis Pharmac.	(NDQ)	IONS	75.38	5	3	2	.95	65- 95 (N- 25%)	NMF	NIL	d3.00	NIL	89	3/31	d.56	d.93	3/31	NIL	NIL	YES
	213	iRhythm Holdings, Inc.	(NDQ)	IRTC	116.84	5	4	4	1.25	165- 275 (40-135%)	NMF	NIL	d.20	NIL	74	3/31	d.35	d.95	3/31	NIL	NIL	YES
	929	Iridium Communic.	(NDQ)	IRDM	43.15	1	3	3	1.05	25- 40 (N- N%)	36.0	1.4	1.20	.62	41	3/31	.20	.27	3/31	.15	.14	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	1532	Iron Mountain		IRM	**129.96**	3	3	3	1.20	115- 170 (N- 30%)	**56.5**	**2.7**	2.30	3.45	**90**	3/31	**.60**	.46	6/30	.864	.785	YES
	573	Itron Inc.	(NDQ)	ITRI	**81.71**	3	3	3	1.35	▼ 120- 180 (45-120%)	**13.6**	**NIL**	6.00	NIL	**34**	3/31	**1.49**	1.52	3/31	NIL	NIL	YES
	1918	**J&J Snack Foods**	(NDQ)	JJSF	**70.37**	3	3	4	.60	115- 170 (65-140%)	**16.2**	**4.5**	4.35	3.20	**68**	3/31	**◆.40**	.25	6/30	.80	.78	YES
	1919	JBS N.V.		JBS	**15.59**	–	3	–	NMF	20- 35 (30-125%)	**8.4**	**6.4**	1.85	1.00	**68**	12/31	**.39**	NA	6/30	▲.364	NIL	YES
	1721	JBT Marel Corp.		JBTM	**131.89**	–	3	–	1.15	175- 265 (35-100%)	**16.1**	**0.3**	8.20	.40	**29**	3/31	**1.58**	.97	3/31	.10	.10	YES
	613	JPMorgan Chase		JPM	**300.00**	2	1	3	1.20	315- 385 (5- 30%)	**13.1**	**2.1**	22.85	6.40	**43**	3/31	**5.94**	4.91	6/30	1.50	1.40	YES
	1333	Jabil Inc.		JBL	**365.24**	1	3	3	1.30	290- 430 (N- 20%)	**28.3**	**0.1**	12.90	.32	**10**	2/28	**2.69**	1.94	3/31	.08	.08	YES
	366	Jack in the Box	(NDQ)	JACK	**13.40**	–	4	–	1.15	20- 35 (50-160%)	**3.7**	**NIL**	3.60	NIL	**47**	12/31	**1.00**	1.75	3/31	.44	.44	YES
	1013	Jacobs Solutions		J	**117.02**	–	2	–	.95	175- 235 (50-100%)	**15.8**	**1.2**	7.42	1.44	**8**	3/31	**◆1.75**	1.43	3/31	▲.36	.32	YES
	1118	James Hardie ADS		JHX	**20.42**	4	3	4	1.30	40- 60 (95-195%)	**16.9**	**NIL**	1.21	NIL	**36**	12/31	**.24**	.33	12/31	NIL	NIL	YES
	2215	Janus Henderson plc		JHG	**51.67**	–	3	–	1.45	55- 80 (5- 55%)	**11.6**	**NIL**	4.45	NIL	**38**	3/31	**◆.90**	.77	12/31	.40	.39	YES
	830	Jazz Pharmac. plc	(NDQ)	JAZZ	**223.61**	3	3	3	.95	175- 265 (N- 20%)	**10.5**	**NIL**	21.35	NIL	**89**	3/31	**◆6.34**	1.68	3/31	NIL	NIL	YES
	1797	Jefferies Fin'l Group		JEF	**52.43**	4	3	5	1.55	55- 80 (5- 55%)	**13.4**	**3.4**	3.90	1.80	**55**	2/28	**.85**	.57	3/31	.40	.40	YES
	309	JetBlue Airways	(NDQ)	JBLU	**4.96**	5	4	3	1.65	8- 14 (60-180%)	**NMF**	**NIL**	d2.00	NIL	**60**	3/31	**d.87**	d.59	3/31	NIL	NIL	YES
	2570	JFrog Ltd	(NDQ)	FROG	**69.01**	4	3	3	1.35	70- 105 (N- 50%)	**76.7**	**NIL**	.90	NIL	**40**	3/31	**◆d.07**	.20	12/31	NIL	NIL	YES
	310	Joby Aviation Inc		JOBY	**10.74**	5	4	5	1.75	18- 30 (70-180%)	**NMF**	**NIL**	d.80	NIL	**60**	3/31	**◆d.12**	d.11	3/31	NIL	NIL	YES
	1616	Johnson & Johnson		JNJ	**221.43**	▼3	1	1	.60	225- 275 (N- 25%)	**19.4**	**2.3**	11.40	5.20	**69**	3/31	**2.70**	2.77	3/31	1.30	1.24	YES
	1722	Johnson Ctrls. Int'l plc		JCI	**141.78**	2	3	3	1.25	95- 145 (N- N%)	**29.9**	**1.1**	4.74	1.60	**29**	3/31	**◆1.09**	.71	6/30	.40	.37	YES
	399	Jones Lang LaSalle		JLL	**322.89**	2	3	3	1.40	390- 590 (20- 85%)	**14.2**	**NIL**	22.70	NIL	**11**	3/31	**3.43**	2.31	3/31	NIL	NIL	YES
	1134	**KB Home**		KBH	**47.87**	4	3	3	1.20	70- 105 (45-120%)	**13.8**	**2.1**	3.48	1.00	**56**	2/28	**.56**	1.49	6/30	◆.25	.25	YES
	1014	KBR, Inc.		KBR	**32.47**	3	3	3	1.00	75- 115 (130-255%)	**7.9**	**2.2**	4.10	.71	**8**	3/31	**◆.96**	.98	6/30	.165	.165	YES
	2431	KKR & Co.		KKR	**99.46**	▲4	3	4	1.60	80- 120 (N- 20%)	**19.9**	**0.7**	5.00	.74	**84**	3/31	**◆1.39**	1.15	3/31	.185	.175	YES
	1393	KLA Corp.	(NDQ)	KLAC	**1845.19**	1	3	3	1.40	1145-1715 (N- N%)	**44.9**	**0.4**	41.09	7.00	**1**	3/31	**9.40**	8.41	3/31	1.90	1.70	YES
	1763	Kadant Inc.		KAI	**333.81**	3	3	4	1.20	380- 570 (15- 70%)	**31.5**	**0.4**	10.60	1.44	**22**	3/31	**◆2.84**	2.10	6/30	▲.36	.34	YES
	1586	Kaiser Aluminum	(NDQ)	KALU	**180.39**	1	3	3	1.65	85- 125 (N- N%)	**29.1**	**1.7**	6.20	3.08	**33**	3/31	**3.74**	1.31	6/30	.77	.77	YES
	719	Karman Holdings Inc		KRMN	**58.82**	–	3	–	NMF	90- 130 (55-120%)	**98.0**	**NIL**	.60	NIL	**59**	12/31	**.11**	NA	3/31	NIL	NIL	YES
	764	Kemper Corp.		KMPR	**30.81**	3	3	4	1.10	55- 80 (80-160%)	**7.8**	**4.2**	3.95	1.28	**30**	3/31	**◆.21**	1.65	3/31	.32	.32	YES
	1723	Kennametal Inc.		KMT	**37.07**	▼2	3	2	1.35	35- 50 (N- 35%)	**25.2**	**2.2**	1.47	.80	**29**	3/31	**◆.77**	.47	3/31	.20	.20	YES
	1195	Kenvue Inc.		KVUE	**17.17**	–	2	–	.75	25- 35 (45-105%)	**15.6**	**4.8**	1.10	.83	**75**	3/31	**◆.32**	.24	3/31	.207	.205	YES
	1966	Keurig Dr Pepper		KDP	**28.71**	4	2	4	.65	45- 60 (55-110%)	**12.8**	**3.4**	2.25	.98	**65**	3/31	**.39**	.42	6/30	.23	.23	YES
	614	KeyCorp		KEY	**21.31**	3	3	3	1.55	25- 35 (15- 65%)	**11.5**	**4.0**	1.85	.86	**43**	3/31	**.44**	.33	3/31	.205	.205	YES
	117	Keysight Technologies		KEYS	**366.36**	1	3	3	1.30	245- 370 (N- N%)	**39.7**	**NIL**	9.23	NIL	**53**	1/31	**2.17**	1.82	3/31	NIL	NIL	YES
232	**1634**	Kforce Inc.		KFRC	**42.11**	1	3	4	.95	35- 55 (N- 30%)	**19.1**	**3.8**	2.20	1.60	**37**	3/31	**.46**	.45	3/31	▲.40	.39	YES
	2390	Kimbell Royalty Part.		KRP	**14.75**	3	3	3	.90	17- 25 (15- 70%)	**19.7**	**10.0**	.75	1.48	**13**	3/31	**◆.04**	.20	3/31	▲.37	.40	YES
	1196	Kimberly-Clark	(NDQ)	KMB	**95.75**	4	1	3	.60	165- 205 (70-115%)	**12.5**	**5.3**	7.65	5.04	**75**	3/31	**1.97**	1.93	6/30	▲1.28	1.26	YES
	1533	Kimco Realty		KIM	**23.47**	4	2	2	1.15	20- 30 (N- 30%)	**27.6**	**4.5**	.85	1.06	**90**	3/31	**.23**	.18	3/31	.26	.25	YES
	581	Kinder Morgan Inc.		KMI	**32.25**	3	3	1	.95	25- 40 (N- 25%)	**21.5**	**3.7**	1.50	1.19	**48**	3/31	**.44**	.32	6/30	▲.297	.292	YES
	582	Kinetik Holdings		KNTK	**48.04**	3	3	3	1.10	55- 80 (15- 65%)	**21.4**	**6.7**	▲2.25	3.24	**48**	3/31	**◆d.07**	.26	6/30	.81	.78	YES
	1572	Kinross Gold		KGC	**31.81**	2	3	2	1.05	40- 60 (25- 90%)	**10.4**	**0.4**	3.05	.12	**51**	3/31	**.71**	.30	3/31	▲.04	.03	YES
	765	Kinsale Capital		KNSL	**299.72**	3	3	3	1.00	430- 650 (45-115%)	**14.9**	**0.3**	20.10	1.00	**30**	3/31	**5.11**	3.71	3/31	▲.25	.17	YES
	2528	Klarna Group Plc.		KLAR	**14.39**	–	3	–	NMF	20- 35 (40-145%)	**NMF**	**NIL**	d.40	NIL	**35**	12/31	**d.14**	NA	3/31	NIL	NIL	YES
	339	Kirby Corp.		KEX	**146.09**	2	3	2	1.20	145- 215 (N- 45%)	**21.4**	**NIL**	6.83	NIL	**12**	3/31	**1.50**	1.33	3/31	NIL	NIL	YES
	2571	Klaviyo, Inc.		KVYO	**15.52**	▲3	4	4	1.30	25- 40 (60-160%)	**19.4**	**NIL**	.80	NIL	**40**	3/31	**◆.22**	.14	3/31	NIL	NIL	YES
	323	Knight-Swift Trans.		KNX	**61.92**	3	3	2	1.00	70- 110 (15- 80%)	**35.4**	**1.2**	1.75	.72	**21**	3/31	**.09**	.28	3/31	▲.20	.18	YES
	1119	Knife River Corp.		KNF	**85.68**	–	3	–	1.35	105- 155 (25- 80%)	**20.9**	**NIL**	4.10	NIL	**36**	3/31	**◆d1.40**	d1.21	3/31	NIL	NIL	YES
	956	Knowles Corp.		KN	**36.26**	3	3	4	1.25	25- 35 (N- N%)	**29.0**	**NIL**	1.25	NIL	**32**	3/31	**.27**	.18	3/31	NIL	NIL	YES
	2146	Kohl's Corp.		KSS	**13.09**	2	4	3	1.30	19- 30 (45-130%)	**10.5**	**3.8**	1.25	.50	**18**	1/31	**1.07**	.95	6/30	.125	.125	YES
	177	Koninklijke Philips NV(g)		PHG	**26.73**	4	3	2	1.15	30- 45 (10- 70%)	**15.3**	**3.6**	1.75	.97	**79**	3/31	**◆.23**	.29	6/30	▲.97	.92	YES
	2109	Kontoor Brands	(NDQ)	KTB	**68.53**	3	3	3	1.20	105- 155 (55-125%)	**10.5**	**3.1**	6.50	2.13	**42**	3/31	**◆1.06**	.76	3/31	.53	.52	YES
	420	Korea Fund		KF	**71.63**	–	3	–	.90	60- 90 (N- 25%)	**NMF**	**NIL**	NMF	NIL	**–**	3/31	**51.30(q)**	23.67(q)	3/31	▼.437	.454	
	1635	Korn Ferry		KFY	**66.57**	3	3	4	1.10	65- 100 (N- 50%)	**11.7**	**3.3**	5.70	2.20	**37**	1/31	**1.28**	1.19	6/30	▲.55	.48	YES
	1724	Kornit Digital Ltd.	(NDQ)	KRNT	**16.25**	5	4	4	1.85	20- 35 (25-115%)	**65.0**	**NIL**	.25	NIL	**29**	12/31	**.18**	.18	3/31	NIL	NIL	YES
	1920	Kraft Heinz Co.	(NDQ)	KHC	**23.26**	5	2	3	.55	35- 45 (50- 95%)	**11.3**	**6.9**	2.05	1.60	**68**	3/31	**◆.58**	.62	3/31	.40	.40	YES
	720	Kratos Defense & Sec.	(NDQ)	KTOS	**56.99**	5	3	2	1.25	85- 125 (50-120%)	**76.0**	**NIL**	.75	NIL	**59**	3/31	**◆.16**	.12	3/31	NIL	NIL	YES
	1946	Kroger Co.		KR	**64.80**	▼3	3	1	.45	75- 115 (15- 75%)	**12.3**	**2.3**	5.25	1.49	**26**	1/31	**1.28**	1.14	3/31	.35	.32	YES
	556	Kronos Worldwide		KRO	**7.36**	–	3	–	1.25	8- 12 (10- 65%)	**29.4**	**2.7**	▼.25	.20	**39**	3/31	**◆d.04**	.16	3/31	.05	.05	YES
	1394	Kulicke & Soffa	(NDQ)	KLIC	**104.28**	3	3	4	1.30	90- 130 (N- 25%)	**40.0**	**0.8**	2.61	.87	**1**	3/31	**◆.79**	d.52	6/30	.205	.205	YES
	2606	Kyndryl Holdings		KD	**11.80**	–	4	–	1.40	20- 30 (70-155%)	**3.8**	**NIL**	3.10	NIL	**17**	3/31	**◆.18**	.28	3/31	NIL	NIL	YES
	721	**L3Harris Technologies**		LHX	**302.35**	3	2	1	.80	425- 575 (40- 90%)	**25.4**	**1.7**	11.90	5.00	**59**	3/31	**2.72**	2.41	3/31	▲1.25	1.20	YES
	2311	LCI Industries		LCII	**113.14**	3	3	1	1.25	170- 250 (50-120%)	**12.9**	**4.1**	8.75	4.60	**72**	3/31	**◆2.59**	2.19	3/31	1.15	1.15	YES
	1135	LGI Homes	(NDQ)	LGIH	**47.28**	5	3	4	1.30	80- 120 (70-155%)	**10.5**	**NIL**	4.50	NIL	**56**	3/31	**.24**	.17	3/31	NIL	NIL	YES
	976	LKQ Corp.	(NDQ)	LKQ	**28.10**	3	3	3	.95	45- 70 (60-150%)	**9.2**	**4.3**	3.05	1.20	**54**	3/31	**.67**	.79	3/31	.30	.30	YES
	1784	LPL Financial Hldgs.	(NDQ)	LPLA	**289.04**	3	3	4	1.20	400- 600 (40-110%)	**18.1**	**0.4**	16.00	1.20	**67**	3/31	**5.63**	4.24	3/31	.30	.30	YES
	1158	La-Z-Boy Inc.		LZB	**35.44**	3	3	4	1.10	55- 75 (55-110%)	**12.7**	**2.5**	2.79	.88	**87**	1/31	**.61**	.68	3/31	.242	.22	YES
	806	Labcorp Holdings		LH	**255.08**	3	2	1	.85	290- 415 (15- 65%)	**14.3**	**1.1**	17.90	2.88	**14**	3/31	**4.25**	3.84	3/31	.72	.72	YES
	1395	Lam Research	(NDQ)	LRCX	**296.05**	1	3	3	1.55	150- 225 (N- N%)	**50.0**	**0.3**	5.92	.90	**1**	3/31	**1.46**	1.03	6/30	.26	.23	YES
	2376	Lamar Advertising	(NDQ)	LAMR	**152.26**	▲2	3	4	1.15	145- 220 (N- 45%)	**26.9**	**4.4**	5.65	6.65	**77**	3/31	**◆1.00**	.75	3/31	▲1.60	1.55	YES
	1921	Lamb Weston Holdings		LW	**40.34**	3	3	4	.85	60- 90 (50-125%)	**17.0**	**3.8**	2.37	1.53	**68**	2/28	**.72**	1.03	6/30	◆.38	.37	YES
	324	Landstar System	(NDQ)	LSTR	**178.92**	3	2	3	.90	200- 270 (10- 50%)	**31.7**	**0.9**	5.65	1.68	**21**	3/31	**1.16**	.85	3/31	.40	2.36	YES
	214	Lantheus Holdings	(NDQ)	LNTH	**94.07**	2	3	4	.90	90- 135 (N- 45%)	**16.2**	**NIL**	5.82	NIL	**74**	3/31	**◆1.46**	1.53	3/31	NIL	NIL	YES
	2357	Las Vegas Sands		LVS	**52.07**	3	3	3	1.15	75- 115 (45-120%)	**16.5**	**2.3**	3.15	1.20	**61**	3/31	**.91**	.59	6/30	◆.30	.25	YES
	1359	Lattice Semiconductor	(NDQ)	LSCC	**128.96**	1	3	3	1.65	90- 135 (N- 5%)	**80.6**	**NIL**	1.60	NIL	**5**	3/31	**.41**	.22	3/31	NIL	NIL	YES
	992	Lauder (Estee)		EL	**82.75**	▲3	3	5	1.20	100- 155 (20- 85%)	**33.0**	**1.7**	2.51	1.40	**–**	3/31	**.91**	.65	3/31	.35	.66	YES
	1987	Laureate Education	(NDQ)	LAUR	**32.70**	3	3	3	.85	50- 70 (55-115%)	**16.4**	**NIL**	2.00	NIL	**28**	3/31	**d.15**	d.13	3/31	NIL	NIL	YES
	1798	Lazard Inc.		LAZ	**45.98**	4	3	4	1.55	45- 70 (N- 50%)	**11.5**	**4.3**	4.00	2.00	**55**	3/31	**.42**	.56	6/30	◆.50	.50	YES
	977	Lear Corp.		LEA	**137.38**	1	3	3	1.25	170- 260 (25- 90%)	**9.5**	**2.2**	14.50	3.08	**54**	3/31	**3.87**	3.12	3/31	.77	.77	YES
	1015	Legence Corp.	(NDQ)	LGN	**98.14**	–	3	–	NMF	50- 75 (N- N%)	**98.1**	**NIL**	1.00	NIL	**8**	12/31	**d.31**	NA	6/30	NIL	NIL	YES
2435	**1159**	Leggett & Platt		LEG	**9.65**	–	3	–	1.10	18- 25 (85-160%)	**8.8**	**2.1**	1.10	.20	**87**	3/31	**◆.15**	.24	6/30	.05	.05	YES
	400	Leidos Hldgs.		LDOS	**127.68**	3	3	2	.90	200- 310 (55-145%)	**10.4**	**1.3**	12.29	1.72	**11**	3/31	**◆3.13**	2.98	3/31	.43	.40	YES
	766	Lemonade, Inc.		LMND	**55.05**	4	4	2	2.15	55- 90 (N- 65%)	**NMF**	**NIL**	d1.98	NIL	**30**	3/31	**d.47**	d.86	3/31	NIL	NIL	YES
	1136	Lennar Corp.		LEN	**87.09**	5	3	4	1.15	140- 205 (60-135%)	**12.8**	**2.3**	6.80	2.00	**56**	2/28	**.93**	1.96	6/30	.50	.50	YES
	1725	Lennox Int'l		LII	**521.48**	3	3	5	1.15	625- 940 (20- 80%)	**21.5**	**1.0**	24.30	5.20	**29**	3/31	**3.35**	3.63	6/30	1.30	1.15	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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	NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
178	LeMaitre Vascular	(NDQ)	LMAT	101.64	2	3	2	.95	105- 160 (5- 55%)	40.3	1.0	2.52	1.00	79	3/31	◆.68	.44	3/31	▲.25	.20	YES
2110	Levi Strauss & Co.		LEVI	21.85	3	3	3	1.35	25- 35 (15- 60%)	15.1	2.7	1.45	.58	42	2/28	.42	.35	6/30	.14	.13	YES
1213	Liberty All-Star		USA	5.75	–	3	–	1.15	6- 9 (5- 55%)	NMF	12.0	NMF	.69	–	12/31	6.84(q)	6.95(q)	6/30	▼.15	.15	
2406	Liberty Energy		LBRT	33.39	2	4	2	1.40	25- 40 (N- 20%)	NMF	1.1	.05	.36	19	3/31	.14	.04	3/31	.09	.08	YES
999	Liberty Global Ltd.	(NDQ)	LBTYA	12.06	–	3	–	NMF	16- 25 (35-105%)	NMF	NIL	d2.00	NIL	52	3/31	.96	d3.84	3/31	NIL	NIL	YES
930	Liberty Latin Amer.	(NDQ)	LILA	7.71	3	4	1	1.15	8- 14 (5- 80%)	NMF	NIL	d.30	NIL	41	3/31	◆d.11	d.69	3/31	NIL	NIL	YES
2312	Life Time Group		LTH	32.34	3	3	3	1.40	40- 60 (25- 85%)	19.1	NIL	1.69	NIL	72	3/31	◆.39	.34	3/31	NIL	NIL	YES
1617	Lilly (Eli)		LLY	966.99	3	2	2	.90	1085-1465 (10- 50%)	27.9	0.7	34.65	6.92	69	3/31	8.55	3.34	3/31	▲1.73	1.50	YES
978	Linamar Corp.	(TSE)	LNR.TO	96.00b	▲2	3	3	1.20	115- 170 (20- 75%)	8.3	1.0	11.60	1.00	54	3/31	◆3.28(b)	2.76(b)	6/30	.29	.54	
1534	Lineage Inc	(NDQ)	LINE	39.32	–	3	–	NMF	40- 60 (N- 55%)	NMF	5.4	d.35	2.11	90	3/31	◆d.18	.01	6/30	▲.532	.527	YES
1726	Lincoln Elec Hldgs.	(NDQ)	LECO	271.23	3	2	3	1.10	205- 280 (N- 5%)	26.4	1.2	10.27	3.16	29	3/31	2.50	2.16	6/30	.79	.75	YES
1559	Lincoln Nat'l Corp.		LNC	34.77	5	3	3	1.55	45- 70 (30-100%)	4.0	5.3	8.80	1.83	66	3/31	◆1.66	1.60	6/30	.45	.45	YES
557	Linde plc	(NDQ)	LIN	504.40	2	1	2	.95	565- 695 (10- 40%)	28.4	1.3	17.75	6.40	39	3/31	4.33	3.95	3/31	▲1.60	1.50	YES
150	Lindsay Corp.		LNN	108.86	3	3	3	1.00	160- 240 (45-120%)	18.9	1.4	5.75	1.49	4	2/28	1.15	2.44	3/31	.37	.36	YES
2128	Lithia Motors		LAD	286.67	3	3	5	1.15	290- 440 (N- 55%)	8.2	0.8	35.10	2.20	64	3/31	4.29	7.66	6/30	▲.57	.55	YES
1311	Littelfuse Inc.	(NDQ)	LFUS	465.86	2	3	4	1.30	330- 490 (N- 5%)	36.5	0.7	12.75	3.10	9	3/31	◆3.31	2.19	3/31	.75	.70	YES
179	LivaNova PLC	(NDQ)	LIVN	70.09	▲3	3	2	1.25	65- 100 (N- 45%)	16.7	NIL	4.20	NIL	79	3/31	◆.98	.88	3/31	NIL	NIL	YES
2332	Live Nation Entertain.		LYV	163.00	4	3	3	1.25	170- 255 (5- 55%)	94.2	NIL	1.73	NIL	71	3/31	◆d1.85	d.32	3/31	NIL	NIL	YES
2607	LiveRamp Holdings		RAMP	29.35	2	3	4	1.30	45- 65 (55-120%)	11.3	NIL	2.60	NIL	17	12/31	.76	.14	3/31	NIL	NIL	YES
1947	Loblaw Cos. Ltd.	(TSE)	L.TO	59.06b	3	2	2	.50	60- 80 (N- 35%)	23.2	1.0	2.55	.61	26	3/31	◆.52(b)	.42(b)	6/30	▼.141(b)	.128(b)	YES
722	Lockheed Martin		LMT	512.25	3	2	1	.65	700- 950 (35- 85%)	17.1	2.7	30.00	13.95	59	3/31	6.44	7.28	3/31	3.45	3.30	YES
2529	Loews Corp.		L	103.72	3	1	2	.95	175- 215 (70-105%)	11.5	0.2	9.00	.25	35	3/31	1.63	1.74	3/31	▼.062	.063	YES
1413	Logitech Int'l	(NDQ)	LOGI	106.89	3	3	4	1.20	125- 185 (15- 75%)	18.6	1.6	5.75	1.70	46	3/31	◆1.13	.94	9/30	▲1.589	NIL	YES
1167	Louisiana-Pacific		LPX	72.98	3	3	3	1.30	105- 155 (45-110%)	25.6	1.6	2.85	1.20	92	3/31	◆.38	1.27	3/31	▲.30	.28	YES
1148	Lowe's Cos.		LOW	226.06	3	2	2	.95	310- 420 (35- 85%)	17.7	2.2	12.75	4.95	76	1/31	1.98	1.93	6/30	1.20	1.15	YES
106	Lucid Group	(NDQ)	LCID	6.03	5	5	3	1.35	11- 20 (80-230%)	NMF	NIL	d7.00	NIL	83	3/31	◆d3.46	d2.00	3/31	NIL	NIL	YES
2188	lululemon athletica	(NDQ)	LULU	126.34	3	3	3	1.15	285- 430 (125-240%)	10.3	NIL	12.22	NIL	20	1/31	5.01	6.14	3/31	NIL	NIL	YES
931	Lumen Technologies		LUMN	8.34	2	5	3	1.45	4- 8 (N- N%)	NMF	NIL	d.35	NIL	41	3/31	◆d.47	d.13	3/31	NIL	NIL	YES
118	Lumentum Holdings	(NDQ)	LITE	1053.09	▲3	4	3	1.50	440- 730 (N- N%)	NMF	NIL	10.53	NIL	53	3/31	◆2.37	d.64	3/31	NIL	NIL	YES
1587	Lundin Mining	(TSE)	LUN.TO	38.74	3	3	2	1.45	35- 50 (N- 30%)	21.5	0.3	1.80	.11	33	3/31	◆.31	.15	6/30	.027	.027	YES
2619	Lyft, Inc.	(NDQ)	LYFT	13.87	3	4	4	1.70	30- 45 (115-225%)	25.2	NIL	.55	NIL	57	3/31	◆.04	.01	3/31	NIL	NIL	YES
558	LyondellBasell Inds.		LYB	73.53	▲2	3	2	1.05	65- 95 (N- 30%)	21.0	3.8	3.50	2.76	39	3/31	.38	.53	3/31	▼.69	1.34	YES
615	**M&T Bank Corp.**		MTB	207.98	3	3	2	1.15	235- 350 (15- 70%)	11.2	2.9	18.65	6.00	43	3/31	4.18	3.38	3/31	1.50	1.35	YES
529	MDU Resources		MDU	22.80	3	3	3	NMF	18- 25 (N- 10%)	22.8	2.5	1.00	.56	70	3/31	◆.39	.40	6/30	.14	.13	YES
911	MGE Energy	(NDQ)	MGEE	73.83	3	2	4	.80	95- 125 (30- 70%)	18.7	2.6	3.95	1.90	82	3/31	◆1.32	1.14	3/31	.475	.45	YES
2530	MGIC Investment		MTG	26.10	3	3	3	1.10	25- 35 (N- 35%)	7.7	2.5	3.40	.66	35	3/31	.76	.75	6/30	◆.15	.13	YES
2358	MGM Resorts Int'l		MGM	37.30	▼2	3	2	1.50	45- 65 (20- 75%)	18.2	NIL	2.05	NIL	61	3/31	.49	.69	3/31	NIL	NIL	YES
1967	MGP Ingredients	(NDQ)	MGPI	18.63	–	3	–	.95	30- 45 (60-140%)	10.1	2.6	1.85	.48	65	3/31	.15	.36	3/31	.12	.12	YES
1396	MKS Inc.	(NDQ)	MKSI	319.71	2	3	3	1.70	310- 470 (N- 45%)	32.0	0.3	10.00	1.00	1	3/31	◆2.30	1.71	3/31	▲.25	.22	YES
1588	MP Materials		MP	67.41	5	4	3	1.65	40- 70 (N- 5%)	96.3	NIL	.70	NIL	33	3/31	◆.03	d.12	3/31	NIL	NIL	YES
595	MPLX LP		MPLX	54.03	3	2	2	.90	▼ 65- 85 (20- 55%)	12.0	8.0	▼4.50	4.32	24	3/31	◆.90	1.10	6/30	◆1.076	.956	YES
1727	MSA Safety		MSA	168.57	3	2	3	1.10	240- 325 (40- 95%)	19.3	1.3	8.75	2.20	29	3/31	1.99	1.68	3/31	.53	.51	YES
1728	MSC Industrial Direct		MSM	107.32	▼3	2	3	1.00	105- 140 (N- 30%)	25.0	3.2	4.29	3.48	29	2/28	.82	.72	6/30	.87	.85	YES
431	MSCI Inc.		MSCI	584.63	1	3	3	1.15	590- 885 (N- 50%)	30.8	1.4	19.00	8.20	7	3/31	4.55	4.00	3/31	▲2.05	1.80	YES
1016	MYR Group	(NDQ)	MYRG	458.42	1	3	4	1.30	315- 470 (N- 5%)	48.5	NIL	9.45	NIL	8	3/31	2.99	1.45	3/31	NIL	NIL	YES
1535	Macerich Comp. (The)		MAC	21.64	5	4	3	1.60	18- 30 (N- 40%)	NMF	3.1	d.55	.68	90	3/31	◆d.14	d.20	3/31	.17	.17	YES
1360	MACOM Tech. Solutions	(NDQ)	MTSI	365.88	2	3	4	1.40	205- 305 (N- N%)	77.4	NIL	4.73	NIL	5	3/31	◆1.09	.85	3/31	NIL	NIL	YES
2147	Macy's Inc.		M	18.69	▼3	3	3	1.45	18- 30 (N- 60%)	8.7	4.1	2.15	.77	18	1/31	1.67	1.80	6/30	▲.191	.182	YES
2159	Madden (Steven) Ltd.	(NDQ)	SHOO	38.89	3	3	3	1.25	50- 75 (30- 95%)	19.9	2.2	1.95	.84	23	3/31	◆.45	.60	3/31	.21	.21	YES
2333	Madison Sq. Sports		MSGS	344.12	▲4	3	3	.95	255- 385 (N- 10%)	NMF	NIL	d.17	NIL	71	3/31	◆d.78	d.59	3/31	NIL	NIL	YES
979	Magna Int'l 'A'		MGA	62.54	▼3	3	3	1.35	75- 110 (20- 75%)	9.3	3.2	6.75	1.98(h)	54	3/31	1.38	.78	3/31	▲.495	.485	YES
2377	Magnite, Inc.	(NDQ)	MGNI	13.37	4	4	5	1.95	20- 30 (50-125%)	12.7	NIL	1.05	NIL	77	3/31	◆.13	.12	3/31	NIL	NIL	YES
2391	Magnolia Oil & Gas		MGY	28.21	2	3	2	1.20	30- 45 (5- 60%)	11.8	2.3	2.40	.66	13	3/31	◆.54	.54	3/31	▲.165	.15	YES
2432	Main Street Capital		MAIN	52.30	3	2	4	1.00	50- 70 (N- 35%)	13.8	6.0	3.80	3.12	84	3/31	◆.93	1.01	6/30	▼.52	.55	YES
2620	MakeMyTrip Ltd	(NDQ)	MMYT	46.29	4	3	4	1.25	80- 120 (75-160%)	92.6	NIL	.50	NIL	57	12/31	.07	.23	3/31	NIL	NIL	YES
2608	Manhattan Assoc.	(NDQ)	MANH	137.73	2	3	3	1.20	220- 330 (60-140%)	26.5	NIL	5.20	NIL	17	3/31	1.24	1.19	3/31	NIL	NIL	YES
1825	Manitowoc Co.		MTW						SEE FINAL SUPPLEMENT												
1636	ManpowerGroup Inc.		MAN	28.95	5	3	3	1.10	40- 60 (40-105%)	7.9	5.0	3.65	1.44	37	3/31	.51	.12	12/31	.72	1.54	YES
1560	Manulife Fin'l		MFC	39.97	2	2	3	1.15	35- 45 (N- 15%)	11.9	3.5	3.35	1.40	66	12/31	.81	.72	3/31	▲.354	.308	YES
2621	Maplebear Inc.	(NDQ)	CART	40.41	2	3	4	.90	60- 90 (50-125%)	18.8	NIL	2.15	NIL	57	3/31	◆.57	.37	3/31	NIL	NIL	YES
1922	Maple Leaf Foods	(TSE)	MFI.TO	28.50	3	3	1	.70	25- 40 (N- 40%)	22.8	3.4	1.25	.96	68	3/31	◆.34	.13	3/31	▲.21	.24	YES
511	Marathon Petroleum		MPC	252.48	1	3	2	1.05	▲ 250- 370 (N- 45%)	15.9	1.6	▲15.85	4.00	3	3/31	◆1.65	d.24	3/31	1.00	.91	YES
1825	Maravai LifeSciences		MRVI						SEE FINAL SUPPLEMENT												
767	Markel Group		MKL	1838.77	3	2	2	.95	3260-4420 (75-140%)	15.3	NIL	120.00	NIL	30	3/31	d41.69	12.08	3/31	NIL	NIL	YES
1785	MarketAxess Holdings	(NDQ)	MKTX	145.21	▼4	3	3	.85	320- 485 (120-235%)	17.7	2.1	8.20	3.12	67	3/31	◆2.25	1.87	3/31	▲.78	.76	YES
2359	Marriott Int'l	(NDQ)	MAR	353.32	2	3	3	1.20	345- 520 (N- 45%)	30.6	0.8	11.55	2.68	61	3/31	◆2.72	2.32	3/31	.67	.63	YES
2360	Marriott Vacations		VAC	75.19	3	3	4	1.45	90- 140 (20- 85%)	10.3	4.3	7.30	3.20	61	3/31	◆1.24	1.66	3/31	▲1.60	1.58	YES
2531	Marsh & McLennan		MRSH	161.58	2	1	3	.90	255- 315 (60- 95%)	15.5	2.2	10.40	3.60	35	3/31	3.29	3.05	6/30	.90	.815	YES
1120	Martin Marietta		MLM	585.98	3	3	2	1.05	695-1045 (20- 80%)	29.3	0.6	20.00	3.38	36	3/31	1.93	1.73	3/31	.83	.79	YES
1361	Marvell Technology	(NDQ)	MRVL	170.84	1	3	4	1.50	115- 170 (N- N%)	50.8	0.1	3.36	.24	5	1/31	.80	.60	6/30	.06	.06	YES
1923	**The Marzetti Company**	(NDQ)	MZTI	112.29	4	2	2	.55	170- 230 (50-105%)	15.7	NIL	7.16	NIL	68	3/31	1.32	1.49	3/31	1.00	.95	YES
1121	**Masco Corp.**		MAS	70.59	2	3	3	1.10	90- 135 (25- 90%)	16.8	1.8	4.20	1.28	36	3/31	1.04	.87	3/31	▲.32	.31	YES
840 215	Masimo Corp.	(NDQ)	MASI	178.50	–	3	–	1.00	190- 290 (5- 60%)	44.6	NIL	4.00	NIL	74	3/31	◆1.08	.86	3/31	NIL	NIL	YES
1017	MasTec		MTZ	421.37	2	3	4	1.30	280- 420 (N- N%)	49.6	NIL	8.50	NIL	8	3/31	1.39	.51	3/31	NIL	NIL	YES
2532	Mastercard Inc.		MA	497.81	2	1	4	1.10	780- 955 (55- 90%)	26.1	0.7	19.10	3.59	35	3/31	4.60	3.73	6/30	.87	.76	YES
2392	Matador Resources		MTDR	56.33	▼2	3	2	1.35	75- 110 (35- 95%)	7.0	2.7	8.00	1.50	13	3/31	◆1.53	1.99	6/30	◆.375	.312	YES
2622	Match Group	(NDQ)	MTCH	35.77	1	3	4	1.30	45- 70 (25- 95%)	13.8	2.3	2.60	.81	57	3/31	◆.68	.44	6/30	▲.20	.19	YES
1589	Materion Corp.		MTRN	203.03	3	3	3	1.30	145- 220 (N- 10%)	32.7	0.3	6.20	.56	33	3/31	1.27	1.13	3/31	.14	.135	YES
340	Matson, Inc.		MATX	181.91	1	3	3	1.20	285- 430 (55-135%)	12.6	0.8	14.40	1.44	12	3/31	1.85	2.18	6/30	◆.36	.34	YES
2313	Mattel, Inc.	(NDQ)	MAT	14.99	3	3	4	1.10	25- 40 (65-165%)	12.0	NIL	1.25	NIL	72	3/31	d.20	d.03	3/31	NIL	NIL	YES
401	MAXIMUS Inc.		MMS	61.52	3	3	3	.80	120- 180 (95-195%)	7.3	2.1	8.40	1.32	11	3/31	◆2.07	2.01	3/31	▲.33	.30	YES
1362	MaxLinear, Inc.	(NDQ)	MXL	102.27	4	4	4	1.60	20- 35 (N- N%)	NMF	NIL	.85	NIL	5	3/31	.22	d.05	3/31	NIL	NIL	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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Recent Price	NAME OF STOCK	Ticker Symbol	RANKS: Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS: Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
1924	McCormick & Co.	MKC	47.07	–	3	–	.75	90- 120 (90-155%)	15.2	3.8	3.10	1.80	68	2/28	.66	.60	6/30	.48	.45	YES
367	McDonald's Corp.	MCD	274.60	3	1	1	.75	415- 505 (50- 85%)	20.7	2.8	13.25	7.64	47	3/31	◆2.83	2.67	3/31	1.86	1.77	YES
1988	McGraw Hill Inc	MH	11.42	–	3	–	NMF	20- 30 (75-165%)	6.8	NIL	1.67	NIL	28	12/31	.28	NA	6/30	NIL	NIL	
216	McKesson Corp.	MCK	725.17	2	1	1	.65	950-1160 (30- 60%)	16.8	0.5	43.14	3.58	74	3/31	◆11.69	10.12	6/30	.82	.71	YES
233 807	Medpace Holdings (NDQ)	MEDP	417.29	2	3	3	1.35	470- 705 (15- 70%)	24.1	NIL	17.30	NIL	14	3/31	4.28	3.67	3/31	NIL	NIL	YES
180	Medtronic plc	MDT	74.54	3	1	2	.85	135- 165 (80-120%)	12.9	3.8	5.78	2.86	79	1/31	1.36	1.38	6/30	.71	.70	YES
2361	Melco Resorts & Entert. (NDQ)	MLCO	5.31	4	4	3	1.40	10- 17 (90-220%)	7.8	NIL	.68	NIL	61	3/31	.20	.08	3/31	NIL	NIL	YES
2638	MercadoLibre, Inc. (NDQ)	MELI	1557.30	3	3	4	1.55	2800-4200 (80-170%)	31.1	NIL	50.00	NIL	73	3/31	◆8.23	9.74	3/31	NIL	NIL	YES
107	Mercedes-Benz AG (NDQ)	MBGAF	59.83	▼3	3	2	1.05	80- 125 (35-110%)	6.6	6.9	9.00	4.12	83	3/31	1.49	1.85	6/30	▲4.134	3.95	
1618	Merck & Co.	MRK	111.28	3	1	2	.70	145- 175 (30- 55%)	21.6	3.1	5.15	3.40	69	3/31	d1.28	2.22	6/30	.85	.81	YES
768	Mercury General	MCY	99.05	1	3	3	1.00	125- 185 (25- 85%)	14.2	1.3	7.00	1.27	30	3/31	◆3.50	d2.29	3/31	▼.317	.318	YES
723	Mercury Systems (NDQ)	MRCY	91.95	5	3	3	1.20	60- 85 (N- N%)	92.9	NIL	.99	NIL	59	3/31	◆.27	.06	3/31	NIL	NIL	YES
217	Merit Medical Systems (NDQ)	MMSI	60.31	3	3	3	1.00	110- 170 (80-180%)	15.1	NIL	4.00	NIL	74	3/31	.94	.86	3/31	NIL	NIL	YES
1137	Meritage Homes	MTH	63.79	3	3	3	1.25	90- 135 (40-110%)	7.0	2.7	9.15	1.72	56	3/31	.82	1.69	3/31	▲.48	.43	YES
439 2623	Meta Platforms (NDQ)	META	598.86	3	3	4	1.15	1010-1520 (70-155%)	18.4	0.4	32.50	2.20	57	3/31	7.31	6.43	3/31	.525	.525	YES
559	Methanex Corp. (NDQ)	MEOH	63.35	3	3	2	1.25	▼ 50- 70 (N- 10%)	28.2	1.2	▼2.25	.74	39	3/31	.30	1.30	3/31	.185	.185	YES
1561	MetLife Inc.	MET	77.98	3	2	5	1.20	95- 130 (20- 65%)	8.2	3.0	9.50	2.35	66	3/31	◆2.42	1.96	3/31	.567	.545	YES
1948	Metro Inc. (TSE)	MRU.TO	88.14b	3	2	2	.50	100- 135 (15- 55%)	16.8	1.8	5.24	1.63	26	3/31	1.11(b)	1.02(b)	3/31	▲.407(b)	.37(b)	YES
119	Mettler-Toledo Int'l	MTD	1078.53	▼3	3	2	1.20	1580-2370 (45-120%)	23.3	NIL	46.25	NIL	53	3/31	◆8.91	8.19	3/31	NIL	NIL	YES
421	Mexico Fund	MXF	22.00	–	4	–	.95	20- 35 (N- 60%)	NMF	3.4	NMF	.75	–	4/30	24.65(q)	19.46(q)	6/30	.35	.22	
1363	Microchip Technology (NDQ)	MCHP	99.03	3	3	4	1.50	75- 110 (N- 10%)	42.5	1.8	2.33	1.82	5	3/31	◆.57	.11	3/31	.455	.455	YES
1364	Micron Technology (NDQ)	MU	795.33	1	3	4	1.50	565- 850 (N- 5%)	10.2	0.1	78.22	.47	5	2/28	12.07	1.56	6/30	▲.15	.115	YES
439 2572	Microsoft Corp. (NDQ)	MSFT	412.66	2	1	5	.95	685- 835 (65-100%)	23.5	0.9	17.54	3.82	40	3/31	4.27	3.46	3/31	.91	.83	YES
1536	Mid-America Apt.	MAA	129.72	3	2	5	.95	135- 180 (5- 40%)	30.2	4.7	4.30	6.05	90	3/31	1.06	1.54	6/30	1.53	1.515	YES
1729	Middleby Corp. (The) (NDQ)	MIDD	156.25	2	3	3	1.25	190- 280 (20- 80%)	16.6	NIL	9.40	NIL	29	3/31	◆2.16	2.08	3/31	NIL	NIL	YES
1777	Middlesex Water (NDQ)	MSEX	51.83	4	3	3	.75	75- 115 (45-120%)	19.9	2.8	2.60	1.44	88	3/31	.57	.53	3/31	.36	.34	YES
2027 1160	MillerKnoll, Inc. (NDQ)	MLKN	15.52	4	3	4	1.40	25- 40 (60-160%)	7.8	4.8	2.00	.75	87	2/28	.43	.44	6/30	.187	.188	YES
932	Millicom Int'l Cellular (NDQ)	TIGO	78.50	2	3	2	1.05	40- 60 (N- N%)	29.6	3.8	2.65	3.00	41	12/31	1.36	.18	6/30	.75	.75	YES
560	Minerals Techn.	MTX	80.32	3	3	3	1.15	▼ 70- 100 (N- 25%)	13.8	0.6	5.80	.48	39	3/31	1.38	d4.59	3/31	.12	.11	YES
120	Mirion Technologies Inc	MIR	18.47	4	3	3	1.30	25- 40 (35-115%)	30.8	NIL	.60	NIL	53	3/31	.10	.10	3/31	NIL	NIL	YES
980	Mobileye Global Inc (NDQ)	MBLY	9.24	5	4	5	1.25	20- 35 (115-280%)	29.8	NIL	.31	NIL	54	3/31	.12	.08	3/31	NIL	NIL	YES
831	Moderna, Inc. (NDQ)	MRNA	52.88	5	5	2	1.20	30- 55 (N- 5%)	NMF	NIL	d6.55	NIL	89	3/31	d3.40	d2.52	3/31	NIL	NIL	YES
1730	Modine Mfg.	MOD	284.80	2	4	3	1.50	245- 405 (N- 40%)	42.6	NIL	6.69	NIL	29	12/31	1.19	.92	3/31	NIL	NIL	YES
1799	Moelis & Company	MC	63.85	4	3	5	1.55	70- 105 (10- 65%)	19.3	4.1	3.30	2.60	55	3/31	.50	.64	6/30	◆.65	.65	YES
1161	Mohawk Inds.	MHK	100.97	4	3	4	1.30	150- 225 (50-125%)	9.9	NIL	10.19	NIL	87	3/31	1.90	1.52	3/31	NIL	NIL	YES
808	Molina Healthcare	MOH	185.19	▲2	3	5	.70	125- 190 (N- 5%)	33.1	NIL	5.60	NIL	14	3/31	2.35	6.08	3/31	NIL	NIL	YES
1968	Molson Coors Beverage	TAP	41.44	3	3	3	.75	65- 95 (55-130%)	8.5	4.6	4.90	1.92	65	3/31	.62	.50	3/31	▲.48	.47	YES
2362	Monarch Casino (NDQ)	MCRI	117.04	2	3	3	1.05	120- 180 (5- 55%)	18.1	1.1	6.45	1.23	61	3/31	1.58	1.05	3/31	.30	.30	YES
2573	monday.com (NDQ)	MNDY	76.91	4	4	5	1.60	115- 190 (50-145%)	43.9	NIL	1.75	NIL	40	3/31	◆.57	1.10	3/31	NIL	NIL	YES
1925	Mondelez Int'l (NDQ)	MDLZ	61.41	4	2	4	.60	90- 120 (45- 95%)	20.1	3.3	3.05	2.00	68	3/31	.67	.74	6/30	.50	.47	YES
1238 1815	MongoDB, Inc. (NDQ)	MDB	294.65	▲3	4	3	1.95	245- 405 (N- 35%)	50.4	NIL	5.85	NIL	58	1/31	1.65	.19	3/31	NIL	NIL	YES
1365	Monolithic Power Sys. (NDQ)	MPWR	1661.10	▼3	3	3	1.55	1090-1630 (N- N%)	77.3	0.5	21.50	8.00	5	3/31	5.10	4.04	6/30	▲2.00	1.56	YES
2129	Monro, Inc. (NDQ)	MNRO	16.78	4	3	4	.95	25- 35 (50-110%)	21.0	6.7	.80	1.12	64	12/31	.16	.19	3/31	.28	.28	YES
★★ 1969	Monster Beverage (NDQ)	MNST	86.41	3	1	3	.70	95- 115 (10- 35%)	37.9	NIL	2.28	NIL	65	3/31	◆.58	.47	3/31	NIL	NIL	YES
432	Moody's Corp.	MCO	448.39	3	3	4	1.20	420- 630 (N- 40%)	26.4	0.9	17.00	4.12	7	3/31	4.33	3.82	3/31	▲1.03	.94	YES
724	Moog Inc. 'A'	MOGA	312.97	2	3	3	1.15	335- 500 (5- 60%)	30.0	0.4	10.42	1.20	59	3/31	2.64	1.96	3/31	▲.30	.29	YES
1800	Morgan Stanley	MS	191.10	3	2	3	1.35	170- 230 (N- 20%)	16.5	2.1	11.60	4.00	55	3/31	3.43	2.60	6/30	1.00	.925	YES
1601	Mosaic Company	MOS	21.79	3	3	2	1.25	40- 65 (85-200%)	9.5	4.0	2.30	.88	44	3/31	◆d.81	.75	3/31	.22	.22	YES
957	Motorola Solutions	MSI	392.17	▼3	2	1	1.00	625- 845 (60-115%)	25.0	1.2	15.68	4.84	32	3/31	◆3.37	3.18	6/30	1.21	1.09	YES
2642 736	Mueller Inds.	MLI	140.71	2	3	3	1.10	125- 190 (N- 35%)	18.8	0.9	7.50	1.20	2	3/31	1.87	1.30	3/31	▲.35	.25	YES
1731	Mueller Water Prod.	MWA	25.85	2	3	2	1.20	35- 50 (35- 95%)	17.6	1.0	1.47	.27	29	3/31	◆.40	.34	6/30	◆.07	.067	YES
2393	Murphy Oil Corp.	MUR	37.62	3	3	2	1.25	35- 55 (N- 45%)	25.1	3.7	1.50	1.40	13	3/31	◆.32	.50	3/31	▲.35	.325	YES
2174	Murphy USA Inc.	MUSA	577.94	1	3	2	.70	555- 835 (N- 45%)	22.7	0.5	25.50	2.62	16	3/31	7.28	2.63	3/31	.63	.49	YES
2574	**NCR Voyix**	VYX	7.78	▲4	4	5	1.50	7- 11 (N- 40%)	8.2	NIL	.95	NIL	40	3/31	◆.10	.09	3/31	NIL	NIL	YES
2407	NOV Inc.	NOV	19.77	2	3	2	1.25	18- 30 (N- 50%)	16.5	1.8	1.20	.36	19	3/31	.05	.19	3/31	▲.09	.075	YES
1228	NRG Energy	NRG	137.30	▼5	3	2	1.15	155- 235 (15- 70%)	18.3	1.4	7.50	1.90	85	3/31	◆1.48	3.61	6/30	.475	.44	YES
1138	NVR, Inc.	NVR	5910.67	2	2	3	.95	6365-8615 (10- 45%)	12.7	NIL	465.00	NIL	56	3/31	67.76	94.83	3/31	NIL	NIL	
1366	NXP Semi. NV (NDQ)	NXPI	305.99	2	3	5	1.30	310- 465 (N- 50%)	23.5	1.3	13.03	4.06	5	3/31	3.05	2.64	6/30	1.014	1.014	YES
1786	Nasdaq, Inc. (NDQ)	NDAQ	88.48	3	1	3	1.05	90- 110 (N- 25%)	22.7	1.2	3.90	1.08	67	3/31	.96	.79	3/31	.27	.24	YES
616	Nat'l Bank of Canada (TSE)	NA.TO	206.87b	3	1	3	.85	▲ 190- 230 (N- 10%)	18.6	2.5	11.10	5.20	43	1/31	3.08(b)	2.78(b)	6/30	1.24(b)	1.14(b)	YES
1970	National Beverage (NDQ)	FIZZ	34.55	4	3	3	.65	45- 70 (30-105%)	16.9	NIL	2.04	NIL	65	1/31	.44	.42	3/31	NIL	NIL	YES
530	National Fuel Gas	NFG	79.44	5	2	1	.80	100- 135 (25- 70%)	10.1	2.7	7.87	2.14	70	3/31	2.71	2.37	6/30	.535	.515	YES
2175	National Vision Hldgs. (NDQ)	EYE	21.80	4	4	2	1.15	30- 55 (40-150%)	21.8	NIL	1.00	NIL	16	12/31	.15	d.04	3/31	NIL	NIL	YES
809	Natera Inc (NDQ)	NTRA	199.14	5	3	3	1.30	220- 330 (10- 65%)	NMF	NIL	d1.90	NIL	14	3/31	◆d.60	d.50	3/31	NIL	NIL	YES
2533	Navient Corp. (NDQ)	NAVI	8.32	5	3	3	1.30	12- 18 (45-115%)	10.4	7.7	.80	.64	35	3/31	.18	d.02	3/31	.16	.16	YES
1645 1816	Nebius Group N.V. (NDQ)	NBIS	186.10	–	3	–	NMF	105- 160 (N- N%)	NMF	NIL	d1.00	NIL	58	12/31	d.99	d.49	3/31	NIL	NIL	YES
218	Neogen Corp. (NDQ)	NEOG	8.65	5	3	1	1.10	9- 13 (5- 50%)	27.0	NIL	.32	NIL	74	2/28	.09	d.05	3/31	NIL	NIL	YES
1926	Nestle SA ADS (NDQ)	NSRGY	97.94	3	1	2	.65	115- 140 (15- 45%)	21.3	4.0	4.60	3.90	68	12/31	2.00(p)	2.25(p)	6/30	▲3.68	3.28	
1414	NetApp, Inc. (NDQ)	NTAP	117.73	1	3	5	1.15	150- 225 (25- 90%)	13.9	1.8	8.46	2.16	46	1/31	2.12	1.91	6/30	.52	.52	YES
2642 2334	Netflix, Inc. (NDQ)	NFLX	85.45	3	3	1	1.30	145- 215 (70-150%)	27.1	NIL	3.15	NIL	71	3/31	.70	.66	3/31	NIL	NIL	YES
1834 958	NETGEAR (NDQ)	NTGR	26.42	4	3	4	1.15	30- 45 (15- 70%)	NMF	NIL	.10	NIL	32	3/31	.06	.01	3/31	NIL	NIL	YES
2017	NetScout Systems (NDQ)	NTCT	40.67	3	3	3	1.00	40- 65 (N- 60%)	19.4	NIL	2.10	NIL	63	3/31	◆.52	d.01	3/31	NIL	NIL	YES
832	Neurocrine Biosci. (NDQ)	NBIX	150.59	▲3	3	3	.85	160- 245 (5- 65%)	16.7	NIL	9.00	NIL	89	3/31	◆1.91	.70	3/31	NIL	NIL	YES
2026	New Fortress Energy	NFE						SEE FINAL SUPPLEMENT												
422	New Germany Fund	GF	11.98	–	3	–	1.05	12- 18 (N- 50%)	NMF	1.0	NMF	.12	–	6/30	13.42(q)	9.86(q)	3/31	▲.129	.048	
535	New Jersey Resources	NJR	55.82	3	2	1	.75	60- 85 (5- 50%)	15.4	3.5	3.63	1.98	86	3/31	2.20	2.02	6/30	.475	.45	YES
2371	New York Times	NYT	77.33	3	3	2	.95	75- 115 (N- 50%)	28.6	1.2	2.70	.92	6	3/31	◆.61	.41	6/30	▲.23	.18	YES
1197	Newell Brands (NDQ)	NWL	4.08	–	5	–	1.40	7- 14 (70-245%)	NMF	6.9	d.25	.28	75	3/31	d.05	d.09	3/31	.07	.07	YES
561	NewMarket Corp.	NEU	686.25	2	3	5	.80	630- 950 (N- 40%)	15.1	1.7	▼45.30	12.00	39	3/31	12.62	13.26	6/30	3.00	2.75	YES
1573	Newmont Corp.	NEM	120.67	2	3	3	.90	170- 255 (40-110%)	13.7	0.9	8.80	1.04	51	3/31	2.90	1.25	3/31	▲.26	.25	YES
2372	News Corp. 'A' (NDQ)	NWSA	27.01	3	3	4	1.10	35- 55 (30-105%)	29.7	0.7	.91	.20	6	3/31	◆.21	.14	6/30	.10	.10	YES
1825 2335	Nexstar Media Group (NDQ)	NXST	202.79	3	3	3	1.15	230- 345 (15- 70%)	8.1	3.7	25.00	7.44	71	3/31	◆5.09	3.37	3/31	1.86	1.86	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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RANKS — Timeliness | Safety | Technical | Beta | Industry Rank

		NAME OF STOCK		Ticker Symbol	Recent Price	Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS: Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	136	NextEra Energy		NEE	94.84	4	2	2	.90	105- 140 (10- 50%)	23.7	2.7	4.00	2.53	91	3/31	1.09	.99	3/31	▲.623	.567	YES
	121	NextPower Inc.	(NDQ)	NXT	126.26	3	3	2	1.20	90- 135 (N- 5%)	27.6	NIL	4.57	NIL	53	12/31	1.10	1.03	3/31	NIL	NIL	YES
	933	NICE Ltd. ADR	(NDQ)	NICE	91.39	3	3	4	1.10	185- 280 (100-205%)	8.3	NIL	10.95	NIL	41	3/31	◆2.64	2.87	3/31	NIL	NIL	YES
2028	2160	NIKE, Inc. 'B'		NKE	42.39	4	3	3	1.10	60- 90 (40-110%)	25.7	3.9	1.65	1.64	23	2/28	.35	.54	6/30	.41	.40	YES
	536	NiSource Inc.		NI	47.03	4	2	2	.85	▲ 50- 70 (5- 50%)	22.9	2.6	2.05	1.24	86	3/31	◆1.06	.98	6/30	.30	.28	YES
	108	Nissan Motor ADR(g)	(NDQ)	NSANY	4.50	5	3	3	.95	7- 10 (55-120%)	NMF	NIL	d1.78	NIL	83	12/31	d.10	d.05	3/31	▲NIL	NIL	
	959	Nokia Corp. ADR		NOK	13.92	3	3	4	1.05	7- 11 (N- N%)	34.8	1.2	.40	.17	32	3/31	.06	.03	6/30	▲.034	.044	YES
	1732	Nordson Corp.	(NDQ)	NDSN	281.85	▼3	3	3	1.15	300- 445 (5- 60%)	24.4	1.2	11.53	3.32	29	1/31	2.37	2.06	6/30	.82	.78	YES
	349	Norfolk Southern		NSC	311.11	–	2	–	1.00	275- 375 (N- 20%)	25.5	1.7	12.20	5.40	27	3/31	2.65	2.69	6/30	◆1.35	1.35	YES
	2216	Northern Trust Corp.	(NDQ)	NTRS	161.00	1	3	3	1.30	150- 225 (N- 40%)	15.7	2.0	10.25	3.20	38	3/31	2.71	1.90	6/30	.80	.75	YES
	1229	Northland Power	(TSE)	NPI.TO	23.19b	4	3	2	.70	25- 40 (10- 70%)	13.3	3.1	1.75	.72	85	12/31	.93(b)	.49(b)	6/30	▼.12(b)	.10(b)	YES
	725	Northrop Grumman		NOC	548.21	3	2	1	.60	660- 895 (20- 65%)	19.2	1.8	28.50	9.95	59	3/31	6.14	6.06	3/31	2.31	2.06	YES
	1506	Northwest Bancshares	(NDQ)	NWBI	13.70	3	2	3	.90	15- 25 (10- 80%)	13.4	5.8	1.02	.80	50	3/31	◆.34	.34	6/30	◆.20	.20	YES
	537	Northwest Natural		NWN	50.46	▼4	2	1	.75	55- 75 (10- 50%)	16.5	3.9	3.05	1.97	86	3/31	◆2.33	2.18	6/30	.492	.49	YES
	2198	NorthWestern Energy		NWE	70.77	–	2	–	.75	60- 85 (N- 20%)	18.9	3.8	3.75	2.69	78	3/31	1.31	1.25	3/31	▲.67	.66	YES
	2314	Norwegian Cruise Line		NCLH	16.58	3	5	3	1.90	30- 40 (80-140%)	6.6	NIL	2.52	NIL	72	3/31	.23	.07	3/31	NIL	NIL	YES
	1397	Nova, Ltd.	(NDQ)	NVMI	526.01	3	3	3	1.35	365- 545 (N- 5%)	51.3	NIL	10.25	NIL	1	12/31	2.14	1.58	3/31	NIL	NIL	YES
	122	Novanta Inc.	(NDQ)	NOVT	139.98	4	3	5	1.45	145- 215 (5- 55%)	38.9	NIL	3.60	NIL	53	12/31	.91	.76	3/31	NIL	NIL	YES
	1619	Novartis AG ADR		NVS	145.23	–	1	–	.80	155- 190 (5- 30%)	20.2	3.2	7.20	4.70	69	3/31	1.99	1.82	3/31	▼3.081	3.99	YES
1428	1620	Novo Nordisk ADR(g)		NVO	46.40	3	3	5	1.00	75- 110 (60-135%)	13.6	3.6	3.40	1.69	69	3/31	◆1.71	1.03	6/30	▲.873	1.241	YES
	219	NovoCure Limited	(NDQ)	NVCR	18.10	5	4	5	1.45	18- 27 (N- 50%)	NMF	NIL	d1.30	NIL	74	3/31	d.62	d.31	3/31	NIL	NIL	YES
	617	Nu Holdings Ltd		NU	13.50	3	3	2	1.55	▼ 20- 30 (50-120%)	15.9	NIL	.85	NIL	43	12/31	.18	.11	3/31	NIL	NIL	YES
	993	Nu Skin Enterprises		NUS						SEE FINAL SUPPLEMENT												
	746	Nucor Corp.		NUE	232.00	2	3	4	1.40	210- 310 (N- 35%)	19.7	1.0	11.75	2.27	15	12/31	1.73	1.22	6/30	.56	.55	YES
	1230	NuScale Power Corp		SMR	13.29	5	4	4	1.70	16- 25 (20- 90%)	NMF	NIL	d1.25	NIL	85	3/31	◆d.14	d.11	3/31	NIL	NIL	YES
	1817	Nutanix, Inc.	(NDQ)	NTNX	45.16	3	4	5	1.30	55- 95 (20-110%)	23.4	NIL	1.93	NIL	58	1/31	.56	.56	3/31	NIL	NIL	YES
	1602	Nutrien Ltd.		NTR	71.29	3	3	2	.90	80- 120 (10- 70%)	14.5	3.1	4.90	2.22	44	3/31	◆.51	.11	6/30	▲.55	.545	YES
	1214	Nuveen Muni Value Fund		NUV	9.23	–	1	–	.60	8- 10 (N- 10%)	NMF	4.2	NMF	.39	–	10/31	9.20(q)	9.30(q)	6/30	.065	.032	
	1312	nVent Electric plc		NVT	173.39	2	3	4	1.25	110- 165 (N- N%)	42.3	0.5	4.10	.84	9	3/31	1.09	.67	6/30	.21	.20	YES
1239	1367	NVIDIA Corp.	(NDQ)	NVDA	219.44	2	3	4	1.50	280- 420 (30- 90%)	26.6	NIL	8.25	.04	5	1/31	1.62	.89	6/30	▼.01	.01	YES
	1182	**O-I Glass**		OI	9.05	3	3	4	1.35	17- 25 (90-175%)	18.1	NIL	.50	NIL	62	3/31	.05	d.10	3/31	NIL	NIL	YES
	912	OGE Energy		OGE	47.40	3	2	1	.85	50- 65 (5- 35%)	19.3	3.6	2.45	1.70	82	3/31	.24	.31	6/30	.425	.421	YES
	123	OSI Systems	(NDQ)	OSIS	231.92	▼4	3	3	1.05	305- 455 (30- 95%)	21.5	NIL	10.80	NIL	53	3/31	2.60	2.40	3/31	NIL	NIL	YES
	512	Occidental Petroleum		OXY	55.14	▲3	3	1	1.00	▲ 75- 110 (35-100%)	11.0	1.9	▲5.00	1.04	3	3/31	◆1.06	.87	6/30	▲.26	.24	YES
	2408	Oceaneering Int'l		OII	37.93	3	3	3	1.60	30- 45 (N- 20%)	18.1	NIL	2.10	NIL	19	3/31	.36	.43	3/31	NIL	NIL	YES
	1231	Oklo Inc.		OKLO	78.13	–	4	–	NMF	85- 140 (10- 80%)	NMF	NIL	d.60	NIL	85	12/31	d.27	d.41	3/31	NIL	NIL	YES
	1818	Okta, Inc.	(NDQ)	OKTA	81.69	3	3	4	1.45	145- 215 (80-165%)	21.8	NIL	3.75	NIL	58	1/31	.90	.78	3/31	NIL	NIL	YES
	325	Old Dominion Freight	(NDQ)	ODFL	195.12	2	3	2	1.10	190- 285 (N- 45%)	36.8	0.6	5.30	1.16	21	3/31	1.14	1.19	3/31	▲.29	.28	YES
	782	Old Nat'l Bancorp	(NDQ)	ONB	24.16	4	3	3	1.15	30- 45 (25- 85%)	9.3	2.3	2.60	.56	31	3/31	.61	.44	3/31	▲.145	.14	YES
	769	Old Republic		ORI	39.22	3	2	2	.95	55- 75 (40- 90%)	11.9	3.0	3.30	1.16	30	3/31	.68	.81	3/31	▲.315	.29	YES
	1603	Olin Corp.		OLN	28.42	3	3	3	1.50	25- 40 (N- 40%)	NMF	2.8	d.65	.80	44	3/31	◆d.32	.05	3/31	.20	.20	YES
	2148	Ollie's Bargain Outlet	(NDQ)	OLLI	75.73	3	3	3	.70	120- 180 (60-140%)	18.0	NIL	4.20	NIL	18	1/31	1.39	1.19	3/31	NIL	NIL	YES
	220	Omnicell, Inc.	(NDQ)	OMCL	43.30	2	3	3	.80	45- 65 (5- 50%)	23.4	NIL	1.85	NIL	74	3/31	.55	.26	3/31	NIL	NIL	YES
1026	2378	Omnicom Group		OMC	75.15	4	3	3	1.00	140- 210 (85-180%)	7.0	4.3	10.75	3.20	77	3/31	1.90	1.70	6/30	.80	.70	YES
	2161	On Holding AG		ONON	34.04	4	3	3	1.55	55- 85 (60-150%)	27.2	NIL	1.25	NIL	23	12/31	.26	.30	3/31	NIL	NIL	YES
	1368	ON Semiconductor	(NDQ)	ON	107.24	1	3	4	1.50	75- 115 (N- 5%)	37.6	NIL	2.85	NIL	5	3/31	.64	.55	3/31	NIL	NIL	YES
	538	ONE Gas, Inc.		OGS	84.96	4	2	1	.75	95- 125 (10- 45%)	17.3	3.2	4.90	2.74	86	3/31	2.11	1.99	3/31	▲.68	.67	YES
	583	ONEOK Inc.		OKE	87.79	2	3	2	1.25	130- 195 (50-120%)	14.6	4.9	6.00	4.31	48	3/31	1.23	1.04	6/30	1.07	1.03	YES
	1398	Onto Innovation		ONTO	287.52	▼2	3	3	1.50	215- 320 (N- 10%)	44.2	NIL	6.50	NIL	1	3/31	◆1.42	1.51	3/31	NIL	NIL	YES
	2130	OPENLANE, Inc.		OPLN	37.05	3	3	4	1.10	30- 45 (N- 20%)	28.5	NIL	1.30	NIL	64	3/31	◆.35	.31	3/31	NIL	NIL	YES
	2575	Open Text Corp.	(NDQ)	OTEX	24.40	▲2	3	5	1.10	40- 55 (65-125%)	5.8	4.3	4.22	1.05	40	3/31	◆1.01	.35	3/31	.275	.262	YES
	1000	Optimum Comms. Inc.		OPTU	1.06	–	5	–	1.60	2- 4 (90-275%)	NMF	NIL	d.45	NIL	52	3/31	◆d6.10	d.16	3/31	NIL	NIL	YES
	810	Option Care Health	(NDQ)	OPCH	19.83	2	3	3	1.00	40- 60 (100-205%)	10.7	NIL	1.85	NIL	14	3/31	.40	.28	3/31	NIL	NIL	YES
1429	2576	Oracle Corp.		ORCL	193.84	3	3	5	1.15	400- 540 (105-180%)	26.6	1.0	7.30	2.00	40	2/28	1.79	1.47	6/30	.50	.50	YES
	2131	O'Reilly Automotive	(NDQ)	ORLY	91.35	3	2	2	.75	100- 140 (10- 55%)	28.1	NIL	3.25	NIL	64	3/31	.72	.62	3/31	NIL	NIL	YES
2435	1621	Organon & Co.		OGN	13.33	–	3	–	1.15	13- 20 (N- 50%)	3.8	0.6	3.50	.08	69	3/31	.71	1.02	6/30	◆.02	.02	YES
	1232	Ormat Technologies		ORA	123.63	▲4	3	2	.90	115- 175 (N- 40%)	60.3	0.4	2.05	.48	85	3/31	◆1.30	.66	3/31	.12	.12	YES
	151	Oshkosh Corp.		OSK	134.03	3	3	2	1.30	260- 385 (95-185%)	12.0	1.7	11.20	2.28	4	3/31	◆.85	1.92	3/31	▲.57	.51	YES
	1733	Otis Worldwide		OTIS	74.00	3	2	3	.95	135- 185 (80-150%)	17.0	2.3	4.35	1.68	29	3/31	.89	.92	3/31	.42	.39	YES
	913	Otter Tail Corp.	(NDQ)	OTTR	88.29	▲2	3	3	.85	90- 135 (N- 55%)	16.4	2.6	5.40	2.31	82	3/31	1.73	1.62	3/31	▲.577	.525	YES
	2379	OUTFRONT Media		OUT	32.24	▼4	3	3	1.55	20- 35 (N- 10%)	38.4	3.7	.84	1.20	77	3/31	◆.11	d.14	3/31	.30	.30	YES
	531	Ovintiv Inc.		OVV	59.09	3	3	2	1.35	65- 95 (10- 60%)	7.4	2.0	8.00	1.20	70	12/31	1.39	1.31	3/31	.30	.30	YES
	1122	Owens Corning		OC	119.85	3	3	4	1.30	135- 205 (15- 70%)	12.3	2.6	9.75	3.16	36	3/31	◆1.22	2.97	6/30	.79	.69	YES
	2111	Oxford Inds.		OXM	43.69	3	3	4	1.15	50- 70 (15- 60%)	18.4	6.4	2.38	2.80	42	1/31	d.09	1.37	6/30	▲.70	.69	YES
	513	**PBF Energy**		PBF	42.52	3	5	2	1.15	30- 55 (N- 30%)	23.0	2.6	▼1.85	1.10	3	3/31	d.88	d3.09	3/31	.275	.275	YES
	2199	PG&E Corp.		PCG	16.21	2	3	1	.90	25- 35 (55-115%)	9.8	1.5	1.65	.25	78	3/31	.48	.33	6/30	.05	.025	YES
	618	PNC Financial Serv.		PNC	214.59	3	3	3	1.25	255- 380 (20- 75%)	11.4	3.4	18.75	7.20	43	3/31	4.32	3.51	6/30	1.70	1.60	YES
	2422	PPG Inds.		PPG	107.95	3	2	4	1.20	100- 165 (N- 55%)	15.1	2.6	7.15	2.84	45	3/31	1.83	1.63	6/30	◆.71	.68	YES
	137	PPL Corp.		PPL	36.24	5	1	2	.80	40- 50 (10- 40%)	19.0	3.2	1.91	1.15	91	3/31	◆.63	.60	6/30	▲.285	.272	YES
	2577	PTC Inc.	(NDQ)	PTC	145.92	▲3	3	4	1.10	210- 315 (45-115%)	18.8	NIL	7.75	NIL	40	3/31	◆4.98	1.79	3/31	NIL	NIL	YES
	2112	PVH Corp.		PVH	83.30	1	3	3	1.45	110- 165 (30-100%)	6.9	0.2	12.10	.15	42	1/31	3.82	3.27	3/31	.037	.037	YES
	152	PACCAR Inc.	(NDQ)	PCAR	112.96	2	2	2	1.00	125- 170 (10- 50%)	20.0	4.0	5.65	4.50	4	3/31	1.15	1.46	3/31	.33	3.33	YES
	1183	Packaging Corp.		PKG	221.52	▲3	2	3	1.00	220- 300 (N- 35%)	20.4	2.3	10.85	5.00	62	3/31	2.40	2.31	6/30	1.25	1.25	YES
	2578	Palantir Technologies	(NDQ)	PLTR	136.89	2	3	3	1.75	120- 180 (N- 30%)	NMF	NIL	1.15	NIL	40	3/31	.33	.08	3/31	NIL	NIL	YES
	2018	Palo Alto Networks		PANW	213.66	4	3	5	1.10	210- 315 (N- 45%)	57.9	NIL	3.69	NIL	63	1/31	1.03	.38	3/31	NIL	NIL	YES
	1574	Pan Amer. Silver		PAAS	62.29	3	3	3	1.15	75- 110 (20- 75%)	12.1	1.3	5.15	.82	51	3/31	◆1.09	.42	3/31	▲.18	.10	YES
1645	368	Papa John's Int'l	(NDQ)	PZZA	33.38	–	3	–	1.05	40- 60 (20- 80%)	23.8	5.5	1.40	1.84	47	3/31	◆.32	.36	3/31	.46	.46	YES
1240	2336	Paramount Skydance	(NDQ)	PSKY	10.90	–	3	–	NMF	16- 25 (45-130%)	11.4	1.8	.96	.20	71	3/31	.15	.22	6/30	.05	.05	YES
	1537	Park Hotels & Resorts		PK	11.03	4	3	4	1.40	13- 20 (20- 80%)	27.6	9.1	.40	1.00	90	3/31	.06	d.29	6/30	.25	.25	YES
	783	Park National	(ASE)	PRK	170.23	3	3	3	.95	160- 240 (N- 40%)	14.9	2.5	11.40	4.28	31	3/31	2.39	2.60	3/31	▲1.10	1.07	YES
	1764	Parker-Hannifin		PH	874.36	2	2	2	1.30	1050-1415 (20- 60%)	26.8	0.9	32.63	7.80	22	3/31	8.17	6.94	6/30	▲2.00	1.80	YES
	514	Par Pacific Holdings		PARR	64.50	▼2	3	2	1.00	40- 60 (N- N%)	6.1	NIL	▲10.65	NIL	3	3/31	◆.78	d.94	3/31	NIL	NIL	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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	NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	726	Parsons Corp.		PSN	48.74	3	3	.90	90- 140 (85-185%)	14.5	NIL	3.35	NIL	59	3/31	.79	.78	3/31	NIL	NIL	YES
	2315	Patrick Inds.	(NDQ)	PATK	95.00	3	3	1.20	115- 175 (20- 85%)	19.8	2.0	4.80	1.88	72	3/31	1.10	1.11	3/31	.47	.40	YES
	2409	Patterson-UTI Energy	(NDQ)	PTEN	11.86	2	4	1.50	12- 20 (N- 70%)	NMF	3.4	d.25	.40	19	3/31	d.06	NIL	3/31	▲.10	.08	YES
	1637	Paychex, Inc.	(NDQ)	PAYX	93.88	3	2	.90	130- 175 (40- 85%)	16.8	4.6	5.59	4.32	37	2/28	1.56	1.43	3/31	1.08	.98	YES
	1638	Paycom Software		PAYC	138.44	▲2	3	1.15	175- 260 (25- 90%)	14.0	1.1	9.90	1.50	37	3/31	◆3.15	2.80	3/31	.375	.375	YES
	1639	Paylocity Holding	(NDQ)	PCTY	109.88	3	3	1.15	200- 300 (80-175%)	13.6	NIL	8.05	NIL	37	3/31	◆2.89	1.61	3/31	NIL	NIL	YES
439	2534	PayPal Holdings	(NDQ)	PYPL	45.07	▲2	3	1.35	70- 105 (55-135%)	8.6	1.3	5.25	.58	35	3/31	◆1.34	1.33	3/31	.14	NIL	YES
	1989	Pearson plc		PSO	14.70	3	3	.75	19- 30 (30-105%)	14.7	2.2	1.00	.32	28	12/31	.32	.51	6/30	▲.234	.22	YES
	2579	Pegasystems Inc	(NDQ)	PEGA	34.26	3	3	1.40	65- 100 (90-190%)	16.6	0.4	2.06	.12	40	3/31	.46	.76	6/30	.03	.015	YES
	2316	Peloton Interactive	(NDQ)	PTON	5.31	4	5	2.05	7- 12 (30-125%)	33.2	NIL	.16	NIL	72	3/31	◆.06	d.12	3/31	NIL	NIL	YES
	584	Pembina Pipeline	(TSE)	PPL.TO	63.28b	4	1	.70	90- 110 (40- 75%)	18.9	4.5	3.35	2.84	48	3/31	◆.81(b)	.80(b)	3/31	.71(b)	.69(b)	
	2363	PENN Entertainment	(NDQ)	PENN	15.94	5	4	1.60	20- 35 (25-120%)	15.9	NIL	1.00	NIL	61	3/31	d.02	d.25	3/31	NIL	NIL	YES
	2132	Penske Auto		PAG	173.26	3	3	.95	135- 205 (N- 20%)	12.4	3.2	14.00	5.52	64	3/31	3.05	3.39	3/31	▲1.40	1.22	YES
	1734	Pentair plc		PNR	75.83	3	2	1.15	130- 175 (70-130%)	14.2	1.4	5.35	1.04	29	3/31	1.22	1.11	6/30	.27	.25	YES
	181	Penumbra Inc.		PEN	321.71	–	3	1.10	310- 465 (N- 45%)	74.3	NIL	4.33	NIL	79	3/31	◆.32	.83	3/31	NIL	NIL	YES
	1971	PepsiCo, Inc.	(NDQ)	PEP	149.41	4	1	.60	235- 285 (55- 90%)	17.6	4.0	8.50	6.00	65	3/31	1.61	1.48	3/31	▲2.845	1.355	YES
	1949	Performance Food		PFGC	94.07	3	3	1.20	100- 150 (5- 60%)	18.3	NIL	5.14	NIL	26	3/31	◆.80	.79	3/31	NIL	NIL	YES
	2394	Permian Resources Corpor		PR	20.15	▼4	3	1.25	25- 40 (25-100%)	8.4	3.2	2.40	.64	13	3/31	◆.05	.42	3/31	▲.16	.15	YES
	1622	Perrigo Co. plc		PRGO	11.07	4	3	.85	14- 20 (25- 80%)	5.0	10.5	2.20	1.16-.60	69	3/31	◆.43	.60	3/31	.29	.29	YES
	515	Petroleo Brasileiro ADR		PBR	20.75	2	3	2	.90 ▲ 20- 30 (N- 45%)	4.9	10.3	4.25	2.14	3	12/31	.45	d.45	3/31	▼.056	.923	YES
	1623	Pfizer, Inc.		PFE	25.81	4	2	1	.75	30- 40 (15- 55%)	8.6	6.7	3.00	1.72	69	3/31	◆.75	.92	6/30	◆.43	.43	YES
	1978	Philip Morris Int'l		PM	182.11	4	1	3	.75	210- 260 (15- 45%)	21.6	3.2	8.45	5.88	80	3/31	1.96	1.69	6/30	1.47	1.35	YES
	516	Phillips 66		PSX	175.36	2	3	2	1.10	150- 225 (N- 30%)	24.2	2.9	7.25	5.13	3	3/31	.49	d.90	3/31	▲1.27	1.15	YES
	981	PHINIA Inc.		PHIN	80.26	2	3	3	1.35	90- 135 (10- 70%)	13.7	1.5	5.85	1.20	54	3/31	1.29	.94	3/31	▲.30	.27	YES
	1399	Photronics Inc.	(NDQ)	PLAB	54.96	1	3	4	1.55	35- 50 (N- N%)	25.1	NIL	2.19	NIL	1	1/31	.61	.52	3/31	NIL	NIL	YES
	1927	Pilgrim's Pride Corp.	(NDQ)	PPC	28.66	3	3	2	.80	40- 60 (40-110%)	6.9	NIL	4.15	NIL	68	3/31	.51	1.31	3/31	NIL	NIL	YES
	2200	Pinnacle West Capital		PNW	99.71	4	2	2	.75	105- 145 (5- 45%)	20.1	3.7	4.95	3.69	78	3/31	.27	d.04	6/30	.91	.895	YES
840	2624	Pinterest, Inc.		PINS	20.76	3	3	5	1.30	30- 40 (45- 95%)	12.6	NIL	1.65	NIL	57	3/31	.27	.23	3/31	NIL	NIL	YES
	1801	Piper Sandler Cos.		PIPR	79.98	3	3	3	1.45	60- 90 (N- 15%)	20.5	3.0	3.90	2.42	55	3/31	1.00	1.02	3/31	.175	.163	YES
	596	Plains All Amer. Pipe.	(NDQ)	PAA	21.99	3	3	1	1.05	25- 35 (15- 60%)	15.7	7.9	1.40	1.74	24	3/31	◆.29	.31	6/30	.417	.38	YES
	597	Plains GP Hldgs. L.P.	(NDQ)	PAGP	23.51	2	3	1	1.05	25- 40 (5- 70%)	19.6	7.4	1.20	1.74	24	3/31	◆.39	.24	3/31	▲.418	.38	YES
	2317	Planet Fitness		PLNT	48.40	▼4	3	3	1.10	105- 155 (115-220%)	13.8	NIL	3.50	NIL	72	3/31	◆.74	.59	3/31	NIL	NIL	YES
2226	1997	Playtika Holding	(NDQ)	PLTK	3.75	4	3	5	1.25	6- 9 (60-140%)	6.3	NIL	.60	NIL-.20	93	3/31	◆.04	.10	3/31	.10	.10	YES
	1334	Plexus Corp.	(NDQ)	PLXS	271.78	▲1	3	4	1.05	185- 280 (N- 5%)	33.9	NIL	8.02	NIL	10	3/31	2.05	1.66	3/31	NIL	NIL	YES
2650	2318	Polaris Inc.		PII	66.28	4	3	3	1.15	65- 100 (N- 50%)	42.8	4.1	1.55	2.73	72	3/31	.13	d.90	3/31	▲.68	.67	YES
	1149	Pool Corp.	(NDQ)	POOL	184.77	4	3	4	1.05	325- 485 (75-160%)	16.7	2.8	11.05	5.20	76	3/31	1.43	1.42	3/31	1.25	1.20	YES
	784	Popular Inc.	(NDQ)	BPOP	146.95	2	3	3	1.25	175- 265 (20- 80%)	10.3	2.0	14.20	3.00	31	3/31	3.78	2.55	6/30	.75	.70	YES
	2201	Portland General		POR	48.36	4	2	1	.75	55- 75 (15- 55%)	14.2	4.5	3.40	2.20	78	3/31	.58	.91	6/30	.525	.50	YES
	1928	Post Holdings		POST	100.53	2	3	4	.70	125- 185 (25- 85%)	13.7	NIL	7.33	NIL	68	3/31	◆1.94	1.41	3/31	NIL	NIL	YES
	439	PotlatchDeltic Corp.		PCH					SEE FINAL SUPPLEMENT												
	1313	Powell Industries	(NDQ)	POWL	322.05	1	3	4	1.15	130- 195 (N- N%)	19.0	0.1	16.95	.36	9	3/31	1.25	.42	3/31	▲.09	.089	YES
	1369	Power Integrations	(NDQ)	POWI	74.34	3	3	4	1.25	50- 75 (N- N%)	57.2	1.2	1.30	.86	5	3/31	◆.25	.35	3/31	▲.215	.21	YES
	1198	Prestige Consumer		PBH	50.65	4	3	3	.75	85- 115 (70-125%)	10.4	NIL	4.87	NIL	75	12/31	1.14	1.22	3/31	NIL	NIL	YES
	2217	Price (T. Rowe) Group	(NDQ)	TROW	104.75	4	2	5	1.30	130- 175 (25- 65%)	10.2	5.0	10.25	5.24	38	3/31	2.52	2.23	3/31	▲1.30	1.27	YES
	2149	PriceSmart	(NDQ)	PSMT	156.98	2	3	2	.90	65- 100 (N- N%)	29.1	0.9	5.40	1.40	18	2/28	1.62	1.45	3/31	▲.70	.63	YES
	1562	Primerica, Inc.		PRI	271.74	2	2	4	1.15	345- 465 (25- 70%)	11.1	1.8	24.50	4.80	66	3/31	◆5.96	5.02	3/31	▲1.20	1.04	YES
	1972	Primo Brands Corp.		PRMB	23.62	–	3	–	.95	25- 40 (5- 70%)	16.5	2.0	1.43	.48	65	3/31	◆.23	.29	3/31	▲.12	.10	YES
	1018	Primoris Services		PRIM	114.39	▼2	3	3	1.25	180- 270 (55-135%)	19.6	0.3	5.85	.32	8	3/31	◆.59	.81	6/30	.08	.08	YES
	2535	Principal Fin'l Group	(NDQ)	PFG	100.19	3	3	3	1.30	105- 155 (5- 55%)	10.8	3.2	9.30	3.20	35	3/31	2.07	1.81	3/31	▲.80	.75	YES
	1424	Privia Health	(NDQ)	PRVA	22.76	▼4	3	3	1.10	35- 55 (55-140%)	20.7	NIL	1.10	NIL	81	3/31	◆.02	.22	3/31	NIL	NIL	YES
	182	PROCEPT BioRobotics	(NDQ)	PRCT	26.45	5	5	4	1.45	40- 65 (50-145%)	NMF	NIL	d1.05	NIL	79	3/31	d.56	d.45	3/31	NIL	NIL	YES
	2580	Procore Technologies Inc		PCOR	50.10	▼5	3	4	1.40	80- 120 (60-140%)	34.6	NIL	1.45	NIL	40	3/31	◆.34	.23	3/31	NIL	NIL	YES
	1199	Procter & Gamble		PG	143.36	4	1	3	.65	190- 230 (35- 60%)	20.1	3.0	7.13	4.23	75	3/31	1.59	1.54	6/30	▲1.088	1.056	YES
	770	Progressive Corp.		PGR	196.91	3	2	3	.80	320- 435 (65-120%)	12.3	0.2	16.00	.40	30	3/31	4.96	4.65	6/30	▼.10	.10	YES
	1538	Prologis		PLD	144.07	3	3	3	1.20	120- 180 (N- 25%)	37.9	3.0	3.80	4.33	90	3/31	1.05	.63	3/31	▲1.07	1.01	YES
	2410	ProPetro Holding		PUMP	16.65	▼3	4	2	1.25	16- 25 (N- 50%)	NMF	NIL	d.05	NIL	19	3/31	d.03	.09	3/31	NIL	NIL	YES
	737	Proto Labs, Inc.		PRLB	70.95	2	3	3	1.30	55- 85 (N- 20%)	40.5	NIL	1.75	NIL	2	3/31	.54	.33	3/31	NIL	NIL	YES
	1507	Provident Fin'l Svcs.		PFS	22.09	3	3	2	1.10	25- 35 (15- 60%)	9.4	4.3	2.35	.96	50	3/31	.61	.49	3/31	.24	.24	YES
	1563	Prudential Fin'l		PRU	101.12	3	2	5	1.25	105- 140 (5- 40%)	7.2	5.6	13.95	5.65	66	3/31	◆3.61	3.29	3/31	▲1.40	1.35	YES
	138	Public Serv. Enterprise		PEG	77.68	4	1	1	.85	100- 120 (30- 55%)	17.9	3.5	4.35	2.72	91	3/31	◆1.55	1.43	3/31	▲.67	.63	YES
	1539	Public Storage		PSA	311.55	4	2	4	.95	400- 540 (30- 75%)	33.7	3.9	9.25	12.00	90	3/31	2.71	2.03	3/31	3.00	3.00	YES
	1139	PulteGroup, Inc.		PHM	115.45	3	3	2	1.15	145- 220 (25- 90%)	11.3	0.9	10.20	1.06	56	3/31	1.79	2.57	6/30	.26	.22	YES
	2581	**Q2 Holdings**		QTWO	47.30	3	3	4	1.70	90- 135 (90-185%)	43.0	NIL	1.10	NIL	40	3/31	.63	.07	3/31	NIL	NIL	YES
2642	1123	QXO Inc.		QXO	18.44	–	3	–	NMF	30- 50 (65-170%)	41.0	NIL	.45	NIL	36	12/31	.02	d.02	3/31	NIL	NIL	YES
	221	QIAGEN N.V.		QGEN	32.63	4	3	3	.80	45- 65 (40-100%)	12.8	0.8	2.55	.26	74	3/31	◆.54	.58	6/30	▲NIL	NIL	YES
	1400	Qnity Electronics Inc		Q	153.24	–	3	–	NMF	115- 170 (N- 10%)	40.3	0.2	3.80	.34	1	12/31	.48	NA	3/31	▲.08	NIL	YES
	1370	Qorvo Inc.	(NDQ)	QRVO	93.41	–	3	–	1.30	125- 190 (35-105%)	15.4	NIL	6.08	NIL	5	3/31	◆1.69	1.42	3/31	NIL	NIL	YES
	562	Quaker Chemical		KWR	143.33	3	3	4	1.40	200- 300 (40-110%)	19.1	1.4	7.50	2.03	39	3/31	1.63	1.58	6/30	.508	.485	YES
	1371	Qualcomm Inc.	(NDQ)	QCOM	237.53	3	3	5	1.20	190- 290 (N- 20%)	19.7	1.5	12.05	3.56	5	3/31	2.65	2.85	3/31	.89	.85	YES
	2019	Qualys, Inc.	(NDQ)	QLYS	91.53	2	3	4	1.15	150- 230 (65-150%)	12.5	NIL	7.30	NIL	63	3/31	◆1.95	1.29	3/31	NIL	NIL	YES
	1019	Quanta Services		PWR	781.38	2	3	4	1.15	660- 985 (N- 25%)	60.1	0.1	13.00	.44	8	3/31	2.68	1.78	6/30	.11	.10	YES
	982	QuantumScape Corp.	(NDQ)	QS	8.03	5	5	5	2.05	9- 16 (10-100%)	NMF	NIL	d.65	NIL	54	3/31	d.16	d.21	3/31	NIL	NIL	YES
	811	Quest Diagnostics		DGX	189.81	3	2	1	.65	180- 245 (N- 30%)	18.4	1.8	10.30	3.44	14	3/31	2.50	2.21	6/30	▲.86	.80	YES
	222	QuidelOrtho Corp.	(NDQ)	QDEL	9.96	5	4	3	1.05	20- 35 (100-250%)	4.0	NIL	2.50	NIL	74	3/31	◆d.04	.74	3/31	NIL	NIL	YES
	153	**RB Global**		RBA	104.43	–	3	–	1.00	110- 170 (5- 65%)	24.0	1.2	4.35	1.24	4	3/31	◆1.01	.89	3/31	.31	.29	YES
	1735	RBC Bearings		RBC	613.59	3	3	3	1.20	340- 505 (N- N%)	50.4	NIL	12.18	NIL	29	12/31	3.04	2.34	3/31	NIL	NIL	YES
	439	REV Group Inc		REVG					SEE FINAL SUPPLEMENT												
	1162	RH		RH	129.20	5	4	4	1.80	330- 550 (155-325%)	16.3	NIL	7.95	NIL	87	1/31	1.46	1.58	3/31	NIL	NIL	YES
	771	RLI Corp.		RLI	48.34	3	2	3	.80	90- 120 (85-150%)	17.3	1.4	2.80	.69	30	3/31	.83	.92	3/31	.16	.15	YES
	2411	RPC Inc.		RES	7.02	3	4	2	1.20	9- 16 (30-130%)	23.4	2.3	.30	.16	19	3/31	◆.03	.06	6/30	◆.04	.04	YES
	563	RPM Int'l		RPM	99.54	3	2	3	1.00	125- 170 (25- 70%)	17.4	2.2	5.72	2.16	39	2/28	.57	.40	6/30	.54	.51	YES
	727	RTX Corp.		RTX	178.61	3	2	1	.95	185- 250 (5- 40%)	26.3	1.5	6.80	2.72	59	3/31	1.78	1.47	3/31	.68	.63	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	326	RXO, Inc.		RXO	20.70	▲3	3	5	1.60	15- 25 (N- 20%)	NMF	NIL	.05	NIL	21	3/31	◆d.09	d.03	3/31	NIL	NIL	YES
	124	Ralliant Corp.		RAL	49.56	–	3	–	NMF	55- 80 (10- 60%)	19.5	0.4	2.54	.20	53	12/31	.69	NA	3/31	.05	NIL	YES
	2113	Ralph Lauren		RL	343.10	▼3	3	2	1.35	360- 540 (5- 55%)	19.1	1.1	17.97	3.65	42	12/31	6.22	4.82	6/30	.912	.825	YES
233	1372	Rambus Inc.	(NDQ)	RMBS	134.51	▼3	3	3	1.45	100- 150 (N- 10%)	54.9	NIL	2.45	NIL	5	3/31	.63	.56	3/31	NIL	NIL	YES
	2395	Range Resources		RRC	40.97	3	3	2	1.25	55- 85 (35-105%)	10.2	1.0	4.00	.40	13	3/31	1.52	.96	3/31	▲.10	.09	YES
	2020	Rapid7, Inc.	(NDQ)	RPD	6.37	–	4	–	1.40	8- 12 (25- 90%)	4.1	NIL	1.55	NIL	63	3/31	◆.36	.49	3/31	NIL	NIL	YES
	2218	Raymond James Fin'l		RJF	151.04	3	3	3	1.30	185- 280 (20- 85%)	12.2	1.5	12.34	2.26	38	3/31	2.83	2.42	6/30	.54	.50	YES
	1168	Rayonier Inc.		RYN	20.31	–	3	–	1.00	25- 35 (25- 70%)	36.3	5.1	.56	1.04	92	3/31	◆.07	d.02	3/31	▼.26	.272	YES
	1540	Realty Income Corp.		O	62.36	5	1	3	.85	95- 115 (50- 85%)	37.8	5.3	1.65	3.33	90	3/31	◆.33	.28	6/30	▼.541	.268	YES
	2364	Red Rock Resorts	(NDQ)	RRR	52.56	4	3	2	1.40	65- 95 (25- 80%)	23.4	2.0	2.25	1.04	61	3/31	.73	.51	3/31	.26	.25	YES
440	2625	Reddit Inc		RDDT	159.51	–	4	–	NMF	215- 360 (35-125%)	45.6	NIL	3.50	NIL	57	3/31	1.01	.13	3/31	NIL	NIL	YES
	1736	Regal Rexnord		RRX	211.33	3	3	3	1.35	230- 340 (10- 60%)	20.1	0.7	10.50	1.40	29	3/31	◆2.17	2.14	6/30	.35	.35	YES
	1541	Regency Centers Corp.	(NDQ)	REG	77.72	4	2	3	1.00	75- 105 (N- 35%)	32.4	3.9	2.40	3.02	90	3/31	.68	.58	6/30	.755	.705	YES
	833	Regeneron Pharmac.	(NDQ)	REGN	712.77	3	3	1	.80	860-1285 (20- 80%)	15.9	0.5	44.80	3.52	89	3/31	9.47	8.22	3/31	▲.94	.88	YES
	619	Regions Financial		RF	26.83	2	3	2	1.35	35- 50 (30- 85%)	10.3	4.2	2.60	1.14	43	3/31	.62	.51	6/30	.265	.25	YES
	2008	Reinsurance Group		RGA	209.47	3	2	2	1.10	300- 450 (45-115%)	8.1	1.8	26.00	3.84	49	3/31	◆6.97	5.66	3/31	.93	.89	YES
	747	Reliance, Inc.		RS	368.47	2	3	3	1.05	390- 590 (5- 60%)	21.3	1.4	17.30	5.20	15	3/31	5.16	3.77	3/31	▲1.25	1.20	YES
	2009	RenaissanceRe Hldgs.		RNR	295.95	2	3	2	.85	400- 600 (35-105%)	7.8	0.6	37.75	1.65	49	3/31	13.75	d1.49	3/31	▲.41	.40	YES
	223	Repligen Corp.	(NDQ)	RGEN	115.91	4	3	4	1.35	120- 180 (5- 55%)	55.2	NIL	2.10	NIL	74	3/31	◆.48	.39	3/31	NIL	NIL	YES
	413	Republic Services		RSG	197.73	2	1	2	.70	230- 280 (15- 40%)	27.3	1.2	7.25	2.32	25	3/31	◆1.70	1.58	6/30	.625	.58	YES
	1335	Resideo Technologies		REZI	37.47	4	3	3	1.40	40- 60 (5- 60%)	12.5	NIL	3.00	NIL	10	12/31	.50	.59	3/31	NIL	NIL	YES
	224	ResMed Inc.		RMD	198.76	3	3	3	.95	325- 485 (65-145%)	17.9	1.3	11.10	2.50	74	3/31	2.86	2.37	3/31	.60	.53	YES
	369	Restaurant Brands Int'l		QSR	78.23	3	3	2	.85	75- 110 (N- 40%)	19.6	3.3	4.00	2.57	47	3/31	◆.86	.76	6/30	▲.65	.62	YES
	2639	Revolve Group		RVLV	18.63	3	4	2	1.65	30- 50 (60-170%)	23.3	NIL	.80	NIL	73	3/31	◆.20	.16	3/31	NIL	NIL	YES
	225	Revvity, Inc.		RVTY	98.95	4	3	4	1.10	125- 185 (25- 85%)	18.3	0.3	5.40	.28	74	3/31	◆1.06	1.01	6/30	.07	.07	YES
	1542	Rexford Industrial Realt		REXR	35.89	3	3	4	1.10	50- 75 (40-110%)	31.2	4.9	1.15	1.75	90	3/31	.38	.30	6/30	▲.435	.43	YES
	1200	Reynolds Consumer	(NDQ)	REYN	21.60	3	2	3	.65	40- 55 (85-155%)	11.4	4.3	1.90	.92	75	3/31	◆.28	.23	3/31	.23	.23	YES
	1415	Rigetti Computing Inc	(NDQ)	RGTI	20.51	5	5	3	1.80	30- 55 (45-170%)	NMF	NIL	d.12	NIL	46	3/31	◆d.06	.13	3/31	NIL	NIL	YES
	934	RingCentral, Inc.		RNG	44.62	2	4	3	1.55	45- 75 (N- 70%)	8.9	0.7	5.00	.30	41	3/31	◆1.20	1.00	3/31	▲.075	NIL	YES
	1590	Rio Tinto plc		RIO	107.90	3	2	3	1.05	70- 90 (N- N%)	15.6	4.1	6.90	4.40	33	12/31	3.33(p)	3.52(p)	6/30	▲2.52	2.25	YES
	109	Rivian Automotive	(NDQ)	RIVN	14.08	5	5	2	1.85	16- 30 (15-115%)	NMF	NIL	d2.80	NIL	83	3/31	d.57	d.41	3/31	NIL	NIL	YES
	1640	Robert Half Inc.		RHI	26.54	4	3	3	1.05	40- 55 (50-105%)	17.7	8.9	1.50	2.36-1.18	37	3/31	.14	.17	3/31	.59	.59	YES
	1787	Robinhood Markets	(NDQ)	HOOD	80.78	5	3	3	2.05	95- 140 (20- 75%)	29.4	NIL	2.75	NIL	67	3/31	.38	.37	3/31	NIL	NIL	YES
440	1998	Roblox Corp.		RBLX	41.31	5	4	3	1.55	70- 115 (70-180%)	NMF	NIL	d1.65	NIL	93	3/31	d.27	d.32	3/31	NIL	NIL	YES
	2536	Rocket Companies		RKT	14.83	5	4	3	1.30	30- 50 (100-235%)	17.4	NIL	.85	NIL	35	3/31	◆.15	.04	3/31	NIL	NIL	YES
		Rocket Lab USA Inc								NAME CHANGED TO ROCKET LAB CORP.												
★★	728	Rocket Lab Corp.	(NDQ)	RKLB	117.35	5	4	3	1.80 ▲	50- 85 (N- N%)	NMF	NIL	d.25	NIL	59	3/31	◆d.07	d.12	3/31	NIL	NIL	YES
440	1314	Rockwell Automation		ROK	456.66	3	3	3	1.20	340- 510 (N- 10%)	37.0	1.2	12.35	5.60	9	3/31	◆3.30	2.45	3/31	1.38	1.31	YES
	935	Rogers Communications	(TSE)	RCIB.TO	49.97b	3	2	2	.60	70- 90 (40- 80%)	10.2	4.0	4.90	2.00	41	3/31	1.01(b)	.99(b)	6/30	.50(b)	.50(b)	YES
	1336	Rogers Corp.		ROG	138.52	3	3	3	.85 ▲	185- 275 (35-100%)	42.6	NIL	3.25	NIL	10	3/31	.75	.27	3/31	NIL	NIL	YES
	1999	Roku, Inc.	(NDQ)	ROKU	128.07	3	4	4	1.80	105- 175 (N- 35%)	64.0	NIL	2.00	NIL	93	3/31	.57	d.19	3/31	NIL	NIL	YES
	402	Rollins, Inc.		ROL	52.88	3	2	2	.80	65- 90 (25- 70%)	42.3	1.4	1.25	.73	11	3/31	.24	.22	6/30	◆.182	.165	YES
	2582	Roper Tech.		ROP	328.80	2	1	3	.90	610- 745 (85-125%)	15.3	1.2	21.50	3.82	40	3/31	5.16	4.78	6/30	.91	.825	YES
	2150	Ross Stores	(NDQ)	ROST	214.55	2	3	2	.95	200- 300 (N- 40%)	29.6	0.8	7.25	1.78	18	1/31	2.00	1.79	3/31	▲.445	.405	YES
	620	Royal Bank of Canada	(TSE)	RY.TO	247.37b	3	1	4	.80	215- 260 (N- 5%)	16.2	2.8	15.25	6.90	43	1/31	4.03(b)	3.54(b)	6/30	1.64(b)	1.48(b)	YES
	2319	Royal Caribbean		RCL	263.46	▲3	3	3	1.75	315- 470 (20- 80%)	14.8	2.3	17.75	6.00	72	3/31	3.60	2.71	6/30	▲1.50	.75	YES
	1575	Royal Gold	(NDQ)	RGLD	245.13	4	3	1	.85	440- 660 (80-170%)	21.0	0.8	11.70	1.90	51	3/31	◆3.31	1.51	6/30	.475	.45	YES
	1215	Royce Small-Cap Trust		RVT	18.76	–	3	–	1.25	18- 25 (N- 35%)	NMF	0.5	NMF	.10	–	12/31	17.69(q)	16.99(q)	3/31	▼.30	.30	
	2021	Rubrik Inc		RBRK	62.17	–	4	–	NMF	80- 115 (30- 85%)	NMF	NIL	.15	NIL	63	1/31	d.43	d.18	3/31	NIL	NIL	YES
	2133	Rush Enterprises 'A'	(NDQ)	RUSHA	72.49	2	3	3	1.00	60- 90 (N- 25%)	19.9	1.0	3.65	.76	64	3/31	.77	.73	3/31	.19	.18	YES
	748	Russel Metals	(TSE)	RUS.TO	57.21b	3	3	4	1.05	60- 95 (5- 65%)	15.9	3.1	3.60	1.75	15	3/31	◆1.30(b)	.75(b)	3/31	.43(b)	.42(b)	YES
	2537	Ryan Specialty Grp		RYAN	31.29	4	3	3	.85	50- 70 (60-125%)	13.9	1.7	2.25	.52	35	3/31	.47	d.22	3/31	▲.13	.12	YES
	311	Ryanair Hldgs plc ADS	(NDQ)	RYAAY	56.60	3	3	2	1.15	70- 105 (25- 85%)	12.3	1.8	4.62	1.00	60	12/31	.26	.29	3/31	▼.32	.452	YES
	327	Ryder System		R	232.47	▲1	3	3	1.20	190- 290 (N- 25%)	16.3	1.6	14.23	3.64	21	3/31	2.54	2.46	3/31	.91	.81	YES
	1543	Ryman Hospitality		RHP	108.70	3	3	5	1.20	95- 145 (N- 35%)	27.9	4.0	3.90	4.40	90	3/31	1.04	1.00	6/30	1.20	1.15	YES
	433	**S&P Global**		SPGI	421.00	▲3	2	3	1.10	515- 700 (20- 65%)	21.2	0.9	19.90	3.88	7	3/31	4.97	4.37	3/31	▲.97	.96	YES
	2583	SAP SE		SAP	170.10	3	2	4	1.05	225- 305 (30- 80%)	22.4	1.5	7.60	2.54	40	3/31	1.72	1.77	6/30	▼2.135	2.749	YES
	1544	SBA Communications	(NDQ)	SBAC	217.26	4	3	3	.85	290- 435 (35-100%)	27.2	2.4	8.00	5.12	90	3/31	1.74	2.04	3/31	▲1.25	1.11	YES
	2219	SEI Investments	(NDQ)	SEIC	91.59	2	2	4	1.10	120- 165 (30- 80%)	15.9	1.1	5.75	1.04	38	3/31	1.44	1.17	3/31	▲.52	.49	YES
	341	SFL Corp. Ltd		SFL	12.00	4	3	3	.90	11- 16 (N- 35%)	85.7	6.7	.14	.80	12	12/31	.04	.15	3/31	.20	.27	YES
	2412	SLB Ltd.		SLB	54.93	4	3	2	1.20	60- 90 (10- 65%)	19.6	2.2	2.80	1.20	19	3/31	.52	.72	6/30	▲.295	.285	YES
	1545	SL Green Realty		SLG	44.22	5	3	4	1.55	60- 90 (35-105%)	NMF	7.0	d2.20	3.09-2.00	90	3/31	d1.20	d.30	6/30	▼.617	.257	YES
	2538	SLM Corporation	(NDQ)	SLM	21.76	4	3	4	1.25	30- 45 (40-105%)	7.8	2.4	2.80	.52	35	3/31	1.54	1.40	3/31	.13	.13	YES
	2584	SPS Commerce	(NDQ)	SPSC	52.78	2	3	4	1.20	90- 135 (70-155%)	11.9	NIL	4.45	NIL	40	3/31	1.10	1.00	3/31	NIL	NIL	YES
	1737	SPX Technologies		SPXC	203.24	3	3	2	1.20	255- 385 (25- 90%)	25.9	NIL	7.85	NIL	29	3/31	1.69	1.38	3/31	NIL	NIL	YES
	2585	SS&C Techn. Hldgs	(NDQ)	SSNC	67.04	1	2	3	1.10	110- 150 (65-125%)	9.8	1.6	6.85	1.08	40	3/31	1.69	1.44	3/31	.27	.25	YES
	1576	SSR Mining Inc.	(NDQ)	SSRM	34.74	3	4	2	.90	50- 80 (45-130%)	7.2	NIL	4.85	NIL	51	3/31	◆1.15	.29	3/31	NIL	NIL	YES
	2586	Sabre Corp.	(NDQ)	SABR	1.91	–	5	–	1.95	3- 5 (55-160%)	0.6	NIL	3.15	NIL	40	3/31	◆.06	NIL	3/31	NIL	NIL	YES
	328	Saia, Inc.	(NDQ)	SAIA	446.18	2	3	3	1.15	370- 555 (N- 25%)	39.8	NIL	11.20	NIL	21	3/31	1.86	1.86	3/31	NIL	NIL	YES
	1819	SailPoint Inc	(NDQ)	SAIL	11.77	–	3	–	NMF	20- 30 (70-155%)	33.6	NIL	.35	NIL	58	1/31	.08	NA	6/30	NIL	NIL	YES
	1020	St. Joe Corp.		JOE	65.10	3	3	3	1.20	65- 95 (N- 45%)	26.0	1.0	2.50	.64	8	3/31	.24	.30	3/31	.16	.14	YES
	2587	Salesforce, Inc.		CRM	177.49	1	3	4	1.20	290- 435 (65-145%)	13.7	0.9	13.00	1.66	40	1/31	3.81	1.75	6/30	▲.44	.416	YES
	2176	Sally Beauty		SBH	12.98	2	3	2	1.15	18- 25 (40- 95%)	6.1	NIL	2.12	NIL	16	3/31	◆.43	.42	3/31	NIL	NIL	YES
1429	2588	Samsara Inc		IOT	29.07	3	4	4	1.65	40- 65 (40-125%)	NMF	NIL	.10	NIL	40	1/31	.18	d.02	3/31	NIL	NIL	YES
	1416	Sandisk Corp.	(NDQ)	SNDK	1547.56	–	3	–	NMF	790-1190 (N- N%)	24.3	NIL	63.58	NIL	46	3/31	23.03	d.30	6/30	NIL	NIL	YES
233	1337	Sanmina Corp.	(NDQ)	SANM	245.44	1	3	4	1.15	155- 230 (N- N%)	23.9	NIL	10.27	NIL	10	3/31	3.16	1.41	3/31	NIL	NIL	YES
	1624	Sanofi ADR	(NDQ)	SNY	42.50	3	1	2	.75	55- 65 (30- 55%)	8.5	5.6	5.00	2.38	69	12/31	.88	.28	6/30	▼1.766	2.212	YES
	1929	Saputo Inc.	(TSE)	SAP.TO	40.19b	4	2	2	.60	45- 60 (10- 50%)	18.3	2.0	2.20	.80	68	12/31	.57(b)	.39(b)	3/31	.20(b)	.19(b)	YES
	226	Schein (Henry)	(NDQ)	HSIC	68.99	3	2	2	.80	90- 125 (30- 80%)	12.9	NIL	5.35	NIL	74	3/31	◆1.32	1.15	3/31	NIL	NIL	YES
	329	Schneider National		SNDR	29.84	3	3	3	.90	25- 40 (N- 35%)	29.8	1.3	1.00	.38	21	3/31	.12	.16	6/30	▲.10	.095	YES
	2373	Scholastic Corp.	(NDQ)	SCHL	40.06	3	3	2	1.00	60- 90 (50-125%)	16.0	2.0	2.50	.80	6	2/28	2.55	d.05	6/30	.20	.20	YES
	1788	Schwab (Charles)		SCHW	87.83	▼3	3	2	1.30	125- 190 (40-115%)	15.0	1.5	5.85	1.28	67	3/31	1.43	1.04	6/30	◆.32	.27	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential			Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	403	Science Applications	(NDQ)	SAIC	92.65	1	3	3	.85	175-	260	(90-180%)	9.7	1.6	9.60	1.48	11	1/31	2.62	2.57	6/30	.37	.37	YES
	1201	Scotts Miracle-Gro		SMG	60.03	3	3	2	1.25	95-	145	(60-140%)	13.8	4.4	4.35	2.64	75	3/31	4.53	3.99	3/31	.66	.66	YES
★★	2640	Sea Limited ADS		SE	84.87	4	4	4	1.70	135-	225	(60-165%)	26.5	NIL	3.20	NIL	73	12/31	.63	.39	3/31	NIL	NIL	YES
	1417	Seagate Technology plc	(NDQ)	STX	834.01	2	3	4	1.35	265-	395	(N- N%)	53.9	0.4	15.48	2.96	46	3/31	4.10	1.90	6/30	.74	.72	YES
2434	1184	Sealed Air		SEE						SEE FINAL SUPPLEMENT														
	812	Select Med. Hldgs.		SEM	16.44	–	4	–	1.20	20-	35	(20-115%)	12.2	1.5	1.35	.25	14	3/31	.35	.44	3/31	.062	.062	YES
	772	Selective Ins. Group	(NDQ)	SIGI	84.81	2	2	3	.85	135-	180	(60-110%)	10.2	2.2	8.30	1.87	30	3/31	1.69	1.76	3/31	.43	.38	YES
	2202	Sempra		SRE	92.83	3	3	1	.90	95-	145	(N- 55%)	18.4	2.9	5.05	2.66	78	3/31	◆1.51	1.44	6/30	▲.658	.645	YES
	1373	Semtech Corp.	(NDQ)	SMTC	136.53	3	4	3	1.60	85-	140	(N- 5%)	63.5	NIL	2.15	NIL	5	1/31	.44	.40	3/31	NIL	NIL	YES
	125	Sensata Techn. plc		ST	45.29	2	3	3	1.35	45-	70	(N- 55%)	12.4	1.1	3.65	.48	53	3/31	.86	.78	3/31	.12	.12	YES
	1930	Sensient Techn.		SXT	117.33	3	3	4	1.05	75-	115	(N- N%)	31.7	1.4	3.70	1.64	68	3/31	1.04	.86	6/30	◆.41	.41	YES
	2022	SentinelOne, Inc.		S	16.33	4	4	5	1.55	25-	40	(55-145%)	46.7	NIL	.35	NIL	63	1/31	.07	d.22	3/31	NIL	NIL	YES
	404	Service Corp. Int'l		SCI	77.38	▼4	3	2	.85	90-	135	(15- 75%)	18.4	1.8	4.20	1.36	11	3/31	.97	.96	3/31	.34	.32	YES
233	2589	ServiceNow, Inc.		NOW	91.49	3	3	4	1.30	160-	240	(75-160%)	43.6	NIL	2.10	NIL	40	3/31	.97	.44	3/31	NIL	NIL	YES
	2590	ServiceTitan Inc	(NDQ)	TTAN	60.29	–	4	–	NMF	75-	125	(25-105%)	46.4	NIL	1.30	NIL	40	1/31	.27	d2.80	3/31	NIL	NIL	YES
	370	Shake Shack		SHAK	64.50	3	3	4	1.40	120-	180	(85-180%)	46.1	NIL	1.40	NIL	47	3/31	◆d.01	.14	3/31	NIL	NIL	YES
	1202	SharkNinja Inc		SN	107.49	3	3	3	1.70	160-	240	(50-125%)	17.9	NIL	6.00	NIL	75	3/31	◆1.09	.87	3/31	NIL	NIL	YES
231	517	Shell plc		SHEL	85.36	2	2	1	.90	90-	125	(5- 45%)	12.6	3.4	6.75	2.86	3	3/31	◆2.44	1.58	3/31	▲.744	.716	YES
	936	Shenandoah Telecom.	(NDQ)	SHEN	16.00	4	3	3	.85	12-	18	(N- 15%)	NMF	0.8	d.80	.12	41	3/31	d.31	d.19	12/31	▲.11	.10	YES
	1150	Sherwin-Williams		SHW	312.70	3	2	3	1.00	445-	605	(40- 95%)	25.7	1.0	12.15	3.26	76	3/31	2.35	2.25	3/31	▲.80	.79	YES
	2539	Shift4 Payments Inc		FOUR	41.47	3	4	4	1.75	60-	100	(45-140%)	7.4	NIL	5.60	NIL	35	3/31	◆.97	1.07	3/31	NIL	NIL	YES
1026	1315	Shoals Technologies	(NDQ)	SHLS	9.32	4	4	3	1.45	7-	13	(N- 40%)	23.3	NIL	.40	NIL	9	3/31	◆.07	NIL	3/31	NIL	NIL	YES
441	1820	Shopify Inc.	(NDQ)	SHOP	102.54	4	3	3	1.90	175-	265	(70-160%)	57.0	NIL	1.80	NIL	58	3/31	◆.36	.25	3/31	NIL	NIL	YES
	1825	SI-BONE, Inc.		SIBN						SEE FINAL SUPPLEMENT														
	1765	Siemens AG (ADS)	(NDQ)	SIEGY	157.81	3	2	3	1.25	120-	160	(N- N%)	22.6	1.7	6.99	2.72	22	12/31	1.66	2.06	3/31	▼2.306	2.69	
	2177	Signet Jewelers Ltd.		SIG	83.13	2	3	2	1.30	110-	165	(30-100%)	8.6	1.7	9.68	1.40	16	1/31	6.25	6.62	6/30	▲.35	.32	YES
	1185	Silgan Holdings		SLGN	39.60	2	3	3	1.05	75-	115	(90-190%)	10.4	2.2	3.80	.88	62	3/31	.60	.82	3/31	▲.21	.20	YES
	1374	Silicon Labs.	(NDQ)	SLAB	217.21	–	3	–	1.45	160-	240	(N- 10%)	83.5	NIL	2.60	NIL	5	3/31	◆.53	d.08	3/31	NIL	NIL	YES
	1546	Simon Property Group		SPG	201.00	3	3	3	1.25	170-	255	(N- 25%)	30.5	4.5	6.60	8.95	90	12/31	9.35	2.04	3/31	2.20	2.10	YES
2442	1931	Simply Good Foods	(NDQ)	SMPL	11.37	▲3	3	3	.75	20-	30	(75-165%)	5.5	NIL	2.05	NIL	68	2/28	.45	.46	3/31	NIL	NIL	YES
	1124	Simpson Manufacturing		SSD	185.62	2	3	3	1.15	190-	285	(N- 55%)	21.2	0.6	8.75	1.12	36	3/31	◆2.13	1.85	6/30	.29	.28	YES
	2337	Sinclair, Inc.	(NDQ)	SBGI	14.27	3	4	3	1.45	15-	25	(5- 75%)	5.9	7.0	2.40	1.00	71	3/31	.28	d2.30	3/31	.25	.25	YES
	2338	Sirius XM Holdings	(NDQ)	SIRI	26.79	–	3	–	1.10	45-	65	(70-145%)	8.9	4.1	3.00	1.10	71	3/31	.72	.59	6/30	◆.27	.27	YES
	2010	SiriusPoint Ltd.		SPNT	23.01	3	3	3	1.00	19-	30	(N- 30%)	8.9	NIL	2.60	NIL	49	3/31	◆.82	.49	3/31	NIL	NIL	YES
	1151	SiteOne Landscape		SITE	121.55	4	3	3	1.30	175-	265	(45-120%)	27.0	NIL	4.50	NIL	76	3/31	d.60	d.61	3/31	NIL	NIL	YES
★★	1375	SiTime Corp.	(NDQ)	SITM	901.48	▲3	4	4	2.05	300-	500	(N- N%)	NMF	NIL	5.10	NIL	5	3/31	◆1.44	.26	3/31	NIL	NIL	YES
	2320	Six Flags Ent. Corp.		FUN	20.15	–	3	–	1.10	30-	40	(50-100%)	NMF	NIL	d.45	NIL	72	3/31	◆d1.74	d2.20	6/30	.30	.30	YES
	987	SkinHealth Systems Inc.		SKIN						SEE FINAL SUPPLEMENT														
	312	SkyWest	(NDQ)	SKYW	86.06	3	3	3	1.45	120-	180	(40-110%)	7.9	NIL	10.90	NIL	60	3/31	2.50	2.42	3/31	NIL	NIL	YES
	1376	Skyworks Solutions	(NDQ)	SWKS	70.13	▼4	3	5	1.25	55-	80	(N- 15%)	14.9	4.1	4.71	2.87	5	3/31	◆1.15	1.24	3/31	.71	.70	YES
1429	2321	Smith & Wesson Brands	(NDQ)	SWBI	14.40	–	3	–	.95	14-	20	(N- 40%)	40.0	3.6	.36	.52	72	1/31	.08	.02	6/30	.13	.13	YES
	1738	Smith (A.O.)		AOS	58.52	3	3	3	1.05	90-	130	(55-120%)	14.6	2.3	4.00	1.36	29	3/31	.85	.95	6/30	.36	.34	YES
	183	Smith & Nephew Plc		SNN	29.10	3	3	2	.90	45-	65	(55-125%)	18.8	2.6	1.55	.75	79	12/31	.76	.45	6/30	▲.467	.462	YES
	1932	Smithfield Foods Inc	(NDQ)	SFD	25.44	–	3	–	NMF	25-	35	(N- 40%)	10.0	4.9	2.55	1.25	68	3/31	.62	.57	6/30	▲.312	.50	
	1933	Smucker (J.M.)		SJM	99.22	3	2	3	.50	115-	155	(15- 55%)	9.9	4.5	10.02	4.48	68	1/31	2.38	2.22	3/31	1.10	1.08	YES
	1186	Smurfit Westrock plc	(NDQ)	SW	40.90	–	3	–	NMF	60-	85	(45-110%)	16.4	4.5	2.50	1.85	62	3/31	.12	.72	3/31	▲.452	.43	YES
	2626	Snap Inc.		SNAP	5.75	4	4	5	1.60	7-	12	(20-110%)	NMF	NIL	d.15	NIL	57	3/31	◆.10	d.08	3/31	NIL	NIL	YES
	1739	Snap-on Inc.		SNA	370.46	3	2	3	.95	310-	415	(N- 10%)	18.4	2.8	20.10	10.44	29	3/31	4.69	4.51	3/31	2.44	2.14	YES
	1821	Snowflake Inc.		SNOW	151.50	5	4	4	1.50	240-	400	(60-165%)	NMF	NIL	1.40	NIL	58	1/31	.32	d.99	3/31	NIL	NIL	YES
	2540	SoFi Technologies Inc	(NDQ)	SOFI	16.26	▼4	4	3	1.95	25-	40	(55-145%)	27.1	NIL	.60	NIL	35	3/31	.12	.06	3/31	NIL	NIL	YES
	1233	SolarEdge Tech.	(NDQ)	SEDG	41.79	4	5	2	1.80	30-	50	(N- 20%)	NMF	NIL	d.45	NIL	85	3/31	◆d.43	d1.70	3/31	NIL	NIL	YES
	564	Solstice Adv. Materials	(NDQ)	SOLS	85.42	–	3	–	NMF	70-	105	(N- 25%)	32.9	0.4	2.60	.33	39	3/31	◆.63	NA	3/31	▲.075	NIL	YES
	184	Solventum Corp		SOLV	74.12	–	3	–	NMF	100-	150	(35-100%)	11.5	NIL	6.47	NIL	79	3/31	◆1.48	1.34	3/31	NIL	NIL	YES
2435	1163	Somnigroup Int'l		SGI	66.56	4	3	2	1.30	75-	115	(15- 75%)	20.8	0.9	3.20	.60	87	3/31	◆.59	d.17	3/31	▲.17	.15	YES
	2134	Sonic Automotive		SAH	80.82	3	3	5	1.05	65-	100	(N- 25%)	11.8	1.7	6.85	1.40	64	3/31	1.62	1.48	6/30	.38	.35	YES
	1187	Sonoco Products		SON	51.07	3	2	2	1.00	90-	120	(75-135%)	8.6	4.3	5.95	2.18	62	3/31	1.20	1.38	6/30	▲.54	.53	YES
	1338	Sonos, Inc.	(NDQ)	SONO	15.22	3	4	3	1.45	20-	35	(30-130%)	17.5	NIL	.87	NIL	10	3/31	d.24	d.18	3/31	NIL	NIL	YES
	1339	Sony Group ADR(g)		SONY	21.29	4	3	3	1.15	30-	45	(40-110%)	19.4	0.8	1.10	.16	10	3/31	◆.09	.22	6/30	▼.055	.07	YES
	585	South Bow Corp		SOBO	35.39	–	3	–	NMF	▲ 40-	60	(15- 70%)	20.8	5.7	1.70	2.00	48	3/31	◆.37	.42	6/30	.50	.50	YES
	139	Southern Co.		SO	93.10	4	1	1	.65	90-	110	(N- 20%)	20.7	3.3	4.50	3.06	91	3/31	1.32	1.23	3/31	.74	.72	YES
	1591	Southern Copper		SCCO	185.23	3	3	3	1.30	145-	220	(N- 20%)	33.7	1.7	5.50	3.21	33	3/31	1.92	1.14	3/31	▲.983	.665	YES
	785	SouthState Corporation		SSB	93.89	2	3	3	1.20	120-	180	(30- 90%)	9.8	2.6	9.55	2.40	31	3/31	2.28	.87	6/30	◆.60	.54	YES
	313	Southwest Airlines		LUV	39.99	2	3	3	1.35	55-	80	(40-100%)	18.2	1.8	2.20	.72	60	3/31	.45	d.13	6/30	.18	.18	YES
	539	Southwest Gas		SWX	89.13	–	2	–	.80	▲ 100-	135	(10- 50%)	21.0	2.9	4.25	2.58	86	3/31	◆1.91	1.65	3/31	.62	.62	YES
	1203	Spectrum Brands		SPB	79.08	3	3	2	1.15	90-	135	(15- 70%)	15.2	2.4	5.20	1.88	75	3/31	◆1.25	.68	3/31	.47	.47	YES
	540	Spire Inc.		SR	85.76	4	2	1	.75	85-	115	(N- 35%)	20.2	3.9	▼4.25	3.38	86	3/31	◆3.76	3.60	6/30	.825	.785	YES
	2339	Spotify Tech. S.A.		SPOT	419.50	▼4	3	3	1.25	795-	1195	(90-185%)	36.5	NIL	11.49	NIL	71	3/31	3.45	1.16	3/31	NIL	NIL	YES
	1950	Sprouts Farmers Market	(NDQ)	SFM	81.58	3	3	4	.70	120-	180	(45-120%)	14.7	NIL	5.55	NIL	26	3/31	1.71	1.81	3/31	NIL	NIL	YES
	185	STAAR Surgical	(NDQ)	STAA	27.83	4	4	5	1.35	19-	30	(N- 10%)	92.8	NIL	.30	NIL	79	12/31	d.37	d.69	3/31	NIL	NIL	YES
	729	StandardAero Inc		SARO	26.80	–	3	–	NMF	30-	45	(10- 70%)	19.1	NIL	1.40	NIL	59	3/31	◆.24	.19	3/31	NIL	NIL	YES
	983	Standard Motor Prod.		SMP	39.00	4	3	3	.95	55-	80	(40-105%)	9.1	3.2	4.30	1.24	54	3/31	.82	.81	3/31	▲.33	.31	YES
	1766	Standex Int'l		SXI	260.00	3	3	2	1.05	285-	425	(10- 65%)	26.4	0.5	9.83	1.36	22	3/31	2.21	1.95	6/30	◆.34	.32	YES
	1740	Stanley Black & Decker		SWK	79.07	3	3	4	1.35	130-	195	(65-145%)	14.8	4.2	5.35	3.34	29	3/31	.39	.75	3/31	.83	.82	YES
	1021	Stantec Inc.	(TSE)	STN.TO	117.38b	3	1	4	.70	180-	220	(55- 85%)	19.4	0.8	6.05	.96	8	12/31	1.25(b)	1.11(b)	6/30	▲.245(b)	.225(b)	YES
	342	Star Bulk Carriers Corp.	(NDQ)	SBLK	26.74	3	3	3	1.10	30-	45	(10- 70%)	9.6	5.5	2.80	1.48	12	12/31	.65	.36	3/31	▲.37	.09	YES
	371	Starbucks Corp.	(NDQ)	SBUX	105.74	3	3	3	1.15	85-	130	(N- 25%)	39.3	2.4	2.69	2.58	47	3/31	.50	.40	3/31	.62	.61	YES
	621	State Street Corp.		STT	150.17	3	3	3	1.35	140-	210	(N- 40%)	12.1	2.4	12.45	3.66	43	3/31	2.84	2.04	6/30	.84	.76	YES
	749	Steel Dynamics	(NDQ)	STLD	235.97	2	3	4	1.35	200-	300	(N- 25%)	18.2	0.9	13.00	2.20	15	3/31	2.78	1.44	6/30	▲.53	.50	YES
	1169	Stella-Jones Inc	(TSE)	SJ.TO	72.07	–	3	–	.70	115-	175	(60-145%)	11.5	1.9	6.25	1.36	92	3/31	◆1.10	1.67	6/30	▲.34	.31	YES
	110	Stellantis N.V.		STLA	7.46	5	3	3	1.35	13-	20	(75-170%)	NMF	9.5	d.36	.71	83	3/31	◆.16	NA	6/30	▼.771	NIL	YES
	565	Stepan Company		SCL	51.92	4	3	4	1.10	▼ 80-	120	(55-130%)	20.8	3.1	▼2.50	1.61	39	3/31	.45	.84	3/31	.395	.385	YES
	186	STERIS plc		STE	201.85	▼4	2	3	.95	285-	390	(40- 95%)	19.1	1.3	10.59	2.62	79	12/31	2.53	1.51	3/31	.63	.57	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
442	1022	Sterling Infrastruc.	(NDQ)	STRL	868.18	1	3	4	1.35	360- 540 (N- N%)	73.3	NIL	11.85	NIL	8	3/31	3.09	1.28	3/31	NIL	NIL	YES
	1802	Stifel Financial Corp.		SF	74.60	3	3	3	1.40	85- 125 (15- 70%)	15.5	NIL	4.80	NIL	55	3/31	1.45	.33	3/31	▲.34	.307	YES
	1377	STMicroelectronics		STM	60.12	2	3	4	1.40	30- 45 (N- N%)	52.3	0.6	1.15	.36	5	3/31	.13	.07	3/31	.076	.09	YES
	1340	Stratasys Ltd.	(NDQ)	SSYS	8.54	5	4	5	1.55	11- 19 (30-120%)	50.2	NIL	.17	NIL	10	3/31	◆d.01	d.18	3/31	NIL	NIL	YES
	1990	Strategic Education	(NDQ)	STRA	77.61	1	3	3	1.00	155- 230 (100-195%)	11.1	3.1	7.00	2.40	28	3/31	1.42	1.30	3/31	.60	.60	YES
	1991	Stride, Inc.		LRN	87.34	3	3	4	.80	135- 205 (55-135%)	10.3	NIL	8.48	NIL	28	3/31	2.12	2.02	3/31	NIL	NIL	YES
	187	Stryker Corp.		SYK	282.58	4	2	3	1.05	490- 665 (75-135%)	18.9	1.2	14.95	3.42	79	3/31	2.60	2.84	6/30	.88	.84	YES
	2340	StubHub Holdings Inc		STUB	7.58	–	4	–	NMF	12- 20 (60-165%)	25.3	NIL	.30	NIL	71	12/31	d1.56	NA	12/31	NIL	NIL	YES
	2322	Sturm, Ruger & Co.		RGR	37.58	4	3	2	.75	50- 75 (35-100%)	19.8	2.0	1.90	.76	72	3/31	◆.27	.46	3/31	▲.08	.24	YES
	834	Summit Therapeutics Inc.	(NDQ)	SMMT	18.66	5	4	3	1.05	25- 40 (35-115%)	NMF	NIL	d.33	NIL	89	3/31	d.24	d.07	3/31	NIL	NIL	YES
	598	Suburban Propane		SPH	19.61	▲3	3	2	.75	25- 35 (25- 80%)	10.3	6.6	▼1.91	1.30	24	3/31	◆2.08	2.11	6/30	◆.325	.325	YES
	1547	Sun Communities Inc.		SUI	125.79	5	2	2	.90	145- 200 (15- 60%)	96.8	3.6	1.30	4.48	90	3/31	d.07	d.34	6/30	▲1.12	.94	YES
	2541	Sun Life Fin'l Svcs.	(TSE)	SLF.TO	96.35b	3	1	3	.85	105- 125 (10- 30%)	12.0	3.8	8.00	3.68	35	3/31	◆1.89(b)	1.82(b)	3/31	.92(b)	.84(b)	YES
	518	Suncor Energy	(TSE)	SU.TO	89.08b	2	3	2	.90	▲ 85- 105 (N- 20%)	16.2	2.7	5.50	2.40	3	3/31	◆1.77(b)	1.36(b)	3/31	.60(b)	.57(b)	YES
	2178	Sunoco LP		SUN	66.50	3	3	2	.90	75- 115 (15- 75%)	8.0	5.6	8.35	3.73	16	3/31	◆2.85	1.21	6/30	▲.989	.897	YES
	1234	Sunrun Inc.	(NDQ)	RUN	14.47	5	5	2	1.85	20- 35 (40-140%)	24.1	NIL	.60	NIL	85	3/31	◆.62	.20	3/31	NIL	NIL	YES
1826	1418	Super Micro Computer	(NDQ)	SMCI	33.52	–	4	–	1.50	40- 70 (20-110%)	16.5	NIL	2.03	NIL	46	3/31	◆.84	.17	3/31	NIL	NIL	YES
	1170	Sylvamo Corp.		SLVM	41.17	4	3	3	1.15	55- 80 (35- 95%)	13.5	5.1	3.05	2.10	92	3/31	◆d.53	.65	6/30	.45	.45	YES
	1741	Symbotic Inc.	(NDQ)	SYM	51.71	3	4	2	1.60	60- 100 (15- 95%)	79.6	NIL	.65	NIL	29	3/31	◆.03	.05	3/31	NIL	NIL	YES
	1378	Synaptics	(NDQ)	SYNA	126.55	3	3	3	1.70	100- 150 (N- 20%)	26.6	NIL	4.75	NIL	5	3/31	◆1.09	.90	3/31	NIL	NIL	YES
	2542	Synchrony Financial		SYF	70.28	2	3	3	1.40	85- 130 (20- 85%)	7.6	1.9	9.20	1.36	35	3/31	2.27	1.89	6/30	◆.30	.30	YES
	2591	Synopsys, Inc.	(NDQ)	SNPS	516.19	3	3	5	1.20	685-1025 (35-100%)	34.4	NIL	15.00	NIL	40	1/31	3.77	3.03	3/31	NIL	NIL	YES
	1951	Sysco Corp.		SYY	72.57	3	2	2	.90	100- 140 (40- 95%)	15.1	3.0	4.81	2.20	26	3/31	.94	.96	6/30	.54	.51	YES
	937	**T-Mobile US**	(NDQ)	TMUS	190.85	1	2	3	.70	410- 500 (115-160%)	16.0	2.2	11.90	4.21	41	3/31	2.27	2.58	3/31	1.02	.88	YES
	586	TC Energy Corp.		TRP	65.51	4	2	2	.85	75- 100 (15- 55%)	23.4	3.9	▼2.80	2.58	48	3/31	.62	.69	6/30	▲.628	.614	YES
	1341	TD SYNNEX Corp.		SNX	237.02	1	3	4	1.15	165- 245 (N- 5%)	14.2	0.8	16.67	1.92	10	2/28	4.73	2.80	6/30	.48	.44	YES
	1316	TE Connectivity		TEL	206.12	3	2	3	1.20	260- 355 (25- 70%)	18.2	1.4	11.33	2.84	9	3/31	2.90	2.10	3/31	.71	.65	YES
	330	TFI International Inc		TFII	137.43	2	3	3	1.15	115- 175 (N- 25%)	26.9	1.4	5.10	1.88	21	3/31	.69	.76	6/30	.47	.45	YES
	2151	TJX Companies		TJX	148.91	3	2	1	.85	140- 185 (N- 25%)	28.9	1.3	5.15	1.87	18	1/31	1.35	1.23	3/31	.425	.375	YES
	2341	TKO Group		TKO	184.50	▲3	3	2	.95	260- 390 (40-110%)	53.2	1.7	3.47	3.12	71	3/31	◆1.12	.69	3/31	.78	.38	YES
	1789	TMX Group Ltd	(TSE)	X.TO	53.95	▲3	2	4	.60	50- 65 (N- 20%)	29.2	1.8	1.85	.96	67	3/31	◆.65	.38	3/31	▲.24	.20	YES
	2433	TPG Inc	(NDQ)	TPG	43.59	5	3	4	1.65	55- 85 (25- 95%)	79.3	5.0	.55	2.20	84	3/31	.80	NIL	6/30	▼.59	.41	YES
842	1140	TRI Pointe Homes		TPH	46.96	–	3	–	1.10	50- 75 (5- 60%)	11.0	NIL	4.25	NIL	56	3/31	.08	.70	3/31	NIL	NIL	YES
	1342	TTM Technologies	(NDQ)	TTMI	162.99	1	3	4	1.35	65- 100 (N- N%)	54.3	NIL	3.00	NIL	10	3/31	.75	.50	3/31	NIL	NIL	YES
	2203	TXNM Energy, Inc.		TXNM	59.25	–	2	–	.65	45- 65 (N- 10%)	26.9	2.9	2.20	1.69	78	3/31	.21	.19	6/30	.422	.407	YES
	1379	Taiwan Semic. ADR		TSM	404.54	2	3	3	1.15	420- 635 (5- 55%)	28.3	0.6	14.30	2.46	5	3/31	3.49	2.12	6/30	▲.741	.54	YES
	2000	Take-Two Interactive	(NDQ)	TTWO	221.47	5	3	5	.90	220- 330 (N- 50%)	NMF	NIL	1.45	NIL	93	12/31	d.50	d.71	3/31	NIL	NIL	YES
	1625	Takeda Pharmaceutical AD		TAK	16.36	4	2	1	.60	20- 25 (20- 55%)	29.7	3.9	.55	.64	69	6/30	NA	NA	12/31	▼.321	.326	YES
	1235	Talen Energy Corporation		TLN	383.44	–	3	–	NMF	530- 800 (40-110%)	17.4	NIL	22.00	NIL	85	3/31	◆1.33	d2.94	3/31	NIL	NIL	YES
	188	Tandem Diabetes Care	(NDQ)	TNDM	14.77	4	5	3	1.35	30- 55 (105-270%)	NMF	NIL	d.84	NIL	79	3/31	◆d.30	d.67	3/31	NIL	NIL	YES
	2179	Tapestry Inc.		TPR	133.34	3	3	2	1.35	95- 140 (5- 5%)	19.3	1.0	6.92	1.40	16	3/31	◆1.66	1.03	3/31	.40	.35	YES
	587	Targa Resources		TRGP	253.18	2	3	2	1.20	▲ 265- 395 (5- 55%)	25.3	2.0	10.00	5.00	48	3/31	◆2.21	.91	6/30	▲1.25	1.00	YES
	2152	Target Corp.		TGT	118.44	3	3	2	1.00	145- 220 (20- 85%)	14.8	3.9	8.00	4.56	18	1/31	2.44	2.41	3/31	1.14	1.12	YES
	1141	Taylor Morrison Home		TMHC	59.30	2	3	3	1.20	70- 105 (20- 75%)	8.5	NIL	7.00	NIL	56	3/31	1.12	2.07	3/31	NIL	NIL	YES
	2413	TechnipFMC plc		FTI	71.15	2	3	3	1.35	70- 105 (N- 50%)	24.1	0.3	2.95	.20	19	3/31	.64	.33	6/30	.05	.05	YES
	1592	Teck Resources 'B'	(TSE)	TECKB.TO	89.28b	–	3	–	1.20	70- 105 (N- 20%)	24.5	0.6	3.65	.50	33	3/31	1.67(b)	.60(b)	3/31	.125(b)	.125(b)	YES
	1125	Tecnoglass Inc.		TGLS	38.69	4	3	3	1.40	60- 90 (55-135%)	10.6	1.6	3.65	.60	36	3/31	◆.78	.92	6/30	.15	.15	YES
	1425	Teladoc Health		TDOC	6.92	3	5	4	1.80	16- 30 (130-335%)	NMF	NIL	d.90	NIL	81	3/31	d.36	d.19	3/31	NIL	NIL	YES
	730	Teledyne Technologies		TDY	632.58	2	2	3	1.05	720- 975 (15- 55%)	26.5	NIL	23.85	NIL	59	3/31	5.80	4.95	3/31	NIL	NIL	YES
	189	Teleflex Inc.		TFX	129.72	4	3	4	1.00	180- 270 (40-110%)	19.4	1.0	6.70	1.36	79	3/31	◆1.39	2.07	3/31	.34	.34	YES
	940	Telefonica SA ADR(g)		TELFY	SEE FINAL SUPPLEMENT																	
	938	Telephone & Data		TDS	43.31	–	4	–	1.00	30- 50 (N- 15%)	NMF	0.4	.35	.16	41	3/31	◆1.38	d.09	3/31	.04	.04	YES
	939	TELUS Corporation	(TSE)	T.TO	17.18b	5	2	4	.55	20- 30 (15- 75%)	18.1	9.7	.95	1.67	41	3/31	◆.23(b)	.26(b)	6/30	.418(b)	.402(b)	YES
	813	Tempus AI Inc	(NDQ)	TEM	48.46	–	4	–	NMF	70- 130 (45-170%)	NMF	NIL	d.60	NIL	14	3/31	◆d.13	d.40	3/31	NIL	NIL	YES
	2023	Tenable Holdings	(NDQ)	TENB	21.31	3	3	5	1.25	25- 35 (15- 65%)	11.2	NIL	1.90	NIL	63	3/31	.47	.36	3/31	NIL	NIL	YES
	738	Tenaris S.A. ADS		TS	61.87	2	3	3	1.15	65- 100 (5- 60%)	16.7	3.3	3.70	2.06	2	3/31	◆1.08	.94	12/31	▼.58	.54	YES
	814	Tenet Healthcare		THC	191.68	2	3	3	1.25	205- 310 (5- 60%)	11.0	NIL	17.35	NIL	14	3/31	4.82	4.36	3/31	NIL	NIL	YES
1034	1742	Tennant Co.		TNC	85.98	4	3	5	1.05	130- 195 (50-125%)	13.6	1.4	6.33	1.20	29	3/31	.58	1.13	3/31	.31	.295	YES
	1822	Teradata Corp.		TDC	32.31	2	4	3	1.15	30- 55 (N- 70%)	12.2	NIL	2.65	NIL	58	3/31	◆.88	.66	3/31	NIL	NIL	YES
	1401	Teradyne Inc.	(NDQ)	TER	366.64	1	3	3	1.35	395- 595 (10- 60%)	48.9	0.1	7.50	.52	1	3/31	2.56	.75	3/31	▲.13	.12	YES
	154	Terex Corp.		TEX	64.13	–	3	–	1.65	70- 105 (10- 65%)	13.1	1.1	4.90	.68	4	3/31	.98	.83	3/31	.17	.17	YES
	111	Tesla, Inc.	(NDQ)	TSLA	445.00	4	3	3	1.55	430- 640 (N- 45%)	NMF	NIL	1.85	NIL	83	3/31	.41	.27	3/31	NIL	NIL	YES
	414	Tetra Tech	(NDQ)	TTEK	29.59	2	3	3	1.00	35- 55 (20- 85%)	18.5	1.0	1.60	.29	25	3/31	.34	.33	3/31	.065	.058	YES
	1626	Teva Pharmac. ADR		TEVA	35.84	3	3	3	1.30	25- 40 (N- 10%)	13.3	NIL	2.70	NIL	69	3/31	.53	.52	3/31	NIL	NIL	YES
234	1380	Texas Instruments	(NDQ)	TXN	297.76	▲2	3	3	1.05	215- 320 (N- 5%)	52.1	1.9	5.71	5.68	5	3/31	1.68	1.28	6/30	◆1.42	1.36	YES
	2396	Texas Pacif. Land Corp.		TPL	402.63	1	3	2	1.10	390- 580 (N- 45%)	52.0	0.6	7.75	2.40	13	3/31	◆2.07	1.75	3/31	▲.60	.533	YES
	372	Texas Roadhouse	(NDQ)	TXRH	183.54	3	3	3	1.05	250- 375 (35-105%)	30.8	1.6	5.95	3.00	47	3/31	◆1.87	1.70	3/31	▲.75	NIL	YES
	1767	Textron, Inc.		TXT	91.66	3	2	2	1.20	135- 185 (45-100%)	14.2	0.1	6.45	.08	22	3/31	1.45	1.28	6/30	.02	.02	YES
	227	Thermo Fisher Sci.		TMO	452.60	2	2	3	1.00	815-1100 (80-145%)	18.3	0.4	24.70	1.72	74	3/31	5.44	5.15	6/30	▲.47	.43	YES
	434	Thomson Reuters(•)	(NDQ)	TRI	89.22b	4	2	4	.80	130- 175 (45- 95%)	20.4	2.9	4.38	2.58	7	3/31	◆1.05(b)	1.14(b)	3/31	▲.675(b)	.605(b)	
	2323	Thor Inds.		THO	74.66	4	3	3	1.25	110- 170 (45-130%)	16.6	2.8	4.50	2.12	72	1/31	.34	d.01	6/30	.52	.50	YES
	1768	3M Company		MMM	143.34	–	3	–	1.20	150- 220 (5- 55%)	16.2	2.2	8.85	3.12	22	3/31	1.23	1.88	3/31	▲.78	.73	YES
	739	Timken Co.		TKR	117.39	3	3	3	1.25	85- 130 (N- 10%)	20.5	1.2	5.74	1.40	2	3/31	◆1.67	1.40	3/31	.35	.34	YES
	2543	Toast, Inc.		TOST	24.19	3	4	4	1.70	35- 60 (45-150%)	18.6	NIL	1.30	NIL	35	3/31	◆.20	.20	3/31	NIL	NIL	YES
	1142	Toll Brothers		TOL	135.15	1	3	2	1.25	160- 240 (20- 80%)	10.7	0.8	12.66	1.03	56	1/31	2.19	1.75	6/30	▲.26	.25	YES
	1934	Tootsie Roll		TR	40.78	3	2	2	.60	35- 50 (N- 25%)	29.1	0.9	1.40	.35	68	3/31	◆.24	.24	3/31	▲.169	.172	YES
2642	1126	TopBuild Corp.		BLD	424.63	–	3	–	1.30	485- 730 (15- 70%)	21.8	NIL	19.50	NIL	36	3/31	◆3.75	4.63	3/31	NIL	NIL	YES
	155	Toro Co.		TTC	94.96	2	3	2	1.05	100- 150 (5- 60%)	20.6	1.7	4.61	1.58	4	1/31	.69	.65	6/30	.39	.38	YES
	156	Toromont Inds.	(TSE)	TIH.TO	216.24	3	1	3	.75	180- 220 (N- N%)	30.9	1.0	7.00	2.24	4	3/31	1.13	.91	6/30	▲.56	.52	YES
	622	Toronto-Dominion	(TSE)	TD.TO	146.43b	3	1	3	.85	▲ 140- 170 (N- 15%)	16.0	3.0	▲9.15	4.38	43	1/31	2.34(b)	1.55(b)	6/30	1.08(b)	1.05(b)	YES
	519	TotalEnergies SE ADR		TTE	90.69	3	1	2	.85	100- 125 (10- 40%)	13.0	4.4	7.00	4.00	3	3/31	2.68	1.68	6/30	▼.979	.851	YES
1650	1381	Tower Semiconductor	(NDQ)	TSEM	228.88	2	3	3	1.05	160- 240 (N- 5%)	85.4	NIL	2.68	NIL	5	12/31	.78	.59	3/31	NIL	NIL	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	112	Toyota Motor ADR(g)		TM	183.80	3	2	1	1.00	260- 355 (40- 95%)	9.9	3.1	18.60	5.74	83	3/31	◆4.00	3.63	12/31	▼2.55	NIL	YES
	1152	Tractor Supply	(NDQ)	TSCO	30.25	4	2	2	.85	65- 85 (115-180%)	13.8	3.2	2.20	.98	76	3/31	.31	.34	3/31	▲.24	.23	YES
1434	2380	Trade Desk (The)	(NDQ)	TTD	21.52	▼4	4	4	1.70	45- 75 (110-250%)	10.8	NIL	2.00	NIL	77	3/31	◆.28	.33	3/31	NIL	NIL	YES
	1790	Tradeweb Markets Inc	(NDQ)	TW	109.94	3	2	3	.90	185- 255 (70-130%)	27.5	0.5	4.00	.56	67	3/31	1.08	.86	3/31	▲.14	.12	YES
	1743	Trane Technologies plc		TT	476.50	2	3	3	1.15	435- 655 (N- 35%)	32.2	0.8	14.80	3.76	29	3/31	2.63	2.45	3/31	▲1.05	.94	YES
	731	TransDigm Group		TDG	1198.67	3	3	4	1.10	1820-2730 (50-130%)	29.6	NIL	40.52	NIL	59	3/31	◆9.85	9.11	3/31	NIL	NIL	YES
	228	TransMedics Group	(NDQ)	TMDX	64.30	▼4	4	2	1.45	150- 255 (135-295%)	24.3	NIL	2.65	NIL	74	3/31	◆.30	.70	3/31	NIL	NIL	YES
	435	TransUnion		TRU	69.99	4	3	3	1.35	120- 180 (70-155%)	14.7	0.7	4.75	.46	7	3/31	1.18	1.05	3/31	▲.125	.115	YES
	2365	Travel + Leisure		TNL	63.61	2	3	2	1.45	70- 110 (10- 75%)	9.5	3.8	6.70	2.40	61	3/31	1.45	1.10	3/31	▲.60	.56	YES
	773	Travelers Cos.		TRV	297.13	▼2	1	2	.85	380- 465 (30- 55%)	10.9	1.5	27.15	4.40	30	3/31	7.71	1.91	3/31	1.10	1.05	YES
	1127	Trex Co.		TREX	39.50	▲2	3	4	1.40	60- 90 (50-130%)	23.9	NIL	1.65	NIL	36	3/31	◆.59	.60	3/31	NIL	NIL	YES
	1769	TriMas Corp.	(NDQ)	TRS	41.59	2	3	3	1.10	40- 60 (N- 45%)	28.7	0.4	1.45	.16	22	3/31	.24	.30	6/30	◆.04	.04	YES
	126	Trimble Inc.	(NDQ)	TRMB	58.04	▼4	3	4	1.35	85- 125 (45-115%)	16.6	NIL	3.50	NIL	53	3/31	◆.79	.61	3/31	NIL	NIL	YES
	1641	TriNet Group		TNET	41.89	2	3	4	1.05	50- 70 (20- 65%)	9.3	2.6	4.50	1.10	37	3/31	2.48	1.99	6/30	▲.29	.275	YES
	350	Trinity Inds.		TRN	36.49	3	3	2	1.30	40- 65 (10- 80%)	15.9	3.4	2.30	1.24	27	3/31	.32	.29	6/30	.31	.30	YES
	2627	TripAdvisor, Inc.	(NDQ)	TRIP	9.66	3	4	4	1.55	25- 40 (160-315%)	6.7	NIL	1.45	NIL	57	3/31	◆d.11	.14	3/31	NIL	NIL	YES
	566	Tronox Holding plc		TROX	9.33	–	4	–	1.85	11- 19 (20-105%)	NMF	2.1	▼d1.45	.20	39	3/31	◆d.65	d.70	9/30	◆.05	.10	YES
	623	Truist Fin'l		TFC	47.97	3	3	2	1.35	50- 80 (5- 65%)	10.9	4.4	4.40	2.10	43	3/31	1.09	.87	6/30	◆.52	.52	YES
	1979	Turning Point Brands		TPB	92.71	5	3	3	1.05	100- 145 (10- 55%)	24.7	0.3	3.75	.32	80	3/31	◆.76	.91	6/30	▲.08	.075	YES
	1023	Tutor Perini		TPC	82.79	2	4	3	1.50	70- 120 (N- 45%)	21.5	0.7	3.85	.56	8	3/31	◆1.03	.66	3/31	.06	NIL	YES
441	940	Twilio Inc.		TWLO	198.59	2	4	3	1.50	130- 215 (N- 10%)	36.1	NIL	5.50	NIL	41	3/31	1.50	1.14	3/31	NIL	NIL	YES
	2592	Tyler Technologies		TYL	312.27	3	2	3	.95	605- 820 (95-165%)	25.8	NIL	12.10	NIL	40	3/31	3.09	2.78	3/31	NIL	NIL	YES
	1935	Tyson Foods 'A'		TSN	67.08	▲3	3	2	.70	75- 115 (10- 70%)	17.7	3.0	3.78	2.04	68	3/31	.87	.92	3/31	.51	.50	YES
	1548	**UDR, Inc.**		UDR	37.15	4	2	5	1.00	50- 70 (35- 90%)	67.5	4.7	.55	1.74	90	3/31	.57	.23	6/30	▲.435	.43	YES
	1128	UFP Industries	(NDQ)	UFPI	83.09	4	3	3	1.15	125- 190 (50-130%)	11.9	1.7	7.00	1.40	36	3/31	.89	1.30	3/31	▲.36	.35	YES
	541	UGI Corp.		UGI	32.45	3	3	1	1.00	50- 75 (55-130%)	10.9	4.6	2.99	1.50	86	3/31	◆2.09	2.21	6/30	.375	.375	YES
	405	UL Solutions Inc		ULS	97.73	–	3	–	NMF	90- 135 (N- 40%)	46.5	0.6	2.10	.58	11	3/31	.50	.37	3/31	▲.145	.13	YES
	1952	US Foods Hldg.		USFD	83.61	1	3	2	1.20	100- 150 (20- 80%)	17.6	NIL	4.75	NIL	26	3/31	◆.78	.68	3/31	NIL	NIL	YES
	1936	USANA Health Sciences		USNA	17.43	–	3	–	.90	25- 40 (45-130%)	8.7	NIL	2.00	NIL	68	3/31	◆.61	.73	3/31	NIL	NIL	YES
	2628	Uber Technologies		UBER	76.15	3	3	4	1.35	120- 180 (60-135%)	19.0	NIL	4.00	NIL	57	3/31	◆.13	.83	3/31	NIL	NIL	YES
	574	Ubiquiti Inc.		UI	738.61	3	3	2	1.35	630- 950 (N- 30%)	43.3	0.4	17.06	3.20	34	3/31	◆3.88	2.98	3/31	.80	.60	YES
	331	U-Haul Holding 'B'		UHALB	47.44	4	3	4	1.00	45- 65 (N- 35%)	39.9	0.4	1.19	.20	21	12/31	d.23	.35	3/31	.05	.05	YES
	2593	UiPath, Inc.		PATH	10.66	3	4	4	1.40	20- 35 (90-230%)	13.3	NIL	.80	NIL	40	1/31	.30	.26	3/31	NIL	NIL	YES
	2180	Ulta Beauty	(NDQ)	ULTA	511.98	1	3	2	1.05	625- 935 (20- 85%)	18.0	NIL	28.50	NIL	16	1/31	8.01	8.46	3/31	NIL	NIL	YES
	1402	Ultra Clean Hldgs.	(NDQ)	UCTT	85.45	2	4	3	1.75	40- 70 (N- N%)	45.0	NIL	1.90	NIL	1	3/31	.31	.28	3/31	NIL	NIL	YES
★★	2114	Under Armour 'A'		UAA	6.06	4	3	3	1.55	7- 10 (15- 65%)	27.5	NIL	.22	NIL	42	12/31	.09	.08	3/31	NIL	NIL	YES
	406	UniFirst Corp.		UNF	252.35	–	3	–	.80	190- 285 (N- 15%)	34.7	0.6	7.27	1.46	11	2/28	1.25	1.40	3/31	▲.73	.70	YES
	1204	Unilever PLC ADR(g)		UL	57.24	3	1	3	.65	65- 80 (15- 40%)	16.8	3.3	3.40	1.91	75	6/30	1.55(p)	1.53(p)	6/30	▼.549	.579	YES
	351	Union Pacific		UNP	263.35	3	1	2	.95	320- 395 (20- 50%)	21.1	2.1	12.50	5.52	27	3/31	2.93	2.68	3/31	1.38	1.34	YES
	314	United Airlines Hldgs.	(NDQ)	UAL	96.62	3	3	3	1.60	100- 155 (5- 60%)	7.3	NIL	13.25	NIL	60	3/31	1.19	.91	3/31	NIL	NIL	YES
	1953	United Natural Foods		UNFI	52.27	2	4	3	1.40	40- 65 (N- 25%)	17.9	NIL	2.92	NIL	26	1/31	.62	d.05	3/31	NIL	NIL	YES
	1382	United Microelectronics		UMC	15.59	1	3	3	.95	12- 18 (N- 15%)	26.0	3.8	.60	.60	5	3/31	.20	.10	9/30	▲.48	.46	YES
	315	United Parcel Serv.		UPS	100.00	2	3	4	1.05	130- 190 (30- 90%)	14.1	6.6	7.10	6.56	60	3/31	1.07	1.49	3/31	1.64	1.64	YES
	2324	United Parks & Resorts		PRKS	36.53	▼4	3	3	1.35	50- 75 (35-105%)	9.0	NIL	4.05	NIL	72	3/31	◆d.69	d.22	3/31	NIL	NIL	YES
234	1744	United Rentals		URI	938.15	2	3	3	1.55	700-1050 (N- 10%)	20.3	0.7	46.30	6.52	29	3/31	9.71	8.86	3/31	▲1.97	1.79	YES
	624	U.S. Bancorp		USB	54.49	3	2	2	1.30	75- 100 (40- 85%)	10.7	3.9	5.10	2.14	43	3/31	1.18	1.03	6/30	.52	.50	YES
2027	835	United Therapeutics	(NDQ)	UTHR	569.88	2	3	2	.80	430- 645 (N- 15%)	19.4	NIL	29.40	NIL	89	3/31	◆5.82	6.63	3/31	NIL	NIL	YES
2643	815	UnitedHealth Group		UNH	384.44	2	3	5	.80	365- 545 (N- 40%)	21.5	2.3	17.85	8.84	14	3/31	7.23	7.20	3/31	2.21	2.10	YES
	2001	Unity Software		U	26.87	5	5	5	1.95	25- 45 (N- 65%)	28.3	NIL	.95	NIL	93	3/31	◆d.16	d.19	3/31	NIL	NIL	YES
	1980	Universal Corp.		UVV	53.60	▲3	3	4	.80	55- 80 (5- 50%)	9.7	6.2	5.50	3.31	80	12/31	1.35	2.37	6/30	.82	.81	YES
	1343	Universal Display	(NDQ)	OLED	90.84	4	3	4	1.35	155- 235 (70-160%)	17.3	2.2	5.25	2.00	10	3/31	.76	1.35	3/31	▲.50	.45	YES
	816	Universal Health 'B'		UHS	168.23	2	3	3	1.05	300- 450 (80-165%)	7.2	0.5	23.40	.80	14	3/31	◆5.62	4.84	3/31	.20	.20	YES
	1564	Unum Group		UNM	81.51	4	3	3	1.00	85- 125 (5- 55%)	9.3	2.4	8.75	1.96	66	3/31	2.14	2.04	6/30	.46	.42	YES
	2153	Upbound Group	(NDQ)	UPBD	17.99	2	3	4	1.25	35- 55 (95-205%)	4.1	8.7	4.40	1.56	18	3/31	1.08	1.00	6/30	.39	.39	YES
	1992	Universal Tech Institute		UTI	36.75	2	3	3	1.10	35- 50 (N- 35%)	47.7	NIL	.77	NIL	28	3/31	◆.01	.21	3/31	NIL	NIL	YES
	2189	Urban Outfitters	(NDQ)	URBN	68.40	1	3	3	1.05	70- 105 (N- 55%)	11.8	NIL	5.80	NIL	20	1/31	1.43	1.28	3/31	NIL	NIL	YES
	1937	Utz Brands		UTZ	7.21	3	3	3	.80	8- 12 (10- 65%)	28.8	3.5	.25	.25	68	3/31	◆.15	.09	6/30	.063	.061	YES
	2115	**V.F. Corp.**		VFC	17.94	3	3	2	1.55	25- 35 (40- 95%)	17.1	2.0	1.05	.36	42	12/31	.56	.62	3/31	.09	.09	YES
	2325	Vail Resorts		MTN	123.70	3	3	3	1.15	180- 270 (45-120%)	18.8	7.2	6.58	8.88	72	1/31	5.87	6.56	6/30	2.22	2.22	YES
	1593	Vale S.A. ADR		VALE	17.07	3	3	3	1.15	16- 25 (N- 45%)	9.0	5.0	1.90	.85	33	3/31	.44	.33	3/31	▲.367	.465	YES
	520	Valero Energy		VLO	248.13	2	3	2	1.05	▲ 260- 390 (5- 55%)	8.9	2.1	▲27.95	5.16	3	3/31	4.22	.89	3/31	▲1.20	1.13	YES
	1770	Valmont Inds.		VMI	516.00	2	3	3	1.10	420- 630 (N- 20%)	24.1	0.6	21.40	3.08	22	3/31	5.51	4.32	6/30	▲.77	.68	YES
	2135	Valvoline Inc.		VVV	34.50	3	3	3	1.05	45- 65 (30- 90%)	19.7	NIL	1.75	NIL	64	3/31	◆.41	.34	3/31	NIL	NIL	YES
	2024	Varonis Systems	(NDQ)	VRNS	28.00	5	4	5	1.40	35- 70 (25-150%)	NMF	NIL	.05	NIL	63	3/31	.06	d.32	3/31	NIL	NIL	YES
	836	Vaxcyte Inc	(NDQ)	PCVX	53.99	5	4	2	1.10	45- 75 (N- 40%)	NMF	NIL	d5.85	NIL	89	3/31	◆d2.30	d1.04	3/31	NIL	NIL	YES
	1403	Veeco Instruments	(NDQ)	VECO	61.21	–	3	–	1.25	35- 50 (N- N%)	38.3	NIL	1.60	NIL	1	3/31	◆.14	.37	3/31	NIL	NIL	YES
	1426	Veeva Systems		VEEV	159.33	3	3	4	1.15	305- 460 (90-190%)	18.1	NIL	8.80	NIL	81	1/31	2.06	1.74	3/31	NIL	NIL	YES
	1549	Ventas, Inc.		VTR	87.69	5	3	3	.90	65- 100 (N- 15%)	NMF	2.4	.65	2.12	90	3/31	.11	.10	6/30	▲.52	.48	YES
1240	588	Venture Global Inc		VG	11.62	–	4	–	NMF	12- 20 (5- 70%)	10.1	0.8	▲1.15	.09	48	12/31	.41	.33	3/31	▲.018	.017	YES
	1745	Veralto Corp.		VLTO	86.57	–	3	–	NMF	125- 190 (45-120%)	20.9	0.5	4.15	.44	29	3/31	1.02	.95	6/30	.13	.11	YES
	1823	VeriSign Inc.	(NDQ)	VRSN	286.47	2	2	3	.90	280- 380 (N- 35%)	28.5	1.1	10.05	3.08	58	3/31	2.34	2.10	3/31	▲.81	NIL	YES
	436	Verisk Analytics	(NDQ)	VRSK	168.57	1	2	3	.80	355- 485 (110-190%)	22.0	1.2	7.65	2.00	7	3/31	1.82	1.73	3/31	▲.50	.45	YES
242	941	Verizon Communic.		VZ	47.23	3	1	1	.60	60- 75 (25- 60%)	9.6	5.9	4.90	2.77	41	3/31	1.28	1.19	6/30	▲.707	.677	YES
	837	Vertex Pharmac.	(NDQ)	VRTX	435.17	3	2	2	.80	530- 720 (20- 65%)	22.5	NIL	19.30	NIL	89	3/31	4.47	2.49	3/31	NIL	NIL	YES
	1317	Vertiv Holdings		VRT	367.92	1	3	4	1.75	275- 415 (N- 15%)	66.3	0.1	5.55	.23	9	3/31	1.17	.64	3/31	.062	.037	YES
	942	Viasat, Inc.	(NDQ)	VSAT	73.07	4	4	3	1.45	30- 50 (N- N%)	NMF	NIL	d1.80	NIL	41	12/31	.18	d1.23	3/31	NIL	NIL	YES
	1627	Viatris Inc.	(NDQ)	VTRS	16.92	2	3	3	1.20	15- 25 (N- 50%)	6.9	2.8	2.45	.48	69	3/31	◆.59	.50	3/31	.12	.12	YES
	1344	Viavi Solutions	(NDQ)	VIAV	54.93	3	3	3	1.15	25- 35 (N- N%)	56.1	NIL	.98	NIL	10	3/31	.03	.15	3/31	NIL	NIL	YES
	1550	VICI Properties		VICI	28.92	4	2	4	.95	30- 45 (5- 55%)	10.5	6.4	2.75	1.86	90	3/31	.82	.51	6/30	.45	.432	YES
★★	1318	Vicor Corp.	(NDQ)	VICR	312.96	▼2	4	4	1.65	180- 300 (N- N%)	NMF	NIL	2.65	NIL	9	3/31	.44	.06	3/31	NIL	NIL	YES
1429	2190	Victoria's Secret & Co.		VSCO	46.04	▼3	4	2	1.55	50- 85 (10- 85%)	13.7	NIL	3.35	NIL	20	1/31	2.14	2.33	3/31	NIL	NIL	YES
	2326	Viking Holdings Ltd		VIK	80.91	–	3	–	NMF	85- 130 (5- 60%)	24.2	NIL	3.35	NIL	72	12/31	.67	.45	3/31	NIL	NIL	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	838	Viking Therapeutics Inc	(NDQ)	VKTX	**31.72**	**5**	**4**	**3**	1.50	35- 55 (10- 75%)	**NMF**	**NIL**	d4.00	NIL	**89**	3/31	**d1.37**	d.41	3/31	NIL	NIL	YES
	2397	Viper Energy Part.	(NDQ)	VNOM	**47.51**	**4**	**3**	**3**	1.00	40- 55 (N- 15%)	**17.6**	**3.2**	2.70	1.52	**13**	3/31	**.55**	.62	3/31	▼.38	.57	YES
	1791	Virtu Financial		VIRT	**51.54**	**3**	**3**	**2**	.90	50- 80 (N- 55%)	**9.4**	**1.9**	5.50	.96	**67**	3/31	**2.24**	1.08	3/31	.24	.24	YES
	2544	Visa Inc.		V	**323.86**	**2**	**1**	**4**	1.05	465- 570 (45- 75%)	**24.7**	**0.9**	13.11	2.86	**35**	3/31	**3.31**	2.76	3/31	.67	.59	YES
	1345	Vishay Intertechnology		VSH	**34.83**	**2**	**3**	**4**	1.30	20- 30 (N- N%)	**69.7**	**1.1**	.50	.40	**10**	12/31	**.01**	NIL	3/31	.10	.10	YES
	960	Vistance Networks	(NDQ)	VISN	**12.01**	**–**	**5**	**–**	1.80	13- 25 (10-110%)	**11.7**	**NIL**	1.03	NIL	**32**	3/31	**.34**	.14	3/31	NIL	NIL	YES
	984	Visteon Corp.		VC	**116.01**	**3**	**3**	**4**	1.20	115- 175 (N- 50%)	**11.3**	**1.3**	10.25	1.50	**54**	3/31	**1.94**	2.40	3/31	▲.375	NIL	YES
	1236	Vistra Corp.		VST	**152.05**	**3**	**3**	**3**	1.20	190- 285 (25- 85%)	**17.0**	**0.6**	8.95	.92	**85**	3/31	**◆2.87**	d.93	3/31	▲.228	.223	YES
	1973	Vita Coco Company	(NDQ)	COCO	**72.46**	**3**	**3**	**3**	1.00	55- 85 (N- 15%)	**48.3**	**NIL**	1.50	NIL	**65**	3/31	**.50**	.31	3/31	NIL	NIL	YES
	1938	Vital Farms Inc	(NDQ)	VITL	**8.74**	**5**	**3**	**3**	.80	20- 35 (130-300%)	**7.6**	**NIL**	1.15	NIL	**68**	3/31	**◆d.03**	.37	3/31	NIL	NIL	YES
	943	Vodafone Group ADR(g)	(NDQ)	VOD	**16.32**	**3**	**3**	**2**	.85	19- 30 (15- 85%)	**9.5**	**2.8**	1.72	.45	**41**	9/30	**.83(p)**	.42(p)	3/31	▲.25	.224	YES
	127	Vontier Corp.		VNT	**29.97**	**3**	**3**	**3**	1.30	45- 70 (50-135%)	**8.8**	**0.3**	3.40	.10	**53**	3/31	**◆.80**	.77	3/31	.025	.025	YES
	1551	Vornado R'lty Trust		VNO	**31.04**	**5**	**3**	**5**	1.50	25- 40 (N- 30%)	**NMF**	**2.4**	.20	.74	**90**	3/31	**◆d.12**	.43	12/31	.74	.74	YES
	2220	Voya Financial		VOYA	**80.13**	**3**	**3**	**5**	1.25	90- 135 (10- 70%)	**8.2**	**2.3**	9.75	1.88	**38**	3/31	**◆2.26**	2.00	3/31	.47	.45	YES
	1129	Vulcan Materials		VMC	**282.70**	**3**	**2**	**3**	1.00	260- 350 (N- 25%)	**33.5**	**0.7**	8.45	1.96	**36**	3/31	**1.35**	.98	3/31	▲.52	.49	YES
	1205	**WD-40 Co.**	(NDQ)	WDFC	**206.32**	**3**	**3**	**3**	.75	250- 375 (20- 80%)	**34.0**	**2.0**	6.07	4.08	**75**	2/28	**1.50**	2.19	6/30	1.02	.94	YES
	914	WEC Energy Group		WEC	**112.77**	**4**	**1**	**2**	.70	125- 155 (10- 35%)	**20.1**	**3.3**	5.60	3.74	**82**	3/31	**◆2.45**	2.27	3/31	▲.952	.892	YES
	1552	W.P. Carey Inc.		WPC	**74.05**	**5**	**2**	**3**	.85	80- 105 (10- 40%)	**30.2**	**5.1**	2.45	3.75	**90**	3/31	**.80**	.57	6/30	▲.93	.89	YES
	2381	WPP PLC ADR		WPP	**17.90**	**4**	**3**	**4**	1.20	17- 25 (N- 40%)	**NMF**	**8.4**	d.60	1.50	**77**	12/31	**d1.59(p)**	1.95(p)	12/31	▼.503	.973	YES
	1508	WSFS Financial	(NDQ)	WSFS	**70.96**	**3**	**3**	**3**	1.15	60- 90 (N- 25%)	**12.7**	**1.0**	5.60	.68	**50**	3/31	**1.68**	1.13	6/30	▲.20	.17	YES
	1024	WSP Global Inc	(TSE)	WSP.TO	**211.28**	**3**	**1**	**4**	.85	350- 475 (65-125%)	**19.2**	**0.7**	11.00	1.50	**8**	3/31	**◆2.21**	1.76	6/30	.375	.375	
	352	Wabtec Corp.		WAB	**268.13**	**2**	**2**	**3**	1.20	295- 395 (10- 45%)	**25.4**	**0.5**	10.55	1.24	**27**	3/31	**2.71**	2.28	3/31	▲.31	.25	YES
	1509	WaFd, Inc.	(NDQ)	WAFD	**35.47**	**3**	**3**	**3**	1.05	30- 50 (N- 40%)	**11.4**	**3.0**	3.10	1.08	**50**	3/31	**.82**	.65	3/31	.27	.27	YES
	2154	Walmart Inc.	(NDQ)	WMT	**127.59**	**3**	**1**	**2**	.75	145- 180 (15- 40%)	**44.3**	**0.8**	2.88	1.04	**18**	1/31	**.74**	.66	6/30	▲.495	.47	YES
	2181	Warby Parker		WRBY	**28.79**	**3**	**5**	**3**	1.65	25- 45 (N- 55%)	**NMF**	**NIL**	.25	NIL	**16**	3/31	**◆.13**	.03	3/31	NIL	NIL	YES
1240	**2342**	Warner Bros. Discovery	(NDQ)	WBD	**27.24**	**–**	**3**	**–**	1.45	13- 18 (N- N%)	**87.9**	**NIL**	.31	NIL	**71**	3/31	**◆d.05**	d.18	3/31	NIL	NIL	YES
	2343	Warner Music Group	(NDQ)	WMG	**32.94**	**▲3**	**3**	**5**	1.10	65- 95 (95-190%)	**26.4**	**NIL**	1.25	NIL	**71**	3/31	**◆.34**	.07	3/31	.19	.18	YES
	415	Waste Connections		WCN	**150.98**	**3**	**1**	**3**	.75	205- 250 (35- 65%)	**27.5**	**0.9**	5.50	1.40	**25**	3/31	**1.23**	1.13	6/30	◆.35	.315	YES
	416	Waste Management		WM	**214.11**	**3**	**1**	**1**	.65	265- 325 (25- 50%)	**26.1**	**1.8**	8.20	3.78	**25**	3/31	**1.81**	1.67	3/31	▲.945	.825	YES
	229	Waters Corp.		WAT	**348.07**	**▼5**	**3**	**5**	.95	435- 650 (25- 85%)	**24.3**	**NIL**	14.30	NIL	**74**	3/31	**◆2.70**	2.25	3/31	NIL	NIL	YES
	1153	Watsco, Inc.		WSO	**424.75**	**3**	**3**	**4**	1.05	465- 695 (10- 65%)	**33.1**	**3.1**	12.85	13.20	**76**	3/31	**1.87**	1.93	6/30	▲3.30	3.00	YES
	1746	Watts Water Techn.		WTS	**298.16**	**2**	**3**	**2**	1.15	335- 505 (10- 70%)	**25.4**	**0.7**	11.75	2.20	**29**	3/31	**◆3.04**	2.37	3/31	.52	.43	YES
	2641	Wayfair Inc.		W	**61.38**	**4**	**5**	**2**	1.95	125- 235 (105-285%)	**21.9**	**NIL**	2.80	NIL	**73**	3/31	**.26**	.10	3/31	NIL	NIL	YES
	1427	Waystar Holding Corp	(NDQ)	WAY	**19.90**	**–**	**3**	**–**	NMF	40- 65 (100-225%)	**12.1**	**NIL**	1.65	NIL	**81**	3/31	**.22**	.32	3/31	NIL	NIL	YES
	2414	Weatherford Internationa	(NDQ)	WFRD	**102.28**	**▲2**	**4**	**2**	1.50	90- 150 (N- 45%)	**14.2**	**1.1**	7.20	1.10	**19**	3/31	**1.49**	1.04	6/30	◆.275	.25	YES
	786	Webster Fin'l		WBS	**72.15**	**–**	**3**	**–**	1.40	80- 120 (10- 65%)	**11.0**	**2.2**	6.55	1.60	**31**	3/31	**1.57**	1.30	6/30	◆.40	.40	YES
	1792	Webull Corp.	(NDQ)	BULL	**7.07**	**–**	**4**	**–**	NMF	11- 19 (55-170%)	**NMF**	**NIL**	d.50	NIL	**67**	12/31	**.01**	.06	6/30	NIL	NIL	YES
	1954	Weis Markets		WMK	**69.27**	**2**	**3**	**3**	.55	75- 110 (10- 60%)	**18.0**	**2.0**	3.85	1.36	**26**	3/31	**◆1.13**	.73	6/30	◆.34	.34	YES
	625	Wells Fargo		WFC	**73.58**	**▼4**	**3**	**2**	1.25	90- 135 (20- 85%)	**10.5**	**2.7**	7.00	2.02	**43**	3/31	**1.60**	1.38	6/30	◆.45	.40	YES
	1553	Welltower Inc.		WELL	**214.84**	**5**	**2**	**3**	.95	190- 260 (N- 20%)	**68.2**	**1.5**	3.15	3.17	**90**	3/31	**1.02**	.40	3/31	.74	.67	YES
	373	Wendy's Company	(NDQ)	WEN	**6.76**	**3**	**3**	**3**	.85	9- 13 (35- 90%)	**9.7**	**8.3**	.70	.56	**47**	3/31	**◆.12**	.20	3/31	.14	.25	YES
	332	Werner Enterprises	(NDQ)	WERN	**35.41**	**4**	**3**	**3**	.95	50- 70 (40-100%)	**37.3**	**1.6**	.95	.56	**21**	3/31	**.02**	d.12	6/30	.14	.14	YES
	1319	WESCO Int'l		WCC	**366.30**	**3**	**3**	**3**	1.50	310- 460 (N- 25%)	**23.4**	**0.5**	15.65	1.85	**9**	3/31	**3.37**	2.10	3/31	▲.50	.453	YES
	1171	West Fraser Timber		WFG	**60.58**	**5**	**3**	**3**	1.10	75- 110 (25- 80%)	**NMF**	**2.2**	d.85	1.31	**92**	3/31	**d.18**	.46	6/30	.32	.32	YES
	230	West Pharmac. Svcs.		WST	**322.30**	**2**	**3**	**4**	1.00	400- 600 (25- 85%)	**37.3**	**0.3**	8.65	.88	**74**	3/31	**2.13**	1.45	6/30	.22	.21	YES
	1419	Western Digital	(NDQ)	WDC	**515.83**	**–**	**3**	**–**	1.55	270- 405 (N- N%)	**44.9**	**0.1**	11.49	.55	**46**	3/31	**2.72**	1.36	3/31	.125	NIL	YES
	599	Western Midstream		WES	**43.95**	**4**	**3**	**3**	1.10	50- 75 (15- 70%)	**13.1**	**8.6**	3.35	3.80	**24**	3/31	**◆.85**	.79	6/30	▲.93	.91	YES
	2545	Western Union		WU	**8.97**	**2**	**3**	**4**	.90	11- 16 (25- 80%)	**5.0**	**10.5**	1.80	.94	**35**	3/31	**.25**	.41	3/31	.235	.235	YES
	567	Westlake Corp.		WLK	**97.56**	**▼5**	**3**	**1**	1.30	90- 135 (N- 40%)	**NMF**	**2.2**	▼d3.00	2.12	**39**	3/31	**◆d.77**	d.31	3/31	.53	.525	YES
	1955	Weston (George)	(TSE)	WN.TO	**94.02b**	**3**	**2**	**1**	.55	90- 125 (N- 35%)	**20.4**	**1.4**	4.60	1.29	**26**	12/31	**1.15(b)**	1.68(b)	6/30	▼.297(b)	.273(b)	YES
	2546	WEX Inc.		WEX	**140.50**	**2**	**3**	**3**	1.40	235- 350 (65-150%)	**7.8**	**NIL**	18.00	NIL	**35**	3/31	**4.15**	3.51	3/31	NIL	NIL	YES
	1172	Weyerhaeuser Co.		WY	**23.42**	**3**	**3**	**3**	1.05	30- 40 (30- 70%)	**78.1**	**4.4**	.30	1.04	**92**	3/31	**.11**	.11	3/31	.21	.21	YES
	1577	Wheaton Precious Met.		WPM	**143.80**	**3**	**3**	**3**	.95	150- 225 (5- 55%)	**26.9**	**0.5**	5.35	.78	**51**	3/31	**◆1.28**	.55	6/30	▲.195	.165	YES
	1206	Whirlpool Corp.		WHR	**41.08**	**▼5**	**3**	**3**	1.10	105- 155 (155-275%)	**6.3**	**8.8**	6.50	3.60	**75**	3/31	**◆d.56**	1.70	3/31	.90	1.75	YES
	2374	Wiley (John) & Sons		WLY	**40.41**	**3**	**3**	**3**	1.00	55- 85 (35-110%)	**9.8**	**3.5**	4.14	1.42	**6**	1/31	**.97**	d.43	6/30	.355	.352	YES
	589	Williams Cos.		WMB	**74.18**	**3**	**2**	**2**	.90	65- 85 (N- 15%)	**29.1**	**2.7**	2.55	2.00	**48**	3/31	**.73**	.60	3/31	▲.525	.50	YES
	1164	Williams-Sonoma		WSM	**176.10**	**2**	**3**	**3**	1.25	130- 195 (N- 10%)	**19.9**	**1.5**	8.84	2.64	**87**	1/31	**3.04**	3.28	6/30	▲.76	.66	YES
	2547	Willis Towers Wat. plc	(NDQ)	WTW	**249.72**	**3**	**2**	**3**	.80	440- 590 (75-135%)	**12.5**	**1.6**	20.00	3.88	**35**	12/31	**8.02**	8.13	6/30	▲.96	.92	YES
	407	WillScot Holdings Corp.	(NDQ)	WSC	**26.71**	**▲2**	**3**	**5**	1.35	25- 40 (N- 50%)	**25.4**	**1.0**	1.05	.28	**11**	3/31	**◆.15**	.24	3/31	.07	.07	YES
	374	Wingstop Inc.	(NDQ)	WING	**127.33**	**4**	**4**	**3**	1.20	205- 340 (60-165%)	**26.0**	**1.1**	4.90	1.35	**47**	3/31	**1.18**	.99	3/31	.30	.27	YES
	2327	Winnebago		WGO	**30.49**	**3**	**3**	**4**	1.30	45- 70 (50-130%)	**12.5**	**4.7**	2.44	1.43	**72**	2/28	**.27**	d.02	6/30	.35	.34	YES
	787	Wintrust Financial	(NDQ)	WTFC	**150.48**	**▲2**	**3**	**3**	1.30	140- 210 (N- 40%)	**12.2**	**1.5**	12.35	2.20	**31**	3/31	**3.22**	2.69	3/31	▲.55	.50	YES
	2609	Wipro Limited		WIT	**1.90**	**4**	**2**	**2**	.90	3- 4 (60-110%)	**13.6**	**6.3**	.14	.12	**17**	3/31	**.04**	.04	3/31	▼.059	.061	YES
	1824	Wix.com Ltd.	(NDQ)	WIX	**79.31**	**4**	**4**	**4**	1.40	100- 165 (25-110%)	**12.6**	**NIL**	6.30	NIL	**58**	12/31	**1.81**	.80	3/31	NIL	NIL	YES
	2162	Wolverine World Wide		WWW	**16.20**	**3**	**4**	**4**	1.40	20- 35 (25-115%)	**11.2**	**2.5**	1.45	.40	**23**	12/31	**.45**	.42	6/30	.10	.10	YES
	732	Woodward, Inc.	(NDQ)	WWD	**370.25**	**2**	**3**	**2**	1.25	270- 405 (N- 10%)	**41.6**	**0.3**	8.90	1.28	**59**	3/31	**2.27**	1.69	3/31	▲.32	.28	YES
	1642	Workday, Inc.		WDAY	**121.42**	**3**	**3**	**4**	1.15	225- 335 (85-175%)	**11.6**	**NIL**	10.50	NIL	**37**	1/31	**2.47**	.35	3/31	NIL	NIL	YES
	2594	Workiva Inc.		WK	**46.42**	**4**	**4**	**3**	1.35	60- 100 (30-115%)	**NMF**	**NIL**	d.60	NIL	**40**	3/31	**◆.77**	d.38	3/31	NIL	NIL	YES
234	**521**	World Kinect		WKC	**27.18**	**▲3**	**3**	**4**	1.25	30- 45 (10- 65%)	**12.9**	**3.2**	▲2.10	.88	**3**	3/31	**.50**	.48	6/30	.20	.17	YES
	750	Worthington Steel Inc		WS	**40.54**	**–**	**3**	**–**	NMF	35- 55 (N- 35%)	**16.8**	**1.6**	2.42	.64	**15**	2/28	**.20**	.35	3/31	.16	.16	YES
	2366	Wyndham Hotels		WH	**82.06**	**3**	**3**	**3**	1.15	120- 180 (45-120%)	**17.1**	**2.1**	4.80	1.72	**61**	3/31	**.96**	.86	3/31	▲.43	.41	YES
	2367	Wynn Resorts	(NDQ)	WYNN	**99.37**	**4**	**3**	**2**	1.35	100- 155 (N- 55%)	**18.7**	**1.0**	5.30	1.00	**61**	3/31	**◆1.25**	1.07	3/31	.25	.25	YES
	1803	**XP Inc**	(NDQ)	XP	**18.67**	**2**	**3**	**2**	1.45	35- 50 (85-170%)	**9.3**	**1.0**	2.00	.18	**55**	12/31	**.49**	.37	12/31	▼.18	.65	YES
	985	XPEL, Inc.	(NDQ)	XPEL	**41.73**	**3**	**4**	**2**	1.45	50- 85 (20-105%)	**17.8**	**NIL**	2.35	NIL	**54**	3/31	**◆.37**	.31	3/31	NIL	NIL	YES
	333	XPO Inc.		XPO	**201.60**	**2**	**3**	**3**	1.50	160- 240 (N- 20%)	**42.4**	**NIL**	4.75	NIL	**21**	3/31	**1.01**	.73	3/31	NIL	NIL	YES
	2204	Xcel Energy Inc.	(NDQ)	XEL	**80.60**	**3**	**2**	**1**	.70	90- 125 (10- 55%)	**19.7**	**3.0**	4.10	2.41	**78**	3/31	**.91**	.84	6/30	▲.593	.57	YES
	1747	Xylem Inc.		XYL	**112.00**	**2**	**3**	**3**	1.15	175- 260 (55-130%)	**20.2**	**1.5**	5.55	1.72	**29**	3/31	**1.12**	1.03	3/31	▲.43	.40	YES
	2629	**Yelp, Inc.**		YELP	**25.28**	**2**	**3**	**4**	1.05	25- 35 (N- 40%)	**11.8**	**NIL**	2.15	NIL	**57**	3/31	**◆.30**	.36	3/31	NIL	NIL	YES
	2328	YETI Holdings		YETI	**40.92**	**3**	**3**	**3**	1.40	60- 85 (45-110%)	**14.4**	**NIL**	2.85	NIL	**72**	12/31	**.92**	1.00	3/31	NIL	NIL	YES
	375	Yum! Brands		YUM	**150.29**	**3**	**2**	**2**	.85	205- 275 (35- 85%)	**22.3**	**2.0**	6.75	3.00	**47**	3/31	**1.50**	1.30	3/31	▲.75	.71	YES
	376	Yum China Holdings		YUMC	**47.44**	**2**	**3**	**1**	1.00	75- 115 (60-140%)	**16.6**	**2.7**	2.85	1.30	**47**	3/31	**.87**	.77	3/31	▲.29	.24	YES
	575	**Zebra Techn. 'A'**	(NDQ)	ZBRA	**216.96**	**2**	**3**	**3**	1.55	355- 535 (65-145%)	**11.7**	**NIL**	18.50	NIL	**34**	12/31	**4.33**	4.00	3/31	NIL	NIL	YES

(•) All data adjusted for announced stock split or stock dividend. See back page of Ratings & Reports.
◆ New figure this week.
(b) Canadian Dollars.
(d) Deficit.
(f) The estimate may reflect a probable increase or decrease. If a dividend boost or cut is possible but not probable, two figures are shown, the first is the more likely.
(g) Dividends subject to foreign withholding tax for U.S. residents.
(h) Est'd Earnings & Est'd Dividends after conversion to U.S. dollars at Value Line estimated translation rate.
(j) All Index data expressed in hundreds.
(p) 6 months (q) Asset Value
N=Negative figure NA=Not available NMF=No meaningful figure

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PAGE NUMBERS
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		NAME OF STOCK		Ticker Symbol	Recent Price	RANKS Timeliness	Safety	Technical	Beta	3-5 year Target Price Range and % appreciation potential	Current P/E Ratio	% Est'd Yield next 12 mos.	Est'd Earns. 12 mos. to 12-31-26	(f) Est'd Div'd next 12 mos.	Industry Rank	LATEST RESULTS Qtr. Ended	Earns. Per sh.	Year Ago	Qtr. Ended	Latest Div'd	Year Ago	Do Options Trade?
	2382	Ziff Davis, Inc.	(NDQ)	ZD	**41.90**	**3**	**3**	**3**	1.15	60- 95 (45-125%)	**14.4**	**NIL**	2.90	NIL	**77**	3/31	**◆.73**	.61	3/31	NIL	NIL	YES
	2630	Zillow Group 'C'	(NDQ)	Z	**40.44**	**4**	**3**	**4**	1.45	60- 90 (50-125%)	**NMF**	**NIL**	.10	NIL	**57**	3/31	**◆.53**	.03	3/31	NIL	NIL	YES
	190	Zimmer Biomet Hldgs.		ZBH	**79.58**	**3**	**3**	**3**	.90	130- 190 (65-140%)	**9.1**	**1.2**	8.75	.99	**79**	3/31	**2.09**	1.81	6/30	.24	.24	YES
	788	Zions Bancorp.	(NDQ)	ZION	**60.80**	**3**	**3**	**3**	1.50	65- 95 (5- 55%)	**9.9**	**3.1**	6.15	1.86	**31**	3/31	**1.56**	1.13	3/31	.45	.43	YES
	1643	ZipRecruiter, Inc.		ZIP	**3.45**	**–**	**4**	**–**	1.50	3- 5 (N- 45%)	**9.9**	**NIL**	.35	NIL	**37**	3/31	**◆d.06**	.02	3/31	NIL	NIL	YES
★★	**1628**	Zoetis Inc.		ZTS	**76.67**	**▼3**	**2**	**3**	.95	165- 225 (115-195%)	**10.9**	**2.8**	7.05	2.12	**69**	3/31	**◆1.53**	1.48	6/30	.53	.50	YES
	944	Zoom Communications	(NDQ)	ZM	**107.12**	**3**	**3**	**3**	1.20	95- 140 (N- 30%)	**17.0**	**NIL**	6.30	NIL	**41**	1/31	**1.44**	.70	3/31	NIL	NIL	YES
	2025	Zscaler, Inc.	(NDQ)	ZS	**148.87**	**5**	**3**	**4**	1.40	160- 240 (5- 60%)	**33.2**	**NIL**	4.48	NIL	**63**	1/31	**1.01**	.78	3/31	NIL	NIL	YES
	2191	Zumiez Inc.	(NDQ)	ZUMZ	**23.17**	**–**	**4**	**–**	1.30	25- 40 (10- 75%)	**18.5**	**NIL**	1.25	NIL	**20**	1/31	**1.16**	.78	3/31	NIL	NIL	YES
	1130	Zurn Elkay Water		ZWS	**51.02**	**3**	**3**	**3**	1.15	50- 75 (N- 45%)	**30.9**	**0.9**	1.65	.44	**36**	3/31	**.41**	.31	3/31	.11	.09	YES

★★ Supplementary Report in this week's issue.
▲ Arrow indicates the direction of a change. When it appears with the Latest Dividend, the arrow signals that a change in the regular payment rate has occurred in the latest quarter.

For Timeliness, 3-5 year Target Price Range, or Estimated Earnings 12 months to 12-31-26, the arrow indicates a change since the preceding week. When a diamond ◆ (indicating a new figure) appears alongside the latest quarterly earnings results, the rank change probably was primarily caused by the earnings report. In other cases, the change is due to the dynamics of the ranking system and could simply be the result of the improvement or weakening of other stocks.

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INDUSTRIES, IN ORDER OF TIMELINESS RANK*

Arrow (▲▼) before name indicates that a **significant change in Rank** has occurred since the preceding week.

1 Semiconductor Equip
2 Metal Fabricating
3 Petroleum (Integrated)
4 Heavy Truck & Equip
5 Semiconductor
6 Publishing
7 Information Services
8 Engineering & Const
9 Electrical Equipment
10 Electronics
11 Industrial Services
12 Maritime
13 Petroleum (Producing)
14 Medical Services
15 Steel
16 Retail (Hardlines)
17 IT Services
18 Retail Store
19 Oilfield Svcs/Equip.
20 Retail (Softlines)
21 Trucking
22 Diversified Co.
23 Shoe
24 Pipeline MLPs
25 Environmental
26 Retail/Wholesale Food
27 Railroad
28 Educational Services
29 Machinery
30 Insurance (Prop/Cas.)
31 Bank (Regional)
32 Telecom. Equipment
33 Metals & Mining (Div.)
34▲ Wireless Networking
35 Financial Svcs. (Div.)
36 Building Materials
37▲ Human Resources
38▲ Asset Management
39 Chemical (Specialty)
40▲ Computer Software
41 Telecom. Services
42 Apparel
43 Bank
44 Chemical (Basic)
45▲ Chemical (Diversified)
46 Computers/Peripherals
47 Restaurant
48 Oil/Gas Distribution
49 Reinsurance
50 Thrift
51 Precious Metals
52 Cable TV
53▼ Precision Instrument
54 Auto Parts
55▼ Investment Banking
56 Homebuilding
57 Internet
58 Digital Infrastructure
59 Aerospace/Defense
60 Air Transport
61 Hotel/Gaming
62 Packaging & Container
63 Cyber Security
64 Retail Automotive
65 Beverage
66 Insurance (Life)
67 Brokers & Exchanges
68 Food Processing
69 Drug
70 Natural Gas (Div.)
71 Entertainment
72 Recreation
73 E-Commerce
74 Med Supp Non-Invasive
75 Household Products
76 Retail Building Supply
77 Advertising
78 Electric Utility (West)
79 Med Supp Invasive
80 Tobacco
81 Healthcare Information
82 Electric Util. (Central)
83 Automotive
84 Public/Private Equity
85 Power
86 Natural Gas Utility
87 Furn/Home Furnishings
88 Water Utility
89 Biotechnology
90 R.E.I.T.
91 Electric Utility (East)
92 Paper/Forest Products
93 Entertainment Tech

***Based on the Timeliness™ ranks of the stocks in the industry**

Noteworthy Rank Changes

Listed below are some of the stocks whose Timeliness ranks have changed this week. We include mostly rank changes caused by fundamentals such as new earnings reports. Even when a significant change in earnings momentum has been forecast, the stock's rank will not be affected until the actual results, confirming that forecast, are reported. In most cases, we omit stocks that have been bumped up or down in rank by the dynamism of the ranking system.

STOCKS MOVING UP IN TIMELINESS RANK

Stock Name	Old Rank	New Rank	Reason for Change	Earnings Est. 12 months to 12-31-26
ADT Inc.	2	1	Dynamism of the ranking system.	
ArcelorMittal	2	1	Dynamism of the ranking system.	
Arrow Electronics	2	1	Dynamism of the ranking system.	
BJ's Wholesale Club	2	1	Dynamism of the ranking system.	
Chemed Corp.	2	1	Dynamism of the ranking system.	
Cimpress plc	2	1	Dynamism of the ranking system.	
ConocoPhillips	2	1	Dynamism of the ranking system.	
DexCom Inc.	2	1	Dynamism of the ranking system.	
Gartner Inc.	2	1	Dynamism of the ranking system.	
Int'l Seaways Inc	2	1	Dynamism of the ranking system.	
Plexus Corp.	2	1	Dynamism of the ranking system.	
Ryder System	2	1	Dynamism of the ranking system.	

STOCKS MOVING DOWN IN TIMELINESS RANK

Stock Name	Old Rank	New Rank	Reason for Change	Earnings Est. 12 months to 12-31-26
Allison Transmission	1	2	Dynamism of the ranking system.	
Cheniere Energy Inc.	1	2	Dynamism of the ranking system.	
EPAM Systems	1	2	Dynamism of the ranking system.	
Installed Building Prod.	1	2	Dynamism of the ranking system.	
Kennametal Inc.	1	2	Dynamism of the ranking system.	
MGM Resorts Int'l	1	2	Dynamism of the ranking system.	
Matador Resources	1	2	Dynamism of the ranking system.	
Onto Innovation	1	2	Dynamism of the ranking system.	
Par Pacific Holdings	1	2	Dynamism of the ranking system.	
Primoris Services	1	2	Dynamism of the ranking system.	
Travelers Cos.	1	2	Dynamism of the ranking system.	
Vicor Corp.	1	2	Dynamism of the ranking system.	

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TIMELY STOCKS IN TIMELY INDUSTRIES

Page No.	Industry (Industry Rank)	Recent Price	RANKS Timeliness	RANKS Technical	RANKS Safety	Beta	Current P/E Ratio	% Est'd Yield	Est'd 3-5 Year Price Apprec.
	Semiconductor Equip (INDUSTRY RANK 1)								
1384	ASML Holding N.V.	1565.81	1	3	3	1.40	58.8	0.4	N- 45%
1386	Amkor Technology	76.69	1	3	3	1.65	43.8	0.4	N- N%
1387	Applied Materials	443.62	1	3	3	1.40	38.2	0.4	N- N%
1390	Entegris, Inc.	149.15	2	3	3	1.65	43.9	0.3	N- 35%
1391	FormFactor, Inc.	151.40	2	3	3	1.45	81.8	NIL	N- N%
1393	KLA Corp.	1845.19	1	3	3	1.40	44.9	0.4	N- N%
1395	Lam Research	296.05	1	3	3	1.55	50.0	0.3	N- N%
1396	MKS Inc.	319.71	2	3	3	1.70	32.0	0.3	N- 45%
1398	Onto Innovation	287.52	2	3	3	1.50	44.2	NIL	N- 10%
1399	Photronics Inc.	54.96	1	3	4	1.55	25.1	NIL	N- N%
1401	Teradyne Inc.	366.64	1	3	3	1.35	48.9	0.1	10- 60%
1402	Ultra Clean Hldgs.	85.45	2	4	3	1.75	45.0	NIL	N- N%
	Metal Fabricating (INDUSTRY RANK 2)								
736	Mueller Inds.	140.71	2	3	3	1.10	18.8	0.9	N- 35%
737	Proto Labs, Inc.	70.95	2	3	3	1.30	40.5	NIL	N- 20%
738	Tenaris S.A. ADS	61.87	2	3	3	1.15	16.7	3.3	5- 60%
	Petroleum (Integrated) (INDUSTRY RANK 3)								
502	BP PLC ADR	44.22	2	3	2	0.95	9.8	4.3	15- 70%
506	Delek US Holdings	46.82	1	4	2	1.20	12.2	2.2	N- 60%
507	Equinor ASA	38.22	1	3	2	0.75	6.8	4.2	20- 70%
509	HF Sinclair	72.81	1	3	3	1.05	16.2	2.8	5- 60%
510	Imperial Oil Ltd.	130.23	2	3	2	1.05	12.8	2.0	N- 30%
511	Marathon Petroleum	252.48	1	3	2	1.05	15.9	1.6	N- 45%
514	Par Pacific Holdings	64.50	2	3	2	1.00	6.1	NIL	N- N%
515	Petroleo Brasileiro ADR	20.75	2	3	2	0.90	4.9	10.3	N- 45%
516	Phillips 66	175.36	2	3	2	1.10	24.2	2.9	N- 30%
517	Shell plc	85.36	2	2	1	0.90	12.6	3.4	5- 45%
518	Suncor Energy	89.08	2	3	2	0.90	16.2	2.7	N- 20%
520	Valero Energy	248.13	2	3	2	1.05	8.9	2.1	5- 55%
	Heavy Truck & Equip (INDUSTRY RANK 4)								
141	AGCO Corp.	118.83	2	3	2	1.30	20.5	1.0	25- 90%
142	Alamo Group	154.80	2	3	3	1.15	15.3	0.9	40-110%
145	Caterpillar Inc.	926.79	1	2	3	1.25	40.6	0.7	N- N%
146	Cummins Inc.	702.66	2	2	4	1.15	28.1	1.1	N- 5%
148	Federal Signal	117.38	1	2	3	1.05	25.0	0.5	15- 60%
149	Finning Int'l	97.58	2	3	3	1.10	21.0	1.2	N- 55%
152	PACCAR Inc.	112.96	2	2	2	1.00	20.0	4.0	10- 50%
155	Toro Co.	94.96	2	3	2	1.05	20.6	1.7	5- 60%
	Semiconductor (INDUSTRY RANK 5)								
1347	Advanced Micro Dev.	458.79	1	3	4	1.55	82.1	NIL	N- 15%
1350	Analog Devices	422.73	2	3	3	1.25	34.5	1.0	N- 35%
1353	Broadcom Inc.	428.43	2	3	3	1.10	33.1	0.6	35-105%
1354	Cirrus Logic	174.23	2	3	3	1.20	19.7	NIL	N- 40%
1356	Diodes Inc.	111.99	2	3	3	1.45	59.6	NIL	N- 5%
1357	GLOBALFOUNDRIES Inc	74.99	2	3	4	1.45	38.5	NIL	N- 5%
1359	Lattice Semiconductor	128.96	1	3	3	1.65	80.6	NIL	N- 5%
1360	MACOM Tech. Solutions	365.88	2	3	4	1.40	77.4	NIL	N- N%
1361	Marvell Technology	170.84	1	3	4	1.50	50.8	0.1	N- N%
1364	Micron Technology	795.33	1	3	4	1.50	10.2	0.1	N- 5%
1366	NXP Semi. NV	305.99	2	3	5	1.30	23.5	1.3	N- 50%
1367	NVIDIA Corp.	219.44	2	3	4	1.50	26.6	NIL	30- 90%
1368	ON Semiconductor	107.24	1	3	4	1.50	37.6	NIL	N- 5%
1377	STMicroelectronics	60.12	2	3	4	1.40	52.3	0.6	N- N%
1379	Taiwan Semic. ADR	404.54	2	3	3	1.15	28.3	0.6	5- 55%
1380	Texas Instruments	297.76	2	3	3	1.05	52.1	1.9	N- 5%
1381	Tower Semiconductor	228.88	2	3	3	1.05	85.4	NIL	N- 5%
1382	United Microelectronics	15.59	1	3	3	0.95	26.0	3.8	N- 15%
	Publishing (INDUSTRY RANK 6)								
2369	Cimpress plc	88.45	1	4	3	1.40	44.2	NIL	N- 70%
2370	Deluxe Corp.	25.80	1	3	3	1.20	6.5	4.7	55-135%
	Information Services (INDUSTRY RANK 7)								
426	ExlService Holdings Inc	30.19	2	3	3	1.10	15.1	NIL	115-230%
428	FactSet Research	219.19	1	3	4	0.95	11.9	2.1	100-200%
429	Fair Isaac	1092.00	2	3	3	1.15	23.4	NIL	30-100%
430	Gartner Inc.	153.80	1	3	4	1.10	11.0	NIL	80-165%
431	MSCI Inc.	584.63	1	3	3	1.15	30.8	1.4	N- 50%
436	Verisk Analytics	168.57	1	2	3	0.80	22.0	1.2	110-190%
	Engineering & Const (INDUSTRY RANK 8)								
1004	Argan Inc.	683.52	1	3	3	0.95	74.3	0.3	N- N%
1008	EMCOR Group	931.50	2	3	4	1.10	33.0	0.2	N- 5%
1011	Granite Construction	141.21	2	3	3	1.15	22.6	0.4	5- 55%
1012	IES Holdings Inc.	685.11	2	3	4	1.35	37.2	NIL	N- 30%
1016	MYR Group	458.42	1	3	4	1.30	48.5	NIL	N- 5%
1017	MasTec	421.37	2	3	4	1.30	49.6	NIL	N- N%
1018	Primoris Services	114.39	2	3	3	1.25	19.6	0.3	55-135%
1019	Quanta Services	781.38	2	3	4	1.15	60.1	0.1	N- 25%
1022	Sterling Infrastruc.	868.18	1	3	4	1.35	73.3	NIL	N- N%
1023	Tutor Perini	82.79	2	4	3	1.50	21.5	0.7	N- 45%
	Electrical Equipment (INDUSTRY RANK 9)								
1302	AZZ Inc.	148.65	2	3	3	1.20	23.1	0.5	15- 70%
1304	Amphenol Corp.	122.47	2	2	3	1.15	27.2	0.8	50-105%
1308	Grainger (W.W.)	1226.09	2	2	3	0.95	28.1	0.8	N- 30%
1310	Hubbell Inc.	490.16	1	2	2	1.00	24.8	1.2	20- 65%
1311	Littelfuse Inc.	465.86	2	3	4	1.30	36.5	0.7	N- 5%
1312	nVent Electric plc	173.39	2	3	4	1.25	42.3	0.5	N- N%
1313	Powell Industries	322.05	1	3	4	1.15	19.0	0.1	N- N%
1317	Vertiv Holdings	367.92	1	3	4	1.75	66.3	0.1	N- 15%
1318	Vicor Corp.	312.96	2	4	4	1.65	NMF	NIL	N- N%
	Electronics (INDUSTRY RANK 10)								
1321	Arrow Electronics	202.56	1	3	3	1.15	15.2	NIL	N- 25%
1322	Avnet, Inc.	82.86	2	3	3	1.05	14.8	1.7	N- 45%
1325	Celestica Inc.	380.99	1	3	3	1.40	42.3	NIL	N- 40%
1326	Corning Inc.	207.39	2	3	3	1.25	65.8	0.6	N- N%
1328	Fabrinet	649.53	2	3	3	1.30	45.4	NIL	N- N%
1333	Jabil Inc.	365.24	1	3	3	1.30	28.3	0.1	N- 20%
1334	Plexus Corp.	271.78	1	3	4	1.05	33.9	NIL	N- 5%
1337	Sanmina Corp.	245.44	1	3	4	1.15	23.9	NIL	N- N%
1341	TD SYNNEX Corp.	237.02	1	3	4	1.15	14.2	0.8	N- 5%
1342	TTM Technologies	162.99	1	3	4	1.35	54.3	NIL	N- N%
1345	Vishay Intertechnology	34.83	2	3	4	1.30	69.7	1.1	N- N%
	Industrial Services (INDUSTRY RANK 11)								
379	ADT Inc.	6.79	1	3	4	1.20	7.4	3.2	35-105%
381	ARAMARK Holdings	44.56	2	3	3	1.00	19.0	1.1	35- 90%
382	Booz Allen Hamilton	74.95	1	3	3	0.75	12.5	3.1	45-120%
383	Brink's (The) Co.	105.20	1	3	3	1.05	11.4	1.0	15- 70%
386	Cintas Corp.	164.67	2	2	3	1.00	31.7	1.2	20- 65%
387	Comfort Systems USA	2032.98	1	3	4	1.35	47.3	0.2	N- 25%
391	Expeditors Int'l	155.54	2	2	2	1.00	25.7	1.0	N- 35%
392	FTI Consulting	159.09	2	3	3	0.55	17.1	NIL	25- 90%
395	Genpact Limited	31.30	1	3	3	0.95	7.8	2.4	75-170%
399	Jones Lang LaSalle	322.89	2	3	3	1.40	14.2	NIL	20- 85%
403	Science Applications	92.65	1	3	3	0.85	9.7	1.6	90-180%
407	WillScot Holdings Corp.	26.71	2	3	5	1.35	25.4	1.0	N- 50%
	Maritime (INDUSTRY RANK 12)								
336	Frontline plc	38.15	2	4	3	1.05	9.1	10.8	N- 45%
338	Int'l Seaways Inc	89.71	1	3	3	0.90	13.0	0.5	N- N%
339	Kirby Corp.	146.09	2	3	2	1.20	21.4	NIL	N- 45%
340	Matson, Inc.	181.91	1	3	3	1.20	12.6	0.8	55-135%
	Petroleum (Producing) (INDUSTRY RANK 13)								
2384	APA Corp.	36.70	1	3	2	1.35	6.2	2.7	25- 75%
2388	ConocoPhillips	115.55	1	3	1	1.00	16.0	2.9	N- 40%
2391	Magnolia Oil & Gas	28.21	2	3	2	1.20	11.8	2.3	5- 60%
2392	Matador Resources	56.33	2	3	2	1.35	7.0	2.7	35- 95%
2396	Texas Pacif. Land Corp.	402.63	1	3	2	1.10	52.0	0.6	N- 45%
	Medical Services (INDUSTRY RANK 14)								
791	CVS Health	92.22	2	3	3	0.90	12.8	3.1	N- 35%
792	Centene Corp.	56.36	1	3	5	0.80	18.5	NIL	N- N%
795	DaVita Inc.	198.93	1	3	3	0.80	14.0	NIL	10- 65%
796	Elevance Health	381.75	1	3	5	0.80	14.7	1.9	35-105%
797	Encompass Health	104.82	2	3	4	0.95	17.3	0.6	45-115%
801	HCA Healthcare	426.37	2	3	1	0.90	13.9	0.7	15- 70%
805	IQVIA Holdings	173.55	2	3	4	1.25	13.6	NIL	75-160%
807	Medpace Holdings	417.29	2	3	3	1.35	24.1	NIL	15- 70%
808	Molina Healthcare	185.19	2	3	5	0.70	33.1	NIL	N- 5%
810	Option Care Health	19.83	2	3	3	1.00	10.7	NIL	100-205%
814	Tenet Healthcare	191.68	2	3	3	1.25	11.0	NIL	5- 60%
815	UnitedHealth Group	384.44	2	3	5	0.80	21.5	2.3	N- 40%
816	Universal Health 'B'	168.23	2	3	3	1.05	7.2	0.5	80-165%
	Steel (INDUSTRY RANK 15)								
741	ArcelorMittal	62.34	1	3	2	1.55	13.0	1.0	10- 70%
742	Carpenter Technology	429.06	2	3	3	1.60	39.0	0.2	N- 5%
744	Commercial Metals	71.16	2	3	3	1.30	9.8	1.0	55-130%
746	Nucor Corp.	232.00	2	3	4	1.40	19.7	1.0	N- 35%
747	Reliance, Inc.	368.47	2	3	3	1.05	21.3	1.4	5- 60%
749	Steel Dynamics	235.97	2	3	4	1.35	18.2	0.9	N- 25%
	Retail (Hardlines) (INDUSTRY RANK 16)								
2168	Bath & Body Works	19.16	2	4	3	1.20	7.5	4.2	30-110%
2170	Casey's Gen'l Stores	877.07	1	2	4	0.80	44.6	0.3	N- N%
2174	Murphy USA Inc.	577.94	1	3	2	0.70	22.7	0.5	N- 45%
2176	Sally Beauty	12.98	2	3	2	1.15	6.1	NIL	40- 95%
2177	Signet Jewelers Ltd.	83.13	2	3	2	1.30	8.6	1.7	30-100%
2180	Ulta Beauty	511.98	1	3	2	1.05	18.0	NIL	20- 85%

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Page No.	Industry (Industry Rank)	Recent Price	RANKS Timeliness	RANKS Technical	RANKS Safety	Beta	Current P/E Ratio	% Est'd Yield	Est'd. 3-5 Year Price Apprec.
	IT Services (INDUSTRY RANK 17)								
2597	Accenture Plc	172.35	2	2	3	1.05	12.7	3.8	95-165%
2598	Amdocs Ltd.	62.57	2	1	3	0.80	8.5	3.4	85-125%
2599	CDW Corp.	102.54	2	3	4	1.15	10.1	2.4	90-185%
2600	CGI Inc	89.43	2	1	4	0.65	11.0	0.7	80-120%
2602	Cognizant Technology	49.25	2	2	3	1.05	8.7	2.7	125-175%
2604	EPAM Systems	97.35	2	3	3	1.45	7.8	NIL	100-200%
2607	LiveRamp Holdings	29.35	2	3	4	1.30	11.3	NIL	55-120%
2608	Manhattan Assoc.	137.73	2	3	3	1.20	26.5	NIL	60-140%
	Retail Store (INDUSTRY RANK 18)								
2137	BJ's Wholesale Club	91.11	1	3	3	0.55	19.2	NIL	30-100%
2143	Dollar Tree, Inc.	90.02	2	3	1	0.70	13.2	NIL	45-110%
2146	Kohl's Corp.	13.09	2	4	3	1.30	10.5	3.8	45-130%
2149	PriceSmart	156.98	2	3	2	0.90	29.1	0.9	N- N%
2150	Ross Stores	214.55	2	3	2	0.95	29.6	0.8	N- 40%
2153	Upbound Group	17.99	2	3	4	1.25	4.1	8.7	95-205%
	Oilfield Svcs/Equip. (INDUSTRY RANK 19)								
2399	Archrock, Inc.	36.71	1	3	3	1.30	18.4	2.4	N- 35%
2403	Halliburton Co.	40.26	1	3	2	1.25	17.1	1.7	N- 60%
2406	Liberty Energy	33.39	2	4	2	1.40	NMF	1.1	N- 20%
2407	NOV Inc.	19.77	2	3	2	1.25	16.5	1.8	N- 50%
2409	Patterson-UTI Energy	11.86	2	4	2	1.50	NMF	3.4	N- 70%
2413	TechnipFMC plc	71.15	2	3	3	1.35	24.1	0.3	N- 50%
2414	Weatherford Internationa	102.28	2	4	2	1.50	14.2	1.1	N- 45%
	Retail (Softlines) (INDUSTRY RANK 20)								
2183	Abercrombie & Fitch	72.33	2	4	2	1.15	7.0	NIL	25-105%
2189	Urban Outfitters	68.40	1	3	3	1.05	11.8	NIL	N- 55%
	Trucking (INDUSTRY RANK 21)								
317	ArcBest Corp.	118.31	1	3	3	1.40	25.2	0.4	25- 80%
322	Hunt (J.B.)	240.75	1	3	3	1.10	33.0	0.8	N- 50%
325	Old Dominion Freight	195.12	2	3	2	1.10	36.8	0.6	N- 45%
327	Ryder System	232.47	1	3	3	1.20	16.3	1.6	N- 25%
328	Saia, Inc.	446.18	2	3	3	1.15	39.8	NIL	N- 25%
330	TFI International Inc	137.43	2	3	3	1.15	26.9	1.4	N- 25%
333	XPO Inc.	201.60	2	3	3	1.50	42.4	NIL	N- 20%
	Diversified Co. (INDUSTRY RANK 22)								
1750	AMETEK, Inc.	232.16	2	1	3	1.05	28.8	0.6	20- 45%
1753	Chemed Corp.	421.43	1	2	5	0.70	17.6	0.6	55-110%
1755	Eaton Corp. plc	419.00	2	2	3	1.10	31.3	1.0	N- 35%
1757	ESCO Technologies	297.85	2	3	3	1.10	36.5	0.1	N- 25%
1764	Parker-Hannifin	874.36	2	2	2	1.30	26.8	0.9	20- 60%
1769	TriMas Corp.	41.59	2	3	3	1.10	28.7	0.4	N- 45%
1770	Valmont Inds.	516.00	2	3	3	1.10	24.1	0.6	N- 20%
	Shoe (INDUSTRY RANK 23)								
2157	Crocs, Inc.	100.42	1	3	4	1.60	7.5	NIL	15- 75%
2158	Deckers Outdoor	96.65	1	3	3	1.20	13.5	NIL	65-145%
	Pipeline MLPs (INDUSTRY RANK 24)								
592	Energy Transfer LP	19.61	2	3	2	1.00	15.7	6.9	25- 80%
593	Enterprise Products	37.90	2	1	3	0.85	13.1	6.1	30- 60%
594	Hess Midstream LP	39.19	2	3	2	0.95	15.1	8.1	N- 55%
597	Plains GP Hldgs. L.P.	23.51	2	3	1	1.05	19.6	7.4	5- 70%
	Environmental (INDUSTRY RANK 25)								
410	Clean Harbors	293.45	1	3	3	1.00	35.4	NIL	N- 25%
413	Republic Services	197.73	2	1	2	0.70	27.3	1.2	15- 40%
414	Tetra Tech	29.59	2	3	3	1.00	18.5	1.0	20- 85%
	Retail/Wholesale Food (INDUSTRY RANK 26)								
1940	Albertsons Companies	15.92	2	3	3	0.65	7.0	4.0	55-120%
1952	US Foods Hldg.	83.61	1	3	2	1.20	17.6	NIL	20- 80%
1953	United Natural Foods	52.27	2	4	3	1.40	17.9	NIL	N- 25%
1954	Weis Markets	69.27	2	3	3	0.55	18.0	2.0	10- 60%
	Railroad (INDUSTRY RANK 27)								
344	CSX Corp.	44.74	2	2	2	1.00	23.5	1.3	N- 25%
348	Greenbrier (The) Cos.	50.18	2	3	1	1.25	17.2	2.7	20- 70%
352	Wabtec Corp.	268.13	2	2	3	1.20	25.4	0.5	10- 45%
	Educational Services (INDUSTRY RANK 28)								
1984	Covista Inc.	130.23	2	3	2	1.00	16.2	NIL	20- 80%
1990	Strategic Education	77.61	1	3	3	1.00	11.1	3.1	100-195%
1992	Universal Tech Institute	36.75	2	3	3	1.10	47.7	NIL	N- 35%
	Machinery (INDUSTRY RANK 29)								
1704	Applied Ind'l Techn.	310.55	2	3	3	1.15	28.2	0.7	N- 45%
1715	Gates Industrial plc	25.98	2	3	3	1.40	16.7	NIL	15- 55%
1718	IDEX Corp.	214.01	1	2	3	1.00	25.9	1.3	10- 50%
1719	Illinois Tool Works	252.09	1	1	2	1.00	22.3	2.6	35- 65%
1722	Johnson Ctrls. Int'l plc	141.78	2	3	3	1.25	29.9	1.1	N- N%
1723	Kennametal Inc.	37.07	2	3	2	1.35	25.2	2.2	N- 35%
1729	Middleby Corp. (The)	156.25	2	3	3	1.25	16.6	NIL	20- 80%
1730	Modine Mfg.	284.80	2	4	3	1.50	42.6	NIL	N- 40%
1731	Mueller Water Prod.	25.85	2	3	2	1.20	17.6	1.0	35- 95%
1743	Trane Technologies plc	476.50	2	3	3	1.15	32.2	0.8	N- 35%
1744	United Rentals	938.15	2	3	3	1.55	20.3	0.7	N- 10%
1746	Watts Water Techn.	298.16	2	3	2	1.15	25.4	0.7	10- 70%
1747	Xylem Inc.	112.00	2	3	3	1.15	20.2	1.5	55-130%
	Insurance (Prop/Cas.) (INDUSTRY RANK 30)								
752	Allstate Corp.	213.80	2	2	3	0.90	8.6	1.9	35- 80%
755	Berkley (W.R.)	66.41	2	2	2	0.85	14.4	0.5	35- 80%
758	Chubb Ltd.	320.26	2	1	2	0.85	11.7	1.3	35- 65%
759	Cincinnati Financial	163.33	2	2	3	1.05	19.7	2.3	55-110%
763	Hanover Insurance	189.89	2	2	3	0.90	9.5	2.0	40- 90%
768	Mercury General	99.05	1	3	3	1.00	14.2	1.3	25- 85%
772	Selective Ins. Group	84.81	2	2	3	0.85	10.2	2.2	60-110%
773	Travelers Cos.	297.13	2	1	2	0.85	10.9	1.5	30- 55%
	Bank (Regional) (INDUSTRY RANK 31)								
781	Hancock Whitney Corp.	67.75	2	3	3	1.35	10.8	2.7	N- 50%
784	Popular Inc.	146.95	2	3	3	1.25	10.3	2.0	20- 80%
785	SouthState Corporation	93.89	2	3	3	1.20	9.8	2.6	30- 90%
787	Wintrust Financial	150.48	2	3	3	1.30	12.2	1.5	N- 40%
	Telecom. Equipment (INDUSTRY RANK 32)								
947	ADTRAN Holdings	15.68	2	5	3	1.25	30.2	NIL	N- 30%
948	Arista Networks	136.43	2	3	3	1.30	40.1	NIL	N- 5%
950	Ciena Corp.	581.47	2	3	3	1.25	NMF	NIL	N- N%
955	Harmonic Inc.	12.83	2	3	5	1.20	22.5	NIL	40- 95%
	Metals & Mining (Div.) (INDUSTRY RANK 33)								
1579	ATI Inc.	161.16	2	3	3	1.45	37.9	NIL	N- N%
1585	Hudbay Minerals	25.50	2	3	3	1.75	14.2	NIL	N- 55%
1586	Kaiser Aluminum	180.39	1	3	3	1.65	29.1	1.7	N- N%
	Wireless Networking (INDUSTRY RANK 34)								
570	Digi Int'l	62.80	2	3	3	1.30	24.2	NIL	N- 25%
575	Zebra Techn. 'A'	216.96	2	3	3	1.55	11.7	NIL	65-145%
	Financial Svcs. (Div.) (INDUSTRY RANK 35)								
2504	Amer. Express	312.32	2	3	3	1.40	18.1	1.2	N- 55%
2505	Amer. Int'l Group	76.06	2	2	3	1.15	9.8	2.6	30- 85%
2507	Assurant Inc.	244.14	2	2	3	0.95	11.9	1.4	30- 75%
2508	Block, Inc.	73.17	2	3	5	2.00	19.8	NIL	80-160%
2510	Bread Financial	84.93	1	3	3	1.50	7.3	1.1	N- 35%
2515	Corpay	341.58	2	3	4	1.35	13.7	NIL	45-120%
2522	FirstCash Holdings	233.00	2	3	3	0.80	22.3	0.7	N- 45%
2526	Hartford Ins. Group	132.11	2	2	2	1.00	9.8	1.8	N- 35%
2527	Henry (Jack) & Assoc.	143.65	2	1	3	0.80	22.5	1.7	50- 80%
2531	Marsh & McLennan	161.58	2	1	3	0.90	15.5	2.2	60- 95%
2532	Mastercard Inc.	497.81	2	1	4	1.10	26.1	0.7	55- 90%
2534	PayPal Holdings	45.07	2	3	4	1.35	8.6	1.3	55-135%
2542	Synchrony Financial	70.28	2	3	3	1.40	7.6	1.9	20- 85%
2544	Visa Inc.	323.86	2	1	4	1.05	24.7	0.9	45- 75%
2545	Western Union	8.97	2	3	4	0.90	5.0	10.5	25- 80%
2546	WEX Inc.	140.50	2	3	3	1.40	7.8	NIL	65-150%

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Timely Stocks

Stocks Ranked 1 (Highest) for Relative Price Performance (Next 12 Months)

Page No.	Stock Name	Ticker	Recent Price	Ranks Technical	Ranks Safety	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
379	ADT Inc. ■	ADT	6.79	3	4	7.4	3.2	Industrial Services	11
2384	APA Corp.	APA	36.70	3	2	6.2	2.7	Petroleum (Producing)	13
1384	ASML Holding N.V.	ASML	1565.81	3	3	58.8	0.4	Semiconductor Equip	1
2549	Adobe Inc.	ADBE	246.15	3	4	10.4	NIL	Computer Software	40
1347	Advanced Micro Dev.	AMD	458.79	3	4	82.1	NIL	Semiconductor	5
1386	Amkor Technology	AMKR	76.69	3	3	43.8	0.4	Semiconductor Equip	1
1387	Applied Materials	AMAT	443.62	3	3	38.2	0.4	Semiconductor Equip	1
317	ArcBest Corp.	ARCB	118.31	3	3	25.2	0.4	Trucking	21
741	ArcelorMittal ■	MT	62.34	3	2	13.0	1.0	Steel	15
2399	Archrock, Inc.	AROC	36.71	3	3	18.4	2.4	Oilfield Svcs/Equip.	19
1004	Argan Inc.	AGX	683.52	3	3	74.3	0.3	Engineering & Const	8
1321	Arrow Electronics ■	ARW	202.56	3	3	15.2	NIL	Electronics	10
2137	BJ's Wholesale Club ■	BJ	91.11	3	3	19.2	NIL	Retail Store	18
382	Booz Allen Hamilton	BAH	74.95	3	3	12.5	3.1	Industrial Services	11
2510	Bread Financial	BFH	84.93	3	3	7.3	1.1	Financial Svcs. (Div.)	35
383	Brink's (The) Co.	BCO	105.20	3	3	11.4	1.0	Industrial Services	11
1595	CF Industries	CF	124.48	3	2	13.8	1.8	Chemical (Basic)	44
204	Cardinal Health	CAH	182.50	3	2	16.7	1.1	Med Supp Non-Invasive	74
2170	Casey's Gen'l Stores	CASY	877.07	2	4	44.6	0.3	Retail (Hardlines)	16
145	Caterpillar Inc.	CAT	926.79	2	3	40.6	0.7	Heavy Truck & Equip	4
1325	Celestica Inc.	CLS	380.99	3	3	42.3	NIL	Electronics	10
792	Centene Corp.	CNC	56.36	3	5	18.5	NIL	Medical Services	14
996	Charter Communic.	CHTR	147.79	3	3	3.4	NIL	Cable TV	52
1753	Chemed Corp. ■	CHE	421.43	2	5	17.6	0.6	Diversified Co.	22
2369	Cimpress plc ■	CMPR	88.45	4	3	44.2	NIL	Publishing	6
410	Clean Harbors	CLH	293.45	3	3	35.4	NIL	Environmental	25
387	Comfort Systems USA	FIX	2032.98	3	4	47.3	0.2	Industrial Services	11
2388	ConocoPhillips ■	COP	115.55	3	1	16.0	2.9	Petroleum (Producing)	13
2157	Crocs, Inc.	CROX	100.42	3	4	7.5	NIL	Shoe	23
709	Curtiss-Wright	CW	728.58	2	3	48.6	0.1	Aerospace/Defense	59
795	DaVita Inc.	DVA	198.93	3	3	14.0	NIL	Medical Services	14
2158	Deckers Outdoor	DECK	96.65	3	3	13.5	NIL	Shoe	23
506	Delek US Holdings	DK	46.82	4	2	12.2	2.2	Petroleum (Integrated)	3
1407	Dell Technologies	DELL	247.04	3	3	19.2	0.9	Computers/Peripherals	46
2370	Deluxe Corp.	DLX	25.80	3	3	6.5	4.7	Publishing	6
208	DexCom Inc. ■	DXCM	59.33	3	3	23.7	NIL	Med Supp Non-Invasive	74
796	Elevance Health	ELV	381.75	3	5	14.7	1.9	Medical Services	14
1222	EnerSys	ENS	236.82	3	4	25.5	0.4	Power	85
507	Equinor ASA	EQNR	38.22	3	2	6.8	4.2	Petroleum (Integrated)	3
428	FactSet Research	FDS	219.19	3	4	11.9	2.1	Information Services	7
148	Federal Signal	FSS	117.38	2	3	25.0	0.5	Heavy Truck & Equip	4
308	FedEx Corp.	FDX	378.90	3	2	18.1	1.0	Air Transport	60
2015	Fortinet Inc.	FTNT	115.44	3	5	38.5	NIL	Cyber Security	63
430	Gartner Inc. ■	IT	153.80	3	4	11.0	NIL	Information Services	7
104	Gen'l Motors	GM	75.29	3	2	6.7	0.8	Automotive	83
395	Genpact Limited	G	31.30	3	3	7.8	2.4	Industrial Services	11
1795	Goldman Sachs	GS	944.86	2	3	15.9	1.9	Investment Banking	55
509	HF Sinclair	DINO	72.81	3	3	16.2	2.8	Petroleum (Integrated)	3
2403	Halliburton Co.	HAL	40.26	3	2	17.1	1.7	Oilfield Svcs/Equip.	19
1914	Herbalife Nutrition	HLF	13.51	5	3	12.9	NIL	Food Processing	68
1310	Hubbell Inc.	HUBB	490.16	2	2	24.8	1.2	Electrical Equipment	9
322	Hunt (J.B.)	JBHT	240.75	3	3	33.0	0.8	Trucking	21
1718	IDEX Corp.	IEX	214.01	2	3	25.9	1.3	Machinery	29
1719	Illinois Tool Works	ITW	252.09	1	2	22.3	2.6	Machinery	29
1782	Interactive Brokers	IBKR	84.91	3	4	34.5	0.4	Brokers & Exchanges	67
338	Int'l Seaways Inc ■	INSW	89.71	3	3	13.0	0.5	Maritime	12
929	Iridium Communic.	IRDM	43.15	3	3	36.0	1.4	Telecom. Services	41
1333	Jabil Inc.	JBL	365.24	3	3	28.3	0.1	Electronics	10
1393	KLA Corp.	KLAC	1845.19	3	3	44.9	0.4	Semiconductor Equip	1
1586	Kaiser Aluminum	KALU	180.39	3	3	29.1	1.7	Metals & Mining (Div.)	33
117	Keysight Technologies	KEYS	366.36	3	3	39.7	NIL	Precision Instrument	53
1634	Kforce Inc.	KFRC	42.11	3	4	19.1	3.8	Human Resources	37
1395	Lam Research	LRCX	296.05	3	3	50.0	0.3	Semiconductor Equip	1
1359	Lattice Semiconductor	LSCC	128.96	3	3	80.6	NIL	Semiconductor	5
977	Lear Corp.	LEA	137.38	3	3	9.5	2.2	Auto Parts	54
431	MSCI Inc.	MSCI	584.63	3	3	30.8	1.4	Information Services	7
1016	MYR Group	MYRG	458.42	3	4	48.5	NIL	Engineering & Const	8
511	Marathon Petroleum	MPC	252.48	3	2	15.9	1.6	Petroleum (Integrated)	3
1361	Marvell Technology	MRVL	170.84	3	4	50.8	0.1	Semiconductor	5
2622	Match Group	MTCH	35.77	3	4	13.8	2.3	Internet	57
340	Matson, Inc.	MATX	181.91	3	3	12.6	0.8	Maritime	12
768	Mercury General	MCY	99.05	3	3	14.2	1.3	Insurance (Prop/Cas.)	30
1364	Micron Technology	MU	795.33	3	4	10.2	0.1	Semiconductor	5
2174	Murphy USA Inc.	MUSA	577.94	3	2	22.7	0.5	Retail (Hardlines)	16
1414	NetApp, Inc.	NTAP	117.73	3	5	13.9	1.8	Computers/Peripherals	46
2216	Northern Trust Corp.	NTRS	161.00	3	3	15.7	2.0	Asset Management	38
1368	ON Semiconductor	ON	107.24	3	4	37.6	NIL	Semiconductor	5
2112	PVH Corp.	PVH	83.30	3	3	6.9	0.2	Apparel	42
1399	Photronics Inc.	PLAB	54.96	3	4	25.1	NIL	Semiconductor Equip	1
1334	Plexus Corp. ■	PLXS	271.78	3	4	33.9	NIL	Electronics	10
1313	Powell Industries	POWL	322.05	3	4	19.0	0.1	Electrical Equipment	9
327	Ryder System ■	R	232.47	3	3	16.3	1.6	Trucking	21
2585	SS&C Techn. Hldgs	SSNC	67.04	2	3	9.8	1.6	Computer Software	40
2587	Salesforce, Inc.	CRM	177.49	3	4	13.7	0.9	Computer Software	40
1337	Sanmina Corp.	SANM	245.44	3	4	23.9	NIL	Electronics	10
403	Science Applications	SAIC	92.65	3	3	9.7	1.6	Industrial Services	11
1022	Sterling Infrastruc.	STRL	868.18	3	4	73.3	NIL	Engineering & Const	8
1990	Strategic Education	STRA	77.61	3	3	11.1	3.1	Educational Services	28
937	T-Mobile US	TMUS	190.85	2	3	16.0	2.2	Telecom. Services	41
1341	TD SYNNEX Corp.	SNX	237.02	3	4	14.2	0.8	Electronics	10
1342	TTM Technologies	TTMI	162.99	3	4	54.3	NIL	Electronics	10
1401	Teradyne Inc.	TER	366.64	3	3	48.9	0.1	Semiconductor Equip	1
2396	Texas Pacif. Land Corp.	TPL	402.63	3	2	52.0	0.6	Petroleum (Producing)	13
1142	Toll Brothers	TOL	135.15	3	2	10.7	0.8	Homebuilding	56
1952	US Foods Hldg.	USFD	83.61	3	2	17.6	NIL	Retail/Wholesale Food	26
2180	Ulta Beauty	ULTA	511.98	3	2	18.0	NIL	Retail (Hardlines)	16
1382	United Microelectronics	UMC	15.59	3	3	26.0	3.8	Semiconductor	5
2189	Urban Outfitters	URBN	68.40	3	3	11.8	NIL	Retail (Softlines)	20
436	Verisk Analytics	VRSK	168.57	2	3	22.0	1.2	Information Services	7
1317	Vertiv Holdings	VRT	367.92	3	4	66.3	0.1	Electrical Equipment	9

■ **Newly added this week.**

Rank 1 Deletions:
Allison Transmission; Cheniere Energy Inc.; EPAM Systems; Installed Building Prod.; Kennametal Inc.; MGM Resorts Int'l; Matador Resources; Onto Innovation; Par Pacific Holdings; Primoris Services; Travelers Cos.; Vicor Corp.

Rank removed–see supplement or report:
None.

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TIMELY STOCKS

Stocks Ranked 2 (Above Average) for Relative Price Performance in the Next 12 Months

Page No.	Stock Name	Ticker	Recent Price	Ranks Technical	Ranks Safety	Current P/E Ratio	Est'd % Yield	Industry Group	Industry Rank
141	AGCO Corp.	AGCO	118.83	3	2	20.5	1.0	Heavy Truck & Equip	4
1630	AMN Healthcare ▲	AMN	30.27	3	4	14.8	NIL	Human Resources	37
1579	ATI Inc.	ATI	161.16	3	3	37.9	NIL	Metals & Mining (Div.)	33
1302	AZZ Inc.	AZZ	148.65	3	3	23.1	0.5	Electrical Equipment	9
2183	Abercrombie & Fitch	ANF	72.33	4	2	7.0	NIL	Retail (Softlines)	20
2597	Accenture Plc	ACN	172.35	2	3	12.7	3.8	IT Services	17
962	Adient plc ▲	ADNT	22.12	3	3	9.4	NIL	Auto Parts	54
947	ADTRAN Holdings	ADTN	15.68	5	3	30.2	NIL	Telecom. Equipment	32
703	AerCap Hldgs. NV	AER	146.22	3	3	9.0	0.8	Aerospace/Defense	59
1805	Akamai Technologies	AKAM	153.01	3	2	21.4	NIL	Digital Infrastructure	58
142	Alamo Group ▲	ALG	154.80	3	3	15.3	0.9	Heavy Truck & Equip	4
2012	Alarm.com Holdings	ALRM	43.72	3	4	15.6	NIL	Cyber Security	63
1940	Albertsons Companies	ACI	15.92	3	3	7.0	4.0	Retail/Wholesale Food	26
1103	Allegion plc	ALLE	132.35	3	2	15.2	1.7	Building Materials	36
963	Allison Transmission ▼	ALSN	123.72	3	2	13.7	0.9	Auto Parts	54
752	Allstate Corp.	ALL	213.80	2	3	8.6	1.9	Insurance (Prop/Cas.)	30
2612	Alphabet Inc.	GOOG	386.77	2	4	35.8	0.2	Internet	57
2633	Amazon.com	AMZN	268.99	2	4	35.4	NIL	E-Commerce	73
2598	Amdocs Ltd.	DOX	62.57	1	3	8.5	3.4	IT Services	17
2504	Amer. Express	AXP	312.32	3	3	18.1	1.2	Financial Svcs. (Div.)	35
2505	Amer. Int'l Group	AIG	76.06	2	3	9.8	2.6	Financial Svcs. (Div.)	35
2208	Ameriprise Fin'l ▲	AMP	463.70	3	4	10.7	1.5	Asset Management	38
1750	AMETEK, Inc.	AME	232.16	1	3	28.8	0.6	Diversified Co.	22
1304	Amphenol Corp.	APH	122.47	2	3	27.2	0.8	Electrical Equipment	9
1350	Analog Devices	ADI	422.73	3	3	34.5	1.0	Semiconductor	5
523	Antero Resources	AR	36.59	3	2	8.4	NIL	Natural Gas (Div.)	70
2550	AppFolio, Inc.	APPF	159.56	3	5	25.1	NIL	Computer Software	40
1405	Apple Inc.	AAPL	292.68	2	3	33.2	0.4	Computers/Peripherals	46
1704	Applied Ind'l Techn.	AIT	310.55	3	3	28.2	0.7	Machinery	29
381	ARAMARK Holdings	ARMK	44.56	3	3	19.0	1.1	Industrial Services	11
948	Arista Networks	ANET	136.43	3	3	40.1	NIL	Telecom. Equipment	32
2507	Assurant Inc.	AIZ	244.14	2	3	11.9	1.4	Financial Svcs. (Div.)	35
965	Atmus Filtration	ATMU	56.60	3	2	19.5	0.4	Auto Parts	54
2554	Autodesk, Inc.	ADSK	236.07	3	4	38.1	NIL	Computer Software	40
967	Autoliv, Inc.	ALV	120.53	3	3	11.2	3.1	Auto Parts	54
2119	AutoNation, Inc.	AN	200.48	3	3	9.3	NIL	Retail Automotive	64
1322	Avnet, Inc.	AVT	82.86	3	3	14.8	1.7	Electronics	10
1502	Axos Financial	AX	85.49	3	3	9.8	NIL	Thrift	50
502	BP PLC ADR	BP	44.22	3	2	9.8	4.3	Petroleum (Integrated)	3
601	Bank of America	BAC	50.55	2	3	11.4	2.5	Bank	43
2168	Bath & Body Works	BBWI	19.16	4	3	7.5	4.2	Retail (Hardlines)	16
162	Becton, Dickinson	BDX	143.15	2	3	11.3	2.9	Med Supp Invasive	79
755	Berkley (W.R.) ▲	WRB	66.41	2	2	14.4	0.5	Insurance (Prop/Cas.)	30
2508	Block, Inc. ▲	XYZ	73.17	3	5	19.8	NIL	Financial Svcs. (Div.)	35
1219	Bloom Energy	BE	283.92	5	4	NMF	NIL	Power	85
2557	Box, Inc.	BOX	24.50	3	4	15.8	NIL	Computer Software	40
356	Brinker Int'l	EAT	139.61	3	2	12.2	NIL	Restaurant	47
1611	Bristol-Myers Squibb	BMY	55.67	2	1	15.9	4.5	Drug	69
1353	Broadcom Inc.	AVGO	428.43	3	3	33.1	0.6	Semiconductor	5
1779	Cboe Global Markets	CBOE	350.48	1	3	29.8	0.8	Brokers & Exchanges	67
2599	CDW Corp.	CDW	102.54	3	4	10.1	2.4	IT Services	17
2600	CGI Inc	GIBA.TO	89.43	1	4	11.0	0.7	IT Services	17
344	CSX Corp.	CSX	44.74	2	2	23.5	1.3	Railroad	27
791	CVS Health	CVS	92.22	3	3	12.8	3.1	Medical Services	14
2418	Cabot Corp. ▲	CBT	84.55	3	4	13.6	2.1	Chemical (Diversified)	45
1906	Cal-Maine Foods	CALM	75.45	3	3	21.9	3.8	Food Processing	68
2304	Callaway Golf Co.	CALY	16.11	4	2	32.2	NIL	Recreation	72
1112	Carlisle Cos.	CSL	357.60	3	4	17.0	1.3	Building Materials	36
2122	CarMax, Inc.	KMX	39.08	3	3	14.0	NIL	Retail Automotive	64
742	Carpenter Technology	CRS	429.06	3	3	39.0	0.2	Steel	15
578	Cheniere Energy Inc. ▼	LNG	240.70	3	1	26.6	0.9	Oil/Gas Distribution	48
359	Chipotle Mex. Grill	CMG	31.92	3	3	27.8	NIL	Restaurant	47
758	Chubb Ltd.	CB	320.26	1	2	11.7	1.3	Insurance (Prop/Cas.)	30
2350	Churchill Downs	CHDN	86.17	3	3	13.1	0.5	Hotel/Gaming	61
950	Ciena Corp.	CIEN	581.47	3	3	NMF	NIL	Telecom. Equipment	32
759	Cincinnati Financial	CINF	163.33	2	3	19.7	2.3	Insurance (Prop/Cas.)	30
386	Cintas Corp.	CTAS	164.67	2	3	31.7	1.2	Industrial Services	11
1354	Cirrus Logic	CRUS	174.23	3	3	19.7	NIL	Semiconductor	5
606	Citigroup Inc. ▲	C	125.85	3	3	11.7	2.0	Bank	43
1961	Coca-Cola	KO	78.66	1	2	24.2	2.7	Beverage	65
1962	Coca-Cola Consol.	COKE	170.48	3	2	18.9	0.6	Beverage	65
2602	Cognizant Technology	CTSH	49.25	2	3	8.7	2.7	IT Services	17
2106	Columbia Sportswear	COLM	59.24	3	4	17.2	2.0	Apparel	42
998	Comcast Corp.	CMCSA	25.03	2	3	6.8	5.3	Cable TV	52
744	Commercial Metals	CMC	71.16	3	3	9.8	1.0	Steel	15
206	Cooper Cos.	COO	58.98	3	2	12.5	NIL	Med Supp Non-Invasive	74
1326	Corning Inc.	GLW	207.39	3	3	65.8	0.6	Electronics	10
2515	Corpay	CPAY	341.58	3	4	13.7	NIL	Financial Svcs. (Div.)	35
1984	Covista Inc.	CVSA	130.23	3	2	16.2	NIL	Educational Services	28
146	Cummins Inc.	CMI	702.66	2	4	28.1	1.1	Heavy Truck & Equip	4
307	Delta Air Lines	DAL	71.20	3	2	13.7	1.1	Air Transport	60
923	Deutsche Telekom ADR	DTEGY	32.35	2	1	13.2	3.2	Telecom. Services	41
570	Digi Int'l	DGII	62.80	3	3	24.2	NIL	Wireless Networking	34
1356	Diodes Inc.	DIOD	111.99	3	3	59.6	NIL	Semiconductor	5
2561	DocuSign, Inc.	DOCU	45.49	4	4	11.1	NIL	Computer Software	40
2143	Dollar Tree, Inc.	DLTR	90.02	3	1	13.2	NIL	Retail Store	18
2562	Dropbox, Inc.	DBX	26.49	3	5	8.8	NIL	Computer Software	40
2604	EPAM Systems ▼	EPAM	97.35	3	3	7.8	NIL	IT Services	17
1114	Eagle Materials	EXP	204.93	3	4	16.6	0.5	Building Materials	36
608	East West Bancorp	EWBC	121.91	3	3	11.4	2.8	Bank	43
2420	Eastman Chemical	EMN	74.64	3	3	16.6	4.5	Chemical (Diversified)	45
1755	Eaton Corp. plc	ETN	419.00	2	3	31.3	1.0	Diversified Co.	22
1008	EMCOR Group	EME	931.50	3	4	33.0	0.2	Engineering & Const	8
797	Encompass Health	EHC	104.82	3	4	17.3	0.6	Medical Services	14
1194	Energizer Holdings ▲	ENR	17.58	3	4	5.1	6.8	Household Products	75
592	Energy Transfer LP	ET	19.61	3	2	15.7	6.9	Pipeline MLPs	24
1390	Entegris, Inc.	ENTG	149.15	3	3	43.9	0.3	Semiconductor Equip	1
593	Enterprise Products	EPD	37.90	1	3	13.1	6.1	Pipeline MLPs	24
1757	ESCO Technologies	ESE	297.85	3	3	36.5	0.1	Diversified Co.	22
2637	Etsy, Inc.	ETSY	59.86	4	4	22.6	NIL	E-Commerce	73
2563	EverCommerce Inc.	EVCM	11.00	3	2	15.7	NIL	Computer Software	40
2005	Everest Group	EG	350.78	3	4	7.6	2.4	Reinsurance	49
826	Exelixis, Inc.	EXEL	49.71	3	2	14.2	NIL	Biotechnology	89
426	ExlService Holdings Inc	EXLS	30.19	3	3	15.1	NIL	Information Services	7
2616	Expedia Group	EXPE	221.46	3	3	12.4	0.7	Internet	57
391	Expeditors Int'l ▲	EXPD	155.54	2	2	25.7	1.0	Industrial Services	11
1812	F5, Inc.	FFIV	358.30	2	3	22.3	NIL	Digital Infrastructure	58
392	FTI Consulting	FCN	159.09	3	3	17.1	NIL	Industrial Services	11
1328	Fabrinet	FN	649.53	3	3	45.4	NIL	Electronics	10
429	Fair Isaac	FICO	1092.00	3	3	23.4	NIL	Information Services	7
1144	Fastenal Co.	FAST	43.30	1	2	37.7	2.2	Retail Building Supply	76
149	Finning Int'l	FTT.TO	97.58	3	3	21.0	1.2	Heavy Truck & Equip	4
2522	FirstCash Holdings	FCFS	233.00	3	3	22.3	0.7	Financial Svcs. (Div.)	35
924	Five9, Inc.	FIVN	21.41	4	5	6.7	NIL	Telecom. Services	41
103	Ford Motor	F	12.05	3	3	10.2	5.0	Automotive	83
1391	FormFactor, Inc.	FORM	151.40	3	3	81.8	NIL	Semiconductor Equip	1
336	Frontline plc	FRO	38.15	4	3	9.1	10.8	Maritime	12
552	Fuller (H.B.)	FUL	60.35	3	3	NMF	1.6	Chemical (Specialty)	39
2107	G-III Apparel Group	GIII	30.26	3	3	14.4	NIL	Apparel	42
972	Garrett Motion ▲	GTX	29.14	3	4	16.2	1.1	Auto Parts	54
1715	Gates Industrial plc	GTES	25.98	3	3	16.7	NIL	Machinery	29
2016	Gen Digital Inc. ▲	GEN	22.40	3	5	8.1	2.2	Cyber Security	63
1357	GLOBALFOUNDRIES Inc ▲	GFS	74.99	3	4	38.5	NIL	Semiconductor	5
1558	Globe Life Inc.	GL	153.86	3	3	10.1	0.9	Insurance (Life)	66
170	Globus Medical	GMED	76.68	3	2	17.0	NIL	Med Supp Invasive	79
1308	Grainger (W.W.)	GWW	1226.09	2	3	28.1	0.8	Electrical Equipment	9
1011	Granite Construction	GVA	141.21	3	3	22.6	0.4	Engineering & Const	8
348	Greenbrier (The) Cos.	GBX	50.18	3	1	17.2	2.7	Railroad	27
801	HCA Healthcare	HCA	426.37	3	1	13.9	0.7	Medical Services	14
210	Haemonetics Corp.	HAE	52.24	3	3	10.1	NIL	Med Supp Non-Invasive	74
2430	Hamilton Lane Inc.	HLNE	88.56	3	3	14.3	2.4	Public/Private Equity	84
781	Hancock Whitney Corp.	HWC	67.75	3	3	10.8	2.7	Bank (Regional)	31
763	Hanover Insurance	THG	189.89	2	3	9.5	2.0	Insurance (Prop/Cas.)	30
955	Harmonic Inc.	HLIT	12.83	3	5	22.5	NIL	Telecom. Equipment	32
2526	Hartford Ins. Group	HIG	132.11	2	2	9.8	1.8	Financial Svcs. (Div.)	35
2527	Henry (Jack) & Assoc. ▲	JKHY	143.65	1	3	22.5	1.7	Financial Svcs. (Div.)	35
594	Hess Midstream LP	HESM	39.19	3	2	15.1	8.1	Pipeline MLPs	24
717	Howmet Aerospace	HWM	273.58	3	3	61.5	0.2	Aerospace/Defense	59
1585	Hudbay Minerals	HBM	25.50	3	3	14.2	NIL	Metals & Mining (Div.)	33
1012	IES Holdings Inc.	IESC	685.11	3	4	37.2	NIL	Engineering & Const	8
805	IQVIA Holdings ▲	IQV	173.55	3	4	13.6	NIL	Medical Services	14
212	Illumina Inc.	ILMN	142.51	3	3	27.7	NIL	Med Supp Non-Invasive	74
510	Imperial Oil Ltd.	IMO	130.23	3	2	12.8	2.0	Petroleum (Integrated)	3
1117	Installed Building Prod. ▼	IBP	206.20	3	2	18.3	0.8	Building Materials	36
613	JPMorgan Chase	JPM	300.00	1	3	13.1	2.1	Bank	43
1722	Johnson Ctrls. Int'l plc	JCI	141.78	3	3	29.9	1.1	Machinery	29
399	Jones Lang LaSalle	JLL	322.89	3	3	14.2	NIL	Industrial Services	11
1723	Kennametal Inc. ▼	KMT	37.07	3	2	25.2	2.2	Machinery	29
1572	Kinross Gold	KGC	31.81	3	2	10.4	0.4	Precious Metals	51
339	Kirby Corp.	KEX	146.09	3	2	21.4	NIL	Maritime	12
2146	Kohl's Corp.	KSS	13.09	4	3	10.5	3.8	Retail Store	18
2376	Lamar Advertising ▲	LAMR	152.26	3	4	26.9	4.4	Advertising	77
214	Lantheus Holdings	LNTH	94.07	3	4	16.2	NIL	Med Supp Non-Invasive	74
178	LeMaitre Vascular	LMAT	101.64	3	2	40.3	1.0	Med Supp Invasive	79
2406	Liberty Energy	LBRT	33.39	4	2	NMF	1.1	Oilfield Svcs/Equip.	19
978	Linamar Corp. ▲	LNR.TO	96.00	3	3	8.3	1.0	Auto Parts	54
557	Linde plc	LIN	504.40	1	2	28.4	1.3	Chemical (Specialty)	39
1311	Littelfuse Inc.	LFUS	465.86	3	4	36.5	0.7	Electrical Equipment	9
2607	LiveRamp Holdings	RAMP	29.35	3	4	11.3	NIL	IT Services	17
931	Lumen Technologies	LUMN	8.34	5	3	NMF	NIL	Telecom. Services	41
558	LyondellBasell Inds. ▲	LYB	73.53	3	2	21.0	3.8	Chemical (Specialty)	39
2358	MGM Resorts Int'l ▼	MGM	37.30	3	2	18.2	NIL	Hotel/Gaming	61
1396	MKS Inc.	MKSI	319.71	3	3	32.0	0.3	Semiconductor Equip	1
1360	MACOM Tech. Solutions	MTSI	365.88	3	4	77.4	NIL	Semiconductor	5
2391	Magnolia Oil & Gas	MGY	28.21	3	2	11.8	2.3	Petroleum (Producing)	13
2608	Manhattan Assoc.	MANH	137.73	3	3	26.5	NIL	IT Services	17
1560	Manulife Fin'l	MFC	39.97	2	3	11.9	3.5	Insurance (Life)	66
2621	Maplebear Inc.	CART	40.41	3	4	18.8	NIL	Internet	57
2359	Marriott Int'l	MAR	353.32	3	3	30.6	0.8	Hotel/Gaming	61

▲ Arrow indicates the direction of a change in Timeliness. ■ Newly added this week.

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TIMELY STOCKS

Stocks Ranked 2 (Above Average) for Relative Price Performance in the Next 12 Months

Page No.	Stock Name	Ticker	Recent Price	Ranks Technical	Ranks Safety	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
1121	Masco Corp.	MAS	70.59	3	3	16.8	1.8	Building Materials	36
1017	MasTec	MTZ	421.37	3	4	49.6	NIL	Engineering & Const	8
2532	Mastercard Inc.	MA	497.81	1	4	26.1	0.7	Financial Svcs. (Div.)	35
2392	Matador Resources ▼	MTDR	56.33	3	2	7.0	2.7	Petroleum (Producing)	13
216	McKesson Corp.	MCK	725.17	1	1	16.8	0.5	Med Supp Non-Invasive	74
807	Medpace Holdings	MEDP	417.29	3	3	24.1	NIL	Medical Services	14
2572	Microsoft Corp.	MSFT	412.66	1	5	23.5	0.9	Computer Software	40
1729	Middleby Corp. (The)	MIDD	156.25	3	3	16.6	NIL	Machinery	29
932	Millicom Int'l Cellular	TIGO	78.50	3	2	29.6	3.8	Telecom. Services	41
1730	Modine Mfg.	MOD	284.80	4	3	42.6	NIL	Machinery	29
808	Molina Healthcare ▲	MOH	185.19	3	5	33.1	NIL	Medical Services	14
2362	Monarch Casino	MCRI	117.04	3	3	18.1	1.1	Hotel/Gaming	61
724	Moog Inc. 'A'	MOGA	312.97	3	3	30.0	0.4	Aerospace/Defense	59
736	Mueller Inds.	MLI	140.71	3	3	18.8	0.9	Metal Fabricating	2
1731	Mueller Water Prod.	MWA	25.85	3	2	17.6	1.0	Machinery	29
2407	NOV Inc.	NOV	19.77	3	2	16.5	1.8	Oilfield Svcs/Equip.	19
1138	NVR, Inc.	NVR	5910.67	2	3	12.7	NIL	Homebuilding	56
1366	NXP Semi. NV	NXPI	305.99	3	5	23.5	1.3	Semiconductor	5
561	NewMarket Corp.	NEU	686.25	3	5	15.1	1.7	Chemical (Specialty)	39
1573	Newmont Corp.	NEM	120.67	3	3	13.7	0.9	Precious Metals	51
746	Nucor Corp.	NUE	232.00	3	4	19.7	1.0	Steel	15
1312	nVent Electric plc	NVT	173.39	3	4	42.3	0.5	Electrical Equipment	9
1367	NVIDIA Corp.	NVDA	219.44	3	4	26.6	NIL	Semiconductor	5
325	Old Dominion Freight	ODFL	195.12	3	2	36.8	0.6	Trucking	21
220	Omnicell, Inc.	OMCL	43.30	3	3	23.4	NIL	Med Supp Non-Invasive	74
583	ONEOK Inc.	OKE	87.79	3	2	14.6	4.9	Oil/Gas Distribution	48
1398	Onto Innovation ▼	ONTO	287.52	3	3	44.2	NIL	Semiconductor Equip	1
2575	Open Text Corp. ▲	OTEX	24.40	3	5	5.8	4.3	Computer Software	40
810	Option Care Health	OPCH	19.83	3	3	10.7	NIL	Medical Services	14
913	Otter Tail Corp. ▲	OTTR	88.29	3	3	16.4	2.6	Electric Util. (Central)	82
2199	PG&E Corp.	PCG	16.21	3	1	9.8	1.5	Electric Utility (West)	78
152	PACCAR Inc.	PCAR	112.96	2	2	20.0	4.0	Heavy Truck & Equip	4
2578	Palantir Technologies	PLTR	136.89	3	3	NMF	NIL	Computer Software	40
1764	Parker-Hannifin	PH	874.36	2	2	26.8	0.9	Diversified Co.	22
514	Par Pacific Holdings ▼	PARR	64.50	3	2	6.1	NIL	Petroleum (Integrated)	3
2409	Patterson-UTI Energy	PTEN	11.86	4	2	NMF	3.4	Oilfield Svcs/Equip.	19
1638	Paycom Software ▲	PAYC	138.44	3	5	14.0	1.1	Human Resources	37
2534	PayPal Holdings ▲	PYPL	45.07	3	4	8.6	1.3	Financial Svcs. (Div.)	35
515	Petroleo Brasileiro ADR	PBR	20.75	3	2	4.9	10.3	Petroleum (Integrated)	3
516	Phillips 66	PSX	175.36	3	2	24.2	2.9	Petroleum (Integrated)	3
981	PHINIA Inc.	PHIN	80.26	3	3	13.7	1.5	Auto Parts	54
597	Plains GP Hldgs. L.P.	PAGP	23.51	3	1	19.6	7.4	Pipeline MLPs	24
784	Popular Inc.	BPOP	146.95	3	3	10.3	2.0	Bank (Regional)	31
1928	Post Holdings	POST	100.53	3	4	13.7	NIL	Food Processing	68
2149	PriceSmart	PSMT	156.98	3	2	29.1	0.9	Retail Store	18
1562	Primerica, Inc.	PRI	271.74	2	4	11.1	1.8	Insurance (Life)	66
1018	Primoris Services ▼	PRIM	114.39	3	3	19.6	0.3	Engineering & Const	8
737	Proto Labs, Inc.	PRLB	70.95	3	3	40.5	NIL	Metal Fabricating	2
2019	Qualys, Inc.	QLYS	91.53	3	4	12.5	NIL	Cyber Security	63
1019	Quanta Services	PWR	781.38	3	4	60.1	0.1	Engineering & Const	8
619	Regions Financial	RF	26.83	3	2	10.3	4.2	Bank	43
747	Reliance, Inc.	RS	368.47	3	3	21.3	1.4	Steel	15
2009	RenaissanceRe Hldgs.	RNR	295.95	3	2	7.8	0.6	Reinsurance	49
413	Republic Services	RSG	197.73	1	2	27.3	1.2	Environmental	25
934	RingCentral, Inc.	RNG	44.62	4	3	8.9	0.7	Telecom. Services	41
2582	Roper Tech.	ROP	328.80	1	3	15.3	1.2	Computer Software	40
2150	Ross Stores	ROST	214.55	3	2	29.6	0.8	Retail Store	18
2133	Rush Enterprises 'A'	RUSHA	72.49	3	3	19.9	1.0	Retail Automotive	64
2219	SEI Investments	SEIC	91.59	2	4	15.9	1.1	Asset Management	38
2584	SPS Commerce	SPSC	52.78	3	4	11.9	NIL	Computer Software	40
328	Saia, Inc.	SAIA	446.18	3	3	39.8	NIL	Trucking	21
2176	Sally Beauty	SBH	12.98	3	2	6.1	NIL	Retail (Hardlines)	16
1417	Seagate Technology plc	STX	834.01	3	4	53.9	0.4	Computers/Peripherals	46
772	Selective Ins. Group	SIGI	84.81	2	3	10.2	2.2	Insurance (Prop/Cas.)	30
125	Sensata Techn. plc	ST	45.29	3	3	12.4	1.1	Precision Instrument	53
517	Shell plc	SHEL	85.36	2	1	12.6	3.4	Petroleum (Integrated)	3
2177	Signet Jewelers Ltd.	SIG	83.13	3	2	8.6	1.7	Retail (Hardlines)	16
1185	Silgan Holdings	SLGN	39.60	3	3	10.4	2.2	Packaging & Container	62
1124	Simpson Manufacturing	SSD	185.62	3	3	21.2	0.6	Building Materials	36
785	SouthState Corporation	SSB	93.89	3	3	9.8	2.6	Bank (Regional)	31
313	Southwest Airlines	LUV	39.99	3	3	18.2	1.8	Air Transport	60
749	Steel Dynamics	STLD	235.97	3	4	18.2	0.9	Steel	15
1377	STMicroelectronics	STM	60.12	3	4	52.3	0.6	Semiconductor	5
518	Suncor Energy	SU.TO	89.08	3	2	16.2	2.7	Petroleum (Integrated)	3
2542	Synchrony Financial	SYF	70.28	3	3	7.6	1.9	Financial Svcs. (Div.)	35
330	TFI International Inc	TFII	137.43	3	3	26.9	1.4	Trucking	21
1379	Taiwan Semic. ADR	TSM	404.54	3	3	28.3	0.6	Semiconductor	5
587	Targa Resources	TRGP	253.18	3	2	25.3	2.0	Oil/Gas Distribution	48
1141	Taylor Morrison Home	TMHC	59.30	3	3	8.5	NIL	Homebuilding	56
2413	TechnipFMC plc	FTI	71.15	3	3	24.1	0.3	Oilfield Svcs/Equip.	19
730	Teledyne Technologies	TDY	632.58	2	3	26.5	NIL	Aerospace/Defense	59
738	Tenaris S.A. ADS	TS	61.87	3	3	16.7	3.3	Metal Fabricating	2
814	Tenet Healthcare	THC	191.68	3	3	11.0	NIL	Medical Services	14
1822	Teradata Corp.	TDC	32.31	4	3	12.2	NIL	Digital Infrastructure	58
414	Tetra Tech	TTEK	29.59	3	3	18.5	1.0	Environmental	25
1380	Texas Instruments ▲	TXN	297.76	3	3	52.1	1.9	Semiconductor	5
227	Thermo Fisher Sci.	TMO	452.60	2	3	18.3	0.4	Med Supp Non-Invasive	74
155	Toro Co.	TTC	94.96	3	2	20.6	1.7	Heavy Truck & Equip	4
1381	Tower Semiconductor	TSEM	228.88	3	3	85.4	NIL	Semiconductor	5
1743	Trane Technologies plc	TT	476.50	3	3	32.2	0.8	Machinery	29
2365	Travel + Leisure	TNL	63.61	3	2	9.5	3.8	Hotel/Gaming	61
773	Travelers Cos. ▼	TRV	297.13	1	2	10.9	1.5	Insurance (Prop/Cas.)	30
1127	Trex Co. ▲	TREX	39.50	3	4	23.9	NIL	Building Materials	36
1769	TriMas Corp.	TRS	41.59	3	3	28.7	0.4	Diversified Co.	22
1641	TriNet Group	TNET	41.89	3	4	9.3	2.6	Human Resources	37
1023	Tutor Perini	TPC	82.79	4	3	21.5	0.7	Engineering & Const	8
940	Twilio Inc.	TWLO	198.59	4	3	36.1	NIL	Telecom. Services	41
1402	Ultra Clean Hldgs.	UCTT	85.45	4	3	45.0	NIL	Semiconductor Equip	1
1953	United Natural Foods	UNFI	52.27	4	3	17.9	NIL	Retail/Wholesale Food	26
315	United Parcel Serv.	UPS	100.00	3	4	14.1	6.6	Air Transport	60
1744	United Rentals	URI	938.15	3	3	20.3	0.7	Machinery	29
835	United Therapeutics	UTHR	569.88	3	2	19.4	NIL	Biotechnology	89
815	UnitedHealth Group	UNH	384.44	3	5	21.5	2.3	Medical Services	14
816	Universal Health 'B'	UHS	168.23	3	3	7.2	0.5	Medical Services	14
2153	Upbound Group	UPBD	17.99	3	4	4.1	8.7	Retail Store	18
1992	Universal Tech Institute	UTI	36.75	3	3	47.7	NIL	Educational Services	28
520	Valero Energy	VLO	248.13	3	2	8.9	2.1	Petroleum (Integrated)	3
1770	Valmont Inds.	VMI	516.00	3	3	24.1	0.6	Diversified Co.	22
1823	VeriSign Inc.	VRSN	286.47	2	3	28.5	1.1	Digital Infrastructure	58
1627	Viatris Inc.	VTRS	16.92	3	3	6.9	2.8	Drug	69
1318	Vicor Corp. ▼	VICR	312.96	4	4	NMF	NIL	Electrical Equipment	9
2544	Visa Inc.	V	323.86	1	4	24.7	0.9	Financial Svcs. (Div.)	35
1345	Vishay Intertechnology	VSH	34.83	3	4	69.7	1.1	Electronics	10
352	Wabtec Corp.	WAB	268.13	2	3	25.4	0.5	Railroad	27
1746	Watts Water Techn.	WTS	298.16	3	2	25.4	0.7	Machinery	29
2414	Weatherford Internationa ▲	WFRD	102.28	4	2	14.2	1.1	Oilfield Svcs/Equip.	19
1954	Weis Markets	WMK	69.27	3	3	18.0	2.0	Retail/Wholesale Food	26
230	West Pharmac. Svcs.	WST	322.30	3	4	37.3	0.3	Med Supp Non-Invasive	74
2545	Western Union	WU	8.97	3	4	5.0	10.5	Financial Svcs. (Div.)	35
2546	WEX Inc.	WEX	140.50	3	3	7.8	NIL	Financial Svcs. (Div.)	35
1164	Williams-Sonoma	WSM	176.10	3	3	19.9	1.5	Furn/Home Furnishings	87
407	WillScot Holdings Corp. ▲	WSC	26.71	3	5	25.4	1.0	Industrial Services	11
787	Wintrust Financial ▲	WTFC	150.48	3	3	12.2	1.5	Bank (Regional)	31
732	Woodward, Inc.	WWD	370.25	3	2	41.6	0.3	Aerospace/Defense	59
1803	XP Inc	XP	18.67	3	2	9.3	1.0	Investment Banking	55
333	XPO Inc.	XPO	201.60	3	3	42.4	NIL	Trucking	21
1747	Xylem Inc.	XYL	112.00	3	3	20.2	1.5	Machinery	29
2629	Yelp, Inc.	YELP	25.28	3	4	11.8	NIL	Internet	57
376	Yum China Holdings	YUMC	47.44	3	1	16.6	2.7	Restaurant	47
575	Zebra Techn. 'A'	ZBRA	216.96	3	3	11.7	NIL	Wireless Networking	34

▲ Arrow indicates the direction of a change in Timeliness. ■ Newly added this week.

Rank 2 Deletions:

AdaptHealth Corp.; Amer. States Water; Arch Capital Group; BOK Financial; BWX Technologies; Best Buy Co.; Boyd Gaming; Chemours Co. (The); Cigna Group; Five Below, Inc.; Garmin Ltd.; Huntington Ingalls; Johnson & Johnson; Kroger Co.; Macy's Inc.; Magna Int'l 'A'; Mercedes-Benz AG; Mettler-Toledo Int'l; Monolithic Power Sys.; Motorola Solutions; MSC Industrial Direct; Nordson Corp.; ProPetro Holding; Ralph Lauren; Rambus Inc.; Schwab (Charles); Victoria's Secret & Co.; Zoetis Inc.

Rank removed–see supplement or report: Catalyst Pharmac.

Rank 3 Deletions:

Alaska Air Group; Amer. Elec. Power; Arhaus, Inc.; BellRing Brands; Cheniere Energy Part.; Conagra Brands; DXC Technology; Dana Inc.; Ethan Allen Interiors; Fidelity Nat'l Fin'l; FirstService Corp.; Floor & Decor Hldgs.; Fresenius Medical ADR; Gaming and Leisure; Global Payments; Hayward Holdings; Houlihan Lokey; IPG Photonics; Inspire Medical Sys.; MarketAxess Holdings; Northwest Natural; OSI Systems; OUTFRONT Media; Permian Resources Corp.; Planet Fitness; Privia Health; Service Corp. Int'l; Skyworks Solutions; SoFi Technologies Inc; Spotify Tech. S.A.; STERIS plc; Trade Desk (The); TransMedics Group; Trimble Inc.; United Parks & Resorts; Wells Fargo.

Rank removed–see supplement or report: Nu Skin Enterprises.

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Stocks Ranked 1 (Highest) for Relative Safety

Page No.	Stock Name	Recent Price	Rank Time-liness	Rank Tech-nical	Current P/E Ratio	Current % Est'd Yield	Industry Group	Industry Rank
192	Abbott Labs.	82.56	4	3	15.0	3.1	Med Supp Non-Invasive	74
902	Alliant Energy	(NDQ) 72.47	4	2	21.0	2.8	Electric Util. (Central)	82
1975	Altria Group	68.61	3	3	12.1	6.2	Tobacco	80
2598	Amdocs Ltd.	(NDQ) 62.57	2	3	8.5	3.4	IT Services	17
903	Ameren Corp.	109.99	4	2	20.6	2.7	Electric Util. (Central)	82
904	Amer. Elec. Power	130.70	4	1	20.7	3.0	Electric Util. (Central)	82
1772	Amer. States Water	77.15	3	3	20.9	2.8	Water Utility	88
1750	AMETEK, Inc.	232.16	2	3	28.8	0.6	Diversified Co.	22
1175	AptarGroup	119.96	3	3	21.4	1.6	Packaging & Container	62
533	Atmos Energy	182.13	4	2	21.0	2.3	Natural Gas Utility	86
1631	Automatic Data Proc.	(NDQ) 211.67	3	4	18.4	3.2	Human Resources	37
602	Bank of Montreal	(TSE) 209.38	3	3	16.4	3.3	Bank	43
603	Bank of NY Mellon	132.49	3	3	15.2	1.8	Bank	43
604	Bank of Nova Scotia	(TSE) 105.43	5	3	12.6	4.3	Bank	43
756	Berkshire Hathaway 'B'	479.55	5	2	20.0	NIL	Insurance (Prop/Cas.)	30
2209	BlackRock, Inc.	1081.32	3	3	20.0	2.2	Asset Management	38
1779	Cboe Global Markets	(CBO) 350.48	2	3	29.8	0.8	Brokers & Exchanges	67
2600	CGI Inc	(TSE) 89.43	2	4	11.0	0.7	IT Services	17
1780	CME Group	(NDQ) 282.58	3	2	23.5	1.8	Brokers & Exchanges	67
605	Can. Imperial Bank	(TSE) 151.77	3	4	14.8	2.9	Bank	43
345	Can. National Railway	110.60	3	3	18.4	2.5	Railroad	27
505	Chevron Corp.	184.74	4	2	19.4	3.9	Petroleum (Integrated)	3
758	Chubb Ltd.	320.26	2	2	11.7	1.3	Insurance (Prop/Cas.)	30
1190	Church & Dwight	90.72	3	3	23.9	1.3	Household Products	75
951	Cisco Systems	(NDQ) 98.72	3	3	23.5	1.7	Telecom. Equipment	32
1961	Coca-Cola	78.66	2	2	24.2	2.7	Beverage	65
1192	Colgate-Palmolive	86.74	4	3	22.5	2.4	Household Products	75
129	Consol. Edison	106.21	3	1	17.4	3.4	Electric Utility (East)	91
2140	Costco Wholesale	(NDQ) 999.47	3	2	49.2	0.6	Retail Store	18
131	Duke Energy	124.90	4	1	18.6	3.5	Electric Utility (East)	91
908	Entergy Corp.	112.97	3	1	31.4	2.1	Electric Util. (Central)	82
593	Enterprise Products	37.90	2	3	13.1	6.1	Pipeline MLPs	24
508	Exxon Mobil Corp.	149.68	3	1	20.0	2.6	Petroleum (Integrated)	3
1144	Fastenal Co.	(NDQ) 43.30	2	2	37.7	2.2	Retail Building Supply	76
910	Fortis Inc.	(TSE) 76.89	4	1	21.4	3.3	Electric Util. (Central)	82
1614	GSK plc ADR	49.81	3	1	22.6	3.9	Drug	69
714	Gen'l Dynamics	344.03	3	1	20.9	1.7	Aerospace/Defense	59
1615	Gilead Sciences	(NDQ) 133.52	4	1	17.8	2.5	Drug	69
2006	Great-West Lifeco	(TSE) 75.93	3	4	14.3	3.6	Reinsurance	49
2527	Henry (Jack) & Assoc.	(NDQ) 143.65	2	3	22.5	1.7	Financial Svcs. (Div.)	35
1147	Home Depot	311.40	4	3	20.8	3.0	Retail Building Supply	76
1761	Honeywell Int'l	(NDQ) 219.11	3	1	20.0	2.2	Diversified Co.	22
2197	IDACORP, Inc.	145.41	4	1	22.7	2.4	Electric Utility (West)	78
1719	Illinois Tool Works	252.09	1	2	22.3	2.6	Machinery	29
613	JPMorgan Chase	300.00	2	3	13.1	2.1	Bank	43
1616	Johnson & Johnson	221.43	3	1	19.4	2.3	Drug	69
1196	Kimberly-Clark	(NDQ) 95.75	4	3	12.5	5.3	Household Products	75
557	Linde plc	(NDQ) 504.40	2	2	28.4	1.3	Chemical (Specialty)	39
2529	Loews Corp.	103.72	3	2	11.5	0.2	Financial Svcs. (Div.)	35
2531	Marsh & McLennan	161.58	2	3	15.5	2.2	Financial Svcs. (Div.)	35
2532	Mastercard Inc.	497.81	2	4	26.1	0.7	Financial Svcs. (Div.)	35
367	McDonald's Corp.	274.60	3	1	20.7	2.8	Restaurant	47
216	McKesson Corp.	725.17	2	1	16.8	0.5	Med Supp Non-Invasive	74
180	Medtronic plc	74.54	3	2	12.9	3.8	Med Supp Invasive	79
1618	Merck & Co.	111.28	3	2	21.6	3.1	Drug	69
2572	Microsoft Corp.	(NDQ) 412.66	2	5	23.5	0.9	Computer Software	40
1969	Monster Beverage	(NDQ) 86.41	3	3	37.9	NIL	Beverage	65
1786	Nasdaq, Inc.	(NDQ) 88.48	3	3	22.7	1.2	Brokers & Exchanges	67
616	Nat'l Bank of Canada	(TSE) 206.87	3	3	18.6	2.5	Bank	43
1926	Nestle SA ADS	(NDQ) 97.94	3	2	21.3	4.0	Food Processing	68
1619	Novartis AG ADR	145.23	–	–	20.2	3.2	Drug	69
1214	Nuveen Muni Value Fund	9.23	–	–	NMF	4.2	Investment Co.	–
137	PPL Corp.	36.24	5	2	19.0	3.2	Electric Utility (East)	91
584	Pembina Pipeline	(TSE) 63.28	4	2	18.9	4.5	Oil/Gas Distribution	48
1971	PepsiCo, Inc.	(NDQ) 149.41	4	1	17.6	4.0	Beverage	65
1978	Philip Morris Int'l	182.11	4	3	21.6	3.2	Tobacco	80
1199	Procter & Gamble	143.36	4	3	20.1	3.0	Household Products	75
138	Public Serv. Enterprise	77.68	4	1	17.9	3.5	Electric Utility (East)	91
1540	Realty Income Corp.	62.36	5	3	37.8	5.3	R.E.I.T.	90
413	Republic Services	197.73	2	2	27.3	1.2	Environmental	25
2582	Roper Tech.	328.80	2	3	15.3	1.2	Computer Software	40
620	Royal Bank of Canada	(TSE) 247.37	3	4	16.2	2.8	Bank	43
1624	Sanofi ADR	(NDQ) 42.50	3	2	8.5	5.6	Drug	69
139	Southern Co.	93.10	4	1	20.7	3.3	Electric Utility (East)	91
1021	Stantec Inc.	(TSE) 117.38	3	4	19.4	0.8	Engineering & Const	8
2541	Sun Life Fin'l Svcs.	(TSE) 96.35	3	3	12.0	3.8	Financial Svcs. (Div.)	35
156	Toromont Inds.	(TSE) 216.24	3	3	30.9	1.0	Heavy Truck & Equip	4
622	Toronto-Dominion	(TSE) 146.43	3	3	16.0	3.0	Bank	43
519	TotalEnergies SE ADR	90.69	3	2	13.0	4.4	Petroleum (Integrated)	3
773	Travelers Cos.	297.13	2	2	10.9	1.5	Insurance (Prop/Cas.)	30
1204	Unilever PLC ADR	57.24	3	3	16.8	3.3	Household Products	75
351	Union Pacific	263.35	3	2	21.1	2.1	Railroad	27
941	Verizon Communic.	47.23	3	1	9.6	5.9	Telecom. Services	41
2544	Visa Inc.	323.86	2	4	24.7	0.9	Financial Svcs. (Div.)	35
914	WEC Energy Group	112.77	4	2	20.1	3.3	Electric Util. (Central)	82
1024	WSP Global Inc	(TSE) 211.28	3	4	19.2	0.7	Engineering & Const	8
2154	Walmart Inc.	(NDQ) 127.59	3	2	44.3	0.8	Retail Store	18
415	Waste Connections	150.98	3	3	27.5	0.9	Environmental	25
416	Waste Management	214.11	3	1	26.1	1.8	Environmental	25

Stocks Ranked 2 (Above Average) for Relative Safety

Page No.	Stock Name	Recent Price	Rank Time-liness	Rank Tech-nical	Current P/E Ratio	Current % Est'd Yield	Industry Group	Industry Rank
1957	AB InBev ADR	79.86	3	3	18.4	1.5	Beverage	65
1749	ABB Ltd. ADR	(NDQ) 107.75	3	4	37.2	1.0	Diversified Co.	22
1605	AbbVie Inc.	202.78	4	1	13.9	3.4	Drug	69
2597	Accenture Plc	172.35	2	3	12.7	3.8	IT Services	17
1209	Adams Divers. Equity Fd	24.60	–	–	NMF	0.7	Investment Co.	–
1555	Aflac Inc.	115.48	4	3	14.7	2.1	Insurance (Life)	66
2416	Air Products & Chem.	304.50	4	3	23.0	2.4	Chemical (Diversified)	45
158	Alcon Inc.	62.02	3	3	19.2	0.6	Med Supp Invasive	79
2165	Ali. Couche-Tard	(TSE) 78.03	3	2	17.7	1.2	Retail (Hardlines)	16
752	Allstate Corp.	213.80	2	3	8.6	1.9	Insurance (Prop/Cas.)	30
2612	Alphabet Inc.	(NDQ) 386.77	2	4	35.8	0.2	Internet	57
2633	Amazon.com	(NDQ) 268.99	2	4	35.4	NIL	E-Commerce	73
1174	Amcor plc	40.20	4	3	13.1	6.6	Packaging & Container	62
918	America Movil	27.42	3	2	16.3	2.0	Telecom. Services	41
753	Amer. Financial Group	131.97	4	3	11.7	2.7	Insurance (Prop/Cas.)	30
1512	Amer. Homes 4 Rent	32.05	3	5	24.7	4.1	R.E.I.T.	90
2505	Amer. Int'l Group	76.06	2	3	9.8	2.6	Financial Svcs. (Div.)	35
1773	Amer. Water Works	126.01	4	2	20.7	2.8	Water Utility	88
820	Amgen	(NDQ) 329.59	4	1	14.8	3.0	Biotechnology	89
1304	Amphenol Corp.	122.47	2	3	27.2	0.8	Electrical Equipment	9
2506	Aon plc	312.07	3	3	16.4	1.0	Financial Svcs. (Div.)	35
1405	Apple Inc.	(NDQ) 292.68	2	3	33.2	0.4	Computers/Peripherals	46
754	Arch Capital Group	(NDQ) 93.83	3	1	9.4	NIL	Insurance (Prop/Cas.)	30
2507	Assurant Inc.	244.14	2	3	11.9	1.4	Financial Svcs. (Div.)	35
2003	Assured Guaranty	78.91	4	3	11.3	2.0	Reinsurance	49
1608	AstraZeneca PLC	181.86	3	1	17.7	1.8	Drug	69
2120	AutoZone Inc.	3427.80	3	3	23.0	NIL	Retail Automotive	64
1515	AvalonBay Communities	187.27	4	5	27.7	3.8	R.E.I.T.	90
1176	Avery Dennison	162.02	3	3	16.4	2.5	Packaging & Container	62
2193	Avista Corp.	40.68	4	1	15.4	4.8	Electric Utility (West)	78
2004	AXIS Capital Hldgs.	98.51	4	2	7.1	1.8	Reinsurance	49
920	BCE Inc.	24.28	4	3	12.5	5.3	Telecom. Services	41
547	Balchem Corp.	(NDQ) 158.93	3	2	28.4	0.6	Chemical (Specialty)	39
601	Bank of America	50.55	2	3	11.4	2.5	Bank	43
162	Becton, Dickinson	143.15	2	3	11.3	2.9	Med Supp Invasive	79
755	Berkley (W.R.)	66.41	2	2	14.4	0.5	Insurance (Prop/Cas.)	30
2194	Black Hills	73.44	–	–	17.1	3.8	Electric Utility (West)	78
163	Boston Scientific	53.37	3	3	16.4	NIL	Med Supp Invasive	79
1751	Brady Corp.	76.42	3	2	14.7	1.3	Diversified Co.	22
1611	Bristol-Myers Squibb	55.67	2	1	15.9	4.5	Drug	69
1976	Brit. Am. Tobacco ADR	60.44	3	2	12.3	5.5	Tobacco	80
424	Broadridge Fin'l	149.13	3	3	15.4	2.6	Information Services	7
2511	Brown & Brown	55.35	4	3	11.9	1.3	Financial Svcs. (Div.)	35
1178	CCL Industries	(TSE) 83.43	3	1	16.9	1.4	Packaging & Container	62
905	CMS Energy Corp.	73.19	4	1	19.3	3.1	Electric Util. (Central)	82
757	CNA Fin'l	43.13	3	2	9.0	4.5	Insurance (Prop/Cas.)	30
344	CSX Corp.	(NDQ) 44.74	2	2	23.5	1.3	Railroad	27
1774	California Water	42.88	4	3	16.5	3.1	Water Utility	88
1517	Camden Property Trust	104.92	4	4	NMF	4.1	R.E.I.T.	90
346	Can. Pac. Kansas City	84.77	3	3	22.3	0.8	Railroad	27

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Stocks Ranked 2 (Above Average) for Relative Safety

Page No.	Stock Name	Recent Price	Rank Time-liness	Rank Tech-nical	Current P/E Ratio	Current % Est'd Yield	Industry Group	Industry Rank
2139	Canadian Tire 'A'	(TSE) 185.19	3	2	12.8	3.8	Retail Store	18
1324	Canon Inc. ADR	(NDQ) 26.19	3	3	10.7	4.1	Electronics	10
2170	Casey's Gen'l Stores	(NDQ) 877.07	1	4	44.6	0.3	Retail (Hardlines)	16
145	Caterpillar Inc.	926.79	1	3	40.6	0.7	Heavy Truck & Equip	4
205	Cencora	259.70	3	2	14.5	0.9	Med Supp Non-Invasive	74
906	CenterPoint Energy	42.27	3	1	22.2	2.2	Electric Util. (Central)	82
2013	Check Point Software	(NDQ) 115.42	3	3	8.9	NIL	Cyber Security	63
1753	Chemed Corp.	421.43	1	5	17.6	0.6	Diversified Co.	22
534	Chesapeake Utilities	125.56	4	2	18.9	2.4	Natural Gas Utility	86
759	Cincinnati Financial	(NDQ) 163.33	2	3	19.7	2.3	Insurance (Prop/Cas.)	30
386	Cintas Corp.	(NDQ) 164.67	2	3	31.7	1.2	Industrial Services	11
1963	Coca-Cola Euro. Part.	93.45	3	2	18.1	2.6	Beverage	65
2602	Cognizant Technology	(NDQ) 49.25	2	3	8.7	2.7	IT Services	17
998	Comcast Corp.	(NDQ) 25.03	2	3	6.8	5.3	Cable TV	52
778	Commerce Bancshs.	(NDQ) 50.98	4	4	12.3	2.0	Bank (Regional)	31
1908	Conagra Brands	13.93	4	3	7.9	10.1	Food Processing	68
1964	Constellation Brands	142.41	3	3	11.7	2.9	Beverage	65
2559	Constellation Software	(TSE) 2414.31	4	4	52.5	0.2	Computer Software	40
1597	Corteva, Inc.	82.83	3	2	22.7	0.9	Chemical (Basic)	44
146	Cummins Inc.	702.66	2	4	28.1	1.1	Heavy Truck & Equip	4
709	Curtiss-Wright	728.58	1	3	48.6	0.1	Aerospace/Defense	59
1210	DNP Select Inc. Fund	10.75	–	–	NMF	2.3	Investment Co.	–
907	DTE Energy	142.43	4	1	18.5	3.3	Electric Util. (Central)	82
923	Deutsche Telekom ADR	(NDQ) 32.35	2	1	13.2	3.2	Telecom. Services	41
1965	Diageo plc	82.01	3	4	51.3	2.5	Beverage	65
1995	Dolby Labs.	57.59	4	4	13.1	2.5	Entertainment Tech	93
2144	Dollarama Inc	(TSE) 173.77	3	3	33.1	0.3	Retail Store	18
130	Dominion Energy	62.56	4	2	17.4	4.3	Electric Utility (East)	91
1710	Donaldson Co.	85.59	3	2	20.2	1.5	Machinery	29
1711	Dover Corp.	219.97	3	2	21.6	0.9	Machinery	29
1755	Eaton Corp. plc	419.00	2	3	31.3	1.0	Diversified Co.	22
549	Ecolab Inc.	251.10	3	2	33.5	1.2	Chemical (Specialty)	39
710	Elbit Systems	(NDQ) 794.95	3	1	56.4	0.4	Aerospace/Defense	59
1996	Electronic Arts	(NDQ) 200.22	–	–	39.1	0.4	Entertainment Tech	93
389	Element Fleet Mgmt.	(TSE) 26.85	4	2	15.8	1.9	Industrial Services	11
1221	Emera Inc.	(TSE) 71.43	4	1	20.7	4.1	Power	85
1306	Emerson Electric	139.43	3	3	21.1	1.6	Electrical Equipment	9
1943	Empire Company Ltd.	(TSE) 45.82	3	1	14.1	2.0	Retail/Wholesale Food	26
580	Enbridge Inc.	(TSE) 74.48	4	2	28.6	5.1	Oil/Gas Distribution	48
1522	Equity Lifestyle Propert	(NDQ) 63.39	4	3	30.2	3.5	R.E.I.T.	90
1523	Equity Residential	66.18	3	5	44.1	4.2	R.E.I.T.	90
1775	Essential Utilities	37.57	–	–	15.0	3.6	Water Utility	88
1524	Essex Property Trust	268.77	4	5	28.7	4.0	R.E.I.T.	90
909	Evergy, Inc.	83.43	4	2	19.6	3.3	Electric Util. (Central)	82
132	Eversource Energy	67.24	4	1	13.9	4.7	Electric Utility (East)	91
133	Exelon Corp.	(NDQ) 44.19	4	1	15.5	3.8	Electric Utility (East)	91
391	Expeditors Int'l	155.54	2	2	25.7	1.0	Industrial Services	11
1812	F5, Inc.	(NDQ) 358.30	2	3	22.3	NIL	Digital Infrastructure	58
761	Fairfax Financial Hldgs.	(TSE) 2257.83	3	2	11.0	0.7	Insurance (Prop/Cas.)	30
1526	Federal Rlty. Inv. Trust	115.42	4	3	29.2	3.9	R.E.I.T.	90
148	Federal Signal	117.38	1	3	25.0	0.5	Heavy Truck & Equip	4
2211	Federated Hermes	55.72	3	1	10.9	2.4	Asset Management	38
134	FirstEnergy Corp.	44.60	4	1	16.5	4.2	Electric Utility (East)	91
393	FirstService Corp.	(NDQ) 131.34	4	4	21.4	0.9	Industrial Services	11
2331	Fox Corp. 'A'	(NDQ) 67.72	3	3	13.6	0.8	Entertainment	71
1570	Franco-Nevada Corp.	237.60	4	1	35.7	0.7	Precious Metals	51
1307	Franklin Electric	(NDQ) 99.01	3	3	22.2	1.1	Electrical Equipment	9
1911	Fresh Del Monte Prod.	35.52	3	1	9.0	3.5	Food Processing	68
1330	FUJIFILM Hldgs. ADR	(NDQ) 9.71	3	4	12.1	3.0	Electronics	10
1211	Gabelli Equity	5.59	–	–	NMF	0.9	Investment Co.	–
2524	Gallagher (Arthur J.)	198.57	3	3	15.0	1.4	Financial Svcs. (Div.)	35
1527	Gaming and Leisure	(NDQ) 48.03	4	4	16.6	6.6	R.E.I.T.	90
1212	Gen'l Amer. Invest	64.65	–	–	NMF	0.9	Investment Co.	–
1913	Gen'l Mills	33.80	4	3	9.8	7.3	Food Processing	68
1795	Goldman Sachs	944.86	1	3	15.9	1.9	Investment Banking	55
1716	Graco Inc.	77.39	3	1	24.6	1.5	Machinery	29
1308	Grainger (W.W.)	1226.09	2	3	28.1	0.8	Electrical Equipment	9
611	HSBC Holdings PLC	90.55	3	3	12.7	4.0	Bank	43
763	Hanover Insurance	189.89	2	3	9.5	2.0	Insurance (Prop/Cas.)	30
2526	Hartford Ins. Group	132.11	2	2	9.8	1.8	Financial Svcs. (Div.)	35
715	HEICO Corp.	289.77	3	3	50.8	0.1	Aerospace/Defense	59
1915	Hershey Co.	189.23	3	1	23.1	3.1	Food Processing	68
105	Honda Motor ADR	23.98	3	4	24.2	5.7	Automotive	83
1916	Hormel Foods	20.16	4	3	13.4	6.0	Food Processing	68
1310	Hubbell Inc.	490.16	1	2	24.8	1.2	Electrical Equipment	9
2213	IGM Financial Inc.	(TSE) 77.38	3	4	15.3	2.9	Asset Management	38
1718	IDEX Corp.	214.01	1	3	25.9	1.3	Machinery	29
1977	Imperial Brands PLC	(PNK) 37.24	3	2	9.3	5.9	Tobacco	80
2605	Infosys Ltd. ADR	12.30	3	3	13.2	4.2	IT Services	17
1917	Ingredion Inc.	106.20	3	3	9.3	3.1	Food Processing	68
1783	Intercontinental Exch.	157.82	4	3	20.5	1.3	Brokers & Exchanges	67
2568	Int'l Business Mach.	223.55	4	3	18.1	3.2	Computer Software	40
1531	Invitation Homes	28.92	3	5	28.9	4.3	R.E.I.T.	90
1013	Jacobs Solutions	117.02	–	–	15.8	1.2	Engineering & Const	8
1195	Kenvue Inc.	17.17	–	–	15.6	4.8	Household Products	75
1966	Keurig Dr Pepper	28.71	4	4	12.8	3.4	Beverage	65
1533	Kimco Realty	23.47	4	2	27.6	4.5	R.E.I.T.	90
1920	Kraft Heinz Co.	(NDQ) 23.26	5	3	11.3	6.9	Food Processing	68
721	L3Harris Technologies	302.35	3	1	25.4	1.7	Aerospace/Defense	59
806	Labcorp Holdings	255.08	3	1	14.3	1.1	Medical Services	14
324	Landstar System	(NDQ) 178.92	3	3	31.7	0.9	Trucking	21
1617	Lilly (Eli)	966.99	3	2	27.9	0.7	Drug	69
1726	Lincoln Elec Hldgs.	(NDQ) 271.23	3	3	26.4	1.2	Machinery	29
1947	Loblaw Cos. Ltd.	(TSE) 59.06	3	2	23.2	1.0	Retail/Wholesale Food	26
722	Lockheed Martin	512.25	3	1	17.1	2.7	Aerospace/Defense	59
1148	Lowe's Cos.	226.06	3	2	17.7	2.2	Retail Building Supply	76
911	MGE Energy	(NDQ) 73.83	3	4	18.7	2.6	Electric Util. (Central)	82
595	MPLX LP	54.03	3	2	12.0	8.0	Pipeline MLPs	24
1727	MSA Safety	168.57	3	3	19.3	1.3	Machinery	29
1728	MSC Industrial Direct	107.32	3	3	25.0	3.2	Machinery	29
2432	Main Street Capital	52.30	3	4	13.8	6.0	Public/Private Equity	84
1560	Manulife Fin'l	39.97	2	3	11.9	3.5	Insurance (Life)	66
767	Markel Group	1838.77	3	2	15.3	NIL	Insurance (Prop/Cas.)	30
1923	The Marzetti Company	(NDQ) 112.29	4	2	15.7	NIL	Food Processing	68
1561	MetLife Inc.	77.98	3	5	8.2	3.0	Insurance (Life)	66
1948	Metro Inc.	(TSE) 88.14	3	2	16.8	1.8	Retail/Wholesale Food	26
1536	Mid-America Apt.	129.72	3	5	30.2	4.7	R.E.I.T.	90
1925	Mondelez Int'l	(NDQ) 61.41	4	4	20.1	3.3	Food Processing	68
1800	Morgan Stanley	191.10	3	3	16.5	2.1	Investment Banking	55
957	Motorola Solutions	392.17	3	1	25.0	1.2	Telecom. Equipment	32
1138	NVR, Inc.	5910.67	2	3	12.7	NIL	Homebuilding	56
530	National Fuel Gas	79.44	5	1	10.1	2.7	Natural Gas (Div.)	70
535	New Jersey Resources	55.82	3	1	15.4	3.5	Natural Gas Utility	86
136	NextEra Energy	94.84	4	2	23.7	2.7	Electric Utility (East)	91
536	NiSource Inc.	47.03	4	2	22.9	2.6	Natural Gas Utility	86
349	Norfolk Southern	311.11	–	–	25.5	1.7	Railroad	27
725	Northrop Grumman	548.21	3	1	19.2	1.8	Aerospace/Defense	59
1506	Northwest Bancshares	(NDQ) 13.70	3	3	13.4	5.8	Thrift	50
537	Northwest Natural	50.46	4	1	16.5	3.9	Natural Gas Utility	86
2198	NorthWestern Energy	70.77	–	–	18.9	3.8	Electric Utility (West)	78
912	OGE Energy	47.40	3	1	19.3	3.6	Electric Util. (Central)	82
769	Old Republic	39.22	3	2	11.9	3.0	Insurance (Prop/Cas.)	30
538	ONE Gas, Inc.	84.96	4	1	17.3	3.2	Natural Gas Utility	86
2131	O'Reilly Automotive	(NDQ) 91.35	3	2	28.1	NIL	Retail Automotive	64
1733	Otis Worldwide	74.00	3	3	17.0	2.3	Machinery	29
2422	PPG Inds.	107.95	3	4	15.1	2.6	Chemical (Diversified)	45
152	PACCAR Inc.	(NDQ) 112.96	2	2	20.0	4.0	Heavy Truck & Equip	4
1183	Packaging Corp.	221.52	3	3	20.4	2.3	Packaging & Container	62
1764	Parker-Hannifin	874.36	2	2	26.8	0.9	Diversified Co.	22
1637	Paychex, Inc.	(NDQ) 93.88	3	4	16.8	4.6	Human Resources	37
1734	Pentair plc	75.83	3	4	14.2	1.4	Machinery	29
1623	Pfizer, Inc.	25.81	4	1	8.6	6.7	Drug	69
2200	Pinnacle West Capital	99.71	4	2	20.1	3.7	Electric Utility (West)	78
2201	Portland General	48.36	4	1	14.2	4.5	Electric Utility (West)	78
2217	Price (T. Rowe) Group	(NDQ) 104.75	4	5	10.2	5.0	Asset Management	38
1562	Primerica, Inc.	271.74	2	4	11.1	1.8	Insurance (Life)	66
770	Progressive Corp.	196.91	3	3	12.3	0.2	Insurance (Prop/Cas.)	30
1563	Prudential Fin'l	101.12	3	5	7.2	5.6	Insurance (Life)	66
1539	Public Storage	311.55	4	4	33.7	3.9	R.E.I.T.	90
811	Quest Diagnostics	189.81	3	1	18.4	1.8	Medical Services	14
771	RLI Corp.	48.34	3	3	17.3	1.4	Insurance (Prop/Cas.)	30
563	RPM Int'l	99.54	3	3	17.4	2.2	Chemical (Specialty)	39
727	RTX Corp.	178.61	3	1	26.3	1.5	Aerospace/Defense	59
1541	Regency Centers Corp.	(NDQ) 77.72	4	3	32.4	3.9	R.E.I.T.	90
2008	Reinsurance Group	209.47	3	2	8.1	1.8	Reinsurance	49
1200	Reynolds Consumer	(NDQ) 21.60	3	3	11.4	4.3	Household Products	75
1590	Rio Tinto plc	107.90	3	3	15.6	4.1	Metals & Mining (Div.)	33
935	Rogers Communications	(TSE) 49.97	3	2	10.2	4.0	Telecom. Services	41
402	Rollins, Inc.	52.88	3	2	42.3	1.4	Industrial Services	11
433	S&P Global	421.00	3	3	21.2	0.9	Information Services	7
2583	SAP SE	170.10	3	4	22.4	1.5	Computer Software	40
2219	SEI Investments	(NDQ) 91.59	2	4	15.9	1.1	Asset Management	38
2585	SS&C Techn. Hldgs	(NDQ) 67.04	1	3	9.8	1.6	Computer Software	40
1929	Saputo Inc.	(TSE) 40.19	4	2	18.3	2.0	Food Processing	68
226	Schein (Henry)	(NDQ) 68.99	3	2	12.9	NIL	Med Supp Non-Invasive	74
772	Selective Ins. Group	(NDQ) 84.81	2	3	10.2	2.2	Insurance (Prop/Cas.)	30
517	Shell plc	85.36	2	1	12.6	3.4	Petroleum (Integrated)	3
1150	Sherwin-Williams	312.70	3	3	25.7	1.0	Retail Building Supply	76
1765	Siemens AG (ADS)	(NDQ) 157.81	3	3	22.6	1.7	Diversified Co.	22
1933	Smucker (J.M.)	99.22	3	3	9.9	4.5	Food Processing	68
1739	Snap-on Inc.	370.46	3	3	18.4	2.8	Machinery	29
1187	Sonoco Products	51.07	3	2	8.6	4.3	Packaging & Container	62
539	Southwest Gas	89.13	–	–	21.0	2.9	Natural Gas Utility	86
540	Spire Inc.	85.76	4	1	20.2	3.9	Natural Gas Utility	86
186	STERIS plc	201.85	4	3	19.1	1.3	Med Supp Invasive	79
187	Stryker Corp.	282.58	4	3	18.9	1.2	Med Supp Invasive	79
1547	Sun Communities Inc.	125.79	5	2	96.8	3.6	R.E.I.T.	90
1951	Sysco Corp.	72.57	3	2	15.1	3.0	Retail/Wholesale Food	26
937	T-Mobile US	(NDQ) 190.85	1	3	16.0	2.2	Telecom. Services	41
586	TC Energy Corp.	65.51	4	2	23.4	3.9	Oil/Gas Distribution	48
1316	TE Connectivity	206.12	3	3	18.2	1.4	Electrical Equipment	9
2151	TJX Companies	148.91	3	1	28.9	1.3	Retail Store	18
1789	TMX Group Ltd	(TSE) 53.95	3	4	29.2	1.8	Brokers & Exchanges	67
2203	TXNM Energy, Inc.	59.25	–	–	26.9	2.9	Electric Utility (West)	78
1625	Takeda Pharmaceutical AD	16.36	4	1	29.7	3.9	Drug	69
730	Teledyne Technologies	632.58	2	3	26.5	NIL	Aerospace/Defense	59
939	TELUS Corporation	(TSE) 17.18	5	4	18.1	9.7	Telecom. Services	41
1767	Textron, Inc.	91.66	3	2	14.2	0.1	Diversified Co.	22
227	Thermo Fisher Sci.	452.60	2	3	18.3	0.4	Med Supp Non-Invasive	74
434	Thomson Reuters	(NDQ) 89.22	4	4	20.4	2.9	Information Services	7
1934	Tootsie Roll	40.78	3	2	29.1	0.9	Food Processing	68
112	Toyota Motor ADR	183.80	3	1	9.9	3.1	Automotive	83
1152	Tractor Supply	(NDQ) 30.25	4	2	13.8	3.2	Retail Building Supply	76
1790	Tradeweb Markets Inc	(NDQ) 109.94	3	3	27.5	0.5	Brokers & Exchanges	67
2592	Tyler Technologies	312.27	3	3	25.8	NIL	Computer Software	40
1548	UDR, Inc.	37.15	4	5	67.5	4.7	R.E.I.T.	90
624	U.S. Bancorp	54.49	3	2	10.7	3.9	Bank	43
1823	VeriSign Inc.	(NDQ) 286.47	2	3	28.5	1.1	Digital Infrastructure	58
436	Verisk Analytics	(NDQ) 168.57	1	3	22.0	1.2	Information Services	7
837	Vertex Pharmac.	(NDQ) 435.17	3	2	22.5	NIL	Biotechnology	89
1550	VICI Properties	28.92	4	4	10.5	6.4	R.E.I.T.	90
1129	Vulcan Materials	282.70	3	3	33.5	0.7	Building Materials	36
1552	W.P. Carey Inc.	74.05	5	3	30.2	5.1	R.E.I.T.	90
352	Wabtec Corp.	268.13	2	3	25.4	0.5	Railroad	27
1553	Welltower Inc.	214.84	5	3	68.2	1.5	R.E.I.T.	90
1955	Weston (George)	(TSE) 94.02	3	1	20.4	1.4	Retail/Wholesale Food	26
589	Williams Cos.	74.18	3	2	29.1	2.7	Oil/Gas Distribution	48
2547	Willis Towers Wat. plc	(NDQ) 249.72	3	3	12.5	1.6	Financial Svcs. (Div.)	35
2609	Wipro Limited	1.90	4	2	13.6	6.3	IT Services	17
2204	Xcel Energy Inc.	(NDQ) 80.60	3	1	19.7	3.0	Electric Utility (West)	78

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HIGHEST DIVIDEND YIELDING STOCKS (Based upon estimated year-ahead dividends per share)

Page No.	Stock Name	Recent Price	Time-liness	Safety Rank	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
1208	Aberdeen Asia-Pac. Fd.	14.69	–	3	NMF	13.5	Investment Co.	–
1910	Flowers Foods	8.22	3	3	9.7	12.0	Food Processing	68
1213	Liberty All-Star	5.75	–	3	NMF	12.0	Investment Co.	–
2545	Western Union	8.97	2	3	5.0	10.5	Financial Svcs. (Div.)	35
515	Petroleo Brasileiro ADR	20.75	2	3	4.9	10.3	Petroleum (Integrated)	3
1908	Conagra Brands	13.93	4	2	7.9	10.1	Food Processing	68
2390	Kimbell Royalty Part.	14.75	3	3	19.7	10.0	Petroleum (Producing)	13
939	TELUS Corporation	17.18	5	2	18.1	9.7	Telecom. Services	41
110	Stellantis N.V.	7.46	5	3	NMF	9.5	Automotive	83
1537	Park Hotels & Resorts	11.03	4	3	27.6	9.1	R.E.I.T.	90
2207	AllianceBernstein Hldg.	38.42	4	3	11.0	9.0	Asset Management	38
2386	Black Stone Minerals	13.38	3	3	9.2	9.0	Petroleum (Producing)	13
2427	Blue Owl Capital Inc	10.08	4	3	33.6	8.9	Public/Private Equity	84
1206	Whirlpool Corp.	41.08	5	3	6.3	8.8	Household Products	75
2153	Upbound Group	17.99	2	3	4.1	8.7	Retail Store	18
599	Western Midstream	43.95	4	3	13.1	8.6	Pipeline MLPs	24
2381	WPP PLC ADR	17.90	4	3	NMF	8.4	Advertising	77
373	Wendy's Company	6.76	3	3	9.7	8.3	Restaurant	47
594	Hess Midstream LP	39.19	2	3	15.1	8.1	Pipeline MLPs	24
595	MPLX LP	54.03	3	2	12.0	8.0	Pipeline MLPs	24
1156	Ethan Allen Interiors	19.63	4	3	10.2	7.9	Furn/Home Furnishings	87
596	Plains All Amer. Pipe.	21.99	3	3	15.7	7.9	Pipeline MLPs	24
1907	The Campbell's Company	20.63	4	3	9.5	7.7	Food Processing	68
2533	Navient Corp.	8.32	5	3	10.4	7.7	Financial Svcs. (Div.)	35
1633	Insperity Inc.	32.43	4	3	13.0	7.4	Human Resources	37
597	Plains GP Hldgs. L.P.	23.51	2	3	19.6	7.4	Pipeline MLPs	24
1913	Gen'l Mills	33.80	4	2	9.8	7.3	Food Processing	68
2325	Vail Resorts	123.70	3	3	18.8	7.2	Recreation	72
2337	Sinclair, Inc.	14.27	3	4	5.9	7.0	Entertainment	71
2347	Brightstar Lottery	12.77	–	3	13.4	6.9	Hotel/Gaming	61
592	Energy Transfer LP	19.61	2	3	15.7	6.9	Pipeline MLPs	24
1920	Kraft Heinz Co.	23.26	5	2	11.3	6.9	Food Processing	68
107	Mercedes-Benz AG	59.83	3	3	6.6	6.9	Automotive	83
1197	Newell Brands	4.08	–	5	NMF	6.9	Household Products	75
1194	Energizer Holdings	17.58	2	3	5.1	6.8	Household Products	75
1516	BXP Inc.	58.94	5	3	28.8	6.7	R.E.I.T.	90
2169	Best Buy Co.	57.62	3	3	8.6	6.7	Retail (Hardlines)	16
582	Kinetik Holdings	48.04	3	3	21.4	6.7	Oil/Gas Distribution	48
2129	Monro, Inc.	16.78	4	3	21.0	6.7	Retail Automotive	64
1623	Pfizer, Inc.	25.81	4	2	8.6	6.7	Drug	69
341	SFL Corp. Ltd	12.00	4	3	85.7	6.7	Maritime	12
1174	Amcor plc	40.20	4	2	13.1	6.6	Packaging & Container	62
1527	Gaming and Leisure	48.03	4	2	16.6	6.6	R.E.I.T.	90
598	Suburban Propane	19.61	3	3	10.3	6.6	Pipeline MLPs	24
315	United Parcel Serv.	100.00	2	3	14.1	6.6	Air Transport	60
1919	JBS N.V.	15.59	–	3	8.4	6.4	Food Processing	68
2111	Oxford Inds.	43.69	3	3	18.4	6.4	Apparel	42
1550	VICI Properties	28.92	4	2	10.5	6.4	R.E.I.T.	90
1511	Alexandria Real Estate	46.00	5	3	30.7	6.3	R.E.I.T.	90
2609	Wipro Limited	1.90	4	2	13.6	6.3	IT Services	17
1975	Altria Group	68.61	3	1	12.1	6.2	Tobacco	80
997	Cogeco Communic.	63.41	4	3	7.4	6.2	Cable TV	52
1529	Healthpeak Properties	19.76	3	3	56.5	6.2	R.E.I.T.	90
1980	Universal Corp.	53.60	3	3	9.7	6.2	Tobacco	80
593	Enterprise Products	37.90	2	1	13.1	6.1	Pipeline MLPs	24
1916	Hormel Foods	20.16	4	2	13.4	6.0	Food Processing	68
2432	Main Street Capital	52.30	3	2	13.8	6.0	Public/Private Equity	84
1977	Imperial Brands PLC	37.24	3	2	9.3	5.9	Tobacco	80
941	Verizon Communic.	47.23	3	1	9.6	5.9	Telecom. Services	41
306	Copa Holdings, S.A.	117.04	3	3	7.0	5.8	Air Transport	60
1506	Northwest Bancshares	13.70	3	2	13.4	5.8	Thrift	50
105	Honda Motor ADR	23.98	3	2	24.2	5.7	Automotive	83
1166	Int'l Paper	32.47	5	3	20.3	5.7	Paper/Forest Products	92
585	South Bow Corp	35.39	–	3	20.8	5.7	Oil/Gas Distribution	48
1191	Clorox Co.	88.90	4	3	14.3	5.6	Household Products	75
1563	Prudential Fin'l	101.12	3	2	7.2	5.6	Insurance (Life)	66
1624	Sanofi ADR	42.50	3	1	8.5	5.6	Drug	69
2178	Sunoco LP	66.50	3	3	8.0	5.6	Retail (Hardlines)	16
1976	Brit. Am. Tobacco ADR	60.44	3	2	12.3	5.5	Tobacco	80
368	Papa John's Int'l	33.38	–	3	23.8	5.5	Restaurant	47
342	Star Bulk Carriers Corp.	26.74	3	3	9.6	5.5	Maritime	12
1409	HP Inc.	21.67	3	3	7.6	5.4	Computers/Peripherals	46
1534	Lineage Inc	39.32	–	3	NMF	5.4	R.E.I.T.	90
920	BCE Inc.	24.28	4	2	12.5	5.3	Telecom. Services	41
998	Comcast Corp.	25.03	2	2	6.8	5.3	Cable TV	52
1196	Kimberly-Clark	95.75	4	1	12.5	5.3	Household Products	75
1559	Lincoln Nat'l Corp.	34.77	5	3	4.0	5.3	Insurance (Life)	66
1540	Realty Income Corp.	62.36	5	1	37.8	5.3	R.E.I.T.	90
1519	CubeSmart	40.82	4	3	25.5	5.2	R.E.I.T.	90
2195	Edison Int'l	70.58	3	3	11.6	5.1	Electric Utility (West)	78
580	Enbridge Inc.	74.48	4	2	28.6	5.1	Oil/Gas Distribution	48
1168	Rayonier Inc.	20.31	–	3	36.3	5.1	Paper/Forest Products	92
1170	Sylvamo Corp.	41.17	4	3	13.5	5.1	Paper/Forest Products	92
1552	W.P. Carey Inc.	74.05	5	2	30.2	5.1	R.E.I.T.	90
917	AT&T Inc.	24.87	3	3	10.8	5.0	Telecom. Services	41
591	Cheniere Energy Part.	61.84	4	3	19.9	5.0	Pipeline MLPs	24
1504	Columbia Banking	29.42	4	3	9.6	5.0	Thrift	50
103	Ford Motor	12.05	2	3	10.2	5.0	Automotive	83
1636	ManpowerGroup Inc.	28.95	5	3	7.9	5.0	Human Resources	37
2217	Price (T. Rowe) Group	104.75	4	2	10.2	5.0	Asset Management	38
2433	TPG Inc	43.59	5	3	79.3	5.0	Public/Private Equity	84
1593	Vale S.A. ADR	17.07	3	3	9.0	5.0	Metals & Mining (Div.)	33
1217	AES Corp.	14.35	–	3	6.8	4.9	Power	85
2426	Blackstone Inc.	121.40	3	3	22.5	4.9	Public/Private Equity	84
583	ONEOK Inc.	87.79	2	3	14.6	4.9	Oil/Gas Distribution	48
1542	Rexford Industrial Realt	35.89	3	3	31.2	4.9	R.E.I.T.	90
1932	Smithfield Foods Inc	25.44	–	3	10.0	4.9	Food Processing	68
2193	Avista Corp.	40.68	4	2	15.4	4.8	Electric Utility (West)	78
1528	Healthcare Realty	20.03	4	3	NMF	4.8	R.E.I.T.	90
1195	Kenvue Inc.	17.17	–	2	15.6	4.8	Household Products	75

STOCKS WITH HIGH 3- TO 5-YEAR PRICE APPRECIATION POTENTIAL

Some of the stocks tabulated below are very risky and appreciation potentialities tentative. Please read the full-page reports in Ratings & Reports to gain an understanding of the risks entailed. Some of these stocks may not be timely investment commitments. (See the Performance Ranks below.)

Page No.	Stock Name	Recent Price	3- to 5-year Potential	Time-liness	Safety Rank	Industry Group	Industry Rank
988	Coty Inc.	2.33	395%	–	3	Toiletries/Cosmetics	–
319	Forward Air	10.46	355%	5	5	Trucking	21
159	Alphatec Holdings Inc	6.99	295%	5	4	Med Supp Invasive	79
2596	Everforth, Inc.	18.90	295%	4	3	IT Services	17
1421	Certara, Inc.	5.13	280%	4	4	Healthcare Information	81
2564	Figma Inc	20.05	275%	–	4	Computer Software	40
1904	BellRing Brands	9.40	245%	4	3	Food Processing	68
173	Insulet Corp.	154.17	240%	3	3	Med Supp Invasive	79
1162	RH	129.20	240%	5	4	Furn/Home Furnishings	87
2627	TripAdvisor, Inc.	9.66	235%	3	4	Internet	57
1425	Teladoc Health	6.92	230%	3	5	Healthcare Information	81
228	TransMedics Group	64.30	215%	4	4	Med Supp Non-Invasive	74
1938	Vital Farms Inc	8.74	215%	5	3	Food Processing	68
1206	Whirlpool Corp.	41.08	215%	5	3	Household Products	75
980	Mobileye Global Inc	9.24	200%	5	4	Auto Parts	54
989	e.l.f. Beauty	55.19	195%	4	3	Toiletries/Cosmetics	–
1014	KBR, Inc.	32.47	195%	3	3	Engineering & Const	8
2641	Wayfair Inc.	61.38	195%	4	5	E-Commerce	73
996	Charter Communic.	147.79	190%	1	3	Cable TV	52
188	Tandem Diabetes Care	14.77	190%	4	5	Med Supp Invasive	79
964	Aptiv PLC	55.41	185%	3	3	Auto Parts	54
1155	Arhaus, Inc.	6.12	185%	4	3	Furn/Home Furnishings	87
2188	lululemon athletica	126.34	185%	3	3	Retail (Softlines)	20
1000	Optimum Comms. Inc.	1.06	185%	–	5	Cable TV	52
2121	Camping World Holdings	6.76	180%	4	5	Retail Automotive	64
2603	DXC Technology	8.88	180%	4	3	IT Services	17
1115	Fortune Brands Innovs.	37.78	180%	4	3	Building Materials	36
2380	Trade Desk (The)	21.52	180%	4	4	Advertising	77
1982	Bright Horizons Family	68.68	175%	3	3	Educational Services	28
2518	Euronet Worldwide	69.60	175%	3	3	Financial Svcs. (Div.)	35
426	ExlService Holdings Inc	30.19	175%	2	3	Information Services	7
1785	MarketAxess Holdings	145.21	175%	4	3	Brokers & Exchanges	67
222	QuidelOrtho Corp.	9.96	175%	5	4	Med Supp Non-Invasive	74
1705	Badger Meter	116.67	170%	4	3	Machinery	29
2619	Lyft, Inc.	13.87	170%	3	4	Internet	57
2317	Planet Fitness	48.40	170%	4	3	Recreation	72
2536	Rocket Companies	14.83	170%	5	4	Financial Svcs. (Div.)	35
821	argenx SE	813.28	165%	4	3	Biotechnology	89
2350	Churchill Downs	86.17	165%	2	3	Hotel/Gaming	61
1600	FMC Corp.	13.11	165%	5	4	Chemical (Basic)	44
1427	Waystar Holding Corp	19.90	165%	–	3	Healthcare Information	81
926	Gogo Inc.	4.21	160%	3	5	Telecom. Services	41
2593	UiPath, Inc.	10.66	160%	3	4	Computer Software	40
995	Cable One	56.04	155%	5	4	Cable TV	52
1707	Columbus McKinnon	15.72	155%	3	4	Machinery	29
208	DexCom Inc.	59.33	155%	1	3	Med Supp Non-Invasive	74
1910	Flowers Foods	8.22	155%	3	3	Food Processing	68
2569	Intuit Inc.	393.29	155%	4	3	Computer Software	40
106	Lucid Group	6.03	155%	5	5	Automotive	83
2361	Melco Resorts & Entert.	5.31	155%	4	4	Hotel/Gaming	61
1197	Newell Brands	4.08	155%	–	5	Household Products	75
933	NICE Ltd. ADR	91.39	155%	3	3	Telecom. Services	41
1628	Zoetis Inc.	76.67	155%	3	2	Drug	69
380	Amentum Holdings Inc	23.94	150%	–	3	Industrial Services	11
199	Azenta, Inc.	17.95	150%	4	3	Med Supp Non-Invasive	74
2602	Cognizant Technology	49.25	150%	2	2	IT Services	17
2604	EPAM Systems	97.35	150%	2	3	IT Services	17
428	FactSet Research	219.19	150%	1	3	Information Services	7
745	Gibraltar Inds.	39.24	150%	4	3	Steel	15
975	Goodyear Tire	5.95	150%	3	4	Auto Parts	54
810	Option Care Health	19.83	150%	2	3	Medical Services	14
1990	Strategic Education	77.61	150%	1	3	Educational Services	28
1152	Tractor Supply	30.25	150%	4	2	Retail Building Supply	76
2153	Upbound Group	17.99	150%	2	3	Retail Store	18
436	Verisk Analytics	168.57	150%	1	2	Information Services	7
2553	Atlassian Corp.	87.31	145%	4	3	Computer Software	40
1109	Builders FirstSource	74.88	145%	3	3	Building Materials	36
2402	Core Laboratories	13.30	145%	4	4	Oilfield Svcs/Equip.	19
2614	CoStar Group	32.92	145%	5	3	Internet	57
2560	Descartes Sys Group Inc	68.88	145%	3	3	Computer Software	40
2523	Fiserv Inc.	54.39	145%	3	3	Financial Svcs. (Div.)	35
2605	Infosys Ltd. ADR	12.30	145%	3	2	IT Services	17
1118	James Hardie ADS	20.42	145%	4	3	Building Materials	36
401	MAXIMUS Inc.	61.52	145%	3	3	Industrial Services	11
2343	Warner Music Group	32.94	145%	3	3	Entertainment	71
916	AST SpaceMobile Inc	82.55	140%	5	4	Telecom. Services	41
1104	Amer. Woodmark	36.49	140%	–	3	Building Materials	36
1177	Ball Corp.	57.72	140%	3	3	Packaging & Container	62
172	Inspire Medical Sys.	43.35	140%	4	4	Med Supp Invasive	79
1601	Mosaic Company	21.79	140%	3	3	Chemical (Basic)	44
2576	Oracle Corp.	193.84	140%	3	3	Computer Software	40
151	Oshkosh Corp.	134.03	140%	3	3	Heavy Truck & Equip	4
2579	Pegasystems Inc	34.26	140%	3	3	Computer Software	40
2581	Q2 Holdings	47.30	140%	3	3	Computer Software	40
1185	Silgan Holdings	39.60	140%	2	3	Packaging & Container	62
937	T-Mobile US	190.85	140%	1	2	Telecom. Services	41
1426	Veeva Systems	159.33	140%	3	3	Healthcare Information	81
1003	AECOM	79.50	135%	3	3	Engineering & Const	8
2599	CDW Corp.	102.54	135%	2	3	IT Services	17
364	Domino's Pizza	313.22	135%	3	3	Restaurant	47
2351	DraftKings Hldgs.	24.51	135%	4	4	Hotel/Gaming	61
760	Erie Indemnity	217.09	135%	4	3	Insurance (Prop/Cas.)	30
2378	Omnicom Group	75.15	135%	4	3	Advertising	77
726	Parsons Corp.	48.74	135%	3	3	Aerospace/Defense	59
403	Science Applications	92.65	135%	1	3	Industrial Services	11
370	Shake Shack	64.50	135%	3	3	Restaurant	47
2339	Spotify Tech. S.A.	419.50	135%	4	3	Entertainment	71
2597	Accenture Plc	172.35	130%	2	2	IT Services	17
2552	AppLovin Corp.	478.42	130%	3	3	Computer Software	40
998	Comcast Corp.	25.03	130%	2	2	Cable TV	52

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BIGGEST "FREE FLOW" CASH GENERATORS

Stocks of companies that have earned more "cash flow" in the last 5 years than was required to build plant and pay dividends

Page No.	Stock Name	Recent Price	Ratio "Cash Flow" To Cash Out	Time-liness	Safety Rank	Industry Group	Industry Rank
1904	BellRing Brands	9.40	83.32	4	3	Food Processing	68
2206	Affiliated Managers	301.28	79.74	3	3	Asset Management	38
1138	NVR, Inc.	5910.67	66.77	2	2	Homebuilding	56
2013	Check Point Software	115.42	52.39	3	2	Cyber Security	63
2334	Netflix, Inc.	85.45	45.03	3	3	Entertainment	71
1426	Veeva Systems	159.33	44.72	3	3	Healthcare Information	81
2577	PTC Inc.	145.92	38.24	3	3	Computer Software	40
1234	Sunrun Inc.	14.47	37.87	5	5	Power	85
948	Arista Networks	136.43	37.12	2	3	Telecom. Equipment	32
1421	Certara, Inc.	5.13	37.05	4	4	Healthcare Information	81
2562	Dropbox, Inc.	26.49	34.87	2	3	Computer Software	40
429	Fair Isaac	1092.00	33.75	2	3	Information Services	7
2560	Descartes Sys Group Inc	68.88	33.49	3	3	Computer Software	40
2624	Pinterest, Inc.	20.76	31.87	3	3	Internet	57
1423	HealthEquity, Inc.	81.65	31.28	3	3	Healthcare Information	81
1820	Shopify Inc.	102.54	30.16	4	3	Digital Infrastructure	58
1141	Taylor Morrison Home	59.30	26.83	2	3	Homebuilding	56
2550	AppFolio, Inc.	159.56	26.75	2	3	Computer Software	40
2608	Manhattan Assoc.	137.73	24.74	2	3	IT Services	17
126	Trimble Inc.	58.04	23.59	4	3	Precision Instrument	53
1814	GoDaddy Inc.	88.08	22.62	3	3	Digital Infrastructure	58
1818	Okta, Inc.	81.69	22.05	3	3	Digital Infrastructure	58
2554	Autodesk, Inc.	236.07	21.70	2	3	Computer Software	40
2549	Adobe Inc.	246.15	21.09	1	3	Computer Software	40
2637	Etsy, Inc.	59.86	20.76	2	4	E-Commerce	73
1198	Prestige Consumer	50.65	20.73	4	3	Household Products	75
570	Digi Int'l	62.80	20.68	2	3	Wireless Networking	34
830	Jazz Pharmac. plc	223.61	20.32	3	3	Biotechnology	89
2592	Tyler Technologies	312.27	19.98	3	2	Computer Software	40
2593	UiPath, Inc.	10.66	18.81	3	4	Computer Software	40
1931	Simply Good Foods	11.37	18.57	3	3	Food Processing	68
2333	Madison Sq. Sports	344.12	18.45	4	3	Entertainment	71
933	NICE Ltd. ADR	91.39	18.40	3	3	Telecom. Services	41
1973	Vita Coco Company	72.46	18.40	3	3	Beverage	65
989	e.l.f. Beauty	55.19	17.65	4	3	Toiletries/Cosmetics	–
825	BioNTech SE	93.34	17.25	5	4	Biotechnology	89
1991	Stride, Inc.	87.34	17.02	3	3	Educational Services	28
2502	ACI Worldwide	42.36	15.59	3	3	Financial Svcs. (Div.)	35
1367	NVIDIA Corp.	219.44	15.41	2	3	Semiconductor	5
1354	Cirrus Logic	174.23	15.13	2	3	Semiconductor	5
1812	F5, Inc.	358.30	15.04	2	2	Digital Infrastructure	58
1388	Axcelis Technologies	165.08	14.99	–	3	Semiconductor Equip	1
1140	TRI Pointe Homes	46.96	14.81	–	3	Homebuilding	56
2591	Synopsys, Inc.	516.19	14.09	3	3	Computer Software	40
2536	Rocket Companies	14.83	13.92	5	4	Financial Svcs. (Div.)	35
569	BlackBerry	6.22	13.67	3	5	Wireless Networking	34
2558	Cadence Design Sys.	364.20	13.66	4	3	Computer Software	40
2578	Palantir Technologies	136.89	13.40	2	3	Computer Software	40
2167	Avis Budget Group	151.19	13.25	3	4	Retail (Hardlines)	16
575	Zebra Techn. 'A'	216.96	12.96	2	3	Wireless Networking	34
808	Molina Healthcare	185.19	12.81	2	3	Medical Services	14
1321	Arrow Electronics	202.56	12.72	1	3	Electronics	10
1822	Teradata Corp.	32.31	12.67	2	4	Digital Infrastructure	58
940	Twilio Inc.	198.59	12.58	2	4	Telecom. Services	41
832	Neurocrine Biosci.	150.59	11.94	3	3	Biotechnology	89
934	RingCentral, Inc.	44.62	11.84	2	4	Telecom. Services	41
730	Teledyne Technologies	632.58	11.73	2	2	Aerospace/Defense	59
731	TransDigm Group	1198.67	11.50	3	3	Aerospace/Defense	59
1327	ePlus Inc	89.00	11.39	3	3	Electronics	10
823	Biogen	197.95	11.17	3	3	Biotechnology	89
2600	CGI Inc	89.43	10.90	2	1	IT Services	17
1808	Datadog, Inc.	202.32	10.89	3	3	Digital Infrastructure	58
1809	Dynatrace Inc	40.23	10.86	3	3	Digital Infrastructure	58
1398	Onto Innovation	287.52	10.84	2	3	Semiconductor Equip	1
430	Gartner Inc.	153.80	10.62	1	3	Information Services	7
1610	Bausch Health	5.37	10.58	–	5	Drug	69
944	Zoom Communications	107.12	10.57	3	3	Telecom. Services	41
2604	EPAM Systems	97.35	10.44	2	3	IT Services	17
2515	Corpay	341.58	10.31	2	3	Financial Svcs. (Div.)	35
1347	Advanced Micro Dev.	458.79	10.29	1	3	Semiconductor	5
1126	TopBuild Corp.	424.63	10.25	–	3	Building Materials	36
1397	Nova, Ltd.	526.01	10.22	3	3	Semiconductor Equip	1
837	Vertex Pharmac.	435.17	10.21	3	2	Biotechnology	89
2620	MakeMyTrip Ltd	46.29	10.17	4	3	Internet	57
1632	Cross Country Health.	13.12	10.11	–	3	Human Resources	37
225	Revvity, Inc.	98.95	10.09	4	3	Med Supp Non-Invasive	74
1639	Paylocity Holding	109.88	10.02	3	3	Human Resources	37
807	Medpace Holdings	417.29	9.97	2	3	Medical Services	14
1139	PulteGroup, Inc.	115.45	9.93	3	3	Homebuilding	56
1813	Global-e Online Ltd	29.91	9.87	3	4	Digital Infrastructure	58
1823	VeriSign Inc.	286.47	9.84	2	2	Digital Infrastructure	58
2158	Deckers Outdoor	96.65	9.83	1	3	Shoe	23
2157	Crocs, Inc.	100.42	9.60	1	3	Shoe	23
1643	ZipRecruiter, Inc.	3.45	9.53	–	4	Human Resources	37
1359	Lattice Semiconductor	128.96	9.41	1	3	Semiconductor	5
1729	Middleby Corp. (The)	156.25	9.33	2	3	Machinery	29
2603	DXC Technology	8.88	9.26	4	3	IT Services	17
1969	Monster Beverage	86.41	9.26	3	1	Beverage	65
1137	Meritage Homes	63.79	9.25	3	3	Homebuilding	56
1720	Ingersoll Rand Inc.	74.70	9.20	3	3	Machinery	29
2639	Revolve Group	18.63	9.20	3	4	E-Commerce	73
117	Keysight Technologies	366.36	9.15	1	3	Precision Instrument	53
2596	Everforth, Inc.	18.90	8.80	4	3	IT Services	17
1418	Super Micro Computer	33.52	8.80	–	4	Computers/Peripherals	46
1133	Horton D.R.	144.96	8.71	3	3	Homebuilding	56
119	Mettler-Toledo Int'l	1078.53	8.71	3	3	Precision Instrument	53
2556	Bill Holdings	41.50	8.55	4	4	Computer Software	40
818	Alkermes plc	35.47	8.49	3	3	Biotechnology	89
1985	Duolingo, Inc.	105.15	8.46	4	4	Educational Services	28
384	CACI Int'l	482.57	8.42	3	3	Industrial Services	11

BEST PERFORMING STOCKS

(Measured by Price Change in the Last 13 Weeks)

Page No.	Stock Name	Ticker	Recent Price	Percent Change In Price	Time-liness	Safety Rank
1362	MaxLinear, Inc.	MXL	102.27	438.0%	4	4
1416	Sandisk Corp.	SNDK	1547.56	165.3%	–	3
1358	Intel Corp.	INTC	129.44	157.6%	4	3
1811	Fastly, Inc.	FSLY	19.58	124.5%	3	4
1329	Flex Ltd.	FLEX	145.07	119.6%	–	3
2514	Circle Internet Group	CRCL	131.76	119.2%	–	4
1375	SiTime Corp.	SITM	901.48	116.0%	3	4
1347	Advanced Micro Dev.	AMD	458.79	112.4%	1	3
929	Iridium Communic.	IRDM	43.15	108.9%	1	3
1361	Marvell Technology	MRVL	170.84	107.5%	1	3
1364	Micron Technology	MU	795.33	107.4%	1	3
1022	Sterling Infrastruc.	STRL	868.18	107.4%	1	3
1407	Dell Technologies	DELL	247.04	104.3%	1	3
950	Ciena Corp.	CIEN	581.47	100.7%	2	3
1403	Veeco Instruments	VECO	61.21	100.6%	–	3
1816	Nebius Group N.V.	NBIS	186.10	100.4%	–	3
1344	Viavi Solutions	VIAV	54.93	98.9%	3	3
1318	Vicor Corp.	VICR	312.96	96.8%	2	4
1417	Seagate Technology plc	STX	834.01	96.2%	2	3
959	Nokia Corp. ADR	NOK	13.92	93.9%	3	3
1388	Axcelis Technologies	ACLS	165.08	93.1%	–	3
1015	Legence Corp.	LGN	98.14	88.7%	–	3
790	Acadia Healthcare	ACHC	25.01	85.4%	3	3
1377	STMicroelectronics	STM	60.12	84.9%	2	3
1004	Argan Inc.	AGX	683.52	84.7%	1	3
1356	Diodes Inc.	DIOD	111.99	83.3%	2	3
1219	Bloom Energy	BE	283.92	83.0%	2	5
118	Lumentum Holdings	LITE	1053.09	82.5%	3	4
1317	Vertiv Holdings	VRT	367.92	82.1%	1	3
219	NovoCure Limited	NVCR	18.10	80.5%	5	4
1419	Western Digital	WDC	515.83	80.4%	–	3
1607	Apellis Pharmac.	APLS	41.02	79.7%	–	4
569	BlackBerry	BB	6.22	79.3%	3	5
1345	Vishay Intertechnology	VSH	34.83	78.8%	2	3
1808	Datadog, Inc.	DDOG	202.32	77.5%	3	3
197	Avanos Medical	AVNS	24.81	74.1%	–	3
1357	GLOBALFOUNDRIES Inc	GFS	74.99	72.3%	2	3
1313	Powell Industries	POWL	322.05	71.9%	1	3
1371	Qualcomm Inc.	QCOM	237.53	71.0%	3	3
1351	ARM Holdings	ARM	212.65	70.7%	–	3
1355	Credo Technology	CRDO	210.22	70.3%	3	4

WORST PERFORMING STOCKS

(Measured by Price Change in the Last 13 Weeks)

Page No.	Stock Name	Ticker	Recent Price	Percent Change In Price	Time-liness	Safety Rank
1938	Vital Farms Inc	VITL	8.74	–66.5%	5	3
222	QuidelOrtho Corp.	QDEL	9.96	–66.0%	5	4
319	Forward Air	FWRD	10.46	–65.4%	5	5
2596	Everforth, Inc.	EFOR	18.90	–62.2%	4	3
374	Wingstop Inc.	WING	127.33	–54.8%	4	4
1206	Whirlpool Corp.	WHR	41.08	–53.2%	5	3
228	TransMedics Group	TMDX	64.30	–52.8%	4	4
1904	BellRing Brands	BRBR	9.40	–49.9%	4	3
2121	Camping World Holdings	CWH	6.76	–49.4%	4	5
2604	EPAM Systems	EPAM	97.35	–48.9%	2	3
159	Alphatec Holdings Inc	ATEC	6.99	–48.3%	5	4
2317	Planet Fitness	PLNT	48.40	–47.2%	4	3
106	Lucid Group	LCID	6.03	–45.6%	5	5
1104	Amer. Woodmark	AMWD	36.49	–45.4%	–	3
1182	O-I Glass	OI	9.05	–44.9%	3	3
1998	Roblox Corp.	RBLX	41.31	–43.8%	5	4
1152	Tractor Supply	TSCO	30.25	–43.8%	4	2
362	Dave & Buster's Ent.	PLAY	10.25	–43.7%	4	4
975	Goodyear Tire	GT	5.95	–43.4%	3	4
995	Cable One	CABO	56.04	–43.0%	5	4
1155	Arhaus, Inc.	ARHS	6.12	–42.8%	4	3
720	Kratos Defense & Sec.	KTOS	56.99	–42.3%	5	3
2020	Rapid7, Inc.	RPD	6.37	–40.8%	–	4
810	Option Care Health	OPCH	19.83	–40.2%	2	3
199	Azenta, Inc.	AZTA	17.95	–39.8%	4	3
1109	Builders FirstSource	BLDR	74.88	–39.8%	3	3
1628	Zoetis Inc.	ZTS	76.67	–39.8%	3	2
719	Karman Holdings Inc	KRMN	58.82	–39.7%	–	3
704	AeroVironment	AVAV	166.45	–39.3%	5	3
2352	Flutter Entertainment pl	FLUT	93.96	–39.2%	–	3
996	Charter Communic.	CHTR	147.79	–38.0%	1	3
2603	DXC Technology	DXC	8.88	–38.0%	4	3
2323	Thor Inds.	THO	74.66	–37.9%	4	3
1115	Fortune Brands Innovs.	FBIN	37.78	–37.8%	4	3
1162	RH	RH	129.20	–37.6%	5	4
1157	HNI Corp.	HNI	32.44	–37.4%	4	3
366	Jack in the Box	JACK	13.40	–37.3%	–	4
173	Insulet Corp.	PODD	154.17	–37.2%	3	3
1117	Installed Building Prod.	IBP	206.20	–36.5%	2	3
2327	Winnebago	WGO	30.49	–36.4%	3	3
2013	Check Point Software	CHKP	115.42	–36.3%	3	2

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WIDEST DISCOUNTS FROM BOOK VALUE

Stocks whose ratios of recent price to book value are lowest

Page No.	Stock Name	Ticker	Recent Price	Book Value Per sh.*	Percent Price-to-Book Value	Time-liness	Safety Rank	Beta	P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
108	Nissan Motor ADR	NSANY	4.50	16.95	27%	5	3	0.95	NMF	NIL	Automotive	83
2533	Navient Corp.	NAVI	8.32	25.00	33%	5	3	1.30	10.4	7.7	Financial Svcs. (Div.)	35
222	QuidelOrtho Corp.	QDEL	9.96	29.80	33%	5	4	1.05	4.0	NIL	Med Supp Non-Invasive	74
110	Stellantis N.V.	STLA	7.46	22.05	34%	5	3	1.35	NMF	9.5	Automotive	83
2146	Kohl's Corp.	KSS	13.09	37.00	35%	2	4	1.30	10.5	3.8	Retail Store	18
1557	Genworth Fin'l	GNW	9.06	24.65	37%	4	3	1.20	22.7	NIL	Insurance (Life)	66
2596	Everforth, Inc.	EFOR	18.90	48.80	39%	4	3	1.15	3.9	NIL	IT Services	17
105	Honda Motor ADR	HMC	23.98	59.75	40%	3	2	0.90	24.2	5.7	Automotive	83
2603	DXC Technology	DXC	8.88	20.80	43%	4	3	1.40	2.4	NIL	IT Services	17
1707	Columbus McKinnon	CMCO	15.72	34.55	45%	3	4	1.50	6.0	1.8	Machinery	29
1135	LGI Homes	LGIH	47.28	97.50	48%	5	3	1.30	10.5	NIL	Homebuilding	56
199	Azenta, Inc.	AZTA	17.95	36.95	49%	4	3	1.30	22.2	NIL	Med Supp Non-Invasive	74
975	Goodyear Tire	GT	5.95	11.85	50%	3	4	1.60	9.9	NIL	Auto Parts	54
1967	MGP Ingredients	MGPI	18.63	35.70	52%	–	3	0.95	10.1	2.6	Beverage	65
1601	Mosaic Company	MOS	21.79	39.85	55%	3	3	1.25	9.5	4.0	Chemical (Basic)	44
988	Coty Inc.	COTY	2.33	4.15	56%	–	3	1.20	6.5	NIL	Toiletries/Cosmetics	–
1968	Molson Coors Beverage	TAP	41.44	74.60	56%	3	3	0.75	8.5	4.6	Beverage	65
1622	Perrigo Co. plc	PRGO	11.07	19.50	57%	4	3	0.85	5.0	10.5	Drug	69
1931	Simply Good Foods	SMPL	11.37	20.00	57%	3	3	0.75	5.5	NIL	Food Processing	68
1104	Amer. Woodmark	AMWD	36.49	62.65	58%	–	3	1.20	14.1	NIL	Building Materials	36
1936	USANA Health Sciences	USNA	17.43	30.20	58%	–	3	0.90	8.7	NIL	Food Processing	68
1193	Edgewell Personal Care	EPC	19.67	32.90	60%	4	3	0.90	10.5	3.1	Household Products	75
1559	Lincoln Nat'l Corp.	LNC	34.77	56.85	61%	5	3	1.55	4.0	5.3	Insurance (Life)	66
943	Vodafone Group ADR	VOD	16.32	26.90	61%	3	3	0.85	9.5	2.8	Telecom. Services	41
1920	Kraft Heinz Co.	KHC	23.26	36.15	64%	5	2	0.55	11.3	6.9	Food Processing	68
2618	IAC Inc.	IAC	41.59	63.75	65%	–	3	1.45	69.3	NIL	Internet	57
764	Kemper Corp.	KMPR	30.81	47.40	65%	3	3	1.10	7.8	4.2	Insurance (Prop/Cas.)	30
1636	ManpowerGroup Inc.	MAN	28.95	44.55	65%	5	3	1.10	7.9	5.0	Human Resources	37
980	Mobileye Global Inc	MBLY	9.24	13.85	67%	5	4	1.25	29.8	NIL	Auto Parts	54
2327	Winnebago	WGO	30.49	45.65	67%	3	3	1.30	12.5	4.7	Recreation	72
543	AdvanSix Inc.	ASIX	22.53	32.85	69%	3	3	1.30	19.6	2.8	Chemical (Specialty)	39
2107	G-III Apparel Group	GIII	30.26	43.95	69%	2	3	1.30	14.4	NIL	Apparel	42
1944	Grocery Outlet	GO	7.85	11.15	70%	4	4	0.65	15.7	NIL	Retail/Wholesale Food	26
513	PBF Energy	PBF	42.52	60.70	70%	3	5	1.15	23.0	2.6	Petroleum (Integrated)	3
1421	Certara, Inc.	CERT	5.13	7.25	71%	4	4	1.45	11.4	NIL	Healthcare Information	81
1600	FMC Corp.	FMC	13.11	18.15	72%	5	4	1.10	7.5	2.4	Chemical (Basic)	44
1134	KB Home	KBH	47.87	66.05	72%	4	3	1.20	13.8	2.1	Homebuilding	56
790	Acadia Healthcare	ACHC	25.01	33.70	74%	3	3	1.00	11.4	NIL	Medical Services	14
1908	Conagra Brands	CAG	13.93	18.95	74%	4	2	0.50	7.9	10.1	Food Processing	68
1505	Flagstar Bank, N.A.	FLG	14.05	18.90	74%	–	4	1.20	18.7	0.3	Thrift	50
2338	Sirius XM Holdings	SIRI	26.79	36.25	74%	–	3	1.10	8.9	4.1	Entertainment	71
1137	Meritage Homes	MTH	63.79	83.45	76%	3	3	1.25	7.0	2.7	Homebuilding	56
799	Fresenius Medical ADR	FMS	21.76	28.15	77%	4	3	0.95	7.9	3.8	Medical Services	14
1160	MillerKnoll, Inc.	MLKN	15.52	19.85	78%	4	3	1.40	7.8	4.8	Furn/Home Furnishings	87
1197	Newell Brands	NWL	4.08	5.20	78%	–	5	1.40	NMF	6.9	Household Products	75
997	Cogeco Communic.	CCA.TO	63.41	80.00	79%	4	3	0.70	7.4	6.2	Cable TV	52
2525	Global Payments	GPN	68.77	86.65	79%	4	3	1.35	16.4	1.5	Financial Svcs. (Div.)	35
1182	O-I Glass	OI	9.05	11.35	80%	3	3	1.35	18.1	NIL	Packaging & Container	62
1206	Whirlpool Corp.	WHR	41.08	51.40	80%	5	3	1.10	6.3	8.8	Household Products	75
741	ArcelorMittal	MT	62.34	76.60	81%	1	3	1.55	13.0	1.0	Steel	15
1911	Fresh Del Monte Prod.	FDP	35.52	43.60	81%	3	2	0.65	9.0	3.5	Food Processing	68
1509	WaFd, Inc.	WAFD	35.47	42.65	83%	3	3	1.05	11.4	3.0	Thrift	50
775	Ally Financial	ALLY	42.74	51.15	84%	3	3	1.55	8.0	2.8	Bank (Regional)	31
1937	Utz Brands	UTZ	7.21	8.60	84%	3	3	0.80	28.8	3.5	Food Processing	68
2129	Monro, Inc.	MNRO	16.78	19.65	85%	4	3	0.95	21.0	6.7	Retail Automotive	64
1340	Stratasys Ltd.	SSYS	8.54	10.05	85%	5	4	1.55	50.2	NIL	Electronics	10
1171	West Fraser Timber	WFG	60.58	70.95	85%	5	3	1.10	NMF	2.2	Paper/Forest Products	92
2382	Ziff Davis, Inc.	ZD	41.90	49.05	85%	3	3	1.15	14.4	NIL	Advertising	77
1324	Canon Inc. ADR	CAJPY	26.19	30.35	86%	3	2	0.80	10.7	4.1	Electronics	10
998	Comcast Corp.	CMCSA	25.03	29.00	86%	2	2	0.90	6.8	5.3	Cable TV	52
1141	Taylor Morrison Home	TMHC	59.30	67.90	87%	2	3	1.20	8.5	NIL	Homebuilding	56
1980	Universal Corp.	UVV	53.60	61.55	87%	3	3	0.80	9.7	6.2	Tobacco	80
200	Bausch & Lomb Corp	BLCO	16.03	18.30	88%	4	3	1.20	21.4	NIL	Med Supp Non-Invasive	74
2122	CarMax, Inc.	KMX	39.08	44.35	88%	2	3	1.25	14.0	NIL	Retail Automotive	64
2308	Harley-Davidson	HOG	25.53	29.10	88%	3	3	1.20	85.1	2.9	Recreation	72
521	World Kinect	WKC	27.18	30.85	88%	3	3	1.25	12.9	3.2	Petroleum (Integrated)	3
198	Avantor, Inc.	AVTR	7.97	9.00	89%	3	3	1.00	8.0	NIL	Med Supp Non-Invasive	74
2574	NCR Voyix	VYX	7.78	8.70	89%	4	4	1.50	8.2	NIL	Computer Software	40
218	Neogen Corp.	NEOG	8.65	9.70	89%	5	3	1.10	27.0	NIL	Med Supp Non-Invasive	74
757	CNA Fin'l	CNA	43.13	48.15	90%	3	2	0.95	9.0	4.5	Insurance (Prop/Cas.)	30
167	Enovis Corp.	ENOV	24.78	27.60	90%	3	3	1.35	6.9	NIL	Med Supp Invasive	79
1330	FUJIFILM Hldgs. ADR	FUJIY	9.71	10.75	90%	3	2	0.90	12.1	3.0	Electronics	10
2404	Helix Energy Solutions	HLX	9.97	11.05	90%	3	3	1.35	19.9	NIL	Oilfield Svcs/Equip.	19
2373	Scholastic Corp.	SCHL	40.06	44.50	90%	3	3	1.00	16.0	2.0	Publishing	6
2323	Thor Inds.	THO	74.66	81.60	91%	4	3	1.25	16.6	2.8	Recreation	72
193	AdaptHealth Corp.	AHCO	11.24	12.25	92%	3	4	1.20	11.2	NIL	Med Supp Non-Invasive	74
776	Assoc. Banc-Corp	ASB	27.91	30.35	92%	3	3	1.25	9.8	3.4	Bank (Regional)	31
1503	Capitol Fed. Fin'l	CFFN	7.77	8.35	93%	3	3	0.95	12.0	4.4	Thrift	50
1180	Graphic Packaging	GPK	10.22	11.00	93%	3	3	1.00	9.3	4.3	Packaging & Container	62
1945	Ingles Markets	IMKTA	85.41	92.10	93%	3	3	0.65	12.4	0.8	Retail/Wholesale Food	26
175	Integra LifeSciences	IART	13.97	14.95	93%	4	3	1.15	5.9	NIL	Med Supp Invasive	79
1203	Spectrum Brands	SPB	79.08	85.25	93%	3	3	1.15	15.2	2.4	Household Products	75
1136	Lennar Corp.	LEN	87.09	92.30	94%	5	3	1.15	12.8	2.3	Homebuilding	56
812	Select Med. Hldgs.	SEM	16.44	17.55	94%	–	4	1.20	12.2	1.5	Medical Services	14
348	Greenbrier (The) Cos.	GBX	50.18	52.65	95%	2	3	1.25	17.2	2.7	Railroad	27
397	Howard Hughes Hldgs.	HHH	64.28	67.95	95%	–	3	1.45	13.5	NIL	Industrial Services	11
2421	Huntsman Corp.	HUN	14.84	15.70	95%	3	3	1.20	NMF	2.4	Chemical (Diversified)	45
2363	PENN Entertainment	PENN	15.94	16.80	95%	5	4	1.60	15.9	NIL	Hotel/Gaming	61
565	Stepan Company	SCL	51.92	54.65	95%	4	3	1.10	20.8	3.1	Chemical (Specialty)	39
938	Telephone & Data	TDS	43.31	45.80	95%	–	4	1.00	NMF	0.4	Telecom. Services	41
164	CONMED Corp.	CNMD	35.23	36.70	96%	3	3	1.25	7.9	NIL	Med Supp Invasive	79
1797	Jefferies Fin'l Group	JEF	52.43	54.50	96%	4	3	1.55	13.4	3.4	Investment Banking	55
2147	Macy's Inc.	M	18.69	19.50	96%	3	3	1.45	8.7	4.1	Retail Store	18
1938	Vital Farms Inc	VITL	8.74	9.15	96%	5	3	0.80	7.6	NIL	Food Processing	68
2510	Bread Financial	BFH	84.93	87.50	97%	1	3	1.50	7.3	1.1	Financial Svcs. (Div.)	35
104	Gen'l Motors	GM	75.29	77.35	97%	1	3	1.35	6.7	0.8	Automotive	83
1181	Greif, Inc.	GEF	66.61	68.90	97%	5	3	1.05	17.7	3.1	Packaging & Container	62
1507	Provident Fin'l Svcs.	PFS	22.09	22.80	97%	3	3	1.10	9.4	4.3	Thrift	50
623	Truist Fin'l	TFC	47.97	49.65	97%	3	3	1.35	10.9	4.4	Bank	43
2505	Amer. Int'l Group	AIG	76.06	77.35	98%	2	2	1.15	9.8	2.6	Financial Svcs. (Div.)	35

***If fiscal 2025 Book Value not available, estimate used.**

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LOWEST P/Es

Stocks with the lowest estimated current P/E ratios

Page No.	Stock Name	Recent Price	Current P/E Ratio	Time-liness	Safety Rank	Industry Group	Industry Rank
2586	Sabre Corp.	1.91	0.6	–	5	Computer Software	40
1610	Bausch Health	5.37	1.4	–	5	Drug	69
995	Cable One	56.04	2.2	5	4	Cable TV	52
2603	DXC Technology	8.88	2.4	4	3	IT Services	17
996	Charter Communic.	147.79	3.4	1	3	Cable TV	52
366	Jack in the Box	13.40	3.7	–	4	Restaurant	47
2606	Kyndryl Holdings	11.80	3.8	–	4	IT Services	17
1621	Organon & Co.	13.33	3.8	–	3	Drug	69
2596	Everforth, Inc.	18.90	3.9	4	3	IT Services	17
1559	Lincoln Nat'l Corp.	34.77	4.0	5	3	Insurance (Life)	66
222	QuidelOrtho Corp.	9.96	4.0	5	4	Med Supp Non-Invasive	74
2020	Rapid7, Inc.	6.37	4.1	–	4	Cyber Security	63
2153	Upbound Group	17.99	4.1	2	3	Retail Store	18
1556	Corebridge Financial Inc	26.34	4.9	–	3	Insurance (Life)	66
515	Petroleo Brasileiro ADR	20.75	4.9	2	3	Petroleum (Integrated)	3
1622	Perrigo Co. plc	11.07	5.0	4	3	Drug	69
2545	Western Union	8.97	5.0	2	3	Financial Svcs. (Div.)	35
1194	Energizer Holdings	17.58	5.1	2	3	Household Products	75
2007	Hamilton Insurance Group	30.90	5.1	–	3	Reinsurance	49
1931	Simply Good Foods	11.37	5.5	3	3	Food Processing	68
1606	Amphastar Pharma.	18.45	5.6	3	3	Drug	69
2517	Equitable Holdings	40.99	5.7	–	3	Financial Svcs. (Div.)	35
2575	Open Text Corp.	24.40	5.8	2	3	Computer Software	40
2523	Fiserv Inc.	54.39	5.9	3	3	Financial Svcs. (Div.)	35
175	Integra LifeSciences	13.97	5.9	4	3	Med Supp Invasive	79
2337	Sinclair, Inc.	14.27	5.9	3	4	Entertainment	71
1707	Columbus McKinnon	15.72	6.0	3	4	Machinery	29
514	Par Pacific Holdings	64.50	6.1	2	3	Petroleum (Integrated)	3
2176	Sally Beauty	12.98	6.1	2	3	Retail (Hardlines)	16
2384	APA Corp.	36.70	6.2	1	3	Petroleum (Producing)	13
335	CMB.TECH NV	14.77	6.3	4	3	Maritime	12
1997	Playtika Holding	3.75	6.3	4	3	Entertainment Tech	93
1206	Whirlpool Corp.	41.08	6.3	5	3	Household Products	75
2518	Euronet Worldwide	69.60	6.4	3	3	Financial Svcs. (Div.)	35
1904	BellRing Brands	9.40	6.5	4	3	Food Processing	68
988	Coty Inc.	2.33	6.5	–	3	Toiletries/Cosmetics	–
2370	Deluxe Corp.	25.80	6.5	1	3	Publishing	6
363	Dine Brands Global	29.07	6.5	–	4	Restaurant	47
964	Aptiv PLC	55.41	6.6	3	3	Auto Parts	54
107	Mercedes-Benz AG	59.83	6.6	3	3	Automotive	83
2314	Norwegian Cruise Line	16.58	6.6	3	5	Recreation	72
2520	Fidelity Nat'l Info.	42.36	6.7	–	3	Financial Svcs. (Div.)	35
924	Five9, Inc.	21.41	6.7	2	4	Telecom. Services	41
104	Gen'l Motors	75.29	6.7	1	3	Automotive	83
2627	TripAdvisor, Inc.	9.66	6.7	3	4	Internet	57
1217	AES Corp.	14.35	6.8	–	3	Power	85
998	Comcast Corp.	25.03	6.8	2	2	Cable TV	52
507	Equinor ASA	38.22	6.8	1	3	Petroleum (Integrated)	3
1988	McGraw Hill Inc	11.42	6.8	–	3	Educational Services	28
167	Enovis Corp.	24.78	6.9	3	3	Med Supp Invasive	79
2112	PVH Corp.	83.30	6.9	1	3	Apparel	42
1927	Pilgrim's Pride Corp.	28.66	6.9	3	3	Food Processing	68
1627	Viatris Inc.	16.92	6.9	2	3	Drug	69
2183	Abercrombie & Fitch	72.33	7.0	2	4	Retail (Softlines)	20
1940	Albertsons Companies	15.92	7.0	2	3	Retail/Wholesale Food	26
306	Copa Holdings, S.A.	117.04	7.0	3	3	Air Transport	60
2392	Matador Resources	56.33	7.0	2	3	Petroleum (Producing)	13
1137	Meritage Homes	63.79	7.0	3	3	Homebuilding	56
2378	Omnicom Group	75.15	7.0	4	3	Advertising	77
2004	AXIS Capital Hldgs.	98.51	7.1	4	2	Reinsurance	49
1563	Prudential Fin'l	101.12	7.2	3	2	Insurance (Life)	66
1576	SSR Mining Inc.	34.74	7.2	3	4	Precious Metals	51
816	Universal Health 'B'	168.23	7.2	2	3	Medical Services	14
2509	Block (H&R)	36.06	7.3	3	3	Financial Svcs. (Div.)	35
2510	Bread Financial	84.93	7.3	1	3	Financial Svcs. (Div.)	35
401	MAXIMUS Inc.	61.52	7.3	3	3	Industrial Services	11
314	United Airlines Hldgs.	96.62	7.3	3	3	Air Transport	60
379	ADT Inc.	6.79	7.4	1	3	Industrial Services	11
997	Cogeco Communic.	63.41	7.4	4	3	Cable TV	52
531	Ovintiv Inc.	59.09	7.4	3	3	Natural Gas (Div.)	70
2539	Shift4 Payments Inc	41.47	7.4	3	4	Financial Svcs. (Div.)	35
1514	Annaly Capital Mgmt.	22.44	7.5	4	3	R.E.I.T.	90
2118	Asbury Automotive	197.49	7.5	3	3	Retail Automotive	64
2168	Bath & Body Works	19.16	7.5	2	4	Retail (Hardlines)	16
2157	Crocs, Inc.	100.42	7.5	1	3	Shoe	23
165	Dentsply Sirona	10.91	7.5	3	3	Med Supp Invasive	79
1600	FMC Corp.	13.11	7.5	5	4	Chemical (Basic)	44
524	CNX Resources	36.11	7.6	3	3	Natural Gas (Div.)	70
2005	Everest Group	350.78	7.6	2	3	Reinsurance	49
1409	HP Inc.	21.67	7.6	3	3	Computers/Peripherals	46
2542	Synchrony Financial	70.28	7.6	2	3	Financial Svcs. (Div.)	35
1938	Vital Farms Inc	8.74	7.6	5	3	Food Processing	68
2530	MGIC Investment	26.10	7.7	3	3	Financial Svcs. (Div.)	35
2604	EPAM Systems	97.35	7.8	2	3	IT Services	17
395	Genpact Limited	31.30	7.8	1	3	Industrial Services	11
764	Kemper Corp.	30.81	7.8	3	3	Insurance (Prop/Cas.)	30
2361	Melco Resorts & Entert.	5.31	7.8	4	4	Hotel/Gaming	61
1160	MillerKnoll, Inc.	15.52	7.8	4	3	Furn/Home Furnishings	87
2009	RenaissanceRe Hldgs.	295.95	7.8	2	3	Reinsurance	49
2538	SLM Corporation	21.76	7.8	4	3	Financial Svcs. (Div.)	35
2546	WEX Inc.	140.50	7.8	2	3	Financial Svcs. (Div.)	35
1580	Alcoa Corp.	65.34	7.9	3	3	Metals & Mining (Div.)	33
1908	Conagra Brands	13.93	7.9	4	2	Food Processing	68
164	CONMED Corp.	35.23	7.9	3	3	Med Supp Invasive	79
799	Fresenius Medical ADR	21.76	7.9	4	3	Medical Services	14
1014	KBR, Inc.	32.47	7.9	3	3	Engineering & Const	8
1636	ManpowerGroup Inc.	28.95	7.9	5	3	Human Resources	37
312	SkyWest	86.06	7.9	3	3	Air Transport	60
775	Ally Financial	42.74	8.0	3	3	Bank (Regional)	31
198	Avantor, Inc.	7.97	8.0	3	3	Med Supp Non-Invasive	74

HIGHEST P/Es

Stocks with the highest estimated current P/E ratios

Page No.	Stock Name	Recent Price	Current P/E Ratio	Time-liness	Safety Rank	Industry Group	Industry Rank
1015	Legence Corp.	98.14	98.1	–	3	Engineering & Const	8
719	Karman Holdings Inc	58.82	98.0	–	3	Aerospace/Defense	59
1547	Sun Communities Inc.	125.79	96.8	5	2	R.E.I.T.	90
1588	MP Materials	67.41	96.3	5	4	Metals & Mining (Div.)	33
2332	Live Nation Entertain.	163.00	94.2	4	3	Entertainment	71
1808	Datadog, Inc.	202.32	94.1	3	3	Digital Infrastructure	58
723	Mercury Systems	91.95	92.9	5	3	Aerospace/Defense	59
185	STAAR Surgical	27.83	92.8	4	4	Med Supp Invasive	79
2620	MakeMyTrip Ltd	46.29	92.6	4	3	Internet	57
952	Clearfield, Inc.	46.73	91.6	–	4	Telecom. Equipment	32
1352	Astera Labs Inc	207.35	88.2	–	4	Semiconductor	5
2342	Warner Bros. Discovery	27.24	87.9	–	3	Entertainment	71
409	Casella Waste Sys.	83.15	87.5	4	3	Environmental	25
341	SFL Corp. Ltd	12.00	85.7	4	3	Maritime	12
1381	Tower Semiconductor	228.88	85.4	2	3	Semiconductor	5
2308	Harley-Davidson	25.53	85.1	3	3	Recreation	72
2564	Figma Inc	20.05	83.5	–	4	Computer Software	40
1374	Silicon Labs.	217.21	83.5	–	3	Semiconductor	5
1347	Advanced Micro Dev.	458.79	82.1	1	3	Semiconductor	5
1391	FormFactor, Inc.	151.40	81.8	2	3	Semiconductor Equip	1
571	Impinj, Inc.	153.74	80.9	4	5	Wireless Networking	34
1359	Lattice Semiconductor	128.96	80.6	1	3	Semiconductor	5
1741	Symbotic Inc.	51.71	79.6	3	4	Machinery	29
2433	TPG Inc	43.59	79.3	5	3	Public/Private Equity	84
1811	Fastly, Inc.	19.58	78.3	3	4	Digital Infrastructure	58
1172	Weyerhaeuser Co.	23.42	78.1	3	3	Paper/Forest Products	92
1360	MACOM Tech. Solutions	365.88	77.4	2	3	Semiconductor	5
1365	Monolithic Power Sys.	1661.10	77.3	3	3	Semiconductor	5
2428	Brookfield Corp.	46.34	77.2	4	3	Public/Private Equity	84
2570	JFrog Ltd	69.01	76.7	4	3	Computer Software	40
720	Kratos Defense & Sec.	56.99	76.0	5	3	Aerospace/Defense	59
1520	Digital Realty Trust	196.24	75.5	5	3	R.E.I.T.	90
1004	Argan Inc.	683.52	74.3	1	3	Engineering & Const	8
181	Penumbra Inc.	321.71	74.3	–	3	Med Supp Invasive	79
1226	GE Vernova Inc	1073.08	74.0	–	3	Power	85
706	Boeing	238.21	73.3	4	3	Aerospace/Defense	59
1022	Sterling Infrastruc.	868.18	73.3	1	3	Engineering & Const	8
1702	AAON, Inc.	141.70	72.7	3	3	Machinery	29
2351	DraftKings Hldgs.	24.51	70.0	4	4	Hotel/Gaming	61
1345	Vishay Intertechnology	34.83	69.7	2	3	Electronics	10
2618	IAC Inc.	41.59	69.3	–	3	Internet	57
115	Coherent Corp.	379.69	69.2	3	3	Precision Instrument	53
1553	Welltower Inc.	214.84	68.2	5	2	R.E.I.T.	90
1548	UDR, Inc.	37.15	67.5	4	2	R.E.I.T.	90
337	Golar LNG Ltd.	56.82	66.8	3	4	Maritime	12
1521	Equinix, Inc.	1086.22	66.4	4	3	R.E.I.T.	90
1317	Vertiv Holdings	367.92	66.3	1	3	Electrical Equipment	9
1326	Corning Inc.	207.39	65.8	2	3	Electronics	10
1724	Kornit Digital Ltd.	16.25	65.0	5	4	Machinery	29
2635	Coupang Inc	16.13	64.5	4	3	E-Commerce	73
1999	Roku, Inc.	128.07	64.0	3	4	Entertainment Tech	93
1373	Semtech Corp.	136.53	63.5	3	4	Semiconductor	5
2615	DoorDash, Inc.	157.33	61.7	4	3	Internet	57
717	Howmet Aerospace	273.58	61.5	2	3	Aerospace/Defense	59
1348	Allegro MicroSystems	48.39	60.5	3	3	Semiconductor	5
1232	Ormat Technologies	123.63	60.3	4	3	Power	85
1019	Quanta Services	781.38	60.1	2	3	Engineering & Const	8
1356	Diodes Inc.	111.99	59.6	2	3	Semiconductor	5
1384	ASML Holding N.V.	1565.81	58.8	1	3	Semiconductor Equip	1
114	Cognex Corp.	67.26	58.5	3	3	Precision Instrument	53
919	Array Digital Infra.	52.52	58.4	–	3	Telecom. Services	41
2018	Palo Alto Networks	213.66	57.9	4	3	Cyber Security	63
1369	Power Integrations	74.34	57.2	3	3	Semiconductor	5
1820	Shopify Inc.	102.54	57.0	4	3	Digital Infrastructure	58
365	Dutch Bros Inc	51.13	56.8	3	4	Restaurant	47
1529	Healthpeak Properties	19.76	56.5	3	3	R.E.I.T.	90
1532	Iron Mountain	129.96	56.5	3	3	R.E.I.T.	90
710	Elbit Systems	794.95	56.4	3	2	Aerospace/Defense	59
1344	Viavi Solutions	54.93	56.1	3	3	Electronics	10
819	Alnylam Pharmac.	284.84	55.9	4	3	Biotechnology	89
2348	Caesars Entertainment	27.77	55.5	3	4	Hotel/Gaming	61
2123	Carvana Co.	76.23	55.2	3	4	Retail Automotive	64
223	Repligen Corp.	115.91	55.2	4	3	Med Supp Non-Invasive	74
1388	Axcelis Technologies	165.08	55.0	–	3	Semiconductor Equip	1
1372	Rambus Inc.	134.51	54.9	3	3	Semiconductor	5
1342	TTM Technologies	162.99	54.3	1	3	Electronics	10
1417	Seagate Technology plc	834.01	53.9	2	3	Computers/Peripherals	46
707	Bombardier Inc. 'B'	273.99	53.7	3	4	Aerospace/Defense	59
2341	TKO Group	184.50	53.2	3	3	Entertainment	71
1355	Credo Technology	210.22	52.7	3	4	Semiconductor	5
2559	Constellation Software	2414.31	52.5	4	2	Computer Software	40
1377	STMicroelectronics	60.12	52.3	2	3	Semiconductor	5
1380	Texas Instruments	297.76	52.1	2	3	Semiconductor	5
2396	Texas Pacif. Land Corp.	402.63	52.0	1	3	Petroleum (Producing)	13
1392	IPG Photonics	103.48	51.7	4	3	Semiconductor Equip	1
1965	Diageo plc	82.01	51.3	3	2	Beverage	65
1397	Nova, Ltd.	526.01	51.3	3	3	Semiconductor Equip	1
715	HEICO Corp.	289.77	50.8	3	2	Aerospace/Defense	59
1361	Marvell Technology	170.84	50.8	1	3	Semiconductor	5
1815	MongoDB, Inc.	294.65	50.4	3	4	Digital Infrastructure	58
1735	RBC Bearings	613.59	50.4	3	3	Machinery	29
1340	Stratasys Ltd.	8.54	50.2	5	4	Electronics	10
1395	Lam Research	296.05	50.0	1	3	Semiconductor Equip	1
1017	MasTec	421.37	49.6	2	3	Engineering & Const	8
2140	Costco Wholesale	999.47	49.2	3	1	Retail Store	18
1401	Teradyne Inc.	366.64	48.9	1	3	Semiconductor Equip	1
709	Curtiss-Wright	728.58	48.6	1	2	Aerospace/Defense	59
2355	Hyatt Hotels	165.15	48.6	4	3	Hotel/Gaming	61
1016	MYR Group	458.42	48.5	1	3	Engineering & Const	8
1973	Vita Coco Company	72.46	48.3	3	3	Beverage	65

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STOCKS WITH HIGHEST ANNUAL TOTAL RETURNS (NEXT 3 TO 5 YEARS)

(Estimated compound annual stock price appreciation plus estimated annual dividend income.)

Page No.	Stock Name	Recent Price	Est'd Total Return	Time-liness	Safety Rank	Industry Group	Industry Rank
988	Coty Inc.	2.33	49%	–	3	Toiletries/Cosmetics	–
319	Forward Air	10.46	47%	5	5	Trucking	21
159	Alphatec Holdings Inc	6.99	41%	5	4	Med Supp Invasive	79
2596	Everforth, Inc.	18.90	41%	4	3	IT Services	17
1421	Certara, Inc.	5.13	40%	4	4	Healthcare Information	81
2564	Figma Inc	20.05	39%	–	4	Computer Software	40
1206	Whirlpool Corp.	41.08	37%	5	3	Household Products	75
1904	BellRing Brands	9.40	36%	4	3	Food Processing	68
173	Insulet Corp.	154.17	36%	3	3	Med Supp Invasive	79
1162	RH	129.20	36%	5	4	Furn/Home Furnishings	87
1425	Teladoc Health	6.92	35%	3	5	Healthcare Information	81
2627	TripAdvisor, Inc.	9.66	35%	3	4	Internet	57
228	TransMedics Group	64.30	33%	4	4	Med Supp Non-Invasive	74
1938	Vital Farms Inc	8.74	33%	5	3	Food Processing	68
1910	Flowers Foods	8.22	32%	3	3	Food Processing	68
1014	KBR, Inc.	32.47	32%	3	3	Engineering & Const	8
996	Charter Communic.	147.79	31%	1	3	Cable TV	52
989	e.l.f. Beauty	55.19	31%	4	3	Toiletries/Cosmetics	–
980	Mobileye Global Inc	9.24	31%	5	4	Auto Parts	54
1197	Newell Brands	4.08	31%	–	5	Household Products	75
2641	Wayfair Inc.	61.38	31%	4	5	E-Commerce	73
964	Aptiv PLC	55.41	30%	3	3	Auto Parts	54
1155	Arhaus, Inc.	6.12	30%	4	3	Furn/Home Furnishings	87
2603	DXC Technology	8.88	30%	4	3	IT Services	17
1115	Fortune Brands Innovs.	37.78	30%	4	3	Building Materials	36
2188	lululemon athletica	126.34	30%	3	3	Retail (Softlines)	20
1785	MarketAxess Holdings	145.21	30%	4	3	Brokers & Exchanges	67
1000	Optimum Comms. Inc.	1.06	30%	–	5	Cable TV	52
188	Tandem Diabetes Care	14.77	30%	4	5	Med Supp Invasive	79
2153	Upbound Group	17.99	30%	2	3	Retail Store	18
1705	Badger Meter	116.67	29%	4	3	Machinery	29
1982	Bright Horizons Family	68.68	29%	3	3	Educational Services	28
2121	Camping World Holdings	6.76	29%	4	5	Retail Automotive	64
2518	Euronet Worldwide	69.60	29%	3	3	Financial Svcs. (Div.)	35
426	ExlService Holdings Inc	30.19	29%	2	3	Information Services	7
1600	FMC Corp.	13.11	29%	5	4	Chemical (Basic)	44
222	QuidelOrtho Corp.	9.96	29%	5	4	Med Supp Non-Invasive	74
110	Stellantis N.V.	7.46	29%	5	3	Automotive	83
2380	Trade Desk (The)	21.52	29%	4	4	Advertising	77
821	argenx SE	813.28	28%	4	3	Biotechnology	89
2350	Churchill Downs	86.17	28%	2	3	Hotel/Gaming	61
1707	Columbus McKinnon	15.72	28%	3	4	Machinery	29
2605	Infosys Ltd. ADR	12.30	28%	3	2	IT Services	17
2619	Lyft, Inc.	13.87	28%	3	4	Internet	57
2361	Melco Resorts & Entert.	5.31	28%	4	4	Hotel/Gaming	61
2317	Planet Fitness	48.40	28%	4	3	Recreation	72
2536	Rocket Companies	14.83	28%	5	4	Financial Svcs. (Div.)	35
1628	Zoetis Inc.	76.67	28%	3	2	Drug	69
2602	Cognizant Technology	49.25	27%	2	2	IT Services	17
208	DexCom Inc.	59.33	27%	1	3	Med Supp Non-Invasive	74
1156	Ethan Allen Interiors	19.63	27%	4	3	Furn/Home Furnishings	87
428	FactSet Research	219.19	27%	1	3	Information Services	7
926	Gogo Inc.	4.21	27%	3	5	Telecom. Services	41
2569	Intuit Inc.	393.29	27%	4	3	Computer Software	40
106	Lucid Group	6.03	27%	5	5	Automotive	83
1601	Mosaic Company	21.79	27%	3	3	Chemical (Basic)	44
1990	Strategic Education	77.61	27%	1	3	Educational Services	28
1152	Tractor Supply	30.25	27%	4	2	Retail Building Supply	76
2593	UiPath, Inc.	10.66	27%	3	4	Computer Software	40
1427	Waystar Holding Corp	19.90	27%	–	3	Healthcare Information	81
380	Amentum Holdings Inc	23.94	26%	–	3	Industrial Services	11
199	Azenta, Inc.	17.95	26%	4	3	Med Supp Non-Invasive	74
2427	Blue Owl Capital Inc	10.08	26%	4	3	Public/Private Equity	84
995	Cable One	56.04	26%	5	4	Cable TV	52
1191	Clorox Co.	88.90	26%	4	3	Household Products	75
998	Comcast Corp.	25.03	26%	2	2	Cable TV	52
364	Domino's Pizza	313.22	26%	3	3	Restaurant	47
2604	EPAM Systems	97.35	26%	2	3	IT Services	17
745	Gibraltar Inds.	39.24	26%	4	3	Steel	15
975	Goodyear Tire	5.95	26%	3	4	Auto Parts	54
1157	HNI Corp.	32.44	26%	4	3	Furn/Home Furnishings	87
401	MAXIMUS Inc.	61.52	26%	3	3	Industrial Services	11
933	NICE Ltd. ADR	91.39	26%	3	3	Telecom. Services	41
2378	Omnicom Group	75.15	26%	4	3	Advertising	77
810	Option Care Health	19.83	26%	2	3	Medical Services	14
151	Oshkosh Corp.	134.03	26%	3	3	Heavy Truck & Equip	4
1185	Silgan Holdings	39.60	26%	2	3	Packaging & Container	62
937	T-Mobile US	190.85	26%	1	2	Telecom. Services	41
436	Verisk Analytics	168.57	26%	1	2	Information Services	7
2343	Warner Music Group	32.94	26%	3	3	Entertainment	71
916	AST SpaceMobile Inc	82.55	25%	5	4	Telecom. Services	41
2597	Accenture Plc	172.35	25%	2	2	IT Services	17
2553	Atlassian Corp.	87.31	25%	4	3	Computer Software	40
1903	B&G Foods	5.09	25%	–	4	Food Processing	68
1177	Ball Corp.	57.72	25%	3	3	Packaging & Container	62
1109	Builders FirstSource	74.88	25%	3	3	Building Materials	36
2599	CDW Corp.	102.54	25%	2	3	IT Services	17
1907	The Campbell's Company	20.63	25%	4	3	Food Processing	68
2402	Core Laboratories	13.30	25%	4	4	Oilfield Svcs/Equip.	19
2614	CoStar Group	32.92	25%	5	3	Internet	57
2560	Descartes Sys Group Inc	68.88	25%	3	3	Computer Software	40
1194	Energizer Holdings	17.58	25%	2	3	Household Products	75
760	Erie Indemnity	217.09	25%	4	3	Insurance (Prop/Cas.)	30
2523	Fiserv Inc.	54.39	25%	3	3	Financial Svcs. (Div.)	35
172	Inspire Medical Sys.	43.35	25%	4	4	Med Supp Invasive	79
1118	James Hardie ADS	20.42	25%	4	3	Building Materials	36
2576	Oracle Corp.	193.84	25%	3	3	Computer Software	40
2579	Pegasystems Inc	34.26	25%	3	3	Computer Software	40
403	Science Applications	92.65	25%	1	3	Industrial Services	11
1803	XP Inc	18.67	25%	2	3	Investment Banking	55

STOCKS WITH HIGHEST PROJECTED 3- TO 5-YEAR DIVIDEND YIELD

Based upon the projected dividend per share 3 to 5 years hence divided by the recent price

Page No.	Stock Name	Recent Price	Est'd Future Yield	Time-liness	Safety Rank	Industry Group	Industry Rank
110	Stellantis N.V.	7.46	17%	5	3	Automotive	83
2390	Kimbell Royalty Part.	14.75	16%	3	3	Petroleum (Producing)	13
1910	Flowers Foods	8.22	14%	3	3	Food Processing	68
2427	Blue Owl Capital Inc	10.08	13%	4	3	Public/Private Equity	84
515	Petroleo Brasileiro ADR	20.75	13%	2	3	Petroleum (Integrated)	3
2386	Black Stone Minerals	13.38	12%	3	3	Petroleum (Producing)	13
2207	AllianceBernstein Hldg.	38.42	11%	4	3	Asset Management	38
107	Mercedes-Benz AG	59.83	11%	3	3	Automotive	83
1537	Park Hotels & Resorts	11.03	11%	4	3	R.E.I.T.	90
596	Plains All Amer. Pipe.	21.99	11%	3	3	Pipeline MLPs	24
597	Plains GP Hldgs. L.P.	23.51	11%	2	3	Pipeline MLPs	24
2337	Sinclair, Inc.	14.27	11%	3	4	Entertainment	71
2545	Western Union	8.97	11%	2	3	Financial Svcs. (Div.)	35
1907	The Campbell's Company	20.63	10%	4	3	Food Processing	68
1908	Conagra Brands	13.93	10%	4	2	Food Processing	68
594	Hess Midstream LP	39.19	10%	2	3	Pipeline MLPs	24
595	MPLX LP	54.03	10%	3	2	Pipeline MLPs	24
1197	Newell Brands	4.08	10%	–	5	Household Products	75
939	TELUS Corporation	17.18	10%	5	2	Telecom. Services	41
373	Wendy's Company	6.76	10%	3	3	Restaurant	47
599	Western Midstream	43.95	10%	4	3	Pipeline MLPs	24
1194	Energizer Holdings	17.58	9%	2	3	Household Products	75
1156	Ethan Allen Interiors	19.63	9%	4	3	Furn/Home Furnishings	87
2153	Upbound Group	17.99	9%	2	3	Retail Store	18
1206	Whirlpool Corp.	41.08	9%	5	3	Household Products	75
1511	Alexandria Real Estate	46.00	8%	5	3	R.E.I.T.	90
1975	Altria Group	68.61	8%	3	1	Tobacco	80
2347	Brightstar Lottery	12.77	8%	–	3	Hotel/Gaming	61
997	Cogeco Communic.	63.41	8%	4	3	Cable TV	52
306	Copa Holdings, S.A.	117.04	8%	3	3	Air Transport	60
592	Energy Transfer LP	19.61	8%	2	3	Pipeline MLPs	24
593	Enterprise Products	37.90	8%	2	1	Pipeline MLPs	24
1527	Gaming and Leisure	48.03	8%	4	2	R.E.I.T.	90
1913	Gen'l Mills	33.80	8%	4	2	Food Processing	68
105	Honda Motor ADR	23.98	8%	3	2	Automotive	83
1633	Insperity Inc.	32.43	8%	4	3	Human Resources	37
1920	Kraft Heinz Co.	23.26	8%	5	2	Food Processing	68
2533	Navient Corp.	8.32	8%	5	3	Financial Svcs. (Div.)	35
2325	Vail Resorts	123.70	8%	3	3	Recreation	72
2381	WPP PLC ADR	17.90	8%	4	3	Advertising	77
1174	Amcor plc	40.20	7%	4	2	Packaging & Container	62
1516	BXP Inc.	58.94	7%	5	3	R.E.I.T.	90
2169	Best Buy Co.	57.62	7%	3	3	Retail (Hardlines)	16
1976	Brit. Am. Tobacco ADR	60.44	7%	3	2	Tobacco	80
1191	Clorox Co.	88.90	7%	4	3	Household Products	75
998	Comcast Corp.	25.03	7%	2	2	Cable TV	52
1519	CubeSmart	40.82	7%	4	3	R.E.I.T.	90
1180	Graphic Packaging	10.22	7%	3	3	Packaging & Container	62
1916	Hormel Foods	20.16	7%	4	2	Food Processing	68
2421	Huntsman Corp.	14.84	7%	3	3	Chemical (Diversified)	45
1977	Imperial Brands PLC	37.24	7%	3	2	Tobacco	80
1166	Int'l Paper	32.47	7%	5	3	Paper/Forest Products	92
582	Kinetik Holdings	48.04	7%	3	3	Oil/Gas Distribution	48
1559	Lincoln Nat'l Corp.	34.77	7%	5	3	Insurance (Life)	66
2432	Main Street Capital	52.30	7%	3	2	Public/Private Equity	84
2129	Monro, Inc.	16.78	7%	4	3	Retail Automotive	64
2111	Oxford Inds.	43.69	7%	3	3	Apparel	42
1623	Pfizer, Inc.	25.81	7%	4	2	Drug	69
2217	Price (T. Rowe) Group	104.75	7%	4	2	Asset Management	38
1168	Rayonier Inc.	20.31	7%	–	3	Paper/Forest Products	92
1540	Realty Income Corp.	62.36	7%	5	1	R.E.I.T.	90
341	SFL Corp. Ltd	12.00	7%	4	3	Maritime	12
1624	Sanofi ADR	42.50	7%	3	1	Drug	69
598	Suburban Propane	19.61	7%	3	3	Pipeline MLPs	24
2178	Sunoco LP	66.50	7%	3	3	Retail (Hardlines)	16
1170	Sylvamo Corp.	41.17	7%	4	3	Paper/Forest Products	92
315	United Parcel Serv.	100.00	7%	2	3	Air Transport	60
1593	Vale S.A. ADR	17.07	7%	3	3	Metals & Mining (Div.)	33
1550	VICI Properties	28.92	7%	4	2	R.E.I.T.	90
1940	Albertsons Companies	15.92	6%	2	3	Retail/Wholesale Food	26
577	Antero Midstream Corp.	21.31	6%	3	3	Oil/Gas Distribution	48
2425	Ares Management	124.61	6%	3	3	Public/Private Equity	84
2193	Avista Corp.	40.68	6%	4	2	Electric Utility (West)	78
920	BCE Inc.	24.28	6%	4	2	Telecom. Services	41
2509	Block (H&R)	36.06	6%	3	3	Financial Svcs. (Div.)	35
1752	Brookfield Infrastruc.	37.44	6%	4	3	Diversified Co.	22
503	CVR Energy	34.88	6%	4	4	Petroleum (Integrated)	3
591	Cheniere Energy Part.	61.84	6%	4	3	Pipeline MLPs	24
1504	Columbia Banking	29.42	6%	4	3	Thrift	50
2370	Deluxe Corp.	25.80	6%	1	3	Publishing	6
2195	Edison Int'l	70.58	6%	3	3	Electric Utility (West)	78
580	Enbridge Inc.	74.48	6%	4	2	Oil/Gas Distribution	48
507	Equinor ASA	38.22	6%	1	3	Petroleum (Integrated)	3
132	Eversource Energy	67.24	6%	4	2	Electric Utility (East)	91
2520	Fidelity Nat'l Info.	42.36	6%	–	3	Financial Svcs. (Div.)	35
1409	HP Inc.	21.67	6%	3	3	Computers/Peripherals	46
1528	Healthcare Realty	20.03	6%	4	3	R.E.I.T.	90
1529	Healthpeak Properties	19.76	6%	3	3	R.E.I.T.	90
1919	JBS N.V.	15.59	6%	–	3	Food Processing	68
1195	Kenvue Inc.	17.17	6%	–	2	Household Products	75
1196	Kimberly-Clark	95.75	6%	4	1	Household Products	75
976	LKQ Corp.	28.10	6%	3	3	Auto Parts	54
1534	Lineage Inc	39.32	6%	–	3	R.E.I.T.	90
558	LyondellBasell Inds.	73.53	6%	2	3	Chemical (Specialty)	39
1636	ManpowerGroup Inc.	28.95	6%	5	3	Human Resources	37
1968	Molson Coors Beverage	41.44	6%	3	3	Beverage	65
2335	Nexstar Media Group	202.79	6%	3	3	Entertainment	71
1506	Northwest Bancshares	13.70	6%	3	2	Thrift	50
583	ONEOK Inc.	87.79	6%	2	3	Oil/Gas Distribution	48
2575	Open Text Corp.	24.40	6%	2	3	Computer Software	40

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HIGH RETURNS EARNED ON TOTAL CAPITAL

Stocks with high average returns on capital in last 5 years ranked by earnings retained to common equity

Page No.	Stock Name	Ticker	Recent Price	Avg. Retained to Com. Eq.	Avg. Return On Cap.	Time-liness	Safety Rank	Beta	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
2144	Dollarama Inc	DOL.TO	173.77	755%	43%	3	2	0.55	33.1	0.3	Retail Store	18
2509	Block (H&R)	HRB	36.06	502%	35%	3	3	0.75	7.3	4.7	Financial Svcs. (Div.)	35
957	Motorola Solutions	MSI	392.17	460%	33%	3	2	1.00	25.0	1.2	Telecom. Equipment	32
205	Cencora	COR	259.70	408%	47%	3	2	0.65	14.5	0.9	Med Supp Non-Invasive	74
1147	Home Depot	HD	311.40	382%	38%	4	1	0.95	20.8	3.0	Retail Building Supply	76
1148	Lowe's Cos.	LOW	226.06	344%	42%	3	2	0.95	17.7	2.2	Retail Building Supply	76
1407	Dell Technologies	DELL	247.04	248%	32%	1	3	1.35	19.2	0.9	Computers/Peripherals	46
430	Gartner Inc.	IT	153.80	226%	31%	1	3	1.10	11.0	NIL	Information Services	7
1405	Apple Inc.	AAPL	292.68	126%	58%	2	2	1.05	33.2	0.4	Computers/Peripherals	46
2015	Fortinet Inc.	FTNT	115.44	122%	113%	1	3	1.25	38.5	NIL	Cyber Security	63
1605	AbbVie Inc.	ABBV	202.78	118%	32%	4	2	0.65	13.9	3.4	Drug	69
2532	Mastercard Inc.	MA	497.81	117%	48%	2	1	1.10	26.1	0.7	Financial Svcs. (Div.)	35
1725	Lennox Int'l	LII	521.48	101%	54%	3	3	1.15	21.5	1.0	Machinery	29
1393	KLA Corp.	KLAC	1845.19	96%	39%	1	3	1.40	44.9	0.4	Semiconductor Equip	1
2613	Booking Holdings	BKNG	157.80	87%	48%	3	3	1.25	14.9	1.0	Internet	57
1414	NetApp, Inc.	NTAP	117.73	84%	38%	1	3	1.15	13.9	1.8	Computers/Peripherals	46
211	IDEXX Labs.	IDXX	532.00	80%	49%	3	3	1.15	36.6	NIL	Med Supp Non-Invasive	74
2608	Manhattan Assoc.	MANH	137.73	67%	67%	2	3	1.20	26.5	NIL	IT Services	17
1367	NVIDIA Corp.	NVDA	219.44	62%	54%	2	3	1.50	26.6	NIL	Semiconductor	5
204	Cardinal Health	CAH	182.50	59%	75%	1	3	0.85	16.7	1.1	Med Supp Non-Invasive	74
807	Medpace Holdings	MEDP	417.29	56%	56%	2	3	1.35	24.1	NIL	Medical Services	14
2180	Ulta Beauty	ULTA	511.98	55%	55%	1	3	1.05	18.0	NIL	Retail (Hardlines)	16
1395	Lam Research	LRCX	296.05	47%	37%	1	3	1.55	50.0	0.3	Semiconductor Equip	1
1371	Qualcomm Inc.	QCOM	237.53	46%	37%	3	3	1.20	19.7	1.5	Semiconductor	5
1970	National Beverage	FIZZ	34.55	45%	45%	4	3	0.65	16.9	NIL	Beverage	65
2141	Dillard's, Inc.	DDS	556.79	44%	35%	3	3	1.30	16.7	0.2	Retail Store	18
1308	Grainger (W.W.)	GWW	1226.09	43%	32%	2	2	0.95	28.1	0.8	Electrical Equipment	9
1164	Williams-Sonoma	WSM	176.10	43%	55%	2	3	1.25	19.9	1.5	Furn/Home Furnishings	87
2186	Buckle (The), Inc.	BKE	50.18	41%	60%	3	3	1.05	11.7	2.8	Retail (Softlines)	20
359	Chipotle Mex. Grill	CMG	31.92	41%	41%	2	3	1.10	27.8	NIL	Restaurant	47
1719	Illinois Tool Works	ITW	252.09	41%	32%	1	1	1.00	22.3	2.6	Machinery	29
1167	Louisiana-Pacific	LPX	72.98	41%	37%	3	3	1.30	25.6	1.6	Paper/Forest Products	92
1138	NVR, Inc.	NVR	5910.67	40%	32%	2	2	0.95	12.7	NIL	Homebuilding	56
1620	Novo Nordisk ADR	NVO	46.40	39%	52%	3	3	1.00	13.6	3.6	Drug	69
1387	Applied Materials	AMAT	443.62	38%	32%	1	3	1.40	38.2	0.4	Semiconductor Equip	1
2188	lululemon athletica	LULU	126.34	38%	38%	3	3	1.15	10.3	NIL	Retail (Softlines)	20
2013	Check Point Software	CHKP	115.42	37%	33%	3	2	0.85	8.9	NIL	Cyber Security	63
934	RingCentral, Inc.	RNG	44.62	36%	50%	2	4	1.55	8.9	0.7	Telecom. Services	41
2328	YETI Holdings	YETI	40.92	35%	31%	3	3	1.40	14.4	NIL	Recreation	72
1384	ASML Holding N.V.	ASML	1565.81	33%	37%	1	3	1.40	58.8	0.4	Semiconductor Equip	1
1631	Automatic Data Proc.	ADP	211.67	33%	45%	3	1	0.85	18.4	3.2	Human Resources	37
1753	Chemed Corp.	CHE	421.43	33%	32%	1	2	0.70	17.6	0.6	Diversified Co.	22
2158	Deckers Outdoor	DECK	96.65	32%	32%	1	3	1.20	13.5	NIL	Shoe	23
2019	Qualys, Inc.	QLYS	91.53	31%	31%	2	3	1.15	12.5	NIL	Cyber Security	63
2321	Smith & Wesson Brands	SWBI	14.40	31%	35%	–	3	0.95	40.0	3.6	Recreation	72
2169	Best Buy Co.	BBY	57.62	30%	41%	3	3	1.10	8.6	6.7	Retail (Hardlines)	16
391	Expeditors Int'l	EXPD	155.54	30%	37%	2	2	1.00	25.7	1.0	Industrial Services	11
2151	TJX Companies	TJX	148.91	29%	33%	3	2	0.85	28.9	1.3	Retail Store	18
2396	Texas Pacif. Land Corp.	TPL	402.63	27%	42%	1	3	1.10	52.0	0.6	Petroleum (Producing)	13
1380	Texas Instruments	TXN	297.76	19%	31%	2	3	1.05	52.1	1.9	Semiconductor	5

BARGAIN BASEMENT STOCKS

Stocks with current price-earnings multiples and price-to-"net" working capital ratios that are in the bottom quartile of the Value Line universe

("Net" working capital equals current assets less all liabilities including long-term debt and preferred)

Page No.	Stock Name	Ticker	Recent Price	Percent Price-to "Net" Wkg. Capital	Current P/E Ratio	Percent Price-to Book Value	Time-liness	Safety Rank	Beta	% Est'd Yield	Industry Group	Industry Rank
1135	LGI Homes	LGIH	47.28	62%	10.5	48%	5	3	1.30	NIL	Homebuilding	56
1137	Meritage Homes	MTH	63.79	91%	7.0	76%	3	3	1.25	2.7	Homebuilding	56
1141	Taylor Morrison Home	TMHC	59.30	137%	8.5	87%	2	3	1.20	NIL	Homebuilding	56
1140	TRI Pointe Homes	TPH	46.96	147%	11.0	111%	–	3	1.10	NIL	Homebuilding	56
1983	Coursera, Inc.	COUR	5.66	178%	12.6	143%	4	4	1.35	NIL	Educational Services	28
1980	Universal Corp.	UVV	53.60	201%	9.7	87%	3	3	0.80	6.2	Tobacco	80
1142	Toll Brothers	TOL	135.15	209%	10.7	140%	1	3	1.25	0.8	Homebuilding	56
1139	PulteGroup, Inc.	PHM	115.45	212%	11.3	158%	3	3	1.15	0.9	Homebuilding	56
1128	UFP Industries	UFPI	83.09	359%	11.9	135%	4	3	1.15	1.7	Building Materials	36
2604	EPAM Systems	EPAM	97.35	404%	7.8	139%	2	3	1.45	NIL	IT Services	17
1936	USANA Health Sciences	USNA	17.43	405%	8.7	58%	–	3	0.90	NIL	Food Processing	68
1938	Vital Farms Inc	VITL	8.74	412%	7.6	96%	5	3	0.80	NIL	Food Processing	68
824	BioMarin Pharmac.	BMRN	52.58	417%	12.1	172%	4	3	0.80	NIL	Biotechnology	89
745	Gibraltar Inds.	ROCK	39.24	425%	9.2	110%	4	3	1.25	NIL	Steel	15
1136	Lennar Corp.	LEN	87.09	460%	12.8	94%	5	3	1.15	2.3	Homebuilding	56
1991	Stride, Inc.	LRN	87.34	464%	10.3	232%	3	3	0.80	NIL	Educational Services	28
2624	Pinterest, Inc.	PINS	20.76	494%	12.6	240%	3	3	1.30	NIL	Internet	57
2217	Price (T. Rowe) Group	TROW	104.75	551%	10.2	197%	4	2	1.30	5.0	Asset Management	38
2607	LiveRamp Holdings	RAMP	29.35	555%	11.3	172%	2	3	1.30	NIL	IT Services	17
2629	Yelp, Inc.	YELP	25.28	567%	11.8	217%	2	3	1.05	NIL	Internet	57
827	Incyte Corp.	INCY	100.32	618%	12.9	382%	3	3	0.70	NIL	Biotechnology	89
2380	Trade Desk (The)	TTD	21.52	643%	10.8	399%	4	4	1.70	NIL	Advertising	77
973	Gentex Corp.	GNTX	23.20	727%	11.9	186%	3	3	1.00	2.1	Auto Parts	54
971	Dorman Products	DORM	121.01	728%	12.9	210%	5	3	0.80	NIL	Auto Parts	54
1911	Fresh Del Monte Prod.	FDP	35.52	884%	9.0	81%	3	2	0.65	3.5	Food Processing	68
1156	Ethan Allen Interiors	ETD	19.63	906%	10.2	100%	4	3	1.05	7.9	Furn/Home Furnishings	87
974	Gentherm Inc.	THRM	30.49	923%	12.4	123%	3	3	1.20	NIL	Auto Parts	54
1161	Mohawk Inds.	MHK	100.97	951%	9.9	69%	4	3	1.30	NIL	Furn/Home Furnishings	87
2602	Cognizant Technology	CTSH	49.25	1102%	8.7	145%	2	2	1.05	2.7	IT Services	17
2215	Janus Henderson plc	JHG	51.67	1252%	11.6	145%	–	3	1.45	NIL	Asset Management	38
744	Commercial Metals	CMC	71.16	1533%	9.8	178%	2	3	1.30	1.0	Steel	15
1125	Tecnoglass Inc.	TGLS	38.69	1630%	10.6	220%	4	3	1.40	1.6	Building Materials	36
2188	lululemon athletica	LULU	126.34	1917%	10.3	270%	3	3	1.15	NIL	Retail (Softlines)	20
2584	SPS Commerce	SPSC	52.78	2726%	11.9	184%	2	3	1.20	NIL	Computer Software	40

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UNTIMELY STOCKS

Stocks ranked 5 (Lowest) for Relative Price Performance in the next 12 months

Page No.	Stock Name	Recent Price	Rank Safety	Rank Technical	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
916	AST SpaceMobile Inc	82.55	4	2	NMF	NIL	Telecom. Services	41
194	Adaptive Biotech.	13.54	5	3	NMF	NIL	Med Supp Non-Invasive	74
704	AeroVironment	166.45	3	3	42.7	NIL	Aerospace/Defense	59
1511	Alexandria Real Estate	46.00	3	3	30.7	6.3	R.E.I.T.	90
159	Alphatec Holdings Inc	6.99	4	3	17.5	NIL	Med Supp Invasive	79
160	AtriCure, Inc. ■	26.30	4	4	NMF	NIL	Med Supp Invasive	79
966	Aurora Innovation Inc	7.26	4	5	NMF	NIL	Auto Parts	54
705	Axon Enterprise	394.36	3	4	43.8	NIL	Aerospace/Defense	59
1609	Axsome Therapeutics	216.47	4	4	NMF	NIL	Drug	69
1516	BXP Inc.	58.94	3	5	28.8	6.7	R.E.I.T.	90
604	Bank of Nova Scotia	105.43	1	3	12.6	4.3	Bank	43
756	Berkshire Hathaway 'B' ■	479.55	1	2	20.0	NIL	Insurance (Prop/Cas.)	30
201	Bio-Rad Labs. 'A'	243.79	3	3	23.8	NIL	Med Supp Non-Invasive	74
825	BioNTech SE	93.34	4	4	NMF	NIL	Biotechnology	89
995	Cable One	56.04	4	3	2.2	NIL	Cable TV	52
2512	Capital One Fin'l	183.93	3	3	8.8	2.0	Financial Svcs. (Div.)	35
2429	Carlyle Group	49.46	3	4	12.4	2.8	Public/Private Equity	84
743	Cleveland-Cliffs Inc.	11.24	4	5	NMF	NIL	Steel	15
921	Cogent Comms. Hldgs	16.40	4	4	NMF	0.5	Telecom. Services	41
1781	Coinbase Global	216.60	4	5	34.9	NIL	Brokers & Exchanges	67
2614	CoStar Group	32.92	3	3	28.6	NIL	Internet	57
1406	D-Wave Quantum Inc	24.03	5	3	NMF	NIL	Computers/Peripherals	46
1520	Digital Realty Trust ■	196.24	3	3	75.5	2.5	R.E.I.T.	90
971	Dorman Products	121.01	3	5	12.9	NIL	Auto Parts	54
1712	ESAB Corp.	96.57	3	4	16.7	0.4	Machinery	29
1525	Extra Space Storage	144.58	3	4	30.4	4.5	R.E.I.T.	90
1600	FMC Corp.	13.11	4	3	7.5	2.4	Chemical (Basic)	44
319	Forward Air	10.46	5	4	NMF	NIL	Trucking	21
2108	Gildan Activewear	57.68	3	3	13.4	1.7	Apparel	42
169	Glaukos Corp.	135.37	4	2	NMF	NIL	Med Supp Invasive	79
2617	Grab Holdings Limited	3.65	4	3	36.5	NIL	Internet	57
1181	Greif, Inc. ■	66.61	3	2	17.7	3.1	Packaging & Container	62
800	Guardant Health	96.71	5	3	NMF	NIL	Medical Services	14
828	Insmed Inc	103.89	4	1	NMF	NIL	Biotechnology	89
1166	Int'l Paper	32.47	3	3	20.3	5.7	Paper/Forest Products	92
1412	IonQ Inc	56.89	5	4	NMF	NIL	Computers/Peripherals	46
829	Ionis Pharmac.	75.38	3	2	NMF	NIL	Biotechnology	89
213	iRhythm Holdings, Inc.	116.84	4	4	NMF	NIL	Med Supp Non-Invasive	74
309	JetBlue Airways	4.96	4	3	NMF	NIL	Air Transport	60
310	Joby Aviation Inc	10.74	4	5	NMF	NIL	Air Transport	60
1724	Kornit Digital Ltd.	16.25	4	4	65.0	NIL	Machinery	29
1920	Kraft Heinz Co.	23.26	2	3	11.3	6.9	Food Processing	68
720	Kratos Defense & Sec.	56.99	3	2	76.0	NIL	Aerospace/Defense	59
1135	LGI Homes	47.28	3	4	10.5	NIL	Homebuilding	56
1136	Lennar Corp.	87.09	3	4	12.8	2.3	Homebuilding	56
1559	Lincoln Nat'l Corp.	34.77	3	3	4.0	5.3	Insurance (Life)	66
106	Lucid Group	6.03	5	3	NMF	NIL	Automotive	83
1588	MP Materials	67.41	4	3	96.3	NIL	Metals & Mining (Div.)	33
1535	Macerich Comp. (The)	21.64	4	3	NMF	3.1	R.E.I.T.	90
1636	ManpowerGroup Inc.	28.95	3	3	7.9	5.0	Human Resources	37
723	Mercury Systems	91.95	3	3	92.9	NIL	Aerospace/Defense	59
980	Mobileye Global Inc	9.24	4	5	29.8	NIL	Auto Parts	54
831	Moderna, Inc.	52.88	5	2	NMF	NIL	Biotechnology	89
1228	NRG Energy ■	137.30	3	2	18.3	1.4	Power	85
530	National Fuel Gas	79.44	2	1	10.1	2.7	Natural Gas (Div.)	70
809	Natera Inc	199.14	3	3	NMF	NIL	Medical Services	14
2533	Navient Corp.	8.32	3	3	10.4	7.7	Financial Svcs. (Div.)	35
218	Neogen Corp.	8.65	3	1	27.0	NIL	Med Supp Non-Invasive	74
108	Nissan Motor ADR	4.50	3	3	NMF	NIL	Automotive	83
219	NovoCure Limited	18.10	4	5	NMF	NIL	Med Supp Non-Invasive	74
1230	NuScale Power Corp	13.29	4	4	NMF	NIL	Power	85
137	PPL Corp.	36.24	1	2	19.0	3.2	Electric Utility (East)	91
2363	PENN Entertainment	15.94	4	3	15.9	NIL	Hotel/Gaming	61
182	PROCEPT BioRobotics	26.45	5	4	NMF	NIL	Med Supp Invasive	79
2580	Procore Technologies Inc ■	50.10	3	4	34.6	NIL	Computer Software	40
982	QuantumScape Corp.	8.03	5	5	NMF	NIL	Auto Parts	54
222	QuidelOrtho Corp.	9.96	4	3	4.0	NIL	Med Supp Non-Invasive	74
1162	RH	129.20	4	4	16.3	NIL	Furn/Home Furnishings	87
1540	Realty Income Corp.	62.36	1	3	37.8	5.3	R.E.I.T.	90
1415	Rigetti Computing Inc	20.51	5	3	NMF	NIL	Computers/Peripherals	46
109	Rivian Automotive	14.08	5	2	NMF	NIL	Automotive	83
1787	Robinhood Markets	80.78	3	3	29.4	NIL	Brokers & Exchanges	67
1998	Roblox Corp.	41.31	4	3	NMF	NIL	Entertainment Tech	93
2536	Rocket Companies	14.83	4	3	17.4	NIL	Financial Svcs. (Div.)	35
728	Rocket Lab Corp.	117.35	4	3	NMF	NIL	Aerospace/Defense	59
1545	SL Green Realty	44.22	3	4	NMF	7.0	R.E.I.T.	90
1821	Snowflake Inc.	151.50	4	4	NMF	NIL	Digital Infrastructure	58
110	Stellantis N.V.	7.46	3	3	NMF	9.5	Automotive	83
1340	Stratasys Ltd.	8.54	4	5	50.2	NIL	Electronics	10
834	Summit Therapeutics Inc.	18.66	4	3	NMF	NIL	Biotechnology	89
1547	Sun Communities Inc.	125.79	2	2	96.8	3.6	R.E.I.T.	90
1234	Sunrun Inc.	14.47	5	2	24.1	NIL	Power	85
2433	TPG Inc	43.59	3	4	79.3	5.0	Public/Private Equity	84
2000	Take-Two Interactive	221.47	3	5	NMF	NIL	Entertainment Tech	93
939	TELUS Corporation	17.18	2	4	18.1	9.7	Telecom. Services	41
1979	Turning Point Brands	92.71	3	3	24.7	0.3	Tobacco	80
2001	Unity Software	26.87	5	5	28.3	NIL	Entertainment Tech	93
2024	Varonis Systems	28.00	4	5	NMF	NIL	Cyber Security	63
836	Vaxcyte Inc	53.99	4	2	NMF	NIL	Biotechnology	89
1549	Ventas, Inc.	87.69	3	3	NMF	2.4	R.E.I.T.	90
838	Viking Therapeutics Inc	31.72	4	3	NMF	NIL	Biotechnology	89
1938	Vital Farms Inc	8.74	3	3	7.6	NIL	Food Processing	68
1551	Vornado R'lty Trust	31.04	3	5	NMF	2.4	R.E.I.T.	90
1552	W.P. Carey Inc.	74.05	2	3	30.2	5.1	R.E.I.T.	90
229	Waters Corp. ■	348.07	3	5	24.3	NIL	Med Supp Non-Invasive	74
1553	Welltower Inc.	214.84	2	3	68.2	1.5	R.E.I.T.	90
1171	West Fraser Timber	60.58	3	3	NMF	2.2	Paper/Forest Products	92
567	Westlake Corp. ■	97.56	3	1	NMF	2.2	Chemical (Specialty)	39
1206	Whirlpool Corp. ■	41.08	3	3	6.3	8.8	Household Products	75
2025	Zscaler, Inc.	148.87	3	4	33.2	NIL	Cyber Security	63

■ **Newly added this week.**

HIGHEST DIVIDEND YIELDING NON-UTILITY STOCKS

Based upon estimated year-ahead dividends per share

Page No.	Stock Name	Recent Price	Time-liness	Safety Rank	Current P/E Ratio	% Est'd Yield	Industry Group	Industry Rank
1903	B&G Foods	5.09	–	4	8.5	14.9†	Food Processing	68
1208	Aberdeen Asia-Pac. Fd.	14.69	–	3	NMF	13.5	Investment Co.	–
1514	Annaly Capital Mgmt.	22.44	4	3	7.5	12.5†	R.E.I.T.	90
1910	Flowers Foods	8.22	3	3	9.7	12.0	Food Processing	68
1213	Liberty All-Star	5.75	–	3	NMF	12.0	Investment Co.	–
336	Frontline plc	38.15	2	4	9.1	10.8†	Maritime	12
1622	Perrigo Co. plc	11.07	4	3	5.0	10.5†	Drug	69
2545	Western Union	8.97	2	3	5.0	10.5	Financial Svcs. (Div.)	35
515	Petroleo Brasileiro ADR	20.75	2	3	4.9	10.3	Petroleum (Integrated)	3
1908	Conagra Brands	13.93	4	2	7.9	10.1	Food Processing	68
2390	Kimbell Royalty Part.	14.75	3	3	19.7	10.0	Petroleum (Producing)	13
939	TELUS Corporation	17.18	5	2	18.1	9.7	Telecom. Services	41
110	Stellantis N.V.	7.46	5	3	NMF	9.5	Automotive	83
1537	Park Hotels & Resorts	11.03	4	3	27.6	9.1	R.E.I.T.	90
2207	AllianceBernstein Hldg.	38.42	4	3	11.0	9.0	Asset Management	38
2386	Black Stone Minerals	13.38	3	3	9.2	9.0	Petroleum (Producing)	13
2427	Blue Owl Capital Inc	10.08	4	3	33.6	8.9	Public/Private Equity	84
1640	Robert Half Inc.	26.54	4	3	17.7	8.9†	Human Resources	37
1206	Whirlpool Corp.	41.08	5	3	6.3	8.8	Household Products	75
2153	Upbound Group	17.99	2	3	4.1	8.7	Retail Store	18
599	Western Midstream	43.95	4	3	13.1	8.6	Pipeline MLPs	24
2381	WPP PLC ADR	17.90	4	3	NMF	8.4	Advertising	77
373	Wendy's Company	6.76	3	3	9.7	8.3	Restaurant	47
594	Hess Midstream LP	39.19	2	3	15.1	8.1	Pipeline MLPs	24
595	MPLX LP	54.03	3	2	12.0	8.0	Pipeline MLPs	24
1156	Ethan Allen Interiors	19.63	4	3	10.2	7.9	Furn/Home Furnishings	87
596	Plains All Amer. Pipe.	21.99	3	3	15.7	7.9	Pipeline MLPs	24
1907	The Campbell's Company	20.63	4	3	9.5	7.7	Food Processing	68
2533	Navient Corp.	8.32	5	3	10.4	7.7	Financial Svcs. (Div.)	35
1633	Insperity Inc.	32.43	4	3	13.0	7.4	Human Resources	37
597	Plains GP Hldgs. L.P.	23.51	2	3	19.6	7.4	Pipeline MLPs	24
1913	Gen'l Mills	33.80	4	2	9.8	7.3	Food Processing	68
2325	Vail Resorts	123.70	3	3	18.8	7.2	Recreation	72
1545	SL Green Realty	44.22	5	3	NMF	7.0†	R.E.I.T.	90
2337	Sinclair, Inc.	14.27	3	4	5.9	7.0	Entertainment	71
2347	Brightstar Lottery	12.77	–	3	13.4	6.9	Hotel/Gaming	61
592	Energy Transfer LP	19.61	2	3	15.7	6.9	Pipeline MLPs	24
1920	Kraft Heinz Co.	23.26	5	2	11.3	6.9	Food Processing	68
107	Mercedes-Benz AG	59.83	3	3	6.6	6.9	Automotive	83
1197	Newell Brands	4.08	–	5	NMF	6.9	Household Products	75
1194	Energizer Holdings	17.58	2	3	5.1	6.8	Household Products	75
1516	BXP Inc.	58.94	5	3	28.8	6.7	R.E.I.T.	90
2169	Best Buy Co.	57.62	3	3	8.6	6.7	Retail (Hardlines)	16
582	Kinetik Holdings	48.04	3	3	21.4	6.7	Oil/Gas Distribution	48
2129	Monro, Inc.	16.78	4	3	21.0	6.7	Retail Automotive	64
1623	Pfizer, Inc.	25.81	4	2	8.6	6.7	Drug	69
341	SFL Corp. Ltd	12.00	4	3	85.7	6.7	Maritime	12
1174	Amcor plc	40.20	4	2	13.1	6.6	Packaging & Container	62
1527	Gaming and Leisure	48.03	4	2	16.6	6.6	R.E.I.T.	90
598	Suburban Propane	19.61	3	3	10.3	6.6	Pipeline MLPs	24
315	United Parcel Serv.	100.00	2	3	14.1	6.6	Air Transport	60
1919	JBS N.V.	15.59	–	3	8.4	6.4	Food Processing	68
2111	Oxford Inds.	43.69	3	3	18.4	6.4	Apparel	42
1550	VICI Properties	28.92	4	2	10.5	6.4	R.E.I.T.	90
1511	Alexandria Real Estate	46.00	5	3	30.7	6.3	R.E.I.T.	90
2609	Wipro Limited	1.90	4	2	13.6	6.3	IT Services	17
1975	Altria Group	68.61	3	1	12.1	6.2	Tobacco	80
997	Cogeco Communic.	63.41	4	3	7.4	6.2	Cable TV	52
1529	Healthpeak Properties	19.76	3	3	56.5	6.2	R.E.I.T.	90
1980	Universal Corp.	53.60	3	3	9.7	6.2	Tobacco	80
593	Enterprise Products	37.90	2	1	13.1	6.1	Pipeline MLPs	24
1916	Hormel Foods	20.16	4	2	13.4	6.0	Food Processing	68
2432	Main Street Capital	52.30	3	2	13.8	6.0	Public/Private Equity	84
1977	Imperial Brands PLC	37.24	3	2	9.3	5.9	Tobacco	80
941	Verizon Communic.	47.23	3	1	9.6	5.9	Telecom. Services	41
306	Copa Holdings, S.A.	117.04	3	3	7.0	5.8	Air Transport	60
1506	Northwest Bancshares	13.70	3	2	13.4	5.8	Thrift	50
105	Honda Motor ADR	23.98	3	2	24.2	5.7	Automotive	83
1166	Int'l Paper	32.47	5	3	20.3	5.7	Paper/Forest Products	92
585	South Bow Corp	35.39	–	3	20.8	5.7	Oil/Gas Distribution	48
1191	Clorox Co.	88.90	4	3	14.3	5.6	Household Products	75
1563	Prudential Fin'l	101.12	3	2	7.2	5.6	Insurance (Life)	66
1624	Sanofi ADR	42.50	3	1	8.5	5.6	Drug	69
2178	Sunoco LP	66.50	3	3	8.0	5.6	Retail (Hardlines)	16
1976	Brit. Am. Tobacco ADR	60.44	3	2	12.3	5.5	Tobacco	80
368	Papa John's Int'l	33.38	–	3	23.8	5.5	Restaurant	47
342	Star Bulk Carriers Corp.	26.74	3	3	9.6	5.5	Maritime	12
1409	HP Inc.	21.67	3	3	7.6	5.4	Computers/Peripherals	46
1534	Lineage Inc	39.32	–	3	NMF	5.4	R.E.I.T.	90
920	BCE Inc.	24.28	4	2	12.5	5.3	Telecom. Services	41
998	Comcast Corp.	25.03	2	2	6.8	5.3	Cable TV	52
1196	Kimberly-Clark	95.75	4	1	12.5	5.3	Household Products	75
1559	Lincoln Nat'l Corp.	34.77	5	3	4.0	5.3	Insurance (Life)	66
1540	Realty Income Corp.	62.36	5	1	37.8	5.3	R.E.I.T.	90
1519	CubeSmart	40.82	4	3	25.5	5.2	R.E.I.T.	90
580	Enbridge Inc.	74.48	4	2	28.6	5.1	Oil/Gas Distribution	48
1168	Rayonier Inc.	20.31	–	3	36.3	5.1	Paper/Forest Products	92
1170	Sylvamo Corp.	41.17	4	3	13.5	5.1	Paper/Forest Products	92
1552	W.P. Carey Inc.	74.05	5	2	30.2	5.1	R.E.I.T.	90
917	AT&T Inc.	24.87	3	3	10.8	5.0	Telecom. Services	41
591	Cheniere Energy Part.	61.84	4	3	19.9	5.0	Pipeline MLPs	24
1504	Columbia Banking	29.42	4	3	9.6	5.0	Thrift	50
103	Ford Motor	12.05	2	3	10.2	5.0	Automotive	83
1636	ManpowerGroup Inc.	28.95	5	3	7.9	5.0	Human Resources	37
2217	Price (T. Rowe) Group	104.75	4	2	10.2	5.0	Asset Management	38

† Dividend cut possible

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HIGHEST GROWTH STOCKS

(To be included, a company's annual growth of sales, cash flow, earnings, dividends and book value must together have averaged 10% or more over the past 10 years and be expected to average at least 10% in the coming 3-5 years.)

Page No.	Stock Name	Ticker	Recent Price	Growth Past 10 Years	Est'd Growth 3-5 Years	Time-liness	Safety Rank	Beta	Current P/E Ratio	% Est'd Yield	Estimated 3-5 Year Price Appreciation	Industry Group	Industry Rank
1702	AAON, Inc.	AAON	141.70	14%	16%	3	3	1.25	72.7	0.3	N- 15%	Machinery	29
1384	ASML Holding N.V.	ASML	1565.81	17%	15%	1	3	1.40	58.8	0.4	N- 45%	Semiconductor Equip	1
1605	AbbVie Inc.	ABBV	202.78	11%	10%	4	2	0.65	13.9	3.4	35- 80%	Drug	69
1303	Acuity Inc.	AYI	289.62	11%	11%	3	3	1.15	14.1	0.3	15- 75%	Electrical Equipment	9
2549	Adobe Inc.	ADBE	246.15	23%	15%	1	3	1.20	10.4	NIL	65-150%	Computer Software	40
703	AerCap Hldgs. NV	AER	146.22	11%	10%	2	3	1.35	9.0	0.8	N- 45%	Aerospace/Defense	59
1566	Agnico Eagle Mines	AEM	196.84	11%	10%	3	3	0.90	16.4	0.8	N- 15%	Precious Metals	51
963	Allison Transmission	ALSN	123.72	12%	11%	2	3	1.05	13.7	0.9	N- 35%	Auto Parts	54
2612	Alphabet Inc.	GOOG	386.77	21%	16%	2	2	0.95	35.8	0.2	5- 30%	Internet	57
2633	Amazon.com	AMZN	268.99	36%	15%	2	2	1.20	35.4	NIL	50-100%	E-Commerce	73
1304	Amphenol Corp.	APH	122.47	15%	22%	2	2	1.15	27.2	0.8	50-105%	Electrical Equipment	9
754	Arch Capital Group	ACGL	93.83	16%	10%	3	2	0.95	9.4	NIL	35- 80%	Insurance (Prop/Cas.)	30
2119	AutoNation, Inc.	AN	200.48	18%	13%	2	3	0.85	9.3	NIL	10- 70%	Retail Automotive	64
705	Axon Enterprise	AXON	394.36	30%	21%	5	3	1.40	43.8	NIL	75-160%	Aerospace/Defense	59
1218	BWX Technologies	BWXT	210.80	11%	11%	3	3	0.95	46.3	0.5	N- N%	Power	85
1353	Broadcom Inc.	AVGO	428.43	25%	24%	2	3	1.10	33.1	0.6	35-105%	Semiconductor	5
384	CACI Int'l	CACI	482.57	12%	13%	3	3	0.75	16.2	NIL	45-115%	Industrial Services	11
2558	Cadence Design Sys.	CDNS	364.20	17%	14%	4	3	1.10	47.7	NIL	N- 35%	Computer Software	40
1325	Celestica Inc.	CLS	380.99	14%	28%	1	3	1.40	42.3	NIL	N- 40%	Electronics	10
359	Chipotle Mex. Grill	CMG	31.92	14%	13%	2	3	1.10	27.8	NIL	90-165%	Restaurant	47
386	Cintas Corp.	CTAS	164.67	15%	12%	2	2	1.00	31.7	1.2	20- 65%	Industrial Services	11
1962	Coca-Cola Consol.	COKE	170.48	20%	13%	2	3	0.80	18.9	0.6	20- 80%	Beverage	65
387	Comfort Systems USA	FIX	2032.98	23%	29%	1	3	1.35	47.3	0.2	N- 25%	Industrial Services	11
2559	Constellation Software	CSU.TO	2414.31	21%	16%	4	2	0.80	52.5	0.2	85-155%	Computer Software	40
2614	CoStar Group	CSGP	32.92	13%	14%	5	3	1.05	28.6	NIL	80-205%	Internet	57
2516	Credit Acceptance	CACC	521.74	12%	11%	3	3	1.25	11.9	NIL	10- 65%	Financial Svcs. (Div.)	35
2158	Deckers Outdoor	DECK	96.65	16%	10%	1	3	1.20	13.5	NIL	65-145%	Shoe	23
2560	Descartes Sys Group Inc	DSGX	68.88	16%	13%	3	3	0.85	25.0	NIL	95-190%	Computer Software	40
2144	Dollarama Inc	DOL.TO	173.77	15%	16%	3	2	0.55	33.1	0.3	25- 70%	Retail Store	18
364	Domino's Pizza	DPZ	313.22	18%	12%	3	3	0.85	16.9	2.6	90-185%	Restaurant	47
971	Dorman Products	DORM	121.01	12%	11%	5	3	0.80	12.9	NIL	55-135%	Auto Parts	54
1007	Dycom Inds.	DY	430.95	13%	16%	3	3	1.15	28.6	NIL	N- 40%	Engineering & Const	8
1008	EMCOR Group	EME	931.50	14%	17%	2	3	1.10	33.0	0.2	N- 5%	Engineering & Const	8
2518	Euronet Worldwide	EEFT	69.60	13%	13%	3	3	1.35	6.4	NIL	125-230%	Financial Svcs. (Div.)	35
1794	Evercore Inc.	EVR	335.38	13%	13%	3	3	1.60	18.1	1.0	5- 60%	Investment Banking	55
426	ExlService Holdings Inc	EXLS	30.19	14%	14%	2	3	1.10	15.1	NIL	115-230%	Information Services	7
2616	Expedia Group	EXPE	221.46	11%	18%	2	3	1.55	12.4	0.7	55-130%	Internet	57
712	FTAI Aviation Ltd	FTAI	280.36	17%	29%	3	3	1.50	41.5	0.5	N- 50%	Aerospace/Defense	59
1328	Fabrinet	FN	649.53	15%	16%	2	3	1.30	45.4	NIL	N- N%	Electronics	10
761	Fairfax Financial Hldgs.	FFH.TO	2257.83	18%	11%	3	2	0.75	11.0	0.7	45-100%	Insurance (Prop/Cas.)	30
148	Federal Signal	FSS	117.38	13%	13%	1	2	1.05	25.0	0.5	15- 60%	Heavy Truck & Equip	4
610	First Citzn BncSh-NC	FCNCA	1919.94	21%	12%	3	3	1.20	10.9	0.5	25- 90%	Bank	43
2522	FirstCash Holdings	FCFS	233.00	11%	14%	2	3	0.80	22.3	0.7	N- 45%	Financial Svcs. (Div.)	35
2145	Five Below, Inc.	FIVE	208.15	22%	13%	3	3	1.20	26.0	NIL	N- 40%	Retail Store	18
2015	Fortinet Inc.	FTNT	115.44	35%	12%	1	3	1.25	38.5	NIL	10- 60%	Cyber Security	63
170	Globus Medical	GMED	76.68	12%	12%	2	3	1.10	17.0	NIL	30- 95%	Med Supp Invasive	79
2127	Group 1 Automotive	GPI	348.60	18%	11%	3	3	0.95	8.2	0.6	20- 80%	Retail Automotive	64
715	HEICO Corp.	HEI	289.77	15%	13%	3	2	1.05	50.8	0.1	15- 55%	Aerospace/Defense	59
1012	IES Holdings Inc.	IESC	685.11	31%	20%	2	3	1.35	37.2	NIL	N- 30%	Engineering & Const	8
211	IDEXX Labs.	IDXX	532.00	19%	11%	3	3	1.15	36.6	NIL	35-100%	Med Supp Non-Invasive	74
1782	Interactive Brokers	IBKR	84.91	15%	13%	1	3	1.30	34.5	0.4	N- 40%	Brokers & Exchanges	67
2569	Intuit Inc.	INTU	393.29	17%	12%	4	3	1.10	16.3	1.2	105-205%	Computer Software	40
176	Intuitive Surgical	ISRG	420.06	15%	12%	3	3	1.15	40.4	NIL	25- 90%	Med Supp Invasive	79
1393	KLA Corp.	KLAC	1845.19	17%	15%	1	3	1.40	44.9	0.4	N- N%	Semiconductor Equip	1
1784	LPL Financial Hldgs.	LPLA	289.04	18%	11%	3	3	1.20	18.1	0.4	40-110%	Brokers & Exchanges	67
1395	Lam Research	LRCX	296.05	23%	17%	1	3	1.55	50.0	0.3	N- N%	Semiconductor Equip	1
178	LeMaitre Vascular	LMAT	101.64	16%	11%	2	3	0.95	40.3	1.0	5- 55%	Med Supp Invasive	79
1617	Lilly (Eli)	LLY	966.99	11%	23%	3	2	0.90	27.9	0.7	10- 50%	Drug	69
1016	MYR Group	MYRG	458.42	12%	11%	1	3	1.30	48.5	NIL	N- 5%	Engineering & Const	8
2608	Manhattan Assoc.	MANH	137.73	11%	12%	2	3	1.20	26.5	NIL	60-140%	IT Services	17
2532	Mastercard Inc.	MA	497.81	16%	13%	2	1	1.10	26.1	0.7	55- 90%	Financial Svcs. (Div.)	35
216	McKesson Corp.	MCK	725.17	12%	12%	2	1	0.65	16.8	0.5	30- 60%	Med Supp Non-Invasive	74
2638	MercadoLibre, Inc.	MELI	1557.30	29%	24%	3	3	1.55	31.1	NIL	80-170%	E-Commerce	73
2623	Meta Platforms	META	598.86	33%	17%	3	3	1.15	18.4	0.4	70-155%	Internet	57
2572	Microsoft Corp.	MSFT	412.66	14%	12%	2	1	0.95	23.5	0.9	65-100%	Computer Software	40
1365	Monolithic Power Sys.	MPWR	1661.10	27%	15%	3	3	1.55	77.3	0.5	N- N%	Semiconductor	5
1800	Morgan Stanley	MS	191.10	12%	11%	3	2	1.35	16.5	2.1	N- 20%	Investment Banking	55
2174	Murphy USA Inc.	MUSA	577.94	16%	11%	1	3	0.70	22.7	0.5	N- 45%	Retail (Hardlines)	16
2334	Netflix, Inc.	NFLX	85.45	26%	16%	3	3	1.30	27.1	NIL	70-150%	Entertainment	71
2371	New York Times	NYT	77.33	12%	13%	3	3	0.95	28.6	1.2	N- 50%	Publishing	6
2335	Nexstar Media Group	NXST	202.79	24%	15%	3	3	1.15	8.1	3.7	15- 70%	Entertainment	71
1397	Nova, Ltd.	NVMI	526.01	23%	13%	3	3	1.35	51.3	NIL	N- 5%	Semiconductor Equip	1
1367	NVIDIA Corp.	NVDA	219.44	43%	30%	2	3	1.50	26.6	NIL	30- 90%	Semiconductor	5
151	Oshkosh Corp.	OSK	134.03	11%	11%	3	3	1.30	12.0	1.7	95-185%	Heavy Truck & Equip	4
1764	Parker-Hannifin	PH	874.36	11%	10%	2	2	1.30	26.8	0.9	20- 60%	Diversified Co.	22
181	Penumbra Inc.	PEN	321.71	28%	11%	–	3	1.10	74.3	NIL	N- 45%	Med Supp Invasive	79
1801	Piper Sandler Cos.	PIPR	79.98	11%	10%	3	3	1.45	20.5	3.0	N- 15%	Investment Banking	55
1562	Primerica, Inc.	PRI	271.74	15%	13%	2	2	1.15	11.1	1.8	25- 70%	Insurance (Life)	66
770	Progressive Corp.	PGR	196.91	17%	12%	3	2	0.80	12.3	0.2	65-120%	Insurance (Prop/Cas.)	30
2019	Qualys, Inc.	QLYS	91.53	19%	12%	2	3	1.15	12.5	NIL	65-150%	Cyber Security	63
1019	Quanta Services	PWR	781.38	17%	15%	2	3	1.15	60.1	0.1	N- 25%	Engineering & Const	8
2218	Raymond James Fin'l	RJF	151.04	15%	12%	3	3	1.30	12.2	1.5	20- 85%	Asset Management	38
2009	RenaissanceRe Hldgs.	RNR	295.95	14%	10%	2	3	0.85	7.8	0.6	35-105%	Reinsurance	49
223	Repligen Corp.	RGEN	115.91	18%	11%	4	3	1.35	55.2	NIL	5- 55%	Med Supp Non-Invasive	74
1020	St. Joe Corp.	JOE	65.10	24%	12%	3	3	1.20	26.0	1.0	N- 45%	Engineering & Const	8
1337	Sanmina Corp.	SANM	245.44	10%	16%	1	3	1.15	23.9	NIL	N- N%	Electronics	10
1788	Schwab (Charles)	SCHW	87.83	13%	12%	3	3	1.30	15.0	1.5	40-115%	Brokers & Exchanges	67
1163	Somnigroup Int'l	SGI	66.56	15%	15%	4	3	1.30	20.8	0.9	15- 75%	Furn/Home Furnishings	87
1950	Sprouts Farmers Market	SFM	81.58	17%	13%	3	3	0.70	14.7	NIL	45-120%	Retail/Wholesale Food	26
1418	Super Micro Computer	SMCI	33.52	25%	25%	–	4	1.50	16.5	NIL	20-110%	Computers/Peripherals	46
2591	Synopsys, Inc.	SNPS	516.19	17%	12%	3	3	1.20	34.4	NIL	35-100%	Computer Software	40
937	T-Mobile US	TMUS	190.85	13%	14%	1	2	0.70	16.0	2.2	115-160%	Telecom. Services	41
1379	Taiwan Semic. ADR	TSM	404.54	15%	16%	2	3	1.15	28.3	0.6	5- 55%	Semiconductor	5
1125	Tecnoglass Inc.	TGLS	38.69	19%	12%	4	3	1.40	10.6	1.6	55-135%	Building Materials	36
814	Tenet Healthcare	THC	191.68	13%	11%	2	3	1.25	11.0	NIL	5- 60%	Medical Services	14
1401	Teradyne Inc.	TER	366.64	11%	14%	1	3	1.35	48.9	0.1	10- 60%	Semiconductor Equip	1
2396	Texas Pacif. Land Corp.	TPL	402.63	35%	11%	1	3	1.10	52.0	0.6	N- 45%	Petroleum (Producing)	13
372	Texas Roadhouse	TXRH	183.54	15%	11%	3	3	1.05	30.8	1.6	35-105%	Restaurant	47
574	Ubiquiti Inc.	UI	738.61	18%	15%	3	3	1.35	43.3	0.4	N- 30%	Wireless Networking	34
2544	Visa Inc.	V	323.86	16%	11%	2	1	1.05	24.7	0.9	45- 75%	Financial Svcs. (Div.)	35

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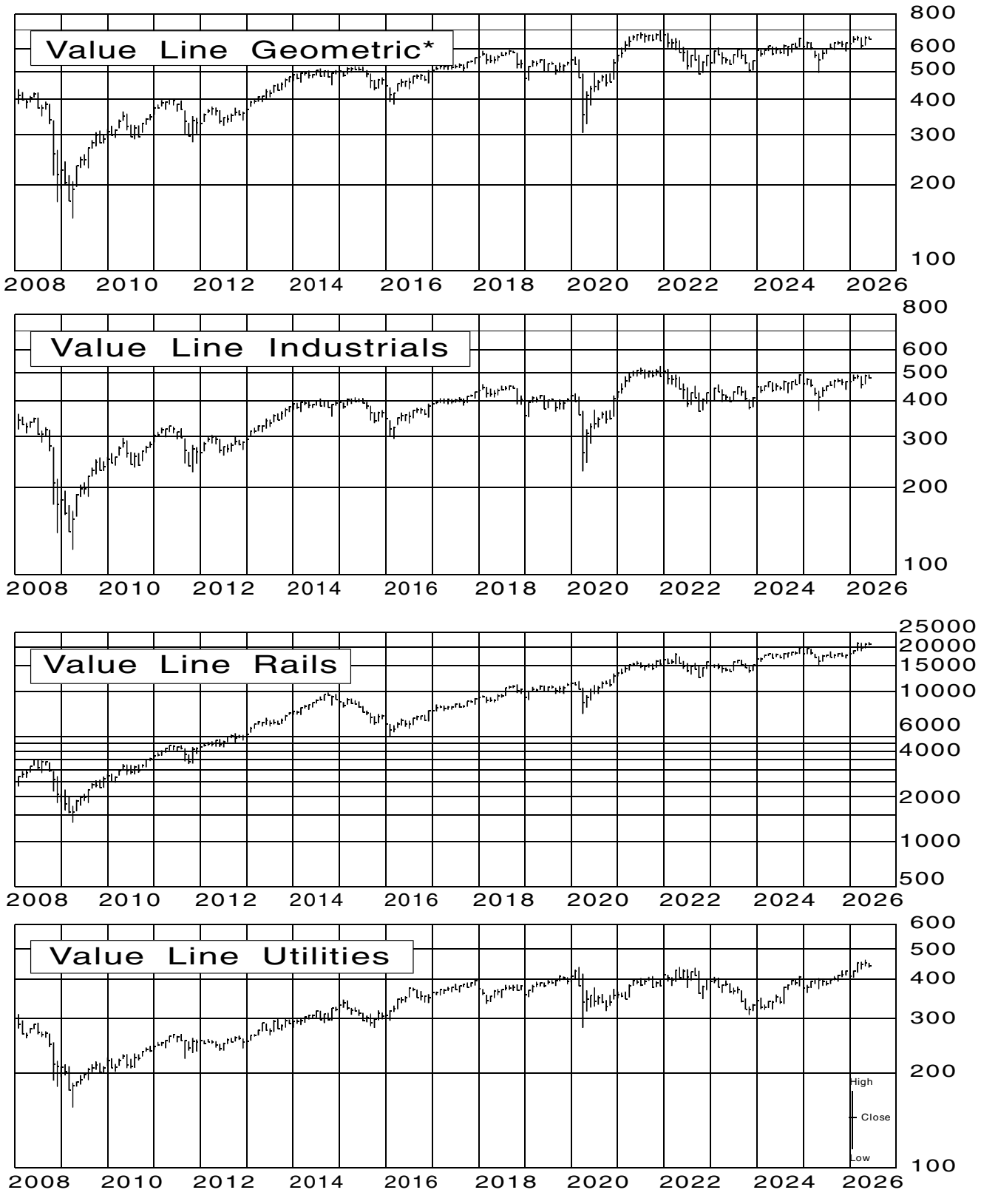

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CPI-1 Resolution Regarding Sound Public Utility Ratemaking Principles

Whereas setting public utility rates is a core responsibility delegated to state commissions staffed with the technical expertise to perform the complex, difficult duty of balancing customers' need for safe, reliable service at reasonable rates with utilities' objective of maintaining financial integrity to support the provision of reliable, affordable service over changing conditions in the short-, mid- and long-term;

Whereas ratemaking is a major regulatory function that affects all aspects of utility operations and directly impacts the different objectives that state commissions are charged with achieving in order to promote the public interest;

Whereas rate of return ratemaking and the various iterations of this function are central to public utility regulation and the implicit compact around which it centers;

Whereas the principles reflected in *Munn v. Illinois, Bluefield Water Works & Improvement Co. v. Public Service Commission,* and *Federal Power Commission v. Hope Natural Gas Co.* recognize that utilities subject to public regulation must have a reasonable opportunity to recover prudently incurred costs and an opportunity, but not a guarantee, to earn a return sufficient to maintain financial soundness, support credit quality, and attract capital on reasonable terms to support reliable, affordable service over the long term;

Whereas public utility ratemaking must balance the need to allow utilities an opportunity to earn reasonable regulated returns while customers pay an overall just and reasonable rate, and requires informed, case-specific judgment based on record evidence, expert testimony, financial analysis, utility-specific circumstances, short-, mid- and long-term public interest considerations, and applicable law;

Whereas a utility's revenue requirement is the amount needed to provide safe, reliable service and recover reasonable operating expenses, taxes, depreciation, and a rate of return through rates that are fair, just, and reasonable to customers;

Whereas return on equity is one component of the overall rate of return and cannot appropriately be determined by a single rigid formula applied across utilities, industries, jurisdictions, and economic conditions without regard to customer impact, certain types of risk, capital structures, operating obligations, and the evidentiary record in each case;

Whereas preserving state commission discretion to evaluate all relevant facts in a transparent evidentiary record supports effective and robust state regulation and gives state regulators the ability to help ensure safe, reliable, and affordable utility service over the long-term; *now, therefore be it*

Resolved, that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2026 Summer Policy Summit in Minneapolis, Minnesota, reaffirms that sound public utility ratemaking should remain grounded in the evidentiary record, governing law, and the informed judgment of state commissions, consistent with the principles reflected in *Munn, Bluefield,* and *Hope*; supports regulatory frameworks that preserve and optimize commission authority to determine return on equity and other ratemaking components based on the facts and circumstances presented in each

proceeding; maintains that under rate-of-return regulation, commissions determine appropriate returns on equity, and other rate case elements, based on case-specific analysis, expert evaluation, and record evidence rather than imposing arbitrary limits; and supports the technical expertise of commissions to resolve issues that clearly fall within their statutory jurisdiction.

_____

Passed by the Committee on Consumers and the Public Interest
Adopted by the NARUC Board of Directors on July 22, 2026

PEOPLES STATEMENT NO. 16-RJ

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
	)	
vs.	)	Docket No. R-2026-3060855
	)	
	)	
Peoples Natural Gas Company LLC	)	

REJOINDER TESTIMONY OF

JOHN J. SPANOS

ON BEHALF OF

PEOPLES NATURAL GAS COMPANY LLC

August 4, 2026

I. INTRODUCTION

Q. Please state your name and address.

A. John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg, Pennsylvania, 17050 (formerly 207 Senate Avenue, Camp Hill, Pennsylvania, 17011).

Q. Are you the same John J. Spanos that presented direct and rebuttal testimony in this proceeding?

A. Yes, I am.

Q. What is the purpose of your rejoinder testimony?

A. In my Rejoinder Testimony, I respond to the depreciation-related Surrebuttal Testimony of David J. Garrett on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). OCA Witness Garrett continues to propose the use of the Average Life Group ("ALG") procedure to calculate depreciation expense and depreciation annual accrual rates. However, he has clearly misrepresented various issues in this case related to all the key depreciation concepts and most importantly equitable recovery for utilities in Pennsylvania. His continual discussion related to the Equal Life Group ("ELG") procedure being an accelerated depreciation procedure, and not straight line depreciation as all authoritative text explain, is quite disturbing. Additionally, his disregard of all of the components of determining depreciation expense beyond the depreciation procedure is equally disturbing when he comments on fairness to all ratepayers.

Q. Please summarize your rejoinder testimony.

A. Mr. Garrett continues to recommend a drastic change to depreciation expense from what has been utilized by the Company for many decades. He attempts to look at positions recommended for other utilities in other jurisdictions as justification to switch, however, he does not consider all the major drivers of depreciation expense when he makes his inappropriate comparisons. In this testimony, I will further address ALG versus ELG; intergenerational equity issues for customers and the key elements of developing depreciation rates in Pennsylvania that Mr. Garrett ignores. When reviewing reasonableness between jurisdictions, all of the individual components and their impact on depreciation as compared to other utilities cannot be ignored as Mr. Garrett has done.

II. EQUAL LIFE GROUP VERSUS AVERAGE LIFE GROUP

Q. Has Mr. Garrett presented any new depreciation issues in his surrebuttal testimony that have not already been addressed in rebuttal testimony?

A. No. However, Mr. Garrett now misrepresents my testimony related to the two depreciation procedures, erroneously addresses the incentives of Peoples Natural Gas and disregards the value of annual updates in Pennsylvania.

Q. Are both the ALG and ELG procedures utilized in depreciation studies you conduct?

A. Yes. Additionally, there is nothing in any testimony that I have prepared that implies that the ALG procedure is not fair, accurate or reasonable. However, the ELG procedure is more accurate and precise, which I have continually explained and illustrated in this case. The ELG procedure does require more complex

calculations than the ALG procedure, but both procedures require periodic reviews. Both procedures are impacted by the reserve to plant ratio as well as the service life and net salvage parameters. In Pennsylvania, there is no net salvage accrual which cannot be ignored when comparing to other jurisdictions and intergenerational equity. With the use of computer models, there is no adverse impact from the use of the ELG procedure as Mr. Garrett claims, and with the thousands of assets in each account of various vintages, there are no swings in expense from year to year due to the procedure.

Q. Do you typically provide the results of the ELG procedure in all jurisdictions when conducting depreciation studies?

A. Yes. When conducting depreciation studies, calculations using the ELG procedure are typically performed and discussed as an alternative procedure and in some jurisdictions, like Pennsylvania, the controlling procedure.

Q. What are some of the reasons for not switching depreciation procedures that Mr. Garrett does not recognize or ignores to support his position?

A. First and foremost, creating a drastic increase or decrease in depreciation expense leads to intergenerational inequity. In this case, switching from ELG to ALG procedure will result in a major swing in depreciation expense that will contradict the concept of systematic and rational recovery that is foundational to depreciation. I have already explained and illustrated that the ELG procedure is more precise for matching asset utilization to asset recovery, and we already know that the net salvage component in Pennsylvania is a deferral mechanism;

therefore, switching to ALG would simply create further intergenerational inequity. Second, as I have explained in rebuttal testimony, Mr. Garrett does not appear to understand that rate base is affected by accumulated depreciation, and higher accumulated depreciation means lower rate base. Given this fact, Mr. Garrett's assertion that utilities are incentivized by higher depreciation is not accurate. Additionally, utilities are continually compared to others within a jurisdiction and across jurisdictions. Each jurisdiction has their standards and precedents that support fairness, and clearly the current depreciation practices for Peoples Natural Gas show they are reasonably recovering their investment compared to others with similar depreciation procedures in place.

Q. Mr. Garrett states that the 72-year service life for Account 376 is reduced to a 43-year recovery period under the ELG procedure. Is that an accurate representation?

A. No. Mr. Garrett is comparing an average total service life with a composite remaining life for an existing, aged population of assets. The 72-year average service life measures the expected period from placement to retirement for the assets in the account. The shorter composite remaining life reflects that a substantial portion of the existing plant has already consumed part of its service life as of the study date. The ELG procedure does not assign a 43-year life to every asset or recover every asset over 43 years. Each equal life group continues to be depreciated on a straight line basis over its own expected service life. Mr. Garrett's example does not demonstrate accelerated depreciation, it attempts to equate two different depreciation measurements that are not the same.

Q. Mr. Garrett compares the ELG procedure to paying a mortgage early and states that ELG ignores customers' time value of money. Is that analogy appropriate?

A. No. Depreciation is a cost-allocation process that provides for the return of capital over the service lives of utility assets. The time value of money is addressed separately through the authorized return on the undepreciated investment included in rate base. Delaying depreciation does not eliminate a cost. It leaves larger balances in rate base for a longer period, on which customers continue to pay a return. Mr. Garrett's analogy considers only the timing of depreciation expense and ignores the corresponding effect on accumulated depreciation, rate base, and return on rate base. The appropriate comparison is the total revenue requirement over time, not depreciation expense viewed in isolation.

Q. How do you respond to Mr. Garrett's claim that you are disingenuous in your discussion related to fairness for all generations of customers?

A. I take offense to this claim from a professional standpoint. It is true that I conduct depreciation studies for utilities to represent in rate cases, however, I do not develop depreciation results that artificially increase depreciation expense for the best interest of the utility. I stand by every depreciation study that my firm and I have conducted as representing the most appropriate depreciation rates of the assets on an account basis that match the recovery of the assets to their utilization on a systematic and rational basis. My studies are based on all the key information of how the company operates, the nature of the assets in each account, any

regulatory requirements, the full life cycle of the assets, past, present and future and the practices of other companies across the United States.

Q. Is there anything Mr. Garrett has presented that explains why switching to the ALG procedure would be more appropriate in this case?

A. No. All Mr. Garrett has presented is a one-time drastic reduction in depreciation expense by switching procedures. Nothing that he has proposed in switching to the ALG procedure is more accurate. His comparisons to other jurisdictions are inappropriate, because he does not consider all of the components of a depreciation rate. His large decrease in expense is simply the result of the change in procedures after 40 plus years and nothing of any value. This swing in recovery affects different generations of customers even though the assets are not changing consistently with the change in expense. His proposal would reduce recovery from current customers and defer additional recovery to future customers. Mr. Garrett's example that he discusses on page 14 of his surrebuttal testimony is misleading when accounting for all the assets in the account of various ages. The ELG rates, as shown in the annual depreciation reports each year, are just as stable as the ALG-developed rates.

Q. Does this complete your Prepared Rejoinder Testimony?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	**Docket No. R-2026-3060855**
	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED REJOINDER TESTIMONY OF
CYNTHIA S. FANG
DIRECTOR – ATRIUM ECONOMICS LLC
ON BEHALF OF
PEOPLES NATURAL GAS COMPANY LLC

DATE SERVED: August 4, 2026
DATE ADMITTED: _____

Peoples Statement No. 20-RJ

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I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Cynthia ("Cyndee") S. Fang. I am employed by Atrium Economics, LLC as a Director. My business address is 10 Hospital Center Commons, Suite 400, Hilton Head Island, South Carolina 29926.

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes. My rebuttal testimony is set forth in **Peoples Statement No. 20-R**.

Q. WHAT IS THE PURPOSE OF YOUR REJOINDER TESTIMONY?

A. The purpose of my rejoinder testimony is to respond to the surrebuttal testimony of OCA witnesses Michael Deupree and Roger Colton and CAUSE-PA witness Patrick Cicero to the extent they address my rebuttal testimony regarding affordability, macroeconomic conditions, customer-level gas-burden analysis, and the role of Universal Service Programs in this base rate proceeding.

Q. ARE YOU SPONSORING ANY ADDITIONAL EXHIBITS?

A. No.

Q. HOW HAVE YOU ARRANGED YOUR REJOINDER TESTIMONY?

A. I first address the threshold question of how affordability should be considered in a base rate proceeding. I then respond to claims concerning the recent Pennsylvania-American

Water Company order, the Company's customer-level gas-burden analysis, the effectiveness and limits of CAP, and the implications of those issues for the Commission's evaluation of the Company's proposed rates.

II. RESPONSE TO SURREBUTTAL TESTIMONY

A. AFFORDABILITY AND THE SCOPE OF BASE RATEMAKING

Q. DO OCA AND CAUSE-PA ACCURATELY CHARACTERIZE YOUR REBUTTAL TESTIMONY REGARDING THE ROLE OF AFFORDABILITY IN A BASE RATE CASE?

A. No. My rebuttal testimony did not state that affordability is irrelevant to the Commission's evaluation of just and reasonable rates. To the contrary, I expressly acknowledged that affordability is an important consideration in a base rate proceeding involving an essential utility service and that the Commission should consider the potential impact of proposed rates on customers, particularly customers with limited income. My point was narrower: affordability evidence should be evaluated within the Commission's broader statutory framework, together with cost recovery, financial integrity, customer equity, and the Company's obligation to provide safe, adequate, and reliable service.

For example, OCA witness Colton states that Company witnesses spend considerable time asserting that affordability does not belong in a base rate case, and CAUSE-PA witness Cicero similarly characterizes my testimony as an attempt to defer affordability issues to other forums. Those characterizations overstate my position. My rebuttal testimony recognized affordability as a relevant consideration but distinguished

that consideration from using base rates to solve broader macroeconomic affordability pressures or to deny recovery of otherwise prudent utility costs.

Q. IF THE PARTIES AGREE THAT AFFORDABILITY MATTERS, WHAT IS THE PRINCIPAL DIFFERENCE BETWEEN YOUR APPROACH AND THE APPROACH ADVANCED BY OCA AND CAUSE-PA?

A. The principal difference is not whether affordability matters. It does. The principal difference is whether affordability evidence should be used to replace the Commission's cost-of-service analysis, or whether it should be considered as one part of the Commission's overall ratemaking balance, together with prudent cost recovery, financial integrity, rate design, customer impacts, and targeted assistance programs. My testimony supports the latter approach.

Q. DOES YOUR TESTIMONY ASK THE COMMISSION TO IGNORE CUSTOMER HARDSHIP?

A. No. I recognize that many customers face real financial hardship and that higher utility bills can be difficult for customers with limited household resources. But recognizing that hardship does not mean that a base rate case should be converted into a broad proceeding to resolve economywide inflation, housing costs, healthcare costs, or other household budget pressures that are not caused by the provision of regulated utility service. The appropriate question in this proceeding is whether the Company's proposed rates, after reasonable adjustments supported by the record, are just and reasonable and allow the

Company a reasonable opportunity to recover its prudent costs while maintaining safe and reliable service.

Q. HOW SHOULD THE COMMISSION CONSIDER AFFORDABILITY EVIDENCE IN THIS CASE?

A. The Commission should consider affordability evidence as part of the overall balancing required in setting just and reasonable rates. That balancing should not be used to deny recovery of prudent costs solely because customers are experiencing broader economic pressure. Instead, the Commission should evaluate customer impacts, the availability and performance of targeted assistance programs, rate design considerations, and the Company's cost-of-service showing on a complete record. That approach preserves the integrity of cost-based ratemaking while ensuring that customer impacts are not ignored.

The surrebuttal testimony also confirms that the parties are debating broader questions about affordability measurement, available data, program participation, and program design. Those questions are important, but they are broader than the specific revenue-requirement determination in this case and would benefit from focused review in the appropriate program or policy forum.

Q. DID ANY OTHER WITNESS DISCUSS AFFORDABILITY?

A. Yes. Michael Huwar discussed affordability in both his Direct Testimony (**Peoples Statement No. 1)** and his Rebuttal Testimony (**Peoples Statement No 1-R**).

Q. DID ANY WITNESS ADDRESS MR. HUWAR'S REBUTTAL TESTIMONY REGARDING PEOPLES NATURAL GAS EXHIBIT NO. MAH-1R[1] AND THE COMPARISON OF PEOPLES' DELIVERED RESIDENTIAL ENERGY COSTS TO OTHER PA-PUC REGULATED ENERGY COMPANIES?

A. They did not. Mr. Huwar explained in his rebuttal testimony[2] that Peoples prepared **Peoples Natural Gas Exhibit No. MAH-1R**, which compares the per-MMBtu price of PA-PUC regulated energy companies in Pennsylvania. He further explained that the exhibit presents a comparative analysis of residential delivered energy costs on a BTU-equivalent basis and evaluates the implications of those costs for customer affordability.

As summarized by Mr. Huwar, Peoples is:

- 80% less than the most expensive electric utility in Pennsylvania.
- 70% less than the average electric utility in Pennsylvania.
- 34% less than the most expensive gas utility in Pennsylvania.
- 12% less than the average gas utility in Pennsylvania.[3]

The utilities reflected in Peoples Natural Gas Exhibit No. MAH-1R have rates approved by the Pennsylvania Public Utility Commission. As mentioned by Peoples Witness Huwar even if the entire rate increase were granted, Peoples would still cost less than the average gas utility in Pennsylvania. In addition to the analysis I presented above and in my rebuttal testimony, the comparison presented by Mr. Huwar is another clear indicator that Peoples rates are affordable.

[1] Please note that this testimony and Exhibit MAH-1R were revised via an Errata filing.

[2] Michael Huwar Rebuttal, at pages 10-11.

[3] As of January 31, 2026.

B. RECENT PAWC ORDER AND OTHER POLICY REFERENCES

Q. DO OCA AND CAUSE-PA RELY ON THE RECENT PENNSYLVANIA-AMERICAN WATER COMPANY ("PAWC") ORDER TO SUPPORT A DIFFERENT RESULT HERE?

A. Yes. OCA and CAUSE-PA cite the PAWC order for the proposition that the Commission may consider rate affordability in a base rate proceeding. I do not disagree with that general proposition. The order confirms that affordability may be considered, but it does not establish that affordability concerns automatically justify denying recovery of prudent utility costs, nor does it eliminate the Commission's responsibility to evaluate each utility's record evidence, cost structure, proposed rates, and available customer assistance mechanisms on a case-specific basis.

OCA witness Deupree and OCA witness Colton cite the PAWC order for the proposition that the Commission may consider rate affordability in setting just and reasonable rates, while CAUSE-PA witness Cicero relies on that order to argue that affordability should be central to the Commission's review of this case. I agree that the Commission may consider affordability, but that general proposition does not determine the outcome of this separate Peoples proceeding.

Q. DOES THE PAWC ORDER CHANGE YOUR CONCLUSIONS?

A. No. The PAWC order reinforces that affordability is one factor in the Commission's ratemaking judgment. It does not support treating broad macroeconomic conditions as a substitute for the record-based determination of the Company's revenue requirement or the

prudence of its costs. The Commission should consider affordability in this case, but it should do so in a way that is tied to the evidence specific to Peoples, including customer-level data, bill impacts, existing assistance tools, and the Company's obligation to maintain safe and reliable service.

C. CUSTOMER-LEVEL GAS-BURDEN ANALYSIS

Q. DID OCA AND CAUSE-PA CHALLENGE YOUR CUSTOMER-LEVEL GAS-BURDEN ANALYSIS?

A. Yes. OCA witness Colton questions the income and bill data used in the analysis, and CAUSE-PA witness Cicero argues that the overall residential results obscure the circumstances of low-income customers who are not enrolled in CAP. Those criticisms do not undermine the usefulness of the analysis. The analysis was not intended to be the only affordability evidence in the record, and I did not claim that a single metric resolves all affordability questions. Rather, the analysis uses available customer-level data to provide direct evidence regarding Peoples customers, and it supplements representative and population-level analyses offered by other parties.

Q. HOW DO YOU RESPOND TO OCA WITNESS COLTON'S SPECIFIC CRITIQUE OF THE INCOME DATA USED IN THE GAS-BURDEN ANALYSIS?

A. OCA witness Colton's critique identifies data limitations that should be understood, but it does not support disregarding customer-level evidence. All affordability methodologies require assumptions and data judgments. The appropriate use of the Atrium analysis is to

supplement—not replace—other record evidence concerning customer impacts, CAP effectiveness, arrearages, payment behavior, and representative affordability measures. To the extent further detail is needed regarding the Company's available income data, how that information is obtained, and the Company's customer assistance data practices, those issues are addressed by Company witness Black.

Nor are data limitations unique to the Atrium analysis. Representative burden studies, ZIP-code analyses, and population-level methods also require assumptions about income, household composition, usage, geography, and customer circumstances. The relevant question is not whether a methodology has limitations; all do. The relevant question is whether the analysis provides useful evidence when its purpose, data inputs, and limitations are properly understood.

That point is consistent with the Commission's Energy Affordability Study, which identified limitations and inconsistencies in utility-reported data and noted that utilities generally could not provide income information for low-income customers who were not participating in CAP or other universal service programs. See Home Energy Affordability for Low-Income Customers in Pennsylvania, Docket No. M-2017-2587711, at 4, 16-17.

Those limitations do not warrant disregarding affordability analysis. Instead, they underscore the need to use the best available data responsibly to provide the Commission with useful context regarding customer impacts, while clearly identifying the assumptions and limitations of each analysis. That is why the Atrium analysis should be treated as supplemental evidence to be weighed with other affordability evidence in the record.

Q. WHY IS CUSTOMER-LEVEL ANALYSIS STILL USEFUL?

A. Customer-level analysis is useful because it evaluates actual Peoples customers using customer billing and usage data rather than relying solely on representative households or generalized demographic assumptions. Representative methods can provide broad context, but they necessarily depend on assumptions about household income, usage, and customer characteristics. Customer-level analysis helps the Commission understand the distribution of burdens across the actual customer population for which sufficient data are available. That evidence should be weighed with other affordability evidence rather than dismissed.

Q. DOES THE ANALYSIS IGNORE LOW-INCOME CUSTOMERS WHO ARE NOT ENROLLED IN CAP?

A. No. The analysis should be read together with the record evidence regarding low-income customers, CAP participation, and the benefits produced by CAP. CAUSE-PA is correct that customers who are eligible for CAP but not enrolled may face higher burdens than customers who are enrolled in CAP and are then receiving CAP benefits. That fact supports continued attention to broader program design issues such as enrollment, outreach, customer communications, verification requirements, and program effectiveness; it does not support the conclusion that customer-level evidence for the broader residential population is irrelevant or that the Company's proposed rates should be evaluated outside traditional ratemaking principles.

Q. HOW DO YOU RESPOND TO CAUSE-PA WITNESS CICERO'S CRITICISM THAT YOUR ANALYSIS DOES NOT FOCUS SPECIFICALLY ON CUSTOMERS WHO MAY BE ELIGIBLE FOR CAP BUT ARE NOT ENROLLED?

A. Mr. Cicero's criticism concerns the way the analysis is framed, rather than the calculations underlying the analysis. The residential gas-burden analysis was calculated for the broader residential population for which sufficient customer-level billing, usage, and available income data were available. That broader population necessarily includes customers with a range of income levels and program participation statuses, including customers who may be income-eligible for CAP but are not enrolled. I separately evaluated CAP-enrolled customers to assess the effectiveness of CAP for customers who receive those benefits. Those analyses answer different but complementary questions: the residential analysis provides broader customer-level affordability context, while the CAP analysis evaluates how targeted assistance affects burdens for participating customers. The fact that some customers may be eligible for CAP but not enrolled does not make either analysis invalid; rather, it underscores the importance of continued outreach, enrollment efforts, and evaluation of participation barriers. That is an enrollment and program-administration issue, not a basis for discounting the usefulness of the customer-level analysis or changing how that evidence should be weighed in this base rate case. The Commission's CAP Policy Statement treats enrollment and customer awareness as program-administration issues to be addressed through outreach plans and USECP-related processes. See 52 Pa. Code § 69.265(8)(i) and (vi); 2019 Amendments to Policy Statement on Customer Assistance Program, Docket No. M-2019-3012599. Those issues are better addressed through focused Universal Service Program review, the Company's Consumer Education and Outreach

Plan ("CEOP") review, program administration processes, or other appropriate policy forums outside this base rate case.

Q. SHOULD THE COMMISSION RELY ON A SINGLE AFFORDABILITY METRIC?

A. No. Energy burden, arrears, payment behavior, household resources, and bill volatility each provide useful information, but each has limitations. The Commission should consider those measures together, along with customer-level data, program participation, bill-impact evidence, and the Company's cost-of-service showing. The Commission's Energy Affordability Study likewise considered multiple indicators, including energy burden levels, LIHEAP impacts, pre-program arrears, in-program arrears, payment behavior, CAP default and termination rates, confirmed low-income customer debt, CAP costs, and other state programs. See Home Energy Affordability for Low-Income Customers in Pennsylvania, Docket No. M-2017-2587711, Table of Contents and Executive Summary. That is the approach I recommended in rebuttal testimony, and nothing in the surrebuttal testimony changes that recommendation.

Q. HAVE YOU UPDATED THE CUSTOMER-LEVEL GAS-BURDEN ANALYSIS TO COMPARE CURRENT AND PROPOSED RATES?

A. Yes. In response to the concerns raised in surrebuttal, Atrium updated the customer-level gas-burden analysis to compare estimated gas burdens under current rates and proposed rates using the same general customer-level framework. This update is intended to provide additional context for the Commission's review of proposed-rate impacts and to address

the concern that customer-level analysis should not be limited to current-rate conditions. The updated analysis should be understood as supplemental to the analysis presented in my rebuttal testimony and should be considered together with the other affordability evidence in the record.

Figure CSF-RJ-1: Gas Burden for Residential Customers — Current and Proposed Rates

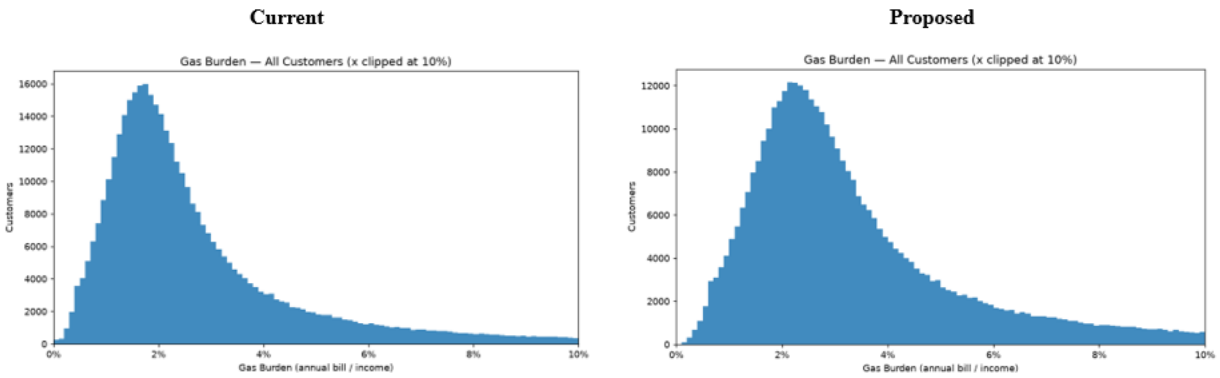

Table CSF-RJ-1: Gas Burden for Residential Customers — Current and Proposed Rates

	Residential Customers	
	Current	**Proposed**
Number of Customers included in analysis	**412,655**	**412,655**
Average	**3.40%**	**4.60%**
First Quartile – 25% of population	**1.50%**	**2.00%**
Second Quartile/Median – 50% of population	**2.20%**	**2.90%**
Third Quartile – 75% of population	**3.50%**	**4.70%**
90% of population	**6.30%**	**8.60%**
95% of population	**9.20%**	**12.60%**
99% of population	**19.20%**	**26.20%**
Maximum	**544.20%**	**713.10%**

Source: *Atrium analysis of Peoples customer billing, usage, and available income data.*

Q. WHAT DOES THE UPDATED RESIDENTIAL CUSTOMER ANALYSIS SHOW?

A. As shown in Table CSF-RJ-1, for the 412,655 residential customers included in the analysis, the average gas burden increases from 3.40 percent under current rates to 4.60 percent under proposed rates. The median gas burden increases from 2.20 percent to 2.90 percent. The third quartile increases from 3.50 percent to 4.70 percent, while the 90th percentile increases from 6.30 percent to 8.60 percent. These results show that proposed rates increase measured gas burdens, as would be expected, but the updated distribution also provides a more complete record-based view of the magnitude and distribution of those impacts across the customers included in the analysis.

Q. WHAT DOES THE UPDATED CAP ANALYSIS SHOW?

A. As shown in Table CSF-RJ-2, the updated analysis continues to show that CAP materially reduces gas burdens for enrolled customers. Under current rates, the average burden for CAP-enrolled customers is 10.50 percent without CAP benefits and 4.00 percent with CAP benefits. Under proposed rates, the average burden without CAP benefits increases to 14.80 percent, while the average burden with CAP benefits remains at 4.00 percent for the customers included in the analysis. Similarly, the median burden without CAP benefits increases from 7.40 percent under current rates to 10.40 percent under proposed rates, while the median burden with CAP benefits remains at 4.00 percent for the customers included in the analysis. These results reinforce that CAP is a targeted affordability tool that materially mitigates bill burdens for participating customers.

Figure CSF-RJ-2: Gas Burden for CAP-Enrolled Customers With and Without CAP Benefits — Current and Proposed Rates

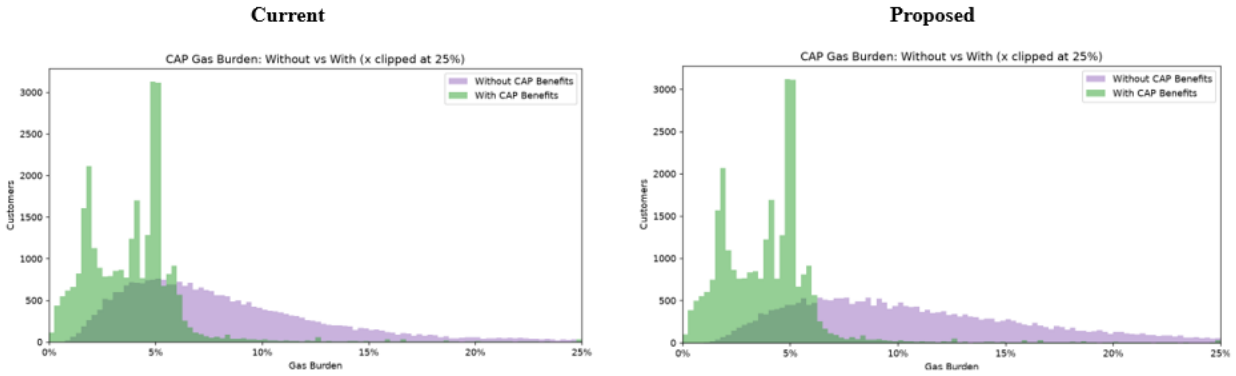

Table CSF-RJ-2: Gas Burden for CAP-Enrolled Customers With and Without CAP Benefits — Current and Proposed Rates

	Without CAP Benefits	With CAP Benefits	Without CAP Benefits	With CAP Benefits
	Current		**Proposed**	
Number of Customers included in analysis	**28,975**	**28,975**	**28,310**	**28,310**
Average	**10.50%**	**4.00%**	**14.80%**	**4.00%**
First Quartile – 25% of population	**4.80%**	**2.10%**	**6.80%**	**2.10%**
Second Quartile/Median – 50% of population	**7.40%**	**4.00%**	**10.40%**	**4.00%**
Third Quartile – 75% of population	**11.30%**	**5.00%**	**16.00%**	**5.00%**
90% of population	**17.50%**	**5.90%**	**24.70%**	**5.90%**
95% of population	**26.20%**	**6.6%**	**36.60%**	**6.60%**
99% of population	**74.10%**	**16.20%**	**103.40%**	**16.20%**
Maximum	**250.2%**	**48.80%**	**370.50%**	**48.80%**

Source: *Atrium analysis of Peoples CAP-enrolled customer billing, usage, available income, and CAP benefit data.*

Q. HOW DOES THIS UPDATE RESPOND TO THE SURREBUTTAL TESTIMONY?

A. The updated comparison responds directly to the concern that the customer-level gas-burden analysis should reflect proposed-rate impacts. This update addresses the surrebuttal concern that proposed-rate impacts should be evaluated directly, rather than inferred from current-rate burden results. It shows both the increase in burdens under proposed rates and

the continuing role of CAP in mitigating those burdens for enrolled customers. At the same time, the updated comparison relies on the same available customer-level income and usage data and should be read with the same limitations discussed above. The updated comparison therefore does not change my broader conclusion: affordability evidence should be considered as part of the Commission's overall ratemaking balancing, and the Atrium analysis should supplement—not replace—other evidence concerning customer impacts, arrearages, payment behavior, program participation, and the Company's cost-of-service showing.

In short, the surrebuttal testimony identifies issues for the Commission to weigh, but it does not undermine the usefulness of the customer-level analysis or the conclusion that targeted assistance remains the most effective tool for income-based hardship.

D. CAP AND TARGETED AFFORDABILITY TOOLS

Q. DO YOU AGREE WITH OCA AND CAUSE-PA THAT CAP PARTICIPATION AND PROGRAM EFFECTIVENESS ARE IMPORTANT?

A. Yes. CAP and related Universal Service Programs are important tools for addressing income-based utility hardship. My rebuttal testimony showed that CAP materially reduces gas burdens for participating customers. I agree that continued focus on enrollment, accessibility, outreach, and program performance is appropriate. Those issues are directly relevant to whether targeted affordability tools are reaching the customers they are designed to serve.

This targeted-program framework is consistent with the Commission's CAP Policy Statement, which describes CAPs as programs designed to help low-income customers maintain utility service through regular monthly payments, reduced bills, arrearage forgiveness, and related program design elements, while also recognizing the need for cost-effective administration and Commission review through USECP and related processes. See 52 Pa. Code §§ 69.261, 69.265 and 69.266.

Q. HOW DOES CAUSE-PA WITNESS CICERO'S SURREBUTTAL RELATE TO YOUR CAP ANALYSIS?

A. CAUSE-PA witness Cicero's surrebuttal does not appear to dispute the central result of my CAP analysis: CAP materially reduces gas burdens for participating customers. Thus, the remaining difference concerns the policy implications of enrollment levels, rather than the economic result shown by the CAP analysis. That circumstance supports that the Company continue its targeted outreach, enrollment efforts, and program-focused evaluation. Those issues are best addressed through the Company's Universal Service Program processes, program evaluations, or other focused policy proceedings where enrollment barriers, customer communications, documentation requirements, and administrative feasibility can be examined directly. They do not change my conclusion that customer-level evidence remains useful and should be weighed within traditional cost-of-service ratemaking principles in this base rate case.

Q. IF CAP PARTICIPATION RATES ARE A CONCERN TO PARTIES IN THIS CASE, DOES THIS MEAN THAT BASE RATES SHOULD BE USED AS THE PRIMARY AFFORDABILITY TOOL?

A. No. If eligible customers are not enrolled in CAP, the appropriate response is to improve program access, outreach, enrollment processes, and evaluation of barriers to participation. Across-the-board reductions in cost recovery provide benefits to all customers regardless of financial need and may not efficiently target relief to the customers experiencing the greatest hardship. Targeted programs remain the more effective and appropriate mechanism for addressing income-based utility affordability while preserving the Company's opportunity to recover prudent costs.

Q. HOW SHOULD THE COMMISSION ADDRESS PROGRAM-SPECIFIC RECOMMENDATIONS RAISED BY OTHER WITNESSES?

A. Program-specific issues, including eligibility, enrollment procedures, outreach, tariff revisions, program funding, and Universal Service Rider cost recovery, should be evaluated based on the testimony of the Company witnesses responsible for those programs and the program-specific record. My testimony addresses the broader regulatory and economic framework. Within that framework, targeted assistance and program improvement remain preferable to using base rates as a generalized tool to address broader macroeconomic affordability pressures. This division is consistent with the CAP Policy Statement, which places many program design and administration questions—such as intake and verification, recertification, account monitoring, outreach, and evaluation—within USECP and program-specific processes, while recognizing that rate cases may address recovery of CAP and other universal service costs. See 52 Pa. Code §§ 69.263, 69.265 and 69.266.

III. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REJOINDER TESTIMONY AT THIS TIME?

A. Yes, it does.

Peoples Natural Gas Company LLC – Docket No. R-2026-3060855

CAUSE-PA RESPONSE TO PEOPLES INTERROGATORIES, REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR ADMISSION – SET III

PEOPLES TO CAUSE -PA III-10:

Reference CAUSE-PA Statement No. 1, p. 41 regarding the April 29, 2026 letter from Governor Shapiro to utility CEOs.

a) Please identify and provide all communications regarding the Governor's letter between CAUSE-PA and:

(i) the Governor's Office;

(ii) the Pennsylvania Public Utility Commission; or

(iii) the Special Counsel for Energy Affordability

b) Was Mr. Cicero ever consulted about the letter? If yes, please identify who Mr. Cicero consulted with and describe the content of those consultations.

c) Did Mr. Cicero provide an opinion, feedback, or advice to the Governor's Office or the Special Counsel for Energy Affordability about the letter? If yes, please explain and provide any opinion, feedback, or advice given by Mr. Cicero.

d) Did Mr. Cicero review the letter prior to it being issued to utilities? If yes, please explain.

e) Is Mr. Cicero aware of whether any other representative of CAUSE-PA was consulted about the letter? If yes, please explain

RESPONSE:

a) Please identify and provide all communications regarding the Governor's letter between CAUSE-PA and:

(i) the Governor's Office;

Response: None

(ii) the Pennsylvania Public Utility Commission; or

Response: None

Peoples Natural Gas Company LLC – Docket No. R-2026-3060855

CAUSE-PA RESPONSE TO PEOPLES INTERROGATORIES, REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR ADMISSION – SET III

(iii) the Special Counsel for Energy Affordability

Response: None

b) Was Mr. Cicero ever consulted about the letter? If yes, please identify who Mr. Cicero consulted with and describe the content of those consultations.

Response: Yes. Mr. Cicero had several conversations about the Governor's letter before it was issued. Those conversations were with:

- Jacob Finkel, Deputy Secretary of Policy, Office of Governor Josh Shapiro.
- Samuel Robinson, Deputy Chief of Staff, Office of Governor Josh Shapiro.
- Mr. Cicero was consulted by Mr. Finkel and Mr. Robinson about the Governor's letter in mid-to-late April 2026. Generally, the conversations were about the need for ROE reform, including specifics about both the need to adjust an operating utility's capital structure for ratemaking purposes, as well as the need to rein in excessive ROEs. Mr. Cicero was asked for his opinion with respect to calculating the cost of capital, appropriate debt to equity ratio for ratemaking purposes, and methodologies for determining an authorized ROE.
- Mr. Cicero was asked by Mr. Finkel to review a draft of the Governor's letter on or about April 22, 2026, and provided feedback on the above topics. Mr. Cicero does not have a copy of his feedback; it was provided via an online version of the document, and he did not retain a copy. In general, Mr. Cicero supported the contents of the letter and its framing.

c) Did Mr. Cicero provide an opinion, feedback, or advice to the Governor's Office or the Special Counsel for Energy Affordability about the letter? If yes, please explain and provide any opinion, feedback, or advice given by Mr. Cicero.

Response: Yes. See Response to 10(b). All of Mr. Cicero's conversations about the letter with the Governor's Special Counsel for Energy Affordability occurred after the letter was issued.

Peoples Natural Gas Company LLC – Docket No. R-2026-3060855

CAUSE-PA RESPONSE TO PEOPLES INTERROGATORIES, REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR ADMISSION – SET III

d) Did Mr. Cicero review the letter prior to it being issued to utilities? If yes, please explain.

Response: Yes. See Response to 10(b).

e) Is Mr. Cicero aware of whether any other representative of CAUSE-PA was consulted about the letter? If yes, please explain

Response: The framing of this question implies that Mr. Cicero was consulted about this letter as a representative of CAUSE-PA. He was not. Mr. Cicero was consulted about this letter in his capacity as Of Counsel of the Pennsylvania Utility Law Project (PULP) and because of his former role as Pennsylvania Consumer Advocate. Mr. Cicero is not aware of any individuals that were consulted about the letter in their capacity as a representative of CAUSE-PA. Also see Response to 10(a), above.

Responses to Question 10(a) was prepared by or under the supervision of Elizabeth R. Marx

Responses to Question 10(b)-(e) were prepared by or under the supervision of Patrick M. Cicero.

Dated: July 10, 2026

Peoples Natural Gas Company LLC – Docket No. R-2026-3060855

CAUSE-PA RESPONSE TO PEOPLES INTERROGATORIES, REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR ADMISSION – SET III

VERIFICATION

I, Patrick Cicero, hereby state that the facts set forth in my responses to the Interrogatories and Requests for Production of Documents, Peoples to CAUSE-PA, Set III, Questions 1-9 and 10(b)-10(e) are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Patrick Cicero
Witness, CAUSE-PA

Date: July 10, 2026

Peoples Natural Gas Company LLC – Docket No. R-2026-3060855

CAUSE-PA RESPONSE TO PEOPLES INTERROGATORIES, REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR ADMISSION – SET III

VERIFICATION

I, Elizabeth R. Marx, hereby state that the facts set forth in my responses to the Interrogatories and Requests for Production of Documents, Peoples to CAUSE-PA, Set III, Question 10(a) are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Elizabth R. Marx
Counsel for CAUSE-PA

Date: July 10, 2026

Peoples Hearing Exhibit 3

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Evidence, Testimony, and Exhibits

Peoples Natural Gas Company LLC

1) <u>Rate Case Filing (filed March 27, 2026) (Peoples Hearing Exhibit 1)</u>

a) <u>Consists of Volumes 1 through 11</u>

i) Volume 1 – Exhibits 1 – 4

ii) Volume 2 – Exhibit 5

iii) Volume 3 – Exhibits 6-10

iv) Volume 4 – Exhibits 11-13

v) Volume 5 – Exhibit 14

vi) Volume 6 – Exhibit 15-16

vii) Volume 7 – Exhibits 17-19

viii) Volume 8 - contains the Company's Direct Testimony Statements 1-14

(1) Peoples Statement No. 1 –Michael Huwar

(2) Peoples Statement No. 2 –Andrew P. Wachter

(a) Appendix A – Filing Requirements and Standard Data Requests

(3) Peoples Statement No. 3 – Carol A. Scanlon

(a) Appendix A – Standard Data Requests and Filing Requirements

(b) Exhibit Nos. CAS-1 through CAS-2

(4) Peoples Statement No. 4 – Dawn Folks

(a) Appendix A – Filing Requirements and Standard Data Requests

(5) Peoples Statement No. 5 – Edward Palombo

(a) Appendix A – Filing Requirements and Standard Data Requests

(b) Exhibit No. EAP-1

(6) Peoples Statement No. 6 – Paul Becker

(7) Peoples Statement No. 7 – Angela Jiang

(a) Appendix A – Filing Requirements and Standard Data Requests

(8) Peoples Statement No. 8 – Luke Ravenstahl

(9) Peoples Statement No. 9 – Joyce Mitole

(a) Appendix A – Filing Requirements and Standard Data Requests

(10) Peoples Statement No. 10 – Rita Black

(a) Exhibit Nos. RFP-1 through RFB-2

(11) Peoples Statement No. 11 – Rudolph Hanechak

(a) Appendix A – Filing Requirements and Standard Data Requests

(12) Peoples Statement No. 12 – Nick Tufarolo

(a) Appendix A – Filing Requirements and Standard Data Requests

(b) Exhibit No. NT-1

(13) Peoples Statement No. 13 – Krista Snyder

(a) Appendix A - Filing Requirements and Standard Data Requests

(b) Exhibit Nos. KMS-1 through KMS-2

(14) Peoples Statement No. 14 – Anton Ribich

(a) Appendix A – Filing Requirements and Standard Data Requests

(b) Exhibit No. AR-1

ix) Volume 9 - contains the Company's Direct Testimony Statements 15-17

(1) Peoples Statement No. 15 – Jennifer Nelson

(a) Appendix A – Filing Requirements and Standard Data Requests

(b) Exhibit Nos. JEN-1 through JEN-13

(2) Peoples Statement No. 16 – John J. Spanos

(a) Appendix A

(3) Peoples Statement No.17 – John D. Taylor

(a) Exhibit Nos. JDT-1 through JDT-6

x) Volume 10 contains CONFIDENTIAL information

xi) Volume 11 contains HIGHLY CONFIDENTIAL information

2) <u>Revised Exhibits (served June 5, 2026)</u>

a) Revised Exhibit 4, Schedule 22

b) Revised Peoples Statement No. 5 – Edward Palombo

i) Revised Exhibit No. EAP-1

3) <u>Rebuttal Testimony (served on July 16, 2026)</u>

a) Peoples Statement No. 1-R – Mike Huwar

i). Exhibit No. MAH-1R

b) Peoples Statement No. 2-R – Andrew P. Wachter

c) Peoples Statement No. 3-R – Carol A. Scanlon

i). Exhibit Nos. CAS-1R through CAS-5R

d) Peoples Statement No. 4-R – Dawn Folks

    i). Exhibit No. DMF-1R

e) Peoples Statement No. 5-R – Edward Palombo

    i). Exhibit No. EAP-1R

f) Peoples Statement No. 6-R – Paul Becker

    i). Exhibit Nos. PB-1R through PB-3R

    ii). Exhibit No. PB-4R (**CONFIDENTIAL**)

    iii). Exhibits Nos. PB-5R through PB-6R

    iv). Exhibit No. PB-7R (**CONFIDENTIAL**)

g) Peoples Statement No. 8-R – Luke Ravenstahl

h) Peoples Statement No. 10-R – Rita Black

    i). Exhibit No. RFB-1R

i) Peoples Statement No. 11-R – Rudolph Hanechak

j) Peoples Statement No. 12-R – Nick Tufarolo

k) Peoples Statement No. 13-R – Krista Snyder

l) Peoples Statement No. 14-R – Anton Ribich

    i). Exhibit No. AR-1R

m) Peoples Statement No. 15-R – Jennifer Nelson

    i). Exhibit Nos. JEN-1R through JEN-12R

n) Peoples Statement No. 16-R – John J. Spanos

    i). Exhibit Nos. JJS-1R through JJS-2R

o) Peoples Statement No. 17-R – John D. Taylor

p) Peoples Statement No. 18-R – Michelle Parks

q) Peoples Statement No. 19-R – Daniel J. Schuller

i). Exhibit No. DJS-1R

r) Peoples Statement No. 20-R – Cynthia S. Fang

i). Exhibit No. CSF-1R

s) Peoples Statement No. 21-R – Steven Kolich

4) <u>Revisions (served July 20, 2026)</u>

a) Exhibit 2, Schedule 4 (pgs. 2-5) Revised

b) Errata to Peoples Statement No. 2R – Andrew Wachter

5) <u>Revision (served July 21, 2026)</u>

a) Errata to Peoples Statement No. 1R – Michael Huwar

i) Exhibit MAH-1R Revised

6) <u>Surrebuttal Testimony (served on July 31, 2026)</u>

a) Peoples Statement No. 3-SR – Carol Scanlon

b) Peoples Statement No. 10-SR – Rita Black

c) Peoples Statement No. 15-SR – Jennifer Nelson

d) Peoples Statement No. 17-SR – John D. Taylor

e) Peoples Statement No. 21-SR – Steven Kolich

7) <u>Rejoinder Testimony (served on August 3, 2026)</u>

a) Peoples Statement No. 2-RJ – Andrew Wachter

b) Peoples Statement No. 3-RJ – Carol Scanlon

c) Peoples Statement No. 6-RJ – Paul Becker

d) Peoples Statement No. 8-RJ - Luke Ravenstahl

e) Peoples Statement No. 10-RJ – Rita Black

f) Peoples Statement No.17-RJ – John D. Taylor

g) Peoples Statement No.18-RJ – Michelle Parks

8) <u>Rejoinder Testimony (served on August 4, 2026)</u>

a) Peoples Statement No. 15-RJ – Jennifer Nelson (**Public and Confidential Versions**)

i) Exhibit JEN-1RJ through JEN-2RJ

b) Peoples Statement No. 16-RJ – John J. Spanos

c) Peoples Statement No. 20-RJ – Cynthia S. Fang

<u>Exhibits Served August 2, 2026</u>

a) Peoples Hearing Exhibit 2 (Response to Peoples-CAUSE PA-III-10)[1]

b) Peoples Hearing Exhibit 3 (Evidence List)

[1] Peoples and CAUSE PA have stipulated to the admissibility of the response to Peoples-CAUSE PA-III-10).

I&E Statement No. 1
Witness: Vanessa Okum
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Direct Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

Operating and Maintenance Expenses,
Taxes Other Than Income, Universal Service Program Rider,
Rate Base

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Vanessa Okum. My business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial Analyst.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. Appendix A, which is attached to my testimony, describes my educational and professional background.

Q. DESCRIBE THE ROLE OF I&E IN RATE PROCEEDINGS.

A. I&E is responsible for protecting the public interest in proceedings before the Commission. I&E's analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires balancing the interests of ratepayers, the regulated utility, and the regulated community as a whole.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to review the base rate filing of Peoples Natural Gas Company LLC (Peoples or Company), and make recommended adjustments to Peoples' proposed operating and maintenance (O&M) expenses and cash working capital for the fully projected future test year (FPFTY) ending December 31, 2027.[1]

Q. DOES YOUR DIRECT TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. I&E Exhibit No. 1 contains schedules that support my direct testimony.

Q. WHAT ARE THE TEST YEARS USED BY PEOPLES IN THIS PROCEEDING?

A. The Company uses the fiscal year ended November 30, 2025 as the historic test year (HTY), the fiscal year ending November 30, 2026 as the future test year (FTY), and the year ending December 31, 2027 as the FPFTY in this proceeding.[2]

Q. WHAT IS THE COMPANY'S REQUESTED REVENUE INCREASE?

A. Peoples is requesting a revenue increase of $163,171,938 to its claimed present rate revenues of $1,184,614,065, resulting in a total overall revenue requirement of $1,347,786,003.[3]

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1 Peoples Statement No. 2, p. 2.
2 Peoples Statement No. 2, p. 2.
3 Peoples Exhibit No. 2, Schedule 4, p. 2.

I&E OPERATING AND MAINTENANCE EXPENSE ADJUSTMENTS

Q. PLEASE SUMMARIZE YOUR RECOMMENDED ADJUSTMENTS.

A. The following table summarizes my recommended adjustments.

	Company Claim	Recommended Allowance	I&E Adjustment
O&M Expenses:			
Labor	$68,149,464	$64,934,501	($3,214,963)
Incentive Compensation	$6,125,473	$5,176,025	($949,448)
Payroll Taxes	$5,951,013	$5,617,354	($333,659)
Pension Expense	$3,164,136	$0	($3,164,136)
Other Employee Benefits	$19,531,394	$18,608,795	($922,599)
Outside Services - Contracted	$22,002,493	$19,947,180	($2,055,313)
Outside Services - IT	$7,623,113	$7,336,408	($286,705)
Outside Services - A&G	$6,333,184	$5,406,725	($926,459)
Building Leases	$4,693,640	$3,908,207	($785,433)
Corporate Insurance	$5,929,933	$6,265,643	$335,710
Travel Expense	$1,139,305	$1,030,648	($108,657)
Memberships	$1,220,436	$1,062,518	($157,918)
Licenses and Permits	$738,885	$704,167	($34,718)
Utilities & Fuel	$3,084,199	$2,849,895	($234,304)
Advertising	$1,458,032	$259,746	($1,198,286)
Fleet Maintenance	$836,976	$746,507	($90,469)
Materials & Supplies	$11,324,992	$10,183,664	($1,141,328)
Payment Processing	$2,939,659	$1,923,122	($1,016,537)
Rate Case Expense	$960,000	$411,429	($548,571)
Total O&M Expense Adjustments			**($16,833,793)**
Rate Base:			
Labor	$96,126,010	$91,591,248	($4,534,762)
Incentive Compensation	$5,045,210	$4,263,202	($782,008)
Payroll Taxes	$8,106,040	$7,679,994	($426,046)
Other Employee Benefits	$24,713,929	$23,546,525	($1,167,404)

Cash Working Capital	$47,681,867	$45,745,893	($1,935,974)
Total Rate Base Adjustments			**($8,846,194)**

OVERALL I&E RECOMMENDED REVENUE REQUIREMENT

Q. WHAT IS I&E'S TOTAL RECOMMENDED REVENUE REQUIREMENT?

A. I&E's total recommended revenue requirement is $1,282,151,403. This recommended revenue requirement represents an increase of $97,537,338 to the Company's present rate revenues of $1,184,614,065. This total recommended allowance incorporates my adjustments made in this direct testimony and those recommended adjustments made in the direct testimony of I&E witness D.C. Patel.[4]

[4] I&E Statement No. 2.

Peoples Natural Gas Company LLC		TABLE I			
R-2026-3060855		INCOME SUMMARY			
	12/31/27	INVESTIGATION & ENFORCEMENT			
	Proforma	[----------			----------]
	Present Rates	Adjustments	Present Rates	Allowances	Proposed
	$	$	$	$	$
Operating Revenue	1,184,614,065	0	1,184,614,065	97,537,338	1,282,151,403
Deductions:					
O&M Expenses	725,264,536	-16,833,793	708,430,743	1,879,608	710,310,351
Depreciation	181,181,596	0	181,181,596		181,181,596
Taxes, Other	13,759,055	0	13,759,055	0	13,759,055
Income Taxes:					
Current State	0	0	0	0	0
Current Federal	0	0	0	0	0
Deferred Taxes*	-46,945,792	0	-46,945,792		-46,945,792
ITC	0	0	0		0
Total Deductions	873,259,395	-16,833,793	856,425,602	1,879,608	858,305,210
Income Available	311,354,670	16,833,793	328,188,463	95,657,730	423,846,193
Rate Base	5,728,767,833	-8,846,194	5,719,921,639	0	5,719,921,639
Rate of Return	5.43%		5.74%		7.41%
* Present Rate Deferred Taxes in Company filing are -$80,556,297 with an adjustment of $33,610,504.					

LABOR EXPENSE

Q. WHAT IS INCLUDED IN LABOR EXPENSE?

A. The labor expense claim includes amounts for regular wages and overtime wages.[5]

[5] Peoples Exhibit No. 4, Schedule 1, p. 6.

Q. WHAT IS PEOPLES' CLAIM FOR LABOR EXPENSE?

A. The Company is claiming total FPFTY labor expense of $164,275,474, which is projected to be capitalized at a rate of 58.52% resulting in an O&M labor expense claim of $68,149,464 and a rate base claim of $96,126,010.[6]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. Peoples' claim is based on the HTY per book amount with adjustments made for annualization, merit increases, progression and promotions, and to address routine vacancies in the HTY, FTY, and FPFTY.[7]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM FOR LABOR EXPENSE?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR LABOR EXPENSE?

A. I recommend a total FPFTY allowance of $156,525,749 for labor expense, or a reduction of $7,749,725 ($164,275,474 - $156,525,749) to Peoples' claim broken down as follows:

[6] Peoples Exhibit No. 4, Schedule 1, pp. 2-3. Amounts shown are as reported in Peoples' Exhibit No. 4 and likely include rounding errors.

[7] Peoples Statement No. 2, pp. 7-10.

	Company Claim	I&E Recommendation	Recommended Adjustment
Total Labor	$164,275,474	$156,525,749	($7,749,725)
Capitalization Rate	58.52%	58.52%	58.52%
O&M Labor	$68,149,464	$64,934,501	($3,214,963)
Rate Base Labor	$96,126,010	$91,591,248	($4,534,762)

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on two main aspects: (1) applying a vacancy rate based on historic vacancies; and (2) adding the salary for the Low-Income Usage Reduction Program (LIURP) compliance specialist that the Company proposed to include in the Universal Service Program (USP) Rider.[8]

Q. DID PEOPLES TAKE VACANCIES INTO CONSIDERATION WHEN DEVELOPING ITS CLAIM?

A. Yes.

[8] Peoples Statement No. 2, p. 10-11.

Q. EXPLAIN HOW PEOPLES INCORPORATED VACANCIES WHEN CALCULATING ITS CLAIM FOR LABOR EXPENSE.

A. Peoples states that a vacancy reserve of eight positions was included when calculating its FPFTY claim.[9] The Company has assigned a value of $45,273 per vacancy for a total of $362,184 excluded from the claim.[10]

Q. DO YOU AGREE WITH PEOPLES' VACANCY RESERVE OF EIGHT POSITIONS?

A. No. The Company's assumptions around vacancies are speculative and do not consider historic vacancies. Based on my analysis of historic vacancy levels, Peoples did not factor in enough vacancies when developing its claim.

Q. WHAT LEVEL OF VACANCIES DO YOU RECOMMEND?

A. I recommend a vacancy rate of 4.98% based on the Company's average level of vacancies during the three most recent historic fiscal years.[11] The Company's vacancy reserve of eight employees equates to a vacancy rate of only 0.54% even though the past three fiscal years have had consistently higher vacancy rates at 4.05% in the fiscal year ended November 30, 2023, 5.78% in the fiscal year ended November 30, 2024, and 5.12% in the fiscal year ended November 30, 2025. My calculated vacancy rate is an average of these three rates, resulting in a vacancy

[9] Peoples Statement No. 2, p. 10.
[10] I&E Exhibit No. 1, Schedule 1, p. 2.
[11] I&E Exhibit No. 1, Schedule 2.

rate of 4.98% ((4.05% + 5.78% + 5.12%) ÷ 3), and provides a more reasonable and appropriate vacancy rate to be used for ratemaking purposes.

Q. EXPLAIN HOW YOU DETERMINED YOUR TOTAL RECOMMENDATION FOR LABOR.

A. First, I added back the value of the eight positions left vacant by the Company. I did this because my vacancy calculation uses a percentage rather than a specific number of employees, so for clarity it is best to start with a total number that does not include any vacancies. Next, I added the value of the LIURP compliance specialist[12] to the Company's claim, because as I will explain later in my testimony, all labor costs should be claimed in labor expense rather than recovered through the USP Rider and this position was not included in the Company's claim. Next, I determined the average historic vacancy level using data provided by the Company by comparing average budgeted positions to average vacancies over the three most recent fiscal years as explained above. Finally, I applied the vacancy rate to the I&E modified claim as shown below:

[12] I&E Exhibit No. 1, Schedule 3.

1. Peoples' Total FPFTY Labor Claim	$164,275,474
2. Add 8 Vacant Positions	$362,184
3. Add LIURP Compliance Specialist	$91,609
4. I&E Modified Amount (1+2+3)	$164,729,267
5. Apply Vacancy Rate (4 x 4.98%)	$8,203,518
6. I&E Recommended Total Labor Allowance (4-5)	$156,525,749

INCENTIVE COMPENSATION

Q. WHAT IS INCLUDED IN THE COMPANY'S CLAIM FOR INCENTIVE COMPENSATION?

A. Incentive compensation is a component of total compensation that includes various short-term incentive compensation plans.[13]

Q. WHAT IS THE COMPANY'S CLAIM FOR INCENTIVE COMPENSATION?

A. The Company is claiming total FPFTY incentive compensation expense of $11,170,683 which is projected to be capitalized at a rate of 45.16% resulting in an

[13] I&E Exhibit No. 1, Schedule 4.

incentive compensation expense claim of $6,125,473 and a rate base incentive compensation claim of $5,045,210.[14]

Q. WHAT IS THE BASIS FOR THE COMPANY'S INCENTIVE COMPENSATION CLAIM?

A. The Company's incentive compensation claim is based on the normalized and annualized HTY expense, with adjustments in the FTY and FPFTY for increases in salary levels and employee counts.[15]

Q. DO YOU AGREE WITH THE COMPANY'S INCENTIVE COMPENSATION CLAIM?

A. No.

Q. WHAT DO YOU RECOMMEND FOR INCENTIVE COMPENSATION?

A. I recommend an incentive compensation expense allowance of $5,176,025, or a reduction of $949,448 ($6,125,473 - $5,176,025) to the Company's expense claim and capitalized incentive compensation of $4,263,202, or a reduction of $782,008 ($5,045,210 - $4,263,202) to the Company's rate base claim.

[14] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 5. Amounts shown are as reported in Peoples' Exhibit No. 4 and likely include rounding errors.
[15] Peoples Statement No. 2, p. 11.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the portion of the Company's claim related to financial metrics. According to the Company's response to OCA-XII-015,[16] several of the Company's short-term incentive compensation plans include financial goals that are weighted at 50-55% of the total metrics, which also include safety, customer satisfaction, and environmental stewardship goals. Financial metrics do not align employee interests with customer interests, but rather with shareholder interests; therefore, payment of related financial benefits to employees should not be funded by ratepayers.

Q. HOW DID YOU CALCULATE YOUR RECOMMENDATION FOR PERFORMANCE PAY?

A. In response to I&E-RE-52, the Company provided **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}** to find the portion of each claim affected by financial

[16] I&E Exhibit No. 1, Schedule 4, p. 2.
[17] I&E Exhibit No. 1, Schedule 5, p. 2.

metrics. Finally, I approximated that one-half of that portion is based on financial metrics. The recommended allowance is calculated by removing the portion of incentive compensation based on financial metrics from the total claim as shown below:

{BEGIN PROPRIETARY}

{END PROPRIETARY}

Q. HAS THE COMMISSION RECENTLY ADJUSTED A COMPANY'S CLAIM FOR INCENTIVE COMPENSATION BASED ON THE REMOVAL OF INCENTIVE COMPENSATION RELATED TO FINANCIAL GOALS?

A. Yes. In the most recent Columbia Gas of Pennsylvania, Inc. (Columbia Gas) base rate proceeding, the Commission removed 70% of Columbia Gas' total incentive compensation claim, equal to the portion related to financial goals, finding that it was not necessary in providing safe and reliable service to ratepayers. The Commission stated:

> We shall deny Columbia's Exception Nos. 3 and 4. We agree with the ALJs' recommendation to adopt the OCA's proposed downward adjustment of $1,798,165, to the Company's cash-based STI compensation expense claim of $2,568,807. As

noted by the ALJs and the OCA, Columbia did not explain why 70% of the incentive compensation expense is necessary to provide adequate service to ratepayers, given that only 30% of this claimed expense is related to operational safety and customer experience. *See* OCA St. 2 at 18-19. Accordingly, we shall adopt the ALJs' recommendation to apply a downward adjustment of $1,798,165, [$2,568,807 x 70% = $1,798,165], to reflect a total allowance for cash-based STI compensation expense of $770,642. [$2,568,807 – $1,798,165 = $770,642].

We also agree with the ALJs and the OCA that Columbia failed to present credible evidence that the totality of its LTI compensation plan is reasonable, given that only 30% of the plan is related to safety, customer care, customer satisfaction, or other benefits to ratepayers. Accordingly, we shall adopt the ALJs' recommendation that only 30% of the Company's LTI compensation expense claim of $754,446, or $226,334, [$754,446 x 30% = $226,334], be allowed for ratemaking purposes, resulting in a downward adjustment of $528,112. [$754,446 – $528,112 = $226,334].[18]

Q. DO YOU HAVE ANY COMMENTS ON THE COMPANY'S LONG-TERM INCENTIVE COMPENSATION CLAIM?

A. Yes. I am unable to make a specific recommendation at this time regarding the Company's long-term incentive compensation claim because it is unclear exactly what this claim is and where it is located among the Company's O&M expense claims. The Company labeled Peoples Exhibit No. 4, Schedule 1, p. 5 as STI & LTI (short-term incentive and long-term incentive), but that claim does not appear to include the long-term incentive compensation. However, I would like to point out that the Company provided a copy of the long-term incentive plan which is

[18] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Disposition of Incentive Compensation, p. 123.

70% based on financial metrics.[19] Therefore, I would recommend an allowance of only 30% of that claim. I have submitted an interrogatory[20] to the Company regarding this issue and may update this recommendation in surrebuttal testimony.

PAYROLL TAXES

Q. WHAT ARE PAYROLL TAXES?

A. Payroll taxes represent taxes imposed on employers and employees that are usually calculated as a percentage of the salaries paid to staff. Payroll taxes generally fall into two categories: (1) deductions from an employee's wages; and (2) taxes paid by the employer based on the employee's wages. Peoples has made a claim in this filing for its employer share of those payroll taxes.

Q. WHAT IS THE COMPANY'S CLAIM FOR PAYROLL TAX EXPENSE?

A. Peoples' FPFTY claim for payroll tax expense is $5,951,013 ($5,660,396 + $290,617).[21] Additionally, it is implied that, because labor and incentive compensation are partially capitalized to rate base, a portion of payroll taxes will also be capitalized to rate base. I have calculated that amount to be $8,106,040 by adding capitalized labor and capitalized incentive compensation ($96,126,010 + $5,045,210) and applying the payroll tax experience factor of 8.0122%.

[19] I&E Exhibit No. 1, Schedule 4, p. 11.
[20] I&E Exhibit No. 1, Schedule 5, p. 3-5.
[21] Peoples Exhibit No. 6, Schedule 2, Attachment 1.

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. Peoples' claim consists of Social Security and Medicare taxes (together FICA), federal unemployment tax (FUTA), state unemployment tax (SUTA), and the City of Pittsburgh payroll tax, which are calculated by applying the tax rates experienced in the HTY to the FPFTY claim.[22]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR PAYROLL TAXES?

A. I recommend a payroll tax expense allowance of $5,617,354, or a reduction of $333,659 ($5,951,013 - $5,617,354) to the Company's expense claim and capitalized payroll taxes of $7,679,994, or a reduction of $426,046 ($8,106,040 - $7,679,994) to the Company's rate base claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. This recommendation is based on my recommended adjustments to labor expense and incentive compensation.

[22] Peoples Exhibit No. 6, Schedule 2, Attachments 2 and 3.

Q. HOW DID YOU CALCULATE YOUR RECOMMENDATION?

A. I added the recommended allowances for labor expense and incentive compensation and then applied the appropriate experience factor as provided by the Company. The calculation is shown below:

	O&M Expense	Rate Base
I&E Labor Allowance	$64,934,501	$91,951,248
I&E Incentive Comp. Allowance	$5,176,025	$4,263,202
Total Payroll Costs	$70,110,526	$95,854,450
Experience Factor	8.0122%	8.0122%
I&E Payroll Tax Allowance	$5,617,354	$7,679,994

PENSION EXPENSE

Q. WHAT IS INCLUDED IN PENSION EXPENSE?

A. Peoples' claim for pension expense includes the employees' pension costs determined on a cash contribution basis.[23]

Q. WHAT IS THE COMPANY'S CLAIM FOR PENSION EXPENSE?

A. Peoples' FPFTY pension expense claim is $3,164,136.[24]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on a four-year average of net contributions.[25]

[23] Peoples Statement No. 2, p. 12.
[24] Peoples Volume 1, Exhibit No. 4, Schedule 1, pp. 2 and 8.
[25] Peoples Statement No. 2, p. 12.

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR PENSION EXPENSE?

A. I recommend disallowance of the entire FPFTY claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}** The Company's claim is based on a four-year average of net contributions, but cash contributions have been decreasing dramatically over that time **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}** despite that the Company did not make any cash contributions in 2025. It is questionable whether the Company will need to make a cash contribution in 2026 or 2027, therefore, I recommend disallowance of the entire amount.

[26] I&E Exhibit No. 1, Schedule 6.

OTHER EMPLOYEE BENEFITS

Q. WHAT IS OTHER EMPLOYEE BENEFITS EXPENSE?

A. Other employee benefits expense represents medical, dental, vision, life insurance, long-term disability insurance, 401(k) plans, and other programs.[27]

Q. WHAT IS THE COMPANY'S CLAIM FOR OTHER EMPLOYEE BENEFITS EXPENSE?

A. The Company is claiming total FPFTY other employee benefits expense of $44,245,324, which is projected to be capitalized at a rate of 55.86% resulting in an other employee benefits expense claim of $19,531,394 and a rate base claim for other employee benefits of $24,713,929.[28]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY amount for other employee benefits expense with adjustments for the cost of benefits from filling vacant positions, annualized changes in costs, increases in medical and other benefits based on information provided by third-party benefit consultants, and an increase in 401(k) benefits due to merit increases.[29]

[27] Peoples Statement No. 2, p. 13.
[28] Peoples Exhibit No. 4, Schedule 1, p. 10.
[29] Peoples Statement No. 2, p. 13.

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR OTHER EMPLOYEE BENEFITS EXPENSE?

A. I recommend a total FPFTY allowance of $42,155,320 for other employee benefits expense, or a reduction of $2,090,004 ($44,245,324 - $42,155,320) to Peoples' claim broken down as follows:

	Company Claim	I&E Recommendation	Recommended Adjustment
Total Other Employee Benefits	$44,245,324	$42,155,320	$2,090,004
Capitalization Rate		55.86%	
O&M Expense Portion	$19,531,394	$18,608,795	$922,599
Rate Base Portion	$24,713,929	$23,546,525	$1,167,404

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on two main aspects: (1) applying a vacancy rate consistent with the labor expense adjustment; and (2) adding the employee benefits for the LIURP compliance specialist that the Company proposed to include in the USP Rider.[30]

[30] Peoples Statement No. 2, pp. 10-11.

Q. DID PEOPLES TAKE VACANCIES INTO CONSIDERATION WHEN DEVELOPING ITS CLAIM?

A. Yes.

Q. EXPLAIN HOW PEOPLES INCORPORATED VACANCIES WHEN CALCULATING ITS CLAIM FOR OTHER EMPLOYEE BENEFITS EXPENSE.

A. As explained in the Labor Expense section above, Peoples states that a vacancy reserve of eight positions was included when calculating its FPFTY claim. The Company has assigned a value of $12,482 per vacancy for a total of $99,854 excluded from the claim.[31]

Q. DO YOU AGREE WITH PEOPLES' VACANCY RESERVE OF EIGHT POSITIONS?

A. No. The Company's assumptions around vacancies are speculative and do not consider historic vacancies. Based on my analysis of historic vacancy levels, the Company does not include an adjustment for enough vacancies in its claim.

[31] I&E Exhibit No. 1, Schedule 1.

Q. WHAT LEVEL OF VACANCIES DO YOU RECOMMEND?

A. Consistent with my labor expense recommendation, I applied a vacancy rate of 4.98% based on the Company's average level of vacancies during the three most recent historic years.[32]

Q. EXPLAIN HOW YOU DETERMINED YOUR ADJUSTMENT.

A. First, I added back the value of the eight positions left vacant by the Company. I did this because my vacancy calculation uses a percentage rather than a specific number of employees, so for clarity it is best to start with a number that does not include any vacancies. Next, I added the benefits for the LIURP compliance specialist to the Company's claim because, as I will explain later in my testimony, all benefit costs should be claimed in benefits expense rather than recovered through the USP Rider, and this position was not included in the Company's claim. Next, I applied the vacancy rate to the I&E modified claim as shown below:

1. Peoples' Total FPFTY Benefits Claim	$44,245,324
2. Add 8 Vacant Positions	$99,854
3. Add LIURP Compliance Specialist	$19,503
4. I&E Modified Amount (1+2+3)	$44,364,681
5. Apply Vacancy Rate (4 x 4.98%)	$2,209,361

[32] I&E Exhibit No. 1, Schedule 2.

I&E Recommended Other Employee Benefits Allowance (4-5)	$42,155,320

OUTSIDE SERVICES – CONTRACTED

Q. WHAT IS INCLUDED IN OUTSIDE SERVICES – CONTRACTED?

A. Outside services – contracted includes claims for items such as integrity testing, bridge work, a smart pig run, CIS, and other outside labor.[33]

Q. WHAT IS THE COMPANY'S CLAIM FOR OUTSIDE SERVICES – CONTRACTED?

A. The Company's FPFTY claim for outside services – contracted is $22,002,493.[34]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes anticipated changes in spending levels for various projects,[35] as well as a 4.94% increase year-over-year for the FTY and FPFTY.[36]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

[33] I&E Exhibit No. 1, Schedule 7, p. 2.
[34] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 11.
[35] I&E Exhibit No. 1, Schedule 7, p. 2.
[36] Peoples Statement No. 2, p. 14.

Q. WHAT IS YOUR RECOMMENDATION FOR OUTSIDE SERVICES – CONTRACTED?

A. I recommend an FPFTY allowance of $19,947,180 for outside services – contracted or a reduction of $2,055,313 ($22,002,493 - $19,947,180) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 4.94% annual increase from the FTY and FPFTY claims. Increases in expenses should be based on known and measurable changes and not based on speculative percentage increases.

This proposed increase is inappropriate for several reasons. First, the Company looks at five years of data (2020 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[37] Second, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[38] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given

[37] I&E Exhibit No. 1, Schedule 7, p. 2.
[38] I&E Exhibit No. 1, Schedule 8.

other than the Company has determined that the proposed percentage was the best indicator of future amounts.[39]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I calculated my recommendation by starting with HTY outside services – contracted expense and adding the Company's project-specific adjustments to FTY and FPFTY which are itemized in parts B and C of its response to I&E-RE-17[40] as shown below:

HTY Actual Expense	$19,781,638
FTY Adjustment	$1,090,063
FPFTY Adjustment	($924,520)
FPFTY Total Claim	$19,947,180

OUTSIDE SERVICES – IT

Q. WHAT IS THE COMPANY'S CLAIM FOR OUTSIDE SERVICES – IT?

A. The Company's FPFTY claim for outside services – IT is $7,623,113.[41]

[39] I&E Exhibit No. 1, Schedule 7, p. 2.
[40] I&E Exhibit No. 1, Schedule 7, p. 2.
[41] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 12.

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes anticipated changes in spending levels for various projects,[42] as well as a 2.06% increase year-over-year for the FTY and FPFTY.[43]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR OUTSIDE SERVICES – IT?

A. I recommend an FPFTY allowance of $7,336,408 for outside services – IT or a reduction of $286,705 ($7,623,113 - $7,336,408) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 2.06% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at four years of data (2021 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[44] Second, the data used to calculate the increase does not match the

[42] I&E Exhibit No. 1, Schedule 9, p. 2.
[43] Peoples Statement No. 2, p. 14.
[44] I&E Exhibit No. 1, Schedule 9, p. 2.

historical data provided in response to I&E-RE-1,[45] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the Company has determined that the proposed percentage was the best indicator of future amounts.[46]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I calculated my recommendation by starting with HTY outside services – IT expense and adding the Company's project-specific adjustments to FTY and FPFTY which are itemized in parts A and B of its response to I&E-RE-18[47] as shown below:

HTY Actual Expense	$6,651,408
FTY Adjustment	$465,000
FPFTY Adjustment	$220,000
FPFTY Total Claim	$7,336,408

[45] I&E Exhibit No. 1, Schedule 8.
[46] I&E Exhibit No. 1, Schedule 9, p. 2.
[47] I&E Exhibit No. 1, Schedule 9, p. 2.

OUTSIDE SERVICES – A&G

Q. WHAT IS THE COMPANY'S CLAIM FOR OUTSIDE SERVICES – A&G?

A. The Company's FPFTY claim for outside services – A&G is $6,333,184.[48]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on HTY expense and includes removing a one-time reimbursement that occurred during the HTY[49] as well as adding an 8.23% increase year-over-year for the FTY and FPFTY.[50]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR OUTSIDE SERVICES – A&G?

A. I recommend an FPFTY allowance of $5,406,725 for outside services – A&G or a reduction of $926,459 ($6,333,184 - $5,406,725) to the Company's claim.

[48] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 13.
[49] I&E Exhibit No. 1, Schedule 10, p. 2.
[50] Peoples Statement No. 2, p. 14.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 8.23% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at historic data to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[51] Second, I was not able to reproduce the result of 8.23% from the data provided which did not show the specific calculation used to achieve this result. The Company provided six years of data but stated in response to I&E-RE-19 that four years of data were used.[52] Contrarily, Peoples witness Andrew Wachter states that five years of data were used.[53] Third, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[54] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Fourth, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the

[51] I&E Exhibit No. 1, Schedule 10, p. 2.
[52] I&E Exhibit No. 1, Schedule 10, p. 2.
[53] Peoples Statement No. 2, p. 14.
[54] I&E Exhibit No. 1, Schedule 8.

Company has determined that the proposed percentage was the best indicator of future amounts.[55]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I calculated my recommendation by starting with HTY outside services – A&G expense and adding the Company's one-time adjustment to HTY as shown below:

HTY Actual Expense	$4,335,821
HTY Adjustment	$1,070,904
FPFTY Total Claim	$5,406,725

BUILDING LEASES

Q. WHAT IS THE COMPANY'S CLAIM FOR BUILDING LEASES?

A. The Company's FPFTY claim for building leases is $4,693,640.[56]

Q. DID THE COMPANY PROVIDE ANY UPDATES TO THIS CLAIM?

A. Yes. In response to I&E-RE-20, **{BEGIN PROPRIETARY}** [redacted]

[redacted]

[55] I&E Exhibit No. 1, Schedule 10, p. 2.
[56] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 14.

[redacted] {END PROPRIETARY}

Q. DO YOU ACCEPT THE COMPANY'S CHANGE TO BUILDING LEASES EXPENSE?

A. Yes. I accept the change and will verify that this is updated in Peoples' rebuttal testimony.

CORPORATE INSURANCE

Q. WHAT IS INCLUDED IN THE COMPANY'S CORPORATE INSURANCE EXPENSE CLAIM?

A. The Company's claim for corporate insurance expense includes liability insurance for directors and officers, excess liability, general property, and workers' compensation.[58]

Q. WHAT IS PEOPLES' CLAIM FOR CORPORATE INSURANCE EXPENSE?

A. The Company's FPFTY claim for corporate insurance is $5,929,933.[59]

[57] I&E Exhibit No. 1, Schedule 11.
[58] I&E Exhibit No. 1, Schedule 12, p. 2.
[59] Peoples Exhibit No. 4, Schedule 1, p. 2.

Q. DID THE COMPANY PROVIDE ANY FURTHER INFORMATION RELATED TO THIS CLAIM?

A. Yes. In response to I&E-RE-21, **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}** but the Company's original claim on Peoples Exhibit No. 4, Schedule 1, p. 2 ($5,929,933) does not match the supporting calculations shown on Peoples Exhibit No. 4, Schedule 1, p. 15 ($7,819,341). However, the lower amount on Exhibit No. 4, Schedule 1, p. 2 is the amount that ties to the Company's overall requested revenue increase.

Q. WHAT IS THE BASIS FOR THE COMPANY'S UPDATED CLAIM?

A. The Company's updated claim for corporate insurance is based on annualizing the most recent premium invoices and adding an increase in premiums of 10.6% for the FTY and FPFTY.[61]

Q. DO YOU AGREE WITH THE COMPANY'S UPDATED CLAIM FOR CORPORATE INSURANCE?

A. No.

[60] I&E Exhibit No. 1, Schedule 12, p. 2.
[61] Peoples Statement No. 2, p. 15.

Q. WHAT IS YOUR RECOMMENDATION?

A. I recommend an FPFTY allowance of $6,265,643 for corporate insurance. This represents an increase of $335,710 ($6,265,643 - $5,929,933) to the Company's original claim, but **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}**

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. I recommend an allowance equal to **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}** My recommendation is based on disallowance of the 10.6% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This 10.6% annual increase is inappropriate for several reasons. First, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[63] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Additionally, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given.[64]

[62] I&E Exhibit No. 1, Schedule 12, p. 2.
[63] I&E Exhibit No. 1, Schedule 8.
[64] I&E Exhibit No. 1, Schedule 12, p. 2.

Finally, and most importantly, the 10.6% increase is speculative because it is not based on contractual terms or any other known variable.

TRAVEL EXPENSE

Q. WHAT IS THE COMPANY'S CLAIM FOR TRAVEL EXPENSE?

A. The Company's FPFTY claim for travel expense is $1,139,305.[65]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on HTY expense and includes a 5.14% increase year-over-year for the FTY and FPFTY.[66]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR TRAVEL EXPENSE?

A. I recommend an FPFTY allowance of $1,030,648 or a reduction of $108,657 ($1,139,305 - $1,030,648) to the Company's claim.

[65] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 17.
[66] Peoples Statement No. 2, p. 15.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 5.14% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at six years of data (2019 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[67] Second, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[68] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the Company has determined that the proposed percentage was the best indicator of future amounts.[69]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

[67] I&E Exhibit No. 1, Schedule 13, p. 2.
[68] I&E Exhibit No. 1, Schedule 8.
[69] I&E Exhibit No. 1, Schedule 13, p. 2.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

MEMBERSHIPS

Q. WHAT IS THE COMPANY'S CLAIM FOR MEMBERSHIPS?

A. The Company's FPFTY claim for memberships expense is $1,220,436.[70]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on HTY expense and includes a 7.17% increase year-over-year for the FTY and FPFTY.[71]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR MEMBERSHIPS EXPENSE?

A. I recommend an FPFTY allowance of $1,062,518 or a reduction of $157,918 ($1,220,436 - $1,062,518) to the Company's claim.

[70] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 18.
[71] Peoples Statement No. 2, pp. 15-16 and I&E Schedule 13, p. 2.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 7.17% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at a three-year period of its two largest membership invoices to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY, as well as all other memberships. Second, the data used to calculate the increase does not match the historical membership data provided. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the Company has determined that the proposed percentage was the best indicator of future amounts.[72]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

[72] I&E Exhibit No. 1, Schedule 14, p. 2.

LICENSES AND PERMITS

Q. WHAT IS THE COMPANY'S CLAIM FOR LICENSES AND PERMITS?

A. The Company's FPFTY claim for licenses and permits is $738,885.[73]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes a 2.44% increase year-over-year for the FTY and FPFTY.[74]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR LICENSES AND PERMITS?

A. I recommend an FPFTY allowance of $704,167 or a reduction of $34,718 ($738,885 - $704,167) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 2.44% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

[73] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 19.
[74] Peoples Statement No. 2, p. 16.

This increase is inappropriate for several reasons. First, the Company looks at four years of data (2021 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[75] Second, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[76] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the Company has determined that the proposed percentage was the best indicator of future amounts.[77]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

[75] I&E Exhibit No. 1, Schedule 15, p. 2.
[76] I&E Exhibit No. 1, Schedule 8.
[77] I&E Exhibit No. 1, Schedule 15, p. 2.

UTILITIES AND FUEL

Q. WHAT IS THE COMPANY'S CLAIM FOR UTILITIES AND FUEL?

A. The Company's FPFTY claim for utilities and fuel is $3,084,199.[78]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense, is adjusted for gas costs recoverable through 1307(f) proceedings, and includes a 4.03% increase year-over-year for the FTY and FPFTY.[79]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR UTILITIES AND FUEL?

A. I recommend an FPFTY allowance of $2,849,895 or a reduction of $234,304 ($3,084,199 - $2,849,895) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 4.03% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative or percentage increases.

[78] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 20.
[79] Peoples Statement No. 2, p. 16 and I&E Schedule 15, p. 2.

This increase is inappropriate for several reasons. First, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[80] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Additionally, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given.[81]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I calculated my recommendation by starting with HTY utilities and fuel expense and removing the recoverable gas costs as shown below:

HTY Actual Expense	$2,908,985
HTY Adjustment	($59,090)
FPFTY Total Claim	$2,849,895

[80] I&E Exhibit No. 1, Schedule 8.
[81] I&E Exhibit No. 1, Schedule 16, p. 2.

ADVERTISING EXPENSE

Q. WHAT IS INCLUDED IN ADVERTISING EXPENSE?

A. Advertising expense includes claims for the communication of information such as public health and safety, explanation of billing practices, rates, etc., and other advertising programs via broadcast, digital, print, and other methods.[82]

Q. WHAT IS THE COMPANY'S CLAIM FOR ADVERTISING EXPENSE?

A. Peoples' FPFTY claim for advertising expense is $1,458,032.[83]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on expenses that it asserts meet at least one of the criteria in Section 1316(a) of the Public Utility Code during the HTY[84] and includes an inflation adjustment.[85]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

[82] Peoples Exhibit No. 4, Schedule 4, p. 2.
[83] Peoples Exhibit No. 4, Schedule 1, p. 2 and 21.
[84] Peoples Statement No. 2, p. 16.
[85] I&E Exhibit No. 1, Schedule 17, p. 2.

Q. WHAT IS YOUR RECOMMENDATION FOR ADVERTISING EXPENSE?

A. I recommend an allowance of $259,746 for advertising expense, or a reduction of $1,198,286 ($1,458,032- $259,746) to Peoples' claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on the removal of advertising related to sponsorships and sports partnerships, as well as the removal of the inflation adjustment included in the Company's claim. In response to I&E-RE-51,[86] the Company provided a breakdown and descriptions of each of its advertising programs. The majority of Peoples' claim relates to sponsorships of professional sports teams including Pittsburgh Steelers LLC of $918,791, Pittsburgh Penguins LP of $262,182, and Lozinak Professional Baseball LLC of $203,462. Additionally, the Company has included sponsorship of a holiday market of $125,000.[87]

This type of advertising in sports venues and other events is more representative of promotional advertising that provides little (if any) benefit to ratepayers. Ratepayers should not be required to finance Peoples' decision to pay for such promotional advertising. Additionally, not all customers who attend sporting events at these venues are Peoples ratepayers, and many Peoples ratepayers may never attend sporting events. So, even if the Company is framing

[86] I&E Exhibit No. 1, Schedule 18, p. 2.
[87] I&E Exhibit No. 1, Schedule 19, p. 2.

these payments as safety promotions, there would be more effective and less costly ways to reach its ratepayers with these messages.

Q. WHAT IS THE BASIS FOR REMOVING THE COMPANY'S INFLATION ADJUSTMENT?

A. It is inappropriate to increase expenses using a general inflation percentage. An inflation factor is speculative and does not meet the standard of known and measurable and should therefore be rejected.

Q. HOW DID YOU CALCULATE YOUR RECOMMENDATION?

A. I calculated my recommendation by beginning with the Company's per book expenditures in the HTY[88] and removed the items identified by the Company as inappropriate[89] as well as the items I identified as inappropriate.[90] I then removed 31.58% of the remaining amount for capitalization, which is consistent with the percentage of the Company's HTY expenditures which were capitalized ($631,694 / $1,999,984). My calculation is detailed below.

Company HTY Expenditures	$1,999,984
Less Other Advertising Programs	$47,309
Less Other	$63,605
Less Holiday Market	$125,000
Less Lozinak Professional Baseball LLC	$203,462
Less Pittsburgh Penguins LP	$262,182

[88] Peoples Exhibit No. 4, Schedule 4, p. 2.
[89] I&E Exhibit No. 1, Schedule 19, p. 2.
[90] I&E Exhibit No. 1, Schedule 18, p. 2.

Less Pittsburgh Steelers LLC	$918,791
Total Before Capitalization	$379,365
Less Capitalization of 31.58%	$119,889
Total I&E Allowance	$259,746

FLEET MAINTENANCE

Q. WHAT IS THE COMPANY'S CLAIM FOR FLEET MAINTENANCE?

A. The Company's FPFTY claim for fleet maintenance is $836,976.[91]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes a 5.89% increase year-over-year for the FTY and FPFTY.[92]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR FLEET MAINTENANCE?

A. I recommend an FPFTY allowance of $746,507 or a reduction of $90,469 ($836,976 - $746,507) to the Company's claim.

[91] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 22.
[92] Peoples Exhibit No. 4, Schedule 1, p. 22.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 5.89% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative or percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at five years of data (2020 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[93] Second, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[94] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given.[95]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

[93] I&E Exhibit No. 1, Schedule 20, p. 2.
[94] I&E Exhibit No. 1, Schedule 8.
[95] I&E Exhibit No. 1, Schedule 20, p. 2.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

MATERIALS AND SUPPLIES EXPENSE

Q. WHAT IS THE COMPANY'S CLAIM FOR MATERIALS AND SUPPLIES EXPENSE?

A. The Company's FPFTY claim for materials and supplies expense is $11,324,992.[96]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes a 5.45% increase year-over-year for the FTY and FPFTY.[97]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

[96] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 23.
[97] Peoples Exhibit No. 4, Schedule 1, p. 17.

Q. WHAT IS YOUR RECOMMENDATION FOR MATERIALS AND SUPPLIES EXPENSE?

A. I recommend an FPFTY allowance of $10,183,664 or a reduction of $1,141,328 ($11,324,992 - $10,183,664) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing the 5.45% annual increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

This increase is inappropriate for several reasons. First, the Company looks at five years of data (2020 through 2024) to calculate the average percentage increase year-over-year during that period but ignores the most recent actual data, the HTY.[98] Second, the data used to calculate the increase does not match the historical data provided in response to I&E-RE-1,[99] which I assume is because the data includes the capitalized portion of the expense. It would be more accurate to base any such calculation on the expensed portion only because that is the portion actually incurred in this expense category and would account for any changes in the capitalization rate. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the

[98] I&E Exhibit No. 1, Schedule 21, p. 2.
[99] I&E Exhibit No. 1, Schedule 8.

Company has determined that the proposed percentage was the best indicator of future amounts.[100]

Finally, and most importantly, the increase is speculative because it is not based on contractual terms or any other known variable.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

PAYMENT PROCESSING

Q. WHAT IS INCLUDED IN THE COMPANY'S CLAIM FOR PAYMENT PROCESSING?

A. The Company's claim includes costs associated with various payment methods such as web, telephone, and walk-in payments.[101]

Q. WHAT IS THE COMPANY'S CLAIM FOR PAYMENT PROCESSING?

A. The Company's FPFTY claim for payment processing is $2,939,659.[102]

[100] I&E Exhibit No. 1, Schedule 21, p. 2.
[101] Peoples Statement No. 2, p. 18.
[102] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 26.

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. The Company's claim is based on the HTY expense and includes a 22.00% increase year-over-year for the FTY and FPFTY[103] as well as an inflation adjustment in the FPFTY.[104]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT IS YOUR RECOMMENDATION FOR PAYMENT PROCESSING?

A. I recommend an FPFTY allowance of $1,923,122 or a reduction of $1,016,537 ($2,939,659 - $1,923,122) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. My recommendation is based on removing both the 22.00% annual increase and the 2.70% inflation increase from the FTY and FPFTY claims. Increases to expenses should be based on known and measurable changes and not based on speculative percentage increases.

The calculated annual increase is inappropriate for several reasons. First, the Company looks at three years of data (2023 through 2025) but did not provide enough data to support the calculation, as only two years of data were provided.[105]

[103] Peoples Statement No. 2, p. 18.
[104] I&E Exhibit No. 1, Schedule 17, p. 2.
[105] I&E Exhibit No. 1, Schedule 22, p. 2.

Second, the data used to calculate the increase represents credit card payment fees only, even though they are only a portion of the expenses in this category. Third, the Company's chosen time period is inconsistent across the adjusted expense categories, with no explanation given other than the Company has determined that the proposed percentage was the best indicator of future amounts.[106]

Finally, and most importantly, the calculated annual increase is speculative because it is not based on contractual terms or any other known variable.

Additionally, it is also inappropriate to increase expenses using a general inflation percentage. Similar to a calculated increase based on Company data, an inflation adjustment is speculative and does not meet the standard of known and measurable and should therefore be rejected.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR RECOMMENDATION.

A. I used HTY data for my recommendation because the Company did not have any known and measurable changes.

[106] I&E Exhibit No. 1, Schedule 22, p. 2.

RATE CASE EXPENSE

Q. BRIEFLY DESCRIBE THE NATURE AND TYPES OF EXPENDITURES TYPICALLY ALLOWED AS A PART OF A REGULATED UTILITY'S OVERALL RATE CASE EXPENSE.

A. The nature and types of expenditures that comprise a utility's allowable claim for rate case expense are those directly incurred to compile, present, and defend a utility's request for a base rate increase before the Commission. The actual expenditures and estimated costs typically found in an allowable rate case expense claim include legal fees for outside counsel, fees to outside consultants, and the cost of printing, document assembly, and postage.

Q. HOW HAS THE COMMISSION TRADITIONALLY TREATED RATE CASE EXPENSE FOR RATEMAKING PURPOSES?

A. The Commission has historically stated that it considers prudently incurred rate case expense as an ongoing expense, occurring at irregular intervals, related to the rendering of utility service. The Commission has also cited the importance of considering the involved utility's history regarding the frequency of rate case filings as an essential element to determine the normalized level of rate case expense for ratemaking purposes.[107]

[107] "A Guide to Utility Ratemaking," by James H. Cawley and Norman J. Kennard (2018 Edition), p. 112, https://www.puc.pa.gov/General/publications_reports/pdf/Ratemaking_Guide2018.pdf, accessed May 21, 2026.

Q. HOW IS THE FREQUENCY OF RATE CASE FILINGS DETERMINED?

A. The frequency is determined by calculating the average number of months between the utility's most recent previous rate case filings.

Q. WHAT IS THE COMPANY'S CLAIM FOR RATE CASE EXPENSE?

A. Peoples' FPFTY claim for rate case expense is $960,000.[108]

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIM?

A. Peoples has estimated its total rate case expense amount to be $1,920,000 and is requesting a normalization period of two years (24 months).[109] This produces a normalized claim of $960,000 ($1,920,000 ÷ 2).

Additionally, the Company claims that unique circumstances caused longer-than-usual intervals in two of its three most recent base rate cases filed; therefore, the most recent interval between the current rate case and its 2023 case is the most appropriate period and a two-year period should be used.[110]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No. I disagree with the Company's claimed two-year normalization period.

[108] Peoples Exhibit No. 4, Schedule 1, pp. 2 and 27.
[109] Peoples Exhibit No. 4, Schedule 1, p. 27.
[110] Peoples Statement No. 2, pp. 19-20.

Q. WHAT IS YOUR RECOMMENDATION FOR RATE CASE EXPENSE?

A. I recommend that Peoples' rate case expense be normalized over a period of 56 months resulting in an annual expense of $411,429 [($1,920,000 ÷ 56 months) x 12 months], or a reduction of $548,571 ($960,000 - $411,429) to the Company's claim.

Q. WHY DO YOU DISAGREE WITH THE PROPOSED TWO-YEAR NORMALIZATION PERIOD?

A. I disagree with the claimed two-year normalization period because it is not supported by the Company's historic filing frequency. The proposed recovery period fails to properly rely upon Peoples' historic filing frequency and is speculative in nature. As such, it should not be used to determine the appropriate normalized claim.

Q. HOW DID YOU CALCULATE YOUR RECOMMENDED 56-MONTH NORMALIZATION PERIOD?

A. The Company's three most recent base rate case filing dates are as follows:[111]

Docket No.	Date Filed	Interval
R-2026-3060855	March 26, 2026	27 months
R-2023-3044549	December 29, 2023	59 months
R-2018-3006818	January 29, 2019	83 months
R-2012-2285985	February 28, 2012	

[111] I&E Exhibit No. 1, Schedule 23, p. 2.

Using the Company's last three base rate case filing dates and the date of the current filing, an average interval is computed to be 56 months [(27 mo. + 59 mo. + 83 mo.) ÷ 3 intervals]. Peoples' requested 24-month recovery period is unsupported by the Company's historic filing record. Thus, its proposed two-year normalization period should be rejected as it would result in an unreasonable and unsupported increase in rates. If Peoples continues to file base rate cases with greater frequency, its normalization period will be shortened in future rate proceedings. However, the Company should not be granted a 24-month period in this proceeding because it is not supported by the Company's filing history.

Q. HAVE OTHER UTILITIES BEEN GRANTED A NORMALIZATION PERIOD BASED ON SPECULATION OF FUTURE FILINGS, AND IF SO, WHAT WAS THE RESULT?

A. Yes. In 2012, the Commission granted PPL Electric Utilities Corporation (PPL) permission to normalize its rate case expense over a 24-month period based on PPL's representations regarding its expected timing of future base rate case filings.[112] That base rate case was filed on March 30, 2012; however, despite PPL's representations, PPL did not file its next rate case until March 31, 2015, which was 36 months after the 2012 rate case filing. It should be noted that I&E's recommended normalization period in the 2012 PPL proceeding was a 32-month

[112] *Pa. PUC v. PPL Electric Utilities Corporation*, Docket No. R-2012-2290597, pp. 47-48 (Order Entered December 28, 2012).

interval based on PPL's historic filing frequency.[113] The I&E recommendation in that instance produced a much more accurate result than relying on PPL's stated future intention to file a rate case.

Q. ARE THERE ANY COMMISSION DECISIONS THAT SUPPORT YOUR RECOMMENDATION FOR A RATE CASE FILING INTERVAL BASED ON HISTORIC FILING FREQUENCY?

A. Yes. The following seven cases resulted in the Commission using the utility's historic average filing frequency rather than the utility's requested period.

First, in a base rate case filed by Emporium Water Company, the Commission adopted the I&E recommended historic filing frequency finding in favor of I&E's recommended five-year normalization period based on a historic average filing frequency that was rounded down from 64 months.[114]

Second, in a base rate case filed by the City of DuBois, the Commission agreed with I&E's recommendation to use a historic filing frequency finding in favor of I&E's recommended 64-month normalization period, which matched the actual historic filing frequency.[115]

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[113] I&E Statement No. 2, pp. 13-14 at Docket No. R-2012-2290597.

[114] *Pa. PUC v. Emporium Water Company*, Docket No. R-2014-2402324, p. 50 (Order Entered January 28, 2015).

[115] *Pa. PUC v. City of DuBois - Bureau of Water*, Docket No. R-2016-2554150, pp. 65-66 (Order Entered March 28, 2017); *Pa. PUC v. City of DuBois - Bureau of Water*, Docket No. R-2016-2554150, p. 13 (Order Entered May 18, 2017).

Third, in a base rate case filed by Columbia Gas, the Commission held that the normalization period should align with the historic data rather than the Company's intent to file its next rate case.[116]

Fourth, in a base rate case filed by PECO Energy Company – Gas Division (PECO), the Commission granted I&E's recommended five-year normalization period rather than PECO's claim based on a three-year period because the Commission determined a normalization period based on actual historic filing frequency is more reliable than future speculation.[117]

Fifth, in a base rate case filed by Philadelphia Gas Works (PGW), the Commission agreed with I&E's recommended 53-month normalization period rather than PGW's claim based on a three-year period because the Commission determined a normalization period based on actual historic filing frequency and not based on PGW's future intention to file a rate case.[118]

Sixth, in the 2023 base rate case filed by Columbia Water Company, the Commission held that the normalization period should align with the historic filing frequency rather than that company's intent to file its next rate case and the intent to file a base rate case does not justify deviating from the Commission's practice of relying on historical filing frequency.[119]

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[116] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2020-3018835, Opinion and Order, pp. 78-79 (Order Entered February 19, 2021).

[117] *Pa. PUC v. PECO Energy Company - Gas Division*, Docket No. R-2020-3018929, Opinion and Order, pp. 117-19 (Order Entered June 22, 2021).

[118] *Pa. PUC v. Philadelphia Gas Works*, Docket No. R-2023-3037933, Opinion and Order, pp. 65-66 (Order Entered November 9, 2023).

[119] *Pa. PUC v. Columbia Water Company*, Docket No. R-2023-3040258, Opinion and Order, p. 34 (Order Entered January 18, 2024).

Finally, in the recent 2025 Columbia Gas base rate proceeding, the Commission agreed with the Administrative Law Judge (ALJ) and the Office of Consumer Advocate (OCA) that "fourteen months is a more appropriate and reasonable length of time for normalization, as it more closely aligns with Columbia's actual history and frequency of rate case filings."[120]

UNIVERSAL SERVICE PROGRAM (USP) RIDER

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE USP RIDER?

A. Yes. The Company is proposing to recover three incremental costs through the USP Rider: (1) costs associated with a new Low Income Usage Reduction Program (LIURP) Compliance Specialist; (2) costs associated with the recurring Independent Program Evaluation; and (3) costs associated with the Company's Cares program.

Q. DO YOU AGREE WITH THE PROPOSED CHANGES?

A. No. I do not agree that the costs associated with the LIURP Compliance Specialist should be recovered through the USP Rider. All labor costs should continue to be included in base rates as the Company has done in the past.[121]

[120] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499, Opinion and Order, p. 138 (Order Entered December 9, 2025).
[121] I&E Exhibit No. 1, Schedule 3.

Q. HAVE YOU ADDRESSED THIS ISSUE ANYWHERE ELSE IN YOUR TESTIMONY?

A. Yes. I added the cost of labor and employee benefits for this employee to the respective sections of my direct testimony.

Q. DID THE COMPANY DISCUSS ANY OTHER CHANGES TO THE USP RIDER?

A. Yes. Peoples witness Carol Scanlon proposes a defined credit that would partially offset universal service charges from January 1, 2027 through March 31, 2027.[122] The credit totals $5,168,768 and includes amounts from an excess book contingency reserve[123] as well as proposed changes to the tax repairs deduction collar.[124]

Q. DO YOU AGREE WITH MS. SCANLON'S PROPOSAL TO CREDIT CUSTOMERS BY PARTIALLY OFFSETTING UNIVERSAL SERVICE COSTS?

A. No. The USP Rider is included only on residential invoices of customers who are not participants in any of the Company's universal service programs. This means that only specific residential customers would benefit from the credit, whereas all customers are affected by the expenses that generated this credit.

[122] Peoples Statement No. 3, pp. 5-9.
[123] Peoples Statement No. 2, pp. 21-22.
[124] Peoples Statement No. 2, pp. 22-26.

Q. WHAT DO YOU RECOMMEND REGARDING THE APPROXIMATELY $5 MILLION CREDIT DUE TO CUSTOMERS?

A. I recommend that the credit be treated as a regulatory liability and credited back to all customers accordingly, not simply the Company's proposal of reducing the burden on residential customers. Particularly when the original tax-related expense was funded also by all customer classes.

CASH WORKING CAPITAL

Q. WHAT IS A CASH WORKING CAPITAL (CWC) ALLOWANCE FOR RATEMAKING PURPOSES?

A. CWC includes the amount of funds necessary to operate a utility during the interim period between the rendition of service, including the payment of related expenses, and the receipt of revenue in payment for services rendered by the utility.

Q. HOW DOES THE COMPANY CALCULATE ITS CWC CLAIM?

A. The Company calculates its CWC claim by using a lead/lag study. Briefly, the CWC requirement is calculated by multiplying the net leg days (revenue lag days less expense lag days) by the average operating expense per day (total operating expenses ÷ 365 days). A lead/lag study measures the differences in time between: (1) the time services are rendered until payment of those services is received; and (2) the time between the point when a utility has incurred an expense and the

actual payment of the expense. Stating this in a different way, the lead/lag study measures how many days exist on average between the midpoint of the service period and the date the payment is made.

Q. DO YOU AGREE WITH THE COMPANY'S USE OF A LEAD/LAG METHOD?

A. Yes. I agree with the Company's use of this method.

Q. WHAT IS THE COMPANY'S CWC CLAIM?

A. The Company's claim for CWC is $47,681,867.[125]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM?

A. No.

Q. WHAT DO YOU RECOMMEND?

A. I recommend a total allowance of $45,745,893 or a decrease of $1,935,974 ($47,681,867 - $45,745,893) to the Company's claim.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. All O&M expense adjustments that are cash-based expense claims are included

[125] Peoples Exhibit AR-1, p. 1.

when determining each operating unit's overall CWC requirement. My CWC recommendation is based on my recommended adjustments to O&M expenses as discussed in this direct testimony. Additionally, the Company has included uncollectible expense in its CWC calculation. Uncollectible expense is a non-cash expense and should not be included in the CWC calculation.

I subtracted all my recommended O&M expense adjustments from the tables above in the I&E Operating and Maintenance Expense Adjustments section that correspond to the Company's CWC calculation. I also subtracted the entire uncollectible expense amount from the calculation. I did this using the Company's electronic CWC workpapers. An I&E-modified CWC schedule reflects my changes for the CWC allowance calculation.[126]

Q. IS YOUR RECOMMENDED CWC ALLOWANCE A FINAL RECOMMENDATION?

A. No. All adjustments to Peoples' claims for revenues, expenses, taxes, and rate base must be continually brought together in the Administrative Law Judge's Recommended Decision and again in the Commission's Final Order. This process, known as iteration, effectively prevents the determination of a precise calculation until all adjustments have been made to the Company's claim.

[126] I&E Exhibit No. 1, Schedule 24.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Vanessa Okum

Professional and Educational Background

Experience:

Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania
June 2022 – Present
Fixed Utility Financial Analyst, Bureau of Investigation and Enforcement

Magnolia Realty Services, Elizabethville, Pennsylvania
February 2016 – May 2024
Realtor

May 2015 – May 2019
Business Manager

The Vanguard Group, Malvern, Pennsylvania
October 2011 – December 2014
Financial Administrator, Corporate Financial Services

March 2010 – October 2011
Financial Analyst, Fund Financial Services

June 2008 – March 2010
Financial Associate, Fund Financial Services

Education/Professional Development:

NARUC Staff Subcommittee on Accounting and Finance Spring Conference, Charlotte, North Carolina, April 20-23, 2026

NARUC Rate School, Clearwater, Florida, October 16-20, 2023

University of Massachusetts – Amherst, Amherst, Massachusetts, 2012
Master of Business Administration

Elizabethtown College, Elizabethtown, Pennsylvania, 2008
Bachelor of Science in International Business
Concentration in Finance

Testimony Submitted:

I have submitted testimony in the following proceedings:

R-2025-3057983 – Pennsylvania-American Water Company

R-2025-3055010 et al. – Pittsburgh Water and Sewer Authority

R-2025-3053112 – Philadelphia Gas Works

R-2024-3050208 – Newtown Artesian Water Company

A-2024-3049015 – Aqua Pennsylvania, Inc. - Borough of Greenville (1329)

R-2024-3047068 – FirstEnergy Pennsylvania Electric Company

R-2024-3045192 at al. – Veolia Water Pennsylvania, Inc.

R-2023-3043189 et al. – Pennsylvania-American Water Company

R-2023-3039919 et al. – Pittsburgh Water and Sewer Authority

R-2023-3037428 – National Fuel Gas Distribution Corporation (1307(f))

R-2022-3037368 – UGI Utilities, Inc. – Electric Division

I have assisted with testimony in the following proceedings:

R-2022-3031704 – Borough of Ambler Water Department

R-2022-3032764 – Leatherstocking Gas Company, LLC

Casework not requiring testimony:

R-2025-3052742 – National Fuel Gas Distribution Corporation (1307(f))

R-2024-3049248 – City of Lock Haven Water Department

R-2024-3045177 – National Fuel Gas Distribution Corporation (1307(f))

I&E Exhibit No. 1
Witness: Vanessa Okum
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Direct Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

Operating and Maintenance Expenses,
Taxes Other Than Income, Universal Service Program Rider,
Rate Base

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XII-022

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: With respect to open positions included in the determination of salaries and wages and benefits in the cost of service:

a. Please state how many open positions are included. When does the Company expect these positions to be filled?

b. Please state if the Company is actively recruiting for the positions stated in part a of this question.

c. Please provide the dollar values of each cost included in the cost of service associated with each open position (e.g., salaries, benefits, etc.), for the HTY, FTY, and FPFTY, in Excel format with formulas intact. Please be specific where each value is represented in the cost of service.

Answer: A. The company has a total 60 open positions and expects to fill 30 during the FTY and an additional 22 during the FPFTY. The company expects to have 8 vacant positions due to normal turnover.

B. The company is actively recruiting for open positions.

C. Please refer to Attachment 1. The company uses an average cost per FTE to determine the salary and benefit cost of projected filled positions. There is no cost for open positions included in the cost of service in the HTY.

Submit Date: 5/22/2026

Peoples Natural Gas
OCA XI 22
Attachment 1

Category	Positions Expected to be Filled	Cost Per FTE	FTY	Reflected in the cost of service
	30			
Labor		42,432	1,272,947	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 1 column 5
STI/Incentive Compensation		4,184	125,507	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 2 column 5
Other Employee Benefits		12,385	371,542	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 5 column 5
Total		**59,000**	**1,769,996**	

Category	Positions Expected to be Filled	Cost Per FTE	FPFTY	Reflected in the cost of service
	22			
Labor		45,273	996,006	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 1 column 7
STI/Incentive Compensation		4,310	94,822	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 2 column 7
Other Employee Benefits		12,482	274,598	Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2 Ln 5 column 7
Total		**62,065**	**1,365,426**	

Category	Positions Expected to Remain Vacant	Cost Per FTE	FPFTY	
	8			
Labor		45,273	362,184	Cost not included in the claim
STI/Incentive Compensation		4,310	34,481	Cost not included in the claim
Other Employee Benefits		12,482	99,854	Cost not included in the claim
Total		**62,065**	**496,519**	

I&E MODIFIED
Peoples Natural Gas
I&E RE-7
Attachment A

	Filled Positions			Budgeted Positions			Open Positions			
Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
12/31/2022	960	488	1448	N/A	N/A	1509	N/A	N/A	61	
1/31/2023	969	457	1426	N/A	N/A	1478	N/A	N/A	53	
2/29/2023	970	458	1428	N/A	N/A	1478	N/A	N/A	51	
3/31/2023	969	458	1427	N/A	N/A	1478	N/A	N/A	52	
4/30/2023	964	455	1419	N/A	N/A	1478	N/A	N/A	60	
5/31/2023	965	461	1426	N/A	N/A	1478	N/A	N/A	53	
6/30/2023	965	456	1421	N/A	N/A	1478	N/A	N/A	58	
7/31/2023	960	457	1417	N/A	N/A	1478	N/A	N/A	62	
8/31/2023	958	454	1412	N/A	N/A	1478	N/A	N/A	66	
9/30/2023	949	464	1413	N/A	N/A	1478	N/A	N/A	66	
10/31/2023	942	466	1408	N/A	N/A	1478	N/A	N/A	71	
11/30/2023	951	456	1407	N/A	N/A	1478	N/A	N/A	72	
AVERAGE			**1421**			**1481**			**60**	**4.05%**

	Filled Positions			Budgeted Positions			Open Positions			
Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
12/31/2023	931	461	1392	**N/A**	**N/A**	1,478	**N/A**	**N/A**	86	
1/31/2024	946	458	1404	1,000	487	1,486	54	29	82	
2/29/2024	943	457	1400	1,000	487	1,486	57	30	86	
3/31/2024	940	456	1396	1,000	487	1,486	60	31	90	
4/30/2024	949	453	1402	1,000	487	1,486	51	34	84	
5/31/2024	948	449	1397	1,000	487	1,486	52	38	89	
6/30/2024	946	446	1392	1,000	487	1,486	54	41	94	
7/31/2024	956	448	1404	1,000	487	1,486	44	39	82	
8/31/2024	952	446	1398	1,000	487	1,486	48	41	88	
9/30/2024	950	453	1403	1,000	487	1,486	50	34	83	
10/31/2024	951	455	1406	1,000	487	1,486	49	32	80	
11/30/2024	951	454	1405	1,000	487	1,486	49	33	81	
AVERAGE			**1400**			**1486**			**86**	**5.78%**

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
12/31/2024	963	450	1413	1,000	487	1,486	37	37	74	
1/31/2025	971	431	1402	1,036	444	1,480	66	13	78	
2/28/2025	969	430	1399	1,036	444	1,480	68	14	81	
3/31/2025	975	431	1406	1,036	444	1,480	62	13	75	
4/30/2025	977	432	1409	1,036	444	1,480	60	12	72	
5/31/2025	977	431	1408	1,036	444	1,480	60	13	73	
6/30/2025	981	438	1419	1,036	444	1,480	56	6	62	
7/31/2025	975	431	1406	1,036	444	1,480	62	13	75	
8/31/2025	974	428	1402	1,036	444	1,480	63	16	78	
9/30/2025	973	428	1401	1,036	444	1,480	64	16	79	
10/31/2025	971	426	1397	1,036	444	1,480	66	18	83	
11/30/2025	977	423	1400	1,036	444	1,480	60	21	80	
AVERAGE			**1405**			**1481**			**76**	**5.12%**

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
12/31/2025	1006	409	1415	1,036	444	1,480	31	35	66	
1/31/2026	1004	412	1416	1,013	457	1,471	10	45	55	
2/28/2026	998	408	1406	1,013	457	1,471	16	49	65	
3/31/2026	989	408	1397	1,013	457	1,471	25	49	74	

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
FTY 11/30/2026	997	443	1440	1,016	455	1,471	19	12	31	**2.15%**

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	
FPFTY 12/31/2027	1011	452	1463	1,016	455	1,471	5	3	8	**0.54%**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-046

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Statement No. 2, p. 10 concerning the Company's proposal to add a LIURP specialist position to be recovered through the Universal Service Plan (USP) Rider. Identify a specific breakdown for any labor or labor-related costs, such as FPFTY salaries, payroll taxes, and benefits, currently included in the USP Rider.

Answer: The current universal service rider does not contain labor or labor-related costs for salaries, payroll taxes, or benefits. However, the company has included salary of $91,609 and benefits of $195,03 for a total of $111,112 in the FPFTY Universal Service Program claims. Refer to Exhibit No. 4, Schedule No. 1, page 29. These are offset by projected Universal Service Program revenues.

Submit Date: 5/18/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XII-015

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Please identify the goals or objectives that must be achieved to meet the threshold for payment under each of the incentive compensation plans.

Answer: Please see attachments OCA-XII-015 Attachment 1 (short-term incentive targets) and OCA-XII-015 Attachment 2 (long-term incentive targets).

Submit Date: 5/18/2026

Essential -2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
Financial	Earnings Per Share	50.0%	$2.04
Safety	Responsible Vehicle Accident Rate	5.0%	2.
Safety	Lost/Restricted Time Rate	5.0%	1.
Safety	Gas Damage Prevention	10.0%	3.
Customer Satisfaction	Aqua Service Level	5.0%	83.30%
Customer Satisfaction	Peoples Service Level	5.0%	84.30%
Environmental Stewardship	Water	2.5%	99.70%
Environmental Stewardship	Wastewater	2.5%	94.50%
Environmental Stewardship	Gas Leaks	2.5%	
Environmental Stewardship	Pipeline Replacement Program	2.5%	97.50%
Individual Goals	Individual Goal	5.0%	50.00%
Employee Engagement	Employee Engagement	5.0%	50.00%
	Total Weight	100.0%	

Peoples President & Staff -2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
Financial	Earnings Per Share	40.0%	$2.04
Financial	EBITD Peoples Corporate	15.0%	$434,753,
Safety	Responsible Vehicle Accident Rate	5.0%	2.
Safety	Lost/Restricted Time Rate	10.0%	1.
Safety	Gas Damage Prevention	10.0%	3.
Customer Satisfaction	Peoples Service Level	5.0%	84.30%
Environmental Stewardship	Gas Leaks	2.5%	
Environmental Stewardship	Pipeline Replacement Program	2.5%	97.50%
Individual Goals	Individual Goal	5.0%	50.00%
Employee Engagement	Employee Engagement	5.0%	50.00%
	Total Weight	100.0%	

Peoples PA - 2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
Financial	Earnings Per Share	22.5%	$2.04
Financial	EBITD Peoples Corporate	10.0%	$434,753,
Financial	EBITD Peoples State	17.5%	$413,754,
Safety	Responsible Vehicle Accident Rate	5.0%	2.
Safety	Lost/Restricted Time Rate	10.0%	1.
Safety	Gas Damage Prevention	10.0%	3.
Customer Satisfaction	Peoples Service Level	10.0%	84.30%
Environmental Stewardship	Gas Leaks	2.5%	
Environmental Stewardship	Pipeline Replacement Program	2.5%	97.50%
Individual Goals	Individual Goals	5.0%	50.00%
Employee Engagement	Employee Engagement	5.0%	50.00%
	Total Weight	100.0%	

Peoples Supervisor/BU Goals - 2025

Metric	Metric Component	Weight	Threshold - 50%
Safety	Lost/Restricted Time Rate	15.8%	
Safety	Responsible Vehicle Accident Rate	15.8%	
Safety	Gas Damage Prevention	15.8%	3.
Construction & Engineering	2nd Party Damages	15.8%	0.
Field Customer Service	Emergency Response	15.8%	28.
Operations and Maintenance	Leak Management	15.8%	
Employee Engagement	Employee Engagement	5.0%	
	Total Weight	100.0%	

Peoples Contact Center CSR - 2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
AHT Minutes by CSR Level	CSR Associate - Average Minutes	25.0%	<=6.30
(Average Handle Time- Inbound Contacts)	CSR Intermediate - Average Minutes		<=6.15
	CSR Senior - Average Minutes		<=6.15
Quality Monitoring Goal	CSR Associate - % Met	25.0%	90.00%
(Meet or Exceeds Quality Monitoring Goal)	CSR Intermediate - % Met		91.00%
	CSR Senior - % Met		91.00%
People Service Level	Customer Satisfaction	50.0%	82.00%
	Total Weight	100.0%	

Peoples Billing CSR - 2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
Bills Rendered Timely	Residential Bill With in Regulation Guidelines	25.0%	<99.991%
Dispute Resolution	Resolve Within Regulation Guidelines - Days	25.0%	
Peoples Service Level	Customer Satisfaction	50.0%	82.00%
	Total Weight	100.0%	

Peoples Credit and Collections CSR - 2025 Goals

Metric	Metric Component	Weight	Threshold - 50%
Process/Post Unapplied Cash	Post Unapplied Cash to Correct Account	25.0%	97.00%
Completion of Account Transfers	Transfers Final Account Balances to Active Accounts	25.0%	97.00%
Peoples Service Level	Customer Satisfaction	50.0%	82.00%
	Total Weight	100.0%	

2025 PSU Agreement

ESSENTIAL UTILITIES, INC.
AMENDED AND RESTATED EQUITY COMPENSATION PLAN

PERFORMANCE-BASED SHARE UNIT GRANT
TERMS AND CONDITIONS

1. Grant of Performance Units.

These Performance-Based Share Unit Grant Terms and Conditions (the "Grant Conditions") shall apply and be part of the grant made by Essential Utilities, Inc., a Pennsylvania corporation (the "Company"), to the Grantee named in the Performance-Based Share Unit Grant (the "Performance-Based Unit Grant") to which these Grant Conditions are attached (the "Grantee"), under the terms and provisions of the Essential Utilities, Inc. Amended and Restated Equity Compensation Plan, as amended and restated (the "Plan"). The applicable provisions of the Plan are incorporated into the Grant Conditions by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein). The Grantee is an employee of the Company, its subsidiaries, or its Affiliates (collectively, the "Employer").

Subject to the terms and vesting conditions hereinafter set forth, the Company, with the approval and at the direction of the Executive Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board"), has granted to the Grantee a target award (the "Target Award") of performance-based share units as specified in the Performance-Based Share Unit Grant (the "Performance Units"). The Performance Units are contingently awarded and shall be earned, vested and payable if and to the extent that the performance goals described on Schedule A (the "Performance Goals"), employment conditions and other conditions of these Grant Conditions are met. The Performance Units are granted with Dividend Equivalents (as defined in Section 6).

2. Vesting.

Except as otherwise set forth in these Grant Conditions, the Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals as of the end of the Performance Period, provided that the Grantee continues to be employed by the Employer through the Vesting Date stated on the Performance-Based Share Unit Grant (the "Vesting Date"). The "Performance Period" is the performance period beginning and ending on the applicable dates stated on the Performance-Based Share Unit Grant. The "Vesting Period" is the period beginning on the Grant Date and ending on the Vesting Date.

(a) Except as otherwise set forth in these Grant Conditions, at the end of the Performance Period, the Committee will determine whether and to what extent the Performance Goals have been met and the amount earned with respect to the Performance Units. The Grantee can earn up to two hundred percent (200%) of the Target Award based on the attainment of the Performance Goals.

(b) Except as described in Section 3 below, the Grantee must continue to be employed by the Employer throughout the Vesting Period in order for the Grantee to vest and receive payment with respect to the earned Performance Units.

(c) Except as specifically provided below, no Performance Units shall vest prior to the Vesting Date, and if the Performance Goals are not attained at the end of the Performance Period, the Performance Units shall be immediately forfeited and shall cease to be outstanding.

3. Termination of Employment on Account of Retirement, Death, or Disability.

(a) Except as described below, if the Grantee ceases to be employed by the Employer prior to the Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) If the Grantee ceases to be employed by the Employer during the Vesting Period on account of the Grantee's death or Disability, the Grantee's outstanding Performance Units shall remain outstanding through the Vesting Period and the Grantee shall earn Performance Units based on the attainment of the Performance Goals, as determined following the end of the Performance Period (or as described in Section 4, if applicable). The earned Performance Units shall be paid as described in Section 5.

(c) If the Grantee ceases to be employed by the Employer during the Vesting Period on account of Retirement (defined below), the Grantee shall earn a pro-rata portion of the outstanding Performance Units based on attainment of the Performance Goals, as determined following the end of the Performance Period (or as described in Section 4, if applicable). The pro-rated portion shall be determined based on the number of Performance Units earned based on the attainment of the Performance Goals during the Performance Period, multiplied by a fraction, the numerator of which is the number of completed full months following the Grant Date and prior to the Retirement Date in which the Grantee was employed by the Employer and the denominator of which is thirty-six (36). The pro-rated earned Performance Units shall be paid as described in Section 5.

(d) For purposes of these Grant Conditions, "Retirement" shall mean the Grantee's voluntary termination of employment after the Grantee has attained age fifty-five (55) and has five (5) full years of service with the Employer.

4. Change in Control.

(a) If a Change in Control occurs during the Vesting Period, the Grantee shall earn outstanding Performance Units as of the date of the Change in Control (the "Change in Control Date") as follows:

(i) If the Change in Control occurs before the end of the Performance Period, the Grantee shall earn the greater of (x) the number of Performance Units earned based on the attainment of the Performance Goals from the beginning of the Performance Period to the Change in Control Date, or (y) the Target Award.

(ii) If a Change in Control occurs after the end of the Performance Period but before the Vesting Date, the Grantee shall earn Performance Units based on the attainment of the Performance Goals as of the end of the Performance Period.

Performance Units earned as of the Change in Control Date, as described above in subsection (a)(i) or (ii), are referred to as the "CIC Earned Units." All reference in this Agreement to "Performance Units" includes CIC Earned Units on and after a Change in Control.

(b) The Grantee shall vest in the CIC Earned Units on the Vesting Date if the Grantee continues to be employed by the Employer through the Vesting Date. Except as described below, the CIC Earned Units shall only vest if the Grantee continues to be employed by the Employer through the Vesting Date.

(c) If prior to the Vesting Date, a Change in Control occurs and the Grantee ceases to be employed by the Employer upon or following a Change in Control on account of (i) the Grantee's Retirement, (ii) the Grantee's termination by the Company without Cause, or (iii) the Grantee's Disability or death, the CIC Earned Units shall vest as of the termination date.

(d) If the Grantee ceases to be employed by the Employer for any other reason before the Vesting Date, they shall forfeit Grantee the CIC Earned Units as of the date of termination.

5. Payment with Respect to Performance Units.

(a) Except as otherwise set forth in Section 4, if the Committee certifies that the Performance Goals and other conditions to payment of the Performance Units have been met, shares of Company Stock equal to the vested earned Performance Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and Section 16 below.

(b) If, prior to the Vesting Date, a Change in Control occurs and the Grantee continues to be employed by the Employer through the Vesting Date, shares of Company Stock (or other consideration, as described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and Section 16 below.

(c) If, prior to the Vesting Date, a Change in Control occurs and the Grantee ceases to be employed by the Employer on or after the Change in Control on account of (i) the Grantee's Retirement, (ii) the Grantee's termination by the Employer without Cause, or (iii) the Grantee's Disability or death, shares of Company Stock (or other consideration, as described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days following the Grantee's date of termination, subject to applicable tax withholding and Section 16 below.

(d) If the Grantee terminates employment on account of the Grantee's Disability, death or Retirement before a Change in Control, any outstanding Performance Units under Section 3(b) or 3(c) may be earned as CIC Earned Units pursuant to Section 4(a), but in the event such termination is on account of Retirement, such outstanding Performance Units shall be prorated by applying the fraction in Section 3(c), and such CIC Earned Units shall vest on the date of the Change in Control. Shares of Company Stock (or such other consideration, as

described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days after the Change in Control, subject to applicable tax withholding and Section 16 below.

(e) If, in connection with a Change in Control, shares of Company Stock are converted into the right to receive a cash payment or other form of consideration, the vested CIC Earned Units shall be payable in such form of consideration, as determined by the Committee.

(f) Any fractional shares with respect to vested earned Performance Units shall be paid to the Grantee in cash.

6. Dividend Equivalents with Respect to Performance Units.

(a) Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same vesting terms and other conditions as the Performance Units to which they relate. Dividend Equivalents shall be credited when dividends are declared on shares of Company Stock from the Grant Date until payment date for the vested earned Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records in a bookkeeping account for the Grantee. On each date on which a dividend is declared by the Company on Company Stock, the Company shall credit to the Grantee's account an amount equal to the Dividend Equivalents associated with the Performance Units held by the Grantee on the record date for the dividend. No interest will be credited to any such account.

(c) Dividend Equivalents shall be paid in cash at the same time as the underlying vested earned Performance Units are paid.

(d) Notwithstanding the foregoing, if shares of Company Stock are converted to cash as described in Section 5(f) above in connection with a Change in Control, Dividend Equivalents shall cease to be credited with respect to the Performance Units.

7. Certain Corporate Changes.

If any change is made to the Company Stock (whether by reason of merger, consolidation, reorganization, recapitalization, stock dividend, stock split, combination of shares, or exchange of shares or any other change in capital structure made without receipt of consideration), then unless such event or change results in the termination of all the Performance Units, the Committee shall adjust, in an equitable manner and as provided in the Plan, the number and class of shares underlying the Performance Units to reflect the effect of such event or change in the Company's capital structure in such a way as to preserve the value of the Performance Units, and the Committee shall adjust the Performance Goals as necessary to reflect the effect of such event or change in the Company's capital structure. Any adjustment that occurs under the terms of this Section 7 or the Plan will not change the timing or form of payment with respect to any Performance Units and will be consistent with Section 409A of the Code, to the extent applicable.

8. No Stockholder Rights.

No shares of Company Stock shall be issued to the Grantee at the time the grant is made, and the Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company with respect to any Performance Units recorded in the account, including no voting rights and no rights to receive dividends (other than Dividend Equivalents).

9. No Right to Continued Employment.

Neither the award of Performance Units, nor any other action taken with respect to the Performance Units, shall confer upon the Grantee any right to continue to be employed by the Employer or shall interfere in any way with the right of the Employer to terminate the Grantee's employment at any time, consistent with the terms of any written employment agreement between the Grantee and the Employer and applicable law.

10. Termination or Amendment.

These Grant Conditions and the award made hereunder may be terminated or amended by the Committee, in whole or in part, in accordance with the applicable terms of the Plan.

11. Notice.

Any notice to the Company provided for in these Grant Conditions shall be addressed to it in care of the Company's Chief Human Resources Officer, and any notice to the Grantee shall be addressed to the Grantee at the current address shown on the payroll system of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail, or enclosed in a properly sealed envelope addressed as stated above, registered, and deposited, postage and registry fee prepaid in the United States mail or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of these Grant Conditions, the Grantee hereby consents to the delivery of information (including without limitation, information required to be delivered to the Grantee pursuant to the applicable securities laws) regarding the Company, the Plan, and the Performance Units via the Company's electronic mail system or other electronic delivery system.

12. Incorporation of Plan by Reference.

The Performance-Based Share Unit Grant and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, these Grant Conditions, and/or the Performance Units shall be final and binding on the Grantee, his or her beneficiaries and any other person having or claiming an interest in the Performance Units. The settlement of any award with respect to the Performance Units is subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan as established from time to time by the Committee in

accordance with the provisions of the Plan. A copy of the Plan will be furnished to each Grantee upon request.

13. Income Taxes; Withholding Taxes.

The Grantee is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the award or settlement of Performance Units and Dividend Equivalents pursuant to these Grant Conditions. At the time of taxation, the Employer shall have the right to deduct from other compensation, or to withhold shares of Company Stock, in an amount equal to the federal (including FICA), state, local and foreign taxes and other amounts as may be required by law to be withheld with respect to the Performance Units, as approved in advance by the Committee.

14. Governing Law; Enforcement.

The validity, construction, interpretation and effect of the Performance-Based Share Unit Grant and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Pennsylvania, excluding any conflicts or choice of law rule or principle. The resolution of any dispute regarding, or the enforcement of, this Performance-Based Share Unit Grant and these Grant Conditions shall take place in a court of competent jurisdiction located within the Commonwealth of Pennsylvania, notwithstanding any dispute resolution terms that may exist under any employment agreement between the Grantee and the Company.

15. Assignment.

The Performance-Based Share Unit Grant and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A.

The Performance-Based Share Unit Grant and these Grant Conditions are intended to comply with Code Section 409A or an exemption, and payments may only be made under these Grant Conditions upon an event and in a manner permitted by Code Section 409A, to the extent applicable. Notwithstanding anything in these Grant Conditions to the contrary, if required by Code Section 409A, if the Grantee is considered a "specified employee" for purposes of Code Section 409A and if any payment under these Grant Conditions is required to be delayed for a period of six (6) months after separation from service pursuant to Code Section 409A, such payment shall be delayed as required by Code Section 409A, and the accumulated payment amounts shall be paid in a lump sum payment within ten (10) days after the end of the six (6)-month period. If the Grantee dies during the postponement period prior to payment, the amounts withheld on account of Code Section 409A shall be paid to the personal representative of the Grantee's estate within sixty (60) days after the date of the Grantee's death. Notwithstanding anything in these Grant Conditions to the contrary, if the Performance Units are subject to Code Section 409A and if required by Code Section 409A, any payments to be made upon a termination of employment under these Grant Conditions may only be made upon a "separation

from service" under Code Section 409A. In no event may the Grantee, directly or indirectly, designate the calendar year of a payment, except in accordance with Code Section 409A. Notwithstanding anything in these Grant Conditions to the contrary, if required by Code Section 409A, if CIC Earned Units are subject to Code Section 409A, and if a Change in Control is not a "change in control event" under Code Section 409A or the payment event does not occur upon or within two years following a "change in control event" under Code Section 409A, any vested CIC Earned Units shall be paid to the Grantee upon the Vesting Date and not on account of an earlier termination of employment.

17. Company Policies.

This Performance-Based Unit Grant and all shares issued pursuant to this grant shall be subject to any applicable recoupment or clawback policies and other policies implemented by the Board, as in effect from time to time.

* * *

Schedule A

Performance Goals for 2025 Performance Units

1. Performance Goals.

An employee's performance-based grants shall be earned based on Essential Utilities Inc.'s (the "Company") achievement of three performance goals, as follows:

- 40.00% of the employee's target performance-based award shall be earned based on the TSR (as defined below) rank as compared to the TSR of the other companies in the peer group described in Section 1 below.

- 30.00% of the employee's target performance-based award shall be earned based on the achievement of the budgeted three-year average return on earnings ("ROE") target from January 1, 2025 up to and through December 31, 2027, as described in Section 2 below.

- 30.00% of the employee's target performance-based award will be earned based on the achievement of maintaining Operating and Maintenance expenses ("Regulated O&M") over the three-year measurement period of 2025-2027, as described in Section 4 below.

2. Calculation of TSR.

(a) Relative total shareholder return ("TSR") means the Company's TSR relative to the TSR of each Peer Company in the Peer Group (as defined below) as applicable. At the end of the Performance Period, the TSR for the Company and each Peer Company in the Peer Group shall be calculated by dividing the Closing Average Share Value (as defined below) by the Opening Average Share Value (as defined below).

(b) The term "Closing Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the Performance Period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the two-month period ending immediately prior to the Change in Control.

(c) The term "Opening Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day prior to the beginning of the Performance Period, which shall be calculated as follows: (i)

determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the two-month period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

3. Performance Units Earned Based on Comparative TSR to the Peer Group. 40.00% (Forty percent) of the Target Award of Performance Units (the "Peer Group Portion") shall be earned based on the Company's TSR as compared to the TSR of the companies in the Peer Group for the Performance Period, in accordance with the following:

(a) The Peer Group for this purpose consists of:

Evergy, Inc	NiSource, Inc	Southwest Gas Holdings, Inc
American Water Works Co.	Atmos Energy Corp.	Alliant Energy Corp.
Portland General Electric Co.	OGE Energy Corp.	New Jersey Resources Corp.
ONE Gas, Inc.	Black Hills Corp.	Spire, Inc.
Avista Corp.	Northwestern Corp.	California Water Service Group
American States Water Co.		

(b) The Peer Group shall be subject to change as follows:

(i) In the event of a merger, acquisition, or business combination transaction of a Peer Company in which the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.

(ii) In the event of a merger, acquisition or business combination transaction of a Peer Company, a "going private" transaction or similar event involving a Peer Company or the liquidation of a Peer Company, in each case where the Peer Company is not the surviving entity or is no longer publicly traded, the TSR for the Peer Company shall be calculated by dividing the Closing Average Share Value (as defined below) using the date immediately prior to the merger, acquisition, or business combination transaction by the Opening Share Value (as defined below).

(iii) In the event of an announced merger, acquisition or business combination transaction of a Peer Company, a "going private" transaction or similar event involving a Peer Company or the liquidation of a Peer Company, or the announcement of an intention to enter into a merger, acquisition or business combination of a Peer Company, a "going private"

transaction or similar event, in each case where the Peer Company is not the surviving entity or is no longer publicly traded, the TSR for the Peer Company shall be calculated by dividing the Closing Average Share Value (as defined below) using the date immediately prior to the announcement of the merger, acquisition, or business combination by the Opening Share Value (as defined below).

(c) The term "Closing Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the Performance Period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the two-month period ending immediately prior to the Change in Control.

(d) The term "Opening Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day prior to the beginning of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the two-month period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

(e) The Peer Group Portion shall be earned based on how the Company's TSR ranks in comparison to the TSRs of the Peer Group in accordance with the following schedule, depending on how many companies remain in the Peer Group at the end of the Performance Period:

TSR Ranking Payout Schedule		
16 Peers + Essential (N=17, in total)		
Rank (including Essential)	Percentile Ranking	Payout as % of Target
1	100.0%	200.0%
2	93.7%	200.0%
3	87.5%	193.8%
4	81.2%	178.0%
5	75.0%	162.5%
6	68.7%	146.8%
7	62.5%	131.3%
8	56.2%	115.5%
9	50.0%	100.0%
10	43.7%	84.3%
11	37.5%	68.8%
12	31.2%	53.0%
13	25.0%	35.0%
14	18.7%	0.0%
15	12.5%	0.0%
16	6.2%	0.0%
17	0.0%	0.0%

4. Performance Units Earned Based on Return on Earnings. 30.00% (Thirty percent) of the employee's target performance-based award (the "ROE") shall be earned based on the Company's budgeted three-year average Return on Earnings target. The ROE Portion shall be calculated measured from January 1, 2025 up to and through December 31, 2027, according to the following schedule:

Average 3 Year ROE Budgeted Target	Attainment
8.50%	50%
8.73%	60%
8.97%	70%
9.21%	80%
9.45%	90%
9.69%	100%
9.75%	120%
9.81%	140%
9.87%	160%
9.93%	180%
10.00%	200%

If the ROE falls between the measuring points on the foregoing schedule, the percentage earned will be based on linear interpolation between the applicable measuring points.

Performance Units Earned Based on the Achievement of Targeted Operating and Maintenance Expenses. 30.00% (Thirty-point percent) of the employee's target performance-based award shall be earned based on the Company's achieving targets for the consolidated operations and maintenance expenses of the Company and its subsidiaries, but excluding operations and maintenance expenses from all market based activities from January 1, 2025 up to and through December 31, 2027 (the "Regulated O&M"). The Regulated O&M shall be calculated according to the following schedule:

O&M 3 Year Budget Target $000s	Attainment
$ 1,984,000	50%
$ 1,974,000	60%
$ 1,964,000	70%
$ 1,954,000	80%
$ 1,944,000	90%
$ 1,934,000	100%
$ 1,929,000	110%
$ 1,924,000	120%
$ 1,919,000	130%
$ 1,914,000	140%
$ 1,909,000	150%
$ 1,904,000	160%
$ 1,899,000	170%
$ 1,894,000	180%
$ 1,889,000	190%
$ 1,884,000	200%

If the Company's Regulated O&M falls between the measuring points on the foregoing schedule, the percentage vesting will be based on linear interpolation between the applicable measuring points.

(a) Performance shares awarded based on market conditions (the Company's relative TSR metrics) will be valued using a Monte Carlo simulation model.

(b) For performance shares awarded based on the internal metrics (Rate Base Growth & Target O&M Expenses), the grant date accounting value will equal the Company's share price assuming dividend equivalents as provided in shares actually earned.

5. General Terms. Any portion of the Performance Units that is not earned as of the end of the Performance Period shall be forfeited as of the end of the Performance Period (or as provided above upon an earlier Change in Control). In no event shall the maximum number of Performance Units that may be payable pursuant to these Grant Conditions exceed 200% of the Target Award.

PAPUC

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF INVESTIGATION & ENFORCEMENT

June 11, 2026

Via Electronic Mail

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Meagan Moore, Esq.
PNG Companies LLC
375 North Shore Drive, 4th Floor
Pittsburgh, PA 15212
meagan.moore@peoples-gas.com

Re: Pennsylvania Public Utility Commission v.
Peoples Natural Gas Company, LLC
Docket No. R-2026-3060855
I&E Interrogatories

Dear Counsel:

Enclosed please find the Bureau of Investigation and Enforcement's ("I&E") **Interrogatories Set RE (no. 54) - Okum** in the above-captioned proceeding. Please restate each Interrogatory before responding and start each Interrogatory and response on a separate page. The responses should identify the responding person(s).

The responses to these Interrogatories are due within ten (10) calendar days of service. Please provide your responses via email to the email address listed below.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Michael Podskoch

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

MAP/ac
Enclosures

cc: Matthew L. Homsher, Secretary (*Cover Letter and Certificate of Service only – via e-file*)
Per Certificate of Service

Instructions For Answers To Bureau of Investigation and Enforcement Interrogatories

1. These Bureau of Investigation and Enforcement (I&E) Interrogatories shall be deemed to be continuing. The Respondent is obliged to change, supplement and correct all answers to these interrogatories to conform to reasonably available information, including such information as becomes available to the Respondent after answers are filed.

2. Each answer should first restate the question asked and should also identify the person(s) supplying the information that constitutes any and all portions of the subject answer. If more than one person is listed, the primary sponsoring witness, for purposes of potential cross-examination at hearing, should be specifically identified.

3. All requested information within the knowledge, possession, control or custody of Respondent or that which may be reasonably ascertained by Respondent is to be provided. Specific references to the company or corporate name(s) or "the Company," or "you," as used herein includes agents, employees or other representatives.

4. As used herein, the word "document" or "workpaper" includes, but is not limited to, the original and/or all copies of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, e-mail messages, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium including electronic hard disks, floppy disks, CD, internet resources and/or magnetic media.

BUREAU OF INVESTIGATION & ENFORCEMENT INTERROGATORIES

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Analyst: Vanessa Okum

I&E-RE-54 Reference the Company's response to OCA-XII-15 and I&E-RE-52 regarding incentive compensation. Provide the following:

A. Total amount of long-term incentive compensation claimed in the FPFTY.

B. Identify the expense line on Peoples Exhibit No. 4, Schedule 1, p. 2 containing the long-term incentive compensation claim.

C. Identify which employees are eligible for long-term incentive compensation and whether they are employees of Peoples or a parent Company.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company, LLC	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Interrogatories** dated June 11, 2026, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Date Created	Filing Number
6/11/2026	3070604

Your filing has been electronically received. Upon review of the filing for conformity with the Commission's filing requirements, a notice will be issued acknowledging acceptance or rejection (with reason) of the filing. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

The date filed on will be the current day if the filing occurs on a business day before or at 4:30 p.m. (EST). It will be the next business day if the filing occurs after 4:30 p.m. (EST) or on weekends or holidays.

Docket Number: R-2026-3060855
Case Description:
Transmission Date: 6/11/2026 2:13 PM
Filed On: 6/11/2026 2:13 PM
eFiling Confirmation Number: 3070604

File Name	Document Type	Upload Date
R-2026-3060855 (Peoples BRC) I&E Interrogatories Set RE (no 54) - Okum CL&COS FINAL.pdf	Certificate of Service	6/11/2026 2:12:49 PM

For filings exceeding 250 pages, the PUC is requiring that filers submit one paper copy to the Secretary's Bureau within three business days of submitting the electronic filing online. Please mail the paper copy along with copy of this confirmation page to Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg PA 17120 a copy of the filing confirmation page or reference the filing confirmation number on the first page of the paper copy.

No paper submission is necessary for filings under 250 pages.

You can view a record of this filing and previous filings you have submitted to the PUC by using the links in the Filings menu at the top of the page. Filings that have been submitted within the last 30 days can be viewed by using the Recent Filings link. Older filings can be viewed by using the search options available in the Filing History link.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-017

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 11, Volume I, Exhibit No. 4, Schedule 22, and Peoples Statement No. 2, p. 14 concerning Outside Services – Contracted. Provide the following:

A. Reconciliation between the $19,781,638 provided in Schedule 1 versus the $21,704,759 provided in Schedule 22 for the fiscal year ended November 30, 2025.

B. Explanation of the FTY adjustment in line 6 of $1,090,063.

C. Explanation of the FPFTY adjustment in line 10 of ($924,520).

D. Documentation to support the 4.94% increase in the FTY and FPFTY.

E. Justification for use of a five-year annualized increase in costs.

Answer: Please see attached PDF concerning Outside Services - Contracted.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-17

A)

Schedule 1	19,781,638
+ Payment Processing	1,923,122
Schedule 22	21,704,759

The amount listed in Exhibit 4, Schedule 1 broke out Payment Processing onto it's own line item (Page 2, line 21). In Exhibit 4, Schedule 22, Payment Processing was included on the Outside Services-Contracted line item.

B) The FTY adjustment of $1,090,063 consists of the following:

1. Integrity Testing	300,000	
2. Bridge Work	(12,000)	Less spend in 2026 from 2025
3. Smart Pig Run	350,000	
4. CIS	230,357	
5. Bottle to bottle/CTC	101,706	
6. River Crossing Survey	120,000	
Total FTY Adjustment	**1,090,063**	

C) The FPFTY adjustment of ($924,520) consists of the following:

1. Integrity Testing	(100,000)	Less spend in 2027 from 2026
2. Bridge Work	(270,000)	Less spend in 2027 from 2026
3. Smart Pig Run	(450,000)	Less spend in 2027 from 2026
4. CIS	145,188	
5. Bottle to bottle/CTC	(129,708)	Less spend in 2027 from 2026
6. River Crossing Survey	(120,000)	Less spend in 2027 from 2026
Total FPFTY Adjustment	**(924,520)**	

D) The 4.94% annualized adjustment was an average of the prior 5 years

	CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM YTD Actual (01 - 12) (2020)		2024 v 2023	2023 v 2022	2022 v 2021	2021 v 2020	AVG YoY Adjustment - 5 years
Outside Services-Other	$ 35,373,346.81	$ 41,471,010.10	$ 37,227,352.31	$ 32,209,825.57	$ 29,969,625.25		-14.70%	11.40%	15.58%	7.47%	4.94%

D) Based upon a review of the information provided in C, the Company determined that the proposed percentage was the best indicator of future amounts.

I&E-RE-1

A)

	Twelve Months Ended				
	December 31, 2027	**November 30, 2026**	**November 30, 2025**	**November 30, 2024**	**November 30, 2023**
Cost Element Description					
Labor	$68,149,464	$64,619,709	$59,626,644	$61,585,908	$60,190,209
APIP/Incentive Compensation	6,125,473	5,840,387	6,618,724	6,796,478	6,472,482
Pension	3,164,136	3,164,136	3,857	102,647	1,809,422
Post Retirement Benefits Other Than Pensions	(143,537)	(143,537)	1,598,879	1,390,292	1,110,685
Other Employee Benefits	19,531,394	17,979,531	17,600,062	18,173,011	17,762,448
Outside Services - Contracted	24,942,152	24,194,548	21,704,759	21,402,059	17,938,575
Outside Services - IT	7,623,113	7,253,553	6,651,408	8,811,604	9,143,963
Outside Services - A&G	6,333,184	5,851,648	4,335,821	5,993,188	4,825,740
Building Leases	4,693,640	4,693,640	3,928,235	4,150,432	3,762,698
Corporate Insurance	5,929,933	5,178,667	6,213,492	5,668,377	5,284,165
Injuries and Damages	1,556,600	1,522,379	1,727,388	1,324,231	776,469
Travel	1,139,305	1,083,615	1,030,648	813,606	1,108,560
Company Memberships	1,220,436	1,138,743	1,062,518	949,894	920,748
Licenses & Permits	738,885	721,317	704,167	861,328	745,241
Utilities & Fuel Used in Company Operations	3,084,199	2,964,733	2,908,985	2,760,764	2,851,568
Public Relations	1,458,032	1,419,700	1,304,685	1,713,747	1,386,327
Fleet	836,976	790,448	746,507	1,261,287	2,062,672
Materials & Supplies	11,324,992	10,739,177	10,183,664	10,137,352	11,777,902
Other O&M	32,415,294	30,928,631	28,813,109	24,492,078	23,173,236
Rate Case Expense	960,000	960,000	1,515,799	288,000	-
Uncollectible Accounts	17,980,722	17,962,667	9,094,940	7,389,983	7,930,381
Subtotal	**219,064,393**	**208,863,692**	**187,374,292**	**186,066,267**	**181,033,491**
Total USP Rider	280,753	428,242	22,571,957	4,939,645	5,789,655
Total Operation and Maintenance Expense	**$219,345,146**	**$209,291,934**	**$209,946,248**	**$191,005,912**	**$186,823,146**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-018

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 12, Volume I, Exhibit No. 4, Schedule 22, and Peoples Statement No. 2, p. 14 concerning Outside Services – IT. Provide the following:

A. Explanation of the FTY adjustment in line 6 of $465,000.

B. Explanation of the FPFTY adjustment in line 10 of $220,000.

C. Documentation to support the 2.06% increase in the FTY and FPFTY.

D. Justification for use of a four-year annualized increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-18

A) The FTY Adjustment of $465,000 is due to the following items:

1. Open Text	94,000	Procure to Pay
2. Panaya	235,000	Test Management
3. Appeon	2,000	PowerBuilder
4. SAP	24,000	SAP
5. Atlassian	20,000	Jira
6. Infosys	90,000	Finance
Total FTY Adjustment	**465,000**	

B) The FPFTY Adjustment of $220,000 is due to the following items:

1. Urbint	150,000	One Call Risk Ranking
2. SentinelOne	70,000	EndPoint Security
3. GL Essentials	5,000	Gas Ops Compliance
Total FPFTY Adjustment	**225,000**	

C) The 2.06% annualized adjustment was an average of the prior 4 years

	CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)		2024 v 2023	2023 v 2022	2022 v 2021	AVG YoY Adjustment - 4 years
Outside Services-Comp Services	$ 11,844,096.48	$ 12,272,997.47	$ 11,713,663.64	$ 11,165,943.99		-3.49%	4.78%	4.91%	2.06%

D) Based upon a review of the information provided in C, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-019

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 13, Volume I, Exhibit No. 4, Schedule 22 and Peoples Statement No. 2, p. 14 concerning Outside Services – A&G. Provide the following:

A. Explanation of the HTY adjustment in line 2 of $1,070,904.

B. Documentation to support the 8.23% increase in the FTY and FPFTY.

C. Justification for use of a five-year annualized increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-19

A) The HTY Adjustment of $1,070,904 is related to a one-time reimbursement from Liberty Mutual related to the White Case that occurred during the HTY. It was removed because it was a one-time reimbursement.

B) The 8.23% annualized adjustment was an average of the prior 4 years normalized.

Company Code			CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM YTD Actual (01 - 12) (2020)	CM PYTD Actual (01 - 12) (2019)
1000/3100	Outside Services-Bldg&Ground	Building/Grds Maint	1,951,323.66	2,050,088.45	1,708,471.14	1,890,526.61	1,232,761.59	1,161,201.57
	Outside Services-Bldg&Ground	Security Equip Maint	109,037.54	102,770.66	137,303.47	139,142.40	186,724.74	200,470.12
	Outside Services-Bldg&Ground	Securty&Invstgtn Svc	432,201.55	410,702.63	386,638.16	305,004.11	246,401.16	226,206.80
	Outside Services-Accounting	Actg/Auditing Svcs	1,391,186.09	1,386,607.81	1,180,924.40	1,557,465.86	1,855,418.20	622,611.04
	Outside Services-Legal	Legal Services	3,362,979.00	3,558,851.74	2,894,960.79	2,778,961.42	1,388,076.56	986,843.75
	Outside Services-Temp Svcs	Prof/Temp Labor	315,415.92	221,214.04	57,234.60	82,105.50	45,643.85	107,458.45
	Outside Services-Collections	Collection Agencies	108,716.72	313,015.06	254,864.11	413,587.20	435,100.81	472,452.76
	Outside Services-Lab Testing	Testing Services	156,797.28	147,372.37	199,929.53	107,996.46	155,686.58	195,178.61

C) Based upon a review of the information provided in B, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-022

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 17 and Peoples Statement No. 2, p. 15 concerning travel expense. Provide the following:

A. Documentation to support the 5.14% increase in the FTY and FPFTY.

B. Justification for use of a five-year annualized increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-22

A) The 5.14% annualized increase is an average of the prior 5 years of actuals.

Company Code	CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM YTD Actual (01 - 12) (2020)	CM PYTD Actual (01 - 12) (2019)	
1000/3100	1,247,912	1,183,004	1,230,726	872,540	602,424	1,577,114	
							AVG
		5.5%	-3.9%	41.1%	44.8%	-61.8%	5.1%

B) Based upon a review of the information provided in A, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-023

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 18, Volume VIII, Exhibit No. 19, RR-32, and Peoples Statement No. 2, pp. 15-16 concerning company membership expense. Provide the following:

A. Detailed breakdown by category by membership similar to Volume VIII, Exhibit No. 19, RR-32 by year for the fiscal years ended November 30, 2023, 2024, 2025, and budgeted for the FTY and FPFTY claims.

B. Documentation to support the 7.17% increase in the FTY and FPFTY.

C. Justification for use of a two-year annualized increase in costs.

Answer: Please see attached PDF concerning company membership expense.

Submit Date: 5/1/2026

A)

Line No.	Description	2023	2024	HTY	FTY	FPFTY
1	African American Chamber of Commerce	5,240	-	10,000	10,717	11,486
2	AI Horizons	-	-	25,000	26,793	28,716
3	American Association of Blacks in Energy	-	-	2,500	2,679	2,872
4	American Gas Association (AGA)	550,419	543,207	603,593	646,894	693,302
5	Association for Materials Protection and Performance	-	-	3,904	4,184	4,484
6	Baker Botts LLP	-	14,520	-	-	-
7	Beaver County Chamber of Commerce	720	720	1,000	1,072	1,149
8	Builders Association of Metropolitan Pittsburgh	-	850	-	-	-
9	Chamber of Commerce Greater Philadelphia	5,000	-	-	-	-
10	Common Ground Alliance	-	2,500	2,500	2,679	2,872
11	Curate Solutions Inc	11,928	11,928	11,928	12,784	13,701
12	Downtown Neighbors Alliance	-	1,000	4,500	4,823	5,169
13	Energy & Mineral Law Foundation	-	1,075	-	-	-
14	Energy Association of Pennsylvania	184,091	183,883	197,577	211,751	226,942
15	Energy Solutions Center Inc	14,530	5,000	32,700	35,046	37,560
16	Greater Pittsburgh Chamber of Commerce	-	4,500	4,500	4,823	5,169
17	Innovate Utility CX Conference	-	-	3,489	3,739	4,008
18	ITRON	-	-	3,490	3,740	4,009
19	Leadership Pittsburgh Inc	-	-	11,600	12,432	13,324
20	Leadership Washington County	-	2,500	-	-	-
21	Marcellus Shale Coalition	-	18,000	9,875	10,583	11,343
22	Mon Yough Area Chamber of Commerce	-	915	-	-	-
23	NACE International	10,394	-	-	-	-
24	NAFA Fleet Management	1,569	1,569	-	-	-
25	National Association of Regulatory Utility Commissioners	-	1,495	-	-	-
26	National Energy & Utility Affordability Coalition	1,273	1,379	-	-	-
27	North Side Chamber of Commerce	1,000	3,000	9,500	10,182	10,912
28	Pennsylvania Attorney Annual Registration	-	-	1,259	1,349	1,446
29	Pennsylvania Chamber of Business & Industry	17,350	42,005	19,375	20,765	22,255
30	Pittsburgh Airport Area Chamber of Commerce	1,526	-	2,436	2,611	2,798
31	Pittsburgh Downtown Partnership	-	12,500	12,500	13,397	14,358
32	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce	-		1,000	1,072	1,149
33	Pittsburgh Region Clean Cities	4,000	2,000	-	-	-
34	Pittsburgh Technology Council	9,650	9,650	10,185	10,916	11,699
35	Pittsburgh Works Together Inc	50,000	50,000	45,833	49,121	52,645
36	US Department of Transportation	3,935	-	-	-	-
37	University of Pittsburgh	15,000	-	-	-	-
38	ViaData LP	1,636	1,439	-	-	-
39	VisitPittsburgh	-	7,330	5,530	5,927	6,352
40	Washington County Chamber of Commerce	505	-	-	-	-
41	Womens Business Enterprise Center	5,000	6,500	6,500	6,966	7,466
42	Womens Business Enterprise National	8,500	-	-	-	-
43	Other Dues and Memberships < $1000	17,482	20,427	20,244	21,697	23,253
	Total of payments made to industry organizations	**920,748**	**949,894**	**1,062,518**	**1,138,743**	**1,220,436**

B) The 7.17% annualized increase is an average of the prior 3 years of AGA and Energy Association Invoices, excluding Lobbying.

AGA INVOICES					AGA INVOICES	ENERGY ASSOCIATION INVOICES	
	PNG	LOBBYING PNG	TOTAL PNG		PNG	PNG	
2022	495,111.82	26,607.70	521,719.52	Lobbying – 5.1%	468,504.12	153,495.42	
2023	526,055.13	18,515.40	544,570.52	Lobbying = 3.4%	507,539.73	160,868.78	
2024	553,830.55	24,884.76	578,715.31	Lobbying = 4.3%	528,945.80	177,739.89	PNG
							Average Increase
					6.5%	7.9%	7.2%
					Weighted Avg w/o Lobbying	*Weighted Avg w/o Lobbying*	

ENERGY ASSOCIATION INVOICES	PNG	LOBBYING PNG	TOTAL PNG	
2022	163,293.00	9,797.58	173,090.58	6% Lobbying
2023	171,137.00	10,268.22	181,405.22	3% Lobbying
2024	183,237.00	5,497.11	188,734.11	3% Lobbying

C) Based upon a review of the information provided in B, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-024

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 19 and Peoples Statement No. 2, p. 16 concerning licenses and permits. Provide the following:

A. Documentation to support the 2.44% increase in the FTY and FPFTY.

B. Justification for use of a four-year annualized increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-24

A) The 2.44% annualized increase is an average of the prior 4 years of actuals.

	CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)		2024 v 2023	2023 v 2022	2022 v 2021	AVG YoY Adjustment - 4 years
License & Permits	$ 1,167,349.27	$ 1,049,570.94	$ 921,882.79	$ 1,121,044.01		11.22%	13.85%	-17.77%	2.44%

B) Based upon a review of the information provided in D, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-025

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 20 and Peoples Statement No. 2, p. 16 concerning Utilities & Fuel Used in Company Operations. Provide documentation to support the 4.03% increase in the FTY and FPFTY as well as a justification for this method.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-25

The 4.03% annualized increase is the weighted average of the prior 2 years of actuals.

		HTY	NOV 24	NOV 23		
PNG		PNG	PNG	PNG		
5309010	Utils-Electric/Gas	1,360,639	1,121,899	1,210,280		
5309020	Utilities - Phone	1,743,761	1,348,997	1,389,871		
5309021	Utilities - Wireless	902,320	1,218,900	1,154,754		
5309030	Utilities - Water	122,948	72,153	66,769		
	Total	**4,129,667**	**3,761,950**	**3,821,673**	4.03%	AVERAGE

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-036

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 32 concerning inflation, provide copies of Consumer Price Index source documents and supporting detailed calculations used to arrive at the inflation factor of 2.70% for the FTY and FPFTY. Indicate all applications (i.e., affected expense lines/filing schedules) of this inflation factor.

Answer: Please see the attachment for supporting documentation of the 2.70% inflation factor, along with all affected expense lines of this inflation factor.

Submit Date: 5/1/2026

Please see additional PDF documentation showing support for 2.70% inflation factor. Expense

lines/Schedules affected are as follows:

1 Advertising Expense - Exhibit 4, Schedule 1, Page 21, Lines 5-9

2 Payment Processing - Exhibit 4, Schedule 4, Page 26, Line 10

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-051

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit 4, Schedule 4 concerning advertising expense. Provide the following:

A. Detailed breakdown of the following for the fiscal year ended November 30, 2025:

1. Broadcast – Public Health and Safety - $48,020.
2. Creative Production – Public Health and Safety - $136,081.
3. Digital – Explanation of Billing Practices, Rates, etc. - $25,574.
4. Digital – Public Health and Safety - $144,828.
5. Other – Public Health and Safety - $1,416,561.
6. PR Firm – Explanation of Billing Practices, Rates, etc. - $49,569.
7. Print – Public Health and Safety - $7,043.

B. Provide samples of each type of advertising listed in Part A above.

C. Identify all sponsorships or sports partnerships included in Part A above.

D. Identify criteria for advertising expenses to be capitalized.

Answer: A. Please see attachment I&E RE-051 Attachment 1.

B. Please refer to the submission provided in response to OCA VI-003.

C. Please refer to I&E RE-051 Attachment 1 provided in response to part A.5 above.

Pittsburgh Penguins LP – $262,182

Pittsburgh Steelers LLC – $918,791

Lozinak Professional Baseball LLC - Altoona Curve - $203,461

D. Advertising is only capitalized if it is directly related to a capital project which is unlikely. No advertising costs are capitalized through overhead surcharges.

Submit Date: 6/3/2026

A.1.
Broadcast – Public Health and Safety - $48,020.

Vendor	Amount	Description
AUDACY OPERATIONS, INC.	$ 7,200	Five Alarm Fire Radiothon on KDKA-FM to support Volunteer Fire Departments and promote Safe Digging. Pittsburgh July 4 Fireworks Radio simulcast to promote Safe Digging & inform public of safety/reliability needs addressed by pipeline replacement programs.
CBS INTERACTIVE INC	$ 10,100	KDKA-TV - Appearance with Skyview (West Mifflin) Volunteer Fire Department sharing Summer Gas Safety tips. CBSPittsburgh.com ads - How to detect and report Gas Leaks. KDKA-TV - Modernization commercial informing of safety & reliability needs addressed by pipeline replacement programs.
PITTSBURGH COMMUNITY BROADCAST	$ 4,320	WESA-FM raising awareness of Customer Assistance Programs + Donating to Dollar Energy Fund to support neighbors in need.
YAJAGOFF MEDIA LLC	$ 26,400	Content Creation for Peoples Social Media Channels, KDKA-AM Radio & YaJagoff podcast/streaming programming - promote Gas Safety, Safe Digging, Customer Assistance Programs, and Peoples Community Relations.
Total	**$ 48,020**	

A.2.
Creative Production – Public Health and Safety - $136,081.

Vendor	Amount	Description
CAPITAL ANALYTICS ASSOCIATION	$ 6,000	Sponsorship - Invest: Pittsburgh 2026 - interview with company President detailing commitments to infrastructure modernization and the public safety & health
PIPITONE GROUP	$ 130,081	2025 1307(f) filing advertisements. Newspaper ad placements for How to Detect & Report a Gas Leak. Trade Media Campaigns in Pittsburgh Business Times & Braking Ground: Data Center / On-Site Power Generation and Construction Heat. Data Centre Magazine (print & digital publication), promoting company capabilities to support data center development.
Total	**$ 136,081**	

A.3.
Digital – Explanation of Billing Practices, Rates, etc. - $25,574.

Vendor	Amount	Description
FACEBOOK	$ 4,074	Social Media Advertising. Primary topics: Safe Digging, Carbon Monoxide Awareness, How to Detect & Report Gas Leaks.
BUTLER RADIO NETWORK	$ 21,500	Radio ad placements used to promote: How to Detect & Report Gas Leaks, Heating Season Furnace Safety/Efficiency, Customer Assistance Programs. Digital content for Butler County Parade.
Total	**$ 25,574**	

A.4.
Digital – Public Health and Safety - $144,828.

Vendor	Amount	Description
IHEART MEDIA	$ 143,628	Radio & Streaming Digital Advertising - Carbon Monoxide Awareness, How to Detect & Respond to Gas Leaks, Safe Digging Promotion.
LOCAL GOVERNMENT ACADEMY	$ 1,200	Government Affairs Golf Event sponsorship
Total	**$ 144,828**	

A.5.
Other – Public Health and Safety - $1,416,561.

Vendor	Amount	Description
PENNSYLVANIA ONE CALL SYSTEM INC	$ 5,000	Damage Prevention Practices. Safety Day Sponsorship, Ads and Exhibits - Canonsburg, PA.
FACEBOOK	$ 27,126	Safe Digging, How to Detect & Respond to Gas Leaks, Seasonal Safety Advice, Carbon Monoxide Awareness, Infrastructure Modernization to ensure public safety, Customer Assistance Programs, and other topics.
LOZINAK PROFESSIONAL BASEBALL LLC	$ 203,462	Altoona Curve Baseball Sports Partnership - Promoting Safe Digging & Natural Gas Safety.
PITTSBURGH PENGUINS LP	$ 262,182	Pittsburgh Penguins Hockey Sports Partnership - Carbon Monoxide Awareness & Natural Gas Safety.
PITTSBURGH STEELERS LLC	$ 918,791	Pittsburgh Steelers Football Sports Partnership - How to Detect & Respond to Gas Leaks.
Total	**$ 1,416,561**	

A.6.
PR Firm – Explanation of Billing Practices, Rates, etc. - $49,569.

Vendor	Amount	Description
HARMELIN MEDIA	$ 49,569	Customer Assistance Programs campaign during Winter Heating Season - Advertising via Streaming Broadcast & Out of Home (billboards, public transportation).
Total	**$ 49,569**	

A.7.
Print – Public Health and Safety - $7,043.

Vendor	Amount	Description
JMC PUBLICATIONS GRAPHIC	$ 1,080	Western Pennsylvania Guide to Good Health - Ad, editorial banner for Customer Assistance Programs.
MINUTEMAN PRESS	$ 5,962	Printing - Customer Assistance Programs: informational handouts, employee business cards, postcards. Door hangers about Pipe Replacement Program Projects. Signage for Community Charitable event - Stuff A Truck with School Supplies.
Total	**$ 7,043**	

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-026

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 21, Peoples Volume I, Exhibit No. 4, Schedule 4, and Peoples Statement No. 2, p. 16 concerning advertising expense. Provide the following:

A. Detailed breakdown of the HTY Adjustment of $77,691.

B. Reconciliation of the HTY expense of $1,999,984 in Exhibit No. 4, Schedule 4 and $1,382,376 in Exhibit No. 4, Schedule 1, p. 21.

C. Documentation to support the 2.70% increase in the FTY and FPFTY as well as a justification for this method.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

A) The HTY Adjustment of $77,691 is comprised of the following:

(47,309)	Total of Other Advertising Programs (from Exhibit 4, Schedule 4)
125,000	PNG Holiday Market Sponsorship 2024 (from Exhibit 4, Schedule 4)
77,691	

B) Please reference below reconciliation:

1,999,984	Exhibit 4, Schedule 4
(631,694)	Less: Capitalization
(63,605)	Other
77,691	HTY Adjustment (see response to Part A.)
1,382,376	

C) The 2.70% annualized increase is an average of the prior 2 years of actuals.

	Company Code	Cost Element		CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)
Public Relations	**1000**	5303830	Advertising	$ 2,226,648.14	$ 2,141,761.02
		5304360	Promotion Supplies	$ 66,650.00	$ 90,805.53
	1000			$ 2,293,298.14	$ 2,232,566.55
	1000				2.7%

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-027

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2, Volume I, Exhibit No. 4, Schedule 1, p. 22 and Peoples Statement No. 2, p. 17 concerning fleet expense. Provide the following:

A. Detailed breakdown by category for the fiscal years ended November 30, 2023, 2024, 2025, and budgeted for the FTY and FPFTY claims.

B. Documentation to support the 5.89% increase in the FTY and FPFTY as well as a justification for this method.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-27

A) TME November 30, 2023

	TOTAL
Gasoline	3,712,339
Fuel-Off Hwy Equip	22,396
Vehicle Purchases	(209)
Vehicle Billing	(146,625)
Vehicle Usage-2200	140,678
VEHICLE USAGE	(1,432,426)
POWER OPERATED EQUIP	(239,132)
VEH INDIRECTS	(572,170)
DEPRECIATION/AMORT.	(2,003,583)
Auto Repairs/Maint	2,302,804
Auto Parts & Supply	278,600
Total	**2,062,672**

TME November 30, 2024

	TOTAL
Gasoline	3,610,554
Fuel-Off Hwy Equip	6,696
Vehicle Purchases	48,852
Vehicle Billing	(180,023)
Vehicle Usage-2200	175,473
VEHICLE USAGE	(1,562,901)
POWER OPERATED EQUIP	(266,728)
VEH INDIRECTS	(584,763)
DEPRECIATION/AMORT.	(2,195,093)
Auto Repairs/Maint	1,877,651
Auto Parts & Supply	331,569
Total	**1,261,287**

TME November 30, 2025

	TOTAL
Gasoline	2,821,624
Fuel-Off Hwy Equip	74,693
Vehicle Purchases	(39,389)
Vehicle Billing	(176,512)
Vehicle Usage-2200	173,348
VEHICLE USAGE	(1,668,606)
POWER OPERATED EQUIP	(215,345)
VEH INDIRECTS	(489,094)
DEPRECIATION/AMORT.	(2,218,531)
Auto Repairs/Maint	1,912,343
Auto Parts & Supply	571,976
Total	**746,507**

TME November 30, 2026

	TOTAL
Gasoline	2,987,712
Fuel-Off Hwy Equip	79,089
Vehicle Purchases	(41,707)
Vehicle Billing	(186,902)
Vehicle Usage-2200	183,552
VEHICLE USAGE	(1,766,824)
POWER OPERATED EQUIP	(228,020)
VEH INDIRECTS	(517,883)
DEPRECIATION/AMORT.	(2,349,119)
Auto Repairs/Maint	2,024,908
Auto Parts & Supply	605,644
Total	**790,448**

TME December 31, 2027

	TOTAL
Gasoline	3,163,575
Fuel-Off Hwy Equip	83,745
Vehicle Purchases	(44,162)
Vehicle Billing	(197,904)
Vehicle Usage-2200	194,356
VEHICLE USAGE	(1,870,824)
POWER OPERATED EQUIP	(241,442)
VEH INDIRECTS	(548,367)
DEPRECIATION/AMORT.	(2,487,393)
Auto Repairs/Maint	2,144,098
Auto Parts & Supply	641,294
Total	**836,976**

B) The 5.89% annualized increase is an average of the prior 5 years of actuals.

	CM YTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM YTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM YTD Actual (01 - 12) (2020)		2024 v 2023	2023 v 2022	2022 v 2021	2021 v 2020	AVG YoY Adjustment - 5 years	
Fuel	$ 3,553,763.34	$ 3,740,459.80	$ 4,111,947.93	$ 2,900,402.63	$ 2,300,511.35		-4.99%	-9.03%	41.77%	26.08%	13.46%	5.89%
Other Transportation	-$ 4,723,825.17	-$ 4,265,507.83	-$ 4,134,663.39	-$ 3,792,620.49	-$ 3,056,453.32		10.74%	3.16%	9.02%	24.09%	11.75%	
Service & Maintenance	$ 2,218,407.40	$ 2,519,019.41	$ 2,291,042.07	$ 2,523,359.69	$ 3,115,710.84		-11.93%	9.95%	-9.21%	-19.01%	-7.55%	

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-028

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 2, Volume I, Exhibit No. 4, Schedule 1, p. 25, Volume I, Exhibit No. 4, Schedule 22, and Peoples Statement No. 2, p. 21 concerning Materials & Supplies expense. Provide the following:

A. Detailed breakdown by category for the fiscal years ended November 30, 2023, 2024, 2025, and budgeted for the FTY and FPFTY claims.

B. Documentation to support the 5.45% increase in the FTY and FPFTY.

C. Justification for use of a five-year annualized increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

A) TME November 30, 2023

	TOTAL
Material Exp-Stock	4,872,471
Material Exp-Stk Cr	4,747
Material Exp-Cst Dif	450
Material Exp-Obslete	-
Material Exp-Inv Rvl	535,839
Material Exp-Non Stk	1,326,763
Tool & Work Equip	302,015
M&S-SafetySuppl	168,465
Pstge/Shppng/Frght	2,570,949
Safety Functions	173,561
Office Supplies	65,434
Sftwr/Hrdwr Purchase	618,953
Office Furn & Equip	37,726
Misc Supplies	1,078,944
Purchsng Card Exp MC	21,583
Total	**11,777,902**

TME November 30, 2024

	TOTAL
Material Exp-Stock	4,458,180
Material Exp-Stk Cr	36
Material Exp-Cst Dif	(7,008)
Material Exp-Obslete	-
Material Exp-Inv Rvl	48,078
Material Exp-Non Stk	1,274,511
Tool & Work Equip	223,426
M&S-SafetySuppl	121,554
Pstge/Shppng/Frght	2,276,121
Safety Functions	139,837
Office Supplies	70,885
Sftwr/Hrdwr Purchase	317,809
Office Furn & Equip	48,766
Misc Supplies	1,156,348
Purchsng Card Exp MC	8,810
Total	**10,137,352**

TME November 30, 2025

	TOTAL
Material Exp-Stock	4,235,849
Material Exp-Stk Cr	65
Material Exp-Cst Dif	(1,885)
Material Exp-Obslete	4,265
Material Exp-Inv Rvl	(33,151)
Material Exp-Non Stk	1,336,544
Tool & Work Equip	226,281
M&S-SafetySuppl	108,479
Pstge/Shppng/Frght	2,933,507
Safety Functions	208,493
Office Supplies	62,489
Sftwr/Hrdwr Purchase	146,459
Office Furn & Equip	18,829
Misc Supplies	857,132
Purchsng Card Exp MC	80,310
Total	**10,183,664**

TME November 30, 2026

	TOTAL
Material Exp-Stock	4,466,912
Material Exp-Stk Cr	68
Material Exp-Cst Dif	(1,988)
Material Exp-Obslete	4,498
Material Exp-Inv Rvl	(34,959)
Material Exp-Non Stk	1,409,452
Tool & Work Equip	238,624
M&S-SafetySuppl	114,397
Pstge/Shppng/Frght	3,093,528
Safety Functions	219,866
Office Supplies	65,898
Sftwr/Hrdwr Purchase	154,448
Office Furn & Equip	19,856
Misc Supplies	903,888
Purchsng Card Exp MC	84,691
Total	**10,739,177**

TME December 31, 2027

	TOTAL
Material Exp-Stock	4,710,579
Material Exp-Stk Cr	72
Material Exp-Cst Dif	(2,096)
Material Exp-Obslete	4,743
Material Exp-Inv Rvl	(36,866)
Material Exp-Non Stk	1,486,336
Tool & Work Equip	251,641
M&S-SafetySuppl	120,637
Pstge/Shppng/Frght	3,262,278
Safety Functions	231,859
Office Supplies	69,492
Sftwr/Hrdwr Purchase	162,873
Office Furn & Equip	20,939
Misc Supplies	953,194
Purchsng Card Exp MC	89,311
Total	**11,324,992**

B) The 5.45% annualized increase is an average of the prior 5 years of actuals.

	Cost Element		CM CYTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM CYTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM CYTD Actual (01 - 12) (2020)	
Supplies	5304100	Material Exp-Stock	$ 6,191,514.30	$ 5,959,578.20	$ 5,398,003.43	$ 4,651,333.52	$ 4,441,778.17	
	5304105	Material Exp-Stk Cr	$ 49.20	$ 5,926.91	$ 32.77	$ 6.70	$ 35.59	
	5304110	Material Exp-Cst Dif	-$ 9,478.05	$ 562.02	$ 168.09	-$ 4,631.50	$ 748.13	
	5304120	Material Exp-Obslete					$ 8,030.47	
	5304140	Material Exp-Inv Rvl	-$ 37,620.05	$ 642,486.16	$ 347,026.52	$ 137,844.69	$ 117,516.85	
	5304200	Material Exp-Non Stk	$ 1,699,209.52	$ 1,619,511.01	$ 2,908,563.65	$ 2,491,130.68	$ 2,109,592.34	
	5304370	Tool & Work Equip	$ 306,156.56	$ 356,641.61	$ 302,313.53	$ 239,514.02	$ 195,594.40	
	5304380	M&S-SafetySuppl	$ 185,367.78	$ 192,077.47	$ 242,393.98	$ 11,789.10		
Mail & Postage	5304320	Pstge/Shppng/Frght	$ 3,674,697.81	$ 3,406,668.03	$ 3,111,131.33	$ 3,214,905.52	$ 3,228,067.36	
Other Office Supplies	5302940	Safety Functions	$ 205,468.34	$ 194,288.53	$ 90,660.61	$ 306,967.32	$ 294,103.73	
	5304310	Office Supplies	$ 99,892.36	$ 75,285.32	$ 98,478.89	$ 101,696.08	$ 91,569.94	
	5304340	Sftwr/Hrdwr Purchase	$ 636,614.74	$ 585,355.62	$ 236,020.42	$ 356,324.23	$ 449,489.57	
	5304350	Office Furn & Equip	$ 66,481.80	$ 46,852.07	$ 78,195.10	$ 52,982.00	$ 89,265.81	
	5304390	Misc Supplies	$ 1,526,286.55	$ 1,579,418.77	$ 759,487.02	$ 777,370.16	$ 886,894.84	
	5304410	Purchsng Card Exp MC	$ 39,196.11	$ 18,112.64	$ 60,867.95	$ 63,019.55	-$ 29,721.34	
	5304991	MiscMat&Supplies2200	$ 45,817.29	$ 27,958.50	$ 213,968.04	$ 111,140.14	-$ 19,102.66	
	5309010	Utils-Electric/Gas	$ 1,241,496.80	$ 1,178,684.59	$ 1,400,444.95	$ 1,224,183.75	$ 1,278,750.85	
	5309020	Utilities - Phone	$ 1,388,320.82	$ 1,316,670.51	$ 1,603,378.14	$ 1,639,868.95	$ 1,529,750.67	
	5309021	Utilities - Wireless	$ 1,144,805.23	$ 1,149,974.27	$ 1,016,586.75	$ 862,216.91	$ 1,054,186.24	
	5309030	Utilities - Water	$ 75,898.27	$ 64,747.54	$ 58,532.92	$ 67,597.03	$ 50,128.01	
			$ 14,629,654.26	**$ 14,710,722.86**	**$ 13,847,311.33**	**$ 12,511,392.21**	**$ 11,863,863.20**	
				-0.6%	6.2%	10.7%	5.5%	
							5.45%	5-year average

C) Based upon a review of the information provided in B, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-031

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 1, p. 26 and Peoples Statement No. 2, p. 18 concerning payment processing fee expense. Provide the following:

A. Detailed basis and calculation for the FPFTY adjustment of $77,284.

B. Documentation to support the 22.0% increase in the FTY and FPFTY.

C. Justification for use of a two-year average increase in costs.

Answer: Refer to the attachment.

Submit Date: 5/1/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
I&E-RE-31

A) The calculation for the FPFTY adjustment of $77,284 is as follows:

2,346,209	Exhibit 4, Schedule 1, Page 26, Line 7
516,166	Exhibit 4, Schedule 1, Page 26, Line 9
2,862,375	
2.7%	FPFTY Increase (CPI - November 2025)
77,284	

CONSUMER PRICE INDEX – NOVEMBER 2025

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis over the 2 months from September 2025 to November 2025, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.7 percent before seasonal adjustment. BLS did not collect survey data for October 2025 due to a lapse in appropriations.

B) The 22.0% annualized increase is based upon the 2-year increase of credit card payment fees

TME		
11/30/2024	1,146,369	10.12%
11/30/2025	1,528,359	33.32%
Total	5,611,699	
	-	
Increase '23 v '25-Quant.	487,354	
Increase '23 v '25-%	22%	Avg %

c) Based upon a review of the information provided in C, the Company determined that the proposed percentage was the best indicator of future amounts.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-032

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, p. 27 concerning rate case expense. Provide the following information for the last three base rate cases filed with the Commission:

A. Docket number, date of filing, and method of resolution (i.e., settlement or litigation).

B. Requested rate case expense and actual rate case expense incurred and a breakdown of actual expenses incurred by category (e.g., consulting services, legal fees, miscellaneous costs) for each case listed in response to Part A above.

Answer: Please refer to the attachment.

Submit Date: 5/1/2026

A)

Docket #	Date of Filing	Method of Resolution
R-2012-2285985 (Peoples)	2/28/2012	Settlement
R-2018-3006818 (Peoples)	1/29/2019	Settlement
R-2023-3044549 (Peoples)	12/29/2023	Non-Unanimous Settlement (recommended by the ALJ)

B)

Docket #	Requested Expense	Actual Rate Case Expense
R-2012-2285985	$1,549,466	$775,929
R-2018-3006818	$2,389,000	$2,137,899
R-2023-3044549 (Peoples)	$2,062,000	$2,144,243

By Category Breakdown:

	2012 Case	2018 Case	2023 Case
Consultant Services	206,090	1,063,843	1,256,653
Legal Fees	562,403	906,526	885,000
Miscellaneous Costs	7,437	75,354	938
Advertising Fees	-	80,079	-
Travel & Entertainment	-	12,096	1,651
Total Rate Case Expense	**775,930**	**2,137,899**	**2,144,243**

Line No.	Description (A)	Revenue Lag (B)	Expense Lead (C)	Net Lag (D)	CWC Factor (E)	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	70,110,526	8,309,925
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,465,258	3,167,164
4	**Taxes Other Than Income Taxes**	58.93	68.92	(10.00)	(0.0274)	13,425,396	(367,799)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	96,288,506	4,236,532
	Income Taxes						
6	State	58.93	53.61	5.31	0.0146	175,807	2,559
7	Federal	58.93	35.63	23.30	0.0638	(80,732,103)	(5,153,599)
	Interest Expense						
8	Long Term Debt	58.93	57.92	1.00	0.0027	121,014,900	332,667
9	Short Term Debt		-	-	-		-
10	**Total**					$ 744,667,679	$ 45,745,893

I&E Statement No. 1-R
Witness: Vanessa Okum

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Rebuttal Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

LOW-INCOME PROGRAMS

INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Vanessa Okum. My business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial Analyst.

Q. ARE YOU THE SAME VANESSA OKUM WHO SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted I&E Statement No. 1 Proprietary, I&E Statement No. 1 Non-Proprietary, I&E Exhibit No. 1 Proprietary, and I&E Exhibit No. 1 Non-Proprietary.

Q. DOES YOUR REBUTTAL TESTIMONY INCLUDE AN ACCOMPANYING EXHIBIT?

A. Yes. I&E Exhibit No. 1-R supports my rebuttal testimony.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of Pennsylvania Weatherization Providers Task Force (PWPTF) witness Jennifer Warabak,[1] which addresses concerns regarding the base rate case filing of Peoples Natural Gas Company LLC (Peoples or Company).

Q. SUMMARIZE MS. WARABAK'S RECOMMENDATION REGARDING THE COMPANY'S LOW-INCOME USAGE REDUCTION PROGRAM (LIURP).

A. Ms. Warabak points out that despite the Company's large number of low-income customers, Peoples has served a decreasing number of customers over the last several years with its LIURP program, totaling 170 customers in 2025. Ms. Warabak recommends that the number of LIURP customers served should be increased by 75. She asserts that the approximate average LIURP cost per job is just over $13,000, therefore a $975,000 increase in annual LIURP funding would be needed to accommodate the additional 75 customers.[2]

[1] PWPTF Statement No. 1.
[2] PWPTF Statement No. 1, pp. 6-7.

Q. DO YOU OPPOSE MS. WARABAK'S RECOMMENDATION TO SERVE AN ADDITIONAL 75 LIURP CUSTOMERS?

A. No, I do not oppose her recommendation that 75 additional customers should be served by LIURP.

Q. DO YOU AGREE WITH MS. WARABAK'S ASSERTION THAT A $975,000 INCREASE IN LIURP FUNDING IS NEEDED TO SERVE AN ADDITIONAL 75 CUSTOMERS?

A. No. While Ms. Warabak is correct in pointing out the declining number of customers served by the LIURP, I disagree that an increase of 75 customers would require an increase in LIURP funding of $975,000.

Q. WOULD ANY INCREASE IN LIURP FUNDING BE NECESSARY TO ACCOMMODATE AN INCREASE OF 75 LIURP CUSTOMERS?

A. No. Ms. Warabak recommends the Company serve an additional 75 LIURP customers, or a total of 245 (170 + 75) customers. At Ms. Warabak's assumed average of $13,000 per job, this requires a total budget of $3,185,000 (245 x $13,000), which is less than the Company's minimum annual LIURP budget of $3,500,000 agreed to in the Low-Income Stipulation at Docket No. R-2023-3044549.[3] My calculation shows a slightly higher average job cost of $13,841,[4]

[3] *Pa. PUC v. Peoples Natural Gas Company LLC,* Docket No. R-2023-3044549, Opinion and Order, p. 63 (Order Entered September 12, 2024).

[4] I&E Exhibit No. 1-R, Schedule 1.

resulting in a total cost of $3,391,045 for 245 LIURP jobs, which is still less than the Company's minimum budget of $3,500,000.

Additionally, the Company states that all unspent funds are rolled into the budget for the following year.[5] The information provided by the Company for the years 2023 through 2025 shows that funds were carried over each year during that period because the Company did not spend its entire budget in any of those years.[6] Therefore, Ms. Warabak's recommendation to serve an additional 75 LIURP customers annually does not require an increase to the LIURP budget.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

[5] I&E Exhibit No. 1-R, Schedule 2.
[6] I&E Exhibit No. 1-R, Schedule 1.

I&E Exhibit No. 1-R
Witness: Vanessa Okum

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Rebuttal Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

LOW-INCOME PROGRAMS

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-II-002

I&E Modified

		2023	2024	2025		
a	Budget	$ 3,998,922	$ 3,140,595	$ 4,184,362		
b	Spent	$ 3,888,328	$ 2,468,889	$ 2,717,240		
c	Measures/Services	$ 3,579,741	$ 2,246,880	$ 2,397,084		
d	Administration Costs	$ 308,587	$ 222,009	$ 320,156		
e	Carryover	$ 352,225	$ 684,363	$ 1,467,123		
f	Completed Jobs	317	186	170		
	Cost per Job	$ 12,266	$ 13,274	$ 15,984	Average Cost	$ 13,841

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-II-005

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: If Peoples does not fully expend its LIURP budget, does it carry over all unspent funds and add those funds to its LIURP budget for the following year? If not, please explain in detail how and to what extent Peoples carries over unspent LIURP funding.

Answer: Peoples carries over any unspent funds and adds those funds to the LIURP budget for the new budget period on an annual basis. The only deviation from this procedure is the recently approved Petition to stabilize funding of the Company's EFSLR by re-purposing $500,000 of 2025's LIURP carryover to supplement EFSLR funding for the current budget year. (Refer to Dockets P-2026-3060819, M-2020-3021343 and M-2018-3003177).

Submit Date: 5/11/2026

I&E Statement No. 1-SR
Witness: Vanessa Okum
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Surrebuttal Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

Operating and Maintenance Expenses,
Taxes Other Than Income, Universal Service Program Rider,
Rate Base

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Vanessa Okum. My business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed as a Fixed Utility Financial Analyst in the Pennsylvania Public Utility Commission's (Commission) Bureau of Investigation and Enforcement (I&E).

Q. ARE YOU THE SAME VANESSA OKUM WHO SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted I&E Statement No. 1 Proprietary, I&E Statement No. 1 Non-Proprietary, I&E Exhibit No. 1 Proprietary, I&E Exhibit No. 1 Non-Proprietary, I&E Statement No. 1-R, and I&E Exhibit No. 1-R.

Q. DOES YOUR SURREBUTTAL TESTIMONY INCLUDE AN ACCOMPANYING EXHIBIT?

A. Yes. I&E Exhibit No. 1-SR contains schedules related to my surrebuttal testimony.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of the following witnesses for Peoples Natural Gas Company LLC (Peoples or Company):

- Andrew P. Wachter – Peoples Statement No. 2-R
- Carol A. Scanlon – Peoples Statement No. 3-R
- Rita F. Black – Peoples Statement No. 10-R
- Rudolph Hanechak – Peoples Statement No. 11-R
- Anton Ribich – Peoples Statement No. 14-R

Note that I do not intend for my surrebuttal testimony to address every issue raised or otherwise discussed by the witnesses in this proceeding. My lack of response to any recommendation, position, or assertion of any witness does not necessarily indicate agreement with their rebuttal testimony.

Q. HAS PEOPLES UPDATED ITS OVERALL REVENUE REQUIREMENT CLAIM IN REBUTTAL TESTIMONY?

A. Yes. The Company updated its overall revenue requirement claim from $1,347,786,003 to $1,348,753,583 based upon the revised fully projected future test year (FPFTY) pro forma revenue requirement calculation that reflects a total revenue increase of $163,933,339 compared to the original increase of $163,171,938. The updated revenue requirement also reflects present rate revenue

of $1,184,820,244 compared to the original $1,184,614,065.[1]

Q. DOES PEOPLES EXPLAIN THE REVISIONS TO ITS ORIGINAL FILING?

A. Yes. Peoples witness Andrew Wachter provides a summary of the revisions.[2]

Q. HAS THE COMPANY ACCEPTED ANY OF YOUR RECOMMENDATIONS FROM DIRECT TESTIMONY?

A. Yes. Peoples witness Anton Ribich has accepted my recommendation to remove uncollectible expense from the Company's cash working capital (CWC) calculation. However, he disagrees with my other adjustments to cash working capital as discussed below.[3] Additionally, the Company has made the two revisions discussed in my direct testimony regarding building leases[4] and corporate insurance.[5] My further recommendations regarding corporate insurance are discussed below.

Q. DO ANY WITNESSES MAKE ANY GENERAL COMMENTS REGARDING YOUR DIRECT TESTIMONY?

A. Yes. Mr. Wachter provides a general response to my arguments against using

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1 Peoples Exhibit No. 2, Schedule 4, p. 2 Revised (Rebuttal) and Peoples Exhibit No. 2, Schedule 4, p. 2.
2 Peoples Statement No. 2-R, pp. 3-4.
3 Peoples Statement No. 14-R, pp. 4-5.
4 I&E Statement No. 1, pp. 29-30.
5 I&E Statement No. 1, pp. 30-33.

average annual increases or inflation adjustments to adjust certain historic test year (HTY) expenses. He states that using a multi-year average increase methodology utilizes known and recently incurred activity for each specific expense account, and that the Company's proposed expense adjustments are known and measurable. Mr. Wachter asserts that it is unrealistic to think that inflation is not going to continue related to the Company's expenses. He adds that by not allowing this methodology to project increases, I&E is effectively reverting to utilization of historic test year balances, which is contrary to the FPFTY methodology widely accepted in Pennsylvania base rate cases and authorized by law.

Mr. Wachter explains that the Company did not use HTY data to calculate the average annual increases due to availability of data at the time the base rate case was being prepared. He also explains that the Company generally utilized a five-year average increase, except in cases where abnormal items within the historical period caused specific years to be excluded.[6]

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S ASSERTIONS?

A. While I accept that Mr. Wachter's annual increases are based on known data, I disagree that this translates into known and measurable increases for the FPFTY. I maintain that these increases are speculative.

I also accept that inflation does impact expenses on a general level over time; however, when we look at the account level, it is not an accurate predictor of

[6] Peoples Statement No. 2-R, pp. 4-11.

future expenses. It is unreasonable to assume that each expense will increase both in the future test year (FTY) and in the FPFTY when the Company's historic data for many of these expenses do not show consistent growth year over year. Regardless of the inconsistency in time periods used or the number of periods used to calculate the average annual increases, the increases are still speculative and should not be used to project FPFTY expense levels.

Finally, I disagree with Mr. Wachter's argument that using HTY balances is contrary to the FPFTY methodology used in base rate cases. The FPFTY methodology is based on HTY data and then incorporates known and measurable changes to the Company's expenses, revenues, and rate base. In the absence of any known and measurable changes, the HTY is used. When the Company has proposed known and measurable adjustments, such as merit increases, new projects, ending projects, contractual increases in rent or other expenses, these adjustments have been largely accepted in this base rate case.

I&E OPERATING AND MAINTENANCE EXPENSE ADJUSTMENTS

Q. PLEASE SUMMARIZE YOUR RECOMMENDED ADJUSTMENTS AS UPDATED IN THIS SURREBUTTAL TESTIMONY.

A. The following table summarizes my updated recommendations operating and maintenance (O&M) expense claims and rate base claims as discussed in this surrebuttal testimony:

	Company Claim	Recommended Allowance	I&E Adjustment
O&M Expenses:			
Labor	$68,149,464	$65,135,919	($3,013,545)
Incentive Compensation	$10,423,930	$5,813,777	($4,610,153)
Payroll Taxes	$5,951,013	$5,581,270	($369,743)
Pension Expense	$3,164,136	$0	($3,164,136)
Other Employee Benefits	$19,531,394	$18,661,800	($869,594)
Outside Services - Contracted	$22,002,493	$19,947,180	($2,055,313)
Outside Services - IT	$7,623,113	$7,336,408	($286,705)
Outside Services - A&G	$6,333,184	$5,406,725	($926,459)
Corporate Insurance	$7,668,379	$6,265,643	($1,402,736)
Travel Expense	$1,139,305	$1,030,648	($108,657)
Memberships	$1,220,436	$1,062,518	($157,918)
Licenses and Permits	$738,885	$704,167	($34,718)
Utilities & Fuel	$3,084,199	$2,849,895	($234,304)
Advertising	$1,458,032	$259,746	($1,198,286)
Fleet Maintenance	$836,976	$746,507	($90,469)
Materials & Supplies	$11,324,992	$10,183,664	($1,141,328)
Payment Processing	$2,939,659	$1,923,122	($1,016,537)
Rate Case Expense	$960,000	$411,429	($548,571)
Sales and Use Tax Credit	$0	($975,000)	($975,000)
Total O&M Expense Adjustments			**($22,204,172)**
Rate Base:			
Labor	$96,126,010	$91,875,353	($4,250,657)
Incentive Compensation	$5,045,210	$3,726,363	($1,318,847)
Payroll Taxes	$8,106,040	$7,659,744	($446,296)
Other Employee Benefits	$24,713,929	$23,613,594	($1,100,335)
Cash Working Capital	$46,932,677	$45,570,205	($1,362,472)
Total Rate Base Adjustments			**($8,478,607)**

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OVERALL I&E UPDATED POSITION

Q. WHAT IS I&E'S TOTAL UPDATED RECOMMENDED REVENUE REQUIREMENT?

A. I&E's total updated recommended revenue requirement is $1,277,670,962. This recommended revenue requirement represents an increase of $92,850,718 to the Company's updated present rate revenues of $1,184,820,244. This total recommended allowance incorporates my adjustments made in this surrebuttal testimony and those recommended adjustments made in the surrebuttal testimony of I&E witness D.C. Patel.[7]

Peoples Natural Gas Company LLC		TABLE I			
R-2026-3060855		INCOME SUMMARY			
	12/31/27	INVESTIGATION & ENFORCEMENT			
	Proforma	[----------			]
	Present Rates	Adjustments	Present Rates	Allowances	Proposed
	$	$	$	$	$
Operating Revenue	1,184,820,244	0	1,184,820,244	92,850,718	1,277,670,962
Deductions:					
O&M Expenses	726,217,549	-21,229,172	704,988,377	1,789,294	706,777,671
Depreciation	181,181,596	-975,000	180,206,596		180,206,596
Taxes, Other	13,759,055	0	13,759,055	0	13,759,055
Income Taxes:					
Current State	0	0	0	0	0
Current Federal	0	0	0	0	0
Deferred Taxes	-46,945,792	0	-46,945,792		-46,945,792
ITC	0	0	0		0
Total Deductions	874,212,408	-22,204,172	852,008,236	1,789,294	853,797,530
Income Available	310,607,836	22,204,172	332,812,008	91,061,424	423,873,432
Rate Base	5,728,767,833	-8,478,607	5,720,289,226	0	5,720,289,226
Rate of Return	5.42%		5.82%		7.41%
* Present Rate Deferred Taxes in Company filing are -$80,556,297 with an adjustment of $33,610,504.					

[7] I&E Statement No. 2-SR.

LABOR EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR LABOR EXPENSE.

A. I recommended a total FPFTY allowance of $156,525,749 for labor expense, or a reduction of $7,749,725 ($164,275,474 - $156,525,749) to Peoples' claim broken down as follows:

	Company Claim	I&E Recommendation	Recommended Adjustment
Total Labor	$164,275,474	$156,525,749	($7,749,725)
Capitalization Rate	58.52%	58.52%	58.52%
O&M Labor	$68,149,464	$64,934,501	($3,214,963)
Rate Base Labor	$96,126,010	$91,591,248	($4,534,762)

My recommendation was based on two main aspects: (1) applying a vacancy rate based on historic vacancies; and (2) adding the salary for the Low-Income Usage Reduction Program (LIURP) compliance specialist that the Company proposed to include in the Universal Service Program (USP) Rider.[8]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation. Specifically, he disagrees with my recommended vacancy rate and makes a correction to my calculation.

[8] I&E Statement No. 1, pp. 6-10.

Q. PLEASE SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter states that the Company's expectation that employee vacancies will decline during the forecast period is reasonable and is supported by recent Company experience and broader market trends. To support this argument, Mr. Wachter points to recent Company data from December 2025 through March 2026 which show a decrease in vacancy rate from the twelve months ended November 30, 2025. Mr. Wachter also states that labor market conditions that contributed to elevated vacancy levels following the COVID-19 pandemic have moderated significantly and that external labor market research similarly demonstrates that hiring conditions have become more favorable for employers. Additionally, Mr. Wachter claims that the Company's forecasted vacancy level reflects implementation of specific recruiting and retention initiatives.

Furthermore, Mr. Wachter opines that although historical vacancy rates are an important consideration, a forecast is intended to estimate future conditions and not merely replicate historical averages.

Finally, Mr. Wachter claims that my calculated recommendation uses a post-capitalization number where it should have used a pre-capitalization number, and in correcting this error my claim would be increased by $211,950 for the O&M portion and $299,019 for the rate base portion.[9]

[9] Peoples Statement No. 2-R, pp. 11-14.

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S ASSERTIONS?

A. I disagree that the Company has demonstrated a decrease in vacancy rate sufficient to warrant the vacancy rate of 0.54% that the Company has estimated for the FPFTY. Mr. Wachter points to a four-month period of recent data in which the vacancy rate averaged 4.38%, which he claims demonstrates a downward trend. However, in the twelve months ended November 30, 2023, which was only a few years after the pandemic, the Company had an average vacancy rate of 4.05%[10] which has subsequently risen to well above 5%, so a four-month period of 4.38% vacancy is not necessarily an indication of a downward trend as Mr. Wachter claims. Additionally, Mr. Wachter claims that labor market trends, implementation of recruiting and retention initiatives, and other future conditions should be considered when forecasting future vacancies. However, these factors are speculative and do not necessarily translate into the low vacancy rate the Company has projected. The Company must demonstrate an ability to recruit and retain employees at a vacancy rate of 0.54% before being granted such a vacancy rate.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. Yes. Although I maintain my vacancy rate recommendation, I accept Mr. Wachter's assertion that my direct testimony used a post-capitalization number

[10] I&E Exhibit No. 1, Schedule 2.

when removing the Company's vacancy assumptions where it should have used a pre-capitalization number.

Q. WHAT IS YOUR UPDATED RECOMMENDATION?

A. I recommend an O&M expense amount for labor expense of $65,135,919 or a reduction of $3,013,545 ($68,149,464 - $65,135,919) to the Company's claim and a rate base allowance of $91,875,353 or a reduction of $4,250,657 ($96,126,010 - $91,875,353) to the Company's claim.

Q. PLEASE EXPLAIN HOW YOU CALCULATED YOUR UPDATED RECOMMENDATION.

A. I have updated my calculation below to reflect reversal of the total value of the vacancy adjustment (line 2) used by Company, resulting in a total labor allowance of $157,011,272. This represents an O&M allowance of $65,135,919 ($157,011,272 x (1.00 – 0.5852, or 0.4148)[11] and a rate base allowance of $91,875,353 ($157,011,272 x 0.5852).

[11] The O&M percentage of 41.48% and the capitalized percentage of 58.52% match the Company's claimed percentages and what was used in my direct testimony at I&E Statement No. 1, pp. 6-7. Note that dollar amounts are off slightly due to rounding.

1. Peoples' Total FPFTY Labor Claim	$164,275,474
2. Add 8 Vacant Positions	$873,153
3. Add LIURP Compliance Specialist	$91,609
4. I&E Modified Amount (1+2+3)	$165,240,236
5. Apply Vacancy Rate (4 x 4.98%)[12]	$8,228,964
6. I&E Recommended Total Labor Allowance (4-5)	$157,011,272

INCENTIVE COMPENSATION

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR INCENTIVE COMPENSATION.

A. I recommended an incentive compensation expense allowance of $5,176,025, or a reduction of $949,448 ($6,125,473 - $5,176,025) to the Company's expense claim and capitalized incentive compensation of $4,263,202, or a reduction of $782,008 ($5,045,210 - $4,263,202) to the Company's rate base claim.

My recommendation was based on removing the portion of the Company's claim related to financial metrics.[13]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.

[12] This 4.98% is the same vacancy rate as used in my direct testimony at I&E Statement No. 1, pp. 8-10, which produces a different dollar adjustment for the reason explained above.

[13] I&E Exhibit No. 1, pp. 11-15.

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter states that my comparison in direct testimony to the Commission's recent Columbia Gas of Pennsylvania, Inc. (Columbia) rate case order[14] is inappropriate because I misconstrued the Commission's ruling. He states that Columbia was denied the financial portion of incentive compensation because they failed to provide sufficient evidence of the benefit to ratepayers. He opines that his testimony provides sufficient evidence of the benefit to ratepayers and thus it is appropriate to recover 100% of incentive compensation costs.

Mr. Wachter provides three reasons why he believes my recommendation should be rejected: (1) financial metrics incentivize employees to be good financial stewards of the Company; (2) the overall level of incentive compensation claimed is part of a fair, market-based level of total compensation; and (3) there are no regulations that prohibit utilities from recovery of incentive compensation tied to financial metrics.[15]

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S STATEMENTS?

A. I disagree that Mr. Wachter's testimony provides sufficient evidence of the benefit of financial goals in incentive compensation to ratepayers, and I maintain that the primary beneficiary of these goals is shareholders. All the financial goals within the Company's incentive compensation plan refer to earnings, which directly

[14] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally*, Disposition of Incentive Compensation, p. 123.

[15] Peoples Statement No. 2-R, pp. 16-22.

benefit shareholders. While there may be some indirect benefits to customers, prioritizing maximization of earnings is primarily aligned with the benefit of shareholders and is not necessary to provide safe and reliable service. A utility's primary objective should be the provision of safe and reliable service to its customers, rather than maximizing earnings for shareholders. Therefore, ratepayers should not be required to fund the payout of such objectives.

Q. HAVE THERE BEEN ANY OTHER RECENT CASES SUPPORTING THIS ARGUMENT?

A. Yes. On July 16, 2026, the Commission agreed with the Recommended Decision of the Administrative Law Judges in the most recent Pennsylvania American Water Company (PAWC) rate case that PAWC failed to demonstrate the benefit to ratepayers of financial metrics in incentive compensation, and it denied the portion of PAWC's claim related to financial metrics.[16]

Q. DID MR. WACHTER MENTION ANYTHING ELSE IN REGARD TO YOUR DIRECT TESTIMONY ON THIS TOPIC?

A. Yes. Mr. Wachter states that I&E did not file supplemental testimony after receiving the interrogatory response regarding total long-term incentive compensation. Therefore, he claims that any further recommendations for an

[16] *Pa. PUC v. Pennsylvania American Water Company*, Docket Nos. R-2025-3057983 and R-2025-3058051, p. 114 (Order Entered July 27, 2026).

adjustment should be rejected, as the Company would not have sufficient time to rebut the adjustment and would raise due process concerns.[17]

Q. WHAT IS YOUR RESPONSE TO THIS ASSERTION?

A. I disagree that the Company would not have sufficient time to rebut the adjustment, as I clearly stated my intention to recommend an allowance of 30% of the claim as well as my intention to update the claim in surrebuttal testimony.[18] The Company had the opportunity to rebut that adjustment in its rebuttal testimony.

Further, I am advised by counsel that the Company has further opportunity to respond in rejoinder testimony. The Company was on notice of my intent to make this adjustment and in possession of the information requested in my interrogatory; therefore, I continue to recommend the Commission adopt this adjustment.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION FOR INCENTIVE COMPENSATION?

A. Yes. My updated recommendation is as follows:

	O&M Claim	Rate Base Claim
Total Company Claim	$10,423,930	$5,045,210
I&E Allowance	$5,813,777	$3,726,363
I&E Adjustment	($4,610,153)	($1,318,847)

[17] Peoples Statement No. 2-R, p. 22.
[18] I&E Statement No. 1, p. 14.

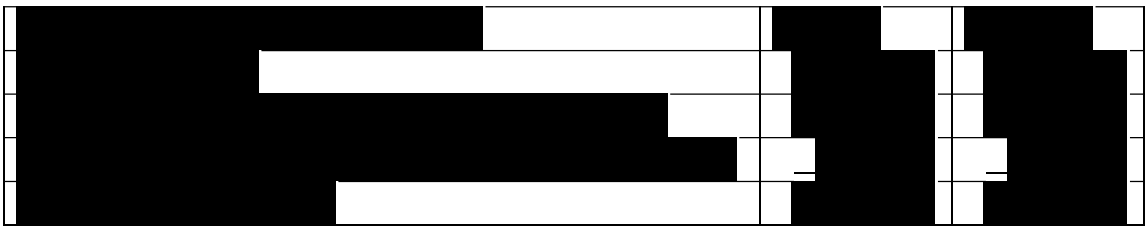
Q. HOW DID YOU CALCULATE YOUR RECOMMENDATION?

A. The Company clarified its long-term incentive compensation claim in response to I&E-RE-54.[19] According to my calculation, the Company's claim for incentive compensation is broken down as follows:

	O&M Claim	Rate Base Claim
Short-Term	$4,929,537[20]	$4,060,185
Long-Term	$1,195,936[21]	$985,025
Total	$6,125,473[22]	$5,045,210[23]

In direct testimony, I calculated that 31% of the total compensation paid in the HTY was paid to plans that included financial metrics. I also approximated that 50% of those plans were related to financial metrics. Thus, my updated calculation for short-term incentive compensation is as follows:

{BEGIN PROPRIETARY}



{END PROPRIETARY}

My calculation for long-term incentive compensation within this claim is shown below and excludes 70% of the long-term incentive compensation claim:

[19] I&E Exhibit No. 1-SR, Schedule 1.
[20] This figure is calculated by subtracting Total Long-Term amount from Total below.
[21] I&E Exhibit No. 1-SR, Schedule 1.
[22] Peoples Exhibit No. 1, Schedule 4, p. 5.
[23] Capitalized amount was estimated using 45.16% rate similar to my direct testimony at I&E Statement No. 1, p. 10. The capitalized short and long-term amounts above were estimated using ratio for short and long-term O&M amounts in the preceding column.

Long-Term Incentive Compensation	Expense	Rate Base
1. Company Claim	$1,195,936	$985,025
2. Portion of Plan Based on Financial Metrics (1. x 70%)	$837,155	$689,518
3. I&E Allowance (1 - 2)	$358,781	$295,507

This results in a reduction of $1,601,233 ($764,078 + $837,155) for the expense portion and $1,318,847 ($629,329 + $689,518) for the rate base portion. However, the Company has also identified expenses in its Other O&M category that represent long-term incentive compensation allocated from the parent company.

Q. TO UPDATE YOUR POSITION IN DIRECT TESTIMONY, HOW ARE YOU ADDRESSING THE ALLOCATED PORTION OF INCENTIVE COMPENSATION?

A. To keep it simple, I have discussed this directly incurred expense above and am now adjusting the Company's allocated incentive compensation expense claim to include this amount as shown below. These expenses are not capitalized, so the total allocated expense of $4,298,457 provided in response to I&E-RE-54[24] increases the expense portion of the claim from $6,125,473 to $10,423,930 ($6,125,473 + $4,298,457), and my recommendation would be to allow 30% of the claim, or $1,289,537 ($4,298,457 x 0.30). To summarize, my total

[24] I&E Exhibit No. 1-SR, Schedule 1.

recommended incentive compensation adjustment for directly incurred and allocated incentive compensation is shown below:

	O&M Claim	Rate Base Claim
Total Company Claim	$10,423,930	$5,045,210
I&E Allowance	$5,813,777	$3,726,363
I&E Adjustment	($4,610,153)[25]	($1,318,847)

PAYROLL TAXES

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR PAYROLL TAXES.

A. I recommended a payroll tax expense allowance of $5,617,354, or a reduction of $333,659 ($5,951,013 - $5,617,354) to the Company's expense claim and capitalized payroll taxes of $7,679,994, or a reduction of $426,046 ($8,106,040 - $7,679,994) to the Company's rate base claim.

This recommendation is based on my recommended adjustments to labor expense and incentive compensation.[26]

Q. DID ANY WITNESSES RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witnesses Andrew Wachter[27] and Rudolph Hanechak[28] disagree with my recommendation because they disagree with the underlying

[25] Reduction of $1,601,233 for direct expense plus a reduction of $3,008,920 ($4,298,457 - $1,289,537) for the allocated portion equals $4,610,153.
[26] I&E Statement No. 1, pp. 16-17.
[27] Peoples Statement No. 2-R, pp. 15-16.
[28] Peoples Statement No. 11-R, pp. 3-4.

recommended adjustments to labor and incentive compensation, as discussed above.

Q. DO YOU AGREE WITH MR. WACHTER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING OTHER EMPLOYEE BENEFITS?

A. No. I disagree with Mr. Wachter about the payroll-related adjustments; thus, I also disagree with his response to my recommendation for payroll taxes.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. Yes. Because I have updated my recommendations for labor and incentive compensation, there is a corresponding change to my recommended payroll expense as shown below:

	O&M Expense	Rate Base
I&E Labor Allowance	$65,135,919	$91,875,353
I&E Incentive Comp. Allowance	$4,524,240[29]	$3,726,363
Total Payroll Costs	$69,660,159	$95,601,716
Experience Factor	8.0122%	8.0122%
I&E Payroll Tax Allowance	$5,581,270[30]	$7,659,744[31]

This updated recommendation results in a reduction of $369,743 ($5,951,013 - $5,581,270) to the Company's payroll tax expense claim and a reduction of $446,296 ($8,106,040 - $7,659,744) to the Company's capitalized payroll taxes.

[29] This expense amount is the directly incurred short-term incentive compensation expense of $4,165,459 and the long-term incentive compensation expense of $358,781, producing a total direct expense amount of $4,524,240 ($4,165,459 + $358,781).

[30] Math is slightly off due to rounding.

[31] Math is slightly off due to rounding.

It should also be noted that the incentive compensation allowance applicable to payroll tax includes only the portion of incentive compensation paid directly by the Company and not the allocated portion, as shown in the above table.

PENSION EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR PENSION EXPENSE.

A. I recommended disallowance of the entire FPFTY claim of $3,164,136. My recommendation was based on **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}**

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter states that the Company utilized the same methodology as in prior cases and use of this method was also previously proposed by I&E. Mr. Wachter also states that the existence of an overfunded pension position does not mean that future pension contributions are unnecessary or imprudent and that funding status

[32] I&E Statement No. 1, p. 18.

is highly sensitive to outside factors. Mr. Wachter asserts that the Company's claim is fair to ratepayers.[33]

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S ASSERTIONS?

A. Mr. Wachter's asserts that future contributions may be necessary due to external factors, however he provides no evidence of any of these external factors changing in the short term. If the status quo remains **{BEGIN PROPRIETARY}** [redacted] **{END PROPRIETARY}**[34] it is unlikely that the Company will need to make a cash contribution in the FPFTY. Ratepayers should not be charged for possible changes in external factors when Mr. Wachter doesn't even speculate about what these changes may be, nor provide any evidence that these changes are expected to occur.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend disallowance of the entire $3,164,136 claim. However, should the Commission decide to grant the Company this expense, the Commission should only allow a three-year average of net cash contributions for 2023, 2024, and 2025, or $2,328,848 (($5,670,000 + $1,316,545 + $0) / 3),[35] or a reduction of $835,288 to Peoples' claim, rather than the Company's four-year

[33] Peoples Statement No. 2-R, pp. 41-43.
[34] I&E Statement No. 1, p. 18.
[35] Peoples Exhibit No. 4, Schedule 1, p. 8.

average of $3,164,136 that inappropriately includes 2022 to capture an older historic amount of $5,670,000 which serves only to inflate the claim.

OTHER EMPLOYEE BENEFITS

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR OTHER EMPLOYEE BENEFITS EXPENSE.

A. I recommended a total FPFTY allowance of $42,155,320 for other employee benefits expense, or a reduction of $2,090,004 ($44,245,324 - $42,155,320) to Peoples' claim broken down as follows:

	Company Claim	I&E Recommendation	Recommended Adjustment
Total Other Employee Benefits	$44,245,324	$42,155,320	$2,090,004
Capitalization Rate	55.86%	55.86%	55.86%
O&M Expense Portion	$19,531,394	$18,608,795	$922,599
Rate Base Portion	$24,713,929	$23,546,525	$1,167,404

My recommendation was based on two main aspects: (1) applying a vacancy rate consistent with the labor expense adjustment; and (2) adding the employee benefits for the LIURP compliance specialist that the Company proposed to include in the USP Rider.[36]

[36] I&E Statement No. 1, pp. 20-23.

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation for the same reasons he disagrees with my labor expense adjustment as discussed above.[37]

Q. DO YOU AGREE WITH MR. WACHTER'S RESPONSE IN REBUTTAL TESTIMONY CONCERNING OTHER EMPLOYEE BENEFITS?

A. No. I disagree with Mr. Wachter on the payroll-related adjustments; thus, I also disagree with his response to my recommendation for other employee benefits.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. Yes. Like my labor expense claim above, I have updated my calculation below to reflect the reversal of the total, pre-capitalized value of the vacancy adjustment (line 2) used by Company, resulting in a total other employee benefits allowance of $42,275,394. This represents an O&M allowance of $18,661,800 or a reduction of $869,594 ($19,531,394 - $18,661,800) to the Company's claim and a rate base allowance of $23,613,594 or a reduction of $1,100,335 ($24,713,929 - $23,613,594) to the Company's claim.

Q. HOW DID YOU CALCULATE YOUR UPDATED RECOMMENDATION?

A. My updated recommendation is calculated as follows:

[37] Peoples Statement No. 2-R, p. 23.

1. Peoples' Total FPFTY Benefits Claim	$44,245,324
2. Add 8 Vacant Positions	$226,221
3. Add LIURP Compliance Specialist	$19,503
4. I&E Modified Amount (1+2+3)	$44,491,048
5. Apply Vacancy Rate (4 x 4.98%)	$2,215,654
I&E Recommended Allowance (4 - 5)	$42,275,394

This recommended allowance is broken down between the expensed and capitalized portions using the Company's 55.86% capitalization rate similar to how I broke it down in my recommendation in direct testimony producing a recommended expense allowance of $18,661,800[38] ($42,275,394 x (1.00 - 0.5586)) and a capitalized recommendation of $23,613,594[39] ($42,275,394 x 0.5586)

OUTSIDE SERVICES – CONTRACTED

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR OUTSIDE SERVICES – CONTRACTED.

A. I recommended an FPFTY allowance of $19,947,180 for outside services – contracted or a reduction of $2,055,313 ($22,002,493 - $19,947,180) to the Company's claim. My recommendation was based on removing the 4.94% annual increase from the FTY and FPFTY claims. Increases in expenses should be based

[38] Calculation slightly off due to rounding.
[39] Calculation slightly off due to rounding.

on known and measurable changes and not based on speculative percentage increases.[40]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[41] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[42]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $19,947,180 for outside services – contracted or a reduction of $2,055,313 ($22,002,493 - $19,947,180) to the Company's claim for the reasons explained above.

<u>OUTSIDE SERVICES – IT</u>

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR OUTSIDE SERVICES – IT.

A. I recommended an FPFTY allowance of $7,336,408 for outside services – IT or a reduction of $286,705 ($7,623,113 - $7,336,408) to the Company's claim. My

[40] I&E Statement No. 1, pp. 24-25.
[41] Peoples Statement No. 2-R, pp. 5 and 44.
[42] I&E Statement No. 1-SR, pp. 3-5 above.

recommendation was based on removing the 2.06% annual increase from the FTY and FPFTY claims.[43]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[44] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[45]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $7,336,408 for outside services – IT or a reduction of $286,705 ($7,623,113 - $7,336,408) to the Company's claim for the reasons explained above.

OUTSIDE SERVICES – A&G

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR OUTSIDE SERVICES – A&G.

A. I recommended an FPFTY allowance of $5,406,725 for outside services – A&G or a reduction of $926,459 ($6,333,184 - $5,406,725) to the Company's claim. My

[43] I&E Statement No. 1, pp. 26-27.
[44] Peoples Statement No. 2-R, p. 5.
[45] I&E Statement No. 1-SR, pp. 3-5.

recommendation was based on removing the 8.23% annual increase from the FTY and FPFTY claims.[46]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[47] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[48]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $5,406,725 for outside services – A&G or a reduction of $926,459 ($6,333,184 - $5,406,725) to the Company's claim for the reasons explained above.

CORPORATE INSURANCE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR CORPORATE INSURANCE.

A. I recommended an FPFTY allowance of $6,265,643 for corporate insurance. This represents a decrease of $1,402,736 ($7,668,379 - $6,265,643) to the Company's updated claim as discussed in my direct testimony. My recommendation was

[46] I&E Statement No. 1, pp. 28-30.
[47] Peoples Statement No. 2-R, pp. 5 and 44.
[48] I&E Statement No. 1-SR, pp. 3-5.

equal to the Company's corrected HTY premiums claim and was based on disallowance of the 10.6% annual increase from the FTY and FPFTY claims.[49]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[50] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[51]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $6,265,643 for corporate insurance or a reduction of $1,402,736 ($7,668,379 - $6,265,643) to the Company's updated claim for the reasons explained above.

TRAVEL EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR TRAVEL EXPENSE.

A. I recommended an FPFTY allowance of $1,030,648 or a reduction of $108,657 ($1,139,305 - $1,030,648) to the Company's claim. My recommendation was based on removing the 5.14% annual increase from the FTY and FPFTY claims.[52]

[49] I&E Statement No. 1, pp. 33-34.
[50] Peoples Statement No. 2-R, pp. 5 and 23-24.
[51] I&E Statement No. 1-SR, pp. 3-5.
[52] I&E Statement No. 1, pp. 34-36.

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[53] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[54]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $1,030,648 or a reduction of $108,657 ($1,139,305 - $1,030,648) to the Company's claim for the reasons explained above.

MEMBERSHIPS

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR MEMBERSHIPS EXPENSE.

A. I recommended an FPFTY allowance of $1,062,518 or a reduction of $157,918 ($1,220,436 - $1,062,518) to the Company's claim. My recommendation was based on removing the 7.17% annual increase from the FTY and FPFTY claims.[55]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[56] I

[53] Peoples Statement No. 2-R, pp. 5 and 26.
[54] I&E Statement No. 1-SR, pp. 3-5.
[55] I&E Statement No. 1, pp. 36-37.
[56] Peoples Statement No. 2-R, pp. 5 and 28.

have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[57]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $1,062,518 or a reduction of $157,918 ($1,220,436 - $1,062,518) to the Company's claim for the reasons explained above.

LICENSES AND PERMITS

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR LICENSES AND PERMITS.

A. I recommended an FPFTY allowance of $704,167 or a reduction of $34,718 ($738,885 - $704,167) to the Company's claim. My recommendation was based on removing the Company's 2.44% annual increase from the FTY and FPFTY claims.[58]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[59] I have summarized his generalized arguments in the first section of this surrebuttal

[57] I&E Statement No. 1-SR, pp. 3-5.
[58] I&E Statement No. 1, pp. 38-39.
[59] Peoples Statement No. 2-R, pp. 5 and 30.

testimony in addition to my response to his arguments.[60]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $704,167 or a reduction of $34,718 ($738,885 - $704,167) to the Company's claim for the reasons explained above.

UTILITIES AND FUEL

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR UTILITIES AND FUEL.

A. I recommended an FPFTY allowance of $2,849,895 or a reduction of $234,304 ($3,084,199 - $2,849,895) to the Company's claim. My recommendation is based on removing the Company's 4.03% annual increase from the FTY and FPFTY claims.[61]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[62] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[63]

60 I&E Statement No. 1-SR, pp. 3-5.
61 I&E Statement No. 1, pp. 40-41.
62 Peoples Statement No. 2-R, pp. 5 and 30.
63 I&E Statement No.1-SR, pp. 3-5.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $2,849,895 or a reduction of $234,304 ($3,084,199 - $2,849,895) to the Company's claim for the reasons explained above.

ADVERTISING EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR ADVERTISING EXPENSE.

A. I recommend an allowance of $259,746 for advertising expense, or a reduction of $1,198,286 ($1,458,032- $259,746) to Peoples' claim. My recommendation is based on the removal of advertising related to sponsorships and sports partnerships, as well as the removal of the inflation adjustment included in the Company's claim.[64]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. I have summarized his general inflation-related arguments in the first section of this surrebuttal testimony in addition to my response to these arguments.[65]

[64] I&E Statement No. 1, pp. 43-45.
[65] I&E Statement No. 1-SR, pp. 3-5.

Additionally, Mr. Wachter argues that the Company's sponsorships and sports partnerships create a direct benefit for customers and should therefore be allowed to be recovered through base rates. Mr. Wachter states that through these relationships, Peoples is able to share information about customer services and safety with large, concentrated groups of customers and with the public. Mr. Wachter claims that these costs fit the statutory requirements for recovery because they are "for the promotion of community service or economic development" as major league sports franchises are catalysts for economic development and are regional leaders in community service. He asserts that by sponsoring these franchises, Peoples helps to spur economic development and creates a positive community brand, making the region more attractive for businesses which directly benefits customers.[66]

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S CLAIMS REGARDING THE RECOVERABILITY OF THESE TYPES OF ADVERTISING EXPENSES?

A. While there may be some downstream benefits to customers through these sponsorships, these are not prudently incurred costs, and the costs far exceed any benefits to customers. Although these franchises have a positive economic impact on the region, they will continue to do so with or without the advertising dollars

[66] Peoples Statement No. 2-R, pp. 31-36.

from Peoples and the ratepayers should not be expected to pay for such promotions.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an allowance of $259,746 for advertising expense, or a reduction of $1,198,286 ($1,458,032 - $259,746) to Peoples' claim.

FLEET MAINTENANCE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR FLEET MAINTENANCE.

A. I recommended an FPFTY allowance of $746,507 or a reduction of $90,469 ($836,976 - $746,507) to the Company's claim. My recommendation was based on removing the Company's 5.89% annual increase from the FTY and FPFTY claims.[67]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[68] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[69]

[67] I&E Statement No. 1, pp. 45-47.
[68] Peoples Statement No. 2-R, pp. 5 and 36.
[69] I&E Statement No. 1-SR, pp. 3-5.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $746,507 or a reduction of $90,469 ($836,976 - $746,507) to the Company's claim for the reasons explained above.

MATERIALS AND SUPPLIES EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR MATERIALS AND SUPPLIES EXPENSE.

A. I recommended an FPFTY allowance of $10,183,664 or a reduction of $1,141,328 ($11,324,992 - $10,183,664) to the Company's claim. My recommendation was based on removing the Company's 5.45% annual increase from the FTY and FPFTY claims.[70]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.[71] I have summarized his generalized arguments in the first section of this surrebuttal testimony in addition to my response to his arguments.[72]

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $10,183,664 or a reduction

[70] I&E Statement No. 1, pp. 48-49.
[71] Peoples Statement No. 2-R, pp. 5 and 37.
[72] I&E Statement No. 1-SR, pp. 3-5.

of $1,141,328 ($11,324,992 - $10,183,664) to the Company's claim.

PAYMENT PROCESSING

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR PAYMENT PROCESSING.

A. I recommended an FPFTY allowance of $1,923,122 or a reduction of $1,016,537 ($2,939,659 - $1,923,122) to the Company's claim. My recommendation is based on removing both the Company's 22.00% annual increase and the 2.70% inflation increase from the FTY and FPFTY claims.[73]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter cites national payment trends, advancements in digital payment technology, and the Company's expansion of electronic payment options as reasons to expect an increasing share of customers to utilize credit cards for utility bills.[74]

[73] I&E Statement No. 1, pp. 50-51.
[74] Peoples Statement No. 2-R, pp. 45-47.

Q. WHAT IS YOUR RESPONSE TO MR. WACHTER'S CLAIMS?

A. I do not dispute Mr. Wachter's claims regarding the popularity of electronic payments, but I dispute the method of projecting FPFTY expense used by the Company. Using an average of past increases is speculative given that at some point new customers signing up for electronic payment methods will top off, and compounding that with a general inflation increase is even more speculative. In the absence of known and measurable changes, HTY data should be used.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend an FPFTY allowance of $1,923,122 or a reduction of $1,016,537 ($2,939,659 - $1,923,122) to the Company's claim for the reasons stated above and in my direct testimony.

RATE CASE EXPENSE

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR RATE CASE EXPENSE.

A. I recommended that Peoples' rate case expense be normalized over a period of 56 months resulting in an annual expense of $411,429 [($1,920,000 ÷ 56 months) x 12 months], or a reduction of $548,571 ($960,000 - $411,429) to the Company's claim. My recommendation was based on a normalization period consistent with the Company's recent rate case filing frequency.[75]

[75] I&E Statement No. 1, pp. 54-58.

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Andrew Wachter disagrees with my recommendation.

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter discusses the extenuating circumstances leading to the long delays between the Company's 2012, 2019, and 2023 rate cases. Mr. Wachter also explains that Peoples' Long-Term Infrastructure Improvement Plan (LTIIP) will require the Company to file another rate case within two years. Mr. Wachter identifies these as significant factors that should not be ignored when calculating a normalization period for rate case expense.[76]

Q. ARE YOU PERSUADED BY MR. WACHTER'S ASSERTIONS THAT OTHER FACTORS SHOULD OUTWEIGH FILING HISTORY WHEN CALCULATING A NORMALIZATION PERIOD?

A. No. I disagree that a two-year normalization period is appropriate because it does not reflect the Company's recent filing frequency, which the Commission has cited as an essential element in determining the normalized level of rate case expense for ratemaking purposes. If the Company begins to consistently file more frequent rate cases, at that time its rate case filing history will reflect these frequent filings and allow the Company to shorten its normalization period. Furthermore, the estimated timing of the next base rate filing is speculative and

[76] Peoples Statement No. 2-R, pp. 37-41.

should not be relied upon to determine an appropriate rate case filing interval for rate case expense.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. No. I continue to recommend that Peoples' rate case expense be normalized over a period of 56 months resulting in an annual expense of $411,429 [($1,920,000 ÷ 56 months) x 12 months], or a reduction of $548,571 ($960,000 - $411,429) to the Company's claim.

UNIVERSAL SERVICE PROGRAM (USP) RIDER

Q. SUMMARIZE YOUR RECOMMENDATIONS IN DIRECT TESTIMONY REGARDING THE COMPANY'S PROPOSED CHANGES TO THE USP RIDER.

A. First, I recommended that the costs associated with the LIURP Compliance Specialist should be recovered through base rates rather than through the USP Rider. Second, I recommended that the defined credit as described by Peoples witness Carol Scanlon be treated as a regulatory liability and credited back to all customers rather than be applied as a credit to offset the USP Rider which would only benefit residential customers.[77]

[77] I&E Statement No. 1, pp. 58-60.

Q. DID ANY WITNESSES RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witnesses Rita Black, Andrew Wachter, and Carol Scanlon disagree with my recommendations.

Q. SUMMARIZE MS. BLACK'S RESPONSE.

A. Ms. Black states that all costs associated with the operation of the Company's universal service plan should be recoverable through riders that are designed to recover universal service costs. She also states that the LIURP budget is already included in the USP rider and that administrative costs, such as this LIURP specialist position, are permitted to be up to 15% of the annual LIURP budget and may include externally provided services as well as internal dedicated costs.[78]

Q. SUMMARIZE MR. WACHTER'S RESPONSE.

A. Mr. Wachter states that it is appropriate to recover labor costs for the LIURP specialist through the rider because they are solely associated with the universal service programs and would not be incurred without these programs. He also states that I&E has not provided a sufficient basis to deny this request other than a need for consistency to past practices.[79]

[78] Peoples Statement No. 10-R, pp. 9-10.
[79] Peoples Statement No. 2-R, pp. 48-49.

Q. DO YOU AGREE WITH MS. BLACK AND MR. WACHTER'S ASSERTIONS THAT USP-RELATED LABOR COSTS SHOULD BE RECOVERED THROUGH THE USP RIDER?

A. No.

Q. WHAT IS YOUR RESPONSE TO MS. BLACK AND MR. WACHTER CONCERNING LABOR COST RECOVERY VIA THE USP RIDER?

A. I reiterate my position from direct testimony that these costs should continue to be included in base rates. When these costs are included in a rider, the parties lose the ability to review these costs in the context of a rate case. It is important to have transparency around labor and labor-related costs like merit increases, promotions, bonuses, and employee benefits. If the parties are unable to review these costs in isolation and ensure no potential duplicative recovery, it hinders the parties' ability to verify that such costs are prudently incurred. Additionally, the Company could easily make unverified changes to such costs without the ability of the parties to review them for prudency if the labor costs are recovered through the USP rider.

Q. SUMMARIZE MS. SCANLON'S RESPONSE.

A. Ms. Scanlon asserts that, while the Company understands my stance on this matter, Peoples' proposal to partially offset universal service costs as a measure toward maintaining affordability for customers is an optimal approach in this

unique circumstance. She asserts that this measure would specifically target income eligible customers who are not participating in in Peoples' customer assistance program and customers with incomes that exceed eligibility but that still struggle to make ends meet. Finally, she states that if the Commission supports my position that all customers should receive the credit, Peoples proposes that the credit amount flow through the existing Tax Repairs Surcharge Credit.[80]

Q. WHAT IS YOUR RESPONSE TO MS. SCANLON?

A. I reiterate my position from direct testimony that because all customer classes contributed to the expenses paid, all customers should benefit from the credit. However, Ms. Scanlon and I agree that the credit amount should flow through the existing Tax Repairs Surcharge Credit to all customers that paid the tax in the first place. This is a fair way to treat the portion of the credit that is generated from the tax repairs deduction collar, or $1,000,000 before the gross-up for taxes.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION?

A. Yes. As I stated above, I agree that the credit generated from the tax repair deduction collar should flow through the Tax Repairs Surcharge Credit within 90 days following the effective date of new rates in the proceeding. However, I continue to recommend that the remaining $3,900,000 generated by the sales and use tax refund be treated as a regulatory liability but need to clarify the monetary

[80] Peoples Statement No. 3-R, pp. 3-5.

impact of this recommendation. The regulatory liability should be amortized over a period of four years, which is consistent with my recommended normalization period for rate case expense, but rounded down to the nearest year. This creates an annual amortization of ($975,000), a credit to ratepayers, over the four-year period ($3,900,000 / 4 years = $975,000). This refund results due to the over-recovery of a typical O&M related expense that would not logically flow through the Tax Repairs Surcharge Credit mechanism. I also recommend that Peoples be required to show an annual accounting of the progress for refunding this credit in its next base rate case filing.

Q. IS THERE ANYTHING ELSE YOU WOULD LIKE TO CLARIFY ABOUT YOUR POSITION REGARDING THE TAX REPAIR DEDUCTION?

A. Yes. The Company also proposed to refund an unknown amount (estimated at $15,000,000 or more) related to the tax repair deduction collar after the FPFTY, between January 1, 2028 and March 31, 2028 through the USP rider. I disagree with this treatment, because the money should be returned to all customers who paid the tax in the first place. I recommend that this amount be tracked throughout the year and returned via the Tax Repairs Surcharge Credit within 90 days of January 1, 2027. I also recommend that Peoples be required to show an annual accounting of the credit in its next base rate case filing.

CASH WORKING CAPITAL

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR CASH WORKING CAPITAL.

A. I recommended a total allowance of $45,745,893 or a decrease of $1,935,974 ($47,681,867 - $45,745,893) to the Company's claim. My CWC recommendation was based on my recommended adjustments to O&M expenses as discussed in direct testimony, as well as removing uncollectible expense from the CWC calculation.[81]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes. Peoples witness Anton Ribich partially agrees with my recommendation.

Q. SUMMARIZE MR. RIBICH'S RESPONSE.

A. Mr. Ribich agrees with my recommendation to remove uncollectible expense from the Company's CWC calculation. However, he disagrees with my other CWC recommendations due to the Company's rejection of my O&M expense adjustments. He provides an updated CWC claim of $46,932,677, that incorporates the Company's updated claims for building leases and corporate insurance and removes uncollectible expense.[82]

[81] I&E Statement No. 1, pp. 61-62.
[82] Peoples Statement No. 14-R, pp. 3-5.

Q. DO YOU AGREE WITH THE COMPANY'S UPDATED CLAIM?

A. No. I continue to recommend a reduction to the CWC claim based on the O&M adjustments I continue to recommend in this surrebuttal testimony.

Q. BASED ON THE ABOVE SURREBUTTAL TESTIMONY, WHAT IS YOUR UPDATED RECOMMENDED ALLOWANCE FOR CWC?

A. Reflecting all of I&E's recommended adjustments as discussed above, my updated recommendation for CWC is $45,570,205, or a reduction of $1,362,472 ($46,932,677 - $45,570,205) to the Company's updated claim. I calculated this using the Company's cash working capital workpapers and incorporating all my recommendations.[83]

Q. IS YOUR RECOMMENDED CWC ALLOWANCE A FINAL RECOMMENDATION?

A. No. All adjustments to the Company's claims for revenues, expenses, taxes, and rate base must be continually brought together for each operating unit in the Administrative Law Judge's Recommended Decision and again in the Commission's Final Order. This process, known as iteration, effectively prevents the determination of a precise calculation until all adjustments have been made to the Company's claims.

[83] I&E Exhibit No. 1-SR, Schedule 2.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

I&E Exhibit No. 1-SR
Witness: Vanessa Okum

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Surrebuttal Testimony

of

Vanessa Okum

Bureau of Investigation and Enforcement

Concerning:

Operating and Maintenance Expenses,
Taxes Other Than Income, Universal Service Program Rider,
Rate Base

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-054

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference the Company's response to OCA-XII-15 and I&E-RE-52 regarding incentive compensation. Provide the following:

A. Total amount of long-term incentive compensation claimed in the FPFTY.

B. Identify the expense line on Peoples Exhibit No. 4, Schedule 1, p. 2 containing the long-term incentive compensation claim.

C. Identify which employees are eligible for long-term incentive compensation and whether they are employees of Peoples or a parent Company.

Answer: A&B - The total long-term incentive compensation claimed in the FPFTY is $5,494,393 broken down a follows:

$1,195,936 - PNG cost included in Peoples Vol I, Exhibit No. 4, Schedule No. 1 pg. 2 ln 2

$4,298,457 - Allocated from the parent company and included in Peoples Vol I, Exhibit No. 4, Schedule No. 1 pg. 2 ln 19

C - Long-term incentive eligibility is determined at the position level based on compensation market data and the prevalence of LTI programs for comparable roles within the utility industry. Positions are selected to ensure competitive alignment and to support retention.

Submit Date: 6/22/2026

I&E Modified

Line No.	Description (A)	Revenue Lag (B)	Expense Lead (C)	Net Lag (D)	CWC Factor (E)	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	69,660,159	8,256,545
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,518,263	3,176,256
4	**Taxes Other Than Income Taxes**	58.93	68.92	(10.00)	(0.0274)	13,389,312	(366,810)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	93,279,586	4,104,145
	Income Taxes						
6	State	58.93	53.61	5.31	0.0146	175,807	2,559
7	Federal	58.93	35.63	23.30	0.0638	(80,732,103)	(5,153,599)
	Interest Expense						
8	Long Term Debt	58.93	57.92	1.00	0.0027	121,014,900	332,667
9	Short Term Debt		-	-	-		-
10	**Total**					$ 741,225,313	$ 45,570,205

I&E Statement No. 2
Witness: D. C. Patel

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY, LLC

Docket No. R-2026-3060855

Direct Testimony

of

D. C. Patel

Bureau of Investigation & Enforcement

Concerning:

Rate of Return
Effective Date of New Rates

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is D. C. Patel, and my business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial Analyst.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT BACKGROUND?

A. An outline of my education and employment background is set forth in the attached Appendix A.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN RATE PROCEEDINGS.

A. I&E is responsible for protecting the public interest in proceedings before the Commission. I&E's analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires balancing the interests of ratepayers, the regulated utility, and the regulated community as a whole.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to review the base rate filing of Peoples Natural Gas Company LLC (Peoples or Company), and make recommendations regarding the Company's rate of return, including capital structure, cost of long-term debt, the cost of equity, and the overall fair rate of return for the fully projected future test year (FPFTY) ending December 31, 2027. Additionally, I am recommending the effective date of new rates beginning January 1, 2027 as opposed to the Company's claimed new rates effective date of December 27, 2026.

Q. DOES YOUR DIRECT TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. I&E Exhibit No. 2 contains schedules that support my direct testimony.

BACKGROUND

Q. WHAT IS THE GENERAL DEFINITION OF RATE OF RETURN IN THE CONTEXT OF A BASE RATE CASE?

A. Rate of return is one of the components of the revenue requirement formula. Rate of return is the amount of revenue an investment generates in the form of net income. It is typically expressed as a percentage of the amount of an asset base at a particular point in time, which in base rate proceedings, is the projected rate base balance at the end of the test year and in this case the end of the FPFTY.

Q. WHAT IS THE REVENUE REQUIREMENT FORMULA?

A. The revenue requirement formula used in base rate cases is as follows:

RR = E + D + T + (RB x ROR)

Where:

RR	=	Revenue Requirement
E	=	Operating Expenses
D	=	Depreciation Expense
T	=	Taxes
RB	=	Rate Base
ROR	=	Overall Rate of Return

In the above formula, the rate of return is expressed as a percentage. The calculation of that percentage is independent of the determination of the appropriate rate base value for ratemaking purposes. As such, the appropriate total dollar return is dependent upon the proper computation of the rate of return and the proper valuation of the company's rate base.

Q. WHAT CONSTITUTES A FAIR AND REASONABLE OVERALL RATE OF RETURN?

A. A fair and reasonable overall rate of return is one that will allow the utility an *opportunity* to recover those costs, which are reasonable and prudently incurred by all classes of capital used to finance the rate base during the prospective period in which its rates will be in effect. The Commission has the authority to determine

the fair revenue requirement and rate of return, which the utility has the opportunity to earn, but is not guaranteed to earn.

The *Bluefield Water Works & Improvements Co. v. Public Service Comm. of West Virginia,* 262 U.S. 679, 692-93 (1923), and the *Federal Power Commission et al v. Hope Natural Gas Co.,* 320 U.S. 591, 603 (1944) cases set forth the principles that are generally accepted by regulators throughout the country as the appropriate criteria for measuring a fair rate of return:

1. A utility is entitled to a return similar to that being earned by other enterprises with corresponding risks and uncertainties, but not as high as those earned by highly profitable or speculative ventures.
2. A utility is entitled to a return level reasonably sufficient to assure financial soundness.
3. A utility is entitled to a return sufficient to maintain and support its credit and raise necessary capital.
4. A fair return can change (increase or decrease) along with economic conditions and capital markets.

Q. EXPLAIN HOW THE OVERALL RATE OF RETURN IS TRADITIONALLY CALCULATED IN BASE RATE PROCEEDINGS.

A. In base rate proceedings, the overall rate of return is traditionally calculated using the weighted average cost of capital method. To calculate the weighted average cost of capital, a company's capital structure must first be determined by

comparing the percentage of each capitalization component, which has financed rate base, to total capital. In Peoples' case, the capital components consist of long-term debt and common equity. Next, the effective cost rate of each capital structure component must be determined. The historical component of the debt cost rate can be computed accurately, and any future debt issuances are based on estimates. The cost rate of common equity is not fixed and is more difficult to measure. Because of this difficulty, a proxy group is used as discussed later in this testimony. Next, each capital structure component percentage is multiplied by its corresponding effective cost rate to determine the weighted capital component cost rate. The I&E table in the *"I&E Position"* section below demonstrates the interaction of each capital structure component and its corresponding effective cost rate. Finally, the sum of the weighted cost rates produces the overall rate of return. This overall rate of return is multiplied by the rate base to determine the return portion of a company's revenue requirement.

COMPANY'S RATE OF RETURN CLAIM

Q. WHO IS THE COMPANY'S RATE OF RETURN WITNESS?

A. Peoples witness Jennifer E. Nelson, Vice President at Concentric Energy Advisors, is the primary witness addressing the cost of common equity and overall rate of return for the Company.[1] Ms. Nelson provides her analysis for the proxy group selection, capital structure, cost of long-term debt, cost of common equity,

[1] Peoples Statement No. 15.

and the overall rate of return. Additionally, Micheal Huwar, President of Peoples and Peoples' direct parent, PNG Companies LLC (PNG), provides testimony regarding the Company's management effectiveness or performance to support the Company's claim for management performance reward or adder of 0.25% to the cost of equity.[2]

Q. PLEASE SUMMARIZE THE COMPANY'S RATE OF RETURN CLAIMS.

A. Ms. Nelson recommends the following rate of return for the Company based on the FPFTY ending December 31, 2027:[3]

Peoples Natural Gas Company, LLC Summary of Cost of Capital			
Type of Capital	**Ratio**	**Cost Rate**	**Weighted Cost Rate**
Long-Term Debt	45.53%	4.61%	2.10%
Common Equity	54.47%	11.25%	6.13%
Total	**100.00%**		**8.23%**

I&E POSITION

Q. PLEASE SUMMARIZE YOUR RATE OF RETURN RECOMMENDATION FOR PEOPLES.

A. I recommend the following rate of return for the Company:[4]

[2] Peoples Statement No. 1.
[3] Peoples Statement No. 15, p. 6, lines 1-2.
[4] I&E Exhibit No. 2, Schedule 1.

Peoples Natural Gas Company, LLC Summary of Cost of Capital			
Type of Capital	**Ratio**	**Cost Rate**	**Weighted Cost Rate**
Long-Term Debt	50.00%	4.61%	2.31%
Common Equity	50.00%	10.20%	5.10%
Total	**100.00%**		**7.41%**

Q. HOW DID YOU CALCULATE YOUR RECOMMENDED RETURN ON EQUITY (ROE)?

A. My recommended return on equity of 10.20% for Peoples is based on the average of the following results:

Discounted Cash Flow (DCF) Model	11.33%
Average of I&E calculated traditional Capital Asset Pricing Model (CAPM) Result and Kroll CAPM Result	9.57%
National Average of Gas Distribution Utilities Authorized ROE Complied by S&P Global	9.69%
Average ROE ((11.33% + 9.57% + 9.69%) ÷ 3)	**10.20%**

As summarized above and explained later, my ROE recommendation is calculated using the DCF method, the average of two variations of the CAPM method, and the recent national average authorized return on common equity for rate cases involving gas distribution utilities.

PROXY GROUP

Q. WHAT IS A PROXY GROUP AS USED IN BASE RATE CASES?

A. A proxy group is a set of companies that have similar traits in comparison to the subject utility. This group of companies acts as a benchmark for determining the subject utility's rate of return in a base rate case.

Q. WHAT ARE THE REASONS FOR USING A PROXY GROUP?

A. A proxy group's cost of equity is used as a benchmark to satisfy the long-established guideline of utility regulation that seeks to provide the subject utility with the opportunity to earn a return similar to that of enterprises with corresponding risks and uncertainties.

A proxy group is typically utilized since the use of data exclusively from one company may be less reliable. The lower reliability occurs because the data for one company may be subject to events that can cause short-term anomalies in the marketplace. The rate of return on common equity for a single company could become distorted in these circumstances and would therefore not be representative of similarly situated companies. Therefore, a proxy group has the effect of smoothing out potential anomalies associated with a single company.

Q. WHAT CRITERIA DID YOU USE IN SELECTING YOUR GAS UTILITY PROXY GROUP?

A. The criteria for my proxy group are designed to select companies that are

representative of the Company. I applied the following criteria to the Value Line Investment Survey Industry Classification as a "Natural Gas Utility" company group:

1. Fifty percent or more of the company's revenue must be generated from the regulated gas utility industry.
2. The company's stock must be publicly traded.
3. Investment information for the company must be available from more than one source, which includes Value Line.
4. The company must not be currently involved in an announced merger or the target of an acquisition.
5. The company must have four consecutive years of historic earnings data.
6. The company must be operating in a state that has a deregulated gas utility market.

Q. WHAT CRITERIA DID MS. NELSON USE IN SELECTING HER GAS PROXY GROUP COMPANIES?

A. Ms. Nelson determined her proxy group of seven gas companies by using Value Line Investment Survey Industry Classification as a "Natural Gas Utility" company group and applied the following criteria:[5]

[5] Peoples Statement No. 15, p. 18, line 12 through p. 19, line 6.

1. Pays quarterly cash dividends that have not been reduced or omitted in the last two years.
2. Maintains an investment grade long-term issuer rating (BBB- or higher from S&P or Baa3 or higher from Moody's) from both S&P and Moody's.
3. Is consistently covered by more than one equity analyst.
4. Has positive earnings growth rates published by at least two of the following sources: Value Line Investment Survey (Value Line), S&P Capital IQ (S&P), and Zacks Investment Research (Zacks).
5. Regulated net operating income must make up the majority of the consolidated company's net operating income, on average, for the three years ended 2024.
6. Natural gas distribution net operating income must make up a majority of the consolidated company's net operating income, on average, for the three years ended 2024.
7. Has not had a recent significant merger activity or transaction or a recent significant financial event that could affect its market data or financial condition.

Ms. Nelson excluded Peoples' parent company, Essential Utilities, Inc., for not meeting with her screening criterion no. 6 and circularity concerns.[6]

[6] Peoples Statement No. 15, p. 19, lines 8-11.

Q. WHAT PROXY GROUP DID YOU USE IN YOUR ANALYSIS?

A. I include the following eight companies in my proxy group:

Company	Stock Ticker
Atmos Energy Corp.	ATO
Chesapeake Utilities Corp.	CPK
New Jersey Resources Corp.	NJR
NiSource, Inc.	NI
Northwest Natural Holding Co.	NWN
One Gas, Inc.	OGS
Southwest Gas Holdings, Inc.	SWX
Spire, Inc.	SR

Q. WHAT PROXY GROUP DID MS. NELSON USE IN HER ANALYSIS?

A. Ms. Nelson included the following seven companies in her Gas Group:[7]

Company	Stock Ticker
Atmos Energy Corp.	ATO
New Jersey Resources Corp.	NJR
NiSource, Inc.	NI
Northwest Natural Holding Co.	NWN
One Gas, Inc.	OGS
Southwest Gas Holdings, Inc.	SWX
Spire, Inc.	SR

[7] Peoples Statement No. 15, p. 20, line 1.

Q. DO YOU AGREE WITH MS. NELSON'S GAS PROXY GROUP?

A. Not entirely. While we do have seven companies that match, I include Chesapeake Utilities Corporation and Ms. Nelson does not.

Q. PLEASE EXPLAIN WHY MS. NELSON EXCLUDED CHESAPEAKE UTILITIES CORP. FROM HER PROXY GROUP.

A. As stated above, Ms. Nelson has excluded Chesapeake Utilities Corp. from her proxy group because it does not meet with her proxy group selection criteria.

CAPITAL STRUCTURE

Q. WHAT IS A CAPITAL STRUCTURE?

A. A capital structure represents how a firm has financed its rate base with different sources of funds. The primary funding sources are long-term debt and common equity. A capital structure may also include preferred stock and/or short-term debt, which is not the case for the Company.

Q. WHAT IS THE CLAIMED CAPITAL STRUCTURE USED BY THE COMPANY?

A. Peoples is claiming a forecasted capital structure for the FPFTY, which is summarized in the table below:[8]

[8] Peoples Statement No. 15, p. 56, lines 17-18.

Type of Capital	Ratio
Long-Term Debt	45.53%
Common Equity	54.47%
Total	**100.00%**

Q. WHAT IS THE BASIS FOR THE COMPANY'S CLAIMED CAPITAL STRUCTURE?

A. Ms. Nelson explains that the requested common equity ratio of 54.47% is within the range of actual and authorized equity ratios for its peers. Therefore, she claims that the Company's proposed capital structure with 54.47% common equity and 45.53% long-term debt is reasonable and should be approved for ratemaking purposes.[9]

Q. HAS THE COMMISSION COMMENTED ON PEOPLES' CLAIMED CAPITAL STRUCTURE?

A. Yes. Vice Chair Barrow expressed concern regarding the Company's claimed overall rate of return and return on equity as well as the capital structure and its financial impact on customers. In her statement at the public meeting held on April 16, 2026, she stated, "I urge the parties to take a critical look at the Company's requested rate of return and ROE as well as the capital structure

[9] Peoples Statement No. 15, p. 60, lines 5-8 and Peoples Exhibit JEN-10 and JEN-12.

(common equity ratio and debt capital) to ensure reasonableness. Deviations in each of these items translate into millions of dollars charged to customers of all rate classes."[10]

Additionally, Vice Chair Barrow previously commented on Columbia Gas of Pennsylvania, Inc.'s (Columbia Gas) requested capital structure of 54.40% equity and 45.60% long-debt. The Office of Consumer Advocate (OCA) and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) argued in favor of a hypothetical 50/50 capital structure ratio, citing their proxy group's average capital structure was 45% equity and 55% debt. Vice Chair Barrow stated that the discrepancy between the proxy group and Columbia Gas' capital structure made it necessary for an adjustment to the Company's capital structure, and that a 50/50 capital structure "is a better representation of the Company's **actual** financial risk and would have resulted in millions of dollars in reduced revenue requirement for the Company and resultant lower rates for Columbia Gas' customers."[11]

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE COMPANY'S CAPITAL STRUCTURE?

A. I recommend using a capital structure with long-term debt of 50.00% and common equity of 50.00% as presented in the I&E recommendation.

[10] I&E Exhibit No. 2, Schedule 2, p. 1.
[11] I&E Exhibit No. 2, Schedule 2, pp. 2-5.

Q. WHAT IS THE BASIS FOR YOUR CAPITAL STRUCTURE RECOMMENDATION?

A. A capital structure of 50% long-term debt and 50% common equity represents a reasonable ratio when trying to balance the financial integrity of a utility as well as trying to control costs to ratepayers in this proceeding. Limiting a company's capital structure from becoming too equity heavy is reasonable and necessary for a fair ratemaking process. Implementing a capital structure with 50% long-term debt and 50% common equity is currently in the interest of ratepayers considering the increased cost of living and resultant financial challenges faced by ratepayers while utility rates are ballooning and Peoples and its parent companies' profits are improving as discussed in more detail below. Therefore, it is appropriate and essential at this time to implement a hypothetical capital structure (50/50) for ratemaking purposes, which would help to strike a balance between rewarding the Company while also reducing the costs that would be passed on to ratepayers. Peoples likely has access to a cheaper long-term borrowing source as compared to the equity cost to satisfy the 4.47% (54.47% - 50.00%) shortfall in the claimed common equity ratio of 54.47%.

Importantly, my recommended 50/50 capital structure is above or very close to the overall five-year average capital structure (51.75% long-term debt and 47.24% common equity) of my proxy group companies.[12] Considering the rate impact of an equity heavy capital structure, it is inappropriate and unreasonable to

[12] I&E Exhibit No. 2, Schedule 2, pp. 6-7.

allow the Company's claimed 54.47% common equity ratio for ratemaking purposes, which is higher by 7.23% (54.47% - 47.24%) than my proxy group's average equity ratio.

Furthermore, at the Peoples' public input hearing on June 10, 2026, Mark Szybist, Special Counsel (Energy Affordability) for Governor Josh Shapiro filed comments on Peoples' base rate filing, stating:[13]

> Peoples has not proposed to raise capital in the most cost-effective form available. Relatively low-cost debt—not high-cost equity—should normally represent a clear majority of a utility's proposed ratemaking capital structure. And when a distribution utility is owned by a holding company, its equity share should be no greater than its parent's, absent extraordinary justification. Although Peoples' ultimate parent company, Essential Utilities, Inc. ("Essential"), employs a capital structure of 54.9 percent debt and 45.1 percent equity, Peoples propose a capital structure that is practically the inverse: 54.5 percent common equity and 45.5 percent long-term debt.

The sheer discrepancy identified in this statement regarding the diversion between how Peoples' parent company, Essential, finances its operations at its choice and what it has claimed for the subsidiary company in this filing lends further support to my recommendation to utilize a 50/50 capital structure in this proceeding.

[13] I&E Exhibit No. 2, Schedule 2, pp. 8-16.

Q. HAVE YOU CONSIDERED WHAT CAPITAL STRUCTURES ARE PROJECTED TO BE FOR THE GAS UTILITY INDUSTRY IN THE NEAR FUTURE?

A. Yes. According to Value Line's 2027 estimates, the projected capital structures for my proxy group companies are as follows:[14]

Value Line 2027 Capital Structure Projections			
Company	**Stock Ticker**	**Long-Term Debt Ratio**	**Common Equity Ratio**
Atmos Energy Corp.	ATO	40.00%	60.00%
Chesapeake Utilities Corp.	CPK	45.00%	55.00%
New Jersey Resources Corp.	NJR	55.50%	44.50%
NiSource Inc.	NI	58.50%	41.50%
Northwest Natural Gas Co.	NWN	61.00%	39.00%
One Gas Inc.	OGS	40.00%	60.00%
Southwest Gas Holdings, Inc.	SWX	55.00%	45.00%
Spire Inc.	SR	60.00%	40.00%
Average		**51.88%**	**48.13%**

These future projections are consistent with my proxy group's historical five-year average capital structure of 47.24% equity and 51.75% long-term debt.[15]

[14] Value Line Reports, May 22, 2026.
[15] I&E Exhibit No. 2, Schedule 2, pp. 6-7.

Q. WHAT IS THE RECENT NATIONAL AVERAGE AUTHORIZED CAPITAL STRUCTURE FOR GAS DISTRIBUTION UTILITIES ACROSS THE U.S.?

A. The report issued by Regulatory Research Associates, a group within S&P Global Market Intelligence, shows that the average authorized equity ratio for gas utility rate cases from January 2025 through 2026 was 51.64%.[16] In addition, for perspective, the average authorized return on equity in the same time frame was 9.69%. These equity ratio and authorized return figures are both well below what Peoples is requesting in this proceeding.

Q. WHAT ARE YOUR FINAL COMMENTS REGARDING PEOPLES' EQUITY HEAVY CAPITAL STRUCTURE IN THIS PROCEEDING?

A. Peoples' claimed capital structure of 54.47% equity and 45.53% debt is considerably more equity-heavy than the proxy group's five-year averages, Value Line's 2027 projections, and the recent national authorized capital structures for gas utilities.

The table below illustrates the cost savings to ratepayers if the Company were to employ a reasonable capital structure with 50% long-term debt and 50% common equity in its cost of capital using the Company's claimed return on equity, debt cost, and rate base:

[16] I&E Exhibit No. 2, Schedule 2, pp. 17-18.

PEOPLES NATURAL GAS COMPANY, LLC As-filed Capital Structure and Cost Rates			
Type of Capital	**Ratio**	**Cost Rate**	**Weighted Cost Rate**
Long-Term Debt	45.53%	4.61%	2.10%
Common Equity	54.47%	11.25%	6.13%
Total	**100.00%**		**8.23%**
50/50 Capital Structure and Cost Rates			
Long-Term Debt	50.00%	4.61%	2.30%
Common Equity	50.00%	11.25%	5.62%
Total	**100.00%**		**7.92%**
Difference in the Overall Rate of Return (8.23% - 7.92%)			0.31%
Impact Prior to Gross Up (Claimed Rate Base* x Difference in the Overall Rate of Return ($5,760,803,876 x 0.0031))			$17,858,492
Gross Revenue Conversion Factor**			1.28127517
Total Savings to Ratepayers ($17,858,492 x 1.28127517)			**$22,881,642**

* Peoples Exhibit No. 2, Schedule 4, p. 2.
** Peoples Exhibit No. 2, Schedule 4, p. 4.

In this example, if the Company were to employ a 50/50 capital structure and not change the cost of debt or requested return on equity, the cost savings to ratepayers would be $22,881,642, which is approximately 14% of the requested total revenue increase of $163,171,938.

COST OF LONG-TERM DEBT

Q. WHAT IS THE COMPANY'S CLAIM FOR THE LONG-TERM DEBT COST RATE?

A. The Company is claiming a long-term debt cost rate of 4.61% for the FPFTY.[17]

Q. WHAT IS YOUR RECOMMENDATION FOR THE COMPANY'S LONG-TERM DEBT COST RATE?

A. I recommend using the Company's claimed long-term debt cost rate of 4.61% for the FPFTY.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION TO USE THE COMPANY'S LONG-TERM DEBT COST RATE?

A. I accept the Company's claimed debt cost rate because it falls within my proxy group's implied long-term debt cost range of 2.09% to 6.54%, with an average implied long-term debt cost rate of 5.02% for 2025.[18] The Company's cost rate of long-term debt is also below the Mergent Bond Record average yield of 5.75% for the period May 2025 through April 2026 for A-rated public utility bonds.[19] I recommend that the Company's claimed cost rate of long-term debt be used since it is reasonable and falls within the metrics described above.

[17] Peoples Statement No. 15, p. 61, lines 1-3.
[18] I&E Exhibit No. 2, Schedule 3.
[19] I&E Exhibit No. 2, Schedule 3.

COST OF COMMON EQUITY

Common Methods

Q. WHAT METHODS ARE COMMONLY PRESENTED BY UTILITIES IN DETERMINING THE COST OF COMMON EQUITY?

A. Four methods commonly presented to estimate the cost of common equity are the DCF, CAPM, Risk Premium (RP) Method, and the Comparable Earnings (CE) Method.

Q. WHAT IS THE THEORETICAL BASIS FOR THE DCF METHOD?

A. The DCF method is the "dividend discount model" of financial theory, which maintains that the value (price) of any security or commodity is the discounted present value of all future cash flows. The DCF method assumes that investors evaluate stocks in the traditional economic framework, which maintains that the value of a financial asset is determined by its earning power, or its ability to generate future cash flows. The DCF method is also considered a forward-looking model to estimate the cost of common equity.

Q. WHAT IS THE THEORETICAL BASIS FOR THE CAPM?

A. The CAPM describes the relationship between a stock's investment risk and its market rate of return. It identifies the rate of return investors expect so that it is comparable with returns of other stocks of similar risk. This method hypothesizes that the investor-required return on a company's stock is equal to the return on a

"risk free" asset plus an equity premium reflecting the company's investment risk. In the CAPM, two types of risk are associated with a stock: (1) firm-specific risk (unsystematic risk); and (2) market risk (systematic risk), which is measured by a firm's beta. The CAPM allows for investors to receive a return only for bearing systematic risk. Unsystematic risk is assumed to be diversified away, and therefore, does not earn a return.

Q. WHAT IS THE THEORETICAL BASIS FOR THE RP METHOD?

A. The theoretical basis for the RP method is a simplified version of the CAPM. The RP method's theory is that common stock is riskier than debt, thus, investors require a higher expected return on stocks than bonds. In the RP approach, the cost of equity is made up of the cost of debt and a risk premium. While the CAPM uses the market risk premium, it also directly measures the systematic risk of a company using beta. The RP method does not measure the specific risk of a company.

Q. WHAT IS THE THEORETICAL BASIS FOR THE CE METHOD?

A. The CE method utilizes the concept of opportunity cost. This means that investors will likely dedicate their capital to the investment offering the highest return with similar risk to alternative investments. Unlike the DCF, CAPM, and the RP methods, the CE method is not market-based and relies upon historic accounting data. Like the RP method, the CE method does not measure the specific risk of a

company. The most problematic issue with the CE method is determining what constitutes comparable companies.

Q. WHAT METHODS DO YOU RECOMMEND TO DETERMINE AN APPROPRIATE COST OF COMMON EQUITY FOR THE COMPANY?

A. I recommend using a combination of methods to determine the appropriate cost of common equity. I have employed the DCF, CAPM (traditional and Kroll), and have incorporated the recent national average authorized return on equity for gas distribution companies in rate cases concluded in 2025 through 2026. I have used the DCF and CAPM because they have the most wide-spread regulatory acceptance, and the Commission has more recently based its ROE decisions on a combination of the DCF and composite CAPM methods. Additionally, the average authorized returns for gas distribution utilities from across the nation in rate case decisions should be considered, as it aligns with the guidance derived from the *Hope* and *Bluefield* cases that the subject utility is entitled to a return similar to that being earned by comparable enterprises.

Q. PLEASE EXPLAIN WHY YOU CHOSE TO USE THE DCF IN YOUR ANALYSIS TO HELP DETERMINE YOUR RECOMMENDED RETURN ON EQUITY.

A. I have used the DCF for a variety of reasons. First, the DCF is appealing to investors as it is based upon the concept that the receipt of dividends in addition to

the expected appreciation is the total return requirement determined by the market.[20] Second, the use of a growth rate and expected dividend yield are also strengths of the DCF, as this recognizes the time value of money and is forward-looking. Third, the use of the utility's own, or in this case, the proxy group's stock prices and growth rates directly in the calculation make the DCF industry and company specific. Finally, current inflationary and economic trends are most certainly reflected in a stock's price, which is used in determining the dividend yield, and by analysts who generate forecasted earnings growth rates. Therefore, the DCF contains the most up-to-date projected information of any model and is the preferred method for determining the rate of return for the current economic market because it measures the cost of equity directly.

Q. PLEASE EXPLAIN WHY YOU CHOSE TO USE THE CAPM IN YOUR ANALYSIS TO DETERMINE YOUR RECOMMENDED RETURN ON EQUITY.

A. I have included a CAPM analysis in my recommendation as it has been the Commission's recent desire to employ more than one ROE methodology. I chose to use both the CAPM and the DCF because they include inputs that allow the results to be specific to the utility industry. The CAPM is based on the performance of U.S. Treasury bonds and the performance of the market as measured through the S&P 500 and is company-specific only through the use of

[20] David C. Parcell, "The Cost of Capital - A Practitioner's Guide," 2020 Edition, p. 153.

beta. Beta reflects a stock's volatility relative to the overall market, thereby incorporating an industry-specific aspect to the CAPM, but only as a measure of how reactive the industry is compared to the market as a whole. Although changes in the utility industry are more likely to be accurately reflected in the DCF, which uses the companies' actual prices, dividends, and growth rates, I have included the results of my CAPM analysis because changes in the market, whether as a whole or specific to the utility industry, can affect the outcome of each method in different ways.

Q. PLEASE EXPLAIN WHY YOU HAVE CHOSEN TO EXCLUDE THE RP METHOD FROM YOUR ANALYSIS.

A. The RP method is excluded because it is a simplified version of the CAPM. The RP method has a number of underlying assumptions and the most critical one, as well as the most disputed one, is the assumption that the equity risk premium is constant over the time.[21] More importantly, unlike the CAPM, the RP method does not recognize company-specific risk through beta.

Q. EXPLAIN WHY YOU HAVE CHOSEN TO EXCLUDE THE CE METHOD IN YOUR ANALYSIS.

A. The CE method is excluded because the choice of which companies are comparable is highly subjective. Moreover, its historical usage in this regulatory

[21] David C. Parcell, "The Cost of Capital – A Practitioner's Guide," 2020 Edition, pp. 167-168.

forum has been minimal.

SUMMARY OF THE COMPANY'S RESULTS

Q. WHAT ARE THE RESULTS OF THE COMPANY'S COST OF EQUITY ANALYSIS?

A. Ms. Nelson used the DCF, CAPM, and the Bond Yield Plus Risk Premium (BYPRP) methods in analyzing the Company's cost of equity. She used both the constant growth and quarterly growth forms of the DCF, as well as the traditional CAPM and Empirical Capital Asset Pricing Model (ECAPM) in forming her recommendation. Ms. Nelson applied these methods using her proxy group of regulated gas utilities. A summary of her analysis results for each method and the average of each method is shown in the table below:[22]

[22] Peoples Statement No. 15, p. 4, line 13 through p. 5, line 1.

Method	ROE Estimate
Constant Growth DCF	10.79%
Quarterly Growth DCF	11.03%
(a) Average of DCF Results	**10.91%**
Forward CAPM	13.09%
Forward ECAPM	13.91%
Historical CAPM	10.11%
Historical ECAPM	10.64%
(b) Average of CAPM Results	**11.94%**
(c) Risk Premium Result	**10.24%**
(d) 3-Model Average ((a+b+c)÷3)	**11.03%**
Range of Model Results (rounded)	10.20% – 11.90%
Base ROE Recommendation	**11.00%**
Management Effectiveness Adder	0.25%
Final ROR Request	**11.25%**

Finally, Ms. Nelson states that she considered the planned capital expenditures, regulatory environment, large customers bypass risk, flotation costs, financial risk and capital market environment in her cost of equity recommendation. Although she does not make or indicate a specific corresponding adjustment to her proposed cost of equity for any of these factors.[23] Ultimately, Ms. Nelson's opines that a base ROE of 11.00% before adjusting for management performance is a reasonable and conservative estimate for Peoples.[24]

[23] Peoples Statement No. 15, p. 6, lines 11-19.
[24] Peoples Statement No. 15, p. 7, lines 1-3.

I&E RECOMMENDATION

Q. WHAT IS YOUR RECOMMENDED COST OF COMMON EQUITY FOR THE COMPANY?

A. Based upon my analysis, I recommend a cost of common equity of 10.20%.[25] It is worth noting that this recommendation is within the ROE range (10.20% - 11.90%) that Ms. Nelson has presented as part of her recommendation.

Q. WHAT IS THE BASIS FOR YOUR RECOMMENDATION?

A. As explained above and discussed in further detail below, my recommendation is based on the use of the DCF, two versions of the CAPM, and the recent average national authorized return on equity for gas distribution companies.

Discounted Cash Flow

Q. PLEASE EXPLAIN YOUR DCF ANALYSIS.

A. My analysis employs the constant growth DCF model as portrayed in the following formula:

$$K = D_1/P_0 + g$$

Where:

K = Cost of equity

D_1 = Dividend expected during the year

P_0 = Current price of the stock

[25] I&E Exhibit No. 2, Schedule 1.

g = Expected growth rate

When a forecast of D_1 is not available, D_0 (the current dividend) must be adjusted by one half of the expected growth rate to account for changes in the dividend paid in period one. As forecasts for each company in my proxy group were available from Value Line, no dividends were adjusted for the purpose of my analysis.

Q. PLEASE EXPLAIN HOW YOU DEVELOPED THE DIVIDEND YIELDS USED IN YOUR DCF ANALYSIS.

A. A representative dividend yield must be calculated over a time frame that avoids the problems of both short-term anomalies and stale data series. For my DCF analysis, the dividend yield calculation places equal emphasis on the most recent spot and the 52-week average dividend yields. The following table summarizes my dividend yield computations for the proxy group:[26]

Proxy Group - Average Dividend Yields	
(a) Spot Dividend Yield	3.13%
(b) 52-week Average Dividend Yield	3.32%
(c) **Average** ((a +b) ÷ 2)	**3.23%**

[26] I&E Exhibit No. 2, Schedule 4.

Q. WHAT INFORMATION DID YOU RELY UPON TO DETERMINE YOUR EXPECTED GROWTH RATE?

A. I have used five-year earnings per share projected growth rate estimates from S&P, Zacks, and Value Line.

Q. WHAT WERE THE RESULTS OF YOUR FORECASTED EARNINGS GROWTH RATES?

A. The expected average growth rates for the proxy group ranged from 6.45% to 11.25% with an overall average of 8.27%.[27] For the purpose of my DCF analysis, I eliminated Southwest Gas Holdings' outlier S&P growth estimate of 12.59% to determine a new adjusted average growth rate of 8.10% for use in my DCF analysis.[28]

Q. WHY DID YOU ELIMINATE SOUTHWEST GAS HOLDINGS' S&P PROJECTED GROWTH RATE?

A. While the use of a proxy group largely smooths out various anomalies, S&P's growth projection for Southwest Gas Holdings is extremely inconsistent and would have an unreasonable and unwarranted impact on my DCF analysis. The S&P growth estimate of 12.59% is higher by 52.24% than the originally calculated 8.27% overall average growth rate and greater than two standard deviations over

[27] I&E Exhibit No. 2, Schedule 5.
[28] I&E Exhibit No. 2, Schedule 5.

the average growth rate. This inconsistency would adversely affect my recommendation for the Company's cost of common equity by creating an unjustified increase in return on equity and consequently raising ratepayers' rates. Such an unjustified increase would be harmful to ratepayers and would not be in the public interest. Additionally, I was unable to find any explanation or justification of why this estimate was so high, while Zacks growth estimate is 9.90% and Value Line does not provide a growth estimate for Southwest Gas Holdings.

Q. WHAT IS THE RESULT OF YOUR DCF ANALYSIS BASED ON YOUR RECOMMENDED DIVIDEND YIELD AND GROWTH RATE?

A. The result of my DCF analysis is 11.33%, which is calculated as follows:[29]

K	$=$	D_1/P_0	$+$	g
11.33%	=	3.23%	+	8.10%

<u>Capital Asset Pricing Model</u>

Q. PLEASE EXPLAIN YOUR CAPM ANALYSIS.

A. My analysis employs the traditional CAPM as portrayed in the following formula:

$$K = R_f + \beta(R_m - R_f)$$

[29] I&E Exhibit No. 2, Schedule 6.

Where:

K	=	Cost of equity
R_f	=	Risk-free rate of return
R_m	=	Expected rate of return on the overall stock market
β	=	Beta measures the systematic risk of an asset
$R_m - R_f$	=	Equity Risk Premium (ERP)

Q. WHAT IS BETA AS EMPLOYED IN YOUR CAPM ANALYSIS?

A. Beta is a measure of the systematic risk of a stock in relation to the rest of the stock market. A stock's beta is estimated by calculating the linear regression of a stock's return against the return on the overall stock market. The beta of a stock with a price pattern identical to that of the overall stock market will equal one. A stock with a price movement that is greater than the overall stock market will have a beta that is greater than one and would be described as having more investment risk than the market. Conversely, a stock with a price movement that is less than the overall stock market will have a beta of less than one and would be described as having less investment risk than the overall stock market.

Q. HOW DID YOU DETERMINE BETA FOR YOUR CAPM ANALYSIS?

A. In estimating an equity cost rate for my proxy group of eight companies, I used the average of the betas for the companies as provided in the Value Line Investment

Survey. The average beta for my proxy group is 0.77.[30]

Q. WHAT RISK-FREE RATE OF RETURN HAVE YOU USED FOR YOUR FORECASTED CAPM ANALYSIS?

A. I used the risk-free rate of return (R_f) from the projected yield on 10-year Treasury Notes. While the yield on the short-term T-Bill is a more theoretically correct parameter to represent a risk-free rate of return, it can be extremely volatile. The volatility of short-term T-Bills is directly influenced by Federal Reserve policy. At the other extreme, the 30-year Treasury Bond exhibits more stability but is not risk-free. Long-term Treasury Bonds have substantial maturity risk associated with market risk and the risk of unexpected inflation. Long-term treasuries normally offer higher yields to compensate investors for these risks. As a result, I used the yield on the 10-year Treasury Note because it mitigates the shortcomings of the other two alternatives. Additionally, the Commission has historically agreed with I&E and recognized the 10-year Treasury Note as the superior measure of the risk-free rate of return.[31]

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[30] I&E Exhibit No. 2, Schedule 7.

[31] *Pa. PUC v. UGI Utilities, Inc. - Electric Division*, Docket No. R-2017-2640058 (Order Entered October 25, 2018). *See generally* Disposition of Capital Asset Pricing Model (CAPM), p. 99; *Pa. PUC v. Aqua Pennsylvania, Inc.*, Docket Nos. R-2021-3027385 & R-2021-3027386, p. 154 (Order Entered May 16, 2022); *Pa. PUC v. Columbia Water Company*, Docket No. R-2023-3040258 (Order Entered January 18, 2024). *See generally* Disposition of Cost of Common Equity, pp. 107-108; *Pa. PUC v. Pennsylvania-American Water Company*, Docket Nos. R-2023-3043189 & R-2023-3043190 (Order Entered July 22, 2024). *See generally* Disposition of Capital Asset Pricing Model (CAPM), pp. 171-172, and *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). See generally Rate of Return on Common Equity - Disposition, p. 234.

The forecasted yield on the 10-year Treasury Note, as seen in Blue Chip Financial Forecasts, remains steady at 4.20% - 4.30% from the third quarter of 2026 to the third quarter of 2027, and it is forecasted to be 4.20% for 2027-2031. For my CAPM analysis, I used 4.23%, which is the average of all the yield forecasts I observed.[32]

Q. HOW DID YOU DETERMINE THE RETURN ON THE OVERALL STOCK MARKET IN YOUR FORECASTED CAPM ANALYSIS?

A. To arrive at a representative expected return on the overall stock market, I observed Value Line's 1700 stocks and the historical returns of the S&P 500. Value Line expects its universe of approximately 1700 stocks to have an average yearly return of 11.83% over the next three to five years based on a forecasted dividend yield of 2.10% and a yearly index appreciation of 45%.[33] The S&P 500 Index has had an average return of 12.35% over the past 100 years (1926-2025).[34] I have averaged the S&P 500 return of 12.35% and the Value Line return of 11.83%, producing an estimated market return of 12.09%.[35]

[32] I&E Exhibit No. 2, Schedule 8.
[33] I&E Exhibit No. 2, Schedule 9, p. 1.
[34] I&E Exhibit No. 2, Schedule 9, p. 2.
[35] I&E Exhibit No. 2, Schedule 9, p. 1.

Q. WHAT IS THE COST OF EQUITY RESULT FROM YOUR TRADITIONAL CAPM ANALYSIS USING A FORECASTED OVERALL MARKET RETURN?

A. The result of my traditional CAPM analysis is as follows:[36]

K	=	R_f	+	$\beta(R_m - R_f)$
10.28%	=	4.23%	+	0.77 (12.09% - 4.23%)

Q. ARE YOU PROVIDING AN ADDITIONAL CAPM ANALYSIS?

A. Yes. I am providing an additional CAPM analysis using Kroll's (formerly Duff & Phelps) recommended U.S. Equity Risk Premium (ERP) paired with the 20-year U.S. Treasury yield. Kroll is a trusted source that bases its publicly available recommended ERP on current and forecasted economic and financial market conditions.

Q. WHAT IS KROLL'S CURRENT RECOMMENDED ERP?

A. As of March 23, 2026, Kroll recommends an ERP of 5.00% when developing discount rates.[37]

[36] I&E Exhibit No. 2, Schedule 10.
[37] I&E Exhibit No. 2, Schedule 11, pp. 1-4.

Q. WHAT IS THE CURRENT 20-YEAR U.S. TREASURY YIELD?

A. Kroll recommends using 20-year U.S. Treasury yield as the proxy for the risk-free rate.[38] As of May 27, 2026, the 20-Year U.S. Treasury yield was 5.01%.[39]

Q. WHAT IS THE COST OF EQUITY RESULT FROM YOUR CAPM ANALYSIS USING KROLL'S RECOMMENDED ERP AND THE 20-YEAR U.S. TREASURY YIELD?

A. The result of my CAPM analysis using Kroll's recommended ERP and the 20-Year US Treasury yield as a risk-free rate is as follows:[40]

K	=	R_f	+	β(ERP)
8.86%	=	5.01%	+	0.77 (5.00%)

Q. WHAT IS THE RESULT OF YOUR TRADITIONAL CAPM ANALYSIS BASED ON THE AVERAGE OF USING A FORECASTED OVERALL MARKET RETURN AND USING KROLL'S RECOMMENDED ERP AND 20-YEAR TREASURY YIELD?

A. The average of my CAPM analyses is 9.57% ((10.28% + 8.86%) ÷ 2).[41]

[38] I&E Exhibit No. 2, Schedule 11, p. 4, footnote.
[39] I&E Exhibit No. 2, Schedule 11, p. 5.
[40] I&E Exhibit No. 2, Schedule 10.
[41] I&E Exhibit No. 2, Schedule 10.

Q. DO YOU HAVE ANY ADDITIONAL COMMENTS REGARDING YOUR CAPM ANALYSIS?

A. Yes. As discussed above, and as I&E has historically reasoned, the CAPM inputs are subjective, and other than beta, not company or industry specific. So, while I believe the DCF is the most reliable of the cost of equity models, I am providing a CAPM analysis as it does provide value and the Commission has recently relied on a combination of both the DCF and CAPM models.

National Average Authorized ROE

Q. WHAT IS THE RECENT NATIONAL AVERAGE AUTHORIZED ROE FOR GAS DISTRIBUTION UTILITIES ACROSS THE U.S.?

A. Data provided by S&P Global Market Intelligence shows the national average authorized ROE for gas distribution companies across the U.S. was 9.69% for rate cases decided in 2025 through 2026.[42]

Q. PLEASE EXPLAIN WHY YOU HAVE INCORPORATED RECENT NATIONAL AUTHORIZED EQUITY RETURNS FOR GAS UTILITIES IN YOUR ROE ANALYSIS.

A. This information complies with the principle derived from the *Hope* and *Bluefield* cases, previously discussed above, that a utility is entitled to a return similar to that being earned by other enterprises with corresponding risks and uncertainties,

[42] I&E Exhibit No. 2, Schedule 2, pp. 8-9.

but not as high as those earned by highly profitable or speculative ventures. Therefore, it is reasonable and logical to include in my recommendation the authorized returns of natural gas distribution companies in recently completed rate cases across the country.

As cited above, I&E Exhibit No. 2, Schedule 2, pp. 8-9 also illustrates the differences in the requested ROE and capital structure equity ratio as compared to gas distribution utilities in rate proceedings across the U.S. My recommended ROE of 10.20% for the Company in this case is comparable, yet higher than the national average authorized ROE of 9.69% for gas distribution utilities.

Q. PLEASE EXPLAIN WHY THE GROUP OF COMPANIES INCLUDED IN YOUR NATIONAL AUTHORIZED EQUITY RETURNS ANALYSIS DOES NOT ALIGN WITH THE COMPANIES IN YOUR PROXY GROUP.

A. As discussed in greater detail in the Proxy Group section above, the companies that formulate my proxy group must be publicly traded. The variables required to use in the various ROE models, such as stock price, earnings per share growth projections, projected dividends, etc. are only available for publicly traded companies. Many of the companies included in this analysis are subsidiary operating companies, and therefore, the information required to perform an ROE analysis is not readily available.

CRITIQUE OF MS. NELSON'S PROPOSED COST OF EQUITY

Q. DO YOU AGREE WITH MS. NELSON'S 11.25% PROPOSED COST OF EQUITY?

A. No. I disagree with Ms. Nelson's proposed cost of equity for several reasons. First, I disagree with the weights given to her ECAPM, and BYPRP or RP analyses results in her ROE recommendation. Second, I disagree with her reliance on the 30-year Treasury Bond for her risk-free rate in the CAPM analysis. Third, I disagree with her discussion that Peoples require a higher authorized ROE due to its planned capital expenditures, regulatory environment, large customers bypass risk, flotation costs, financial risk, and capital market environment in her cost of equity recommendation.

Ms. Nelson's DCF Analysis

Q. PLEASE COMMENT ON MS. NELSON'S DCF ANALYSIS.

A. As stated above, Ms. Nelson presents both a constant growth and quarterly growth DCF analysis. The constant growth DCF average result is 10.79% ((10.72% + 10.72% + 10.92%) ÷ 3) for the 30-day average, 90-day average, and 180-day average dividend yield calculations.[43] Similarly, the quarterly growth DCF average result is 11.03% ((10.95% + 10.96% + 11.18%) ÷ 3) for the 30-day average, 90-day average, and 180-day average dividend yield calculations.[44]

[43] Peoples Statement No. 15, p. 26, lines 1-2.
[44] Peoples Statement No. 15, p. 28, lines 1-2.

Averaging these two results produces her indicated DCF results of 10.91% ((10.79% + 11.03%) ÷ 2).

Ms. Nelson's DCF methodologies vary slightly, which produce an average DCF result of 10.91% while my DCF analysis result is 11.33%. I will not offer any specific critiques of Ms. Nelson's DCF analysis.

Weights Given to the ECAPM and BYPRP Methods

Q. DO YOU AGREE WITH MS. NELSON'S RELIANCE ON THE ECAPM AND BYPRP MODELS?

A. No. I am not opposed to including the results of the CAPM with the DCF model; however, I am opposed to giving considerable weight to the ECAPM and BYPRP model results in determining an appropriate cost of equity for Peoples. As explained further below, it is inappropriate to give the ECAPM and BYPRP models similar weight to the DCF and traditional CAPM as Ms. Nelson has done in creating her indicated cost of equity results range of 10.20% - 11.90% and base ROE recommendation of 11.00% before adjusting for management performance.[45] As discussed below, I have not used the ECAPM because it only weights the betas of the CAPM in order to flatten the Security Market Line (SML). Similarly, I have not relied on Ms. Nelson's BYPRP model for the reasons previously mentioned and discussed again below, including the fact that it is not a widely accepted method.

[45] Peoples Statement No. 15, p. 4, lines 7-10.

Empirical Capital Asset Pricing Model

Q. WHAT IS THE ECAPM?

A. The ECAPM is a modified version of the CAPM, which attempts to address the belief that the actual risk versus return correlation is flatter than what is predicted by the CAPM. The implication is that the CAPM underestimates returns with lower levels of risk and over-estimates the returns associated with higher levels of risk. ECAPM entails assigning 25% weight to the market beta (1.0) and 75% weight to the individual company (or proxy group) beta.[46]

Q. WHAT DOES MS. NELSON CLAIM IS THE BASIS FOR HER USE OF THE ECAPM?

A. Ms. Nelson opines that the ECAPM addresses the tendency of the CAPM to underestimate the cost of equity for companies with relatively low Beta coefficients.[47] She states that the SML described by the CAPM formula is not as steeply sloped as the predicted SML.[48] She uses a formula to account for the systematic risk that is not accounted for with beta in the CAPM formula. This methodology uses a factor, alpha, to account for the additional systematic risk not captured by beta.

[46] David C. Parcell, "The Cost of Capital – A Practitioner's Guide," 2020 Edition, p. 106.
[47] Peoples Statement No. 15, p. 35, lines 6-7.
[48] Peoples Statement No. 15, p. 36, lines 7-9.

Q. DO YOU AGREE WITH MS. NELSON'S USE OF THE ECAPM?

A. No. The use of the ECAPM in estimating the cost of capital does not increase the validity of the result, but instead it injects another measure of subjectivity to the CAPM in an attempt to make the SML more accurate. The ECAPM reduces the purpose of beta, which is the only company-specific variable in the CAPM. This additional layer of subjectivity provides an even stronger basis to rely on the DCF and CAPM without the ECAPM as I have done to calculate a utility's cost of equity.

Additionally, in response to I&E-RR-9, Ms. Nelson states that the Commission has approved settlements in proceedings where the ECAPM was presented and cites the First Energy Pennsylvania Electric Co. rate case at Docket No. R-2024-3047068.[49] However, the Commission's approval of a settlement (a compromise of the parties' positions) is not the same as its approval of the ECAPM methodology in the context of a fully litigated rate case. To the best of my knowledge, there is no instance where the Commission explicitly relied on the ECAPM when determining an appropriate cost of equity for a regulated utility in Pennsylvania.

Finally, Ms. Nelson's ECAPM results are higher than the traditional CAPM results as summarized in the table below,[50] which impacts her indicated cost of equity range.

[49] I&E Exhibit No. 2. Schedule 12.
[50] Peoples Statement No. 15, p. 39, lines 1-2.

Methods	Results
CAPM Forward Market Return	13.09%
ECAPM Forward Market Return	13.91%
CAPM Historical Market Return	10.11%
ECAPM Historical Market Return	10.64%

Bond Yield Plus Risk Premium Approach

Q. WHAT IS THE BYPRP APPROACH?

A. The BYPRP is a method that relies on the theory that common stock is riskier than debt; thus, investors require a higher expected return on stocks than bonds to be properly compensated for the additional risk of holding equity as opposed to being a bondholder.

Q. DO YOU AGREE WITH MS. NELSON'S USE OF THE BYPRP METHOD?

A. No. In response to I&E-RR-13, Ms. Nelson states that the Commission has approved numerous settlements in proceedings where the BYPRP method was presented and cites three rate cases at Docket Nos. R-2024-3046523 (Duquesne Light Co.), R-2024-3046931 (PECO Energy Co. - Electric Division), and R-2022-3037368 (UGI Utilities, Inc. - Electric Division).[51] However, as discussed above, the Commission's approval of a settlement is not the same as its approval of the BYPRP methodology in the context of a fully litigated rate case. Upon my review

[51] I&E Exhibit No. 2, Schedule 13.

of the cited rate cases, it is apparent that risk premium calculation methodologies presented by utility witnesses were not similar to Ms. Nelson's BYPRP method.

Finally, To the best of my knowledge, there is no instance where the Commission explicitly relied on the BYPRP or RP methods when determining the appropriate cost of equity for a regulated utility in Pennsylvania.

Risk-Free Rate

Q. WHAT RISK-FREE RATE DOES MS. NELSON USE IN HER CAPM ANALYSIS?

A. Ms. Nelson used the 30-day average yield on 30-year Treasury bonds (4.83%) reported by Federal Reserve Bank of St. Louis (FRED) Economic Database as of January 30, 2026, as well as a projected 30-year Treasury yield (4.68%) reported in the Blue Chip Financial Forecasts of December 1, 2025 and January 30, 2026 in her calculation of risk-free rate estimates.[52]

Q. DO YOU AGREE WITH MS. NELSON'S USE OF THE 30-YEAR TREASURY BOND YIELD TO DETERMINE THE RISK-FREE RATE?

A. No. I disagree with Ms. Nelson's risk-free rate based on the 30-year Treasury Bond yield. As discussed above, long-term Treasury Bonds have substantial maturity risk associated with the market risk and the risk of unexpected inflation and normally offer higher yields to compensate investors for these risks. Using

[52] Peoples Statement No. 15, p. 30, lines 9-11.

the 10-year Treasury Note is more appropriate to balance the short-term volatility risk and the long-term inflation risk. Further, as noted above, the Commission has traditionally recognized the 10-year Treasury Note as the superior measure of the risk-free rate of return. More particularly, in the UGI Utilities, Inc. - Electric Division case, the Commission recognized the 10-year Treasury Note as the superior measure for the risk-free rate by stating the following:

> We agree with I&E and the ALJs that using the yield on the 10-year Treasury Note provides a better measure of the risk-free rate of return than using the yield on the 30-year Treasury Bond, as recommended by UGI. In our view, using the 10-year Treasury Note balances the shortcomings of the short-term T-Bill and the 30-year Treasury Bond. Although long-term Treasury Bonds have less risk of being influenced by federal policies, they have substantial maturity risk associated with the market risk. In addition, long-term Treasury Bonds bear the risk of unexpected inflation.[53]

<u>CAPM Market Risk Premium</u>

Q. WHAT MARKET RISK PREMIUM DID MS. NELSON USE IN HER CAPM ANALYSIS?

A. Ms. Nelson used two higher end market risk premium estimates of 11.55% using a 4.83% risk-free rate and 11.70% using a 4.83% risk-free rate along with the market risk premium of 7.40% using 4.83% risk-free rate and 7.56% using 4.83% risk-free rate in her CAPM and ECAPM analysis.

[53] *Pa. PUC v. UGI Utilities, Inc. – Electric Division*, Docket No. R-2017-2640058 (Order Entered October 25, 2018), p. 99. (Disposition of Capital Asset Pricing Model (CAPM)).

Q. DO YOU AGREE WITH MS. NELSON'S USE OF A MARKET RISK PREMIUM OF 11.55% AND 11.70% IN HER CAPM AND ECAPM?

A. No. Ms. Nelson's market risk premium of 11.55% is significantly higher by 56.08% as compared to 7.40%, and the market risk premium of 11.70% is also significantly higher by 54.76% as compared to 7.56%. Use of these outlier risk premiums inappropriately inflates her average CAPM result to 13.09% and average ECAPM result to 13.91% in contrast to her average CAPM result of 10.11% and average ECAPM result of 10.64%. In contrast, Kroll's latest forecast for the equity risk premium is 5.00%, which is significantly lower and less than half of Ms. Nelson's calculated risk premiums of 11.55% and 11.70%.

<u>Capital Expenditure</u>

Q. WHAT IS MS. NELSON'S CLAIM REGARDING ADDITIONAL RISK DUE TO THE COMPANY'S CAPITAL EXPENDITURE PLAN?

A. Ms. Nelson claims that Peoples has planned a major capital investment program totaling about $4.0 billion over the period 2026 to 2030. She also claims that Peoples require a higher authorized ROE to support these expenditures, as a high level of expenditures could put pressure on the Company's ability to raise capital, cash flow, credit metrics, and credit ratings. Additionally, she claims that Peoples' ratio of projected capital expenditures to net utility plant is higher than all the proxy group companies. Finally, she concludes it is important that the authorized ROE be set at a level that allows Peoples to continue to attract both debt and

equity at favorable terms under a variety of economic and financial market conditions.[54]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S CLAIM REGARDING ADDITIONAL RISK DUE TO THE COMPANY'S CAPITAL EXPENDITURE PLAN?

A. Every gas utility faces the same issues of upgrading or replacing its pipeline infrastructure. As distribution costs increase, Peoples, like any other regulated gas utility, has the option to file a base rate case to address revenue inadequacy due to maintaining, expanding, and modernizing infrastructure. Base rate cases allow a utility to recover its costs and provide it with the *opportunity* to earn a reasonable return on capital investment. Additionally, the Commission offers risk reducing mechanisms such as the Distribution System Improvement Charge (DSIC) and the FPFTY to help reduce regulatory lag in recovery of infrastructure investment or other unforeseen expenditures. It should be noted that these mechanisms were not designed to eliminate the need for periodic base rate case filings, but only to mitigate regulatory lag and support increasing infrastructure replacement needs.

Ms. Nelson's claim regarding the high level of capital expenditures posing pressure on the Company's ability to raise capital, cash flow, credit metrics, and credit ratings are not supported because, historically, Peoples has successfully

[54] Peoples Statement No. 15, pp. 44-47.

executed and met with budgeted levels of capital expenditure plans as shown in the table below:[55]

Year	Budgeted Capex	Actual Capex
2021	$355.47M	$342.06M
2022	$377.13M	$399.07M
2023	$465.64M	$494.22M
2024	$549.15M	$564.46M
2025	$610.10M	$583.52M

Currently, Peoples receives its long-term funding from its financially strong immediate parent company, PNG, as discussed below. Additionally, the Joint Application of American Water Works Company, Inc. and Essential Utilities, Inc. seeking Commission-approval for the merger transaction at Docket Nos. A-2025-3058927 through A-2025-3058929 provides the following:[56]

> American Water also has a subsidiary, American Water Capital Corp. ("AWCC"), that was established to provide certain financial services, including short-term loans, long-term borrowings, and cash management to American Water and its regulated subsidiaries as cost effectively as possible over the long-term. PAWC is a party to a financial service agreement with AWCC that was approved by the Commission on June 22, 2000 at Docket No. G-00000763. . . .
>
> The increased scale and scope of the combined company will deliver operational efficiencies, enhanced customer service,

[55] I&E Exhibit No. 2, Schedule 14, pp. 1-4.

[56] *Joint Application of American Water Works Company, Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Alpha Merger Sub, Inc. for a Certificate of Public Convenience under Sections 1102(a)(3) and 2210(c) of the Public Utility Code and All Other Necessary Approvals to Effect a Change of Control of Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC*, Docket Nos. A-2025-3058927 et al., p. 12, Paragraph 28 and p. 14, Paragraph 34(a).

> broader customer reach, and a financially stronger parent company that is well-positioned to compete for and attract capital on reasonable terms for its public utility subsidiaries. The combined company benefits from diversified service areas and regulatory exposure, as well as a broader customer and revenue base that should provide more stable cash flow.

This indicates that if the merger is approved, Peoples would have additional funding support from the AWCC for its capital expenditure plan upon closure of the merger transaction, which is targeted to be effective in the first quarter of 2027.

Ms. Nelson's credit rating concern due to the capital expenditure plan is speculative and unsupported because Peoples is not rated by rating agencies and its parent company, PNG has maintained a sufficient investment grade rating for the last five years.[57]

Risk of Bypass

Q. WHAT IS UTILITY'S BYPASS RISK?

A. Bypass risk refers to the risk that certain large-volume commercial and industrial customers may reduce its reliance on the Company's distribution service or bypass it altogether by arranging an alternative means of procuring natural gas or switching to another fuel or energy option.

[57] Peoples Volume VII, Exhibit No. 18, ROR-3.

Q. WHAT IS MS. NELSON'S CLAIM REGARDING COMPETITIVE THREAT OF BYPASS?

A. Ms. Nelson claims that there is an alternative fuel competition in Western Pennsylvania relative to monopoly service for other gas utilities including gas on gas with other natural gas distribution companies, interstate pipeline bypass, and other alternative fuels. She claims that approximately twelve large customers have the ability to bypass the Company's distribution system. She asserts that the loss of large-load throughput can increase earnings and cash flow volatility and elevate the Company's risk relative to fully captive gas distribution utility peers.[58]

Q. DO YOU AGREE WITH MS. NELSON'S CLAIM REGARDING BY-PASS RISK?

A. No. I agree that the loss of large customers puts pressure on revenue, fixed cost recovery, and cash flow metrics. However, I disagree with Ms. Nelson's claim regarding potential bypass risk for the Company. In response to I&E-RR-16, the Company states that Peoples views viable interstate bypass customers to be those with an annual consumption of 500,000 Mcf or more, and given this criterion, the Company has not lost or gained any large volume customers during the period 2021-2025.[59]

[58] Peoples Statement No. 15, pp. 48-49.
[59] I&E Exhibit No. 2, Schedule 15.

To the contrary, the Company states that over the past year, Peoples has been approached by developers, consultants, data centers, and other entities to evaluate the possibility of providing natural gas service to potential new data center projects in Western Pennsylvania and had discussions with over twenty-two entities, with data center power demands ranging anywhere from 8 MW up to 4.5 GW.[60]

Capital Market Environment

Q. WHAT ARE MS. NELSON'S CLAIMS REGARDING THE CURRENT AND PROSPECTIVE CAPITAL MARKET?

A. Ms. Nelson opines that the current capital environment is being affected by: (1) the interest rate environment; (2) current and long-term inflation pressures; and (3) economic uncertainty due to geopolitical events. She opines that geopolitical events present uncertainties with respect to the near-term economic and capital market in which the Company will be raising external capital. Finally, she concludes that both inflation and long-term government and utility bond yields are expected to remain above their pre-pandemic levels.[61]

[60] I&E Exhibit No. 2, Schedule 15.
[61] Peoples Statement No. 15, pp. 62-71.

Q. PLEASE COMMENT ON THE COMPANY'S CURRENT INFLATION AND INTEREST RATE CONCERNS.

A. First, while I cannot dispute the recent economic conditions with respect to increased interest rates and government bond yields, it is important to note that all companies, including regulated utilities, are impacted by higher interest rates. The Federal Reserve has cut interest rates six times in total in 2024 and 2025. Potential future reductions in interest rates could have the effect of reducing debt cost rates in the capital costs in 2027, when the Company's new rates will be in effect.

With respect to inflation, per the recent monthly Blue Chip Financial Forecasts,[62] the Q3-2026 through Q3-2027 inflation rates by two measures are forecasted to be in the range of 2.3% to 2.5% as shown in the table below:

	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027
Consumer Price Index	5.6%	2.3%	2.3%	2.4%	2.3%	2.3%
PCE Price Index	4.6%	2.4%	2.5%	2.5%	2.3%	2.3%

Lastly, it is important to note that unlike unregulated companies, public utilities may file rate cases to address unforeseen or increased expenses, increases in the costs of borrowing, and equity and/or revenue shortfalls due to changes in market conditions.

[62] Blue Chip Financial Forecasts Vol. 45, No. 5, May 1, 2026.

Q. PLEASE COMMENT ON MS. NELSON'S GEOPOLITICAL EVENT CONCERNS.

A. Peoples face the same exposure to these issues as all the other companies in our respective proxy groups. Investors voluntarily buy and hold shares of stocks in gas utility companies, indicating they are aware of these risks and the returns. The cost of equity I present for Peoples in this proceeding is adequately measured by my proxy group and adequately compensates investors for these risks.

Flotation Cost Adjustment

Q. WHAT ARE FLOTATION COSTS?

A. Flotation costs are the expenses incurred when a company issues securities such as stocks or bonds when raising capital. These expenses can include legal fees, underwriting fees, auditing fees, administrative costs, or any other necessary and justifiable cost in the issuance process.

Q. EXPLAIN THE FLOTATION COST ADJUSTMENT MS. NELSON IS PROPOSING IN THIS PROCEEDING.

A. Ms. Nelson opines that recovery of equity issuance costs is appropriate for the same reasons debt issuance costs are recoverable. Even if no new issuances are planned in the near future, she opines that failure to allow such cost recovery may deny Peoples the opportunity to earn its required rate of return going forward.[63]

[63] Peoples Statement No. 15, p. 56, lines 3-6.

Ms. Nelson does not make an explicit adjustment to her cost of equity for flotation costs.[64] However, she asserts that it would be necessary to increase the authorized ROE by 9 basis points in order to recover these costs.[65]

Q. DO YOU AGREE WITH MS. NELSON'S FLOTATION COST ADJUSTMENT?

A. No. First, Peoples and PNG do not issue common equity to the public. Second, there have been no equity infusions from PNG to Peoples within the last five years.[66] Third, I am not aware of any particular instances where the Commission has approved a flotation cost adjustment to the cost of equity analysis results to recognize issuance expenses in a base rate case for regulated utilities in Pennsylvania. Finally, flotation costs are operating expenses that should be recovered via normalization similar to the treatment of rate case expense, not factored in as an adjustment to the requested return on equity.

Considering the above and the impact of a flotation cost adjustment to the cost of common equity, it is inappropriate to seek an increase or a higher cost of equity for stock issuance flotation costs, and therefore, I recommend that the Commission reject Peoples' claim that a flotation cost should be considered in determining the cost of equity for the Company.

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[64] Peoples Statement No. 15, p. 56, lines 13-14.
[65] Peoples Statement No. 15, p. 55, lines 2-4.
[66] Peoples Volume VII, Exhibit No. 18, ROR -11.

Management Performance

Q. DISCUSS THE COMPANY'S CLAIM SPECIFIC TO EXEMPLARY MANAGEMENT PERFORMANCE OR EFFECTIVENESS.

A. Ms. Nelson supports the Company's request for a 25-basis point (0.25%) upward adjustment to her recommended 11.00% cost of equity in recognition of the Peoples' superior management performance.[67] She primarily relies on the direct testimony of Company witness Michael Huwar[68] to support the consideration of an additional 25 basis points in the ROE for the claimed superior management performance.

Q. WHAT INFORMATION DOES MR. HUWAR PROVIDE TO SUPPORT THE COMPANY'S CLAIM FOR SUPERIOR MANAGEMENT PERFORMANCE?

A. Mr. Huwar claims that Peoples has exhibited exceptional management performance demonstrated by its efforts in improving customer service, accelerating pipeline replacement and bringing jobs to its service territory. He then claims Peoples has demonstrated it has been a valuable corporate citizen that should lead the decision makers to authorize a 0.25% addition to the return on common equity as proposed by Ms. Nelson.[69] Additionally, he states that investors have the ability and the interest to fund the necessary additional equity

[67] Peoples Statement No. 15, p. 5, lines 2-9 and p. 71, lines 18-19.
[68] Peoples Statement No. 1, pp. 33-34.
[69] Peoples Statement No. 1, p. 33, lines 10-15.

needed to modernize the critical natural gas infrastructure, and that it is critically important at this time to provide a positive message to important stakeholder groups that Pennsylvania is a good place to invest.[70]

Q. DO YOU AGREE WITH THE COMPANY'S CLAIM FOR A MANAGEMENT PERFORMANCE REWARD?

A. No. First, many of the topics presented by the Company fall within the categories of safe and reliable customer service and satisfaction required of every public utility under 66 Pa C.S. § 1501. There is no basis or support for quantification of 25 basis points for superior or exemplary management performance. Additionally, all operating and management expenses and costs to implement various programs and initiatives including infrastructure improvements are recovered from ratepayers and the Company passes capital expenditure program costs to its ratepayers via base rates or utilizes a DSIC mechanism for capital expenditure recovery. Further, if the Company is effective at controlling operating and maintenance costs, those savings should flow through to ratepayers and/or investors. These savings would likely be offset by the addition of basis points for management performance as ratepayers would have to fund the additional costs. This defeats the purpose of any cost cutting measures to benefit ratepayers.

[70] Peoples Statement No. 1, p. 34, lines 5-6 and 9-11.

Q. ARE YOU AWARE OF ANY COMPANIES THAT HAVE RECEIVED ADDITIONAL BASIS POINTS IN RECOGNITION OF MANAGEMENT PERFORMANCE?

A. Yes. The Commission awarded Aqua Pennsylvania, Inc. an addition of 25 basis points for its management performance efforts.[71] However, it is important to recognize that this addition was based specifically on Aqua Pennsylvania, Inc. rescuing troubled water and wastewater systems at the Commission's request. The Commission stated:

> We specifically recognize Aqua's efforts and willingness to quickly provide emergency aid to various water and wastewater systems that needed substantial improvement. Aqua has often provided this emergency aid on short notice and at the request of the Commission or other parties to protect the public from egregious health and safety threats and to protect the Commonwealth's drinking water resources from catastrophic damage.[72]

Q. DOES THE COMMISSION'S PAST ISSUANCE OF ADDITIONAL EQUITY POINTS TO RECOGNIZE MANAGEMENT PERFORMANCE MEAN THAT PEOPLES SHOULD ALSO RECEIVE AN ADJUSTED RETURN ON EQUITY?

A. No. The issuance of equity points to recognize management performance should be done on a case-by-case basis. The situation in the Aqua Pennsylvania, Inc.

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[71] *Pa. PUC v. Aqua Pennsylvania, Inc.,* Docket Nos. R-2021-3027385 & R-2021-3027386, pp. 168-173 (Order Entered May 16, 2022).

[72] *Pa. PUC v. Aqua Pennsylvania, Inc.,* Docket Nos. R-2021-3027385 & R-2021-3027386, p. 169 (Order Entered May 16, 2022).

proceeding as discussed above was very specific to Aqua Pennsylvania, Inc. rescuing troubled water and wastewater systems and preventing health and safety concerns regarding drinking water. This scenario does not apply to Peoples.

Q. DID THE COMMISSION APPROVE A MANAGEMENT PERFORMANCE ADJUSTMENT IN THE ROE IN THE MOST RECENT 2025 COLUMBIA GAS RATE CASE?

A. No. The Commission found the Administrative Law Judges' (ALJ) recommendation just and reasonable and indicated that it is supported by substantial evidence in the record and adopted the ALJs' recommendation to deny Columbia Gas' requested upward increase of 0.25% to its ROE for management effectiveness.[73]

Q. BASED ON THE COMPANY'S CLAIMED RATE BASE AND CAPITAL STRUCTURE, WHAT IS THE VALUE OF AN ADDITIONAL 25 BASIS POINTS FOR THE CONSIDERATION OF MANAGEMENT PERFORMANCE REWARD TO THE COST OF EQUITY?

A. If granted, the example below illustrates the impact of an additional 0.25% (25 basis points) to the Company's cost of equity when applied to the Company's total claimed rate base and capital structure:

[73] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Management Effectiveness - Disposition, pp. 230 and 231.

Peoples Claimed Common Equity Percentage of Capital Structure*	54.47%
Management Performance Adjustment applied to the Equity Analysis Results	0.25%
Claimed Rate Base*	$5,760,803,876
Impact Prior to Gross Up (0.5447 x 0.0025 x $5,760,803,876)	$7,844,775
Gross Revenue Conversion Factor**	1.28127517
Total Impact to Ratepayers ($7,844,775 x 1.28127517)	**$10,051,315**

* Peoples Exhibit No. 2, Schedule 4, p. 2.
** Peoples Exhibit No. 2, Schedule 4, p. 4.

In this example, an addition of 25 basis points to the cost of equity in consideration of management performance would force ratepayers to fund an unwarranted additional amount of approximately $10,051,315 annually to cover the increase of the inflated rate of return along with the associated impact resulting from increases to income taxes and uncollectibles. This additional proposed revenue recovery of $10,051,315 is 6.16% of Peoples' total revenue increase request of $163,171,938.[74]

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE CONSIDERATION OF ADDITIONAL BASIS POINTS FOR THE COMPANY'S MANAGEMENT PERFORMANCE?

A. I am aware that, under 66 Pa C.S. § 523, the Commission has authority to consider a utility's performance, however, it is not mandatory that the Commission grant

[74] Peoples Exhibit No. 2, Schedule 4, p. 2.

additional basis points to the ROE. Ultimately, as alluded to above, true strong management performance is earning a higher return through efficient use of resources and cost cutting measures. The greater net income resulting from cost savings and true efficiency in management and operations is available to be passed on to both ratepayers and shareholders. I do not believe that Peoples or any utility should be gifted an additional 25 basis points for doing what they are required to do to provide adequate, efficient, safe, and reasonable service under 66 Pa C.S. § 1501.

For all the reasons discussed above, including the financial impact on ratepayers, I recommend that any addition of basis points to the cost of equity for management performance be disallowed.

Actual Net Income and Return on Equity

Q. DESCRIBE PEOPLES, PNG, AND ESSENTIAL UTILITIES INC.'S (ESSENTIAL) FINANCIAL POSITION FOR THE LAST FIVE YEARS.

A. Peoples' financial data as shown in the table below indicates consistently improving financial conditions due to its strong market presence in gas distribution service in Western Pennsylvania:[75]

[75] Document Search | PA PUC (accessed on May 6, 2026).

Year Ended December 31	Operating Revenue	Year to Year Change	Net Income	Year to Year Change	Net Utility Plant	Year to Year Change
2021	$688.24M	-	$163.01M	-	$2,501.42M	-
2022	$898.17M	30.50%	$187.44M	14.99%	$2,804.28M	12.11%
2023	$756.00M	(15.82%)	$240.52M	28.32%	$3,527.58M	25.79%
2024	$762.49M	(0.86%)	$249.45M	3.71%	$3,976.05M	12.71%
2025	$1,023.48M	34.23%	$284.90M	14.21%	$4,446.35M	11.83%
Average		**12.01%**		**15.31%**		**15.61%**

The above table shows growth in Peoples': (1) average yearly operating revenues and net income by 12.01% and 15.31% respectively for the fiscal years 2021-2025; and (2) average yearly net utility plant by 15.61% for the fiscal years 2021-2025. Peoples' growth in financial conditions is funded by ratepayers.

PNG and Essential, the parent companies of Peoples, have consistently improved their net income in the fiscal years 2021-2025 as shown in the table below:[76]

Year	PNG - Net Income	PNG - ROE	Essential - Net Income	Essential - ROE
2021	$185.64M	12.4%	$431.61	8.3%
2022	$225.60M	13.1%	$465.24	8.7%
2023	$245.58M	12.5%	$498.23	8.4%
2024	$255.36M	11.6%	$595.31	9.6%
2025	$295.15M	11.8%	$616.37	9.0%

[76] I&E Exhibit No. 2, Schedule 16, pp. 1-2.

The above table indicates that PNG's net income increased by approximately 60% and Essential's net income increased by 43% from fiscal year 2021 through 2025.

Considering these solid and seemingly ever-increasing financial metrics, any concerns over a potential credit downgrade and access to capital markets are irrational and unsupported.

OVERALL RATE OF RETURN RECOMMENDATION

Q. WHAT IS THE COMPANY'S PROPOSED COST OF EQUITY AND OVERALL RATE OF RETURN?

A. The Company is claiming a cost of equity of 11.25% and an overall rate of return of 8.23%.[77]

Q. WHAT IS YOUR RECOMMENDED COST OF EQUITY AND OVERALL RATE OF RETURN?

A. I&E Exhibit No. 2, Schedule 1, shows the calculation of an appropriate cost of equity to be 10.20% for the Company with an overall rate of return of 7.41%. Peoples' requested ROE of 11.25% is higher by 1.05% or 105 basis points as compared with the my recommended ROE of 10.20%.

[77] Peoples Statement No. 15, p. 6, lines 1-2.

Q. BASED ON THE COMPANY'S AS-FILED RATE BASE AND CLAIMED CAPITAL STRUCTURE, WHAT IS THE VALUE OF AN ADDITIONAL 105 BASIS POINTS TO THE COST OF EQUITY?

A. The example below illustrates the impact of 105 additional basis points (1.05%) to the Company's cost of equity:

Peoples Claimed Common Equity Percentage of Capital Structure*	54.47%
Additional 105 basis points in the claimed ROE	1.05%
Claimed Rate Base*	$5,760,803,876
Impact Prior to Gross Up (0.5447 x 0.0105 x $5,760,803,876)	$32,948,054
Gross Revenue Conversion Factor**	1.28127517
Total Impact to Ratepayers ($32,948,054 x 1.28127517)	**$42,215,523**

* Peoples Exhibit No. 2, Schedule 4, p. 2. ** Peoples Exhibit No. 2, Schedule 4, p. 4.

In this example, an addition of 105 basis points to the cost of equity would force ratepayers to fund an unwarranted additional amount of $42,215,523.

Q. DO YOU HAVE ANY FINAL COMMENTS REGARDING THE COMPANY'S PROPOSED RETURN ON EQUITY?

A. Yes. First, to reiterate, the report issued by S&P Regulatory Research Associates as cited above in the *"Capital Structure"* section, illustrates that the nation-wide average authorized return on equity in rate cases decided in 2025-2026 was 9.69%. The Company's claimed ROE of 11.25% far exceeds this average, and my

recommended ROE of 10.20% is still well above the national average authorized ROE by 0.51%.

Second, I am not aware that the Commission has authorized a return of 11.25% or higher in the last ten years.

Third, as discussed above, the Commission has recently commented on the equity heavy capital structure of other utility companies, and specifically asked that Peoples' capital structure be subject to a careful evaluation because an equity heavy capital structure puts a burden on customers' rates.

Fourth, as mentioned above, Peoples' and its parent companies' overall financial condition have significantly improved in the last five years.

Finally, I believe it is important to consider the impact of what the Company's excessive return on equity request of 11.25% would have on rates. Any additional basis points beyond the I&E recommended ROE of 10.20% would be excessive and would put an enormous burden on ratepayers during these tough economic times.

EFFECTIVE DATE OF NEW RATES

Q. WHAT IS THE FIRST DAY OF PEOPLES' CLAIMED FPFTY?

A. The first day of Peoples' FPFTY is January 1, 2027.

Q. WHAT IS THE EFFECTIVE DATE ON WHICH PEOPLES PROPOSES TO MAKE AN INCREASE IN RATES IN THIS PROCEEDING?

A. In response to I&E-RR-24, the Company indicates that the effective date of new rates will be December 27, 2026.[78]

Q. WHAT IS THE COMPANY'S RATIONALE FOR PROPOSING THAT RATES SHOULD GO INTO EFFECT ON DECEMBER 27, 2026?

A. The Company states that it used the FPFTY with a one-month bridge or gap month (December 1-31, 2026) between the end of the future test year (FTY) (November 30, 2026) and the beginning of the FPFTY (January 1, 2027). Additionally, the Company avers that the reason for this one-month gap between the end of the FTY and the beginning of the FPFTY is due to the requirements of 66 Pa. C.S. § 1308(d), which do not allow the Company to begin the FPFTY prior to the legal effective date of new rates, and pursuant to 66 Pa. C.S. § 1308(d), the filing is suspended by operation of law until December 26, 2026.[79]

Q. DO YOU AGREE THAT RATES SHOULD GO INTO EFFECT BEFORE THE BEGINNING OF THE FPFTY (JANUARY 1, 2027) IN THIS PROCEEDING?

A. No. I recommend the Commission direct Peoples to make new rates effective on

[78] I&E Exhibit No. 2, Schedule 17, p. 1.
[79] I&E Exhibit No. 2, Schedule 17, p. 2.

January 1, 2027, the first day of the FPFTY and not allow Peoples to make the new rates effective on December 27, 2026, which falls in the gap month and before the beginning of the FPFTY.

Q. WHY DO YOU BELIEVE THAT NEW RATES BECOMING EFFECTIVE ON DECEMBER 27, 2026, AND BEFORE JANUARY 1, 2027, THE BEGINNING OF THE FPFTY, WOULD BE IMPROPER?

A. It would be unjust and unreasonable for the Commission to allow Peoples to make new rates effective on December 27, 2026 because the ratemaking calculations or claims in this base rate filing are based on projected ratemaking calculations and numbers with changes that will occur in the FPFTY (January 1, 2027 through December 31, 2027) and not in the gap month of December 2026. The higher new rates should not be made effective during the period December 27, 2026 through December 31, 2026 (a 5-day period) as it is not supported by Peoples' FPFTY ratemaking calculation.

If Peoples is permitted to make new rates effective on December 27, 2026, instead of January 1, 2027, then at the full revenue increase request of $163,171,938,[80] the Company would recover an unsupported and unreasonable additional revenue increase of $2,235,232 (($163,171,938 ÷ 365) x 5) for that 5-day period from ratepayers. My recommendation is more appropriate, just, and reasonable because the ratemaking calculation (projection) for new rates includes

[80] Peoples Exhibit No. 2, Schedule 4, p. 2.

the 12-month FPFTY beginning January 1, 2027, and not December 27, 2026. If the Commission approves a new rate effective date beginning December 27, 2026, then it would represent retroactive approval of new rates for the FPFTY effective from December 27, 2026, through December 31, 2027 [a 370-day period rather than the 12-month year (365 days)] for the FPFTY.

Q. PLEASE CONTINUE.

A. It is important to note that the company has used the twelve-month period ended November 30, 2025, as the historic test year (HTY), the twelve-month period ending November 30, 2026, as the FTY, and the twelve-month period ending December 31, 2027 (January 1, 2027 through December 31, 2027) as the FPFTY. If the Company has an intention to make new rates effective in December 2026, it should have used the twelve-month period ending November 30, 2026 (December 1, 2026 - November 30, 2027) as the FPFTY consistent with the HTY ended on November 30, 2025, and FTY ending on November 30, 2026, and should have filed this base rate case accordingly.

Importantly, in a similar manner Columbia Gas in its last base rate case (Docket No. R-2025-3053499) requested a rate increase for a 13-day period prior to the beginning of its FPFTY (January 1, 2026 through December 31, 2026). I&E raised this issue and the Commission agreed with I&E's recommendation and

ordered Columbia Gas to make the new rates effective on January 1, 2026, and not Columbia Gas' requested rate increase effective December 19, 2025.[81]

Q. PLEASE SUMMARIZE YOUR RECOMMENDATION.

A. Considering the above discussion and in the interest of ratepayers, I recommend that Peoples should agree to make the new rates effective on January 1, 2027 (the first day of the FPFTY) instead of December 27, 2026, to avoid any unreasonable and unjustified impact on ratepayers.

If Peoples does not agree with the above recommendation, I recommend the Commission direct the Company: (1) to make the new rates effective January 1, 2027 (the first day of the FPFTY) instead of on December 27, 2026 and file an updated tariff rates and rules (Supplement to Tarriff Gas) pursuant to the provisions of 52 Pa. Code §§ 53.1, et seq. and 53.101, designed to produce the approved annual distribution rate/revenue increase to become effective for service rendered *on and after January 1, 2027*; and (2) to file all subsequent base rate cases that should have new rate effective dates beginning with the first day or later of the claimed FPFTY.

[81] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Effective Date of New Rates - Disposition, pp. 57-63.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. However, I reserve the right to supplement my testimony or revise my recommendations if additional issues or facts arise during this proceeding.

D. C. Patel
Professional and Educational Background

EXPERIENCE:

- Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania
  June 2015 to Present
  Fixed Utility Financial Analyst, Bureau of Investigation and Enforcement
- Pennsylvania Insurance Department, Harrisburg, Pennsylvania
  March 2013 - June 2015
  Insurance Company Financial Analyst, Bureau of Company Licensing & Financial Analysis
- Pennsylvania Department of Revenue, Harrisburg, Pennsylvania
  November 2010 - March 2013
  Accounting Assistant, Bureau of Corporation Taxes (Accounting)
- Hersha Hospitality Management, Harrisburg, Pennsylvania
  June 2007 - November 2010
  Staff Accountant (Taxes), Accounting Department
- Corporate Experience-India
  February 1987 - April 2007
  Worked as Company Secretary for three different companies during this period, which were listed on the Stock Exchanges.

EDUCATION/CERTIFICATION:

- Gujarat State University, Ahmedabad, India:
  Bachelor of Commerce (Major concentration: Accounting)
  June 1980 - April 1983
  Bachelor of Law
  June 1983 - December 1988
- The Institute of Company Secretaries of India, New Delhi, India:
  Post Graduate Professional Degree: Company Secretary
  June 1983 - December 1985

RATE CASE TRAINING:

- Attended SURFA - 54th Financial Forum (ROR) in April 2023
- Attended 37th Western NARUC Utility Rate School in May 2016

WORKED ON THE FOLLOWING CASES (Testimony not required):

- R-2025-3053663 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2024-3049248 et al. - City of Lock Haven - Water Department
- R-2024-3048767 - PECO Energy Co. - Gas Operations (1307(f))
- R-2024-3047014 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2022-3032167 - Columbia Gas of Pennsylvania, Inc. (Green Path Rider)
- R-2022-3031172 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2021-3024349 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2021-3023541 - National Fuel Gas Distribution Corporation (§ 1307(f))
- A-2020-3021460 - PA American Water Co.-Upper Pottsgrove-Wastewater (1329)
- A-2020-3020178 - PA American Water Co.-Valley Township-Wastewater (1329)
- A-2020-3019859 - PA American Water Co.-Valley Township-Water (1329)
- R-2020-3019661 - PECO Energy Co. - Gas Operations (1307(f))
- U-2020-3015258 - Pittsburgh Water and Sewer Authority
- R-2019-3008255 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2018-3001568 - PECO Energy Co. - Gas Operations (1307(f))
- R-2018-3000253 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2017-2631441 - Reynolds Water Co.
- A-2017-2629534 - PPL Electric Utilities (Restructuring Plan)
- R-2017-2602611 - PECO Energy Co. - Gas Operations (1307(f))
- R-2016-2567893 - Andreassi Gas Co.
- R-2016-2525128 - Columbia Water Co. - Marietta Division
- R-2015-2493905 - Sands, Inc.
- R-2015-2479962 - Corner Water Supply and Service Corporation
- R-2015-2479955 - Allied Utility Services, Inc.

SUBMITTED TESTIMONY IN THE FOLLOWING CASES:

- R-2025-3057983 et al. - Pennsylvania-American Water Co.
- R-2025-3057237 - City of Lancaster – Bureau of Water
- R-2025-3055010 et al. - Pittsburgh Water and Sewer Authority
- R-2025-3053499 - Columbia Gas of Pennsylvania, Inc.
- R-2025-3054393 - Valley Energy, Inc.
- R-2025-3053112 - Philadelphia Gas Works
- R-2024-3052359 - Pike County Light and Power Company - Electric
- P-2024-3050549 - Deer Haven, LLC. (529)
- R-2024-3050208 - The Newtown Artesian Water Company
- R-2024-3047068 - First Energy Pennsylvania Electric Company
- R-2024-3046931 - PECO Energy Co. - Electric Operations
- R-2024-3046519 - Columbia Gas of Pennsylvania, Inc.

- R-2024-3045192 et al. - Veolia Water Pennsylvania, Inc.
- R-2023-3042804 et al. - Community Utilities of Pennsylvania, Inc.
- R-2023-3043189 et al. - Pennsylvania-American Water Co.
- R-2023-3038630 - Columbia Gas of Pennsylvania, Inc. (1307(f))
- R-2023-3037933 - Philadelphia Gas Works
- R-2022-3037368 - UGI Electric, Inc. - Electric Division
- A-2022-3034143 - Aqua Pennsylvania, Inc. - Borough of Shenandoah (Water System) (1329)
- R-2022-3031672 and R-2022-3031673 - PA American Water Co.
- R-2022-3031211 - Columbia Gas of Pennsylvania, Inc.
- R-2021-3024773 et al. - Pittsburgh Water and Sewer Authority
- A-2021-3024058- PA American Water Co. - Borough of Brentwood (Wastewater System) - 1329
- A-2021-3024681 - PA American Water Co. - York City Sewer Authority/City of York (Wastewater System) (1329)
- R-2021-3024601 - PECO Energy Co. - Electric Operations
- A-2021-3024267 - Aqua Pennsylvania Wastewater, Inc. - Lower Makefield (WW) (1329)
- A-2020-3019634 - PA American Water Co. - Royersford Wastewater (1329)
- R-2020-3018993 - Columbia Gas Pennsylvania, Inc. (1307(f))
- R-2020-3018929 - PECO Energy Co. - Gas Operations
- R-2020-3017951 et al. - Pittsburgh Water and Sewer Authority
- A-2019-3008491 - Aqua Pennsylvania Wastewater, Inc.
- R-2019-3008212 - Citizens Electric Company of Lewisburg, PA
- R-2019-3008208 - Wellsboro Electric Company
- R-2018-3006814 - UGI Utilities, Inc. (Gas Division)
- R-2018-3002645 and 3002647 - Pittsburgh Water and Sewer Authority
- R-2018-3000834 - Suez Water Pennsylvania, Inc.
- R-2018-2647577 - Columbia Gas of Pennsylvania, Inc.
- M-2018-2640802 and M-2018-2640803 - Pittsburgh Water and Sewer Authority
- (Compliance Plan Stage 2)
- R-2017-2595853 - Pennsylvania American Water Co.
- R-2016-2580030 - UGI Penn Natural Gas, Inc.
- R-2016-2554150 - City of DuBois - Bureau of Water
- R-2016-2529660 - Columbia Gas of Pennsylvania, Inc.
- P-2016-2526627 - PPL Electric Utilities Corp. (DSP IV)

I&E Exhibit No. 2
Witness: D. C. Patel

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY, LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Direct Testimony

of

D. C. Patel

Bureau of Investigation and Enforcement

Concerning:

Rate of Return
Effective Date of New Rates

I&E

Summary of Cost of Capital

Type of Capital	Ratio	Cost Rate	Weighted Cost
Peoples Natural Gas, LLC			
Long-Term Debt	50.00%	4.61%	2.31%
Common Equity	50.00%	10.20%	5.10%
Total	**100.00%**		**7.41%**

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Pennsylvania Public Utility Commission
v.
Peoples Natural Gas Company LLC

Public Meeting of April 16, 2026
3060855-TUS
Docket No. R-2026-3060855

STATEMENT OF VICE CHAIR KIMBERLY BARROW

Before us for consideration is the proposed rate increase request by Peoples Natural Gas Company LLC (Peoples or Company). Peoples proposes an increase of $163.2 million (13.8%) in additional annual revenues to become effective May 26, 2026. The proposal will result in an increase in a residential customer's bill using 86 Mcf per month from $122.20 to $138.23, a 13.1% increase.

I vote to approve the suspension and investigation of this filing, pursuant to 66 Pa.C.S. § 1308(d). In so doing, I urge the Parties to take a critical look at the Company's requested rate of return and return on equity (ROE) as well as the capital structure (common equity ratio and debt capital) to ensure reasonableness. Deviations in each of these items translate into millions of dollars charged to customers of all rate classes. Too often, the relationship between debt and ROE to cost of debt and capital is asserted as a general matter from basic economic principle alone. However, those relationships are not established empirically and left for the Commission to assume the relationship without any supporting data. Therefore, I believe a careful and detailed review of Peoples' claimed capital structure and ROE is warranted.

Additionally, Peoples stated that the primary reason for the instant rate filing is its investment in replacing aging infrastructure. According to Peoples, the investment in net plant in service for the fully projected future test year (FPFTY) ended December 31, 2027, is projected to be $5.5 billion. When the Company requested a rate increase for the FPFTY ending September 30, 2025, the Company's investment in net plant was approximately $4.1 billion. According to Peoples, the $1.4 billion increase in net plant has largely been the result of continued investments necessary to enhance and maintain the safety and reliability of the Company's distribution system, which includes the replacement of aging gas plant infrastructure.

Section 315 of the Code, 66 Pa.C.S. § 315(e), states that whenever a utility utilizes an FPFTY as the basis for its rate increase, the utility shall provide appropriate data evidencing the accuracy of the estimates of its FPFTY. Thus, it is incumbent upon Peoples and the Parties challenging the filing to ensure that Peoples' estimates in its last and current rate filing comply with Section 315 of the Code. Specifically, Peoples should provide documentation/information showing estimates of its FPFTY in its last rate case were accurate or met expectations. If not, the Company should provide an explanation for the deviation and the appropriate adjustments made to account for such deviations in the instant rate filing.

April 16, 2026

Kimberly Barrow, Vice Chair

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Pennsylvania Public Utility Commission, et al.	**Public Meeting of December 4, 2025**
v.	**3053499-OSA**
Columbia Gas of Pennsylvania, Inc.	**Docket No. R-2025-3053499**

STATEMENT OF VICE CHAIR KIMBERLY BARROW

Before us for consideration is the proposed rate increase request by Columbia Gas of Pennsylvania, Inc. (Columbia Gas or Company). Columbia Gas proposed an increase of $110.4 million (12.02%) in additional annual revenues based on a fully projected future test year (FPFTY) ending December 31, 2026. The proposal would have resulted in an increase in a residential customer's bill using 70 Therms per month from $138.52 to $152.29 (an increase of $15.77 or 11.38%). Columbia Gas also requested an increase in its residential customer charge from $17.25 to $31.97 (an increase of $14.72 or 85.2%).

In their Recommended Decision, Administrative Law Judges (ALJs) Jeffery A. Watson and Chad L. Allensworth recommended that the Commission deny the Company's rate increase request in its entirety or alternatively grant an increase of $66,424,574. Exceptions and Reply Exceptions were filed.[1]

Below are a few issues of concern I would like to highlight.

Frequency of Rate Increase Filings:

The record in this case indicates that since 2008 Columbia Gas has requested an increase almost on an annual basis, including five rate increase requests since 2020.[2] Columbia Gas' rates have increased by almost $500 million during this period. The record further shows that Columbia Gas has the highest rates in the state and the highest revenue per unit of natural gas in the state and the third highest for the 25 natural gas distribution companies (NGDCs) offering service in the mid-Atlantic region, surpassed only by NGDCs offering service to New York City.[3] Columbia Gas' rates outpace inflation. Over the last 20 years, Columbia's residential customer rates for average heating customers (70 therms per month) have increased by 121% (from $47.58 in 2005 to $105.09 in 2025). During this period, the household income for a family of four at 150% FPL only increased 60% (from $30,000 to $48,225 per year). Columbia Gas has also filed 12 rate

[1] The Parties to this proceeding include Columbia Gas, the Office of Consumer Advocate (OCA), The Pennsylvania State University (PSU), the Commission's Bureau of Investigation and Enforcement (I&E), the OCA, the Office of Small Business Advocate (OSBA), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

[2] Including the instant proceeding, the Company has requested a rate increase twelve times since 2009: 2009, 2010, 2012, 2014, 2015, 2016, 2019, 2020, 2021, 2022, 2024, and now 2025. *See* OCA St. 5 at 7; OSBA M.B. at 5, Table IEc-1; Table 2, *supra*. Further, as noted in Table 2, the instant rate proceeding is the Company's thirteenth since 2008.

[3] OCA Ex. MWD-7; I&E St. 2 at 9; OCA M.B. at 36; OCA R.B. at 12; OCA Exh. MWD-7.

cases during this period totaling approved distribution rate increases of over $487 million.[4]

While I understand that Columbia Gas is entitled to recovery of the cost of investments made to its system, the Company's utilization of the FPFTY, as authorized under 66 Pa.C.S. § 315, and the availability of the distribution system improvement charge (DSIC), as authorized under 66 Pa.C.S. § 1350 and other rate recovery mechanisms, should be enough incentives to discourage Columbia Gas' current near-annual frequency of rate increase requests.

Capital Structure:

Columbia Gas requested a capital structure of 54.4% common equity and 45.60% debt (43.28% long-term debt and 2.32% short-term debt), along with a return on equity (ROE) of 11.35%. Although I&E accepts the Company's proposed capital structure, the OCA and CAUSE-PA, in opposition, argued that the Commission should instead award a hypothetical capital structure of 50% equity and 50% debt (47.68% long-term debt and 2.32% short-term debt).[5] According to the OCA, the average capital structure mix for the proxy group used in this case as shown on the Value Line consists of 55% debt and 45% equity, the inverse of the ratio proposed by Columbia.[6]

Here, the record clearly reflects that the proxy group's capital structure is composed of less equity than Columbia Gas' capital structure, highlighting reduced risk for the Company when compared to that of the proxy group, and, therefore, suggesting the need for a lower ROE for Columbia Gas. I agree with the OCA that the discrepancy between Columbia Gas' capital structure and the proxy group necessitates an adjustment to the Company's capital structure since Columbia Gas' equity profile has less financial risk than the proxy group. A 50/50 capital structure in this case is equal to the proxy group's average capital structure.[7] Also noteworthy, CAUSE-PA argued that if the Commission were to apply a hypothetical capital structure of 50% equity and 50% debt, the overall rate of return at the Company's desired ROE of 11.35% would be reduced by 0.27% (from 8.55% to 8.28%), which would have reduced the Company's overall annual revenue requirement increase by $17.7 million, or from the proposed increase of $110.5 million sought by Columbia to $92.8 million.[8] CAUSE-PA and the OCA propose an overall rate of return of 7.06%.[9]

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[4] CAUSE-PA St. 2 at 21.
[5] OCA M.B. at 126; OCA St. 3 at 58; OCA Exh. DJG-16.
[6] OCA M.B. at OCA St. 3 at 50.
[7] Adoption of the OCA's recommended capital structure and ROE would result in a revenue requirement reduction of $54.6 million. OCA St. 3 at 3-4, 50. I agree with the OCA that in *Riverton Consol. Water Co. v. Pa. PUC, 140 A.2d 114 at 121 (Pa. Super. 1958)*, the Superior Court determined that the Commission may make adjustments to a utility's capital structure where circumstances indicate that the actual capital structure may be unfair to customers, such as when the actual capital structure may be weighted too heavily to the debt side or the equity side. See OCA M.B. at 125.
[8] CAUSE-PA M.B. at 35-38.
[9] The OCA's proposed overall rate of return was based upon a weighted average of a 5.20% rate of return on long-term debt, a 5.00% rate of return on short-term debt, and an 8.9% rate of return on common equity. OCA M.B. at 123, 127; OCA St. 3 at 58.

It is clear from the arguments put forward by the Parties in opposition to the Company's proposed capital structure that a 50% equity and 50% debt capital structure is a better representation of the Company's **actual** financial risk and would have resulted in millions of dollars in reduced revenue requirement for the Company and resultant lower rates for Columbia Gas' customers.

Rate of Return on Equity:

Columbia Gas proposed a rate of return on common equity of 11.35% inclusive of the Company's requested upward adjustment of 0.25% for management effectiveness.[10] As a result of its DCF analysis, I&E recommended a cost of common equity of 10.51%.[11] The OCA recommended a cost of common equity of 8.90%, based on its CAPM model and the use of a hypothetical capital structure. The OCA noted that an ROE of 8.90% and overall rate of return of 7.06% are sufficient to ensure Columbia Gas' ability to attract capital and continue investment to provide safe and reliable service, while guarding the interests of consumers.[12] The ALJs rejected Columbia Gas' proposed rate of return on common equity of 11.35% and adopted I&E's proposed DCF ROE of 10.51% ROE.[13]

I believe an ROE lower than the ALJs' recommended 10.51% is more appropriate in this case, given Columbia Gas' unique lack of regulatory lag, associated reduced business risk, and the commensurate impact of the Company's nearly annual rate increases in the past five years on customers' rates. Using informed judgment, an ROE of 9.6% is more appropriate. The most recent five-year average of I&E's proxy group companies' capital structure ranges from 39.33% to 57% long-term debt, 0.51% to 12.82% short-term debt, and 35.96% to 60.16% common equity, with an overall five-year average of 47.42 long-term debt, 7.85% short-term debt, and 44.73% common equity.[14] Since the proxy group's capital structure is composed of less equity than Columbia's capital structure (or the hypothetical capital structure) it is appropriate to adjust the equity return to account for the reduced risk of a capital structure that employs more equity. I&E's DCF results range from 9.06% to 11.68% (using an average dividend yield and average growth estimate for each company) with an average of 10.51% and a composite CAPM ROE of 9.935.

Based upon consideration of the competing evidence provided to the record, I believe an ROE that is in the range of the bottom of I&E's DCF range and the Composite CAPM ROE is appropriate. The 9.60% ROE is also an approximate median number between the OCA's proposed ROE of 8.90% and I&E's proposed ROE of 10.51%. With an ROE of 9.60% along with a 50/50 capital structure, the overall rate of return would be 7.40%, resulting in an overall rate increase of approximately $30,573,357. Accordingly, I would support an ROE of 9.60%.

Smart Remote Methane Detection Pilot: I&E recommended a Smart Remote Methane Detector pilot program in a region where Columbia has risky pipe for the installation of

[10] Columbia Gas St. 8 at 9-10.
[11] I&E M.B. at 40-41.
[12] OCA R. Exc. at 10-11; OCA M.B. at 137.
[13] R.D. at 337-38.
[14] I&E M.B at 37; I&E St. 2 at 20, citing I&E Exh. 2, Sch. 2.

500 to 1,000 Smart Remote Methane Detectors (SRMDs). Columbia stated that it could not commit to the Pilot as outlined by I&E, citing significant IT infrastructure costs and concerns, but was willing to evaluate technologies associated with the integration of Automated Metering Infrastructure and SRMDs for potential future deployment.

I support directing Columbia to implement an internal study to determine whether a methane detection pilot program would be feasible and how it would be implemented. With affordability always on our minds, it is very important for the company to fully understand the potential costs associated with the pilot prior to implementation. The usefulness and safety benefits of methane detectors are tremendous, allowing the ability of real-time smart reporting technology to simultaneously notify the customer and the emergency response officials of a potentially hazardous situation. I want to take the opportunity to thank I&E for putting forth this proposal and for Columbia to be willing to evaluate the pilot.

Additional CAP Screening: The OCA and CAUSE-PA proposed that Columbia conduct initial screening for all applicants applying for service or when transferring service to determine if they qualify as a low-income customer or may be eligible for assistance, such as customer assistance program (CAP). The record indicates that only 20,988 customers, or 23% of the estimated Columbia Gas' low-income customers, were enrolled in CAP and that additional screening is appropriate. I support this proposal and agree that additional screening is needed, and that any tool we can use to nudge customers into a healthy financial relationship with their utility is beneficial for everyone.

December 4, 2025

Kimberly Barrow, Vice Chair

Proxy Group Capital Structure

	2025		2024		2023		2022		2021		Average
Atmos Energy Corporation											
Long-term Debt	$ 9,237.954	40.52%	$ 8,085.015	39.94%	$ 6,833.663	38.60%	$ 5,944.948	38.69%	$ 5,124.950	39.33%	39.42%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	13,558.890	59.48%	12,157.669	60.06%	10,870.064	61.40%	9,419.091	61.31%	7,906.889	60.67%	60.58%
	22,796.844	100.00%	20,242.684	100.00%	17,703.727	100.00%	15,364.039	100.00%	13,031.839	100.00%	100.00%
Chesapeake Utilities Corporation											
Long-term Debt	1,335.000	45.51%	1,270.400	47.75%	1,197.625	49.01%	590.780	41.50%	558.474	41.91%	45.13%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	1,598.500	54.49%	1,390.200	52.25%	1,246.104	50.99%	832.801	58.50%	774.130	58.09%	54.87%
	2,933.500	100.00%	2,660.600	100.00%	2,443.729	100.00%	1,423.581	100.00%	1,332.604	100.00%	100.00%
New Jersey Resources Corporation											
Long-term Debt	3,409.518	58.77%	3,038.767	58.00%	2,916.040	59.43%	2,623.784	59.08%	2,303.527	58.55%	58.77%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	2,391.666	41.23%	2,200.443	42.00%	1,990.735	40.57%	1,817.210	40.92%	1,630.862	41.45%	41.23%
	5,801.184	100.00%	5,239.210	100.00%	4,906.775	100.00%	4,440.994	100.00%	3,934.389	100.00%	100.00%
NiSource, Inc.											
Long-term Debt	15,475.000	62.09%	12,092.700	58.20%	11,081.300	57.27%	9,555.500	55.78%	9,211.300	57.01%	58.07%
Preferred Stock	-	0.00%	-	0.00%	486.100	2.51%	1,546.500	9.03%	1,546.500	9.57%	4.22%
Common Equity	9,450.100	37.91%	8,684.200	41.80%	7,783.500	40.22%	6,028.900	35.19%	5,400.800	33.42%	37.71%
	24,925.100	100.00%	20,776.900	100.00%	19,350.900	100.00%	17,130.900	100.00%	16,158.600	100.00%	100.00%
Northwest Natural Holding Company											
Long-term Debt	2,347.188	61.41%	1,755.269	55.89%	1,502.602	53.93%	1,325.132	52.99%	1,124.055	54.59%	55.76%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	1,475.076	38.59%	1,385.371	44.11%	1,283.838	46.07%	1,175.441	47.01%	935.146	45.41%	44.24%
	3,822.264	100.00%	3,140.640	100.00%	2,786.440	100.00%	2,500.573	100.00%	2,059.201	100.00%	100.00%
ONE Gas, Inc.											
Long-term Debt	2,363.638	40.73%	2,396.686	43.57%	2,174.701	44.02%	2,679.143	50.90%	3,707.778	61.21%	48.08%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	3,440.123	59.27%	3,104.548	56.43%	2,765.877	55.98%	2,584.426	49.10%	2,349.532	38.79%	51.92%
	5,803.761	100.00%	5,501.234	100.00%	4,940.578	100.00%	5,263.569	100.00%	6,057.310	100.00%	100.00%
Southwest Gas Holdings, Inc.											
Long-term Debt	3,433.012	46.43%	4,455.088	55.97%	4,739.387	58.88%	4,514.656	59.61%	4,210.699	58.77%	55.93%
Preferred Stock	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	0.00%
Common Equity	3,961.119	53.57%	3,504.187	44.03%	3,310.036	41.12%	3,058.759	40.39%	2,953.820	41.23%	44.07%
	7,394.131	100.00%	7,959.275	100.00%	8,049.423	100.00%	7,573.415	100.00%	7,164.519	100.00%	100.00%
Spire, Inc.											
Long-term Debt	3,428.500	50.29%	3,767.100	53.82%	3,624.200	55.40%	3,032.200	51.83%	2,992.800	52.96%	52.86%
Preferred Stock	242.000	3.55%	242.000	3.46%	242.000	3.70%	242.000	4.14%	242.000	4.28%	3.82%
Common Equity	3,147.400	46.16%	2,990.700	42.73%	2,675.300	40.90%	2,576.500	44.04%	2,416.200	42.76%	43.32%
	6,817.900	100.00%	6,999.800	100.00%	6,541.500	100.00%	5,850.700	100.00%	5,651.000	100.00%	100.00%

Five-Year Average Capital Structure

Long-term Debt	51.75%	Maximum	58.77%	Minimum	39.42%
Preferred Stock	1.01%				
Common Equity	47.24%	Minimum	37.71%	Maximum	60.58%
	100.00%				

Source:
Compustat (S&P Global Market Intelligence - Data Management Solutions)
Yearly data updates typically provided late April/May of each year.
(Data in $ millions)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

COMMENTS OF GOVERNOR JOSH SHAPIRO
ON PEOPLES NATURAL GAS COMPANY LLC BASE RATE FILING

Governor Josh Shapiro respectfully submits these comments in opposition to the application of Peoples Natural Gas Company LLC ("Peoples") to raise its rates for gas distribution service. The Governor opposes Peoples' proposed revenue increase of $163.2 million annually—a 13.8 percent increase over Peoples' current revenue requirement—because it is inconsistent with principles that the Governor recently articulated as a fair barometer of whether utility rate proposals would result in excessive costs for Pennsylvania customers.[1] The Governor encourages Peoples to work with the parties to this case to revise the proposal in accordance with the principles, as described further below, and should they not, urges the Commission to reject or modify the requested increase.

Governor Shapiro has made lowering costs for Pennsylvanians a central focus of his Administration's efforts around economic development and energy and has sounded the alarm about the increasing frequency of utility requests for large base rate increases. On April 29, 2026, the Governor sent an open letter to Pennsylvania utility executives calling on them to put their customers first and change utility practices that are driving up rates. Specifically, Governor

[1] A copy of Governor Shapiro's letter is attached as Exhibit 1. The Governor acknowledges that Peoples filed its rate increase application before the publication of the Governor's letter but believes it is in the public interest to highlight the discrepancies between his principles and Peoples' proposal.

Shapiro articulated three principles for utilities to follow to ensure that rates are fair and that Pennsylvanians are not unduly harmed by unjustifiable costs. Peoples' rate proposal does not satisfy those principles.

First, Peoples has not proposed to raise capital in the most cost-effective form available. Relatively low-cost debt—not high-cost equity—should normally represent a clear majority of a utility's proposed ratemaking capital structure. And when a distribution utility is owned by a holding company, its equity share should be no greater than its parent's, absent extraordinary justification. Although Peoples' ultimate parent company, Essential Utilities, Inc. ("Essential"), employs a capital structure of 54.9 percent debt and 45.1 percent equity,[2] Peoples proposes a capital structure that is practically the inverse: 54.5 percent common equity and 45.5 percent long-term debt. If the Commission permits Peoples to maintain a higher percentage of equity than Essential does, it will be facilitating an unjust transfer of wealth from Peoples' ratepayers to Essential's shareholders.

Second, Peoples does not adequately explain in plain language why its proposed investments are necessary and cost-effective. When a utility proposes to increase its rates, it must use transparent data to show that the investments will address specific reliability or safety concerns or provide cost/benefit analysis that demonstrates significant customer savings or reliability benefits. Among other things, this means showing that customers will receive real net value from utility investments, and that the utility is controlling costs and maximizing the use of existing resources in customers' interest.

Peoples' rate increase proposal does not meet this standard. Through rates based on a fully projected future test year ("FPFTY") ending December 31, 2027, the company proposes to

[2] *See* Essential Utilities, Inc. Form 10-K (February 27, 2025) at 55, *available at* https://www.essential.co/static-files/ee8bace1-4fd7-487b-a9c7-d30d65228af1.

recover costs for—and earn a return on—new capital investments totaling around $1.5 billion in 2026 and 2027.[3] Nearly 80 percent of this investment is being made under the company's current Long-Term Infrastructure Improvement Plan ("LTIIP"), which the Commission approved in 2025.[4] But the company provides little data to support the recovery of its LTIIP investments in base rates and no cost-effectiveness analysis.

Third, Peoples proposes an exorbitant and unjustifiable return on equity. Governor Shapiro has urged utilities to demonstrate the reasonableness of their proposed returns on equity ("ROE") by providing a benchmark (representing at least 10 percent of the incremental requested equity) that is transparently derived through a public process with competitive bidding by multiple participants to establish a fair market cost of that equity. When a utility declines to use such a process, it is fair to presume that the rate is higher than what such a process would yield, but that presumption can be overcome if a utility requests a return on equity that does not exceed the rate of the current 10-year U.S. Treasury yield plus the five-year median of the equity risk premium as published in the Federal Reserve's Financial Stability Reports.

Because Peoples filed its rate case increase before Governor Shapiro sent his open letter, it is understandable that Peoples failed to adhere to the practices articulated there to reliably and competitively determine its fair market cost of equity. However, the Governor believes that Peoples' proposed ROE of 11.25 percent is exorbitant and incommensurate with the relatively low-risk nature of monopoly gas distribution service, especially given Peoples' use of Pennsylvania's fully projected future test year and distribution system improvement charge ("DSIC") mechanisms, which reduce "regulatory lag" and de-risk capital investment.

[3] Peoples also seeks to move into rate base hundreds of millions of dollars of capital investment that the company made between the filing of its previous rate case and the filing of the case at bar.
[4] *See* Peoples Statement No. 1, Direct Testimony of Michael Huwar at 4:8-9.

For all these reasons, Governor Shapiro opposes Peoples' proposed rate increase and urges the company to modify its application to ensure it does not impose unjustified rate increases on its customers. In the absence of such modification, the Governor urges the Commission to reject or modify Peoples' proposal.

Respectfully submitted:

Jennifer C. Selber
General Counsel

/*s/ Mark Szybist*

Mark Szybist, Esq.
Special Counsel for Energy Affordability

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(570) 447-4019
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Counsel for Governor Josh Shapiro

Exhibit 1

GOVERNOR JOSH SHAPIRO

April 29, 2026

Dear Utility Leaders:

As you are no doubt aware, many of your customers across the Commonwealth are experiencing markedly higher utility costs. Rising utility bills have themselves become drivers of inflation. While there are many factors affecting those increases, several core causes are directly within your control and result from your policy and fiscal decisions, including the excessive rate requests several utilities have sought in recent years. Last year alone, 13 Pennsylvania utilities requested $975 million in higher rates after those very same utilities had earned a total of $1.4 billion in profits in 2024.

We have reached a tipping point, and this is a moment to put your customers first and change the behaviors causing rate increases. As I've expressed publicly and privately, I believe the 20th century utility model is broken—we can no longer simply prioritize corporate profitability to drive infrastructure development. Rather, we must be laser focused on delivering on the actual needs of our communities. As I stated clearly in my Budget Address in February, Pennsylvania consumers should not be asked to pay a single dollar more than is needed to support a safe and reliable utility system.

Change is needed, and my Administration stands ready to support each Pennsylvania utility in raising the capital you need to invest in your service territories and workers, both in modernizing with cost-effective new technologies and maximizing the existing infrastructure that you have developed over time. However, as we work together to implement this new approach, you must seek to procure that capital in more affordable ways, conscious of the utility burdens facing many consumers across our Commonwealth.

I write today to lay out three commonsense practices to ensure the needs of Pennsylvanians come first. My Administration will use these three practices as a benchmark to evaluate rate case proposals going forward. Let me be clear: my Administration and I will vocally and forcefully oppose rate case requests from utilities that fail to adhere to these three commonsense practices.

First, utilities should seek to raise the most cost-effective forms of capital. Best practices now require you to protect consumers by disfavoring expensive equity when lower-cost debt is available. Given the low risk profile of monopolistic utilities, which maintain a captive rate base able to repay obligations over time, consumers should not be expected to bolster corporate profits through over reliance on costly equity. This means debt should normally represent a clear majority of a utility's proposed ratemaking capital structure, as it does in many other lower-risk industries. As one measure of this approach, any equity share proposed in a rate case in excess of the amount of equity employed by the utility's parent holding company will require extraordinary justification to receive my Administration's support.

For utilities looking to find low-cost sources of capital, my Administration encourages you to apply to the Department of Energy, which is currently offering loan terms as favorable as the 10-year U.S. Treasury yield plus 35 basis points. By comparison, the average Pennsylvania utility requested a return on equity a staggering 682 basis points above the 10-year U.S. Treasury yield last year. Before raising such expensive equity, you should take advantage of more affordable sources of capital, like these loans, that many of your fellow utilities across the country are pursuing. My Administration stands ready to facilitate an introduction to loan officers at the Department of Energy upon your request.

Second, whenever new revenue is sought, a utility must explain in plain, clear language why its proposed investments are necessary, using transparent data to identify a specific reliability or safety concern that will be addressed, or demonstrating with a thorough cost/benefit analysis that the investment will produce significant savings or reliability benefits for consumers. This means showing the value customers will receive in terms of discrete improvements producing tangible outcomes that are timebound, verifiable, and logically linked to the need for additional capital. Creating real value for customers also means maximizing existing grid resources in ways that control costs and defer the need for future upgrades. You must also describe explicitly what amount of your

requested rate increase will be remitted to shareholders through corporate dividends or other means, as compared to what would be used to directly advance the needs of your customers.

Third, you must provide transparent, justifiable equity returns. Pennsylvania has a long, proud tradition of trusting free markets to deliver fair, transparent pricing. In fact, this year marks the 30th anniversary of Act 138, which introduced competition into our utility sector for the first time. That bipartisan law embodies Pennsylvania's deep-seated belief that free-market competition—when properly implemented and overseen—is the best tool for delivering customers the fair value they deserve. Today, we use markets to price our wholesale power and rely on principles of competition to fairly and impartially award public contracts. Yet less accurate administrative determinations—essentially amounting to educated guesses—still govern how much utilities earn on their equity investment. And all too often the outcome of this administrative process is shrouded in "black box" settlements, that do not provide the public with transparency about costs they will have to pay. These vestiges of the past need to evolve to ensure that utilities are not seeking excessive profits but only the opportunity to earn the fair rate of return to which they are entitled.

To accomplish this, utilities can prove their need for a requested return on equity by providing a benchmark (representing at least 10% of the incremental requested equity) that is transparently derived through a public process with competitive bidding by multiple participants to establish a fair market cost of that equity. This sample offers the energy consumer and Public Utility Commission real-world evidence of the proper authorized return on equity, an amount that will allow the utility to earn reasonable equity returns under efficient operations. If a utility declines to justify its requested return on equity through a competitive, transparent process, it creates a presumption in the view of my Administration that the requested rate is higher than would have been derived from such a competitive process. Absent extraordinary and unforeseen circumstances, a utility can overcome that presumption by requesting a return on equity that does not exceed the rate of the current 10-year U.S. Treasury yield plus the five-year median of the equity risk premium as published in the Federal Reserve's Financial Stability Reports. In simple terms, this allows the filing utility to earn the same expected return as the stock market as a whole, according to Federal Reserve estimates, comfortably exceeding typical Public Utility Commission calculations of risk for the utility sector.

This provides an outcome that is fair for your utility and your customers even without an auction or other market-based price discovery mechanism.

This letter is an effort to be up front with you about my Administration's approach to rate requests going forward. In directly laying out these practices, I am making clear my expectations. I stand ready to collaborate with you, the Public Utility Commission, and other stakeholders in advancing thoughtful rate requests that put Pennsylvania families and businesses first and control costs after years of unacceptably high rate increases. Should you wish to have my Administration's support for any future rate requests, you must submit a description of your compliance with these practices to my Special Counsel for Energy Affordability alongside your rate case filings.

I appreciate your compliance with these practices and look forward to working together to control costs for ratepayers and build out the needed infrastructure for our Commonwealth.

Sincerely,

Governor Josh Shapiro

Cc: Honorable Stephen M. DeFrank, Chair, Pennsylvania Public Utility Commission
Honorable Kimberly M. Barrow, Vice Chair, Pennsylvania Public Utility Commission
Honorable Kathryn L. Zerfuss, Commissioner, Pennsylvania Public Utility Commission
Honorable John F. Coleman, Commissioner, Pennsylvania Public Utility Commission
Honorable Ralph V. Yanora, Commissioner, Pennsylvania Public Utility Commission
Mark Szybist, Special Counsel for Energy Affordability, Office of General Counsel

I&E Modified - S&P Rate Case History (Rate Cases 2025-2026)

Service Type: Natural Gas Distribution

State	Company	Parent Ticker	Docket No.	Requested ROE (%)	Requested Common Equity (%)	Authorized Date	Decision Type	Authorized ROE (%)	Authorized Common Equity (%)
Arizona	Southwest Gas Corp.	SWX	D-G-01551A-23-0341	9.65	48.50	3/27/2025	Settled	9.84	48.50
Arizona	UNS Gas Inc.	FTS	D-G-04204A-24-0237	10.25	55.55	2/19/2026	Fully Litigated	9.61	55.55
California	Southern California Gas Co.	SRE	A-25-03-011	11.00	52.00	12/18/2025	Fully Litigated	9.78	52.00
Connecticut	Yankee Gas Services Co.	ES	D-24-12-01	10.80	53.81	11/5/2025	Fully Litigated	9.48	53.00
District of	Washington Gas Light Co.	ALA	FC-1180	10.50	52.49	11/20/2025	Fully Litigated	9.65	52.49
Delaware	Chesapeake Utilities Corp.	CPK	D-24-0906	11.50	52.14	6/18/2025	Settled	9.60	52.00
Delaware	Delmarva Power & Light Co.	EXC	D-24-1044	10.65	50.51	12/17/2025	Settled	9.60	50.51
Florida	Peoples Gas System	EMA	D-20250029-GU	10.91	NA	10/7/2025	Settled	10.30	48.10
Idaho	Avista Corp.	AVA	C-AVU-G-25-01	10.40	50.00	8/29/2025	Settled	9.60	50.00
Idaho	Intermountain Gas Co.	MDU	C-INT-G-25-02	10.80	50.00	12/30/2025	Settled	9.50	50.00
Illinois	Ameren Illinois	AEE	D-25-0084	10.70	52.00	11/19/2025	Fully Litigated	9.60	50.00
Illinois	Northern Illinois Gas Co.	SO	D-25-0055	10.35	54.59	11/19/2025	Fully Litigated	9.60	50.00
Kansas	Atmos Energy Corp.	ATO	D-26-ATMG-026-RTS	10.80	59.86	2/26/2026	Settled	NA	NA
Kansas	Black Hills Kansas Gas Utility	BKH	D-25-BHCG-298-RTS	10.50	50.44	7/24/2025	Settled	NA	NA
Kentucky	Atmos Energy Corp.	ATO	C-2024-00276	10.95	60.88	8/11/2025	Fully Litigated	9.75	53.50
Kentucky	Delta Natural Gas Co.	WTRG	C-2024-00346	10.95	52.76	7/1/2025	Settled	9.75	52.76
Kentucky	Duke Energy Kentucky Inc.	DUK	C-2025-00125	10.75	52.65	12/23/2025	Settled	9.80	52.65
Kentucky	Louisville Gas & Electric Co.	PPL	C-2025-00114 (gas)	10.95	52.93	2/16/2026	Settled	9.78	53.00
Louisiana	Delta North LA Gas Co LLC		D-U-37346 (Arkla)	NA	NA	4/25/2025	Fully Litigated	9.95	52.00
Louisiana	Delta South LA Gas Co LLC		D-U-37345 (Entex)	NA	NA	4/25/2025	Fully Litigated	9.95	52.00
Massachusetts	Boston Gas Co.	NG.	DPU 25-74	NA	NA	9/30/2025	Fully Litigated	NA	NA
Massachusetts	Fitchburg Gas & Electric Light	UTL	DPU 25-24	NA	NA	6/20/2025	Fully Litigated	NA	NA
Massachusetts	Liberty Utilities (NE Nat Gas)	AQN	DPU 25-85	9.90	52.88	3/27/2026	Settled	9.30	52.88
Massachusetts	NSTAR Gas Co.	ES	DPU 25-53	NA	NA	10/29/2025	Settled	NA	NA
Maryland	Columbia Gas of Maryland Inc	NI	C-9754	11.05	52.17	4/22/2025	Fully Litigated	9.80	52.17
Michigan	Consumers Energy Co.	CMS	C-U-21806	10.25	42.58	9/30/2025	Fully Litigated	9.80	41.95
Minnesota	CenterPoint Energy Resources	CNP	D-G-008/GR-23-173	10.30	52.49	5/29/2025	Settled	NA	NA
Minnesota	Northern States Power Co.	XEL	D-G-002/GR-23-413	10.20	52.50	2/13/2025	Settled	9.60	52.50
Missouri	Empire District Gas Co.	AQN	C-GR-2025-0212	NA	NA	5/22/2025	Withdrawn	NA	NA
Missouri	Empire District Gas Co.	AQN	C-GR-2026-0059	NA	NA	10/28/2025	Withdrawn	NA	NA
Missouri	Spire Missouri Inc.	SR	C-GR-2025-0107	10.50	55.00	9/3/2025	Settled	NA	NA
Missouri	Union Electric Co.	AEE	C-GR-2024-0369	10.25	52.00	7/16/2025	Settled	NA	NA
Mississippi	Atmos Energy Corp.	ATO	D-2025-UN-59	10.41	60.00	11/4/2025	Fully Litigated	9.40	50.00
Montana	MDU Resources Group	MDU	D-2024-05-061	10.80	50.16	10/8/2025	Settled	9.60	50.16
Montana	NorthWestern Energy Group	NWE	D-2024-05-053 (gas)	10.80	47.84	11/19/2025	Settled	9.60	47.84
North Carolina	Piedmont Natural Gas Co.	DUK	D-G-9 Sub 837	10.50	53.00	1/7/2025	Settled	9.80	52.30
North Carolina	Public Service Co. NC	ENB	D-G-5, Sub 686	10.60	56.67	12/9/2025	Settled	9.65	54.00
Nebraska	Black Hills Nebraska Gas LLC	BKH	D-NG-124	10.50	50.52	12/9/2025	Settled	9.85	50.52
Nebraska	NorthWestern Energy Group	NWE	D-NG-0122	10.70	53.13	6/24/2025	Settled	9.55	NA
New Hampshire	Liberty Utilities EnergyNorth	AQN	D-DG-23-067	10.35	55.00	8/26/2025	Settled	9.30	52.00
New York	Central Hudson Gas & Electric	FTS	24-G-0462	10.00	48.00	8/14/2025	Settled	9.50	48.00
New York	Consolidated Edison Co.	ED	C-25-G-0073	10.00	48.00	1/22/2026	Settled	9.40	48.00
New York	Corning Natural Gas Corp.		C-24-G-0447	10.40	48.00	6/12/2025	Settled	9.50	48.00
New York	Niagara Mohawk Power Corp.	NG.	C-24-G-0323	10.00	48.00	8/14/2025	Settled	9.50	48.00
New York	Orange & Rockland Utlts Inc.	ED	C-24-G-0061	10.25	50.00	3/20/2025	Settled	9.75	48.00
Ohio	The East Ohio Gas Co.	ENB	C-23-0894-GA-AIR	9.85	58.00	6/26/2025	Fully Litigated	9.79	51.87
Ohio	Vectren Energy Delivery OH	CNP	C-24-0832-GA-AIR	10.40	54.13	1/7/2026	Settled	9.79	52.90
Oklahoma	Oklahoma Natural Gas Co	OGS	Ca-PUD2025-000011	NA	NA	7/23/2025	Settled	NA	NA
Oregon	Avista Corp.	AVA	D-UG-519	10.40	50.00	5/23/2025	Settled	9.50	50.00
Oregon	Northwest Natural Gas Co.	NWN	D-UG-520	10.40	52.00	10/24/2025	Settled	9.50	50.00
Pennsylvania	Columbia Gas of Pennsylvania	NI	D-R-2025-3053499	11.35	54.40	12/4/2025	Fully Litigated	10.00	54.40
Pennsylvania	PECO Energy Co	EXC	D-R-2026-3060860	10.95	53.40	4/30/2026	Withdrawn	NA	NA
Pennsylvania	UGI Utilities Inc.	UGI	D-R-2024-3052716	11.20	54.11	9/11/2025	Settled	NA	NA
Tennessee	Atmos Energy Corp.	ATO	D-25-00007 (ARM)	NA	61.05	7/15/2025	Settled	NA	61.05
Tennessee	Chattanooga Gas Co.	SO	D-25-00028 (ARM)	NA	49.23	9/29/2025	Settled	NA	NA
Tennessee	Piedmont Natural Gas Co.	DUK	D-25-00036 (ARM)	NA	47.89	11/25/2025	Settled	NA	47.89
Texas	Atmos Energy Corp.	ATO	D-OS-24-00019196	10.85	60.97	6/17/2025	Settled	9.80	60.97
Texas	Atmos Energy Corp.	ATO	D-OS-24-00018879	10.85	60.97	5/13/2025	Settled	9.80	60.97
Texas	Texas Gas Service Co.	OGS	D-OS-25-00028202	10.40	59.92	2/5/2026	Settled	9.80	59.92
Utah	Questar Gas Co.	ENB	D-25-057-06	10.60	53.00	12/24/2025	Settled	NA	NA
Virginia	Columbia Gas of Virginia Inc	NI	C-PUR-2024-00030	10.85	42.76	5/15/2025	Settled	9.75	43.17
Virginia	Roanoke Gas Co.	RGCO	C-PUR-2024-00006	10.35	58.61	4/10/2025	Settled	9.90	58.18
Virginia	Virginia Natural Gas Inc.	SO	C-PUR-2024-00048	10.45	54.92	12/17/2025	Settled	9.85	49.35
Washington	Cascade Natural Gas Corp.	MDU	D-UG-240008	10.50	50.29	2/24/2025	Settled	9.50	49.50
Washington	Puget Sound Energy Inc.		D-UG-240005	10.50	51.00	1/15/2025	Fully Litigated	9.90	50.00
Wisconsin	Madison Gas & Electric Co.	MGEE	D-3270-UR-126 (Gas)	10.00	56.04	11/20/2025	Settled	9.80	56.05

Wisconsin	Northern States Power Co.	XEL	D-4220-UR-127 (Gas)	10.00	53.50	11/6/2025	Fully Litigated	9.80	NA
Wisconsin	Wisconsin Power & Light Co	LNT	D-6680-UR-125 (Gas)	9.90	55.27	11/6/2025	Settled	9.80	54.53
West Virginia	Hope Gas Inc.		C-25-0417-G-42T	11.00	50.00	2/10/2026	Settled	9.75	NA
Wyoming	MDU Resources Group	MDU	D-30013-415-GR-24	10.80	50.18	6/24/2025	Settled	9.65	50.18
			Average	**10.54**	**52.80**		**Average**	**9.69**	**51.64**

Source:
https://www.capitaliq.spglobal.com/apisv3/spq-webplatform-core/industry/pastRateCases?Type=1
(accessed on May 27, 2026)

Proxy Group Long-term Debt Cost

	2025		
	Interest Charges	**Long-Term Debt**	**Debt Cost**
Atmos Energy Corporation	$ 192.782	$ 9,237.95	2.09%
Chesapeake Utilities Corporation	$ 72.500	$ 1,335.00	5.43%
New Jersey Resources Corporation	$ 135.081	$ 3,409.52	3.96%
NiSource, Inc.	$ 676.800	$ 15,475.00	4.37%
Northwest Natural Holding Company	$ 122.513	$ 2,347.19	5.22%
ONE Gas, Inc.	$ 154.609	$ 2,363.64	6.54%
Southwest Gas Holdings, Inc.	$ 205.788	$ 3,433.01	5.99%
Spire, Inc.	$ 223.600	$ 3,428.50	6.52%
	Range:	**Low**	**2.09%**
		High	**6.54%**
		Average	**5.02%**

Source:
Compustat (S&P Global Market Intelligence - Data Management Solutions)
Yearly data updates typically provided late April/May of each year.
(Data in $ millions)

Mergent Bond Record

A-Rated Public Utility Bond Yields

Month	**Yield**
May 2025	6.05%
June 2025	5.93%
July 2025	5.88%
August 2025	5.77%
September 2025	5.61%
October 2025	5.51%
November 2025	5.62%
December 2025	5.68%
January 2026	5.68%
February 2026	5.61%
March 2026	5.82%
April 2026	5.81%
Average	**5.75%**

Source:
Mergent Bond Record
May 2026

Dividend Yields of Proxy Group

Company	Atmos Energy Corporation	Chesapeake Utilities Corporation	New Jersey Resources Corporation	NiSource, Inc.	Northwest Natural Holding Company	ONE Gas, Inc.	Southwest Gas Holdings, Inc.	Spire, Inc.
Symbol	*ATO*	*CPK*	*NJR*	*NI*	*NWN*	*OGS*	*SWX*	*SR*
Div	4.24	3.04	2.00	1.28	1.98	2.76	2.55	3.46
52-wk low	149.98	117.64	43.46	38.13	39.25	70.87	67.65	71.24
52-wk high	192.51	140.59	58.57	48.98	55.99	90.78	94.43	95.31
Spot Price	177.73	127.72	58.19	47.42	49.55	83.10	89.04	86.98
Spot Div Yield	2.39%	2.38%	3.44%	2.70%	4.00%	3.32%	2.86%	3.98%
52-wk Div Yield	2.48%	2.35%	3.92%	2.94%	4.16%	3.41%	3.15%	4.15%
Average	2.43%	2.37%	3.68%	2.82%	4.08%	3.37%	3.01%	4.07%

	Average
Spot Div Yield	**3.13%**
52-wk Div Yield	**3.32%**
Average	**3.23%**

Source:
Barron's May 19, 2026
Value Line May 22, 2026

I&E Exhibit No. 2
Schedule 4
Page 1 of 1

Five-Year Growth Estimate Forecast for Proxy Group (Actual)

		S&P	Zacks	Value Line	Average
Company	**Symbol**	**Source**			
Atmos Energy Corporation	ATO	8.02%	6.82%	8.50%	7.78%
Chesapeake Utilities Corporation	CPK	8.15%	NA	10.00%	9.08%
New Jersey Resources Corporation	NJR	8.70%	NA	6.00%	7.35%
NiSource, Inc.	NI	9.74%	6.10%	9.00%	8.28%
Northwest Natural Holding Company	NWN	6.53%	NA	6.50%	6.52%
ONE Gas, Inc.	OGS	6.16%	6.20%	7.00%	6.45%
Southwest Gas Holdings, Inc.	SWX	12.59%	9.90%	NMF	11.25%
Spire, Inc.	SR	8.12%	11.80%	8.50%	9.47%
Average:		**8.50%**	**8.16%**	**7.93%**	**8.27%**

Sources Date:
(From Internet)

Standard Deviation	1.85%
1 Standard Deviation	10.12%
2 Standard Deviations	11.97%
3 Standard Deviations	13.81%
4 Standard Deviations	15.66%

Five-Year Growth Estimate Forecast for Proxy Group (I&E Adjusted)

		S&P	Zacks	Value Line	Average
Company	**Symbol**	**Source**			
Atmos Energy Corporation	ATO	8.02%	6.82%	8.50%	7.78%
Chesapeake Utilities Corporation	CPK	8.15%	NA	10.00%	9.08%
New Jersey Resources Corporation	NJR	8.70%	NA	6.00%	7.35%
NiSource, Inc.	NI	9.74%	6.10%	9.00%	8.28%
Northwest Natural Holding Company	NWN	6.53%	NA	6.50%	6.52%
ONE Gas, Inc.	OGS	6.16%	6.20%	7.00%	6.45%
Southwest Gas Holdings, Inc.	SWX	-	9.90%	NMF	9.90%
Spire, Inc.	SR	8.12%	11.80%	8.50%	9.47%
Average:		**7.92%**	**7.93%**	**7.93%**	**8.10%**

Expected Market Cost Rate of Equity

Using Data for the Proxy Group Companies

5-Year Forecasted Growth Rates

	Time Period	Adjusted Dividend Yield	Growth Rate	Expected Return on Equity
		(1)	(2)	(3=1+2)
(1)	**52-Week Average Ending:** May 19, 2026	3.32%	8.10%	11.42%
(2)	**Spot Price Ending:** May 19, 2026	3.13%	8.10%	11.23%
(3)	**Average:**	**3.23%**	**8.10%**	**11.33%**

Sources: Value Line May 22, 2026
Barron's May 19, 2026

Proxy Group Company	Beta
Atmos Energy Corporation	0.75
Chesapeake Utilities Corporation	0.75
New Jersey Resources Corporation	0.75
NiSource, Inc.	0.85
Northwest Natural Holding Company	0.75
ONE Gas, Inc.	0.75
Southwest Gas Holdings, Inc.	0.80
Spire, Inc.	0.75
Average beta for CAPM	**0.77**

Source:
Value Line
May 22, 2026

Risk-Free Rate	
10-Year Treasury Note	**Yield**
3Q 2026	4.30
4Q 2026	4.30
1Q 2027	4.20
2Q 2027	4.20
3Q 2027	4.20
2027-2031	4.20
Average	**4.23**

Source:
Blue Chip
May 1, 2026

Required Rate of Return on Market as a Whole Forecasted

	Dividend Yield	+	Growth Rate	=	Expected Market Return
Value Line Estimate	2.10%		9.73%	(a)	11.83%
S&P 500 Historical Return					12.35%
Average Expected Market Return				=	**12.09%**

(a) Value Line forecast for the 3 to 5 year index appreciation is 45% ((1+45%)^.25)-1)

Sources:

S&P 500 Historical Rate	1926-2025	12.35%
Value Line Dividend Yield	5/22/2026	2.10%
Valueline Appreciation Potential	5/22/2026	45.00%

S&P 500 Historical Return

Year	Return (%)	Year	Return (%)
2025	17.88	1974	-26.47
2024	25.02	1973	-14.66
2023	26.29	1972	18.98
2022	-18.11	1971	14.31
2021	28.71	1970	4.01
2020	18.40	1969	-8.50
2019	31.49	1968	11.06
2018	-4.38	1967	23.98
2017	21.83	1966	-10.06
2016	11.96	1965	12.45
2015	1.38	1964	16.48
2014	13.69	1963	22.80
2013	32.39	1962	-8.73
2012	16.00	1961	26.89
2011	2.11	1960	0.47
2010	15.06	1959	11.96
2009	26.46	1958	43.36
2008	-37.00	1957	-10.78
2007	5.49	1956	6.56
2006	15.79	1955	31.56
2005	4.91	1954	52.62
2004	10.88	1953	-0.99
2003	28.68	1952	18.37
2002	-22.10	1951	24.02
2001	-11.89	1950	31.71
2000	-9.10	1949	18.79
1999	21.04	1948	5.50
1998	28.58	1947	5.71
1997	33.36	1946	-8.07
1996	22.96	1945	36.44
1995	37.58	1944	19.75
1994	1.32	1943	25.90
1993	10.08	1942	20.34
1992	7.62	1941	-11.59
1991	30.47	1940	-9.78
1990	-3.10	1939	-0.41
1989	31.69	1938	31.12
1988	16.61	1937	-35.03
1987	5.25	1936	33.92
1986	18.67	1935	47.67
1985	31.73	1934	-1.44
1984	6.27	1933	53.99
1983	22.56	1932	-8.19
1982	21.55	1931	-43.34
1981	-4.91	1930	-24.90
1980	32.42	1929	-8.42
1979	18.44	1928	43.61
1978	6.56	1927	37.49
1977	-7.18	1926	11.62
1976	23.84		
1975	37.20	**Average**	**12.35**

Source:
https://www.slickcharts.com/sp500/returns#google_vignette
(accessed on May 19, 2026)

CAPM with Forecasted Return

Re		Required return on individual equity security
Rf		Risk-free rate
Rm		Required return on the market as a whole
Be		Beta on individual equity security
Re	**=**	Rf + Be(Rm - Rf)
Rf	**=**	4.23
Rm	**=**	12.09
Be	**=**	0.77
Re	**=**	**10.28**

Sources:	Value Line	May 22, 2026
	Blue Chip	May 1, 2026

CAPM Using Kroll ERP & 20-Year U.S. Treasury

Re		Required return on individual equity security
Rf		Risk-free rate
ERP		Equity Risk Premium
Be		Beta on individual equity security
Re	**=**	Rf+Be(ERP)
Rf	**=**	5.01
ERP	**=**	5.00
Be	**=**	0.77
Re	**=**	**8.86**

Sources:	Value Line	May 22, 2026
	Kroll	March 23, 2026
	CNBC	May 27, 2026

Average CAPM Result	**9.57**

KROLL

March 24, 2026

Impact of the Middle East Conflict on Cost of Capital Assumptions – March 2026 Update

Executive Summary

Kroll regularly reviews fluctuations in global economic and financial market conditions that may warrant changes to our equity risk premium (ERP) and accompanying risk-free rate recommendations. The risk-free rate and ERP are key inputs used to calculate the cost of equity capital in the context of the Capital Asset Pricing Model (CAPM) and other models used to develop discount rates. We also update country risk data on a quarterly basis for 175+ countries using various models.

As of March 23, 2026, the **Kroll Recommended U.S. ERP is being reaffirmed at 5.0%** when developing USD-denominated discount rates. This guidance originally became effective on September 2, 2025. Similarly, **the Kroll Recommended Eurozone ERP is being reaffirmed in the range of 5.0% to 5.5%**, and we still believe that a **5.5% ERP (i.e., toward the higher end of the range)** is more appropriate when developing EUR-denominated discount rates. This guidance was originally established on January 30, 2026. Both U.S. and Eurozone recommendations will remain in place until further guidance is issued.

Notwithstanding the current recommendations, we are closely monitoring geopolitical events and related economic and financial market conditions that may affect our guidance during the first half of 2026.

First, an escalation of the ongoing armed conflict in the Middle East and a rise in related geopolitical risks could cause us to increase our ERP recommendations in the next few months. The longer the conflict continues, the more likely that higher oil and gas prices (among other commodities) will create upward inflationary pressures that will reverberate throughout the global economy. While the impact will vary significantly by country and geographic region, certain major central banks may be compelled to either hike interest rates (e.g., European Central Bank, Bank of Canada, Bank of England) or keep policy rates at elevated levels (e.g., Federal Reserve), thereby tightening financial conditions globally. A protracted conflict in the Middle East, combined with the still uncertain trade and tariff environment, could push the global economy into stagflation (i.e., stagnant growth with high inflation). Despite the U.S. economy being less exposed to oil shocks, it is not fully immune to a prolonged period of higher gasoline, fertilizers and other commodity prices. U.S. consumers are already struggling with affordability issues and a resurgence in inflation would further dampen consumer confidence, potentially leading to a retrenchment in spending.

Second, there are additional factors that could contribute to financial market disruptions in the next few months. A U.S. stock market correction driven by AI-related stocks remains a risk for 2026. In particular, recent market selloffs have centered on certain software companies (e.g., SaaS, or software-as-a-service), whose business model could be upended by AI, and financial services entities lending to those businesses. Significant exposure by some semi-liquid and evergreen private credit funds to data center and software companies is also causing jitters in markets. Certain financial institutions and alternative asset managers have already seen a significant negative impact on their share prices. For now, these risks appear to be confined to certain segments of the market and do not appear to be systemic.

Nevertheless, the combination of the risks outlined above could cause upheaval in global financial markets and might lead to a "risk-off" investor sentiment, with a corresponding increase in ERP for certain geographies (i.e., investors may demand a higher premium over the risk-free rate to induce them to invest in those equity markets).

Background

On February 28, 2026, the U.S. and Israel initiated coordinated military operations against Iran. These actions prompted Iran to retaliate by attacking Israel and several neighboring countries, with targets including U.S. military installations and critical energy infrastructure. These developments led to the suspension of navigation through the Strait of Hormuz, a major chokepoint for the world's transit of oil supply. According to the U.S. Energy Information Administration (EIA), the Strait of Hormuz accounted for 20% of the world's total oil supply and 26% of the world's maritime trade in the first half of 2025.[1] In addition, about 20% of liquefied natural gas (LNG) trade flows transited through the Strait of Hormuz in 2024.[2]

The disruption severely affected global energy supply chains and intensified commodity market volatility, particularly after Iran began targeting merchant vessels. Brent crude oil, the international oil benchmark, surged to $106 per barrel (based on closing spot prices at the time of writing), representing a 46% increase since February 27, 2026.[3] These prices are not quite as high as observed in June 2022, in the aftermath of Russia's invasion of Ukraine. Member countries of the International Energy Agency (IEA) coordinated the release of 400 million barrels of oil to stabilize markets, but this action has not helped so far.

European natural gas prices increased sharply, further exacerbated when Qatar—the world's second-largest exporter of LNG—declared "force majeure" following damage to its export facilities.[4] Unlike the U.S., which is largely energy independent, Europe is a net importer of energy, making it especially vulnerable to supply disruptions.

[1] U.S. Energy Information Administration, "World Oil Transit Chokepoints", March 3, 2026.
[2] U.S. Energy Information Administration, "About one-fifth of global liquefied natural gas trade flows through the Strait of Hormuz", June 24, 2025.
[3] Data through March 22, 2026. Source of underlying data: S&P Capital IQ. The West Texas Intermediate (WTI) was trading at approximately $95/barrel at the time of writing, a 42% increase from the February 27, 2026 close.
[4] Declaring force majeure enables Qatar to legally suspend its obligations to deliver LNG under long-term contracts. For additional details, see Qatar Energy press release titled "H.E. Minister Saad Sherida Al-Kaabi: The missile attacks reduced Qatar's LNG export capacity by 17% and caused an estimated loss of $20 billion in annual revenue", March 19, 2026.

This shock to energy supplies may drive higher inflationary pressures, increase financial market uncertainty, and weaken investor sentiment—factors that tend to widen risk premia. Both the European Central Bank and the Bank of England are now considering whether interest rate hikes are needed to tame inflationary pressures. Nevertheless, natural gas prices in Europe are still much lower than in the aftermath of the Ukraine invasion in 2022. For perspective, the Title Transfer Facility (TTF), the primary price benchmark for European natural gas, surged 86% from €32 per megawatt-hour (MWh) on February 27 to €59/MWh on March 22, 2026.[5] In contrast, at the height of the Russia-Ukraine conflict, TTF prices peaked at €349/MWh.

As the Middle East situation continues to evolve, global financial markets have begun to show signs of stress, as investors reassess the length of the conflict and the heightened geopolitical uncertainty. Equity markets have experienced substantial volatility, with major indices seeing a net decline since the conflict began. Since February 27, coincidently a record high for the STOXX® Europe 600, the index fell by 9.0% through March 23, 2026. During the same period, the VSTOXX®, the volatility index for the Euro STOXX® 50, has hovered around 30.0, which is the highest level since April 2025 (after the so-called "Liberation Day"). In the U.S., the VIX index closed at 26.2 on March 23, while the S&P 500 index declined by 4.3% over the same period (and by 5.7% since its record high on January 27, 2026). The larger decline in Europe relative to the U.S. underscores the European economy's heightened vulnerability to a potential energy crisis.

Thus far, given the ramifications of a potential global energy crisis, equity markets are reflecting weakening investor confidence, but not a sense of panic. The longer the conflict persists, however, the greater the likelihood that higher commodity prices and disrupted energy supplies will reshape negatively the expectations for economic growth and inflation. For now, elevated market volatility indicates increasingly cautious investor positioning, reinforced by a concurrent rise in long-term government yields.

Long-term yields in both the U.S. and Europe increased significantly following the beginning of hostilities, as investors priced higher inflation expectations. The 10-year U.S. Treasury yield increased from 4.0% on February 27 to 4.3% on March 23, 2026. Similarly, the 10-year German Bund yield rose from 2.7% to 3.0% over the same period. The UK has seen a sharper increase in long-term interest rates, with the 10-year government bond yield jumping from 4.3% to 5.0%, given its significant dependence on imported energy.[6] The sharp rise in oil and natural gas prices has raised concerns that inflation may remain elevated for a longer period, eroding real returns and prompting investors to require higher yields on long-dated government securities. However, should transit through the Strait of Hormuz resume in the near term, energy prices would likely stabilize and appease some of investors' concerns.

We are monitoring the situation closely, but at this time we believe current conditions do not warrant changes to our ERP recommendations for the U.S. or Eurozone. That said, circumstances can evolve quickly, and we will issue updated guidance should market conditions shift materially.

[5] Source of underlying data: S&P Capital IQ.
[6] Source of underlying data: S&P Capital IQ.

U.S. and Eurozone ERP Recommendations – Reaffirmed March 23, 2026

United States

The underlying economic conditions are still favorable for the U.S. economy. Based on recent economic indicators and financial market conditions, the **Kroll Recommended U.S. ERP remains at 5.0%**, matched with the higher of a U.S. normalized risk-free rate of 3.5% or the spot 20-year U.S. Treasury yield as of the valuation date until further notice. We last changed the Recommended U.S. ERP on September 2, 2025, and this recommendation was re-affirmed at year-end 2025.

Eurozone (From a German Investor Perspective)

Based on recent economic indicators and financial market conditions, the **Kroll Recommended Eurozone ERP remains in the range of 5.0% to 5.5%** to be used in conjunction with the higher of a German normalized risk-free rate of 2.5% or the spot 15-year German government bond yield as of the valuation date. **We believe that an ERP toward the higher end of the range (i.e., closer to a 5.5% ERP)** is still more appropriate. This guidance was originally established on January 30, 2026.

Incremental country risk adjustments for other Eurozone countries with a sovereign debt rating below AAA may be appropriate. Please note that this information does not supersede Germany's Institut der Wirtschaftsprüfer (IDW) guidance for projects that will be reviewed by German auditors or regulators.

We will continue to monitor economic and financial market conditions, as well as geopolitical events that may change our guidance in the coming months. Please contact our support team with any questions: costofcapital.support@kroll.com.

Kroll Cost of Capital Inputs

Data as of March 23, 2026

	U.S. (in USD)	Eurozone ** (in EUR)	U.K. †† (in GBP)	Canada †† (in CAD)	Australia †† (in AUD)
Normalized Risk-Free Rate	Higher of 3.5% or Spot*	Higher of 2.5% or Spot†	Higher of 4.0% or Spot‡	Higher of 3.5% or Spot§	Higher of 3.5% or Spot#
Kroll Recommended Equity Risk Premium	5.0%*	5.0% to 5.5%†	n/a	n/a	n/a

* We recommend using the spot 20-year U.S. Treasury yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our U.S. normalized risk-free rate of 3.5%. This guidance is effective when developing USD-denominated discount rates as of June 16, 2022, and thereafter. Based on current economic indicators and financial market conditions, the Kroll Recommended U.S. ERP is 5.0% when developing USD-denominated discount rates as of September 02, 2025, and thereafter.

† We recommend using the spot 15-year German government bond yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our German normalized risk-free rate of 2.5%. This guidance is effective when developing EUR-denominated discount rates as of March 31, 2024, and thereafter. Based on current economic and financial market conditions, the Kroll Recommended Eurozone ERP has decreased to a range of 5.0% to 5.5%, but we believe that an ERP towards the higher end of the range (i.e., closer to 5.5%) is likely more appropriate when developing EUR-denominated discount rates as of January 30, 2026, and thereafter.

‡ We recommend using the spot 20-year U.K. Gilt yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our U.K. normalized risk-free rate of 4.0%. This guidance is effective when developing GBP-denominated discount rates as of October 18, 2022, and thereafter.

§ We recommend using the spot Government of Canada Benchmark Long-Term Bond yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our Canada normalized risk-free rate of 3.5%. This guidance is effective when developing CAD-denominated discount rates as of October 18, 2022, and thereafter.

We recommend using the spot 10-year Australia Commonwealth Government bond yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our Australia normalized risk-free rate of 3.5%. This guidance is effective when developing AUD-denominated discount rates as of October 31, 2022, and thereafter.

** German normalized risk-free rate and Eurozone equity risk premium (ERP) for use in EUR-denominated discount rates from a German investor perspective. Additional country risk adjustments may be warranted when estimating discount rates for other countries in the Eurozone.

†† Although currently we do not have an official Kroll Recommended ERP for the U.K., Canada and Australia, historical and other forward-looking ERP information for these countries is available in the International Cost of Capital Inputs dataset within the Cost of Capital Navigator.

My Portfolio LINK YOUR PORTFOLIO

U.S. 20 Year Treasury

US20Y:Tradeweb

+ LIVESTREAM **Squawk on the Street**

RT Quote | Exchange

Yield | 11:43 AM EDT

5.014% ▼ -0.011

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

Comparison 1D Display Studies

Yield Open	**5.016%**	**Price**	**99.8281**
Yield Day High	**5.021%**	**Price Change**	**+0.1406**
Yield Day Low	**4.984%**	**Price Change %**	**+0.1411%**
Yield Prev Close	**5.025%**	**Price Prev Close**	**99.6875**

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KEY STATS

Price Day High	**100.2031**
Price Day Low	**99.7344**
Coupon	**5.00%**
Maturity	**2046-05-15**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-009

Witness: Nelson, Jennifer **Title:** Vice President, Concentric Energy Advisors

Question: Reference Peoples Statement No. 15, p. 39, lines 1-2 and Exhibit JEN-5, pp. 1-5 concerning the indicated average cost of equity of 11.94%, which is based on the combined analysis results of the traditional CAPM and ECAPM results. State whether Ms. Nelson is aware of any instances where the Commission specifically relied upon an ECAPM analysis results on a standalone basis or in combination with traditional CAPM results to determine an appropriate cost of equity in any Pennsylvania base rate proceeding in the last ten years. If so, identify the applicable cases, including the docket numbers.

Answer: The Commission has approved settlements in proceedings where the ECAPM was presented. See, e.g., Docket No. R-2024-3047068.

In Ms. Nelson's experience, regulatory commissions routinely review and consider the multiple methods presented by expert witnesses representing various parties and apply their judgment in assessing the analytical results and determining the authorized Return on Equity. The ECAPM approach has been presented by ROE witnesses representing a variety of parties across the U.S. While Ms. Nelson has not performed an exhaustive search, she is aware that the ECAPM has been accepted by commissions in Alaska, Maryland, New York, and North Carolina. In particular, the New York Public Service Commission ("NYPSC") explicitly relies on the ECAPM (referred to as the Zero Beta CAPM by the NYPSC), along with the traditional CAPM and DCF approaches.

Submit Date: 4/28/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-013

Witness: Nelson, Jennifer **Title:** Vice President, Concentric Energy Advisors

Question: Reference Peoples Statement No. 15, p. 42, line 1 (Figure 14) and Exhibit JEN-6, p. 1 concerning the RP analysis indicated cost of equity of 10.24% ((10.28% + 10.21%) 2). State whether Ms. Nelson is aware of any instances where the Commission specifically relied upon an RP analysis to determine an appropriate cost of equity in any Pennsylvania base rate proceeding in the last ten years. If so, identify the applicable cases, including the docket numbers.

Answer: The Commission has approved numerous settlements in proceedings where the Bond Yield Plus Risk Premium model was presented. See, e.g., Docket nos. R-2024-3046523, R-2024-3046931, and R-2022-3037368.

In Ms. Nelson's experience, regulatory commissions routinely review and consider the multiple methods presented by expert witnesses representing various parties and apply their judgment in assessing the analytical results and determining the authorized ROE. The Bond Yield Plus Risk Premium approach has been presented by ROE witnesses representing a variety of parties across the U.S. While Ms. Nelson has not performed an exhaustive search, she is aware that the Bond Yield Plus Risk Premium analysis has been accepted by commissions in North Carolina, the Texas Public Utilities Commission, Mississippi, and Virginia.

Submit Date: 4/28/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-015

Witness: Mitole, Joyce **Title:** Controller IV

Question: Reference Peoples Statement No. 15, p. 44, lines 2-19 and Exhibit JEN-7, p. 1 concerning Peoples' capital expenditure program. Provide budgeted and actual capital expenditures incurred by year for the fiscal years 2021-2025.

Answer: Refer to the attachment.

Submit Date: 4/28/2026

	A 2021 Actuals			B 2021 Plan			C = B - A 2021 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 238,887,303	$ 21,015,127	$ 259,902,431	$ 251,065,225	$ 15,680,720	$ 266,745,945	$ 12,177,922	$ (5,334,407)	$ 6,843,514	2.6%
Gathering	3,269,848	347,262	3,617,110	4,301,520	3,313,200	7,614,720	1,031,672	2,965,938	3,997,610	52.5%
Goodwin Tombaugh	9,959,676	6,255	9,965,931	15,000,006	-	15,000,006	5,040,330	(6,255)	5,034,075	33.6%
New Customer	17,789,598	1,756,189	19,545,787	21,017,417	2,440,485	23,457,902	3,227,819	684,296	3,912,115	16.7%
Maintenance & Compliance	20,829,732	1,466,307	22,296,039	20,579,561	1,953,072	22,532,633	(250,171)	486,765	236,594	1.1%
Tools / Fleet	14,135,166	2,304,242	16,439,408	9,404,441	2,454,997	11,859,438	(4,730,725)	150,755	(4,579,970)	-38.6%
Facilities	5,808,024	438,214	6,246,237	4,427,524	826,836	5,254,360	(1,380,500)	388,622	(991,877)	-18.9%
TOTAL	**$ 310,679,347**	**$ 27,333,597**	**$ 338,012,943**	**$ 325,795,694**	**$ 26,669,310**	**$ 352,465,004**	**$ 15,116,347**	**$ (664,287)**	**$ 14,452,061**	**4.1%**
IT Projects*	18,090,631	1,865,200	19,955,831	15,871,150	1,571,375	17,442,525	(2,219,481)	(293,825)	(2,513,306)	-14.4%
CHP	13,285,562	-	13,285,562	13,799,980	-	13,799,980	(168,379)	-	(168,379)	-100.0%
Grand Total	**$ 342,055,539**	**$ 29,198,797**	**$ 371,254,336**	**$ 355,466,824**	**$ 28,240,685**	**$ 383,707,509**	**$ 12,728,488**	**$ (958,112)**	**$ 11,770,376**	**3.1%**

* Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

I&E Exhibit No. 2
Schedule 14
Page 2 of 4

	A 2022 Actuals			B 2022 Plan			C = B - A 2022 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 315,045,915	$ 25,402,975	$ 340,448,890	$ 285,091,500	$ 15,643,500	$ 300,735,000	$ (29,954,415)	$ (9,759,475)	$ (39,713,890)	-13.2%
Gathering	4,159,004	1,131,078	5,290,083	6,600,000	1,400,000	8,000,000	2,440,996	268,922	2,709,917	33.9%
Goodwin Tombaugh	13,367,950	-	13,367,950	29,000,000	-	29,000,000	15,632,050	-	15,632,050	53.9%
New Customer	23,256,197	4,789,895	28,046,091	16,042,499	1,782,500	17,824,999	(7,213,697)	(3,007,395)	(10,221,092)	-57.3%
Maintenance & Compliance	12,828,494	917,526	13,746,020	7,279,576	1,510,674	8,790,250	(5,548,918)	593,148	(4,955,770)	-56.4%
Tools / Fleet	10,722,357	2,401,092	13,123,448	11,293,035	2,571,000	13,864,035	570,678	169,908	740,587	5.3%
Facilities	9,455,193	1,152,937	10,608,131	10,945,018	1,970,876	12,915,894	1,489,825	817,939	2,307,763	17.9%
TOTAL	**$ 388,835,110**	**$ 35,795,503**	**$ 424,630,613**	**$ 366,251,628**	**$ 24,878,550**	**$ 391,130,178**	**$ (22,583,482)**	**$ (10,916,953)**	**$ (33,500,435)**	**-8.6%**
IT Projects*	10,064,312	1,072,282	11,136,594	10,882,253	1,262,948	12,145,201	817,941	190,666	1,008,607	8.3%
CHP	168,379	-	168,379	-	-	-	(168,379)	-	(168,379)	#DIV/0!
Grand Total	**$ 399,067,801**	**$ 36,867,785**	**$ 435,935,586**	**$ 377,133,881**	**$ 26,141,498**	**$ 403,275,379**	**$ (21,933,919)**	**$ (10,726,287)**	**$ (32,660,207)**	**-8.1%**

	A 2023 Actuals			B 2023 Plan			C = B - A 2023 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 390,423,836	$ 22,723,340	$ 413,147,176	$ 365,008,810	$ 16,970,290	$ 381,979,100	$ (25,415,026)	$ (5,753,050)	$ (31,168,076)	-8.2%
Gathering	2,878,128	2,156,541	5,034,669	7,000,000	2,000,000	9,000,000	4,121,872	(156,541)	3,965,331	44.1%
Goodwin Tombaugh	13,631,002	-	13,631,002	24,000,000	-	24,000,000	10,368,998	-	10,368,998	43.2%
New Customer	29,903,372	2,810,400	32,713,772	17,100,000	1,900,000	19,000,000	(12,803,372)	(910,400)	(13,713,772)	-72.2%
Maintenance & Compliance	11,518,375	1,821,434	13,339,809	6,617,595	2,036,905	8,654,500	(4,900,781)	215,471	(4,685,309)	-54.1%
Tools / Fleet	13,925,959	1,090,321	15,016,281	14,996,819	1,891,050	16,887,869	1,070,860	800,729	1,871,589	11.1%
Facilities	11,200,414	1,200,455	12,400,869	18,914,724	2,009,800	20,924,524	7,714,310	809,345	8,523,655	40.7%
TOTAL	**$ 473,481,086**	**$ 31,802,492**	**$ 505,283,578**	**$ 453,637,948**	**$ 26,808,045**	**$ 480,445,993**	**$ (19,843,138)**	**$ (4,994,447)**	**$ (24,837,584)**	**-5.2%**
IT Projects*	20,910,861	2,364,522	23,275,383	12,000,000	3,021,601	15,021,601	(8,910,861)	657,079	(8,253,782)	-54.9%
CHP	(167,474)	-	168,379	-	-	-	(168,379)	-	(168,379)	#DIV/0!
Grand Total	**$ 494,224,473**	**$ 34,167,013**	**$ 528,727,339**	**$ 465,637,948**	**$ 29,829,646**	**$ 495,467,594**	**$ (28,922,377)**	**$ (4,337,367)**	**$ (33,259,745)**	**-6.7%**

* Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

I&E Exhibit No. 2
Schedule 14
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	A 2024 Actuals			B 2024 Plan			C = B - A 2024 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 452,306,529	$ 27,807,213	$ 480,113,742	$ 430,881,950	$ 20,745,200	$ 451,627,150	$ (21,424,579)	$ (7,062,013)	$ (28,486,592)	-6.3%
Gathering	1,713,111	572,687	2,285,798	6,685,546	2,544,443	9,229,989	4,972,435	1,971,756	6,944,191	75.2%
Goodwin Tombaugh	12,569,495	-	12,569,495	27,500,000	-	27,500,000	14,930,505	-	14,930,505	54.3%
New Customer	28,730,369	3,670,289	32,400,658	26,231,403	2,914,600	29,146,003	(2,498,966)	(755,689)	(3,254,655)	-11.2%
Maintenance & Compliance	10,619,203	2,820,006	13,439,209	12,324,316	2,199,942	14,524,258	1,705,113	(620,064)	1,085,049	7.5%
Tools / Fleet	21,321,291	42,223,176	63,544,467	8,543,371	788,587	9,331,958	(12,777,920)	(41,434,589)	(54,212,509)	-580.9%
Facilities	14,830,763	16,214,472	31,045,235	17,020,696	27,996	17,048,692	2,189,933	(16,186,476)	(13,996,543)	-82.1%
TOTAL	**$ 542,090,763**	**$ 93,307,842**	**$ 635,398,605**	**$ 529,187,282**	**$ 29,220,768**	**$ 558,408,050**	**$ (12,903,481)**	**$ (64,087,074)**	**$ (76,990,555)**	**-13.8%**
IT Projects*	22,365,732	2,537,002	24,902,734	19,960,000	3,300,000	23,260,000	(2,405,732)	762,998	(1,642,734)	-7.1%
Grand Total	**$ 564,456,495**	**$ 95,844,844**	**$ 660,301,339**	**$ 549,147,282**	**$ 32,520,768**	**$ 581,668,050**	**$ (15,309,213)**	**$ (63,324,076)**	**$ (78,633,289)**	**-13.5%**

2025 Nov Year to Date	A 2025 Actuals			B 2025 Plan			C = B - A 2025 Variance			
	PNG	PGC	Combined	PNG	PGC	Combined	PNG	PGC	Combined	% Var to Total
LTIIP	$ 491,914,508	$ -	$ 491,914,508	$ 507,258,316	$ -	$ 507,258,316	$ 15,343,808	$ -	$ 15,343,808	3.0%
Gathering	1,848,744	-	1,848,744	7,570,739	-	7,570,739	5,721,995	-	5,721,995	75.6%
Goodwin Tombaugh	19,191,899	-	19,191,899	15,021,666	-	15,021,666	(4,170,233)	-	(4,170,233)	-27.8%
New Customer	26,295,167	-	26,295,167	30,129,121	-	30,129,121	3,833,954	-	3,833,954	12.7%
Maintenance & Compliance	15,438,325	-	15,438,325	17,928,615	-	17,928,615	2,490,290	-	2,490,290	13.9%
Tools / Fleet	9,633,638	-	9,633,638	11,619,850	-	11,619,850	1,986,212	-	1,986,212	17.1%
Facilities	10,758,297	-	10,758,297	8,352,740	-	8,352,740	(2,405,557)	-	(2,405,557)	-28.8%
TOTAL	**$ 575,080,578**	**$ -**	**$ 575,080,578**	**$ 597,881,047**	**$ -**	**$ 597,881,047**	**$ 22,800,469**	**$ -**	**$ 22,800,469**	**3.8%**
IT Projects*	8,439,727	-	8,439,727	12,222,375	-	12,222,375	3,782,648	-	3,782,648	30.9%
Grand Total	**$ 583,520,305**	**$ -**	**$ 583,520,305**	**$ 610,103,422**	**$ -**	**$ 610,103,422**	**$ 26,583,117**	**$ -**	**$ 26,583,117**	**4.4%**

* Includes: Telecom, IT Infrastruture, Cyber Security, Facilities, etc.

I&E Exhibit No. 2
Schedule 14
Page 4 of 4

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-016

Witness: Ravenstahl, Luke **Title:** Vice President Sales & Marketing

Question: Reference Peoples Statement No. 15, pp. 48-49, where Ms. Nelson discusses potential "bypass risk" due to loss of certain large-volume commercial and industrial customers:

A. Identify all "large-volume customer" accounts lost and gained by year for the fiscal years 2021, 2022, 2023, 2024, and 2025.

B. Explain future gas distribution business growth potential in general and business opportunities for data center energy demand directly or indirectly in the service territories of Peoples.

C. State whether Ms. Nelson agrees that all jurisdictional regulated utilities in Pennsylvania, regardless of business size and customers count, have the opportunity to recover all prudent expenses necessary to provide safe and reliable service via base rate case filings.

Answer: A. PNG views viable interstate bypass customers to be those with an annual consumption of 500,000 Mcf or more. Given that criteria, we have not lost or gained any large volume customers during those years. Although we have not lost any existing customers to competitors during this period, we have lost a few recent potential large-scale opportunities to bypass competitors.

B. Over the past year we have been approached by developers, consultants, data centers, and other entities, to evaluate providing natural gas service to potential new data center projects in Western Pa. We have had discussions with over 22 entities, with data center power demands ranging anywhere from 8 MW up to 4.5 GW.

C. First, Ms. Nelson emphasizes that while the utilities in Pennsylvania may have the opportunity to recover prudent expenses necessary to provide safe and reliable service, such recovery is not guaranteed, nor automatic. Recovery depends on the utility meeting its burden of proof and demonstrating prudence within the evidentiary record of the base rate case docket. The Commission retains broad discretion to determine what is prudent and may disallow costs it finds imprudent or unsupported.

Ms. Nelson did not make a risk adjustment to account for Peoples' size in this proceeding.

Submit Date: 4/28/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-025

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Provide the actual net income in dollars and ROE earned by PNG Companies LLC and Essential Utilities, Inc. for the fiscal years 2021, 2022, 2023, 2024, and 2025.

Answer: Please refer to attachment for the annual Net income and ROE for both PNG Companies, LLC and Essential Utilities, Inc. for fiscal years 2021-2025.

Submit Date: 4/28/2026

I&E - RR - #25

	PNG COMPANIES LLC		ESSENTIAL UTILITIES, INC	
	NET INCOME (in thousands)	ROE	NET INCOME (in thousands)	ROE
2021	185,637	12.4%	431,612	8.3%
2022	225,598	13.1%	465,237	8.7%
2023	245,578	12.5%	498,226	8.4%
2024	255,362	11.6%	595,314	9.6%
2025	295,148	11.8%	616,369	9.0%

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-024

Witness: Scanlon, Carol **Title:** Rates Manager

Question: Reference Peoples Statement No. 1, p. 3, lines 1-5, Peoples Volume 8, Exhibit KMS-1, p. 1, and Volume V, Exhibit 14, Appendix C, p. 1 concerning the proposed Original Tariff Gas – PA PUC No. 49 showing the effective date of proposed new rates as May 26, 2026, which will be suspended until December 26, 2026:

A. Provide the targeted effective date of new rates after the rate suspension period ending on December 26, 2026, or after the Commission order approving the rate increase request.

B. If the targeted effective date of new rates is on or before December 31, 2026 and not January 1, 2027, the first day of the FPFTY 2027, state whether Peoples will refund the over recovery in rates/revenue of approximately $2,682,278 (($163,171,938 365) x 6 days) from customers plus interest for the period starting with December 26, 2026 (new rate effective date) through December 31, 2026.

Answer: A. December 27, 2026.

B. No. There is no overlap between rate periods due to the gap period between the FTY and FPFTY, and therefore no double counting or duplicate recovery. Moreover, the Company's prior FPFTY from R-2023-3044549 ended in September 2025, so no overlap between rate effective periods, either. No refund is necessary.

Submit Date: 4/28/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RR-023

Witness: Scanlon, Carol **Title:** Rates Manager

Question: Reference Peoples Volume I, Exhibit No. 2, Schedule 4, p. 2 concerning the Statement of Income at present and proposed rates showing the ratemaking calculation for the historic test year (HTY) ended November 30, 2025, future test year (FTY) ending November 30, 2026, and the fully projected future test year (FPFTY) ending December 31, 2027 (total revenue requirement of $1,347,786,003 and proposed revenue increase adjustment of $163,171,938):

A. Explain in detail why the Company projected the FPFTY for the twelve months from January 1, 2027 to December 31, 2027 when the claimed FTY is from December 1, 2025 to November 30, 2026 and the HTY is from December 1, 2024 to November 30, 2025 in the ratemaking calculation.

B. Explain why the Company filed this rate case on March 26, 2026, rather than on March 31, 2026, when Peoples has provided the supporting revenue requirement and revenue increase calculation based on the FPFTY, which covers the 12-month period January 1, 2027 to December 31, 2027 and the proposed effective date of new rates will be December 26, 2026.

Answer: A. As has been the practice from prior base rate proceedings, the Company projected its FPFTY in this proceeding with a one-month bridge or gap month between the end of its FTY and the beginning of its FPFTY. In this proceeding, December 2026 is the gap month. The reason for this one-month gap between the end of the FTY and the beginning of the FPFTY is due to the requirements of 66 Pa. C.S. §1308(d), which do not allow the Company to begin the FPFTY prior to the legal effective date of new rates. According to the Commission's Order issued April 16, 2026, "Pursuant to 66 Pa. C.S. §1308(d), the filing will be suspended by operation of law until December 26, 2026, unless permitted by Commission Order to become effective at an earlier date."

B. See Company response to I&E-RR-23, part A. Moreover, the Company could not have filed the case on March 31st as that would have been outside of the 120 day period following the HTY in this proceeding, per 52 Pa. Code 53.51(a).

Submit Date: 4/28/2026

I&E Statement No. 2-SR
Witness: D. C. Patel
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY, LLC

Docket No. R-2026-3060855

Surrebuttal Testimony

of

D. C. Patel

Bureau of Investigation & Enforcement

Concerning:

Rate of Return
Effective Date of New Rates

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INTRODUCTION OF WITNESS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is D. C. Patel. My business address is Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation & Enforcement (I&E) as a Fixed Utility Financial Analyst.

Q. ARE YOU THE SAME D. C. PATEL WHO SUBMITTED DIRECT TESTIMONY CONTAINED IN I&E STATEMENT NO. 2 AND THE SCHEDULES IN I&E EXHIBIT NO. 2?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of (1) Peoples Natural Gas Company, LLC (Peoples or Company) witnesses Ms. Jennifer E. Nelson regarding rate of return topics including the proxy group, capital structure, capital market environment, business risks, cost of common equity methods and data input, flotation costs, management performance, and the

overall fair rate of return, as applied to Peoples' rate base to determine the revenue requirement;[1] (2) Michael Huwar regarding the exemplary management performance adjustment of 0.25% in the cost of equity;[2] (3) Carol S. Scanlon regarding the proposed effective date of new rates;[3] and (4) the Office of Consumer Advocate (OCA) witness David J. Garrett regarding my recommended 10.20% return on equity (ROE), the growth rate used in my discounted cash flow (DCF) analysis, the equity risk premium (ERP) used in my traditional capital asset pricing method (CAPM), and the 10.28% traditional CAPM results.[4]

It should be noted that I do not intend my surrebuttal testimony to address every topic or issue raised or otherwise discussed by the company and other parties' witnesses in rebuttal testimony as I discussed all the topics of concern at length in my direct testimony. My lack of response to any specific statement, assertion, or position of any witness in this surrebuttal testimony does not necessarily indicate my acceptance or agreement with statements, assertions, or positions expressed in rebuttal testimony.

Q. DOES YOUR SURREBUTTAL TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. Additionally, I will refer to my direct testimony and schedules contained in the corresponding exhibit[5] where necessary.

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1 Peoples Statement No. 15-R.
2 Peoples Statement No. 1-R.
3 Peoples Statement No. 3-R.
4 OCA Statement No. 3R.
5 I&E Statement No. 2 and I&E Exhibit No. 2.

Q. WHAT WAS YOUR ORIGINAL OVERALL RATE OF RETURN RECOMMENDATION IN DIRECT TESTIMONY?

A. I recommended the following rates of return for Peoples:[6]

Peoples Natural Gas Company, LLC Summary of Cost of Capital			
Type of Capital	**Ratio**	**Cost Rate**	**Weighted Cost Rate**
Long-Term Debt	50.00%	4.61%	2.31%
Common Equity	50.00%	10.20%	5.10%
Total	**100.00%**		**7.41%**

I&E POSITION

Q. HAS YOUR RETURN ON EQUITY (ROE) RECOMMENDATION CHANGED FROM YOUR DIRECT TESTIMONY?

A. No. I continue to recommend the ROE and overall rate of return for Peoples as shown in the table above.

SUMMARY OF MS. NELSON'S REBUTTAL TESTIMONY

Q. SUMMARIZE MS. NELSON'S RESPONSE IN HER REBUTTAL TESTIMONY TO YOUR RATE OF RETURN RECOMMENDATIONS.

A. First, Ms. Nelson disputes my recommendations regarding return on equity (ROE) and overall fair rate of return. Second, she takes issue with my recommendation

[6] I&E Statement No. 2, p. 7 and I&E Exhibit No. 2, Schedule 1.

regarding an appropriate capital structure for the Company. Third, she criticizes my application of the CAPM, claiming that I have incorrectly relied on the 10-year Treasury Bond for my risk-free rate, not employed the Empirical CAPM (ECAPM), and that I am incorrect in my use of the Kroll Equity Risk Premium (ERP) based CAPM model. Fourth, she disagrees with my dismissal of the Bond Yield Plus Risk Premium Method (BYPRP). Finally, Ms. Nelson claims that I fail to account for Peoples' business risk and disagrees with my dismissal of her discussion regarding a potential flotation cost adjustment to her proposed return on equity, although she does not make explicit adjustments to her recommendation for either of these issues.

Q. HAS MS. NELSON'S ROE RECOMMENDATION CHANGED FROM HER DIRECT TESTIMONY?

A. No. Although Ms. Nelson provides an updated analysis, including updated market data,[7] she continues to recommend the same base ROE of 11.00% that she recommended in her direct testimony.

[7] Peoples Statement No. 15-R, p. 15, lines 1-6 and Peoples Exhibit JEN-1R through JEN-11R.

RATEMAKING CAPITAL STRUCTURE

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING YOUR RECOMMENDED 50/50 CAPITAL STRUCTURE FOR PEOPLES.

A. Ms. Nelson opines that my recommended hypothetical (50/50) capital structure violates regulatory standards that prevail in regulatory jurisdictions across the United States, ignores Commission precedent and regulatory and utility financing principles.[8] She asserts that the hypothetical capital structure recommendation is not based on utility specific risks and financing requirements and is contrary to widely recognized regulatory principles and utility financing practices. She refers to the Commission's orders in a couple of rate cases where the Commission recognized a utility's actual capital structure in the ratemaking determinations.[9] She also refers to "A Cost of Capital and Capital Markets Primer for Utility Regulators," where NARUC advises that the actual capital structure ratios should be used unless they greatly diverge from sound industry practice.[10] Next, she contends that Peoples' requested equity ratio of 54.47% is within my proxy group equity ratio range and it adheres to the Commission's standard.[11] Finally, she disputes my reliance on nation-wide authorized equity ratios in base rate cases reported by S&P Regulatory Research Associates (S&P) and states that only 15 of 52 rate cases equity ratios were determined for companies that are included in my

[8] Peoples Statement No. 15-R, p. 17, lines 8-13.
[9] Peoples Statement No. 15-R, p. 19, line 3 through p. 20, line 3.
[10] Peoples Statement No. 15-R, p. 20, lines 7-26.
[11] Peoples Statement No. 15-R, p. 26, lines 3-8.

proxy group companies and the authorized equity ratios in 2025 and 2026 range from 43.17% to 61.05% while Peoples' claimed 54.47% is well within this range.[12] Ms. Nelson also disagrees with Vice Chair Barrow's statement that a 50/50 capital structure was a better representation of financial risk and opines that imputing a hypothetical capital structure substitutes Peoples actual financial risk with higher risk that arises from greater leverage.[13]

Ultimately, she recommends that the Commission reject the hypothetical capital structures recommended by me and other witnesses and utilize Peoples' actual capital structure.[14]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S COMMENTS REGARDING YOUR RECOMMENDED 50/50 CAPITAL STRUCTURE FOR PEOPLES?

A. As discussed in my direct testimony,[15] it is my opinion that Peoples' claimed capital structure of 54.47% common equity and 45.53% long-term debt is unreasonable for ratemaking purposes due to the equity ratio being higher than my proxy group's five-year averages, Value Line's 2027 capital structure projections, and the recent national authorized capital structures for gas distribution utilities. Regarding Ms. Nelson's reference to Commission's preference to use actual

[12] Peoples Statement No. 15-R, p. 27, line 16 through p. 29, line 20.
[13] Peoples Statement No. 15-R, p. 30, lines 4-9 and lines 12-14.
[14] Peoples Statement No. 15-R, p. 38, lines 6-10.
[15] I&E Statement No. 2, pp. 15-18.

capital structure in the past rate cases, I agree that utilities' actual capital structures were considered in prior rate cases for ratemaking determinations. However, it has now become necessary and equally important to consider rate affordability given current economic conditions and the rapidly increasing overall cost of living (inflation).

{BEGIN PROPRIETARY}

[redacted]

{END PROPRIETARY}

[16] I&E Exhibit No. 2-SR PROPRIETARY.

Additionally, as demonstrated in my direct testimony,[17] if the company were to employ a 50/50 capital structure instead of 54.47% equity and 45.53% long-term debt and not change the cost of debt or requested return on equity, the cost savings to ratepayers would be $22,881,642, which is approximately 14% of the requested total revenue increase of $163,171,938.

Regarding Ms. Nelson's reference to NARUC's article (A Cost of Capital and Capital Markets Primer for Utility Regulators), Peoples claimed equity ratio of 54.47% diverges from the nation-wide average authorized equity ratio of 51.64% for the natural gas distribution utilities (Rate Cases 2025-2026).[18] It is appropriate to consider the national average authorized equity ratio as the upper limit because this average equity ratio would be in compliance with the recognized regulatory ratemaking principles.

Additionally, the factors typically considered relative to the use of a regulated subsidiary's actual or expected capital structure, or a hypothetical capital structure, are provided by David C. Parcell in The Cost of Capital - A Practitioner's Guide (CRRA Guide) prepared for the Society of Utility and Regulatory Financial Analysts (SURFA) and provided as the study guide to candidates for SURFA's Certified Rate of Return Certification Examination. The CRRA Guide notes that there are circumstances where a hypothetical capital structure is used in place of an actual or expected capital structure as follows:

[17] I&E Statement No. 2, p. 18, line 13 through p. 19, line 7.
[18] I&E Exhibit No. 2, Schedule 2, pp. 17-18.

(1) The utility's capital structure is deemed to be substantially different from the typical or proper utility capital structure; or

(2) The utility is funded as part of a diversified organization whose overall capital structure reflects its diversified nature rather than its utility operations only.

In both these circumstances, a "reasonableness test" is generally applied in order to determine if the actual capital structure is unreasonable or produces an excessive cost of capital.[19] Considering the above statements, in my opinion, Peoples equity heavy capital structure is deemed to be substantially different from the typical or proper utility capital structure based on the average capital structure maintained by the proxy group companies and the parent company's (Essential) capital structure as discussed above.

Lastly, I disagree with Ms. Nelson relying on an S&P compiled nation-wide authorized equity ratio range (43.17% to 61.05%) for supporting Peoples 54.47% equity ratio and ignored the nation-wide average of utility regulatory authorities' authorized equity ratio of 51.64% to gain support for her equity ratio claim. Ms. Nelson's argument that only 15 of 52 rate cases' equity ratios were determined for companies that are included in my proxy group companies is irrelevant when considering the nation-wide gas distribution utilities equity ratio.

[19] David C. Parcell, The Cost of Capital - A Practitioner's Guide, Prepared for the Society of Utility and Regulatory Financial Analysts, 2020 Edition, p. 47.

Given this, in addition to Vice Chair Barrow's comments outlined in my direct testimony[20] regarding consideration of the financial impact to customers in relation to equity heavy capital structures, I continue to assert that it is necessary to use hypothetical capital structure of 50/50 for ratemaking purposes, to balance the interests of the company and ratepayers and ensure rate reasonableness without overburdening ratepayers.

Q. SUMMARIZE MS. NELSON'S CRITICISMS REGARDING THE USE OF PARENT AND HOLDING COMPANY VS. OPERATING COMPANY CAPITAL STRUCTURE DATA.

A. Ms. Nelson disputes the use of holding companies' proxy group capital structure rather than the operating companies' proxy group capital structure (equity ratios) in determining utility's capital structure. She suggests that the Commission should not ignore relevant data that accurately represents the financial risk profiles and common financing practices of regulated natural gas utility operating companies because capital at the consolidated holding company level may finance unregulated operations, and comparisons to the parent company capital structure lead to flawed analysis and do not reflect the common financing constraints faced by operating subsidiaries, resulting in misleading conclusions. Finally, she recommends that the Commission give no weight to my analyses and

[20] I&E Statement No. 2, p. 13 line 13 through p. 14, line 15.

recommendations that are based on consolidated holding company capital structures.[21]

Q. PLEASE RESPOND TO MS. NELSON'S CRITICISMS REGARDING THE USE OF PARENT AND HOLDING COMPANY VS. OPERATING COMPANY CAPITAL STRUCTURE DATA.

A. A proxy group of publicly traded parent/holding companies similar risks and uncertainties is used in ratemaking process to determine a fair and comparable return on equity for an operating utility. Information used to determine a fair return on equity from commonly used sources such as Zacks, S&P, Value Line, etc., are all based on the publicly traded parent/holding companies. In fact, Ms. Nelson herself uses data pulled from these sources.[22] These sources have historically been common practice to use by almost all parties who perform rate of return and return on equity analysis in base rate proceedings. The Commission has generally relied upon I&E methodologies, as cited at various points in my direct testimony as well as this surrebuttal testimony, which are crafted from data sourced from parent companies.

Further, it appears unfounded or disconnected to use market financial data from holding companies for every variable of the cost of equity analysis and simultaneously use the subsidiary/operating company's (which are not listed in the

[21] Peoples Statement No. 15-R, p. 24, line 7 through p. 25, line 20.
[22] Peoples Exhibit Nos. JEN-1R and JEN-2R, and JEN-4R.

stock market) debt and equity information in the ratemaking capital structure ignoring the parent/holding company's capital structure

Q. SUMMARIZE MS. NELSON'S CRITICISMS OF GOVERNOR JOSH SHAPIRO'S LETTER TO UTILITIES CONCERNING UTILITY'S RATEMAKING CAPITAL STRUCTURE TO REPRESENT A CLEAR MAJORITY OF LOW-COST DEBT AS OPPOSED TO HIGH-COST EQUITY.

A. Ms. Nelson states that the Governor's proposal would require the use of the parent company capital structure to determine the operating utility's ratemaking capital structure, which is inconsistent with ratemaking principle and may not reflect a utility's specific risks, obligations, and cost of service. She opines that the operating utility must be able to access capital in all market conditions, and therefore, it may require a capital structure with more equity than the consolidated holding company to maintain financial flexibility.[23] She discusses why using a holding company's capital structure would produce inequitable and arbitrary outcomes, imputing parent company's higher financial risks to customers, and increase in debt would not reduce overall cost of capital.[24]

[23] Peoples Statement No. 15-R, p. 52, lines 10-20.
[24] Peoples Statement No. 15-R, pp. 53-54.

Q. DO YOU AGREE WITH MS. NELSON'S CONCERNS ABOUT THE USE OR CONSIDERATION OF A PARENT COMPANY'S CAPITAL STRUCTURE IN A RATEMAKING ENVIRONMENT?

A. No. First, Ms. Nelson acknowledges that Peoples obtains capital through its ultimate parent company, Essential.[25] Peoples does not have an independent credit rating, nor does it issue common equity to the public but relies on Essential for the required funding. As discussed above, Essential has maintained historic (2021-2025) including the estimated (2026-2027) average capital structure with 53.8% long-term debt ratio and 46.2% common equity ratio, which provided and would provide a comfortable access to the capital market for financing its utility subsidiaries funding requirement. Therefore, in my opinion, it is inappropriate to conclude that using the parent company's capital structure to determine the operating utility's ratemaking capital structure is inconsistent or violates the ratemaking principles. Second, I disagree with Ms. Nelson's discussion that imputing the holding company's capital structure would produce inequitable and arbitrary outcomes and higher financial risks to customers, and the debt would not reduce overall cost of capital. Ms. Nelson does not provide support for alleged impact of higher financial risks and increase in the overall cost of capital for customers using a 50/50 capital structure. Finally, as discussed in my direct testimony,[26] my recommended 50/50 capital structure is currently in the interest of

[25] Peoples Statement No. 15-R, p. 53, lines 4-5.
[26] I&E Statement No. 2, pp. 15-19.

ratepayers and enhances the rate affordability to some extent considering the increased cost of living and resultant financial challenges faced by ratepayers while utility rates are ballooning and Peoples and its parent companies' profits are improving as shown below:

Year	PNG - Net Income	PNG - ROE	Essential - Net Income	Essential - ROE
2021	$185.64M	12.4%	$431.61	8.3%
2022	$225.60M	13.1%	$465.24	8.7%
2023	$245.58M	12.5%	$498.23	8.4%
2024	$255.36M	11.6%	$595.31	9.6%
2025	$295.15M	11.8%	$616.37	9.0%

Q. DO YOU HAVE ANY CHANGES IN YOUR RECOMMENDED CAPITAL STRUCTURE?

A. No. I continue to recommend using a capital structure with long-term debt of 50.00% and common equity of 50.00% as presented in the I&E recommendation.[27]

[27] I&E Statement No. 2, p. 14, lines 19-20.

NATIONAL AVERAGE AUTHORIZED ROE FOR NATURAL GAS UTILITIES

Q. SUMMARIZE MS. NELSON'S CRITICISM OF YOUR USE OF NATIONAL AVERAGE AUTHORIZED ROEs IN DETERMINING YOUR RECOMMENDED ROE FOR THE COMPANY.

A. Ms. Nelson states that the national average returns must be placed in the proper context in order to be useful. Authorized ROEs are established based on market conditions that existed at the time those proceedings were litigated and decided. She opines that her BYPRP analysis is an appropriate model rather than using the national-wide authorized average ROE.[28] She asserts that she believes the appropriate ROE for Peoples should be based primarily on market-based cost-of-equity analyses reflecting utility's risks. Finally, she believes her recommended 11.00% base ROE (exclusive of 0.25% management performance adjustment) is not excessive or inconsistent in comparison to the national average authorized 9.69% ROE.[29]

Q. PLEASE RESPOND TO MS. NELSON'S CRITICISM REGARDING YOUR USE OF NATIONAL AVERAGE AUTHORIZED ROEs IN DETERMINING AN APPROPRIATE ROE IN THIS PROCEEDING.

A. I agree that the nation-wide authorized ROEs are established based on market conditions that existed at the time those proceedings were litigated and decided.

[28] Peoples Statement No. 15-R, p. 58, line 17 through p. 59, line 1.
[29] Peoples Statement No. 15-R, p. 59, lines 17-22.

However, I would not consider the national gas utilities authorized ROEs used in my analysis outdated as they reflect all rate cases decided in 2025 and 2026 that considered the market conditions and economic environments and associated risks to natural gas distribution utilities. Additionally, I believe the current economic conditions are similar enough to the past approximately year and a half, which is the period that encompasses the data I employed.[30] In my opinion, average national authorized ROEs are an appropriate benchmark for the ROE to be determined in this proceeding.

Ms. Nelson admits that the authorized returns in other jurisdictions may serve as a broad reference point, but states that this cannot replace fact-specific evaluation of market evidence and Peoples' risk profile.[31] I continue to assert that my recommended ROE for Peoples does consider market-based cost-of-equity analyses reflecting utility's risks with the national authorized average ROE. Additionally, my recommended ROE of 10.20% for the Company in this case is comparable, yet higher than the national average authorized ROE of 9.69% for gas distribution utilities.

Finally, as stated in my direct testimony, this national authorized ROE information complies with the principle derived from the *Hope* and *Bluefield* cases,[32] that a utility is entitled to a return similar to that being earned by other

[30] I&E Exhibit No. 2, Schedule 2, pp. 17-18.
[31] Peoples Statement No. 15R, p. 59, lines 3-5.
[32] *See Bluefield Water Works & Improvements Co. v. Public Service Comm. of West Virginia,* 262 U.S. 679, 692-93 (1923) and *FPC v. Hope Natural Gas Co.,* 320 U.S. 591, 603 (1944).

enterprises with corresponding risks and uncertainties, but not as high as those earned by highly profitable or speculative ventures.[33] Therefore, I continue to believe it is reasonable and logical to consider authorized ROEs of comparable companies in the natural gas distribution industry from across the nation.

CURRENT CAPITAL MARKET ENVIRONMENT

Q. SUMMARIZE MS. NELSON'S RESPONSE TO YOUR COMMENTS ON THE CURRENT CAPITAL MARKET ENVIRONMENT.

A. Ms. Nelson opines that I am incorrect in my assertion that potential future reductions in interest rates could have the effect of reducing debt costs in 2027. She then discusses Federal Reserve role in combating inflation and economic growth, current financial market, treasury yields, utility bond yields, geo-political uncertainties etc. and concludes that all these factors increase risks, which in turn will increase the cost of equity. [34]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S COMMENTS REGARDING THE CURRENT CAPITAL MARKET ENVIRONMENT?

A. Ms. Nelson is correct that there is an inverse relationship between interest rates and inflation, as the Federal Reserve routinely increases interest rates to curb rising inflation. The intent of my statement is to express that potential reduction in

[33] I&E Statement No. 2, p. 4, line 3-16 and p. 37 line 21 through p. 38, line 4.
[34] Peoples Statement No. 15-R, pp. 60-64.

interest rates would ultimately lead to a reduction in debt costs in 2027, when Peoples new rates will be in effect.[35] Ms. Nelson's comments on interest rates, inflation, treasury yields, economic and geo-political risks and their impacts on the cost of equity are not new. These factors have been experienced by all utilities and their customers. All utility companies, including proxy group companies, are impacted by interest rate changes, inflation, and economic and financial risks. In order to alleviate the impact of these risks and related issues, utilities may file rate cases at any time to address issues and risks resulting from changing market conditions. Peoples faces all these risks and events which are the same risks faced by proxy group utilities, and these risks are already factored into the rate of return analyses using the proxy group data in determining the required return for investors. Investors voluntarily buy and hold shares of stocks in gas utility companies, indicating they are aware of business and financial risks and the returns available in the current capital market environment.

PROXY GROUP COMPOSITION

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING THE COMPOSITION OF OUR RESPECTIVE PROXY GROUPS.

A. Ms. Nelson disagrees with my screening criterion for the proxy group determination, which is based on the percentage of regulated gas distribution

[35] I&E Statement No. 2, p. 52, lines 7-9.

revenue rather than using the percentage of regulated operating income. She opines that the net operating income better reflects the contribution of each business segment in the company's overall earnings, which is the factor that equity investors are most focused on while making investment decisions. Ultimately, Ms. Nelson concludes that the differences in methodologies between our proxy groups are not a primary factor in driving the differences in our respective recommended ROEs. She does not specifically dispute any companies that are included in my proxy group.[36]

Q. DO YOU AGREE WITH MS. NELSON'S ASSERTION THAT THE PERCENTAGE OF REGULATED OPERATING INCOME IS A MORE APPROPRIATE PROXY GROUP CRITERION THAN REGULATED GAS DISTRIBUTION REVENUE?

A. No. Calculating the percentage of regulated utility operating income that makes up the total operating income of a company is not always a reliable way of determining whether a business is primarily a regulated utility. For example, operating income includes items such as depreciation, where it is possible for the regulated utility segment of a company to predominately have assets that are fully depreciated resulting in higher operating income. Although a utility may have assets that are significantly depreciated, it does not always indicate the level of

[36] Peoples Statement No. 15-R, p. 68, line 4 through p. 69, line 3.

business a company does. A parent company can have most of its utility assets depreciated but still do less business as a utility than it does in another business segment. Regulated gas operating revenue is the correct and first driver of operating income and cash flow generation from the business. Therefore, comparing the operating income of a gas utility segment to the total operating income of a company is not an appropriate criterion.

Q. DO YOU HAVE ANY FURTHER COMMENTS REGARDING MS. NELSON'S CLAIM THAT NET OPERATING INCOME IS A MORE APPROPRIATE PROXY GROUP CRITERION?

A. Yes. The Commission has historically recognized regulated utility revenue, and not the operating income to determine a company's validity in a proxy group. Most recently, in the 2025 Columbia Gas of Pennsylvania, Inc. (Columbia Gas) base rate case, the Commission order states, "…the generation of revenue is the first step that drives the company's net income and cash flow…Therefore, a utility's revenue composition is a more appropriate measure than is the utility's operating income or net income for establishing a proxy group, because this measure represents the percentage of cash flow a company receives from each business segment."[37] The Commission then supports I&E's methodology by stating, "Accordingly, we shall adopt the ALJs' recommendation to utilize I&E's

[37] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Disposition of Proxy Groups, p. 204.

Natural Gas Utility proxy group in setting the appropriate rate of return for Columbia in this proceeding."[38]

Q. ARE THERE MORE INSTANCES OF THE COMMISSION ACCEPTING I&E'S METHODOLOGY IN DETERMINING A PROXY GROUP?

A. Yes. There are four recent instances where the Commission has accepted I&E's methodology to use percentage of operating revenues in selecting a proxy group. First, in *Pennsylvania Public Utility Commission, et. al v. Columbia Gas of Pennsylvania, Inc*., at Docket R-2020-3018835 (Order Entered February 19, 2021), pp. 110-112, the Commission adopted the ALJ's recommendation to use I&E's proxy group based on I&E's reasoning to exclude two companies based on a percentage of revenues to yield a proxy group that most closely resembles the company.

Second, in *Pennsylvania Public Utility Commission, et. al v. PECO Energy Company - Gas Division*, at Docket R-2020-3018929 (Order Entered June 22, 2021, Public Version), pp. 137-139, the Commission again adopted the ALJ's recommendation to use I&E's proxy group based on I&E's reasoning to exclude two companies based on a percentage of revenues to yield a proxy group that most closely resembles the company.

[38] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Disposition of Proxy Groups, p. 205.

Third, in *Pennsylvania Public Utility Commission, et. al v Columbia Water Company,* at Docket No. R-2023-3040258 (Order Entered January 18, 2024), pp. 74-77, the Commission adopted the ALJ's recommendation to use I&E's proxy group based on I&E's reasoning stating that "In our view, comparing the net operating income of a water utility segment to the total net operating income of a company is not an appropriate criterion to use in this proceeding."

Fourth, in *Pennsylvania Public Utility Commission, et. al v. Pennsylvania-American Water Company*, Docket Nos. R-2023-3043189 and R-2023-3043190 (Order Entered July 22, 2024), pp. 149-153, the Commission adopted the ALJ's recommendation to use I&E's proxy group based on I&E's reasoning citing Commission precedent and reference to the Columbia Water Company case.

Additionally, in the most recent Pennsylvania American Water Company base rate case *Pennsylvania Public Utility Commission, et. al v. Pennsylvania-American Water Company*, Docket Nos. R-2025- 3057983 and R-2025- 305805 (Order Entered July 27, 2026), pp. 174-176, the Commission adopted the ALJ's recommendation to use I&E's proxy group noting that this conclusion mirrors the Commission's finding in the prior Pennsylvania American Water base rate case wherein the Commission rejected Pennsylvania American's proposal to include gas and electric utilities in its proxy group.

DISCOUNTED CASH FLOW

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING YOUR DCF ANALYSIS.

A. Ms. Nelson agrees with my use of earnings growth rate projections in the calculation of my DCF result[39] and references the 2025 Columbia Gas proceeding in which the Commission adopted an ROE that utilized I&E's DCF methodology using analysts' earnings growth rates combined with I&E's composite CAPM methodologies.[40] She agrees with my DCF results of 11.33%, which is higher by eight basis points above the claimed 11.25% ROE inclusive of management performance adder.[41] Finally, she admits that her DCF analyses results are substantially similar to my DCF results and the methodology that has been previously adopted by the Commission.[42]

Q. DO YOU HAVE ANY COMMENTS TO MS. NELSON'S REBUTTAL TESTIMONY REGARDING YOUR DCF ANALYSIS.

A. No.

[39] Peoples Statement No. 15-R, p. 69, lines 18-19.
[40] Peoples Statement No. 15-R, p. 71, lines 13-16.
[41] Peoples Statement No. 15-R, p. 69, lines 11-13.
[42] Peoples Statement No. 15-R, p. 76, lines 8-10.

CAPITAL ASSET PRICING MODEL

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING YOUR CAPM ANALYSIS.

A. Ms. Nelson disagrees with my CAPM results based on Kroll's recommended ERP and states that the Kroll market risk premium CAPM based ROE estimate is well below recently authorized ROEs for natural gas utilities, and counter to the higher interest rate environment.[43] She also disagrees with my use of the 10-year Treasury Note as the risk-free rate and claims that the 30-year Treasury Bond yield is the most appropriate risk-free rate to use in the calculation of the CAPM.[44] Ms. Nelson then requests that the Commission consider the use of the ECAPM. Finally, Ms. Nelson recommends that the Commission give no weight to my Kroll ERP based CAPM estimate.[45]

RISK-FREE RATE

Q. WHAT IS MS. NELSON'S RESPONSE TO YOUR USE OF THE YIELD ON THE 10-YEAR U.S. TREASURY NOTE AS RISK-FREE RATE?

A. Ms. Nelson claims her use of the yield on a 30-year U.S. Treasury Bond is more appropriate than my use of the yield on a 10-year Treasury Note because it better reflects the life of the underlying investment.[46] She contends that given the 30-

[43] Peoples Statement No. 15-R, p. 78, lines 7-8 and lines 10-12.
[44] Peoples Statement No. 15-R, p. 80, lines 7-8.
[45] PPL Electric Statement No. 10-R, p. 42-46.
[46] Peoples Statement No. 15-R, p. 81, lines 1-3.

year Treasury Bond is a stable security free of default risk, has minimal real interest rate risk, and aligns with the life of the underlying investment in utility assets, it serves as an appropriate security for the risk-free rate component of the CAPM.[47]

Q. IS THE LIFE OF THE INVESTMENT THE ONLY FACTOR THAT SHOULD BE CONSIDERED IN THE CHOICE OF A RISK-FREE RATE?

A. No. The risk-free rate is the return that can be earned without accepting any risk, and while the life of the investment can be considered in the choice of risk-free rates, the most important consideration is that the rate be as risk-free as possible. As explained in my direct testimony, I chose the 10-year Treasury Note as it mitigates the shortcomings of the short-term Treasury Bill and the 30-year Treasury Bond.[48] Although long-term Treasury Bonds have less risk of being influenced by federal policies, they have substantial maturity risk associated with market risk. In addition, long-term Treasury Bonds bear the risk of unexpected inflation and time value of money due to the longer investment period. As such, my choice of a 10-year Treasury Note is appropriate. Further, as also pointed out in my direct testimony,[49] the Commission has agreed with I&E that the 10-year Treasury Note is the superior measure of the risk-free rate of return in a number of rate cases cited in my direct testimony.

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[47] Peoples Statement No. 15-R, p. 81, line 19 through p. 82, line 2.
[48] I&E Statement No. 3, p. 33, lines 5-14.
[49] I&E Statement No. 3, p. 33, lines 14-16.

Q. DOES THE PROJECTED RISK-FREE RATE NEED TO REPRESENT THE LONGEST PERIOD AVAILABLE?

A. No. The time period reflected in a projected risk-free rate should include the period in which rates will be in effect (the investment period), which is typically the Fully Projected Future Test Year (FPFTY), or the time determined by a company's rate case filing frequency. Ideally, all factors in determining an appropriate ROE, including the risk-free rate, will be reassessed during each base rate filing. Therefore, while an investor may hold a utility stock for 30 years or more, the Commission authorized return determined in the base rate filing is likely reassessed many times within that 30-year period.

CAPM - MARKET RETURN

Q. WHAT IS MS. NELSON'S RESPONSE TO VALUE LINE FORECASTED MARKET RETURN USED IN YOUR TRADITIONAL CAPM ANALYSIS?

A. Ms. Nelson disagrees with the market return of 11.83% used in my CAPM analysis, which is based on Value Lines's forecasted dividend yields and yearly index appreciation. She claims that when investors invest in the overall market, they receive the weighted average market return, not the median market return and per her calculations, the market return estimate would be 11.99% rather than 11.83%.[50]

[50] Peoples Statement No. 15-R, p. 87, lines 4-16.

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S REBUTTAL TESTIMONY CONCERNING THE MARKET RETURN USED IN YOUR CAPM ANALYSIS?

A. As discussed in my direct testimony,[51] I observed Value Line's 1700 stocks and the historical returns of the S&P 500. Value Line expects its universe of approximately 1700 stocks to have an average yearly return of 11.83% over the next three to five years based on a forecasted dividend yield of 2.10% and a yearly index appreciation of 45%. Additionally, I considered the S&P 500 Index average return of 12.35% over the past 100 years (1926-2025). I have averaged the Value Line return of 11.83% and the S&P 500 return of 12.35% producing an estimated market return of 12.09%, which represents the historical return and forward-looking estimates for the market return. The Commission has accepted I&E's CAPM results with market return calculated as discussed above in last several base rate cases.

Q. DO YOU AGREE WITH MS. NELSON'S PROPOSED ADJUSTMENTS TO YOUR CAPM INPUTS AND THE ADJUSTED TRADITIONAL CAPM RESULTS?

A. No. I disagree with Ms. Nelson's suggested/adjusted 16.29% Value Line market return estimate as opposed to 11.83% Value Line market return used in my CAPM

[51] I&E Statement No. 2, p. 34, lines 9-16.

analysis. I also disagree with her suggested projected yield on the 30-year U.S. Treasury Bond rather than using the 10-year U.S. Treasury Note yield as risk-free rate in CAPM analysis. Finally, I disagree with Mr. Nelson's suggested/adjusted CAPM results of 12.11% as opposed to my 10.28% traditional CAPM results.

KROLL ERP-BASED CAPM

Q. WHAT IS MS. NELSON'S RESPONSE TO YOUR USE OF THE KROLL ERP-BASED CAPM ANALYSIS?

A. Ms. Nelson disagrees with Kroll's recommended equity risk premium because it is not clear that Kroll develops its market premium in relation to its risk-free rate. She notes that the market risk premium and risk-free rate are not independent of each other, but they are interrelated.[52] She also disagrees with the Commission's giving weight to Kroll's recommended equity risk premium and its finding in 2025 Columbia Gas rate case order and recommends dismissing Kroll's CAPM results in estimating the CAPM based ROE estimate.[53]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S REBUTTAL TESTIMONY CONCERNING THE KROLL ERP?

A. As discussed in my direct testimony, my recommendation is based on the DCF, composite CAPM (traditional CAPM and Kroll CAPM), and the national average

[52] Peoples Statement No. 15-R, p. 84, lines 13-15 and lines 17-18.
[53] Peoples Statement No. 15-R, p. 86, lines 12-16.

authorized ROE to determine the appropriate cost of common equity. Kroll is a trusted and publicly available source that bases their recommended ERP on current and forecasted economic and financial conditions. Kroll recommends using the 20-year U.S. Treasury yield as the risk-free rate paired with their calculated ERP in a CAPM analysis.[54]

Q. HAS THE COMMISSION COMMENTED ON THE USE OF KROLL ERP-BASED CAPM ANALYSIS?

A. Yes. The Commission's 2025 Columbia Gas base rate case order states, "…we are also persuaded to use informed judgment and to apply both I&E's traditional CAPM and its Kroll ERP CAPM analysis in setting the ROE for Columbia".[55] The Commission also notes that due to their belief that the results of I&E's traditional CAPM analysis were overstated, "...we will use the average of I&E's traditional CAPM ROE of 10.51% and I&E's Kroll ERP based CAPM ROE of 9.36%."[56]

Additionally, using Kroll's methodology eliminates the potential bias of any involved parties, as I use Kroll's recommended input of the 20-year Treasury yield as the risk-free rate in my analysis.

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[54] I&E Statement No. 2, p. 35, lines 8-12.

[55] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Disposition of Rate of Return on Common Equity, p. 234.

[56] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.,* Docket No. R-2025-3053499 (Order Entered December 9, 2025). *See generally* Disposition of Rate of Return on Common Equity, p. 235.

EXCLUSION OF THE ECAPM METHOD

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING THE USE OF THE ECAPM METHOD.

A. Ms. Nelson reiterates that companies with lower Beta coefficients tend to have higher returns than those predicted by the traditional CAPM, and those with higher Beta coefficients tend to have lower returns than projected.[57] It appears she claims that her ECAPM analysis is a more accurate alternative to the CAPM for companies with betas that are under 1.00.

Q. WHY HAVE YOU NOT PERFORMED AN ECAPM ANALYSIS?

A. The ECAPM is a modified version of the CAPM which attempts to address the belief that the actual risk vs. return correlation is flatter than what is predicted by the CAPM. The implication is that the CAPM underestimates returns with lower levels of risk and over-estimates the returns associated with higher levels of risk. ECAPM entails assigning 25% weight to the market beta and 75% weight to the individual company or proxy group.[58]

Additionally, as discussed in my direct testimony,[59] I reiterate that the use of the ECAPM in estimating the cost of capital does not increase the validity of the result but merely adds another measure of subjectivity to the CAPM, attempting to make the Security Market Line more accurate. The ECAPM reduces

[57] Peoples Statement No. 15, p. 93, line 18 through p. 94, line 1.
[58] David C. Parcell, "The Cost of Capital – A Practitioner's Guide," 2020 Edition, p. 106.
[59] I&E Statement No. 2, p. 42, lines 2-8.

the purpose of the beta, which is the only company-specific variable in the CAPM model.

Q. DO YOU HAVE ANY FURTHER COMMENTS ON MS. NELSON'S ECAPM ANALYSIS?

A. Yes. As discussed in my direct testimony,[60] I disagree with Ms. Nelson's use of ECAPM and BYPRP methods in regulatory proceedings. Notably, the Commission is now trending towards using both the DCF and the traditional CAPM and Kroll CAPM analyses to determine an appropriate and reasonable ROE.

As for Ms. Nelson's belief that the ECAPM should also be considered by the Commission,[61] I am unaware of any instance in which the Commission has used the ECAPM method in determining an authorized ROE. Therefore, I do not recommend that the Commission consider Ms. Nelson's ECAPM method and its results in this proceeding.

Q. HAVE YOU CHANGED YOUR CAPM RESULTS ON EQUITY RECOMMENDATION AS A RESULT OF MS. NELSON'S REBUTTAL TESTIMONY?

A. No. I continue to recommend my composite/average CAPM result of 9.57% using

[60] I&E Statement No. 2, p. 40, lines 10-21.
[61] Peoples Statement No. 15-R, p. 95, line 22 through p. 96, line 4.

the 10.28% traditional CAPM results and 8.86% Kroll ERP-Based CAPM results.[62]

EXCLUSION OF THE BYPRP METHOD

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING THE USE OF THE BYPRP/RISK PREMIUM METHOD.

A. Ms. Nelson primary argument is that her Risk Premium analysis determines the appropriate risk premium based on the relationship between historical authorized ROEs for natural gas utilities and Treasury bond yields over the last 46 years.[63] Ms. Nelson goes on to state that the model is a reliable predictor of the equity risk premium at various levels of interest rates.[64] She refers to the Commission's rate case orders in 2012 PPL Electric and 2021 Aqua Pennsylvania and states that Commission concluded that methodologies other than the DCF can be used a check upon reasonableness of the DCF derived ROE calculation. She then opines that this suggests that the Risk Premium method has a place in the Commission's ROE determinations.[65]

Finally, she asserts that the Risk Premium/BYPRP analysis provides another useful perspective on investors' required return for Peoples and disagrees that the Risk Premium analysis is duplicative of the CAPM method.[66]

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62 I&E Statement No. 2, p. 36, line 16.
63 Peoples Statement No. 15-R, p. 99, lines 6-8.
64 Peoples Statement No. 15-R, p. 99, lines 12-13.
65 Peoples Statement No. 15-R, p. 101, lines 5-13.
66 Peoples Statement No. 15-R, p. 102, lines 7-10.

Q. PLEASE EXPLAIN WHY YOU HAVE EXCLUDED A BYPRP/RISK PREMIUM METHOD IN YOUR ROE ANALYSIS.

A. I have excluded the BYPRP/Risk Premium method from my ROE analysis because it is a simplified version of the CAPM. Most importantly, unlike the CAPM, the Risk Premium method does not recognize company specific, or proxy group specific risk through a beta coefficient. Ms. Nelson admits that the Risk Premium model does not measure the specific risk of a company, and states that it provides an industry estimate of the equity risk premium and resulting cost of equity for natural gas utilities broadly.[67]

Additionally, the Commission historically did not *specifically* rely on results of the Risk Premium method in determining an appropriate return on equity in base rate proceedings. Ms. Nelson's misinterpreted the Commission orders in 2012 PPL Electric and 2021 Aqua Pennsylvania because the Commission did not *specifically* consider or recognize the results of the Risk Premium method presented by the utilities' witnesses in determining an appropriate ROE for these two utilities.

[67] Peoples Statement No. 15-R, p. 102, lines 10-12.

BUSINESS RISK

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING PEOPLES' BUSINESS RISK.

A. In her rebuttal testimony, Ms. Nelson again clarifies that she does not make an explicit adjustment to her ROE recommendation for business risk and flotation costs.[68] However, she continues to argue that Company will require access to external debt and equity capital to fund its major capital investment program from 2026-2030,[69] which would increase capital market risk, credit risk, execution risk, and cash flow pressure. She states that market bypass risk is forward-looking and reflects the potential for large-volume customers to reduce or eliminate reliance on the Company's gas distribution system through interstate pipeline alternatives, fuel switching or other competitive options and claims that approximately twelve customers representing approximately 20% of total throughput have the ability to bypass the Company's system.[70] Finally, she asserts that the cost recovery regulatory mechanisms such as the Distribution System Improvement Charge (DSIC), FPFTY, and Weather Normalization Adjustment (WNA) available to Peoples are not unique because all of the proxy group operating utilities utilize such mechanisms to mitigate risks.[71] Therefore, she opines that the existence of these mechanisms does not support reducing the authorized ROE below the level

[68] Peoples Statement No. 15-R, p. 104, lines 8-9.
[69] Peoples Statement No. 15-R, p. 105, lines 9-11.
[70] Peoples Statement No. 15-R, p. 106, lines 3-5.
[71] Peoples Statement No. 15-R, p. 107, lines 4-5.

indicated by market-based cost of equity estimates.[72]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S DISCUSSION REGARDING PEOPLES' BUSINESS RISK?

A. As discussed in my direct testimony,[73] I reiterate that every natural distribution gas utility faces the same issues of upgrading or replacing its pipeline infrastructure. As distribution costs increase, Peoples, like any other regulated gas utility, has the option to file a base rate case to address revenue inadequacy due to maintaining, expanding, and modernizing infrastructure. The Commission encourages utilities to use risk reducing mechanisms, such as the DSIC and FPFTY to help reduce regulatory lag in recovery of infrastructure investment costs. As demonstrated in my direct testimony, Peoples has been successful in procuring the required funding for meeting with its budgeted capital expenditures program in the fiscal year 2021-2025.[74] Ms. Nelson's concerns relating to capital market risk, credit risk, execution risk, cash flow pressure due to the capital expenditure plan is speculative and unsupported because Peoples is not rated by rating agencies and its parent companies, PNG and Essential have maintained a sufficient investment grade rating for the last five years.[75]

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72 Peoples Statement No. 15-R, p. 107, lines 19-21.
73 I7e Statement No. 2, p. 47, lines 7-10.
74 I&E Statement No. 2, p. 47, line 18 through p. 48, line 3.
75 I&E Statement No. 2, p. 49, lines 10-13.

As further discussed in my direct testimony regarding *potential* bypass risk, the Company has not lost or gained any large volume customers during the period 2021-2025. However, over the past year, Peoples has been approached by developers, consultants, data centers, and other entities to evaluate the possibility of providing natural gas service to potential new data center projects in Western Pennsylvania and had discussions with over twenty-two entities, with data center power demands ranging anywhere from 8 MW up to 4.5 GW.[76]

Regarding regulatory cost recovery mechanisms (DSIC, FPFTY, PGC recovery, and WNA), I continue to assert that these mechanisms reduce regulatory lag in cost recovery and overall financial risk profile. These risk-reducing mechanisms should be considered in conjunction with the fact that regulated utilities have the opportunity to recover all prudent expenses through a base rate case. For clarity, I am not recommending that Peoples' authorized ROE be lowered due to its regulatory mechanisms; rather, I believe, no adjustment, upwards or downwards, is warranted since Peoples' risk profile is similar to that of the proxy group companies and my recommended ROE considers Peoples specific business risks.

[76] I&E Statement No. 2, p. 50, line 15 through p. 51, line 6.

FLOTATION COSTS

Q. SUMMARIZE MS. NELSON'S REBUTTAL TESTIMONY REGARDING FLOTATION COSTS.

A. Ms. Nelson again notes that she is not making an explicit adjustment to her recommended ROE for flotation costs.[77] Then, she opines that the absence of recent equity issuances does not mean that flotation costs are irrelevant.[78] Further, she notes that flotation costs are not incurred in the course of day-to-day utility operations, rather they are recorded on the balance sheet as paid-in capital and therefore, flotation costs are more appropriately reflected as an adjustment to the ROE than treated as an operating expense.[79]

Q. WHAT IS YOUR RESPONSE TO MS. NELSON'S CLAIMS REGARDING FLOTATION COSTS?

A. While Ms. Nelson disagrees with my stance on normalization of flotation costs recovery, she is not making any explicit adjustments to her recommended ROE for flotation costs. As discussed in my direct testimony,[80] (1) it is important to note that Peoples and PNG Companies do not directly issue common equity or have not recently received equity infusions, and (2) there is no particular instance to the best of my knowledge and information where the Commission has approved a

[77] Peoples Statement No. 15-R, p. 108, lines 11-12.
[78] Peoples Statement No. 15-R, p. 109, lines 6-7.
[79] Peoples Statement No. 15-R, p. 109, lines 18-20 and line 22 and p. 110, line 1.
[80] I&E Statement No. 2, p. 54, lines 7-12.

flotation cost adjustment to the cost of equity analysis results to provide recovery of a parent or holding company's equity issuance expense in a base rate case for the regulated utility in Pennsylvania. Therefore, any argument or discussion regarding the merits of flotation costs is irrelevant in this proceeding, and I continue to recommend that the Commission reject Peoples' claim that a flotation cost should be considered in determining an appropriate cost of equity.

MS. NELSON'S UPDATED ROE RESULTS

Q. HAS MS. NELSON UPDATED HER ROE ANALYSES RESULTS?

A. Yes. She updated the results of her financial models used to estimate the cost of equity for Peoples because data used in her direct testimony were as of January 30, 2026, and therefore, she updated her analyses to include market data through May 31, 2026.[81] Ms. Nelson's updated average cost of equity result for her three models (DCF, CAPM including ECAPM, and BYPRP) is 10.92% as opposed to the original average result of 11.03%. However, she is not revising her base ROE claim of 11.00% in this proceeding.[82]

Q. DO YOU HAVE ANY COMMENTS ON MS. NELSON'S UPDATED ROE ANALYSES RESULTS?

A. Yes. I am not updating or revising my analyses results because the data used in

[81] Peoples Exhibit Nos. JEN-1R through JEN-11R.
[82] Peoples Statement No. 15-R, p. 112, lines 2-7.

my analyses are through May 2026, which aligns with Ms. Nelson's updated data.

MANAGEMENT PERFORMANCE

Q. SUMMARIZE MR. HUWAR'S REBUTTAL TESTIMONY REGARDING PEOPLES' CLAIM OF 0.25% EXEMPLARY MANAGEMENT PERFORMANCE OR EFFECTIVENESS ADJUSTMENT TO THE CLAIMED BASE ROE OF 11.00%.

A. Mr. Huwar refers to 66 Pa. C.S. § 523(a) (Section 523) and states that the Commission shall consider the efficiency, effectiveness, and adequacy of service when determining just and reasonable rates.[83] He claims that I have not considered the Company's performance that is above average or exemplary, which is tantamount to disregarding the provisions of Section 523.[84] He claims that Peoples provides safe and reliable natural gas service to customers at reasonable rates for the following reasons: (1) improving its infrastructure with dedicated and knowledgeable workforce, (2) using Long-term Infrastructure Improvement Plan for keeping safe and reliable services, (3) made progress in the area of gas leak reduction, and (4) achieved operational performance in troubled Goodwin Tombaugh gathering system acquired in 2020, which serves 1,600 customers and committed a $123 million investment over seven years.[85]

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[83] Peoples Statement No. 1-R, p. 2, lines 9-12.
[84] Peoples Statement No. 1-R, p. 2, lines 12-16.
[85] Peoples Statement No. 15-R, p. 4, line 20 through p. 7, line 5.

Finally, he states that he referenced several examples of operational performance (as listed above) and recommends that the Commission should consider Peoples exemplary operational performance to customers and communities, which is worthy of an enhanced return on equity.[86]

Q. WHAT IS YOUR RESPONSE TO MR. HUWAR'S CLAIMS REGARDING EXEMPLARY MANAGEMENT PERFORMANCE?

A. As discussed in greater detail in my direct testimony,[87] I maintain my position that Peoples or any utility, should not be entitled to any additional rewards for implementing programs funded by ratepayers or for meeting the obligations of 66 Pa C.S.A. § 1501 (Section 1501).

I am aware that under Section 523 the Commission shall consider a utility's performance, however, it is not mandatory that the Commission grant additional basis points to the ROE. Although I am not offering a legal position and I will defer to I&E counsel to address the legal aspect in briefing, I am advised by counsel that the Commission's consideration is not limited to the listing of claims made by Peoples but that it should also consider other factors including adequate record of evidence of Peoples' efficiency, effectiveness, adequacy of service to ratepayers at affordable rates. Ultimately, for any company, true management effectiveness is earning a higher return through efficient use of resources and cost-

[86] Peoples Statement No. 15-R, p. 7, lines 9-14.
[87] I&E Statement No. 2, p. 56, line 7 through p. 60, line 11.

cutting measures. The greater net income resulting from growth, cost savings, and true efficiency in management and operations is available to be passed onto shareholders. Peoples should not be granted any additional basis points for doing what it is required to do under Section 1501 to provide adequate, efficient, safe, and reliable service.

Q. PLEASE CONTINUE.

A. The Company's actions and initiatives to excel in its operating performance are not a novel effort, but it is a normal business requirement to provide adequate, efficient, safe, and reliable services to ratepayers as required under Section 1501. In fact, with Peoples' efficient operating performance, all stakeholders of the Company, including its shareholders, benefit because management effectiveness leads to a higher return through efficient use of resources and cost-cutting measures. Considering the above discussion and increase in ratepayers' rate burden, management performance or effectiveness should not be considered or recognized in determining an appropriate and reasonable ROE for Peoples. I oppose awarding Peoples' claim for management performance additional basis point adjustment of 0.25% in the claimed ROE of 11.25% (11.00% + 0.25%).

Q. PLEASE RESPOND TO MR. HUWAR'S CLAIM REGARDING EXEMPLARY OPERATIONAL PERFORMANCE IN GOODWIN AND TOMBAUGH GATHERING SYSTEM ACQUIRED IN 2020.

A. As a part of non-unanimous settlement terms in the merger proceeding,[88] Aqua America agreed to address the replacement of gathering pipe representing remediation of the bare steel within the Goodwin and Tombaugh (GT) gathering systems over a seven-year timeframe. The settlement provided that Peoples companies will receive full recovery for the actual capital spent for the complete rehabilitation of the bare steel in the system up to $120 million through a base rate case (rather than a DSIC). The replacement of GT gathering system was a part of the joint applicants' merger application proposal and not a voluntary action of Peoples. Hence, Mr. Huwar's characterization of exemplary operational performance in replacement of bare steel pipes of GT gathering system is not supported.

<u>I&E OVERALL RATE OF RETURN</u>

Q. PLEASE RESTATE I&E'S RECOMMENDED COST OF EQUITY AND OVERALL RATE OF RETURN.

A. I continue to recommend that the appropriate cost of equity is 10.20% for Peoples

[88] Commission order approving the settlement in the Joint Application of Aqua America, Inc. and its subsidiaries Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC and its affiliate Peoples Gas Company LLC for change in control at Docket Nos. A-2018-3006061, A-2018-3006062, and A-2018-3006063, pp. (Order entered on January 24, 2020).

with an overall rate of return of 7.41%.[89] Peoples' requested ROE of 11.25% including management performance adjustment of 0.25% is higher by 1.05% or 105 basis points as compared with my recommended ROE of 10.20%. Any additional basis points beyond the I&E recommended ROE of 10.20% would be excessive and would put an enormous burden on ratepayers during these challenging economic times.

Q. DO YOU HAVE ANY FINAL COMMENTS REGARDING YOUR RETURN ON EQUITY AND OVERALL RATE OF RETURN ANALYSIS?

A. Yes. There have been current concerns regarding utility bill affordability as addressed in various statements by Commissioner Barrow and concerns raised by Governor Shapiro in a recently issued letter to Pennsylvania Utility Leaders regarding higher utility costs and enormous profits earned by utilities in 2024.[90] These concerns highlight the importance of ratepayers only being required to pay rates to fund costs that are necessary for the safe and reliable provision of electric distribution service. I believe that my recommendations allow the Company to earn a fair return while considering the cost to ratepayers. Given the current economic climate, it is important that ratepayers only be required to pay rates to fund costs that are absolutely necessary to provide safe and reliable service.

[89] I&E Exhibit No. 2, Schedule 1.
[90] I&E Exhibit No. 2, Schedule 2, pp. 1-5 and 8-16.

EFFECTIVE DATE OF NEW RATES

Q. SUMMARIZE YOUR RECOMMENDATION IN DIRECT TESTIMONY FOR PEOPLES PROPOSED EFFECTIVE DATE OF NEW RATES.

A. I recommended that Peoples should agree to make the new rates effective on January 1, 2027 (the first day of the FPFTY) instead of the proposed December 27, 2026, to avoid any unreasonable and unjustified impact on ratepayers.

If Peoples does not agree with the above recommendation, I recommended the Commission direct the Company: (1) to make the new rates effective January 1, 2027 (the first day of the FPFTY) instead of on December 27, 2026 and file an updated tariff rates and rules (Supplement to Tarriff Gas) pursuant to the 12 provisions of 52 Pa. Code §§ 53.1, et seq. and 53.101, designed to produce the approved annual distribution rate/revenue increase to become effective for service rendered *on and after January 1, 2027*; and (2) to file all subsequent base rate cases that should have new rate effective dates beginning with the first day or later of the claimed FPFTY.

Q. SUMMARIZE MS. SCANLON'S REBUTTAL TESTIMONY REGARDING THE PROPOSED EFFECTIVE DATE OF NEW RATES.

A. Ms. Scanlon disagrees with my recommendation to make new rates effective January 1, 2027, the first day of the FPFTY rather than Peoples' proposed effective date of December 27, 2026. She explains that following practice from the prior base rate proceedings, the Company projected its FPFTY in this proceeding with a

one-month bridge or gap month between the end of its future test year and the beginning of its FPFTY. She then states that per Commission's Order issued on April 16, 2026, pursuant to 66 Pa. C.S. § 1308(d) in this proceeding, the filing is suspended by operation of law until December 26, 2026, unless permitted by Commission order to become effective at an earlier date.[91] She points to Peoples 2018 and 2023 base rate cases and identifies the FPFTY period and the effective date of new rates that were before the beginning of the respective FPFTY period in these cases.[92] She explains why the Commission order in the 2025 Columbia Gas base rate case of similar situation is not relevant and applicable to Peoples instant case.[93] Finally, she explains that Peoples' last base rate case was filed on December 29, 2023 at Docket No. R-2023-3044549 and the FPFTY in that case was based on October 1, 2024, through September 30, 2025. The FPFTY in this proceeding is January 1, 2027, through December 31, 2027, and hence there is no overlap between rate effective periods or the possibility of duplicate recovery.[94]

Q. WHAT IS YOUR RESPONSE TO MS. SCANLON'S DISCUSSION REGARDING PEOPLES PROPOSED EFFECTIVE DATE OF NEW RATES?

A. As discussed at length in my direct testimony, I believe Ms. Scanlon's response

[91] Peoples Statement No. 3-R, p. 6, lines 14-16 and 19-22.
[92] Peoples Statement No. 3-R, p. 7, lines 8-9.
[93] Peoples Statement No. 3-R, p. 8, lines 11-19.
[94] Peoples Statement No. 3-R, p. 8, line 22 through p. 9, line 2.

does not invalidate my recommendation for Peoples to make the new rates effective on January 1, 2027, the first day of the FPFTY, which is appropriate and consistent with FPFTY ratemaking. As discussed in my direct testimony,[95] the Company's revenue requirement, including the revenue increase claim, is forecasted and used in the ratemaking calculation for the 12-month FPFTY (January 1, 2027, through December 31, 2027), which does not include the gap month of December 2026. The rates and the rate increase requested in this proceeding and the amounts recommended by the parties are based on the FPFTY period and not for the gap month. Ms. Scanlon's reference to Peoples' prior two rate cases does not validate her argument in this case because in the last two rate cases parties did not dispute Peoples' proposed effective date of new rates.

I disagree with Ms. Scanlon's interpretation of the Commission order in 2025 Columbia Gas rate case (Docket No. R-2025-3053499). Columbia Gas ratemaking calculation covered the 12-month FPFTY beginning January 1, 2026, through December 31, 2026, and it did not encompass the period December 19, 2025, through December 31, 2025, while Columbia Gas proposed effective date of new rates was December 19, 2025. The Commission rejected Columbia Gas' proposed effective date of December 19, 2025, and ordered to make new rate effective with the first day of Columbia Gas' FPFTY (January 1, 2026). The Commission in its order states,[96]

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[95] I&E Statement No. 2, p. 66, lines 8-15.

[96] Pa. PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2025-3053499 (Order Entered December 9, 2025). See generally Effective Date of New Rates - Disposition, p. 60.

> As noted by I&E, Section 315(e), which was enacted by the legislature subsequent to Section 1308(d), was a legislative enactment intended, in part, to prevent utilities from suffering rate lag, not to create a scenario for recovery of rates in excess of the established just and reasonable rate for a given period. See, e.g., 2022 FPFTY Notice of Proposed Rulemaking at 8.
>
> Review of the language of Section 1308(d) in full context, therefore, expressly contemplates the necessity to apply the Commission's expertise in resolving timing and synchronization issues in determining just and reasonable rates - consistent with, and within, the firm seven-month period set out in the law. We note the following, in pertinent part: " . . . The Commission *shall consider the effect of such suspension in finally determining and prescribing the rates to be thereafter charged and collected by such public utility* . . ." 66 Pa. C.S. § 1308(d) (emphasis added).

Regarding the implication of Section 315(e) and 1308(d) of the Public Utility Code governing the FPFTY ratemaking, I&E's counsel will address this issue in briefs.

Q. DO YOU HAVE ANY CHANGES TO YOUR RECOMMENDATION FOR THE EFFECTIVE DATE OF NEW RATES?

A. No. I continue to recommend that the Commission direct Peoples to make the new rates effective on January 1, 2027 (the first day of the FPFTY) instead of on December 27, 2026, to avoid any unreasonable and unjustified impact on ratepayers and prevent Peoples from unsupported over recovery of revenues in new rates for the period December 27, 2026, through December 31, 2026 (a five-day period).

RESPONSE TO OCA WITNESS GARRETT'S REBUTTAL TESTIMONY

Q. SUMMARIZE OCA WITNESS GARRETT'S RESPONSE IN REBUTTAL TESTIMONY.

A. First, Mr. Garrett takes issue with my recommended 10.20% ROE as opposed to his recommended ROE of 8.80% for Peoples.[97] He disputes my proxy group average growth rate of 8.10% used in the DCF analysis.[98] Second, he takes issue with my traditional CAPM results of 10.28% and the ERP used in my CAPM analysis.[99] He opines that my second variation of the Kroll CAPM results of 8.86% indicates a reasonable cost of equity for Peoples.[100]

Q. WHAT IS YOUR RESPONSE TO MR. GARRETT'S CRITICISM TO YOUR RECOMMENDED ROE OF 10.20% FOR PEOPLES?

A. I agree that my recommended ROE is higher than Mr. Garrett's ROE, however, it is important to note that we use different data points and methods in the cost of equity analysis, which produces different results.

Q. SUMMARIZE MR. GARRETT'S CRITICISMS REGARDING THE GROWTH RATE USED IN YOUR DCF ANALYSIS.

A. First, Mr. Garrett states that he considered long-term annual U.S. Gross Domestic

[97] OCA Statement No. 3R, p. 1, line 1 and p. 2, lines 2-3.
[98] OCA Statement No. 3R, p. 3, line 9.
[99] OCA Statement No. 3R, p. 4, lines 6-12.
[100] OCA Statement No. 3R, p. 5, lines 6-7.

Product (GDP) growth projections as a cap on the long-term growth rate of each individual company in his proxy group because no domestic company can achieve annual earnings and/or dividend growth at a rate that exceeds the growth rate of the aggregate economy as measured by U.S. GDP growth rate over the long-run.[101] He then states that he incorporated the short-term dividend growth rate projections published by Value Line and presented this "analyst growth" variation in his DCF model. Additionally, he states that despite its shortcomings, it is often presented in rate proceedings and considered by regulators. The result of his sustainable growth DCF Model indicates a cost of equity of 7.10% and the result of his analyst-growth based DCF Model indicates a cost of equity of 7.60%. The average result of his two DCF Models is 7.30%.[102]

Second, Mr. Garrett opines that my DCF analysis produced a much higher results because I used an unsustainably high growth rate of 8.10% in contrast to his use of an analyst growth rate of 4.30% and a sustainable growth rate (U.S. GDP Growth Rate) of 3.80% in his DCF analysis.[103]

Finally, Mr. Garrett opines that my average growth rate of 8.10% is unrealistic, which suggests that the proxy group, on average, can achieve dividend (and/or earnings) growth at a rate nearly two times projected annual GDP growth every year in perpetuity.[104] For these reasons, he suggests that the Commission

[101] OCA Statement No. 3R, p. 2, lines 11-16.
[102] OCA Statement No. 3R, p. 2, lines 11-22.
[103] OCA Statement No. 3R, p. 3, lines 2-7.
[104] OCA Statement No. 3R, p. 3, lines 9-12.

should reject my DCF results for determining a reasonable cost of equity estimate or authorized ROE for the company.[105]

Q. HOW DO YOU RESPOND TO MR. GARRETT'S CRITICISMS REGARDING THE GROWTH RATE USED IN YOUR DCF ANALYSIS?

A. First, it should be noted, in the context of recommending an appropriate ROE and overall rate of return, I&E's role is to perform an unbiased analysis using current and reputable sources. In determining an appropriate growth rate for my constant growth DCF analysis, I relied upon the forecasted earnings growth estimates from Value Line, S&P, and Zacks.[106] These sources are trusted and used industry-wide, including by most companies, advocates, and I&E witnesses who submit rate of return testimony. Mr. Garrett, Ms. Nelson, and I all utilize these independent analysts' sources for calculating an average growth rate in our respective DCF analyses.

The growth estimates I use from the sources listed above are five-year growth forecasts, which are not short-term. The five-year growth estimates are reasonable as they cover the time period of the FPFTY and rate case filing frequency of many utilities. It is inappropriate and speculative to compare and set an upper limit for a utility's growth rate with the U.S. economy nominal long-term GDP growth forecast of 3.80%. Mr. Garrett himself used an analyst forecasted

[105] OCA Statement No. 3R, p. 4, lines 1-3.
[106] I&E Exhibit No. 2, Schedule 5.

average growth rate of his proxy group utilities in his constant growth DCF analysis, which is higher than his suggested upper limit based on the GDP growth forecast of 3.80% for the gas utilities' growth rate, which resulted in his DCF result of 7.60% for his proxy group.[107] It is speculative to assume or conclude that utilities could not achieve an earnings growth rate higher than the U.S. GDP growth rate. It is important to note that share prices of utilities rely on projected earnings growth rates and not the nominal GDP growth rate threshold of 3.80% assumed by Mr. Garrett. Generally, investors assume that the companies in which they propose to make an investment would grow at a rate higher than the GDP growth rate and expect appreciation in share price.

Second, the Commission has repeatedly confirmed I&E's constant growth DCF methodology for determining a fair return on common equity in recent base rate proceedings, where the Commission agreed with the ALJ's recommendation to use I&E's cost of equity methodology, which included using analysts forecasted five-year earnings growth estimates in the DCF analysis.[108]

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[107] OCA Exhibit DJG-6.

[108] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2020-3018835, p. 141 (Order Entered February 19, 2021); *Pa. PUC v. PECO Energy Company - Gas Division*; Docket No. R-2020-3018929 (Order Entered June 22, 2021); *Pa. PUC v. Aqua Pennsylvania, Inc*., Docket Nos. R-2021-3027385 & R-2021-3027386, pp. 154 and 178 (Order entered May 16, 2022); *Pa. PUC v. Columbia Water Company*, Docket No. R-2023-3040258, p. 105 (Order entered January 18, 2024); *Pa. PUC v. Pennsylvania-American Water Company*, Docket Nos. R-2023-30433189 & R-2023-3043190, p. 194 (Order Entered July 22, 2024); and *Pa. PUC v. Columbia Gas of Pennsylvania, Inc*., Docket No. R-2025-3053499 (Order Entered December 9, 2025). See generally Rate of Return on Common Equity - Disposition, pp. 226 and 234.

Q. SUMMARIZE MR. GARRETT'S COMMENT ON YOUR TRADITIONAL CAPM AND KROLL'S CAPM RESULTS.

A. Mr. Garrett states that I conducted two variations of the CAPM analysis. The first variation has a result of 10.28%, and the second variation has a result of 8.86%. The main difference between these two CAPM variations is the ERP input. He then states that I calculated ERP estimate for the traditional CAPM analysis by relying on data starting in the Great Depression and opines that the historical approach is contrary to modern academic literature and most certainly overstates the ERP. He then opines that my traditional CAPM analysis produces significantly higher results than his CAPM analysis results of 8.80% for Peoples, which is reasonable as compared to my Kroll CAPM analysis results of 8.86%.[109]

Q. WHAT IS YOUR RESPONSE TO MR. GARRETT'S COMMENT REGARDING YOUR TRADITIONAL CAPM ANALYSIS RESULTS AND THE ERP?

A. As discussed in my direct testimony,[110] I&E has been consistently using the overall market return based on the average of the S&P 500 historical equity return (in this case 1926-2026 period) and Value Line's forecasted dividend yields and price appreciation potential on its universe of stocks in the traditional CAPM analysis.[111] Using these data points produces an accurate forward-looking

[109] OCA Statement No. 3R, p. 4, line 6 through p. 5, line 7.
[110] I&E Statement No. 2, p. 34, lines 7-16.
[111] I&E Exhibit No. 2, Schedule 11.

estimate for the traditional CAPM forecasted market return as a whole, normalizing both historical negative returns and overly excessive returns due to volatile economic conditions. The Commission has repeatedly confirmed I&E's CAPM methodology for determining a fair return on common equity in recent base rate proceedings, where the Commission agreed with the ALJ's recommendation to use I&E's cost of equity methodology, which included using the traditional CAPM that uses historic and forward-looking ERP and recently in combination with I&E's Kroll CAPM analysis results.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

I&E Exhibit No. 2-SR
Witness: D. C. Patel
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY, LLC

Docket No. R-2026-3060855

Exhibit Accompany

the

Surrebuttal Testimony

of

D. C. Patel

Bureau of Investigation and Enforcement

Concerning:

Rate of Return
Effective Date of New rates

NON-PROPRIETARY VERSION
I&E Statement No. 3
Witness: Ethan H. Cline

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Direct Testimony

of

Ethan H. Cline

Bureau of Investigation and Enforcement

Concerning:

Fully Projected Future Test Year Reporting Requirements
Discount Rate Customers
Weather Normalization Adjustment
Present Rate Revenue
Cost of Service Allocation
Customer Cost Analysis
Customer Charge
Proposed Revenue Allocation
Scale Back of Rates

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Ethan H. Cline. My business address is Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission in the Bureau of Investigation and Enforcement (I&E) as a Fixed Utility Valuation Engineer.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT BACKGROUND?

A. An outline of my education and employment is attached as Appendix A.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN RATE PROCEEDINGS.

A. I&E is responsible for representing the public interest in rate and other proceedings before the Commission. I&E's analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires the balancing of the interests of ratepayers, the utility company, and the regulated community as a whole.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. My direct testimony addresses the base rate case filed on March 27, 2026 by Peoples Natural Gas Company LLC (Peoples or Company) that requests an

increase of $163,171,938.[1] In my direct testimony I specifically address issues related to the Company's proposed rate base, present rate revenue, weather normalization adjustment, cost allocation, and rate design.

Q. DOES YOUR DIRECT TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. I&E Exhibit No. 3 contains schedules that support my direct testimony.

FPFTY REPORTING REQUIREMENTS

Q. WHAT IS PEOPLES' CLAIM FOR ADDITIONAL RATE BASE IN THE FPFTY ENDING DECEMBER 31, 2027?

A. The Company's claimed rate base for the FPFTY ending December 31, 2027 is $5,728,767,833 and the rate base for the FTY ending November 30, 2026 is $5,042,257,469.[2] Therefore, $686,510,364 ($5,728,767,833 – $5,042,257,469) of rate base additions are associated with the thirteen months between the end of FTY and the end of the FPFTY.

[1] Peoples Gas Statement No. 3, p. 4.
[2] Peoples Ex. No. 8, Sch. No. 2, p. 1 line 17.

Q. DID THE COMPANY PROVIDE A SCHEDULE SHOWING PLANT ADDITIONS AND RETIREMENTS THAT SUPPORT THE PROJECTED LEVEL OF TOTAL PLANT IN THE FTY AND FPFTY RATE BASE?

A. Yes. The Company provided Peoples Exhibits No. 5B, pp. I-3 - I-6 and 5C, pp. I-3 – I-6 showing detailed plant additions and retirements for the FTY and FPFTY.

Q. DO YOU HAVE ANY RECOMMENDATIONS REGARDING PLANT ADDITIONS THAT PEOPLES PROJECTS TO BE IN SERVICE DURING THE FPFTY ENDING DECEMBER 31, 2027?

A. Yes. I recommend that the Company be required to provide I&E, the Office of Consumer Advocate, and Office of Small Business Advocate no later than June 1, 2027, under this docket number an update that includes actual utility plant balances, actual plant additions, and actual retirements for the twelve months ending November 30, 2026, and not later than June 1, 2028 for the twelve months ending December 31, 2027.

Q. WHY DO YOU RECOMMEND THAT PEOPLES BE REQUIRED TO PROVIDE THESE UPDATES?

A. There is value in determining how closely Peoples' projected investments in future facilities comport with the actual investments that are made by the end of the FTY and FPFTY. Determining the correlation between Peoples' projected and actual

results will help inform the Commission and the parties in Peoples' future rate cases as to the validity of the Company's projections.

Using an FPFTY, Peoples is requesting ratepayers pre-pay a return on its projected investment in future facilities that are not in place and providing service at the time the new rates take effect but also are not subject to any guarantee of being completed and placed into service. While the FPFTY provides for such projections, there should be verification of the projections. Therefore, requiring the Company to provide updates demonstrating that actual investments comport with projections used in setting rates using the FPFTY provides the Commission with actual data to gauge the accuracy of Peoples' projected investments in future proceedings.

DISCOUNT RATE CUSTOMERS

Q. DOES THE COMPANY'S TARIFF ALLOW IT TO NEGOTIATE RATES FOR CUSTOMERS WITH AN ALTERNATIVE COMPETITIVE SUPPLY?

A. Yes. The Company's tariff currently allows it to grant discount rates to certain customers who can show that they have a competitive alternative to the Company's gas supply.

Q. DOES THE COMPANY CURRENTLY HAVE ANY CUSTOMERS RECEIVING DISCOUNTED RATES?

A. Yes. The Company's existing tariff includes rate schedule Competitive Energy Rate (CER), which is a firm service available at the Company's sole discretion to residential, commercial, and industrial ratepayers that would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other natural gas distribution companies (NGDC).[3]

Q. DID THE COMPANY PROVIDE A SCHEDULE SHOWING A BREAKDOWN OF DISCOUNT RATE CUSTOMERS INCLUDING THE DATE THE CUSTOMER'S ALTERNATIVE SUPPLY WAS VERIFIED?

A. Yes. The Company's HIGHLY CONFIDENTIAL response to I&E-RS-3,[4] shows **[BEGIN PROPRIETARY]** [redacted] **[END PROPRIETARY]**

[3] Peoples Supplement No. 2 to Gas – Pa PUC No. 48, First Revised Page No. 66, Cancelling Original Page No. 66.
[4] HIGHLY CONFIDENTIAL I&E Exhibit No. 3, Schedule 1.

Q. WHAT WAS THE RANGE OF THE EFFECTIVE DATES OF THE DISCOUNT AGREEMENTS?

A. The effective dates for Peoples' discount agreements range from **[BEGIN PROPRIETARY]** [redacted] **[END PROPRIETARY]**

Q. WHAT DO YOU RECOMMEND CONCERNING THE DISCOUNT RATE CUSTOMERS?

A. For any discount rate customers that have not had their competitive alternatives verified for longer than ten years at the time of the Company's next base rate case, I recommend that the Company be required to provide a competitive alternative analysis for each of those customers and justify the customers' discount rates as part of its filing in the next base rate case. Further, I recommend that the Commission order the Company to provide a competitive alternative analysis for each discount rate customer that has not been verified within ten years of each of Peoples' prospective base rate cases in perpetuity.

Q. WHY DO YOU MAKE THIS RECOMMENDATION?

A. To ensure that these customers continue to be eligible for discount rates, each alternative supply claim should be periodically analyzed. It has been an indeterminate amount of time since an alternative supply analysis has been completed for Peoples' customers, and the Company's costs to supply service and operational conditions may have changed since the initial alternative supply studies

were completed at the initiation or renewal of each of the contracts. Further, the customers' alternative source of supply and access to that alternative supply could also have changed.

Q. WHAT ARE SOME POTENTIAL CHANGES IN THE COMPANY'S ABILITY AND COST TO SUPPLY SERVICE?

A. Potential changes include situations in which the Company can no longer supply a customer utilizing the current source of gas, situations in which the Company can no longer utilize the existing capacity, or situations where the cost to supply customers has increased or will increase. As an example, a situation could arise where a larger pipeline project must be completed solely to serve both the flex-rate and tariff customers. In that case, termination of the flex-rate contract could result in the scale-back or cancellation of the larger pipeline project. This would result in avoidance of capital and operating expenses related to this project, which would result in savings for the Company and its customers.

Q. WHAT ARE SOME CHANGES IN A CUSTOMER'S ALTERNATIVE SUPPLY THAT COULD AFFECT DISCOUNT RATE CUSTOMERS?

A. Possible changes in a customer's alternative supply that could affect discount rate customers are situations where the customers may no longer have a viable alternative supply, or the customer no longer has a viable alternative source of gas or gas capacity, or the cost of the alternate supply to customers has increased or will

increase. There have been many changes in the natural gas industry in the last ten years. For example, a customer may have had access to an interstate pipeline that is no longer available. Also, the cost and difficulty a customer would face to construct interconnections to pipelines has increased due to inflation, public concerns, restoration costs, and environmental impacts, which could make access to the purported alternative supply no longer viable.

Q. WHY IS IT IMPORTANT TO PERIODICALLY ANALYZE COMPETITIVE ALTERNATIVES?

A. It is important to periodically analyze competitive alternatives to ensure that the rates charged to these discount rate customers result in the maximum possible contribution to fixed costs. Also, this analysis should be completed so that the rates are not discounted lower than would be necessary to prevent the customer from choosing the alternative supply. Providing excessive discounts to customers would be harmful to both the Company and its customers as the Company's other customers make up for the lost revenue, which results when discount rate customers pay less than tariff rates.

Q. HAS THE COMMISSION DECIDED THAT A TEN-YEAR REVIEW OF COMPETITIVE ALTERNATIVES IS REASONABLE IN A RECENT BASE RATE CASE?

A. Yes. In a recent Columbia Gas of Pennsylvania Inc. (Columbia) Order, the Commission determined the following:

> Based on our review of the record in this proceeding, we are not persuaded by the Company's arguments to reject the ALJ's recommendation. Rather, we agree with the ALJ and I&E that it is important to periodically analyze competitive alternatives to ensure that the rates of the flex-rate customers are not discounted lower than is necessary to avoid the customer choosing the alternative supply. As I&E witness Mr. Cline indicated, this analysis is needed to provide an accurate and up-to-date analysis of competitive alternatives to show the flex rate is necessary and reasonable and to ensure that flex-rate customers make the maximum contribution to fixed costs. I&E St. 3-SR at 5. We especially agree with the ALJ and I&E that providing excessive discounts to customers is not in the public interest and would be harmful to both the Company and its customers, since the other customers would be required to make up the lost revenues when flex-rate customers pay less than tariff rates. [5]

Requiring Peoples to provide an accurate, up-to-date analysis of its competitive alternatives is consistent with Commission precedent.

[5] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2020-3018835, p. 217 (Order Entered February 19, 2021) (2021 Columbia Order).

DATA CENTER AND LARGE GENERATOR OPPORTUNITIES

Q. IS THE COMPANY ADDING ANY DATA CENTER OR LARGE GENERATOR CUSTOMERS IN THE PRESENT PROCEEDING?

A. No. However, Peoples witness Ravenstahl states that the Company's new business team has received increased interest in the exploration of new potential Data Center/Power Generation projects.[6]

Q. DO YOU HAVE ANY CONCERNS REGARDING THE POTENTIAL FOR FUTURE DATA CENTER OR LARGE GENERATOR CUSTOMERS?

A. Yes. The issue of data centers remains a controversial topic in Pennsylvania regarding whether and how the costs of these large customers are spread amongst the rest of the customer classes. The potential negative impact on customer distribution and energy rates requires a thoughtful approach to adding these large customers. Some possible means to mitigate these negative effects would be to allocate the cost recovery of any plant improvements, additions, or other costs to those customers who cause them or not permitting these customers to have access to discounted rates. While I am not making any specific recommendations regarding these potential customers, it should be noted that Peoples should expect these concerns to be addressed if and when these customers are acquired.

[6] Peoples Statement No. 8, pp. 7-8.

WEATHER NORMALIZATION ADJUSTMENT

Q. WHAT IS A WEATHER NORMALIZATION ADJUSTMENT?

A. A Weather Normalization Adjustment (WNA) adjusts a customer's bill to better reflect normalized weather conditions. For billing periods that are colder than normal, a credit will be applied to the bill. For billing periods that are warmer than normal, a surcharge is applied to the bill.[7]

Q. DOES PEOPLES CURRENTLY HAVE A WNA IN EFFECT?

A. Yes. The Company currently has a Commission approved WNA program in effect.[8]

Q. WHAT IS PEOPLES PROPOSING REGARDING ITS WNA?

A. Peoples is proposing to update the WNA' s normalization period based on a 65-year regression analysis methodology.[9]

Q. ARE YOU RECOMMENDING ANY CHANGES TO THE WNA AS PROPOSED BY THE COMPANY?

A. Yes. I am opposed to Peoples using a 65-year regression analysis in determining the WNA' s normalization period, and I am recommending that the present 3% deadband be increased to 5% consistent with the Commission's Order in the most

[7] Peoples Statement No. 3, pp. 30-31.
[8] Peoples Statement No. 17, p. 37.
[9] Peoples Statement No. 17, p. 37.

recent Columbia Gas of Pennsylvania, Inc. base rate case (2025 Columbia Order).[10]

Q. HOW DOES THE COMPANY PROPOSE UPDATING THE WNA NORMALIZATION PERIOD?

A. The Company proposes normalizing billing determinants using a 65-year regression analysis framework in determining Heating Degree Days (HDD). Peoples believes that aligning the WNA normalization methodology with that same 65-year regression ensures that both base rates and subsequent WNA calculations rely on the same weather foundation.[11]

Q. WHAT IS AN HDD?

A. An HDD is the difference between the average temperature on a given day (usually rounded to the nearest degree) and a base temperature, which is 65ºF. The result correlates to the amount of energy needed to heat a building. A higher HDD indicates greater energy requirements and indicates colder weather. To calculate the HDD, the average of the day's high and low temperatures would be determined and then that result would be subtracted from the established base temperature of 65ºF. For example, if a daily temperature varied from a low of 2ºF

[10] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 301-02 (Order Entered December 4, 2025).
[11] Peoples St. No. 17, pp. 6-8.

to a high of 28ºF on a given day, the average temperature for that day is 15ºF ((2º + 28º) ÷ 2). Accordingly, the HDD for that day would be 50º (65º - 15º).

Q. WHAT IS NORMAL AS IT RELATES TO HDDs?

A. The National Oceanic and Atmospheric Administration (NOAA) defines normal when used in a weather normalization calculation as the level of heating or cooling degree days averaged over a period of time. The standard has historically been the 30-year average calculated and published by NOAA. The current 30-year average is based on the years 1991 through 2020.[12] For example, if 5,000 actual HDDs occurred in the HTY and the normal level of HDDs is 5,500, the test year is considered to have been warmer than normal by 500 (5,500 - 5,000) HDDs, less energy consumption necessary than in the normal year. The previous example implies that had the weather been normal from an HDD standpoint, the utility would have realized a higher level of retail sales during the HTY. Conversely, if the HTY level of actual HDDs exceeds the normal level, then the utility's HTY sales would have been higher than normal because the higher-than-normal HDD result correlates into a temperature that was colder than normal.

[12] https://www.ncei.noaa.gov/access/search/data-search/normals-hourly-1991-2020, accessed May 8, 2026.

Q. HAS THE COMMISSION RECENTLY MADE A DETERMINATION REGARDING A REASONABLE TIME PERIOD TO CALCULATE HDDS FOR THE WNA?

A. Yes. In the Columbia Order, the Commission determined that "[u]sing a twenty-year cycle rather than a ten-year cycle appears to result in an 'historical bias' that diminishes the effect of the claimed recent trends and results in providing revenue to the Company when instead, customer should be realizing savings."[13]

Q. DO YOU AGREE WITH PEOPLES PROPOSAL TO UPDATE THEIR WNA NORMALIZATION PERIOD USING A 65-YEAR REGRESSION PERIOD?

A. No. However, as I currently do not have the information to make an adjustment, I recommend that Peoples use a 10-year period to establish normal of HDD's to determine present rate revenue in future proceedings. If the information becomes available during the course of this proceeding, I will adjust this recommendation.

Q. WHAT IS A DEADBAND?

A. A deadband is a certain threshold in which the adjustment is not triggered if Actual Heating Degree Days are within the Normal Heating Degree Days.

[13] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 301-02 (Order Entered December 4, 2025).

Q. WHAT IS PEOPLES' PRESENT DEADBAND, AND DOES THE COMPANY PROPOSE REVISING IT?

A. Peoples present deadband is set to 3% and the Company is not proposing an update to its present deadband.[14]

Q. WHAT ARE YOU RECOMMENDING REGARDING THE DEADBAND IN THE COMPANY'S WNA?

A. I am recommending Peoples deadband be increased from the existing 3% to 5%.

Q. WHY DO YOU RECOMMEND THE DEADBAND BE INCREASED TO 5%?

A. I recommend the deadband be increased to 5% because this percentage more adequately captures what could be considered normal weather fluctuations in Pennsylvania and places more of the burden for weather variation back on the Company as a normal part of doing business, as stated by the Commission in the 2025 Columbia Order.[15]

[14] Peoples St. No. 17, p. 42.

[15] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 301-02 (Order Entered December 4, 2025).

PRESENT RATE REVENUE WEATHER ADJUSTMENT

Q. HOW DID THE COMPANY ADJUST ITS PROJECTED USAGE LEVELS TO ACCOUNT FOR CHANGES IN WEATHER?

A. The Company adjusted its projected usage levels to account for changes in weather on a class-specific basis. For the residential, commercial SGS, and commercial MGS classes, the Company deducted the HTY billed throughput from weather normalized volume to calculate the adjustment amount in Mcf, which is then multiplied by the delivery rate under present rates to determine the dollar amount of the adjustment.[16]

Q. HOW DID THE COMPANY FORECAST NORMAL WEATHER?

A. Peoples used 5,086 HDDs to forecast normal weather.[17]

Q. HOW DID THE COMPANY CALCULATE THE PROPOSED 5,086 HDDs?

A. The Company stated that it calculated the proposed 5,086 HDDs using a 65-year regression model for the periods ending May 31, 2025.[18]

[16] Peoples St. No. 4, pp. 5-6.
[17] Peoples St. No. 4, p, 4.
[18] Peoples St. No. 4, p. 4.

Q. WHAT METHODOLOGY DID THE COMPANY USE TO DETERMINE NORMAL HDDs IN PREVIOUS CASES?

A. Mr. Taylor stated that Peoples used a blended methodology that averaged the 65-year regression trend with a 20-year historical average to estimate the test-year level of HDDs.[19]

Q. WHAT SUPPORT DID THE COMPANY PROVIDE FOR INTRODUCING A NEW METHODOLOGY FOR DETERMINING NORMAL HDDs?

A. The Company's rationale for introducing a new methodology for determining HDDs is based on Mr. Taylor's claim that while the 20-year average reflects relatively recent conditions, it did not account for the directional trend observed across the broader historical record. As a result, he asserts that it embeds legacy weather patterns that are not representative of future expectations. The proposed 65-year regression methodology reflects both the long-term record and the directional evolution of HDD. Given the continued confirmation of the trend and the Company's use of the 65-year regression to normalize billing determinants in this proceeding, reliance solely on the regression methodology is deemed appropriate. Mr. Taylor asserts that continuation of the blended approach does not reflect the most reasonable estimate of HDD for the FPFTY in this case. He opines that the regression framework alone provides a transparent and analytically

[19] Peoples St. No. 17, p. 6.

sound estimate of normal HDD trend of decreasing HDD is inconsistent with the use of a 20-year HDD which assumes that the mean of the HDD is constant over time and will, thus, overstate the expected HDD level in the future because it fails to recognize the trend of declining HDDs.[20]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSAL TO MOVE TO INCLUDE A 65-YEAR REGRESSION ANALYSIS OF WEATHER IN ITS CALCULATION OF NORMAL HDD'S?

A. No. I do not agree with the Company's proposal to include a 65-year regression analysis of weather in its calculation of normal HDDs.

Q. WHY DO YOU NOT AGREE WITH THE USE OF A 65-YEAR REGRESSION ANALYSIS?

A. While I&E does not necessarily disagree with the concept of using a regression analysis to normalize HDDs, I disagree with the analysis performed by the Company. Specifically, I disagree with the Company's proposal to use 65-years of historic data to determine its normalized HDDs. Mr. Taylor provided no support for why he selected 65 years of data for his analysis. He also did not identify why he considers weather from as early as 1960 to be representative of weather patterns occurring today. Without any evidence to the contrary, it appears

[20] Peoples Statement No. 17, pp 6-7.

that the Company selected this methodology in order to justify a specific normalized HDD result.

Q. HAS THE COMMISSION RECENTLY APPROVED A DIFFERENT METHODOLOGY TO DETERMINE HDDs?

A. Yes. In the 2025 Columbia Order, the Commission determined that using a "twenty-year cycle rather than a ten-year cycle appears to result in an 'historical bias' that diminishes the effect of the claimed recent trends and results in providing revenue to the Company when instead, customers should be realizing savings."[21]

Q. DID YOU REQUEST THAT THE COMPANY IDENTIFY THE REVENUE IMPACT OF USING A TWENTY-YEAR OR TEN-YEAR HDD ANALYSIS?

A. Yes. I&E-RS-15 requested a schedule that shows the revenue under present and proposed rates in the FPFTY based on a ten-year HDD projections and twenty-year HDD projection.[22]

[21] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 301-02 (Order Entered December 4, 2025).

[22] I&E Exhibit No. 3, Schedule 2.

Q. DID THE COMPANY PROVIDE THAT ANALYSIS?

A. No. The Company responded that it did not prepare the requested analysis as it is not proposing to utilize either of these HDD methodologies in its claim.[23]

Q. WERE YOU ABLE TO DETERMINE AN ADJUSTMENT TO PRESENT RATE REVENUE BASED ON THE 10-YEAR HDD ANALYSIS?

A. I attempted to recreate the Company's revenue adjustment analysis described in Mr. Taylor's description of the calculation in his direct testimony[24] which resulted in an increase to the Company's claimed revenue requirement. However, because, as of the writing of this testimony, I am unable to verify the adjustment based on the 10-year HDD analysis, I am not recommending any present rate revenue adjustment.

Q. WHAT DO YOU RECOMMEND?

A. I recommend that the Company provide this analysis in its rebuttal testimony. Additionally, I recommend the Company be required to provide in future base rate cases, a comparison of HDD methodologies and the resulting revenue impacts when the Company's proposed methodologies differ from what has been proposed by the Company in the past or from a methodology approved by a recent Commission order.

[23] I&E Exhibit No. 3, Schedule 2.
[24] Peoples Statement No. 17, pp. 13-14.

COST OF SERVICE

Q. WHAT IS A COST OF SERVICE STUDY (COSS)?

A. A utility provides service to a defined set of customer classes that are different in terms of demand and usage patterns. A COSS allocates or assigns a utility's revenue requirement based on those service differences. In other words, a COSS is a formalized analysis of costs that attempts to assign to each customer or rate class its proportionate share of the Company's total cost of service (i.e., the Company's total revenue requirement). The results of such a study can be utilized to determine the relative cost of service for each class and help determine the individual class revenue requirements, and to the extent a particular class is above or below the system average rate of return, show the additional revenues each class receives or conversely the additional revenues that each class contributes to the Company's overall revenues. In addition to the relative provision of revenues, a relative rate of return is also provided, which shows how the rate of return for each class compares to the system average rate of return.

Q. PLEASE DEFINE THE TERMS RATE OF RETURN AND RELATIVE RATE OF RETURN?

A. The rate of return is the Commission authorized return on rate base that is determined in a base rate proceeding. A relative rate of return indicates how the rate of return of each customer class compares to the system average rate of return.

In general, a relative rate of return that provides revenue equal to its cost to serve would have a value of 1.0.

Q. DID THE COMPANY PROVIDE A COSS IN THIS PROCEEDING?

A. Yes. The Company performed and provided a series of COSS' in its filing sponsored by Peoples witness Taylor.[25] Witness Taylor prepared COSS' under present and proposed rates. The cost classifications used by the Company in designing its COSS' are customer, demand or capacity, and commodity or energy.

Q. WHAT METHODOLOGY DID THE COMPANY USE TO ALLOCATE COSTS ACROSS THE CUSTOMER CLASSES?

A. Mr. Taylor utilized an Average of Customer Demand and a Demand Commodity Cost of Service Study in allocating costs across customer classes.[26]

Q. DESCRIBE THE COST OF SERVICE STUDY THAT WAS PROVIDED IN PEOPLES EXHIBIT NO. 11, SCHEDULE NO. 1.

A. The Company provided one cost of service study in Peoples Exhibit No. 11. The COSS combined and then averaged the minimum system / design day (design day) and Demand Commodity methodology.[27]

[25] Peoples Statement No. 17, p. 18.
[26] Peoples Statement No. 17, pp. 24-25.
[27] Peoples Statement No. 17, pp. 21-29.

Q. WHAT IS THE IMPACT ON THE RELATIVE RATE OF RETURN UNDER THE AVERAGE OF CUSTOMER DEMAND AND DEMAND COMMODITY METHODOLOGY?

A. The following table shows a summary of the rates of return and relative rates of return for the residential (RES), small general (SGS), medium general (MGS), large general (LGS), and main line (MLS) service rate classes under present rates:[28]

	Average of Customer Demand and Demand Commodity		
	Current ROR	Current Revenue to Cost Ratio	Current Parity Ratio
Total	**6.0%**	**0.88**	**1.00**
RES	5.8%	0.88	1.00
SGS	3.1%	0.79	0.90
MGS	5.3%	0.83	0.94
LGS	18.1%	1.38	1.57
MLS	0.6%	0.72	0.82

The Average of Customer Demand and Demand Commodity combines the results of a Customer-Demand study and a Demand Commodity study. It was applied separately to low-pressure and regulated pressure mains. Under the Customer Demand study, mains costs are classified between customer and demand components based on the results of a Minimum Size System (MSS) study. Under the Demand Commodity study, mains costs are classified on a 50/50 basis

[28] Peoples Statement No. 17, p. 28.

between demand and commodity components.[29] The Average Study reflects an equal weighting of these two approaches and is shown in the table below.

	Customer Demand Study	Demand-Commodity Study	Average
Customer	48.14%	0.00%	24.07%
Demand	51.86%	50.00%	50.93%
Commodity	0.00%	50.00%	25.00%
Total	100%	100%	100%

Q. HOW DID THE COSS PROPOSED BY MR. TAYLOR ALLOCATE THE PROPOSED REVENUE INCREASES?

A. The Company proposed an Average of Customer Demand and Demand Commodity allocated COSS. The results of Mr. Taylor's analysis were included in Peoples Statement No. 17[30] as Peoples Exhibit No. 11, p. 15, which shows a proposed relative ROR for each rate class. This exhibit compares the Company's proposed rate revenue allocation with the present rate revenue allocation based on the Average of Customer Demand and Demand Commodity allocation method. The result of Mr. Taylor's proposed allocation would see the residential class receive 73.8% of the total increase or ($994,520,060 / $1,347,786,003).[31]

[29] Peoples Statement No. 17, pp. 24-25.
[30] Peoples Statement No. 17, pp. 21-29.
[31] Peoples Exhibit No. 11, p. 15.

Q. DO YOU AGREE WITH PEOPLES' PROPOSED AVERAGE OF CUSTOMER DEMAND AND DEMAND COMMODITY COST OF SERVICE STUDY?

A. No. The average total allocation breakdown proposed by Peoples breaks down to 24.07% allocated for Customers, 50.93% allocated for Demand, and 25% allocated to the Commodity. This is inconsistent with a Peak-and-Average allocation of mains and mains-related accounts which allocates 50% to demand and 50% to commodity.[32]

Q. WHICH COSS DO YOU RECOMMEND THE COMMISSION USE TO ALLOCATE THE REVENUE INCREASES AMONG THE DIFFERENT CUSTOMER CLASSES IN THIS PROCEEDING?

A. I recommend the Commission base its recommended allocation on a peak and average COSS that does not allocate the cost of mains on a customer basis.

[32] Peoples Statement No. 17, p. 25, Table 2.

Q. HAS THE COMMISSION RECENTLY STATED ITS PREFERENCE FOR THE PEAK AND AVERAGE COSS AND REJECTED INCLUDING DISTRIBUTION MAINS AS A CUSTOMER COST IN A BASE RATE PROCEEDING?

A. Yes. The Commission has recently ruled in the 2021 Columbia Order that "…we remain of the opinion that although mains serve customers, it is the throughput that determines the type of main investment because it is the load that determines the main investment, not the number of customers served. The existence of one customer, five customers, or ten customers does not determine the amount of mains investment. Mains investment is driven by the loads placed upon it, not by the number of customers served."[33]

Q. DID THE COMPANY PROVIDE AN EXAMPLE OF REVENUE ALLOCATION BASED ON A PEAK AND AVERAGE COSS?

A. Yes. In its response to I&E-RS-16, the Company provided a Peak and Average COSS that included an allocation of revenues that results in each rate class reaching a relative ROR of 1.0.[34] The following table summarizes the results of the Peak and Average COSS.

[33] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2020-3018835, p. 217 (Order Entered February 19, 2021).

[34] I&E Exhibit No. 3, Schedule 3.

Customer Classes	Current Revenues	Change in Revenue	Proposed Revenue	Percent Increase	Proposed Relative ROR
RES	$875,170,164	$86,089,063	$962,444,666	9.84%	1.0
SGS	$116,045,676	$34,936,602	$151,110,834	30.11%	1.0
MGS	$108,167,780	$41,714,240	$150,113,168	38.56%	1.0
LGS	$72,052,170	($6,629,057)	$65,826,187	-9.20%	1.0
Mainline	$13,178,274	$4,760,169	$18,291,147	36.12%	1.0
Total	$1,814,614,065	$160,871,017	$1,347,786,003	1.0	13.58%

Q. DOES MR. TAYLOR'S OPINION COINCIDE WITH ESTABLISHED COMMISSION PRECEDENT?

A. No. As discussed above, the Commission has established that the Peak and Average cost allocation method is the preferred method to allocate costs and revenue for natural gas distribution companies.

Q. WHAT DO YOU RECOMMEND REGARDING THE PROPOSED ALLOCATION OF REVENUES?

A. I recommend that the revenue increase be allocated based on the Peak and Average COSS at equal rates of return with the change that the LGS class should not be allocated a decrease in rates. Instead, the excess revenue from the LGS class, $6,629,057 as proposed, should be allocated across the remaining rate classes as part of the overall scale back of rates.

CUSTOMER COST ANALYSIS

Q. WHAT IS A CUSTOMER COST ANALYSIS AND HOW IS IT USED?

A. A customer cost analysis is a part of a COSS that is used to determine the appropriate fixed customer charges for the various classes and meter sizes.

Q. WHY IS IT NECESSARY TO PERFORM A CUSTOMER COST ANALYSIS?

A. A fixed customer charge represents the revenue that the Company is guaranteed to receive each month, regardless of the level of usage. As acknowledged in the seventh edition of the American Water Works Association M1 Manual, there is a tradeoff between revenue stability from a high customer charge, and affordability and conservation from a low customer charge and higher usage rates.[35]

Q. DID PEOPLES PREPARE A CUSTOMER COST ANALYSIS TO SUPPORT ITS PROPOSED CUSTOMER CHARGE INCREASES IN THIS PROCEEDING?

A. Yes. The Company prepared a customer cost analysis that is presented on Peoples Exhibit 11, pp. 14-42. The Company's fully allocated Cost of Service Study averages the combined results of a Customer-Demand and a Demand-Commodity

[35] AWWA Manual of Water Supply Practices M1 Principles of Water Rates, Fees, Charges, Seventh Edition. pp. 154-155.

Cost of Service Study.[36] The results of each customer cost analysis are presented in the table below:

Customer Class	Average of Customer-Demand and Demand-Commodity Unit Costs 18, (Peoples Ex. No. 11, p. 18, lines 117 &119)	
Customer Cost Study:	Fully Allocated	Excluding Distribution
RES	$39.95	$25.95
SGS	$56.91	$43.06
MGS	$124.77	$112.32
LGS	$431.84	$428.12
MLS	$313.06	$313.06

Q. HOW DOES THE COMPANY'S USE OF THE AVERAGING OF CUSTOMER-DEMAND AND DEMAND-COMMODITY-COST OF SERVICE STUDY WORK?

A. Under the Customer–Demand study, mains costs are classified between customer and demand components based on the results of a Minimum Size System (MSS) study. Under the Demand–Commodity study, mains costs are classified on a 50/50 basis between demand and commodity components. The Average Study reflects an equal weighting of these two approaches.[37]

[36] Peoples Statement No. 17, pp. 24-25.
[37] Peoples Statement No. 17, pp. 24.

Q. DO YOU AGREE WITH THE COMPANY'S USE OF THE AVERAGING OF CUSTOMER-DEMAND AND DEMAND-COMMODITY-COST OF SERVICE STUDY'S IN DETERMINING THE CUSTOMER CHARGE?

A. No. The Company's averaging allocation of customer-demand and demand-commodity proposal is inconsistent with long-standing Commission precedent that was reaffirmed in the 2025 Columbia Order. In it, the Commission stated the following:

> In light of the above, we remain of the opinion that although mains serve customers, it is the throughput that determines the type of main investment because it is the load that determines the main investment, not the number of customers served. As the Commission stated in *Columbia Gas 2021*, the existence of one customer, five customers, or ten customers does not determine the amount of mains investment. Mains investment is driven by the loads placed upon it, not by the number of customers served. *Columbia Gas 2021* at 217.
>
> Furthermore, distribution mains exist and are related to both annual demands and peak demands. Both annual and peak demands must be recognized in the allocation of distribution mains cost if the allocation is to be in accord with the principle of cost-causality. It is not reasonable to allocate distribution mains investment based solely on design peak day demands as in Columbia's Customer-Demand ACCOSS. The basic reason Columbia invests in its distribution system is to meet the annual demands for gas by customers. Additionally, a portion of the total cost of distribution service is related to installing a system with enough throughput capacity to meet design peak demands in excess of annual demands. For all these reasons, we find that the Peak & Average allocation methodology is the most appropriate allocation methodology to use in this proceeding because it is based on the premise of load-based investment.[38]

[38] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 254-5 (Order Entered December 4, 2025).

The Company has not provided any reason to support its proposal and for the Commission to reverse its precedent and allow the cost of mains to be allocated based on number of customers.

Q. WHAT DO YOU RECOMMEND REGARDING THE AVERAGE COST OF SERVICE STUDY (ACOSS)?

A. I recommend that cost allocation and rates should be designed based on the Peak and Average methodology and that the costs associated with distribution mains are not considered customer costs.

CUSTOMER CHARGE

Q. WHAT CUSTOMER CHARGES IS THE COMPANY PROPOSING FOR EACH RATE CLASS?

A. The present and proposed customer charges for each Peoples rate class are listed below.[39]

Rate Schedule	Present Rate	Change	Proposed Rate	Percent Increase
Residential Service - All	$16.80	$9.20	$26.00	54.8%
Small General Retail Service - SGS (0 -499 Mcf)	$22.00	$10.14	$32.14	46.1%
SGS (500 – 999 Mcf)	$44.00	$20.28	$64.28	46.1%
Medium General Retail Service (1,000 – 2,499 Mcf)	$101.00	$9.00	$110.00	8.9%

[39] Peoples Statement No. 17, p. 34.

Medium General Retail Service (2,500 – 24,999 Mcf)	$145.00	$13.00	$158.00	9.0%
Large General Retail Service (25,000 – 49,999 Mcf)	$940.00	$47.00	$987.00	5.0%
Large General Retail Service (50,000 – 99,999 Mcf)	$1,465.00	$73.00	$1,538.00	5.0%
Large General Retail Service (100,000 – 199,999 Mcf)	$2,130.00	$107.00	$2,237.00	5.0%
Large General Retail Service (>200,000 Mcf)	$5,630.00	$282.00	$5,912.00	5.0%
Mainline Service MLS (>500,000 Mcf)	$5,630.00	$282.00	$5,912.00	5.0%

Q. DO YOU RECOMMEND ANY ADJUSTMENTS TO THE COMPANY'S PROPOSED CUSTOMER CHARGES?

A. No. However, as discussed below, I recommend that the proposed customer charges be included in any scale back of rates.

PROPOSED REVENUE ALLOCATION

Q. HOW IS THE COMPANY PROPOSING TO DISTRIBUTE ITS REQUESTED ANNUAL REVENUE INCREASES AMONG THE DIFFERENT CUSTOMER CLASSES IN THIS PROCEEDING?

A. Peoples is recommending allocating the requested annual revenue increases among the different customer classes based on an average of the customer demand and demand commodity allocation method.[40] The Company's proposed

[40] Peoples Statement No. 17, p. 39.

allocation of non-gas revenue on a total Company basis is presented as Peoples Exhibit JDT-3, p. 1 and summarized in the table below.

Rate Class	Revenue at Current Rates	Increase	Revenue at Proposed Rates	Percent Change	Relative ROR	Percent of Total Increase
RES	$875,171,173	$119,348,887	$ 994,520,060	13.6%	.99	73.79%
SGS	$116,045,549	$21,571,706	$ 137,617,255	18.6%	.94	10.21%
MGS	$108,167,260	$21,495,566	$ 129,662,826	19.9%	.99	9.62%
LGS	$72,051,809	$403,075	$ 72,454,884	0.6%	1.38	5.38%
MLS	$13,178,274	$352,704	$ 13,530,978	2.7%	.74	1.0%
Total:	$1,184,614,065	$163,171,938	$1,347,786,003	13.8%	1.00	100.0%

Q. WHAT ASPECTS OF RATE STRUCTURE SHOULD THE COMMISSION CONSIDER WHEN ESTABLISHING PROPOSED RATES?

A. Generally, the primary goal in establishing proposed rates is the resulting rate of return by customer class and the corresponding relative rate of return, which indicates how the rate of return of each customer class compares to the system average rate of return. Additionally, the principle of cost causation dictates that proposed rates be established so that the revenue received from a particular class is equal to the corresponding costs of providing service to that class. Generally, a relative rate of return above 1.00 for a class indicates that revenue received from that class is more than the cost of providing service to that class. Conversely, a relative rate of return below 1.00 for a class indicates that the revenue received from that class is less than the cost of providing service to that class. The Company provided

the following allocation of proposed non-gas revenue based solely on the Average of Customer-Demand-and Demand Commodity on Peoples Exhibit No. 11, p. 15:

Rate Class	Revenue at Current Rates	Relative ROR	Increase	Revenue at Proposed Rates	% Change	Relative ROR	Percent of Total Increase
RES	$875,171,173	0.96	$119,348,887	$ 994,520,060	13.6%	0.98	73.79%
SGS	$116,045,549	0.52	$21,571,706	$ 137,617,255	18.6%	0.80	10.21%
MGS	$108,167,260	0.88	$21,495,566	$ 129,662,826	19.9%	0.97	9.62%
LGS	$72051809	3.01	$403,075	$ 72,454,884	0.6%	1.88	5.38%
MLS	$13,178,274	0.10	$352,704	$ 13,530,978	2.7%	0.12	1.0%
Total:	$1,184,614,065	1.00	$163,171,938	$1,347,786,003	13.8%	1.00	100.0%

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED ALLOCATION BASED ON THE AVERAGE OF CUSTOMER-DEMAND AND DEMAND-COMMODITY ALLOCATIONS PRESENTED BY THE COMPANY SHOWN ABOVE?

A. No.

Q. WHY ARE YOU NOT RECOMMENDING THE ALLOCATION PRESENTED BY THE COMPANY?

A. The proposed COSS allocation is based on an average of customer demand and demand commodity which includes the allocation of a portion of the cost of mains based on number of customers.

Q. WHAT ALLOCATION METHODOLOGY DO YOU RECOMMEND?

A. As I discussed above, I recommend that the Commission reject the customer-demand ACOSS and allocate rates based solely on the Company's commodity-demand, or Peak and Average, ACOSS.

Q. WHY DO YOU RECOMMEND AN ALLOCATION BASED ON A PEAK AND AVERAGE ACOSS?

A. As I discussed above, the Commission has consistently determined that the costs of mains should be allocated based on throughput capacity to meet design peak demands in excess of annual demands and not the number of customers.[41]

Q. HOW SHOULD THE COMPANY'S RATES BE DETERMINED?

A. The Company's rates should be set based on the cost of service study the Commission determines is the most reasonable method of allocation in the present base rate proceeding. As discussed above, the Peak and Average methodology is consistent with Commission precedent and the most reasonable method of allocation.

[41] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 254-5 (Order Entered December 4, 2025).

SCALE BACK OF RATES

Q. WHAT SCALE BACK METHODOLOGY DO YOU RECOMMEND IF THE COMMISSION GRANTS LESS THAN THE FULL INCREASE?

A. If the Commission grants less than the Company's requested increase, I recommend that the Commission scale-back rates based upon the cost of service study that it approves in a proportional manner.

Q. DO YOU RECOMMEND ANY RESTRICTIONS TO SPECIFIC RATE SCALE BACKS?

A. No. All customer charges and usage rates for each rate class that received a proposed increase should be scaled back and the excess revenue from the LGS class should be included in the scale back amount, as discussed above.

Q. WHY DO YOU RECOMMEND THAT CUSTOMER CHARGES BE INCLUDED IN THE SCALE BACK OF RATES?

A. As discussed above, selecting a reasonable customer charge is a balance between the need for stable revenues on the side of the utility (a higher customer charge) and affordability and conservation through the ability to adjust costs via the usage charge. Therefore, if the Commission does not agree with my recommendation above, including the customer charges in the scale back of rates is a reasonable method to ensure that the customer charge levels do not skew too far towards the

Company's desire for stable revenues and too far from customer concerns of conservation and affordability.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

ETHAN H. CLINE

PROFESSIONAL EXPERIENCE AND EDUCATION

EXPERIENCE:

03/2009 - Present
Bureau of Investigation and Enforcement, Pennsylvania Public Utility Commission - Harrisburg, Pennsylvania

Fixed Utility Valuation Engineer – Assists in the performance of studies and analyses of the engineering-related areas including valuation, depreciation, cost of service, quality and reliability of service as they apply to fixed utilities. Assists in reviewing, comparing and performing analyses in specific areas of valuation engineering and rate structure including valuation concepts, original cost, rate base, fixed capital costs, inventory processing, excess capacity, cost of service, and rate design.

06/2008 – 09/2008
Akens Engineering, Inc. - Shiremanstown, Pennsylvania

Civil Engineer – Responsible, primarily, for assisting engineers and surveyors in the planning and design of residential development projects

10/2007 – 05/2008
J. Michael Brill and Associates - Mechanicsburg, Pennsylvania

Design Technician – Responsible, primarily, for assisting engineers in the permit application process for commercial development projects.

01/2006 – 10/2007
CABE Associates, Inc. - Dover, Delaware

Civil Engineer – Responsible, primarily, for assisting engineers in performing technical reviews of the sewer and sanitary sewer systems of Sussex County, Delaware residential development projects.

EDUCATION:

Pennsylvania State University, State College, Pennsylvania
Bachelor of Science; Major in Civil Engineering, 2005

- Attended NARUC Rate School, Clearwater, FL
- Attended Society of Depreciation Professionals Annual Conference and Training

TESTIMONY SUBMITTED:

I have testified and/or submitted testimony in the following proceedings:

1. Clean Treatment Sewage Company, Docket No. R-2009-2121928
2. Pennsylvania Utility Company – Water Division, Docket No. R-2009-2103937
3. Pennsylvania Utility Company – Sewer Division, Docket No. R-2009-2103980
4. UGI Central Penn Gas, Inc., 1307(f) proceeding, Docket No. R-2010-2172922
5. PAWC Clarion Wastewater Operations, Docket No. R-2010-2166208
6. PAWC Claysville Wastewater Operations, Docket No. R-2010-2166210
7. Citizens' Electric Company of Lewisburg, Pa, Docket No. R-2010-2172665
8. City of Lancaster – Bureau of Water, Docket No. R-2010-2179103
9. Peoples Natural Gas Company LLC, Docket No. R-2010-2201702
10. UGI Central Penn Gas, Inc., Docket No. R-2010-2214415
11. Pennsylvania-American Water Company, Docket No. R-2011-2232243
12. Pentex Pipeline Company, Docket No. A-2011-2230314
13. Peregrine Keystone Gas Pipeline, LLC, Docket No. A-2010-2200201
14. Philadelphia Gas Works 1307(f), Docket No. R-2012-2286447
15. Peoples Natural Gas Company LLC, Docket No. R-2012-2285985
16. Equitable Gas Company, Docket Nos. R-2012-2312577, G-2012-2312597
17. City of Lancaster – Sewer Fund, Docket No. R-2012-2310366
18. Peoples TWP, LLC 1307(f), Docket No. R-2013-2341604
19. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2013-2361763
20. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2013-2361764
21. Joint Application, Docket Nos. A-2013-2353647, A-2013-2353649, A-2013-2353651
22. City of Dubois – Bureau of Water, Docket No. R-2013-2350509
23. The Columbia Water Company, Docket No. R-2013-2360798
24. Pennsylvania American Water Company, Docket No. R-2013-2355276
25. Generic Investigation Regarding Gas-on-Gas Competition, Docket Nos. P-2011-227868, I-2012-2320323
26. Philadelphia Gas Works 1307(f), Docket No. R-2014-2404355
27. Pike County Light and Power Company (Gas), Docket No. R-2013-2397353
28. Pike County Light and Power Company (Electric), Docket No. R-2013-2397237
29. Peoples Natural Gas Company LLC 1307(f), Docket No. R-2014-2403939
30. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2014-2420273
31. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2014-2420276
32. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2014-2420279
33. Emporium Water Company, Docket No. R-2014-2402324
34. Borough of Hanover – Hanover Municipal Water, Docket No. R-2014-2428304
35. Philadelphia Gas Works 1307(f), Docket No. R-2015-2465656
36. Peoples Natural Gas Company LLC 1307(f), Docket No. R-2015-2465172
37. Peoples Natural Gas Company – Equitable Division 1307(f), Docket No. R-2015-2465181
38. PPL Electric Utilities Corporation, Docket No. R-2015-2469275
39. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2015-2480934
40. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2015-2480937

41. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2015-2480950
42. UGI Utilities, Inc. – Gas Division, Docket No. R-2015-2518438
43. Joint Application of Pennsylvania American Water, et al., Docket No. A-2016-2537209
44. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2016-2543309
45. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2016-2543311
46. City of Dubois – Company, Docket No. R-2016-2554150
47. UGI Penn Natural Gas, Inc., Docket No. R-2016-2580030
48. UGI Central Penn Gas, Inc. 1307(f), Docket No. R-2017-2602627
49. UGI Penn Natural Gas, Inc. 1307(f), Docket No. R-2017-2602633
50. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2017-2602638
51. Application of Pennsylvania American Water Company Acquisition of the Municipal Authority of the City of McKeesport, Docket No. A-2017-2606103
52. Pennsylvania American Water Company, Docket No. R-2017-2595853
53. Pennsylvania American Water Company Lead Line Petition, Docket No. P-2017-2606100
54. UGI Utilities, Inc. – Electric Division, Docket No. R-2017-2640058
55. Peoples Natural Gas Company, LLC – Peoples and Equitable Division 1307(f), Docket Nos. R-2018-2645278 & R-2018-3000236
56. Peoples Gas Company, LLC 1307(f), Docket No. R-2018-2645296
57. Columbia Gas of Pennsylvania, Inc., Docket No. R-2018-2647577
58. Duquesne Light Company, Docket No. R-2018-3000124
59. Suez Water Pennsylvania, Inc., Docket No. R-2018-3000834
60. Application of Pennsylvania American Water Company Acquisition of the Municipal Authority of the Township of Sadsbury, Docket No. A-2018-3002437
61. The York Water Company, Docket No. R-2018-3000006
62. Application of SUEZ Water Pennsylvania, Inc. Acquisition of the Water and Wastewater Assets of Mahoning Township, Docket Nos. A-2018-3003517 and A-2018-3003519
63. Pittsburgh Water and Sewer Authority, Docket Nos. R-2018-3002645 and R-2018-3002647
64. Joint Application of Aqua America, Inc. et al., Acquisition of Peoples Natural Gas Company LLC, et al., Docket Nos. A-2018-3006061, A-2018-3006062, and A-2018-3006063
65. Implementation of Chapter 32 of the Public Utility Code Regarding Pittsburgh Water and Sewer Authority, Docket Nos. M-2018-2640802 and M-2018-2640803
66. Philadelphia Gas Works 1307(f), Docket No. R-2019-3007636
67. People Natural Gas Company, LLC, Docket No. R-2018-3006818
68. Application of Pennsylvania American Water Company Acquisition of the Steelton Borough Authority, Docket No. A-2019-3006880
69. Application of Aqua America, Inc. et al., Acquisition of the Wastewater System Assets of the Township of Cheltenham, Docket No. A-2019-3006880
70. Philadelphia Gas Works, Docket No. R-2019-3009016
71. Wellsboro Electric Company, Docket No. R-2019-3008208
72. Valley Energy, Inc., Docket No. R-2019-3008209
73. Citizens' Electric Company of Lewisburg, Pa, Docket Non. R-2019-3008212
74. Application of Aqua America, Inc. et al., Acquisition of the Wastewater System Assets of the East Norriton Township, Docket No. A-2019-3009052

75. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2020-3017850
76. Peoples Gas Company, LLC 1307(f), Docket No. R-2020-3017846
77. Philadelphia Gas Works, Docket No. R-2020-3017206
78. Pittsburgh Water and Sewer Authority, Docket Nos. R-2020-3017951 et al.
79. Columbia Gas of Pennsylvania, Docket No. R-2020-3018835
80. Pennsylvania America Water Company, Docket Nos. R-2020-3019369 and R-2020-3019371
81. PECO Energy Company – Gas Division, Docket No. R-2020-3019829
82. PGW 1307(f), Docket No. R-2021-3023970
83. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2021-3023965
84. Peoples Gas Company, LLC 1307(f), Docket No. R-2021-3023967
85. UGI Utilities, Inc. – Electric Division, Docket No. R-2021-3023618
86. Columbia Gas of Pennsylvania, Inc., Docket No. R-2021-3024926
87. Duquesne Light Company, Docket No. R-2021-3024750
88. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2021-3025652
89. Pittsburgh Water and Sewer Authority, Docket Nos. R-2021-3024773 et al.
90. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of Lower Makefield Township, Docket No. A-2021-3024267
91. Aqua Pennsylvania Water, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2021-3027385 and R-2021-3027386
92. Application of Pennsylvania-American Water Company for Acquisition of the Wastewater Collection and Treatment System Assets of the York City Sewer Authority, Docket No. A-2021-3024681
93. City of Lancaster – Bureau of Water, Docket No. R-2021-3026682
94. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of East Whiteland Township, Docket No. A-2021-30246132
95. UGI Utilities, Inc. – Gas Division, Docket No. R-2021-3030218
96. Peoples Natural Gas Company, LLC 1307(f), Docket No. R-2022-3030661
97. Columbia Gas of Pennsylvania, Inc., Docket No. R-2022-3031211
98. UGI Utilities, Inc. – Gas Division 1307(f), Docket No. R-2022-3032242
99. Pennsylvania American Water Company, Docket Nos. R-2022-3031672 and R-2022-3031673
100. The York Water Company, Docket Nos. R-2022-3031340 and R-2022-3032806
101. Columbia Gas of Pennsylvania, Inc., Docket No. R-2022-3032167
102. National Fuel Gas Distribution Corporation, Docket No. R-2022-3035730
103. UGI Utilities, Inc. – Electric Division, Docket No. R-2022-3037368
104. Application of Pennsylvania-American Water Company for Acquisition of the Wastewater Collection and Treatment System Assets of the Butler Area Sewer Authority, Docket No. A-2022-3037047
105. Philadelphia Gas Works, Docket No. R-2023-3037933
106. Pittsburgh Water and Sewer Authority, Docket Nos. R-2023-3039920 et al.
107. Pennsylvania-American Water Company, Docket Nos. R-2023-3043189 and R-2023-3043190
108. Peoples Natural Gas Company, LLC, Docket No. R-2023-3044549
109. Duquesne Light Company, Docket No. R-2024-3046523
110. PECO Energy Company – Gas Division, Docket No. R-2024-3046932

111. Aqua Pennsylvania Water, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2024-3047822 and R-2024-3047824
112. Application of Aqua America Wastewater, Inc. et al., Acquisition of the Wastewater System Assets of Beaver Falls, Docket No. A-202-3033138
113. Pike County Light and Power Company (Gas), Docket No. R-2024-3052357
114. UGI Utilities, Inc. – Gas Division, Docket No. R-2024-3052716
115. Philadelphia Gas Works, Docket No. R-2025-3053112
116. Citizens' Electric Company of Lewisburg, Pa, Docket No. R-2025-3054394
117. Wellsboro Electric Company, Docket No. R-2025-3054392
118. Pittsburgh Water and Sewer Authority, Docket No. R-2025-3055010, R-2025-3055011, and R-2025-3055012
119. Section 529 Investigation of Rock Spring Water Company, Docket No. P-2024-3051313
120. Energy Center Harrisburg LLC, Docket. No. R-2025-3055959
121. PPL Electric Utilities Corporation, Docket No. R-2025-3057164
122. Pennsylvania-American Water Company, Docket Nos. R-2025-3057983 and R-2025-3058051
123. Section 529 Investigation of Conneaut Lake Park Water Corporation, Inc., Docket Nos. P-2024-3051855 and I-2024-3051857
124. UGI Utilities, Inc. – Gas Division, R-2025-3059523
125. National Fuel Gas Distribution Corporation, R-2026-3059428
126. Application of American Water Works Company et al. A-2025-3058927, A-2025-3058928, and A-2025-3058929

NON- PROPRIETARY VERSION
I&E Exhibit No. 3
Witness: Ethan H. Cline

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Direct Testimony

of

Ethan H. Cline

Bureau of Investigation and Enforcement

Concerning:

Fully Projected Future Test Year Reporting Requirements
Discount Rate Customers
Weather Normalization Adjustment
Present Rate Revenue
Cost of Service Allocation
Customer Cost Analysis
Customer Charge
Proposed Revenue Allocation
Scale Back of Rates

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RS-015

Witness: Folks, Dawn **Title:** Finance and Rates Analyst III

Question: Reference the Company's response to I&E-RS-11 and I&E-RS-12 regarding 10 and 20 year HDD analysis. Provide a schedule that shows the revenue under present and proposed rates in the FPFTY based on the following:

A. 10 year HDD projection; and

B. 20 year HDD projection.

Answer: The Company has not prepared the requested analysis as the Company is not proposing to utilize either of these HDD methodologies in its claim.

Submit Date: 5/26/2026

Interrogatory Response

Confidential: Yes

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RS-016

Witness: Taylor, John **Title:** Chief Executive Officer, Atrium Economics LLC

Question: Reference the Company's response to I&E-RS-11 regarding the table summarizing the cost-based non-gas revenue apportionment based on the Demand-Commodity study results using the Peak and Average cost allocation method. Provide the underlying Peak and Average cost allocation study used to generate the above referenced table.

Answer: Please see CONFIDENTIAL attachment I&E-RS-16.xlsx.

Submit Date: 5/27/2026

Peoples Natural Gas Company LLC
Gas Class Cost of Service Study: Demand-Commodity Allocation of Distribution Mains
12 Months Ending December 31, 2027
I&E-RS-16 Version of Schedule 1 - Summary of Cost of Service and Rate of Return Under Present and Proposed Rates

Line No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
1	**Rate Base**						
2	Plant in Service	$ 7,078,132,872	$ 4,694,608,834	$ 780,889,780	$ 998,966,447	$ 506,024,602	$ 97,643,209
3	Accumulated Reserve	(1,576,047,666)	(1,060,460,532)	(164,258,079)	(203,026,311)	(114,402,595)	(33,900,149)
4	Other Rate Base Items	226,682,628	141,161,565	23,414,018	31,157,183	20,972,217	9,977,645
5	**Total Rate Base**	**$ 5,728,767,833**	**$ 3,775,309,867**	**$ 640,045,719**	**$ 827,097,318**	**$ 412,594,224**	**$ 73,720,705**
6	**Revenue at Current Rates**						
7	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
8	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
9	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
10	Other Revenue	1,161,086	1,021,081	121,246	15,934	2,316	509
11	Forfeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
12	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
13	**Total Revenue at Current Rates**	**$ 1,184,614,065**	**$ 875,170,164**	**$ 116,045,676**	**$ 108,167,780**	**$ 72,052,170**	**$ 13,178,274**
14	**Expenses at Current Rates**						
15	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
16	O&M and A&G Expenses	219,345,146	149,570,578	24,220,280	24,776,855	14,938,440	5,838,992
17	Depreciation and Amortization Expense	181,181,596	121,298,761	20,639,585	24,312,502	12,377,077	2,553,672
18	Taxes Other Than Income	13,759,055	9,471,696	1,597,199	1,617,986	820,312	251,861
19	Current Income Taxes	(80,556,297)	(59,498,866)	(3,803,576)	(5,924,830)	(11,222,611)	(106,414)
20	**Total Expenses at Current Rates**	**$ 839,648,890**	**$ 620,378,948**	**$ 99,757,673**	**$ 82,795,960**	**$ 23,993,729**	**$ 12,722,580**
21	**Operating Income at Current Rates**	**$ 344,965,175**	**$ 254,791,216**	**$ 16,288,004**	**$ 25,371,820**	**$ 48,058,441**	**$ 455,693**
22	Current Rate of Return	6.02%	6.75%	2.54%	3.07%	11.65%	0.62%
23	Relative Rate of Return	1.00	1.12	0.42	0.51	1.93	0.10
24	Current Revenue to Cost Ratio	0.88	0.91	0.77	0.72	1.09	0.72
25	Current Parity Ratio	1.00	1.03	0.87	0.82	1.25	0.82
26	**Current Revenue at Equal Rates of Return**						
27	Current Rate of Return	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
28	Current Operating Income at Equal ROR	$ 344,965,175	$ 227,335,173	$ 38,541,182	$ 49,804,736	$ 24,844,896	$ 4,439,188
29	Current Income Taxes - Equal ROR	(80,556,297)	(53,087,329)	(9,000,140)	(11,630,406)	(5,801,782)	(1,036,639)
30	Expenses other than Income Tax - Equal ROR	920,205,187	673,466,277	108,757,813	94,426,366	29,795,511	13,759,220
31	Current Revenue at Equal Rates of Return	$ 1,184,614,065	$ 847,714,121	$ 138,298,855	$ 132,600,696	$ 48,838,625	$ 17,161,768
32	Less Gas Cost	(505,919,390)	(399,536,779)	(57,104,184)	(38,013,446)	(7,080,512)	(4,184,468)
33	Current Margin at Equal Rates of Return	$ 678,694,674	$ 448,177,342	$ 81,194,670	$ 94,587,250	$ 41,758,113	$ 12,977,300
34	Current (Subsidies)/Excesses	$ -	$ 27,456,043	$ (22,253,178)	$ (24,432,916)	$ 23,213,545	$ (3,983,494)

Peoples Natural Gas Company LLC
Gas Class Cost of Service Study: Demand-Commodity Allocation of Distribution Mains
12 Months Ending December 31, 2027
I&E-RS-16 Version of Schedule 1 - Summary of Cost of Service and Rate of Return Under Present and Proposed Rates

Line No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
35	**Revenue Requirement at Equal Rates of Return**						
36	Required Return	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
37	Required Operating Income	$ 471,404,690	$ 310,659,959	$ 52,667,618	$ 68,059,584	$ 33,951,254	$ 6,066,276
38	**Expenses at Required Return**						
39	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
40	O&M and A&G Expenses	219,345,146	149,570,578	24,220,280	24,776,855	14,938,440	5,838,992
41	Depreciation and Amortization Expense	181,181,596	121,298,761	20,639,585	24,312,502	12,377,077	2,553,672
42	Taxes Other Than Income	13,759,055	9,471,696	1,597,199	1,617,986	820,312	251,861
43	Current Income Taxes	(80,556,297)	(53,087,329)	(9,000,140)	(11,630,406)	(5,801,782)	(1,036,639)
44	Gross-up Federal Income Tax	33,610,504	22,149,627	3,755,128	4,852,554	2,420,678	432,517
45	Gross-up Bad Debts	3,121,918	2,844,596	126,980	110,646	39,697	-
46	**Total Expenses at Required Return**	**$ 876,381,313**	**$ 651,784,708**	**$ 98,443,217**	**$ 82,053,584**	**$ 31,874,933**	**$ 12,224,871**
47	**Total Revenue Requirement at Equal Rates of Return**	**$ 1,347,786,003**	**$ 962,444,666**	**$ 151,110,834**	**$ 150,113,168**	**$ 65,826,187**	**$ 18,291,147**
48	LESS						
49	Gas Cost Revenues	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
50	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
51	Current Gathering, Forfeited Discounts, Other	14,788,962	8,113,982	887,317	1,370,328	2,357,460	2,059,875
52	**Base Rate Revenue Requirement at Equal Rates of Return**	**$ 779,727,720**	**$ 518,763,019**	**$ 89,853,973**	**$ 107,376,771**	**$ 51,442,134**	**$ 12,291,823**
53	**Revenue (Deficiency)/Surplus**	**$ (163,171,938)**	**$ (87,274,502)**	**$ (35,065,158)**	**$ (41,945,388)**	**$ 6,225,983**	**$ (5,112,874)**
54	Additional Forfeited Discounts	1,168,126	1,037,277	72,527	41,067	17,255	-
55	Additional Proposed Gathering Revenue	1,146,880	160,624	57,496	190,230	385,826	352,705
56	Change in Miscellaneous Services	(14,085)	(12,461)	(1,467)	(149)	(7)	(0)
57	Total Other Revenue (Decrease)/Increase	2,300,922	1,185,440	128,556	231,147	403,074	352,705
58	**Base Rate Revenue Requirement after Other Revenue Increase**	**$ 777,426,799**	**$ 517,577,579**	**$ 89,725,417**	**$ 107,145,624**	**$ 51,039,060**	**$ 11,939,118**
59	Margin (Deficiency)/Surplus	$ (160,871,017)	$ (86,089,063)	$ (34,936,602)	$ (41,714,240)	$ 6,629,057	$ (4,760,169)
60	Proposed Margin (Decrease)/Increase	$ 160,871,017	$ 86,089,063	$ 34,936,602	$ 41,714,240	$ (6,629,057)	$ 4,760,169
61	Total Revenue at Proposed Rates	$ 1,347,786,003	$ 962,444,666	$ 151,110,834	$ 150,113,168	$ 65,826,187	$ 18,291,147
62	Rider Revenue Converting to Base Rates	$ 36,969,696	$ 25,707,802	$ 2,674,978	$ 3,286,045	$ 5,269,803	$ 31,066
63	**Total Base Rate Revenue at Proposed Rates**	**$ 814,396,494**	**$ 543,285,382**	**$ 92,400,396**	**$ 110,431,669**	**$ 56,308,863**	**$ 11,970,185**
64	Proposed Percentage Change to Total Revenue	13.8%	10.0%	30.2%	38.8%	-8.6%	38.8%
65	Proposed Percentage Change to Margin Revenue	24.0%	18.3%	59.5%	59.8%	-9.6%	56.8%
66	Proposed (Subsidies)/Excesses	-	-	-	-	-	-
67	**Operating Income at Proposed Rates**						
68	Operating Expenses	$ 920,205,187	$ 679,877,814	$ 103,561,249	$ 88,720,790	$ 35,216,340	$ 12,828,994
69	Proposed Revenue Related Expenses	3,121,918	2,844,596	126,980	110,646	39,697	-
70	Operating Income Prior to Taxes	424,458,897	279,722,256	47,422,606	61,281,732	30,570,150	5,462,153
71	Income Taxes	(46,945,793)	(30,937,702)	(5,245,012)	(6,777,852)	(3,381,105)	(604,122)
72	**Total Operating Income at Proposed Rates**	$ 471,404,690	$ 310,659,959	$ 52,667,618	$ 68,059,584	$ 33,951,254	$ 6,066,276
73	Proposed Rate of Return	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
74	Relative Rate of Return	1.00	1.00	1.00	1.00	1.00	1.00
75	Proposed Revenue to Cost Ratio (Parity Ratio)	1.00	1.00	1.00	1.00	1.00	1.00

I&E Statement No. 3-SR
Witness: Ethan H. Cline

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

PEOPLES NATURAL GAS COMPANY LLC

Docket No. R-2026-3060855

Surrebuttal Testimony

of

Ethan H. Cline

Bureau of Investigation and Enforcement

Concerning:

Fully Projected Future Test Year Reporting Requirements
Discount Rate Customers
Weather Normalization Adjustment
Present Rate Revenue
Cost of Service Allocation
Customer Cost Analysis
Customer Charge
Proposed Revenue Allocation
Scale Back of Rates

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INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Ethan H. Cline. My business address is 400 North Street, Harrisburg, PA 17120.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Public Utility Commission (Commission) in the Bureau of Investigation and Enforcement (I&E) as a Fixed Utility Valuation Engineer.

Q. ARE YOU THE SAME ETHAN H. CLINE THAT SUBMITTED I&E STATEMENT NO. 3 AND I&E EXHIBIT NO. 3?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to make corrections to my direct testimony and address the rebuttal testimony of Peoples Natural Gas Company LLC (Peoples or Company) witnesses Carol A. Scanlon,[1] Luke Ravenstahl,[2] Nick

[1] Peoples Statement No. 3-R.
[2] Peoples Statement No. 8-R.

Tufarolo,[3] and John D. Taylor.[4] I am also responding to the rebuttal testimony of Office of Consumer Advocate (OCA) witness Michael Deupree.[5]

Q. DOES YOUR SURREBUTTAL TESTIMONY INCLUDE AN EXHIBIT?

A. No.

FPFTY REPORTING REQUIREMENTS

Q. WHAT DID YOU RECOMMEND REGARDING PLANT ADDITIONS THAT PEOPLES PROJECTS TO BE IN SERVICE DURING THE FPFTY ENDING DECEMBER 31, 2027?

A. I recommended that the Company be required to provide I&E, the Office of Consumer Advocate, and Office of Small Business Advocate no later than June 1, 2027, under this docket number an update that includes actual utility plant balances, actual plant additions, and actual retirements for the twelve months ending November 30, 2026, and not later than June 1, 2028 for the twelve months ending December 31, 2027.[6]

[3] Peoples Statement No. 12-R.
[4] Peoples Statement No. 17-R.
[5] OCA Statement No. 1-R.
[6] I&E Statement No. 3, pp. 2-4.

Q. DID THE COMPANY RESPOND TO YOUR RECOMMENDATION?

A. Peoples witnesses Scanlon and Tufarolo each stated that the Company agrees with my recommendation.[7]

DISCOUNT RATE CUSTOMERS

Q. WHAT DID YOU RECOMMEND CONCERNING THE DISCOUNT RATE CUSTOMERS?

A. For any discount rate customers that have not had their competitive alternatives verified for longer than ten years at the time of the Company's next base rate case, I recommended that the Company be required to provide a competitive alternative analysis for each of those customers and justify the customers' discount rates as part of its filing in the next base rate case. Further, I recommended that the Commission order the Company to provide a competitive alternative analysis for each discount rate customer that has not been verified within ten years of each of Peoples' prospective base rate cases in perpetuity.[8]

Q. DID THE COMPANY RESPOND TO YOUR RECOMMENDAITION?

A. Yes. The Company stated that it is willing to accept my recommendation on a going forward, prospective basis and that it has engaged in the practice of limiting any new

[7] Peoples Statement No. 3-R, pp. 9-10 and Peoples Statement No. 12-R, p. 3.
[8] I&E Statement No. 3, p. 6.

contract terms to 10 years and that it has reduced its number of negotiated customer since the last base rate case, where this issue was also brought up, from 17 to 11.[9]

Q. IS THE COMPANY'S REPONSE TO YOUR RECOMMENDATION REASONABLE?

A. Yes. The Company's response to my recommendation is reasonable.

DATA CENTER AND LARGE GENERATOR OPPORTUNITIES

Q. DID YOU INTRODUCE ANY CONCERNS REGARDING THE POTENTIAL FOR FUTURE DATA CENTER OR LARGE GENERATOR CUSTOMERS?

A. Yes. The issue of data centers remains a controversial topic in Pennsylvania regarding whether and how the costs of these large customers are spread amongst the rest of the customer classes. The potential negative impact on customer distribution and energy rates requires a thoughtful approach to adding these large customers. Some possible means to mitigate these negative effects would be to allocate the cost recovery of any plant improvements, additions, or other costs to those customers who cause them or not permitting these customers to have access to discounted rates. While I did not make any specific recommendations

[9] Peoples Statement No. 8-R, pp. 4-7.

regarding these potential customers, it should be noted that Peoples should expect these concerns to be addressed if and when these customers are acquired.[10]

Q. DID THE COMPANY RESPOND TO YOUR CONCERNS?

A. Yes. Peoples witness Ravenstahl stated that "[t]he Company is continuing to analyze and monitor the industry and its potential need for large volumes of natural gas. We understand and agree this is a complex issue with many interested parties having questions and/or concerns. We will continue to refine our approach on these projects as opportunities arise in the future."[11]

WEATHER NORMALIZATION ADJUSTMENT

Q. ARE YOU RECOMMENDING ANY CHANGES TO THE WEATHER NORMALIZATION ADJUSTMENT (WNA) AS PROPOSED BY THE COMPANY?

A. Yes. I opposed Peoples proposal to use a 65-year regression analysis in determining the WNA's normalization period and recommended that Peoples use a 10-year period to establish normal Heating Degree Days (HDDs) to determine present rate revenue in future proceedings. I also recommended that the present 3% deadband be increased to 5% consistent with the Commission's Order in the

[10] I&E Statement No. 3, p. 10.
[11] Peoples Statement No. 8-R, p. 9.

most recent Columbia Gas of Pennsylvania, Inc. base rate case (2025 Columbia Order).[12]

Q. DID THE COMPANY RESPOND TO YOUR RECOMMENDATIONS?

A. Yes. The Company did not agree with my recommendation to increase the deadband from 3% to 5%[13] and continues to support its proposed normal weather analysis using the 65-year regression analysis to determine HDDs.[14] Additionally, the Company requested that its proposed change to the WNA not be applicable until the start of the next WNA heating season after the Final Order in this proceeding, or October 1, 2027.[15]

Q. WHY DID THE COMPANY OPPOSE YOUR RECOMMENDATION TO INCREASE THE DEADBAND FROM 3% TO 5%?

A. Peoples witness Taylor opposed my recommendation to increase the deadband from 3% to 5% because he claims that the existing 3% deadband already limits the application of the WNA and he further claims that I have not demonstrated the existing 3% deadband has failed to function as intended or has produced unreasonable results.[16]

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[12] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, pp. 301-02 (Order Entered December 4, 2025).
[13] Peoples Statement No. 17-R, pp. 63-64.
[14] Peoples Statement No. 17-R, pp. 45-46.
[15] Peoples Statement No. 3-R, p. 17.
[16] Peoples Statement No. 17-R, p. 63.

Q. WAS YOUR RECOMMENDATION TO INCREASE THE DEADBAND BASED ON THE PERFORMANCE OF THE EXISTING 3% DEADBAND?

A. No. My recommendation was based on the Commission's determination in the 2025 Columbia Order that 5% more adequately captures what could be considered normal weather fluctuations in Pennsylvania and places more of the burden for weather variations back on the Company as a normal part of doing business.[17]

Q. DID THE COMPANY ADDRESS THE COMMISSION'S DETERMINATION IN THE 2025 COLUMBIA ORDER?

A. No. Mr. Taylor did not address the 2025 Columbia Order in any way regarding the deadband.

Q. DO YOU WISH TO CHANGE YOUR RECOMMENDATION REGARDING THE DEADBAND?

A. No. I continue to recommend the deadband be increased from 3% to 5%, consistent with the 2025 Columbia Order.

[17] I&E Statement No. 3, p. 15.

Q. HOW DID MR. TAYLOR RESPOND TO YOUR POSITION REGARDING THE PROPOSED 65-YEAR REGRESSION ANALYSIS TO DETERMINE HDDS FOR THE PURPOSES OF THE WNA AND PRESENT RATE REVENUE WEATHER ADJUSTMENT?

A. Mr. Taylor disagreed with my position for two reasons. First, he claims that there is ample statistical support for the use of 65-years in the current and prior cases. Second, he claimed that the use of 65-years is consistent with the methodology relied upon in the prior case, where it was used as part of the calculation of normal HDDs.[18]

Q. IS YOUR RECOMMENDATION BASED UPON THE STATISICAL ANALYSIS OR RESULTS OF THE 65-YEAR ANALYSIS?

A. No. My recommendation is based on the Commission's determination in the 2025 Columbia Order that using a 20-year cycle rather than a ten-year cycle appears to result in an "historical bias" that diminishes the effect of the claimed recent trends.[19] Extending the 20-year average analysis to a 65-year regression is not consistent with Commission precedent.

[18] Peoples Statement No. 17-R, pp. 45-46.
[19] I&E Statement No. 3, p. 14.

Q. SHOULD THE ANALYSIS FROM PEOPLES' PRIOR CASE BE USED AS PRECEDENT FOR THE CURRENT PROCEEDING?

A. No. The inclusion of the 65-year regression analysis in the determination of normal HDDs was opposed by I&E in the prior case. While the average of the 65-year regression analysis and the 20-year average was used to determine the normal HDD levels used for revenues and the WNA as part of the settlement of that case, I am advised by counsel that it is important to note that settlements do not set precedent for future cases. Furthermore, the prior case resolved prior to the 2025 Columbia Order. Therefore, Mr. Taylor's reliance on the precedent set by the prior case should be disregarded.

Q. ARE YOU CHANGING YOUR OPPOSITION TO THE USE OF THE 65-YEAR REGRESSION ANALYSIS TO DETERMINE HDDS FOR THE WNA?

A. No. I will discuss the normal HDDs for the WNA and revenue below.

Q. WHY IS THE COMPANY REQUESTING TO DELAY THE IMPLEMENTATION OF THE UPDATED HDDS TO THE WNA CALCULATION UNTIL OCTOBER 2027?

A. The Company is requesting the delay of the implementation of the updated Normal HDDs until October 2027 because its new base rates will be effective in the middle of the heating season. The Company claims that it is vital to

implement further changes at the start of the WNA period in order to effectuate the billing changes and conduct testing to ensure consistent WNA treatment to all customers during the heating season.[20]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSAL TO DELAY THE IMPLEMENTATION OF THE CHANGES TO THE NORMAL HDDS UNTIL OCTOBER 2027?

A. No. Ms. Scanlon's proposal would result in a mismatch between the Normal HDDs in the WNA and the HDDs used to calculate rates once the new base rates go into effect during the 2026-2027 WNA period. This request is contradictory to the testimony of Mr. Taylor that "[i]f different methodologies were used for rate development and WNA administration, the WNA could either over- or under-correct relative to the weather assumptions captured in base rates. Aligning both processes with the same methodology maintains internal consistency, avoids unintended distortions, preserves the matching principle, and enhances transparency for both the Commission and customers."[21]

[20] Peoples Statement No. 3-R, p. 17.
[21] Peoples Statement No. 17-R, p. 53.

Q. ARE YOU RECOMMENDING AN ALTERNATIVE SOLUTION TO THE IMPLEMENTATION PROBLEM INTRODUCED BY THE COMPANY?

A. Yes. Rather than introducing a situation in which the Normal HDDs used to calculate base rates differ from those used to calculate the WNA, which could negatively affect customer bills, as described by Mr. Taylor, a more reasonable solution would be to pause the WNA program in its entirety for the 2026-2027 WNA period. This would avoid the mismatch in HDD calculation methodologies while granting the Company the time necessary to implement the billing changes and perform the necessary testing while avoiding any negative repercussions to Peoples customer base.

PRESENT RATE REVENUE WEATHER ADJUSTMENT

Q. WHAT DID YOU RECOMMEND REGARDING THE PRESENT RATE REVENEUE WEATHER ADJUSTMENT?

A. I recommended that the Company provide an analysis showing the revenue impact of calculating HDDs using a 10-year average in its rebuttal testimony. Additionally, I recommended the Company be required to provide in future base rate cases, a comparison of HDD methodologies and the resulting revenue impacts when the Company's proposed methodologies differ from what has been proposed by the Company in the past or from a methodology approved by a recent Commission order.

Q. DID THE COMPANY PROVIDE AN ANALYSIS OF THE PROPOSED 65-YEAR TRENED METHODOLOGY AND THE 10-YEAR AVERAGE METHDOLOGY FOR CALCULATING NORMAL HDD?

A. Yes. Mr. Taylor provided an updated analysis comparing the proposed 65-year regression analysis and the 10-year average through 2025. This analysis results in a 2027 estimate of 5,105 HDD using the 65-year regression analysis and 5,115 HDD using the 10-year average methodology.

Q. BASED ON THE ANALYSIS PROVIDED BY MR. TAYLOR, WHAT LEVEL OF NORMAL HDDS DO YOU RECOMMEND THE COMMISSION USE TO DETERMINE THE WNA AND REVENUES?

A. I recommend the Commission use the normal HDD level of 5,115 based on the 10-year average analysis through 2025 to determine the WNA and revenues because it is the methodology approved by the Commission in the 2025 Columbia Order, as discussed above.

COST OF SERVICE

Q. WHAT DID YOU RECOMMEND REGARDING THE PROPOSED ALLOCATION OF REVENUES?

A. I recommended that the revenue increase be allocated based on the Peak and Average Allocated Cost of Service Study (ACOSS) at equal rates of return with the change that the LGS class should not be allocated a decrease in rates. Instead,

the excess revenue from the LGS class, $6,629,057 as proposed, should be allocated across the remaining rate classes as part of the overall scale back of rates.

Q. DID THE COMPANY RESPOND TO YOUR RECOMMENDATION?

A. Yes. Mr. Taylor opposed my recommended revenue allocation because it is based on an ACOSS that eliminates the customer-related component reflected in the Company's ACOSS.[22] I will address Mr. Taylor's rebuttal regarding the ACOSS below.

Q. DO YOU WISH TO CHANGE YOUR ALLOCATION RECOMMENDATION?

A. No. For the reasons described below, I continue to support a revenue allocation based solely on the Peak and Average ACOSS as presented in my direct testimony.

[22] Peoples Statement No. 17-R, p. 7.

CUSTOMER CHARGE

Q. DID YOU RECOMMEND ANY ADJUSTMENTS TO THE COMPANY'S PROPOSED CUSTOMER CHARGES?

A. No. However, as discussed below, I recommended that the proposed customer charges be included in any scale back of rates.

Q. DID ANY PARTIES RESPOND TO YOUR RECOMMENDATION?

A. Yes. Mr. Taylor disagreed with my recommendation to include the proposed customer charges in the scale back of rates. I will address Mr. Taylor's opposition to including the customer charges in the scale back of rates below. OCA witness Deupree disagreed with my acceptance of the Company's proposed increase in monthly customer charges.[23]

Q. WHAT REASON DID MR. DEUPREE PROVIDE FOR RECOMMENDING A CHANGE TO THE PROPOSED CUSTOMER CHARGE?

A. Mr. Deupree noted that based on his analysis, the existing customer charge is already recovering a majority of customer-related costs, specifically 76% of residential customer related costs and 62% of small general service customer related costs, which he cites in support for his position to reduce proposed customer charges.[24]

[23] OCA Statement No. 1-R, p. 6.
[24] OCA Statement No. 1-R, pp. 5-6.

Q. PLEASE RESPOND TO MR. DEUPREE REGARDING CUSTOMER CHARGES.

A. I neither support nor oppose the OCA's recommendations regarding changes to the customer charges. However, despite the OCA's position, I continue to recommend the customer charges be included in any scale back of rates, as I discuss further below.

PROPOSED REVENUE ALLOCATION

Q. WHAT ALLOCATION METHODOLOGY DID YOU RECOMMEND?

A. As I discussed above, I recommended that the Commission reject the customer-demand ACOSS and allocate rates based solely on the Company's commodity-demand, or Peak and Average, ACOSS. I also recommended that the Company's rates should be set based on the cost of service study the Commission determines is the most reasonable method of allocation in the present base rate proceeding. As discussed above, the Peak and Average methodology is consistent with Commission precedent and the most reasonable method of allocation.

Q. DID THE COMPANY RESPOND TO YOUR RECOMMENDATION?

A. Yes. Mr. Taylor stated that he disagrees with the premise that distribution mains should be allocated exclusively on a load-related basis and that customer-related

classification of mains is inappropriate.[25] In support of his position, he claimed that I overstate the applicability of prior Commission decisions in this proceeding and that the concerns identified in those Commission decisions do not apply with the same force to the Company's blended methodology in this case.[26]

Q. DO YOU AGREE WITH MR. TAYLOR'S OPINION THAT YOU OVERSTATE THE APPLICABILITY OF THE 2025 COLUMBIA ORDER IN THIS PROCEEDING?

A. No. Mr. Taylor may be correct if the recent 2025 Columbia Order were the only case in which the Commission determined that the cost of mains do not include a customer component. However, this is not the case. The Commission's disposition in the 2023 Philadelphia Gas Works (PGW) rate case included the following statement: "Indeed, Commission precedent, including the proceeding for the *2007 PGW Rate Case*, and the recent proceeding in *Columbia 2021*, weigh against the idea that mains costs include a customer component."[27] This statement shows an ongoing precedent that the Commission does not consider the cost of mains to include a customer component. Mr. Taylor's insistence that the customer component of the cost of mains be at least partially included in the ACOSS stands in direct opposition to that long-standing Commission precedent.

[25] Peoples Statement No. 17-R, p. 11.
[26] Peoples Statement No. 17-R, pp. 15-16.
[27] *Pa. PUC v. Philadelphia Gas Works*, Docket No. R-2023-3037933, p. 137 (Order Entered November 9, 2023).

Q. DO YOU AGREE THAT THE COMPANY'S BLENDED ACOSS METHODOLOGY LESSENS THE IMPACT OF THE COMMISSION'S PRIOR DECISIONS EXCLUDING THE CUSTOMER COMPONENT IN THE ALLOCATION OF THE COST OF MAINS?

A. No. As discussed above, the Commission has been very clear that the cost of mains should not include a customer component. Simply because the Company's blended ACOSS proposal lessens the impact of the customer component of mains does not result in its inclusion becoming acceptable. It should be noted that the recommendation to allocate costs based on the Commission's preferred methodology has been proposed by both myself and OCA witness Deupree in this proceeding.

Q. DO YOU WANT TO CHANGE YOUR RECOMMENDATION?

A. No. I continue to recommend that costs and revenues in this proceeding be allocated based on the Peak and Average ACOSS provided in I&E Statement No. 3.

<u>SCALE BACK OF RATES</u>

Q. WHAT SCALE BACK METHODOLOGY DID YOU RECOMMEND IF THE COMMISSION GRANTS LESS THAN THE FULL INCREASE?

A. If the Commission grants less than the Company's requested increase, I recommended that the Commission scale-back rates based upon the cost of service study that it approves in a proportional manner. I also recommended that customer charges and usage rates for each rate class that received a proposed

increase should be scaled back and the excess revenue from the LGS class should be included in the scale back amount, as discussed above.[28]

Q. DID THE COMPANY AGREE WITH YOUR RECOMMENDATION?

A. No. Mr. Taylor stated that customer charges should be evaluated based upon customer-related costs and sound rate design principles, not mechanically reduced in proportion to any reduction in the Company's requested revenue increase. He further stated that a mechanical scale-back of customer charges could disconnect customer charges from cost causation and shift additional fixed costs into volumetric rates.

Q. DO MR. TAYLOR'S COMMENTS ALIGN WITH COMMISSION PRECEDENT?

A. Once again, Mr. Taylor's comments do not align with Commission precedent. Specifically, in both the 2018 UGI Electric Order[29] and the 2025 Columbia Order,[30] the Commission included the customer charges in the scale back of rates. Therefore, my recommendation is consistent with Commission precedent.

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[28] I&E Statement No. 3, p. 36.

[29] *Pa. PUC v. UGI Utilities, Inc. – Electric Division*, Docket No. R-2017-2640058, p. 176 (Order Entered October 25, 2018).

[30] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, p. 283 (Order Entered December 4, 2025).

Q. DO YOU WANT TO CHANGE YOUR RECOMMENDATION?

A. No. I continue to recommend that the Commission scale-back rates based upon the cost of service study that it approves in a proportional manner and that customer charges and usage rates for each rate class that received a proposed increase should be scaled back and the excess revenue from the LGS class should be included in the scale back amount.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

I&E Statement No. 4
Witness: Robert N. Gobrecht IV
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Direct Testimony

of

Robert N. Gobrecht IV

Bureau of Investigation and Enforcement

Concerning:

PIPELINE REPLACEMENT
DAMAGE PREVENTION
METHANE DETECTOR PILOT PROGRAM

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INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Robert N. Gobrecht IV. I am a Civil Engineer (General) in the Pipeline Safety Division of the Pennsylvania Public Utility Commission's (Commission) Bureau of Investigation and Enforcement (I&E). My business address is Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

Q. WHAT IS YOUR EDUCATION AND EMPLOYMENT EXPERIENCE?

A. An outline of my education and employment history is attached as Appendix A.

Q. WHAT ARE YOUR MAJOR DUTIES AS AN ENGINEER IN THE PIPELINE SAFETY DIVISION?

A. My major duties include the inspection of natural gas infrastructure, including pipeline operation, construction, and maintenance, to ensure compliance with the Pipeline and Hazardous Materials Safety Administration's (PHMSA) federal safety regulations and the Commission's applicable regulations including Title 52, Chapter 59 of the Pennsylvania Code. On average, I conduct over 120 inspections per year.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to address Peoples Natural Gas Company LLC's (Peoples or Company) base rate filing as it relates to its continued commitment to pipeline replacement, the Company's damage prevention program and the safety benefits of methane detectors. In addition, my testimony will highlight the federal and state regulations that Peoples is required to follow.

Q. DOES YOUR TESTIMONY INCLUDE AN EXHIBIT?

A. Yes. I&E Exhibit No. 4 contains schedules that support my direct testimony.

Q. PLEASE DESCRIBE THE ROLE OF I&E IN RATE PROCEEDINGS.

A. I&E is responsible for protecting the public interest in proceedings before the Commission. The I&E analysis in this proceeding is based on its responsibility to represent the public interest. This responsibility requires the balancing of the interests of ratepayers, the regulated utility, and the regulated community as a whole.

Q. DID ANY COMPANY WITNESSES PROVIDE DIRECT TESTIMONY ON PEOPLES' PIPELINE REPLACEMENT?

A. Yes. Peoples witnesses Michael Huwar[1] and Paul Becker[2] discuss the Company's

[1] Peoples Statement No. 1, p. 2.
[2] Peoples Statement No. 6, pp. 2-3.

plans for Pipeline Replacement and Integrity Management.

Q. HAVE YOU REVIEWED PEOPLES' PLAN ON THE MODERNIZATION OF PIPELINE INFRASTRUCTURE?

A. Yes. Mr. Huwar stated that the primary drivers for this rate filing are the ongoing infrastructure modernization programs being conducted by Peoples. Peoples' Long-Term Infrastructure Improvement Plan (LTIIP) program is approximately 80% of its capital expenditures. The cost associated with the LTIIP program are used to replace the aging infrastructure that will enhance the safety, reliability, sustainability, and integrity of Peoples natural gas distribution system. Peoples filed its most recent approved LTIIP at Docket No. P-2025-3057167, which was effective January 1, 2026. Mr. Huwar also talks about how to balance the affordability of gas service to customers as well as maintaining/upgrading the safety infrastructure.[3]

Q. WHAT ARE THE PROGRAMS THAT MAKE UP MOST OF PEOPLES' OVERALL CAPITAL BUDGET?

A. According to Mr. Becker, there are four major capital projects that make up the majority of Peoples' overall capital budget. These projects include the LTIIP, the Gathering Pipeline Replacement Program (GP Replacement Program), the Goodwin Tombaugh Program (GT Program), and the Mainline Extension Program

[3] Peoples Statement No. 1, pp. 4-9.

(MLX Program). The LTIIP is a five-year replacement program that targets the replacement of bare steel and cast/wrought iron pipelines on both distribution and transmission systems. The GP Replacement Program is an annual program that involves the replacement and/or abandonment of aging gathering assets. The GT Program was a settlement requirement stemming from the 2020 acquisition of Peoples by Essential Utilities, Inc. to target the replacement and conversion of the Goodwin/Tombaugh system. Lastly, the MLX Program is an annual program for the addition of new customers that are being added to Peoples' system. This program envelops the installation of mainline, meters and other additional services. Mr. Becker states that the major reasons for the LTIIP cost increases are inflation, the Intelis Meter Program, increases in miles of pipe, and more challenging projects.[4]

DIMP AND LTIIP DISCUSSION

Q. WHAT FEDERAL AND STATE REGULATIONS CONTROL PEOPLES' PIPELINE REPLACEMENT?

A. Peoples is mandated to implement a Distribution Integrity Management Program (DIMP) under Title 49, Subpart P §§192.1001-1015 of the Code of Federal Regulations. Additionally, natural gas distribution companies like Peoples that seek to continue a previously approved Distribution System Improvement Charge

[4] Peoples Statement No. 6, pp. 4-11.

(DSIC) mechanism are required to submit a Long-Term Infrastructure Improvement Plan (LTIIP) pursuant to 52 Pa Code §121.1 and §121.3.

Q WHY MUST A NATURAL GAS DISTRIBUTION COMPANY COMPLY WITH THE DIMP REGULATIONS?

A. PHMSA created the DIMP regulations to reduce the number of U.S. Department of Transportation (U.S. DOT) Reportable Incidents.[5] DIMP is a performance-based regulatory program required of gas distribution operators and is driven by risk management.

Q. WHAT ARE THE REQUIREMENTS OF A DIMP?

A. DIMP requires gas distribution pipeline operators to:

1. Demonstrate knowledge of the gas distribution system;
2. Identify threats;
3. Evaluate and rank risks;

[5] Under 49 CFR § 191.3, a PHMSA Reportable Incident is defined as any of the following events:
(1) An event that involves a release of gas from a pipeline, gas from an underground natural gas storage facility (UNGSF), liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:
(i) A death, or personal injury necessitating in-patient hospitalization;
(ii) Estimated property damage of $122,000 or more, including loss to the operator and others, or both, but excluding the cost of gas lost. For adjustments for inflation observed in calendar year 2021 onwards, changes to the reporting threshold will be posted on PHMSA's website. These changes will be determined in accordance with the procedures in appendix A to part 191.
(iii) Unintentional estimated gas loss of three million cubic feet or more.
(2) An event that results in an emergency shutdown of an LNG facility or a UNGSF. Activation of an emergency shutdown system for reasons other than an actual emergency within the facility does not constitute an incident.
(3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraph (1) or (2) of this definition.

4. Identify and implement measures to address risk;

5. Measure performance, monitor results, and evaluate effectiveness;

6. Evaluate and improve the DIMP; and

7. Report results.[6]

DIMP requirements include the identification of threats to pipeline facilities and the requirement for operators to create plans to mitigate and reduce the risks caused by those threats. Peoples uses a risk-based prioritization process to select replacement pipelines. Peoples conducts annual evaluations of its distribution system to identify and develop risk ratings for each segment of at-risk pipeline and then replaces the pipe based on the highest risk ranking.

Q. WHY MUST A NATURAL GAS DISTRIBUTION COMPANY FILE AN LTIIP?

A. A natural gas distribution company must submit an LTIIP for Commission approval to be eligible to recover the reasonable and prudently incurred costs related to the repair, improvement, and replacement of eligible property through the DSIC. The LTIIP is intended to address the planned acceleration of the replacement of aging infrastructure by the utility and be sufficient to ensure and maintain adequate, efficient, safe, reliable, and reasonable service to customers.[7]

[6] See 49 CFR § 192.1007.
[7] See 52 Pa. Code § 121.1.

Q. WHAT ARE THE REQUIREMENTS OF AN LTIIP?

A. The LTIIP must include the following elements:

1. Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.
2. An initial schedule for planned repair and replacement of eligible property.
3. A general description of location of eligible property.
4. A reasonable estimate of quantity of eligible property to be improved or repaired.
5. Projected annual expenditures and means to finance the expenditures.
6. A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement, or replacement will ensure and maintain adequate, efficient, safe, reliable, and reasonable service to customers.
7. A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe, and reliable manner.
8. A description of a utility's outreach and coordination activities with other utilities, Department of Transportation, and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIIP.

The LTIIP must address only the specific property eligible for DSIC recovery.[8]

Q. WHAT ARE THE COMMON MITIGATION MEASURES FOR HIGH-RISK PIPELINE SEGMENTS?

A. The industry's common mitigation measure to reduce pipeline risk is to replace the highest risk pipelines first. As a company replaces the pipelines calculated to represent the highest risk, the total system risk should be reduced. If enough pipe is replaced in that asset group annually to overcome the increasing risks on other segments within that group, the overall risk of the asset group will be reduced.

Q. SHOULD PIPELINE REPLACEMENT MITIGATION MEASURES BE BASED ON THE DIMP?

A. Yes. Pipeline replacement, which includes high risk wrought iron and bare steel should be based on the DIMP. The LTIIP, on the other hand, is a forward-looking plan for the replacement of DSIC eligible assets. Overall, pipeline replacement should be risk based and thus driven by the DIMP.

PIPELINE REPLACEMENT EFFORTS

Q. WHAT IS PEOPLES' STATED TIME FRAME IN THE LTIIP PLAN FOR PIPELINE REPLACEMENT?

A. Peoples stated time frame for the at-risk distribution pipeline replacement is

[8] See 52 Pa. Code § 121.3.

planned to be completed by 2038.[9]

Q. WHAT IS THE METHODOLOGY USED BY PEOPLES TO DETERMINE PIPE RISK AND RISK RANKING?

A. According to Mr. Becker, in response to I&E-PS-18, **[BEGIN PROPRIETARY]**

[redacted] **[END PROPRIETARY]**

Q. WHAT IS PEOPLES' PIPELINE REPLACEMENT TREND FROM THE PREVIOUS 5 YEARS?

A. In response to I&E-PS-17, Peoples provided the following table showing its planned replacement miles and the actual replacement miles:[11]

[9] *Petition of Peoples Natural Gas Company LLC for Approval of its Third Long-Term Infrastructure Improvement Plan for the Period of 2026-2030*, Docket Number P-2025-3057167, Third LTIIP Appendix 2, p. 1 (Order Entered December 18, 2025).

[10] I&E Exhibit No. 4, Schedule 1.

[11] I&E Exhibit No. 4, Schedule 2.

		Miles			
LTIIP Program Year	Year	Plan Miles	Actual Miles	Actual Miles	% Actual to Plan Each Year
1	2021	159	165	165	103%
2	2022	159	163	327	102%
3	2023	181	184	511	102%
4	2024	186	189	700	102%
5	2025	186	190	891	102%
Total		871	891		102%

Q. IN YOUR OPINION, WHAT ARE PEOPLES' RISKIEST ASSETS THAT SHOULD BE PRIORITIZED FOR REPLACEMENT?

A. In my opinion, Peoples' riskiest assets are bare steel, cast iron, wrought iron, Aldyl A, and unknown material pipe. As stated in response to I&E-PS-21, bare steel, cast iron, wrought iron, and known Aldyl A pipe were presented as the riskiest assets.[12]

Q. HAS THERE BEEN AN INCREASE IN COST FOR MAINS AND SERVICES ASSOCIATED WITH LTIIP REPLACEMENT?

A. Based on information provided by Mr. Becker, the actual cost of LTIIP projects have increased each year since 2021. The table below shows the increase of both miles of pipe replacement and the total annual cost of the replacement.[13]

[12] I&E Exhibit No. 4, Schedule 3.
[13] Peoples Statement No. 6, p. 7.

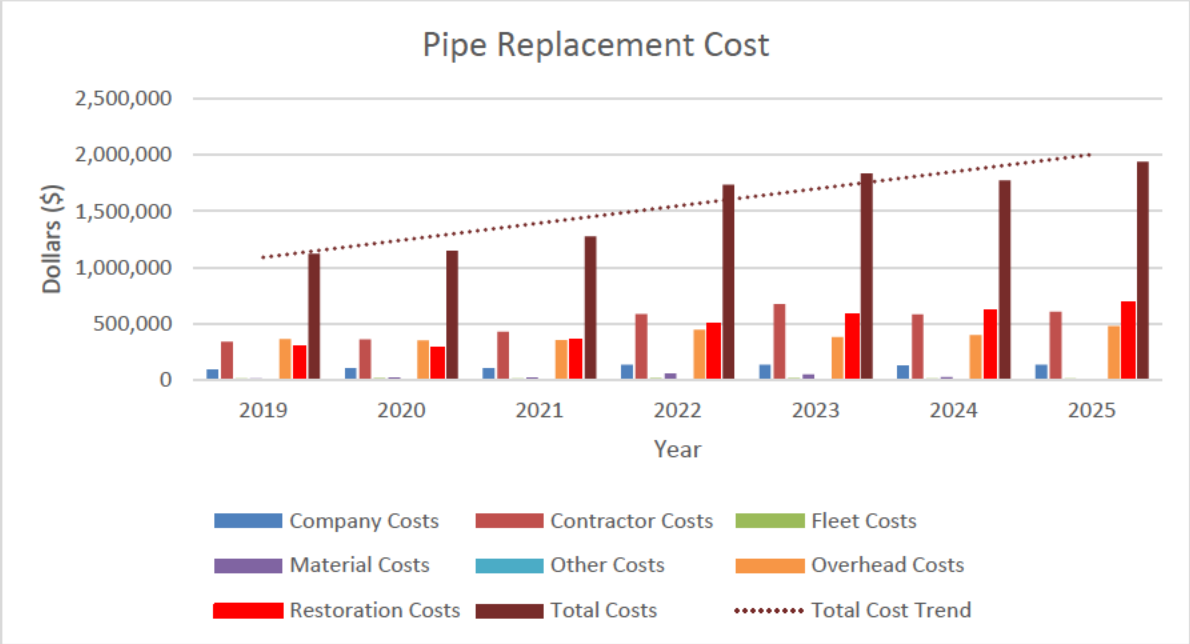
	Miles			Dollars (Millions)	
LTIIP Program Year	Year	Plan Miles	Actual Miles	Planned Costs	Actual Costs
1	2021	159	165	$247	$247
2	2022	159	163	$326	$326
3	2023	181	184	$394	$394
4	2024	186	189	$430	$455
5	2025	186	190	$446	$479
Total		871	891	$1,843	$1,901

Q. WHAT ARE THE INCLUDED CATEGORIES IN PEOPLES' REPLACEMENT COST?

A. Peoples replacement cost during pipeline replacement takes in account many different categories. These categories include, but are not limited to, contractors, materials, restoration, overhead, and other cost categories. In response to I&E-PS-16, Peoples provided a table with several categories that represent the cost associated with pipe replacement. The table and graph below show these cost categories. These demonstrate the cost per mile totals for pipeline replacement from 2019 to 2025.[14]

Per Mile	2019	2020	2021	2022	2023	2024	2025
Company Costs	93185	107366	107092	133868	134266	129388	135005
Contractor Costs	340835	359214	426401	583486	671949	581363	608309
Fleet Costs	13262	14006	11853	14002	14337	12863	12807
Material Costs	11790	21090	20018	56427	49499	23991	10311
Other Costs	7769	5895	2704	3806	5769	4559	1982
Overhead Costs	360871	352280	353599	444232	379037	399777	479236
Restoration Costs	295271	289170	352032	499113	581616	619130	689909
Total Costs	1122508	1148253	1274950	1735101	1837431	1774797	1940020

[14] I&E Exhibit No. 4, Schedule 4.



Q. HAS PEOPLES EXPLORED OPTIONS TO REDUCE THE COST OF RESTORATIONS?

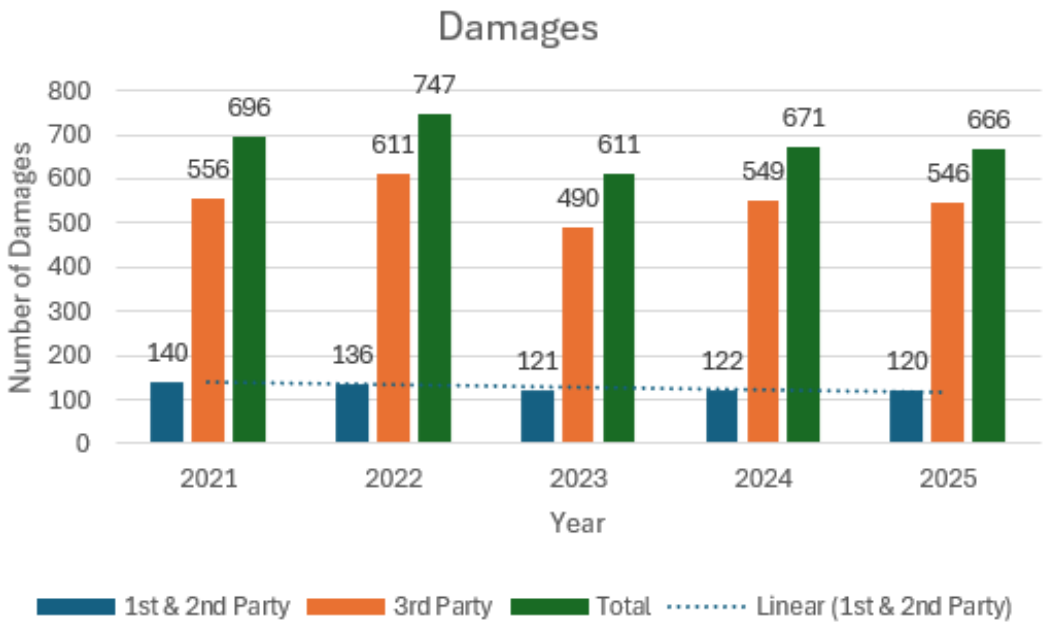
A. Yes. As noted in response to I&E-PS-24, **[BEGIN PROPRIETARY]** [redacted] **[END PROPRIETARY]**

[15] I&E Exhibit No. 4, Schedule 5.

DAMAGE PREVENTION

Q. HAS THERE BEEN AN INCREASE OF DAMAGES TO PEOPLES' FACILITIES?

A. No. In response to I&E-PS-30, Peoples' damages have been trending downwards from 2021 to 2025. Even though the trend is proceeding in the right direction, there is still concern with the total number of damages and damages caused by first and second parties. Approximately one fifth of all damages occurring on Peoples' facilities are caused by Company personnel or Company contractors. The graph below shows the number of damages on Peoples' facilities.[16]



[16] I&E Exhibit No. 4, Schedule 6.

Q. HAS THERE BEEN AN INCREASE IN DAMAGES THAT CORRELATE WITH ONE CALLS?

A. Yes. Based on the information provided in response to I&E-PS-30, the overall total when taking into account mapping errors, lines not marked, and lines marked incorrectly has been trending upwards from 2021 to 2025. Lines marked incorrectly from 2024 to 2025 has seen a significant increase. Lines marked incorrectly are Peoples fault as Peoples only uses company personnel to perform locations. The table below shows the number of damages caused by issues with Peoples records or locators.[17]

Causes of Damage	2021	2022	2023	2024	2025
Mapping Errors	88	65	63	83	58
Line Not Mark	31	52	79	50	54
Line Mark Incorrectly	63	80	59	67	94
Total	182	197	201	200	206
Overall Total	699	755	619	679	670

Q. HAS PEOPLES SEEN A DECREASE IN THE AMOUNT OF LINE HITS PER 1000 TICKETS?

A. Yes. As shown in response to I&E-PS-31, there has been a slight decrease in line hits per 1000 tickets marked.[18]

[17] I&E Exhibit No. 4, Schedule 6.
[18] I&E Exhibit No. 4, Schedule 7.

	2021	2022	2023	2024	2025
Line Hits	699	755	619	679	670
Tickets Received	220,030	225,721	239,461	238,506	243,567
Tickets Cleared	115,854	122,214	136,276	133,354	132,216
Tickets Marked (Per Karl)	104,176	103,507	103,185	105,152	111,351
LH Per 1000 Tickets Marked	6.71	7.29	6.00	6.46	6.02

Q. DO YOU HAVE ANY RECOMMENDATIONS FOR HOW PEOPLES COULD IMPROVE ITS DAMAGE PREVENTION PROGRAM?

A. Yes. I recommend that Peoples review its first and second party damages to determine the resolution to these issues. Furthermore, I recommend that Peoples' employees and contractors as well as locator personnel receive additional training to address the increasing trends of damages. Lastly, I recommend Peoples create a QA/QC program along with various metrics to analyze and assess its Damage Prevention Program for improvements to reduce damages.

METHANE DETECTION

Q. ARE YOU AWARE OF ANY OTHER JURISDICTIONAL NATURAL GAS DISTRIBUTION COMPANIES THAT HAVE IMPLEMENTED A METHANE DETECTOR PROGRAM?

A. Yes. In January of 2025, the Commission required Philadelphia Gas Works (PGW) to initiate a pilot program for the audible alarm methane detectors in the city of Philadelphia. The details of the $800,000 pilot program are available at Docket No. R-2022-3033834.

Also in 2025, the Commission required UGI Utilities, Inc. – Gas Division (UGI Gas) to initiate a pilot program for methane detectors in its distribution territory. The details of the pilot program can be viewed in Docket No. R-2024-3052716.

One example outside of Pennsylvania that is noteworthy is the State of New York Public Service Commission, in collaboration with GTI Energy, which has successfully instituted methane detector installations in New York City and other areas across the state.

Q. HOW COULD PEOPLES AND ITS CUSTOMERS BENEFIT FROM A METHANE DETECTION SYSTEM SIMILAR TO THAT OF OTHER STATES?

A. In my opinion, the installation of Smart Remote Methane Detectors (SRMDs), or real-time methane detection devices, has the potential to save lives across Peoples' service territory. As technology continues to evolve, the ability to remotely notify the operator of the presence of indoor gas readings is the next logical step for operators across Pennsylvania to drive down the probability of an explosion and lessen the consequences should an explosion occur. The benefits in areas where methane detection systems have been implemented, such as New York state, has similar operating conditions to those of Pennsylvania. These benefits include but are not limited to quicker response times, more accurate information for crew deployment, ability to track areas of concern, etc.

Q. IN YOUR OPINION, WOULD A METHANE DETECTOR PROGRAM REDUCE THE POTENTIAL THREAT OF INSIDE METER SET LEAKS?

A. Yes, I believe a program to address methane detector distribution could assist in mitigating additional risks from inside meters still present in Peoples' territory. Historically, Peoples has replaced inside meter sets during construction replacement projects as well as conducting meter move outs. As noted in response to I&E-PS-27, inside meter move outs have averaged around 1,550 per year since 2021, with inside meters totaling 73,135 remaining in Peoples' system. I note that the data received from Peoples conflicts with the number of meter move-outs provided. As of May 2026, 3,113 meters are served by a medium pressure system. The higher pressure entering the home presents an additional risk. When extrapolating the data, complete elimination of inside meters through meter move outs would be projected to occur in roughly 46 years. The table below shows Peoples' inside meter set elimination trends.[19]

Year	Inside Meters
2021	79,378
2022	78,896
2023	77,950
2024	75,478
2025	73,135

[19] I&E Exhibit No. 4, Schedule 8.

Q. HAVE FEDERAL AGENCIES PROVIDED SUPPORT FOR THE INSTALLATION OF INDOOR METHANE DETECTORS?

A. Yes. Both PHMSA and the National Transportation and Safety Board (NTSB) have provided written support for the installation of indoor methane detectors or alarms. Dating back to 2012, PHMSA provided a statement in Advisory Bulletin 2012-05, largely regarding Pennsylvania incidents stemming from cast iron main failures, asking owners and operators of cast iron distribution pipelines and state pipeline safety representatives to consider, among other items, the installation of interior/home methane gas alarms.[20]

The NTSB has repeatedly encouraged the installation of these indoor methane detector devices in final pipeline investigation reports (PIR). This includes, but is not limited to, the recent NTSB reports on West Reading Chocolate Factory[21] and Atmos Energy Corporation[22] investigations.

Q. CAN SMART METHANE DETECTION TECHNOLOGY BE USED BY OTHER OPERATORS TO IMPROVE SAFETY?

A. Yes. These detectors and technology can be instituted and provide the same early detection and safety enhancements for any operator. These detectors can alert operators of any leak by any cause, including excavation damage, corrosion,

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[20] See Federal Register, Vol. 77, No. 57 (March 23, 2012), https://www.govinfo.gov/content/pkg/FR-2012-03-23/pdf/2012-7080.pdf.

[21] See NTSB PIR-25-01 UGI Explosion and Fire (https://www.ntsb.gov/investigations/AccidentReports/Reports/PIR2501.pdf).

[22] See NTSB PIR-26-01 Atmos Explosion and Fire (https://www.ntsb.gov/investigations/AccidentReports/Reports/PIR2601.pdf).

ruptures, material failures, or any other cause where gas escapes from a pipeline or appurtenance and accumulates in a structure. The detectors will also detect gas from leaks on non-jurisdictional piping, within proximity of the meter, and within the structure. Smart methane detectors can utilize AMI meter technology, or other wireless network technology such as LoRaWAN, to notify company officials or emergency responders of real-time methane readings. Industry research has established an alarm level at 10% LEL to be the acceptable standard for methane detection alarms.

Q. HAS PEOPLES IMPLEMENTED A PILOT PROGRAM FOR METHANE DETECTION?

A. Peoples has not determined a time frame for a future methane detector program. As stated in response to I&E-PS-25, Peoples has initiated conversation with the methane detector manufacturer New Cosmos. Peoples continues to communicate with New Cosmos on the implementation of AMI (Advanced Metering Infrastructure) with the possibility of a pilot program being introduced to the Pittsburgh area in 2027.[23]

[23] I&E Exhibit No. 4, Schedule 9.

Q. HAS PEOPLES IMPLEMENTED OTHER TECHNOLOGIES TO ENSURE CUSTOMERS' SAFETY?

A. According to Mr. Huwar, Peoples is continuing its efforts to install Intelis Meters. An Intelis Meter is an ultrasonic based meter with features that include high pressure and high flow shutoff capabilities. Intelis Meters also provide real-time monitoring of gas pressure which allows for quick detection of possible anomalies. Peoples began the installation of Intelis Meters in 2024, and as the end of 2025, over 100,000 meters have been installed. The remaining installation of the meters will continue over the coming years and cost around $200,000,000. [24]

Q. DO YOU HAVE A RECOMMENDATION REGARDING THE IMPLEMENTATION OF METHANE DETECTORS IN PEOPLES' SYSTEM?

A. Yes. Peoples has initiated conversations on the introduction of methane detectors. As shown in response to I&E-PS-27, Peoples has 73,135 inside meters with 3,113 of those being medium pressure as of May 27, 2026.[25] I recommend that Peoples implement a pilot program utilizing SRMDs in a geographic region of Peoples' choosing for the installation of 500 to 1000 SRMDs to allow Peoples to study the effectiveness of the SRMDs and monitor the related expenses. Further, I recommend Peoples consider using AMI technology and LoRaWAN or other

[24] Peoples Statement No. 1, pp. 11.
[25] I&E Exhibit No. 4, Schedule 8.

communication network technology for the notification methodology utilized by these devices as part of its pilot program. The selection of the devices and technology for this pilot will depend on available technology either compatible with or separate from Peoples' current technology. Peoples should use a risk-based approach to maximize the benefits in determining the location and rollout of a Methane Detector program. This program can be implemented geographically in sections of Peoples' service territory through a risk-based evaluation considering operational history and can include buildings or homes with inside meter sets and regulators, residences, businesses, and places of congregation.

Finally, this recommendation is not being made in response to any single specific incident or directed at any single natural gas distribution company. Rather, this recommendation is being made in response to industry-wide discussions regarding early warning safety enhancements for natural gas distribution systems. Accordingly, I&E's recommendation in this proceeding does not limit I&E's ability to make additional recommendations regarding the deployment of methane detectors in future Commission proceedings.

Q. ARE YOUR RECOMMENDATIONS STATED ABOVE COMPLETE AS OF THE WRITING OF YOUR DIRECT TESTIMONY?

A. Yes. Based on the information provided by Peoples in discovery responses to date, my recommendations are complete at this time. I reserve the right to supplement my discussion and recommendations after I receive further discovery

responses, which may be included in either rebuttal testimony or surrebuttal testimony.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Robert N. Gobrecht IV

Professional and Educational Experience

Professional Experience

August 2022 – Present
Civil Engineer, Pipeline Safety Division, Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania

May 2021 – August 2022
Pennsylvania Department of Transportation, Harrisburg, Pennsylvania

Education and Training

University of Pittsburgh at Johnstown, 2020
Bachelor of Science, Civil Engineering

United States Pipeline and Hazardous Materials and Safety Administration
(PHMSA) Inspector Certification (45 classes)

I&E Exhibit No. 4
Witness: Robert N. Gobrecht IV
NON-PROPRIETARY

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Exhibit to Accompany

the

Direct Testimony

of

Robert N. Gobrecht IV

Bureau of Investigation and Enforcement

Concerning:

PIPELINE REPLACEMENT
DAMAGE PREVENTION
METHANE DETECTOR PILOT PROGRAM

Exhibit No. 4, Schedule No. 1
PROPRIETARY

Exhibit No. 4, Schedule No. 2

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-017

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: Provide a summary for the last 5 years of Long Term Infrastructure Improvement Plan (LTIIP) filings showing PNG's proposed miles of annual pipeline replacement and the actual miles replaced annually. Provide discussion for all instances when the proposed replacements were not realized.

Answer: Please see attached table I&E-PS-017. The proposed miles were realized (and exceeded) every year. It should be noted that these efforts required year-round construction.

Submit Date: 6/1/2026

LTIIP		Miles			
LTIIP Program year	Year	Plan miles	actual miles	actual PTD miles	% actual to plan each year
1	2021	159	165	165	103%
2	2022	159	163	327	102%
3	2023	181	184	511	102%
4	2024	186	189	700	102%
5	2025	186	190	891	102%
Total		871	891		102%

Exhibit No. 4, Schedule No. 3

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-021

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: Provide a description of what pipe types PNG considers as “risky” pipe in its system.

Answer: In general, the following types of pipe are considered relatively higher risk. Bare Steel, Cast Iron, Wrought Iron, and Known Aldyl A. Also see LTIIP Docket P-2025-3057167 for more information.

Submit Date: 6/1/2026

Exhibit No. 4, Schedule No. 4

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-016

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: Provide a summary showing the total cost of pipeline replacement on a per mile basis including but not limited to the following costs: design/inspection, materials, construction/labor, pavement restoration and permits for each calendar year from 2021 through 2025.

Answer: Please see attached.

Submit Date: 6/1/2026

Peoples Natural Gas

I&E-RE-16 Attachment

Actuals per Mile	2025	2024	2023	2022	2021	2020	2019
Total Costs	$1,940,020	$1,774,797	$1,837,431	$1,735,101	$1,274,950	$1,148,253	$1,122,508
Company Costs	$135,005	$129,388	$134,266	$133,868	$107,092	$107,366	$93,185
Contractor Costs	$608,309	$581,363	$671,949	$583,486	$426,401	$359,214	$340,835
Fleet Costs	$12,807	$12,863	$14,337	$14,002	$11,853	$14,006	$13,262
Material Costs	$10,311	$23,991	$49,499	$56,427	$20,018	$21,090	$11,790
Other Costs	$1,982	$4,559	$5,769	$3,806	$2,704	$5,895	$7,769
Overhead Costs	$479,236	$399,777	$379,037	$444,232	$353,599	$352,280	$360,871
Restoration Costs	$689,909	$619,130	$581,616	$499,113	$352,032	$289,170	$295,271

Exhibit No. 4, Schedule No. 5
PROPRIETARY

Exhibit No. 4, Schedule No. 6

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-030

Witness: Ravenstahl, Luke **Title:** Vice President Sales & Marketing

Question: Provide summary showing the number of facility damages broken out by the following for the last five calendar years:

A. Mapping error

B. Line not marked

C. Line marked incorrectly

D. Excavator failed to expose

E. No locate requested

F. Insufficient notification

G. Deliberate

H. Natural forces

I. Excavator error

J. Other*

K. Total

*Note – Provide detail for each damage included within “Other”

Answer: Refer to the attachment.

Submit Date: 6/1/2026

I&E-PS-030

		2021	2022	2023	2024	2025
A.	Mapping Errors	88	65	63	83	58
B.	Line Not Marked	31	52	79	50	54
C.	Line Marked Incorrectly	63	80	59	67	94
D.	Excavator Failed to Expose	281	234	219	219	197
E.	No Locate Requested	104	86	69	81	91
F.	Insufficient Notification	7	11	3	9	9
G.	Deliberate	1	3	1	1	-
H.	Natural Forces	4	23	38	28	27
I.	Excavator Error	123	227	105	139	161
J.	* Other	2	-	22	31	6
K.	Total	699	755	619	679	670

Other explanation below

2025 - 3 previous damages, 1 probe bar pinpointing leak, 1 homeowner damage with digging bar, and 1 saw cut with discussions of visible markings

2024 - 27 deteriorated facilities, 3 previous damages, 1 probe bar completing leak investigation

2023 - 22 deteriorated facilities

2022 - none

2021 - 1 old piece of pipe discovered, 1 probe bar

Exhibit No. 4, Schedule No. 7

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-031

Witness: Ravenstahl, Luke **Title:** Vice President Sales & Marketing

Question: Provide a list of the following hits per Ticket Marked for the years 2021-2025:

A. Line hits

B. Tickets received

C. Tickets cleared

D. Tickets marked (per Karl)

E. Line hits per 1,000 tickets marked

Answer: Refer to the attachment.

Submit Date: 6/1/2026

I&E-PS-031

		2021	2022	2023	2024	2025
A.	LINE HITS	699	755	619	679	670
B.	TICKETS RECEIVED	220,030	225,721	239,461	238,506	243,567
C.	TICKETS CLEARED	115,854	122,214	136,276	133,354	132,216
D.	TICKETS MARKED (PER KARL)	104,176	103,507	103,185	105,152	111,351
E.	LH PER 1,000 TM	6.71	7.29	6	6.46	6.02

Exhibit No. 4, Schedule No. 8

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-027

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: Provide the number of existing inside meter sets, broken out by system pressure, for the last 5 calendar years. How many meter move outs have occurred each year?

Answer: The following are the number of inside meter sets at the end of the calendar year and meter move-outs by year for the last 5 calendar years.

- 2021 – 79,378 inside meters; 2,140 move-outs
- 2022 – 78,896 inside meters; 2,622 move-outs
- 2023 – 77,950 inside meters; 3,568 move-outs
- 2024 – 75,478 inside meters; 6,040 move-outs
- 2025 – 73,135 inside meters; 2,343 move-outs

As of May 27, 2026, 3,113 of the total inside meters are served by a medium-pressure system (greater than 1 psig).

Submit Date: 6/1/2026

Exhibit No. 4, Schedule No. 9

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-PS-025

Witness: Becker, Paul **Title:** Vice President Construction & Engineering

Question: State if PNG has implemented, or plans to implement, pilot programs for residential methane detection installations for the audible alarm and/or for any other methane detector devices that use the communication networks. If so, please provide a detailed explanation.

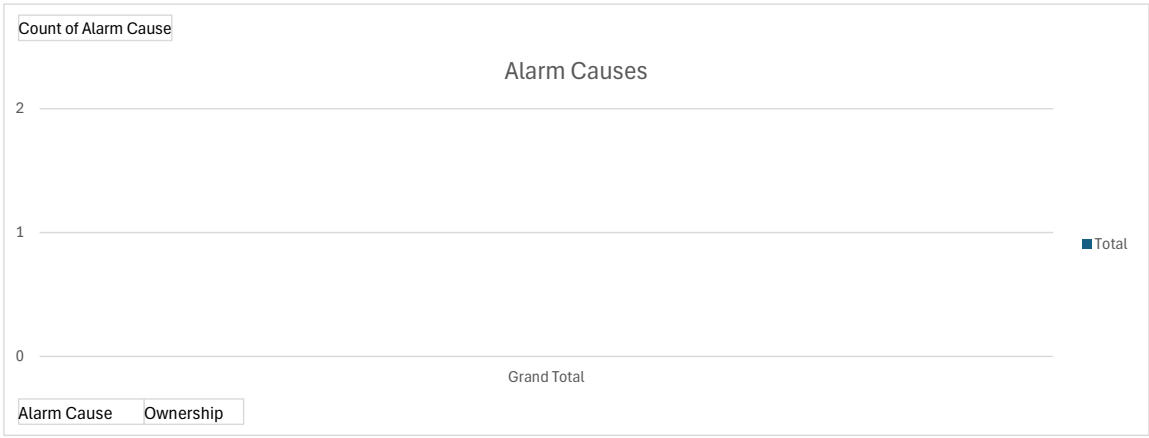
Answer: Peoples has not implemented a pilot program for residential methane detection.

In the first quarter of 2025, Peoples initiated conversations with a methane detector manufacturer named New Cosmos to learn more about their products and the technical requirements for potential implementation using AMI (Advanced Metering Infrastructure). The dialogue has continued with the possibility of a pilot program located in the Pittsburgh area in 2027.

Submit Date: 6/1/2026

Exhibit No. 4, Schedule No. 10

Row Labels	Count of Alarm Cause
Grand Total	



Row Labels	Count of Alarm Cause
Grand Total	

Category	RMD	SRMD	Total
Units Funded (Current Quarter)			0
Units Distributed (Current Quarter)			0
Units Installed (Current Quarter)			0
Total (Current Quarter)	0	0	0

Expense Item	Unit Cost	Labor	Materials	Total Cost
Detector Hardware		N/A	N/A	0
Installation Services	N/A			0
System Monitoring Fees		N/A	N/A	0
Outreach & Education	N/A			0
Administrative/Other				0
Total Cost		0	0	0

I&E Statement No. 4-SR
Witness: Robert N. Gobrecht IV

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

Surrebuttal Testimony

of

Robert N. Gobrecht IV

Bureau of Investigation and Enforcement

Concerning:

DAMAGE PREVENTION
METHANE DETECTOR PILOT PROGRAM

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INTRODUCTION **1**

DAMAGE PREVENTION **2**

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INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Robert N. Gobrecht IV. I am a Civil Engineer (General) in the Pipeline Safety Division of the Pennsylvania Public Utility Commission's (Commission) Bureau of Investigation and Enforcement (I&E). My business address is Pennsylvania Public Utility Commission, 400 North Street, Harrisburg, PA 17120.

Q. ARE YOU THE SAME ROBERT N. GOBRECHT IV WHO IS RESPONSIBLE FOR THE DIRECT TESTIMONY CONTAINED IN I&E STATEMENT NO. 4 AND THE SCHEDULES IN I&E EXHIBIT NO. 4?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to address statements made by Peoples Natural Gas Company LLC (Peoples or Company) witnesses Paul Becker[1] and Luke Ravenstahl[2] in their rebuttal testimonies regarding the Company's damage prevention and adoption of a pilot program for a methane detection system in select regions of Peoples' Pennsylvania service territory.

---

[1] Peoples Statement No. 6-R.
[2] Peoples Statement No. 8-R.

DAMAGE PREVENTION

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS IN DIRECT TESTIMONY REGARDING DAMAGE PREVENTION.

A. I recommended that Peoples review its first and second party damages to determine the resolution to these issues. Furthermore, I recommended that Peoples' employees and contractors as well as locator personnel receive additional training to address the increasing trends of damages. Lastly, I recommended that Peoples create a QA/QC program along with various metrics to analyze and assess its Damage Prevention Program for improvements to reduce damages.[3]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes, Mr. Ravenstahl responded to my recommendations. Mr. Ravenstahl mentioned that Peoples agrees that reviewing damages, providing training, and monitoring performance are necessary measures for a Damage Prevention Program. Peoples currently continue to perform these measures and evaluate opportunities to improve their Damage Prevention Program.

Q. DO YOU AGREE WITH MR. RAVENSTAHL'S STATEMENTS IN REGARD TO DAMAGE PREVENTION?

A. No, although Mr. Ravenstahl mentioned that Peoples will continue to review

[3] I&E Statement No. 4, pp. 13-15.

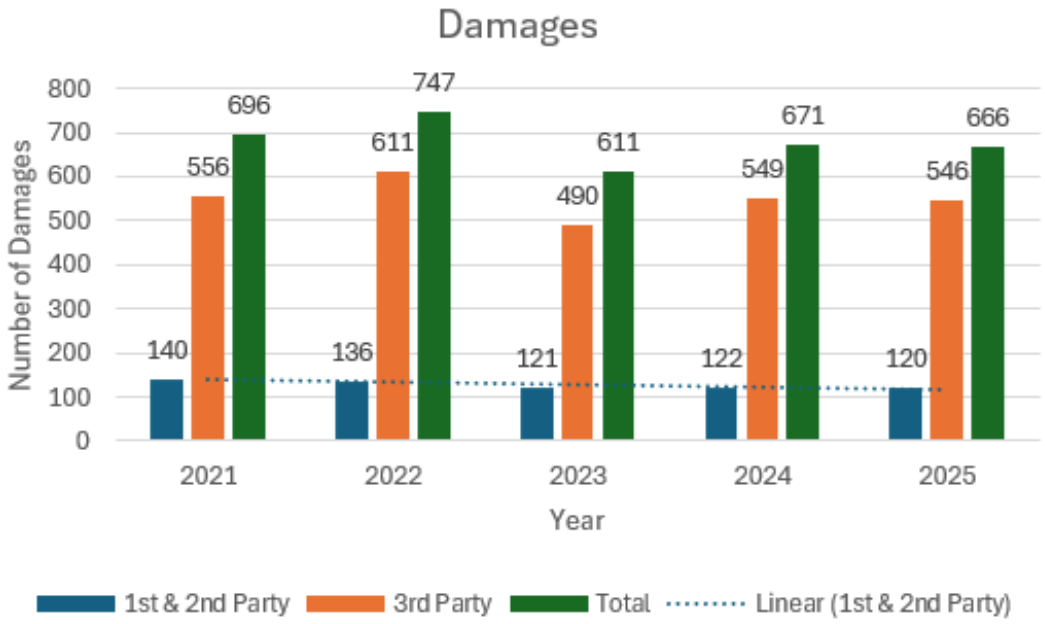
damages, provide training, monitor performance, and continue evaluating opportunities, further actions are necessary to reduce damages.[4] According to the Pipeline and Hazardous Materials Safety Administration (PHMSA), the national average for line hits per 1,000 tickets received is 2.38,[5] Peoples had a rate of 2.75 damages per 1000 tickets received in the year 2025.[6] With Peoples' damages exceeding the national average, it is my position that Peoples needs to investigate the use of additional mitigation measures to reduce damages. These measures can provide additional safety to customers and the public in Peoples' operating area.

Q. DO THE NUMBER OF DAMAGES INDICATE THAT CURRENT TRAINING, PERFORMANCE MONITORING, AND THE CONTINUING EVALUATION OF OPPORTUNITIES ARE PROVIDING RESULTS?

A. No, even though the first and second party damages are decreasing, I believe that the slight decrease in damages could be further improved with additional training and mitigations measures for company personnel and contractors. Furthermore, the Company's overall damages show inconsistent reduction. From 2021 to 2025, the Company only reduced its total damages by 30, but within those five years a peak of 747 damages in 2022 and a low of 611 damages in 2023 were observed. These two years skew the data with the remaining years showing little reduction to

[4] Peoples Statement No. 8-R, p. 14-15.
[5] See https://portalpublic.phmsa.dot.gov/analytics/saw.dll?PortalPages.
[6] I&E Exhibit No. 4, Schedule 7.

total damages. The graph below shows the trend for damages on Peoples' facilities over the last 5 calendar years.[7]



Q. HAS YOUR RECOMMENDATION AS TO HOW PEOPLES COULD IMPROVE ITS DAMAGE PREVENTION PROGRAM CHANGED?

A. No, I still recommend that Peoples adhere to the recommendations from my direct testimony to ensure safety of personnel and the public. In addition, Peoples should provide to I&E's Gas Safety Division a list of metrics and root cause procedures that Peoples will use to analyze their Damage Prevention Program by October 2026. Then, beginning in 2027, Peoples should schedule quarterly meetings with I&E's Gas Safety Division to review the root cause investigations

[7] I&E Exhibit No. 4, Schedule 6.

that were performed along with the metrics that were created to show Peoples is driving down its damage numbers on its facilities.

METHANE DETECTION

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS IN DIRECT TESTIMONY REGARDING METHANE DETECTION.

A. I recommended that Peoples implement a pilot program utilizing 500 to 1000 Smart Remote Methane Detectors (SRMDs) to allow for a study of the devices' effectiveness as well as the use of AMI and LoRaWAN or other communication technologies for notification methodology utilized by these devices as part of its pilot program. I also recommended that Peoples should use a risk-based approach to determine the location that best maximizes the effectiveness of the Methane Detection pilot program.[8]

Q. DID ANY WITNESS RESPOND TO YOUR RECOMMENDATION?

A. Yes, Mr. Becker responded to my recommendations.

Q. WHAT IS MR. BECKER'S RESPONSE TO YOUR RECOMMENDATIONS?

A. Mr. Becker states that Peoples is willing to evaluate the feasibility of

[8] I&E Statement No. 4, pp. 15-22.

implementing SRMD and AMI technology; however, Peoples cannot agree to implement a pilot without first investigating the use of such technology and the impact to its distribution system.[9] Mr. Becker states that further analysis regarding SRMDs is needed before any SRMD program can be implemented.

Q. WHAT IS YOUR RESPONSE TO MR. BECKER'S TESTIMONY?

A. I continue to maintain that a pilot program of methane detectors, whether smart or simply audible, would benefit overall public safety, especially in those rural areas where response times may be slower. I have no changes to my recommendation in direct testimony that Peoples should commit to implementing a pilot program in Pennsylvania and, based upon research and an analysis of real-world experiences from its peers as well as its own pilot program(s), determine the most efficient, reliable and cost-effective approach for the installation of methane detectors for Peoples' Pennsylvania distribution customers. The pilot program in Pennsylvania is proposed to gather additional information as to the feasibility of large-scale implementation throughout the system.

[9] Peoples Statement No. 6-R, p. 4.

Q. HOW WOULD YOU ADDRESS MR. BECKER'S CONCERN OVER SMART REMOTE METHANE DETECTOR (SRMD) IMPLEMENTATION?

A. I recommend that the Company proposed analysis be completed in a timeframe of two years or before the next rate case to make audible alarm detectors and/or SMRDs available to customers.

Q. HAS YOUR RECOMMENDATION FOR THE PILOT PROGRAM IMPLEMENTATION AND REPORTING CHANGED?

A. No, I continue to recommend that Peoples implement a program in accordance with the recommendations made in my direct testimony as well as use the reporting recommendations, including the use of the file(s) provided for reporting results to the Commission.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

VERIFICATION OF
VANESSA OKUM

I, Vanessa Okum, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents identified as:

- I&E Statement No. 1 – Direct Testimony of Vanessa Okum in both Proprietary and Non-Proprietary format
- I&E Exhibit No. 1 in both Proprietary and Non-Proprietary format
- I&E Statement No. 1-R – Rebuttal Testimony of Vanessa Okum
- I&E Exhibit No. 1-R
- I&E Statement No. 1-SR – Surrebuttal Testimony of Vanessa Okum in both Proprietary and Non-Proprietary format
- I&E Exhibit No. 1-SR

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an evidentiary hearing in this matter. This Verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

/s/ Vanessa Okum
Vanessa Okum
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: 8/3/2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

VERIFICATION OF
D. C. PATEL

I, D. C. Patel, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents identified as:

- I&E Statement No. 2 – Direct Testimony of D. C. Patel
- I&E Exhibit No. 2
- I&E Statement No. 2-SR – Surrebuttal Testimony of D. C. Patel in both Proprietary and Non-Proprietary format
- I&E Exhibit No. 2-SR in both Proprietary and Non-Proprietary format

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an evidentiary hearing in this matter. This Verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

/s/ *DCPatel*
D. C. Patel
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: July 31, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

VERIFICATION OF
ETHAN H. CLINE

I, Ethan H. Cline, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents identified as:

- I&E Statement No. 3 – Direct Testimony of Ethan H. Cline in both Proprietary and Non-Proprietary format
- I&E Exhibit No. 3 in both Proprietary and Non-Proprietary format
- I&E Statement No. 3-SR – Surrebuttal Testimony of Ethan H. Cline

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an evidentiary hearing in this matter. This Verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

/s/ Ethan H. Cline
Ethan H. Cline
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: 8/3/2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

VERIFICATION OF
ROBERT N. GOBRECHT IV

I, Robert N. Gobrecht IV, on behalf of the Bureau of Investigation and Enforcement, hereby verify that the documents identified as:

- I&E Statement No. 4 – Direct Testimony of Robert N. Gobrecht IV in both Proprietary and Non-Proprietary format
- I&E Exhibit No. 4 in both Proprietary and Non-Proprietary format
- I&E Statement No. 4-SR – Surrebuttal Testimony of Robert N. Gobrecht IV

were prepared by me or under my direct supervision and control. Furthermore, the facts contained therein are true and correct to the best of my knowledge, information and belief and I expect to be able to prove the same at an evidentiary hearing in this matter. This Verification is made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Robert N. Gobrecht IV

Robert N. Gobrecht IV
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Dated: 7/31/2026

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket No.: R-2026-3060855
v.	:	
	:	
Peoples Natural Gas Company	:	
	:	

DIRECT TESTIMONY

OF

Michael Deupree

On behalf of the

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

OCA Statement No. 1

Date Served: June 18, 2026

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Michael W. Deupree. My business address is 5800 One Perkins Place Drive, Suite 5-F, Baton Rouge, Louisiana, 70808.

Q. PLEASE STATE YOUR OCCUPATION AND CURRENT PLACE OF EMPLOYMENT?

A. I am a Senior Research Consultant with the Acadian Consulting Group ("ACG"), a research and consulting firm that specializes in the analysis of regulatory, economic, financial, accounting, statistical, and public policy issues associated with regulated and energy industries. ACG is a Louisiana-registered partnership, formed in 1995, and is located in Baton Rouge, Louisiana.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL QUALIFICATIONS.

A. I hold a Bachelor of Arts degree in Business Economics from Buena Vista University in Storm Lake, Iowa, and a Master of Arts degree in Economics from the University of Kansas in Lawrence, Kansas. I began my professional career with the Staff of the Kansas Corporation Commission in 2008 while in graduate school conducting analyses of topics related to energy and economy as a Research Assistant, eventually being promoted to a Research Analyst and later Senior Research Economist after graduation. I left the Kansas Corporation Commission to take a position with ACG in late 2011, where I have been promoted to positions of increasing responsibility since, including my current position which I started in mid-2021. Appendix A provides my professional resume, which includes a listing of my publications, presentations, pre-filed expert witness testimony, expert reports, and expert legislative testimony.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been retained by the Pennsylvania Office of Consumer Advocate ("OCA") to address matters related to the general rate case filed by Peoples Natural Gas Company ("Peoples" or the "Company"). I specifically have been asked to provide an overview of this case from a public policy perspective, and review issues related to alternative regulation and the Company's proposed Allocated Class Cost of Service Study ("ACOSS") and associated rate design.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring the following Exhibits MWD-1 through MWD-8.

- Exhibit MWD-1: Commission Alternative Regulation Consideration (§ 69.3302)
- Exhibit MWD-2: Survey of Approved Pennsylvania Natural Gas WNA Mechanisms
- Exhibit MWD-3: Summary of Results of Company's Proposed ACOSS
- Exhibit MWD-4: Correlation of Customers and Distribution Mains Additions
- Exhibit MWD-5: Summary of Results of Alternative ACOSS
- Exhibit MWD-6: Summary of Company's Proposed Revenue Allocation
- Exhibit MWD-7: Summary of Results of Alternative Revenue Allocation
- Exhibit MWD-8: Analysis of Customer-Related Costs

Q. PLEASE INTRODUCE OCA EXPERT WITNESSES AND SUMMARIZE THE TOPICS OF THEIR RESPECTIVE TESTIMONIES IN THIS PROCEEDING.

A. In addition to my testimony (OCA Statement 1), OCA is sponsoring the testimony of four additional expert witnesses in this proceeding. OCA Statement 2 includes findings regarding Peoples' revenue requirement and accounting adjustments by Mr. Jared N. Geiger; OCA Statement

3 includes findings regarding Peoples' rate of return and depreciation expense by Mr. David J. Garrett; OCA Statement 4 includes analysis of Peoples' rates on affordability, particularly in regard to low income customers by Mr. Roger Colton; and OCA Statement 5 includes a review of Peoples' customer service performance by Mr. Brendan Larkin-Connolly.

II. SUMMARY OF RECOMMENDATIONS

Q. WHAT IS YOUR RECOMMENDATION BASED ON CURRENT MACROECONOMIC CONDITIONS?

A. I recommend the Commission take into consideration current macroeconomic conditions, including consumer affordability concerns, when determining just and reasonable rates for the Company. Average Pennsylvanians are struggling with inflation and looking at potential additional burdens placed on them due to fallout from the conflict in the Persian Gulf. This while the Company has seen increasing stock prices for its shareholders and no obvious market distress. The Commission, in particular, should require some level of shared burden, balancing consumer affordability concerns with the financial interests of the Company. I have been advised by counsel that the OCA will argue in their legal briefs that the Commission should not grant Peoples any increase in this proceeding due to the substantial affordability concerns that consumers are facing.

Q. WHAT IS YOUR OVERALL RECOMMENDATION REGARDING REGULATORY LAG?

A. The Company has not demonstrated that the existing regulatory framework in Pennsylvania is failing to support timely and adequate cost recovery. Rather, the evidence suggests that regulatory lag is already being effectively managed. The Commission should reaffirm the value of regulatory lag as a structural feature of traditional ratemaking and recognize that further erosion of this principle is neither necessary nor justified in this case.

Q. WHAT IS YOUR POSITION ON THE CONTINUATION OF THE COMPANY'S WEATHER NORMALIZATION ADJUSTMENT?

A. I recommend that the Commission affirmatively discontinue Peoples' current weather normalization adjustment ("WNA") mechanism. The WNA is not required to address regulatory lag concerns of the Company given the Company's use of a fully projected future test year ("FPFTY") and distribution system investment charge ("DSIC").

Q. DO YOU HAVE ANY ALTERNATIVE PROPOSAL IF THE COMMISSION DECIDES TO CONTINUE THE WNA?

A. If the Commission decides to continue the WNA, I recommend that the Commission increase the deadband from three percent to five percent and eliminate the months of October and May from the WNA period. This would strengthen ratepayer protections and would furthermore make the Company's WNA pilot consistent with the recent WNA pilot the Commission approved for Columbia Gas of Pennsylvania (Columbia Gas).

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE CLASSIFICATION OF DISTRIBUTION MAINS INVESTMENT AND THE USE OF A MINIMUM SYSTEM STUDY IN ITS ALLOCATED COST OF SERVICE STUDY?

A. I recommend that the Commission reject the Company's proposed minimum system study ("MSS") approach. MSS and related zero-intercept studies that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in setting just and reasonable rates. In the alternative, I recommend that the Commission approve an alternative classification of distribution mains that incorporates a peak and average ("P&A") cost allocation method using weights based on the Company's test year system load factor. These

recommendations better reflect cost causation principles and provide a more reasonable basis for allocating costs among customer classes.

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE COMPANY'S PROPOSED REVENUE APPORTIONMENT?

A. I recommend the Commission adopt a more reasonable revenue apportionment method based on my alternative allocated cost of service study ("ACOSS") results that also limits the rate increase compared to the Company's proposed revenue allocation method. Specifically, I recommend that the Commission cap the proposed rate increase to any single customer class to no more than 1.15 times the system average increase. Second, I recommend that no class receive a rate increase less than 0.50 times the system average increase.

Q. WHAT ARE YOUR CUSTOMER CHARGE RECOMMENDATIONS AND CONCLUSIONS?

A. I recommend that the Commission reject the Company's proposed increase in residential and commercial customer charges. An analysis of customer-related costs finds that residential and commercial rate classes are currently recovering the majority of customer-related costs through monthly customer charges. The proposal would also negatively impact the public policy goals of energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in the case. The Commission should keep the Company's current customer charges for all customers.

III. CURRENT MACROECONOMIC TRENDS AND CONDITIONS

Q. WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THIS PROCEEDING?

A. The purpose of this case is to determine the "just and reasonable" rates for the Company under Chapter 13, and other provisions, of the Public Utility Code.

Q. WHAT ARE PUBLIC UTILITIES IN THE CONTEXT OF REGULATION?

A. Public utilities are considered in economics to be natural monopolies, specifically that the high capital cost associated with the establishment and operations of public utilities render having multiple competing services – as would be found in other industries – is economically inefficient and therefore not in the public interest. Regulation, therefore, is designed as a substitute for the disciplining forces that would be found in competitive markets that prevent an industry from using its unfettered monopolistic powers to set prices and conditions of service.

Q. AS A NON-LAWYER, HOW IS THE PHRASE "JUST AND REASONABLE" GENERALLY VIEWED IN THE CONTEXT OF REGULATION?

A. Regulators typically evaluate "just and reasonable" in the context of what is called a "zone of reasonableness." This inherently assumes that there is no one correct answer to the question of "just and reasonable," but instead requires regulators to balance the interest of several sectors of the public, including not only utility investors, but also the interests of the utility's customers (that itself is comprised of different classes of customers with different individual interests) and the public policy interests of local governments impacted by the utility's operations. Importantly, this framework of regulation implies that regulators must be cognizant of the larger macroeconomic conditions impacting the utility customers, and how this impacts customers' ability to afford utility service.

Q. HOW DOES THE CURRENT PROCEEDING COMPARE WITH THE COMPANY'S PREVIOUS RATE CASE?

A. On December 19, 2025, The Company requested a base rate increase of $163.2 million in the current proceeding.[1] This represents the first such requested increase since 2023, when the Company was authorized an approximate $93 million increase in rates. In the context of this prior rate increase, ratepayers will see a total rate increase of 11.1 percent.[2] Combined, Company ratepayers will have seen a $256.2 million, or nearly 30.6 percent, increase in total rate revenues in less than three years if the Company's proposed rate increase is approved as proposed.

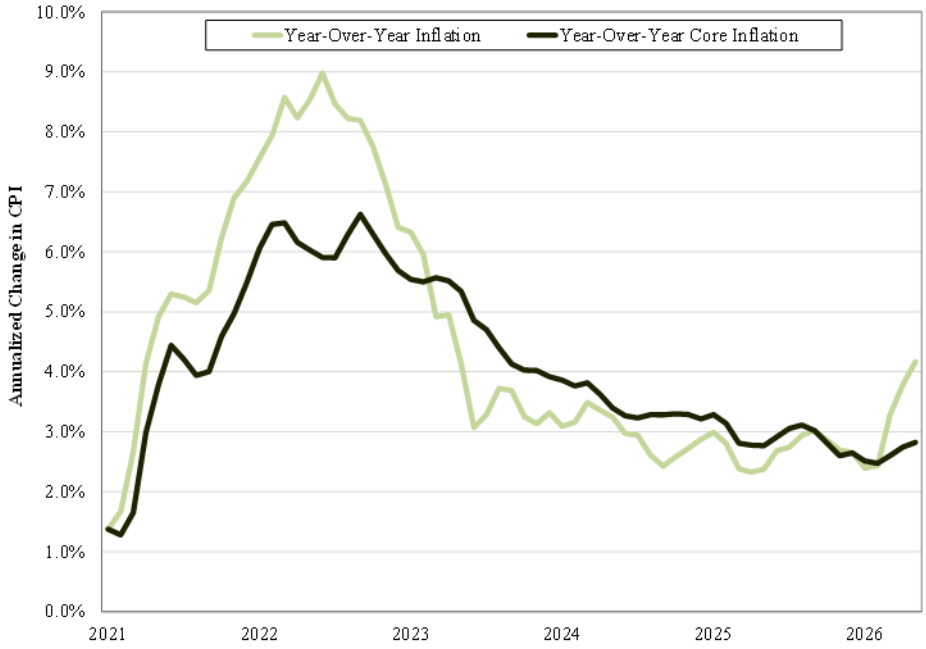
Q. WHAT DO YOU MEAN BY AFFORDABILITY CONCERNS?

A. By affordability concerns, I mean the increasing burden on residential customers when utility costs are added to already elevated household expenses. Utility rate increases do not occur in a vacuum. Consumers experience utility rate increases alongside the ongoing price increases of food, housing, transportation, childcare, and other necessities. These concerns are especially acute for low-income households who devote a larger portion of their income to these necessities. PNG appears to recognize this concern and has adopted a Customer Assistance Program ("CAP") to reduce utility bills for participating low-income customers with high energy burdens. However, even households that do not qualify for CAP face mounting pressure as wages fail to keep pace with the cost of living. It is for this reason that broader consumer price conditions must be considered when evaluating the appropriateness of the rate increases proposed in this proceeding.

[1] Direct Testimony of Michael Huwar at 3:1-2.

[2] *Pennsylvania Public Utilities Commission v. Peoples Natural Gas Company, LLC;* Docket No. R-2023-3044549, Opinion and Order at 1.

Figure 1: Monthly Growth in CPI

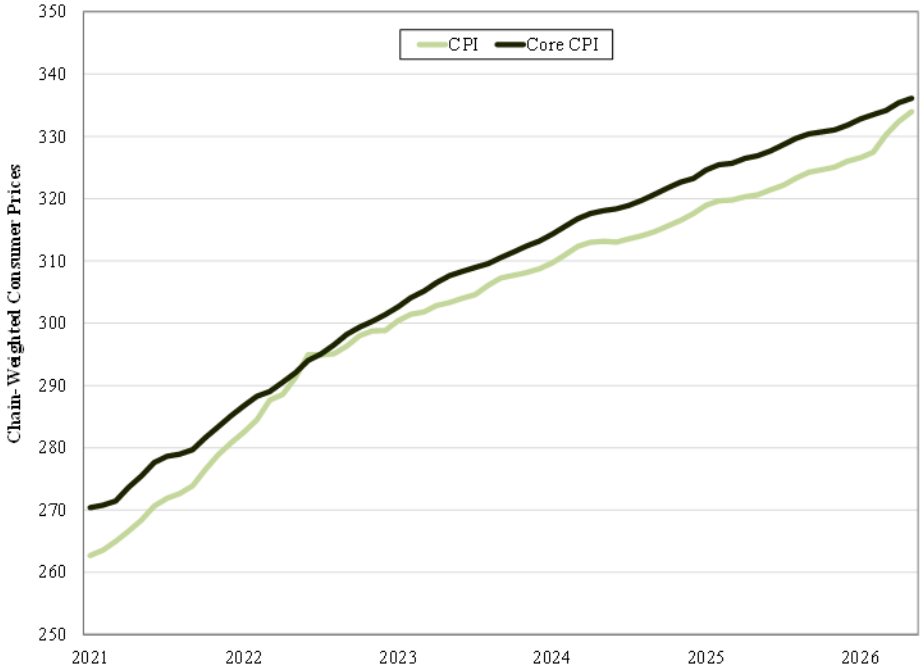


Source: Bureau of Labor Statistics

Q. IS THERE ANY EVIDENCE OF RISING PRICES IN CONSUMER PRODUCTS?

A. Yes. One commonly used measure of changes in the prices of goods and services is the Consumer Price Index ("CPI"), which is published by the U.S. Bureau of Labor Statistics ("BLS"). CPI measures changes over time in the prices consumers pay for a representative basket of goods and services, including food, energy, transportation, shelter, and other commodities. While the annualized growth in CPI has fallen from the highs that were seen in the immediate aftermath of the 2020 pandemic, it should be recognized that CPI is still elevated, reaching 4.2 percent in May 2026. This is well above the Federal Reserve's annual inflation target of 2.0 percent.

Figure 2: Consumer Price Index



Source: Bureau of Labor Statistics

Q. DOES THE MODERATING OF CPI GROWTH RATE FROM ITS HIGHS IMMEDIATELY FOLLOWING THE 2020 PANDEMIC MEAN THAT CONSUMER PRICES HAVE FALLEN?

A. No. It is important to recognize that CPI is reported monthly in terms of an annualized increase in consumer prices, meaning that a decline in the monthly 'headline' CPI (i.e. the month-to-month CPI growth rate often reported in the news) does not mean that consumer prices have decreased, but rather that the rate of growth in consumer prices has slowed. Figure 2 shows that overall, consumer prices have been continually increasing since at least 2021, even while the rate of growth has somewhat stabilized. Over the period January 2021 to January 2026, overall consumer prices increased 24.3 percent. Likewise, "core inflation" – which remove volatile energy and food prices – increased nearly 23.1 percent, indicating that growth in consumer prices since January 2021 are not driven by temporary shocks to energy and food prices, but rather represent systemic inflation that will persist for many years.

Q. HAS THE FEDERAL RESERVE MADE ANY STATEMENTS REGARDING RECENT INFLATION?

A. Yes. Former Chairman Jerome Powell addressed this in a recent press conference on March 18, 2026. The Federal Reserve's preferred measure of inflation is the Personal Consumption Expenditures Price Index ("PCE"), a related, but generally broader, measure of consumer inflation similar to CPI that is produced by the U.S. Bureau of Economic Analysis ("BEA"). Specifically, CPI is limited to out-of-pocket spending on goods and services by urban households while PCE extends this "basket of goods" to include rural households and third-party expenses on the consumer's behalf, such as employer-provided health insurance, Medicare and Medicaid.[3] Chairman Powell stated that estimates indicate that over the twelve months ending in February 2026, PCE and Core PCE prices rose by 2.8 percent and 3.0 percent, respectively.[4]

Q. HAS THE FEDERAL RESERVE RELEASED ANY INFLATION PROJECTIONS FOR 2026?

A. Yes. In the same press conference referenced above, former Chairman Powell stated that the median PCE projection for 2026 is 2.7 percent.[5] Total PCE inflation of 2.7 percent would be 70 basis points above the Federal Reserve's 2.0 percent longer-run inflation goal. This is important because the Federal Reserve's own outlook has inflation above target levels in 2026. This means that consumers are expected to continue dealing with increasing pressures on their cost of living.

[3] Inflation – Measuring the cost of living: The CPI versus the PCE price index," Cleveland Federal Reserve, Center for Inflation Research; note that changes in annual PCE inflation on average have been 0.39 percent than changes in annual CPI inflation.

[4] Board of Governors of the Federal Reserve System, Transcript of Chair Powell's Press Conference, Mar. 18, 2026, at 2.

[5] *Id.*

Q. ARE THERE ANY OTHER REPUTABLE INFLATION PROJECTIONS?

A. Yes. The Federal Reserve Bank of Philadelphia releases the Survey of Professional Forecasters, which includes inflation projections. In the Second Quarter 2026 Survey, released on May 15, 2026, the forecasters project that CPI and core CPI will rise 3.5 and 2.9 percent, respectively. [6] This is measured on a fourth-quarter-over-fourth-quarter basis. This suggests that professional forecasters also expect inflation to remain elevated enough to affect affordability.

Q. WHAT IS THE EFFECT OF THIS CONTINUOUSLY INFLATIONARY PROCESS?

A. This continuous inflationary process means that when prices rise at abnormally high levels, there must be compensatory periods of lower levels for inflation to return to its long-term average. For example, if the average annual inflation rate is two percent, then a year with three percent inflation would need to be followed by a year with approximately one percent inflation to return to the average trend. Even though present inflation is below the levels seen in 2022 and 2023, it is still above two percent, so there must be periods below this target to return to the long-term average. Until the economy experiences these off-setting low inflationary periods, consumers must bear the cumulative effects of the price level rising more quickly than its average trend.

Q. HAVE ENERGY-RELATED PRICES ALSO CONTRIBUTED TO AFFORDABILITY PRESSURE?

A. Yes. Pennsylvania consumers are currently experiencing financial pressure from all aspects of the energy market. Wholesale electricity prices in the PJM western hub, for example, increased 48.8 percent on average from 2024 to 2025. Likewise, Pennsylvania citygate natural

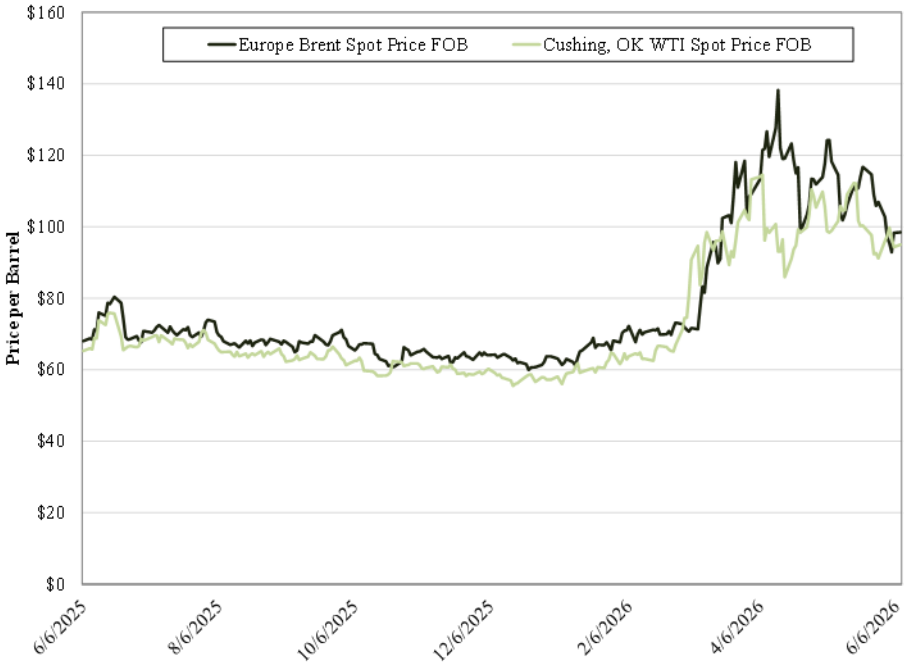
[6] Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, Second Quarter 2026, released May 15, 2026, at 4.

gas prices increased 2.8 percent from December 2024 to December 2025 on the back of a nearly 41.9 percent increase in wholesale natural gas prices during the same period.

Q. HAVE ANY RECENT DEVELOPMENTS INCREASED MARKET UNCERTAINTY?

A. Yes. Recent geopolitical and macroeconomic developments have increased uncertainty in energy markets and prices in a way that is relevant to consumer affordability. The most notable of these is the geopolitical conflict in the Persian Gulf affecting energy prices. Currently it is unknown what the lasting impact of this conflict will have on global markets, as this will be heavily influenced by how long the conflict continues. However, initial impacts on international and domestic markets present a word of caution.

Figure 3: Crude Oil Prices



Source: S&P Global

Q. HOW HAS CONFLICT IN THE PERSIAN GULF AFFECTED MARKET UNCERTAINTY?

A. As shown in Figure 3 above, the conflict in the Persian Gulf has contributed to recent elevated crude oil prices in both international and domestic markets. International crude oil prices measured at the Brent hub in the North Sea has increased by more than 36.7 percent since the beginning of the recent conflict. Likewise, domestic crude oil prices measured in terms of West Texas Intermediate ("WTI") have increased by nearly 27.6 percent since the beginning of the recent conflict. Both indexes are now trading around $100 per barrel, well above the historic range of $60-$80 per barrel that is normally seen for these commodities.

Q. WHY ARE INCREASES IN CRUDE OIL PRICES IMPORTANT TO THE CONTEXT OF THE CURRENT RATE PROCEEDING?

A. The observed increase in crude oil prices shows how price shocks caused by the conflict in the Persian Gulf will likely filter through the larger macroeconomy. While the US does not purchase significant volumes of crude from the Persian Gulf anymore, the Persian Gulf is a major supplier of crude oil internationally, and crude oil is an international commodity. Therefore, domestic crude prices have already increased to reflect the knowledge that domestic supplies will be diverted in the international marketplace to take up the slack from constrained international supplies. Besides directly impacting Pennsylvanians through higher retail gasoline prices, higher crude prices will likely impact other aspects of the daily lives of Pennsylvanians already struggling under lingering inflation concerns. In fact, the Energy Information Administration recently found that domestic gasoline prices are now more closely tied to Brent Oil prices than WTI prices.[7]

Q. COULD INCREASED OIL PRICES AFFECT AFFORDABILITY CONCERNS FOR PEOPLES CUSTOMERS?

[7] U.S. Energy Information Administration, "U.S. gasoline prices move with Brent rather than WTI crude oil," Today in Energy, dated Nov. 3, 2014.

A. Yes. First, the conflict in the Persian Gulf has restricted the flow of not only crude oil, but also Liquified Natural Gas ("LNG") supplies from the Persian Gulf to consumers in Asia. It is likely that these consumers will turn to alternative supplies from the US as stored supplies dwindle. This will, in turn, place upward pressures on wholesale natural gas prices in the US as more natural gas is diverted to international supplies. Likewise, higher crude oil prices will lead to higher refined gasoline and diesel prices which themselves will lead to higher retail prices due to increased transportation costs. In the same Federal Reserve press conference discussed earlier, Chairman Powell stated that these elevated energy prices will push up overall inflation in the near term, but the scope and duration of these effects are uncertain.[8]

Q. IS THERE SIGNIFICANT UNCERTAINTY REGARDING HOW THE CURRENT CONFLICT WILL IMPACT THE ECONOMY?

A. Yes. As stated earlier, the ultimate impact of the recent conflict in the Persian Gulf is hard to predict because it is heavily determined by the ultimate length of the conflict, and how quickly international commodity markets can return to normal. There have recently been statements made that suggest that a settlement resolving the current standoff is close at hand. However, at the time of filing this testimony details regarding this settlement are not available, nor is it known if the current settlement will have sufficient longevity to allow markets to return to normal. Indeed, former Chairman Powell when asked if he believed the oil shock would be temporary, replied, "So, and the thing I really want to emphasize is that nobody knows. The economics effect could

[8] Board of Governors of the Federal Reserve System, Transcript of Chair Powell's Press Conference, Mar. 18, 2026, at 2.

be bigger, they could be smaller, they could be much smaller or much bigger. We just don't know."[9]

Q. WHAT DOES THE SURVEY OF PROFESSIONAL ECONOMISTS INDICATE?

A. The most recent survey presented a mixed picture. Forecasters increased their annual-average real GDP forecast for 2026 from 1.8 percent to 2.5 percent. However, they continued to assign a meaningful probability to a negative quarter of real GDP growth in 2026, with mean probabilities ranging from approximately 17.8 percent to 22.7 percent over the four quarters.[10] Assuming that each of these four probabilities is independent for illustrative purposes, this forecasts a 60.1 percent likelihood of a negative real GDP growth quarter in 2026. In my view, that does not establish that a recession is likely, but it does suggest that the outlook remains uncertain enough to support caution.

Q. HAVE TARIFFS ALSO AFFECTED AFFORDABILITY CONCERNS?

A. Although often lost in the current discussion regarding price concerns caused by the recent conflict in the Persian Gulf, it should be recognized that markets are also still dealing with uncertainty from recent tariffs placed on imports. Former Chairman Powell stated that of the Federal Reserve's 3.0 percent core inflation estimate, between .50 and .75 percentage points are due to tariffs.[11] Federal Reserve materials indicate that those effects developed gradually rather

[9] Board of Governors of the Federal Reserve System, Transcript of Chair Powell's Press Conference, Mar. 18, 2026, at 6.

[10] Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, First Quarter 2026, at 1, 6.

[11] Board of Governors of the Federal Reserve System, Transcript of Chair Powell's Press Conference, Mar. 18, 2026, at 4.

than as a single price spike, and that some of the tariff increases were passed through to consumers.[12]

Figure 4: Peoples Natural Gas Stock Price

Source: S&P Global

Q. HAS THE CURRENT FINANCIAL UNCERTAINTY CAUSED FINANCIAL STRUGGLES FOR THE COMPANY?

A. No, it does not appear that the Company has experienced financial struggles due to current macroeconomic uncertainty. On a weekly basis through mid-2026, Essential Utilities, Peoples' parent entity, has seen its common stock trade at approximately $37 to $38 per share, a level consistent with the range observed throughout 2024 and 2025. While the stock has declined from its peak of approximately $52 per share in early 2022, recent weekly trading data reflects a period of relative stability rather than acute market distress. This indicates that the Company is not in a position of obvious financial struggle attributable to recent economic uncertainty.

[12] Board of Governors of the Federal Reserve System, The Slow Climb: How Tariffs Gradually Raised Retail Prices in 2025, FEDS Notes, March 5, 2026.

Q. HAVE OTHER PROMINENT FIGURES EXPRESSED SIMILAR CONCERNS IN PENNSYLVANIA RECENTLY REGARDING THE NEED TO SCRUTINIZE UTILITY RATE CASE PROPOSALS IN LIGHT OF AFFORDABILITY CONCERNS?

A. Yes. On April 29, 2026, Governor Josh Shapiro issued an open letter to utility leaders and the Commission arguing that customers across the Commonwealth are experiencing higher utility costs, and that rising utility bills have become a driver of inflation.[13] Governor Shapiro stated that utilities must seek ways of procuring capital to finance investments in more affordable ways, conscious of the utility burdens facing many consumers across the Commonwealth.[14] In this, Governor Shapiro's message appears to be that utilities and the Commission should balance consumer affordability concerns with the financial interests of utilities when determining just and reasonable rates for the Company. Likewise, subsequent to withdrawing a proposed increase in rates for its electric and gas operations, David Vahos, the president and chief executive officer ("CEO") of PECO Energy Company ("PECO") stated that PECO's decision to withdraw was based on customer affordability considerations.

> While our filing with the [Commission] would have provided needed improvements in safe and reliable energy delivery, we recognize that Pennsylvanians are struggling with basic necessities like gas, food, and energy and have decided to withdraw our proposal.[15]

Q. DID GOVERNOR SHAPIRO MAKE ANY DIRECT STATEMENT REGARDING CHANGES HE BELIEVED NEEDED TO BE MADE IN UTILITY OPERATIONS?

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[13] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 1.

[14] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 1.

[15] PECO Communications (April 16, 2026), "PECO Withdraws Electric and Natural Gas Regulatory Rate Review Filings to Prioritize Customer Affordability."

A. Yes. Governor Shapiro's open letter to utility leaders and the Commission contained three specific action items. First, the Governor argued that utilities should seek to raise the most cost-effective forms of capital available.[16] The Governor noted that, given the low risk profile of monopolistic utilities, debt should normally represent a clear majority of a utility's capital structure. The Governor specifically noted that a utility requesting a capital structure that is more equity-focused than its parent holding company should require "extraordinary justification" to receive support.[17] The Governor secondly suggested that proposals for new capital investments should be accompanied by clear language identifying why the proposed investments are necessary. In this, the Governor suggested that utilities include transparent data identifying specific reliability or safety concerns that will be addressed by the proposed investment, and cost benefit analyses demonstrating that the proposed investment will produce savings or reliability benefits in excess of costs to consumers.[18] Finally, the Governor's last action item pertained to negotiated settlements wherein the Governor asked for greater transparency and less reliance on "black box" settlements. Importantly, this last action item is not relevant in consideration of a utility rate change proposal.[19]

Q. PLEASE SUMMARIZE THE COMPANY'S REQUESTED COST OF CAPITAL IN THE CURRENT PROCEEDING.

A. OCA witness Garrett presents OCA's analysis of the Company's proposed cost of capital in detail. However, at a high level, the Company requests an allowed Return on Equity ("ROE")

[16] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 2.

[17] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 2.

[18] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 2.

[19] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 3.

of 11.25 percent[20] with a capital structure comprised of 45.43 percent long-term debt and 54.47 percent common equity.[21]

Q. IS THE COMPANY'S PROPOSED COST OF CAPITAL CONSISTENT WITH THE CONCERNS EXPRESSED BY GOVERNOR SHAPIRO IN HIS OPEN LETTER?

A. Yes. On June 4, 2026, the yield on 10-year U.S. Treasuries reached 4.47 percent, the highest rate seen in about a year.[22] Yet, the Company's proposed ROE represents a full 678 basis in excess of this already elevated rate. This is generally consistent with the Governor's observations that Pennsylvania utilities, on average, were requesting ROEs that were a "staggering" 682 basis points above 10-year Treasury rates.[23] Likewise, the Company's parent, Essential Utilities, Inc. capital structure as of December 31, 2025, was 54.4 percent long-term debt and 45.6 percent common equity.[24] This means that Essential Utilities, Inc. capital structure is far less equity focused when compared to People's proposed capital structure.

Q. WHAT IS YOUR RECOMMENDATION BASED ON CURRENT MACROECONOMIC CONDITIONS?

A. I recommend that the Commission take into consideration current macroeconomic conditions, including consumer affordability concerns, when determining just and reasonable rates for the Company. Average Pennsylvanians are still struggling with lingering inflation concerns besides looking at potential additional concerns placed on them due to the current conflict in the

[20] Direct Testimony of Jennifer E. Nelson at 5, Figure 1.

[21] Direct Testimony of Jennifer E. Nelson at 5:11.

[22] Board of Governors of the Federal Reserve System, FRED database, Federal Reserve Bank of St. Louis.

[23] Open Letter dated April 29, 2026, from Governor Josh Shapiro to Utility Leaders, at 2.

[24] Essential Utilities, Inc. 2025 Annual Report, Essential Utilities, Inc. and Subsidiaries: Management's Discussion and Analysis of Financial Condition and Results of Operations at 23.

Persian Gulf. At the same time, Peoples' weekly stock price has remained relatively stable in recent periods with no obvious signs of market distress. Because the Company does not appear to be in a position of financial struggle, the Commission should require some level of shared burden, balancing the financial interests of the Company against the very real affordability concerns facing its ratepayers.

IV. REGULATORY LAG

Q. PLEASE DISCUSS THE COMPANY'S REVENUE STABILITY CONCERNS.

A. The Company's testimony reflects a critical focus on improving revenue stability and predictability under a rate structure that recovers a substantial portion of fixed distribution costs through volumetric charges. The Company explains that weather-driven usage fluctuations can result in periods of under-recovery during warmer-than-normal conditions and over-recovery during colder-than-normal conditions.[25] To address this variability, the Company relies on its WNA, a Commission-approved mechanism originally established in the Company's 2023 rate case.[26] The Company also states that the primary purpose of the WNA is to stabilize the recovery of authorized distribution revenues while simultaneously moderating the bill impacts of weather variability for customers.[27]

Q. DOES THE COMPANY ALREADY HAVE MECHANISMS IN PLACE THAT REDUCE REGULATORY LAG?

A. Yes. The Company has already implemented several mechanisms that meaningfully reduce regulatory lag and support timely cost recovery. First, the Company proposed to use a

[25] Direct Testimony of John D. Taylor, Company St. 17 at 38:3-6.

[26] Direct Testimony of John D. Taylor, Company St. 17 at 39:10-12.

[27] Direct Testimony of Michael Huwar, Company St. 1 at 31:11-14.

FPFTY in this proceeding, consistent with its approach in its prior base rate case, which better aligns projected revenues with anticipated costs during the rate period.[28] Second, the Company has implemented a DSIC, which provides a vehicle for interim recovery of qualifying capital expenditures made between base rate cases, [29] thereby reducing the gap between investment and recovery. These tools provide the Company with multiple avenues to manage regulatory lag and ensure timely cost recovery. The continuation of the WNA would further enhance this framework.

Q. DO CHANGES IN CUSTOMER USAGE NECESSARILY REFLECT REGULATORY LAG?

A. No. Declines in usage can result from a range of factors, including efficiency measures, economic conditions, or customer behavior. These changes are not inherently problematic and do not, by themselves, create regulatory lag. Moreover, if usage declines are accompanied by stable or declining costs, there may be no mismatch that requires correction.

Q. PLEASE DEFINE REGULATORY LAG.

A. Regulatory lag can be defined in several different ways. One definition holds that regulatory lag is the time period between when a utility's rates go into effect, following an evidentiary hearing process and its next rate case.[30] Another definition holds that regulatory lag can be represented as the period between when a utility investment is undertaken and the time it enters into rates.[31] Yet another definition holds that regulatory lag is the time period in which a

[28] Direct Testimony of Michael Huwar, Company St. 1 at 4:2-4.

[29] Direct Testimony of Michael Huwar, Company St. 1 at 35:8-10.

[30] Scott E. Atkinson and Clifford Nowell. (1994). "Explaining Regulatory Commission Behavior in the Electric Utility Industry." *Southern Economic Journal*. Vol. 60, No. 3: 634-643.

[31] Elizabeth E. Bailey and Roger D. Coleman.(1971). "The Effect of Lagged Regulation in an Averch- Johnson Model." *Bell Journal of Economics and Management Sciences*. 2 (Spring): 278-292.

utility's achieved rate of return differs from that allowed by regulators.[32] At the heart of all these definitions is one theme: the frequency and timing of rate cases can impact utility earnings, positively or negatively.

Q. IN UTILITY RATE REGULATION, WHICH PARTY CONTROLS REGULATORY LAG OR THE DURATION OF TIME BETWEEN RATE CASES?

A. Typically, utilities control the duration between rate cases. In most states, utilities have the statutory ability to request rate increases if they believe that their rates are not affording them the opportunity to earn a fair return on and of their investments and prudently incurred costs. While state utility commissions and other stakeholders can, in theory, request a utility be "brought in" for a rate case, my experience is, and research indicates, that this event rarely happens. For instance, research on the topic of regulatory lag conducted in the early 1980s by Ronald Braeutigam and James Quirk, surveyed state utility rate cases during the period 1948 to 1978 and found that over 350 of the 363 surveyed rate cases (96 percent) were brought by a regulated utility, with the smaller number attributable to regulators or consumer groups.[33] While this is an older, dated study, the results are likely to ring true even over the past two decades.

Q. DOES A UTILITY'S ABILITY TO DETERMINE THE TIMING OF A RATE CASE SHIFT A CERTAIN DEGREE OF REGULATORY RISK ONTO RATEPAYERS?

A. Yes. When the timing of a rate case is left in the hands of the utility, it has the ability to effectively shift the risk of regulation and regulatory lag away from itself and onto ratepayers. The option to request higher rates by utilities, in effect, creates a price floor that buttresses a utility's

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[32] A.K. Klevorick. (1973). "The Behavior of a Firm Subject to Stochastic Regulatory Review," *Bell Journal of Economics and Management Science* 4 (Spring): 82.

[33] Graeme Guthrie. (2006) "Regulating Infrastructure: The Impact on Risk and Investment." *Journal of Economic Literature*. 44 (December): 933.

value.[34] This price floor allows shareholders to retain benefits created by regulatory lag (*i.e.*, earning an actual rate of return that is higher than the authorized rate of return or over-earning), as well as the option to defend against challenges to those benefits through the timing of a rate case. Paul Joskow, writing as early as 1973, concluded in a frequently referenced regulatory article, that utility commissions tend to defend against rate increases, but are less aggressive in pursuing rate decreases when rates are stable or decreasing in real terms.[35] This outcome has often been thought to have occurred in the post-war period until about the late 1960s, and arguably throughout the 1990s.

Q. IS REGULATORY LAG UNFAIR OR CONFISCATORY TO UTILITIES?

A. No. The premise that regulatory lag is somehow unfair is simply antithetical to most of the research in utility regulation over the past 50 years. Regulatory lag has long been recognized as a key component of the overall regulatory compact given the discipline it can impose on utility operational and investment decisions. Regulation acts as a substitute for the disciplines of competition.[36] Regulatory lag prevents utility regulation from devolving into a "cost-plus" approach that simply passes through costs on a dollar-for-dollar basis to ratepayers and can lead to cost and investment inefficiencies. The cost-plus regulatory approach also shifts a considerable amount of performance-related risk away from utilities and onto ratepayers and leads to inefficient outcomes, which was recognized as early as the 1960s and has come to be known as the "Averch-Johnson" or "A-J" effect.

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[34] Graeme Guthrie. (2006) "Regulating Infrastructure: The Impact on Risk and Investment." *Journal of Economic Literature*. 44 (December):925-972.

[35] Paul L. Joskow. (1973) "Pricing Decisions of Regulated Firms: A Behavioral Approach." *The Bell Journal of Economics and Management Science*. 4 (Spring):118-140.

[36] Charles F. Phillips, *The Regulation of Public Utilities: Theory and Practice*, (Arlington, VA: Public Utilities Reports, Inc., 1984), p. 154.

Q. HOW ARE THE CONCLUSIONS REGARDING REGULATORY LAG RELATED TO WHAT IS COMMONLY REFERRED TO AS THE "A-J EFFECT"?

A. In the early 1960s, a seminal article was published that dramatically influenced the theory and practice of utility regulation and economic thinking regarding the optimal regulation of natural monopolies. This article, authored by Professors Harvey Averch and Leland Johnson, and published in the *American Economic Review* in 1962, posited that rate of return regulation creates an incentive for regulated utilities to overcapitalize, resulting in an inefficient utilization of resources and higher-than-optimal rates.[37] This finding; however, was premised upon a model with a number of assumptions, one of which presumed there was no regulatory lag and that rates were set on a period-to-period basis. In other words, rates were set on a "cost-plus" regulatory approach.

Q. HOW IS REGULATORY LAG RELATED TO THIS RESEARCH?

A. Soon after its publication, Averch and Johnson's article was met with a flurry of scholarly research attempting to empirically verify the A-J effect, as well as examining the conditions under which the effect would, and would not, be sustained.[38] Rejoinders to the research noted that two characteristics of the regulatory process tended to temper the likelihood and prevalence of the A-J effect: (1) the possibility of disallowances through the prudence review process[39] and (2) the

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[37] H. Averch and L. Johnson. (1962) "Behavior of the Firm under Regulatory Constraint," *American Economic Review*. 52:1052-1069.

[38] These works are surveyed in Graeme Guthrie. (2006). "Regulating Infrastructure: The Impact on Risk and Investment." *Journal of Economic Literature*. 44 (December):925-972.

[39] A.K. Klevorick. (1973). "The Behavior of a Firm Subject to Stochastic Regulatory Review," *Bell Journal of Economics and Management Science.* 4 (Spring): 82. P. Joskow. (1974). "Inflation and Environmental Concern: Structural Change in the Process of Public Utility Regulation." *Journal of Law and Economics*, Vol. 17: 291-327. R.J. Gilbert and D.M. Newbery.(1988). *Regulation Games*. Working Paper 8879, University of California Berkeley, June 16.T.P. Lyons. (1991.) "Regulation with 20-20 Hindsight: 'Heads I Win, Tails You Lose'?" *Rand Journal of Economics*. Vol. 22 (Winter): 581-595.

positive efficiency incentives created by regulatory lag.[40] In fact, a series of articles published soon afterwards noted that regulatory lag typically creates incentives for utilities to seek efficiency opportunities between rate cases since the gains (profits) from those investments inure to shareholders instead of ratepayers.[41]

Q. HOW DID THE FINDINGS IDENTIFYING THE BENEFITS OF REGULATORY LAG ARISE?

A. One of the earliest works on the impact of regulatory lag was published in 1971 by William Baumol and Alvin Klevorick.[42] Their work was the first of what was to become a series of articles showing that regulatory lag actually diminished incentives for overcapitalization, since the earnings gained by avoiding these inefficient actions passed directly to shareholders. Soon after, Klevorick, writing separately from Baumol, built upon this model by explaining how multi-year regulatory lags, coupled with demand and cost uncertainty, created strong incentives for efficiency to maintain profitability.[43] One of his additional findings at the time, however, was that these incentives might also discourage regulated firms from investing in research and development.

Q. HOW IS THIS DISCUSSION RELEVANT TO THE COMPANY'S CURRENT FILING?

A. The Company's filing focuses on concerns related to revenue variability and stability. However, as discussed above, regulatory lag can serve a beneficial regulatory function and does

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[40] Elizabeth E. Bailey and Roger D. Coleman.(1971). "The Effect of Lagged Regulation in an Averch- Johnson Model."*Bell Journal of Economics and Management Sciences*. 2 (Spring): 278-292.

[41] W.K. Viscusi, J.M. Vernon, J.R. Harrington, Jr. (1997) *Economics of Regulation and Antitrust*, Second Edition. Cambridge: MA: MIT Press, 380. See also the works surveyed in Graeme Guthrie. (2006). "Regulating Infrastructure: The Impact on Risk and Investment." *Journal of Economic Literature*. 44 (December):925-972.

[42] William J. Baumol and Alvin K. Klevorick. (1970). "Input Choices and Rate-of-Return Regulation: An Overview of the Discussion." *The Bell Journal of Economics and Management Science*. 1 (Autumn):162-190.

[43] A.K. Klevorick. (1973). "The Behavior of a Firm Subject to Stochastic Regulatory Review," *Bell Journal of Economics and Management Science.* 4 (Spring): 82.

not, by itself, indicate a structural problem. The Company's ability to file rate cases at will, utilize a WNA, utilize FPFTYs (including allowing end-year rate base calculations as opposed to average rate base over the FPFTY), and recover infrastructure costs through the DSIC already provide mechanisms to reduce lag. As such, the insinuation that regulatory lag is a barrier to fair return is inconsistent with both its regulatory tools and academic literature.

Q. DOES REGULATORY LAG, WHILE ENCOURAGING EFFICIENCY, DISCOURAGE INNOVATION?

A. No. Interestingly, this notion is a myth that arises in the practice of public utility regulation but is debunked by several academic articles. Elizabeth Bailey, who also served as an economic researcher at Bell Laboratories, addressed this issue originally raised by Klevorick during this active period of regulatory scholarship in the 1960s and 1970s. Bailey found that regulatory lag helped to facilitate, not reduce, the incentives for cost-reducing innovations.[44] Bailey's work built upon earlier work that she did with Roger Coleman in 1971 that further supported the conclusions of Baumol and Klevorick, that regulatory lag induces profit-maximizing firms to adopt minimum-cost production alternatives.[45]

Q. ARE THERE ANY PARALLELS AMONG REGULATORY LAG, INNOVATION, RELIABILITY, AND SAFETY?

A. Yes. The Company links its increased capital investments for safety, reliability, and system modernization to concerns about revenue stability under its current rate design. However, it should be recognized that the key benefits of regulatory lag are the weakening of the natural incentive for

[44] Elizabeth E. Bailey. (1974). "Innovation and Regulation." *Journal of Public Economics*. 3: 285-295.

[45] Elizabeth E. Bailey and Roger D. Coleman.(1971). "The Effect of Lagged Regulation in an Averch- Johnson Model." *Bell Journal of Economics and Management Sciences*. 2 (Spring): 278-292.

a utility to over-capitalize and the strengthening of the natural incentive for a utility to minimize production costs in order to increase shareholder profits.

Q. PLEASE EXPLAIN THE TERM "REGULATORY COMPACT."

A. The regulatory compact, as it is generally referred to in a regulatory policy context, allows utilities the opportunity to earn a fair rate of return of and on their investments as well as their prudently incurred costs. In return, utilities are expected to provide safe, adequate, efficient, and reasonable service and facilities at just and reasonable rates.

Q. HAVE ANY STUDIES LOOKED AT THE IMPACT OF REGULATORY LAG FROM A BROAD INDUSTRY-WIDE PERSPECTIVE DURING THESE PAST PERIODS?

A. Yes, there have been a few studies that have examined regulatory lag during the inflationary period of the 1970s. The conclusions are mixed. Seth Norton, for instance, conducted empirical research examining 45 utilities over a period from 1945 to 1974. The period spans both the high-growth, high-productivity, low-cost periods for the industry prior to 1970 and the inflationary low-growth periods throughout the 1970s. According to Norton, there were no significant financial impediments or opportunities created by regulatory lag in any of these periods.[46]

Q. WILL THE COMPANY'S PROPOSALS SHIFT ANY RISKS AWAY FROM ITSELF AND ONTO RATEPAYERS?

A. Yes. The Company's proposals are designed to insulate the Company from fluctuations in weather-related variability. By guaranteeing recovery of authorized revenues regardless of actual

[46] Seth W. Norton, (1987), "In Search of Regulatory Lag," *Quarterly Journal of Business and Economics*, Vol. 26 No. 4 (Autumn): 3-16.

customer consumption, these mechanisms significantly reduce the Company's exposure to traditional business risks. As a result, the risk of revenue underperformance due to declining sales or unseasonably warm weather is shifted entirely onto ratepayers. Importantly, the Company has not proposed any corresponding ratepayer protections such as earnings tests, revenue caps, or performance incentives. This asymmetric risk allocation leaves ratepayers exposed to upward rate adjustments without any assurance of offsetting benefits or improved utility performance.

Q. PLEASE EXPLAIN HOW REGULATORY RISK IS SHIFTED TO RATEPAYERS.

A. As I discussed above, utilities typically control the timing of rate case filings. Accordingly, utilities enjoy the ability to request higher rates, as well as the protection afforded by a price floor that allows shareholders to retain benefits (*i.e.*, over-earning) created by regulatory lag. Thus, in times of over-earning, risk is shifted to ratepayers because utilities are not likely to elect to file a rate case. In times where a utility is under-earning, risk also is shifted to ratepayers because the utility can file for a rate increase.

Q. DOES THE PRESENCE OF REGULATORY LAG CREATE ANY POLICY SUPPORT FOR THE COMPANY'S PROPOSALS?

A. No. The presence of regulatory lag in and of itself does not create policy justification for the Company's proposals. Regulatory lag can lead to both costs and benefits for a regulated utility. The Company's proposals are incorrectly premised upon a presumption that regulatory lag is bad and always will be bad. Regulatory lag creates opportunities for utilities to achieve gains as well as losses. The simple fact that regulatory lag creates "opportunities" and not guarantees, is one of the reasons why regulatory lag is considered efficiency enhancing. There is a long and rich history in the practice and theory of utility regulation supporting these efficiency-enhancing conclusions. Thus, there is no inherent policy rationale supporting the Company's proposals. If anything, past

thought and practice in utility regulation supports rejection of proposals of this nature on a policy basis.

Q. WHAT IS YOUR OVERALL RECOMMENDATION REGARDING REGULATORY LAG?

A. The Company has not demonstrated that the existing regulatory framework in Pennsylvania is failing to support timely and adequate cost recovery. Rather, the evidence suggests that regulatory lag is already being effectively managed. The Commission should reaffirm the value of regulatory lag as a structural feature of traditional ratemaking and recognize that further erosion of this principle is neither necessary nor justified in this case.

V. WEATHER NORMALIZATION PROPOSAL

Q PLEASE DISCUSS PEOPLES' WNA.

A. Peoples' WNA is a Commission-approved adjustment mechanism that reconciles distribution revenues to the level that would have been collected under normal weather conditions.[47] It compares actual heating degree days ("AHDDs") to normal heating degree days ("NHDDs") embedded in base rates and adjusts revenues for deviations during the heating season. The mechanism operates symmetrically, producing surcharges in warmer-than-normal periods and credits in colder-than-normal periods.[48] The Company's WNA applies to the Residential and Small/General Service classes, operates during the October through May heating season, includes a three-percent deadband, is calculated on a bills-rendered basis, is presented as a separate line item on customer bills, and includes a May limiter.[49]

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[47] *See,* Direct Testimony of John Taylor, Company Statement 17 at 37:18-19.

[48] *See,* Direct Testimony of John Taylor, Company Statement 17 at 37:19-21.

[49] *See,* Direct Testimony of John Taylor, Company Statement 17 at 39:16-40:3.

Q. WHY ARE WEATHER NORMALIZATION ADJUSTMENTS TYPICALLY USED BY GAS UTILITIES?

A. Weather normalization adjustments are generally used to reduce revenue volatility that results from fluctuations in weather which can lower customer gas usage and thus reduce a utility's recovery of fixed costs through volumetric rates. The intent is to provide more predictable revenues for the utility while smoothing customer bills. However, this goal must be balanced with customer protections to ensure the mechanism does not systematically overcharge customers or remove all utility risk.

Q. CAN UTILITIES SMOOTH CUSTOMER BILLS WITHOUT A WNA?

A. Yes. Utilities typically offer normalized billing, also referred to as budget billing, to customers interested in establishing fixed monthly bills for purposes of budgeting by averaging expected annual utility charges over twelve equal monthly payments. Normalized billing also assists the utility by providing greater certainty regarding its monthly revenue streams from customers.

Q. WHAT IS THE COMPANY PROPOSING IN THIS CASE WITH RESPECT TO THE WNA?

A. The Company is not proposing to make any structural modifications to the WNA. The Company is only proposing to update the WNA normalization period to rely on a 65-year regression-based methodology, consistent with the normalization approach the Company used to develop billing determinants in this rate case.[50]

Q. WHAT ARE THE PRACTICAL EFFECTS FOR RATEPAYERS ASSOCIATED WITH THE PROPOSED CHANGE IN WNA NORMALIZATION PERIODS?

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[50] *See,* Direct Testimony of John Taylor, Company Statement 17 at 3.

A. The Company claims that the practical effect for ratepayers of updating the WNA normalization period from a blended methodology to a 65-year regression based methodology is to ensure methodological consistency between the weather assumptions used to set base rates and those used in the WNA reconciliation.[51] The Company states that this alignment maintains internal consistency, avoids unintended distortions that could arise from using different normalization baselines, preserves the integrity of the matching principle by ensuring that revenue assumptions and reconciliation mechanisms rely on the same weather foundation, and enhances transparency and predictability for both customers and the Commission.[52]

Q. HAS THE COMMISSION ADOPTED A STATEMENT OF POLICY REGARDING ALTERNATIVE RATEMAKING MECHANISMS LIKE THE WNA?

A. Yes. In 52 Pa. Code § 69.3302(a) the Commission established 14 separate distribution rate considerations in determining just and reasonable alternative ratemaking distribution mechanisms and rate design. Exhibit MWD-1 presents these 14 considerations, along with the relevant effect of the WNA on each consideration. My review of the Commission's consideration criteria finds that the current WNA either does not impact the Commission's areas of concern or will potentially worsen those areas of concern.

Q. WHAT DID THE COMMISSION DECIDE REGARDING THE WNA IN THE COMPANY'S PRIOR RATE CASE?

A. In its Final Order in Docket No. R-2023-3044549, the Commission approved the Company's proposed WNA as part of a non-unanimous settlement, subject to several

[51] *See,* Direct Testimony of John Taylor, Company Statement 17 at 40:21-23.

[52] *See,* Direct Testimony of John Taylor, Company Statement 17 at 41:7-17.

modifications negotiated among the settling parties.[53] Specifically, the Commission approved the WNA with a three percent deadband, required that the WNA charge or credit be presented as a separate line item on customer bills, directed that the WNA calculation be performed on a bills rendered basis, and capped the WNA adjustment for bills rendered in May so as not to exceed 100 percent of the billed distribution amount for that same period.[54] The HDD values reflected in the settlement are consistent with a blended normalization approach, which averages results from a 65-year regression and a 20-year average HDD normalization.[55] The Commission also imposed annual reporting requirements, directing the Company to file a report on or before September 1st of each year for the 12-month period ending in June, containing monthly WNA billed revenue, monthly actual and normal heating degree day data, and the number of customers and bill impacts by class for billing periods in which the ratio of normal to actual heating degree days exceed 1.50.[56]

Table 1: Summary of WNA Annual Reports

	Heating Season	
	2024-2025	2025-2026
OCT	$ 2,249,779	$ 1,725,705
NOV	4,790,647	(1,801,111)
DEC	513,377	(7,342,513)
JAN	(4,254,682)	(2,790,032)
FEB	(2,744,519)	(13,368,146)
MAR	2,443,381	5,974,730
APR	4,851,609	-
MAY	4,437,111	-
Heating Season Total	**$ 12,286,703**	**$ (17,601,367)**

Source: Company Responses to Data Request I&E-RS-014.

Q. WHAT HAS BEEN THE ACTUAL IMPACT OF THE WNA ON RATEPAYERS?

[53] Pennsylvania Public Utility Commission, Docket No. R-2023-3044549, Opinion and Order at 102.

[54] Pennsylvania Public Utility Commission, Docket No. R-2023-3044549, Opinion and Order at ¶ 69-73.

[55] Direct Testimony of John Taylor, Company Statement No. 17 at 40:13-17.

[56] Pennsylvania Public Utility Commission, Docket No. R-2023-3044549, Opinion and Order at ¶ 74.

A. The WNA resulted in a net charge to residential and non-residential ratepayers during the 2024-2025 heating season but a net credit during the 2025-2026 heating season. Across both heating seasons, the WNA has produced a net credit to ratepayers of approximately $5.3 million.

Q. DO YOU BELIEVE THIS IS EVIDENCE THAT THE WNA IS WORKING AS INTENDED AND WILL CONTINUE TO PROVIDE MONETARY BENEFITS TO RATEPAYERS IN THE FUTURE?

A. No. Historic WNA revenues are heavily influenced by significantly below average temperatures that occured in late January 2026 due to Winter Storm Fern, but were recorded during the February 2026 WNA period. Excluding this anomalous event, the Company's WNA netted the Company more than $8.0 million through March 2026.

Q. PLEASE EXPLAIN WHY THE EVENTS OF WINTER STORM FERN CAN BE CONSIDERED ANOMALOUS.

A. Winter Storm Fern moved across Pennsylvania from January 23 through 27, 2026, dropping 11.2 inches of snow in the Pittsburgh area on a single day – the second heaviest snowfall in the area of the current century so far.[57] More important for the WNA, Winter Storm Fern also brought extreme cold to the region in its aftermath, such that the Pennsylvania Department of Health issued a Health Advisory for the period January 27 to February 1, 2026, due to forecasted wind chill values near negative 20 degrees Fahrenheit.[58] The Commission itself issued a statement

[57] Weather.com (January 27, 2026), "Witner Storm Fern Recap: How Much Snow, Ice in South, Midwest, Northeast.

[58] Pennsylvania Department of Health Alert (January 27, 2026), 2026-PAHAN-816-01-27-ADV, "Extreme Cold Forecasted for Pennsylvania – Practice Cold Safety."

January 23, 2026, advising consumers to prepare for the winter storm and an extended period of extreme cold.[59]

Q. ARE THERE CONCERNS REGARDING THE WNA?

A. Yes. There are several concerns regarding the level of ratepayer protections included in the Company's WNA. Specifically, the WNA includes a three percent deadband and applies to the period October through May, both of which differ from protections that have been approved by the Commission in other Pennsylvania WNA mechanisms, including the Commission's recent decision modifying the WNA pilot mechanism for Columbia Gas in Docket No. R-2025-3053499. Exhibit MWD-2 provides a survey of recent Pennsylvania natural gas rate cases involving major investor-owned utilities that address WNA mechanisms and their related provisions.

Q. DO YOU AGREE WITH THE COMPANY'S THREE PERCENT DEADBAND?

A. No. As part of the settlement in the Company's prior rate case, the Company included a three percent deadband in its WNA.[60] However, more recent Commission decisions approving WNA pilot mechanisms have included a larger deadband, such as the five percent deadband approved in the recent Columbia Gas general rate proceeding.[61] Indeed, in that proceeding, the Commission explicitly held that a five percent deadband "adequately captures what could be considered normal weather fluctuations in Pennsylvania."[62] The Commission further explained that a larger deadband places more responsibility for calculating and forecasting weather variations

[59] Public Utilities Commission Press Release (January 23, 2026), "PUC Urges Consumers to Prepare Ahead for Winter Storm Fern and Prolonged Extreme Cold."

[60] Pennsylvania Public Utility Commission, *Recommended Decision.* Docket No. R-2022-3035730 at ¶ 41.

[61] Pennsylvania Public Utility Commission, *Opinion and Order.* Docket No. R-2025-3053499 at 301.

[62] Pennsylvania Public Utility Commission, *Opinion and Order.* Docket No. R-2025-3053499 at 301.

on the utility as a normal part of doing business.[63] Consistent with this reasoning, increasing the Company's deadband from three percent to five percent would provide greater protection to ratepayers and better align with the Commission's recent determination on this issue.

Q. DO YOU AGREE WITH THE COMPANY'S CURRENT WNA HEATING PERIOD OF OCTOBER THROUGH MAY?

A. No. I disagree with the inclusion of the months of October and May in the Company's WNA heating season period. The Fall month of October and the Spring month of May are best represented as shoulder months between the winter heating season and the summer cooling season which often sees little heating or cooling requirements for customers and customers only see heating use during years with early and/or late winters. The inclusion of these shoulder months within the Company's WNA heating season exposes ratepayers to unnecessary variation in the WNA by shifting the weather risk during these shoulder periods from the Company onto ratepayers.

Table 1: Analysis of Historic Weather Variability

	Standard Deviations			Coefficient
	-1	0	1	Variation
OCT	288	376	465	24%
NOV	572	672	772	15%
DEC	837	996	1,155	16%
JAN	992	1,157	1,322	14%
FEB	835	977	1,120	15%
MAR	649	775	902	16%
APR	355	435	516	19%
MAY	108	188	267	42%

Source: National Oceanic and Atmospheric Administration, National Centers for Environmental Information, GHCN-Daily, Station USW00094823.

[63] Pennsylvania Public Utility Commission, *Opinion and Order.* Docket No. R-2025-3053499 at 301.

Q. HAVE YOU EXAMINED HISTORIC WEATHER VARIABILITY IN THE COMPANY'S SERVICE AREA DURING THE OCTOBER THROUGH MAY PERIOD?

A. Yes. Table 1 examines historical variation in monthly AHDD for the October through May period using weather data from the Pittsburgh, Pennsylvania weather station located in the Company's service territory over the 65-year period October 1960 through May 2025. This analysis finds that the coefficient of variation ("COV") for AHDD is greatest in the month of May but also elevated during the fall month of October.

Q. WHAT DO YOU MEAN BY THE COEFFICIENT OF VARIATION?

A. COV is mathematically the standard deviation of a data series divided by its mean and is a way to present the variance of different data series on a normalized basis as a percent of the average of the data series. For example, the COV of AHDD for the month of May is 26 percent, meaning that the average expected variance in AHDD during the month of May is 26 percent of the expected NHDD based on historic averages. Likewise, the COV of AHDD for the month of October is 22 percent of expected NHDD based on historic averages. The COV for all other months is no greater than 20 percent. Therefore, the Commission should eliminate the months of October and May from the WNA period since these months have seen high variability in weather conditions.

Q. HAS THE COMMISSION EXPRESSED SIMILAR CONCERNS REGARDING THE INCLUSION OF NON-WINTER MONTHS WITHIN WNA MECHANISMS?

A. Yes. In its recent decision involving Columbia Gas, the Commission agreed that the month of May should be removed from the WNA calculation. Specifically, the Commission explained that "May is not a winter or traditional heating month in Pennsylvania but more appropriately a shoulder month when customers can expect to start seeing their heating bills decline."[64] The

[64] Pennsylvania Public Utility Commission, *Opinion and Order.* Docket No. R-2025-3053499 at 301.

Commission also noted that retaining May "could result in customers seeing WNA bill increases as late as June."[65]

Q. HAVE ANY OTHER PENNSYLVANIA UTILITIES LIMITED THE WNA HEATING SEASON TO EXCLUDE THE MONTH OF MAY?

A. Yes. In a 2025 general rate proceeding involving UGI Utilities, Inc. – Gas Division ("UGI Gas"), the Commission approved a settlement that modified UGI Gas's WNA pilot so that it no longer applies to May bills and instead applies only to bills rendered during the heating season October through April.[66] As shown in Exhibit MWD-2, among the Pennsylvania utilities included in the survey, National Fuel Gas Distribution Company is the only other utility with a WNA that continues to include the month of May in its heating season.

Q. WHAT IS YOUR POSITION ON THE CONTINUATION OF THE COMPANY'S WNA?

A. I recommend that the Commission affirmatively discontinue the current WNA mechanism. The WNA is not required to address regulatory lag concerns of the Company given the Company's use of a FPFTY and DSIC. Peoples' WNA impacts affordability as it makes it more difficult to provide customers with predictable and understandable price signals related to usage and could impede customer conservation efforts. It also shifts weather-related risks away from Peoples and onto its customers. Given the macroeconomic risks that are already shifted to customers beyond direct utility rates through increased prices due to tariffs, increased oil prices due to wars in the middle east, and rising utility rates, Peoples' WNA goes directly against affordability concerns for

[65] Pennsylvania Public Utility Commission, *Opinion and Order.* Docket No. R-2025-3053499 at pp. 301-302.

[66] Pennsylvania Public Utility Commission, *Order*. Docket No. R-2024-3052716 ¶ 1. Pennsylvania Public Utility Commission, *Recommended Decision.* Docket No. R-2024-3052716 at Section V, ¶ 58(b).

ratepayers. As the company is able to shift risk away from itself through rate filings and shift future weather related risk to customers through a WNA (as well as infrastructure risks through the DSIC), Peoples' ratepayers are made responsible for Peoples' risk through additional surcharges and are only credited when Peoples' weather-related risk does not materialize, which has not been the case generally in this pilot program.

Q. DO YOU HAVE ANY ALTERNATIVE PROPOSAL IF THE COMMISSION DECIDES TO CONTINUE THE WNA?

A. If the Commission decides to continue the WNA, I recommend that it be continued as a three-year pilot program rather than being adopted as a permanent mechanism. This will allow the Commission the opportunity to routinely reevaluate the WNA to ensure that the mechanism is not producing negative outcomes for ratepayers. I further recommend that the Commission increase the deadband from three percent to five percent and eliminate the months of October and May from the WNA period. This would strengthen ratepayer protections and would furthermore make the Company's WNA pilot consistent with the recent WNA pilot the Commission approved for Columbia Gas.

VI. ALLOCATED COST OF SERVICE STUDY

A. Introduction

Q. WHAT IS THE PURPOSE OF AN ALLOCATED COST OF SERVICE STUDY?

A. An allocated cost of service study ("ACOSS") is a modeling approach that reconciles utility costs and revenues across different customer classes. The goal of an ACOSS is to evaluate the cost of providing service and revenue responsibility for each individual customer class. ACOSS results are used to estimate class-specific rates of return and can serve as a guidepost for class revenue responsibilities and ultimately rates.

Q. HOW IS AN ACOSS PREPARED?

A. An ACOSS utilizes a set of historic or projected cost information which is (1) "functionalized," (2) "classified," and (3) "allocated." The functionalization process simply categorizes costs based upon the functions they serve within a utility's overall operations (i.e., production, transmission, and distribution). In the specific case of a natural gas utility, a large share of a utility's investments and costs are associated with providing distribution services. The classification process characterizes costs by "type," including those that are (1) demand-related, (2) commodity-related, or (3) customer-related. The last step of the process "allocates" each of these costs to a respective jurisdiction or customer class as appropriate.

Q. PLEASE EXPLAIN DEMAND-RELATED COSTS?

A. Demand-related costs are associated with meeting maximum gas flow requirements. Transmission and large distribution mains are designed, in part, to meet peak demand day requirements such that natural gas can be delivered to households, businesses, and industries under peak load conditions. Gas supply contracts can also have a capacity component that is demand-related. The most common demand allocation factors used in an ACOSS are those related to system peak day demands.

Q. HOW ARE COMMODITY-RELATED COSTS DEFINED?

A. Commodity-related costs are defined as those that tend to change with the amount of throughput (volume) sold or transported. The investment cost of natural gas mains, for instance, can be allocated, in part, on some measure of throughput. There are also a number of other expenses, such as fuel costs themselves, that are often allocated using some measure of throughput.

Q. WHAT ABOUT CUSTOMER-RELATED COSTS?

A. Customer-related costs are those associated with connecting customers to the distribution system, metering household or business usage, and performing a variety of other customer support functions.

Q. PLEASE EXPLAIN THE ALLOCATION PROCESS.

A. The allocation process is the final step in a cost of service study and involves assigning each functionalized and classified cost component to the appropriate customer classes. In the Company's ACOSS, costs are allocated using factors that reflect the underlying cost drivers, including customer counts, peak demand contributions, commodity usage, and, in some cases, revenues. Where costs can be directly attributed to a specific customer class, they are directly assigned. For costs that cannot be directly assigned, allocation factors are developed using economic and engineering principles to ensure that costs are distributed in a manner consistent with cost causation. The goal of the allocation process is to ensure that each customer class is assigned its proportionate share of the Company's total costs, based on how that class contributes to the need for those costs.

Q. IS THIS A RELATIVELY SIMPLE PROCESS?

A. No. Some costs can be clearly identified and directly assigned to a function or category, while other costs are more ambiguous and difficult to assign. The primary challenge in conducting an ACOSS is the treatment of what are known as "joint and common" costs. Given their shared or integrated nature, these joint and common costs can often be difficult to compartmentalize. Therefore, unique allocation factors are utilized in an ACOSS to classify joint and common costs. The process of developing these cost allocation factors can become subjective and is often imbued with policy considerations.

Q. HOW DOES AN ACOSS RELATE TO ECONOMIC PRINCIPLES?

A. An ACOSS is also referred to as a "fully allocated cost study" since it allocates test year revenues, rate base, expenses, and depreciation to various jurisdictions and customer classes based upon a series of different allocation factors. The purpose of the ACOSS is to develop cost responsibility estimates for each customer class, which in turn, can be used to develop rates. An ACOSS is based upon a set of historic utility book costs that have accumulated over decades. Rates are, therefore, based upon historic average costs; whereas economic theory suggests that the most efficient form of pricing in perfectly competitive markets should be based upon marginal costs. However, regulated utilities do not operate in perfectly competitive markets and, by their very nature, are natural monopolies. Thus, reaching the ideal pricing formula outlined in economic theory is impossible since the nature of natural monopolies makes pricing in the presence of declining average costs, coupled with the presence of joint and common costs, difficult.

Q. WHAT CONTROVERSIES ARISE IN THE ANALYSIS AND COMPARISON OF VARIOUS ACOSS METHODOLOGIES?

A. The ACOSS process is significantly different than the revenue requirement or cost of capital phase of a typical rate case. While those activities are focused on determining the total level of revenues to be recovered, the ACOSS determines how those revenues are allocated across customer classes and ultimately recovered through rates. The primary controversies in evaluating different ACOSS methodologies for a natural gas utility generally center on which cost drivers should be emphasized in allocating distribution system costs. In particular, there is often disagreement regarding whether costs should be allocated based on customer counts, peak demand contributions, annual throughput, or some combination of these factors. For gas utilities, these issues are especially important because the system is designed to meet winter peak demand requirements, while a significant portion of costs are recovered through volumetric charges that

vary with usage. As a result, different methodologies can produce materially different outcomes depending on how they treat peak demand versus throughput. For example, methodologies that rely more heavily on customer and peak demand factors tend to allocate a greater share of costs to lower load-factor customers, such as residential and small commercial classes, which place relatively high demands on the system during peak periods. Conversely, methodologies that incorporate throughput or average usage,[67] tend to shift costs toward higher load-factor customers, such as larger commercial and industrial classes. These differences can be significant, and they often drive the core disputes in a cost of service study. Ultimately, the key issue is whether the selected methodology appropriately reflects cost causation—that is, whether it aligns the allocation of costs with the way the natural gas distribution system is actually designed, constructed, and operated to serve customers.

Q. PLEASE EXPLAIN WHY METHODOLOGIES THAT ARE SKEWED TOWARD PEAK CONSIDERATIONS SHIFT COSTS TOWARD LOWER LOAD-FACTOR CUSTOMERS SUCH AS RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS.

A. A large portion of residential and small commercial natural gas usage is highly weather-sensitive, particularly during the winter heating season. These customers tend to have usage patterns that are concentrated during cold weather periods, when heating demand is highest. In contrast, larger commercial and industrial customers often use natural gas for process loads that are less dependent on weather and tend to be more consistent throughout the day and across seasons. As a result, their usage profiles are generally more stable and less "peaked" than those of residential and small commercial customers. Because of these differences, residential and small

[67] *See*, Atlantic Seaboard Corp., 11 F.P.C. 43 (1952); The Atlantic Seaboard, or Seaboard, cost allocation method allocates costs associated with distribution mains to customer classes based on a simple average of the customer classes' contribution to system peak day demands and annual throughput requirements.

commercial customers typically exhibit lower load factors, meaning a greater share of their total usage occurs during peak periods. Larger customers, by comparison, tend to have higher load factors, with usage that is more evenly distributed over time. When a cost allocation methodology places significant weight on peak demand, it assigns more costs to those customer classes that contribute more heavily to system peak requirements. Since residential and small commercial customers drive a substantial portion of winter peak demand, methodologies that emphasize peak considerations will tend to allocate a greater share of costs to those classes. Conversely, methodologies that incorporate average usage or throughput, such as peak and average approaches, tend to recognize the more consistent utilization of the system by higher load-factor customers and can result in a more balanced allocation of costs.

Q. PLEASE DEFINE WHAT IS MEANT BY A "LOAD FACTOR."

A. A load factor is defined as the ratio of the average gas usage over a given period to the maximum or peak demand experienced during that same period. It is typically expressed as a percentage. For natural gas, load factor can be calculated by dividing the total gas usage over a period (e.g., annual throughput) by the product of the peak day demand and the number of days in the period.

$$Annual\ Load\ Factor = {Annual\ Throughput}\Big/{(Peak\ Day\ Demand * 365\ Days)}$$

A system or customer class with a high load factor is one that uses gas more consistently over time, with relatively smaller differences between average and peak usage. These customers tend to utilize the system more steadily. Conversely, a low load factor indicates that usage is more concentrated during peak periods—such as during cold weather—requiring the system to maintain sufficient capacity to meet those peaks, even if that capacity is not utilized for much of the year.

Q. IS IT PREFERABLE TO PROMOTE THE DEVELOPMENT OF HIGHER LOAD FACTORS?

A. Yes, generally speaking, a higher load factor can be indicative of more efficient utilization of the natural gas distribution system, all else equal. Customers with higher load factors tend to use the system more consistently over time, which can reduce the need for excess capacity that is only required during peak periods—particularly during the winter heating season when demand is highest. However, it is important to recognize that natural gas utilities inherently serve customers with different usage characteristics and load profiles. Residential and small commercial customers, for example, tend to have more weather-sensitive usage patterns, while larger commercial and industrial customers often have more stable, process-driven loads. Additionally, gas utilities operate within a broader system that includes upstream supply, storage, and transportation arrangements, which can help manage variability in demand and mitigate some of the impacts of differing load characteristics across customer classes. While rate design should recognize and encourage efficient system utilization where appropriate, caution should be exercised in placing too much emphasis on promoting higher load factors. Overemphasizing this objective can result in shifting costs away from higher load-factor customers and onto lower load-factor customers, such as residential and small commercial classes, in a manner that may not fully reflect cost causation. Accordingly, while load factor is a relevant consideration, it should not be the primary driver of cost allocation or rate design decisions.

Q. WHAT IMPACT DOES COST ALLOCATION HAVE ON REVENUE RECOVERY?

A. Cost allocation can have a significant impact on revenue recovery because it directly affects the rates charged to different customer classes, and those rates, in turn, influence customer

behavior. Higher-use customers, such as large commercial and industrial customers, are generally more price sensitive than residential and small commercial customers. This is due to the relative impact that rate increases can have on their overall operating costs and the margins of the goods or services they produce. In the natural gas context, these customers often have alternatives available, including fuel switching to other energy sources, modifying production processes, or in some cases reducing or relocating operations. As a result, they tend to be more responsive to changes in rates. By comparison, residential and small commercial customers typically have fewer practical alternatives and are therefore less able to adjust their usage in response to price changes, particularly for essential uses such as space heating during the winter. Because of these differences in price elasticity, the way costs are allocated among customer classes can influence the stability and predictability of revenue recovery. Allocating a disproportionate share of costs to more price-sensitive customers may increase the risk of reduced usage or load migration, which can, in turn, impact the Company's ability to recover its authorized revenue requirement. Accordingly, while cost allocation should remain grounded in cost causation principles, it is also important to recognize how allocation decisions can affect customer behavior and, ultimately, revenue recovery.

Q. WHAT IS A POTENTIAL MANNER IN WHICH AN ACOSS CAN BE BIASED AGAINST LOWER LOAD-FACTOR CUSTOMERS?

A. Natural gas utilities, like electric utilities, are capital-intensive and require significant investment in infrastructure—such as distribution mains, services, and related facilities—to deliver service to customers. As a result, how those plant-related costs are allocated plays a critical role in determining the cost of service for each customer class. One potential source of bias arises when cost allocation methodologies over-emphasize certain cost drivers in a way that shifts costs

away from higher load-factor, more price-sensitive customers and onto lower load-factor customers, such as residential and small commercial classes. For example, placing excessive weight on peak demand measures—particularly those that do not fully reflect system diversity—can result in allocating a disproportionate share of costs to customer classes that contribute heavily to winter peak demand. Additionally, over-reliance on minimum system or customer-related classifications for distribution plant can attribute a large share of infrastructure costs to the mere existence of customers, rather than to the demand they place on the system. This can result in cost shifts that disproportionately impact lower load-factor customers. In each of these cases, the underlying issue is whether the selected methodology appropriately reflects cost causation. When it does not, the resulting cost allocation can create inequities among customer classes and bias outcomes against certain groups of customers.

B. Overview of the Company's ACOSS

Q. PLEASE DESCRIBE THE COMPANY'S ACOSS.

A. The Company's ACOSS follows a three step process where costs are first functionalized into specific categories based on the various characteristics of utility operations, specifically the utility functions of gas supply, transmission, distribution, and customer.[68] Second, these functionalized plant and expenses are classified into three primary factors driving associated costs, including customer-related costs, demand-related costs, and commodity-related costs.[69] Finally, these classified plant investment and expenses are directly assigned to individual customers or

[68] Direct Testimony of John D. Taylor, Company St. 17 at 17:20-18:2.

[69] Direct Testimony of John D. Taylor, Company St. 17 at 7-13.

class of customers where possible, and where not possible are allocated based on allocation factors designed to reflect cost causation through principles of both economics and engineering.[70]

Q. HAVE YOU PREPARED A SUMMARY OF THE RESULTS OF THE COMPANY'S ACOSS?

A. Yes. A summary of the Company's ACOSS results is presented in Exhibit MWD-3. The Company finds that it will earn a system average rate of return under current rates during the FPFTY of approximately 6.02 percent. The Company also finds that class-based rates of return vary significantly across customer classes, ranging from 0.62 percent for the Mainline Service ("MLS") class to 18.10 percent for the Large General Service ("LGS") class. The Company specifically finds that its Residential Service class will earn a 5.76 percent return on rate base during the FPFTY under current rates, or approximately 0.96 on a relative rate of return ("RROR") basis.

Q. DO YOU DISAGREE WITH ANY OF THE ASSUMPTIONS OR ALLOCATION FACTORS INCORPORATED IN THE COMPANY'S PROPOSED ACOSS?

A. Yes. I disagree with the Company's classification and allocation of costs associated with distribution mains. Specifically, I disagree with the Company's employment of a minimum system study ("MSS") to classify a portion of costs associated with distribution mains as customer-related. MSS are premised on a flawed hypothetical relationship between investments in distribution mains and customer growth that empirically does not exist. Likewise, I disagree with the Company's demand cost allocation method which fails to recognize that distribution mains supply both peak and non-peak service and thus perform both a demand and commodity function.

[70] Direct Testimony of John D. Taylor, Company St. 17 at 19:11-16.

C. Allocation of Distribution Mains

Q. PLEASE DISCUSS HOW THE COMPANY CLASSIFIES AND ALLOCATES ITS DISTRIBUTION MAINS COSTS.

A. The Company allocates distribution mains costs using an Average Study that combines results from two separate methodologies. Under the Customer-Demand study, the minimum system size ("MSS") approach is used to determine what portion of mains costs are customer-related versus demand-related.[71] Under the Demand-Commodity study, the mains costs are split evenly between demand and commodity components on a 50/50 basis.[72] The Average Study weights these two approaches equally, yielding a classification of an approximately 24 percent customer-related, 51 percent demand-related, and 25 percent commodity related. [73] This approach was applied separately to low-pressure and regulated pressure mains. [74]

Q. PLEASE EXPLAIN THE THEORETIC BASIS FOR A MSS.

A. MSS are advocated by those holding the view that investments in distribution mains are made to serve a dual nature: one consisting of meeting system peak demand requirements, and another focused on customer interconnection or access that requires a customer-based allocation component. This customer-based allocation component, also called a minimum system component, is determined through either a MSS or a related zero-intercept study ("ZIS").

Q. WHAT ARE ZIS AND MSS STUDIES?

A. ZIS and MSS studies are cost allocation methodologies that attempt to estimate separate customer-related versus load-related costs. A MSS does this by estimating the hypothetical

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[71] Direct Testimony of John D. Taylor, Company St. 17 at 24:9-13.

[72] Direct Testimony of John D. Taylor, Company St. 17 at 24:14-15.

[73] Direct Testimony of John D. Taylor, Company St. 17 at 24:16-25:4.

[74] Direct Testimony of John D. Taylor, Company St. 17 at 24:10-11.

minimum costs of deploying distribution mains that only provide customers with connection to the Company's natural gas distribution system, but not a system sufficient to serve the customer's actual natural gas demand requirements. Likewise, a ZIS utilizes regression analysis techniques to estimate the relationship between the natural gas demand requirements on a system and costs associated with installation of new distribution mains. Using these regression analyses, a ZIS then calculates a hypothetical minimum cost by calculating the costs of the distribution mains assets given a zero-demand requirement, or likewise the costs associated with installing a hypothetical zero-diameter distribution main.

Q. ARE THERE ANY SHORTCOMINGS TO USING MSS AND ZIS BASED STUDIES FOR CLASSIFICATION OF DISTRIBUTION MAINS?

A. Yes. Both MSS and ZIS studies are flawed in that they deal in hypotheticals that often do not exist in the real world and furthermore attempt to model an empirical relationship that does not exist. Specifically, one should recognize that a zero-diameter distribution main is completely a hypothetical construct that does not, and indeed could not, exist in the real world. This makes the results of MSS and ZIS analyses difficult, if not impossible, to verify. Likewise, it should be recognized that the argument that distribution system costs are related to the number of customers on a utility's system is not a new argument, and the academic literature in utility regulation has questioned for quite some time the use of both MSS and ZIS studies.

Q. HOW HAS THE ACADEMIC LITERATURE IN UTILITY REGULATION QUESTIONED THE USE OF MSS AND ZIS STUDIES?

A. Dr. James Bonbright, in his seminal work on public utility rates published decades ago in the 1970s, raised a number of questions about the use of MSS and ZIS methodologies in classifying costs. Although Dr. Bonbright's criticisms were specifically focused on the application of MSS

and ZIS methodologies in the context of classifying costs for an electric distribution utility, his criticisms are equally applicable to a natural gas distribution utility. Bonbright's primary concern was the lack of empirical support in academic literature for a causal relationship between distribution system costs and the number of customers. The true driving factors of utility distribution system costs are much more complicated and depend on a host of other factors, such as the size of a service territory and the population density within it. The incremental costs of constructing an appropriate distribution system to serve an additional customer within an urban area with existing nearby infrastructure are substantially less than the costs to extend an existing utility system by potentially miles to serve an additional customer located in a rural area, a fact inherently ignored by MSS and ZIS methodologies.

> …the annual costs of this phantom, minimum-sized distribution system are treated as customer costs and are deducted from the annual costs of the existing system, only the balance being included among those demand-related costs to be mentioned in the following section. Their [minimum distribution costs] inclusion among the customer costs is defended on the ground that, since they vary directly with the area of the distribution system (or else with the lengths of the distribution lines, depending on the type of distribution system), they therefore vary directly with the number of customers. Alternatively, they are calculated by the "zero-intercept" method whereby regression equations are run relating cost to various sizes of equipment and eventually solving for the cost of a zero-sized system (Sterzinger, 1981).
>
> What this last-named cost imputation overlooks, of course, is the very weak correlation between the area (or the mileage) of a distribution system and the number of customers served by this system. For it makes no allowance for the density factor (customers per linear mile or per square mile). Our casual empiricism is supported by a more systematic regression analysis in (Lessels, 1980) where no statistical association was found between distribution costs and number of customers. Thus, if the company's entire service area stays fixed, an increase in number of customers

> does not necessarily betoken any increase whatever in the costs of a minimum-sized distribution system.[75]

Q. WHAT WAS DR. BONBRIGHT'S CONCLUSION REGARDING THE USE OF ZIS STUDIES?

A. Dr. Bonbright found attempts to classify costs associated with a minimum-sized distribution system, whether determined through the use of a ZIS or MSS, as something other than demand-related as potentially of merit. However, he ultimately concluded that classifying these costs as customer-related, as the Company has done in the current proceeding, is "clearly indefensible,"[76] due to the lack of a relationship between changes in the number of customers on a utility system and its distribution costs.

> While, for the reason just suggested, **the inclusion of the costs of a minimum-sized distribution system among the customer-related costs seems to us clearly indefensible**, its exclusion from the demand-related costs stands on much firmer ground. For this exclusion of minimum-sized distribution system costs makes more plausible the assumption that the *remaining* cost of the secondary distribution system is a cost which varies continuously (and, perhaps, even more or less directly) with the maximum demand imposed on this system as measured by peak load.
>
> But if the hypothetical cost of a minimum-sized distribution system is properly excluded from the demand-related costs for the reason just given, while it is also denied a place among the customer costs for the reason stated previously, to which cost function does it then belong? **The only defensible answer, in our opinion, is that it belongs to none of them**. Instead, it should be recognized as a strictly unallocable portion of total costs. And this is the disposition that it would probably receive in an estimate of long-run marginal costs. But fully-distributed cost analysts dare not avail themselves of this solution, since they are the prisoners of their own assumption that "the sum of the parts equals the whole." They are therefore under impelling pressure to fudge their cost apportionments **by**

[75] James C. Bonbright, et al. Principles of Public Utility Rates. 1988 Edition. Arlington, VA: Public Utilities Reports, Inc., p. 491.

[76] James C. Bonbright, et al. Principles of Public Utility Rates. 1988 Edition. Arlington, VA: Public Utilities Reports, Inc., p. 492.

using the category of customer costs as a dumping ground for costs that they cannot plausibly impute to any of their other cost categories.[77]

Q. HAVE YOU QUANTITATIVELY ASSESSED THE HISTORIC CORRELATION BETWEEN INCREASES IN COMPANY DISTRIBUTION MAINS INVESTMENT AND INCREASED NUMBER OF CUSTOMERS?

A. Yes. Exhibit MWD-4 examines trends between changes in average number of customers on the Company's system and the Company's net investment in distribution mains for the years 2016 through 2025. This analysis finds that annual net additions in the Company's distribution mains are not correlated with annual changes in the Company's customer counts, nor is the annual growth rate of the Company's booked distribution mains investment correlated with the annual growth rate of the Company's customers.

Q. IS THIS RESULT SURPRISING?

A. No. A significant portion of the Company's annual investment in distribution mains is associated with non-growth activities. For instance, the Company recovered $899,836 from ratepayers in 2025 through the Company's DSIC after reconciliation.[78] Importantly, the DSIC is restricted by statue to costs "incurred to repair, improve or replace eligible property in order to ensure and maintain adequate, efficient, safe, reliable and reasonable service," and not growth related activities like interconnecting new customers to the Company's system. Overall, the premise that changes in the Company's customer count are a significant driver of distribution mains investment is outdated and unsupported by empirical evidence.

[77] James C. Bonbright, *et al.* Principles of Public Utility Rates. 1988 Edition. Arlington, VA: Public Utilities Reports, Inc., pp. 491-492; *emphasis added.*

[78] DSIC 1307(e) reconciliation statement for the year ending December 31, 2025.

Q. DO YOU HAVE OTHER CONCERNS RELATED TO THE COMPANY'S COST ALLOCATION METHODOLOGY FOR COSTS ASSOCIATED WITH DISTRIBUTION MAINS?

A. Yes. In addition to relying on a flawed MSS to estimate a portion of costs associated with the Company's distribution mains, the Company also proposes to allocate 100 percent of costs associated with its demand-related distribution mains investments based on the relative customer class contribution to system peak day demands.

Q. PLEASE EXPLAIN THE P&A COST ALLOCATION METHODOLOGY.

A. P&A is a composite demand and commodity allocation factor similar to the Average and Excess (A&E) cost allocation approach.[79] The P&A cost allocation methodology is based upon a two-component weighted average. The first component represents each rate class's share of a utility's system peak day demand, and the second represents each rate classes share of a utility's total annual throughput.[80] The exact weights used in a P&A cost allocation approach vary, including a straight 50-50 weighting of demand and commodity components, often referred to as the "Seaboard" method.

Q. PLEASE EXPLAIN THE SEABOARD COST ALLOCATION METHOD.

A. The *Atlantic Seaboard* method, (or "*Seaboard"* method), is a specialized form of the P&A cost allocation approach that stems from a 1952 Federal Power Commission ("FPC," the predecessor agency to FERC) ruling establishing appropriate cost allocations for the Atlantic

[79] Gas Distribution Rate Design Manual (June 1989), National Association of Regulatory Utility Commissioners, pp. 27-28.

[80] Gas Distribution Rate Design Manual (June 1989), National Association of Regulatory Utility Commissioners, pp. 27-28.

Seaboard natural gas pipeline.[81] In its ruling, the FPC explicitly addressed the fact that natural gas pipeline facilities are built to supply both peak and non-peak service, and thus perform both a demand and commodity function, and expressed particular concern that an over-assignment of pipeline costs (particularly transmission plant costs) to the demand or capacity function would result in an under-allocation of costs to large volume industrial customers on interruptible rates.[82]

> A natural-gas transmission facility performs both a capacity and a volumetric function. In this sense it is a joint facility, which thus presents the problem, always difficult, of allocating joint costs.
>
> … A pipeline would not normally be built to supply peak service, that is to say, service on the peak days only… pipelines are built to supply service not only on the few peak days but on all days throughout the year… Both capacity and annual use are important considerations in the conception of the project ... Both capacity and volume, therefore, are what are known as cost factors or incidences in respect to the capital outlay for a pipeline project. It follows that reasonably accurate results can be achieved only by allocating the fixed expenses flowing from the capital outlay to both operating functions, viz., capacity and volume.[83]

Q. IS THE COMPANY WITNESS' PROPOSED ALLOCATION OF DISTRIBUTION MAINS CONSISTENT WITH HIS RECOMMENDED COST ALLOCATIONS IN OTHER PROCEEDINGS IN PENNSYLVANIA?

A. No. The Commission should recognize that the Company's expert witness is also supporting the ACOSS for UGI Utilities' Gas Division ("UGI-Gas") in Docket No. R-2025-

[81] Re Atlantic Seaboard Corporation and Virginia Gas Transmission Corporation, Federal Power Commission Docket No. 11. F.P.C. 43.

[82] *Id.*

[83] Conkling R.L. (2011), "Energy Pricing: Economics and Principles," pp. 96-97, citing Re Atlantic Seaboard Corporation and Virginia Gas Transmission Corporation, Federal Power Commission Docket No. 11. F.P.C. 43.

3059523.[84] In that proceeding, the Company's expert witness recommends use of an A&E cost allocation methodology to allocate costs associated with UGI-Gas' distribution gas mains.

Q. PLEASE DESCRIBE THE A&E COST ALLOCATION METHODOLOGY.

A. Conceptually, A&E cost allocation methods involve developing two components that are combined by the use of a weighted average.[85] The first component, referred to as the "average" component, represents each rate class's average hourly energy consumption throughout the test year, and is calculated by simply dividing annual energy consumption for each rate class by 365 days in the year. The second component, referred to as the "excess" component, represents each class's contribution to system peak demand in excess of the class's average daily consumption. These components are combined through the use of a weighted average based on overall system load factor. Specifically, the average component is weighted by the utility's overall system load factor, while the excess component is weighted by the inverse of the system load factor (*i.e.*, 1 minus the system load factor).

Q. IS A P&A METHODOLOGY CONCEPTUALLY SIMILAR TO AN A&E METHODOLOGY?

A. Yes. The P&A methodology is similar to the A&E methodology that can also be utilized for classifying distribution mains. Conceptually, both methods involve developing a volumetric and demand component that are then combined by use of a weighted average. In other words, both methodologies are intended to be hybrid energy and demand allocators.

[84] Docket No. R-2025-3059523, Statement No. 11, Direct Testimony of John D. Taylor.

[85] *See*, Electric Utility Cost Allocation Manual (January 1992), National Association of Regulatory Utility Commissioners ("NARUC") at 49-51.

Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN A P&A METHODOLOGY AND AN A&E METHODOLOGY.

A. Although the P&A and A&E methodologies are conceptually similar, in practice, an A&E methodology places greater weight on a rate class's demand contribution and less weight on a rate class's annual energy usage than does a P&A methodology. This occurs because an A&E methodology values a class's peak demand, the "excess" component, relative to its average demand, thereby exaggerating the effect of a class's load factor on the relative classification of energy and peak demand elements.

Q. HAVE OTHER COMMISSIONS ACROSS THE COUNTRY CRITICIZED MSS APPROACH?

A. Yes. The Iowa State Commerce Commission (now known as the Iowa Utilities Board or "IUB") in a 1984 decision rejected a proposed MSS approach by a natural gas utility as "improper and unacceptable,"[86] to functionalize any portion of costs associated with distribution mains as customer-related.[87]

> Distribution mains are not customer-related costs; no part of distribution costs should be allocated to customer-related costs; and the use of a minimum system study to allocate distribution costs to customer-related costs is therefore improper and unacceptable.[88]

Q. WHAT WAS THE BASIS FOR THE IUB'S DECISION?

A. The IUB reviewed a prior decision it had made in a 1981 proceeding, which was highly critical of an MSS approach on both practical and theoretical grounds. Specifically, the IUB noted

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[86] *In Re: Peoples Natural Gas Company, Division of InterNorth Inc.,* Iowa State Commerce Commission Docket No. RPU-84-42, Proposed Decision and Order (June 6, 1985) at 48.

[87] *Id.*

[88] *Id.*

that in a true "minimum system" circumstance, there would be no need for a distribution system at all as there would be no need to supply energy to customers.[89] While admitting that its prior decision referred to a proceeding involving an electric distribution system, the IUB felt the positions expressed were equally applicable to natural gas companies as follows:[90]

> We believe that this minimum system analysis ignores the fact that if no customer were ever to use electric power or energy, there would be no need for a distribution system at all. Thus, the existence of any distribution system, including the Company's proposed minimum system, is justified not by the fact that the Company has customers which it must meter and bill, but rather because Company's customers demand that the system provide electric power and electric energy.
>
> In our opinion, **there is no logical justification for contending that the minimum distribution system cost is customer related**, while conceding that the remaining distribution costs are demand related. The explanation offered by Company – that such a minimum system is necessary to supply "service" to customers (where service is defined as the availability of power and energy whether or not used, with the expectation that customers will not use any power or energy) – ignores the real reason for the existence of the distribution system. That system exists for the sole purpose of supplying power and energy to customers. The Commission sees no reasonable justification for hypothesizing the existence of a distribution system whose purpose is to make power and energy available to customers who are assumed not to want power or energy, and which is not capable of carrying power or energy to those customers should they actually desire to make use of the service. For that reason we reject the inclusion of minimum distribution system costs in Company's proposed customer charge.[91]

[89] *Id.*, at 39-40; citing *In Re: Iowa Power and Light Company,* Iowa State Commerce Commission Docket No. RPU-78-27.

[90] *Id.*, at 39.

[91] *Id.*; citing *In Re: Iowa Power and Light Company,* Iowa State Commerce Commission Docket No. RPU-78-27, emphasis in original.

Q. HAS THE COMMISSION ITSELF RECENTLY WEIGHED IN ON THE VALIDITY OF CLASSIFYING A PORTION OF COSTS ASSOCIATED WITH DISTRIBUTION MAINS AS CUSTOMER-RELATED?

A. Yes. In its recent Columbia decision the Commission adopted a P&A cost allocation method to classify and allocate costs associated with natural gas distribution mains.[92] In reaching its decision, the Commission directly addressed the position that a portion of these costs could be classified as customer-related based on an analysis of a hypothetical minimum system, reaching much the same position as that elaborated by the IUB in the 1980s.

> In light of the above, we remain of the opinion that although mains serve customers, it is the throughput that determines the type of main investment because it is the load that determines the main investment, not the number of customers served. As the Commission stated in Columbia Gas 2021, the existence of one customer, five customers, or ten customers does not determine the amount of mains investment. Mains investment is driven by the loads placed upon it, not by the number of customers served.[93]

D. ACOSS Recommendations

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE CLASSIFICATION OF DISTRIBUTION MAINS INVESTMENT AND THE USE OF MSS?

A. I recommend the Commission reject the Company's proposed MSS approach. MSS approaches that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in setting just and reasonable rates. In the alternative, I recommend that the Commission approve an alternative classification of distribution mains that incorporates a P&A

[92] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, Opinion and Order at 255.

[93] *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2025-3053499, Opinion and Order at 255, *emphasis added*.

cost allocation method using weights based on the Company's test year system load factor. These recommendations better reflect cost causation principles and provide a more reasonable basis for allocating costs among customer classes.

Q. HAVE YOU PREPARED AN ALTERNATIVE ACOSS INCORPORATING YOUR PROPOSED CHANGES TO THE COMPANY'S ACOSS?

A. Yes. Exhibit MWD-5 presents the results of my alternative ACOSS which utilizes a P&A approach to allocate distribution-related costs and removes the Company's reliance on the MSS to classify distribution mains as customer-related. This alternative study shows that the Company will earn a 6.75 percent rate of return on rate base from the residential service class, or 1.12 on a RROR basis, during the FPFTY using current rates. This is compared to the results of the Company's proposed ACOSS which finds that its residential service class will earn a 5.76 percent return on rate base, or 0.96 on a RROR basis, during the FPFTY under current rates.

VII. REVENUE APPORTIONMENT

Q. PLEASE EXPLAIN THE PURPOSE OF THE REVENUE APPORTIONMENT PROCESS IN SETTING RATES.

A. The revenue distribution process allocates a utility's overall revenue deficiency across customer classes, which in turn, is used to establish a new set of retail rates. The revenue distribution process often uses the results from the ACOSS as its starting point, but not necessarily as its ending point. Class-specific revenue responsibilities are established by allocating the system-wide revenue deficiency to classes that are under-earning, relative to their estimated rate of return ("ROR"), and assigning, at least in theory, revenue decreases to those classes that are over-earning relative to their ACOSS-estimated class returns. The final class revenue responsibilities are then

used, in conjunction with each class's billing determinants, to determine rates. In summary, the revenue distribution process can be viewed as the initial step taken in establishing rates.

Q. DOES THE REVENUE APPORTIONMENT PROCESS INCLUDE ANY POLICY CONSIDERATIONS?

A. Yes. Allocating the overall system-wide revenue deficiency entirely on a full cost of service basis can result in a very significant and adverse rate impact for certain under-earning classes. To avoid such a result, regulators often temper the revenue responsibilities assigned to various customer classes in order to meet a set of broad ratemaking policy goals.

Q. WHAT ARE THOSE BROADER RATEMAKING POLICY GOALS?

A. There are several generally accepted ratemaking principles used in utility regulation that include:

1) Rates should be fair, just, and reasonable, and not unduly discriminatory.
2) To the extent possible, gradualism should be used to protect customers from rate shock.
3) Rate continuity should be maintained.
4) Rates should be informed by costs, but class cost of service results need not be the only factor used in rate development.
5) Rates should be understandable to customers.[94]

Q. HOW ARE THE ABOVE PRINCIPLES APPLIED IN DEVELOPING RATES FOR A REGULATED UTILITY?

A. It is important to consider all the principles I mentioned above. However, any principle's relative weight can change depending on the importance of certain policy goals. Rate design should strike a balance between policy goals and principles that result in rates that are fair, just, and

[94] Author's construct based on Bonbright, James *et. al., Principles of Public Utility Rates,* Pub. Utils. R., Inc., Second Edition, at 383.

reasonable. There is no pre-set or universally accepted formula for developing rates and, as a result, sound judgment is necessary to formulate a rate design that meets these objectives.

Q. WHAT ARE THE COMPANY'S RATE DESIGN GOALS?

A. The Company states that its rate design goals are guided by the principles of sound rate structure developed by James Bonbright, including fairness, efficiency, simplicity, stability and gradualism, reflectiveness of costs, and revenue sufficiency.[95] Additionally, the Company states that its proposed fixed monthly customer charges help to reduce customer bill volatility, alleviate instability in the Company's margin recovery, convey more appropriate price signals with respect to recovery of fixed utility costs, benefit low-income customers that have higher than average use, and are not regressive in application to low-income customers.[96]

Q. HAVE YOU EXAMINED THE COMPANY'S PROPOSED REVENUE ALLOCATION?

A. Yes. Exhibit MWD-6 summarizes the Company's proposed revenue allocation. The Company's approach is informed by the results of its ACOSS and reflects an effort to move all rate classes closer to the overall system rate of return.[97] First, the Company sets Large General and Mainline Service's proposed revenue at their current levels. Second, the Company caps the increase for the Small General class at 1.5 times the overall system increase. Third, the Company targets the increase for Residential and Medium General to their cost of service, and then allocates the remaining required increase between those two classes based on relative targets, resulting in Residential's increase at 1.05 times the system average increase and Medium General's increase

[95] Direct Testimony of John D. Taylor, Company St. 17 at 29:17-30:13.

[96] Direct Testimony of John D. Taylor, Company St. 17 at 36:4-10.

[97] Direct Testimony of John D. Taylor, Company St. 17 at 31:10-12.

at 1.25 times the system average increase.[98] The Company proposes these increases in order to move rates closer to a cost parity ratio of 1.0.

Q. WHAT DO YOU MEAN BY A COST PARITY RATIO?

A. Cost parity and relative cost parity ratios are a means to standardize class-specific rate of return estimated by an ACOSS, similar to the commonly cited relative rate of return ("RROR") metric. As part of the ACOSS process, a ratio of total assigned revenue to total assigned costs is calculated for each customer class and the utility system as a whole. A cost parity ratio standardizes these various class revenue-to-cost ratios against the overall utility system revenue-to-cost ratio. For instance, assume that residential class revenues cover 80 percent of residential class costs through the ACOSS, and further assume that, system-wide, utility revenues also cover 80 percent of utility costs. In this example, the residential class has a relative cost parity ratio of 1.0 as it covers the same percentage of utility costs as the utility as a whole covers (i.e., 80 percent divided by 80 percent equals 1.0). A relative cost parity ratio greater than 1.0 indicates that a particular class covers a greater percentage of utility costs than other classes, while a relative cost parity ratio less than 1.0 indicates that a particular class is covering a lesser percentage of utility costs than other classes.

Q. DO YOU AGREE THAT A RELATIVE COST PARITY RATIO LESS THAN 1.0 IS PROBLEMATIC OR INEQUITABLE?

A. Not necessarily. Consistent with the principles identified above, there may be policy reasons to support a result that does not lead to an inequitable cross-subsidization. For example, the presence and/or continuation of a relative cost parity ratio below 1.0 could be the result of a prior agreed-upon rate freeze that prevents class rates from increasing to correct the revenue

[98] Direct Testimony of John D. Taylor, Company St. 17 at 32:5-12.

deficiency (relative to cost of service). In this example, the presence of a relative cost parity ratio below 1.0 is simply a function of a prior policy decision, not necessarily the result of some arbitrary or intentionally designed inequity.

Q. WHAT ARE THE CLASS RATE INCREASES UNDER THE COMPANY'S PROPOSED REVENUE DISTRIBUTION?

A. The Company proposes to increase base rates by 26.1 percent on a system-wide average basis. However, under the Company's proposed mitigated revenue distribution, small general service customers would all receive a base rate increase equal to 1.50 times this system-wide average rate increase, or 39.1 percent. This, compared to large general and mainline service customers which would not receive a base rate increase as a result of this proceeding.

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED REVENUE APPORTIONMENT?

A. No. The Company's proposed revenue allocations suffer from two major deficiencies. First, the Company's proposal is based on the results of a faulty ACOSS that overstates the current rate of return the Company derives from its large general service customers while understating the rate of return the Company derives from its residential and small general service customers. Second, the Company's proposed revenue apportionment process results in rate increases that are inconsistent with rate gradualism. Specifically, rate gradualism refers to the general understanding that sound rate design should prevent significant rate increases for any customer group that may cause rate shock.[99]

[99] *See,* "3.1 Just and Reasonable Rates and Affordability," The NARUC Desk Reference Manual, National Association of Regulatory Utility Commissioners,

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE COMPANY'S PROPOSED REVENUE APPORTIONMENT?

A. I recommend the Commission adopt a more reasonable revenue apportionment method based on my alternative ACOSS results that also limits the rate increase compared to the Company's proposed revenue allocation method. Specifically, I recommend that the Commission cap the proposed rate increase to any single customer class to no more than 1.15 times the system average increase. Second, I recommend that no class receive a rate increase less than 0.50 times the system average increase.

Q. HAVE YOU PREPARED A SUMMARY OF THE EFFECTS OF YOUR PROPOSED REVENUE APPORTIONMENT?

A. Yes. Exhibit MWD-7 presents an illustrative summary of the effects of my proposed revenue apportionment under the Company's proposed system average rate increase of 26.09 percent. My proposed revenue apportionment would increase base rates for the residential class by 26.68 percent, compared to the Company's proposal which would increase such rates by 27.39 percent, and would also limit the increase in base rates for the small general service customer class to 30.01 percent, compared to the Company's proposed increase of 39.14 percent.

VIII. RATE DESIGN

Q. HOW ARE NATURAL GAS RATES TYPICALLY DESIGNED?

A. Natural gas utility rates are typically comprised of three elements. The first component is the fixed monthly customer charge or what is sometimes referred to as the basic service charge. The second is the energy-based component that is a volumetric rate applied toward a customer's monthly energy usage during a billing period, often measured in terms of therms or dekatherms (Dth). Finally, demand rates are surcharges that are assessed based upon a customer's maximum

usage during a billing period. Some smaller use customer classes, such as residential and small general services classes, are not demand-metered and thus, only face customer and volumetric charges in what is commonly called a "two-part tariff." Larger, demand metered, customers face a "three-part tariff" which includes a customer, volumetric, and demand charge. A "multi-part tariff" is a term often used to generalize a set of rates that have various combinations of both fixed (customer charge) and variable charges (energy and/or demand charges).

Q. HOW SHOULD POLICY BALANCE COST ASSIGNMENTS BETWEEN FIXED CUSTOMER CHARGES AND VOLUMETRIC RATES?

A. Modern utility pricing theory is primarily concerned with the development of optimal tariff design, which over the years has become dominated by the two-part and three-part tariff form that is sometimes referred to more technically as a non-linear (or non-uniform) pricing approach. Once a class revenue requirement is established, the goal for regulators should be one that sets the most appropriate rates based upon various efficiency and equity considerations. Balancing the weight of how costs are recovered between fixed rates, variable rates, block rates, and seasonal rates are all integrated parts of that process.

Q. WHAT IS THE APPROPRIATE ROLE OF COSTS IN SETTING RATES FOR A MULTI-PART TARIFF?

A. Costs can be instructive in establishing a baseline upon which prices may be set, but costs do not need to serve as the sole or exclusive basis for rates in order for them to be set optimally (i.e., fixed charges do not need to strictly equal fixed costs, variable rates need not strictly equal variable costs). Unfortunately, the "fixed charge-equals-fixed costs" philosophy gets repeated so often that it can drown out meaningful discussions about other equally important considerations in setting rates in imperfect markets. In fact, appropriate rate setting in the context of a multi-part

tariff typically has more to do with consumer demand than it does with cost in a natural gas context given the capital-intensive nature of public utilities.

Q. DOES THE RATE DESIGN PROCESS HAVE ANY GOALS?

A. Yes. The development of utility rates, or "rate design" often has a few goals. For example, rates are sometimes designed to send certain price signals to consumers in order to influence their usage decisions.[100] Sometimes, rate design becomes a balancing act since rates must be designed to be both supply-eliciting (i.e., assist utilities in the financing of capital investments) and demand-inhibiting (i.e., inhibit the growth in demand that generates the need for capital investments).[101]

Table 3: Summary of Company's Proposed Customer Charges

Rate Class	Current --------- $/month	Proposed ---------	Increase
Residential Sales	$ 16.80	$ 26.00	54.8%
Small General Service (SGS)			
0 to 499 MCF/Yr	$ 22.00	$ 32.14	46.1%
500 to 999 MCF/Yr	$ 44.00	$ 64.28	46.1%
Medium General Service (MGS)			
1,000 to 2,499 MCF/Yr	$ 101.00	$ 110.00	8.9%
2,500 to 24,999 MCF/Yr	$ 145.00	$ 158.00	9.0%
Large General Service (LGS)			
25,000 to 49,999 MCF/Yr	$ 940.00	$ 987.00	5.0%
50,000 to 99,999 MCF/Yr	$ 1,465.00	$ 1,538.00	5.0%
100,000 to 199,999 MCF/Yr	$ 2,130.00	$ 2,237.00	5.0%
Over 200,000 MCF/Yr	$ 5,630.00	$ 5,912.00	5.0%
Mainline Service (MLS)			
Over 500,000 MCF/Yr	$ 5,630.00	$ 5,912.00	5.0%

Source: Application, Peoples Rate Design 2026 Workpaper

Q. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S BASIC SERVICE CHARGE PROPOSAL.

[100] Bonbright, James *et. al., Principles of Public Utility Rates,* Pub. Utils. R., Inc., Second Edition, at 96–97.

[101] *Id.*

A. The Company proposes to increase monthly basic service charges by up to 54.8 percent. This includes a residential service schedule with a basic service charge increase of 54.8 percent. This results in a proposed increase in basic charge of $9.20 per month, from the current $16.80 to a proposed $26.00 per month.[102]

Q. WHAT IS THE BASIS OF THE COMPANY'S PROPOSED RESIDENTIAL BASIC SERVICE CHARGE INCREASE?

A. The Company claims the basis of its proposed residential basic service charge increase is that its continuing investment in infrastructure, primarily due to its Long Term Infrastructure Improvement Plan, or LTIIP, is driving the need for a base rate increase, as the DSIC mechanism currently funds only a portion of its infrastructure program between rate proceedings and will cease once new rates are granted, and without a base rate increase, Peoples' revenues would be inadequate to cover its costs to provide service and to offer an opportunity to earn a fair rate of return on its investment.[103]

Q. WHAT IS THE COMPANY'S LTIIP?

A. Act 11 of 2012 provides jurisdictional water and wastewater utilities, electric distribution utilities, and natural gas distribution companies or a city natural gas distribution operation with the ability to implement a DSIC.[104] However, a precondition to implementation of a DSIC is that a utility must file a LTIIP with the Commission.[105] The Company filed its third and most recent LTIIP with the Commission on August 29, 2025, which was subsequently approved by the

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[102] Direct Testimony of John D. Taylor, Company St. 17, Table 7.

[103] Direct Testimony of Michael Huwar, Company St. 1 at 35:4-12.

[104] *Petition of Peoples Natural Gas Company, LLC for Approval of its Third Long-Term Infrastructure Improvement Plan,* Docket No. P-2025-3057167, Opinion and Order at 2.

[105] 66 Pa. C.S. § 1352.

Commission on December 18, 2025.[106] The Company's LTIIP is a five-year plan spanning the years 2026 through 2030 which includes over $3 billion in capital investments to replace approximately 930 miles of targeted mains and other infrastructure.[107]

Q. HAVE YOU PREPARED AN ANALYSIS OF COSTS COMMONLY ASSOCIATED WITH BASIC SERVICE CHARGES?

A. Yes. Exhibit MWD-8 presents an analysis of current basic service charges with the Company's customer-related expenses. "Customer-related" expense accounts for natural gas utilities are those typically allocated on the basis of customers and can include: removing and setting meters; maintenance of meters; meter reading expenses; customer records and collections; customer billing and accounts; and customer service and information expenses. These costs can also include the depreciation expense associated with service and meter plant accounts, as well as the carrying charges (at the Company's requested rate of return) on these plant accounts.

Q. HOW DO THE COMPANY'S CUSTOMER CHARGE REVENUES COMPARE WITH THE RESULTS OF YOUR ANALYSIS?

A. The Company's current customer charge revenue associated with the residential class is 75.6 percent of the class's customer-related cost responsibilities. Likewise, the Company's current customer charge revenue associated with the small general service class is 62.1 percent of the class's customer-related cost responsibilities.

Q. DO THESE RESULTS INDICATE ANY PRESSING NEED TO INCREASE MONTHLY CUSTOMER CHARGE RATES?

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[106] *Petition of Peoples Natural Gas Company, LLC for Approval of its Third Long-Term Infrastructure Improvement Plan,* Docket No. P-2025-3057167, Opinion and Order at 1-2.

[107] *Petition of Peoples Natural Gas Company, LLC for Approval of its Third Long-Term Infrastructure Improvement Plan,* Docket No. P-2025-3057167, Opinion and Order at 5-6.

A. No. All People's residential and commercial service rate classes currently cover the majority of their customer-related costs through monthly customer charges. The lowest, the residential class, still recovers nearly 76 percent of its customer-related costs through its monthly customer charge.

Table 4: Survey of Regional Customer Charges

Company	State	Residential Customer Charge ($/month)	Small Commercial Customer Charge ($/month)
Peoples Natural Gas Company LLC	**PA**	**$ 16.80**	**$ 22.00**
Peoples Natural Gas Company LLC	**PA**	**$ 26.00**	**$ 32.14**
Delmarva Power and Light Company	DE	17.00	69.20
Washington Gas Light Company	DC	19.05	34.40
Baltimore Gas and Electric	MD	16.15	39.05
Washington Gas Light Company	MD	11.85	21.50
Elizabethtown Gas Company	NJ	11.50	41.05
New Jersey Natural Gas	NJ	12.00	55.00
Public Service Electric and Gas Company	NJ	9.38	27.62
South Jersey Gas Company	NJ	10.50	40.50
KeySpan Gas East Corporation	NY	27.50	50.00
National Fuel Gas Distribution Corporation	NY	21.00	22.50
Niagara Mohawk Power Corporation	NY	23.75	28.60
Orange and Rockland Utilities, Inc.	NY	22.50	35.00
The Brooklyn Union Gas Company	NY	24.50	50.00
Columbia Gas of Pennsylvania, Inc.	PA	20.15	36.55
National Fuel Gas Distribution	PA	14.00	27.00
PECO Energy Company	PA	15.70	36.38
UGI Utilities, Inc.	PA	16.25	36.42
Peer Group Average		**$ 17.22**	**$ 38.28**

Source: Utility Tariffs.

Q. HAVE YOU COMPARED THE COMPANY'S CURRENT AND PROPOSED RESIDENTIAL CUSTOMER CHARGE WITH OTHER REGIONAL PEER UTILITIES?

A. Yes. The Company's proposed residential customer charge of $26.00 would be well above the mid-Atlantic regional average of $17.22 per month charged by other investor-owned natural gas utilities. Indeed, the Company's proposed residential customer charge of $26.00 per month would be the second-highest residential customer charge in the region.

Q. ARE HIGHER BASIC SERVICE CHARGES CONSISTENT WITH THE PROMOTION OF ENERGY EFFICIENCY AND CONSERVATION?

A. No. The Company's proposal is inconsistent with the promotion of energy efficiency and conservation in Pennsylvania for the simple reason that it places more costs into the fixed component of rates than in the variable component. This reduces economic incentives for ratepayers to control monthly utility bills through energy efficiency and conservation efforts, because only the variable component of bills is avoidable.

Q. HAVE OTHER COMMISSIONS RECOGNIZED THE DETRIMENTAL EFFECT INCREASED FIXED CHARGES HAVE ON ENERGY EFFICIENCY?

A. Yes. In rejecting a request by Baltimore Gas and Electric to increase customer charges as part of a larger rate design proposal, the Maryland Public Service Commission (MPSC) recognized the need to allow customers the opportunity to control their monthly bills by reducing energy usage.

> Even though this issue was virtually uncontested by the parties, we find we must reject Staff's proposal to increase the fixed customer charge from $7.50 to $8.36. Based on the reasoning that ratepayers should be offered the opportunity to control their monthly bills to some degree by controlling their energy usage, we instead adopt the Company's proposal to achieve the entire revenue requirement increase through volumetric and demand charges. This approach also is consistent with and supports our EmPOWER Maryland goals.[108]

Q. CAN YOU POINT TO ANY OTHER REGULATORY EXAMPLES?

A. Yes. The Montana Public Service Commission ("MT PSC") addressed this issue in evaluating, and rejecting, a proposal by Energy West Montana to eliminate volumetric charges and

[108] Maryland Public Service Commission Case No. 9299*, In re of Baltimore Gas and Electric Company for Adjustment in its Electric and Gas Base Rates*, Order No. 85374 at 99 (Md. Pub. Serv. Comm'n, Feb. 22, 2013).

only have one fixed monthly customer charge (known as a "straight-fixed variable" or "SFV" rate design):

> The Commission agrees that most distribution costs are not avoidable, and that volumetric distribution charges may encourage conservation actions that, all other things being equal, reduce the utility's embedded cost recovery between rate cases and contribute to future rate increases.
> …
> The Commission agrees that an SFV rate design is a clean and administratively inexpensive way to decouple revenue from volume. An often-cited public policy justification for revenue decoupling is to remove the volume disincentive for cost-effective conservation investment by a gas distribution company, which through SFV and other decoupling methods is rendered indifferent to the volume of gas consumed. Yet, SFV rates decouple revenue at the cost of decreasing returns to conservation investment by customers. For this reason the net conservation benefit of revenue decoupling via SFV rates is not clear, and may be negative.[109]

Q. HAVE ANY REGULATORY RESEARCH INSTITUTES ADDRESSED THE ISSUE OF THE RELATIONSHIP BETWEEN HIGH CUSTOMER CHARGES AND ENERGY EFFICIENCY?

A. Yes. A research document presented for consideration by the membership of NARUC lists Straight-Fixed Variable (SFV) rate design as an alternative to delink utility revenue from sales. An SFV attaches all fixed-related costs to fixed charges while relegating only variable charges to volumetric rates. The NARUC research noted this type of rate design was problematic because of its effects on customer incentives to conserve energy:

> **Straight-Fixed Variable Rate Design.** This mechanism eliminates all variable distribution charges and costs are recovered through a fixed delivery services charge or an increase in the fixed customer charge alone. With this approach, it is assumed that a utility's

[109] In The Matter Of Energy West Montana, Application To Establish Increased Service Rates In Its Great Falls, Cascade, And West Yellowstone Service Areas, Montana Public Service Commission, Docket No. D2010.9.90, Order No, 7132c, at 29–30, rel. November 17, 2011.

> revenues would be unaffected by changes in sales levels if all its overhead or fixed costs are recovered in the fixed portion of customers' bills. This approach has been criticized for having the unintended effect of reducing customers' incentive to use less electricity or gas by eliminating their volumetric charges and billing a fixed monthly rate, regardless of how much customers consume.[110]

Q. HAS ANY NATIONAL PUBLIC POLICY ANALYSIS NOTED THE EFFICIENCY DISINCENTIVES ASSOCIATED WITH HIGHER CUSTOMER CHARGES?

A. Yes. The National Action Plan for Energy Efficiency (NAPEE), a joint venture of the U.S. Department of Energy and U.S. Environmental Protection Agency, published a whitepaper on various rate design effects on encouraging energy efficient behaviors. The NAPEE postulated that SFV had a detrimental effect on economic signals to encourage customers to change energy usage behavior and investments in energy efficiency devices, and specifically noted that such disincentives persist even when applied to individual components of a customer's utility bill, such as SFV for strictly distribution services:

> Because [SFV] tends to shift costs out of volumetric charges, it tends to reduce customers' efficiency incentive, because the marginal price of additional consumption is reduced. While SFV rates are being considered to better reflect the utility's costs behind the rate, these rates do not encourage customers to change energy usage behavior or invest in efficiency technologies. Such customer disincentives persist even when SFV rates are applied to individual components of the bill, such as charges for distribution service.[111]

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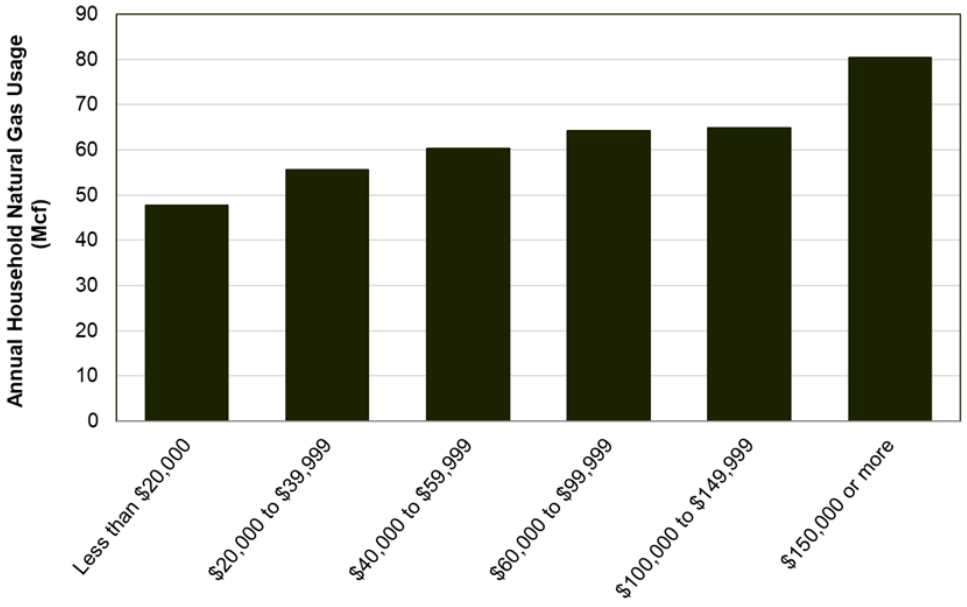
[110] NACUA, *Decoupling for Electric & Gas Utilities: Frequently Asked Questions (FAQ)* (Sept. 2007), Grants & Research Department, Nat'l Assoc of Reg Util Comm'rs, at 5. (Emphasis added), available at https://www.maine.gov/mpuc/legislative/archive/2006legislation/DecouplingRpt-AttachC.pdf.

[111] National Action Plan for Energy Efficiency, *Customer Incentives for Energy Efficiency Through Electric and Natural Gas Rate Design* at 13–14, prepared by William Prindle, ICF International, Inc. (Sept.2009) (emphasis added), available at https://www.epa.gov/sites/production/files/2015-08/documents/rate_design.pdf.

Q. SHOULD THE COMMISSION BE MINDFUL OF THE EFFECT OF THE COMPANY'S PROPOSED RATE DESIGN ON LOW-USE RESIDENTIAL CUSTOMERS?

A. Yes. There are numerous studies in the academic literature supporting the hypothesis that natural gas is a "normal good."[112] That is, the consumption of natural gas is directly correlated with household income level, meaning that higher-use natural gas customers are typically higher income individuals and lower-use natural gas customers are typically lower income individuals. These are important factual considerations the Commission should bear in mind.

Figure 5: Analysis of Natural Gas Usage and Household Income



Source: EIA 2020 Residential Energy Consumption Survey

[112] *See*, Alberini, A., W. Gans, D. Velez-Lopez. 2011, "Residential consumption of gas and electricity in the U.S.: The role of prices and income," Energy Economics 33, 870-881; Dax, P. 1987, "Estimation of Income Elasticity from Cross-Section Data," Applied Economics 19 (11), 1471-1482; and Swan L.G., V. I. Ugursan, 2009, "Modeling of end-use energy consumption in the residential sector: A review of modeling techniques," Renewable and Sustainable Energy Reviews 13, 1819-1835.

Q. HAVE YOU CONDUCTED ANY ANALYSES EXAMINING THE RELATIONSHIP OF NATURAL GAS USAGE AND INCOME?

A. Yes. Figure 5 provides the results of an analysis I performed using data from the 2020 Residential Energy Consumption Survey ("RECS") produced by the United States Energy Information Administration ("EIA") and household data from the Census division in which Pennsylvania is located.[113] The results show a positive relationship between natural gas consumption (in Mcf terms) and income. This clearly shows that as income increases, natural gas consumption increases, and vice versa: as income decreases, natural gas usage decreases.

Q. WHAT ARE YOUR CUSTOMER CHARGE RECOMMENDATIONS AND CONCLUSIONS?

A. I recommend that the Commission reject the Company's proposed increase in residential and commercial customer charges. An analysis of customer-related costs finds that residential and commercial rate classes are currently recovering a majority of customer-related costs through monthly customer charges. The proposal would also negatively impact the public policy goals of energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in the case. The Commission should keep the Company's current customer charges for all customers.

IX. CONCLUSION AND RECOMMENDATIONS

Q. WHAT IS YOUR RECOMMENDATION BASED ON CURRENT MACROECONOMIC CONDITIONS?

[113] This census division also includes the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. This is the most detailed level of aggregation available in the RECS.

A. I recommend the Commission take into consideration current macroeconomic conditions, including consumer affordability concerns, when determining just and reasonable rates for the Company. Average Pennsylvanians are struggling with lingering inflation concerns besides looking at potential additional concerns placed on them due to fallout from the conflict in the Persian Gulf. This while the Company has seen stable stock prices for its shareholders and no obvious market distress. The Commission, in particular, should require some level of shared burden, balancing consumer affordability concerns with the financial interests of the Company. I have been advised by counsel that the OCA will argue in their legal briefs that the Commission should not grant Peoples any increase in this proceeding due to the substantial affordability concerns that consumers are facing.

Q. WHAT IS YOUR OVERALL RECOMMENDATION REGARDING REGULATORY LAG?

A. The Company has not demonstrated that the existing regulatory framework in Pennsylvania is failing to support timely and adequate cost recovery. Rather, the evidence suggests that regulatory lag is already being effectively managed. The Commission should reaffirm the value of regulatory lag as a structural feature of traditional ratemaking and recognize that further erosion of this principle is neither necessary nor justified in this case.

Q. WHAT IS YOUR POSITION ON THE CONTINUATION OF THE COMPANY'S WNA?

A. I recommend that the Commission affirmatively discontinue the current WNA mechanism. The WNA is also not required to address regulatory lag concerns of the Company given the Company's use of a FPFTY and DSIC.

Q. DO YOU HAVE ANY ALTERNATIVE PROPOSAL IF THE COMMISSION DECIDES TO CONTINUE THE WNA?

A. If the Commission decides to continue the WNA, I recommend that the Commission increase the deadband from three percent to five percent and eliminate the months of October and May from the WNA period. This would strengthen ratepayer protections and would furthermore make the Company's WNA pilot consistent with the recent WNA pilot the Commission approved for Columbia Gas.

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE CLASSIFICATION OF DISTRIBUTION MAINS INVESTMENT AND THE USE OF ZERO INTERCEPT STUDY IN ITS ALLOCATED COST OF SERVICE STUDY?

A. I recommend the Commission reject the Company's proposed MSS approach. MSS and related zero-intercept studies that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in setting just and reasonable rates. In the alternative I recommend that the Commission approve an alternative classification of distribution mains that incorporates a P&A cost allocation method using weights based on the Company's test year system load factor. These recommendations better reflect cost causation principles and provide a more reasonable basis for allocating costs among customer classes.

Q. WHAT IS YOUR RECOMMENDATION REGARDING THE COMPANY'S PROPOSED REVENUE APPORTIONMENT?

A. I recommend the Commission adopt a more reasonable revenue apportionment method based on my alternative ACOSS results that also limits the rate increase compared to the Company's proposed revenue allocation method. Specifically, I recommend that the Commission cap the proposed rate increase to any single customer class to no more than 1.15 times the system

average increase. Second, I recommend that no class receive a rate increase less than 0.50 times the system average increase.

Q. WHAT ARE YOUR CUSTOMER CHARGE RECOMMENDATIONS AND CONCLUSIONS?

A. I recommend that the Commission reject the Company's proposed increase in residential and commercial customer charges. An analysis of customer-related costs finds that residential rate classes are currently recovering a majority of customer-related costs through monthly customer charges. The proposal would also negatively impact the public policy goals of energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in the case. The Commission should keep the Company's current customer charges for all customers.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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EDUCATION

M.A. in Economics, Kansas University, 2009

B.A. in Business Economics, Buena Vista University, 2007

PROFESSIONAL EXPERIENCE

Acadian Consulting Group, Baton Rouge, Louisiana

Spring 2025 – Present	Senior Research Consultant
Summer 2021 – Spring 2025	Research Consultant
Summer 2016 – Summer 2021	Research Associate
Winter 2011 – Summer 2016	Senior Research Analyst

Kansas Corporation Commission, Topeka, Kansas

Utilities Division

Summer 2011 – Winter 2011	Senior Research Economist

Research Division

Spring 2009 – Summer 2011	Research Analyst

Kansas Energy Council

Summer 2008 – Spring 2009	Research Assistant

PUBLICATIONS AND REPORTS

1. The challenges of the regulatory review of diversification mergers. With Dr. David E. Dismukes. *The Electricity Journal* 29 (2016) 8-14. (May 2016)

PROFESSIONAL AND CIVIC PRESENTATIONS

1. "Status and Future of Natural Gas Supply and Infrastructure" (2026). Prepared for the Michigan State University, Institute of Public Utilities (IPU) Grid School. April 14, 2026.

2. "Natural Gas Distribution" (2025). Prepared for the Louisiana State University, Center for Energy Studies, Energy Fundamentals 2025. June 24 and July 8, 2025.

3. "Development Trends, Issues, and Challenges with Clean Hydrogen Production" (2025). Prepared for the Michigan State University, Institute of Public Utilities, Annual Regulatory Studies Program. April 15, 2025.

4. "Status and Future of Natural Gas Supply and Infrastructure" (2025). Prepared for the Michigan State University, Institute of Public Utilities, Annual Regulatory Studies Program. April 8, 2025.

5. "Observed Impact of Formula Rate Plans Across the United States" (2024). Prepared for Arizona Corporation Commission Formula Rate Plan Workshop. October 3, 2024.

EXPERT WITNESS, LEGISLATIVE, AND PUBLIC TESTIMONY; EXPERT REPORTS, RECOMMENDATIONS, AND AFFIDAVITS

1. Expert Testimony. Docket No. 25-064-U (2026). Before the Arkansas Public Service Commission. *In the Matter of the Application of Black Hills Energy Arkansas, Inc. for Approval of a General Change in Rates and Tariffs.* On Behalf of the Office of Arkansas Attorney General. Issues: Cost of Service, Rate Design.

2. Expert Testimony. D.P.U. 26-50 (2026). Before the Commonwealth of Massachusetts Department of Public Utilities. *Petition of Boston Gas Company, doing business as National Grid, pursuant to G.L. c. 164, § 94 and 220 CMR 5.00, for Approval of a General Increase in Base Distribution Rates for Gas Service and Performance-Based Ratemaking Plan.* On Behalf of the Massachusetts Office of the Attorney General. Issues: Alternative Regulation, Cost of Service, Rate Design.

3. Expert Testimony. Docket No. R-2025-3059428. (2026). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utilities Commission v. National Fuel Gas Distribution Company.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Macroeconomy, Alternative Regulation, Regulatory Lag, Cost of Service, Rate Design.

4. Expert Testimony. Docket No. R-2025-3059523. (2026). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utilities Commission v. UGI Utilities, Inc. – Gas Division.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Macroeconomy, Alternative Regulation, Regulatory Lag, Cost of Service, Rate Design.

5. Expert Testimony. Docket No. 2025-325-E. (2026). Before the Public Service Commission of South Carolina. *In the Matter of the Application of Dominion Energy South Carolina, Inc. for Authority to Adjust and Increase its Retail Electric Rates and Charges.* On Behalf of the South Carolina Department of Consumer Affairs. Issues: Cost of Service, Rate Design, Alternative Regulation.

6. Expert Testimony. Docket No. 2025.09.072. (2026). Before the Public Service Commission of the State of Montana. *In the Matter of the Application of Montana-Dakota Utilities Co. for Authority to Establish Increased Rates for Electric Service.* Of Behalf of the Montana Consumer Counsel. Issues: Cost Trackers, Cost of Service, Rate Design.

7. Expert Testimony. Case Nos. 25-0594-WW-AIR and 25-0595-WW-ATA. (2026). Before the Public Utilities Commission of Ohio. *In the Matter of the Application of Aqua Ohio, Inc. to Increase its Rates and Charges for its Waterworks Service.* On Behalf of the Staff of the Public Utilities Commission of Ohio Rates and Analysis Department, Regulatory Service Division. Issues: Cost of Service, Rate Design.

8. Expert Testimony. Case No. 25-0593-ST-AIR. (2026). Before the Public Utilities Commission of Ohio. *In the Matter of the Application of Aqua Ohio Wastewater, Inc. to Increase Rates for Sewer Service.* On Behalf of the Staff of the Public Utilities Commission of Ohio Rates and Analysis Department, Regulatory Service Division. Issues: Cost of Service, Rate Design.

9. Expert Testimony. Docket No. UG-250610. (2026). Before the Washington Utilities and Transportation Commission. *Washington Utilities and Transportation Commission v. Northwest Natural Gas Company.* On Behalf of the Washington State Office of the Attorney General Public Counsel Unit. Issues: Cost of Service, Rate Design.

10. Expert Testimony. D.P.U. 25-85. (2025). Before the Commonwealth of Massachusetts Department of Public Utilities. *Petition of Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty, pursuant to G.L. c. 164, § 94 and 220 CMR 5.00 for Approval of a General Increase in Base Distribution Rates for Gas Service and a Performance-Based Ratemaking Plan.* On Behalf of the Massachusetts Office of the Attorney General. Issues: Cost Benchmarking.

11. Expert Testimony. Docket No. 2025-172-E. (2025). Before the Public Service Commission of South Carolina. *In the Matter of: Application of Duke Energy Carolinas, LLC for Authority to Adjust and Increase its Electric Rates and Charges.* On Behalf of the South Carolina Department of Consumer Affairs. Issues: Cost of Service, Rate Design, Alternative Regulation.

12. Expert Testimony. Docket No. 2025-154-E. (2025). Before the Public Service Commission of South Carolina. *In the Matter of: Application of Duke Energy Progress, LLC for Authority to Adjust and Increase its Electric Rates and Charges.* On Behalf of the South Carolina Department of Consumer Affairs. Issues: Cost of Service, Rate Design, Alternative Regulation.

13. Expert Testimony. Cause No. 46258. (2025). Before the Indiana Utility Regulatory Commission. *Petition of Indianapolis Power & Light Company D/B/A AES Indiana ("AES Indiana") for Authority to Increase Rates and Charges for Electric Utility*

Service Through a Phase-In Rate Adjustment; and For Approval of Related Relief, Including (1) Revised Depreciation Rates, Including Cost of Removal Less Salvage and Updated Depreciation Expense; (2) Accounting Relief, Including Deferrals and Amortizations, (3) Inclusion of Capital Investment, (4) Rate Adjustment Mechanism Proposal, Including a New Propoerty Tax Rider, and (5) New Schedules of Rates, Rules and Regulations for Service. On Behalf of the Indiana Office of Utility Consumer Counselor. Issues: Cost of Service, Rate Design.

14. Expert Testimony. Docket Nos. R-2025-3055010, R-2025-3055011, and R-2025-3055012. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Alternative Regulation, Regulatory Lag.

15. Expert Testimony. Docket No. G-04204A-24-0237. (2025). Before the Arizona Corporation Commission. *In the Matter of the Application of UNS Gas, Inc. for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of the Properties of UNS Gas, Inc. Devoted to its Operations Throughout the State of Arizona and for Related Approvals.* On Behalf of the Staff of the Arizona Corporation Commission. Issues: Cost of Service, Rate Design.

16. Expert Testimony. Docket No. R-2025-3054394. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. Citizens' Electric Company of Lewisburg.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Cost of Service, Rate Design.

17. Expert Testimony. Docket No. R-2025-3054393. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. Valley Energy, Inc.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Cost of Service, Rate Design.

18. Expert Testimony. Docket No. R-2025-3054392. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. Wellsboro Electric Company.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Cost of Service, Rate Design.

19. Expert Testimony. Docket No. R-2025-3053499. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Decoupling, Regulatory Lag.

20. Expert Testimony. Cause No. 46120. (2025). Before the Indiana Utility Regulatory Commission. *Verified Petition of NIPSCO Generation LLC for Certain Determinations by the Commission with Respect to its Jurisdiction Over Petitioner's Activities as a Non-Retail Generator of Electric Power.* On Behalf of

the Indiana Office of Utility Consumer Counselor. Issues: Rate Design, Large Data Center Loads.

21. Expert Testimony. Case No. U-21859. (2025). Before the Michigan Public Service Commission. *In the matter of the application of Consumers Energy Company for Ex Parte Approval of Certain Amendments to Rate GPD.* On Behalf of the Michigan Attorney General. Issues: Rate Design, Large Data Center Loads.

22. Expert Testimony. Docket No. R-2025-3053112. (2025). Before the Pennsylvania Public Utilities Commission. *Pennsylvania Public Utility Commission v. Philadelphia Gas Works.* On Behalf of the Pennsylvania Office of Consumer Advocate. Issues: Decoupling, Regulatory Lag.

23. Expert Testimony. Docket No. E-01773A-24-0220. (2025). Before the Arizona Corporation Commission. *In the Matter of the Application of Arizona Electric Power Cooperative, In. for a Hearing to Determine the Fair Value of its Property for Ratemaking Purposes, to Fix a Just and Reasonable Return Thereon and To Approve Rates Designed to Develop Such Return.* On Behalf of Arizona Corporation Commission Staff. Issues: Cost of Service, Qualifying Facilities.

24. Expert Testimony. Case No. U-21816. (2025). Before the Michigan Public Service Commission. *In the matter of Consumer Energy Company's application for the regulatory reviews, revisions, determinations, and/or approvals necessary to fully comply with Public Act 295 of 2008, as amended by Public Act 235 of 2023.* On Behalf of the Attorney General. Issues: Capital Expense, Cost Recovery

25. Expert Testimony. Cause No. 46120. (2024). Before the Indiana Utility Regulatory Commission. *Petition of Northern Indiana Public Service Company LLC Pursuant to Ind. Code §§ 8-1-2-42.4, 8-1-2-61 and 8-1-2.5-6 for (1) Authority to Modify its Retail Rates and Charges for Electric Utility Service Through a Phase in of Rates; (2) Approval of New Schedules of Rates and Charges, General Rules and Regulations, and Riders (both Existing and New); (3) Approval of Revised Common and Electric Depreciation Rates Applicable to its Electric Plant in Service; (4) Approval of Necessary and Appropriate Accounting Relief, Including, but Limited to, Authority to Capitalize as Rate Base All Expenditures for Improvements to Petitioner's Information Technology Systems through the Design, Development, and Implementation of a Work and Asset Management ("WAM") Program, to the Extent Necessary; and (5) Approval of Alternative Regulatory Plans for the Partial Waiver of 170 IAC 4-1-16(f) and Proposed Remote Disconnection and Reconnection Process and, to the Extent Necessary, Implementation of a Low Income Program.* On Behalf of the Indiana Office of Utility Consumer Counselor. Issues: Cost of Service, Rate Design.

26. Expert Testimony. Cause No. 46097. (2024). Before the Indiana Utility Regulatory Commission. *In the Matter of the Verified Petition of Indiana Michigan Power Company for Approval of Modifications to its Industrial Power Tariff – Tariff I.P.* On

Behalf of the Indiana Office of Utility Consumer Counselor. Issues: Rate Design, Large Data Center Loads.

27. Expert Report. Docket No. AHD-00000J-23-0273. (2024). Before the Arizona Corporation Commission. *In the Matter of the Application of the Arizona Corporation Commission's Exploration of Changes to the Up to 10% Annual Reduction in the Export Rate and the 10-Year Export Rate Effective Period Under the Resource Comparison Proxy Methodology Approved in the Value and Cost of Distributed Generation Docket (E-00000J-14-0023).* On Behalf of the Arizona Corporation Commission Staff. Issues: Value of Solar.

28. Expert Testimony. Case No. U-21585. (2024). Before the Michigan Public Service Commission. *In the Matter of the Application of Consumers Energy Company for Authority to Increase its Rates for the Generation and Distribution of Electricity and Other Relief.* On Behalf of the Attorney General. Issues: Capital Expenses.

29. Expert Report. *Review of LPSC Rules Regarding Distributed Generation: Report on Phase II of Rule-Making.* Docket No. R-33929. (2019). *In Re: Review of Policies Related to Customer-owned Solar Generation and Possible Modification of the Commission's Current Net Metering Rules.* On behalf of Louisiana Public Service Commission. Issues: Solar Net Metering.

30. Expert Report. *2011 Kansas Generation Planning Survey*. (2011). On behalf of the Kansas Corporation Commission Staff.

31. Expert Testimony. Docket No. 11-KCPE-581-PRE. (2011). Before the Kansas Corporation Commission. *In the Matter of the Petition of Kansas City Power & Light Company ("KCP&L") for Determination of the Ratemaking Principles and Treatment That Will Apply to the Recovery in Rates of the Costs to be Incurred by KCP&L for Certain Electric Generation Facilities Under K.S.A. 66-1239.* On Behalf of the Kansas Corporation Commission Staff. Issues: System Planning, Predetermination.

32. Expert Testimony. Docket No. 10-KCPE-795-TAR. (2010). Before the Kansas Corporation Commission. *In the Matter of the Application of Kansas City Power & Light Company for Approval to Implement a Portfolio of Demand Side Management Programs Including Affordability, Energy Efficiency, Demand Response and Educational Programs, and to Implement a Rider for Recovery of Program Costs and Incentives Associated with this Portfolio.* On Behalf of the Kansas Corporation Commission Staff. Issues: Demand Side Management, Cost-Benefit Analyses.

33. Expert Testimony. Docket No. 10-WSEE-775-TAR. (2010). Before the Kansas Corporation Commission. *In the Matter of the Application of Westar Energy, Inc. and Kansas Gas and Electric Company for an Order Authorizing them to participate in Efficiency Kansas, Approve the SimpleSavings Program Rider, and related cost recovery.* On Behalf of the Kansas Corporation Commission Staff. Issues: Demand Side Management, Cost-Benefit Analyses.

34. Expert Testimony. Docket No. 10-BHCG-639-TAR. (2010). Before the Kansas Corporation Commission. *In the Matter of the Application of Black Hills/Kansas Gas Utility Company, LLC, d/b/a Black Hills Energy for Approval to Implement Black Hills Energy's Five-Year Energy Efficiency Plan Consisting of Natural Gas Energy Efficiency Programs to Improve Building and Equipment Efficiency and to Educate About Efficient Energy Usage, to Provide for Program Cost Recovery Through a Rider Mechanism, Permit the Implementation of a Revenue Normalization Mechanism to Replace the Weather Normalization Adjustment, a Performance Incentive Mechanism, and Appropriate Accounting Authority to Defer Expenses and Revenues Associated with the Filing.* On Behalf of the Kansas Corporation Commission Staff. Issues: Demand Side Management, Cost-Benefit Analyses.

35. Expert Testimony. Docket No. 10-EPDE-497-TAR. (2010). Before the Kansas Corporation Commission. *In the Matter of the Application of the Empire District Electric Company for Approval to Implement its Portfolio of Energy Efficiency and Demand Response Programs for its Kansas Customers, to Provide for Program Cost Recovery and Lost Revenue Through a Rider Mechanism, to Obtain any Necessary Waivers for the Commission, and for Appropriate Accounting Authority to Defer Expenses and Revenues Associated with the Filing.* On Behalf of the Kansas Corporation Commission Staff. Issues: Demand Side Management, Cost-Benefit Analyses.

36. Expert Testimony. Docket No. 10-KGSG-421-TAR. (2010). Before the Kansas Corporation Commission. *In the Matter of the Application of Kansas Gas Service, a Division of ONEOK, Inc., for Approval to Implement the Efficiency Kansas Energy Efficiency Program, to Implement Natural Gas Energy Efficiency Programs to Improve Building and Equipment Efficiency and to Educate about Efficient Energy Usage, To Provide for Program Cost Recovery Through a Rider Mechanism, to Establish Administrative Charges and a Program Initiation Fee, Permit the Implementation of a Revenue Decoupling Mechanism, and Appropriate Accounting Authority to Defer Expenses and Revenues Associated with the Filing.* On Behalf of the Kansas Corporation Commission Staff. Issues: Demand Side Management, Cost-Benefit Analyses.

Table of Exhibits

Title	Exhibit
Commission Alternative Regulation Consideration (§ 69.3302)	Exhibit MWD-1
Survey of Approved Pennsylvania Natural Gas WNA Mechanisms	Exhibit MWD-2
Summary of Results of Company's Proposed ACOSS	Exhibit MWD-3
Correlation of Customers and Distribution Network Additions	Exhibit MWD-4
Summary of Results of Alternative ACOSS	Exhibit MWD-5
Summary of Company's Proposed Revenue Allocation	Exhibit MWD-6
Summary of Results of Alternative Revenue Allocation	Exhibit MWD-7
Analysis of Customer-Related Costs	Exhibit MWD-8

Commission Alternative Regulation Consideration (§ 69.3302)

	Commission Consideration Criteria	Peoples's Claim	Response
§ 69.3302(a)(1)	How the ratemaking mechanism and rate design align revenues with cost causation principles as to both fixed and variable costs.	Peoples's WNA is designed to recover distribution revenues needed to satisfy the cost-of-service requirement determined in this proceeding, while mitigating the variance between actual and projected distribution revenues due to weather. The Company recovers a significant portion of fixed costs through volumetric rates. These fixed costs do not vary with the amount of gas delivered to customers and are composed of fixed operation and maintenance expenses, administrative and general expenses, depreciation, certain taxes, a portion of working capital requirements, and return on investment. These costs also do not vary in the short-term with changes in temperature. In the absence of a rate design that affords the Company the opportunity to recover all fixed costs in a fixed monthly charge, the WNA mechanism better aligns distribution revenues with cost causation principles.	The WNA does not address the Commission's consideration criteria aligning revenues with cost causation. The WNA is premised on ensuring the Company will recover its annual fixed costs of providing gas distribution service; however, the WNA adjustment is applied as a variable charge to customer's bills.
§ 69.3302(a)(2)	How the ratemaking mechanism and rate design impact the fixed utility's capacity utilization.	While the WNA mechanism does not directly alter customer usage patterns or system peak demand, it plays an important enabling role in the efficient utilization of the Company's gas distribution capacity. Gas system capacity is designed to meet peak-day requirements driven by weather-sensitive load. Traditional volumetric recovery exposes the Company to revenue volatility when conservation, or efficiency efforts reduce throughput, even though peak-driven infrastructure costs remain largely unchanged.	Proposed WNA does not impact capacity utilization, as the determining metric for the charge is weather, not utilization.
§ 69.3302(a)(3)	Whether the ratemaking mechanism and rate design reflect the level of demand associated with the customer's anticipated consumption levels.	Customer specific usage factors corresponding to their individual demand is continually updated through the WNA formula and reflects the level of demand associated with the customer's anticipated consumption levels. In this proceeding, the Company is also proposing to set Normal Heating Degree Days using a 65-year regression rather than the average of a 65-year regression and a 20-year average, which more accurately captures recent warming trends. Using a more current weather baseline ensures that the WNA formula better aligns normalized usage with customers' anticipated consumption levels under today's climate conditions.	The WNA adjustment mechanism creates the anomaly where customers see rate increases when they reduce consumption and rate decreases when they increase consumption. If the WNA is generating revenue, then it inherently does not reflect the level of demand associated with the customer's anticipated consumption levels, because the WNA only generates revenue if the demand is less than anticipated.
§ 69.3302(a)(4)	How the ratemaking mechanism and rate design limit or eliminate interclass and intraclass cost shifting.	Peoples's WNA is applied on a customer-specific basis and is designed to be revenue-neutral within each customer class, such that it does not create or exacerbate cross-subsidization either within or across classes.	The WNA may have led to intraclass cost shifting to the extent that smaller use residential customers typically have a greater percentage of natural gas use that is temperature-sensitive compared to larger use residential customers.
§ 69.3302(a)(5)	How the ratemaking mechanism and rate design limit or eliminate disincentives for the promotion of efficiency programs.	The Company's WNA only addresses variations due to weather and does not affect customers' ability to pursue energy efficiency measures.	The WNA does not limit or eliminate disincentives for the promotion of energy efficiency. The WNA is solely tied to adjustment in customer usage attributed to changes in heating requirements and is not impacted by a reduction in customer use due to energy efficiency initiatives. The Company has not demonstrated that the lack of a WNA would present a major obstacle for the promotion of energy efficiency programs.
§ 69.3302(a)(6)	How the ratemaking mechanism and rate design impact customer incentives to employ efficiency measures and distributed energy resources.	Customers retain strong incentives to reduce usage because the commodity and other charges remain volumetric. The proposed WNA does not eliminate these price signals, so lower usage still results in lower bills.	The WNA may be perceived as a disincentive to employ energy efficiency measures for customers whose energy efficiency initiative takes place during periods of warmer than normal weather. These customers will see increased WNA charges after reducing usage through implementing energy efficiency initiatives.
§ 69.3302(a)(7)	How the ratemaking mechanism and rate design impact low-income customers and support consumer assistance programs.	Under the current WNA mechanism, customers who are currently enrolled to pay their bills based on a percentage of their household income see little to no impact to their bills under the WNA mechanism.	The WNA may harm low-income customers as these customers have less ability to weatherize homes to reduce impact of weather fluctuations on consumption.
§ 69.3302(a)(8)	How the ratemaking mechanism and rate design impact customer rate stability principles.	The American Gas Association Gas Rate Fundamentals book (Pages 152 – 156) states: "The goal of stability recognizes historical relationships among customers in terms of the proportion of system costs each customer group bears. Stability leads to a policy of gradualism in rate changes if substantial increases (or decreases) are called for in the context of a single rate case. Changes in gas utility pricing policy should be imposed gradually so that customers can adjust and any adverse impacts on the customers' operation are minimized." The WNA mechanism provides customers with more stable annual bills and directly mitigates volatility in their monthly costs. Customers would pay for the costs assigned to the volumetric base rate in the most recent rate case and customers would not pay more or less than that amount (outside of any established WNA deadband) solely because the actual weather for the month the customers are billed is different than the weather used to determine the rate design of the volumetric base rate.	The WNA adds another surcharge to customers' bills without any showing that the WNA would reduce the frequency of base rate case filings. It therefore does not improve rate stability.

Source: Direct Testimony of John D. Taylor, Exhibit JDT-6.

Commission Alternative Regulation Consideration (§ 69.3302)

	Commission Consideration Criteria	UGI Claim	Response
§ 69.3302(a)(9)	How weather impacts utility revenue under the ratemaking mechanism and rate design.	The Company's WNA adjusts customers' bills due to variations from normal weather during the heating season months of October through May, and it mitigates the revenue effect of weather on the original rate design of the volumetric base rate (outside of any established deadband and limiters). It only applies to Residential and Small/Medium General Service classes and it does not ensure the utility will recover 100% of its authorized distribution revenues, but it does reduce the amount of weather-related variation in both customer bills and associated utility distribution revenues.	While the WNA is premised on reducing risks to the Company revenue stability caused by fluctuations in weather conditions, in practice it is not a revenue neutral mechanism.
§ 69.3302(a)(10)	How the ratemaking mechanism and rate design impact the frequency of rate case filings and affect regulatory lag.	The WNA does not impact the Company's rate case frequency nor it effects regulatory lag.	Historically the Company has filed multiple rate case over the last decade, despite possessing the WNA. This is unlikely to change and the WNA does not prevent the Company from seeking additional rate increases driven by future investment needs or higher expenses and associated cost recovery. The WNA does, however, weaken the positive impacts regulatory lag has on promoting cost containment between rate cases. Regulatory lag has long been recognized as a key component of the overall regulatory compact that disciplines utility operational and investment decisions between rate cases. Regulatory lag in particular diminishes incentives for utilities to overcapitalize since the inefficiencies associated with overcapitalization are passed directly to shareholders until reviewed by the Commission in the utility's next rate case.
§ 69.3302(a)(11)	If or how the ratemaking mechanism and rate design interact with other revenue sources, such as Section 1307 automatic adjustment surcharges, 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments), riders such as 66 Pa.C.S. § 2804(9) (relating to standards for restructuring of electric industry) or system improvement charges, 66 Pa.C.S. § 1353 (relating to distribution system improvement charge).	The Company's proposed WNA only applies to distribution related charges that are recovering the base distribution revenue requirement from applicable WNA customer classes for the heating season of October through May.	The WNA applies only to base rates and does not impact surcharges.
§ 69.3302(a)(12)	Whether the alternative ratemaking mechanism and rate design include appropriate consumer protections.	Peoples's WNA includes several consumer protections to ensure fairness and transparency, as follows: a. No Over-Recovery of Revenue: The WNA mechanism operates with a deadband and a limiter. Outside of the deadband and the limiter, the WNA results in an adjusted bill that reflects the revenues that would be recovered under normal weather, i.e., the same normal weather used to set rates. b. No Cross-Subsidization: The WNA is customer-specific. c. Regulatory Oversight: The WNA is subject to Commission review and regulatory reporting requirements to ensure compliance with approved revenue stabilization objectives and to protect consumers from unintended rate impacts. d. Customer Transparency and Education: Peoples provides clear bill disclosures and customer education regarding WNA adjustments, ensuring consumers understand how the mechanism works and how it impacts their bills.	The WNA does not include sufficient consumer protections. These include checks on over-earnings to prevent overall rate increases through WNA reconciliations.
§ 69.3302(a)(13)	Whether the alternative ratemaking mechanism and rate design are understandable to consumers.	The WNA is not a new concept to the regulated utility industry and similar versions have been successfully implemented by other Pennsylvania natural gas distribution companies. The WNA tariff provides detailed information to the customer of how the mechanism would work and the adjustments are displayed separately on bills and the Company maintains a detailed FAQ related to the WNA on its website, ensuring transparency. Link to Peoples Website → https://www.peoples-gas.com/weather-normalization-adjustment.php	Customers have no means of anticipating future WNA changes as it is impossible for customers to forecast WNA charges in advance and likely difficult for customers to calculate even after the fact. For these reasons elements of the WNA likely not understandable to customers and effectively is viewed as just another surcharge present on the customer's bill.
§ 69.3302(a)(14)	How the ratemaking mechanism and rate design will support improvements in utility reliability.	The proposed WNA targets the revenue requirement that would have been already subject to scrutiny and approved by the Commission, meaning that its prudency and reasonableness would have been reviewed and deemed appropriate to support reliability driven initiatives. The proposed WNA helps to minimize the volatility of the recovery of these costs.	The WNA has not lead to changes in the Company's quality of service, either positively or negatively. The WNA is not tied to achievement of increased service reliability performance, but has reduced the positive incentive of regulatory lag for the Company to control costs and led to customer confusion. The Company retains the ability to file rate cases using a projected future test year to address concerns associated with capital improvements required to facilitate reliable delivery of natural gas.

Source: Direct Testimony of John D. Taylor, Exhibit JDT-6.

Survey of Approved Pennsylvania Natural Gas WNA Mechanisms

Witness: Deupree
Docket No. R-2026-3060855
Exhibit MWD-2

Utility	Docket No.	Filing Year	Decision Type	Customer Applicability	Pilot (Y/N)	Pilot Duration	Deadband	Heating Months	NHDD Methodology	Customer Education	Reporting Requirements	Other
National Fuel Gas Distribution Corporation	R-2022-3035730	2022	Settled	Residential, CAP, Commercial, and Public Authority	Y	5 years	3%	October-May	15-year average	Provide WNA and bill impact information.	Two annual WNA reports by month and customer class providing: (1) bills subject to WNA, (2) total bills, (3) volume adjustment, (4) revenue adjustment, (5) NHDDs and AHDDs.	N/A
Peoples Natural Gas Company	R-2023-3044549	2023	Partially settled	Residential, Commercial SGS, and Commercial MGS	N	N/A	3%	October-May	Based on HDDs adopted in R-2023-3044549 rate case	N/A	Annual report due September 1 providing: (1) monthly WNA billed revenues, (2) AHDD and NHDD data, (3) customer count and bill impacts by class.	(1) Separate line item on customer bills; (2) Bills rendered calculation basis; (3) May adjustment capped at 100% of billed distribution amount.
PECO Energy Company	R-2024-3046932	2024	Partially settled	---------- The Commission agreed with the ALJs' findings and denied PECO's request to implement a WNA ----------								
Pike County Light & Power Company	R-2024-3052357	2024	Partially settled	---------- The Company proposed a WNA mechanism but withdrew the proposal pursuant to settlement ----------								
Columbia Gas of Pennsylvania, Inc.	R-2025-3053499	2025	Litigated	RSS, RDS, and CAP	Y	Until final order in next base rate case	5%	November-April	10-year average	N/A	Annual report due October 1 providing: (1) monthly WNA computations and (2) all underlying supporting data.	N/A
UGI Utilities, Inc.	R-2024-3052716	2025	Settled	R, RT, N, and NT	Y	Until October 31, 2027	3%	October-April	15-year average	Review/revise WNA pilot communication materials with party input (review due 12/31/2025).	Two annual WNA reports by month and customer class providing: (1) bills subject to the WNA, (2) total bills, (3) volume and revenue adjustments, (4) NHDDs and AHDDs, (5) number and percentage of bills adjusted upward or downward due to warmer or colder than normal weather.	(1) CAP customers on percent-of-income bills exempt from WNA beginning November 1, 2025; (2) Future filing must evaluate use of rolling 10-year HDD average.

Summary of Results of Company's Proposed ACOSS: Relative Rate of Return at Current Rates

Line No.	Account Description	Total Retail Gas	Residential Service (RS)	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Rate Base**						
2	Plant in Service	$ 7,078,132,872	$ 5,050,573,446	$ 735,853,429	$ 815,518,327	$ 378,544,462	$ 97,643,209
3	Accumulated Reserve	(1,576,047,666)	(1,125,088,308)	(156,182,415)	(169,982,111)	(90,894,682)	(33,900,149)
4	Net Gas Plant in Service	$ 5,502,085,205	$ 3,925,485,137	$ 579,671,013	$ 645,536,215	$ 287,649,780	$ 63,743,059
5	Total Other Rate Base Items	226,682,628	150,264,383	22,262,337	26,466,001	17,712,262	9,977,645
6	**Total Gas Rate Base**	**$ 5,728,767,833**	**$ 4,075,749,520**	**$ 601,933,351**	**$ 672,002,216**	**$ 305,362,042**	**$ 73,720,705**
7	**Operating Income**						
8	**Operating Revenues**						
9	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
10	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
11	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
12	Other Revenue	1,161,086	1,022,090	121,118	15,414	1,956	509
13	Forefeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
14	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
15	**Total Operating Revenues**	**$ 1,184,614,065**	**$ 875,171,173**	**$ 116,045,549**	**$ 108,167,260**	**$ 72,051,809**	**$ 13,178,274**
16	**Operating Expenses**						
17	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
18	O&M and A&G Expense	219,345,146	156,186,596	23,383,010	21,367,001	12,569,547	5,838,992
19	Depreciation and Amortization Expense	181,181,596	129,672,768	19,582,470	20,003,035	9,369,651	2,553,672
20	Taxes Other Than Income	13,759,055	9,915,074	1,541,075	1,389,418	661,626	251,861
21	Current Income Taxes	(80,556,297)	(54,797,147)	(4,397,790)	(8,346,120)	(12,908,827)	(106,414)
22	**Total Operating Expenses**	**$ 839,648,890**	**$ 640,514,070**	**$ 97,212,950**	**$ 72,426,780**	**$ 16,772,510**	**$ 12,722,580**
23	**Net Operating Income**	**$ 344,965,175**	**$ 234,657,102**	**$ 18,832,599**	**$ 35,740,480**	**$ 55,279,300**	**$ 455,693**
24	**Rate of Return on Rate Base ("ROR")**	**6.02%**	**5.76%**	**3.13%**	**5.32%**	**18.10%**	**0.62%**
25	**Relative Rate of Return ("RROR")**	**1.00**	**0.96**	**0.52**	**0.88**	**3.01**	**0.10**

Source: COSA Model Workpaper

Summary of Results of Company's Proposed ACOSS: Required Increase at Equalized Rates

Line No.	Account Description	Total Retail Gas	Residential Service (RS)	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Revenue Requirement**						
2	**Required Income Under Company's Proposed ROR**						
3	Total Gas Rate Base	$ 5,728,767,833	$ 4,075,749,520	$ 601,933,351	$ 672,002,216	$ 305,362,042	$ 73,720,705
4	Proposed Rate of Return	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
5	**Required Operating Income @ 8.23% ROR**	**$ 471,404,690**	**$ 335,382,319**	**$ 49,531,455**	**$ 55,297,231**	**$ 25,127,410**	**$ 6,066,276**
6	**Operating Expenses**						
7	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
8	O&M and A&G Expenses	219,345,146	156,186,596	23,383,010	21,367,001	12,569,547	5,838,992
9	Depreciation and Amortization Expense	181,181,596	129,672,768	19,582,470	20,003,035	9,369,651	2,553,672
10	Taxes Other Than Income	13,759,055	9,915,074	1,541,075	1,389,418	661,626	251,861
11	Current Income Taxes	(80,556,297)	(57,312,026)	(8,464,215)	(9,449,503)	(4,293,914)	(1,036,639)
12	Gross-up Federal Income Tax	33,610,504	23,912,297	3,531,524	3,942,616	1,791,550	432,517
13	Gross-up Bad Debts	3,121,918	2,844,596	126,980	110,646	39,697	-
14	**Total Operating Expenses**	**$ 876,381,313**	**$ 664,756,084**	**$ 96,805,029**	**$ 75,376,659**	**$ 27,218,669**	**$ 12,224,871**
15	**Total Revenue Requirement**	**$ 1,347,786,003**	**$ 1,000,138,402**	**$ 146,336,484**	**$ 130,673,890**	**$ 52,346,079**	**$ 18,291,147**
16	**Revenue Deficiency**						
17	**Operating Revenues**						
18	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
19	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
20	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
21	Other Revenue	1,161,086	1,022,090	121,118	15,414	1,956	509
22	Forfeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
23	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
24	**Total Operating Revenues**	**$ 1,184,614,065**	**$ 875,171,173**	**$ 116,045,549**	**$ 108,167,260**	**$ 72,051,809**	**$ 13,178,274**
25	**Revenue Deficiency (Surplus)**	**$ 163,171,938**	**$ 124,967,230**	**$ 30,290,935**	**$ 22,506,630**	**$ (19,705,730)**	**$ 5,112,874**
26	**Rate Increase (Decrease) at Equal ROR**	**13.77%**	**14.28%**	**26.10%**	**20.81%**	**-27.35%**	**38.80%**
27	**Relative Rate Increase**	**1.00**	**1.04**	**1.90**	**1.51**	**-1.99**	**2.82**

Source: COSA Model Workpaper

Correlation of Customers and Distribution Mains Additions (Annual Additions)

Year	Change in Average Number of Customers	Net Distribution Mains Additions
2016	3,145	28,340,837
2017	2,729	42,458,511
2018	1,561	82,388,345
2019	235,669	127,173,311
2020	6,774	129,368,886
2021	11,546	196,964,565
2022	6,473	7,593,223
2023	71,335	452,119,914
2024	5,632	423,845,286
2025	5,047	378,741,268
Correlation Coefficient		**0.0414**
P-Value		**0.9095**
Significant at 95% Level		**No Correlation**

Source: S&P Global.

Correlation of Customers and Distribution Mains Additions (Growth Rate Analysis)

Year	Change in Average Number of Customers	Net Distribution Mains Additions
2016	0.0118	0.09
2017	0.0101	0.40
2018	0.0057	0.66
2019	0.6227	0.43
2020	0.0132	0.02
2021	0.0222	0.42
2022	0.0122	(3.26)
2023	0.1255	4.09
2024	0.0093	(0.06)
2025	0.0082	(0.11)
Correlation Coefficient		**0.1762**
P-Value		**0.6263**
Significant at 95% Level		**No Correlation**

Source: S&P Global.

Summary of Results of Alternative ACOSS: Relative Rate of Return at Current Rates

Line No.	Account Description	Total Retail Gas	Residential Service (RS)	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Rate Base**						
2	Plant in Service	$ 7,078,132,872	$ 4,694,608,834	$ 780,889,780	$ 998,966,447	$ 506,024,602	$ 97,643,209
3	Accumulated Reserve	(1,576,047,666)	(1,060,460,532)	(164,258,079)	(203,026,311)	(114,402,595)	(33,900,149)
4	Net Gas Plant in Service	$ 5,502,085,205	$ 3,634,148,303	$ 616,631,701	$ 795,940,135	$ 391,622,007	$ 63,743,059
5	Total Other Rate Base Items	226,682,628	141,161,565	23,414,018	31,157,183	20,972,217	9,977,645
6	**Total Gas Rate Base**	**$ 5,728,767,833**	**$ 3,775,309,867**	**$ 640,045,719**	**$ 827,097,318**	**$ 412,594,224**	**$ 73,720,705**
7	**Operating Income**						
8	**Operating Revenues**						
9	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
10	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
11	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
12	Other Revenue	1,161,086	1,021,081	121,246	15,934	2,316	509
13	Forefeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
14	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
15	**Total Operating Revenues**	**$ 1,184,614,065**	**$ 875,170,164**	**$ 116,045,676**	**$ 108,167,780**	**$ 72,052,170**	**$ 13,178,274**
16	**Operating Expenses**						
17	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
18	O&M and A&G Expense	219,345,146	149,570,578	24,220,280	24,776,855	14,938,440	5,838,992
19	Depreciation and Amortization Expense	181,181,596	121,298,761	20,639,585	24,312,502	12,377,077	2,553,672
20	Taxes Other Than Income	13,759,055	9,471,696	1,597,199	1,617,986	820,312	251,861
21	Current Income Taxes	(80,556,297)	(59,498,866)	(3,803,576)	(5,924,830)	(11,222,611)	(106,414)
22	**Total Operating Expenses**	**$ 839,648,890**	**$ 620,378,948**	**$ 99,757,673**	**$ 82,795,960**	**$ 23,993,729**	**$ 12,722,580**
23	**Net Operating Income**	**$ 344,965,175**	**$ 254,791,216**	**$ 16,288,004**	**$ 25,371,820**	**$ 48,058,441**	**$ 455,693**
24	**Rate of Return on Rate Base ("ROR")**	**6.02%**	**6.75%**	**2.54%**	**3.07%**	**11.65%**	**0.62%**
25	**Relative Rate of Return ("RROR")**	**1.00**	**1.12**	**0.42**	**0.51**	**1.93**	**0.10**

Source: COSA Model Workpaper

Summary of Results of Alternative ACOSS: Required Increase at Equalized Rates

Line No.	Account Description	Total Retail Gas	Residential Service (RS)	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Revenue Requirement**						
2	**Required Income Under Company's Proposed ROR**						
3	Total Gas Rate Base	$ 5,728,767,833	$ 3,775,309,867	$ 640,045,719	$ 827,097,318	$ 412,594,224	$ 73,720,705
4	Proposed Rate of Return	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
5	**Required Operating Income @ 8.23% ROR**	**$ 471,404,690**	**$ 310,659,959**	**$ 52,667,618**	**$ 68,059,584**	**$ 33,951,254**	**$ 6,066,276**
6	**Operating Expenses**						
7	Gas Cost Expense	$ 505,919,390	$ 399,536,779	$ 57,104,184	$ 38,013,446	$ 7,080,512	$ 4,184,468
8	O&M and A&G Expenses	219,345,146	149,570,578	24,220,280	24,776,855	14,938,440	5,838,992
9	Depreciation and Amortization Expense	181,181,596	121,298,761	20,639,585	24,312,502	12,377,077	2,553,672
10	Taxes Other Than Income	13,759,055	9,471,696	1,597,199	1,617,986	820,312	251,861
11	Current Income Taxes	(80,556,297)	(53,087,329)	(9,000,140)	(11,630,406)	(5,801,782)	(1,036,639)
12	Gross-up Federal Income Tax	33,610,504	22,149,627	3,755,128	4,852,554	2,420,678	432,517
13	Gross-up Bad Debts	3,121,918	2,844,596	126,980	110,646	39,697	-
14	**Total Operating Expenses**	**$ 876,381,313**	**$ 651,784,708**	**$ 98,443,217**	**$ 82,053,584**	**$ 31,874,933**	**$ 12,224,871**
15	**Total Revenue Requirement**	**$ 1,347,786,003**	**$ 962,444,666**	**$ 151,110,834**	**$ 150,113,168**	**$ 65,826,187**	**$ 18,291,147**
16	**Revenue Deficiency**						
17	**Operating Revenues**						
18	Base Rate Revenue	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
19	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
20	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
21	Other Revenue	1,161,086	1,021,081	121,246	15,934	2,316	509
22	Forfeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
23	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
24	**Total Operating Revenues**	**$ 1,184,614,065**	**$ 875,170,164**	**$ 116,045,676**	**$ 108,167,780**	**$ 72,052,170**	**$ 13,178,274**
25	**Revenue Deficiency (Surplus)**	**$ 163,171,938**	**$ 87,274,502**	**$ 35,065,158**	**$ 41,945,388**	**$ (6,225,983)**	**$ 5,112,874**
26	**Rate Increase (Decrease) at Equal ROR**	**13.77%**	**9.97%**	**30.22%**	**38.78%**	**-8.64%**	**38.80%**
27	**Relative Rate Increase**	**1.00**	**0.72**	**2.19**	**2.82**	**-0.63**	**2.82**

Source: COSA Model Workpaper

Summary of Company's Proposed Revenue Allocation

Witness: Deupree
Docket No. R-2026-3060855
Exhibit MWD-6

Line No.	Account Description	Total Company	Residential Service	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Allocated Cost of Service Study Results**						
2	**Total Rate Base**	**$ 5,728,767,833**	**$ 4,075,749,520**	**$ 601,933,351**	**$ 672,002,216**	**$ 305,362,042**	**$ 73,720,705**
3	Total Gas Operating Revenues	$ 1,184,614,065	$ 875,171,173	$ 116,045,549	$ 108,167,260	$ 72,051,809	$ 13,178,274
4	Total Gas Operating Expenses	839,648,890	640,514,070	97,212,950	72,426,780	16,772,510	12,722,580
5	**Present Net Operating Income (for Ratemakin**	**$ 344,965,175**	**$ 234,657,102**	**$ 18,832,599**	**$ 35,740,480**	**$ 55,279,300**	**$ 455,693**
6	**Rate of Return**	**6.02%**	**5.76%**	**3.13%**	**5.32%**	**18.10%**	**0.62%**
7	**Relative Rate of Return**	**1.00**	**0.96**	**0.52**	**0.88**	**3.01**	**0.10**
8	**Proposed Revenue Increase**						
9	**Proposed Revenue Increase**						
10	Current Gas Base Rate Revenues	$ 616,555,782					
11	Proposed Gas Operating Revenues	777,426,799					
12	**Proposed Revenue Increase**	**$ 160,871,017**					
13	**Revenue Increase at Equal Rate of Return**						
14	Margin Revenue Increase	$ 160,871,017	$ 123,781,790	$ 30,162,380	$ 22,275,482	$ (20,108,804)	$ 4,760,169
15	Base Revenue at Current Rates	616,555,782	431,488,517	54,788,815	65,431,384	57,668,118	7,178,949
16	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
17	Riders and Other Revenue	64,439,814	45,331,316	4,281,105	4,953,577	7,706,254	2,167,561
19	**Total Revenues at Equal Rates of Return**	**$ 1,347,786,003**	**$ 1,000,138,402**	**$ 146,336,484**	**$ 130,673,890**	**$ 52,346,079**	**$ 18,291,147**
20	**Revenue Increase at Equal Rate of Return**	**26.09%**	**28.69%**	**55.05%**	**34.04%**	**-34.87%**	**66.31%**
21	**Current Revenue to Parity Ratio**	**1.00**	**1.10**	**2.11**	**1.30**	**-1.34**	**2.54**
22	**Step One Rate Increase**						
23	No Change to LGS and MLS Rats	0.0%				0.0%	0.0%
24	Step One Rate Increase	$ -	-	-	-	-	-
25	Revenue Increase Required after Step One	$ 160,871,017				-	-
26	**Step Two Rate Increase**						
27	Cap of 1.5 times System Average Increase	39.1%	0%	39%	0%	-	-
28	Step Two Rate Increase	$ 21,443,151	$ -	$ 21,443,151	$ -	$ -	$ -
29	Revenue Increase Required after Step Two	$ 139,427,866					
30	**Step Three Rate Increase**						
31	Set Residential and MGS to Parity		28.69%	0.00%	34.04%	0.00%	0.00%
32	Step Three Rate Increase	$ 146,057,272	$ 123,781,790	$ -	$ 22,275,482	$ -	$ -
33	Rate Increase after Step Three	$ 167,500,423	$ 123,781,790	$ 21,443,151	$ 22,275,482	$ -	$ -
34	Revenue Increase Required after Step Three	(6,629,407)					
35	**Step Four Rate Increase**						
36	Basis for Step Four	$ 146,057,272	$ 123,781,790	$ -	$ 22,275,482	$ -	$ -
37	Reduce Step Three Increase Equally	(6,629,407)	(5,618,343)	-	(1,011,064)	-	-
38	**Proposed Revenue Increase by Class**	**$ 160,871,017**	**$ 118,163,447**	**$ 21,443,151**	**$ 21,264,419**	**$ -**	**$ -**
39	Base Revenues at Current Rates	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
40	Proposed Revenue Increase by Class	160,871,017	118,163,447	21,443,151	21,264,419	-	-
41	Proposed Base Revenues	$ 777,426,799	$ 549,651,964	$ 76,231,966	$ 86,695,802	$ 57,668,118	$ 7,178,949
42	**Proposed Revenue Change**	**26.09%**	**27.39%**	**39.14%**	**32.50%**	**0.00%**	**0.00%**
43	**Relative Proposed Rate Increase**	**1.00**	**1.05**	**1.50**	**1.25**	**0.00**	**0.00**

Source: COSA Model Workpaper

Summary of Results of Alternative Revenue Allocation

Witness: Deupree
Docket No. R-2026-3060855
Exhibit MWD-7

Line No.	Account Description	Total Company	Residential Service	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Allocated Cost of Service Study Results**						
2	**Total Rate Base**	**$ 5,728,767,833**	**$ 3,775,309,867**	**$ 640,045,719**	**$ 827,097,318**	**$ 412,594,224**	**$ 73,720,705**
3	Total Gas Operating Revenues	$ 1,184,614,065	$ 875,170,164	$ 116,045,676	$ 108,167,780	$ 72,052,170	$ 13,178,274
4	Total Gas Operating Expenses	839,648,890	620,378,948	99,757,673	82,795,960	23,993,729	12,722,580
5	**Present Net Operating Income (for Ratemaking Purposes)**	**$ 344,965,175**	**$ 254,791,216**	**$ 16,288,004**	**$ 25,371,820**	**$ 48,058,441**	**$ 455,693**
6	**Rate of Return**	**6.02%**	**6.75%**	**2.54%**	**3.07%**	**11.65%**	**0.62%**
7	**Relative Rate of Return**	**1.00**	**1.12**	**0.42**	**0.51**	**1.93**	**0.10**
8	**Proposed Revenue Increase**						
9	**Proposed Revenue Increase**						
10	Current Gas Base Rate Revenues	$ 616,555,782					
11	Proposed Gas Operating Revenues	777,426,799					
12	**Proposed Revenue Increase**	**$ 160,871,017**					
13	**Revenue Increase at Equal Rate of Return**						
14	Margin Revenue Increase	$ 160,871,017	$ 86,089,063	$ 34,936,602	$ 41,714,240	$ (6,629,057)	$ 4,760,169
15	Base Revenue at Current Rates	616,555,782	431,488,517	54,788,815	65,431,384	57,668,118	7,178,949
16	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
17	Riders and Other Revenue	64,439,814	45,330,307	4,281,233	4,954,098	7,706,615	2,167,561
19	**Total Revenues at Equal Rates of Return**	**$ 1,347,786,003**	**$ 962,444,666**	**$ 151,110,834**	**$ 150,113,168**	**$ 65,826,187**	**$ 18,291,147**
20	**Revenue Increase at Equal Rate of Return**	**26.09%**	**19.95%**	**63.77%**	**63.75%**	**-11.50%**	**66.31%**
21	**Relative Increase at Equal Rate of Return**	**1.00**	**0.76**	**2.44**	**2.44**	**-0.44**	**2.54**
22	**Step One Rate Increase**						
23	Cap of 1.15 times System Average Increase	30.01%	0.00%	30.01%	30.01%	0.00%	30.01%
24	Step One Rate Increase	$ 38,226,963	$ -	$ 16,439,749	$ 19,633,122	$ -	$ 2,154,092
25	Revenue Increase Required after Step One	$ 122,644,054					
26	**Step Two Rate Increase**						
27	Floor of 0.50 times System Average Increase	13.05%	0.00%	0.00%	0.00%	13.05%	0.00%
28	Step Two Rate Increase	$ 7,523,349	$ -	$ -	$ -	$ 7,523,349	$ -
29	Revenue Increase after Step Two	$ 45,750,312	$ -	$ 16,439,749	$ 19,633,122	$ 7,523,349	$ 2,154,092
30	Revenue Increase Required after Step Two	$ 115,120,705					
30	**Step Three Rate Increase**						
31	Remaining Revenue Increase to Residential	$ 115,120,705	$ 115,120,705	$ -	$ -	$ -	$ -
38	**Proposed Revenue Increase by Class**	**$ 160,871,017**	**$ 115,120,705**	**$ 16,439,749**	**$ 19,633,122**	**$ 7,523,349**	**$ 2,154,092**
39	Base Revenues at Current Rates	$ 616,555,782	$ 431,488,517	$ 54,788,815	$ 65,431,384	$ 57,668,118	$ 7,178,949
40	Proposed Revenue Increase by Class	160,871,017	115,120,705	16,439,749	19,633,122	7,523,349	2,154,092
41	Proposed Base Revenues	$ 777,426,799	$ 546,609,222	$ 71,228,564	$ 85,064,506	$ 65,191,467	$ 9,333,041
42	**Proposed Revenue Change**	**26.09%**	**26.68%**	**30.01%**	**30.01%**	**13.05%**	**30.01%**
43	**Relative Proposed Rate Increase**	**1.00**	**1.02**	**1.15**	**1.15**	**0.50**	**1.15**

Source: COSA Model Workpaper

Analysis of Customer-Related Costs

Witness: Deupree
Docket No. R-2026-3060855
Exhibit MWD-8

Line No.	Account Description	Residential Service (RS)	General Service Small (SGS)	General Service Medium (MGS)	General Service Large (LGS)	Mainline Service (MLS)
1	**Customer-Related Costs per Company's ACOSS**					
2	**Return on Customer-Related Rate Base**					
3	**Gross Plant in Service**					
4	380 - Services	$ 1,035,292,780	$ 77,417,600	$ 8,355,146	$ 397,279	$ 16,154
5	381 - Meters	159,379,288	41,309,922	13,322,740	1,166,705	7,712
6	382 - Meter Installations	41,459,914	10,746,100	3,465,693	303,499	2,006
7	Total Customer-Related Gross Plant in Service	$ 1,236,131,982	$ 129,473,622	$ 25,143,578	$ 1,867,483	$ 25,872
8	Less: Accumulated Depreciation	(342,541,971)	(29,135,418)	(4,206,200)	(263,872)	(5,971)
9	Net Customer Related Plant in Service	$ 893,590,012	$ 100,338,204	$ 20,937,378	$ 1,603,611	$ 19,901
10	System Average Return on Rate Base	6.02%	6.02%	6.02%	6.02%	6.02%
11	Before Tax Return on Customer-Related Rate Base	$ 53,808,680	$ 6,041,995	$ 1,260,771	$ 96,564	$ 1,198
12	Tax Gross-up Factor	1.398	1.398	1.398	1.398	1.398
13	**After Tax Return on Customer-Related Rate Base**	**$ 75,246,371**	**$ 8,449,161**	**$ 1,763,070**	**$ 135,035**	**$ 1,676**
14	**Customer-Related Expenses**					
15	874 - Mains and Services Expenses	$ 6,624,845	$ 495,396	$ 51,967	$ 1,832	$ 53
16	878 - Meter and House Regulator Expenses	6,908,057	1,790,517	577,454	50,569	334
17	879 - Customer Installations Expenses	5,490,054	1,422,981	458,921	40,189	266
18	892 - Maintenance of Services	1,833,079	137,075	14,794	703	29
19	893 - Maintenance of Meters and House Regulators	252,254	65,382	21,086	1,847	12
20	902-904 - Customer Account Expenses	49,137,349	3,036,590	1,150,075	382,882	1,262
21	907-908 - Customer Service and Information Expenses	(4,556,641)	(39,830)	(4,050)	(188)	(7)
22	911-912 - Sales Expenses	212,522	1,217,352	119,641	2,842	-
23	**Total Customer-Related O&M Expenses**	**$ 65,901,519**	**$ 8,125,463**	**$ 2,389,888**	**$ 480,676**	**$ 1,949**
24	**Customer-Related Depreciation Expense**					
25	380 - Services Depreciation Expense	$ 20,956,073	$ 1,567,063	$ 169,122	$ 8,042	$ 327
26	381 - Meters Depreciation Expense	8,727,716	2,262,159	729,562	63,890	422
27	382 - Meter Installations Depreciation Expense	1,292,403	334,981	108,034	9,461	63
28	**Total Customer-Related Depreciation Expense**	**$ 30,976,192**	**$ 4,164,203**	**$ 1,006,718**	**$ 81,392**	**$ 812**
29	**Total Class Functionalized Customer-Related Costs**	**$ 172,124,082**	**$ 20,738,826**	**$ 5,159,676**	**$ 697,103**	**$ 4,437**
30	Number of Customers	652,448	48,789	4,961	231	8
31	**Monthly Customer-Related Costs/Customer**	**$ 21.98**	**$ 35.42**	**$ 86.68**	**$ 251.66**	**$ 46.22**
32	**Current Monthly Customer Charge/Customer**	**$ 16.80**	**$ 22.00**	**$ 101.00**	**$ 940.00**	**$ 5,630.00**
33	**Relationship of Customer Charge Revenues to Customer-Related Costs**	**76%**	**62%**	**117%**	**374%**	**12181%**

Source: COSA Model Workpaper

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Michael Deupree, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 1, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 18, 2026

Signature: Michael Deupree

Michael Deupree

Address: Acadian Consulting Group
5800 One Perkins Place Drive
Suite 5-F
Baton Rouge, LA 70808

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket No.: R-2026-3060855
v.	:	
	:	
Peoples National Gas Company LLC	:	

REBUTTAL TESTIMONY

OF

MICHAEL DEUPREE ON BEHALF OF THE PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 16, 2026

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Michael W. Deupree. My business address is 5800 One Perkins Place Drive, Suite 5-F, Baton Rouge, Louisiana, 70808.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed direct testimony in this proceeding on June 18, 2026, on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to elements of the direct testimony of Jennifer Warabak on behalf of the Pennsylvania Weatherization Providers Task Force ("PWPTF"), Mark D. Ewen on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA"), and Ethan H. Cline on behalf of the Bureau of Investigation and Enforcement ("I&E"). Specifically, I will respond to PWPTF's recommendation that low-income usage reduction program ("LIURP") funding be increased commensurate with the percentage increase in rates for residential customers in this proceeding, OSBA testimony concerning Peoples National Gas Company LLC ("Peoples" or the "Company") proposed revenue allocation, and I&E's testimony regarding proposed monthly customer charges.

II. LIURP FUNDING

Q. WHAT IS PWPTF'S POSITION ON THE PROPOSED RESIDENTIAL RATE INCREASE?

A. PWPTF is generally concerned with the Company's proposed increase in residential rates in the current proceeding, particularly the Company's nearly 55 percent increase in fixed monthly

customer charges.[1] PWPTF notes that increases in fixed customer charges discourages conservation by reducing the ability of customers to control monthly utility bills through reducing consumption and thus conserving energy.[2] PWPTF argues that these rate increases particularly impact low-income households, especially in the current economic climate that is characterized by high rates of inflation across multiple sectors.[3]

Q. DO YOU SHARE PWPTF'S CONCERNS REGARDING THE CURRENT MACROECONOMIC CONDITIONS FACING PENNSYLVANIA RATE PAYERS?

A. Yes. As I discussed in detail in my direct testimony, the Pennsylvania Public Utility Commission ("Commission") should take into consideration the current macroeconomic conditions, including consumer affordability concerns, when determining just and reasonable rates for the Company.[4] Average Pennsylvanians are still struggling with the negative impact of inflation on household budgets and are looking at the potential for additional burdens placed on their overextended finances due to the current conflict in the Persian Gulf.[5] This is while Peoples has seen a steady rise in stock prices and no obvious market distress.[6] As noted by PWPTF, inflation disproportionately impacts low-income households and households that are on a fixed income, negatively affecting energy affordability for these communities.[7]

Q. DO YOU AGREE WITH PWPTF'S CONCERN THAT INCREASES IN THE RESIDENTIAL CUSTOMER CHARGE WILL NEGATIVELY IMPACT ENERGY EFFICIENCY AND LOW-INCOME HOUSEHOLDS?

[1] Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 4:14-17.
[2] Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 4:19-23.
[3] Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 4:23 to 5:22.
[4] *See*, Direct Testimony of Michael W. Deupree, OCA Statement 1 at 19:15 to 20:5.
[5] *See*, Direct Testimony of Michael W. Deupree, OCA Statement 1 at 11:19 to 12:2.
[6] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 16:8-14.
[7] *See,* Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 5:14-22.

A. Yes, and I discussed these concerns at length in my direct testimony.[8] The PWPTF is especially concerned with the increased burden the Company's proposed increase in the current residential customer charge will have on the Company's LIURP, without any proposed increase in LIURP funding.[9] The PWPTF recommends that annual LIURP funding be increased at least commensurate with the percentage increase in rates for residential customers that result from this proceeding.[10]

Q. DO YOU AGREE THAT THE COMPANY'S PROPOSED INCREASE IN THE RESIDENTIAL CUSTOMER CHARGE WILL LIKELY IMPACT LIURP PARTICIPATION?

A. Yes. It is partially due to the potential impact on low-income customers, and required LIURP funding, that I recommend the Commission not approve the Company's proposed increase in residential monthly customer charges.

III. REVENUE ALLOCATION

Q. PLEASE SUMMARIZE OSBA'S DIRECT TESTIMONY RELATED TO THE COMPANY'S PROPOSED REVENUE ALLOCATION.

A. OSBA finds that the Company's revenue allocation proposal to be directionally consistent with the results of its ACOSS.[11] However, OSBA argues that, in the interest of rate gradualism any revenue allocation be capped at 1.25 times the system average.[12]

Q. DO YOU AGREE THAT THE COMPANY'S PROPOSED REVENUE ALLOCATIONS ARE DIRECTIONALLY CONSISTENT WITH COST OF SERVICE?

[8] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 73:1 to 74:8.
[9] Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 7:8-12.
[10] Direct Testimony of Jennifer Warabak, PWPTF Statement 1 at 7:4-6.
[11] Direct Testimony of Mark D. Ewen, OSBA Statement 2 at 11:4-5.
[12] Direct Testimony of Mark D. Ewen, OSBA Statement 2 at 11:5-8.

A. No. As I stated in my direct testimony, the Company's classification of costs associated with distribution mains investments as both customer and demand-related are based on a fundamentally flawed minimum system study ("MSS").[13] A MSS, and the related zero-intercept study, attempt to estimate the costs associated with a minimum-sized distribution main. These approaches have been criticized in academic literature for decades as being untethered to empirical studies that have failed to establish a causal relationship between distribution system costs and the number of utility customers.[14] Professor Bonbright, in his seminal text on public utility rates ultimately found that attempting to classify costs associated with a minimum-sized distribution system as customer-related is something that is "clearly indefensible."[15]

Q. HAVE YOU EXAMINED THE POTENTIAL EMPIRICAL RELATIONSHIP BETWEEN HISTORICAL COMPANY INVESTMENTS IN DISTRIBUTION MAINS AND CHANGES IN THE COMPANY'S AVERAGE NUMBER OF CUSTOMERS?

A. As discussed in my direct testimony, I have examined trends in changes in the average number of customers taking service on the Company's system with Company net investments in distribution mains over the ten-year period 2016 through 2025. Consistent with past criticism in the academic literature, I find no statistical correlation between changes in the Company's historic net investment in distribution mains and changes in its average number of customers.[16] Likewise, this result is consistent with the understanding that a significant portion of the Company's annual investment in distribution mains are associated with non-growth activities covered by the Company's distribution system improvement charge ("DISC").[17] Overall, the premise that

[13] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 48:4 to 52:21.
[14] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 49:21 to 52:3.
[15] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 51:11 to 52:3.
[16] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 52:7-12, and Exhibit MWD-4.
[17] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 52:14-21.

changes in the Company's customer count are a significant driver of distribution mains investment is outdated and unsupported by empirical evidence.

Q. WHAT IS YOUR RESPONSE TO OSBA REGARDING REVENUE ALLOCATION?

A. OSBA's proposal, like the Company's proposed revenue allocation, is based on the results of a faulty ACOSS that overstates the current rate of return the Company derives from its large commercial and industrial service customers while understating the rate of return the Company derives from its residential service customers. Second, I disagree with OSBA's proposed revenue allocation cap of 1.25 times the system average as being inconsistent with the concept of gradualism.

Q. WHAT IS YOUR RECOMMENDED REVENUE APPORTIONMENT?

A. As stated in my direct testimony, I recommend the Commission adopt a more reasonable revenue apportionment method based on the results of my alternative ACOSS.[18] Specifically, I recommend that the Commission adopt a revenue allocation method that caps the proposed rate increase to any single customer class to no more than 1.15 times the system average increase, while ensuring that no class receives a rate increase less than 0.50 times the system average increase.

IV. MONTHLY CUSTOMER CHARGE

Q. WHAT IS I&E'S PROPOSAL REGARDING THE COMPANY'S RECOMMENDED INCREASES IN MONTHLY CUSTOMER CHARGES?

A. I&E recommends no adjustment to the Company's proposed increases in monthly customer charges,[19] including the Company's proposed 54.8 percent increase in the monthly customer

[18] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 5:5-10.
[19] Direct Testimony of Ethan H. Cline, I&E Statement 3, at 31-7-9.

charge for residential customers, and the 46.1 percent increase in the monthly customer charge for small general service customers.[20]

Q. DO YOU AGREE WITH I&E'S ACCEPTANCE OF THE COMPANY'S PROPOSED INCREASE IN MONTHLY CUSTOMER CHARGES?

A. No. As I stated in my Direct Testimony, an analysis of customer-related costs finds that residential and commercial rate classes are currently recovering a majority of customer-related costs through monthly customer charges.[21] Specifically, I find that the current residential customer charge of $16.80 per month recovers 76 percent of estimated customer-related costs equal to $21.98 per month. Likewise, the current small general service customer charge of $22.00 per month recovers 62 percent of estimated customer costs equal to $35.42 per month.[22] I also found that the proposed increase in monthly customer charges would harm public policy goals encouraging energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in this case.[23]

Q. DOES I&E PROVIDE ANY RATIONALE FOR ITS SUPPORT OF SIGNIFICANTLY HIGHER MONTHLY CUSTOMER CHARGES?

A. Yes. I&E states that the fixed customer charge represents revenue that the Company is guaranteed to receive each month, regardless of the level of usage. Therefore, I&E holds that there exists a tradeoff between revenue stability from a high customer charge, and affordability and conservation from a low customer charge and higher usage rates.[24]

[20] Direct Testimony of Ethan H. Cline, I&E Statement 3, at 31-32.
[21] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 74:12-14.
[22] Direct Testimony of Michael W. Deupree, OCA Statement 1, Exhibit MWD-8.
[23] Direct Testimony of Michael W. Deupree, OCA Statement 1, at 74:14-16.
[24] Direct Testimony of Ethan H. Cline, I&E Statement 3, at 28:8-12.

Q. DO YOU AGREE WITH I&E'S DISCUSSION REGARDING THE TRADEOFF BETWEEN THE CONSIDERATION OF REVENUE STABILITY FOR THE UTILITY AND AFFORDABILITY AND CONSERVATION CONSIDERATIONS FOR RATEPAYERS?

A. Yes, the main benefit of higher fixed customer charges is that the utility is guaranteed a certain level of revenue each month, regardless of the level of usage. In this way higher fixed customer charges reduces volumetric risks for the utility. In this the benefit to the utility from higher fixed customer charges is similar to the benefit imparted to a utility from revenue decoupling, such as the Company's Weather Normalization Adjustment ("WNA").

Q. DO YOU BELIEVE THAT THE COMPANY NEEDS PROTECTION FROM VOLUMETRIC RISKS?

A. No. As I discussed in my Direct Testimony, the Company's ability to utilize Fully Projected Future Test Years ("FPFTY") within rate cases and the Distribution System Improvement Charge ("DSIC") between rate cases mitigate a significant portion of Company risks posed by regulatory lag.[25] Specifically, the Company's ability to forecast expected changes in volumes in the current rate case using its FPFTY structure already mitigate volumetric risks to the Company. Likewise, Company volumetric risks associated with warmer than normal winters in the future mitigated further if the Commission decides to maintain the Company's current WNA. I do not see a need to further mitigate volumetric risks by increasing fixed monthly customer charges.

V. CONCLUSIONS AND RECOMMENDATIONS

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

[25] Direct Testimony of Michael W. Deupree, OCA Statement 1 at 75:20-22.

A. Having reviewed the direct testimony filed by the other non-company parties in this proceeding, I continue to recommend the Commission:

- Require some level of shared burden in light of recent macroeconomic challenges, balancing consumer affordability concerns with the financial interests of the Company.
- Reject the Company's proposed MSS approach to allocate costs associated with distribution mains within the Company's ACOSS. MSS and related zero-intercept studies that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in setting just and reasonable rates. In the alternative I recommend that the Commission approve an alternative classification of distribution mains that incorporates a peak and average ("P&A") cost allocation method using weights based on the Company's test year system load factor.
- Adopt a more reasonable revenue apportionment method based on my alternative ACOSS results that also limits the rate increase compared to the Company's proposed revenue allocation method. Specifically, I recommend that the Commission cap the proposed rate increase to any single customer class to no more than 1.15 times the system average increase, while ensuring that no class receives a rate increase less than 0.50 times the system average increase.
- Reject the Company's proposed increase in residential and commercial customer charges. An analysis of customer-related costs finds that residential rate classes are currently recovering a majority of customer-related costs through monthly customer charges. The proposal would also negatively impact the public policy goals of energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in the case. The Commission should keep the Company's current customer charges for all customers. If the Commission decides in the alternative that an increase in monthly customer charges is warranted, these increases should be limited to the percentage increase in class revenue requirement. This would furthermore be subject to scalebacks to reflect changes in allocated class revenue increases pursuant to Commission Orders.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Michael Deupree, hereby state that the facts above set forth in my Rebuttal Testimony, OCA Statement No. 1R, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 16, 2026

Signature: Michael Deupree

Address: Acadian Consulting Group
5800 One Perkins Place Drive
Suite 5-F
Baton Rouge, LA 70808

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket No.: R-2026-3060855
v.	:	
	:	
Peoples Natural Gas Company	:	
	:	

SURREBUTTAL TESTIMONY

OF

Michael Deupree

On behalf of the

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

OCA Statement No. 1SR

Date Served: July 31, 2026

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Michael W. Deupree. My business address is 5800 One Perkins Place Drive, Suite 5-F, Baton Rouge, Louisiana, 70808.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed direct testimony in this proceeding on June 18, 2026, and rebuttal testimony on July 16, 2026, both on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to elements of the rebuttal testimony of Cynthia S. Fang, Andrew P. Wachter, Carol A. Scanlon, and John D. Taylor on behalf of Peoples Gas Company ("PNG" or the "Company"). Specifically, I will respond to PNG's discussion of macroeconomic issues, its proposed weather normalization adjustment ("WNA"), as well as issues concerning its proposed allocated cost of service study ("ACOSS"), and rate design. I also will address to Pennsylvania Office of Small Business Advocate ("OSBA") revenue allocation position presented in the rebuttal testimony of Mark D. Ewen.

II. MACROECONOMIC ISSUES

Q. PLEASE SUMMARIZE PNG'S WITNESS FANG'S STATEMENTS RESPONDING TO YOUR DISCUSSION OF MACROECONOMIC ISSUES IN HER REBUTTAL TESTIMONY.

A. PNG witness Fang argues that my discussion of macroeconomic conditions improperly expands the scope of this proceeding beyond traditional cost-of-service ratemaking.[1] Specifically, Ms. Fang states that the Commission's statutory responsibility is to establish just and reasonable

[1] Rebuttal Testimony of Cynthia S. Fang at 5:17-18.

rates based upon the Company's prudent costs of providing utility service, rather than broader economic conditions affecting customers.[2] The Company further argues that utilities neither create nor control macroeconomic conditions, such as inflation, and that customer affordability concerns associated with those conditions are more appropriately addressed through existing Universal Service Programs ("USPs") and other public policy initiatives rather than through base rates.[3]

Q. DID YOUR DIRECT TESTIMONY RECOMMEND THAT THE COMMISSION DEPART FROM TRADITIONAL COST-OF-SERVICE RATEMAKING OR EVALUATE THE COMPANY'S REQUESTED RATE INCREASE SOLELY ON THE BASIS OF BROADER MACROECONOMIC CONDITIONS?

A. No. My Direct Testimony did not recommend the Commission depart from traditional cost-of-service ratemaking principles, nor did I recommend that the Company's requested rate increase be evaluated solely on the basis of broader macroeconomic conditions. Rather, I recommended that the Commission recognize that utility rate increases do not occur in a vacuum.[4] As discussed in my Direct Testimony, Pennsylvania customers continue to face lingering inflationary pressures and potential additional economic uncertainty, while the Company's financial position has remained relatively stable with no obvious signs of market distress. [5] Accordingly, I recommended that the Commission take into consideration these current macroeconomic conditions, including customer affordability concerns, when determining just and reasonable rates for the Company.[6] My recommendation was intended to provide context for the Commission's evaluation of the

[2] Rebuttal Testimony of Cynthia S. Fang at 5:18 to 6:2.
[3] Rebuttal Testimony of Cynthia S. Fang at 29:18-24.
[4] Direct Testimony of Michael W. Deupree at 7:9-10.
[5] Direct Testimony of Michael W. Deupree at 19:17-20:2.
[6] Direct Testimony of Michael W. Deupree at19:15-17.

Company's proposed rate increase, not to replace the traditional ratemaking principles used to determine the Company's revenue requirement.

Q. DOES THE COMPANY HAVE COMMISSION-APPROVED MECHANISMS TO ADDRESS UTILITY AFFORDABILITY?

A. Yes. The Company references its USPs, including the Customer Assistance Program ("CAP"), as mechanisms designed to address utility affordability for qualifying low-income households.[7] While these programs serve an important role in assisting eligible customers, they do not fully address the broader affordability concerns discussed in my Direct Testimony. As I explained, the persistent inflation and broader economic uncertainty extend beyond customers who qualify for USP assistance.[8] Accordingly, while the Company's USPs provide important customer protections, they do not eliminate the need for the Commission to consider broader customer affordability concerns when determining just and reasonable rates for the Company. As discussed later in this testimony and in the testimony of OCA witness Colton, utility rates generally and the rates charged by Peoples specifically cannot be viewed in a vacuum but must be viewed in light of the overall realities faced by Peoples' customers who are paying those rates. This is an essential part of making sure that all rates charged are just and reasonable as required by the Public Utility Code.[9]

Q. HAS THE COMMISSION RECOGNIZED THE APPROPRIATENESS OF CONSIDERING RATE AFFORDABILITY IN THE SETTING OF JUST AND REASONABLE RATES?

[7] Rebuttal Testimony of Cynthia S. Fang at 27:7-10.
[8] Direct Testimony of Michael W. Deupree at 7:12-16.
[9] 66 Pa. C.S. § 1301.

A. Yes. In a recently issued Order involving Pennsylvania-American Water Company ("PAWC"), the Commission explicitly held that it had "broad discretion in determining whether rates are reasonable,"[10] and that it may consider rate affordability in base rate proceedings.[11] The Commission ultimately concluded that rate affordability was a growing issue for PAWC, exacerbated by recent and current economic conditions, including increased inflation.[12]

> The Commission "has broad discretion in determining whether rates are reasonable" and "is vested with discretion to decide what factors it will consider in setting or evaluating a utility's rates." **When setting rates in a base rate proceeding, the Commission may consider rate affordability.** Such an evaluation requires the Commission to carefully consider the underlying record, including resolving conflicts in testimony and weighting evidence presented before it.[13]
>
> …
>
> **We cannot overlook the factor that, given PAWC's history and cadence of frequent base rate increase requests, affordability is a growing issue, exacerbated by recent and current economic conditions, including increased inflation.**[14]

Q. ARE THE AFFORDABILITY CONCERNS YOU HAVE DISCUSSED UNIQUE TO PENNSYLVANIA?

A. No. Recent statements by public officials in other states demonstrate that concerns regarding utility affordability and the impact of repeated utility rate increases on consumers are not unique to Pennsylvania. For example, in a letter sent to the Delaware Public Service Commission on June 29, 2026, Delaware Governor Matt Meyer urged the Commission to suspend

[10] *Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company*; Docket Nos. R-2025-3057983 and R-2025-3058051, Opinion and Order dated July 16, 2026, at 36.
[11] *Id.*
[12] *Id*.
[13] *Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company*; Docket Nos. R-2025-3057983 and R-2025-3058051, Opinion and Order dated July 16, 2026, at 36*, emphasis added.*
[14] *Pennsylvania Public Utility Commission v. Pennsylvania-American Water Company*; Docket Nos. R-2025-3057983 and R-2025-3058051, Opinion and Order dated July 16, 2026, at 40*, emphasis added.*

Delmarva Power's proposed interim rate increase.[15] Governor Meyer stated that Delaware families have been asked to absorb repeated utility rate increases while utilities continue to earn record profits and that many families are deciding between paying their utility bills, rent, or buying groceries. He further stated that repeated utility rate increase requests have contributed to an affordability crisis in Delaware.[16] Similarly, following the Indiana Utility Regulatory Commission's ("IURC") approval of an AES Indiana rate increase on June 16, 2026, Indiana Governor Mike Braun posted on the social media platform X that he was "deeply disappointed" by the IURC's approval of another utility rate increase.[17] He further stated that Indiana residents have spent years tightening their belts and making difficult financial decisions and that utility companies should likewise do the same.[18]

Q. ARE THERE OTHER RECENT EXAMPLES OF PROMINENT OFFICIALS ARGUING AGAINST RATE INCREASES IN THE CURRENT ECONOMIC ENVIRONMENT?

A. Yes. In addition to the prior examples concerning the Governors of Delaware and Indiana in June 2026, previously this year the Governor of the State of Connecticut expressed concern regarding raising utility bills in their state. Specifically, on May 21, 2026, Governor Ned Lamont issued a statement expressing concern with a proposed increase in electric rates by Eversource Energy in Connecticut.[19] Governor Lamont noted that Eversource Energy's shareholders saw a 23 percent increase in revenues in 2025, ranking among the top electric utilities in the nation for

[15] Governor Matt Meyer, "Gov. Meyer Calls Upon Delaware Public Service Commission to Suspend Delmarva Rate Hike" (June 29, 2026).
[16] *Id.*
[17] Governor Mike Braun, X post (June 17, 2026).
[18] *Id.*
[19] Governor Ned Lamont, "Message From Governor Lamont to Connecticut Families" (May 21, 2026).

shareholder returns while failing to deliver similar performance in customer satisfaction and affordability.[20]

Q. DID THE COMPANY ELSEWHERE IN ITS REBUTTAL FILING DISCUSS MACROECONOMIC CONCERNS?

A. Yes. PNG Witness Wachter noted that I discussed inflation concerns in my Direct Testimony, and stated my position that higher than average consumer inflation rates are likely to continue for the near future, based on the Federal Reserve's current predictions.[21] The Company thus argues that it is appropriate to include inflation adjustments within their estimates of expense growths between the historic and future test year.[22]

Q. WHAT IS YOUR RESPONSE TO THE COMPANY?

A. Commission recognition of current inflationary concerns when deciding upon just and reasonable rates is distinct from deciding on appropriate expense estimates in future test years. My proposal that the Commission take into consideration current macroeconomic conditions when determining just and reasonable rates merely asks that the Commission not decide rates in the current proceeding in a vacuum. Decisions on appropriate expense estimates require examination of known and measurable expected growth in expenses in order to ensure that the Company is allowed a reasonable opportunity to recover all prudent expenses while not burdening ratepayers with speculative future expenses that may never arise. Furthermore, I would note that the Federal Reserve expected inflation rates I referenced in my Direct Testimony are associated with consumer prices and therefore do not necessarily reflect inflationary pressures placed on the Company.

[20] *Id.*
[21] Rebuttal Testimony of Andrew P. Wachter at 8:11-13.
[22] Rebuttal Testimony of Andrew P. Wachter at 10:5 to 11:2.

Q. WHAT IS YOUR RECOMMENDATION BASED ON CURRENT MACROECONOMIC CONDITIONS?

A. I continue to recommend that the Commission take into consideration current macroeconomic conditions, including consumer affordability concerns, when determining just and reasonable rates for the Company. Average Pennsylvanians are struggling with lingering inflation concerns while also facing potential additional concerns due to fallout from the conflict in the Persian Gulf. Meanwhile, the Company has seen increasing stock prices for its shareholders and no obvious market distress. The Commission, in particular, should require some level of shared burden, balancing consumer affordability concerns with the financial interests of the Company. Governor Shapiro's recent open letter raising similar concerns only strengthens the urgency for the Commission to recognize these larger concerns, and the broader context surrounding the Company's proposed rate increase.

III. WEATHER NORMALIZATION ADJUSTMENT

Q. PLEASE SUMMARIZE WITNESS TAYLOR'S RESPONSE TO INTERVENORS' CONCERNS REGARDING THE COMPANY'S WNA.

A. Witness Taylor argues that the Company's existing WNA remains a reasonable and appropriate mechanism for normalizing the effects of abnormal weather on weather-sensitive distribution revenues and reducing the effects of weather variability.[23] He further argues that the recent operating experience of the WNA demonstrates that the mechanism functions as intended by producing both customer credits and surcharges depending upon actual weather conditions, contrary to my suggestion that the WNA is more likely to result in customer surcharges.[24] Witness

[23] Rebuttal Testimony of John D. Taylor at 69:6-9.
[24] Rebuttal Testimony of John D. Taylor at 60:4-18.

Taylor also disagrees with my characterization of the colder-than-normal 2025-2026 heating season as anomalous, arguing that weather remains inherently volatile despite a long-term warming trend and that colder-than-normal years will continue to occur.[25] Finally, Witness Taylor argues that the Company's proposed normal weather methodology is likely to produce a more balanced distribution of WNA credits and surcharges over time and therefore supports continuation of the existing WNA.[26]

Q. DO YOU AGREE WITH THE COMPANY'S CHARACTERIZATION OF THE WNA?

A. No. As discussed in my Direct Testimony, the WNA produced a net charge to residential and non-residential ratepayers during the 2024-2025 heating season but a net credit during the 2025-2026 heating season. Across both heating seasons, the WNA produced a net credit to ratepayers of approximately $5.3 million.[27] However, those results were heavily influenced by significantly below-normal temperatures associated with Winter Storm Fern in late January 2026. Excluding this anomalous weather event, my analysis showed that the Company's WNA would have produced more than $8.0 million in net revenues for the Company through March 2026.[28] Accordingly, I continue to believe that the Company's recent operating experience does not demonstrate that the WNA will produce balanced outcomes for customers over time.

Q. IS IT SURPRISING THAT THE COMPANY'S WNA MECHANISM RESULTED IN A NET SURCHARGE FOR RATEPAYERS DURING THE 2024-2025 HEATING SEASON?

[25] Rebuttal Testimony of John D. Taylor at 61:7-15.
[26] Rebuttal Testimony of John D. Taylor at 60:19 to 61:2.
[27] Direct Testimony of Michael W. Deupree at 33:1-4.
[28] Direct Testimony of Michael W. Deupree at 33:7-10.

A. No. Table 1 provides a summary of the results provided in a report prepared on behalf of several energy advocacy groups in the Pacific Northwest by Graceful Systems that was purportedly designed to support the adoption of revenue decoupling.[29] The table provides the number of instances in which there were observed rate increases or rate decreases for electric and gas utilities under revenue decoupling over a 10-year period. The table shows that 72 percent of the gas utilities in the sample and 57 percent of all the electric utilities in the same sample had reconciliations resulting in rate increases instead of rate decreases. This stands in contradiction to the typical utility assertion that decoupling will yield results that are symmetrical (i.e., will lead to equal rate increases and decreases). The results are even more prevalent when examining large reconciliations. Only three percent of all survey reconciliations associated with gas decoupling programs resulted in refunds to customers greater than three percent. This is approximately one-sixth of the 19 percent of surveyed gas decoupling reconciliations that resulted in surcharges to customers greater than three percent.

Table 1: Summary of Lesh Report

Refund/Surcharge	Number of Reconciliations			Share of All Reconciliations		
	Gas	Electric	Total	Gas	Electric	Total
Refund Percent						
Greater than 3 percent	2	0	2	3.1%	0.0%	2.3%
Less than or equal to 3 percent	1	3	4	1.5%	13.0%	4.5%
Less than or equal to 2 percent	2	1	3	3.1%	4.3%	3.4%
Less than or equal to 1 percent	13	6	19	20.0%	26.1%	21.6%
Total				**27.7%**	**43.5%**	**31.8%**
Surcharge Percent						
Less than 1 percent	23	7	30	35.4%	30.4%	34.1%
Less than 2 percent	7	4	11	10.8%	17.4%	12.5%
Less than 3 percent	5	2	7	7.7%	8.7%	8.0%
Greater than 3 percent	12	0	12	18.5%	0.0%	13.6%
Total				**72.3%**	**56.5%**	**68.2%**
Total Decoupled Utilities	**65**	**23**	**88**	**100.0%**	**100.0%**	**100.0%**

[29] *See,* Pamela Lesh, Rate Impacts and Key Design Elements of Gas and Electric Utility Decoupling: A Comprehensive Review (2009).

Source: Rate Impacts and Key Design Elements of Gas and Electric Utility Decoupling

Q. DO YOU AGREE WITH THE COMPANY'S ASSERTION THAT THE WNA SHOULD BE VIEWED INDEPENDENTLY OF REGULATORY LAG?

A. No. The Company takes a narrow view of regulatory lag by arguing that the WNA is not intended to address regulatory lag because it does not change the Company's authorized revenue requirement or rate of return.[30] As discussed in my Direct Testimony, the Company also benefits from the use of a Fully Projected Future Test Year ("FPFTY"), which substantially reduces traditional regulatory lag by allowing rates to reflect forecasted costs rather than historical costs.[31] In my opinion, these mechanisms should not be viewed in isolation. Rather, the Commission should consider their combined effect when evaluating whether the continuation of the Company's existing WNA remains appropriate and in the public interest.

Q. DID THE COMPANY ADDRESS ANY OF YOUR PROPOSED ALTERNATIVE MODIFICATIONS TO THE WNA?

A. Yes. The Company opposes my recommendations to discontinue the existing WNA, or, if the WNA is not discontinued, to increase the WNA deadband from three percent to five percent, exclude the months of October and May from the WNA period, and continue the WNA as a three-year pilot program. The Company argues that increasing the deadband to five percent would lessen the effectiveness of the WNA by allowing more weather-related revenue variation to remain outside of the mechanism before any adjustment is made.[32] Likewise, the Company opposes removing the months of October and May from the WNA, arguing that greater weather variability during those months is not, by itself, a reason to exclude them from the WNA because weather

[30] Rebuttal Testimony of John D. Taylor at 59:3-7.
[31] Direct Testimony of Michael W. Deupree at 20:19 to 21:6.
[32] Rebuttal Testimony of John D. Taylor at 63:11-16.

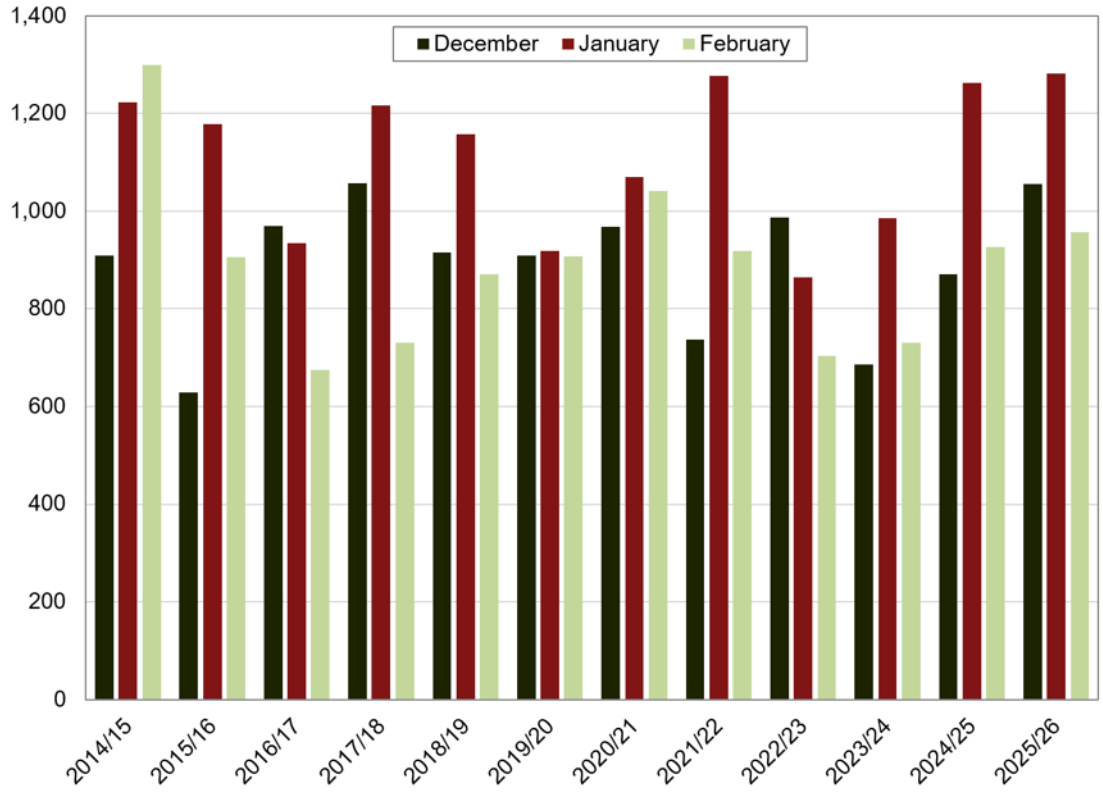
variability is precisely what the WNA is intended to address.[33] Finally, the Company argues that the Commission has sufficient evidence to evaluate the continued operation of the Company's existing WNA and that reasonable updates should not be delayed simply because additional experience may become available in the future.[34]

Q. DO YOU AGREE THAT INCREASING THE WNA DEADBAND FROM THREE TO FIVE PERCENT WOULD REDUCE THE EFFECTIVENESS OF THE WNA?

A. No. As shown in Figure 1, the Company's recent WNA experience was heavily influenced by Winter Storm Fern. Specifically, the Pittsburgh area experienced a total of 3,293 heating degree days ("HDD") during the period from December 2025 through February 2026. This was the coldest period seen in the region since the period from December 2014 through February 2015. Excluding the anomalous weather event, my analysis showed that the Company's WNA would have produced more than $8.0 million in net revenues for the Company through March 2026. Therefore, increasing the WNA deadband to five percent would provide additional protection to ratepayers from relatively minor deviations from normal weather while preserving the operation of the WNA during more significant weather events. It would also place the Company's WNA more in line with the Commission's recently modified WNA mechanism for Columbia Gas.

[33] Rebuttal Testimony of John D. Taylor at 64:11-16.
[34] Rebuttal Testimony of John D. Taylor at 65:14 to 66:10.

Figure 1: Monthly Heating Degree Days (2014/15 to 2025/26)



Source: Company Response to PNG-II-14

Q. DOES THE COMPANY MAKE ANY OTHER RECOMMENDATION REGARDING THE WNA IN ITS REBUTTAL FILING?

A. Yes. The Company recommends that, if the Commission approves changes to its existing WNA mechanism besides the Company's proposed change to Normal Heating Degree Days ("NHDD"), that these changes not be applicable until the start of the next WNA heating season covering the 2027-2028 winter.[35]

Q. DO YOU AGREE WITH THE COMPANY'S RECOMMENDATION TO DELAY IMPLEMENTATION OF ANY CHANGES TO THE COMPANY'S CURRENT WNA?

[35] Rebuttal Testimony of Carol A. Scanlon at 17:10-21.

A. No. The Company's proposal would needlessly delay needed changes to the WNA if the Commission decides such changes are needed to the existing mechanism. Indeed, one of my alternative recommendations if the Commission decides to retain the WNA is to remove the months of October and May from the mechanism. It is likely that the Commission will issue its final order in this proceeding prior to May 2027, so the Company's proposed delay would have the effect of continuing to needlessly include this non-winter month in WNA recoveries.

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE WNA?

A. I continue to recommend that the Commission discontinue the Company's existing WNA. As discussed in my Direct Testimony, the limited operating experience under the mechanism does not demonstrate that it will consistently produce balanced outcomes for ratepayers. If the Commission decides to continue the WNA, I recommend that it do so on a three-year pilot basis so that the Commission may reevaluate its operation after additional experience is available. I further recommend that the Commission increase the deadband from three percent to five percent and exclude the months of October and May from the WNA period. These alternative modifications would provide additional protection to ratepayers while preserving the WNA's operation during periods of more significant weather variation.

IV. ALLOCATED COST OF SERVICE STUDY ("ACOSS")

Q. WHAT IS THE COMPANY WITNESS TAYLOR'S RESPONSE TO YOUR RECOMMENDATION REGARDING THE COMPANY'S ACOSS?

A. The Company argues that its proposed blended ACOSS "reasonably recognized both customer-related and load-related cost causation" and therefore provides "a sound basis for revenue apportionment and rate design."[36] Specifically, the Company argues that my

[36] Rebuttal Testimony of John D. Taylor at 3:3-5.

recommendation to rely exclusively on a Peak-and-Average ("P&A") methodology places "too much emphasis on a single dimension of cost causation while giving insufficient recognition to the customer-related characteristics of the distribution system."[37] The Company further argues that "system use is not the same as cost causation"[38] because distribution facilities are constructed not only to satisfy coincident peak-day requirements, but also connect customers to the system.[39] The Company also argues that its blended ACOSS provides a more balanced assessment of cost causation and "a more reasonable measure of class cost responsibility than the exclusive reliance on a single methodology."[40]

Q. DO YOU AGREE WITH WITNESS TAYLOR'S RESPONSE?

A. No. In my Direct Testimony I examined trends in changes in average number of customers on the Company's system and the Company's net investment in distribution mains over the 10-year period from 2016 through 2025.[41] This analysis did not find any statistically significant correlation between annual net additions in the Company's distribution mains and changes in the Company's customer counts.[42] This analysis furthermore did not find any correlation in the annual growth rate of the Company's booked distribution mains investment and the annual growth rate of the Company's customers.[43] This result implies that the Company's distribution system investments are largely unrelated to addressing customer growth needs.

Q. WHAT DO THESE RESULTS SAY ABOUT THE USE OF A MINIMUM SYSTEM STUDY TO ALLOCATE COSTS ASSOCIATED WITH DISTRIBUTION MAINS?

[37] Rebuttal Testimony of John D. Taylor at 17:5-7.
[38] Rebuttal Testimony of John D. Taylor at 17:7.
[39] Rebuttal Testimony of John D. Taylor at 17:12-16.
[40] Rebuttal Testimony of John D. Taylor at 18:19-21.
[41] Direct Testimony of Michael W. Deupree at Exhibit MWD-4.
[42] Direct Testimony of Michael W. Deupree at Exhibit MWD-4.
[43] Direct Testimony of Michael W. Deupree at Exhibit MWD-4.

A. The results show the error in assuming that connecting customers to the Company's system is a meaningful driver in distribution system investments. The purpose of a cost of service study is to determine the costs of serving different customer classes in recognition that different customers use the natural gas system differently.[44] For example, large industrial customers that use natural gas as a feedstock throughout the year use the natural gas system differently than residential and small commercial customers that primarily rely on the natural gas system for space heating purposes during winter months. In analyzing the cost of service for different customer classes, analysts rely primarily on principles of cost-causation, i.e. the underlying drivers of various expenditures. The results of my analysis show that connecting customers to the Company's system is not a meaningful driver of distribution system investments and thus allocating a portion of the Company's distribution mains on the basis of customer-related classifications is inconsistent with the principles of cost-causation.

Q. DO YOU AGREE THAT A MORE REASONABLE MEASURE OF CLASS COST RESPONSIBILITY WOULD BE BASED ON THE ASSESSMENT OF MULTIPLE COST ALLOCATION METHODS?

A. No. I demonstrated in my Direct Testimony the error in attempting to allocate a portion of costs associated with the Company's distribution mains investments on the basis of customer counts.[45] Attempting to mitigate this flaw by reducing the influence of the flawed cost allocation does not render the resulting ACOSS any less flawed.

[44] Electric Utility Cost Allocation Manual (January 1992), NARUC, pp. 12-13.
[45] Direct Testimony of Michael W. Deupree at 58:21 to 59:3.

V. REVENUE ALLOCATION

Q. DID OSBA RESPOND TO YOUR RECOMMENDED REVENUE ALLOCATIONS IN ITS REBUTTAL TESTIMONY?

A. Yes. In its rebuttal testimony OSBA noted that my ACOSS results indicate that the Small General Service ("SGS") class is currently under-earning relative to the system average.[46] However, OSBA noted that my proposed revenue allocation was geared towards a more gradual progress to cost-based rates in comparison to the Company's proposed revenue allocation.[47] OSBA ultimately found my proposed revenue allocation reasonable given the size of the proposed rate increases in this proceeding.[48]

Q. HOW DO YOU RESPOND TO OSBA'S ASSESSMENT PRESENTED IN ITS REBUTTAL TESTIMONY.

A. OSBA is correct that establishing rates that reflect cost causation and rate gradualism are important goals that must be balanced by the Commission in determining just and reasonable rates.[49] I also appreciate OSBA's assessment that my proposed revenue allocation represents a reasonable proposal given the large proposed rate increases in this proceeding.

VI. RATE DESIGN

Q. PLEASE SUMMARIZE COMPANY WITNESS TAYLOR'S POSITION REGARDING YOUR RECOMMENDATION THAT THE COMMISSION REJECT THE COMPANY'S PROPOSED INCREASE IN ITS RESIDENTIAL BASIC SERVICE CHARGE.

[46] Rebuttal Testimony of Mark D Ewen at 2:15-16.
[47] Rebuttal Testimony of Mark D. Ewen at 2:16 to 3:1.
[48] Rebuttal Testimony of Mark D. Ewen at 3:1-3.
[49] *Id.*

A. The Company continues to advocate for its proposed increase in the residential customer charge. Specifically, the Company argues that the proposed customer charge remains below the customer-related costs identified for the residential class and represents a reasonable movement towards more cost-reflective rates.[50] The Company further argues that its proposed customer charge appropriately balances cost causation with other accepted rate design objectives, including customer impacts, revenue stability, and conservation, and therefore should be approved.[51]

Q. WHAT IS YOUR RESPONSE TO THE COMPANY'S ARGUMENT.

A. In my Direct Testimony, I independently analyzed the Company's expenses directly related to providing service to customers and found that customer-related costs to provide service to residential customers on the Company's system is approximately $21.98 per customer per month.[52] Importantly, this means that the Company's current monthly customer charge of $16.80 per month recovers nearly 76 percent of monthly customer-related costs.[53]

Q. DOES THE COMPANY DISPUTE YOUR STATEMENT THAT LOW-INCOME CUSTOMERS ARE TYPICALLY LOW-USE CUSTOMERS?

A. The Company does not directly dispute my statement that low-income customers are typically low-use customers. Rather, the Company argues that its bill impact analyses do not demonstrate that the proposed customer charge produces disproportionate bill impacts for representative lower-income customer groups.[54] The Company states that its representative bill impact analyses show modest benefits for lower-income customers with higher than average use.[55]

VI. CONCLUSIONS AND RECOMMENDATIONS

[50] Rebuttal Testimony of John D. Taylor at 22:13-16.
[51] Rebuttal Testimony of John D. Taylor at 22:21-23:2.
[52] Direct Testimony of Michael W. Deupree at Exhibit MWD-8.
[53] Direct Testimony of Michael W. Deupree at Exhibit MWD-8.
[54] Rebuttal Testimony of John D. Taylor at 33:7-9.
[55] Rebuttal Testimony of John D. Taylor at 33:4-7.

A. Having reviewed the rebuttal testimony filed by the Company in this proceeding, I continue to recommend the Commission:

- Require some level of shared burden in light of recent macroeconomic challenges, balancing consumer affordability concerns with the financial interests of the Company.
- Affirmatively discontinue the current WNA mechanism. If the Commission decides to continue the WNA, I recommend that it do so on a three-year pilot basis, increase the deadband from three percent to five percent, and eliminate the months of October and May from the WNA period.
- Reject the Company's proposed MSS approach to allocate costs associated with distribution mains within the Company's ACOSS. MSS and related zero-intercept studies that are used to classify distribution mains investments are fundamentally flawed and provide little to no value in setting just and reasonable rates. In the alternative, I recommend that the Commission approve an alternative classification of distribution mains that incorporates a P&A cost allocation method using weights based on the Company's test year system load factor.
- Adopt a more reasonable revenue apportionment method based on my alternative ACOSS results that also limits the rate increase compared to the Company's proposed revenue allocation method. I also recommend that the Commission cap the proposed rate increase to no more than 1.15 times the system average increase.
- Reject the Company's proposed increase in residential and commercial customer charges. An analysis of customer-related costs finds that residential rate classes are currently recovering a majority of customer-related costs through monthly customer charges. The proposal would also negatively impact the public policy goals of energy efficiency and would burden low-use customers with a greater than average portion of any proposed increase in the case. The Commission should keep the Company's current customer charges for all customers. If the Commission decides in the alternative that an increase in monthly customer charges is warranted, these increases should be limited to the percentage increase in class revenue requirement. This would furthermore be subject to scalebacks to reflect changes in allocated class revenue increases pursuant to Commission Orders.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Michael Deupree, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement No. 1SR, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 31, 2026

Signature: Michael Deupree

Michael Deupree

Address: Acadian Consulting Group
5800 One Perkins Place Drive
Suite 5-F
Baton Rouge, LA 70808

~ PUBLIC VERSION ~

OCA St. 2

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
v.	)	**Docket No. R-2026-3060855**
	)	
Peoples Natural Gas Company LLC	)	

PUBLIC DIRECT TESTIMONY

OF

JARED N. GEIGER

ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

June 18, 2026

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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- Appendix A – Resume of Jared N. Geiger
- Schedules JNG-1 through JNG-23

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jared N. Geiger. I am a Senior Analyst at Exeter Associates, Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.

A. I hold a Bachelor of Business Administration degree in Finance from the University of North Texas. Additionally, as it relates to this case, I have attended the National Association of Regulatory Utility Commissioners ("NARUC") Rate School, American Gas Association Advanced Rate School, Southern Gas Association Ratemaking Fundamentals, New Mexico State University Center for Public Utilities Practical Regulatory Training, Michigan State University Institute of Public Utilities Accounting and Ratemaking Course, Society of Utility and Regulatory Financial Analysts Financial Forum, and Roger Morin's New Regulatory Finance technical conference on rate of return regulation.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

A. I have been employed at Exeter since 2024. At Exeter, I specialize in utility class cost-of-service and rate design analyses, sales and rate forecasting, revenue requirement analysis, utility operations analysis, and evaluation of energy efficiency programs. Prior to joining Exeter, I worked at Atmos Energy Corp., a publicly traded natural gas utility holding company, for over 15 years, during which time I held multiple roles in the company. I began my career as an Associate Rate Analyst in Rates and Regulatory Affairs and advanced through positions of increasing responsibility. In 2012, I joined

Atmos Energy's Business Planning and Analysis group, supporting budgets and five-year planning for the Board of Directors. I later served as a Senior Rate Analyst and, following a brief role managing Colorado sales, became Vice President of Rates and Regulatory Affairs for the Colorado-Kansas Division, leading rate strategy in both states. In July 2021, I assumed the same role for the Atmos Pipeline Texas Division, overseeing rates for a 5,700-mile intrastate transmission pipeline.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS ON UTILITY RATES?

A. Yes. I have previously presented testimony before the Pennsylvania Public Utility Commission; Maryland Public Service Commission; Colorado Public Utilities Commission; Colorado state senate transportation and energy committee; and Kansas Corporation Commission. My resume is attached as Appendix A.

Q. ON WHOSE BEHALF ARE YOU APPEARING?

A. I am presenting testimony on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. Exeter has been retained by the OCA to assist in the evaluation of the application of the Peoples Natural Gas Company LLC ("Peoples" or "Company") to increase base rates for gas service. My direct testimony (OCA Statement 1) presents my findings with respect to Peoples' revenue requirements and its proposed rate increases. I calculate Peoples' rate base, *pro forma* operating income under present rates, and overall revenue deficiency based upon my recommended adjustments.

II. SUMMARY AND RECOMMENDATIONS

Q. PLEASE SUMMARIZE THE RATE RELIEF REQUESTED BY PEOPLES IN ITS FILING.

A. On March 23, 2026, Peoples' filed an application with the Pennsylvania Public Utility Commission ("Commission") to increase its base rates for natural gas service. Peoples is requesting an overall rate increase of $163.2 million. The Company's proposed rate increase is based upon the fully projected future test year ("FPFTY") ending November 30, 2027.[1] The Company's requested rate increase reflects an overall rate of return (ROR) of 8.23%.[2]

Q. PLEASE SUMMARIZE YOUR FINDINGS AND RECOMMENDATIONS.

A. I have been advised by OCA counsel that due to substantial consumer affordability concerns, the OCA will be arguing in its legal briefs that the Commission should keep Peoples rates at their current levels at this time. My testimony will address the alternative OCA position if any rate increase is ultimately ordered by the Commission. As discussed in OCA witness David Garrett's testimony, OCA is presenting a primary ROE and debt ratio recommendation, and an alternative recommendation in the event the Commission adopts Peoples' capital structure. As shown on Schedule JNG-1, based on the OCA's primary recommendation of 8.80% authorized ROE and 51.0% debt ratio, I have determined that Peoples' proposed revenue increase should be reduced to reflect an increase of no more than $6.3 million for the FPFTY. This is $156.9 million less than the Company's requested increase of $163.2 million. This is the amount by which revenues exceed those required to generate an overall ROR on rate base of 6.95%, which is per the recommendation detailed in the Direct Testimony of OCA

[1] Direct Testimony of Andrew P. Wachter, at 2:20 through 2:24

[2] Direct Testimony of Jennifer E. Nelson, at 6:1-2.

witness David Garrett, after accounting for the OCA's adjustments to Peoples' claimed rate base and operating income.

However, if the Commission adopts Peoples' proposed capital structure, then utilizing the OCA's alternative recommendation of an 8.50% ROE, I have determined that Peoples' proposed revenue increase should be increased to reflect an increase of $12.4 million for the FPFTY.

Q. WHAT PERIOD HAVE YOU USED IN MAKING YOUR DETERMINATION OF PEOPLES' REVENUE REQUIREMENT?

A. I have determined my revenue requirement recommendations based on the FPFTY ending December 30, 2027. This is the same period used by the Company to develop its revenue requirement.

Q. IN CONNECTION WITH THIS PROCEEDING, WHAT DOCUMENTS HAVE YOU EXAMINED AND REVIEWED IN MAKING YOUR RECOMMENDATIONS?

A. I have reviewed Peoples' rate filing, testimony, and exhibits. I also reviewed the Company's responses to data requests propounded by the OCA, the Bureau of Investigation and Enforcement ("I&E"), the Pennsylvania Office of Small Business Advocate ("OSBA"), the Pennsylvania Independent Oil & Gas Association ("PIOGA"), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA").

Q. HAVE YOU PREPARED SCHEDULES TO ACCOMPANY YOUR TESTIMONY?

A. Yes. I have prepared Schedules JNG-1 through JNG-23. Schedule JNG-1 provides a summary of the calculation of the increase in revenues after reflecting the adjustments proposed by the OCA. Schedule JNG-2 provides my recommended rate base. Schedule

JNG-3 presents the summary of the cost of service (revenues and operating expenses) adjustments. My adjustments to Peoples' claimed revenues and operating expenses are presented on Schedules JNG-4 through JNG-23.

Q. PLEASE EXPLAIN HOW THE REMAINING SECTIONS OF YOUR TESTIMONY ARE ORGANIZED.

A. The discussion of my findings and recommendations is presented in the following section, Section III. In that section, I address the revenue requirement issues (rate base and operating income) that I identified in this proceeding. Where I recommend an adjustment to a particular component of the rate base, revenues, or expenses, I document and explain the reason for the adjustment and note the related schedule in which the detailed calculations can be found. An outline of the topics within the section is set forth in the Table of Contents of my testimony.

III. ADJUSTMENTS

A. Allowance for Cash Working Capital

Q. HOW DO YOU DEFINE CASH WORKING CAPITAL?

A. For ratemaking purposes, cash working capital is the investment a utility needs to have on hand to fund its day-to-day operations and represents the utility's investment in short-term assets necessary for operating the business. It reflects the amount of money the utility must maintain to bridge the timing gap between when it pays operating expenses and when it receives cash from customers for service. The cash working capital component specifically captures the lag associated with paying bills before customer revenues are collected. For example, utilities typically pay vendor invoices shortly after receipt, while customer bills are based on meter readings, mailed after the

billing period, and often not paid until several weeks later. This timing difference creates a financing requirement that must be supported by working capital.

Q. HOW DOES THE COMPANY REFLECT CASH WORKING CAPITAL IN ITS FILING?

A. The Company reflects cash working capital in its filing based on whether the timing of cash flows results in a funding requirement or a source of funds. Positive cash working capital represents funds provided by investors to finance the Company's operations during the period between the payment of expenses and the receipt of customer revenues. As such, positive cash working capital is included in rate base, allowing the Company the opportunity to earn a return on that investment. Conversely, negative cash working capital represents funds effectively supplied by customers through advance collections or favorable cash flow timing and is reflected as a rate base offset because those funds reduce the amount of investor-supplied capital required to support operations.

Q. WHAT CHANGES HAVE YOU MADE TO THE ALLOWANCE FOR CASH WORKING CAPITAL?

A. I have incorporated the adjustments to operations and maintenance ("O&M") expenses and taxes that I am recommending elsewhere in my testimony, as these expense levels form the basis for the calculation of the cash working capital requirement. As the underlying expense levels change, the corresponding cash working capital requirement must also be updated to maintain consistency within the revenue requirement model. In addition, I have incorporated the OCA's recommended long-term debt ratio and cost of long-term debt into the calculation of the interest-payment component of cash working capital. As a result of these adjustments, I have reduced the Company's cash working capital allowance and rate base by $957,403 million, as shown on Schedule

JNG-4. These changes do not reflect any substantive modifications to the lead-lag methodology or the calculation of revenue and expense lag days; rather, they are necessary to synchronize the cash working capital calculation with my recommended adjustments to the Company's revenue requirement.

B. Depreciation Expense

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO DEPRECIATION EXPENSE.

A. I have incorporated the depreciation recommendations presented in the direct testimony of OCA witness Garrett into my revenue requirement calculations. Specifically, I applied Mr. Garrett's recommended depreciation expense levels in place of the amounts proposed by the Company. As shown on Schedule JNG-5, this adjustment decreases depreciation expense by $36,844,273, decreases the Company's recorded accumulated depreciation by the same amount, and correspondingly reduces the Company's revenue requirement.

C. Rate Case Expense

Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO RATE CASE EXPENSE?

A. The Company proposes total rate case expenses of $1.920 million and normalizes those costs over a two-year period, resulting in an annual rate case expense of $0.960 million included in the FPFTY.[3] I recommend increasing the normalization period to five years because rate case expenses should be recovered over the period that benefits from the incurrence of those costs. The benefit period is generally measured by the interval between rate filings. As explained in *A Guide to Utility Ratemaking*, "The

[3] Company Exhibit No. 4, Schedule No. 1, at 27.

Commission's practice is to recognize all prudently incurred rate case expense and set a normalization period based upon historic filing frequency."[4] The Company's three rate filings preceding the current 2026 filing occurred in 2012, 2019, and 2023.[5] These filings reflect an average interval of approximately five years between cases, which supports a longer normalization period than the two years proposed by the Company. Based on this historical filing frequency, I recommend normalizing rate case expenses over five years. As shown on Schedule JNG-6, this adjustment decreases O&M expense by $0.576 million.

D. Materials and Supplies

Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO MATERIALS AND SUPPLIES EXPENSES?

A. The Company has proposed including $11.325 million of Materials and Supplies expenses in the FPFTY. As part of this proposal, the Company applied a 5.45% escalation factor to both the Historical Test Year ("HTY") and the Future Test Year ("FTY"), resulting in a cumulative increase of $1,141,329.[6] In its response to Interrogatory OCA-14-18, the Company explained that the 5.45% escalation factor was calculated using the average year-over-year increase in these costs for the 12-month periods ended December 31, 2020 through December 31, 2024.[7] The same response also provided cost data for the 12-month periods ended November 30, 2023 through November 30, 2025. This more recent data demonstrates significant variability in these expenses. Specifically, costs decreased by 13.9% from 2023 to 2024 and then increased by only 0.46% from 2024 to 2025.

[4] James H. Cawley and Norman J. Kennard, A Guide to Utility Ratemaking (2018 Edition), Pennsylvania Public Utility Commission, 1983, p. 112.
[5] Company response to I&E-RE-32.
[6] Company Exhibit No. 4, Schedule No. 1, at 23.
[7] Company response to OCA-14-18.

Given this volatility, I do not believe the Company's proposed 5.45% escalation factor is representative of expected future costs. Accordingly, I recommend removing the inflation adjustments of $555,513 in the FTY and $585,816 in the FPFTY. Instead, I rely on the three-year average reflected in the 12-month periods ended November 30, 2023 through November 30, 2025, which better reflects recent experience. This adjustment reduces O&M expense by $625,353, as shown on Schedule JNG-7.

E. Incentive Compensation Expense

Q. DOES PEOPLES CURRENTLY OFFER ANY INCENTIVE COMPENSATION PLANS?

A. Yes, the Company offers several incentive plans, including **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**.[8]

Q. DO FINANCIAL PERFORMANCE MEASURES REPRESENT A SIGNIFICANT COMPONENT OF PEOPLES' INCENTIVE COMPENSATION STRUCTURE?

A. Yes. **[BEGIN CONFIDENTIAL]** [redacted]

[8] Company response to Standard Data Request Standard Data Request RR-27 (CONFIDENTIAL).
[9] *Id.*

[redacted] **[END CONFIDENTIAL]** Taken together, these plans demonstrate that a substantial portion of employee incentive compensation is tied to the achievement of financial and shareholder-oriented objectives. Because these measures are designed to reward financial performance and increase shareholder value, they primarily benefit shareholders and therefore should not be recovered from ratepayers.

Q. DID THE COMPANY INCLUDE ALL OF THE INCENTIVE COMPENSATION COSTS ASSOCIATED WITH FINANCIAL METRICS?

[10] *Id.*

A. Yes. The total employee incentive compensation and/or bonus expense included within the cost of service $6,125,473 for the FPFTY.[11]

Q. IS IT APPROPRIATE FOR RATEPAYERS TO BEAR THE FULL COST OF INCENTIVE COMPENSATION TIED TO FINANCIAL METRICS?

A. No. A fundamental principle of ratemaking is that costs should be assigned to those who benefit from them. In the case of incentive compensation tied to financial performance, such as earnings per share, stock price, and total shareholder return, the primary beneficiaries are shareholders. These incentives are specifically designed to increase shareholder value, which is realized through higher stock prices, increased dividends, and enhanced company valuation. Ratepayers, by contrast, do not receive these benefits. They do not participate in equity ownership and do not share in financial market gains. Therefore, it is not appropriate to require ratepayers to fund compensation programs that are structured to benefit shareholders.

Q. DO SHAREHOLDERS BENEFIT FROM PEOPLES' FINANCIAL PERFORMANCE?

A. Absolutely. Shareholders are the primary beneficiaries of improvements in the Company's financial performance. Increased earnings, enhanced cash flow, stock appreciation, and dividend growth accrue to investors rather than ratepayers. Consequently, costs incurred to motivate employees to achieve financial objectives are more appropriately viewed as costs incurred for the benefit of shareholders.

The Company argues that incentive compensation is necessary to attract and retain qualified employees and that eliminating or reducing such programs would impair its ability to compete for talent.[12] While employee recruitment and retention are legitimate business concerns, the Company has not demonstrated that ratepayers should

[11] Company Exhibit No. 4, Schedule No. 1, at 5.

[12] Direct Testimony of Andrew P. Wachter, at 11:23 through 12:7.

bear the costs of compensation programs tied to financial performance metrics. To the extent these programs are designed to improve profitability, increase shareholder value, or enhance financial results, the resulting benefits accrue primarily to shareholders.

Moreover, the Company acknowledges that it undertakes research to ensure that its compensation and incentive programs remain market-based and competitive.[13] These are ordinary business decisions made by management on behalf of investors. The costs of maintaining compensation programs intended to attract and retain employees who will generate financial returns for the Company should be evaluated in light of who receives those returns. Because shareholders receive the financial benefits associated with improved performance, they should bear the costs associated with achieving those benefits.

The Company's own rationale demonstrates that these programs are intended to create economic value. Peoples' states that incentive compensation is necessary to attract and retain employees and that eliminating or reducing such programs would impair its ability to compete for talent. Implicit in that position is the expectation that the benefits generated by those employees exceed the cost of the compensation provided. Otherwise, there would be little reason for the Company to maintain these programs. Any resulting gains—whether in the form of improved earnings, enhanced shareholder value, or increased dividend-paying capacity—accrue primarily to shareholders. If the programs are successful, shareholders receive the financial return. If they are unsuccessful, shareholders bear the risk. In either case, the costs and benefits are inherently shareholder-oriented. It is therefore unreasonable to shift those costs to ratepayers, who do not share in the financial upside.

[13] *Id.*

Q. HAS THE COMPANY DEMONSTRATED THAT INCENTIVE COMPENSATION PROVIDES MEASURABLE BENEFITS TO RATEPAYERS?

A. No. The Company has not established a direct and measurable connection between incentive compensation and customer benefits. While the Company asserts that incentive compensation helps attract and retain competent employees, it has not quantified how those programs result in lower rates, reduced operating expenses, improved service quality, enhanced reliability, or any other tangible benefit to customers. The Company's position effectively assumes that because incentive compensation may support employee retention, the associated costs should be recovered from ratepayers. However, that conclusion does not necessarily follow. The relevant question is not whether the programs provide some benefit to the Company, but whether the Company has demonstrated that the costs are reasonable for recovery from customers. The Company has not provided evidence showing that the incentive compensation at issue produces measurable customer benefits that justify ratepayer funding

Q. WHY IS IT IMPORTANT TO CONSIDER THE DIFFERENCE BETWEEN SHAREHOLDER AND RATEPAYER INTERESTS?

A. The interests of shareholders and ratepayers are not always aligned and can at times be directly opposed. Shareholders benefit from increased earnings and returns, while ratepayers benefit from cost control, stable or affordable rates, and efficient utility service. Incentive compensation tied to financial performance can encourage management to prioritize profitability over affordability or operational efficiency. This divergence means that not all compensation costs, particularly those tied to financial

outcomes, are necessary for the provision of safe and reliable utility service. As a result, such costs should not automatically be included in rates.

Q. ARE THERE JURISDICTIONS THAT EXCLUDE ALL OR A PORTION OF FINANCIAL-BASED INCENTIVES?

A. Yes. Multiple jurisdictions have recognized that incentive compensation tied to financial performance primarily benefits shareholders and should not be recovered from ratepayers, including Pennsylvania.

Q. IS THERE EVIDENCE THAT UTILITIES IN JURISDICTIONS THAT DISALLOW INCENTIVE COMPENSATION RECOVERY PERFORM FINANCIALLY WORSE THAN THOSE THAT ALLOW IT?

A. No. There is no evidence that utilities operating in jurisdictions that disallow recovery of incentive compensation experience weaker financial performance. Utilities in those jurisdictions continue to attract investment, maintain access to capital, and preserve strong credit metrics. This suggests that recovery of incentive compensation from ratepayers is not necessary to maintain a utility's financial health or ability to attract and retain capital.

Q. IS THERE EVIDENCE THAT UTILITIES OPERATING IN JURISDICTIONS THAT DISALLOW RECOVERY OF INCENTIVE COMPENSATION ARE AT A DISADVANTAGE WHEN ATTRACTING AND RETAINING QUALIFIED PERSONNEL?

A. No. Utilities in jurisdictions that limit or disallow recovery of incentive compensation continue to attract and retain qualified employees. Employee compensation is determined by competitive labor markets, and utilities remain free to offer incentive compensation when they believe it is necessary to recruit and retain talent. Disallowing recovery of these costs in rates does not prohibit such programs; it simply requires that

the costs be borne by shareholders rather than ratepayers. The Company has not demonstrated that utilities in jurisdictions with such disallowances face meaningful workforce recruitment or retention challenges as a result.

Q. DOES THE COMPANY HAVE CORPORATE ALLOCATIONS OF INCENTIVE COMPENSATION?

A. **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL].**

Q. ARE YOU RECOMMENDING THAT ALL INCENTIVE COMPENSATION BE EXCLUDED FROM RATES?

A. No. It is important to distinguish between incentive compensation tied to operational performance and that tied to financial performance. Incentives related to safety, reliability, or cost control may provide direct benefits to customers and can be appropriate for recovery in rates. However, incentives tied to financial outcomes primarily serve to align management with shareholder interests rather than customer

[14] Company response to OCA-12-13(U) (CONFIDENTIAL).

interests. My recommendation is limited to excluding the portion of incentive compensation that is tied to financial metrics, not the portion tied to operational performance.

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO INCENTIVE COMPENSATION.

A. For the reasons explained above, I recommend disallowing incentive compensation expenses related to earnings per share, EBITD Peoples Corporate, and EBITD Peoples State, and ROE. **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**

F. Membership Costs

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED MEMBERSHIP COSTS.

A. The Company has proposed including membership dues totaling $1.220 million in the FPFTY. These expenses include fees for membership to numerous organizations related to gas associations, economic development, Chambers of Commerce, and more.[15]

Q. PLEASE EXPLAIN YOUR ADJUSTMENT RELATED TO THE COMPANY'S PROPOSED MEMBERSHIP COSTS.

A. In reviewing the benefits detailed by the Company in response to Exhibit No. 19, RR-31, of the Company's initial filing, it is apparent that several of the organizations the Company has included do not aid in the provision of safe and reliable service to ratepayers.

[15] Company response to I&E-RE-23.

For example, the African American Chamber of Commerce is a membership organization dedicated to supporting the economic empowerment and growth of African-American businesses in the Greater Philadelphia area.[16] Curate Solutions is AI-powered local legislative tracking software, while Leaderships Pittsburgh Inc.'s mission is develop leadership skills through expert-level leadership tools, community connections, and an influential community of support. [17,18] Similarly, the Downtown Neighbors Alliance was a community advocacy organization focused on downtown Pittsburgh development and neighborhood issues; however, its board voted to dissolve the organization in April 2026.[19] These organizations, along with several others included by the Company, primarily support business development, public affairs, community relations, or other non-utility activities rather than utility operations.I therefore recommend disallowing inclusion in the cost of service membership dues related to African American Chamber of Commerce, AI Horizons, Beaver County Chamber of Commerce, Curate Solutions Inc., Downtown Neighbors Alliance, Greater Pittsburgh Chamber of Commerce, Leadership Pittsburgh Inc., North Side Chamber of Commerce, Pennsylvania Chamber of Business & Industry, Pittsburgh Airport Area Chamber of Commerce, and Pittsburgh Metropolitan Area Hispanic Chamber of Commerce. This adjustment reduces membership expenses by $115,828, as presented on Schedule JNG-9.

G. Employee Activity Expense

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED EMPLOYEE ACTIVITY EXPENSE.

[16] https://aachamber.com/
[17] https://www.curatesolutions.com/
[18] https://vibrantpittsburgh.org/membership/meet-our-members/leadership-pittsburgh-inc/
[19] https://www.cbsnews.com/pittsburgh/news/downtown-neighbors-alliance-shuts-down/

A. The Company has proposed including costs totaling $756,875 in the cost of service related to employee activities. These expenses are related to items such as employee events and safety awards.[20]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSAL TO INCLUDE EMPLOYEE ACTIVITY EXPENSES IN THE COST OF SERVICE?

A. No, I do not. This expense item relates to costs that do not aid in the provision of service but rather are for items such as employee events, parking leases, and service awards. I do not believe these items should be included for ratemaking purposes. Ratepayers should not be responsible for expenses which do not relate to the provision of safe and reliable utility service. Whereas these activities may be good for the employees of Peoples, they are not necessarily good for the ratepayers of Peoples. I am therefore recommending the Commission disallow this expense from inclusion in the cost of service. This adjustment reduces expenses by $756,875, as presented on Schedule JNG-10.

H. Travel

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED TRAVEL EXPENSE.

A. The Company has proposed including $1.139 million of travel expenses related to (tolls, mileage, hotels, etc.), meals, and entertainment expenses in the FPFTY. As part of this proposal, the Company applied a 5.14% escalation factor to both the HTY and the FTY, resulting in a cumulative increase of $108,658.[21] In its response to Interrogatory I&E-RE-022, the Company explained that the 5.14% escalation factor was calculated using the average year-over-year increase in these costs for the 12-month periods ended December 31, 2019 through December 31, 2024. This data

[20] Company response to Standard Data Request RR-30(E).

[21] Company Exhibit No. 4, Schedule No. 1, at 17.

demonstrates significant variability in these expenses, with some years increasing and others decreasing. Despite this, the Company proposes an escalation factor of 5.45%. Applying a linear percentage escalation to an expense that may not increase annually creates a risk of over recovering costs from customers.

Additionally, the HTY amount of $1,030,648 includes $799,375 of expenses related to employee entertainment and promotional activities. These costs include, among other items, a company picnic, a company event at Lernerville Speedway, sports entertainment, involvement with the U.S. Open, service awards, merchandise, non-travel meals, and other expenses.[22]

I recommend using the HTY level of expense of $1,030,648 as the basis for ratemaking, rather than applying the Company's proposed escalation factors. However, I have reduced the HTY amount by $799,375 to remove these discretionary entertainment and promotional expenses. Based on these adjustments, I recommend a reduction to the Company's proposed expense of $908,032, as reflected on Schedule JNG-11.

I. Corporate Insurance

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED CORPORATE INSURANCE EXPENSE.

A. The Company has proposed including $7.819 million of corporate insurance expenses in the FPFTY.[23] In preparing its response to Interrogatory I&E-RE-021, the Company explained that the capitalization of insurance expense was erroneously deducted twice in the "Premiums 2024/2025 Column". Correcting this error changes the HTY adjustment from a decrease to an increase of $50,150. As a result of this correction,

[22] Company response to OCA-14-17 (C).
[23] Company Exhibit No. 4, Schedule No. 1, at 15.

Peoples' allocated corporate insurance expense included in the FPFTY is overstated by $150,963. Accordingly, I recommend reducing the Company's proposed corporate insurance expense by $150,963, as shown on Schedule JNG-12.

J. Advertising

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED ADVERTISING EXPENSE.

A. The Company has proposed including $1.458 million of advertising expense in the FPFTY. As part of this proposal, the Company applied a 2.70% escalation factor to both the HTY and the FTY, resulting in a cumulative increase of $75,656.[24] In its response to Interrogatory I&E-RE-026, the Company explained that the 2.70% escalation factor was calculated using the average year-over-year change in advertising expense for the 12-month periods ended December 31, 2023 and December 31, 2024. In my view, a single year-over-year change does not provide a sufficient basis for developing an escalation factor. Furthermore, advertising expense in the HTY declined relative to 2024, indicating that recent expense levels have not exhibited a consistent upward trend.

Additionally, the HTY amount includes $125,000 of expenses related to a PNG Holiday Market Sponsorship 2024.[25] Sponsorship expenses are promotional in nature and do not constitute a necessary utility operating expense that should be recovered from ratepayers. Therefore, I have excluded this amount from the HTY advertising expense.

Given this variability, I do not believe the Company's proposed 2.70% escalation factor is representative of expected future costs. Therefore, I recommend

[24] *Id.*, at 21.

[25] Company response to I&E-RE-026.

eliminating the escalation adjustment and using the HTY advertising expense level of $1,382,376 for ratemaking purposes. However, I have reduced the HTY amount by $125,000. This adjustment reduces the Company's proposed advertising expense by $200,656, as reflected on Schedule JNG-13.

K. Outside Services – Administrative and General Expense

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED A&G EXPENSE.

A. The Company has proposed including $6.333 million of Administrative and General ("A&G") expense in the FPFTY. As part of this proposal, the Company applied an 8.23% escalation factor to both the HTY and the FTY, resulting in a cumulative increase of $926,459.[26]

Q. PLEASE PROVIDE A BREAKDOWN OF THE INCLUDED EXPENSES.

A. Outside Services A&G consists primarily of contracted third-party services, including building and grounds maintenance, security services, accounting and auditing services, legal services, temporary labor, collection agency services, and testing services.[27]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED EXPENSE?

A. No. The Company states that its proposed adjustment is based on the five-year annualized increase in Outside Services A&G costs of 8.23%.[28] However, when requested to provide the supporting data and calculations for this adjustment in Excel format with all formulae intact, the Company did not provide the underlying calculation supporting the 8.23% escalation factor.[29] Further, in response to Interrogatory I&E-RE-001, the Company provided expense data for the 12-month periods ended November 30, 2023 through November 30, 2025. These data show that costs increased

[26] *Id.*, at 13.
[27] Company response to I&E-RE-19.
[28] Direct Testimony of Andrew P. Wachter, at 14:16-20.
[29] Company response to OCA-14-13.

from 2023 to 2024 and then decreased from 2024 to 2025, demonstrating volatility in the expense level. In addition, the Company stated that it does not have explicit multi-year contracts with the majority of vendors that include escalation provisions and, therefore, relied on a historical average as the basis for its adjustment.[30]

Q. WHAT ARE YOUR ADJUSTMENTS?

A. Given the volatility of these expenses, the lack of support for the proposed 8.23% escalation factor, and the absence of contractual escalation provisions for most vendors, I do not believe the Company's proposed adjustment is reasonable. I recommend using the three-year average level of expense based on the Company's most recent historical data and eliminating the proposed escalation adjustment. This results in a reduction to Outside Services A&G expense of $1,281,601, as shown on Schedule JNG-14.

L. Vacancy Reserve

Q. HAS THE COMPANY INCORPORATED AN ADJUSTMENT FOR EMPLOYEE VACANCIES INTO ITS CALCULATIONS OF WAGES AND SALARIES FOR THE FPFTY?

A. Yes, the Company estimates that on average, 30 full time employee (FTE) positions will be vacant during the FTY and 8 FTE positions will be vacant during the FPFTY.[31]

Q. DO YOU AGREE WITH THE COMPANY'S VACANCY ADJUSTMENT?

A. No, I do not. In examining historical vacancy data, the Company's projected vacancy rate for the FPFTY is substantially below the actual level of vacancies experienced in recent years. The Company's proposed staffing level for FPFTY is 1,463 FTEs.[32] This assumption reflects a vacancy rate of approximately 0.55 percent.[33] In examining

[30] Direct Testimony of Andrew P. Wachter, at 9:22 through 10:3.
[31] Company response to I&E-RE-07.
[32] Direct Testimony of Andrew P. Wachter, at 10:1-6.
[33] 8 / 1,463 = 0.55%

historical data, it is clear this proposed vacancy rate is abnormally low compared to the actual level of vacancies experienced over the past three years, as shown in the table below.

Total Vacancy Percentage (%)[1]			
	2022-2023	2023-2024	2024-2025
October	4.18	6.21	5.20
November	3.68	5.87	5.60
December	3.54	6.17	5.82
January	3.61	6.48	5.30
February	4.19	6.02	5.08
March	3.69	6.40	5.15
April	4.05	6.78	4.34
May	4.34	5.87	5.30
June	4.71	6.33	5.60
July	4.64	5.95	5.67
August	5.01	5.72	5.97
September	5.08	5.80	5.75

[1] Company response to Interrogatory I&E-RE-7.

The average vacancy rate across the three-year period is 5.25 percent. Utilizing an abnormally low vacancy rate risks overcollection from ratepayers.

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE VACANCY RESERVE.

A. To reflect a more representative level of ongoing vacancies, I normalized the vacancy rate as the average value of the last three years to reflect a normalized year. using the Company's average number of vacant positions over the most recent three-year period. I applied this vacancy rate to salary expense after first adjusting salaries to reflect the incentive compensation adjustment discussed in the "Incentive Compensation Expense" section of my testimony. Applying the OCA-recommended vacancy rate to the adjusted salary expense results in a reduction to O&M expense of **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**, as shown on Schedule JNG-15. The vacancy rate adjustment also flows through to payroll taxes and employee

benefits. As shown on Schedule JNG-16, payroll tax expense is reduced by **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**. In addition, employee benefits expense is reduced by $941,164, as shown on Schedule JNG-17.

M. PUC Assessment

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED PUC ASSESSMENT EXPENSE.

A. The Company has derived its PUC Assessment expense projection by taking the 2025 invoice amount and multiplying it by a 6.0% increase to reach a projected 2026 invoice amount, and then again to reach a 2027 invoice amount. The Company derived the 6.0% increase as the average increase value over five years.[34] This results in an increase in PUC Assessment expenses from the HTY amount of $3.435 million to $3.859 million in the FPFTY.

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED PUC ASSESSMENT EXPENSE?

A. No, I do not. In examining the historical data, it is apparent that the PUC Assessment charge is variable, and growth is sometimes flat, as shown from 2023 through 2024.

	2022 Invoice	2023 Invoice	2024 Invoice	2025 Invoice
PUC Assessment[1] ($000)	$2,682	$3,110	$3,000	$3,435

The Company has applied a linear annual increase of 6.0% but has not provided any explanation or supporting evidence demonstrating why the PUC Assessment is expected to grow at a constant rate going forward.[35] I believe it is necessary to normalize the expected PUC Assessment expenses by taking the average of the most

[34] Company response to OCA-12-25, Attachment 2 (PUC Assessment).
[35] *Id.*

recent three years to determine a representative annual cost for ratemaking and avoid overcollection from customers.

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE PUC ASSESSMENT EXPENSE.

A. For the reasons detailed above, I am recommending normalizing the annual expense level using the average of the most recent three years. In addition, these invoices should be reconciled to the months applicable for the FPFTY. This adjustment reduces O&M expenses by $823,737, as shown on Schedule JNG-18.

N. Payment Processing

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED PAYMENT PROCESSING EXPENSE.

A. The Company has proposed including $2.940 million of payment processing expenses in the FPFTY.[36] As part of this proposal, the Company applied a 22.00% escalation factor to both the FTY and the FPFTY, resulting in a cumulative increase of $939,253.

In response to Interrogatory OCA-14-21, the Company explained that these costs are associated with its third-party payment processor, ACI. The Company further stated that ACI payment processing expense increased from $1,493,226 for the 12-month period ended November 30, 2024 to $1,923,122 in the HTY, an increase of $429,896, or 28.8%. According to the Company, this increase was driven by a rise in the number of customer payments processed, which increased from 1,146,369 to 1,528,359, or 33.3%.

The Company also explained that a portion of this increase was attributable to Peoples' adoption of no-fee credit card payments. While this policy change resulted in a significant increase in payment processing expense during the HTY, I do not believe

[36] Company Exhibit No. 4, Schedule No. 1, at 26.

it is reasonable to assume that these costs will continue to increase at the same rate going forward. The HTY already reflects the impact of the Company's adoption of no-fee credit card payments and therefore provides a reasonable basis for estimating future payment processing expense.

Q. WHAT ADJUSTMENT DO YOU RECOMMEND?

A. I recommend using the HTY payment processing expense of $1,923,122 as the appropriate level of expense for ratemaking purposes and eliminating the Company's proposed 22.00% escalation factor. This adjustment reduces the Company's proposed FPFTY payment processing expense by $1,016,537, as reflected on Schedule JNG-19.

O. Natural Gas Hot Water Tank Rebate Pilot

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED NATURAL GAS HOT WATER TANK REBATE PILOT PROGRAM.

A. Peoples proposes a three-year Natural Gas Hot Water Tank Rebate Pilot beginning in January 2027 that would provide residential customers with a $1,000 rebate to help offset the cost of converting from an electric water heater to a high-efficiency natural gas water heater. The Company proposes an annual program budget of approximately $500,000, with any unspent funds carrying over to subsequent years. The proposed annual budget includes approximately $365,000 for customer rebates, $21,000 for program administration, and $114,000 for marketing and outreach. All program costs would be recovered from ratepayers through base rates. Peoples has included $500,000 of expense annually in the cost of service for this case.[37]

Q. DOES THE COMPANY ALREADY OFFER PROGRAMS THAT PROVIDE ASSISTANCE FOR CUSTOMERS WHO NEED TO REPLACE A WATER HEATER?

[37] Direct Testimony of Luke Ravenstahl, at 10:6–13.

A. Yes. Income-qualified customers may already receive assistance through the Company's Emergency Furnace and Service Line Repair ("EFSLR") Program and Low Income Usage Reduction Program ("LIURP"). Under those programs, eligible households may receive a replacement natural gas water heater at no cost.[38]

Q. IS THE PROPOSED HOT WATER TANK REBATE PILOT REQUIRED BY PENNSYLVANIA LAW OR COMMISSION REGULATION?

A. No. The Company has not identified any statutory or regulatory requirement to offer this rebate pilot.

Q. DO YOU AGREE WITH PEOPLES' PROPOSAL TO RECOVER THE COSTS OF THIS PILOT PROGRAM FROM RATEPAYERS?

A. No. The proposal functions primarily as a customer acquisition and fuel-switching program rather than a customer assistance program. The pilot is designed to encourage customers to convert to natural gas appliances, which increases the Company's future gas sales. The costs of attracting those additional customers should be borne by shareholders rather than recovered from captive ratepayers. In addition, the Company proposes to spend approximately $114,000 annually on marketing and outreach. Spending ratepayer funds to advertise a voluntary fuel-switching program is not a reasonable use of customer dollars.

Q. WHAT IS YOUR RECOMMENDATION?

A. I recommend that the Commission reject the proposed Natural Gas Hot Water Tank Rebate Pilot and remove the associated $500,000 annual expense from the Company's requested revenue requirement. This adjustment reduces O&M expense by $500,000, as shown on Schedule JNG-20.

[38] Direct Testimony of Luke Ravenstahl, at 10:19 through 11:6.

P. Residential Collection Expense

Q. PLEASE EXPLAIN YOUR RESIDENTAL COLLECTION EXPENSE ADJUSTMENT.

A. I have adopted the recommendation of OCA witness Roger Colton, as presented in his direct testimony, to remove 50 percent of residential collection expenses from the revenue requirement. In response to discovery, the Company reported 2025 residential collection expenses of $6,516,518 for Peoples Gas and $1,150,487 for Peoples Gas Confirmed Low-Income collections.[39] As shown on Schedule JNG-21, this adjustment reduces O&M expenses by $3,833,503.

Q. Interest Synchronization

Q. PLEASE EXPLAIN YOUR INTEREST SYNCHRONIZATION ADJUSTMENT.

A. To determine the tax-deductible interest for ratemaking, I multiplied the OCA's recommended rate base by the weighted cost of debt included in the capital structure. This procedure synchronizes the interest deduction for tax purposes with the interest component of the return on rate base to be recovered from ratepayers. As shown on Schedule JNG-20, this adjustment decreases state income taxes by $2.2 million and federal income taxes by $6.0 million. [40]

Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?

A. Yes, it does.

[39] Company Response to OCA-4-1 and OCA-7-4.
[40] The Company utilized a rate base of $5.761 billion rather than the $5.728 billion rate base used to determine its revenue requirement. The Company provided no explanation for this inconsistency.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
v.	)	**Docket No. R-2026-3060855**
	)	
Peoples Natural Gas LLC	)	

SCHEDULES ACCOMPANYING THE DIRECT TESTIMONY OF JARED N. GEIGER

ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

June 18, 2026

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

APPENDIX A – Resume of Jared N. Geiger

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

JARED N. GEIGER

Mr. Geiger is a Senior Analyst at Exeter Associates with over 17 years of experience in the utility industry. His work at Exeter includes natural gas, electric, and water rate case analysis in investor-owned utility general rate cases and municipality rate increase proposals. He has also assisted in the review of class cost-of-service studies, annual mechanisms, energy efficiency audits, and utility bill assessments.

Mr. Geiger's management experience includes reporting to the president of a natural gas distribution system across Colorado and Kansas and to the president of a large regulated intrastate natural gas pipeline in Texas. In these roles he was responsible for developing strategy and proposals related to rate cases and a myriad of other annual mechanisms and surcharge filings. During this time, Mr. Geiger gained a broad perspective of the dynamics of utility ratemaking; regulatory policy; external stakeholder collaboration; and public utility commission rulemakings, operations, and policy.

Education

B.A. (Finance), 2008
University of North Texas

M.B.A., expected 2026
West Texas A&M University

Previous Employment

2008-2023 Atmos Energy Corporation
- Vice President, Rates and Regulatory Affairs - Texas
- Vice President, Rates and Regulatory Affairs - Colorado and Kansas
- Manager, Sales – Colorado
- Senior Analyst, Rates and Regulatory Affairs

Professional Experience

Mr. Geiger's work at Exeter has been focused on rate case analysis and intervention support, cost allocations, revenue requirements, and rate design. He is experienced in regulatory policy and public utility commission precedent. He has performed multiple reviews of contracts, invoices, rate costs assessments, and alternate options for taking gas and power service for large federal installations and national laboratories under the U.S. Air Force Utility Rate Management Team, the U.S. Department of Energy, and several U.S. Army bases. He has participated in gas local distribution company mergers and annual transmission formula ratemaking reviews. He has performed in-depth analysis and modeling for class cost allocation as well as capital forecasts proposed in multi-year rate plans.

Prior to joining Exeter, Mr. Geiger was vice president of rates and regulatory affairs at Atmos Energy Corporation. In this role, he oversaw the preparation of rate cases, revenue requirement models,

schedules, compliance filings, and the collaboration between technical services, legal, operations, finance, accounting, treasury, and external stakeholders. He has experience as an expert witness on a variety of subjects including billing determinants studies, rate area consolidation, bill impact analysis, gas cost recovery, tariffs, and annual infrastructure replacement mechanisms. He has participated in a variety of hearings, settlement conferences, and technical conferences in general rate cases and proceedings involving system integrity programs, alternative ratemaking mechanisms, rate stabilization clauses, annual rate reviews, revenue sharing mechanisms, performance-based ratemaking, and gas demand-side management programs. Mr. Geiger has also testified on renewable natural gas policy before the Colorado state senate transportation and energy committee.

Select Consulting Support

- *A Management Audit of the WarmChoice Program of Columbia Gas of Ohio*, prepared for the Public Utilities Commission of Ohio in response to Case No. 25-688-GA-RDR (with Matthew Hoyt, Grace Koenig, Abby Huebler, Jeremie Amsallam, and Cali Clark of Exeter Associates). (In progress)
- *Review of the Energy Efficiency Rider of South Jersey Gas Company*. (2025). Prepared for the New Jersey Division of Rate Counsel in response to BPU Docket No. GR25070457 (with Matthew Hoyt of Exeter Associates).
- *Review of the Management Audit Performed on Elizabethtown Gas Company*. (2025). Prepared for the New Jersey Division of Rate Counsel in response to BPU Docket No. GA22030141 (with Matthew Hoyt of Exeter Associates).
- *A Management/Performance and Financial Audit of Demand Side Management and Energy Efficiency Rider (Rider DSE) of FirstEnergy Ohio*. (2024). Prepared for the Public Utilities Commission of Ohio in response to Case Nos. 18-1646-EL-RDR, 19-1904-EL-RDR, 20-1673-EL-RDR, 21-1131-EL-RDR, and 22-1044-EL-RDR (with Grace Koenig, Jared Geiger, Makayla Bowen-Longino, and Cali Clark of Exeter Associates). https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A24L18B41624D00895

Expert Testimony

- Before the Connecticut Public Utilities Regulatory Authority, Docket No. 25-12-12, Aquarion Water Company, 2026, on behalf of the Office of Consumer Counsel. Testimony addressed class cost allocation and rate design.
- Before the Hawaii Public Utilities Commission, Case No. 2025-0220, Hawaii Water Service Company, 2026, on behalf of the Hawaii Division of Consumer Advocacy. Testimony addressed class cost allocation, rate design, tariffs, and riders.
- Before the Maryland Public Service Commission, Case No. 9836, Hagerstown Light Department, 2025, on behalf of the Maryland Office of People's Counsel. Testimony addressed revenue requirement issues.
- Before the Pennsylvania Public Utility Commission, Docket No. R-2024-3052716 (2025), on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed cost allocation, rate design, no-Notice service, monthly balancing service, capacity assignment, and weather normalization adjustment.

- Before the Colorado Public Utilities Commission, Proceeding No. 21A-0186G (2021), on behalf of Atmos Energy. Testimony addressed gas procurement activities, the regulatory oversight for gas purchases and gas cost recovery, a description of the gas procurement and customer communication activities during Winter Storm Uri, and proposals for recovering the February Gas Costs.
- Before the Colorado Public Utilities Commission, Proceeding No. 20AL-0049G (2020), on behalf of Atmos Energy. Testimony addressed support for a transmission and distribution capacity and infrastructure planning process using a separate stakeholder process outside of a Public Service Company of Colorado rate proceeding.
- Before the Kansas Corporation Commission, Docket No. 21-ATMG-100-TAR (2020), on behalf of Atmos Energy. Testimony addressed the proposal of a total rate reduction resulting from the exemption of electric and natural gas utilities from paying Kansas state income tax as determined by HB 2585 and the treatment of excess accumulated deferred income taxes.
- Before the Kansas Corporation Commission, Docket No. 19-ATMG-307-TAR (2019), on behalf of Atmos Energy. Testimony addressed support for the calculation of the revenue requirement by customer class for the proposed Gas System Reliability Surcharge.
- Before the Colorado Public Utilities Commission, Proceeding No. 17AL-0429G (2017), on behalf of Atmos Energy. Testimony addressed billing determinant study, weather normalization adjustment, customer bill proration, proposed tariffs, and gas cost area consolidation.
- Before the Colorado Public Utilities Commission, Proceeding No. 15AL-0299G (2015), on behalf of Atmos Energy. Testimony addressed billing determinant study, weather normalization adjustment, customer growth, declining usage, customer bill proration, and proposed tariffs.
- Before the Kansas Corporation Commission, Docket No. 16-ATMG-079-RTS (2015), on behalf of Atmos Energy. Testimony addressed billing determinant study, weather normalization adjustment, customer bill proration, and proposed tariffs.
- Before the Kansas Corporation Commission, Docket No. 14-ATMG-320-RTS (2014), on behalf of Amos Energy. Testimony addressed billing determinant study, weather normalization adjustment, and customer bill proration.
- Before the Colorado Public Utilities Commission, Proceeding No.14AL-0300G (2014), on behalf of Atmos Energy. Testimony addressed billing determinant study, weather normalization adjustment, customer growth, declining usage, and customer bill proration.
- Before the Colorado Public Utilities Commission, Proceeding No. 13AL-0496G (2013), on behalf of Atmos Energy. Testimony addressed gas cost area consolidation, bill impact analysis, and low-income customer impact analysis.

Peoples Natural Gas Company LLC

Cost of Service
For the Future Test Year EndedDecember 30, 2027
($ in Thousands)

Line No.	Description	Company Amounts at Present Rates	OCA Adjustments	Amounts After OCA Adjustments	Pro Forma Change in Revenues	Amounts After Change in Revenues
1	Total Operating Revenues	$ 1,184,614	$ -	$ 1,184,614	$ 8,640	$ 1,193,254
2						
3	Operating Expenses					
4	Manufactured Gas	-	-	-		-
5	Gas Supply Production	505,919	-	505,919		505,919
6	Other O&M Expenses	219,345	(17,418)	201,927		201,927
7	Uncollectable Expense	173,113	-	173,113	166	173,280
8	Depreciation & Amoritzation	8,068	(36,844)	(28,776)		(28,776)
9	Taxes other than Income	13,759	(254)	13,505		13,505
10	Total Operating Expenses	$ 920,205	$ (54,516)	$ 865,690	$ 166	$ 865,856
11						
12	Operating Income Before Income Taxes	264,409	54,516	318,925	8,474	327,398
13	State Income Tax	176	1,364	1,540	597	2,136
14	Federal Income Tax	(80,732)	3,765	(76,967)	1,647	(75,320)
15						
16	Operating Income after Taxes	$ 344,965	$ 49,387	$ 394,352	$ 6,230	$ 400,582
17						
18	Rate Base	$ 5,728,768		$ 5,764,655		$ 5,764,655
19						
20	Rate of Return	6.02%		6.84%		6.95%

Peoples Natural Gas Company LLC

Summary of Revenue Increase at OCA Rate of Return
For the Twelve Months Ended December 31, 2027

Line No.	Description		Amount	Source	
1	Adjusted Rate Base		$ 5,764,655	Schedule JNG-2, Page 1	
2	Required Rate of Return		6.95%	Schedule JNG-12	
3					
4	Net Operating Income Required		400,644		
5	Net Operating Income at Present Rates		394,352	Schedule JNG-1, Page 1	
6					
7	Income Deficiency/(Surplus)		6,292		
8	Revenue Multiplier		1.373165		
9					
10	Required Change in Company Revenue		$ 8,640		
11					
12	Proposed Revenue Change		$ 8,640		
13	Additional Late Fees	0.72%	$ 62		
14	Less: Uncollectibles	1.93%	$ 166		
15	Net of Uncollectibles		$ 8,536		
16	Less: State Income Tax @ 7.49%	6.99%	$ 597	1/	
17	Income Before Federal Taxes		$ 7,939		
18	Federal Income Tax @ 21.0%	20.75%	$ 1,647		
19					
20	Net Income (Surplus)/Deficiency		$ 6,292		

Note:
1/ Company Exhibit A, Schedule A-1
2/ Vol. VIII, Statement No. 7, Page 9

Revenue Muliplier		Revenue Mulitplier	
Additional Revenue		100.0000	
Less: Revenue Taxes		0.0000	
Less: Uncollectibles	1.93%	192.71%	
Plus: late payments	0.72%	72.10%	
		98.7940	
Less: State Income Tax	6.99%	6.9057	Rate that will be paid for FPFTY TME Dec 31, 2027
		91.8883	
Less: Federal Income Tax @ 0%	21%	19.0638	
Retention Factor		72.8245	
		1.0000	
		0.7282	
		1.373165	

Peoples Natural Gas Company LLC

Summary of Rate Base
For the Twelve Months Ended December 31, 2027

Line No.	Description	Amount per Company Filing [1/]	OCA Adjustments	Amount After OCA Adjustments
1	Utility Plant			
2	Utility Plant	7,078,133		7,078,133
3	Accumulated Depreciation	(1,576,048)	36,844	(1,539,203)
4	Net Plant in Service	5,502,085	36,844	5,538,929
5				
6	Gas Stored Underground - Noncurrent	52		52
7				
8	Subtotal	5,502,137	36,844	5,538,981
9				
10	Additions to Net Plant			
11	Working Capital Requirements:			
12	Gas Stored Underground - Current	50,820		50,820
13	Materials and Supplies	6,179		6,179
14	Prepayments	5,055		5,055
15	Cash Working Capital Requirements	47,682	(957)	46,724
16	Total Additions	109,736	(957)	108,778
17				
18	Deductions to Net Plant			
19	Deferred Income Taxes & EADIT	(120,652)	-	(120,652)
20	Customer Advances	517	-	517
21	Customer Deposits	3,240	-	3,240
22	Total Deductions	(116,895)	-	(116,895)
23				
24	Total Working Capital	226,631	(957)	225,673
25				
26	Gas Rate Base	5,728,768	35,887	5,764,655

[1/] Exhibit No. 8, Schedule No. 2 - 53.53.I.A.2

Peoples Natural Gas Company LLC

Summary of Rate Base Adjustments
For the Twelve Months Ended December 31, 2027

Line No.	Description	Source		Amount
1	Rate Base per Company Filing			$ 5,728,768
2				
3	OCA Adjustments:			
4				
5	Adjustment to Cash Working Capital	Schedule JNG-	4	(957)
6	Adjustment to Accumulated Depreciation	Schedule JNG-	5	36,844
7				
8	Total Ratemaking Adjustments			$ 35,887
9				
10	Adjusted Rate Base per OCA			$ 5,764,655

CONFIDENTIAL

Peoples Natural Gas Company LLC

Summary of Adjustments to Operating Income
For the Twelve Months Ended December 31, 2027

Line No.	Description	Operating Revenues	Manufactured Gas	Gas Supply Production	Other O&M Expenses	Uncollectable Expense	Depreciation & Amortization	Taxes other than Income	State Income Taxes	Federal Income Taxes	Operating Income
1	Amount per Company	$ 1,184,614	$ -	$ 505,919	$ 219,345	$ 173,113	$ 8,068	$ 13,759	$ 176	$ (80,732)	$ 344,965
2											
3	OCA Adjustments:										
4	Adjustment to Depreciation Expenses						(36,844)		2,575	7,110	$ 27,159
5	Adjustment to Revise Normalization Period of Rate Case Expense				(576)				40	111	$ 425
6	Adjustment to Materials and Supplies				(625)				44	121	$ 460
7	Adjustment to Incentive Compensation				[redacted]				[redacted]	[redacted]	[redacted]
8	Adjustment to Membership Expenses				(116)				8	22	$ 86
9	Adjustment to Employee Activities				(757)				53	146	$ 558
10	Adjustment to Travel Expenses				(908)				63	175	$ 670
11	Adjustment to Corporate Insurance				(151)				11	29	$ 111
12	Adjustment to Advertising Expense				(201)				14	39	$ 148
13	Adjustment to Outside Services - A&G				(1,282)				90	247	$ 945
14	Adjustment to Vacancy Reserve: Payroll Expense				[redacted]				[redacted]	[redacted]	[redacted]
15	Adjustment to Vacancy Reserve: Payroll Taxes							[redacted]	[redacted]	[redacted]	[redacted]
16	Adjustment to Vacancy Reserve: Employee Benefits				(941)				66	182	$ 693
17	Adjustment to PUC Assessment				(824)				58	159	$ 607
18	Adjustment to Payment Processing				(1,017)				71	196	$ 750
19	Adjustment to Nat Gas Hot Water Tank Pilot				(500)				35	96	$ 369
20	Adjustment to Residential Collection Expense				(3,834)						
21	Interest Synchronization	-	-	-	-	-	-	-	(2,179)	(6,015)	$ 8,194
22											
23	Total OCA Adjustments	$ -	$ -	$ -	$ (17,418)	$ -	$ (36,844)	[redacted]	$ 1,364	$ 3,765	[redacted]
24											
25	Total Adjusted Income Before Income Taxes	$ 1,184,614	$ -	$ 505,919	$ 201,927	$ 173,113	$ (28,776)	[redacted]	$ 1,540	$ (76,967)	[redacted]

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855
Schedule JNG - 4

Cash Working Capital
For the Twelve Months Ended December 31, 2027

Line No.	Description	Revenue Lag	Expense Lead	Net Lag	CWC Factor	Adjusted Historic Test Year Expenses	Historic Test Year Cash Working Capital Requirement	Future Test Year Expenses	Future Test Year Cash Working Capital Requirement	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement	OCA Adjustments	Pro Forma Expense After OCA Adjustments	Fully Projected Future Test Year Cash Working Capital Requirement
	(A)	(B)	(C)	(D)	(E)	(F)	(G)							
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	499,400,741	34,764,662	504,554,039	35,123,397	505,919,390	35,218,443	-	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	66,528,154	7,885,320	70,460,096	8,351,358	74,274,937	8,803,516	(5,687,437)	68,587,500	8,129,407
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,532,769	3,178,744	17,835,994	3,059,233	19,387,857	3,325,409	(941,164)	18,446,693	3,163,980
4	**Taxes Other Than Income Tax**	58.93	68.92	(10.00)	(0.0274)	12,191,871	(334,005)	12,729,717	(348,740)	13,759,055	(376,940)	(253,701)	13,505,354	(369,989)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	134,873,157	5,934,192	120,995,845	5,323,614	125,682,352	5,529,812	(10,789,083)	114,893,269	5,055,110
	Income Taxes													
6	State	58.93	53.61	5.31	0.0146	166,011	2,416	-	-	175,807	2,559	1,364,000	1,539,807	22,412
7	Federal	58.93	35.63	23.30	0.0638	(34,547,615)	(2,205,375)	(60,022,534)	(3,831,587)	(80,732,103)	(5,153,599)	3,765,000	(76,967,103)	(4,913,257)
	Interest Expense													
8	Long Term Debt	58.93	57.92	1.00	0.0027	83,261,982	228,885	99,237,668	272,802	121,014,900 [2/]	332,667	31,171,984	152,186,884	418,358
9	Short Term Debt		-	-	-	-	-	-	-		-			-
10	**Total**					$ 780,407,070	$ 49,454,839	$ 765,790,824	$ 47,950,077	$ 779,482,194	$ 47,681,867	$ 18,629,600	$ 798,111,794	$ 46,724,464

Company Cash Working Capital Requirement — any Cash Working Capital Requirement — $ 47,681,867

Adjustment to Cash Working Capital Requirement — t to Cash Working Capital Requirement — $ (957,403)

[1/] Company Exhibit AR-1
[2/] Exhibit No. 2, Schedule No. 4, Page 3

	Peoples Calculation [2/]	OCA Calculation
FPFTY Rate Base	$ 5,760,803,876	$ 5,764,654,703
Debt - Capitalization Ratio	45.53%	51.00%
Cost of Debt	4.61%	5.17%
Weighted Long Term Debt Cost	2.1%	2.64%
Synchronized Interest Expense - Total	$ 121,014,900	$ 152,186,884

Peoples Natural Gas Company LLC
Adjustment to Depreciation Expense
For the Twelve Months Ended December 31, 2027
(Total $'s)

Line No.	Account No.	Description	ORIGINAL COST 1/	Per Company Accrual Amount 1/	Per Company Rate 1/	OCA Recommendation Accrual Amount 2/	OCA Recommendation Rate 2/	Difference
1								
2		**Intangible Plant**						
3								
4	303.00	MISCELLANEOUS INTANGIBLE PLANT						
5		CIAC	18,840,458	515,683	2.74%	516,113	2.74%	430
6		OTHER	68,394,813	12,995,172	19.00%	13,239,978	19.36%	244,806
7		MAJOR	11,663,429	1,450,069	12.43%	1,442,697	12.37%	(7,372)
8		SAP	18,015,881	393,599	2.18%	394,086	2.19%	487
9								
10		Total Miscellaneous Intangible Plant	116,914,580	15,354,523	13.13%	15,592,874	13.34%	238,351
11								
12								
13								
14		**Production Plant**						
15	325.01	PRODUCING LANDS	139,440	1,068	0.77%	1,025	0.74%	(43)
16	325.02	PRODUCING LEASEHOLDS	14,481	180	1.24%	187	1.29%	7
17	325.03	GAS RIGHTS	20,984	221	1.05%	237	1.13%	16
18	325.04	RIGHTS OF WAY	2,236,969	25,001	1.12%	25,025	1.12%	24
19	327.00	FILED COMPRESSOR STATION EQUIPMENT	12,308,841	238,870	1.94%	188,469	1.53%	(50,401)
20	328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	2,328	2.33%	2,046	2.05%	(282)
21	329.00	OTHER STRUCTURES	1,926,214	23,418	1.22%	22,304	1.16%	(1,114)
22	330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	-	0.00%	-	0.00%	-
23	331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	42	1.42%	39	1.33%	(3)
24	332.00	FIELD LINES	116,633,036	2,244,167	1.92%	1,611,615	1.38%	(632,552)
25	333.00	FIELD COMPRESSOR STATION EQUIPMENT	51,277,481	1,656,831	3.23%	2,305,966	4.50%	649,135
26	334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,954,072	85,340	2.16%	74,935	1.90%	(10,405)
27	337.00	OTHER EQUIPMENT	9,646	2,179	22.59%	1,811	18.78%	(368)
28								
29		Total Production Plant	188,633,353	4,279,645	2.27%	4,233,660	2.24%	(45,985)
30								
31		**Underground Storage Plant**						
32								
33	350.11	LAND - GAS	16,824	414	2.46%	411	2.44%	(3)
34	350.21	RIGHTS OF WAY	171,877	2,412	1.40%	2,272	1.32%	(140)
35	351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	37,397	1.56%	32,516	1.35%	(4,881)
36	352.01	WELLS - CONSTRUCTION	6,365,664	200,201	3.15%	116,912	1.84%	(83,289)
37	352.02	WELLS - EQUIPMENT	3,385,332	121,953	3.60%	65,223	1.93%	(56,730)
38	352.11	LEASEHOLDS	161,937	-	0.00%	-	0.00%	-
39	352.12	STORAGE RIGHTS	413,406	5,084	1.23%	5,034	1.22%	(50)
40	352.21	RESERVOIRS	433,139	9,679	2.23%	9,667	2.23%	(12)
41	352.31	NON-RECOVERABLE NATURAL GAS	205,251	-	0.00%	-	0.00%	-
42	353.00	LINES	3,688,379	50,055	1.36%	44,969	1.22%	(5,086)
43	354.00	COMPRESSOR STATION EQUIPMENT	16,961,957	482,407	2.84%	359,303	2.12%	(123,104)
44	355.00	MEASURING AND REGULATING STATION EQUIPMENT	3,204,486	58,732	1.83%	48,953	1.53%	(9,779)
45	357.00	OTHER EQUIPMENT	30,184	-	0.00%	-	0.00%	-
46								
47		Total Underground Storage Plant	37,438,989	968,334	2.59%	685,260	1.83%	(283,074)
48								
49		**Transmission Plant**						
50	365.02	RIGHTS OF WAY	8,121,130	87,382	1.08%	91,708	1.13%	4,326
51	366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	26,671	1.23%	26,448	1.22%	(223)
52	366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	17,289	1.00%	17,644	1.02%	355
53	366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	676	0.71%	890	0.94%	214
54	367.00	MAINS	340,064,649	4,344,630	1.28%	3,771,736	1.11%	(572,894)
55	368.00	COMPRESSOR STATION EQUIPMENT	23,699,523	572,947	2.42%	458,992	1.94%	(113,955)
56	369.00	MEASURING AND REGULATING STATION EQUIPMENT	53,753,939	1,170,894	2.18%	905,970	1.69%	(264,924)
57	371.00	OTHER EQUIPMENT	2,650,785	61,241	2.31%	50,846	1.92%	(10,395)
58								
59		Total Transmission Plant	432,277,559	6,281,730	1.45%	5,324,234	1.23%	(957,496)
60								

		Distribution Plant						
	374.02	RIGHTS OF WAY	13,850,177	184,997	1.34%	177,160	1.28%	(7,837)
								-
	375.00	STRUCTURES AND IMPROVEMENTS						
		MEASURING AND REGULATING	7,330,359	87,613	1.20%	75,215	1.03%	(12,398)
		OTHER						
		MAJOR STRUCTURES	24,813,854	1,151,820	4.64%	106,682	0.43%	(1,045,138)
		MINOR STRUCTURES	1,104,893	12,006	1.09%	10,746	0.97%	(1,260)
		TOTAL STRUCTURES AND IMPROVEMENTS	33,249,106	1,251,439	3.76%	192,643	0.58%	(1,058,796)
	376.00	MAINS						
		LOW PRESSURE	2,362,725,305	44,796,238	1.90%	30,507,857	1.29%	(14,288,381)
		REGULAR PRESSURE	2,001,957,324	38,300,721	1.91%	26,929,485	1.35%	(11,371,236)
		TOTAL MAINS	4,364,682,629	83,096,959	1.90%	57,437,341	1.32%	(25,659,618)
	378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	194,519,575	4,670,074	2.40%	3,234,182	1.66%	(1,435,892)
	380.00	SERVICES	1,121,478,959	22,700,627	2.02%	18,350,817	1.64%	(4,349,810)
	381.00	METERS	120,526,844	6,386,479	5.30%	4,558,425	3.78%	(1,828,054)
	381.20	METER - INTELIS	94,659,523	5,397,270	5.70%	4,702,891	4.97%	(694,379)
	382.00	METER INSTALLATIONS	55,977,212	1,744,941	3.12%	1,249,736	2.23%	(495,205)
	385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	235,854	1.76%	180,286	1.34%	(55,568)
	386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	-	0.00%	-	0.00%	-
	387.00	OTHER EQUIPMENT	16,379,114	696,632	4.25%	593,703	3.62%	(102,929)
		Total Distribution Plant	6,043,382,984	126,365,272	2.09%	90,677,184	1.50%	(35,688,088)
		General Plant						
	389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	491	0.93%	491	0.93%	0
	390.00	STRUCTURES AND IMPROVEMENTS						
		OWNED	77,635,143	2,086,609	2.69%	2,087,421	2.69%	812
		LEASED - NORTH SHORE	8,282,581	865,312	10.45%	848,896	10.25%	(16,416)
		TOTAL STRUCTURES AND IMPROVEMENT	85,917,724	2,951,921	3.44%	2,936,318	3.42%	(15,603)
	391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,706,224	78,123	2.89%	78,210	2.89%	87
	391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,516,314	-	0.00%	-	0.00%	-
	391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	16,387	8.63%	16,473	8.67%	86
	392.00	TRANSPORTATION EQUIPMENT						
		TRUCKS	89,232,132	11,663,650	13.07%	11,576,202	12.97%	(87,448)
		TRAILERS	7,075,816	870,209	12.30%	870,630	12.30%	421
		TOTAL TRANSPORTATION EQUIPMENT	96,307,948	12,533,859	13.01%	12,446,831	12.92%	(87,028)
	393.00	STORES EQUIPMENT	457	53	11.60%	53	11.63%	0
	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,635,249	362,691	3.76%	363,847	3.78%	1,156
	394.01	DUAL FUEL STATION	398,117	10,730	2.70%	10,730	2.70%	(0)
	396.00	POWER OPERATED EQUIPMENT	18,451,517	1,266,292	6.86%	1,261,649	6.84%	(4,643)
	397.02	COMMUNICATION EQUIPMENT - TELEPHONE	20,191,222	1,597,550	7.91%	1,591,042	7.88%	(6,508)
	397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	837,658	4.94%	840,071	4.96%	2,413
	397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	3,659	12.77%	3,648	12.73%	(11)
	397.20	COMMUNICATION EQUIPMENT - RADIO	632,756	203,323	32.13%	205,385	32.46%	2,062
	398.00	MISCELLANEOUS EQUIPMENT	54,886	1,072	1.95%	1,078	1.96%	6
		Total General Plant	253,033,979	19,863,809	7.85%	19,755,827	7.81%	(107,982)
		Amortization of Net Salvage		8,068,283		8,068,283		
		Total Depreciable Gas Plant	7,071,681,444	181,181,596		144,337,323		(36,844,273)
		Adjustment to Depreciation Expenses ($'s in Thousands)						(36,844)
		Adjustment to Accumulated Depreciation ($'s in Thousands)						36,844
		ADIT Percentage per Company						-
		Adjustment to ADIT ($'s in Thousands)						-

Note:
[1/] Company Volume II, Exhibit 5C
[2/] Direct Testimony of OCA Witness David Garrett

Peoples Natural Gas Company LLC
Adjustment to Revise Normalization Period of Rate Case Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Total Rate Case Costs to be Recovered	$ 1,920	1/
2			
3	Company Proposed Normalization Period (Years)	2	1/
4	OCA Recommended Normalization Period (Years)	5	2/
5			
6	Company Proposed FPFTY Expense	960	1/
7	OCA Recommended FPFTY Expense	384	
8			
9	Adjustment to O&M Expenses	(576)	

Note:
1/ Exhibit 4, Schedule No. 1, p. 27
2/ Company response to I&E RE-32

Peoples Natural Gas Company LLC
Adjustment to Materials and Supplies
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	Variance
1	Materials and Supplies November 30, 2023	11,778	
2	Materials and Supplies November 30, 2024	10,137	-13.9%
3	Materials and Supplies November 30, 2025 HTY	10,184	0.46%
4			
5	Company-Proposed Materials and Supplies FPFTY	$ 11,325 [1/]	
6			
7	OCA Proposed FPFTY	$ 10,700	
8			
9	Adjustment to O&M Expenses	(625)	

Note:
[1/] Exhibit 4, Schedule No. 1, p. 23

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Peoples Natural Gas Company LLC
Adjustment to Revise Incentive Compensation
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	[redacted]	[redacted] 1/
2	[redacted]	[redacted] 1/
3	[redacted]	[redacted] 1/
4		[redacted]
5	[redacted]	
6	[redacted]	[redacted] 1/
7		
8	Adjustment to O&M Expenses	[redacted]

Note:
1/ Company supplemental response to OCA-12-13(U)

Peoples Natural Gas Company LLC
Adjustment to Membership Expenses
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Membership Expenses	$ 1,220
2		
3	African American Chamber of Commerce	$ 11 [1/]
4	AI Horizons	$ 29 [1/]
5	Beaver County Chamber of Commerce	$ 1 [1/]
6	Curate Solutions Inc	$ 14 [1/]
7	Downtown Neighbors Alliance	$ 5 [1/]
8	Greater Pittsburgh Chamber of Commerce	$ 5 [1/]
9	Leadership Pittsburgh Inc	$ 13 [1/]
10	North Side Chamber of Commerce	$ 11 [1/]
11	Pennsylvania Chamber of Business & Industry	$ 22 [1/]
12	Pittsburgh Airport Area Chamber of Commerce	$ 3 [1/]
13	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce	$ 1 [1/]
14		$ 116
15		
16	Adjustment to O&M Expenses	$ (116)

Note:
[1/] Company response to RR-31 and I&E-RE-023.

Peoples Natural Gas Company LLC
Adjustment to Employee Activity Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Employee Activity Costs	$ 757 [1/]
2		
3	Adjustment to O&M Expenses	(757)

Note:
[1/] Company response to RR-30(E).

Peoples Natural Gas Company LLC
Adjustment to Travel
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Travel November 30, 2025 HTY	1,031	
2	Entertainment Expenses	799	1/
3			
4			
5	Company-Proposed Travel FPFTY	$ 1,139	1/
6			
7	OCA Proposed FPFTY	$ 231	
8			
9	Adjustment to O&M Expenses	(908)	

Note:
1/ Exhibit 4, Schedule No. 1, p. 17
2/ Company response to OCA-14-017(C)

Peoples Natural Gas Company LLC
Adjustment to Corporate Insurance
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company-Proposed Corporate Insurance FPFTY	$ 7,819 [1/]
2		
3	Company Corrected Proposed Corprorate Insurance	7,668 [2/]
4		
5	OCA Proposed FPFTY	$ 7,668
6		
7	Adjustment to O&M Expenses	(151)

Note:
[1/] Exhibit 4, Schedule No. 1, p. 15
[2/] Company response to I&E-RE-21

Peoples Natural Gas Company LLC
Adjustment to Advertising Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description		Amount
	Advertising Expense November 30, 2025 HTY	$	1,382
	PNG Holiday Market Sponsorship 2024		125
1	Company-Proposed Advertising FPFTY	$	1,458 [1/]
2			
3	OCA Proposed FPFTY	$	1,257 [2/]
4			
5	Adjustment to O&M Expenses	$	(200.656)

Note:
[1/] Company Exhibit No. 4, Schedule No. 1, p. 21

Peoples Natural Gas Company LLC
Adjustment to Outside Services - A&G Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Outside Services - A&G November 30, 2023	4,826	1/
2	Outside Services - A&G November 30, 2024	5,993	1/
3	Outside Services - A&G November 30, 2025 HTY	4,336	2/
4			
5	Company-Proposed Outside Services - A&G FPFTY	6,333	1/
6			
7	OCA Proposed FPFTY	$ 5,052	
8			
9	Adjustment to O&M Expenses	$ (1,282)	

1/ Company response to I&E RE-1.

2/ Company Exhibit No. 4, Schedule No. 1, p. 13

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Peoples Natural Gas Company LLC
Adjustment to Labor
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount		
1	Company Proposed Salaries	$ 68,149 [1/]		
2				
3	Company Employee Total	1,463 [2/]		
4	Company Proposed Employee Vacancies	8 [2/]		
5	Company Proposed Vacancy Rate	0.55%		
6				
7	Company Adjustment to Salaries for Vacancy Rate	$ (373)		
8				
9	Total Vacancies	2022-2023 [3/]	2023-2024 [3/]	2024-2025 [3/]
10	December	4.18%	6.21%	5.20%
11	January	3.68%	5.87%	5.60%
12	February	3.54%	6.17%	5.82%
13	March	3.61%	6.48%	5.30%
14	April	4.19%	6.02%	5.08%
15	May	3.69%	6.40%	5.15%
16	June	4.05%	6.78%	4.34%
17	July	4.34%	5.87%	5.30%
18	August	4.71%	6.33%	5.60%
19	September	4.64%	5.95%	5.67%
20	October	5.01%	5.72%	5.97%
21	November	5.08%	5.80%	5.75%
22				
23	3 Year Average	5.25%		
24				
25	OCA Recommended Vacancy Rate	5.25%		
26	OCA Adjustment to Incentive Compensation (Peoples Portion)	[redacted]		
27	Company Proposed Salaries Less Incentive Compensation Adjustment	[redacted]		
28	Revised Adjustment to Salaries for Vacancy Rate	[redacted]		
29				
30	Adjustment to O&M Expenses	[redacted]		

Note:
[1/] Company response to I&E-RE-1
[2/] Direct Testimony of Andrew P. Wachter
[3/] Company response to I&E-RE-7

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Peoples Natural Gas Company LLC
Adjustment to Payroll Taxes
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	FICA Expense - Percent	7.6% [1/]
2	FUTA/SUTA & Local Tax	0.39% [1/]
3		
4	OCA Vacancy Rate Adjustment	[redacted]
5	FICA Adjustment	[redacted]
6	FUTA Adjustment	[redacted]
7		
8	Adjustment to Taxes Other than Income Tax	[redacted]

Note:
[1/] Company Exhibit No. 6, Schedule No. 2 - 53.53.III.A.50
[2/] Schedule JNG-11

Peoples Natural Gas Company LLC
Adjustment to Employee Benefits to Reflect Vacancy Rate Revision
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Employee Pensions and Benefits in FERC Account 926	$ 23,015 [1/]
	Less: Pension Expense	$ 3,164 [2/]
2	Less: OPEB Expense	$ (144) [2/]
3	Benefits Expense to be Adjusted	$ 19,994
4		
5	Company Proposed Vacancy Rate	0.55% [3/]
6	OCA Recommended Vacancy Rate	5.25% [3/]
7		
8	Company Adjustment to Employee Benefits for Vacancy Rate	$ (109)
9	OCA Recommended Adjustment to Employee Benefits for Vacancy Rate	$ (1,050)
10		
11	Adjustment to O&M Expenses	(941)

Note:
[1/] Peoples Exhibit No. 11, p. 29
[2/] Company Response to I&E-RE-1
[3/] JNG - 15 Vacancy Rate

Peoples Natural Gas Company LLC
Adjustment to PUC Assessment
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Invoice Total	Months Applied	Amount
1	Company Proposed PUC Assessment Charges in FPFTY			$ 3,859 [1/]
2				
3	Historical PUC Assessment Charges	Invoice Total	Months Applied	Expense
4	2022 Invoice (Jul 22 - Jun 23)	$ 2,682 [1/]	7	$ 1,565
5	2023 Invoice (Jul 23 - Jun 24)	$ 3,110 [1/]	5	$ 1,296
6	FY 2023			$ 2,860
7				
8	2023 Invoice (Jul 23 - Jun 24)	$ 3,110 [1/]	7	$ 1,814
9	2024 Invoice (Jul 23 - Jun 25)	$ 3,000 [1/]	5	$ 1,250
10	FY 2024			$ 3,064
11				
12	2024 Invoice (Jul 23 - Jun 25)	$ 3,000 [1/]	7	$ 1,750
13	2025 Invoice (Jul 25 - Jun 26)	$ 3,435 [1/]	5	$ 1,431
14	FY 2025			$ 3,181
15				
16	Average FY 2023-2025			$ 3,035
17				
18	Adjustment to O&M Expenses			(824)

Note:
[1/] Company response to OCA-12-25

Peoples Natural Gas Company LLC
Adjustment to Payment Processing
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Payment Processing November 30, 2023	$ 1,459 1/
2	Payment Processing November 30, 2024	$ 1,493 1/
3	Payment Processing November 30, 2025 HTY	$ 1,923 1/
4		
5	Company Proposed Payment Processing FPFTY	$ 2,940 2/
6		
7	OCA Proposed FPFTY	$ 1,923 1/
8		
9	Adjustment to O&M Expenses	$ (1,017)

Note:
1/ Company response to OCA-14-21
2/ Company Exhibit No. 4, Schedule No. 1, p. 26

Peoples Natural Gas Company LLC
Adjustment to Natural Gas Hot Water Tank Rebate Pilot
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Expense FPFTY	$ 500 [1/]
2		
3	OCA Proposed FPFTY	$ -
4		
5	Adjustment to O&M Expenses	$ (500)

Note:
[1/] Direct Testimony of Luke Ravenstahl

Peoples Natural Gas Company LLC
Adjustment to Residential Collection Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	2025 Residential Collection Expense	$ 6,517	1/
2	2025 Confirmed Low-Income collection expenses	$ 1,150	1/
3	Company Proposed Expense FPFTY	$ 7,667	1/
4	OCA Recommended Percentage Share to Shareholders	50%	2/
5		$ 3,834	
6			
7	Adjustment to O&M Expenses	$ (3,834)	

Note:
1/ Company Response to OCA-4-1 and OCA-7-4
2/ Direct Testimony of OCA Witness Roger Colton

Peoples Natural Gas Company LLC
Interest Synchronization Adjustment
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Company Rate Base	$ 5,764,655	1/
2	Weighted Cost of Debt	2.64%	2/
3	Adjusted Interest Deduction	$ 152,187	
4	Interest Deduction Per Company	121,015	2/
5	Adjustment to Synchronize Interest Expense	$ 31,172	
6	Effective State Income Tax Rate	6.99%	
7	Adjustment to State Income Taxes	$ (2,179)	
8	Federal Income Tax Base	$ 28,993	
9	Federal Income Tax Rate	20.75%	
10	Adjustment to Federal Income Taxes	$ (6,015)	

Notes:
1/ Schedule JNG-2, Page 1.
2/ Company Exhibit No. 2, Schedule No. 4, p. 3

Peoples Natural Gas Company LLC

Calculation of Rate of Return
For the Twelve Months Ended December 31, 2027

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost
1	Long-Term Debt	51.00%	5.17%	2.64%
2	Total Debt	51.00%		2.64%
3				
4	Common Stock Equity	49.00%	8.80%	4.31%
5		0.00%		
6	Total	100.00%		6.95%

Source:
Direct Testimony of OCA Witness David Garrett

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

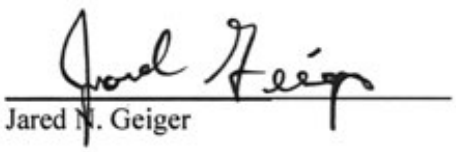
Peoples Natural Gas Company LLC

:

VERIFICATION

I, Jared N. Geiger, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 2, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 18, 2026

Signature: 

Jared N. Geiger

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway,
Suite 300
Columbia MD 21044

~ PUBLIC VERSION ~

OCA St. 2SR

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
v.	)	**Docket No. R-2026-3060855**
	)	
Peoples Natural Gas Company LLC	)	

PUBLIC - REDACTED SURREBUTTAL TESTIMONY

OF

JARED N. GEIGER

ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 31, 2026

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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- Schedules JNG-1-SR through JNG-23-SR

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jared N. Geiger. I am a Senior Analyst at Exeter Associates, Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. Exeter is a consulting firm specializing in issues pertaining to public utilities.

Q. ARE YOU THE SAME JARED N. GEIGER WHO SUBMITTED DIRECT TESTIMONY ON JUNE 18, 2026 IN THIS PROCEEDING?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to certain aspects of the rebuttal testimony of Peoples Natural Gas Company LLC ("Peoples" or "Company") witnesses Dawn M. Folks, Anton Ribich, Andrew P. Wachter, Luke Ravenstahl, and Rudolph Hanechak, which was filed on July 16, 2026.

Q. ARE YOU INCLUDING UPDATED SCHEDULES SUMMARIZING THE OCA'S CURRENT REVENUE REQUIREMENT POSITION IN THIS PROCEEDING?

A. Yes. I have attached Surrebuttal Schedules JNG-1-SR to JNG-23-SR to this testimony which present the OCA's updated position after taking the Company's rebuttal position into account. My Surrebuttal Schedules utilize the Company's Rebuttal Filing Schedules as the basis for Company data, as they reflect the Company's updated position in this proceeding. In this Surrebuttal Testimony, I respond to the Rebuttal Testimony of the Company's witnesses concerning the adjustments I recommended in my Direct Testimony. I have reviewed the issues raised in Rebuttal Testimony and address those matters in the sections that follow.

After considering the Company's rebuttal positions, I have revised my recommendation and conclude that Peoples' proposed revenue increase should be reduced to no more than $9.4 million for the Fully Projected Future Test Year ("FPFTY"). This recommendation reflects an overall rate of return on rate base of 6.95%, consistent with the recommendation presented in the Direct Testimony of OCA Witness David Garrett.

However, if the Commission adopts Peoples' proposed capital structure, then utilizing the OCA's alternative recommendation of an 8.50% ROE, I have determined that Peoples' proposed revenue increase should be reduced to no more than $17.8 million for the FPFTY.

To the extent that a Company witness addresses a position I presented in my Direct Testimony, but I do not specifically respond to that issue in this Surrebuttal Testimony, my silence should not be construed as agreement with the Company's position. Rather, unless expressly modified herein, I continue to rely on and incorporate by reference the positions, analyses, and recommendations set forth in my Direct Testimony.

II. ADJUSTMENTS

A. Revenues

Q. PLEASE ADDRESS THE REBUTTAL TESTIMONY OF COMPANY WITNESS FOLKS RELATED TO REVENUES.

A. Through the discovery process, the Company identified an adjustment that increases FPFTY revenues by $206,179.[1] I have incorporated this adjustment into my revenue requirement recommendation, as reflected in Surrebuttal Schedule JNG-2-SR.

B. Allowance for Cash Working Capital

Q. PLEASE ADDRESS THE REBUTTAL TESTIMONY OF COMPANY WITNESS RIBICH RELATED TO CASH WORKING CAPITAL.

A. The Company identified several revisions to its original O&M expense claims, including a $785,433 decrease to building lease expense, a $1,738,446 increase to corporate insurance expense, and the removal of $17,980,722 of uncollectible expense from the cash working capital study (without changing the Company's overall O&M revenue requirement). As a result of these and other updates, the Company contends that its cash working capital claim decreases from $47,681,867 to $46,932,677.[2] I have incorporated these revisions into my revenue requirement calculations. Based on the OCA's recommended adjustments, I recommend a cash working capital adjustment that decreases the Company's rebuttal rate base by $909,793, as shown on Surrebuttal Schedule JNG-4-SR.

C. Depreciation Expense

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO DEPRECIATION EXPENSE.

A. I have incorporated the depreciation recommendations presented in the direct testimony of OCA witness Garrett into my revenue requirement calculations. Specifically, I applied Mr. Garrett's recommended depreciation expense levels in place of the

[1] Rebuttal Testimony of Dawn M. Folks, at 2:1-14.
[2] Rebuttal Testimony of Anton Ribich, at 3:18 through 4:20.

amounts proposed by the Company. As shown on Surrebuttal Schedule JNG-5-SR, this adjustment decreases depreciation expense by $36,844,273, decreases the Company's recorded accumulated depreciation by the same amount, and correspondingly reduces the Company's revenue requirement.

D. Rate Case Expense

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO RATE CASE EXPENSE.

A. The Company proposes total rate case expenses of $1.920 million and normalizes those costs over a two-year period, resulting in an annual rate case expense of $0.960 million included in the FPFTY.[3] I recommended increasing the normalization period to five years because rate case expenses should be recovered over the period that benefits from the incurrence of those costs. The Company argues that the historical intervals between its prior rate cases are not representative of its expected future filing frequency because they were affected by unique circumstances. Specifically, the Company states that the seven-year period between its 2012 and 2019 rate cases resulted from a stay-out commitment associated with its acquisition of Equitable Gas Company. The Company also explains that the nearly five-year period between its 2019 and 2023 rate cases was the result of the Company receiving Accounting and Regulatory approval regarding its treatment of the tax repair election in Docket No. P-2020-3021191.[4]

Q. DO YOU AGREE WITH COMPANY WITNESS WACHTER'S RECOMMENDATION TO USE A NORMALIZATION PERIOD THAT IS LESS THAN THE AVERAGE TIME BETWEEN RATE CASES?

[3] Company Exhibit No. 4, Schedule No. 1, at 27.
[4] Rebuttal Testimony of Andrew P. Wachter, at 38:6-13.

A. No. I recognize that this stay-out period was an extraordinary circumstance rather than part of the Company's normal rate case cycle. Stay-out provisions are commonly included in merger proceedings to protect customers by delaying rate increases and allowing customers to share in transaction benefits. Because that commitment has now expired, I agree that the 2012-to-2019 interval is less representative of the Company's expected future filing frequency.

Q. WHAT NORMALIZATION PERIOD DO YOU NOW RECOMMEND?

A. Excluding the extraordinary seven-year interval associated with the acquisition stay-out period, the Company's remaining rate case history consists of the intervals between the 2019, 2023, and current 2026 filings, an average interval of approximately 3.5 years. Accordingly, I now recommend that the Commission normalize the Company's rate case expense over 3.5 years. As shown on Schedule Surrebuttal JNG-6-SR, this adjustment decreases O&M expense by $411,429. This reflects an increase of $164,571 in O&M expense compared to the recommendation included in my Direct Testimony.

E. Materials and Supplies

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO MATERIALS AND SUPPLIES EXPENSES.

A. The Company disagrees with my recommendation to use the three-year average of actual Materials and Supplies expense. Instead, it contends that inflation is an expected component of operating expenses and that applying an inflation factor based on its historical experience is a reasonable method for projecting future Materials and Supplies costs.[5]

[5] *Id.*, at 37.

Q. HAVE YOU REVISED YOUR ADJUSTMENT RELATED TO MATERIALS AND SUPPLIES?

A. No. First, I identified an error in the Company's calculation of its proposed 5.45% escalation factor. In response to OCA-14-18, the Company explained that the escalation factor was calculated using the average year-over-year increase in Materials and Supplies expense for the twelve-month periods ended December 31, 2020 through December 31, 2024. However, the Company used an incorrect 2020 expense amount of $11,863,863. The underlying data provided by the Company shows the correct amount is $11,923,306. Correcting this error reduces the average annual escalation factor from 5.45% to approximately 5.32%.

More importantly, I continue to disagree with the Company's use of any escalation factor to forecast Materials and Supplies expense. As I explained in my Direct Testimony, the same discovery response provided more recent expense data for the twelve-month periods ended November 30, 2023, November 30, 2025. That more recent information demonstrates that these expenses do not follow a consistent inflationary trend. Rather, Materials and Supplies expense decreased by 13.9% from 2023 to 2024 and then increased by only 0.46% from 2024 to 2025.

This more recent information demonstrates that these expenses are subject to significant year-to-year variability. Given this volatility, I continue to rely on the three-year average of actual Materials and Supplies expense for the 12-month periods ended November 30, 2023 through November 30, 2025. The Company’s reliance on older cost data over a longer period of time to omit recent volatility is less representative of the costs that the Company should expect to occur for the expense item during the FPFTY. Accordingly, I continue to recommend reducing O&M expense by $625,353, as reflected on Surrebuttal Schedule JNG-7-SR.

F. Incentive Compensation Expense

Q. EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO INCENTIVE COMPENSATION PLANS?

A. In its initial filing, the Company included expenses related to numerous incentive compensation plans, including **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**.[6] Company Witness Wachter explained that Incentive Compensation is a way to retain talent.[7] In my Direct Testimony, I recommended disallowing the inclusion of incentive compensation expenses related to financial performance measures.[8] In Rebuttal, Mr. Wachter disagrees with my recommendation and advances three primary arguments: **(1)** financial performance metrics provide direct customer benefits by encouraging cost control, operational efficiency, financial strength, and access to capital; **(2)** the Company's incentive compensation program is part of a fair, market-based compensation package necessary to attract and retain qualified employees; and **(3)** there is no regulatory prohibition against recovering incentive compensation tied to financial performance metrics from ratepayers.[9]

Q. DOES THE COMPANY'S REBUTTAL TESTIMONY CHANGE YOUR RECOMMENDATION REGARDING INCENTIVE COMPENSATION?

A. No. As I explained in my Direct Testimony, incentive compensation tied to financial performance metrics, such as earnings per share, return on equity, stock price, and total shareholder return, is primarily designed to increase shareholder value. Accordingly, the primary beneficiaries of these metrics are shareholders.

[6] Company response to Standard Data Request Standard Data Request RR-27 (CONFIDENTIAL).
[7] Direct Testimony of Andrew P. Wachter, at 12:2-3.
[8] Direct Testimony of Jared. N Geiger, at 16: 6-10.
[9] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 18:6-15.

The Company's rebuttal focuses on whether customers may derive some indirect benefit from a financially successful utility. I do not dispute that financially healthy utilities benefit customers if the utility is able to contain costs in order to avoid or mitigate future rate increases. However, that is not the issue presented here. The relevant question is whether the specific financial performance metrics used in the Company's incentive compensation plans are intended to reward outcomes that primarily benefit shareholders or ratepayers.

The Company argues that financial metrics encourage employees to control costs, improve productivity, and manage Company resources efficiently. However, these are generalized assertions associated with sound financial management, not the specific performance measures at issue. The metrics I recommended disallowing—earnings per share, return on equity, stock price, and total shareholder return—are designed to measure financial performance and increase shareholder value. The Company has not established that these shareholder-oriented metrics directly measure or reward customer outcomes in the same manner as operational metrics tied to safety, reliability, customer service, or regulatory compliance.

Nor has the Company demonstrated that disallowing recovery of the financial-based portion of incentive compensation would impair its ability to attract and retain qualified employees. As I explained in my Direct Testimony, there is no evidence that utilities operating in jurisdictions that limit or disallow recovery of these costs are at a competitive disadvantage in recruiting or retaining qualified personnel. Utilities remain free to offer incentive compensation when they determine it is necessary to remain competitive in the labor market. The question before the Commission is not whether the Company may provide incentive compensation, but whether ratepayers should bear

the cost of incentive compensation tied to shareholder-oriented financial performance metrics.

My recommendation does not disallow all incentive compensation. I continue to support recovery of the portion of incentive compensation tied to operational objectives that directly benefit customers, including safety, reliability, customer service, and other operational performance measures. My recommendation is limited to the portion of incentive compensation tied to shareholder-oriented financial performance measures. Because those measures are principally intended to enhance shareholder value, the associated compensation should be borne by shareholders rather than ratepayers

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO INCENTIVE COMPENSATION.

A. For the reasons explained above, I continue to recommend disallowing incentive compensation expenses related to earnings per share, Earnings Before Interest, Taxes, and Depreciation ("EBITD") for Peoples Corporate and Peoples State, and ROE. **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL].**

G. Membership Costs

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO PROPOSED MEMBERSHIP COSTS.

A. In its original filing, the Company proposed including membership dues totaling $1.220 million in the FPFTY.[10] In my Direct Testimony I recommended disallowing $115,828 of these because they primarily support business development, public affairs,

[10] Company Exhibit No. 4, Schedule No. 1, at 18 of 32.

community relations, or other non-utility activities rather than utility operations.[11] In Rebuttal, Mr. Wachter provides a matrix identifying the basis for including each organization.[12]

Q. HAVE YOU REVISED YOUR POSITION RELATED TO MEMBERSHIP DUES?

A. Based on the additional explanation provided in rebuttal, I conclude that some of these memberships provide both customer and shareholder benefits. Accordingly, I recommend allocating responsibility equally between shareholders and ratepayers. This adjustment reduces expenses by $57,914, as shown in Surrebuttal Schedule JNG-9-SR. This reflects an increase of $57,914 in O&M expense compared to the recommendation included in my Direct Testimony.

H. Employee Activity Expense

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO EMPLOYEE ACTIVITY EXPENSE.

A. The Company has proposed including costs totaling $756,875 in the cost of service related to employee activities. These expenses are related to items such as employee events and safety awards.[13] In Rebuttal, Mr. Wachter provides further explanation of the costs included.[14]

Q. HAVE YOU REVISED YOUR POSITION RELATED TO EMPLOYEE ACTIVITY EXPENSE?

A. Yes. The expense item relating to device reimbursement reimburses employees $60 per month for use of the employee's own cell phone. Parking lease reimbursement

[11] Direct Testimony of Jared. N Geiger, at 17: 9-11.
[12] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 28-29.
[13] Company response to Standard Data Request RR-30(E).
[14] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 25.

covers the cost of parking on the North Shore for certain employees because the Company's headquarters in downtown Pittsburgh does not include a surface parking lot. These expenses are $126,820 and $203,085, respectively. I agree these costs should be included in the revenue requirement. This adjustment reduces expenses by $426,970 as presented on Surrebuttal Schedule JNG-10-SR. This reflects an increase of $329,905 in O&M expense compared to the recommendation included in my Direct Testimony.

I. Travel

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL TESTIMONY RELATED TO TRAVEL EXPENSE.

A. The Company has proposed including $1.139 million of travel expenses (tolls, mileage, hotels, etc.), meals, and entertainment expenses in the FPFTY. As part of this proposal, the Company applied a 5.14% escalation factor to both the Historic Test Year ("HTY") and the Future Test Year ("FTY"), resulting in a cumulative increase of $108,658.[15] In my Direct Testimony, I recommended disallowing the inclusion of $799,375 of expenses related to employee entertainment and promotional activities.[16] In Rebuttal, Mr. Wachter provides further explanation of the costs included.[17] However, he does not demonstrate how these discretionary travel and entertainment expenses provide a direct benefit to ratepayers or why they should be recovered through rates. Accordingly, my recommendation is unchanged. I continue to recommend reducing the Company's proposed travel expense by $908,032, as reflected on Surrebuttal Schedule JNG-11-SR.

[15] Company Exhibit No. 4, Schedule No. 1, at 17 of 32.
[16] Direct Testimony of Jared. N Geiger, at 19: 5-9.
[17] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 26.

J. Corporate Insurance

Q. PLEASE ADDRESS THE COMPANY'S REBUTTAL RELATED TO CORPORATE INSURANCE EXPENSE.

A. The Company has proposed including $7.668 million of corporate insurance expenses in the FPFTY.[18] In my Direct Testimony, I recommended reducing the Company's proposed corporate insurance expense by $0.151 million based on my understanding that the Company was proposing $7.819 million, as reflected in its response to Interrogatory I&E-RE-021. The Company's Rebuttal Testimony clarifies that its proposed corporate insurance expense is $7.668 million, which is consistent with the level I recommended in my Direct Testimony. Accordingly, I no longer recommend an adjustment to corporate insurance expense.

K. Advertising

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO ADVERTISING EXPENSE.

A. In my Direct Testimony, I recommended using the HTY advertising expense level and eliminating the Company's proposed escalation adjustment and removing $125,000 related to the Holiday Market sponsorship.[19] In Rebuttal, Mr. Wachter explains that the $125,000 was not a sponsorship expense included in the Company's revenue requirement but rather an accounting adjustment to reverse a prior accrual. According to Mr. Wachter, beginning in 2024 the Holiday Market sponsorship was funded by the Essential Foundation rather than Peoples and, therefore, no sponsorship expense was included in the Company's revenue requirement. He states that the HTY adjustment

[18] Company Exhibit No. 4, Schedule No. 1, at 15 of 32.
[19] Direct Testimony of Jared. N Geiger, at 20:22 through 21:4.

was necessary solely to eliminate the effects of the accrual reversal and ensure that no Holiday Market costs were recovered from ratepayers.[20]

Q. HAVE YOU REVISED YOUR POSITION RELATED TO ADVERTISING?

A. Yes. Based on the additional explanation provided in Rebuttal, I no longer recommend removing the $125,000 Holiday Market adjustment. However, I continue to recommend eliminating the Company's proposed escalation adjustment and using the HTY. Accordingly, this adjustment reduces the Company's proposed advertising expense by $75,656, as reflected on Surrebuttal Schedule JNG-13-SR.

L. Outside Services – Administrative and General Expense

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED A&G EXPENSE.

A. The Company has proposed including $6.333 million of Administrative and General ("A&G") expense in the FPFTY. As part of this proposal, the Company applied an 8.23% escalation factor to both the HTY and the FTY, resulting in a cumulative increase of $926,459.[21] In my Direct Testimony, I recommended eliminating the Company's proposed escalation adjustment. Given the volatility of these expenses, the lack of support for the proposed 8.23% escalation factor, and the absence of contractual escalation provisions for most vendors, I concluded that the Company's proposed adjustment was not reasonable. Instead, I recommended using the three-year average level of expense based on the Company's most recent historical data, resulting in a reduction to Outside Services A&G expense of $1,281,601.[22] In Rebuttal, Mr. Wachter contends that inflation is an expected component of operating expenses and that

[20] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 31:5-15.
[21] Company Exhibit No. 4, Schedule No. 1, at 13 of 32.
[22] Direct Testimony of Jared. N Geiger, at 20:22 through 21:4.

applying an inflation factor based on its historical experience is a reasonable method for projecting future Outside Services – A&G costs.[23]

Q. HAVE YOU REVISED YOUR POSITION RELATED TO OUTSIDE SERVICES – A&G?

A. The Company's rebuttal does not alter my conclusion that applying an 8.23% escalation factor is unsupported. Accordingly, I continue to recommend reducing O&M expense by $1.282 million, as reflected on Surrebuttal Schedule JNG-14-SR.

M. Vacancy Reserve

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO EMPLOYEE VACANCIES.

A. The Company estimated that on average, 30 full time employee (FTE) positions will be vacant during the FTY and 8 FTE positions will be vacant during the FPFTY.[24] In my Direct Testimony, I recommended using the Company's average vacancy rate over the most recent three-year period to reflect normalized vacancy levels.[25] In Rebuttal, Mr. Wachter contends that the Company's projected vacancy rate is supported by: (1) recent improvements in staffing levels; (2) normalized labor market conditions following the COVID-19 pandemic; (3) external labor market data indicating more favorable hiring conditions; and (4) Company-specific recruiting and retention initiatives designed to reduce future vacancies.[26] Mr. Wachter also suggests a correction in my vacancy calculation.

[23] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 44:7-13.
[24] Company response to I&E-RE-07.
[25] Direct Testimony of Jared. N Geiger, at 23:8-10.
[26] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 11:20 through 13:7.

Q. DO YOU AGREE WITH COMPANY WITNESS WACHTER'S ASSERTION THAT IT IS NOT REASONABLE TO RELY EXCLUSIVELY UPON HISTORICAL VACANCY PERCENTAGES?

A. No. The vacancy data provided in that response covers a period several years after the COVID-19 pandemic, yet the Company's actual vacancy levels remained substantially higher than those it now projects. In my view, the Company's recent historical experience represents the best available evidence of the vacancy levels that can reasonably be expected during the FPFTY. Accordingly, I continue to rely on the Company's historical vacancy data in developing my recommendation.

Q. HAVE YOU REVISED YOUR POSITION RELATED TO THE VACANCY RESERVE.

A. Yes. I have revised my vacancy reserve calculation to reflect the corrections identified by the Company to the historical vacancy data.[27]

Based on these revisions, I recommend a reduction to O&M expense of **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** as shown on Surrebuttal Schedule JNG-15-SR. Consistent with my Direct Testimony, the vacancy adjustment also flows through to payroll taxes and employee benefits. As shown on Surrebuttal Schedule JNG-16-SR, payroll tax expense is reduced by $239,176. In addition, employee benefits expense is reduced by $887,355, as shown on Surrebuttal Schedule JNG-17-SR.

N. PUC Assessment

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO PUC ASSESSMENT EXPENSE.

[27] *Id.*, at 14.

A. The Company has derived its PUC Assessment expense projection by taking the 2025 invoice amount and multiplying it by a 6.0% increase to reach a projected 2026 invoice amount, and then again to reach a 2027 invoice amount. The Company derived the 6.0% increase as the average increase value over five years.[28] In my Direct Testimony, I normalized the annual expense level using the average of the most recent three years.[29] In Rebuttal, Mr. Hanechak contends that the five-year average increase is more appropriate because it minimizes the impact of high and low points.[30]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED PUC ASSESSMENT EXPENSE?

A. No. The Company provided historical PUC Assessment expense data showing that the assessment has both increased and decreased over the past five years. Nevertheless, the Company asserts that it is "highly unlikely" the PUC Assessment will decline during the FTY and FPFTY.[31] The Company provides no evidence or analysis to support that assertion.

Q. HAVE YOU REVISED YOUR POSITION RELATED TO THE PUC ASSESSMENT EXPENSE?

A. No. Accordingly, I continue to recommend normalizing the annual PUC Assessment using the average of the most recent three years. In addition, the invoices should be matched to the months applicable to the FPFTY. This adjustment reduces O&M expenses by $823,737, as shown on Schedule JNG-18-SR.

[28] Company response to OCA-12-25, Attachment 2 (PUC Assessment).
[29] Direct Testimony of Jared. N Geiger, at 25:5-6.
[30] Rebuttal Testimony of Testimony of Rudolph Hanechak, at 5:2-3.
[31] *Id.*, at 5.

O. Payment Processing

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO PAYMENT PROCESSING EXPENSE.

A. The Company has proposed including $2.940 million of payment processing expenses in the FPFTY.[32] In my Direct Testimony, I recommended using the HTY payment processing expense.[33] In Rebuttal, Mr. Wachter contends that it is reasonable to expect an increasing share of customers to utilize credit cards for utility bill payments.[34]

Q. DO YOU AGREE WITH THE COMPANY'S PROPOSED PAYMENT PROCESSING EXPENSE?

A. No. Mr. Wachter fails to acknowledge that, in response to OCA-14-21, the Company explained that a portion of the increase in third-party payment processing costs and customer payments processed was attributable to Peoples' adoption of no-fee credit card payments. That change resulted in a one-time increase in payment processing activity and associated costs. Therefore, it is not reasonable to assume that this elevated level of growth will continue indefinitely. Accordingly, I continue to recommend that the Company's projected payment processing expense be based on a more reasonable estimate of future costs rather than assuming continued growth at this elevated level.

Q. HAVE YOU REVISED YOUR POSITION RELATED TO PAYMENT PROCESSING EXPENSE?

A. No. I recommend using the HTY payment processing expense of $1,923,122 as the appropriate level of expense for ratemaking purposes and eliminating the Company's proposed 22.00% escalation factor. This adjustment reduces the Company's proposed

[32] Company Exhibit No. 4, Schedule No. 1, at 26 of 32.
[33] Direct Testimony of Jared. N Geiger, at 26:6-8.
[34] Rebuttal Testimony of Testimony of Andrew P. Wachter, at 46:4-6.

FPFTY payment processing expense by $1,016,537, as reflected on Surrebuttal Schedule JNG-19-SR.

P. Natural Gas Hot Water Tank Rebate Pilot

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO THE NATURAL GAS HOT WATER TANK REBATE PILOT PROGRAM.

A. Peoples proposes a three-year Natural Gas Hot Water Tank Rebate Pilot beginning in January 2027 that would provide residential customers with a $1,000 rebate to help offset the cost of converting from an electric water heater to a high-efficiency natural gas water heater. The Company proposes an annual program budget of approximately $500,000, with any unspent funds carrying over to subsequent years. In my Direct Testimony, I recommended rejecting the proposed hot water tank rebate pilot because it functions primarily as a customer acquisition and fuel-switching program. The program is designed to increase the Company's future gas sales, and the costs of acquiring new customers, including marketing and outreach, should be borne by shareholders rather than recovered from existing ratepayers.[35] The Company disagrees with my recommendation to eliminate the proposed hot water tank rebate pilot. It contends that the pilot will reduce customers' energy costs, increase system throughput to help keep rates lower for all customers, reduce strain on the electric grid, and help address long-term energy challenges.[36]

Q. DO YOU AGREE WITH PEOPLES' PROPOSAL TO RECOVER THE COSTS OF THIS PILOT PROGRAM FROM RATEPAYERS?

A. No. As I explained in my Direct Testimony, I believe this proposal functions primarily as a fuel-switching and load-building program rather than a customer assistance

[35] Direct Testimony of Jared. N Geiger, at 27:9-18.
[36] Rebuttal Testimony of Testimony of Luke Ravenstahl, at 10:14-23.

program. The costs of acquiring new customers should be borne by shareholders, not existing ratepayers. Accordingly, I continue to recommend that the Commission reject the proposed Natural Gas Hot Water Tank Rebate Pilot and remove the associated $500,000 annual expense from the Company's requested revenue requirement. As shown on Surrebuttal Schedule JNG-20-SR, this adjustment reduces O&M expense by $500,000.

Q. Residential Collection Expense

Q. PLEASE EXPLAIN THE COMPANY'S REBUTTAL RELATED TO THE RESIDENTIAL COLLECTION EXPENSE ADJUSTMENT.

A. In my Direct Testimony, I adopted the recommendation of OCA Witness Roger Colton to remove 50 percent of residential collection expenses from the Company's revenue requirement.[37] In Rebuttal, Company Witness Parks provides several reasons why she disagrees with Mr. Colton's recommendation.[38]

Q. DO YOU AGREE WITH PEOPLES' REBUTTAL POSITION?

A. No. Mr. Colton responds directly to these issues in his Surrebuttal Testimony. Accordingly, I continue to adopt his recommendation in calculating the OCA's overall revenue requirement. As shown on Surrebuttal Schedule JNG-21-SR, I continue to reflect Mr. Colton's adjustment and reduce O&M expenses by $3.834 million.

R. Interest Synchronization

Q. PLEASE ADDRESS THE COMPANY'S REBUTTAL RELATED TO INTEREST SYNCHRONIZATION.

A. In Rebuttal, Mr. Wachter identifies an error in my interest synchronization calculation. I have corrected the calculation in my Surrebuttal Schedule. Accordingly, I have

[37] Direct Testimony of Jared. N Geiger, at 28:1-9.
[38] Rebuttal Testimony of Michele Parks, at 6 through 8.

recalculated interest synchronization using the OCA's recommended rate base and weighted cost of debt. As shown on Surrebuttal Schedule JNG-22-SR, this adjustment reduces state income tax expense by $2.18 million and federal income tax expense by $6.09 million.

Q. DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**)**	
	)	
v.	**)**	**Docket No. R-2026-3060855**
	)	
Peoples Natural Gas LLC	**)**	

SCHEDULES ACCOMPANYING THE

SURREBUTTAL TESTIMONY

OF

JARED N. GEIGER

ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 31, 2026

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

Peoples Natural Gas Company LLC

Cost of Service
For the Future Test Year EndedDecember 30, 2027
($ in Thousands)

Line No.	Description	Company Amounts at Present Rates [1/]	OCA Adjustments	Amounts After OCA Adjustments	Pro Forma Change in Revenues	Amounts After Change in Revenues
1	Total Operating Revenues	$ 1,184,820	$ -	$ 1,184,820	$ 9,350	$ 1,194,170
2						
3	Operating Expenses					
4	Manufactured Gas	-	-	-		-
5	Gas Supply Production	505,919	-	505,919		505,919
6	Other O&M Expenses	219,345	(16,354)	202,991		202,991
7	Uncollectable Expense	173,113	-	173,113	180	173,293
8	Depreciation & Amoritzation	8,068	(36,844)	(28,776)		(28,776)
9	Taxes other than Income	13,759	(239)	13,520		13,520
10	Total Operating Expenses	$ 920,205	$ (53,438)	$ 866,767	$ 180	$ 866,948
11						
12	Operating Income Before Income Taxes	264,615	53,438	318,053	9,170	327,223
13	State Income Tax	176	1,289	1,465	646	2,110
14	Federal Income Tax	(80,732)	3,482	(77,250)	1,782	(75,468)
15						
16	Operating Income after Taxes	$ 345,171	$ 48,667	$ 393,838	$ 6,742	$ 400,580
17						
18	Rate Base	$ 5,728,768		$ 5,764,702		$ 5,764,702
19						
20	Rate of Return	6.03%		6.83%		6.95%

1/Rebuttal Testimony of Dawn M. Folks, Peoples Statement No. 4-R, Page 2.

Peoples Natural Gas Company LLC

Summary of Revenue Increase at OCA Rate of Return
For the Twelve Months Ended December 31, 2027

Line No.	Description		Amount	Source
1	Adjusted Rate Base		$ 5,764,702	Surrebuttal Schedule JNG-2, Page 1
2	Required Rate of Return		6.95%	Surrebuttal Schedule JNG-12
3				
4	Net Operating Income Required		400,647	
5	Net Operating Income at Present Rates		393,838	Surrebuttal Schedule JNG-1, Page 1
6				
7	Income Deficiency/(Surplus)		6,809	
8	Revenue Multiplier		1.373165	
9				
10	Required Change in Company Revenue		$ 9,350	
11				
12	Proposed Revenue Change		$ 9,350	
13	Additional Late Fees	0.72%	$ 67	
14	Less: Uncollectibles	1.93%	$ 180	
15	Net of Uncollectibles		$ 9,237	
16	Less: State Income Tax @ 7.49%	6.99%	$ 646	1/
17	Income Before Federal Taxes		$ 8,592	
18	Federal Income Tax @ 21.0%	20.75%	$ 1,782	
19				
20	Net Income (Surplus)/Deficiency		$ 6,810	

Note:
1/ Company Exhibit A, Schedule A-1
2/ Vol. VIII, Statement No. 7, Page 9

Revenue Muliplier		Revenue Mulitplier	
Additional Revenue		100.0000	
Less: Revenue Taxes		0.0000	
Less: Uncollectibles	1.93%	192.71%	
Plus: late payments	0.72%	72.10%	
		98.7940	
Less: State Income Tax	6.99%	6.9057	Rate that will be paid for FPFTY TME Dec 31, 2027
		91.8883	
Less: Federal Income Tax @ 0%	21%	19.0638	
Retention Factor		72.8245	
		1.0000	
		0.7282	
		1.373165	

Peoples Natural Gas Company LLC

Summary of Rate Base
For the Twelve Months Ended December 31, 2027

Line No.	Description	Amount per Company Filing [1/]	OCA Adjustments	Amount After OCA Adjustments
1	Utility Plant			
2	Utility Plant	7,078,133		7,078,133
3	Accumulated Depreciation	(1,576,048)	36,844	(1,539,203)
4	Net Plant in Service	5,502,085	36,844	5,538,929
5				
6	Gas Stored Underground - Noncurrent	52		52
7				
8	Subtotal	5,502,137	36,844	5,538,981
9				
10	Additions to Net Plant			
11	Working Capital Requirements:			
12	Gas Stored Underground - Current	50,820		50,820
13	Materials and Supplies	6,179		6,179
14	Prepayments	5,055		5,055
15	Cash Working Capital Requirements	47,682	(910)	46,772
16	Total Additions	109,736	(910)	108,826
17				
18	Deductions to Net Plant			
19	Deferred Income Taxes & EADIT	(120,652)	-	(120,652)
20	Customer Advances	517	-	517
21	Customer Deposits	3,240	-	3,240
22	Total Deductions	(116,895)	-	(116,895)
23				
24	Total Working Capital	226,631	(910)	225,721
25				
26	Gas Rate Base	5,728,768	35,934	5,764,702

[1/] Exhibit No. 8, Schedule No. 2 - 53.53.I.A.2

Peoples Natural Gas Company LLC

Summary of Rate Base Adjustments
For the Twelve Months Ended December 31, 2027

Line No.	Description	Source	Amount
1	Rate Base per Company Filing		$ 5,728,768
2			
3	OCA Adjustments:		
4			
5	Adjustment to Cash Working Capital	Surrebuttal Schedule JNG- 4	(910)
6	Adjustment to Accumulated Depreciation	Surrebuttal Schedule JNG- 5	36,844
7			
8	Total Ratemaking Adjustments		$ 35,934
9			
10	Adjusted Rate Base per OCA		$ 5,764,702

CONFIDENTIAL

Peoples Natural Gas Company LLC

Summary of Adjustments to Operating Income
For the Twelve Months Ended December 31, 2027

Line No.	Description	Operating Revenues	Manufactured Gas	Gas Supply Production	Other O&M Expenses	Uncollectable Expense	Depreciation & Amortization	Taxes other than Income	State Income Taxes	Federal Income Taxes	Operating Income
1	Amount per Company	$ 1,184,820	$ -	$ 505,919	$ 219,345	$ 173,113	$ 8,068	$13,759	$ 176	$ (80,732)	$ 345,171
2											
3	OCA Adjustments:										
4	Adjustment to Depreciation Expenses						(36,844)		2,575	7,110	$ 27,159
5	Adjustment to Revise Normalization Period of Rate Case Expense				(411)				29	79	$ 303
6	Adjustment to Materials and Supplies				(625)				44	121	$ 460
7	Adjustment to Incentive Compensation				[redacted]				[redacted]	[redacted]	[redacted]
8	Adjustment to Membership Expenses				(58)				4	11	$ 43
9	Adjustment to Employee Activities				(427)				30	82	$ 315
10	Adjustment to Travel Expenses				(908)				63	175	$ 670
11	Adjustment to Corporate Insurance				-				-	-	$ -
12	Adjustment to Advertising Expense				(76)				5	15	$ 56
13	Adjustment to Outside Services - A&G				(1,282)				90	247	$ 945
14	Adjustment to Vacancy Reserve: Payroll Expense				[redacted]				[redacted]	[redacted]	[redacted]
15	Adjustment to Vacancy Reserve: Payroll Taxes							(239)	17	46	$ 176
16	Adjustment to Vacancy Reserve: Employee Benefits				(887)				62	171	$ 654
17	Adjustment to PUC Assessment				(824)				58	159	$ 607
18	Adjustment to Payment Processing				(1,017)				71	196	$ 750
19	Adjustment to Nat Gas Hot Water Tank Pilot				(500)				35	96	$ 369
20	Adjustment to Residential Collection Expense				(3,834)						
21	Interest Synchronization	-	-	-	-	-	-	-	(2,179)	(6,089)	$ 8,268
22											
23	Total OCA Adjustments	$ -	$ -	$ -	$ (16,354)	$ -	$ (36,844)	$ (239)	$ 1,289	$ 3,482	$ 44,833
24											
25	Total Adjusted Income Before Income Taxes	$ 1,184,820	$ -	$ 505,919	$ 202,991	$ 173,113	$ (28,776)	$13,520	$ 1,465	$ (77,250)	$ 390,005

For the Twelve Months Ended December 31, 2027

Line No.	Description	Revenue Lag	Expense Lead	Net Lag	CWC Factor	Adjusted Historic Test Year Expenses	Historic Test Year Cash Working Capital Requirement	Future Test Year Expenses	Future Test Year Cash Working Capital Requirement	Fully Projected Future Test Year Expenses	Fully Projected Future Test Year Cash Working Capital Requirement	OCA Adjustments	Pro Forma Expense After OCA Adjustments	Fully Projected Future Test Year Cash Working Capital Requirement
	(A)	(B)	(C)	(D)	(E)	(F)	(G)							
1	**Gas Purchase Costs**	58.93	33.52	25.41	0.0696	499,400,741	34,764,662	504,554,039	35,123,397	505,919,390	35,218,443	-	505,919,390	35,218,443
2	**Payroll**	58.93	15.66	43.26	0.1185	66,528,154	7,885,320	70,460,096	8,351,358	74,274,937	8,803,516	(5,506,155)	68,768,782	8,150,893
3	**Employee Benefits**	58.93	(3.68)	62.60	0.1715	18,532,769	3,178,744	17,835,994	3,059,233	19,387,857	3,325,409	(887,355)	18,500,502	3,173,209
4	**Taxes Other Than Income Taxes**	58.93	68.92	(10.00)	(0.0274)	12,191,871	(334,005)	12,729,717	(348,740)	13,759,055	(376,940)	(239,176)	13,519,878	(370,387)
5	**Other O&M Expenses**	58.93	42.87	16.06	0.0440	134,873,157	5,934,192	120,995,845	5,323,614	108,654,643	4,780,621	(9,960,731)	98,693,912	4,342,366
	Income Taxes													
6	State	58.93	53.61	5.31	0.0146	166,011	2,416	-	-	175,807	2,559	1,289,000	1,464,807	21,320
7	Federal	58.93	35.63	23.30	0.0638	(34,547,615)	(2,205,375)	(60,022,534)	(3,831,587)	(80,732,103)	(5,153,599)	3,482,000	(77,250,103)	(4,931,322)
	Interest Expense													
8	Long Term Debt	58.93	57.92	1.00	0.0027	83,261,982	228,885	99,237,668	272,802	121,014,900 [2/]	332,667	31,173,241	152,188,141	418,362
9	Short Term Debt		-	-	-	-	-	-	-		-			-
10	**Total**					$ 780,407,070	$ 49,454,839	$ 765,790,824	$ 47,950,077	$ 762,454,485	$ 46,932,677	$ 19,350,824	$ 781,805,309	$ 46,022,884

[1/] Company Exhibit AR-1R
[2/] Rebuttal Testimony of Nick Tufarolo, Peoples Statement No. 12-R, Page 4.

Company Cash Working Capital Requirement	$ 46,932,677
Adjustment to Cash Working Capital Requirement	$ (909,793)

	Peoples Calculation [2/]	OCA Calculation
FPFTY Rate Base	$ 5,760,803,876	$ 5,764,702,314
Debt - Capitalization Ratio	45.53%	51.00%
Cost of Debt	4.61%	5.17%
Weighted Long Term Debt Cost	2.1%	2.64%
Synchronized Interest Expense - Total	$ 121,014,900	$ 152,188,141

Peoples Natural Gas Company LLC
Adjustment to Depreciation Expense
For the Twelve Months Ended December 31, 2027
(Total $'s)

Line No.	Account No.	Description	ORIGINAL COST 1/	Per Company Accrual Amount 1/	Per Company Rate 1/	OCA Recommendation Accrual Amount 2/	OCA Recommendation Rate 2/	Difference
1								
2		**Intangible Plant**						
3								
4	303.00	MISCELLANEOUS INTANGIBLE PLANT						
5		CIAC	18,840,458	515,683	2.74%	516,113	2.74%	430
6		OTHER	68,394,813	12,995,172	19.00%	13,239,978	19.36%	244,806
7		MAJOR	11,663,429	1,450,069	12.43%	1,442,697	12.37%	(7,372)
8		SAP	18,015,881	393,599	2.18%	394,086	2.19%	487
9								
10		Total Miscellaneous Intangible Plant	116,914,580	15,354,523	13.13%	15,592,874	13.34%	238,351
11								
12								
13								
14		**Production Plant**						
15	325.01	PRODUCING LANDS	139,440	1,068	0.77%	1,025	0.74%	(43)
16	325.02	PRODUCING LEASEHOLDS	14,481	180	1.24%	187	1.29%	7
17	325.03	GAS RIGHTS	20,984	221	1.05%	237	1.13%	16
18	325.04	RIGHTS OF WAY	2,236,969	25,001	1.12%	25,025	1.12%	24
19	327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	238,870	1.94%	188,469	1.53%	(50,401)
20	328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	2,328	2.33%	2,046	2.05%	(282)
21	329.00	OTHER STRUCTURES	1,926,214	23,418	1.22%	22,304	1.16%	(1,114)
22	330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	-	0.00%	-	0.00%	-
23	331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	42	1.42%	39	1.33%	(3)
24	332.00	FIELD LINES	116,633,036	2,244,167	1.92%	1,611,615	1.38%	(632,552)
25	333.00	FIELD COMPRESSOR STATION EQUIPMENT	51,277,481	1,656,831	3.23%	2,305,966	4.50%	649,135
26	334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,954,072	85,340	2.16%	74,935	1.90%	(10,405)
27	337.00	OTHER EQUIPMENT	9,646	2,179	22.59%	1,811	18.78%	(368)
28								
29		Total Production Plant	188,633,353	4,279,645	2.27%	4,233,660	2.24%	(45,985)
30								
31		**Underground Storage Plant**						
32								
33	350.11	LAND - GAS	16,824	414	2.46%	411	2.44%	(3)
34	350.21	RIGHTS OF WAY	171,877	2,412	1.40%	2,272	1.32%	(140)
35	351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	37,397	1.56%	32,516	1.35%	(4,881)
36	352.01	WELLS - CONSTRUCTION	6,365,664	200,201	3.15%	116,912	1.84%	(83,289)
37	352.02	WELLS - EQUIPMENT	3,385,332	121,953	3.60%	65,223	1.93%	(56,730)
38	352.11	LEASEHOLDS	161,937	-	0.00%	-	0.00%	-
39	352.12	STORAGE RIGHTS	413,406	5,084	1.23%	5,034	1.22%	(50)
40	352.21	RESERVOIRS	433,139	9,679	2.23%	9,667	2.23%	(12)
41	352.31	NON-RECOVERABLE NATURAL GAS	205,251	-	0.00%	-	0.00%	-
42	353.00	LINES	3,688,379	50,055	1.36%	44,969	1.22%	(5,086)
43	354.00	COMPRESSOR STATION EQUIPMENT	16,961,957	482,407	2.84%	359,303	2.12%	(123,104)
44	355.00	MEASURING AND REGULATING STATION EQUIPMENT	3,204,486	58,732	1.83%	48,953	1.53%	(9,779)
45	357.00	OTHER EQUIPMENT	30,184	-	0.00%	-	0.00%	-
46								
47		Total Underground Storage Plant	37,438,989	968,334	2.59%	685,260	1.83%	(283,074)
48								
49		**Transmission Plant**						
50	365.02	RIGHTS OF WAY	8,121,130	87,382	1.08%	91,708	1.13%	4,326
51	366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	26,671	1.23%	26,448	1.22%	(223)
52	366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	17,289	1.00%	17,644	1.02%	355
53	366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	676	0.71%	890	0.94%	214
54	367.00	MAINS	340,064,649	4,344,630	1.28%	3,771,736	1.11%	(572,894)
55	368.00	COMPRESSOR STATION EQUIPMENT	23,699,523	572,947	2.42%	458,992	1.94%	(113,955)
56	369.00	MEASURING AND REGULATING STATION EQUIPMENT	53,753,939	1,170,894	2.18%	905,970	1.69%	(264,924)
57	371.00	OTHER EQUIPMENT	2,650,785	61,241	2.31%	50,846	1.92%	(10,395)
58								
59		Total Transmission Plant	432,277,559	6,281,730	1.45%	5,324,234	1.23%	(957,496)
60								
61		**Distribution Plant**						
62	374.02	RIGHTS OF WAY	13,850,177	184,997	1.34%	177,160	1.28%	(7,837)
63								
64	375.00	STRUCTURES AND IMPROVEMENTS						-
65		MEASURING AND REGULATING	7,330,359	87,613	1.20%	75,215	1.03%	(12,398)
66		OTHER						
67		MAJOR STRUCTURES	24,813,854	1,151,820	4.64%	106,682	0.43%	(1,045,138)
68		MINOR STRUCTURES	1,104,893	12,006	1.09%	10,746	0.97%	(1,260)
69		TOTAL STRUCTURES AND IMPROVEMENTS	33,249,106	1,251,439	3.76%	192,643	0.58%	(1,058,796)
70								
71	376.00	MAINS						
72		LOW PRESSURE	2,362,725,305	44,796,238	1.90%	30,507,857	1.29%	(14,288,381)
73		REGULAR PRESSURE	2,001,957,324	38,300,721	1.91%	26,929,485	1.35%	(11,371,236)
74		TOTAL MAINS	4,364,682,629	83,096,959	1.90%	57,437,341	1.32%	(25,659,618)
75								-
76	378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	194,519,575	4,670,074	2.40%	3,234,182	1.66%	(1,435,892)
77	380.00	SERVICES	1,121,478,959	22,700,627	2.02%	18,350,817	1.64%	(4,349,810)
78	381.00	METERS	120,526,844	6,386,479	5.30%	4,558,425	3.78%	(1,828,054)
79	381.20	METER - INTELIS	94,659,523	5,397,270	5.70%	4,702,891	4.97%	(694,379)
80	382.00	METER INSTALLATIONS	55,977,212	1,744,941	3.12%	1,249,736	2.23%	(495,205)
81	385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	235,854	1.76%	180,286	1.34%	(55,568)
82	386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	-	0.00%	-	0.00%	-
83	387.00	OTHER EQUIPMENT	16,379,114	696,632	4.25%	593,703	3.62%	(102,929)
84								
85		Total Distribution Plant	6,043,382,984	126,365,272	2.09%	90,677,184	1.50%	(35,688,088)
86								
87		**General Plant**						
88	389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	491	0.93%	491	0.93%	0
89								
90	390.00	STRUCTURES AND IMPROVEMENTS						
91		OWNED	77,635,143	2,086,609	2.69%	2,087,421	2.69%	812
92		LEASED - NORTH SHORE	8,282,581	865,312	10.45%	848,896	10.25%	(16,416)
93		TOTAL STRUCTURES AND IMPROVEMENT	85,917,724	2,951,921	3.44%	2,936,318	3.42%	(15,603)
94								
95	391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,706,224	78,123	2.89%	78,210	2.89%	87
96	391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,516,314	-	0.00%	-	0.00%	-
97	391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	16,387	8.63%	16,473	8.67%	86
98								
99	392.00	TRANSPORTATION EQUIPMENT						
100		TRUCKS	89,232,132	11,663,650	13.07%	11,576,202	12.97%	(87,448)
101		TRAILERS	7,075,816	870,209	12.30%	870,630	12.30%	421
102		TOTAL TRANSPORTATION EQUIPMENT	96,307,948	12,533,859	13.01%	12,446,831	12.92%	(87,028)
103								
104	393.00	STORES EQUIPMENT	457	53	11.60%	53	11.63%	0
105	394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,635,249	362,691	3.76%	363,847	3.78%	1,156
106	394.01	DUAL FUEL STATION	398,117	10,730	2.70%	10,730	2.70%	(0)
107	396.00	POWER OPERATED EQUIPMENT	18,451,517	1,266,292	6.86%	1,261,649	6.84%	(4,643)
108	397.02	COMMUNICATION EQUIPMENT - TELEPHONE	20,191,222	1,597,550	7.91%	1,591,042	7.88%	(6,508)
109	397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	837,658	4.94%	840,071	4.96%	2,413
110	397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	3,659	12.77%	3,648	12.73%	(11)
111	397.20	COMMUNICATION EQUIPMENT - RADIO	632,756	203,323	32.13%	205,385	32.46%	2,062
112	398.00	MISCELLANEOUS EQUIPMENT	54,886	1,072	1.95%	1,078	1.96%	6
113								
114		Total General Plant	253,033,979	19,863,809	7.85%	19,755,827	7.81%	(107,982)
115								
116		Amortization of Net Salvage		8,068,283		8,068,283		
117								
118		Total Depreciable Gas Plant	7,071,681,444	181,181,596		144,337,323		(36,844,273)
119								
120								
121		Adjustment to Depreciation Expenses ($'s in Thousands)						(36,844)
122		Adjustment to Accumulated Depreciation ($'s in Thousands)						36,844
123								
124		ADIT Percentage per Company						-
125		Adjustment to ADIT ($'s in Thousands)						-
126								
127								
128		Note:						
129		1/ Company Volume II. Exhibit SC						
130		2/ Direct Testimony of OCA Witness David Garrett						
131								

Peoples Natural Gas Company LLC
Adjustment to Revise Normalization Period of Rate Case Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Total Rate Case Costs to be Recovered	$ 1,920	1/
2			
3	Company Proposed Normalization Period (Years)	2	1/
4	OCA Recommended Normalization Period (Years)	3.5	2/
5			
6	Company Proposed FPFTY Expense	960	1/
7	OCA Recommended FPFTY Expense	549	
8			
9	Adjustment to O&M Expenses	(411)	

Note:
1/ Exhibit 4, Schedule No. 1, p. 27
2/ Company response to I&E RE-32

Peoples Natural Gas Company LLC
Adjustment to Materials and Supplies
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	Variance
1	Materials and Supplies November 30, 2023	11,778	
2	Materials and Supplies November 30, 2024	10,137	-13.9%
3	Materials and Supplies November 30, 2025 HTY	10,184	0.46%
4			
5	Company-Proposed Materials and Supplies FPFTY	$ 11,325 [1/]	
6			
7	OCA Proposed FPFTY	$ 10,700	
8			
9	Adjustment to O&M Expenses	(625)	

Note:
[1/] Exhibit 4, Schedule No. 1, p. 23

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Peoples Natural Gas Company LLC
Adjustment to Revise Incentive Compensation
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Short Term Incentive Comp Related to Earnings Per Share	[redacted] 1/
2	Short Term Incentive Comp Related to EBITD Peoples Corporate	[redacted] 1/
3	Short Term Incentive Comp Related to EBITD Peoples State	[redacted] 1/
4		[redacted]
5	Essential Utilities Allocated to Peoples Gas	
6	Short Term Incentive Comp related to Earnings Per Share and ROE	[redacted] 1/
7		
8	Adjustment to O&M Expenses	[redacted]

Note:
1/ Company supplemental response to OCA-12-13(U)

Peoples Natural Gas Company LLC
Adjustment to Membership Expenses
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Membership Expenses	$ 1,220
2		
3	African American Chamber of Commerce	$ 11 [1/]
4	AI Horizons	$ 29 [1/]
5	Beaver County Chamber of Commerce	$ 1 [1/]
6	Curate Solutions Inc	$ 14 [1/]
7	Downtown Neighbors Alliance	$ 5 [1/]
8	Greater Pittsburgh Chamber of Commerce	$ 5 [1/]
9	Leadership Pittsburgh Inc	$ 13 [1/]
10	North Side Chamber of Commerce	$ 11 [1/]
11	Pennsylvania Chamber of Business & Industry	$ 22 [1/]
12	Pittsburgh Airport Area Chamber of Commerce	$ 3 [1/]
13	Pittsburgh Metropolitan Area Hispanic Chamber of Commerce	$ 1 [1/]
14		$ 116
15		
16	50% of Expense	$ 58
17		
18	Adjustment to O&M Expenses	$ (58)

Note:
[1/] Company response to RR-31 and I&E-RE-023.

Peoples Natural Gas Company LLC
Adjustment to Employee Activity Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Employee Activity Costs	$ 757 [1/]
2		
3	Device Reimbursement	$ 127 [2/]
4	Parking Leases	$ 203 [2/]
5		
6	Adjustment to O&M Expenses	(427)

Note:
[1/] Company response to RR-30(E).
[2/] Rebuttal Testimony of Andrew P. Wachter

Peoples Natural Gas Company LLC
Adjustment to Travel
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Travel November 30, 2025 HTY	1,031	
2	Entertainment Expenses	799	1/
3			
4			
5	Company-Proposed Travel FPFTY	$ 1,139	1/
6			
7	OCA Proposed FPFTY	$ 231	
8			
9	Adjustment to O&M Expenses	(908)	

Note:
1/ Exhibit 4, Schedule No. 1, p. 17
2/ Company response to OCA-14-017(C)

Peoples Natural Gas Company LLC
Adjustment to Corporate Insurance
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Issued resolved in Company's Rebuttal position, as explained
in OCA Witness Geiger' Surrebuttal Testimony

Peoples Natural Gas Company LLC
Adjustment to Advertising Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Advertising Expense November 30, 2025 HTY	$ 1,382
2		
3		
4	Company-Proposed Advertising FPFTY	$ 1,458 [1/]
5		
6	OCA Proposed FPFTY	$ 1,382 [2/]
7		
8	Adjustment to O&M Expenses	$ (76)

Note:
[1/] Company Exhibit No. 4, Schedule No. 1, p. 21

Peoples Natural Gas Company LLC
Adjustment to Outside Services - A&G Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount	
1	Outside Services - A&G November 30, 2023	4,826	1/
2	Outside Services - A&G November 30, 2024	5,993	1/
3	Outside Services - A&G November 30, 2025 HTY	4,336	2/
4			
5	Company-Proposed Outside Services - A&G FPFTY	6,333	1/
6			
7	OCA Proposed FPFTY	$ 5,052	
8			
9	Adjustment to O&M Expenses	$ (1,282)	

1/ Company response to I&E RE-1.
2/ Company Exhibit No. 4, Schedule No. 1, p. 13

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Peoples Natural Gas Company LLC
Adjustment to Labor
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount		
1	Company Proposed Salaries	$ 68,149 [1/]		
2				
3	Company Employee Total	1,463 [2/]		
4	Company Proposed Employee Vacancies	8 [2/]		
5	Company Proposed Vacancy Rate	0.55%		
6				
7	Company Adjustment to Salaries for Vacancy Rate	$ (373)		
8				
9	Total Vacancies	2022-2023 [3/]	2023-2024 [3/]	2024-2025 [3/]
10	December	4.01%	5.85%	4.95%
11	January	3.55%	5.55%	5.30%
12	February	3.42%	5.82%	5.50%
13	March	3.49%	6.08%	5.03%
14	April	4.03%	5.68%	4.83%
15	May	3.56%	6.02%	4.90%
16	June	3.89%	6.35%	4.16%
17	July	4.16%	5.55%	5.03%
18	August	4.50%	5.95%	5.30%
19	September	4.44%	5.61%	5.37%
20	October	4.77%	5.41%	5.64%
21	November	4.84%	5.48%	5.44%
22				
23	3 Year Average	4.98%		
24				
25	OCA Recommended Vacancy Rate	4.98%		
26	OCA Adjustment to Incentive Compensation (Peoples Portion)	[redacted]		
27	Company Proposed Salaries Less Incentive Compensation Adjustment	[redacted]		
28	Revised Adjustment to Salaries for Vacancy Rate	[redacted]		
29				
30	Adjustment to O&M Expenses	[redacted]		

Note:
[1/] Company response to I&E-RE-1
[2/] Direct Testimony of Andrew P. Wachter
[3/] Company response to I&E-RE-7

Docket No. R-2026-3060855
Surrebuttal Schedule JNG - 16SR

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Peoples Natural Gas Company LLC
Adjustment to Payroll Taxes
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	FICA Expense - Percent	7.6% [1/]
2	FUTA/SUTA & Local Tax	0.39% [1/]
3		
4	OCA Vacancy Rate Adjustment	[redacted]
5	FICA Adjustment	[redacted]
6	FUTA Adjustment	[redacted]
7		
8	Adjustment to Taxes Other than Income Tax	(239)

Note:
[1/] Company Exhibit No. 6, Schedule No. 2 - 53.53.III.A.50
[2/] Schedule JNG-11

Peoples Natural Gas Company LLC
Adjustment to Employee Benefits to Reflect Vacancy Rate Revision
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Employee Pensions and Benefits in FERC Account 926	$ 23,015 [1/]
	Less: Pension Expense	$ 3,164 [2/]
2	Less: OPEB Expense	$ (144) [2/]
3	Benefits Expense to be Adjusted	$ 19,994
4		
5	Company Proposed Vacancy Rate	0.55% [3/]
6	OCA Recommended Vacancy Rate	4.98% [3/]
7		
8	Company Adjustment to Employee Benefits for Vacancy Rate	$ (109)
9	OCE Recommended Adjustment to Employee Benefits for Vacancy Rate	$ (997)
10		
11	Adjustment to O&M Expenses	(887)

Note:
[1/] Peoples Exhibit No. 11, p. 29
[2/] Company Response to I&E-RE-1
[3/] JNG - 16 Vacancy Rate

Peoples Natural Gas Company LLC
Adjustment to PUC Assessment
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Invoice Total	Months Applied	Amount
1	Company Proposed PUC Assessment Charges in FPFTY			$ 3,859 [1/]
2				
3	Historical PUC Assessment Charges	Invoice Total	Months Applied	Expense
4	2022 Invoice (Jul 22 - Jun 23)	$ 2,682 [1/]	7	$ 1,565
5	2023 Invoice (Jul 23 - Jun 24)	$ 3,110 [1/]	5	$ 1,296
6	FY 2023			$ 2,860
7				
8	2023 Invoice (Jul 23 - Jun 24)	$ 3,110 [1/]	7	$ 1,814
9	2024 Invoice (Jul 23 - Jun 25)	$ 3,000 [1/]	5	$ 1,250
10	FY 2024			$ 3,064
11				
12	2024 Invoice (Jul 23 - Jun 25)	$ 3,000 [1/]	7	$ 1,750
13	2025 Invoice (Jul 25 - Jun 26)	$ 3,435 [1/]	5	$ 1,431
14	FY 2025			$ 3,181
15				
16	Average FY 2023-2025			$ 3,035
17				
18	Adjustment to O&M Expenses			(824)

Note:
[1/] Company response to OCA-12-25

Peoples Natural Gas Company LLC
Adjustment to Payment Processing
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Payment Processing November 30, 2023	$ 1,459 1/
2	Payment Processing November 30, 2024	$ 1,493 1/
3	Payment Processing November 30, 2025 HTY	$ 1,923 1/
4		
5	Company Proposed Payment Processing FPFTY	$ 2,940 2/
6		
7	OCA Proposed FPFTY	$ 1,923 1/
8		
9	Adjustment to O&M Expenses	$ (1,017)

Note:
1/ Company response to OCA-14-21
2/ Company Exhibit No. 4, Schedule No. 1, p. 26

Peoples Natural Gas Company LLC
Adjustment to Natural Gas Hot Water Tank Rebate Pilot
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description	Amount
1	Company Proposed Expense FPFTY	$ 500 1/
2		
3	OCA Proposed FPFTY	$ -
4		
5	Adjustment to O&M Expenses	$ (500)

Note:
1/ Direct Testimony of Luke Ravenstahl

Peoples Natural Gas Company LLC
Adjustment to Residential Collection Expense
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description		Amount	
1	2025 Residential Collection Expense	$	6,517	1/
2	2025 Confirmed Low-Income collection expenses	$	1,150	1/
3	Company Proposed Expense FPFTY	$	7,667	1/
4	OCA Recommended Percentage Share to Shareholders		50%	2/
5		$	3,834	
6				
7	Adjustment to O&M Expenses	$	(3,834)	

Note:
1/ Company Response to OCA-4-1 and OCA-7-4
2/ Direct Testimony of OCA Witness Roger Colton

Peoples Natural Gas Company LLC
Interest Synchronization Adjustment
For the Twelve Months Ended December 31, 2027
($ in Thousands)

Line No.	Description		Amount	
1	Company Rate Base	$	5,764,702	1/
2	Weighted Cost of Debt		2.64%	2/
3	Adjusted Interest Deduction	$	152,188	
4	Interest Deduction Per Company		121,015	2/
5	Adjustment to Synchronize Interest Expense	$	31,173	
6	Effective State Income Tax Rate		6.99%	
7	Adjustment to State Income Taxes	$	(2,179)	
8	Federal Income Tax Base	$	28,994	
9	Federal Income Tax Rate		21.00%	
10	Adjustment to Federal Income Taxes	$	(6,089)	

Notes:
1/ Schedule JNG-2, Page 1.
2/ Company Exhibit No. 2, Schedule No. 4, p. 3

Docket No. R-2026-3060855
Surrebuttal Schedule JNG - 23SR

Peoples Natural Gas Company LLC

Calculation of Rate of Return
For the Twelve Months Ended December 31, 2027

Line No.	Description	Capitalization Ratio	Cost Rate	Weighted Cost
1	Long-Term Debt	51.00%	5.17%	2.64%
2	Total Debt	51.00%		2.64%
3				
4	Common Stock Equity	49.00%	8.80%	4.31%
5		0.00%		
6	Total	100.00%		6.95%

Source:
Direct Testimony of OCA Witness David Garrett

OCA Exhibit JG-1SR

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIV-018

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I Exhibit No. 4, Schedule No. 1, p. 23, Materials and Supplies Adjustment. Provide the following:

a. Gross Materials and Supplies Expense for TME November 30, 2023, November 30, 2024, HTY 2025, FTY 2026, and FPFTY 2027.

b. Detailed breakdown of Gross Materials and Supplies Expense of $10,183,664.

c. Please provide the supporting data and calculations for this adjustment in Excel format, with all formulas intact.

d. Detailed explanation and support for the proposed 5.45% increase.

e. Please provide an annual variance explanation for any annual difference greater than 20 percent.

Answer: Refer to the attachment.

Submit Date: 5/22/2026

OCA - XVI - 018

A) Please refer to Exhibit 4, Schedule 22 for Gross Materials & Supplies expense for TME November 30, 2023 and November 30, 2024
Please refer to Exhibit 4, Schedule 1, Page 2 for Gross Materials & Supplies expense for HTY 2025, FTY 2026 and FPFTY 2027.

B) The breakdown of Gross Materials & Supplies expense is as follows:

Material Exp-Stock	4,235,849
Material Exp-Stk Cr	65
Material Exp-Cst Dif	(1,885)
Material Exp-Obslete	4,265
Material Exp-Inv Rvl	(33,151)
Material Exp-Non Stk	1,336,544
Tool & Work Equip	226,281
M&S-SafetySuppl	108,479
Pstge/Shppng/Frght	2,933,507
Safety Functions	208,493
Office Supplies	62,489
Sftwr/Hrdwr Purchase	146,459
Office Furn & Equip	18,829
Misc Supplies	857,132
Purchsng Card Exp MC	80,310
Total	**10,183,664**

C) See provided Excel file

D)

	Cost Element		CM CYTD Actual (01 - 12) (2024)	CM PYTD Actual (01 - 12) (2023)	CM CYTD Actual (01 - 12) (2022)	CM PYTD Actual (01 - 12) (2021)	CM CYTD Actual (01 - 12) (2020)	
Supplies	5304100	Material Exp-Stock	$ 6,191,514.30	$ 5,959,578.20	$ 5,398,003.43	$ 4,651,333.52	$ 4,441,778.17	
	5304105	Material Exp-Stk Cr	$ 49.20	$ 5,926.91	$ 32.77	$ 6.70	$ 35.59	
	5304110	Material Exp-Cst Dif	-$ 9,478.05	$ 562.02	$ 168.09	-$ 4,631.50	$ 748.13	
	5304120	Material Exp-Obslete					$ 8,030.47	
	5304140	Material Exp-Inv Rvl	-$ 37,620.05	$ 642,486.16	$ 347,026.52	$ 137,844.69	$ 117,516.85	
	5304200	Material Exp-Non Stk	$ 1,699,209.52	$ 1,619,511.01	$ 2,908,563.65	$ 2,491,130.68	$ 2,109,592.34	
	5304370	Tool & Work Equip	$ 306,156.56	$ 356,641.61	$ 302,313.53	$ 239,514.02	$ 195,594.40	
	5304380	M&S-SafetySuppl	$ 185,367.78	$ 192,077.47	$ 242,393.98	$ 11,789.10		
Mail & Postage	5304320	Pstge/Shppng/Frght	$ 3,674,697.81	$ 3,406,668.03	$ 3,111,131.33	$ 3,214,905.52	$ 3,228,067.36	
Other Office Supplies	5302940	Safety Functions	$ 205,468.34	$ 194,288.53	$ 90,660.61	$ 306,967.32	$ 294,103.73	
	5304310	Office Supplies	$ 99,892.36	$ 75,285.32	$ 98,478.89	$ 101,696.08	$ 91,569.94	
	5304340	Sftwr/Hrdwr Purchase	$ 636,614.74	$ 585,355.62	$ 236,020.42	$ 356,324.23	$ 449,489.57	
	5304350	Office Furn & Equip	$ 66,481.80	$ 46,852.07	$ 78,195.10	$ 52,982.00	$ 89,265.81	
	5304390	Misc Supplies	$ 1,526,286.55	$ 1,579,418.77	$ 759,487.02	$ 777,370.16	$ 886,894.84	
	5304410	Purchsng Card Exp MC	$ 39,196.11	$ 18,112.64	$ 60,867.95	$ 63,019.55	-$ 29,721.34	
	5304991	MiscMat&Supplies2200	$ 45,817.29	$ 27,958.50	$ 213,968.04	$ 111,140.14	-$ 19,102.66	
	5309010	Utils-Electric/Gas	$ 1,241,496.80	$ 1,178,684.59	$ 1,400,444.95	$ 1,224,183.75	$ 1,278,750.85	
	5309020	Utilities - Phone	$ 1,388,320.82	$ 1,316,670.51	$ 1,603,378.14	$ 1,639,868.95	$ 1,529,750.67	
	5309021	Utilities - Wireless	$ 1,144,805.23	$ 1,149,974.27	$ 1,016,586.75	$ 862,216.91	$ 1,054,186.24	
	5309030	Utilities - Water	$ 75,898.27	$ 64,747.54	$ 58,532.92	$ 67,597.03	$ 50,128.01	
			$ 14,629,654.26	**$ 14,710,722.86**	**$ 13,847,311.33**	**$ 12,511,392.21**	**$ 11,863,863.20**	
				-0.6%	6.2%	10.7%	5.5%	
							5.45%	5-year average

E) The annual increase utilizing the data in Part A YoY is provided below. No annual increases exceed 20%.

	Amount	% Change
TME November 30, 2023	11,777,902	
TME November 30, 2024	10,137,352	-13.93%
HTY 2025	10,183,664	0.46%
FTY 2026	10,739,177	5.45%
FPFTY 2027	11,324,992	5.45%

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-021

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I, Exhibit No. 4, Schedule 22, Peoples Volume I, Schedule No. 1, p. 15, and Peoples Statement No. 2, p. 15 concerning corporate insurance:

A. Documentation to support the 10.6% increase in the FTY and FPFTY.

B. Justification for use of a three-year average increase in costs when the HTY annualization adjustment appears to be adjusting the expense downward.

C. Provide a breakdown of corporate insurance expensed versus capitalized for the fiscal years ended November 30, 2023, 2024, 2025, and budgeted for the FTY and FPFTY claims.

D. Copies of recent statements to support the 2024/2025 premiums on Exhibit No. 4, Schedule 1, p. 15, column 2.

Answer: Refer to the attachment. For Part D, the company is currently compiling the invoices and will submit a supplemental response once they are available.

Submit Date: 5/1/2026

I&E-RE-21

A) The 10.6% annualized increase is an average of the prior 2 years of annual insurance premiums

	Essential Utility Insurance Premiums		
	2022-23 Actual	2023-24 Actual	2024-25 Actual
Actual Insurance Premiums	18,252,360	20,291,409	22,323,710
Change vs Prior Year $		2,039,049	2,032,301
Change vs Prior Year %		11.2%	10.0%

	Change v PY	Annual Premium	% Change
2023-2024	2,039,049	18,252,360	11.2%
2024-2025	2,032,301	20,291,409	10.0%
		Average	10.6%

B) While preparing this response we noted that there was an error on Exhibit 4, Schedule 1, Page 15 whereby the capitalization of insurance expense was deducted twice in the "Premiums 2024/2025 Column". The HTY adjustment is now an increase of $50,150. Below is the revised schedule. This results in a reduction of $150,963 in the overall FPFTY Insurance claim. A revised Exhibit No. 5, Schedule 1 will be separately filed.

Exhibit No. 4, Schedule No. 1
Page 15 of 32
Witness: Andrew Wachter

Peoples Natural Gas Company LLC
Corporate Insurance Adjustment

Line No.	Description	HTY Per Books (1)	2024/2025 Premiums (2)	Adjustment (3)=(2-1)
1	Total Account Property Insurance	$ 1,071,161	$ 479,720	$ (591,441)
2	Total Account Other Misc Insurance	$ 7,231,037	$ 7,442,733	$ 211,695
3	Total Account Workers Compensation	$ 520,387	$ 899,742	$ 379,355
4	Total Corporate Insurance (Ln 1 + Ln 2 + Ln 3)	$ 8,822,585	$ 8,822,194	$ (391)
5	Less: Capitalization	$ (2,609,093)	$ (2,556,552)	$ 52,540
6	HTY Insurance - Net Capitalization (Ln 4 - Ln 5)	$ 6,213,492	$ 6,265,642	$ 52,150
5	FTY Increase Estimate		10.6%	
6	FTY Adjustment for Insurance (Ln 4 x Ln 5)		$ 665,975	
7	FTY Adjusted Insurance Expense (Ln 4 + Ln 6)		$ 6,931,617	
8	FPFTY Increase Estimate		10.6%	
9	FPTFY Adjustment for Insurance (Ln 7 x Ln 8)		$ 736,762	
10	FPFTY Adjusted Insurance Expense (Ln 7 + Ln 9)		$ 7,668,379	

C)

November 30, 2023

	Expense	CAPEX	Total
Directors & Officers Liability Insurance	489,735	(123,939)	365,796
Excess Liability/Surty Insurance	5,034,712	(1,274,154)	3,760,558
General Property Insurance	845,690	(214,022)	631,668
Workers' Compensation Insurance	438,635	(111,007)	327,628
Other Insurance	265,775	(67,261)	198,514
Total	**7,074,548**	**(1,790,383)**	**5,284,165**

November 30, 2024

	Expense	CAPEX	Total
Directors & Officers Liability Insurance	476,101	(120,957)	355,144
Excess Liability/Surty Insurance	5,518,670	(1,402,057)	4,116,612
General Property Insurance	874,072	(222,064)	652,008
Workers' Compensation Insurance	435,346	(110,603)	324,744
Other Insurance	294,754	(74,884)	219,870
Total	**7,598,943**	**(1,930,566)**	**5,668,377**

November 30, 2025

	Expense	CAPEX	Total
Directors & Officers Liability Insurance	401,045	(116,218)	284,828
Excess Liability/Surty Insurance	6,376,366	(1,847,785)	4,528,582
General Property Insurance	1,071,114	(310,394)	760,719
Workers' Compensation Insurance	520,364	(150,794)	369,569
Other Insurance	453,305	(131,362)	321,944
Total	**8,822,194**	**(2,556,552)**	**6,265,642**

November 30, 2026

	Expense	CAPEX	Total
Directors & Officers Liability Insurance	431,320	(116,218)	315,102
Excess Liability/Surty Insurance	6,857,709	(1,847,785)	5,009,925
General Property Insurance	1,151,971	(310,394)	841,576
Workers' Compensation Insurance	559,645	(150,794)	408,851
Other Insurance	487,525	(131,362)	356,163
Total	**9,488,169**	**(2,556,552)**	**6,931,617**

December 31, 2027

	Expense	CAPEX	Total
Directors & Officers Liability Insurance	477,165	(116,218)	360,947
Excess Liability/Surty Insurance	7,586,615	(1,847,785)	5,738,831
General Property Insurance	1,274,413	(310,394)	964,019
Workers' Compensation Insurance	619,130	(150,794)	468,335
Other Insurance	539,344	(131,362)	407,982
Total	**10,496,667**	**(2,556,552)**	**7,940,115**

Ex. JG-1SR-5

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: I&E-RE-007

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume VII, Exhibit No. 19, RR-26 concerning labor. Provide the following in Excel format:

A. Actual employee count broken down by month and by union versus non-union categories for the fiscal years ended November 30, 2023, 2024, 2025, and 2026 YTD.

B. Budgeted employee count broken down by month and by union versus non-union categories for the fiscal years ended November 30, 2023, 2024, 2025, and 2026, and the claimed FPFTY ending December 31, 2027.

C. Number of vacant positions by month and by union versus non-union for the fiscal years ended November 30, 2023, 2024, 2025, YTD 2026, and estimated for the remainder of the FTY and the FPFTY ending December 31, 2027.

Answer: A, B, & C, Please refer to Attachment A.

The union versus non-union budget data is not readily available for 2022 and 2023.

Please note that the historical counts include positions that are fully capitalized whereas the projected vacancies only includes those positions that are claimed in expense.

Submit Date: 5/1/2026

Peoples Natural Gas
I&E RE-7
Attachment A

	Filled Positions			Budgeted Positions			Open Positions		
Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
12/31/2022	960	488	1448	N/A	N/A	1509	N/A	N/A	61
1/31/2023	969	457	1426	N/A	N/A	1478	N/A	N/A	53
2/29/2023	970	458	1428	N/A	N/A	1478	N/A	N/A	51
3/31/2023	969	458	1427	N/A	N/A	1478	N/A	N/A	52
4/30/2023	964	455	1419	N/A	N/A	1478	N/A	N/A	60
5/31/2023	965	461	1426	N/A	N/A	1478	N/A	N/A	53
6/30/2023	965	456	1421	N/A	N/A	1478	N/A	N/A	58
7/31/2023	960	457	1417	N/A	N/A	1478	N/A	N/A	62
8/31/2023	958	454	1412	N/A	N/A	1478	N/A	N/A	66
9/30/2023	949	464	1413	N/A	N/A	1478	N/A	N/A	66
10/31/2023	942	466	1408	N/A	N/A	1478	N/A	N/A	71
11/30/2023	951	456	1407	N/A	N/A	1478	N/A	N/A	72

	Filled Positions			Budgeted Positions			Open Positions		
Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
12/31/2023	931	461	1392	**N/A**	**N/A**	1,478	**N/A**	**N/A**	86
1/31/2024	946	458	1404	1,000	487	1,486	54	29	82
2/29/2024	943	457	1400	1,000	487	1,486	57	30	86
3/31/2024	940	456	1396	1,000	487	1,486	60	31	90
4/30/2024	949	453	1402	1,000	487	1,486	51	34	84
5/31/2024	948	449	1397	1,000	487	1,486	52	38	89
6/30/2024	946	446	1392	1,000	487	1,486	54	41	94
7/31/2024	956	448	1404	1,000	487	1,486	44	39	82
8/31/2024	952	446	1398	1,000	487	1,486	48	41	88
9/30/2024	950	453	1403	1,000	487	1,486	50	34	83
10/31/2024	951	455	1406	1,000	487	1,486	49	32	80
11/30/2024	951	454	1405	1,000	487	1,486	49	33	81

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
12/31/2024	963	450	1413	1,000	487	1,486	37	37	74
1/31/2025	971	431	1402	1,036	444	1,480	66	13	78
2/28/2025	969	430	1399	1,036	444	1,480	68	14	81
3/31/2025	975	431	1406	1,036	444	1,480	62	13	75
4/30/2025	977	432	1409	1,036	444	1,480	60	12	72
5/31/2025	977	431	1408	1,036	444	1,480	60	13	73
6/30/2025	981	438	1419	1,036	444	1,480	56	6	62
7/31/2025	975	431	1406	1,036	444	1,480	62	13	75
8/31/2025	974	428	1402	1,036	444	1,480	63	16	78
9/30/2025	973	428	1401	1,036	444	1,480	64	16	79
10/31/2025	971	426	1397	1,036	444	1,480	66	18	83
11/30/2025	977	423	1400	1,036	444	1,480	60	21	80

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
12/31/2025	1006	409	1415	1,036	444	1,480	31	35	66
1/31/2026	1004	412	1416	1,013	457	1,471	10	45	55
2/28/2026	998	408	1406	1,013	457	1,471	16	49	65
3/31/2026	989	408	1397	1,013	457	1,471	25	49	74

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
FTY 11/30/2026	997	443	1440	1,016	455	1,471	19	12	31

Date	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**	**Union**	**Non-Union**	**Total**
FPFTY 12/31/2027	1011	452	1463	1,016	455	1,471	5	3	8

Ex. JG-1SR-7

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
OCA-XII-025 Attachment 2

PUC ASSESSMENT INVOICES

	PNG	PGC	TOTAL
2020	2,339,401	303,703	2,643,104
2021	2,739,704	328,494	3,068,198
2022	2,392,525	289,694	2,682,219
2023	2,772,947	336,744	3,109,691
2024	2,675,712	324,087	2,999,799
2025	3,434,911	-	3,434,911

WEIGHTED AVERAGE INFLATION %
6.0%

PUC Assessment - Adjustments			
PNG	11/30/2025	11/30/2026	12/31/2027
Inflation	3,434,911	205,802	218,133
Adj			
Total	3,434,911	3,640,713	3,858,847

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIV-021

Witness: Wachter, Andrew **Title:** Finance and Regulation Director

Question: Reference Peoples Volume I Exhibit No. 4, Schedule No. 1, p. 26, Payment Processing Fee Expense and Volume VIII, Statement No. 2, the direct testimony of Andrew Wachter, p. 18. Provide the following:

a. Payment processing expenses for TME November 30, 2023, November 30, 2024, HTY 2025, FTY 2026, and FPFTY 2027.

b. Detailed breakdown of per book payment processing expenses.

c. Detailed breakdown of per book non-recurring charges.

d. Please explain how current payment processing fees are collected from customers.

e. Please provide an annual variance explanation for any annual difference over 20 percent.

Answer: Please refer to the attachment.

Submit Date: 5/22/2026

OCA - XVI - 021

A) Please refer to Exhibit 4, Schedule 22 for Payment Processing expenses for TME November 30, 2023 and November 30, 2024

Payment Processing Expense to TME November 30, 2023 and 2024 are as follows:

TME November 30, 2023	1,458,898
TME November 30, 2024	1,493,226

Please note that these costs are included in the Outside Services-Contracted line item on Exhibit 4, Schedule 22

B) The per book payment processing expenses are all related to ACI Payments, Inc. Below is a by month view of expense:

Month/Year	Amount
December 2024	136,212
January 2025	143,759
February 2025	152,195
March 2025	154,327
April 2025	171,358
May 2025	181,769
June 2025	165,550
July 2025	161,367
August 2025	163,111
September 2025	161,966
October 2025	155,348
November 2025	176,159
TOTAL	**1,923,122**

C) The Company has not identified any non-recurring charges in this category.

D) The Company's third party payment processor, ACI collects these fees directly from customers.

E) ACI Payments increased from $1,493,226 to $1,923,122 from TME November 30, 2024 to HTY 2025, for a total increase of $429,896 (28.8%). This was caused by an increase in number of payments from 1,146,369 for TME November 30, 2024 to 1,528,359 in HTY 2025, which is a 33.3% increase. Some of this is related to Peoples Gas' adoption of no fee credit cards.

The increase from HTY 2025 to FTY 2026 and FPFTY 2027 was 22% YoY. The 22% increase was determined by the average increase in such payments from TME November 30, 2023 to TME November 30, 2025.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Jared N. Geiger, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement No. 2SR, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 31, 2026

Signature: _____
Jared N. Geiger

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway,
Suite 300
Columbia MD 21044

OCA St. 3

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2026-3060855**
	:	
Peoples Natural Gas Company LLC	**:**	
	:	

DIRECT TESTIMONY

OF

DAVID J. GARRETT

ON BEHALF OF

THE PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

June 18, 2026

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LIST OF EXHIBITS

Part One: Rate of Return

Exhibit DJG-1	Curriculum Vitae
Exhibit DJG-2	Proxy Group Summary
Exhibit DJG-3	DCF – Stock and Index Prices
Exhibit DJG-4	DCF – Dividend Yields
Exhibit DJG-5	DCF – Terminal Growth Determinants
Exhibit DJG-6	DCF – Final Results
Exhibit DJG-7	CAPM – Risk-Free Rate Estimate
Exhibit DJG-8	CAPM – Beta Coefficients
Exhibit DJG-9	CAPM – Implied ERP Estimate
Exhibit DJG-10	CAPM – Equity Risk Premium Results
Exhibit DJG-11	CAPM – Final Results
Exhibit DJG-12	Cost of Equity Summary
Exhibit DJG-13	Proxy Group Debt Ratios
Exhibit DJG-14	Competitive Industry Debt Ratios
Exhibit DJG-15	Hamda Model Results
Exhibit DJG-16	Final Rate of Return Recommendation

Part Two: Depreciation

Exhibit DJG-17	Summary Rate and Accrual Adjustment
Exhibit DJG-18	Detailed Rate Comparison – 2025
Exhibit DJG-19	Depreciation Rate Development – 2025
Exhibit DJG-20	Detailed Rate Comparison – 2026
Exhibit DJG-21	Depreciation Rate Development – 2026
Exhibit DJG-22	Detailed Rate Comparison – 2027
Exhibit DJG-23	Depreciation Rate Development – 2027
Exhibit DJG-24	Account 380 (Services) Iowa Curve Fitting
Exhibit DJG-25	Remaining Life Development – 2025
Exhibit DJG-26	Remaining Life Development – 2026
Exhibit DJG-27	Remaining Life Development – 2027

APPENDICES

Appendix A:	Discounted Cash Flow Model Theory
Appendix B:	Capital Asset Pricing Model Theory
Appendix C:	The Depreciation System
Appendix D:	Iowa Curves
Appendix E:	Actuarial Analysis

I. INTRODUCTION

Q. State your name and occupation.

A. My name is David J. Garrett. I am a consultant specializing in public utility regulation. I am the managing member of Resolve Utility Consulting PLLC.

Q. Summarize your educational background and professional experience.

A. I received a B.B.A. with a major in Finance, an M.B.A., and a Juris Doctor from the University of Oklahoma. I worked in private legal practice for several years before accepting a position as assistant general counsel at the Oklahoma Corporation Commission in 2011. At the commission, I worked in the Office of General Counsel in regulatory proceedings. In 2012, I began working for the Public Utility Division as a regulatory analyst providing testimony in regulatory proceedings. After leaving the commission, I formed Resolve Utility Consulting PLLC, where I have represented various consumer groups and state agencies in utility regulatory proceedings, primarily in the areas of cost of capital and depreciation. I am a Certified Depreciation Professional with the Society of Depreciation Professionals. I am also a Certified Rate of Return Analyst with the Society of Utility and Regulatory Financial Analysts. A more complete description of my qualifications and regulatory experience is included in my curriculum vitae.[1]

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of the Pennsylvania Office of Consumer Advocate ("OCA").

[1] Exhibit DJG-1.

Q. Describe the purpose and scope of your testimony in this proceeding.

A. My testimony addresses the proposed rate of return of Peoples Natural Gas Company LLC ("Peoples" or the "Company"), which is sponsored in the direct testimony of Company witness Ann Nelson. I also address Peoples' depreciation study and proposed depreciation rates in response to the direct testimony of Company witness John Spanos, who sponsors Peoples' depreciation study.

Q. Please describe the organization of your testimony.

A. In the executive summary below, I provide an overview of the cost of capital issues, my recommendations, and my response to the Company's testimony on these issues. In the sections that follow, I discuss the legal standards governing the awarded return issue as well as the general concepts involved in estimating the cost of equity. I discuss the concepts of risk and return. I provide detailed analysis of the Discounted Cash Flow ("DCF") Model, the Capital Asset Pricing Model ("CAPM"), including my results for these models and my responses to Ms. Nelson's results. I also address capital structure, which is a key component to the cost of capital. In addition, I discuss my recommendation to reject the Company's proposed depreciation rates, which are based on a methodology that effectively results in accelerated depreciation at the expense of customers.

II. EXECUTIVE SUMMARY

A. Rate of Return Summary

Q. Please summarize your rate of return recommendation to the Commission.

A. The key points of my testimony are as follows:

- The Commission should reject the Company's proposed return on equity ("ROE") of 11.25% because it is excessive and unsupported. An objective cost of equity analysis shows that the Company's market-based cost of equity is no higher than 8.8%. Based on this cost of equity analysis, I recommend an authorized ROE of 8.8% for Peoples.
- In order to promote a fair authorized rate of return, the Commission should also reject Peoples' proposed ratemaking capital structure, which consists of 45.53% debt and 54.47% equity (I refer to the rounded figures of 46% and 54% throughout in my testimony). The Company's proposed, equity-rich capital structure consists of much higher amounts of high-cost equity rather than low-cost debt, which contributes to an excessive authorized rate of return. By comparison, Peoples' proposed debt ratio is much lower than its parent company's debt ratio, the average rate of the proxy group, and debt ratios observed in comparable industries in the U.S. I propose a ratemaking capital structure for the Company that is equal to the proxy group average, which consists of 51% debt and 49% equity.
- Alternatively, if the Commission accepts the Company's proposed ratemaking capital structure, then Peoples' cost of equity estimate under the CAPM (and ultimate authorized ROE) must be mathematically adjusted to account for the fact that Peoples has less financial risk than the proxy group average. This mathematical adjustment under the Hamda model shows Peoples' cost of equity is only 8.5% under its equity-rich capital structure. Accordingly, if the Commission accepts Peoples' low-risk, equity-rich capital structure, then I recommend an authorized ROE of 8.5% for the Company.

- Based on the results of my financial modeling using the DCF and CAPM models, my primary recommendation results in a weighted average authorized rate of return of 6.66%. My alternative recommendation would result in an authorized rate of return of 6.73%, as summarized in the following figures.

Figure 1:
Primary Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	51.0%	4.61%	2.35%
Common Equity	49.0%	8.80%	4.31%
Total	100.0%		6.66%

Figure 2:
Alternative Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	45.5%	4.61%	2.10%
Common Equity	54.5%	8.50%	4.63%
Total	100.0%		6.73%

Q. Please summarize the statement of Vice Chair Barrow filed in this case regarding capital structure.

A. In her statement dated April 16, 2026, Vice Chair Barrow expressed concern regarding Peoples' proposed capital structure and its impact to the Company's proposed rate increase. As stated by Vice Chair Barrow:

> I urge the Parties to take a critical look at the Company's requested rate of return and return on equity (ROE) as well as the capital structure (common equity ratio and debt capital) to ensure reasonableness. Deviations in each of these items translate into millions of dollars charged to customers of all rate classes. Too often, the relationship between debt and ROE to cost of debt and capital is asserted as a general matter from basic economic principle alone. However, those relationships are not established empirically and left for the Commission to assume the relationship without any supporting data. Therefore, I believe a careful and detailed review of Peoples' claimed capital structure and ROE is warranted.[2]

Q. Do you share Vice Chair Barrow's concern regarding Peoples' proposed capital structure?

A. Yes. Peoples' proposed capital structure for ratemaking purposes is entirely unreasonable, and it exacerbates the unwarranted, excessive transfer of wealth from customers to Peoples' shareholders. Pursuant to Vice Chair Barrow's guidance, I conducted a critical analysis of Peoples' market based cost of equity and based my authorized ROE for Peoples on my cost of equity analysis. However, a company's cost of equity and its capital structure are inextricably and mathematically related. Since Peoples' proposed debt ratio of 46% is notably less than the proxy group's average debt ratio of 51%, in order for the cost of equity estimate of 8.8% to be accurate (or whichever cost of equity estimate the Commission ultimately adopts), the Commission should impute a capital structure for Peoples that is equal to the proxy group average, which consists of 51% debt and 49% equity. Unlike competitive companies, regulated utilities do not have a natural financial incentive to operate with sufficient amounts of low-cost debt in order to minimize capital costs. A regulator standing in the place of competition should ensure the Company's weighted average cost of capital is minimized to its lowest reasonable level. In order to accomplish

[2] Statement of Vice Chair Kimberly Barrow, April 16, 2026.

this, the Commission must impute a ratemaking debt ratio of 51%, which is equal to the proxy group average (in addition to adopting a fair ROE). Taking this approach perfectly re-establishes the empirical relationship between the Company's ratemaking capital structure, its authorized ROE, and ultimately, its approved rates, as instructed in Vice Chair Barrow's statement.

Q. Does the capital structure of Peoples' parent company also relate to Vice Chair Barrow's concerns regarding capital structure?

A. Yes. Peoples' parent company, Essential Utilities, has a long-term debt ratio of 54%, which is significantly higher than the Company's proposed ratemaking debt ratio of only 46%, and even higher than the proxy group average debt ratio. Since Peoples is a wholly owned subsidiary of Essential, the Company's "equity" on its balance sheet is funded by Essential. Since the parent company has a debt ratio of 54%, this means Peoples is using debt to finance the Company's "equity." Since the Company also issues its own debt, this strategy is known as "double leverage." While this arrangement is not problematic among competitive firms, it often results in unfair, excessive returns for regulated utilities to the extent there is not an adjustment made by the regulator. If no adjustment is made, shareholders of the parent company effectively earn a high-cost equity return on low-cost debt. In fact, Essential's projected, earned ROE for 2026 is 10.5%, which is significantly higher than the Company's cost of equity, or even the inflated ROEs typically authorized by regulators. In order to mitigate the excessive return that would otherwise occur through double leverage, the Commission should impute a capital structure that is equal to the proxy group average.

Q. Does your proposed capital structure adjustment acknowledge the issues raised in Governor Shapiro's letter to utility leaders?

A. Yes. In his letter to utility leaders dated April 29, 2026, Governor Shapiro stated:

> [D]ebt should normally represent a clear majority of a utility's proposed ratemaking capital structure, as it does in many other lower-risk industries. As one measure of this approach, any equity share proposed in a rate case in excess of the amount of equity employed by the utility's parent holding company will require extraordinary justification to receive my Administration's support.[3]

As discussed above in response to Vice Chair Barrow's statement, the double leverage strategy employed by Peoples and Essential results in an unfair boon for shareholders at the expense of customers. More specifically, it results in an even higher authorized return above the utility's market based required return (i.e., cost of equity). The following tables shows a summary of my capital structure analysis in this case, which will be discussed in more detail later in my testimony.

Figure 3:
Capital Structure Analysis Summary

Industry / Company	Debt Ratio
Cable TV Industry	65%
Power Industry	63%
Telecom Services Industry	61%
Peoples Parent Company (WTGR)	**54%**
Proxy Group of Utilities	**51%**
Company Proposed	**46%**

[3] Office of the Governor, Letter to Utility Leaders (April 29, 2026).

I agree with the Governor's assessment of this issue. In order to more fully eliminate the unfair advantage double leverage provides the utility, the subsidiary's ratemaking debt ratio would be the same as the parent company's debt ratio. In this case, that would mean Peoples' ratemaking debt ratio would be 54%. In that regard, my proposed ratemaking debt ratio in this case of only 51% (to match the proxy group average) is very reasonable and would at least partially mitigate the unfair aspects of double leverage.

B. Depreciation Summary

Q. Please summarize Peoples' proposed depreciation rates.

A. Peoples' proposed depreciation rates amount to a total annual depreciation accrual of $144 million based on plant balances at November 30, 2027.[4] Peoples' proposed depreciation rates are based on the depreciation study sponsored by Mr. Spanos, which is based on plant balances as of November 30, 2025 (the "2025 Study"), November 30, 2026 (the "2026 Study"), and November 30, 2027 (the "2027 Study"). Mr. Spanos applied the equal life group ("ELG") method to calculate his proposed remaining lives for Peoples' depreciable plant (for 1983 and subsequent vintages).

Q. Please summarize your adjustments to Peoples' proposed depreciation rates.

A. I recommend that the Commission authorize depreciation rates for Peoples' assets that are calculated using the average life group ("ALG") method for all vintage years. The key points of my testimony are as follows:

[4] Exhibit DJG-17.

- The Commission should reject Peoples continued use of the ELG method, which effectively results in an accelerated form of cost recovery from consumers. Peoples' use of the ELG method, rather than the widely applied ALG method, increases the annual depreciation accrual charged to customers by $27.1 million in the 2025 Study, by $31.5 million in the 2026 Study, and by $36.8 million in the 2027 Study. In other words, even if there are no adjustments to the net salvage rates, service life, or other depreciation parameters for any accounts in the depreciation study, using the majority-view ALG method alone will result in significantly fairer rates for customers. In addition, in the recent PPL Electric Utilities Corporation base rate case before the Commission (Docket No. R-2025-3057164), Mr. Spanos proposed ALG depreciation rates.[5] Since no party opposed the use of the ALG method in that case, the Commission will be authorizing ALG depreciation rates for PPL.
- The results of my application of the ALG method to Peoples' depreciation studies are summarized in the table below.[6]

[5] Direct Testimony of John J. Spanos, Docket No. R-2025-3057164 (Sep. 30, 2025).

[6] Exhibit DJG-17; *see also* Exhibits DJG-18 through DJG-23 for detailed depreciation rate calculations and comparisons for the 2024 Study, 2025 Study, and 2026 Study.

Figure 4:
Summary Depreciation Accrual Adjustment – 2025 Study

Plant Operations	Peoples Accrual	OCA Accrual	OCA Adjustment
Intangible	$ 16,361,627	$ 16,122,426	$ (239,201)
Production	3,190,084	3,506,299	316,215
Underground Storage	687,432	537,150	(150,282)
Transmission	5,692,284	4,859,686	(832,598)
Distribution	95,551,953	69,328,093	(26,223,860)
General	16,701,420	16,750,907	49,487
Net Salvage	7,590,331	7,590,331	-
TOTAL PLANT STUDIED	**$ 145,775,131**	**$ 118,694,893**	**$ (27,080,238)**

Figure 5:
Summary Depreciation Accrual Adjustment – 2026 Study

Plant Operations	Peoples Accrual	OCA Accrual	OCA Adjustment
Intangible	$ 15,436,816	$ 15,183,460	$ (253,356)
Production	3,390,917	3,668,303	277,386
Underground Storage	855,973	618,914	(237,059)
Transmission	5,965,197	5,087,448	(877,749)
Distribution	109,964,782	79,487,397	(30,477,385)
General	18,270,209	18,347,445	77,236
Net Salvage	7,157,306	7,157,306	-
TOTAL PLANT STUDIED	**$ 161,041,200**	**$ 129,550,273**	**$ (31,490,927)**

Figure 6:
Summary Depreciation Accrual Adjustment – 2027 Study

Plant Operations	Peoples Accrual	OCA Accrual	OCA Adjustment
Intangible	$ 15,354,523	$ 15,592,874	$ 238,351
Production	4,279,645	4,233,660	(45,985)
Underground Storage	968,334	685,260	(283,074)
Transmission	6,281,730	5,324,234	(957,496)
Distribution	126,365,272	90,677,184	(35,688,088)
General	19,863,809	19,755,827	(107,982)
Net Salvage	8,068,283	8,068,283	-
TOTAL PLANT STUDIED	**$ 181,181,596**	**$ 144,337,323**	**$ (36,844,273)**

The evidence supporting my recommendations are discussed in more detail in my testimony.

PART ONE: RATE OF RETURN

III. REGULATORY STANDARDS

Q. Discuss the legal standards governing the awarded rate of return on capital investments for regulated utilities.

A. In *Wilcox v. Consolidated Gas Co. of New York*,[7] the Supreme Court first addressed the meaning of a fair rate of return for public utilities. The Court found that "the amount of risk in the business is a most important factor" in determining the appropriate allowed rate of return.[8] Later, in two landmark cases, the Court set forth the standards by which utilities

[7] *Wilcox v. Consolidated Gas Co. of New York*, 212 U.S. 19 (1909).

[8] *Id*. at 48.

are allowed to earn a return on capital investments. In *Bluefield Water Works & Improvement Co. v. Public Service Commission of West Virginia*,[9] the Court held:

> A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public . . . but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.[10]

In *Federal Power Commission v. Hope Natural Gas Company*,[11] the Court expanded on the guidelines set forth in *Bluefield* and stated:

> From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.[12]

The cost of capital models I have employed in this case are in accordance with the foregoing legal standards.

Q. Should the awarded rate of return be based on the Company's actual cost of capital?

A. Yes. The *Hope* Court makes it clear that the allowed return should be based on the actual cost of capital. Moreover, the awarded return must also be fair, just, and reasonable under the circumstances of each case. Under the rate base rate of return model, a utility should

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[9] *Bluefield Water Works & Improvement Co. v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923).

[10] *Id.* at 692-93.

[11] *Federal Power Commission v. Hope Natural Gas Co*., 320 U.S. 591 (1944).

[12] *Id.* at 603 (emphasis added).

be allowed to recover all its reasonable expenses, its capital investments through depreciation, and a return on its capital investments sufficient to satisfy the required return of its investors. The "required return" from the investors' perspective is synonymous with the "cost of capital" from the utility's perspective. Scholars agree that the allowed rate of return should be based on the actual cost of capital:

> Since by definition the cost of capital of a regulated firm represents precisely the expected return that investors could anticipate from other investments while bearing no more or less risk, and since investors will not provide capital unless the investment is expected to yield its opportunity cost of capital, the correspondence of the definition of the cost of capital with the court's definition of legally required earnings appears clear.[13]

The models I have employed in this case closely estimate the Company's market-based cost of equity. If the Commission sets the awarded return based on my lower, and more reasonable, rate of return, it will comply with the U.S. Supreme Court's standards, allow the Company to maintain its financial integrity, and satisfy the claims of its investors. On the other hand, if the Commission sets the allowed rate of return *higher* than the true cost of capital, it arguably results in an inappropriate transfer of wealth from ratepayers to shareholders.

Q. What does this standard mean for determining the awarded return and the cost of capital?

A. It is important to understand that the *awarded* return and the *cost* of capital are different but related concepts. The two concepts are related in that the legal and technical standards encompassing this issue require that the awarded return reflects the true cost of capital. On

[13] A. Lawrence Kolbe, James A. Read, Jr. & George R. Hall, *The Cost of Capital: Estimating the Rate of Return for Public Utilities*, p. 21 (The MIT Press 1984).

the other hand, the two concepts are different in that the legal standards do not mandate that awarded returns exactly match the cost of capital. Awarded returns are set through the regulatory process and may be influenced by factors other than objective market drivers. The cost of capital, on the other hand, should be evaluated objectively and be closely tied to economic realities. In other words, the cost of capital is driven by stock prices, dividends, growth rates, and — most importantly — it is driven by risk. The cost of capital can be estimated by financial models used by firms, investors, and academics around the world for decades. The problem is, with respect to regulated utilities, there has been a trend in which awarded returns fail to closely track with actual market-based cost of capital as further discussed below. To the extent this occurs, the results are detrimental to ratepayers and the state's economy.

Q. Describe the economic impact that occurs when the awarded return strays too far from the U.S. Supreme Court's cost of equity standard.

A. When the awarded ROE is set far above the *cost* of equity, it runs the risk of violating the U.S. Supreme Court's standards that the awarded return should be *based on the cost of capital*. If the Commission were to adopt the Company's position in this case, it would be permitting an excess transfer of wealth from customers to Company shareholders. Moreover, establishing an awarded return that far exceeds the true cost of capital effectively prevents the awarded returns from changing along with economic conditions. This is especially true given the fact that regulators tend to be influenced by the awarded returns in other jurisdictions, regardless of the various unknown factors influencing those awarded returns. This is yet another reason why it is crucial for regulators to focus on the target utility's actual *cost* of equity, rather than awarded returns from other jurisdictions.

Awarded returns may be influenced by settlements and other political factors not based on true market conditions. In contrast, the market-based cost of equity as estimated through objective models is not influenced by these factors but is instead driven by market-based factors. If regulators rely too heavily on the awarded returns from other jurisdictions, it can create a cycle over time that bears little relation to the market-based cost of equity.

IV. GENERAL CONCEPTS AND METHODOLOGY

Q. Discuss your approach to estimating the cost of equity in this case.

A. While a competitive firm must estimate its own cost of capital to assess the profitability of competing capital projects, regulators determine a utility's cost of capital to establish a fair rate of return. The legal standards set forth above do not include specific guidelines regarding the models that must be used to estimate the cost of equity. Over the years, however, regulatory commissions have consistently relied on several models. The models I have employed in this case have been the two most widely used and accepted in regulatory proceedings for many years. These models are the DCF Model and the CAPM. The specific inputs and calculations for these models are described in more detail below.

Q. Please explain why multiple models are used to estimate the cost of equity.

A. The models used to estimate the cost of equity attempt to measure the return on equity required by investors by estimating several different inputs. It is preferable to use multiple models because the results of any one model may contain a degree of imprecision, especially depending on the reliability of the inputs used at the time of conducting the model. By using multiple models, the analyst can compare the results of the models and

look for outlying results and inconsistencies. Likewise, if multiple models produce a similar result, it may indicate a narrower range for the cost of equity estimate.

Q. Please discuss the benefits of choosing a proxy group of companies in conducting cost of capital analyses.

A. The cost of equity models in this case can be used to estimate the cost of capital of any individual, publicly-traded company. There are advantages, however, to conducting cost of capital analyses on a "proxy group" of companies that are comparable to the target company. First, it is better to assess the financial soundness of a utility by comparing it to a group of other financially sound utilities. Second, using a proxy group provides more reliability and confidence in the overall results because there is a larger sample size. Finally, the use of a proxy group is often a pure necessity when the target company is a subsidiary that is not publicly traded. This is because the financial models used to estimate the cost of equity require information from publicly-traded firms, such as stock prices and dividends.

Q. Describe the proxy group you selected in this case.

A. In this case, I chose to use the same utility proxy group that Ms. Nelson used for her analysis. There could be reasonable arguments made for the inclusion or exclusion of a particular company in a proxy group; however, the cost of equity results are influenced far more by the underlying assumptions and inputs to the various financial models than the composition of the proxy group.[14] By using the same utility proxy group, we can remove

[14] *See* Exhibit DJG-2.

a relatively insignificant variable from the equation and focus on the primary factors driving the Company's cost of equity estimate in this case.

V. RISK AND RETURN CONCEPTS

Q. Please discuss the general relationship between risk and return.

A. As discussed above, risk is the most important factor for the Commission to consider when determining the allowed return. There is a direct relationship between risk and return: the more (or less) risk an investor assumes, the larger (or smaller) return the investor will demand. There are two primary types of risk: firm-specific risk and market risk. Firm-specific risk affects individual companies, while market risk affects all companies in the market to varying degrees.

Q. Discuss the differences between firm-specific risk and market risk.

A. Firm-specific risk affects individual companies, rather than the entire market. For example, a competitive firm might overestimate customer demand for a new product, resulting in reduced sales revenue. This is an example of a firm-specific risk called "project risk."[15] There are several other types of firm-specific risks, including: (1) "financial risk" — the risk that equity investors of leveraged firms face as residual claimants on earnings; (2) "default risk" — the risk that a firm will default on its debt securities; and (3) "business risk" — which encompasses all other operating and managerial factors that may result in investors realizing less than their expected return in that particular company.

[15] Aswath Damodaran, *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset*, pp. 62-63 (3rd ed., John Wiley & Sons, Inc. 2012).

While firm-specific risk affects individual companies, market risk affects all companies in the market to varying degrees. Examples of market risk include interest rate risk, inflation risk, and the risk of major socio-economic events. When there are changes in these risk factors, they affect all firms in the market to some extent.[16]

Analysis of the U.S. market in 2001 provides a good example for contrasting firm-specific risk and market risk. During that year, Enron Corp.'s stock fell from $80 per share and the company filed for bankruptcy at the end of the year. If an investor's portfolio had held only Enron stock at the beginning of 2001, this irrational investor would have lost the entire investment by the end of the year due to assuming the full exposure of Enron's firm-specific risk (in that case, imprudent management). On the other hand, a rational, diversified investor who invested the same amount of capital in a portfolio holding every stock in the S&P 500 would have had a much different result that year. The rational investor would have been relatively unaffected by the fall of Enron because her portfolio included 499 other stocks. Each of those stocks, however, would have been affected by various *market* risk factors that occurred that year, including the terrorist attacks on September 11th, which affected all stocks in the market. Thus, the rational investor would have incurred a relatively minor loss due to market risk factors, while the irrational investor would have lost everything due to firm-specific risk factors.

[16] *See* Zvi Bodie, Alex Kane & Alan J. Marcus, *Essentials of Investments*, p. 149 (9th ed., McGraw-Hill/Irwin 2013).

Q. Can investors minimize firm-specific risk through portfolio diversification?

A. Yes. A fundamental concept in finance is that firm-specific risk can be minimized through diversification.[17] If someone irrationally invested all their funds in one firm (such as Enron), they would be exposed to all the firm-specific risk *and* the market risk inherent in that single firm. Rational investors, however, are risk-averse and seek to eliminate risk they can control. Investors can essentially eliminate firm-specific risk by adding more stocks to their portfolio through a process called "diversification."

There are two reasons why diversification eliminates firm-specific risk. First, each stock in a diversified portfolio represents a much smaller percentage of the overall portfolio than it would in a portfolio of just one or a few stocks. Thus, any firm-specific action that changes the stock price of one stock in the diversified portfolio will have only a small impact on the entire portfolio.[18]

The second reason why diversification eliminates firm-specific risk is that the effects of firm-specific actions on stock prices can be either positive or negative for each stock. Thus, in large, diversified portfolios, the net effect of these positive and negative firm-specific risk factors will be essentially zero and will not affect the value of the overall portfolio.[19] Firm-specific risk is also called "diversifiable risk" because it can be easily eliminated through diversification.

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[17] *See* John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, pp. 179-80 (3rd ed., South Western Cengage Learning 2010).

[18] *See* Aswath Damodaran, *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset*, p. 64 (3rd ed., John Wiley & Sons, Inc. 2012).

[19] *Id*.

Q. Do investors expect an additional return for assuming firm-specific risks?

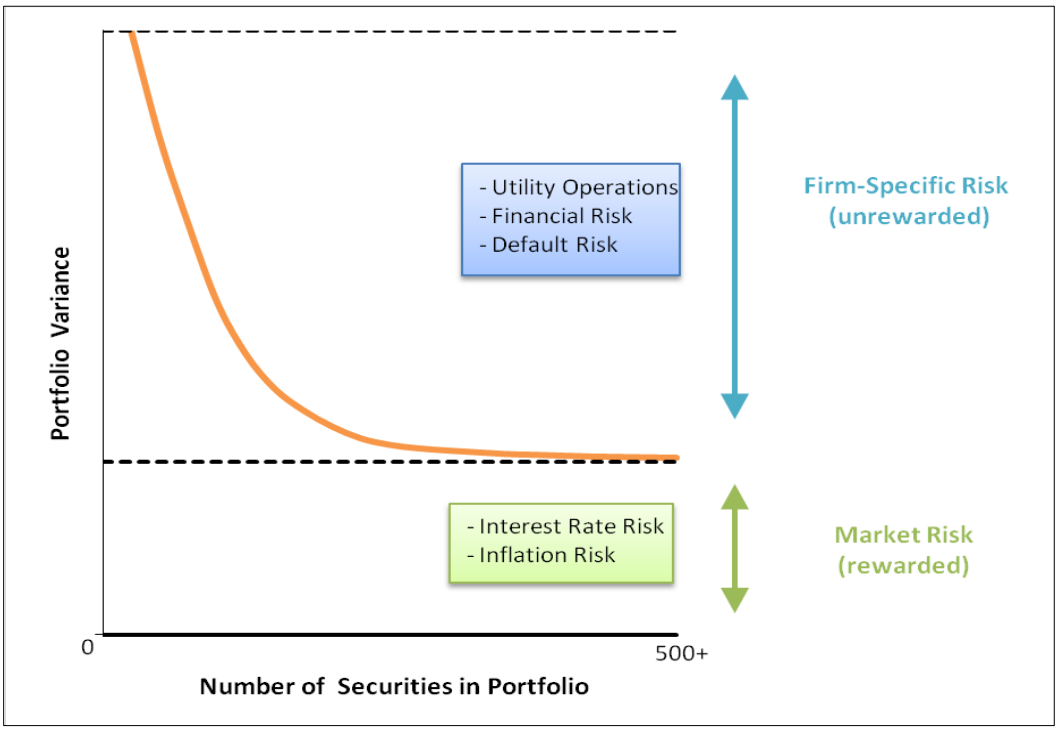
A. No. Because investors eliminate firm-specific risk through diversification, they know they cannot expect a higher return for assuming the firm-specific risk in any one company. Thus, the risks associated with an individual firm's operations are not rewarded by the market. In fact, firm-specific risk is also called "unrewarded" risk for this reason. Market risk, on the other hand, cannot be eliminated through diversification. Because market risk cannot be eliminated through diversification, investors expect a return for assuming this type of risk. Market risk is also called "systematic risk." Scholars recognize the fact that market risk, or "systematic risk," is the only type of risk for which investors expect a return for bearing:

> If investors can cheaply eliminate some risks through diversification, then we should not expect a security to earn higher returns for risks that can be eliminated through diversification. Investors can expect compensation *only* for bearing systematic risk (i.e., risk that cannot be diversified away).[20]

These important concepts are illustrated in the figure below. Some form of this figure is found in many financial textbooks.

[20] *See* John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, p. 180 (3rd ed., South Western Cengage Learning 2010).

Figure 7:
Effects of Portfolio Diversification



This figure shows that as stocks are added to a portfolio, the amount of firm-specific risk is reduced until it is essentially eliminated. No matter how many stocks are added, however, there remains a certain level of fixed market risk. The level of market risk will vary from firm to firm. Market risk is the only type of risk that is rewarded by the market and is thus the primary type of risk the Commission should consider when determining the allowed return for the utilities it regulates.

Q. Describe how market risk is measured.

A. Investors who want to eliminate firm-specific risk must hold a fully diversified portfolio. To determine the amount of risk that a single stock adds to the overall market portfolio, investors measure the covariance between a single stock and the market portfolio. The

result of this calculation is called "beta."[21] Beta represents the sensitivity of a given security to the market as a whole. The market portfolio of all stocks has a beta equal to one. Stocks with betas greater than one are relatively more sensitive to market risk than the average stock. For example, if the market increases (decreases) by 1.0%, a stock with a beta of 1.5 will, on average, increase (decrease) by 1.5%. In contrast, stocks with betas of less than one are less sensitive to market risk, such that if the market increases (decreases) by 1.0%, a stock with a beta of 0.5 will, on average, only increase (decrease) by 0.5%. Thus, stocks with low betas are relatively insulated from market conditions. The beta term is used in the CAPM to estimate the cost of equity, which is discussed in more detail later.[22]

Q. Are public utilities characterized as defensive firms that have low betas, low market risk, and are relatively insulated from overall market conditions?

A. Yes. Although market risk affects all firms in the market, it affects different firms to varying degrees. Firms with high betas are affected more than firms with low betas, which is why firms with high betas are riskier. Stocks with betas greater than one are generally known as "cyclical stocks." Firms in cyclical industries are sensitive to recurring patterns of recession and recovery known as the "business cycle."[23] Thus, cyclical firms are exposed to a greater level of market risk. Securities with betas less than one, on the other hand, are known as "defensive stocks." Companies in defensive industries, such as public utility companies, "will have low betas and performance that is comparatively unaffected

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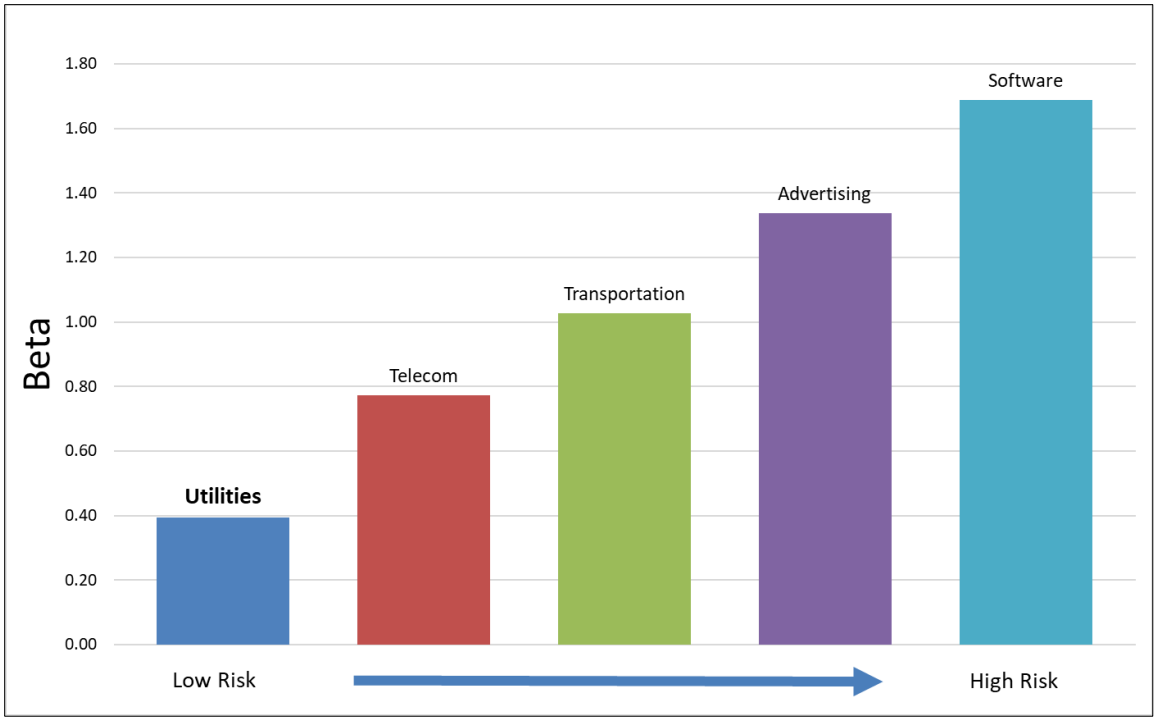
[21] *Id*. at 180-81.

[22] Though it will be discussed in more detail later, Exhibit DJG-9 shows that the average beta of the proxy group was less than 1.0. This confirms the well-known concept that utilities are relatively low-risk firms.

[23] *See* Zvi Bodie, Alex Kane & Alan J. Marcus, *Essentials of Investments*, p. 382 (9th ed., McGraw-Hill/Irwin 2013).

by overall market conditions."[24] In fact, financial textbooks often use utility companies as prime examples of low-risk, defensive firms. The figure below compares the betas of several industries and illustrates that the utility industry is one of the least risky industries in the U.S. market.[25]

Figure 8:
Beta by Industry



The fact that utilities are defensive firms that are exposed to little market risk is beneficial to society. When the business cycle enters a recession, consumers can be assured

[24] *Id*. at 383.

[25] *See* Betas by Sector (US) available at http://pages.stern.nyu.edu/~adamodar/ (2018). (After clicking the link, click "Data" then "Current Data" then "Risk / Discount Rate" from the drop down menu, then "Total Beta by Industry Sector"). The exact beta calculations are not as important as illustrating the well-known fact that utilities are very low-risk companies. The fact that the utility industry is one of the lowest risk industries in the country should not change from year to year.

that their utility companies will be able to maintain normal business operations and provide safe and reliable service under efficient management. Likewise, utility investors can be confident that utility stock prices will not widely fluctuate. So, while it is recognized and accepted that utilities are defensive firms that experience little market risk and are relatively insulated from market conditions, this fact should also be appropriately reflected in the Company's awarded return.

VI. DISCOUNTED CASH FLOW ANALYSIS

Q. Describe the DCF Model.

A. The DCF Model is based on a fundamental financial model called the "dividend discount model," which maintains that the value of a security is equal to the present value of the future cash flows it generates.[26] Cash flows from common stock are paid to investors in the form of dividends. There are several variations of the DCF Model. These versions, along with other formulas and theories related to the DCF Model, are discussed in more detail in Appendix A.

Q. Describe the inputs to the DCF Model.

A. There are three primary inputs in the DCF Model: (1) stock price; (2) dividend; and (3) the long-term growth rate. The stock prices and dividends are known inputs based on recorded data, while the growth rate projection must be estimated. I discuss each of these inputs separately below.

[26] Present value (PV) is the current value of a future sum of money or stream of cash flows given a specified rate of return. Present value takes the future value and applies a discount rate or the interest rate that could be earned if invested.

A. Stock Price

Q. How did you determine the stock price input of the DCF Model?

A. For the stock price (P_0), I used a 30-day average of stock prices for each company in the proxy group.[27] Analysts sometimes rely on average stock prices for longer periods (*e.g.*, 60, 90, or 180 days). According to the efficient market hypothesis, however, markets reflect all relevant information available at a particular time, and prices adjust instantaneously to the arrival of new information.[28] Past stock prices, in essence, reflect outdated information. The DCF Model used in utility rate cases is a derivation of the dividend discount model, which is used to determine the current value of an asset. Thus, according to the dividend discount model and the efficient market hypothesis, the value for the "P_0" term in the DCF Model should technically be the current stock price, rather than an average.

Q. Why did you use a 30-day average for the current stock price input?

A. Using a short-term average of stock prices for the current stock price input adheres to market efficiency principles while avoiding any irregularities that may arise from using a single current stock price. In the context of a utility rate proceeding, there is a significant length of time between when an application is filed and when testimony is due. Choosing a current stock price for one particular day could raise a separate issue concerning which

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[27] Exhibit DJG-3.

[28] *See* Eugene F. Fama, *Efficient Capital Markets: A Review of Theory and Empirical Work*, Vol. 25, No. 2 The Journal of Finance, p. 383 (1970); *see also* John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, p. 357 (3rd ed., South Western Cengage Learning 2010). The efficient market hypothesis was formally presented by Eugene Fama in 1970 and is a cornerstone of modern financial theory and practice.

day was chosen to be used in the analysis. In addition, a single stock price on a particular day may be unusually high or low. It is arguably ill-advised to use a single stock price in a model that is ultimately used to set rates for several years, especially if a stock is experiencing some volatility. Thus, it is preferable to use a short-term average of stock prices, which represents a good balance between adhering to well-established principles of market efficiency while avoiding any unnecessary contentions that may arise from using a single stock price on a given day. The stock prices I used in my DCF analysis are based on 30-day averages of adjusted closing stock prices for each company in the proxy group.[29]

B. Dividend

Q. Describe how you determined the dividend input of the DCF Model.

A. The dividend term in the DCF Model represents dividends per share (d_0). I used forward-looking annualized dividends published by Yahoo! Finance for the dividend input to my constant growth DCF Model.[30] Dividing these dividends by the stock prices for each proxy company results in the dividend yield for each company.[31]

Q. Are the stock price and dividend inputs for each proxy company a significant issue in this case?

A. No. Although my stock price and dividend inputs are more recent than those used by Ms. Nelson, there is not a statistically significant difference between them because utility stock prices and dividends are generally quite stable. This is another reason that cost of capital

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[29] Exhibit DJG-3. Adjusted closing prices, rather than actual closing prices, are ideal for analyzing historical stock prices. The adjusted price provides an accurate representation of the firm's equity value beyond the mere market price because it accounts for stock splits and dividends.

[30] Exhibit DJG-4.

[31] *Id*.

models such as the CAPM and the DCF Model are well-suited to be conducted on utilities. The differences between my DCF Model and Ms. Nelson's DCF Model are primarily driven by differences in our growth rate estimates, which are further discussed below.

C. Growth Rate

Q. Please Summarize the growth rate input in the DCF Model.

A. The most critical input in the DCF Model is the growth rate. Unlike the stock price and dividend inputs, the growth rate input (g) must be estimated. As a result, the growth rate is often the most contentious issue related to DCF model inputs in utility rate cases. The DCF model used in this case is based on the sustainable growth valuation model. Under this model, a stock is valued by the present value of its future cash flows in the form of dividends. Before future cash flows are discounted by the cost of equity, however, they must be "grown" into the future by a sustainable growth rate. As stated above, one of the inherent assumptions of this model is that these cash flows in the form of dividends grow at a sustainable rate forever. For young, high-growth firms, estimating the growth rate to be used in the model can be especially difficult, and may require the use of multi-stage growth models. For mature, low-growth firms such as utilities, however, estimating the sustainable growth rate is more transparent. The growth term of the DCF Model is one of the most important, yet least understood, aspects of cost of equity estimations in utility regulatory proceedings. I provide a more detailed explanation on the various determinants of growth below.

Q. Describe the various determinants of growth that can be considered for the growth rate input in the DCF Model.

A. Although the DCF Model directly considers the growth of dividends, there are a variety of growth determinants that should be considered when estimating growth rates. It should be noted that these various growth determinants are used primarily to determine the short-term growth rates in multi-stage DCF models. For utility companies, it is necessary to focus primarily on a long-term growth rate in dividends. This is also known as a "sustainable" growth rate, since this is the growth rate assumed for the company's dividends in perpetuity. That is not to say that these growth determinants cannot be considered when estimating sustainable growth; however, as discussed below, sustainable growth must be constrained much more than short-term growth, especially for young firms with high growth opportunities. Additionally, I briefly discuss these growth determinants here because it may reveal some of the sources of confusion in this area.

(1) Historical Growth

Looking at a firm's actual historical experience may theoretically provide a good starting point for estimating short-term growth. However, past growth is not always a good indicator of future growth. Some metrics that might be considered here are a historical growth in revenues, operating income, and net income. Since dividends are paid from earnings, estimating historical earnings growth may provide an indication of future earnings and dividend growth.

(2) Analyst Growth Rates

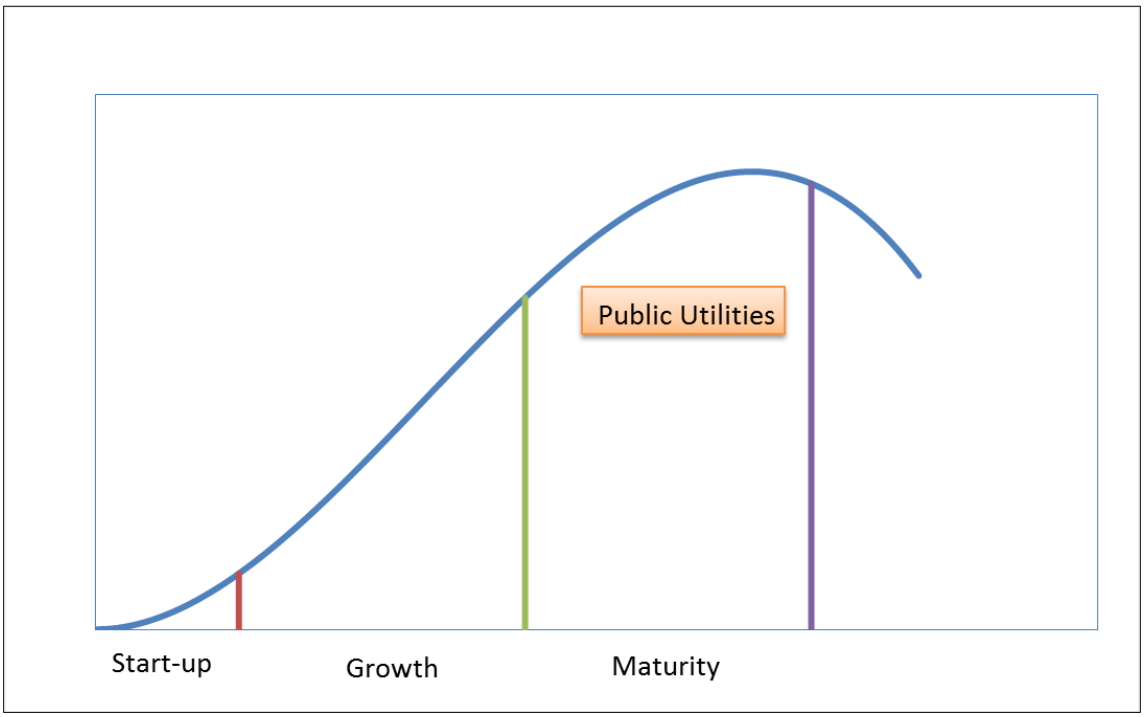
Analyst growth rates refer to short-term projections of earnings growth published by institutional research analysts such as Value Line and Bloomberg. Analyst growth rates,

including the limitations with using them in the DCF Model to estimate utility cost of equity, are discussed in more detail below.

(3) Sustainable Growth Rates

In order to make the DCF Model a viable, practical model, an infinite stream of future cash flows must be estimated and then discounted back to the present. Otherwise, each annual cash flow would have to be estimated separately. Some analysts use "multi-stage" DCF Models to estimate the value of high-growth firms through two or more stages of growth, with the final stage of growth being sustainable. However, it is not necessary to use multi-stage DCF Models to analyze the cost of equity of regulated utility companies. This is because regulated utilities are already in their "sustainable," low growth stage. Unlike most competitive firms, the growth of regulated utilities is constrained by physical service territories and limited primarily by ratepayer and load growth within those territories. The Figure below illustrates the well-known business/industry life-cycle pattern.

Figure 9:
Industry Life Cycle



In an industry's early stages, there are ample opportunities for growth and profitable reinvestment. In the maturity stage however, growth opportunities diminish, and firms choose to pay out a larger portion of their earnings in the form of dividends instead of reinvesting them in operations to pursue further growth opportunities. Once a firm is in the maturity stage, it is not necessary to consider higher short-term growth metrics in multi-stage DCF Models; rather, it is sufficient to analyze the cost of equity using a stable growth DCF Model with one sustainable growth rate.

Q. Is the aggregate growth rate of the economy typically a limiting factor for the terminal growth rate in the DCF Model?

A. Yes. A fundamental concept in finance is that no firm can grow forever at a rate higher than the growth rate of the economy in which it operates.[32] Thus, the terminal growth rate used in the DCF Model should not exceed the aggregate economic growth rate. This is especially true when the DCF Model is conducted on public utilities because these firms have defined service territories. As stated by Dr. Damodaran: "[i]f a firm is a purely domestic company, either because of internal constraints . . . or external constraints (such as those imposed by a government), the growth rate in the domestic economy will be the limiting value."[33]

In fact, it is reasonable to assume that a regulated utility would grow at a rate that is less than the U.S. economic growth rate. Unlike competitive firms, which might increase their growth by launching a new product line, franchising, or expanding into new and developing markets, utility operating companies with defined service territories cannot do any of these things to grow. Gross Domestic Product ("GDP") is one of the most widely used measures of economic production and is used to measure aggregate economic growth. According to the Congressional Budget Office's Budget Outlook, the long-term forecast for nominal U.S. GDP growth is about 4%, which includes an inflation rate of 2%.[34] For mature companies in mature industries, such as utility companies, the terminal growth rate

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[32] *See* Aswath Damodaran, *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset* 306 (3rd ed., John Wiley & Sons, Inc. 2012).

[33] Aswath Damodaran, *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset* 306 (3rd ed., John Wiley & Sons, Inc. 2012).

[34] Congressional Budget Office Long-Term Budget Outlook, https://www.cbo.gov/publication/59014.

will likely fall between the expected rate of inflation and the expected rate of nominal GDP growth.

Q. Did you also consider a variation of the DCF Model that incorporates analysts' growth rate projections?

A. Yes. In this case, I present the results of analyst growth variation of my DCF Model because it is commonly presented in rate proceedings and considered by regulators when assessing a utility's authorized ROE.

Q. Please describe the results of your DCF Models?

A. For my DCF Models, I considered two variations: one using a sustainable growth rate and one using analysts' growth rates. The results of these models are 7.1% and 7.6%, respectively.[35]

D. Response to Ms. Nelson's DCF Model

Q. Please summarize the results of Ms. Nelson's DCF analyses.

A. Ms. Nelson's application of the DCF Model produced an indicated cost of equity result of 10.53%.[36]

Q. Does the result of Ms. Nelson's DCF Model indicate a reasonable cost of equity estimate for Peoples?

A. No. Whether the sustainable GDP growth rate or projected dividend growth rates published by Value Line are considered, the highest DCF result I obtained was 7.6%. The primary reason Ms. Nelson's DCF results are overstated is her use of unsustainably high growth rates for some proxy companies, and average growth rates for the proxy group that are

[35] Exhibit DJG-6.

[36] Direct Testimony of Jennifer E. Nelson, p. 4, Table 2.

unsustainably high. For example, Ms. Nelson incorporated an annual long-term growth rate as high as 10.5% for Southwest Gas Holdings, Inc. ("SWX"). This means Ms. Nelson is suggesting the company's earnings will grow by more than 10.5% each year, every year, in perpetuity. This growth rate estimate published by S&P Capital IQ is a short-term growth rate. It is Ms. Nelson, not the commercial analyst, who is suggesting that this annual earnings growth rate can be achieved each year in perpetuity, which is simply unsustainable and technically impossible. As a result, the cost of equity results indicated by Ms. Nelson's DCF Model are overstated.

VII. CAPITAL ASSET PRICING MODEL ANALYSIS

Q. Please describe the CAPM.

A. The CAPM is a market-based model founded on the principle that investors expect higher returns for incurring additional risk.[37] The CAPM estimates this expected return. The various assumptions, theories, and equations involved in the CAPM are discussed further in Appendix B. Using the CAPM to estimate the cost of equity of a regulated utility is consistent with the legal standards governing the fair rate of return. The U.S. Supreme Court has recognized that "the amount of *risk* in the business is a most important factor" in determining the allowed rate of return,[38] and that "the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding

[37] William F. Sharpe, *A Simplified Model for Portfolio Analysis*, pp. 277-93 (Management Science IX 1963); *see also* John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, p. 208 (3rd ed., South-Western Cengage Learning 2010).

[38] *Wilcox*, 212 U.S. at 48 (emphasis added).

risks."[39] The CAPM is a useful model because it directly considers the amount of risk inherent in a business and directly measures the most important component of a fair rate of return analysis: Risk.

Q. Describe the inputs for the CAPM.

A. The basic CAPM equation requires only three inputs to estimate the cost of equity: (1) the risk-free rate; (2) the beta coefficient; and (3) the equity risk premium. Each input is discussed separately below.

A. The Risk-Free Rate

Q. Please explain the risk-free rate.

A. The first term in the CAPM is the risk-free rate (R_F). The risk-free rate is simply the level of return investors can achieve without assuming any risk. The risk-free rate represents the bare minimum return that any investor would require on a risky asset. Even though no investment is technically devoid of risk, investors often use U.S. Treasury securities to represent the risk-free rate because they accept that those securities essentially contain no default risk. The Treasury issues securities with different maturities, including short-term Treasury Bills, intermediate-term Treasury Notes, and long-term Treasury Bonds.

Q. Is it preferable to use the yield on long-term Treasury bonds for the risk-free rate in the CAPM?

A. Yes. In valuing an asset, investors estimate cash flows over long periods of time. Common stock is viewed as a long-term investment, and the cash flows from dividends are assumed to last indefinitely. As a result, short-term Treasury bill yields are rarely used in the CAPM

[39] *Hope Natural Gas Co*., 320 U.S. at 603 (emphasis added).

to represent the risk-free rate. Short-term rates are subject to greater volatility and thus can lead to unreliable estimates. Instead, long-term Treasury bonds are usually used to represent the risk-free rate in the CAPM. I considered a 30-day average of daily Treasury yield curve rates on 30-year Treasury bonds in my risk-free rate estimate, which resulted in a risk-free rate of 5.02%.[40]

B. The Beta Coefficient

Q. How is the beta coefficient used in this model?

A. As discussed above, beta represents the sensitivity of a given security to movements in the overall market. The CAPM states that in efficient capital markets, the expected risk premium on each investment is proportional to its beta. Recall that a security with a beta greater than 1.0 is riskier than the market portfolio. Conversely, a security with a beta less than one is less risky than the market portfolio. An index such as the S&P 500 Index is used as a proxy for the market portfolio. The historical betas for publicly traded firms are published by various institutional analysts. Beta may also be calculated through a linear regression analysis, which provides additional statistical information about the relationship between a single stock and the market portfolio. The market portfolio of all stocks has a beta equal to one. Stocks with betas greater than one are relatively more sensitive to market risk than the average stock. In contrast, stocks with betas of less than one are less sensitive to market risk.

[40] Exhibit DJG-7.

Q. Describe the source for the betas you used in your CAPM analysis.

A. I used betas recently published by Value Line Investment Survey. The beta for each proxy company is less than 1.0, and the average beta for the total proxy group is only 0.77.[41] Thus, we have an objective measure to prove the well-known concept that utility stocks are less risky than the average stock in the market. While there is evidence suggesting that betas published by sources such as Value Line may actually overestimate the risk of utilities (and thus overestimate the CAPM), I used the betas published by Value Line in the interest of reasonableness.[42]

C. The Equity Risk Premium

Q. Describe the equity risk premium.

A. The final term of the CAPM is the equity risk premium ("ERP"), which is the required return on the market portfolio less the risk-free rate ($R_M - R_F$). In other words, the ERP is the level of return investors expect above the risk-free rate in exchange for investing in risky securities. Many experts agree that "the single most important variable for making investment decisions is the equity risk premium."[43] Likewise, the ERP is arguably the single most important factor in estimating the cost of capital in this matter. There are three basic methods that can be used to estimate the ERP: (1) calculating a historical average;

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[41] Exhibit DJG-8.

[42] *See* Appendix B for a more detailed discussion of raw beta calculations and adjustments.

[43] Elroy Dimson, Paul Marsh & Mike Staunton, *Triumph of the Optimists: 101 Years of Global Investment Returns*, p. 4 (Princeton University Press 2002).

(2) taking a survey of experts; and (3) calculating the implied ERP. I will discuss each method in turn, noting advantages and disadvantages of these methods.

1. Historical Average

Q. Describe the historical equity risk premium.

A. The historical ERP may be calculated by simply taking the difference between returns on stocks and returns on government bonds over a certain period of time. Many practitioners rely on the historical ERP as an estimate for the forward-looking ERP because it is easy to obtain. However, there are disadvantages to relying on the historical ERP.

Q. What are the limitations of relying solely on a historical average to estimate the current or forward-looking ERP?

A. Some investors may rely on the historic ERP because it is convenient and easy to calculate. But what matters in the CAPM model is the current and forward-looking risk premium.[44] Some investors may think that a historic ERP provides some indication of what the prospective risk premium is; however, there is empirical evidence to suggest the prospective, forward-looking ERP is actually *lower* than the historical ERP. In a landmark publication on risk premiums around the world, *Triumph of the Optimists*, the authors suggest through extensive empirical research that the prospective ERP is lower than the historical ERP.[45] This is due in large part to what is known as "survivorship bias" or "success bias" — a tendency for failed companies to be excluded from historical indices.[46]

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[44] John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, p. 330 (3rd ed., South-Western Cengage Learning 2010).

[45] Elroy Dimson, Paul Marsh & Mike Staunton, Triumph of the Optimists: 101 Years of Global Investment Returns, p. 34 (Princeton University Press 2002).

[46] *Id*. at 194.

From their extensive analysis, the authors make the following conclusion regarding the prospective ERP:

> The result is a forward-looking, geometric mean risk premium for the United States . . . of around 2½ to 4 percent and an arithmetic mean risk premium . . . that falls within a range from a little below 4 to a little above 5 percent.[47]

Indeed, these results are lower than many reported historical risk premiums. Other noted experts agree:

> The historical risk premium obtained by looking at U.S. data is biased upwards because of survivor bias. . . . The true premium, it is argued, is much lower. This view is backed up by a study of large equity markets over the twentieth century (*Triumph of the Optimists*), which concluded that the historical risk premium is closer to 4%.[48]

Regardless of the variations in historic ERP estimates, many leading scholars and practitioners agree that simply relying on a historic ERP to estimate the risk premium going forward is not ideal. Fortunately, "a naïve reliance on long-run historical averages is not the only approach for estimating the expected risk premium."[49]

Q. Did you rely on the historical ERP as part of your CAPM analysis in this case?

A. No. Due to the limitations of this approach, I primarily relied on the ERP reported in expert surveys and the implied ERP method discussed below.

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[47] *Id*.

[48] Aswath Damodaran, *Equity Risk Premiums: Determinants, Estimation and Implications – The 2015 Edition*, p. 17 (New York University 2015).

[49] John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do*, p. 330 (3rd ed., South Western Cengage Learning 2010).

2. Expert Surveys

Q. Describe the expert survey approach to estimating the ERP.

A. As its name implies, the expert survey approach to estimating the ERP involves conducting a survey of experts including professors, analysts, chief financial officers, and other executives around the country and asking them what they think the ERP is. The IESE Business School conducts such a survey each year. Its 2026 expert survey reported an average ERP of 5.3%.[50]

3. Implied Equity Risk Premium

Q. Describe the implied equity risk premium approach.

A. The third method of estimating the ERP is arguably the best. The implied ERP relies on the stable growth model proposed by Gordon, often called the "Gordon Growth Model," which is a basic stock valuation model that has been widely used in finance for many years.[51] This model is a mathematical derivation of the DCF Model. In fact, the underlying concept in both models is the same: The current value of an asset is equal to the present value of its future cash flows. Instead of using this model to determine the discount rate of one company, we can use it to determine the discount rate for the entire market by substituting the inputs of the model. Specifically, instead of using the current stock price (P_0), we will use the current value of the S&P 500 (V_{500}). Instead of using the dividends

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[50] Pablo Fernandez, et al., *Survey: Market Risk Premium and Risk-Free Rate used for 96 countries in 2024* (IESE Business School 2024), copy available at https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID4754347_code12696.pdf?abstractid=4754347&mirid=1 IESE Business School is the graduate business school of the University of Navarra.

[51] Myron J. Gordon and Eli Shapiro, *Capital Equipment Analysis: The Required Rate of Profit* 102-10 (Management Science Vol. 3, No. 1 Oct. 1956).

of a single firm, we will consider the dividends paid by the entire market. Additionally, we should consider potential dividends. In other words, stock buybacks should be considered in addition to paid dividends, as stock buybacks represent another way for the firm to transfer free cash flow to shareholders. Focusing on dividends alone without considering stock buybacks could understate the cash flow component of the model, and ultimately understate the implied ERP. The market dividend yield plus the market buyback yield gives us the gross cash yield to use as our cash flow in the numerator of the discount model. This gross cash yield is increased each year over the next five years by the growth rate. These cash flows must be discounted to determine their present value. The discount rate in each denominator is the risk-free rate (R_F) plus the discount rate (K). Equation 1 below shows how the implied return is calculated. Since the current value of the S&P is known, we can solve for K, the implied market return.[52]

Equation 1:
Implied Market Return

$$V_{500} = \frac{CY_1(1+g)^1}{(1+R_F+K)^1} + \frac{CY_2(1+g)^2}{(1+R_F+K)^2} + \cdots + \frac{CY_5(1+g)^5 + TV}{(1+R_F+K)^5}$$

where:

V_{500}	=	*current value of index (S&P 500)*
CY_{1-5}	=	*average cash yield over last five years (includes dividends and buybacks)*
g	=	*compound growth rate in earnings over last five years*
R_F	=	*risk-free rate*
K	=	*implied market return (this is what we are solving for)*
TV	=	*terminal value = CY_5 (1+R_F) / K*

The discount rate is called the "implied" return because it is based on the current value of the index as well as the value of free cash flow to investors projected over the next five

[52] *See* Exhibit DJG-9 for detailed calculation.

years. Thus, based on these inputs, the market is "implying" the expected return; or in other words, based on the current value of all stocks (the index price) and the projected value of future cash flows, the market is telling us the return expected by investors for investing in the market portfolio. After solving for the implied market return (K), we simply subtract the risk-free rate from it to arrive at the implied ERP as shown in the following equation.

Equation 2:
Implied Equity Risk Premium

$$Implied\ Expected\ Market\ Return - R_F = Implied\ ERP$$

Q. Discuss the results of your implied ERP calculation.

A. After collecting data for the index value, operating earnings, dividends, and buybacks for the S&P 500 over the past six years, I calculated the dividend yield, buyback yield, and gross cash yield for each year. I also calculated the compound annual growth rate (g) from operating earnings. I used these inputs, along with the risk-free rate and current value of the index to calculate a current required return on the U.S. equity market of 9.7%. I subtracted the risk-free rate to arrive at the implied equity risk premium of 5.1%.[53] Dr. Damodaran, one of the world's leading experts on the ERP, promotes the implied ERP method discussed above. He calculates monthly and annual implied ERPs with this method and publishes his results. Dr. Damodaran's average ERP estimate for June of 2024 using

[53] *Id*.

several implied ERP variations was 4.5%.[54] Additionally, Kroll (formerly Duff & Phelps) recently published an ERP estimate of 5.0%.[55]

Q. What are the results of your final ERP estimate?

A. For the final ERP estimate I used in my CAPM analysis, I considered the results of the ERP surveys, the estimated ERP reported by Kroll, the estimated ERP calculated by Dr. Damodaran, and the implied ERP based on my calculations.[56] The results are presented in the following figure:

Figure 10:
Equity Risk Premium Results

IESE Business School Survey	5.3%
Kroll (Duff & Phelps) Report	5.0%
Damodaran (average)	4.5%
Garrett	5.0%
Average	**4.9%**

I used the average ERP of 4.9% from these sources in my CAPM.

Q. Please explain the final results of your CAPM analysis.

A. Using the inputs for the risk-free rate, beta, and equity risk premium discussed above, I estimate that the Company's CAPM cost of equity is 8.8%, but only if the proxy group average debt ratio is assumed; otherwise, the Company's CAPM cost of equity estimate is

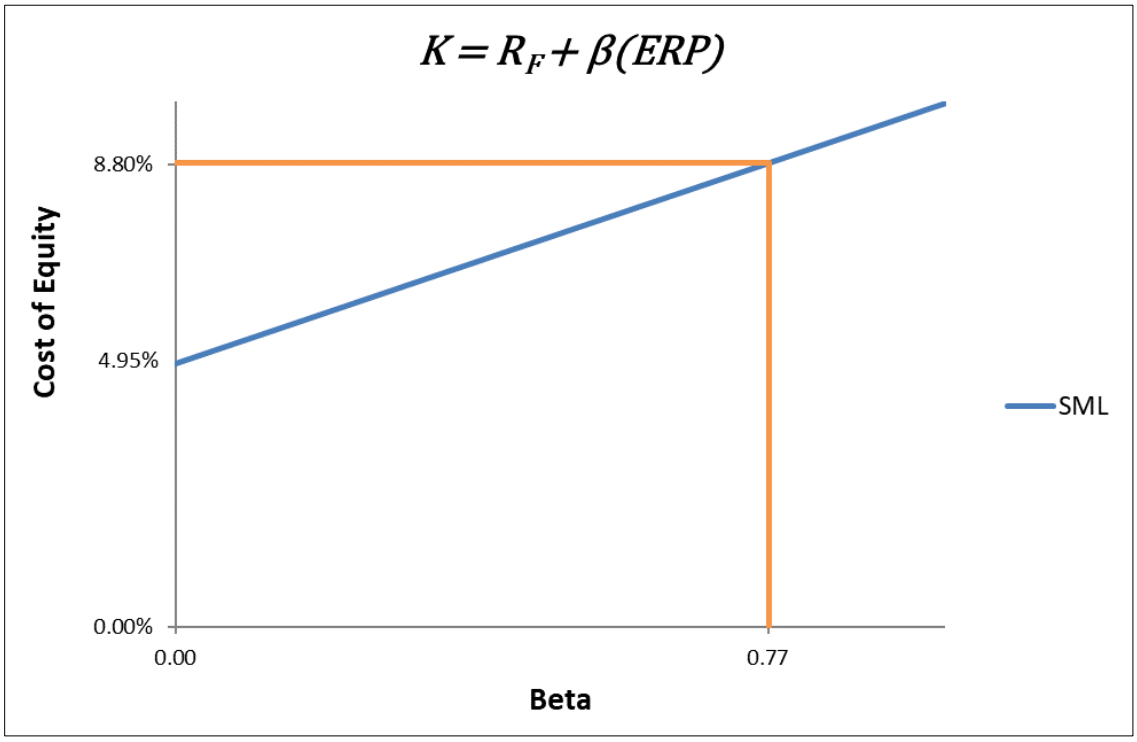
[54] http://pages.stern.nyu.edu/~adamodar/

[55] Kroll, Cost of Capital Recommendations and Potential Upcoming Changes – February 8, 2024 Update.

[56] *See also* Exhibit DJG-10.

only 8.5%.[57] The CAPM can be displayed graphically through what is known as the Security Market Line ("SML"). The figure below shows the expected return (cost of equity) on the y-axis, and the average beta for the proxy group on the x-axis. The SML intercepts the y-axis at the level of the risk-free rate. The slope of the SML is the equity risk premium.

Figure 11:
CAPM Graph



The SML provides the rate of return that will compensate investors for the beta risk of that investment. At an average beta of 0.77 for the proxy group, and assuming the proxy group's average capital structure is used, the CAPM result is 8.8%.

[57] Exhibits DJG-11 and DJG-12.

D. Response to Ms. Nelson's CAPM Analysis and Other Issues

Q. Please summarize the results of Ms. Nelson's application of the CAPM.

A. Ms. Nelson's application of the CAPM produced results ranging as high as 13.11%.[58] As part of these CAPM results, Ms. Nelson incorporated a variation of the CAPM called the "empirical CAPM" ("ECAPM"), which produced even higher results.[59] Ms. Nelson also conducted another type of risk premium analysis, which produced results as high as 10.28%.[60]

Q. Do the results of Ms. Nelson's CAPM and other risk premium analyses indicate a reasonable cost of equity estimate for Peoples?

A. No. The primary factor which causes Ms. Nelson's CAPM and ECAPM results to be unreasonably high is her use of an unreasonably high ERP estimate. I will discuss these issues below as well as the results of Ms. Nelson's other risk premium analysis.

1. Equity Risk Premium

Q. Did Ms. Nelson rely on a reasonable measure for the ERP?

A. No. The primary factor which causes Ms. Nelson's CAPM results to be unreasonably high is her use of an unreasonably high ERP estimate. Ms. Nelson considered an ERP as high as 11.7% in her analysis.[61] The ERP is one of three inputs in the CAPM equation, and it is one of the most important factors for estimating the cost of equity in this case. As discussed above, I used three widely accepted methods for estimating the ERP, including consulting

[58] Exhibit JEN-5.

[59] *Id*.

[60] Direct Testimony of Jennifer E. Nelson, p. 42, Fig. 14.

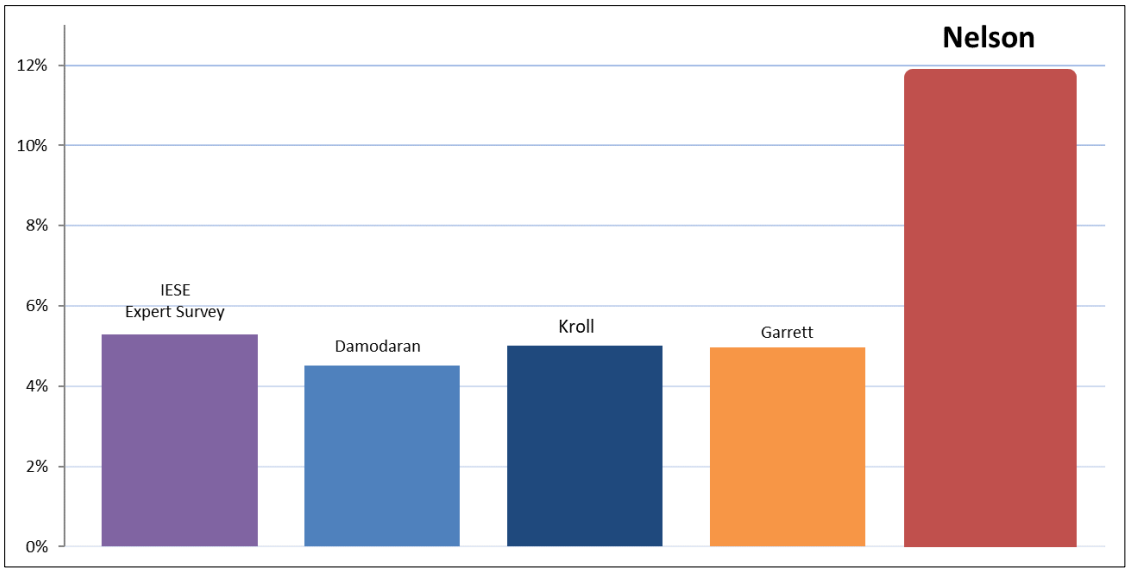
[61] Exhibit JEN-5.

expert surveys, calculating the implied ERP based on aggregate market data, and considering the ERPs published by reputable analysts. The average ERP calculated from my research is only 4.9%.

Q. Please discuss and illustrate how Ms. Nelson's ERP compares with other estimates for the ERP.

A. The 2026 IESE Business School expert survey reports an average ERP of 5.3%. Similarly, Kroll recently estimated an ERP of 5.0%. Dr. Damodaran, one of the leading experts on the ERP, recently estimated an ERP of only 4.5%.[62] The chart in the following figure illustrates that Ms. Nelson's ERP estimate higher than other reasonable, objective estimates for the ERP.[63]

Figure 12:
Equity Risk Premium Comparison



[62] Aswath Damodaran, *Implied Equity Risk Premium Update*, DAMODARAN ONLINE, http://pages.stern.nyu.edu/~adamodar/. Dr. Damodaran estimates several ERPs using various assumptions.

[63] The ERP estimated by Dr. Damodaran is the highest of several ERP estimates under slightly differing assumptions.

When compared with other independent sources for the ERP, as well as my estimate, Ms. Nelson's ERP estimate is clearly too high. This factor contributes to Ms. Nelson's CAPM results to overstate Peoples's cost of equity.

2. Empirical CAPM

Q. Please summarize Ms. Nelson's Empirical CAPM ("ECAPM") analysis.

A. Ms. Nelson offers another version of the CAPM called ECAPM. The premise of the ECAPM is that the standard CAPM underestimates the return required from low-beta securities, such as those of the proxy group. Ms. Nelson's ECAPM produced results as high as 13.93%.[64]

Q. Do you agree with Ms. Nelson's ECAPM results?

A. No. The premise of Ms. Nelson's ECAPM is that the standard CAPM underestimates the return required from low-beta securities. There are several problems with this concept, however. First, the Value Line betas both Ms. Nelson and I used in the real CAPM have already been adjusted upward to account for the theory that low-beta stocks might have a tendency to be underestimated. Second, there is empirical evidence suggesting that the type of beta-adjustment method used by Value Line actually overstates betas from consistently low-beta industries like utilities. According to this research, it is better to employ an adjustment method that adjusts raw betas toward an industry average, rather than the market average, which ultimately results in betas that are lower than those published in Value Line.[65] Finally (and most pertinently), Ms. Nelson's ECAPM still

[64] Exhibit JEN-5.

[65] *See* Appendix B for further discussion on these theories.

suffers from the same overestimated ERP input discussed above. Regardless of the differing theories regarding the mean reversion tendencies of low-beta securities, Ms. Nelson's ECAPM should be disregarded for its ERP inputs alone which were based on old, out-of-date data resulting in unreasonable ERP significantly higher than that of other experts in the industry.

3. Other Risk Premium Analysis

Q. Please describe Ms. Nelson's other risk premium analysis in addition to the CAPM.

A. In addition to the CAPM, which is a risk premium model, Ms. Nelson also conducted another type of risk premium model, which considers authorized ROEs dating back to 1980.[66]

Q. Does the result of Ms. Nelson's risk premium model indicate a reasonable cost of equity for Peoples?

A. No. Unlike the CAPM and DCF Model, Ms. Nelson's risk premium model does not even estimate the cost of equity. Ms. Nelson's risk premium model adds no marginal value to estimating cost of equity beyond the CAPM – a Nobel Prize winning risk premium model that has been used by investors, managers, and analysts around the world for decades. Ms. Nelson's risk premium model considers, in part, *authorized returns* from other jurisdictions dating back to 1980.[67] Unlike the inputs to the CAPM, authorized ROEs from other jurisdictions are not market-based.

As I described above, the Commission should focus on the Companies' actual *cost* of capital at this time, rather than *authorized* returns established by other utility

[66] Exhibit JEN-6.

[67] *Id*.

commissions in other time periods. Furthermore, relying on nearly 50-year-old data belies Ms. Nelson's characterization that the cost of capital is "forward-looking."[68] It also features the significant flaw of circularity discussed earlier in my testimony: that is, over-inflated authorized ROEs elsewhere being used as justification for an over-inflated authorized ROE in this case, in a continuation of the vicious cycle that enriches shareholders at utility customers' expense. Thus, the Commission should reject Ms. Nelson's use of the risk premium model and the questionable results it produces and focus on the results of the more credible CAPM and DCF Models presented in this case.

VIII. CAPITAL STRUCTURE

Q. Describe in general the concept of a company's "capital structure."

A. "Capital structure" refers to the way a company finances its overall operations through external financing. The primary sources of long-term, external financing are debt capital and equity capital. Debt capital usually comes in the form of contractual bond issues that require the firm to make payments, while equity capital represents an ownership interest in the form of stock. Because a firm cannot pay dividends on common stock until it satisfies its debt obligations to bondholders, stockholders are referred to as "residual claimants." The fact that stockholders have a lower priority to claims on company assets increases their risk and the required return relative to bondholders. Thus, equity capital has a higher cost than debt capital. Firms can reduce their weighted average cost of capital (WACC) by

[68] Direct Testimony of Jennifer E. Nelson, p. 11, line 6.

recapitalizing and increasing their debt financing. In addition, because interest expense is deductible, increasing debt also adds value to the firm by reducing the firm's tax obligation.

Q. Please explain the concept of the "WACC."

A. The term "cost of capital" refers to the weighted average cost of all the components of a company's capital structure, including debt and equity. Determining the cost of debt is relatively straightforward. Interest payments on bonds are contractual, "embedded costs" that are generally calculated by dividing total interest payments by the book value of outstanding debt. Determining the cost of equity, on the other hand, is more complex. Unlike the known, contractual cost of debt, there is no explicit "cost" of equity; the cost of equity must be estimated through various financial models. Thus, the overall WACC includes the cost of debt and the estimated cost of equity. It is a "weighted average" because it is based upon the Company's relative levels of debt and equity, or "capital structure." Companies in the competitive market often use their WACC as the discount rate to determine the value of capital projects, so it is important that this figure be closely estimated. The basic WACC equation used in regulatory proceedings is presented as follows:

Equation 3:
Weighted Average Cost of Capital

$$WACC = \left(\frac{D}{D+E}\right) C_D + \left(\frac{E}{D+E}\right) C_E$$

where:
$WACC$ = *weighted average cost of capital*
D = *book value of debt*
C_D = *embedded cost of debt capital*
E = *book value of equity*
C_E = *market-based cost of equity capital*

Thus, the three components of the WACC include the following:

(1) Cost of Equity

(2) Cost of Debt

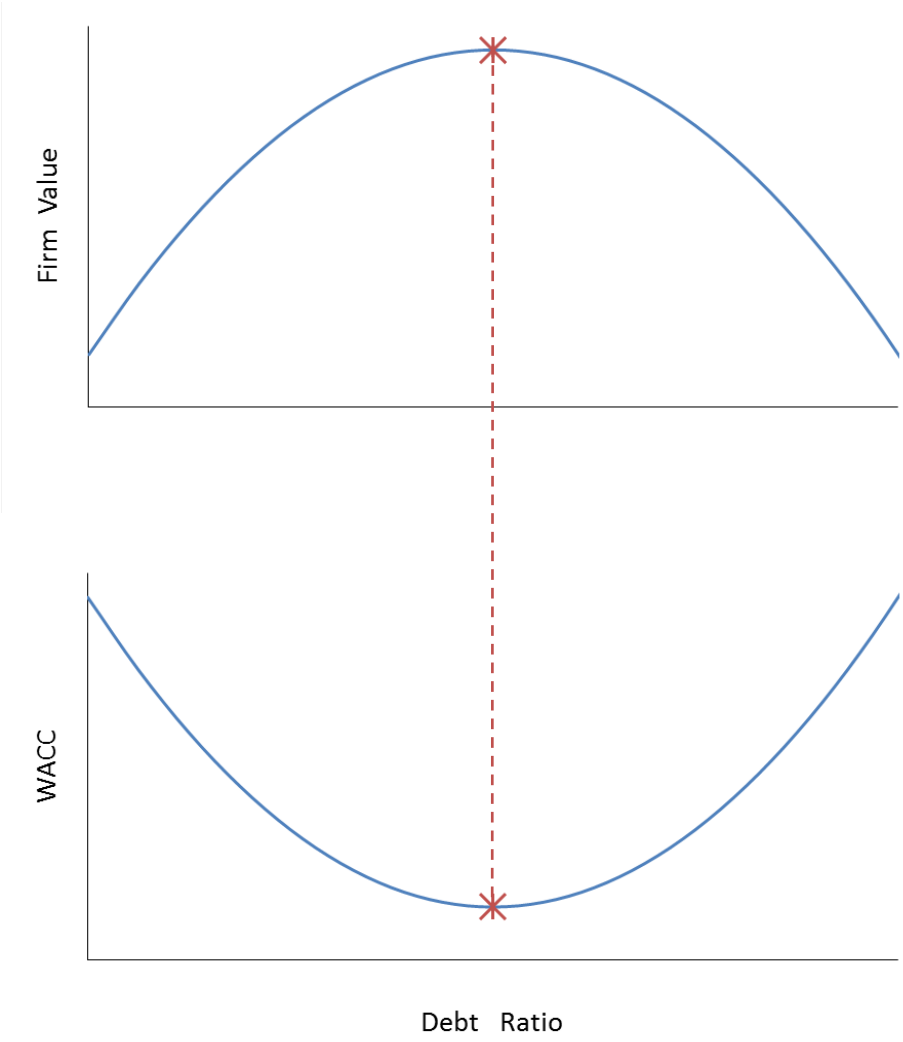
(3) Capital Structure

The term "cost of capital" is necessarily synonymous with the "WACC," and the terms are used interchangeably throughout this testimony.

Q. Is it true that, by increasing debt, competitive firms can add value and reduce their WACC?

A. Yes, it is. A competitive firm can add value by increasing debt. After a certain point, however, the marginal cost of additional debt outweighs its marginal benefit. This is because the more debt the firm uses, the higher interest expense it must pay, and the likelihood of loss increases. This also increases the risk of non-recovery for both bondholders and shareholders, causing both groups of investors to demand a greater return on their investment. Thus, if debt financing is too high, the firm's WACC will increase instead of decrease. The following Figure illustrates these concepts.

Figure 13:
Optimal Debt Ratio



As shown in this figure, a competitive firm's value is maximized when the WACC is minimized. In both graphs, the debt ratio is shown on the x-axis. By increasing its debt ratio, a competitive firm can minimize its WACC and maximize its value. At a certain point, however, the benefits of increasing debt do not outweigh the costs.

Q. Does the rate base rate of return model effectively incentivize utilities to operate at the optimal capital structure?

A. No. While it is true that competitive firms maximize their value by minimizing their WACC, this is not the case for regulated utilities. Under the rate base rate of return model, a higher WACC results in higher rates, all else held constant. The basic revenue requirement equation is as follows:

Equation 4:
Revenue Requirement for Regulated Utilities

$$RR = O + d + T + \boldsymbol{r}(A - D)$$

where:

RR	=	*revenue requirement*
O	=	*operating expenses*
d	=	*depreciation expense*
T	=	*corporate tax*
r	=	***weighted average cost of capital (WACC)***
A	=	*plant investments*
D	=	*accumulated depreciation*

As shown in this equation, utilities can increase their revenue requirement by *increasing* their WACC, not by minimizing it. Thus, because there is no incentive for a regulated utility to minimize its WACC, a Commission standing in the place of competition must ensure that the regulated utility is operating at the lowest reasonable WACC. Left unrestrained, utilities will increase their equity and decrease their debt to unreasonably increase their profits that flow through to shareholders.

Q. Can utilities generally afford to have higher debt levels than other industries?

A. Yes. Because regulated utilities have large amounts of fixed assets, stable earnings, and low risk relative to other industries, they can afford to have relatively higher debt ratios (or "leverage"). As aptly stated by Dr. Damodaran:

> Since financial leverage multiplies the underlying business risk, it stands to reason that firms that have high business risk should be reluctant to take on financial leverage. It also stands to reason that firms that operate in stable businesses should be much more willing to take on financial leverage. *Utilities*, for instance, have historically had high debt ratios but have not had high betas, mostly because their underlying businesses have been stable and fairly predictable.[69]

Note that Dr. Damodaran explicitly contrasts utilities with firms that have high underlying business risk. Because utilities have low levels of risk and operate a stable business, they should generally operate with relatively high levels of debt to achieve their optimal capital structure.

A. Proxy, Parent, and Industry Debt Ratios

Q. Please describe the debt ratios of the proxy group.

A. According to Value Line, the average capital structure mix for the proxy group consists of 51% debt and 49% equity.[70] This debt ratio is notably higher than Peoples' proposed capital structure consisting of only 46% debt. More importantly, this means that Peoples has a lower level of financial risk relative to the proxy group – a discrepancy that can be mathematically accounted for in terms of cost of equity estimation through the Hamada Model, which is discussed in more detail below.

Q. Please discuss the debt ratio of Peoples' parent company, Essential.

A. Peoples is a wholly owned subsidiary of Essential Utilities. Essential had a debt ratio of 54%, which is significantly higher than the Company's proposed debt ratio of only 46%.[71]

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[69] *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset*, p. 196 (emphasis added).

[70] Exhibit DJG-13.

[71] *See* Value Line Investment Survey.

This discrepancy between the debt ratios of the parent and subsidiary is significant for ratemaking purposes. Since Peoples is a wholly owned subsidiary of Essential, the Company's "equity" on its balance sheet is funded by its parent company. Because Essential has a debt ratio of 54%, this means that the parent company is using debt to finance the purchase of Peoples' equity; a strategy known as "double leveraging." Effectively, the parent company is taking cheap debt, rebranding it as "equity" on Peoples' balance sheet and proposing a much higher return on that money. This arrangement amounts to financial arbitrage, and is clearly unfair to customers, as it would require them to pay a high equity return on the utility's low-cost debt. Moreover, it demonstrates that the utility is cable of operating at a debt ratio as high as 54%. Adopting my capital structure recommendation would mitigate the unfair effects of double leverage that would otherwise be imposed on customers.

Q. Please describe the debt ratios recently observed in competitive U.S. industries.

A. There are more than 2,000 firms in U.S. industries with higher debt ratios than 50%, and with an average debt ratio of about 61%.[72] The following figure shows a sample of these industries with debt ratios higher than 56%.

[72] *See* Exhibit DJG-14.

Figure 14:
Industries with Debt Ratios Greater than 56%

Industry	# Firms	Debt Ratio
Financial Svcs. (Non-bank & Insurance)	166	92%
Hotel/Gaming	65	86%
Brokerage & Investment Banking	30	80%
Retail (Automotive)	29	80%
Hospitals/Healthcare Facilities	33	76%
Air Transport	24	76%
Bank (Money Center)	15	71%
Rubber& Tires	3	67%
Recreation	50	66%
Food Wholesalers	14	66%
Transportation	21	66%
Computers/Peripherals	35	65%
Cable TV	9	65%
Advertising	54	64%
Retail (Grocery and Food)	17	64%
Retail (Special Lines)	98	64%
Telecom (Wireless)	11	63%
Power	48	62%
R.E.I.T.	192	62%
Oil/Gas Distribution	24	62%
Transportation (Railroads)	4	62%
Telecom. Services	32	62%
Chemical (Diversified)	4	61%
Auto & Truck	34	61%
Aerospace/Defense	67	60%
Broadcasting	22	60%
Packaging & Container	22	60%
Apparel	37	59%
Beverage (Soft)	29	59%
Utility (General)	14	59%
Retail (Distributors)	66	58%
Farming/Agriculture	35	57%
Green & Renewable Energy	18	57%
Information Services	16	57%
Total / Average	**1,338**	**66%**

Many of the industries shown here, like public utilities, are generally well-established industries with large amounts of capital assets. The shareholders of these industries generally prefer these higher debt ratios in order to maximize their profits. There are several notable industries that are relatively comparable to public utilities. For example, the Cable TV, Telecom, Power, and Telecom industries all have an average debt ratios of at least 60%.

Q. Are you basing your capital structure recommendation on any industry or company outside of the proxy group?

A. No. I am primarily basing my capital structure recommendation on the average capital structure of the proxy group. I present the capital structures observed in other competitive industries to show it is not uncommon for firms to operate with relatively higher amounts of leverage.

B. The Hamada Model: Capital Structure's Effect on ROE

Q. Have you considered the impact that your capital structure recommendation could have on the company's indicated cost of equity?

A. Yes. I assessed the impact of my capital structure proposal on the Company's cost of equity estimate by using the Hamada model.

Q. What is the premise of the Hamada model?

A. The Hamada formula can be used to analyze changes in a firm's cost of capital as it adds or reduces financial leverage, or debt, in its capital structure by starting with an "unlevered" beta and then "relevering" the beta at different debt ratios. As leverage increases, equity investors bear increasing amounts of risk, leading to higher betas. Before the effects of financial leverage can be accounted for, however, the effects of leverage must first be

removed, which is accomplished through the Hamada formula. The Hamada formula for unlevering beta is stated as follows:[73]

Equation 5:
Hamada Formula

$$\beta_U = \frac{\beta_L}{\left[1 + (1 - T_c)\left(\frac{D}{E}\right)\right]}$$

where: β_U = *unlevered beta (or "asset" beta)*
β_L = *average levered beta of proxy group*
T_C = *corporate tax rate*
D = *book value of debt*
E = *book value of equity*

Using this equation, the beta for the firm can be unlevered, and then "relevered" based on various debt ratios (by rearranging this equation to solve for β_L).

Q. Please summarize the results of the Hamada formula based on the average capital structure of the proxy group.

A. The average capital structure of the proxy group consists of 51% debt and 49% equity. Because Peoples' debt ratio is notably lower than that of the proxy group, when Peoples is "relevered" to match the proxy group, it results in a lower ROE than if Peoples had been operating with a capital structure equal to that of the proxy group. This makes sense because Peoples has less financial risk relative to the proxy group due to the lower amount of debt in its capital structure. The results of my Hamada model are presented in the following figure.

[73] Damodaran *supra* n. 22 at 197. This formula was originally developed by Hamada in 1972.

Figure 15:
Hamada Model ROE

Unlevering Beta		
Proxy Debt Ratio	51%	[1]
Proxy Equity Ratio	49%	[2]
Proxy Debt / Equity Ratio	1.0	[3]
Tax Rate	21%	[4]
Equity Risk Premium	4.9%	[5]
Risk-free Rate	5.0%	[6]
Proxy Group Beta	0.77	[7]
Unlevered Beta	0.42	[8]

[9]	[10]	[11]	[12]
Relevered Betas and Cost of Equity Estimates			
Debt Ratio	D/E Ratio	Levered Beta	Cost of Equity
0%	0.0	0.42	7.1%
20%	0.3	0.51	7.5%
25%	0.3	0.53	7.7%
30%	0.4	0.57	7.8%
46%	0.8	0.70	8.5%
51%	1.0	0.77	8.8%
60%	1.5	0.92	9.6%

According to the results of the Hamada model, if the Commission were to adopt the Company's proposed capital structure, its indicated cost of equity estimate (under the CAPM) would be 8.5%.[74]

[74] *See* Exhibit DJG-15.

Q. Please summarize your conclusions regarding the Hamada Model and your recommendation to the Commission.

A. Based on the results of the Hamada Model, if the Commission does not make an adjustment to Peoples' ratemaking capital structure in this case, then the Company's estimated cost of equity is only 8.5%. However, I recommend the Commission impute a ratemaking capital structure consisting of 51% debt and 49% equity for Peoples, which is equal to the proxy group average. If the Commission imputes this capital structure, then Peoples' estimated cost of equity under the CAPM is 8.8%.

IX. RATE OF RETURN CONCLUSION

Q. Please summarize your analyses and conclusions regarding Peoples' cost of equity.

A. A utility's awarded ROE should be based on its cost of equity, which can be estimated using various financial models. In estimating Peoples' cost of equity, I performed a cost of equity analysis on a proxy group of utility companies using the two most widely used and widely accepted financial models for calculating cost of equity in utility rate proceedings: the CAPM and DCF Model. I conducted two variations of both the CAPM and DCF Model. The results are shown in the figure below.

Figure 16:
Cost of Equity Model Summary

Model	Cost of Equity
CAPM (at Proxy Debt Ratio)	8.8%
Hamada CAPM (at Company-Proposed Debt Ratio)	8.5%
DCF Model (Analyst Growth)	7.6%
DCF Model (Sustainable Growth)	7.1%
Model Average	**8.0%**
Recommended ROE	**8.8%**

As shown in this figure, the average result of my models is 8.0%, and my recommended authorized ROE is 8.8%, which represents the top end of my modeling range.

PART TWO: DEPRECIATION

X. REGULATORY STANDARDS

Q. Please discuss the standard by which regulated utilities are allowed to recover depreciation expense.

A. In *Lindheimer v. Illinois Bell Telephone Co.*, the U.S. Supreme Court stated "depreciation is the loss, not restored by current maintenance, which is due to all the factors causing the ultimate retirement of the property. These factors embrace wear and tear, decay, inadequacy, and obsolescence."[75] The *Lindheimer* Court also recognized that the original

[75] *Lindheimer v. Illinois Bell Tel. Co.*, 292 U.S. 151, 167 (1934).

cost of plant assets, rather than present value or some other measure, is the proper basis for calculating depreciation expense.[76] Moreover, the *Lindheimer* Court found:

> [T]he company has the burden of making a convincing showing that the amounts it has charged to operating expenses for depreciation have not been excessive. That burden is not sustained by proof that its general accounting system has been correct. The calculations are mathematical, but the predictions underlying them are essentially matters of opinion.[77]

Thus, the Commission must ultimately determine if Peoples has met its burden of proof by making a convincing showing that its proposed depreciation rates are not excessive.

A. Depreciation System

Q. Please discuss the definition and general purpose of a depreciation system, as well as the specific depreciation system you employed for this project.

A. The legal standards set forth above do not mandate a specific procedure for conducting depreciation analysis. These standards, however, direct that analysts use a system for estimating depreciation rates that will result in the "systematic and rational" allocation of capital recovery for the utility. Over the years, analysts have developed "depreciation systems" designed to analyze grouped property in accordance with this standard. A depreciation system may be defined by several primary parameters, including: 1) a method of allocation; 2) a procedure for applying the method of allocation; 3) a technique of applying the depreciation rate; and 4) a model for analyzing the characteristics of vintage

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[76] *Id*. (Referring to the straight-line method, the *Lindheimer* Court stated that "[a]ccording to the principle of this accounting practice, the loss is computed upon the actual cost of the property as entered upon the books, less the expected salvage, and the amount charged each year is one year's pro rata share of the total amount."). The original cost standard was reaffirmed by the Court in *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591, 606 (1944). The *Hope* Court stated: "Moreover, this Court recognized in [*Lindheimer*], supra, the propriety of basing annual depreciation on cost. By such a procedure the utility is made whole and the integrity of its investment maintained. No more is required."

[77] *Id*. at 169.

property groups.[78] In this case, I used the straight-line method, the average life group procedure, the remaining life technique, and the broad group model.[79]

Q. Did both Mr. Spanos and you use the same depreciation system?

A. No. Pertinently, Mr. Spanos used the equal life group ("ELG") method instead of the average life group ("ALG") method for vintages since 1983. I discuss the differences between these methods in more detail below.

B. Average Life vs Equal Life Method

Q. Explain the primary difference between the ALG and ELG methods.

A. In the ALG method, a constant accrual rate based on the average life of all property in the group is applied to the surviving property.[80] In the ELG method, property is divided into subgroups that each have a common life. Pertinently, the ELG method results in higher depreciation rates in the early years of a vintage's life. This fact is confirmed by authoritative depreciation literature. According to Wolf:

> When contrasted with the average life procedure, the equal life group procedure results in annual accruals that are higher during the early years and lower in the later years.[81]

The NARUC Public Utility Depreciation Practices also makes the same conclusion about the equal life procedure:

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[78] *See* Wolf & W. Chester Fitch, Depreciation Systems 70, 140 (Iowa State University Press 1994).
[79] *See* Appendix C for further discussion.

[80] *Id*. at 74-75.
[81] *Id*. at 93 (emphasis added).

> [T]he ELG method results in annual accruals that are higher during the early years of a vintage's life, thereby causing an increase in depreciation expense and revenue requirements during these years.[82]

In contrast, use of the average life results in the same depreciation rate applied to each age interval.

Q. Based on your experience in other regulatory jurisdictions and knowledge of the industry, which method is more commonly used?

A. In my experience, the ALG method is used by analysts and adopted by regulators in the vast majority of jurisdiction and in the vast majority of cases.

Q. Does Mr. Spanos typically use the ALG method in other jurisdictions?

A. Yes. According to Mr. Spanos: "In other jurisdictions he utilizes the ALG procedure more due to precedent in those states."[83]

Q. Have you successfully argued for a change from the ELG method to ALG method in another jurisdiction?

A. Yes. In Duke Energy Indiana's ("DEI") 2020 rate case, the company proposed ELG depreciation rates, which had been adopted by the Indiana commission in previous cases. In that case, I and other parties argued that the ALG method should be used. The Indiana Commission found as follows:

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[82] National Association of Regulatory Utility Commissioners, *Public Utility Depreciation Practices* 176 (NARUC 1996) (emphasis added).
[83] *See* response to OCA-IX-021(e).

> First, with respect to the question of whether the ELG or ALG method should be used, we find the evidence presented by OUCC witness Mr. Garrett and Industrial Group witness Mr. Andrews persuasive, as both witnesses showed that the ELG method results in unreasonably high depreciation rates. ALG depreciation rates result in systematical and rational cost recovery with near term customer rate relief and full cost recovery of utility investments. While we have determined in the past that the ELG methodology was appropriate and acknowledge the weight given to precedent in many prior decisions, we always evaluate each case as it comes before us and do not need to approve the same methodology based on prior decisions, especially in light of a changed landscape. The use of ELG in a higher than average investment cycle has the effect of unnecessarily increasing the near term depreciation expense as compared to the use of ALG.[84]

In the DEI case, the Commission correctly noted that the ELG method can result in unreasonably high depreciation rates. In order for the ELG method to be properly applied, a utility would need to revise depreciation each year. However, given the logistical realities involved with prosecuting rate cases, this would be impractical and inefficient. When a utility has made substantial, recent capital investments, depreciation expense calculated under the ELG method will always be higher than the expense calculated under the ALG method. The larger the amount of the investments, the larger the discrepancy will be between the two procedures. The Indiana commission's criticism of the ELG method would also apply here.

Q. Have you successfully argued for a change from the ELG method to ALG method in other jurisdictions?

A. Yes. More recently, in Atmos Energy's application before the Mississippi Public Service Commission, I testified on behalf of the commission staff and recommended the ALG

[84] Cause No. 45253, Order of the Commission, p. 90, (June 29, 2020).

method instead of the company-proposed ELG method. Adopting my position, the Mississippi Commission stated:

> The Commission finds that the depreciation rates as proposed by Staff, based on the standard ALG method, result in a just and reasonable depreciation expense to customers that appropriately compensates the Company for a return of its investment in plant, and Atmos is directed to adopt the ALG procedure for establishing depreciation rates in Mississippi.[85]

Q. Are you aware of other Public Utility Commissions that have rejected the use of ELG?

A. Yes. The Kentucky Public Service Commission ("Kentucky PSC") found that the ELG procedure front-loads depreciation expense in earlier years and decreases it in the later years of an asset's depreciation life, creating a mismatch of revenues and expenses. The Kentucky PSC states reasoning for rejecting the ELG is as follows:

> Duke Kentucky proposes, as part of developing its depreciation rates, the continued use of the ELG procedure. The Attorney General recommends the Commission adopt the ALG procedure in developing Duke Kentucky's depreciation rates. The Attorney General contends that the ALG methodology is the predominant method that is used in the electric industry for developing depreciation rates. The Attorney General contends that, under the ELG methodology, the capital recovery periods are accelerated and shortened and, thus, the depreciation rates are greater than if the ALG procedure was used. The Attorney General argues that the ALG procedure is as accurate as the ELG procedure and the ALG procedure smooths the data so that the depreciation rates for the group of assets tend to remain constant. Use of the ALG procedure will result in a decrease in Duke Kentucky's depreciation expense of $6.920 million.
>
> Duke Kentucky requested an increase in depreciation expense of $6.920 million, based on its request to utilize the ELG procedure for computing depreciation rates. As was discussed in the rate base section of this Order, this Commission has found that the ELG procedure does not accurately match revenues and expenses, is front-loaded, and Duke Kentucky is the

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[85] *Application of Atmos Energy Corporation*, Order, at 20.

only Kentucky based utility that utilizes the ELG procedure for computing depreciation rates.

Regulatory accounting requires the proper matching of revenues and expense in order to produce fair, just and reasonable rates. The Commission finds Duke Kentucky's proposed ELG procedure does not meet that criteria and that Duke Kentucky's depreciation expense should be reduced by $6.920 million.[86]

Q. Please provide an example of how the ELG method results in higher depreciation rates in earlier years relative to the ALG method.

A. For the following illustration, assume a group of property containing two units, one with an original cost of $4,000 and a 4-year life and the second with an original cost of $6,000 and an 8-year life.[87] Thus, the average life of this group is 6.4 years.[88] Under the ALG method, the depreciation rate is 15.625% per year (1/6.4 = 15.625%). The following table illustrates this example.

Figure 1:
ALG Procedure

Year	Balance	Retired	Rate	Annual Accrual	Accum. Deprec.
1974	10000		15.625%	1563	0
1975	10000		15.625%	1563	1563
1976	10000		15.625%	1563	3125
1977	10000	4000	15.625%	1563	4688
1978	6000		15.625%	938	2250
1979	6000		15.625%	938	3188
1980	6000		15.625%	938	4125
1981	6000	6000	15.625%	938	5063
1982	0				0

[86] In the Matter of: Electronic Application of Duke Energy Kentucky, Inc., Kentucky PSC, Order at pages 26 27, Case No. 2017-00321, (https://psc.ky.gov/pscscf/2017%20Cases/2017-00321//20180413_PSC_ORDER.pdf).

[87] *See* Wolf & W. Chester Fitch, Depreciation Systems 82 (Iowa State University Press 1994).

[88] AL = [($4,000 x 4) + ($6,000 x 8)] / $10,000 = 6.4 years.

As shown in the annual accrual column above, the full $10,000 is depreciated after eight years. Now, considering the same assumptions presented above, the following tables illustrate the same scenario except that the rate is calculated under the ELG method.

Figure 2:
ELG Procedure

Year	Balance	Retired	Rate	Annual Accrual	Accum. Deprec.
1974	10000		17.50%	1750	0
1975	10000		17.50%	1750	1750
1976	10000		17.50%	1750	3500
1977	10000	4000	17.50%	1750	5250
1978	6000		12.50%	750	3000
1979	6000		12.50%	750	3750
1980	6000		12.50%	750	4500
1981	6000	6000	12.50%	750	5250
1982	0				0

As with the ALG example presented above, the full $10,000 investment is still fully depreciated after eight years. However, there are higher rates and accrual amounts during the earlier years. The reason there is a 17.5% depreciation rate instead of a 15.625% depreciation rate in the early years is because the two units in this group are treated separately under the ELG method. The following table shows how the rates in this example are calculated.

Figure 3:
ELG Rate Development

				Annual Accrual	
Group	Group Amount	Group Life	Group Rate	1974-77	1978-81
A	4000	4	25.00%	1000	
B	6000	8	12.50%	750	750
Annual accruals				1750	750
Balance during interval				10000	6000
Annual accrual rate %				17.50%	12.50%

This example is simplified in an attempt to explain the complexities of the ELG method. In this example, the higher rate of 17.5% stayed the same for four years because there are only two units in this simple example, and the rate drops to 12.5% after the first unit retires.

Q. Please summarize your recommendation regarding the depreciation system that should be used to calculate the Company's depreciation rates.

A. As demonstrated above, the ALG method results in a fairer application of depreciation rates compared to the ELG method given the realities of ratemaking proceedings. Thus, the Commission should reject the Company's use of the ELG method, which effectively results in an accelerated form of cost recovery from consumers. The Company's use of the ELG method increases the annual depreciation accrual charged to customers by $27.1 million in the 2025 Study, by $31.4 million in the 2026 Study, and by $36.4 million in the 2027 Study. In other words, even if there are no adjustments to the net salvage rates, service life, or other depreciation parameters for any accounts in the depreciation study, using the majority-view ALG method alone will result in significantly lower depreciation rates and expense.

XI. SERVICE LIFE ANALYSIS

Q. Describe the methodology used to estimate the service lives of grouped depreciable assets.

A. The process used to study industrial property retirement is rooted in the actuarial process used to study human mortality. Just as actuarial analysts study historical human mortality data to predict how long a group of people will live, depreciation analysts study historical plant data to estimate the average lives of property groups. The most common actuarial method used by depreciation analysts is called the "retirement rate method." In the retirement rate method, original property data, including additions, retirements, transfers, and other transactions, are organized by vintage and transaction year.[89] The retirement rate method is ultimately used to develop an "observed life table," ("OLT") which shows the percentage of property surviving at each age interval. This pattern of property retirement is described as a "survivor curve." The survivor curve derived from the observed life table, however, must be fitted and smoothed with a complete curve in order to determine the ultimate average life of the group.[90] The most widely used survivor curves for this curve fitting process were developed at Iowa State University in the early 1900s and are commonly known as the "Iowa curves."[91] A more detailed explanation of how the Iowa curves are used in the actuarial analysis of depreciable property is set forth in Appendix C.

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[89] The "vintage" year refers to the year that a group of property was placed in service (aka "placement" year). The "transaction" year refers to the accounting year in which a property transaction occurred, such as an addition, retirement, or transfer (aka "experience" year).

[90] *See* Appendix C for a more detailed discussion of the actuarial analysis used to determine the average lives of grouped industrial property.

[91] *See* Appendix B for a more detailed discussion of the Iowa curves.

Q. Describe how you analyzed Peoples' historical retirement data in order to determine the most reasonable Iowa curve to apply to each account.

A. The Company's aged property data is used to create OLTs for each account. The data points on the OLT can be plotted to form a curve (the "OLT curve"). The OLT curve is not a theoretical curve; rather, it is actual observed data from the Company's records that indicate the rate of retirement for each property group. An OLT curve by itself, however, is rarely a smooth curve, and is often not a "complete" curve (i.e., it does not end at zero percent surviving). In order to calculate average life (the area under a curve), a complete survivor curve is required. The Iowa curves are empirically derived curves based on the extensive studies of the actual mortality patterns of many different types of industrial property. The curve-fitting process involves selecting the best Iowa curve to fit the OLT curve. This can be accomplished through a combination of visual and mathematical curve-fitting techniques, as well as professional judgment.

Q. Is mathematical fitting an important part of the curve-fitting process?

A. Yes. Mathematical curve fitting promotes objective, unbiased results. While mathematical curve-fitting is important, it may not always yield the optimum result. Simply determining which Iowa curve best fits an OLT curve ignores professional judgment that may be needed for specific situations. For example, if there is insufficient historical data in a particular account and the OLT curve derived from that data is relatively short and flat, the mathematically "best" curve may be one with a very long average life. However, when there is sufficient data available, mathematical curve fitting can be used as part of an objective service life analysis.

Q. Should every portion of the OLT curve be given equal weight?

A. Not necessarily. Many analysts have observed that the points towards the end of OLT curves may often have less analytical value than other portions of the curve. Indeed, "[p]oints at the end of the curve are often based on fewer exposures and may be given less weight than points based on larger samples. The weight placed on those points will depend on the size of the exposures."[92] In accordance with this standard, an analyst may decide to truncate the tail end of the OLT curve at a certain percent of initial exposures, such as one percent. Using this approach puts greater emphasis on the most valuable portions of the curve. For my analysis in this case, I not only considered the entirety of the OLT curve, but also conducted further analyses that involved fitting Iowa curves to the most significant part of the OLT curve for certain accounts.

Q. Are you recommending service life adjustments in this case based on the following analyses?

A. No. Arguments could be made for why several of the Company's proposed service lives could be moderately longer as demonstrated below, which would have a decreasing effect on depreciation rates; however, I am not recommending any actual service life adjustments in this case. This is because I believe it is much more important for the Commission to focus on the ALG vs ELG issue and limit the accelerated form of cost recovery that would unfairly burden customers under the ELG method proposed by Mr. Spanos.

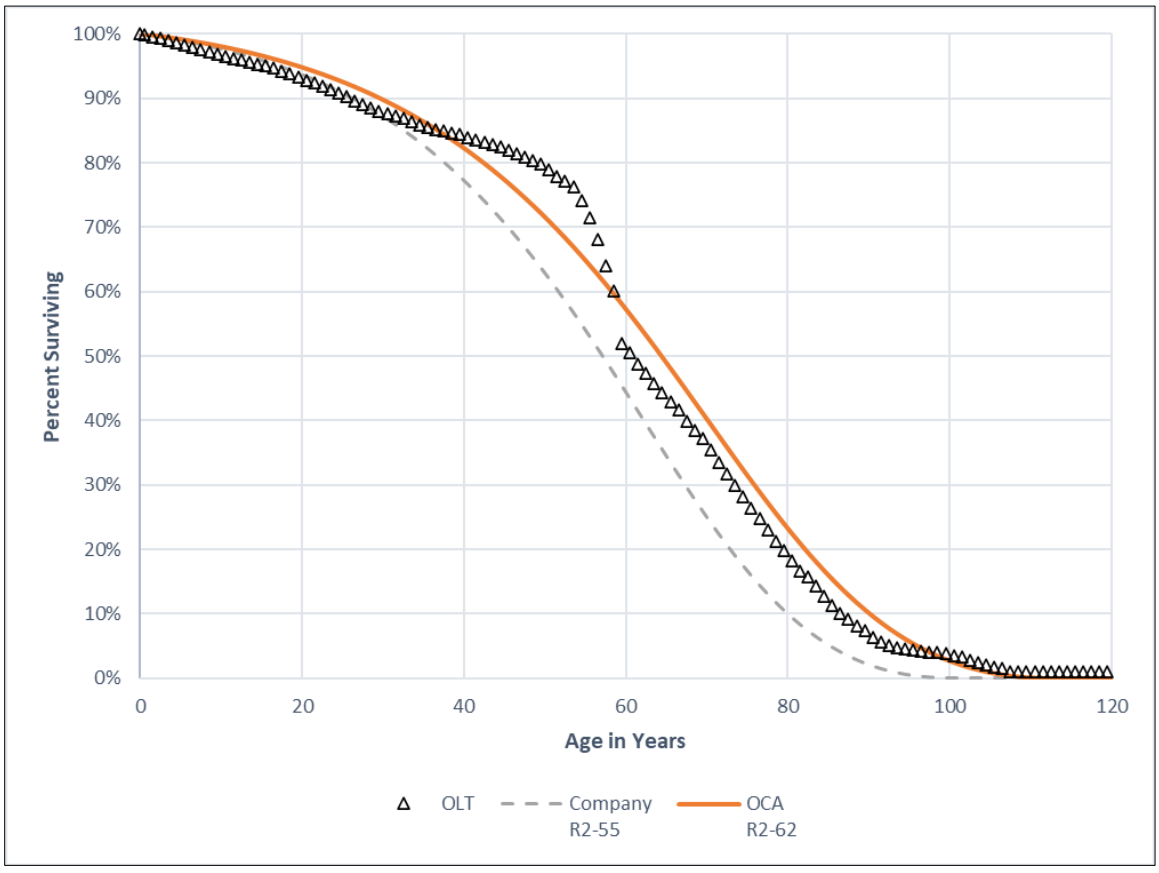
[92] Wolf & W. Chester Fitch, Depreciation Systems 46 (Iowa State University Press 1994).

A. Account 380 – Services

Q. Please describe your service life estimate for this account and compare it with the Company's estimate.

A. The observed survivor curve (OLT curve) derived from the Company's data for this account is presented in the graph below. The graph also shows the Iowa curves Mr. Spanos and I selected to represent the average remaining life of the assets in this account. For this account, Mr. Spanos selected the R2-55 Iowa curve, and I selected the R2-62 Iowa curve.

Figure 4:
Account 376.10 – Steel Mains



As shown in this graph, the Iowa curve selected by Mr. Spanos is shorter than the retirement pattern indicated in the OLT curve. Based on this evidence, the depreciation rate he

proposes for this account is arguably too high. Mathematical curve fitting techniques can be used to further assess the results.

Q. Does the R2-55 Iowa curve result in a closer mathematical fit to the OLT curve for this account?

A. Yes. While visual curve-fitting techniques can help identify the most statistically relevant portions of the OLT curve for this account, mathematical curve-fitting techniques can also help us determine which of the proposed Iowa curves results in the closest fit. In circumstances in which there is an adequate amount of retirement experience (i.e., the OLT curve is long enough) and there is no significant evidence presented beyond the statistical data to justify a meaningful deviation from the retirement pattern indicated in the OLT curve, then mathematical curve fitting results should arguably be given more consideration in the curve selection process. Mathematical curve-fitting essentially involves measuring the distance between the OLT curve and the selected Iowa curve. The best mathematically-fitting curve is the one that minimizes the distance between the OLT curve and the Iowa curve, thus providing the closest fit. Professional judgment is also used to ensure that the selected Iowa curve is not unreasonable based on industry norms. The distance between the curves is calculated using the "sum-of-squared differences" ("SSD") technique. For this account, the SSD between the Company's curve and the OLT curve is 0.7020, and the SSD between the R2-62 Iowa curve I selected and the OLT curve is 0.1503, which means it results in the closer fit.[93]

[93] Exhibit DJG-24.

XII. DEPRECIATION CONCLUSION

Q. Please reiterate your recommendation regarding the Company's proposed depreciation rates.

A. The depreciation rates proposed by the Company for the 2025 Study, 2026 Study, and 2027 Study are based in part on the ELG method, which results in a form of accelerated depreciation that unfairly burdens current customers. My proposed depreciation rates are calculated exclusively using the majority-view ALG method, and they result in fairer depreciation rates. I recommend the Commission adopt the depreciation rates presented in my exhibits.

XIII. RECOMMENDATION

Q. What is your recommendation to the Commission regarding the Company's authorized rate of return.

A. The Commission should authorize an ROE of 8.8% for Peoples. The Commission should also authorize a capital structure for ratemaking purposes consisting of 51% debt and 49% equity. Alternatively, if the Commission accepts the Company's proposed capital structure, then I recommend an authorized ROE of 8.5% for the Company. My recommendations regarding Peoples' rate of return are summarized in the following figures.

Figure 17:
Primary Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	51.0%	4.61%	2.35%
Common Equity	49.0%	8.80%	4.31%
Total	100.0%		6.66%

Figure 18:
Alternative Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	45.5%	4.61%	2.10%
Common Equity	54.5%	8.50%	4.63%
Total	100.0%		6.73%

Q. What is your recommendation to the Commission regarding the Company's authorized depreciation rates?

A. I recommend that the Commission authorize depreciation rates for Peoples' assets that are calculated using the average life group ("ALG") method for all vintage years. The Commission should reject Peoples continued use of the ELG method, which effectively results in an accelerated form of cost recovery from consumers. Adopting my proposed depreciation rates under the ALG method would reduce Peoples' proposed depreciation accrual by $27.1 million in the 2025 Study, by $31.5 million in the 2026 Study, and by $36.8 million in the 2027 Study.

Q. Does this conclude your testimony?

A. Yes.

APPENDIX A:

DISCOUNTED CASH FLOW MODEL THEORY

The Discounted Cash Flow ("DCF") Model is based on a fundamental financial model called the "dividend discount model," which maintains that the value of a security is equal to the present value of the future cash flows it generates. Cash flows from common stock are paid to investors in the form of dividends. There are several variations of the DCF Model. In its most general form, the DCF Model is expressed as follows:[1]

Equation 1:
General Discounted Cash Flow Model

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \cdots + \frac{D_n}{(1+k)^n}$$

where: P_0 = *current stock price*
$D_1 \ldots D_n$ = *expected future dividends*
k = *discount rate / required return*

The General DCF Model would require an estimation of an infinite stream of dividends. Since this would be impractical, analysts use more feasible variations of the General DCF Model, which are discussed further below.

The DCF Models rely on the following four assumptions:

1. Investors evaluate common stocks in the classical valuation framework; that is, they trade securities rationally at prices reflecting their perceptions of value;
2. Investors discount the expected cash flows at the same rate (K) in every future period;

[1] *See* Zvi Bodie, Alex Kane & Alan J. Marcus, *Essentials of Investments* 410 (9th ed., McGraw-Hill/Irwin 2013).

3. The K obtained from the DCF equation corresponds to that specific stream of future cash flows alone; and

4. Dividends, rather than earnings, constitute the source of value.

The General DCF can be rearranged to make it more practical for estimating the cost of equity. Regulators typically rely on some variation of the Constant Growth DCF Model, which is expressed as follows:

Equation 2:
Constant Growth Discounted Cash Flow Model

$$K = \frac{D_1}{P_0} + g$$

where: K = *discount rate / required return on equity*
D_1 = *expected dividend per share one year from now*
P_0 = *current stock price*
g = *expected growth rate of future dividends*

Unlike the General DCF Model, the Constant Growth DCF Model solves directly for the required return (K). In addition, by assuming that dividends grow at a constant rate, the dividend stream from the General DCF Model may be essentially substituted with a term representing the expected constant growth rate of future dividends (g). The Constant Growth DCF Model may be considered in two parts. The first part is the dividend yield (D_1/P_0), and the second part is the growth rate (g). In other words, the required return in the DCF Model is equivalent to the dividend yield plus the growth rate.

In addition to the four assumptions listed above, the Constant Growth DCF Model relies on four additional assumptions as follows:[2]

[2] *Id.* at 254-56.

1. The discount rate (K) must exceed the growth rate (g);
2. The dividend growth rate (g) is constant in every year to infinity;
3. Investors require the same return (K) in every year; and
4. There is no external financing; that is, growth is provided only by the retention of earnings.

Because the growth rate in this model is assumed to be constant, it is important not to use growth rates that are unreasonably high. In fact, the constant growth rate estimate for a regulated utility with a defined service territory should not exceed the growth rate for the economy in which it operates.

APPENDIX B:

CAPITAL ASSET PRICING MODEL THEORY

The Capital Asset Pricing Model ("CAPM") is a market-based model founded on the principle that investors demand higher returns for incurring additional risk.[3] The CAPM estimates this required return. The CAPM relies on the following assumptions:

1. Investors are rational, risk-adverse, and strive to maximize profit and terminal wealth;
2. Investors make choices based on risk and return. Return is measured by the mean returns expected from a portfolio of assets; risk is measured by the variance of these portfolio returns;
3. Investors have homogenous expectations of risk and return;
4. Investors have identical time horizons;
5. Information is freely and simultaneously available to investors.
6. There is a risk-free asset, and investors can borrow and lend unlimited amounts at the risk-free rate;
7. There are no taxes, transaction costs, restrictions on selling short, or other market imperfections; and,
8. Total asset quality is fixed, and all assets are marketable and divisible.[4]

[3] William F. Sharpe, *A Simplified Model for Portfolio Analysis* 277-93 (Management Science IX 1963); *see also* John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do* 208 (3rd ed., South Western Cengage Learning 2010).

[4] *Id*.

While some of these assumptions may appear to be restrictive, they do not outweigh the inherent value of the model. The CAPM has been widely used by firms, analysts, and regulators for decades to estimate the cost of equity capital.

The basic CAPM equation is expressed as follows:

Equation 3:
Capital Asset Pricing Model

$$K = R_F + \beta_i(R_M - R_F)$$

where: K = *required return*
R_F = *risk-free rate*
β = *beta coefficient of asset i*
R_M = *required return on the overall market*

There are essentially three terms within the CAPM equation that are required to calculate the required return (K): (1) the risk-free rate (R_F); (2) the beta coefficient (β); and (3) the equity risk premium ($R_M - R_F$), which is the required return on the overall market less the risk-free rate.

Raw Beta Calculations and Adjustments

A stock's beta equals the covariance of the asset's returns with the returns on a market portfolio, divided by the portfolio's variance, as expressed in the following formula:[5]

Equation 4:
Beta

$$\beta_i = \frac{\sigma_{im}}{\sigma_m^2}$$

where: β_i = *beta of asset i*
σ_{im} = *covariance of asset i returns with market portfolio returns*
σ^2_m = *variance of market portfolio*

[5] John R. Graham, Scott B. Smart & William L. Megginson, *Corporate Finance: Linking Theory to What Companies Do* 180-81 (3rd ed., South Western Cengage Learning 2010).

Betas that are published by various research firms are typically calculated through a regression analysis that considers the movements in price of an individual stock and movements in the price of the overall market portfolio. The betas produced by this regression analysis are considered "raw" betas. There is empirical evidence that raw betas should be adjusted to account for beta's natural tendency to revert to an underlying mean.[6] Some analysts use an adjustment method proposed by Blume, which adjusts raw betas toward the market mean of one.[7] While the Blume adjustment method is popular due to its simplicity, it is arguably arbitrary, and some would say not useful at all. According to Dr. Damodaran: "While we agree with the notion that betas move toward 1.0 over time, the [Blume adjustment] strikes us as arbitrary and not particularly useful."[8] The Blume adjustment method is especially arbitrary when applied to industries with consistently low betas, such as the utility industry. For industries with consistently low betas, it is better to employ an adjustment method that adjusts raw betas toward an industry average, rather than the market average. Vasicek proposed such a method, which is preferable to the Blume adjustment method because it allows raw betas to be adjusted toward an industry average, and also accounts for the statistical accuracy of the raw beta calculation.[9] In other words, "[t]he Vasicek adjustment seeks to overcome one weakness of the Blume model by not applying the same adjustment to every security; rather, a security-specific adjustment is made depending on the

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[6] *See* Michael J. Gombola and Douglas R. Kahl, *Time-Series Processes of Utility Betas: Implications for Forecasting Systematic Risk* 84-92 (Financial Management Autumn 1990).

[7] See Marshall Blume, *On the Assessment of Risk*, Vol. 26, No. 1, The Journal of Finance 1 (1971).

[8] *See* Aswath Damodaran, *Investment Valuation: Tools and Techniques for Determining the Value of Any Asset* 187 (3rd ed., John Wiley & Sons, Inc. 2012).

[9] Oldrich A. Vasicek, *A Note on Using Cross-Sectional Information in Bayesian Estimation of Security Betas* 1233-1239 (Journal of Finance, Vol. 28, No. 5, December 1973).

statistical quality of the regression."[10] The Vasicek beta adjustment equation is expressed as follows:

Equation 5:
Vasicek Beta Adjustment

$$\beta_{i1} = \frac{\sigma^2_{\beta i0}}{\sigma^2_{\beta 0} + \sigma^2_{\beta_{i0}}}\beta_0 + \frac{\sigma^2_{\beta 0}}{\sigma^2_{\beta 0} + \sigma^2_{\beta_{i0}}}\beta_{i0}$$

where: β_{i1} = *Vasicek adjusted beta for security i*
β_{i0} = *historical beta for security i*
β_0 = *beta of industry or proxy group*
$\sigma^2_{\beta 0}$ = *variance of betas in the industry or proxy group*
$\sigma^2_{\beta i0}$ = *square of standard error of the historical beta for security i*

The Vasicek beta adjustment is an improvement on the Blume model because the Vasicek model does not apply the same adjustment to every security. A higher standard error produced by the regression analysis indicates a lower statistical significance of the beta estimate. Thus, a beta with a high standard error should receive a greater adjustment than a beta with a low standard error. As stated in Ibbotson:

[10] 2012 Ibbotson Stocks, Bonds, Bills, and Inflation Valuation Yearbook 77-78 (Morningstar 2012).

> While the Vasicek formula looks intimidating, it is really quite simple. The adjusted beta for a company is a weighted average of the company's historical beta and the beta of the market, industry, or peer group. How much weight is given to the company and historical beta depends on the statistical significance of the company beta statistic. If a company beta has a low standard error, then it will have a higher weighting in the Vasicek formula. If a company beta has a high standard error, then it will have lower weighting in the Vasicek formula. An advantage of this adjustment methodology is that it does not force an adjustment to the market as a whole. Instead, the adjustment can be toward an industry or some other peer group. *This is most useful in looking at companies in industries that on average have high or low betas*.[11]

Thus, the Vasicek adjustment method is statistically more accurate, and is the preferred method to use when analyzing companies in an industry that has inherently low betas, such as the utility industry. The Vasicek method was also confirmed by Gombola, who conducted a study specifically related to utility companies. Gombola concluded that "[t]he strong evidence of auto-regressive tendencies in *utility* betas lends support to the application of adjustment procedures such as the . . . adjustment procedure presented by Vasicek."[12] Gombola also concluded that adjusting raw betas toward the market mean of 1.0 is *too high*, and that "[i]nstead, they should be adjusted toward a value that is less than one."[13] In conducting the Vasicek adjustment on betas in previous

[11] *Id*. at 78 (emphasis added).

[12] Michael J. Gombola and Douglas R. Kahl, *Time-Series Processes of Utility Betas: Implications for Forecasting Systematic Risk* 92 (Financial Management Autumn 1990) (emphasis added).

[13] *Id*. at 91-92.

cases, it reveals that utility betas are even lower than those published by Value Line.[14] Gombola's findings are particular important here, because his study was conducted specifically on utility companies. This evidence indicates that using Value Line's betas in a CAPM cost of equity estimate for a utility company may lead to overestimated results. Regardless, adjusting betas to a level that is *higher* than Value Line's betas is not reasonable, and it would produce CAPM cost of equity results that are too high.

[14] *See e.g.* Responsive Testimony of David J. Garrett, filed March 21, 2016 in Cause No. PUD 201500273 before the Corporation Commission of Oklahoma (the Company's 2015 rate case), at pp. 56 – 59.

APPENDIX C:

THE DEPRECIATION SYSTEM

A depreciation accounting system may be thought of as a dynamic system in which estimates of life and salvage are inputs to the system, and the accumulated depreciation account is a measure of the state of the system at any given time.[15] The primary objective of the depreciation system is the timely recovery of capital. The process for calculating the annual accruals is determined by the factors required to define the system. A depreciation system should be defined by four primary factors: 1) a *method* of allocation; 2) a *procedure* for applying the method of allocation to a group of property; 3) a *technique* for applying the depreciation rate; and 4) a *model* for analyzing the characteristics of vintage groups comprising a continuous property group.[16] The figure below illustrates the basic concept of a depreciation system and includes some of the available parameters.[17]

There are hundreds of potential combinations of methods, procedures, techniques, and models, but in practice, analysts use only a few combinations. Ultimately, the system selected must result in the systematic and rational allocation of capital recovery for the utility. Each of the four primary factors defining the parameters of a depreciation system is discussed further below.

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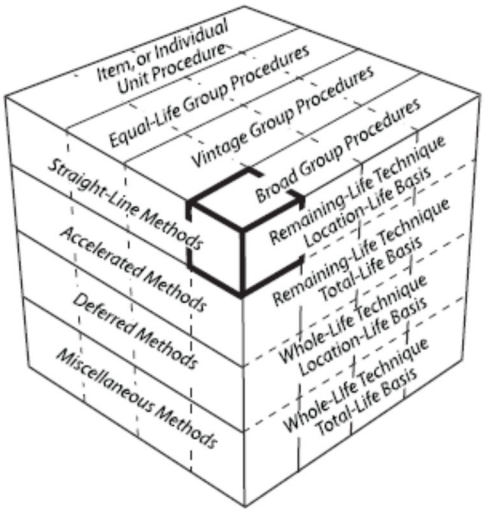
[15] *See* Frank K. Wolf & W. Chester Fitch, *Depreciation Systems* 69-70 (Iowa State University Press 1994).

[16] *Id.* at 70, 139-40.

[17] Edison Electric Institute, *Introduction to Depreciation* (inside cover) (EEI April 2013). Some definitions of the terms shown in this diagram are not consistent among depreciation practitioners and literature due to the fact that depreciation analysis is a relatively small and fragmented field. This diagram simply illustrates the some of the available parameters of a depreciation system.

Figure 1:
The Depreciation System Cube



1. Allocation Methods

The "method" refers to the pattern of depreciation in relation to the accounting periods. The method most commonly used in the regulatory context is the "straight-line method" — a type of age-life method in which the depreciable cost of plant is charged in equal amounts to each accounting period over the service life of plant.[18] Because group depreciation rates and plant balances often change, the amount of the annual accrual rarely remains the same, even when the straight-line method is employed.[19] The basic formula for the straight-line method is as follows:[20]

Equation 6:
Straight-Line Accrual

$$Annual\ Accrual = \frac{Gross\ Plant - Net\ Salavage}{Service\ Life}$$

[18] National Association of Regulatory Utility Commissioners, *Public Utility Depreciation Practices* 56 (NARUC 1996).

[19] *Id*.

[20] *Id*.

Gross plant is a known amount from the utility's records, while both net salvage and service life must be estimated in order to calculate the annual accrual. The straight-line method differs from accelerated methods of recovery, such as the "sum-of-the-years-digits" method and the "declining balance" method. Accelerated methods are primarily used for tax purposes and are rarely used in the regulatory context for determining annual accruals.[21] In practice, the annual accrual is expressed as a rate which is applied to the original cost of plant in order to determine the annual accrual in dollars. The formula for determining the straight-line rate is as follows:[22]

Equation 7:
Straight-Line Rate

$$Depreciation\ Rate\ \% = \frac{100 - Net\ Salvage\ \%}{Service\ Life}$$

2. Grouping Procedures

The "procedure" refers to the way the allocation method is applied through subdividing the total property into groups.[23] While single units may be analyzed for depreciation, a group plan of depreciation is particularly adaptable to utility property. Employing a grouping procedure allows for a composite application of depreciation rates to groups of similar property, rather than excessively conducting calculations for each unit. Whereas an individual unit of property has a single life, a group of property displays a dispersion of lives and the life characteristics of the group must be described statistically.[24] When analyzing mass property categories, it is important that

[21] *Id*. at 57.

[22] *Id*. at 56.

[23] Wolf *supra* n. 15, at 74-75.

[24] *Id*. at 74.

each group contains homogenous units of plant that are used in the same general manner throughout the plant and operated under the same general conditions.[25]

The "average life" and "equal life" grouping procedures are the two most common. In the average life procedure, a constant annual accrual rate based on the average life of all property in the group is applied to the surviving property. While property having shorter lives than the group average will not be fully depreciated, and likewise, property having longer lives than the group average will be over-depreciated, the ultimate result is that the group will be fully depreciated by the time of the final retirement.[26] Thus, the average life procedure treats each unit as though its life is equal to the average life of the group. In contrast, the equal life procedure treats each unit in the group as though its life was known.[27] Under the equal life procedure the property is divided into subgroups that each has a common life.[28]

3. Application Techniques

The third factor of a depreciation system is the "technique" for applying the depreciation rate. There are two commonly used techniques: "whole life" and "remaining life." The whole life technique applies the depreciation rate on the estimated average service life of a group, while the remaining life technique seeks to recover undepreciated costs over the remaining life of the plant.[29]

In choosing the application technique, consideration should be given to the proper level of the accumulated depreciation account. Depreciation accrual rates are calculated using estimates of service life and salvage. Periodically these estimates must be revised due to changing

[25] NARUC *supra* n. 18, at 61-62.

[26] *See* Wolf *supr*a n. 15, at 74-75.

[27] *Id*. at 75.

[28] *Id*.

[29] NARUC *supra* n. 18, at 63-64.

conditions, which cause the accumulated depreciation account to be higher or lower than necessary. Unless some corrective action is taken, the annual accruals will not equal the original cost of the plant at the time of final retirement.[30] Analysts can calculate the level of imbalance in the accumulated depreciation account by determining the "calculated accumulated depreciation," (a.k.a. "theoretical reserve" and referred to in these appendices as "CAD"). The CAD is the calculated balance that would be in the accumulated depreciation account at a point in time using *current* depreciation parameters.[31] An imbalance exists when the actual accumulated depreciation account does not equal the CAD. The choice of application technique will affect how the imbalance is dealt with.

Use of the whole life technique requires that an adjustment be made to accumulated depreciation after calculation of the CAD. The adjustment can be made in a lump sum or over a period of time. With use of the remaining life technique, however, adjustments to accumulated depreciation are amortized over the remaining life of the property and are automatically included in the annual accrual.[32] This is one reason that the remaining life technique is popular among practitioners and regulators. The basic formula for the remaining life technique is as follows:[33]

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[30] Wolf *supra* n. 15, at 83.

[31] NARUC *supra* n. 18, at 325.

[32] NARUC *supra* n. 18, at 65 ("The desirability of using the remaining life technique is that any necessary adjustments of [accumulated depreciation] . . . are accrued automatically over the remaining life of the property. Once commenced, adjustments to the depreciation reserve, outside of those inherent in the remaining life rate would require regulatory approval.").

[33] *Id*. at 64.

Equation 8:
Remaining Life Accrual

$$Annual\ Accrual = \frac{Gross\ Plant - Accumulated\ Depreciation - Net\ Salvage}{Average\ Remaining\ Life}$$

The remaining life accrual formula is similar to the basic straight-line accrual formula above with two notable exceptions. First, the numerator has an additional factor in the remaining life formula: the accumulated depreciation. Second, the denominator is "average remaining life" instead of "average life." Essentially, the future accrual of plant (gross plant less accumulated depreciation) is allocated over the remaining life of plant. Thus, the adjustment to accumulated depreciation is "automatic" in the sense that it is built into the remaining life calculation.[34]

4. Analysis Model

The fourth parameter of a depreciation system, the "model," relates to the way of viewing the life and salvage characteristics of the vintage groups that have been combined to form a continuous property group for depreciation purposes.[35] A continuous property group is created when vintage groups are combined to form a common group. Over time, the characteristics of the property may change, but the continuous property group will continue. The two analysis models used among practitioners, the "broad group" and the "vintage group," are two ways of viewing the life and salvage characteristics of the vintage groups that have been combined to from a continuous property group.

The broad group model views the continuous property group as a collection of vintage groups that each has the same life and salvage characteristics. Thus, a single survivor curve and a

[34] Wolf *supra* n. 15, at 178.

[35] *See* Wolf *supra* n. 15, at 139 (I added the term "model" to distinguish this fourth depreciation system parameter from the other three parameters).

single salvage schedule are chosen to describe all the vintages in the continuous property group. In contrast, the vintage group model views the continuous property group as a collection of vintage groups that may have different life and salvage characteristics. Typically, there is not a significant difference between vintage group and broad group results unless vintages within the applicable property group experienced dramatically different retirement levels than anticipated in the overall estimated life for the group. For this reason, many analysts utilize the broad group procedure because it is more efficient.

APPENDIX D:

IOWA CURVES

Early work in the analysis of the service life of industrial property was based on models that described the life characteristics of human populations.[36] This explains why the word "mortality" is often used in the context of depreciation analysis. In fact, a group of property installed during the same accounting period is analogous to a group of humans born during the same calendar year. Each period the group will incur a certain fraction of deaths / retirements until there are no survivors. Describing this pattern of mortality is part of actuarial analysis and is regularly used by insurance companies to determine life insurance premiums. The pattern of mortality may be described by several mathematical functions, particularly the survivor curve and frequency curve. Each curve may be derived from the other so that if one curve is known, the other may be obtained. A survivor curve is a graph of the percent of units remaining in service expressed as a function of age.[37] A frequency curve is a graph of the frequency of retirements as a function of age. Several types of survivor and frequency curves are illustrated in the figures below.

1. Development

The survivor curves used by analysts today were developed over several decades from extensive analysis of utility and industrial property. In 1931 Edwin Kurtz and Robley Winfrey used extensive data from a range of 65 industrial property groups to create survivor curves representing the life characteristics of each group of property.[38] They generalized the 65 curves

[36] Wolf *supra* n. 15, at 276.

[37] *Id*. at 23.

[38] *Id*. at 34.

into 13 survivor curve types and published their results in *Bulletin 103: Life Characteristics of Physical Property*. The 13 type curves were designed to be used as valuable aids in forecasting probable future service lives of industrial property. Over the next few years, Winfrey continued gathering additional data, particularly from public utility property, and expanded the examined property groups from 65 to 176.[39] This resulted in 5 additional survivor curve types for a total of 18 curves. In 1935, Winfrey published *Bulletin 125: Statistical Analysis of Industrial Property Retirements*. According to Winfrey, "[t]he 18 type curves are expected to represent quite well all survivor curves commonly encountered in utility and industrial practices."[40] These curves are known as the "Iowa curves" and are used extensively in depreciation analysis in order to obtain the average service lives of property groups. (Use of Iowa curves in actuarial analysis is further discussed in Exhibit DJG-23, Appendix E.)

In 1942, Winfrey published *Bulletin 155: Depreciation of Group Properties*. In Bulletin 155, Winfrey made some slight revisions to a few of the 18 curve types, and published the equations, tables of the percent surviving, and probable life of each curve at five-percent intervals.[41] Rather than using the original formulas, analysts typically rely on the published tables containing the percentages surviving. This is because absent knowledge of the integration technique applied to each age interval, it is not possible to recreate the exact original published table values. In the 1970s, John Russo collected data from over 2,000 property accounts reflecting

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[39] *Id*.

[40] Robley Winfrey, *Bulletin 125: Statistical Analyses of Industrial Property Retirements* 85, Vol. XXXIV, No. 23 (Iowa State College of Agriculture and Mechanic Arts 1935).

[41] Robley Winfrey, Bulletin 155: Depreciation of Group Properties 121-28, Vol XLI, No. 1 (The Iowa State College Bulletin 1942); see also Wolf supra n. 15, at 305-38 (publishing the percent surviving for each Iowa curve, including "O" type curve, at one percent intervals).

observations during the period 1965 – 1975 as part of his Ph.D. dissertation at Iowa State. Russo essentially repeated Winfrey's data collection, testing, and analysis methods used to develop the original Iowa curves, except that Russo studied industrial property in service several decades after Winfrey published the original Iowa curves. Russo drew three major conclusions from his research:[42]

1. No evidence was found to conclude that the Iowa curve set, as it stands, is not a valid system of standard curves;

2. No evidence was found to conclude that new curve shapes could be produced at this time that would add to the validity of the Iowa curve set; and

3. No evidence was found to suggest that the number of curves within the Iowa curve set should be reduced.

Prior to Russo's study, some had criticized the Iowa curves as being potentially obsolete because their development was rooted in the study of industrial property in existence during the early 1900s. Russo's research, however, negated this criticism by confirming that the Iowa curves represent a sufficiently wide range of life patterns, and that though technology will change over time, the underlying patterns of retirements remain constant and can be adequately described by the Iowa curves.[43]

Over the years, several more curve types have been added to Winfrey's 18 Iowa curves. In 1967, Harold Cowles added four origin-modal curves. In addition, a square curve is sometimes used to depict retirements which are all planned to occur at a given age. Finally, analysts

[42] *See* Wolf *supra* n. 15, at 37.

[43] *Id*.

commonly rely on several "half curves" derived from the original Iowa curves. Thus, the term "Iowa curves" could be said to describe up to 31 standardized survivor curves.

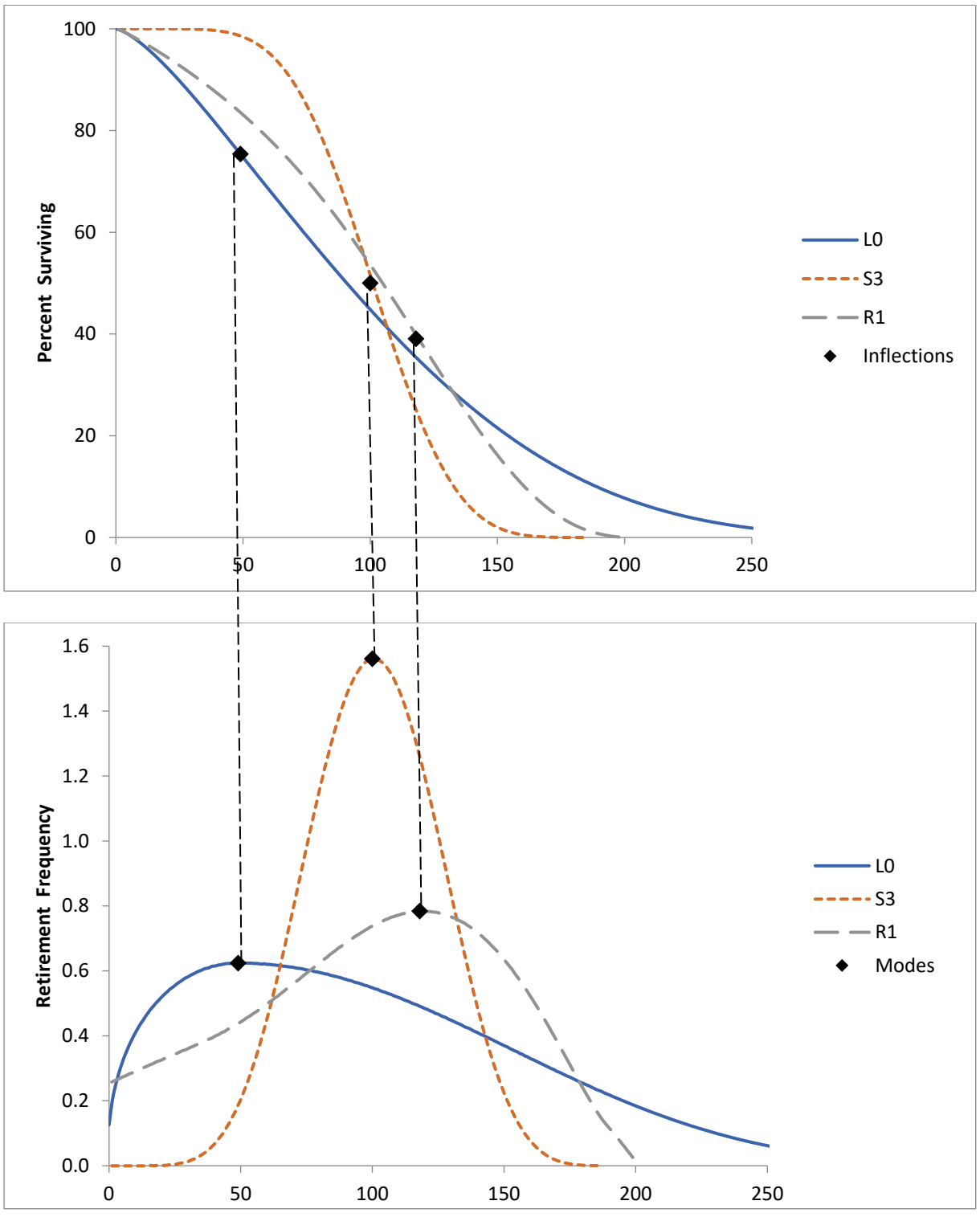
2. Classification

The Iowa curves are classified by three variables: modal location, average life, and variation of life. First, the mode is the percent life that results in the highest point of the frequency curve and the "inflection point" on the survivor curve. The modal age is the age at which the greatest rate of retirement occurs. As illustrated in the figure below, the modes appear at the steepest point of each survivor curve in the top graph, as well as the highest point of each corresponding frequency curve in the bottom graph.

The classification of the survivor curves was made according to whether the mode of the retirement frequency curves was to the left, to the right, or coincident with average service life. There are three modal "families" of curves: six left modal curves (L0, L1, L2, L3, L4, L5); five right modal curves (R1, R2, R3, R4, R5); and seven symmetrical curves (S0, S1, S2, S3, S4, S5, S6).[44] In the figure below, one curve from each family is shown: L0, S3 and R1, with average life at 100 on the x-axis. It is clear from the graphs that the modes for the L0 and R1 curves appear to the left and right of average life respectively, while the S3 mode is coincident with average life.

[44] In 1967, Harold A. Cowles added four origin-modal curves known as "O type" curves. There are also several "half" curves and a square curve, so the total amount of survivor curves commonly called "Iowa" curves is about 31 (see NARUC supra n. 119, at 68).

Figure 2:
Modal Age Illustration



The second Iowa curve classification variable is average life. The Iowa curves were designed using a single parameter of age expressed as a percent of average life instead of actual age. This was necessary in order for the curves to be of practical value. As Winfrey notes:

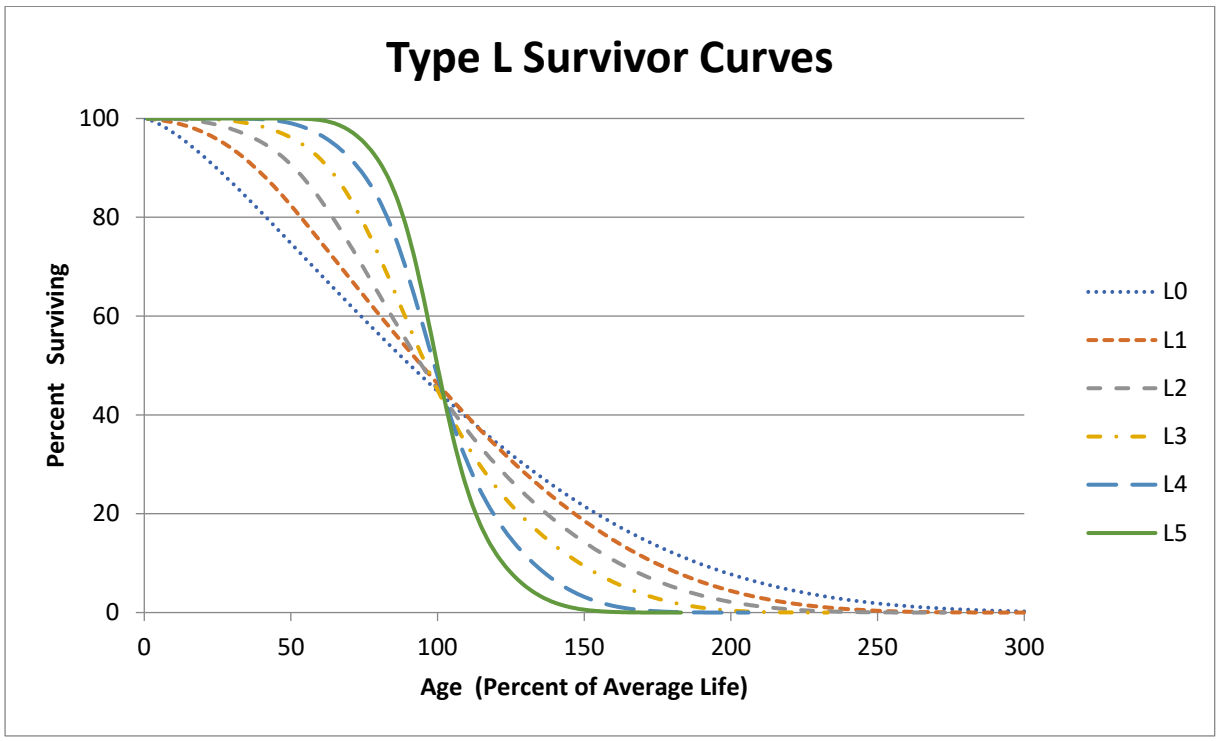
> Since the location of a particular survivor on a graph is affected by both its span in years and the shape of the curve, it is difficult to classify a group of curves unless one of these variables can be controlled. This is easily done by expressing the age in percent of average life."[45]

Because age is expressed in terms of percent of average life, any particular Iowa curve type can be modified to forecast property groups with various average lives.

The third variable, variation of life, is represented by the numbers next to each letter. A lower number (e.g., L1) indicates a relatively low mode, large variation, and large maximum life; a higher number (e.g., L5) indicates a relatively high mode, small variation, and small maximum life. All three classification variables – modal location, average life, and variation of life — are used to describe each Iowa curve. For example, a 13-L1 Iowa curve describes a group of property with a 13-year average life, with the greatest number of retirements occurring before (or to the left of) the average life, and a relatively low mode. The graphs below show these 18 survivor curves, organized by modal family.

[45] Winfrey *supra* n. 40, at 60.

Figure 3:
Type L Survivor and Frequency Curves



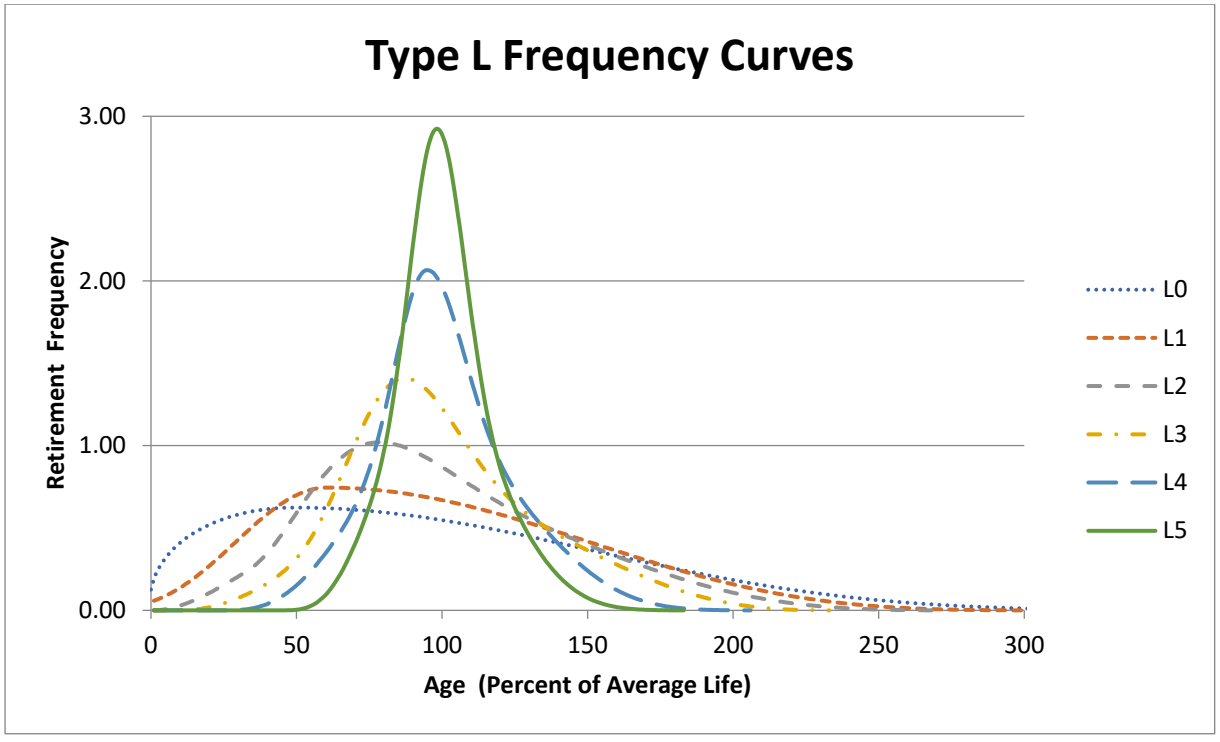
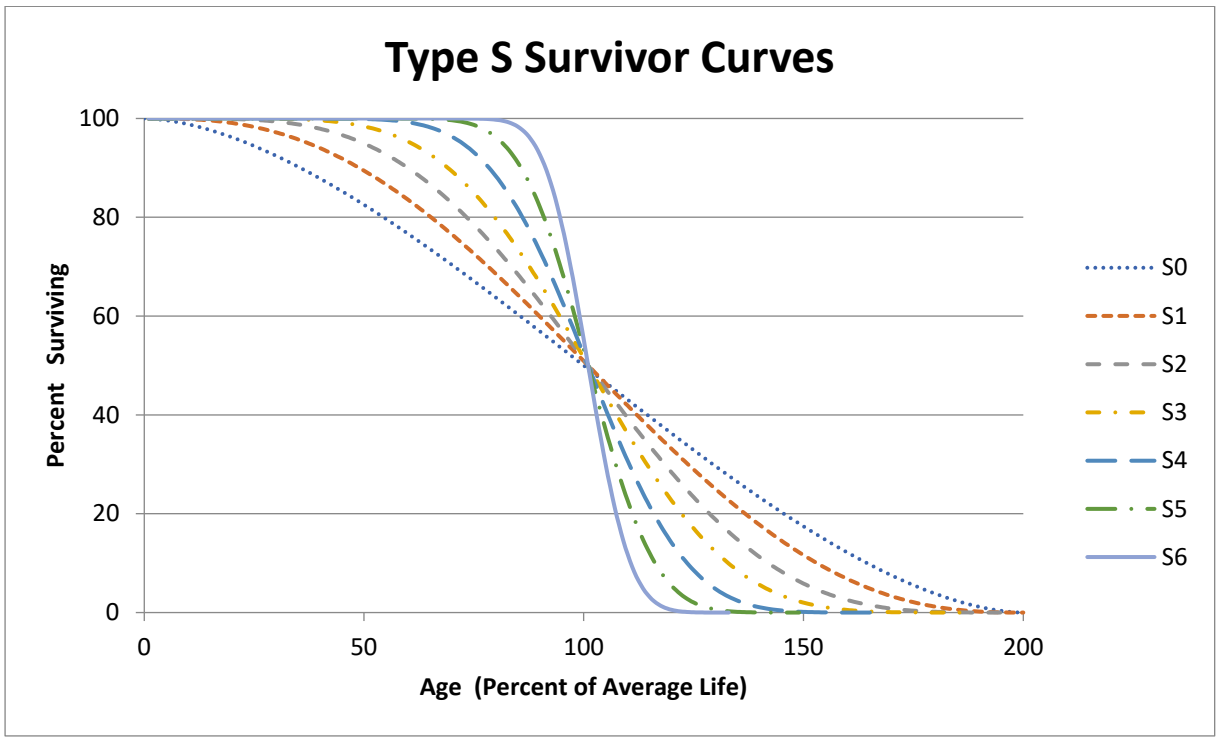


Figure 4:
Type S Survivor and Frequency Curves



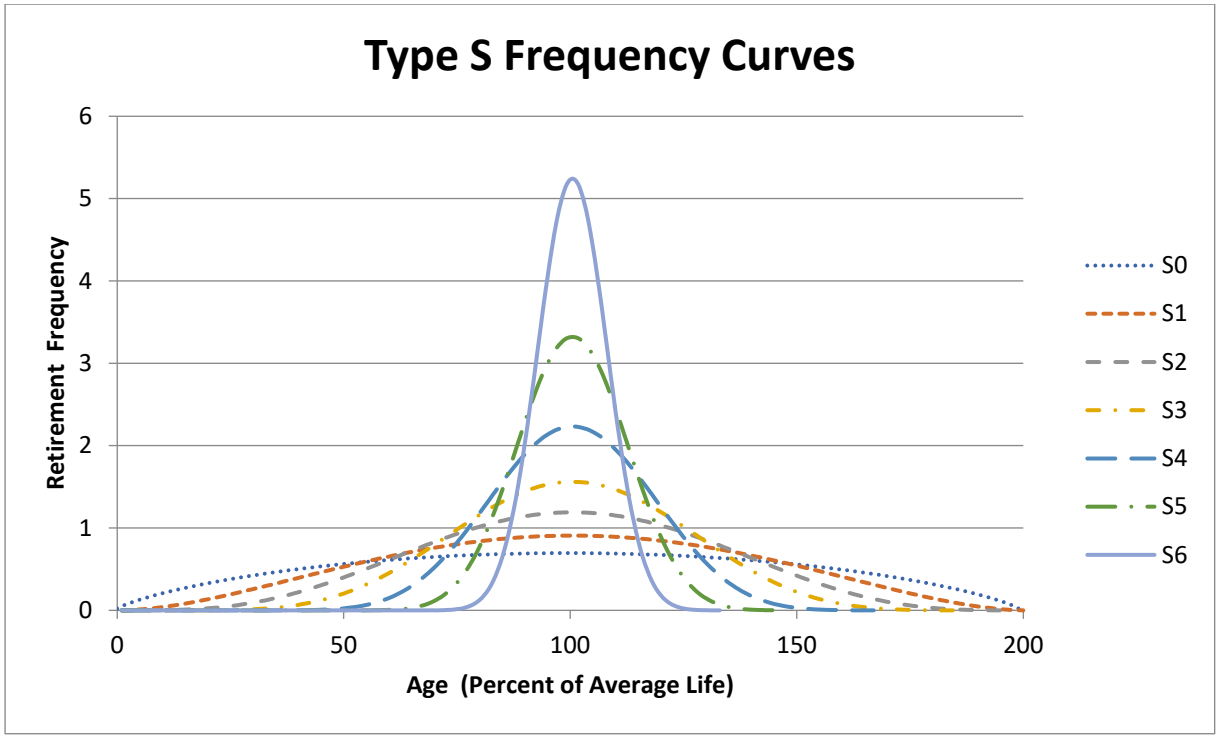
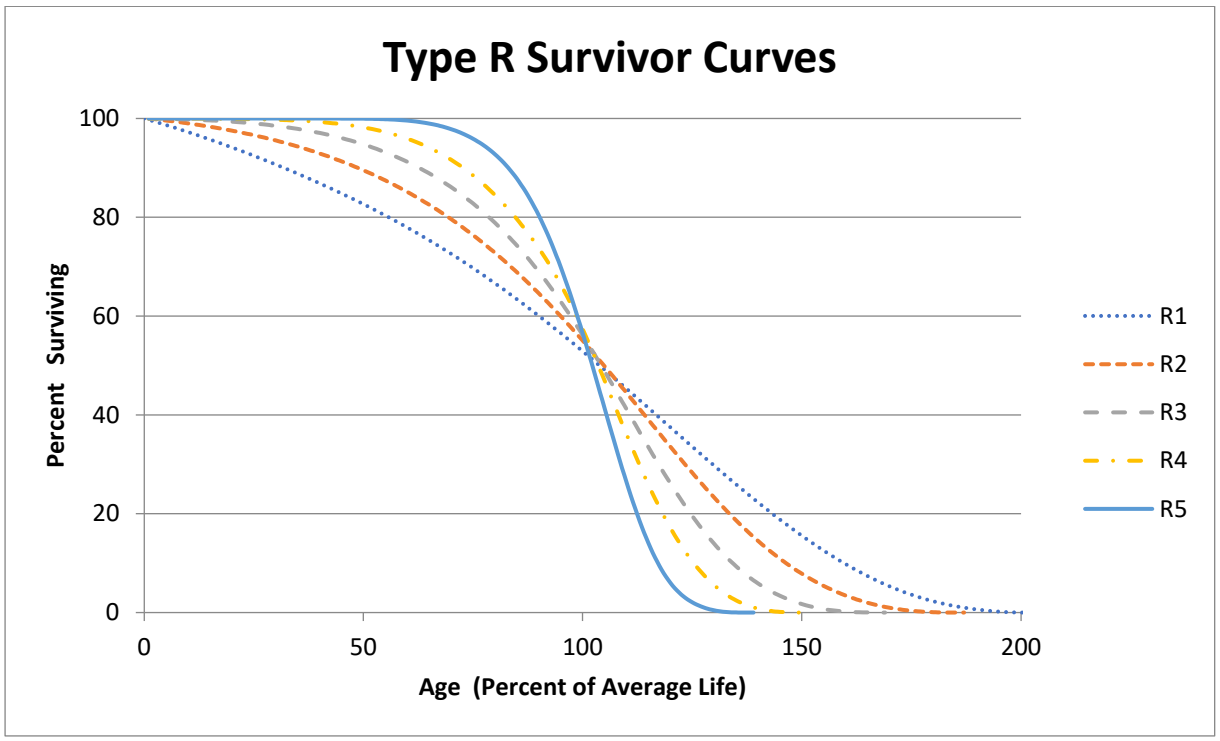
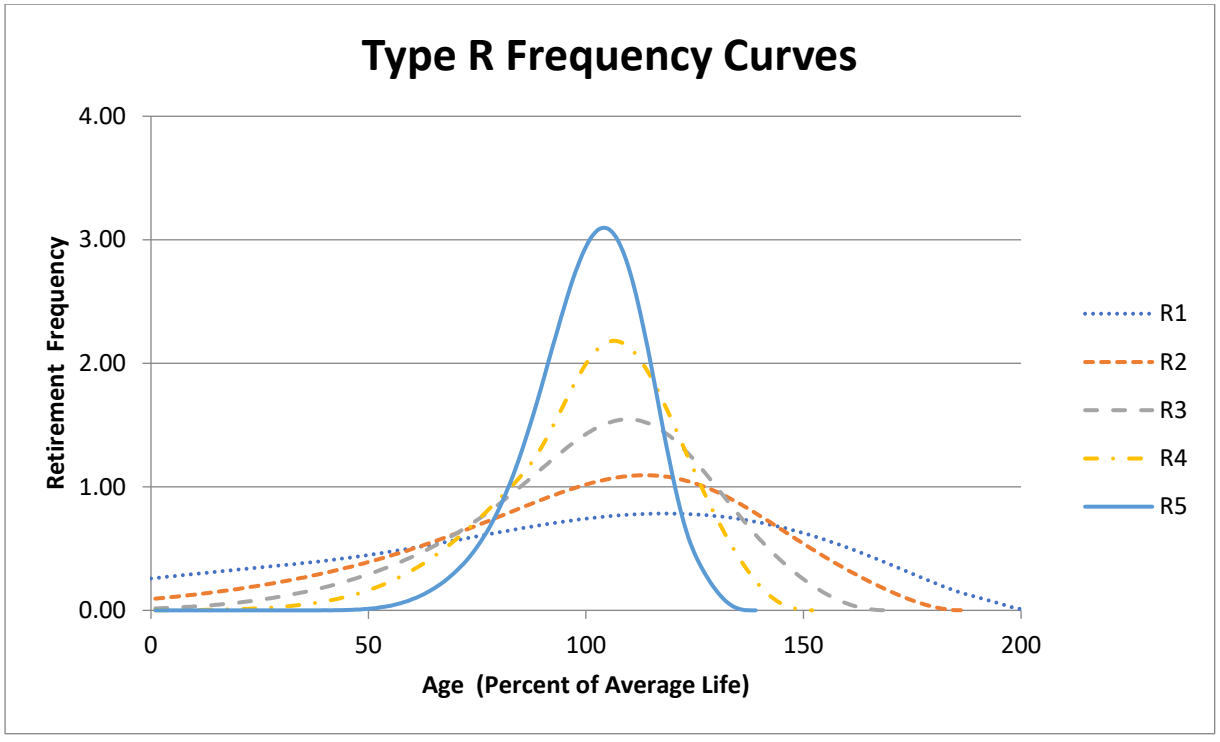


Figure 5:
Type R Survivor and Frequency Curves





As shown in the graphs above, the modes for the L family frequency curves occur to the left of average life (100% on the x-axis), while the S family modes occur at the average, and the R family modes occur after the average.

3. Types of Lives

Several other important statistical analyses and types of lives may be derived from an Iowa curve. These include: 1) average life; 2) realized life; 3) remaining life; and 4) probable life. The figure below illustrates these concepts. It shows the frequency curve, survivor curve, and probable life curve. Age M_x on the x-axis represents the modal age, while age AL_x represents the average age. Thus, this figure illustrates an "L type" Iowa curve since the mode occurs before the average.[46]

First, average life is the area under the survivor curve from age zero to maximum life. Because the survivor curve is measured in percent, the area under the curve must be divided by 100% to convert it from percent-years to years. The formula for average life is as follows:[47]

Equation 9:
Average Life

$$Average\ Life\ = \frac{Area\ Under\ Survivor\ Curve\ from\ Age\ 0\ to\ Max\ Life}{100\%}$$

Thus, average life may not be determined without a complete survivor curve. Many property groups being analyzed will not have experienced full retirement. This results in a "stub" survivor

[46] From age zero to age M_x on the survivor curve, it could be said that the percent surviving from this property group is decreasing at an increasing rate. Conversely, from point M_x to maximum on the survivor curve, the percent surviving is decreasing at a decreasing rate.

[47] *See* NARUC *supra* n. 18, at 71.

curve. Iowa curves are used to extend stub curves to maximum life in order for the average life calculation to be made (see Exhibit DJG-23, Appendix E).

Realized life is similar to average life, except that realized life is the average years of service experienced to date from the vintage's original installations.[48] As shown in the figure below, realized life is the area under the survivor curve from zero to age RL_X. Likewise, unrealized life is the area under the survivor curve from age RL_X to maximum life. Thus, it could be said that average life equals realized life plus unrealized life.

Average remaining life represents the future years of service expected from the surviving property.[49] Remaining life is sometimes referred to as "average remaining life" and "life expectancy." To calculate average remaining life at age x, the area under the estimated future potion of the survivor curve is divided by the percent surviving at age x (denoted S_X). Thus, the average remaining life formula is:

Equation 10:
Average Remaining Life

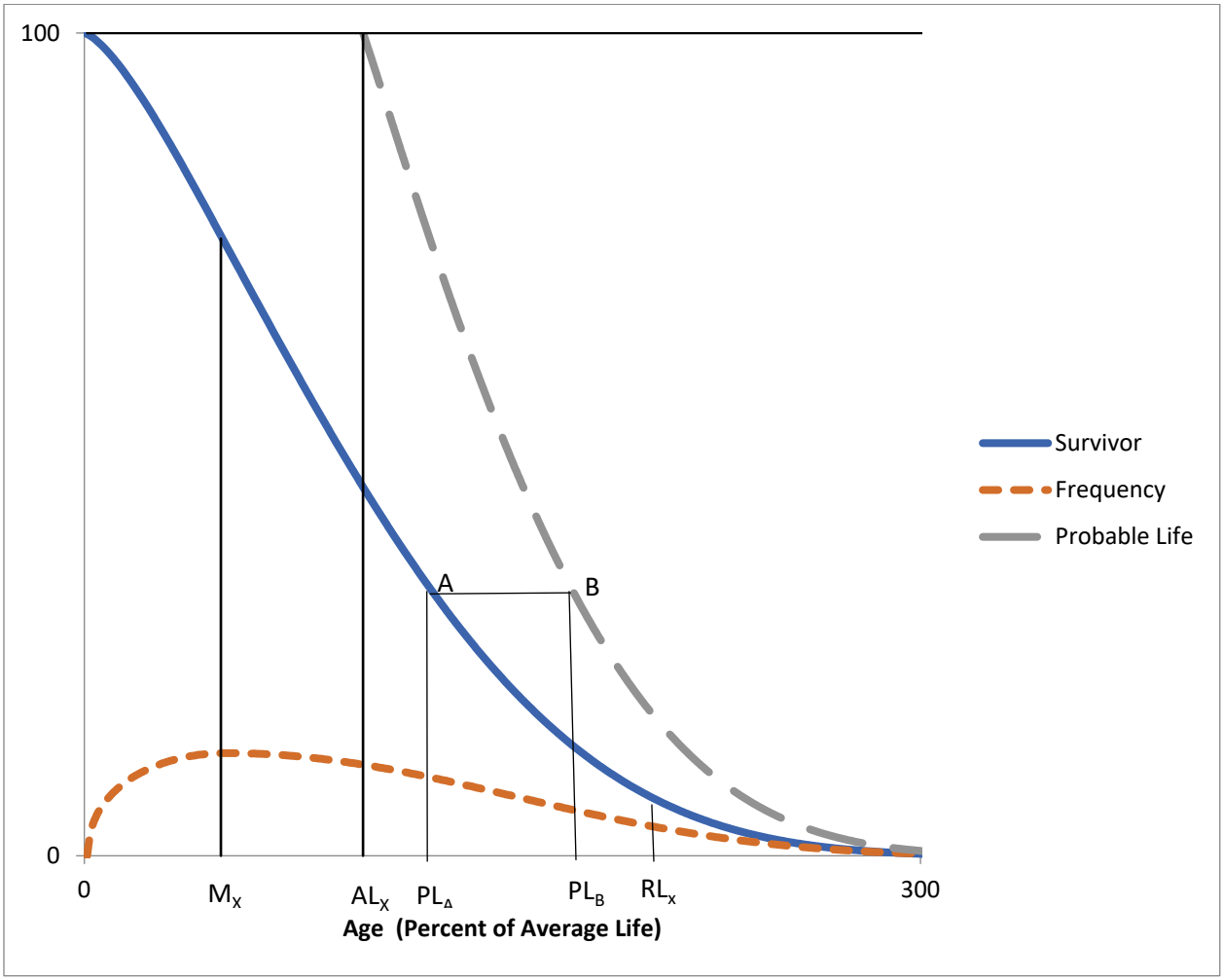
$$Average\ Remaining\ Life\ = \frac{Area\ Under\ Survivor\ Curve\ from\ Age\ x\ to\ Max\ Life}{S_X}$$

It is necessary to determine average remaining life in order to calculate the annual accrual under the remaining life technique.

[48] *Id*. at 73.

[49] *Id*. at 74.

Figure 6:
Iowa Curve Derivations



Finally, the probable life may also be determined from the Iowa curve. The probable life of a property group is the total life expectancy of the property surviving at any age and is equal to the remaining life plus the current age.[50] The probable life is also illustrated in this figure. The probable life at age PL_A is the age at point PL_B. Thus, to read the probable life at age PL_A, see the corresponding point on the survivor curve above at point "A," then horizontally to point "B" on

[50] Wolf *supra* n. 15, at 28.

the probable life curve, and back down to the age corresponding to point "B." It is no coincidence that the vertical line from AL_X connects at the top of the probable life curve. This is because at age zero, probable life equals average life.

APPENDIX E:

ACTUARIAL ANALYSIS

Actuarial science is a discipline that applies various statistical methods to assess risk probabilities and other related functions. Actuaries often study human mortality. The results from historical mortality data are used to predict how long similar groups of people who are alive will live today. Insurance companies rely of actuarial analysis in determining premiums for life insurance policies.

The study of human mortality is analogous to estimating service lives of industrial property groups. While some humans die solely from chance, most deaths are related to age; that is, death rates generally increase as age increases. Similarly, physical plant is also subject to forces of retirement. These forces include physical, functional, and contingent factors, as shown in the table below.[51]

Figure 7:
Forces of Retirement

Physical Factors	Functional Factors	Contingent Factors
Wear and tear Decay or deterioration Action of the elements	Inadequacy Obsolescence Changes in technology Regulations Managerial discretion	Casualties or disasters Extraordinary obsolescence

While actuaries study historical mortality data in order to predict how long a group of people will live, depreciation analysts must look at a utility's historical data in order to estimate the average lives of property groups. A utility's historical data is often contained in the Continuing Property Records ("CPR"). Generally, a CPR should contain 1) an inventory of property record

[51] NARUC *supra* n. 18, at 14-15.

units; 2) the association of costs with such units; and 3) the dates of installation and removal of plant. Since actuarial analysis includes the examination of historical data to forecast future retirements, the historical data used in the analysis should not contain events that are anomalous or unlikely to recur.[52] Historical data is used in the retirement rate actuarial method, which is discussed further below.

The Retirement Rate Method

There are several systematic actuarial methods that use historical data in order to calculate observed survivor curves for property groups. Of these methods, the retirement rate method is superior, and is widely employed by depreciation analysts.[53] The retirement rate method is ultimately used to develop an observed survivor curve, which can be fitted with an Iowa curve discussed in Exhibit DJG-23, Appendix D in order to forecast average life. The observed survivor curve is calculated by using an observed life table ("OLT"). The figures below illustrate how the OLT is developed. First, historical property data are organized in a matrix format, with placement years on the left forming rows, and experience years on the top forming columns. The placement year (a.k.a. "vintage year" or "installation year") is the year of placement of a group of property. The experience year (a.k.a. "activity year") refers to the accounting data for a particular calendar year. The two matrices below use aged data — that is, data for which the dates of placements, retirements, transfers, and other transactions are known. Without aged data, the retirement rate actuarial method may not be employed. The first matrix is the exposure matrix, which shows the

[52] *Id*. at 112-13.

[53] Anson Marston, Robley Winfrey & Jean C. Hempstead, *Engineering Valuation and Depreciation* 154 (2nd ed., McGraw-Hill Book Company, Inc. 1953).

exposures at the beginning of each year.[54] An exposure is simply the depreciable property subject to retirement during a period. The second matrix is the retirement matrix, which shows the annual retirements during each year. Each matrix covers placement years 2003–2015, and experience years 2008-2015. In the exposure matrix, the number in the 2009 experience column and the 2003 placement row is $192,000. This means at the beginning of 2012, there was $192,000 still exposed to retirement from the vintage group placed in 2003. Likewise, in the retirement matrix, $19,000 of the dollars invested in 2003 was retired during 2012.

Figure 8:
Exposure Matrix

	Experience Years									
	Exposures at January 1 of Each Year (Dollars in 000's)									
Placement Years	2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	**192**	173	152	131	131	11.5 - 12.5
2004	267	252	236	220	202	**184**	165	145	297	10.5 - 11.5
2005	304	291	277	263	248	232	**216**	198	536	9.5 - 10.5
2006	345	334	322	310	298	284	270	**255**	**847**	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	1,201	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	1,581	6.5 - 7.5
2009		377	366	356	346	336	327	319	1,986	5.5 - 6.5
2010			381	369	358	347	336	327	2,404	4.5 - 5.5
2011				386	372	359	346	334	2,559	3.5 - 4.5
2012					395	380	366	352	2,722	2.5 - 3.5
2013						401	385	370	2,866	1.5 - 2.5
2014							410	393	2,998	0.5 - 1.5
2015								416	3,141	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	23,268	

[54] Technically, the last numbers in each column are "gross additions" rather than exposures. Gross additions do not include adjustments and transfers applicable to plant placed in a previous year. Once retirements, adjustments, and transfers are factored in, the balance at the beginning of the next account period is called an "exposure" rather than an addition.

Figure 9:
Retirement Matrix

Placement Years	Experience Years: Retirments During the Year (Dollars in 000's) 2008	2009	2010	2011	2012	2013	2014	2015	Total During Age Interval	Age Interval
2003	16	17	18	19	**19**	20	21	23	23	11.5 - 12.5
2004	15	16	17	17	18	**19**	20	21	43	10.5 - 11.5
2005	13	14	14	15	16	17	**17**	18	59	9.5 - 10.5
2006	11	12	12	13	13	14	15	**15**	**71**	8.5 - 9.5
2007	10	11	11	12	12	13	13	14	82	7.5 - 8.5
2008	9	9	10	10	11	11	12	13	91	6.5 - 7.5
2009		11	10	10	9	9	9	8	95	5.5 - 6.5
2010			12	11	11	10	10	9	100	4.5 - 5.5
2011				14	13	13	12	11	93	3.5 - 4.5
2012					15	14	14	13	91	2.5 - 3.5
2013						16	15	14	93	1.5 - 2.5
2014							17	16	100	0.5 - 1.5
2015								18	112	0.0 - 0.5
Total	74	89	104	121	139	157	175	194	1,052	

These matrices help visualize how exposure and retirement data are calculated for each age interval. An age interval is typically one year. A common convention is to assume that any unit installed during the year is installed in the middle of the calendar year (i.e., July 1st). This convention is called the "half-year convention" and effectively assumes that all units are installed uniformly during the year.[55] Adoption of the half-year convention leads to age intervals of 0-0.5 years, 0.5-1.5 years, etc., as shown in the matrices.

The purpose of the matrices is to calculate the totals for each age interval, which are shown in the second column from the right in each matrix. This column is calculated by adding each number from the corresponding age interval in the matrix. For example, in the exposure matrix, the total amount of exposures at the beginning of the 8.5-9.5 age interval is $847,000. This number was calculated by adding the numbers shown on the "stairs" to the left (192+184+216+255=847).

[55] Wolf *supra* n. 15, at 22.

The same calculation is applied to each number in the column. The amounts retired during the year in the retirements matrix affect the exposures at the beginning of each year in the exposures matrix. For example, the amount exposed to retirement in 2008 from the 2003 vintage is $261,000. The amount retired during 2008 from the 2003 vintage is $16,000. Thus, the amount exposed to retirement in 2009 from the 2003 vintage is $245,000 ($261,000 - $16,000). The company's property records may contain other transactions which affect the property, including sales, transfers, and adjusting entries. Although these transactions are not shown in the matrices above, they would nonetheless affect the amount exposed to retirement at the beginning of each year.

The totaled amounts for each age interval in both matrices are used to form the exposure and retirement columns in the OLT, as shown in the chart below. This chart also shows the retirement ratio and the survivor ratio for each age interval. The retirement ratio for an age interval is the ratio of retirements during the interval to the property exposed to retirement at the beginning of the interval. The retirement ratio represents the probability that the property surviving at the beginning of an age interval will be retired during the interval. The survivor ratio is simply the complement to the retirement ratio (1 – retirement ratio). The survivor ratio represents the probability that the property surviving at the beginning of an age interval will survive to the next age interval.

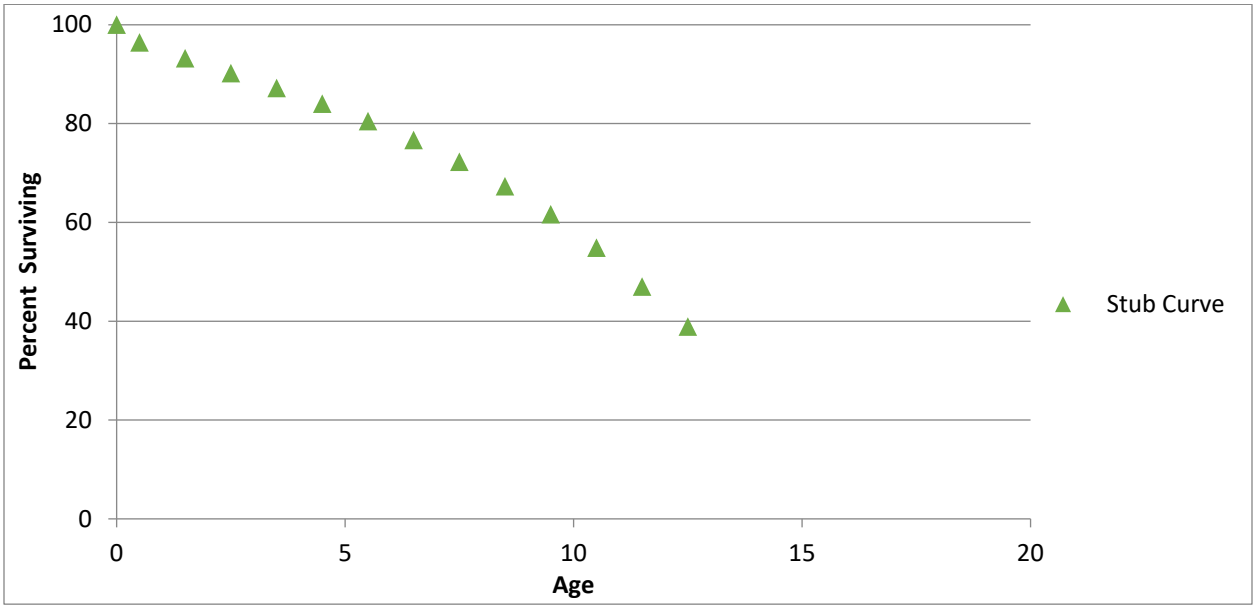
Figure 10:
Observed Life Table

Age at Start of Interval	Exposures at Start of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Start of Age Interval
A	B	C	D = C / B	E = 1 - D	F
0.0	3,141	112	0.036	0.964	**100.00**
0.5	2,998	100	0.033	0.967	**96.43**
1.5	2,866	93	0.032	0.968	**93.21**
2.5	2,722	91	0.033	0.967	**90.19**
3.5	2,559	93	0.037	0.963	**87.19**
4.5	2,404	100	0.042	0.958	**84.01**
5.5	1,986	95	0.048	0.952	**80.50**
6.5	1,581	91	0.058	0.942	**76.67**
7.5	1,201	82	0.068	0.932	**72.26**
8.5	847	71	0.084	0.916	**67.31**
9.5	536	59	0.110	0.890	**61.63**
10.5	297	43	0.143	0.857	**54.87**
11.5	131	23	0.172	0.828	**47.01**
					38.91
Total	23,268	1,052			

Column F on the right shows the percentages surviving at the beginning of each age interval. This column starts at 100% surviving. Each consecutive number below is calculated by multiplying the percent surviving from the previous age interval by the corresponding survivor ratio for that age interval. For example, the percent surviving at the start of age interval 1.5 is 93.21%, which was calculated by multiplying the percent surviving for age interval 0.5 (96.43%) by the survivor ratio for age interval 0.5 (0.967).

The percentages surviving in Column F are the numbers that are used to form the original survivor curve. This particular curve starts at 100% surviving and ends at 38.91% surviving. An observed survivor curve such as this that does not reach zero percent surviving is called a "stub" curve. The figure below illustrates the stub survivor curve derived from the OLT table above.

Figure 11:
Original "Stub" Survivor Curve



The matrices used to develop the basic OLT and stub survivor curve provide a basic illustration of the retirement rate method in that only a few placement and experience years were used. In reality, analysts may have several decades of aged property data to analyze. In that case, it may be useful to use a technique called "banding" in order to identify trends in the data.

Banding

The forces of retirement and characteristics of industrial property are constantly changing. A depreciation analyst may examine the magnitude of these changes. Analysts often use a technique called "banding" to assist with this process. Banding refers to the merging of several years of data into a single data set for further analysis, and it is a common technique associated with the retirement rate method.[56] There are three primary benefits of using bands in depreciation analysis:

[56] NARUC *supra* n. 18, at 113.

1. Increasing the sample size. In statistical analyses, the larger the sample size in relation to the body of total data, the greater the reliability of the result;
2. Smooth the observed data. Generally, the data obtained from a single activity or vintage year will not produce an observed life table that can be easily fit; and
3. Identify trends. By looking at successive bands, the analyst may identify broad trends in the data that may be useful in projecting the future life characteristics of the property.[57]

Two common types of banding methods are the "placement band" method and the "experience band" method." A placement band, as the name implies, isolates selected placement years for analysis. The figure below illustrates the same exposure matrix shown above, except that only the placement years 2005-2008 are considered in calculating the total exposures at the beginning of each age interval.

[57] *Id*.

Figure 12:
Placement Bands

Placement Years	Experience Years: Exposures at January 1 of Each Year (Dollars in 000's) 2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	192	173	152	131		11.5 - 12.5
2004	267	252	236	220	202	184	165	145		10.5 - 11.5
2005	304	291	277	263	248	232	216	198	198	9.5 - 10.5
2006	345	334	322	310	298	284	270	255	471	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	788	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	1,133	6.5 - 7.5
2009		377	366	356	346	336	327	319	1,186	5.5 - 6.5
2010			381	369	358	347	336	327	1,237	4.5 - 5.5
2011				386	372	359	346	334	1,285	3.5 - 4.5
2012					395	380	366	352	1,331	2.5 - 3.5
2013						401	385	370	1,059	1.5 - 2.5
2014							410	393	733	0.5 - 1.5
2015								416	375	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	9,796	

The shaded cells within the placement band equal the total exposures at the beginning of age interval 4.5–5.5 ($1,237). The same placement band would be used for the retirement matrix covering the same placement years of 2005 – 2008. This of course would result in a different OLT and original stub survivor curve than those that were calculated above without the restriction of a placement band.

Analysts often use placement bands for comparing the survivor characteristics of properties with different physical characteristics.[58] Placement bands allow analysts to isolate the effects of changes in technology and materials that occur in successive generations of plant. For example, if in 2005 an electric utility began placing transmission poles with a special chemical treatment that extended the service lives of the poles, an analyst could use placement bands to isolate and analyze the effect of that change in the property group's physical characteristics. While placement

[58] Wolf *supra* n. 15, at 182.

bands are very useful in depreciation analysis, they also possess an intrinsic dilemma. A fundamental characteristic of placement bands is that they yield fairly complete survivor curves for older vintages. However, with newer vintages, which are arguably more valuable for forecasting, placement bands yield shorter survivor curves. Longer "stub" curves are considered more valuable for forecasting average life. Thus, an analyst must select a band width broad enough to provide confidence in the reliability of the resulting curve fit yet narrow enough so that an emerging trend may be observed.[59]

Analysts also use "experience bands." Experience bands show the composite retirement history for all vintages during a select set of activity years. The figure below shows the same data presented in the previous exposure matrices, except that the experience band from 2011 – 2013 is isolated, resulting in different interval totals.

[59] NARUC *supra* n. 18, at 114.

Figure 13:
Experience Bands

	Experience Years									
	Exposures at January 1 of Each Year (Dollars in 000's)									
Placement Years	2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	192	173	152	131		11.5 - 12.5
2004	267	252	236	220	202	184	165	145		10.5 - 11.5
2005	304	291	277	263	248	232	216	198	173	9.5 - 10.5
2006	345	334	322	310	298	284	270	255	376	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	645	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	752	6.5 - 7.5
2009		377	366	356	346	336	327	319	872	5.5 - 6.5
2010			381	369	358	347	336	327	959	4.5 - 5.5
2011				386	372	359	346	334	1,008	3.5 - 4.5
2012					395	380	366	352	1,039	2.5 - 3.5
2013						401	385	370	1,072	1.5 - 2.5
2014							410	393	1,121	0.5 - 1.5
2015								416	1,182	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	9,199	

The shaded cells within the experience band equal the total exposures at the beginning of age interval 4.5–5.5 ($1,237). The same experience band would be used for the retirement matrix covering the same experience years of 2011 – 2013. This of course would result in a different OLT and original stub survivor than if the band had not been used. Analysts often use experience bands to isolate and analyze the effects of an operating environment over time.[60] Likewise, the use of experience bands allows analysis of the effects of an unusual environmental event. For example, if an unusually severe ice storm occurred in 2013, destruction from that storm would affect an electric utility's line transformers of all ages. That is, each of the line transformers from each placement year would be affected, including those recently installed in 2012, as well as those installed in 2003. Using experience bands, an analyst could isolate or even eliminate the 2013 experience year from the analysis. In contrast, a placement band would not effectively isolate the

[60] *Id.*

ice storm's effect on life characteristics. Rather, the placement band would show an unusually large rate of retirement during 2013, making it more difficult to accurately fit the data with a smooth Iowa curve. Experience bands tend to yield the most complete stub curves for recent bands because they have the greatest number of vintages included. Longer stub curves are better for forecasting. The experience bands, however, may also result in more erratic retirement dispersion making the curve fitting process more difficult.

Depreciation analysts must use professional judgment in determining the types of bands to use and the band widths. In practice, analysts may use various combinations of placement and experience bands in order to increase the data sample size, identify trends and changes in life characteristics, and isolate unusual events. Regardless of which bands are used, observed survivor curves in depreciation analysis rarely reach zero percent. This is because, as seen in the OLT above, relatively newer vintage groups have not yet been fully retired at the time the property is studied. An analyst could confine the analysis to older, fully retired vintage groups in order to get complete survivor curves, but such analysis would ignore some the property currently in service and would arguably not provide an accurate description of life characteristics for current plant in service. Because a complete curve is necessary to calculate the average life of the property group, however, curve fitting techniques using Iowa curves or other standardized curves may be employed in order to complete the stub curve.

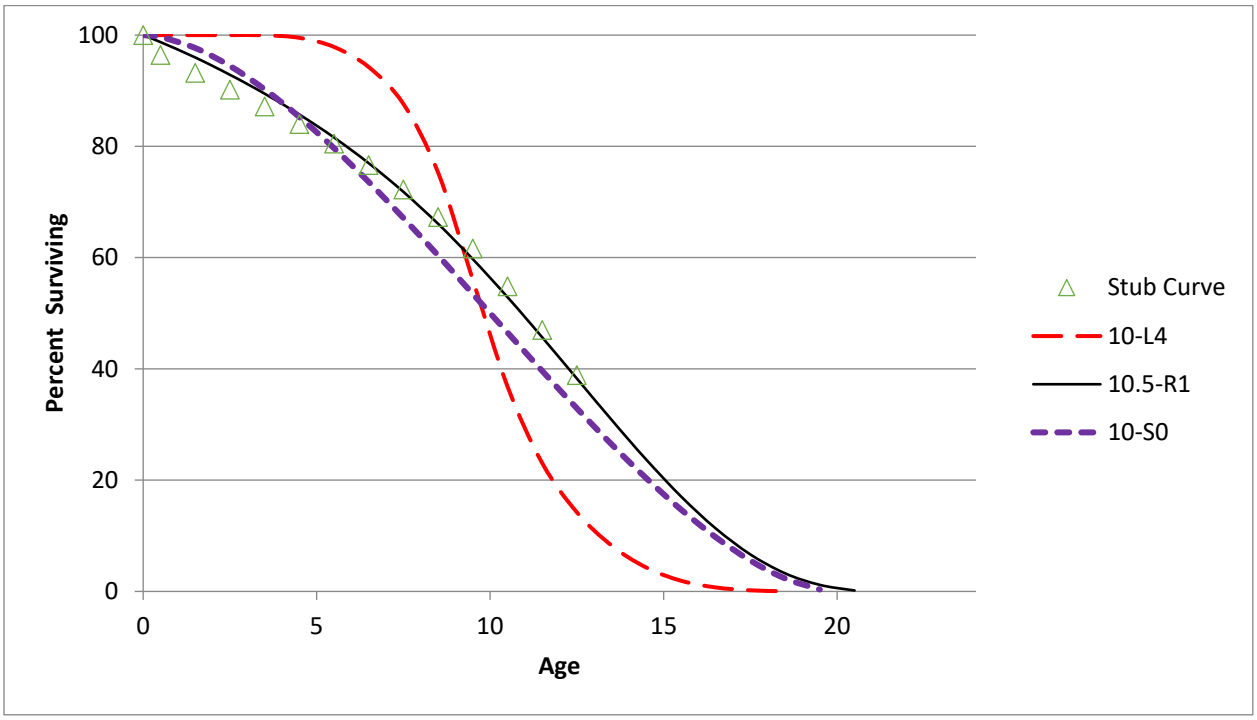
Curve Fitting

Depreciation analysts typically use the survivor curve rather than the frequency curve to fit the observed stub curves. The most commonly used generalized survivor curves used in the curve fitting process are the Iowa curves discussed above. As Wolf notes, if "the Iowa curves are

adopted as a model, an underlying assumption is that the process describing the retirement pattern is one of the 22 [or more] processes described by the Iowa curves."[61]

Curve fitting may be done through visual matching or mathematical matching. In visual curve fitting, the analyst visually examines the plotted data to make an initial judgment about the Iowa curves that may be a good fit. The figure below illustrates the stub survivor curve shown above. It also shows three different Iowa curves: the 10-L4, the 10.5-R1, and the 10-S0. Visually, it is clear that the 10.5-R1 curve is a better fit than the other two curves.

Figure 14:
Visual Curve Fitting



In mathematical fitting, the least squares method is used to calculate the best fit. This mathematical method would be excessively time consuming if done by hand. With the use of

[61] Wolf *supra* n. 15, at 46 (22 curves includes Winfrey's 18 original curves plus Cowles's four "O" type curves).

modern computer software however, mathematical fitting is an efficient and useful process. The typical logic for a computer program, as well as the software employed for the analysis in this testimony is as follows:

> First (an Iowa curve) curve is arbitrarily selected. . . . If the observed curve is a stub curve, . . . calculate the area under the curve and up to the age at final data point. Call this area the realized life. Then systematically vary the average life of the theoretical survivor curve and calculate its realized life at the age corresponding to the study date. This trial and error procedure ends when you find an average life such that the realized life of the theoretical curve equals the realized life of the observed curve. Call this the average life.
>
> Once the average life is found, calculate the difference between each percent surviving point on the observed survivor curve and the corresponding point on the Iowa curve. Square each difference and sum them. The sum of squares is used as a measure of goodness of fit for that particular Iowa type curve. This procedure is repeated for the remaining 21 Iowa type curves. The "best fit" is declared to be the type of curve that minimizes the sum of differences squared.[62]

Mathematical fitting requires less judgment from the analyst and is thus less subjective. Blind reliance on mathematical fitting, however, may lead to poor estimates. Thus, analysts should employ both mathematical and visual curve fitting in reaching their final estimates. This way, analysts may utilize the objective nature of mathematical fitting while still employing professional judgment. As Wolf notes: "The results of mathematical curve fitting serve as a guide for the analyst and speed the visual fitting process. But the results of the mathematical fitting should be checked visually and the final determination of the best fit be made by the analyst."[63]

In the graph above, visual fitting was sufficient to determine that the 10.5-R1 Iowa curve was a better fit than the 10-L4 and the 10-S0 curves. Using the sum of least squares method, mathematical fitting confirms the same result. In the chart below, the percentages surviving from

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[62] Wolf *supra* n. 15, at 47.

[63] *Id*. at 48.

the OLT that formed the original stub curve are shown in the left column, while the corresponding percentages surviving for each age interval are shown for the three Iowa curves. The right portion of the chart shows the differences between the points on each Iowa curve and the stub curve. These differences are summed at the bottom. Curve 10.5-R1 is the best fit because the sum of the squared differences for this curve is less than the same sum of the other two curves. Curve 10-L4 is the worst fit, which was also confirmed visually.

Figure 15:
Mathematical Fitting

Age	Stub	Iowa Curves			Squared Differences		
Interval	Curve	10-L4	10-S0	10.5-R1	10-L4	10-S0	10.5-R1
0.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0
0.5	96.4	100.0	99.7	98.7	12.7	10.3	5.3
1.5	93.2	100.0	97.7	96.0	46.1	19.8	7.6
2.5	90.2	100.0	94.4	92.9	96.2	18.0	7.2
3.5	87.2	100.0	90.2	89.5	162.9	9.3	5.2
4.5	84.0	99.5	85.3	85.7	239.9	1.6	2.9
5.5	80.5	97.9	79.7	81.6	301.1	0.7	1.2
6.5	76.7	94.2	73.6	77.0	308.5	9.5	0.1
7.5	72.3	87.6	67.1	71.8	235.2	26.5	0.2
8.5	67.3	75.2	60.4	66.1	62.7	48.2	1.6
9.5	61.6	56.0	53.5	59.7	31.4	66.6	3.6
10.5	54.9	36.8	46.5	52.9	325.4	69.6	3.9
11.5	47.0	23.1	39.6	45.7	572.6	54.4	1.8
12.5	38.9	14.2	32.9	38.2	609.6	36.2	0.4
SUM					**3004.2**	**371.0**	**41.0**

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DAVID J. GARRETT

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EDUCATION

University of Oklahoma — Norman, OK
Master of Business Administration — 2014
Areas of Concentration: Finance, Energy

University of Oklahoma College of Law — Norman, OK
Juris Doctor — 2007
Member, American Indian Law Review

University of Oklahoma — Norman, OK
Bachelor of Business Administration — 2003
Major: Finance

PROFESSIONAL DESIGNATIONS

Society of Depreciation Professionals
Certified Depreciation Professional (CDP)

Society of Utility and Regulatory Financial Analysts
Certified Rate of Return Analyst (CRRA)

WORK EXPERIENCE

Resolve Utility Consulting PLLC — Oklahoma City, OK
Managing Member — 2016 – Present
Provide expert analysis and testimony specializing in depreciation and cost of capital issues for clients in utility regulatory proceedings.

Oklahoma Corporation Commission — Oklahoma City, OK
Public Utility Regulatory Analyst — 2012 – 2016
Assistant General Counsel — 2011 – 2012
Represented commission staff in utility regulatory proceedings and provided legal opinions to commissioners. Provided expert analysis and testimony in depreciation, cost of capital, incentive compensation, payroll and other issues.

Perebus Counsel, PLLC — Oklahoma City, OK
Managing Member — 2009 – 2011
Represented clients in the areas of family law, estate planning, debt negotiations, business organization, and utility regulation.

Moricoli & Schovanec, P.C. — Oklahoma City, OK
Associate Attorney — 2007 – 2009
Represented clients in the areas of contracts, oil and gas, business structures and estate administration.

TEACHING EXPERIENCE

University of Oklahoma — Norman, OK
Adjunct Instructor – "Conflict Resolution" — 2014 – 2021
Adjunct Instructor – "Ethics in Leadership"

Rose State College — Midwest City, OK
Adjunct Instructor – "Legal Research" — 2013 – 2015
Adjunct Instructor – "Oil & Gas Law"

PROFESSIONAL ASSOCIATIONS

Oklahoma Bar Association — 2007 – Present

Society of Depreciation Professionals — 2014 – Present
Board Member – President — 2017
Participate in management of operations, attend meetings, review performance, organize presentation agenda.

Society of Utility Regulatory Financial Analysts — 2014 – Present

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Delaware Public Service Commission	Artesian Water Company	25-0346	Cost of capital, awarded rate of return, capital structure	Division of the Public Advocate
Pennsylvania Public Utility Commission	Pennsylvania-American Water Company	A-2024-3049015	Fair market value review (Borough of Greenville)	Pennsylvania Office of Consumer Advocate
Public Service Commission of South Carolina	Kiawah Island Utility, Inc.	2025-243-WS	Cost of capital, depreciation rates, net salvage	South Carolina Office of Regulatory Staff
Pennsylvania Public Utility Commission	City of Lancaster - Bureau of Water	R-2025-3057237	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Massachusetts Department of Public Utilities	Liberty Utilities Corp. d/b/a Liberty	D.P.U. 25-85	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Public Service Commission of the State of Montana	Montana-Dakota Utilities Company	2025.09.072	Cost of capital, awarded rate of return, capital structure	Montana Consumer Counsel and Denbury Onshore LLC
Wyoming Public Service Commission	Montana-Dakota Utilities Co.	20004-174-ER-25	Depreciation rates, service lives, net salvage	Wyoming Office of Consumer Advocate
Washington Utilities & Transportation Commission	Northwest Natural Gas Company	UG-250610	Depreciation rates, service lives, net salvage	Washington Office of Attorney General
Pennsylvania Public Utility Commission	Pennsylvania American Water Company	R-2025-3057983 R-2025-3058051	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
New York State Public Service Commission	New York State Electric & Gas and Rochester Gas and Electric Corporation	25-E-0375, 25-G-0378 25-E-0379, 25-G-0380	Cost of capital, depreciation rates, net salvage	Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection
Pennsylvania Public Utility Commission	PPL Electric Utilities Corporation	R-2025-3057164	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Railroad Commission of Texas	Texas Gas Services Company	OS-24-00028202	Depreciation rates, service lives, net salvage	The City of El Paso
Public Utility Commission of Texas	Texas-New Mexico Power Company	PUC 58964	Depreciation rates, service lives, net salvage	Alliance of Texas-New Mexico Power Municipalities
New Jersey Board of Public Utilities	South Jersey Gas	GR25110627	Cost of capital, awarded rate of return, capital structure	Staff of the New Jersey Board of Public Utilities

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Maryland Public Service Commission	Potomac Electric Power Company	9820	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
New Jersey Board of Public Utilities	Rockland Electric Company	ER25060374	Cost of capital, depreciation rates, net salvage	Staff of the New Jersey Board of Public Utilities
Arizona Corporation Commission	Arizona Public Service Company	E-01345A-25-0105	Cost of capital, depreciation rates, net salvage	Arizona Large Customer Group and Freeport Minerals Corporation
New Jersey Board of Public Utilities	Middlesex Water Company	WR25060372	Cost of capital, depreciation rates, net salvage	Staff of the New Jersey Board of Public Utilities
Maryland Public Service Commission	Maryland-American Water Company	9808	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
Arizona Corporation Commission	Tucson Electric Power Company	E-01933A-25-0103	Cost of capital, awarded rate of return, capital structure	Arizona Large Customer Group and Freeport Minerals Corporation
Public Service Commission of West Virginia	West Virginia American Water Company	25-0426-W-42T 25-0428-S-42T	Cost of capital, awarded rate of return, capital structure	Consumer Advocate Division of the Public Service Commission of West Virginia
Federal Energy Regulatory Commission	Pacific Gas and Electric Company	ER24-96	Depreciation rates, service lives, net salvage	Northern California Power Agency
Public Utility Commission of Texas	Oncor Electric Delivery Company LLC	PUC 58306	Depreciation rates, service lives, net salvage	Alliance of Oncor Cities
Public Service Commission of West Virginia	Hope Gas, Inc.	24-0678-G-D	Cost of capital, awarded rate of return, capital structure	Consumer Advocate Division of the Public Service Commission of West Virginia
Pennsylvania Public Utility Commission	The York Water Company, et al	R-2025-3053442 R-2025-3053573	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Pennsylvania Public Utility Commission	UGI Utilities, Inc.	R-2024-3052716	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Wyoming Public Service Commission	Rocky Mountain Power	20000-671-ER-24	Cost of capital and authorized rate of return	Wyoming Industrial Energy Consumers
Oklahoma Corporation Commission	Public Service Company of Oklahoma	PUD 2023-000086	Cost of capital, depreciation rates, net salvage	Oklahoma Industrial Energy Consumers
Public Service Commission of South Carolina	Piedmont Natural Gas Company	2022-89-G 2024-179-G	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Florida Public Service Commission	Peoples Gas System	20250029-GU	Cost of capital, awarded rate of return, capital structure	Florida Office of Public Counsel
Public Service Commission of the State of Montana	NorthWestern Energy	2024.05.053	Cost of capital, depreciation rates, net salvage	Montana Consumer Counsel and Montana Large Customer Group
New York State Public Service Commission	Niagara Mohawk Power Corporation	24-E-0322 24-G-0323	Depreciation rates, service lives, net salvage, depreciation reserve	Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection
Public Utilities Commission of Ohio	Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company	24-468-EL-AIR, *et seq* .	Depreciation rates, service lives, net salvage	Office of the Ohio Consumers' Counsel
Public Utility Commission of Texas	El Paso Electric Company	PUC 57568	Depreciation rates, service lives, net salvage	The City of El Paso
Public Service Commission of Utah	Enbridge Gas Utah	25-057-06	Cost of capital, depreciation rates, net salvage	Office of Consumer Services
Pennsylvania Public Utility Commission	Pennsylvania-American Water Company	A-2025-3052983	Fair market value review (Elizabeth Borough)	Pennsylvania Office of Consumer Advocate
Commonwealth of Virginia State Corporation Commission	Virginia Electric and Power Company	PUR-2025-00058	Cost of capital, awarded rate of return, capital structure	Data Center Coalition
Delaware Public Service Commission	Delmarva Power & Light Company	24-1044	Cost of capital, depreciation rates, net salvage	Division of the Public Advocate
New York State Public Service Commission	Consolidated Edison Company of New York, Inc.	25-E-0072 25-G-0073	Depreciation rates, service lives, net salvage, depreciation reserve	Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection
Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania	R-2025-3053499	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Public Utility Commission of Texas	CenterPoint Energy Houston Electric	PUC 58028	System restoration costs	Texas Coast Utilities Coalition
Mississippi Public Service Commission	Atmos Energy Corporation	2025-UN-59	Depreciation rates, service lives, net salvage	Mississippi Public Utilities Staff
Public Service Commission of West Virginia	Appalachian Power Company and Wheeling Power Company	24-0854-E-42T	Cost of capital, awarded rate of return, capital structure	Consumer Advocate Division of the Public Service Commission of West Virginia
Public Service Commission of West Virginia	Appalachian Power Company and Wheeling Power Company	24-0670-E-D	Depreciation rates, service lives, net salvage	Consumer Advocate Division of the Public Service Commission of West Virginia

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
New Jersey Board of Public Utilities	Atlantic City Electric Company	ER24110854	Cost of capital, awarded rate of return, capital structure	Staff of the New Jersey Board of Public Utilities
Pennsylvania Public Utility Commission	Aqua Pennsylvania, Inc.	A-2022-3033138	Fair market value review (Beaver Falls)	Pennsylvania Office of Consumer Advocate
Mississippi Public Service Commission	Mississippi Power Company	2024-UN-117	Depreciation rates, service lives, net salvage	Mississippi Public Utilities Staff
Public Service Commission of the State of Montana	Montana-Dakota Utilities Company	2024.05.061	Cost of capital, depreciation rates, net salvage	Montana Consumer Counsel
Maryland Public Service Commission	Columbia Gas of Maryland	9754	Cost of capital, depreciation rates, net salvage	Maryland Office of People's Counsel
Railroad Commission of Texas	Atmos Energy, Mid-Tex Division	OS-24-00019196	Depreciation rates, service lives, net salvage	Atmos Texas Municipalities
Wyoming Public Service Commission	Montana-Dakota Utilities Co.	30013-415-GR-24	Depreciation rates, service lives, net salvage	Wyoming Office of Consumer Advocate
Indiana Utility Regulatory Commission	Duke Energy Indiana	46038	Cost of capital, depreciation rates, net salvage	Indiana Office of Utility Consumer Counselor
Railroad Commission of Texas	Atmos Energy, West Texas Division	OS-24-00018879	Depreciation rates, service lives, net salvage	The Cities of Amarillo, Lubbock, Dalhart, and Channing
Washington Utilities & Transportation Commission	Cascadia Water, LLC	UW-240151	Cost of capital, awarded rate of return, capital structure	Washington Office of Attorney General
Railroad Commission of Texas	West Texas Gas Utility	OS-24-00017816	Cost of capital, depreciation rates, net salvage	Alliance of WTG Municipalities
Maryland Public Service Commission	Washington Gas Light Company	9737	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
Railroad Commission of Texas	Texas Gas Services Company	OS-24-00017471	Depreciation rates, service lives, net salvage	The Steering Committee of Cities
Pennsylvania Public Utility Commission	Veolia Water Pennsylvania, Inc.	R-2024-3045192 R-2024-3045193	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Pennsylvania Public Utility Commission	PECO Energy Company - Gas Division	R-2024-3046932	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Pennsylvania Public Utility Commission	PECO Energy Company - Electric Division	R-2024-3046931	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Oklahoma Corporation Commission	Oklahoma Gas & Electric Company	PUD 2023-000087	Cost of capital, depreciation rates, net salvage	Oklahoma Industrial Energy Consumers
Maryland Public Service Commission	Maryland Water Service, Inc.	9729	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
Kansas Corporation Commission	Kansas Gas Service	24-KGSG-610-RTS	Depreciation rates, service lives, net salvage	The Citizens' Utility Ratepayer Board
Pennsylvania Public Utility Commission	FirstEnergy Pennsylvania Electric Company	R-2024-3047068	Depreciation rates, service lives, net salvage	Pennsylvania Office of Consumer Advocate
Maryland Public Service Commission	Chesapeake Utilities Corporation Sandpiper Energy, Inc. Elkton Gas Company	9721	Depreciation rates, service lives, net salvage	Maryland Office of People's Counsel
Pennsylvania Public Utility Commission	Duquesne Light Company	R-2024-3046523	Cost of capital, depreciation rates, net salvage	Pennsylvania Office of Consumer Advocate
Public Utility Commission of Texas	CenterPoint Energy Houston Electric	PUC 56211	Depreciation rates, service lives, net salvage	Texas Coast Utilities Coalition
Washington Utilities & Transportation Commission	Avista Corporation	UE-240006 UG-240007	Cost of capital, awarded rate of return, capital structure	Washington Office of Attorney General
Public Utility Commission of Texas	AEP Texas Inc.	PUC 56165	Depreciation rates, service lives, net salvage	Cities Served by AEP Texas
Public Utilities Commission of Nevada	Southwest Gas Corporation	23-09012	Depreciation rates, service lives, net salvage	Bureau of Consumer Protection
Public Utilities Commission of the State of California	Southern California Edison	A.23-05-010	Depreciation rates, service lives, net salvage	The Utility Reform Network
Pennsylvania Public Utility Commission	Pennsylvania-American Water Company	R-2023-3043189 R-2023-3043190	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Indiana Utility Regulatory Commission	Northern Indiana Public Service Company	45967	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Massachusetts Department of Public Utilities	Massachusetts Electric Company and Nantucket Electric Company D/B/A National Grid	D.P.U. 23-150	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Iowa Utilities Board	Interstate Power and Light Company	RPU-2023-0002	Depreciation rates, service lives, net salvage	Office of Consumer Advocate
Public Service Commission of South Carolina	Duke Energy Carolinas	2023-388-E 2023-403-E	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Indiana Utility Regulatory Commission	Citizens Energy Group	45988	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Railroad Commission of Texas	CenterPoint Energy Resources Corp.	OS-23-00015513	Depreciation rates, service lives, net salvage	Alliance of CenterPoint Municipalities
Indiana Utility Regulatory Commission	CenterPoint Energy Indiana South	45990	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Delaware Public Service Commission	Artesian Water Company, Inc.	23-0601	Cost of capital, depreciation rates, net salvage	Division of the Public Advocate
Maryland Public Service Commission	Washington Gas Light Company	9704	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
Delaware Public Service Commission	Veolia Water Delaware Inc.	23-0598	Cost of capital, awarded rate of return, capital structure	Division of the Public Advocate
Connecticut Public Utilities Regulatory Authority	United Illuminating Company	22-08-08	Depreciation rates, service lives, net salvage	PURA Staff
Public Utility Commission of Texas	Southwestern Public Service Company	PUC 54634	Depreciation rates, service lives, net salvage	Alliance of Xcel Municipalities
Railroad Commission of Texas	SiEnergy, LP	OS-23-00013504	Depreciation rates, service lives, net salvage	Texas municipal intervenor group
Pennsylvania Public Utility Commission	Aqua Pennsylvania, Inc.	A-2022-3034143	Fair market value review	Pennsylvania Office of Consumer Advocate
Wyoming Public Service Commission	Rocky Mountain Power	20000-633-ER-23	Cost of capital and authorized rate of return	Wyoming Industrial Energy Consumers
Maryland Public Service Commission	Potomac Electric Power Company	9702	Depreciation rates, service lives, net salvage	Maryland Office of People's Counsel
Public Utilities Commission of Nevada	Nevada Power Company d/b/a NV Energy	23-06007 23-06008	Depreciation rates, service lives, net salvage	Bureau of Consumer Protection

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Public Utilities Commission of Ohio	Northeast Ohio Natural Gas Corp.	23-0154-GA-AIR	Cost of capital, awarded rate of return, capital structure	Office of the Ohio Consumers' Counsel
New York State Public Service Commission	The Brooklyn Union Gas Company and Keyspan Gas East Corporation d/b/a Nation Grid	23-G-0225 23-G-0226	Depreciation rates, service lives, net salvage, depreciation reserve	The City of New York
Idaho Public Utilities Commission	Idaho Power Company	IPC-E-23-11	Cost of capital, awarded rate of return, capital structure	Micron Technology, Inc.
Indiana Utility Regulatory Commission	Indiana Michigan Power Company	45933	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Massachusetts Department of Public Utilities	Fitchburg Gas and Electric Company d/b/a Unitil	D.P.U. 23-80; D.P.U. 23-81	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Kansas Corporation Commission	Evergy Kansas Central, Evergy Kansas South, and Evergy Metro	23-EKCE-775-RTS	Depreciation rates, service lives, net salvage	The Citizens' Utility Ratepayer Board
Delaware Public Service Commission	Delmarva Power & Light Company	22-0897	Cost of capital, awarded rate of return, capital structure	Division of the Public Advocate
Connecticut Public Utilities Regulatory Authority	Connecticut Water Company	23-08-32	Depreciation rates, service lives, net salvage	PURA Staff
Connecticut Public Utilities Regulatory Authority	Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company	23-11-02	Depreciation rates, service lives, net salvage	PURA Staff
Railroad Commission of Texas	Atmos Pipeline – Texas	OS-23-00013758	Depreciation rates, service lives, net salvage	Atmos Texas Municipalities
Wyoming Public Service Commission	Black Hills Wyoming Gas	30026-78-GR-23	Depreciation rates, service lives, net salvage	Wyoming Office of Consumer Advocate
Indiana Utility Regulatory Commission	Indianapolis Power & Light Company d/b/a AES Indiana	45911	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
New Mexico Public Regulation Commission	Southwestern Public Service Company	22-00286-UT	Cost of capital, depreciation rates, net salvage	The New Mexico Large Customer Group; Occidental Permian
Public Utilities Commission of the State of California	Southern California Gas Company San Diego Gas & Electric Company	A.22-05-015 A.22-05-016	Depreciation rates, service lives, net salvage	The Utility Reform Network
Public Utilties Commission of the State of Colorado	Public Service Company of Colorado	22AL-0530E 22AL-0478E	Cost of capital, awarded rate of return, capital structure	Colorado Energy Consumers

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
New Mexico Public Regulatory Commission	Public Service Company of New Mexico	22-00270-UT	Cost of capital, depreciation rates, net salvage	The Albuquerque Bernalillo County Water Utility Authority
Florida Public Service Commission	Peoples Gas System	20230023-GU 20220219-GU 20220212-GU	Cost of capital, depreciation rates, net salvage	Florida Office of Public Counsel
Maryland Public Service Commission	Potomac Edison Company	9695	Cost of capital, depreciation rates, net salvage	Maryland Office of People's Counsel
Public Service Commission of the State of Montana	Montana-Dakota Utilities Company	2022.11.099	Depreciation rates, service lives, net salvage	Montana Consumer Counsel and Denbury Onshore
Indiana Utility Regulatory Commission	Indiana-American Water Company	45870	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Public Service Commission of South Carolina	Dominion Energy South Carolina	2023-70-G	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Maryland Public Service Commission	Columbia Gas of Maryland	9701	Cost of capital, awarded rate of return, capital structure	Maryland Office of People's Counsel
Pennsylvania Public Utility Commission	Columbia Water Company	R-2023-3040258	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Maryland Public Service Commission	Baltimore Gas and Electric Company	9692	Depreciation rates, service lives, net salvage	Maryland Office of People's Counsel
Arizona Corporation Commission	Arizona Public Service Company	E-01345A-22-0144	Cost of capital, awarded rate of return, capital structure	Residential Utility Consumer Office
Oklahoma Corporation Commission	Public Service Company of Oklahoma	PUD 2022-000093	Cost of capital, depreciation rates, net salvage	Oklahoma Industrial Energy Consumers
Public Service Commission of the State of Montana	NorthWestern Energy	2022.07.078	Cost of capital, depreciation rates, net salvage	Montana Consumer Counsel and Montana Large Customer Group
Indiana Utility Regulatory Commission	Northern Indiana Public Service Company	45772	Cost of capital, depreciation rates, net salvage	Indiana Office of Utility Consumer Counselor
Public Service Commission of South Carolina	Duke Energy Progress	2022-254-E	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Wyoming Public Service Commission	Cheyenne Light, Fuel and Power Company D/B/A Black Hills Energy	20003-214-ER-22	Depreciation rates, service lives, net salvage	Wyoming Office of Consumer Advocate

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Railroad Commission of Texas	Texas Gas Services Company	OS-22-00009896	Depreciation rates, service lives, net salvage	The City of El Paso
Public Utilities Commission of Nevada	Sierra Pacific Power Company	22-06014	Depreciation rates, service lives, net salvage	Bureau of Consumer Protection
Washington Utilities & Transportation Commission	Puget Sound Energy	UE-220066 UG-220067 UG-210918	Depreciation rates, service lives, net salvage	Washington Office of Attorney General
Public Utility Commission of Texas	Oncor Electric Delivery Company LLC	PUC 53601	Depreciation rates, service lives, net salvage	Alliance of Oncor Cities
Florida Public Service Commission	Florida Public Utilities Company	20220067-GU	Cost of capital, depreciation rates	Florida Office of Public Counsel
Public Utility Commission of Texas	Entergy Texas, Inc.	PUC 53719	Depreciation rates, decommissioning costs	Texas Municipal Group
Florida Public Service Commission	Florida City Gas	2020069-GU	Cost of capital, depreciation rates	Florida Office of Public Counsel
Connecticut Public Utilities Regulatory Authority	Aquarion Water Company of Connecticut	22-07-01	Depreciation rates, service lives, net salvage	PURA Staff
Washington Utilities & Transportation Commission	Avista Corporation	UE-220053 UG-220054 UE-210854	Cost of capital, awarded rate of return, capital structure	Washington Office of Attorney General
Federal Energy Regulatory Commission	ANR Pipeline Company	RP22-501-000	Depreciation rates, service lives, net salvage	Ascent Resources - Utica, LLC
Pennsylvania Public Utility Commission	Columbia Gas of Pennsylvania, Inc.	R-2022-3031211	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Public Service Commission of South Carolina	Piedmont Natural Gas Company	2022-89-G	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Pennsylvania Public Utility Commission	UGI Utilities, Inc. - Gas Division	R-2021-3030218	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Public Utilities Commission of the State of California	Pacific Gas & Electric Company	A.21-06-021	Depreciation rates, service lives, net salvage	The Utility Reform Network
Pennsylvania Public Utility Commission	PECO Energy Company - Gas Division	R-2022-3031113	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Oklahoma Corporation Commission	Oklahoma Gas & Electric Company	PUD 202100164	Cost of capital, depreciation rates, net salvage	Oklahoma Industrial Energy Consumers
Massachusetts Department of Public Utilities	NSTAR Electric Company D/B/A Eversource Energy	D.P.U. 22-22	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Michigan Public Service Company	DTE Electric Company	U-20836	Cost of capital, awarded rate of return, capital structure	Michigan Environmental Council and Citizens Utility Board of Michigan
New York State Public Service Commission	Consolidated Edison Company of New York, Inc.	22-E-0064 22-G-0065	Depreciation rates, service lives, net salvage, depreciation reserve	The City of New York
Pennsylvania Public Utility Commission	Aqua Pennsylvania Wastewater / East Whiteland Township	A-2021-3026132	Fair market value estimates for wastewater assets	Pennsylvania Office of Consumer Advocate
Public Service Commission of South Carolina	Kiawah Island Utility, Inc.	2021-324-WS	Cost of capital, awarded rate of return, capital structure	South Carolina Office of Regulatory Staff
Pennsylvania Public Utility Commission	Aqua Pennsylvania Wastewater / Willistown Township	A-2021-3027268	Fair market value estimates for wastewater assets	Pennsylvania Office of Consumer Advocate
Indiana Utility Regulatory Commission	Northern Indiana Public Service Company	45621	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Arkansas Public Service Commission	Southwestern Electric Power Company	21-070-U	Cost of capital, depreciation rates, net salvage	Western Arkansas Large Energy Consumers
Federal Energy Regulatory Commission	Southern Star Central Gas Pipeline	RP21-778-002	Depreciation rates, service lives, net salvage	Consumer-Owned Shippers
Railroad Commission of Texas	Participating Texas gas utilities in consolidated proceeding	OS-21-00007061	Securitization of extraordinary gas costs arising from winter storms	The City of El Paso
Public Service Commission of South Carolina	Palmetto Wastewater Reclamation, Inc.	2021-153-S	Cost of capital, awarded rate of return, capital structure, ring-fencing	South Carolina Office of Regulatory Staff
Public Utilties Commission of the State of Colorado	Public Service Company of Colorado	21AL-0317E	Cost of capital, depreciation rates, net salvage	Colorado Energy Consumers
Pennsylvania Public Utility Commission	City of Lancaster - Water Department	R-2021-3026682	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Public Utility Commission of Texas	Southwestern Public Service Company	PUC 51802	Depreciation rates, service lives, net salvage	The Alliance of Xcel Municipalities

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Pennsylvania Public Utility Commission	The Borough of Hanover - Hanover Municipal Waterworks	R-2021-3026116	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Maryland Public Service Commission	Delmarva Power & Light Company	9670	Cost of capital and authorized rate of return	Maryland Office of People's Counsel
Oklahoma Corporation Commission	Oklahoma Natural Gas Company	PUD 202100063	Cost of capital, awarded rate of return, capital structure	Oklahoma Industrial Energy Consumers
Indiana Utility Regulatory Commission	Indiana Michigan Power Company	45576	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Public Utility Commission of Texas	El Paso Electric Company	PUC 52195	Depreciation rates, service lives, net salvage	The City of El Paso
Pennsylvania Public Utility Commission	Aqua Pennsylvania	R-2021-3027385	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Public Service Commission of the State of Montana	NorthWestern Energy	D2021.02.022	Cost of capital, awarded rate of return, capital structure	Montana Consumer Counsel
Pennsylvania Public Utility Commission	PECO Energy Company	R-2021-3024601	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
New Mexico Public Regulation Commission	Southwestern Public Service Company	20-00238-UT	Cost of capital and authorized rate of return	The New Mexico Large Customer Group; Occidental Permian
Oklahoma Corporation Commission	Public Service Company of Oklahoma	PUD 202100055	Cost of capital, depreciation rates, net salvage	Oklahoma Industrial Energy Consumers
Pennsylvania Public Utility Commission	Duquesne Light Company	R-2021-3024750	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Maryland Public Service Commission	Columbia Gas of Maryland	9664	Cost of capital and authorized rate of return	Maryland Office of People's Counsel
Indiana Utility Regulatory Commission	Southern Indiana Gas Company, d/b/a Vectren Energy Delivery of Indiana, Inc.	45447	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Public Utility Commission of Texas	Southwestern Electric Power Company	PUC 51415	Depreciation rates, service lives, net salvage	Cities Advocating Reasonable Deregulation
New Mexico Public Regulatory Commission	Avangrid, Inc., Avangrid Networks, Inc., NM Green Holdings, Inc., PNM, and PNM Resources	20-00222-UT	Ring fencing and capital structure	The Albuquerque Bernalillo County Water Utility Authority

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Indiana Utility Regulatory Commission	Indiana Gas Company, d/b/a Vectren Energy Delivery of Indiana, Inc.	45468	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Public Utilities Commission of Nevada	Nevada Power Company and Sierra Pacific Power Company, d/b/a NV Energy	20-07023	Construction work in progress	MGM Resorts International, Caesars Enterprise Services, LLC, and the Southern Nevada Water Authority
Massachusetts Department of Public Utilities	Boston Gas Company, d/b/a National Grid	D.P.U. 20-120	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Public Service Commission of the State of Montana	ABACO Energy Services, LLC	D2020.07.082	Cost of capital and authorized rate of return	Montana Consumer Counsel
Maryland Public Service Commission	Washington Gas Light Company	9651	Cost of capital and authorized rate of return	Maryland Office of People's Counsel
Florida Public Service Commission	Utilities, Inc. of Florida	20200139-WS	Cost of capital and authorized rate of return	Florida Office of Public Counsel
New Mexico Public Regulatory Commission	El Paso Electric Company	20-00104-UT	Cost of capital, depreciation rates, net salvage	City of Las Cruces and Doña Ana County
Public Utilities Commission of Nevada	Nevada Power Company	20-06003	Cost of capital, awarded rate of return, capital structure, earnings sharing	MGM Resorts International, Caesars Enterprise Services, LLC, Wynn Las Vegas, LLC, Smart Energy Alliance, and Circus Circus Las Vegas, LLC
Wyoming Public Service Commission	Rocky Mountain Power	20000-578-ER-20	Cost of capital and authorized rate of return	Wyoming Industrial Energy Consumers
Florida Public Service Commission	Peoples Gas System	20200051-GU 20200166-GU	Cost of capital, depreciation rates, net salvage	Florida Office of Public Counsel
Wyoming Public Service Commission	Rocky Mountain Power	20000-539-EA-18	Depreciation rates, service lives, net salvage	Wyoming Industrial Energy Consumers
Public Service Commission of South Carolina	Dominion Energy South Carolina	2020-125-E	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Pennsylvania Public Utility Commission	The City of Bethlehem	2020-3020256	Cost of capital, awarded rate of return, capital structure	Pennsylvania Office of Consumer Advocate
Railroad Commission of Texas	Texas Gas Services Company	GUD 10928	Depreciation rates, service lives, net salvage	Gulf Coast Service Area Steering Committee
Public Utilities Commission of the State of California	Southern California Edison	A.19-08-013	Depreciation rates, service lives, net salvage	The Utility Reform Network

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Massachusetts Department of Public Utilities	NSTAR Gas Company	D.P.U. 19-120	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Georgia Public Service Commission	Liberty Utilities (Peach State Natural Gas)	42959	Depreciation rates, service lives, net salvage	Public Interest Advocacy Staff
Florida Public Service Commission	Florida Public Utilities Company	20190155-El 20190156-El 20190174-El	Depreciation rates, service lives, net salvage	Florida Office of Public Counsel
Illinois Commerce Commission	Commonwealth Edison Company	20-0393	Depreciation rates, service lives, net salvage	The Office of the Illinois Attorney General
Public Utility Commission of Texas	Southwestern Public Service Company	PUC 49831	Depreciation rates, service lives, net salvage	Alliance of Xcel Municipalities
Public Service Commission of South Carolina	Blue Granite Water Company	2019-290-WS	Depreciation rates, service lives, net salvage	South Carolina Office of Regulatory Staff
Railroad Commission of Texas	CenterPoint Energy Resources	GUD 10920	Depreciation rates and grouping procedure	Alliance of CenterPoint Municipalities
Pennsylvania Public Utility Commission	Aqua Pennsylvania Wastewater / East Norriton Township	A-2019-3009052	Fair market value estimates for wastewater assets	Pennsylvania Office of Consumer Advocate
New Mexico Public Regulation Commission	Southwestern Public Service Company	19-00170-UT	Cost of capital and authorized rate of return	The New Mexico Large Customer Group; Occidental Permian
Indiana Utility Regulatory Commission	Duke Energy Indiana	45253	Cost of capital, depreciation rates, net salvage	Indiana Office of Utility Consumer Counselor
Maryland Public Service Commission	Columbia Gas of Maryland	9609	Depreciation rates, service lives, net salvage	Maryland Office of People's Counsel
Washington Utilities & Transportation Commission	Avista Corporation	UE-190334	Cost of capital, awarded rate of return, capital structure	Washington Office of Attorney General
Indiana Utility Regulatory Commission	Indiana Michigan Power Company	45235	Cost of capital, depreciation rates, net salvage	Indiana Office of Utility Consumer Counselor
Public Utilities Commission of the State of California	Pacific Gas & Electric Company	18-12-009	Depreciation rates, service lives, net salvage	The Utility Reform Network
Oklahoma Corporation Commission	The Empire District Electric Company	PUD 201800133	Cost of capital, authorized ROE, depreciation rates	Oklahoma Industrial Energy Consumers and Oklahoma Energy Results

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Arkansas Public Service Commission	Southwestern Electric Power Company	19-008-U	Cost of capital, depreciation rates, net salvage	Western Arkansas Large Energy Consumers
Public Utility Commission of Texas	CenterPoint Energy Houston Electric	PUC 49421	Depreciation rates, service lives, net salvage	Texas Coast Utilities Coalition
Massachusetts Department of Public Utilities	Massachusetts Electric Company and Nantucket Electric Company	D.P.U. 18-150	Depreciation rates, service lives, net salvage	Massachusetts Office of the Attorney General, Office of Ratepayer Advocacy
Oklahoma Corporation Commission	Oklahoma Gas & Electric Company	PUD 201800140	Cost of capital, authorized ROE, depreciation rates	Oklahoma Industrial Energy Consumers and Oklahoma Energy Results
Public Service Commission of the State of Montana	Montana-Dakota Utilities Company	D2018.9.60	Depreciation rates, service lives, net salvage	Montana Consumer Counsel and Denbury Onshore
Indiana Utility Regulatory Commission	Northern Indiana Public Service Company	45159	Depreciation rates, grouping procedure, demolition costs	Indiana Office of Utility Consumer Counselor
Public Service Commission of the State of Montana	NorthWestern Energy	D2018.2.12	Depreciation rates, service lives, net salvage	Montana Consumer Counsel
Oklahoma Corporation Commission	Public Service Company of Oklahoma	PUD 201800097	Depreciation rates, service lives, net salvage	Oklahoma Industrial Energy Consumers and Wal-Mart
Nevada Public Utilities Commission	Southwest Gas Corporation	18-05031	Depreciation rates, service lives, net salvage	Nevada Bureau of Consumer Protection
Public Utility Commission of Texas	Texas-New Mexico Power Company	PUC 48401	Depreciation rates, service lives, net salvage	Alliance of Texas-New Mexico Power Municipalities
Oklahoma Corporation Commission	Oklahoma Gas & Electric Company	PUD 201700496	Depreciation rates, service lives, net salvage	Oklahoma Industrial Energy Consumers and Oklahoma Energy Results
Maryland Public Service Commission	Washington Gas Light Company	9481	Depreciation rates, service lives, net salvage	Maryland Office of People's Counsel
Indiana Utility Regulatory Commission	Citizens Energy Group	45039	Depreciation rates, service lives, net salvage	Indiana Office of Utility Consumer Counselor
Public Utility Commission of Texas	Entergy Texas, Inc.	PUC 48371	Depreciation rates, decommissioning costs	Texas Municipal Group
Washington Utilities & Transportation Commission	Avista Corporation	UE-180167	Depreciation rates, service lives, net salvage	Washington Office of Attorney General

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
New Mexico Public Regulation Commission	Southwestern Public Service Company	17-00255-UT	Cost of capital and authorized rate of return	HollyFrontier Navajo Refining; Occidental Permian
Public Utility Commission of Texas	Southwestern Public Service Company	PUC 47527	Depreciation rates, plant service lives	Alliance of Xcel Municipalities
Public Service Commission of the State of Montana	Montana-Dakota Utilities Company	D2017.9.79	Depreciation rates, service lives, net salvage	Montana Consumer Counsel
Florida Public Service Commission	Florida City Gas	20170179-GU	Cost of capital, depreciation rates	Florida Office of Public Counsel
Washington Utilities & Transportation Commission	Avista Corporation	UE-170485	Cost of capital and authorized rate of return	Washington Office of Attorney General
Wyoming Public Service Commission	Powder River Energy Corporation	10014-182-CA-17	Credit analysis, cost of capital	Private customer
Oklahoma Corporation Commission	Public Service Co. of Oklahoma	PUD 201700151	Depreciation, terminal salvage, risk analysis	Oklahoma Industrial Energy Consumers
Public Utility Commission of Texas	Oncor Electric Delivery Company	PUC 46957	Depreciation rates, simulated analysis	Alliance of Oncor Cities
Nevada Public Utilities Commission	Nevada Power Company	17-06004	Depreciation rates, service lives, net salvage	Nevada Bureau of Consumer Protection
Public Utility Commission of Texas	El Paso Electric Company	PUC 46831	Depreciation rates, interim retirements	City of El Paso
Idaho Public Utilities Commission	Idaho Power Company	IPC-E-16-24	Accelerated depreciation of North Valmy plant	Micron Technology, Inc.
Idaho Public Utilities Commission	Idaho Power Company	IPC-E-16-23	Depreciation rates, service lives, net salvage	Micron Technology, Inc.
Public Utility Commission of Texas	Southwestern Electric Power Company	PUC 46449	Depreciation rates, decommissioning costs	Cities Advocating Reasonable Deregulation
Massachusetts Department of Public Utilities	Eversource Energy	D.P.U. 17-05	Cost of capital, capital structure, and rate of return	Sunrun Inc.; Energy Freedom Coalition of America
Railroad Commission of Texas	Atmos Pipeline - Texas	GUD 10580	Depreciation rates, grouping procedure	City of Dallas

Utility Regulatory Proceedings

Regulatory Agency	Utility Applicant	Docket Number	Issues Addressed	Parties Represented
Public Utility Commission of Texas	Sharyland Utility Company	PUC 45414	Depreciation rates, simulated analysis	City of Mission
Oklahoma Corporation Commission	Empire District Electric Company	PUD 201600468	Cost of capital, depreciation rates	Oklahoma Industrial Energy Consumers
Railroad Commission of Texas	CenterPoint Energy Texas Gas	GUD 10567	Depreciation rates, simulated plant analysis	Texas Coast Utilities Coalition
Arkansas Public Service Commission	Oklahoma Gas & Electric Company	160-159-GU	Cost of capital, depreciation rates, terminal salvage	Arkansas River Valley Energy Consumers; Wal-Mart
Florida Public Service Commission	Peoples Gas	160-159-GU	Depreciation rates, service lives, net salvage	Florida Office of Public Counsel
Arizona Corporation Commission	Arizona Public Service Company	E-01345A-16-0036	Cost of capital, depreciation rates, terminal salvage	Energy Freedom Coalition of America
Nevada Public Utilities Commission	Sierra Pacific Power Company	16-06008	Depreciation rates, net salvage, theoretical reserve	Northern Nevada Utility Customers
Oklahoma Corporation Commission	Oklahoma Gas & Electric Co.	PUD 201500273	Cost of capital, depreciation rates, terminal salvage	Public Utility Division
Oklahoma Corporation Commission	Public Service Co. of Oklahoma	PUD 201500208	Cost of capital, depreciation rates, terminal salvage	Public Utility Division
Oklahoma Corporation Commission	Oklahoma Natural Gas Company	PUD 201500213	Cost of capital, depreciation rates, net salvage	Public Utility Division

Proxy Group Summary

Company	Ticker	Market Cap. ($ millions)	Market Category	Value Line Safety Rank	Financial Strength
Atmos Energy Corporation	ATO	30,400	Large Cap	1	A
New Jersey Resources Corporation	NJR	5,600	Mid Cap	2	A
NiSource Inc.	NI	22,500	Large Cap	2	B++
Northwest Natural Holding Co.	NWN	2,100	Mid Cap	2	A
ONE Gas, Inc.	OGS	5,300	Mid Cap	2	A
Southwest Gas Holdings, Inc.	SWX	6,500	Mid Cap	2	B++
Spire, Inc.	SR	5,100	Mid Cap	2	B++

Value Line Investment Survey

DCF - Stock and Index Prices

Ticker	^GSPC	ATO	NJR	NI	NWN	OGS	SWX	SR
30-day Average	7409	177.24	56.03	47.03	50.14	82.27	89.04	85.62
Standard Deviation	133.8	6.71	1.25	0.87	1.53	3.89	2.14	3.25
04/28/26	7139	186.08	56.21	48.20	52.87	87.35	91.05	90.87
04/29/26	7136	184.67	55.40	47.88	52.63	86.89	91.24	89.73
04/30/26	7209	188.91	56.31	48.28	53.00	88.48	93.37	91.18
05/01/26	7230	187.48	56.00	48.08	52.86	88.18	92.53	90.41
05/04/26	7201	186.71	56.10	48.08	52.85	88.09	92.40	90.36
05/05/26	7259	186.20	55.99	48.19	52.70	85.97	93.00	89.81
05/06/26	7365	183.72	54.86	47.51	48.66	85.29	90.17	86.21
05/07/26	7337	180.84	55.53	47.02	50.19	84.64	90.11	85.52
05/08/26	7399	179.85	55.55	46.72	50.44	84.21	89.30	85.70
05/11/26	7413	181.11	55.82	47.03	50.46	84.26	88.49	85.76
05/12/26	7401	180.92	56.96	47.19	50.16	84.08	89.22	86.58
05/13/26	7444	178.94	57.19	47.05	49.71	83.26	88.08	85.56
05/14/26	7501	179.85	57.80	47.42	49.91	83.59	88.90	86.12
05/15/26	7409	175.49	57.33	46.30	48.42	81.69	87.70	85.43
05/18/26	7403	177.52	57.62	46.55	49.55	83.24	88.94	86.22
05/19/26	7354	176.73	58.19	47.42	50.20	83.10	89.04	86.98
05/20/26	7433	175.01	57.40	47.02	49.92	82.80	89.66	86.71
05/21/26	7446	176.46	57.18	47.71	49.82	82.35	88.89	86.79
05/22/26	7473	176.81	57.27	47.85	49.93	82.50	89.91	86.99
05/26/26	7519	177.72	57.53	47.80	49.89	81.74	89.20	86.24
05/27/26	7520	176.24	56.76	47.47	50.28	81.35	88.64	85.65
05/28/26	7564	173.03	55.56	46.77	49.15	79.10	86.73	83.65
05/29/26	7580	169.13	55.25	46.22	48.49	77.74	86.21	82.26
06/01/26	7600	167.15	53.66	45.10	47.84	76.02	84.49	80.72
06/02/26	7610	168.75	54.06	45.86	48.61	77.47	86.04	82.08
06/03/26	7554	168.30	53.84	45.53	48.24	76.80	85.73	81.10
06/04/26	7584	167.96	54.61	45.85	48.89	77.30	87.17	81.10
06/05/26	7384	170.24	55.41	46.61	49.78	78.40	88.72	82.38
06/08/26	7406	167.89	54.44	45.85	48.93	76.18	88.40	80.38
06/09/26	7387	167.62	54.94	46.33	49.67	76.00	88.02	80.25

All prices are adjusted closing prices reported by Yahoo! Finance, http://finance.yahoo.com

DCF - Dividend Yields

Company	Ticker	[1] Annualized Dividend	[2] Stock Price	[3] Dividend Yield
Atmos Energy Corporation	ATO	4.00	177.24	2.26%
New Jersey Resources Corporation	NJR	1.90	56.03	3.39%
NiSource Inc.	NI	1.20	47.03	2.55%
Northwest Natural Holding Co.	NWN	1.97	50.14	3.93%
ONE Gas, Inc.	OGS	2.72	82.27	3.31%
Southwest Gas Holdings, Inc.	SWX	2.58	89.04	2.90%
Spire, Inc.	SR	3.30	85.62	3.85%
Average		**$2.52**	**$83.91**	**3.17%**

[1] Yahoo Finance

[2] Average stock price from Exhibit DJG-3

[3] = [1] / [2]

DCF - Terminal Growth Rate Determinants

DCF Growth Rate Indicators	Rate
Nominal GDP (2026-2056)	3.8%
Real GDP	1.6%
Long-Term Growth Ceiling	**3.8%**

CBO, The 2026 Long-Term Budget Outlook (nominal annual GDP growth)

DCF - Final Result

Company	Ticker	[1] Dividend Yield	[2] Analyst Growth		[3] Sustainable Growth	[4] DCF Result (Analyst Growth)	[5] DCF Result (Sustainable Growth)
Atmos Energy Corporation	ATO	2.3%	8.0%		3.8%	10.4%	6.1%
New Jersey Resources Corporation	NJR	3.4%	6.0%		3.8%	9.6%	7.3%
NiSource Inc.	NI	2.6%	6.0%		3.8%	8.7%	6.4%
Northwest Natural Holding Co.	NWN	3.9%	0.5%		3.8%	4.4%	7.9%
ONE Gas, Inc.	OGS	3.3%	2.0%		3.8%	5.4%	7.2%
Southwest Gas Holdings, Inc.	SWX	2.9%	2.5%	*	3.8%	5.5%	6.8%
Spire, Inc.	SR	3.9%	5.0%		3.8%	9.0%	7.8%
Average		**3.2%**	**4.3%**		**3.8%**	**7.6%**	**7.1%**

[1] Dividend Yield from Exhibit DJG-4

[2] Forecasted dividend growth rates - Value Line (*past five year dividend when projected dividend not reported)

[3] Sustainable growth rate from Exhibit DJG-5

[4] Annual Compounding DCF = $D_0 (1 + g) / P_0 + g$ (using analyst growth rate)

[5] Annual Compounding DCF = $D_0 (1 + g) / P_0 + g$ (using sustainable growth rate)

CAPM - Risk-Free Rate Estimate

Date	Rate
06/09/26	5.01%
06/08/26	5.03%
06/05/26	5.01%
06/04/26	4.97%
06/03/26	4.99%
06/02/26	4.97%
06/01/26	4.99%
05/29/26	4.99%
05/28/26	4.98%
05/27/26	5.01%
05/26/26	5.03%
05/22/26	5.07%
05/21/26	5.10%
05/20/26	5.11%
05/19/26	5.18%
05/18/26	5.14%
05/15/26	5.12%
05/14/26	5.02%
05/13/26	5.03%
05/12/26	5.03%
05/11/26	4.98%
05/08/26	4.95%
05/07/26	4.97%
05/06/26	4.94%
05/05/26	4.98%
05/04/26	5.02%
05/01/26	4.97%
04/30/26	4.98%
04/29/26	4.98%
04/28/26	4.94%
Average	**5.02%**

*Daily Treasury Yield Curve Rates on 10-year T-bonds,
http://www.treasury.gov/resources-center/data-chart-center/interest-rates/

CAPM - Beta Coefficients

Company	Ticker	Beta
Atmos Energy Corporation	ATO	0.75
New Jersey Resources Corporation	NJR	0.75
NiSource Inc.	NI	0.85
Northwest Natural Holding Co.	NWN	0.75
ONE Gas, Inc.	OGS	0.75
Southwest Gas Holdings, Inc.	SWX	0.80
Spire, Inc.	SR	0.75
Average		0.77

Value Line Investment Survey

CAPM - Implied Equity Risk Premium Estimate

Year	[1] Market Value	[2] Operating Earnings	[3] Dividends	[4] Buybacks	[5] Earnings Yield	[6] Dividend Yield	[7] Buyback Yield	[8] Gross Cash Yield
2014	18,245	1,004	350	553	5.50%	1.92%	3.03%	4.95%
2015	17,900	885	382	572	4.95%	2.14%	3.20%	5.33%
2016	19,268	920	397	536	4.77%	2.06%	2.78%	4.85%
2017	22,821	1,066	420	519	4.67%	1.84%	2.28%	4.12%
2018	21,027	1,282	456	806	6.10%	2.17%	3.84%	6.01%
2019	26,760	1,305	485	729	4.88%	1.81%	2.72%	4.54%
2020	31,659	1,019	480	520	3.22%	1.52%	1.64%	3.16%
2021	40,356	1,739	511	882	4.31%	1.27%	2.18%	3.45%
2022	32,133	1,656	565	923	5.15%	1.76%	2.87%	4.63%
2023	36,870	1,790	588	795	4.85%	1.60%	2.16%	3.75%
2024	49,805	1,967	630	943	3.95%	1.26%	1.89%	3.16%

Cash Yield	4.36%	[9]
Growth Rate	6.95%	[10]
Risk-free Rate	5.02%	[11]
Current Index Value	7,409	[12]

Year	[13] 1	[14] 2	[15] 3	[16] 4	[17] 5
Expected Dividends	345	369	395	422	452
Expected Terminal Value					9537
Present Value	314	305	297	289	6204
Intrinsic Index Value	7409	[18]			
Required Return on Market	10.0%	[19]			
Implied Equity Risk Premium	**5.0%**	[20]			

[1-4] S&P Quarterly Press Releases, data found at https://us.spindices.com/indices/equity/sp-500 (additional info tab) (all dollar figures are in $ billions)
[1] Market value of S&P 500
[5] = [2] / [1]
[6] = [3] / [1]
[7] = [4] / [1]
[8] = [6] + [7]
[9] = Average of [8]
[10] = Compund annual growth rate of [2] = (end value / beginning value)^ $^{1/10}$-1
[11] Risk-free rate from DJG risk-free rate exhibit
[12] 30-day average of closing index prices from DJG stock price exhibit
[13-16] Expected dividends = [9]*[12]*(1+[10])^{n} ; Present value = expected dividend / (1+[11]+[19])^{n}
[17] Expected terminal value = expected dividend * (1+[11]) / [19] ; Present value = (expected dividend + expected terminal value) / (1+[11]+[19])^{n}
[18] = Sum([13-17]) present values.
[19] = [20] + [11]
[20] Internal rate of return calculation setting [18] equal to [12] and solving for the discount rate

CAPM - Equity Risk Premium Results

IESE Business School Survey	5.3%	[1]
Kroll (Duff & Phelps) Report	5.0%	[2]
Damodaran (average)	4.5%	[3]
Garrett	5.0%	[4]
Average	**4.9%**	

CAPM - Final Results

Company	Ticker	[1] Beta	[2] CAPM Result
Atmos Energy Corporation	ATO	0.75	8.7%
New Jersey Resources Corporation	NJR	0.75	8.7%
NiSource Inc.	NI	0.85	9.2%
Northwest Natural Holding Co.	NWN	0.75	8.7%
ONE Gas, Inc.	OGS	0.75	8.7%
Southwest Gas Holdings, Inc.	SWX	0.80	9.0%
Spire, Inc.	SR	0.75	8.7%
Average			**8.8%**
Risk-free Rate	[3]	5.0%	
Equity Risk Premium	[4]	4.9%	

[1] From Exhibit DJG-8

[2] = [3] + [1] * [4]

[3] From Exhibit DJG-7

[4] From Exhibit DJG-10

Cost of Equity Summary

Model	Cost of Equity
CAPM (at Proxy Debt Ratio)	8.8%
Hamada CAPM (at Company-Proposed Debt Ratio)	8.5%
DCF Model (Analyst Growth)	7.6%
DCF Model (Sustainable Growth)	7.1%
Model Average	**8.0%**
Recommended ROE	**8.8%**

Proxy Company Debt Ratios

Company	Ticker	Debt Ratio
Atmos Energy Corporation	ATO	40%
New Jersey Resources Corporation	NJR	58%
NiSource Inc.	NI	62%
Northwest Natural Holding Co.	NWN	61%
ONE Gas, Inc.	OGS	41%
Southwest Gas Holdings, Inc.	SWX	46%
Spire, Inc.	SR	50%
Average		51%

Debt ratios from Value Line Investment Survey - 2025

Competitive Industry Debt Ratios

Industry	# Firms	Debt Ratio
Retail (Building Supply)	14	97%
Restaurant/Dining	64	95%
Hotel/Gaming	63	82%
Brokerage & Investment Banking	32	79%
Retail (Automotive)	34	77%
Hospitals/Healthcare Facilities	31	76%
Rubber& Tires	3	74%
Bank (Money Center)	15	73%
Recreation	49	72%
Air Transport	23	71%
Food Wholesalers	13	69%
Retail (Grocery and Food)	15	67%
Chemical (Diversified)	4	66%
Cable TV	9	65%
Telecom (Wireless)	12	65%
Advertising	52	64%
Transportation	19	64%
R.E.I.T.	190	63%
Power	46	63%
Oil/Gas Distribution	23	63%
Transportation (Railroads)	4	62%
Computers/Peripherals	36	61%
Telecom. Services	39	61%
Broadcasting	24	61%
Auto & Truck	33	60%
Retail (Special Lines)	94	60%
Software (Internet)	29	60%
Green & Renewable Energy	15	59%
Environmental & Waste Services	53	58%
Office Equipment & Services	14	58%
Utility (General)	14	58%
Beverage (Soft)	27	57%
Apparel	35	56%
Information Services	15	56%
Retail (Distributors)	62	55%
Utility (Water)	14	55%
Farming/Agriculture	35	55%
Aerospace/Defense	79	55%
Packaging & Container	19	54%
Computer Services	64	54%
Retail (REITs)	26	54%
Chemical (Basic)	29	52%
Furn/Home Furnishings	27	52%
Business & Consumer Services	155	51%
Household Products	110	51%
Drugs (Biotechnology)	496	51%
Real Estate (Development)	14	50%
Total / Average	**2,273**	**63%**

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/dbtfund.htm

Hamada Model Results

Unlevering Beta

Proxy Debt Ratio	51%	[1]
Proxy Equity Ratio	49%	[2]
Proxy Debt / Equity Ratio	1.0	[3]
Tax Rate	21%	[4]
Equity Risk Premium	4.9%	[5]
Risk-free Rate	5.0%	[6]
Proxy Group Beta	0.77	[7]
Unlevered Beta	0.42	[8]

Relevered Betas and Cost of Equity Estimates

[9] Debt Ratio	[10] D/E Ratio	[11] Levered Beta	[12] Cost of Equity
0%	0.0	0.42	7.1%
20%	0.3	0.51	7.5%
25%	0.3	0.53	7.7%
30%	0.4	0.57	7.8%
46%	0.8	0.70	8.5%
51%	1.0	0.77	8.8%
60%	1.5	0.92	9.6%

[1] Proxy group average debt ratio

[2] Proxy group average equity ratio

[3] = [1] / [2]

[4] Company assumed tax rate

[5] Equity risk premium from Exhibit DJG-11

[6] Risk-free rate from Exhibit DJG-11

[7] Average proxy beta from Exhibit DJG-11

[8] = [7] / (1 + (1 - [4]) * [3])

[9] Various debt ratios (Garrett proposed highlighted)

[10] = [9] / (1 - [9])

[11] = [8] * (1 + (1 - [4]) * [10])

[12] = [6] + [11] * [5]

Final Rate of Return Recommendation

Primary Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	51.0%	4.61%	2.35%
Common Equity	49.0%	8.80%	4.31%
Total	100.0%		6.66%

Alternative Recommendation

Capital Component	Proposed Ratio	Cost Rate	Weighted Cost
Long-Term Debt	45.5%	4.61%	2.10%
Common Equity	54.5%	8.50%	4.63%
Total	100.0%		6.73%

Summary Rate and Accrual Adjustment

2025 DEPRECIATION STUDY

Plant Operations	Plant 11/30/2025	Peoples Position Rate	Peoples Position Annual Accrual	OCA Position Rate	OCA Position Annual Accrual	OCA Adjustment Rate	OCA Adjustment Annual Accrual
Intangible	$ 116,593,072	14.03%	$ 16,361,627	13.83%	$ 16,122,426	-0.21%	$ (239,201)
Production	150,231,519	2.12%	3,190,084	2.33%	3,506,299	0.21%	316,215
Underground Storage	27,038,204	2.54%	687,432	1.99%	537,150	-0.56%	(150,282)
Transmission	399,272,427	1.43%	5,692,284	1.22%	4,859,686	-0.21%	(832,598)
Distribution	4,823,019,505	1.98%	95,551,953	1.44%	69,328,093	-0.54%	(26,223,860)
General	222,222,524	7.52%	16,701,420	7.54%	16,750,907	0.02%	49,487
Net Salvage	-	0.00%	7,590,331	0.00%	7,590,331	0.00%	-
TOTAL PLANT STUDIED	**$ 5,738,377,251**	**2.54%**	**$ 145,775,131**	**2.07%**	**$ 118,694,893**	**-0.47%**	**$ (27,080,238)**

2026 DEPRECIATION STUDY

Plant Operations	Plant 11/30/2026	Peoples Position Rate	Peoples Position Annual Accrual	OCA Position Rate	OCA Position Annual Accrual	OCA Adjustment Rate	OCA Adjustment Annual Accrual
Intangible	$ 118,826,660	12.99%	$ 15,436,816	12.78%	$ 15,183,460	-0.21%	$ (253,356)
Production	157,133,355	2.16%	3,390,917	2.33%	3,668,303	0.18%	277,386
Underground Storage	32,187,617	2.66%	855,973	1.92%	618,914	-0.74%	(237,059)
Transmission	414,893,591	1.44%	5,965,197	1.23%	5,087,448	-0.21%	(877,749)
Distribution	5,409,063,919	2.03%	109,964,782	1.47%	79,487,397	-0.56%	(30,477,385)
General	231,351,225	7.90%	18,270,209	7.93%	18,347,445	0.03%	77,236
Net Salvage	-	0.00%	7,157,306	0.00%	7,157,306	0.00%	-
TOTAL PLANT STUDIED	**$ 6,363,456,369**	**2.53%**	**$ 161,041,200**	**2.04%**	**$ 129,550,273**	**-0.49%**	**$ (31,490,927)**

2027 DEPRECIATION STUDY

Plant Operations	Plant 11/30/2027	Peoples Position Rate	Peoples Position Annual Accrual	OCA Position Rate	OCA Position Annual Accrual	OCA Adjustment Rate	OCA Adjustment Annual Accrual
Intangible	$ 116,914,580	13.13%	$ 15,354,523	13.34%	$ 15,592,874	0.20%	$ 238,351
Production	188,633,353	2.27%	4,279,645	2.24%	4,233,660	-0.02%	(45,985)
Underground Storage	37,438,989	2.59%	968,334	1.83%	685,260	-0.76%	(283,074)
Transmission	432,277,559	1.45%	6,281,730	1.23%	5,324,234	-0.22%	(957,496)
Distribution	6,043,382,984	2.09%	126,365,272	1.50%	90,677,184	-0.59%	(35,688,088)
General	253,033,979	7.85%	19,863,809	7.81%	19,755,827	-0.04%	(107,982)
Net Salvage	-	0.00%	8,068,283	0.00%	8,068,283	0.00%	-
TOTAL PLANT STUDIED	**$ 7,071,681,444**	**2.56%**	**$ 181,181,596**	**2.04%**	**$ 144,337,323**	**-0.52%**	**$ (36,844,273)**

Detailed Rate Comparison - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
	Intangible Plant							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	7,361,231	2.48%	182,287	2.48%	182,297	0.00%	10
	OTHER	76,175,970	19.39%	14,772,627	19.08%	14,530,791	-0.31%	-241,836
	MAJOR	12,990,356	9.85%	1,279,822	9.87%	1,282,382	0.02%	2,560
	SAP	20,065,515	0.63%	126,891	0.63%	126,956	0.00%	65
	Total Intangible Plant	116,593,072	14.03%	16,361,627	13.83%	16,122,426	-0.21%	-239,201
	Production Plant							
325.01	PRODUCING LANDS	139,440	0.77%	1,067	0.74%	1,029	-0.03%	-38
325.02	PRODUCING LEASEHOLDS	14,481	1.31%	190	1.37%	199	0.06%	9
325.03	GAS RIGHTS	20,984	1.08%	227	1.15%	242	0.07%	15
325.04	RIGHTS OF WAY	2,051,366	1.08%	22,251	1.10%	22,535	0.02%	284
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	2.02%	249,139	1.58%	194,731	-0.44%	-54,408
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	62,778	0.98%	618	1.59%	995	0.61%	377
329.00	OTHER STRUCTURES	1,926,214	1.24%	23,858	1.17%	22,590	-0.07%	-1,268
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	0.00%	0	0.00%	0	0.00%	0
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	8.44%	250	7.59%	225	-0.85%	-25
332.00	FIELD LINES	81,350,164	1.59%	1,295,932	1.30%	1,058,812	-0.29%	-237,120
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,788,216	3.16%	1,542,695	4.41%	2,153,976	1.25%	611,281
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,490,666	1.47%	51,399	1.40%	48,955	-0.07%	-2,444
337.00	OTHER EQUIPMENT	66,192	3.71%	2,458	3.04%	2,011	-0.67%	-447
	Total Production Plant	150,231,519	2.12%	3,190,084	2.33%	3,506,299	0.21%	316,215
	Underground Storage Plant							
350.11	LAND - GAS	16,824	2.75%	463	2.73%	460	-0.02%	-3
350.21	RIGHTS OF WAY	138,528	1.35%	1,872	1.30%	1,796	-0.05%	-76
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	2.10%	50,530	1.68%	40,245	-0.42%	-10,285
352.01	WELLS - CONSTRUCTION	1,330,069	7.74%	102,949	5.39%	71,635	-2.35%	-31,314
352.02	WELLS - EQUIPMENT	707,346	3.64%	25,720	2.68%	18,964	-0.96%	-6,756
352.11	LEASEHOLDS	161,937	0.00%	0	0.00%	0	0.00%	0
352.12	STORAGE RIGHTS	413,406	1.23%	5,074	1.22%	5,043	-0.01%	-31
352.21	RESERVOIRS	433,139	2.23%	9,640	2.22%	9,627	-0.01%	-13
352.31	NON-RECOVERABLE NATURAL GAS	205,251	0.00%	0	0.00%	0	0.00%	0
353.00	LINES	3,688,379	1.40%	51,724	1.25%	46,052	-0.15%	-5,672
354.00	COMPRESSOR STATION EQUIPMENT	15,921,351	2.61%	415,477	2.02%	321,746	-0.59%	-93,731

Detailed Rate Comparison - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
355.00	MEASURING AND REGULATING STATION EQUIPMENT	1,591,237	1.51%	23,983	1.36%	21,582	-0.15%	-2,401
357.00	OTHER EQUIPMENT	30,184	0.00%	0	0.00%	0	0.00%	0
	Total Underground Storage Plant	27,038,204	2.54%	687,432	1.99%	537,150	-0.56%	-150,282
	Transmission Plant							
365.02	RIGHTS OF WAY	7,129,175	1.04%	74,210	1.11%	79,191	0.07%	4,981
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	1.24%	26,913	1.23%	26,717	-0.01%	-196
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	1.02%	17,578	1.03%	17,860	0.01%	282
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	0.75%	714	0.97%	919	0.22%	205
367.00	MAINS	319,649,867	1.28%	4,079,917	1.11%	3,539,528	-0.17%	-540,389
368.00	COMPRESSOR STATION EQUIPMENT	19,695,331	2.26%	446,094	1.84%	362,010	-0.42%	-84,084
369.00	MEASURING AND REGULATING STATION EQUIPMENT	46,159,736	2.12%	980,802	1.69%	780,173	-0.43%	-200,629
371.00	OTHER EQUIPMENT	2,650,785	2.49%	66,056	2.01%	53,288	-0.48%	-12,768
	Total Transmission Plant	399,272,427	1.43%	5,692,284	1.22%	4,859,686	-0.21%	-832,598
	Distribution Plant							
374.02	RIGHTS OF WAY	11,761,725	1.32%	155,689	1.27%	149,912	-0.05%	-5,777
375.00	STRUCTURES AND IMPROVEMENTS							
	MEASURING AND REGULATING	4,109,993	0.02%	970	0.03%	1,183	0.01%	213
	OTHER							
	MAJOR STRUCTURES	24,813,854	5.30%	1,315,814	0.60%	148,586	-4.70%	-1,167,228
	MINOR STRUCTURES	1,104,893	1.11%	12,271	0.99%	10,930	-0.12%	-1,341
	Total Structures and Improvements	30,028,740	4.43%	1,329,055	0.54%	160,699	-3.89%	-1,168,356
376.00	MAINS							
	LOW PRESSURE	1,827,171,621	1.87%	34,205,265	1.29%	23,499,905	-0.58%	-10,705,360
	REGULAR PRESSURE	1,614,677,492	1.90%	30,692,277	1.36%	21,942,271	-0.54%	-8,750,006
	Total Mains	3,441,849,114	1.89%	64,897,542	1.32%	45,442,176	-0.57%	-19,455,366
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	126,432,635	2.13%	2,692,756	1.58%	1,998,762	-0.55%	-693,994
380.00	SERVICES	923,796,287	1.93%	17,874,301	1.60%	14,785,293	-0.33%	-3,089,008
381.00	METERS	161,988,769	3.59%	5,818,487	2.76%	4,472,552	-0.83%	-1,345,935
381.20	METERS - INTELIS	4,900,522	5.81%	284,953	4.97%	243,341	-0.84%	-41,612
382.00	METER INSTALLATIONS	77,746,128	1.95%	1,513,467	1.64%	1,273,263	-0.31%	-240,204
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,385,526	1.91%	255,906	1.40%	187,347	-0.51%	-68,559
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	0.00%	0	0.00%	0	0.00%	0

Detailed Rate Comparison - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
387.00	OTHER EQUIPMENT	16,485,526	4.43%	729,797	3.73%	614,749	-0.70%	-115,048
	Total Distribution Plant	4,823,019,505	1.98%	95,551,953	1.44%	69,328,093	-0.54%	-26,223,860
	General Plant							
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	0.96%	509	0.96%	509	0.00%	0
390.00	STRUCTURES AND IMPROVEMENTS							
	OWNED	52,392,831	2.69%	1,406,772	2.68%	1,405,038	-0.01%	-1,734
	LEASED - NORTH SHORE	8,112,868	6.48%	525,454	6.53%	529,934	0.05%	4,480
	Total Structures and Improvements	60,505,698	3.19%	1,932,226	3.20%	1,934,973	0.00%	2,747
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,788,316	2.77%	77,247	2.77%	77,210	0.00%	-37
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	8,851,345	0.00%	0	0.00%	0	0.00%	0
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	134,732	11.82%	15,919	11.88%	16,012	0.06%	93
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	80,359,197	13.03%	10,471,774	13.09%	10,519,340	0.06%	47,566
	TRAILERS	5,596,704	10.53%	589,447	10.53%	589,243	0.00%	-204
	Total Transportation Equipment	85,955,901	12.87%	11,061,221	12.92%	11,108,582	0.06%	47,361
393.00	STORES EQUIPMENT	457	42.91%	196	42.84%	196	-0.07%	0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	7,497,931	2.72%	204,268	2.73%	204,377	0.01%	109
394.01	DUAL FUEL STATIONS	398,117	2.66%	10,580	2.65%	10,552	-0.01%	-28
396.00	POWER OPERATED EQUIPMENT	17,340,828	6.71%	1,162,790	6.70%	1,161,021	-0.01%	-1,769
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	19,674,407	6.45%	1,269,585	6.45%	1,269,679	0.00%	94
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,949,829	4.89%	828,808	4.89%	828,965	0.00%	157
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	12.43%	3,562	12.37%	3,545	-0.06%	-17
397.20	COMMUNICATION EQUIPMENT - RADIO	1,988,427	6.71%	133,451	6.75%	134,229	0.04%	778
398.00	MISCELLANEOUS EQUIPMENT	54,886	1.93%	1,058	1.93%	1,059	0.00%	1
	Total General Plant	222,222,524	7.52%	16,701,420	7.54%	16,750,907	0.02%	49,487
	AMORTIZATION OF NET SALVAGE			7,590,331	0.00%	7,590,331	0.00%	0
	TOTAL PLANT STUDIED	**5,738,377,251**	**2.54%**	**145,775,131**	**2.07%**	**118,694,893**	**-0.47%**	**-27,080,238**

Detailed Rate Comparison - 2025

		[1]	[2]		[3]		[4]	
			Peoples Position		OCA Position		OCA Adjustment	
Account No.	Description	Plant 11/30/2025	Rate	Annual Accrual	Rate	Annual Accrual	Rate	Annual Accrual

[1], [2] From Company depreciation study

[3] From Exhibit DJG-19

[4] = [3] - [2]

Depreciation Rate Development - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
	Intangible Plant								
303.00	MISCELLANEOUS INTANGIBLE PLANT								
	CIAC	7,361,231	SQ	40	2,147,531	5,213,700	28.60	182,297	2.48%
	OTHER	76,175,970	SQ	5	35,489,755	40,686,215	2.80	14,530,791	19.08%
	MAJOR	12,990,356	SQ	15	935,970	12,054,386	9.40	1,282,382	9.87%
	SAP	20,065,515	SQ	10	19,062,562	1,002,953	7.90	126,956	0.63%
	Total Intangible Plant	116,593,072			57,635,818	58,957,254	3.66	16,122,426	13.83%
	Production Plant								
325.01	PRODUCING LANDS	139,440	R4	75	82,368	57,073	55.49	1,029	0.74%
325.02	PRODUCING LEASEHOLDS	14,481	L0	45	10,016	4,465	22.46	199	1.37%
325.03	GAS RIGHTS	20,984	R2.5	65	13,379	7,605	31.47	242	1.15%
325.04	RIGHTS OF WAY	2,051,366	R2.5	75	1,020,182	1,031,184	45.76	22,535	1.10%
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	S0.5	50	5,261,525	7,047,317	36.19	194,731	1.58%
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	62,778	S0	33	51,967	10,811	10.86	995	1.59%
329.00	OTHER STRUCTURES	1,926,214	R2.5	60	1,023,500	902,713	39.96	22,590	1.17%
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	L1	25	10,461	-1,247			
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	L1	26	2,531	429	1.91	225	7.59%
332.00	FIELD LINES	81,350,164	R1.5	65	32,189,505	49,160,659	46.43	1,058,812	1.30%
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,788,216	S0.5	35	19,494,140	29,294,076	13.60	2,153,976	4.41%
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,490,666	L0	20	2,981,049	509,617	10.41	48,955	1.40%
337.00	OTHER EQUIPMENT	66,192	L1	23	42,544	23,648	11.76	2,011	3.04%
	Total Production Plant	150,231,519			62,183,167	88,048,352	25.11	3,506,299	2.33%
	Underground Storage Plant								
350.11	LAND - GAS	16,824	L4	55	11,022	5,802	12.62	460	2.73%
350.21	RIGHTS OF WAY	138,528	R3	70	39,258	99,270	55.26	1,796	1.30%
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	R2	60	794,763	1,605,791	39.90	40,245	1.68%
352.01	WELLS - CONSTRUCTION	1,330,069	R1.5	60	-1,192,199	2,522,268	35.21	71,635	5.39%
352.02	WELLS - EQUIPMENT	707,346	R1	55	97,073	610,273	32.18	18,964	2.68%
352.11	LEASEHOLDS	161,937	R3	60	161,937	0			
352.12	STORAGE RIGHTS	413,406	R5	65	234,435	178,971	35.49	5,043	1.22%
352.21	RESERVOIRS	433,139	SQ	40	196,321	236,818	24.60	9,627	2.22%
352.31	NON-RECOVERABLE NATURAL GAS	205,251	SQ	37	205,251	0			
353.00	LINES	3,688,379	R2	50	2,195,845	1,492,534	32.41	46,052	1.25%
354.00	COMPRESSOR STATION EQUIPMENT	15,921,351	R1.5	47	5,046,330	10,875,021	33.80	321,746	2.02%

Depreciation Rate Development - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
355.00	MEASURING AND REGULATING STATION EQUIPMENT	1,591,237	R2.5	60	592,651	998,586	46.27	21,582	1.36%
357.00	OTHER EQUIPMENT	30,184	R2.5	30	30,184	0			
	Total Underground Storage Plant	27,038,204			8,412,869	18,625,335	34.67	537,150	1.99%
	Transmission Plant								
365.02	RIGHTS OF WAY	7,129,175	R4	80	2,901,166	4,228,009	53.39	79,191	1.11%
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	R3	60	1,196,003	967,702	36.22	26,717	1.23%
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	R2.5	55	1,100,364	628,675	35.20	17,860	1.03%
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	R2	45	80,242	14,547	15.83	919	0.97%
367.00	MAINS	319,649,867	R2.5	80	99,703,602	219,946,265	62.14	3,539,528	1.11%
368.00	COMPRESSOR STATION EQUIPMENT	19,695,331	S0.5	42	9,247,729	10,447,602	28.86	362,010	1.84%
369.00	MEASURING AND REGULATING STATION EQUIPMENT	46,159,736	R1.5	48	17,589,813	28,569,923	36.62	780,173	1.69%
371.00	OTHER EQUIPMENT	2,650,785	R1	35	1,275,946	1,374,839	25.80	53,288	2.01%
	Total Transmission Plant	399,272,427			133,094,866	266,177,562	54.77	4,859,686	1.22%
	Distribution Plant								
374.02	RIGHTS OF WAY	11,761,725	R4	75	3,308,177	8,453,548	56.39	149,912	1.27%
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	4,109,993	R2	65	4,066,011	43,983	37.17	1,183	0.03%
	OTHER								
	MAJOR STRUCTURES	24,813,854	R1.5	80	16,030,940	8,782,914	59.11	148,586	0.60%
	MINOR STRUCTURES	1,104,893	R2	65	629,896	474,997	43.46	10,930	0.99%
	Total Structures and Improvements	30,028,740			20,726,847	9,301,894	57.88	160,699	0.54%
376.00	MAINS								
	LOW PRESSURE	1,827,171,621	R1.5	72	317,772,699	1,509,398,922	64.23	23,499,905	1.29%
	REGULAR PRESSURE	1,614,677,492	R1.5	72	283,878,765	1,330,798,727	60.65	21,942,271	1.36%
	Total Mains	3,441,849,114			601,651,464	2,840,197,649	62.50	45,442,176	1.32%
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	126,432,635	R1.5	55	37,347,800	89,084,835	44.57	1,998,762	1.58%
380.00	SERVICES	923,796,287	R2	55	320,112,789	603,683,499	40.83	14,785,293	1.60%
381.00	METERS	161,988,769	S0.5	32	49,817,170	112,171,599	25.08	4,472,552	2.76%
381.20	METERS - INTELIS	4,900,522	S2	20	145,635	4,754,887	19.54	243,341	4.97%
382.00	METER INSTALLATIONS	77,746,128	R2	55	29,132,944	48,613,184	38.18	1,273,263	1.64%
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,385,526	R0.5	50	6,232,637	7,152,890	38.18	187,347	1.40%
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	S4	20	14,644,532	0			

Depreciation Rate Development - 2025

Account No.	Description	[1] Plant 11/30/2025	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
387.00	OTHER EQUIPMENT	16,485,526	R2.5	26	4,288,912	12,196,614	19.84	614,749	3.73%
	Total Distribution Plant	4,823,019,505			1,087,408,907	3,735,610,598	53.88	69,328,093	1.44%
	General Plant								
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	R3	60	39,415	13,581	26.70	509	0.96%
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	52,392,831	R1.5	55	5,886,063	46,506,768	33.10	1,405,038	2.68%
	LEASED - NORTH SHORE	8,112,868	R0.5	75	6,470,072	1,642,796	3.10	529,934	6.53%
	Total Structures and Improvements	60,505,698			12,356,135	48,149,564	24.88	1,934,973	3.20%
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,788,316	SQ	20	2,062,545	725,771	9.40	77,210	2.77%
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	8,851,345	SQ	5	9,084,860	-233,515			
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	134,732	SQ	15	21,046	113,686	7.10	16,012	11.88%
392.00	TRANSPORTATION EQUIPMENT								
	TRUCKS	80,359,197	L2	10	26,710,565	53,648,632	5.10	10,519,340	13.09%
	TRAILERS	5,596,704	L2	15	116,746	5,479,958	9.30	589,243	10.53%
	Total Transportation Equipment	85,955,901			26,827,311	59,128,590	5.32	11,108,582	12.92%
393.00	STORES EQUIPMENT	457	SQ	25	-1,422	1,879	9.60	196	42.84%
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	7,497,931	SQ	25	4,902,349	2,595,582	12.70	204,377	2.73%
394.01	DUAL FUEL STATIONS	398,117	SQ	15	317,922	80,195	7.60	10,552	2.65%
396.00	POWER OPERATED EQUIPMENT	17,340,828	L2	15	8,517,071	8,823,756	7.60	1,161,021	6.70%
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	19,674,407	SQ	15	11,040,592	8,633,816	6.80	1,269,679	6.45%
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,949,829	SQ	18	8,991,765	7,958,064	9.60	828,965	4.89%
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	SQ	25	-1,835	30,490	8.60	3,545	12.37%
397.20	COMMUNICATION EQUIPMENT - RADIO	1,988,427	SQ	15	1,250,166	738,261	5.50	134,229	6.75%
398.00	MISCELLANEOUS EQUIPMENT	54,886	SQ	15	46,626	8,260	7.80	1,059	1.93%
	Total General Plant	222,222,524			85,454,545	136,767,979	8.16	16,750,907	7.54%
	AMORTIZATION OF NET SALVAGE							7,590,331	
	TOTAL PLANT STUDIED	**5,738,377,251**			**1,434,190,172**	**4,304,187,079**	**36.26**	**118,694,893**	**2.07%**

Depreciation Rate Development - 2025

		[1]	[2]		[3]	[4]	[5]	[6]	[7]
Account No.	Description	Plant 11/30/2025	Iowa Curve Type	AL	Book Reserve	Future Accruals	Remaining Life	Total Accrual	Rate

[1], [3] From Company depreciation study

[2] Average life and Iowa curve shape developed through actuarial analysis and professional judgment

[4] = [1] - [3]

[5] Composite remaining life based on Iowa cuve in [2]; see remaining life exhibit for detailed calculations

[6] = [4] / [5]; (some unadjusted figures may be hard coded to match Company proposal)

[7] = [6] / [1]; (some unadjusted figures may hard coded to match Company proposal)

Detailed Rate Comparison - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
	Intangible Plant							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	18,961,179	2.60%	492,371	2.59%	491,910	-0.01%	-461
	OTHER	69,644,069	19.41%	13,519,487	19.06%	13,274,481	-0.35%	-245,006
	MAJOR	11,876,465	10.92%	1,296,334	10.86%	1,289,249	-0.06%	-7,085
	SAP	18,344,947	0.70%	128,624	0.70%	127,820	0.00%	-804
	Total Intangible Plant	118,826,660	12.99%	15,436,816	12.78%	15,183,460	-0.21%	-253,356
	Production Plant							
325.01	PRODUCING LANDS	139,440	0.77%	1,067	0.74%	1,027	-0.03%	-40
325.02	PRODUCING LEASEHOLDS	14,481	1.27%	184	1.33%	193	0.06%	9
325.03	GAS RIGHTS	20,984	1.07%	224	1.14%	240	0.07%	16
325.04	RIGHTS OF WAY	2,132,063	1.10%	23,367	1.11%	23,613	0.01%	246
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	1.98%	243,675	1.56%	191,620	-0.42%	-52,055
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	2.80%	2,804	2.18%	2,179	-0.62%	-625
329.00	OTHER STRUCTURES	1,926,214	1.23%	23,676	1.17%	22,453	-0.06%	-1,223
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	0.00%	0	0.00%	0	0.00%	0
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	3.45%	102	3.48%	103	0.03%	1
332.00	FIELD LINES	88,238,774	1.63%	1,441,927	1.31%	1,154,126	-0.32%	-287,801
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,593,534	3.28%	1,594,396	4.56%	2,217,033	1.28%	622,637
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,636,010	1.57%	57,132	1.48%	53,769	-0.09%	-3,363
337.00	OTHER EQUIPMENT	10,824	21.83%	2,363	17.97%	1,946	-3.86%	-417
	Total Production Plant	157,133,355	2.16%	3,390,917	2.33%	3,668,303	0.18%	277,386
	Underground Storage Plant							
350.11	LAND - GAS	16,824	2.60%	438	2.59%	435	-0.01%	-3
350.21	RIGHTS OF WAY	153,028	1.37%	2,102	1.31%	2,003	-0.06%	-99
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	1.84%	44,077	1.53%	36,615	-0.31%	-7,462
352.01	WELLS - CONSTRUCTION	3,405,261	4.04%	137,606	2.35%	79,891	-1.69%	-57,715
352.02	WELLS - EQUIPMENT	1,810,957	3.56%	64,451	2.05%	37,068	-1.51%	-27,383
352.11	LEASEHOLDS	161,937	0.00%	0	0.00%	0	0.00%	0
352.12	STORAGE RIGHTS	413,406	1.23%	5,073	1.22%	5,039	-0.01%	-34
352.21	RESERVOIRS	433,139	2.23%	9,639	2.22%	9,625	-0.01%	-14
352.31	NON-RECOVERABLE NATURAL GAS	205,251	0.00%	0	0.00%	0	0.00%	0
353.00	LINES	3,688,379	1.38%	50,834	1.23%	45,512	-0.15%	-5,322
354.00	COMPRESSOR STATION EQUIPMENT	16,773,952	2.94%	493,478	2.16%	362,195	-0.78%	-131,283

Detailed Rate Comparison - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
355.00	MEASURING AND REGULATING STATION EQUIPMENT	2,694,747	1.79%	48,275	1.50%	40,531	-0.29%	-7,744
357.00	OTHER EQUIPMENT	30,184	0.00%	0	0.00%	0	0.00%	0
	Total Underground Storage Plant	32,187,617	2.66%	855,973	1.92%	618,914	-0.74%	-237,059
	Transmission Plant							
365.02	RIGHTS OF WAY	7,560,460	1.06%	79,814	1.12%	84,649	0.06%	4,835
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	1.24%	26,787	1.23%	26,586	-0.01%	-201
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	1.01%	17,393	1.03%	17,756	0.02%	363
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	0.73%	695	0.95%	905	0.22%	210
367.00	MAINS	329,280,078	1.27%	4,197,854	1.11%	3,647,832	-0.16%	-550,022
368.00	COMPRESSOR STATION EQUIPMENT	22,837,776	2.44%	557,477	1.95%	444,950	-0.49%	-112,527
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48,576,960	2.10%	1,021,688	1.67%	812,708	-0.43%	-208,980
371.00	OTHER EQUIPMENT	2,650,785	2.40%	63,489	1.96%	52,062	-0.44%	-11,427
	Total Transmission Plant	414,893,591	1.44%	5,965,197	1.23%	5,087,448	-0.21%	-877,749
	Distribution Plant							
374.02	RIGHTS OF WAY	12,669,748	1.33%	168,257	1.28%	161,693	-0.05%	-6,564
375.00	STRUCTURES AND IMPROVEMENTS							
	MEASURING AND REGULATING	5,225,191	0.59%	30,619	0.59%	30,933	0.00%	314
	OTHER							
	MAJOR STRUCTURES	24,813,854	5.31%	1,317,780	0.52%	127,917	-4.80%	-1,189,863
	MINOR STRUCTURES	1,104,893	1.10%	12,130	0.98%	10,839	-0.12%	-1,291
	Total Structures and Improvements	31,143,938	4.37%	1,360,529	0.54%	169,689	-3.82%	-1,190,840
376.00	MAINS							
	LOW PRESSURE	2,076,101,781	1.87%	38,885,185	1.29%	26,745,508	-0.58%	-12,139,677
	REGULAR PRESSURE	1,813,370,922	1.90%	34,544,225	1.35%	24,517,388	-0.55%	-10,026,837
	Total Mains	3,889,472,703	1.89%	73,429,410	1.32%	51,262,896	-0.57%	-22,166,514
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	159,321,071	2.28%	3,634,644	1.63%	2,600,890	-0.65%	-1,033,754
380.00	SERVICES	1,015,208,274	1.97%	20,030,699	1.62%	16,431,182	-0.35%	-3,599,517
381.00	METERS	143,016,571	4.26%	6,098,280	3.17%	4,531,739	-1.09%	-1,566,541
381.20	METERS - INTELIS	45,917,535	5.80%	2,662,740	4.96%	2,278,582	-0.84%	-384,158
382.00	METER INSTALLATIONS	67,768,708	2.40%	1,624,149	1.86%	1,262,204	-0.54%	-361,945
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	1.83%	245,430	1.37%	184,079	-0.46%	-61,351
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	0.00%	0	0.00%	0	0.00%	0

Detailed Rate Comparison - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
387.00	OTHER EQUIPMENT	16,485,526	4.31%	710,644	3.67%	604,444	-0.64%	-106,200
	Total Distribution Plant	5,409,063,919	2.03%	109,964,782	1.47%	79,487,397	-0.56%	-30,477,385
	General Plant							
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	0.94%	499	0.94%	499	0.00%	0
390.00	STRUCTURES AND IMPROVEMENTS							
	OWNED	59,974,285	2.62%	1,568,480	2.61%	1,567,360	-0.01%	-1,120
	LEASED - NORTH SHORE	8,148,984	6.82%	555,521	6.67%	543,794	-0.15%	-11,727
	Total Structures and Improvements	68,123,269	3.12%	2,124,001	3.10%	2,111,154	-0.02%	-12,847
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,757,606	2.81%	77,472	2.80%	77,124	-0.01%	-348
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5,808,662	0.00%	0	0.00%	0	0.00%	0
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	10.29%	19,533	10.24%	19,439	-0.05%	-94
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	84,693,239	13.19%	11,166,866	13.30%	11,262,523	0.11%	95,657
	TRAILERS	6,496,879	12.00%	779,916	12.07%	783,925	0.07%	4,009
	Total Transportation Equipment	91,190,119	13.10%	11,946,782	13.21%	12,046,448	0.11%	99,666
393.00	STORES EQUIPMENT	457	11.60%	53	11.63%	53	0.03%	0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,012,562	3.38%	305,027	3.38%	304,894	0.00%	-133
394.01	DUAL FUEL STATIONS	398,117	2.66%	10,578	2.65%	10,546	-0.01%	-32
396.00	POWER OPERATED EQUIPMENT	17,856,534	6.80%	1,213,796	6.81%	1,216,768	0.01%	2,972
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	18,273,989	8.38%	1,532,210	8.33%	1,523,007	-0.05%	-9,203
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	4.89%	828,823	4.89%	828,999	0.00%	176
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	12.49%	3,579	12.53%	3,590	0.04%	11
397.20	COMMUNICATION EQUIPMENT - RADIO	653,458	31.65%	206,798	31.20%	203,864	-0.45%	-2,934
398.00	MISCELLANEOUS EQUIPMENT	54,886	1.93%	1,058	1.93%	1,059	0.00%	1
	Total General Plant	231,351,225	7.90%	18,270,209	7.93%	18,347,445	0.03%	77,236
	AMORTIZATION OF NET SALVAGE			7,157,306		7,157,306	0.00%	0
	TOTAL PLANT STUDIED	**6,363,456,369**	**2.53%**	**161,041,200**	**2.04%**	**129,550,273**	**-0.49%**	**-31,490,927**

Detailed Rate Comparison - 2026

		[1]	[2]		[3]		[4]	
			Peoples Position		OCA Position		OCA Adjustment	
Account No.	Description	Plant 11/30/2026	Rate	Annual Accrual	Rate	Annual Accrual	Rate	Annual Accrual

[1], [2] From Company depreciation study

[3] From Exhibit DJG-21

[4] = [3] - [2]

Depreciation Rate Development - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
	Intangible Plant								
303.00	MISCELLANEOUS INTANGIBLE PLANT								
	CIAC	18,961,179	SQ	40	1,842,722	17,118,457	34.80	491,910	2.59%
	OTHER	69,644,069	SQ	5	43,095,107	26,548,962	2.00	13,274,481	19.06%
	MAJOR	11,876,465	SQ	15	1,046,770	10,829,695	8.40	1,289,249	10.86%
	SAP	18,344,947	SQ	10	17,462,987	881,960	6.90	127,820	0.70%
	Total Intangible Plant	118,826,660			63,447,586	55,379,074	3.65	15,183,460	12.78%
	Production Plant								
325.01	PRODUCING LANDS	139,440	R4	75	83,442	55,998	54.52	1,027	0.74%
325.02	PRODUCING LEASEHOLDS	14,481	L0	45	10,206	4,275	22.19	193	1.33%
325.03	GAS RIGHTS	20,984	R2.5	65	13,606	7,378	30.79	240	1.14%
325.04	RIGHTS OF WAY	2,132,063	R2.5	75	1,042,773	1,089,290	46.13	23,613	1.11%
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	S0.5	50	5,510,164	6,798,677	35.48	191,620	1.56%
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	S0	33	52,765	47,250	21.68	2,179	2.18%
329.00	OTHER STRUCTURES	1,926,214	R2.5	60	1,047,385	878,829	39.14	22,453	1.17%
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	L1	25	10,461	-1,247			
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	L1	26	2,781	180	1.74	103	3.48%
332.00	FIELD LINES	88,238,774	R1.5	65	33,706,307	54,532,467	47.25	1,154,126	1.31%
333.00	FIELD COMPRESSOR STATION EQUIPMENT	48,593,534	S0.5	35	18,863,126	29,730,408	13.41	2,217,033	4.56%
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,636,010	L0	20	3,070,895	565,115	10.51	53,769	1.48%
337.00	OTHER EQUIPMENT	10,824	L1	23	-11,395	22,219	11.42	1,946	17.97%
	Total Production Plant	157,133,355			63,402,516	93,730,839	25.55	3,668,303	2.33%
	Underground Storage Plant								
350.11	LAND - GAS	16,824	L4	55	11,485	5,339	12.26	435	2.59%
350.21	RIGHTS OF WAY	153,028	R3	70	41,226	111,802	55.81	2,003	1.31%
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	R2	60	967,443	1,433,111	39.14	36,615	1.53%
352.01	WELLS - CONSTRUCTION	3,405,261	R1.5	60	-626,826	4,032,087	50.47	79,891	2.35%
352.02	WELLS - EQUIPMENT	1,810,957	R1	55	96,922	1,714,035	46.24	37,068	2.05%
352.11	LEASEHOLDS	161,937	R3	60	161,937	0			
352.12	STORAGE RIGHTS	413,406	R5	65	239,520	173,886	34.51	5,039	1.22%
352.21	RESERVOIRS	433,139	SQ	40	205,980	227,159	23.60	9,625	2.22%
352.31	NON-RECOVERABLE NATURAL GAS	205,251	SQ	37	205,251	0			
353.00	LINES	3,688,379	R2	50	2,247,482	1,440,897	31.66	45,512	1.23%
354.00	COMPRESSOR STATION EQUIPMENT	16,773,952	R1.5	47	4,158,714	12,615,238	34.83	362,195	2.16%

Depreciation Rate Development - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
355.00	MEASURING AND REGULATING STATION EQUIPMENT	2,694,747	R2.5	60	617,119	2,077,628	51.26	40,531	1.50%
357.00	OTHER EQUIPMENT	30,184	R2.5	30	30,184	0	0.00		
	Total Underground Storage Plant	32,187,617			8,356,437	23,831,180	38.50	618,914	1.92%
	Transmission Plant								
365.02	RIGHTS OF WAY	7,560,460	R4	80	2,977,552	4,582,908	54.14	84,649	1.12%
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	R3	60	1,222,833	940,872	35.39	26,586	1.23%
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	R2.5	55	1,118,049	610,991	34.41	17,756	1.03%
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	R2	45	80,953	13,836	15.29	905	0.95%
367.00	MAINS	329,280,078	R2.5	80	103,771,080	225,508,998	61.82	3,647,832	1.11%
368.00	COMPRESSOR STATION EQUIPMENT	22,837,776	S0.5	42	9,391,389	13,446,387	30.22	444,950	1.95%
369.00	MEASURING AND REGULATING STATION EQUIPMENT	48,576,960	R1.5	48	18,929,378	29,647,582	36.48	812,708	1.67%
371.00	OTHER EQUIPMENT	2,650,785	R1	35	1,341,951	1,308,834	25.14	52,062	1.96%
	Total Transmission Plant	414,893,591			138,833,185	276,060,406	54.26	5,087,448	1.23%
	Distribution Plant								
374.02	RIGHTS OF WAY	12,669,748	R4	75	3,469,425	9,200,323	56.90	161,693	1.28%
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	5,225,191	R2	65	3,879,932	1,345,259	43.49	30,933	0.59%
	OTHER								
	MAJOR STRUCTURES	24,813,854	R1.5	80	17,346,074	7,467,780	58.38	127,917	0.52%
	MINOR STRUCTURES	1,104,893	R2	65	642,160	462,733	42.69	10,839	0.98%
	Total Structures and Improvements	31,143,938			21,868,166	9,275,772	54.66	169,689	0.54%
376.00	MAINS								
	LOW PRESSURE	2,076,101,781	R1.5	72	352,353,816	1,723,747,965	64.45	26,745,508	1.29%
	REGULAR PRESSURE	1,813,370,922	R1.5	72	313,151,924	1,500,218,998	61.19	24,517,388	1.35%
	Total Mains	3,889,472,703			665,505,740	3,223,966,963	62.89	51,262,896	1.32%
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	159,321,071	R1.5	55	39,368,042	119,953,029	46.12	2,600,890	1.63%
380.00	SERVICES	1,015,208,274	R2	55	334,628,720	680,579,554	41.42	16,431,182	1.62%
381.00	METERS	143,016,571	S0.5	32	31,762,372	111,254,199	24.55	4,531,739	3.17%
381.20	METERS - INTELIS	45,917,535	S2	20	1,621,900	44,295,635	19.44	2,278,582	4.96%
382.00	METER INSTALLATIONS	67,768,708	R2	55	20,524,431	47,244,277	37.43	1,262,204	1.86%
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	R0.5	50	6,488,420	6,926,892	37.63	184,079	1.37%
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	S4	20	14,644,532	0			

Depreciation Rate Development - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
387.00	OTHER EQUIPMENT	16,485,526	R2.5	26	5,019,221	11,466,305	18.97	604,444	3.67%
	Total Distribution Plant	5,409,063,919			1,144,900,969	4,264,162,950	53.65	79,487,397	1.47%
	General Plant								
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	R3	60	39,924	13,072	26.20	499	0.94%
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	59,974,285	R1.5	55	6,997,517	52,976,768	33.80	1,567,360	2.61%
	LEASED - NORTH SHORE	8,148,984	R0.5	75	6,952,636	1,196,348	2.20	543,794	6.67%
	Total Structures and Improvements	68,123,269			13,950,153	54,173,116	25.66	2,111,154	3.10%
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,757,606	SQ	20	2,102,052	655,554	8.50	77,124	2.80%
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5,808,662	SQ	5	6,042,176	-233,514			
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	SQ	15	40,232	149,679	7.70	19,439	10.24%
392.00	TRANSPORTATION EQUIPMENT								
	TRUCKS	84,693,239	L2	10	29,506,879	55,186,360	4.90	11,262,523	13.30%
	TRAILERS	6,496,879	L2	15	-715,234	7,212,113	9.20	783,925	12.07%
	Total Transportation Equipment	91,190,119			28,791,645	62,398,474	5.18	12,046,448	13.21%
393.00	STORES EQUIPMENT	457	SQ	25	0	457	8.60	53	11.63%
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,012,562	SQ	25	4,622,089	4,390,473	14.40	304,894	3.38%
394.01	DUAL FUEL STATIONS	398,117	SQ	15	328,512	69,605	6.60	10,546	2.65%
396.00	POWER OPERATED EQUIPMENT	17,856,534	L2	15	8,852,449	9,004,085	7.40	1,216,768	6.81%
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	18,273,989	SQ	15	8,069,845	10,204,144	6.70	1,523,007	8.33%
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	SQ	18	9,820,616	7,129,389	8.60	828,999	4.89%
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	SQ	25	1,727	26,928	7.50	3,590	12.53%
397.20	COMMUNICATION EQUIPMENT - RADIO	653,458	SQ	15	1,092	652,366	3.20	203,864	31.20%
398.00	MISCELLANEOUS EQUIPMENT	54,886	SQ	15	47,685	7,201	6.80	1,059	1.93%
	Total General Plant	231,351,225			82,710,197	148,641,028	8.10	18,347,445	7.93%
	AMORTIZATION OF NET SALVAGE							7,157,306	
	TOTAL PLANT STUDIED	**6,363,456,369**			**1,501,650,890**	**4,861,805,479**	**37.53**	**129,550,273**	**2.04%**

Depreciation Rate Development - 2026

Account No.	Description	[1] Plant 11/30/2026	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate

[1], [3] From Company depreciation study

[2] Average life and Iowa curve shape developed through actuarial analysis and professional judgment

[4] = [1] - [3]

[5] Composite remaining life based on Iowa cuve in [2]; see remaining life exhibit for detailed calculations

[6] = [4] / [5]; (some unadjusted figures may be hard coded to match Company proposal)

[7] = [6] / [1]; (some unadjusted figures may hard coded to match Company proposal)

Detailed Rate Comparison - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
	Intangible Plant							
303.00	MISCELLANEOUS INTANGIBLE PLANT							
	CIAC	18,840,458	2.74%	515,683	2.74%	516,113	0.00%	430
	OTHER	68,394,813	19.00%	12,995,172	19.36%	13,239,978	0.36%	244,806
	MAJOR	11,663,429	12.43%	1,450,069	12.37%	1,442,697	-0.06%	-7,372
	SAP	18,015,881	2.18%	393,599	2.19%	394,086	0.01%	487
	Total Intangible Plant	116,914,580	13.13%	15,354,523	13.34%	15,592,874	0.20%	238,351
	Production Plant							
325.01	PRODUCING LANDS	139,440	0.77%	1,068	0.74%	1,025	-0.03%	-43
325.02	PRODUCING LEASEHOLDS	14,481	1.24%	180	1.29%	187	0.05%	7
325.03	GAS RIGHTS	20,984	1.05%	221	1.13%	237	0.08%	16
325.04	RIGHTS OF WAY	2,236,969	1.12%	25,001	1.12%	25,025	0.00%	24
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	1.94%	238,870	1.53%	188,469	-0.41%	-50,401
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	2.33%	2,328	2.05%	2,046	-0.28%	-282
329.00	OTHER STRUCTURES	1,926,214	1.22%	23,418	1.16%	22,304	-0.06%	-1,114
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	0.00%	0	0.00%	0	0.00%	0
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	1.42%	42	1.33%	39	-0.09%	-3
332.00	FIELD LINES	116,633,036	1.92%	2,244,167	1.38%	1,611,615	-0.54%	-632,552
333.00	FIELD COMPRESSOR STATION EQUIPMENT	51,277,481	3.23%	1,656,831	4.50%	2,305,966	1.27%	649,135
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,954,072	2.16%	85,340	1.90%	74,935	-0.26%	-10,405
337.00	OTHER EQUIPMENT	9,646	22.59%	2,179	18.78%	1,811	-3.81%	-368
	Total Production Plant	188,633,353	2.27%	4,279,645	2.24%	4,233,660	-0.02%	-45,985
	Underground Storage Plant							
350.11	LAND - GAS	16,824	2.46%	414	2.44%	411	-0.02%	-3
350.21	RIGHTS OF WAY	171,877	1.40%	2,412	1.32%	2,272	-0.08%	-140
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	1.56%	37,397	1.35%	32,516	-0.21%	-4,881
352.01	WELLS - CONSTRUCTION	6,365,664	3.15%	200,201	1.84%	116,912	-1.31%	-83,289
352.02	WELLS - EQUIPMENT	3,385,332	3.60%	121,953	1.93%	65,223	-1.67%	-56,730
352.11	LEASEHOLDS	161,937	0.00%	0	0.00%	0	0.00%	0
352.12	STORAGE RIGHTS	413,406	1.23%	5,084	1.22%	5,034	-0.01%	-50
352.21	RESERVOIRS	433,139	2.23%	9,679	2.23%	9,667	0.00%	-12
352.31	NON-RECOVERABLE NATURAL GAS	205,251	0.00%	0	0.00%	0	0.00%	0
353.00	LINES	3,688,379	1.36%	50,055	1.22%	44,969	-0.14%	-5,086
354.00	COMPRESSOR STATION EQUIPMENT	16,961,957	2.84%	482,407	2.12%	359,303	-0.72%	-123,104

Detailed Rate Comparison - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
355.00	MEASURING AND REGULATING STATION EQUIPMENT	3,204,486	1.83%	58,732	1.53%	48,953	-0.30%	-9,779
357.00	OTHER EQUIPMENT	30,184	0.00%	0	0.00%	0	0.00%	0
	Total Underground Storage Plant	37,438,989	2.59%	968,334	1.83%	685,260	-0.76%	-283,074
	Transmission Plant							
365.02	RIGHTS OF WAY	8,121,130	1.08%	87,382	1.13%	91,708	0.05%	4,326
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	1.23%	26,671	1.22%	26,448	-0.01%	-223
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	1.00%	17,289	1.02%	17,644	0.02%	355
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	0.71%	676	0.94%	890	0.23%	214
367.00	MAINS	340,064,649	1.28%	4,344,630	1.11%	3,771,736	-0.17%	-572,894
368.00	COMPRESSOR STATION EQUIPMENT	23,699,523	2.42%	572,947	1.94%	458,992	-0.48%	-113,955
369.00	MEASURING AND REGULATING STATION EQUIPMENT	53,753,939	2.18%	1,170,894	1.69%	905,970	-0.49%	-264,924
371.00	OTHER EQUIPMENT	2,650,785	2.31%	61,241	1.92%	50,846	-0.39%	-10,395
	Total Transmission Plant	432,277,559	1.45%	6,281,730	1.23%	5,324,234	-0.22%	-957,496
	Distribution Plant							
374.02	RIGHTS OF WAY	13,850,177	1.34%	184,997	1.28%	177,160	-0.06%	-7,837
375.00	STRUCTURES AND IMPROVEMENTS							
	MEASURING AND REGULATING	7,330,359	1.20%	87,613	1.03%	75,215	-0.17%	-12,398
	OTHER							
	MAJOR STRUCTURES	24,813,854	4.64%	1,151,820	0.43%	106,682	-4.21%	-1,045,138
	MINOR STRUCTURES	1,104,893	1.09%	12,006	0.97%	10,746	-0.12%	-1,260
	Total Structures and Improvements	33,249,106	3.76%	1,251,439	0.58%	192,643	-3.18%	-1,058,796
376.00	MAINS							
	LOW PRESSURE	2,362,725,305	1.90%	44,796,238	1.29%	30,507,857	-0.61%	-14,288,381
	REGULAR PRESSURE	2,001,957,324	1.91%	38,300,721	1.35%	26,929,485	-0.56%	-11,371,236
	Total Mains	4,364,682,629	1.90%	83,096,959	1.32%	57,437,341	-0.59%	-25,659,618
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	194,519,575	2.40%	4,670,074	1.66%	3,234,182	-0.74%	-1,435,892
380.00	SERVICES	1,121,478,959	2.02%	22,700,627	1.64%	18,350,817	-0.38%	-4,349,810
381.00	METERS	120,526,844	5.30%	6,386,479	3.78%	4,558,425	-1.52%	-1,828,054
381.20	METERS - INTELIS	94,659,523	5.70%	5,397,270	4.97%	4,702,891	-0.73%	-694,379
382.00	METER INSTALLATIONS	55,977,212	3.12%	1,744,941	2.23%	1,249,736	-0.89%	-495,205
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	1.76%	235,854	1.34%	180,286	-0.42%	-55,568
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	0.00%	0	0.00%	0	0.00%	0

Detailed Rate Comparison - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Peoples Position Rate	[2] Peoples Position Annual Accrual	[3] OCA Position Rate	[3] OCA Position Annual Accrual	[4] OCA Adjustment Rate	[4] OCA Adjustment Annual Accrual
387.00	OTHER EQUIPMENT	16,379,114	4.25%	696,632	3.62%	593,703	-0.63%	-102,929
	Total Distribution Plant	6,043,382,984	2.09%	126,365,272	1.50%	90,677,184	-0.59%	-35,688,088
	General Plant							
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	0.93%	491	0.93%	491	0.00%	0
390.00	STRUCTURES AND IMPROVEMENTS							
	OWNED	77,635,143	2.69%	2,086,609	2.69%	2,087,421	0.00%	812
	LEASED - NORTH SHORE	8,282,581	10.45%	865,312	10.25%	848,896	-0.20%	-16,416
	Total Structures and Improvements	85,917,724	3.44%	2,951,921	3.42%	2,936,318	-0.02%	-15,603
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,706,224	2.89%	78,123	2.89%	78,210	0.00%	87
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,516,314	0.00%	0	0.00%	0	0.00%	0
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	8.63%	16,387	8.67%	16,473	0.04%	86
392.00	TRANSPORTATION EQUIPMENT							
	TRUCKS	89,232,132	13.07%	11,663,650	12.97%	11,576,202	-0.10%	-87,448
	TRAILERS	7,075,816	12.30%	870,209	12.30%	870,630	0.00%	421
	Total Transportation Equipment	96,307,948	13.01%	12,533,859	12.92%	12,446,831	-0.09%	-87,028
393.00	STORES EQUIPMENT	457	11.60%	53	11.63%	53	0.03%	0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,635,249	3.76%	362,691	3.78%	363,847	0.02%	1,156
394.01	DUAL FUEL STATIONS	398,117	2.70%	10,730	2.70%	10,730	0.00%	0
396.00	POWER OPERATED EQUIPMENT	18,451,517	6.86%	1,266,292	6.84%	1,261,649	-0.02%	-4,643
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	20,191,222	7.91%	1,597,550	7.88%	1,591,042	-0.03%	-6,508
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	4.94%	837,658	4.96%	840,071	0.02%	2,413
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	12.77%	3,659	12.73%	3,648	-0.04%	-11
397.20	COMMUNICATION EQUIPMENT - RADIO	632,756	32.13%	203,323	32.46%	205,385	0.33%	2,062
398.00	MISCELLANEOUS EQUIPMENT	54,886	1.95%	1,072	1.96%	1,078	0.01%	6
	Total General Plant	253,033,979	7.85%	19,863,809	7.81%	19,755,827	-0.04%	-107,982
	AMORTIZATION OF NET SALVAGE			8,068,283	0.00%	8,068,283	0.00%	0
	TOTAL PLANT STUDIED	**7,071,681,444**	**2.56%**	**181,181,596**	**2.04%**	**144,337,323**	**-0.52%**	**-36,844,273**

Detailed Rate Comparison - 2027

		[1]	[2]		[3]		[4]	
			Peoples Position		OCA Position		OCA Adjustment	
Account No.	Description	Plant 11/30/2027	Rate	Annual Accrual	Rate	Annual Accrual	Rate	Annual Accrual

[1], [2] From Company depreciation study

[3] From Exhibit DJG-23

[4] = [3] - [2]

Depreciation Rate Development - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
	Intangible Plant								
303.00	MISCELLANEOUS INTANGIBLE PLANT								
	CIAC	18,840,458	SQ	40	1,344,212	17,496,246	33.90	516,113	2.74%
	OTHER	68,394,813	SQ	5	45,886,851	22,507,962	1.70	13,239,978	19.36%
	MAJOR	11,663,429	SQ	15	554,660	11,108,769	7.70	1,442,697	12.37%
	SAP	18,015,881	SQ	10	14,902,603	3,113,278	7.90	394,086	2.19%
	Total Intangible Plant	116,914,580			62,688,326	54,226,254	3.48	15,592,874	13.34%
	Production Plant								
325.01	PRODUCING LANDS	139,440	R4	75	84,516	54,924	53.56	1,025	0.74%
325.02	PRODUCING LEASEHOLDS	14,481	L0	45	10,390	4,091	21.93	187	1.29%
325.03	GAS RIGHTS	20,984	R2.5	65	13,831	7,153	30.13	237	1.13%
325.04	RIGHTS OF WAY	2,236,969	R2.5	75	1,066,803	1,170,166	46.76	25,025	1.12%
327.00	FIELD COMPRESSOR STATION EQUIPMENT	12,308,841	S0.5	50	5,753,879	6,554,962	34.78	188,469	1.53%
328.00	FIELD MEASURING AND REGULATING STATION STRUCTURES	100,015	S0	33	55,565	44,450	21.73	2,046	2.05%
329.00	OTHER STRUCTURES	1,926,214	R2.5	60	1,071,077	855,137	38.34	22,304	1.16%
330.00	PRODUCING GAS WELLS - WELL CONSTRUCTION	9,214	L1	25	10,461	-1,247			
331.00	PRODUCING GAS WELLS - WELL EQUIPMENT	2,961	L1	26	2,883	78	1.97	39	1.33%
332.00	FIELD LINES	116,633,036	R1.5	65	34,247,273	82,385,763	51.12	1,611,615	1.38%
333.00	FIELD COMPRESSOR STATION EQUIPMENT	51,277,481	S0.5	35	20,354,472	30,923,009	13.41	2,305,966	4.50%
334.00	FIELD MEASURING AND REGULATING STATION EQUIPMENT	3,954,072	L0	20	3,130,540	823,532	10.99	74,935	1.90%
337.00	OTHER EQUIPMENT	9,646	L1	23	-10,458	20,104	11.10	1,811	18.78%
	Total Production Plant	188,633,353			65,791,232	122,842,121	29.02	4,233,660	2.24%
	Underground Storage Plant								
350.11	LAND - GAS	16,824	L4	55	11,922	4,902	11.93	411	2.44%
350.21	RIGHTS OF WAY	171,877	R3	70	43,452	128,425	56.52	2,272	1.32%
351.00	STRUCTURES AND IMPROVEMENTS	2,400,554	R2	60	1,152,588	1,247,966	38.38	32,516	1.35%
352.01	WELLS - CONSTRUCTION	6,365,664	R1.5	60	-8,383	6,374,047	54.52	116,912	1.84%
352.02	WELLS - EQUIPMENT	3,385,332	R1	55	124,849	3,260,483	49.99	65,223	1.93%
352.11	LEASEHOLDS	161,937	R3	60	161,937	0			
352.12	STORAGE RIGHTS	413,406	R5	65	244,605	168,801	33.53	5,034	1.22%
352.21	RESERVOIRS	433,139	SQ	40	215,639	217,500	22.50	9,667	2.23%
352.31	NON-RECOVERABLE NATURAL GAS	205,251	SQ	37	205,251	0			
353.00	LINES	3,688,379	R2	50	2,298,382	1,389,997	30.91	44,969	1.22%
354.00	COMPRESSOR STATION EQUIPMENT	16,961,957	R1.5	47	4,652,235	12,309,722	34.26	359,303	2.12%

Depreciation Rate Development - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
355.00	MEASURING AND REGULATING STATION EQUIPMENT	3,204,486	R2.5	60	665,764	2,538,722	51.86	48,953	1.53%
357.00	OTHER EQUIPMENT	30,184	R2.5	30	30,184	0			
	Total Underground Storage Plant	37,438,989			9,798,425	27,640,564	40.34	685,260	1.83%
	Transmission Plant								
365.02	RIGHTS OF WAY	8,121,130	R4	80	3,060,664	5,060,466	55.18	91,708	1.13%
366.01	STRUCTURES AND IMPROVEMENTS - COMPRESSOR STATION	2,163,705	R3	60	1,249,663	914,042	34.56	26,448	1.22%
366.02	STRUCTURES AND IMPROVEMENTS - MEASURING AND REGULATING	1,729,040	R2.5	55	1,135,512	593,528	33.64	17,644	1.02%
366.03	STRUCTURES AND IMPROVEMENTS - OTHER	94,789	R2	45	81,645	13,144	14.77	890	0.94%
367.00	MAINS	340,064,649	R2.5	80	107,876,550	232,188,099	61.56	3,771,736	1.11%
368.00	COMPRESSOR STATION EQUIPMENT	23,699,523	S0.5	42	9,948,125	13,751,398	29.96	458,992	1.94%
369.00	MEASURING AND REGULATING STATION EQUIPMENT	53,753,939	R1.5	48	20,314,582	33,439,357	36.91	905,970	1.69%
371.00	OTHER EQUIPMENT	2,650,785	R1	35	1,405,570	1,245,215	24.49	50,846	1.92%
	Total Transmission Plant	432,277,559			145,072,311	287,205,248	53.94	5,324,234	1.23%
	Distribution Plant								
374.02	RIGHTS OF WAY	13,850,177	R4	75	3,645,783	10,204,394	57.60	177,160	1.28%
375.00	STRUCTURES AND IMPROVEMENTS								
	MEASURING AND REGULATING	7,330,359	R2	65	3,563,575	3,766,784	50.08	75,215	1.03%
	OTHER								
	MAJOR STRUCTURES	24,813,854	R1.5	80	18,663,628	6,150,226	57.65	106,682	0.43%
	MINOR STRUCTURES	1,104,893	R2	65	654,314	450,579	41.93	10,746	0.97%
	Total Structures and Improvements	33,249,106			22,881,517	10,367,589	53.82	192,643	0.58%
376.00	MAINS								
	LOW PRESSURE	2,362,725,305	R1.5	72	390,697,447	1,972,027,858	64.64	30,507,857	1.29%
	REGULAR PRESSURE	2,001,957,324	R1.5	72	345,794,022	1,656,163,302	61.50	26,929,485	1.35%
	Total Mains	4,364,682,629			736,491,469	3,628,191,160	63.17	57,437,341	1.32%
378.00	MEASURING AND REGULATING STATION EQUIPMENT - GENERAL	194,519,575	R1.5	55	42,254,289	152,265,286	47.08	3,234,182	1.66%
380.00	SERVICES	1,121,478,959	R2	55	350,377,610	771,101,349	42.02	18,350,817	1.64%
381.00	METERS	120,526,844	S0.5	32	10,440,885	110,085,959	24.15	4,558,425	3.78%
381.20	METERS - INTELIS	94,659,523	S2	20	5,210,532	89,448,991	19.02	4,702,891	4.97%
382.00	METER INSTALLATIONS	55,977,212	R2	55	10,124,405	45,852,807	36.69	1,249,736	2.23%
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	13,415,312	R0.5	50	6,733,920	6,681,392	37.06	180,286	1.34%
386.00	OTHER PROPERTY ON CUSTOMER PREMISES	14,644,532	S4	20	14,644,532	0			

Depreciation Rate Development - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate
387.00	OTHER EQUIPMENT	16,379,114	R2.5	26	5,621,218	10,757,896	18.12	593,703	3.62%
	Total Distribution Plant	6,043,382,984			1,208,426,160	4,834,956,824	53.32	90,677,184	1.50%
	General Plant								
389.02	LAND RIGHTS AND RIGHTS OF WAY	52,996	R3	60	40,422	12,574	25.60	491	0.93%
390.00	STRUCTURES AND IMPROVEMENTS								
	OWNED	77,635,143	R1.5	55	7,915,272	69,719,871	33.40	2,087,421	2.69%
	LEASED - NORTH SHORE	8,282,581	R0.5	75	7,348,795	933,786	1.10	848,896	10.25%
	Total Structures and Improvements	85,917,724			15,264,067	70,653,657	24.06	2,936,318	3.42%
391.01	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	2,706,224	SQ	20	2,127,471	578,753	7.40	78,210	2.89%
391.02	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	1,516,314	SQ	5	1,749,828	-233,514			
391.03	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	189,911	SQ	15	59,774	130,137	7.90	16,473	8.67%
392.00	TRANSPORTATION EQUIPMENT								
	TRUCKS	89,232,132	L2	10	32,508,743	56,723,389	4.90	11,576,202	12.97%
	TRAILERS	7,075,816	L2	15	-846,913	7,922,729	9.10	870,630	12.30%
	Total Transportation Equipment	96,307,948			31,661,830	64,646,118	5.19	12,446,831	12.92%
393.00	STORES EQUIPMENT	457	SQ	25	53	404	7.60	53	11.63%
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	9,635,249	SQ	25	4,577,773	5,057,476	13.90	363,847	3.78%
394.01	DUAL FUEL STATIONS	398,117	SQ	15	339,102	59,015	5.50	10,730	2.70%
396.00	POWER OPERATED EQUIPMENT	18,451,517	L2	15	9,115,311	9,336,206	7.40	1,261,649	6.84%
397.02	COMMUNICATION EQUIPMENT - TELEPHONE	20,191,222	SQ	15	8,417,510	11,773,712	7.40	1,591,042	7.88%
397.03	COMMUNICATION EQUIPMENT - MICROWAVE	16,950,005	SQ	18	10,649,471	6,300,534	7.50	840,071	4.96%
397.10	COMMUNICATION EQUIPMENT - STRUCTURES	28,655	SQ	25	5,306	23,349	6.40	3,648	12.73%
397.20	COMMUNICATION EQUIPMENT - RADIO	632,756	SQ	15	180,909	451,847	2.20	205,385	32.46%
398.00	MISCELLANEOUS EQUIPMENT	54,886	SQ	15	48,744	6,142	5.70	1,078	1.96%
	Total General Plant	253,033,979			84,237,571	168,796,408	8.54	19,755,827	7.81%
	AMORTIZATION OF NET SALVAGE							8,068,283	
	TOTAL PLANT STUDIED	**7,071,681,444**			**1,576,014,025**	**5,495,667,419**	**38.08**	**144,337,323**	**2.04%**

Depreciation Rate Development - 2027

Account No.	Description	[1] Plant 11/30/2027	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Book Reserve	[4] Future Accruals	[5] Remaining Life	[6] Total Accrual	[7] Total Rate

[1], [3] From Company depreciation study

[2] Average life and Iowa curve shape developed through actuarial analysis and professional judgment

[4] = [1] - [3]

[5] Composite remaining life based on Iowa cuve in [2]; see remaining life exhibit for detailed calculations

[6] = [4] / [5]; (some unadjusted figures may be hard coded to match Company proposal)

[7] = [6] / [1]; (some unadjusted figures may hard coded to match Company proposal)

Account 380 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**Company R2-55**	**OCA R2-62**	**Company SSD**	**OCA SSD**
0.0	826,584,436	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	783,584,907	99.88%	99.91%	99.92%	0.0000	0.0000
1.5	736,320,708	99.56%	99.73%	99.76%	0.0000	0.0000
2.5	698,844,986	99.28%	99.54%	99.60%	0.0000	0.0000
3.5	655,517,999	98.97%	99.34%	99.42%	0.0000	0.0000
4.5	612,204,093	98.66%	99.12%	99.23%	0.0000	0.0000
5.5	585,905,759	98.34%	98.89%	99.04%	0.0000	0.0000
6.5	561,093,876	97.99%	98.65%	98.83%	0.0000	0.0001
7.5	537,227,226	97.58%	98.39%	98.61%	0.0001	0.0001
8.5	517,567,393	97.29%	98.12%	98.38%	0.0001	0.0001
9.5	502,726,098	96.85%	97.83%	98.14%	0.0001	0.0002
10.5	480,557,785	96.53%	97.53%	97.89%	0.0001	0.0002
11.5	466,458,132	96.21%	97.21%	97.62%	0.0001	0.0002
12.5	458,758,765	95.91%	96.87%	97.34%	0.0001	0.0002
13.5	445,897,101	95.62%	96.52%	97.05%	0.0001	0.0002
14.5	433,294,090	95.34%	96.14%	96.75%	0.0001	0.0002
15.5	421,019,469	95.02%	95.75%	96.42%	0.0001	0.0002
16.5	405,062,010	94.70%	95.33%	96.09%	0.0000	0.0002
17.5	387,178,127	94.28%	94.89%	95.74%	0.0000	0.0002
18.5	367,853,385	93.84%	94.43%	95.37%	0.0000	0.0002
19.5	353,195,985	93.30%	93.95%	94.98%	0.0000	0.0003
20.5	338,867,173	92.85%	93.44%	94.58%	0.0000	0.0003
21.5	322,407,486	92.38%	92.91%	94.16%	0.0000	0.0003
22.5	315,529,306	91.87%	92.35%	93.72%	0.0000	0.0003
23.5	300,573,507	91.37%	91.76%	93.26%	0.0000	0.0004
24.5	289,878,820	90.82%	91.15%	92.78%	0.0000	0.0004
25.5	269,729,969	90.22%	90.50%	92.28%	0.0000	0.0004
26.5	256,127,139	89.58%	89.83%	91.76%	0.0000	0.0005
27.5	241,247,836	89.02%	89.13%	91.21%	0.0000	0.0005
28.5	224,844,321	88.45%	88.39%	90.65%	0.0000	0.0005
29.5	211,105,067	87.92%	87.62%	90.06%	0.0000	0.0005
30.5	192,976,710	87.61%	86.81%	89.44%	0.0001	0.0003
31.5	181,613,812	87.33%	85.97%	88.80%	0.0002	0.0002
32.5	166,791,920	86.92%	85.10%	88.14%	0.0003	0.0001
33.5	159,185,247	86.32%	84.18%	87.45%	0.0005	0.0001
34.5	147,735,840	85.79%	83.23%	86.73%	0.0007	0.0001
35.5	129,623,062	85.45%	82.24%	85.98%	0.0010	0.0000
36.5	123,833,860	85.18%	81.20%	85.21%	0.0016	0.0000
37.5	111,618,674	84.90%	80.13%	84.40%	0.0023	0.0000
38.5	99,574,328	84.67%	79.01%	83.57%	0.0032	0.0001
39.5	92,949,423	84.36%	77.85%	82.70%	0.0042	0.0003
40.5	83,009,157	83.99%	76.64%	81.80%	0.0054	0.0005
41.5	70,971,346	83.62%	75.39%	80.87%	0.0068	0.0008
42.5	63,522,868	83.22%	74.09%	79.91%	0.0083	0.0011
43.5	56,893,074	82.83%	72.75%	78.91%	0.0102	0.0015

Account 380 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**Company R2-55**	**OCA R2-62**	**Company SSD**	**OCA SSD**
44.5	49,505,926	82.44%	71.36%	77.88%	0.0123	0.0021
45.5	45,619,607	82.00%	69.92%	76.81%	0.0146	0.0027
46.5	41,669,312	81.49%	68.43%	75.71%	0.0171	0.0033
47.5	38,584,767	80.90%	66.90%	74.57%	0.0196	0.0040
48.5	35,572,807	80.38%	65.32%	73.39%	0.0227	0.0049
49.5	32,600,160	79.80%	63.70%	72.18%	0.0259	0.0058
50.5	29,375,440	78.90%	62.03%	70.93%	0.0285	0.0064
51.5	26,162,661	77.94%	60.32%	69.65%	0.0310	0.0069
52.5	23,142,234	77.18%	58.57%	68.32%	0.0346	0.0078
53.5	20,601,139	76.29%	56.78%	66.96%	0.0381	0.0087
54.5	17,795,712	74.18%	54.95%	65.57%	0.0370	0.0074
55.5	15,569,253	71.55%	53.09%	64.13%	0.0341	0.0055
56.5	13,083,383	68.17%	51.20%	62.67%	0.0288	0.0030
57.5	10,576,695	63.99%	49.28%	61.17%	0.0216	0.0008
58.5	8,475,453	60.11%	47.33%	59.63%	0.0163	0.0000
59.5	5,895,057	52.03%	45.37%	58.07%	0.0044	0.0036
60.5	4,703,521	50.63%	43.40%	56.47%	0.0052	0.0034
61.5	3,634,479	48.77%	41.41%	54.85%	0.0054	0.0037
62.5	3,119,614	47.32%	39.42%	53.20%	0.0062	0.0035
63.5	2,649,122	45.77%	37.43%	51.52%	0.0069	0.0033
64.5	2,318,487	44.41%	35.45%	49.82%	0.0080	0.0029
65.5	2,044,027	42.94%	33.49%	48.10%	0.0089	0.0027
66.5	1,818,983	41.59%	31.54%	46.37%	0.0101	0.0023
67.5	1,627,864	39.91%	29.62%	44.62%	0.0106	0.0022
68.5	1,476,245	38.51%	27.73%	42.87%	0.0116	0.0019
69.5	1,367,062	37.17%	25.88%	41.11%	0.0127	0.0015
70.5	1,259,553	35.39%	24.08%	39.34%	0.0128	0.0016
71.5	1,156,164	33.60%	22.32%	37.58%	0.0127	0.0016
72.5	1,059,072	31.76%	20.62%	35.82%	0.0124	0.0016
73.5	964,908	30.03%	18.98%	34.07%	0.0122	0.0016
74.5	871,594	28.21%	17.40%	32.34%	0.0117	0.0017
75.5	794,341	26.46%	15.88%	30.62%	0.0112	0.0017
76.5	726,636	24.74%	14.44%	28.93%	0.0106	0.0018
77.5	672,347	23.02%	13.07%	27.27%	0.0099	0.0018
78.5	612,531	21.22%	11.77%	25.63%	0.0089	0.0019
79.5	567,196	19.80%	10.55%	24.03%	0.0086	0.0018
80.5	514,959	18.30%	9.40%	22.47%	0.0079	0.0017
81.5	457,540	16.72%	8.33%	20.96%	0.0070	0.0018
82.5	427,000	15.82%	7.33%	19.48%	0.0072	0.0013
83.5	382,576	14.34%	6.41%	18.06%	0.0063	0.0014
84.5	337,689	12.72%	5.56%	16.69%	0.0051	0.0016
85.5	296,404	11.28%	4.77%	15.37%	0.0042	0.0017
86.5	261,182	10.06%	4.06%	14.11%	0.0036	0.0016
87.5	237,558	9.22%	3.41%	12.91%	0.0034	0.0014
88.5	209,543	8.18%	2.83%	11.76%	0.0029	0.0013

Account 380 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**Company R2-55**	**OCA R2-62**	**Company SSD**	**OCA SSD**
89.5	189,800	7.48%	2.31%	10.67%	0.0027	0.0010
90.5	156,997	6.28%	1.86%	9.64%	0.0020	0.0011
91.5	137,420	5.59%	1.46%	8.68%	0.0017	0.0010
92.5	120,316	5.04%	1.11%	7.76%	0.0015	0.0007
93.5	112,933	4.84%	0.82%	6.91%	0.0016	0.0004
94.5	102,350	4.52%	0.59%	6.12%	0.0015	0.0003
95.5	97,124	4.35%	0.40%	5.38%	0.0016	0.0001
96.5	90,657	4.21%	0.25%	4.70%	0.0016	0.0000
97.5	85,784	4.06%	0.14%	4.07%	0.0015	0.0000
98.5	83,627	4.02%	0.07%	3.49%	0.0016	0.0000
99.5	78,077	3.82%	0.03%	2.96%	0.0014	0.0001
100.5	72,236	3.59%	0.01%	2.49%	0.0013	0.0001
101.5	63,195	3.33%	0.00%	2.06%	0.0011	0.0002
102.5	53,840	2.89%	0.00%	1.68%	0.0008	0.0001
103.5	44,748	2.40%	0.00%	1.34%	0.0006	0.0001
104.5	38,642	2.07%	0.00%	1.05%	0.0004	0.0001
105.5	33,115	1.78%	0.00%	0.80%	0.0003	0.0001
106.5	28,164	1.51%	0.00%	0.59%	0.0002	0.0001
107.5	20,586	1.10%	0.00%	0.42%	0.0001	0.0000
108.5	19,181	1.03%	0.00%	0.28%	0.0001	0.0001
109.5	18,857	1.01%	0.00%	0.18%	0.0001	0.0001
110.5	18,840	1.01%	0.00%	0.10%	0.0001	0.0001
111.5	18,840	1.01%	0.00%	0.05%	0.0001	0.0001
112.5	18,840	1.01%	0.00%	0.02%	0.0001	0.0001
113.5	18,496	1.01%	0.00%	0.00%	0.0001	0.0001
114.5	15,511	1.01%	0.00%	0.00%	0.0001	0.0001
115.5	11,377	1.01%	0.00%	0.00%	0.0001	0.0001
116.5	7,552	1.01%	0.00%	0.00%	0.0001	0.0001
117.5	3,539	1.01%	0.00%	0.00%	0.0001	0.0001
118.5	2,595	1.01%	0.00%	0.00%	0.0001	0.0001
119.5	2,052	1.01%	0.00%	0.00%	0.0001	0.0001
120.5	1,653	1.01%	0.00%	0.00%	0.0001	0.0001
121.5	15	1.01%	0.00%	0.00%	0.0001	0.0001
122.5			0.00%	0.00%		
Sum of Squared Differences for Entire OLT Curve				[8]	0.7020	0.1503
SSD for Truncated OLT Curve				[9]	0.4280	0.0813

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

Account 380 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**Company R2-55**	**OCA R2-62**	**Company SSD**	**OCA SSD**

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.

[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.

Peoples Natural Gas Company, LLC
Gas Division
325.01 Producing Lands
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,365.49	75.00	31.54	6.49	204.71
1954	662.55	75.00	8.83	12.78	112.93
1966	474.91	75.00	6.33	20.50	129.79
1983	5,657.27	75.00	75.43	34.01	2,565.08
2008	130,279.99	75.00	1,737.06	57.66	100,157.72
Total	139,440.21	75.00	1,859.19	55.49	103,170.24

Composite Average Remaining Life ... 55.49 Years

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	1,201.86	45.00	26.71	9.15	244.42
1901	378.47	45.00	8.41	9.30	78.19
1908	11.01	45.00	0.24	10.37	2.54
1909	45.50	45.00	1.01	10.53	10.64
1910	1.00	45.00	0.02	10.68	0.24
1914	105.50	45.00	2.34	11.33	26.56
1915	25.11	45.00	0.56	11.49	6.41
1916	58.60	45.00	1.30	11.65	15.18
1917	2.75	45.00	0.06	11.82	0.72
1919	56.45	45.00	1.25	12.16	15.25
1921	34.54	45.00	0.77	12.50	9.59
1922	16.94	45.00	0.38	12.67	4.77
1926	110.00	45.00	2.44	13.37	32.69
1931	44.62	45.00	0.99	14.28	14.16
1937	39.01	45.00	0.87	15.43	13.37
1941	198.30	45.00	4.41	16.22	71.49
1943	103.13	45.00	2.29	16.63	38.11
1945	15.81	45.00	0.35	17.04	5.99
1946	4.87	45.00	0.11	17.25	1.87
1947	22.60	45.00	0.50	17.46	8.77
1948	100.00	45.00	2.22	17.68	39.28
1950	70.00	45.00	1.56	18.11	28.18
1953	166.24	45.00	3.69	18.78	69.37
1955	8.17	45.00	0.18	19.23	3.49
1956	95.00	45.00	2.11	19.46	41.08
1957	187.00	45.00	4.16	19.69	81.84
1958	235.50	45.00	5.23	19.93	104.29

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1959	280.00	45.00	6.22	20.16	125.47
1960	81.57	45.00	1.81	20.40	36.98
1961	332.30	45.00	7.38	20.64	152.45
1965	440.34	45.00	9.79	21.63	211.70
1966	37.55	45.00	0.83	21.89	18.26
1968	218.17	45.00	4.85	22.40	108.62
1970	23.61	45.00	0.52	22.93	12.03
1971	728.26	45.00	16.18	23.19	375.38
1972	2,608.99	45.00	57.98	23.46	1,360.43
1973	116.76	45.00	2.59	23.74	61.59
1974	969.05	45.00	21.54	24.01	517.07
1975	72.25	45.00	1.61	24.29	39.00
1977	1,441.00	45.00	32.02	24.85	795.90
1978	765.00	45.00	17.00	25.14	427.39
1979	82.70	45.00	1.84	25.43	46.74
1980	91.23	45.00	2.03	25.72	52.15
1982	195.00	45.00	4.33	26.32	114.05
1995	2,658.92	45.00	59.09	30.52	1,803.54
Total	14,480.68	45.00	321.80	22.46	7,227.23

Composite Average Remaining Life ... 22.46 Years

Peoples Natural Gas Company, LLC
Gas Division
325.03 Gas Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1901	1,674.68	0.00	0.00	0.00	0.00
1910	22.78	65.00	0.35	1.42	0.50
1923	1,969.07	65.00	30.29	4.77	144.41
1924	25.41	65.00	0.39	4.98	1.95
1927	43.28	65.00	0.67	5.63	3.75
1938	1,018.56	65.00	15.67	8.13	127.46
1948	385.48	65.00	5.93	10.83	64.22
1959	410.49	65.00	6.32	14.90	94.08
1974	3,366.13	65.00	51.79	22.95	1,188.63
1976	518.00	65.00	7.97	24.23	193.07
1980	1,507.30	65.00	23.19	26.89	623.62
1981	923.36	65.00	14.21	27.58	391.84
2005	9,119.74	65.00	140.30	46.43	6,514.39
Total	20,984.28	60.00	297.07	31.47	9,347.91

Composite Average Remaining Life ... *31.47 Years*

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	18,465.10	75.00	246.20	3.67	902.69
1901	10,007.57	75.00	133.43	3.95	526.76
1902	4,457.09	75.00	59.43	4.23	251.09
1903	7,504.57	75.00	100.06	4.46	446.60
1904	5,966.84	75.00	79.56	4.72	375.65
1905	9,920.15	75.00	132.27	4.97	658.02
1906	6,726.76	75.00	89.69	5.19	465.53
1907	4,784.95	75.00	63.80	5.43	346.26
1908	3,068.84	75.00	40.92	5.66	231.68
1909	6,824.39	75.00	90.99	5.87	533.71
1910	3,360.27	75.00	44.80	6.09	272.91
1911	2,637.18	75.00	35.16	6.32	222.17
1912	5,250.72	75.00	70.01	6.52	456.46
1913	3,998.45	75.00	53.31	6.74	359.54
1914	5,211.01	75.00	69.48	6.97	484.34
1915	3,526.25	75.00	47.02	7.18	337.44
1916	9,327.91	75.00	124.37	7.40	920.86
1917	11,339.21	75.00	151.19	7.63	1,154.32
1918	5,939.02	75.00	79.19	7.85	621.47
1919	10,034.15	75.00	133.79	8.08	1,081.05
1920	8,068.68	75.00	107.58	8.32	894.70
1921	9,874.37	75.00	131.66	8.54	1,124.03
1922	13,323.29	75.00	177.64	8.78	1,558.96
1923	12,530.40	75.00	167.07	9.02	1,506.69
1924	23,943.35	75.00	319.24	9.25	2,952.43
1925	11,074.30	75.00	147.66	9.49	1,401.86
1926	10,137.05	75.00	135.16	9.74	1,317.08

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	11,336.06	75.00	151.15	9.99	1,509.30
1928	3,835.08	75.00	51.13	10.24	523.70
1929	3,297.79	75.00	43.97	10.50	461.83
1930	7,617.74	75.00	101.57	10.76	1,092.78
1931	362.17	75.00	4.83	11.03	53.26
1932	666.58	75.00	8.89	11.31	100.48
1933	1,250.79	75.00	16.68	11.58	193.13
1934	192.41	75.00	2.57	11.87	30.45
1935	1,203.89	75.00	16.05	12.17	195.27
1936	3,095.27	75.00	41.27	12.46	514.38
1937	896.03	75.00	11.95	12.78	152.62
1938	3,164.87	75.00	42.20	13.10	552.61
1939	2,701.60	75.00	36.02	13.42	483.47
1940	3,447.99	75.00	45.97	13.76	632.60
1941	4,750.60	75.00	63.34	14.11	893.66
1942	8,225.90	75.00	109.68	14.47	1,586.61
1943	7,793.53	75.00	103.91	14.83	1,541.55
1944	6,001.22	75.00	80.02	15.21	1,217.40
1945	4,000.28	75.00	53.34	15.61	832.35
1946	3,848.61	75.00	51.31	16.01	821.41
1947	1,776.17	75.00	23.68	16.42	388.86
1948	2,046.38	75.00	27.29	16.85	459.65
1949	1,945.89	75.00	25.95	17.28	448.39
1950	1,033.21	75.00	13.78	17.73	244.24
1951	6,743.01	75.00	89.91	18.19	1,635.51
1952	5,227.54	75.00	69.70	18.66	1,300.74
1953	3,419.00	75.00	45.59	19.14	872.69

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	4,135.13	75.00	55.14	19.64	1,082.90
1955	3,153.08	75.00	42.04	20.15	846.96
1956	13,433.71	75.00	179.12	20.66	3,700.87
1957	5,572.78	75.00	74.30	21.19	1,574.75
1958	7,746.35	75.00	103.28	21.73	2,244.60
1959	8,167.31	75.00	108.90	22.28	2,426.35
1960	3,263.45	75.00	43.51	22.85	994.06
1961	3,904.37	75.00	52.06	23.42	1,219.00
1962	5,795.30	75.00	77.27	24.00	1,854.22
1963	5,947.65	75.00	79.30	24.59	1,950.17
1964	6,467.83	75.00	86.24	25.19	2,172.56
1965	5,532.56	75.00	73.77	25.80	1,903.39
1966	11,080.22	75.00	147.74	26.43	3,904.19
1967	5,622.33	75.00	74.96	27.06	2,028.24
1968	3,247.97	75.00	43.31	27.69	1,199.31
1969	4,053.75	75.00	54.05	28.34	1,532.04
1970	25,742.29	75.00	343.23	29.00	9,953.88
1971	51,947.30	75.00	692.63	29.66	20,546.21
1972	27,208.63	75.00	362.78	30.34	11,006.88
1973	21,080.78	75.00	281.08	31.02	8,719.19
1974	11,679.68	75.00	155.73	31.71	4,937.90
1975	15,635.72	75.00	208.48	32.41	6,756.28
1976	24,795.30	75.00	330.60	33.11	10,946.77
1977	9,701.66	75.00	129.36	33.82	4,375.03
1978	12,975.14	75.00	173.00	34.54	5,976.07
1979	18,968.48	75.00	252.91	35.27	8,919.92
1980	8,113.79	75.00	108.18	36.00	3,894.67

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	16,632.83	75.00	221.77	36.74	8,148.52
1982	8,839.18	75.00	117.86	37.49	4,418.28
1983	11,652.16	75.00	155.36	38.24	5,941.20
1984	61,906.30	75.00	825.42	39.00	32,193.99
1985	15,651.08	75.00	208.68	39.77	8,299.02
1986	17,645.91	75.00	235.28	40.54	9,538.30
1987	4,920.02	75.00	65.60	41.32	2,710.71
1988	38,191.05	75.00	509.21	42.11	21,441.00
1989	8,167.54	75.00	108.90	42.90	4,671.41
1990	1,377.08	75.00	18.36	43.70	802.29
1991	28,921.57	75.00	385.62	44.50	17,159.29
1992	11,012.64	75.00	146.84	45.31	6,652.45
1993	5,340.25	75.00	71.20	46.12	3,284.05
1994	15,466.03	75.00	206.21	46.94	9,680.03
1995	5,379.78	75.00	71.73	47.77	3,426.30
1996	12,980.22	75.00	173.07	48.60	8,411.08
1997	7,464.80	75.00	99.53	49.44	4,920.33
1998	3,484.33	75.00	46.46	50.28	2,335.71
1999	15.50	75.00	0.21	51.12	10.57
2000	16,002.37	75.00	213.36	51.98	11,089.87
2001	26,595.59	75.00	354.61	52.83	18,734.65
2002	309,217.69	75.00	4,122.90	53.70	221,380.65
2003	155,944.14	75.00	2,079.25	54.56	113,446.82
2004	64,143.30	75.00	855.24	55.43	47,407.44
2005	520.27	75.00	6.94	56.31	390.61
2006	25,903.77	75.00	345.38	57.19	19,751.84
2007	586.03	75.00	7.81	58.07	453.76

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	82,248.26	75.00	1,096.64	58.96	64,659.81
2009	356.34	75.00	4.75	59.85	284.38
2010	4.00	75.00	0.05	60.75	3.24
2011	17,137.51	75.00	228.50	61.65	14,087.35
2012	44.11	75.00	0.59	62.56	36.79
2015	567.59	75.00	7.57	65.29	494.10
2021	692.28	75.00	9.23	70.85	653.94
2024	332,035.65	75.00	4,427.14	73.66	326,112.79
2025	92,164.89	75.00	1,228.86	74.57	91,631.83
Total	2,051,366.10	75.00	27,351.52	45.76	1,251,474.06

Composite Average Remaining Life ... 45.76 Years

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	456.70	0.00	0.00	0.00	0.00
1910	74.04	0.00	0.00	0.00	0.00
1929	30.85	50.00	0.62	1.31	0.81
1937	65.76	50.00	1.32	4.02	5.28
1938	15,789.80	50.00	315.80	4.35	1,373.88
1942	15.48	50.00	0.31	5.69	1.76
1944	26.10	50.00	0.52	6.36	3.32
1945	62.03	50.00	1.24	6.69	8.30
1947	109.05	50.00	2.18	7.37	16.07
1952	6,242.77	50.00	124.86	9.08	1,133.89
1956	25,047.82	50.00	500.96	10.48	5,252.19
1957	1,353.14	50.00	27.06	10.84	293.38
1958	34.99	50.00	0.70	11.20	7.84
1959	13.86	50.00	0.28	11.56	3.20
1960	603.38	50.00	12.07	11.92	143.90
1962	2,018.73	50.00	40.37	12.66	511.18
1963	1,533.76	50.00	30.68	13.03	399.81
1964	43,478.50	50.00	869.57	13.41	11,660.60
1967	3,629.38	50.00	72.59	14.56	1,056.71
1968	5,768.79	50.00	115.38	14.95	1,724.59
1969	479.85	50.00	9.60	15.34	147.23
1970	1,385.27	50.00	27.71	15.74	436.05
1971	23,326.32	50.00	466.53	16.14	7,530.02
1972	3,121.79	50.00	62.44	16.55	1,033.10
1973	786.18	50.00	15.72	16.96	266.62
1974	139,894.30	50.00	2,797.89	17.37	48,603.90
1975	609.27	50.00	12.19	17.79	216.79

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	705.18	50.00	14.10	18.22	256.90
1977	3,035.23	50.00	60.70	18.64	1,131.82
1978	6,870.73	50.00	137.41	19.08	2,621.74
1980	11,213.10	50.00	224.26	19.96	4,477.14
1982	703.50	50.00	14.07	20.87	293.66
1983	607.35	50.00	12.15	21.33	259.14
1985	67,767.23	50.00	1,355.34	22.28	30,194.53
1987	2,626.40	50.00	52.53	23.25	1,221.21
1988	1,274.00	50.00	25.48	23.74	605.01
1990	13,349.43	50.00	266.99	24.76	6,610.03
1991	32,762.97	50.00	655.26	25.28	16,562.25
1992	26,698.28	50.00	533.97	25.80	13,777.35
1994	42,278.62	50.00	845.57	26.88	22,728.07
1995	118,256.75	50.00	2,365.13	27.43	64,876.44
1996	9,454.33	50.00	189.09	27.99	5,292.67
1997	5,432.04	50.00	108.64	28.56	3,102.82
1998	169,768.23	50.00	3,395.36	29.14	98,939.34
2002	498,453.49	50.00	9,969.07	31.56	314,597.60
2003	113,286.62	50.00	2,265.73	32.19	72,930.86
2004	63,989.80	50.00	1,279.80	32.83	42,017.35
2005	70,222.38	50.00	1,404.45	33.49	47,028.80
2006	87,641.30	50.00	1,752.83	34.15	59,862.48
2007	44,851.16	50.00	897.02	34.83	31,243.95
2008	260,198.94	50.00	5,203.98	35.52	184,856.46
2009	8,618,992.07	50.00	172,379.80	36.23	6,244,741.22
2010	201,983.09	50.00	4,039.66	36.94	149,243.46
2011	226,605.73	50.00	4,532.11	37.68	170,752.98

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***S0.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2014	44,041.32	50.00	880.83	39.96	35,195.64
2017	195,540.18	50.00	3,910.80	42.38	165,723.99
2018	68,940.26	50.00	1,378.80	43.21	59,584.14
2019	1,395.07	50.00	27.90	44.07	1,229.60
2021	389,650.91	50.00	7,793.02	45.83	357,169.94
2024	634,287.77	50.00	12,685.75	48.62	616,729.96
Total	12,308,841.37	48.33	246,166.15	36.19	8,907,688.96

Composite Average Remaining Life ... 36.19 Years

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1926	26.31	0.00	0.00	0.00	0.00
1931	218.45	0.00	0.00	0.00	0.00
1933	44.94	0.00	0.00	0.00	0.00
1936	73.64	0.00	0.00	0.00	0.00
1937	531.89	0.00	0.00	0.00	0.00
1939	100.05	0.00	0.00	0.00	0.00
1940	956.27	0.00	0.00	0.00	0.00
1941	898.87	0.00	0.00	0.00	0.00
1942	629.69	0.00	0.00	0.00	0.00
1943	248.82	0.00	0.00	0.00	0.00
1944	261.20	0.00	0.00	0.00	0.00
1945	217.29	0.00	0.00	0.00	0.00
1946	820.91	0.00	0.00	0.00	0.00
1947	921.97	0.00	0.00	0.00	0.00
1948	1,216.34	0.00	0.00	0.00	0.00
1949	1,134.41	0.00	0.00	0.00	0.00
1950	567.10	0.00	0.00	0.00	0.00
1951	543.96	0.00	0.00	0.00	0.00
1952	1,053.47	0.00	0.00	0.00	0.00
1953	1,069.33	0.00	0.00	0.00	0.00
1954	633.57	0.00	0.00	0.00	0.00
1955	741.69	0.00	0.00	0.00	0.00
1956	1,395.06	0.00	0.00	0.00	0.00
1957	2,346.89	0.00	0.00	0.00	0.00
1958	2,203.34	0.00	0.00	0.00	0.00
1959	3,274.42	0.00	0.00	0.00	0.00
1960	2,528.27	33.00	76.61	0.50	38.31

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1961	2,559.62	33.00	77.56	0.68	52.81
1962	1,874.02	33.00	56.79	1.01	57.17
1963	2,029.56	33.00	61.50	1.36	83.46
1964	2,616.00	33.00	79.27	1.72	136.11
1965	1,273.78	33.00	38.60	2.08	80.37
1966	2,269.62	33.00	68.78	2.45	168.56
1967	1,324.41	33.00	40.13	2.82	113.28
1968	1,734.23	33.00	52.55	3.20	167.99
1969	3,425.35	33.00	103.80	3.57	370.87
1970	1,286.76	33.00	38.99	3.95	154.09
1971	668.05	33.00	20.24	4.33	87.71
1972	1,383.67	33.00	41.93	4.72	197.72
1973	761.21	33.00	23.07	5.10	117.66
1974	719.26	33.00	21.80	5.49	119.62
1975	963.27	33.00	29.19	5.88	171.59
1977	536.39	33.00	16.25	6.67	108.33
1978	215.76	33.00	6.54	7.06	46.17
1980	9.48	33.00	0.29	7.86	2.26
1981	87.81	33.00	2.66	8.27	22.00
1983	39.62	33.00	1.20	9.09	10.91
1984	99.50	33.00	3.02	9.50	28.65
1988	14.12	33.00	0.43	11.19	4.79
1990	20.61	33.00	0.62	12.06	7.53
1991	96.00	33.00	2.91	12.49	36.35
1996	73.72	33.00	2.23	14.76	32.96
1999	618.21	33.00	18.73	16.17	302.99
2023	11,419.39	33.00	346.04	30.80	10,657.85

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	62,777.57	17.11	1,231.74	10.86	13,378.11

Composite Average Remaining Life ... 10.86 Years

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	29.99	0.00	0.00	0.00	0.00
1923	95.58	60.00	1.59	2.39	3.81
1925	385.22	60.00	6.42	2.92	18.77
1930	2,807.06	60.00	46.78	4.19	196.13
1931	435.00	60.00	7.25	4.42	32.02
1934	601.82	60.00	10.03	5.08	50.91
1937	1,286.00	60.00	21.43	5.73	122.82
1938	651.10	60.00	10.85	5.96	64.67
1939	189.89	60.00	3.16	6.18	19.55
1940	636.24	60.00	10.60	6.40	67.89
1942	77.88	60.00	1.30	6.86	8.91
1943	2,016.88	60.00	33.61	7.10	238.59
1945	452.54	60.00	7.54	7.58	57.16
1946	2,458.57	60.00	40.98	7.82	320.56
1947	904.95	60.00	15.08	8.08	121.83
1948	1,112.43	60.00	18.54	8.33	154.44
1949	221.89	60.00	3.70	8.59	31.77
1951	66.26	60.00	1.10	9.13	10.09
1952	571.42	60.00	9.52	9.42	89.67
1955	411.60	60.00	6.86	10.32	70.82
1958	1,144.69	60.00	19.08	11.33	216.17
1959	31,709.01	60.00	528.48	11.69	6,178.95
1960	1,570.53	60.00	26.18	12.07	315.83
1961	3,625.00	60.00	60.42	12.45	752.44
1962	1,076.72	60.00	17.95	12.86	230.70
1963	680.33	60.00	11.34	13.27	150.50
1964	4,511.67	60.00	75.19	13.70	1,030.46

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	831.40	60.00	13.86	14.15	196.05
1966	114.36	60.00	1.91	14.61	27.84
1968	36,991.24	60.00	616.52	15.57	9,600.34
1969	245.28	60.00	4.09	16.08	65.72
1971	2,313.81	60.00	38.56	17.12	660.38
1972	612.48	60.00	10.21	17.67	180.39
1974	22,623.29	60.00	377.05	18.80	7,088.93
1975	3,901.22	60.00	65.02	19.39	1,260.54
1976	208.11	60.00	3.47	19.98	69.32
1977	26,345.91	60.00	439.10	20.59	9,042.13
1979	2,212.93	60.00	36.88	21.85	805.82
1980	97,670.75	60.00	1,627.84	22.49	36,611.32
1981	643.50	60.00	10.72	23.15	248.25
1982	5,146.63	60.00	85.78	23.81	2,042.57
1983	4,071.13	60.00	67.85	24.49	1,661.45
1984	20,420.45	60.00	340.34	25.17	8,567.41
1985	5,137.69	60.00	85.63	25.87	2,215.09
1986	3,301.96	60.00	55.03	26.57	1,462.31
1987	20,490.35	60.00	341.51	27.29	9,318.55
1988	10,481.87	60.00	174.70	28.01	4,893.28
1989	22,648.83	60.00	377.48	28.74	10,848.82
1990	2,552.29	60.00	42.54	29.48	1,254.08
1991	41,020.96	60.00	683.68	30.23	20,667.97
1992	106,311.11	60.00	1,771.85	30.99	54,902.32
1994	130,682.51	60.00	2,178.04	32.53	70,841.04
1995	18,382.83	60.00	306.38	33.30	10,203.86
1997	10,281.55	60.00	171.36	34.89	5,978.73

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1999	18,151.93	60.00	302.53	36.50	11,043.46
2001	18,550.28	60.00	309.17	38.14	11,793.26
2002	28,964.69	60.00	482.74	38.98	18,815.86
2005	7,907.93	60.00	131.80	41.51	5,470.98
2006	7,372.59	60.00	122.88	42.37	5,205.96
2008	46,189.52	60.00	769.82	44.10	33,948.56
2012	1,028,723.58	60.00	17,145.36	47.63	816,639.19
2013	4,370.54	60.00	72.84	48.53	3,534.69
2014	54,393.11	60.00	906.55	49.43	44,807.52
2017	33,443.06	60.00	557.38	52.16	29,070.69
2019	2,790.13	60.00	46.50	54.00	2,510.92
2021	19,981.66	60.00	333.03	55.85	18,600.45
Total	1,926,213.73	59.09	32,103.01	39.96	1,282,711.54

Composite Average Remaining Life ... 39.96 Years

Peoples Natural Gas Company, LLC
Gas Division
331.00 Producing Gas Wells - Well Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1921	1,219.94	0.00	0.00	0.00	0.00
1945	420.81	26.00	16.18	0.68	11.08
1954	1,258.20	26.00	48.39	2.05	99.14
1979	31.01	26.00	1.19	6.79	8.10
1984	30.56	26.00	1.18	7.95	9.34
Total	2,960.52	20.80	66.94	1.91	127.67

Composite Average Remaining Life ... 1.91 Years

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	198,439.08	65.00	3,052.88	1.74	5,312.42
1901	76,042.37	65.00	1,169.87	2.07	2,419.73
1902	62,370.64	65.00	959.54	2.41	2,315.07
1903	63,442.02	65.00	976.02	2.74	2,678.64
1904	46,002.99	65.00	707.73	3.09	2,186.75
1905	106,521.27	65.00	1,638.77	3.41	5,592.37
1906	18,502.80	65.00	284.66	3.74	1,063.97
1907	106,421.39	65.00	1,637.23	4.02	6,586.42
1908	89,111.70	65.00	1,370.93	4.31	5,907.60
1909	24,002.03	65.00	369.26	4.55	1,681.20
1910	30,907.70	65.00	475.50	4.81	2,286.19
1911	3,386.82	65.00	52.10	5.03	261.93
1912	2,881.07	65.00	44.32	5.25	232.72
1913	34,780.18	65.00	535.07	5.48	2,932.33
1914	39,949.19	65.00	614.60	5.70	3,503.15
1915	6,617.37	65.00	101.80	5.93	603.87
1916	15,369.22	65.00	236.45	6.16	1,455.48
1917	39,674.04	65.00	610.36	6.39	3,903.00
1918	24,506.13	65.00	377.01	6.63	2,498.35
1919	21,981.63	65.00	338.18	6.87	2,324.94
1920	30,004.99	65.00	461.61	7.12	3,285.06
1921	8,830.44	65.00	135.85	7.37	1,001.82
1922	84,338.05	65.00	1,297.49	7.63	9,893.84
1923	33,571.78	65.00	516.48	7.89	4,076.24
1924	36,803.99	65.00	566.21	8.15	4,615.65
1925	39,172.04	65.00	602.64	8.42	5,074.01
1926	16,199.35	65.00	249.22	8.70	2,166.98

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	58,591.24	65.00	901.39	8.97	8,085.30
1928	22,450.27	65.00	345.39	9.25	3,195.65
1929	44,700.26	65.00	687.69	9.53	6,556.08
1930	30,101.20	65.00	463.09	9.82	4,548.87
1931	28,845.25	65.00	443.77	10.11	4,486.54
1932	8,394.86	65.00	129.15	10.41	1,343.93
1933	11,553.05	65.00	177.74	10.70	1,901.72
1934	3,362.15	65.00	51.72	11.00	569.09
1935	8,335.35	65.00	128.23	11.30	1,449.40
1936	3,639.03	65.00	55.98	11.61	650.12
1937	15,985.98	65.00	245.94	11.92	2,931.73
1938	37,256.37	65.00	573.17	12.24	7,012.79
1939	82,912.80	65.00	1,275.57	12.56	16,015.64
1940	29,422.35	65.00	452.65	12.88	5,829.67
1941	180,288.06	65.00	2,773.63	13.21	36,637.65
1942	42,612.26	65.00	655.57	13.54	8,878.17
1943	36,458.71	65.00	560.90	13.88	7,787.25
1944	123,212.15	65.00	1,895.55	14.23	26,970.40
1945	90,964.96	65.00	1,399.45	14.58	20,404.81
1946	51,802.18	65.00	796.95	14.94	11,904.54
1947	52,329.20	65.00	805.06	15.30	12,319.36
1948	16,505.10	65.00	253.92	15.67	3,979.67
1949	52,849.12	65.00	813.05	16.05	13,050.28
1950	55,758.64	65.00	857.82	16.44	14,098.52
1951	54,549.84	65.00	839.22	16.83	14,121.86
1952	65,598.85	65.00	1,009.20	17.23	17,385.31
1953	101,582.01	65.00	1,562.78	17.63	27,557.80

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	56,930.88	65.00	875.85	18.05	15,807.52
1955	53,471.76	65.00	822.63	18.47	15,194.64
1956	315,979.17	65.00	4,861.17	18.90	91,878.63
1957	484,762.51	65.00	7,457.80	19.34	144,226.32
1958	187,931.49	65.00	2,891.22	19.78	57,201.27
1959	322,402.38	65.00	4,959.98	20.24	100,385.57
1960	243,795.33	65.00	3,750.66	20.70	77,640.20
1961	93,689.27	65.00	1,441.36	21.17	30,515.57
1962	180,425.02	65.00	2,775.74	21.65	60,091.03
1963	243,737.14	65.00	3,749.76	22.14	83,004.87
1964	235,566.78	65.00	3,624.07	22.63	82,015.78
1965	159,784.98	65.00	2,458.20	23.13	56,865.34
1966	210,256.55	65.00	3,234.68	23.64	76,480.67
1967	270,395.12	65.00	4,159.88	24.16	100,510.12
1968	197,279.32	65.00	3,035.03	24.69	74,931.81
1969	619,881.63	65.00	9,536.54	25.22	240,534.47
1970	108,220.21	65.00	1,664.91	25.77	42,897.13
1971	491,669.82	65.00	7,564.07	26.31	199,043.27
1972	1,347,503.73	65.00	20,730.60	26.87	557,092.77
1973	535,280.82	65.00	8,235.00	27.44	225,942.99
1974	699,092.96	65.00	10,755.16	28.01	301,261.31
1975	997,919.51	65.00	15,352.44	28.59	438,919.68
1976	574,880.53	65.00	8,844.22	29.18	258,060.72
1977	1,226,761.82	65.00	18,873.05	29.77	561,920.19
1978	597,088.21	65.00	9,185.87	30.37	279,020.34
1979	712,097.33	65.00	10,955.23	30.98	339,441.98
1980	853,423.94	65.00	13,129.46	31.60	414,884.96

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	722,056.59	65.00	11,108.44	32.22	357,947.30
1982	746,578.78	65.00	11,485.70	32.85	377,321.99
1983	495,749.24	65.00	7,626.83	33.49	255,409.78
1984	880,508.27	65.00	13,546.13	34.13	462,325.72
1985	2,111,376.29	65.00	32,482.36	34.78	1,129,722.66
1986	829,185.62	65.00	12,756.56	35.43	452,008.79
1987	328,958.25	65.00	5,060.84	36.10	182,674.92
1988	2,101,102.72	65.00	32,324.31	36.76	1,188,293.26
1989	774,400.60	65.00	11,913.73	37.44	446,001.18
1990	601,377.89	65.00	9,251.87	38.12	352,635.88
1991	1,292,934.22	65.00	19,891.08	38.80	771,753.05
1992	1,522,065.67	65.00	23,416.14	39.49	924,688.26
1993	523,691.94	65.00	8,056.71	40.18	323,750.17
1994	611,624.94	65.00	9,409.51	40.88	384,707.77
1995	602,916.26	65.00	9,275.53	41.59	385,766.90
1996	935,976.24	65.00	14,399.48	42.30	609,111.56
1997	2,110,700.40	65.00	32,471.96	43.02	1,396,793.24
1998	446,589.49	65.00	6,870.53	43.74	300,490.95
1999	532,708.60	65.00	8,195.43	44.46	364,366.91
2000	852,677.64	65.00	13,117.98	45.19	592,797.32
2001	933,096.94	65.00	14,355.18	45.92	659,218.17
2002	231,923.94	65.00	3,568.02	46.66	166,485.58
2003	1,241,174.27	65.00	19,094.78	47.40	905,138.48
2004	521,964.71	65.00	8,030.14	48.15	386,631.78
2005	824,695.14	65.00	12,687.48	48.90	620,385.88
2006	558,026.41	65.00	8,584.93	49.65	426,244.19
2007	1,603,955.80	65.00	24,675.98	50.41	1,243,862.58

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	2,432,463.99	65.00	37,422.12	51.17	1,914,814.84
2009	1,478,184.83	65.00	22,741.06	51.93	1,181,012.07
2010	1,879,876.35	65.00	28,920.86	52.70	1,524,142.71
2011	5,132,612.57	65.00	78,962.42	53.47	4,222,351.16
2012	2,270,720.03	65.00	34,933.78	54.25	1,895,073.05
2013	2,988,337.65	65.00	45,973.93	55.03	2,529,827.13
2014	2,172,840.23	65.00	33,427.95	55.81	1,865,590.21
2015	1,596,414.83	65.00	24,559.96	56.60	1,390,007.07
2016	289,492.25	65.00	4,453.68	57.39	255,582.01
2017	1,081,146.09	65.00	16,632.84	58.18	967,697.30
2018	1,706,596.49	65.00	26,255.05	58.98	1,548,456.09
2019	4,743,287.54	65.00	72,972.87	59.78	4,362,154.49
2020	2,591,280.97	65.00	39,865.43	60.58	2,415,148.64
2021	1,462,713.53	65.00	22,503.04	61.39	1,381,459.04
2022	4,233,205.04	65.00	65,125.53	62.20	4,050,926.97
2023	2,600,189.54	65.00	40,002.48	63.02	2,520,804.06
2024	1,709,188.65	65.00	26,294.93	63.84	1,678,544.11
2025	1,453,477.16	65.00	22,360.95	64.62	1,445,018.17
Total	81,350,164.33	65.00	1,251,527.46	46.43	58,106,444.49

Composite Average Remaining Life ... *46.43 Years*

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1936	305.23	0.00	0.00	0.00	0.00
1938	3,171.28	0.00	0.00	0.00	0.00
1942	255.76	0.00	0.00	0.00	0.00
1944	284.18	0.00	0.00	0.00	0.00
1946	11.02	20.00	0.55	0.50	0.28
1948	1,830.53	20.00	91.53	0.93	84.99
1953	52,491.60	20.00	2,624.56	1.82	4,778.55
1955	479.09	20.00	23.95	2.09	50.08
1956	33,800.67	20.00	1,690.02	2.22	3,753.43
1957	5,359.29	20.00	267.96	2.35	629.72
1959	100.53	20.00	5.03	2.61	13.11
1963	1,841.23	20.00	92.06	3.14	288.89
1964	419.25	20.00	20.96	3.27	68.63
1968	579.93	20.00	29.00	3.84	111.22
1969	221.27	20.00	11.06	3.98	44.04
1970	1,226.38	20.00	61.32	4.13	253.16
1971	117,537.02	20.00	5,876.80	4.28	25,142.37
1972	108.27	20.00	5.41	4.43	23.98
1973	674.98	20.00	33.75	4.58	154.72
1974	431,175.23	20.00	21,558.58	4.74	102,210.09
1976	3,657.60	20.00	182.88	5.06	925.71
1977	34,387.95	20.00	1,719.38	5.23	8,985.98
1978	13,478.77	20.00	673.93	5.39	3,634.78
1979	6,137.66	20.00	306.88	5.56	1,707.28
1980	188.21	20.00	9.41	5.74	53.98
1981	8,675.45	20.00	433.77	5.91	2,564.49
1982	3,507.78	20.00	175.39	6.09	1,068.31

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1984	1,279.85	20.00	63.99	6.46	413.32
1985	214,542.46	20.00	10,727.03	6.65	71,313.61
1986	17,659.90	20.00	882.99	6.84	6,040.20
1987	2,786.28	20.00	139.31	7.04	980.33
1988	49,235.99	20.00	2,461.78	7.24	17,815.95
1989	59,265.13	20.00	2,963.23	7.44	22,049.61
1990	129,325.31	20.00	6,466.21	7.65	49,461.27
1991	6,677.36	20.00	333.87	7.86	2,624.69
1992	218,806.20	20.00	10,940.22	8.08	88,377.54
1993	42,865.41	20.00	2,143.25	8.30	17,787.78
1994	127,566.85	20.00	6,378.29	8.53	54,376.93
1995	1,718,078.83	20.00	85,903.23	8.76	752,170.67
1996	74,307.02	20.00	3,715.32	8.99	33,407.16
1997	20,193.55	20.00	1,009.67	9.23	9,321.88
1998	109,677.40	20.00	5,483.82	9.48	51,980.34
1999	182,541.07	20.00	9,126.98	9.73	88,811.14
2000	131,759.21	20.00	6,587.91	9.99	65,800.77
2001	34,836.33	20.00	1,741.80	10.25	17,856.17
2002	6,687,528.21	20.00	334,373.66	10.52	3,517,982.21
2003	1,456,829.70	20.00	72,840.89	10.80	786,464.43
2004	820,297.00	20.00	41,014.51	11.08	454,420.09
2005	1,401,347.54	20.00	70,066.80	11.37	796,572.78
2006	1,960,879.99	20.00	98,043.19	11.67	1,143,679.04
2007	5,312,675.83	20.00	265,631.61	11.97	3,179,240.10
2008	2,294,621.36	20.00	114,730.12	12.28	1,408,848.15
2009	3,593,598.31	20.00	179,678.44	12.60	2,263,678.62
2010	1,978,995.48	20.00	98,948.96	12.93	1,278,949.65

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	1,015,276.39	20.00	50,763.40	13.26	673,147.47
2012	160,014.49	20.00	8,000.66	13.60	108,842.46
2013	263,983.47	20.00	13,199.06	13.96	184,215.78
2014	134,354.47	20.00	6,717.67	14.32	96,186.23
2015	164,299.48	20.00	8,214.91	14.69	120,672.68
2016	174,711.47	20.00	8,735.50	15.07	131,646.92
2017	1,167,263.40	20.00	58,362.69	15.46	902,466.55
2018	190,466.80	20.00	9,523.26	15.87	151,149.23
2019	1,190,006.26	20.00	59,499.82	16.30	969,836.80
2020	441,283.66	20.00	22,064.00	16.75	369,617.81
2021	3,988,152.04	20.00	199,405.96	17.23	3,436,437.22
2022	4,020,893.75	20.00	201,043.03	17.75	3,568,566.37
2023	1,061,212.82	20.00	53,060.20	18.31	971,645.39
2024	5,404,691.97	20.00	270,232.38	18.93	5,116,689.40
2025	41,522.16	20.00	2,076.09	19.62	40,728.51
Total	48,788,216.36	18.84	2,439,189.93	13.60	33,178,821.08

Composite Average Remaining Life ... 13.60 Years

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	63.63	0.00	0.00	0.00	0.00
1918	8.14	0.00	0.00	0.00	0.00
1921	18.75	0.00	0.00	0.00	0.00
1923	7.74	0.00	0.00	0.00	0.00
1924	39.84	0.00	0.00	0.00	0.00
1925	40.21	0.00	0.00	0.00	0.00
1926	548.53	0.00	0.00	0.00	0.00
1927	94.68	0.00	0.00	0.00	0.00
1928	56.54	0.00	0.00	0.00	0.00
1929	186.99	0.00	0.00	0.00	0.00
1930	22.23	0.00	0.00	0.00	0.00
1931	65.94	0.00	0.00	0.00	0.00
1932	44.67	0.00	0.00	0.00	0.00
1933	8.88	0.00	0.00	0.00	0.00
1934	711.25	0.00	0.00	0.00	0.00
1935	11.22	0.00	0.00	0.00	0.00
1936	491.83	0.00	0.00	0.00	0.00
1937	149.14	0.00	0.00	0.00	0.00
1938	145.26	0.00	0.00	0.00	0.00
1939	222.73	0.00	0.00	0.00	0.00
1940	570.86	0.00	0.00	0.00	0.00
1941	365.00	0.00	0.00	0.00	0.00
1942	1,037.60	0.00	0.00	0.00	0.00
1943	281.55	0.00	0.00	0.00	0.00
1944	285.03	0.00	0.00	0.00	0.00
1945	362.59	0.00	0.00	0.00	0.00
1946	721.45	20.00	36.07	0.50	18.04

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1947	425.88	20.00	21.29	0.66	13.99
1948	692.69	20.00	34.63	0.93	32.16
1949	1,867.05	20.00	93.35	1.17	109.22
1950	333.77	20.00	16.69	1.36	22.67
1951	535.45	20.00	26.77	1.53	40.95
1952	3,734.08	20.00	186.70	1.68	314.20
1953	9,873.74	20.00	493.68	1.82	898.85
1954	10,638.98	20.00	531.94	1.96	1,041.73
1955	2,384.74	20.00	119.24	2.09	249.29
1956	6,064.18	20.00	303.21	2.22	673.40
1957	4,932.69	20.00	246.63	2.35	579.59
1958	6,369.67	20.00	318.48	2.48	789.62
1959	2,764.71	20.00	138.23	2.61	360.60
1960	3,812.13	20.00	190.60	2.74	522.09
1961	5,498.39	20.00	274.92	2.87	789.22
1962	4,594.65	20.00	229.73	3.00	690.01
1963	3,696.81	20.00	184.84	3.14	580.04
1964	5,113.80	20.00	255.69	3.27	837.10
1965	4,173.68	20.00	208.68	3.41	711.94
1966	4,430.39	20.00	221.52	3.55	786.62
1967	5,043.03	20.00	252.15	3.69	931.05
1968	8,020.16	20.00	401.00	3.84	1,538.16
1969	12,602.57	20.00	630.12	3.98	2,508.60
1970	4,759.17	20.00	237.96	4.13	982.42
1971	14,785.42	20.00	739.26	4.28	3,162.75
1972	7,088.03	20.00	354.40	4.43	1,570.04
1973	12,894.47	20.00	644.72	4.58	2,955.64

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	23,255.32	20.00	1,162.76	4.74	5,512.67
1975	63,281.47	20.00	3,164.05	4.90	15,504.42
1976	40,036.32	20.00	2,001.80	5.06	10,132.89
1977	54,570.46	20.00	2,728.50	5.23	14,259.90
1978	96,184.07	20.00	4,809.16	5.39	25,937.69
1979	95,811.38	20.00	4,790.53	5.56	26,651.33
1980	30,973.93	20.00	1,548.68	5.74	8,883.60
1981	71,976.20	20.00	3,598.78	5.91	21,276.42
1982	70,222.41	20.00	3,511.09	6.09	21,386.57
1983	64,615.14	20.00	3,230.73	6.27	20,267.66
1984	30,308.54	20.00	1,515.41	6.46	9,788.05
1985	61,790.08	20.00	3,089.48	6.65	20,538.93
1986	102,499.87	20.00	5,124.95	6.84	35,057.92
1987	35,766.84	20.00	1,788.33	7.04	12,584.32
1988	115,418.15	20.00	5,770.86	7.24	41,763.83
1989	65,185.78	20.00	3,259.26	7.44	24,252.39
1990	96,724.79	20.00	4,836.20	7.65	36,993.00
1991	158,119.23	20.00	7,905.90	7.86	62,152.40
1992	29,377.62	20.00	1,468.87	8.08	11,865.85
1993	19,402.45	20.00	970.11	8.30	8,051.40
1994	106,062.04	20.00	5,303.06	8.53	45,210.24
1995	11,890.54	20.00	594.52	8.76	5,205.65
1996	7,154.07	20.00	357.70	8.99	3,216.35
1997	13,306.12	20.00	665.30	9.23	6,142.46
1998	8,035.94	20.00	401.79	9.48	3,808.54
1999	91.55	20.00	4.58	9.73	44.54
2000	1,544.13	20.00	77.21	9.99	771.14

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	8,688.46	20.00	434.42	10.52	4,570.57
2003	6,821.77	20.00	341.09	10.80	3,682.71
2004	8,162.73	20.00	408.13	11.08	4,521.91
2005	9,288.88	20.00	464.44	11.37	5,280.11
2006	6,911.05	20.00	345.55	11.67	4,030.86
2007	42.13	20.00	2.11	11.97	25.21
2008	11,306.98	20.00	565.34	12.28	6,942.24
2009	1,030,626.43	20.00	51,530.90	12.60	649,211.96
2010	91,350.96	20.00	4,567.51	12.93	59,036.66
2011	188,760.14	20.00	9,437.93	13.26	125,151.55
2013	28,500.44	20.00	1,425.01	13.96	19,888.48
2017	17,701.28	20.00	885.06	15.46	13,685.70
2020	20,439.63	20.00	1,021.97	16.75	17,120.17
2021	227,237.22	20.00	11,361.77	17.23	195,801.57
2022	203,879.04	20.00	10,193.87	17.75	180,943.82
2023	3,652.29	20.00	182.61	18.31	3,344.03
Total	3,490,666.48	14.64	174,239.85	10.41	1,814,207.74

Composite Average Remaining Life ... 10.41 Years

Peoples Natural Gas Company, LLC
Gas Division
337.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *23* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	16,266.98	23.00	707.21	11.28	7,979.96
2005	26,138.29	23.00	1,136.36	11.61	13,197.65
2006	14,141.38	23.00	614.80	11.95	7,347.71
2008	9,645.75	23.00	419.35	12.65	5,305.09
Total	66,192.40	23.00	2,877.72	11.76	33,830.41

Composite Average Remaining Life ... 11.76 Years

Peoples Natural Gas Company, LLC
Gas Division
350.11 Land - Gas

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *L4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	764.79	55.00	13.91	10.34	143.72
1969	4,194.89	55.00	76.27	10.62	809.81
1970	49.41	55.00	0.90	10.77	9.67
1976	93.45	55.00	1.70	12.20	20.73
1977	2,088.06	55.00	37.96	12.57	477.32
1979	9,290.53	55.00	168.92	13.46	2,274.17
1989	342.71	55.00	6.23	20.20	125.86
Total	16,823.84	55.00	305.89	12.62	3,861.28

Composite Average Remaining Life ... *12.62 Years*

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	922.66	70.00	13.18	2.12	27.95
1925	257.87	70.00	3.68	4.39	16.16
1926	459.25	70.00	6.56	4.65	30.50
1929	64.04	70.00	0.91	5.42	4.96
1940	198.63	70.00	2.84	8.37	23.75
1941	73.96	70.00	1.06	8.67	9.16
1942	442.68	70.00	6.32	8.97	56.72
1943	166.39	70.00	2.38	9.29	22.07
1945	66.96	70.00	0.96	9.94	9.51
1946	558.07	70.00	7.97	10.28	81.99
1947	1,450.95	70.00	20.73	10.64	220.54
1948	1,558.71	70.00	22.27	11.01	245.10
1949	1,239.91	70.00	17.71	11.39	201.67
1953	162.40	70.00	2.32	13.03	30.23
1954	2,117.36	70.00	30.25	13.47	407.49
1955	437.08	70.00	6.24	13.93	86.96
1961	890.72	70.00	12.72	16.96	215.78
1962	39.11	70.00	0.56	17.51	9.78
1965	87.33	70.00	1.25	19.24	24.01
1966	1,016.02	70.00	14.51	19.84	288.03
1967	169.49	70.00	2.42	20.46	49.54
1968	1,932.65	70.00	27.61	21.09	582.15
1969	1,120.00	70.00	16.00	21.72	347.53
1970	644.80	70.00	9.21	22.37	206.08
1972	392.00	70.00	5.60	23.70	132.74
1973	1,159.09	70.00	16.56	24.38	403.74
1974	448.00	70.00	6.40	25.07	160.48

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1977	280.00	70.00	4.00	27.20	108.82
1979	60.66	70.00	0.87	28.67	24.84
1980	112.00	70.00	1.60	29.41	47.06
1983	1,456.00	70.00	20.80	31.70	659.35
1985	1,400.00	70.00	20.00	33.27	665.30
1986	409.02	70.00	5.84	34.06	199.02
1987	441.00	70.00	6.30	34.86	219.62
1993	875.00	70.00	12.50	39.82	497.77
2000	2,875.00	70.00	41.07	45.91	1,885.72
2004	17,233.24	70.00	246.19	49.52	12,192.21
2006	19,252.16	70.00	275.03	51.36	14,126.13
2024	54,760.21	70.00	782.29	68.61	53,669.72
2025	21,297.60	70.00	304.25	69.55	21,160.20
Total	138,528.02	70.00	1,978.97	55.26	109,350.39

Composite Average Remaining Life ... 55.26 Years

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	2,829.48	60.00	47.16	2.11	99.34
1926	27,541.11	60.00	459.02	3.22	1,475.87
1937	16,189.19	60.00	269.82	6.37	1,718.80
1938	95.25	60.00	1.59	6.67	10.58
1940	400.17	60.00	6.67	7.25	48.36
1945	426.05	60.00	7.10	8.76	62.22
1946	58.82	60.00	0.98	9.08	8.90
1947	1,202.28	60.00	20.04	9.40	188.27
1949	1,543.88	60.00	25.73	10.05	258.51
1950	5,236.77	60.00	87.28	10.38	906.28
1951	3,014.62	60.00	50.24	10.73	538.86
1952	740.00	60.00	12.33	11.07	136.58
1953	2,900.60	60.00	48.34	11.43	552.68
1955	19,384.40	60.00	323.07	12.17	3,931.77
1956	3,782.70	60.00	63.04	12.55	791.34
1957	6,109.86	60.00	101.83	12.94	1,317.92
1958	1,371.20	60.00	22.85	13.34	304.90
1959	1,334.85	60.00	22.25	13.75	305.90
1963	3,163.12	60.00	52.72	15.48	816.05
1964	41.65	60.00	0.69	15.94	11.06
1965	1,891.52	60.00	31.53	16.40	517.07
1966	509.61	60.00	8.49	16.88	143.36
1967	126.88	60.00	2.11	17.37	36.72
1968	1,796.46	60.00	29.94	17.86	534.77
1969	2,701.00	60.00	45.02	18.37	826.85
1970	537.68	60.00	8.96	18.88	169.23
1971	551.41	60.00	9.19	19.41	178.37

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1972	13,370.77	60.00	222.85	19.95	4,444.86
1973	3,559.13	60.00	59.32	20.49	1,215.56
1974	28,324.75	60.00	472.08	21.05	9,935.38
1975	218.60	60.00	3.64	21.61	78.74
1976	85.52	60.00	1.43	22.19	31.62
1977	1,110.04	60.00	18.50	22.77	421.25
1981	1,050.11	60.00	17.50	25.20	441.03
1982	80.70	60.00	1.34	25.83	34.74
1986	7,180.22	60.00	119.67	28.43	3,402.48
1987	3,015.84	60.00	50.26	29.11	1,462.94
1989	23,593.89	60.00	393.23	30.47	11,982.82
1992	43,447.38	60.00	724.12	32.58	23,594.86
1993	41,380.63	60.00	689.68	33.30	22,968.92
1994	10,078.67	60.00	167.98	34.03	5,716.38
1995	2,597.85	60.00	43.30	34.76	1,505.15
1996	79,849.12	60.00	1,330.81	35.50	47,249.99
1997	26,972.82	60.00	449.55	36.25	16,297.23
1998	586,849.01	60.00	9,780.79	37.01	361,949.50
1999	21,627.73	60.00	360.46	37.77	13,614.05
2000	177,972.01	60.00	2,966.19	38.54	114,307.98
2001	15,235.14	60.00	253.92	39.31	9,981.68
2002	15,519.54	60.00	258.66	40.09	10,370.28
2003	330,001.37	60.00	5,500.01	40.88	224,843.47
2004	149,518.06	60.00	2,491.96	41.67	103,848.61
2006	158,602.08	60.00	2,643.36	43.28	114,406.66
2007	111,088.83	60.00	1,851.48	44.09	81,635.15
2008	3,484.86	60.00	58.08	44.91	2,608.45

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	6,944.58	60.00	115.74	46.56	5,389.37
2014	82,977.62	60.00	1,382.96	49.94	69,060.78
2015	29,547.03	60.00	492.45	50.79	25,013.38
2017	52,907.60	60.00	881.79	52.52	46,313.23
2020	250,885.11	60.00	4,181.41	55.15	230,607.26
2025	15,997.02	60.00	266.62	59.58	15,886.25
Total	2,400,554.19	60.00	40,009.12	39.90	1,596,510.67

Composite Average Remaining Life ... 39.90 Years

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	2,539.39	60.00	42.32	3.68	155.90
1917	5.00	60.00	0.08	3.97	0.33
1924	7,454.45	60.00	124.24	5.59	694.52
1925	5,143.95	60.00	85.73	5.82	498.89
1927	196.72	60.00	3.28	6.30	20.65
1928	2,962.00	60.00	49.37	6.54	322.99
1929	3,668.00	60.00	61.13	6.80	415.69
1939	105.27	60.00	1.75	9.55	16.75
1942	7,724.97	60.00	128.75	10.45	1,345.18
1943	6,312.63	60.00	105.21	10.75	1,131.50
1945	320.90	60.00	5.35	11.38	60.88
1946	9,434.59	60.00	157.24	11.70	1,840.31
1947	31,470.78	60.00	524.51	12.03	6,310.66
1948	30,463.44	60.00	507.72	12.36	6,276.52
1949	2,709.44	60.00	45.16	12.70	573.46
1950	10,150.94	60.00	169.18	13.04	2,206.80
1951	0.98	60.00	0.02	13.39	0.22
1952	12.10	60.00	0.20	13.75	2.77
1953	23.42	60.00	0.39	14.11	5.51
1961	121.49	60.00	2.02	17.30	35.03
1962	479.82	60.00	8.00	17.74	141.83
1966	2.80	60.00	0.05	19.56	0.91
1967	276.82	60.00	4.61	20.04	92.47
1968	487.45	60.00	8.12	20.53	166.79
1970	285.49	60.00	4.76	21.53	102.46
1972	27,301.90	60.00	455.03	22.57	10,269.73
1973	7,216.69	60.00	120.28	23.10	2,778.51

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	8,276.21	60.00	137.94	23.64	3,260.72
1975	13,432.20	60.00	223.87	24.19	5,414.98
1979	537.37	60.00	8.96	26.46	237.01
1981	11,275.70	60.00	187.93	27.65	5,195.86
1983	175.10	60.00	2.92	28.86	84.23
1984	67,726.27	60.00	1,128.76	29.48	33,280.20
1989	81,086.07	60.00	1,351.42	32.69	44,173.83
1990	27,260.97	60.00	454.34	33.35	15,151.93
1991	52,170.80	60.00	869.50	34.02	29,577.96
1992	32,064.02	60.00	534.39	34.69	18,538.16
1993	393.40	60.00	6.56	35.37	231.91
1995	564.33	60.00	9.41	36.75	345.64
1997	273,774.80	60.00	4,562.86	38.15	174,078.31
1998	306,931.44	60.00	5,115.46	38.86	198,782.10
1999	3,351.15	60.00	55.85	39.57	2,210.27
2000	106,746.74	60.00	1,779.09	40.29	71,685.68
2002	3,116.50	60.00	51.94	41.75	2,168.35
2004	18,369.13	60.00	306.15	43.22	13,231.06
2005	55,609.98	60.00	926.82	43.96	40,744.03
2006	82,093.99	60.00	1,368.22	44.71	61,170.52
2017	18,139.98	60.00	302.33	53.19	16,081.07
2021	10,101.22	60.00	168.35	56.39	9,493.91
Total	1,330,068.80	60.00	22,167.56	35.21	780,605.02

Composite Average Remaining Life ... 35.21 Years

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	605.74	55.00	11.01	0.50	5.51
1917	668.16	55.00	12.15	0.75	9.14
1924	2,632.59	55.00	47.86	3.05	145.84
1925	2,486.30	55.00	45.20	3.37	152.38
1943	7,470.84	55.00	135.83	8.97	1,217.85
1945	2,654.21	55.00	48.26	9.66	466.06
1946	5,867.60	55.00	106.68	10.01	1,067.95
1947	9,284.22	55.00	168.80	10.37	1,750.45
1948	7,620.75	55.00	138.56	10.73	1,486.90
1949	37.27	55.00	0.68	11.10	7.52
1950	2,385.00	55.00	43.36	11.47	497.33
1952	39.26	55.00	0.71	12.23	8.73
1953	260.58	55.00	4.74	12.61	59.76
1961	270.09	55.00	4.91	15.89	78.02
1966	137.13	55.00	2.49	18.11	45.16
1967	811.69	55.00	14.76	18.57	274.12
1968	7.19	55.00	0.13	19.04	2.49
1971	5,491.18	55.00	99.84	20.48	2,045.09
1972	20,815.26	55.00	378.45	20.98	7,938.81
1973	27,644.52	55.00	502.62	21.48	10,794.28
1974	9,148.74	55.00	166.34	21.98	3,656.32
1975	11,012.38	55.00	200.22	22.49	4,503.41
1977	14,646.32	55.00	266.29	23.53	6,267.08
1979	2,065.00	55.00	37.54	24.60	923.69
1981	16,753.06	55.00	304.59	25.69	7,826.44
1982	31,603.62	55.00	574.60	26.25	15,083.71
1984	27,487.19	55.00	499.76	27.38	13,684.30

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	16,462.41	55.00	299.31	28.54	8,541.33
1989	24,459.08	55.00	444.70	30.32	13,481.76
1991	10,795.83	55.00	196.28	31.53	6,188.95
1992	7,004.82	55.00	127.36	32.15	4,094.17
1993	485.00	55.00	8.82	32.77	288.96
1994	287.22	55.00	5.22	33.40	174.39
1995	846.49	55.00	15.39	34.03	523.70
1997	13,420.80	55.00	244.01	35.31	8,614.83
1998	22,258.79	55.00	404.70	35.95	14,549.58
1999	281,659.19	55.00	5,120.97	36.60	187,440.73
2000	62,780.48	55.00	1,141.44	37.26	42,527.18
2008	19,276.12	55.00	350.47	42.62	14,937.96
2014	30,188.89	55.00	548.88	46.77	25,671.38
2015	1,799.88	55.00	32.72	47.47	1,553.52
2019	5,714.85	55.00	103.90	50.31	5,227.85
Total	707,345.74	55.00	12,860.55	32.18	413,814.60

Composite Average Remaining Life ... 32.18 Years

Peoples Natural Gas Company, LLC
Gas Division
352.11 Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1904	35.14	0.00	0.00	0.00	0.00
1909	75.00	0.00	0.00	0.00	0.00
1910	211.00	0.00	0.00	0.00	0.00
1915	26.50	0.00	0.00	0.00	0.00
1916	58.95	0.00	0.00	0.00	0.00
1921	17.70	0.00	0.00	0.00	0.00
1938	58.48	60.00	0.97	3.43	3.34
1939	330.37	60.00	5.51	3.68	20.25
1940	19.39	60.00	0.32	3.93	1.27
1941	201.71	60.00	3.36	4.20	14.12
1942	29.19	60.00	0.49	4.45	2.16
1943	27.92	60.00	0.47	4.70	2.19
1944	102.32	60.00	1.71	4.97	8.47
1945	7,165.82	60.00	119.43	5.22	623.57
1946	114.97	60.00	1.92	5.48	10.50
1947	1,278.03	60.00	21.30	5.75	122.41
1948	4,414.39	60.00	73.57	6.01	441.92
1949	330.99	60.00	5.52	6.27	34.61
1950	69,383.58	60.00	1,156.39	6.55	7,577.22
1951	60,361.90	60.00	1,006.03	6.83	6,870.10
1952	1,628.76	60.00	27.15	7.12	193.15
1953	40.65	60.00	0.68	7.41	5.02
1955	52.58	60.00	0.88	8.03	7.04
1958	453.12	60.00	7.55	9.05	68.33
1969	320.54	60.00	5.34	13.89	74.21
1970	249.81	60.00	4.16	14.43	60.07
1974	465.47	60.00	7.76	16.71	129.66

Peoples Natural Gas Company, LLC
Gas Division
352.12 Storage Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1939	100.32	65.00	1.54	0.77	1.19
1941	98.88	65.00	1.52	1.18	1.80
1944	1,462.95	65.00	22.51	1.87	42.02
1947	29.25	65.00	0.45	2.57	1.16
1948	75.00	65.00	1.15	2.74	3.17
1949	3,618.25	65.00	55.67	2.96	164.65
1950	371.91	65.00	5.72	3.13	17.93
1960	11.75	65.00	0.18	6.27	1.13
1964	443.26	65.00	6.82	8.24	56.20
1982	40,000.00	65.00	615.39	21.99	13,529.74
1992	2,452.89	65.00	37.74	31.61	1,192.78
1993	12,069.59	65.00	185.69	32.60	6,053.24
1998	306,874.45	65.00	4,721.18	37.58	177,440.49
1999	45,797.43	65.00	704.58	38.58	27,185.07
Total	413,405.93	65.00	6,360.13	35.49	225,690.56

Composite Average Remaining Life ... 35.49 Years

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1912	8.69	0.00	0.00	0.00	0.00
1916	1,786.32	0.00	0.00	0.00	0.00
1917	363.37	0.00	0.00	0.00	0.00
1918	25.48	0.00	0.00	0.00	0.00
1922	42.17	0.00	0.00	0.00	0.00
1924	5,487.93	0.00	0.00	0.00	0.00
1925	1,233.42	0.00	0.00	0.00	0.00
1926	63.48	0.00	0.00	0.00	0.00
1933	19.78	50.00	0.40	0.50	0.20
1934	57.37	50.00	1.15	0.52	0.60
1937	19.93	50.00	0.40	1.19	0.47
1938	3.19	50.00	0.06	1.44	0.09
1939	84.73	50.00	1.69	1.70	2.89
1940	531.12	50.00	10.62	1.97	20.95
1941	1,072.68	50.00	21.45	2.24	48.14
1943	570.69	50.00	11.41	2.80	31.95
1944	332.44	50.00	6.65	3.08	20.49
1945	146.21	50.00	2.92	3.37	9.84
1946	12,963.19	50.00	259.26	3.65	946.83
1947	3,928.21	50.00	78.56	3.94	309.52
1948	9,725.46	50.00	194.51	4.23	822.45
1951	265.03	50.00	5.30	5.10	27.02
1952	12,170.84	50.00	243.42	5.39	1,311.82
1955	2,287.37	50.00	45.75	6.27	286.90
1956	44.62	50.00	0.89	6.57	5.86
1957	445.55	50.00	8.91	6.87	61.24
1961	568.38	50.00	11.37	8.13	92.43

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	70.50	50.00	1.41	8.80	12.41
1965	42.48	50.00	0.85	9.50	8.07
1967	4,390.54	50.00	87.81	10.24	899.38
1968	94,202.26	50.00	1,884.04	10.63	20,022.59
1969	10,938.86	50.00	218.78	11.02	2,411.65
1970	25,791.64	50.00	515.83	11.43	5,896.04
1973	40,293.71	50.00	805.87	12.72	10,249.61
1974	8,392.05	50.00	167.84	13.17	2,210.70
1975	1,320.10	50.00	26.40	13.64	360.02
1976	580.66	50.00	11.61	14.11	163.89
1977	4,755.64	50.00	95.11	14.60	1,388.74
1978	92.88	50.00	1.86	15.10	28.05
1981	5,347.65	50.00	106.95	16.67	1,783.33
1983	55,595.37	50.00	1,111.90	17.78	19,770.99
1984	8,052.76	50.00	161.05	18.35	2,955.69
1986	388.90	50.00	7.78	19.53	151.89
1988	37,073.02	50.00	741.46	20.75	15,383.69
1990	7,473.03	50.00	149.46	22.01	3,289.74
1991	3,151.27	50.00	63.03	22.66	1,428.02
1993	14,359.94	50.00	287.20	23.98	6,887.73
1996	5,529.70	50.00	110.59	26.04	2,880.15
1998	350.78	50.00	7.02	27.46	192.67
1999	35,898.66	50.00	717.97	28.19	20,236.83
2000	69,766.68	50.00	1,395.33	28.92	40,350.68
2001	18,927.15	50.00	378.54	29.66	11,227.26
2002	1,771.09	50.00	35.42	30.41	1,077.12
2003	4,001.15	50.00	80.02	31.17	2,493.99

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	380,060.87	50.00	7,601.19	31.93	242,718.36
2005	28,863.63	50.00	577.27	32.71	18,879.74
2006	1,601,556.59	50.00	32,031.03	33.49	1,072,608.30
2007	203,390.61	50.00	4,067.80	34.28	139,426.05
2008	443,981.80	50.00	8,879.61	35.07	311,426.15
2009	7,446.86	50.00	148.94	35.88	5,343.24
2010	36,199.97	50.00	724.00	36.69	26,561.28
2011	87,605.79	50.00	1,752.11	37.51	65,713.17
2012	35,014.56	50.00	700.29	38.33	26,842.24
2013	191,676.67	50.00	3,833.52	39.16	150,128.77
2015	36,772.48	50.00	735.45	40.85	30,039.83
2020	5,277.70	50.00	105.55	45.16	4,767.17
2023	104,330.04	50.00	2,086.59	47.82	99,787.54
2024	8,405.08	50.00	168.10	48.72	8,189.94
2025	4,990.07	50.00	99.80	49.58	4,948.64
Total	3,688,378.84	44.20	73,587.13	32.41	2,385,141.02

Composite Average Remaining Life ... 32.41 Years

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	38.70	0.00	0.00	0.00	0.00
1906	41.93	0.00	0.00	0.00	0.00
1922	200.56	0.00	0.00	0.00	0.00
1926	1,014.93	0.00	0.00	0.00	0.00
1934	391.52	47.00	8.33	1.04	8.65
1935	128.05	47.00	2.72	1.35	3.67
1937	22,511.68	47.00	478.97	2.03	970.81
1938	145.79	47.00	3.10	2.36	7.33
1940	466.25	47.00	9.92	2.98	29.57
1941	125.63	47.00	2.67	3.25	8.68
1942	572.30	47.00	12.18	3.48	42.37
1947	27.71	47.00	0.59	4.62	2.73
1948	155,271.77	47.00	3,303.61	4.86	16,064.99
1949	25,739.84	47.00	547.65	5.11	2,797.48
1950	2,385.26	47.00	50.75	5.35	271.68
1951	634.60	47.00	13.50	5.61	75.77
1952	12,244.29	47.00	260.51	5.88	1,530.83
1953	83,449.39	47.00	1,775.49	6.15	10,912.61
1954	18,704.44	47.00	397.96	6.42	2,555.46
1955	425.47	47.00	9.05	6.70	60.66
1956	41,624.95	47.00	885.62	6.99	6,186.71
1957	145.59	47.00	3.10	7.27	22.53
1958	4,730.84	47.00	100.65	7.56	761.33
1959	26,068.85	47.00	554.65	7.86	4,360.38
1960	1,948.58	47.00	41.46	8.16	338.47
1961	920.95	47.00	19.59	8.47	166.00
1962	792.58	47.00	16.86	8.79	148.14

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	108.84	47.00	2.32	9.10	21.08
1964	203.72	47.00	4.33	9.43	40.87
1965	136.24	47.00	2.90	9.76	28.30
1966	1,354.68	47.00	28.82	10.10	291.14
1967	2,557.52	47.00	54.41	10.45	568.60
1969	16,191.83	47.00	344.50	11.17	3,848.64
1970	40,453.75	47.00	860.71	11.55	9,938.08
1971	619.95	47.00	13.19	11.93	157.37
1972	6,122.50	47.00	130.26	12.33	1,605.55
1973	3,435.73	47.00	73.10	12.73	930.56
1974	78,589.33	47.00	1,672.09	13.15	21,980.74
1975	32,041.97	47.00	681.73	13.57	9,252.37
1976	23,406.17	47.00	498.00	14.01	6,976.35
1977	35,101.16	47.00	746.82	14.46	10,796.71
1978	5,618.23	47.00	119.54	14.92	1,782.98
1979	973.61	47.00	20.71	15.39	318.72
1981	6,224.98	47.00	132.44	16.36	2,166.80
1982	73,605.99	47.00	1,566.06	16.87	26,411.89
1983	47,132.52	47.00	1,002.81	17.38	17,428.84
1984	5,390.12	47.00	114.68	17.91	2,053.49
1985	100,116.93	47.00	2,130.12	18.44	39,285.12
1986	232,223.84	47.00	4,940.86	18.99	93,827.83
1987	59,947.73	47.00	1,275.47	19.55	24,933.09
1988	29,804.94	47.00	634.14	20.12	12,756.80
1989	64,130.19	47.00	1,364.45	20.70	28,240.13
1990	560,499.17	47.00	11,925.35	21.29	253,845.75
1991	31,960.30	47.00	680.00	21.89	14,881.97

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	88,750.73	47.00	1,888.29	22.49	42,475.49
1993	679,426.85	47.00	14,455.69	23.11	334,107.69
1994	306,019.73	47.00	6,510.97	23.74	154,571.71
1995	82,900.54	47.00	1,763.82	24.38	42,996.49
1996	64,958.21	47.00	1,382.07	25.02	34,582.99
1997	82,354.01	47.00	1,752.19	25.68	44,993.37
1998	182,822.22	47.00	3,889.78	26.34	102,462.08
1999	337,651.23	47.00	7,183.97	27.01	194,056.90
2000	600,376.55	47.00	12,773.79	27.69	353,726.06
2001	17,224.93	47.00	366.48	28.38	10,400.15
2002	829,301.23	47.00	17,644.46	29.07	512,967.92
2003	594,368.52	47.00	12,645.96	29.77	376,518.62
2004	229,810.02	47.00	4,889.51	30.48	149,042.51
2005	62,663.52	47.00	1,333.25	31.20	41,595.19
2006	325,656.73	47.00	6,928.77	31.92	221,166.61
2007	7,253.51	47.00	154.33	32.65	5,038.48
2008	10,850.60	47.00	230.86	33.38	7,706.51
2009	9,456.83	47.00	201.21	34.12	6,865.40
2010	500,623.36	47.00	10,651.41	34.87	371,374.78
2011	111,910.73	47.00	2,381.05	35.62	84,804.93
2012	2,472.89	47.00	52.61	36.37	1,913.69
2013	172,160.39	47.00	3,662.94	37.13	136,019.92
2014	3,281,492.57	47.00	69,818.01	37.90	2,646,112.31
2015	67,619.12	47.00	1,438.68	38.67	55,635.66
2016	14,733.81	47.00	313.48	39.45	12,365.98
2017	58,669.93	47.00	1,248.28	40.23	50,216.27
2018	23,260.96	47.00	494.91	41.01	20,298.37

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2019	4,053,777.39	47.00	86,249.37	41.81	3,605,704.71
2020	506,922.82	47.00	10,785.44	42.60	459,477.13
2021	44,843.19	47.00	954.10	43.40	41,411.24
2023	186,192.81	47.00	3,961.49	45.02	178,348.88
2024	213,746.17	47.00	4,547.73	45.84	208,451.63
2025	312,374.73	47.00	6,646.18	46.62	309,864.17
Total	15,921,351.22	44.84	338,719.83	33.80	11,448,970.50

Composite Average Remaining Life ... 33.80 Years

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1952	1,397.86	60.00	23.30	9.42	219.37
1953	416.42	60.00	6.94	9.71	67.40
1957	250.16	60.00	4.17	10.98	45.79
1958	11,119.58	60.00	185.33	11.33	2,099.87
1960	8,847.25	60.00	147.45	12.07	1,779.19
1961	18,418.27	60.00	306.97	12.45	3,823.09
1962	908.50	60.00	15.14	12.86	194.66
1967	458.40	60.00	7.64	15.08	115.24
1968	5,569.00	60.00	92.82	15.57	1,445.32
1970	588.27	60.00	9.80	16.59	162.70
1971	6,727.65	60.00	112.13	17.12	1,920.13
1972	393.80	60.00	6.56	17.67	115.98
1974	1,732.72	60.00	28.88	18.80	542.94
1975	70,183.90	60.00	1,169.73	19.39	22,677.49
1976	285.91	60.00	4.77	19.98	95.23
1980	9,169.57	60.00	152.83	22.49	3,437.16
1984	2,323.50	60.00	38.72	25.17	974.83
1985	11,116.43	60.00	185.27	25.87	4,792.80
1986	69,529.45	60.00	1,158.82	26.57	30,792.00
1987	75,800.20	60.00	1,263.33	27.29	34,472.24
1988	3,284.80	60.00	54.75	28.01	1,533.45
1990	8,332.59	60.00	138.88	29.48	4,094.26
1992	6,636.43	60.00	110.61	30.99	3,427.26
1994	9,462.50	60.00	157.71	32.53	5,129.48
1997	26,332.18	60.00	438.87	34.89	15,312.19
1998	23,821.36	60.00	397.02	35.69	14,170.57
1999	29,380.42	60.00	489.67	36.50	17,874.76

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	131,222.25	60.00	2,187.03	37.32	81,623.19
2004	8,505.41	60.00	141.76	40.66	5,763.63
2006	5,117.06	60.00	85.28	42.37	3,613.28
2007	36,379.00	60.00	606.32	43.23	26,210.76
2008	19,914.99	60.00	331.92	44.10	14,637.20
2011	237,109.98	60.00	3,951.83	46.74	184,705.88
2015	9,627.81	60.00	160.46	50.33	8,076.42
2021	43,463.71	60.00	724.39	55.85	40,459.34
2023	55,223.14	60.00	920.38	57.72	53,127.20
2025	642,186.76	60.00	10,703.09	59.57	637,547.42
Total	1,591,237.23	60.00	26,520.57	46.27	1,227,079.70

Composite Average Remaining Life ... 46.27 Years

Peoples Natural Gas Company, LLC
Gas Division
357.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *30* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1953	597.38	0.00	0.00	0.00	0.00
1957	139.38	0.00	0.00	0.00	0.00
1972	6,119.04	30.00	203.97	0.70	142.33
1973	1,697.11	30.00	56.57	0.93	52.59
1979	1,203.92	30.00	40.13	2.41	96.67
1981	2,893.23	30.00	96.44	2.84	273.74
1990	17,052.58	30.00	568.42	5.10	2,901.53
1997	481.23	30.00	16.04	7.94	127.30
Total	30,183.87	22.50	981.56	3.66	3,594.16

Composite Average Remaining Life ... 3.66 Years

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	43,036.85	0.00	0.00	0.00	0.00
1901	10,739.29	0.00	0.00	0.00	0.00
1902	14,932.27	0.00	0.00	0.00	0.00
1903	16,603.95	0.00	0.00	0.00	0.00
1904	10,314.78	80.00	128.93	0.50	64.47
1905	13,938.16	80.00	174.23	0.54	93.23
1906	12,960.19	80.00	162.00	0.60	96.52
1907	1,885.76	80.00	23.57	0.85	19.98
1908	4,965.96	80.00	62.07	1.05	65.17
1909	13,590.56	80.00	169.88	1.25	211.56
1910	16,291.54	80.00	203.64	1.35	275.15
1911	11,035.87	80.00	137.95	1.59	219.71
1912	14,820.96	80.00	185.26	1.82	338.02
1913	53,756.04	80.00	671.95	2.05	1,379.75
1914	38,239.94	80.00	478.00	2.22	1,060.01
1915	16,991.79	80.00	212.40	2.46	522.71
1916	2,952.20	80.00	36.90	2.71	99.85
1917	4,126.20	80.00	51.58	2.95	152.29
1918	2,220.14	80.00	27.75	3.16	87.59
1919	1,209.99	80.00	15.12	3.41	51.58
1920	411.47	80.00	5.14	3.67	18.87
1921	3,767.72	80.00	47.10	3.93	185.03
1922	8,718.64	80.00	108.98	4.16	453.10
1923	11,298.03	80.00	141.22	4.42	624.42
1924	17,164.02	80.00	214.55	4.69	1,005.93
1925	9,370.83	80.00	117.13	4.96	580.78
1926	10,383.19	80.00	129.79	5.20	675.38

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,061.15	80.00	38.26	5.48	209.53
1928	551.84	80.00	6.90	5.75	39.67
1929	2,854.05	80.00	35.68	6.03	215.14
1930	5,594.99	80.00	69.94	6.29	440.13
1931	1,764.72	80.00	22.06	6.58	145.10
1932	322.40	80.00	4.03	6.87	27.68
1933	487.51	80.00	6.09	7.16	43.66
1934	111.11	80.00	1.39	7.45	10.35
1935	4,193.96	80.00	52.42	7.76	407.01
1936	2,694.95	80.00	33.69	8.08	272.26
1937	3,195.38	80.00	39.94	8.41	335.92
1938	1,543.42	80.00	19.29	8.74	168.67
1939	9,142.81	80.00	114.28	9.09	1,039.22
1940	6,368.41	80.00	79.60	9.46	752.83
1941	16,191.28	80.00	202.39	9.83	1,990.47
1942	12,089.15	80.00	151.11	10.23	1,545.72
1943	7,232.95	80.00	90.41	10.64	961.92
1944	9,080.15	80.00	113.50	11.07	1,256.11
1945	1,644.37	80.00	20.55	11.51	236.63
1946	3,526.19	80.00	44.08	11.98	528.21
1947	6,519.10	80.00	81.49	12.47	1,016.14
1948	30,372.15	80.00	379.65	12.98	4,926.07
1949	31,026.03	80.00	387.82	13.50	5,235.82
1950	12,676.12	80.00	158.45	14.06	2,227.16
1951	21,259.43	80.00	265.74	14.62	3,885.92
1952	19,327.09	80.00	241.59	15.21	3,674.15
1953	35,687.10	80.00	446.09	15.81	7,053.16

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,934.22	80.00	286.68	16.44	4,712.98
1955	32,705.79	80.00	408.82	17.08	6,981.04
1956	20,253.62	80.00	253.17	17.72	4,487.36
1957	20,779.50	80.00	259.74	18.38	4,775.30
1958	77,494.10	80.00	968.67	19.06	18,464.56
1959	113,486.56	80.00	1,418.58	19.74	28,005.38
1960	31,395.34	80.00	392.44	20.43	8,017.55
1961	58,106.99	80.00	726.33	21.13	15,344.51
1962	39,442.80	80.00	493.03	21.84	10,766.17
1963	71,371.72	80.00	892.14	22.55	20,118.77
1964	72,638.04	80.00	907.97	23.27	21,132.15
1965	93,204.18	80.00	1,165.05	24.01	27,967.71
1966	46,284.65	80.00	578.56	24.75	14,320.88
1967	10,964.26	80.00	137.05	25.50	3,495.43
1968	39,479.14	80.00	493.49	26.26	12,961.27
1969	34,106.74	80.00	426.33	27.03	11,525.49
1970	38,596.33	80.00	482.45	27.82	13,421.29
1971	51,648.23	80.00	645.60	28.61	18,469.48
1972	22,060.85	80.00	275.76	29.41	8,109.10
1973	7,138.99	80.00	89.24	30.21	2,696.16
1974	92,191.17	80.00	1,152.38	31.04	35,764.53
1975	2,242.00	80.00	28.02	31.86	892.91
1976	8,345.99	80.00	104.32	32.70	3,410.99
1977	3,873.43	80.00	48.42	33.54	1,623.87
1978	84,242.26	80.00	1,053.02	34.40	36,218.98
1979	24,464.37	80.00	305.80	35.26	10,781.32
1980	58,135.91	80.00	726.70	36.12	26,251.06

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	13,989.25	80.00	174.86	37.00	6,469.91
1982	37,555.24	80.00	469.44	37.89	17,785.61
1983	34,607.87	80.00	432.60	38.78	16,775.32
1984	72,247.97	80.00	903.10	39.68	35,831.36
1985	20,647.40	80.00	258.09	40.58	10,473.50
1986	66,854.26	80.00	835.67	41.50	34,676.35
1987	207,799.90	80.00	2,597.49	42.41	110,166.57
1988	144,488.06	80.00	1,806.09	43.34	78,269.03
1989	137,876.65	80.00	1,723.45	44.26	76,288.36
1990	244,291.28	80.00	3,053.63	45.20	138,029.69
1991	66,846.87	80.00	835.58	46.14	38,555.07
1992	23,800.79	80.00	297.51	47.09	14,008.44
1993	63,862.62	80.00	798.28	48.03	38,344.90
1994	44,318.53	80.00	553.98	48.99	27,139.18
1995	74,651.74	80.00	933.14	49.95	46,607.45
1996	39,258.64	80.00	490.73	50.91	24,981.91
1997	65,568.46	80.00	819.60	51.87	42,514.19
1998	15,268.71	80.00	190.86	52.84	10,085.09
1999	37,476.41	80.00	468.45	53.81	25,208.17
2000	50,113.86	80.00	626.42	54.78	34,318.39
2001	502,822.04	80.00	6,285.24	55.76	350,470.54
2002	150,557.33	80.00	1,881.96	56.74	106,782.82
2003	91,370.41	80.00	1,142.12	57.72	65,924.52
2004	52,145.60	80.00	651.82	58.70	38,263.96
2005	145,956.11	80.00	1,824.44	59.69	108,897.21
2006	27,628.07	80.00	345.35	60.67	20,954.00
2007	51,942.05	80.00	649.27	61.66	40,035.78

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***80*** ***Survivor Curve:*** ***R4***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	164,306.52	80.00	2,053.82	62.65	128,675.17
2009	24,419.44	80.00	305.24	63.64	19,426.13
2010	43,311.35	80.00	541.39	64.63	34,992.04
2011	88,326.95	80.00	1,104.08	65.63	72,456.80
2012	13,622.04	80.00	170.27	66.62	11,343.65
2013	15,156.01	80.00	189.45	67.61	12,809.40
2014	36,947.77	80.00	461.84	68.61	31,686.80
2015	36,574.58	80.00	457.18	69.60	31,821.93
2016	34,368.29	80.00	429.60	70.60	30,330.30
2017	85,120.56	80.00	1,064.00	71.60	76,180.08
2018	48,937.81	80.00	611.72	72.60	44,407.82
2022	2,234.93	80.00	27.94	76.59	2,139.58
2024	1,509,664.27	80.00	18,870.71	78.58	1,482,953.88
2025	750,406.88	80.00	9,380.04	79.54	746,110.79
Total	7,129,174.85	77.38	88,047.85	53.39	4,700,833.71

Composite Average Remaining Life ... ***53.39 Years***

Peoples Natural Gas Company, LLC
Gas Division
366.01 Structures - Compressor Station
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	182.35	0.00	0.00	0.00	0.00
1954	2,718.88	60.00	45.31	7.72	349.69
1955	5,528.42	60.00	92.14	8.03	740.03
1964	8,289.98	60.00	138.17	11.46	1,583.10
1978	486,335.94	60.00	8,105.60	19.23	155,879.84
1980	12,052.02	60.00	200.87	20.57	4,130.92
1982	144,492.45	60.00	2,408.21	21.95	52,861.76
1983	5,454.59	60.00	90.91	22.66	2,059.77
1984	6,913.86	60.00	115.23	23.38	2,693.86
1991	6,596.96	60.00	109.95	28.69	3,154.81
1995	19,508.20	60.00	325.14	31.93	10,381.47
1996	34,710.81	60.00	578.51	32.76	18,952.65
1997	18,500.00	60.00	308.33	33.60	10,359.98
1999	1,169.44	60.00	19.49	35.30	688.03
2001	7,210.91	60.00	120.18	37.03	4,450.47
2006	93,601.90	60.00	1,560.03	41.49	64,718.48
2007	379,284.68	60.00	6,321.41	42.39	267,995.14
2008	596,565.77	60.00	9,942.76	43.31	430,639.83
2009	205,133.93	60.00	3,418.90	44.23	151,233.06
2011	3,201.69	60.00	53.36	46.10	2,459.72
2022	56,121.60	60.00	935.36	56.65	52,984.38
2023	56,660.30	60.00	944.34	57.63	54,417.59
2025	13,470.10	60.00	224.50	59.55	13,368.75
Total	2,163,704.78	57.39	36,058.70	36.22	1,306,103.33

Composite Average Remaining Life ... 36.22 Years

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1915	2,039.02	0.00	0.00	0.00	0.00
1921	15.25	0.00	0.00	0.00	0.00
1926	674.20	55.00	12.26	0.76	9.38
1933	308.06	55.00	5.60	2.59	14.48
1936	213.91	55.00	3.89	3.39	13.19
1938	94.77	55.00	1.72	3.86	6.65
1942	4,567.33	55.00	83.04	4.75	394.23
1946	33.12	55.00	0.60	5.62	3.38
1947	467.40	55.00	8.50	5.85	49.74
1948	4,490.90	55.00	81.65	6.08	496.21
1949	21,634.60	55.00	393.36	6.31	2,480.59
1950	8,917.38	55.00	162.13	6.54	1,060.31
1951	12,398.99	55.00	225.44	6.78	1,527.94
1952	9,794.83	55.00	178.09	7.02	1,250.23
1953	13,583.85	55.00	246.98	7.27	1,796.11
1954	4,677.51	55.00	85.05	7.52	639.74
1955	3,289.22	55.00	59.80	7.78	465.23
1956	3,955.53	55.00	71.92	8.04	578.50
1957	809.82	55.00	14.72	8.32	122.46
1958	773.26	55.00	14.06	8.60	120.94
1959	6,263.37	55.00	113.88	8.89	1,012.58
1960	7,763.15	55.00	141.15	9.19	1,297.55
1961	4,903.21	55.00	89.15	9.51	847.45
1962	720.58	55.00	13.10	9.83	128.81
1963	5,812.66	55.00	105.68	10.17	1,074.90
1964	14,748.06	55.00	268.15	10.52	2,821.96
1965	359.61	55.00	6.54	10.89	71.21

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1966	4,223.66	55.00	76.79	11.27	865.66
1967	206.63	55.00	3.76	11.67	43.84
1968	11,635.65	55.00	211.56	12.08	2,556.13
1969	3,475.25	55.00	63.19	12.51	790.44
1970	1,542.20	55.00	28.04	12.95	363.24
1971	8,490.84	55.00	154.38	13.41	2,070.96
1973	13,809.31	55.00	251.08	14.38	3,611.31
1974	1,991.11	55.00	36.20	14.89	539.08
1975	635.87	55.00	11.56	15.41	178.18
1976	1,120.08	55.00	20.37	15.95	324.84
1978	32,091.49	55.00	583.48	17.07	9,961.05
1979	11,321.38	55.00	205.84	17.65	3,633.82
1980	0.01	55.00	0.00	18.25	0.00
1981	27,039.82	55.00	491.63	18.86	9,270.05
1983	2,322.66	55.00	42.23	20.11	849.33
1984	35,991.84	55.00	654.40	20.76	13,584.17
1985	12,866.74	55.00	233.94	21.42	5,010.10
1986	2,980.58	55.00	54.19	22.08	1,196.76
1987	20,248.43	55.00	368.15	22.76	8,380.79
1988	1,833.40	55.00	33.33	23.46	781.89
1989	6,868.66	55.00	124.88	24.16	3,016.88
1990	443.70	55.00	8.07	24.87	200.62
1991	1,335.51	55.00	24.28	25.59	621.33
1993	86,082.31	55.00	1,565.13	27.06	42,353.51
1994	5,801.95	55.00	105.49	27.81	2,933.72
1995	1,205.33	55.00	21.92	28.57	626.09
1997	4,740.41	55.00	86.19	30.11	2,595.23

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1998	5,820.43	55.00	105.83	30.90	3,269.56
1999	42,005.79	55.00	763.74	31.69	24,201.84
2000	2,641.28	55.00	48.02	32.49	1,560.25
2002	7,408.89	55.00	134.71	34.11	4,595.26
2003	115,950.81	55.00	2,108.19	34.94	73,655.10
2004	74,594.44	55.00	1,356.26	35.77	48,512.50
2005	44,125.47	55.00	802.28	36.61	29,370.02
2006	23,119.09	55.00	420.35	37.45	15,743.66
2007	223.16	55.00	4.06	38.31	155.43
2008	369,366.95	55.00	6,715.75	39.16	263,021.84
2010	119,355.96	55.00	2,170.10	40.90	88,764.70
2011	11,451.64	55.00	208.21	41.78	8,699.44
2014	222,953.81	55.00	4,053.70	44.45	180,188.78
2017	149,925.02	55.00	2,725.90	47.17	128,575.46
2022	106,274.09	55.00	1,932.25	51.79	100,067.14
2023	208.26	55.00	3.79	52.72	199.64
Total	1,729,039.50	53.43	31,399.67	35.20	1,105,223.43

Composite Average Remaining Life ... 35.20 Years

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1904	97.85	0.00	0.00	0.00	0.00
1920	3,071.90	0.00	0.00	0.00	0.00
1923	403.86	0.00	0.00	0.00	0.00
1927	72.55	0.00	0.00	0.00	0.00
1929	261.39	0.00	0.00	0.00	0.00
1930	294.47	0.00	0.00	0.00	0.00
1932	95.28	0.00	0.00	0.00	0.00
1937	237.51	0.00	0.00	0.00	0.00
1939	19.57	0.00	0.00	0.00	0.00
1941	2,931.40	0.00	0.00	0.00	0.00
1947	529.70	45.00	11.77	1.38	16.20
1949	416.19	45.00	9.25	1.91	17.69
1950	3,524.86	45.00	78.33	2.19	171.38
1951	1,022.22	45.00	22.72	2.45	55.74
1952	5,364.58	45.00	119.21	2.74	326.32
1953	2,751.48	45.00	61.14	3.02	184.87
1954	2,503.83	45.00	55.64	3.31	184.26
1955	1,688.17	45.00	37.51	3.59	134.81
1956	69.33	45.00	1.54	3.88	5.98
1958	3,139.09	45.00	69.76	4.47	311.48
1959	727.82	45.00	16.17	4.76	76.95
1964	948.40	45.00	21.08	6.24	131.41
1969	176.01	45.00	3.91	7.84	30.66
1974	304.86	45.00	6.77	9.67	65.50
1980	5,852.63	45.00	130.06	12.25	1,593.77
1983	414.15	45.00	9.20	13.72	126.31
1984	12,992.80	45.00	288.73	14.24	4,111.57

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	483.17	45.00	10.74	15.31	164.40
1989	6,269.91	45.00	139.33	17.02	2,371.05
1990	3,452.63	45.00	76.72	17.61	1,351.16
1991	4,259.48	45.00	94.65	18.22	1,724.36
1992	6,560.01	45.00	145.78	18.84	2,745.74
1993	1,344.70	45.00	29.88	19.46	581.64
1996	4,261.43	45.00	94.70	21.42	2,028.75
1997	548.91	45.00	12.20	22.10	269.55
1998	1,713.94	45.00	38.09	22.78	867.77
2003	3,060.34	45.00	68.01	26.37	1,793.04
2010	5,254.57	45.00	116.77	31.77	3,710.00
2011	7,667.97	45.00	170.40	32.58	5,551.35
Total	94,788.96	33.46	1,940.06	15.83	30,703.69

Composite Average Remaining Life ... 15.83 Years

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	179,901.72	80.00	2,248.77	5.99	13,475.86
1901	28,984.61	80.00	362.31	6.22	2,254.44
1902	152,896.53	80.00	1,911.21	6.42	12,272.45
1903	18,241.32	80.00	228.02	6.64	1,515.01
1904	412.36	80.00	5.15	6.87	35.40
1905	32,986.26	80.00	412.33	7.09	2,924.57
1906	71,093.93	80.00	888.67	7.29	6,481.56
1907	6,106.02	80.00	76.33	7.52	573.73
1908	14,423.16	80.00	180.29	7.74	1,395.97
1909	21,472.92	80.00	268.41	7.97	2,139.61
1910	8,472.82	80.00	105.91	8.18	866.39
1911	17,714.23	80.00	221.43	8.41	1,862.14
1912	20,147.76	80.00	251.85	8.64	2,176.47
1913	2,980.11	80.00	37.25	8.88	330.69
1914	52,587.26	80.00	657.34	9.10	5,979.36
1915	25,054.59	80.00	313.18	9.33	2,923.00
1916	22,267.41	80.00	278.34	9.57	2,664.71
1917	65,479.76	80.00	818.50	9.82	8,035.17
1918	1,863.48	80.00	23.29	10.05	234.05
1919	19,460.90	80.00	243.26	10.29	2,504.30
1920	886.00	80.00	11.07	10.55	116.79
1921	20,116.99	80.00	251.46	10.80	2,715.97
1922	12,029.97	80.00	150.37	11.05	1,661.22
1923	2,041.79	80.00	25.52	11.31	288.62
1924	78,377.67	80.00	979.72	11.58	11,340.64
1925	136,153.03	80.00	1,701.91	11.85	20,163.62
1926	129,804.67	80.00	1,622.56	12.12	19,659.14

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	43,591.62	80.00	544.89	12.40	6,755.93
1928	13,996.41	80.00	174.95	12.69	2,219.81
1929	32,155.65	80.00	401.95	12.98	5,218.97
1930	42,067.54	80.00	525.84	13.28	6,984.23
1931	28,405.03	80.00	355.06	13.59	4,826.19
1932	10,214.75	80.00	127.68	13.91	1,776.27
1933	8,075.08	80.00	100.94	14.24	1,437.24
1934	4,172.53	80.00	52.16	14.57	760.03
1935	51,791.69	80.00	647.40	14.92	9,657.34
1936	43,850.80	80.00	548.13	15.27	8,370.98
1937	55,208.10	80.00	690.10	15.64	10,790.36
1938	39,596.90	80.00	494.96	16.01	7,924.25
1939	116,852.12	80.00	1,460.65	16.39	23,946.31
1940	28,529.59	80.00	356.62	16.79	5,987.26
1941	38,674.14	80.00	483.43	17.19	8,311.96
1942	93,087.59	80.00	1,163.59	17.61	20,492.52
1943	40,756.02	80.00	509.45	18.04	9,189.54
1944	115,048.36	80.00	1,438.10	18.48	26,569.66
1945	16,100.51	80.00	201.26	18.92	3,808.44
1946	22,630.72	80.00	282.88	19.39	5,483.87
1947	61,795.52	80.00	772.44	19.86	15,337.53
1948	693,105.79	80.00	8,663.82	20.34	176,192.72
1949	1,165,060.30	80.00	14,563.24	20.83	303,319.91
1950	230,267.73	80.00	2,878.34	21.33	61,407.09
1951	245,783.50	80.00	3,072.29	21.85	67,121.86
1952	1,237,339.32	80.00	15,466.73	22.37	346,004.78
1953	553,849.23	80.00	6,923.11	22.90	158,568.90

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	758,846.89	80.00	9,485.58	23.45	222,464.97
1955	934,702.60	80.00	11,683.77	24.01	280,499.19
1956	436,265.34	80.00	5,453.31	24.57	133,997.15
1957	1,333,017.35	80.00	16,662.70	25.15	418,985.96
1958	875,818.83	80.00	10,947.73	25.73	281,722.02
1959	1,847,432.94	80.00	23,092.89	26.33	607,960.16
1960	710,245.82	80.00	8,878.07	26.93	239,075.90
1961	1,670,990.96	80.00	20,887.37	27.54	575,228.33
1962	1,560,684.44	80.00	19,508.54	28.16	549,443.00
1963	1,812,434.20	80.00	22,655.41	28.79	652,324.36
1964	1,795,871.26	80.00	22,448.37	29.43	660,665.31
1965	828,055.43	80.00	10,350.68	30.08	311,301.21
1966	1,267,208.69	80.00	15,840.10	30.73	486,820.91
1967	1,124,284.23	80.00	14,053.54	31.40	441,215.60
1968	1,066,838.12	80.00	13,335.47	32.06	427,595.88
1969	1,224,187.82	80.00	15,302.34	32.74	501,013.73
1970	786,926.08	80.00	9,836.57	33.43	328,832.15
1971	646,715.16	80.00	8,083.93	34.12	275,836.31
1972	1,925,204.33	80.00	24,065.03	34.82	837,951.85
1973	1,253,948.84	80.00	15,674.35	35.53	556,842.35
1974	852,881.66	80.00	10,661.01	36.24	386,380.79
1975	678,998.95	80.00	8,487.48	36.96	313,716.40
1976	566,416.61	80.00	7,080.20	37.69	266,841.33
1977	1,065,856.41	80.00	13,323.19	38.42	511,886.49
1978	4,810,460.10	80.00	60,130.70	39.16	2,354,935.11
1979	2,206,454.59	80.00	27,580.66	39.91	1,100,728.63
1980	779,548.65	80.00	9,744.35	40.66	396,216.69

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	2,372,305.88	80.00	29,653.80	41.42	1,228,222.71
1982	2,154,214.16	80.00	26,927.65	42.19	1,135,976.31
1983	1,049,120.31	80.00	13,113.99	42.96	563,331.50
1984	3,410,364.39	80.00	42,629.52	43.73	1,864,290.07
1985	2,464,396.50	80.00	30,804.93	44.51	1,371,243.02
1986	2,545,886.76	80.00	31,823.56	45.30	1,441,749.75
1987	4,114,412.89	80.00	51,430.12	46.10	2,370,819.34
1988	1,733,477.24	80.00	21,668.45	46.90	1,016,175.49
1989	3,080,438.41	80.00	38,505.45	47.70	1,836,726.40
1990	7,250,056.65	80.00	90,625.63	48.51	4,396,531.42
1991	4,295,717.77	80.00	53,696.43	49.33	2,648,756.26
1992	2,390,621.85	80.00	29,882.75	50.15	1,498,576.59
1993	3,002,897.29	80.00	37,536.19	50.97	1,913,357.75
1994	2,066,042.49	80.00	25,825.51	51.81	1,337,942.96
1995	2,164,916.08	80.00	27,061.43	52.64	1,424,589.93
1996	2,199,904.42	80.00	27,498.78	53.48	1,470,724.85
1997	3,609,931.82	80.00	45,124.11	54.33	2,451,517.44
1998	2,312,239.73	80.00	28,902.97	55.18	1,594,894.78
1999	2,670,867.30	80.00	33,385.81	56.04	1,870,806.72
2000	2,789,894.51	80.00	34,873.65	56.90	1,984,147.09
2001	2,230,749.01	80.00	27,884.34	57.76	1,610,568.23
2002	3,069,371.24	80.00	38,367.11	58.63	2,249,443.16
2003	2,315,769.12	80.00	28,947.09	59.50	1,722,416.05
2004	3,352,245.60	80.00	41,903.04	60.38	2,530,061.38
2005	8,670,131.58	80.00	108,376.56	61.26	6,639,106.15
2006	7,621,114.55	80.00	95,263.85	62.15	5,920,328.06
2007	6,839,354.01	80.00	85,491.85	63.04	5,389,034.39

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	7,011,547.76	80.00	87,644.27	63.93	5,602,950.45
2009	4,456,552.61	80.00	55,706.86	64.82	3,611,170.01
2010	8,515,976.73	80.00	106,449.62	65.73	6,996,556.21
2011	11,225,896.59	80.00	140,323.59	66.63	9,349,793.06
2012	8,325,157.66	80.00	104,064.38	67.54	7,028,224.26
2013	10,485,526.48	80.00	131,068.97	68.45	8,971,344.84
2014	7,011,177.75	80.00	87,639.65	69.36	6,078,936.08
2015	5,408,738.43	80.00	67,609.17	70.28	4,751,562.00
2016	3,377,371.86	80.00	42,217.11	71.20	3,005,848.41
2017	14,030,830.56	80.00	175,385.24	72.12	12,649,226.65
2018	2,826,293.64	80.00	35,328.64	73.05	2,580,749.49
2019	11,544,723.82	80.00	144,308.93	73.98	10,675,761.93
2020	5,069,605.87	80.00	63,370.02	74.91	4,747,038.66
2021	1,531,998.07	80.00	19,149.96	75.84	1,452,403.60
2022	32,468,985.90	80.00	405,861.99	76.78	31,162,676.35
2023	21,747,307.60	80.00	271,841.12	77.72	21,127,640.67
2024	17,293,848.16	80.00	216,172.92	78.66	17,004,573.23
2025	14,547,625.81	80.00	181,845.17	79.57	14,468,723.95
Total	319,649,866.97	80.00	3,995,620.03	62.14	248,292,054.26

Composite Average Remaining Life ... 62.14 Years

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	599.44	0.00	0.00	0.00	0.00
1936	123.65	0.00	0.00	0.00	0.00
1938	674.76	0.00	0.00	0.00	0.00
1942	88.86	42.00	2.12	0.50	1.06
1950	1,394.40	42.00	33.20	3.00	99.59
1952	24,987.70	42.00	594.95	3.66	2,180.44
1954	13,489.08	42.00	321.17	4.33	1,391.04
1955	47,181.68	42.00	1,123.37	4.67	5,242.85
1956	1,212.05	42.00	28.86	5.00	144.26
1957	57.14	42.00	1.36	5.34	7.26
1959	1,690.70	42.00	40.25	6.01	241.84
1960	380.66	42.00	9.06	6.35	57.53
1962	30,076.54	42.00	716.11	7.03	5,033.51
1963	3,639.29	42.00	86.65	7.37	638.96
1964	42,919.66	42.00	1,021.90	7.72	7,887.39
1965	764.19	42.00	18.19	8.07	146.79
1971	553.97	42.00	13.19	10.21	134.73
1972	197.37	42.00	4.70	10.58	49.73
1974	102.75	42.00	2.45	11.33	27.72
1975	911.97	42.00	21.71	11.71	254.30
1978	1,246,789.41	42.00	29,685.45	12.88	382,278.71
1979	2,233.94	42.00	53.19	13.28	706.12
1980	2,207.18	42.00	52.55	13.68	718.81
1981	94,396.13	42.00	2,247.53	14.09	31,658.76
1982	321,615.86	42.00	7,657.52	14.50	111,026.87
1983	34,088.05	42.00	811.62	14.92	12,107.51
1984	50,633.93	42.00	1,205.57	15.34	18,495.87

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1985	5,075.02	42.00	120.83	15.77	1,905.83
1986	17,937.30	42.00	427.08	16.21	6,922.40
1987	14,602.06	42.00	347.67	16.65	5,789.26
1988	571.27	42.00	13.60	17.10	232.60
1989	13,845.72	42.00	329.66	17.56	5,787.97
1990	45,081.61	42.00	1,073.37	18.02	19,343.51
1991	15,752.11	42.00	375.05	18.49	6,935.49
1992	4,091.08	42.00	97.41	18.97	1,847.86
1993	35,833.61	42.00	853.18	19.46	16,601.10
1994	26,575.45	42.00	632.75	19.95	12,625.06
1995	62,255.32	42.00	1,482.27	20.46	30,322.55
1996	244,378.23	42.00	5,818.53	20.97	122,010.90
1997	10,654.04	42.00	253.67	21.49	5,451.55
1998	51,735.24	42.00	1,231.79	22.02	27,127.94
1999	8,752.28	42.00	208.39	22.56	4,702.15
2000	2,389.63	42.00	56.90	23.12	1,315.19
2001	455,747.35	42.00	10,851.12	23.68	256,948.10
2002	49,333.60	42.00	1,174.61	24.25	28,487.45
2003	404,225.78	42.00	9,624.42	24.84	239,058.55
2004	87,639.56	42.00	2,086.66	25.44	53,075.58
2005	1,790,203.91	42.00	42,623.89	26.04	1,110,124.07
2006	456,808.88	42.00	10,876.40	26.67	290,053.46
2007	1,907,380.38	42.00	45,413.80	27.30	1,239,949.25
2008	1,838,363.56	42.00	43,770.54	27.95	1,223,538.54
2009	1,884,127.28	42.00	44,860.16	28.62	1,283,755.79
2010	110,266.29	42.00	2,625.39	29.29	76,909.10
2011	1,439,470.91	42.00	34,273.10	29.99	1,027,812.08

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	204,021.65	42.00	4,857.66	30.70	149,117.97
2013	101,140.44	42.00	2,408.10	31.42	75,666.94
2014	2,702,335.19	42.00	64,341.29	32.17	2,069,547.87
2015	76,770.95	42.00	1,827.88	32.92	60,180.30
2017	86,639.72	42.00	2,062.85	34.50	71,160.00
2019	161,755.40	42.00	3,851.32	36.14	139,199.20
2020	4,038.76	42.00	96.16	37.00	3,557.53
2021	206,208.56	42.00	4,909.73	37.87	185,921.01
2022	45,953.47	42.00	1,094.13	38.76	42,413.26
2023	2,423,852.64	42.00	57,710.76	39.68	2,289,980.59
2024	56,208.85	42.00	1,338.31	40.62	54,364.42
2025	720,297.64	42.00	17,149.94	41.55	712,529.94
Total	19,695,331.10	40.09	468,903.00	28.86	13,532,804.00

Composite Average Remaining Life ... 28.86 Years

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	126.97	0.00	0.00	0.00	0.00
1916	12.64	0.00	0.00	0.00	0.00
1917	15.92	0.00	0.00	0.00	0.00
1918	7.96	0.00	0.00	0.00	0.00
1919	26.69	0.00	0.00	0.00	0.00
1920	119.00	0.00	0.00	0.00	0.00
1925	7.96	0.00	0.00	0.00	0.00
1926	134.93	0.00	0.00	0.00	0.00
1927	64.72	0.00	0.00	0.00	0.00
1928	18.28	0.00	0.00	0.00	0.00
1929	365.67	0.00	0.00	0.00	0.00
1930	197.26	48.00	4.11	0.50	2.05
1931	253.94	48.00	5.29	0.73	3.89
1934	42.92	48.00	0.89	1.68	1.51
1935	1,542.11	48.00	32.13	2.02	65.04
1936	970.97	48.00	20.23	2.36	47.81
1937	1,136.80	48.00	23.68	2.69	63.66
1940	1,352.12	48.00	28.17	3.51	98.80
1941	94.25	48.00	1.96	3.74	7.35
1942	658.51	48.00	13.72	3.97	54.42
1943	319.19	48.00	6.65	4.19	27.87
1945	9.18	48.00	0.19	4.65	0.89
1946	135.98	48.00	2.83	4.87	13.81
1947	726.26	48.00	15.13	5.12	77.42
1948	1,107.07	48.00	23.06	5.37	123.77
1949	19,077.32	48.00	397.44	5.62	2,234.65
1950	22,709.05	48.00	473.10	5.88	2,784.00

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1951	1,059.19	48.00	22.07	6.15	135.75
1952	7,710.47	48.00	160.63	6.42	1,032.03
1953	23,558.94	48.00	490.80	6.70	3,289.50
1954	12,270.89	48.00	255.64	6.98	1,785.45
1955	24,561.75	48.00	511.70	7.27	3,720.30
1956	11,206.72	48.00	233.47	7.56	1,765.30
1957	41,323.67	48.00	860.90	7.86	6,763.28
1958	43,340.96	48.00	902.93	8.15	7,360.70
1959	7,700.29	48.00	160.42	8.46	1,356.60
1960	733.47	48.00	15.28	8.77	133.95
1961	13,028.24	48.00	271.42	9.08	2,464.89
1962	20,185.94	48.00	420.54	9.40	3,954.21
1963	5,845.08	48.00	121.77	9.73	1,184.91
1964	91,525.82	48.00	1,906.76	10.07	19,192.34
1965	39,336.43	48.00	819.50	10.41	8,529.04
1966	25,428.25	48.00	529.75	10.76	5,698.92
1967	36,283.67	48.00	755.90	11.12	8,402.83
1968	233,560.15	48.00	4,865.77	11.48	55,876.74
1969	107,019.30	48.00	2,229.54	11.86	26,442.59
1970	12,906.53	48.00	268.88	12.25	3,292.72
1971	70,797.34	48.00	1,474.93	12.64	18,645.95
1972	18,466.01	48.00	384.70	13.05	5,019.66
1973	28,264.05	48.00	588.83	13.46	7,928.33
1974	38,616.91	48.00	804.51	13.89	11,175.95
1975	11,750.41	48.00	244.80	14.33	3,507.78
1976	29,464.67	48.00	613.84	14.78	9,071.21
1977	16,123.56	48.00	335.90	15.24	5,118.22

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	225,570.38	48.00	4,699.32	15.71	73,814.36
1979	210,170.01	48.00	4,378.49	16.19	70,881.77
1980	227,991.93	48.00	4,749.77	16.68	79,229.86
1981	292,723.83	48.00	6,098.34	17.18	104,792.55
1982	162,570.63	48.00	3,386.84	17.70	59,944.08
1983	160,161.66	48.00	3,336.66	18.22	60,806.98
1984	132,746.48	48.00	2,765.52	18.76	51,879.39
1985	161,390.22	48.00	3,362.25	19.31	64,909.69
1986	66,163.09	48.00	1,378.38	19.86	27,377.18
1987	388,373.82	48.00	8,091.02	20.43	165,287.91
1988	75,022.16	48.00	1,562.94	21.01	32,830.22
1989	226,889.07	48.00	4,726.80	21.59	102,061.88
1990	167,287.55	48.00	3,485.11	22.19	77,330.36
1991	378,694.24	48.00	7,889.36	22.79	179,837.50
1992	164,917.72	48.00	3,435.74	23.41	80,432.46
1993	671,967.93	48.00	13,999.15	24.04	336,473.70
1994	294,240.59	48.00	6,129.93	24.67	151,229.59
1995	346,133.62	48.00	7,211.02	25.31	182,535.60
1996	145,006.62	48.00	3,020.93	25.96	78,437.61
1997	678,213.78	48.00	14,129.27	26.62	376,182.40
1998	739,521.79	48.00	15,406.51	27.29	420,475.49
1999	273,882.18	48.00	5,705.81	27.97	159,578.23
2000	275,670.93	48.00	5,743.07	28.65	164,544.55
2001	273,415.07	48.00	5,696.07	29.34	167,132.24
2002	1,110,638.23	48.00	23,138.00	30.04	695,054.30
2003	659,308.58	48.00	13,735.42	30.74	422,285.99
2004	1,663,495.04	48.00	34,655.70	31.46	1,090,123.09

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	191,503.08	48.00	3,989.60	32.17	128,360.29
2006	1,231,968.52	48.00	25,665.68	32.90	844,379.04
2007	1,213,524.59	48.00	25,281.44	33.63	850,200.08
2008	516,788.93	48.00	10,766.30	34.37	369,988.68
2009	588,778.00	48.00	12,266.05	35.11	430,624.68
2010	1,168,477.85	48.00	24,342.98	35.85	872,792.82
2011	1,558,890.88	48.00	32,476.48	36.61	1,188,838.87
2012	2,434,697.01	48.00	50,722.21	37.36	1,895,153.63
2013	1,161,379.48	48.00	24,195.10	38.13	922,453.44
2014	1,492,794.43	48.00	31,099.49	38.89	1,209,547.73
2015	1,760,297.12	48.00	36,672.39	39.67	1,454,611.48
2016	1,961,514.64	48.00	40,864.37	40.44	1,652,643.13
2017	10,909,118.35	48.00	227,270.40	41.22	9,369,038.85
2018	437,939.03	48.00	9,123.61	42.01	383,302.25
2019	450,168.81	48.00	9,378.40	42.80	401,433.34
2020	552,182.12	48.00	11,503.65	43.60	501,568.74
2021	162,462.02	48.00	3,384.58	44.40	150,283.84
2022	897,880.97	48.00	18,705.61	45.21	845,661.00
2023	5,238,556.12	48.00	109,135.19	46.02	5,022,423.11
2024	537,694.51	48.00	11,201.83	46.84	524,651.38
2025	497,650.04	48.00	10,367.58	47.62	493,733.44
Total	46,159,736.03	42.82	961,630.12	36.62	35,215,614.90

Composite Average Remaining Life ... 36.62 Years

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1953	2,740.74	0.00	0.00	0.00	0.00
1954	35.60	0.00	0.00	0.00	0.00
1955	351.02	0.00	0.00	0.00	0.00
1961	756.22	35.00	21.61	1.99	43.10
1965	3,429.65	35.00	97.99	3.19	312.95
1968	1,634.56	35.00	46.70	4.10	191.26
1969	2,732.34	35.00	78.06	4.41	344.08
1970	2,520.94	35.00	72.02	4.73	340.40
1974	578.55	35.00	16.53	6.07	100.28
1975	236.10	35.00	6.75	6.42	43.30
1976	1,215.86	35.00	34.74	6.78	235.46
1979	17,650.83	35.00	504.29	7.90	3,984.74
1982	4,504.21	35.00	128.69	9.09	1,170.34
1986	2,135.76	35.00	61.02	10.80	659.16
1987	256.35	35.00	7.32	11.25	82.41
1989	26,482.55	35.00	756.62	12.18	9,213.85
1990	14.84	35.00	0.42	12.65	5.37
1991	4,856.79	35.00	138.76	13.14	1,823.54
1992	8,073.07	35.00	230.65	13.64	3,145.65
1993	12,151.68	35.00	347.18	14.14	4,910.48
1994	35,464.43	35.00	1,013.24	14.66	14,854.35
1995	17,491.87	35.00	499.75	15.19	7,589.55
1996	17,646.12	35.00	504.16	15.72	7,926.86
1997	108,647.75	35.00	3,104.12	16.27	50,501.66
1998	56,483.33	35.00	1,613.76	16.83	27,152.18
1999	28,011.20	35.00	800.29	17.39	13,918.33
2000	86,140.66	35.00	2,461.08	17.97	44,217.61

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	78,749.24	35.00	2,249.91	19.15	43,080.08
2003	46,378.35	35.00	1,325.05	19.75	26,172.12
2004	24,561.39	35.00	701.73	20.36	14,290.68
2008	111,157.57	35.00	3,175.83	22.90	72,722.59
2011	19,861.33	35.00	567.45	24.87	14,114.49
2013	5,239.33	35.00	149.69	26.22	3,924.58
2014	4,900.00	35.00	140.00	26.90	3,765.44
2015	553,624.92	35.00	15,817.34	27.58	436,251.72
2016	295,458.11	35.00	8,441.39	28.27	238,625.72
2017	631,609.62	35.00	18,045.40	28.96	522,610.84
2018	241,146.06	35.00	6,889.66	29.66	204,333.09
2019	4,636.30	35.00	132.46	30.36	4,021.52
2021	160,434.13	35.00	4,583.68	31.78	145,667.63
2023	30,785.92	35.00	879.57	33.22	29,222.12
Total	2,650,785.29	32.44	75,644.91	25.80	1,951,569.50

Composite Average Remaining Life ... 25.80 Years

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	9,356.61	0.00	0.00	0.00	0.00
1901	57,750.82	0.00	0.00	0.00	0.00
1902	20,985.66	0.00	0.00	0.00	0.00
1903	55,757.91	0.00	0.00	0.00	0.00
1904	6,974.52	0.00	0.00	0.00	0.00
1905	20,820.07	0.00	0.00	0.00	0.00
1906	12,696.56	0.00	0.00	0.00	0.00
1907	3,991.47	0.00	0.00	0.00	0.00
1908	3,682.91	0.00	0.00	0.00	0.00
1909	2,061.23	0.00	0.00	0.00	0.00
1910	3,165.76	0.00	0.00	0.00	0.00
1911	6,116.69	0.00	0.00	0.00	0.00
1912	12,423.56	75.00	165.65	0.50	82.82
1913	7,267.85	75.00	96.90	0.63	60.69
1914	8,650.32	75.00	115.34	0.77	89.25
1915	16,578.55	75.00	221.05	0.84	186.06
1916	3,836.99	75.00	51.16	1.09	55.77
1917	3,163.19	75.00	42.18	1.31	55.32
1918	1,448.90	75.00	19.32	1.44	27.87
1919	1,808.38	75.00	24.11	1.68	40.61
1920	5,435.30	75.00	72.47	1.92	139.25
1921	3,077.86	75.00	41.04	2.09	85.93
1922	6,721.09	75.00	89.61	2.34	209.67
1923	7,711.85	75.00	102.82	2.59	266.13
1924	3,514.28	75.00	46.86	2.79	130.77
1925	4,311.45	75.00	57.49	3.05	175.06
1926	2,267.36	75.00	30.23	3.30	99.89

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,524.17	75.00	46.99	3.53	165.81
1928	1,429.17	75.00	19.06	3.79	72.24
1929	3,436.00	75.00	45.81	4.06	185.91
1930	5,769.25	75.00	76.92	4.30	330.58
1931	4,799.02	75.00	63.99	4.57	292.19
1932	2,986.25	75.00	39.82	4.84	192.69
1933	884.91	75.00	11.80	5.09	60.07
1934	985.72	75.00	13.14	5.37	70.53
1935	975.62	75.00	13.01	5.65	73.45
1936	3,380.64	75.00	45.07	5.91	266.47
1937	4,752.29	75.00	63.36	6.20	392.72
1938	3,461.64	75.00	46.15	6.49	299.57
1939	8,948.17	75.00	119.31	6.78	808.35
1940	12,537.47	75.00	167.17	7.08	1,183.49
1941	25,958.06	75.00	346.11	7.39	2,558.88
1942	6,103.48	75.00	81.38	7.71	627.24
1943	1,382.06	75.00	18.43	8.04	148.17
1944	3,132.18	75.00	41.76	8.39	350.22
1945	16,033.54	75.00	213.78	8.74	1,868.74
1946	8,719.44	75.00	116.26	9.11	1,059.68
1947	11,572.43	75.00	154.30	9.50	1,466.43
1948	11,368.64	75.00	151.58	9.91	1,502.49
1949	10,266.47	75.00	136.89	10.34	1,415.07
1950	29,719.87	75.00	396.26	10.78	4,272.38
1951	39,412.01	75.00	525.49	11.25	5,913.02
1952	23,927.58	75.00	319.03	11.74	3,745.20
1953	16,401.19	75.00	218.68	12.25	2,678.06

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,305.55	75.00	297.41	12.78	3,802.09
1955	27,554.94	75.00	367.40	13.34	4,899.66
1956	27,566.98	75.00	367.56	13.91	5,111.88
1957	24,760.10	75.00	330.13	14.51	4,789.78
1958	95,103.66	75.00	1,268.04	15.12	19,173.13
1959	31,478.89	75.00	419.72	15.75	6,609.57
1960	27,074.73	75.00	360.99	16.40	5,919.67
1961	56,566.83	75.00	754.22	17.05	12,863.23
1962	22,814.68	75.00	304.19	17.72	5,391.01
1963	32,627.88	75.00	435.04	18.41	8,007.05
1964	37,595.96	75.00	501.28	19.09	9,570.68
1965	37,095.20	75.00	494.60	19.79	9,787.02
1966	32,185.46	75.00	429.14	20.50	8,796.36
1967	56,370.01	75.00	751.60	21.21	15,943.16
1968	51,176.17	75.00	682.35	21.94	14,967.79
1969	31,060.18	75.00	414.13	22.67	9,390.43
1970	37,964.75	75.00	506.19	23.42	11,854.56
1971	41,657.49	75.00	555.43	24.17	13,426.03
1972	26,813.77	75.00	357.52	24.94	8,916.95
1973	51,687.84	75.00	689.17	25.72	17,722.57
1974	43,648.85	75.00	581.98	26.50	15,422.28
1975	26,973.73	75.00	359.65	27.30	9,817.96
1976	23,771.53	75.00	316.95	28.10	8,907.42
1977	29,833.89	75.00	397.78	28.92	11,502.66
1978	40,220.45	75.00	536.27	29.75	15,951.50
1979	59,805.49	75.00	797.40	30.58	24,383.62
1980	61,795.41	75.00	823.93	31.42	25,888.76

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	80,440.05	75.00	1,072.53	32.28	34,617.73
1982	66,323.68	75.00	884.31	33.14	29,303.85
1983	75,703.69	75.00	1,009.38	34.01	34,325.03
1984	49,386.28	75.00	658.48	34.89	22,972.58
1985	56,685.75	75.00	755.81	35.77	27,037.38
1986	60,050.04	75.00	800.66	36.67	29,356.86
1987	96,831.16	75.00	1,291.08	37.57	48,505.06
1988	101,680.52	75.00	1,355.73	38.48	52,165.04
1989	99,008.25	75.00	1,320.10	39.39	52,000.86
1990	116,992.90	75.00	1,559.90	40.32	62,887.57
1991	88,606.59	75.00	1,181.42	41.24	48,724.43
1992	159,574.41	75.00	2,127.65	42.18	89,733.68
1993	145,170.76	75.00	1,935.60	43.12	83,454.84
1994	116,906.29	75.00	1,558.74	44.06	68,677.32
1995	95,713.43	75.00	1,276.17	45.01	57,437.55
1996	49,135.34	75.00	655.13	45.96	30,111.64
1997	160,911.05	75.00	2,145.47	46.92	100,665.20
1998	78,529.79	75.00	1,047.06	47.88	50,134.17
1999	136,298.12	75.00	1,817.30	48.85	88,770.25
2000	121,853.66	75.00	1,624.71	49.82	80,936.07
2001	389,701.31	75.00	5,195.99	50.79	263,889.62
2002	248,302.90	75.00	3,310.69	51.76	171,370.26
2003	535,657.43	75.00	7,142.06	52.74	376,671.54
2004	237,666.40	75.00	3,168.87	53.72	170,229.52
2005	320,451.32	75.00	4,272.66	54.70	233,723.05
2006	499,428.35	75.00	6,659.01	55.69	370,812.58
2007	209,830.34	75.00	2,797.72	56.67	158,551.03

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	111,669.23	75.00	1,488.92	57.66	85,849.99
2009	48,393.49	75.00	645.24	58.65	37,842.42
2010	45,085.01	75.00	601.13	59.64	35,850.50
2011	249,454.99	75.00	3,326.05	60.63	201,659.60
2012	165,726.91	75.00	2,209.68	61.62	136,166.99
2013	30,336.74	75.00	404.49	62.62	25,327.57
2014	1,150.00	75.00	15.33	63.61	975.36
2015	12,300.58	75.00	164.01	64.61	10,595.86
2016	107,526.45	75.00	1,433.68	65.60	94,052.18
2017	203,905.99	75.00	2,718.73	66.60	181,063.80
2018	2,388.00	75.00	31.84	67.60	2,152.23
2020	12,955.85	75.00	172.74	69.59	12,021.38
2024	3,724,469.78	75.00	49,659.36	73.58	3,654,180.86
2025	1,038,567.42	75.00	13,847.50	74.54	1,032,225.32
Total	11,761,725.08	67.62	154,110.78	56.39	8,689,550.31

Composite Average Remaining Life ... 56.39 Years

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1903	87.72	0.00	0.00	0.00	0.00
1908	20.47	65.00	0.31	0.94	0.30
1912	10.00	65.00	0.15	1.90	0.29
1913	1,422.06	65.00	21.88	2.18	47.69
1914	1,717.52	65.00	26.42	2.44	64.52
1915	2,107.56	65.00	32.42	2.72	88.35
1917	1,070.23	65.00	16.47	3.28	53.98
1918	2,698.49	65.00	41.52	3.55	147.37
1919	854.01	65.00	13.14	3.84	50.47
1920	370.59	65.00	5.70	4.12	23.47
1921	1,829.27	65.00	28.14	4.41	124.13
1922	1,426.94	65.00	21.95	4.69	102.93
1923	637.00	65.00	9.80	4.99	48.86
1924	663.38	65.00	10.21	5.27	53.74
1925	3,855.98	65.00	59.32	5.55	329.39
1926	1,375.16	65.00	21.16	5.85	123.68
1927	3,786.18	65.00	58.25	6.13	357.25
1928	5,264.61	65.00	80.99	6.43	520.60
1929	3,155.48	65.00	48.55	6.72	326.00
1930	4,216.25	65.00	64.87	7.01	454.78
1931	734.91	65.00	11.31	7.30	82.53
1932	2,011.65	65.00	30.95	7.60	235.14
1933	407.10	65.00	6.26	7.89	49.41
1934	328.83	65.00	5.06	8.19	41.43
1935	1,806.58	65.00	27.79	8.48	235.81
1936	3,855.28	65.00	59.31	8.79	521.37
1937	4,332.14	65.00	66.65	9.09	605.88

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,344.84	65.00	36.07	9.40	339.01
1939	1,822.26	65.00	28.03	9.71	272.25
1940	1,832.44	65.00	28.19	10.03	282.65
1941	2,222.34	65.00	34.19	10.35	353.82
1942	11,328.05	65.00	174.28	10.67	1,860.15
1943	2,202.07	65.00	33.88	11.01	372.89
1944	6,853.68	65.00	105.44	11.34	1,196.05
1945	1,482.24	65.00	22.80	11.69	266.54
1946	11,176.62	65.00	171.95	12.04	2,069.95
1947	10,642.25	65.00	163.73	12.40	2,029.72
1948	26,875.66	65.00	413.47	12.76	5,276.34
1949	31,849.55	65.00	489.99	13.13	6,435.72
1950	35,333.67	65.00	543.59	13.51	7,346.16
1951	51,412.60	65.00	790.96	13.90	10,996.25
1952	85,027.11	65.00	1,308.11	14.30	18,704.69
1953	72,782.06	65.00	1,119.72	14.70	16,464.51
1954	23,109.99	65.00	355.54	15.12	5,374.85
1955	50,814.38	65.00	781.76	15.54	12,148.53
1956	38,313.10	65.00	589.43	15.97	9,413.63
1957	42,625.66	65.00	655.78	16.41	10,762.06
1958	79,738.28	65.00	1,226.74	16.86	20,682.21
1959	74,800.04	65.00	1,150.77	17.32	19,929.23
1960	20,283.81	65.00	312.06	17.78	5,549.78
1961	66,373.89	65.00	1,021.13	18.26	18,647.68
1962	9,913.67	65.00	152.52	18.75	2,859.10
1963	36,973.77	65.00	568.83	19.24	10,945.30
1964	36,775.68	65.00	565.78	19.75	11,172.00

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	38,020.47	65.00	584.93	20.26	11,849.90
1966	36,383.95	65.00	559.75	20.78	11,632.50
1967	21,747.56	65.00	334.58	21.31	7,130.50
1968	19,797.16	65.00	304.57	21.85	6,655.85
1969	17,892.97	65.00	275.28	22.40	6,166.58
1970	22,571.86	65.00	347.26	22.96	7,973.34
1971	25,577.92	65.00	393.51	23.53	9,257.88
1972	35,114.52	65.00	540.22	24.10	13,021.46
1973	44,353.01	65.00	682.35	24.69	16,845.26
1974	54,672.82	65.00	841.12	25.28	21,264.97
1975	74,150.48	65.00	1,140.77	25.88	29,525.35
1976	25,625.76	65.00	394.24	26.49	10,444.94
1977	10,532.04	65.00	162.03	27.11	4,393.13
1978	14,019.66	65.00	215.69	27.74	5,982.92
1979	64,148.10	65.00	986.89	28.37	28,002.64
1980	49,197.48	65.00	756.88	29.02	21,962.15
1981	113,229.81	65.00	1,741.99	29.67	51,682.05
1982	25,662.51	65.00	394.81	30.33	11,972.87
1983	182,580.42	65.00	2,808.92	30.99	87,057.72
1984	52,714.14	65.00	810.98	31.67	25,680.58
1985	45,866.77	65.00	705.64	32.35	22,826.45
1986	32,346.01	65.00	497.63	33.04	16,439.62
1987	28,282.12	65.00	435.11	33.73	14,677.61
1988	38,939.15	65.00	599.06	34.43	20,628.59
1989	64,518.22	65.00	992.59	35.15	34,885.93
1990	34,385.96	65.00	529.01	35.86	18,972.63
1991	32,469.00	65.00	499.52	36.59	18,276.26

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	13,134.65	65.00	202.07	37.32	7,541.07
1993	41,418.29	65.00	637.20	38.06	24,249.05
1994	35,394.00	65.00	544.52	38.80	21,127.52
1995	67,996.39	65.00	1,046.10	39.55	41,372.63
1996	11,779.78	65.00	181.23	40.31	7,304.75
1997	22,604.71	65.00	347.76	41.07	14,282.34
1998	42,145.24	65.00	648.39	41.84	27,128.00
1999	35,600.82	65.00	547.70	42.61	23,339.43
2000	45,105.04	65.00	693.92	43.40	30,113.14
2002	2,463.00	65.00	37.89	44.98	1,704.22
2003	2,151.21	65.00	33.10	45.77	1,514.93
2004	46,964.39	65.00	722.53	46.58	33,654.08
2005	66,156.46	65.00	1,017.79	47.39	48,231.63
2006	176,972.15	65.00	2,722.64	48.20	131,240.27
2007	5,788.36	65.00	89.05	49.02	4,365.71
2008	282,942.23	65.00	4,352.95	49.85	216,993.65
2009	2,111.91	65.00	32.49	50.68	1,646.69
2010	47,741.75	65.00	734.49	51.52	37,838.74
2011	53,720.27	65.00	826.46	52.36	43,273.18
2012	56,631.58	65.00	871.25	53.20	46,354.93
2013	168,150.95	65.00	2,586.93	54.06	139,841.81
2014	22,526.04	65.00	346.55	54.91	19,029.99
2015	439,111.72	65.00	6,755.55	55.77	376,782.73
2017	6,500.00	65.00	100.00	57.51	5,750.90
2018	147,693.96	65.00	2,272.21	58.38	132,660.58
2019	13,618.75	65.00	209.52	59.26	12,416.56
2023	136,820.88	65.00	2,104.93	62.82	132,230.76

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	26,993.62	65.00	415.29	63.72	26,461.79
Total	4,109,993.12	64.40	63,229.16	37.17	2,350,101.19

Composite Average Remaining Life ... 37.17 Years

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	18.93	65.00	0.29	0.50	0.15
1906	10.01	65.00	0.15	0.55	0.08
1907	41.85	65.00	0.64	0.66	0.42
1909	16.66	65.00	0.26	1.13	0.29
1910	5.15	65.00	0.08	1.42	0.11
1911	36.07	65.00	0.55	1.64	0.91
1912	10.16	65.00	0.16	1.90	0.30
1913	33.39	65.00	0.51	2.18	1.12
1914	13.64	65.00	0.21	2.44	0.51
1915	7.21	65.00	0.11	2.72	0.30
1917	11.97	65.00	0.18	3.28	0.60
1922	15.26	65.00	0.23	4.69	1.10
1925	2.50	65.00	0.04	5.55	0.21
1927	26.62	65.00	0.41	6.13	2.51
1928	617.16	65.00	9.49	6.43	61.03
1929	5.35	65.00	0.08	6.72	0.55
1930	19.62	65.00	0.30	7.01	2.12
1933	1.25	65.00	0.02	7.89	0.15
1938	156.55	65.00	2.41	9.40	22.63
1939	541.21	65.00	8.33	9.71	80.86
1940	225.24	65.00	3.47	10.03	34.74
1941	132.11	65.00	2.03	10.35	21.03
1942	1,264.96	65.00	19.46	10.67	207.72
1943	140.00	65.00	2.15	11.01	23.71
1947	28.90	65.00	0.44	12.40	5.51
1948	119.32	65.00	1.84	12.76	23.43
1949	954.21	65.00	14.68	13.13	192.81

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1950	318.52	65.00	4.90	13.51	66.22
1951	1,225.25	65.00	18.85	13.90	262.06
1952	1,723.65	65.00	26.52	14.30	379.18
1953	1,838.37	65.00	28.28	14.70	415.87
1954	1,808.65	65.00	27.83	15.12	420.65
1955	4,119.06	65.00	63.37	15.54	984.77
1956	2,972.20	65.00	45.73	15.97	730.28
1957	599.42	65.00	9.22	16.41	151.34
1958	2,092.84	65.00	32.20	16.86	542.83
1959	1,105.18	65.00	17.00	17.32	294.46
1960	1,903.13	65.00	29.28	17.78	520.71
1961	655.47	65.00	10.08	18.26	184.15
1962	3,127.73	65.00	48.12	18.75	902.04
1963	2,267.09	65.00	34.88	19.24	671.12
1964	1,006.92	65.00	15.49	19.75	305.89
1965	4,910.23	65.00	75.54	20.26	1,530.38
1966	1,977.05	65.00	30.42	20.78	632.09
1967	4,007.26	65.00	61.65	21.31	1,313.88
1968	2,402.78	65.00	36.97	21.85	807.82
1969	2,104.83	65.00	32.38	22.40	725.40
1970	7,723.63	65.00	118.82	22.96	2,728.31
1971	3,384.07	65.00	52.06	23.53	1,224.86
1972	5,978.05	65.00	91.97	24.10	2,216.83
1973	4,798.08	65.00	73.82	24.69	1,822.31
1974	1,207.86	65.00	18.58	25.28	469.80
1976	8,495.73	65.00	130.70	26.49	3,462.82
1977	2,075.92	65.00	31.94	27.11	865.91

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	1,584.85	65.00	24.38	27.74	676.34
1979	3,055.69	65.00	47.01	28.37	1,333.90
1980	15,755.65	65.00	242.39	29.02	7,033.45
1981	1,735.37	65.00	26.70	29.67	792.08
1982	7,477.67	65.00	115.04	30.33	3,488.71
1983	9,556.02	65.00	147.02	30.99	4,556.49
1984	10,545.06	65.00	162.23	31.67	5,137.20
1985	7,845.56	65.00	120.70	32.35	3,904.49
1986	13,834.09	65.00	212.83	33.04	7,031.07
1987	16,371.96	65.00	251.88	33.73	8,496.58
1988	24,793.91	65.00	381.44	34.43	13,134.94
1989	20,057.78	65.00	308.58	35.15	10,845.53
1990	10,248.72	65.00	157.67	35.86	5,654.78
1991	24,384.92	65.00	375.15	36.59	13,725.87
1992	32,716.16	65.00	503.32	37.32	18,783.50
1993	43,540.71	65.00	669.86	38.06	25,491.66
1994	13,356.35	65.00	205.48	38.80	7,972.72
1995	25,503.16	65.00	392.36	39.55	15,517.48
1996	17,361.84	65.00	267.10	40.31	10,766.23
1997	12,560.71	65.00	193.24	41.07	7,936.24
1998	19,747.96	65.00	303.81	41.84	12,711.34
1999	38,323.29	65.00	589.59	42.61	25,124.24
2000	17,222.31	65.00	264.96	43.40	11,498.00
2001	25,491.47	65.00	392.18	44.18	17,326.85
2002	30,061.47	65.00	462.48	44.98	20,800.40
2003	43,162.95	65.00	664.04	45.77	30,396.29
2004	46,337.65	65.00	712.89	46.58	33,204.97

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	49,805.93	65.00	766.24	47.39	36,311.21
2006	39,229.62	65.00	603.53	48.20	29,092.18
2007	26,168.97	65.00	402.60	49.02	19,737.22
2008	38,476.67	65.00	591.95	49.85	29,508.47
2009	31,291.92	65.00	481.41	50.68	24,398.85
2010	56,436.18	65.00	868.25	51.52	44,729.69
2011	49,784.92	65.00	765.92	52.36	40,103.14
2012	115,135.23	65.00	1,771.31	53.20	94,242.22
2013	67,646.44	65.00	1,040.71	54.06	56,257.79
2014	7,717.64	65.00	118.73	54.91	6,519.86
2015	2,009.53	65.00	30.92	55.77	1,724.29
2016	4,884.04	65.00	75.14	56.64	4,255.83
2021	3,388.02	65.00	52.12	61.03	3,181.22
Total	1,104,892.66	65.00	16,998.31	43.46	738,720.27

Composite Average Remaining Life ... 43.46 Years

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	13,481.44	80.00	168.52	11.24	1,894.26
1919	1,926.91	80.00	24.09	15.43	371.67
1922	400.82	80.00	5.01	16.41	82.23
1924	435.52	80.00	5.44	17.09	93.04
1927	750.59	80.00	9.38	18.14	170.20
1936	1,676.98	80.00	20.96	21.58	452.41
1943	91,264.55	80.00	1,140.80	24.60	28,064.43
1945	1,062.65	80.00	13.28	25.52	338.98
1947	57,166.96	80.00	714.58	26.47	18,913.65
1948	30,786.42	80.00	384.83	26.95	10,371.42
1949	4,330.42	80.00	54.13	27.44	1,485.32
1950	1,268,521.71	80.00	15,856.39	27.94	442,997.49
1951	7,295.87	80.00	91.20	28.44	2,593.72
1952	146,223.76	80.00	1,827.78	28.95	52,913.34
1953	25,951.64	80.00	324.39	29.46	9,558.07
1954	2,355.29	80.00	29.44	29.99	882.90
1958	1,705.22	80.00	21.32	32.14	685.12
1959	67,604.32	80.00	845.05	32.70	27,630.04
1960	79,470.24	80.00	993.37	33.26	33,035.60
1961	268,872.14	80.00	3,360.87	33.82	113,670.17
1962	14,294.96	80.00	178.69	34.40	6,146.17
1963	435,895.00	80.00	5,448.64	34.97	190,565.21
1964	176,044.92	80.00	2,200.54	35.56	78,248.55
1965	20,753.18	80.00	259.41	36.15	9,377.32
1966	397,098.86	80.00	4,963.69	36.75	182,401.29
1967	12,081.61	80.00	151.02	37.35	5,640.39
1968	13,540.61	80.00	169.26	37.96	6,424.30

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1969	9,973.31	80.00	124.67	38.57	4,808.18
1970	3,176.93	80.00	39.71	39.19	1,556.29
1971	50,785.33	80.00	634.81	39.81	25,274.67
1972	48,073.60	80.00	600.91	40.44	24,303.32
1973	24,968.54	80.00	312.10	41.08	12,820.72
1974	23,103.65	80.00	288.79	41.72	12,048.85
1975	20,817.78	80.00	260.22	42.37	11,024.73
1976	11,962.93	80.00	149.54	43.02	6,432.61
1977	583,551.43	80.00	7,294.33	43.67	318,561.63
1978	27,518.57	80.00	343.98	44.34	15,250.59
1979	56,748.47	80.00	709.35	45.00	31,921.71
1980	16,951.46	80.00	211.89	45.67	9,677.39
1981	49,748.97	80.00	621.86	46.35	28,820.59
1982	130,288.85	80.00	1,628.60	47.03	76,590.03
1983	131,787.24	80.00	1,647.33	47.71	78,598.07
1984	106,793.31	80.00	1,334.90	48.40	64,610.71
1985	323,960.48	80.00	4,049.47	49.09	198,803.05
1986	339,516.50	80.00	4,243.92	49.79	211,318.96
1987	246,800.79	80.00	3,084.98	50.49	155,776.08
1988	525,336.31	80.00	6,566.65	51.20	336,215.09
1989	1,034,604.33	80.00	12,932.44	51.91	671,319.11
1990	997,559.28	80.00	12,469.38	52.63	656,208.77
1991	200,262.09	80.00	2,503.25	53.34	133,531.48
1992	81,790.93	80.00	1,022.38	54.06	55,274.08
1993	95,392.11	80.00	1,192.39	54.79	65,329.67
1994	321,431.79	80.00	4,017.86	55.52	223,069.65
1995	463,873.21	80.00	5,798.37	56.25	326,167.40

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
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And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1996	112,115.32	80.00	1,401.43	56.99	79,863.25
1997	268,880.29	80.00	3,360.97	57.73	194,014.04
1998	856,390.85	80.00	10,704.79	58.47	625,906.11
1999	58,667.68	80.00	733.34	59.22	43,424.85
2000	264,797.42	80.00	3,309.94	59.96	198,476.08
2001	1,364,802.15	80.00	17,059.88	60.72	1,035,791.59
2002	701,690.35	80.00	8,771.05	61.47	539,171.65
2003	1,257,728.70	80.00	15,721.47	62.23	978,340.95
2004	729,960.69	80.00	9,124.43	62.99	574,750.54
2005	297,906.30	80.00	3,723.80	63.75	237,406.25
2006	843,398.62	80.00	10,542.39	64.52	680,220.68
2007	126,061.64	80.00	1,575.76	65.29	102,884.80
2008	809,582.67	80.00	10,119.70	66.06	668,557.26
2009	465,086.70	80.00	5,813.53	66.84	388,578.91
2011	593,421.97	80.00	7,417.71	68.40	507,390.72
2012	320,802.60	80.00	4,010.00	69.19	277,440.13
2013	92,669.08	80.00	1,158.35	69.97	81,055.05
2014	160,074.49	80.00	2,000.91	70.77	141,597.80
2016	269,651.58	80.00	3,370.62	72.36	243,885.26
2017	366,118.77	80.00	4,576.45	73.16	334,791.10
2018	2,302,574.07	80.00	28,781.93	73.96	2,128,685.33
2019	1,472,657.40	80.00	18,408.06	74.76	1,376,264.43
2020	467,118.99	80.00	5,838.94	75.57	441,260.69
2021	1,540,358.99	80.00	19,254.32	76.38	1,470,696.31
2022	3,566.32	80.00	44.58	77.20	3,441.38

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***80*** ***Survivor Curve:*** ***R1.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	24,813,854.42	80.00	310,170.52	59.11	18,334,215.88

Composite Average Remaining Life ... 59.11 Years

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	427,633.86	72.00	5,939.30	5.86	34,821.71
1901	23,605.31	72.00	327.85	6.09	1,997.99
1902	47,725.16	72.00	662.84	6.31	4,182.60
1903	45,183.21	72.00	627.54	6.54	4,104.14
1904	43,860.66	72.00	609.17	6.78	4,127.70
1905	48,484.50	72.00	673.39	7.00	4,712.14
1906	34,047.14	72.00	472.87	7.24	3,422.90
1907	41,782.00	72.00	580.30	7.47	4,336.97
1908	33,563.99	72.00	466.16	7.72	3,599.16
1909	21,043.06	72.00	292.26	7.97	2,330.78
1910	10,151.32	72.00	140.99	8.22	1,159.15
1911	30,763.83	72.00	427.27	8.48	3,624.22
1912	23,801.62	72.00	330.57	8.75	2,892.19
1913	124,874.62	72.00	1,734.35	9.01	15,620.26
1914	126,356.12	72.00	1,754.93	9.28	16,283.97
1915	29,199.26	72.00	405.54	9.55	3,871.61
1916	49,148.83	72.00	682.62	9.82	6,706.42
1917	34,228.46	72.00	475.39	10.11	4,804.89
1918	42,112.05	72.00	584.88	10.38	6,073.06
1919	30,988.06	72.00	430.39	10.67	4,592.52
1920	909.53	72.00	12.63	10.96	138.39
1921	36,898.52	72.00	512.47	11.25	5,763.86
1922	39,932.18	72.00	554.61	11.54	6,402.06
1923	58,967.31	72.00	818.98	11.84	9,693.31
1924	99,068.35	72.00	1,375.94	12.14	16,699.86
1925	188,169.84	72.00	2,613.44	12.44	32,505.19
1926	139,424.55	72.00	1,936.43	12.74	24,678.97

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	128,696.04	72.00	1,787.43	13.06	23,336.66
1928	152,567.21	72.00	2,118.97	13.37	28,323.23
1929	123,047.98	72.00	1,708.98	13.68	23,386.91
1930	109,243.38	72.00	1,517.25	14.01	21,253.24
1931	116,385.72	72.00	1,616.45	14.33	23,164.10
1932	93,155.51	72.00	1,293.81	14.66	18,968.98
1933	34,890.52	72.00	484.59	14.99	7,266.06
1934	23,648.93	72.00	328.45	15.33	5,036.69
1935	42,730.83	72.00	593.48	15.68	9,305.88
1936	53,561.75	72.00	743.91	16.03	11,923.88
1937	180,477.85	72.00	2,506.61	16.38	41,070.55
1938	118,485.65	72.00	1,645.62	16.75	27,556.76
1939	197,043.48	72.00	2,736.69	17.11	46,832.96
1940	276,257.08	72.00	3,836.87	17.49	67,094.09
1941	209,647.08	72.00	2,911.74	17.87	52,020.42
1942	120,882.89	72.00	1,678.91	18.25	30,643.27
1943	38,957.44	72.00	541.07	18.64	10,087.87
1944	73,348.70	72.00	1,018.72	19.04	19,400.00
1945	52,691.48	72.00	731.82	19.45	14,233.35
1946	208,628.68	72.00	2,897.59	19.86	57,552.91
1947	187,672.15	72.00	2,606.53	20.28	52,865.52
1948	99,983.53	72.00	1,388.65	20.71	28,756.50
1949	513,259.26	72.00	7,128.53	21.14	150,717.93
1950	706,569.95	72.00	9,813.37	21.58	211,807.76
1951	783,932.05	72.00	10,887.84	22.03	239,886.84
1952	1,240,755.11	72.00	17,232.54	22.49	387,521.85
1953	1,314,141.65	72.00	18,251.78	22.95	418,876.19

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	760,678.12	72.00	10,564.87	23.42	247,441.30
1955	1,051,730.40	72.00	14,607.22	23.90	349,083.03
1956	1,466,035.77	72.00	20,361.40	24.38	496,483.60
1957	1,103,034.87	72.00	15,319.77	24.88	381,082.99
1958	1,387,395.98	72.00	19,269.19	25.37	488,929.21
1959	1,162,209.84	72.00	16,141.64	25.88	417,770.54
1960	1,113,517.73	72.00	15,465.37	26.39	408,203.40
1961	1,386,586.52	72.00	19,257.95	26.92	518,357.67
1962	1,382,931.17	72.00	19,207.18	27.44	527,128.94
1963	1,624,004.81	72.00	22,555.40	27.98	631,069.27
1964	1,694,783.94	72.00	23,538.43	28.52	671,371.05
1965	1,907,446.62	72.00	26,492.05	29.07	770,150.83
1966	2,209,740.93	72.00	30,690.54	29.63	909,237.38
1967	2,286,352.51	72.00	31,754.58	30.19	958,703.26
1968	2,664,712.62	72.00	37,009.53	30.76	1,138,414.27
1969	2,359,823.00	72.00	32,774.99	31.34	1,027,103.41
1970	2,352,967.14	72.00	32,679.77	31.92	1,043,165.23
1971	3,170,343.81	72.00	44,032.11	32.51	1,431,463.50
1972	3,556,786.45	72.00	49,399.31	33.11	1,635,502.17
1973	4,219,709.28	72.00	58,606.48	33.71	1,975,614.34
1974	4,196,041.01	72.00	58,277.76	34.32	2,000,104.77
1975	2,361,556.50	72.00	32,799.07	34.94	1,145,842.95
1976	2,176,995.69	72.00	30,235.75	35.56	1,075,055.23
1977	4,432,671.28	72.00	61,564.26	36.19	2,227,709.82
1978	3,783,142.65	72.00	52,543.12	36.82	1,934,537.67
1979	4,509,040.12	72.00	62,624.93	37.46	2,345,846.63
1980	5,383,977.42	72.00	74,776.71	38.10	2,849,271.43

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	6,403,029.36	72.00	88,930.07	38.75	3,446,382.19
1982	5,622,121.12	72.00	78,084.23	39.41	3,077,450.90
1983	4,373,299.67	72.00	60,739.66	40.07	2,434,052.47
1984	6,221,294.17	72.00	86,405.99	40.74	3,520,172.72
1985	6,717,475.29	72.00	93,297.33	41.41	3,863,870.42
1986	6,288,142.16	72.00	87,334.43	42.09	3,676,064.74
1987	8,786,084.87	72.00	122,027.73	42.78	5,219,875.42
1988	5,717,143.83	72.00	79,403.98	43.46	3,451,198.27
1989	7,334,652.24	72.00	101,869.15	44.16	4,498,109.30
1990	7,972,818.59	72.00	110,732.48	44.86	4,966,911.48
1991	7,629,627.61	72.00	105,965.98	45.56	4,827,470.64
1992	10,878,666.55	72.00	151,091.07	46.26	6,990,184.82
1993	9,617,740.93	72.00	133,578.39	46.98	6,274,949.16
1994	10,452,149.45	72.00	145,167.28	47.69	6,923,123.01
1995	9,249,003.63	72.00	128,457.09	48.41	6,218,854.25
1996	7,472,384.06	72.00	103,782.07	49.14	5,099,380.96
1997	7,777,089.57	72.00	108,014.05	49.86	5,386,051.46
1998	5,576,713.04	72.00	77,453.57	50.60	3,918,853.87
1999	7,758,979.98	72.00	107,762.53	51.33	5,531,595.16
2000	7,380,811.39	72.00	102,510.24	52.07	5,337,913.19
2001	7,764,820.30	72.00	107,843.64	52.81	5,695,744.91
2002	11,005,956.89	72.00	152,858.97	53.56	8,187,250.85
2003	12,888,582.41	72.00	179,006.29	54.31	9,722,271.81
2004	15,055,188.60	72.00	209,097.74	55.07	11,514,100.06
2005	18,820,879.72	72.00	261,398.48	55.82	14,592,213.32
2006	15,383,564.93	72.00	213,658.47	56.58	12,089,606.77
2007	11,810,990.39	72.00	164,039.88	57.35	9,407,173.46

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	11,840,118.87	72.00	164,444.44	58.12	9,556,711.15
2009	13,388,041.29	72.00	185,943.15	58.89	10,949,280.69
2010	12,743,665.08	72.00	176,993.57	59.66	10,559,361.63
2011	18,726,733.99	72.00	260,090.91	60.44	15,718,953.79
2012	47,940,359.18	72.00	665,831.62	61.22	40,759,585.52
2013	26,128,992.96	72.00	362,899.03	62.00	22,499,985.19
2014	30,384,174.10	72.00	421,998.17	62.79	26,496,057.72
2015	35,583,807.72	72.00	494,214.58	63.58	31,421,126.77
2016	34,286,660.77	72.00	476,198.83	64.37	30,653,450.59
2017	55,581,825.00	72.00	771,962.03	65.17	50,306,597.51
2018	79,657,209.55	72.00	1,106,339.00	65.97	72,982,909.32
2019	66,175,123.50	72.00	919,089.69	66.77	61,368,274.20
2020	73,272,919.32	72.00	1,017,669.20	67.58	68,770,338.72
2021	137,255,276.62	72.00	1,906,304.11	68.39	130,366,377.73
2022	159,797,931.42	72.00	2,219,393.39	69.20	153,580,298.52
2023	216,846,139.08	72.00	3,011,721.64	70.02	210,868,417.82
2024	263,294,717.35	72.00	3,656,834.29	70.83	259,030,964.78
2025	227,571,913.35	72.00	3,160,689.23	71.62	226,375,543.17
Total	1,827,171,621.32	72.00	25,377,128.37	64.23	1,629,997,740.70

Composite Average Remaining Life ... 64.23 Years

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	251,349.66	72.00	3,490.93	5.86	20,467.10
1901	14,440.93	72.00	200.57	6.09	1,222.30
1902	44,957.23	72.00	624.40	6.31	3,940.02
1903	31,817.80	72.00	441.91	6.54	2,890.12
1904	15,907.91	72.00	220.94	6.78	1,497.08
1905	14,033.05	72.00	194.90	7.00	1,363.85
1906	19,802.61	72.00	275.03	7.24	1,990.84
1907	3,535.92	72.00	49.11	7.47	367.03
1908	48,080.75	72.00	667.78	7.72	5,155.84
1909	11,647.53	72.00	161.77	7.97	1,290.11
1910	7,646.08	72.00	106.19	8.22	873.08
1911	13,646.94	72.00	189.54	8.48	1,607.72
1912	6,084.74	72.00	84.51	8.75	739.37
1913	7,780.57	72.00	108.06	9.01	973.25
1914	8,774.55	72.00	121.87	9.28	1,130.81
1915	17,647.65	72.00	245.10	9.55	2,339.95
1916	8,153.10	72.00	113.24	9.82	1,112.50
1917	11,968.26	72.00	166.22	10.11	1,680.07
1918	9,141.09	72.00	126.96	10.38	1,318.25
1919	4,178.73	72.00	58.04	10.67	619.30
1920	2,179.19	72.00	30.27	10.96	331.57
1921	29,440.59	72.00	408.89	11.25	4,598.87
1922	9,809.56	72.00	136.24	11.54	1,572.70
1923	26,962.92	72.00	374.48	11.84	4,432.29
1924	22,865.85	72.00	317.58	12.14	3,854.47
1925	20,891.13	72.00	290.15	12.44	3,608.82
1926	14,416.26	72.00	200.22	12.74	2,551.76

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	49,754.76	72.00	691.03	13.06	9,022.11
1928	24,575.76	72.00	341.33	13.37	4,562.35
1929	30,223.30	72.00	419.76	13.68	5,744.34
1930	69,133.51	72.00	960.18	14.01	13,449.89
1931	45,068.55	72.00	625.95	14.33	8,969.94
1932	25,703.92	72.00	357.00	14.66	5,234.01
1933	17,966.34	72.00	249.53	14.99	3,741.55
1934	10,052.57	72.00	139.62	15.33	2,140.97
1935	19,608.71	72.00	272.34	15.68	4,270.37
1936	16,724.01	72.00	232.28	16.03	3,723.09
1937	55,423.38	72.00	769.76	16.38	12,612.45
1938	57,796.28	72.00	802.72	16.75	13,441.95
1939	47,408.14	72.00	658.44	17.11	11,267.89
1940	113,502.16	72.00	1,576.40	17.49	27,566.08
1941	276,941.57	72.00	3,846.37	17.87	68,718.42
1942	101,272.05	72.00	1,406.54	18.25	25,672.01
1943	40,102.79	72.00	556.98	18.64	10,384.46
1944	70,746.27	72.00	982.58	19.04	18,711.68
1945	62,816.81	72.00	872.45	19.45	16,968.47
1946	138,149.66	72.00	1,918.73	19.86	38,110.37
1947	149,365.32	72.00	2,074.50	20.28	42,074.84
1948	125,393.80	72.00	1,741.56	20.71	36,064.81
1949	315,973.03	72.00	4,388.47	21.14	92,785.08
1950	307,798.34	72.00	4,274.93	21.58	92,268.40
1951	1,051,873.18	72.00	14,609.20	22.03	321,878.06
1952	706,586.14	72.00	9,813.60	22.49	220,686.23
1953	838,081.02	72.00	11,639.90	22.95	267,134.21

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	418,606.30	72.00	5,813.92	23.42	136,168.61
1955	1,022,941.20	72.00	14,207.37	23.90	339,527.52
1956	813,054.42	72.00	11,292.31	24.38	275,346.75
1957	1,302,672.32	72.00	18,092.49	24.88	450,054.91
1958	2,152,519.29	72.00	29,895.80	25.37	758,564.65
1959	3,075,248.25	72.00	42,711.35	25.88	1,105,435.60
1960	2,282,058.01	72.00	31,694.93	26.39	836,577.46
1961	3,126,703.56	72.00	43,426.00	26.92	1,168,878.21
1962	2,501,400.45	72.00	34,741.32	27.44	953,453.51
1963	2,306,350.47	72.00	32,032.32	27.98	896,220.81
1964	2,502,145.00	72.00	34,751.66	28.52	991,198.75
1965	2,952,815.18	72.00	41,010.91	29.07	1,192,228.93
1966	3,526,253.40	72.00	48,975.25	29.63	1,450,939.96
1967	3,960,603.83	72.00	55,007.83	30.19	1,660,742.95
1968	4,426,553.29	72.00	61,479.29	30.76	1,891,105.02
1969	3,780,869.83	72.00	52,511.55	31.34	1,645,608.30
1970	2,944,195.00	72.00	40,891.19	31.92	1,305,280.39
1971	4,502,133.36	72.00	62,529.00	32.51	2,032,788.85
1972	6,692,281.59	72.00	92,947.42	33.11	3,077,283.72
1973	7,818,579.85	72.00	108,590.29	33.71	3,660,559.88
1974	6,227,381.18	72.00	86,490.54	34.32	2,968,373.00
1975	3,358,109.39	72.00	46,639.94	34.94	1,629,377.05
1976	2,849,464.49	72.00	39,575.50	35.56	1,407,137.24
1977	5,049,543.48	72.00	70,131.84	36.19	2,537,728.81
1978	3,783,099.75	72.00	52,542.52	36.82	1,934,515.73
1979	7,928,605.72	72.00	110,118.42	37.46	4,124,889.68
1980	10,140,691.82	72.00	140,841.53	38.10	5,366,587.05

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	14,437,526.94	72.00	200,519.19	38.75	7,770,889.83
1982	9,191,846.53	72.00	127,663.25	39.41	5,031,456.23
1983	6,854,640.44	72.00	95,202.38	40.07	3,815,095.17
1984	8,938,835.56	72.00	124,149.25	40.74	5,057,829.48
1985	17,210,835.08	72.00	239,036.97	41.41	9,899,617.59
1986	11,780,656.69	72.00	163,618.59	42.09	6,887,003.44
1987	17,777,469.84	72.00	246,906.82	42.78	10,561,721.08
1988	12,326,144.40	72.00	171,194.73	43.46	7,440,772.78
1989	14,413,336.15	72.00	200,183.21	44.16	8,839,241.34
1990	17,031,634.01	72.00	236,548.09	44.86	10,610,377.93
1991	15,956,099.16	72.00	221,610.26	45.56	10,095,853.18
1992	17,731,802.94	72.00	246,272.56	46.26	11,393,729.11
1993	12,884,166.66	72.00	178,944.96	46.98	8,406,079.08
1994	13,559,203.42	72.00	188,320.38	47.69	8,981,122.37
1995	15,471,073.05	72.00	214,873.85	48.41	10,402,455.46
1996	10,867,248.14	72.00	150,932.48	49.14	7,416,138.92
1997	11,437,009.71	72.00	158,845.76	49.86	7,920,742.37
1998	10,589,496.39	72.00	147,074.86	50.60	7,441,424.47
1999	11,229,112.42	72.00	155,958.33	51.33	8,005,550.23
2000	9,788,482.23	72.00	135,949.77	52.07	7,079,176.75
2001	18,148,644.22	72.00	252,061.97	52.81	13,312,613.04
2002	23,392,018.28	72.00	324,885.87	53.56	17,401,151.34
2003	20,217,711.59	72.00	280,798.73	54.31	15,250,869.43
2004	22,561,266.35	72.00	313,347.77	55.07	17,254,694.38
2005	24,995,759.66	72.00	347,159.84	55.82	19,379,724.14
2006	21,141,546.70	72.00	293,629.64	56.58	16,614,678.54
2007	20,769,436.01	72.00	288,461.49	57.35	16,542,362.74

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	16,800,489.88	72.00	233,337.79	58.12	13,560,457.52
2009	16,911,377.90	72.00	234,877.89	58.89	13,830,807.62
2010	19,040,199.82	72.00	264,444.56	59.66	15,776,650.91
2011	14,583,006.41	72.00	202,539.72	60.44	12,240,767.88
2012	20,497,902.59	72.00	284,690.23	61.22	17,427,612.72
2013	20,393,280.89	72.00	283,237.16	62.00	17,560,895.62
2014	17,750,881.54	72.00	246,537.54	62.79	15,479,386.75
2015	19,307,654.97	72.00	268,159.18	63.58	17,048,998.22
2016	34,131,260.11	72.00	474,040.51	64.37	30,514,517.07
2017	41,399,792.74	72.00	574,991.34	65.17	37,470,570.83
2018	69,632,973.79	72.00	967,114.91	65.97	63,798,581.95
2019	71,710,355.99	72.00	995,967.15	66.77	66,501,436.74
2020	70,834,493.01	72.00	983,802.51	67.58	66,481,752.37
2021	95,407,666.44	72.00	1,325,093.15	68.39	90,619,116.35
2022	125,241,252.86	72.00	1,739,444.35	69.20	120,368,197.70
2023	179,624,260.63	72.00	2,494,756.30	70.02	174,672,621.80
2024	152,537,274.24	72.00	2,118,551.94	70.83	150,067,110.00
2025	111,280,283.66	72.00	1,545,543.95	71.62	110,695,271.17
Total	1,614,677,492.44	72.00	22,425,850.71	60.65	1,360,174,430.03

Composite Average Remaining Life ... 60.65 Years

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	38.58	0.00	0.00	0.00	0.00
1904	265.76	0.00	0.00	0.00	0.00
1906	26.74	0.00	0.00	0.00	0.00
1907	150.81	0.00	0.00	0.00	0.00
1908	58.16	0.00	0.00	0.00	0.00
1909	83.93	0.00	0.00	0.00	0.00
1910	20.38	0.00	0.00	0.00	0.00
1913	99.85	0.00	0.00	0.00	0.00
1914	22.03	0.00	0.00	0.00	0.00
1915	92.88	0.00	0.00	0.00	0.00
1916	22.31	55.00	0.41	0.50	0.20
1918	132.39	55.00	2.41	1.07	2.56
1920	46.07	55.00	0.84	1.73	1.45
1922	0.66	55.00	0.01	2.39	0.03
1923	30.73	55.00	0.56	2.72	1.52
1927	9.84	55.00	0.18	3.88	0.69
1931	106.68	55.00	1.94	4.81	9.32
1932	16.92	55.00	0.31	5.03	1.55
1933	149.45	55.00	2.72	5.25	14.27
1934	98.67	55.00	1.79	5.49	9.84
1938	6.18	55.00	0.11	6.48	0.73
1940	35.79	55.00	0.65	7.01	4.56
1941	1.86	55.00	0.03	7.28	0.25
1942	44.35	55.00	0.81	7.56	6.09
1944	8.89	55.00	0.16	8.12	1.31
1946	793.25	55.00	14.42	8.70	125.41
1947	1,719.46	55.00	31.26	8.99	281.17

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1948	2,949.17	55.00	53.62	9.29	498.20
1949	12,770.69	55.00	232.19	9.59	2,227.52
1950	17,964.60	55.00	326.63	9.90	3,233.78
1951	44,614.03	55.00	811.15	10.21	8,284.14
1952	73,415.38	55.00	1,334.81	10.53	14,055.92
1953	119,687.78	55.00	2,176.11	10.85	23,621.61
1954	33,631.99	55.00	611.48	11.18	6,838.13
1955	91,398.68	55.00	1,661.77	11.52	19,139.10
1956	55,519.96	55.00	1,009.44	11.86	11,970.42
1957	60,122.56	55.00	1,093.12	12.21	13,343.44
1958	166,435.97	55.00	3,026.07	12.56	38,017.02
1959	74,159.26	55.00	1,348.33	12.93	17,428.25
1960	55,675.01	55.00	1,012.26	13.30	13,459.48
1961	78,496.70	55.00	1,427.19	13.68	19,517.54
1962	92,880.39	55.00	1,688.71	14.06	23,748.27
1963	97,019.32	55.00	1,763.97	14.46	25,505.32
1964	55,571.51	55.00	1,010.38	14.86	15,018.16
1965	78,053.45	55.00	1,419.14	15.28	21,681.37
1966	66,065.08	55.00	1,201.17	15.70	18,859.60
1967	98,187.37	55.00	1,785.20	16.13	28,801.64
1968	189,058.20	55.00	3,437.38	16.58	56,975.88
1969	130,674.50	55.00	2,375.87	17.03	40,451.17
1970	114,580.56	55.00	2,083.26	17.49	36,429.64
1971	149,680.93	55.00	2,721.44	17.96	48,870.00
1972	280,972.62	55.00	5,108.53	18.44	94,188.50
1973	228,029.92	55.00	4,145.95	18.93	78,470.59
1974	265,143.59	55.00	4,820.73	19.43	93,647.92

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1975	280,978.40	55.00	5,108.63	19.93	101,833.02
1976	521,317.65	55.00	9,478.38	20.45	193,850.35
1977	274,352.81	55.00	4,988.17	20.98	104,649.10
1978	414,964.18	55.00	7,544.71	21.52	162,334.00
1979	418,212.62	55.00	7,603.77	22.06	167,755.92
1980	422,581.98	55.00	7,683.21	22.62	173,761.32
1981	1,491,507.45	55.00	27,117.98	23.18	628,600.24
1982	1,082,382.10	55.00	19,679.43	23.75	467,454.63
1983	879,004.74	55.00	15,981.71	24.34	388,920.75
1984	900,473.92	55.00	16,372.05	24.93	408,086.32
1985	1,201,420.23	55.00	21,843.73	25.52	557,552.60
1986	1,039,748.82	55.00	18,904.29	26.13	493,978.74
1987	1,051,200.44	55.00	19,112.50	26.75	511,189.31
1988	1,037,251.03	55.00	18,858.87	27.37	516,169.15
1989	1,087,582.44	55.00	19,773.98	28.00	553,703.47
1990	1,048,671.74	55.00	19,066.52	28.64	546,079.82
1991	1,612,355.07	55.00	29,315.18	29.29	858,523.98
1992	1,223,137.68	55.00	22,238.59	29.94	665,836.02
1993	933,513.68	55.00	16,972.76	30.60	519,404.65
1994	1,178,522.19	55.00	21,427.41	31.27	670,053.50
1995	1,001,625.93	55.00	18,211.15	31.95	581,777.94
1996	383,919.92	55.00	6,980.28	32.63	227,754.01
1997	956,000.38	55.00	17,381.61	33.32	579,079.61
1998	556,556.35	55.00	10,119.08	34.01	344,159.06
1999	692,707.92	55.00	12,594.53	34.71	437,183.80
2000	827,132.13	55.00	15,038.58	35.42	532,656.50
2001	1,943,913.81	55.00	35,343.45	36.13	1,277,036.03

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	1,340,057.78	55.00	24,364.38	36.85	897,813.72
2003	1,234,679.91	55.00	22,448.45	37.57	843,470.53
2004	1,068,519.92	55.00	19,427.39	38.30	744,128.71
2005	1,420,796.18	55.00	25,832.34	39.04	1,008,428.16
2006	3,621,017.44	55.00	65,835.86	39.78	2,618,728.99
2007	1,443,936.78	55.00	26,253.07	40.52	1,063,788.22
2008	4,786,061.03	55.00	87,018.21	41.27	3,591,087.48
2009	3,310,387.36	55.00	60,188.11	42.02	2,529,199.82
2010	920,692.79	55.00	16,739.66	42.78	716,110.50
2011	2,217,508.70	55.00	40,317.84	43.54	1,755,489.17
2012	845,262.17	55.00	15,368.21	44.31	680,927.13
2013	2,756,318.46	55.00	50,114.26	45.08	2,259,007.09
2014	1,268,297.75	55.00	23,059.67	45.85	1,057,339.41
2015	2,432,005.43	55.00	44,217.73	46.63	2,061,949.49
2016	1,286,367.83	55.00	23,388.21	47.42	1,108,960.81
2017	6,416,302.34	55.00	116,658.59	48.20	5,623,317.89
2018	1,277,373.35	55.00	23,224.68	49.00	1,137,898.63
2019	1,771,013.62	55.00	32,199.85	49.79	1,603,255.58
2020	2,665,946.91	55.00	48,471.16	50.59	2,452,230.88
2021	7,810,826.84	55.00	142,013.26	51.40	7,298,979.94
2022	8,148,657.58	55.00	148,155.56	52.21	7,734,537.04
2023	18,147,645.26	55.00	329,953.07	53.02	17,493,677.60
2024	10,516,059.58	55.00	191,198.70	53.84	10,293,211.12
2025	12,529,022.59	55.00	227,797.57	54.62	12,442,919.02

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	126,432,635.05	49.76	2,298,730.90	44.57	102,460,584.35

Composite Average Remaining Life ... *44.57 Years*

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	15.09	0.00	0.00	0.00	0.00
1901	1,637.59	0.00	0.00	0.00	0.00
1902	399.75	0.00	0.00	0.00	0.00
1903	542.76	0.00	0.00	0.00	0.00
1904	943.79	0.00	0.00	0.00	0.00
1905	4,013.41	0.00	0.00	0.00	0.00
1906	3,824.81	0.00	0.00	0.00	0.00
1907	4,133.89	0.00	0.00	0.00	0.00
1908	2,984.98	0.00	0.00	0.00	0.00
1909	343.67	0.00	0.00	0.00	0.00
1920	894.69	0.00	0.00	0.00	0.00
1921	2,097.63	0.00	0.00	0.00	0.00
1922	2,055.39	0.00	0.00	0.00	0.00
1923	1,569.86	0.00	0.00	0.00	0.00
1924	1,433.06	55.00	26.06	0.50	13.03
1925	1,560.98	55.00	28.38	0.63	17.85
1926	2,944.33	55.00	53.53	0.76	40.94
1927	2,480.59	55.00	45.10	1.00	44.92
1928	2,970.73	55.00	54.01	1.25	67.40
1929	2,671.22	55.00	48.57	1.51	73.25
1930	3,506.91	55.00	63.76	1.77	113.09
1931	2,305.13	55.00	41.91	2.06	86.16
1932	2,234.89	55.00	40.63	2.32	94.11
1933	1,742.22	55.00	31.68	2.59	81.91
1934	1,396.21	55.00	25.39	2.86	72.65
1935	1,676.13	55.00	30.47	3.14	95.77
1936	2,886.59	55.00	52.48	3.44	180.35

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1937	3,043.76	55.00	55.34	3.72	205.61
1938	1,594.53	55.00	28.99	4.00	115.93
1939	4,452.21	55.00	80.95	4.28	346.86
1940	6,285.44	55.00	114.28	4.57	522.61
1941	12,894.55	55.00	234.45	4.86	1,140.01
1942	9,485.77	55.00	172.47	5.16	889.65
1943	4,317.00	55.00	78.49	5.45	427.44
1944	7,166.32	55.00	130.30	5.73	747.24
1945	3,841.76	55.00	69.85	6.03	420.90
1946	15,224.52	55.00	276.81	6.32	1,748.99
1947	24,043.05	55.00	437.14	6.62	2,893.02
1948	34,964.39	55.00	635.71	6.91	4,393.96
1949	36,263.61	55.00	659.34	7.21	4,753.26
1950	33,970.53	55.00	617.64	7.51	4,638.69
1951	39,749.37	55.00	722.71	7.82	5,648.48
1952	42,488.45	55.00	772.51	8.13	6,277.26
1953	58,868.84	55.00	1,070.34	8.44	9,037.22
1954	95,279.86	55.00	1,732.36	8.76	15,180.02
1955	119,119.59	55.00	2,165.80	9.09	19,684.20
1956	163,428.40	55.00	2,971.42	9.42	27,995.82
1957	200,653.31	55.00	3,648.23	9.76	35,615.02
1958	255,772.74	55.00	4,650.40	10.11	47,025.14
1959	367,463.93	55.00	6,681.14	10.47	69,937.05
1960	402,483.27	55.00	7,317.85	10.83	79,270.80
1961	573,815.64	55.00	10,432.98	11.21	116,916.10
1962	483,039.66	55.00	8,782.51	11.59	101,786.71
1963	823,683.56	55.00	14,976.02	11.98	179,452.68

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1964	833,554.06	55.00	15,155.48	12.39	187,706.58
1965	1,015,931.30	55.00	18,471.42	12.80	236,401.59
1966	1,030,835.43	55.00	18,742.40	13.22	247,801.76
1967	805,214.08	55.00	14,640.21	13.66	199,914.17
1968	1,184,121.75	55.00	21,529.42	14.10	303,551.93
1969	1,161,139.73	55.00	21,111.56	14.55	307,243.90
1970	1,450,760.74	55.00	26,377.38	15.02	396,169.79
1971	1,401,084.51	55.00	25,474.18	15.50	394,749.32
1972	2,109,693.01	55.00	38,357.93	15.98	613,097.94
1973	2,633,549.18	55.00	47,882.55	16.48	789,196.81
1974	2,678,534.15	55.00	48,700.46	16.99	827,469.42
1975	2,671,150.70	55.00	48,566.22	17.51	850,374.05
1976	3,553,556.55	55.00	64,609.91	18.04	1,165,606.84
1977	3,460,167.52	55.00	62,911.93	18.58	1,169,052.87
1978	7,055,089.32	55.00	128,273.93	19.13	2,454,464.88
1979	6,333,640.53	55.00	115,156.72	19.70	2,268,258.62
1980	7,105,554.59	55.00	129,191.48	20.27	2,618,495.42
1981	11,669,761.37	55.00	212,176.78	20.85	4,424,351.56
1982	9,535,558.73	55.00	173,373.22	21.45	3,718,180.49
1983	6,269,901.71	55.00	113,997.84	22.05	2,513,644.09
1984	11,764,609.66	55.00	213,901.29	22.66	4,847,759.20
1985	11,924,270.82	55.00	216,804.21	23.29	5,048,672.37
1986	5,489,022.81	55.00	99,800.09	23.92	2,387,036.41
1987	17,563,555.23	55.00	319,336.32	24.56	7,843,251.30
1988	10,545,152.52	55.00	191,729.41	25.21	4,834,112.75
1989	6,529,495.70	55.00	118,717.71	25.87	3,071,742.55
1990	14,068,814.00	55.00	255,795.78	26.54	6,789,938.89

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1991	10,871,903.78	55.00	197,670.33	27.22	5,380,885.41
1992	17,448,580.38	55.00	317,245.87	27.91	8,854,236.15
1993	12,483,586.36	55.00	226,973.55	28.61	6,492,872.85
1994	14,980,888.64	55.00	272,378.90	29.31	7,983,748.38
1995	13,356,660.47	55.00	242,847.57	30.02	7,291,308.99
1996	11,782,953.76	55.00	214,234.82	30.75	6,586,707.90
1997	18,337,144.08	55.00	333,401.52	31.47	10,493,155.78
1998	9,108,702.04	55.00	165,612.22	32.21	5,334,439.50
1999	13,314,436.88	55.00	242,079.87	32.96	7,977,837.39
2000	5,793,642.99	55.00	105,338.62	33.71	3,550,735.53
2001	14,821,017.80	55.00	269,472.16	34.47	9,288,056.80
2002	12,151,415.80	55.00	220,934.10	35.23	7,784,218.61
2003	13,186,960.53	55.00	239,762.13	36.01	8,633,343.65
2004	17,557,468.79	55.00	319,225.65	36.79	11,744,196.52
2005	16,013,739.02	55.00	291,157.93	37.58	10,941,178.14
2006	14,546,604.09	55.00	264,482.84	38.37	10,149,104.90
2007	10,854,090.42	55.00	197,346.45	39.18	7,731,095.12
2008	11,503,538.97	55.00	209,154.56	39.98	8,362,554.99
2009	11,688,032.41	55.00	212,508.98	40.80	8,669,931.17
2010	6,393,660.02	55.00	116,247.98	41.62	4,838,182.40
2011	14,730,116.19	55.00	267,819.41	42.45	11,368,179.49
2012	18,571,929.97	55.00	337,670.34	43.28	14,614,678.05
2013	12,755,686.21	55.00	231,920.80	44.12	10,232,225.83
2014	18,332,850.74	55.00	333,323.46	44.97	14,988,041.97
2015	21,702,707.74	55.00	394,593.39	45.82	18,079,121.53
2016	22,863,172.61	55.00	415,692.68	46.67	19,402,167.86
2017	24,406,044.32	55.00	443,744.80	47.54	21,094,286.24

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2018	41,399,980.52	55.00	752,724.44	48.40	36,435,626.26
2019	37,603,381.90	55.00	683,695.60	49.28	33,690,843.47
2020	39,483,230.51	55.00	717,874.55	50.16	36,005,969.21
2021	44,763,613.04	55.00	813,881.19	51.04	41,540,609.62
2022	32,270,754.34	55.00	586,739.06	51.93	30,468,657.05
2023	65,336,507.34	55.00	1,187,932.58	52.82	62,749,246.38
2024	59,765,786.97	55.00	1,086,647.09	53.72	58,374,153.39
2025	57,893,117.79	55.00	1,052,598.67	54.58	57,455,964.04
Total	923,796,287.48	48.36	16,795,777.94	40.83	685,833,858.18

Composite Average Remaining Life ... *40.83 Years*

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1957	17.31	0.00	0.00	0.00	0.00
1966	17.59	32.00	0.55	1.64	0.90
1968	1,751.11	32.00	54.72	2.31	126.16
1969	17,689.86	32.00	552.81	2.64	1,459.06
1970	41,793.63	32.00	1,306.05	2.97	3,882.56
1971	109,708.79	32.00	3,428.39	3.31	11,334.60
1972	256,050.64	32.00	8,001.56	3.64	29,124.23
1973	161,455.36	32.00	5,045.47	3.97	20,052.29
1974	116,854.22	32.00	3,651.69	4.31	15,738.67
1975	192,862.24	32.00	6,026.93	4.65	28,008.02
1976	70,210.89	32.00	2,194.09	4.98	10,935.39
1977	97,875.15	32.00	3,058.59	5.33	16,288.22
1978	153,269.87	32.00	4,789.67	5.67	27,154.02
1979	190,971.58	32.00	5,967.85	6.02	35,902.44
1980	188,462.97	32.00	5,889.45	6.37	37,490.85
1981	22,410.41	32.00	700.32	6.72	4,705.42
1982	212,772.99	32.00	6,649.14	7.08	47,047.60
1983	18,209.20	32.00	569.04	7.44	4,231.64
1984	66,244.22	32.00	2,070.13	7.80	16,148.08
1985	307,449.58	32.00	9,607.78	8.17	78,496.19
1986	204,348.80	32.00	6,385.89	8.54	54,563.84
1987	288,048.12	32.00	9,001.48	8.92	80,328.72
1988	230,032.07	32.00	7,188.49	9.31	66,916.67
1989	261,779.80	32.00	8,180.60	9.70	79,347.94
1990	311,312.32	32.00	9,728.49	10.10	98,221.04
1991	310,891.92	32.00	9,715.35	10.50	102,004.48
1992	183,362.47	32.00	5,730.06	10.91	62,509.08

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1993	588,178.33	32.00	18,380.53	11.33	208,176.35
1994	572,521.74	32.00	17,891.26	11.75	210,228.25
1995	282,314.48	32.00	8,822.31	12.18	107,478.57
1996	482,265.67	32.00	15,070.77	12.62	190,239.60
1997	1,177,161.05	32.00	36,786.20	13.07	480,877.99
1998	1,146,830.38	32.00	35,838.37	13.53	484,910.24
1999	597,039.84	32.00	18,657.45	14.00	261,171.91
2000	941,093.72	32.00	29,409.11	14.48	425,743.29
2001	2,170,051.51	32.00	67,813.96	14.97	1,014,839.56
2002	2,091,121.37	32.00	65,347.40	15.46	1,010,570.20
2003	1,742,718.76	32.00	54,459.84	15.98	870,034.27
2004	1,735,706.31	32.00	54,240.70	16.50	894,916.47
2005	1,846,400.71	32.00	57,699.89	17.04	982,918.47
2006	2,265,078.65	32.00	70,783.55	17.58	1,244,687.58
2007	3,186,638.21	32.00	99,582.22	18.15	1,807,202.07
2008	2,517,483.70	32.00	78,671.19	18.73	1,473,278.17
2009	2,218,784.66	32.00	69,336.87	19.32	1,339,643.17
2010	3,887,346.58	32.00	121,479.31	19.93	2,421,164.96
2011	3,067,985.20	32.00	95,874.32	20.56	1,970,931.06
2012	3,148,577.58	32.00	98,392.83	21.20	2,086,111.93
2013	1,932,421.59	32.00	60,388.04	21.86	1,320,369.97
2014	2,768,510.70	32.00	86,515.77	22.55	1,950,665.33
2015	2,510,344.01	32.00	78,448.08	23.25	1,823,858.00
2016	2,638,794.11	32.00	82,462.13	23.97	1,976,954.85
2017	8,625,975.67	32.00	269,561.14	24.72	6,663,440.27
2018	14,281,784.75	32.00	446,304.78	25.49	11,375,344.57
2019	15,520,296.20	32.00	485,008.18	26.28	12,745,892.12

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2020	17,689,223.76	32.00	552,787.01	27.10	14,978,445.29
2021	4,544,785.15	32.00	142,024.22	27.94	3,967,906.65
2022	282,944.48	32.00	8,842.00	28.81	254,709.50
2023	14,568,667.22	32.00	455,269.84	29.70	13,522,911.12
2024	15,239,498.75	32.00	476,233.28	30.63	14,587,317.92
2025	21,704,371.01	32.00	678,260.09	31.55	21,398,178.88
Total	161,988,768.96	31.47	5,062,137.24	25.08	126,983,136.67

Composite Average Remaining Life ... 25.08 Years

Peoples Natural Gas Company, LLC
Gas Division
381.20 Meters - Inteus

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *S2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	33,182.24	20.00	1,659.11	18.58	30,832.21
2025	4,867,339.64	20.00	243,366.99	19.54	4,755,797.09
Total	4,900,521.88	20.00	245,026.11	19.54	4,786,629.30

Composite Average Remaining Life ... 19.54 Years

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	5,724.56	0.00	0.00	0.00	0.00
1923	56,280.77	0.00	0.00	0.00	0.00
1924	50,712.09	55.00	922.03	0.50	461.02
1925	54,877.82	55.00	997.78	0.63	627.51
1926	49,253.74	55.00	895.52	0.76	684.88
1927	56,995.57	55.00	1,036.28	1.00	1,032.22
1928	50,101.17	55.00	910.93	1.25	1,136.77
1929	50,624.03	55.00	920.43	1.51	1,388.18
1930	44,886.32	55.00	816.11	1.77	1,447.53
1931	31,437.41	55.00	571.59	2.06	1,175.01
1932	33,698.91	55.00	612.71	2.32	1,418.97
1933	34,597.98	55.00	629.05	2.59	1,626.59
1934	35,860.04	55.00	652.00	2.86	1,866.02
1935	22,806.58	55.00	414.66	3.14	1,303.15
1936	39,823.65	55.00	724.06	3.44	2,488.08
1937	44,300.75	55.00	805.47	3.72	2,992.61
1938	60,971.21	55.00	1,108.56	4.00	4,432.80
1939	10,305.82	55.00	187.38	4.28	802.89
1940	18,048.04	55.00	328.15	4.57	1,500.62
1941	24,871.91	55.00	452.22	4.86	2,198.93
1942	22,776.23	55.00	414.11	5.16	2,136.12
1943	12,000.84	55.00	218.20	5.45	1,188.24
1944	8,298.45	55.00	150.88	5.73	865.29
1945	6,487.87	55.00	117.96	6.03	710.81
1946	24,793.26	55.00	450.79	6.32	2,848.25
1947	46,985.16	55.00	854.27	6.62	5,653.56
1948	49,029.31	55.00	891.44	6.91	6,161.49

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1949	99,083.67	55.00	1,801.52	7.21	12,987.42
1950	90,593.93	55.00	1,647.16	7.51	12,370.63
1951	93,586.26	55.00	1,701.56	7.82	13,298.84
1952	61,820.24	55.00	1,124.00	8.13	9,133.34
1953	92,041.18	55.00	1,673.47	8.44	14,129.65
1954	114,703.74	55.00	2,085.52	8.76	18,274.64
1955	148,436.07	55.00	2,698.83	9.09	24,528.67
1956	164,350.71	55.00	2,988.18	9.42	28,153.82
1957	167,646.10	55.00	3,048.10	9.76	29,756.39
1958	171,630.98	55.00	3,120.55	10.11	31,555.24
1959	165,328.83	55.00	3,005.97	10.47	31,465.98
1960	154,202.92	55.00	2,803.68	10.83	30,370.93
1961	159,068.67	55.00	2,892.15	11.21	32,410.56
1962	160,947.17	55.00	2,926.30	11.59	33,914.99
1963	140,609.98	55.00	2,556.54	11.98	30,634.14
1964	163,041.25	55.00	2,964.38	12.39	36,714.97
1965	140,237.18	55.00	2,549.76	12.80	32,632.42
1966	117,267.05	55.00	2,132.12	13.22	28,189.74
1967	140,732.48	55.00	2,558.76	13.66	34,940.30
1968	162,331.33	55.00	2,951.47	14.10	41,613.95
1969	141,051.86	55.00	2,564.57	14.55	37,323.09
1970	154,505.47	55.00	2,809.18	15.02	42,191.93
1971	215,169.68	55.00	3,912.16	15.50	60,623.10
1972	256,551.22	55.00	4,664.55	15.98	74,556.36
1973	280,195.23	55.00	5,094.44	16.48	83,966.22
1974	185,715.36	55.00	3,376.63	16.99	57,372.34
1975	269,595.94	55.00	4,901.73	17.51	85,827.20

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	152,097.04	55.00	2,765.39	18.04	49,889.55
1977	312,574.10	55.00	5,683.15	18.58	105,606.35
1978	262,106.09	55.00	4,765.55	19.13	91,186.68
1979	166,337.68	55.00	3,024.31	19.70	59,570.30
1980	239,328.73	55.00	4,351.42	20.27	88,195.96
1981	404,226.15	55.00	7,349.54	20.85	153,254.08
1982	389,961.58	55.00	7,090.19	21.45	152,056.90
1983	236,188.89	55.00	4,294.33	22.05	94,689.65
1984	482,129.73	55.00	8,765.97	22.66	198,667.78
1985	423,391.72	55.00	7,698.01	23.29	179,261.79
1986	266,996.04	55.00	4,854.46	23.92	116,109.79
1987	325,609.48	55.00	5,920.15	24.56	145,405.47
1988	296,163.65	55.00	5,384.78	25.21	135,767.45
1989	140,585.65	55.00	2,556.09	25.87	66,137.26
1990	215,872.74	55.00	3,924.95	26.54	104,185.24
1991	568,743.96	55.00	10,340.77	27.22	281,491.28
1992	738,545.75	55.00	13,428.06	27.91	374,773.10
1993	377,830.50	55.00	6,869.62	28.61	196,514.47
1994	382,155.39	55.00	6,948.26	29.31	203,661.65
1995	275,036.84	55.00	5,000.65	30.02	150,140.72
1996	1,847,597.18	55.00	33,592.57	30.75	1,032,812.59
1997	1,922,584.10	55.00	34,955.96	31.47	1,100,169.93
1998	1,407,477.59	55.00	25,590.42	32.21	824,278.15
1999	1,348,302.80	55.00	24,514.52	32.96	807,885.50
2000	1,503,956.68	55.00	27,344.58	33.71	921,726.18
2001	2,006,566.01	55.00	36,482.90	34.47	1,257,477.68
2002	2,828,869.38	55.00	51,433.82	35.23	1,812,178.77

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2003	2,138,937.38	55.00	38,889.64	36.01	1,400,336.45
2004	2,801,248.27	55.00	50,931.62	36.79	1,873,755.87
2005	3,039,355.23	55.00	55,260.82	37.58	2,076,599.78
2006	2,556,121.63	55.00	46,474.79	38.37	1,783,395.38
2007	2,649,023.77	55.00	48,163.91	39.18	1,886,832.89
2008	3,045,332.07	55.00	55,369.49	39.98	2,213,819.33
2009	3,245,202.83	55.00	59,003.49	40.80	2,407,221.69
2010	3,134,257.96	55.00	56,986.32	41.62	2,371,741.95
2011	2,160,549.03	55.00	39,282.58	42.45	1,667,434.86
2012	2,203,396.37	55.00	40,061.62	43.28	1,733,903.19
2013	1,857,801.20	55.00	33,778.09	44.12	1,490,271.96
2014	2,057,266.82	55.00	37,404.73	44.97	1,681,920.72
2015	2,338,518.65	55.00	42,518.38	45.82	1,948,068.57
2016	2,902,939.52	55.00	52,780.54	46.67	2,463,495.37
2017	3,377,737.32	55.00	61,413.20	47.54	2,919,398.04
2018	2,933,234.75	55.00	53,331.37	48.40	2,581,504.72
2019	3,348,288.89	55.00	60,877.78	49.28	2,999,907.75
2020	3,196,418.81	55.00	58,116.51	50.16	2,914,912.38
2021	4,082,268.16	55.00	74,222.81	51.04	3,788,342.73
Total	77,746,128.10	53.90	1,412,433.94	38.18	53,923,042.24

Composite Average Remaining Life ... 38.18 Years

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	92.52	0.00	0.00	0.00	0.00
1903	19.22	0.00	0.00	0.00	0.00
1923	734.42	0.00	0.00	0.00	0.00
1925	132.42	0.00	0.00	0.00	0.00
1927	124.42	50.00	2.49	0.86	2.15
1930	75.73	50.00	1.51	2.26	3.42
1934	139.64	50.00	2.79	4.10	11.44
1936	72.28	50.00	1.45	4.98	7.19
1937	101.94	50.00	2.04	5.41	11.02
1941	900.62	50.00	18.01	7.07	127.39
1942	835.88	50.00	16.72	7.48	125.02
1943	2,476.82	50.00	49.54	7.88	390.38
1945	660.48	50.00	13.21	8.68	114.65
1946	247.36	50.00	4.95	9.08	44.90
1947	494.84	50.00	9.90	9.47	93.75
1948	148.37	50.00	2.97	9.87	29.28
1949	2,124.04	50.00	42.48	10.26	436.00
1950	1,209.21	50.00	24.18	10.66	257.79
1951	1,161.44	50.00	23.23	11.06	256.82
1952	7,393.75	50.00	147.87	11.45	1,693.72
1953	10,125.80	50.00	202.51	11.85	2,400.37
1954	13,047.10	50.00	260.94	12.25	3,197.43
1955	19,666.94	50.00	393.33	12.66	4,978.11
1956	29,782.71	50.00	595.64	13.06	7,779.71
1957	26,960.52	50.00	539.20	13.47	7,262.04
1958	15,702.81	50.00	314.05	13.88	4,358.36
1959	31,026.34	50.00	620.51	14.29	8,867.45

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1960	19,609.01	50.00	392.17	14.71	5,767.29
1961	16,954.40	50.00	339.08	15.12	5,128.51
1962	32,606.53	50.00	652.12	15.55	10,138.29
1963	20,013.30	50.00	400.26	15.97	6,393.00
1964	15,164.43	50.00	303.28	16.40	4,974.23
1965	50,156.16	50.00	1,003.10	16.83	16,886.35
1966	35,220.01	50.00	704.38	17.27	12,165.31
1967	20,084.74	50.00	401.69	17.71	7,114.45
1968	29,182.63	50.00	583.64	18.16	10,596.67
1969	35,708.05	50.00	714.14	18.61	13,286.72
1970	33,565.80	50.00	671.30	19.06	12,793.78
1971	80,550.21	50.00	1,610.97	19.52	31,439.07
1972	42,130.42	50.00	842.59	19.98	16,832.81
1973	50,259.44	50.00	1,005.17	20.44	20,549.38
1974	5,622.74	50.00	112.45	20.91	2,351.89
1975	15,860.09	50.00	317.19	21.39	6,784.77
1976	34,883.05	50.00	697.65	21.87	15,257.40
1977	13,318.63	50.00	266.37	22.35	5,954.47
1978	10,964.97	50.00	219.29	22.84	5,009.47
1979	118,558.48	50.00	2,371.12	23.34	55,335.75
1980	104,032.27	50.00	2,080.60	23.84	49,593.01
1981	123,441.67	50.00	2,468.78	24.34	60,087.76
1982	169,232.96	50.00	3,384.58	24.85	84,096.22
1983	86,096.70	50.00	1,721.90	25.36	43,665.96
1984	100,359.71	50.00	2,007.15	25.88	51,937.41
1985	154,637.04	50.00	3,092.67	26.40	81,639.47
1986	356,369.01	50.00	7,127.22	26.92	191,891.24

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1987	161,277.65	50.00	3,225.48	27.45	88,552.78
1988	475,256.07	50.00	9,504.91	27.99	266,032.09
1989	441,844.00	50.00	8,836.68	28.53	252,092.61
1990	239,096.97	50.00	4,781.83	29.07	139,013.66
1991	396,160.01	50.00	7,923.02	29.62	234,668.44
1992	104,736.43	50.00	2,094.68	30.17	63,196.28
1993	82,552.26	50.00	1,651.01	30.73	50,727.30
1994	154,455.26	50.00	3,089.04	31.28	96,637.29
1995	168,974.57	50.00	3,379.41	31.85	107,622.51
1996	142,445.46	50.00	2,848.84	32.41	92,338.09
1997	163,085.34	50.00	3,261.63	32.98	107,574.39
1998	81,304.11	50.00	1,626.05	33.55	54,560.65
1999	118,735.05	50.00	2,374.65	34.13	81,045.84
2000	155,236.45	50.00	3,104.66	34.71	107,756.18
2001	97,019.22	50.00	1,940.34	35.29	68,472.30
2002	126,306.03	50.00	2,526.06	35.87	90,615.46
2003	197,524.98	50.00	3,950.41	36.46	144,023.66
2004	186,501.02	50.00	3,729.94	37.05	138,178.23
2006	21,962.54	50.00	439.24	38.23	16,790.93
2007	144,559.05	50.00	2,891.12	38.82	112,234.43
2008	45,224.21	50.00	904.46	39.42	35,649.68
2010	1,291.73	50.00	25.83	40.61	1,049.09
2011	27,034.06	50.00	540.67	41.21	22,279.78
2012	475,133.27	50.00	9,502.45	41.81	397,276.82
2013	1,056,599.74	50.00	21,131.52	42.41	896,169.26
2014	145,107.02	50.00	2,902.07	43.01	124,823.35
2015	361,322.96	50.00	7,226.30	43.62	315,180.58

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2016	612,364.74	50.00	12,247.02	44.22	541,578.42
2017	1,648,127.23	50.00	32,961.80	44.83	1,477,617.57
2018	613,698.66	50.00	12,273.70	45.44	557,675.84
2019	227,577.32	50.00	4,551.44	46.05	209,579.06
2020	444,830.26	50.00	8,896.40	46.66	415,091.92
2021	915,022.41	50.00	18,300.03	47.27	865,073.87
2022	34,230.60	50.00	684.60	47.89	32,783.07
2023	1,009,931.53	50.00	20,198.17	48.50	979,680.41
2024	158,681.00	50.00	3,173.55	49.12	155,890.64
2025	10,277.04	50.00	205.54	49.72	10,218.49
Total	13,385,526.32	47.80	267,684.90	38.18	10,219,870.02

Composite Average Remaining Life ... 38.18 Years

Peoples Natural Gas Company, LLC
Gas Division
387.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2025
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	106,411.95	26.00	4,092.74	9.28	37,968.20
2006	228,496.48	26.00	8,788.27	9.92	87,183.72
2007	172,643.52	26.00	6,640.09	10.59	70,308.44
2008	109,025.87	26.00	4,193.28	11.28	47,297.81
2010	123,227.17	26.00	4,739.48	12.73	60,310.22
2011	401,850.84	26.00	15,455.70	13.48	208,305.96
2012	234,211.62	26.00	9,008.08	14.25	128,347.67
2013	61,258.09	26.00	2,356.07	15.04	35,429.03
2014	434,494.81	26.00	16,711.23	15.84	264,767.89
2015	1,245,680.94	26.00	47,910.49	16.67	798,492.07
2016	613,051.96	26.00	23,578.77	17.50	412,733.71
2017	2,071,556.38	26.00	79,674.73	18.36	1,462,614.55
2018	1,688,040.05	26.00	64,924.20	19.22	1,248,069.82
2019	238,815.47	26.00	9,185.15	20.10	184,653.76
2020	1,223,231.85	26.00	47,047.07	21.00	987,782.21
2021	5,260,559.41	26.00	202,327.89	21.90	4,430,763.76
2022	713,153.12	26.00	27,428.79	22.81	625,720.49
2023	316,501.69	26.00	12,173.06	23.74	288,934.97
2024	687,109.10	26.00	26,427.10	24.67	651,883.89
2025	556,205.79	26.00	21,392.39	25.57	546,944.18
Total	16,485,526.11	26.00	634,054.57	19.84	12,578,512.35

Composite Average Remaining Life ... 19.84 Years

Peoples Natural Gas Company, LLC
Gas Division
325.01 Producing Lands
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,365.49	75.00	31.54	6.20	195.48
1954	662.55	75.00	8.83	12.25	108.18
1966	474.91	75.00	6.33	19.79	125.30
1983	5,657.27	75.00	75.43	33.14	2,499.56
2008	130,279.99	75.00	1,737.06	56.67	98,441.56
Total	139,440.21	75.00	1,859.19	54.52	101,370.08

Composite Average Remaining Life ... 54.52 Years

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	1,201.86	45.00	26.71	9.00	240.42
1901	378.47	45.00	8.41	9.15	76.97
1908	11.01	45.00	0.24	10.21	2.50
1909	45.50	45.00	1.01	10.37	10.48
1910	1.00	45.00	0.02	10.53	0.23
1914	105.50	45.00	2.34	11.16	26.18
1915	25.11	45.00	0.56	11.33	6.32
1916	58.60	45.00	1.30	11.49	14.96
1917	2.75	45.00	0.06	11.65	0.71
1919	56.45	45.00	1.25	11.99	15.04
1921	34.54	45.00	0.77	12.33	9.46
1922	16.94	45.00	0.38	12.50	4.70
1926	110.00	45.00	2.44	13.20	32.26
1931	44.62	45.00	0.99	14.10	13.98
1937	39.01	45.00	0.87	15.23	13.21
1941	198.30	45.00	4.41	16.02	70.60
1943	103.13	45.00	2.29	16.42	37.64
1945	15.81	45.00	0.35	16.83	5.91
1946	4.87	45.00	0.11	17.04	1.84
1947	22.60	45.00	0.50	17.25	8.66
1948	100.00	45.00	2.22	17.46	38.81
1950	70.00	45.00	1.56	17.89	27.84
1953	166.24	45.00	3.69	18.55	68.54
1955	8.17	45.00	0.18	19.00	3.45
1956	95.00	45.00	2.11	19.23	40.60
1957	187.00	45.00	4.16	19.46	80.87
1958	235.50	45.00	5.23	19.69	103.06

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1959	280.00	45.00	6.22	19.93	124.00
1960	81.57	45.00	1.81	20.16	36.55
1961	332.30	45.00	7.38	20.40	150.66
1965	440.34	45.00	9.79	21.38	209.24
1966	37.55	45.00	0.83	21.63	18.05
1968	218.17	45.00	4.85	22.14	107.36
1970	23.61	45.00	0.52	22.66	11.89
1971	728.26	45.00	16.18	22.93	371.06
1972	2,608.99	45.00	57.98	23.19	1,344.79
1973	116.76	45.00	2.59	23.46	60.88
1974	969.05	45.00	21.54	23.74	511.15
1975	72.25	45.00	1.61	24.01	38.55
1977	1,441.00	45.00	32.02	24.57	786.80
1978	765.00	45.00	17.00	24.85	422.53
1979	82.70	45.00	1.84	25.14	46.20
1980	91.23	45.00	2.03	25.43	51.56
1982	195.00	45.00	4.33	26.02	112.75
1995	2,658.92	45.00	59.09	30.18	1,783.12
Total	14,480.68	45.00	321.80	22.19	7,142.40

Composite Average Remaining Life ... 22.19 Years

Peoples Natural Gas Company, LLC
Gas Division
325.03 Gas Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1901	1,674.68	0.00	0.00	0.00	0.00
1910	22.78	65.00	0.35	1.13	0.40
1923	1,969.07	65.00	30.29	4.53	137.11
1924	25.41	65.00	0.39	4.77	1.86
1927	43.28	65.00	0.67	5.42	3.61
1938	1,018.56	65.00	15.67	7.90	123.72
1948	385.48	65.00	5.93	10.53	62.44
1959	410.49	65.00	6.32	14.46	91.34
1974	3,366.13	65.00	51.79	22.33	1,156.36
1976	518.00	65.00	7.97	23.58	187.93
1980	1,507.30	65.00	23.19	26.21	607.86
1981	923.36	65.00	14.21	26.89	382.03
2005	9,119.74	65.00	140.30	45.57	6,393.56
Total	20,984.28	60.00	297.07	30.79	9,148.21

Composite Average Remaining Life ... 30.79 Years

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	18,465.10	75.00	246.20	3.41	840.01
1901	10,007.57	75.00	133.43	3.67	489.23
1902	4,457.09	75.00	59.43	3.95	234.60
1903	7,504.57	75.00	100.06	4.23	422.77
1904	5,966.84	75.00	79.56	4.46	355.09
1905	9,920.15	75.00	132.27	4.72	624.53
1906	6,726.76	75.00	89.69	4.97	446.20
1907	4,784.95	75.00	63.80	5.19	331.15
1908	3,068.84	75.00	40.92	5.43	222.07
1909	6,824.39	75.00	90.99	5.66	515.21
1910	3,360.27	75.00	44.80	5.87	262.79
1911	2,637.18	75.00	35.16	6.09	214.19
1912	5,250.72	75.00	70.01	6.32	442.35
1913	3,998.45	75.00	53.31	6.52	347.60
1914	5,211.01	75.00	69.48	6.74	468.57
1915	3,526.25	75.00	47.02	6.97	327.75
1916	9,327.91	75.00	124.37	7.18	892.64
1917	11,339.21	75.00	151.19	7.40	1,119.42
1918	5,939.02	75.00	79.19	7.63	604.58
1919	10,034.15	75.00	133.79	7.85	1,049.99
1920	8,068.68	75.00	107.58	8.08	869.29
1921	9,874.37	75.00	131.66	8.32	1,094.92
1922	13,323.29	75.00	177.64	8.54	1,516.63
1923	12,530.40	75.00	167.07	8.78	1,466.18
1924	23,943.35	75.00	319.24	9.02	2,879.01
1925	11,074.30	75.00	147.66	9.25	1,365.56
1926	10,137.05	75.00	135.16	9.49	1,283.22

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	11,336.06	75.00	151.15	9.74	1,472.86
1928	3,835.08	75.00	51.13	9.99	510.61
1929	3,297.79	75.00	43.97	10.24	450.33
1930	7,617.74	75.00	101.57	10.50	1,066.81
1931	362.17	75.00	4.83	10.76	51.95
1932	666.58	75.00	8.89	11.03	98.02
1933	1,250.79	75.00	16.68	11.31	188.55
1934	192.41	75.00	2.57	11.58	29.71
1935	1,203.89	75.00	16.05	11.87	190.52
1936	3,095.27	75.00	41.27	12.17	502.06
1937	896.03	75.00	11.95	12.46	148.90
1938	3,164.87	75.00	42.20	12.78	539.08
1939	2,701.60	75.00	36.02	13.10	471.72
1940	3,447.99	75.00	45.97	13.42	617.04
1941	4,750.60	75.00	63.34	13.76	871.59
1942	8,225.90	75.00	109.68	14.11	1,547.41
1943	7,793.53	75.00	103.91	14.47	1,503.22
1944	6,001.22	75.00	80.02	14.83	1,187.04
1945	4,000.28	75.00	53.34	15.21	811.49
1946	3,848.61	75.00	51.31	15.61	800.79
1947	1,776.17	75.00	23.68	16.01	379.09
1948	2,046.38	75.00	27.29	16.42	448.02
1949	1,945.89	75.00	25.95	16.85	437.08
1950	1,033.21	75.00	13.78	17.28	238.08
1951	6,743.01	75.00	89.91	17.73	1,593.98
1952	5,227.54	75.00	69.70	18.19	1,267.93
1953	3,419.00	75.00	45.59	18.66	850.73

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	4,135.13	75.00	55.14	19.14	1,055.48
1955	3,153.08	75.00	42.04	19.64	825.72
1956	13,433.71	75.00	179.12	20.15	3,608.48
1957	5,572.78	75.00	74.30	20.66	1,535.25
1958	7,746.35	75.00	103.28	21.19	2,188.96
1959	8,167.31	75.00	108.90	21.73	2,366.58
1960	3,263.45	75.00	43.51	22.28	969.51
1961	3,904.37	75.00	52.06	22.85	1,189.29
1962	5,795.30	75.00	77.27	23.42	1,809.38
1963	5,947.65	75.00	79.30	24.00	1,902.96
1964	6,467.83	75.00	86.24	24.59	2,120.73
1965	5,532.56	75.00	73.77	25.19	1,858.40
1966	11,080.22	75.00	147.74	25.80	3,811.98
1967	5,622.33	75.00	74.96	26.43	1,981.07
1968	3,247.97	75.00	43.31	27.06	1,171.70
1969	4,053.75	75.00	54.05	27.69	1,496.85
1970	25,742.29	75.00	343.23	28.34	9,728.81
1971	51,947.30	75.00	692.63	29.00	20,086.68
1972	27,208.63	75.00	362.78	29.66	10,761.57
1973	21,080.78	75.00	281.08	30.34	8,527.94
1974	11,679.68	75.00	155.73	31.02	4,830.82
1975	15,635.72	75.00	208.48	31.71	6,610.42
1976	24,795.30	75.00	330.60	32.41	10,714.18
1977	9,701.66	75.00	129.36	33.11	4,283.15
1978	12,975.14	75.00	173.00	33.82	5,851.22
1979	18,968.48	75.00	252.91	34.54	8,736.47
1980	8,113.79	75.00	108.18	35.27	3,815.51

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	16,632.83	75.00	221.77	36.00	7,983.86
1982	8,839.18	75.00	117.86	36.74	4,330.37
1983	11,652.16	75.00	155.36	37.49	5,824.36
1984	61,906.30	75.00	825.42	38.24	31,564.77
1985	15,651.08	75.00	208.68	39.00	8,139.25
1986	17,645.91	75.00	235.28	39.77	9,356.79
1987	4,920.02	75.00	65.60	40.54	2,659.46
1988	38,191.05	75.00	509.21	41.32	21,041.55
1989	8,167.54	75.00	108.90	42.11	4,585.37
1990	1,377.08	75.00	18.36	42.90	787.62
1991	28,921.57	75.00	385.62	43.70	16,849.86
1992	11,012.64	75.00	146.84	44.50	6,533.85
1993	5,340.25	75.00	71.20	45.31	3,225.91
1994	15,466.03	75.00	206.21	46.12	9,511.02
1995	5,379.78	75.00	71.73	46.94	3,367.15
1996	12,980.22	75.00	173.07	47.77	8,266.91
1997	7,464.80	75.00	99.53	48.60	4,837.13
1998	3,484.33	75.00	46.46	49.44	2,296.65
1999	15.50	75.00	0.21	50.28	10.39
2000	16,002.37	75.00	213.36	51.12	10,908.22
2001	26,595.59	75.00	354.61	51.98	18,431.13
2002	309,217.69	75.00	4,122.90	52.83	217,821.25
2003	155,944.14	75.00	2,079.25	53.70	111,646.31
2004	64,143.30	75.00	855.24	54.56	46,663.21
2005	520.27	75.00	6.94	55.43	384.52
2006	25,903.77	75.00	345.38	56.31	19,448.06
2007	586.03	75.00	7.81	57.19	446.85

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	82,248.26	75.00	1,096.64	58.07	63,683.91
2009	356.34	75.00	4.75	58.96	280.14
2010	4.00	75.00	0.05	59.85	3.19
2011	17,137.51	75.00	228.50	60.75	13,881.30
2012	44.11	75.00	0.59	61.65	36.26
2015	567.59	75.00	7.57	64.38	487.18
2021	692.28	75.00	9.23	69.91	645.32
2024	332,035.65	75.00	4,427.14	72.72	321,946.53
2025	92,164.89	75.00	1,228.86	73.66	90,520.85
2026	80,696.98	75.00	1,075.96	74.57	80,230.24
Total	2,132,063.08	75.00	28,427.48	46.13	1,311,436.01

Composite Average Remaining Life ... 46.13 Years

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	456.70	0.00	0.00	0.00	0.00
1910	74.04	0.00	0.00	0.00	0.00
1929	30.85	50.00	0.62	0.97	0.60
1937	65.76	50.00	1.32	3.68	4.84
1938	15,789.80	50.00	315.80	4.02	1,268.30
1942	15.48	50.00	0.31	5.35	1.66
1944	26.10	50.00	0.52	6.02	3.14
1945	62.03	50.00	1.24	6.36	7.89
1947	109.05	50.00	2.18	7.03	15.33
1952	6,242.77	50.00	124.86	8.74	1,090.73
1956	25,047.82	50.00	500.96	10.13	5,074.90
1957	1,353.14	50.00	27.06	10.48	283.73
1958	34.99	50.00	0.70	10.84	7.59
1959	13.86	50.00	0.28	11.20	3.10
1960	603.38	50.00	12.07	11.56	139.51
1962	2,018.73	50.00	40.37	12.29	496.25
1963	1,533.76	50.00	30.68	12.66	388.38
1964	43,478.50	50.00	869.57	13.03	11,333.70
1967	3,629.38	50.00	72.59	14.17	1,028.67
1968	5,768.79	50.00	115.38	14.56	1,679.61
1969	479.85	50.00	9.60	14.95	143.45
1970	1,385.27	50.00	27.71	15.34	425.04
1971	23,326.32	50.00	466.53	15.74	7,342.61
1972	3,121.79	50.00	62.44	16.14	1,007.75
1973	786.18	50.00	15.72	16.55	260.17
1974	139,894.30	50.00	2,797.89	16.96	47,443.31
1975	609.27	50.00	12.19	17.37	211.68

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	705.18	50.00	14.10	17.79	250.92
1977	3,035.23	50.00	60.70	18.22	1,105.76
1978	6,870.73	50.00	137.41	18.64	2,562.05
1980	11,213.10	50.00	224.26	19.52	4,377.31
1982	703.50	50.00	14.07	20.41	287.23
1983	607.35	50.00	12.15	20.87	253.52
1985	67,767.23	50.00	1,355.34	21.80	29,550.39
1987	2,626.40	50.00	52.53	22.76	1,195.54
1988	1,274.00	50.00	25.48	23.25	592.38
1990	13,349.43	50.00	266.99	24.25	6,473.76
1991	32,762.97	50.00	655.26	24.76	16,222.74
1992	26,698.28	50.00	533.97	25.28	13,496.44
1994	42,278.62	50.00	845.57	26.34	22,269.17
1995	118,256.75	50.00	2,365.13	26.88	63,572.26
1996	9,454.33	50.00	189.09	27.43	5,186.71
1997	5,432.04	50.00	108.64	27.99	3,040.93
1998	169,768.23	50.00	3,395.36	28.56	96,972.86
2002	498,453.49	50.00	9,969.07	30.94	308,414.46
2003	113,286.62	50.00	2,265.73	31.56	71,500.55
2004	63,989.80	50.00	1,279.80	32.19	41,194.90
2005	70,222.38	50.00	1,404.45	32.83	46,109.82
2006	87,641.30	50.00	1,752.83	33.49	58,694.47
2007	44,851.16	50.00	897.02	34.15	30,635.12
2008	260,198.94	50.00	5,203.98	34.83	181,258.26
2009	8,618,992.07	50.00	172,379.80	35.52	6,123,300.66
2010	201,983.09	50.00	4,039.66	36.23	146,343.34
2011	226,605.73	50.00	4,532.11	36.94	167,436.90

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***S0.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2014	44,041.32	50.00	880.83	39.18	34,512.85
2017	195,540.18	50.00	3,910.80	41.55	162,509.30
2018	68,940.26	50.00	1,378.80	42.38	58,428.17
2019	1,395.07	50.00	27.90	43.21	1,205.74
2021	389,650.91	50.00	7,793.02	44.94	350,233.14
2024	634,287.77	50.00	12,685.75	47.67	604,705.51
Total	12,308,841.37	48.33	246,166.15	35.48	8,733,555.11

Composite Average Remaining Life ... 35.48 Years

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1926	26.31	0.00	0.00	0.00	0.00
1931	218.45	0.00	0.00	0.00	0.00
1933	44.94	0.00	0.00	0.00	0.00
1936	73.64	0.00	0.00	0.00	0.00
1937	531.89	0.00	0.00	0.00	0.00
1939	100.05	0.00	0.00	0.00	0.00
1940	956.27	0.00	0.00	0.00	0.00
1941	898.87	0.00	0.00	0.00	0.00
1942	629.69	0.00	0.00	0.00	0.00
1943	248.82	0.00	0.00	0.00	0.00
1944	261.20	0.00	0.00	0.00	0.00
1945	217.29	0.00	0.00	0.00	0.00
1946	820.91	0.00	0.00	0.00	0.00
1947	921.97	0.00	0.00	0.00	0.00
1948	1,216.34	0.00	0.00	0.00	0.00
1949	1,134.41	0.00	0.00	0.00	0.00
1950	567.10	0.00	0.00	0.00	0.00
1951	543.96	0.00	0.00	0.00	0.00
1952	1,053.47	0.00	0.00	0.00	0.00
1953	1,069.33	0.00	0.00	0.00	0.00
1954	633.57	0.00	0.00	0.00	0.00
1955	741.69	0.00	0.00	0.00	0.00
1956	1,395.06	0.00	0.00	0.00	0.00
1957	2,346.89	0.00	0.00	0.00	0.00
1958	2,203.34	0.00	0.00	0.00	0.00
1959	3,274.42	0.00	0.00	0.00	0.00
1960	2,528.27	0.00	0.00	0.00	0.00

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1961	2,559.62	33.00	77.56	0.50	38.78
1962	1,874.02	33.00	56.79	0.68	38.66
1963	2,029.56	33.00	61.50	1.01	61.91
1964	2,616.00	33.00	79.27	1.36	107.58
1965	1,273.78	33.00	38.60	1.72	66.28
1966	2,269.62	33.00	68.78	2.08	143.20
1967	1,324.41	33.00	40.13	2.45	98.36
1968	1,734.23	33.00	52.55	2.82	148.33
1969	3,425.35	33.00	103.80	3.20	331.80
1970	1,286.76	33.00	38.99	3.57	139.32
1971	668.05	33.00	20.24	3.95	80.00
1972	1,383.67	33.00	41.93	4.33	181.66
1973	761.21	33.00	23.07	4.72	108.77
1974	719.26	33.00	21.80	5.10	111.18
1975	963.27	33.00	29.19	5.49	160.21
1977	536.39	33.00	16.25	6.27	101.92
1978	215.76	33.00	6.54	6.67	43.58
1980	9.48	33.00	0.29	7.46	2.14
1981	87.81	33.00	2.66	7.86	20.93
1983	39.62	33.00	1.20	8.68	10.42
1984	99.50	33.00	3.02	9.09	27.40
1988	14.12	33.00	0.43	10.76	4.60
1990	20.61	33.00	0.62	11.62	7.26
1991	96.00	33.00	2.91	12.06	35.07
1996	73.72	33.00	2.23	14.29	31.93
1999	618.21	33.00	18.73	15.70	294.03
2023	11,419.39	33.00	346.04	29.97	10,370.81

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2026	37,237.28	33.00	1,128.40	32.56	36,735.01
Total	100,014.85	16.80	2,283.53	21.68	49,501.14

Composite Average Remaining Life ... 21.68 Years

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	29.99	0.00	0.00	0.00	0.00
1923	95.58	60.00	1.59	2.11	3.36
1925	385.22	60.00	6.42	2.65	17.03
1930	2,807.06	60.00	46.78	3.97	185.57
1931	435.00	60.00	7.25	4.19	30.39
1934	601.82	60.00	10.03	4.86	48.75
1937	1,286.00	60.00	21.43	5.51	118.17
1938	651.10	60.00	10.85	5.73	62.19
1939	189.89	60.00	3.16	5.96	18.86
1940	636.24	60.00	10.60	6.18	65.51
1942	77.88	60.00	1.30	6.64	8.62
1943	2,016.88	60.00	33.61	6.86	230.76
1945	452.54	60.00	7.54	7.34	55.37
1946	2,458.57	60.00	40.98	7.58	310.56
1947	904.95	60.00	15.08	7.82	117.99
1948	1,112.43	60.00	18.54	8.08	149.77
1949	221.89	60.00	3.70	8.33	30.80
1951	66.26	60.00	1.10	8.86	9.79
1952	571.42	60.00	9.52	9.13	86.98
1955	411.60	60.00	6.86	10.01	68.68
1958	1,144.69	60.00	19.08	10.98	209.53
1959	31,709.01	60.00	528.48	11.33	5,988.06
1960	1,570.53	60.00	26.18	11.69	306.04
1961	3,625.00	60.00	60.42	12.07	728.99
1962	1,076.72	60.00	17.95	12.45	223.50
1963	680.33	60.00	11.34	12.86	145.77
1964	4,511.67	60.00	75.19	13.27	998.03

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	831.40	60.00	13.86	13.70	189.89
1966	114.36	60.00	1.91	14.15	26.97
1968	36,991.24	60.00	616.52	15.08	9,299.72
1969	245.28	60.00	4.09	15.57	63.66
1971	2,313.81	60.00	38.56	16.59	639.95
1972	612.48	60.00	10.21	17.12	174.81
1974	22,623.29	60.00	377.05	18.23	6,873.95
1975	3,901.22	60.00	65.02	18.80	1,222.43
1976	208.11	60.00	3.47	19.39	67.24
1977	26,345.91	60.00	439.10	19.98	8,775.31
1979	2,212.93	60.00	36.88	21.22	782.46
1980	97,670.75	60.00	1,627.84	21.85	35,565.92
1981	643.50	60.00	10.72	22.49	241.21
1982	5,146.63	60.00	85.78	23.15	1,985.46
1983	4,071.13	60.00	67.85	23.81	1,615.73
1984	20,420.45	60.00	340.34	24.49	8,333.72
1985	5,137.69	60.00	85.63	25.17	2,155.52
1986	3,301.96	60.00	55.03	25.87	1,423.62
1987	20,490.35	60.00	341.51	26.57	9,074.41
1988	10,481.87	60.00	174.70	27.29	4,766.92
1989	22,648.83	60.00	377.48	28.01	10,573.21
1990	2,552.29	60.00	42.54	28.74	1,222.55
1991	41,020.96	60.00	683.68	29.48	20,155.84
1992	106,311.11	60.00	1,771.85	30.23	53,563.71
1994	130,682.51	60.00	2,178.04	31.75	69,156.68
1995	18,382.83	60.00	306.38	32.53	9,965.06
1997	10,281.55	60.00	171.36	34.09	5,842.28

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1999	18,151.93	60.00	302.53	35.69	10,798.01
2001	18,550.28	60.00	309.17	37.32	11,538.69
2002	28,964.69	60.00	482.74	38.14	18,414.18
2005	7,907.93	60.00	131.80	40.66	5,358.75
2006	7,372.59	60.00	122.88	41.51	5,100.62
2008	46,189.52	60.00	769.82	43.23	33,279.16
2012	1,028,723.58	60.00	17,145.36	46.74	801,363.53
2013	4,370.54	60.00	72.84	47.63	3,469.50
2014	54,393.11	60.00	906.55	48.53	43,990.62
2017	33,443.06	60.00	557.38	51.24	28,560.90
2019	2,790.13	60.00	46.50	53.07	2,468.06
2021	19,981.66	60.00	333.03	54.92	18,290.70
Total	1,926,213.73	59.09	32,103.01	39.14	1,256,610.04

Composite Average Remaining Life ... 39.14 Years

Peoples Natural Gas Company, LLC
Gas Division
331.00 Producing Gas Wells - Well Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1921	1,219.94	0.00	0.00	0.00	0.00
1945	420.81	26.00	16.18	0.50	8.09
1954	1,258.20	26.00	48.39	1.89	91.58
1979	31.01	26.00	1.19	6.57	7.84
1984	30.56	26.00	1.18	7.71	9.06
Total	2,960.52	20.80	66.94	1.74	116.57

Composite Average Remaining Life ... 1.74 Years

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	197,775.34	65.00	3,042.66	1.40	4,248.45
1901	75,788.02	65.00	1,165.96	1.74	2,028.92
1902	62,162.02	65.00	956.33	2.07	1,978.04
1903	63,229.81	65.00	972.76	2.41	2,346.96
1904	45,849.12	65.00	705.36	2.74	1,935.84
1905	106,164.97	65.00	1,633.29	3.09	5,046.55
1906	18,440.91	65.00	283.70	3.41	968.15
1907	106,065.42	65.00	1,631.76	3.74	6,099.11
1908	88,813.63	65.00	1,366.35	4.02	5,496.68
1909	23,921.75	65.00	368.02	4.31	1,585.88
1910	30,804.32	65.00	473.91	4.55	2,157.66
1911	3,375.49	65.00	51.93	4.81	249.68
1912	2,871.43	65.00	44.18	5.03	222.07
1913	34,663.84	65.00	533.28	5.25	2,799.98
1914	39,815.56	65.00	612.54	5.48	3,356.86
1915	6,595.24	65.00	101.46	5.70	578.34
1916	15,317.81	65.00	235.66	5.93	1,397.83
1917	39,541.33	65.00	608.32	6.16	3,744.61
1918	24,424.16	65.00	375.75	6.39	2,402.77
1919	21,908.10	65.00	337.04	6.63	2,233.49
1920	29,904.63	65.00	460.07	6.87	3,162.93
1921	8,800.90	65.00	135.40	7.12	963.56
1922	84,055.95	65.00	1,293.15	7.37	9,536.23
1923	33,459.49	65.00	514.76	7.63	3,925.19
1924	36,680.88	65.00	564.32	7.89	4,453.74
1925	39,041.01	65.00	600.62	8.15	4,896.20
1926	16,145.16	65.00	248.38	8.42	2,091.31

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	58,395.26	65.00	898.38	8.70	7,811.49
1928	22,375.18	65.00	344.23	8.97	3,087.67
1929	44,550.74	65.00	685.39	9.25	6,341.52
1930	30,000.51	65.00	461.54	9.53	4,400.10
1931	28,748.77	65.00	442.28	9.82	4,344.49
1932	8,366.78	65.00	128.72	10.11	1,301.35
1933	11,514.41	65.00	177.14	10.41	1,843.34
1934	3,350.90	65.00	51.55	10.70	551.58
1935	8,307.47	65.00	127.81	11.00	1,406.14
1936	3,626.86	65.00	55.80	11.30	630.66
1937	15,932.51	65.00	245.11	11.61	2,846.38
1938	37,131.75	65.00	571.25	11.92	6,809.74
1939	82,635.47	65.00	1,271.30	12.24	15,554.54
1940	29,323.94	65.00	451.13	12.56	5,664.28
1941	179,685.02	65.00	2,764.36	12.88	35,602.33
1942	42,469.73	65.00	653.37	13.21	8,630.58
1943	36,336.76	65.00	559.02	13.54	7,570.68
1944	122,800.02	65.00	1,889.21	13.88	26,228.96
1945	90,660.69	65.00	1,394.76	14.23	19,845.08
1946	51,628.91	65.00	794.28	14.58	11,581.14
1947	52,154.16	65.00	802.36	14.94	11,985.43
1948	16,449.89	65.00	253.07	15.30	3,872.64
1949	52,672.35	65.00	810.34	15.67	12,700.22
1950	55,572.13	65.00	854.95	16.05	13,722.69
1951	54,367.38	65.00	836.41	16.44	13,746.74
1952	65,379.43	65.00	1,005.83	16.83	16,925.43
1953	101,242.23	65.00	1,557.56	17.23	26,831.68

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	56,740.45	65.00	872.92	17.63	15,392.90
1955	53,292.90	65.00	819.88	18.05	14,797.39
1956	314,922.25	65.00	4,844.91	18.47	89,488.93
1957	483,141.03	65.00	7,432.86	18.90	140,485.01
1958	187,302.88	65.00	2,881.55	19.34	55,726.27
1959	321,323.98	65.00	4,943.39	19.78	97,802.34
1960	242,979.86	65.00	3,738.11	20.24	75,655.99
1961	93,375.89	65.00	1,436.54	20.70	29,736.92
1962	179,821.52	65.00	2,766.46	21.17	58,569.73
1963	242,921.87	65.00	3,737.22	21.65	80,905.78
1964	234,778.84	65.00	3,611.94	22.14	79,954.11
1965	159,250.52	65.00	2,449.98	22.63	55,445.23
1966	209,553.27	65.00	3,223.86	23.13	74,577.21
1967	269,490.68	65.00	4,145.97	23.64	98,027.04
1968	196,619.44	65.00	3,024.88	24.16	73,086.54
1969	617,808.20	65.00	9,504.64	24.69	234,659.59
1970	107,858.23	65.00	1,659.34	25.22	41,852.54
1971	490,025.24	65.00	7,538.77	25.77	194,239.85
1972	1,342,996.48	65.00	20,661.26	26.31	543,686.84
1973	533,490.37	65.00	8,207.46	26.87	220,558.67
1974	696,754.57	65.00	10,719.19	27.44	294,101.34
1975	994,581.58	65.00	15,301.09	28.01	428,596.72
1976	572,957.62	65.00	8,814.64	28.59	252,006.67
1977	1,222,658.44	65.00	18,809.93	29.18	548,844.68
1978	595,091.02	65.00	9,155.15	29.77	272,582.38
1979	709,715.44	65.00	10,918.58	30.37	331,651.24
1980	850,569.33	65.00	13,085.54	30.98	405,448.70

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	719,641.39	65.00	11,071.29	31.60	349,847.69
1982	744,081.56	65.00	11,447.28	32.22	368,865.81
1983	494,091.01	65.00	7,601.32	32.85	249,714.31
1984	877,563.07	65.00	13,500.82	33.49	452,120.08
1985	2,104,313.97	65.00	32,373.71	34.13	1,104,905.55
1986	826,412.09	65.00	12,713.89	34.78	442,183.84
1987	327,857.92	65.00	5,043.91	35.43	178,723.15
1988	2,094,074.77	65.00	32,216.19	36.10	1,162,867.73
1989	771,810.32	65.00	11,873.88	36.76	436,502.70
1990	599,366.35	65.00	9,220.92	37.44	345,193.56
1991	1,288,609.50	65.00	19,824.55	38.12	755,614.65
1992	1,516,974.53	65.00	23,337.82	38.80	905,482.82
1993	521,940.25	65.00	8,029.76	39.49	317,090.14
1994	609,579.12	65.00	9,378.04	40.18	376,846.24
1995	600,899.57	65.00	9,244.51	40.88	377,961.59
1996	932,845.50	65.00	14,351.31	41.59	596,867.17
1997	2,103,640.34	65.00	32,363.35	42.30	1,369,000.18
1998	445,095.70	65.00	6,847.55	43.02	294,549.94
1999	530,926.75	65.00	8,168.02	43.74	357,237.88
2000	849,825.53	65.00	13,074.10	44.46	581,271.45
2001	929,975.83	65.00	14,307.17	45.19	646,536.46
2002	231,148.18	65.00	3,556.09	45.92	163,302.52
2003	1,237,022.68	65.00	19,030.91	46.66	887,991.27
2004	520,218.80	65.00	8,003.28	47.40	379,374.65
2005	821,936.63	65.00	12,645.04	48.15	608,828.18
2006	556,159.87	65.00	8,556.21	48.90	418,377.31
2007	1,598,590.75	65.00	24,593.44	49.65	1,221,071.27

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	2,424,327.67	65.00	37,296.95	50.41	1,880,058.34
2009	1,473,240.47	65.00	22,664.99	51.17	1,159,722.29
2010	1,873,588.37	65.00	28,824.12	51.93	1,496,924.09
2011	5,115,444.55	65.00	78,698.30	52.70	4,147,436.37
2012	2,263,124.72	65.00	34,816.93	53.47	1,861,762.83
2013	2,978,341.99	65.00	45,820.15	54.25	2,485,632.56
2014	2,165,572.32	65.00	33,316.14	55.03	1,833,301.41
2015	1,591,075.00	65.00	24,477.81	55.81	1,366,089.37
2016	288,523.93	65.00	4,438.78	56.60	251,219.35
2017	1,077,529.78	65.00	16,577.20	57.39	951,311.23
2018	1,700,888.12	65.00	26,167.23	58.18	1,522,407.44
2019	4,727,421.77	65.00	72,728.78	58.98	4,289,359.01
2020	2,582,613.42	65.00	39,732.08	59.78	2,375,095.05
2021	1,457,820.92	65.00	22,427.77	60.58	1,358,731.17
2022	4,219,045.44	65.00	64,907.69	61.39	3,984,675.30
2023	2,591,492.20	65.00	39,868.68	62.20	2,479,904.84
2024	1,703,471.60	65.00	26,206.97	63.02	1,651,463.50
2025	1,448,615.44	65.00	22,286.15	63.84	1,422,642.79
2026	7,160,716.68	65.00	110,163.68	64.62	7,119,042.54
Total	88,238,773.81	65.00	1,357,504.93	47.25	64,144,732.12

Composite Average Remaining Life ... 47.25 Years

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1936	295.57	0.00	0.00	0.00	0.00
1938	3,070.93	0.00	0.00	0.00	0.00
1942	247.67	0.00	0.00	0.00	0.00
1944	275.19	0.00	0.00	0.00	0.00
1946	10.67	0.00	0.00	0.00	0.00
1948	1,772.60	20.00	88.63	0.66	58.24
1953	50,830.51	20.00	2,541.50	1.68	4,277.01
1955	463.93	20.00	23.20	1.96	45.43
1956	32,731.05	20.00	1,636.54	2.09	3,421.58
1957	5,189.70	20.00	259.48	2.22	576.30
1959	97.35	20.00	4.87	2.48	12.07
1963	1,782.96	20.00	89.15	3.00	267.76
1964	405.98	20.00	20.30	3.14	63.70
1968	561.58	20.00	28.08	3.69	103.68
1969	214.27	20.00	10.71	3.84	41.09
1970	1,187.57	20.00	59.38	3.98	236.39
1971	113,817.57	20.00	5,690.83	4.13	23,495.01
1972	104.84	20.00	5.24	4.28	22.43
1973	653.62	20.00	32.68	4.43	144.78
1974	417,530.72	20.00	20,876.36	4.58	95,705.51
1976	3,541.86	20.00	177.09	4.90	867.78
1977	33,299.75	20.00	1,664.97	5.06	8,427.91
1978	13,052.24	20.00	652.61	5.23	3,410.70
1979	5,943.43	20.00	297.17	5.39	1,602.75
1980	182.25	20.00	9.11	5.56	50.70
1981	8,400.92	20.00	420.04	5.74	2,409.46
1982	3,396.78	20.00	169.84	5.91	1,004.10

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1984	1,239.35	20.00	61.97	6.27	388.74
1985	207,753.28	20.00	10,387.58	6.46	67,093.27
1986	17,101.05	20.00	855.05	6.65	5,684.36
1987	2,698.11	20.00	134.90	6.84	922.83
1988	47,677.92	20.00	2,383.88	7.04	16,775.15
1989	57,389.69	20.00	2,869.46	7.24	20,766.35
1990	125,232.82	20.00	6,261.59	7.44	46,592.91
1991	6,466.06	20.00	323.30	7.65	2,472.98
1992	211,882.09	20.00	10,594.02	7.86	83,285.13
1993	41,508.94	20.00	2,075.43	8.08	16,765.79
1994	123,530.01	20.00	6,176.45	8.30	51,261.03
1995	1,663,710.35	20.00	83,184.83	8.53	709,176.85
1996	71,955.58	20.00	3,597.75	8.76	31,501.98
1997	19,554.53	20.00	977.72	8.99	8,791.38
1998	106,206.67	20.00	5,310.29	9.23	49,027.85
1999	176,764.57	20.00	8,838.16	9.48	83,775.53
2000	127,589.70	20.00	6,379.43	9.73	62,075.82
2001	33,733.94	20.00	1,686.68	9.99	16,846.79
2002	6,475,901.88	20.00	323,792.43	10.25	3,319,373.26
2003	1,410,728.43	20.00	70,535.84	10.52	742,115.38
2004	794,338.76	20.00	39,716.61	10.80	428,821.01
2005	1,357,002.00	20.00	67,849.54	11.08	751,738.66
2006	1,898,828.09	20.00	94,940.62	11.37	1,079,357.36
2007	5,144,556.60	20.00	257,225.71	11.67	3,000,551.59
2008	2,222,008.24	20.00	111,099.50	11.97	1,329,706.15
2009	3,479,879.16	20.00	173,992.53	12.28	2,136,570.94
2010	1,916,370.32	20.00	95,817.73	12.60	1,207,159.55

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	983,148.05	20.00	49,157.00	12.93	635,371.26
2012	154,950.84	20.00	7,747.48	13.26	102,735.34
2013	255,629.73	20.00	12,781.38	13.60	173,880.31
2014	130,102.83	20.00	6,505.09	13.96	90,789.76
2015	159,100.24	20.00	7,954.95	14.32	113,902.06
2016	169,182.74	20.00	8,459.07	14.69	124,259.28
2017	1,130,325.44	20.00	56,515.81	15.07	851,712.07
2018	184,439.49	20.00	9,221.90	15.46	142,598.89
2019	1,152,348.60	20.00	57,616.96	15.87	914,472.23
2020	427,319.27	20.00	21,365.79	16.30	348,258.63
2021	3,861,947.27	20.00	193,095.77	16.75	3,234,754.96
2022	3,893,652.87	20.00	194,681.04	17.23	3,355,010.92
2023	1,027,630.82	20.00	51,381.12	17.75	912,028.27
2024	5,233,660.90	20.00	261,680.89	18.31	4,791,934.66
2025	40,208.19	20.00	2,010.39	18.93	38,065.60
2026	1,349,217.09	20.00	67,460.30	19.62	1,323,428.27
Total	48,593,534.02	18.57	2,429,461.71	13.41	32,568,045.53

Composite Average Remaining Life ... 13.41 Years

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	63.61	0.00	0.00	0.00	0.00
1918	8.14	0.00	0.00	0.00	0.00
1921	18.75	0.00	0.00	0.00	0.00
1923	7.74	0.00	0.00	0.00	0.00
1924	39.83	0.00	0.00	0.00	0.00
1925	40.20	0.00	0.00	0.00	0.00
1926	548.39	0.00	0.00	0.00	0.00
1927	94.66	0.00	0.00	0.00	0.00
1928	56.53	0.00	0.00	0.00	0.00
1929	186.94	0.00	0.00	0.00	0.00
1930	22.22	0.00	0.00	0.00	0.00
1931	65.92	0.00	0.00	0.00	0.00
1932	44.66	0.00	0.00	0.00	0.00
1933	8.88	0.00	0.00	0.00	0.00
1934	711.07	0.00	0.00	0.00	0.00
1935	11.22	0.00	0.00	0.00	0.00
1936	491.70	0.00	0.00	0.00	0.00
1937	149.10	0.00	0.00	0.00	0.00
1938	145.22	0.00	0.00	0.00	0.00
1939	222.67	0.00	0.00	0.00	0.00
1940	570.71	0.00	0.00	0.00	0.00
1941	364.91	0.00	0.00	0.00	0.00
1942	1,037.33	0.00	0.00	0.00	0.00
1943	281.48	0.00	0.00	0.00	0.00
1944	284.96	0.00	0.00	0.00	0.00
1945	362.50	0.00	0.00	0.00	0.00
1946	721.26	0.00	0.00	0.00	0.00

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1947	425.77	20.00	21.29	0.50	10.64
1948	692.51	20.00	34.63	0.66	22.75
1949	1,866.57	20.00	93.33	0.93	86.66
1950	333.68	20.00	16.68	1.17	19.52
1951	535.31	20.00	26.77	1.36	36.36
1952	3,733.11	20.00	186.65	1.53	285.52
1953	9,871.18	20.00	493.55	1.68	830.59
1954	10,636.22	20.00	531.81	1.82	968.26
1955	2,384.12	20.00	119.21	1.96	233.44
1956	6,062.60	20.00	303.13	2.09	633.76
1957	4,931.41	20.00	246.57	2.22	547.61
1958	6,368.02	20.00	318.40	2.35	748.25
1959	2,763.99	20.00	138.20	2.48	342.64
1960	3,811.14	20.00	190.56	2.61	497.08
1961	5,496.96	20.00	274.85	2.74	752.84
1962	4,593.46	20.00	229.67	2.87	659.33
1963	3,695.85	20.00	184.79	3.00	555.03
1964	5,112.47	20.00	255.62	3.14	802.16
1965	4,172.60	20.00	208.63	3.27	683.03
1966	4,429.24	20.00	221.46	3.41	755.53
1967	5,041.72	20.00	252.08	3.55	895.16
1968	8,018.08	20.00	400.90	3.69	1,480.30
1969	12,599.30	20.00	629.96	3.84	2,416.37
1970	4,757.93	20.00	237.89	3.98	947.09
1971	14,781.58	20.00	739.07	4.13	3,051.32
1972	7,086.19	20.00	354.31	4.28	1,515.81
1973	12,891.12	20.00	644.55	4.43	2,855.46

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	23,249.28	20.00	1,162.45	4.58	5,329.15
1975	63,265.03	20.00	3,163.23	4.74	14,996.98
1976	40,025.92	20.00	2,001.28	4.90	9,806.64
1977	54,556.28	20.00	2,727.79	5.06	13,807.78
1978	96,159.08	20.00	4,807.91	5.23	25,127.50
1979	95,786.49	20.00	4,789.29	5.39	25,830.48
1980	30,965.88	20.00	1,548.28	5.56	8,613.61
1981	71,957.50	20.00	3,597.85	5.74	20,638.06
1982	70,204.17	20.00	3,510.18	5.91	20,752.61
1983	64,598.36	20.00	3,229.89	6.09	19,673.74
1984	30,300.67	20.00	1,515.02	6.27	9,504.33
1985	61,774.03	20.00	3,088.68	6.46	19,949.73
1986	102,473.24	20.00	5,123.62	6.65	34,061.96
1987	35,757.55	20.00	1,787.86	6.84	12,230.12
1988	115,388.17	20.00	5,769.36	7.04	40,598.55
1989	65,168.85	20.00	3,258.42	7.24	23,581.22
1990	96,699.66	20.00	4,834.94	7.44	35,977.14
1991	158,078.16	20.00	7,903.84	7.65	60,457.97
1992	29,369.99	20.00	1,468.49	7.86	11,544.55
1993	19,397.41	20.00	969.86	8.08	7,834.77
1994	106,034.49	20.00	5,301.68	8.30	44,000.94
1995	11,887.45	20.00	594.37	8.53	5,067.17
1996	7,152.21	20.00	357.61	8.76	3,131.22
1997	13,302.66	20.00	665.13	8.99	5,980.65
1998	8,033.85	20.00	401.69	9.23	3,708.64
1999	91.53	20.00	4.58	9.48	43.38
2000	1,543.73	20.00	77.19	9.73	751.07

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	8,686.20	20.00	434.31	10.25	4,452.31
2003	6,820.00	20.00	341.00	10.52	3,587.67
2004	8,160.61	20.00	408.03	10.80	4,405.48
2005	9,286.47	20.00	464.32	11.08	5,144.43
2006	6,909.25	20.00	345.46	11.37	3,927.45
2007	42.12	20.00	2.11	11.67	24.57
2008	11,304.04	20.00	565.20	11.97	6,764.62
2009	1,030,358.71	20.00	51,517.51	12.28	632,618.08
2010	91,327.23	20.00	4,566.32	12.60	57,528.83
2011	188,711.11	20.00	9,435.48	12.93	121,956.83
2013	28,493.04	20.00	1,424.64	13.60	19,381.07
2017	17,696.68	20.00	884.83	15.07	13,334.63
2020	20,434.32	20.00	1,021.71	16.30	16,653.66
2021	227,178.19	20.00	11,358.82	16.75	190,283.74
2022	203,826.08	20.00	10,191.22	17.23	175,629.09
2023	3,651.34	20.00	182.57	17.75	3,240.59
2026	146,250.36	20.00	7,312.46	19.62	143,454.94
Total	3,636,010.12	14.49	181,470.98	10.51	1,908,020.44

Composite Average Remaining Life ... 10.51 Years

Peoples Natural Gas Company, LLC
Gas Division
337.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *23* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	2,660.08	23.00	115.65	10.96	1,267.60
2005	4,274.30	23.00	185.83	11.28	2,096.81
2006	2,312.49	23.00	100.54	11.61	1,167.61
2008	1,577.33	23.00	68.57	12.30	843.26
Total	10,824.20	23.00	470.58	11.42	5,375.29

Composite Average Remaining Life ... 11.42 Years

Peoples Natural Gas Company, LLC
Gas Division
350.11 Land - Gas

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *L4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	764.79	55.00	13.91	10.20	141.86
1969	4,194.89	55.00	76.27	10.47	798.61
1970	49.41	55.00	0.90	10.62	9.54
1976	93.45	55.00	1.70	11.87	20.17
1977	2,088.06	55.00	37.96	12.20	463.15
1979	9,290.53	55.00	168.92	12.99	2,194.90
1989	342.71	55.00	6.23	19.41	120.96
Total	16,823.84	55.00	305.89	12.26	3,749.18

Composite Average Remaining Life ... *12.26 Years*

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	922.66	70.00	13.18	1.91	25.14
1925	257.87	70.00	3.68	4.14	15.24
1926	459.25	70.00	6.56	4.39	28.78
1929	64.04	70.00	0.91	5.16	4.72
1940	198.63	70.00	2.84	8.08	22.92
1941	73.96	70.00	1.06	8.37	8.84
1942	442.68	70.00	6.32	8.67	54.82
1943	166.39	70.00	2.38	8.97	21.32
1945	66.96	70.00	0.96	9.61	9.19
1946	558.07	70.00	7.97	9.94	79.26
1947	1,450.95	70.00	20.73	10.28	213.17
1948	1,558.71	70.00	22.27	10.64	236.92
1949	1,239.91	70.00	17.71	11.01	194.97
1953	162.40	70.00	2.32	12.60	29.23
1954	2,117.36	70.00	30.25	13.03	394.08
1955	437.08	70.00	6.24	13.47	84.12
1961	890.72	70.00	12.72	16.42	208.94
1962	39.11	70.00	0.56	16.96	9.47
1965	87.33	70.00	1.25	18.65	23.27
1966	1,016.02	70.00	14.51	19.24	279.30
1967	169.49	70.00	2.42	19.84	48.05
1968	1,932.65	70.00	27.61	20.46	564.89
1969	1,120.00	70.00	16.00	21.09	337.37
1970	644.80	70.00	9.21	21.72	200.08
1972	392.00	70.00	5.60	23.03	128.97
1973	1,159.09	70.00	16.56	23.70	392.49
1974	448.00	70.00	6.40	24.38	156.05

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1977	280.00	70.00	4.00	26.48	105.93
1979	60.66	70.00	0.87	27.93	24.20
1980	112.00	70.00	1.60	28.67	45.87
1983	1,456.00	70.00	20.80	30.93	643.36
1985	1,400.00	70.00	20.00	32.48	649.60
1986	409.02	70.00	5.84	33.27	194.37
1987	441.00	70.00	6.30	34.06	214.58
1993	875.00	70.00	12.50	38.98	487.20
2000	2,875.00	70.00	41.07	45.02	1,849.17
2004	17,233.24	70.00	246.19	48.61	11,968.12
2006	19,252.16	70.00	275.03	50.44	13,872.91
2024	54,760.21	70.00	782.29	67.62	52,901.74
2025	21,297.60	70.00	304.25	68.61	20,873.48
2026	14,499.62	70.00	207.14	69.55	14,406.08
Total	153,027.64	70.00	2,186.11	55.81	122,008.22

Composite Average Remaining Life ... 55.81 Years

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	2,829.48	60.00	47.16	1.84	86.97
1926	27,541.11	60.00	459.02	2.93	1,342.88
1937	16,189.19	60.00	269.82	6.08	1,640.61
1938	95.25	60.00	1.59	6.37	10.11
1940	400.17	60.00	6.67	6.96	46.40
1945	426.05	60.00	7.10	8.46	60.04
1946	58.82	60.00	0.98	8.76	8.59
1947	1,202.28	60.00	20.04	9.08	181.85
1949	1,543.88	60.00	25.73	9.72	250.04
1950	5,236.77	60.00	87.28	10.05	876.84
1951	3,014.62	60.00	50.24	10.38	521.71
1952	740.00	60.00	12.33	10.73	132.28
1953	2,900.60	60.00	48.34	11.07	535.37
1955	19,384.40	60.00	323.07	11.80	3,811.24
1956	3,782.70	60.00	63.04	12.17	767.25
1957	6,109.86	60.00	101.83	12.55	1,278.18
1958	1,371.20	60.00	22.85	12.94	295.77
1959	1,334.85	60.00	22.25	13.34	296.82
1963	3,163.12	60.00	52.72	15.03	792.48
1964	41.65	60.00	0.69	15.48	10.75
1965	1,891.52	60.00	31.53	15.94	502.40
1966	509.61	60.00	8.49	16.40	139.31
1967	126.88	60.00	2.11	16.88	35.69
1968	1,796.46	60.00	29.94	17.37	519.94
1969	2,701.00	60.00	45.02	17.86	804.03
1970	537.68	60.00	8.96	18.37	164.60
1971	551.41	60.00	9.19	18.88	173.55

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1972	13,370.77	60.00	222.85	19.41	4,325.24
1973	3,559.13	60.00	59.32	19.95	1,183.17
1974	28,324.75	60.00	472.08	20.49	9,673.84
1975	218.60	60.00	3.64	21.05	76.68
1976	85.52	60.00	1.43	21.61	30.80
1977	1,110.04	60.00	18.50	22.19	410.47
1981	1,050.11	60.00	17.50	24.58	430.15
1982	80.70	60.00	1.34	25.20	33.89
1986	7,180.22	60.00	119.67	27.77	3,323.21
1987	3,015.84	60.00	50.26	28.43	1,429.11
1989	23,593.89	60.00	393.23	29.79	11,712.73
1992	43,447.38	60.00	724.12	31.87	23,080.63
1993	41,380.63	60.00	689.68	32.58	22,472.48
1994	10,078.67	60.00	167.98	33.30	5,594.31
1995	2,597.85	60.00	43.30	34.03	1,473.44
1996	79,849.12	60.00	1,330.81	34.76	46,263.12
1997	26,972.82	60.00	449.55	35.50	15,960.92
1998	586,849.01	60.00	9,780.79	36.25	354,579.72
1999	21,627.73	60.00	360.46	37.01	13,339.28
2000	177,972.01	60.00	2,966.19	37.77	112,028.40
2001	15,235.14	60.00	253.92	38.54	9,785.24
2002	15,519.54	60.00	258.66	39.31	10,168.01
2003	330,001.37	60.00	5,500.01	40.09	220,509.64
2004	149,518.06	60.00	2,491.96	40.88	101,872.79
2006	158,602.08	60.00	2,643.36	42.47	112,274.79
2007	111,088.83	60.00	1,851.48	43.28	80,133.26
2008	3,484.86	60.00	58.08	44.09	2,560.90

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	6,944.58	60.00	115.74	45.73	5,293.47
2014	82,977.62	60.00	1,382.96	49.09	67,882.67
2015	29,547.03	60.00	492.45	49.94	24,591.46
2017	52,907.60	60.00	881.79	51.65	45,548.58
2020	250,885.11	60.00	4,181.41	54.27	226,921.28
2025	15,997.02	60.00	266.62	58.72	15,655.69
Total	2,400,554.19	60.00	40,009.12	39.14	1,565,905.07

Composite Average Remaining Life ... 39.14 Years

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	2,374.31	60.00	39.57	3.39	134.08
1917	4.67	60.00	0.08	3.68	0.29
1924	6,969.84	60.00	116.16	5.37	623.71
1925	4,809.55	60.00	80.16	5.59	448.10
1927	183.93	60.00	3.07	6.06	18.58
1928	2,769.44	60.00	46.16	6.30	290.70
1929	3,429.55	60.00	57.16	6.54	373.97
1939	98.43	60.00	1.64	9.26	15.19
1942	7,222.78	60.00	120.38	10.15	1,221.45
1943	5,902.25	60.00	98.37	10.45	1,027.78
1945	300.04	60.00	5.00	11.07	55.35
1946	8,821.26	60.00	147.02	11.38	1,673.55
1947	29,424.90	60.00	490.41	11.70	5,739.63
1948	28,483.04	60.00	474.71	12.03	5,711.55
1949	2,533.30	60.00	42.22	12.36	521.95
1950	9,491.04	60.00	158.18	12.70	2,008.82
1951	0.92	60.00	0.02	13.04	0.20
1952	11.31	60.00	0.19	13.39	2.52
1953	21.90	60.00	0.36	13.75	5.02
1961	113.59	60.00	1.89	16.87	31.94
1962	448.63	60.00	7.48	17.30	129.36
1966	2.62	60.00	0.04	19.09	0.83
1967	258.82	60.00	4.31	19.56	84.39
1968	455.76	60.00	7.60	20.04	152.25
1970	266.93	60.00	4.45	21.03	93.55
1972	25,527.03	60.00	425.45	22.05	9,379.47
1973	6,747.54	60.00	112.46	22.57	2,538.12

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	7,738.18	60.00	128.97	23.10	2,979.29
1975	12,558.99	60.00	209.31	23.64	4,948.08
1979	502.44	60.00	8.37	25.88	216.73
1981	10,542.68	60.00	175.71	27.05	4,753.11
1983	163.72	60.00	2.73	28.25	77.09
1984	63,323.46	60.00	1,055.38	28.86	30,462.19
1989	75,814.75	60.00	1,263.56	32.03	40,476.43
1990	25,488.76	60.00	424.81	32.69	13,885.69
1991	48,779.23	60.00	812.98	33.35	27,112.00
1992	29,979.57	60.00	499.65	34.02	16,996.76
1993	367.83	60.00	6.13	34.69	212.66
1995	527.64	60.00	8.79	36.06	317.09
1997	255,976.99	60.00	4,266.23	37.45	159,759.20
1998	286,978.15	60.00	4,782.91	38.15	182,473.59
1999	3,133.30	60.00	52.22	38.86	2,029.26
2000	99,807.25	60.00	1,663.43	39.57	65,828.54
2002	2,913.90	60.00	48.56	41.02	1,991.95
2004	17,174.97	60.00	286.25	42.48	12,159.84
2005	51,994.83	60.00	866.57	43.22	37,451.24
2006	76,757.15	60.00	1,279.27	43.96	56,238.02
2017	16,960.72	60.00	282.68	52.40	14,811.95
2021	9,444.55	60.00	157.41	55.59	8,749.74
2026	2,161,658.96	60.00	36,027.23	59.62	2,148,035.75
Total	3,405,261.40	60.00	56,753.70	50.47	2,864,248.60

Composite Average Remaining Life ... 50.47 Years

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	566.36	0.00	0.00	0.00	0.00
1917	624.72	55.00	11.36	0.50	5.68
1924	2,461.45	55.00	44.75	2.72	121.83
1925	2,324.67	55.00	42.27	3.05	128.78
1943	6,985.17	55.00	127.00	8.63	1,095.65
1945	2,481.66	55.00	45.12	9.31	420.04
1946	5,486.15	55.00	99.75	9.66	963.32
1947	8,680.66	55.00	157.83	10.01	1,579.95
1948	7,125.33	55.00	129.55	10.37	1,343.41
1949	34.85	55.00	0.63	10.73	6.80
1950	2,229.95	55.00	40.54	11.10	449.94
1952	36.71	55.00	0.67	11.85	7.91
1953	243.64	55.00	4.43	12.23	54.16
1961	252.53	55.00	4.59	15.46	70.98
1966	128.22	55.00	2.33	17.66	41.16
1967	758.92	55.00	13.80	18.11	249.92
1968	6.72	55.00	0.12	18.57	2.27
1971	5,134.20	55.00	93.35	20.00	1,866.71
1972	19,462.08	55.00	353.85	20.48	7,248.31
1973	25,847.38	55.00	469.94	20.98	9,858.03
1974	8,553.99	55.00	155.52	21.48	3,340.05
1975	10,296.48	55.00	187.20	21.98	4,115.02
1977	13,694.18	55.00	248.98	23.01	5,729.10
1979	1,930.76	55.00	35.10	24.07	844.79
1981	15,663.96	55.00	284.79	25.14	7,161.02
1982	29,549.10	55.00	537.24	25.69	13,804.29
1984	25,700.28	55.00	467.27	26.81	12,529.00

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	15,392.21	55.00	279.85	27.96	7,823.76
1989	22,869.02	55.00	415.79	29.72	12,356.22
1991	10,094.00	55.00	183.52	30.92	5,674.77
1992	6,549.44	55.00	119.08	31.53	3,754.61
1993	453.47	55.00	8.24	32.15	265.04
1994	268.55	55.00	4.88	32.77	160.00
1995	791.46	55.00	14.39	33.40	480.56
1997	12,548.33	55.00	228.15	34.66	7,908.60
1998	20,811.77	55.00	378.39	35.31	13,359.10
1999	263,348.83	55.00	4,788.06	35.95	172,139.42
2000	58,699.19	55.00	1,067.23	36.60	39,063.59
2008	18,023.00	55.00	327.68	41.94	13,743.71
2014	28,226.34	55.00	513.20	46.07	23,643.84
2015	1,682.87	55.00	30.60	46.77	1,431.04
2019	5,343.33	55.00	97.15	49.60	4,818.51
2026	1,149,594.86	55.00	20,901.27	54.66	1,142,475.56
Total	1,810,956.79	53.72	32,915.48	46.24	1,522,136.45

Composite Average Remaining Life ... 46.24 Years

Peoples Natural Gas Company, LLC
Gas Division
352.12 Storage Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1939	100.32	65.00	1.54	0.57	0.87
1941	98.88	65.00	1.52	0.94	1.42
1944	1,462.95	65.00	22.51	1.64	36.96
1947	29.25	65.00	0.45	2.34	1.05
1948	75.00	65.00	1.15	2.57	2.97
1949	3,618.25	65.00	55.67	2.74	152.69
1950	371.91	65.00	5.72	2.96	16.92
1960	11.75	65.00	0.18	5.85	1.06
1964	443.26	65.00	6.82	7.71	52.56
1982	40,000.00	65.00	615.39	21.07	12,967.82
1992	2,452.89	65.00	37.74	30.62	1,155.46
1993	12,069.59	65.00	185.69	31.61	5,869.14
1998	306,874.45	65.00	4,721.18	36.58	172,723.61
1999	45,797.43	65.00	704.58	37.58	26,480.92
Total	413,405.93	65.00	6,360.13	34.51	219,463.46

Composite Average Remaining Life ... 34.51 Years

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1912	8.69	0.00	0.00	0.00	0.00
1916	1,786.32	0.00	0.00	0.00	0.00
1917	363.37	0.00	0.00	0.00	0.00
1918	25.48	0.00	0.00	0.00	0.00
1922	42.17	0.00	0.00	0.00	0.00
1924	5,487.93	0.00	0.00	0.00	0.00
1925	1,233.42	0.00	0.00	0.00	0.00
1926	63.48	0.00	0.00	0.00	0.00
1933	19.78	0.00	0.00	0.00	0.00
1934	57.37	50.00	1.15	0.50	0.57
1937	19.93	50.00	0.40	0.94	0.38
1938	3.19	50.00	0.06	1.19	0.08
1939	84.73	50.00	1.69	1.44	2.45
1940	531.12	50.00	10.62	1.70	18.11
1941	1,072.68	50.00	21.45	1.97	42.31
1943	570.69	50.00	11.41	2.52	28.76
1944	332.44	50.00	6.65	2.80	18.61
1945	146.21	50.00	2.92	3.08	9.01
1946	12,963.19	50.00	259.26	3.37	872.58
1947	3,928.21	50.00	78.56	3.65	286.92
1948	9,725.46	50.00	194.51	3.94	766.30
1951	265.03	50.00	5.30	4.81	25.48
1952	12,170.84	50.00	243.42	5.10	1,240.93
1955	2,287.37	50.00	45.75	5.98	273.36
1956	44.62	50.00	0.89	6.27	5.60
1957	445.55	50.00	8.91	6.57	58.55
1961	568.38	50.00	11.37	7.81	88.75

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	70.50	50.00	1.41	8.46	11.93
1965	42.48	50.00	0.85	9.15	7.77
1967	4,390.54	50.00	87.81	9.87	866.45
1968	94,202.26	50.00	1,884.04	10.24	19,296.79
1969	10,938.86	50.00	218.78	10.63	2,325.04
1970	25,791.64	50.00	515.83	11.02	5,686.19
1973	40,293.71	50.00	805.87	12.28	9,894.19
1974	8,392.05	50.00	167.84	12.72	2,134.71
1975	1,320.10	50.00	26.40	13.17	347.75
1976	580.66	50.00	11.61	13.64	158.36
1977	4,755.64	50.00	95.11	14.11	1,342.28
1978	92.88	50.00	1.86	14.60	27.12
1981	5,347.65	50.00	106.95	16.14	1,726.00
1983	55,595.37	50.00	1,111.90	17.22	19,149.00
1984	8,052.76	50.00	161.05	17.78	2,863.75
1986	388.90	50.00	7.78	18.93	147.27
1988	37,073.02	50.00	741.46	20.13	14,927.35
1990	7,473.03	50.00	149.46	21.37	3,194.57
1991	3,151.27	50.00	63.03	22.01	1,387.24
1993	14,359.94	50.00	287.20	23.32	6,696.08
1996	5,529.70	50.00	110.59	25.35	2,803.15
1998	350.78	50.00	7.02	26.75	187.65
1999	35,898.66	50.00	717.97	27.46	19,717.38
2000	69,766.68	50.00	1,395.33	28.19	39,328.95
2001	18,927.15	50.00	378.54	28.92	10,946.82
2002	1,771.09	50.00	35.42	29.66	1,050.58
2003	4,001.15	50.00	80.02	30.41	2,433.37

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	380,060.87	50.00	7,601.19	31.17	236,898.78
2005	28,863.63	50.00	577.27	31.93	18,433.19
2006	1,601,556.59	50.00	32,031.03	32.71	1,047,580.49
2007	203,390.61	50.00	4,067.80	33.49	136,216.51
2008	443,981.80	50.00	8,879.61	34.28	304,353.42
2009	7,446.86	50.00	148.94	35.07	5,223.52
2010	36,199.97	50.00	724.00	35.88	25,974.07
2011	87,605.79	50.00	1,752.11	36.69	64,279.67
2012	35,014.56	50.00	700.29	37.51	26,264.45
2013	191,676.67	50.00	3,833.52	38.33	146,939.77
2015	36,772.48	50.00	735.45	40.00	29,418.35
2020	5,277.70	50.00	105.55	44.29	4,674.76
2023	104,330.04	50.00	2,086.59	46.93	97,926.36
2024	8,405.08	50.00	168.10	47.82	8,039.13
2025	4,990.07	50.00	99.80	48.72	4,862.34
Total	3,688,378.84	43.48	73,586.73	31.66	2,329,481.31

Composite Average Remaining Life ... 31.66 Years

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	35.51	0.00	0.00	0.00	0.00
1906	38.47	0.00	0.00	0.00	0.00
1922	184.00	0.00	0.00	0.00	0.00
1926	931.15	0.00	0.00	0.00	0.00
1934	359.20	47.00	7.64	0.73	5.60
1935	117.48	47.00	2.50	1.04	2.59
1937	20,653.37	47.00	439.43	1.69	741.22
1938	133.76	47.00	2.85	2.03	5.77
1940	427.76	47.00	9.10	2.69	24.44
1941	115.26	47.00	2.45	2.98	7.31
1942	525.06	47.00	11.17	3.25	36.28
1947	25.42	47.00	0.54	4.39	2.38
1948	142,454.26	47.00	3,030.90	4.62	14,015.15
1949	23,615.04	47.00	502.44	4.86	2,443.30
1950	2,188.36	47.00	46.56	5.11	237.84
1951	582.21	47.00	12.39	5.35	66.31
1952	11,233.54	47.00	239.01	5.61	1,341.26
1953	76,560.73	47.00	1,628.93	5.88	9,571.94
1954	17,160.41	47.00	365.11	6.15	2,244.05
1955	390.35	47.00	8.31	6.42	53.33
1956	38,188.86	47.00	812.52	6.70	5,444.90
1957	133.57	47.00	2.84	6.99	19.85
1958	4,340.31	47.00	92.35	7.27	671.77
1959	23,916.89	47.00	508.86	7.56	3,848.95
1960	1,787.73	47.00	38.04	7.86	299.02
1961	844.93	47.00	17.98	8.16	146.77
1962	727.15	47.00	15.47	8.47	131.07

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	99.86	47.00	2.12	8.79	18.67
1964	186.90	47.00	3.98	9.10	36.20
1965	124.99	47.00	2.66	9.43	25.08
1966	1,242.85	47.00	26.44	9.76	258.16
1967	2,346.40	47.00	49.92	10.10	504.28
1969	14,855.21	47.00	316.06	10.81	3,415.41
1970	37,114.34	47.00	789.66	11.17	8,821.72
1971	568.77	47.00	12.10	11.55	139.73
1972	5,617.09	47.00	119.51	11.93	1,425.87
1973	3,152.11	47.00	67.07	12.33	826.60
1974	72,101.87	47.00	1,534.06	12.73	19,528.67
1975	29,396.94	47.00	625.46	13.15	8,222.06
1976	21,474.02	47.00	456.89	13.57	6,200.79
1977	32,203.60	47.00	685.17	14.01	9,598.48
1978	5,154.45	47.00	109.67	14.46	1,585.45
1979	893.24	47.00	19.00	14.92	283.48
1981	5,711.11	47.00	121.51	15.87	1,928.08
1982	67,529.90	47.00	1,436.79	16.36	23,505.86
1983	43,241.78	47.00	920.02	16.87	15,516.36
1984	4,945.17	47.00	105.21	17.38	1,828.64
1985	91,852.39	47.00	1,954.28	17.91	34,993.26
1986	213,054.02	47.00	4,533.00	18.44	83,600.78
1987	54,999.11	47.00	1,170.18	18.99	22,221.87
1988	27,344.57	47.00	581.79	19.55	11,372.99
1989	58,836.31	47.00	1,251.82	20.12	25,182.50
1990	514,230.58	47.00	10,940.92	20.70	226,444.61
1991	29,322.01	47.00	623.86	21.29	13,279.71

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	81,424.45	47.00	1,732.41	21.89	37,914.42
1993	623,340.91	47.00	13,262.39	22.49	298,326.65
1994	280,758.14	47.00	5,973.49	23.11	138,062.62
1995	76,057.19	47.00	1,618.22	23.74	38,416.77
1996	59,595.98	47.00	1,267.98	24.38	30,909.55
1997	75,555.78	47.00	1,607.55	25.02	40,225.02
1998	167,730.45	47.00	3,568.68	25.68	91,638.01
1999	309,778.49	47.00	6,590.94	26.34	173,614.29
2000	550,816.12	47.00	11,719.33	27.01	316,568.28
2001	15,803.03	47.00	336.23	27.69	9,310.73
2002	760,843.32	47.00	16,187.93	28.38	459,385.73
2003	545,304.05	47.00	11,602.05	29.07	337,300.22
2004	210,839.45	47.00	4,485.88	29.77	133,561.88
2005	57,490.72	47.00	1,223.19	30.48	37,285.41
2006	298,774.12	47.00	6,356.81	31.20	198,322.18
2007	6,654.74	47.00	141.59	31.92	4,519.50
2008	9,954.89	47.00	211.80	32.65	6,914.93
2009	8,676.18	47.00	184.60	33.38	6,162.16
2010	459,297.45	47.00	9,772.15	34.12	333,437.36
2011	102,672.62	47.00	2,184.49	34.87	76,165.09
2012	2,268.76	47.00	48.27	35.62	1,719.25
2013	157,948.74	47.00	3,360.56	36.37	122,231.46
2014	3,010,608.95	47.00	64,054.61	37.13	2,378,612.03
2015	62,037.24	47.00	1,319.92	37.90	50,025.26
2016	13,517.55	47.00	287.60	38.67	11,121.97
2017	53,826.79	47.00	1,145.23	39.45	45,176.42
2018	21,340.79	47.00	454.05	40.23	18,265.83

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2019	3,719,142.51	47.00	79,129.58	41.01	3,245,460.35
2020	465,076.90	47.00	9,895.11	41.81	413,670.96
2021	41,141.43	47.00	875.34	42.60	37,290.78
2023	170,822.80	47.00	3,634.48	44.21	160,678.99
2024	196,101.66	47.00	4,172.32	45.02	187,840.30
2025	286,588.54	47.00	6,097.54	45.84	279,489.67
2026	2,166,890.80	47.00	46,103.41	46.62	2,149,475.46
Total	16,773,951.91	44.86	356,862.30	34.83	12,431,225.90

Composite Average Remaining Life ... 34.83 Years

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1952	1,390.93	60.00	23.18	9.13	211.73
1953	414.35	60.00	6.91	9.42	65.03
1957	248.92	60.00	4.15	10.65	44.18
1958	11,064.44	60.00	184.41	10.98	2,025.31
1960	8,803.38	60.00	146.72	11.69	1,715.46
1961	18,326.93	60.00	305.45	12.07	3,685.55
1962	903.99	60.00	15.07	12.45	187.64
1967	456.13	60.00	7.60	14.61	111.06
1968	5,541.38	60.00	92.36	15.08	1,393.12
1970	585.35	60.00	9.76	16.08	156.84
1971	6,694.29	60.00	111.57	16.59	1,851.49
1972	391.85	60.00	6.53	17.12	111.84
1974	1,724.13	60.00	28.74	18.23	523.87
1975	69,835.86	60.00	1,163.93	18.80	21,882.82
1976	284.49	60.00	4.74	19.39	91.92
1980	9,124.10	60.00	152.07	21.85	3,322.46
1984	2,311.98	60.00	38.53	24.49	943.53
1985	11,061.30	60.00	184.35	25.17	4,640.78
1986	69,184.65	60.00	1,153.08	25.87	29,828.64
1987	75,424.31	60.00	1,257.07	26.57	33,402.61
1988	3,268.51	60.00	54.48	27.29	1,486.45
1990	8,291.27	60.00	138.19	28.74	3,971.53
1992	6,603.52	60.00	110.06	30.23	3,327.11
1994	9,415.58	60.00	156.93	31.75	4,982.69
1997	26,201.60	60.00	436.69	34.09	14,888.53
1998	23,703.23	60.00	395.05	34.89	13,783.45
1999	29,234.72	60.00	487.24	35.69	17,390.81

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	130,571.52	60.00	2,176.19	36.50	79,438.44
2004	8,463.23	60.00	141.05	39.82	5,616.08
2006	5,091.68	60.00	84.86	41.51	3,522.60
2007	36,198.60	60.00	603.31	42.37	25,560.68
2008	19,816.23	60.00	330.27	43.23	14,277.43
2011	235,934.15	60.00	3,932.23	45.85	180,305.63
2015	9,580.07	60.00	159.67	49.43	7,891.79
2021	43,248.17	60.00	720.80	54.92	39,588.28
2023	54,949.29	60.00	915.82	56.79	52,005.43
2025	639,002.15	60.00	10,650.02	58.66	624,763.45
2026	1,111,400.74	60.00	18,523.31	59.57	1,103,371.66
Total	2,694,747.02	60.00	44,912.37	51.26	2,302,367.91

Composite Average Remaining Life ... 51.26 Years

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	43,036.85	0.00	0.00	0.00	0.00
1901	10,739.29	0.00	0.00	0.00	0.00
1902	14,932.27	0.00	0.00	0.00	0.00
1903	16,603.95	0.00	0.00	0.00	0.00
1904	10,314.78	0.00	0.00	0.00	0.00
1905	13,938.16	80.00	174.23	0.50	87.11
1906	12,960.19	80.00	162.00	0.54	86.69
1907	1,885.76	80.00	23.57	0.60	14.04
1908	4,965.96	80.00	62.07	0.85	52.62
1909	13,590.56	80.00	169.88	1.05	178.36
1910	16,291.54	80.00	203.64	1.25	253.61
1911	11,035.87	80.00	137.95	1.35	186.38
1912	14,820.96	80.00	185.26	1.59	295.06
1913	53,756.04	80.00	671.95	1.82	1,226.02
1914	38,239.94	80.00	478.00	2.05	981.50
1915	16,991.79	80.00	212.40	2.22	471.01
1916	2,952.20	80.00	36.90	2.46	90.82
1917	4,126.20	80.00	51.58	2.71	139.56
1918	2,220.14	80.00	27.75	2.95	81.94
1919	1,209.99	80.00	15.12	3.16	47.74
1920	411.47	80.00	5.14	3.41	17.54
1921	3,767.72	80.00	47.10	3.67	172.76
1922	8,718.64	80.00	108.98	3.93	428.17
1923	11,298.03	80.00	141.22	4.16	587.15
1924	17,164.02	80.00	214.55	4.42	948.63
1925	9,370.83	80.00	117.13	4.69	549.19
1926	10,383.19	80.00	129.79	4.96	643.53

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,061.15	80.00	38.26	5.20	199.11
1928	551.84	80.00	6.90	5.48	37.77
1929	2,854.05	80.00	35.68	5.75	205.19
1930	5,594.99	80.00	69.94	6.03	421.76
1931	1,764.72	80.00	22.06	6.29	138.82
1932	322.40	80.00	4.03	6.58	26.51
1933	487.51	80.00	6.09	6.87	41.86
1934	111.11	80.00	1.39	7.16	9.95
1935	4,193.96	80.00	52.42	7.45	390.79
1936	2,694.95	80.00	33.69	7.76	261.53
1937	3,195.38	80.00	39.94	8.08	322.81
1938	1,543.42	80.00	19.29	8.41	162.25
1939	9,142.81	80.00	114.28	8.74	999.16
1940	6,368.41	80.00	79.60	9.09	723.87
1941	16,191.28	80.00	202.39	9.46	1,914.02
1942	12,089.15	80.00	151.11	9.83	1,486.18
1943	7,232.95	80.00	90.41	10.23	924.81
1944	9,080.15	80.00	113.50	10.64	1,207.58
1945	1,644.37	80.00	20.55	11.07	227.48
1946	3,526.19	80.00	44.08	11.51	507.43
1947	6,519.10	80.00	81.49	11.98	976.53
1948	30,372.15	80.00	379.65	12.47	4,734.13
1949	31,026.03	80.00	387.82	12.98	5,032.13
1950	12,676.12	80.00	158.45	13.50	2,139.17
1951	21,259.43	80.00	265.74	14.06	3,735.22
1952	19,327.09	80.00	241.59	14.62	3,532.72
1953	35,687.10	80.00	446.09	15.21	6,784.25

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,934.22	80.00	286.68	15.81	4,532.69
1955	32,705.79	80.00	408.82	16.44	6,721.04
1956	20,253.62	80.00	253.17	17.08	4,323.13
1957	20,779.50	80.00	259.74	17.72	4,603.88
1958	77,494.10	80.00	968.67	18.38	17,808.79
1959	113,486.56	80.00	1,418.58	19.06	27,040.50
1960	31,395.34	80.00	392.44	19.74	7,747.51
1961	58,106.99	80.00	726.33	20.43	14,839.02
1962	39,442.80	80.00	493.03	21.13	10,415.79
1963	71,371.72	80.00	892.14	21.84	19,481.38
1964	72,638.04	80.00	907.97	22.55	20,475.73
1965	93,204.18	80.00	1,165.05	23.27	27,115.33
1966	46,284.65	80.00	578.56	24.01	13,888.60
1967	10,964.26	80.00	137.05	24.75	3,392.44
1968	39,479.14	80.00	493.49	25.50	12,586.03
1969	34,106.74	80.00	426.33	26.26	11,197.48
1970	38,596.33	80.00	482.45	27.03	13,042.63
1971	51,648.23	80.00	645.60	27.82	17,959.89
1972	22,060.85	80.00	275.76	28.61	7,888.99
1973	7,138.99	80.00	89.24	29.41	2,624.14
1974	92,191.17	80.00	1,152.38	30.21	34,817.54
1975	2,242.00	80.00	28.02	31.04	869.76
1976	8,345.99	80.00	104.32	31.86	3,323.92
1977	3,873.43	80.00	48.42	32.70	1,583.06
1978	84,242.26	80.00	1,053.02	33.54	35,317.22
1979	24,464.37	80.00	305.80	34.40	10,518.17
1980	58,135.91	80.00	726.70	35.26	25,620.18

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	13,989.25	80.00	174.86	36.12	6,316.80
1982	37,555.24	80.00	469.44	37.00	17,368.99
1983	34,607.87	80.00	432.60	37.89	16,389.78
1984	72,247.97	80.00	903.10	38.78	35,020.44
1985	20,647.40	80.00	258.09	39.68	10,240.07
1986	66,854.26	80.00	835.67	40.58	33,912.16
1987	207,799.90	80.00	2,597.49	41.50	107,782.83
1988	144,488.06	80.00	1,806.09	42.41	76,601.36
1989	137,876.65	80.00	1,723.45	43.34	74,687.64
1990	244,291.28	80.00	3,053.63	44.26	135,168.51
1991	66,846.87	80.00	835.58	45.20	37,769.88
1992	23,800.79	80.00	297.51	46.14	13,727.51
1993	63,862.62	80.00	798.28	47.09	37,587.64
1994	44,318.53	80.00	553.98	48.03	26,610.09
1995	74,651.74	80.00	933.14	48.99	45,714.22
1996	39,258.64	80.00	490.73	49.95	24,510.41
1997	65,568.46	80.00	819.60	50.91	41,723.95
1998	15,268.71	80.00	190.86	51.87	9,900.14
1999	37,476.41	80.00	468.45	52.84	24,753.44
2000	50,113.86	80.00	626.42	53.81	33,708.64
2001	502,822.04	80.00	6,285.24	54.78	344,336.71
2002	150,557.33	80.00	1,881.96	55.76	104,939.53
2003	91,370.41	80.00	1,142.12	56.74	64,804.48
2004	52,145.60	80.00	651.82	57.72	37,623.49
2005	145,956.11	80.00	1,824.44	58.70	107,101.25
2006	27,628.07	80.00	345.35	59.69	20,613.18
2007	51,942.05	80.00	649.27	60.67	39,394.48

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	164,306.52	80.00	2,053.82	61.66	126,643.81
2009	24,419.44	80.00	305.24	62.65	19,123.86
2010	43,311.35	80.00	541.39	63.64	34,455.01
2011	88,326.95	80.00	1,104.08	64.63	71,360.98
2012	13,622.04	80.00	170.27	65.63	11,174.50
2013	15,156.01	80.00	189.45	66.62	12,621.05
2014	36,947.77	80.00	461.84	67.61	31,227.14
2015	36,574.58	80.00	457.18	68.61	31,366.75
2016	34,368.29	80.00	429.60	69.60	29,902.34
2017	85,120.56	80.00	1,064.00	70.60	75,119.60
2018	48,937.81	80.00	611.72	71.60	43,797.72
2022	2,234.93	80.00	27.94	75.59	2,111.68
2024	1,509,664.27	80.00	18,870.71	77.59	1,464,103.65
2025	750,406.88	80.00	9,380.04	78.58	737,129.98
2026	431,284.71	80.00	5,391.03	79.54	428,815.60
Total	7,560,459.56	76.75	93,309.95	54.14	5,051,678.59

Composite Average Remaining Life ... 54.14 Years

Peoples Natural Gas Company, LLC
Gas Division
366.01 Structures - Compressor Station
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	182.35	0.00	0.00	0.00	0.00
1954	2,718.88	60.00	45.31	7.41	335.97
1955	5,528.42	60.00	92.14	7.72	711.03
1964	8,289.98	60.00	138.17	11.02	1,522.35
1978	486,335.94	60.00	8,105.60	18.58	150,607.02
1980	12,052.02	60.00	200.87	19.89	3,995.94
1982	144,492.45	60.00	2,408.21	21.25	51,180.92
1983	5,454.59	60.00	90.91	21.95	1,995.53
1984	6,913.86	60.00	115.23	22.66	2,610.83
1991	6,596.96	60.00	109.95	27.91	3,068.17
1995	19,508.20	60.00	325.14	31.11	10,114.59
1996	34,710.81	60.00	578.51	31.93	18,471.68
1997	18,500.00	60.00	308.33	32.76	10,101.29
1999	1,169.44	60.00	19.49	34.45	671.36
2001	7,210.91	60.00	120.18	36.16	4,346.11
2006	93,601.90	60.00	1,560.03	40.58	63,307.65
2007	379,284.68	60.00	6,321.41	41.49	262,246.04
2008	596,565.77	60.00	9,942.76	42.39	421,521.71
2009	205,133.93	60.00	3,418.90	43.31	148,078.96
2011	3,201.69	60.00	53.36	45.16	2,409.89
2022	56,121.60	60.00	935.36	55.67	52,071.46
2023	56,660.30	60.00	944.34	56.65	53,492.97
2025	13,470.10	60.00	224.50	58.61	13,157.24
Total	2,163,704.78	57.39	36,058.70	35.39	1,276,018.71

Composite Average Remaining Life ... 35.39 Years

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1915	2,039.02	0.00	0.00	0.00	0.00
1921	15.25	0.00	0.00	0.00	0.00
1926	674.20	55.00	12.26	0.63	7.72
1933	308.06	55.00	5.60	2.32	12.97
1936	213.91	55.00	3.89	3.12	12.14
1938	94.77	55.00	1.72	3.63	6.25
1942	4,567.33	55.00	83.04	4.52	375.40
1946	33.12	55.00	0.60	5.40	3.25
1947	467.40	55.00	8.50	5.62	47.74
1948	4,490.90	55.00	81.65	5.85	477.87
1949	21,634.60	55.00	393.36	6.08	2,390.45
1950	8,917.38	55.00	162.13	6.31	1,022.45
1951	12,398.99	55.00	225.44	6.54	1,474.29
1952	9,794.83	55.00	178.09	6.78	1,207.03
1953	13,583.85	55.00	246.98	7.02	1,733.87
1954	4,677.51	55.00	85.05	7.27	618.48
1955	3,289.22	55.00	59.80	7.52	449.87
1956	3,955.53	55.00	71.92	7.78	559.48
1957	809.82	55.00	14.72	8.04	118.44
1958	773.26	55.00	14.06	8.32	116.93
1959	6,263.37	55.00	113.88	8.60	979.58
1960	7,763.15	55.00	141.15	8.89	1,255.05
1961	4,903.21	55.00	89.15	9.19	819.53
1962	720.58	55.00	13.10	9.51	124.54
1963	5,812.66	55.00	105.68	9.83	1,039.07
1964	14,748.06	55.00	268.15	10.17	2,727.27
1965	359.61	55.00	6.54	10.52	68.81

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1966	4,223.66	55.00	76.79	10.89	836.34
1967	206.63	55.00	3.76	11.27	42.35
1968	11,635.65	55.00	211.56	11.67	2,468.82
1969	3,475.25	55.00	63.19	12.08	763.44
1970	1,542.20	55.00	28.04	12.51	350.77
1971	8,490.84	55.00	154.38	12.95	1,999.86
1973	13,809.31	55.00	251.08	13.89	3,487.77
1974	1,991.11	55.00	36.20	14.38	520.70
1975	635.87	55.00	11.56	14.89	172.16
1976	1,120.08	55.00	20.37	15.41	313.86
1978	32,091.49	55.00	583.48	16.50	9,629.81
1979	11,321.38	55.00	205.84	17.07	3,514.10
1980	0.01	55.00	0.00	17.65	0.00
1981	27,039.82	55.00	491.63	18.25	8,970.47
1983	2,322.66	55.00	42.23	19.48	822.55
1984	35,991.84	55.00	654.40	20.11	13,161.26
1985	12,866.74	55.00	233.94	20.76	4,856.21
1986	2,980.58	55.00	54.19	21.42	1,160.59
1987	20,248.43	55.00	368.15	22.08	8,130.13
1988	1,833.40	55.00	33.33	22.76	758.84
1989	6,868.66	55.00	124.88	23.46	2,929.27
1990	443.70	55.00	8.07	24.16	194.88
1991	1,335.51	55.00	24.28	24.87	603.87
1993	86,082.31	55.00	1,565.13	26.32	41,194.08
1994	5,801.95	55.00	105.49	27.06	2,854.63
1995	1,205.33	55.00	21.92	27.81	609.47
1997	4,740.41	55.00	86.19	29.34	2,528.47

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1998	5,820.43	55.00	105.83	30.11	3,186.50
1999	42,005.79	55.00	763.74	30.90	23,596.26
2000	2,641.28	55.00	48.02	31.69	1,521.79
2002	7,408.89	55.00	134.71	33.30	4,485.49
2003	115,950.81	55.00	2,108.19	34.11	71,916.92
2004	74,594.44	55.00	1,356.26	34.94	47,384.41
2005	44,125.47	55.00	802.28	35.77	28,697.00
2006	23,119.09	55.00	420.35	36.61	15,388.12
2007	223.16	55.00	4.06	37.45	151.97
2008	369,366.95	55.00	6,715.75	38.31	257,257.74
2010	119,355.96	55.00	2,170.10	40.03	86,871.61
2011	11,451.64	55.00	208.21	40.90	8,516.55
2014	222,953.81	55.00	4,053.70	43.55	176,557.91
2017	149,925.02	55.00	2,725.90	46.26	126,092.91
2022	106,274.09	55.00	1,932.25	50.86	98,265.64
2023	208.26	55.00	3.79	51.79	196.10
Total	1,729,039.50	53.43	31,399.67	34.41	1,080,610.09

Composite Average Remaining Life ... 34.41 Years

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1904	97.85	0.00	0.00	0.00	0.00
1920	3,071.90	0.00	0.00	0.00	0.00
1923	403.86	0.00	0.00	0.00	0.00
1927	72.55	0.00	0.00	0.00	0.00
1929	261.39	0.00	0.00	0.00	0.00
1930	294.47	0.00	0.00	0.00	0.00
1932	95.28	0.00	0.00	0.00	0.00
1937	237.51	0.00	0.00	0.00	0.00
1939	19.57	0.00	0.00	0.00	0.00
1941	2,931.40	0.00	0.00	0.00	0.00
1947	529.70	45.00	11.77	1.11	13.10
1949	416.19	45.00	9.25	1.64	15.19
1950	3,524.86	45.00	78.33	1.91	149.86
1951	1,022.22	45.00	22.72	2.19	49.70
1952	5,364.58	45.00	119.21	2.45	292.50
1953	2,751.48	45.00	61.14	2.74	167.37
1954	2,503.83	45.00	55.64	3.02	168.23
1955	1,688.17	45.00	37.51	3.31	124.23
1956	69.33	45.00	1.54	3.59	5.54
1958	3,139.09	45.00	69.76	4.17	291.15
1959	727.82	45.00	16.17	4.47	72.22
1964	948.40	45.00	21.08	5.94	125.09
1969	176.01	45.00	3.91	7.51	29.36
1974	304.86	45.00	6.77	9.28	62.87
1980	5,852.63	45.00	130.06	11.79	1,533.53
1983	414.15	45.00	9.20	13.22	121.68
1984	12,992.80	45.00	288.73	13.72	3,962.55

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	483.17	45.00	10.74	14.77	158.58
1989	6,269.91	45.00	139.33	16.44	2,290.13
1990	3,452.63	45.00	76.72	17.02	1,305.66
1991	4,259.48	45.00	94.65	17.61	1,666.91
1992	6,560.01	45.00	145.78	18.22	2,655.68
1993	1,344.70	45.00	29.88	18.84	562.83
1996	4,261.43	45.00	94.70	20.76	1,965.74
1997	548.91	45.00	12.20	21.42	261.32
1998	1,713.94	45.00	38.09	22.10	841.66
2003	3,060.34	45.00	68.01	25.63	1,743.00
2010	5,254.57	45.00	116.77	30.97	3,616.81
2011	7,667.97	45.00	170.40	31.77	5,413.99
Total	94,788.96	33.46	1,940.06	15.29	29,666.48

Composite Average Remaining Life ... 15.29 Years

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	179,832.56	80.00	2,247.91	5.76	12,948.58
1901	28,973.47	80.00	362.17	5.99	2,170.31
1902	152,837.75	80.00	1,910.47	6.22	11,887.83
1903	18,234.31	80.00	227.93	6.42	1,463.60
1904	412.20	80.00	5.15	6.64	34.23
1905	32,973.58	80.00	412.17	6.87	2,830.80
1906	71,066.60	80.00	888.33	7.09	6,300.79
1907	6,103.67	80.00	76.30	7.29	556.47
1908	14,417.62	80.00	180.22	7.52	1,354.71
1909	21,464.66	80.00	268.31	7.74	2,077.49
1910	8,469.56	80.00	105.87	7.97	843.93
1911	17,707.42	80.00	221.34	8.18	1,810.68
1912	20,140.01	80.00	251.75	8.41	2,117.14
1913	2,978.96	80.00	37.24	8.64	321.80
1914	52,567.04	80.00	657.09	8.88	5,833.09
1915	25,044.96	80.00	313.06	9.10	2,847.70
1916	22,258.85	80.00	278.24	9.33	2,596.84
1917	65,454.59	80.00	818.18	9.57	7,832.87
1918	1,862.76	80.00	23.28	9.82	228.58
1919	19,453.42	80.00	243.17	10.05	2,443.29
1920	885.66	80.00	11.07	10.29	113.97
1921	20,109.26	80.00	251.37	10.55	2,650.82
1922	12,025.35	80.00	150.32	10.80	1,623.53
1923	2,041.01	80.00	25.51	11.05	281.84
1924	78,347.54	80.00	979.34	11.31	11,075.05
1925	136,100.69	80.00	1,701.26	11.58	19,692.72
1926	129,754.77	80.00	1,621.93	11.85	19,216.07

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	43,574.86	80.00	544.69	12.12	6,599.49
1928	13,991.03	80.00	174.89	12.40	2,168.36
1929	32,143.29	80.00	401.79	12.69	5,097.88
1930	42,051.37	80.00	525.64	12.98	6,825.08
1931	28,394.11	80.00	354.93	13.28	4,714.11
1932	10,210.82	80.00	127.64	13.59	1,734.88
1933	8,071.98	80.00	100.90	13.91	1,403.66
1934	4,170.93	80.00	52.14	14.24	742.36
1935	51,771.78	80.00	647.15	14.57	9,430.32
1936	43,833.94	80.00	547.92	14.92	8,173.50
1937	55,186.88	80.00	689.84	15.27	10,535.00
1938	39,581.68	80.00	494.77	15.64	7,736.20
1939	116,807.20	80.00	1,460.09	16.01	23,375.81
1940	28,518.62	80.00	356.48	16.39	5,844.27
1941	38,659.27	80.00	483.24	16.79	8,113.09
1942	93,051.80	80.00	1,163.15	17.19	19,998.98
1943	40,740.35	80.00	509.25	17.61	8,968.67
1944	115,004.13	80.00	1,437.55	18.04	25,930.78
1945	16,094.32	80.00	201.18	18.48	3,716.88
1946	22,622.02	80.00	282.78	18.92	5,351.04
1947	61,771.76	80.00	772.15	19.39	14,968.51
1948	692,839.33	80.00	8,660.48	19.86	171,961.41
1949	1,164,612.39	80.00	14,557.64	20.34	296,053.26
1950	230,179.20	80.00	2,877.24	20.83	59,926.45
1951	245,689.01	80.00	3,071.11	21.33	65,519.59
1952	1,236,863.63	80.00	15,460.78	21.85	337,779.33
1953	553,636.30	80.00	6,920.45	22.37	154,816.71

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	758,555.15	80.00	9,481.93	22.90	217,176.90
1955	934,343.25	80.00	11,679.28	23.45	273,913.81
1956	436,097.62	80.00	5,451.22	24.01	130,870.54
1957	1,332,504.87	80.00	16,656.30	24.57	409,273.54
1958	875,482.12	80.00	10,943.52	25.15	275,176.25
1959	1,846,722.70	80.00	23,084.01	25.73	594,029.75
1960	709,972.77	80.00	8,874.65	26.33	233,640.50
1961	1,670,348.55	80.00	20,879.34	26.93	562,256.15
1962	1,560,084.44	80.00	19,501.04	27.54	537,049.44
1963	1,811,737.41	80.00	22,646.70	28.16	637,826.85
1964	1,795,180.84	80.00	22,439.74	28.79	646,114.60
1965	827,737.08	80.00	10,346.70	29.43	304,508.00
1966	1,266,721.51	80.00	15,834.01	30.08	476,214.42
1967	1,123,852.00	80.00	14,048.14	30.73	431,747.87
1968	1,066,427.98	80.00	13,330.34	31.40	418,510.41
1969	1,223,717.18	80.00	15,296.45	32.06	490,474.06
1970	786,623.55	80.00	9,832.79	32.74	321,935.24
1971	646,466.53	80.00	8,080.82	33.43	270,138.43
1972	1,924,464.19	80.00	24,055.78	34.12	820,820.55
1973	1,253,466.76	80.00	15,668.32	34.82	545,575.75
1974	852,553.77	80.00	10,656.91	35.53	378,594.43
1975	678,737.91	80.00	8,484.22	36.24	307,488.49
1976	566,198.85	80.00	7,077.48	36.96	261,599.62
1977	1,065,446.64	80.00	13,318.07	37.69	501,936.54
1978	4,808,610.72	80.00	60,107.58	38.42	2,309,375.67
1979	2,205,606.32	80.00	27,570.06	39.16	1,079,742.82
1980	779,248.95	80.00	9,740.60	39.91	388,742.03

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	2,371,393.85	80.00	29,642.40	40.66	1,205,294.66
1982	2,153,385.97	80.00	26,917.30	41.42	1,114,880.49
1983	1,048,716.98	80.00	13,108.95	42.19	553,017.27
1984	3,409,053.28	80.00	42,613.13	42.96	1,830,511.78
1985	2,463,449.07	80.00	30,793.09	43.73	1,346,654.82
1986	2,544,908.00	80.00	31,811.32	44.51	1,416,041.35
1987	4,112,831.11	80.00	51,410.35	45.30	2,329,118.99
1988	1,732,810.81	80.00	21,660.12	46.10	998,485.45
1989	3,079,254.14	80.00	38,490.64	46.90	1,805,078.55
1990	7,247,269.37	80.00	90,590.79	47.70	4,321,219.66
1991	4,294,066.29	80.00	53,675.78	48.51	2,603,979.29
1992	2,389,702.78	80.00	29,871.26	49.33	1,473,500.02
1993	3,001,742.83	80.00	37,521.75	50.15	1,881,661.69
1994	2,065,248.20	80.00	25,815.58	50.97	1,315,915.35
1995	2,164,083.78	80.00	27,051.02	51.81	1,401,433.26
1996	2,199,058.67	80.00	27,488.21	52.64	1,447,056.93
1997	3,608,543.99	80.00	45,106.76	53.48	2,412,457.23
1998	2,311,350.79	80.00	28,891.86	54.33	1,569,646.48
1999	2,669,840.49	80.00	33,372.98	55.18	1,841,554.14
2000	2,788,821.94	80.00	34,860.25	56.04	1,953,427.95
2001	2,229,891.40	80.00	27,873.62	56.90	1,585,878.07
2002	3,068,191.22	80.00	38,352.36	57.76	2,215,189.28
2003	2,314,878.83	80.00	28,935.96	58.63	1,696,500.01
2004	3,350,956.83	80.00	41,886.93	59.50	2,492,364.96
2005	8,666,798.36	80.00	108,334.89	60.38	6,541,147.18
2006	7,618,184.62	80.00	95,227.23	61.26	5,833,583.48
2007	6,836,724.63	80.00	85,458.99	62.15	5,310,988.63

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	7,008,852.18	80.00	87,610.58	63.04	5,522,589.62
2009	4,454,839.29	80.00	55,685.45	63.93	3,559,876.46
2010	8,512,702.77	80.00	106,408.70	64.82	6,897,891.63
2011	11,221,580.81	80.00	140,269.64	65.73	9,219,426.43
2012	8,321,957.06	80.00	104,024.38	66.63	6,931,168.10
2013	10,481,495.33	80.00	131,018.58	67.54	8,848,637.20
2014	7,008,482.31	80.00	87,605.96	68.45	5,996,409.59
2015	5,406,659.05	80.00	67,583.18	69.36	4,687,762.31
2016	3,376,073.43	80.00	42,200.88	70.28	2,965,871.32
2017	14,025,436.42	80.00	175,317.81	71.20	12,482,586.31
2018	2,825,207.07	80.00	35,315.06	72.12	2,547,011.34
2019	11,540,285.46	80.00	144,253.45	73.05	10,537,682.78
2020	5,067,656.87	80.00	63,345.66	73.98	4,686,218.49
2021	1,531,409.09	80.00	19,142.60	74.91	1,433,969.10
2022	32,456,503.23	80.00	405,705.95	75.84	30,770,235.91
2023	21,738,946.87	80.00	271,736.61	76.78	20,864,333.97
2024	17,287,199.56	80.00	216,089.82	77.72	16,794,618.78
2025	14,542,032.99	80.00	181,775.26	78.66	14,298,787.79
2026	9,753,099.55	80.00	121,913.64	79.57	9,700,201.73
Total	329,280,077.50	80.00	4,115,997.56	61.82	254,457,238.83

Composite Average Remaining Life ... 61.82 Years

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	589.16	0.00	0.00	0.00	0.00
1936	121.53	0.00	0.00	0.00	0.00
1938	663.19	0.00	0.00	0.00	0.00
1942	87.34	0.00	0.00	0.00	0.00
1950	1,370.50	42.00	32.63	2.66	86.85
1952	24,559.33	42.00	584.75	3.33	1,946.50
1954	13,257.83	42.00	315.66	4.00	1,261.47
1955	46,372.83	42.00	1,104.11	4.33	4,782.13
1956	1,191.27	42.00	28.36	4.67	132.37
1957	56.16	42.00	1.34	5.00	6.68
1959	1,661.72	42.00	39.56	5.67	224.46
1960	374.13	42.00	8.91	6.01	53.52
1962	29,560.93	42.00	703.83	6.69	4,706.03
1963	3,576.90	42.00	85.16	7.03	598.62
1964	42,183.87	42.00	1,004.38	7.37	7,406.29
1965	751.09	42.00	17.88	7.72	138.03
1971	544.47	42.00	12.96	9.85	127.67
1972	193.99	42.00	4.62	10.21	47.18
1974	100.99	42.00	2.40	10.96	26.34
1975	896.34	42.00	21.34	11.33	241.82
1978	1,225,415.27	42.00	29,176.54	12.48	364,249.36
1979	2,195.64	42.00	52.28	12.88	673.21
1980	2,169.34	42.00	51.65	13.28	685.70
1981	92,777.86	42.00	2,209.00	13.68	30,214.93
1982	316,102.29	42.00	7,526.24	14.09	106,015.00
1983	33,503.67	42.00	797.71	14.50	11,566.00
1984	49,765.90	42.00	1,184.90	14.92	17,676.02

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1985	4,988.02	42.00	118.76	15.34	1,822.05
1986	17,629.79	42.00	419.76	15.77	6,620.54
1987	14,351.73	42.00	341.71	16.21	5,538.65
1988	561.48	42.00	13.37	16.65	222.61
1989	13,608.36	42.00	324.01	17.10	5,540.92
1990	44,308.76	42.00	1,054.97	17.56	18,522.54
1991	15,482.07	42.00	368.62	18.02	6,643.01
1992	4,020.95	42.00	95.74	18.49	1,770.38
1993	35,219.30	42.00	838.55	18.97	15,907.89
1994	26,119.86	42.00	621.90	19.46	12,100.89
1995	61,188.06	42.00	1,456.86	19.95	29,068.29
1996	240,188.77	42.00	5,718.78	20.46	116,988.19
1997	10,471.39	42.00	249.32	20.97	5,228.06
1998	50,848.33	42.00	1,210.67	21.49	26,018.48
1999	8,602.24	42.00	204.82	22.02	4,510.68
2000	2,348.66	42.00	55.92	22.56	1,261.81
2001	447,934.32	42.00	10,665.10	23.12	246,531.71
2002	48,487.86	42.00	1,154.47	23.68	27,337.22
2003	397,296.00	42.00	9,459.43	24.25	229,416.64
2004	86,137.12	42.00	2,050.88	24.84	50,941.37
2005	1,759,513.83	42.00	41,893.17	25.44	1,065,582.91
2006	448,977.65	42.00	10,689.94	26.04	278,415.71
2007	1,874,681.50	42.00	44,635.26	26.67	1,190,339.96
2008	1,806,847.86	42.00	43,020.17	27.30	1,174,595.10
2009	1,851,827.04	42.00	44,091.10	27.95	1,232,499.28
2010	108,375.96	42.00	2,580.38	28.62	73,842.29
2011	1,414,793.57	42.00	33,685.55	29.29	986,797.52

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	200,524.04	42.00	4,774.38	29.99	143,178.32
2013	99,406.55	42.00	2,366.82	30.70	72,655.54
2014	2,656,008.13	42.00	63,238.27	31.42	1,987,058.98
2015	75,454.84	42.00	1,796.54	32.17	57,786.10
2017	85,154.43	42.00	2,027.49	33.70	68,328.94
2019	158,982.37	42.00	3,785.29	35.31	133,654.24
2020	3,969.52	42.00	94.51	36.14	3,415.98
2021	202,673.46	42.00	4,825.56	37.00	178,524.51
2022	45,165.67	42.00	1,075.37	37.87	40,722.11
2023	2,382,299.70	42.00	56,721.40	38.76	2,198,769.80
2024	55,245.24	42.00	1,315.36	39.68	52,193.98
2025	707,949.33	42.00	16,855.93	40.62	684,718.82
2026	3,480,088.73	42.00	82,859.22	41.55	3,442,559.40
Total	22,837,776.03	39.49	543,721.58	30.22	16,430,497.58

Composite Average Remaining Life ... 30.22 Years

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	126.83	0.00	0.00	0.00	0.00
1916	12.63	0.00	0.00	0.00	0.00
1917	15.90	0.00	0.00	0.00	0.00
1918	7.95	0.00	0.00	0.00	0.00
1919	26.66	0.00	0.00	0.00	0.00
1920	118.87	0.00	0.00	0.00	0.00
1925	7.95	0.00	0.00	0.00	0.00
1926	134.78	0.00	0.00	0.00	0.00
1927	64.65	0.00	0.00	0.00	0.00
1928	18.26	0.00	0.00	0.00	0.00
1929	365.26	0.00	0.00	0.00	0.00
1930	197.04	0.00	0.00	0.00	0.00
1931	253.66	48.00	5.28	0.50	2.64
1934	42.87	48.00	0.89	1.36	1.22
1935	1,540.39	48.00	32.09	1.68	54.01
1936	969.88	48.00	20.21	2.02	40.91
1937	1,135.53	48.00	23.66	2.36	55.91
1940	1,350.61	48.00	28.14	3.26	91.70
1941	94.14	48.00	1.96	3.51	6.88
1942	657.77	48.00	13.70	3.74	51.27
1943	318.83	48.00	6.64	3.97	26.35
1945	9.17	48.00	0.19	4.42	0.84
1946	135.83	48.00	2.83	4.65	13.15
1947	725.45	48.00	15.11	4.87	73.66
1948	1,105.83	48.00	23.04	5.12	117.88
1949	19,055.99	48.00	396.99	5.37	2,130.51
1950	22,683.67	48.00	472.57	5.62	2,657.08

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1951	1,058.01	48.00	22.04	5.88	129.71
1952	7,701.85	48.00	160.45	6.15	987.13
1953	23,532.61	48.00	490.26	6.42	3,149.80
1954	12,257.17	48.00	255.35	6.70	1,711.45
1955	24,534.29	48.00	511.12	6.98	3,569.80
1956	11,194.19	48.00	233.21	7.27	1,695.55
1957	41,277.48	48.00	859.94	7.56	6,502.08
1958	43,292.51	48.00	901.92	7.86	7,085.51
1959	7,691.68	48.00	160.24	8.15	1,306.30
1960	732.65	48.00	15.26	8.46	129.08
1961	13,013.68	48.00	271.11	8.77	2,376.66
1962	20,163.38	48.00	420.07	9.08	3,814.82
1963	5,838.55	48.00	121.63	9.40	1,143.71
1964	91,423.51	48.00	1,904.63	9.73	18,533.24
1965	39,292.46	48.00	818.58	10.07	8,239.36
1966	25,399.83	48.00	529.16	10.41	5,507.27
1967	36,243.11	48.00	755.06	10.76	8,122.73
1968	233,299.07	48.00	4,860.34	11.12	54,029.05
1969	106,899.67	48.00	2,227.05	11.48	25,574.59
1970	12,892.10	48.00	268.58	11.86	3,185.41
1971	70,718.20	48.00	1,473.28	12.25	18,041.64
1972	18,445.37	48.00	384.27	12.64	4,857.97
1973	28,232.46	48.00	588.17	13.05	7,674.49
1974	38,573.74	48.00	803.61	13.46	10,820.29
1975	11,737.28	48.00	244.52	13.89	3,396.83
1976	29,431.73	48.00	613.15	14.33	8,786.08
1977	16,105.54	48.00	335.53	14.78	4,958.37

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	225,318.23	48.00	4,694.07	15.24	71,524.40
1979	209,935.08	48.00	4,373.59	15.71	68,697.95
1980	227,737.08	48.00	4,744.46	16.19	76,806.42
1981	292,396.62	48.00	6,091.52	16.68	101,611.24
1982	162,388.90	48.00	3,383.06	17.18	58,133.80
1983	159,982.63	48.00	3,332.93	17.70	58,989.82
1984	132,598.09	48.00	2,762.42	18.22	50,342.19
1985	161,209.81	48.00	3,358.49	18.76	63,003.30
1986	66,089.13	48.00	1,376.84	19.31	26,580.45
1987	387,939.69	48.00	8,081.97	19.86	160,522.98
1988	74,938.30	48.00	1,561.19	20.43	31,892.97
1989	226,635.45	48.00	4,721.51	21.01	99,177.24
1990	167,100.55	48.00	3,481.22	21.59	75,167.12
1991	378,270.93	48.00	7,880.54	22.19	174,859.56
1992	164,733.37	48.00	3,431.90	22.79	78,229.97
1993	671,216.79	48.00	13,983.50	23.41	327,360.92
1994	293,911.68	48.00	6,123.08	24.04	147,170.04
1995	345,746.70	48.00	7,202.96	24.67	177,701.97
1996	144,844.53	48.00	3,017.56	25.31	76,384.61
1997	677,455.66	48.00	14,113.48	25.96	366,452.26
1998	738,695.14	48.00	15,389.29	26.62	409,729.38
1999	273,576.03	48.00	5,699.43	27.29	155,549.19
2000	275,362.78	48.00	5,736.65	27.97	160,440.91
2001	273,109.44	48.00	5,689.71	28.65	163,015.63
2002	1,109,396.73	48.00	23,112.14	29.34	678,148.30
2003	658,571.59	48.00	13,720.07	30.04	412,144.12
2004	1,661,635.55	48.00	34,616.97	30.74	1,064,274.65

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	191,289.01	48.00	3,985.14	31.46	125,355.69
2006	1,230,591.40	48.00	25,636.99	32.17	824,838.25
2007	1,212,168.09	48.00	25,253.18	32.90	830,808.02
2008	516,211.25	48.00	10,754.26	33.63	361,659.63
2009	588,119.85	48.00	12,252.34	34.37	421,057.17
2010	1,167,171.70	48.00	24,315.77	35.11	853,654.42
2011	1,557,148.32	48.00	32,440.18	35.85	1,163,109.66
2012	2,431,975.45	48.00	50,665.51	36.61	1,854,669.23
2013	1,160,081.26	48.00	24,168.05	37.36	903,000.33
2014	1,491,125.75	48.00	31,064.72	38.13	1,184,362.30
2015	1,758,329.42	48.00	36,631.40	38.89	1,424,699.42
2016	1,959,322.02	48.00	40,818.69	39.67	1,619,074.57
2017	10,896,923.89	48.00	227,016.35	40.44	9,181,030.86
2018	437,449.49	48.00	9,113.41	41.22	375,693.17
2019	449,665.60	48.00	9,367.91	42.01	393,565.83
2020	551,564.88	48.00	11,490.79	42.80	491,852.23
2021	162,280.42	48.00	3,380.80	43.60	147,405.69
2022	896,877.30	48.00	18,684.71	44.40	829,647.25
2023	5,232,700.35	48.00	109,013.20	45.21	4,928,371.10
2024	537,093.46	48.00	11,189.30	46.02	514,933.99
2025	497,093.76	48.00	10,355.99	46.84	485,035.50
2026	2,468,821.98	48.00	51,433.13	47.62	2,449,391.87
Total	48,576,959.65	42.41	1,011,984.22	36.48	36,917,780.52

Composite Average Remaining Life ... 36.48 Years

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1953	2,740.74	0.00	0.00	0.00	0.00
1954	35.60	0.00	0.00	0.00	0.00
1955	351.02	0.00	0.00	0.00	0.00
1961	756.22	35.00	21.61	1.67	36.14
1965	3,429.65	35.00	97.99	2.90	283.70
1968	1,634.56	35.00	46.70	3.79	176.96
1969	2,732.34	35.00	78.06	4.10	319.71
1970	2,520.94	35.00	72.02	4.41	317.46
1974	578.55	35.00	16.53	5.72	94.58
1975	236.10	35.00	6.75	6.07	40.92
1976	1,215.86	35.00	34.74	6.42	222.97
1979	17,650.83	35.00	504.29	7.52	3,791.90
1982	4,504.21	35.00	128.69	8.69	1,118.12
1986	2,135.76	35.00	61.02	10.36	632.31
1987	256.35	35.00	7.32	10.80	79.12
1989	26,482.55	35.00	756.62	11.71	8,859.98
1990	14.84	35.00	0.42	12.18	5.16
1991	4,856.79	35.00	138.76	12.65	1,755.99
1992	8,073.07	35.00	230.65	13.14	3,031.13
1993	12,151.68	35.00	347.18	13.64	4,734.87
1994	35,464.43	35.00	1,013.24	14.14	14,331.14
1995	17,491.87	35.00	499.75	14.66	7,326.51
1996	17,646.12	35.00	504.16	15.19	7,656.47
1997	108,647.75	35.00	3,104.12	15.72	48,805.93
1998	56,483.33	35.00	1,613.76	16.27	26,254.59
1999	28,011.20	35.00	800.29	16.83	13,465.30
2000	86,140.66	35.00	2,461.08	17.39	42,801.95

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	78,749.24	35.00	2,249.91	18.55	41,741.19
2003	46,378.35	35.00	1,325.05	19.15	25,371.46
2004	24,561.39	35.00	701.73	19.75	13,860.43
2008	111,157.57	35.00	3,175.83	22.25	70,673.42
2011	19,861.33	35.00	567.45	24.21	13,737.53
2013	5,239.33	35.00	149.69	25.54	3,823.59
2014	4,900.00	35.00	140.00	26.22	3,670.40
2015	553,624.92	35.00	15,817.34	26.90	425,436.75
2016	295,458.11	35.00	8,441.39	27.58	232,818.47
2017	631,609.62	35.00	18,045.40	28.27	510,117.33
2018	241,146.06	35.00	6,889.66	28.96	199,530.75
2019	4,636.30	35.00	132.46	29.66	3,928.53
2021	160,434.13	35.00	4,583.68	31.07	142,402.33
2023	30,785.92	35.00	879.57	32.50	28,584.58
Total	2,650,785.29	32.44	75,644.91	25.14	1,901,839.69

Composite Average Remaining Life ... 25.14 Years

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	9,356.61	0.00	0.00	0.00	0.00
1901	57,750.82	0.00	0.00	0.00	0.00
1902	20,985.66	0.00	0.00	0.00	0.00
1903	55,757.91	0.00	0.00	0.00	0.00
1904	6,974.52	0.00	0.00	0.00	0.00
1905	20,820.07	0.00	0.00	0.00	0.00
1906	12,696.56	0.00	0.00	0.00	0.00
1907	3,991.47	0.00	0.00	0.00	0.00
1908	3,682.91	0.00	0.00	0.00	0.00
1909	2,061.23	0.00	0.00	0.00	0.00
1910	3,165.76	0.00	0.00	0.00	0.00
1911	6,116.69	0.00	0.00	0.00	0.00
1912	12,423.56	0.00	0.00	0.00	0.00
1913	7,267.85	75.00	96.90	0.50	48.45
1914	8,650.32	75.00	115.34	0.63	72.24
1915	16,578.55	75.00	221.05	0.77	171.06
1916	3,836.99	75.00	51.16	0.84	43.06
1917	3,163.19	75.00	42.18	1.09	45.98
1918	1,448.90	75.00	19.32	1.31	25.34
1919	1,808.38	75.00	24.11	1.44	34.78
1920	5,435.30	75.00	72.47	1.68	122.07
1921	3,077.86	75.00	41.04	1.92	78.85
1922	6,721.09	75.00	89.61	2.09	187.64
1923	7,711.85	75.00	102.82	2.34	240.58
1924	3,514.28	75.00	46.86	2.59	121.27
1925	4,311.45	75.00	57.49	2.79	160.44
1926	2,267.36	75.00	30.23	3.05	92.06

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,524.17	75.00	46.99	3.30	155.26
1928	1,429.17	75.00	19.06	3.53	67.24
1929	3,436.00	75.00	45.81	3.79	173.69
1930	5,769.25	75.00	76.92	4.06	312.16
1931	4,799.02	75.00	63.99	4.30	274.99
1932	2,986.25	75.00	39.82	4.57	181.82
1933	884.91	75.00	11.80	4.84	57.10
1934	985.72	75.00	13.14	5.09	66.91
1935	975.62	75.00	13.01	5.37	69.81
1936	3,380.64	75.00	45.07	5.65	254.53
1937	4,752.29	75.00	63.36	5.91	374.58
1938	3,461.64	75.00	46.15	6.20	286.06
1939	8,948.17	75.00	119.31	6.49	774.38
1940	12,537.47	75.00	167.17	6.78	1,132.60
1941	25,958.06	75.00	346.11	7.08	2,450.35
1942	6,103.48	75.00	81.38	7.39	601.66
1943	1,382.06	75.00	18.43	7.71	142.03
1944	3,132.18	75.00	41.76	8.04	335.80
1945	16,033.54	75.00	213.78	8.39	1,792.75
1946	8,719.44	75.00	116.26	8.74	1,016.27
1947	11,572.43	75.00	154.30	9.11	1,406.40
1948	11,368.64	75.00	151.58	9.50	1,440.61
1949	10,266.47	75.00	136.89	9.91	1,356.83
1950	29,719.87	75.00	396.26	10.34	4,096.40
1951	39,412.01	75.00	525.49	10.78	5,665.67
1952	23,927.58	75.00	319.03	11.25	3,589.88
1953	16,401.19	75.00	218.68	11.74	2,567.15

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,305.55	75.00	297.41	12.25	3,642.15
1955	27,554.94	75.00	367.40	12.78	4,696.88
1956	27,566.98	75.00	367.56	13.34	4,901.80
1957	24,760.10	75.00	330.13	13.91	4,591.38
1958	95,103.66	75.00	1,268.04	14.51	18,397.57
1959	31,478.89	75.00	419.72	15.12	6,346.22
1960	27,074.73	75.00	360.99	15.75	5,684.84
1961	56,566.83	75.00	754.22	16.40	12,367.87
1962	22,814.68	75.00	304.19	17.05	5,188.03
1963	32,627.88	75.00	435.04	17.72	7,709.82
1964	37,595.96	75.00	501.28	18.41	9,226.25
1965	37,095.20	75.00	494.60	19.09	9,443.20
1966	32,185.46	75.00	429.14	19.79	8,491.65
1967	56,370.01	75.00	751.60	20.50	15,406.05
1968	51,176.17	75.00	682.35	21.21	14,474.18
1969	31,060.18	75.00	414.13	21.94	9,084.35
1970	37,964.75	75.00	506.19	22.67	11,477.88
1971	41,657.49	75.00	555.43	23.42	13,007.62
1972	26,813.77	75.00	357.52	24.17	8,641.96
1973	51,687.84	75.00	689.17	24.94	17,188.85
1974	43,648.85	75.00	581.98	25.72	14,966.19
1975	26,973.73	75.00	359.65	26.50	9,530.52
1976	23,771.53	75.00	316.95	27.30	8,652.42
1977	29,833.89	75.00	397.78	28.10	11,179.04
1978	40,220.45	75.00	536.27	28.92	15,507.27
1979	59,805.49	75.00	797.40	29.75	23,718.96
1980	61,795.41	75.00	823.93	30.58	25,194.94

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	80,440.05	75.00	1,072.53	31.42	33,699.80
1982	66,323.68	75.00	884.31	32.28	28,542.69
1983	75,703.69	75.00	1,009.38	33.14	33,448.23
1984	49,386.28	75.00	658.48	34.01	22,392.38
1985	56,685.75	75.00	755.81	34.89	26,368.01
1986	60,050.04	75.00	800.66	35.77	28,642.04
1987	96,831.16	75.00	1,291.08	36.67	47,338.17
1988	101,680.52	75.00	1,355.73	37.57	50,934.22
1989	99,008.25	75.00	1,320.10	38.48	50,794.08
1990	116,992.90	75.00	1,559.90	39.39	61,446.71
1991	88,606.59	75.00	1,181.42	40.32	47,628.98
1992	159,574.41	75.00	2,127.65	41.24	87,749.36
1993	145,170.76	75.00	1,935.60	42.18	81,634.06
1994	116,906.29	75.00	1,558.74	43.12	67,206.34
1995	95,713.43	75.00	1,276.17	44.06	56,227.44
1996	49,135.34	75.00	655.13	45.01	29,486.08
1997	160,911.05	75.00	2,145.47	45.96	98,611.21
1998	78,529.79	75.00	1,047.06	46.92	49,127.87
1999	136,298.12	75.00	1,817.30	47.88	87,014.02
2000	121,853.66	75.00	1,624.71	48.85	79,362.65
2001	389,701.31	75.00	5,195.99	49.82	258,842.41
2002	248,302.90	75.00	3,310.69	50.79	168,140.46
2003	535,657.43	75.00	7,142.06	51.76	369,692.63
2004	237,666.40	75.00	3,168.87	52.74	167,125.79
2005	320,451.32	75.00	4,272.66	53.72	229,524.55
2006	499,428.35	75.00	6,659.01	54.70	364,261.00
2007	209,830.34	75.00	2,797.72	55.69	155,793.58

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	111,669.23	75.00	1,488.92	56.67	84,378.99
2009	48,393.49	75.00	645.24	57.66	37,204.35
2010	45,085.01	75.00	601.13	58.65	35,255.28
2011	249,454.99	75.00	3,326.05	59.64	198,360.50
2012	165,726.91	75.00	2,209.68	60.63	133,973.76
2013	30,336.74	75.00	404.49	61.62	24,925.72
2014	1,150.00	75.00	15.33	62.62	960.11
2015	12,300.58	75.00	164.01	63.61	10,432.65
2016	107,526.45	75.00	1,433.68	64.61	92,624.55
2017	203,905.99	75.00	2,718.73	65.60	178,354.29
2018	2,388.00	75.00	31.84	66.60	2,120.49
2020	12,955.85	75.00	172.74	68.59	11,849.00
2024	3,724,469.78	75.00	49,659.36	72.59	3,604,576.69
2025	1,038,567.42	75.00	13,847.50	73.58	1,018,967.37
2026	908,022.62	75.00	12,106.91	74.54	902,477.70
Total	12,669,747.70	67.07	166,052.04	56.90	9,448,300.84

Composite Average Remaining Life ... 56.90 Years

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1903	83.73	0.00	0.00	0.00	0.00
1908	19.54	65.00	0.30	0.66	0.20
1912	9.54	65.00	0.15	1.64	0.24
1913	1,357.31	65.00	20.88	1.90	39.68
1914	1,639.31	65.00	25.22	2.18	54.98
1915	2,011.59	65.00	30.95	2.44	75.57
1917	1,021.50	65.00	15.72	2.99	47.01
1918	2,575.62	65.00	39.62	3.28	129.91
1919	815.12	65.00	12.54	3.55	44.52
1920	353.72	65.00	5.44	3.84	20.90
1921	1,745.97	65.00	26.86	4.12	110.57
1922	1,361.96	65.00	20.95	4.41	92.42
1923	607.99	65.00	9.35	4.69	43.86
1924	633.17	65.00	9.74	4.99	48.56
1925	3,680.40	65.00	56.62	5.27	298.13
1926	1,312.54	65.00	20.19	5.55	112.12
1927	3,613.78	65.00	55.60	5.85	325.01
1928	5,024.89	65.00	77.31	6.13	474.13
1929	3,011.80	65.00	46.34	6.43	297.83
1930	4,024.26	65.00	61.91	6.72	415.76
1931	701.45	65.00	10.79	7.01	75.66
1932	1,920.05	65.00	29.54	7.30	215.63
1933	388.56	65.00	5.98	7.60	45.42
1934	313.86	65.00	4.83	7.89	38.09
1935	1,724.32	65.00	26.53	8.19	217.26
1936	3,679.73	65.00	56.61	8.48	480.32
1937	4,134.88	65.00	63.61	8.79	559.18

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,238.07	65.00	34.43	9.09	313.01
1939	1,739.28	65.00	26.76	9.40	251.46
1940	1,749.00	65.00	26.91	9.71	261.30
1941	2,121.15	65.00	32.63	10.03	327.18
1942	10,812.23	65.00	166.34	10.35	1,721.41
1943	2,101.80	65.00	32.34	10.67	345.13
1944	6,541.60	65.00	100.64	11.01	1,107.72
1945	1,414.75	65.00	21.77	11.34	246.89
1946	10,667.70	65.00	164.12	11.69	1,918.32
1947	10,157.66	65.00	156.27	12.04	1,881.23
1948	25,651.89	65.00	394.64	12.40	4,892.40
1949	30,399.29	65.00	467.68	12.76	5,968.11
1950	33,724.76	65.00	518.84	13.13	6,814.64
1951	49,071.55	65.00	754.95	13.51	10,202.38
1952	81,155.43	65.00	1,248.54	13.90	17,357.72
1953	69,467.96	65.00	1,068.74	14.30	15,281.91
1954	22,057.69	65.00	339.35	14.70	4,989.81
1955	48,500.57	65.00	746.16	15.12	11,280.12
1956	36,568.53	65.00	562.59	15.54	8,742.68
1957	40,684.72	65.00	625.92	15.97	9,996.35
1958	76,107.43	65.00	1,170.88	16.41	19,215.48
1959	71,394.05	65.00	1,098.37	16.86	18,517.92
1960	19,360.19	65.00	297.85	17.32	5,158.20
1961	63,351.58	65.00	974.64	17.78	17,333.41
1962	9,462.25	65.00	145.57	18.26	2,658.41
1963	35,290.18	65.00	542.92	18.75	10,177.67
1964	35,101.11	65.00	540.02	19.24	10,390.94

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	36,289.22	65.00	558.29	19.75	11,024.22
1966	34,727.22	65.00	534.26	20.26	10,823.49
1967	20,757.29	65.00	319.34	20.78	6,636.42
1968	18,895.70	65.00	290.70	21.31	6,195.45
1969	17,078.22	65.00	262.74	21.85	5,741.73
1970	21,544.06	65.00	331.45	22.40	7,424.89
1971	24,413.24	65.00	375.59	22.96	8,623.79
1972	33,515.59	65.00	515.62	23.53	12,130.91
1973	42,333.41	65.00	651.28	24.10	15,698.43
1974	52,183.31	65.00	802.82	24.69	19,819.21
1975	70,774.07	65.00	1,088.83	25.28	27,527.54
1976	24,458.90	65.00	376.29	25.88	9,739.08
1977	10,052.47	65.00	154.65	26.49	4,097.34
1978	13,381.28	65.00	205.87	27.11	5,581.60
1979	61,227.14	65.00	941.95	27.74	26,128.80
1980	46,957.29	65.00	722.42	28.37	20,498.32
1981	108,073.93	65.00	1,662.67	29.02	48,245.08
1982	24,493.98	65.00	376.83	29.67	11,179.91
1983	174,266.69	65.00	2,681.02	30.33	81,304.27
1984	50,313.82	65.00	774.06	30.99	23,990.56
1985	43,778.24	65.00	673.51	31.67	21,327.31
1986	30,873.15	65.00	474.97	32.35	15,364.59
1987	26,994.30	65.00	415.30	33.04	13,719.65
1988	37,166.07	65.00	571.78	33.73	19,288.13
1989	61,580.41	65.00	947.39	34.43	32,623.14
1990	32,820.21	65.00	504.93	35.15	17,746.36
1991	30,990.54	65.00	476.78	35.86	17,099.19

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	12,536.57	65.00	192.87	36.59	7,056.63
1993	39,532.32	65.00	608.19	37.32	22,696.90
1994	33,782.35	65.00	519.73	38.06	19,778.46
1995	64,900.20	65.00	998.46	38.80	38,740.48
1996	11,243.39	65.00	172.97	39.55	6,841.08
1997	21,575.41	65.00	331.93	40.31	13,379.10
1998	40,226.17	65.00	618.86	41.07	25,416.12
1999	33,979.75	65.00	522.76	41.84	21,872.05
2000	43,051.20	65.00	662.32	42.61	28,223.80
2002	2,350.85	65.00	36.17	44.18	1,597.90
2003	2,053.26	65.00	31.59	44.98	1,420.71
2004	44,825.88	65.00	689.63	45.77	31,567.36
2005	63,144.05	65.00	971.44	46.58	45,248.22
2006	168,913.79	65.00	2,598.67	47.39	123,147.26
2007	5,524.79	65.00	85.00	48.20	4,097.11
2008	270,058.56	65.00	4,154.74	49.02	203,684.22
2009	2,015.74	65.00	31.01	49.85	1,545.91
2010	45,567.85	65.00	701.04	50.68	35,530.04
2011	51,274.14	65.00	788.83	51.52	40,638.41
2012	54,052.88	65.00	831.58	52.36	43,541.11
2013	160,494.26	65.00	2,469.14	53.20	131,370.18
2014	21,500.33	65.00	330.77	54.06	17,880.63
2015	419,116.93	65.00	6,447.94	54.91	354,069.82
2017	6,204.02	65.00	95.45	56.64	5,406.03
2018	140,968.77	65.00	2,168.75	57.51	124,722.65
2019	12,998.63	65.00	199.98	58.38	11,675.53
2023	130,590.79	65.00	2,009.08	61.92	124,411.80

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	25,764.48	65.00	396.38	62.82	24,900.12
2026	1,302,345.25	65.00	20,036.03	64.58	1,294,018.02
Total	5,225,191.37	64.41	80,386.08	43.49	3,495,671.79

Composite Average Remaining Life ... 43.49 Years

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	18.93	0.00	0.00	0.00	0.00
1906	10.01	65.00	0.15	0.50	0.08
1907	41.85	65.00	0.64	0.55	0.35
1909	16.66	65.00	0.26	0.94	0.24
1910	5.15	65.00	0.08	1.13	0.09
1911	36.07	65.00	0.55	1.42	0.79
1912	10.16	65.00	0.16	1.64	0.26
1913	33.39	65.00	0.51	1.90	0.98
1914	13.64	65.00	0.21	2.18	0.46
1915	7.21	65.00	0.11	2.44	0.27
1917	11.97	65.00	0.18	2.99	0.55
1922	15.26	65.00	0.23	4.41	1.04
1925	2.50	65.00	0.04	5.27	0.20
1927	26.62	65.00	0.41	5.85	2.39
1928	617.16	65.00	9.49	6.13	58.23
1929	5.35	65.00	0.08	6.43	0.53
1930	19.62	65.00	0.30	6.72	2.03
1933	1.25	65.00	0.02	7.60	0.15
1938	156.55	65.00	2.41	9.09	21.89
1939	541.21	65.00	8.33	9.40	78.25
1940	225.24	65.00	3.47	9.71	33.65
1941	132.11	65.00	2.03	10.03	20.38
1942	1,264.96	65.00	19.46	10.35	201.39
1943	140.00	65.00	2.15	10.67	22.99
1947	28.90	65.00	0.44	12.04	5.35
1948	119.32	65.00	1.84	12.40	22.76
1949	954.21	65.00	14.68	12.76	187.33

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1950	318.52	65.00	4.90	13.13	64.36
1951	1,225.25	65.00	18.85	13.51	254.74
1952	1,723.65	65.00	26.52	13.90	368.66
1953	1,838.37	65.00	28.28	14.30	404.41
1954	1,808.65	65.00	27.83	14.70	409.15
1955	4,119.06	65.00	63.37	15.12	958.00
1956	2,972.20	65.00	45.73	15.54	710.58
1957	599.42	65.00	9.22	15.97	147.28
1958	2,092.84	65.00	32.20	16.41	528.40
1959	1,105.18	65.00	17.00	16.86	286.66
1960	1,903.13	65.00	29.28	17.32	507.06
1961	655.47	65.00	10.08	17.78	179.34
1962	3,127.73	65.00	48.12	18.26	878.73
1963	2,267.09	65.00	34.88	18.75	653.83
1964	1,006.92	65.00	15.49	19.24	298.08
1965	4,910.23	65.00	75.54	19.75	1,491.67
1966	1,977.05	65.00	30.42	20.26	616.19
1967	4,007.26	65.00	61.65	20.78	1,281.18
1968	2,402.78	65.00	36.97	21.31	787.81
1969	2,104.83	65.00	32.38	21.85	707.65
1970	7,723.63	65.00	118.82	22.40	2,661.85
1971	3,384.07	65.00	52.06	22.96	1,195.40
1972	5,978.05	65.00	91.97	23.53	2,163.74
1973	4,798.08	65.00	73.82	24.10	1,779.26
1974	1,207.86	65.00	18.58	24.69	458.74
1976	8,495.73	65.00	130.70	25.88	3,382.84
1977	2,075.92	65.00	31.94	26.49	846.14

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	1,584.85	65.00	24.38	27.11	661.07
1979	3,055.69	65.00	47.01	27.74	1,304.02
1980	15,755.65	65.00	242.39	28.37	6,877.83
1981	1,735.37	65.00	26.70	29.02	774.68
1982	7,477.67	65.00	115.04	29.67	3,413.07
1983	9,556.02	65.00	147.02	30.33	4,458.37
1984	10,545.06	65.00	162.23	30.99	5,028.08
1985	7,845.56	65.00	120.70	31.67	3,822.10
1986	13,834.09	65.00	212.83	32.35	6,884.79
1987	16,371.96	65.00	251.88	33.04	8,320.93
1988	24,793.91	65.00	381.44	33.73	12,867.33
1989	20,057.78	65.00	308.58	34.43	10,625.91
1990	10,248.72	65.00	157.67	35.15	5,541.63
1991	24,384.92	65.00	375.15	35.86	13,454.50
1992	32,716.16	65.00	503.32	36.59	18,415.39
1993	43,540.71	65.00	669.86	37.32	24,998.26
1994	13,356.35	65.00	205.48	38.06	7,819.70
1995	25,503.16	65.00	392.36	38.80	15,223.44
1996	17,361.84	65.00	267.10	39.55	10,563.87
1997	12,560.71	65.00	193.24	40.31	7,789.01
1998	19,747.96	65.00	303.81	41.07	12,477.36
1999	38,323.29	65.00	589.59	41.84	24,667.89
2000	17,222.31	65.00	264.96	42.61	11,290.72
2001	25,491.47	65.00	392.18	43.40	17,018.68
2002	30,061.47	65.00	462.48	44.18	20,433.13
2003	43,162.95	65.00	664.04	44.98	29,865.70
2004	46,337.65	65.00	712.89	45.77	32,631.98

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	49,805.93	65.00	766.24	46.58	35,690.29
2006	39,229.62	65.00	603.53	47.39	28,600.51
2007	26,168.97	65.00	402.60	48.20	19,406.57
2008	38,476.67	65.00	591.95	49.02	29,019.97
2009	31,291.92	65.00	481.41	49.85	23,998.35
2010	56,436.18	65.00	868.25	50.68	44,004.26
2011	49,784.92	65.00	765.92	51.52	39,458.10
2012	115,135.23	65.00	1,771.31	52.36	92,744.65
2013	67,646.44	65.00	1,040.71	53.20	55,370.98
2014	7,717.64	65.00	118.73	54.06	6,418.33
2015	2,009.53	65.00	30.92	54.91	1,697.65
2016	4,884.04	65.00	75.14	55.77	4,190.78
2021	3,388.02	65.00	52.12	60.15	3,135.00
Total	1,104,892.66	64.31	16,998.02	42.69	725,649.27

Composite Average Remaining Life ... 42.69 Years

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	13,481.44	80.00	168.52	10.96	1,846.70
1919	1,926.91	80.00	24.09	15.11	363.94
1922	400.82	80.00	5.01	16.08	80.59
1924	435.52	80.00	5.44	16.75	91.18
1927	750.59	80.00	9.38	17.78	166.86
1936	1,676.98	80.00	20.96	21.18	443.90
1943	91,264.55	80.00	1,140.80	24.15	27,550.79
1945	1,062.65	80.00	13.28	25.06	332.84
1947	57,166.96	80.00	714.58	25.99	18,573.23
1948	30,786.42	80.00	384.83	26.47	10,185.66
1949	4,330.42	80.00	54.13	26.95	1,458.85
1950	1,268,521.71	80.00	15,856.39	27.44	435,097.37
1951	7,295.87	80.00	91.20	27.94	2,547.89
1952	146,223.76	80.00	1,827.78	28.44	51,983.34
1953	25,951.64	80.00	324.39	28.95	9,391.00
1954	2,355.29	80.00	29.44	29.46	867.46
1958	1,705.22	80.00	21.32	31.59	673.40
1959	67,604.32	80.00	845.05	32.14	27,162.10
1960	79,470.24	80.00	993.37	32.70	32,479.67
1961	268,872.14	80.00	3,360.87	33.26	111,769.56
1962	14,294.96	80.00	178.69	33.82	6,043.43
1963	435,895.00	80.00	5,448.64	34.40	187,414.60
1964	176,044.92	80.00	2,200.54	34.97	76,963.58
1965	20,753.18	80.00	259.41	35.56	9,224.39
1966	397,098.86	80.00	4,963.69	36.15	179,429.04
1967	12,081.61	80.00	151.02	36.75	5,549.50
1968	13,540.61	80.00	169.26	37.35	6,321.53

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1969	9,973.31	80.00	124.67	37.96	4,731.81
1970	3,176.93	80.00	39.71	38.57	1,531.61
1971	50,785.33	80.00	634.81	39.19	24,878.38
1972	48,073.60	80.00	600.91	39.81	23,925.10
1973	24,968.54	80.00	312.10	40.44	12,622.70
1974	23,103.65	80.00	288.79	41.08	11,863.14
1975	20,817.78	80.00	260.22	41.72	10,856.74
1976	11,962.93	80.00	149.54	42.37	6,335.35
1977	583,551.43	80.00	7,294.33	43.02	313,782.60
1978	27,518.57	80.00	343.98	43.67	15,022.43
1979	56,748.47	80.00	709.35	44.34	31,449.58
1980	16,951.46	80.00	211.89	45.00	9,535.40
1981	49,748.97	80.00	621.86	45.67	28,401.11
1982	130,288.85	80.00	1,628.60	46.35	75,478.98
1983	131,787.24	80.00	1,647.33	47.03	77,470.85
1984	106,793.31	80.00	1,334.90	47.71	63,691.66
1985	323,960.48	80.00	4,049.47	48.40	195,998.39
1986	339,516.50	80.00	4,243.92	49.09	208,349.23
1987	246,800.79	80.00	3,084.98	49.79	153,611.64
1988	525,336.31	80.00	6,566.65	50.49	331,582.53
1989	1,034,604.33	80.00	12,932.44	51.20	662,146.49
1990	997,559.28	80.00	12,469.38	51.91	647,281.85
1991	200,262.09	80.00	2,503.25	52.63	131,735.27
1992	81,790.93	80.00	1,022.38	53.34	54,536.85
1993	95,392.11	80.00	1,192.39	54.06	64,465.72
1994	321,431.79	80.00	4,017.86	54.79	220,133.86
1995	463,873.21	80.00	5,798.37	55.52	321,922.22

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1996	112,115.32	80.00	1,401.43	56.25	78,832.67
1997	268,880.29	80.00	3,360.97	56.99	191,531.84
1998	856,390.85	80.00	10,704.79	57.73	617,939.85
1999	58,667.68	80.00	733.34	58.47	42,878.15
2000	264,797.42	80.00	3,309.94	59.22	195,998.70
2001	1,364,802.15	80.00	17,059.88	59.96	1,022,972.90
2002	701,690.35	80.00	8,771.05	60.72	532,535.04
2003	1,257,728.70	80.00	15,721.47	61.47	966,425.81
2004	729,960.69	80.00	9,124.43	62.23	567,809.61
2005	297,906.30	80.00	3,723.80	62.99	234,563.05
2006	843,398.62	80.00	10,542.39	63.75	672,117.72
2007	126,061.64	80.00	1,575.76	64.52	101,671.66
2008	809,582.67	80.00	10,119.70	65.29	660,738.25
2009	465,086.70	80.00	5,813.53	66.06	384,070.83
2011	593,421.97	80.00	7,417.71	67.62	501,592.02
2012	320,802.60	80.00	4,010.00	68.40	274,294.30
2013	92,669.08	80.00	1,158.35	69.19	80,143.12
2014	160,074.49	80.00	2,000.91	69.97	140,012.67
2016	269,651.58	80.00	3,370.62	71.56	241,201.44
2017	366,118.77	80.00	4,576.45	72.36	331,134.61
2018	2,302,574.07	80.00	28,781.93	73.16	2,105,549.78
2019	1,472,657.40	80.00	18,408.06	73.96	1,361,443.37
2020	467,118.99	80.00	5,838.94	74.76	436,543.66
2021	1,540,358.99	80.00	19,254.32	75.57	1,455,089.37
2022	3,566.32	80.00	44.58	76.38	3,405.03

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***80*** ***Survivor Curve:*** ***R1.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	24,813,854.42	80.00	310,170.52	58.38	18,107,849.34

Composite Average Remaining Life ... 58.38 Years

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	426,602.19	72.00	5,924.97	5.65	33,491.80
1901	23,548.36	72.00	327.06	5.86	1,917.51
1902	47,610.02	72.00	661.24	6.09	4,029.78
1903	45,074.20	72.00	626.02	6.31	3,950.27
1904	43,754.85	72.00	607.70	6.54	3,974.40
1905	48,367.53	72.00	671.76	6.78	4,551.84
1906	33,965.00	72.00	471.73	7.00	3,301.01
1907	41,681.20	72.00	578.90	7.24	4,190.38
1908	33,483.02	72.00	465.04	7.47	3,475.54
1909	20,992.29	72.00	291.56	7.72	2,251.06
1910	10,126.83	72.00	140.65	7.97	1,121.67
1911	30,689.61	72.00	426.24	8.22	3,504.35
1912	23,744.20	72.00	329.78	8.48	2,797.25
1913	124,573.36	72.00	1,730.17	8.75	15,137.21
1914	126,051.28	72.00	1,750.69	9.01	15,767.45
1915	29,128.82	72.00	404.56	9.28	3,753.94
1916	49,030.26	72.00	680.97	9.55	6,501.06
1917	34,145.88	72.00	474.24	9.82	4,659.25
1918	42,010.45	72.00	583.47	10.11	5,897.30
1919	30,913.30	72.00	429.35	10.38	4,458.07
1920	907.34	72.00	12.60	10.67	134.47
1921	36,809.50	72.00	511.24	10.96	5,600.70
1922	39,835.84	72.00	553.27	11.25	6,222.69
1923	58,825.05	72.00	817.01	11.54	9,431.03
1924	98,829.35	72.00	1,372.62	11.84	16,246.02
1925	187,715.88	72.00	2,607.14	12.14	31,643.09
1926	139,088.19	72.00	1,931.76	12.44	24,026.64

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	128,385.56	72.00	1,783.11	12.74	22,725.01
1928	152,199.14	72.00	2,113.86	13.06	27,598.52
1929	122,751.12	72.00	1,704.86	13.37	22,788.04
1930	108,979.83	72.00	1,513.59	13.68	20,713.07
1931	116,104.94	72.00	1,612.55	14.01	22,588.15
1932	92,930.77	72.00	1,290.69	14.33	18,495.89
1933	34,806.35	72.00	483.42	14.66	7,087.51
1934	23,591.88	72.00	327.66	14.99	4,913.08
1935	42,627.74	72.00	592.05	15.33	9,078.75
1936	53,432.53	72.00	742.11	15.68	11,636.49
1937	180,042.44	72.00	2,500.56	16.03	40,080.91
1938	118,199.80	72.00	1,641.65	16.38	26,898.21
1939	196,568.11	72.00	2,730.09	16.75	45,716.76
1940	275,590.60	72.00	3,827.61	17.11	65,501.91
1941	209,141.30	72.00	2,904.71	17.49	50,793.79
1942	120,591.26	72.00	1,674.86	17.87	29,922.70
1943	38,863.45	72.00	539.76	18.25	9,851.71
1944	73,171.74	72.00	1,016.26	18.64	18,947.53
1945	52,564.36	72.00	730.05	19.04	13,902.75
1946	208,125.36	72.00	2,890.60	19.45	56,220.12
1947	187,219.39	72.00	2,600.24	19.86	51,646.88
1948	99,742.32	72.00	1,385.30	20.28	28,096.50
1949	512,021.01	72.00	7,111.33	20.71	147,263.58
1950	704,865.34	72.00	9,789.70	21.14	206,982.81
1951	782,040.80	72.00	10,861.57	21.58	234,431.58
1952	1,237,761.77	72.00	17,190.96	22.03	378,760.83
1953	1,310,971.26	72.00	18,207.75	22.49	409,452.28

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	758,842.97	72.00	10,539.38	22.95	241,877.47
1955	1,049,193.08	72.00	14,571.98	23.42	341,292.44
1956	1,462,498.93	72.00	20,312.28	23.90	485,422.45
1957	1,100,373.78	72.00	15,282.82	24.38	372,649.53
1958	1,384,048.86	72.00	19,222.71	24.88	478,169.36
1959	1,159,405.99	72.00	16,102.70	25.37	408,583.75
1960	1,110,831.35	72.00	15,428.06	25.88	399,301.92
1961	1,383,241.35	72.00	19,211.49	26.39	507,081.12
1962	1,379,594.82	72.00	19,160.85	26.92	515,743.91
1963	1,620,086.87	72.00	22,500.98	27.44	617,525.08
1964	1,690,695.24	72.00	23,481.64	27.98	656,984.39
1965	1,902,844.87	72.00	26,428.14	28.52	753,792.23
1966	2,204,409.89	72.00	30,616.50	29.07	890,052.74
1967	2,280,836.64	72.00	31,677.97	29.63	938,490.98
1968	2,658,283.95	72.00	36,920.24	30.19	1,114,659.92
1969	2,354,129.88	72.00	32,695.92	30.76	1,005,727.60
1970	2,347,290.56	72.00	32,600.93	31.34	1,021,648.72
1971	3,162,695.30	72.00	43,925.88	31.92	1,402,150.39
1972	3,548,205.64	72.00	49,280.14	32.51	1,602,074.46
1973	4,209,529.15	72.00	58,465.09	33.11	1,935,650.10
1974	4,185,917.98	72.00	58,137.16	33.71	1,959,793.68
1975	2,355,859.20	72.00	32,719.94	34.32	1,122,955.00
1976	2,171,743.65	72.00	30,162.80	34.94	1,053,744.49
1977	4,421,977.38	72.00	61,415.73	35.56	2,183,683.66
1978	3,774,015.75	72.00	52,416.36	36.19	1,896,691.95
1979	4,498,161.98	72.00	62,473.84	36.82	2,300,168.03
1980	5,370,988.47	72.00	74,596.31	37.46	2,794,278.80

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	6,387,581.93	72.00	88,715.52	38.10	3,380,392.09
1982	5,608,557.65	72.00	77,895.85	38.75	3,018,763.79
1983	4,362,749.00	72.00	60,593.13	39.41	2,388,092.60
1984	6,206,285.18	72.00	86,197.54	40.07	3,454,239.33
1985	6,701,269.26	72.00	93,072.25	40.74	3,791,755.31
1986	6,272,971.90	72.00	87,123.73	41.41	3,608,193.48
1987	8,764,888.28	72.00	121,733.33	42.09	5,123,977.16
1988	5,703,351.11	72.00	79,212.41	42.78	3,388,401.40
1989	7,316,957.26	72.00	101,623.38	43.46	4,416,938.06
1990	7,953,584.02	72.00	110,465.33	44.16	4,877,680.50
1991	7,611,220.99	72.00	105,710.34	44.86	4,741,643.18
1992	10,852,421.56	72.00	150,726.56	45.56	6,866,619.07
1993	9,594,537.95	72.00	133,256.13	46.26	6,165,056.46
1994	10,426,933.45	72.00	144,817.06	46.98	6,802,894.55
1995	9,226,690.24	72.00	128,147.19	47.69	6,111,423.47
1996	7,454,356.79	72.00	103,531.69	48.41	5,012,167.82
1997	7,758,327.20	72.00	107,753.46	49.14	5,294,517.21
1998	5,563,259.12	72.00	77,266.71	49.86	3,852,855.19
1999	7,740,261.30	72.00	107,502.55	50.60	5,439,217.10
2000	7,363,005.05	72.00	102,262.93	51.33	5,249,293.49
2001	7,746,087.53	72.00	107,583.47	52.07	5,602,086.35
2002	10,979,404.81	72.00	152,490.20	52.81	8,053,745.83
2003	12,857,488.47	72.00	178,574.43	53.56	9,564,591.65
2004	15,018,867.68	72.00	208,593.29	54.31	11,329,214.43
2005	18,775,474.00	72.00	260,767.85	55.07	14,359,347.60
2006	15,346,451.79	72.00	213,143.02	55.82	11,898,418.22
2007	11,782,496.16	72.00	163,644.13	56.58	9,259,605.69

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	11,811,554.36	72.00	164,047.72	57.35	9,407,622.65
2009	13,355,742.39	72.00	185,494.56	58.12	10,780,041.45
2010	12,712,920.75	72.00	176,566.57	58.89	10,397,139.86
2011	18,681,555.40	72.00	259,463.44	59.66	15,479,479.25
2012	47,824,702.17	72.00	664,225.29	60.44	40,143,373.83
2013	26,065,956.28	72.00	362,023.53	61.22	22,161,652.36
2014	30,310,871.72	72.00	420,980.10	62.00	26,101,050.50
2015	35,497,961.12	72.00	493,022.28	62.79	30,955,458.05
2016	34,203,943.56	72.00	475,049.99	63.58	30,202,682.49
2017	55,447,732.81	72.00	770,099.65	64.37	49,572,174.71
2018	79,465,035.05	72.00	1,103,669.94	65.17	71,923,070.80
2019	66,015,474.79	72.00	916,872.37	65.97	60,484,185.14
2020	73,096,147.04	72.00	1,015,214.05	66.77	67,786,566.27
2021	136,924,145.72	72.00	1,901,705.12	67.58	128,510,232.26
2022	159,412,415.94	72.00	2,214,039.06	68.39	151,411,441.10
2023	216,322,993.74	72.00	3,004,455.80	69.20	207,906,007.67
2024	262,659,513.95	72.00	3,648,012.11	70.02	255,418,871.49
2025	227,022,891.88	72.00	3,153,064.01	70.83	223,346,519.45
2026	253,338,245.19	72.00	3,518,551.35	71.62	252,006,418.62
Total	2,076,101,781.04	72.00	28,834,456.93	64.45	1,858,249,444.34

Composite Average Remaining Life ... 64.45 Years

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	250,801.95	72.00	3,483.33	5.65	19,690.03
1901	14,409.46	72.00	200.13	5.86	1,173.34
1902	44,859.27	72.00	623.04	6.09	3,796.95
1903	31,748.47	72.00	440.95	6.31	2,782.41
1904	15,873.25	72.00	220.46	6.54	1,441.82
1905	14,002.47	72.00	194.48	6.78	1,317.76
1906	19,759.46	72.00	274.43	7.00	1,920.40
1907	3,528.22	72.00	49.00	7.24	354.71
1908	47,975.98	72.00	666.33	7.47	4,979.91
1909	11,622.15	72.00	161.42	7.72	1,246.28
1910	7,629.42	72.00	105.96	7.97	845.05
1911	13,617.20	72.00	189.13	8.22	1,554.91
1912	6,071.48	72.00	84.33	8.48	715.27
1913	7,763.62	72.00	107.83	8.75	943.38
1914	8,755.43	72.00	121.60	9.01	1,095.20
1915	17,609.19	72.00	244.57	9.28	2,269.36
1916	8,135.33	72.00	112.99	9.55	1,078.69
1917	11,942.18	72.00	165.86	9.82	1,629.53
1918	9,121.17	72.00	126.68	10.11	1,280.40
1919	4,169.62	72.00	57.91	10.38	601.31
1920	2,174.44	72.00	30.20	10.67	322.26
1921	29,376.44	72.00	408.00	10.96	4,469.73
1922	9,788.18	72.00	135.95	11.25	1,529.00
1923	26,904.17	72.00	373.67	11.54	4,313.37
1924	22,816.02	72.00	316.89	11.84	3,750.60
1925	20,845.61	72.00	289.52	12.14	3,513.92
1926	14,384.85	72.00	199.79	12.44	2,484.90

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	49,646.34	72.00	689.53	12.74	8,787.70
1928	24,522.21	72.00	340.58	13.06	4,446.65
1929	30,157.44	72.00	418.85	13.37	5,598.56
1930	68,982.86	72.00	958.09	13.68	13,111.11
1931	44,970.34	72.00	624.58	14.01	8,748.95
1932	25,647.91	72.00	356.22	14.33	5,104.67
1933	17,927.19	72.00	248.99	14.66	3,650.46
1934	10,030.66	72.00	139.31	14.99	2,088.92
1935	19,565.98	72.00	271.75	15.33	4,167.11
1936	16,687.57	72.00	231.77	15.68	3,634.20
1937	55,302.61	72.00	768.08	16.03	12,311.42
1938	57,670.34	72.00	800.97	16.38	13,123.79
1939	47,304.83	72.00	657.00	16.75	11,001.90
1940	113,254.83	72.00	1,572.97	17.11	26,918.22
1941	276,338.10	72.00	3,837.99	17.49	67,113.77
1942	101,051.37	72.00	1,403.48	17.87	25,074.21
1943	40,015.40	72.00	555.76	18.25	10,143.72
1944	70,592.11	72.00	980.44	18.64	18,279.54
1945	62,679.93	72.00	870.55	19.04	16,578.22
1946	137,848.62	72.00	1,914.54	19.45	37,236.53
1947	149,039.84	72.00	2,069.98	19.86	41,114.56
1948	125,120.56	72.00	1,737.77	20.28	35,245.31
1949	315,284.50	72.00	4,378.91	20.71	90,679.72
1950	307,127.63	72.00	4,265.62	21.14	90,187.64
1951	1,049,581.08	72.00	14,577.37	21.58	314,631.85
1952	705,046.44	72.00	9,792.21	22.03	215,747.47
1953	836,254.79	72.00	11,614.53	22.49	261,185.31

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	417,694.13	72.00	5,801.25	22.95	133,137.95
1955	1,020,712.14	72.00	14,176.41	23.42	332,027.87
1956	811,282.72	72.00	11,267.70	23.90	269,275.31
1957	1,299,833.71	72.00	18,053.06	24.38	440,198.08
1958	2,147,828.81	72.00	29,830.66	24.88	742,044.55
1959	3,068,547.08	72.00	42,618.28	25.37	1,081,380.02
1960	2,277,085.26	72.00	31,625.87	25.88	818,526.15
1961	3,119,890.27	72.00	43,331.37	26.39	1,143,717.58
1962	2,495,949.74	72.00	34,665.62	26.92	933,078.95
1963	2,301,324.78	72.00	31,962.52	27.44	877,191.09
1964	2,496,692.66	72.00	34,675.94	27.98	970,185.56
1965	2,946,380.80	72.00	40,921.54	28.52	1,167,178.15
1966	3,518,569.46	72.00	48,868.53	29.07	1,420,657.93
1967	3,951,973.42	72.00	54,887.97	29.63	1,626,110.07
1968	4,416,907.54	72.00	61,345.32	30.19	1,852,078.21
1969	3,772,631.07	72.00	52,397.13	30.76	1,611,737.41
1970	2,937,779.41	72.00	40,802.08	31.34	1,278,656.60
1971	4,492,322.92	72.00	62,392.75	31.92	1,991,627.94
1972	6,677,698.67	72.00	92,744.88	32.51	3,015,093.14
1973	7,801,542.66	72.00	108,353.67	33.11	3,587,350.58
1974	6,213,811.31	72.00	86,302.07	33.71	2,909,227.61
1975	3,350,791.85	72.00	46,538.31	34.32	1,597,204.31
1976	2,843,255.32	72.00	39,489.26	34.94	1,379,566.42
1977	5,038,540.20	72.00	69,979.02	35.56	2,488,157.89
1978	3,774,856.13	72.00	52,428.03	36.19	1,897,114.30
1979	7,911,328.77	72.00	109,878.46	36.82	4,045,515.83
1980	10,118,594.59	72.00	140,534.62	37.46	5,264,240.38

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	14,406,066.63	72.00	200,082.25	38.10	7,623,879.31
1982	9,171,816.90	72.00	127,385.06	38.75	4,936,661.17
1983	6,839,703.73	72.00	94,994.93	39.41	3,743,934.35
1984	8,919,357.26	72.00	123,878.72	40.07	4,964,257.01
1985	17,173,331.55	72.00	238,516.09	40.74	9,717,125.01
1986	11,754,985.87	72.00	163,262.05	41.41	6,761,430.48
1987	17,738,731.58	72.00	246,368.79	42.09	10,370,109.98
1988	12,299,284.93	72.00	170,821.68	42.78	7,307,092.52
1989	14,381,928.55	72.00	199,747.00	43.46	8,681,762.84
1990	16,994,520.97	72.00	236,032.64	44.16	10,422,200.03
1991	15,921,329.78	72.00	221,127.36	44.86	9,918,679.91
1992	17,693,164.19	72.00	245,735.92	45.56	11,194,940.96
1993	12,856,091.22	72.00	178,555.03	46.26	8,260,796.79
1994	13,529,657.03	72.00	187,910.01	46.98	8,827,219.48
1995	15,437,360.57	72.00	214,405.63	47.69	10,225,145.24
1996	10,843,567.70	72.00	150,603.59	48.41	7,291,008.82
1997	11,412,087.72	72.00	158,499.62	49.14	7,787,953.93
1998	10,566,421.19	72.00	146,754.37	49.86	7,317,813.15
1999	11,204,643.45	72.00	155,618.48	50.60	7,873,699.08
2000	9,767,152.49	72.00	135,653.53	51.33	6,963,277.85
2001	18,109,097.14	72.00	251,512.71	52.07	13,096,769.89
2002	23,341,045.55	72.00	324,177.93	52.81	17,121,406.07
2003	20,173,655.88	72.00	280,186.85	53.56	15,007,035.09
2004	22,512,103.88	72.00	312,664.96	54.31	16,981,603.25
2005	24,941,292.27	72.00	346,403.35	55.07	19,074,921.11
2006	21,095,477.89	72.00	292,989.80	55.82	16,355,755.85
2007	20,724,178.06	72.00	287,832.91	56.58	16,286,677.67

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	16,763,880.52	72.00	232,829.33	57.35	13,352,032.88
2009	16,874,526.91	72.00	234,366.07	58.12	13,620,216.25
2010	18,998,709.99	72.00	263,868.32	58.89	15,537,912.08
2011	14,551,229.09	72.00	202,098.37	59.66	12,057,103.60
2012	20,453,236.33	72.00	284,069.87	60.44	17,168,155.26
2013	20,348,842.60	72.00	282,619.97	61.22	17,300,879.77
2014	17,712,201.21	72.00	246,000.32	62.00	15,252,186.16
2015	19,265,582.33	72.00	267,574.84	62.79	16,800,258.57
2016	34,056,885.87	72.00	473,007.55	63.58	30,072,827.97
2017	41,309,579.90	72.00	573,738.39	64.37	36,932,181.14
2018	69,481,239.01	72.00	965,007.50	65.17	62,886,829.02
2019	71,554,094.46	72.00	993,796.87	65.97	65,558,736.20
2020	70,680,140.04	72.00	981,658.74	66.77	65,546,053.94
2021	95,199,766.92	72.00	1,322,205.69	67.58	89,349,793.59
2022	124,968,344.02	72.00	1,735,653.99	68.39	118,696,131.34
2023	179,232,847.67	72.00	2,489,320.07	69.20	172,259,014.91
2024	152,204,885.59	72.00	2,113,935.48	70.02	148,009,107.03
2025	111,037,796.68	72.00	1,542,176.11	70.83	109,239,668.35
2026	202,211,917.24	72.00	2,808,470.60	71.62	201,148,867.31
Total	1,813,370,922.29	72.00	25,185,453.93	61.19	1,541,190,404.05

Composite Average Remaining Life ... 61.19 Years

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	38.30	0.00	0.00	0.00	0.00
1904	263.80	0.00	0.00	0.00	0.00
1906	26.54	0.00	0.00	0.00	0.00
1907	149.70	0.00	0.00	0.00	0.00
1908	57.73	0.00	0.00	0.00	0.00
1909	83.31	0.00	0.00	0.00	0.00
1910	20.23	0.00	0.00	0.00	0.00
1913	99.11	0.00	0.00	0.00	0.00
1914	21.87	0.00	0.00	0.00	0.00
1915	92.19	0.00	0.00	0.00	0.00
1916	22.15	0.00	0.00	0.00	0.00
1918	131.41	55.00	2.39	0.75	1.80
1920	45.73	55.00	0.83	1.39	1.16
1922	0.66	55.00	0.01	2.06	0.02
1923	30.50	55.00	0.55	2.39	1.32
1927	9.77	55.00	0.18	3.63	0.64
1931	105.89	55.00	1.93	4.57	8.80
1932	16.80	55.00	0.31	4.81	1.47
1933	148.35	55.00	2.70	5.03	13.56
1934	97.94	55.00	1.78	5.25	9.35
1938	6.13	55.00	0.11	6.22	0.69
1940	35.53	55.00	0.65	6.74	4.35
1941	1.85	55.00	0.03	7.01	0.24
1942	44.02	55.00	0.80	7.28	5.82
1944	8.82	55.00	0.16	7.83	1.26
1946	787.39	55.00	14.32	8.40	120.31
1947	1,706.76	55.00	31.03	8.70	269.83

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1948	2,927.40	55.00	53.22	8.99	478.69
1949	12,676.40	55.00	230.48	9.29	2,141.42
1950	17,831.96	55.00	324.21	9.59	3,110.33
1951	44,284.63	55.00	805.17	9.90	7,971.61
1952	72,873.34	55.00	1,324.95	10.21	13,531.46
1953	118,804.09	55.00	2,160.05	10.53	22,745.93
1954	33,383.68	55.00	606.97	10.85	6,588.61
1955	90,723.86	55.00	1,649.50	11.18	18,446.17
1956	55,110.04	55.00	1,001.99	11.52	11,540.17
1957	59,678.66	55.00	1,085.05	11.86	12,867.06
1958	165,207.13	55.00	3,003.73	12.21	36,665.62
1959	73,611.72	55.00	1,338.38	12.56	16,814.26
1960	55,263.95	55.00	1,004.79	12.93	12,987.64
1961	77,917.14	55.00	1,416.66	13.30	18,836.54
1962	92,194.63	55.00	1,676.25	13.68	22,923.42
1963	96,303.00	55.00	1,750.94	14.06	24,623.38
1964	55,161.21	55.00	1,002.92	14.46	14,501.28
1965	77,477.16	55.00	1,408.66	14.86	20,938.14
1966	65,577.30	55.00	1,192.30	15.28	18,215.79
1967	97,462.43	55.00	1,772.02	15.70	27,822.61
1968	187,662.33	55.00	3,412.00	16.13	55,047.63
1969	129,709.70	55.00	2,358.33	16.58	39,090.21
1970	113,734.58	55.00	2,067.88	17.03	35,207.31
1971	148,575.80	55.00	2,701.34	17.49	47,238.05
1972	278,898.13	55.00	5,070.81	17.96	91,058.70
1973	226,346.32	55.00	4,115.34	18.44	75,876.51
1974	263,185.97	55.00	4,785.14	18.93	90,568.63

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1975	278,903.86	55.00	5,070.92	19.43	98,508.01
1976	517,468.63	55.00	9,408.40	19.93	187,542.51
1977	272,327.19	55.00	4,951.34	20.45	101,264.02
1978	411,900.39	55.00	7,489.00	20.98	157,115.24
1979	415,124.85	55.00	7,547.63	21.52	162,396.86
1980	419,461.95	55.00	7,626.49	22.06	168,257.06
1981	1,480,495.26	55.00	26,917.76	22.62	608,764.27
1982	1,074,390.59	55.00	19,534.13	23.18	452,805.10
1983	872,514.82	55.00	15,863.71	23.75	376,818.04
1984	893,825.49	55.00	16,251.17	24.34	395,478.28
1985	1,192,549.83	55.00	21,682.45	24.93	540,452.38
1986	1,032,072.08	55.00	18,764.71	25.52	478,961.86
1987	1,043,439.15	55.00	18,971.38	26.13	495,732.00
1988	1,029,592.74	55.00	18,719.63	26.75	500,681.68
1989	1,079,552.54	55.00	19,627.98	27.37	537,219.73
1990	1,040,929.12	55.00	18,925.75	28.00	529,951.61
1991	1,600,450.63	55.00	29,098.74	28.64	833,410.27
1992	1,214,106.94	55.00	22,074.40	29.29	646,470.46
1993	926,621.31	55.00	16,847.45	29.94	504,422.24
1994	1,169,820.85	55.00	21,269.20	30.60	650,885.37
1995	994,230.67	55.00	18,076.70	31.27	565,273.82
1996	381,085.34	55.00	6,928.74	31.95	221,347.15
1997	948,941.98	55.00	17,253.28	32.63	562,943.80
1998	552,447.15	55.00	10,044.37	33.32	334,634.68
1999	687,593.48	55.00	12,501.54	34.01	425,188.80
2000	821,025.20	55.00	14,927.54	34.71	518,167.76
2001	1,929,561.39	55.00	35,082.50	35.42	1,242,598.83

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	1,330,163.78	55.00	24,184.49	36.13	873,838.67
2003	1,225,563.95	55.00	22,282.70	36.85	821,104.99
2004	1,060,630.76	55.00	19,283.96	37.57	724,569.00
2005	1,410,306.07	55.00	25,641.61	38.30	982,152.24
2006	3,594,282.53	55.00	65,349.78	39.04	2,551,087.74
2007	1,433,275.82	55.00	26,059.24	39.78	1,036,548.71
2008	4,750,724.30	55.00	86,375.73	40.52	3,499,990.18
2009	3,285,945.91	55.00	59,743.73	41.27	2,465,517.92
2010	913,895.08	55.00	16,616.07	42.02	698,233.48
2011	2,201,136.26	55.00	40,020.16	42.78	1,712,033.37
2012	839,021.38	55.00	15,254.74	43.54	664,210.67
2013	2,735,967.84	55.00	49,744.25	44.31	2,204,043.67
2014	1,258,933.58	55.00	22,889.42	45.08	1,031,789.30
2015	2,414,049.30	55.00	43,891.26	45.85	2,012,515.96
2016	1,276,870.24	55.00	23,215.53	46.63	1,082,580.62
2017	6,368,929.11	55.00	115,797.27	47.42	5,490,570.12
2018	1,267,942.17	55.00	23,053.21	48.20	1,111,238.45
2019	1,757,937.77	55.00	31,962.11	49.00	1,565,990.85
2020	2,646,263.53	55.00	48,113.28	49.79	2,395,598.05
2021	7,753,157.47	55.00	140,964.74	50.59	7,131,624.44
2022	8,088,493.92	55.00	147,061.69	51.40	7,558,451.38
2023	18,013,656.48	55.00	327,516.94	52.21	17,098,189.72
2024	10,438,416.78	55.00	189,787.03	53.02	10,062,258.50
2025	12,436,517.56	55.00	226,115.68	53.84	12,172,972.19
2026	33,821,920.93	55.00	614,936.35	54.62	33,589,485.55

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	159,321,070.99	49.29	2,896,694.72	46.12	133,582,165.39

Composite Average Remaining Life ... *46.12 Years*

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	15.01	0.00	0.00	0.00	0.00
1901	1,628.86	0.00	0.00	0.00	0.00
1902	397.62	0.00	0.00	0.00	0.00
1903	539.87	0.00	0.00	0.00	0.00
1904	938.76	0.00	0.00	0.00	0.00
1905	3,992.02	0.00	0.00	0.00	0.00
1906	3,804.43	0.00	0.00	0.00	0.00
1907	4,111.86	0.00	0.00	0.00	0.00
1908	2,969.07	0.00	0.00	0.00	0.00
1909	341.84	0.00	0.00	0.00	0.00
1920	889.92	0.00	0.00	0.00	0.00
1921	2,086.45	0.00	0.00	0.00	0.00
1922	2,044.44	0.00	0.00	0.00	0.00
1923	1,561.49	0.00	0.00	0.00	0.00
1924	1,425.42	0.00	0.00	0.00	0.00
1925	1,552.66	55.00	28.23	0.50	14.12
1926	2,928.64	55.00	53.25	0.63	33.49
1927	2,467.37	55.00	44.86	0.76	34.31
1928	2,954.90	55.00	53.73	1.00	53.51
1929	2,656.99	55.00	48.31	1.25	60.29
1930	3,488.22	55.00	63.42	1.51	95.65
1931	2,292.85	55.00	41.69	1.77	73.94
1932	2,222.98	55.00	40.42	2.06	83.09
1933	1,732.94	55.00	31.51	2.32	72.97
1934	1,388.77	55.00	25.25	2.59	65.29
1935	1,667.20	55.00	30.31	2.86	86.75
1936	2,871.21	55.00	52.20	3.14	164.06

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1937	3,027.54	55.00	55.05	3.44	189.15
1938	1,586.03	55.00	28.84	3.72	107.14
1939	4,428.49	55.00	80.52	4.00	321.97
1940	6,251.95	55.00	113.67	4.28	487.07
1941	12,825.84	55.00	233.20	4.57	1,066.41
1942	9,435.22	55.00	171.55	4.86	834.17
1943	4,294.00	55.00	78.07	5.16	402.72
1944	7,128.13	55.00	129.60	5.45	705.78
1945	3,821.29	55.00	69.48	5.73	398.45
1946	15,143.39	55.00	275.33	6.03	1,659.10
1947	23,914.93	55.00	434.82	6.32	2,747.35
1948	34,778.07	55.00	632.33	6.62	4,184.73
1949	36,070.37	55.00	655.82	6.91	4,532.95
1950	33,789.51	55.00	614.35	7.21	4,428.97
1951	39,537.55	55.00	718.86	7.51	5,398.87
1952	42,262.04	55.00	768.40	7.82	6,005.54
1953	58,555.14	55.00	1,064.64	8.13	8,650.95
1954	94,772.14	55.00	1,723.12	8.44	14,548.89
1955	118,484.83	55.00	2,154.26	8.76	18,877.04
1956	162,557.53	55.00	2,955.58	9.09	26,862.21
1957	199,584.07	55.00	3,628.79	9.42	34,189.41
1958	254,409.78	55.00	4,625.62	9.76	45,156.54
1959	365,505.80	55.00	6,645.54	10.11	67,200.13
1960	400,338.53	55.00	7,278.86	10.47	76,193.87
1961	570,757.91	55.00	10,377.38	10.83	112,413.22
1962	480,465.65	55.00	8,735.71	11.21	97,895.85
1963	819,294.34	55.00	14,896.21	11.59	172,642.72

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1964	829,112.24	55.00	15,074.72	11.98	180,635.41
1965	1,010,517.63	55.00	18,372.99	12.39	227,556.70
1966	1,025,342.34	55.00	18,642.53	12.80	238,591.48
1967	800,923.28	55.00	14,562.19	13.22	192,533.35
1968	1,177,811.83	55.00	21,414.69	13.66	292,420.72
1969	1,154,952.28	55.00	20,999.06	14.10	296,074.28
1970	1,443,029.96	55.00	26,236.82	14.55	381,833.59
1971	1,393,618.45	55.00	25,338.43	15.02	380,565.53
1972	2,098,450.93	55.00	38,153.53	15.50	591,229.20
1973	2,619,515.59	55.00	47,627.40	15.98	761,257.49
1974	2,664,260.84	55.00	48,440.95	16.48	798,400.19
1975	2,656,916.74	55.00	48,307.42	16.99	820,791.23
1976	3,534,620.45	55.00	64,265.61	17.51	1,125,263.91
1977	3,441,729.07	55.00	62,576.69	18.04	1,128,926.16
1978	7,017,494.34	55.00	127,590.39	18.58	2,370,932.00
1979	6,299,889.98	55.00	114,543.08	19.13	2,191,731.10
1980	7,067,690.69	55.00	128,503.04	19.70	2,531,143.07
1981	11,607,575.84	55.00	211,046.14	20.27	4,277,552.69
1982	9,484,745.88	55.00	172,449.36	20.85	3,595,947.59
1983	6,236,490.81	55.00	113,390.37	21.45	2,431,781.83
1984	11,701,918.70	55.00	212,761.46	22.05	4,691,374.78
1985	11,860,729.06	55.00	215,648.91	22.66	4,887,366.44
1986	5,459,773.04	55.00	99,268.27	23.29	2,311,638.65
1987	17,469,963.00	55.00	317,634.64	23.92	7,597,242.56
1988	10,488,959.77	55.00	190,707.73	24.56	4,683,991.72
1989	6,494,701.49	55.00	118,085.09	25.21	2,977,303.48
1990	13,993,844.46	55.00	254,432.70	25.87	6,583,278.33

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1991	10,813,969.85	55.00	196,616.99	26.54	5,219,074.93
1992	17,355,600.82	55.00	315,555.34	27.22	8,589,893.83
1993	12,417,064.14	55.00	225,764.06	27.91	6,301,006.49
1994	14,901,058.85	55.00	270,927.45	28.61	7,750,231.20
1995	13,285,485.83	55.00	241,553.49	29.31	7,080,219.24
1996	11,720,165.05	55.00	213,093.21	30.02	6,397,957.41
1997	18,239,429.56	55.00	331,624.90	30.75	10,195,898.01
1998	9,060,163.82	55.00	164,729.71	31.47	5,184,542.91
1999	13,243,487.24	55.00	240,789.88	32.21	7,755,943.84
2000	5,762,769.97	55.00	104,777.29	32.96	3,452,976.80
2001	14,742,039.93	55.00	268,036.21	33.71	9,034,917.25
2002	12,086,663.64	55.00	219,756.80	34.47	7,574,487.79
2003	13,116,690.18	55.00	238,484.49	35.23	8,402,575.10
2004	17,463,908.99	55.00	317,524.57	36.01	11,433,410.11
2005	15,928,405.41	55.00	289,606.42	36.79	10,654,515.50
2006	14,469,088.51	55.00	263,073.47	37.58	9,885,815.84
2007	10,796,251.41	55.00	196,294.83	38.37	7,532,499.51
2008	11,442,239.20	55.00	208,040.03	39.18	8,150,018.68
2009	11,625,749.51	55.00	211,376.57	39.98	8,451,396.55
2010	6,359,589.64	55.00	115,628.52	40.80	4,717,406.87
2011	14,651,622.71	55.00	266,392.26	41.62	11,087,111.75
2012	18,472,964.33	55.00	335,870.97	42.45	14,256,776.49
2013	12,687,714.03	55.00	230,684.95	43.28	9,984,253.44
2014	18,235,159.10	55.00	331,547.26	44.12	14,627,693.32
2015	21,587,058.89	55.00	392,490.69	44.97	17,648,523.37
2016	22,741,339.91	55.00	413,477.55	45.82	18,944,338.79
2017	24,275,990.00	55.00	441,380.18	46.67	20,601,114.33

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2018	41,179,369.34	55.00	748,713.34	47.54	35,591,568.74
2019	37,403,001.94	55.00	680,052.34	48.40	32,917,933.35
2020	39,272,833.26	55.00	714,049.16	49.28	35,186,592.56
2021	44,525,077.82	55.00	809,544.20	50.16	40,603,784.45
2022	32,098,790.75	55.00	583,612.45	51.04	29,787,661.12
2023	64,988,343.79	55.00	1,181,602.36	51.93	61,359,196.57
2024	59,447,308.54	55.00	1,080,856.59	52.82	57,093,254.02
2025	57,584,618.39	55.00	1,046,989.61	53.72	56,243,772.86
2026	96,334,688.89	55.00	1,751,534.03	54.58	95,607,260.97
Total	1,015,208,273.79	47.95	18,457,785.13	41.42	764,561,926.12

Composite Average Remaining Life ... 41.42 Years

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1957	14.80	0.00	0.00	0.00	0.00
1966	15.03	32.00	0.47	1.31	0.62
1968	1,496.75	32.00	46.77	1.98	92.48
1969	15,120.32	32.00	472.51	2.31	1,089.36
1970	35,722.91	32.00	1,116.34	2.64	2,946.43
1971	93,773.06	32.00	2,930.40	2.97	8,711.36
1972	218,858.06	32.00	6,839.30	3.31	22,611.38
1973	138,003.20	32.00	4,312.59	3.64	15,697.04
1974	99,880.59	32.00	3,121.26	3.97	12,404.88
1975	164,848.08	32.00	5,151.49	4.31	22,202.79
1976	60,012.42	32.00	1,875.38	4.65	8,715.18
1977	83,658.32	32.00	2,614.32	4.98	13,029.83
1978	131,006.69	32.00	4,093.95	5.33	21,801.92
1979	163,232.04	32.00	5,100.99	5.67	28,918.96
1980	161,087.82	32.00	5,033.98	6.02	30,284.33
1981	19,155.19	32.00	598.60	6.37	3,810.53
1982	181,866.70	32.00	5,683.32	6.72	38,185.79
1983	15,564.23	32.00	486.38	7.08	3,441.51
1984	56,621.93	32.00	1,769.43	7.44	13,158.37
1985	262,791.06	32.00	8,212.20	7.80	64,059.51
1986	174,666.16	32.00	5,458.31	8.17	44,594.72
1987	246,207.75	32.00	7,693.98	8.54	65,740.73
1988	196,618.81	32.00	6,144.32	8.92	54,831.60
1989	223,755.03	32.00	6,992.33	9.31	65,090.67
1990	266,092.72	32.00	8,315.38	9.70	80,655.23
1991	265,733.38	32.00	8,304.15	10.10	83,840.59
1992	156,728.19	32.00	4,897.75	10.50	51,422.95

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1993	502,742.61	32.00	15,710.67	10.91	171,387.18
1994	489,360.22	32.00	15,292.47	11.33	173,201.26
1995	241,306.95	32.00	7,540.83	11.75	88,607.18
1996	412,214.27	32.00	12,881.67	12.18	156,932.08
1997	1,006,172.78	32.00	31,442.83	12.62	396,905.51
1998	980,247.78	32.00	30,632.68	13.07	400,437.63
1999	510,316.95	32.00	15,947.37	13.53	215,775.52
2000	804,395.36	32.00	25,137.30	14.00	351,878.48
2001	1,854,841.15	32.00	57,963.66	14.48	839,115.34
2002	1,787,375.99	32.00	55,855.38	14.97	835,878.71
2003	1,489,580.52	32.00	46,549.29	15.46	719,865.28
2004	1,483,586.67	32.00	46,361.98	15.98	740,665.26
2005	1,578,202.17	32.00	49,318.71	16.50	813,708.58
2006	1,936,065.14	32.00	60,501.90	17.04	1,030,650.70
2007	2,723,763.77	32.00	85,117.43	17.58	1,496,740.49
2008	2,151,807.15	32.00	67,243.82	18.15	1,220,330.04
2009	1,896,495.57	32.00	59,265.35	18.73	1,109,864.39
2010	3,322,690.89	32.00	103,833.86	19.32	2,006,152.39
2011	2,622,345.67	32.00	81,948.12	19.93	1,633,281.55
2012	2,691,231.63	32.00	84,100.80	20.56	1,728,897.52
2013	1,651,728.11	32.00	51,616.39	21.20	1,094,363.93
2014	2,366,371.28	32.00	73,948.94	21.86	1,616,875.73
2015	2,145,704.53	32.00	67,053.12	22.55	1,511,842.24
2016	2,255,496.64	32.00	70,484.11	23.25	1,638,701.94
2017	7,373,011.44	32.00	230,406.10	23.97	5,523,777.20
2018	12,207,287.20	32.00	381,476.88	24.72	9,429,951.14
2019	13,265,898.94	32.00	414,558.42	25.49	10,566,198.42

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2020	15,119,779.39	32.00	472,492.06	26.28	12,416,971.59
2021	3,884,633.37	32.00	121,394.52	27.10	3,289,334.18
2022	241,845.44	32.00	7,557.65	27.94	211,147.52
2023	12,452,498.62	32.00	389,139.72	28.81	11,209,865.87
2024	13,025,888.66	32.00	407,058.12	29.70	12,090,875.03
2025	18,551,707.30	32.00	579,739.56	30.63	17,757,779.10
2026	4,557,445.91	32.00	142,419.87	31.55	4,493,152.22
Total	143,016,571.31	31.48	4,469,257.46	24.55	109,738,449.97

Composite Average Remaining Life ... *24.55 Years*

Peoples Natural Gas Company, LLC
Gas Division
381.20 Meters - Inteus

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *S2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	33,182.24	20.00	1,659.11	17.59	29,176.73
2025	4,867,339.64	20.00	243,366.99	18.58	4,522,624.78
2026	41,017,013.15	20.00	2,050,850.75	19.54	40,077,045.43
Total	45,917,535.03	20.00	2,295,876.86	19.44	44,628,846.94

Composite Average Remaining Life ... 19.44 Years

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	4,989.91	0.00	0.00	0.00	0.00
1923	49,058.07	0.00	0.00	0.00	0.00
1924	44,204.04	0.00	0.00	0.00	0.00
1925	47,835.17	55.00	869.73	0.50	434.86
1926	42,932.84	55.00	780.59	0.63	490.92
1927	49,681.14	55.00	903.29	0.76	690.83
1928	43,671.52	55.00	794.03	1.00	790.91
1929	44,127.28	55.00	802.31	1.25	1,001.22
1930	39,125.91	55.00	711.38	1.51	1,072.89
1931	27,402.94	55.00	498.23	1.77	883.71
1932	29,374.22	55.00	534.07	2.06	1,097.90
1933	30,157.91	55.00	548.32	2.32	1,269.87
1934	31,258.00	55.00	568.33	2.59	1,469.56
1935	19,879.74	55.00	361.45	2.86	1,034.47
1936	34,712.95	55.00	631.14	3.14	1,983.48
1937	38,615.49	55.00	702.10	3.44	2,412.59
1938	53,146.57	55.00	966.30	3.72	3,590.16
1939	8,983.24	55.00	163.33	4.00	653.11
1940	15,731.87	55.00	286.03	4.28	1,225.61
1941	21,680.01	55.00	394.18	4.57	1,802.60
1942	19,853.28	55.00	360.97	4.86	1,755.23
1943	10,460.73	55.00	190.19	5.16	981.09
1944	7,233.48	55.00	131.52	5.45	716.21
1945	5,655.26	55.00	102.82	5.73	589.68
1946	21,611.46	55.00	392.93	6.03	2,367.74
1947	40,955.40	55.00	744.64	6.32	4,704.95
1948	42,737.22	55.00	777.04	6.62	5,142.42

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1949	86,367.93	55.00	1,570.32	6.91	10,853.82
1950	78,967.71	55.00	1,435.77	7.21	10,350.71
1951	81,576.02	55.00	1,483.20	7.51	11,139.23
1952	53,886.64	55.00	979.75	7.82	7,657.43
1953	80,229.23	55.00	1,458.71	8.13	11,853.09
1954	99,983.43	55.00	1,817.87	8.44	15,348.90
1955	129,386.77	55.00	2,352.48	8.76	20,613.94
1956	143,259.04	55.00	2,604.70	9.09	23,673.18
1957	146,131.52	55.00	2,656.93	9.42	25,032.81
1958	149,605.00	55.00	2,720.08	9.76	26,554.18
1959	144,111.63	55.00	2,620.20	10.11	26,495.67
1960	134,413.55	55.00	2,443.87	10.47	25,582.07
1961	138,654.86	55.00	2,520.99	10.83	27,308.67
1962	140,292.28	55.00	2,550.76	11.21	28,584.84
1963	122,565.03	55.00	2,228.45	11.59	25,827.05
1964	142,117.62	55.00	2,583.95	11.98	30,962.60
1965	122,240.08	55.00	2,222.54	12.39	27,527.03
1966	102,217.78	55.00	1,858.50	12.80	23,785.51
1967	122,671.81	55.00	2,230.39	13.22	29,488.99
1968	141,498.81	55.00	2,572.70	13.66	35,130.56
1969	122,950.20	55.00	2,235.45	14.10	31,518.52
1970	134,677.27	55.00	2,448.67	14.55	35,636.34
1971	187,556.24	55.00	3,410.10	15.02	51,217.35
1972	223,627.15	55.00	4,065.93	15.50	63,005.95
1973	244,236.84	55.00	4,440.66	15.98	70,977.67
1974	161,881.89	55.00	2,943.30	16.48	48,511.22
1975	234,997.79	55.00	4,272.67	16.99	72,596.98

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	132,577.92	55.00	2,410.50	17.51	42,206.84
1977	272,460.42	55.00	4,953.81	18.04	89,370.11
1978	228,469.14	55.00	4,153.97	18.58	77,190.63
1979	144,991.01	55.00	2,636.19	19.13	50,442.36
1980	208,614.88	55.00	3,792.99	19.70	74,710.98
1981	352,350.46	55.00	6,406.35	20.27	129,846.03
1982	339,916.51	55.00	6,180.28	20.85	128,872.40
1983	205,877.98	55.00	3,743.22	21.45	80,277.57
1984	420,256.41	55.00	7,641.00	22.05	168,483.51
1985	369,056.45	55.00	6,710.10	22.66	152,074.47
1986	232,731.55	55.00	4,231.47	23.29	98,537.29
1987	283,822.93	55.00	5,160.40	23.92	123,427.37
1988	258,155.98	55.00	4,693.73	24.56	115,283.16
1989	122,543.82	55.00	2,228.06	25.21	56,176.58
1990	188,169.07	55.00	3,421.24	25.87	88,522.45
1991	495,755.15	55.00	9,013.70	26.54	239,263.04
1992	643,765.71	55.00	11,704.79	27.22	318,622.16
1993	329,342.25	55.00	5,988.02	27.91	167,123.86
1994	333,112.11	55.00	6,056.56	28.61	173,255.87
1995	239,740.45	55.00	4,358.90	29.31	127,764.61
1996	1,610,488.88	55.00	29,281.52	30.02	879,154.79
1997	1,675,852.47	55.00	30,469.94	30.75	936,806.76
1998	1,226,851.30	55.00	22,306.31	31.47	702,047.26
1999	1,175,270.61	55.00	21,368.49	32.21	688,287.96
2000	1,310,948.91	55.00	23,835.36	32.96	785,503.53
2001	1,749,056.71	55.00	31,800.93	33.71	1,071,940.02
2002	2,465,831.14	55.00	44,833.15	34.47	1,545,290.61

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2003	1,864,440.42	55.00	33,898.81	35.23	1,194,363.86
2004	2,441,754.74	55.00	44,395.39	36.01	1,598,587.31
2005	2,649,304.64	55.00	48,169.02	36.79	1,772,120.73
2006	2,228,086.02	55.00	40,510.52	37.58	1,522,310.69
2007	2,309,065.72	55.00	41,982.87	38.37	1,611,025.51
2008	2,654,514.45	55.00	48,263.74	39.18	1,890,743.76
2009	2,828,735.13	55.00	51,431.38	39.98	2,056,363.10
2010	2,732,028.19	55.00	49,673.08	40.80	2,026,559.78
2011	1,883,278.57	55.00	34,241.32	41.62	1,425,106.31
2012	1,920,627.17	55.00	34,920.38	42.45	1,482,271.70
2013	1,619,383.38	55.00	29,443.24	43.28	1,274,329.96
2014	1,793,250.91	55.00	32,604.45	44.12	1,438,491.66
2015	2,038,408.76	55.00	37,061.86	44.97	1,666,503.29
2016	2,530,395.62	55.00	46,007.04	45.82	2,107,908.86
2017	2,944,261.03	55.00	53,531.84	46.67	2,498,561.67
2018	2,556,802.96	55.00	46,487.17	47.54	2,209,859.69
2019	2,918,591.82	55.00	53,065.13	48.40	2,568,617.65
2020	2,786,211.73	55.00	50,658.23	49.28	2,496,313.32
2021	3,558,377.08	55.00	64,697.55	50.16	3,244,993.23
Total	67,768,708.33	53.35	1,230,367.88	37.43	46,050,910.63

Composite Average Remaining Life ... 37.43 Years

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	92.52	0.00	0.00	0.00	0.00
1903	19.22	0.00	0.00	0.00	0.00
1923	734.41	0.00	0.00	0.00	0.00
1925	132.42	0.00	0.00	0.00	0.00
1927	124.42	50.00	2.49	0.50	1.24
1930	75.73	50.00	1.51	1.79	2.71
1934	139.64	50.00	2.79	3.64	10.18
1936	72.28	50.00	1.45	4.54	6.56
1937	101.94	50.00	2.04	4.98	10.15
1941	900.61	50.00	18.01	6.66	120.02
1942	835.87	50.00	16.72	7.07	118.23
1943	2,476.79	50.00	49.53	7.48	370.43
1945	660.47	50.00	13.21	8.28	109.39
1946	247.36	50.00	4.95	8.68	42.94
1947	494.83	50.00	9.90	9.08	89.82
1948	148.37	50.00	2.97	9.47	28.11
1949	2,124.01	50.00	42.48	9.87	419.19
1950	1,209.20	50.00	24.18	10.26	248.21
1951	1,161.43	50.00	23.23	10.66	247.60
1952	7,393.66	50.00	147.87	11.06	1,634.89
1953	10,125.68	50.00	202.51	11.45	2,319.53
1954	13,046.94	50.00	260.93	11.85	3,092.84
1955	19,666.70	50.00	393.33	12.25	4,819.69
1956	29,782.34	50.00	595.63	12.66	7,538.52
1957	26,960.19	50.00	539.19	13.06	7,042.42
1958	15,702.62	50.00	314.05	13.47	4,229.63
1959	31,025.96	50.00	620.51	13.88	8,611.35

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1960	19,608.77	50.00	392.17	14.29	5,604.27
1961	16,954.19	50.00	339.08	14.71	4,986.47
1962	32,606.13	50.00	652.11	15.12	9,862.97
1963	20,013.05	50.00	400.25	15.55	6,222.62
1964	15,164.24	50.00	303.28	15.97	4,844.03
1965	50,155.54	50.00	1,003.09	16.40	16,451.99
1966	35,219.58	50.00	704.38	16.83	11,857.57
1967	20,084.49	50.00	401.68	17.27	6,937.36
1968	29,182.27	50.00	583.63	17.71	10,336.99
1969	35,707.61	50.00	714.14	18.16	12,966.00
1970	33,565.39	50.00	671.29	18.61	12,489.45
1971	80,549.22	50.00	1,610.95	19.06	30,701.76
1972	42,129.90	50.00	842.58	19.52	16,443.47
1973	50,258.82	50.00	1,005.15	19.98	20,080.44
1974	5,622.67	50.00	112.45	20.44	2,298.92
1975	15,859.89	50.00	317.19	20.91	6,633.90
1976	34,882.62	50.00	697.64	21.39	14,922.39
1977	13,318.47	50.00	266.36	21.87	5,825.33
1978	10,964.84	50.00	219.29	22.35	4,902.14
1979	118,557.02	50.00	2,371.09	22.84	54,164.14
1980	104,030.99	50.00	2,080.57	23.34	48,555.22
1981	123,440.15	50.00	2,468.75	23.84	58,844.90
1982	169,230.88	50.00	3,384.54	24.34	82,376.59
1983	86,095.64	50.00	1,721.87	24.85	42,783.14
1984	100,358.47	50.00	2,007.12	25.36	50,899.15
1985	154,635.14	50.00	3,092.63	25.88	80,025.62
1986	356,364.62	50.00	7,127.13	26.40	188,140.03

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1987	161,275.67	50.00	3,225.44	26.92	86,840.85
1988	475,250.22	50.00	9,504.79	27.45	260,945.82
1989	441,838.56	50.00	8,836.57	27.99	247,326.11
1990	239,094.03	50.00	4,781.77	28.53	136,414.29
1991	396,155.13	50.00	7,922.92	29.07	230,329.03
1992	104,735.14	50.00	2,094.66	29.62	62,040.67
1993	82,551.24	50.00	1,650.99	30.17	49,810.09
1994	154,453.36	50.00	3,089.00	30.73	94,909.60
1995	168,972.49	50.00	3,379.37	31.28	105,720.21
1996	142,443.71	50.00	2,848.81	31.85	90,724.60
1997	163,083.33	50.00	3,261.59	32.41	105,716.28
1998	81,303.11	50.00	1,626.03	32.98	53,629.18
1999	118,733.59	50.00	2,374.62	33.55	79,678.41
2000	155,234.54	50.00	3,104.62	34.13	105,959.56
2001	97,018.03	50.00	1,940.32	34.71	67,344.31
2002	126,304.48	50.00	2,526.03	35.29	89,140.67
2003	197,522.55	50.00	3,950.36	35.87	141,708.17
2004	186,498.72	50.00	3,729.89	36.46	135,983.96
2006	21,962.27	50.00	439.24	37.64	16,530.87
2007	144,557.27	50.00	2,891.08	38.23	110,517.80
2008	45,223.65	50.00	904.45	38.82	35,111.26
2010	1,291.71	50.00	25.83	40.01	1,033.64
2011	27,033.73	50.00	540.66	40.61	21,955.77
2012	475,127.42	50.00	9,502.33	41.21	391,570.30
2013	1,056,586.74	50.00	21,131.26	41.81	883,451.96
2014	145,105.23	50.00	2,902.04	42.41	123,072.95
2015	361,318.51	50.00	7,226.21	43.01	310,811.90

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2016	612,357.20	50.00	12,246.87	43.62	534,156.75
2017	1,648,106.95	50.00	32,961.39	44.22	1,457,593.97
2018	613,691.11	50.00	12,273.54	44.83	550,200.71
2019	227,574.52	50.00	4,551.39	45.44	206,799.89
2020	444,824.79	50.00	8,896.29	46.05	409,645.21
2021	915,011.15	50.00	18,299.81	46.66	853,839.69
2022	34,230.18	50.00	684.59	47.27	32,361.65
2023	1,009,919.10	50.00	20,197.93	47.89	967,212.14
2024	158,679.05	50.00	3,173.51	48.50	153,926.04
2025	10,276.91	50.00	205.53	49.12	10,096.19
2026	29,950.52	50.00	599.00	49.72	29,779.89
Total	13,415,312.12	47.83	268,280.60	37.63	10,095,160.88

Composite Average Remaining Life ... 37.63 Years

Peoples Natural Gas Company, LLC
Gas Division
387.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2026
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	106,411.95	26.00	4,092.74	8.66	35,448.73
2006	228,496.48	26.00	8,788.27	9.28	81,528.44
2007	172,643.52	26.00	6,640.09	9.92	65,872.80
2008	109,025.87	26.00	4,193.28	10.59	44,400.39
2010	123,227.17	26.00	4,739.48	11.99	56,835.94
2011	401,850.84	26.00	15,455.70	12.73	196,675.07
2012	234,211.62	26.00	9,008.08	13.48	121,407.43
2013	61,258.09	26.00	2,356.07	14.25	33,569.36
2014	434,494.81	26.00	16,711.23	15.04	251,293.01
2015	1,245,680.94	26.00	47,910.49	15.84	759,079.98
2016	613,051.96	26.00	23,578.77	16.67	392,971.52
2017	2,071,556.38	26.00	79,674.73	17.50	1,394,663.43
2018	1,688,040.05	26.00	64,924.20	18.36	1,191,834.30
2019	238,815.47	26.00	9,185.15	19.22	176,570.68
2020	1,223,231.85	26.00	47,047.07	20.10	945,811.28
2021	5,260,559.41	26.00	202,327.89	21.00	4,247,998.44
2022	713,153.12	26.00	27,428.79	21.90	600,661.02
2023	316,501.69	26.00	12,173.06	22.81	277,698.56
2024	687,109.10	26.00	26,427.10	23.74	627,263.15
2025	556,205.79	26.00	21,392.39	24.67	527,691.45
Total	16,485,526.11	26.00	634,054.57	18.97	12,029,274.96

Composite Average Remaining Life ... 18.97 Years

Peoples Natural Gas Company, LLC
Gas Division
325.01 Producing Lands
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,365.49	75.00	31.54	5.91	186.45
1954	662.55	75.00	8.83	11.74	103.70
1966	474.91	75.00	6.33	19.09	120.90
1983	5,657.27	75.00	75.43	32.28	2,434.63
2008	130,279.99	75.00	1,737.06	55.69	96,729.51
Total	139,440.21	75.00	1,859.19	53.56	99,575.19

Composite Average Remaining Life ... 53.56 Years

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	1,201.86	45.00	26.71	8.85	236.46
1901	378.47	45.00	8.41	9.00	75.71
1908	11.01	45.00	0.24	10.06	2.46
1909	45.50	45.00	1.01	10.21	10.32
1910	1.00	45.00	0.02	10.37	0.23
1914	105.50	45.00	2.34	11.00	25.80
1915	25.11	45.00	0.56	11.16	6.23
1916	58.60	45.00	1.30	11.33	14.75
1917	2.75	45.00	0.06	11.49	0.70
1919	56.45	45.00	1.25	11.82	14.83
1921	34.54	45.00	0.77	12.16	9.33
1922	16.94	45.00	0.38	12.33	4.64
1926	110.00	45.00	2.44	13.02	31.82
1931	44.62	45.00	0.99	13.91	13.80
1937	39.01	45.00	0.87	15.04	13.04
1941	198.30	45.00	4.41	15.82	69.71
1943	103.13	45.00	2.29	16.22	37.18
1945	15.81	45.00	0.35	16.63	5.84
1946	4.87	45.00	0.11	16.83	1.82
1947	22.60	45.00	0.50	17.04	8.56
1948	100.00	45.00	2.22	17.25	38.34
1950	70.00	45.00	1.56	17.68	27.50
1953	166.24	45.00	3.69	18.33	67.72
1955	8.17	45.00	0.18	18.78	3.41
1956	95.00	45.00	2.11	19.00	40.12
1957	187.00	45.00	4.16	19.23	79.91
1958	235.50	45.00	5.23	19.46	101.84

Peoples Natural Gas Company, LLC
Gas Division
325.02 Producing Leaseholds
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1959	280.00	45.00	6.22	19.69	122.53
1960	81.57	45.00	1.81	19.93	36.12
1961	332.30	45.00	7.38	20.16	148.91
1965	440.34	45.00	9.79	21.13	206.82
1966	37.55	45.00	0.83	21.38	17.84
1968	218.17	45.00	4.85	21.89	106.12
1970	23.61	45.00	0.52	22.40	11.75
1971	728.26	45.00	16.18	22.66	366.78
1972	2,608.99	45.00	57.98	22.93	1,329.31
1973	116.76	45.00	2.59	23.19	60.18
1974	969.05	45.00	21.54	23.46	505.30
1975	72.25	45.00	1.61	23.74	38.11
1977	1,441.00	45.00	32.02	24.29	777.80
1978	765.00	45.00	17.00	24.57	417.70
1979	82.70	45.00	1.84	24.85	45.68
1980	91.23	45.00	2.03	25.14	50.97
1982	195.00	45.00	4.33	25.72	111.47
1995	2,658.92	45.00	59.09	29.84	1,762.94
Total	14,480.68	45.00	321.80	21.93	7,058.41

Composite Average Remaining Life ... 21.93 Years

Peoples Natural Gas Company, LLC
Gas Division
325.03 Gas Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1901	1,674.68	0.00	0.00	0.00	0.00
1910	22.78	65.00	0.35	0.94	0.33
1923	1,969.07	65.00	30.29	4.30	130.38
1924	25.41	65.00	0.39	4.53	1.77
1927	43.28	65.00	0.67	5.19	3.46
1938	1,018.56	65.00	15.67	7.67	120.11
1948	385.48	65.00	5.93	10.23	60.69
1959	410.49	65.00	6.32	14.04	88.69
1974	3,366.13	65.00	51.79	21.72	1,124.86
1976	518.00	65.00	7.97	22.95	182.91
1980	1,507.30	65.00	23.19	25.54	592.26
1981	923.36	65.00	14.21	26.21	372.37
2005	9,119.74	65.00	140.30	44.71	6,273.66
Total	20,984.28	60.00	297.07	30.13	8,951.50

Composite Average Remaining Life ... 30.13 Years

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	18,465.10	75.00	246.20	3.12	769.37
1901	10,007.57	75.00	133.43	3.41	455.26
1902	4,457.09	75.00	59.43	3.67	217.89
1903	7,504.57	75.00	100.06	3.95	395.01
1904	5,966.84	75.00	79.56	4.23	336.14
1905	9,920.15	75.00	132.27	4.46	590.35
1906	6,726.76	75.00	89.69	4.72	423.49
1907	4,784.95	75.00	63.80	4.97	317.39
1908	3,068.84	75.00	40.92	5.19	212.38
1909	6,824.39	75.00	90.99	5.43	493.84
1910	3,360.27	75.00	44.80	5.66	253.68
1911	2,637.18	75.00	35.16	5.87	206.24
1912	5,250.72	75.00	70.01	6.09	426.45
1913	3,998.45	75.00	53.31	6.32	336.85
1914	5,211.01	75.00	69.48	6.52	453.01
1915	3,526.25	75.00	47.02	6.74	317.08
1916	9,327.91	75.00	124.37	6.97	866.99
1917	11,339.21	75.00	151.19	7.18	1,085.11
1918	5,939.02	75.00	79.19	7.40	586.31
1919	10,034.15	75.00	133.79	7.63	1,021.46
1920	8,068.68	75.00	107.58	7.85	844.32
1921	9,874.37	75.00	131.66	8.08	1,063.83
1922	13,323.29	75.00	177.64	8.32	1,477.36
1923	12,530.40	75.00	167.07	8.54	1,426.38
1924	23,943.35	75.00	319.24	8.78	2,801.61
1925	11,074.30	75.00	147.66	9.02	1,331.60
1926	10,137.05	75.00	135.16	9.25	1,249.99

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	11,336.06	75.00	151.15	9.49	1,435.00
1928	3,835.08	75.00	51.13	9.74	498.28
1929	3,297.79	75.00	43.97	9.99	439.07
1930	7,617.74	75.00	101.57	10.24	1,040.24
1931	362.17	75.00	4.83	10.50	50.72
1932	666.58	75.00	8.89	10.76	95.62
1933	1,250.79	75.00	16.68	11.03	183.93
1934	192.41	75.00	2.57	11.31	29.00
1935	1,203.89	75.00	16.05	11.58	185.89
1936	3,095.27	75.00	41.27	11.87	489.83
1937	896.03	75.00	11.95	12.17	145.34
1938	3,164.87	75.00	42.20	12.46	525.94
1939	2,701.60	75.00	36.02	12.78	460.17
1940	3,447.99	75.00	45.97	13.10	602.04
1941	4,750.60	75.00	63.34	13.42	850.15
1942	8,225.90	75.00	109.68	13.76	1,509.20
1943	7,793.53	75.00	103.91	14.11	1,466.08
1944	6,001.22	75.00	80.02	14.47	1,157.52
1945	4,000.28	75.00	53.34	14.83	791.25
1946	3,848.61	75.00	51.31	15.21	780.72
1947	1,776.17	75.00	23.68	15.61	369.57
1948	2,046.38	75.00	27.29	16.01	436.76
1949	1,945.89	75.00	25.95	16.42	426.02
1950	1,033.21	75.00	13.78	16.85	232.08
1951	6,743.01	75.00	89.91	17.28	1,553.78
1952	5,227.54	75.00	69.70	17.73	1,235.73
1953	3,419.00	75.00	45.59	18.19	829.27

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	4,135.13	75.00	55.14	18.66	1,028.92
1955	3,153.08	75.00	42.04	19.14	804.82
1956	13,433.71	75.00	179.12	19.64	3,517.99
1957	5,572.78	75.00	74.30	20.15	1,496.93
1958	7,746.35	75.00	103.28	20.66	2,134.05
1959	8,167.31	75.00	108.90	21.19	2,307.91
1960	3,263.45	75.00	43.51	21.73	945.63
1961	3,904.37	75.00	52.06	22.28	1,159.91
1962	5,795.30	75.00	77.27	22.85	1,765.28
1963	5,947.65	75.00	79.30	23.42	1,856.95
1964	6,467.83	75.00	86.24	24.00	2,069.40
1965	5,532.56	75.00	73.77	24.59	1,814.07
1966	11,080.22	75.00	147.74	25.19	3,721.87
1967	5,622.33	75.00	74.96	25.80	1,934.28
1968	3,247.97	75.00	43.31	26.43	1,144.45
1969	4,053.75	75.00	54.05	27.06	1,462.38
1970	25,742.29	75.00	343.23	27.69	9,505.33
1971	51,947.30	75.00	692.63	28.34	19,632.49
1972	27,208.63	75.00	362.78	29.00	10,520.88
1973	21,080.78	75.00	281.08	29.66	8,337.88
1974	11,679.68	75.00	155.73	30.34	4,724.85
1975	15,635.72	75.00	208.48	31.02	6,467.07
1976	24,795.30	75.00	330.60	31.71	10,482.88
1977	9,701.66	75.00	129.36	32.41	4,192.14
1978	12,975.14	75.00	173.00	33.11	5,728.34
1979	18,968.48	75.00	252.91	33.82	8,553.96
1980	8,113.79	75.00	108.18	34.54	3,737.04

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	16,632.83	75.00	221.77	35.27	7,821.58
1982	8,839.18	75.00	117.86	36.00	4,242.86
1983	11,652.16	75.00	155.36	36.74	5,708.46
1984	61,906.30	75.00	825.42	37.49	30,944.00
1985	15,651.08	75.00	208.68	38.24	7,980.17
1986	17,645.91	75.00	235.28	39.00	9,176.65
1987	4,920.02	75.00	65.60	39.77	2,608.85
1988	38,191.05	75.00	509.21	40.54	20,643.74
1989	8,167.54	75.00	108.90	41.32	4,499.95
1990	1,377.08	75.00	18.36	42.11	773.11
1991	28,921.57	75.00	385.62	42.90	16,541.63
1992	11,012.64	75.00	146.84	43.70	6,416.02
1993	5,340.25	75.00	71.20	44.50	3,168.39
1994	15,466.03	75.00	206.21	45.31	9,342.63
1995	5,379.78	75.00	71.73	46.12	3,308.36
1996	12,980.22	75.00	173.07	46.94	8,124.19
1997	7,464.80	75.00	99.53	47.77	4,754.22
1998	3,484.33	75.00	46.46	48.60	2,257.82
1999	15.50	75.00	0.21	49.44	10.22
2000	16,002.37	75.00	213.36	50.28	10,727.15
2001	26,595.59	75.00	354.61	51.12	18,129.22
2002	309,217.69	75.00	4,122.90	51.98	214,292.33
2003	155,944.14	75.00	2,079.25	52.83	109,851.24
2004	64,143.30	75.00	855.24	53.70	45,922.62
2005	520.27	75.00	6.94	54.56	378.49
2006	25,903.77	75.00	345.38	55.43	19,145.12
2007	586.03	75.00	7.81	56.31	439.98

Peoples Natural Gas Company, LLC
Gas Division
325.04 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	82,248.26	75.00	1,096.64	57.19	62,714.99
2009	356.34	75.00	4.75	58.07	275.91
2010	4.00	75.00	0.05	58.96	3.14
2011	17,137.51	75.00	228.50	59.85	13,676.59
2012	44.11	75.00	0.59	60.75	35.73
2015	567.59	75.00	7.57	63.46	480.28
2021	692.28	75.00	9.23	68.98	636.72
2024	332,035.65	75.00	4,427.14	71.78	317,786.84
2025	92,164.89	75.00	1,228.86	72.72	89,364.40
2026	80,696.98	75.00	1,075.96	73.66	79,257.50
2027	104,906.08	75.00	1,398.75	74.57	104,299.32
Total	2,236,969.16	75.00	29,826.23	46.76	1,394,566.72

Composite Average Remaining Life ... 46.76 Years

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	456.70	0.00	0.00	0.00	0.00
1910	74.04	0.00	0.00	0.00	0.00
1929	30.85	50.00	0.62	0.65	0.40
1937	65.76	50.00	1.32	3.35	4.40
1938	15,789.80	50.00	315.80	3.68	1,162.58
1942	15.48	50.00	0.31	5.02	1.55
1944	26.10	50.00	0.52	5.69	2.97
1945	62.03	50.00	1.24	6.02	7.47
1947	109.05	50.00	2.18	6.69	14.60
1952	6,242.77	50.00	124.86	8.39	1,047.78
1956	25,047.82	50.00	500.96	9.78	4,898.74
1957	1,353.14	50.00	27.06	10.13	274.16
1958	34.99	50.00	0.70	10.48	7.34
1959	13.86	50.00	0.28	10.84	3.00
1960	603.38	50.00	12.07	11.20	135.15
1962	2,018.73	50.00	40.37	11.92	481.45
1963	1,533.76	50.00	30.68	12.29	377.04
1964	43,478.50	50.00	869.57	12.66	11,009.56
1967	3,629.38	50.00	72.59	13.79	1,000.90
1968	5,768.79	50.00	115.38	14.17	1,635.05
1969	479.85	50.00	9.60	14.56	139.71
1970	1,385.27	50.00	27.71	14.95	414.13
1971	23,326.32	50.00	466.53	15.34	7,157.10
1972	3,121.79	50.00	62.44	15.74	982.67
1973	786.18	50.00	15.72	16.14	253.79
1974	139,894.30	50.00	2,797.89	16.55	46,295.35
1975	609.27	50.00	12.19	16.96	206.63

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	705.18	50.00	14.10	17.37	245.00
1977	3,035.23	50.00	60.70	17.79	1,080.00
1978	6,870.73	50.00	137.41	18.22	2,503.06
1980	11,213.10	50.00	224.26	19.08	4,278.71
1982	703.50	50.00	14.07	19.96	280.89
1983	607.35	50.00	12.15	20.41	247.98
1985	67,767.23	50.00	1,355.34	21.33	28,914.93
1987	2,626.40	50.00	52.53	22.28	1,170.23
1988	1,274.00	50.00	25.48	22.76	579.92
1990	13,349.43	50.00	266.99	23.74	6,339.47
1991	32,762.97	50.00	655.26	24.25	15,888.28
1992	26,698.28	50.00	533.97	24.76	13,219.78
1994	42,278.62	50.00	845.57	25.80	21,817.41
1995	118,256.75	50.00	2,365.13	26.34	62,288.68
1996	9,454.33	50.00	189.09	26.88	5,082.44
1997	5,432.04	50.00	108.64	27.43	2,980.05
1998	169,768.23	50.00	3,395.36	27.99	95,038.70
2002	498,453.49	50.00	9,969.07	30.33	302,338.14
2003	113,286.62	50.00	2,265.73	30.94	70,095.27
2004	63,989.80	50.00	1,279.80	31.56	40,386.99
2005	70,222.38	50.00	1,404.45	32.19	45,207.27
2006	87,641.30	50.00	1,752.83	32.83	57,547.54
2007	44,851.16	50.00	897.02	33.49	30,037.38
2008	260,198.94	50.00	5,203.98	34.15	177,726.18
2009	8,618,992.07	50.00	172,379.80	34.83	6,004,111.57
2010	201,983.09	50.00	4,039.66	35.52	143,497.43
2011	226,605.73	50.00	4,532.11	36.23	164,183.25

Peoples Natural Gas Company, LLC
Gas Division
327.00 Field Compressors

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***50*** ***Survivor Curve:*** ***S0.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2014	44,041.32	50.00	880.83	38.42	33,843.15
2017	195,540.18	50.00	3,910.80	40.75	159,357.12
2018	68,940.26	50.00	1,378.80	41.55	57,294.79
2019	1,395.07	50.00	27.90	42.38	1,182.35
2021	389,650.91	50.00	7,793.02	44.07	343,434.42
2024	634,287.77	50.00	12,685.75	46.74	592,938.59
Total	12,308,841.37	48.33	246,166.15	34.78	8,562,650.48

Composite Average Remaining Life ... 34.78 Years

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1926	26.31	0.00	0.00	0.00	0.00
1931	218.45	0.00	0.00	0.00	0.00
1933	44.94	0.00	0.00	0.00	0.00
1936	73.64	0.00	0.00	0.00	0.00
1937	531.89	0.00	0.00	0.00	0.00
1939	100.05	0.00	0.00	0.00	0.00
1940	956.27	0.00	0.00	0.00	0.00
1941	898.87	0.00	0.00	0.00	0.00
1942	629.69	0.00	0.00	0.00	0.00
1943	248.82	0.00	0.00	0.00	0.00
1944	261.20	0.00	0.00	0.00	0.00
1945	217.29	0.00	0.00	0.00	0.00
1946	820.91	0.00	0.00	0.00	0.00
1947	921.97	0.00	0.00	0.00	0.00
1948	1,216.34	0.00	0.00	0.00	0.00
1949	1,134.41	0.00	0.00	0.00	0.00
1950	567.10	0.00	0.00	0.00	0.00
1951	543.96	0.00	0.00	0.00	0.00
1952	1,053.47	0.00	0.00	0.00	0.00
1953	1,069.33	0.00	0.00	0.00	0.00
1954	633.57	0.00	0.00	0.00	0.00
1955	741.69	0.00	0.00	0.00	0.00
1956	1,395.06	0.00	0.00	0.00	0.00
1957	2,346.89	0.00	0.00	0.00	0.00
1958	2,203.34	0.00	0.00	0.00	0.00
1959	3,274.42	0.00	0.00	0.00	0.00
1960	2,528.27	0.00	0.00	0.00	0.00

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1961	2,559.62	0.00	0.00	0.00	0.00
1962	1,874.02	33.00	56.79	0.50	28.39
1963	2,029.56	33.00	61.50	0.68	41.87
1964	2,616.00	33.00	79.27	1.01	79.80
1965	1,273.78	33.00	38.60	1.36	52.38
1966	2,269.62	33.00	68.78	1.72	118.09
1967	1,324.41	33.00	40.13	2.08	83.56
1968	1,734.23	33.00	52.55	2.45	128.80
1969	3,425.35	33.00	103.80	2.82	292.97
1970	1,286.76	33.00	38.99	3.20	124.64
1971	668.05	33.00	20.24	3.57	72.33
1972	1,383.67	33.00	41.93	3.95	165.69
1973	761.21	33.00	23.07	4.33	99.94
1974	719.26	33.00	21.80	4.72	102.78
1975	963.27	33.00	29.19	5.10	148.89
1977	536.39	33.00	16.25	5.88	95.55
1978	215.76	33.00	6.54	6.27	41.00
1980	9.48	33.00	0.29	7.06	2.03
1981	87.81	33.00	2.66	7.46	19.85
1983	39.62	33.00	1.20	8.27	9.93
1984	99.50	33.00	3.02	8.68	26.16
1988	14.12	33.00	0.43	10.34	4.42
1990	20.61	33.00	0.62	11.19	6.99
1991	96.00	33.00	2.91	11.62	33.81
1996	73.72	33.00	2.23	13.84	30.91
1999	618.21	33.00	18.73	15.22	285.18
2023	11,419.39	33.00	346.04	29.18	10,096.02

Peoples Natural Gas Company, LLC
Gas Division
328.00 Field Measuring and Regulating Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *33* ***Survivor Curve:*** *S0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2026	37,237.28	33.00	1,128.40	31.67	35,737.17
Total	100,014.85	16.20	2,205.96	21.73	47,929.15

Composite Average Remaining Life ... 21.73 Years

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1906	29.99	0.00	0.00	0.00	0.00
1923	95.58	60.00	1.59	1.84	2.94
1925	385.22	60.00	6.42	2.39	15.35
1930	2,807.06	60.00	46.78	3.71	173.64
1931	435.00	60.00	7.25	3.97	28.76
1934	601.82	60.00	10.03	4.65	46.64
1937	1,286.00	60.00	21.43	5.30	113.64
1938	651.10	60.00	10.85	5.51	59.83
1939	189.89	60.00	3.16	5.73	18.14
1940	636.24	60.00	10.60	5.96	63.20
1942	77.88	60.00	1.30	6.40	8.31
1943	2,016.88	60.00	33.61	6.64	223.13
1945	452.54	60.00	7.54	7.10	53.53
1946	2,458.57	60.00	40.98	7.34	300.83
1947	904.95	60.00	15.08	7.58	114.31
1948	1,112.43	60.00	18.54	7.82	145.04
1949	221.89	60.00	3.70	8.08	29.87
1951	66.26	60.00	1.10	8.59	9.49
1952	571.42	60.00	9.52	8.86	84.39
1955	411.60	60.00	6.86	9.71	66.61
1958	1,144.69	60.00	19.08	10.65	203.15
1959	31,709.01	60.00	528.48	10.98	5,804.23
1960	1,570.53	60.00	26.18	11.33	296.59
1961	3,625.00	60.00	60.42	11.69	706.38
1962	1,076.72	60.00	17.95	12.07	216.53
1963	680.33	60.00	11.34	12.45	141.22
1964	4,511.67	60.00	75.19	12.86	966.69

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	831.40	60.00	13.86	13.27	183.92
1966	114.36	60.00	1.91	13.70	26.12
1968	36,991.24	60.00	616.52	14.61	9,006.82
1969	245.28	60.00	4.09	15.08	61.66
1971	2,313.81	60.00	38.56	16.08	619.96
1972	612.48	60.00	10.21	16.59	169.40
1974	22,623.29	60.00	377.05	17.67	6,663.01
1975	3,901.22	60.00	65.02	18.23	1,185.36
1976	208.11	60.00	3.47	18.80	65.21
1977	26,345.91	60.00	439.10	19.39	8,512.76
1979	2,212.93	60.00	36.88	20.59	759.50
1980	97,670.75	60.00	1,627.84	21.22	34,534.90
1981	643.50	60.00	10.72	21.85	234.32
1982	5,146.63	60.00	85.78	22.49	1,929.18
1983	4,071.13	60.00	67.85	23.15	1,570.55
1984	20,420.45	60.00	340.34	23.81	8,104.37
1985	5,137.69	60.00	85.63	24.49	2,096.72
1986	3,301.96	60.00	55.03	25.17	1,385.34
1987	20,490.35	60.00	341.51	25.87	8,834.32
1988	10,481.87	60.00	174.70	26.57	4,642.03
1989	22,648.83	60.00	377.48	27.29	10,300.18
1990	2,552.29	60.00	42.54	28.01	1,191.49
1991	41,020.96	60.00	683.68	28.74	19,649.09
1992	106,311.11	60.00	1,771.85	29.48	52,236.47
1994	130,682.51	60.00	2,178.04	30.99	67,488.46
1995	18,382.83	60.00	306.38	31.75	9,728.12
1997	10,281.55	60.00	171.36	33.30	5,707.04

Peoples Natural Gas Company, LLC
Gas Division
329.00 Other Structures

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1999	18,151.93	60.00	302.53	34.89	10,555.37
2001	18,550.28	60.00	309.17	36.50	11,285.81
2002	28,964.69	60.00	482.74	37.32	18,016.69
2005	7,907.93	60.00	131.80	39.82	5,247.59
2006	7,372.59	60.00	122.88	40.66	4,995.98
2008	46,189.52	60.00	769.82	42.37	32,615.50
2012	1,028,723.58	60.00	17,145.36	45.85	786,171.30
2013	4,370.54	60.00	72.84	46.74	3,404.60
2014	54,393.11	60.00	906.55	47.63	43,179.28
2017	33,443.06	60.00	557.38	50.33	28,054.17
2019	2,790.13	60.00	46.50	52.16	2,425.35
2021	19,981.66	60.00	333.03	54.00	17,982.12
Total	1,926,213.73	59.09	32,103.01	38.34	1,230,712.49

Composite Average Remaining Life ... 38.34 Years

Peoples Natural Gas Company, LLC
Gas Division
331.00 Producing Gas Wells - Well Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1921	1,219.94	0.00	0.00	0.00	0.00
1945	420.81	0.00	0.00	0.00	0.00
1954	1,258.20	26.00	48.39	1.72	83.46
1979	31.01	26.00	1.19	6.35	7.58
1984	30.56	26.00	1.18	7.47	8.78
Total	2,960.52	15.60	50.76	1.97	99.82

Composite Average Remaining Life ... 1.97 Years

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	195,261.42	65.00	3,003.99	1.07	3,206.75
1901	74,824.68	65.00	1,151.14	1.40	1,607.33
1902	61,371.88	65.00	944.17	1.74	1,642.99
1903	62,426.10	65.00	960.39	2.07	1,986.45
1904	45,266.33	65.00	696.40	2.41	1,680.19
1905	104,815.51	65.00	1,612.53	2.74	4,425.51
1906	18,206.51	65.00	280.10	3.09	865.45
1907	104,717.22	65.00	1,611.02	3.41	5,497.66
1908	87,684.72	65.00	1,348.98	3.74	5,042.16
1909	23,617.68	65.00	363.34	4.02	1,461.70
1910	30,412.77	65.00	467.88	4.31	2,016.19
1911	3,332.58	65.00	51.27	4.55	233.43
1912	2,834.93	65.00	43.61	4.81	209.69
1913	34,223.23	65.00	526.51	5.03	2,646.76
1914	39,309.46	65.00	604.75	5.25	3,175.23
1915	6,511.41	65.00	100.17	5.48	548.98
1916	15,123.11	65.00	232.66	5.70	1,326.15
1917	39,038.72	65.00	600.59	5.93	3,562.48
1918	24,113.70	65.00	370.98	6.16	2,283.59
1919	21,629.63	65.00	332.76	6.39	2,127.85
1920	29,524.51	65.00	454.22	6.63	3,009.96
1921	8,689.03	65.00	133.68	6.87	919.01
1922	82,987.52	65.00	1,276.72	7.12	9,085.79
1923	33,034.19	65.00	508.21	7.37	3,747.76
1924	36,214.63	65.00	557.14	7.63	4,248.40
1925	38,544.76	65.00	592.99	7.89	4,680.05
1926	15,939.94	65.00	245.23	8.15	1,999.06

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	57,653.00	65.00	886.96	8.42	7,467.88
1928	22,090.77	65.00	339.85	8.70	2,955.07
1929	43,984.46	65.00	676.68	8.97	6,069.64
1930	29,619.17	65.00	455.67	9.25	4,216.10
1931	28,383.34	65.00	436.66	9.53	4,162.92
1932	8,260.43	65.00	127.08	9.82	1,248.31
1933	11,368.05	65.00	174.89	10.11	1,768.17
1934	3,308.31	65.00	50.90	10.41	529.63
1935	8,201.87	65.00	126.18	10.70	1,350.09
1936	3,580.76	65.00	55.09	11.00	606.09
1937	15,729.99	65.00	242.00	11.30	2,735.22
1938	36,659.77	65.00	563.99	11.61	6,549.35
1939	81,585.09	65.00	1,255.14	11.92	14,962.21
1940	28,951.20	65.00	445.40	12.24	5,449.51
1941	177,401.04	65.00	2,729.22	12.56	34,267.22
1942	41,929.90	65.00	645.07	12.88	8,307.88
1943	35,874.88	65.00	551.92	13.21	7,290.40
1944	121,239.11	65.00	1,865.20	13.54	25,259.90
1945	89,508.30	65.00	1,377.04	13.88	19,118.15
1946	50,972.66	65.00	784.19	14.23	11,157.61
1947	51,491.23	65.00	792.16	14.58	11,550.26
1948	16,240.80	65.00	249.86	14.94	3,732.26
1949	52,002.83	65.00	800.03	15.30	12,242.53
1950	54,865.75	65.00	844.08	15.67	13,229.09
1951	53,676.32	65.00	825.78	16.05	13,254.55
1952	64,548.39	65.00	993.04	16.44	16,321.00
1953	99,955.34	65.00	1,537.76	16.83	25,876.44

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	56,019.22	65.00	861.82	17.23	14,846.47
1955	52,615.49	65.00	809.46	17.63	14,273.86
1956	310,919.27	65.00	4,783.32	18.05	86,330.35
1957	476,999.83	65.00	7,338.38	18.47	135,545.21
1958	184,922.07	65.00	2,844.92	18.90	53,770.59
1959	317,239.63	65.00	4,880.56	19.34	94,384.99
1960	239,891.34	65.00	3,690.60	19.78	73,016.45
1961	92,188.99	65.00	1,418.28	20.24	28,704.64
1962	177,535.81	65.00	2,731.29	20.70	56,538.88
1963	239,834.09	65.00	3,689.72	21.17	78,116.45
1964	231,794.57	65.00	3,566.03	21.65	77,199.80
1965	157,226.29	65.00	2,418.84	22.14	53,543.53
1966	206,889.64	65.00	3,182.88	22.63	72,031.44
1967	266,065.18	65.00	4,093.27	23.13	94,689.04
1968	194,120.21	65.00	2,986.43	23.64	70,611.09
1969	609,955.24	65.00	9,383.83	24.16	226,729.96
1970	106,487.24	65.00	1,638.25	24.69	40,446.62
1971	483,796.53	65.00	7,442.94	25.22	187,728.98
1972	1,325,925.65	65.00	20,398.64	25.77	525,580.27
1973	526,709.18	65.00	8,103.13	26.31	213,228.29
1974	687,898.12	65.00	10,582.93	26.87	284,394.81
1975	981,939.46	65.00	15,106.60	27.44	414,478.39
1976	565,674.76	65.00	8,702.59	28.01	243,767.18
1977	1,207,117.23	65.00	18,570.83	28.59	530,932.11
1978	587,526.82	65.00	9,038.78	29.18	263,737.57
1979	700,694.25	65.00	10,779.80	29.77	320,954.11
1980	839,757.75	65.00	12,919.21	30.37	392,420.23

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	710,494.03	65.00	10,930.56	30.98	338,677.72
1982	734,623.54	65.00	11,301.78	31.60	357,131.14
1983	487,810.62	65.00	7,504.70	32.22	241,823.84
1984	866,408.37	65.00	13,329.22	32.85	437,884.04
1985	2,077,566.04	65.00	31,962.21	33.49	1,070,361.05
1986	815,907.57	65.00	12,552.29	34.13	428,406.03
1987	323,690.52	65.00	4,979.80	34.78	173,195.33
1988	2,067,456.99	65.00	31,806.69	35.43	1,127,019.95
1989	761,999.84	65.00	11,722.95	36.10	423,148.70
1990	591,747.81	65.00	9,103.71	36.76	334,667.09
1991	1,272,229.99	65.00	19,572.56	37.44	732,716.48
1992	1,497,692.27	65.00	23,041.17	38.12	878,216.57
1993	515,305.87	65.00	7,927.70	38.80	307,586.32
1994	601,830.76	65.00	9,258.83	39.49	365,625.38
1995	593,261.54	65.00	9,127.00	40.18	366,758.60
1996	920,988.10	65.00	14,168.89	40.88	579,295.01
1997	2,076,900.97	65.00	31,951.98	41.59	1,328,873.86
1998	439,438.09	65.00	6,760.51	42.30	285,976.08
1999	524,178.14	65.00	8,064.19	43.02	346,884.14
2000	839,023.40	65.00	12,907.91	43.74	564,542.93
2001	918,154.91	65.00	14,125.31	44.46	628,008.01
2002	228,210.06	65.00	3,510.89	45.19	158,655.87
2003	1,221,298.89	65.00	18,789.01	45.92	862,828.27
2004	513,606.30	65.00	7,901.55	46.66	368,690.02
2005	811,489.00	65.00	12,484.31	47.40	591,786.29
2006	549,090.52	65.00	8,447.46	48.15	406,724.52
2007	1,578,271.07	65.00	24,280.83	48.90	1,187,271.57

Peoples Natural Gas Company, LLC
Gas Division
332.00 Field Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	2,393,512.05	65.00	36,822.86	49.65	1,828,265.80
2009	1,454,514.11	65.00	22,376.90	50.41	1,127,971.03
2010	1,849,773.19	65.00	28,457.74	51.17	1,456,125.63
2011	5,050,422.15	65.00	77,697.96	51.93	4,035,090.46
2012	2,234,358.15	65.00	34,374.37	52.70	1,811,545.05
2013	2,940,484.29	65.00	45,237.73	53.47	2,418,993.66
2014	2,138,045.73	65.00	32,892.66	54.25	1,784,347.16
2015	1,570,850.85	65.00	24,166.67	55.03	1,329,830.02
2016	284,856.50	65.00	4,382.36	55.81	244,576.43
2017	1,063,833.30	65.00	16,366.49	56.60	926,285.43
2018	1,679,268.13	65.00	25,834.62	57.39	1,482,563.79
2019	4,667,331.52	65.00	71,804.32	58.18	4,177,570.61
2020	2,549,785.83	65.00	39,227.05	58.98	2,313,511.96
2021	1,439,290.56	65.00	22,142.69	59.78	1,323,640.56
2022	4,165,417.16	65.00	64,082.65	60.58	3,882,288.99
2023	2,558,551.75	65.00	39,361.91	61.39	2,416,422.89
2024	1,681,818.78	65.00	25,873.86	62.20	1,609,401.15
2025	1,430,202.09	65.00	22,002.87	63.02	1,386,537.09
2026	7,069,696.83	65.00	108,763.39	63.84	6,942,942.18
2027	29,515,864.74	65.00	454,085.32	64.62	29,344,087.47
Total	116,633,035.71	65.00	1,794,335.00	51.12	91,717,667.52

Composite Average Remaining Life ... 51.12 Years

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1936	294.19	0.00	0.00	0.00	0.00
1938	3,056.63	0.00	0.00	0.00	0.00
1942	246.52	0.00	0.00	0.00	0.00
1944	273.91	0.00	0.00	0.00	0.00
1946	10.62	0.00	0.00	0.00	0.00
1948	1,764.35	20.00	88.22	0.50	44.11
1953	50,593.82	20.00	2,529.67	1.53	3,869.59
1955	461.77	20.00	23.09	1.82	42.04
1956	32,578.64	20.00	1,628.92	1.96	3,189.99
1957	5,165.53	20.00	258.27	2.09	539.98
1959	96.90	20.00	4.84	2.35	11.39
1963	1,774.66	20.00	88.73	2.87	254.73
1964	404.09	20.00	20.20	3.00	60.69
1968	558.97	20.00	27.95	3.55	99.25
1969	213.27	20.00	10.66	3.69	39.37
1970	1,182.04	20.00	59.10	3.84	226.70
1971	113,287.59	20.00	5,664.33	3.98	22,550.40
1972	104.35	20.00	5.22	4.13	21.54
1973	650.58	20.00	32.53	4.28	139.17
1974	415,586.54	20.00	20,779.16	4.43	92,054.77
1976	3,525.37	20.00	176.27	4.74	835.69
1977	33,144.69	20.00	1,657.22	4.90	8,120.69
1978	12,991.46	20.00	649.57	5.06	3,288.04
1979	5,915.76	20.00	295.79	5.23	1,545.86
1980	181.40	20.00	9.07	5.39	48.92
1981	8,361.80	20.00	418.09	5.56	2,325.96
1982	3,380.96	20.00	169.05	5.74	969.69

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1984	1,233.58	20.00	61.68	6.09	375.69
1985	206,785.90	20.00	10,339.21	6.27	64,861.99
1986	17,021.42	20.00	851.06	6.46	5,497.01
1987	2,685.55	20.00	134.28	6.65	892.67
1988	47,455.91	20.00	2,372.78	6.84	16,231.29
1989	57,122.46	20.00	2,856.10	7.04	20,098.15
1990	124,649.69	20.00	6,232.43	7.24	45,104.25
1991	6,435.95	20.00	321.79	7.44	2,394.50
1992	210,895.49	20.00	10,544.69	7.65	80,658.29
1993	41,315.66	20.00	2,065.77	7.86	16,240.07
1994	122,954.81	20.00	6,147.69	8.08	49,662.41
1995	1,655,963.51	20.00	82,797.49	8.30	687,172.19
1996	71,620.53	20.00	3,581.00	8.53	30,529.13
1997	19,463.48	20.00	973.17	8.76	8,521.06
1998	105,712.13	20.00	5,285.56	8.99	47,526.36
1999	175,941.49	20.00	8,797.00	9.23	81,219.31
2000	126,995.60	20.00	6,349.73	9.48	60,188.10
2001	33,576.86	20.00	1,678.83	9.73	16,336.05
2002	6,445,747.71	20.00	322,284.73	9.99	3,219,017.39
2003	1,404,159.56	20.00	70,207.40	10.25	719,734.45
2004	790,640.03	20.00	39,531.68	10.52	415,917.13
2005	1,350,683.30	20.00	67,533.61	10.80	729,161.67
2006	1,889,986.45	20.00	94,498.54	11.08	1,046,996.15
2007	5,120,601.66	20.00	256,027.98	11.37	2,910,721.14
2008	2,211,661.76	20.00	110,582.18	11.67	1,289,946.97
2009	3,463,675.57	20.00	173,182.35	11.97	2,072,751.40
2010	1,907,447.00	20.00	95,371.57	12.28	1,171,131.42

Peoples Natural Gas Company, LLC
Gas Division
333.00 Field Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2011	978,570.15	20.00	48,928.10	12.60	616,420.68
2012	154,229.33	20.00	7,711.40	12.93	99,672.56
2013	254,439.42	20.00	12,721.87	13.26	168,698.15
2014	129,497.02	20.00	6,474.80	13.60	88,084.36
2015	158,359.41	20.00	7,917.91	13.96	110,508.07
2016	168,394.96	20.00	8,419.68	14.32	120,556.28
2017	1,125,062.23	20.00	56,252.65	14.69	826,321.99
2018	183,580.67	20.00	9,178.96	15.07	138,329.96
2019	1,146,982.84	20.00	57,348.67	15.46	886,786.69
2020	425,329.51	20.00	21,266.30	15.87	337,529.83
2021	3,843,964.63	20.00	192,196.65	16.30	3,132,772.07
2022	3,875,522.60	20.00	193,774.54	16.75	3,246,125.61
2023	1,022,845.79	20.00	51,141.87	17.23	881,346.88
2024	5,209,291.06	20.00	260,462.41	17.75	4,623,275.83
2025	40,020.97	20.00	2,001.03	18.31	36,643.16
2026	1,342,934.64	20.00	67,146.18	18.93	1,271,373.00
2027	2,910,215.97	20.00	145,509.60	19.62	2,854,590.36
Total	51,277,480.67	18.59	2,563,658.85	13.41	34,388,200.29

Composite Average Remaining Life ... 13.41 Years

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	63.58	0.00	0.00	0.00	0.00
1918	8.14	0.00	0.00	0.00	0.00
1921	18.74	0.00	0.00	0.00	0.00
1923	7.74	0.00	0.00	0.00	0.00
1924	39.81	0.00	0.00	0.00	0.00
1925	40.18	0.00	0.00	0.00	0.00
1926	548.09	0.00	0.00	0.00	0.00
1927	94.61	0.00	0.00	0.00	0.00
1928	56.50	0.00	0.00	0.00	0.00
1929	186.84	0.00	0.00	0.00	0.00
1930	22.21	0.00	0.00	0.00	0.00
1931	65.88	0.00	0.00	0.00	0.00
1932	44.64	0.00	0.00	0.00	0.00
1933	8.88	0.00	0.00	0.00	0.00
1934	710.68	0.00	0.00	0.00	0.00
1935	11.21	0.00	0.00	0.00	0.00
1936	491.43	0.00	0.00	0.00	0.00
1937	149.02	0.00	0.00	0.00	0.00
1938	145.14	0.00	0.00	0.00	0.00
1939	222.55	0.00	0.00	0.00	0.00
1940	570.40	0.00	0.00	0.00	0.00
1941	364.71	0.00	0.00	0.00	0.00
1942	1,036.76	0.00	0.00	0.00	0.00
1943	281.33	0.00	0.00	0.00	0.00
1944	284.80	0.00	0.00	0.00	0.00
1945	362.30	0.00	0.00	0.00	0.00
1946	720.87	0.00	0.00	0.00	0.00

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1947	425.54	0.00	0.00	0.00	0.00
1948	692.13	20.00	34.61	0.50	17.30
1949	1,865.55	20.00	93.28	0.66	61.30
1950	333.50	20.00	16.67	0.93	15.48
1951	535.02	20.00	26.75	1.17	31.30
1952	3,731.07	20.00	186.55	1.36	253.42
1953	9,865.79	20.00	493.29	1.53	754.57
1954	10,630.42	20.00	531.52	1.68	894.47
1955	2,382.82	20.00	119.14	1.82	216.92
1956	6,059.29	20.00	302.96	1.96	593.30
1957	4,928.72	20.00	246.43	2.09	515.23
1958	6,364.54	20.00	318.22	2.22	706.76
1959	2,762.48	20.00	138.12	2.35	324.59
1960	3,809.06	20.00	190.45	2.48	472.19
1961	5,493.96	20.00	274.70	2.61	716.57
1962	4,590.95	20.00	229.55	2.74	628.76
1963	3,693.83	20.00	184.69	2.87	530.20
1964	5,109.68	20.00	255.48	3.00	767.36
1965	4,170.32	20.00	208.51	3.14	654.33
1966	4,426.82	20.00	221.34	3.27	724.64
1967	5,038.97	20.00	251.95	3.41	859.54
1968	8,013.70	20.00	400.68	3.55	1,422.84
1969	12,592.42	20.00	629.62	3.69	2,324.82
1970	4,755.33	20.00	237.76	3.84	912.01
1971	14,773.51	20.00	738.67	3.98	2,940.73
1972	7,082.32	20.00	354.11	4.13	1,461.98
1973	12,884.08	20.00	644.20	4.28	2,756.04

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	23,236.59	20.00	1,161.82	4.43	5,147.04
1975	63,230.50	20.00	3,161.50	4.58	14,493.56
1976	40,004.08	20.00	2,000.19	4.74	9,482.97
1977	54,526.51	20.00	2,726.30	4.90	13,359.40
1978	96,106.60	20.00	4,805.29	5.06	24,323.85
1979	95,734.22	20.00	4,786.67	5.23	25,016.48
1980	30,948.98	20.00	1,547.44	5.39	8,345.93
1981	71,918.23	20.00	3,595.88	5.56	20,005.10
1982	70,165.86	20.00	3,508.26	5.74	20,124.20
1983	64,563.11	20.00	3,228.13	5.91	19,085.09
1984	30,284.13	20.00	1,514.19	6.09	9,223.18
1985	61,740.32	20.00	3,086.99	6.27	19,365.92
1986	102,417.32	20.00	5,120.82	6.46	33,075.35
1987	35,738.04	20.00	1,786.89	6.65	11,879.27
1988	115,325.20	20.00	5,766.21	6.84	39,444.56
1989	65,133.29	20.00	3,256.64	7.04	22,916.71
1990	96,646.89	20.00	4,832.30	7.24	34,971.49
1991	157,991.89	20.00	7,899.53	7.44	58,780.93
1992	29,353.96	20.00	1,467.69	7.65	11,226.60
1993	19,386.82	20.00	969.33	7.86	7,620.44
1994	105,976.62	20.00	5,298.79	8.08	42,804.79
1995	11,880.96	20.00	594.04	8.30	4,930.22
1996	7,148.31	20.00	357.41	8.53	3,047.05
1997	13,295.40	20.00	664.76	8.76	5,820.69
1998	8,029.47	20.00	401.47	8.99	3,609.91
1999	91.48	20.00	4.57	9.23	42.23
2000	1,542.89	20.00	77.14	9.48	731.23

Peoples Natural Gas Company, LLC
Gas Division
334.00 Field Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *L0*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	8,681.46	20.00	434.07	9.99	4,335.54
2003	6,816.28	20.00	340.81	10.25	3,493.84
2004	8,156.16	20.00	407.80	10.52	4,290.56
2005	9,281.40	20.00	464.07	10.80	5,010.53
2006	6,905.48	20.00	345.27	11.08	3,825.43
2007	42.10	20.00	2.10	11.37	23.93
2008	11,297.87	20.00	564.89	11.67	6,589.46
2009	1,029,796.41	20.00	51,489.40	11.97	616,256.32
2010	91,277.39	20.00	4,563.83	12.28	56,042.35
2011	188,608.12	20.00	9,430.33	12.60	118,807.98
2013	28,477.49	20.00	1,423.86	13.26	18,881.12
2017	17,687.02	20.00	884.34	14.69	12,990.55
2020	20,423.17	20.00	1,021.15	15.87	16,207.27
2021	227,054.21	20.00	11,352.62	16.30	185,045.69
2022	203,714.85	20.00	10,185.66	16.75	170,630.92
2023	3,649.35	20.00	182.47	17.23	3,144.50
2026	146,170.55	20.00	7,308.47	18.93	138,381.49
2027	320,046.11	20.00	16,002.17	19.62	313,928.78
Total	3,954,071.95	14.34	197,352.84	10.99	2,168,317.08

Composite Average Remaining Life ... 10.99 Years

Peoples Natural Gas Company, LLC
Gas Division
337.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *23* ***Survivor Curve:*** *L1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	2,370.47	23.00	103.06	10.65	1,097.09
2005	3,808.95	23.00	165.59	10.96	1,815.07
2006	2,060.73	23.00	89.59	11.28	1,010.92
2008	1,405.60	23.00	61.11	11.95	730.33
Total	9,645.75	23.00	419.35	11.10	4,653.41

Composite Average Remaining Life ... 11.10 Years

Peoples Natural Gas Company, LLC
Gas Division
350.11 Land - Gas

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *L4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1967	764.79	55.00	13.91	10.06	139.95
1969	4,194.89	55.00	76.27	10.34	788.32
1970	49.41	55.00	0.90	10.47	9.41
1976	93.45	55.00	1.70	11.59	19.69
1977	2,088.06	55.00	37.96	11.87	450.74
1979	9,290.53	55.00	168.92	12.57	2,123.75
1989	342.71	55.00	6.23	18.64	116.15
Total	16,823.84	55.00	305.89	11.93	3,648.02

Composite Average Remaining Life ... *11.93 Years*

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	922.66	70.00	13.18	1.65	21.73
1925	257.87	70.00	3.68	3.87	14.26
1926	459.25	70.00	6.56	4.14	27.14
1929	64.04	70.00	0.91	4.91	4.50
1940	198.63	70.00	2.84	7.80	22.13
1941	73.96	70.00	1.06	8.08	8.53
1942	442.68	70.00	6.32	8.37	52.92
1943	166.39	70.00	2.38	8.67	20.61
1945	66.96	70.00	0.96	9.29	8.88
1946	558.07	70.00	7.97	9.61	76.59
1947	1,450.95	70.00	20.73	9.94	206.06
1948	1,558.71	70.00	22.27	10.28	229.00
1949	1,239.91	70.00	17.71	10.64	188.46
1953	162.40	70.00	2.32	12.18	28.26
1954	2,117.36	70.00	30.25	12.60	381.05
1955	437.08	70.00	6.24	13.03	81.35
1961	890.72	70.00	12.72	15.89	202.24
1962	39.11	70.00	0.56	16.42	9.17
1965	87.33	70.00	1.25	18.07	22.55
1966	1,016.02	70.00	14.51	18.65	270.70
1967	169.49	70.00	2.42	19.24	46.59
1968	1,932.65	70.00	27.61	19.84	547.88
1969	1,120.00	70.00	16.00	20.46	327.36
1970	644.80	70.00	9.21	21.09	194.23
1972	392.00	70.00	5.60	22.37	125.29
1973	1,159.09	70.00	16.56	23.03	381.35
1974	448.00	70.00	6.40	23.70	151.70

Peoples Natural Gas Company, LLC
Gas Division
350.21 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *70* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1977	280.00	70.00	4.00	25.77	103.10
1979	60.66	70.00	0.87	27.20	23.57
1980	112.00	70.00	1.60	27.93	44.69
1983	1,456.00	70.00	20.80	30.17	627.52
1985	1,400.00	70.00	20.00	31.70	633.99
1986	409.02	70.00	5.84	32.48	189.79
1987	441.00	70.00	6.30	33.27	209.57
1993	875.00	70.00	12.50	38.14	476.75
2000	2,875.00	70.00	41.07	44.14	1,812.95
2004	17,233.24	70.00	246.19	47.71	11,745.22
2006	19,252.16	70.00	275.03	49.52	13,620.56
2024	54,760.21	70.00	782.29	66.64	52,135.02
2025	21,297.60	70.00	304.25	67.62	20,574.80
2026	14,499.62	70.00	207.14	68.61	14,210.88
2027	18,849.50	70.00	269.28	69.55	18,727.90
Total	171,877.14	70.00	2,455.39	56.52	138,786.84

Composite Average Remaining Life ... 56.52 Years

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	2,829.48	60.00	47.16	1.60	75.59
1926	27,541.11	60.00	459.02	2.65	1,217.41
1937	16,189.19	60.00	269.82	5.79	1,563.30
1938	95.25	60.00	1.59	6.08	9.65
1940	400.17	60.00	6.67	6.67	44.47
1945	426.05	60.00	7.10	8.15	57.86
1946	58.82	60.00	0.98	8.46	8.29
1947	1,202.28	60.00	20.04	8.76	175.58
1949	1,543.88	60.00	25.73	9.40	241.76
1950	5,236.77	60.00	87.28	9.72	848.14
1951	3,014.62	60.00	50.24	10.05	504.76
1952	740.00	60.00	12.33	10.38	128.07
1953	2,900.60	60.00	48.34	10.73	518.48
1955	19,384.40	60.00	323.07	11.43	3,693.51
1956	3,782.70	60.00	63.04	11.80	743.73
1957	6,109.86	60.00	101.83	12.17	1,239.27
1958	1,371.20	60.00	22.85	12.55	286.85
1959	1,334.85	60.00	22.25	12.94	287.93
1963	3,163.12	60.00	52.72	14.60	769.47
1964	41.65	60.00	0.69	15.03	10.43
1965	1,891.52	60.00	31.53	15.48	487.99
1966	509.61	60.00	8.49	15.94	135.35
1967	126.88	60.00	2.11	16.40	34.68
1968	1,796.46	60.00	29.94	16.88	505.37
1969	2,701.00	60.00	45.02	17.37	781.74
1970	537.68	60.00	8.96	17.86	160.06
1971	551.41	60.00	9.19	18.37	168.80

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1972	13,370.77	60.00	222.85	18.88	4,208.29
1973	3,559.13	60.00	59.32	19.41	1,151.33
1974	28,324.75	60.00	472.08	19.95	9,416.03
1975	218.60	60.00	3.64	20.49	74.66
1976	85.52	60.00	1.43	21.05	30.00
1977	1,110.04	60.00	18.50	21.61	399.84
1981	1,050.11	60.00	17.50	23.97	419.47
1982	80.70	60.00	1.34	24.58	33.06
1986	7,180.22	60.00	119.67	27.11	3,244.71
1987	3,015.84	60.00	50.26	27.77	1,395.82
1989	23,593.89	60.00	393.23	29.11	11,445.08
1992	43,447.38	60.00	724.12	31.17	22,570.69
1993	41,380.63	60.00	689.68	31.87	21,982.71
1994	10,078.67	60.00	167.98	32.58	5,473.40
1995	2,597.85	60.00	43.30	33.30	1,441.97
1996	79,849.12	60.00	1,330.81	34.03	45,288.51
1997	26,972.82	60.00	449.55	34.76	15,627.56
1998	586,849.01	60.00	9,780.79	35.50	347,262.56
1999	21,627.73	60.00	360.46	36.25	13,067.68
2000	177,972.01	60.00	2,966.19	37.01	109,767.38
2001	15,235.14	60.00	253.92	37.77	9,590.09
2002	15,519.54	60.00	258.66	38.54	9,967.90
2003	330,001.37	60.00	5,500.01	39.31	216,208.61
2004	149,518.06	60.00	2,491.96	40.09	99,909.20
2006	158,602.08	60.00	2,643.36	41.67	110,157.97
2007	111,088.83	60.00	1,851.48	42.47	78,640.05
2008	3,484.86	60.00	58.08	43.28	2,513.78

Peoples Natural Gas Company, LLC
Gas Division
351.00 Structures and Improvements
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2010	6,944.58	60.00	115.74	44.91	5,198.08
2014	82,977.62	60.00	1,382.96	48.24	66,713.86
2015	29,547.03	60.00	492.45	49.09	24,171.96
2017	52,907.60	60.00	881.79	50.79	44,789.53
2020	250,885.11	60.00	4,181.41	53.39	223,260.11
2025	15,997.02	60.00	266.62	57.82	15,415.99
Total	2,400,554.19	60.00	40,009.12	38.38	1,535,536.42

Composite Average Remaining Life ... 38.38 Years

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	2,288.30	60.00	38.14	3.08	117.30
1917	4.50	60.00	0.07	3.39	0.25
1924	6,717.37	60.00	111.95	5.14	575.02
1925	4,635.33	60.00	77.25	5.37	414.80
1927	177.27	60.00	2.95	5.82	17.19
1928	2,669.12	60.00	44.48	6.06	269.67
1929	3,305.32	60.00	55.09	6.30	346.95
1939	94.86	60.00	1.58	8.97	14.18
1942	6,961.15	60.00	116.02	9.84	1,142.16
1943	5,688.45	60.00	94.81	10.15	961.98
1945	289.17	60.00	4.82	10.75	51.83
1946	8,501.72	60.00	141.69	11.07	1,568.34
1947	28,359.03	60.00	472.65	11.38	5,380.22
1948	27,451.29	60.00	457.52	11.70	5,354.66
1949	2,441.54	60.00	40.69	12.03	489.59
1950	9,147.24	60.00	152.45	12.36	1,884.65
1951	0.89	60.00	0.01	12.70	0.19
1952	10.90	60.00	0.18	13.04	2.37
1953	21.11	60.00	0.35	13.39	4.71
1961	109.48	60.00	1.82	16.45	30.02
1962	432.38	60.00	7.21	16.87	121.59
1966	2.53	60.00	0.04	18.63	0.79
1967	249.44	60.00	4.16	19.09	79.38
1968	439.25	60.00	7.32	19.56	143.23
1970	257.26	60.00	4.29	20.53	88.03
1972	24,602.35	60.00	410.03	21.53	8,829.41
1973	6,503.12	60.00	108.38	22.05	2,389.46

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1974	7,457.88	60.00	124.30	22.57	2,805.31
1975	12,104.06	60.00	201.73	23.10	4,660.21
1979	484.24	60.00	8.07	25.31	204.25
1981	10,160.79	60.00	169.34	26.46	4,481.43
1983	157.79	60.00	2.63	27.65	72.71
1984	61,029.67	60.00	1,017.15	28.25	28,737.59
1989	73,068.48	60.00	1,217.79	31.39	38,220.88
1990	24,565.47	60.00	409.42	32.03	13,115.16
1991	47,012.28	60.00	783.53	32.69	25,611.21
1992	28,893.61	60.00	481.55	33.35	16,059.37
1993	354.51	60.00	5.91	34.02	200.99
1995	508.53	60.00	8.48	35.37	299.78
1997	246,704.64	60.00	4,111.70	36.75	151,099.79
1998	276,582.83	60.00	4,609.66	37.45	172,619.63
1999	3,019.80	60.00	50.33	38.15	1,920.12
2000	96,191.89	60.00	1,603.18	38.86	62,298.04
2002	2,808.35	60.00	46.81	40.29	1,885.94
2004	16,552.83	60.00	275.88	41.75	11,516.88
2005	50,111.40	60.00	835.18	42.48	35,478.77
2006	73,976.75	60.00	1,232.93	43.22	53,284.55
2017	16,346.35	60.00	272.44	51.61	14,061.21
2021	9,102.44	60.00	151.71	54.78	8,310.98
2026	2,083,356.36	60.00	34,722.20	58.84	2,042,903.33
2027	3,083,752.27	60.00	51,395.28	59.62	3,064,317.84

Peoples Natural Gas Company, LLC
Gas Division
352.01 Wells - Construction
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	6,365,663.59	60.00	106,093.16	54.52	5,784,443.96

Composite Average Remaining Life ... 54.52 Years

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1916	545.84	0.00	0.00	0.00	0.00
1917	602.09	0.00	0.00	0.00	0.00
1924	2,372.29	55.00	43.13	2.39	103.01
1925	2,240.46	55.00	40.73	2.72	110.89
1943	6,732.14	55.00	122.40	8.29	1,014.63
1945	2,391.77	55.00	43.49	8.97	389.89
1946	5,287.42	55.00	96.13	9.31	894.94
1947	8,366.22	55.00	152.11	9.66	1,469.03
1948	6,867.23	55.00	124.86	10.01	1,249.89
1949	33.59	55.00	0.61	10.37	6.33
1950	2,149.17	55.00	39.07	10.73	419.33
1952	35.38	55.00	0.64	11.47	7.38
1953	234.81	55.00	4.27	11.85	50.57
1961	243.38	55.00	4.42	15.04	66.54
1966	123.58	55.00	2.25	17.20	38.66
1967	731.43	55.00	13.30	17.66	234.79
1968	6.48	55.00	0.12	18.11	2.13
1971	4,948.22	55.00	89.97	19.52	1,755.85
1972	18,757.10	55.00	341.03	20.00	6,819.76
1973	24,911.10	55.00	452.92	20.48	9,277.70
1974	8,244.14	55.00	149.89	20.98	3,144.26
1975	9,923.51	55.00	180.42	21.48	3,874.80
1977	13,198.13	55.00	239.96	22.49	5,397.25
1979	1,860.82	55.00	33.83	23.53	796.24
1981	15,096.56	55.00	274.48	24.60	6,752.79
1982	28,478.73	55.00	517.78	25.14	13,019.48
1984	24,769.33	55.00	450.34	26.25	11,821.85

Peoples Natural Gas Company, LLC
Gas Division
352.02 Wells - Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	14,834.65	55.00	269.72	27.38	7,385.33
1989	22,040.63	55.00	400.73	29.12	11,670.90
1991	9,728.36	55.00	176.88	30.32	5,362.24
1992	6,312.20	55.00	114.76	30.92	3,548.67
1993	437.04	55.00	7.95	31.53	250.54
1994	258.82	55.00	4.71	32.15	151.27
1995	762.79	55.00	13.87	32.77	454.46
1997	12,093.79	55.00	219.88	34.03	7,482.09
1998	20,057.90	55.00	364.68	34.66	12,641.51
1999	253,809.44	55.00	4,614.62	35.31	162,920.60
2000	56,572.91	55.00	1,028.58	35.95	36,979.19
2008	17,370.15	55.00	315.81	41.26	13,031.50
2014	27,203.89	55.00	494.61	45.38	22,443.72
2015	1,621.91	55.00	29.49	46.07	1,358.60
2019	5,149.78	55.00	93.63	48.89	4,577.29
2026	1,107,952.65	55.00	20,144.16	53.95	1,086,803.33
2027	1,639,974.59	55.00	29,817.07	54.66	1,629,818.43
Total	3,385,332.42	52.50	61,529.30	49.99	3,075,597.68

Composite Average Remaining Life ... 49.99 Years

Peoples Natural Gas Company, LLC
Gas Division
352.12 Storage Rights
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1939	100.32	65.00	1.54	0.50	0.77
1941	98.88	65.00	1.52	0.77	1.18
1944	1,462.95	65.00	22.51	1.38	31.11
1947	29.25	65.00	0.45	2.13	0.96
1948	75.00	65.00	1.15	2.34	2.70
1949	3,618.25	65.00	55.67	2.57	143.22
1950	371.91	65.00	5.72	2.74	15.69
1960	11.75	65.00	0.18	5.45	0.99
1964	443.26	65.00	6.82	7.20	49.09
1982	40,000.00	65.00	615.39	20.17	12,411.46
1992	2,452.89	65.00	37.74	29.63	1,118.30
1993	12,069.59	65.00	185.69	30.62	5,685.51
1998	306,874.45	65.00	4,721.18	35.59	168,010.85
1999	45,797.43	65.00	704.58	36.58	25,776.98
Total	413,405.93	65.00	6,360.13	33.53	213,248.82

Composite Average Remaining Life ... 33.53 Years

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1912	8.69	0.00	0.00	0.00	0.00
1916	1,786.32	0.00	0.00	0.00	0.00
1917	363.37	0.00	0.00	0.00	0.00
1918	25.48	0.00	0.00	0.00	0.00
1922	42.17	0.00	0.00	0.00	0.00
1924	5,487.93	0.00	0.00	0.00	0.00
1925	1,233.42	0.00	0.00	0.00	0.00
1926	63.48	0.00	0.00	0.00	0.00
1933	19.78	0.00	0.00	0.00	0.00
1934	57.37	0.00	0.00	0.00	0.00
1937	19.93	50.00	0.40	0.71	0.28
1938	3.19	50.00	0.06	0.94	0.06
1939	84.73	50.00	1.69	1.19	2.01
1940	531.12	50.00	10.62	1.44	15.33
1941	1,072.68	50.00	21.45	1.70	36.58
1943	570.69	50.00	11.41	2.24	25.61
1944	332.44	50.00	6.65	2.52	16.75
1945	146.21	50.00	2.92	2.80	8.18
1946	12,963.19	50.00	259.26	3.08	798.81
1947	3,928.21	50.00	78.56	3.37	264.42
1948	9,725.46	50.00	194.51	3.65	710.35
1951	265.03	50.00	5.30	4.52	23.95
1952	12,170.84	50.00	243.42	4.81	1,170.23
1955	2,287.37	50.00	45.75	5.68	259.92
1956	44.62	50.00	0.89	5.98	5.33
1957	445.55	50.00	8.91	6.27	55.88
1961	568.38	50.00	11.37	7.49	85.15

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	70.50	50.00	1.41	8.13	11.46
1965	42.48	50.00	0.85	8.80	7.48
1967	4,390.54	50.00	87.81	9.50	834.40
1968	94,202.26	50.00	1,884.04	9.87	18,590.37
1969	10,938.86	50.00	218.78	10.24	2,240.76
1970	25,791.64	50.00	515.83	10.63	5,481.98
1973	40,293.71	50.00	805.87	11.85	9,548.12
1974	8,392.05	50.00	167.84	12.28	2,060.68
1975	1,320.10	50.00	26.40	12.72	335.80
1976	580.66	50.00	11.61	13.17	152.96
1977	4,755.64	50.00	95.11	13.64	1,296.96
1978	92.88	50.00	1.86	14.11	26.22
1981	5,347.65	50.00	106.95	15.61	1,669.94
1983	55,595.37	50.00	1,111.90	16.67	18,539.93
1984	8,052.76	50.00	161.05	17.22	2,773.65
1986	388.90	50.00	7.78	18.35	142.74
1988	37,073.02	50.00	741.46	19.53	14,479.10
1990	7,473.03	50.00	149.46	20.75	3,100.98
1991	3,151.27	50.00	63.03	21.37	1,347.11
1993	14,359.94	50.00	287.20	22.66	6,507.31
1996	5,529.70	50.00	110.59	24.66	2,727.20
1998	350.78	50.00	7.02	26.04	182.70
1999	35,898.66	50.00	717.97	26.75	19,204.34
2000	69,766.68	50.00	1,395.33	27.46	38,319.44
2001	18,927.15	50.00	378.54	28.19	10,669.63
2002	1,771.09	50.00	35.42	28.92	1,024.34
2003	4,001.15	50.00	80.02	29.66	2,373.41

Peoples Natural Gas Company, LLC
Gas Division
353.00 Lines

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2004	380,060.87	50.00	7,601.19	30.41	231,140.77
2005	28,863.63	50.00	577.27	31.17	17,991.22
2006	1,601,556.59	50.00	32,031.03	31.93	1,022,802.44
2007	203,390.61	50.00	4,067.80	32.71	133,038.09
2008	443,981.80	50.00	8,879.61	33.49	297,347.32
2009	7,446.86	50.00	148.94	34.28	5,104.89
2010	36,199.97	50.00	724.00	35.07	25,392.07
2011	87,605.79	50.00	1,752.11	35.88	62,858.57
2012	35,014.56	50.00	700.29	36.69	25,691.50
2013	191,676.67	50.00	3,833.52	37.51	143,776.81
2015	36,772.48	50.00	735.45	39.16	28,801.66
2020	5,277.70	50.00	105.55	43.42	4,582.97
2023	104,330.04	50.00	2,086.59	46.04	96,076.36
2024	8,405.08	50.00	168.10	46.93	7,889.18
2025	4,990.07	50.00	99.80	47.82	4,772.80
Total	3,688,378.84	42.75	73,585.59	30.91	2,274,394.52

Composite Average Remaining Life ... 30.91 Years

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	35.50	0.00	0.00	0.00	0.00
1906	38.46	0.00	0.00	0.00	0.00
1922	183.97	0.00	0.00	0.00	0.00
1926	931.01	0.00	0.00	0.00	0.00
1934	359.15	47.00	7.64	0.50	3.82
1935	117.46	47.00	2.50	0.73	1.83
1937	20,650.37	47.00	439.36	1.35	591.60
1938	133.74	47.00	2.85	1.69	4.80
1940	427.70	47.00	9.10	2.36	21.51
1941	115.24	47.00	2.45	2.69	6.59
1942	524.98	47.00	11.17	2.98	33.29
1947	25.42	47.00	0.54	4.16	2.25
1948	142,433.56	47.00	3,030.46	4.39	13,307.86
1949	23,611.61	47.00	502.37	4.62	2,322.99
1950	2,188.04	47.00	46.55	4.86	226.38
1951	582.13	47.00	12.39	5.11	63.27
1952	11,231.91	47.00	238.97	5.35	1,279.31
1953	76,549.60	47.00	1,628.69	5.61	9,139.84
1954	17,157.92	47.00	365.06	5.88	2,145.16
1955	390.29	47.00	8.30	6.15	51.04
1956	38,183.31	47.00	812.40	6.42	5,216.72
1957	133.55	47.00	2.84	6.70	19.04
1958	4,339.68	47.00	92.33	6.99	645.01
1959	23,913.41	47.00	508.79	7.27	3,701.19
1960	1,787.47	47.00	38.03	7.56	287.66
1961	844.81	47.00	17.97	7.86	141.31
1962	727.04	47.00	15.47	8.16	126.29

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1963	99.85	47.00	2.12	8.47	18.00
1964	186.87	47.00	3.98	8.79	34.93
1965	124.97	47.00	2.66	9.10	24.21
1966	1,242.67	47.00	26.44	9.43	249.33
1967	2,346.06	47.00	49.92	9.76	487.31
1969	14,853.05	47.00	316.02	10.45	3,302.21
1970	37,108.95	47.00	789.54	10.81	8,531.83
1971	568.69	47.00	12.10	11.17	135.17
1972	5,616.27	47.00	119.49	11.55	1,379.72
1973	3,151.65	47.00	67.06	11.93	800.03
1974	72,091.39	47.00	1,533.84	12.33	18,905.09
1975	29,392.67	47.00	625.37	12.73	7,960.96
1976	21,470.90	47.00	456.82	13.15	6,005.22
1977	32,198.92	47.00	685.07	13.57	9,297.69
1978	5,153.70	47.00	109.65	14.01	1,536.09
1979	893.11	47.00	19.00	14.46	274.71
1981	5,710.28	47.00	121.49	15.39	1,869.32
1982	67,520.09	47.00	1,436.58	15.87	22,794.94
1983	43,235.50	47.00	919.89	16.36	15,049.45
1984	4,944.45	47.00	105.20	16.87	1,774.21
1985	91,839.04	47.00	1,953.99	17.38	33,960.59
1986	213,023.06	47.00	4,532.34	17.91	81,155.98
1987	54,991.12	47.00	1,170.01	18.44	21,578.10
1988	27,340.60	47.00	581.71	18.99	11,046.71
1989	58,827.76	47.00	1,251.64	19.55	24,467.28
1990	514,155.85	47.00	10,939.33	20.12	220,063.60
1991	29,317.75	47.00	623.77	20.70	12,910.25

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	81,412.62	47.00	1,732.16	21.29	36,871.15
1993	623,250.32	47.00	13,260.46	21.89	290,209.85
1994	280,717.34	47.00	5,972.63	22.49	134,349.38
1995	76,046.14	47.00	1,617.98	23.11	37,395.64
1996	59,587.32	47.00	1,267.80	23.74	30,097.78
1997	75,544.80	47.00	1,607.31	24.38	39,181.43
1998	167,706.07	47.00	3,568.16	25.02	89,284.76
1999	309,733.47	47.00	6,589.98	25.68	169,220.07
2000	550,736.07	47.00	11,717.62	26.34	308,658.13
2001	15,800.73	47.00	336.18	27.01	9,081.09
2002	760,732.75	47.00	16,185.58	27.69	448,203.71
2003	545,224.80	47.00	11,600.37	28.38	329,198.51
2004	210,808.81	47.00	4,485.23	29.07	130,396.72
2005	57,482.37	47.00	1,223.01	29.77	36,413.74
2006	298,730.70	47.00	6,355.88	30.48	193,740.78
2007	6,653.77	47.00	141.57	31.20	4,416.68
2008	9,953.44	47.00	211.77	31.92	6,759.78
2009	8,674.92	47.00	184.57	32.65	6,025.82
2010	459,230.70	47.00	9,770.73	33.38	326,163.23
2011	102,657.70	47.00	2,184.18	34.12	74,526.68
2012	2,268.43	47.00	48.26	34.87	1,682.78
2013	157,925.79	47.00	3,360.08	35.62	119,674.73
2014	3,010,171.44	47.00	64,045.30	36.37	2,329,475.00
2015	62,028.22	47.00	1,319.73	37.13	49,007.05
2016	13,515.59	47.00	287.56	37.90	10,898.63
2017	53,818.97	47.00	1,145.07	38.67	44,281.18
2018	21,337.69	47.00	453.99	39.45	17,908.56

Peoples Natural Gas Company, LLC
Gas Division
354.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *47* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2019	3,718,602.03	47.00	79,118.08	40.23	3,182,794.45
2020	465,009.31	47.00	9,893.68	41.01	405,784.20
2021	41,135.45	47.00	875.21	41.81	36,588.66
2023	170,797.98	47.00	3,633.95	43.40	157,726.43
2024	196,073.16	47.00	4,171.71	44.21	184,429.93
2025	286,546.89	47.00	6,096.66	45.02	274,475.25
2026	2,166,575.90	47.00	46,096.71	45.84	2,112,909.29
2027	190,442.26	47.00	4,051.91	46.62	188,911.67
Total	16,961,956.50	44.89	360,862.34	34.26	12,361,694.42

Composite Average Remaining Life ... 34.26 Years

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1952	1,389.05	60.00	23.15	8.86	205.14
1953	413.79	60.00	6.90	9.13	62.99
1957	248.58	60.00	4.14	10.32	42.77
1958	11,049.47	60.00	184.16	10.65	1,960.93
1960	8,791.47	60.00	146.52	11.33	1,660.22
1961	18,302.14	60.00	305.04	11.69	3,566.43
1962	902.77	60.00	15.05	12.07	181.55
1967	455.51	60.00	7.59	14.15	107.41
1968	5,533.88	60.00	92.23	14.61	1,347.42
1970	584.56	60.00	9.74	15.57	151.71
1971	6,685.24	60.00	111.42	16.08	1,791.24
1972	391.32	60.00	6.52	16.59	108.23
1974	1,721.80	60.00	28.70	17.67	507.10
1975	69,741.40	60.00	1,162.35	18.23	21,190.49
1976	284.11	60.00	4.74	18.80	89.02
1980	9,111.76	60.00	151.86	21.22	3,221.78
1984	2,308.85	60.00	38.48	23.81	916.33
1985	11,046.34	60.00	184.11	24.49	4,508.08
1986	69,091.07	60.00	1,151.52	25.17	28,987.21
1987	75,322.29	60.00	1,255.37	25.87	32,474.86
1988	3,264.09	60.00	54.40	26.57	1,445.54
1990	8,280.05	60.00	138.00	28.01	3,865.40
1992	6,594.59	60.00	109.91	29.48	3,240.28
1994	9,402.84	60.00	156.71	30.99	4,855.92
1997	26,166.16	60.00	436.10	33.30	14,524.19
1998	23,671.17	60.00	394.52	34.09	13,450.66
1999	29,195.18	60.00	486.59	34.89	16,977.03

Peoples Natural Gas Company, LLC
Gas Division
355.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2000	130,394.90	60.00	2,173.24	35.69	77,567.79
2004	8,451.78	60.00	140.86	38.98	5,490.39
2006	5,084.79	60.00	84.75	40.66	3,445.67
2007	36,149.64	60.00	602.49	41.51	25,009.58
2008	19,789.43	60.00	329.82	42.37	13,973.78
2011	235,615.02	60.00	3,926.91	44.97	176,608.84
2015	9,567.11	60.00	159.45	48.53	7,737.43
2021	43,189.67	60.00	719.83	54.00	38,867.73
2023	54,874.96	60.00	914.58	55.85	51,081.80
2025	638,137.81	60.00	10,635.61	57.72	613,917.97
2026	1,109,897.41	60.00	18,498.26	58.66	1,085,165.88
2027	513,384.25	60.00	8,556.39	59.57	509,675.42
Total	3,204,486.25	60.00	53,408.01	51.86	2,769,982.21

Composite Average Remaining Life ... 51.86 Years

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	43,036.85	0.00	0.00	0.00	0.00
1901	10,739.29	0.00	0.00	0.00	0.00
1902	14,932.27	0.00	0.00	0.00	0.00
1903	16,603.95	0.00	0.00	0.00	0.00
1904	10,314.78	0.00	0.00	0.00	0.00
1905	13,938.16	0.00	0.00	0.00	0.00
1906	12,960.19	80.00	162.00	0.50	81.00
1907	1,885.76	80.00	23.57	0.54	12.61
1908	4,965.96	80.00	62.07	0.60	36.98
1909	13,590.56	80.00	169.88	0.85	144.00
1910	16,291.54	80.00	203.64	1.05	213.81
1911	11,035.87	80.00	137.95	1.25	171.79
1912	14,820.96	80.00	185.26	1.35	250.31
1913	53,756.04	80.00	671.95	1.59	1,070.20
1914	38,239.94	80.00	478.00	1.82	872.14
1915	16,991.79	80.00	212.40	2.05	436.13
1916	2,952.20	80.00	36.90	2.22	81.83
1917	4,126.20	80.00	51.58	2.46	126.93
1918	2,220.14	80.00	27.75	2.71	75.09
1919	1,209.99	80.00	15.12	2.95	44.66
1920	411.47	80.00	5.14	3.16	16.23
1921	3,767.72	80.00	47.10	3.41	160.62
1922	8,718.64	80.00	108.98	3.67	399.78
1923	11,298.03	80.00	141.22	3.93	554.84
1924	17,164.02	80.00	214.55	4.16	892.00
1925	9,370.83	80.00	117.13	4.42	517.91
1926	10,383.19	80.00	129.79	4.69	608.53

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,061.15	80.00	38.26	4.96	189.72
1928	551.84	80.00	6.90	5.20	35.89
1929	2,854.05	80.00	35.68	5.48	195.35
1930	5,594.99	80.00	69.94	5.75	402.24
1931	1,764.72	80.00	22.06	6.03	133.03
1932	322.40	80.00	4.03	6.29	25.36
1933	487.51	80.00	6.09	6.58	40.09
1934	111.11	80.00	1.39	6.87	9.54
1935	4,193.96	80.00	52.42	7.16	375.61
1936	2,694.95	80.00	33.69	7.45	251.11
1937	3,195.38	80.00	39.94	7.76	310.10
1938	1,543.42	80.00	19.29	8.08	155.92
1939	9,142.81	80.00	114.28	8.41	961.14
1940	6,368.41	80.00	79.60	8.74	695.96
1941	16,191.28	80.00	202.39	9.09	1,840.39
1942	12,089.15	80.00	151.11	9.46	1,429.09
1943	7,232.95	80.00	90.41	9.83	889.18
1944	9,080.15	80.00	113.50	10.23	1,160.99
1945	1,644.37	80.00	20.55	10.64	218.69
1946	3,526.19	80.00	44.08	11.07	487.80
1947	6,519.10	80.00	81.49	11.51	938.13
1948	30,372.15	80.00	379.65	11.98	4,549.62
1949	31,026.03	80.00	387.82	12.47	4,836.06
1950	12,676.12	80.00	158.45	12.98	2,055.95
1951	21,259.43	80.00	265.74	13.50	3,587.65
1952	19,327.09	80.00	241.59	14.06	3,395.71
1953	35,687.10	80.00	446.09	14.62	6,523.10

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,934.22	80.00	286.68	15.21	4,359.88
1955	32,705.79	80.00	408.82	15.81	6,463.93
1956	20,253.62	80.00	253.17	16.44	4,162.12
1957	20,779.50	80.00	259.74	17.08	4,435.38
1958	77,494.10	80.00	968.67	17.72	17,169.49
1959	113,486.56	80.00	1,418.58	18.38	26,080.16
1960	31,395.34	80.00	392.44	19.06	7,480.58
1961	58,106.99	80.00	726.33	19.74	14,339.22
1962	39,442.80	80.00	493.03	20.43	10,072.67
1963	71,371.72	80.00	892.14	21.13	18,847.37
1964	72,638.04	80.00	907.97	21.84	19,827.03
1965	93,204.18	80.00	1,165.05	22.55	26,273.05
1966	46,284.65	80.00	578.56	23.27	13,465.31
1967	10,964.26	80.00	137.05	24.01	3,290.04
1968	39,479.14	80.00	493.49	24.75	12,215.20
1969	34,106.74	80.00	426.33	25.50	10,873.30
1970	38,596.33	80.00	482.45	26.26	12,671.44
1971	51,648.23	80.00	645.60	27.03	17,453.18
1972	22,060.85	80.00	275.76	27.82	7,671.33
1973	7,138.99	80.00	89.24	28.61	2,552.91
1974	92,191.17	80.00	1,152.38	29.41	33,887.52
1975	2,242.00	80.00	28.02	30.21	846.73
1976	8,345.99	80.00	104.32	31.04	3,237.73
1977	3,873.43	80.00	48.42	31.86	1,542.66
1978	84,242.26	80.00	1,053.02	32.70	34,429.67
1979	24,464.37	80.00	305.80	33.54	10,256.30
1980	58,135.91	80.00	726.70	34.40	24,994.86

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	13,989.25	80.00	174.86	35.26	6,164.99
1982	37,555.24	80.00	469.44	36.12	16,957.94
1983	34,607.87	80.00	432.60	37.00	16,005.86
1984	72,247.97	80.00	903.10	37.89	34,215.58
1985	20,647.40	80.00	258.09	38.78	10,008.32
1986	66,854.26	80.00	835.67	39.68	33,156.35
1987	207,799.90	80.00	2,597.49	40.58	105,407.53
1988	144,488.06	80.00	1,806.09	41.50	74,943.89
1989	137,876.65	80.00	1,723.45	42.41	73,096.27
1990	244,291.28	80.00	3,053.63	43.34	132,332.33
1991	66,846.87	80.00	835.58	44.26	36,986.96
1992	23,800.79	80.00	297.51	45.20	13,447.94
1993	63,862.62	80.00	798.28	46.14	36,833.85
1994	44,318.53	80.00	553.98	47.09	26,084.57
1995	74,651.74	80.00	933.14	48.03	44,822.99
1996	39,258.64	80.00	490.73	48.99	24,040.67
1997	65,568.46	80.00	819.60	49.95	40,936.47
1998	15,268.71	80.00	190.86	50.91	9,716.12
1999	37,476.41	80.00	468.45	51.87	24,299.48
2000	50,113.86	80.00	626.42	52.84	33,100.57
2001	502,822.04	80.00	6,285.24	53.81	338,218.70
2002	150,557.33	80.00	1,881.96	54.78	103,102.91
2003	91,370.41	80.00	1,142.12	55.76	63,685.83
2004	52,145.60	80.00	651.82	56.74	36,984.28
2005	145,956.11	80.00	1,824.44	57.72	105,308.57
2006	27,628.07	80.00	345.35	58.70	20,273.22
2007	51,942.05	80.00	649.27	59.69	38,753.73

Peoples Natural Gas Company, LLC
Gas Division
365.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	164,306.52	80.00	2,053.82	60.67	124,615.23
2009	24,419.44	80.00	305.24	61.66	18,821.96
2010	43,311.35	80.00	541.39	62.65	33,918.89
2011	88,326.95	80.00	1,104.08	63.64	70,265.79
2012	13,622.04	80.00	170.27	64.63	11,005.50
2013	15,156.01	80.00	189.45	65.63	12,432.85
2014	36,947.77	80.00	461.84	66.62	30,767.98
2015	36,574.58	80.00	457.18	67.61	30,911.73
2016	34,368.29	80.00	429.60	68.61	29,474.61
2017	85,120.56	80.00	1,064.00	69.60	74,059.65
2018	48,937.81	80.00	611.72	70.60	43,188.02
2022	2,234.93	80.00	27.94	74.59	2,083.80
2024	1,509,664.27	80.00	18,870.71	76.59	1,445,257.30
2025	750,406.88	80.00	9,380.04	77.59	727,760.12
2026	431,284.71	80.00	5,391.03	78.58	423,654.02
2027	560,670.12	80.00	7,008.34	79.54	557,460.28
Total	8,121,129.68	76.13	100,144.07	55.18	5,525,923.51

Composite Average Remaining Life ... 55.18 Years

Peoples Natural Gas Company, LLC
Gas Division
366.01 Structures - Compressor Station
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *60* ***Survivor Curve:*** *R3*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	182.35	0.00	0.00	0.00	0.00
1954	2,718.88	60.00	45.31	7.12	322.42
1955	5,528.42	60.00	92.14	7.41	683.14
1964	8,289.98	60.00	138.17	10.59	1,463.75
1978	486,335.94	60.00	8,105.60	17.95	145,469.09
1980	12,052.02	60.00	200.87	19.23	3,862.90
1982	144,492.45	60.00	2,408.21	20.57	49,525.89
1983	5,454.59	60.00	90.91	21.25	1,932.08
1984	6,913.86	60.00	115.23	21.95	2,529.40
1991	6,596.96	60.00	109.95	27.13	2,982.46
1995	19,508.20	60.00	325.14	30.29	9,849.86
1996	34,710.81	60.00	578.51	31.11	17,996.82
1997	18,500.00	60.00	308.33	31.93	9,844.95
1999	1,169.44	60.00	19.49	33.60	654.89
2001	7,210.91	60.00	120.18	35.30	4,242.47
2006	93,601.90	60.00	1,560.03	39.68	61,906.36
2007	379,284.68	60.00	6,321.41	40.58	256,529.20
2008	596,565.77	60.00	9,942.76	41.49	412,479.13
2009	205,133.93	60.00	3,418.90	42.39	144,943.62
2011	3,201.69	60.00	53.36	44.23	2,360.42
2022	56,121.60	60.00	935.36	54.70	51,160.68
2023	56,660.30	60.00	944.34	55.67	52,571.29
2025	13,470.10	60.00	224.50	57.63	12,936.93
Total	2,163,704.78	57.39	36,058.70	34.56	1,246,247.72

Composite Average Remaining Life ... 34.56 Years

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1915	2,039.02	0.00	0.00	0.00	0.00
1921	15.25	0.00	0.00	0.00	0.00
1926	674.20	55.00	12.26	0.50	6.13
1933	308.06	55.00	5.60	2.06	11.51
1936	213.91	55.00	3.89	2.86	11.11
1938	94.77	55.00	1.72	3.39	5.84
1942	4,567.33	55.00	83.04	4.30	357.24
1946	33.12	55.00	0.60	5.18	3.12
1947	467.40	55.00	8.50	5.40	45.85
1948	4,490.90	55.00	81.65	5.62	458.73
1949	21,634.60	55.00	393.36	5.85	2,302.10
1950	8,917.38	55.00	162.13	6.08	985.30
1951	12,398.99	55.00	225.44	6.31	1,421.65
1952	9,794.83	55.00	178.09	6.54	1,164.65
1953	13,583.85	55.00	246.98	6.78	1,673.95
1954	4,677.51	55.00	85.05	7.02	597.05
1955	3,289.22	55.00	59.80	7.27	434.91
1956	3,955.53	55.00	71.92	7.52	541.00
1957	809.82	55.00	14.72	7.78	114.54
1958	773.26	55.00	14.06	8.04	113.09
1959	6,263.37	55.00	113.88	8.32	947.11
1960	7,763.15	55.00	141.15	8.60	1,214.14
1961	4,903.21	55.00	89.15	8.89	792.69
1962	720.58	55.00	13.10	9.19	120.44
1963	5,812.66	55.00	105.68	9.51	1,004.63
1964	14,748.06	55.00	268.15	9.83	2,636.35
1965	359.61	55.00	6.54	10.17	66.50

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1966	4,223.66	55.00	76.79	10.52	808.18
1967	206.63	55.00	3.76	10.89	40.92
1968	11,635.65	55.00	211.56	11.27	2,384.79
1969	3,475.25	55.00	63.19	11.67	737.37
1970	1,542.20	55.00	28.04	12.08	338.79
1971	8,490.84	55.00	154.38	12.51	1,931.22
1973	13,809.31	55.00	251.08	13.41	3,368.16
1974	1,991.11	55.00	36.20	13.89	502.89
1975	635.87	55.00	11.56	14.38	166.29
1976	1,120.08	55.00	20.37	14.89	303.25
1978	32,091.49	55.00	583.48	15.95	9,306.92
1979	11,321.38	55.00	205.84	16.50	3,397.25
1980	0.01	55.00	0.00	17.07	0.00
1981	27,039.82	55.00	491.63	17.65	8,678.97
1983	2,322.66	55.00	42.23	18.86	796.28
1984	35,991.84	55.00	654.40	19.48	12,746.14
1985	12,866.74	55.00	233.94	20.11	4,705.02
1986	2,980.58	55.00	54.19	20.76	1,124.94
1987	20,248.43	55.00	368.15	21.42	7,884.41
1988	1,833.40	55.00	33.33	22.08	736.14
1989	6,868.66	55.00	124.88	22.76	2,842.93
1990	443.70	55.00	8.07	23.46	189.22
1991	1,335.51	55.00	24.28	24.16	586.59
1993	86,082.31	55.00	1,565.13	25.59	40,049.04
1994	5,801.95	55.00	105.49	26.32	2,776.48
1995	1,205.33	55.00	21.92	27.06	593.04
1997	4,740.41	55.00	86.19	28.57	2,462.34

Peoples Natural Gas Company, LLC
Gas Division
366.02 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1998	5,820.43	55.00	105.83	29.34	3,104.54
1999	42,005.79	55.00	763.74	30.11	22,996.86
2000	2,641.28	55.00	48.02	30.90	1,483.71
2002	7,408.89	55.00	134.71	32.49	4,376.55
2003	115,950.81	55.00	2,108.19	33.30	70,198.90
2004	74,594.44	55.00	1,356.26	34.11	46,266.19
2005	44,125.47	55.00	802.28	34.94	28,029.70
2006	23,119.09	55.00	420.35	35.77	15,035.50
2007	223.16	55.00	4.06	36.61	148.54
2008	369,366.95	55.00	6,715.75	37.45	251,531.88
2010	119,355.96	55.00	2,170.10	39.16	84,991.97
2011	11,451.64	55.00	208.21	40.03	8,334.92
2014	222,953.81	55.00	4,053.70	42.67	172,954.85
2017	149,925.02	55.00	2,725.90	45.35	123,623.48
2022	106,274.09	55.00	1,932.25	49.93	96,471.61
2023	208.26	55.00	3.79	50.86	192.57
Total	1,729,039.50	53.43	31,399.67	33.64	1,056,228.99

Composite Average Remaining Life ... 33.64 Years

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1904	97.85	0.00	0.00	0.00	0.00
1920	3,071.90	0.00	0.00	0.00	0.00
1923	403.86	0.00	0.00	0.00	0.00
1927	72.55	0.00	0.00	0.00	0.00
1929	261.39	0.00	0.00	0.00	0.00
1930	294.47	0.00	0.00	0.00	0.00
1932	95.28	0.00	0.00	0.00	0.00
1937	237.51	0.00	0.00	0.00	0.00
1939	19.57	0.00	0.00	0.00	0.00
1941	2,931.40	0.00	0.00	0.00	0.00
1947	529.70	45.00	11.77	0.89	10.50
1949	416.19	45.00	9.25	1.38	12.73
1950	3,524.86	45.00	78.33	1.64	128.66
1951	1,022.22	45.00	22.72	1.91	43.46
1952	5,364.58	45.00	119.21	2.19	260.83
1953	2,751.48	45.00	61.14	2.45	150.02
1954	2,503.83	45.00	55.64	2.74	152.31
1955	1,688.17	45.00	37.51	3.02	113.43
1956	69.33	45.00	1.54	3.31	5.10
1958	3,139.09	45.00	69.76	3.88	270.87
1959	727.82	45.00	16.17	4.17	67.51
1964	948.40	45.00	21.08	5.64	118.77
1969	176.01	45.00	3.91	7.18	28.07
1974	304.86	45.00	6.77	8.90	60.32
1980	5,852.63	45.00	130.06	11.34	1,474.99
1983	414.15	45.00	9.20	12.73	117.16
1984	12,992.80	45.00	288.73	13.22	3,817.31

Peoples Natural Gas Company, LLC
Gas Division
366.03 Structures - Other

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *45* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1986	483.17	45.00	10.74	14.24	152.90
1989	6,269.91	45.00	139.33	15.87	2,210.96
1990	3,452.63	45.00	76.72	16.44	1,261.10
1991	4,259.48	45.00	94.65	17.02	1,610.78
1992	6,560.01	45.00	145.78	17.61	2,567.20
1993	1,344.70	45.00	29.88	18.22	544.37
1996	4,261.43	45.00	94.70	20.11	1,903.96
1997	548.91	45.00	12.20	20.76	253.20
1998	1,713.94	45.00	38.09	21.42	815.96
2003	3,060.34	45.00	68.01	24.90	1,693.61
2010	5,254.57	45.00	116.77	30.18	3,524.48
2011	7,667.97	45.00	170.40	30.97	5,277.99
Total	94,788.96	33.46	1,940.06	14.77	28,648.57

Composite Average Remaining Life ... 14.77 Years

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	179,757.39	80.00	2,246.97	5.53	12,414.51
1901	28,961.36	80.00	362.02	5.76	2,085.32
1902	152,773.87	80.00	1,909.67	5.99	11,443.80
1903	18,226.69	80.00	227.83	6.22	1,417.68
1904	412.03	80.00	5.15	6.42	33.07
1905	32,959.80	80.00	412.00	6.64	2,737.43
1906	71,036.90	80.00	887.96	6.87	6,098.56
1907	6,101.12	80.00	76.26	7.09	540.93
1908	14,411.59	80.00	180.14	7.29	1,313.89
1909	21,455.69	80.00	268.20	7.52	2,016.01
1910	8,466.02	80.00	105.83	7.74	819.40
1911	17,700.02	80.00	221.25	7.97	1,763.67
1912	20,131.59	80.00	251.64	8.18	2,058.56
1913	2,977.71	80.00	37.22	8.41	313.02
1914	52,545.07	80.00	656.81	8.64	5,676.19
1915	25,034.49	80.00	312.93	8.88	2,777.95
1916	22,249.55	80.00	278.12	9.10	2,529.85
1917	65,427.23	80.00	817.84	9.33	7,633.09
1918	1,861.98	80.00	23.27	9.57	222.82
1919	19,445.29	80.00	243.07	9.82	2,386.18
1920	885.29	80.00	11.07	10.05	111.19
1921	20,100.86	80.00	251.26	10.29	2,586.65
1922	12,020.32	80.00	150.25	10.55	1,584.53
1923	2,040.16	80.00	25.50	10.80	275.44
1924	78,314.80	80.00	978.93	11.05	10,814.50
1925	136,043.81	80.00	1,700.55	11.31	19,230.88
1926	129,700.54	80.00	1,621.26	11.58	18,766.67

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	43,556.65	80.00	544.46	11.85	6,450.53
1928	13,985.18	80.00	174.81	12.12	2,118.08
1929	32,129.86	80.00	401.62	12.40	4,979.56
1930	42,033.80	80.00	525.42	12.69	6,666.50
1931	28,382.24	80.00	354.78	12.98	4,606.53
1932	10,206.55	80.00	127.58	13.28	1,694.53
1933	8,068.61	80.00	100.86	13.59	1,370.91
1934	4,169.19	80.00	52.11	13.91	724.99
1935	51,750.14	80.00	646.88	14.24	9,210.74
1936	43,815.62	80.00	547.69	14.57	7,981.09
1937	55,163.82	80.00	689.55	14.92	10,286.13
1938	39,565.14	80.00	494.56	15.27	7,552.86
1939	116,758.38	80.00	1,459.48	15.64	22,820.29
1940	28,506.70	80.00	356.33	16.01	5,704.85
1941	38,643.11	80.00	483.04	16.39	7,919.07
1942	93,012.91	80.00	1,162.66	16.79	19,519.82
1943	40,723.32	80.00	509.04	17.19	8,752.38
1944	114,956.07	80.00	1,436.95	17.61	25,306.69
1945	16,087.59	80.00	201.09	18.04	3,627.38
1946	22,612.57	80.00	282.66	18.48	5,222.22
1947	61,745.94	80.00	771.82	18.92	14,605.47
1948	692,549.76	80.00	8,656.86	19.39	167,818.39
1949	1,164,125.65	80.00	14,551.56	19.86	288,933.77
1950	230,083.00	80.00	2,876.04	20.34	58,488.83
1951	245,586.33	80.00	3,069.83	20.83	63,937.65
1952	1,236,346.69	80.00	15,454.32	21.33	329,705.15
1953	553,404.91	80.00	6,917.56	21.85	151,131.25

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	758,238.12	80.00	9,477.97	22.37	212,030.77
1955	933,952.75	80.00	11,674.40	22.90	267,393.82
1956	435,915.36	80.00	5,448.94	23.45	127,793.76
1957	1,331,947.96	80.00	16,649.34	24.01	399,710.37
1958	875,116.22	80.00	10,938.94	24.57	268,788.45
1959	1,845,950.88	80.00	23,074.37	25.15	580,208.12
1960	709,676.04	80.00	8,870.94	25.73	228,279.36
1961	1,669,650.44	80.00	20,870.61	26.33	549,454.83
1962	1,559,432.42	80.00	19,492.89	26.93	524,920.66
1963	1,810,980.21	80.00	22,637.23	27.54	623,418.76
1964	1,794,430.56	80.00	22,430.36	28.16	631,733.93
1965	827,391.13	80.00	10,342.38	28.79	297,791.44
1966	1,266,192.10	80.00	15,827.39	29.43	465,806.88
1967	1,123,382.30	80.00	14,042.27	30.08	422,327.13
1968	1,065,982.28	80.00	13,324.77	30.73	409,516.18
1969	1,223,205.74	80.00	15,290.06	31.40	480,036.49
1970	786,294.79	80.00	9,828.68	32.06	315,152.23
1971	646,196.35	80.00	8,077.45	32.74	264,463.70
1972	1,923,659.88	80.00	24,045.73	33.43	803,838.16
1973	1,252,942.89	80.00	15,661.77	34.12	534,403.96
1974	852,197.45	80.00	10,652.46	34.82	370,921.89
1975	678,454.24	80.00	8,480.67	35.53	301,281.87
1976	565,962.21	80.00	7,074.52	36.24	256,397.74
1977	1,065,001.35	80.00	13,312.51	36.96	492,060.25
1978	4,806,601.01	80.00	60,082.46	37.69	2,264,410.62
1979	2,204,684.51	80.00	27,558.53	38.42	1,058,818.24
1980	778,923.27	80.00	9,736.53	39.16	381,317.74

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	2,370,402.75	80.00	29,630.01	39.91	1,182,517.05
1982	2,152,485.98	80.00	26,906.05	40.66	1,094,031.62
1983	1,048,278.68	80.00	13,103.47	41.42	542,729.20
1984	3,407,628.50	80.00	42,595.32	42.19	1,796,936.12
1985	2,462,419.49	80.00	30,780.22	42.96	1,322,211.04
1986	2,543,844.38	80.00	31,798.03	43.73	1,390,603.25
1987	4,111,112.19	80.00	51,388.86	44.51	2,287,510.92
1988	1,732,086.60	80.00	21,651.06	45.30	980,890.22
1989	3,077,967.19	80.00	38,474.56	46.10	1,773,595.49
1990	7,244,240.44	80.00	90,552.93	46.90	4,246,620.27
1991	4,292,271.62	80.00	53,653.35	47.70	2,559,287.86
1992	2,388,704.03	80.00	29,858.78	48.51	1,448,542.10
1993	3,000,488.28	80.00	37,506.07	49.33	1,850,112.73
1994	2,064,385.05	80.00	25,804.79	50.15	1,294,072.97
1995	2,163,179.32	80.00	27,039.72	50.97	1,378,314.18
1996	2,198,139.59	80.00	27,476.72	51.81	1,423,487.37
1997	3,607,035.83	80.00	45,087.91	52.64	2,373,554.78
1998	2,310,384.78	80.00	28,879.79	53.48	1,544,585.43
1999	2,668,724.65	80.00	33,359.03	54.33	1,812,340.33
2000	2,787,656.38	80.00	34,845.68	55.18	1,922,819.05
2001	2,228,959.44	80.00	27,861.97	56.04	1,561,272.74
2002	3,066,908.90	80.00	38,336.33	56.90	2,181,157.15
2003	2,313,911.35	80.00	28,923.87	57.76	1,670,610.22
2004	3,349,556.33	80.00	41,869.42	58.63	2,454,781.78
2005	8,663,176.15	80.00	108,289.61	59.50	6,443,472.06
2006	7,615,000.67	80.00	95,187.43	60.38	5,747,317.30
2007	6,833,867.28	80.00	85,423.27	61.26	5,232,996.74

Peoples Natural Gas Company, LLC
Gas Division
367.00 Mains

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	7,005,922.89	80.00	87,573.96	62.15	5,442,427.30
2009	4,452,977.43	80.00	55,662.17	63.04	3,508,701.04
2010	8,509,144.96	80.00	106,364.22	63.93	6,799,685.21
2011	11,216,890.85	80.00	140,211.02	64.82	9,089,110.66
2012	8,318,478.97	80.00	103,980.90	65.73	6,834,296.00
2013	10,477,114.68	80.00	130,963.83	66.63	8,726,149.69
2014	7,005,553.18	80.00	87,569.34	67.54	5,914,194.16
2015	5,404,399.39	80.00	67,554.94	68.45	4,623,967.20
2016	3,374,662.43	80.00	42,183.25	69.36	2,925,950.24
2017	14,019,574.62	80.00	175,244.54	70.28	12,316,158.16
2018	2,824,026.30	80.00	35,300.30	71.20	2,513,372.92
2019	11,535,462.30	80.00	144,193.16	72.12	10,399,575.17
2020	5,065,538.89	80.00	63,319.18	73.05	4,625,452.47
2021	1,530,769.05	80.00	19,134.60	73.98	1,415,549.32
2022	32,442,938.33	80.00	405,536.39	74.91	30,378,669.73
2023	21,729,861.28	80.00	271,623.04	75.84	20,600,893.24
2024	17,279,974.53	80.00	215,999.50	76.78	16,584,757.38
2025	14,535,955.28	80.00	181,699.29	77.72	14,121,768.34
2026	9,749,023.33	80.00	121,862.69	78.66	9,585,951.01
2027	10,922,190.86	80.00	136,527.27	79.57	10,862,952.25
Total	340,064,648.76	80.00	4,250,804.59	61.56	261,675,016.30

Composite Average Remaining Life ... 61.56 Years

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1920	588.87	0.00	0.00	0.00	0.00
1936	121.47	0.00	0.00	0.00	0.00
1938	662.87	0.00	0.00	0.00	0.00
1942	87.30	0.00	0.00	0.00	0.00
1950	1,369.83	42.00	32.61	2.32	75.76
1952	24,547.31	42.00	584.46	3.00	1,753.20
1954	13,251.34	42.00	315.51	3.66	1,156.32
1955	46,350.14	42.00	1,103.57	4.00	4,410.16
1956	1,190.69	42.00	28.35	4.33	122.79
1957	56.13	42.00	1.34	4.67	6.24
1959	1,660.91	42.00	39.55	5.34	210.98
1960	373.95	42.00	8.90	5.67	50.51
1962	29,546.47	42.00	703.49	6.35	4,465.40
1963	3,575.15	42.00	85.12	6.69	569.16
1964	42,163.23	42.00	1,003.89	7.03	7,056.30
1965	750.72	42.00	17.87	7.37	131.81
1971	544.20	42.00	12.96	9.49	122.91
1972	193.90	42.00	4.62	9.85	45.47
1974	100.94	42.00	2.40	10.58	25.43
1975	895.90	42.00	21.33	10.96	233.69
1978	1,224,815.74	42.00	29,162.27	12.10	352,749.15
1979	2,194.57	42.00	52.25	12.48	652.33
1980	2,168.28	42.00	51.63	12.88	664.82
1981	92,732.47	42.00	2,207.92	13.28	29,311.64
1982	315,947.64	42.00	7,522.56	13.68	102,894.54
1983	33,487.28	42.00	797.32	14.09	11,231.03
1984	49,741.55	42.00	1,184.32	14.50	17,171.57

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1985	4,985.58	42.00	118.70	14.92	1,770.80
1986	17,621.16	42.00	419.55	15.34	6,436.77
1987	14,344.71	42.00	341.54	15.77	5,386.89
1988	561.21	42.00	13.36	16.21	216.58
1989	13,601.70	42.00	323.85	16.65	5,392.65
1990	44,287.08	42.00	1,054.45	17.10	18,032.38
1991	15,474.50	42.00	368.44	17.56	6,468.86
1992	4,018.98	42.00	95.69	18.02	1,724.45
1993	35,202.07	42.00	838.14	18.49	15,499.10
1994	26,107.08	42.00	621.60	18.97	11,792.07
1995	61,158.12	42.00	1,456.15	19.46	28,333.51
1996	240,071.26	42.00	5,715.98	19.95	114,049.40
1997	10,466.27	42.00	249.20	20.46	5,097.78
1998	50,823.45	42.00	1,210.08	20.97	25,374.66
1999	8,598.03	42.00	204.71	21.49	4,399.51
2000	2,347.51	42.00	55.89	22.02	1,230.94
2001	447,715.17	42.00	10,659.88	22.56	240,534.34
2002	48,464.14	42.00	1,153.91	23.12	26,673.44
2003	397,101.62	42.00	9,454.80	23.68	223,883.93
2004	86,094.98	42.00	2,049.88	24.25	49,715.13
2005	1,758,652.99	42.00	41,872.67	24.84	1,040,064.85
2006	448,757.99	42.00	10,684.71	25.44	271,773.28
2007	1,873,764.31	42.00	44,613.42	26.04	1,161,940.74
2008	1,805,963.86	42.00	42,999.12	26.67	1,146,707.29
2009	1,850,921.03	42.00	44,069.53	27.30	1,203,246.17
2010	108,322.94	42.00	2,579.12	27.95	72,095.26
2011	1,414,101.38	42.00	33,669.07	28.62	963,502.23

Peoples Natural Gas Company, LLC
Gas Division
368.00 Compressor Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *42* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2012	200,425.93	42.00	4,772.04	29.29	139,794.11
2013	99,357.92	42.00	2,365.66	29.99	70,943.62
2014	2,654,708.68	42.00	63,207.33	30.70	1,940,307.71
2015	75,417.92	42.00	1,795.66	31.42	56,422.97
2017	85,112.77	42.00	2,026.49	32.92	66,719.41
2019	158,904.59	42.00	3,783.44	34.50	130,513.47
2020	3,967.58	42.00	94.47	35.31	3,335.49
2021	202,574.30	42.00	4,823.20	36.14	174,326.05
2022	45,143.57	42.00	1,074.85	37.00	39,764.62
2023	2,381,134.16	42.00	56,693.65	37.87	2,146,869.55
2024	55,218.21	42.00	1,314.72	38.76	50,964.26
2025	707,602.97	42.00	16,847.68	39.68	668,521.28
2026	3,478,386.10	42.00	82,818.69	40.62	3,364,247.02
2027	872,920.48	42.00	20,783.81	41.55	863,506.89
Total	23,699,523.15	39.53	564,239.38	29.96	16,902,690.64

Composite Average Remaining Life ... 29.96 Years

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	126.54	0.00	0.00	0.00	0.00
1916	12.60	0.00	0.00	0.00	0.00
1917	15.86	0.00	0.00	0.00	0.00
1918	7.93	0.00	0.00	0.00	0.00
1919	26.60	0.00	0.00	0.00	0.00
1920	118.60	0.00	0.00	0.00	0.00
1925	7.93	0.00	0.00	0.00	0.00
1926	134.47	0.00	0.00	0.00	0.00
1927	64.50	0.00	0.00	0.00	0.00
1928	18.22	0.00	0.00	0.00	0.00
1929	364.43	0.00	0.00	0.00	0.00
1930	196.59	0.00	0.00	0.00	0.00
1931	253.08	0.00	0.00	0.00	0.00
1934	42.77	48.00	0.89	1.04	0.93
1935	1,536.89	48.00	32.02	1.36	43.68
1936	967.67	48.00	20.16	1.68	33.93
1937	1,132.95	48.00	23.60	2.02	47.79
1940	1,347.54	48.00	28.07	2.99	83.87
1941	93.93	48.00	1.96	3.26	6.38
1942	656.27	48.00	13.67	3.51	47.95
1943	318.10	48.00	6.63	3.74	24.79
1945	9.15	48.00	0.19	4.19	0.80
1946	135.52	48.00	2.82	4.42	12.47
1947	723.80	48.00	15.08	4.65	70.06
1948	1,103.31	48.00	22.99	4.87	112.02
1949	19,012.64	48.00	396.09	5.12	2,026.76
1950	22,632.07	48.00	471.50	5.37	2,530.33

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1951	1,055.60	48.00	21.99	5.62	123.65
1952	7,684.33	48.00	160.09	5.88	942.06
1953	23,479.08	48.00	489.14	6.15	3,009.26
1954	12,229.29	48.00	254.77	6.42	1,636.87
1955	24,478.48	48.00	509.96	6.70	3,417.89
1956	11,168.72	48.00	232.68	6.98	1,625.08
1957	41,183.58	48.00	857.98	7.27	6,237.96
1958	43,194.02	48.00	899.86	7.56	6,803.98
1959	7,674.18	48.00	159.88	7.86	1,256.00
1960	730.98	48.00	15.23	8.15	124.14
1961	12,984.07	48.00	270.50	8.46	2,287.48
1962	20,117.51	48.00	419.11	8.77	3,674.01
1963	5,825.27	48.00	121.36	9.08	1,102.12
1964	91,215.53	48.00	1,900.30	9.40	17,868.16
1965	39,203.07	48.00	816.72	9.73	7,947.19
1966	25,342.05	48.00	527.95	10.07	5,314.05
1967	36,160.66	48.00	753.34	10.41	7,840.46
1968	232,768.33	48.00	4,849.28	10.76	52,167.53
1969	106,656.48	48.00	2,221.98	11.12	24,700.26
1970	12,862.77	48.00	267.97	11.48	3,077.28
1971	70,557.32	48.00	1,469.93	11.86	17,433.47
1972	18,403.41	48.00	383.40	12.25	4,695.08
1973	28,168.23	48.00	586.83	12.64	7,418.69
1974	38,485.99	48.00	801.78	13.05	10,461.74
1975	11,710.58	48.00	243.97	13.46	3,284.93
1976	29,364.78	48.00	611.76	13.89	8,498.33
1977	16,068.90	48.00	334.76	14.33	4,796.95

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	224,805.65	48.00	4,683.39	14.78	69,210.36
1979	209,457.50	48.00	4,363.64	15.24	66,489.61
1980	227,219.00	48.00	4,733.67	15.71	74,353.84
1981	291,731.44	48.00	6,077.66	16.19	98,389.11
1982	162,019.48	48.00	3,375.36	16.68	56,303.66
1983	159,618.68	48.00	3,325.35	17.18	57,142.08
1984	132,296.44	48.00	2,756.14	17.70	48,781.19
1985	160,843.07	48.00	3,350.85	18.22	61,065.68
1986	65,938.78	48.00	1,373.71	18.76	25,769.90
1987	387,057.16	48.00	8,063.59	19.31	155,670.90
1988	74,767.82	48.00	1,557.64	19.86	30,937.68
1989	226,119.87	48.00	4,710.77	20.43	96,234.29
1990	166,720.41	48.00	3,473.30	21.01	72,958.01
1991	377,410.40	48.00	7,862.62	21.59	169,771.14
1992	164,358.62	48.00	3,424.09	22.19	75,976.43
1993	669,689.83	48.00	13,951.69	22.79	318,027.93
1994	293,243.06	48.00	6,109.15	23.41	143,018.35
1995	344,960.16	48.00	7,186.58	24.04	172,731.49
1996	144,515.02	48.00	3,010.69	24.67	74,275.78
1997	675,914.51	48.00	14,081.37	25.31	356,447.49
1998	737,014.67	48.00	15,354.28	25.96	398,669.18
1999	272,953.67	48.00	5,686.46	26.62	151,398.23
2000	274,736.35	48.00	5,723.60	27.29	156,208.92
2001	272,488.14	48.00	5,676.76	27.97	158,765.99
2002	1,106,872.95	48.00	23,059.56	28.65	660,678.71
2003	657,073.40	48.00	13,688.85	29.34	401,653.61
2004	1,657,855.47	48.00	34,538.21	30.04	1,037,511.18

Peoples Natural Gas Company, LLC
Gas Division
369.00 Measuring and Regulating Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *48* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	190,853.84	48.00	3,976.07	30.74	122,241.55
2006	1,227,791.91	48.00	25,578.67	31.46	804,597.72
2007	1,209,410.51	48.00	25,195.73	32.17	810,641.16
2008	515,036.91	48.00	10,729.80	32.90	353,001.20
2009	586,781.93	48.00	12,224.47	33.63	411,101.72
2010	1,164,516.48	48.00	24,260.45	34.37	833,721.25
2011	1,553,605.94	48.00	32,366.38	35.11	1,136,287.47
2012	2,426,442.91	48.00	50,550.25	35.85	1,812,427.98
2013	1,157,442.17	48.00	24,113.07	36.61	882,686.70
2014	1,487,733.56	48.00	30,994.05	37.36	1,158,042.93
2015	1,754,329.37	48.00	36,548.06	38.13	1,393,418.08
2016	1,954,864.73	48.00	40,725.83	38.89	1,583,943.61
2017	10,872,134.31	48.00	226,499.91	39.67	8,984,126.14
2018	436,454.33	48.00	9,092.68	40.44	367,727.69
2019	448,642.65	48.00	9,346.60	41.22	385,306.15
2020	550,310.12	48.00	11,464.65	42.01	481,654.05
2021	161,911.25	48.00	3,373.11	42.80	144,382.67
2022	894,836.98	48.00	18,642.20	43.60	812,815.63
2023	5,220,796.40	48.00	108,765.20	44.40	4,829,444.74
2024	535,871.62	48.00	11,163.85	45.21	504,705.80
2025	495,962.91	48.00	10,332.43	46.02	475,500.41
2026	2,463,205.62	48.00	51,316.13	46.84	2,403,454.37
2027	5,287,487.74	48.00	110,154.59	47.62	5,245,874.17
Total	53,753,938.91	42.00	1,119,831.36	36.91	41,338,330.32

Composite Average Remaining Life ... 36.91 Years

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1953	2,740.74	0.00	0.00	0.00	0.00
1954	35.60	0.00	0.00	0.00	0.00
1955	351.02	0.00	0.00	0.00	0.00
1961	756.22	35.00	21.61	1.34	29.04
1965	3,429.65	35.00	97.99	2.60	254.81
1968	1,634.56	35.00	46.70	3.49	162.94
1969	2,732.34	35.00	78.06	3.79	295.81
1970	2,520.94	35.00	72.02	4.10	294.97
1974	578.55	35.00	16.53	5.38	89.00
1975	236.10	35.00	6.75	5.72	38.60
1976	1,215.86	35.00	34.74	6.07	210.75
1979	17,650.83	35.00	504.29	7.14	3,603.14
1982	4,504.21	35.00	128.69	8.29	1,066.96
1986	2,135.76	35.00	61.02	9.93	606.00
1987	256.35	35.00	7.32	10.36	75.90
1989	26,482.55	35.00	756.62	11.25	8,513.18
1990	14.84	35.00	0.42	11.71	4.96
1991	4,856.79	35.00	138.76	12.18	1,689.78
1992	8,073.07	35.00	230.65	12.65	2,918.86
1993	12,151.68	35.00	347.18	13.14	4,562.50
1994	35,464.43	35.00	1,013.24	13.64	13,818.62
1995	17,491.87	35.00	499.75	14.14	7,068.45
1996	17,646.12	35.00	504.16	14.66	7,391.12
1997	108,647.75	35.00	3,104.12	15.19	47,141.16
1998	56,483.33	35.00	1,613.76	15.72	25,373.02
1999	28,011.20	35.00	800.29	16.27	13,020.17
2000	86,140.66	35.00	2,461.08	16.83	41,408.80

Peoples Natural Gas Company, LLC
Gas Division
371.00 Other Equipment

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *35* ***Survivor Curve:*** *R1*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	78,749.24	35.00	2,249.91	17.97	40,423.46
2003	46,378.35	35.00	1,325.05	18.55	24,582.94
2004	24,561.39	35.00	701.73	19.15	13,436.41
2008	111,157.57	35.00	3,175.83	21.62	68,650.09
2011	19,861.33	35.00	567.45	23.55	13,363.89
2013	5,239.33	35.00	149.69	24.87	3,723.34
2014	4,900.00	35.00	140.00	25.54	3,575.95
2015	553,624.92	35.00	15,817.34	26.22	414,699.06
2016	295,458.11	35.00	8,441.39	26.90	227,046.75
2017	631,609.62	35.00	18,045.40	27.58	497,703.00
2018	241,146.06	35.00	6,889.66	28.27	194,760.78
2019	4,636.30	35.00	132.46	28.96	3,836.20
2021	160,434.13	35.00	4,583.68	30.36	139,160.35
2023	30,785.92	35.00	879.57	31.78	27,952.36
Total	2,650,785.29	32.44	75,644.91	24.49	1,852,553.08

Composite Average Remaining Life ... 24.49 Years

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	9,356.61	0.00	0.00	0.00	0.00
1901	57,750.82	0.00	0.00	0.00	0.00
1902	20,985.66	0.00	0.00	0.00	0.00
1903	55,757.91	0.00	0.00	0.00	0.00
1904	6,974.52	0.00	0.00	0.00	0.00
1905	20,820.07	0.00	0.00	0.00	0.00
1906	12,696.56	0.00	0.00	0.00	0.00
1907	3,991.47	0.00	0.00	0.00	0.00
1908	3,682.91	0.00	0.00	0.00	0.00
1909	2,061.23	0.00	0.00	0.00	0.00
1910	3,165.76	0.00	0.00	0.00	0.00
1911	6,116.69	0.00	0.00	0.00	0.00
1912	12,423.56	0.00	0.00	0.00	0.00
1913	7,267.85	0.00	0.00	0.00	0.00
1914	8,650.32	75.00	115.34	0.50	57.67
1915	16,578.55	75.00	221.05	0.63	138.44
1916	3,836.99	75.00	51.16	0.77	39.59
1917	3,163.19	75.00	42.18	0.84	35.50
1918	1,448.90	75.00	19.32	1.09	21.06
1919	1,808.38	75.00	24.11	1.31	31.63
1920	5,435.30	75.00	72.47	1.44	104.54
1921	3,077.86	75.00	41.04	1.68	69.12
1922	6,721.09	75.00	89.61	1.92	172.19
1923	7,711.85	75.00	102.82	2.09	215.30
1924	3,514.28	75.00	46.86	2.34	109.63
1925	4,311.45	75.00	57.49	2.59	148.78
1926	2,267.36	75.00	30.23	2.79	84.37

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	3,524.17	75.00	46.99	3.05	143.10
1928	1,429.17	75.00	19.06	3.30	62.96
1929	3,436.00	75.00	45.81	3.53	161.66
1930	5,769.25	75.00	76.92	3.79	291.64
1931	4,799.02	75.00	63.99	4.06	259.66
1932	2,986.25	75.00	39.82	4.30	171.11
1933	884.91	75.00	11.80	4.57	53.88
1934	985.72	75.00	13.14	4.84	63.60
1935	975.62	75.00	13.01	5.09	66.22
1936	3,380.64	75.00	45.07	5.37	241.89
1937	4,752.29	75.00	63.36	5.65	357.80
1938	3,461.64	75.00	46.15	5.91	272.85
1939	8,948.17	75.00	119.31	6.20	739.46
1940	12,537.47	75.00	167.17	6.49	1,085.00
1941	25,958.06	75.00	346.11	6.78	2,344.98
1942	6,103.48	75.00	81.38	7.08	576.15
1943	1,382.06	75.00	18.43	7.39	136.24
1944	3,132.18	75.00	41.76	7.71	321.89
1945	16,033.54	75.00	213.78	8.04	1,718.93
1946	8,719.44	75.00	116.26	8.39	974.94
1947	11,572.43	75.00	154.30	8.74	1,348.79
1948	11,368.64	75.00	151.58	9.11	1,381.63
1949	10,266.47	75.00	136.89	9.50	1,300.94
1950	29,719.87	75.00	396.26	9.91	3,927.82
1951	39,412.01	75.00	525.49	10.34	5,432.30
1952	23,927.58	75.00	319.03	10.78	3,439.71
1953	16,401.19	75.00	218.68	11.25	2,460.69

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	22,305.55	75.00	297.41	11.74	3,491.31
1955	27,554.94	75.00	367.40	12.25	4,499.30
1956	27,566.98	75.00	367.56	12.78	4,698.93
1957	24,760.10	75.00	330.13	13.34	4,402.69
1958	95,103.66	75.00	1,268.04	13.91	17,635.53
1959	31,478.89	75.00	419.72	14.51	6,089.51
1960	27,074.73	75.00	360.99	15.12	5,458.33
1961	56,566.83	75.00	754.22	15.75	11,877.25
1962	22,814.68	75.00	304.19	16.40	4,988.24
1963	32,627.88	75.00	435.04	17.05	7,419.54
1964	37,595.96	75.00	501.28	17.72	8,883.76
1965	37,095.20	75.00	494.60	18.41	9,103.36
1966	32,185.46	75.00	429.14	19.09	8,193.34
1967	56,370.01	75.00	751.60	19.79	14,872.39
1968	51,176.17	75.00	682.35	20.50	13,986.56
1969	31,060.18	75.00	414.13	21.21	8,784.77
1970	37,964.75	75.00	506.19	21.94	11,103.77
1971	41,657.49	75.00	555.43	22.67	12,594.31
1972	26,813.77	75.00	357.52	23.42	8,372.65
1973	51,687.84	75.00	689.17	24.17	16,658.76
1974	43,648.85	75.00	581.98	24.94	14,515.48
1975	26,973.73	75.00	359.65	25.72	9,248.67
1976	23,771.53	75.00	316.95	26.50	8,399.10
1977	29,833.89	75.00	397.78	27.30	10,859.01
1978	40,220.45	75.00	536.27	28.10	15,070.99
1979	59,805.49	75.00	797.40	28.92	23,058.41
1980	61,795.41	75.00	823.93	29.75	24,508.16

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	80,440.05	75.00	1,072.53	30.58	32,796.64
1982	66,323.68	75.00	884.31	31.42	27,785.85
1983	75,703.69	75.00	1,009.38	32.28	32,579.42
1984	49,386.28	75.00	658.48	33.14	21,820.38
1985	56,685.75	75.00	755.81	34.01	25,702.05
1986	60,050.04	75.00	800.66	34.89	27,932.95
1987	96,831.16	75.00	1,291.08	35.77	46,185.52
1988	101,680.52	75.00	1,355.73	36.67	49,708.89
1989	99,008.25	75.00	1,320.10	37.57	49,595.62
1990	116,992.90	75.00	1,559.90	38.48	60,020.73
1991	88,606.59	75.00	1,181.42	39.39	46,537.72
1992	159,574.41	75.00	2,127.65	40.32	85,776.54
1993	145,170.76	75.00	1,935.60	41.24	79,828.85
1994	116,906.29	75.00	1,558.74	42.18	65,740.07
1995	95,713.43	75.00	1,276.17	43.12	55,023.12
1996	49,135.34	75.00	655.13	44.06	28,864.86
1997	160,911.05	75.00	2,145.47	45.01	96,562.59
1998	78,529.79	75.00	1,047.06	45.96	48,125.46
1999	136,298.12	75.00	1,817.30	46.92	85,267.47
2000	121,853.66	75.00	1,624.71	47.88	77,792.54
2001	389,701.31	75.00	5,195.99	48.85	253,810.42
2002	248,302.90	75.00	3,310.69	49.82	164,924.57
2003	535,657.43	75.00	7,142.06	50.79	362,725.07
2004	237,666.40	75.00	3,168.87	51.76	164,029.31
2005	320,451.32	75.00	4,272.66	52.74	225,339.71
2006	499,428.35	75.00	6,659.01	53.72	357,717.58
2007	209,830.34	75.00	2,797.72	54.70	153,040.99

Peoples Natural Gas Company, LLC
Gas Division
374.02 Rights of Way
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *75* ***Survivor Curve:*** *R4*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	111,669.23	75.00	1,488.92	55.69	82,911.50
2009	48,393.49	75.00	645.24	56.67	36,566.86
2010	45,085.01	75.00	601.13	57.66	34,660.83
2011	249,454.99	75.00	3,326.05	58.65	195,067.17
2012	165,726.91	75.00	2,209.68	59.64	131,781.98
2013	30,336.74	75.00	404.49	60.63	24,524.24
2014	1,150.00	75.00	15.33	61.62	944.88
2015	12,300.58	75.00	164.01	62.62	10,269.52
2016	107,526.45	75.00	1,433.68	63.61	91,197.83
2017	203,905.99	75.00	2,718.73	64.61	175,647.02
2018	2,388.00	75.00	31.84	65.60	2,088.76
2020	12,955.85	75.00	172.74	67.60	11,676.71
2024	3,724,469.78	75.00	49,659.36	71.59	3,554,979.43
2025	1,038,567.42	75.00	13,847.50	72.59	1,005,135.26
2026	908,022.62	75.00	12,106.91	73.58	890,886.24
2027	1,180,429.41	75.00	15,738.98	74.54	1,173,221.01
Total	13,850,177.11	66.53	181,694.12	57.60	10,466,131.95

Composite Average Remaining Life ... 57.60 Years

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1903	78.07	0.00	0.00	0.00	0.00
1908	18.22	65.00	0.28	0.55	0.15
1912	8.89	65.00	0.14	1.42	0.19
1913	1,265.54	65.00	19.47	1.64	31.92
1914	1,528.48	65.00	23.52	1.90	44.68
1915	1,875.59	65.00	28.86	2.18	62.90
1917	952.44	65.00	14.65	2.72	39.93
1918	2,401.48	65.00	36.95	2.99	110.52
1919	760.01	65.00	11.69	3.28	38.33
1920	329.80	65.00	5.07	3.55	18.01
1921	1,627.92	65.00	25.04	3.84	96.20
1922	1,269.88	65.00	19.54	4.12	80.42
1923	566.88	65.00	8.72	4.41	38.47
1924	590.36	65.00	9.08	4.69	42.59
1925	3,431.57	65.00	52.79	4.99	263.19
1926	1,223.80	65.00	18.83	5.27	99.13
1927	3,369.45	65.00	51.84	5.55	287.83
1928	4,685.15	65.00	72.08	5.85	421.37
1929	2,808.17	65.00	43.20	6.13	264.97
1930	3,752.18	65.00	57.73	6.43	371.04
1931	654.02	65.00	10.06	6.72	67.57
1932	1,790.23	65.00	27.54	7.01	193.10
1933	362.29	65.00	5.57	7.30	40.69
1934	292.64	65.00	4.50	7.60	34.21
1935	1,607.74	65.00	24.73	7.89	195.12
1936	3,430.94	65.00	52.78	8.19	432.28
1937	3,855.32	65.00	59.31	8.48	503.24

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1938	2,086.75	65.00	32.10	8.79	282.20
1939	1,621.69	65.00	24.95	9.09	226.80
1940	1,630.75	65.00	25.09	9.40	235.77
1941	1,977.74	65.00	30.43	9.71	295.48
1942	10,081.21	65.00	155.10	10.03	1,555.00
1943	1,959.70	65.00	30.15	10.35	312.00
1944	6,099.32	65.00	93.84	10.67	1,001.56
1945	1,319.10	65.00	20.29	11.01	223.37
1946	9,946.45	65.00	153.02	11.34	1,735.77
1947	9,470.89	65.00	145.71	11.69	1,703.10
1948	23,917.55	65.00	367.96	12.04	4,429.61
1949	28,343.97	65.00	436.06	12.40	5,405.84
1950	31,444.61	65.00	483.76	12.76	6,173.34
1951	45,753.79	65.00	703.90	13.13	9,245.30
1952	75,668.46	65.00	1,164.13	13.51	15,732.09
1953	64,771.18	65.00	996.48	13.90	13,853.42
1954	20,566.35	65.00	316.40	14.30	4,524.29
1955	45,221.41	65.00	695.71	14.70	10,229.83
1956	34,096.11	65.00	524.55	15.12	7,929.97
1957	37,934.00	65.00	583.60	15.54	9,069.13
1958	70,961.76	65.00	1,091.72	15.97	17,435.50
1959	66,567.05	65.00	1,024.11	16.41	16,806.74
1960	18,051.23	65.00	277.71	16.86	4,682.06
1961	59,068.34	65.00	908.74	17.32	15,737.78
1962	8,822.50	65.00	135.73	17.78	2,413.89
1963	32,904.19	65.00	506.22	18.26	9,244.40
1964	32,727.90	65.00	503.50	18.75	9,438.71

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1965	33,835.68	65.00	520.55	19.24	10,016.33
1966	32,379.29	65.00	498.14	19.75	9,836.43
1967	19,353.88	65.00	297.75	20.26	6,032.05
1968	17,618.15	65.00	271.05	20.78	5,632.79
1969	15,923.55	65.00	244.98	21.31	5,220.95
1970	20,087.45	65.00	309.04	21.85	6,753.44
1971	22,762.64	65.00	350.19	22.40	7,844.85
1972	31,249.58	65.00	480.76	22.96	11,038.68
1973	39,471.22	65.00	607.25	23.53	14,286.54
1974	48,655.16	65.00	748.54	24.10	18,042.71
1975	65,988.99	65.00	1,015.21	24.69	25,062.60
1976	22,805.22	65.00	350.85	25.28	8,870.08
1977	9,372.82	65.00	144.20	25.88	3,732.08
1978	12,476.56	65.00	191.95	26.49	5,085.39
1979	57,087.53	65.00	878.27	27.11	23,812.36
1980	43,782.48	65.00	673.57	27.74	18,684.26
1981	100,766.98	65.00	1,550.26	28.37	43,987.92
1982	22,837.93	65.00	351.35	29.02	10,195.04
1983	162,484.40	65.00	2,499.75	29.67	74,163.56
1984	46,912.07	65.00	721.72	30.33	21,886.87
1985	40,818.36	65.00	627.97	30.99	19,462.95
1986	28,785.80	65.00	442.86	31.67	14,023.49
1987	25,169.20	65.00	387.22	32.35	12,525.92
1988	34,653.25	65.00	533.13	33.04	17,612.26
1989	57,416.92	65.00	883.34	33.73	29,797.74
1990	30,601.21	65.00	470.79	34.43	16,211.44
1991	28,895.25	65.00	444.54	35.15	15,624.08

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1992	11,688.96	65.00	179.83	35.86	6,449.44
1993	36,859.51	65.00	567.07	36.59	20,747.61
1994	31,498.30	65.00	484.59	37.32	18,084.29
1995	60,512.25	65.00	930.96	38.06	35,427.94
1996	10,483.22	65.00	161.28	38.80	6,257.68
1997	20,116.68	65.00	309.49	39.55	12,240.06
1998	37,506.45	65.00	577.02	40.31	23,258.08
1999	31,682.36	65.00	487.42	41.07	20,017.88
2000	40,140.48	65.00	617.54	41.84	25,837.58
2002	2,191.91	65.00	33.72	43.40	1,463.37
2003	1,914.44	65.00	29.45	44.18	1,301.27
2004	41,795.17	65.00	643.00	44.98	28,919.29
2005	58,874.84	65.00	905.76	45.77	41,460.95
2006	157,493.42	65.00	2,422.97	46.58	112,857.77
2007	5,151.26	65.00	79.25	47.39	3,755.55
2008	251,799.72	65.00	3,873.83	48.20	186,731.44
2009	1,879.45	65.00	28.91	49.02	1,417.52
2010	42,486.98	65.00	653.64	49.85	32,584.05
2011	47,807.46	65.00	735.50	50.68	37,276.30
2012	50,398.33	65.00	775.36	51.52	39,944.27
2013	149,643.14	65.00	2,302.20	52.36	120,541.73
2014	20,046.68	65.00	308.41	53.20	16,408.91
2015	390,780.15	65.00	6,011.99	54.06	324,990.17
2017	5,784.56	65.00	88.99	55.77	4,963.48
2018	131,437.78	65.00	2,022.11	56.64	114,531.67
2019	12,119.78	65.00	186.46	57.51	10,723.02
2023	121,761.46	65.00	1,873.25	61.03	114,329.36

Peoples Natural Gas Company, LLC
Gas Division
375.01 Structures - Measuring and Regulating
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	24,022.53	65.00	369.58	61.92	22,885.89
2026	1,214,292.81	65.00	18,681.38	63.72	1,190,368.76
2027	2,458,446.03	65.00	37,822.15	64.58	2,442,726.67
Total	7,330,358.74	64.41	112,773.27	50.08	5,647,645.80

Composite Average Remaining Life ... 50.08 Years

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	18.93	0.00	0.00	0.00	0.00
1906	10.01	0.00	0.00	0.00	0.00
1907	41.85	65.00	0.64	0.50	0.32
1909	16.66	65.00	0.26	0.66	0.17
1910	5.15	65.00	0.08	0.94	0.07
1911	36.07	65.00	0.55	1.13	0.63
1912	10.16	65.00	0.16	1.42	0.22
1913	33.39	65.00	0.51	1.64	0.84
1914	13.64	65.00	0.21	1.90	0.40
1915	7.21	65.00	0.11	2.18	0.24
1917	11.97	65.00	0.18	2.72	0.50
1922	15.26	65.00	0.23	4.12	0.97
1925	2.50	65.00	0.04	4.99	0.19
1927	26.62	65.00	0.41	5.55	2.27
1928	617.16	65.00	9.49	5.85	55.51
1929	5.35	65.00	0.08	6.13	0.50
1930	19.62	65.00	0.30	6.43	1.94
1933	1.25	65.00	0.02	7.30	0.14
1938	156.55	65.00	2.41	8.79	21.17
1939	541.21	65.00	8.33	9.09	75.69
1940	225.24	65.00	3.47	9.40	32.56
1941	132.11	65.00	2.03	9.71	19.74
1942	1,264.96	65.00	19.46	10.03	195.12
1943	140.00	65.00	2.15	10.35	22.29
1947	28.90	65.00	0.44	11.69	5.20
1948	119.32	65.00	1.84	12.04	22.10
1949	954.21	65.00	14.68	12.40	181.99

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1950	318.52	65.00	4.90	12.76	62.53
1951	1,225.25	65.00	18.85	13.13	247.58
1952	1,723.65	65.00	26.52	13.51	358.36
1953	1,838.37	65.00	28.28	13.90	393.20
1954	1,808.65	65.00	27.83	14.30	397.88
1955	4,119.06	65.00	63.37	14.70	931.80
1956	2,972.20	65.00	45.73	15.12	691.27
1957	599.42	65.00	9.22	15.54	143.31
1958	2,092.84	65.00	32.20	15.97	514.22
1959	1,105.18	65.00	17.00	16.41	279.03
1960	1,903.13	65.00	29.28	16.86	493.63
1961	655.47	65.00	10.08	17.32	174.64
1962	3,127.73	65.00	48.12	17.78	855.77
1963	2,267.09	65.00	34.88	18.26	636.94
1964	1,006.92	65.00	15.49	18.75	290.40
1965	4,910.23	65.00	75.54	19.24	1,453.57
1966	1,977.05	65.00	30.42	19.75	600.60
1967	4,007.26	65.00	61.65	20.26	1,248.95
1968	2,402.78	65.00	36.97	20.78	768.21
1969	2,104.83	65.00	32.38	21.31	690.12
1970	7,723.63	65.00	118.82	21.85	2,596.70
1971	3,384.07	65.00	52.06	22.40	1,166.28
1972	5,978.05	65.00	91.97	22.96	2,111.70
1973	4,798.08	65.00	73.82	23.53	1,736.66
1974	1,207.86	65.00	18.58	24.10	447.91
1976	8,495.73	65.00	130.70	25.28	3,304.41
1977	2,075.92	65.00	31.94	25.88	826.59

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1978	1,584.85	65.00	24.38	26.49	645.98
1979	3,055.69	65.00	47.01	27.11	1,274.59
1980	15,755.65	65.00	242.39	27.74	6,723.75
1981	1,735.37	65.00	26.70	28.37	757.54
1982	7,477.67	65.00	115.04	29.02	3,338.09
1983	9,556.02	65.00	147.02	29.67	4,361.70
1984	10,545.06	65.00	162.23	30.33	4,919.81
1985	7,845.56	65.00	120.70	30.99	3,740.91
1986	13,834.09	65.00	212.83	31.67	6,739.51
1987	16,371.96	65.00	251.88	32.35	8,147.81
1988	24,793.91	65.00	381.44	33.04	12,601.32
1989	20,057.78	65.00	308.58	33.73	10,409.42
1990	10,248.72	65.00	157.67	34.43	5,429.41
1991	24,384.92	65.00	375.15	35.15	13,185.28
1992	32,716.16	65.00	503.32	35.86	18,051.31
1993	43,540.71	65.00	669.86	36.59	24,508.35
1994	13,356.35	65.00	205.48	37.32	7,668.35
1995	25,503.16	65.00	392.36	38.06	14,931.26
1996	17,361.84	65.00	267.10	38.80	10,363.70
1997	12,560.71	65.00	193.24	39.55	7,642.61
1998	19,747.96	65.00	303.81	40.31	12,245.89
1999	38,323.29	65.00	589.59	41.07	24,213.82
2000	17,222.31	65.00	264.96	41.84	11,085.64
2001	25,491.47	65.00	392.18	42.61	16,711.87
2002	30,061.47	65.00	462.48	43.40	20,069.71
2003	43,162.95	65.00	664.04	44.18	29,338.36
2004	46,337.65	65.00	712.89	44.98	32,062.37

Peoples Natural Gas Company, LLC
Gas Division
375.31 Structures - Minor Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *65* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	49,805.93	65.00	766.24	45.77	35,074.42
2006	39,229.62	65.00	603.53	46.58	28,111.44
2007	26,168.97	65.00	402.60	47.39	19,078.59
2008	38,476.67	65.00	591.95	48.20	28,533.80
2009	31,291.92	65.00	481.41	49.02	23,601.07
2010	56,436.18	65.00	868.25	49.85	43,281.95
2011	49,784.92	65.00	765.92	50.68	38,818.16
2012	115,135.23	65.00	1,771.31	51.52	91,252.87
2013	67,646.44	65.00	1,040.71	52.36	54,491.10
2014	7,717.64	65.00	118.73	53.20	6,317.16
2015	2,009.53	65.00	30.92	54.06	1,671.21
2016	4,884.04	65.00	75.14	54.91	4,126.04
2021	3,388.02	65.00	52.12	59.26	3,088.94
Total	1,104,892.66	63.62	16,997.86	41.93	712,678.11

Composite Average Remaining Life ... 41.93 Years

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1905	13,481.44	80.00	168.52	10.68	1,799.71
1919	1,926.91	80.00	24.09	14.80	356.42
1922	400.82	80.00	5.01	15.76	78.94
1924	435.52	80.00	5.44	16.41	89.35
1927	750.59	80.00	9.38	17.44	163.60
1936	1,676.98	80.00	20.96	20.78	435.52
1943	91,264.55	80.00	1,140.80	23.71	27,043.12
1945	1,062.65	80.00	13.28	24.60	326.77
1947	57,166.96	80.00	714.58	25.52	18,236.23
1948	30,786.42	80.00	384.83	25.99	10,002.34
1949	4,330.42	80.00	54.13	26.47	1,432.72
1950	1,268,521.71	80.00	15,856.39	26.95	427,343.47
1951	7,295.87	80.00	91.20	27.44	2,502.45
1952	146,223.76	80.00	1,827.78	27.94	51,064.76
1953	25,951.64	80.00	324.39	28.44	9,225.95
1954	2,355.29	80.00	29.44	28.95	852.30
1958	1,705.22	80.00	21.32	31.05	661.87
1959	67,604.32	80.00	845.05	31.59	26,697.21
1960	79,470.24	80.00	993.37	32.14	31,929.60
1961	268,872.14	80.00	3,360.87	32.70	109,888.65
1962	14,294.96	80.00	178.69	33.26	5,942.38
1963	435,895.00	80.00	5,448.64	33.82	184,281.86
1964	176,044.92	80.00	2,200.54	34.40	75,691.14
1965	20,753.18	80.00	259.41	34.97	9,072.91
1966	397,098.86	80.00	4,963.69	35.56	176,502.74
1967	12,081.61	80.00	151.02	36.15	5,459.07
1968	13,540.61	80.00	169.26	36.75	6,219.67

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1969	9,973.31	80.00	124.67	37.35	4,656.11
1970	3,176.93	80.00	39.71	37.96	1,507.29
1971	50,785.33	80.00	634.81	38.57	24,483.83
1972	48,073.60	80.00	600.91	39.19	23,549.97
1973	24,968.54	80.00	312.10	39.81	12,426.26
1974	23,103.65	80.00	288.79	40.44	11,679.91
1975	20,817.78	80.00	260.22	41.08	10,689.41
1976	11,962.93	80.00	149.54	41.72	6,238.82
1977	583,551.43	80.00	7,294.33	42.37	309,038.44
1978	27,518.57	80.00	343.98	43.02	14,797.07
1979	56,748.47	80.00	709.35	43.67	30,979.08
1980	16,951.46	80.00	211.89	44.34	9,394.37
1981	49,748.97	80.00	621.86	45.00	27,984.40
1982	130,288.85	80.00	1,628.60	45.67	74,380.39
1983	131,787.24	80.00	1,647.33	46.35	76,347.03
1984	106,793.31	80.00	1,334.90	47.03	62,778.22
1985	323,960.48	80.00	4,049.47	47.71	193,210.44
1986	339,516.50	80.00	4,243.92	48.40	205,409.89
1987	246,800.79	80.00	3,084.98	49.09	151,452.89
1988	525,336.31	80.00	6,566.65	49.79	326,975.34
1989	1,034,604.33	80.00	12,932.44	50.49	653,023.05
1990	997,559.28	80.00	12,469.38	51.20	638,437.67
1991	200,262.09	80.00	2,503.25	51.91	129,943.17
1992	81,790.93	80.00	1,022.38	52.63	53,803.24
1993	95,392.11	80.00	1,192.39	53.34	63,605.90
1994	321,431.79	80.00	4,017.86	54.06	217,222.70
1995	463,873.21	80.00	5,798.37	54.79	317,685.45

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *80* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1996	112,115.32	80.00	1,401.43	55.52	77,806.63
1997	268,880.29	80.00	3,360.97	56.25	189,060.25
1998	856,390.85	80.00	10,704.79	56.99	610,033.98
1999	58,667.68	80.00	733.34	57.73	42,332.42
2000	264,797.42	80.00	3,309.94	58.47	193,531.17
2001	1,364,802.15	80.00	17,059.88	59.22	1,010,204.12
2002	701,690.35	80.00	8,771.05	59.96	525,944.52
2003	1,257,728.70	80.00	15,721.47	60.72	954,530.15
2004	729,960.69	80.00	9,124.43	61.47	560,894.29
2005	297,906.30	80.00	3,723.80	62.23	231,730.37
2006	843,398.62	80.00	10,542.39	62.99	664,068.38
2007	126,061.64	80.00	1,575.76	63.75	100,460.52
2008	809,582.67	80.00	10,119.70	64.52	652,947.32
2009	465,086.70	80.00	5,813.53	65.29	379,578.99
2011	593,421.97	80.00	7,417.71	66.84	495,802.74
2012	320,802.60	80.00	4,010.00	67.62	271,159.53
2013	92,669.08	80.00	1,158.35	68.40	79,234.40
2014	160,074.49	80.00	2,000.91	69.19	138,437.43
2016	269,651.58	80.00	3,370.62	70.77	238,526.90
2017	366,118.77	80.00	4,576.45	71.56	327,490.66
2018	2,302,574.07	80.00	28,781.93	72.36	2,082,553.61
2019	1,472,657.40	80.00	18,408.06	73.16	1,346,646.56
2020	467,118.99	80.00	5,838.94	73.96	431,842.50
2021	1,540,358.99	80.00	19,254.32	74.76	1,439,534.61
2022	3,566.32	80.00	44.58	75.57	3,368.90

Peoples Natural Gas Company, LLC
Gas Division
375.32 Structures - Major Structures
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: ***80*** ***Survivor Curve:*** ***R1.5***

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	24,813,854.42	80.00	310,170.52	57.65	17,882,722.03

Composite Average Remaining Life ... 57.65 Years

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	425,559.26	72.00	5,910.49	5.41	31,989.21
1901	23,490.79	72.00	326.26	5.65	1,844.22
1902	47,493.63	72.00	659.63	5.86	3,867.35
1903	44,964.00	72.00	624.49	6.09	3,805.82
1904	43,647.88	72.00	606.21	6.31	3,825.27
1905	48,249.28	72.00	670.12	6.54	4,382.65
1906	33,881.96	72.00	470.58	6.78	3,188.61
1907	41,579.30	72.00	577.48	7.00	4,041.04
1908	33,401.16	72.00	463.90	7.24	3,357.96
1909	20,940.97	72.00	290.84	7.47	2,173.67
1910	10,102.07	72.00	140.31	7.72	1,083.27
1911	30,614.58	72.00	425.20	7.97	3,390.94
1912	23,686.15	72.00	328.97	8.22	2,704.65
1913	124,268.81	72.00	1,725.94	8.48	14,639.85
1914	125,743.12	72.00	1,746.41	8.75	15,279.35
1915	29,057.61	72.00	403.57	9.01	3,634.75
1916	48,910.39	72.00	679.30	9.28	6,303.26
1917	34,062.40	72.00	473.08	9.55	4,516.43
1918	41,907.74	72.00	582.05	9.82	5,718.37
1919	30,837.72	72.00	428.30	10.11	4,328.90
1920	905.12	72.00	12.57	10.38	130.53
1921	36,719.51	72.00	509.99	10.67	5,441.94
1922	39,738.45	72.00	551.92	10.96	6,046.35
1923	58,681.24	72.00	815.01	11.25	9,166.51
1924	98,587.74	72.00	1,369.26	11.54	15,805.92
1925	187,256.96	72.00	2,600.76	11.84	30,782.15
1926	138,748.15	72.00	1,927.04	12.14	23,388.64

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	128,071.69	72.00	1,778.76	12.44	22,123.60
1928	151,827.05	72.00	2,108.69	12.74	26,874.29
1929	122,451.02	72.00	1,700.69	13.06	22,204.24
1930	108,713.40	72.00	1,509.89	13.37	20,182.02
1931	115,821.09	72.00	1,608.61	13.68	22,013.34
1932	92,703.58	72.00	1,287.54	14.01	18,035.43
1933	34,721.26	72.00	482.23	14.33	6,910.53
1934	23,534.20	72.00	326.86	14.66	4,792.20
1935	42,523.53	72.00	590.60	14.99	8,855.66
1936	53,301.90	72.00	740.30	15.33	11,352.10
1937	179,602.28	72.00	2,494.45	15.68	39,113.62
1938	117,910.83	72.00	1,637.63	16.03	26,249.22
1939	196,087.55	72.00	2,723.41	16.38	44,622.78
1940	274,916.85	72.00	3,818.25	16.75	63,938.69
1941	208,630.00	72.00	2,897.61	17.11	49,586.83
1942	120,296.44	72.00	1,670.77	17.49	29,216.19
1943	38,768.44	72.00	538.45	17.87	9,619.74
1944	72,992.85	72.00	1,013.78	18.25	18,503.36
1945	52,435.85	72.00	728.27	18.64	13,578.05
1946	207,616.54	72.00	2,883.53	19.04	54,912.51
1947	186,761.68	72.00	2,593.89	19.45	50,449.23
1948	99,498.47	72.00	1,381.91	19.86	27,447.94
1949	510,769.24	72.00	7,093.95	20.28	143,879.00
1950	703,142.12	72.00	9,765.76	20.71	202,232.38
1951	780,128.90	72.00	10,835.01	21.14	229,083.86
1952	1,234,735.74	72.00	17,148.94	21.58	370,135.48
1953	1,307,766.25	72.00	18,163.24	22.03	400,182.53

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	756,987.78	72.00	10,513.61	22.49	236,428.05
1955	1,046,628.06	72.00	14,536.35	22.95	333,607.55
1956	1,458,923.48	72.00	20,262.62	23.42	474,573.81
1957	1,097,683.63	72.00	15,245.45	23.90	364,335.50
1958	1,380,665.20	72.00	19,175.71	24.38	467,572.24
1959	1,156,571.52	72.00	16,063.33	24.88	399,579.14
1960	1,108,115.64	72.00	15,390.34	25.37	390,508.63
1961	1,379,859.66	72.00	19,164.52	25.88	496,007.43
1962	1,376,222.05	72.00	19,114.00	26.39	504,507.92
1963	1,616,126.15	72.00	22,445.97	26.92	604,168.13
1964	1,686,561.90	72.00	23,424.24	27.44	642,863.23
1965	1,898,192.88	72.00	26,363.52	27.98	737,615.54
1966	2,199,020.64	72.00	30,541.65	28.52	871,119.18
1967	2,275,260.55	72.00	31,600.52	29.07	918,659.41
1968	2,651,785.09	72.00	36,829.98	29.63	1,091,124.35
1969	2,348,374.60	72.00	32,615.99	30.19	984,710.09
1970	2,341,552.01	72.00	32,521.23	30.76	1,000,354.11
1971	3,154,963.28	72.00	43,818.49	31.34	1,373,185.00
1972	3,539,531.14	72.00	49,159.66	31.92	1,569,216.91
1973	4,199,237.87	72.00	58,322.16	32.51	1,896,026.45
1974	4,175,684.43	72.00	57,995.03	33.11	1,920,087.42
1975	2,350,099.70	72.00	32,639.95	33.71	1,100,286.86
1976	2,166,434.26	72.00	30,089.06	34.32	1,032,662.81
1977	4,411,166.72	72.00	61,265.59	34.94	2,140,327.48
1978	3,764,789.20	72.00	52,288.21	35.56	1,859,147.60
1979	4,487,165.07	72.00	62,321.11	36.19	2,255,096.55
1980	5,357,857.71	72.00	74,413.94	36.82	2,739,779.73

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	6,371,965.85	72.00	88,498.64	37.46	3,315,041.39
1982	5,594,846.09	72.00	77,705.41	38.10	2,960,865.89
1983	4,352,083.14	72.00	60,444.99	38.75	2,342,475.88
1984	6,191,112.32	72.00	85,986.81	39.41	3,388,906.74
1985	6,684,886.29	72.00	92,844.71	40.07	3,720,614.91
1986	6,257,636.01	72.00	86,910.74	40.74	3,540,735.89
1987	8,743,460.26	72.00	121,435.73	41.41	5,029,210.53
1988	5,689,407.80	72.00	79,018.76	42.09	3,326,043.03
1989	7,299,069.08	72.00	101,374.94	42.78	4,336,428.78
1990	7,934,139.44	72.00	110,195.27	43.46	4,789,504.88
1991	7,592,613.41	72.00	105,451.90	44.16	4,656,308.69
1992	10,825,890.03	72.00	150,358.07	44.86	6,744,319.69
1993	9,571,081.64	72.00	132,930.35	45.56	6,055,880.83
1994	10,401,442.13	72.00	144,463.02	46.26	6,683,539.99
1995	9,204,133.23	72.00	127,833.90	46.98	6,005,097.09
1996	7,436,132.70	72.00	103,278.58	47.69	4,925,423.39
1997	7,739,359.98	72.00	107,490.03	48.41	5,203,798.55
1998	5,549,658.30	72.00	77,077.81	49.14	3,787,254.73
1999	7,721,338.24	72.00	107,239.73	49.86	5,347,440.68
2000	7,345,004.29	72.00	102,012.92	50.60	5,161,463.08
2001	7,727,150.23	72.00	107,320.45	51.33	5,508,902.84
2002	10,952,562.83	72.00	152,117.40	52.07	7,921,057.25
2003	12,826,055.04	72.00	178,137.86	52.81	9,408,323.04
2004	14,982,150.20	72.00	208,083.33	53.56	11,145,111.97
2005	18,729,572.53	72.00	260,130.34	54.31	14,128,318.32
2006	15,308,933.45	72.00	212,621.94	55.07	11,708,162.30
2007	11,753,690.82	72.00	163,244.06	55.82	9,112,877.10

Peoples Natural Gas Company, LLC
Gas Division
376.01 Mains - Low Pressure

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	11,782,677.98	72.00	163,646.66	56.58	9,259,748.58
2009	13,323,090.85	72.00	185,041.07	57.35	10,611,525.58
2010	12,681,840.75	72.00	176,134.91	58.12	10,236,104.07
2011	18,635,883.54	72.00	258,829.11	58.89	15,241,177.96
2012	47,707,782.40	72.00	662,601.42	59.66	39,530,521.52
2013	26,002,231.35	72.00	361,138.47	60.44	21,825,902.65
2014	30,236,769.01	72.00	419,950.90	61.22	25,707,737.56
2015	35,411,177.23	72.00	491,816.96	62.00	30,492,983.96
2016	34,120,323.23	72.00	473,888.61	62.79	29,754,109.85
2017	55,312,176.58	72.00	768,216.95	63.58	48,841,622.73
2018	79,270,762.36	72.00	1,100,971.74	64.37	70,870,780.13
2019	65,854,083.00	72.00	914,630.84	65.17	59,603,923.55
2020	72,917,444.73	72.00	1,012,732.10	65.97	66,807,854.39
2021	136,589,399.47	72.00	1,897,055.91	66.77	126,667,775.99
2022	159,022,691.34	72.00	2,208,626.28	67.58	149,250,834.40
2023	215,794,136.61	72.00	2,997,110.64	68.39	204,963,339.97
2024	262,017,375.29	72.00	3,639,093.61	69.20	251,822,450.75
2025	226,467,876.10	72.00	3,145,355.53	70.02	220,224,915.80
2026	252,718,894.77	72.00	3,509,949.34	70.83	248,626,405.38
2027	291,699,088.36	72.00	4,051,335.48	71.62	290,165,594.68
Total	2,362,725,305.24	72.00	32,815,299.17	64.64	2,121,312,900.51

Composite Average Remaining Life ... 64.64 Years

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	250,340.06	72.00	3,476.91	5.41	18,818.02
1901	14,382.92	72.00	199.76	5.65	1,129.18
1902	44,776.66	72.00	621.89	5.86	3,646.11
1903	31,690.00	72.00	440.13	6.09	2,682.29
1904	15,844.02	72.00	220.05	6.31	1,388.56
1905	13,976.68	72.00	194.12	6.54	1,269.55
1906	19,723.07	72.00	273.93	6.78	1,856.12
1907	3,521.72	72.00	48.91	7.00	342.27
1908	47,887.63	72.00	665.10	7.24	4,814.34
1909	11,600.75	72.00	161.12	7.47	1,204.16
1910	7,615.37	72.00	105.77	7.72	816.62
1911	13,592.12	72.00	188.78	7.97	1,505.49
1912	6,060.30	72.00	84.17	8.22	692.01
1913	7,749.32	72.00	107.63	8.48	912.93
1914	8,739.31	72.00	121.38	8.75	1,061.93
1915	17,576.76	72.00	244.12	9.01	2,198.63
1916	8,120.35	72.00	112.78	9.28	1,046.50
1917	11,920.19	72.00	165.56	9.55	1,580.53
1918	9,104.37	72.00	126.45	9.82	1,242.30
1919	4,161.94	72.00	57.80	10.11	584.24
1920	2,170.44	72.00	30.14	10.38	313.00
1921	29,322.34	72.00	407.25	10.67	4,345.65
1922	9,770.15	72.00	135.70	10.96	1,486.56
1923	26,854.62	72.00	372.98	11.25	4,194.92
1924	22,774.00	72.00	316.30	11.54	3,651.20
1925	20,807.22	72.00	288.99	11.84	3,420.38
1926	14,358.36	72.00	199.42	12.14	2,420.38

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1927	49,554.91	72.00	688.26	12.44	8,560.31
1928	24,477.05	72.00	339.96	12.74	4,332.58
1929	30,101.90	72.00	418.08	13.06	5,458.43
1930	68,855.82	72.00	956.32	13.37	12,782.69
1931	44,887.52	72.00	623.43	13.68	8,531.47
1932	25,600.68	72.00	355.56	14.01	4,980.60
1933	17,894.18	72.00	248.53	14.33	3,561.46
1934	10,012.19	72.00	139.06	14.66	2,038.75
1935	19,529.95	72.00	271.25	14.99	4,067.17
1936	16,656.84	72.00	231.34	15.33	3,547.53
1937	55,200.76	72.00	766.67	15.68	12,021.57
1938	57,564.13	72.00	799.49	16.03	12,814.88
1939	47,217.71	72.00	655.79	16.38	10,745.13
1940	113,046.26	72.00	1,570.07	16.75	26,291.69
1941	275,829.19	72.00	3,830.92	17.11	65,558.61
1942	100,865.27	72.00	1,400.89	17.49	24,496.98
1943	39,941.71	72.00	554.74	17.87	9,910.87
1944	70,462.11	72.00	978.63	18.25	17,861.83
1945	62,564.50	72.00	868.94	18.64	16,200.83
1946	137,594.76	72.00	1,911.02	19.04	36,392.44
1947	148,765.37	72.00	2,066.16	19.45	40,185.43
1948	124,890.14	72.00	1,734.57	19.86	34,452.56
1949	314,703.87	72.00	4,370.84	20.28	88,649.19
1950	306,562.02	72.00	4,257.76	20.71	88,171.03
1951	1,047,648.17	72.00	14,550.52	21.14	307,640.56
1952	703,748.02	72.00	9,774.18	21.58	210,961.83
1953	834,714.74	72.00	11,593.14	22.03	255,426.58

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1954	416,924.90	72.00	5,790.57	22.49	130,217.08
1955	1,018,832.39	72.00	14,150.31	22.95	324,747.82
1956	809,788.66	72.00	11,246.95	23.42	263,416.48
1957	1,297,439.93	72.00	18,019.82	23.90	430,637.22
1958	2,143,873.36	72.00	29,775.72	24.38	726,038.20
1959	3,062,896.03	72.00	42,539.79	24.88	1,058,187.37
1960	2,272,891.77	72.00	31,567.62	25.37	800,984.86
1961	3,114,144.67	72.00	43,251.57	25.88	1,119,417.39
1962	2,491,353.19	72.00	34,601.78	26.39	913,302.78
1963	2,297,086.65	72.00	31,903.66	26.92	858,736.52
1964	2,492,094.74	72.00	34,612.08	27.44	949,906.47
1965	2,940,954.73	72.00	40,846.18	27.98	1,142,820.60
1966	3,512,089.65	72.00	48,778.53	28.52	1,391,277.83
1967	3,944,695.45	72.00	54,786.89	29.07	1,592,710.60
1968	4,408,773.35	72.00	61,232.35	29.63	1,814,068.56
1969	3,765,683.38	72.00	52,300.63	30.19	1,579,009.77
1970	2,932,369.18	72.00	40,726.94	30.76	1,252,762.07
1971	4,484,049.84	72.00	62,277.84	31.34	1,951,664.55
1972	6,665,400.99	72.00	92,574.08	31.92	2,955,041.09
1973	7,787,175.31	72.00	108,154.12	32.51	3,516,040.49
1974	6,202,367.93	72.00	86,143.13	33.11	2,852,008.78
1975	3,344,621.02	72.00	46,452.60	33.71	1,565,909.12
1976	2,838,019.17	72.00	39,416.54	34.32	1,352,783.65
1977	5,029,261.20	72.00	69,850.15	34.94	2,440,231.04
1978	3,767,904.34	72.00	52,331.48	35.56	1,860,685.94
1979	7,896,759.24	72.00	109,676.11	36.19	3,968,642.61
1980	10,099,960.15	72.00	140,275.81	36.82	5,164,688.50

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1981	14,379,536.36	72.00	199,713.77	37.46	7,481,012.82
1982	9,154,926.05	72.00	127,150.47	38.10	4,844,906.88
1983	6,827,107.71	72.00	94,819.99	38.75	3,674,639.16
1984	8,902,931.34	72.00	123,650.58	39.41	4,873,309.10
1985	17,141,705.08	72.00	238,076.84	40.07	9,540,578.66
1986	11,733,337.84	72.00	162,961.39	40.74	6,639,032.75
1987	17,706,063.86	72.00	245,915.08	41.41	10,184,471.61
1988	12,276,634.52	72.00	170,507.10	42.09	7,176,953.41
1989	14,355,442.73	72.00	199,379.14	42.78	8,528,670.47
1990	16,963,223.79	72.00	235,597.96	43.46	10,239,981.76
1991	15,892,009.00	72.00	220,720.13	44.16	9,746,064.45
1992	17,660,580.39	72.00	245,283.37	44.86	11,002,199.34
1993	12,832,415.39	72.00	178,226.20	45.56	8,119,414.43
1994	13,504,740.76	72.00	187,563.96	46.26	8,677,592.37
1995	15,408,931.07	72.00	214,010.78	46.98	10,053,323.31
1996	10,823,598.14	72.00	150,326.24	47.69	7,169,157.09
1997	11,391,071.18	72.00	158,207.73	48.41	7,659,139.75
1998	10,546,962.03	72.00	146,484.11	49.14	7,197,565.99
1999	11,184,008.94	72.00	155,331.90	49.86	7,745,525.77
2000	9,749,165.26	72.00	135,403.71	50.60	6,850,909.08
2001	18,075,747.36	72.00	251,049.52	51.33	12,886,708.94
2002	23,298,060.59	72.00	323,580.92	52.07	16,849,505.87
2003	20,136,504.00	72.00	279,670.85	52.81	14,770,771.99
2004	22,470,645.50	72.00	312,089.16	53.56	16,715,748.87
2005	24,895,360.29	72.00	345,765.42	54.31	18,779,370.13
2006	21,056,628.38	72.00	292,450.23	55.07	16,103,958.08
2007	20,686,012.33	72.00	287,302.84	55.82	16,038,288.81

Peoples Natural Gas Company, LLC
Gas Division
376.02 Mains - Regular Pressure

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *72* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2008	16,733,008.09	72.00	232,400.55	56.58	13,150,104.60
2009	16,843,450.72	72.00	233,934.46	57.35	13,415,408.65
2010	18,963,721.89	72.00	263,382.38	58.12	15,306,502.78
2011	14,524,431.49	72.00	201,726.19	58.89	11,878,666.48
2012	20,415,569.57	72.00	283,546.73	59.66	16,916,278.05
2013	20,311,368.09	72.00	282,099.50	60.44	17,049,073.08
2014	17,679,582.35	72.00	245,547.29	61.22	15,031,436.17
2015	19,230,102.76	72.00	267,082.07	62.00	16,559,269.16
2016	33,994,166.58	72.00	472,136.45	62.79	29,644,096.86
2017	41,233,504.02	72.00	572,681.80	63.58	36,409,907.76
2018	69,353,282.09	72.00	963,230.34	64.37	62,004,212.65
2019	71,422,320.16	72.00	991,966.69	65.17	64,643,683.68
2020	70,549,975.22	72.00	979,850.91	65.97	64,638,749.88
2021	95,024,446.66	72.00	1,319,770.71	66.77	88,122,031.21
2022	124,738,201.84	72.00	1,732,457.60	67.58	117,073,107.93
2023	178,902,771.77	72.00	2,484,735.73	68.39	169,923,567.94
2024	151,924,584.49	72.00	2,110,042.45	69.20	146,013,298.37
2025	110,833,309.05	72.00	1,539,336.03	70.02	107,778,006.19
2026	201,839,522.99	72.00	2,803,298.51	70.83	198,570,966.01
2027	191,925,912.73	72.00	2,665,610.86	71.62	190,916,937.44
Total	2,001,957,324.11	72.00	27,804,683.16	61.50	1,709,954,310.04

Composite Average Remaining Life ... 61.50 Years

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	38.06	0.00	0.00	0.00	0.00
1904	262.15	0.00	0.00	0.00	0.00
1906	26.37	0.00	0.00	0.00	0.00
1907	148.76	0.00	0.00	0.00	0.00
1908	57.37	0.00	0.00	0.00	0.00
1909	82.79	0.00	0.00	0.00	0.00
1910	20.10	0.00	0.00	0.00	0.00
1913	98.49	0.00	0.00	0.00	0.00
1914	21.73	0.00	0.00	0.00	0.00
1915	91.61	0.00	0.00	0.00	0.00
1916	22.01	0.00	0.00	0.00	0.00
1918	130.59	55.00	2.37	0.50	1.19
1920	45.44	55.00	0.83	1.07	0.88
1922	0.66	55.00	0.01	1.73	0.02
1923	30.31	55.00	0.55	2.06	1.13
1927	9.71	55.00	0.18	3.36	0.59
1931	105.23	55.00	1.91	4.35	8.32
1932	16.69	55.00	0.30	4.57	1.39
1933	147.42	55.00	2.68	4.81	12.88
1934	97.33	55.00	1.77	5.03	8.89
1938	6.09	55.00	0.11	5.98	0.66
1940	35.31	55.00	0.64	6.48	4.16
1941	1.84	55.00	0.03	6.74	0.23
1942	43.74	55.00	0.80	7.01	5.57
1944	8.76	55.00	0.16	7.56	1.20
1946	782.45	55.00	14.23	8.12	115.48
1947	1,696.06	55.00	30.84	8.40	259.16

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1948	2,909.04	55.00	52.89	8.70	459.90
1949	12,596.91	55.00	229.03	8.99	2,059.87
1950	17,720.14	55.00	322.18	9.29	2,993.46
1951	44,006.93	55.00	800.12	9.59	7,675.90
1952	72,416.37	55.00	1,316.64	9.90	13,035.56
1953	118,059.11	55.00	2,146.50	10.21	21,921.76
1954	33,174.34	55.00	603.16	10.53	6,351.47
1955	90,154.96	55.00	1,639.16	10.85	17,793.00
1956	54,764.46	55.00	995.71	11.18	11,134.83
1957	59,304.43	55.00	1,078.25	11.52	12,418.49
1958	164,171.17	55.00	2,984.89	11.86	35,396.24
1959	73,150.12	55.00	1,329.99	12.21	16,234.74
1960	54,917.41	55.00	998.49	12.56	12,544.14
1961	77,428.55	55.00	1,407.77	12.93	18,196.57
1962	91,616.51	55.00	1,665.73	13.30	22,148.37
1963	95,699.11	55.00	1,739.96	13.68	23,794.78
1964	54,815.31	55.00	996.63	14.06	14,015.54
1965	76,991.32	55.00	1,399.82	14.46	20,240.18
1966	65,166.09	55.00	1,184.82	14.86	17,611.08
1967	96,851.27	55.00	1,760.91	15.28	26,902.95
1968	186,485.56	55.00	3,390.60	15.70	53,236.05
1969	128,896.33	55.00	2,343.54	16.13	37,809.60
1970	113,021.39	55.00	2,054.91	16.58	34,060.91
1971	147,644.13	55.00	2,684.41	17.03	45,704.24
1972	277,149.25	55.00	5,039.01	17.49	88,116.57
1973	224,926.97	55.00	4,089.53	17.96	73,437.42
1974	261,535.61	55.00	4,755.13	18.44	87,672.77

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1975	277,154.94	55.00	5,039.12	18.93	95,375.69
1976	514,223.75	55.00	9,349.41	19.43	181,622.29
1977	270,619.51	55.00	4,920.29	19.93	98,078.72
1978	409,317.49	55.00	7,442.04	20.45	152,203.44
1979	412,521.73	55.00	7,500.30	20.98	157,352.24
1980	416,831.64	55.00	7,578.66	21.52	163,064.56
1981	1,471,211.54	55.00	26,748.97	22.06	590,141.07
1982	1,067,653.42	55.00	19,411.64	22.62	439,007.99
1983	867,043.55	55.00	15,764.23	23.18	365,418.08
1984	888,220.59	55.00	16,149.26	23.75	383,600.98
1985	1,185,071.72	55.00	21,546.49	24.34	524,341.87
1986	1,025,600.28	55.00	18,647.05	24.93	464,792.41
1987	1,036,896.07	55.00	18,852.42	25.52	481,200.57
1988	1,023,136.49	55.00	18,602.25	26.13	486,086.32
1989	1,072,783.00	55.00	19,504.90	26.75	521,684.71
1990	1,034,401.78	55.00	18,807.07	27.37	514,751.27
1991	1,590,414.71	55.00	28,916.27	28.00	809,702.43
1992	1,206,493.66	55.00	21,935.97	28.64	628,263.18
1993	920,810.76	55.00	16,741.81	29.29	490,300.26
1994	1,162,485.27	55.00	21,135.83	29.94	632,818.84
1995	987,996.16	55.00	17,963.34	30.60	549,718.57
1996	378,695.67	55.00	6,885.29	31.27	215,308.94
1997	942,991.46	55.00	17,145.09	31.95	547,721.07
1998	548,982.93	55.00	9,981.38	32.63	325,674.85
1999	683,281.80	55.00	12,423.15	33.32	413,885.36
2000	815,876.81	55.00	14,833.94	34.01	504,515.66
2001	1,917,461.71	55.00	34,862.51	34.71	1,210,153.90

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2002	1,321,822.74	55.00	24,032.84	35.42	851,227.33
2003	1,217,878.82	55.00	22,142.98	36.13	800,074.12
2004	1,053,979.88	55.00	19,163.03	36.85	706,146.86
2005	1,401,462.48	55.00	25,480.82	37.57	957,407.91
2006	3,571,743.91	55.00	64,939.99	38.30	2,487,400.68
2007	1,424,288.20	55.00	25,895.83	39.04	1,010,906.66
2008	4,720,934.00	55.00	85,834.09	39.78	3,414,191.43
2009	3,265,340.77	55.00	59,369.09	40.52	2,405,666.99
2010	908,164.33	55.00	16,511.87	41.27	681,415.79
2011	2,187,333.62	55.00	39,769.21	42.02	1,671,165.09
2012	833,760.14	55.00	15,159.09	42.78	648,494.69
2013	2,718,811.44	55.00	49,432.32	43.54	2,152,345.13
2014	1,251,039.20	55.00	22,745.88	44.31	1,007,813.39
2015	2,398,911.55	55.00	43,616.03	45.08	1,966,085.66
2016	1,268,863.39	55.00	23,069.96	45.85	1,057,810.97
2017	6,328,991.55	55.00	115,071.14	46.63	5,365,967.01
2018	1,259,991.30	55.00	22,908.65	47.42	1,086,221.95
2019	1,746,914.29	55.00	31,761.68	48.20	1,531,014.88
2020	2,629,669.64	55.00	47,811.58	49.00	2,342,539.46
2021	7,704,539.85	55.00	140,080.80	49.79	6,974,732.64
2022	8,037,773.51	55.00	146,139.51	50.59	7,393,424.20
2023	17,900,698.48	55.00	325,463.19	51.40	16,727,657.89
2024	10,372,960.74	55.00	188,596.93	52.21	9,845,799.54
2025	12,358,532.05	55.00	224,697.78	53.02	11,913,180.59
2026	33,609,834.25	55.00	611,080.28	53.84	32,897,599.80
2027	36,197,556.39	55.00	658,129.18	54.62	35,948,794.86

Peoples Natural Gas Company, LLC
Gas Division
378.00 Measuring and Regulating - General
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R1.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Total	194,519,574.82	49.35	3,536,659.64	47.08	166,515,258.92

Composite Average Remaining Life ... *47.08 Years*

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	14.93	0.00	0.00	0.00	0.00
1901	1,619.68	0.00	0.00	0.00	0.00
1902	395.38	0.00	0.00	0.00	0.00
1903	536.83	0.00	0.00	0.00	0.00
1904	933.47	0.00	0.00	0.00	0.00
1905	3,969.52	0.00	0.00	0.00	0.00
1906	3,782.98	0.00	0.00	0.00	0.00
1907	4,088.68	0.00	0.00	0.00	0.00
1908	2,952.33	0.00	0.00	0.00	0.00
1909	339.91	0.00	0.00	0.00	0.00
1920	884.90	0.00	0.00	0.00	0.00
1921	2,074.69	0.00	0.00	0.00	0.00
1922	2,032.92	0.00	0.00	0.00	0.00
1923	1,552.69	0.00	0.00	0.00	0.00
1924	1,417.38	0.00	0.00	0.00	0.00
1925	1,543.91	0.00	0.00	0.00	0.00
1926	2,912.13	55.00	52.95	0.50	26.47
1927	2,453.46	55.00	44.61	0.63	28.05
1928	2,938.24	55.00	53.42	0.76	40.86
1929	2,642.01	55.00	48.04	1.00	47.85
1930	3,468.56	55.00	63.06	1.25	78.70
1931	2,279.92	55.00	41.45	1.51	62.52
1932	2,210.45	55.00	40.19	1.77	71.28
1933	1,723.17	55.00	31.33	2.06	64.41
1934	1,380.94	55.00	25.11	2.32	58.15
1935	1,657.80	55.00	30.14	2.59	77.94
1936	2,855.02	55.00	51.91	2.86	148.56

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1937	3,010.47	55.00	54.74	3.14	172.02
1938	1,577.09	55.00	28.67	3.44	98.53
1939	4,403.53	55.00	80.06	3.72	297.47
1940	6,216.71	55.00	113.03	4.00	451.97
1941	12,753.54	55.00	231.88	4.28	993.58
1942	9,382.03	55.00	170.58	4.57	780.08
1943	4,269.79	55.00	77.63	4.86	377.49
1944	7,087.95	55.00	128.87	5.16	664.76
1945	3,799.75	55.00	69.09	5.45	376.23
1946	15,058.02	55.00	273.78	5.73	1,570.12
1947	23,780.12	55.00	432.36	6.03	2,605.34
1948	34,582.02	55.00	628.76	6.32	3,972.78
1949	35,867.04	55.00	652.13	6.62	4,315.76
1950	33,599.03	55.00	610.89	6.91	4,222.38
1951	39,314.67	55.00	714.81	7.21	5,153.18
1952	42,023.80	55.00	764.07	7.51	5,738.36
1953	58,225.06	55.00	1,058.63	7.82	8,273.93
1954	94,237.90	55.00	1,713.41	8.13	13,922.73
1955	117,816.91	55.00	2,142.12	8.44	18,086.60
1956	161,641.17	55.00	2,938.92	8.76	25,752.72
1957	198,458.99	55.00	3,608.33	9.09	32,794.83
1958	252,975.64	55.00	4,599.54	9.42	43,335.56
1959	363,445.39	55.00	6,608.08	9.76	64,509.84
1960	398,081.77	55.00	7,237.83	10.11	73,189.39
1961	567,540.47	55.00	10,318.88	10.47	108,016.34
1962	477,757.20	55.00	8,686.47	10.83	94,096.33
1963	814,675.86	55.00	14,812.24	11.21	165,991.85

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1964	824,438.42	55.00	14,989.74	11.59	173,726.68
1965	1,004,821.20	55.00	18,269.42	11.98	218,916.43
1966	1,019,562.34	55.00	18,537.44	12.39	229,593.46
1967	796,408.36	55.00	14,480.10	12.80	185,319.81
1968	1,171,172.34	55.00	21,293.97	13.22	281,537.25
1969	1,148,441.65	55.00	20,880.69	13.66	285,128.85
1970	1,434,895.40	55.00	26,088.92	14.10	367,838.25
1971	1,385,762.43	55.00	25,195.60	14.55	366,680.29
1972	2,086,621.67	55.00	37,938.45	15.02	569,808.97
1973	2,604,749.02	55.00	47,358.92	15.50	733,876.43
1974	2,649,242.03	55.00	48,167.88	15.98	769,896.29
1975	2,641,939.33	55.00	48,035.10	16.48	791,711.09
1976	3,514,695.30	55.00	63,903.34	16.99	1,085,781.52
1977	3,422,327.56	55.00	62,223.93	17.51	1,089,514.92
1978	6,977,935.75	55.00	126,871.14	18.04	2,288,842.05
1979	6,264,376.62	55.00	113,897.38	18.58	2,116,483.50
1980	7,027,849.13	55.00	127,778.65	19.13	2,444,988.02
1981	11,542,142.32	55.00	209,856.44	19.70	4,133,572.74
1982	9,431,279.04	55.00	171,477.24	20.27	3,475,557.13
1983	6,201,334.84	55.00	112,751.17	20.85	2,351,109.39
1984	11,635,953.35	55.00	211,562.09	21.45	4,537,182.97
1985	11,793,868.48	55.00	214,433.27	22.05	4,728,238.04
1986	5,428,995.54	55.00	98,708.68	22.66	2,237,087.66
1987	17,371,482.38	55.00	315,844.09	23.29	7,354,992.56
1988	10,429,832.04	55.00	189,632.69	23.92	4,535,668.67
1989	6,458,089.95	55.00	117,419.43	24.56	2,883,950.41
1990	13,914,959.21	55.00	252,998.42	25.21	6,378,900.79

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1991	10,753,009.99	55.00	195,508.63	25.87	5,058,656.88
1992	17,257,764.88	55.00	313,776.51	26.54	8,329,001.22
1993	12,347,067.42	55.00	224,491.40	27.22	6,110,995.48
1994	14,817,059.50	55.00	269,400.19	27.91	7,518,877.81
1995	13,210,593.69	55.00	240,191.82	28.61	6,870,998.66
1996	11,654,096.84	55.00	211,891.97	29.31	6,210,804.91
1997	18,136,611.35	55.00	329,755.48	30.02	9,900,651.26
1998	9,009,090.41	55.00	163,801.10	30.75	5,036,109.64
1999	13,168,831.85	55.00	239,432.52	31.47	7,535,666.59
2000	5,730,284.43	55.00	104,186.65	32.21	3,355,895.88
2001	14,658,936.99	55.00	266,525.25	32.96	8,783,444.36
2002	12,018,529.43	55.00	218,518.00	33.71	7,365,766.16
2003	13,042,749.57	55.00	237,140.12	34.47	8,173,649.10
2004	17,365,462.50	55.00	315,734.64	35.23	11,124,346.22
2005	15,838,614.77	55.00	287,973.87	36.01	10,369,349.63
2006	14,387,524.24	55.00	261,590.49	36.79	9,623,819.59
2007	10,735,391.43	55.00	195,188.29	37.58	7,334,816.05
2008	11,377,737.70	55.00	206,867.28	38.37	7,938,200.06
2009	11,560,213.54	55.00	210,185.01	39.18	8,234,048.83
2010	6,323,739.75	55.00	114,976.71	39.98	4,597,074.13
2011	14,569,029.47	55.00	264,890.57	40.80	10,806,992.85
2012	18,368,829.65	55.00	333,977.62	41.62	13,899,980.31
2013	12,616,191.62	55.00	229,384.55	42.45	9,736,727.73
2014	18,132,364.96	55.00	329,678.28	43.28	14,268,774.25
2015	21,465,369.63	55.00	390,278.16	44.12	17,218,870.55
2016	22,613,143.80	55.00	411,146.71	44.97	18,487,400.20
2017	24,139,142.86	55.00	438,892.06	45.82	20,108,757.98

Peoples Natural Gas Company, LLC
Gas Division
380.00 Services

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2018	40,947,235.49	55.00	744,492.74	46.67	34,748,682.96
2019	37,192,156.00	55.00	676,218.79	47.54	32,145,397.03
2020	39,051,446.82	55.00	710,023.97	48.40	34,368,709.92
2021	44,274,083.74	55.00	804,980.69	49.28	39,667,475.36
2022	31,917,845.39	55.00	580,322.55	50.16	29,106,862.42
2023	64,621,995.43	55.00	1,174,941.50	51.04	59,969,178.15
2024	59,112,195.77	55.00	1,074,763.66	51.93	55,811,190.57
2025	57,260,005.86	55.00	1,041,087.59	52.82	54,992,566.36
2026	95,791,636.81	55.00	1,741,660.39	53.72	93,561,149.02
2027	111,993,555.95	55.00	2,036,239.76	54.58	111,147,887.16
Total	1,121,478,959.05	47.54	20,389,947.72	42.02	856,815,144.41

Composite Average Remaining Life ... 42.02 Years

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1957	11.91	0.00	0.00	0.00	0.00
1966	12.10	32.00	0.38	0.98	0.37
1968	1,204.70	32.00	37.65	1.64	61.90
1969	12,170.03	32.00	380.31	1.98	751.95
1970	28,752.63	32.00	898.52	2.31	2,071.52
1971	75,475.99	32.00	2,358.62	2.64	6,225.26
1972	176,154.31	32.00	5,504.81	2.97	16,364.44
1973	111,075.91	32.00	3,471.11	3.31	11,475.84
1974	80,391.81	32.00	2,512.24	3.64	9,144.09
1975	132,682.80	32.00	4,146.33	3.97	16,478.82
1976	48,302.75	32.00	1,509.46	4.31	6,505.72
1977	67,334.84	32.00	2,104.21	4.65	9,778.56
1978	105,444.56	32.00	3,295.14	4.98	16,423.05
1979	131,382.08	32.00	4,105.68	5.33	21,864.39
1980	129,656.24	32.00	4,051.75	5.67	22,970.52
1981	15,417.61	32.00	481.80	6.02	2,898.49
1982	146,380.73	32.00	4,574.39	6.37	29,119.45
1983	12,527.33	32.00	391.48	6.72	2,630.31
1984	45,573.82	32.00	1,424.18	7.08	10,077.12
1985	211,515.07	32.00	6,609.83	7.44	49,153.99
1986	140,585.16	32.00	4,393.28	7.80	34,269.87
1987	198,167.50	32.00	6,192.72	8.17	50,594.94
1988	158,254.40	32.00	4,945.44	8.54	42,256.02
1989	180,095.78	32.00	5,627.98	8.92	50,223.78
1990	214,172.50	32.00	6,692.88	9.31	62,303.10
1991	213,883.28	32.00	6,683.84	9.70	64,830.05
1992	126,147.26	32.00	3,942.09	10.10	39,800.27

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1993	404,647.08	32.00	12,645.19	10.50	132,765.81
1994	393,875.88	32.00	12,308.59	10.91	134,274.03
1995	194,222.95	32.00	6,069.45	11.33	68,742.12
1996	331,782.70	32.00	10,368.19	11.75	121,829.60
1997	809,847.57	32.00	25,307.68	12.18	308,313.11
1998	788,981.08	32.00	24,655.60	12.62	311,229.79
1999	410,743.51	32.00	12,835.71	13.07	167,791.41
2000	647,441.12	32.00	20,232.49	13.53	273,755.25
2001	1,492,923.11	32.00	46,653.74	14.00	653,071.29
2002	1,438,621.81	32.00	44,956.83	14.48	650,821.03
2003	1,198,932.42	32.00	37,466.55	14.97	560,689.02
2004	1,194,108.09	32.00	37,315.79	15.46	577,073.17
2005	1,270,262.14	32.00	39,695.60	15.98	634,165.20
2006	1,558,298.61	32.00	48,696.72	16.50	803,446.46
2007	2,192,300.88	32.00	68,509.25	17.04	1,167,056.00
2008	1,731,944.88	32.00	54,123.16	17.58	951,724.25
2009	1,526,449.89	32.00	47,701.45	18.15	865,678.25
2010	2,674,364.88	32.00	83,573.72	18.73	1,565,087.95
2011	2,110,671.56	32.00	65,958.34	19.32	1,274,367.35
2012	2,166,116.43	32.00	67,690.99	19.93	1,349,127.25
2013	1,329,441.64	32.00	41,544.96	20.56	854,058.17
2014	1,904,643.09	32.00	59,519.96	21.20	1,261,934.50
2015	1,727,033.00	32.00	53,969.66	21.86	1,180,033.65
2016	1,815,402.39	32.00	56,731.20	22.55	1,279,114.61
2017	5,934,383.75	32.00	185,449.08	23.25	4,311,549.82
2018	9,825,391.89	32.00	307,042.81	23.97	7,361,073.03
2019	10,677,446.49	32.00	333,669.46	24.72	8,248,171.53

Peoples Natural Gas Company, LLC
Gas Division
381.00 Meters

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *32* ***Survivor Curve:*** *S0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2020	12,169,596.35	32.00	380,299.04	25.49	9,693,000.85
2021	3,126,660.71	32.00	97,707.93	26.28	2,567,739.66
2022	194,656.37	32.00	6,083.00	27.10	164,826.33
2023	10,022,757.47	32.00	313,210.47	27.94	8,750,549.19
2024	10,484,267.20	32.00	327,632.62	28.81	9,438,043.94
2025	14,931,883.84	32.00	466,620.33	29.70	13,860,055.63
2026	3,668,193.54	32.00	114,630.79	30.63	3,511,211.64
2027	5,415,776.45	32.00	169,242.64	31.55	5,339,373.95
Total	120,526,843.87	31.48	3,766,455.13	24.15	90,970,018.66

Composite Average Remaining Life ... *24.15 Years*

Peoples Natural Gas Company, LLC
Gas Division
381.20 Meters - Inteus

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *20* ***Survivor Curve:*** *S2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2024	33,182.24	20.00	1,659.11	16.59	27,531.52
2025	4,867,339.64	20.00	243,366.99	17.59	4,279,791.13
2026	41,017,013.15	20.00	2,050,850.75	18.58	38,112,105.16
2027	48,741,988.04	20.00	2,437,099.52	19.54	47,624,990.68
Total	94,659,523.07	20.00	4,732,976.38	19.02	90,044,418.49

Composite Average Remaining Life ... 19.02 Years

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1922	4,121.68	0.00	0.00	0.00	0.00
1923	40,522.15	0.00	0.00	0.00	0.00
1924	36,512.71	0.00	0.00	0.00	0.00
1925	39,512.03	0.00	0.00	0.00	0.00
1926	35,462.69	55.00	644.77	0.50	322.39
1927	41,036.81	55.00	746.12	0.63	469.24
1928	36,072.84	55.00	655.87	0.76	501.60
1929	36,449.30	55.00	662.71	1.00	660.12
1930	32,318.15	55.00	587.60	1.25	733.28
1931	22,634.93	55.00	411.54	1.51	620.68
1932	24,263.22	55.00	441.15	1.77	782.46
1933	24,910.55	55.00	452.92	2.06	931.06
1934	25,819.23	55.00	469.44	2.32	1,087.18
1935	16,420.74	55.00	298.56	2.59	772.01
1936	28,673.03	55.00	521.33	2.86	1,492.03
1937	31,896.54	55.00	579.94	3.14	1,822.55
1938	43,899.27	55.00	798.17	3.44	2,742.71
1939	7,420.19	55.00	134.91	3.72	501.25
1940	12,994.58	55.00	236.26	4.00	944.75
1941	17,907.77	55.00	325.59	4.28	1,395.13
1942	16,398.89	55.00	298.16	4.57	1,363.50
1943	8,640.60	55.00	157.10	4.86	763.92
1944	5,974.88	55.00	108.63	5.16	560.37
1945	4,671.27	55.00	84.93	5.45	462.52
1946	17,851.15	55.00	324.57	5.73	1,861.36
1947	33,829.32	55.00	615.08	6.03	3,706.32
1948	35,301.11	55.00	641.84	6.32	4,055.39

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1949	71,340.24	55.00	1,297.09	6.62	8,584.13
1950	65,227.63	55.00	1,185.95	6.91	8,197.13
1951	67,382.10	55.00	1,225.13	7.21	8,832.13
1952	44,510.57	55.00	809.28	7.51	6,077.93
1953	66,269.65	55.00	1,204.90	7.82	9,417.08
1954	82,586.70	55.00	1,501.57	8.13	12,201.38
1955	106,873.97	55.00	1,943.16	8.44	16,406.70
1956	118,332.51	55.00	2,151.49	8.76	18,852.77
1957	120,705.19	55.00	2,194.63	9.09	19,946.22
1958	123,574.30	55.00	2,246.80	9.42	21,168.68
1959	119,036.76	55.00	2,164.30	9.76	21,128.46
1960	111,026.11	55.00	2,018.65	10.11	20,412.72
1961	114,529.44	55.00	2,082.35	10.47	21,797.65
1962	115,881.96	55.00	2,106.94	10.83	22,823.45
1963	101,239.18	55.00	1,840.71	11.21	20,627.69
1964	117,389.70	55.00	2,134.35	11.59	24,736.50
1965	100,970.77	55.00	1,835.83	11.98	21,998.10
1966	84,432.28	55.00	1,535.13	12.39	19,013.16
1967	101,327.38	55.00	1,842.31	12.80	23,578.32
1968	116,878.56	55.00	2,125.06	13.22	28,096.35
1969	101,557.34	55.00	1,846.49	13.66	25,214.10
1970	111,243.94	55.00	2,022.61	14.10	28,517.60
1971	154,922.17	55.00	2,816.76	14.55	40,993.25
1972	184,716.88	55.00	3,358.48	15.02	50,441.98
1973	201,740.56	55.00	3,668.00	15.50	56,839.50
1974	133,715.06	55.00	2,431.17	15.98	38,858.94
1975	194,109.07	55.00	3,529.24	16.48	58,168.75

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1976	109,509.87	55.00	1,991.08	16.99	33,830.47
1977	225,053.35	55.00	4,091.87	17.51	71,646.85
1978	188,716.38	55.00	3,431.20	18.04	61,901.11
1979	119,763.13	55.00	2,177.50	18.58	40,463.19
1980	172,316.69	55.00	3,133.02	19.13	59,948.96
1981	291,042.83	55.00	5,291.67	19.70	104,230.80
1982	280,772.34	55.00	5,104.93	20.27	103,468.50
1983	170,056.00	55.00	3,091.92	20.85	64,473.26
1984	347,133.40	55.00	6,311.50	21.45	135,357.00
1985	304,842.04	55.00	5,542.56	22.05	122,213.14
1986	192,237.15	55.00	3,495.21	22.66	79,213.80
1987	234,438.83	55.00	4,262.51	23.29	99,260.14
1988	213,237.83	55.00	3,877.04	23.92	92,731.71
1989	101,221.66	55.00	1,840.39	24.56	45,201.95
1990	155,428.37	55.00	2,825.96	25.21	71,251.53
1991	409,495.65	55.00	7,445.35	25.87	192,643.55
1992	531,752.94	55.00	9,668.20	26.54	256,636.41
1993	272,037.96	55.00	4,946.13	27.22	134,641.10
1994	275,151.88	55.00	5,002.74	27.91	139,625.10
1995	198,026.53	55.00	3,600.47	28.61	102,996.13
1996	1,330,269.97	55.00	24,186.65	29.31	708,939.30
1997	1,384,260.55	55.00	25,168.29	30.02	755,658.30
1998	1,013,383.87	55.00	18,425.10	30.75	566,484.74
1999	970,778.02	55.00	17,650.45	31.47	555,513.17
2000	1,082,848.81	55.00	19,688.10	32.21	634,161.86
2001	1,444,727.53	55.00	26,267.69	32.96	865,661.94
2002	2,036,785.95	55.00	37,032.35	33.71	1,248,279.93

Peoples Natural Gas Company, LLC
Gas Division
382.00 Meter Installations

Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *55* ***Survivor Curve:*** *R2*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2003	1,540,034.92	55.00	28,000.54	34.47	965,111.30
2004	2,016,898.75	55.00	36,670.77	35.23	1,292,028.93
2005	2,188,335.76	55.00	39,787.79	36.01	1,432,676.97
2006	1,840,407.57	55.00	33,461.85	36.79	1,231,049.22
2007	1,907,297.11	55.00	34,678.02	37.58	1,303,135.85
2008	2,192,639.09	55.00	39,866.03	38.37	1,529,795.13
2009	2,336,546.03	55.00	42,482.52	39.18	1,664,262.86
2010	2,256,665.73	55.00	41,030.15	39.98	1,640,494.40
2011	1,555,595.30	55.00	28,283.46	40.80	1,153,907.15
2012	1,586,445.39	55.00	28,844.37	41.62	1,200,488.01
2013	1,337,616.86	55.00	24,320.23	42.45	1,032,325.09
2014	1,481,232.11	55.00	26,931.40	43.28	1,165,615.55
2015	1,683,733.43	55.00	30,613.23	44.12	1,350,640.05
2016	2,090,116.46	55.00	38,001.99	44.97	1,708,776.98
2017	2,431,970.87	55.00	44,217.51	45.82	2,025,917.57
2018	2,111,929.02	55.00	38,398.58	46.67	1,792,227.27
2019	2,410,768.00	55.00	43,832.00	47.54	2,083,640.82
2020	2,301,421.54	55.00	41,843.89	48.40	2,025,453.49
2021	2,939,233.08	55.00	53,440.43	49.28	2,633,413.18
Total	55,977,212.20	52.80	1,015,570.17	36.69	37,258,876.28

Composite Average Remaining Life ... 36.69 Years

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1900	92.52	0.00	0.00	0.00	0.00
1903	19.22	0.00	0.00	0.00	0.00
1923	734.41	0.00	0.00	0.00	0.00
1925	132.42	0.00	0.00	0.00	0.00
1927	124.42	0.00	0.00	0.00	0.00
1930	75.73	50.00	1.51	1.32	2.00
1934	139.64	50.00	2.79	3.19	8.90
1936	72.28	50.00	1.45	4.10	5.92
1937	101.94	50.00	2.04	4.54	9.26
1941	900.61	50.00	18.01	6.25	112.57
1942	835.87	50.00	16.72	6.66	111.39
1943	2,476.79	50.00	49.53	7.07	350.34
1945	660.47	50.00	13.21	7.88	104.10
1946	247.36	50.00	4.95	8.28	40.97
1947	494.83	50.00	9.90	8.68	85.90
1948	148.37	50.00	2.97	9.08	26.93
1949	2,124.01	50.00	42.48	9.47	402.38
1950	1,209.20	50.00	24.18	9.87	238.65
1951	1,161.43	50.00	23.23	10.26	238.41
1952	7,393.66	50.00	147.87	10.66	1,576.24
1953	10,125.68	50.00	202.51	11.06	2,238.99
1954	13,046.94	50.00	260.93	11.45	2,988.72
1955	19,666.70	50.00	393.33	11.85	4,662.09
1956	29,782.34	50.00	595.63	12.25	7,298.71
1957	26,960.19	50.00	539.19	12.66	6,824.18
1958	15,702.62	50.00	314.05	13.06	4,101.77
1959	31,025.96	50.00	620.51	13.47	8,357.10

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1960	19,608.77	50.00	392.17	13.88	5,442.48
1961	16,954.19	50.00	339.08	14.29	4,845.58
1962	32,606.13	50.00	652.11	14.71	9,589.94
1963	20,013.05	50.00	400.25	15.12	6,053.71
1964	15,164.24	50.00	303.28	15.55	4,714.99
1965	50,155.54	50.00	1,003.09	15.97	16,021.57
1966	35,219.58	50.00	704.38	16.40	11,552.70
1967	20,084.49	50.00	401.68	16.83	6,761.96
1968	29,182.27	50.00	583.63	17.27	10,079.82
1969	35,707.61	50.00	714.14	17.71	12,648.41
1970	33,565.39	50.00	671.29	18.16	12,188.12
1971	80,549.22	50.00	1,610.95	18.61	29,971.81
1972	42,129.90	50.00	842.58	19.06	16,058.03
1973	50,258.82	50.00	1,005.15	19.52	19,616.22
1974	5,622.67	50.00	112.45	19.98	2,246.48
1975	15,859.89	50.00	317.19	20.44	6,484.57
1976	34,882.62	50.00	697.64	20.91	14,590.76
1977	13,318.47	50.00	266.36	21.39	5,697.49
1978	10,964.84	50.00	219.29	21.87	4,795.88
1979	118,557.02	50.00	2,371.09	22.35	53,004.23
1980	104,030.99	50.00	2,080.57	22.84	47,527.76
1981	123,440.15	50.00	2,468.75	23.34	57,614.21
1982	169,230.88	50.00	3,384.54	23.84	80,673.70
1983	86,095.64	50.00	1,721.87	24.34	41,908.81
1984	100,358.47	50.00	2,007.12	24.85	49,870.71
1985	154,635.14	50.00	3,092.63	25.36	78,426.83
1986	356,364.62	50.00	7,127.13	25.88	184,423.15

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
1987	161,275.67	50.00	3,225.44	26.40	85,144.28
1988	475,250.22	50.00	9,504.79	26.92	255,904.28
1989	441,838.56	50.00	8,836.57	27.45	242,600.47
1990	239,094.03	50.00	4,781.77	27.99	133,836.66
1991	396,155.13	50.00	7,922.92	28.53	226,024.98
1992	104,735.14	50.00	2,094.66	29.07	60,894.18
1993	82,551.24	50.00	1,650.99	29.62	48,899.86
1994	154,453.36	50.00	3,089.00	30.17	93,194.67
1995	168,972.49	50.00	3,379.37	30.73	103,831.42
1996	142,443.71	50.00	2,848.81	31.28	89,122.08
1997	163,083.33	50.00	3,261.59	31.85	103,870.29
1998	81,303.11	50.00	1,626.03	32.41	52,703.50
1999	118,733.59	50.00	2,374.62	32.98	78,319.08
2000	155,234.54	50.00	3,104.62	33.55	104,173.06
2001	97,018.03	50.00	1,940.32	34.13	66,222.30
2002	126,304.48	50.00	2,526.03	34.71	87,673.27
2003	197,522.55	50.00	3,950.36	35.29	139,403.54
2004	186,498.72	50.00	3,729.89	35.87	133,799.36
2006	21,962.27	50.00	439.24	37.05	16,271.80
2007	144,557.27	50.00	2,891.08	37.64	108,807.39
2008	45,223.65	50.00	904.45	38.23	34,574.66
2010	1,291.71	50.00	25.83	39.42	1,018.24
2011	27,033.73	50.00	540.66	40.01	21,632.70
2012	475,127.42	50.00	9,502.33	40.61	385,880.42
2013	1,056,586.74	50.00	21,131.26	41.21	870,772.69
2014	145,105.23	50.00	2,902.04	41.81	121,327.95
2015	361,318.51	50.00	7,226.21	42.41	306,457.15

Peoples Natural Gas Company, LLC
Gas Division
385.00 Industrial M&R Station Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *50* ***Survivor Curve:*** *R0.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2016	612,357.20	50.00	12,246.87	43.01	526,759.35
2017	1,648,106.95	50.00	32,961.39	43.62	1,437,637.13
2018	613,691.11	50.00	12,273.54	44.22	542,751.47
2019	227,574.52	50.00	4,551.39	44.83	204,030.43
2020	444,824.79	50.00	8,896.29	45.44	404,217.99
2021	915,011.15	50.00	18,299.81	46.05	842,646.24
2022	34,230.18	50.00	684.59	46.66	31,941.78
2023	1,009,919.10	50.00	20,197.93	47.27	954,790.41
2024	158,679.05	50.00	3,173.51	47.89	151,968.91
2025	10,276.91	50.00	205.53	48.50	9,969.08
2026	29,950.52	50.00	599.00	49.12	29,423.85
Total	13,415,312.12	47.28	268,278.11	37.06	9,941,092.35

Composite Average Remaining Life ... 37.06 Years

Peoples Natural Gas Company, LLC
Gas Division
387.00 Other Equipment
Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of November 30, 2027
Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: *26* ***Survivor Curve:*** *R2.5*

Year	*Original Cost*	*Avg. Service Life*	*Avg. Annual Accrual*	*Avg. Remaining Life*	*Future Annual Accruals*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
2005	105,725.07	26.00	4,066.32	8.07	32,826.27
2006	227,021.56	26.00	8,731.54	8.66	75,627.09
2007	171,529.13	26.00	6,597.23	9.28	61,202.27
2008	108,322.12	26.00	4,166.21	9.92	41,330.72
2010	122,431.75	26.00	4,708.88	11.28	53,113.58
2011	399,256.94	26.00	15,355.94	11.99	184,148.85
2012	232,699.81	26.00	8,949.93	12.73	113,888.65
2013	60,862.68	26.00	2,340.86	13.48	31,549.17
2014	431,690.20	26.00	16,603.36	14.25	236,565.69
2015	1,237,640.23	26.00	47,601.24	15.04	715,797.59
2016	609,094.79	26.00	23,426.57	15.84	371,163.79
2017	2,058,184.75	26.00	79,160.44	16.67	1,319,313.92
2018	1,677,143.97	26.00	64,505.12	17.50	1,129,127.54
2019	237,273.95	26.00	9,125.86	18.36	167,526.38
2020	1,215,336.05	26.00	46,743.39	19.22	898,571.24
2021	5,226,603.18	26.00	201,021.89	20.10	4,041,245.54
2022	708,549.81	26.00	27,251.74	21.00	572,167.00
2023	314,458.71	26.00	12,094.49	21.90	264,856.29
2024	682,673.90	26.00	26,256.52	22.81	598,978.02
2025	552,615.55	26.00	21,254.31	23.74	504,483.74
Total	16,379,114.15	26.00	629,961.83	18.12	11,413,483.34

Composite Average Remaining Life ... 18.12 Years

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC
:

VERIFICATION

I, David J. Garrett, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 3, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 18, 2026

Signature: */s/ David J. Garrett*
David J. Garrett

Address: 101 Park Avenue
Suite 1125
Oklahoma City, OK 73120

OCA St. 3R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2026-3060855**
	:	
Peoples Natural Gas Company LLC	**:**	
	:	

REBUTTAL TESTIMONY

OF

DAVID J. GARRETT

ON BEHALF OF

THE PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 16, 2026

I. Introduction

Q. State your name and occupation.

A. My name is David J. Garrett. I am a consultant specializing in public utility regulation. I am the managing member of Resolve Utility Consulting PLLC.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed direct testimony in OCA Statement 3 on June 18, 2026, on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). A summary of my qualifications is included in my direct testimony.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony addresses the direct testimony of D.C. Patel, who testified on behalf of the Bureau of Investigation and Enforcement ("I&E"). Specifically, I address Mr. Patel's proposed return on equity ("ROE") for Peoples Natural Gas Company LLC ("Peoples" or the "Company").

Q. Please summarize Mr. Patel's estimated cost of equity and authorized ROE proposal for the Company.

A. Mr. Patel proposes an authorized ROE of 10.2% for the Company. This recommendation is based on several model results, including (1) a Discounted Cash Flow ("DCF") Model result of 11.33%, (2) the average of two CAPM results equating to 9.57%, and (3) a national average of authorized ROEs for gas utilities of 9.69%.[1]

[1] I&E Statement No. 2, p. 7.

Q. How does Mr. Patel's estimated cost of equity and proposed ROE for the Company compare with your estimated cost of equity and proposed ROE.

A. In my direct testimony, I presented evidence supporting my estimated cost of equity of 8.8% for the Company, which is also the authorized ROE I propose for the Company. My proposed ROE was based on the results of my CAPM and DCF Models. Thus, Mr. Patel's recommended ROE and estimated cost of equity for Peoples is significantly higher than mine.

II. DCF Model

Q. Please summarize the results of your application of the DCF Model and explain how it differs from Mr. Patel's results.

A. I conducted two variations of the DCF Model. In one variation, I consider long-term annual U.S. GDP growth projections as a cap on the long-term growth rate of each individual company in the proxy group. This "sustainable" DCF Model variation is based on the fundamental principal that no domestic company can achieve annual earnings and/or dividend growth at a rate that exceeds the growth rate of the aggregate economy in which it operates over the long-run (which is measured by U.S. GDP). In the second variation of my DCF Model, I incorporate the short-term dividend growth rate projections published by Value Line. I presented this "analyst growth" variation of my DCF Model because, despite its shortcomings, it is often presented in rate proceedings and considered by regulators. The result of my sustainable growth DCF Model indicates a cost of equity of 7.1% for the Company, and the result of my analyst-growth DCF Model indicates a cost of equity of 7.6%. The average result of my two DCF Models is 7.3%. This is significantly less than Mr. Patel's DCF result of 11.33%.

Q. Why is Mr. Patel's DCF result significantly higher than your result?

A. The primary reason Mr. Patel's DCF Model produced a much higher result than mine is his use of unsustainably high growth rates. Mr. Patel used a composite growth rate for the proxy group of 8.1%.[2] In contrast, the average growth rate I used for the proxy group was only 6.2% for my analyst-growth DCF Model. The average growth rate for my sustainable growth DCF Model is equal to a projection of long-term U.S. GDP growth, which is only 3.7%.[3]

Q. Do you believe Mr. Patel's growth rate estimate is reasonable?

A. No. An average growth rate in excess of 8.10% for the proxy group is unrealistic. This growth rate suggests that the proxy group, on average, can achieve dividend (and/or earnings) growth that is more than two times the rate of annual long-term GDP growth, every year in perpetuity. Mathematically, this assumption suggests that the annual earnings of the proxy group would eventually surpass total U.S. GDP, which is obviously impossible.

Q. Are the analyst growth rates used by Mr. Patel intended to be long-term growth rate estimates?

A. No. The published growth rates used by Mr. Patel are five-year growth rate projections. For example, Mr. Patel considers a five-year annual growth rate of 12.59% for Spire, which is projected by S&P. However, it is Mr. Patel, not S&P, who is suggesting to the Commission that Spire's earnings can grow at an annual rate of more than 12% each year, every year, forever. This is not just an unreasonable assumption; rather, it is impossible.

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[2] I&E Statement No. 2, p. 31.

[3] *See* OCA Statement No. 3, Exhibit DJG-6.

For this reason, the Commission should reject the results of Mr. Patel's DCF Model as having any bearing on a reasonable cost of equity estimate or authorized ROE for the Company.

III. CAPM Analysis

Q. Please summarize the results of Mr. Patel's CAPM applications.

A. Mr. Patel conducted two variations of the CAPM. The first variation has a result of 10.28%, and the second variation has a result of 8.86%.[4] The main difference between his two CAPM variations is the equity risk premium ("ERP") input. In the higher of the two CAPM results, Mr. Patel calculated his own ERP estimate by relying on data starting in the Great Depression. As thoroughly discussed in my direct testimony, this type of historical approach is contrary to modern academic literature and most certainly overstates the ERP.[5] In Mr. Patel's second variation of the CAPM, he relies on a current ERP estimate published by Kroll.

Q. How do Mr. Patel's CAPM results compare with yours.

A. My application of the CAPM indicates a cost of equity of 8.8% for Peoples. This means that Mr. Patel's first variation of the CAPM produces significantly higher results than mine. However, Mr. Patel's second application of the CAPM produced a substantially similar result as my application of the CAPM. My results are summarized in the following figure.

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[4] I&E Statement No. 2, p. 36.

[5] See Direct Testimony of David J. Garrett (OCA St. 3), at pp. 36-38.

Figure 1:
My CAPM Summary

ERP	x	Beta	+	Risk-free Rate	=	Cost of Equity
4.9%	x	0.77	+	5.0%	=	**8.8%**
↑ Average ERP reported by thousands of expert survey respondents, Kroll, and Damodaran – unbiased and objective sources		↑ Average beta for the proxy group published by Value Line. These are likely overestimated		↑ Based on recent Treasury bond yields, a widely used benchmark for the risk-free rate		↑ Company's authorized ROE should be based on this number

As demonstrated in this figure, a cost of equity estimate of 8.8% is reasonable for Peoples, if not overestimated due to the use of Value Line betas. The Commission should reject Mr. Patel's first variation of the CAPM, as it overstates Peoples' cost of equity. However, Mr. Patel's second variation of the CAPM resulting in 8.86% indicates a reasonable cost of equity for Peoples in my opinion.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC
:

VERIFICATION

I, David J. Garrett, hereby state that the facts above set forth in my Rebuttal Testimony, OCA Statement No. 3R, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 16, 2026

Signature: */s/ David J. Garrett*
David J. Garrett

Address: 101 Park Avenue
Suite 1125
Oklahoma City, OK 73120

OCA St. 3SR

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2026-3060855**
	:	
Peoples Natural Gas Company LLC	**:**	
	:	

SURREBUTTAL TESTIMONY

OF

DAVID J. GARRETT

ON BEHALF OF

THE PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 31, 2026

I. Introduction

Q. State your name and occupation.

A. My name is David J. Garrett. I am a consultant specializing in public utility regulation. I am the managing member of Resolve Utility Consulting PLLC.

Q. Have you previously filed testimony in this proceeding?

A. Yes. I filed direct testimony in OCA Statement 3 on June 18, 2026, and rebuttal testimony in OCA Statement 3R on July 16, 2026, both on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). A summary of my qualifications is included in my direct testimony.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony responds to the rebuttal testimony of Peoples Natural Gas Company LLC ("Peoples" or the "Company") witness Jennifer Nelson regarding rate of return issues. I also address the rebuttal testimony of Peoples witness John Spanos regarding depreciation issues.

Q. Did the Company's rebuttal testimony cause you to change any of your positions or recommendations discussed in your direct testimony?

A. No. Additionally, to the extent I do not specifically address a statement made in the company's rebuttal testimony filed in this case, it should not constitute my agreement with such testimony.

Q. Are you sponsoring any exhibits to your surrebuttal testimony?

A. Yes, I am sponsoring one exhibit to my surrebuttal testimony, which is the response to interrogatory OCA-IX-021.

II. Rate of Return

Q. Please summarize your surrebuttal testimony directed to the rebuttal testimony of Ms. Nelson.

A. I will address Ms. Nelson's updated ROE results and management performance adder. I also address her response to my application of the Discounted Cash Flow ("DCF") Model, the Capital Asset Pricing Model ("CAPM"), and capital structure.

A. Updated ROE Results and Management Performance

Q. Please summarize Ms. Nelson's updated ROE analysis.

A. In her rebuttal testimony, Ms. Nelson presents an updated ROE analysis that is not materially different than the one presented in her direct testimony. Based on these results, she maintains her base ROE recommendation of 11.0% in addition to a management performance adder of 0.25%, for a final ROE request of 11.25%."[1]

Q. Does Mr. Nelson's updated model results and ROE recommendation reflect a reasonable cost of equity for Peoples?

A. No. Ms. Nelson's updated ROE models suffer from the same errors and unrealistic assumptions as those that were presented in her direct testimony. For the same reasons discussed in my direct testimony, the Commission should reject these model results as having any bearing on the cost of equity of a very low risk company like Peoples. In summary of the issues discussed in my direct testimony, Ms. Nelson's growth rates in her

[1] Rebuttal Testimony of Jennifer Nelson, p. 5, lines 12-18.

DCF Model assumes that utilities, and particularly Peoples,' can outpace the growth rate of the entire U.S. economy each year in perpetuity. In her CAPM, her assumption for the critical ERP input is significantly higher than the opinions of thousands of other experts and other unbiased sources.

Q. Should a management performance adder be applied to the Company's authorized ROE in this case.

A. No. The Supreme Court's standards governing the issue are clear that a utility's authorized return should be based on cost. The cost of capital can be closely estimated through an objective and intellectually honest application of financial models such as the CAPM and DCF Model. In this case, the Company has not met its burden of proof to justify a management performance adder, as discussed in the testimony of OCA witness Brendan Larkin-Connolly. Thus, regardless of the quality of management performance, the Commission should not increase the authorized ROE because of it. Authorizing an ROE based on cost will result in a fair and reasonable ROE that meets the Supreme Court's standards and promotes fair utility rates.

B. DCF Analysis

Q. Please summarize Ms. Nelson's criticisms of your DCF Model.

A. Ms. Nelson criticizes my use of analyst's dividend growth projections in my DCF Model.[2] She claims I should have considered earnings per share rather than dividends per share to assess Peoples' long-term growth rate in the DCF Model.[3]

Q. Do you agree with Ms. Nelson's criticisms regarding your use of projected dividend growth rates?

A. No. The DCF model directly considers dividends, rather than earnings. Dividends is the "cash flow" to investors that is being discounted in the model to ultimately estimate the cost of equity. This is an undisputed fact, and even Ms. Nelson acknowledges this in her rebuttal testimony.[4] However, Ms. Nelson also relied on earnings growth rates as part of his DCF Model. I do not believe it is unreasonable to consider earnings growth rates as a proxy for a dividend growth rate in the DCF Model, as long as long-term growth rate projections are generally sustainable. However, in this case, Ms. Nelson assumes perpetual growth rates that exceed long-term projected annual U.S. GDP growth rates. Since the proxy group is used as a proxy for Peoples, this means she is effectively assuming that Peoples' annual earnings growth rate will outpace U.S. GDP in perpetuity. It is not just an

[2] Rebuttal Testimony of Jennifer Nelson, p. 29.

[3] *Id*. at 32.

[4] *Id*. at p. 24, line 8.

unreasonable assumption; it is impossible. As a result, Ms. Nelson's DCF cost of equity estimate is overstated.

C. CAPM Analysis

Q. Please summarize Ms. Nelson's rebuttal testimony regarding the CAPM that you will address.

A. I will address Ms. Nelson's rebuttal testimony regarding the equity risk premium ("ERP"). The most critical term in the CAPM is the equity risk premium ("ERP"). I used several sources in developing my ERP estimate, including expert surveys and an ERP estimate published by Kroll, a respected international corporate finance consulting firm. Ms. Nelson simply concludes that Kroll's ERP estimate "would not meet the comparable return standard as required by the *Hope* and *Bluefield* decisions." because it would lead to CAPM results that "are well below recently authorized ROEs for natural gas utilities."[5] There are several obvious problems with Ms. Nelson's arguments. The cost of equity and authorized returns are entirely different concepts. An authorized return is simply whatever a regulator says it is, whether it is 5% or 100%. In contrast, *Hope* and *Bluefield* require the authorized ROE to be based on cost. The CAPM is a Nobel-Prize winning model that is specifically designed to estimate that cost. No input to the CAPM is dependent on the decisions of regulators.

[5] Rebuttal Testimony of Jennifer E. Nelson (Peoples Statement No. 15-R), p. 78, lines 8-12.

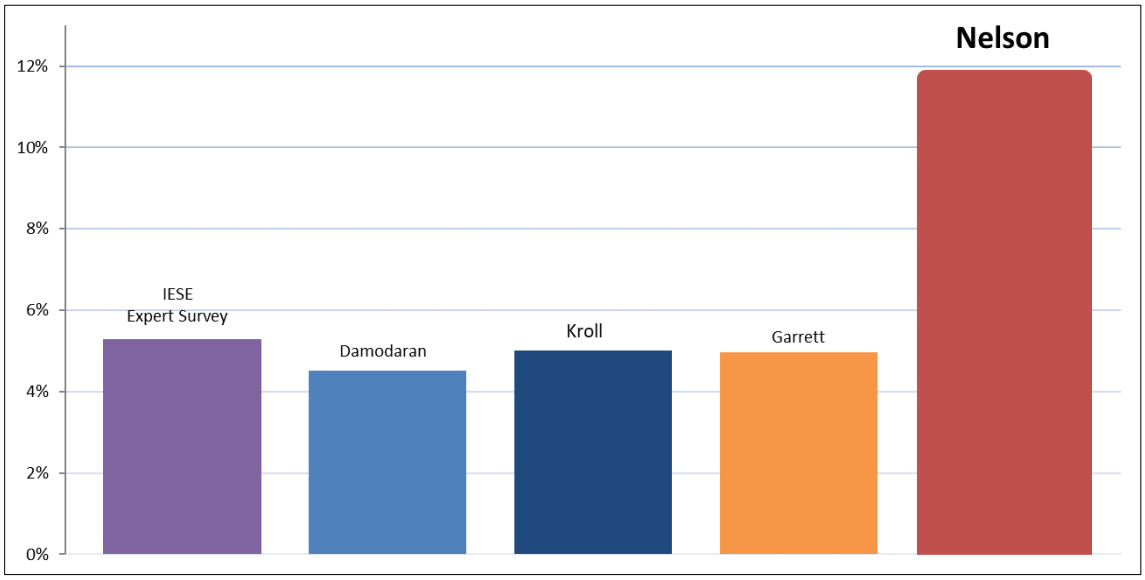
Q. Please briefly reiterate the sources you considered for the ERP estimate.

A. The ERP is an important figure for financial and market analysts in all industries, not just utility regulation. Thus, many analysts, managers, investors, and academics are constantly studying and are concerned with obtaining a reliable and accurate estimate of this important number, which can be used in a variety of financial analyses, including the CAPM. All else held constant, a higher ERP will result in a higher indicated cost of equity and apply upward pressure on the authorized ROE. I considered three reliable and objective sources to include in my overall ERP estimate, including the result of the IESE Business School survey of experts, the estimate published by Kroll, and the estimate published by one of the world's leading experts on the issue, Dr. Aswath Damodaran.[6] I also conducted and presented my own ERP estimate, the result of which is similar to those from the other sources. The figure below contrasts the ERP estimates from these sources with the ERP estimated by Ms. Nelson.[7]

[6] *See* Direct Testimony of David J. Garrett, OCA (OCA St. 3), at pp. 36-44.

[7] *See also* Exhibit DJG-10.

Figure 1:
Equity Risk Premium Comparison



When compared with other independent sources for the ERP (as well as my estimate), which do not have a wide variance, Ms. Nelson's ERP estimate is clearly not within the range of reasonableness. I would argue that investors are more likely to rely on these types of sources for the ERP than Ms. Nelson's personal ERP estimate.

D. Capital Structure

Q. Please summarize Ms. Nelson's criticisms of your capital structure adjustment.

A. Ms. Nelson spends much of her testimony on the issue of capital structure defending the operating and proposed capital structure of Peoples.[8] However, Peoples' actual operating capital structure is not at issue in this case.

Q. Please explain why the Company's operating actual capital structure is not an issue in this case.

A. Simply, Peoples' capital structure is not at issue because the Commission has no authority to dictate to the Company how it chooses a particular actual capital structure . Rather, the capital structure used for ratemaking purposes and setting a fair and reasonable rate of return is fully within the Commission's discretion. In other words, it is not possible to have a fair rate of return without a fair capital structure. My proposed ratemaking capital structure, which is substantially similar to witnesses Patel and Cicero, is based on the average capital structure of the proxy group. Each one of those companies is financially healthy and has an investment grade credit rating. A ratemaking capital structure with too much high-cost equity rather than low-cost debt does not promote the lowest reasonable cost of capital pursuant to *Hope* and *Bluefield*.

[8] Rebuttal Testimony of Jennifer E. Nelson, at pp. 16-38.

Q. Ms. Nelson argues that the utility holding companies in the proxy group should not be used to assess a fair capital structure. How do you respond?

A. Using the capital structures of the proxy group to assess a fair ratemaking capital structure is the only correct approach. Ms. Nelson and I both used the same proxy group to estimate the cost of equity for the Company. The indicated cost of equity for each proxy company is inextricably connected to the capital structures of those companies. Because the market evidence used to estimate the ROE is based on publicly traded parent holding companies, not their regulated operating subsidiaries. Investors purchase the stock of parent companies and evaluate the consolidated financial risk of those companies, including debt issued at the holding company level. That consolidated leverage is reflected in the market prices and expected returns used to estimate the Company's allowed ROE.

Ms. Nelson's erroneous approach uses parent-company data to estimate investors' required return on equity, while relying on the balance sheets of a *different group* of companies to justify a substantially higher equity ratio. That mismatch overstates the amount of costly equity that should be included in rates and is inconsistent with the financial assumptions embedded in Ms. Nelson's own proxy group.

III. Depreciation

Q. Please summarize Mr. Spanos's criticisms regarding your use of the ALG procedure.

A. Mr. Spanos maintains that the ELG procedure should be used in this case. He argues that the ELG procedure is more equitable not only for future customers, but also for current

customers.[9] Mr. Spanos disagrees with my characterization of the ELG method as being an "accelerated" form of cost recovery. Mr. Spanos also claims that the annual updates to its depreciation studies addresses concerns I raised about proper application of ELG depreciation rates.

Q. What is your response to Mr. Spanos's testimony on this issue.

A. In reading Mr. Spanos's testimony, one could get the impression that Mr. Spanos himself does not also use the ALG in most of the depreciation studies that he conducts. However, Mr. Spanos acknowledges that in jurisdictions other than Pennsylvania "he utilizes the ALG procedure more often due to the precedent in those states."[10] This fact alone should negate any of Mr. Spanos's statements or inferences throughout his rebuttal testimony that the ALG procedure might not be fair, accurate, or reasonable. In other words, his claim in this case that the ELG procedure is "more equitable"[11] would necessarily mean that he is using a *less* equitable procedure in his depreciation studies in other jurisdictions. This notion is incorrect. In reality, the ALG procedure that Mr. Spanos uses a majority of the time is very fair and reasonable (assuming reasonable estimates are made for other depreciation parameters). Furthermore, it is disingenuous for Mr. Spanos to suggest that his decisions are somehow affected by the financial well-being of customers. Mr. Spanos does not represent either present or future customers in this case, and he exclusively

[9] Rebuttal Testimony of John Spanos, p. 3, lines 12-13.

[10] Response to OCA-10-18(e).

[11] Rebuttal Testimony of John Spanos, p. 3, line 12.

represents utility companies as I understand. Also, in Mr. Spanos's rebuttal testimony, I did not see him rebut the fact that compared with the ALG procedure, the ELG procedure will result in higher depreciation rates for customers. What is clear, however, is that the ELG procedure will result in higher cash flows for Peoples relative to the ALG procedure.[12]

Q. What is the underlying premise of Mr. Spanos's narrative regarding the ALG vs ELG issue?

A. The underlying premise is that the ELG method is actually better for both current and future customers.

Q. Do you agree with this narrative?

A. No. This is a misleading narrative, at best. There are several reasons why. First, Mr. Spanos is simply testifying on what is in the best interest of the Company. There is nothing inappropriate about that, however, the Commission should easily reject the notion that his positions are in the best interest of ratepayers when the Company also has shareholder interests in mind as well. Second, accepting Mr. Spanos's narrative would mean that both he and utility commissions in the vast majority of jurisdictions around the country are promoting a depreciation methodology that is harmful to customers, though for some reasons he is being particularly charitable to the customers in Pennsylvania. Third, it is simply not reasonable to assume that the Company shares any vision of the future in which customers are paying lower rates, regardless of the depreciation methodology. Rather, the

[12] *See* Direct Testimony of David J. Garrett, OCA (OCA St. 3), at pp. 62-69.

Company is an entity that will operate exactly as it is incentivized to, which does not at all involve lower customer rates.

Mr. Spanos's narrative on this issue is something akin to a mortgage payment. That is, if someone pays off their entire mortgage today, they will certainly pay less total dollars over time than if they had made the minimum payment. However, there are several problems with this logic as it relates to utility customers. First, this argument ignores that, similar to companies and investors, utility customers also have a time value of money. Simply concluding that paying less total dollars over time is the correct approach ignores the fact that customers' current dollars are worth more than future dollars. If we were to follow Mr. Spanos's logic fully, then what would be the absolute best course of action for customers would be to completely pay off the undepreciated balance of plant today, and reduce rate base to zero. Pursuant to Mr. Spanos's logic, that is indeed the approach that would result in the least total amount of dollars paid by customers.

The approach proffered by Mr. Spanos is just as conceptually flawed as this hypothetical scenario for several reasons. First, as discussed above, it completely ignores the time value of money. Second, it results in current customers subsidizing future customers, as the ELG method does. Finally, and most importantly, the argument requires its audience to be completely naïve about basic concepts of organizational behavior and incentive structures. That is, even if customers completely paid off rate base today, it would obviously incentivize the Company to immediately start developing (creative) ways to increase rate base beyond that which is strictly necessary to provide safe and reliable

service. In other words, the zero rate base scenario will not stop investors from demanding the earnings and dividend *growth* they have become accustomed to. Certainly, they would enjoy the immediate cash flow received from customers paying down rate base, but as soon as the next quarter they would ask: "But what have you done for me lately?" Again, it is simply not possible for the Company, its representatives, and (pertinently) its ultimate shareholders to have a vision of the future in which customers are paying less. The fact of the matter is simple: the Company is proposing ELG because it is in *their* best interest to do so.

Ultimately, to the extent that anyone can argue that using the ALG method instead of the ELG method offers short term gain for long term pain, what is more accurate is to say that using the ELG method instead of the ALG method in fact provides both short term pain *and* long term pain as the rates put into effect at the conclusion of a base rate case generally never subsequently go down, but only subsequently go up. This hurts both current and future customers of the company.

Q. Did Mr. Spanos rebut the fact that current customers would pay more for the Company's assets relative to future customers under the ELG procedure?

A. No. This fact is proven mathematically in my testimony, and not disputed by Mr. Spanos.[13] Under the ELG procedure proposed by Mr. Spanos (in this jurisdiction), current customers would effectively be subsidizing future customers by paying a larger proportionate share

[13] *See* Exhibits DJG-17 through DJG-23.

of what is essentially the same asset base. This was demonstrated in an example presented in my direct testimony. In that example, there were two units being depreciated – one with an original cost of $4,000 and a 4-year life and the second with an original cost of $6,000 and an 8-year life. Thus, the average life of this group is 6.4 years. Under the ALG procedure, the depreciation rate is 15.625% per year (1/6.4 = 15.625%). Under the ELG procedure, however, there are higher rate and accrual amounts during the earlier years. In reality, Peoples has numerous units of property that are depreciated on a group basis in each account. Under the ELG procedure, customers rates (not just depreciation rates), would need to be adjusted every year in order for the ELG procedure to produce accurate depreciation rates. Since that is not practical, the vast majority of jurisdictions have adopted the ALG procedure.

Q. Using a Company account, in this case, please show how the ELG method defies basic understandings of cost allocation and recovery.

A. In this case, the account with the greatest amount of depreciation expense by far is Account 376 – Distribution Mains. Mr. Spanos proposed an average life of 72 years for this account, and I did not take issue with that estimate in this case. If the assets in this account will last 72 years, on average, then under a basic straight line depreciation formula those assets would simply be recovered over 72 years. However, after applying the ELG method, the period of time those dollars would actually be recovered over is only 43 years.[14] Which

[14] OCA-IX-003 – Attachment C, Gannett Fleming 2027 Depreciation Study for Peoples Natural Gas Company, p. 543 of 676 (Table 1).

means the cost recovery period is *nearly cut in half*. There is no better description of the ELG method using plain language than an *accelerated* depreciation method. To say that cutting a cost recovery in period to half of its undisputed service life is somehow better for current customers defies basic reasoning, ignores the time value of money, and disregards any fundamental understanding of organizational behavior. As discussed above, the ELG method is exclusively a profit maximizing tactic for the Company that has nothing to do with fairness.

Q. Do you agree with Mr. Spanos that Peoples' annual depreciation updates address your concerns about proper application of the ELG method?

A. No. In theory, annual updates to depreciation rates would make ELG depreciation rates more accurate in my opinion. However, even if depreciation studies are updated annually in Pennsylvania, it is my understanding that utility *rates* are not updated annually pursuant to any updates to a depreciation study. Thus, the unfair aspects of the ELG procedure that cause current customers to subsidize future customers are not alleviated by an annual update to a utility's depreciation study. That is, the accelerated depreciation rates that occur when rates are adopted under the ELG procedure would continue to burden customers until the utility's next rate proceeding when customer rates are actually changed.

Q. Do you have a brief response to Mr. Tufarolo's testimony regarding your proposed depreciation rates?

A. Yes. I his rebuttal testimony, Mr. Tufarolo states that he does not agree with my depreciation recommendation.[15] However, Mr. Tufarolo offers no independent technical or other analyses to support his opinion. For the same reasons I disagree with Mr. Spanos on depreciation issues, I would also disagree with Mr. Tufarolo.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

[15] Peoples Statement No. 12-R, Rebuttal Testimony of Nick Tufarolo, at p. 2.

OCA Exhibit DG-3SR

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-IX-021

Witness: Spanos, John **Title:** President, Gannett Fleming Valuation and Rate Consultants, LLC

Question: Referring to the Direct Testimony of Mr. Spanos regarding the depreciation system used to develop the depreciation rates proposed in the depreciation studies:

a. Please confirm whether the ALG or ELG methods were used in developing the proposed depreciation rates.

b. If the ELG method was used, please explain whether using the ELG method results in higher depreciation rates relative to the ALG method in this case?

c. In Mr. Spanos's opinion, is it reasonable to use the ALG method?

d. Has Mr. Spanos proposed the ALG method in other jurisdictions?

e. Does Mr. Spanos use the ALG method more than the ELG method when conducting depreciation studies?

f. Please provide the remaining life calculations for each account in the depreciation studies using the ALG method only.

Answer: a. The proposed depreciation rates were developed utilizing both ALG and ELG procedures. ALG was used for vintages 1982 and prior and ELG was used for vintages 1983 and subsequent.

b. The ELG and ALG (otherwise identified as Average Service Life (ASL)) procedures produce the same overall expense over the life of all assets. The ELG procedure is the more accurate procedure for matching recovery of the assets to their utilization. Therefore, the ELG procedure will produce higher depreciation rates if the asset base is growing in the early ages.

c. Mr. Spanos has used the ELG and ALG procedure across the country for many utilities. ELG procedure is the more accurate procedure, but the ALG procedure is easier to understand. As stated in part a) if this response both ALG and ELG are being utilized.

d. Mr. Spanos has proposed the ALG and ELG procedures in other jurisdictions as both are appropriate procedures.

e. In Pennsylvania, Mr. Spanos uses the ELG procedure for almost every depreciation study he

and his colleagues perform. In other jurisdictions he utilizes the ALG procedure more often due to precedent in those states.

f. The remaining life calculations for each account using only the ALG procedure for all vintages has not been conducted as part of the depreciation studies for this case.

Submit Date: 5/18/2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC
:

VERIFICATION

I, David J. Garrett, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement No. 3SR, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 31, 2026

Signature:

David J. Garrett

Address: 5000 Carrington Pl
Oklahoma City, OK 73131

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company	:	

Direct Testimony of Roger Colton

on behalf of

Pennsylvania Office of Consumer Advocate

OCA Statement 4

Date Served: June 18, 2026

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Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Roger Colton. My address is 34 Warwick Road, Belmont MA 02478.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I own the firm Fisher Sheehan & Colton, Public Finance and General Economics of Belmont, Massachusetts. In that capacity, I provide technical assistance to a variety of federal, state, and municipal agencies, consumer organizations, and public utilities on rate and customer service issues involving water/sewer, natural gas and electric utilities.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of the Pennsylvania Office of Consumer Advocate (OCA).

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.

A. While I work primarily on low-income utility issues, my work has also incorporated an examination of how and why industries are subject to regulation. In research I did for Oak Ridge National Laboratory (ORNL), for example, I examined the underpinnings of a "duty to serve" in the electricity, health care, and insurance industries.[1] That research was carried forward in an article I co-authored and published in the *Journal of Public Health* regarding the lessons for the health industry from public utilities. The information was also reflected in my *Electricity Journal* article on lessons regarding "provider of last resort" for the utility industry derived from the insurance industry.[2] My book on the regulation of rural electric cooperatives (RECs) considered how and why RECs would be

[1] Roger D. Colton, *The Obligation to Serve and a Restructured Electric Industry*, Oak Ridge Nat'l Laboratory (May 1997) (prepared for the U.S. Department of Energy).

[2] Roger D. Colton, *Provider of Last Resort: Lessons from the Insurance Industry*, 11 Electricity J. 77 (December 1998).

subject to public oversight, even if not regulated by a state utility commission. This work notes the need for regulatory constraints on the price-setting of public utilities, as monopolies, and the regulatory enforcement of public obligations of utilities as public service corporations, including, for purposes of this testimony, the obligation to provide reasonably adequate service at just and reasonable rates. My work on the recovery of investments in "excess capacity" in the electric industry involves considerations of the authority of state regulatory commissions to control the recovery of and on invested capital in the electric industry.[3]

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. After receiving my undergraduate degree in 1975 from Iowa State University, I received my law degree in 1981 from the University of Florida. I received my Master's Degree (Regulatory Economics) from the MacGregor School of Antioch University in 1993.

Q. HAVE YOU EVER PUBLISHED ON PUBLIC UTILITY REGULATORY ISSUES?

A. Yes. I have published three books and more than 80 articles in law and economics journals. I have published an equal number of technical reports for various clients on energy, water, telecommunications and other associated low-income utility issues. My most recent publication is a chapter in the book "Energy Justice: US and International Perspectives," published by Edward Elgar Publishing in London. My chapter was titled "The equities of efficiency: distributing usage reduction dollars." It offers an objective definition of "equity" based on legal and economic doctrine.

[3] Roger D. Colton, *Prudence, Planning and Principled Ratemaking*, 35 Hastings L. J. 721 (1984); *see also*, Roger D. Colton, *Excess Capacity: Who Gets the Charge from the Power Plant?*, 33 Hastings L. J 1133 (1983); Roger D. Colton, *Excess Capacity: A Case Study in Ratemaking Theory and Application*, 20 Tulsa L. J. 402 (1985) (reprinted VIII Public Utilities Anthology 739).

Q. HAVE YOU EVER TESTIFIED BEFORE THIS OR OTHER UTILITY COMMISSIONS?

A. I have testified before the Pennsylvania Public Utility Commission ("PUC" or "Commission") on numerous occasions regarding utility issues affecting low-income customers and customer service. I have also testified in regulatory proceedings in 43 states (in addition to Pennsylvania) and various Canadian provinces on a wide range of utility issues. A list of the jurisdictions in which I have testified is listed in OCA Exhibit RDC-1.

I have long testified about the regulatory connections, in law and economics, between inquiries into "affordability" and aspects of utility ratemaking not involving the structure and operation of universal service programs. That is the scope and purpose of my testimony in this case.

As I have noted in prior testimony to this Commission, the principles articulated in *Hope* and *Bluefield*, discussed in more detail below, are not simply directed to the interests of investors.[4] Rather, *Hope* and *Bluefield* clearly require a balancing of investor and ratepayer interests. My prior testimony has explained how it is not possible for the Pennsylvania Commission, or any commission, to balance the interests of investors and ratepayers unless they fully understand the interests of both investors and ratepayers.

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR DIRECT TESTIMONY.

[4] *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944); *Bluefield Water Works and Improvement Co. v. Public Serv. Comm'n of W.Va.*, 262 U.S. 679, 692-93 (1923).

A. My Direct Testimony presents a review of the Peoples Natural Gas ("Peoples" or "Company") rate increase request in the following parts:

- Part 1 examines the role of affordability in setting utility rates. "Affordability" issues are not limited to low-income payment difficulties. They extend to the residential customer population as a whole. I will examine the current and proposed rates of Peoples.

- Part 2 examines the effectiveness and efficiency of the Company's credit and collection activities. An examination of these activities is mandatory under Section 523 of the Public Utility Code;

- Part 3 examines the disparate racial impacts of the Company's nonpayment disconnections;

- Part 4 examines the need to develop and implement alternatives to the collection and retention of customer Social Security Numbers ("SSNs");

- Part 5 examines the reasonableness of certain modifications proposed to the Customer Assistance Program ("CAP") tariff, including changes to the CAP offset included in the Universal Service Program ("USP") Rider; and

- Part 6 examines the reasonableness of collecting certain new ancillary CAP expenditures through the USP Rider.

Summary of Recommendations

Q. PLEASE SUMMARIZE THE RECOMMENDATIONS YOU MAKE IN YOUR TESTIMONY BELOW.

A. Based on the data and discussion I present in my testimony below, I recommend the following with respect to the rate hike proposed by Peoples:

- That Peoples be directed to implement, as an adjustment pursuant to Section 523 of the Public Utility Code, a fifty-fifty sharing of the credit and collection expenses which Peoples most recently reported to the Commission's Bureau of Consumer Services.

- That Peoples be directed to conduct an independent root cause analysis to determine what is driving the disproportionate level of utility disconnections

within the Company's service territory. Once this root cause analysis is conducted, Peoples should commit to taking steps to address the cause with the commitment of reducing the disproportionate level of disconnections. The extent to which Peoples mitigates the disproportionate disconnection of service for nonpayment in zip codes with high penetrations of Black households should be reviewed in Peoples next base rate case.

- That Peoples be directed to develop and adopt, within 12-months after a final order in this proceeding, an alternative to the use of Social Security Numbers.

- That Peoples adopt the same process for establishing a base CAP participation as other Pennsylvania utilities have adopted. The base number should be set at the month-end participation as of the month of a Final Order in this proceeding.

- That the CAP offset be established in the same fashion it was established in the Peoples 2023 base rate case. Using that methodology, an offset of 8.1% is reasonable. The offset of 1.93% proposed by Company witness Scanlon should be rejected.

- That the specific universal service expenditures proposed by the Company should be approved, with the stipulation that those expenditures should be recovered through base rates rather than through the Universal Service Rider. The two specific expenditures addressed by this recommendation are: (1) Peoples proposal to hire a new staff person to facilitate the Company's compliance with the recent Commission rulemaking regarding the Low-Income Usage Reduction Program (LIURP); and (2) Peoples proposal to include the costs of studies to "identify zones of vulnerability" as well as miscellaneous communications costs.

- That Peoples proposal to modify its CAP rules to allow the Company to remove CAP customers for engaging in "recreational gas use" be denied.

- That Peoples proposal to reverse CAP benefits for participants who "obtain benefits" "through fraudulent means" and to rebill those reversed benefits to CAP participants should be denied.

Finally, while I agree with the Commission's "favoring" a "flat fee model based upon the Large Load Customer's peak demand as opposed to a volumetric charge," I recommend a somewhat different flat fee model because my recommendation is to allocate a portion of

universal service costs to *all* customer classes, and, while the Commission's "peak demand" methodology might easily apply to large load customers, it would not easily transfer to all customer classes. Nonetheless, I recommend incorporating the notion of allocating costs based on a "flat fee" basis into the allocation of CAP costs between customer classes. I recommend that the costs to be allocated among all customer classes by the total CAP costs (CAP Credits + Arrearage Forgiveness + Administration) reported by the Company to the Pennsylvania PUC in the most recently completed calendar year prior to the year in which the Company receives a final order in a base rate case. The interclass allocations should be based on each class's allocation of total distribution revenue requirement (excluding taxes) agreed to in a settlement of this case, or that is approved by a final PUC Order if the case is litigated.

Part 1. The Role of Affordability in Setting Rates for Peoples.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I examine what role assessing the affordability of Peoples' rates plays in reviewing the Company's proposed rate increase. I find that assessing the impact of the Company's rates on affordability is not confined to a review of impacts on low-income customers, nor is a review of the affordability of the Company's rates confined to a review of Universal Service Programs. Instead, a review of affordability is a fundamental step in assessing the extent to which, if at all, a utility's proposed rates are "just and reasonable." This review begins with an assessment of the affordability of Peoples' bills at existing rates and continues with a review of the impact of the Company's proposed rates on affordability.

Q. DO YOU BASE YOUR REVIEW OF THE AFFORDABILITY OF PEOPLES RATES ON ANY STATUTORY FOUNDATION?

A. Yes. The Pennsylvania Public Utility Code provides that "[e]very rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable, and in conformity with regulations or orders of the commission."[5] In Pennsylvania, the Commission has repeatedly held that one aspect of the "just and reasonable" standard is that rates are to be affordable.

In addition, the statute creating the Office of Consumer Advocate, on whose behalf I am testifying in this proceeding, explicitly provides that:

> In addition to any other authority conferred upon him (sic) by this act, the Consumer Advocate is authorized, and it *shall be his duty*, in carrying out his responsibilities under this act, to represent the interest of consumers as a party, or otherwise participate for the purpose of *representing an interest of consumers*, before the commission in any matter properly before the commission … . The Consumer Advocate may exercise discretion in determining the interests of consumers which will be advocated in any particular proceeding and in determining whether or not to participate in or initiate any particular proceeding and, in so determining, *shall consider* the public interest, the resources available and *the substantiality of the effect of the proceeding on the interest of consumers*.[6]

It would make no sense for the legislature to statutorily impose a duty ("shall be his duty") to represent the interests of consumers, and in so doing, impose the further statutory duty to consider ("shall consider") the "substantiality of the effect of the proceeding on the interest of consumers" if the exclusive authority of

[5] 66 Pa.C.S. § 1301.
[6] 71 P.S. § 309-4 (emphasis added).

the Commission is to "ensure that rates are just and reasonable based on the prudent costs of providing utility service."

Q. IS THERE ANY INDUSTRY RECOGNITION OF THE NEED TO CONSIDER AFFORDABILITY IN SETTING UTILITY RATES?

A. Yes. Affordability has increasingly become a major concern in setting the credit ratings of public utilities.[7] Citing the National Energy Assistance Directors Association ("NEADA") report that "about one in six Americans are behind on their bills," Moody's was quoted as noting that fuel prices and economic factors "raise residential customer affordability issues … ."[8] The Edison Electric Institute ("EEI") *also* publishes an annual "financial review," which includes an examination of credit agency ratings. In its review of the Fourth Quarter of 2024, EEI reported that at the start of 2025:

> S&P maintained a negative outlook for regulated utilities, which it revised from stable in February 2024. Moody's maintained a stable outlook for regulated utilities. Fitch Ratings published a neutral sector outlook for North American Utilities. The agencies cited rising levels of capital spending, *customer bill affordability*, and extreme weather activity due to climate change as key themes they are watching.[9]

Similarly, in its Annual Financial Review for 2023, EEI specifically stated: "S&P noted that effective management of regulatory risk will be key to maintaining the industry's credit quality going forward. This will require … management of customer bill

[7] *See e.g.*, *White Paper: Affordability is Emerging as a Defining Issue for the U.S. Investor-owned Electric Utility Industry*, S&P Global (March 11, 2025).
[8] Robert Walton, *Moody's adopts negative outlook for regulated utility sector, warns on gas prices, economy and cost recovery*, Utility Dive (Nov. 2022);"; *see also*, Shalini Mahajan, *Deteriorating Outlook for North American Utilities, Power and Gas in 2024*, Fitch Ratings (Dec. 2023) ("Affordability concerns for ratepayers continue to persist despite the pull back in natural gas prices and inflationary pressures.").
[9] *2024 Financial Review*, EEI at 26 (2025) (emphasis added).

impacts."[10] EEI also said that Fitch maintained its deteriorating outlook in the sector in part because "customer affordability concerns will persist despite reductions in natural gas prices and inflation."[11] While I obviously acknowledge that EEI is the industry association for electric utilities, the same observations expressed above would equally apply to a natural gas utility such as Peoples.

In light of not merely the propriety of considering affordability, but also of the need to consider affordability, in setting utility rates, I will review the affordability of Peoples rates from four different perspectives below: (1) from the perspective of Peoples' low-income customers; (2) from the perspective of Peoples' moderate-income customers; (3) from the perspective of Peoples' customer base as a whole; and (4) from the perspective of other financial challenges now facing Peoples residential customers.

Q. IS A CONSIDERATION OF AFFORDABILITY A FUNDAMENTAL ASPECT OF SETTING UTILITY RATES IN ANY OTHER FASHION?

A. Yes. A consideration of the affordability of the rates charged by a public utility is a critical aspect of establishing a utility's return on equity. The principles articulated in *Hope* and *Bluefield* are not simply directed to the interests of investors. Rather, *Hope* and *Bluefield* both explicitly require a balancing of investor and ratepayer interests. The U.S. Supreme Court decisions in *Hope*[12] and *Bluefield*[13] each state that "the fixing of 'just and reasonable' rates involves a balancing of the investor and the consumer interests." It is,

[10] *2023 Financial Review*, EEI at 22 (2024).
[11] *Id.* at 23.
[12] *Hope*, 320 U.S. 591.
[13] *Bluefield*, 262 U.S. 679.

however, not possible for the Commission to balance the interests of investors and ratepayers unless it fully understands the interests of both investors and ratepayers.

A. The Affordability of Peoples Rates to Low-Income Customers.

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I examine the affordability of Peoples rates to low-income customers.[14] I measure the affordability of rates based on a household's Bill to Income Ratio. A Bill to Income Ratio is calculated by placing a household's energy bill in the numerator and placing the household's income in the denominator.

For purposes of this section of my testimony, I consider the affordability of Peoples bills to low-income households from two perspectives: (1) from the perspective of the First Quintile ("Q1") of income in the Peoples service territory;[15] and (2) from the perspective of absolute dollars of household income.[16] I examine data for all Peoples' zip codes for which Peoples reports having at least one (1) residential customer and for which the Census Bureau reports data.[17]

[14] As I observe above, this section of my testimony is independent of my review of the structure and operation of Peoples' Universal Service Programs. This review of the overall affordability of Peoples' rates to low-income customers does ***not*** serve as the foundation for any subsequent comments I make about Peoples' Universal Service Programs.

[15] The Census Bureau rank orders all households in a geographic area from lowest income to highest income. The Census Bureau then divides that rank ordering into five (5) equal parts, each part of which is called a "quintile." The "First Quintile" ("Q1") is that one-fifth of the population with the lowest income. The Fifth Quintile ("Q5") is that one-fifth of the population with the highest income. Average income by quintile is published annually by the Census Bureau in its American Community Survey ("ACS"), Table B19081.

[16] The ranges of income I use in this discussion are those ranges reported by the U.S. Census Bureau as published annually in the Census Bureau's American Community Survey ("ACS"), Table B19001.

[17] There may be geographic areas which are sufficiently small that the Census Bureau does not report data due to privacy concerns.

Q. PLEASE EXPLAIN WHAT YOU FIND WITH RESPECT TO THE Q1 INCOME IN THE PEOPLES SERVICE TERRITORY?

A. I consider the affordability of rates for low-income customers from two different perspectives. First, I examine the degree to which Peoples' bills for median usage in the most recent twelve months (April 2025 through March 2026) exceed an affordable bill. Second, I examine the degree to which Q1 incomes fall short of the income that would be required for a Peoples' bill (median usage, most recent twelve months). The results both at existing rates and at the rates proposed in this proceeding are set forth in the Table below.

Table 1 shows that even at existing rates, the extent to which customers with Q1 incomes face bills that exceed an affordable amount is significant. In 42 of the 402 Peoples' zip codes (shaded in yellow below), Q1 customers face bills at existing rates that exceed an affordable bill by $1,000 or more. In 233 *additional* zip codes (shaded in blue below), the amount by which Peoples' bills at existing rates exceed the affordable bill (at a Q1 income) falls between $500 and $1,000. Those are *not* the amounts of the total bills, but rather are the dollar amounts by which the total bills exceed the affordable amount.

Table 1. Excess Bill Over Affordable Bill at Q1 Income
(Existing Rates[18] and Proposed Rates[19])

Existing Rates, Median Usage		Proposed Rates, Median Usage	
Excess Bill Over Affordable Q1 Bill at Existing Rates	No. of Zip Codes	Excess Bill Over Affordable Bill at Proposed Rates	No. of Zip Codes
<$0	1	<$0	0
$0 - $100	101	$0 - $100	101
$100 - $200	5	$100 – $200	0

[18] Peoples' response to OCA-IV-46.
[19] Peoples' response to OCA-IV-47.

$200 - $300	1	$200 - $300	0
$300 - $400	5	$300 - $400	1
$400 - $500	14	$400 - $500	3
$500 - $600	25	$500 - $600	3
$600 - $700	28	$600 - $700	3
$700 - $800	63	$700 - $800	11
$800 - $900	76	$800 - $900	16
$900 - $1000	41	$900 - $1000	26
$1000 - $1100	30	$1000 - $1100	57
$1100 - $1200	11	$1100 - $1200	69
$1200 - $1300	1	$1200 - $1300	62
Grand Total	**402**	$1300 - $1400	32
		$1400 -$1500	16
		$1500 - $1600	2

The rates proposed by Peoples in this proceeding will exacerbate these affordability problems even more. At proposed rates, 238 of the 402 Peoples' zip codes (shaded in green) would have bills that exceed an affordable bill at proposed rates by $1,000 or more at the average Q1 income for each zip code.

Table 2 looks at fundamentally the same question of Q1 affordability, but from the perspective of incomes rather than bills. The Table shows the dollar amounts by which the Q1 income in Peoples' zip codes fall short of the incomes that would be needed for Peoples' bills to be affordable (at both existing and proposed rates). For example, the Table shows that, at existing rates, in 183 of Peoples 402 zip codes (shaded in yellow), Q1 households would need an additional annual income of $25,000 or more in order to afford Peoples' existing rates. The Table shows that at proposed rates, in 212 of Peoples

402 zip codes (shaded in green), Q1 households would need an additional income of $35,000 or more in order to afford the resulting bill.

Table 2. Q1 Income Deficit Below Income Needed to Afford Peoples Bill
(Existing Rates[20] and Proposed Rates[21])

Existing Rates, Median Usage		Proposed Rates, Median Usage	
Excess Bill Over Affordable Q1 Bill at Existing Rates	No. of Zip Codes	Excess Bill Over Affordable Bill at Proposed Rates	No. of Zip Codes
<$0	1	<$0	0
$0 - $4,999	102	$0 - $4,999	101
$5,000 - $9,999	5	$5,000 - $9,999	0
$10,000 - $14,999	12	$10,000 - $14,999	1
$15,000 - $19,999	32	$15,000 - $19,999	6
$20,000 - $24,999	67	$20,000 - $24,999	7
$25,000 - $29,999	100	$25,000 - $29,999	23
$30,000 - $34,999	62	$30,000 - $34,999	52
$35,000 - $39,999	20	$35,000 - $39,999	100
$40,000 - $44,999	1	$40,000 - $44,999	77
		$45,000 - $49,999	33
		$50,000 - $54,999	2

Q. HAVE YOU EXAMINED THE AFFORDABILITY OF PEOPLES BILLS TO LOW-INCOME CUSTOMERS IN ANY OTHER WAY?

A. Yes. In addition to my examination of affordability in light of relative incomes (Q1 incomes), I have also examined the affordability of Peoples rates in light of absolute dollars of income. I calculate the natural gas burden at different income ranges which are at or below $50,000. I select $50,000 because this is roughly equal to 200% of the Federal Poverty Level ("FPL") for a household with three persons in 2026 (200% FPL

[20] Peoples' response to OCA-IV-46.
[21] Peoples' response to OCA-IV-47.

for a three-person household in 2026 would be $54,640). I use the income ranges reported by the Census Bureau (with the range closest to 200% of FPL being $45,000 to $49,999). In the Peoples' zip codes, 34.6% of all households live with income at or below $49,999. The burdens at Peoples' existing and proposed rates are set forth in the Table below. The Table establishes that Peoples bills represent more than 26% of income for households with income less than $10,000 at existing rates, and nearly 33% of income at the rates proposed in this proceeding. Even with income as high as $45,000 to $49,999, Peoples' bill burdens range from 2.8% (existing rates) to 3.5% of income (proposed rates).

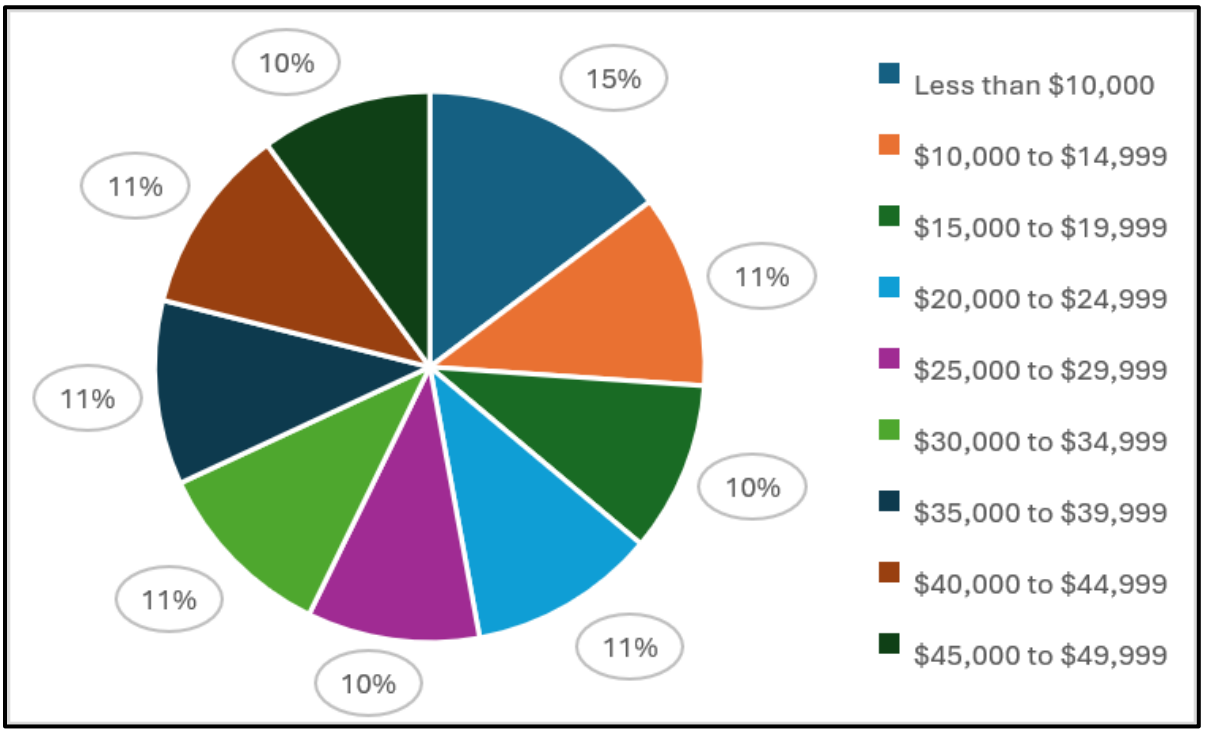
Table 3. Peoples Burdens at Existing and Proposed Rates
(Bill at Existing Rates = $1,322 / Bill at Proposed Rates = $1,658)

Income Range	Income Mid-Point	Burden at Existing Rates	Burden at Proposed Rates
Less than $10,000	$5,000	26.4%	33.2%
$10,000 - $14,999	$12,500	10.6%	13.3%
$15,000 - $19,999	$17,500	7.6%	9.5%
$20,000- $24,999	$22,500	5.9%	7.4%
$25,000 - $29,999	$27,500	4.8%	6.0%
30,000 - $34,999	$32,500	4.1%	5.1%
$35,000 - $39,999	$37,500	3.5%	4.4%
$40,000 - $44,999	$42,500	3.1%	3.9%
$45,000 - $49,999	$47,500	2.8%	3.5%

The data in my testimony not only evaluates the burden of Peoples' bills at each income level but also the distribution of households at each income level. Figure 1 below shows that more than one-of-four households (15% + 11% = 26%) with income less than $50,000 in the Peoples service territory have income less than $15,000 (with burdens ranging from 13% to 33% at proposed rates). Nearly two-in-five (15% + 11% + 10% =

36%) have income less than $20,000, while nearly half (15% + 11% + 10% + 11% = 47%) have income less than $25,000. The large financial burdens which Peoples imposes on its low-income customers, whether at existing rates or at proposed rates, is evident.

Figure 1. Distribution of Households by Income Range Less than $50,000



B. The Affordability of Peoples Rates to Moderate-Income Customers.

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I examine the affordability of Peoples rates to moderate-income customers. In assessing the affordability to moderate-income customers, I examine data for Asset-Limited, Income Constrained, Employed ("ALICE") customers in Luzerne County.

Q. PLEASE DESCRIBE THE TERMINOLOGY YOU USE WHEN REFERENCING THE ALICE DATA.

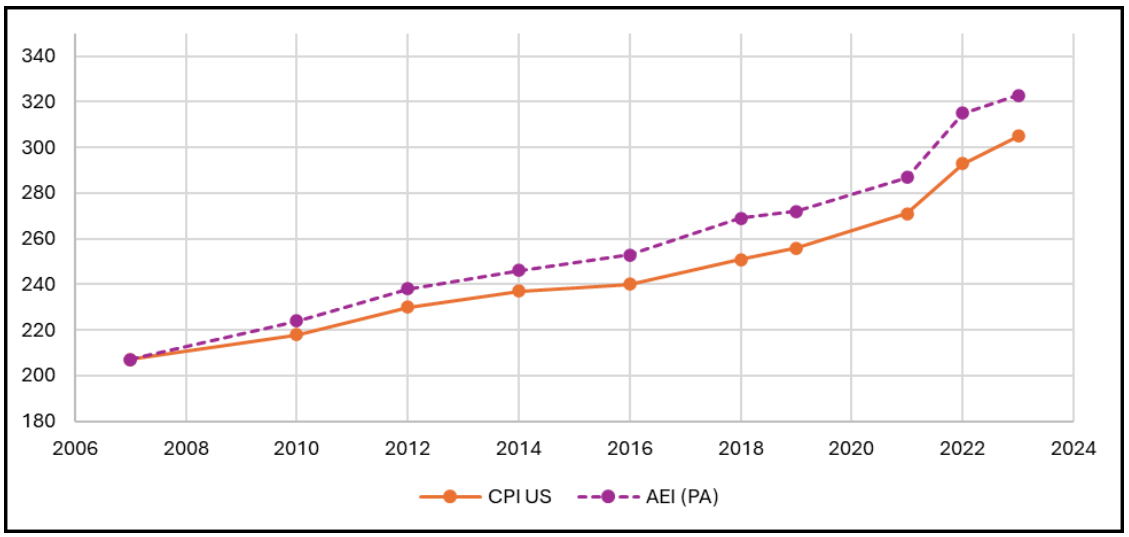
A. There are three basic terms that are used in presenting and assessing ALICE data for a particular geographic area:

- **The ALICE Survival Budget**. The ALICE Survival Budget tracks the cost of household necessities that matter most to ALICE households: housing, child care, food, transportation, health care, and basic technology. According to United for ALICE, the United Way research arm which addresses the economic issues facing ALICE households, the ALICE Budget differs from the budget used by the U.S. Bureau of Labor Statistics ("BLS") to calculate the Consumer Price Index (the traditional measure of inflation). The budget which BLS uses tracks over 200 goods and services. These include items that financially insecure households cannot afford on a regular basis (e.g., full-service meals at restaurants, wine, major appliances, flights, and jewelry). In contrast, the ALICE Budget is limited to household essentials.[22]

- **The ALICE Essentials Index:** The ALICE Essentials Index is the rate of price increases for the limited market basket of household essentials: housing, child care, food, transportation, health care, and a smartphone plan. According to the 2025 ALICE report for Pennsylvania, the ALICE Essentials Index has consistently outpaced the broader CPI nationwide.[23] Nationally, the ALICE Essentials Index has outpaced the broader CPI nationwide since 2007. Between 2021 and 2023, the ALICE Essentials Index increased at an annual rate of 7.3% compared to 6.1% for CPI. The ALICE report for Pennsylvania reported that "in Pennsylvania, the ALICE Essentials Index also tended to increase faster than CPI … ."

[22] ALICE Essentials Index, available at https://www.unitedforalice.org/essentials-index.
[23] The State of ALICE in Pennsylvania: Costs Over Time: The ALICE Essential Index, https://www.unitedforalice.org/costs-over-time/pennsylvania.

Inflation: Alice Essential Index (AEI) vs. Consumer Price Index (CPI) (Pennsylvania)



The Pennsylvania ALICE Report found that "[w]hile wages have risen substantially in recent years, so have costs. And even in occupations where wages are growing faster than costs, wages started from such a low level that many workers are still not able to cover household essentials."[24]

- **<u>The ALICE Wage</u>:** The ALICE Wage is expressed on a monthly, annual and hourly basis. The Alice Wage represents the dollar amount needed to be earned that is equivalent to the household's ALICE Survival Budget. A wage lower than the ALICE Wage means the wage-earner can *<u>not</u>* meet the ALICE Survival Budget. A wage higher than the ALICE Wage means the wage-earner is meeting the ALICE Survival Budget with some additional earning capacity left over. The ALICE Wage differs by household size and composition, as well as by the number of wage earners in the household.

Q. HAVE YOU EXAMINED THE WAGES NEEDED TO MEET THE ALICE SURVIVAL BUDGET IN THE COUNTIES SERVED BY PEOPLES?

A. Yes. I have reviewed the ALICE Wage for the sixteen largest counties served by Peoples. As I described above, the dollars needed for a household to meet the ALICE Survival Budget is known as the ALICE Wage. The ALICE Wage for the Peoples' counties I examine is set forth in Table 4 below. Five counties stand out as expensive: Allegheny,

[24] Id.

Beaver, Greene, Washington, and Westmoreland. For a two-person household (one adult/one child that requires childcare) the highest cost county, Allegheny, has a "Survival Budget" of $27.80 per hour, compared to the lowest, Jefferson, with a required budget of only $21.61. For a household with two adults and two children that requires child care, the highest hourly Survival Budget is $38.29 (Allegheny county) and the lowest is still in excess of $31 (Clarion: $31.37). Having children in childcare noticeably increases the Survival Budget in every county.

Table 4. ALICE Survival Budget (Peoples counties)

Name	Single Adult	One Adult One Child	One Adult One Childcare	Two Adults	Two Adults Two Children	Two Adults Two Childcare
Allegheny	$16.55	$23.75	$27.80	$23.41	$38.29	$47.08
Armstrong	$13.27	$19.88	$23.18	$20.03	$33.08	$40.09
Beaver	$15.92	$22.35	$25.59	$22.50	$35.80	$42.68
Blair	$13.75	$20.67	$23.11	$21.29	$33.40	$38.28
Butler	$13.75	$20.67	$23.11	$21.29	$33.40	$38.28
Cambria	$13.88	$19.45	$21.89	$20.07	$32.29	$37.18
Clarion	$13.96	$19.35	$21.89	$19.91	$31.37	$36.77
Fayette	$15.71	$22.18	$25.79	$22.11	$35.54	$43.29
Greene	$14.51	$20.69	$24.29	$20.66	$33.65	$41.39
Indiana	$13.68	$20.56	$23.80	$20.73	$33.42	$40.30
Jefferson	$12.93	$19.12	$21.61	$19.72	$31.77	$37.12
Lawence	$13.34	$20.11	$23.33	$20.30	$33.79	$40.64
Mercer	$13.77	$19.54	$22.42	$19.94	$32.44	$38.81
Somerset	$14.36	$19.91	$22.36	$20.53	$32.14	$37.05
Washington	$16.12	$22.87	$26.40	$22.84	$36.77	$44.39
Westmoreland	$16.04	$22.75	$26.30	$22.72	$36.56	$44.20

Given these high Survival Budgets in Peoples' counties, it is not surprising that a substantial number of jobs simply do not adequately support household finances. The

Table below shows "top jobs" in Pennsylvania, along with their median hourly wage. At the low end of median hourly wages are fast food and counter workers, personal care aides, cashiers, waiters and waitresses, and retail salespersons (with a combined employment of nearly 700,000). Even at the "high" end of those jobs listed, however, the median hourly wages do not substantially exceed $20 per hour.

Table 5. Top Occupations, Employment, Wages, and Percentage Below ALICE Threshold (Pennsylvania, 2023)[25]

Occupation	Total Employment	Median Hourly Wage	% Below ALICE Threshold
Personal Care Aides	213,020	$13.94	44%
Laborers And Freight, Stock, And Material Movers, Hand	150,470	$18.84	33%
Driver/Sales Workers and Truck Drivers	148,580	$20.93	27%
Fast Food and Counter Workers	139,950	$13.36	40%
Retail Salespersons	134,160	$14.51	29%
Cashiers	126,400	$14.40	42%
Office Clerks, General	122,170	$19.62	23%
Customer Service Representatives	112,850	$20.00	24%
Janitors And Building Cleaners	112,580	$16.93	43%
Stockers And Order Fillers	104,930	$17.16	34%
Cooks	87,580	$15.35	42%
Waiters And Waitresses	81,500	$14.28	36%
Secretaries And Administrative Assistants, Except Legal, Medical, And Executive	81,320	$20.20	20%
Orderlies And Psychiatric Aides	69,910	$19.65	36%
Nursing Assistants	65,220	$18.53	44%

Given these low wages, ALICE finds that there is a substantial number of households in the Peoples' counties that do not earn sufficient income to meet their hourly ALICE

[25] https://www.unitedforalice.org/labor-force/pennsylvania.

Survival Budgets. The Table below documents, for the two most recent years available, the percentage of households in each county that fall below the Poverty Level, and that fall above Poverty, but below the ALICE Survival Budget.

Table 6. Percent Households Below Poverty and Below ALICE Survival Budget (Peoples counties)

	2022			2023		
County	Below Poverty	Below ALICE	Total	Below Poverty	Below ALICE	Total
Allegheny	12%	29%	41%	12%	25%	37%
Armstrong	12%	31%	43%	12%	27%	39%
Beaver	11%	28%	39%	11%	29%	40%
Blair	14%	28%	42%	14%	34%	48%
Butler	10%	27%	37%	10%	25%	35%
Cambria	18%	28%	46%	13%	32%	45%
Clarion	15%	30%	45%	14%	28%	42%
Fayette	19%	31%	50%	19%	30%	49%
Greene	13%	29%	42%	13%	29%	42%
Indiana	15%	37%	52%	16%	32%	48%
Jefferson	13%	32%	45%	15%	38%	53%
Lawence	13%	30%	43%	24%	25%	49%
Mercer	13%	30%	43%	12%	26%	38%
Somerset	16%	37%	53%	12%	33%	45%
Washington	13%	27%	40%	10%	27%	37%
Westmoreland	10%	28%	38%	12%	27%	39%

Living with insufficient income simply is not rare in the Peoples' counties. At the lowest levels in 2023, five counties (Allegheny, Armstrong, Butler, Washington, and Westmoreland) had nearly four-of-ten households either below Poverty or below ALICE. At the highest levels, three counties (Blair, Fayette, and Jefferson) had at or above half of their households below Poverty or below ALICE.

These incomes make it difficult to pay utility bills, even at moderate income levels, as can be seen in the Table below. Table 7 documents that, in Pennsylvania, 10% to 13% of households with income between $100,000 and $200,000 were unable to pay their energy bill, or pay the full amount of their energy bill, in "almost every month," "some months" or "one or two months." The utility bill payment difficulties facing Pennsylvania customers are simply not confined to the lowest income tier. As incomes increase, the reported inability-to-pay declines.

Table 7. Household was unable to pay an energy bill or unable to pay the full bill amount (Pennsylvania)

	Almost every month	Some months	One or two months	Never	Total
Less than $25,000	7.8%	11.5%	23.4%	56.6%	99.3%
$25,000 - $34,999	15.6%	11.6%	5.0%	67.9%	100.0%
$35,000 - $49,999	14.5%	18.3%	7.6%	59.6%	100.0%
$50,000 - $74,999	2.7%	17.1%	6.1%	74.1%	100.0%
$75,000 - $99,999	2.5%	4.5%	11.6%	81.4%	100.0%
$100,000 - $149,999	3.4%	2.6%	6.6%	87.5%	100.0%
$150,000 - $199,999	4.8%	1.8%	2.7%	90.6%	100.0%
$200,000 and above	0.0%	2.1%	2.2%	95.7%	100.0%

As the Table above documents, in Pennsylvania, for households with annual income somewhat lower, but still modest ($75,000 to $100,000), the difficulties in paying home energy bills were even higher, with nearly 20% reporting that they were unable to pay an energy bill, or pay the full bill, in almost every month, some months, or one or two months

C. The Affordability of Peoples Rates to Residential Customers as a Whole.

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I examine the affordability of Peoples' rates to residential customers as a whole. In my analysis, I use the usage and billing data requested from, and provided by, Peoples through its discovery responses. I recommend that the Commission use the methodology proposed by Patterson and Doyle.[26] Writing in the October 2021 issue of the American Water Works Association's ("AWWA") "Water Science," these researchers explored "multiple affordability metrics within and across utilities."[27] After explicitly rejecting sole reliance on the median income as being non-representative, they recommend use of an "HB Score" ("HB" representing "household burden") for the service territory. The Patterson/Doyle analysis is based on readily available public information available through the annual American Community Survey published by the Census Bureau. I calculate the "HB Score" in four steps:

- Using the average Peoples usage and bill (as reported by the Company),[28] I calculate for each zip code the Peoples burden separately for each income range for households.[29] For each income range, I use the mid-point to represent that income range (e.g., for the income range $10,000 to $14,999, I use the mid-point of $12,500).
- I calculate a weighted household water burden for each income range within a zip code by dividing the number of households in each income range by the total

[26] While the Patterson/Doyle analysis was originally applied to water companies, there is no reason that the methodology would not be equally applicable to a natural gas utility (just as similar methodologies are used to assess burdens for natural gas and electric utilities). The input data for using the Patterson/Doyle methodology is derived from Census data. That data is not unique to water utilities. Overall, no data, and no calculation, used in the Patterson/Doyle methodology is unique to a water utility.

[27] Patterson & Doyle, *Measuring Water Affordability and the Financial Capabilities of Utilities*, AWWA Water Science (October 2021).

[28] Peoples' Responses to OCA IV-44 and OCA-IV-45.

[29] Income ranges are provided in the American Community Survey (Table B19001).

number of households in that zip code and multiplying that weight with the burden for that income range.

- I calculate the weight for each zip code by dividing the number of residential Peoples customers in that zip code by the total number of Peoples residential customers.
- I finally calculate the weighted burden for each zip code by multiplying the burden for each zip code with the zip code's weight.

Given those preliminary steps, the service territory HB Score is the sum of the weighted burdens for all zip codes within the service territory. As Patterson and Coyle do, I present the service territory HB Score as the weighted average.

For Peoples, the weighted average HB Score at existing rates is a burden of 3.8%. At proposed rates, the average HB Score for the Peoples service territory increases to 4.7%. As can be seen, the rate increase sought by Peoples in this proceeding will increase the HB Score by 24%, from 0.038 to 0.47 (([0.047 – 0.038] / 0.038 = 24%. The affordability problems that I document throughout my testimony, evidenced not merely by Bill-to-Income Ratios but also by payment patterns, will degrade even further given the rate increase sought by Peoples.

Q. IS THERE ANY OTHER WAY IN WHICH YOU HAVE EXAMINED THE AFFORDABILITY OF PEOPLES RESIDENTIAL RATES?

A. Yes. The increasing unaffordability of residential utility rates has been recognized for all types of utilities, including electricity, natural gas, and water. Unaffordability is seen as an issue which manifests itself through the presence of customer payment difficulties. For example, one industry analyst for S&P explained as to water companies:

> S&P Global Ratings does not think that affordability programs directly contribute to creditworthiness nor does it have a bias toward or against specific types of programs … . Well-constructed affordability programs can improve revenue certainty and stability by helping reduce delinquency and nonpayment rates.[30]

Again, the point here does not relate to the design and operation of Peoples' Universal Service Programs. Nor am I proposing to extend Peoples' Universal Service Programs beyond their current scope. Instead, it is the fact that the S&P analyst recognizes that addressing affordability "can improve revenue certainty and stability by helping reduce delinquency and nonpayment rates." Indeed, the S&P analyst concludes by stating that, from S&P's perspective, increasing rates and charges to the customer "remains an area that [S&P] will continue to watch closely. *We believe this could be the biggest key to rating stability*."[31]

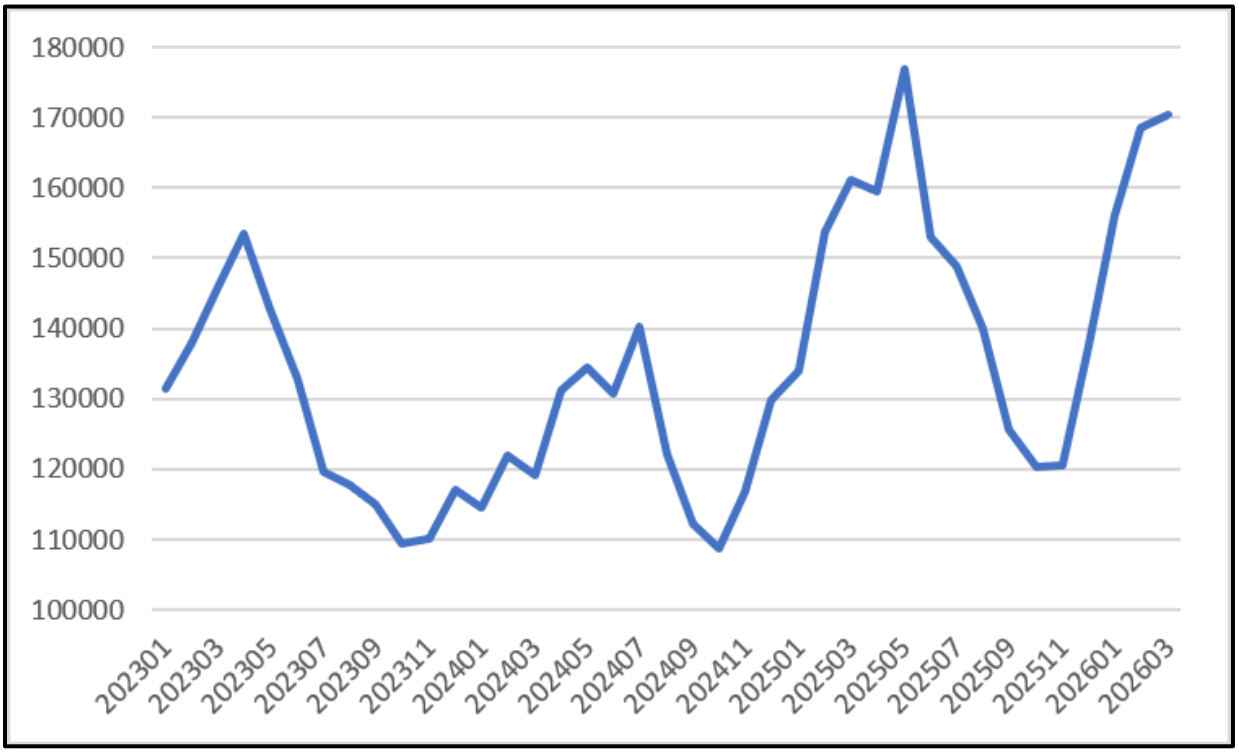
Q. HAVE YOU HAD OCCASION TO REVIEW THE "DELINQUENCY AND NONPAYMENT RATES" OF PEOPLES RESIDENTIAL CUSTOMERS?

A. Yes. The question here differs somewhat from the credit and collection question which I address elsewhere in my testimony. The issue is not whether the Company is acting effectively and efficiently in performing its credit and collection activities, or whether it is reasonably offering alternatives to those who cannot afford to pay. The issue is the extent to which, if at all, the Company's residential customers are having difficulties paying their bills. The answer is unquestionably yes.

[30] Erin Boeke Burke, Associate Director, Municipal and Cooperative Utilities, *Rates and Affordability, A Rating Agency Perspective*, S&P Global Ratings, Water Finance & Management (April 13, 2020).
[31] *Id.* (emphasis added).

I have discussed the payment difficulties of Peoples' residential customers in detail elsewhere. I further review some of that data below. The Figure below, for example, shows the total number of residential accounts in arrears for January 2023 through March 2026. The data clearly indicates not only an upward trend, but documents that, in the past year, the number of accounts has seen a substantial growth over prior years. The seasonal spikes in the number of accounts in arrears in March 2025 and March 2026 are noticeably higher on a year-over-year basis than the same seasonal increases in the two corresponding years of 2023 and 2024.

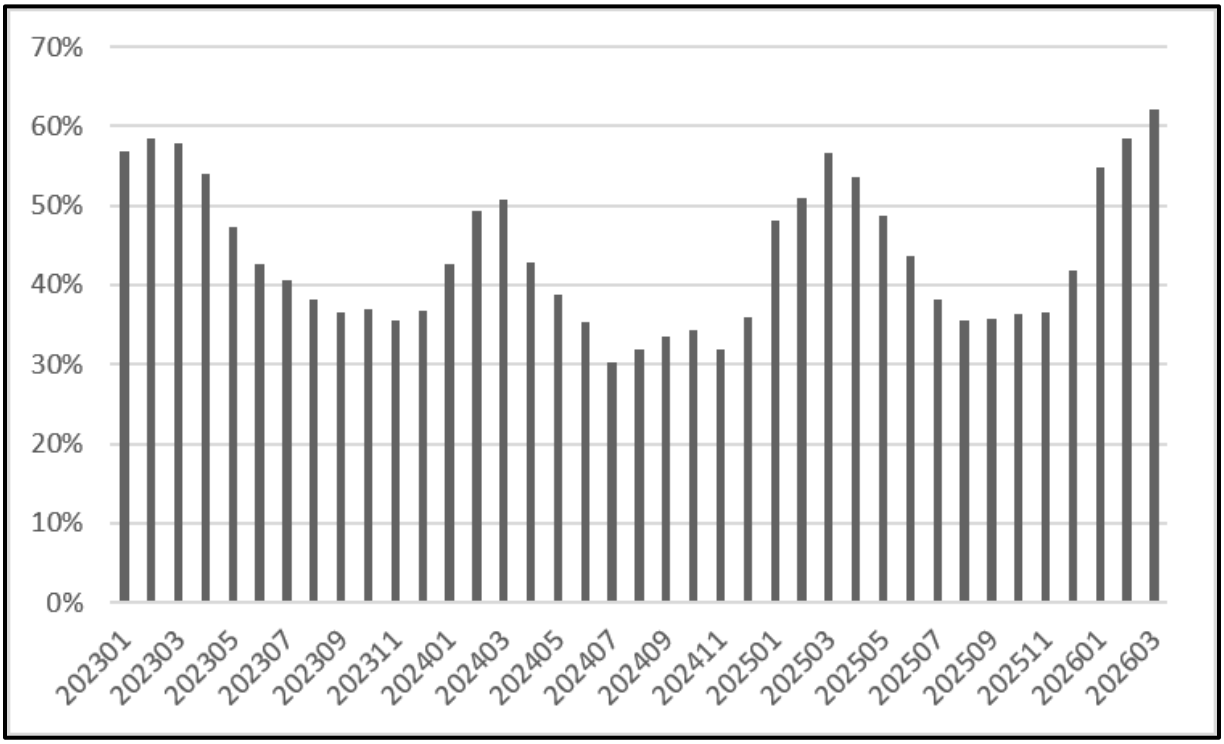
Figure 2. Peoples Total Residential Arrears ($s) (January 2023 – March 2026)



It is not merely the total number of accounts in arrears that is of concern, however. There is a level of arrears—the high number of Peoples' customers with 90-day balances of $300 or more—which gives rise to particular concern over whether the unpaid balances can and will be paid. The Figure below demonstrates that in March 2026, Peoples

reached a four-year high (March 2023, March 2024, March 2025, March 2026) in the number of such accounts that present serious payment difficulties. In March 2026, of the Peoples accounts in arrears, more than 60% had an unpaid balance of $300 or more.

Figure 3. Percentage of Peoples Residential Arrears with an Unpaid Balance of $300 or More (January 2023 – March 2026)[32]



It is not merely the level of arrears that is of concern, either, it is also the age of arrears. Just as Peoples has a high percentage of accounts with unpaid balances of $300 or more, the Company also has a high percentage of accounts that have unpaid balances that are 90 days old or older.[33] The number of accounts with 90+ day balances consistently remains between 40% and 50% of the total number of accounts in arrears. From a dollar perspective, in October 2023, the proportion of dollars in arrears that were, in fact, 90

[32] Peoples Response to OCA-IV-14.
[33] Peoples Response to OCA-IV-30.

days old or older reached 82%.[34] In October 2024, that proportion remained at 77%, while in October 2025, the proportion remained at 73%.

While I note that there was a temporary dip in 90+ arrears during 2024, overall, the Company's performance has declined on a year-over-year basis ever since. In every month January 2025 through March 2026, the percentage of accounts with an unpaid balance of $300 or more has been higher than the percentage in the corresponding month in the prior year (e.g., January 2025 is higher than January 2024, with January 2026 higher than January 2025; March 2025 higher than March 2024, with March 2026 higher than March 2025; every month in 2025 higher than the corresponding month in 2024).

Q. WAS THE INCIDENCE OF ARREARS (I.E., UNPAID BILLS) THE ONLY CONCERN WHEN YOU REVIEWED THE "DELINQUENCY AND NONPAYMENT RATES"?

A. No. I also examined those instances where nonpayment ultimately leads to the disconnection (or termination) of service. According to the Commission's Bureau of Consumer Services, "[t]ermination of public utility service is the most serious consequence of customer non-payment and is viewed as a last resort when customers fail to meet their payment obligations."[35]

Data both on the number of disconnections and on the dollars of arrears at the time of disconnection are presented in Table 8 below. When Peoples disconnects service to residential ratepayers, it places a considerable amount of funding at risk. Peoples

[34] Peoples' Response to OCA-IV-32.
[35] Bureau of Consumer Services, Universal Service Programs and Collections Performance, at 11.

continues to disconnect more than 21,000 residential accounts each year. When it disconnects service, it places customers at risk with unpaid balances that are owed at the time of disconnection. The unpaid balance at the time of disconnection for Peoples residential customers from 2023 through 2025 has averaged between $700 and $900.

Table 8. Number of Annual Disconnections and Arrears at the Time of Disconnection

	Number of Disconnections	Average Arrears at Time of Disconnection
2023	21,462	$904
2024	21,074	$691
2025	21,010	$766

Q. WHAT DO YOU CONCLUDE?

A. When measured by the "delinquency and nonpayment rates" of the Company's residential customers, it is clear that the Company faces a significant affordability problem. Although not all customers face affordability issues we must still acknowledge and weigh these concerns. Especially when one-half or more of Peoples' residential customers in arrears are, in fact, more than three months in arrears. Additionally, Peoples' assertion that bills are generally affordable to residential customers is not credible when its customers, who's service is being disconnected, have reached the point where they are $1,000+ in arrears at the time of disconnection.

D. The Affordability of Peoples Rates to Customers Facing Contemporary Financial Challenges.

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I examine the affordability of Peoples' rates in light of financial challenges now facing residential customers in the Peoples' service territory. The reasonableness of Peoples' rates is not determined in a vacuum. Instead, the

reasonableness of rates is determined in light of current economic conditions. Requested rate increases are of particular concern when they are not only part of the economic challenges facing households, but when they actively contribute to the economic challenges facing households.

Q. PLEASE EXPLAIN HOW THE UNAFFORDABILITY OF PEOPLES' RATES ARE CONTRIBUTING TO THE HOUSING AFFORDABILITY CRISIS IN THE PEOPLES SERVICE TERRITORY.

A. One of the biggest financial challenges to households in the Peoples service territory is the high cost of housing. The unaffordability of housing is substantial in Luzerne County, in particular, and is getting worse. This lack of affordable housing is significant because Peoples cannot dismiss it as a function of macroeconomic conditions and thus beyond the purview of the Pennsylvania PUC. Instead, the increasing rates of Peoples are a direct contributor to the housing affordability crisis in the Peoples service territory. I examine the increasing unaffordability of housing by looking at "gross rent" as reported by the U.S. Census Bureau.[36] I also examine data regarding Fair Market Rents reported by the U.S. Department of Housing and Urban Development ("HUD").[37] Data on each element documents that the affordability of housing in the zip codes which Peoples reports serving is sharply declining and that this decline is not a function of just low-income households.

[36] According to the Census Glossary of terms, "gross rent" is defined as "The amount of the contract rent ***plus the estimated average monthly cost of utilities*** (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else)." https://www.census.gov/glossary/?term=Gross+rent (emphasis added).

[37] "FMRs are HUD-established estimates of gross rent, taking into account both rent and ***the cost of necessary utilities.***" https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-leasing-rental-assistance-requirements/fmr/ (emphasis added).

Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT THE PEOPLES RATES ARE CONTRIBUTING TO THE DECLINE IN THE AFFORDABILITY OF HOUSING IN THE PEOPLES SERVICE TERRITORY?

A. I begin my examination with a review of the high housing burdens in the Peoples service territory (defined by the zip codes provided by Peoples as having residential customers).[38] To factor out the impact of low-income households, I examine the housing burdens in the time period 2019, 2022, 2023, and 2024 for households with three income ranges: (1) from $20,000 to $34,999; (2) from $35,000 to $49,999; and (3) from $50,000 to $74,999.[39] It is generally accepted that households with housing burdens exceeding 30% of household income are "over-burdened." To narrow my examination, I examined households with shelter burdens not merely exceeding 30% of income but exceeding 40% of income. The data is set forth in Table 9 below. I select data going back to the year before COVID and skip the two years that would be most affected by COVID (2020, 2021). The data documents that in each income range, the percentage of households with housing burdens substantially in excess of 30% is high and getting higher each year. Even households with income between $35,000 and $50,000 have burdens exceeding 40% of income in nearly one-of-four instances.

[38] Peoples' Response to OCA-IV-4.

[39] Using Census data means that I cannot examine 2025 data. The Census has yet to publish 2025 data. The most recent data available is through 2024.

Table 9. Percentage of Households in Selected Income Ranges with Gross Rent Burdens Exceeding 40% of Income (Peoples zip codes)[40]

Income	$20,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999
2019	32.4%	8.0%	2.7%
2022	41.1%	12.1%	5.3%
2023	43.7%	14.7%	6.2%
2024	46.2%	16.7%	6.8%

As can be seen, in the Peoples service territory, while the percentage of renters with very high housing burdens (remembering that "housing burdens" include utility costs) increased by more than 40% from 2019 to 2024 for households falling in the income ranges of $20,000 to $34,999. Moreover, in that time frame, the proportion of households with high rental burdens increased by more than 100% for households with income from $35,000 to $50,000, and by more than 150% for households with income of $50,000 to $74,999.

Q. HAVE YOUR REVIEWED OTHER DATA THAT REINFORCES YOUR FINDING BASED ON THE CENSUS-REPORTED HOUSING BURDENS?

A. Yes. HUD publishes its annual estimate of local housing costs in its Fair Market Rents ("FMRs"). As with the "gross rents" published by the Census Bureau, HUD's FMRs include not only "contract rents" (those charges imposed on renters by the property owner) but includes utility costs as well. Using these FMRs, the National Low-Income Housing Coalition ("NLIHC") publishes an annual review of the affordability of housing by geographic jurisdictions. I again examine the impact which increasing utility costs have on renters in the sixteen study counties I identified above in the Peoples service

[40] American Community Survey, Table B25074.

territory. The NLIHC data is somewhat more recent than the Census data, given that it extends through 2025. NLIHC first reports data from the perspective of the income needed to afford a two-bedroom unit at HUD's FMR. As can be seen, even though renter wages have substantially increased between 2019 and 2025, they have not generally increased at a rate sufficient to keep up with the increase in FMRs. By 2025, the median renter wage as a percentage of the hourly wage needed to be able to afford a two-bedroom FMR had fallen in nine of the 16 counties studied. The decline was not small. In four of those nine counties, the decline was between 4.5% and 5.8% (Allegheny, Fayette, Mercer, Washington). In contrast, where there was a gain in renter housing buying power, the gain was minimal. In Butler and Cambria counties, the gain was only 0.1%, while in Somerset county, the gain was only 1.6%.

Given that utility costs are one component of the FMR calculated by HUD each year, as Peoples rates increase, so, too, the FMRs will increase throughout the Peoples service territory. When combined with rising housing prices generally, the rate increase sought by Peoples not only places the payment of future utility bills in jeopardy (as discussed in detail above), but it also places the access to housing in jeopardy.

Table 10. Hourly Wage Needed to Afford 2-Bedroom FMR vs. Median Renter Wage (Peoples study counties) (2019 – 2025)[41]

Counties	Hourly wage needed for 2 BR FMR to be affordable		Median renter wage		Ratio: Median Renter Wage to Wage Needed to Afford 2 BR FMR	
	2019	2025	2019	2025	2019	2025
Allegheny	$17.23	$24.62	$16.66	$22.68	96.7%	92.1%
Armstrong	$14.12	$19.63	$11.52	$15.39	81.6%	78.4%
Beaver	$17.23	$24.62	$11.39	$16.06	66.1%	65.2%
Blair	$15.31	$20.42	$10.52	$14.61	68.7%	71.5%
Butler	$17.23	$24.62	$12.35	$17.65	71.7%	71.7%
Cambria	$13.65	$17.98	$9.31	$12.28	68.2%	68.3%
Clarion	$13.31	$17.60	$8.47	$12.09	63.6%	68.7%
Fayette	$17.23	$24.62	$9.66	$12.65	56.1%	51.4%
Greene	$13.46	$18.67	$17.10	$20.19	127.0%	108.1%
Indiana	$14.81	$17.46	$10.84	$15.41	73.2%	88.3%
Jefferson	$13.31	$17.46	$10.11	$14.41	76.0%	82.5%
Lawence	$13.98	$18.37	$9.98	$12.63	71.4%	68.8%
Mercer	$13.65	$17.46	$11.91	$14.32	87.3%	82.0%
Somerset	$13.31	$17.46	$10.78	$14.41	81.0%	82.5%
Washington	$17.23	$24.62	$15.16	$20.21	88.0%	82.1%

E. The Affordability of Peoples Rates in Light of Declining Customer Resources.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. It would be a mistake to focus attention exclusively on household income in an examination of the affordability of Peoples' bills. In addition to looking at household income, an examination of the affordability of Peoples' bills should also consider the

[41] National Low-Income Housing Coalition (annual), Out of Reach: Why Everyday People Can't Afford Housing, available at https://nlihc.org/oor.

availability of household resources. When I reference household resources in this respect, I am referring to the availability of liquid assets that would allow a customer of Peoples to respond to large variations in either seasonal or annual bills. To the extent that a household lacks such resources, there will be an inability to respond to changes in annual or seasonal bills. My reference to a "liquid resource" is a reference, primarily, to the lack of an adequate banking or savings account from which a customer can draw dollars in order to pay a higher Peoples bill.

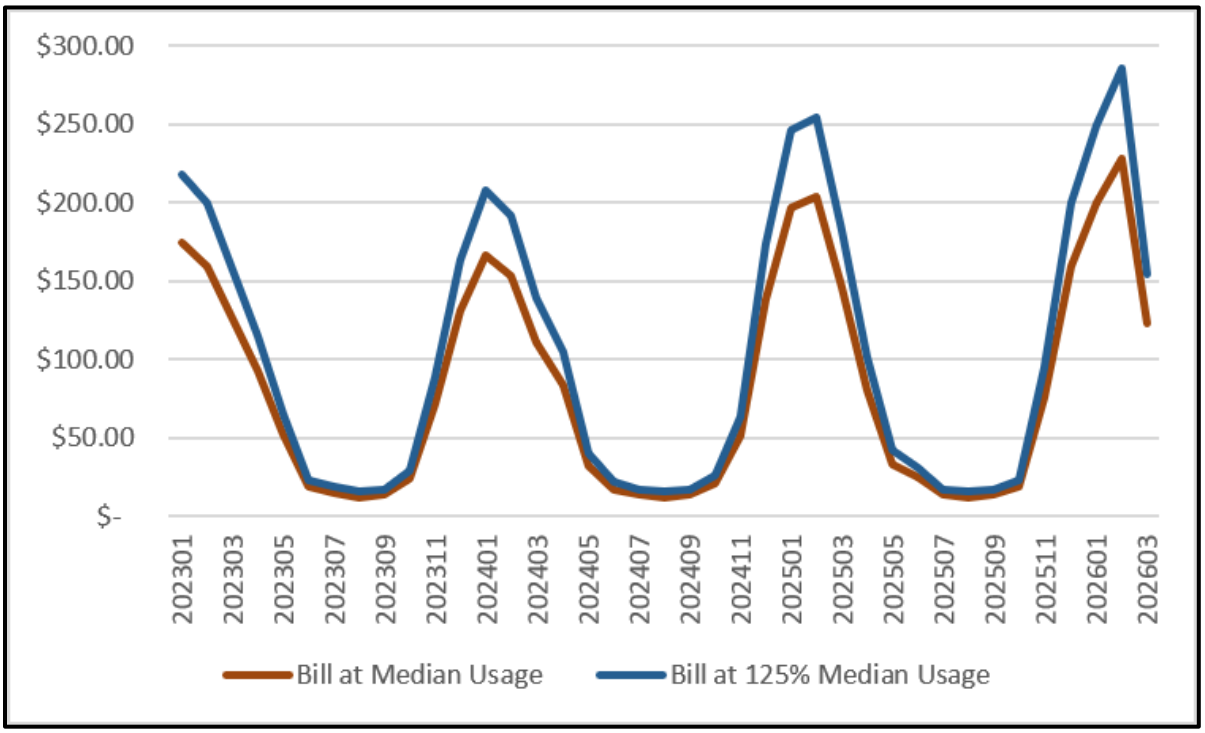
Q. DO UNEXPECTED CHANGES IN PEOPLES BILLS OCCUR FOR RESIDENTIAL CUSTOMERS?

A. Yes. However, it is not merely the size of the ***annual*** Peoples bill that poses a problem for customers. The month-to-month volatility in Peoples' bills pose particular problems to households who lack the resources to set aside an "emergency fund" to respond to these unexpectedly high expenses. The volatility cannot be prevented by investing in energy efficiency measures. Due to the very fact of their poverty, low-income households lack the discretionary income to even invest in cost-effective efficiency measures. As documented in my discussion above, Peoples customers are having difficulties in paying their bills to begin with and are being forced into tradeoffs between utility bill payment and payments for other household necessities; they lack the resources to make investments in energy efficiency measures that have uncertain future returns. Moreover, since low-income Peoples' households tend most frequently to be tenants, they lack the authority to make decisions regarding the major gas-consuming systems in their homes (what is known as "dominion interest," the authority to make decisions), even if they had the financial wherewithal to do so.

Q. HAVE YOU EXAMINED THE SEASONAL VARIATION IN PEOPLES BILLS THE RESPONSE TO WHICH MAY BE IMPEDED BY THE LACK OF HOUSEHOLD LIQUID RESOURCES?

A. Yes. There are seasonal variations in Peoples' bills that can be demonstrably shown to be associated with higher unpaid bills. In my discussion below, I consider the changes in median ***monthly*** bills. Figure 4 below presents the median monthly residential bills for the time period January 2023 through March 2026. The "median" is the point at which half of all accounts have higher values and half of all accounts have lower values. In other words, the "median" is the middle. The Figure below also includes the monthly bill at 125% of median. I include the higher bill, as well, given that low-income customers tend to be renters who live in older and less efficient housing. The data includes bills through the most recent data which Peoples has available at the time I write this testimony (May 2026).

Figure 4. Median Monthly Residential Bills (January 2023 – March 2026)[42]



The data presented in the Figure below supports the observation, not surprisingly, as a natural gas utility, that Peoples' residential customers experience substantial variation in their monthly bills. As heat-related consumption increases in the winter months and cooling related consumption increases in the hot weather months, the median bills increase correspondingly. These high seasonal bills contribute to a high annual burden as discussed in detail above. However, the high seasonality also places monthly stress on residential customers. In 2025, for example, a customer would need to have sufficient funds to pay a monthly bill $277 higher in January ($296) than they would need to have in July ($18.73). At 125% of median usage, the difference between the average bill for the months of May through October 2025 ($24.46) and the average bill for the months of December 2024 through March 2025 ($214.27) was roughly $180 a month. While

[42] Peoples' Response to OCA-IV-9.

covering only a four-month period (December through March), in other words, the household would need to have access to more than $700 in additional resources simply to cover the monthly swing in Peoples bills.

Failing to identify and recognize the inability-to-pay due to a lack of resources to respond to the monthly volatility in bills, is not merely a failure to identify payment problems from the perspective of the customer (as I have discussed in detail above), but it also represents a serious increase in the financial risk to Peoples. I discussed the changes in the average arrears owed by residential customers at the time of a nonpayment disconnection in detail above. As the rate hikes proposed in this proceeding are passed through in higher bills, it is reasonable to expect that these dollars lost at the time of disconnection will continue to get higher and higher.

Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT UNPAID HOME HEATING BILLS CAN BE ATTRIBUTED, IN PART, TO THE LACK OF LIQUID RESOURCES THAT SERVE AS A CUSHION AGAINST INCREASES IN ANNUAL OR MONTHLY BILLS?

A. There is substantial research which finds that having liquid assets of as little as $1,999 plays a significant role in preventing households from experiencing "material hardships." One study by the Urban Institute, for example, reported quite explicitly that

> Based on multivariate analysis of the lowest income quintile, holding liquid assets in modest amounts (up to $1,999, compared with having no such assets) is significantly related to a lowered incidence of material hardship for six of the eight hardship outcomes studied. This suggests that liquid asset holdings provide a buffer stock of financial resources,

> enabling households to respond to circumstances that would otherwise bring hardship.[43]

Missed utility payments, as well as utility shutoffs, were two of those six hardship outcomes affected. In addition to this Urban Institute study, the U.S. Federal Reserve addresses the impacts arising from the ability of households to have modest savings each year in its annual Report on the Economic Well-Being of U.S. Households. According to the Federal Reserve, "[h]aving a buffer of savings for emergencies can help families cope with fluctuations in income and with unexpected expenses. The share of adults who would pay for an unexpected $400 expense with cash or the equivalent was unchanged from 2023, while the share who said they had rainy day funds to cover three months of expenses edged up from 2023."[44] In its most recent annual report, the Federal Reserve stated:

> Relatively small, unexpected expenses, such as a car repair or a modest medical bill, can be a hardship for many families, especially those without a financial cushion. When faced with a hypothetical expense of $400, 63 percent of all adults said they would have covered it exclusively using cash, savings, or a credit card paid off at the next statement (referred to, altogether, as "cash or its equivalent"). The remainder said they would have paid by borrowing or selling something or said they would not have been able to cover the expense.
>
> * * *
>
> Eighteen percent of adults said the largest emergency expense they could handle right now using only savings was under $100, and 13 percent said they could handle an expense of $100 to $499.[45]

[43] Mills & Amick, *Can Savings Help Overcome Income Instability, Perspective on Low-Income Working Families*, Urb. Inst., Brief 18, at 8 (2010) (internal notes omitted).
[44] *Research & Analysis: Economic Well-Being of U.S. Households in 2024*, Fed. Reserve Sys., 41 (May 2025).
[45] *Id.* at 42 (emphasis added).

The Federal Reserve found that only 24% of households with income less than $25,000 had sufficient savings to cover three months of household expenses, substantially less than households with higher incomes.[46] These 2025 findings are nearly identical to prior years.[47]

It is not the case that lower-income households simply have inadequate savings. Instead, it is reasonable to expect that these households have *no* savings. According to the U.S. Consumer Financial Protection Bureau ("CFPB"), "the level of emergency savings generally increases with the level of household income. This is not surprising as lower income households are generally more financially constrained and likely find it harder to save. Among consumers with annual household incomes of $20,000 or less, over half (60 percent) have *no* emergency savings, with the share falling to 40 percent for those with incomes between $20,001 to $50,000."[48] In 2020, based on pre-COVID data collection through the CFPB's "Making Ends Meet" survey, the CFPB reported that nearly three-quarters of households with income less than $20,000 have less than $100 in their checking or savings accounts.[49]

Q. DOES THIS NATIONAL DATA REFLECT CIRCUMSTANCES IN PENNSYLVANIA AS WELL?

[46] *Id.* at 44.
[47] *See e.g.*, *Research & Analysis: Economic Well-Being of U.S. Households in 2023*, Fed. Reserve Sys., 31-32 (May 2024); *Research & Analysis: Economic Well-Being of U.S. Households in 2022*, Fed. Reserve Sys., 31 (May 2023); *Research & Analysis: Economic Well-Being of U.S. Households in 2019*, Fed. Reserve Sys., 21 (May 2020); *Research & Analysis: Economic Well-Being of U.S. Households in 2018*, Fed. Reserve Sys., 21 (May 2019).
[48] *Emergency Savings and Financial Security, Insights from the Making Ends Meet Survey and Consumer Credit Panel*, CFPB Office of Rsch., 11 (Mar. 2022) (emphasis added); *see also*, *Making Ends Meet in 2023, Insights from the Making Ends Meet Survey*, CFPB (Dec. 2023).
[49] *Perceived Financial Preparedness, Saving Habits, and Financial Security*, CFPB Office of Rsch,4 (Sept. 2020).

A. Yes. Pennsylvania data is consistent with the detailed national data I present above. According to United for Alice, discussed above, while the emergency savings rate for *all* households in Pennsylvania reached 60% in 2022, "only 46% of households below the ALICE Threshold had emergency savings (or rainy day funds) that would cover their expenses for three months in the event of sickness, job loss, economic downturn, or another emergency … ."[50] The National Financial Capability Study (2024) found that 45% of Pennsylvania households do not have emergency funds.[51] One contributing cause to this, according to the NFCS, was that 24% of households were spending more than their income, while an additional 34% were spending about equal to their income.

Q. WHAT DO YOU CONCLUDE?

A. Based on the data and analysis above, I conclude that an exclusive focus of affordability discussions on the incomes of households is too narrow of an analysis. In addition to considering the income levels of households, to better understand the affordability of Peoples' bills, it is also necessary to consider the available resources. The data clearly shows that both from year-to-year, and from month-to-month, Peoples' bills will vary sharply. Not only do low-income households lack sufficient income to pay higher-than-expected annual bills out of regular income, but they also lack sufficient resources to absorb spikes in cold weather heating bills.

[50] *An Update on Financial Hardship in Pennsylvania*, United for ALICE, 11 (May 2024); *see also*, *The State of ALICE in Pennsylvania: 2025 Update on Financial Hardship*, United Way, 9 ("in 2023, respondents below the ALICE Threshold in the Middle Atlantic Census Division (which includes Pennsylvania) were far less likely to than those above the Threshold to have savings that could cover three months of expenses in the event of an emergency (41% vs. 74%)… .") (2025).

[51] *National Financial Capability Study (2024), Summary of Selected Findings: Pennsylvania*, FINRA Investor Education Foundation (2024).

This observation affects multiple aspects of how Peoples interacts with its customers. It is, of course, one reason why the failure of Peoples to identify its low-income customers, or to enroll those customers which have been identified into CAP, is a failure to provide reasonably adequate service. In addition, aside from CAP, Peoples should engage in a more aggressive marketing of budget billing, particularly to customers (low-income and not) who experience payment difficulties. Finally, the ongoing reliance by Peoples on traditional credit and collection techniques, such as sending shutoff notices, entering into payment arrangements, requiring high downpayments for payment arrangements, or failing to refund deposits to low-income customers (or to exempt such customers from the payment of deposits with which to begin), is both inefficient and ineffective. I will address these implications in greater detail below.

F. The Affordability of Peoples Rates to the Company's Aging Population in Particular.

Q. DO INCREASING NATURAL GAS PRICES HAVE A PARTICULAR IMPACT ON ANY SUB-POPULATION OF PEOPLES CUSTOMERS?

A. As Peoples seeks to increase its rates, the aging population in the Peoples service territory is facing particular economic struggles. Seniors, in particular, have been harmed by the rapid increases in Peoples' rates. Since 2018, while Peoples' rates have increased substantially, Social Security benefits have increased by only 26.8%.[52] Regarding ability to pay Peoples' bills, seniors are substantially worse off in 2025 than they were in 2018. This should be of concern to the Commission because, in 2024, the last year for which Census data has been publicly released, nearly half (48.8%) of all households with a

[52] Social Security Administration, *Cost of Living Adjustments*, available at https://www.ssa.gov/oact/cola/colaseries.html.

householder age 65 or older in the zip codes served by Peoples had income less than $50,000, while nearly 30% (28.1%) had incomes less than $30,000. More than one-in-ten (10.1%) senior households had an income of less than $15,000. The Peoples burdens at these income levels was presented above (Table 3).

Q. HOW DO THESE HOUSING COSTS RELATE TO THE REQUEST BY PEOPLES FOR A SUBSTANTIAL INCREASE IN NATURAL GAS RATES?

A. The Household Pulse Survey I discussed above examines the impact of unaffordable utility bills on Pennsylvania customers. Two conclusions are evident from Table 11. First, aging households in Pennsylvania have a difficult time consistently paying their home utility bills. More than 7% of households with a resident age 65 or older reported that that were "unable to pay an energy bill or unable to pay the full amount" in almost every month, some months, or one or two months.

Table 11. Actions Taken by Pennsylvania Customers (65 and older) in Order to Pay their Home Energy Bill

Almost every month	Some months	One or two months	Never	Total[53]
Household was unable to pay an energy bill or unable to pay the full bill amount				
0.3%	2.2%	4.6%	80.0%	87.2%
Household kept home at a temperature that felt unsafe or unhealthy				
2.3%	6.2%	4.4%	74.3%	87.1%
Household reduced or forwent expenses for basic household necessities, such as medicine or food, in order to pay an energy bill				
2.6%	5.1%	7.1%	72.4%	87.2%

Those aging Pennsylvania households who were unable to pay their bill, or to pay the full amount of their bill, however, present only a small part of the story regarding

[53] Total may not add to 100% due to some non-reporting.

unaffordability for Pennsylvania's aging households. Eight to nearly ten times more aging households reported keeping their home at a temperature that felt unsafe or unhealthy in almost every month, or reducing or forgoing expenditures on basic household necessities in almost every month in order to pay their utility bill, than reported being unable to pay their bill. Two to three times as many aging Pennsylvania households reported that they kept their homes at a temperature that felt unsafe or unhealthy in "some" months, or reported forgoing expenditures on basic household necessities in "some" months in order to pay their utility bill, than reported being unable to pay their bill. The extreme and dangerous actions that Pennsylvania's aging households take in order to pay their home energy bills should be of concern to Peoples and to the Commission. These are not actions that can be attributed to macro-economic conditions that are of no concern to the utility. These dangerous actions are directly attributable to the inability of Pennsylvania's aging households to pay their home energy bill.

Part 2. The Effectiveness and Efficiency of Peoples Collection Activities.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I review the efficiency and effectiveness of the credit and collection activities which Peoples directs towards its residential customers, including low-income customers. Given the failure of Peoples to reasonably identify its low-income customers, viewing the problems which Peoples' customers face exclusively from the perspective of Confirmed Low-Income customers would be too narrow. The activities directed toward residential customers as a whole, and the expenditures on those activities, must be incorporated into the discussion.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR DISCUSSION BELOW.

A. I base my discussion below on Section 523 of Pennsylvania's Public Utility Code.

Section 523 provides:

> The commission shall consider, in addition to all other relevant evidence of record, the efficiency, effectiveness and adequacy of service of each utility when determining just and reasonable rates under this title. On the basis of the commission's consideration of such evidence, it shall give effect to this section by making such adjustments to specific components of the utility's claimed cost of service as it may determine to be proper and appropriate.[54]

Based on this statutory language, I find that it is appropriate to review the "efficiency, effectiveness, and adequacy" of the credit and collection activities of Peoples and to recommend adjustments to "specific components of the utility's claimed cost of service" to the extent that such activities are found to be ineffective and/or inefficient.[55]

Q. WHAT EXPENDITURES WILL YOU CONSIDER?

A. I base my review of expenditures primarily on the credit and collection expenditures for both residential and Confirmed Low-Income residential customers, as reported annually to BCS and published by BCS in its annual report on Collections Performance and Universal Service Programs. The Peoples credit and collection expenditures reported in the most recent BCS Report (2024) are set forth in Table 12 below.

Table 12. Peoples Credit and Collection Expenses (residential and Confirmed Low-Income [CLI])

	2024		2023		2022	
	Residential	Confirmed Low-Income	Residential	Confirmed Low-Income	Residential	Confirmed Low-Income
Total $s of C&C expenditures	$5,600,986	$1,058,271	$5,244,412	$951,671	$4,690,985	$894,371
CLI as percent of total	18.9%		18.1%		19.1%	

[54] 66 Pa. C.S. § 523.
[55] *Id.*

The residential credit and collection expenditures for 2025 were $6,516,518, while the Confirmed Low-Income expenditures were $1,150,487 (17.7%).[56] Using this Company data, the recommendations I make below are reflected in the Direct Testimony of OCA witness Jared Geiger.

Q. ARE A DISPROPORTIONATE NUMBER OF CONFIRMED LOW-INCOME (NON-CAP) CUSTOMERS IN ARREARS?

A. Yes. Not only are a disproportionately high number of Confirmed Low-Income customers in arrears, but they also have a large amount in arrears. The BCS report, which I have often referenced, documents that a disproportionately high number of Confirmed Low-Income customers are in arrears. The percentage of Confirmed Low-Income customers in arrears for the last three years for which data is reported has consistently run two times higher than the percentage of residential accounts in arrears. The average level of arrears (of accounts in arrears) for Confirmed Low-Income customers has been from 40% (2023) to more than 50% (2022) higher than the average level of arrears for residential customers. The level of arrears at the time of disconnection for Confirmed Low-Income customers has been from 25% (2022, 2024) to 40% higher than residential customers in general.

[56] Peoples Response to OCA-VII-4.

Table 13. Residential vs. Confirmed Low-Income Arrears
(2022 – 2024)

	Percent of Customers in Arrears		Average Arrears		Average Arrears at Time of Disconnection	
	Residential	Confirmed Low-Income	Residential	Confirmed Low-Income	Residential	Confirmed Low-Income
2022	7.4%	14.0%	$394.22	$599.51	$904	$1,129
2023	7.3%	14.2%	$484.60	$681.02	$691	$963
2024	7.4%	14.1%	$393.34	$572.82	$766	$956

Finally, not only are the incidence and level of arrears greater for Confirmed Low-Income customers higher than for residential customers, but the rate of service disconnections is higher as well. In 2022, the disconnection rate for Confirmed Low-Income customers was lower than in other years (Residential = 2.6%; Confirmed Low-Income = 3.9%). However, in 2023 and in 2024, the disconnection rate for Confirmed Low-Income customers was three times higher than the disconnection rate for residential customers as a whole (2023: 3.5% vs. 10.5%; 2024: 3.5% vs. 10.2%).

Q. HAVE YOU EXAMINED THE EXTENT TO WHICH PEOPLES EFFECTIVELY AND EFFICIENTLY USES PAYMENT ARRANGEMENTS AS A MECHANISM THROUGH WHICH RESIDENTIAL CUSTOMERS CAN RETIRE ARREARS?

A. Yes. One of the most problematic facts I found in a review of Peoples payment arrangements is that Peoples' payment arrangements do not provide a reasonable opportunity for residential customers to retire their arrears. The Company provided aggregated three-year data for the years 2023 through 2025. This data demonstrates that 71.5% (55,172 of 71,162) of the residential payment arrangements newly entered into during that time, ended in default, while 83.7% (35,047 of 41,896) of the Confirmed

Low-Income payment arrangements, ended in default.[57] Even so, this percentage is very likely an under-count of the number of broken payment arrangements because payment arrangements entered into in more recent months will be included in the "new payment arrangement" numbers, but likely will not have reached the point of having defaulted.

Table 14. Peoples New and Defaulted Payment Arrangements (PAs)
(Residential and Confirmed Low-Income) (most recent 36 months)

	Residential	Confirmed Low-Income
New payment arrangements	71,162	41,896
Defaulted payment arrangements	55,172	35,047
Percent defaulted	71.5%	83.7%

Q. PLEASE EXPLAIN HOW ALL THIS DATA RELATES TO THE EFFICIENCY AND EFFECTIVENESS OF PEOPLES EXPENDITURES ON THE COMPANY'S CREDIT AND COLLECTION ACTIVITIES.

A. Despite these poor payment patterns, Peoples continues to substantially under-enroll low-income customers in its CAP as I describe in detail below. As documented in Table 16 below, from 2022 through 2024, the last year for which data is reported by BCS, Peoples has enrolled a small and declining percentage of its Confirmed Low-Income customers in CAP. While Peoples enrolled 27.5% of its Confirmed Low-Income customers in CAP in 2022, that percentage had declined to 22.9% by 2024.

Q. PLEASE EXPLAIN WHY ELSE ENROLLMENT IN CAP IS SIGNIFICANT?

A. Peoples' data clearly shows that CAP payment patterns are significantly better than the payment patterns of the Company's Confirmed Low-Income customers. In contrast to the arrearage and disconnection rates for Confirmed Low-Income customers discussed

[57] Peoples Response to OCA-IV-17.

above, the Company's CAP customers have a payment rate of 82.0% and 85.4% in 2024 and 2025 respectively. The "payment rates" reported to BCS are payments only by the customer. Additional payments made by LIHEAP are *not* included. In 2025, in other words, Peoples' CAP customers paid 85.4% of their bill *before* receiving LIHEAP.

Table 15. Peoples' CAP Payment Rates

	2024[58]	2025[59]
Total CAP Bills	$17,727,457	$25,157,897.49
Total CAP Payments	$14,529,472	$21,483,407.81
CAP Payment Rate	82.0%	85.4%

Q. DOES PEOPLES HAVE ALTERNATIVES TO THE COLLECTION EFFORTS WHICH IT CURRENTLY DIRECTS TOWARD ITS RESIDENTIAL CUSTOMERS?

A. Yes. Peoples seems to ignore the findings of the PUC made more than 30 years ago when the Commission first began to explore the use of CAPs by the state's utilities. According to an early Commission order regarding CAPs (sometimes referred to by a different acronym):

> We, in conjunction with utilities, and social service agencies, have all worked hard to devise ways to [e]nsure that low-income Pennsylvanians have utility services which really are necessities of life as the tragic fire deaths associated with the loss of utility service underlined.
>
> However, for the poorest households with income considerably below the poverty line, existing initiatives do not enable these customers to pay their bills in full and to keep their service … . Consequently, to address realistically these customers' problems and to stop repeating a wasteful cycle of consecutive, unrealistic payment agreements that cannot be kept, despite the best of intentions, followed by service termination, then restoration, and

[58] 2024 BCS Report, at page 63.
[59] Peoples Response to OCA-VII-18.

> then more unrealistic agreements, we believe that new approaches like PECO's CAP program and the OCA's proposed EAP program should be tried.[60]

The Commission shortly thereafter prescribed the "model" CAP, stating that such programs are "designed to be a more cost-effective approach for dealing with issues of customer inability to pay than are traditional collection methods.[61] Despite these Commission findings, Peoples is still continuing to primarily rely on "unrealistic agreements" rather than aggressively identifying its low-income customers and enrolling those customers into CAP.

Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT PEOPLES DOES AN INEFFECTIVE JOB OF IDENTIFYING ITS LOW-INCOME CUSTOMERS AND ENROLLING THOSE CUSTOMERS IN CAP?

A. While Peoples reports a reasonably high percentage of Confirmed Low-Income customers, it continues to enroll a small percentage of those customers in its CAP. The data is presented in the Table below for the most recent years reported to BCS. While Peoples has identified between 73% and 78% of its estimated low-income population as being Confirmed Low-Income, it has enrolled only a fraction of those Confirmed Low-Income customers into CAP. In 2024, its CAP enrollment rate was only 22.9%.

Table 16. Estimated Low-Income, Confirmed Low-Income and CAP Participants

	2022	2023	2024
Estimated Low-Income[62]	146,971	145,831	144,472

[60] *Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania*, Docket No. R-891468, Final Order at 159 (Sept. 19, 1990).
[61] *Policy Statement on Customer Assistance Programs (CAP)*, Docket No. M-00920345, Order at 2 (July 2, 1992).
[62] 2024 BCS Report, at page 7.

Confirmed Low-Income[63]	108,055	112,886	112,624
Pct confirmed	73.5%	77.4%	78.0%
CAP participants[64]	29,760	27,236	25,738
Pct CAP participants	27.5%	24.1%	22.9%

Q. WHAT DO YOU RECOMMEND?

A. As I discuss above, Section 523 of the Public Utility Code provides that the Commission "shall" (i.e., mandatory language) consider the "efficiency, effectiveness and adequacy" of service. The statute further provides that the Commission "shall" (again using mandatory language) "give effect to this section by making such adjustments to specific components of the utility's claimed cost of service." The credit and collection expenses I discuss above are "component[s] of [Peoples] claimed cost of service." Based my findings and support above regarding the inefficiency and ineffectiveness of the Peoples expenditures, making such an adjustment is appropriate. Given the need for such an adjustment, I recommend a fifty-fifty sharing of the credit and collection expenses which Peoples most recently reported to the Commission's Bureau of Consumer Services. This adjustment is further explained in the direct testimony of OCA witness Jared Geiger.

[63] 2024 BCS Report at 6. Percent Confirmed Low-Income is Confirmed Low-Income divided by the number of estimated low-income.

[64] 2024 BCS Report at 56. Percent CAP participation is CAP participants divided by the number of Confirmed Low-Income.

Part 3. The Disparate Racial Impacts of Peoples Nonpayment Disconnections.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I examine the extent to which, if at all, the nonpayment disconnections employed by Peoples have a disparate impact on Black and African-American populations.[65] I find that they do. The distribution of nonpayment service disconnections is disproportionately weighted toward the Company's Black population.

In reaching this conclusion, I employ a disparate impact test.[66] Employing a disparate impact test differs from finding intentional discrimination. A disparate impact test finds that actions which Peoples takes (in this case the disconnection of service for nonpayment) fall more heavily on a protected class (in this case, Black and African-American customers).

Peoples is possibly not even aware of this correlation. Moreover, I make no finding that Peoples intentionally targets Black households. The lack of intentionality, however, neither addresses nor remedies the fact that Peoples disproportionately disconnects service to Black households for nonpayment. Nonetheless, it is important to shed light on to this disparate impact to ensure that it can be remedied in the near term.

[65] Hereafter, I will refer to this population as "Black."

[66] In an order filed March 24, 2026, the Commonwealth Court affirmed a prior decision of the Pennsylvania PUC declining to find racially disparate impacts for the disconnection practices of Peoples Gas. The Court did not find that no racially disparate impacts existed. Rather, the Court held that the Office of Consumer Advocate had waived its claim of "disparate impacts" on appeal. The Court held "[b]ecause the OCA did not raise its disparate impact issue before the ALJ or the Commission, we are constrained to find the issue waived on appeal." The Court made no findings as to disparate impacts. It stated: ". . .the ALJ and the Commission did not recognize the OCA's root cause analysis claim as raising a disparate impact argument and therefore made no findings as to disparate impact. . ." In this paragraph, I intend to make clear that I am employing a disparate impact analysis. *Darryl Lawrence v. Pennsylvania Public Utility Commission*, Docket No. 1346 C.D. 2024, Opinion at 15 (Mar. 24, 2026).

Peoples has previously acknowledged that its conduct could be discriminatory, even if there is a lack of any intentional discrimination and that such discrimination would be inappropriate. The Company's tariff language regarding the imposition of cash security deposits now includes language that the Company may use a "generally accepted credit scoring methodology" only "provided that the methodology does not directly, *or have the effect of*, discriminating based on a protected class as set forth in the federal Equal Credit Opportunity Act."[67] Having recognized that its actions would be objectionable if they "have the effect of discriminating," even if no "direct" or "intentional" discrimination exists, my discussion below applies this principle to an examination of the Company's nonpayment disconnections to assess whether those disconnections "have the effect of discriminating" against zip codes disproportionately comprised of Black households.

Q. UPON WHAT DO YOU BASE YOUR CONCLUSION THAT PEOPLES DISPROPORTIONATELY DISCONNECTS SERVICE TO ITS BLACK CUSTOMERS?

A. I begin by identifying two ways to identify the Black population in Peoples' service territory: (1) the number of households where the householder is Black alone;[68] and (2) the population by race (Black alone).[69] In both instances, I limit my population to Black/African-American customers alone (thus excluding multi-race households and population).

[67] Peoples Natural Gas Company, Supplement No. 2 to Gas—PA PUC No. 48, First Revised Page No. 19 (emphasis added).
[68] American Community Survey, Table B25006 (2024).
[69] American Community Survey, Table B02001 (2024).

I work with zip code data which the Company provided identifying the number of residential customers by each zip code in its service territory.[70] I matched those zip codes to Zip Code Tabulation Areas ("ZCTAs") provided by the Census Bureau. According to the Census Bureau, ZCTAs are functionally equivalent to zip codes.[71]

I calculate the percentage of households identified as having Black householders, as well as the percentage of population identified as Black, for each zip code as well as for the Peoples service territory as a whole. I identify zip codes with a percentage of Black householders and/or Black population higher than the percentage for the service territory as a whole as "Above Average Black" zip codes.[72] I also rank-ordered all zip codes from the lowest percentage to the highest percentage, and then divided that rank ordering into ten equal parts (each part of which is called a "decile"). The one-tenth of zip codes with the highest percentage Blacks (householders, population) is the "tenth decile" with the one-tenth of zip codes with the lowest percentage being the "first decile."

Q. WHAT DID YOU FIND?

A. The data shows that Above-Average Black zip codes face a disproportionately high number of nonpayment disconnections in the Peoples service territory. Table 17 below shows that:

[70] Peoples' Response to OCA-IV-4. Zip codes that did not have at least one (1) residential customer were excluded.
[71] Hereafter, I will refer to this as "zip code" data.
[72] For example, solely to illustrate, the Peoples service territory as a whole identifies 6.7% of its households as having Black householders. It identifies 7.2% of its total population as being Black. In comparison, zip code 15001 has 12.0% of its households identified as having a Black householder and 11.5% of its population as being Black. Zip code 15001 is thus identified as an "Above Average Black" zip code.

- While 30.07% of all residential customers[73] live in Above-Average Black zip codes (householders), 42.97% of all residential nonpayment disconnections[74] occur in those zip codes. Similarly, while 30.92% of all residential customers live in Above-Average Black zip codes (population), 43.80% of all residential nonpayment disconnections occur in those zip codes.
- The pattern does not change if the data is limited to Confirmed Low-Income customers (rather than extending to all residential customers). While 32.73% of all Confirmed Low-Income customers live in Above-Average Black zip codes (householders),[75] 45.42% of all Confirmed Low-Income nonpayment disconnections occur in those zip codes. Similarly, while 33.40% of all Confirmed Low-Income customers live in Above-Average Black zip codes (population), 46.13% of all Confirmed Low-Income nonpayment disconnections occur in those zip codes.

Table 17. Total Population, Disconnect Notices and Nonpayment Disconnections

	Total Residential		Confirmed Low-Income	
	Above-Average Black (householders)	Above-Average Black (population)	Above-Average Black (householders)	Above-Average Black (population)
Percentage of total customers (CLI customers)	30.07%	30.92%	32.73%	33.40%
Percentage of nonpayment disconnection	42.97%	43.80%	45.42%	46.13%

The same results are found when I examine the data based on deciles. For residential customers, I find that while 28.80% of all residential customers reside in the Tenth Decile

[73] Peoples' Response to OCA-IV-4.
[74] Peoples' Response to OCA-IV-16.
[75] Peoples' Response to OCA-IV-4.

of zip codes measured by Black householders, 41.34% of all residential nonpayment disconnections occur in those zip codes. A similar pattern presents itself when the deciles are based on Black population rather than on Black householders.

Q. IS YOUR FINDING OF DISPARATE IMPACTS REGARDING UTILITY NONPAYMENT DISCONNECTIONS UNIQUE TO PEOPLES?

A. No. A 2024 article published in The Electricity Journal[76] reported its "main finding" to be that "living in neighborhoods with a greater concentration of people of color is associated with a meaningfully higher involuntary disconnection rate, even after controlling for economic and demographic factors." According to these researchers,

> The robust statistical associations between race, utility disconnection, and long-duration service disruptions reflect a landscape of systemic inequality within the energy system. Our finding that these associations are robust to a battery of controls highlights the persistence of racial disparity that cannot be explained by observed economic and non-racial demographic factors … . Our finding of robust racial disparities in disconnections emphasizes the persistence of unequal experiences in one of the most severe forms of energy insecurity that cannot be explained by contemporary economic and non-racial demographic factors.

The researchers stated, as I also do above, that "[i]t is crucial to note that these patterns of inequality in energy insecurity do not themselves imply intentional racial bias on the part of electricity system planners or utilities, but rather, point to patterns that may have been unintentionally overlooked."[77] They concluded, as do I, that "[w]hile we do not believe that our findings necessarily imply deliberate racial bias on the energy system planners' part, this does not negate the potential for utilities and policymakers to take proactive

[76] Pradhan & Chan, *Minnesota's energy paradox: Household energy insecurity in the face of racial and economic disparities*, 37 The Electricity J. 8 (July 2024).
[77] *Id.* at 10.

steps toward fostering equity in the electric system through the principles of energy justice." They urged, as do I, that their research (as does mine):

> highlights the urgent need for policy interventions to rectify deep-seated disparities, ensuring access to reliable, high-quality utility services for all people, irrespective of their socioeconomic or racial backgrounds. Moving forward, energy justice goals suggest that energy decision makers should not merely avoid deliberate injustices but should create systems that ensure fairness and equity, particularly as the energy system is poised to see once-in-a-generation infusions of capital to decarbonize the economy.[78]

I conclude that Peoples should recognize that its disconnection of service for nonpayment has a disparate impact on its Black neighborhoods. Having, itself, recognized the legitimacy of applying an "effects test" as a means of measuring the impacts of its actions, there is no need for Peoples to take on the burden of defending against a claim of "intentional discrimination," which claim is not being levied. Nonetheless, Peoples should recognize the disparate impacts and undertake the analytic efforts to understand why those impacts exist and what can and should be done to address them.

Q. WHAT DO YOU RECOMMEND?

A. I recommend that Peoples conduct a root cause analysis to determine what is driving this disproportionate level of utility disconnections within the Company's service territory. Once this root cause analysis is conducted, Peoples should commit to taking steps to address the cause with the commitment of reducing the disproportionate level of disconnections. The extent to which Peoples mitigates the disproportionate disconnection of service for nonpayment in zip codes with high penetrations of Black households should be reviewed in Peoples' next base rate case.

[78] *Id.*

Part 4. Limiting the Collection and Retention of Social Security Numbers.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I review the practice of Peoples in collecting and retaining customer Social Security Numbers ("SSNs"). I recommend that Peoples be directed to develop and adopt, within 12-months after a final order in this proceeding, an alternative to the use of SSNs.

Q. PLEASE DESCRIBE PEOPLES PRACTICES REGARDING THE COLLECTION AND RETENTION OF SOCIAL SECURITY NUMBERS.

A. According to Peoples, while a customer may not be required to provide their Social Security Number, when requested to do so, "Peoples Natural Gas Company LLC may ask customers to provide their social security number to verify identity and check credit risk score when an applicant is applying for gas service."[79] Moreover, the Company retains those Social Security Numbers in perpetuity. When asked, Peoples stated that "Peoples Natural Gas Company LLC does maintain records with customers' social security numbers that have been used to establish utility service."[80]

Q. HOW DO YOU RESPOND TO THE COMPANY'S COLLECTION AND PERMANENT RETENTION OF SOCIAL SECURITY NUMBERS?

A. In response to the growing use of SSNs in enabling the crime of identity theft, the PUC should join the growing consensus that institutions, such as Peoples, that have collected

[79] Peoples Response to OCA-V-6.
[80] Peoples Response to OCA-V-7.

SSNs in the past refrain from, or be prohibited from, collecting such SSNs in the future, and that Peoples be directed to seek out alternatives to the collection and use of SSNs.[81]

Q. PLEASE EXPLAIN THE BASIS FOR YOUR CONCLUSION THAT PEOPLES SHOULD BE DIRECTED TO REFRAIN FROM THE COLLECTION AND RETENTION OF SOCIAL SECURITY NUMBERS AND TO DEVELOP AN ALTERNATIVE TO THE COLLECTION AND RETENTION OF SUCH PERSONAL DATA.

A. The use of SSNs by private entities is one of the leading causes of identity theft. SSNs, along with a person's date of birth and name, are the three most sought-after pieces of personal information sought by identity thieves. According to the 2007 report of the Presidential Task Force on Identity Theft, a person's SSN is the ***single*** most important piece of personally identifiable information available to identity thieves. Unlike names and addresses, which can change over a person's lifetime, it is "virtually impossible" for a person to change his/her SSN.[82]

SSNs are viewed as a "breeder document" by identity thieves. With a Social Security Number, an identity thief can create other false documents supporting a false identity,

[81] According to the FTC: "Concerns about over-use of SSNs and their role in identity theft have increased in recent years. In a recent consumer survey, 66 percent of the respondents stated that companies should stop using SSNs to identify customers and 64 percent perceived that they were more vulnerable to identity theft when a business had their SSN." *Staff Summary of Comments and Information Received Regarding the Private Sector's Use of Social Security Numbers,* FTC at 2 (Nov. 2007).

[82] Unlike a lost key, the social security number cannot be changed merely because it has been lost or stolen. "Identity Theft and Your Social Security Number," Social Security Administration, Pub. No. 05-10064, Oct. 2007, at 6, available at http://www.ssa.gov/pubs/10064.pdf. There must be evidence that (1) someone is in fact wrongfully using the number, and (2) that the individual to whom the number belongs is being disadvantaged by the wrongful use.

including a driver's license, retail credit account, credit card account, bank account, and similar papers. Indeed, given the lack of a standard protocol for truncating SSNs, even truncated SSNs are not helpful in preventing identity theft. While some businesses truncate the first five digits of an SSN, other businesses truncate the last four. Not only can SSNs thus be reformulated with information from multiple sources, but those multiple sources need also not be illicitly gained. Public documents such as tax liens, driving histories, voter registrations, bankruptcies, and the like, are all publicly available information which might be used to match all or part of an SSN obtained from a utility record with a specific individual.

Q. IS THERE GENERAL GUIDANCE TO REDUCE THE USE OF SOCIAL SECURITY NUMBERS?

A. Yes. There has been clear direction in recent years to reduce, and eliminate where possible, the unnecessary collection of SSNs. In 2007, the federal Office of Management and Budget ("OMB") issued a memo requiring federal agencies to examine their use of SSNs in systems and programs in order to identify and eliminate instances in which collection of SSNs is unnecessary. OMB required agencies to explore alternatives to their use of SSNs. Like OMB's guidance to federal agencies, the Federal Trade Commission ("FTC") has urged a reduction in the use of SSNs in the private sector. FTC testified to Congress that there was a need to eliminate the unnecessary use of SSNs. The FTC cited the observation of the Presidential Task Force on Identity Theft that it is not clear whether the use of SSNs by the private sector was a necessity, or a result of "convenience and

habit."[83] The President's Task Force stated quite simply in 2007 that "more must be done to eliminate unnecessary use of SSNs."[84] Moreover, the FTC has, in its publication, A Guide for Business: Protecting Personal Information, *explicitly* recommended with respect to private sector collection and retention of Social Security Numbers: "*Don't use* Social Security Numbers unnecessarily— for example, as an employee or *customer identification number*, or because you've always done it."[85]

The advice of Peter Swire should also be considered here. Swire was the Chief Counselor for Privacy in the Office of Management and Budget for President Bill Clinton's Administration. "Social Security Numbers," Swire said, "are an aging technology, and we have to do serious planning for what will come next."[86] Swire's comment was responding to a study published in the proceedings of the National Academy of Science by, Acquisti and Gross, researchers at Carnegie Mellon University. The Acquisti and Gross study was able to identify, through a computer statistical analysis, the first five digits of a person's SSN for 44% of persons borne after 1988, and for 7% of those born from 1973 to 1988.[87] The accuracy of the prediction system increased for smaller states and for people born after 1988. While the researchers were able to predict all nine digits of an SSN for 8.5% of those born after 1988 in fewer than 1,000 attempts (testing the data on a half million persons), they needed 10 or fewer tries to predict all nine digits for 1 out of 20 Social

[83] *Combating Identity Theft: A Strategic Plan*, President's Identity Theft Task Force, 24 (2007).
[84] *Id.*
[85] *Guide for Business: Protecting Personal Information*, FTC, 6 (Oct. 2016) (emphasis added), available at https://www.ftc.gov/system/files/documents/plain-language/pdf-0136_proteting-personal-information.pdf.
[86] John Markoff, *Weakness in Social Security Numbers is Found*, New York Times, (July 6, 2009).
[87] Knowing the first five digits of an SSN easily leads to the discovery of the entire SSN. Due to different truncation protocols, while some entities truncate the first four digits of an SSN, other entities truncate the last four digits, thus allowing partial SSNs to be easily matched.

Security numbers assigned in Delaware.[88] "Unless mitigating strategies are implemented," the Acquisti and Gross study found, "the predictability of SSNs exposes them to risks of identity theft on mass scales."[89]

The concerns raised by Acquisti and Gross were somewhat mitigated when, in 2011, the Social Security Administration began to randomly assign SSNs. Prior to that change in June 2011, however: (1) the first three digits of the SSN were called the "area number" and represented the state where a person lived when the SSN was issued; (2) the next two digits were the "group number" and grouped Social Security numbers within a state into blocks of numbers; and (3) the final four numbers were the "serial number" and identified each individual within a block. The Acquisti and Gross research, in other words, still presents cause for concern. Even today, in 2026, persons who received random-generated numbers have still not even reached the age of majority.

Q. IS THERE A NEED FOR PEOPLES TO USE SOCIAL SECURITY NUMBERS TO PREVENT FRAUD?

A. No. It has frequently been found that Social Security Numbers are not good "authenticators." It is not merely consumer advocates that have expressed concern. As early as 1995, the newsletter of the Association for Computing Machinery ("ACM"), reported on the "risks of Social Security Numbers":

> The problem with social security numbers is that some organizations are using these ubiquitous numbers for identification, others are using them for authentication, and still others are using them for both. I call up my bank, tell them my account number and ask them for a balance. Just to make sure that I

[88] Acquisti & Gross, *Predicting Social Security Numbers from Public Data*, Proc. Nat'l Acad. Sci. USA 106:10975-10980 (2009) .
[89] *Id.*

> am really who I claim to be, my bank asks for my SSN—as if this is a number that is some kind of secret that we share.
>
> But my SSN isn't secret—and there is no way to make it that way in today's increasingly cross-indexed society. That's because for every organization that thinks your SSN should be kept secret, there's another that is using it as some kind of account number, leaving it open for all of the world to see.[90]

There are three more effective and safe ways for a person to authenticate who they are: (1) by something they *know* (like a PIN or password); (2) by something they *have* (like a physical device or token); or (3) by something they *are* (like a physical characteristic such as a fingerprint, or an age and birthdate). Authenticators should not be widely known, perhaps even should be secret. The problem is that SSNs are *widely* known,[91] and even if not known, can be accurately predicted by computer statistical analysis as shown by the Carnegie Mellon research discussed immediately above. The historic use of SSNs as an authenticator by Peoples is not a sufficient reason for the Commission to approve the continued collection and use of SSNs.

Q. WHAT DO YOU CONCLUDE?

A. SSNs are an "aging technology" and private sector entities relying on SSNs, such as Peoples, need to do serious planning on what will come next. Research, including but not limited to[92] that research published in the proceedings of the National Academy of

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[90] Simson L. Garfinkel, *Risks of Social Security Numbers*, 38 Communications of the ACM 146 (Oct. 1995).

[91] *See e.g.*, Given, *Uses of Social Security Numbers in the Private Sector: Why SSNs are not Appropriate for Authentication*, (Dec. 2007) (Privacy Rights Clearinghouse presentation to the Federal Trade Commission Workshop "Security in Numbers: SSNs and ID Theft").

[92] *See*, *Protecting American's Identities: Examining Efforts to Limit the Use of Social Security Numbers*, U.S. House of Representatives, Hearing Before the Committee on Oversight and Government Reform (May 23, 2017), available at ; *see also*, Chris Mack, *The Move to Eliminate Social Security Numbers,* Extract (March 3, 2020), https://www.extractsystems.com/the-move-to-eliminate-social-security-numbers/ ("At the 2020 RSA Cybersecurity Conference last week, the head of the Cybersecurity and Infrastructure Security Agency (CISA) reiterated that the country needs to move away from SSNs for identification. The past few years have seen numerous high-profile data

Science discussed above, concludes that industry and policy makers need to "reassess our perilous reliance" on SSNs. The federal government has told all federal Executive Agencies to "eliminate the unnecessary collection and use" of SSNs. The Presidential Task Force on Identity Theft concluded that "more must be done to eliminate the unnecessary use of SSNs." No reason exists for Peoples to lag behind in eliminating or minimizing the collection and retention of SSNs. There is a distinct move to find alternatives to the use of SSNs to help reduce the threat of identity theft.[93] The Commission should direct Peoples join in those efforts. Peoples should be directed to report to the Commission, within 12 months of a final decision in this docket, its plan to eliminate the collection and retention of customer Social Security Numbers. This plan should include a plan for elimination of the SSNs currently retained in Company information technology.

At a minimum, Peoples should be directed to: (1) refrain from retaining SSNs from customers for more than 30-days after the customer establishes service; (2) refrain from

breaches and we've reached a point where up to an estimated 80% of Americans' SSNs have already been exposed.").

[93] *See e.g.*, *Social Security Number Collection and Use Reduction*, U.S. Department of Homeland Security (Jan. 18, 2019) ("With this Instruction, the Department of Homeland Security (DHS) Chief Privacy Officer: (A) Requires the elimination of the unnecessary collection, use, maintenance, and dissemination of the Social Security number (SSN) by DHS programs, systems, and forms; or (B) Requires the use of a unique alternative identifier to the SSN; or (C) Requires the use of privacy-enhancing SSN alternatives when there are technological, legal, or regulatory limitations to eliminating the SSN."); *see also*, Carten Cordell, *OPM Rule Removes Social Security Numbers From Mailed Documents*, Government Executive (Apr. 12, 2024), https://www.govexec.com/management/2024/04/opm-rule-removes-social-security-numbers-mailed-documents/395700/ ("The Office of Personnel Management issued a final rule Friday that would cull Social Security numbers from any mailed document in an effort to prevent fraud. The rule, which was published in the Federal Register, is part of the implementation of the 2017 Social Security Number Fraud Prevention Act and is designed to help protect the identifiers, which can be used in various forms of identity theft. . .The federal government has been working on reducing the use of SSNs as identifiers since at least 2006, when the Identity Theft Task Force, created by a George W. Bush executive order, called for the Office of Management and Budget and OPM to find ways to eliminate, restrict or conceal SSN use.").

providing a customer SSN to any entity outside of the Company; and (3) notify the customer, at the time the customer is asked to provide his/her/their SSN that, in the absence of the first two steps outlined above, that the SSN will be retained in perpetuity and that the SSN will be provided to a multi-national credit firm, to allow the customer to take such notice into account in deciding whether to provide their SSN.

Part 5. Proposed Modifications to Peoples Universal Service Tariffs.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the proposal of Peoples tariffs regarding the Company's Customer Assistance Program ("CAP"). First, Peoples witness Rita Black proposes that the CAP regulations be modified so as to remove customers from CAP for engaging in "recreational gas use."[94] Second, witness Black proposes to modify CAP regulations to remove CAP customers for obtaining CAP benefits "through fraudulent means."[95] Third, Peoples witness Scanlon proposes to limit the CAP Rider offset both in terms of the number of customers to which it applies and in terms of the extent of the offset.[96]

The rates proposed by Peoples in this proceeding will exacerbate these affordability problems even more. At proposed rates, 238 of the 402 Peoples' zip codes would have bills that exceed an affordable bill at proposed rates by $1,000 or more at the average Q1 income for each zip code.

[94] Peoples St. 10 at 8.
[95] *Id.* at 8.
[96] Peoples St. 3 at 4-5.

A. Proposed Modifications to CAP Operation Rules.

Q. PLEASE EXPLAIN YOUR RESPONSE TO THE PROPOSAL TO REMOVE CUSTOMERS FROM CAP FOR ENGAGING IN "RECREATIONAL GAS USE."

A. In proposing to remove low-income customers from CAP for engaging in "recreational gas use," Peoples witness Black does not offer a comprehensive definition of what constitutes a "recreational gas use." Instead, she provides a list which even she indicates includes uses "such as, but not limited to," designated types of interior and exterior uses. Ms. Black's list includes "heaters and other cooking appliances," both of which she does not define what types Peoples considers "recreational." She asserts that "gas lamps" are "recreational" even if some customers might consider such lamps to be security-oriented rather than recreational.

A substantially greater problem with Ms. Black's proposal, however, has to do with enforcement. Ms. Black offers no insights into how Peoples would *suspect* a customer of engaging in "recreational gas uses," nor how the Company would *confirm* that the customer is engaging in such prohibited uses. Enforcement, also, goes unexplained when she states that "[u]njustified usage as a result of recreational gas use will be billed to the customer."[97] In order to engage in such billing, however, the Company would not only need to confirm the *presence* of the prohibited recreational appliances, but would need to confirm the *frequency and extent* of usage of those appliances. The proposal advanced by the Company is replete with speculation and presents an unreasonable risk that CAP customers in need will be unjustifiably denied access to necessary assistance.

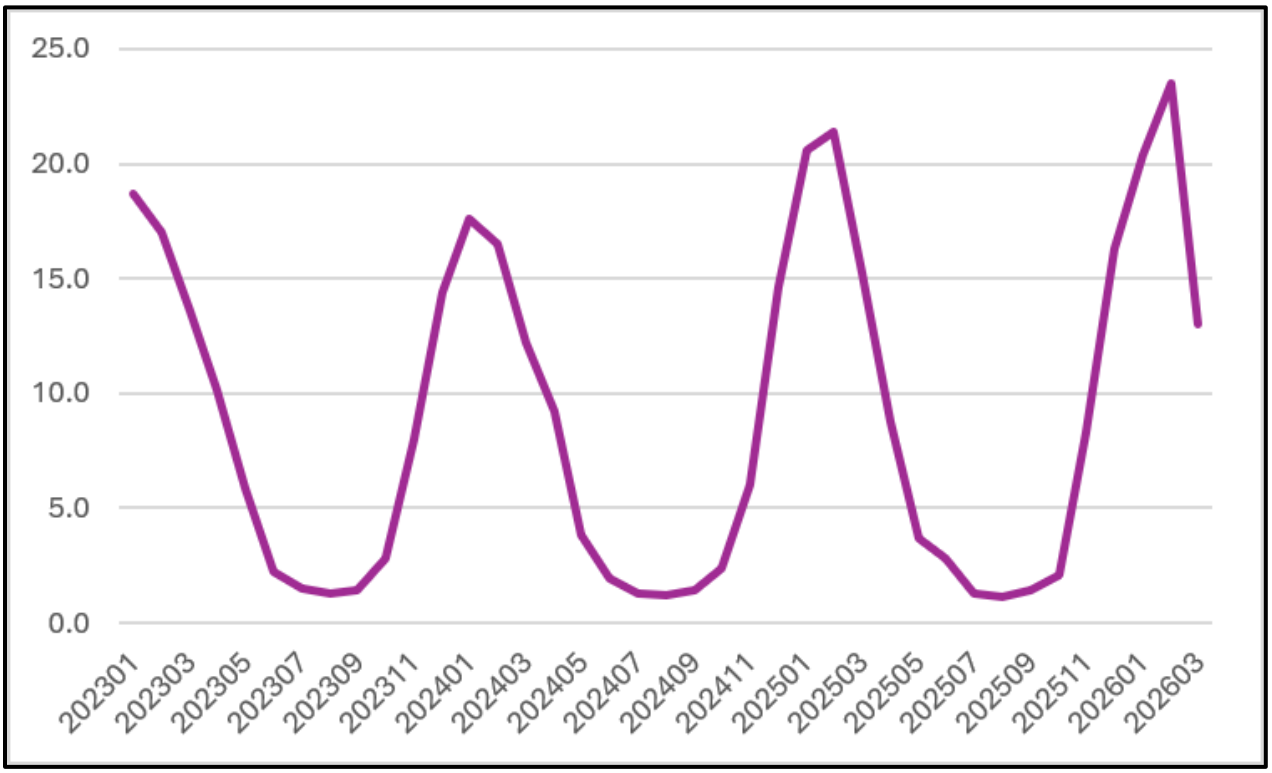
[97] Peoples St. 10 at 8.

In addition, while the tariff provides an appeals process for the "denial of eligibility," it does *not* provide for that appeals process to extend to the amount of billing for what Ms. Black refers to as "unjustified use."

Finally, Ms. Black offers no testimony on the scope of the problem which Peoples is seeking to address through its policing of whether CAP participants are using "recreational gas" for things such as gas fire places and gas grills. Confirming the presence of such use, and the extent of such use (needed, again, in order to bill the CAP participant for the "unjustified" use), would involve an unspecified cost. Ms. Black makes no effort to document that the cost of providing CAP credits for such "unjustified use" would be more than the combined cost of (1) policing CAP participants to determine whether, and to what extent, such use is occurring; (2) enforcing the ban through the removal of CAP participants and determining the appropriate amount to be billed for the "unjustified use;" and (3) collecting that billing for the unjustified use.

Ms. Black carries a burden to demonstrate that the recreational gas usage engaged in by CAP participants, of which she has not documented, is anything but de minimis. The Figure below presents the median gas use of CAP participants by month. Engaging in the not unreasonable assumption that low-income CAP participants are likely not using gas grills, hot tubs, or pool heaters during Pennsylvania's winter months, it is simply not clear where the "problem" that Ms. Black is seeking to resolve is presenting itself.

Figure 5. Median CAP Gas Use by Month (October 2023 – March 2026)



The "recreational gas" proposal advanced by Ms. Black appears to be a solution in search of a problem. It should be denied.

Q. PLEASE EXPLAIN YOUR RESPONSE TO THE PROPOSAL TO REVERSE AND REBILL CAP BENEFITS IF THE PARTICIPANT IS ALLEGED TO HAVE BEEN OBTAINING CAP BENEFITS "THROUGH FRAUDULENT MEANS" INCLUDING "FAILURE TO REPORT ALL INCOME."

A. The Peoples proposal to reverse CAP benefits for participants who "obtain benefits" "through fraudulent means" presents many of the same problems as its proposed ban on recreational gas usage. The Company does not define what entering the program "through fraudulent means" consists of, other than to provide one example: "failure to report all income."

One major problem with the Company's proposal is its failure to define "fraudulent means." A "failure to report all income" could be the result of mistake more than it is evidence of "fraud." Moreover, given the uncertainty of income sources relied upon by low-income customers, with the lack of routine recordkeeping, it cannot *ipso facto* be argued that any "failure to report all income" is necessarily engaging in "fraudulent means."

The Company's proposal represents a substantial over-reach as well. It is not limited to allegations of fraud merely at the time of application. A CAP participant "obtains benefits" throughout their participation in CAP. Under its proposal, Peoples could at any time accuse the participant of a "failure to report all income" and seek to rebill that CAP participant for the CAP credits "incorrectly received." Under the tariff language proposed, in other words, a customer who has participated in CAP for 18 months could be accused of a "failure to report all income" for the CAP benefits received in Month 9 through Month 13 due to a failure to report all income during that time period.

The Company does not explain how it will treat variable or seasonal incomes. A CAP participant may have an increase in income during certain seasons of the year, but a decline in income in other seasons. The annual income would be sufficient for the CAP participant to retain eligibility. Under the Company's proposal, their "failure to report all income," however, would subject them to being back-billed for CAP benefits "incorrectly received" during their months of increased income.

The Company's enforcement of its proposal, continuously monitoring CAP participant income to determine whether the participants have "reported all income" would largely

render the Commission's decision to expand income recertification periods moot. Rather than being able to rely on the extended recertification period, a customer would be under a continuous obligation to "report all income" at the risk of being billed for CAP benefits "incorrectly received" due to a failure to do so.

The Company's proposal is flawed, also, because of its failure to impose a period of repose the expiration of which would insulate a CAP participant from being accused of a failure to report all income. The Company's tariff leaves the time period open-ended during which it can seek to bill for CAP benefits "incorrectly received." Doing so imposes unreasonable record-keeping requirements on the CAP participant, who would never know whether they will be challenged on a failure to report all income. Even then, the CAP participant would be placed in the difficult, if not impossible, position of needing to prove a negative. If Peoples argues that the CAP participant ***did*** receive income which the participant did not report, the CAP participant would be in the position of documenting that they did ***not*** receive such income. Peoples should, at a minimum, explain how a CAP participant can prove what income they did *not* receive in a given time period.

Finally, as with its prohibition on "recreational gas use," Peoples has made no showing of the costs that it is trying to prevent or, conversely, of the costs it would incur in the process of implementing its proposal. Ms. Black offered no testimony on the scope of CAP benefits being provided to participants who are "obtaining" such benefits through fraudulent means. The Company did not even define the problem (using the "such as" language instead) let alone present the scope and cost of the problem. This proposal is yet another example of a solution in search of a problem.

The proposal advanced by Ms. Black to allow the Company to back-bill CAP participants for CAP benefits obtained "through fraudulent means" is fatally flawed. It should be rejected.

B. Proposed Modification to CAP Rider Offset.

Q. PLEASE EXPLAIN YOUR RESPONSE TO THE PROPOSAL TO MODIFY THE CAP RIDER OFFSET.

A. Witness Scanlon testifies that "The Company is proposing revisions to the bad debt offset calculation in this proceeding. . .to align both the CAP participation level and the uncollectible percentage used in the bad debt offset calculation with more recently experienced trends." Scanlon states that, Peoples proposes the threshold amount to trigger the bad debt offset calculation be increased to CAP enrollment in excess of 39,010. Moreover, Scanlon recommends setting the universal service offset at 1.93% to reflect the recent residential write-off percentage.[98]

While I do not object to updating either of the numbers that Ms. Scanlon references, neither of her proposals is appropriate.

Q. PLEASE ADDRESS MS. SCANLON'S PROPOSED BASE CAP PARTICIPATION NUMBER OVER WHICH THE OFFSET WOULD BE APPLIED.

A. Peoples has not historically been good at projecting CAP participation for purposes of setting a base over which a CAP offset will apply. For example, in its 2023, base rate case, Company witness Scanlon, in her December 2023 testimony, projected that the base

[98] Peoples St. 3 at 5.

CAP participation would reach 33,800 customers.[99] In fact, by December 2024, actual CAP participation for Peoples had reached only 26,753 customers.[100] In the twelve months ending November 2025 (the last month for which Peoples provided actual rather than projected data), the average CAP participation rate was only 35,200.[101]

Rather than relying on an estimate or projection provided by the Company, I recommend that Peoples adopt the same process for establishing a base CAP participation as other Pennsylvania utilities have adopted. The base number should be set at the month-end participation as of the month of a Final Order in this proceeding.

Q. PLEASE ADDRESS THE PERCENTAGE OFFSET WHICH MS. SCANLON PROPOSES BE APPLIED.

A. Ms. Scanlon proposes to apply a "bad debt" offset equal to the write-off percentage equal to the recent three-year average of residential uncollectible activity. She testifies that the three-year average residential uncollectible rate is 1.93%. This recommendation represents a reduction from the existing offset of 4.7% now included in the Peoples Universal Service Rider. Ms. Scanlon's proposal is a substantial change from the recommendation she made in Peoples 2023 rate case. In that proceeding, Ms. Scanlon recommended as follows:

> The Company proposes to reflect a bad debt offset amount of 4.70% in the first universal service update filing (after the initial compliance filing described above) upon approval in this case. This percentage is determined by dividing the gross write-offs in dollars for confirmed low-income customers by the annual residential revenues for confirmed low-income

[99] *Pa PUC v. Peoples Natural Gas Company LLC*, Docket No. R-2023-3044549, Peoples St. 3 at 29[hereafter "2023 Scanlon"].
[100] Peoples Response to OCA-IV-1.
[101] Peoples Response to OCA-IV-5.

customers as reported in the Commission's Universal Service Programs and Collections Performance 2022 Report.[102]

She offers no evidence in support of why she proposes to change the CAP offset from being based on Confirmed Low-Income data to being based on total residential data.

Using the same methodology here as was proposed by Ms. Scanlon in Peoples last rate case (i.e., the write-off for Confirmed Low-Income as published in the most recent BCS annual report on collections performance and universal service programs), the appropriate offset to be set in this proceeding would be 8.1%.[103] Using a two-year average would result in an offset of 7.4%. Using a three-year average to establish the CAP offset would be inappropriate. In 2022, the Company was still operating under Commission-imposed collection restrictions attributable to COVID. Even BCS noted, in its 2023 annual report, that "[b]oth EDCs and NGDCs reported the COVID-19 pandemic had impacted some of their metrics for 2022, *but the 2023 metrics are showing minimal impact*."[104] If the Company wants to use a multi-year average, it should use a two-year average for 2023/2024, for which the COVID collections restrictions "are showing minimal impact."

Q. IS THERE ANY OTHER REASON WHY MS. SCANLON'S PROPOSED OFFSET OF 1.93% IS UNREASONABLE?

A. Yes. The offset to be applied to the Universal Service Rider should reflect not merely uncollectibles, but should reflect an avoided working capital expense as well. As I described above, Peoples' own independent evaluation of its CAP program found that

[102] 2023 Scanlon, supra note 99, at 29.
[103] 2024 BCS annual Report on Universal Service Programs and Collections Performance, at 34.
[104] 2023 BCS annual Report on Universal Service Programs and Collections Performance, at 1 (emphasis added).

participation in CAP improved the payment coverage ratio (i.e., the percentage of bill actually paid) by 36% relative to the payments made by other comparison-group low-income customers. Moreover, as I discuss in detail above, in the most recent twelve months available (ending March 2026), the average Confirmed Low-Income residential arrears was $519.37.[105] In contrast, in the most recent year of data (2024), Peoples reported that its CAP customers paid 82% of their bill (even excluding payments made by energy assistance).[106] From a rate perspective, the avoided working capital associated with these improved payment patterns associated with CAP participation is important because working capital is a capital expense. As such, it has a return on equity associated with it which, in turn, has a tax component associated with it. Every $1 in reduced working capital, in other words, will yield greater than $1 in reduced total expenditures.

Based on the data above, I recommend that the CAP offset be established in the same fashion it was established in the Peoples 2023 base rate case. An offset of 8.1% is reasonable. The offset of 1.93% proposed by Company witness Scanlon should be rejected.

C. The Allocation of CAP Costs Among Customer Classes.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I explain why it is reasonable for the Commission to decide that now is the appropriate time to allocation a portion of CAP costs to all customer classes. The Commission has previously determined that allocating CAP costs

[105] Peoples Response to OCA-IV-10.
[106] 2024 BCS annual report at 64.

between all customer classes is lawful.[107] Indeed, as recently as the Commission's 2026 Order in Docket M-2025-3054271,[108] the Commission held "We agree with CAUSE-PA and TURN that the Commission has the authority to require other customer classes, not just the residential class, to contribute to the costs of universal service programs and that we do have an obligation to ensure that electric service is available to all customers on reasonable terms and conditions."[109]

The purpose of this section of my testimony is to explain why doing so is not merely lawful, but also is reasonable. The allocation of CAP costs among all customer classes involves allocating the cost of a public good, amongst all customer classes, not just the residential class.

Q. PLEASE ADDRESS WHETHER CAP COSTS ARE "CAUSED" BY THE RESIDENTIAL CLASS.

A. The cost of providing service through the Company's CAP program is not a cost that has a cost causation that can be limited to the residential class. The Commission has previously recognized that universal service costs are caused by factors endemic to society as a whole. They are not caused by factors specific to residential customers. In its 2019 Order revising the CAP Policy Statement, the Commission explicitly found that "poverty, poor housing stock, and other factors that contribute to households struggling to

[107] "We note there is no statutory or appellate prohibition that limits the recovery of CAP costs, whether specifically calculated or as part of total universal service costs, to funding from the residential class. Universal service funding from non-residential classes, while not mandatory, is permissible." *2019 Ammendments toCAP Policy Statement*, Docket No. M-2019-3012599, Order at 96 (Nov. 5, 2019).
[108] *Interconnection and Tariffs for Large Load Customers*, Docket No. M-2025-3054271, Order (April 30, 2026) [hereinafter *Large Load Final Order*].
[109] *Id.* at 107.

afford utility service are not just 'residential class problems.'" Not only did the Commission explicitly find universal service program to further not merely the interests of residential customers, but to further a broader "public purpose," but it concluded that "the *General Assembly clearly identified the public purpose of these programs* in the Competition Acts by requiring that their costs be nonbypassable"[110] The Commission explicitly found that "[c]early, there is a persuasive argument to be made that home heating and energy assistance for low-income households serves a public good whose responsibility is not merely other residential ratepayers."[111]

Q. HAVE YOU FOUND EVIDENCE THAT CONTINUES TO SUPPORT THE PRIOR COMMISSION FINDING THAT CAP ASSISTANCE "SERVES A PUBLIC GOOD WHOSE RESPONSIBILITY IS NOT MERELY OTHER RESIDENTIAL RATEPAYERS"?

A. Yes. Table 18 below the average income for CAP participants, average household size for CAP participants, and the income at 100% of Federal Poverty Level ("FPL") for a two-person household. As is evident, the average income for Peoples CAP participants is falling further and further below 100% of FPL for a two-person household. This occurs even though the average household size for a CAP participant is substantially greater than 2-persons.

Table 18. CAP Participant Characteristics[112]

	Avg HH Size	Avg CAP Income	100% FPL (2-person HH)	Pct Employed
2020	2.44	$14,754	$17,240	33%

[110] *Id.* (emphasis added).
[111] *Id.* at 94-95.
[112] Peoples' response to OCA-IV-01.

2021	2.46	$14,808	$17,420	36%
2022	2.45	$15,057	$18,310	41%
2023	2.45	$16,172	$19,720	23%
2024	2.50	$16,164	$20,440	39%
2025	2.50	$16.295	$21,150	36%

This declining income can in large part be attributed to the performance of the economy as a whole, which includes non-residential customers. Consistently over the past six years, one-third or more of the Company's CAP participants have been employed. The fact that the wages received by these households leave them with a poverty-level income can be attributed to the wage-payer as much as it is attributed to the wage-earner. The fact that CAP participants with employment income still have income less than the FPL for a two-person household is a societal problem, not a residential problem.

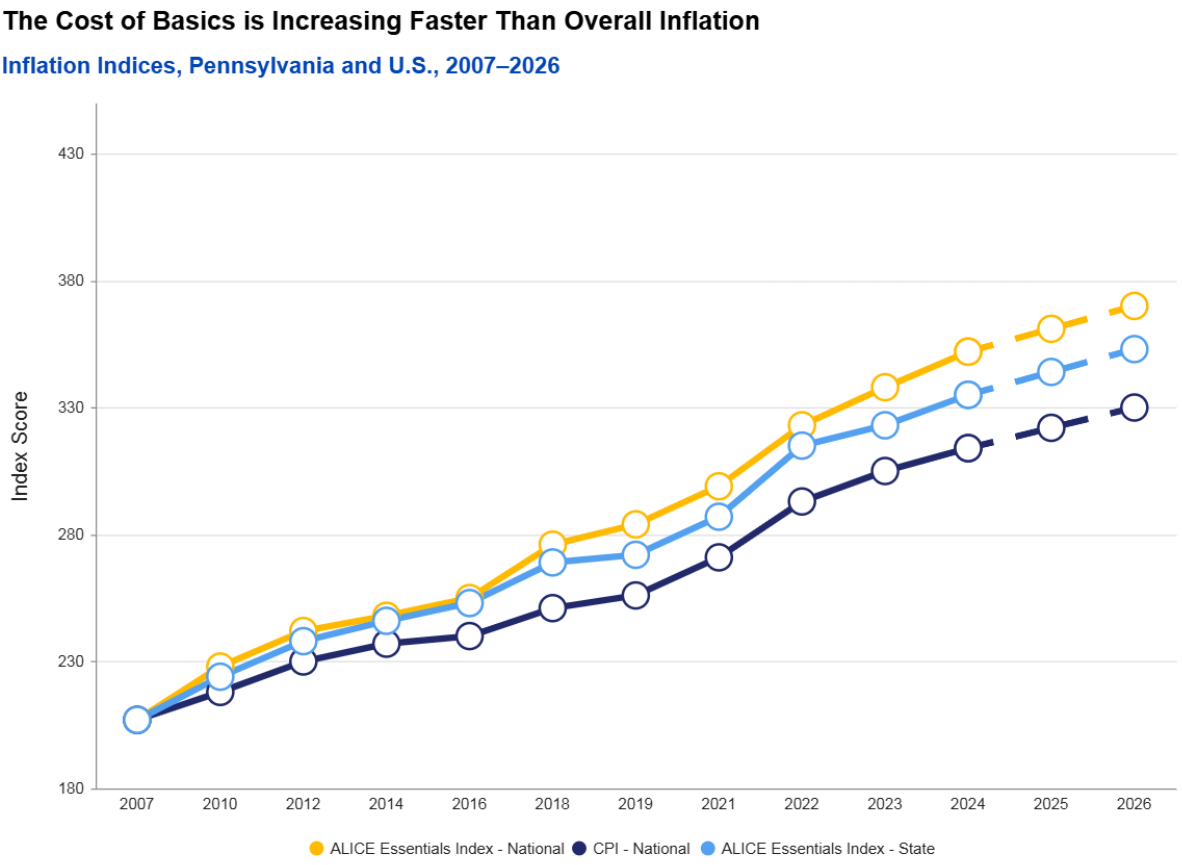
Q. IS THERE A FURTHER POLICY REASON TO BE CONCERNED ABOUT THE CONSEQUENCES OF SPREADING THE COSTS OF CAP OVER ONLY THE RESIDENTIAL CUSTOMER CLASS?

A. Yes. There are two groups of residential customers about whom the Commission should have particular concern in this period of extraordinary concern about affordability. Group 1 is that population of residential customers who may be income-eligible for CAP but who, for whatever reason, do not participate in CAP. Group 2 is that population of residential customers who have income just over the maximum income eligibility and thus do not qualify to receive CAP benefits, but whose income is insufficient to allow these households to be able to afford their basic household necessities, including their monthly utility service. This line, above maximum income eligibility but below the ability to meet necessities, is often referred to as the income "cliff."

Q. ARE THERE ECONOMIC CONSEQUENCES THAT ARE COMMON TO BOTH OF THESE TWO POPULATIONS OF CONCERN?

A. Yes. One of the society-wide factors disproportionately and adversely affecting both of these populations of concern today involves the extraordinary rate of inflation which has beset the economy. There is no question that inflation has a disproportionately harmful impact on low- and moderate-income households. In Pennsylvania, the United Way reports in its ALICE analysis that "in Pennsylvania, the ALICE Essentials Index also increased faster than the national CPI … And like the national trend, essential costs in Pennsylvania increased at a faster rate following the pandemic (5.3% annual increase in the ALICE

Essentials Index from 2021 to 2024, compared to 2.3% between 2007 and 2019)."[113]



As can be seen, the gap between the increasing cost of essentials and the rate of inflation is becoming larger each year in Pennsylvania.[114] Repeated rate cases filed by the Company, including these cases where the Company seeks an ever-increasing return on

[113] *The State of ALICE in Pennsylvania: Costs Over Time: The ALICE Essential Index,* available at https://www.unitedforalice.org/costs-over-time/pennsylvania.

[114] United for ALICE explains the difference between its "Essentials Index" and the Consumer Price Index (i.e., the "rate of inflation" as follows: "The ALICE Essentials Index measures change over time in the cost of the household essentials that matter most to ALICE and poverty-level households: housing, child care, food, transportation, health care, and basic technology. The standard measure of inflation in the U.S., the Bureau of Labor Statistics' Consumer Price Index (CPI), tracks a much larger basket of over 200 categories of goods and services--including items that financially insecure households can't afford on a regular basis, like full-service meals at restaurants, wine, major appliances, travel, and jewelry. Tracking costs over time using the CPI alone can conceal important changes in the costs of household essentials." *Id.*

equity, is one of the factors pushing the Essentials Index higher faster than the rate of inflation is increasing.

Q. IS THERE REASON TO HAVE PARTICULAR CONCERN ABOUT THE IMPACT OF THE COMPANY'S INCREASING RATES, INCLUDING ITS USP RIDER, ON THE ELIGIBLE-BUT-NOT-PARTICIPATING LOW-INCOME CUSTOMERS?

A. Yes. Failing to address the allocation of CAP costs exclusively to the residential class will create a downward spiral that will harm everyone. As universal service costs are charged to income-eligible non-participating customers, the bills to those non-participants will become increasingly unaffordable. As bills become increasingly unaffordable, more and more of those customers will enroll in CAP. As more and more customers enroll in CAP, the CAP costs charged to remaining income-eligible nonparticipants will increase even more. And the cycle thus begins anew. As CAP participation increases, CAP costs increase thus creating even more CAP participants, which creates more CAP costs, and on it continues.

Q. IS THERE REASON TO HAVE A PARTICULAR CONCERN ABOUT THE IMPACT OF THE COMPANY'S INCREASING RATES ON RESIDENTIAL CUSTOMERS WHO HAVE INCOMES JUST BEYOND THE "CLIFF" THAT YOU IDENTIFIED ABOVE?

A. Yes. As the Company's bills become increasingly unaffordable, those customers who have "too much" income to qualify for CAP, but too little money to be able to afford their utility bills, will face increasing payment difficulties. Since public purpose programs do not exist to meet the needs of these customers who have income beyond the "cliff," the

increasing inability-to-pay will create additional costs to the Company, in terms of lost revenue, credit and collection expenses, working capital expenses along with the associated return on equity and tax impacts), bad debt, and the like. Again, as a result, the utility enters into a spiral of self-reinforcing harm to everyone. As these additional costs get incorporated into standard rates, rates to all residential customers will increase, thus making bills even more unaffordable to those with income just beyond the cliff. Moreover, as rates go up, CAP costs will also go up (as the difference between bills at standard rates and bills at CAP rates increases). The increase in CAP costs not only has an impact on Population 1 (described above), but will have a spiralling impact on Population 2 as well (with hgher bills creating more inability-to-pay which causes more costs, which contribute to even higher bills, which starts the cycle anew).

Q. IS THERE A WAY TO BREAK THIS DOWNWARD CYCLE THAT YOU HAVE IDENTIFIED?

A. Yes. Allocating CAP costs to all customer classes not only interrupts the cycle that I have identified, but it does so consistent with the General Assembly's finding that universal service costs are a public good, and further consistent with the Commission's prior finding of the "public purpose" of universal service expenditures, both of which I discussed above.

Q. IF YOU HAVE A CONCERN ABOUT THE COSTS OF CAP, WHY ISN'T IT SIMPLY APPROPRIATE TO PLACE A CEILING ON CAP COSTS?

A. Placing a ceiling on CAP costs would be inconsistent with the statutory basis of Pennsylvania's universal service programs. Both the electric and natural gas competition statutes provide that the Commission has an obligation to appropriately fund utility

universal service programs.[115] Placing limits on the programs, while declining to require contributions from customer classes who both benefit from the progams and contribute to causing the need for the programs, would not be providing appropriate funding.

Q. WHAT DO YOU RECOMMEND AS A COST ALLOCATION MECHANISM?

A. I recommend that the Commission require non-residential customer classes to make an appropriate payment toward their fair share of CAP costs.[116] I recommend that the non-residential customer class payments not be "open-ended," but rather be more akin to the universal service payments which the Commission recently required of large load customers. In its recent Final Order on "large load" customers, the Commission said:

> Contributions to utility universal service programs would not only help ameliorate the impact of rising energy prices for low-income universal service program participants but will also help all residential customers by relieving some of the cost burden of these programs, which are currently borne solely by residential electric customers. However, while EDCs are free to propose what they think best in this regard, we are inclined to favor a flat fee model based upon the Large Load Customer's peak demand as opposed to a volumetric charge. Such a fee structure would be simpler for the EDCs to assess and administer and provide greater predictability and transparency for both the utility and the Large Load Customer. [117]

This Commission Order reflects much of the discussion which I present above regarding the policy reason to now adopt an allocation to all customer classes.

While I agree with the Commission's "favoring" a "flat fee model based upon the Large Load Customer's peak demand as opposed to a volumetric charge," I recommend a

[115] 66 Pa. C.S. §§ 2203(8), 2802(17).
[116] This recommendation is intentionally limited to CAP costs rather than to total "universal service" costs (which would include, also, LIURP, CARES and hardship funds.
[117] *Large Load Final Order*, *supra* note 108, at 107.

somewhat different, and somewhat easier, cost allocation. I offer this somewhat different flat fee model because my recommendation is to allocate a portion of universal service costs to *all* customer classes, and, while the Commission's "peak demand" methodology might easily apply to large load customers, it would not easily transfer to all customer classes. Nonetheless, I incorporate the notion of allocating costs based on a "flat fee" basis into my recommendation.

I recommend that the costs to be allocated among all customer classes be the total CAP costs (CAP Credits + Arrearage Forgiveness + Administration) reported by the Company to the Pennsylvania PUC in the most recently completed calendar year prior to the year in which the Company receives a final order in a base rate case. For Peoples, the total costs would be $28,873,507.78.[118] This figure is an authoritative figure, already required to be reported to the Commission, available as publicly accessible information.

I recommend that the interclass allocations be based on each class's allocation of total distribution revenue requirement (excluding taxes) agreed to in a settlement of this case, or that is approved by a final PUC Order if the case is litigated.[119] Using this figure would not involve developing a new number. The costs to be allocated between customer classes in this proceeding would thus be those as are set forth in the Table below. For non-residential customers, the universal service cost could be added on as an undesignated part of the customer charge. For residential customers, the CAP costs would continue to be collected as they have historically been collected. There would, in other words, with the exception of the charges deducted to be collected from other rate classes,

[118] Peoples' response to OCA-IV-001, at 82.
[119] *See* Peoples Ex. 11, at 28:350, 42:35.

be no change in the manner in which residential universal service charges are collected through the USP Rider (along with the periodic reconciliation).

Table 19. Inter-Class Allocation of CAP Costs (Peoples, 2026)

Customer Class	Revenue Requirement Allocation (Rev.Req. excluding taxes)	CAP Cost Allocation
Residential	74.10%	$21,395,269.26
Small General	10.90%	$3,147,212.35
Medium General	9.80%	$2,829,603.76
Large General	3.90%	$1,126,066.80
Mainline Service	1.40%	$404,229.11
Sum		$28,902,381.29

Given that I propose that the non-residential class allocations be done on a "fixed fee" basis, I recommend that the dollar amount of the non-residential allocations be fixed until the Company files its next base rate proceeding.

Q. WOULD ALLOCATING CAP COSTS TO ALL RATEPAYER CLASSES GIVE RISE TO A CONCERN THAT THESE ADDITIONAL COSTS WOULD IMPOSE UNDUE BURDENS ON THE NON-RESIDENTIAL CLASSES?

A. No. In its 2024 Report, which I have described above, BCS stated that "PGW's 2024 Universal Service Spending includes only the amount recovered from residential customers, which was 71% of PGW's $64,313,154 2024 total Universal Service Spending."[120] As can be seen, the percentage of PGW spending allocated to non-residential customers (29%) is actually somewhat more than the percentage spending that would result from the allocation I recommend above.[121] This is important in that the

[120] 2024 BCS Report, at 91.
[121] The Commission reported: "PGW recovers CAP costs from all customer classes. Allocation amounts change annually, but approximately 3/4 of these costs are recovered from residential customers. We have used a recovery

Commission has considered the economic impact which this allocation has had on the non-residential customer classes. In its Final Order adopting revisions to the CAP Policy Statement, the Commission found:

> OSBA and the Industrial Customers have argued that recovering costs of universal service programs from industrial and commercial customers may negatively impact businesses in the Commonwealth. However, we have not seen evidence that the economic climate in Philadelphia has been negatively impacted as a result of universal service costs charged by PGW. Further, as noted by multiple parties in the *Review* proceeding, many states recover the cost of utility low-income programs from all ratepayer classes, including New York, New Jersey, Ohio, Illinois, Maine, and New Hampshire. We are not aware that this practice has negatively impacted the business climate of any these states.[122]

The allocation which I recommend above does not substantively differ from the non-residential allocation which currently occurs for PGW. There is no reason to believe that the Commission should reach a different conclusion than it did when it last considered the issue.

Part 6. The Proposed Expansion of Universal Service Expenditures.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the proposals of Peoples to expand its expenditures on specified universal service support programming and to recover those expanded expenditures through the Universal Service Rider. I will explain why I recommend approval of the expanded expenditures. However, I will further explain why

allocation of 75% for residential ratepayers for 2016 through 2021." *2019 Amendments to CAP Policy Statement* at 26.

[122] *Id.* at 95-96.

those expenditures should be recovered through base rates rather than through the Universal Service Rider.

Q. WHAT EXPANDED UNIVERSAL SERVICE EXPENDITURES ARE YOU EXAMINING IN THIS SECTION OF YOUR TESTIMONY?

A. Peoples witness Wachter recommends that Peoples be allowed to hire a new staff person to facilitate the Company's compliance with the recent Commission rulemaking regarding the Low-Income Usage Reduction Program (LIURP).[123] In addition, witness Black recommends the inclusion of the costs of studies to "identify zones of vulnerability" as well as miscellaneous communications costs.[124]

Q. PLEASE EXPLAIN WHY THESE EXPENDITURES SHOULD BE RECOVERED THROUGH BASE RATES RATHER THAN THROUGH THE USP RIDER?

A. Allowing Peoples to collect these costs on a stand-alone basis through the USP Rider would isolate one element out of a multitude of elements that would be affecting Peoples customer rates. Without taking into consideration all other rate impacts of the changing level of total costs, it is not possible to determine the extent to which, if at all, Peoples *total* cost of service will increase as a result of the increased LIURP and communication costs. It is thus not possible to determine what dollar amount of cost recovery would need to be reflected in any increase in rates through the proposed USP Rider.

Consider, for example, that the increased communication costs are, by the very terms of the study, designed to identify low-income customers who are in "zones of vulnerability"

[123] Peoples St. 2 at 10.
[124] Peoples St. 10 at 12-13.

for targeted communication. However, that same increase in expenditures directed toward vulnerable customers would also result in other aspects of Peoples costs that would decline. When comparing CAP participants to Confirmed Low-Income customers overall, Peoples data documents that enrollment in CAP improves the payment patterns of the affected customer.

In fact, Peoples own independent evaluation of its CAP found that participation of low-income customers in CAP resulted in a 36% improvement in the payment coverage ratio (i.e., the percentage of bill paid) when compared to low-income customers not participating in CAP. [125]

The results show that any increase in Peoples costs due to the increased participation resulting from the proposed research and communication will be offset, in whole or part, by decreases in expenses such as the working capital associated with carrying arrears; by decreases in expenses associated with decreased credit and collection expenses; by decreased expenses associated with bad debt; or by the increased revenues associated with decreased disconnections or more frequent (and more timely) reconnections after a disconnection.

The same will be true for LIURP expenditures. Improving the effectiveness of the Company's LIURP program will be expected to improve payment performance, reduce arrears (and thus reduce working capital), reduce disconnections, and reduce bad debt write-offs. To allow the Company to include the LIURP expenditures through the USP

[125] *Peoples Natural Gas 2017 Universal Service Program, Evaluation, Final Report*, APPRISE, Inc., 77 (Aug. 2017), available at https://www.puc.pa.gov/General/pdf/USP_Evaluation-Peoples.pdf.

Rider is to allow the Company to recover changes in a single element of its cost of service in isolation from other elements of the cost-of-service that will also change (that the Company ignores in its proposal).

I conclude that the proposed recovery of these two cost elements through the USP Rider should be denied.[126]

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

[126] In contrast, I do not object to recovering the costs of the USP evaluation through the USP Rider. Since their inception, Pennsylvania CAP programs have been subject to a requirement that they be subject to a periodic independent evaluation. The future preparation of this long-mandated evaluation will not, unto itself, have an impact on the operation of CAP or on any other cost or revenue element of rates. Preparation of the evaluation is a standard administrative function that does not involve internal costs. The proposal to recover the evaluation costs through the USP Rider should be approved.

Exhibit RDC-1: Summary Vitae

Roger Colton
Fisher, Sheehan & Colton
Public Finance and General Economics
Belmont, MA

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Education:

J.D. (Phi Kappa Phi, Order of the Coif) University of Florida (1981)

M.A. (Regulatory Economics), McGregor School, Antioch University (1993)

B.A. Iowa State University (1975) (journalism, political science, speech)

Professional Experience:

Licensed to practice law in Iowa (1981 to present)

Fisher, Sheehan and Colton, Public Finance and General Economics: 1985 – present.

As a co-founder of this economics consulting partnership, Colton provides services in a variety of areas, including regulatory economics, poverty law and economics, public benefits, fair housing, community development, energy efficiency, utility law and economics (energy, telecommunications, water/sewer), government budgeting, and planning and zoning.

Colton has testified in state and federal courts in the United States and Canada, as well as before regulatory and legislative bodies in more than forty (40) states. He is particularly noted for creative program design and implementation within tight budget constraints.

Professional Affiliations:

Past Chair:	Belmont Zoning By-law Review Working Committee (climate change)
Member:	Board of Directors, Massachusetts Rivers Alliance
Columnist:	Belmont Citizen-Herald
Producer:	Belmont Media Center: BMC Podcast Network
Host:	Belmont Media Center: Belmont Journal
Member:	Belmont Town Meeting
Vice-chair:	Belmont Light General Manager Screening Committee
Past Chair:	Belmont Goes Solar

Coordinator: BelmontBudget.org (Belmont's Community Budget Forum)
Coordinator: Belmont Affordable Shelter Fund (BASF)
Past Chair: Belmont Solar Initiative Oversight Committee
Past Member: City of Detroit Blue Ribbon Panel on Water Affordability
Past Chair: Belmont Energy Committee
Member: Massachusetts Municipal Energy Group (Mass Municipal Association)
Past Chair: Housing Work Group, Belmont (MA) Comprehensive Planning Process
Past Chair: Board of Directors, Belmont Housing Trust, Inc.
Past Chair: Waverley Square Fire Station Re-use Study Committee (Belmont MA)
Past Member: Belmont (MA) Energy and Facilities Work Group
Past Member: Belmont (MA) Uplands Advisory Committee
Past Member: Advisory Board: Fair Housing Center of Greater Boston.
Past Chair: Fair Housing Committee, Town of Belmont (MA)
Past Member: Aggregation Advisory Committee, New York State Energy Research and Development Authority.
Past Member: Board of Directors, Vermont Energy Investment Corporation.
Past Member: Board of Directors, National Fuel Funds Network
Past Member: Board of Directors, Affordable Comfort, Inc.
Past Member: National Advisory Committee, U.S. Department of Health and Human Services, Administration for Children and Families, Performance Goals for Low-Income Home Energy Assistance.
Past Member: Editorial Advisory Board, International Library, *Public Utility Law Anthology*.
Past Member: ASHRAE Guidelines Committee, GPC-8, *Energy Cost Allocation of Comfort HVAC Systems for Multiple Occupancy Buildings*
Past Member: National Advisory Committee, U.S. Department of Housing and Urban Development, Calculation of Utility Allowances for Public Housing.
Past Member: National Advisory Board: Energy Financing Alternatives for Subsidized Housing, New York State Energy Research and Development Authority.

Professional Associations:

National Association of Housing and Redevelopment Officials (NAHRO)
National Society of Newspaper Columnists (NSNC)
Association for Enterprise Opportunity (AEO)
Iowa State Bar Association
Energy Bar Association
Association for Institutional Thought (AFIT)
Association for Evolutionary Economics (AEE)
Society for the Study of Social Problems (SSSO)

Association for Social Economics

Books

Colton, *et al.,* ***Access to Utility Service***, National Consumer Law Center: Boston (4th edition 2008).

Colton, *et al.*, ***Tenants' Rights to Utility Service***, National Consumer Law Center: Boston (1994).

Colton, ***The Regulation of Rural Electric Cooperatives***, National Consumer Law Center: Boston (1992).

Book Chapters

Colton (2018). The equities of efficiency: distributing energy usage reduction dollars, Chapter in Energy Justice: US and International Perspectives (Edited by Raya Salter, Carmen Gonzalez and Elizabeth Ann Kronk Warner), Edward Elgar Publishing (London, England).

Journal Publications

65 publications in industry and academic journals, primarily involving utility regulation and affordable housing. (list available upon request)

Technical Reports

200 technical reports for public-sector and private-sector clients (list available upon request)

Jurisdictions in which Expert Witness Provided

1. Maine	17. Tennessee	33. Montana
2. New Hampshire	18. Kentucky	34. Colorado
3. Vermont	19. Ohio	35. New Mexico
4. Massachusetts	20. Indiana	36. Arizona
5. Rhode Island	21. Michigan	37. Utah
6. Connecticut	22. Wisconsin	38. Idaho
7. New Jersey	23. Illinois	39. Nevada
8. Maryland	24. Minnesota	40. Washington
9. Pennsylvania	25. Iowa	41. Oregon
10. Washington D.C.	26. Missouri	42. California
11. Virginia	27. Kansas	43. Hawaii
12. North Carolina	28. Louisiana	**Canadian Provinces**
13. South Carolina	29. Arkansas	1. Nova Scotia
14. Florida	30. Texas (Federal Court)	2. Ontario
15. Alabama	31. South Dakota	3. Manitoba
16. Mississippi	32. North Dakota	4. British Columbia

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Roger Colton, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 4, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 18, 2026

Signature: _____
Roger Colton

Address: Fisher Sheehan & Colton
34 Warwick Road
Belmont, MA 02478

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company	:	

Surrebuttal Testimony of Roger Colton

on behalf of

Pennsylvania Office of Consumer Advocate

OCA Statement 4SR

Date Served: July 31, 2026

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Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Roger Colton. My address is 34 Warwick Road, Belmont MA 02478.

Q. ARE YOU THE SAME ROGER COLTON WHO PREVIOUSLY PREPARED PREFILED WRITTEN DIRECT TESTIMONY FOR THE OFFICE OF CONSUMER ADVOCATE IN THIS PROCEEDING?

A. Yes, I am.

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR SURREBUTTAL.

A. My Surrebuttal Testimony responds to the following Peoples Natural Gas ("Peoples" or "Company") witnesses to the extent that they address my Direct Testimony

- Company witness Cynthia Fang;
- Company witness Rita Black;
- Company witness John Taylor;
- Company witness Michelle Parks;
- Company witness Andrew Wachter; and
- Company witness Carol Scanlon.

In addition, my Surrebuttal Testimony responds to the rebuttal testimony of Mark Ewen prepared on behalf of the Office of Small Business Advocate ("OSBA"). To the extent that these witnesses address issues other than those presented in my Direct Testimony, I leave the response to such rebuttal to other Office of Consumer Advocate ("OCA") surrebuttal testimony.

Before addressing the specific issues raised by each rebuttal witness, however, there is a need to address the broader issue of how, and even whether, to address affordability in a base rate case.

Overview of PUC Consideration of Affordability.

Q. WHY DO YOU ADDRESS THE ISSUE OF HOW, OR EVEN WHETHER, TO CONSIDER THE ISSUE OF AFFORDABILITY IN A BASE RATE CASE?

A. Peoples witnesses spend considerable time asserting in their rebuttal testimony that a consideration of the unaffordability of Company's rates, and the means by which to address that unaffordability, do not belong in a base rate case. Company witness Fang argues that "utility ratemaking is not a reasonable mechanism for addressing economywide inflationary pressures or other macroeconomic conditions, and that energy affordability concerns are more appropriately addressed through Pennsylvania Public Utility Commission ("PUC" or "Commission")-approved, targeted universal service programs that are the subject of separate proceedings designed to address those issues specifically."[1] Fang argues that, "To the extent broader macroeconomic conditions are driving household hardship, the most effective tools for addressing those conditions generally lie at the state or federal level through tax policy and broad-based social assistance programs designed to be income-targeted and coordinated across essential needs, including housing, food, healthcare, and energy."[2]

[1] Peoples St. 20-R at 2.

[2] *Id.* at 10-11.

Despite these assertions by Company rebuttal witnesses, the Commission disagrees. Consider the Final Order in the 2026 Pennsylvania American Water Company base rate case,[3] issued on July 27, 2026. In that Order, the Commission held:

> We preface our discussion in evaluating this rate case by acknowledging the Commission's duty to ensure that the rates PAWC proposes to charge its customers will be just and reasonable and will ensure that the Company is able to provide adequate, efficient, safe, and reasonable service to its customers. *See* 66 Pa.C.S §§ 1301, 1501. The Commission "has broad discretion in determining whether rates are reasonable" and "is vested with discretion to decide what factors it will consider in setting or evaluating a utility's rates." 66 Pa.C.S. §§ 501(b) and 1301; *Pa. PUC et al. v. Columbia Gas of Pa.*, Docket Nos. R-2020-3018835, *et al*. (Order entered February 19, 2021) (*Columbia Gas 2021*) at 9 (citing *Popowsky*). When setting rates in a base rate proceeding, the Commission may consider rate affordability.[4]

The Commission specifically noted "a resounding chorus of customers who are struggling."[5] The Commission also noted that "affordability" is not simply a problem facing low-income customers, though that problem is substantial. It stated that "While PAWC responds to the affordability of its rates to low-income customers through its [Bill Discount Program], we highlight that only a small fraction of eligible low-income customers are actually enrolled in the Company's BDP."[6] The Commission went on to recognize, however, that affordability is not an issue that is solely the province of the poor. It stated that "We cannot overlook the fact that, given PAWC's history and cadence of frequent base rate increase requests, affordability is a growing

[3] *PAPUC v. PAWC,* Docket Nos. R-2025-3057983, et al. Order (July 27, 2026).

[4] *Id.* at 36.

[5] *Id.* at 37.

[6] *Id.* at 39.

issue, exacerbated by recent and current economic conditions, including increased inflation."[7] It went on to conclude:

> Because we believe that the issue of affordability must be viewed in the context of the magnitude and frequency of PAWC's rate cases, as well as the impact of recent and current economic conditions, we will give less weight to PAWC's affordability analyses. In doing so, we find that substantial record evidence demonstrates that PAWC's proposed rates are unaffordable for many PAWC water and wastewater customers. . .Affordability is an issue that must be addressed for all customers, not just for those who apply for and are found eligible to receive low-income assistance.[8]

The Company's continuing assertions throughout multiple rebuttal witnesses that affordability is not a factor to consider in decision-making in a base rate case, and that improvements to the treatment of low-income customers and the operation of universal service programs are not appropriate subjects to be addressed in a base rate case, should be rejected in light of this Commission language.

Part 1. Response to Peoples Rebuttal Witness Cynthia Fang.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the rebuttal testimony of Peoples rebuttal witness Cynthia Fang to the extent that her testimony addresses affordability issues. According to Ms. Fang:

> The Commission's statutory obligation is to ensure that utility rates are just and reasonable based on the prudent costs of providing regulated utility service. That obligation does not require utilities to offset or internalize macroeconomic conditions unrelated to the provision of regulated utility

[7] *Id.* at 40.

[8] *Id.* at 41.

> service. Expanding utility responsibility to address economywide affordability pressures through base rates would move ratemaking away from its traditional cost-of-service function and toward broader social policy objectives and more appropriately addressed through targeted programs and statewide policy processes.[9]

Ms. Fang's effort to separate the consideration of "affordability" and the establishment of "just and reasonable rates" should not be accepted.

One factor Ms. Fang does not consider, for example, is the interrelationship of "affordability" and the costs which Peoples incurs. This connection is not merely recognized in Pennsylvania; it is recognized by rating agencies as well. Rating agencies such as Moody's, for example, look at payment patterns in their assessment of affordability. Moody's considers customer ability-to-pay "as measured by delinquencies."[10] Ms Fang paid no attention to Peoples delinquencies in her analysis. Had she done so, she would have observed troubling trends that should have called her to question her conclusion about the affordability of Peoples' bills.

Ms. Fang argues that the Commission's "statutory obligation" is to "establish just and reasonable rates based on the prudent costs of providing regulated utility service while ensuring the Company can continue to provide safe, adequate, and reliable service." In asserting that this is a "statutory obligation," Ms. Fang does not cite which statute imposes this "obligation," let alone imposes this obligation while excluding the consideration of the affordability of Peoples' rates. She chooses not to respond to the

[9] Peoples St. 20-R at 4-5.

[10] *Introduction to Affordability*, Arcadis, 15 (Nov. 27, 2017).

discussion in my Direct Testimony regarding the public policy established by Pennsylvania statute requiring the Commission to consider the impacts of rates on customers in the process of ratemaking.[11]

Moreover, Ms. Fang's unsupported argument that "macroeconomic conditions" are "unrelated to the provision of regulated utility service" should be rejected. As I discuss in detail in my Direct Testimony, of which Ms. Fang chooses not to try to rebut, even credit agencies, in reviewing utility creditworthiness, take into account the types of "macroeconomic conditions" which Ms. Fang urges the Commission to ignore.[12]

Ms. Fang errs when she asserts that any consideration of affordability concerns should be confined to the Commission's consideration of universal service programs.[13] She again erroneously asserts that "broader macroeconomic conditions do not alter the Commission's statutory role. . ."[14] She argues that affordability should be considered "through targeted public programs and Commission-approved universal service mechanisms. . ."[15] This argument ignores the broader scope of affordability to be considered in utility ratemaking as compared to the appropriate design of universal service programs. It ignores the fact that without the Company's frequent requests for rate increases, there would be no need, or less of a need, for the universal service programs in

[11] OCA St. 4 at 7-8.

[12] *Id.* at 8.

[13] Peoples St. 20-R at 7-9.

[14] *Id.* at 7.

[15] *Id.* at 8.

the first place. It ignores the populations that are not served by universal service programs, including those customers who are eligible for universal service programs but who do not participate. For example, she does not respond to the facts established in my Direct Testimony that while Peoples had an estimated low-income population of nearly 150,000 customers in 2024 (the last year for which data has been published), it has a Customer Assistance Program ("CAP") participation of barely more than one-in-five of those eligible customers.[16] Moreover, she does not respond to the fact that the lack of affordability extends well beyond the scope of universal service programs, as evidenced by the extensive discussion of Asset-Limited, Income-Constrained, Employed ("ALICE") data and the Census Household Pulse Survey ("HPS") data presented in my Direct Testimony.[17] These customers are not eligible to participate in universal service programs.

Q. WHAT IS YOUR RESPONSE TO MS. FANG'S REBUTTAL TESTIMONY REGARDING YOUR AFFORDABILITY ANALYSIS?

A. Ms. Fang dismisses my affordability analysis, stating that while it "provides useful insights into customer circumstances," it "does not support a conclusion that recovery of the prudent costs of providing regulated utility service should be denied."[18] She does not acknowledge that I make no recommendation to deny the recovery of "the prudent costs of providing regulated utility service." To the extent that OCA recommends adjustments

[16] OCA St. 4 at 49-50.

[17] *Id.* at 15-21.

[18] Peoples St. 20-R at 13.

to the Company's claimed cost of service, those recommendations are supported in the testimony of other OCA witnesses.

Q. DO YOU HAVE A RESPONSE TO MS. FANG'S "GAS-BURDEN ANALYSIS"?

A. Yes. Ms. Fang presents a "gas burden analysis" based on information for 412,655 residential customers.[19] She asserts that this analysis is based on "customer specific income information" using monthly customer income information aggregated across 12 months, and "reflects the most recent income information provided by the customer to the Company."[20] That income information is compared to usage data for the period beginning January 2025 and ending December 2025.[21] She provides no information on the specifics of what income is used, saying only that Company witness Black testifies about how the Company obtains customer income. Ms. Black, however, does not describe how Peoples would obtain the customer-specific income for nearly two-thirds of its residential population (412,655 used by Ms. Fang of a total residential customer population of 652,149).[22] Instead, Ms. Black explains that "the Company asks if they would like to voluntarily provide income information that could be used to screen them for eligibility to participate in programs such as CAP, LIURP or LIHEAP."[23] More than 90% of the customers for which income was used were non-CAP customers. Ms. Fang says that she used 28,975 CAP-enrolled gas-only customers, *after* having both eliminated $0 income

[19] *Id.* at 16-20.

[20] *Id.* at 18.

[21] *Id.*

[22] Peoples response to OCA-IV-04 (documenting customer number of 652,149).

[23] Peoples St. 10-R at 13.

customers and having eliminated customers with fewer than 12 months of usage. [24] There is no basis, in other words, to determine that the income information used by Ms. Fang is accurate, let alone timely.

No information regarding the specificity of the income levels, let alone the date the income information was obtained (other than it is "the most recent income information provided by the customer to the Company") was provided by Ms. Fang. No information was provided to demonstrate that the distribution of income information Ms. Fang uses is reflective of the distribution of income throughout the Peoples service territory.

Q. IS THERE ANY OTHER REASON TO QUESTION THE VALIDITY OF MS. FANG'S AFFORDABILITY ANALYSIS?

A. Yes. Ms. Fang reports that her analysis uses a "median annual gas spend" of $1,108 in her analysis.[25] That dollar amount substantially understates what the Company otherwise has reported. When asked to provide the gas bills for the most recent twelve months at median usage and proposed rates, Peoples reported an annual bill of $1,658.31,[26] a full 50% higher than the bill used by Ms. Fang in her analysis. Remember, even according to Ms. Fang's own rebuttal testimony, while she uses 2025 data in her analysis, the conclusion she purports to draw is that "the customer level analyses sponsored with my

[24] Peoples St. 20-R at 19-20.

[25] *Id.* at 16.

[26] Peoples response to OCA-IV-47.

testimony provide the Commission with direct and more useful evidence regarding the affordability impacts of the Company's *proposed rates*. . ."[27] That statement is wrong.

Given that her under-stated bills, and unknown and unreliable income information, still results in an average gas burden of 3.40%, it would be expected that using a more accurate gas bill would result in a gas burden for residential customers that would, *on average*, exceed the Commission's 4% affordability threshold. As I demonstrated through application of the Patterson/Doyle methodology, while the weighted average energy burden at existing rates is 3.8%, at proposed rates, the average burden for the Peoples service territory increases to 4.7%.[28]

Overall, I conclude that Ms. Fang provides no useful information regarding the affordability of Peoples bills to residential customers. Both her bill data and her income data, the two critical components to calculating a natural gas burden, have serious flaws. If one were to correct those problems, what Ms. Fang asserts is "direct and more useful evidence regarding the affordability of the Company's proposed rates," in fact, documents the unaffordability of Peoples bills at proposed rates, the level of rates she, herself, purports to address.

Part 2. Response to Peoples Rebuttal Witness Rita Black.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

[27] Peoples St. 20-R at 25 (emphasis added).

[28] OCA St. 4 at 23.

A. In this section of my testimony, I respond to the Rebuttal Testimony of Peoples Witness Rita Black to the extent that Ms. Black addresses issues presented in my testimony. The fact that I do not address Ms. Black's entire rebuttal testimony should not be construed as evidencing agreement with that testimony, merely the fact that not all of her testimony addresses issues raised in my Direct Testimony.

Q. WHAT IS THE FIRST ASPECT OF MS. BLACK'S TESTIMONY TO WHICH YOU WISH TO RESPOND?

A. Ms. Black seeks to justify her proposed tariff modification to bar the use of natural gas for "recreational purposes such as, but not limited to, pool heaters"[29] by asserting that the prohibition is already included in the Company's Universal Service and Energy Conservation Plan ("USECP"). She retracted the Company's proposal to separately bill CAP participants for "unjustified use of natural gas."[30] She further modified the proposed tariff language to remove any examples of gas use which Peoples deems to be "unjustified" and "recreational" other than "pool heaters." Even then, however, she does not provide a comprehensive list of what usage would be deemed as "unjustified" because the language remains open-ended ("recreational purposes *such as, but not limited to*, pool heaters").[31]

Ms. Black does not, however, respond to, let alone rebut, any of the objections to the Company's proposal:

[29] Peoples St. 10-R at 5.

[30] *Id.*

[31] *Id.* (emphasis added).

- She does not offer any explanation of how Peoples proposes to enforce the tariff provision. Ms. Black offers no insights into how Peoples would *suspect* a customer of engaging in "recreational gas uses," nor how the Company would *confirm* that the customer is engaging in such prohibited uses.

- She does not explain how Peoples will determine that there is not merely a gas connection for a "recreational gas use," but that the customer is actually using natural gas for such recreational purposes. Her proposed tariff language does not apply to customers who have natural gas connections for recreational purposes. Rather, the language states "*use of natural gas*, while on the CAP Program, for recreational purposes. . .is prohibited."[32]

- She does not explain the extent of the problem she is seeking to solve. As I note in my Direct Testimony, confirming not merely the presence of a connection, but the actual *use* of gas for the prohibited purposes (including, *but not limited to*, pool heaters), would involve an unspecified cost.

- Ms. Black makes no effort to document that the cost of providing CAP credits for such "unjustified use" would be more than the combined cost of (1) policing CAP participants to determine whether, and to what extent, such use is occurring; (2) enforcing the ban through the removal of CAP participants.

Finally, Ms. Black reiterates objectionable language in the revised language she proposes. While the prohibition is on the "*use* of natural gas, while on the CAP Program, for recreational purposes," the only allowed action once a customer is removed from CAP is not merely to refrain from such use, but rather to provide "verification that *the natural gas connection* to the recreational appliance has been removed. . ."[33] Having the customer simply turning the shutoff valve to an "off" position would prevent the use without imposing the additional cost on the low-income customer to have a plumbing professional remove the connection, and thus would accomplish the same purpose (i.e., to prevent the "use of natural gas").

[32] *Id.* (emphasis added).

[33] *Id.*

The Company's proposed tariff regarding the removal of CAP participants based on the use of natural gas for recreational purposes should be denied.

Q. WHAT IS THE SECOND ASPECT OF MS. BLACK'S TESTIMONY TO WHICH YOU WISH TO RESPOND?

A. Ms. Black seeks to justify her recommended tariff provision regarding "fraud" by referencing one example of a household that she asserts was likely to have fraudulently obtained CAP benefits.[34] She concedes that "this type of behavior from CAP customers is not in any way a common occurrence" and "this is not a widespread issue."[35]

Ms. Black's rebuttal did not address any of the objections raised to the proposed tariff language. While she disclaims any intent to apply the proposed tariff language to customers who engage in mistakes, or to other inadvertent under-reporting of income, the tariff language must be reviewed by what it says on its face. The disclaimers articulated by Ms. Black are simply not found in the four corners of the proposed tariff language. Indeed, the very fact that Ms. Black says the Company does not intend to apply the proposed tariff language as it is currently written is evidence unto itself that the proposed language should not be approved.

Ms. Black did not respond to other inherent problems with the tariff language she proposed:

- The Company's enforcement of its proposal, continuously monitoring CAP participant income to determine whether the participants have "reported all

[34] *Id.* at 6-8.

[35] *Id.* at 6.

income" would largely render the Commission's decision to expand income recertification periods moot. Rather than being able to rely on the extended recertification period, a customer would be under a continuous obligation to "report all income" at the risk of being billed for CAP benefits "incorrectly received" due to a failure to do so.

- The Company's proposal is flawed, also, because of its failure to impose a period of repose the expiration of which would insulate a CAP participant from being accused of a failure to report all income. The Company's tariff leaves the time period open-ended during which it can seek to bill for CAP benefits "incorrectly received." Doing so imposes unreasonable record-keeping requirements on the CAP participant, who would never know whether they will be challenged on a failure to report all income.

- The Company's proposal is flawed in that it places a CAP participant in the difficult, if not impossible, position of needing to prove a negative. If Peoples argues that the CAP participant *did* receive income which the participant did not report, the CAP participant would be in the position of documenting that they did *not* receive such income. Peoples should, at a minimum, explain how a CAP participant can prove what income they did *not* receive in a given time period.

- Finally, as with its prohibition on "recreational gas use," Peoples has made no showing of the costs that it is trying to prevent or, conversely, of the costs it would incur in the process of implementing its proposal. Ms. Black offered no testimony on the scope of CAP benefits being provided to participants who are "obtaining" such benefits through fraudulent means. The Company did not even define the problem (using the "such as" language instead) let alone present the scope and cost of the problem.

Ms. Black identified a total cost of unjustified CAP credits of $6,319.39 and unjustified arrearage forgiveness of $911.88.[36] This total cost of $7,231.27 can be compared to the 2025 CAP credits of $22,145,987.40 and the 2025 arrearage forgiveness credits of $5,302,675.66,[37] a total CAP expenditure of $27,448,663.06. The identified cost of fraud presented by Ms. Black, in other words, represents 0.026% (26 one-thousandths of one

[36] *Id.*

[37] Peoples response to OCA-IV-1 at 82.

percent) of the total program cost. In light of the *de minimis* aspect of the identified problem, Ms. Black's failure to address the problems with the proposed tariff language regarding fraud calls for its disapproval at this time.

Q. WHAT DO YOU RECOMMEND?

A. There is, of course, always a need to ensure that the use of ratepayer money is undertaken wisely and prudently. Spending $1,000 to solve a problem costing $100 is not such a wise and prudent use of ratepayer money. Given the *de minimis* cost of fraud identified by Ms. Black, in combination with her own testimony that "this type of behavior from CAP customers is not in any way a common occurrence" and "this is not a widespread issue,"[38] her decision to decline to accept the recommendation of CAUSE-PA witness Patrick Cicero should be revisited. Mr. Cicero recommended that Peoples consult with its Universal Service Advisory Group ("USAG") to develop objective parameters for identifying CAP fraud. Ms. Black responded that while she was "happy to review the Company's current process and gain input from the group into any suggested modifications at a future USAG meeting," she did "not agree that approval of this tariff provision be delayed to a future proceeding in order to allow the USAG to review and discuss the Peoples' proposal."[39] She offers no explanation of why she "did not agree" with Mr. Cicero's reasonable recommendation.

[38] *Id.* at 6.

[39] *Id.* at 8.

Given the inherent flaws in the Peoples proposed tariff language, the *de minimis* costs to be avoided through its adoption, and the unspecified costs of implementing the proposal, and the presence of a reasonable proposal through which the costs of potential fraud could be identified and addressed, the proposed language should be disapproved in this proceeding.

Q. PLEASE RESPOND TO MS. BLACK'S REBUTTAL TESTIMONY REGARDING THE NONPAYMENT DISCONNECTION OF SERVICE TO CONFIRMED LOW-INCOME CUSTOMERS.

A. Ms. Black explains, quite reasonably, that Confirmed Low-Income customers have a nonpayment disconnection rate higher than residential customers "primarily due to availability of resources."[40] Her response that Confirmed Low-Income customers are also reconnected,[41] however, misses the point. The nonpayment disconnections of Confirmed Low-Income customers should not be viewed in isolation. Ms. Black, for example, does not dispute that, in addition to having service disconnected for nonpayment at a rate far higher than residential customers:

- The number of nonpayment disconnections of Peoples Confirmed Low-Income customers increased from 4,253 in 2022 to 11,502 in 2024, an increase of 170%.
- The dollars of Confirmed Low-Income gross write-offs for Peoples increased from $5,489,071 in 2022 to $7,092,816 in 2024, an increase of nearly 30%.
- The number of Confirmed Low-Income payment-troubled customers –defined by the Commission to be accounts with one or more defaulted payment

[40] *Id.* at 15.

[41] *Id.* at 15-16.

arrangements in the last twelve months—increased from 9,219 in 2022 to 12,313 in 2024, an increase of 34%.

I discussed each of these facts in my response to Peoples rebuttal witness Parks. Finally, in response to Ms. Parks, who wished to compare the performance of Peoples to the performance of other natural gas utilities, I note that in 2024 (the last year for which the Commission's Bureau of Consumer Services ("BCS") data has been published and the same data used by Ms. Black):

- While Peoples represents 21% of the total statewide Confirmed Low-Income customers in arrears, it represents 40% of the total statewide Confirmed Low-Income customers in arrears not on payment arrangements (and conversely, only 11% of the total statewide Confirmed Low-Income customers in arrears on payment arrangements).
- While Peoples represents 11% of the total statewide Confirmed Low-Income customers in arrears on payment arrangements, it represents 17% of the total statewide Confirmed Low-Income customers who are payment-troubled (defined to be those with one or more defaulted payment arrangements in the past twelve months).

The problem with these collection problems associated with Confirmed Low-Income customers is that there is a reasonable alternative which Peoples does not adequately avail itself of, enrolling customers in CAP. Despite the payment difficulties of Confirmed Low-Income customers, Peoples reports that it has a CAP participation rate of only 22.9%, the lowest participation of any natural gas utility in Pennsylvania (and substantially less than the statewide average participation rate of 35.0%). This low participation rate harms both low-income customers and the Company because Peoples reports that, in contrast to its payment difficulties identified above, its CAP participants pay 82% of their bills out-of-pocket (with LIHEAP benefits being payments in addition

to this 82%). The Peoples CAP payment rate is noticeably higher than the statewide average of 75.3%.

Q. PLEASE RESPOND TO MS. BLACK'S DISCUSSION OF THE RACIAL DISPARITIES WHICH YOU IDENTIFIED WITH PEOPLES NONPAYMENT DISCONNECTIONS.

A. The most important observation of Ms. Black's rebuttal testimony is that she does not dispute that Peoples disproportionately disconnects service for nonpayment in communities with higher than average numbers of persons of color.[42] The "heat maps" she presents "looked at both energy burdens and risk of pipe freeze."[43] Those "heat maps" "identified zip codes, and specific accounts, in which energy burdens are high and CAP participation would be a great benefit."[44] Ms. Black concedes that the goals of the heat maps are not to identify racial disparities, to understand why those disparities exist, or to develop responses to redress those disparities. She instead states that the two goals of the heat maps included: (1) to "show[] us where our time and funds are best spent in promoting programs";[45] and (2) to identify "the specific accounts at risk due to high energy burdens or under-usage of natural gas for heating so that we can provide direct outreach."[46]

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[42] *Id.* at 16-18.

[43] *Id.* at 17.

[44] *Id.*

[45] *Id.*

[46] *Id.* at 18.

Ms. Black asserts that Peoples has no need to develop any analysis of the root cause of why Peoples engages in disproportionate nonpayment disconnections to communities of color since the Company's work "has already identified CAP eligible CLI populations in these geographical areas of concern."[47] She asserts that all Peoples needs to do to remedy the disproportionate disconnections to customers of color is "to act on the information provided. . .to inform our outreach activities, the goal of which is to connect eligible households with CAP to avoid service disconnections through an improved energy burden."[48] She does not explain why she believes improving energy burdens is the sole remedy to the disproportionate disconnection of service to communities of color; she does not explain (let alone document) that there is a relationship between the disproportionate disconnection of service to communities of color and the lack of CAP enrollment in those communities; and she does not explain how reviewing "results of our outreach activities, specifically as it pertains to the use of the heat maps," would be expected to remedy the disconnection of service for nonpayment in communities of color.[49]

Ms. Black's rebuttal testimony implicitly denies the presence of the racial discrimination which I documented in my Direct Testimony without ever engaging in the data that found disproportionate nonpayment disconnections to exist. While the preparation of the "heat maps" which Ms. Black attached to her Rebuttal Testimony is perhaps an important step

[47] *Id.*

[48] Id.

[49] *Id.*

forward in doing what she suggests (i.e., to inform outreach activities for CAP), they do not address the cause of, let alone potential mechanisms through which to redress, the presence of disproportionate nonpayment disconnections in communities of color in the Peoples service territory.

Q. PLEASE RESPOND TO MS. BLACK'S REBUTTAL TESTIMONY REGARDING BUDGET BILLING.

A. Ms. Black's rebuttal testimony does not address the need for the increased marketing of budget billing. Her only response to my Direct Testimony is that "any residential customer can enroll in the Company's budget billing plan."[50] She does not acknowledge the increased variability in Peoples month-to-month bills, nor does she acknowledge the increasing lack of savings that I document, which would help customers respond to that month-to-month variability. Simply because "any residential customer *can*" enroll in budget billing, does not mean that the Company is appropriately responding to declining affordability through a reasonable adjustment in the marketing of budget billing.

Q. DO YOU HAVE A RESPONSE TO MS. BLACK'S REBUTTAL TESTIMONY REGARDING WHAT SHE REFERS TO AS "ALTERNATIVE MEASURES OF INCOME"?

A. Ms. Black dismisses my discussion of data on ALICE customers by arguing that these "alternative measures of income" are not used in establishing eligibility for universal service programs in Pennsylvania.[51] That response, however, has nothing to do with the

[50] *Id.* at 19.

[51] *Id.* at 20.

use of ALICE data in my Direct Testimony. I did not recommend the use of ALICE data for establishing universal service program eligibility. Nor did I evaluate any other aspect of the treatment of Confirmed Low-Income customers using ALICE data. Instead, the ALICE data was used to provide insights into the overall affordability of Peoples rates to residential customers as I explained should be done in the "overview" to this surrebuttal testimony.

Q. PLEASE RESPOND TO MS. BLACK'S REBUTTAL TESTIMONY REGARDING THE ALLOCATION OF SOME PORTION OF UNIVERSAL SERVICE COSTS TO CUSTOMER CLASSES OTHER THAN RESIDENTIAL CUSTOMERS.

A. Ms. Black states in her rebuttal testimony that the Company does not object to spreading some portion of the costs of its universal service programs to customer classes other than residential customers. Ms. Black's testimony states that ". . .the Company acknowledges the desire to spread these costs over more classes than just residential."[52] Before doing so, she states, "the Company would need to evaluate the feasibility of spreading these costs taking into account potential IT changes that would be necessary for such a change."[53] The need for IT changes is acknowledged. It is, however, important that Ms. Black offers no dispute of the need to make such changes.

[52] *Id.* at 24.

[53] *Id.*

Part 3. Response to Peoples Rebuttal Witness John Taylor.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the rebuttal testimony of Peoples witness John Taylor to the extent that he addresses issues presented in my Direct Testimony. He notes that my Direct Testimony, along with the testimony of other intervenors, "raise broader affordability, low-income customer impact, and universal service policy issues."[54] Mr. Taylor does not address the issues presented in my Direct Testimony, except to the extent that he references other Peoples rebuttal witnesses. The arguments of the witnesses which he references have been addressed in my responses to each witness' specific testimony. It is, therefore, not necessary to repeat those arguments here.

Part 4. Response to Peoples Rebuttal Witness Michelle Parks.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the rebuttal testimony of Michelle Parks to the extent that she addresses collection issues. To the extent that Ms. Parks also addresses issues other than those raised in my Direct Testimony, my failure to address them should not be construed as either agreeing or disagreeing with her testimony.

Q. DOES MS. PARKS MAKE A FUNDAMENTAL ERROR IN RESPONDING TO YOUR TESTIMONY REGARDING THE EFFICIENCY AND EFFECTIVENESS OF PEOPLES COLLECTIONS?

[54] Peoples St. 17-R at 38.

A. Ms. Parks seeks to demonstrate that the Peoples collections activity is efficient and effective by presenting data on two metrics limited to Confirmed Low-Income customers.[55] This limitation represents a fundamental error. As I specifically noted in my Direct Testimony, "viewing the problems which Peoples' customers face exclusively from the perspective of Confirmed Low-Income customers would be too narrow. The activities directed toward residential customers as a whole, and the expenditures on those activities, must be incorporated into the discussion."[56] Ms. Parks makes no effort to examine the full range of factors which I examined.

If, however, Ms. Parks wishes the Commission to consider the performance of Peoples relative to Confirmed Low-Income customers, the data fails to present a complimentary picture. Using the same BCS data presented by Ms. Parks (2022 – 2024), I compare 2022 Peoples performance to 2024 Peoples performance. I note that the dollars of Confirmed Low-Income revenue in debt were roughly the same in 2022 ($9,053,121) and 2024 ($9,083,815), an increase of 0.3%. The number of Confirmed Low-Income customers in arrears increased from 15,101 in 2022 to 15,858 in 2024, an increase of only 5%. In contrast, however, the number of nonpayment disconnections of Peoples Confirmed Low-Income customers increased from 4,253 in 2022 to 11,502 in 2024, an increase of 170%. The dollars of Confirmed Low-Income gross write-offs for Peoples increased from $5,489,071 in 2022 to $7,092,816 in 2024, an increase of nearly 30%.

[55] Peoples St. 18-R at 3-4.

[56] OCA St. 4 at 43.

Similarly, the number of Confirmed Low-Income customers on payment arrangements increased from 7,015 in 2022 to 7,280 in 2024, an increase of less than 4%. In contrast, the number of payment-troubled customers–defined by the Commission to be accounts with one or more defaulted payment arrangements in the last twelve months—increased from 9,219 in 2022 to 12,313 in 2024, an increase of 34%. At the same time its collections effectiveness and efficiency directed toward Confirmed Low-Income customers was in such sharp decline, Peoples expenditures on credit and collections activities—of which does *not* include any expenditures on universal service programs—increased from $844,377 in 2022 to $1,058,271 in 2024, an increase of more than 25%.

Finally, given that Ms. Parks wishes to compare the performance of Peoples to the performance of other natural gas utilities, I will also do so. I note that in 2024 (the last year for which BCS data has been published and the same data used by Ms. Parks):

- While Peoples represents 21% of the total Confirmed Low-Income customers in arrears, it represents 25% of the total Confirmed Low-Income nonpayment disconnections;
- While Peoples represents 21% of the total statewide Confirmed Low-Income customers in arrears, it represents 40% of the total statewide Confirmed Low-Income customers in arrears not on payment arrangements (and conversely, only 11% of the total statewide Confirmed Low-Income customers in arrears on payment arrangements).
- While Peoples represents 11% of the total statewide Confirmed Low-Income customers in arrears on payment arrangements, it represents 17% of the total statewide Confirmed Low-Income customers who are payment-troubled (defined

to be those with one or more defaulted payment arrangements in the past twelve months).

Q. DO YOU HAVE A RESPONSE TO THE REBUTTAL TESTIMONY OF MS. PARKS REGARDING THE RACIAL DISPARITIES IN THE NONPAYMENT DISCONNECTIONS OF PEOPLES?

A. The rebuttal testimony of Ms. Parks regarding the disparate impacts of nonpayment disconnections to zip codes with persons of color responds to an argument that was not advanced in the first place. She argues that:

> Peoples' termination process is automated through 22 established SAP workflow controls and is based strictly on objective arrearage criteria. The process does not consider, collect, or apply customer race, ethnicity, neighborhood demographics, or any other protected characteristic in determining whether an account is eligible for nonpayment disconnection. Accordingly, Peoples does not agree that its nonpayment disconnection practices reflect disparate treatment or are administered in a manner that targets any racial or ethnic population.[57]

The reference that Ms. Parks makes to "disparate treatment" and to "target[ing] any racial or ethnic population" applies a test that I did not advance. The language used by Ms. Parks incorporates a denial of any intentional "targeting" or "disparate treatment." My testimony establishes that there are disparate impacts whether or not Peoples engages in specific targeting of any racial or ethnic population. Even Ms. Parks acknowledges that my Direct Testimony references "disparate impacts," not "disparate treatment" or "targeting."[58] While Ms. Parks states, without equivocation, that "Peoples. . .does not

[57] Peoples St. 18-R at 8-9.

[58] *Id.* at 8.

discriminate," it continues to refuse to even consider *why* its disconnections have the effect of resulting in disproportionate levels of nonpayment disconnections in neighborhoods with higher levels of Black households.

The refusal of Ms. Parks to acknowledge the difference between the application of an effects test and allegations of targeting is inconsistent with the Company's recognition of precisely this difference in other circumstances. The Company's tariff regarding cash security deposits, for example, allows Peoples to impose a cash security deposit if:

> The Applicant is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice, *provided that the methodology does not directly, or have the effect of, discriminating based on a protected class* as set forth in the federal Equal Credit Opportunity Act.[59]

Ms. Parks' rebuttal testimony, in other words, is inconsistent with the Company's own recognition of the difference between "directly. . .discriminating" (i.e., "targeting" or "disparate treatment" in the words of Ms. Parks) and undertaking actions that "have the effect of discriminating" (i.e., "disparate impacts" as I present in my Direct Testimony).

Q. DO YOU HAVE A RESPONSE TO MS. PARKS' REBUTTAL TESTIMONY REGARDING THE USE OF SOCIAL SECURITY NUMBERS?

A. Yes. While I appreciate Ms. Parks' acknowledgment that "Peoples agrees that there may be opportunities to enhance its processes and reduce the retention of SSNs within its systems where feasible and appropriate,"[60] Ms. Parks makes the unsupported argument

[59] Peoples PA tariff, Supplement No. 2 to Gas—PA PUC No. 48, First Revised Page No. 19 (emphasis added).

[60] Peoples St. 18-R at 10.

that "[t]he SSNs remains one of the most effective and consistent identifiers available to confirm customer identity, distinguish between customers with similar names or addresses, and support the Company's ability to administer accounts accurately and responsibly."[61] She asserts, in conclusory terms, that Peoples needs to rely on SSNs to support various credit and collection processes. She argues that "Peoples is also concerned that eliminating or materially limiting the use and availability of SSNs could impair the ability to identify customers with sufficient certainty."[62] Ms. Parks response falls squarely into the concerns expressed by the Federal Trade Commission ("FTC"), when, in recommending that private companies find alternatives to the use of SSNs, it said in its publication, "A Guide for Business: Protecting Personal Information, "*Don't use* Social Security Numbers unnecessarily— for example, as an employee or *customer identification number*, or because you've always done it."[63] Moreover, Ms. Parks' testimony ignores the extensive research finding that SSNs are not effective as identity "authenticators" and that there are readily available alternatives to the use of SSNs.[64]

Contrary to what Ms. Parks might argue, public utilities such as Peoples do not present unique circumstances requiring the use and retention of SSNs. That is one reason why, in comments to the Federal Communications Commission ("FCC"), U.S. Telecom, the

[61] *Id.* at 11.

[62] *Id.* at 12.

[63] OCA St. 4 at 60.

[64] *See, e.g.*, *Digital Authentication and Identity Proofing in Public Benefits Applications*, Digital Benefits Network (May 19, 2023), https://digitalgovernmenthub.org/publications/digital-authentication-and-identity-proofing-in-public-benefits-applications (an open dataset documenting authentication and identity proofing requirements across online SNAP, WIC, TANF, Medicaid, child care (CCAP) applications, and unemployment insurance applications).

Broadband Association (U.S. Telecom) explained its opposition to requiring telecommunications providers to collect and retain SSNs as a security strategy for the federal telecommunications Lifeline program. According to U.S. Telecom:

> [T]he Commission should not require providers to collect and retain full Social Security numbers as part of the Lifeline enrollment or verification process. Doing so would create significant privacy and cybersecurity risks by increasing the volume of highly sensitive personally identifiable information held by providers. It also would be inconsistent with widely recognized industry and regulatory best practices, which emphasize minimizing the collection and retention of sensitive data to reduce the risk of unauthorized access or misuse.[65]

The observations made by U.S. Telecom closely mirror those which I made above and in my Direct Testimony.

Part 5. Response to Peoples Rebuttal Witness Andrew Wachter.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to Mr. Wachter's testimony to the extent that he addresses issues presented in my Direct Testimony. Mr. Wachter raises two issues. First, he disputes the offset which I recommend pursuant to Section 523 of the Public Utility Code.[66] In addition, he asserts that the Company should be allowed cost recovery for certain recommendations I make. I accept his first recommendation, but conclude that his second recommendation should be denied.

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[65] *Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 et al., Comments of U.S. Telecom—The Broadband Ass'n at 4-5 (May 4, 2026).

[66] Peoples St. 2-R at 49-50.

Mr. Wachter disputes the proposed dollar amount of the recommendation OCA witness Geiger makes (based on my recommended 50/50% sharing of credit and collection expenses). Mr. Geiger recommended a sharing of the sum of residential collection expenses ($6,516,518) and low-income collection expenses ($1,150,487). According to Mr. Wachter, however, the low-income collection expense is a subset of the residential expense and, accordingly, to sum the two dollar amounts double-counts the low-income expenses. I accept Mr. Wachter's explanation and agree that the 50/50 sharing should be of residential collection expenses without low-income expenses being independently added in. As Mr. Wachter notes, the underlying basis for the recommended adjustment is addressed by Company witness Parks. Those arguments are separately addressed in my Surrebuttal Testimony above.

Mr. Wachter further proposes that the Company should be provided separate cost recovery for particular recommendations that I made in my Direct Testimony. That proposal should be rejected. More specifically, he states that the following recommendations "could result in incurring additional costs":[67]

- My recommendation to implement a 50-50 sharing of credit and collection expenses. This, however, is a proposed cost disallowance. It does not represent a recommendation that would cause Peoples to incur additional costs.
- My recommendation that Peoples conduct an independent root cause analysis to determine the driver of the disproportionate level of utility disconnections and to take steps to reduce the level of disconnections. To provide separate cost

[67] *Id.* at 52 (internal citations omitted).

recovery for such a study, however, would be inappropriate. First, even though undertaking such a study would be a one-time expenditure, placing such an expenditure in rates would allow recurring cost recovery. Second, Mr. Wachter has not demonstrated that the cost of such a study is not already provided for in the budget for consultants within expenses already included in rates for "outside services employed." Mr. Wachter has made no showing that remedying the Company's actions having a disproportionate racial impact regarding nonpayment disconnections would not be appropriately funded out of existing rates. Finally, it would be inappropriate for Peoples to include a single cost increase without also considering the total rate impact of the actions. Understanding how to reduce the disproportionate number of disconnections to communities of color would also have the effect of reducing the associated credit and collection costs, as well as enhancing the lost revenues caused by disconnections. To take only one isolated cost into account, without considering the total revenue requirement impact (both revenues and expenses) would be inappropriate.

- My recommendation that Peoples develop and adopt an alternative to the use of SSNs. As noted above, to separately include a cost for such an action by Peoples, without considering whether it is more appropriately funded through the existing budget for outside services employed would be inappropriate.
- My recommendation for establishing a base CAP participation. What Mr. Wachter does not acknowledge is that Peoples has already proposed a base CAP participation. I simply propose a different base participation level. The Company

already is required to report monthly CAP participation to the Bureau of Consumer Services. As I explain in my Direct Testimony, my recommendation is tied directly to that pre-existing reporting.[68] There is no "new" activity that is required by this recommendation.

Part 6. Response to Peoples Rebuttal Witness Carol Scanlon.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to Peoples rebuttal witness Carol Scanlon to the extent that she addresses the recovery of universal service costs. The issues which Ms. Scanlon addresses to which I respond involves the universal service rider "bad debt offset" calculation.

Q. PLEASE EXPLAIN MS. SCANLON'S REBUTTAL TESTIMONY REGARDING THE PEOPLES BAD DEBT OFFSET CALCULATION FOR THE UNIVERSAL SERVICE RIDER.

A. Ms. Scanlon first objects to my recommendation to set the base CAP participation at the number that actually exists in the month in which a Final Order is approved in this proceeding. She argues that the Company's proposal to use the enrollment figure *projected* to set rates in this proceeding is a more appropriate number.[69] Ms. Scanlon does not dispute that the Company has not historically been accurate in its future projections of CAP participants. Nonetheless, she testifies that the data on CAP participation previously

[68] OCA St. 4 at 71-72.

[69] Peoples St. 3-R at 13-14.

provided to OCA did not include *all* CAP participants. In addition to the data provided to OCA, Peoples also has CAP participants whose annual income is greater than 150%, but less than 200%, of Federal Poverty Level ("FPL").[70]

While Ms. Scanlon perhaps overstates the significance of the CAP component addressing affordability for households with income between 150% and 200% of FPL,[71] nonetheless, I agree with her proposition that the base CAP participation should be set which incorporates all CAP participants the CAP credits to whom are recovered through the Universal Service Rider.

In addition, Ms. Scanlon argues that there is a monthly variation in CAP participation, and that, accordingly, "determining the base CAP participation level using a single data point in time is not appropriate."[72] I agree. My objection to Peoples' original proposal was to Peoples historic inaccuracies in its projection of CAP participation. However, Ms. Scanlon makes a legitimate point that the Company's CAP participation levels increase and decrease from month-to-month. Accordingly, using historic data, I would agree that the base CAP participation should be set "using an average CAP participation over a

[70] *Id.* at 13.

[71] The CAP component directed toward this income population is a *pilot* program. According to the Company's currently approved Universal Service and Energy Conservation Plan ("USECP"), there are significant additional limitations on program participants for this pilot. In addition to meeting the income guidelines, the USECP states that "Under a pilot expansion of CAP, customers with incomes between 151 and 200% of Federal Poverty Level, at least one broken payment arrangement and a significant arrearage may also participate. A significant arrearage is generally defined as a balance of $800 or more, but flexibility is given in the evaluation of individual circumstances." *Peoples USECP*, Docket No. M-2018-3003177, 7 (July 7, 2018). Moreover, in order to participate a household must have a Peoples Gas burden of more than 11% of income. *Peoples USECP*, Docket No. M-2020-3021343, 8 (Aug. 17, 2020).

[72] Peoples St. 3-R at 13.

period of time," with the 12th month of a 12-month average being the month in which a final order is issued in this proceeding.

Q. PLEASE RESPOND TO MS. SCANLON'S DISCUSSION OF THE APPROPRIATE BAD DEBT OFFSET PERCENT TO EMPLOY.

A. Ms. Scanlon agrees to "revert back to the approach the Company utilized in the 2023 base rate case proceeding" as I recommended in my Direct Testimony.[73] As she notes, using the most recent figure from BCS, doing this calculation would result in an offset of 8.1%. Using a two-year average would result in an offset of 7.4%.[74] While Ms. Scanlon states that the "Company does wish to employ" a multi-year average (using my calculated 7.4%),[75] she does not explain *why* a two-year average is more appropriate than the most recent number published by BCS. I did not recommend using a two-year average, but rather simply provided the calculation should the Commission decide a two-year average was the most appropriate.

In fact, there should be a matching of the CAP offset to the CAP participation numbers to the greatest extent possible. The CAP base participation figure is not proposed to be based on a two-year average participation, but rather on a twelve-month average. It would be inappropriate to use a twelve-month average participation, but then use a two-year average offset. While I do not disagree with the arithmetic in the calculations

[73] *Id.* at 15.

[74] *Id.* at 15-16.

[75] *Id.* at 16.

presented by Ms. Scanlon,[76] I recommend that an appropriate matching would require use of an 8.1% offset.

Part 7. Response to OSBA Rebuttal Witness Mark Ewen.

Q. PLEASE EXPLAIN THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY.

A. In this section of my testimony, I respond to the testimony of OSBA rebuttal witness Mark Ewen to the extent that Mr. Ewen addresses universal service issues raised in my Direct Testimony. Mr. Ewen's universal service testimony is limited to whether the Commission should allocate some portion of universal service costs to non-residential customers. I conclude that his recommendation that universal service costs should be allocated exclusively to residential customers should be rejected.

Q. WHAT IS THE ISSUE RAISED BY MR. EWEN TO WHICH YOU WISH TO RESPOND?

A. Mr. Ewen objects to my recommendation that a portion of universal service costs be allocated to non-residential customers. He bases his objection in part on "longstanding OSBA advocacy."[77] Whether a particular party has engaged in "long-standing advocacy" should carry no weight in deciding upon cost allocation. Moreover, Mr. Ewen argues that "OSBA generally does not expend the resources to retain the necessary specialized experts in these fields" (i.e., the design and operation of universal service programs).[78]

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[76] *Id.* at Ex. CAS-5R.

[77] OSBA St. 2-R at 3.

[78] *Id.* at 4.

The extent to which parties "expends the resources to retain the necessary specialized experts" is a singularly inappropriate basis upon which to decide an issue presented in a base rate case.

Mr. Ewen continues to assert that small business customers should not pay a portion of the costs of universal service programs "because these customers cannot take advantage of the residential-only programs." He continues to argue that "there is no causal relationship between PNG's universal service costs and small business customers."[79]

The asserted lack of a "causal connection" is not only factually incorrect, but is not relevant to a decision in any event. The allocation of CAP costs among all customer classes involves allocating the cost of a public good, amongst all customer classes, not just the residential class. As a public good, there is not a "causal relationship" between the residential class and universal service costs, either.

The assertion that there is no "causal relationship" between small businesses and universal service costs is incorrect in that one substantial "cause" of the need for universal service programs is the failure of small businesses to pay a livable wage. Charging residential customers for all universal service costs, transfers the cost of doing business from small businesses to residential utility customers. The resulting direct financial subsidy from residential customers to small business owners is no different than

[79] *Id.* at 3.

the subsidy flowing to businesses from tax dollars that support government-funded public benefits paid to employees who do not receive an adequate wage.[80]

The benefits to small businesses arising from the Peoples universal service programs were discussed in detail in the Direct Testimony of CAUSE-PA witness Patrick Cicero.[81] Mr. Ewen did not dispute any of these benefits and that discussion is not repeated here.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

[80] *See, Federal Social Safety Net Programs, Millions of Full-Time Workers Rely on Federal Health Care and Food Assistance, GAO Report No. GAO-21-45*, General Accounting Office (Oct. 2020), https://www.gao.gov/assets/d2145.pdf. For data specific to Pennsylvania, *see,* Ken Jacobs, et al., *The Public Cost of Low-Wage Jobs in the Pennsylvania Construction Industry*, U.C. Berkeley Labor Center (January 2022), https://laborcenter.berkeley.edu/wp-content/uploads/2022/01/The-Public-Cost-of-Low-Wage-Jobs-in-the-Pennsylvania-Construction-Industry-1.pdf; *see also*, Sylvania Allegretto, et al., *The public cost of low-wage Jobs in the fast-food industry*, U.C. Berkeley Labor Center (2013), https://laborcenter.berkeley.edu/pdf/2013/fast_food_poverty_wages.pdf; Ken Jacobs, et al., *The High Public Cost of Low Wages*, U.C. Berkeley Labor Center (April 2015), https://escholarship.org/content/qt1m83q6dm/qt1m83q6dm.pdf?v=lg.

[81] CAUSE-PA St. 1 at 78-81.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC

:

VERIFICATION

I, Roger Colton, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement No. 4SR, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 31, 2026

Signature: _____
Roger Colton

Address: Fisher Sheehan & Colton
34 Warwick Road
Belmont, MA 02478

~PUBLIC VERSION~ OCA St. 5

BEFORE THE

PENNSYLVANIA PUBLIC UTILTY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
V.	)	**Docket No. R-2026-3060855**
	)	
Peoples Natural Gas Company, LLC	)	

PUBLIC DIRECT TESTIMONY OF BRENDAN LARKIN-CONNOLLY

SUBMITTED ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

JUNE 18, 2026

EXETER ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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ATTACHMENTS

Exhibit BLC-1 – Curriculum vitae (CV) of Brendan Larkin-Connolly

Exhibit BLC-2

I. Introduction

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Brendan Larkin-Connolly. I am a Managing Consultant at Exeter Associates Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland 21044.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.

A. I graduated with a Bachelor of Arts in Economics from College of the Holy Cross in 2007, and I received a Master of Science in Resource Economics from the University of Massachusetts at Amherst in 2009. Upon graduation, I started as an analyst at DHInfrastructure, where I supported domestic and international projects related to water and energy sector regulation, privatization, renewable energy, and energy efficiency. I subsequently joined the Massachusetts Department of Public Utilities ("DPU") in 2011 as a rates analyst in the Rates and Revenue Requirement Division. Following two years at the DPU, I returned to DHInfrastructure in 2013 as a Manager and Director of Utility Regulation and Litigation, where I remained until joining Exeter in April 2025.

Q. WHAT EXPERIENCE DO YOU HAVE IN THE AREA OF UTILITY RATE SETTING?

A. As a rates analyst with the DPU, I provided analytical support on various issues, such as base rates, revenue allocation, decoupling, capital cost recovery trackers, and cost reconciliations in electric and gas proceedings.

In my consulting work, I have advised on utility ratemaking in both international and domestic contexts. Since 2016, I have provided expert witness services to multiple consumer advocate agencies including: Connecticut Office of Consumer Counsel, Office of the Illinois Attorney General's Public Utilities Bureau, Maryland's Office of People's Counsel, Massachusetts Attorney General's Office of Ratepayer Advocacy, New Jersey's Rate Counsel, and Ohio's Office of Consumer Counsel. My expert advice to consumer advocates has addressed various topics related to utility regulation and policy including cost of service, customer cost allocation, affordability, rate design, capital spending, and capital investment prudence. In addition, I recently submitted testimony on capital investments, revenue requirements, and cost allocation in Oncor Electric's 2025 base rate case in Texas on behalf of the Department of Defense and Other Federal Agencies. I have also advised the District of Columbia Public Service Commission on two occasions in support of its review of requests from Washington Gas Light for approval of capital replacement plans.

At my previous employer, I worked on international utility regulation projects funded by multi-lateral and bilateral development agencies in Kyrgyzstan, Armenia, Mexico, Mongolia, Nauru, Palau, Rwanda, Sierra Leone, Timor-Leste, and Tanzania. In 2018, I prepared a ten-year rate study for the Arusha Urban Water Supply and Sanitation Authority in Tanzania used by local authorities to develop plans for maintaining affordability during a period of high capital investment. In 2016 and 2021, I advised the Government of Nauru on options for reform of electric and water rates, offering advice on cost of service, rate design, and social protection mechanisms.

Q. HAVE YOU PREPARED A SUMMARY OF YOUR QUALIFICATIONS AND EXPERIENCE?

A. Yes. Exhibit BLC-1 is a summary of my qualifications and experience.

Q. HAVE YOU PREVIOUSLY APPEARED BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION?

A. No, this is my first time presenting testimony to the Pennsylvania Public Utility Commission ("PUC" or "the Commission").

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE UTILITY REGULATORY COMMISSIONS IN OTHER STATES?

A. I have submitted testimony in 36 utility regulatory proceedings in other jurisdictions, including proceedings before the Public Utility Regulatory Authority of Connecticut, Illinois Commerce Commission, Maryland Public Service Commission, Massachusetts DPU, Public Utility Counsel of Ohio, and Texas Public Utility Commission. Exhibit BLC-1 provides a full summary of the proceedings and topics I have addressed in prior testimonies.

II. Scope and Purpose of Testimony

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am appearing on behalf of the Pennsylvania Office of Consumer Advocate ("OCA") in connection with the base rate increase filed by Peoples Natural Gas Company, LLC on March 27, 2026. My testimony addresses customer service performance and consumer protection issues raised by Peoples' filing. This includes an evaluation of whether the Company's customer service record supports its proposed 25 basis point

management performance adder that it has proposed to support its requested return on equity.

Q. WHAT SPECIFIC ISSUES WILL YOU ADDRESS?

A. As I define it, customer service refers to how a utility manages its day-to-day relationship with customers — how accessible it is, how it handles billing and complaints, and how it communicates with customers about their accounts and options. Consumer protection refers to the regulatory standards and requirements, principally Chapter 56 of the Commission's regulations, that govern that relationship and define the rights customers are entitled to expect.

Within that framework, I address the following issues in my testimony:

- Peoples' customer service performance, including trends in call center accessibility and the causes and customer impacts of the 2024 billing disruption resulting from the closure of the Company's bill-print vendor;
- Peoples' recent customer complaint record, including complaint rates, justified complaints, and infraction data reported by the Bureau of Consumer Services;
- The clarity and adequacy of Peoples' customer communications, including communications to customers affected by billing errors, rebills, and delayed bills, and the implications of growing enrollment in electronic billing and automatic payment for customer engagement with utility costs;
- Peoples' proposed tariff modifications affecting customer rights, including changes to nonliability limits, payment requirements, and customer assistance program eligibility;

- Whether Peoples' customer service record supports its claim of superior management performance in connection with the proposed return on equity adder.

Q. HOW DO THE TOPICS YOU COVER IN YOUR TESTIMONY FIT WITH CONSIDERATION OF THE COMPANY'S PROPOSALS UNDER REVIEW IN THIS PROCEEDING?

A. Utility customers are captive in a way that consumers of most other products are not. There is no competing provider to switch to and no market signal to send when service falls short. And unlike most business relationships, the moments that define a customer's experience with their utility are almost never routine ones. Utilities rarely hear from customers when everything is working. When someone contacts their utility it is typically because something has gone wrong: confusion over a bill, difficulty making a payment, or a service that has been or is about to be interrupted. These are not trivial transactional issues. They touch on a household's finances, its comfort, and sometimes its health and safety. Understanding how a utility has handled these moments tells us something important about how it treats the customers it is obligated to serve. Accordingly, I find the customer service issues I address are inevitably relevant to the broader questions the Commission must resolve and should be read in connection with other issues and testimony in this proceeding.

Q. PLEASE SUMMARIZE YOUR FINDINGS ON PEOPLES' RECENT CUSTOMER SERVICE AND CONSUMER PROTECTION COMPLIANCE RECORD.

A. My overall finding is that Peoples' customer service record is adequate but unexceptional. Across the indicators I reviewed, Peoples generally performs at or near the average of the other natural gas distribution companies ("NGDCs") operating in Pennsylvania, with no clear area of strength. Several satisfaction measures have declined over the past six years — most notably satisfaction with the automated phone system — and that decline has tended to move Peoples from a position of above-average service toward the middle of the peer group. Where the Company might once have pointed to results showing it outperformed its peers, the more recent data show it performing about in line with them.

Against that general picture, two areas stand out as warranting attention:

- **Property damage**. Complaints related to property damage are elevated and run above the peer average in both the informal and formal complaint records. It is the category where Peoples' complaint profile diverges most from its peers, and it recurs across both informal and formal complaints converge. There does not appear to be any systemic failures, but it is a recurring pattern that deserves monitoring and a clearer explanation from the Company.
- **2024 billing events**. Peoples experienced multiple billing problems in 2024: a bill-print vendor failure that delayed bills to roughly 183,000 accounts, and a series of rebills that exceeded 100,000 in a single month. The Company has explained these events only in general terms; it attributes the rebill increase to a cause that does not reconcile with the figures it provided, and it was not aware of the vendor failure until BCS

and a member of the Consumer Advisory Council raised it. In each case, affected customers received little or no direct communication explaining what had happened or what options were available to them.

Taken together, these findings describe a company delivering adequate service across most measures, alongside some declining satisfaction trends and a set of recurring or under-explained issues. That is not a record of exceptional performance.

Q. WHAT RECOMMENDTIONS ARE YOU MAKING BASED ON THESE FINDINGS?

A. My primary recommendation is that the Commission should deny the proposed 0.25% management performance adder. The customer service record does not demonstrate exceptional performance that would support granting such an incentive. In addition, I have the following other recommendations related to customer service:

- Reject the proposed tariff changes to nonliability limits, dishonored payment procedures, and customer assistance programs ("CAP") restrictions, each of which shifts risk or reduces customer options without adequate procedural protection.
- Peoples should be required to notify the Bureau of Consumer Services ("BCS") of any rebilling, back-billing, or billing-delivery event affecting more than 1,000 customers within a defined timeframe.
- Peoples should send a direct written explanation to every customer whose bill is rebilled or back-billed, stating the reason for the correction, the period covered, the amount, and the available payment arrangement and

dispute options. This obligation should apply to mass automated events, not only to individual cases.

- The Commission should consider, across all natural gas distribution companies, a policy requiring periodic mailed cost summaries for all residential customers, showing usage and total billed amounts over time, to preserve baseline bill visibility for customers across all billing and payment arrangements.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. Section III addresses Peoples' customer service performance, including call center metrics and billing reliability. Section IV covers the customer complaint record, including informal complaint trends and a review of formal complaint proceedings. Section V addresses customer communications. Section VI addresses proposed tariff modifications. Section VII addresses whether Peoples' customer service record supports the proposed management performance adder. Finally, Section VIII offers a conclusion.

III. Customer Service Performance

Q. HOW DID YOU EVALUATE PEOPLES' RECENT CUSTOMER SERVICE PERFORMANCE?

A. My evaluation drew on several sources, beginning with customer service performance data published by the Commission. Pennsylvania's large electric distribution companies and natural gas distribution companies are required to annually submit data on a range of customer service performance indicators under 52 Pa. Code § 54.153 and 52 Pa. Code § 62.33. The Commission publishes this data in an annual Customer

Service Performance Report, which allows for direct comparison of each company's performance against its peers and its own historical record. I also relied on complaint data published by the Commission's Bureau of Consumer Services and on information provided by Peoples in response to discovery requests concerning customer complaints and related matters. I discuss the complaint data and discovery record in Section IV.

Q. CAN YOU ELABORATE ON HOW YOU USED THE CUSTOMER SERVICE REPORT DATA?

A. The reports tracks several categories of performance data, which I have organized into two broad groupings: call center performance, covering how accessible the company is to customers and the quality of those interactions, and billing and related operational metrics, reflecting how reliably the company fulfills its core service obligations. For each grouping I evaluated Peoples' performance against its peer NGDCs operating in Pennsylvania and examined year-over-year trends in the Company's own results. I focused particular attention on changes since 2022, the most recent full year of data available when Peoples' prior rate request was under consideration in Docket No. R-2023-3044549, as changes since that proceeding are directly relevant to the Company's current claims about its management and service quality.

A. Call Center Performance and Customer Contacts

Q. PLEASE DISCUSS YOUR REVIEW OF PEOPLES' CALL CENTER AND CUSTOMER CONTACT PERFORMANCE.

A. To evaluate Peoples' recent call center performance, I collected six years of data on the following indicators from the Commission's Customer Service Performance Reports:

- Call Abandonment Rate
- Calls Answered in 30 seconds
- Satisfaction with Reaching the Company
- Satisfaction with Automated Phone System
- Ease of Using EDC's Automated Telephone System
- Satisfaction with Choices Offered by Auto Telephone System
- Satisfaction with Wait to Speak to Representative
- Satisfaction with Reps Handling of Contact
- Satisfaction w/Call Center Reps Courtesy
- Satisfaction w/Call Center Reps Knowledge.

These indicators together capture both the accessibility and the quality of customer contacts with the Company. Peoples' record across 2019 through 2024 for these six indicators is presented in Table 1. For clarity in the table below, I present the unabandoned call rate (100% - abandonment rate) rather than the abandonment rate, so that upward movement in all indicators reflects improvement.

Table 1: Peoples Call Center and Customer Contact Indicators, 2019-2024

Indicator	2019	2020	2021	2022	2023	2024	6-year change	3-year change
*Unabandoned Call Rate**	98%	99%	99%	97%	97%	96%	-2%	-1%
Calls Answered in 30 seconds	84%	93%	87%	85%	85%	86%	2%	1%
Satisfaction with Reaching the Company	90%	92%	90%	84%	84%	86%	-4%	2%
Satisfaction with Automated Phone System	87%	85%	82%	78%	79%	76%	-11%	-2%
Ease of Using EDC's Automated Telephone System	84%	84%	78%	76%	78%	76%	-8%	0%
Satisfaction with Choices Offered by Auto Telephone System	85%	83%	81%	76%	80%	74%	-11%	-2%
Satisfaction with Wait to Speak to Representative	88%	86%	84%	78%	77%	79%	-9%	1%
Satisfaction with Reps Handling of Contact	96%	94%	93%	94%	91%	90%	-6%	-4%
Satisfaction w/Call Center Reps Courtesy	96%	97%	94%	97%	94%	94%	-2%	-3%
Satisfaction w/Call Center Reps Knowledge	96%	94%	93%	93%	91%	92%	-4%	-1%

Source: Customer Service Performance Reports for 2021 and 2024

Q. HOW DOES PEOPLES' CALL CENTER AND CUSTOMER CONTACT PERFORMANCE COMPARE TO OTHER NGDCS?

A. The table below compares Peoples' two-year performance in 2023/2024 on these same indicators to the average of all NGDCs. Evident is that Peoples, for the most part, is performing at the same level as the other major NGDCs in Pennsylvania with no noticeable area of strength or weakness.

Table 2: Call Center and Customer Contact Indicators: Peoples vs. NGDC Average (2023/2024)

Indicator	*Peoples*	*NGDC Avg*	*Difference*
Unabandoned Call Rate	97%	97%	--
Calls Answered in 30 seconds	86%	86%	--
Satisfaction with Reaching the Company	85%	84%	+1%
Satisfaction with Automated Phone System	78%	78%	--
Ease of Using EDC's Automated Telephone System	77%	78%	-1%
Satisfaction with Choices Offered by Auto Telephone System	77%	77%	--
Satisfaction with Wait to Speak to Representative	78%	80%	-2%
Satisfaction with Reps Handling of Contact	91%	91%	--
Satisfaction w/Call Center Reps Courtesy	94%	94%	--
Satisfaction w/Call Center Reps Knowledge	92%	91%	--

Source: 2024 Customer Service Performance Report

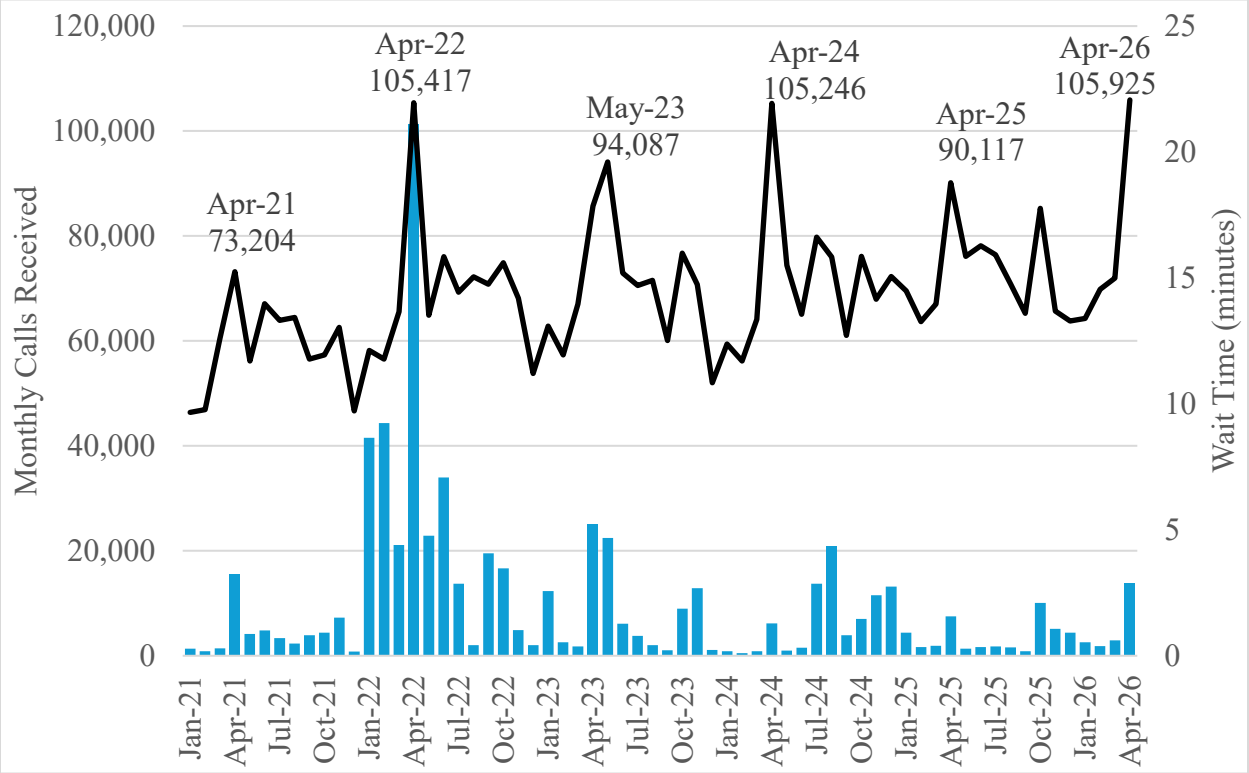
Q. WHAT ARE YOUR OVERALL TAKE AWAYS FROM ANNUAL REPORT DATA ON CALL CENTER PERFORMANCE?

A. Table 1 shows a modest decline from 2019 to 2024 in most of the customer satisfaction indicators, although these declines tended to bring People's satisfaction scores in line with the other NGDCs. The steepest drops are in the automated phone system categories, each down between 8 and 11 percentage points since 2019, suggesting a degradation in quality with the front-end call experience. Again, however, the drops in satisfaction seemed to represent movement toward the averages of the other NGDCs, rather than a fall below other utilities. These changes are still notable in that where the Company may have previously been able to point to results showing it had above average service – now it appears to be more or less right around industry average.

Q. WHAT OTHER INFORMATION DID YOU USE TO EVALUATE CALL CENTER PERFORMANCE?

A. I received monthly data through discovery on call abandonment, calls answered within 30 seconds, and related call center metrics for January 2021 through April 2026. This monthly data allows for more granular analysis of intra-year patterns than the annual snapshots reported in the Customer Service Performance Reports. Figure 1 shows customer calls offered and average wait time by month for the January 2021 through April 2026 period.

Figure 1: Monthly Call Center Customer Calls Offered and Wait Times



Source: OCA XIII-001

Q. WHAT PATTERNS EMERGE?

A. The monthly data reveals a recurring seasonal pattern: customer calls tend to peak in April. For five of six years, April was the month with the higher number of calls received. Also evident in the figure is that these peak call months have the highest average wait times (blue bars in figure) with peaks in average wait times occurring in April in four of the last six years. As I show in Table 3 below, the longer wait times in these months tend to coincide with higher rates of call abandonments. Call abandonment rates in the peak call months were above the annual averages – 1.5 to 2.5 times the annual average rate – in four of six years.

Table 3: Peak Call Month and Annual Average Call Abandonment Rates, 2021-2026

YEAR	PEAK CALL MONTH	ANNUAL AVERAGE	PEAK CALL MONTH TO ANNUAL RATIO
2021	1.83%	2.51%	0.73
2022	9.90%	3.92%	2.52
2023	7.40%	3.48%	2.13
2024	4.82%	5.84%	0.83
2025	5.43%	3.49%	1.56
2026	13.60%	6.95%	1.96

Source: OCA XIII-001

Q. DO YOU HAVE THOUGHTS ON WHAT DRIVES THIS ANNUAL PATTERN?

A. This annual pattern is not surprising. The peak in calls occurs at the end of the heating moratorium period that runs from December 1st through March 31st each year in Pennsylvania.

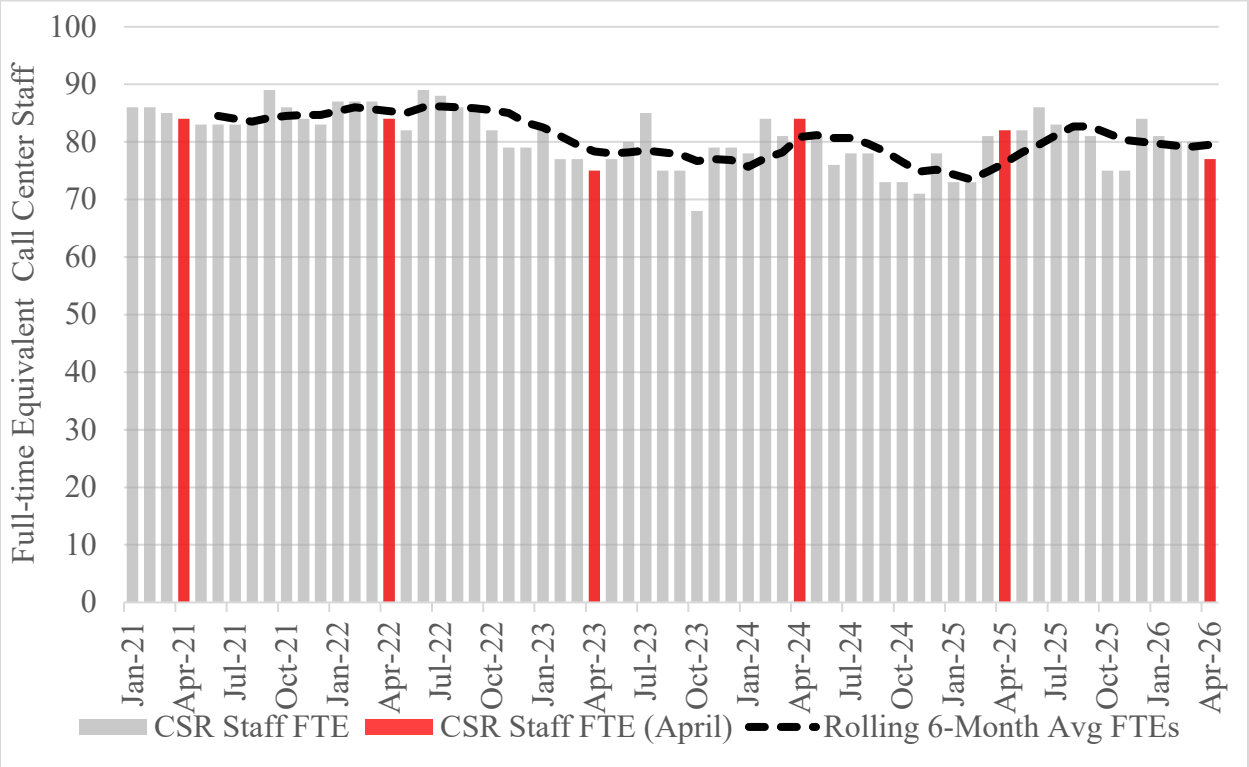
Q. WHAT CONCERNS DO THESE PATTERNS RAISE FOR YOU FROM A CUSTOMER SERVICE PERSPECTIVE?

A. Elevated wait times and call abandonment rates are direct measures of service degradation. When customers cannot reach a representative, either because they abandon a call after a long wait or because the system cannot accommodate them, they receive a lesser quality of service**.** My concern is that despite the predictability of these annual peaks in calls, Peoples does not take steps to increase the number of representatives in its call center. Staffing data provided in response to OCA-XIII-003 shows that there have been no noticeable increases in staffing levels in recent Aprils to address the influx of calls.

In fact, there have been several recent Aprils where the staffing levels represented a drop from prior months. Figure 2 shows monthly call center staffing from January

2021 through March 2026, with April months highlighted. The data reveals that in four of the six years for which data is available, April staffing was below the six-month rolling average level for the preceding period. The two exceptions are 2024 and 2025 — notably the same two years in which April's call wait times were not the highest in the year.[1]

Figure 2: Call Center Representative Staffing by Month, 2021-2026



Source: OCA XIII-003

The staffing data also reveals a longer-term gap between Peoples' actual staffing and its own approved level. According to OCA-XIII-003, the Company's approved call center staffing has been 89 customer service representatives ("CSRs") since at

[1] In 2024, the month with the highest average wait time was August (4.37 minutes) while the wait time in April was 1.28 minutes. In 2025, the month with the highest wait time was October (2.10 minutes) while the wait time in April was 1.57 minutes. The wait time in April was the highest in the year in 2021, 2022, 2023, and 2026 (Jan.-Apr.).

least 2015. Over the 64 months of data provided, staffing reached that level in only two months — September 2021 and June 2022. The Company has been operating at a chronic deficit relative to its own approved staffing levels, and April staffing has never reached 89 in any year in the data.

Q. WHAT DOES THE STAFFING DATA TELL YOU ABOUT HOW THE COMPANY HAS MANAGED THIS FORESEEABLE DEMAND PATTERN?

A. I recognize that increasing staffing for a single month presents real operational challenges. That said, the decision about how to respond to a predictable demand spike is ultimately a cost decision, and the staffing data shows that Peoples has generally chosen not to increase staffing ahead of April. The consequence of that choice is a recurring and foreseeable drop in service quality during the months when customers most need to reach their utility.

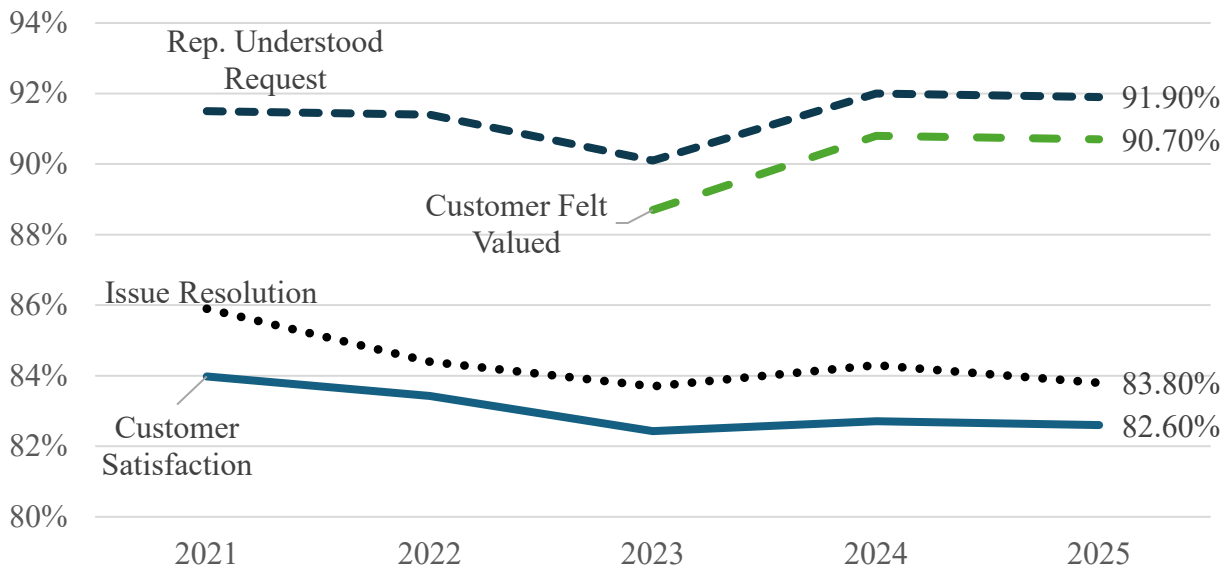
I am not making a specific recommendation here regarding call center staffing levels or how the Company should structure its workforce. Rather, I note this pattern as part of my overall assessment of Peoples' customer service record. It is one of several indicators that, taken together, inform my conclusion that the Company's performance does not rise to the level that would warrant a management performance adder.

Q. ARE THERE ANY POSITIVE TRENDS TO NOTE?

A. Figure 3 shows the results of the Company's Voice of Customer ("VOC") post-contact survey data for 2021 through 2025. These are follow up surveys sent to customers after calling the Company. The results show that while overall satisfaction and issue resolution rates have declined or stagnated – both sitting in the low-80th percentile

range – scores on how customers felt they were treated by representatives have held up better. Specifically, the measures for whether the representative understood the customer's request and whether the customer felt valued have seen slight upticks in recent years and remain in the 90th percentile range. This is a meaningful distinction. Most customer contacts with Peoples arise from concerns about affordability or confusion over bill amounts, and declining satisfaction and resolution scores are likely tied at least in part to the underlying rate trajectory rather than to how individual representatives are performing. The data suggest that frontline staff are maintaining high standards in their interactions even as systemic factors outside their control to drive overall dissatisfaction. That is worth recognizing. The monthly April call abandonment pattern I described above is a management decision; the performance of individual call center staff within those constraints reflects something different.

Figure 3: VOC Post-contact Survey Responses, 2021-2025



Source: OCA-XIII-004

Q. ANY OTHER POSITIVE FINDINGS TO NOTE?

A. Yes. Peoples' response to OCA-XIII-004 notes a change in the methodology for VOC post-contact surveys starting in late 2023 that made it easier for customers response. There has been a noticeable increase in the volume of survey responses since those changes were made with responses increasing from 5,460 in 2022 to 32,178 in 2024 and 29,745 in 2025. I raise this not as a concern but as a positive development. Customer service programs must adapt to changing customer behaviors and communication preferences, and updating the survey methodology to reach more customers is an example of that kind of evolution.

B. Billing Practices and Performance

Q. HOW HAVE YOU EVALUTED CUSTOMER BILLING PERFORMANCE?

A. To evaluate Peoples' billing and operational performance, I reviewed four indicators tracked in the Commission's Customer Service Performance Reports:

- Residential Bills Not Rendered in Billing Period
- Small Bills Not Rendered in Billing Period
- Residential Meters Not Read in 6 Months
- Residential Meters Not Read in 12 Months.

Table 4 shows Peoples' annual results on these indicators from 2019 through 2024. For presentation purposes, I am presenting the inverse of the indicators (i.e. bills rendered instead of not rendered) here such that increases in each indicator represent improvement and downward movement is decline.

Table 4: Peoples Billing and Metering Indicators, 2019-2024

Indicator	2019	2020	2021	2022	2023	2024	6-year change	3-year change
Residential Bills Rendered	100%	100%	100%	100%	100%	96.9%	-3%	-3%
Small Bus. Bills Rendered	100%	100%	100%	100%	100%	96.9%	-3%	-3%
% Residential Meters Read in Last 6 Months	99.0%	97.5%	98.8%	100%	100%	100%	1%	0%
% Residential Meters Read in Last 12 Months	99.9%	98.9%	94.8%	100%	100%	100%	0%	0%

Source: 2021 and 2024 Customer Service Performance Reports

Q. HOW DOES PEOPLES BILLING AND METERING RECORD COMPARE TO THE OTHER NGDCS?

A. Table 5 compares Peoples results for 2023/2024 to the average of the other major NGDC's over this period. While the difference is relatively minor (1%) the difference in bills rendered here aligns with the drop in bills renders in 2024 shown in Table 4.

Table 5: Billing and Metering Indicators: Peoples vs. Other NGDCs (2023/2024)

Indicator	Peoples	NGDC Avg	Difference
Residential Bills Rendered in Billing Period	98.5%	99.7%	-1%
Small Bus. Bills Rendered in Billing Period	98.5%	99.7%	-1%
% Residential Read in Last 6 Months	100.0%	99.8%	0%
% Residential Read in Last 12 Months	100.0%	99.9%	0%

Source: 2024 Customer Service Performance Report

Q. HOW DOES PEOPLES' BILLING AND METERING RECORD COMPARE TO THE OTHER NGDCS?

A. After some issues from 2019 to 2021, Peoples' meter reading performance has been consistently strong with 100% of residential meters read within both the six-month and twelve-month thresholds since 2022. Billing render rates were similarly perfect until

2024, when both residential and small business bills-rendered rates fell to 96.9%. According to the Company's count reported to BCS, the average residential bills not rendered per billing period jumped from 0 in 2021, 2022, and 2023 to 17,427 in 2024.[2]

Q. HAS THE COMPANY EXPLAINED THE REASON FOR THAT INCREASE?

A. Yes. The 2024 Customer Service Performance Report notes that Peoples' bill print vendor closed abruptly during the summer of 2024, and that while the Company was transitioning to a new vendor, files were missed in November 2024, resulting in a delay in the printing and mailing of bills for one month. Because a large number of bills were affected in November, it produced a higher annual average figure. The correspondence provided in response to OCA-XIII-008 confirms that approximately 183,000 accounts, approximately 25% of Peoples' residential customer base, received a delayed paper bill as a result of the vendor failure.[3]

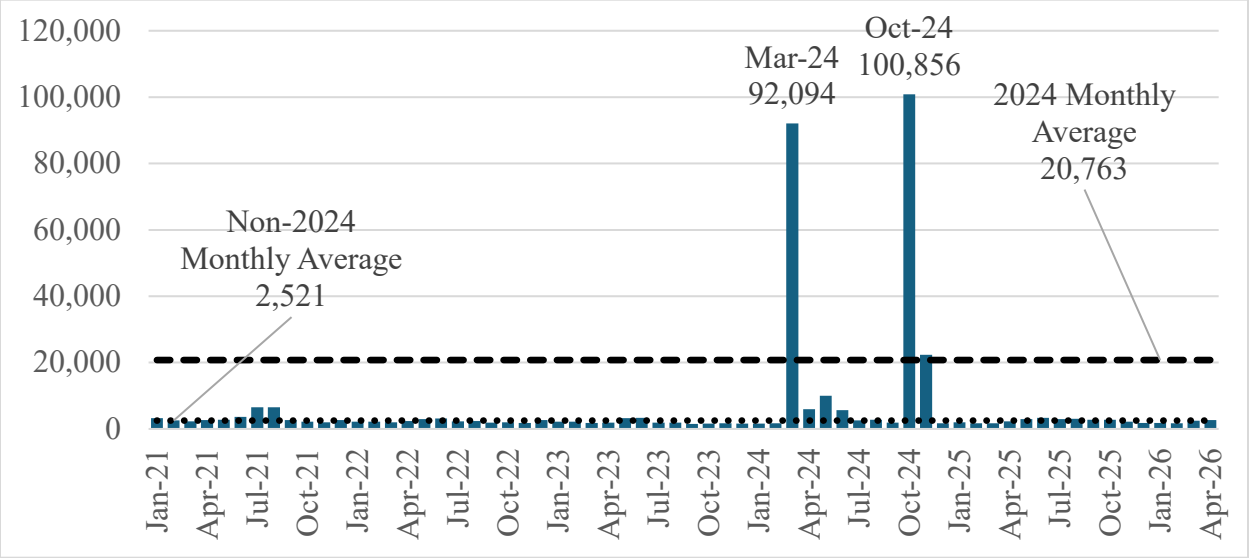
Q. HAVE THERE BEEN OTHER BILLING-RELATED ISSUES IN RECENT YEARS?

A. Reviewing monthly residential rebilling data provided in response to OCA-XIII-020, I found that 2024 also saw several months with rebill volumes far above the surrounding period. Figure 4 shows monthly residential rebill counts from January 2021 through early 2026. Outside of 2024, the monthly average is approximately 2,500 rebills. In 2024, there were several months — including March 2024 (92,094 rebills) and October 2024 (100,856 rebills) — that were orders of magnitude above that baseline.

[2] 2023 and 2024 Customer Service Performance Reports.
[3] OCA-XIII-008

As a result, the 2024 monthly average for residential rebills was approximately 20,763, roughly eight times the average for all other years in the data.

Figure 4: Monthly Residential Rebills, 2021-2026



Source: OCA-XIII-020

Q. PLEASE DEFINE REBILLING AND BACK-BILLING.

A. These terms are sometimes used interchangeably, and Peoples described both in its response to OCA-XIII-023. A back-bill is a make-up bill for service that was previously unbilled or underbilled because of a meter or meter-communication failure, a missed or estimated read later corrected by an actual read, or a billing-system or account error.[4] A rebill is the cancellation and reissuance of a bill to correct charges that were calculated incorrectly the first time.[5] From a customer's perspective, both represent a request for payment of non-current charges — that is, amounts attributable to a prior billing period. The data shown in Figure 4 is drawn from OCA-XIII-020,

[4] OCA-XIII-023
[5] *Id.*

which I requested as "residential customer billing adjustments and rebills." The Company's response labels the data as rebills, but it is unclear whether it includes back-bills as well.

Q. IS THE 2024 REBILL SPIKE CONNECTED TO THE BILL PRINT VENDOR FAILURE?

A. No. According to OCA-XVII-004, the print vendor failure did not generate any rebills, because the bills were generated correctly and on time within the billing system, meaning the "only delay" was in physical delivery by the vendor.[6] The elevated rebill volumes I identified in OCA-XIII-020 reflect a separate set of billing issues.

Q. DID THE COMPANY EXPLAIN WHAT CAUSED THE 2024 REBILL INCREASES?

A. Only in general terms. In response to OCA-XVII-006, Peoples stated that it "does not track [rebill causes] at this level of detail" but believes the 2024 escalation was associated with ERT rebills — errors related to encoder-receiver-transmitter meter-reading devices — and that the corrections involved charges dating back to 2018.[7]

Q. DO YOU HAVE ANY OBSERVATIONS ON HOW THESE BILLING INCIDENTS CAME TO LIGHT AND HOW THE COMPANY RESPONDED?

A. First, I find it notable that a company issuing over 100,000 rebills in a single month cannot attribute those rebills to a specific cause. The response to OCA-XVII-006 offers only a general belief about the probable source. That is not an adequate accounting for a billing event of that scale.

[6] OCA-XVII-004
[7] OCA-XVII-006

The Company's inference that the rebill numbers were related to the ERT issue does not align numerically. In OCA-XIII-025 CONFIDENTIAL, the Company reported that **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** were affected.[8] Given that Peoples indicates this issue went back to 2018, and was identified in 2024, that would suggest at most there were 84 months of rebills for these affected customers which would result in total rebills of **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**. That total represents less than 2 percent of the 249,158 rebills issued in 2024. Clearly, there were other billing issues that the Company is unable to account for.

Second, the bill print vendor failure came to the Commission's attention not through any proactive disclosure by Peoples but through independent observations by BCS staff and a member of the Consumer Advisory Council.[9] Based on my reading of the email exchange it also seems that Peoples was unaware of the problem when initially contacted. This scenario points to a gap in the Company's internal monitoring of its billing operations and its obligation to proactively communicate service disruptions to regulators and customers.

Q. DO YOU HAVE ANY SPECIFIC RECOMMENDATIONS RELATED TO

A. If possible, Peoples should address these 2024 billing issues in greater detail in their rebuttal testimony. While I've tried to develop the record on these events I still find the information and details to be lacking.

Q. ARE THERE SPECIFIC CONCERNS THESE INCIDENTS RAISE FOR YOU?

[8] OCA-XIII-025 CONFIDENTIAL
[9] OCA-XIII-008

A. In aggregate, the bills not rendered, rebills, and back-bills in 2024 account for less than 10% of total bills administered by Peoples that year. I do not characterize them as systemic failures.

My concern is with how the Company treated the events. The picture that emerges from the record — a print vendor failure that Peoples was unaware of until BCS and a Consumer Advisory Council member raised it, and a rebill spike of over 100,000 in a single month that the Company cannot specifically explain — suggests these incidents were treated as operational blips rather than events warranting proactive attention and communication.

That framing understates the impact on affected customers. For households already managing tight budgets, receiving no bill for a month and then finding a past-due balance on their account is not a minor inconvenience. It creates confusion, triggers late payment concerns, and can put customers at risk of collection activity for charges they had no opportunity to pay on time. The problem is compounded when the utility has not communicated what happened or what the customer should expect. I address adequacy of Peoples' customer communications in these situations in more detail in Section V.

IV. Customer Complaint Record

Q. WHAT IS A CUSTOMER COMPLAINT?

A. A customer complaint arises when a customer contacts the PUC's Bureau of Consumer Services ("BCS") about an unresolved dispute with their utility. The Commission tracks two categories: informal complaints, which are addressed by BCS staff without a formal legal proceeding, and formal complaints, which are docketed

and adjudicated by an administrative law judge in the Office of Administrative Law Judge ("ALJ"). I discuss each in turn below.

Q. WHY ARE COMPLAINTS WORTH REVIEWING?

A. Some level of complaints is a normal feature of utility operations. The fact that complaints are filed does not by itself indicate poor performance. What matters is the trend over time, how a company's complaint rate compares to its peers, and the nature and outcomes of the complaints. A rising trend, a complaint rate that stands out among peers, or a pattern of complaints centered on a specific type of issue can each point to a performance problem worth examining. The outcome of complaints also matters: how many customers had their concerns resolved, how many formal proceedings resulted in the company being found at fault, and how many cases were effectively closed because unrepresented complainants stopped participating. I address each of these dimensions in my review of Peoples' informal and formal complaint records below.

A. Informal Complaints

Q. HOW ARE INFORMAL COMPLAINTS FILED?

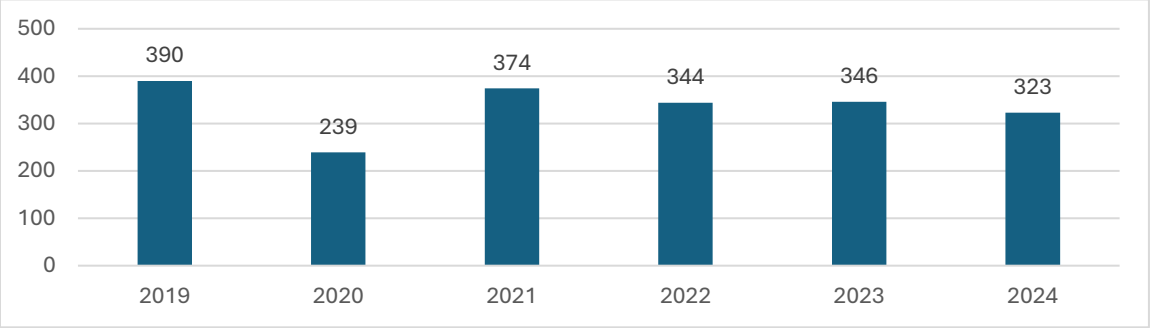
A. A customer files an informal complaint by contacting BCS directly, typically by phone or online. Not every contact with BCS generates a complaint. If the matter is resolved in the initial call, BCS records it as an "inquiry" rather than an informal complaint. BCS also separately tracks payment arrangement requests. An informal complaint is therefore a specific instance that could not be resolved at first contact and required BCS to conduct follow-up with the utility and seek a response. This is a meaningful filter: an informal complaint count reflects cases that required active engagement

between BCS and the company, not simply any customer who called BCS with a question.

Q. WHAT HAS BEEN THE TREND FOR INFORMAL COMPLAINTS FILED AGAINST PEOPLES IN RECENT YEARS?

A. Figure 5 shows informal complaints filed against Peoples from 2019 to 2024. The long-term trend is declining, from a high of 390 complaints in 2019 to 240 in 2024. The recent years have been relatively flat, with volumes holding between 240 and 271 since 2022. There is no single spike in the recent data that would indicate a concentrated customer service failure. The overall trajectory is one of gradual improvement from the 2019 peak.

Figure 5: Informal Complaints Against Peoples, 2019-2024



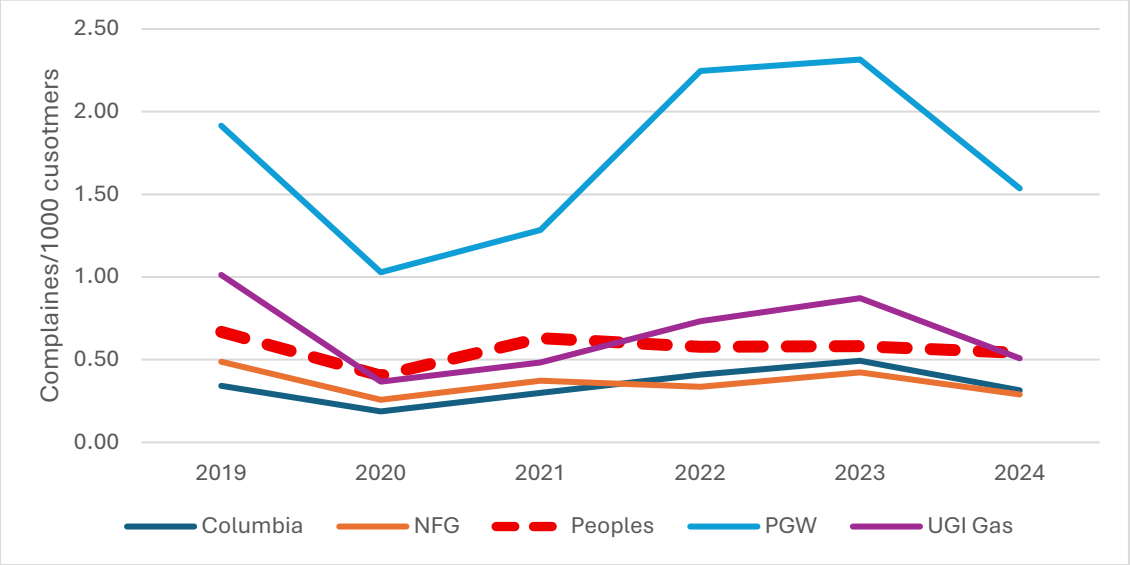
Source: Annual UCARE Reports, OCC XIII-006

Q. HOW DOES PEOPLES' RATE OF COMPLAINTS COMPARE TO THE OTHER MAJOR GAS UTILITIES IN PENNSYLVAIA?

A. Figure 6 compares complaint rates across Pennsylvania's major NGDCs from 2019 to 2024. Most companies – except Philadelphia Gas Works (PGW), which runs at a notably higher rate – are clustered together, with Peoples sitting in the middle of that

group throughout the period. This position has been stable. In other words, Peoples is not an outlier in either direction relative to comparably situated peers.

Figure 6: NGDC Informal Complaint Rate, 2019-2024



Source: UCARE Reports, 2019-2024.

Q. WHAT WERE THE REASONS FOR INFORMAL COMPLAINTS AGAINST PEOPLES?

A. Table 6 shows the composition of informal complaint reasons for Peoples from 2019 to 2024. I note that BCS evaluates reasons for a sample of complaints each year, so the table does not represent the full complaint volume. Billing disputes and termination/payment arrangement issues together account for the largest share, which is not surprising given that billing and payment concerns drive the majority of utility-customer friction.

More notable is the shift in the relative weight of personnel problems and property damage complaints between the two three-year periods. Personnel problems rose from 8% of sampled complaints in 2019-2021 to 13% in 2022-2024 – a category

where Peoples now runs above the average for other NGDCs. Property damage remained elevated and also runs above the peer average in recent years. The increase in personnel problems complaints is somewhat at odds with the VOC data showing that satisfaction with individual representative interactions has held up. One possible explanation is that the complaints reaching BCS reflect more serious individual incidents, while routine interactions measured by post-contact surveys remain at acceptable levels. Another is that rising bills have increased general tension in interactions and some of that tension spills into complaints, even if the majority of contacts are handled professionally.

Table 6: Composition of Reasons for Informal Complaints Against Peoples, 2019-2024

Reason	2019	2020	2021	2022	2023	2024	2019-2021	2022-2024	Change
Billing Disputes	49	27	43	52	39	20	14.8%	14.4%	-0.4%
Termination / PAR	64	39	53	36	35	30	19.4%	13.1%	-6.3%
Personnel Problems	11	21	31	9	44	51	7.8%	13.5%	5.7%
Damages	8	35	65	42	14	50	13.4%	13.7%	0.3%
Discontinue / Transfer	30	14	6	24	44	3	6.2%	9.2%	3.0%
Service Quality	30	12	22	31	11	25	8.0%	8.7%	0.7%
Other Payment Issues	13	19	15	20	11	11	5.8%	5.4%	-0.4%
Credits and Deposits	22	2	25	7	24	6	6.1%	4.8%	-1.3%
Metering	18	4	15	5	3	3	4.6%	1.4%	-3.2%
Scheduling Delays	4	6	3	13	6	4	1.6%	3.0%	1.4%
Service Interruptions	14	15	3	4	0	3	4.0%	0.9%	-3.1%
Rates	5	3	6	0	1	0	1.7%	0.1%	-1.6%
Service Extensions	3	3	1	4	2	0	0.9%	0.8%	-0.1%
All Other	18	6	21	24	26	34	5.6%	10.9%	5.3%
Total	**289**	**206**	**309**	**271**	**260**	**240**	**100%**	**100%**	**--**

Source: UCARE Reports, 2019-2024

Q. HOW DO THE REASONS COMPARE TO OTHER COMPANIES?

A. Table 7 compares the composition of complaint reasons for Peoples against the average for other major NGDCs, for the 2019-2021 and 2022-2024 periods. The most notable differences in the recent period are in personnel problems, damages, and service quality. Peoples runs above the NGDC average on all three in 2022-2024, while other companies show higher shares of billing dispute complaints. This pattern suggests that Peoples' complaint profile has shifted toward operational issues – how work is done in the field and how customers are engaged – rather than payment and billing process issues, which are more common across the peer group. This is a different kind of problem and one that warrants attention.

Table 7: Composition of Reasons for Informal Complaints: Peoples vs. Other NGDCs

	2019-2021		2022-2024		Difference	
Reason	Peoples	Other NGDCs	Peoples	Other NGDCs	2019-21	2022-24
Billing Disputes	15%	23%	14%	29%	-8%	-14%
Termination / PAR	19%	15%	13%	14%	4%	-1%
Personnel Problems	8%	13%	13%	8%	-5%	6%
Damages	13%	10%	14%	6%	3%	7%
Discontinue / Transfer	6%	8%	9%	6%	-2%	3%
Service Quality	8%	5%	9%	5%	3%	4%
Other Payment Issues	6%	5%	5%	5%	1%	0%
Credits and Deposits	6%	4%	5%	5%	2%	0%
Metering	5%	3%	1%	3%	1%	-2%
Scheduling Delays	2%	3%	3%	2%	-1%	1%
Service Interruptions	4%	2%	1%	1%	2%	0%
Rates	2%	1%	0%	1%	1%	0%
Service Extensions	1%	1%	1%	0%	0%	1%
All Other	6%	7%	11%	14%	-1%	-4%

B. Formal Complaints

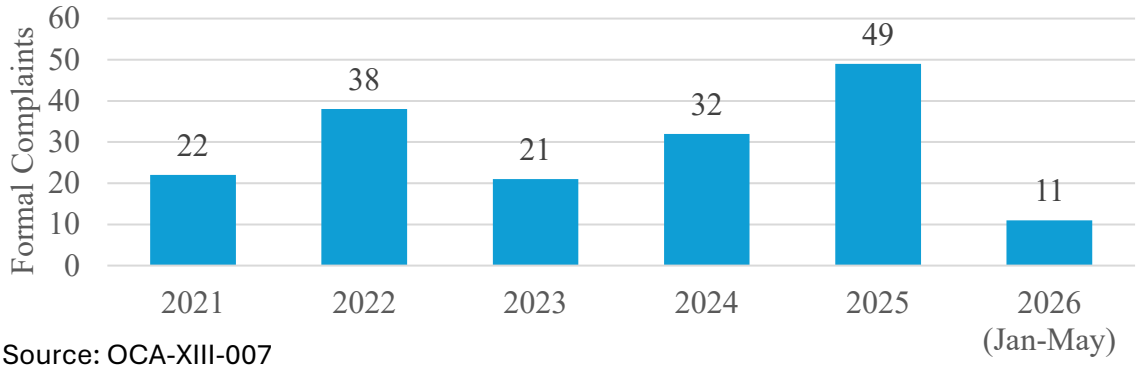
Q. WHAT ARE FORMAL COMPLAINTS?

A. A formal complaint is a legal proceeding initiated when a customer files a written complaint with the Commission. Formal cases are docketed and assigned to an ALJ, who presides over the proceeding and issues an adjudication. The formal complaint process is more structured than the informal process and requires both parties to participate in proceedings that can include hearings. Residential customers who file formal complaints are not required to have legal representation, which is a relevant practical consideration for understanding how these cases tend to resolve.

Q. HOW MANY FORMAL COMPLAINTS HAVE BEEN FILED AGAINST PEOPLES IN RECENT YEARS?

A. Unlike the informal complaint trend – which has been flat or declining – the formal complaint trajectory has been increasing. As shown in Figure 7, formal complaints filed against Peoples have grown each year since 2022. The 2025 total of 49 complaints represents more than double the 21 filed in 2023. I have not identified a single pervasive issue driving this increase, but the pattern, taken together with the informal data and the rising bill trajectory customers are experiencing, suggests growing frustration with the Company among a subset of customers who are motivated to engage in a more formal dispute process.

Figure 7: Formal Complaints Filed Against Peoples, 2021-2026



Source: OCA-XIII-007

Q. HAVE YOU REVIEWED ANY OF THE FORMAL COMPLAINTS FILED AGAINST PEOPLES IN RECENT YEARS?

A. Yes. I reviewed the docketed filings for formal complaints filed against Peoples from 2023 through 2025, focusing on complaints filed by customers rather than rate filings or requests submitted by consumer advocates such as OCA. In total, I reviewed the record of 74 formal complaint proceedings over that three-year period. As Table 7 shows, most of those proceedings ended with Peoples filing a Certificate of Satisfaction, indicating that the Company and the complainant reached some resolution. Notable, however, is that 18% of the 74 proceedings were denied, dismissed, or withdrawn, and my review of the case records suggests that many of these outcomes occurred because the complainants – most of whom lacked legal representation – stopped participating. That does not mean the underlying complaints lacked merit. Unrepresented residential customers facing the burden of continued involvement in a formal proceeding may disengage for practical reasons that have nothing to do with the strength of their case.

Table 8: Results of Formal Complaint Proceedings, 2023-2025

Year	Certificate of Satisfaction	Sustained	Denied /Dismissed	Withdrawn / Closed	Active	Year Total
2023	11	1	3	0	1	16
2024	14	1	2	0	1	18
2025	24	0	8	1	7	40
Total	49	2	13	1	9	74
%	**66%**	**3%**	**18%**	**1%**	**12%**	

Q. WHAT WERE THE REASONS LISTED FOR THE FORMAL COMPLAINTS YOU REVIEWED?

A. Many of the dockets only contained procedural related filings that did not include specifics on the nature of the dispute. Of the 74 dockets I reviewed, I could only identify specifics on the nature of the dispute for 28 complaints. Most of the complaints (15) were billing related, including disputes over rates, billed amounts, and payment arrangements. Then, there were eight (8) instances where customers contended the Company was in some way responsible for property damage. These instances mostly involved recent utility construction activities around or near their property. There were three (3) safety related issues, including one instance where a contractor did not properly mark an excavation site and a resident drover their vehicle into the ditch.[10]

Q. WHAT CONCLUSIONS CAN YOU DRAW FROM YOUR REVIEW OF THESE COMPLAINTS?

A. Property damage emerges as a recurring theme in both the informal and formal complaint records, and it is the category where Peoples' informal complaint share

[10] Frank Szymanski v. Peoples Gas Company LLC, C-2024-3051085.

diverges most from the peer average. While the Company appears to have contested fault in most of the formal cases I reviewed, the combination of an elevated informal complaint rate in this category and a growing formal complaint count points to an area that warrants ongoing attention. Whether this reflects the scale of Peoples' pipeline replacement and infrastructure work, practices around site management and restoration, or something else is a question the Company should be expected to answer. This is not a finding of systemic failure, but it is an issue that deserves monitoring and, at minimum, a clearer explanation from the Company of what steps it has taken to reduce damage-related complaints from its field operations

V. Customer Communications

Q. WHAT DOES THIS SECTION ADDRESS?

A. This section addresses two aspects of how Peoples communicates with its customers about their bills. The first is how the Company communicates with customers when it corrects or delays a bill, whether through rebills, back-bills, or delayed bills. The second is a related but broader question: how the growth of electronic billing and automatic payment affects customers' day-to-day engagement with their bills, and what that means for how billing and cost problems come to light. Both concern the conditions under which customers stay informed about their utility bills.

A. Rebilling and Back-Billing Related Communications

Q. IN SECTION III YOU RAISED CONCERNS ABOUT PEOPLES' RESPONSE TO THE 2024 BILLING INCIDENTS. HOW DO CUSTOMER COMMUNICATIONS FACTOR INTO THOSE CONCERNS?

A. Billing corrections, whether a rebill, a back-bill, or a delayed bill, can be disorienting and financially disruptive for customers. A customer who finds an unexpected balance or a charge covering prior months may not have the funds to pay, may not understand why their bill changed, and may not know what options are available. Clear, proactive communication is what converts that experience from a surprise into a manageable event. In this section I examine what Chapter 56 requires when a utility corrects a bill, what Peoples' own policy says it does, and what the discovery record shows it actually did.

Q. WHAT DOES CHAPTER 56 REQUIRE WHEN A UTILITY ISSUES A MAKE-UP BILL FOR PREVIOUSLY UNBILLED OR UNDERBILLED SERVICE?

A. Under 52 Pa. Code § 56.14, when a utility issues a make-up bill for previously unbilled service that accrued within the past four years and the make-up bill exceeds the otherwise-normal estimated bill by at least 50% or at least $50, the utility must explain the bill to the customer and make a reasonable attempt to amortize it. Where an underbilling results from an error in a remote meter-reading device, Chapter 56 directs the utility to comply with § 56.14 if the rebilling exceeds that same threshold.

Q. WHAT DOES PEOPLES' WRITTEN POLICY SAY ABOUT NOTIFYING CUSTOMERS OF A REBILL OR BACK-BILL?

A. Peoples' response to OCA-XIII-023 describes customer notice as consisting of a phone call from a customer service representative to review the rebill or back-bill, and a letter mailed to the customer stating the reason for the correction, payment-arrangement details, corrected invoices, and, if needed, a usage comparison. On its

face, that policy would satisfy the obligation in § 56.14 to explain the bill to the customer.

However, I am unsure when this policy is put into action. Peoples indicated in OCA-XVII-008 that it applies no fixed threshold — by number of customers affected, dollar amount, or otherwise — that triggers customer notification or even representative notification. Notification is left to a case-by-case judgment about expected call volume. OCA-XVII-007 similarly describes representative preparation as informal, through team huddles, talking points, and account notes where available.

Q. HAVE THERE BEEN ANY SIGNIFICANT REBILLING OR BACK-BILLING INCIDENTS IN RECENT YEARS BEYOND WHAT YOU DESCRIBED IN SECTION III?

A. In response to OCA-XIII-025, Peoples identified three instances during the past five years in which it issued back-bills or rebills to more than 100 customers arising from a common cause. Each instance either occurred in 2024 or resulted from a billing change implemented in 2024 or later. They are as follows:

- **Instance 1**: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**
- **Instance 2**: **[BEGIN CONFIDENTIAL]** [redacted]

[redacted]

[redacted] **[END CONFIDENTIAL]**

- **Instance 3**: **[BEGIN CONFIDENTIAL]** [redacted]

[redacted]

[redacted] **[END CONFIDENTIAL]**

Q. DID PEOPLES PROVIDE DIRECT NOTICE TO CUSTOMERS DURING THESE EVENTS?

A. For the first two events, no. In response to OCA-XVII-001 (Instance 1) and OCA-XVII-002 (Instance 2), Peoples stated that there was no written or electronic communication sent to customers. Instead, communication was sent internally to representatives and a mass interaction record was added to the affected accounts. The one instance in which Peoples did send a written explanation was Instance 3 (OCA-XVII-003), in which the ERT meter programming error had caused customers to be overbilled over several years, producing a credit; there, a credit supervisor sent each affected customer a letter explaining what had happened.

Q. DID PEOPLES PROVIDE ANY DIRECT NOTICE TO CUSTOMERS IMPACTED BY THE 2024 DELAY IN PRINTED BILLS?

A. For the approximately 183,000 delayed-bill accounts resulting from the print vendor failure, Peoples likewise stated in OCA-XVII-005 that no written communication was sent to customers; it added an interaction record and a 30-day lock against late-payment charges, posted a banner on its website, and made its call center aware of the issue.[11]

Q. DOES THIS RAISE A COMPLIANCE CONCERN UNDER § 56.14?

A. I'm unsure if there were any compliance violations because the Company did not provide any specifics on the rebilled amounts, other than the ERT incident. To the extent the rebills exceeded the § 56.14 threshold of 50% or $50 above the normal estimated bill, we simply do not know.

Ultimately, my concern based on what I have reviewed is with People's policy and how when applied it seems to err on the side of no communication. I have concerns about whether the approach being followed is responsive and fair to customers.

Q. SETTING THE COMPLIANCE QUESTION ASIDE, WHY DOES COMMUNICATION DURING THESE EVENTS MATTER TO CUSTOMERS?

A. Because a corrected or delayed bill delivered without explanation lands on a customer as a sudden, and often large, change in what they owe, with no context for why. When a billing problem affects many customers at once, the correction tends to be handled in an automated, procedural way — a batch rebill, an internal account note, a website

[11] OCA-XVII-005

banner — rather than through individual outreach. That is efficient for the company, but it leaves each individual customer to discover the change on their own and to initiate contact if they want to understand it. The result can be confusion, anxiety, and payment or credit decisions the customer would not have made with full information.

Q. DO YOU HAVE DIRECT EXPERIENCE WITH THIS DYNAMIC?

A. I do, and I offer it to illustrate the customer's perspective. In March 2025, over five consecutive days, my household received one new electric bill per day from our electricity provider in Massachusetts, with charges going back to August 2024. The bills were for estimated usage covering past billing periods, and they arrived with no explanation. They totaled more than $5,000. This occurred a few days before a planned family trip to Disney World, so we called customer service to try and address the problem before we left. The representative told us our meter had not been read for months, which is why the bills were estimated. I asked whether there was a widespread problem; the representative said no. I asked how the estimates had been calculated; the representative could not explain. To resolve the matter before our trip, we enrolled in a payment plan. I knew I should look into it further, but I simply did not have the time.

The following month, we received another wave of bills. At that point I contacted my state regulator and learned that the utility had in fact experienced a widespread billing error that it had been slow to report, and that other customers were similarly affected. When we called again, we were routed to a representative handling affected accounts directly, and our balance was ultimately resolved in our favor, in part because Massachusetts limits how far back a utility may back-bill to six months. The

representatives who first took our calls had clearly not been informed of an issue that was already known within the company at the time we began receiving those bills.

Q. WHY IS THAT EXPERIENCE RELEVANT TO PEOPLES?

A. Because it shows how an automated correction, issued without a clear explanation and handled by front-line staff who have not been briefed on a known problem, plays out for the customer — and I encountered it as someone who analyzes utility billing for a living. A typical residential customer has far less ability to recognize that a bill is wrong, to question an estimate, or to know that a regulator exists to help. The risk is greater in Pennsylvania, where § 56.14 permits a make-up bill to reach back up to four years. In Massachusetts the back-billing window is limited to six months, which limits the magnitude of the surprise a customer can face. A four-year make-up bill delivered without a meaningful explanation can be a very large and destabilizing event for a household.

Q. WHAT ARE YOUR RECOMMENDATIONS REGARDING REBILLING AND BACK-BILLING COMMUNICATIONS?

A. I recommend three improvements. First, Peoples should send a direct written explanation to every customer whose bill is rebilled or back-billed, stating the reason for the correction, the period covered, the amount, and the available payment-arrangement and dispute options. This should apply to mass automated events, not only to individual cases — those are precisely the events for which Peoples currently sends nothing.

Second, every affected account should be flagged so that any representative the customer reaches has immediate and consistent information about the event and the

customer's options, rather than relying on whether talking points happen to be available at the time.

Third, Peoples should be required to notify the Commission's Bureau of Consumer Services of any rebilling, back-billing, or billing-delivery event affecting more than 1,000 bills. A clear reporting threshold would ensure the regulator learns of significant billing events promptly rather than incidentally.

B. Engagement of Auto-Pay and E-Bill Customers

Q. WHAT PROMPTED YOU TO EXAMINE AUTO-PAY AND ELECTRONIC BILLING ENROLLMENT IN THIS PROCEEDING?

A. In reflecting on my own experience with the billing error I described earlier in my testimony, I recognized that I had not regularly been paying attention to my monthly bills in the period leading up to it. I was enrolled in electronic billing and automatic payment, and as a result I was not routinely looking at what I was being charged each month. The bills arrived and the payments went out automatically.

That experience prompted me to consider whether the same dynamic is present among Peoples' customers — that is, whether a meaningful share of customers have effectively removed themselves from regular engagement with their bills by enrolling in these programs, and whether there are any noticeable patterns in who those customers are. I used this proceeding as an opportunity to explore both questions through discovery.

Q. WHAT DOES THE DATA SHOW?

A. Peoples provided residential customer counts in response to OCA-XIII-031, broken out by customer type and crossed with electronic-versus-paper billing and automatic-

versus-manual payment. From that data, approximately 10.6% of all residential customers both receive electronic bills and are enrolled in automatic payment. As I show across Table 9 and Table 10, the share of customers both receiving electronic bill and on auto-pay differs markedly by customer group: only about 1.3% of CAP customers fall into this combined category, compared with about 11.1% of non-CAP, non-budget-billing customers.

Table 9: CAP Residential Customers by Billing Type

	Number of Customers			% of CAP customers		
	Auto-Pay	Non-Auto	Total	Auto-Pay	Non-Auto	**Total**
Electronic	471	10,299	10,770	1.3%	27.3%	**28.6%**
Paper	546	26,350	26,896	1.4%	70.0%	**71.4%**
Total	**1,017**	**36,649**	**37,666**	**2.7%**	**97.3%**	**100.0%**

Source: OCA-XIII-031

Table 10: Non-CAP Residential Customers by Billing Type

	Number of Customers			% of Non-Cap customers		
	Auto-Pay	Non-Auto Pay	Total	Auto-Pay	Non-Auto Pay	**Total**
Electronic	48,146	110,814	158,960	11.1%	25.5%	**36.5%**
Paper	28,216	248,032	276,248	6.5%	57.0%	**63.5%**
Total	**76,362**	**358,846**	**435,208**	**17.5%**	**82.5%**	**100.0%**

Source: OCA-XIII-031

Q. WHY DOES THE COMBINATION OF ELECTRONIC BILLING AND AUTOMATIC PAYMENT MATTER?

A. A customer who receives a paper bill and pays it manually each month has a recurring prompt to look at what they are being charged. A customer enrolled in both electronic billing and automatic payment has, by design, removed those prompts: the bill arrives

in an inbox that may go unopened, and the payment leaves the account without any action required. That is a convenience many customers reasonably choose. But the combination tends to reduce month-to-month attention to the size and movement of the bill, and that reduced engagement has consequences for how billing or cost problems come to light.

Q. WHAT IS THE SIGNIFICANCE OF THE DIFFERENCE BETWEEN CAP AND NON-CAP CUSTOMERS?

A. It indicates that bill engagement tends to be inversely related to income. Lower-income customers in the CAP program are far less likely to be in the electronic-plus-autopay category than higher-income customers, by a factor of roughly nine. That is intuitive: a customer for whom the gas bill represents a larger share of household income has more reason to watch it closely each month. The consequence is that the customers paying the closest attention to their bills, and therefore the ones most likely to notice and report a billing or cost problem, are disproportionately the lowest-income customers. Their concerns tend to be treated as affordability matters specific to that population rather than as early indicators of problems that may affect the broader customer base.

Q. DO YOU HAVE A RECOMMENDATION ON THIS ISSUE?

A. I raise this issue not as a recommendation directed solely at Peoples, but as something the Commission may wish to consider more broadly across all utility companies. The growth of electronic billing and automatic payment is a sector-wide trend, and the question of how to maintain meaningful customer engagement with utility costs in that environment is one that warrants attention at the policy level. Peoples' data provides a

concrete illustration of the dynamic: a significant share of non-CAP customers have, in effect, opted out of their monthly billing touchpoint, while the customers most actively engaged with their bills are those least able to absorb unexpected charges. A policy requiring periodic mailed cost summaries for all residential customers, showing usage and total billed amounts over time, is one approach the Commission could consider as a way to preserve baseline visibility into utility costs for customers across all billing and payment arrangements.

VI. Tariff Modifications

Q. HAS THE COMPANY PROPOSED ANY TARIFF CHANGES THAT ARE RELEVANT TO YOUR CONSIDERATION OF CUSTOMER SERVICE AND CONSUMER PROTECTION?

A. Peoples witness Krista Snyder characterizes the tariff changes as mostly minor or clarifying, with the only "substantive" changes being rate changes. Still, I find several proposed tariff changes are relevant to my consideration of customer service and consumer protection issues. These include:

- **Nonliability / limitation of liability**. Peoples proposes to expand language limiting the Company's liability for service-related damages and emphasizing that customers are responsible for protecting their premises from damages associated with interruption of gas service, including when a property is vacant or unoccupied. The proposed language also appears to

limit recovery for incidental, indirect, special, and consequential damages and cap other damages absent willful or wanton misconduct.[12]

- **Dishonored payments**. Peoples proposes language to the Billing and Payment section (Rule 10) of the Rules and Regulation of its retail tariff, that will allow the Company to require certified funds to prevent termination or restore service where the customer has a history of returned payments or has not demonstrated a good-faith effort to pay within the prior 12 months. It also proposes authority to remove a customer from eAccount or other online payment options if it detects "abuse" of those platforms, including repeated cancellations of online payments.[13]
- **CAP restrictions on recreational gas use**. Peoples proposes to prohibit CAP customers from using natural gas for recreational purposes, including pool heaters, hot tubs, outdoor appliances, gas grills, fire pits/rings, fireplaces, gas lamps, heaters, outdoor cooking appliances, and heated outdoor buildings such as sheds, shops, or garages. The proposal would remove customers from CAP for such use, with re-enrollment permitted only after verification that the recreational gas connection has been removed.[14]
- **CAP benefit reversal for alleged fraud**. Peoples also proposes language allowing the Company to reverse CAP benefits if it determines that a CAP

[12] Exhibit KMS-1 at 28.
[13] Exhibit KMS-1 at 31.
[14] Exhibit KMS-1 at 47.

participant obtained benefits through fraudulent means, with the customer responsible for repayment of the reversed benefits.[15]

These changes all tend to push the tariff language in the favor of Company. I have issues with each of these proposed tariff language changes.

Q. WHAT ISSUE DO YOU HAVE WITH THE CHANGES TO LIABILITY LIMITS?

A. The proposed language tightens the Company's nonliability provisions at a moment when property damage complaints are trending upward and running above the peer average. The timing raises a concern: if the Company is facing more customer disputes over damage from its field operations, expanding the language that limits its exposure moves in the wrong direction from a consumer protection standpoint.

Liability limits in utility tariffs are not inherently unreasonable, but the existing tariff already contains such limits. I recommend the proposed nonliability language be rejected and that the existing provisions, which already protect the Company from open-ended liability exposure, be retained.

Q. CAN YOU ELAORATE ON THE ISSUES YOU HAVE WITH THE ADDED LANGUAGE RELATED TO DISHONORED PAYMENTS?

A. My concern is that the proposed language reserves broad discretionary authority for the Company without establishing any criteria, notice requirements, or review process. As written, it allows Peoples to require certified funds or the ability to remove a customer from electronic payment options based on its own assessment that the customer has a history of returned payments or has not demonstrated good-faith

[15] Exhibit KMS-1 at 47.

payment effort within the prior twelve months. There is no definition of what constitutes a history of returned payments, no minimum threshold before the restriction applies, no requirement that the Company notify the customer or BCS before acting, and no mechanism for the customer to contest the determination.

Requiring certified funds is not a trivial imposition — it means a customer cannot pay by check or online and must obtain a money order or cashier's check, which adds cost and inconvenience that falls hardest on customers with limited banking access. Similarly, removing a customer from eAccount eliminates a payment option they may rely on. These are consequential actions that warrant procedural guardrails. I recommend the inserted language be rejected. If adopted, it should be revised to at minimum include: a defined threshold for triggering the restriction, advance written notice to the customer and BCS, and a process for the customer to contest the determination before the restriction takes effect.

Q. WHY DO YOU QUESTION THE CAP RESTRICTIONS?

A. Two concerns. First, Peoples has not established that recreational gas use by CAP customers is a material or widespread problem. Before adding restrictive eligibility conditions to a low-income assistance program, the Company should be able to demonstrate that the problem it is trying to solve is real and of sufficient scale to justify the policy. Nothing in the filing does that.

Second, and more fundamentally, I am skeptical of the approach even if the problem were established. A common dynamic in means-tested assistance programs is that enforcement language designed to exclude ineligible participants also deters eligible ones. Provisions that threaten removal from the program, require proof of

appliance removal, or create ambiguity about what uses are permissible can make low-income customers hesitant to enroll or stay enrolled — particularly customers who have older homes, use gas for multiple purposes, or are uncertain whether a fireplace or an outdoor heater crosses the line. The cost of over-deterrence in a low-income program falls on the households the program is designed to protect.

On the fraud reversal provision specifically, the proposed language allows the Company to reverse CAP benefits and require repayment based on its own determination of fraud, again without any defined process, standard of proof, or review mechanism. A unilateral benefit reversal with repayment obligation imposed on a low-income household is a serious action that should require a more structured process than the proposed language provides. I recommend both the recreational use restriction and the fraud reversal provision be rejected, or at minimum substantially revised to include meaningful procedural protections before any CAP removal or benefit reversal takes effect.

Q. WHAT IS YOUR RECOMMENDATION ON THESE PROPOSED UPDATES?

A. I recommend the Commission reject the proposed nonliability language expansion, the dishonored payment provisions as written, and the CAP recreational use and fraud reversal provisions. If the Commission is inclined to consider any of these changes, I recommend each be conditioned on adoption of the procedural safeguards I have described — defined thresholds, advance notice, and a contestability mechanism — before taking effect.

VII. Management Performance Adder

A. PLEASE EXPLAIN YOUR UNDERSTANDING OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION'S GUIDANCE REGARDING THE USE OF AN ADDER TO RETURN ON EQUITY UNDER 66 PA. C.S. § 523.

A. Under 66 Pa. C.S. § 523, the Commission has authority to consider a utility's efficiency, effectiveness, and adequacy of service when setting just and reasonable rates. The statute directs the Commission to consider those factors along with other record evidence, and authorizes it to make proper and appropriate adjustments to specific components of the utility's claimed cost of service based on that evidence. Relevant evidence can include management audits, operating efficiency, conservation efforts, cost containment, and any other relevant and material evidence of efficiency, effectiveness, and adequacy of service. In practice, the Commission has treated this as authority for a management performance adjustment, including an adder to return on equity, but not as an automatic reward. The utility must demonstrate on the record that its performance is sufficiently exceptional to justify one.

Q. WHAT HAS PEOPLE'S REQUESTED IN THIS PROCEEDING?

A. Peoples has requested that the Commission authorize a 0.25% addition to the return on common equity proposed by its cost of capital witness.[16] Peoples claims this adder is warranted based on its asserted management effectiveness, including improvements in customer service, accelerated pipeline replacement, economic development, community involvement, and its claimed role as a valuable corporate citizen.[17]

[16] Peoples Statement No. 15 at 5.
[17] Peoples Statement No. 1 at 33.

Q. DO YOU HAVE ANY THOUGHTS ON THIS PROPOSAL?

A. I am not addressing the financial merits of this proposal; my review is limited to what the customer service record does or does not support.

Q. BASED ON YOUR REVIEW OF PEOPLE'S RECENT CUSTOMER SERVICE RECORD IN THIS PROCEEDING, DO YOU RECOMMEND THE COMMISSION GRANT THE REQUESTED ROE ADDER?

A. No. The customer service record does not support an award of a management performance adder. I do not conclude that Peoples has serious ongoing customer service failures. But the standard under Section 523 is not the absence of failure — it is exceptional performance. The record does not clear that bar. Peoples' performance is adequate in most respects. That is not a record that justifies a return on equity (ROE) premium.

Q. HOW CAN PEOPLES IMPROVE ITS CUSTOMER SERVICE?

A. When I look across the complaint data, the customer satisfaction trends, and the call center metrics, the common thread is that most of the tension between Peoples and its customers traces back to rates. Declining satisfaction with issue resolution, rising formal complaints, and increased calls each April are all consistent with a customer base that is reacting to persistent and accelerating bill increases rather than to a breakdown in service delivery. The most effective thing Peoples can do for its customers is hold the line on costs. An ROE adder would push in the opposite direction.

VIII. Conclusion

Q. WHAT IS YOUR OVERALL CONCLUSION REGARDING THE MANAGEMENT PERFORMANCE ADDER?

A. Peoples has not demonstrated that its customer service performance is sufficiently exceptional to warrant a merit-based return on equity increase. I recommend the Commission deny Peoples' request for a management performance adder.

Q. PLEASE SUMMARIZE THE OTHER RECOMMENDATIONS YOU ARE MAKING RELATED TO CUSTOMER SERVICE AND CONSUMER PROTECTION.

A. My remaining recommendations are as follows:

Billing Communications

- Peoples should be required to notify the Bureau of Consumer Services of any rebilling, back-billing, or billing-delivery event affecting more than 1,000 customers within a defined timeframe.
- Peoples should send a direct written explanation to every customer whose bill is rebilled or back-billed, stating the reason for the correction, the period covered, the amount, and the available payment arrangement and dispute options. This obligation should apply to mass automated events, not only to individual cases.
- Every affected account should be flagged so that any representative the customer reaches has immediate and consistent information about the event and the customer's options.

Tariff Modifications

- The proposed expansion of the nonliability provisions should be rejected.
- The proposed dishonored payment provisions should be rejected as written. If the Commission is inclined to consider a change, it should be conditioned on adoption of procedural safeguards.
- The proposed CAP recreational use restriction should be rejected. If the Commission considers this provision, it should be substantially revised to include procedural protections before any CAP removal takes effect.
- The proposed CAP fraud reversal provision should also be rejected. If the Commission considers this provision, it should be revised to include procedural protections before any benefit reversal takes effect.

Auto-Pay and Electronic Billing Communications

- The Commission should consider, across all natural gas distribution companies, a policy requiring periodic mailed cost summaries for all residential customers, showing usage and total billed amounts over time, to preserve baseline bill visibility for customers across all billing and payment arrangements.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

BRENDAN LARKIN-CONNOLLY

Education

M.S. (Resource Economics), 2008
University of Massachusetts, Amherst
Amherst, Massachusetts

B.A. (Economics), 2007
College of the Holy Cross
Worcester, Massachusetts

Previous Employment

2013-2025	Director of Utility Regulation & Litigation DH Infrastructure Worcester, MA
2011-2013	Rate Analyst Massachusetts Department of Public Utilities Boston, MA
2008-2011	Senior Analyst DH Infrastructure Boston, MA

Professional Experience

Prior to joining Exeter Associates, Inc., Mr. Larkin-Connolly served as the Director of Utility Regulation and Litigation at DHInfrastructure, a Massachusetts-based economic consulting firm, where he provided expert witness testimony in over 25 state-level regulatory proceedings and managed over a dozen international regulatory and infrastructure advisory projects.

He also previously served as a Rate Analyst with the Massachusetts Department of Public Utilities, where he provided technical advice and analysis on various issues such as plant additions, utility bond requests, revenue allocation, decoupling, capital cost recovery trackers, purchased commodity filings, residential assistance adjustment factors, and storm cost recovery. His case work included advising Commissioners on proposed plant additions to rate base in multiple rate cases.

Mr. Larkin-Connolly has significant experience evaluating gas infrastructure replacement programs across multiple states, including Maryland's Strategic Infrastructure Development and Enhancement (STRIDE) program, Massachusetts' Gas System Enhancement Program (GSEP), Illinois' Qualifying Infrastructure Plant (QIP) program, and Washington D.C.'s PROJECTpipes. This experience has given him in-depth knowledge of how to assess the necessity, reasonableness, and prudence of capital expenditures, particularly those related to gas infrastructure replacement.

Internationally, Mr. Larkin-Connolly has advised on cost of service and rate design in the Kyrgyz Republic, Armenia, Nauru, Rwanda, Sierra Leone, Ukraine, and Tanzania. He participated in a NARUC partnership exchange program with the Rwanda Utility Regulatory Authority, providing training on how to carry out cost of service studies. He has also led comprehensive utility pricing reform initiatives, including development of Nauru's first cost-reflective electricity tariff framework.

List of Direct Testimony Experience

- Illinois American Water Company (Illinois Commerce Commission, Docket No. 26-0127), 2026. Presented testimony on revenue allocation and rate design on behalf of the Illinois Attorney General's Office.
- American Water Works Company, Inc. and Essential Utilities, Inc. (Illinois Commerce Commission, Docket No. 25-1057), 2025. Presented testimony on the proposed merger and transfer of ownership of Aqua Illinois, Inc. to American Water on behalf of the Illinois Attorney General's Office. Testimony addressed rate impacts, capital investment safeguards, and potential cost savings, and recommended conditions including a post-closing base rate freeze, capital expenditure cap, and prohibition on consolidation of service territories.
- Thurmont Municipal Light Company (Maryland Public Service Commission, Case No. 9506(t)), 2026. Presented testimony on behalf of the Maryland Office of People's Counsel on Thurmont's power procurement strategy and PCA reconciliation. Testimony found Thurmont's all-spot-market procurement approach imprudent for leaving customers entirely exposed to wholesale price volatility.
- UGI Utilities, Inc. – Gas Division (Maryland Public Service Commission, Case No. 9516(h)), 2025. Presented testimony on UGI's recovery of costs related to a Renewable Natural Gas ("RNG") pilot in the PGA reconciliation proceeding on behalf of the Maryland Office of People's Counsel.
- Oncor Electric Delivery Company LLC (Public Utility Commission of Texas, PUC Docket No. 58306), 2025. Presented testimony on behalf of the U.S. Department of Defense and other Federal Executive Agencies on cost of service and capital additions. Testimony addressed prudence review and documentation standards for transmission capital additions, including the need for enhanced project-level authorization, budgeting, and variance reporting to support capital oversight amid rapid AI/data-center-driven load growth. Cost-of-service related recommendations included adjustments related to (i) removal of merit wage increases, (ii) amortization of sales tax audit refunds, and (iii) exclusion of estimated Power Line Safety Act O&M accruals.
- Washington Gas Light Company (Maryland Public Service Commission, Case No. 9509(r)), 2024. Presented testimony on PGA gas-cost reconciliation, opposing recovery of certified natural gas procurement costs in default service and recommending an adjustment to remove potential CtNG premia on behalf of the Maryland Office of People's Counsel.
- Unitil, Berkshire Gas, National Grid, Liberty, Eversource Gas Company of Massachusetts, and NSTAR Gas Company (Massachusetts Department of Public Utilities, D.P.U. 25-GREC-01 through 25-GREC-06), 2025. Presented testimony on behalf of the Massachusetts Attorney General's Office of Ratepayer Advocacy evaluating compliance with Department-approved 2023 Gas System Enhancement Program (GSEP) plans in the 2025 GSEP Reconciliation (GREC) proceedings. Testimony addressed programmatic performance, adherence to approved

project lists, compliance with 2024 GREC Order requirements for risk-based prioritization and environmental justice considerations, and prudence of capital expenditures. Recommended corrective actions and cost disallowances for companies failing to demonstrate substantial compliance with approved plans.

- Yankee Natural Gas Company (Connecticut Public Utilities Regulatory Authority, Docket No. 24-12-01), 2024-2025. Presented testimony on capital investments and leak-prone pipe replacement program on behalf of the Connecticut Office of Consumer's Counsel.
- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9751), 2024. Presented testimony on revised leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9708), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Illinois American Water Company (Illinois Commerce Commission, Docket No. 24-0097), 2024. Presented testimony on rate design, tracker mechanisms, low-income discount, and capital investments in acquired water systems on behalf of the Illinois Attorney General's Office.
- Aqua Illinois (Illinois Commission, Docket No. 24-0044), 2024. Presented testimony on rate design & ACOSS, low-income discount, and capital investments in acquired water systems on behalf of the Illinois Attorney General's Office.
- Connecticut Water Company (Connecticut Public Utilities Regulatory Authority, Docket No. 23-08-32), 2023-2024. Presented testimony on rate design & ACOSS and low-income discount rate on behalf of the Connecticut Office of Consumer's Counsel.
- Connecticut Natural Gas and Southern Connecticut Gas (Connecticut Public Utilities Regulatory Authority, Docket No. 23-11-02), 2023-2024. Presented testimony on capital investments and leak-prone pipe replacement program on behalf of the Connecticut Office of Consumer's Counsel.
- Northeast Ohio Natural Gas Corp (Public Utilities Commission of Ohio, Case No. 23-0154-GA-AIR et al.), 2023. Presented testimony on cost of service, rate design, and capital tracker mechanism proposals on behalf of the Office of the Ohio Consumers' Counsel.
- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9709), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9708), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Peoples Gas and North Shore Gas (Illinois Commerce Commission, Docket Nos. 23-0068 & 23-0069), 2023. Presented testimony on rate design, fuel costs, and low-income discount on

behalf of the Illinois Attorney General's Office.

- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 23-0067), 2023. Presented testimony on rate design, fuel costs, and low-income discount on behalf of the Illinois Attorney General's Office.
- Nicor Gas (Illinois Commerce Commission, Docket No. 23-0066), 2023. Presented testimony on cost allocation, rate design, fuel cost tracker, and low-income discount on behalf of the Illinois Attorney General's Office.
- Illinois American Water Company (Illinois Commerce Commission, Docket No. 22-0210), 2022. Presented testimony on revenue allocation, environmental rider, and low-income discount on behalf of the Illinois Attorney General's Office.
- Utility Services of Illinois (Illinois Commerce Commission, Docket No. 21-0198), 2021. Presented testimony on capital additions, low-income discount, and environmental rider on behalf of the Illinois Attorney General's Office.
- Elkton Gas Company (Maryland Public Service Commission, Case No. 9660), 2021. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Baltimore Gas and Electric Company (Maryland Public Service Commission, Case No. 9645), 2020. Presented direct and surrebuttal testimony on BGE's proposed gas and common capital additions under its pilot multi-year rate plan (MRP), including evaluation of program vs. discrete projects, recommended removal of unsupported/placeholder budgets, and opposition to recovering STRIDE costs through base rates. Final position recommended MRP gas capital reductions focused on limiting pre-approved budgets to identified work and historic levels.
- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 20-0308), 2020. Presented testimony on capital additions and PHMSA transmission rules on behalf of the Illinois Attorney General's Office.
- Maryland PSC Investigation (Maryland Public Service Commission, Case No. 9622), 2019. Presented testimony on regulatory commitments, penalties, and reporting requirements on behalf of the Maryland Office of People's Counsel.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9605), 2019. Presented testimony on prudence of infrastructure investments, capital project management, and capital additions on behalf of the Maryland Office of People's Counsel.
- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 19-0271), 2019. Presented testimony on capital tracker mechanism cost reconciliation, compliance with regulations, and prudence of infrastructure investments on behalf of the Illinois Attorney General's Office.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9486), 2018. Presented testimony on leak-prone replacement activity performance, asset special treatment eligibility, and capital project management on behalf of the Maryland Office of People's Counsel.
- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9479), 2018.

Presented testimony on leak-prone infrastructure replacement plan, O&M offset, and rate impacts on behalf of the Maryland Office of People's Counsel.

- Baltimore Gas Electric Company (Maryland Public Service Commission, Case No. 9468), 2018. Presented testimony on leak-prone infrastructure replacement plan, cost-benefit analysis, O&M offset, and rate impacts on behalf of the Maryland Office of People's Counsel.

- Eversource Energy (Massachusetts Department of Public Utilities, Docket No. 16-105), 2016. Presented testimony on recovery surcharge bill impacts and pre-approved costs on behalf of the Massachusetts Attorney General's Office.

Other U.S. Utility Regulatory Experience

- JXN Water Proposed Rate Increase (U.S. District Court, Southern District of Mississippi, Case No. 3:12-cv-00790-HTW-LGI), 2025-2026. Served as advisor to the Natural Resources Defense Council and intervenor plaintiffs Mississippi Poor People's Campaign and the People's Advocacy Institute. Evaluated documentation and financial plans supporting JXN Water's proposed volumetric rate increase, assessed the proposal against industry-standard ratemaking practices, and prepared an expert memorandum on alternative rate design and revenue options that was submitted to the court.

- Middlesex Water Company, Pinelands Water Company, and Pinelands Wastewater Company General Rate Case (New Jersey Board of Public Utilities, Docket No. WR25060372), 2025-2026. Advised the New Jersey Division of Rate Counsel on all matters related to class cost allocation and rate design issues through settlement of the case.

- Washington Gas Light's PIPES3 and District SAFE plans (District of Columbia Public Service Commission, Formal Case Nos. FC 1175 & 1179), 2023-2026. Provided technical support assessing compliance with Commission directives, evaluated technical merits of the proposed replacement program, and summarized key positions and issues for Commission consideration on behalf of the District of Columbia Public Service Commission staff.

- Maryland Purchased Gas Adjustment Filings (Maryland Public Service Commission, Various Dockets), 2019-2026. Conducted annual reviews of purchased commodity adjustment filings from eight gas companies, analyzed cost reconciliation charges, compared supply portfolios to market prices, and evaluated procurement strategies on behalf of the Maryland Office of People's Counsel.

- EmPower Maryland Program Filings (Maryland Public Service Commission, Various Dockets), 2020-2026. Reviewed tariff filings submitted by participating utilities including BGE, Pepco, Delmarva Power, Potomac Edison, SMECO, and WGL, verified accuracy of rates and costs, identified discrepancies in cost amortization, and developed a comprehensive Python model for verifying revenue requirements on behalf of the Maryland Office of People's Counsel.

- Gas System Enhancement Program (GSEP) Reconciliation Filings (Massachusetts Department of Public Utilities, various dockets), 2016-2018, 2021, 2023-2025. Analyzed prudence and eligibility of infrastructure replacement costs, reviewed project cost estimates and invoices, prepared cross-examination questions, and drafted sections of briefs submitted to the Department on behalf of the Massachusetts Attorney General's Office.

- Washington Gas Light's PROJECTpipes2 Plan (District of Columbia Public Service Commission, Formal Case No. FC1154), 2019-2021. Provided technical analysis evaluating program performance, validated emissions reduction claims, and developed alternative

revenue requirements and rate design options on behalf of the District of Columbia Public Service Commission staff.

- Gas Infrastructure Replacement Filings in Maryland (Maryland Public Service Commission, Various Dockets), 2018-2025. Reviewed STRIDE filings submitted by gas distribution companies, prepared discovery on identified issues, and drafted comments for submission to the PSC on behalf of the Maryland Office of People's Counsel.

- Gas System Enhancement Program (GSEP) Plans (Massachusetts Department of Public Utilities, Various Dockets), 2022. Led review of all six 2022 GSEP plans submitted in November 2021, analyzing proposed infrastructure replacements, cost recovery mechanisms, and alignment with state policy goals on behalf of the Massachusetts Attorney General's Office.

- Washington Gas Light's PROJECTpipes2 Plan (District of Columbia Public Service Commission, Formal Case No. FC1154), 2019-2021. Provided technical analysis evaluating program performance, validated emissions reduction claims, and developed alternative revenue requirements and rate design options on behalf of the District of Columbia Public Service Commission staff.

- Bay State Gas Company Rate Case (Massachusetts Department of Public Utilities, Docket No. DPU 13-75), 2013. Conducted review of operating costs over ten years to assess reasons for earnings deficiency, reviewed proposed test year and post-test year plant additions to determine prudence and used and usefulness as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Electric Storm Fund Replenishment (Massachusetts Department of Public Utilities, Docket No. DPU 13-59), 2013. Developed alternative recovery scenarios with varying duration and rate impact analysis, which the Commission used to determine appropriate balance between limiting ratepayer impacts and reducing overall carrying charges as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Electric Revenue Decoupling Mechanism (Massachusetts Department of Public Utilities, Docket No. DPU 12-115), 2012-2013. Reviewed calculation of Revenue Decoupling Mechanism and Capital Expenditure Factor for accuracy and consistency with approved tariffs as Rate Analyst for the Massachusetts Department of Public Utilities.

- Western Massachusetts Electric Company Revenue-Neutral Rate Design (Massachusetts Department of Public Utilities, Docket No. DPU 12-97), 2012-2013. Prepared analysis of two rate design proposals for Commissioners, highlighting advantages and disadvantages of each approach to address cross-subsidization between classes as Rate Analyst for the Massachusetts Department of Public Utilities.

- Bay State Gas Company Rate Case (Massachusetts Department of Public Utilities, Docket No. DPU 12-25), 2012. Reviewed proposed regulatory mechanisms including future test year, modifications to an existing capital tracker, and decoupling mechanism updates; examined 272 project reports and cost-variance analyses for plant additions greater than $50,000 as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Storm Costs (Massachusetts Department of Public Utilities, Docket No. DPU 11-56), 2011-2013. Validated storm cost documentation by checking all listed costs against actual invoices, leading to the removal of $33,346 in expenses from the Company's filing as Rate Analyst for the Massachusetts Department of Public Utilities

- California Electricity Crisis Proceedings (Federal Energy Regulatory Commission, Docket No. RP95-112), 2010-2011. Supported preparation of expert testimony on behalf of the California Parties (Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Attorney General of California, the Public Utilities Commission of the State of California, and California Department of Water Resources), built a database of electric market bid data to identify economic withholdings during the 2000-2001 crisis, and developed a bid-stack model to estimate competitive electricity prices absent market manipulation.

Select Consulting Reports

Studies on gas capital infrastructure spending:

- *Investor-owned Utility Gas Distribution Capital Expenditures: A Study on the Potential Bill Impacts of Business-as-usual Investment in Michigan*, prepared for the Michigan Citizen Utility Board, (forthcoming 2025).
- *Maryland Gas Utility Spending: Projections and Analysis of Future Capital Investments*, prepared for the Maryland Office of People's Counsel, February 2025 (third edition)
- *Investor-owned Utility Gas Distribution Capital Expenditures: A Study on the Potential Bill Impacts of Business-as-usual Investment in Minnesota*, prepared for the Minnesota Citizen Utility Board, July 2023.

Scaling-up Renewable Program investment plans:

- *Scaling-up Renewable Program Investment Plan for Kiribati*, prepared for the Government of the Republic of Kiribati with Asian Development Bank support, November 2018.
- *Scaling-up Renewable Program Investment Plan for Lesotho*, prepared for the Government of Lesotho with World Bank support, November 2017.
- *Scaling-up Renewable Program Investment Plan for Bangladesh*, prepared for the Government of the Republic of Bangladesh with World Bank support, October 2015.

Select International Consulting Projects

- OECD Water Sector Investment Enabling Environment Scorecard, 2023. Led collection of data and completion of surveys that were used to pilot an OECD developed framework for evaluating the enabling environment for water sector investments as part of a collaboration between the Asian Development Bank and OECD.
- Economic and financial analysis of Accelerating Sustainable System Development Using Renewable Energy (ASSURE) Project (Maldives), 2022-2023. Prepared economic and financial analysis of proposed project to install solar and battery systems on 20 outer islands in the Maldives for the Asian Development Bank.
- Global Water Security & Sanitation Partnership Mid-Term Evaluation (Bangladesh, Ethiopia, Haiti, Pakistan, Vietnam), 2019-2021. Directed review of GWSP contributions across five countries, evaluated results against OECD Development Assistance Committee criteria, and prepared country-level reports for the World Bank.
- Feasibility Study for a Rural Electricity Company (India), 2021-2022. Assessed the feasibility and potential of a rural electricity supply company to enhance power supply and improve

subsidy delivery efficiency in Madhya Pradesh for the World Bank.

- Nauru Water and Electricity Tariff Study, 2021. Assisted the Nauru Utilities Corporation in preparing recommendations reflecting how the addition of solar PV and battery storage would impact tariff levels needed for cost recovery for the Asian Development Bank.
- Cost Allocation for Co-Generation Facilities (Ukraine), 2021. Assisted the National Energy and Utilities Regulatory Commission to revise cost allocation practices between thermal and power generation in cogenerating facilities for USAID's Energy Security Project.
- Toll Road Arbitration Case (Peru), 2019. Provided expert analysis for an arbitration between a municipal government and international investor regarding interpretation of a road concession contract's tariff adjustment clause.
- Developing an Africa Energy Strategy, 2017-2018. Compiled Country Engagement Notes for 26 African countries and contributed to a regional synthesis report summarizing World Bank commitments in Africa.
- Sierra Leone Regulatory Strengthening and Tariff Development, 2017-2018. Supported the development of electricity and water regulatory frameworks and provided capacity building for the Electricity and Water Regulatory Commission for the Millennium Challenge Corporation.
- Water Tariff and Affordability Study (Tanzania), 2017-2018. Developed a financial model for tariff filings and conducted a willingness-to-pay study for the Arusha Urban Water Supply and Sanitation Authority.
- Rwanda Partnership Exchange on Tariffs (Rwanda), 2017. Provided training on Excel-based tariff setting methodologies and built a tariff model for the Rwanda Utility Regulatory Authority through NARUC's partnership program.
- Abengoa KaXu Project Evaluation (South Africa), 2016-2017. Evaluated development outcomes of the first operational private sector utility-scale concentrated solar power plant with storage in the developing world for the International Finance Corporation.
- Nauru Power and Water Tariff and Subsidy Reform, 2015-2016. Led tariff reform initiative including willingness-to-pay survey and subsidy analysis for the Asian Development Bank.
- Least Economic Cost Planning of New Supply (Georgia), 2014-2015. Conducted least-cost power supply study to inform options for meeting future domestic and export power demand for the World Bank.
- Evaluation of Public-Private Partnership Transaction Advisory Program (Albania, Kazakhstan, North Macedonia, Kosovo), 2014. Evaluated operations of two donor-funded public-private partnership programs for the International Finance Corporation.
- Scaling Up Renewable Energy Investment Plan, 2014. Assisted with preparation of a renewable energy Investment Plan for funding through the Climate Investment Funds' SREP Program.
- Armenia Water Tariff Study, 2013-2014. Provided advice on end-user water and wastewater tariffs and prepared analysis of various tariff structures for the World Bank Group.
- Revision of Energy Tariff Methodologies (Kyrgyz Republic), 2013-2014. Developed sustainable, transparent, and equitable tariff methodology for electricity and heating sectors for the World

Bank.

- Transaction Advisory for Urban Services in South Gobi, 2012-2013. Supported institutional reforms in the water, sanitation, and solid waste services sectors for the Asian Development Bank.
- Development of Electricity Tariff and Subsidy Methodology (Armenia), 2012. Assessed electricity tariffs and recommended improvements to ensure efficient use for the World Bank.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-001

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide monthly call center performance data for January 2021 through the most recent month available, including:

a. calls offered;

b. calls answered;

c. calls abandoned;

d. calls blocked;

e. average speed of answer;

f. percentage of calls answered within 30 seconds;

g. average handle time;

h. any other service level metrics reported internally or to the Commission.

Answer: See attachment, OCA Set 13 -1 a-h.

Submit Date: 5/21/2026

OCAset 13 - 1a. Calls Offered/ calls received						
Month. Year:	2021	2022	2023	2024	2025	2026
January	46379	58192	62839	59380	69524	64312
February	46920	56530	57354	56156	63658	69832
March	60393	65547	67053	64109	67011	71972
April	73204	105417	85710	105246	90117	105925
May	56204	64903	94087	74391	76127	
June	67108	76065	72932	65068	78157	
July	63915	69282	70549	79797	76422	
August	64442	72221	71532	76005	70857	
September	56530	70784	60071	61027	65290	
October	57309	74879	76721	76107	85281	
November	62574	68108	70769	67962	65698	
December	46647	53783	52000	72288	63785	

OCASet 13 -1b. Calls Answered

Month. Year:	2021	2022	2023	2024	2025	2026
January	45627	57305	57754	58663	65278	62548
February	46368	54317	56102	55614	61551	68363
March	59442	64082	66169	62587	64849	69063
April	70256	89195	76566	81535	84010	90973
May	50584	64092	84261	71988	74131	
June	64914	71761	71262	63120	74312	
July	62331	64155	67772	71804	74334	
August	60518	70551	70271	66568	68979	
September	54776	64180	59174	58784	64240	
October	55464	67986	72286	71597	77574	
November	59211	64854	63587	60124	61489	
December	46307	52661	50249	64377	61080	

OCASet 13 - 1c. Calls Abandon

Month. Year:	2021	2022	2023	2024	2025	2026
January	701	524	2702	356	2812	1420
February	516	904	746	329	1267	1418
March	901	787	603	723	1672	2977
April	1339	10436	5914	5072	4895	14404
May	1782	389	6962	844	1128	
June	2198	2738	1313	1092	1409	
July	1590	2979	1340	7508	1565	
August	1180	939	930	9244	1328	
September	1788	4601	481	2170	799	
October	1876	4493	2685	4074	6057	
November	2627	1362	3538	6926	3214	
December	435	645	468	7620	2880	

OCASet 13 - 1d. Calls Blocked - Not applicable, calls are not blocked on Peoples system.

OCASet 13 - 1e. Average waittime

	2021	2022	2023	2024	2025	2026
January	0:00:17	0:08:39	0:02:34	0:00:11	0:00:55	0:00:32
February	0:00:11	0:09:14	0:00:32	0:00:06	0:00:21	0:00:23
March	0:00:18	0:04:24	0:00:22	0:00:11	0:00:24	0:00:37
April	0:03:13	0:21:06	0:05:14	0:01:17	0:01:34	0:02:52
May	0:00:52	0:04:46	0:04:41	0:00:12	0:00:17	
June	0:01:00	0:07:05	0:01:16	0:00:19	0:00:21	
July	0:00:42	0:02:52	0:00:47	0:02:52	0:00:22	
August	0:00:29	0:00:25	0:00:25	0:04:22	0:00:20	
September	0:00:49	0:04:04	0:00:13	0:00:49	0:00:11	
October	0:00:55	0:03:28	0:01:52	0:01:28	0:02:06	
November	0:01:31	0:01:01	0:02:41	0:02:24	0:01:04	
December	0:00:10	0:00:25	0:00:14	0:02:45	0:00:55	

OCASet 13 - 1f. Percentage of calls asnwered within 30 seconds

	2021	2022	2023	2024	2025	2026
January	87%	88%	65%	96%	79%	86%
February	94%	77%	84%	99%	85%	85%
March	88%	86%	92%	95%	88%	85%
April	88%	56%	61%	65%	62%	62%
May	65%	93%	63%	93%	89%	
June	70%	79%	77%	86%	84%	
July	72%	73%	74%	69%	89%	
August	78%	82%	83%	55%	89%	
September	70%	62%	91%	81%	94%	
October	72%	65%	71%	69%	72%	
November	63%	77%	70%	60%	74%	
December	91%	84%	91%	66%	75%	

OCASet 13 - 1g. Average Handle time						
	2021	2022	2023	2024	2025	2026
January	0:07:18	0:06:42	0:06:51	0:05:03	0:06:12	0:06:16
February	0:07:12	0:06:49	0:06:58	0:06:06	0:06:22	0:06:15
March	0:07:17	0:06:39	0:06:46	0:05:57	0:06:08	0:06:15
April	0:07:32	0:07:19	0:07:27	0:06:42	0:06:24	0:06:41
May	0:07:24	0:06:54	0:07:26	0:06:28	0:06:26	
June	0:07:11	0:07:00	0:07:09	0:06:31	0:06:21	
July	0:06:47	0:07:13	0:07:01	0:06:24	0:06:19	
August	0:06:36	0:07:19	0:06:50	0:06:34	0:06:19	
September	0:06:49	0:07:22	0:06:37	0:06:33	0:06:11	
October	0:06:45	0:07:25	0:06:44	0:06:42	0:06:16	
November	0:06:46	0:07:13	0:06:35	0:06:39	0:06:20	
December	0:06:44	0:06:39	0:06:09	0:06:20	0:06:13	

OCA Set 13 - 1h. Other - Busy Out Rate

Month.	2021	2022	2023	2024	2025	2026
January	0%	0%	0%	0%	0%	0%
February	0%	0%	0%	0%	0%	0%
March	0%	0%	0%	0%	0%	0%
April	0%	0%	0%	0%	0%	0%
May	0%	0%	0%	0%	0%	0%
June	0%	0%	0%	0%	0%	0%
July	0%	0%	0%	0%	0%	0%
August	0%	0%	0%	0%	0%	0%
September	0%	0%	0%	0%	0%	0%
October	0%	0%	0%	0%	0%	0%
November	0%	0%	0%	0%	0%	0%
December	0%	0%	0%	0%	0%	0%

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-003

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide call center staffing data for January 2021 through the most recent month available, including total CSR FTEs, CSRs by location, agent occupancy rate, and turnover rate. Identify any outsourced or contracted call center operations and the volume of contacts handled by each.

Answer: Refer to the attachment.

Peoples Customer Operations does not outsource or contract out handling of Contact Center Customer Contacts. All the contact center customer agents are based in Pittsburgh, PA.

Peoples does not track the occupancy rate.

Contact Center CSR FTE Approved Staffing = 89 Contact Center Customer Service Representatives as of 2015.

Submit Date: 5/21/2026

Peoples CSR FTE & Turnover													
	Year	**Jan**	**Feb**	**March**	**Apr**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Base number of employees FTE Pittsburgh PA 15212	2021	86	86	85	84	83	83	83	83	89	86	84	83
	2022	87	87	87	84	82	89	88	86	86	82	79	79
	2023	83	77	77	75	77	80	85	75	75	68	79	79
	2024	78	84	81	84	81	76	78	78	73	73	71	78
	2025	73	73	81	82	82	86	83	82	81	75	75	84
	2026	81	80	80	77								
Turnover Rates	2021	2.5%	2.5%	1.2%	1.2%	1.0%	7.3%	2.4%	2.3%	3.4%	5.4%	3.2%	1.1%
	2022	2.0%	3.0%	2.0%	2.9%	5.1%	4.1%	5.1%	5.0%	2.0%	4.9%	5.9%	4.1%
	2023	2.4%	6.5%	5.2%	4.0%	3.9%	2.5%	3.5%	13.3%	8.0%	13.2%	2.5%	2.5%
	2024	2.6%	1.2%	3.7%	6.0%	7.4%	3.9%	11.5%	7.7%	2.7%	1.4%	2.7%	5.0%
	2025	6.8%	0.0%	4.9%	1.2%	0.0%	3.5%	3.6%	3.7%	2.5%	6.7%	0.0%	1.2%
	2026	3.7%	1.3%	0.0%	3.9%								

FTE changes and turnover will not correlate due to all Customer Operations employees are included in turnover calculation.

1. FTE = Contact Center Customer Service Representatives (CSR)
2. Turnover = All Customer Operations Customer Service Representatives. Contact Center, Billing, Credit & Collections.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-004

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide all customer satisfaction survey results, including J.D. Power studies and any internal or third-party transactional or relational surveys, for the most recent five years available. Include sample sizes, methodology descriptions, and any year-over-year methodology changes.

Answer: See attached OCA-XIII-004.

Submit Date: 5/21/2026

OCA-XIII-004

Voice of Customer - VOC						
Year	Sample Size	Customer Satisfaction	Issue Resolution	First Call Resolution	Customer Felt Valued	Representative Demonstrated Understanding of Request
2021	4570	83.98%	85.90%	N/A	N/A	91.50%
2022	5460	83.43%	84.40%	N/A	N/A	91.40%
2023	12021	82.43%	83.70%	72.54%	88.70%	90.10%
2024	32178	82.71%	84.30%	74.25%	90.80%	92.00%
2025	29745	82.60%	83.80%	74.70%	90.70%	91.90%

Methodology Description- VOC

Post-contact surveys are distributed to measure customer experience following call center interactions.
Survey invitations are sent twice weekly via email to customers meeting the following criteria:

1. Customers who contacted the call center within the selected date range
2. A valid email address must be on file
3. Customers are excluded if: a leak order was created during the interaction or an appointment was scheduled

Responses are collectedand used for customer experience analysis and reporting.

Year-over-year Methodology Changes- VOC

2021-2023:
Surveys were sent via email directing customers to a survey link.
Prior to answering survey questions, customers were asked to enter their name, email address, and phone number.
Using links to send the surveys resulted in anonymous responses.

Late 2023 Relaunch-Present Methodology Updates:

1. The first survey question was embedded directly within the email invitation.
2. Survey invitations were sent from customerexperience@peoples-gas.com
3. Customers were no longer asked to enter their name or contact information.
4. Responses were no longer anonymous.
5. Surveys were made available in both English and Spanish.

These updates were put into place to streamline the customer experience and may impact comparing results between pre- and post-2023 data.

OCA-XIII-004

Research America - CSAT Metrics

Year	Sample Size	Customer Satisfaction	Overall Satisfaction	Ease of Contact	IVR Ease	IVR Choices	IVR Satisfaction	CSR Wait Time	CSR Courtesy	CSR Knowledge	CSR Satisfaction	FSR Timely Completion	FSR Time to Respond	FSR Courtesy	FSR Knowledge	FSR Respect for Property	FSR Satisfaction
2021	1090	90.6%	91.0%	89.3%	82.4%	83.1%	82.7%	85.5%	94.5%	93.1%	93.0%	88.2%	86.2%	96.1%	96.1%	97.0%	95.2%
2022	1112	88.6%	88.4%	87.1%	82.3%	82.4%	82.0%	83.0%	94.9%	93.6%	92.6%	94.0%	91.7%	99.3%	97.6%	97.9%	97.0%
2023	1088	89.8%	90.1%	85.3%	80.0%	81.4%	80.3%	81.2%	94.0%	92.3%	92.1%	92.3%	92.8%	96.3%	96.8%	97.4%	96.5%
2024	1069	87.7%	88.7%	85.8%	79.6%	78.4%	78.5%	81.6%	93.8%	91.6%	90.9%	91.5%	89.9%	96.7%	95.3%	97.1%	95.8%
2025	702	86.9%	88.6%	86.5%	78.0%	77.5%	76.9%	84.0%	92.8%	92.1%	89.1%	92.3%	91.0%	97.9%	97.1%	98.2%	98.0%

Surveys aresent via email directing customers to a survey link. Research America collects the response data. Parameters set up if a customer would like a call back to review.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-006

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide the Company's Bureau of Consumer Services Quality of Service rankings, justified complaint ratios, and justified payment arrangement request ratios for calendar years 2016 through the most recent full year available, along with any internal analyses of the drivers of changes in those ratios.

Answer: The published Consumer Activities Report and Evaluation for the years 2016 through 2024 are provided as attachments. The Company's rankings, justified complaint ratios and justified payment arrangement request ratios are determined by the Bureau of Consumer Services and published in these reports. As the Company receives feedback from BCS regarding citations, it reviews each individual case and takes steps to resolve the concern and prevent future occurrences. Information on citations received and actions taken are provided in response to OCA Set III Question 17.

Submit Date: 5/21/2026

Attachments excluded to minimize file size.

Attachments to OCA XIII-006 include the annual Utility Consumer Activities Report and Evaluation (UCARE) reports for 2016 through 2024. These can be found at the following link: https://www.puc.pa.gov/filing-resources/reports/consumer-activities-report-evaluation/

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-007

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: Provide monthly data for January 2021 through the most recent month available on:

a. informal complaints filed with BCS;

b. formal complaints;

c. payment arrangement requests handled by the Company;

d. payment arrangement requests escalated to BCS.

Answer: a. Refer to attachment PA PUC Informal Complaints.

b. Refer to attachment PA PUC Formal Complaints.

c. Refer to attachment Company Payment Arrangements.

d. Refer to attachment PA PUC PAR Requests.

Submit Date: 5/21/2026

Month	Company Payment Arrangements
202101	483
202102	532
202103	1,052
202104	3,200
202105	3,545
202106	3,273
202107	3,138
202108	2,121
202109	1,673
202110	1,413
202111	1,243
202112	2,108
202201	3,262
202202	1,321
202203	1,625
202204	4,790
202205	2,717
202206	1,763
202207	1,452
202208	1,725
202209	1,349
202210	1,204
202211	1,425
202212	1,180
202301	1,470
202302	1,566
202303	2,519
202304	5,338
202305	5,906
202306	2,840
202307	2,725
202308	2,202
202309	1,651
202310	1,526
202311	1,289
202312	890
202401	545
202402	582
202403	744
202404	3,836
202405	3,256
202406	1,926
202407	1,847
202408	1,403
202409	1,299

202410	1,225
202411	1,273
202412	1,158
202501	1,172
202502	1,527
202503	2,162
202504	5,583
202505	3,487
202506	2,754
202507	2,591
202508	1,827
202509	1,688
202510	1,745
202511	1,483
202512	1,027
202601	1,203
202602	2,112
202603	2,782
202604	4,342

PA PUC Formal Complaints (to date, 5/12/26)						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**
January	1	3	2	1	8	1
February	3	4	1	2	3	3
March	0	3	1	5	2	4
April	0	2	1	0	5	0
May	4	2	3	2	4	3
June	3	4	4	1	3	
July	2	2	1	2	11	
August	2	2	0	4	6	
September	3	6	4	5	3	
October	1	4	2	3	1	
November	0	4	0	4	0	
December	3	2	2	3	3	
(total)	*22*	*38*	*21*	*32*	*49*	*11*

PA PUC Informal Complaints (to date, 5/12/26)						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**
January	28	30	45	35	57	45
February	36	29	41	39	46	40
March	30	30	46	33	47	47
April	33	41	37	37	45	45
May	37	30	33	44	48	12
June	37	40	40	26	37	
July	39	29	21	28	42	
August	28	33	28	32	39	
September	27	45	29	25	42	
October	19	34	23	46	33	
November	31	29	18	29	39	
December	29	35	25	39	38	
(total)	*374*	*405*	*386*	*413*	*513*	*189*

PA PUC PAR Requests (to date, 5/12/26)						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**
January	12	22	9	15	27	13
February	3	6	14	6	15	16
March	40	45	54	14	40	41
April	113	292	232	261	195	226
May	97	150	257	142	122	78
June	156	122	162	118	118	
July	136	127	161	103	173	
August	113	102	150	151	126	
September	95	100	112	128	82	
October	81	126	111	115	111	
November	127	100	103	117	85	
December	23	35	11	39	44	
(total)	*996*	*1227*	*1376*	*1209*	*1138*	*374*

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-008

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: Identify each Chapter 56 compliance audit, investigation, or informal inquiry conducted by BCS or other Commission staff during the past ten years and provide all related correspondence, findings, and Company responses.

Answer: The Company has not undergone a Chapter 56 compliant audit or investigation. There was an informal inquiry from Bobbi Anderson of BCS staff in 2024 regarding reported termination figures and customer correspondence. This informal inquiry was handled via email and both email strings pertaining to this are provided as attachments. This is the only informal inquiry from BCS pertaining to Chapter 56 compliance that the Company can recall.

Submit Date: 5/21/2026

From: [redacted]
To: Black, Rita
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations
Date: Monday, December 9, 2024 12:09:59 PM
Attachments: image001.png
image002.png
image003.png
image004.png
image005.png
image006.png

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for being so responsive with our questions. I hope you all enjoy your holidays!

From: Black, Rita [redacted]
Sent: Monday, December 9, 2024 10:59 AM
To: [redacted]
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

Good morning [redacted] – I am following up regarding the scope of the delayed paper bills. Roughly 183,000 (25%) of Peoples' accounts received a delayed paper bill. We have confirmed all delayed bills were mailed on Tuesday of last week.

Please let me know if you have any other questions. Thanks,

Rita

From: Black, Rita
Sent: Friday, December 6, 2024 8:40 AM
To: [redacted]
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

Hello [redacted] – Please see below for responses in red

From: [redacted]
Sent: Friday, December 6, 2024 8:35 AM
To: Black, Rita [redacted]
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Rita,

We do have a couple of follow-up questions.

- The Consumer Advisory Council member specifically stated that she did not receive her bills for September or October. In your response you stated that some bills were not mailed in November. When your team audited the vendor, were all three months (September, October, and November) audited? If so, did you find record of bills that were not mailed in the other two months? If September and October were not audited, does Peoples plan to audit the vendor for those months as well? These two months were audited along with November given the feedback you had received. No issues were found in September or October mailings.
- Can you give us an idea of how many customers did not receive a bill in November? I will follow up with the billing manager to obtain this information.
- Are you offering PARs to customers that were impacted? It is our standard policy to always offer PARs/budget/payment options to customers who are having difficulty paying a bill by its due date. I will also mention this aspect to the billing manager so that a reminder can be shared with our call center staff to emphasize this.

Thank you for looking into this issue,

[redacted]

From: [redacted]
Sent: Friday, December 6, 2024 8:00 AM
To: Black, Rita [redacted]
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

Good morning Rita,

Thank you for the follow-up. I will reach back out to you if we have any additional questions.

[redacted]

From: Black, Rita [redacted]
Sent: Thursday, December 5, 2024 9:37 AM
To: [redacted]

Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

Hi [redacted] -- I wanted to follow up with you regarding billing statements. I learned from our billing department that after a thorough review with our print vendor, we identified some dates in November in which bills were not printed and mailed as expected. All affected accounts have been noted and locks against late payment charges have been placed for 30 days. The bills were printed and mailed Tuesday. Electronic bills were not affected. Our communications team placed a banner message on our website to advise customers of the delay and to reassure them no late fees will be assessed. Our billing team will continue to closely monitor performance of the vendor going forward to ensure all bills are printed and mailed as expected on a daily basis.

Thank you,

Rita

From: [redacted]
Sent: Tuesday, December 3, 2024 8:35 AM
To: Black, Rita [redacted]
Cc: [redacted]
Subject: RE: [EXTERNAL] Peoples Terminations

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Thank you, Rita. That information is helpful. We like to be prepared for potential questions.

From: Black, Rita [redacted]
Sent: Tuesday, December 3, 2024 8:24 AM
To: [redacted]
Cc: [redacted]
Subject: FW: [EXTERNAL] Peoples Terminations

Hello [redacted] – Hope you had an enjoyable holiday weekend! [redacted] is out this week on vacation, so I wanted to respond to you about the termination data question you had.

We followed up with the customer operations data analyst and reviewed our data for both 2023 and 2024 and confirmed the reported figures are accurate. The number of termination notices mailed in those months is consistent with historical levels. The increase in actual terminations is the result of a more focused effort by the field operations team in those months to improve completion of termination work orders. Please let me know if you have any other questions on this topic.

Also, [redacted] did share your question about customers reporting they had not received bills with the billing team. The billing manager just returned from the holiday today, so I will follow up with her on

this topic and will share an update with you this week, hopefully in the next day or so.

Have a good day,

Rita

From: [redacted]
Sent: Tuesday, November 26, 2024 8:12 AM
To: [redacted]
Subject: [EXTERNAL] Peoples Terminations

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Hi [redacted],

As we reviewed the 56.231 data, we noticed that People's terminations were up year to year by 42% in September and 137% in October. Are you able to provide any insight on this? Was there an increase in the number of overdue accounts, or maybe the utility is just being more proactive with terminations? We'd just like to have an idea of what is driving the increase in case we receive questions.

I appreciate your assistance and hope you have a safe and happy Thanksgiving!

[redacted]

PAPUC

www.puc.pa.gov

[redacted]
Phone: [redacted]
Email: [redacted]
Consumer Hotline:
1-800-692-7380

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From: [redacted]
To: Black, Rita F
Subject: FW: [EXTERNAL] RE: Peoples Terminations
Date: Wednesday, May 20, 2026 4:09:03 PM
Attachments: image001.png
image002.png
image003.png
image004.png
image005.png
image006.png

From: [redacted]
Sent: Tuesday, November 26, 2024 1:28 PM
To: [redacted]
Subject: RE: [EXTERNAL] RE: Peoples Terminations

Hi [redacted]

I myself am not aware of any issues at this time. However, I will reach out to the appropriate parties to validate.

I'll be in touch as soon as I know more, which may be next week due to the holidays.

Thank you!

From: [redacted]
Sent: Tuesday, November 26, 2024 12:36 PM
To: [redacted]
Subject: [EXTERNAL] RE: Peoples Terminations

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi [redacted],

The Consumer Advisory Committee met this morning and after the meeting one of the members came up to me to ask if there was an issue with People's bills. She and her neighbors in Murrysville and Plumb Township did not receive gas bills for September or October. She said that when she contacted Peoples, her account was showing past due. That would indicate to me that the bills were generated, but something else happened.

We've had a couple of utilities in the last year have vendor problems where bills generated but for some reason, they either weren't printed to mail or the vendor failed to actually mail them, so this isn't the first time that I've heard a story like this.

Are you aware of any issues with the bills? She let me know that she is going to tell her neighbors to contact Peoples to let the utility know that they didn't receive bills, and she's going to encourage them to file an informal complaint. I just wanted to give you a heads up, and to see if you were aware of any issues.

Thanks again for your help,

[redacted]

From: [redacted]
Sent: Tuesday, November 26, 2024 8:12 AM
To: [redacted]
Subject: Peoples Terminations

Hi [redacted],

As we reviewed the 56.231 data, we noticed that People's terminations were up year to year by 42% in September and 137% in October. Are you able to provide any insight on this? Was there an increase in the number of overdue accounts, or maybe the utility is just being more proactive with terminations? We'd just like to have an idea of what is driving the increase in case we receive questions.

I appreciate your assistance and hope you have a safe and happy Thanksgiving!

[redacted]

PAPUC

www.puc.pa.gov

[redacted]
Bureau of Consumer Services

Phone: [redacted]
Email: [redacted]
Consumer Hotline:
1-800-692-7380

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change at any time to conform to new or different interpretations of the law.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-020

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide monthly count data for January 2021 through the most recent month available on:

a. Residential bills issued;

b. Residential bills based on actual reads;

c. Residential bills based on estimated reads;

d. Residential bills based on customer-provided reads;

e. Consecutive estimated residential bills by count (2 months, 3 months, 4 month, 5+ months);

f. Residential customer billing adjustments and rebills.

Answer: Refer to the attachment.

Submit Date: 5/21/2026

Month	Residential Bills								
	A	B	C	D	E - Estimated Consecutive Bill Months				F
	All Bills	ACTReads	ESTReads	CUSTReads	2	3	4	5+	Rebills
202101	594,704	588,080	6,589	35	23				3,266
202102	631,144	624,571	6,511	62	143	9			2,564
202103	699,256	691,590	7,619	47	60	81	8	1	2,331
202104	654,231	646,732	7,464	35	38	21	63	10	2,718
202105	630,489	623,155	7,314	20	28	21	21	76	2,757
202106	669,872	659,694	10,158	20	54	13	16	62	3,652
202107	652,634	635,937	16,677	20	58	8	5	66	6,488
202108	680,309	671,259	9,036	14	37	10	4	46	6,542
202109	666,975	659,984	6,975	16	33	11	4	55	2,652
202110	626,413	620,206	6,200	7	38	14	1	27	2,195
202111	600,159	590,842	9,302	15	28	1	5	16	1,954
202112	649,137	643,306	5,806	25	30	4	3	6	2,709
202201	626,824	621,184	5,628	12	41	6	2	3	2,211
202202	627,668	622,213	5,437	18	47	7	1	4	2,204
202203	696,186	689,905	6,263	18	29	6	5	11	2,032
202204	633,730	627,501	6,208	21	24	2	1	14	2,363
202205	654,433	646,403	8,013	17	35	6	4	15	2,995
202206	679,942	666,857	13,064	21	119	3	7	23	3,133
202207	622,608	615,384	7,206	18	100	18	7	31	2,279
202208	710,385	701,297	9,073	15	76	14	5	23	2,414
202209	648,263	642,359	5,889	15	28	5	8	11	1,854
202210	656,062	649,863	6,187	12	22	7	4	8	2,005
202211	585,735	576,303	9,416	16	11	3	2	3	1,839
202212	651,317	611,678	39,618	21	91	4	1	6	2,674
202301	622,702	617,052	5,641	9	53	9	1	4	2,177
202302	646,793	641,812	4,966	15	20	6	2	2	2,189
202303	697,025	691,253	5,750	22	16	7	1	4	1,827
202304	612,233	598,845	13,371	17	29	5		5	1,899
202305	663,309	654,604	8,682	23	42	12	3	27	3,258
202306	684,454	676,529	7,909	16	25	7	3	22	3,373
202307	626,168	618,563	7,593	12	40	7	1	20	1,924
202308	696,441	689,244	7,182	15	55	7	2	19	1,858
202309	627,831	622,741	5,080	10	31	4	2	6	1,470
202310	661,452	655,642	5,797	13	28	3	1	6	1,628
202311	603,464	598,250	5,206	8	25	2		1	1,701
202312	642,497	638,156	4,326	15	19	5	1	1	1,604
202401	654,009	648,813	5,188	8	24	4	4	3	1,582
202402	654,639	646,807	7,817	15	16	1	1	1	1,749
202403	744,621	738,154	6,451	16	22	2			92,094
202404	668,469	661,279	7,180	10	27	2	1	5	5,975
202405	687,471	680,433	7,024	14	29	9		1	9,999
202406	634,647	628,519	6,109	19	47	4		3	5,629
202407	683,588	674,688	8,889	11	43	8		3	2,534
202408	668,521	660,276	8,235	10	39	10		3	2,754
202409	633,702	623,516	10,174	12	49	6	1	3	1,947
202410	799,432	791,555	7,875	2	48	2	1		100,856

Month	Residential Bills								
	A	B	C	D	E - Estimated Consecutive Bill Months				F
	All Bills	ACTReads	ESTReads	CUSTReads	2	3	4	5+	Rebills
202411	612,116	606,395	5,715	6	43	12		2	22,305
202412	663,602	658,106	5,488	8	37	5	1	1	1,734
202501	654,268	649,125	5,136	7	41	5	2	4	2,003
202502	617,618	612,763	4,846	9	37	7	1	2	1,721
202503	663,248	657,139	6,102	7	49	31	2	1	1,693
202504	691,119	683,469	7,643	7	52	3		4	2,323
202505	657,660	649,371	8,282	7	52	5	1	3	2,944
202506	656,561	647,122	9,425	14	66	10	4	3	3,392
202507	671,193	661,303	9,881	9	80	17	3	9	2,964
202508	651,570	642,733	8,831	6	108	22	8	6	3,055
202509	655,926	648,340	7,578	8	68	23	10	7	2,783
202510	708,178	700,178	7,991	9	100	16	3	7	2,765
202511	578,995	573,075	5,910	10	57	11	7	2	2,187
202512	679,398	669,861	9,529	8	82	10	6	4	1,827
202601	632,177	596,443	35,728	6	123	13	6	6	1,820
202602	623,967	618,469	5,494	4	107	12	10	22	1,728
202603	689,409	682,382	7,027	0	62	10	14	23	2,496
202604	687,043	679,398	7,640	5	76	22	20	80	2,638

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-023

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Describe the Company's policies and procedures for back-billing residential and non-residential customers, including:

a. the criteria for issuing a back-bill;

b. the maximum look-back period applied;

c. notice provided to the customer prior to or contemporaneous with the back-bill;

d. payment arrangement options offered;

e. the standard amortization period;

f. the process for handling customer disputes of back-bills.

Answer: a. Criteria for issuing a back bill

- Charges applied retroactively for previously unbilled or underbilled gas service.
- Missed meter reads, meter communication failures, delayed account setup, system errors, or field investigation findings.
- SAP billing corrections, meter operations review, billing investigation process.
- Gas revenue adjustment accounts / Accounts Receivable.
- Cancellation and reissuance of a bill to correct inaccurate charges or account information.
- Incorrect rate code, wrong meter read, billing cycle issue, customer information errors, or incorrect service dates.
- SAP rebill transaction initiated by Billing, Credit, or Customer Service.
- Revenue correction accounts / Accounts Receivable adjustments.

b. Maximum of a 4 years look back period applied

c. Notification to Customer

- phone call made by CSR to customer to review the rebill/backbill
- letter mailed to customer with reason for rebill/backbill and payments arrangement details, corrected invoices, if needed a usage comparison

d. Payment arrangement options are equivalent to the number of months of the back bill

e. Offer amortization at equivalent to the number of months of the cancel rebill.

f. Customer disputes regarding a rebill are handled through the same process as all company disputes. A company dispute is opened in our system, assigned to a CSR who handles company disputes to review the account and respond within 30 days

Submit Date: 5/21/2026

[redacted]

[redacted]

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XIII-031

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Provide the residential customer counts as of the most recent month-end available, in the format of the attached Table 1, disaggregated by Budget Bill (excluding CAP), CAP, and All Other Customers.

Answer: Refer to the attachment.

Submit Date: 5/21/2026

Bill Type	Reoccurring / automatic payment			No reoccurring / automatic payment		
	Budget Bill Customers (exc. CAP)	*CAP Customers*	*All Other Customers*	*Budget Bill Customers (exc. CAP)*	*CAP Customers*	*All Other Customers*
Electronic	21,092	471	48,146	44,110	10,299	110,814
Paper	13,979	546	28,216	108,093	26,350	248,032

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-001

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer to Peoples' confidential response to OCA-XIII-025. For the back-billing instance identified as Instance 1, provide all written or electronic communications sent to affected customers regarding the back-bill, including but not limited to:

a. the initial notice or bill explaining the back-charge or credit;

b. any letter, email, or bill message explaining the cause of the error and the customer's remediation;

c. any scripted or templated language used by customer service representatives when responding to customer inquiries about the back-bill.

(If the number of affected customers exceeds 15, provide a representative sample of at least 15 communications, selected to reflect variation in the back-bill amount.)

Answer: There was no written or electronic communication sent to customers. This affected four days worth of customers, where cancel/rebill was done. Communication was sent to representatives along with a mass interaction record added to all affected accounts (see Attachment 3). Attachment 1 shows examples of the original bill and Attachment 2 shows examples of the rebill to affected customers.

Submit Date: 6/15/2026

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$493.99
Payment on FEB 12, 2024 - Thank You	493.99 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5212 per MCF	122.53
Delivery Charge	
48.6 MCF @ $4.2319	205.67
Capacity Charge $1.8158 per MCF	88.25
Tax Repairs Surcredit	14.16 CR
DSIC Surcharge 5.00%	11.42
State Tax Surcharge @ 0.07%	.13
Tax Cuts and Jobs Act	13.61
Total Current Charges	**$441.95**
Total Account Balance	**$441.95**

Peoples current charges include $5.17 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

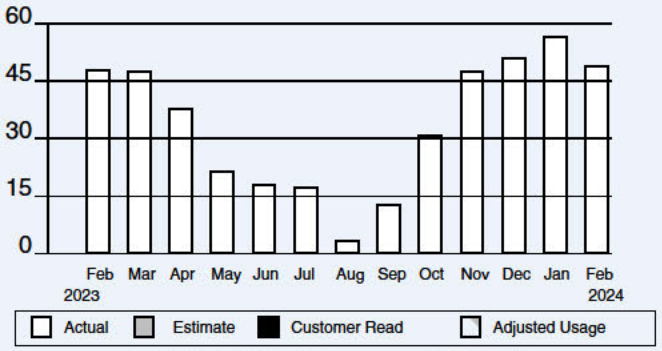
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 32.1 MCF
Total annual use: 390.3 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	684.6	48.6
FEB 02, 2024	Actual	636.0	
MCF Used in 31 Days			**48.6**

Please Pay **Account Balance of $441.95 by MAR 27, 2024 to avoid a Late Payment Charge of $6.63 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 27, 2024	Account No.	
$441.95			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$313.33
Payment on FEB 26, 2024 - Thank You	313.33 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5216 per MCF	71.36
Delivery Charge	
28.3 MCF @ $4.2318	119.76
Capacity Charge $1.8163 per MCF	51.40
Tax Repairs Surcredit	8.66 CR
DSIC Surcharge 5.00%	6.95
State Tax Surcharge @ 0.07%	.08
Tax Cuts and Jobs Act	8.32
Total Current Charges	**$263.71**
Total Account Balance	**$263.71**

Peoples current charges include $3.09 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

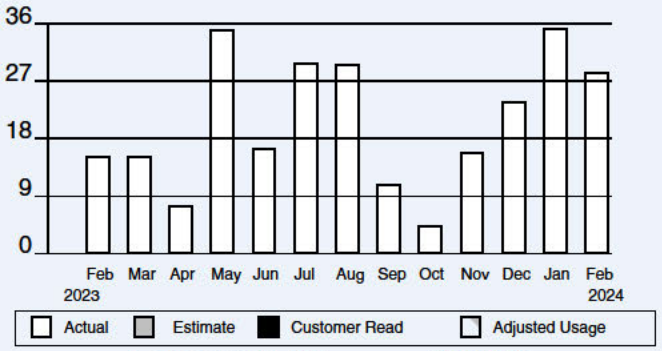
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 19.2 MCF
Total annual use: 250.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	257.5	28.3
FEB 02, 2024	Actual	229.2	
MCF Used in 31 Days			**28.3**

Please Pay **Account Balance of $263.71 by MAR 27, 2024 to avoid a Late Payment Charge of $3.96 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 27, 2024	Account No.
$263.71		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 4, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$97.74
Payment on FEB 16, 2024 - Thank You	97.74 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5229 per MCF	12.11
Delivery Charge	
4.8 MCF @ $4.2313	20.31
Capacity Charge $1.8167 per MCF	8.72
Tax Repairs Surcredit	2.29 CR
DSIC Surcharge 5.00%	1.78
State Tax Surcharge @ 0.07%	.01
Tax Cuts and Jobs Act	2.20
Total Current Charges	**$57.34**
Total Account Balance	**$57.34**

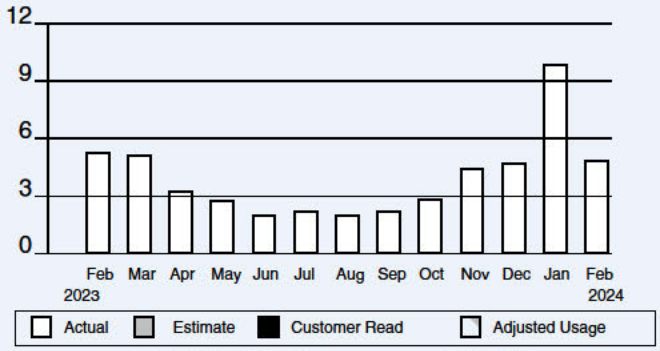
Peoples current charges include $0.67 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 3.8 MCF
Total annual use: 45.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	222.6	4.8
FEB 02, 2024	Actual	217.8	
MCF Used in 31 Days			**4.8**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $57.34 by MAR 26, 2024 to avoid a Late Payment Charge of $0.86 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 26, 2024	Account No.
$57.34		
Account Balance		Amount Enclosed

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LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$79.54 CR
Payment on FEB 08, 2024 - Thank You	126.00 CR
Balance	**$205.54 CR**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5221 per MCF	30.77
Delivery Charge	
12.2 MCF @ $4.2320	51.63
Capacity Charge $1.8164 per MCF	22.16
Tax Repairs Surcredit	4.30 CR
DSIC Surcharge 5.00%	3.41
State Tax Surcharge @ 0.07%	.03
Tax Cuts and Jobs Act	4.13
Total Current Charges	**$122.33**
Total Account Balance	**$83.21 CR**

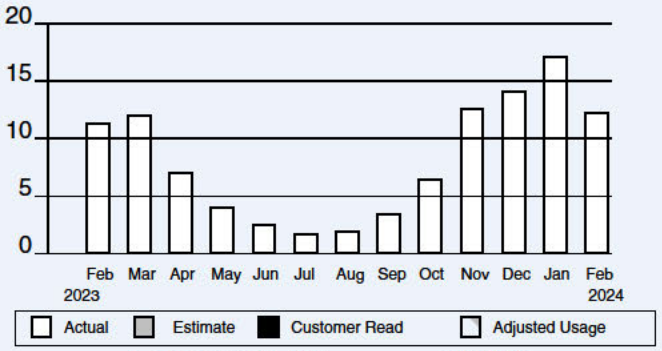
Peoples current charges include $1.43 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 7.8 MCF
Total annual use: 94.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	426.8	12.2
FEB 05, 2024	Actual	414.6	
MCF Used in 29 Days			**12.2**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Budget Amount Due of $34.00 by MAR 27, 2024**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	MAR 27, 2024	Account No.
$34.00		
Budget Amount Due		Amount Enclosed

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$198.52
Payment on FEB 16, 2024 - Thank You	198.52 CR
Balance	**$0.00**

Current Charges

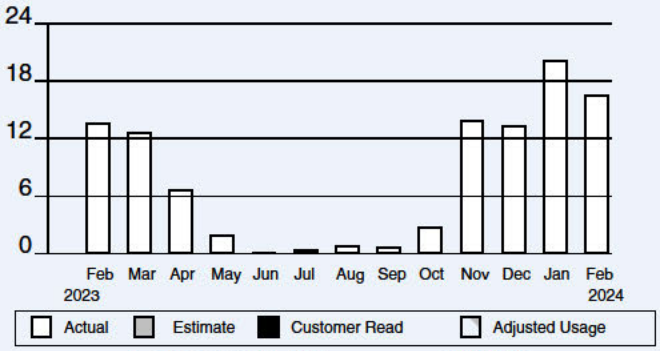
Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5213 per MCF	41.35
Delivery Charge	
16.4 MCF @ $4.2323	69.41
Capacity Charge $1.8159 per MCF	29.78
Tax Repairs Surcredit	5.44 CR
DSIC Surcharge 5.00%	4.34
State Tax Surcharge @ 0.07%	.05
Tax Cuts and Jobs Act	5.22
Penna Sales Tax	9.56
Allegheny County Sales Tax	1.59
Total Current Charges	**$170.36**
Total Account Balance	**$170.36**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 7.3 MCF
Total annual use: 88.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	128.0	16.4
FEB 02, 2024	Actual	111.6	
MCF Used in 31 Days			**16.4**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $170.36 by MAR 27, 2024 to avoid a Late Payment Charge of $2.56 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 27, 2024	Account No.
$170.36		
Account Balance		Amount Enclosed

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 4, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$630.82
Late Payment Charge	9.36
Balance	**$640.18**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5212 per MCF	66.56
Delivery Charge	
26.4 MCF @ $4.2322	111.73
Capacity Charge $1.8159 per MCF	47.94
Tax Repairs Surcredit	8.15 CR
DSIC Surcharge 5.00%	6.54
State Tax Surcharge @ 0.07%	.07
Tax Cuts and Jobs Act	7.83
Total Current Charges	**$247.02**
Total Account Balance	**$887.20**

Peoples current charges include $2.89 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

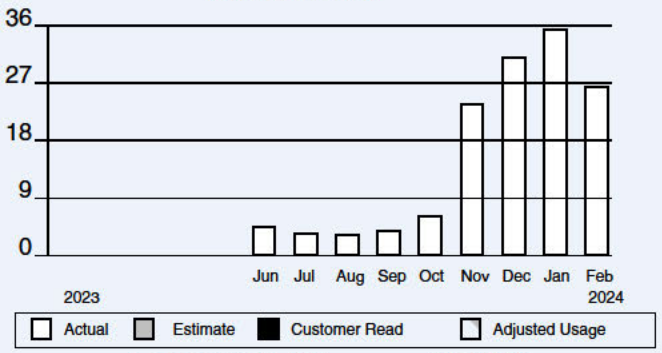
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 15.1 MCF
Total annual use: 137.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	817.4	26.4
FEB 02, 2024	Actual	791.0	
MCF Used in 31 Days			**26.4**

Please Pay **Account Balance of $887.20 by MAR 26, 2024 to avoid a Late Payment Charge of $13.07 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 26, 2024	Account No.	
$887.20			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

3562 874001326074 E

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 4, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$139.48
Payment on FEB 22, 2024 - Thank You	139.48 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5219 per MCF	24.21
Delivery Charge	
9.6 MCF @ $4.2313	40.62
Capacity Charge $1.8156 per MCF	17.43
Tax Repairs Surcredit	3.59 CR
DSIC Surcharge 5.00%	2.84
State Tax Surcharge @ 0.07%	.03
Tax Cuts and Jobs Act	3.45
Total Current Charges	**$99.49**
Total Account Balance	**$99.49**

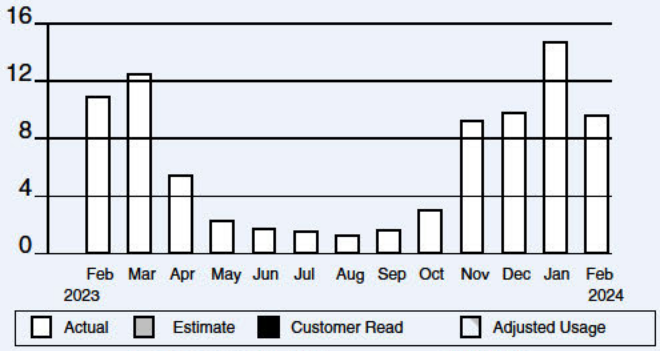
Peoples current charges include $1.16 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 6.0 MCF
Total annual use: 72.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	803.6	9.6
FEB 02, 2024	Actual	794.0	
MCF Used in 31 Days			**9.6**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $99.49 by MAR 26, 2024 to avoid a Late Payment Charge of $1.49 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	MAR 26, 2024	Account No.
$99.49		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$355.88
Late Payment Charge	5.13
Balance	**$361.01**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5205 per MCF	19.66
Delivery Charge	
7.8 MCF @ $4.2321	33.01
Capacity Charge $1.8154 per MCF	14.16
Tax Repairs Surcredit	3.11 CR
DSIC Surcharge 5.00%	2.44
State Tax Surcharge @ 0.07%	.02
Tax Cuts and Jobs Act	2.98
Total Current Charges	**$83.66**
Total Account Balance	**$444.67**

Peoples current charges include $0.98 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

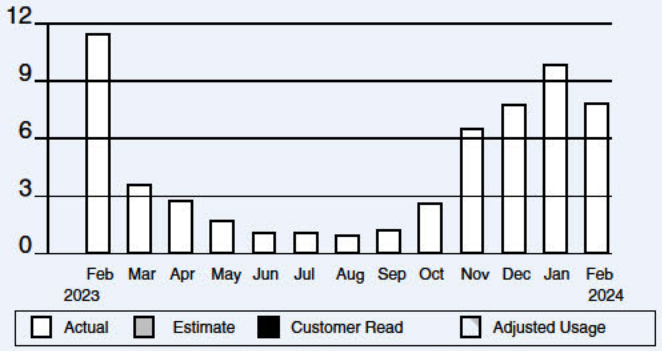
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 3.8 MCF
Total annual use: 46.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	915.9	7.8
FEB 02, 2024	Actual	908.1	
MCF Used in 31 Days			**7.8**

Please Pay **Account Balance of $444.67 by MAR 27, 2024 to avoid a Late Payment Charge of $6.38 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	MAR 27, 2024	Account No.
$444.67		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 1, 2024	04/01 - 04/02/2024	01

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$1,470.37
Late Payment Charge	20.32
Balance	**$1,490.69**

Current Charges

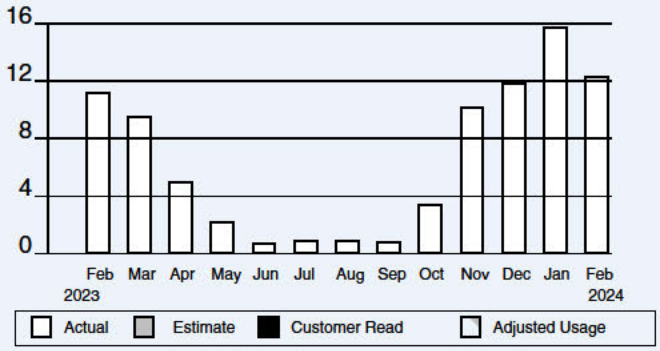
Residential (RS)(E)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5211 per MCF	31.01
Delivery Charge	
12.3 MCF @ $4.2325	52.06
Capacity Charge $1.8154 per MCF	22.33
Tax Repairs Surcredit	4.33 CR
DSIC Surcharge 5.00%	3.43
State Tax Surcharge @ 0.07%	.03
Tax Cuts and Jobs Act	4.16
Penna Sales Tax	7.40
Allegheny County Sales Tax	1.23
Total Current Charges	**$131.82**
Total Account Balance	**$1,622.51**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	42°F	39°F

Gas Use in MCF



Average monthly use: 6.0 MCF
Total annual use: 73.2 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 01, 2024	Actual	771.3	12.3
FEB 01, 2024	Actual	759.0	
MCF Used in 29 Days			**12.3**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Please Pay **Plan Amount of $457.48 by MAR 25, 2024 to avoid a Late Payment Charge of $22.29 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE MAR 25, 2024 **Account No.**

$457.48
Plan Amount

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 4, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$3,212.47
Late Payment Charge	41.08
Balance	**$3,253.55**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5201 per MCF	35.03
Delivery Charge	
13.9 MCF @ $4.2324	58.83
Capacity Charge $1.8158 per MCF	25.24
Tax Repairs Surcredit	4.76 CR
DSIC Surcharge 5.00%	3.78
State Tax Surcharge @ 0.07%	.04
Tax Cuts and Jobs Act	4.57
Total Current Charges	**$137.23**
Total Account Balance	**$3,390.78**

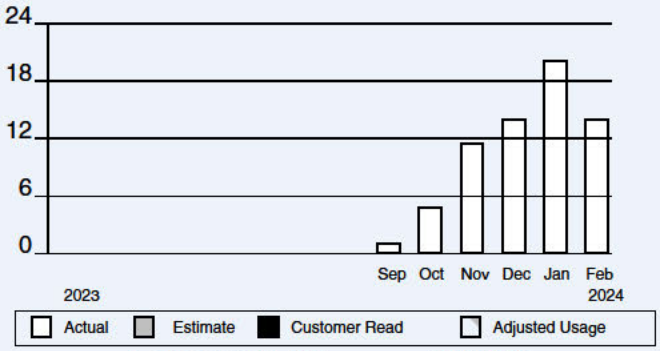
Peoples current charges include $1.61 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 10.8 MCF
Total annual use: 65.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	703.6	13.9
FEB 02, 2024	Actual	689.7	
MCF Used in 31 Days			**13.9**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $3,390.78 by MAR 26, 2024 to avoid a Late Payment Charge of $43.14 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE MAR 26, 2024 **Account No.**

$3,390.78
Account Balance

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 6, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$193.13
Late Payment Charge	2.89
Balance	**$196.02**

Current Charges

Residential (RS)(P)

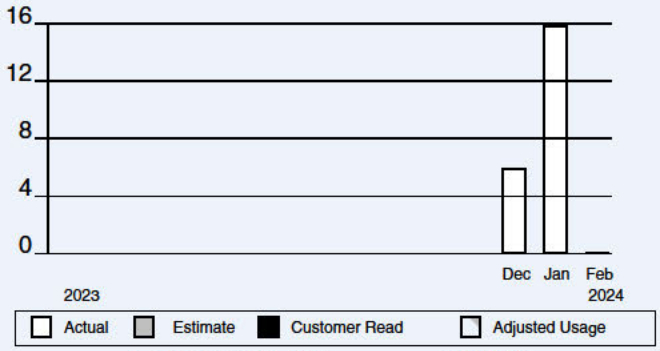
Customer Charge - 1 Month	$14.50
Tax Repairs Surcredit	.99 CR
DSIC Surcharge 5.00%	.73
Tax Cuts and Jobs Act	.95
Total Current Charges	**$15.19**
Total Account Balance	**$211.21**

Peoples current charges include $0.18 in state taxes.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	44°F	40°F

Gas Use in MCF



Average monthly use: 7.2 MCF
Total annual use: 21.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	548.4	0.0
FEB 05, 2024	Actual	548.4	
MCF Used in 29 Days			**0.0**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $211.21 by MAR 28, 2024 to avoid a Late Payment Charge of $3.12 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	MAR 28, 2024	Account No.
$211.21		
Account Balance		Amount Enclosed

4308 00010 862001314273

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$178.68
Payment on FEB 22, 2024 - Thank You	178.68 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5215 per MCF	34.04
Delivery Charge	
13.5 MCF @ $4.2319	57.13
Capacity Charge $1.8163 per MCF	24.52
Tax Repairs Surcredit	4.65 CR
DSIC Surcharge 5.00%	3.70
State Tax Surcharge @ 0.07%	.04
Tax Cuts and Jobs Act	4.47
Total Current Charges	**$133.75**
Total Account Balance	**$133.75**

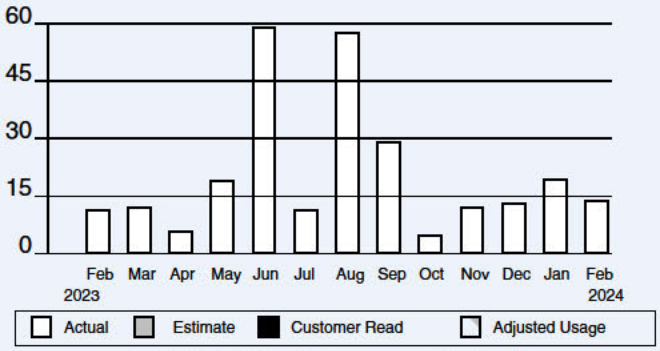
Peoples current charges include $1.56 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 21.0 MCF
Total annual use: 255.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	218.8	13.5
FEB 05, 2024	Actual	205.3	
MCF Used in 29 Days			**13.5**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $133.75 by MAR 27, 2024 to avoid a Late Payment Charge of $2.01 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	MAR 27, 2024	Account No.
$133.75		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 5, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$286.08
Payment on FEB 16, 2024 - Thank You	286.08 CR
Balance	**$0.00**

Current Charges

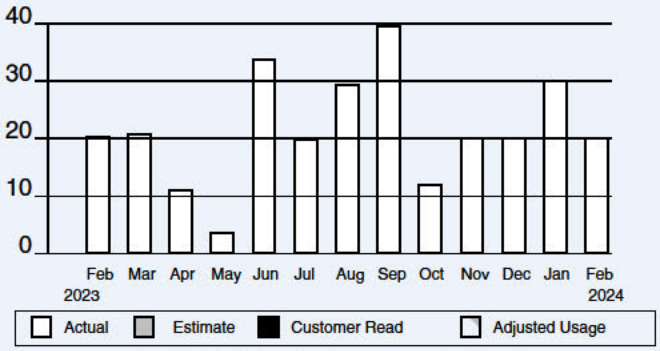
Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5220 per MCF	50.44
Delivery Charge	
20.0 MCF @ $4.2320	84.64
Capacity Charge $1.8160 per MCF	36.32
Tax Repairs Surcredit	6.41 CR
DSIC Surcharge 5.00%	5.13
State Tax Surcharge @ 0.07%	.06
Tax Cuts and Jobs Act	6.16
Penna Sales Tax	11.45
Total Current Charges	**$202.29**
Total Account Balance	**$202.29**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 21.3 MCF
Total annual use: 258.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	32.8	20.0
FEB 05, 2024	Actual	12.8	
MCF Used in 29 Days			**20.0**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $202.29 by MAR 27, 2024 to avoid a Late Payment Charge of $3.03 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
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DUE DATE	MAR 27, 2024	Account No.
$202.29		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 4, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$1,113.18
Late Payment Charge	15.48
Balance	**$1,128.66**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5211 per MCF	35.80
Delivery Charge	
14.2 MCF @ $4.2317	60.09
Capacity Charge $1.8162 per MCF	25.79
Tax Repairs Surcredit	4.84 CR
DSIC Surcharge 5.00%	3.85
State Tax Surcharge @ 0.07%	.04
Tax Cuts and Jobs Act	4.65
Total Current Charges	**$139.88**
Total Account Balance	**$1,268.54**

Peoples current charges include $1.64 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

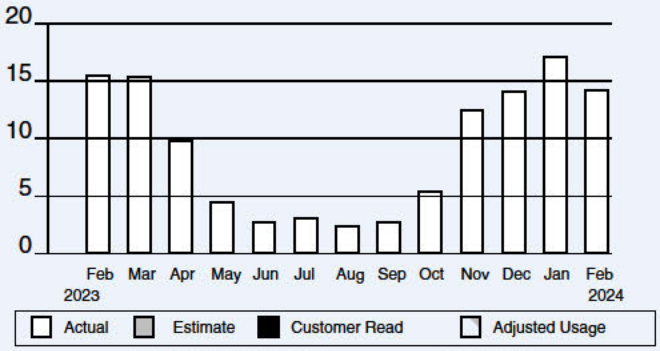
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 8.5 MCF
Total annual use: 103.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	516.2	14.2
FEB 02, 2024	Actual	502.0	
MCF Used in 31 Days			**14.2**

Please Pay **Plan Amount of $1,253.63 by MAR 26, 2024 to avoid a Late Payment Charge of $17.58 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
This bill completes the current budget year. Payment of $1,253.63 will allow your total payments to equal the cost of gas you used during the past budget year. Your new budget amount will appear on next month's bill.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE MAR 26, 2024 **Account No.**

$1,253.63
Plan Amount

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

2112 804001432851 E

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 6, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$2,539.51
Late Payment Charge	32.72
Balance	**$2,572.23**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5213 per MCF	44.88
Delivery Charge	
17.8 MCF @ $4.2320	75.33
Capacity Charge $1.8163 per MCF	32.33
Tax Repairs Surcredit	5.82 CR
DSIC Surcharge 5.00%	4.64
State Tax Surcharge @ 0.07%	.05
Tax Cuts and Jobs Act	5.59
Total Current Charges	**$171.50**
Total Account Balance	**$2,743.73**

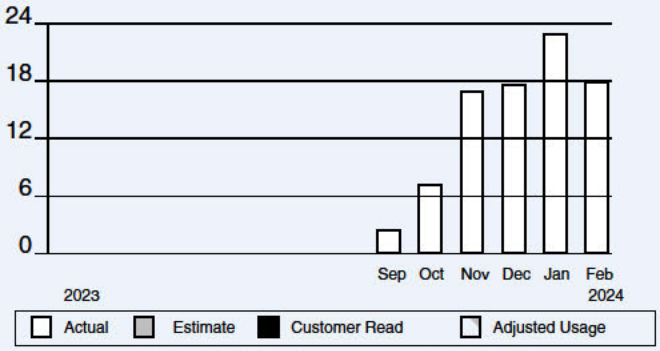
Peoples current charges include $2.01 in state taxes.

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	44°F	40°F

Gas Use in MCF



Average monthly use: 14.0 MCF
Total annual use: 84.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	277.2	17.8
FEB 05, 2024	Actual	259.4	
MCF Used in 29 Days			**17.8**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Plan Amount of $969.02 by MAR 28, 2024 to avoid a Late Payment Charge of $35.30 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Starting with the next bill, your budget amount will be increased to $104.00.
Please call us at 1-800-764-0111 if you have questions.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	MAR 28, 2024	Account No.
$969.02		
Plan Amount	Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$493.99
Payment on FEB 12, 2024 - Thank You	493.99 CR
Invoice MAR 05, 2024	441.95
Invoice Reversal MAR 08, 2024	441.95 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5212 per MCF	122.53
Delivery Charge	
48.6 MCF @ $4.2319	205.67
Capacity Charge $1.8158 per MCF	88.25
Tax Repairs Surcredit	14.16 CR
DSIC Surcharge 5.00%	11.42
State Tax Surcharge @ 0.07%	.13
Total Current Charges	**$428.34**
Total Account Balance	**$428.34**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

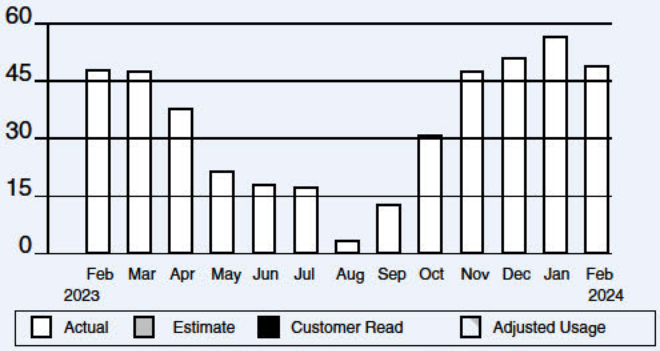
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 32.1 MCF
Total annual use: 390.3 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	684.6	48.6
FEB 02, 2024	Actual	636.0	
MCF Used in 31 Days			**48.6**

This is a Corrected Bill.

Please Pay **Account Balance of $428.34 by APR 01, 2024 to avoid a Late Payment Charge of $6.43 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE APR 01, 2024 **Account No.**

$428.34
Account Balance

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$313.33
Payment on FEB 26, 2024 - Thank You	313.33 CR
Invoice MAR 05, 2024	263.71
Invoice Reversal MAR 08, 2024	263.71 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5216 per MCF	71.36
Delivery Charge	
28.3 MCF @ $4.2318	119.76
Capacity Charge $1.8163 per MCF	51.40
Tax Repairs Surcredit	8.66 CR
DSIC Surcharge 5.00%	6.95
State Tax Surcharge @ 0.07%	.08
Total Current Charges	**$255.39**
Total Account Balance	**$255.39**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

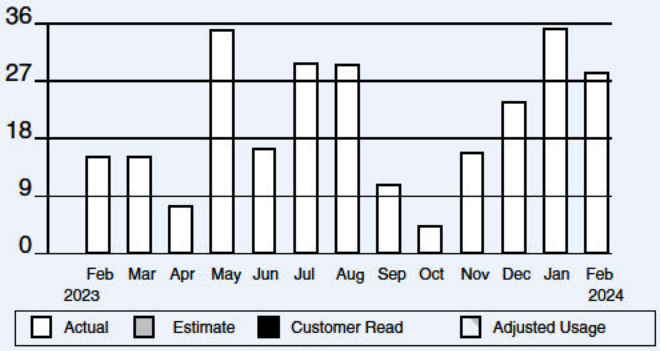
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 19.2 MCF
Total annual use: 250.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	257.5	28.3
FEB 02, 2024	Actual	229.2	
MCF Used in 31 Days			**28.3**

This is a Corrected Bill.

Please Pay **Account Balance of $255.39 by APR 01, 2024 to avoid a Late Payment Charge of $3.83 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	APR 01, 2024	Account No.	
$255.39			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$97.74
Payment on FEB 16, 2024 - Thank You	97.74 CR
Payment on MAR 07, 2024 - Thank You	57.34 CR
Invoice MAR 04, 2024	57.34
Invoice Reversal MAR 08, 2024	57.34 CR
Balance	**$57.34 CR**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5229 per MCF	12.11
Delivery Charge	
4.8 MCF @ $4.2313	20.31
Capacity Charge $1.8167 per MCF	8.72
Tax Repairs Surcredit	2.29 CR
DSIC Surcharge 5.00%	1.78
State Tax Surcharge @ 0.07%	.01
Total Current Charges	**$55.14**
Total Account Balance	**$2.20 CR**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

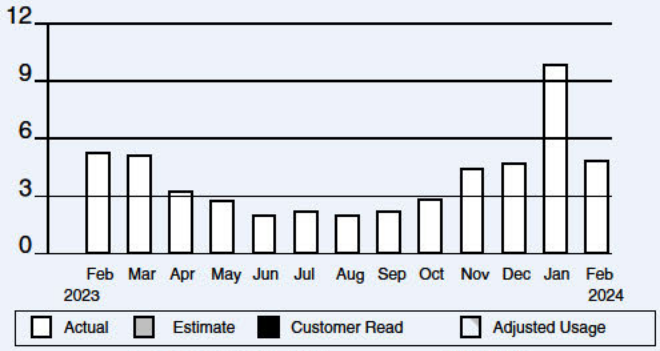
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 3.8 MCF
Total annual use: 45.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	222.6	4.8
FEB 02, 2024	Actual	217.8	
MCF Used in 31 Days			**4.8**

This is a Corrected Bill.

No Payment Due

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

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Account Number

NO PAYMENT DUE

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$79.54 CR
Payment on FEB 08, 2024 - Thank You	126.00 CR
Payment on MAR 07, 2024 - Thank You	34.00 CR
Invoice MAR 05, 2024	122.33
Invoice Reversal MAR 08, 2024	122.33 CR
Balance	**$239.54 CR**

Current Charges

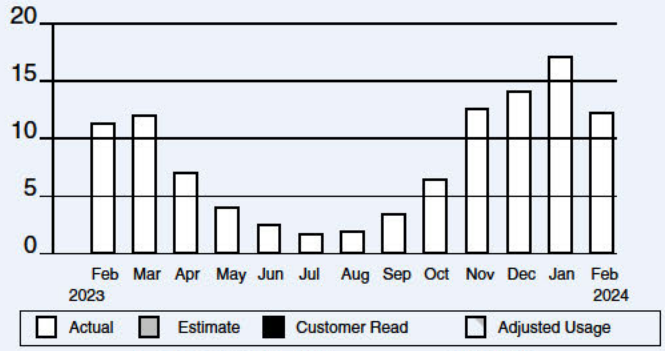
Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5221 per MCF	30.77
Delivery Charge	
12.2 MCF @ $4.2320	51.63
Capacity Charge $1.8164 per MCF	22.16
Tax Repairs Surcredit	4.30 CR
DSIC Surcharge 5.00%	3.41
State Tax Surcharge @ 0.07%	.03
Total Current Charges	**$118.20**
Total Account Balance	**$121.34 CR**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 7.8 MCF
Total annual use: 94.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	426.8	12.2
FEB 05, 2024	Actual	414.6	
MCF Used in 29 Days			**12.2**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

No Payment Due

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

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Account Number

NO PAYMENT DUE

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$198.52
Payment on FEB 16, 2024 - Thank You	198.52 CR
Invoice MAR 05, 2024	170.36
Invoice Reversal MAR 08, 2024	170.36 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5213 per MCF	41.35
Delivery Charge	
16.4 MCF @ $4.2323	69.41
Capacity Charge $1.8159 per MCF	29.78
Tax Repairs Surcredit	5.44 CR
DSIC Surcharge 5.00%	4.34
State Tax Surcharge @ 0.07%	.05
Penna Sales Tax	9.24
Allegheny County Sales Tax	1.54
Total Current Charges	**$164.77**

Continued on next page.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

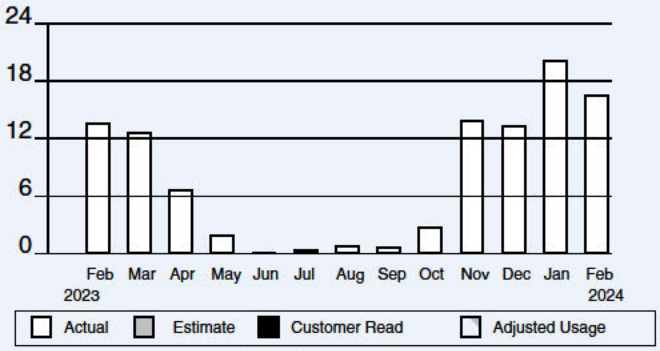
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 7.3 MCF
Total annual use: 88.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	128.0	16.4
FEB 02, 2024	Actual	111.6	
MCF Used in 31 Days			**16.4**

This is a Corrected Bill.

Please Pay **Account Balance of $164.77 by APR 01, 2024 to avoid a Late Payment Charge of $2.47 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	APR 01, 2024	Account No.
$164.77		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Total Account Balance **$164.77**

Peoples current charges include $1.80 in state taxes.

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$630.82
Invoice MAR 04, 2024	256.38
Invoice Reversal MAR 08, 2024	256.38 CR
Late Payment Charge	9.36
Balance	**$640.18**

Current Charges

Residential (RS)(P)

Customer Charge - 1 Month	$14.50
Commodity Charge $2.5212 per MCF	66.56
Delivery Charge	
26.4 MCF @ $4.2322	111.73
Capacity Charge $1.8159 per MCF	47.94
Tax Repairs Surcredit	8.15 CR
DSIC Surcharge 5.00%	6.54
State Tax Surcharge @ 0.07%	.07
Total Current Charges	**$239.19**
Total Account Balance	**$879.37**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

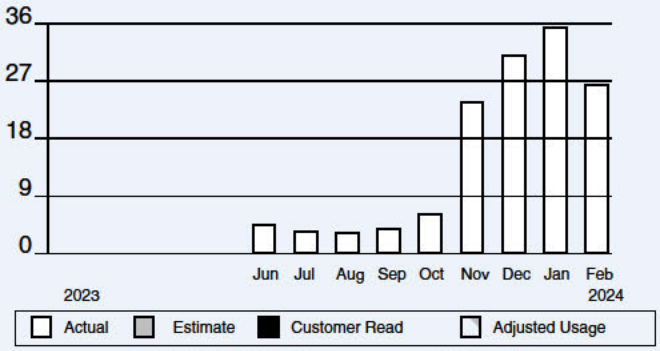
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 15.1 MCF
Total annual use: 137.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	817.4	26.4
FEB 02, 2024	Actual	791.0	
MCF Used in 31 Days			**26.4**

This is a Corrected Bill.

Please Pay **Account Balance of $879.37 by APR 01, 2024 to avoid a Late Payment Charge of $12.95 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
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Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	APR 01, 2024	Account No.	
$879.37			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

11906 808001411447 E

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10002000166792310000000023914000000874975

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$139.48
Payment on FEB 22, 2024 - Thank You	139.48 CR
Invoice MAR 04, 2024	99.49
Invoice Reversal MAR 08, 2024	99.49 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5219 per MCF	24.21
Delivery Charge	
9.6 MCF @ $4.2313	40.62
Capacity Charge $1.8156 per MCF	17.43
Tax Repairs Surcredit	3.59 CR
DSIC Surcharge 5.00%	2.84
State Tax Surcharge @ 0.07%	.03
Total Current Charges	**$96.04**
Total Account Balance	**$96.04**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

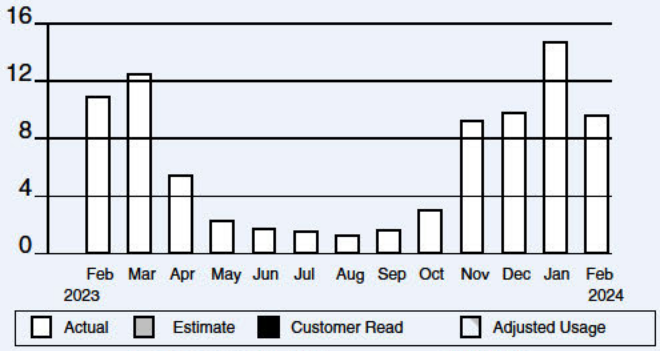
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 6.0 MCF
Total annual use: 72.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	803.6	9.6
FEB 02, 2024	Actual	794.0	
MCF Used in 31 Days			**9.6**

This is a Corrected Bill.

Please Pay **Account Balance of $96.04 by APR 01, 2024 to avoid a Late Payment Charge of $1.44 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	APR 01, 2024	Account No.	
$96.04			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

24054 814001387627 E

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$355.88
Invoice MAR 05, 2024	88.79
Invoice Reversal MAR 08, 2024	88.79 CR
Late Payment Charge	5.13
Balance	**$361.01**

Current Charges

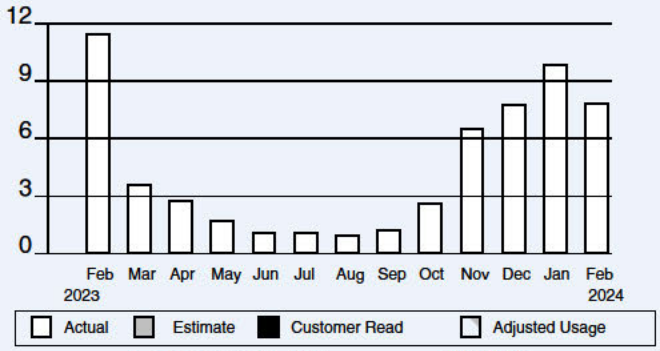
Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5205 per MCF	19.66
Delivery Charge	
7.8 MCF @ $4.2321	33.01
Capacity Charge $1.8154 per MCF	14.16
Tax Repairs Surcredit	3.11 CR
DSIC Surcharge 5.00%	2.44
State Tax Surcharge @ 0.07%	.02
Total Current Charges	**$80.68**
Total Account Balance	**$441.69**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 3.8 MCF
Total annual use: 46.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	915.9	7.8
FEB 02, 2024	Actual	908.1	
MCF Used in 31 Days			**7.8**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $441.69 by APR 01, 2024 to avoid a Late Payment Charge of $6.34 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE APR 01, 2024 **Account No.**

$441.69
Account Balance

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

368 00001 808001411822

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1000210001075436000000000808001411822

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/01 - 04/02/2024	01

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$1,470.37
Invoice MAR 01, 2024	152.14
Invoice Reversal MAR 08, 2024	152.14 CR
Late Payment Charge	20.32
Balance	**$1,490.69**

Current Charges

Residential (RS)(E)

Customer Charge - 1 Month	$14.50
Commodity Charge $2.5211 per MCF	31.01
Delivery Charge	
12.3 MCF @ $4.2325	52.06
Capacity Charge $1.8154 per MCF	22.33
Tax Repairs Surcredit	4.33 CR
DSIC Surcharge 5.00%	3.43
State Tax Surcharge @ 0.07%	.03
Penna Sales Tax	7.14
Allegheny County Sales Tax	1.19
Total Current Charges	**$127.36**

Continued on next page.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

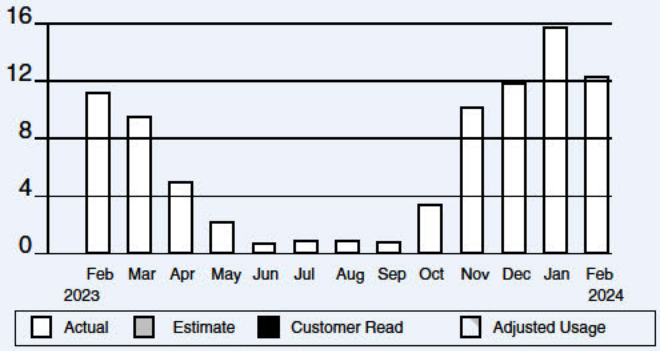
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	42°F	39°F

Gas Use in MCF



Average monthly use: 6.0 MCF
Total annual use: 73.2 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 01, 2024	Actual	771.3	12.3
FEB 01, 2024	Actual	759.0	
MCF Used in 29 Days			**12.3**

This is a Corrected Bill.

Please Pay **Plan Amount of $494.23 by APR 01, 2024 to avoid a Late Payment Charge of $22.23 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	APR 01, 2024	Account No.
$494.23		
Plan Amount		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

10204 00022 846001341158

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/01 - 04/02/2024	01

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Total Account Balance **$1,618.05**

Peoples current charges include $1.39 in state taxes.

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$3,212.47
Invoice MAR 04, 2024	178.31
Invoice Reversal MAR 08, 2024	178.31 CR
Late Payment Charge	41.08
Balance	**$3,253.55**

Current Charges

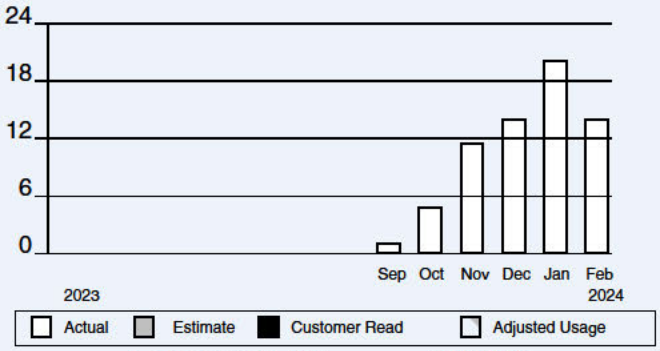
Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5201 per MCF	35.03
Delivery Charge	
13.9 MCF @ $4.2324	58.83
Capacity Charge $1.8158 per MCF	25.24
Tax Repairs Surcredit	4.76 CR
DSIC Surcharge 5.00%	3.78
State Tax Surcharge @ 0.07%	.04
Total Current Charges	**$132.66**
Total Account Balance	**$3,386.21**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 10.8 MCF
Total annual use: 65.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	703.6	13.9
FEB 02, 2024	Actual	689.7	
MCF Used in 31 Days			**13.9**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $3,386.21 by APR 01, 2024 to avoid a Late Payment Charge of $43.07 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE APR 01, 2024 **Account No.**

$3,386.21
Account Balance

Amount Enclosed

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1000210007949402000000001326600000393862610

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$193.13
Invoice MAR 06, 2024	18.08
Invoice Reversal MAR 08, 2024	18.08 CR
Late Payment Charge	2.89
Balance	**$196.02**

Current Charges

Residential (RS)(P)

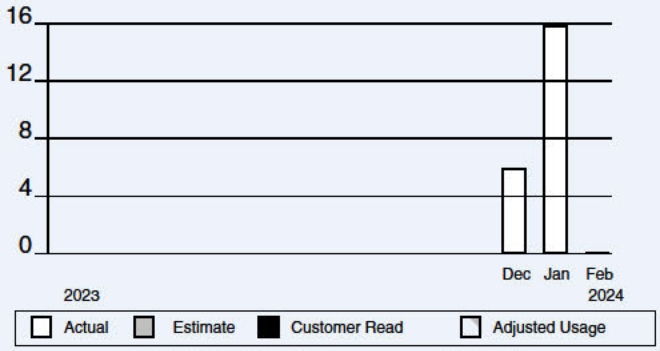
Customer Charge - 1 Month	$14.50
Tax Repairs Surcredit	.99 CR
DSIC Surcharge 5.00%	.73
Total Current Charges	**$14.24**
Total Account Balance	**$210.26**

Peoples current charges include $0.17 in state taxes.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	44°F	40°F

Gas Use in MCF



Average monthly use: 7.2 MCF
Total annual use: 21.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	548.4	0.0
FEB 05, 2024	Actual	548.4	
MCF Used in 29 Days			**0.0**

This is a Corrected Bill.

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $210.26 by APR 01, 2024 to avoid a Late Payment Charge of $3.10 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
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You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	APR 01, 2024	Account No.
$210.26		
Account Balance		Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

4959 00011 804001437703

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$178.68
Payment on FEB 22, 2024 - Thank You	178.68 CR
Invoice MAR 05, 2024	133.75
Invoice Reversal MAR 08, 2024	133.75 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5215 per MCF	34.04
Delivery Charge	
13.5 MCF @ $4.2319	57.13
Capacity Charge $1.8163 per MCF	24.52
Tax Repairs Surcredit	4.65 CR
DSIC Surcharge 5.00%	3.70
State Tax Surcharge @ 0.07%	.04
Total Current Charges	**$129.28**
Total Account Balance	**$129.28**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

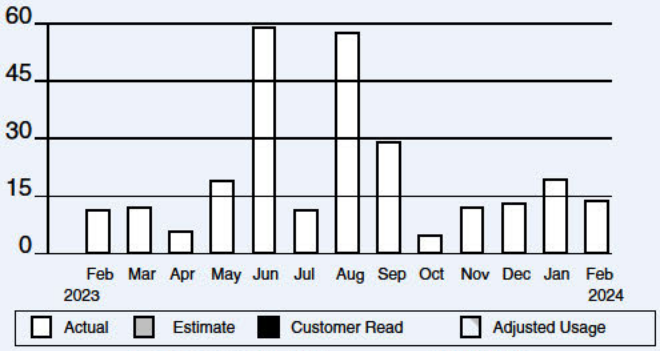
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 21.0 MCF
Total annual use: 255.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	218.8	13.5
FEB 05, 2024	Actual	205.3	
MCF Used in 29 Days			**13.5**

This is a Corrected Bill.

Please Pay **Account Balance of $129.28 by APR 01, 2024 to avoid a Late Payment Charge of $1.94 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE APR 01, 2024 **Account No.**

$129.28
Account Balance

Amount Enclosed

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21126 00058 890003782901

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Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$286.08
Payment on FEB 16, 2024 - Thank You	286.08 CR
Invoice MAR 05, 2024	202.29
Invoice Reversal MAR 08, 2024	202.29 CR
Balance	**$0.00**

Current Charges

Residential (RS)(P)

Customer Charge - 1 Month	$14.50
Commodity Charge $2.5220 per MCF	50.44
Delivery Charge	
20.0 MCF @ $4.2320	84.64
Capacity Charge $1.8160 per MCF	36.32
Tax Repairs Surcredit	6.41 CR
DSIC Surcharge 5.00%	5.13
State Tax Surcharge @ 0.07%	.06
Penna Sales Tax	11.09
Total Current Charges	**$195.77**
Total Account Balance	**$195.77**

Your PRICE TO COMPARE is $2.52 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

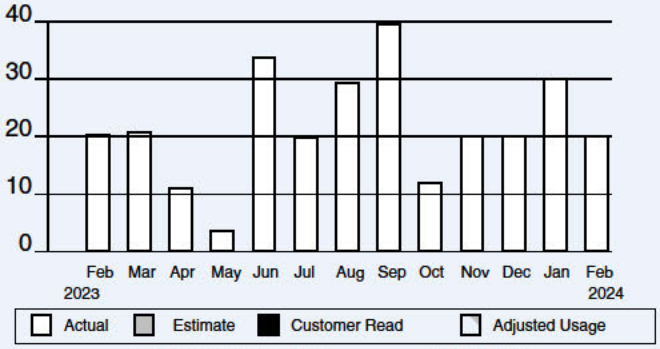
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	41°F	36°F

Gas Use in MCF



Average monthly use: 21.3 MCF
Total annual use: 258.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	32.8	20.0
FEB 05, 2024	Actual	12.8	
MCF Used in 29 Days			**20.0**

This is a Corrected Bill.

Please Pay **Account Balance of $195.77 by APR 01, 2024 to avoid a Late Payment Charge of $2.94 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
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DUE DATE	APR 01, 2024	Account No.	
$195.77			
Account Balance		Amount Enclosed	

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/02 - 04/03/2024	02

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$1,113.18
Invoice MAR 04, 2024	155.36
Invoice Reversal MAR 08, 2024	155.36 CR
Late Payment Charge	15.48
Balance	**$1,128.66**

Current Charges

Residential (RS)(E)

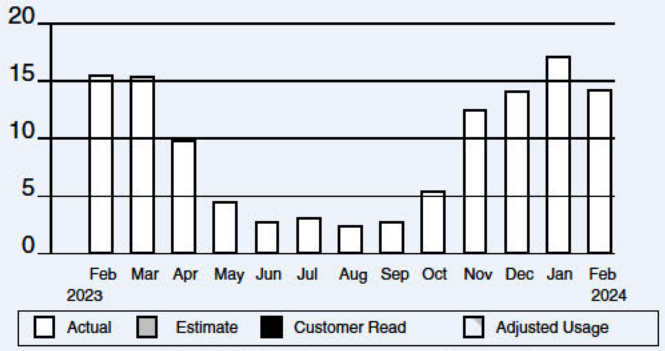
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5211 per MCF	35.80
Delivery Charge	
14.2 MCF @ $4.2317	60.09
Capacity Charge $1.8162 per MCF	25.79
Tax Repairs Surcredit	4.84 CR
DSIC Surcharge 5.00%	3.85
State Tax Surcharge @ 0.07%	.04
Total Current Charges	**$135.23**
Total Account Balance	**$1,263.89**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	43°F	40°F

Gas Use in MCF



Average monthly use: 8.5 MCF
Total annual use: 103.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 04, 2024	Actual	516.2	14.2
FEB 02, 2024	Actual	502.0	
MCF Used in 31 Days			**14.2**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Please Pay **Plan Amount of $1,253.63 by APR 01, 2024 to avoid a Late Payment Charge of $17.51 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
This bill completes the current budget year. Payment of $1,253.63 will allow your total payments to equal the cost of gas you used during the past budget year. Your new budget amount will appear on next month's bill.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE APR 01, 2024 **Account No.**

$1,253.63	
Plan Amount	Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

2282 834001355622 E

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

1000200014887356000000001352300000125393

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Mar 8, 2024	04/03 - 04/04/2024	03

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$2,539.51
Invoice MAR 06, 2024	204.22
Invoice Reversal MAR 08, 2024	204.22 CR
Late Payment Charge	32.72
Balance	**$2,572.23**

Current Charges

Residential (RS)(P)

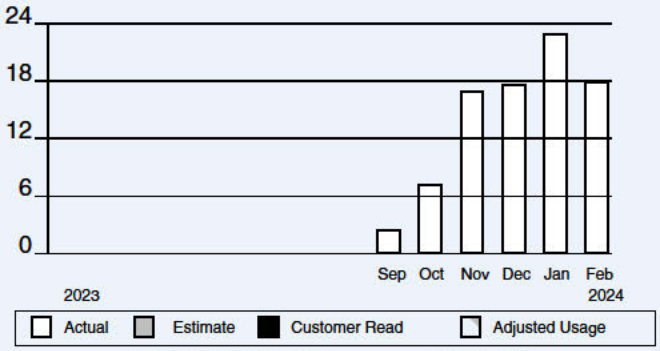
Customer Charge - 1 Month	$14.50
Commodity Charge $2.5213 per MCF	44.88
Delivery Charge	
17.8 MCF @ $4.2320	75.33
Capacity Charge $1.8163 per MCF	32.33
Tax Repairs Surcredit	5.82 CR
DSIC Surcharge 5.00%	4.64
State Tax Surcharge @ 0.07%	.05
Total Current Charges	**$165.91**
Total Account Balance	**$2,738.14**

Your PRICE TO COMPARE is $2.52 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	44°F	40°F

Gas Use in MCF



Average monthly use: 14.0 MCF
Total annual use: 84.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
MAR 05, 2024	Actual	277.2	17.8
FEB 05, 2024	Actual	259.4	
MCF Used in 29 Days			**17.8**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Plan Amount of $969.02 by APR 01, 2024 to avoid a Late Payment Charge of $35.21 (1.5% per month)**

Effective July 1, 2023, the Distribution System Improvement Charge (DSIC) increased from 0.00 % to 5.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Starting with the next bill, your budget amount will be increased to $104.00.
Please call us at 1-800-764-0111 if you have questions.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE APR 01, 2024 **Account No.**

$969.02 Plan Amount

Amount Enclosed

LIHEAP, a federally funded program, provides energy assistance grants for income-eligible customers. The program will close April 5 and funds are limited. If you are out of work or on a low or fixed income, you should apply now. For details, call 1-800-400-WARM (9276).

28564 00074 820004092451

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

1000200017099256000000001654100000046 1924

From: DoNotReply@peoples-gas.com
To: CSC Broadcast All
Subject: TCJA applied to Peoples customers in error
Date: Friday, March 8, 2024 9:40:03 AM

Good morning,
The TCJA rate for PG (formerly TWP) customers that went into effect on 3/1/2024 was also inadvertently applied to PNG customers. As of last night, the TCJA rate for PNG customers has been reset to zero and will no longer display on their bills. We are working with IT on a resolution for the invoices that were mailed to customers with the erroneous rate.
For customers who call in questioning the charge, please advise them it will be credited back to their account.
If you have any questions, please reach out to a CSR 3 or Supervisor – thank you.

From:
To:
Cc:
Subject: Re: I/R for TCJA accounts that need cancel/rebilled
Date: Friday, March 8, 2024 11:32:40 PM
Attachments: image001.png

Hi,

All interaction records have now been created.

Regards,

From:
Sent: Friday, March 8, 2024 4:03 PM
To:
Cc:
Subject: RE: I/R for TCJA accounts that need cancel/rebilled
I would say both

From:
Sent: Friday, March 8, 2024 4:02 PM
To:
Cc:
Subject: Re: I/R for TCJA accounts that need cancel/rebilled
Hi ,
For the collective accounts, should I create the I/R at the child or parent level? Or perhaps both?
Thanks,

From:
Sent: Friday, March 8, 2024 3:04 PM
To:
Cc:
Subject: I/R for TCJA accounts that need cancel/rebilled
March invoice cancel/rebilled due to TCJA rate applied to PNG customer. The customer will receive a corrected bill with the TCJA removed.

o:
c:
a:

w: Peoples-Gas.com

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Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-002

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer to Peoples' confidential response to OCA-XIII-025. For the back-billing instance identified as Instance 2, provide all written or electronic communications sent to affected customers regarding the back-bill, including but not limited to:

a. the initial notice or bill explaining the back-charge or credit;

b. any letter, email, or bill message explaining the cause of the error and the customer's remediation options;

c. any scripted or templated language used by customer service representatives when responding to customer inquiries about the back-bill.

(If the number of affected customers exceeds 15, provide a representative sample of at least 15 communications, selected to reflect variation in the back-bill amount.)

Answer: There was no written or electronic communication sent to customers. This affected fourteen days worth of customers, where cancel/rebill was done. Communication was sent to representatives along with a mass interaction record added to all affected accounts. Attachment 1 shows examples of the original bill and Attachment 2 shows examples of the rebill to affected customers.

Submit Date: 6/15/2026

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$36.99
Payment on SEP 17, 2024 - Thank You	36.99 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4571 per MCF	6.88
Delivery Charge	
2.8 MCF @ $4.8250	13.51
Capacity Charge $1.8357 per MCF	5.14
Tax Repairs Surcredit	2.08 CR
State Tax Surcharge @ 0.07%	.01
Weather Normalization Adjustment	2.23
Total Current Charges	**$40.67**
Total Account Balance	**$40.67**

Peoples current charges include $0.43 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

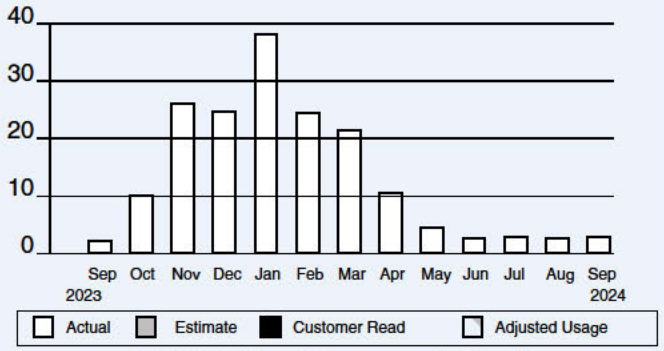
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 13.1 MCF
Total annual use: 170.0 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	9.4	2.8
SEP 04, 2024		6.6	
MCF Used in 29 Days			**2.8**

Please Pay **Account Balance of $40.67 by OCT 25, 2024 to avoid a Late Payment Charge of $0.61 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	OCT 25, 2024	Account No.	
$40.67			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

7733

888001420310

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PO BOX 644760
PITTSBURGH, PA 15264-4760

10002000069263860000000004067000000040673

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$18.56
Payment on SEP 18, 2024 - Thank You	18.56 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	2.27 CR
State Tax Surcharge @ 0.23%	.01
Weather Normalization Adjustment	13.12
Total Current Charges	**$34.04**
Total Account Balance	**$34.04**

Peoples current charges include $0.36 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

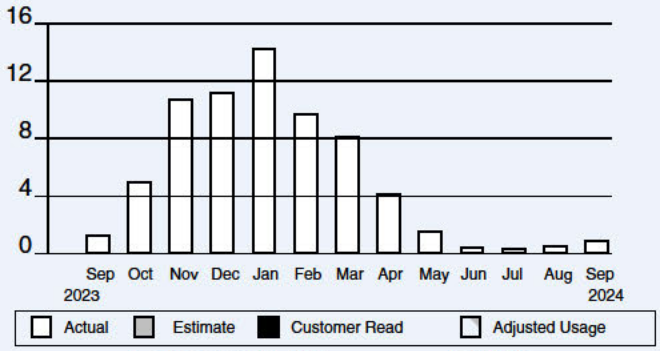
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 5.1 MCF
Total annual use: 66.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	391.6	0.9
SEP 04, 2024		390.7	
MCF Used in 29 Days			**0.9**

Please Pay **Account Balance of $34.04 by OCT 25, 2024 to avoid a Late Payment Charge of $0.51 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	OCT 25, 2024	Account No.	
$34.04			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

10879

888001420348

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PO BOX 644760
PITTSBURGH, PA 15264-4760

1000200006919985000000000340400000003510473

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$286.68 CR
Payment on OCT 01, 2024 - Thank You	78.00 CR
Balance	**$364.68 CR**

Current Charges

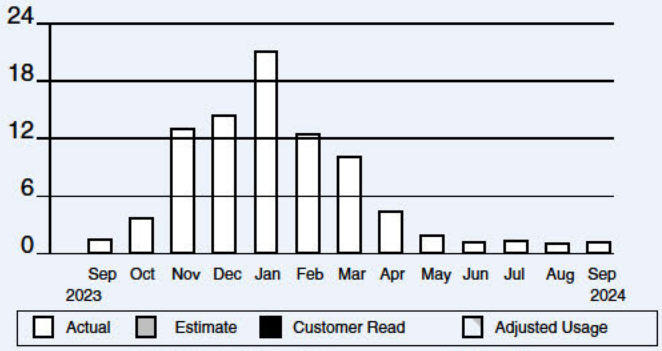
Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4500 per MCF	2.94
Delivery Charge	
1.2 MCF @ $4.8750	5.85
Capacity Charge $1.8167 per MCF	2.18
Tax Repairs Surcredit	1.57 CR
Weather Normalization Adjustment	1.97
Total Current Charges	**$26.35**
Total Account Balance	**$338.33 CR**

Peoples current charges include $0.28 in state taxes.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 6.6 MCF
Total annual use: 85.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	23.4	1.2
SEP 04, 2024		22.2	
MCF Used in 29 Days			**1.2**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Please Pay **Budget Amount Due of $78.00 by OCT 25, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Starting with the next bill, your budget amount will be increased to $87.00.
Please call us at 1-800-764-0111 if you have questions.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	OCT 25, 2024	Account No.
$78.00		
Budget Amount Due		Amount Enclosed

16266

864001430485

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

10002000069165930000000002635000000078006

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$65.53 CR
Payment on SEP 09, 2024 - Thank You	66.00 CR
Payment on SEP 23, 2024 - Thank You	60.00 CR
Balance	**$191.53 CR**

Current Charges

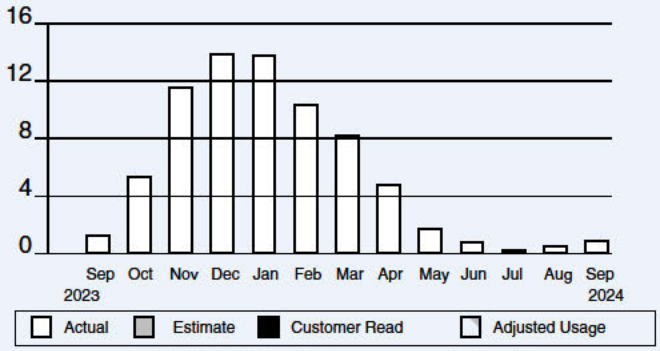
Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	2.32 CR
State Tax Surcharge @ 0.23%	.01
Weather Normalization Adjustment	13.69
Penna Sales Tax	2.08
Total Current Charges	**$36.62**
Total Account Balance	**$154.91 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 5.5 MCF
Total annual use: 71.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	678.0	0.9
SEP 03, 2024		677.1	
MCF Used in 30 Days			**0.9**

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Please Pay **Budget Amount Due of $72.00 by OCT 25, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Did you forget to pay last month's bill? As of Oct 3, 2024 , your account is past due. Please pay the full amount due by Oct 25, 2024 . If you have already paid it, thank you. If you need assistance, you can make payment arrangements by calling us at 1-800-764-0111.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE OCT 25, 2024 **Account No.**

$72.00	
Budget Amount Due	Amount Enclosed

2667

888001420352

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PO BOX 644760
PITTSBURGH, PA 15264-4760

10002000069199280000000003662000000072008

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$292.06 CR
Payment on SEP 24, 2024 - Thank You	77.00 CR
Balance	**$369.06 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4467 per MCF	3.67
Delivery Charge	
1.5 MCF @ $4.9000	7.35
Capacity Charge $1.8467 per MCF	2.77
Tax Repairs Surcredit	1.79 CR
Weather Normalization Adjustment	3.77
Total Current Charges	**$30.75**
Total Account Balance	**$338.31 CR**

Peoples current charges include $0.33 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

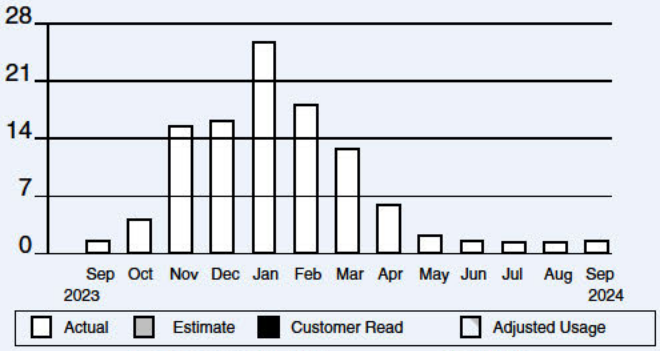
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 8.1 MCF
Total annual use: 105.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	823.1	1.5
SEP 04, 2024		821.6	
MCF Used in 29 Days			**1.5**

Please Pay **Budget Amount Due of $77.00 by OCT 25, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	OCT 25, 2024	Account No.	200008180388

$77.00	
Budget Amount Due	Amount

6541

820004199891

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

10002000081803880000000003075000000077705

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$19.93
Payment on SEP 18, 2024 - Thank You	19.93 CR
Balance	**$0.00**

Current Charges

GS-T Small General Service (SGS)(E) (NP)

Customer Charge - 1 Month	$20.41
Delivery Charge	
0.2 MCF @ $3.3500	0.67
Balancing Service $1.1000 per MCF	.22
Tax Repairs Surcredit	1.72 CR
Weather Normalization Adjustment	3.12
Total Current Charges	**$22.70**
Total Account Balance	**$22.70**

Peoples current charges include $0.28 CR in state taxes.

Snyder Brothers Inc Charges
You will receive a separate gas supply bill from Snyder

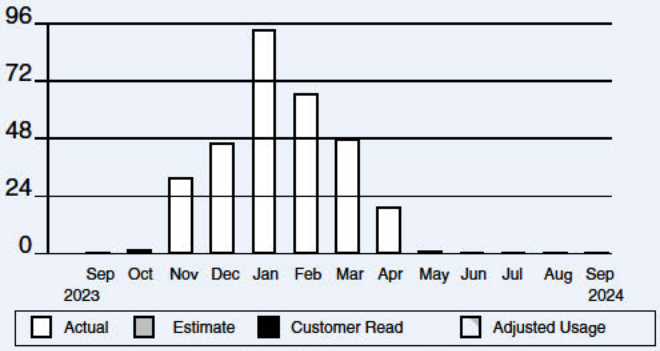
Continued on next page.

Your Commodity Charge PRICE TO COMPARE is $3.05 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 23.5 MCF
Total annual use: 305.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	9664.2	0.2
SEP 04, 2024		9664.0	
MCF Used in 29 Days			**0.2**

Commodity prices and charges are set by the natural gas supplier you have chosen. The Public Utility Commission regulates delivery prices and services.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule: GS-T Small General Service (SGS)(E) (NP)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $22.70 by OCT 25, 2024 to avoid a Late Payment Charge of $0.34 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	OCT 25, 2024	Account No.	
$22.70			
Account Balance		Amount Enclosed	

3041

852001441308

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

1000200008171767000000000227000000000E7403

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Brothers Inc.
For questions about gas supply costs

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$211.06 CR
Payment on SEP 16, 2024 - Thank You	71.00 CR
Balance	**$282.06 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4600 per MCF	2.46
Delivery Charge	
1.0 MCF @ $4.8000	4.80
Capacity Charge $1.8300 per MCF	1.83
Tax Repairs Surcredit	1.63 CR
Weather Normalization Adjustment	3.57
Total Current Charges	**$25.99**
Total Account Balance	**$256.07 CR**

Peoples current charges include $0.28 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

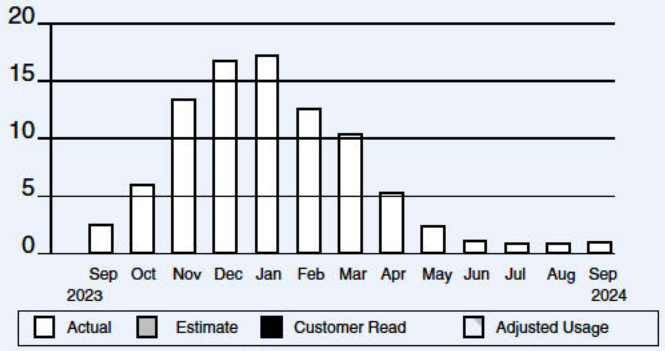
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 6.7 MCF
Total annual use: 87.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	345.1	1.0
SEP 03, 2024		344.1	
MCF Used in 30 Days			**1.0**

Please Pay **Budget Amount Due of $71.00 by OCT 25, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE	OCT 25, 2024	Account No.
$71.00		
Budget Amount Due		Amount Enclosed

4580

820004199972

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PITTSBURGH, PA 15264-4760

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$22.08
Payment on SEP 18, 2024 - Thank You	22.08 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	1.80 CR
Weather Normalization Adjustment	6.53
Total Current Charges	**$27.89**
Total Account Balance	**$27.89**

Peoples current charges include $0.30 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

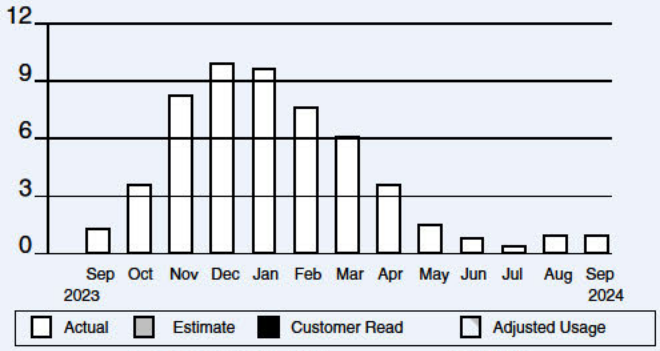
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 4.1 MCF
Total annual use: 53.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	233.7	0.9
SEP 03, 2024		232.8	
MCF Used in 30 Days			**0.9**

Please Pay **Account Balance of $27.89 by OCT 25, 2024 to avoid a Late Payment Charge of $0.42 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE OCT 25, 2024 **Account No.**

$27.89	
Account Balance	Amount Enclosed

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

1507

820004199978

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$15.93
Payment on SEP 23, 2024 - Thank You	15.93 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.3500 per MCF	.47
Delivery Charge	
0.2 MCF @ $5.3000	1.06
Capacity Charge $1.8500 per MCF	.37
Tax Repairs Surcredit	1.35 CR
Weather Normalization Adjustment	3.05
Total Current Charges	**$18.56**
Total Account Balance	**$18.56**

Peoples current charges include $0.20 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

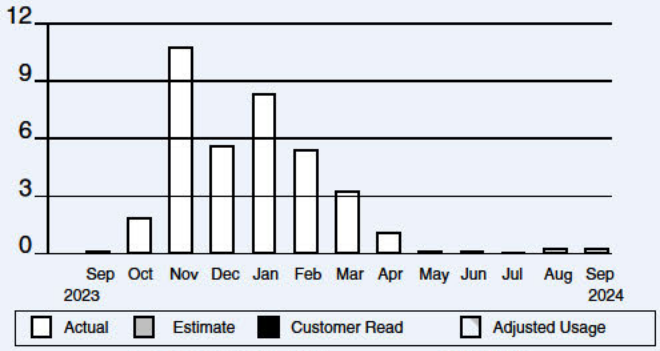
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 2.8 MCF
Total annual use: 36.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	204.4	0.2
SEP 03, 2024		204.2	
MCF Used in 30 Days			**0.2**

Please Pay **Account Balance of $18.56 by OCT 25, 2024 to avoid a Late Payment Charge of $0.28 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
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You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
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DUE DATE OCT 25, 2024 **Account No.**

$18.56	
Account Balance	Amount Enclosed

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

1510

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$221.09
Payment on SEP 16, 2024 - Thank You	221.09 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4542 per MCF	5.89
Delivery Charge	
2.4 MCF @ $4.8208	11.57
Capacity Charge $1.8417 per MCF	4.42
Tax Repairs Surcredit	2.23 CR
State Tax Surcharge @ 0.09%	.01
Weather Normalization Adjustment	6.29
Penna Sales Tax	2.46
Total Current Charges	**$43.37**
Total Account Balance	**$43.37**

Peoples current charges include $0.44 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

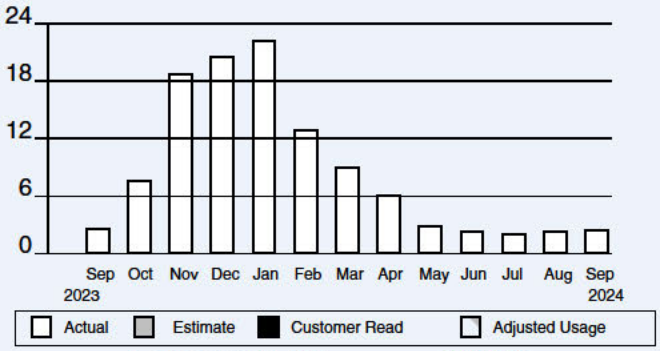
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 8.3 MCF
Total annual use: 108.2 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	185.9	2.4
SEP 03, 2024		183.5	
MCF Used in 30 Days			**2.4**

Please Pay **Account Balance of $43.37 by OCT 25, 2024 to avoid a Late Payment Charge of $0.65 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
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DUE DATE	OCT 25, 2024	Account No.	
$43.37			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

12742

852001441359

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$16.83
Payment on SEP 17, 2024 - Thank You	16.83 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4250 per MCF	.97
Delivery Charge	
0.4 MCF @ $4.9000	1.96
Capacity Charge $1.8500 per MCF	.74
Tax Repairs Surcredit	1.39 CR
Weather Normalization Adjustment	2.71
Total Current Charges	**$19.97**
Total Account Balance	**$19.97**

Peoples current charges include $0.21 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

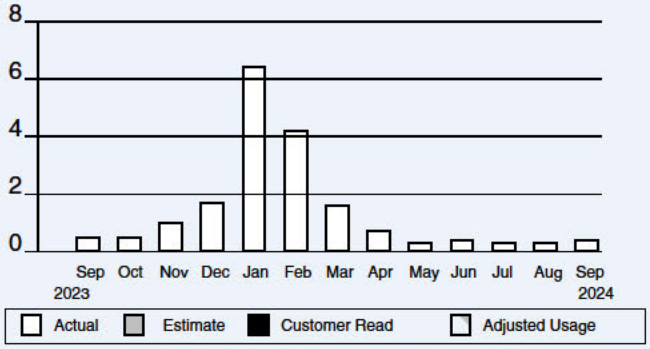
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 1.4 MCF
Total annual use: 17.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	407.0	0.4
SEP 04, 2024		406.6	
MCF Used in 29 Days			**0.4**

Please Pay **Account Balance of $19.97 by OCT 25, 2024 to avoid a Late Payment Charge of $0.30 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
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Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE OCT 25, 2024 **Account No.**

$19.97
Account Balance

Amount Enclosed

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

7700

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 2, 2025	10/30 - 10/31/2025	04

For General Information call **1-800-764-0111.** For an Emergency call **1-800-400-4271.**

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$71.78
Payment on SEP 11, 2025 - Thank You	71.78 CR
Balance	**$0.00**

Current Charges

Small General Service (SGS)(E) (NP)	
Customer Charge - 1 Month	$22.01
Commodity Charge $3.7981 per MCF	20.13
Delivery Charge	
5.3 MCF @ $3.9844	21.12
Capacity Charge $1.0906 per MCF	5.78
Tax Repairs Surcredit	.29 CR
DSIC Surcharge	.38
State Tax Surcharge @ 0.05%	.01
Weather Normalization Adjustment	2.79
Penna Sales Tax	4.32
Allegheny County Sales Tax	.72
Total Current Charges	**$76.97**
Total Account Balance	**$76.97**

Peoples current charges include $0.49 CR in state taxes.

Your PRICE TO COMPARE is $4.56 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

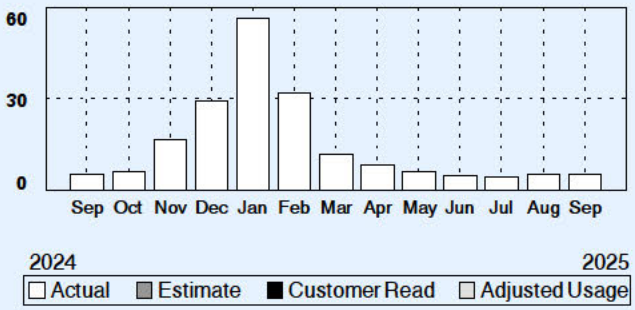
Account Number: Rate Schedule: Small General Service (SGS)(E) (NP)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature	2024	2025
For This Billing Period	69ºF	67ºF

Gas Use In MCF



Average monthly use:	14.3 MCF
Total annual use:	186.2 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
OCT 02, 2025	Actual	198.5	
SEP 02, 2025	Actual	193.2	5.3
MCF Used in 30 Days			5.3

Please Pay **Account Balance of $76.97 by OCT 24, 2025 to Avoid a Late Payment Charge of $1.15 (1.5% per month)**

Effective October 1, 2025, the Distribution System Improvement Charge (DSIC) increased from 0.42 % to 0.83 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491. Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	Account No.
OCT 24, 2025	
Account Balance	Amount Enclosed
$76.97	

SCAN TO PAY

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 2, 2025	10/30 - 10/31/2025	04

For General Information call **1-800-764-0111.** For an Emergency call **1-800-400-4271.**

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$25.76
Payment on SEP 22, 2025 - Thank You	25.76 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$16.81
Commodity Charge $3.0667 per MCF	2.76
Delivery Charge	
0.9 MCF @ $6.2333	5.61
Capacity Charge $2.0111 per MCF	1.81
Tax Repairs Surcredit	.14 CR
DSIC Surcharge	.20
Weather Normalization Adjustment	1.12
Total Current Charges	**$28.17**
Total Account Balance	**$28.17**

Peoples current charges include $0.18 in state taxes.

Your PRICE TO COMPARE is $3.59 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number:

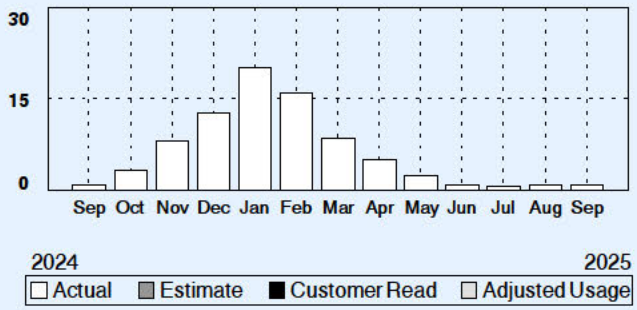
Rate Schedule: Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature	2024	2025
For This Billing Period	69ºF	67ºF

Gas Use In MCF



Average monthly use:	6.1 MCF
Total annual use:	79.5 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
OCT 02, 2025	Actual	25.7	
SEP 02, 2025	Actual	24.8	0.9
MCF Used in 30 Days			**0.9**

Please Pay **Account Balance of $28.17 by OCT 24, 2025 to Avoid a Late Payment Charge of $0.42 (1.5% per month)**

Effective October 1, 2025, the Distribution System Improvement Charge (DSIC) increased from 0.42 % to 0.83 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
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You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491. Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	Account No.
OCT 24, 2025	
Account Balance	Amount Enclosed
$28.17	

SCAN TO PAY

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

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PEOPLES | An Essential Utilities Company

For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$14.78 CR
Balance	**$14.78 CR**

Current Charges

Residential (RS)(P)

Customer Charge - 1 Month	$14.90
Commodity Charge $2.4633 per MCF	7.39
Delivery Charge	
3.0 MCF @ $4.8067	14.42
Capacity Charge $1.8333 per MCF	5.50
Tax Repairs Surcredit	2.15 CR
State Tax Surcharge @ 0.07%	.01
Weather Normalization Adjustment	2.72
Total Current Charges	**$42.79**
Total Account Balance	**$28.01**

Peoples current charges include $0.46 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

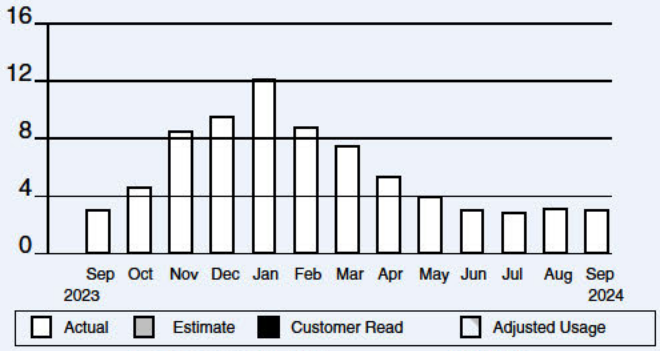
Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 5.9 MCF
Total annual use: 71.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 02, 2024	Actual	959.5	3.0
SEP 03, 2024		956.5	
MCF Used in 29 Days			**3.0**

Please Pay **Account Balance of $28.01 by OCT 25, 2024 to avoid a Late Payment Charge of $0.42 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
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Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE OCT 25, 2024 **Account No.**

$28.01
Account Balance

Amount Enclosed

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

1866 856001425962 E

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

1000200010181564000000000427400000002891?

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For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 3, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$123.37 CR
Balance	**$123.37 CR**

Current Charges

Residential (RS)(E)

Customer Charge - 1 Month	$14.98
Commodity Charge $2.4526 per MCF	4.66
Delivery Charge	
1.9 MCF @ $4.8211	9.16
Capacity Charge $1.8421 per MCF	3.50
Tax Repairs Surcredit	2.22 CR
Weather Normalization Adjustment	8.19
Penna Sales Tax	2.30
Allegheny County Sales Tax	.38
Total Current Charges	**$40.95**
Total Account Balance	**$82.42 CR**

Peoples current charges include $0.41 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

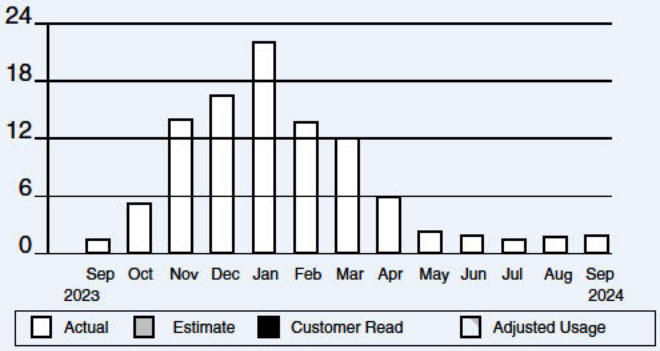
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	70°F

Gas Use in MCF



Average monthly use: 8.1 MCF
Total annual use: 98.3 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	100.6	1.9
SEP 04, 2024		98.7	
MCF Used in 29 Days			**1.9**

Please Pay **Budget Amount Due of $231.00 by OCT 25, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Did you forget to pay last month's bill? As of Oct 3, 2024 , your account is past due. Please pay the full amount due by Oct 25, 2024 . If you have already paid it, thank you. If you need assistance, you can make payment arrangements by calling us at 1-800-764-0111.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	OCT 25, 2024	Account No.
$231.00		
Budget Amount Due		Amount Enclosed

3852

856001425980 E

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10002000102659790000000004015000000231000

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$36.99
Payment on SEP 17, 2024 - Thank You	36.99 CR
Payment on OCT 16, 2024 - Thank You	40.67 CR
Invoice OCT 03, 2024	40.67
Invoice Reversal OCT 22, 2024	40.67 CR
Balance	**$40.67 CR**

Current Charges

Residential (RS)(E)

Customer Charge - 1 Month	$14.98
Commodity Charge $2.4571 per MCF	6.88
Delivery Charge	
2.8 MCF @ $4.8250	13.51
Capacity Charge $1.8357 per MCF	5.14
Tax Repairs Surcredit	2.01 CR
State Tax Surcharge @ 0.07%	.01
Weather Normalization Adjustment	1.35
Total Current Charges	**$39.86**
Total Account Balance	**$0.81 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

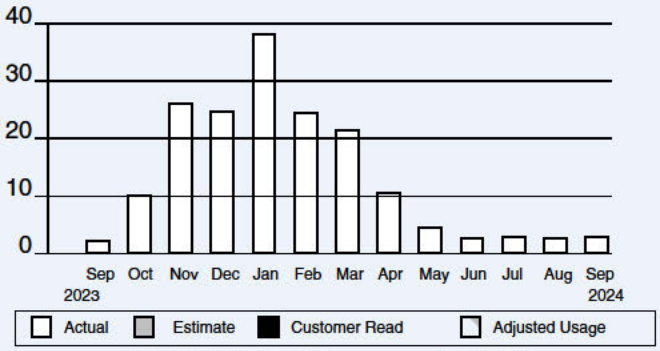
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 13.1 MCF
Total annual use: 170.0 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	9.4	2.8
SEP 04, 2024		6.6	
MCF Used in 29 Days			**2.8**

This is a Corrected Bill.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

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Account Number

NO PAYMENT DUE

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

3546

858001439043

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10002000069263860000000003986000000000810

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$18.56
Payment on SEP 18, 2024 - Thank You	18.56 CR
Payment on OCT 17, 2024 - Thank You	34.04 CR
Invoice OCT 03, 2024	34.04
Invoice Reversal OCT 22, 2024	34.04 CR
Balance	**$34.04 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	1.91 CR
Weather Normalization Adjustment	8.02
Total Current Charges	**$29.29**
Total Account Balance	**$4.75 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

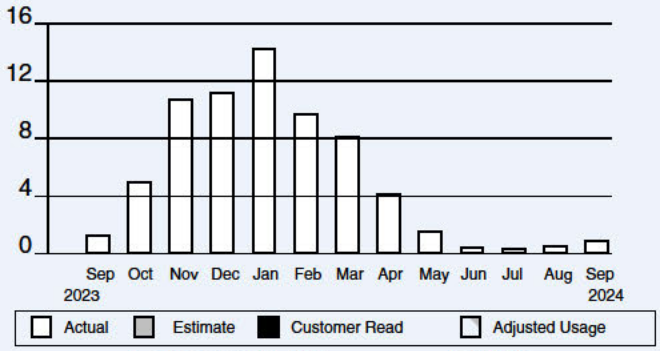
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 5.1 MCF
Total annual use: 66.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	391.6	0.9
SEP 04, 2024		390.7	
MCF Used in 29 Days			**0.9**

This is a Corrected Bill.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

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Account Number

NO PAYMENT DUE

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

14965

858001439086

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10002000069199850000000002924000000004754

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$286.68 CR
Payment on OCT 01, 2024 - Thank You	78.00 CR
Invoice OCT 03, 2024	26.35
Invoice Reversal OCT 22, 2024	26.35 CR
Balance	**$364.68 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4500 per MCF	2.94
Delivery Charge	
1.2 MCF @ $4.8750	5.85
Capacity Charge $1.8167 per MCF	2.18
Tax Repairs Surcredit	1.52 CR
Weather Normalization Adjustment	1.22
Total Current Charges	**$25.65**
Total Account Balance	**$339.03 CR**

Peoples current charges include $0.27 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

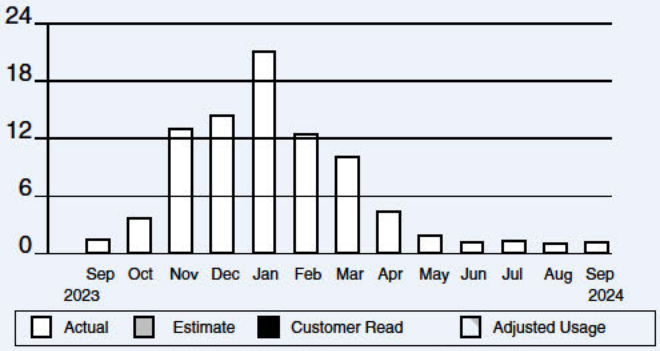
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 6.6 MCF
Total annual use: 85.4 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	23.4	1.2
SEP 04, 2024		22.2	
MCF Used in 29 Days			**1.2**

This is a Corrected Bill.

Please Pay **Budget Amount Due of $78.00 by NOV 13, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Starting with the next bill, your budget amount will be increased to $87.00.
Please call us at 1-800-764-0111 if you have questions.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	NOV 13, 2024	Account No.
$78.00		
Budget Amount Due		Amount Enclosed

8060

858001439094

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1000200006916593000000000256500000000078000

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$65.53 CR
Payment on SEP 09, 2024 - Thank You	66.00 CR
Payment on SEP 23, 2024 - Thank You	60.00 CR
Invoice OCT 03, 2024	36.62
Invoice Reversal OCT 22, 2024	36.62 CR
Balance	**$191.53 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	1.94 CR
Weather Normalization Adjustment	8.35
Penna Sales Tax	1.78
Total Current Charges	**$31.35**
Total Account Balance	**$160.18 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

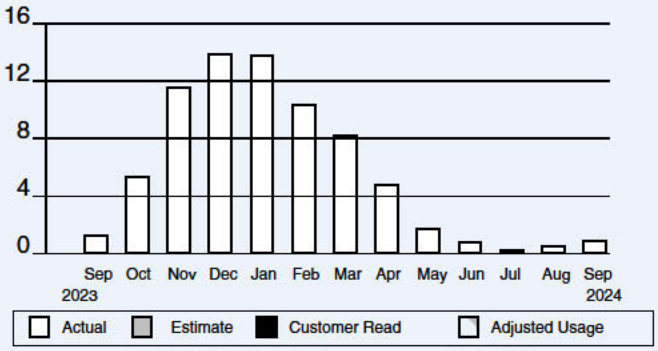
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 5.5 MCF
Total annual use: 71.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	678.0	0.9
SEP 03, 2024		677.1	
MCF Used in 30 Days			**0.9**

This is a Corrected Bill.

Please Pay **Budget Amount Due of $72.00 by NOV 13, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Did you forget to pay last month's bill? As of Oct 22, 2024 , your account is past due. Please pay the full amount due by Nov 13, 2024 . If you have already paid it, thank you. If you need assistance, you can make payment arrangements by calling us at 1-800-764-0111.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	NOV 13, 2024	Account No.
$72.00		
Budget Amount Due		Amount Enclosed

1341

858001439109

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10002000069199280000000003135000000072907

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$292.06 CR
Payment on SEP 24, 2024 - Thank You	77.00 CR
Invoice OCT 03, 2024	30.75
Invoice Reversal OCT 22, 2024	30.75 CR
Balance	**$369.06 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4467 per MCF	3.67
Delivery Charge	
1.5 MCF @ $4.9000	7.35
Capacity Charge $1.8467 per MCF	2.77
Tax Repairs Surcredit	1.69 CR
Weather Normalization Adjustment	2.30
Total Current Charges	**$29.38**
Total Account Balance	**$339.68 CR**

Peoples current charges include $0.31 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

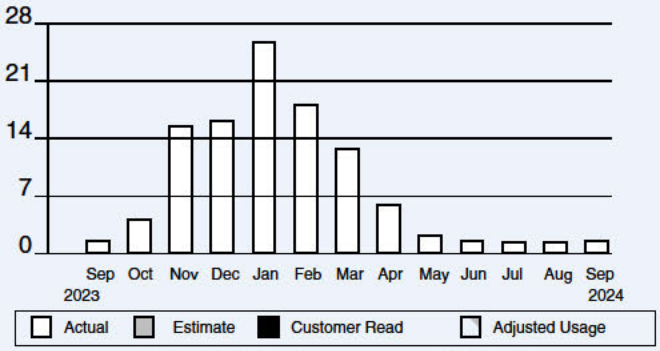
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 8.1 MCF
Total annual use: 105.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	823.1	1.5
SEP 04, 2024		821.6	
MCF Used in 29 Days			**1.5**

This is a Corrected Bill.

Please Pay **Budget Amount Due of $77.00 by NOV 13, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	NOV 13, 2024	Account No.	
$77.00			
Budget Amount Due		Amount Enclosed	

2504

802001612548

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PITTSBURGH, PA 15264-4760

10002000081803880000000029380000000077002

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$19.93
Payment on SEP 18, 2024 - Thank You	19.93 CR
Payment on OCT 16, 2024 - Thank You	22.70 CR
Invoice OCT 03, 2024	22.70
Invoice Reversal OCT 22, 2024	22.70 CR
Balance	**$22.70 CR**

Current Charges

GS-T Small General Service (SGS)(E) (NP)	
Customer Charge - 1 Month	$20.41
Delivery Charge	
0.2 MCF @ $3.3500	0.67
Balancing Service $1.1000 per MCF	.22
Tax Repairs Surcredit	1.63 CR
Weather Normalization Adjustment	1.90
Total Current Charges	**$21.57**
Total Account Balance	**$1.13 CR**

Peoples current charges include $0.26 CR in state taxes.

Continued on next page.

Your Commodity Charge PRICE TO COMPARE is $3.05 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

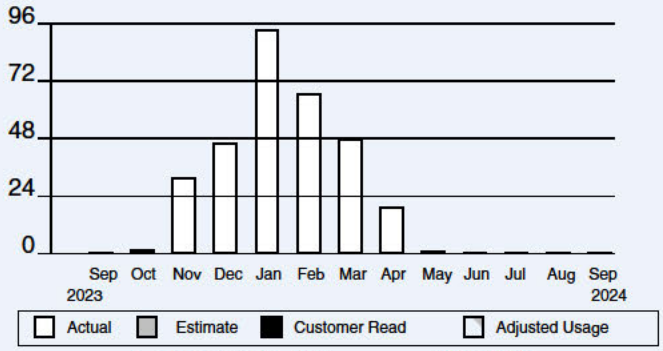
Account Number: Rate Schedule: GS-T Small General Service (SGS)(E) (NP)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 23.5 MCF
Total annual use: 305.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	9664.2	0.2
SEP 04, 2024		9664.0	
MCF Used in 29 Days			**0.2**

This is a Corrected Bill.
Commodity prices and charges are set by the natural gas supplier you have chosen. The Public Utility Commission regulates delivery prices and services.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

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Account Number

NO PAYMENT DUE

3657

802001612643

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10002000081717670000000002157000000001935

Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

You will receive a separate gas supply bill from
For questions about gas supply costs,

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$211.06 CR
Payment on SEP 16, 2024 - Thank You	71.00 CR
Payment on OCT 21, 2024 - Thank You	71.00 CR
Invoice OCT 03, 2024	25.99
Invoice Reversal OCT 22, 2024	25.99 CR
Balance	**$353.06 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4600 per MCF	2.46
Delivery Charge	
1.0 MCF @ $4.8000	4.80
Capacity Charge $1.8300 per MCF	1.83
Tax Repairs Surcredit	1.52 CR
Weather Normalization Adjustment	2.17
Total Current Charges	**$24.70**
Total Account Balance	**$328.36 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

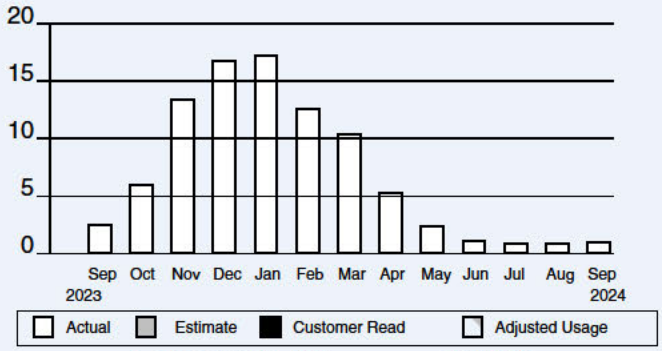
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 6.7 MCF
Total annual use: 87.6 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	345.1	1.0
SEP 03, 2024		344.1	
MCF Used in 30 Days			**1.0**

This is a Corrected Bill.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

Please detach and return this coupon with a check made payable to Peoples.

TO MAKE ACCOUNT CHANGES ON BACK OF COUPON, CHECK BOX HERE. ☐

Account Number

NO PAYMENT DUE

12550 802001612650

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PITTSBURGH, PA 15264-4760

1000200008176626000000000247000000000000007

PEOPLES | An Essential Utilities Company

For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$22.08
Payment on SEP 18, 2024 - Thank You	22.08 CR
Payment on OCT 18, 2024 - Thank You	27.89 CR
Invoice OCT 03, 2024	27.89
Invoice Reversal OCT 22, 2024	27.89 CR
Balance	**$27.89 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4556 per MCF	2.21
Delivery Charge	
0.9 MCF @ $4.8333	4.35
Capacity Charge $1.8222 per MCF	1.64
Tax Repairs Surcredit	1.63 CR
Weather Normalization Adjustment	4.00
Total Current Charges	**$25.53**
Total Account Balance	**$2.36 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

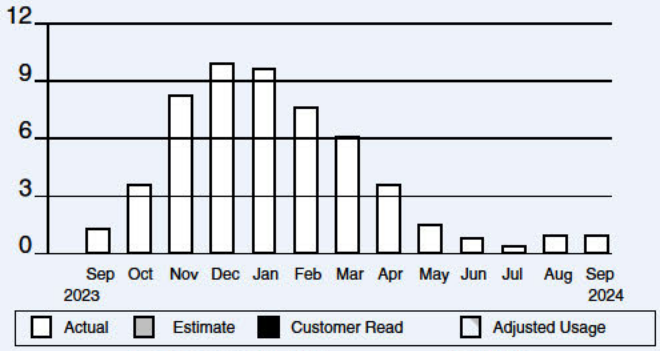
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 4.1 MCF
Total annual use: 53.1 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	233.7	0.9
SEP 03, 2024		232.8	
MCF Used in 30 Days			**0.9**

This is a Corrected Bill.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

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Account Number

NO PAYMENT DUE

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

9573

802001612656

PEOPLES
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PITTSBURGH, PA 15264-4760

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$15.93
Payment on SEP 23, 2024 - Thank You	15.93 CR
Invoice OCT 03, 2024	18.56
Invoice Reversal OCT 22, 2024	18.56 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.3500 per MCF	.47
Delivery Charge	
0.2 MCF @ $5.3000	1.06
Capacity Charge $1.8500 per MCF	.37
Tax Repairs Surcredit	1.27 CR
Weather Normalization Adjustment	1.89
Total Current Charges	**$17.48**
Total Account Balance	**$17.48**

Peoples current charges include $0.19 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

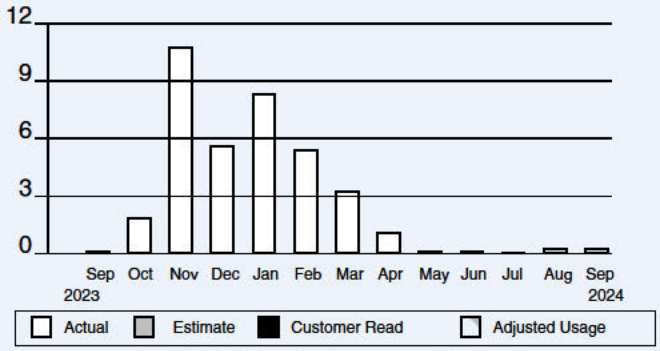
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 2.8 MCF
Total annual use: 36.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	204.4	0.2
SEP 03, 2024		204.2	
MCF Used in 30 Days			**0.2**

This is a Corrected Bill.

Please Pay **Account Balance of $17.48 by NOV 13, 2024 to avoid a Late Payment Charge of $0.26 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	NOV 13, 2024	Account No.	
$17.48			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

9574

802001612657

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

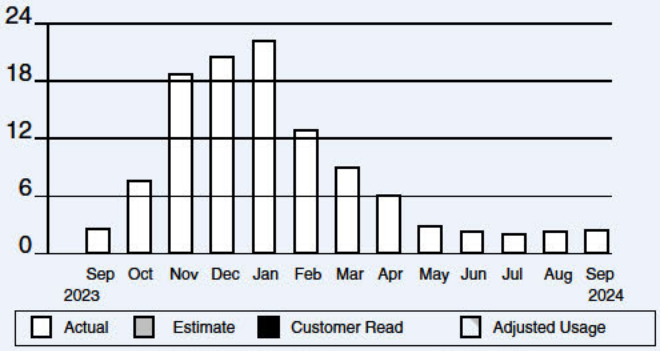
Credits And Charges Since Your Last Bill	
Balance from last bill	$221.09
Payment on SEP 16, 2024 - Thank You	221.09 CR
Invoice OCT 03, 2024	43.37
Invoice Reversal OCT 22, 2024	43.37 CR
Balance	**$0.00**
Current Charges	
Residential (RS)(E)	
Customer Charge - 1 Month	$14.96
Commodity Charge $2.4542 per MCF	5.89
Delivery Charge	
2.4 MCF @ $4.8208	11.57
Capacity Charge $1.8417 per MCF	4.42
Tax Repairs Surcredit	2.07 CR
State Tax Surcharge @ 0.09%	.01
Weather Normalization Adjustment	3.85
Penna Sales Tax	2.32
Total Current Charges	**$40.95**
Total Account Balance	**$40.95**

Your PRICE TO COMPARE is $2.28 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 8.3 MCF
Total annual use: 108.2 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	185.9	2.4
SEP 03, 2024		183.5	
MCF Used in 30 Days			**2.4**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $40.95 by NOV 13, 2024 to avoid a Late Payment Charge of $0.61 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	NOV 13, 2024	Account No.	
$40.95			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

446

802001612689

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Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$16.83
Payment on SEP 17, 2024 - Thank You	16.83 CR
Payment on OCT 15, 2024 - Thank You	19.97 CR
Invoice OCT 03, 2024	19.97
Invoice Reversal OCT 22, 2024	19.97 CR
Balance	**$19.97 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4250 per MCF	.97
Delivery Charge	
0.4 MCF @ $4.9000	1.96
Capacity Charge $1.8500 per MCF	.74
Tax Repairs Surcredit	1.31 CR
Weather Normalization Adjustment	1.67
Total Current Charges	**$19.01**
Total Account Balance	**$0.96 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

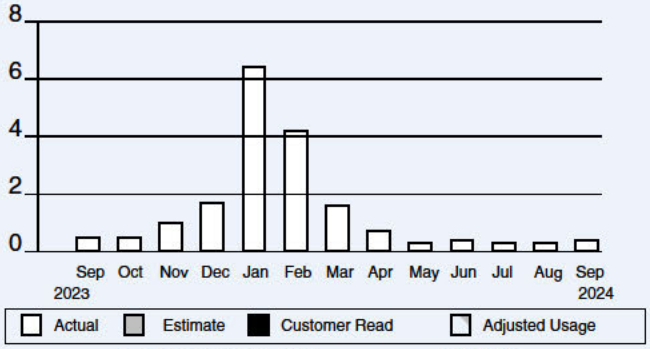
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 1.4 MCF
Total annual use: 17.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	407.0	0.4
SEP 04, 2024		406.6	
MCF Used in 29 Days			**0.4**

This is a Corrected Bill.

No Payment Due

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

SCAN TO PAY

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Account Number

NO PAYMENT DUE

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

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PITTSBURGH, PA 15264-4760

1000200008178176000000000190100000000460

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For 24/7 account access: peoplesgasdirect.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 30, 2025	12/02 - 12/03/2025	04

For General Information call **1-800-764-0111.** For an Emergency call **1-800-400-4271.**

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$76.97
Payment on OCT 16, 2025 - Thank You	76.97 CR
Balance	**$0.00**

Current Charges

Small General Service (SGS)(E) (NP)	
Customer Charge - 1 Month	$22.00
Commodity Charge $4.5527 per MCF	25.04
Delivery Charge	
5.5 MCF @ $3.9844	21.91
Capacity Charge $0.8364 per MCF	4.60
Tax Repairs Surcredit	.27 CR
DSIC Surcharge 0.83%	.37
State Tax Surcharge @ 0.07%	.02
Penna Sales Tax	4.42
Allegheny County Sales Tax	.74
Total Current Charges	**$78.83**
Total Account Balance	**$78.83**

Peoples current charges include $0.49 CR in state taxes.

Your PRICE TO COMPARE is $4.56 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

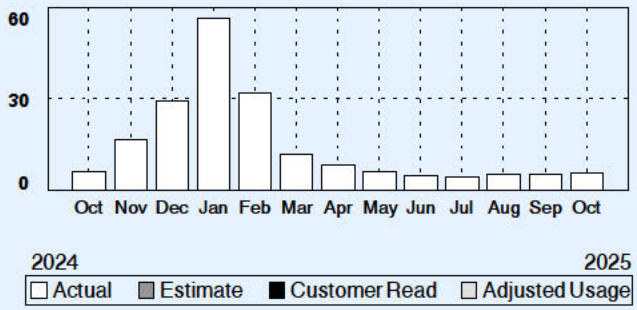
Account Number: Rate Schedule: Small General Service (SGS)(E) (NP)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature	2024	2025
For This Billing Period	56ºF	54ºF

Gas Use In MCF



Average monthly use:	14.3 MCF
Total annual use:	185.7 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
OCT 30, 2025	Actual	204.0	
OCT 02, 2025	Actual	198.5	5.5
MCF Used in 28 Days			5.5

Please Pay **Account Balance of $78.83 by NOV 21, 2025 to Avoid a Late Payment Charge of $1.18 (1.5% per month)**

Effective October 1, 2025, the Distribution System Improvement Charge (DSIC) increased from 0.42 % to 0.83 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.

Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491. Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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PEOPLES An Essential Utilities Company
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PITTSBURGH, PA 15253-5323

826001663912

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DUE DATE	Account No.
NOV 21, 2025	
Account Balance	Amount Enclosed
$78.83	

SCAN TO PAY

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PO BOX 644760
PITTSBURGH, PA 15264-4760

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PEOPLES An Essential Utilities Company

Account Number	Date Prepared	Next Meter Reading	B
	Oct 30, 2025	12/02 - 12/03/2025	04

For General Information call **1-800-764-0111.** For an Emergency call **1-800-400-4271.**

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$28.17
Payment on OCT 20, 2025 - Thank You	28.17 CR
Balance	**$0.00**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$16.80
Commodity Charge $3.5923 per MCF	9.34
Delivery Charge	
2.6 MCF @ $6.3962	16.63
Capacity Charge $1.8962 per MCF	4.93
Tax Repairs Surcredit	.19 CR
DSIC Surcharge	.28
State Tax Surcharge @ 0.06%	.01
Weather Normalization Adjustment	.05
Total Current Charges	**$47.85**
Total Account Balance	**$47.85**

Peoples current charges include $0.31 in state taxes.

Your PRICE TO COMPARE is $3.59 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number:

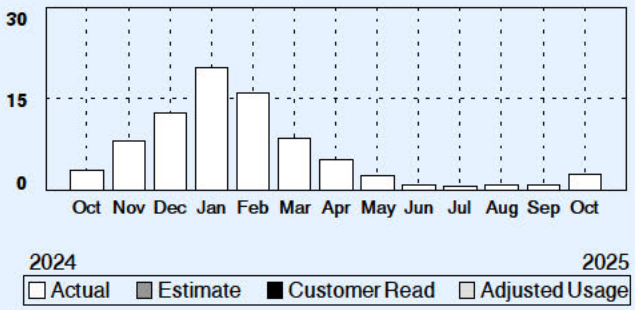
Rate Schedule: Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature	2024	2025
For This Billing Period	56ºF	54ºF

Gas Use In MCF



Average monthly use: 6.1 MCF

Total annual use: 78.8 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number			
OCT 30, 2025	Actual	28.3	
OCT 02, 2025	Actual	25.7	2.6
MCF Used in 28 Days			**2.6**

Please Pay **Account Balance of $47.85 by NOV 21, 2025 to Avoid a Late Payment Charge of $0.72 (1.5% per month)**

Effective October 1, 2025, the Distribution System Improvement Charge (DSIC) increased from 0.42 % to 0.83 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.

Your bill has been adjusted due to variations from expected temperatures.

Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.

You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491. Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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PEOPLES An Essential Utilities Company

PO BOX 535323
PITTSBURGH, PA 15253-5323

826001663914

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DUE DATE	Account No.
NOV 21, 2025	
Account Balance	Amount Enclosed
$47.85	

SCAN TO PAY

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PO BOX 644760
PITTSBURGH, PA 15264-4760

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PEOPLES | An Essential Utilities Company

For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 21, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$14.78 CR
Invoice OCT 03, 2024	42.79
Invoice Reversal OCT 21, 2024	42.79 CR
Balance	**$14.78 CR**

Current Charges

Residential (RS)(P)	
Customer Charge - 1 Month	$14.90
Commodity Charge $2.4633 per MCF	7.39
Delivery Charge	
3.0 MCF @ $4.8067	14.42
Capacity Charge $1.8333 per MCF	5.50
Tax Repairs Surcredit	2.10 CR
State Tax Surcharge @ 0.07%	.01
Weather Normalization Adjustment	2.02
Total Current Charges	**$42.14**
Total Account Balance	**$27.36**

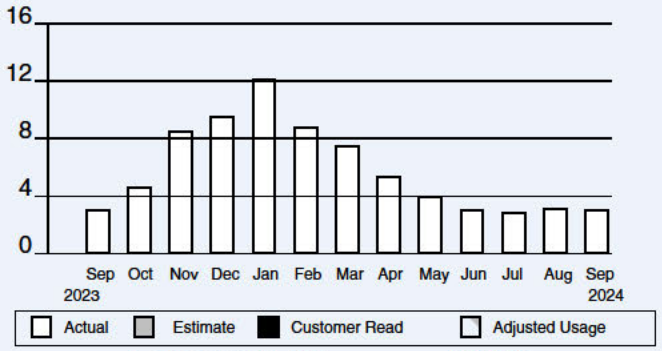
Peoples current charges include $0.45 in state taxes.

Your PRICE TO COMPARE is $2.28 per MCF.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 5.9 MCF
Total annual use: 71.9 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 02, 2024	Actual	959.5	3.0
SEP 03, 2024		956.5	
MCF Used in 29 Days			**3.0**

This is a Corrected Bill.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

Account Number: Rate Schedule:
Residential (RS)(P)

If you are already shopping, know your contract expiration date.

Please Pay **Account Balance of $27.36 by NOV 12, 2024 to avoid a Late Payment Charge of $0.41 (1.5% per month)**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %.
This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

SCAN TO PAY

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DUE DATE	NOV 12, 2024	Account No.	
$27.36			
Account Balance		Amount Enclosed	

Take advantage of our Budget Payment Plan. Enjoy the convenience of paying a planned amount each month - a feature which is especially helpful during the winter.We periodically review budget accounts to adjust for any over or under payments.

5072

888001429845 E

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

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PEOPLES | An Essential Utilities Company

For 24/7 account access: peopleseaccount.com

Account Number	Date Prepared	Next Meter Reading	B
	Oct 22, 2024	10/31 - 11/01/2024	04

For General Information call **1-800-764-0111**. For an Emergency call **1-800-400-4271**.

Summary of Basic Charges

Credits And Charges Since Your Last Bill

Balance from last bill	$123.37 CR
Invoice OCT 03, 2024	40.95
Invoice Reversal OCT 22, 2024	40.95 CR
Balance	**$123.37 CR**

Current Charges

Residential (RS)(E)	
Customer Charge - 1 Month	$14.98
Commodity Charge $2.4526 per MCF	4.66
Delivery Charge	
1.9 MCF @ $4.8211	9.16
Capacity Charge $1.8421 per MCF	3.50
Tax Repairs Surcredit	2.00 CR
Weather Normalization Adjustment	4.99
Penna Sales Tax	2.12
Allegheny County Sales Tax	.35
Total Current Charges	**$37.76**
Total Account Balance	**$85.61 CR**

Your PRICE TO COMPARE is $2.28 per MCF.

Shopping Information Box

When shopping for gas with a Natural Gas Supplier please provide the following:

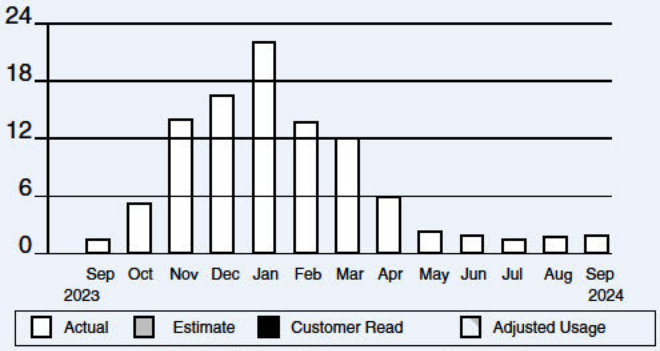
Account Number: Rate Schedule:
Residential (RS)(E)

If you are already shopping, know your contract expiration date.

Monthly Usage Comparison

Average Daily Temperature For This Billing Period	2023	2024
	67°F	69°F

Gas Use in MCF



Average monthly use: 8.1 MCF
Total annual use: 98.3 MCF

Billing Period And Meter Readings

Date	Read Type	Reading	Difference
Meter Number	Actual		
OCT 03, 2024	Actual	100.6	1.9
SEP 04, 2024		98.7	
MCF Used in 29 Days			**1.9**

This is a Corrected Bill.

Please Pay **Budget Amount Due of $231.00 by NOV 13, 2024**

Effective September 28, 2024, the Distribution System Improvement Charge (DSIC) decreased from 5.00 % to 0.00 %. This charge funds the repair, improvement and replacement of natural gas pipelines and related infrastructure.
Your bill has been adjusted due to variations from expected temperatures.
Did you forget to pay last month's bill? As of Oct 22, 2024 , your account is past due. Please pay the full amount due by Nov 13, 2024 . If you have already paid it, thank you. If you need assistance, you can make payment arrangements by calling us at 1-800-764-0111.
Help people without heat or light by donating to the Dollar Energy Fund. Please add $1 to your monthly gas payment.
You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.

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DUE DATE	NOV 13, 2024	Account No.
$231.00		
Budget Amount Due		Amount Enclosed

8292

826001477808 E

PEOPLES
PO BOX 644760
PITTSBURGH, PA 15264-4760

10002000102659790000000003776000000231000

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-003

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer to Peoples' confidential response to OCA-XIII-025. For the back-billing instance identified as Instance 3, provide all written or electronic communications sent to affected customers regarding the back-bill, including but not limited to:

a. the initial notice or bill explaining the back-charge or credit;

b. any letter, email, or bill message explaining the cause of the error and the customer's remediation options;

c. any scripted or templated language used by customer service representatives when responding to customer inquiries about the back-bill.

Answer: There is a written communication sent to each customer or call from credit supervisor explaining what happened in each situation (see attached example). The calls were not handled by customer service, only the credit supervisor.

Submit Date: 6/15/2026

date

Customer
123 main st
Anywhere 12345

METER NO: 12345678
ACCOUNT NO: 123456789012
SERVICE ADDRESS: 123 main st

We recently discovered a problem with the corrector on the gas meter. This issue has caused the account to be overbilled. The problem started when the corrector was originally installed xx/xx/xxx. The account has been overbilled for xxx.xx mcfs of gas. Based on this information, we have rebilled the account from xx/xx/xxxx – xx/xx/xxxx which results in a credit in the amount of $xx,xxxx.

The new bills are available through our online eAccount service if you have set up access. If you need copies of the bills, we can have them printed and mailed to you.

You will see the credit balance on your account. If you would like to have the credit amount refunded, please reach out to me either via telephone or email.

If you have any other questions at all, please let me know.

Thank you,

o:
e:
a:

w: Peoples-Gas.com

PEOPLES | An Essential Utilities Company

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-004

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer to Peoples' response to OCA-XIII-008. The attachment to the Company's response includes email correspondence from November–December 2024 between Company personnel and BCS staff regarding a billing vendor failure in which bills for approximately 183,000 accounts (25% of Peoples' customer base) were not printed and mailed as expected during November 2024.

a. Please clarify if this event was treated/counted as a back-bill or rebill instance.

b. If so, state whether this instance was included among the three instances identified in the Company's response to OCA-XIII-025, and if not, explain why it was not reported in response to that question.

Answer: In this instance, there was no need for a cancel or rebill, and it is not included in the company's response to OCA-XIII-025, as it does not fall under that category. The bills were generated on time in the system, within the 26-35 day period as required. The only delay was with the bill vendor delivering the invoices.

Submit Date: 6/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-005

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer again to the attachment to Peoples' response to OCA-XIII-008. Regarding the billing vendor failure in which bills for approximately 183,000 accounts were not printed and mailed as expected during November 2024. Provide a sample of representative examples (at least 15 selected to reflect variation in unbilled amounts) for all written or electronic communications sent to affected customers regarding the back-bill or credit, including but not limited to:

a. the initial notice or bill explaining the reason for the missed bill;

b.any other letter, email, or bill message explaining the cause of the error and the customer's remediation options;

c. any scripted or templated language used by customer service representatives when responding to customer inquiries about the missed bill.

Answer: There are no examples – all accounts were billed within the 26-35 day guidelines. There wasn't written communication sent to customers. A mass interaction record and dunning/late payments charge lock added to all accounts (see Attachment 1). The Call Center was also made aware of the issue (see Attachment 2).

Submit Date: 6/15/2026

From: ITServicedesk
To:
Subject: Incident# 134719 has been Opened: mass I/R and LPC locks
Date: Tuesday, December 3, 2024 1:44:31 PM
Attachments: image001.png

Hi

The following new Incident has been opened:

Incident #	**134719**
Summary:	mass I/R and LPC locks
Customer Name:	
Location:	
Priority:	3
Status:	Logged
Service:	User Support Services
Category:	General Question

Description

Can you please add mass I/R and LPC locks(for 30 days) - Cristian will provide the account numbers. Please assign this ticket to Johnnie.

November bill delayed. Bill printed and mailed on 12/3. LPC lock added to the account for 30 days

IT Helpdesk Phone:

IT Helpdesk Email:

Link to Ivanti: Ivanti

From:
To:

Cc:
Bcc:
Subject: missing bills from 11/11
Date: Tuesday, December 3, 2024 7:43:00 AM
Attachments: image001.png

Hello everyone –
I know a lot of the calls coming in are due to the missing bills from 11/11. We have resent the file to Doxim for processing and the bills should be mailed and delivered to the customers w/in the next couple of days. I am going to have an interaction record along with LPC holds added to all accounts from that date. Please advise the customers that they will not receive any LPC's and that the invoices will be there shortly.
Thanks

o:
c:
a:

w: Peoples-Gas.com

Facebook | Instagram | Twitter | YouTube | LinkedIn

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-006

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Refer to Peoples' response to OCA-XIII-020. The Company's data attached to the response shows residential rebill counts that are substantially elevated in several months of 2024 compared to the surrounding period:

- March 2024: 92,094 rebills
- April 2024: 5,975 rebills
- May 2024: 9,999 rebills
- June 2024: 5,629 rebills
- October 2024: 100,856 rebills
- November 2024: 22,305 rebills

a. For each of these months, identify the cause or causes of the elevated rebill volume.

b. For each cause identified, state whether it corresponds to one of the three back- billing instances reported in the Company's response to OCA-XIII-025, to the billing vendor failure described in OCA-XIII-008, or to a separate issue not previously identified in discovery responses in this proceeding.

c. For any cause not previously identified in OCA-XIII-025 or OCA-XIII-008, provide the information requested in sub-parts (a) through (f) of OCA-XIII-025.

Answer: Peoples does not track at this level of detail, however, Peoples believes the escalation of rebills in the year 2024 was due to the error found notated in original request OCA-XIII-25 regarding the ERT rebills, since these corrections date back to 2018.

Submit Date: 6/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-007

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Describe the Company's procedures for notifying customer service representatives (CSRs) of billing errors or system issues that may prompt customer inquiries, including:

a. the process by which CSR supervisors or management learn of a billing error or rebilling event;

b. the process by which that information is communicated to CSRs;

c. the form that communication takes (e.g., scripted talking points, system alerts, supervisor briefings);

d. Use the instances of rebilling in 2024 to describe how the process worked to prepare CSRs on how to respond to customer inquiries related to the rebilling increases that year.

Answer: When the Company becomes aware of a billing error, rebilling event, or system issue that may generate customer inquiries, the issue is escalated through the appropriate operational channels, which may include Customer Operations, Information Technology, Vendor Management, Regulatory, and Field Operations.

a) Customer Operations supervisors and management may learn of the issue through team meetings, email updates, operational calls, system issue notifications, direct communication from the business area managing the issue, or cross-functional discussions regarding customer impact.

b) Once the issue is confirmed and the expected customer impact is understood, Customer Operations leadership communicates the information to CSRs through one or more established channels, including supervisor briefings, team huddles, email updates, internal job aids or talking points, system alerts or account notes where available, and escalation instructions for affected accounts.

c) The form of communication used depends on the nature and scale of the issue, but the objective is to provide CSRs with timely guidance so they can explain the issue accurately, address routine customer questions, and escalate more complex concerns appropriately.

d) For the rebilling increases in 2024, the process followed the same framework. After the underlying issue was identified and the affected customer population and billing impact were assessed, operational leaders coordinated guidance for customer-facing teams before or as customer calls were expected. With respect to the 2024 rebilling increases, the Company followed this same process. After the issue and affected customer population were identified, operational leadership coordinated guidance to prepare representatives to address customer inquiries, explain that a bill had been corrected or reissued, review available account information, and escalate matters requiring further review.

Submit Date: 6/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-XVII-008

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: State whether the Company has a threshold — based on number of affected customers, dollar amount, or other criteria — above which CSR notification is required, and if so, describe that threshold.

Answer: Peoples does not rely on a fixed threshold based solely on the number of affected customers, dollar amount, or other single quantitative criterion for CSR notification. Instead, CSR notification is determined based on the expected customer impact and the likelihood that the issue will generate customer inquiries. Factors considered include the number of customers affected, the dollar impact to customers, whether customers will receive delayed, corrected, or unusual bills, whether the issue may result in customer confusion or complaints, whether payment arrangements, credits, or other remediation may be warranted, and whether CSRs need specific talking points or escalation instructions. For larger events or issues expected to increase call volume, Contact Center leadership provides guidance to supervisors and CSRs so that customer inquiries can be handled consistently.

Submit Date: 6/15/2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC
:

VERIFICATION

I, Brendan Larkin-Connolly, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 5, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: June 18, 2026

Signature: _____
Brendan Larkin-Connolly

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway,
Suite 300
Columbia MD 21044

OCA St. 5SR

BEFORE THE

PENNSYLVANIA PUBLIC UTILTY COMMISSION

Pennsylvania Public Utility Commission	)	
	)	
V.	)	**Docket No. R-2026-3057164**
	)	
Peoples Natural Gas Company, LLC	)	

SURREBUTTAL TESTIMONY
OF
BRENDAN LARKIN-CONNOLLY

SUBMITTED ON BEHALF OF THE

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 31, 2026

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

TABLE OF CONTENZTS

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I. Introduction

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Brendan Larkin-Connolly. I am a Managing Consultant at Exeter Associates Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland 21044.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PROCEEDING?

A. Yes. My direct testimony on the topics of customer service and consumer protections was submitted as OCA Statement No. 5.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. I respond to portions of the rebuttal testimony of Company witnesses Michelle Parks (Peoples Statement No. 18-R), Rita Black (Peoples Statement No. 10-R), Krista Snyder (Peoples Statement No. 13-R), and Michael Huwar (Peoples Statement No. 1-R), to the extent those witnesses addressed my direct testimony.

Q. HOW IS YOUR SURREBUTTAL TESTIMONY ORGANIZED?

A. My testimony follows the same section structure as my direct testimony:

- Section II responds to rebuttal testimony concerning customer service performance.
- Section III responds to rebuttal testimony concerning the customer complaint record.
- Section IV responds to rebuttal testimony concerning customer communications.
- Section V responds to rebuttal testimony concerning tariff modifications.

- Section VI responds to rebuttal testimony concerning the management performance adder.
- Section VII offers a conclusion.

I should note that I have not responded to every statement in the Company's rebuttal testimony. Where the rebuttal offers a different characterization of data I presented in direct testimony without disputing the underlying figures, I address that pattern generally rather than point by point, as explained in Section III below.

II. Customer Service Performance

Q. DOES THE COMPANY'S REBUTTAL TESTIMONY DISPUTE THE CUSTOMER SERVICE PERFORMANCE DATA PRESENTED IN YOUR DIRECT TESTIMONY?

A. For the most part, no. Company witness Michelle Parks does not identify any error in the figures reported in Tables 1 through 5 of my direct testimony. Instead, she offers a different characterization of the same data. For example, Ms. Parks describes Peoples' call center performance as demonstrating a "strength," pointing to low call abandonment and courtesy and knowledge scores in the 90% range.[1] She does not dispute that nine of the ten indicators in Table 1 of my direct testimony declined from 2019 through 2024, or that the pattern in that decline is one of convergence toward the peer average rather than movement above it. My conclusion that Peoples' customer service performance is adequate but unexceptional does not rest on any single indicator; it rests on that pattern, which is unchanged by how any one number is characterized.

[1] Peoples St. 18-R, pp. 13-14.

Similarly, Ms. Parks states that the Company "continuously monitors" call volumes and staffing and "takes operational steps to align resources with customer demand," including use of Back Office support staff and overtime during high-volume months.[2] She does not provide staffing counts, overtime hours, or deployment figures for any specific month to support that description, and she does not dispute the staffing data I presented showing that April staffing has never reached the Company's own approved level of 89 customer service representatives in any of the six years of data provided in response to OCA-XIII-003.[3]

III. Customer Complaint Record

Q. DOES THE COMPANY'S REBUTTAL TESTIMONY DISPUTE THE COMPLAINT DATA PRESENTED IN YOUR DIRECT TESTIMONY?

A. No. Company witness Rita Black does not dispute the figures reported in my direct testimony. Instead, she offers a different reading of that data. Ms. Black cautions that the Commission's Bureau of Consumer Services ("BCS") complaint classifications may be subjective, notes that my formal complaint analysis did not include a peer comparison, attributes the rate of formal complaint denials and dismissals to a lack of merit rather than customer disengagement, and attributes rising property damage complaints to customer misunderstanding rather than the scale of pipeline replacement work.[4]

[2] Peoples St. 18-R, pp. 14-15.
[3] OCA St. 5, pp. 15-16; OCA-XIII-003, Exhibit BLC-2 PUBLIC at 10-11.
[4] Peoples St. 10-R, pp. 24-27.

For example, in response to concerns I raised regarding a possible higher rate of issues related to Damages, Personnel Problems, and Service Quality, Ms. Black points to the "All Other" catch-all complaint category, where Peoples' 11% share is actually below the 14% reported for other natural gas distribution companies, as a reason for caution about the complaint data generally.[5] Her contention is that complaints related to Damages, Personnel Problems, and Service Quality might be getting slotted into this category for other companies but not Peoples. That could be an explanation for some differences in a single year, but I see the fact that Peoples ran above the peer average for 2022-2024 to suggest there is an established trend.

Q. DOES THE COMPANY'S REBUTTAL CHANGE ANY OF YOUR CONCLUSIONS YOU DREW FROM YOUR REVIEW OF RECENT COMPLAINT RECORDS?

A. No. As with the customer service performance data addressed in Section II, my conclusions regarding the recent complaints rest on the pattern across the record as a whole, not on any single indicator or on how the Company characterizes it, and that pattern is unchanged by Ms. Black's rebuttal.

IV. Customer Communications

A. Rebilling and Back-Billing Communications

Q. MS. PARKS STATES THAT THE COMPANY ALREADY PROVIDES CUSTOMERS WHOSE BILLS ARE REBILLED WITH NOTICE "EITHER

[5] Peoples St. 10-R, pp. 24-25.

THROUGH A PHONE CALL OR WRITTEN NOTIFICATION."[6] DOES THIS ADDRESS THE COMPLIANCE QUESTION YOU RAISED UNDER 52 PA. CODE § 56.14?

A. Only partially. My direct testimony's compliance question concerned whether Instances 1, 2, and 3 exceeded the threshold in § 56.14 that triggers a duty to explain the bill and offer amortization.[7] Peoples has not provided the customer counts or dollar amounts for Instances 1 and 2 needed to make that determination, and Ms. Parks' rebuttal testimony does not supply that information.[8] Her response instead addresses whether § 56.14 applies to the separate 2024 print-vendor delay, which is not the same question.[9] That the Company still has not supplied this information indicates it is likely not tracking these events with the detail needed to assess compliance, which is the basis for the recordkeeping recommendation discussed below.

Q. MS. PARKS STATES THE COMPANY "ALREADY SELF-REPORTS ANY LARGE-SCALE BILLING ISSUES" AND THAT REBILLED CUSTOMERS ALREADY RECEIVE NOTICE CONSISTENT WITH YOUR RECOMMENDATIONS.[10] DO YOU WITHDRAW YOUR RECOMMENDATIONS IN LIGHT OF THIS TESTIMONY?

A. I am revising them. Ms. Parks contends that Peoples already notifies affected customers and already self-reports large-scale billing issues to BCS.[11] I am willing to accept that representation at face value. Given that, I do not think the Commission needs to impose

[6] Peoples St. 18-R, p. 19.
[7] OCA St. 5, p. 37.
[8] OCA-XIII-025, Exhibit BLC-2 CONFIDENTIAL at 37-38.
[9] Peoples St. 18-R, p. 18.
[10] Peoples St. 18-R, p. 19.
[11] Peoples St. 18-R, p. 19.

a new written-notice requirement, a new account-flagging requirement, and a new BCS-notification threshold on top of a practice the Company says is already in place. What I would emphasize instead is the need for a more complete record keeping of these events going forward.

The Company still has not provided a customer count or dollar figure for Instances 1 or 2, because it "does not track [rebill causes] at this level of detail."[12] If that information existed, I would expect the Company to have provided it in this proceeding. Its absence is itself evidence that Peoples is not currently tracking these events with the detail needed to report on them after the fact, and that is what I recommend should change.

Q. WHAT IS YOUR REVISED RECOMMENDATION?

A. I will accept the contention of the Company that it already has procedures in place to report to the Commission and notify customers when a large-scale back-billing or rebilling event occurs. Instead of the formal reporting procedures I previously put forward my revised recommendation is that the Company be expected to maintain better records of such events in the future.

Specifically, I recommend that, using the same definition used in request OCA-XIII-025 — a back-billing or rebilling event affecting more than 100 customers from a common cause — the Company maintain contemporaneous records of each such event and be prepared to provide them in its next base rate case if requested.[13] These records should include: (1) complete information about the event, including the number of

[12] OCA-XVII-006, Exhibit BLC-2 PUBLIC at 116.
[13] OCA-XIII-025, Exhibit BLC-2 CONFIDENTIAL at 37-38.

customers affected and the bill impact by customer; and (2) the dates and copies of any communications with Commission staff regarding the event.

B. Auto-Pay and Electronic Billing

Q. MS. PARKS STATES THAT AUTOPAY AND E-BILL ENROLLMENT SHOULD NOT BE TREATED AS A "DIRECT PROXY" FOR REDUCED BILL ENGAGEMENT "WITHOUT ADDITIONAL SUPPORTING EVIDENCE."[14] DOES THE COMPANY DISPUTE THE UNDERLYING ENROLLMENT DATA?

A. No and it also did not provide any information to contradict my analysis. The data showing that customers on Peoples' customer assistance program ("CAP") are roughly nine times less likely than non-CAP customers to be enrolled in both electronic billing and automatic payment comes from the Company's own response to OCA-XIII-031, and Ms. Parks does not dispute it.[15] I did not offer that data as proof of what any individual customer does with their bill each month; I offered it as the kind of pattern the Commission may wish to consider in evaluating whether current billing and payment options are preserving meaningful engagement with utility costs across income levels.

V. Tariff Modifications

Q. MS. SNYDER CHARACTERIZES THE ADDED NONLIABILITY LANGUAGE AS A "CLARIFICATION" OF LONG-STANDING TARIFF TERMS RATHER

[14] Peoples St. 18-R, pp. 20-21.
[15] OCA St. 5, p. 39; OCA-XIII-031, Exhibit BLC-2 PUBLIC at 39-40.

THAN A FURTHER LIMITATION ON THE COMPANY'S LIABILITY. DO YOU AGREE WITH THAT CHARACTERIZATION?

A. No. Whatever the language is called, capping recoverable damages absent "willful or wanton misconduct" changes what a customer can recover compared to the current tariff. My plain language reading of the change is that it suggests that damages to customer property that are not due to identifiable negligence are now the responsibility of the customer.

Q. MS. SNYDER STATES THAT CUSTOMERS ALREADY RECEIVE WRITTEN NOTICE "WHEN A PAYMENT IS RETURNED," AND ARGUES THIS ADDRESSES YOUR CONCERN WITH THE PROPOSED DISHONORED-PAYMENT PROVISIONS. DOES IT?

A. No. Notice that a specific payment was returned is not notice that the customer is being placed on a certified-funds requirement or removed from eAccount going forward — those are different actions requiring different notice.[16]

Q. MS. BLACK REVISED THE COMPANY'S PROPOSED CAP RECREATIONAL-USE TARIFF LANGUAGE, REPLACING THE ITEMIZED LIST OF PROHIBITED APPLIANCES WITH A REFERENCE TO "POOL HEATERS" AND ADDING A MEDICAL-NECESSITY CERTIFICATION OPTION.[17] DOES THIS REVISION ADDRESS THE CONCERNS RAISED IN YOUR DIRECT TESTIMONY?

[16] Peoples St. 13-R, p. 6.
[17] Peoples St. 10-R, pp. 4-5.

A. In part. The addition of a medical-necessity certification option is a genuine improvement and addresses a gap in the original proposal. But the revised language still reads "such as, but not limited to, pool heaters," which preserves the same open-ended scope as the original itemized list. It other words, it removes specific examples without narrowing what is actually prohibited. If anything, removing the itemized list reduces the notice customers have about what appliances are covered, since the original list at least told a customer whether a fire pit or an outdoor heater was likely to be an issue. More importantly, the revision does not address my more fundamental concern: neither the original nor the revised language includes any notice, review, or contestability process before a customer is removed from CAP.[18] I maintain my recommendation that this provision include procedural protections before any removal from CAP takes effect.

Q. MS. BLACK DESCRIBES AN EXAMPLE OF SUSPECTED CAP FRAUD TO SUPPORT THE NEED FOR THE PROPOSED BENEFIT-REVERSAL PROVISION.[19] DOES THIS EXAMPLE RESOLVE THE CONCERN IN YOUR DIRECT TESTIMONY?

A. No, because it responds to a different question than the one I raised. My direct testimony did not dispute that fraud can occur or that ratepayers should not subsidize it; my concern was that the proposed language allows the Company to reverse benefits and require repayment based on its own determination, without any defined standard of proof, notice requirement, or review mechanism.[20] Ms. Black's rebuttal defends the need for a remedy in the abstract but does not state whether the Company would accept the procedural

[18] OCA St. 5, pp. 45-46.
[19] Peoples St. 10-R, pp. 6-7.
[20] OCA St. 5, p. 46.

safeguards I recommended: a defined standard of proof, advance notice, and a customer appeal process before any reversal or repayment obligation takes effect.

VI. Management Performance Adder

Q. MR. HUWAR STATES THAT OCA "DOES NOT CONTEMPLATE" THE COMPANY'S SAFETY AND INFRASTRUCTURE PERFORMANCE EVIDENCE, INCLUDING LEAK REDUCTION AND THE GOODWIN TOMBAUGH PIPELINE REPLACEMENT PROJECT, IN SUPPORT OF THE MANAGEMENT PERFORMANCE ADDER.[21] DOES THIS EVIDENCE AFFECT YOUR CONCLUSION?

A. No, because it addresses a different question than the one my direct testimony answered. I stated expressly that I was not addressing the financial merits of the Company's adder request generally and that my review was limited to what the customer service record does or does not support.[22] Whatever weight the Commission gives to the Company's safety and infrastructure performance, that evidence does not change my conclusion that the customer service record specifically does not support a finding of exceptional performance under Section 523, and the Company's own filing ties the requested adder in part to improvements in customer service.[23]

VII. Conclusion

Q. DOES THE REBUTTAL TESTIMONY OF COMPANY WITNESSES CHANGE ANY OF THE RECOMMENDATIONS IN YOUR DIRECT TESTIMONY?

[21] Peoples St. 1-R, p. 3.
[22] OCA St. 5, p. 47.
[23] OCA St. 5, p. 47.

A. In one respect, yes. I am revising my recommendations regarding rebilling and back-billing communications, as discussed in Section IV. Rather than a written-notice requirement, an account-flagging requirement, and a defined BCS-notification threshold, I now recommend that Peoples maintain contemporaneous records of any back-billing or rebilling event affecting more than 100 customers from a common cause and be prepared to provide, in its next base rate case, complete information about the event, including the number of customers affected and the bill impact by customer, along with the dates and copies of any communications with Commission staff regarding the event.

My other recommendations remain as stated in my direct testimony: 1) the Commission should deny Peoples' request for a management performance adder; 2) reject the proposed nonliability, dishonored-payment, CAP recreational-use, and CAP fraud-reversal tariff language, or condition adoption on the procedural safeguards described above; and 3) consider, on a policy basis, a requirement for periodic mailed cost summaries to preserve baseline bill visibility for residential customers.

Q. Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v. Docket No. R-2026-3060855

Peoples Natural Gas Company LLC
:

VERIFICATION

I, Brendan Larkin-Connolly, hereby state that the facts above set forth in my Surrebuttal Testimony, OCA Statement No. 5SR, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 31, 2026

Signature: _____
Brendan Larkin-Connolly

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway,
Suite 300
Columbia MD 21044

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC;	:	Docket No. R-2026-3060855

OCA HEARING EXHIBIT 1

LIST OF EVIDENCE
TO BE MOVED INTO THE EVIDENTIARY RECORD
BY THE OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) intends to submit the following evidence into the evidentiary record in the above captioned proceedings at the scheduled evidentiary hearings in this proceeding.

DIRECT TESTIMONY

OCA Statement No. 1:	Direct Testimony of Michael Deupree consisting of written testimony with signed verification of Michael Deupree, and the following: • Exhibit MWD-1 through Exhibit MWD-8
OCA Statement No. 2:	Direct Testimony of Jared Geiger consisting of written testimony with signed verification of Jared Geiger, and the following: • Appendix A – Resume of Jared Geiger • Schedule JNG-1 through Schedule JNG-23
CONFIDENTIAL OCA Statement No. 2:	**Confidential** Direct Testimony of Jared Geiger consisting of written testimony with signed verification of Jared Geiger, and the following: • Appendix A – Resume of Jared Geiger • Schedule JNG-1 through Schedule JNG-23

OCA Statement No. 3: Direct Testimony of David Garrett consisting of written testimony with signed verification of David Garrett, and the following:
- Exhibit DJG-1 through Exhibit DJG-27
- Appendix A through Appendix E

OCA Statement No. 4: Direct Testimony of Roger Colton consisting of written testimony with signed verification of Roger Colton, and the following:
- Exhibit RDC-1: Summary Vitae

OCA Statement No. 5: Direct Testimony of Brendan Larkin-Connolly consisting of written testimony with signed verification of Brendan Larkin-Connolly, and the following:
- Exhibit BLC-1 – Curriculum vitae (CV) of Brendan Larkin-Connolly
- Exhibit BLC-2

CONFIDENTIAL
OCA Statement No. 5: Direct Testimony of Brendan Larkin-Connolly consisting of written testimony with signed verification of Brendan Larkin-Connolly, and the following:
- Exhibit BLC-1 – Curriculum vitae (CV) of Brendan Larkin-Connolly
- Exhibit BLC-2

REBUTTAL TESTIMONY

OCA Statement No. 1R: Rebuttal Testimony of Michael Deupree consisting of written testimony with signed verification of Michael Deupree.

OCA Statement No. 3R: Rebuttal Testimony of David Garrett consisting of written testimony with signed verification of David Garrett.

SURREBUTTAL TESTIMONY

OCA Statement No. 1SR: Surrebuttal Testimony of Michael Deupree consisting of written testimony with signed verification of Michael Deupree.

OCA Statement No. 2SR: Corrected Surrebuttal Testimony of Jared Geiger consisting of written testimony with signed verification of Jared Geiger.

- Exhibit JG-2SR-1 through Exhibit JG-2SR-9
- Schedule JNG-1-SR through Schedule JNG-23-SR

CONFIDENTIAL
OCA Statement No. 2SR: OCA Statement No. 2SR: Confidential Surrebuttal Testimony of Jared Geiger consisting of written testimony with signed verification of Jared Geiger

- Exhibit JG-2SR- 1 through Exhibit JG-2SR-9
- Schedule JNG-1-SR through Schedule JNG-23-SR

OCA Statement No. 3SR: Surrebuttal Testimony of David Garrett consisting of written testimony with signed verification of David Garrett, and the following:

- Exhibit DG-3SR

OCA Statement No. 4SR: Surrebuttal Testimony of Roger Colton consisting of written testimony with signed verification of Roger Colton.

OCA Statement No. 5SR: Surrebuttal Testimony of Brendan Larkin-Connoly consisting of written testimony with signed verification of Brendan Larkin-Connoly.

ADDITIONAL EXHIBITS

OCA Hearing Exhibit 1: List of Evidence to be Moved into the Evidentiary Record by the Office of Consumer Advocate (OCA)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

DIRECT TESTIMONY

of

JOSEPH KUBAS

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics:
Small General Service Customer Charge
Future Cost of Service Studies

Date Served: June 18, 2026

Date Submitted for the Record: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph Kubas. My business address is Forum Place, 555 Walnut Street, 1st floor, Harrisburg PA, 17101.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Office of Small Business Advocate ("OSBA") as an Economic Development Consultant.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is being sponsored by the OSBA.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND QUALIFICATIONS.

A. My academic and professional background is described in the attached Appendix A.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THIS COMMISSION?

A. Yes. As described in my Appendix A, I provided testimony in many proceedings before the Commission on many occasions.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to address the proposed increase in the Small General Service (SGS) customer charge for customers that use between 0 and 499 Mcf per year. I will also recommend that negotiated customers be moved to their own class in all future Cost of Service Studies (COSSs).

Q. ARE YOU MAKING A RECOMMENDATION FOR TOTAL REVENUE REQUIREMENT IN THIS CASE?

A. No. While my first issue impacts proposed revenue, I am not making an overall revenue recommendation. Mr. Mark Ewen will also address other issues in this case.

INTRODUCTION

Q. PLEASE DESCRIBE THE FILING.

A. On March 27, 2026, the Peoples Natural Gas Company LLC (Peoples Natural Gas Division and Peoples Gas Division (Peoples or Company)) filed a natural gas base rate case based on a FPFTY ending December 31, 2027. The total increase is approximately $163,172,000 (Peoples Volume I, Exhibit 2, Schedule 4, page 2, line 1).

Q. DID THE COMPANY SEPARATE CUSTOMERS INTO CLASSES, AND WHAT INCREASE DID THE COMPANY PROPOSE FOR EACH CLASS?

A. Yes. According to Peoples Exhibit No. 11, page 14, line 13, and page 15, line 60, the Company proposed the following increases for each class:

Customer Classes	Current Revenues	Proposed Revenue Change	Proposed Percentage Change	Proposed Rate of Return	Proposed Revenue to Cost Ratio (Parity Ratio)
Residential	$875,171,173	$118,163,447	13.50%	8.1%	0.99
Small General	$116,045,549	$21,443,151	18.48%	6.6%	0.94
Medium General	$108,167,260	$21,264,419	19.66%	8.0%	0.99
Large General	$72,051,809	$ -	0.00%	15.5%	1.38
Mainline Service	$13,178,274	$ -	0.00%	1.0%	0.74
Total	**$1,184,614,065**	**$160,871,017**	**13.58%**		

SMALL GENERAL SERVICE CLASS

Q. WHAT CUSTOMERS ARE GENERALLY INCLUDED IN THE SMALL GENERAL SERVICE CLASS?

A. The SGS class is available to commercial and industrial customers and Natural Gas Distribution Companies consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate Natural Gas Powered Vehicles (Peoples Tariff Supplement No. 2 To Gas - PA PUC No. 48, First Revised Page No. 10). Based upon the Company's definition, this class would generally include Small Business customers that use less than 300 Mcf per year (Peoples Tariff Supplement No. 2 to Gas - PA PUC No. 48 First Revised Page No. 7).

Q. WHAT RATES DO SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR CURRENTLY PAY?

A. SGS customers that use between 0 and 499 Mcf per year currently pay a customer charge of $22.00 per month, a usage rate of $3.9844 per Mcf, plus various surcharges (Volume 9, Peoples Exhibit JDT-4, page 1).

Q. WHAT RATES ARE THE COMPANY PROPOSING FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company is proposing SGS customers that use between 0 and 499 Mcf per year pay a customer charge of $32.14 per month, a usage rate of $5.7095 per Mcf, plus various surcharges (Volume 9, Peoples Exhibit JDT-4, page 1).

Q. WHAT INCREASE AND PERCENTAGE INCREASE IN THE CUSTOMER CHARGE IS THE COMPANY PROPOSING FOR THESE SGS CUSTOMERS?

A. The Company is proposing the SGS customer charge for customers that use between 0 and 499 Mcf per year be increased to $32.14 per month which equates to an increase of $10.14 ($32.14 - $22.00) per month or 46.1%.

Q. WHAT SUPPORT DID THE COMPANY PROVIDE FOR PROPOSING A MONTHLY CUSTOMER CHARGE OF $32.14 PER MONTH FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company states that its COSS model allocates costs based upon demand, usage and customers. The Company believes that the Commission can see directly the revenue requirement associated with the customer classification and the respective functions that form this revenue requirement. Peoples Exhibit No. 11, Schedule 2 provides the customer-related unit cost per customer per month, for Rates RS, SGS, MGS, LGS, MLS and provides useful insights on the fixed monthly costs of providing service to these customers, inclusive of both customer-related costs and demand-related costs (Peoples Statement No. 17, page 35).

Q. DID THE COMPANY DETERMINE A TOTAL CUSTOMER COST FOR THE SGS CUSTOMERS?

A. Yes. The Company claims $43.06 per month in total customer cost to provide service to SGS customers (Volume 4, Peoples Exhibit No. 11, page 18).

Q. DID THE COMPANY PROVIDE ANY ACTUAL USEFUL INSIGHTS FOR THE COMMISSION TO VERIFY THE $43.06 COST PER MONTH?

A. No. The Company only provided two components. The first component is Distribution On-site at $33.15 per month and Accounts and Service at $9.92 per month for a total of approximately $43.06 per month per SGS customer (Volume 4, Peoples Exhibit No. 11, page 18).

Q. IS IT POSSIBLE TO DETERMINE WHAT IS INCLUDED IN "DISTRIBUTION ON-SITE" AND "ACCOUNTS AND SERVICE" LISTED ABOVE?

A. No. Therefore, it's not possible to determine what individual expenses and utility plant are included in these accounts that should be recovered in the monthly customer charge.

Q. WHAT DO YOU RECOMMEND CONCERNING THE PROPOSED $32.14 PER MONTH SGS CUSTOMER CHARGE?

A. I recommend that the present SGS customer charge of $22.00 per month for customers that use between 0 and 499 Mcf per year not be increased.

Q. WHY DO YOU RECOMMEND NO INCREASE IN THE PRESENT SGS CUSTOMER CHARGE OF $22.00 PER MONTH?

A. As described above, the Company failed to provide a detailed customer cost analysis to support any increase in the SGS customer charge for customers that use between 0 and 499 Mcf per year. Therefore, the monthly $22.00 per month SGS customer charge should not be increased

Q. DID THE COMPANY ALSO PROVIDE OTHER REASONS FOR INCREASING CUSTOMER CHARGES?

A. Yes. According to Peoples Statement No. 17, page 36, the Company believes:

> These proposed fixed monthly customer charges help to reduce customer bill volatility, alleviate a significant portion of the instability in the Company's margin recovery, are fair to customers, are easily understood, convey more appropriate price signals with respect to recovery of fixed utility costs, benefit low-income customers that have higher than average use, and are not regressive in application to low-income customers who may have little control over their use of energy and are negatively impacted when recovering more costs in volumetric charges.

Q. DO ANY OF THESE CLAIMS SUPPORT INCREASING THE SGS CUSTOMER CHARGE TO $32.14 PER MONTH FOR CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. No. First, any customer concern about bill volatility can be addressed through a customer selecting budget billing. Second, the Company's margin recovery is stabilized each year using its weather normalization adjustment. Third, it makes no sense to suggest that a higher customer charge is fair to customers because customers understand a customer charge more than they understand a usage rate. Fourth, there is no support for claiming that customers are concerned with the Company's recovery of fixed costs. Fifth, there is no support for the claim that a higher monthly charge sends the correct "price signal" to customers. Finally, the SGS customer charge for customers that use between 0 and 499 Mcf per year is not impacted by low-income customer issues.

Q. DID THE COMPANY PROVIDE ADDITIONAL REASONS FOR INCREASING CUSTOMER CHARGES?

A. Yes. According to Peoples Statement No. 17, page 36-37, the Company believes a higher customer charge provides a more equalized contribution within each class and provides greater recovery of fixed costs. The Company also cites the recovery of actual customer related costs such as meter reading and billing in its support for increasing the monthly charge. Finally, the Company believes that fixed system costs are better recovered in the customer charge

Q. DID THE COMPANY PROVIDE ACTUAL SUPPORT FOR ANY OF THESE ADDITIONAL CLAIMS TO SUPPORT INCREASING THE SGS CUSTOMER CHARGE TO $32.14 PER MONTH FOR CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. No. First, the Company suggestion that various SGS customers provide an unequal contribution to fixed costs is not supported. Since the Company failed to properly list what it believes are direct customer related fixed costs, there is no way to determine if the Company's claims concerning intra class subsidy or the need to collect more fixed costs are accurate. Second, while it's correct that the direct expenses such as billing, meter reading costs and recovery of direct customer assets such as meters and service are properly recovered in a customer charge, as described above, the Company failed to provide any details supporting these individual customer costs. Finally, while the Company would rather recover all fixed costs in a

monthly charge, the Commission has consistently rejected this recovery claim. The Commission has repeatedly used its judgement and a detailed customer cost analysis to establish customer charges.

Q. HOW DO HIGHER CUSTOMER CHARGES AND LOWER USAGE RATES IMPACT THE BILL OF A CUSTOMER THAT LOWERS USAGE THROUGH CONSERVATION?

A. A customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate structure with a higher customer charge and lower usage rate.

<u>FUTURE COST OF SERVICE STUDIES</u>

Q. WHAT CURRENT CLASSES ARE INCLUDED IN THE COMPANY'S COST OF SERVICE STUDY?

A. The Company's COSS includes the Residential (R), Small General Service (SGS), Medium General Service (MGS), Large General Service (LGS) and Mainline Service (MLS) classes (Peoples Volume IV, Exhibit 11, page 14).

Q. WHICH CLASSES INCLUDE CUSTOMERS THAT HAVE RATES THAT ARE NEGOTIATED, TYPICALLY REFERRED TO AS COMPETITIVE DISCOUNT CUSTOMERS?

A. The SGS, MGS, LGS, and MLS classes all include customers where the rates are negotiated (Volume 9, Peoples Exhibit JDT-4, pages 1-5).

Q. DOES INCLUDING NEGOTIATED RATE CUSTOMERS IN A CLASS IMPACT THE RESULTS OF THE COSS?

A. Yes. Granting negotiated rates to customers within a class results in a revenue shortfall for that class. Then under proposed rates other customers in that class pay higher rates to make up for the revenue shortfall in that class. Under this scenario, the true cost of providing service to tariff rate customers in these classes is higher than it otherwise would be.

Q. WHAT DO YOU RECOMMEND THE COMPANY DO IN FUTURE COST OF SERVICE STUDIES?

A. I recommend that in future COSSs, the Company separate the negotiated customers and corresponding revenue into a separate "Negotiated" class.

Q. WHY DO YOU RECOMMEND THE COMPANY SEPARATE THE NEGOTIATED CUSTOMERS AND CORRESPONDING REVENUE FROM NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A As described above, this will enable the Commission and interested parties to determine the true cost of providing tariff rate service to each of the remaining

classes without the lower revenue from customers that pay negotiated rates skewing the results of each class in the COSS.

Q. DO OTHER COMPANIES ALSO SEPARATE THE REVENUE AND COST OF SERVING NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A Yes. Columbia Gas Company of Pennsylvania separates Flex Rate customers into their own class (Docket No. R-2025-3053499, Columbia Exhibit 111, Schedule 1). Also, Pennsylvania America Water currently separates Bulk Contract customers into their own class in the Sanitary Sewer System Operations (Docket R-2025-3058051, PAWC Exhibit 12-B, Schedule B).

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes.

APPENDIX A

Resume & Expert Testimony List

of

Joseph Kubas

JOSEPH KUBAS
OFFICE OF SMALL BUSINESS ADVOCATE
Forum Place 555 Walnut Street 1St Floor
Harrisburg PA 17101

Education: Bachelor of Science in Civil Engineering Technology, 1985, University of Pittsburgh at Johnstown, Johnstown, PA.

Continuing Education: Legal Principles and Practices of Surveying at the University of Maryland. Economics, Accounting, 33 Credit hours of accounting at the Howard County Community College and the University of Pittsburgh at Johnstown. Managing Multiple Priorities at the Pennsylvania State University. Various PA-PUC and Utility Company Seminars.

Professional: Engineer In Training, 1985,

Exams: Uniform Certified Public Accounting Exam, 1993.

Rate School: Cost of Service - Rate Structure & Rate Design instructor at Commission's Rate School - September 2010, 2012, 2014, 2016, 2022, and 2024.

Title: **ECONOMIC DEVELOPMENT CONSULTANT**

May 2025 - Present
Office of Small Business Advocate

Duties: Provide consultation and assist the OSBA the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, and economic analyses. The types of dockets reviewed by the OSBA base rate cases, applications, formal complaints, investigations, applications, and petitions. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: **RATE CASE REVIEW SPECIALIST - ANNUITANT**

July 2023 – December 2024
Pennsylvania Public Utility Commission

Bureau of Investigation and Enforcement

Duties: Provide consultation and assist the Bureau of I&E in the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included applications, formal complaints, investigations, applications, petitions and rate investigations. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: **FIXED UTILITY VALUATION ENGINEER SUPERVISOR**

December 2011 – June 2023
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Duties included the areas of Engineering, Revenue and Rate Structure for all fixed utility types. During the course of formal and informal investigations personnel under my direction were responsible for reviewing and presenting recommendations regarding tariff rate schedules, tariff rules and regulations, measures of value claims, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included: applications, formal complaints, investigations, petitions and rate investigations. The Engineering Section was also responsible for reviewing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue, depreciation studies, water quality test results and formal complaints. Duties also included reviewing default service petitions by electric distribution companies and Act 129 Filings by the seven major electric Utilities, including energy efficiency and conservation plans and Smart Meter Plans.

Title: **RATE CASE REVIEW SPECIALIST**

December 2009 - December 2011
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement and Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas

expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the I&E position in formal and informal proceedings before the Commission. Assist I&E employees with engineering and rate structure issues, including briefs and exceptions input. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER III**

December 1999 - December 2009
Pennsylvania Public Utility Commission
Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the OTS position in formal and informal proceedings before the Commission. Assist OTS employees with engineering and rate structure matters, including briefs and exceptions. Participate in Commission

consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER II**

April 1996 - December 1999
Pennsylvania Public Utility Commission
Office of Trial Staff and Bureau of Fixed Utility Services

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Office of Trail Staff (OTS) and Bureau of Fixed Utility Services.

Title: **FIXED UTILITY VALUATION ENGINEER TRAINEE, I & II**

May 1993 - March 1996
Pennsylvania Public Utility Commission
Office of Trial Staff
Telecommunications and Water Division

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Rate Structure/Engineering Section of the Telecommunications and Water Division of the Office of Trial Staff (OTS).

Title: **CIVIL ENGINEER**

May 1985 - January 1991
Clark Finefrock & Sackett Inc.
7135 Minstrel Way
Columbia, MD 21045

Duties: Engineering, Surveying, Computer, and Field Inspection work related to land development projects in Maryland.

Testimony Before the Pennsylvania Public Utility Commission

1.	National Utilities Inc. (Water)	R-00953416
2.	Consumer Pennsylvania Water Company - Roaring Creek Division	R-00973869
3.	Philadelphia Suburban Water Company	R-00973952
4.	Bell Atlantic - Pennsylvania Inc.	P-00971307
5.	City of Bethlehem- Bureau of Water	R-00984375
6.	Pennsylvania Telephone Association - Chapter 30 Plan	P-00981425

7.	GTE North Inc. Telephone Chapter 30 Plan	P-00981449
8.	Pennsylvania American Water Co.	R-00994638
9.	Philadelphia Suburban Water Co.	R-00994868
10.	PG Energy (Gas)	R-00005119
11.	Pennsylvania American Water - Coatesville Acquisition	A-212285-F0071
12.	T. W Phillips Gas and Oil Company	R-00005459
13.	Verizon North - Chapter 30 Plan	P-00001854
14.	Philadelphia Gas Works	R-00006042
15.	PFG Gas Inc. & Penn Fuels Gas Co.	R-00013679
16.	Pennsylvania American Water Co.	R-00016339
17.	Philadelphia Suburban Water Co.	R-00016750
18.	Philadelphia Gas Works	R-00017034
19.	PFG Gas Inc. & Penn Fuels Gas Co	R-00027389
20.	Verizon - Pennsylvania, Inc.	P-00021973
21.	Verizon - Pennsylvania, Inc.	P-00937105-F0002
22.	Pennsylvania American Water Co.	R-00027982
23.	Dominion Peoples 1307(f)	R-00038170
24.	Verizon PA / Verizon North	C-20027195
25.	National Fuel Gas Distribution, Inc.	R-00038168
26.	Aqua Pennsylvania Inc.	R-00038805
27.	Dominion Peoples 1307 (f)	R-00049153
28.	PPL Electric Utilities	R-00049255
29.	National Fuel Gas Distribution, Inc.	R-00049656
30.	City of Lancaster - Sewer	R-00049862
31.	Dominion Peoples 1307(f)	R-00050267
32.	Verizon PA / Verizon North	C-20027195
33.	PPL Gas Utilities Inc. 1307(f)	R-00050540
34.	United Telephone	A-313200-F0007
35.	Aqua Pa	R-00051030
36.	T.W. Phillips 1307(f)	R-00051134
37.	City of Dubois	R-00050671
38.	T.W. Phillips	R-00051178
39.	The Peoples Natural Gas Co. 1307(f)	R-00061301
40.	Meted/Penelec	R-00061366 and R-00061367
41.	The York Water Company	R-00061322
42.	PPL Gas Utilities Corporation	R-00061398
43.	National Fuel Gas Distribution, Inc.	R-00061493
44.	Pennsylvania American Water Co.	P-00062241
45.	Philadelphia Gas Works	R-00061931
46.	PPL Electric	R-00072155
47.	Pennsylvania-American Water Co.	R-00072229

48.	Valley Energy	R-00072349
49.	City of Bethlehem	R-00072492
50.	Aqua Pennsylvania, Inc.	R-00072711
51.	T.W. Phillips 1307(f)	R-2008-2013026
52.	Columbia Gas	R-2008-2011621
53.	The Peoples Natural Gas Co. 1307(f)	R-2008-2022206
54.	PECO Energy	P-2008-2032333
55.	NRG Energy Center Harrisburg	R-2008-2028395
56.	PAWC - Coatesville Wastewater	R-2008-2032689
57.	York Water	R-2008-2023067
58.	Pike County Power and Light (Gas)	R-2008-2046520
59.	Columbia Water	R-2008-2045157
60.	T. W. Phillips Gas (1307-f)	R-2008-2075250
61.	The Peoples Natural Gas Co. (1307-f)	R-2009-2088069
62.	UGI Utilities Inc. (1307-f)	R-2009-2105911
63.	PAWC Water	R-2009-2097323
64.	UGI Utilities Inc.	R-2009-2105911
65.	Penn Estates Water	R-2009-2117532
66.	Penn Estates Sewer	R-2009-2117740
67.	AT&T Communications	C-2009-2098380
68.	Aqua Pennsylvania Inc.	R-2009-2132019
69.	T.W. Phillips Gas (1307-f)	R-2009-2145441
70.	PGW Gas	R-2009-2139884
71.	City of Bethlehem - Remand	R-00072492
72.	Dominion Peoples (1307-f)	R-2010-2155608
73.	PECO Energy - Gas Division	R-2010-2161592
74.	UGI Penn National Gas	R-2010-2172928
75.	PAWC Coatesville Operations	R-2010-2166212
76.	PAWC Northeast Operations	R-2010-2166214
77.	Duquesne Light	R-2010-2179522
78.	Peoples Natural Gas Company	R-2010-2201702
79.	T.W. Phillips - Steel River Application	A-2010-2210326
80.	Peoples Natural Gas 1307(f)	R-2011-2228694
81.	UGI Penn Natural Gas 1307(f)	R-2011-2238943
82	Pennsylvania American Water	R-2011-2232243
83.	Aqua Pennsylvania, Inc.	R-2011-2267958
84.	Borough of Quakertown	R-2011-2251181
85.	Peoples Natural Gas Company	R-2012-2285985
86.	Columbia Gas of Pennsylvania	R-2012-2321748
87.	UGI Utilities Inc.	R-2015-2518438
88.	Aqua Wastewater	A-2017-2605434
89.	Pennsylvania American Water	R-2017-2595853
90.	UGI Electric	R-2017-2640058

91.	PECO Electric	R-2018-3000164
92.	York Water Company	R-2018-3000019
93.	Penn Power	P-2019-3012628
94.	Aqua-PA -New Garden Twp	A-2019-2580061
95.	UGI Gas	R-2019-3015162
96.	Pittsburgh Water and Sewer	R-2019-3017951
		P-2019-3019019
97	PAWC Wastewater	R-2020-3019371
98.	Aqua PA Wastewater	R-2021-3027386
99.	PECO Electric	R-2021-3024601
100.	Borough of Ambler	R-2022-3031704
101.	PAWC – Borough of Brentwood	A-2022-3024058
102.	PAWC – Wastewater	R-2023-3043190
103.	First Energy	R-2024-3047068
104.	PPL Electric	P-2024-3048732
105.	Pittsburgh Water	R-2025-3055010
106.	Pittsburgh Wastewater	R-2025-3055011
107.	Pittsburgh Stormwater	R-2025-3055012
108.	Lancaster Water	R-2025-3057238
109.	Essential – PAWC Merger	A-2025-3058927

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Jospeh Kubas, hereby state that the facts set forth in my Direct Testimony, labeled OSBA Statement No. 1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 06/16/2026

/s/ Joseph Kubas
JOSEPH KUBAS

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins
Administrative Law Judge
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Harrisburg, PA 17120
charcollin@pa.gov

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Harrisburg, PA 17120
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Jacob D. Guthrie, Esquire
Ryan Morden, Esquire
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Date: June 18, 2026

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

July 31, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Surrebuttal Testimony of Joseph Kubas, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

SURREBUTTAL TESTIMONY

of

JOSEPH KUBAS

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics:
Small General Service Customer Charge
Future Cost of Service Studies

Date Served: July 31, 2026

Date Submitted for the Record: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph Kubas. My business address is Forum Place, 555 Walnut Street, 1st floor, Harrisburg PA, 17101.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Office of Small Business Advocate ("OSBA") as an Economic Development Consultant.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is being sponsored by the OSBA.

Q. ARE YOU THE SAME JOSEPH KUBAS THAT PROVIDED DIRECT TESTIMONY ON JUNE 18, 2026?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my surrebuttal testimony is to address two issues related to the rebuttal testimony of Peoples Natural Gas Company, LLC (Peoples or Company).

Specifically, I will address the rebuttal testimony of Luke Ravenstahl, submitted on behalf of Peoples as Statement No. 8-R concerning future Cost of Service Studies (COSS), and the rebuttal testimony of John D. Taylor, submitted on behalf of Peoples as Statement No. 17-R concerning the proposed SGS customer charge, and changes in future COSSs. The fact that I did not address every argument raised by the Company does not indicate my agreement with the Company on that argument.

Q. DID YOU MAKE A RECOMMENDATION FOR TOTAL REVENUE REQUIREMENT IN THIS CASE?

A. No. While my first issue did impact proposed rates, I did not make an overall revenue recommendation. Mr. Mark Ewen also addressed other issues in this case.

INTRODUCTION

Q. PLEASE DESCRIBE THE FILING.

A. On March 27, 2026, Peoples filed a natural gas base rate case based on a FPFTY ending December 31, 2027. The total increase is approximately $163,172,000.[1] The Company's revised this amount upward in its rebuttal testimony to approximately $163,933,000.[2]

SMALL GENERAL SERVICE CLASS

Q. WHAT CUSTOMERS ARE GENERALLY INCLUDED IN THE SMALL GENERAL SERVICE CLASS?

A. The SGS class is available to commercial and industrial customers and Natural Gas Distribution Companies consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate Natural Gas Powered Vehicles (Peoples Tariff Supplement No. 2 To Gas - PA PUC No. 48, First Revised Page No. 10). Based upon the Company's definition, this class would generally include Small Business customers that use less than 300 Mcf per year.[3]

[1] Peoples Volume I, Exhibit 2, Schedule 4, page 2, Line 1.
[2] Peoples Revised Exhibit No. 2, Schedule 4, Page 5, Line 1.
[3] Peoples Tariff Supplement No. 2 to Gas - PA PUC No. 48 First Revised Page No. 7.

Q. WHAT RATES DO SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR CURRENTLY PAY?

A. SGS customers that use between 0 and 499 Mcf per year currently pay a customer charge of $22.00 per month, a usage rate of $3.9844 per Mcf, plus various surcharges.[4]

Q. WHAT RATES DID THE COMPANY PROPOSE FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company proposed that SGS customers that use between 0 and 499 Mcf per year pay a customer charge of $32.14 per month, a usage rate of $5.7095 per Mcf, plus various surcharges[5]

Q. WHAT INCREASE AND PERCENTAGE INCREASE IN THE CUSTOMER CHARGE DID THE COMPANY PROPOSE FOR SGS CUSTOMERS?

[4] Volume 9, Peoples Exhibit JDT-4, page 1.

[5] Volume 9, Peoples Exhibit JDT-4, page 1.

A. The Company proposed that the SGS customer charge for customers that use between 0 and 499 Mcf per year be increased to $32.14 per month, which equates to an increase of $10.14 ($32.14 - $22.00) per month or 46.1%.

Q. WHAT CUSTOMER CHARGE DID YOU RECOMMEND FOR THE SGS CLASS?

A. I recommend that the present SGS customer charge remain at $22.00 per month.[6]

Q. WHAT SUPPORT DID YOU PROVIDE FOR KEEPING THE SGS CUSTOMER CHARGE AT $22.00 PER MONTH?

A. First, the Company failed to provide a customer cost analysis that showed the individual components to support increasing the SGS customer charge.[7] Second, I described how any customer concern about bill volatility can be addressed through a customer selecting budget billing. Third, I addressed how the Company's margin recovery is stabilized each year using its weather normalization adjustment. Fourth, I addressed why it makes no sense to suggest that a higher

[6] OSBA Statement No. 1, page 6.

[7] OSBA Statement No. 1, pages 5-6.

customer charge is fair to customers because customers understand a customer charge more than they understand a usage rate. Fifth, I described how customers are not concerned with the Company's recovery of fixed costs. Sixth, I described how there is no support for the claim that a higher monthly charge sends the correct "price signal" to customers. Seventh, the Company's suggestion that various SGS customers provide an unequal contribution to fixed costs is not supported. Since the Company failed to properly list what it believes are direct customer related fixed costs, there is no way to determine if the Company's claims concerning intra class subsidy or the need to collect more fixed costs are accurate. Eighth, the Company failed to provide any details supporting these individual customer costs. Ninth, while the Company would rather recover all fixed costs in a monthly charge, the Commission has consistently rejected this recovery claim. The Commission has repeatedly used its judgement and a detailed customer cost analysis to establish customer charges. Finally, I described how low-income customer issues are not a factor in determining the SGS customer charge.[8]

[8] OSBA Statement No. 1, pages 7-9.

Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING THE SGS CLASS CUSTOMER CHARGE RELATED TO THE COSS, REVENUE AND COST RECOVERY?

A. Yes. The Company disagrees with my recommendation to keep the SGS customer charge at $22.00 per month. First, the Company believes that its COSS provided the information necessary to evaluate the customer-related costs supporting the proposed customer charge, and the fact that it wasn't presented in a format that was easy to evaluate should not matter. Second, the Company believes that its proposal better advances more cost-reflective rates by recovering a greater portion of customer-related fixed costs through the monthly customer charge. The Company attempts to support this broad statement by claiming that a higher customer charge is reasonable because of how fixed costs are caused and incurred. Third, the Company believes that a higher customer charge represents a reasonable balance among the various objectives of rate design, including cost causation, fairness, customer impacts, and revenues. Fourth, the Company believes that the SGS customer charge is below the customer costs derived in the COSS. Fifth, the Company states that I did not identify any specific cost that is improperly included in the Company's customer cost analysis, nor did I demonstrate that the customer-

related costs reflected in the COSS are unreasonable[9].

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIRST CLAIM THAT IT PROVIDED THE NECESSARY INFORMATION TO EVALUATE CUSTOMER RELATED COSTS IN THE ORIGINAL FILING?

A. First, Mr. Taylor provided no citation for his claim regarding this information. Therefore, it's not possible for the Commission to verify Mr. Taylor's claim. Second, I am advised by counsel that the burden of proof lies with the Company. Therefore, it's not the responsibility of the OSBA or any other party to dissect the COSS and compile an appropriate customer cost analysis to verify the Company's claims. Third, given the chance to provide a one or two page customer cost summary, the Company decided that one is not necessary. With no COSS reference to any cost breakdown, the Commission is left to speculate and trust the Company as to what costs are included the two customer cost components. The first component being the Distribution On-site at $33.15 per month and the second

[9] Peoples Statement No. 17-R, pages 22-27.

component being the Accounts and Service at $9.92 per month for a total of approximately $43.06 per month per SGS customer.[10]

Q. HOW DO YOU RESPOND TO THE COMPANY'S SECOND CLAIM CONCERNING THE RECOVERY OF CUSTOMER RELATED COSTS THROUGH THE CUSTOMER CHARGE?

A. The Company provided over 7 pages of rebuttal testimony claiming that the SGS customer charge does not recover all the SGS "customer-related" costs. The Company is attempting to improperly claim that "customer-related" costs should be used to support a higher customer charge without providing a breakdown of these "customer related" costs. Just because the Company believes that a cost is "customer related" does not make that a cost recoverable in the customer charge.

Q. HOW DO YOU RESPOND TO THE COMPANY'S THIRD CLAIM THAT A HIGHER CUSTOMER CHARGE REPRESENTS A REASONABLE BALANCE AMONG THE VARIOUS OBJECTIVES, INCLUDING FAIRNESS, CUSTOMER IMPACTS, AND REVENUE STABILITY?

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[10] Peoples Volume 4, Exhibit No. 11, page 18.

A. First, while the Company believes a higher customer charge satisfies its "reasonable balance" objectives and leads to a fairer rate structure, the Company has not demonstrated how it's reasonable and fairer to charge customers more per month before that customer uses any gas. Second, these criteria should not be the primary determination for establishing a customer charge. While customer impact is a concern, the customer charge should be based upon a customer cost analysis that if done properly will establish a reasonable balance, be fair, and limit the impact on the customer that the Company desires. Third, the Company's future revenue stability should not be a factor in determining the proposed customer charge. The Company has many opportunities to stabilize future revenue other than a higher customer charge including but not limited to the weather normalization adjustment, adding new customers, and adding new volumes. Finally, these issues or concerns are either not a factor and/or do not supersede the importance of a proper customer cost analysis to support a proposed customer charge.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FOURTH CLAIM THAT THE PROPOSED CUSTOMER CHARGE IS BELOW THE CUSTOMER COSTS?

A. As described above and in my direct testimony, since the Company failed to provide a breakdown of the appropriate customer costs, it's not possible to determine if the Company's proposed SGS customer of $32.14 per month is below the appropriate customer costs.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIFTH CLAIM THAT SINCE I DID NOT IDENTIFY ANY CUSTOMER COSTS THAT SHOULD BE EXCLUDED, THE COMPANY'S SGS CUSTOMER CHARGE SHOULD BE APPROVED?

A. As described above and in my direct testimony, it was not possible for me to determine the individual components that the Company believes are "customer related". Therefore, it was not possible for me to address individual cost components.[11].

Q. DID THE COMPANY ALSO ADDRESS YOUR RECOMMENDATION CONCERNING THE SGS CLASS CUSTOMER CHARGE RELATED TO CONSERVATION?

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[11] OSBA Statement No. 1, page 6.

A. Yes. First, the Company believes that the proposed customer charges are not based on any single rate design objectives but consider many things including conservation. Second, the Company believes that its customer charges do not eliminate the incentives for customers to conserve. Third, the Company believes that placing too much emphasis on conservation in designing customer charges risks shifting fixed customer-related costs into volumetric delivery rates. Fourth, the Company speculates on price signals and customer behavior, stating customers will behave differently if fixed distribution costs are recovered in usage rate. Fifth, the Company believes that energy efficiency can still be promoted through volumetric delivery rates, and targeted conservation programs without compromising the appropriate recovery of customer related fixed costs. Sixth, the Company believes that conservation leaves fixed costs that will not be recovered in the future if they are not recovered in the proposed customer charges. Finally, the Company believes that the customer charge is intended to recover a portion of the costs that do not vary with usage[12].

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIRST CLAIM CONCERNING HOW THE COMPANY CONSIDERS CONSERVATION?

[12] Peoples Statement No. 17-R, pages 27-30.

A. I disagree with the Company. I believe that the Company's proposal reduces the customer's incentive to conserve. As I stated in my direct testimony: "A customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate structure with a higher customer charge and lower usage rate"[13]. It should be noted that the Company did not directly dispute this fact, only claiming other issues described below should be considered.

Q. HOW DO YOU RESPOND TO THE COMPANY'S SECOND CLAIM THAT ITS PROPOSAL DOES NOT ELIMINATE THE CUSTOMER'S INCENTIVE TO CONSERVE?

A. I never stated that the Company's higher SGS customer charge eliminates the customer's incentive to conserve. My testimony is that higher customer charges and lower usage rates provide <u>less</u> of an incentive for the customer to conserve.

Q. HOW DO YOU RESPOND TO THE COMPANY'S THIRD CLAIM CONCERNING THE RISK OF SHIFTING THE RECOVERY OF COSTS TO THE USAGE RATES?

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[13] OSBA Statement No. 1, page 9.

A. Any perceived risk of lower usage through conservation should not be a factor in determining a proper customer charge. As described above, the Company has many ways to stabilize usage revenue.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FOURTH CLAIM CONCERNING CUSTOMER BEHAVIOR?

A. I don't believe that customers are concerned about how the Company's fixed costs are recovered. As described above, I believe that customers will have a greater incentive to conserve and achieve a lower bill through conservation, if the customer charge is lower and the usage rates are higher. Therefore, keeping the SGS customer charge at $22.00 per month will create a greater incentive for SGS customers to conserve.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIFTH CLAIM THAT ENERGY CONSERVATION CAN STIL BE ACHIEVED WITH A HIGHER CUSTOMER CHARGE AND OTHER PROGRAMS?

A. As described above, and in my direct testimony, customers will have a greater incentive to conserve with a rate structure that includes a lower customer charge since a customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate

structure with a higher customer charge and lower usage rate. A greater incentive to conserve will generally lead to a more successful conservation program.

Q. HOW DO YOU RESPOND TO THE COMPANY'S SIXTH CLAIM THAT CONSERVATION LEADS TO THE UNDER RECOVERY OF FIXED COSTS IN THE FUTURE?

A. First, a properly established customer charge will recover the appropriate customer costs. However, since the Company failed to justify its higher customer charge with a proper customer cost analysis, the Commission has no way of knowing what People's customer costs are. Therefore, if the Company does not recover "customer related" costs in the future, it's only because it failed to provide an appropriate customer cost analysis in this case. Second, as described above, the Company has various methods to stabilize usage revenue and recover fixed costs in the future. Third, the use of a Fully Projected Future Test Year in cases like this allows the Company to project usage declines in rates before the decline occurs[14]. Finally, the Company stated that it will likely file a base rate case in 2 years or less[15]. A rate

[14] Peoples Statement 17, page 9.

[15] Peoples Statement 2-R, page 39.

case that soon will allow the Company to reflect recovery of any fixed costs not being recovered in the final usage rates fairly quickly.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FINAL CLAIM THAT A CUSTOMER CHARGE SHOULD RECOVER A PORTION OF THE COSTS THAT DO NOT VARY WITH USAGE?

A. I disagree with this broad statement. I believe a customer charge should only recover the direct customer costs that vary with the addition or loss of a customer, plus some limited indirect customer costs the Commission has allowed in past cases. The overly inclusion notion that a fixed costs is automatically a customer costs should be rejected by the Commission.

Q. DO YOU CONTINUE TO RECOMMEND THE CURRENT SGS CUSTOMER CHARGE OF $22.00 PER MONTH NOT BE INCREASED

A. Yes. Since the Company failed to provide any valid reason for increasing the SGS customer charge, I continue to recommend that the present SGS customer charge of $22.00 per month for customers that use between 0 and 499 Mcf per year should not be increased.

FUTURE COST OF SERVICE STUDIES

Q. WHAT CURRENT CLASSES ARE INCLUDED IN THE COMPANY'S COST OF SERVICE STUDY?

A. The Company's COSS includes the Residential (R), Small General Service (SGS), Medium General Service (MGS), Large General Service (LGS) and Mainline Service (MLS) classes.[16]

Q. WHICH CLASSES INCLUDE CUSTOMERS THAT HAVE RATES THAT ARE NEGOTIATED, TYPICALLY REFERRED TO AS COMPETITIVE DISCOUNT CUSTOMERS?

A. The SGS, MGS, LGS, and MLS classes all include customers where the rates are negotiated.[17]

Q. DID YOU PROVIDE DIRECT TESTIMONY CLAIMING DISCOUNT CUSTOMERS IN THE CLASS SKEWS THE RESULTS OF THAT CLASS?

[16] Peoples Volume IV, Exhibit 11, page 14.

[17] Peoples Volume 9, Exhibit JDT-4 pages 1-5.

A. Yes. Granting negotiated rates to customers within a class results in a revenue shortfall for that class. Then under proposed rates other customers in that class pay higher rates to make up for the revenue shortfall in that class. Under this scenario, the true cost of providing service to tariff rate customers in these classes is higher than it otherwise would be.[18]

Q. WHAT DID YOU RECOMMEND THE COMPANY DO IN FUTURE COST OF SERVICE STUDIES?

A. I recommended that in future COSSs, the Company separate the negotiated customers and corresponding revenue into a separate "Negotiated" class[19].

Q. WHY DID YOU RECOMMEND THE COMPANY SEPARATE THE NEGOTIATED CUSTOMERS AND CORRESPONDING REVENUE FROM NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A. As described above, and in my direct testimony, this recommendation enables the Commission and interested parties to determine the true cost of providing tariff

[18] OSBA Statement No. 1, page 10.

[19] OSBA Statement No. 1, page 10.

rate service to each of the remaining classes without the lower revenue from customers that pay negotiated rates skewing the results of each class in the COSS.[20]

Q. WHAT OTHER SUPPORT DID YOU PROVIDE FOR MAKING THIS RECOMMENDATION?

A. I described how Columbia Gas Company of Pennsylvania separates Flex Rate customers into their own class.[21] I also described how Pennsylvania America Water currently separates Bulk Contract customers into their own class in the Sanitary Sewer System Operations.[22]

Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING THE SEPARATION OF NEGOTIATED CUSTOMERS INTO THEIR OWN CLASS IN FUTURE COSSs?

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[20] OSBA Statement No. 1, pages 10-11.

[21] Docket No. R-2025-3053499, Columbia Exhibit 111, Schedule 1.

[22] Docket R-2025-3058051, PAWC Exhibit 12-B, Schedule B, OSBA Statement No. 1, page 11.

A. Yes. Mr. Taylor believes that this is "one reasonable approach" that could be considered in future cases. However, Mr. Taylor also states that this recommendation demonstrates that the current COSS and rate design proposals in this proceeding are reasonable.[23] Mr. Ravenstahl believes that it is unlikely that flex rate customers will have the same usage patterns, making it difficult to group them into one class.[24]

Q. HOW DO YOU RESPOND TO MR. TAYLOR'S REBUTTAL TESTIMONY CONCERNING FUTURE COST OF SERVICE STUDIES?

A. It appears that the Company does not object to my recommendation concerning future COSSs. Therefore, my recommendation to require the Company to separate the negotiated customers into a separate class should be approved. Furthermore, since the Company failed to dispute or respond to my testimony describing how other utilities separate negotiated customers into their own class demonstrates that my recommendation is reasonable and should be approved.

[23] Peoples Statement No. 17-R, page 19-20.

[24] Peoples Statement No. 8-R, page 8.

Q. HOW DO YOU RESPOND TO MR. TAYLOR'S REBUTTAL TESTIMONY CONCERNING THE CURRENT COST OF SERVICE STUDY AND RATE DESIGN?

A. Mr. Taylor takes the leap that my recommendation demonstrates the current COSS and rate design are reasonable. This was not the intent of my testimony. Just because I did not recommend any changes to the current COSS does not mean that I entirely support the Company's rate design as filed. My recommendation concerning negotiated customers only addressed future COSSs.

Q. HOW DO YOU RESPOND TO MR. RAVENSTAHL'S REBUTTAL TESTIMONY CONCERNING COST CAUSATION?

A. Mr. Ravenstahl is correct that the factors in a COSS should be determined by cost causation. However, he only speculates that negotiated customers result in different cost causations.

Q. DID MR. RAVENSTAHL'S PROVIDE ANY SUPPORT FOR HIS NOTION THAT NEGOTIATED CUSTOMERS HAVE DIFFERENT COST CAUSATION PATTERNS?

A. No. First, I believe it's more reasonable to assume that negotiated customers are large customers that are not weather sensitive and have relatively stable usage

throughout the year. Second, the Company would be free to divide the negotiated customers into two or more groups such as large/small, or steady/peak if that is appropriate. This will address Mr. Ravenstahl's concern.

Q. DO YOU CONTINUE TO RECOMMEND THAT THE NEGOTIATED CUSTOMERS BE SEPARATED INTO THERE OWN CLASS IN FUTURE COST OF SERVICE STUDIES?

A. Yes. Since the Company did not state that it was not possible to separate negotiated customers into their own class, and for the reasons stated above, the Commission should approve my recommendation.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Joseph Kubas, hereby state that the facts set forth in my Surrebuttal Testimony, labelled OSBA Statement No. 1-SR, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 07/23/26

/s/ Joseph Kubas
JOSEPH KUBAS

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins
Administrative Law Judge
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charcollin@pa.gov

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Date: July 31, 2026

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

June 18, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Direct Testimony and Exhibit of Mark D. Ewen, labeled OSBA Statement No. 2, with associated Exhibit IEc-1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

DIRECT TESTIMONY AND EXHIBIT

of

MARK D. EWEN

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics
Customer Assistance/Affordability
Cost Allocation
Revenue Allocation
Weather Normalization Adjustment

Date Served: June 18, 2026

Date Submitted for the Record: _____

DIRECT TESTIMONY OF MARK D. EWEN

1. Introduction and Context

Q. Mr. Ewen, please state your name and briefly describe your qualifications.

A. My name is Mark D. Ewen. I am a Principal and President of Industrial Economics, Incorporated ("IEc"), a consultancy headquartered at 2067 Massachusetts Avenue, Cambridge, MA 02140. My consulting practice focuses on regulatory and energy economics, expert case management and economic damages estimation in a variety of litigation contexts, and financial analysis. I obtained a B.A. degree in Economics and Political Science from the University of North Dakota, and a Master of Public Policy degree from the University of Michigan. I have participated and provided testimony in a variety of proceedings before the Pennsylvania Public Utilities Commission ("Commission"), including electric and gas base rates cases, 1307(f) purchased gas cost filings, energy efficiency and conservation cases, merger and acquisition cases, and default service provider ("DSP") petitions. My involvement as an expert witness to utility rate cases extends to a variety of jurisdictions, including Rhode Island, New York, Pennsylvania, New Hampshire, Maryland, and Canada. My résumé and a listing of the expert testimony that I have filed in various litigation and utility regulatory proceedings are attached in Exhibit IEc-1.

Q. Please describe your assignment in this matter.

A. I am appearing in this proceeding on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA"). The OSBA requested that I review the filing of Peoples Natural Gas Company, L.L.C. ("PNG" or the "Company") in this proceeding to evaluate whether the Company's revenue requirement, cost allocation, revenue allocation, and rate design proposals are consistent with sound regulatory economics and policy and are fair and reasonable to small business customers. If I have not addressed a particular issue, it cannot be inferred that I agree with the Company's proposal for that topic.

Q. Please summarize the Company's filing from a cost allocation and rate design perspective.

A. PNG proposes a base rate increase of $163.2 million, or 13.8 percent of base rate revenues, for the fully projected future test year ("FPFTY") ending December 31, 2027. The primary driver of the proposed rate increase, as asserted by the Company, is its ongoing infrastructure modernization programs, supported by significant and ongoing capital investments. The Company requests an ROE of 11.25 percent and a capital structure consisting of 45.53 percent long-term debt and 54.47 percent common equity. The Company also requests an adjustment to the method by which it calculates its Weather Normalization Adjustment ("WNA").

Q. Please summarize your recommendations.

A. I offer the following recommendations:

- The Company should implement a formal mechanism to track small business customers that experience financial difficulties. PNG should also provide the OSBA's contact information and a description of the services the OSBA offers on the Company's website.
- The Commission should carefully consider ratepayers' interest, affordability concerns, and the risk reduction benefits of a low-risk regulatory environment in evaluating the Company's cost of capital claim in this proceeding.
- The Commission should adopt my alternative revenue allocation proposal shown in Table IEc-3.
- The Commission should reject the Company's proposed WNA modification unless the Company: a) conducts a full bill impact study evaluating the proposed change, and b) increases the WNA deadband from three percent to five percent.

2. <u>Customer Assistance and Affordability</u>

Q. How does the Company address affordability concerns in its filing?

A. Peoples operates several universal service programs available to residential customers, each described in its Universal Service and Energy Conservation Plan ("USECP") and sponsored primarily through Peoples Statement No. 10: the Customer Assistance Program ("CAP"), the Low Income Usage Reduction Program ("LIURP"), the hardship fund

(administered by Dollar Energy Fund), and CARES, plus the Emergency Furnace/Service Line Repair program.

Q. Does the Company address affordability concerns for small businesses in its filing?

A. Other than general statements about designing rates that are affordable for each customer class, no.

Q. Does the Company offer financial assistance to commercial customers?

A. The Company states it strives to work with all customers, including Small General Service ("SGS") customers who experience financial difficulties, and that it evaluates both historical records (i.e., amount past due) and good faith attempted payments along with current customer information to determine eligibility for a payment plan.[1] However, PNG does not have a formal plan in place for working with SGS customers experiencing financial difficulties.[2]

Q. What are your recommendations with respect to customer assistance programs?

A. I recommend that the Company add a formal late payment plan to the SGS and MGS tariffs. In addition, the Company should continue to track interactions in which small business customers report financial difficulties (e.g., trouble paying heating bills on time), including both participation in the new formal payment plan and more informal complaints or inquiries. I also recommend that PNG provide the OSBA's contact information and a description of the services the OSBA offers on the Company's website.

The need for such programs made available to the SGS class is evident based on the Company's response to OSBA-II-009. Between January 2023 and June 2026, the monthly number of SGS bills that were 1-60 days late increased from 3,497 to 5,896 – a 69 percent increase. Over the same period, the monthly number of bills more than 60 days late grew from 661 to 971, an increase of 47 percent.

Q. How does the Company's requested ROE impact its proposed revenue requirement?

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[1] OSBA-II-008.

[2] OSBA-II-007.

A. The importance of approving an ROE that balances the interests of shareholders and ratepayers cannot be overstated. For example, holding all other inputs in the revenue requirements model constant, if the Company assumes an ROE of 9.0 percent instead of the requested ROE of 11.25 percent, the revenue requirement would decrease by $90.8 million.[3]

Q. Do you have concerns about the Company's requested ROE?

A. Yes. My primary concern is that the Company does not adequately consider customers' interests in its ROE determination. Two United States Supreme Court cases, *Bluefield*[4] and *Hope*[5], established the standards for determining fair rates of return for utilities. Longstanding precedent holds that a utility's awarded return should be commensurate with those on investments of corresponding risk and sufficient to attract capital and maintain financial integrity. However, determining the cost of capital and rate of return cannot be considered in isolation of the full ratemaking process. Setting rates that are just, reasonable, and affordable is an important goal for the Commission.

As I discuss in detail below, PNG's WNA, as a form of revenue decoupling, insulates the Company from revenue uncertainty associated with weather and the regulatory environment. More broadly, while a WNA mechanism reduces utility risk and therefore should reduce the utility cost of capital, it is difficult to identify any reduction in allowed utility rates of return associated with adoption of WNA mechanisms in Pennsylvania. Natural gas distribution companies ("NGDCs") in Pennsylvania also file revenue requirements based on future test years that allow for prospective investments and adjustments. Accordingly, the risk of regulatory lag impacting the Company's ability to recover costs is low.

Based on the above factors, the Commission should carefully consider ratepayers' interest, affordability concerns, and the risk reduction benefits of a low-risk regulatory environment in evaluating the Company's cost of capital claim in this proceeding.

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[3] My calculations based on Exhibit No. 2, Schedule No. 4 - 53.53 III.A.17 provided in response to OCA-I-001.

[4] *Bluefield Waterworks and Improvement Company v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923).

[5] *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591 (1944).

3. Cost Allocation

Q. What is a utility cost allocation study?

A. A utility cost allocation study, in this case the Company's gas allocated class cost of service study ("ACOSS"), is an analytical tool that assigns the utility's test year total costs (i.e., the "revenue requirement") among the various utility rate classes. Pennsylvania electric and gas utilities generally use an "embedded cost" approach to cost allocation, in which accounting book costs are directly assigned among the rate classes, rather than a marginal cost approach. It is generally agreed that costs should, to the extent practicable, be assigned among rate classes based on "cost causation," such that costs caused by a particular class of customers are assigned to that class. A cost allocation study generally involves a three-step process, in which costs are (a) segregated by function ("functionalization"): (b) further segregated by cost causation factor, notably throughput, peak demand, "excess" demand, and customer count ("classification"); and (c) allocated among the rate classes based on each class's contribution to the cost causation factor ("allocation").

Q. What purpose does the ACOSS serve in a utility rate proceeding?

A. The ACOSS informs both the assignment of the rate increase among customer classes ("revenue allocation") and the design of rates to recover the revenues assigned to each rate class. Revenue allocation is often used to move rate revenue more into line with allocated costs from the ACOSS. For rate design, classified costs, such as customer-related and demand-related costs, are used to inform the development of specific rate charges, such as monthly customer and demand charges.

Q. Please describe the Company's rate classes used in the ACOSS.

A. The Company's ACOSS includes the following rate classes:

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

Q. Turning to the issues of cost allocation methodology, what are the most important cost allocation issues for a NGDC like PNG?

A. An ACOSS allocates rate base and associated capital costs, distribution expense, customer accounts/service expense, expense, administrative/general ("A&G") expense, and taxes. Often, costs are allocated on a derivative basis, based on costs already allocated. For example, depreciation, income taxes, and return are often allocated in the same manner as, or in proportion to, rate base. General plant and A&G costs are typically allocated based on some combination of overall plant allocations or O&M expense or labor allocations. Thus, the overall results of an ACOSS are substantially driven by the allocation of a few large asset accounts. These "big ticket" issues for cost allocation are generally:

- Classification of mains costs, potentially into peak demand, throughput and/or customer components.
- Definition and derivation of the peak-demand allocation factor, including the treatment of interruptible load in the allocator.
- Allocation of meters and services costs.

Q. Please describe the basic issues involved in gas utility mains cost causation.

A. Gas distribution mains are installed to meet two basic objectives: (a) to interconnect the customer with the interstate pipeline system (or other gas supply sources); and (b) to be able to transport sufficient gas to meet the demand of customers downstream under extreme peak conditions.

However, it is not easy to develop an analytical model capable of reflecting these cost causation factors. Ideally, the cost of any particular segment of mains would only be allocated to those specific customers who are served downstream from that segment. In practice, undertaking such an analysis can be detailed, costly, and time consuming.

Q. What are the more traditional approaches to mains cost classification?

A. Various analytical models are used in place of the traditional detailed modeling approaches. These methods attempt to address the following questions:

- What causation factors best correlate with mains costs?
- Are mains costs causally related to the number of customers? And, if so, how should the "customer component" of mains costs be derived?

- How should mains costs that are not causally related to number of customers be allocated among the various rate classes?

Regarding the first question, the traditional cost allocation parameters include throughput, peak demand, excess peak over average demand, and number of customers. As a matter of arithmetic, a throughput allocation factor is equivalent to an "energy" allocator, a "commodity" allocator, a "volumetric" allocator, and an "average demand" allocator.[6]

Regarding the second question, one argument is that more footage of mains must be installed to interconnect many small customers than to connect one larger customer with the same aggregate load. This approach is particularly appealing for small to medium business customers who are often more geographically concentrated in commercial areas, thereby requiring less mains footage.

Commission precedent indicates that the Commission has rejected the use of a customer component for gas distribution utilities in Pennsylvania, in the most recent cases of which I am aware.

Q. If there are no customer component mains costs per Commission precedent, what methods are used generally for allocating these costs?

A. The traditional allocation methods include three general approaches: a peak demand method ("Peak Demand"); a peak-and-average ("P&A") method; and an average-and-excess ("A&E") method. In the Peak Demand method, costs are allocated in proportion to each class's share of system "design day" peak demand, which represents the capacity needed to serve the class under extreme weather conditions. The logic for this approach is that the mains must be sized to meet peak day demand.

In the P&A method, costs are allocated based on a weighted mix of design day peak demand and average day demand. The two component are typically weighted 50/50.

The A&E allocation factor is a weighted average of average demand (i.e., throughput) and "excess" demand. Excess demand is measured as the difference between peak demand and

[6] Average demand is generally measured as annual throughput divided by 365 days. As such, it is arithmetically equivalent to annual throughput when used as an allocation factor. The ratio of average demand to peak day demand is generally referred to as load factor. High load factor customers typically use gas for manufacturing process applications; low load factor customers often rely on gas primarily for heating purposes.

average demand. Because this allocation factor consists of an average demand component and a "peak minus average" demand component, it is typically closer in magnitude to a Peak Demand allocator than to a P&A allocator. However, this observation depends on the weighting factor used to derive the A&E factor. Under specific conditions, namely when the weighting factor is based on the system load factor and there is no diversity of demand across classes, the P&A allocator is arithmetically identical to the A&E factor.

Q. Please review Commission precedent with respect to mains cost allocation methods.

A. In the Columbia Gas proceeding at Docket No. R-2022-3031211, the Commission reaffirmed that the terms and conditions of settlements are not relied upon as precedential and that cost of service studies should be evaluated on a case-by-case basis:

> We note that even in cases in which the revenue allocation methodology is litigated, a determination regarding which ACCOSS should be used should be determined on a case-by-case basis. We have observed that "the inherent distinctions between utilities and rate cases may result in different methodologies to be reasonable for different reasons. In other words, the best-suited ACCOSS may depend on the circumstances of the situation on a case-by-case basis."[7]

In PECO Gas's 2020 base rates proceeding, the Commission approved the Company's proposed A&E allocation method, that produced allocation factors substantially similar to a peak demand allocator.[8]

Q. What approach does PNG use in this proceeding?

A. The Company classifies mains using an "Average Study" that equally weights two methods: a Customer-Demand study and a Demand-Commodity study. The Customer-Demand study classifies mains between customer and demand components using a Minimum Size System ("MSS") study, while the Demand-Commodity study splits costs

[7] Opinion and Order, Pennsylvania Public Utility Commission, Docket No. R-2022-3031211 et al., Order Entered December 8, 2022, at 107.

[8] Opinion and Order, Pennsylvania Public Utility Commission, Docket No. R-2020-3018929 et al., Order Entered June 17, 2021, at 228-231.

evenly between demand and commodity. Averaging the two studies results in a customer-related mains component of 24 percent, a demand-related component of 51 percent, and a commodity-related component of 25 percent.[9] The demand-related portion is in turn allocated using a Peak-and-Average factor ("P&A") weighting design-day peak demand and average demand 50/50.[10]

Q. Please summarize the ACOSS results.

A. **Table IEc-1** below reports revenue-cost ratios at the Company's current and proposed rates for those rate classes subject to cost-based rates. At current rates, every class but the Large General class is under-recovering costs based on the ACOSS results. At proposed rates, the Residential, Small General, and Medium General move towards parity, while the Large General and Mainline Service do not receive rate increases.[11]

Table IEc-1
Summary of PNG Gas ACOSS: Revenue-Cost Parity Ratios

	Current Rates	Proposed Rates
Residential	1.00	0.99
Small General	0.90	0.94
Medium General	0.94	0.99
Large General	1.57	1.38
Mainline Service	0.82	0.74
Total	**1.00**	**1.00**

Source: IEc WP1

4. Revenue Allocation

Q. What is revenue allocation?

A. Revenue allocation is the assignment of the dollar net increase or decrease to each of the Company's rate classes in a base rates proceeding. In contrast, *rate design* determines how

[9] PNG Statement No. 17, at 25.

[10] PNG Statement No. 11, at 7.

[11] The revenue-cost ratio for the Mainline Service class decreases at proposed rates because this class largely comprises negotiated contract customers.

the allocated revenue is recovered from individual ratepayers within each class. From a cost recovery standpoint, revenue allocation addresses *inter-class* cross-subsidization issues, while rate design addresses *intra-class* cross-subsidization issues.

Q. What are the primary economic and regulatory criteria for revenue allocation?

A. In general, allocated cost is the primary criterion used by regulators in the revenue allocation process. Most utilities and regulators adopt a policy in a base rate proceeding of attempting to move revenues more into line with allocated costs by varying the magnitude of the rate increases for the individual classes. However, regulators also subject the rate increases to other non-cost criteria of ratemaking. Of the traditional rate design criteria, the most common non-cost considerations in the revenue allocation process are:

- the *gradualism* principle (or avoidance of "rate shock"), in which large rate increases for individual customers or classes of customers are avoided; and
- the *value of service* principle, which is often used to mitigate rate increases for customers or customer classes with relatively elastic demand. [12]

Using these criteria, the utility will develop a proposal for assigning the increase in the revenue requirement among the classes that reflects both cost and non-cost considerations. With this proposal, the ACOSS can be simulated at both present and proposed rates to evaluate the magnitude of progress that has been made toward the policy of achieving cost-based rates.

Q. Please summarize the Company's proposed revenue allocation in this proceeding.

A. The Company describes its approach in Statement No. 17. The Company generally indicates a desire to move rates into line with allocated costs subject to rate gradualism constraints. In effect, this means limiting the rate increase for the Small General class to 1.5 times the system average increase. The Company evaluates its revenue allocation proposal using a revenue-to-cost ratio benchmark, where a ratio of 1.0 indicates that revenues are fully in line with allocated costs. PNG also states that its proposal reduces

[12] See, for example, Principles of Public Utility Rates, Second Edition, Bonbright, Danielsen, Kamerschen, 1988, pages 383–387. The criteria in this text apply to the overall development of a utility rate structure. The criteria that I discuss in this testimony are those that apply to the revenue allocation portion of the process, which is only one aspect of the overall development of utility rates.

subsidies between rate classes. **Table IEc-2** below summarizes the Company's revenue allocation proposal.

Table IEc-2
Summary of PNG Gas Proposed Revenue Allocation

	Increase $000	Increase %	R/C Current	R/C Proposed	Increase/System Avg. Increase
Residential	$118,163	13.5%	1.00	0.99	0.99
Small General	$21,443	18.5%	0.90	0.94	1.36
Medium General	$21,264	19.7%	0.94	0.99	1.45
Large General	$0	0%	1.57	1.38	0.00
Mainline Service	$0	0%	0.82	0.74	0.00
Total	**$160,871**	**13.58%**	**1.00**	**1.00**	**1.00**

Source: IEc WP1

Q. Do you agree with the Company's revenue allocation proposal?

A. The Company's revenue allocation is directionally consistent with the results of the ACOSS. However, in the interest of rate gradualism for the SGS and MGS classes, I propose capping the maximum rate increase at 1.25 times the system average. To achieve this, I recommend a small increase for the LGS class, rather than no increase as PNG proposes.

Q. What is your alternative revenue allocation proposal?

A. **Table IEc-3** summarizes my alternative revenue allocation proposal, as described above.

Table IEc-3 **Summary of IEc Alternative Revenue Allocation**					
	Increase $000	Increase %	R/C Current	R/C Proposed	Increase/System Avg. Increase
Residential	$118,163	13.5%	1.00	0.99	0.99
Small General	$19,699	17.0%	0.90	0.93	1.25
Medium General	$18,361	17.0%	0.94	0.97	1.25
Large General	$4,647	6.5%	1.57	1.42	0.47
Mainline Service	$0	0.0%	0.82	0.74	0.00
Total	**$160,871**	**13.6%**	**1.00**	**1.00**	**1.00**
Source: IEc WP1					

5. <u>Weather Normalization Adjustment</u>

Q. What is the Company's proposal regarding WNA in this proceeding?

A. The Company's WNA was approved as a permanent mechanism in the last base rate case proceeding in Docket No. R-2023-3044549. The existing WNA has the following features: it applies to the Residential and Small/Medium General Service classes; operates during the October through May heating season; includes a three percent deadband; is calculated on a bills-rendered basis; is presented as a separate line item on customer bills; includes a limiter for bills rendered in May such that the WNA adjustment will not exceed 100 percent of the billed distribution amount for that same billing period; and requires annual reporting of billed WNA revenues, actual and normal HDD, and bill impact information.

In this case, the Company proposes a single change, which is to update the Normal Heating Degree Day ("NHDD") benchmark that anchors the WNA. Currently, the WNA has a blended methodology that was approved in the last case, averaging results from a 65-year regression and a 20-year average HDD normalization. PNG proposes to rely solely upon the 65-year regression methodology. The Company states it is making no other structural

changes to the WNA, and claims this change is necessary to ensure methodological consistency between the weather normalization assumptions used to establish base-rate billing determinants and those used in the WNA.[13]

Q. What is a WNA mechanism?

A. The Company's WNA mechanism is a form of a rate "decoupling," that utilities use to "weaken" or "break" the link between revenues and customer gas consumption. Decoupling mechanisms allow utilities to adjust rates and/or implement charges and credits to customer bills to ensure the utility receives a pre-established, benchmark level of revenue. A WNA reconciles revenues between those approved in the base rates case and those actually earned based on variances in the weather. If the weather is warmer than normal, the NGDC is permitted to earn supplemental revenues to make up the shortfall; if weather is colder than normal, the NGDC credits the ratepayer with a lower bill for base rates.[14]

Q. What is the apparent allure of a WNA and other decoupling mechanisms and what are the drawbacks?

A. The WNA mechanism as used in Pennsylvania is a partial rate decoupling mechanism, which has at least three advantages over broader rate decoupling mechanisms. First, the WNA provides mutual risk reduction benefits to both NGDC and ratepayer, in the form of revenue/bill stability. The NGDC gets more stable revenues; the ratepayer gets a more stable bill. In theory, the more stable NGDC revenues should reduce its risk, and thus its allowed rate of return. In extremely cold conditions, the ratepayer gets a lower base rates bill under the WNA than it would without a WNA. In contrast, revenue decoupling mechanisms for non-weather variances generally involve an increase in risk for ratepayers and reduced risk for the NGDC. Consider economic fluctuations. In an unexpected economic downturn, a broad rate decoupling mechanism will impose higher charges on ratepayers to make up for the overall downturn in load, at the same time that the ratepayers are suffering the effects of the economic downturn. The NGDC, by contrast, is insulated

[13] Peoples Statement No. 17, at 40.

[14] Gas supply charges are not subject to the WNA. Thus, weather fluctuations will continue to cause bill fluctuations with respect to gas supply.

from the effects of the economic downturn. Thus, as rate decoupling mechanisms go, the WNA is more balanced than broader mechanisms.

The second advantage is that the WNA mechanism can be adopted in "real time". WNAs can be calculated within the billing period in which the variance between actual and normal weather occurs. This avoids the intergeneration inequity problems of broader rate decoupling mechanisms.

The third advantage is that the WNA mechanism can be customer-specific. Weather normalization adjustment mechanisms can be designed to specifically reflect the weather-related usage of the individual customer. As such, it is a fairer mechanism than broader rate decoupling mechanisms, which have little or no linkage between the cause of the revenue variance and the recovery mechanism.

Q. Are there general concerns about the working of WNA mechanisms?

A. Yes, there are several.

First, use of a WNA mechanism means that a customer is being billed for a level of gas consumption that is not metered, but is only estimated. As such, it is often difficult to explain to customers why their rates appear to fluctuate up and down each month, or why there is a mysterious "WNA" charge/credit on their bills that is not related to any specific metered consumption amount.

Second, the WNA mechanism weakens price signals for energy conservation during extreme periods. Under the WNA, a ratepayer has a lower per-mcf incentive to reduce usage during unusually cold periods than it does under traditional volumetric rates. As gas distribution systems are designed, at least in part, to meet extreme weather demands, the traditional rate approach is more consistent with cost causation and with how costs are allocated in the allocated cost of service study.

Third, problems can be exacerbated in periods where actual HDDs are low, such as a warm spell in the spring. Unless protections are in place, an unadjusted WNA might produce very large multipliers, if, say, the normal HDDs are 300 and the actual HDDs are 30. For

customers who happen to have an unusual load in that period, the WNA would charge that load at a factor of 10:1.[15]

Q. Please summarize how the Company's existing WNA works.

A. A WNA is a form of partial revenue decoupling that breaks the link between a utility's distribution revenue and customers' actual weather-driven gas consumption. PNG's WNA applies to the Residential and Small/Medium General Service classes. The Company adjusts the amount billed to each customer to reflect "normal" weather, regardless of actual conditions. In technical terms, the Company compares actual heating degree day ("AHDD") variations from NHDD, adjusted for a three percent deadband. No adjustment applies to customer bills if weather falls within the three percent deadband, and the WNA mechanism only applies for variation of actual weather from normal weather outside of the deadband.

Q. Have you reviewed the Company's evidence regarding the historical performance of its WNA mechanism?

A. Yes. In response to OSBA-II-015(B) and (C), the Company provided monthly WNA results for the SGS and MGS classes for two heating seasons: 2024-2025 and the partial 2025-2026 season (through March 2026). The Company offers these data to supports its position that the WNA is operating symmetrically to protect customers when the weather is colder than normal.[16]

Q. Is two seasons of data a sufficient basis on which to evaluate whether the WNA is performing as intended?

A. No. The Company's WNA mechanism began in the last rate case (2023), so customer bills have only been affected since October 2024.[17] Thus, only two heating seasons of actual data exist, one of which is incomplete. WNAs are designed to be symmetric around a normal-weather baseline. The 2024-2025 season was warmer than normal and produced net surcharges to commercial customers of approximately $2.9 million; the

[15] The PGW mechanism did, in fact, produce such anomalous results in the spring of 2022.

[16] Peoples Statement No. 17, at 38.

[17] OSBA-II-015.

partial 2025-2026 season has been colder than normal and has produced net credits of approximately $3.0 million to date. The two seasons happen to produce a near-zero cumulative net figure, but without more data it is impossible to determine whether this reflects coincidence or a WNA mechanism performing as intended. In either case, this operating history is too short to support any conclusion about the mechanism's future effectiveness.

Q. Does the Company assess the bill impacts of its proposal to remove the 20-year average from the HDD calculation?

A. No. In supporting the WNA proposal in docket R-2023-3044549, Company Witness Scanlon stated that the Company believed the 65-year regression "provides a reasonable basis for weather normalization. However, Peoples is proposing to use the average of the 65-year regression model result with the average of the 20-year average *due to the concept of gradualism*."[18] It is unclear why methodological consistency between the base-rate billing determinants and the WNA normalization period should take precedence over protecting consumers from bill volatility. When asked in this proceeding to produce the Company's bill impacts evaluations resulting from the proposed change to rely exclusively on the 65-year regression methodology, the Company stated they had not performed such an analysis.[19]

Q. What do you recommend regarding the Company's WNA?

A. First, the Company should be directed to perform a bill-impact study showing the results of the proposed change to rely on a 65-year regression methodology to update the WNA normalization period, compared to the currently approved WNA methodology. The Company should report the same customer-impact metrics included in OSBA-II-015 Attachment B 2024-2025 and OSBA-II-015 Attachment B 2025-2026, and the analysis should cover (a) a retrospective ten-year historical period, assuming the WNA mechanism had been in effect, and (b) a prospective ten-year analysis based on usage projections.

[18] R-2023-3044549, Peoples Statement No. 3, at 5. [emphasis added]

[19] OSBA-II-015.

Second, to mitigate bill volatility for consumers, I recommend increasing the WNA deadband from three percent to five percent.

Q. Does this conclude your direct testimony?

A. Yes, it does.

EXHIBIT IEc-1

RÉSUMÉ AND EXPERT TESTIMONY LIST

FOR

MARK D. EWEN

IEc

MARK D. EWEN — PRESIDENT

Overview

Mr. Ewen has a strong background in applied economics, empirical methodologies, and financial analysis. As a Principal at Industrial Economics, Incorporated (IEc), he focuses on expert case management and economic damages estimation in a variety of litigation contexts, regulatory and environmental economics, and financial analysis. Within his areas of expertise, Mr. Ewen has been qualified as an expert witness before judicial and regulatory bodies (see schedule of testimony and appearances). He has also served as a Managing Director of the firm.

Education

Master of Public Policy, University of Michigan

B.A., *summa cum laude*, Economics and Political Science, University of North Dakota

Select Project Experience

Examples of his project work include the following:

Mr. Ewen has participated in various proceedings concerning energy markets and regulated utilities. These efforts, which focus on issues related to cost allocation, revenue allocation, and rate design, include working on behalf of industry and consumer intervenor groups in rate-making cases before the public utility commissions in New York, Pennsylvania, Alberta, Canada, and the U.S. Postal Rate Commission. For example, for **New York Department of State's Utility Intervention Unit (UIU)** and the **Pennsylvania Office of Small Business Advocate (OSBA)**, he has and continues to provide consulting and analytic support relating to electricity and natural gas tariff design, revenue requirements, and other regulatory initiatives concerning electrical and natural gas distribution utilities. For the **Rhode Island Attorney General**, Mr. Ewen conducted a due diligence review of PPL's proposed acquisition of Narragansett Electric Company and its potential impacts on the state's ratepayers.

For the **New York State Energy Research and Development Authority (NYSERDA) and Department of Public Service (DPS)**, Mr. Ewen provided expert services assessing the economic impacts to municipal governments of extended electricity outages related to Tropical Storm Isaias. As part of this work, he constructed a model to estimate various costs of incremental staffing requirements for over 500 localities, including excess overtime, surge time (i.e., bringing on extra staff for outage response coordination and logistics), and idle time (e.g., crews waiting extended periods for downed lines to be de-energized). The review also included consideration of other direct costs, including, among others: effects to water systems; delivery of bottled water; operation of generators; and other constraints on the provision of essential governmental services. The litigation was settled to the satisfaction of the involved parties.

For the **NYSERDA and New York DPS**, Mr. Ewen directed the development of a Generic Environmental Impact Statement (GEIS), pursuant to the requirement of the State Environmental Quality

Review Act (SEQRA) that assessed the environmental and economic impacts of the "Reforming the Energy Vision" and "Clean Energy Fund" initiatives within the state. He also directed the preparation of a Supplemental EIS to assess the environmental and economic impacts of the newly proposed Clean Energy Standard (CES). The CES is being developed to support the state's goal of supplying 50 percent of electricity demand with renewable generation resources by the year 2030. More recently, he directed the development of a model to assess the financial viability of various waste-to-energy technologies, and related social welfare benefits. This model uses detailed capital budgeting scenarios for specific facilities to generate forecast scenarios.

For the **U.S. Department of the Interior, Bureau of Ocean Energy Management (BOEM)**, directing an assessment of the Bureau's approach to calculating and presenting the operating fee included in offshore wind leases under BOEM's jurisdiction. As part of this engagement, IEc provided a number of recommendations for simplifying the implementation of the operating fee formula and identified available data sources and approaches to estimating individual components of the fee formula. The review also addressed the structure and levels of fees associated with operations of renewable wind energy projects in the U.S. and worldwide. More recently, IEc has been supporting the development of Standard Operating Procedures for the fee calculation and lease management process. The overall goal is to provide information resources and a methodological approach that will allow lessees to derive accurate data for fee equation variables efficiently and consistently, and for BOEM to present the fee calculation clearly in the lease.

For **NYSERDA**, conducting a market analysis examining the potential economic development opportunities that could accrue in New York from hydrogen playing a role in achieving components of its Climate Leadership and Community Protection Act.

For the **U.S. Department of the Interior, Bureau of Ocean Energy Management**, managed the development of a model to assess the economic and fiscal impacts of offshore oil and gas activity in the Gulf of Mexico and other BOEM OCS regions. This model, the Lifecycle Impacts Model (LCIM), assesses the economic and fiscal impacts associated with a specific lease or group of leases, over the time horizon of the lease(s). IEc's framework for the model was to build a capital budgeting forecasting tool for lease development, yielding estimates of industry expenditures, OCS revenues, industry profits, and employment impacts for a single lease or a set of leases. A key component of model development was to dynamically simulate the complex and unique timing parameters of lease development, incorporating the influence of critical exogenous factors like market prices and lease geology.

For the **U.S. Coast Guard, National Pollution Funds Center**, Mr. Ewen provides ongoing support to the NPFC in adjudicating damages claims resulting from oil spills. These claims include damages for business interruption, lost profits, property damage or value diminution, increased costs, and lost wages or employment, among other categories. Cases have also included damages for contract delays to construction projects and shipping demurrage. Industry sectors that Mr. Ewen has evaluated include: *electricity generation (nuclear and coal); railroads; cruise ships; oil ship transport; lodging and tourism; food and beverage; gambling; fisheries; marinas; real estate development, oil and gas development; and oil refining.*

Mr. Ewen's analytic work includes expert financial analysis and economic damages estimation in the context of general litigation and environmental enforcement actions. These efforts include assessing damages in breach of contract, nuisance, and cost recovery actions, and assessing the financial capabilities and economic benefit of noncompliance of firms accused of environmental violations. Clients

in this area of his practice include the **U.S. Department of Justice, U.S. Coast Guard, U.S. Environmental Protection Agency, States**, and private parties.

Testimony and Appearances

Mr. Ewen has provided testimony or appeared in the following cases and regulatory proceedings.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for UGI Utilities Corporation – Gas Division (Docket No. R-2025-3059523, April 2026).

On behalf of the Attorney General of the State of Rhode Island, submitted testimony before the Rhode Island Public Utilities Commission concerning revenue allocation and rate design in the matter of The Narragansett Electric Co. d/b/a Rhode Island Energy Application for Approval of a Change in Electric and Gas Base Distribution Rates (Docket No. 25-45-GE, April 2026).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting remand testimony before the Pennsylvania Public Utility Commission, concerning cost allocation and revenue allocation in the base rates case for Philadelphia Gas Works (Docket No. R-2023-3037933, April 2026).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for PPL Electric Corporation (Docket No. R-2025-3057164, December 2025).

On behalf of the New Hampshire Office of Consumer Advocate (OCA), submitting testimony before the New Hampshire Public Utilities Commission concerning cost of service, revenue allocation, and rate design in the matter of Until Energy Systems, Inc. Request for Change in rates (Docket DE 25-025, December 2025).

On behalf of New York Department of State's Division of Consumer Protection's Utility Intervention Unit (UIU), submitting testimony before the Public Service Commission concerning cost of service, revenue allocation, and rate design in electric and gas base rates cases of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (Docket Nos. 25-E-0375, 25-G-0380, 25-E-0379 and 25-G-0378, October 2025).

On behalf of New York Department of State's Division of Consumer Protection's Utility Intervention Unit (UIU), submitting testimony before the Public Service Commission, concerning revenue allocation and rate design in electric and gas base rates case of Consolidated Edison, Inc. (Docket Nos. 25-E-0072 & 25-G-0073, May 2025).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the distribution system improvement charge (DSIC) case for PPL Electric Utilities Corporation (Docket No. R-2024-3048732, July 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for First Energy of PA (Docket No. R-2024-30447068, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for PECO Gas (Docket No. R-2024-3046932, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for Columbia Gas of Pennsylvania (Docket No. R-2024-3046519, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PPL Electric (Docket No. P-2024-3047290, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PECO Energy Company (Docket No. P-2024-3046008, April/May 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No R-2024-3045177, March 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning electricity price hedging under the default service plan for Pike County Light and Power (Docket No. P-2023-3039927; direct testimony June 2023; surrebuttal testimony August 2023).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning base tariff rate development for Columbia Gas of Pennsylvania, including issues of cost allocation, revenue allocation, and rate design. (Docket No. R-2022-3031211, June/July 2022).

On behalf of Attorney General of the State of Rhode Island, submitted testimony before the Rhode Island Division of Public Utilities and Carriers concerning due diligence and related reviews of PPL Corporation's proposed acquisition of Narragansett Electric Company from National Grid USA (Docket No. D-21-09, November 2021).

Expert report and deposition testimony concerning economic damages and related financial matters, *Seaplane Adventures, LLC, vs. County of Marin, California*; expert report filed September 2021, deposition testimony given September 2021.

Expert reports and deposition testimony on bankruptcy reorganization plan feasibility and related financial matters, *in re: First Energy Solutions Corp., et al., Debtors, Case No. 18-50757*; expert reports filed July 2019, deposition testimony given August 9, 2019.

Expert declaration concerning economic damages and related financial matters, *in re: Outer Banks Power Outage Litigation, all actions, No. 4:17-CV-141-D*, March 2018.

Expert report and deposition testimony on Economic Damages in *State of Alaska v. Williams Alaska Petroleum, Inc., et al., Case No. 4FA-14-01544 CI*; expert report filed December 2016, deposition testimony given February 15, 2017.

Expert reports and deposition testimony on Economic Benefit in *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 5:10-cv-156 (E.D. Tex.)* and *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 6:12-cv-108 (W.D. Tex.)*; expert reports filed in June and July 2013, deposition testimony given August 2013. Trial testimony given in Case No. *6:12-cv-108 (W.D. Tex.) in March 2014*.

Expert testimony on ability-to-pay provided, in the matter of Mercury Vapor Processing Technologies, Inc., et al. (No. RCRA-05-2010-0015), July 2011.

Expert Declaration in a patent case concerning economic and financial matters in the context of environmental credits valuation – In re Patent Application of: Jeff Andrilenas et al., Application No.: 12/328,219, For: VALUING ENVIRONMENTAL CREDITS, submitted June 2011.

Export report and deposition testimony on financial matters in *Evansville Greenway and Remediation Trust v. Southern Indiana Gas and Electric Company, Inc., et al.* (03:07-cv-0066-SEB-WGH); expert report filed July 2009, deposition testimony given January 2010.

Expert testimony on ability-to-pay provided, in the matter of Robert J. Heser, Andrew J. Heser, and Heser Farms (No. CWA-05-2006-0002), May 2007.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning tariff design issues for Columbia Gas of Pennsylvania (Docket No. R-00049783, May 2005).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue assignment, and rate design for Pennsylvania Power and Light (Docket No. R-00049255, August 2004).

Expert report on economic damages in *United States v. Southern California Edison No. CIV. F-01-5167 OWW DLB (E.D. Cal).*, July 2004; deposition testimony provided September 2004.

Expert testimony on ability-to-pay provided in *United States v. Peter Thorson, Managed Investments, Inc., Construction Management, Inc., and Gerke Excavating, Inc.* (No. 03-C-0074), May 2004.

Expert testimony on ability-to-pay provided in *United States v. Paul A. Heinrich and Charles Vogel Enterprises, Inc.* (No. 03-C-0075-S), October 2003.

Expert testimony on ability-to-pay provided in the matter of Dearborn Refining Company (No. RCRA-05-2001-0019), February 2003.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for PFG Gas and Northern Penn Gas (Docket No. R-00027389, July 2002).

Expert report and testimony on economic damages in *Carol Marmo et al. v. IBP, Inc.*; expert report filed March 2002, deposition testimony given June 2002, September 2004, and testimony at trial given February 2005.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No. R-00016789, March 2002).

On behalf of the Office of the Consumer Advocate, providing testimony before the United States Postal Rate Commission regarding cost allocation of city carrier street time costs. Docket No. R2000-1, July 11, 2000.

Expert report and declaration on ability-to-pay in re Indspec Chemical Corporation and Associated Thermal Services, Inc., and related testimony in U.S. EPA administrative court on February 24, 1998 (No. CAA-III-086).

Expert report on ability-to-pay in re Harrisburg Hospital and First Capital Insulation, Inc. and related testimony in U.S. EPA administrative court on October 8, 1997 (No. CAA-III-076).

OSBA

WORKPAPERS

For

OSBA Statement No. 2

DIRECT TESTIMONY OF MARK D. EWEN

- IEc WP1 - PNG BRC ***

***** OSBA Workpapers are in excel format <u>ONLY</u>; therefore, will be served via electronic means <u>ONLY</u>, and will be served simultaneous to service of OSBA Statement No. 2, Direct Testimony of Mark D. Ewen <u>ONLY</u>*****

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Mark D. Ewen, hereby state that the facts set forth in the Direct Testimony and Exhibit, labeled OSBA Statement No. 2, with associated Exhibit IEc-1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: June 17, 2026

Mark Ewen

Mark D. Ewen

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: June 18, 2026

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

July 16, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Rebuttal Testimony of Mark D. Ewen, labeled OSBA Statement No. 2-R, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2-R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

REBUTTAL TESTIMONY

of

MARK D. EWEN

On Behalf of the

Pennsylvania Office of Small Business Advocate

Topics:

Cost Allocation
Revenue Allocation
Universal Service Cost Recovery

Date Served: July 16, 2026

Date Submitted for the Record: _____

REBUTTAL TESTIMONY OF MARK D. EWEN

1. Introduction and Context

Q. Mr. Ewen, please state your name and briefly describe your qualifications.

A. My name is Mark D. Ewen. I submitted direct testimony and associated exhibits on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA") earlier in these proceedings and my qualifications were presented therein.

Q. What is the purpose of this rebuttal testimony?

A. This rebuttal testimony responds to the following witnesses and topics:

- Office of Consumer Advocate ("OCA") Witness Michael Deupree and Bureau of Investigation and Enforcement ("I&E") Witness Ethan H. Cline regarding cost allocation and revenue allocation.

- CAUSE-PA Witness Patrick M. Cicero and OCA Witness Roger Colton regarding the recovery of universal service costs.

2. Cost Allocation and Revenue Allocation

Q. Please summarize OCA Witness Deupree's alternative allocated cost of service study ("ACOSS")?

A. Witness Deupree disagrees with the Company's use of a minimum system method ("MSS") to classify a portion of distribution mains as customer-related. Witness Deupree prepared an alternative ACOSS that classifies distribution mains as 100 percent demand-related and then allocates distribution mains costs to rate classes based on the peak-and-average ("P&A") method.

Q. How do the OCA's ACOSS results differ from the Company's ACOSS results?

A. **Table IEc-1R** compares the relative rate of return at current rates between the Company's ACOSS and OCA's ACOSS.

Table IEc-1R: Summary of PNG and OCA ACOSS Results Relative Rate of Returns at Current Rates		
	PNG	OCA
Residential	0.96	1.12
Small General	0.52	0.42
Medium General	0.88	0.51
Large General	3.01	1.93
Mainline Service	0.10	0.10
Total	**1.00**	**1.00**
Source: IEc WP-1R		

Q. What is I&E's position on the Company's ACOSS?

A. Witness Cline offers the same recommendations as the OCA, namely, to classify distribution mains without a customer component and to allocate distribution mains costs based on the P&A method. Witnesses Deupree and Cline both reference the Commission's decision in the 2025 Columbia Gas base rate case, which determined that mains costs should be allocated based on throughput capacity to meet peak demand and not the number of customers.[1]

Q. What is the OCA's proposed revenue allocation?

A. Using the results of its alternative ACOSS, OCA proposes to cap the maximum rate increase for any rate class at 1.15 times the system average increase and to set a minimum rate increase of 0.50 times the system average.

Q. What is your assessment of the OCA's revenue allocation?

A. In direct testimony, my alternative revenue allocation proposal capped the rate increase to the Small General Service ("SGS") class at 1.38 times the system average, as this class is under-earning relative to allocated costs. The OCA's alternative ACOSS also indicates that the SGS class is under-earning. However, Witness Deupree's proposal is geared

[1] Pa. PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2025-3053499, pp. 254-5 (Order Entered December 4, 2025).

more toward rate gradualism than progress toward cost-based rates. Although both goals are important, I find OCA's proposal to be reasonable given the size of the proposed rate increases in this proceeding.

3. <u>Universal Service Cost Recovery</u>

Q. Please summarize Witness Cicero's and Witness Colton's positions regarding universal service cost recovery.

A. The Company's Universal Service Program ("USP") Rider recovers the costs of the Company's Universal Service and Conservation Programs that assist low-income residential customers. As is standard practice among utilities in Pennsylvania, Peoples Natural Gas Company ("PNG") assigns the recovery of universal service costs only to residential customers. Witness Cicero argues that universal service and low-income assistance programs benefit all of PNG's customer classes because they provide economic benefits to entire communities and not just customers that receive assistance.[2] Accordingly, Witness Cicero supports a broad allocation of universal service costs to all rate classes.

Similarly, Witness Colton recommends that all rate classes should contribute to the Company's residential Customer Assistance Program ("CAP")/universal service costs, which would benefit PNG's entire service territory. He also reasons that universal service costs are caused by factors endemic to society as a whole, as opposed to by factors specific to residential customers.[3]

Q. What is your position regarding the allocation of universal service costs?

A. By longstanding OSBA advocacy and Commission precedent, I maintain that small business customers should not contribute to universal service programs because these customers cannot take advantage of the residential-only programs. There is no causal relationship between PNG's universal service costs and small business customers. Witness Colton cites the Commission's Final Order in the I*nterconnection and Tariffs for*

[2] Direct Testimony of CAUSE-PA Witness Cicero, at 78-81.

[3] Direct Testimony of OCA Witness Colton, at 74-76.

Large Load Customers (Docket No. M-2025-3054271) to describe how the Commission maintains discretion to allocate universal service costs to non-residential customers. However, small businesses are not cost causers in any comparable sense to new large load customers interconnecting to the grid. The Commission recognized the unique nature of large load customers in the above-referenced docket and did not recommend that other non-residential customer classes be burdened with universal service contributions.

In addition, assigning costs for the universal service programs to all rate classes would impose a burden on all hearing participants, including the OSBA, who would have an obligation to ensure that these programs are properly designed, effective, and necessary. Because most utilities in Pennsylvania do not assign universal service costs to all rate classes, the OSBA generally does not expend the resources to retain the necessary specialized experts in these fields.

Q. What are the practical issues if the Commission were to require all of the Company's rate classes to contribute to universal service costs?

A. The form of cost recovery is of primary importance. Witness Cicero recommends that universal service costs "should be assigned to all rate classes based on their respective distribution revenue requirements per the Company's cost of service study (COSS) filed in the current case."[4] Witness Colton provides a similar recommendation to distribute total CAP costs based on each rate class's share of the distribution revenue requirement (excluding taxes) ordered in this proceeding. Witness Colton suggests that the universal service cost could be added on as an undesignated part of the customer charge. These proposals provide minimal insight as to how universal service costs would impact small business customers, including businesses facing financial difficulties that would then need to pay another fixed monthly charge. These proposals would unfairly burden small businesses with a new tax without a cost basis. Transparency is another concern. If the Commission decides to abandon long-standing precedent and impose a new tax on small

[4] Direct Testimony of CAUSE-PA Witness Cicero, at 81.

businesses, the new charge should be separately identified on the bills for non-residential customers, simply as a matter of honesty and openness about the policy change.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does

OSBA

WORKPAPERS

For

OSBA Statement No. 2-R

REBUTTAL TESTIMONY OF MARK D. EWEN

- IEc WP-1R - PNG BRC ***

***** OSBA Workpapers are in excel format <u>ONLY</u>; therefore, will be served via electronic means <u>ONLY</u>, and will be served simultaneous to service of OSBA Statement No. 2-R, Rebuttal Testimony of Mark D. Ewen <u>ONLY</u>*****

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Mark D. Ewen, hereby state that the facts set forth in my Rebuttal Testimony, labelled OSBA Statement No. 2-R, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 15, 2026

Mark Ewen

Mark D. Ewen

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins
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Pennsylvania Public Utility Commission
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pulp@pautilitylawproject.org

Date: July 16, 2026

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

OFFICE OF SMALL BUSINESS ADVOCATE'S
ADMITTED
TESTIMONY AND EXHIBITS

The Office of Small Business Advocate ("OSBA") admitted the enclosed testimony and exhibits, as evidence into the evidentiary record, at the Evidentiary Hearing on August 5, 2026, in the above- captioned proceeding:

- Direct Testimony of Joseph Kubas, labeled OSBA Statement No. 1, on behalf of the Office of Small Business Advocate ("OSBA"), with signed Verification of Joseph Kubas.
- Direct Testimony and Exhibit of Mark D. Ewen, labeled OSBA Statement No. 2, with associated Exhibit IEc-1, on behalf of the Office of Small Business Advocate ("OSBA"), with signed Verification of Mark D. Ewen.
- Rebuttal Testimony of Mark D. Ewen, labeled OSBA Statement No. 2-R, on behalf of the Office of Small Business Advocate ("OSBA"), with signed Verification of Mark D. Ewen.
- Surrebuttal Testimony of Joseph Kubas, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate ("OSBA"), with signed Verification of Joseph Kubas.

Date: August 6, 2026

COMMONWEALTH OF PENNSYLVANIA

June 18, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Direct Testimony of Joseph Kubas, labeled OSBA Statement No. 1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

DIRECT TESTIMONY

of

JOSEPH KUBAS

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics:
Small General Service Customer Charge
Future Cost of Service Studies

Date Served: June 18, 2026

Date Submitted for the Record: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph Kubas. My business address is Forum Place, 555 Walnut Street, 1st floor, Harrisburg PA, 17101.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Office of Small Business Advocate ("OSBA") as an Economic Development Consultant.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is being sponsored by the OSBA.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE AND QUALIFICATIONS.

A. My academic and professional background is described in the attached Appendix A.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THIS COMMISSION?

A. Yes. As described in my Appendix A, I provided testimony in many proceedings before the Commission on many occasions.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my direct testimony is to address the proposed increase in the Small General Service (SGS) customer charge for customers that use between 0 and 499 Mcf per year. I will also recommend that negotiated customers be moved to their own class in all future Cost of Service Studies (COSSs).

Q. ARE YOU MAKING A RECOMMENDATION FOR TOTAL REVENUE REQUIREMENT IN THIS CASE?

A. No. While my first issue impacts proposed revenue, I am not making an overall revenue recommendation. Mr. Mark Ewen will also address other issues in this case.

INTRODUCTION

Q. PLEASE DESCRIBE THE FILING.

A. On March 27, 2026, the Peoples Natural Gas Company LLC (Peoples Natural Gas Division and Peoples Gas Division (Peoples or Company)) filed a natural gas base rate case based on a FPFTY ending December 31, 2027. The total increase is approximately $163,172,000 (Peoples Volume I, Exhibit 2, Schedule 4, page 2, line 1).

Q. DID THE COMPANY SEPARATE CUSTOMERS INTO CLASSES, AND WHAT INCREASE DID THE COMPANY PROPOSE FOR EACH CLASS?

A. Yes. According to Peoples Exhibit No. 11, page 14, line 13, and page 15, line 60, the Company proposed the following increases for each class:

Customer Classes	Current Revenues	Proposed Revenue Change	Proposed Percentage Change	Proposed Rate of Return	Proposed Revenue to Cost Ratio (Parity Ratio)
Residential	$875,171,173	$118,163,447	13.50%	8.1%	0.99
Small General	$116,045,549	$21,443,151	18.48%	6.6%	0.94
Medium General	$108,167,260	$21,264,419	19.66%	8.0%	0.99
Large General	$72,051,809	$ -	0.00%	15.5%	1.38
Mainline Service	$13,178,274	$ -	0.00%	1.0%	0.74
Total	**$1,184,614,065**	**$160,871,017**	**13.58%**		

SMALL GENERAL SERVICE CLASS

Q. WHAT CUSTOMERS ARE GENERALLY INCLUDED IN THE SMALL GENERAL SERVICE CLASS?

A. The SGS class is available to commercial and industrial customers and Natural Gas Distribution Companies consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate Natural Gas Powered Vehicles (Peoples Tariff Supplement No. 2 To Gas - PA PUC No. 48, First Revised Page No. 10). Based upon the Company's definition, this class would generally include Small Business customers that use less than 300 Mcf per year (Peoples Tariff Supplement No. 2 to Gas - PA PUC No. 48 First Revised Page No. 7).

Q. WHAT RATES DO SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR CURRENTLY PAY?

A. SGS customers that use between 0 and 499 Mcf per year currently pay a customer charge of $22.00 per month, a usage rate of $3.9844 per Mcf, plus various surcharges (Volume 9, Peoples Exhibit JDT-4, page 1).

Q. WHAT RATES ARE THE COMPANY PROPOSING FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company is proposing SGS customers that use between 0 and 499 Mcf per year pay a customer charge of $32.14 per month, a usage rate of $5.7095 per Mcf, plus various surcharges (Volume 9, Peoples Exhibit JDT-4, page 1).

Q. WHAT INCREASE AND PERCENTAGE INCREASE IN THE CUSTOMER CHARGE IS THE COMPANY PROPOSING FOR THESE SGS CUSTOMERS?

A. The Company is proposing the SGS customer charge for customers that use between 0 and 499 Mcf per year be increased to $32.14 per month which equates to an increase of $10.14 ($32.14 - $22.00) per month or 46.1%.

Q. WHAT SUPPORT DID THE COMPANY PROVIDE FOR PROPOSING A MONTHLY CUSTOMER CHARGE OF $32.14 PER MONTH FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company states that its COSS model allocates costs based upon demand, usage and customers. The Company believes that the Commission can see directly the revenue requirement associated with the customer classification and the respective functions that form this revenue requirement. Peoples Exhibit No. 11, Schedule 2 provides the customer-related unit cost per customer per month, for Rates RS, SGS, MGS, LGS, MLS and provides useful insights on the fixed monthly costs of providing service to these customers, inclusive of both customer-related costs and demand-related costs (Peoples Statement No. 17, page 35).

Q. DID THE COMPANY DETERMINE A TOTAL CUSTOMER COST FOR THE SGS CUSTOMERS?

A. Yes. The Company claims $43.06 per month in total customer cost to provide service to SGS customers (Volume 4, Peoples Exhibit No. 11, page 18).

Q. DID THE COMPANY PROVIDE ANY ACTUAL USEFUL INSIGHTS FOR THE COMMISSION TO VERIFY THE $43.06 COST PER MONTH?

A. No. The Company only provided two components. The first component is Distribution On-site at $33.15 per month and Accounts and Service at $9.92 per month for a total of approximately $43.06 per month per SGS customer (Volume 4, Peoples Exhibit No. 11, page 18).

Q. IS IT POSSIBLE TO DETERMINE WHAT IS INCLUDED IN "DISTRIBUTION ON-SITE" AND "ACCOUNTS AND SERVICE" LISTED ABOVE?

A. No. Therefore, it's not possible to determine what individual expenses and utility plant are included in these accounts that should be recovered in the monthly customer charge.

Q. WHAT DO YOU RECOMMEND CONCERNING THE PROPOSED $32.14 PER MONTH SGS CUSTOMER CHARGE?

A. I recommend that the present SGS customer charge of $22.00 per month for customers that use between 0 and 499 Mcf per year not be increased.

Q. WHY DO YOU RECOMMEND NO INCREASE IN THE PRESENT SGS CUSTOMER CHARGE OF $22.00 PER MONTH?

A. As described above, the Company failed to provide a detailed customer cost analysis to support any increase in the SGS customer charge for customers that use between 0 and 499 Mcf per year. Therefore, the monthly $22.00 per month SGS customer charge should not be increased

Q. DID THE COMPANY ALSO PROVIDE OTHER REASONS FOR INCREASING CUSTOMER CHARGES?

A. Yes. According to Peoples Statement No. 17, page 36, the Company believes:

> These proposed fixed monthly customer charges help to reduce customer bill volatility, alleviate a significant portion of the instability in the Company's margin recovery, are fair to customers, are easily understood, convey more appropriate price signals with respect to recovery of fixed utility costs, benefit low-income customers that have higher than average use, and are not regressive in application to low-income customers who may have little control over their use of energy and are negatively impacted when recovering more costs in volumetric charges.

Q. DO ANY OF THESE CLAIMS SUPPORT INCREASING THE SGS CUSTOMER CHARGE TO $32.14 PER MONTH FOR CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. No. First, any customer concern about bill volatility can be addressed through a customer selecting budget billing. Second, the Company's margin recovery is stabilized each year using its weather normalization adjustment. Third, it makes no sense to suggest that a higher customer charge is fair to customers because customers understand a customer charge more than they understand a usage rate. Fourth, there is no support for claiming that customers are concerned with the Company's recovery of fixed costs. Fifth, there is no support for the claim that a higher monthly charge sends the correct "price signal" to customers. Finally, the SGS customer charge for customers that use between 0 and 499 Mcf per year is not impacted by low-income customer issues.

Q. DID THE COMPANY PROVIDE ADDITIONAL REASONS FOR INCREASING CUSTOMER CHARGES?

A. Yes. According to Peoples Statement No. 17, page 36-37, the Company believes a higher customer charge provides a more equalized contribution within each class and provides greater recovery of fixed costs. The Company also cites the recovery of actual customer related costs such as meter reading and billing in its support for increasing the monthly charge. Finally, the Company believes that fixed system costs are better recovered in the customer charge

Q. DID THE COMPANY PROVIDE ACTUAL SUPPORT FOR ANY OF THESE ADDITIONAL CLAIMS TO SUPPORT INCREASING THE SGS CUSTOMER CHARGE TO $32.14 PER MONTH FOR CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. No. First, the Company suggestion that various SGS customers provide an unequal contribution to fixed costs is not supported. Since the Company failed to properly list what it believes are direct customer related fixed costs, there is no way to determine if the Company's claims concerning intra class subsidy or the need to collect more fixed costs are accurate. Second, while it's correct that the direct expenses such as billing, meter reading costs and recovery of direct customer assets such as meters and service are properly recovered in a customer charge, as described above, the Company failed to provide any details supporting these individual customer costs. Finally, while the Company would rather recover all fixed costs in a

monthly charge, the Commission has consistently rejected this recovery claim. The Commission has repeatedly used its judgement and a detailed customer cost analysis to establish customer charges.

Q. HOW DO HIGHER CUSTOMER CHARGES AND LOWER USAGE RATES IMPACT THE BILL OF A CUSTOMER THAT LOWERS USAGE THROUGH CONSERVATION?

A. A customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate structure with a higher customer charge and lower usage rate.

<u>FUTURE COST OF SERVICE STUDIES</u>

Q. WHAT CURRENT CLASSES ARE INCLUDED IN THE COMPANY'S COST OF SERVICE STUDY?

A. The Company's COSS includes the Residential (R), Small General Service (SGS), Medium General Service (MGS), Large General Service (LGS) and Mainline Service (MLS) classes (Peoples Volume IV, Exhibit 11, page 14).

Q. WHICH CLASSES INCLUDE CUSTOMERS THAT HAVE RATES THAT ARE NEGOTIATED, TYPICALLY REFERRED TO AS COMPETITIVE DISCOUNT CUSTOMERS?

A. The SGS, MGS, LGS, and MLS classes all include customers where the rates are negotiated (Volume 9, Peoples Exhibit JDT-4, pages 1-5).

Q. DOES INCLUDING NEGOTIATED RATE CUSTOMERS IN A CLASS IMPACT THE RESULTS OF THE COSS?

A. Yes. Granting negotiated rates to customers within a class results in a revenue shortfall for that class. Then under proposed rates other customers in that class pay higher rates to make up for the revenue shortfall in that class. Under this scenario, the true cost of providing service to tariff rate customers in these classes is higher than it otherwise would be.

Q. WHAT DO YOU RECOMMEND THE COMPANY DO IN FUTURE COST OF SERVICE STUDIES?

A. I recommend that in future COSSs, the Company separate the negotiated customers and corresponding revenue into a separate "Negotiated" class.

Q. WHY DO YOU RECOMMEND THE COMPANY SEPARATE THE NEGOTIATED CUSTOMERS AND CORRESPONDING REVENUE FROM NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A As described above, this will enable the Commission and interested parties to determine the true cost of providing tariff rate service to each of the remaining

classes without the lower revenue from customers that pay negotiated rates skewing the results of each class in the COSS.

Q. DO OTHER COMPANIES ALSO SEPARATE THE REVENUE AND COST OF SERVING NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A Yes. Columbia Gas Company of Pennsylvania separates Flex Rate customers into their own class (Docket No. R-2025-3053499, Columbia Exhibit 111, Schedule 1). Also, Pennsylvania America Water currently separates Bulk Contract customers into their own class in the Sanitary Sewer System Operations (Docket R-2025-3058051, PAWC Exhibit 12-B, Schedule B).

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes.

APPENDIX A

Resume & Expert Testimony List

of

Joseph Kubas

JOSEPH KUBAS
OFFICE OF SMALL BUSINESS ADVOCATE
Forum Place 555 Walnut Street 1St Floor
Harrisburg PA 17101

Education: Bachelor of Science in Civil Engineering Technology, 1985, University of Pittsburgh at Johnstown, Johnstown, PA.

Continuing Education: Legal Principles and Practices of Surveying at the University of Maryland. Economics, Accounting, 33 Credit hours of accounting at the Howard County Community College and the University of Pittsburgh at Johnstown. Managing Multiple Priorities at the Pennsylvania State University. Various PA-PUC and Utility Company Seminars.

Professional: Engineer In Training, 1985,

Exams: Uniform Certified Public Accounting Exam, 1993.

Rate School: Cost of Service - Rate Structure & Rate Design instructor at Commission's Rate School - September 2010, 2012, 2014, 2016, 2022, and 2024.

Title: **ECONOMIC DEVELOPMENT CONSULTANT**

May 2025 - Present
Office of Small Business Advocate

Duties: Provide consultation and assist the OSBA the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, and economic analyses. The types of dockets reviewed by the OSBA base rate cases, applications, formal complaints, investigations, applications, and petitions. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: **RATE CASE REVIEW SPECIALIST - ANNUITANT**

July 2023 – December 2024
Pennsylvania Public Utility Commission

Bureau of Investigation and Enforcement

Duties: Provide consultation and assist the Bureau of I&E in the areas of Engineering, Revenue and Rate Structure for all fixed utility types. This includes measure of value claims, rate structure and rates, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included applications, formal complaints, investigations, applications, petitions and rate investigations. The review includes analyzing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue schedules, depreciation studies, and formal complaints.

Title: **FIXED UTILITY VALUATION ENGINEER SUPERVISOR**

December 2011 – June 2023
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement

Duties: Duties included the areas of Engineering, Revenue and Rate Structure for all fixed utility types. During the course of formal and informal investigations personnel under my direction were responsible for reviewing and presenting recommendations regarding tariff rate schedules, tariff rules and regulations, measures of value claims, revenue annualizations, depreciation claims, fuel purchasing practices and economic analyses. The types of dockets reviewed by the Bureau of I&E included: applications, formal complaints, investigations, petitions and rate investigations. The Engineering Section was also responsible for reviewing all pertinent supporting information such as cost of service studies, bill frequency analyses, proofs of revenue, depreciation studies, water quality test results and formal complaints. Duties also included reviewing default service petitions by electric distribution companies and Act 129 Filings by the seven major electric Utilities, including energy efficiency and conservation plans and Smart Meter Plans.

Title: **RATE CASE REVIEW SPECIALIST**

December 2009 - December 2011
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement and Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas

expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the I&E position in formal and informal proceedings before the Commission. Assist I&E employees with engineering and rate structure issues, including briefs and exceptions input. Participate in Commission consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER III**

December 1999 - December 2009
Pennsylvania Public Utility Commission
Office of Trial Staff

Duties: These duties included the determination of the reasonableness of claims and proposals in the areas of plant in service, rate base, depreciation expense, cost of service, quality of service, revenues, acquisitions, purchase gas expense, rate structure, and tariff proposal submitted by Water, Sewer, Telephone, Gas and Steam Heat utilities to justify utility service rates, or alternative forms of regulation. Research, analyze, and review rate case filings, tariff filings, acquisitions and investigations. Participate in on-site inspections of utility properties to determine the used and usefulness of the plant-in service and make recommendations. Prepare interrogatories in the areas of rate base, depreciation expense, purchase gas expense, amortizations, rate structure, revenue and quality of service in order to obtain additional information regarding a utility's filing. Analyze present revenue, proposed revenue, rate structure and tariff issues. Recommend adjustments to rate base, depreciation expense, revenue, rate structure and other issues concerning fixed utilities. Prepare testimony and exhibits for the purpose of establishing the OTS position in formal and informal proceedings before the Commission. Assist OTS employees with engineering and rate structure matters, including briefs and exceptions. Participate in Commission

consultative report proceedings and collaboratives undertaken by the Commission.

Title: **FIXED UTILITY VALUATION ENGINEER II**

April 1996 - December 1999
Pennsylvania Public Utility Commission
Office of Trial Staff and Bureau of Fixed Utility Services

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Office of Trail Staff (OTS) and Bureau of Fixed Utility Services.

Title: **FIXED UTILITY VALUATION ENGINEER TRAINEE, I & II**

May 1993 - March 1996
Pennsylvania Public Utility Commission
Office of Trial Staff
Telecommunications and Water Division

Duties: Perform the duties of a Fixed Utility Valuation Engineer II in the Rate Structure/Engineering Section of the Telecommunications and Water Division of the Office of Trial Staff (OTS).

Title: **CIVIL ENGINEER**

May 1985 - January 1991
Clark Finefrock & Sackett Inc.
7135 Minstrel Way
Columbia, MD 21045

Duties: Engineering, Surveying, Computer, and Field Inspection work related to land development projects in Maryland.

Testimony Before the Pennsylvania Public Utility Commission

1.	National Utilities Inc. (Water)	R-00953416
2.	Consumer Pennsylvania Water Company - Roaring Creek Division	R-00973869
3.	Philadelphia Suburban Water Company	R-00973952
4.	Bell Atlantic - Pennsylvania Inc.	P-00971307
5.	City of Bethlehem- Bureau of Water	R-00984375
6.	Pennsylvania Telephone Association - Chapter 30 Plan	P-00981425

7.	GTE North Inc. Telephone Chapter 30 Plan	P-00981449
8.	Pennsylvania American Water Co.	R-00994638
9.	Philadelphia Suburban Water Co.	R-00994868
10.	PG Energy (Gas)	R-00005119
11.	Pennsylvania American Water - Coatesville Acquisition	A-212285-F0071
12.	T. W Phillips Gas and Oil Company	R-00005459
13.	Verizon North - Chapter 30 Plan	P-00001854
14.	Philadelphia Gas Works	R-00006042
15.	PFG Gas Inc. & Penn Fuels Gas Co.	R-00013679
16.	Pennsylvania American Water Co.	R-00016339
17.	Philadelphia Suburban Water Co.	R-00016750
18.	Philadelphia Gas Works	R-00017034
19.	PFG Gas Inc. & Penn Fuels Gas Co	R-00027389
20.	Verizon - Pennsylvania, Inc.	P-00021973
21.	Verizon - Pennsylvania, Inc.	P-00937105-F0002
22.	Pennsylvania American Water Co.	R-00027982
23.	Dominion Peoples 1307(f)	R-00038170
24.	Verizon PA / Verizon North	C-20027195
25.	National Fuel Gas Distribution, Inc.	R-00038168
26.	Aqua Pennsylvania Inc.	R-00038805
27.	Dominion Peoples 1307 (f)	R-00049153
28.	PPL Electric Utilities	R-00049255
29.	National Fuel Gas Distribution, Inc.	R-00049656
30.	City of Lancaster - Sewer	R-00049862
31.	Dominion Peoples 1307(f)	R-00050267
32.	Verizon PA / Verizon North	C-20027195
33.	PPL Gas Utilities Inc. 1307(f)	R-00050540
34.	United Telephone	A-313200-F0007
35.	Aqua Pa	R-00051030
36.	T.W. Phillips 1307(f)	R-00051134
37.	City of Dubois	R-00050671
38.	T.W. Phillips	R-00051178
39.	The Peoples Natural Gas Co. 1307(f)	R-00061301
40.	Meted/Penelec	R-00061366 and R-00061367
41.	The York Water Company	R-00061322
42.	PPL Gas Utilities Corporation	R-00061398
43.	National Fuel Gas Distribution, Inc.	R-00061493
44.	Pennsylvania American Water Co.	P-00062241
45.	Philadelphia Gas Works	R-00061931
46.	PPL Electric	R-00072155
47.	Pennsylvania-American Water Co.	R-00072229

48.	Valley Energy	R-00072349
49.	City of Bethlehem	R-00072492
50.	Aqua Pennsylvania, Inc.	R-00072711
51.	T.W. Phillips 1307(f)	R-2008-2013026
52.	Columbia Gas	R-2008-2011621
53.	The Peoples Natural Gas Co. 1307(f)	R-2008-2022206
54.	PECO Energy	P-2008-2032333
55.	NRG Energy Center Harrisburg	R-2008-2028395
56.	PAWC - Coatesville Wastewater	R-2008-2032689
57.	York Water	R-2008-2023067
58.	Pike County Power and Light (Gas)	R-2008-2046520
59.	Columbia Water	R-2008-2045157
60.	T. W. Phillips Gas (1307-f)	R-2008-2075250
61.	The Peoples Natural Gas Co. (1307-f)	R-2009-2088069
62.	UGI Utilities Inc. (1307-f)	R-2009-2105911
63.	PAWC Water	R-2009-2097323
64.	UGI Utilities Inc.	R-2009-2105911
65.	Penn Estates Water	R-2009-2117532
66.	Penn Estates Sewer	R-2009-2117740
67.	AT&T Communications	C-2009-2098380
68.	Aqua Pennsylvania Inc.	R-2009-2132019
69.	T.W. Phillips Gas (1307-f)	R-2009-2145441
70.	PGW Gas	R-2009-2139884
71.	City of Bethlehem - Remand	R-00072492
72.	Dominion Peoples (1307-f)	R-2010-2155608
73.	PECO Energy - Gas Division	R-2010-2161592
74.	UGI Penn National Gas	R-2010-2172928
75.	PAWC Coatesville Operations	R-2010-2166212
76.	PAWC Northeast Operations	R-2010-2166214
77.	Duquesne Light	R-2010-2179522
78.	Peoples Natural Gas Company	R-2010-2201702
79.	T.W. Phillips - Steel River Application	A-2010-2210326
80.	Peoples Natural Gas 1307(f)	R-2011-2228694
81.	UGI Penn Natural Gas 1307(f)	R-2011-2238943
82	Pennsylvania American Water	R-2011-2232243
83.	Aqua Pennsylvania, Inc.	R-2011-2267958
84.	Borough of Quakertown	R-2011-2251181
85.	Peoples Natural Gas Company	R-2012-2285985
86.	Columbia Gas of Pennsylvania	R-2012-2321748
87.	UGI Utilities Inc.	R-2015-2518438
88.	Aqua Wastewater	A-2017-2605434
89.	Pennsylvania American Water	R-2017-2595853
90.	UGI Electric	R-2017-2640058

91.	PECO Electric	R-2018-3000164
92.	York Water Company	R-2018-3000019
93.	Penn Power	P-2019-3012628
94.	Aqua-PA -New Garden Twp	A-2019-2580061
95.	UGI Gas	R-2019-3015162
96.	Pittsburgh Water and Sewer	R-2019-3017951
		P-2019-3019019
97	PAWC Wastewater	R-2020-3019371
98.	Aqua PA Wastewater	R-2021-3027386
99.	PECO Electric	R-2021-3024601
100.	Borough of Ambler	R-2022-3031704
101.	PAWC – Borough of Brentwood	A-2022-3024058
102.	PAWC – Wastewater	R-2023-3043190
103.	First Energy	R-2024-3047068
104.	PPL Electric	P-2024-3048732
105.	Pittsburgh Water	R-2025-3055010
106.	Pittsburgh Wastewater	R-2025-3055011
107.	Pittsburgh Stormwater	R-2025-3055012
108.	Lancaster Water	R-2025-3057238
109.	Essential – PAWC Merger	A-2025-3058927

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Jospeh Kubas, hereby state that the facts set forth in my Direct Testimony, labeled OSBA Statement No. 1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 06/16/2026

/s/ Joseph Kubas
JOSEPH KUBAS

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
charcollin@pa.gov

Michael A. Podskoch, Jr., Esquire
Bureau of Investigation & Enforcement
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mpodskoch@pa.gov

Joel H. Cheskis, Esquire
Jacob D. Guthrie, Esquire
Ryan Morden, Esquire
Olivia M. Spergel, Esquire
Office of Consumer Advocate
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John W. Sweet, Esquire
Ria M. Pereira, Esquire
Elizabeth R. Marx, Esquire
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Todd S. Stewart, Esquire
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
tsstewart@hmslegal.com

Date: June 18, 2026

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

June 18, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Direct Testimony and Exhibit of Mark D. Ewen, labeled OSBA Statement No. 2, with associated Exhibit IEc-1, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

DIRECT TESTIMONY AND EXHIBIT

of

MARK D. EWEN

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics
Customer Assistance/Affordability
Cost Allocation
Revenue Allocation
Weather Normalization Adjustment

Date Served: June 18, 2026

Date Submitted for the Record: _____

DIRECT TESTIMONY OF MARK D. EWEN

1. Introduction and Context

Q. Mr. Ewen, please state your name and briefly describe your qualifications.

A. My name is Mark D. Ewen. I am a Principal and President of Industrial Economics, Incorporated ("IEc"), a consultancy headquartered at 2067 Massachusetts Avenue, Cambridge, MA 02140. My consulting practice focuses on regulatory and energy economics, expert case management and economic damages estimation in a variety of litigation contexts, and financial analysis. I obtained a B.A. degree in Economics and Political Science from the University of North Dakota, and a Master of Public Policy degree from the University of Michigan. I have participated and provided testimony in a variety of proceedings before the Pennsylvania Public Utilities Commission ("Commission"), including electric and gas base rates cases, 1307(f) purchased gas cost filings, energy efficiency and conservation cases, merger and acquisition cases, and default service provider ("DSP") petitions. My involvement as an expert witness to utility rate cases extends to a variety of jurisdictions, including Rhode Island, New York, Pennsylvania, New Hampshire, Maryland, and Canada. My résumé and a listing of the expert testimony that I have filed in various litigation and utility regulatory proceedings are attached in Exhibit IEc-1.

Q. Please describe your assignment in this matter.

A. I am appearing in this proceeding on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA"). The OSBA requested that I review the filing of Peoples Natural Gas Company, L.L.C. ("PNG" or the "Company") in this proceeding to evaluate whether the Company's revenue requirement, cost allocation, revenue allocation, and rate design proposals are consistent with sound regulatory economics and policy and are fair and reasonable to small business customers. If I have not addressed a particular issue, it cannot be inferred that I agree with the Company's proposal for that topic.

Q. Please summarize the Company's filing from a cost allocation and rate design perspective.

A. PNG proposes a base rate increase of $163.2 million, or 13.8 percent of base rate revenues, for the fully projected future test year ("FPFTY") ending December 31, 2027. The primary driver of the proposed rate increase, as asserted by the Company, is its ongoing infrastructure modernization programs, supported by significant and ongoing capital investments. The Company requests an ROE of 11.25 percent and a capital structure consisting of 45.53 percent long-term debt and 54.47 percent common equity. The Company also requests an adjustment to the method by which it calculates its Weather Normalization Adjustment ("WNA").

Q. Please summarize your recommendations.

A. I offer the following recommendations:

- The Company should implement a formal mechanism to track small business customers that experience financial difficulties. PNG should also provide the OSBA's contact information and a description of the services the OSBA offers on the Company's website.
- The Commission should carefully consider ratepayers' interest, affordability concerns, and the risk reduction benefits of a low-risk regulatory environment in evaluating the Company's cost of capital claim in this proceeding.
- The Commission should adopt my alternative revenue allocation proposal shown in Table IEc-3.
- The Commission should reject the Company's proposed WNA modification unless the Company: a) conducts a full bill impact study evaluating the proposed change, and b) increases the WNA deadband from three percent to five percent.

2. <u>Customer Assistance and Affordability</u>

Q. How does the Company address affordability concerns in its filing?

A. Peoples operates several universal service programs available to residential customers, each described in its Universal Service and Energy Conservation Plan ("USECP") and sponsored primarily through Peoples Statement No. 10: the Customer Assistance Program ("CAP"), the Low Income Usage Reduction Program ("LIURP"), the hardship fund

(administered by Dollar Energy Fund), and CARES, plus the Emergency Furnace/Service Line Repair program.

Q. Does the Company address affordability concerns for small businesses in its filing?

A. Other than general statements about designing rates that are affordable for each customer class, no.

Q. Does the Company offer financial assistance to commercial customers?

A. The Company states it strives to work with all customers, including Small General Service ("SGS") customers who experience financial difficulties, and that it evaluates both historical records (i.e., amount past due) and good faith attempted payments along with current customer information to determine eligibility for a payment plan.[1] However, PNG does not have a formal plan in place for working with SGS customers experiencing financial difficulties.[2]

Q. What are your recommendations with respect to customer assistance programs?

A. I recommend that the Company add a formal late payment plan to the SGS and MGS tariffs. In addition, the Company should continue to track interactions in which small business customers report financial difficulties (e.g., trouble paying heating bills on time), including both participation in the new formal payment plan and more informal complaints or inquiries. I also recommend that PNG provide the OSBA's contact information and a description of the services the OSBA offers on the Company's website.

The need for such programs made available to the SGS class is evident based on the Company's response to OSBA-II-009. Between January 2023 and June 2026, the monthly number of SGS bills that were 1-60 days late increased from 3,497 to 5,896 – a 69 percent increase. Over the same period, the monthly number of bills more than 60 days late grew from 661 to 971, an increase of 47 percent.

Q. How does the Company's requested ROE impact its proposed revenue requirement?

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[1] OSBA-II-008.

[2] OSBA-II-007.

A. The importance of approving an ROE that balances the interests of shareholders and ratepayers cannot be overstated. For example, holding all other inputs in the revenue requirements model constant, if the Company assumes an ROE of 9.0 percent instead of the requested ROE of 11.25 percent, the revenue requirement would decrease by $90.8 million.[3]

Q. Do you have concerns about the Company's requested ROE?

A. Yes. My primary concern is that the Company does not adequately consider customers' interests in its ROE determination. Two United States Supreme Court cases, *Bluefield*[4] and *Hope*[5], established the standards for determining fair rates of return for utilities. Longstanding precedent holds that a utility's awarded return should be commensurate with those on investments of corresponding risk and sufficient to attract capital and maintain financial integrity. However, determining the cost of capital and rate of return cannot be considered in isolation of the full ratemaking process. Setting rates that are just, reasonable, and affordable is an important goal for the Commission.

As I discuss in detail below, PNG's WNA, as a form of revenue decoupling, insulates the Company from revenue uncertainty associated with weather and the regulatory environment. More broadly, while a WNA mechanism reduces utility risk and therefore should reduce the utility cost of capital, it is difficult to identify any reduction in allowed utility rates of return associated with adoption of WNA mechanisms in Pennsylvania. Natural gas distribution companies ("NGDCs") in Pennsylvania also file revenue requirements based on future test years that allow for prospective investments and adjustments. Accordingly, the risk of regulatory lag impacting the Company's ability to recover costs is low.

Based on the above factors, the Commission should carefully consider ratepayers' interest, affordability concerns, and the risk reduction benefits of a low-risk regulatory environment in evaluating the Company's cost of capital claim in this proceeding.

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[3] My calculations based on Exhibit No. 2, Schedule No. 4 - 53.53 III.A.17 provided in response to OCA-I-001.

[4] *Bluefield Waterworks and Improvement Company v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923).

[5] *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591 (1944).

3. Cost Allocation

Q. What is a utility cost allocation study?

A. A utility cost allocation study, in this case the Company's gas allocated class cost of service study ("ACOSS"), is an analytical tool that assigns the utility's test year total costs (i.e., the "revenue requirement") among the various utility rate classes. Pennsylvania electric and gas utilities generally use an "embedded cost" approach to cost allocation, in which accounting book costs are directly assigned among the rate classes, rather than a marginal cost approach. It is generally agreed that costs should, to the extent practicable, be assigned among rate classes based on "cost causation," such that costs caused by a particular class of customers are assigned to that class. A cost allocation study generally involves a three-step process, in which costs are (a) segregated by function ("functionalization"): (b) further segregated by cost causation factor, notably throughput, peak demand, "excess" demand, and customer count ("classification"); and (c) allocated among the rate classes based on each class's contribution to the cost causation factor ("allocation").

Q. What purpose does the ACOSS serve in a utility rate proceeding?

A. The ACOSS informs both the assignment of the rate increase among customer classes ("revenue allocation") and the design of rates to recover the revenues assigned to each rate class. Revenue allocation is often used to move rate revenue more into line with allocated costs from the ACOSS. For rate design, classified costs, such as customer-related and demand-related costs, are used to inform the development of specific rate charges, such as monthly customer and demand charges.

Q. Please describe the Company's rate classes used in the ACOSS.

A. The Company's ACOSS includes the following rate classes:

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

Q. Turning to the issues of cost allocation methodology, what are the most important cost allocation issues for a NGDC like PNG?

A. An ACOSS allocates rate base and associated capital costs, distribution expense, customer accounts/service expense, expense, administrative/general ("A&G") expense, and taxes. Often, costs are allocated on a derivative basis, based on costs already allocated. For example, depreciation, income taxes, and return are often allocated in the same manner as, or in proportion to, rate base. General plant and A&G costs are typically allocated based on some combination of overall plant allocations or O&M expense or labor allocations. Thus, the overall results of an ACOSS are substantially driven by the allocation of a few large asset accounts. These "big ticket" issues for cost allocation are generally:

- Classification of mains costs, potentially into peak demand, throughput and/or customer components.
- Definition and derivation of the peak-demand allocation factor, including the treatment of interruptible load in the allocator.
- Allocation of meters and services costs.

Q. Please describe the basic issues involved in gas utility mains cost causation.

A. Gas distribution mains are installed to meet two basic objectives: (a) to interconnect the customer with the interstate pipeline system (or other gas supply sources); and (b) to be able to transport sufficient gas to meet the demand of customers downstream under extreme peak conditions.

However, it is not easy to develop an analytical model capable of reflecting these cost causation factors. Ideally, the cost of any particular segment of mains would only be allocated to those specific customers who are served downstream from that segment. In practice, undertaking such an analysis can be detailed, costly, and time consuming.

Q. What are the more traditional approaches to mains cost classification?

A. Various analytical models are used in place of the traditional detailed modeling approaches. These methods attempt to address the following questions:

- What causation factors best correlate with mains costs?
- Are mains costs causally related to the number of customers? And, if so, how should the "customer component" of mains costs be derived?

- How should mains costs that are not causally related to number of customers be allocated among the various rate classes?

Regarding the first question, the traditional cost allocation parameters include throughput, peak demand, excess peak over average demand, and number of customers. As a matter of arithmetic, a throughput allocation factor is equivalent to an "energy" allocator, a "commodity" allocator, a "volumetric" allocator, and an "average demand" allocator.[6]

Regarding the second question, one argument is that more footage of mains must be installed to interconnect many small customers than to connect one larger customer with the same aggregate load. This approach is particularly appealing for small to medium business customers who are often more geographically concentrated in commercial areas, thereby requiring less mains footage.

Commission precedent indicates that the Commission has rejected the use of a customer component for gas distribution utilities in Pennsylvania, in the most recent cases of which I am aware.

Q. If there are no customer component mains costs per Commission precedent, what methods are used generally for allocating these costs?

A. The traditional allocation methods include three general approaches: a peak demand method ("Peak Demand"); a peak-and-average ("P&A") method; and an average-and-excess ("A&E") method. In the Peak Demand method, costs are allocated in proportion to each class's share of system "design day" peak demand, which represents the capacity needed to serve the class under extreme weather conditions. The logic for this approach is that the mains must be sized to meet peak day demand.

In the P&A method, costs are allocated based on a weighted mix of design day peak demand and average day demand. The two component are typically weighted 50/50.

The A&E allocation factor is a weighted average of average demand (i.e., throughput) and "excess" demand. Excess demand is measured as the difference between peak demand and

[6] Average demand is generally measured as annual throughput divided by 365 days. As such, it is arithmetically equivalent to annual throughput when used as an allocation factor. The ratio of average demand to peak day demand is generally referred to as load factor. High load factor customers typically use gas for manufacturing process applications; low load factor customers often rely on gas primarily for heating purposes.

average demand. Because this allocation factor consists of an average demand component and a "peak minus average" demand component, it is typically closer in magnitude to a Peak Demand allocator than to a P&A allocator. However, this observation depends on the weighting factor used to derive the A&E factor. Under specific conditions, namely when the weighting factor is based on the system load factor and there is no diversity of demand across classes, the P&A allocator is arithmetically identical to the A&E factor.

Q. Please review Commission precedent with respect to mains cost allocation methods.

A. In the Columbia Gas proceeding at Docket No. R-2022-3031211, the Commission reaffirmed that the terms and conditions of settlements are not relied upon as precedential and that cost of service studies should be evaluated on a case-by-case basis:

> We note that even in cases in which the revenue allocation methodology is litigated, a determination regarding which ACCOSS should be used should be determined on a case-by-case basis. We have observed that "the inherent distinctions between utilities and rate cases may result in different methodologies to be reasonable for different reasons. In other words, the best-suited ACCOSS may depend on the circumstances of the situation on a case-by-case basis."[7]

In PECO Gas's 2020 base rates proceeding, the Commission approved the Company's proposed A&E allocation method, that produced allocation factors substantially similar to a peak demand allocator.[8]

Q. What approach does PNG use in this proceeding?

A. The Company classifies mains using an "Average Study" that equally weights two methods: a Customer-Demand study and a Demand-Commodity study. The Customer-Demand study classifies mains between customer and demand components using a Minimum Size System ("MSS") study, while the Demand-Commodity study splits costs

[7] Opinion and Order, Pennsylvania Public Utility Commission, Docket No. R-2022-3031211 et al., Order Entered December 8, 2022, at 107.

[8] Opinion and Order, Pennsylvania Public Utility Commission, Docket No. R-2020-3018929 et al., Order Entered June 17, 2021, at 228-231.

evenly between demand and commodity. Averaging the two studies results in a customer-related mains component of 24 percent, a demand-related component of 51 percent, and a commodity-related component of 25 percent.[9] The demand-related portion is in turn allocated using a Peak-and-Average factor ("P&A") weighting design-day peak demand and average demand 50/50.[10]

Q. Please summarize the ACOSS results.

A. **Table IEc-1** below reports revenue-cost ratios at the Company's current and proposed rates for those rate classes subject to cost-based rates. At current rates, every class but the Large General class is under-recovering costs based on the ACOSS results. At proposed rates, the Residential, Small General, and Medium General move towards parity, while the Large General and Mainline Service do not receive rate increases.[11]

Table IEc-1
Summary of PNG Gas ACOSS: Revenue-Cost Parity Ratios

	Current Rates	Proposed Rates
Residential	1.00	0.99
Small General	0.90	0.94
Medium General	0.94	0.99
Large General	1.57	1.38
Mainline Service	0.82	0.74
Total	**1.00**	**1.00**

Source: IEc WP1

4. Revenue Allocation

Q. What is revenue allocation?

A. Revenue allocation is the assignment of the dollar net increase or decrease to each of the Company's rate classes in a base rates proceeding. In contrast, *rate design* determines how

[9] PNG Statement No. 17, at 25.

[10] PNG Statement No. 11, at 7.

[11] The revenue-cost ratio for the Mainline Service class decreases at proposed rates because this class largely comprises negotiated contract customers.

the allocated revenue is recovered from individual ratepayers within each class. From a cost recovery standpoint, revenue allocation addresses *inter-class* cross-subsidization issues, while rate design addresses *intra-class* cross-subsidization issues.

Q. What are the primary economic and regulatory criteria for revenue allocation?

A. In general, allocated cost is the primary criterion used by regulators in the revenue allocation process. Most utilities and regulators adopt a policy in a base rate proceeding of attempting to move revenues more into line with allocated costs by varying the magnitude of the rate increases for the individual classes. However, regulators also subject the rate increases to other non-cost criteria of ratemaking. Of the traditional rate design criteria, the most common non-cost considerations in the revenue allocation process are:

- the *gradualism* principle (or avoidance of "rate shock"), in which large rate increases for individual customers or classes of customers are avoided; and
- the *value of service* principle, which is often used to mitigate rate increases for customers or customer classes with relatively elastic demand. [12]

Using these criteria, the utility will develop a proposal for assigning the increase in the revenue requirement among the classes that reflects both cost and non-cost considerations. With this proposal, the ACOSS can be simulated at both present and proposed rates to evaluate the magnitude of progress that has been made toward the policy of achieving cost-based rates.

Q. Please summarize the Company's proposed revenue allocation in this proceeding.

A. The Company describes its approach in Statement No. 17. The Company generally indicates a desire to move rates into line with allocated costs subject to rate gradualism constraints. In effect, this means limiting the rate increase for the Small General class to 1.5 times the system average increase. The Company evaluates its revenue allocation proposal using a revenue-to-cost ratio benchmark, where a ratio of 1.0 indicates that revenues are fully in line with allocated costs. PNG also states that its proposal reduces

[12] See, for example, Principles of Public Utility Rates, Second Edition, Bonbright, Danielsen, Kamerschen, 1988, pages 383–387. The criteria in this text apply to the overall development of a utility rate structure. The criteria that I discuss in this testimony are those that apply to the revenue allocation portion of the process, which is only one aspect of the overall development of utility rates.

subsidies between rate classes. **Table IEc-2** below summarizes the Company's revenue allocation proposal.

Table IEc-2
Summary of PNG Gas Proposed Revenue Allocation

	Increase $000	Increase %	R/C Current	R/C Proposed	Increase/System Avg. Increase
Residential	$118,163	13.5%	1.00	0.99	0.99
Small General	$21,443	18.5%	0.90	0.94	1.36
Medium General	$21,264	19.7%	0.94	0.99	1.45
Large General	$0	0%	1.57	1.38	0.00
Mainline Service	$0	0%	0.82	0.74	0.00
Total	**$160,871**	**13.58%**	**1.00**	**1.00**	**1.00**

Source: IEc WP1

Q. Do you agree with the Company's revenue allocation proposal?

A. The Company's revenue allocation is directionally consistent with the results of the ACOSS. However, in the interest of rate gradualism for the SGS and MGS classes, I propose capping the maximum rate increase at 1.25 times the system average. To achieve this, I recommend a small increase for the LGS class, rather than no increase as PNG proposes.

Q. What is your alternative revenue allocation proposal?

A. **Table IEc-3** summarizes my alternative revenue allocation proposal, as described above.

Table IEc-3 **Summary of IEc Alternative Revenue Allocation**					
	Increase $000	Increase %	R/C Current	R/C Proposed	Increase/System Avg. Increase
Residential	$118,163	13.5%	1.00	0.99	0.99
Small General	$19,699	17.0%	0.90	0.93	1.25
Medium General	$18,361	17.0%	0.94	0.97	1.25
Large General	$4,647	6.5%	1.57	1.42	0.47
Mainline Service	$0	0.0%	0.82	0.74	0.00
Total	**$160,871**	**13.6%**	**1.00**	**1.00**	**1.00**
Source: IEc WP1					

5. <u>Weather Normalization Adjustment</u>

Q. What is the Company's proposal regarding WNA in this proceeding?

A. The Company's WNA was approved as a permanent mechanism in the last base rate case proceeding in Docket No. R-2023-3044549. The existing WNA has the following features: it applies to the Residential and Small/Medium General Service classes; operates during the October through May heating season; includes a three percent deadband; is calculated on a bills-rendered basis; is presented as a separate line item on customer bills; includes a limiter for bills rendered in May such that the WNA adjustment will not exceed 100 percent of the billed distribution amount for that same billing period; and requires annual reporting of billed WNA revenues, actual and normal HDD, and bill impact information.

In this case, the Company proposes a single change, which is to update the Normal Heating Degree Day ("NHDD") benchmark that anchors the WNA. Currently, the WNA has a blended methodology that was approved in the last case, averaging results from a 65-year regression and a 20-year average HDD normalization. PNG proposes to rely solely upon the 65-year regression methodology. The Company states it is making no other structural

changes to the WNA, and claims this change is necessary to ensure methodological consistency between the weather normalization assumptions used to establish base-rate billing determinants and those used in the WNA.[13]

Q. What is a WNA mechanism?

A. The Company's WNA mechanism is a form of a rate "decoupling," that utilities use to "weaken" or "break" the link between revenues and customer gas consumption. Decoupling mechanisms allow utilities to adjust rates and/or implement charges and credits to customer bills to ensure the utility receives a pre-established, benchmark level of revenue. A WNA reconciles revenues between those approved in the base rates case and those actually earned based on variances in the weather. If the weather is warmer than normal, the NGDC is permitted to earn supplemental revenues to make up the shortfall; if weather is colder than normal, the NGDC credits the ratepayer with a lower bill for base rates.[14]

Q. What is the apparent allure of a WNA and other decoupling mechanisms and what are the drawbacks?

A. The WNA mechanism as used in Pennsylvania is a partial rate decoupling mechanism, which has at least three advantages over broader rate decoupling mechanisms. First, the WNA provides mutual risk reduction benefits to both NGDC and ratepayer, in the form of revenue/bill stability. The NGDC gets more stable revenues; the ratepayer gets a more stable bill. In theory, the more stable NGDC revenues should reduce its risk, and thus its allowed rate of return. In extremely cold conditions, the ratepayer gets a lower base rates bill under the WNA than it would without a WNA. In contrast, revenue decoupling mechanisms for non-weather variances generally involve an increase in risk for ratepayers and reduced risk for the NGDC. Consider economic fluctuations. In an unexpected economic downturn, a broad rate decoupling mechanism will impose higher charges on ratepayers to make up for the overall downturn in load, at the same time that the ratepayers are suffering the effects of the economic downturn. The NGDC, by contrast, is insulated

[13] Peoples Statement No. 17, at 40.

[14] Gas supply charges are not subject to the WNA. Thus, weather fluctuations will continue to cause bill fluctuations with respect to gas supply.

from the effects of the economic downturn. Thus, as rate decoupling mechanisms go, the WNA is more balanced than broader mechanisms.

The second advantage is that the WNA mechanism can be adopted in "real time". WNAs can be calculated within the billing period in which the variance between actual and normal weather occurs. This avoids the intergeneration inequity problems of broader rate decoupling mechanisms.

The third advantage is that the WNA mechanism can be customer-specific. Weather normalization adjustment mechanisms can be designed to specifically reflect the weather-related usage of the individual customer. As such, it is a fairer mechanism than broader rate decoupling mechanisms, which have little or no linkage between the cause of the revenue variance and the recovery mechanism.

Q. Are there general concerns about the working of WNA mechanisms?

A. Yes, there are several.

First, use of a WNA mechanism means that a customer is being billed for a level of gas consumption that is not metered, but is only estimated. As such, it is often difficult to explain to customers why their rates appear to fluctuate up and down each month, or why there is a mysterious "WNA" charge/credit on their bills that is not related to any specific metered consumption amount.

Second, the WNA mechanism weakens price signals for energy conservation during extreme periods. Under the WNA, a ratepayer has a lower per-mcf incentive to reduce usage during unusually cold periods than it does under traditional volumetric rates. As gas distribution systems are designed, at least in part, to meet extreme weather demands, the traditional rate approach is more consistent with cost causation and with how costs are allocated in the allocated cost of service study.

Third, problems can be exacerbated in periods where actual HDDs are low, such as a warm spell in the spring. Unless protections are in place, an unadjusted WNA might produce very large multipliers, if, say, the normal HDDs are 300 and the actual HDDs are 30. For

customers who happen to have an unusual load in that period, the WNA would charge that load at a factor of 10:1.[15]

Q. Please summarize how the Company's existing WNA works.

A. A WNA is a form of partial revenue decoupling that breaks the link between a utility's distribution revenue and customers' actual weather-driven gas consumption. PNG's WNA applies to the Residential and Small/Medium General Service classes. The Company adjusts the amount billed to each customer to reflect "normal" weather, regardless of actual conditions. In technical terms, the Company compares actual heating degree day ("AHDD") variations from NHDD, adjusted for a three percent deadband. No adjustment applies to customer bills if weather falls within the three percent deadband, and the WNA mechanism only applies for variation of actual weather from normal weather outside of the deadband.

Q. Have you reviewed the Company's evidence regarding the historical performance of its WNA mechanism?

A. Yes. In response to OSBA-II-015(B) and (C), the Company provided monthly WNA results for the SGS and MGS classes for two heating seasons: 2024-2025 and the partial 2025-2026 season (through March 2026). The Company offers these data to supports its position that the WNA is operating symmetrically to protect customers when the weather is colder than normal.[16]

Q. Is two seasons of data a sufficient basis on which to evaluate whether the WNA is performing as intended?

A. No. The Company's WNA mechanism began in the last rate case (2023), so customer bills have only been affected since October 2024.[17] Thus, only two heating seasons of actual data exist, one of which is incomplete. WNAs are designed to be symmetric around a normal-weather baseline. The 2024-2025 season was warmer than normal and produced net surcharges to commercial customers of approximately $2.9 million; the

[15] The PGW mechanism did, in fact, produce such anomalous results in the spring of 2022.

[16] Peoples Statement No. 17, at 38.

[17] OSBA-II-015.

partial 2025-2026 season has been colder than normal and has produced net credits of approximately $3.0 million to date. The two seasons happen to produce a near-zero cumulative net figure, but without more data it is impossible to determine whether this reflects coincidence or a WNA mechanism performing as intended. In either case, this operating history is too short to support any conclusion about the mechanism's future effectiveness.

Q. Does the Company assess the bill impacts of its proposal to remove the 20-year average from the HDD calculation?

A. No. In supporting the WNA proposal in docket R-2023-3044549, Company Witness Scanlon stated that the Company believed the 65-year regression "provides a reasonable basis for weather normalization. However, Peoples is proposing to use the average of the 65-year regression model result with the average of the 20-year average *due to the concept of gradualism*."[18] It is unclear why methodological consistency between the base-rate billing determinants and the WNA normalization period should take precedence over protecting consumers from bill volatility. When asked in this proceeding to produce the Company's bill impacts evaluations resulting from the proposed change to rely exclusively on the 65-year regression methodology, the Company stated they had not performed such an analysis.[19]

Q. What do you recommend regarding the Company's WNA?

A. First, the Company should be directed to perform a bill-impact study showing the results of the proposed change to rely on a 65-year regression methodology to update the WNA normalization period, compared to the currently approved WNA methodology. The Company should report the same customer-impact metrics included in OSBA-II-015 Attachment B 2024-2025 and OSBA-II-015 Attachment B 2025-2026, and the analysis should cover (a) a retrospective ten-year historical period, assuming the WNA mechanism had been in effect, and (b) a prospective ten-year analysis based on usage projections.

[18] R-2023-3044549, Peoples Statement No. 3, at 5. [emphasis added]

[19] OSBA-II-015.

Second, to mitigate bill volatility for consumers, I recommend increasing the WNA deadband from three percent to five percent.

Q. Does this conclude your direct testimony?

A. Yes, it does.

EXHIBIT IEc-1

RÉSUMÉ AND EXPERT TESTIMONY LIST

FOR

MARK D. EWEN

IEc

MARK D. EWEN — PRESIDENT

Overview

Mr. Ewen has a strong background in applied economics, empirical methodologies, and financial analysis. As a Principal at Industrial Economics, Incorporated (IEc), he focuses on expert case management and economic damages estimation in a variety of litigation contexts, regulatory and environmental economics, and financial analysis. Within his areas of expertise, Mr. Ewen has been qualified as an expert witness before judicial and regulatory bodies (see schedule of testimony and appearances). He has also served as a Managing Director of the firm.

Education

Master of Public Policy, University of Michigan

B.A., *summa cum laude*, Economics and Political Science, University of North Dakota

Select Project Experience

Examples of his project work include the following:

Mr. Ewen has participated in various proceedings concerning energy markets and regulated utilities. These efforts, which focus on issues related to cost allocation, revenue allocation, and rate design, include working on behalf of industry and consumer intervenor groups in rate-making cases before the public utility commissions in New York, Pennsylvania, Alberta, Canada, and the U.S. Postal Rate Commission. For example, for **New York Department of State's Utility Intervention Unit (UIU)** and the **Pennsylvania Office of Small Business Advocate (OSBA)**, he has and continues to provide consulting and analytic support relating to electricity and natural gas tariff design, revenue requirements, and other regulatory initiatives concerning electrical and natural gas distribution utilities. For the **Rhode Island Attorney General**, Mr. Ewen conducted a due diligence review of PPL's proposed acquisition of Narragansett Electric Company and its potential impacts on the state's ratepayers.

For the **New York State Energy Research and Development Authority (NYSERDA) and Department of Public Service (DPS)**, Mr. Ewen provided expert services assessing the economic impacts to municipal governments of extended electricity outages related to Tropical Storm Isaias. As part of this work, he constructed a model to estimate various costs of incremental staffing requirements for over 500 localities, including excess overtime, surge time (i.e., bringing on extra staff for outage response coordination and logistics), and idle time (e.g., crews waiting extended periods for downed lines to be de-energized). The review also included consideration of other direct costs, including, among others: effects to water systems; delivery of bottled water; operation of generators; and other constraints on the provision of essential governmental services. The litigation was settled to the satisfaction of the involved parties.

For the **NYSERDA and New York DPS**, Mr. Ewen directed the development of a Generic Environmental Impact Statement (GEIS), pursuant to the requirement of the State Environmental Quality

Review Act (SEQRA) that assessed the environmental and economic impacts of the "Reforming the Energy Vision" and "Clean Energy Fund" initiatives within the state. He also directed the preparation of a Supplemental EIS to assess the environmental and economic impacts of the newly proposed Clean Energy Standard (CES). The CES is being developed to support the state's goal of supplying 50 percent of electricity demand with renewable generation resources by the year 2030. More recently, he directed the development of a model to assess the financial viability of various waste-to-energy technologies, and related social welfare benefits. This model uses detailed capital budgeting scenarios for specific facilities to generate forecast scenarios.

For the **U.S. Department of the Interior, Bureau of Ocean Energy Management (BOEM)**, directing an assessment of the Bureau's approach to calculating and presenting the operating fee included in offshore wind leases under BOEM's jurisdiction. As part of this engagement, IEc provided a number of recommendations for simplifying the implementation of the operating fee formula and identified available data sources and approaches to estimating individual components of the fee formula. The review also addressed the structure and levels of fees associated with operations of renewable wind energy projects in the U.S. and worldwide. More recently, IEc has been supporting the development of Standard Operating Procedures for the fee calculation and lease management process. The overall goal is to provide information resources and a methodological approach that will allow lessees to derive accurate data for fee equation variables efficiently and consistently, and for BOEM to present the fee calculation clearly in the lease.

For **NYSERDA**, conducting a market analysis examining the potential economic development opportunities that could accrue in New York from hydrogen playing a role in achieving components of its Climate Leadership and Community Protection Act.

For the **U.S. Department of the Interior, Bureau of Ocean Energy Management**, managed the development of a model to assess the economic and fiscal impacts of offshore oil and gas activity in the Gulf of Mexico and other BOEM OCS regions. This model, the Lifecycle Impacts Model (LCIM), assesses the economic and fiscal impacts associated with a specific lease or group of leases, over the time horizon of the lease(s). IEc's framework for the model was to build a capital budgeting forecasting tool for lease development, yielding estimates of industry expenditures, OCS revenues, industry profits, and employment impacts for a single lease or a set of leases. A key component of model development was to dynamically simulate the complex and unique timing parameters of lease development, incorporating the influence of critical exogenous factors like market prices and lease geology.

For the **U.S. Coast Guard, National Pollution Funds Center**, Mr. Ewen provides ongoing support to the NPFC in adjudicating damages claims resulting from oil spills. These claims include damages for business interruption, lost profits, property damage or value diminution, increased costs, and lost wages or employment, among other categories. Cases have also included damages for contract delays to construction projects and shipping demurrage. Industry sectors that Mr. Ewen has evaluated include: *electricity generation (nuclear and coal); railroads; cruise ships; oil ship transport; lodging and tourism; food and beverage; gambling; fisheries; marinas; real estate development, oil and gas development; and oil refining.*

Mr. Ewen's analytic work includes expert financial analysis and economic damages estimation in the context of general litigation and environmental enforcement actions. These efforts include assessing damages in breach of contract, nuisance, and cost recovery actions, and assessing the financial capabilities and economic benefit of noncompliance of firms accused of environmental violations. Clients

in this area of his practice include the **U.S. Department of Justice, U.S. Coast Guard, U.S. Environmental Protection Agency, States**, and private parties.

Testimony and Appearances

Mr. Ewen has provided testimony or appeared in the following cases and regulatory proceedings.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for UGI Utilities Corporation – Gas Division (Docket No. R-2025-3059523, April 2026).

On behalf of the Attorney General of the State of Rhode Island, submitted testimony before the Rhode Island Public Utilities Commission concerning revenue allocation and rate design in the matter of The Narragansett Electric Co. d/b/a Rhode Island Energy Application for Approval of a Change in Electric and Gas Base Distribution Rates (Docket No. 25-45-GE, April 2026).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting remand testimony before the Pennsylvania Public Utility Commission, concerning cost allocation and revenue allocation in the base rates case for Philadelphia Gas Works (Docket No. R-2023-3037933, April 2026).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for PPL Electric Corporation (Docket No. R-2025-3057164, December 2025).

On behalf of the New Hampshire Office of Consumer Advocate (OCA), submitting testimony before the New Hampshire Public Utilities Commission concerning cost of service, revenue allocation, and rate design in the matter of Until Energy Systems, Inc. Request for Change in rates (Docket DE 25-025, December 2025).

On behalf of New York Department of State's Division of Consumer Protection's Utility Intervention Unit (UIU), submitting testimony before the Public Service Commission concerning cost of service, revenue allocation, and rate design in electric and gas base rates cases of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (Docket Nos. 25-E-0375, 25-G-0380, 25-E-0379 and 25-G-0378, October 2025).

On behalf of New York Department of State's Division of Consumer Protection's Utility Intervention Unit (UIU), submitting testimony before the Public Service Commission, concerning revenue allocation and rate design in electric and gas base rates case of Consolidated Edison, Inc. (Docket Nos. 25-E-0072 & 25-G-0073, May 2025).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the distribution system improvement charge (DSIC) case for PPL Electric Utilities Corporation (Docket No. R-2024-3048732, July 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for First Energy of PA (Docket No. R-2024-30447068, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for PECO Gas (Docket No. R-2024-3046932, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue allocation, and rate design in the base rates case for Columbia Gas of Pennsylvania (Docket No. R-2024-3046519, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PPL Electric (Docket No. P-2024-3047290, June 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning the Default Service Plan for PECO Energy Company (Docket No. P-2024-3046008, April/May 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No R-2024-3045177, March 2024).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning electricity price hedging under the default service plan for Pike County Light and Power (Docket No. P-2023-3039927; direct testimony June 2023; surrebuttal testimony August 2023).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning base tariff rate development for Columbia Gas of Pennsylvania, including issues of cost allocation, revenue allocation, and rate design. (Docket No. R-2022-3031211, June/July 2022).

On behalf of Attorney General of the State of Rhode Island, submitted testimony before the Rhode Island Division of Public Utilities and Carriers concerning due diligence and related reviews of PPL Corporation's proposed acquisition of Narragansett Electric Company from National Grid USA (Docket No. D-21-09, November 2021).

Expert report and deposition testimony concerning economic damages and related financial matters, *Seaplane Adventures, LLC, vs. County of Marin, California*; expert report filed September 2021, deposition testimony given September 2021.

Expert reports and deposition testimony on bankruptcy reorganization plan feasibility and related financial matters, *in re: First Energy Solutions Corp., et al., Debtors, Case No. 18-50757*; expert reports filed July 2019, deposition testimony given August 9, 2019.

Expert declaration concerning economic damages and related financial matters, *in re: Outer Banks Power Outage Litigation, all actions, No. 4:17-CV-141-D*, March 2018.

Expert report and deposition testimony on Economic Damages in *State of Alaska v. Williams Alaska Petroleum, Inc., et al., Case No. 4FA-14-01544 CI*; expert report filed December 2016, deposition testimony given February 15, 2017.

Expert reports and deposition testimony on Economic Benefit in *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 5:10-cv-156 (E.D. Tex.)* and *Sierra Club v. Energy Future Holdings Corp. et al., Case No. 6:12-cv-108 (W.D. Tex.)*; expert reports filed in June and July 2013, deposition testimony given August 2013. Trial testimony given in Case No. *6:12-cv-108 (W.D. Tex.) in March 2014*.

Expert testimony on ability-to-pay provided, in the matter of Mercury Vapor Processing Technologies, Inc., et al. (No. RCRA-05-2010-0015), July 2011.

Expert Declaration in a patent case concerning economic and financial matters in the context of environmental credits valuation – In re Patent Application of: Jeff Andrilenas et al., Application No.: 12/328,219, For: VALUING ENVIRONMENTAL CREDITS, submitted June 2011.

Export report and deposition testimony on financial matters in *Evansville Greenway and Remediation Trust v. Southern Indiana Gas and Electric Company, Inc., et al.* (03:07-cv-0066-SEB-WGH); expert report filed July 2009, deposition testimony given January 2010.

Expert testimony on ability-to-pay provided, in the matter of Robert J. Heser, Andrew J. Heser, and Heser Farms (No. CWA-05-2006-0002), May 2007.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning tariff design issues for Columbia Gas of Pennsylvania (Docket No. R-00049783, May 2005).

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning cost allocation, revenue assignment, and rate design for Pennsylvania Power and Light (Docket No. R-00049255, August 2004).

Expert report on economic damages in *United States v. Southern California Edison No. CIV. F-01-5167 OWW DLB (E.D. Cal).*, July 2004; deposition testimony provided September 2004.

Expert testimony on ability-to-pay provided in *United States v. Peter Thorson, Managed Investments, Inc., Construction Management, Inc., and Gerke Excavating, Inc.* (No. 03-C-0074), May 2004.

Expert testimony on ability-to-pay provided in *United States v. Paul A. Heinrich and Charles Vogel Enterprises, Inc.* (No. 03-C-0075-S), October 2003.

Expert testimony on ability-to-pay provided in the matter of Dearborn Refining Company (No. RCRA-05-2001-0019), February 2003.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for PFG Gas and Northern Penn Gas (Docket No. R-00027389, July 2002).

Expert report and testimony on economic damages in *Carol Marmo et al. v. IBP, Inc.*; expert report filed March 2002, deposition testimony given June 2002, September 2004, and testimony at trial given February 2005.

On behalf of Pennsylvania's Office of Small Business Advocate, submitting testimony before the Pennsylvania Public Utility Commission, concerning recovery of purchased gas costs and revenue sharing for National Fuel Gas Distribution Corporation (Docket No. R-00016789, March 2002).

On behalf of the Office of the Consumer Advocate, providing testimony before the United States Postal Rate Commission regarding cost allocation of city carrier street time costs. Docket No. R2000-1, July 11, 2000.

Expert report and declaration on ability-to-pay in re Indspec Chemical Corporation and Associated Thermal Services, Inc., and related testimony in U.S. EPA administrative court on February 24, 1998 (No. CAA-III-086).

Expert report on ability-to-pay in re Harrisburg Hospital and First Capital Insulation, Inc. and related testimony in U.S. EPA administrative court on October 8, 1997 (No. CAA-III-076).

OSBA

WORKPAPERS

For

OSBA Statement No. 2

DIRECT TESTIMONY OF MARK D. EWEN

- IEc WP1 - PNG BRC ***

***** OSBA Workpapers are in excel format <u>ONLY</u>; therefore, will be served via electronic means <u>ONLY</u>, and will be served simultaneous to service of OSBA Statement No. 2, Direct Testimony of Mark D. Ewen <u>ONLY</u>*****

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Mark D. Ewen, hereby state that the facts set forth in the Direct Testimony and Exhibit, labeled OSBA Statement No. 2, with associated Exhibit IEc-1, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: June 17, 2026

Mark Ewen

Mark D. Ewen

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: June 18, 2026

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

July 16, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Rebuttal Testimony of Mark D. Ewen, labeled OSBA Statement No. 2-R, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

OSBA STATEMENT NO. 2-R

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

REBUTTAL TESTIMONY

of

MARK D. EWEN

On Behalf of the

Pennsylvania Office of Small Business Advocate

Topics:

Cost Allocation
Revenue Allocation
Universal Service Cost Recovery

Date Served: July 16, 2026

Date Submitted for the Record: _____

REBUTTAL TESTIMONY OF MARK D. EWEN

1. Introduction and Context

Q. Mr. Ewen, please state your name and briefly describe your qualifications.

A. My name is Mark D. Ewen. I submitted direct testimony and associated exhibits on behalf of the Pennsylvania Office of Small Business Advocate ("OSBA") earlier in these proceedings and my qualifications were presented therein.

Q. What is the purpose of this rebuttal testimony?

A. This rebuttal testimony responds to the following witnesses and topics:

- Office of Consumer Advocate ("OCA") Witness Michael Deupree and Bureau of Investigation and Enforcement ("I&E") Witness Ethan H. Cline regarding cost allocation and revenue allocation.

- CAUSE-PA Witness Patrick M. Cicero and OCA Witness Roger Colton regarding the recovery of universal service costs.

2. Cost Allocation and Revenue Allocation

Q. Please summarize OCA Witness Deupree's alternative allocated cost of service study ("ACOSS")?

A. Witness Deupree disagrees with the Company's use of a minimum system method ("MSS") to classify a portion of distribution mains as customer-related. Witness Deupree prepared an alternative ACOSS that classifies distribution mains as 100 percent demand-related and then allocates distribution mains costs to rate classes based on the peak-and-average ("P&A") method.

Q. How do the OCA's ACOSS results differ from the Company's ACOSS results?

A. **Table IEc-1R** compares the relative rate of return at current rates between the Company's ACOSS and OCA's ACOSS.

Table IEc-1R: Summary of PNG and OCA ACOSS Results Relative Rate of Returns at Current Rates		
	PNG	OCA
Residential	0.96	1.12
Small General	0.52	0.42
Medium General	0.88	0.51
Large General	3.01	1.93
Mainline Service	0.10	0.10
Total	**1.00**	**1.00**
Source: IEc WP-1R		

Q. What is I&E's position on the Company's ACOSS?

A. Witness Cline offers the same recommendations as the OCA, namely, to classify distribution mains without a customer component and to allocate distribution mains costs based on the P&A method. Witnesses Deupree and Cline both reference the Commission's decision in the 2025 Columbia Gas base rate case, which determined that mains costs should be allocated based on throughput capacity to meet peak demand and not the number of customers.[1]

Q. What is the OCA's proposed revenue allocation?

A. Using the results of its alternative ACOSS, OCA proposes to cap the maximum rate increase for any rate class at 1.15 times the system average increase and to set a minimum rate increase of 0.50 times the system average.

Q. What is your assessment of the OCA's revenue allocation?

A. In direct testimony, my alternative revenue allocation proposal capped the rate increase to the Small General Service ("SGS") class at 1.38 times the system average, as this class is under-earning relative to allocated costs. The OCA's alternative ACOSS also indicates that the SGS class is under-earning. However, Witness Deupree's proposal is geared

[1] Pa. PUC v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2025-3053499, pp. 254-5 (Order Entered December 4, 2025).

more toward rate gradualism than progress toward cost-based rates. Although both goals are important, I find OCA's proposal to be reasonable given the size of the proposed rate increases in this proceeding.

3. <u>Universal Service Cost Recovery</u>

Q. Please summarize Witness Cicero's and Witness Colton's positions regarding universal service cost recovery.

A. The Company's Universal Service Program ("USP") Rider recovers the costs of the Company's Universal Service and Conservation Programs that assist low-income residential customers. As is standard practice among utilities in Pennsylvania, Peoples Natural Gas Company ("PNG") assigns the recovery of universal service costs only to residential customers. Witness Cicero argues that universal service and low-income assistance programs benefit all of PNG's customer classes because they provide economic benefits to entire communities and not just customers that receive assistance.[2] Accordingly, Witness Cicero supports a broad allocation of universal service costs to all rate classes.

Similarly, Witness Colton recommends that all rate classes should contribute to the Company's residential Customer Assistance Program ("CAP")/universal service costs, which would benefit PNG's entire service territory. He also reasons that universal service costs are caused by factors endemic to society as a whole, as opposed to by factors specific to residential customers.[3]

Q. What is your position regarding the allocation of universal service costs?

A. By longstanding OSBA advocacy and Commission precedent, I maintain that small business customers should not contribute to universal service programs because these customers cannot take advantage of the residential-only programs. There is no causal relationship between PNG's universal service costs and small business customers. Witness Colton cites the Commission's Final Order in the I*nterconnection and Tariffs for*

[2] Direct Testimony of CAUSE-PA Witness Cicero, at 78-81.

[3] Direct Testimony of OCA Witness Colton, at 74-76.

Large Load Customers (Docket No. M-2025-3054271) to describe how the Commission maintains discretion to allocate universal service costs to non-residential customers. However, small businesses are not cost causers in any comparable sense to new large load customers interconnecting to the grid. The Commission recognized the unique nature of large load customers in the above-referenced docket and did not recommend that other non-residential customer classes be burdened with universal service contributions.

In addition, assigning costs for the universal service programs to all rate classes would impose a burden on all hearing participants, including the OSBA, who would have an obligation to ensure that these programs are properly designed, effective, and necessary. Because most utilities in Pennsylvania do not assign universal service costs to all rate classes, the OSBA generally does not expend the resources to retain the necessary specialized experts in these fields.

Q. What are the practical issues if the Commission were to require all of the Company's rate classes to contribute to universal service costs?

A. The form of cost recovery is of primary importance. Witness Cicero recommends that universal service costs "should be assigned to all rate classes based on their respective distribution revenue requirements per the Company's cost of service study (COSS) filed in the current case."[4] Witness Colton provides a similar recommendation to distribute total CAP costs based on each rate class's share of the distribution revenue requirement (excluding taxes) ordered in this proceeding. Witness Colton suggests that the universal service cost could be added on as an undesignated part of the customer charge. These proposals provide minimal insight as to how universal service costs would impact small business customers, including businesses facing financial difficulties that would then need to pay another fixed monthly charge. These proposals would unfairly burden small businesses with a new tax without a cost basis. Transparency is another concern. If the Commission decides to abandon long-standing precedent and impose a new tax on small

[4] Direct Testimony of CAUSE-PA Witness Cicero, at 81.

businesses, the new charge should be separately identified on the bills for non-residential customers, simply as a matter of honesty and openness about the policy change.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does

OSBA

WORKPAPERS

For

OSBA Statement No. 2-R

REBUTTAL TESTIMONY OF MARK D. EWEN

- IEc WP-1R - PNG BRC ***

***** OSBA Workpapers are in excel format <u>ONLY</u>; therefore, will be served via electronic means <u>ONLY</u>, and will be served simultaneous to service of OSBA Statement No. 2-R, Rebuttal Testimony of Mark D. Ewen <u>ONLY</u>*****

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Mark D. Ewen, hereby state that the facts set forth in my Rebuttal Testimony, labelled OSBA Statement No. 2-R, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 15, 2026

Mark Ewen

Mark D. Ewen

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Charece Collins
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Date: July 16, 2026

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

COMMONWEALTH OF PENNSYLVANIA

July 31, 2026

The Honorable Charece Collins
Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC / Docket No. R-2026-3060855

Dear Judge Collins:

Enclosed please find the Surrebuttal Testimony of Joseph Kubas, labelled OSBA Statement No. 1-SR, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceeding.

As evidenced by the enclosed Certificate of Service, all known parties will be served, as indicated.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures
cc: PA PUC Secretary Matthew L. Homsher (Cover Letter & Certificate of Service Only)
Maksim Malukoff
Mark D. Ewen
Joseph Kubas
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket No. R-2026-3060855**
v.	**:**	
	:	
Peoples Natural Gas Company, LLC	**:**	

SURREBUTTAL TESTIMONY

of

JOSEPH KUBAS

on behalf of the

Pennsylvania Office of Small Business Advocate

Topics:
Small General Service Customer Charge
Future Cost of Service Studies

Date Served: July 31, 2026

Date Submitted for the Record: _____

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Joseph Kubas. My business address is Forum Place, 555 Walnut Street, 1st floor, Harrisburg PA, 17101.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Pennsylvania Office of Small Business Advocate ("OSBA") as an Economic Development Consultant.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. My testimony is being sponsored by the OSBA.

Q. ARE YOU THE SAME JOSEPH KUBAS THAT PROVIDED DIRECT TESTIMONY ON JUNE 18, 2026?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my surrebuttal testimony is to address two issues related to the rebuttal testimony of Peoples Natural Gas Company, LLC (Peoples or Company).

Specifically, I will address the rebuttal testimony of Luke Ravenstahl, submitted on behalf of Peoples as Statement No. 8-R concerning future Cost of Service Studies (COSS), and the rebuttal testimony of John D. Taylor, submitted on behalf of Peoples as Statement No. 17-R concerning the proposed SGS customer charge, and changes in future COSSs. The fact that I did not address every argument raised by the Company does not indicate my agreement with the Company on that argument.

Q. DID YOU MAKE A RECOMMENDATION FOR TOTAL REVENUE REQUIREMENT IN THIS CASE?

A. No. While my first issue did impact proposed rates, I did not make an overall revenue recommendation. Mr. Mark Ewen also addressed other issues in this case.

INTRODUCTION

Q. PLEASE DESCRIBE THE FILING.

A. On March 27, 2026, Peoples filed a natural gas base rate case based on a FPFTY ending December 31, 2027. The total increase is approximately $163,172,000.[1] The Company's revised this amount upward in its rebuttal testimony to approximately $163,933,000.[2]

SMALL GENERAL SERVICE CLASS

Q. WHAT CUSTOMERS ARE GENERALLY INCLUDED IN THE SMALL GENERAL SERVICE CLASS?

A. The SGS class is available to commercial and industrial customers and Natural Gas Distribution Companies consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial customers qualifying under Rate Natural Gas Powered Vehicles (Peoples Tariff Supplement No. 2 To Gas - PA PUC No. 48, First Revised Page No. 10). Based upon the Company's definition, this class would generally include Small Business customers that use less than 300 Mcf per year.[3]

[1] Peoples Volume I, Exhibit 2, Schedule 4, page 2, Line 1.
[2] Peoples Revised Exhibit No. 2, Schedule 4, Page 5, Line 1.
[3] Peoples Tariff Supplement No. 2 to Gas - PA PUC No. 48 First Revised Page No. 7.

Q. WHAT RATES DO SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR CURRENTLY PAY?

A. SGS customers that use between 0 and 499 Mcf per year currently pay a customer charge of $22.00 per month, a usage rate of $3.9844 per Mcf, plus various surcharges.[4]

Q. WHAT RATES DID THE COMPANY PROPOSE FOR SGS CUSTOMERS THAT USE BETWEEN 0 AND 499 MCF PER YEAR?

A. The Company proposed that SGS customers that use between 0 and 499 Mcf per year pay a customer charge of $32.14 per month, a usage rate of $5.7095 per Mcf, plus various surcharges[5]

Q. WHAT INCREASE AND PERCENTAGE INCREASE IN THE CUSTOMER CHARGE DID THE COMPANY PROPOSE FOR SGS CUSTOMERS?

[4] Volume 9, Peoples Exhibit JDT-4, page 1.

[5] Volume 9, Peoples Exhibit JDT-4, page 1.

A. The Company proposed that the SGS customer charge for customers that use between 0 and 499 Mcf per year be increased to $32.14 per month, which equates to an increase of $10.14 ($32.14 - $22.00) per month or 46.1%.

Q. WHAT CUSTOMER CHARGE DID YOU RECOMMEND FOR THE SGS CLASS?

A. I recommend that the present SGS customer charge remain at $22.00 per month.[6]

Q. WHAT SUPPORT DID YOU PROVIDE FOR KEEPING THE SGS CUSTOMER CHARGE AT $22.00 PER MONTH?

A. First, the Company failed to provide a customer cost analysis that showed the individual components to support increasing the SGS customer charge.[7] Second, I described how any customer concern about bill volatility can be addressed through a customer selecting budget billing. Third, I addressed how the Company's margin recovery is stabilized each year using its weather normalization adjustment. Fourth, I addressed why it makes no sense to suggest that a higher

[6] OSBA Statement No. 1, page 6.

[7] OSBA Statement No. 1, pages 5-6.

customer charge is fair to customers because customers understand a customer charge more than they understand a usage rate. Fifth, I described how customers are not concerned with the Company's recovery of fixed costs. Sixth, I described how there is no support for the claim that a higher monthly charge sends the correct "price signal" to customers. Seventh, the Company's suggestion that various SGS customers provide an unequal contribution to fixed costs is not supported. Since the Company failed to properly list what it believes are direct customer related fixed costs, there is no way to determine if the Company's claims concerning intra class subsidy or the need to collect more fixed costs are accurate. Eighth, the Company failed to provide any details supporting these individual customer costs. Ninth, while the Company would rather recover all fixed costs in a monthly charge, the Commission has consistently rejected this recovery claim. The Commission has repeatedly used its judgement and a detailed customer cost analysis to establish customer charges. Finally, I described how low-income customer issues are not a factor in determining the SGS customer charge.[8]

[8] OSBA Statement No. 1, pages 7-9.

Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING THE SGS CLASS CUSTOMER CHARGE RELATED TO THE COSS, REVENUE AND COST RECOVERY?

A. Yes. The Company disagrees with my recommendation to keep the SGS customer charge at $22.00 per month. First, the Company believes that its COSS provided the information necessary to evaluate the customer-related costs supporting the proposed customer charge, and the fact that it wasn't presented in a format that was easy to evaluate should not matter. Second, the Company believes that its proposal better advances more cost-reflective rates by recovering a greater portion of customer-related fixed costs through the monthly customer charge. The Company attempts to support this broad statement by claiming that a higher customer charge is reasonable because of how fixed costs are caused and incurred. Third, the Company believes that a higher customer charge represents a reasonable balance among the various objectives of rate design, including cost causation, fairness, customer impacts, and revenues. Fourth, the Company believes that the SGS customer charge is below the customer costs derived in the COSS. Fifth, the Company states that I did not identify any specific cost that is improperly included in the Company's customer cost analysis, nor did I demonstrate that the customer-

related costs reflected in the COSS are unreasonable[9].

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIRST CLAIM THAT IT PROVIDED THE NECESSARY INFORMATION TO EVALUATE CUSTOMER RELATED COSTS IN THE ORIGINAL FILING?

A. First, Mr. Taylor provided no citation for his claim regarding this information. Therefore, it's not possible for the Commission to verify Mr. Taylor's claim. Second, I am advised by counsel that the burden of proof lies with the Company. Therefore, it's not the responsibility of the OSBA or any other party to dissect the COSS and compile an appropriate customer cost analysis to verify the Company's claims. Third, given the chance to provide a one or two page customer cost summary, the Company decided that one is not necessary. With no COSS reference to any cost breakdown, the Commission is left to speculate and trust the Company as to what costs are included the two customer cost components. The first component being the Distribution On-site at $33.15 per month and the second

[9] Peoples Statement No. 17-R, pages 22-27.

component being the Accounts and Service at $9.92 per month for a total of approximately $43.06 per month per SGS customer.[10]

Q. HOW DO YOU RESPOND TO THE COMPANY'S SECOND CLAIM CONCERNING THE RECOVERY OF CUSTOMER RELATED COSTS THROUGH THE CUSTOMER CHARGE?

A. The Company provided over 7 pages of rebuttal testimony claiming that the SGS customer charge does not recover all the SGS "customer-related" costs. The Company is attempting to improperly claim that "customer-related" costs should be used to support a higher customer charge without providing a breakdown of these "customer related" costs. Just because the Company believes that a cost is "customer related" does not make that a cost recoverable in the customer charge.

Q. HOW DO YOU RESPOND TO THE COMPANY'S THIRD CLAIM THAT A HIGHER CUSTOMER CHARGE REPRESENTS A REASONABLE BALANCE AMONG THE VARIOUS OBJECTIVES, INCLUDING FAIRNESS, CUSTOMER IMPACTS, AND REVENUE STABILITY?

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[10] Peoples Volume 4, Exhibit No. 11, page 18.

A. First, while the Company believes a higher customer charge satisfies its "reasonable balance" objectives and leads to a fairer rate structure, the Company has not demonstrated how it's reasonable and fairer to charge customers more per month before that customer uses any gas. Second, these criteria should not be the primary determination for establishing a customer charge. While customer impact is a concern, the customer charge should be based upon a customer cost analysis that if done properly will establish a reasonable balance, be fair, and limit the impact on the customer that the Company desires. Third, the Company's future revenue stability should not be a factor in determining the proposed customer charge. The Company has many opportunities to stabilize future revenue other than a higher customer charge including but not limited to the weather normalization adjustment, adding new customers, and adding new volumes. Finally, these issues or concerns are either not a factor and/or do not supersede the importance of a proper customer cost analysis to support a proposed customer charge.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FOURTH CLAIM THAT THE PROPOSED CUSTOMER CHARGE IS BELOW THE CUSTOMER COSTS?

A. As described above and in my direct testimony, since the Company failed to provide a breakdown of the appropriate customer costs, it's not possible to determine if the Company's proposed SGS customer of $32.14 per month is below the appropriate customer costs.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIFTH CLAIM THAT SINCE I DID NOT IDENTIFY ANY CUSTOMER COSTS THAT SHOULD BE EXCLUDED, THE COMPANY'S SGS CUSTOMER CHARGE SHOULD BE APPROVED?

A. As described above and in my direct testimony, it was not possible for me to determine the individual components that the Company believes are "customer related". Therefore, it was not possible for me to address individual cost components.[11].

Q. DID THE COMPANY ALSO ADDRESS YOUR RECOMMENDATION CONCERNING THE SGS CLASS CUSTOMER CHARGE RELATED TO CONSERVATION?

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[11] OSBA Statement No. 1, page 6.

A. Yes. First, the Company believes that the proposed customer charges are not based on any single rate design objectives but consider many things including conservation. Second, the Company believes that its customer charges do not eliminate the incentives for customers to conserve. Third, the Company believes that placing too much emphasis on conservation in designing customer charges risks shifting fixed customer-related costs into volumetric delivery rates. Fourth, the Company speculates on price signals and customer behavior, stating customers will behave differently if fixed distribution costs are recovered in usage rate. Fifth, the Company believes that energy efficiency can still be promoted through volumetric delivery rates, and targeted conservation programs without compromising the appropriate recovery of customer related fixed costs. Sixth, the Company believes that conservation leaves fixed costs that will not be recovered in the future if they are not recovered in the proposed customer charges. Finally, the Company believes that the customer charge is intended to recover a portion of the costs that do not vary with usage[12].

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIRST CLAIM CONCERNING HOW THE COMPANY CONSIDERS CONSERVATION?

[12] Peoples Statement No. 17-R, pages 27-30.

A. I disagree with the Company. I believe that the Company's proposal reduces the customer's incentive to conserve. As I stated in my direct testimony: "A customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate structure with a higher customer charge and lower usage rate"[13]. It should be noted that the Company did not directly dispute this fact, only claiming other issues described below should be considered.

Q. HOW DO YOU RESPOND TO THE COMPANY'S SECOND CLAIM THAT ITS PROPOSAL DOES NOT ELIMINATE THE CUSTOMER'S INCENTIVE TO CONSERVE?

A. I never stated that the Company's higher SGS customer charge eliminates the customer's incentive to conserve. My testimony is that higher customer charges and lower usage rates provide <u>less</u> of an incentive for the customer to conserve.

Q. HOW DO YOU RESPOND TO THE COMPANY'S THIRD CLAIM CONCERNING THE RISK OF SHIFTING THE RECOVERY OF COSTS TO THE USAGE RATES?

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[13] OSBA Statement No. 1, page 9.

A. Any perceived risk of lower usage through conservation should not be a factor in determining a proper customer charge. As described above, the Company has many ways to stabilize usage revenue.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FOURTH CLAIM CONCERNING CUSTOMER BEHAVIOR?

A. I don't believe that customers are concerned about how the Company's fixed costs are recovered. As described above, I believe that customers will have a greater incentive to conserve and achieve a lower bill through conservation, if the customer charge is lower and the usage rates are higher. Therefore, keeping the SGS customer charge at $22.00 per month will create a greater incentive for SGS customers to conserve.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FIFTH CLAIM THAT ENERGY CONSERVATION CAN STIL BE ACHIEVED WITH A HIGHER CUSTOMER CHARGE AND OTHER PROGRAMS?

A. As described above, and in my direct testimony, customers will have a greater incentive to conserve with a rate structure that includes a lower customer charge since a customer will experience greater savings through conservation under a rate structure with a lower customer charge and higher usage rate compared to a rate

structure with a higher customer charge and lower usage rate. A greater incentive to conserve will generally lead to a more successful conservation program.

Q. HOW DO YOU RESPOND TO THE COMPANY'S SIXTH CLAIM THAT CONSERVATION LEADS TO THE UNDER RECOVERY OF FIXED COSTS IN THE FUTURE?

A. First, a properly established customer charge will recover the appropriate customer costs. However, since the Company failed to justify its higher customer charge with a proper customer cost analysis, the Commission has no way of knowing what People's customer costs are. Therefore, if the Company does not recover "customer related" costs in the future, it's only because it failed to provide an appropriate customer cost analysis in this case. Second, as described above, the Company has various methods to stabilize usage revenue and recover fixed costs in the future. Third, the use of a Fully Projected Future Test Year in cases like this allows the Company to project usage declines in rates before the decline occurs[14]. Finally, the Company stated that it will likely file a base rate case in 2 years or less[15]. A rate

[14] Peoples Statement 17, page 9.

[15] Peoples Statement 2-R, page 39.

case that soon will allow the Company to reflect recovery of any fixed costs not being recovered in the final usage rates fairly quickly.

Q. HOW DO YOU RESPOND TO THE COMPANY'S FINAL CLAIM THAT A CUSTOMER CHARGE SHOULD RECOVER A PORTION OF THE COSTS THAT DO NOT VARY WITH USAGE?

A. I disagree with this broad statement. I believe a customer charge should only recover the direct customer costs that vary with the addition or loss of a customer, plus some limited indirect customer costs the Commission has allowed in past cases. The overly inclusion notion that a fixed costs is automatically a customer costs should be rejected by the Commission.

Q. DO YOU CONTINUE TO RECOMMEND THE CURRENT SGS CUSTOMER CHARGE OF $22.00 PER MONTH NOT BE INCREASED

A. Yes. Since the Company failed to provide any valid reason for increasing the SGS customer charge, I continue to recommend that the present SGS customer charge of $22.00 per month for customers that use between 0 and 499 Mcf per year should not be increased.

FUTURE COST OF SERVICE STUDIES

Q. WHAT CURRENT CLASSES ARE INCLUDED IN THE COMPANY'S COST OF SERVICE STUDY?

A. The Company's COSS includes the Residential (R), Small General Service (SGS), Medium General Service (MGS), Large General Service (LGS) and Mainline Service (MLS) classes.[16]

Q. WHICH CLASSES INCLUDE CUSTOMERS THAT HAVE RATES THAT ARE NEGOTIATED, TYPICALLY REFERRED TO AS COMPETITIVE DISCOUNT CUSTOMERS?

A. The SGS, MGS, LGS, and MLS classes all include customers where the rates are negotiated.[17]

Q. DID YOU PROVIDE DIRECT TESTIMONY CLAIMING DISCOUNT CUSTOMERS IN THE CLASS SKEWS THE RESULTS OF THAT CLASS?

[16] Peoples Volume IV, Exhibit 11, page 14.

[17] Peoples Volume 9, Exhibit JDT-4 pages 1-5.

A. Yes. Granting negotiated rates to customers within a class results in a revenue shortfall for that class. Then under proposed rates other customers in that class pay higher rates to make up for the revenue shortfall in that class. Under this scenario, the true cost of providing service to tariff rate customers in these classes is higher than it otherwise would be.[18]

Q. WHAT DID YOU RECOMMEND THE COMPANY DO IN FUTURE COST OF SERVICE STUDIES?

A. I recommended that in future COSSs, the Company separate the negotiated customers and corresponding revenue into a separate "Negotiated" class[19].

Q. WHY DID YOU RECOMMEND THE COMPANY SEPARATE THE NEGOTIATED CUSTOMERS AND CORRESPONDING REVENUE FROM NEGOTIATED CUSTOMERS INTO A SEPARATE CLASS?

A. As described above, and in my direct testimony, this recommendation enables the Commission and interested parties to determine the true cost of providing tariff

[18] OSBA Statement No. 1, page 10.

[19] OSBA Statement No. 1, page 10.

rate service to each of the remaining classes without the lower revenue from customers that pay negotiated rates skewing the results of each class in the COSS.[20]

Q. WHAT OTHER SUPPORT DID YOU PROVIDE FOR MAKING THIS RECOMMENDATION?

A. I described how Columbia Gas Company of Pennsylvania separates Flex Rate customers into their own class.[21] I also described how Pennsylvania America Water currently separates Bulk Contract customers into their own class in the Sanitary Sewer System Operations.[22]

Q. DID THE COMPANY ADDRESS YOUR RECOMMENDATION CONCERNING THE SEPARATION OF NEGOTIATED CUSTOMERS INTO THEIR OWN CLASS IN FUTURE COSSs?

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[20] OSBA Statement No. 1, pages 10-11.

[21] Docket No. R-2025-3053499, Columbia Exhibit 111, Schedule 1.

[22] Docket R-2025-3058051, PAWC Exhibit 12-B, Schedule B, OSBA Statement No. 1, page 11.

A. Yes. Mr. Taylor believes that this is "one reasonable approach" that could be considered in future cases. However, Mr. Taylor also states that this recommendation demonstrates that the current COSS and rate design proposals in this proceeding are reasonable.[23] Mr. Ravenstahl believes that it is unlikely that flex rate customers will have the same usage patterns, making it difficult to group them into one class.[24]

Q. HOW DO YOU RESPOND TO MR. TAYLOR'S REBUTTAL TESTIMONY CONCERNING FUTURE COST OF SERVICE STUDIES?

A. It appears that the Company does not object to my recommendation concerning future COSSs. Therefore, my recommendation to require the Company to separate the negotiated customers into a separate class should be approved. Furthermore, since the Company failed to dispute or respond to my testimony describing how other utilities separate negotiated customers into their own class demonstrates that my recommendation is reasonable and should be approved.

[23] Peoples Statement No. 17-R, page 19-20.

[24] Peoples Statement No. 8-R, page 8.

Q. HOW DO YOU RESPOND TO MR. TAYLOR'S REBUTTAL TESTIMONY CONCERNING THE CURRENT COST OF SERVICE STUDY AND RATE DESIGN?

A. Mr. Taylor takes the leap that my recommendation demonstrates the current COSS and rate design are reasonable. This was not the intent of my testimony. Just because I did not recommend any changes to the current COSS does not mean that I entirely support the Company's rate design as filed. My recommendation concerning negotiated customers only addressed future COSSs.

Q. HOW DO YOU RESPOND TO MR. RAVENSTAHL'S REBUTTAL TESTIMONY CONCERNING COST CAUSATION?

A. Mr. Ravenstahl is correct that the factors in a COSS should be determined by cost causation. However, he only speculates that negotiated customers result in different cost causations.

Q. DID MR. RAVENSTAHL'S PROVIDE ANY SUPPORT FOR HIS NOTION THAT NEGOTIATED CUSTOMERS HAVE DIFFERENT COST CAUSATION PATTERNS?

A. No. First, I believe it's more reasonable to assume that negotiated customers are large customers that are not weather sensitive and have relatively stable usage

throughout the year. Second, the Company would be free to divide the negotiated customers into two or more groups such as large/small, or steady/peak if that is appropriate. This will address Mr. Ravenstahl's concern.

Q. DO YOU CONTINUE TO RECOMMEND THAT THE NEGOTIATED CUSTOMERS BE SEPARATED INTO THERE OWN CLASS IN FUTURE COST OF SERVICE STUDIES?

A. Yes. Since the Company did not state that it was not possible to separate negotiated customers into their own class, and for the reasons stated above, the Commission should approve my recommendation.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	**Docket No. R-2026-3060855**
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

VERIFICATION

I, Joseph Kubas, hereby state that the facts set forth in my Surrebuttal Testimony, labelled OSBA Statement No. 1-SR, are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATE: 07/23/26

/s/ Joseph Kubas
JOSEPH KUBAS

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	**Docket Nos. R-2026-3060855**
v.	**:**	**C-2026-3061593**
	:	
Peoples Natural Gas Company, LLC	**:**	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC.	:	

DIRECT TESTIMONY OF PATRICK M. CICERO

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")

June 18, 2026

As corrected by Errata dated July 15, 2026 and July 31, 2026

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Exhibits and Appendices

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PREPARED DIRECT TESTIMONY OF PATRICK M. CICERO

I. Introduction and Background

Q: Please state your name, occupation, and business address.

A: My name is Patrick M. Cicero. In my role as Of Counsel at the Pennsylvania Utility Law Project (PULP), I have a broad range of responsibilities to PULP and its clients. For example, I provide analysis and testimony on utility matters for clients who are represented by members of the statewide legal aid network, including clients of PULP and other legal aid offices. PULP's business address is 118 Locust Street, Harrisburg, PA 17101. I also maintain an office in my home.

Q: For whom are you testifying in this proceeding?

A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

Q: What is the purpose of your testimony?

A: CAUSE-PA is concerned that the terms, conditions and rates for gas service proposed by Peoples Natural Gas Company LLC (Peoples or the Company) are neither just and reasonable nor affordable for Peoples' low and moderate income customers, particularly those who are either not enrolled in Peoples' Customer Assistance Program (CAP) or whose income places them outside of CAP eligibility. CAUSE-PA retained PULP to represent its interests. While other attorneys at PULP are representing the legal interests of CAUSE-PA, I have been asked to provide testimony about Peoples' overall rate increase request, including its rate design, its existing tariff provisions, its proposed tariff changes, and the overall adequacy of its policies, procedures, and programs that

are designed to ensure that Peoples' low income customers are able to afford and maintain gas service at just and reasonable rates.

My testimony focuses on the overall unreasonableness of the Company's revenue request, its requested return on equity of 11.25%, its rate design proposals, including its proposal to increase the fixed customer charge for Residential customers from $16.80 per month to $26.00 per month, a proposed increase of 55%. In addition, I provide testimony about why the Company's tariffed Weather Normalization Adjustment (WNA) should be disallowed as it is neither just nor reasonable even though over the last two years it has produced net credits for customers. I also provide recommendations about improvements that Peoples can make to its customer service and universal service programs, its allocation of universal service costs, as well as proposed changes to its tariff.

Finally, I provide recommendations about reform to Peoples' purchase of receivables program as well as other retail market reforms for residential customers served by retail natural gas suppliers given that residential customers have paid $51.9 million more, on net, to be served by the retail markets than they otherwise would have paid had all customers paid the default service price. Of this amount, the Company's Confirmed Low Income Customers have paid $7.4 million more than they otherwise would have paid had they been charged the default service price. Customers served by retail suppliers also had higher gross write-offs, which directly affect uncollectible expenses, and demonstrate a need for significant reform to rein in retail market abuses.

Q: Have you provided testimony before the Pennsylvania Public Utility Commission in any prior cases?

A: Yes. A full list of proceedings in which I have provided testimony is included on the last several pages of my resume which is attached hereto as Appendix A. In addition to those proceedings in which I have provided testimony, I have significant prior experience before the Public Utility Commission (PUC or Commission), including in my role as the statutory representative of consumers while serving as Pennsylvania's Consumer Advocate leading the Pennsylvania Office of Consumer Advocate.

Q: What are your qualifications to provide testimony in this case?

A: I have more than 23 years of experience as an attorney, 20 years of which have been in the practice of legal aid or consumer advocacy. After 2 years clerking for a federal district court judge, I spent approximately 5 years as a staff attorney at MidPenn Legal Services in Harrisburg where I represented clients facing eviction, foreclosure, bankruptcy, and utility termination. After returning briefly to clerk at the federal district court, in early 2011, I began working at the Pennsylvania Utility Law Project – first as a staff attorney and ultimately as its Executive Director. In 2020, I was hired to lead the statewide legal aid network when I became the Executive Director of the Pennsylvania Legal Aid Network where I coordinated the work of the legal aid system in Pennsylvania that provides civil legal aid to Pennsylvania's low income households. On December 13, 2021, I was appointed as the Commonwealth's Consumer Advocate leading the Office of Consumer Advocate (OCA) and was confirmed by the Pennsylvania Senate in June 2022. I served as the Consumer Advocate until January 31, 2025. In February 2025, I returned to work with PULP as Of Counsel. My entire career has been spent in public service with

most of it spent working to ensure that low income Pennsylvanians have access to safe, affordable, and reliable utility service and have access to justice when they are mistreated by competitive markets, utility companies, and housing providers.

Throughout my tenure in each of these roles, I have had the opportunity to see firsthand the extraordinary efforts that Pennsylvanians experiencing poverty must take to remain stably housed and connected to essential utility service. Every day, low income families are forced to make complex decisions about which bills they can afford to pay and which they must forgo. I have relevant experience helping low income consumers navigate these complexities and have assisted them in understanding their utility bills and rates, why their charges are what they are, and what assistance, if any, is available to them to help pay their bills.

Furthermore, for more than 15 years at PULP and the OCA, I was instrumentally involved in the litigation of hundreds of cases before the PUC including rate cases, default service cases, universal service and energy conservation proceedings, Act 129 cases, and numerous other proceedings that require working knowledge and expertise in the issues about which I will be testifying in this proceeding. Simply put, throughout my career both in legal aid and as the Consumer Advocate, I developed specialized expertise in the needs of low income customers, the regulation of public utilities, the nuanced design and policy considerations of utility rates, and the ways that our regulatory system often fails the very consumers it is designed to protect by prioritizing the needs of public utilities over the needs of the utility's customers. There is a significant imbalance of power between utilities and consumers which has resulted in utilities increasing rates at a significant pace. It has also resulted in utilities implementing more complex rates and rate designs. Taken

together, this means that consumers, particularly low income and moderate income consumers, are now more than ever struggling to understand the complexity of their utility bills, including how they are calculated each month, and what they can do to rein in the ever-increasing costs to allow them to afford and remain connected to essential utility service.

Q: Have you prepared Appendices and Exhibits to accompany your testimony?

A: Yes. I have prepared several appendices that are attached to my testimony. As noted, Appendix A is my resume, the last several pages of which contain a list of proceedings in which I have previously provided testimony. Appendix B are the interrogatory responses that I have relied on throughout my testimony. Appendix C contains various labeled exhibits there were prepared by me or under my supervision.

Q: Do you have any preliminary matters to address?

A: Yes. Although I am an attorney, my role in this case is as a witness. I am not serving as counsel to CAUSE-PA or any other client in this proceeding. Throughout my testimony, I refer to decisions by regulatory agencies and courts as well as reference statutes and regulations, however, these statements are not my legal opinion and should not be confused with the legal opinions of the attorneys representing CAUSE-PA. Any reference or citation is merely to provide context and support for my opinion about the issues that I discuss in my testimony.

Q: Please summarize your conclusions and recommendations.

A: I recommend the Commission reject Peoples' request to increase its rates. If the Commission determines that a revenue increase is needed, the evidence shows that

Peoples would have sufficient revenue at a significantly lower rate of return than that which it requested in this case, and that it would nevertheless be able to provide safe and reliable service, cover its reasonably and prudently incurred expenses, and still have a reasonable opportunity to earn a fair rate of return on its investments. At current rates, the evidence shows that Peoples' low income and moderate income customers are significantly energy burdened, and that any rate increase will exacerbate that burden. Thus, more must be done to ensure that these households have access to affordable bills.

I also recommend that the Commission deny any increase in Peoples' fixed customer charge and recommend that the charge remains at its currently authorized level of $16.80 per month for residential customers. This recommendation is tied to the Commission accepting my recommendation that Peoples' Weather Normalization Adjustment (WNA) rider produces unjust and unreasonable rates as applied to all residential rate classes, and specifically its low income customers, and that the Commission should reject Peoples' WNA rider. If the Commission permits Peoples to continue its WNA, it should impose the additional conditions recommended in my testimony. If the WNA continues then I do not oppose a modest increase in the customer charge as recommended in my testimony. Finally, the Commission should accept my recommendations regarding necessary changes to Peoples universal service programs, changes to Peoples' purchase of receivables program and other recommendations that I am making concerning customer service and tariff changes.

II. Overview of Rate Request and Role of Regulation

A. Peoples' Rate Request

Q: Please describe Peoples' rate requests.

A: Peoples seeks to increase the rates of its customers by $163.2 million per year.[1] Of this amount, Peoples seeks to recover approximately $125 million or 76.6% of the proposed rate increase from residential customers.[2] For residential customers, this would result in an increase in rates of 14.3%.[3] On an individual customer basis, Peoples projects the monthly bill of a residential customer using 86 Mcf of gas each year would increase by $15.09 per month.[4] This would increase their monthly bill from $115.28 to $130.37 on average, which would be an annual increase of $181.13.[5]

Peoples seeks to collect its increased revenue requirement assigned to its residential customers through an increase in its residential customer charge and an increase in its volumetric charge. These increases are shown in Table 1, below.

Table 1 - Proposed Increase

Description	Current Rate	Proposed Rate	Increase ($)	Increase (%)
Customer Charge (per month)	$16.80	$26.00	$9.20	54.8%
Distribution Charge (per Mcf)	$5.3537	$6.6359	$1.2822	23.9%

In addition, Peoples seeks to update the WNA normalization methodology to rely on a 65-year regression-based method rather than its current average of 20-year

[1] Approximately $2.3 million of this amount will result from other revenue such as forfeited discounts, and additional revenue from Peoples methane gas gathering system. See Peoples' Filing Requirements, § 53.53.IV.B., Exhibit 11, Sch., 1 at 15, line 57 (herein after Allocated Cost of Service Study or ACOSS). Thus, the remaining $160.9 million Peoples proposes to allocate across its rate classes per its proposed ACOSS.
[2] Peoples Statement No. 17 at 28, Table 3; ACCOSS at 15, line 53.
[3] Id.
[4] Peoples Statement No. 17, Exhibit JDT-5 Bill Impacts.
[5] Id.

normalized weather and a 65-year regression.[6] The WNA was first authorized by the Commission in Peoples' 2023-2024 gas rate case at Docket No. R-2023-3044549.

Q: Why does Peoples indicate that it requires a rate increase?

A: According to Peoples witness Michael Huwar, Peoples requires an increase in rates so that Peoples can:

> [C]ontinue to provide safe and reliable natural gas service at a reasonable price to its customers while providing the Company with a reasonable opportunity to recover its costs and earn a fair rate of return on its capital investments in this proceeding. As such, approval of the Company's request herein will demonstrate to its investors that the Commission continues to support the Company's need for natural gas infrastructure modernization and investment, as well as the need for reasonable and predictable earnings to continue to operate its business.[7]

This statement is merely a summary of the applicable legal standard and cookie-cutter rationale that is provided in almost every utility rate case. Mr. Huwar also indicates that Peoples' projected infrastructure and investment spending necessitate this increase to allow it to replace aging and at-risk pipe, as well as deploy new meter technology.[8] However, the evidence in the record indicates that the level of the increase sought by Peoples is excessive. As I will discuss in further detail below, most of the increase sought in this case is related to the excessive and unreasonable return on equity sought by Peoples.

Peoples asserts that its current rates are inadequate given its projection of an increase to net utility plant of more than $1.4 billion, which at current rates would produce, without rate relief, an overall rate of return (ROR) of 5.99%.[9] This equates to a return on

[6] Peoples Statement No. 17 at 37:13-16.
[7] Peoples Statement No. 1 at 4:15-21.
[8] Id. at 9-11.
[9] Peoples filing requirements, Statement of Reasons. See also, Filing Requirements § 53.53III.A.17, Exhibit 2, Sch. At line 27.

common equity of 7.14% as of the end of the of the Fully Projected Future Test Year (FPFTY) on December 31, 2027. Peoples states that it requires a return on common equity of 11.25%[10], which is 411 basis points higher than what it projects to earn and which includes a twenty-five basis point (0.25%) adder for Peoples' management performance. Peoples also seeks to use its equity-skewed capital structure for purposes of setting rates comprised of 54.47% equity and 45.43% debt.[11] Combined, Peoples seeks an overall rate of return of 8.23%.[12] The combined effect of this is that the return on equity (ROE) adjustment alone equals approximately $165.5 million which means that, all other things being equal, that without increasing the ROE in this case, Peoples' revenue requirement is $2.3 million per year higher than they would otherwise need to be.[13] While I am not proposing a rate decrease in this case, this is important context as it demonstrates that this case is about increasing the ROE for Peoples' shareholders and must be balanced with the ability of Peoples customers to be able to afford any increase. I address this balance between the needs of Peoples customers and the needs to its shareholders in more detail throughout my testimony, but it is one of the core functions of the Commission's job in setting rates that are no higher than necessary.

B. Role of the Regulation

Q: What is the role of the Public Utility Commission in this case?

A: If you are a residential customer who lives in Peoples' service territory and you need gas distribution service, you must buy it from Peoples at the prices set by the

[10] Peoples Statement. No. 15 at 4-5, Figure 1.
[11] Id. at 5:10-13.
[12] Id. at 6, Figure 2.
[13] This calculation was made by inputting the calculated ROR of 5.99% into Line 2, Peoples Exhibit 2, Sch. 4, Page 4 of 5. Revenue Requirement from Line 1, (Adjustments Column) Exhibit 2, Sch. 4. Page 2 of 5.

Commission. You cannot buy it from anyone else at any other price. Because its customers do not have a choice to buy gas distribution service from anyone else or at any other price, Peoples must receive the Commission's approval to increase its distribution rates. Consumers rely on the Commission to set rates that are fair, just, and reasonable and the Commission's job is to stand in the gap for consumers to protect them from a utility's monopolistic overreach. Peoples, like all monopolies with no competitors, is inclined to seek rates that are excessive and extractive. The Commission's job is to check this tendency and balance the interests and legal rights of consumers with the interests and legal rights of the utility. Overall, the purpose of rate regulation is to determine the just and reasonable rates necessary to support prudent investment that is in the public interest, and which allows a utility to earn a fair rate of return on its investment.

In addition, consistent with the Commission's suspension order in this proceeding, the Commission and parties have been charged with examining all Peoples' proposed and existing rates, rules, and regulations.[14] To fulfill this charge, the Commission must determine not only whether all rates sought (how much) and the chosen rate designs to collect that revenue (how those rates are collected) are just and reasonable, but must also consider the impact of rates on consumers.[15] This includes whether the programs designed to assist consumers of limited economic means are sufficient to allow them to continue to afford to maintain and access service on reasonable terms and conditions.

[14] Pa. P.U.C. v. Peoples Natural Gas Company LLC – Docket No. R-2026-3060855, Order at ¶¶ 1 and 4 (Order entered April 16, 2026).
[15] Federal Power Comm'n v. Hope Nat'l Gas Co., 320 U.S. 591, 603 (1944) ("[T]he fixing of 'just and reasonable rates', involves a balance of the investor and consumer interests.").

Q: Why must the Commission consider the impact to customers in making its determination about the appropriate rate increase?

A: As noted, it is the Commission's job to restrain the monopolistic tendencies of public utilities.[16] Having only one provider of gas distribution service is an intentional system design because multiple companies running mains, pipes, and meters to deliver gas to customers within a geographic area would be inefficient, disruptive, and costly. Thus, in exchange for the right to serve customers without competition for its services, and the requirement and duty to provide service to all customers, gas utilities like Peoples submit to price regulation by the Commission, including oversight as to rates and service quality. In exchange, the Commission must permit Peoples to recover its prudently and reasonably incurred costs, including its cost of debt, and allow it the *opportunity* – though not a guarantee – to earn a fair rate of return on its shareholder investments. This is generally what is referred to as the regulatory compact.

Q: Is the regulatory compact a legal concept?

A: No, it is a public policy concept, but the Commission has statutory authority and discretion to enforce the regulatory compact through the Public Utility Code. Traditionally, this is done through cost-of-service ratemaking that allows a utility the opportunity to earn

[16] This principle, that it is the job of the PUC to restrain the monopolistic tendencies of public utilities is not new or novel, but rather foundational to the role of regulators. The PUC recently reaffirmed this principle in its Fully Projected Future Test Year Final Rulemaking Order when it said: "Inherent in the 'cost of providing service' principle of ratemaking is the recognition that public utilities are natural monopolies and that the PUC's oversight through cost-of-service ratemaking regulation serves as a proxy for a competitive market in appropriately restraining, or exerting downward pressure on, the profit-maximizing prices a monopoly could otherwise charge in the absence of price regulation." Use of Fully Projected Future Test Year 52 Pa. Code Chapter 53, PUC Docket No. L-2012-2317273, Final Form Order at 4 (order entered January 8, 2025), available at: https://www.puc.pa.gov/pcdocs/1874340.pdf (hereinafter "FPFTY Final Form Order"). (Last visited June 14, 2026).

its allowed rate of return through effective and efficient management. When done correctly, this benefits both customers and the utility.

Q: Please explain.

A: Traditional cost of service ratemaking serves as a substitute for the beneficial aspects of competition because it sets rates only on a forward-going basis.[17] In a competitive market, a business is not guaranteed a profit, instead it must operate efficiently and control its costs. With traditional ratemaking, this is the same pattern for a utility. Rates are set at a point in time, based on the known and measurable costs and need for revenue by the utility, and then only on a forward-going basis. Once set, the rates are fixed until changed by the Commission in subsequent rate cases. This practice encourages the utility to operate efficiently because it cannot increase rates again without Commission permission. As a result, a utility faces the risk of under recovery due to normal business risks and management underperformance. This lack of any guaranteed revenue is a significant and important protection that traditional cost of service ratemaking provides to consumers.

Q: Do we have traditional cost of service ratemaking in Pennsylvania?

A: In part, yes, but Pennsylvania has modified traditional cost of service ratemaking in several ways, all of which reduce lag and risk for the utility and place more of that risk onto consumers. I will discuss three which are relevant to this case:

- Use of Future Test Year or Fully Projected Future Test Year (FPFTY) for setting rates to reduce regulatory lag between plant investment and recovery;[18]

[17] See FPFTY Final Form Order at 4.
[18] 66 Pa. C.S. § 315(e).

- Utilities can propose and the Commission can approve alternative ratemaking methodologies such as the WNA;[19] and,
- Approval of a distribution system improvement charge (DSIC) to collect additional revenue over and above the authorized revenue requirement between rate cases.[20]

Each of the above modifies the traditional paradigm and shifts the risk of under recovery of the authorized revenue requirement from the utility to its customers in ways that are often subtle but cumulatively add significantly more certainty to a utility's bottom line. This shift also minimizes the incentive for a utility to operate efficiently as compared to the regulatory lag inherent in traditional ratemaking based on historic test years. Despite offloading risk, Peoples is still demanding a return that is excessive when viewed from the lens of a customer's ability to afford rates charged.

Q: Please explain your concerns.

A: In general, I am concerned that Peoples' combined use of multiple alternative rate mechanisms has a compounding negative impact on consumers. First, there is the use of the FPFTY. As applied to this case, Peoples is projecting forward into the future what it believes its expenses, capital additions, and other costs will be as of December 31, 2027,[21] but is asking that rates be set as of the end of the suspension period, which is December 26, 2026,[22] on a prospective basis.

Peoples is not better at predicting the future than any other person or business. It is making projections about what the world will be like at the end of December 2027, but it

[19] 66 Pa. C.S. § 1330.
[20] 66 Pa. C.S. § 1353.
[21] Peoples St. 2 (XX) at 2.
[22] S&I Order at Ordering Para. 2.

is permitted to charge rates ***as if*** those projections will in fact be true as of December 2026. This allows Peoples to over earn for at least a year from the date that rates are set because it sets rates based on net plant in service one year into the future. That is, it earns a return on rate both on rate base that it has placed into service ***and rate base that it projects that it will place into service.*** Because Peoples is allowed to set rates based on projections of utility plant in service by the end of December 2027, if it does not meet that goal, then customers end up paying rates for anticipated utility plant that was not actually placed into service. Either way, during at least the first year, ratepayers are overpaying. The same is true of other projections that Peoples makes in establishing its rates – such as use per customer, number of customers, operations expenses, and the whole array of issues that are decided in a rate case.

The cumulative effect of all of this is to reduce the risk of under collection for Peoples and shift it to consumers because consumers are, in effect, paying for the cost of providing gas distribution service based on the projection of those costs in the future – not as the costs exist when the rates go into effect. This reduces the lag associated with ratemaking for Peoples by placing more risk and cost onto consumers. In my view, Peoples' ability to charge rates ahead of when capital is invested and expenses are incurred should materially reduce the authorized return that the Commission allows because Peoples is already getting the benefit of its own future projections, thereby reducing regulatory lag in its collections. This reduced risk for Peoples should result in a lower ROE.

In addition, the use of WNA further reduces risk for Peoples and shares this risk with consumers. I discuss Peoples' WNA below in significant detail, but this mechanism allows Peoples to spread risks to consumers that were historically born by the Company. In the

absence of the WNA, if weather is warmer than normal and customers use less, Peoples receives less revenue. This incentivizes Peoples to accurately project usage and use an appropriate baseline for normalized weather when setting rates. However, if weather is colder than normal, Peoples bills for more revenue than it projected when setting rates. Thus, without the WNA, rates are set based on normalized weather but collected based on actual weather experienced by the customer at the time they are billed. With the WNA, rates are set based on normalized weather and billed based on normalized weather. This reduces variance for the utility and shifts risk that has traditionally been borne by the utility onto its customers. Peoples is held harmless because it always gets to collect based on normalized weather as opposed to actual weather at the time bills are rendered.

While it is true that if the weather is colder than normal, Peoples provides credit to customers because they used more gas service than was projected, this bi-directionality still means that the benefits and burdens of weather changes are shared between the utility and customers whereas in the past these risks and benefits were placed solely on the utility. Thus, the WNA allows Peoples to offload some of its risk to customers despite Peoples being the far more sophisticated party in the endeavor. In my view, like the use of an FPFTY, this lessening of risk should result in a lower ROE.

Third, Peoples has an approved Distribution System Improvement Charge (DSIC) that allows it to currently charge up to a 5% additional surcharge on billed distribution revenue once it reaches its fully projected future test year and its net plant in service number. Depending on how long Peoples stays out of rate cases in the future, this surcharge has the potential to result in significant additional dollars charged to residential customers. The ability of Peoples to charge a DSIC also shifts future risks onto consumers

because it reduces Peoples' risk that rates set in this case will be insufficient to meet its planned capital plant investments. This too should reduce the ROE required by Peoples on its overall ratemaking rate base because the DSIC surcharge will enable it to deploy capital over and above its base rates and earn a return of and return on that investment.

Taken together, each of these modifications to traditional ratemaking spread risk from Peoples to its customers and require substantial scrutiny by the Commission in its exercise of discretion in setting rates. All these modifications should result in a lower ROE than the Commission would authorize in their absence.

Q: Will you be addressing each of these issues further through this direct testimony?

A: No. I do not further address the use of an FPFTY or the DSIC. As to the projections for expenses and plant in service at the end of the fully projected future test year, I will defer to the statutory advocates and others in this case to address the prudency of those expenses and capital costs and whether they will be reasonably and foreseeably incurred. Although I am not challenging them in this case, I urge the Commission to exercise its own independent judgment and scrutinize these projections. It is imperative that the Commission only allow Peoples to recover prudently incurred expenses and rate base that is used and useful and to pay attention to the projections provided by statutory advocates and others in contrast to those of Peoples. It is critical for consumers that Peoples is not permitted to overestimate its expenses or plant in service numbers.

As to the DSIC, I do not address it further in this testimony. However, Peoples seeks to roll into rates significant amounts of DSIC spending. The Commission should not simply allow Peoples to roll this plant into rate base without a sufficient showing that

the expenditures were prudently incurred. Moreover, I would urge the Commission to remember the DSIC is a percentage-based charge and as a result, the amount Peoples collects in the future when DSIC is utilized is based on its billed distribution revenue amounts. The higher the approved rates in this proceeding, the more DSIC revenue Peoples can collect.

Q: Will you be addressing the WNA?

A: Yes. I address the WNA in Section V.B., of my testimony, as a component of People's proposed rate design and urge the Commission to discontinue the WNA.

III. Impact of the Proposed Rate Increase on Low Income Households

Q: What is the purpose of this section of your testimony?

A: To describe the impact that Peoples' existing rates and its proposed rate increase has on the ability of its low income customers to afford and maintain gas service to their homes.

A. Overview of Residential Rate Class

Q: Please summarize Peoples residential rate class.

A: Peoples has a general residential rate class Rate RS that serves both residential customers on default service and customers who have elected to receive gas commodity service from a natural gas supplier other than Peoples.[23] There is no material distinction between these two rate classes for purposes of cost allocation, either at the class level or in terms of the rate design.

[23] Peoples Natural Gas Company LLC, Tariff Gas—PA PUC NO. 49, Original Page No. 10.

Q: How do low income customers fit within this rate structure?

A: Most of Peoples' low income customers are not enrolled in its Customer Assistance Program (CAP) and thus are served under the same rates as all other general residential rate classes. Based on the data provided by Peoples in discovery, approximately 70% of its confirmed low income customers and 75% of its estimated low income customers are not enrolled in CAP, as shown in the table below:

Table 2: Low Income Customers Not Enrolled in CAP[24]

Estimated Low Income (ELI)	Confirmed Low Income (CLI)	CAP customers	Percent of ELI enrolled in CAP	Percent of CLI enrolled in CAP
144,131	120,602	32,388	22.5%	26.9%

Customers enrolled in Peoples's CAP pay a reduced bill that is the lesser of their monthly budget bill amount or a percentage of their income. CAP also provides other benefits such as the possibility of earning forgiveness of accrued arrears with each in full payment. Customers enrolled in CAP cannot be served by a competitive gas supplier and must remain on default service.[25] The difference between a CAP customer's CAP bill and a full undiscounted bill is recovered as CAP credits through Peoples' Universal Service Rider and charged to other residential customers.[26]

[24] See Peoples Response to CAUSE-PA I-010(U) (listing 144,131 estimated low income customers as of December 31, 2025); Peoples Response to CAUSE-PA I-005(U), Attachment (U) (listing 120,602 confirmed low income customers with income at or below 150%); and Peoples Response to CAUSE-I-006(U), Attachment(U) (showing 32,388 customers enrolled in CAP with income at or below 150% as of December 31, 2025).

[25] I support this policy as it protects Peoples' low income customers enrolled in CAP, as well as other residential ratepayers who pay for the CAP program, from the consistently higher commodity costs charged in the competitive market. See Section IX, infra.

[26] See Peoples Natural Gas Company LLC, Tariff Gas—PA PUC NO. 49, Original Page No. 76, Rider Universal Service.

Q: How much of Peoples' requested $163.2 million annual rate increase is it proposing to allocate to residential customers?

A: Peoples is proposing to allocate approximately 76.62% of the increase or approximately $125 million to residential customers, with the remainder assigned to small business customers and medium and large industrial customers. Of this $125 million, I estimate that Peoples is seeking to require its confirmed low income customers to pay more than $23 million of the increase based on the fact that these customers comprise almost 19% of the residential customer class as of December 31, 2025.[27] Even this may be a low estimate because of the difference in usage between low income households and all residential customers.

Q: Why does it matter what percentage of the increase is functionally assessed to Peoples' low income customers?

A: As noted later in this section, low income customers who are not enrolled in CAP cannot consistently afford to maintain gas service even at the current rates being charged by Peoples, and they certainly cannot afford to pay rates at the increase sought by Peoples. However, Peoples' CAP participation rates are insufficient relative to the need. Furthermore, Peoples' CAP costs are currently only assessed to residential customers, even though all customer classes benefit when CAP customers remain connected to service, and thus, in my view, the allocation of any revenue increase across rate classes must consider the burdens imposed on those customers bearing the heaviest increase

[27] This calculation is based on residential customer count of 652,285 and a CLI count as of December 31, 2025, and a CLI count of 123,019 as that that same date. See Peoples Response to CAUSE-PA I-005(U) (CLI Count) and Peoples Response to CAUSE-PA I-007. Both attached hereto at Appendix B.

and those most at risk of being priced out of the market for essential gas services to their home.

Q: Are you taking a specific position on Peoples allocation of the rate increase?

A: Except for my proposal in Section VII below to reallocate universal service costs, I am not taking a specific position on the allocation of the overall revenue requirement across rate classes. That is, I am not taking a position on whether the cost allocation proposed by Peoples is methodologically sound. While a cost allocation guides allocation of the granted revenue requirement increase across classes, cost of service is only a guide not a master, and the Commission must consider other factors before finally allocating any granted revenue increase across customer classes. I encourage the Commission to follow the cost allocation proposed by the Office of Consumer Advocate (OCA).

B. Low Income Customer Demographics

Q: Who qualifies as a low income customer?

A: The term "low income customer" is defined in the Commission's regulations and includes any residential customer whose household income is at or below 150% of the Federal Poverty Level (FPL).[28] Most utility assistance programs – including Peoples' standard CAP program – require households to have low income to receive assistance;

[28] See 52 Pa. Code § 54.72 (Defining low income customers for the purposes of Universal Service programs and reporting).

however, there are some exceptions, including Peoples' E-CAP pilot program and its Hardship Fund, which allow customers with income up to 200% FPL.[29]

Q: Please describe the FPL.

A: The FPL is a measure of poverty based exclusively on the size of the household and its income. It does not consider the composition of the household (i.e., whether the household consists of adults or children, and the relative associated costs) or variations in the cost of basic needs in different geographic locations. A family of four with household income of exactly 150% FPL has a gross annual income of $49,500 ($4,125/month).[30] In addition, for a household of 4 to qualify for Peoples' E-CAP which is available to households up to 200% of the FPL, the household would need to have income less than $66,000.[31] This is significantly more income than most households who are receiving utility assistance. Peoples reports that the average annual income of its confirmed low income customers is $19,011,[32] and the average annual income of CAP customers is $16,295.[33] This is less than a household needs to meet their basic expenses in any of the counties in which Peoples provides gas service.[34]

[29] Peoples Natural Gas LLC Universal Service & Energy Conservation Plan, 2019-2024, Docket Nos. M-2018-30033177 and M-2020-3021343, at 6-7, 30.
[30] See US Dept. of Health & Human Services, HHS Poverty Guidelines for 2026, available at: https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines. (Last visited March 13, 2026). Attached to my testimony at Appendix C, Exhibit C-1 is a table from U.S. HHS that shows the 2026 FPL at different household sizes and multiples.
[31] Id.
[32] Peoples Response to CAUSE-PA I-015. Attached hereto at Appendix B.
[33] Peoples Response to CAUSE-PA I-016. Attached hereto at Appendix B.
[34] Self-Sufficiency Standard, available at: http://www.selfsufficiencystandard.org/Pennsylvania. (Last visited June 15, 2026).

Q: Please explain what you mean when you say this level of income is less than a household needs to meet their basic expenses.

A: While the Commission utilizes FPL in its definition of "low income customer," this definition does not capture household income which is necessary to afford basic needs. A more accurate benchmark meant to assess how much income a household needs to live without assistance in Pennsylvania is the Self-Sufficiency Standard.[35] This Standard is a benchmark used to assess how much income a household needs to live without assistance in Pennsylvania. It measures the income that a family must earn to meet its basic needs and consists of the combined cost of six (6) basic needs – housing, child care, food, health care, transportation, and taxes – without the help of public subsidies.[36] Unlike the FPL, which does not change based on geographic location or family composition, the Self-Sufficiency Standard accounts for the varied costs of the six basic needs in different geographic areas and for differently aged household members.[37]

Based on the 2024 Self Sufficiency Standard, a family of four (consisting of 2 adults and 2 school-aged children) living in the counties served by Peoples requires an income ranging from $70,387 to $88,547.[38] This is approximately between $20,887 (42%) and $39,047 (79%) per year *more* than a four-person household with annual income at 150% FPL ($49,500) – the maximum amount permitted to be deemed low income by Commission standards.

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[35] Id.
[36] See PathWays PA, Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania, available at: http://www.selfsufficiencystandard.org/Pennsylvania. (Last visited June 15, 2026).
[37] Id.
[38] See Self-Sufficiency Standard, 2024 Pennsylvania Data Set, available at: http://www.selfsufficiencystandard.org/Pennsylvania (Last visited June 15, 2026).

Q: If the Commission does not use the Self Sufficiency Standard as a measure of eligibility for assistance, why is this information important?

A: It is important for context. The Self Sufficiency Standard helps illuminate the full scope of utility insecurity and the need for utility rates and rate design to not exacerbate the precarious financial position of Peoples customers who, while not considered low income by the Commission, nevertheless struggle to make ends meet each month. There are a substantial number of households that fall into this category. For example, in 2024, the last year for which data is publicly available for all of the counties Peoples serves, approximately 29.3% of all households had income *greater than* $50,000 annually but *less than* $100,000 annually.[39] This is approximately 191,090 of Peoples' residential customers.[40] These households are not eligible for financial assistance through CAP or LIHEAP, but generally struggle to afford to pay for all necessities – including utility service. Thus, these households must rely on the Commission to exercise its core function as the economic regulator of Peoples and restrain its monopolistic tendency towards excessive rates.

The simple reality is that the number of households in need of assistance and the amount of assistance needed per household is far greater than Peoples, the Commission, or many parties have historically acknowledged. Given that households subsisting at more than double the poverty level within Peoples' service territory cannot afford necessities, there is little to no chance that households at less than 150% of the poverty

[39] See U.S. Census Bureau, U.S. Department of Commerce. "Income in the Past 12 Months (in 2024 Inflation-Adjusted Dollars)." American Community Survey, ACS 5-Year Estimates Subject Tables, Table S1901, https://data.census.gov/table/ACSST5Y2024.S1901?t=Income+and+Poverty&g=050XX00US42003,42005,42007,42013,42019,42021,42031,42033,42051,42059,42063,42065,42073,42085,42111,42121,42125,42129 (Accessed and last visited on June 15, 2026).

[40] This figure is based on 29.3% of Peoples residential customer base of 652,024.

level can afford essential utility service without significant assistance. This fact must be considered by Commission in exercising its discretion over the authorized ROE, rate design, and overall revenue requirement – as well as programs and terms and conditions of service that help ensure universal access to service, which is at the heart of the regulatory compact.

Q: How does Peoples determine how many low income customers are in its service territory?

A: Peoples is required to track its low income customer population in two ways: (1) confirmed low income customers (CLI) and (2) estimated low income customers (ELI). In its 2025 Universal Service Reporting, Peoples reported 144,131 estimated low income customers to the Commission.[41] This number is derived using the most recent Household Poverty file provided by BCS to estimate Peoples' low income customer count. The percentages of each county (< 150%) are multiplied by the company's total count of residential customers.[42] As of December 2025, Peoples reported 123,019 confirmed low income customers.[43] This number includes all customers for which Peoples has obtained information that would reasonably place the customer within a low income designation, including self-identified low income, customers receiving LIHEAP in the past 24 months, and customers participating in CAP.[44] As of December 2025, Peoples reported 652,285 residential customers.[45] Thus, approximately 19% of Peoples' customers are likely to have income at or below 150% FPL.

[41] Peoples Response to CAUSE-PA I-010(U); Peoples Response to OCA IV-001, Attachment (2025 Collections Reporting – Estimated Low Income Customers). Attached hereto at Appendix B.
[42] Peoples Response to CAUSE-PA I-010(U). Attached hereto at Appendix B.
[43] Peoples Response to CAUSE-PA I-005(U), Attachment (U). Attached hereto at Appendix B.
[44] Peoples Response to CAUSE-PA I-004. Attached hereto at Appendix B.
[45] Peoples Response to CAUSE-PA I-007, Attachment. Attached hereto at Appendix B.

C. Impact of Rate Increase on Low Income Households

Q: How would Peoples' proposed rate increase impact low income households?

A: Peoples' proposed rate increase would severely and detrimentally impact the ability of low income families to afford their monthly expenses and further hinder their ability to maintain gas service. Low income families already struggle to make ends meet each month and are forced to make untenable choices between affording utility services and other necessities – such as food, medicine, and housing.

To contextualize the impact of the proposed rate increase, it is helpful to look at the relative energy burden of low income households. To be affordable, a household's total housing costs – *including utility costs* – should account for no more than 30% of a household's total income.[46] According to formal Commission policy, to be considered affordable, rates should fall below the following energy burdens:

Table 3: PUC CAP Policy Statement Maximum Energy Burdens[47]

Income Level (% FPL)	Natural Gas Heating
0-50%	4%
51-100%	6%
101-150%	6%

Peoples' low income customers ***who are not enrolled in CAP*** have burdens that are significantly higher than these, and the proposed rate increase would materially increase the portion of low income household energy burdens attributable to their gas bill.

[46] U.S. Census Bureau, Nearly Half of Renter Households Are Cost-Burdened, Proportions Differ by Race, available at: https://www.census.gov/newsroom/press-releases/2024/renter-households-cost-burdened-race.html. (Last visited April 6, 2026).
[47] Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.261-69.267

The Table below uses data provided by Peoples in discovery to analyze the burden impact for confirmed low income households not in CAP (Non-CAP CLI) monthly. This table uses 2023-2025 average (mean) usage data. I compare the 3-year mean bill at current rates versus the bill at proposed rates for each month. Using this same information, the last column shows the monthly percentage of income low income customers must allocate towards their gas bills at proposed rates.

Table 4: Impact Rate Increase Impact Non-CAP CLI Customers[48]

Month/Year	3 Year Mean (2023-2025) Non-CAP CLI Customers Mcf/Month	Bill at current rates ($)	Bill at proposed rates ($)	Percentage of Monthly Income Current Rates	Percentage of Monthly Income Proposed Rates	Increase in monthly income spent on Peoples' Bill current v. proposed
January	15.9	$234.39	$257.69	14.8%	16.3%	1.5%
February	15.3	$226.20	$248.94	14.3%	15.7%	1.4%
March	11.5	$173.92	$193.06	11.0%	12.2%	1.2%
April	7.8	$123.46	$139.12	7.8%	8.8%	1.0%
May	3.8	$68.91	$80.81	4.3%	5.1%	0.8%
June	2.0	$44.82	$55.06	2.8%	3.5%	0.6%
July	1.3	$35.72	$45.34	2.3%	2.9%	0.6%
August	1.2	$33.45	$42.91	2.1%	2.7%	0.6%
September	1.3	$35.72	$45.34	2.3%	2.9%	0.6%
October	2.3	$48.91	$59.43	3.1%	3.8%	0.7%
November	6.1	$100.73	$114.82	6.4%	7.2%	0.9%
December	12.8	$191.65	$212.01	12.1%	13.4%	1.3%
Annual Avg/Month	**6.8**	**$109.82**	**$124.54**	**6.5%**	**7.4%**	**0.9%**

[48] See Peoples Response to OCA IV-006, Attachment, 3-year Mean by Month 2023-2025, Attached hereto at Appendix B. Peoples Response to CAUSE-PA I-015, Average annual income of CLI customers, attached hereto at Appendix B. Calculations are contained in Cicero Workpapers distributed with testimony.

As shown in Table 4, if Peoples' proposal is approved, the annual gas bill energy burden for non-CAP confirmed low income customers with average income and average usage would increase materially in the winter and shoulder months, and by almost a full percentage point from 6.5% to 7.4% over the course of the year. The energy burden for these customers during the winter months is already far above what is considered affordable, and Peoples proposes to raise it even higher. The amount a low income household pays each month varies depending on their usage – just as it would for all residential customers. In January, when usage is highest, low income (non-CAP) households with average income and mean usage are charged as much as 14.8% of their income at current rates. At proposed rates, the average energy burden for these same households would increase 1.5 percentage points - to 16.3%. Note that these percentages should be compared to the maximum recommended burden of 6%. Thus, the energy burden for low income customers not enrolled in CAP is already far above what is considered affordable, and Peoples proposes to raise it even higher.

Q: In addition to high energy burdens, discussed above, is there other evidence that Peoples' low income customers struggle to afford gas services even before any rate increase is approved?

A: Yes. Peoples' low income customers carry a disproportionate amount of customer debt and are far more likely to have their service involuntarily terminated for nonpayment. If Peoples' proposed rate increase is approved, these pronounced disparities will increase, as will the risk of consequences to the health and safety of low income customers and their households and the corresponding level of uncollectible expenses which are recovered from all ratepayers. First, Peoples' low income customers have

markedly higher rates of service terminations for nonpayment compared to Peoples residential customers, as illustrated by the following Table.

Table 5: Involuntary Termination Rates (2024-2025)[49]

Year	All Residential Term. Rate[50]	Residential Term Rate Excluding CLI[51]	CLI Term Rate[52]	CAP Term Rate[53]
2024	3.6%	2.1%	10.2%	10.6%
2025	3.2%	2.0%	8.4%	6.5%

Table 4 shows that confirmed low income customers have a utility termination rate that is approximately 500% higher than residential customers who are not low income. Even low income customers in CAP have had a termination rate more than 500% higher than non-low income customers in 2024. Further, even though Confirmed Low Income customers are approximately 19% of the total residential customer base, they accounted for approximately 54.1% of terminations in 2024 and 49.3% in 2025.[54]

Troublingly, terminations of Peoples' CAP customers spiked dramatically in 2024. I reviewed the information that was presented in Peoples 2023 rate case. In his direct testimony in Peoples 2023 rate case, CAUSE-PA witness Harry Geller provided a similar

[49] Termination rates were calculated using the termination data in Peoples Response to CAUSE-PA I-012, (U2), Attachment, applied to the average number of customers in each category for each year. The CLI and CAP percentages excluded E-CAP customers whose income is between 151%-200%.
[50] Peoples Response to CAUSE-PA I-007, Attachment (for residential customer count). Attached hereto at Appendix B.
[51] Peoples Response to CAUSE-PA I-008(a), Attachment (for residential customers, excluding confirmed low income and CAP). Attached hereto at Appendix B.
[52] Peoples Response to CAUSE-PA I-005(U), Attachment (U) (for confirmed low income customer count). Attached hereto at Appendix B.
[53] Peoples Response to CAUSE-PA I-006(U), Attachment (for CAP customers count). Attached hereto at Appendix B.
[54] Peoples Response to CAUSE-PA I-012(U2), Revised Attachment, Attached hereto at Appendix B.

breakdown of Peoples termination rates, showing that, in 2023, Peoples had 1,500 CAP terminations and a CAP termination rate of approximately 5%.[55]

In 2024 those numbers more than doubled to 3,340 CAP terminations and a CAP termination rate of 10.6%, which was even higher than non-CAP confirmed low income customers.[56] While People's CAP terminations decreased to a 6.5% termination rate in 2025, the increase in CAP terminations is troubling since enrollment in CAP should be the most significant, preventative mechanism to reduce the rate of service loss for low income customers.

Q: Are there other indicators that Peoples' low income customers struggle to afford gas service?

A: Yes. Peoples' low income customers also carry higher levels of arrears compared to non-low income residential customers.

Table 6: Peoples Customer Arrearage Levels (2024-2025)[57]

	Residential	Residential w/o CLI	CLI w/CAP	CLI No CAP	CAP
2023 Avg.	$115.64	$73.83	$283.39	$319.95	$130.78
2024 Avg.	$86.44	$52.75	$218.01	$250.66	$92.87
2025 Avg.	$95.61	$64.77	$220.00	$257.33	$103.41

This data shows that low income customers have materially higher arrearage levels than those carried by non-low income residential customers who are not enrolled in CAP, this is shown in Table 7 below.

[55] See Pa. PUC v. Peoples Natural Gas, LLC, Docket No. R-2023-3044549, Transcript Exhibits HRG 5-9-2024, Exhibit 454, CAUSE-PA St. 1 Direct Testimony of Harry Geller at 14:1-5, Table 1 (Testimony Submitted March 22, 2024; Transcript Exhibits Submitted September 10, 2024).
[56] Peoples Response to CAUSE-PA I-012(U2), Revised Attachment, Attached hereto at Appendix B.
[57] Peoples Response to CAUSE-PA I-018(U), Revised Attachment (Average of all months). Attached hereto at Appendix B.

Table 7: Percent higher Average Arrears

	Confirmed Low Income (No CAP) vs. Residential Customers	Confirmed Low Income (No CAP) vs. Residential Customers (w/o CAP)
2023 Avg.	277%	433%
2024 Avg.	290%	475%
2025 Avg.	269%	397%

Taken together, these indicators demonstrate that Peoples' low income consumers already have acute affordability concerns and excessive energy burdens. They struggle to afford gas service leading to disproportionate arrearages and terminations rates. All of this will be compounded under Peoples proposed rates.

Q: Will Peoples' Customer Assistance Program (CAP) protect low income households from the financial impact of the proposed rate increase?

A: No. While Peoples' CAP is a critically important affordability program customers who are enrolled still have difficulty maintaining access to service as evidenced above by significant rates of utility termination in 2024 and 2025 for these customers. CAP is designed to improve payment compliance and reduce collection costs, but if households are having their service disconnected at significantly high rates then even enrollment in CAP is insufficient to ensure households maintain access to bills they can afford. I make targeted recommendations about a root cause analysis concerning the increased CAP termination rate later in my testimony.

I acknowledge that CAP customers are shielded from paying more than their percentage of income payment (PIP) amount given the construct of Peoples' CAP that calculates and bills each month the more affordable of the customer's PIP amount of their

budget bill.[58] The rate increase makes it more likely that customers budget bills will be higher than their PIP amount, thus likely increasing that which they have to pay each month. This is no trivial matter. Customers enrolled in Peoples CAP have extraordinarily little income. On average, these households average 2-3 people with average income of just $16,295 per year.[59] These households are between 60%-75% of the Federal Poverty Level.[60] By any measure, they are deeply poor and cannot afford even marginal increases in their utility bills.

Additionally, Peoples' CAP only works if households are in fact enrolled and Peoples' CAP is severely undersubscribed. Even though Confirmed Low Income customers are 19% of Peoples residential customers, CAP enrollment over the past 2 years has averaged only 4.9% of residential customers.[61] Furthermore, most Confirmed Low Income customers are not enrolled in CAP. As of December 2025, Peoples CAP enrollment was 35,226 for households at or below 150% of poverty but it had 120,602 Confirmed Low Income customers as to the same date.[62] This means that 85,376 customers (71%) that Peoples knows to be low income are not enrolled in CAP. These customers will feel the full weight of the rate increase without mitigation.

[58] Peoples Natural Gas Company LLC, Universal Service and Energy Conservation Plan (USECP) 2019-2024 at 5-9. CAP customers must pay a minimum of $25 per month (minimum bill).
[59] Peoples Response to CAUSE-PA I-016. Attached hereto at Appendix B.
[60] 100% of the 2026 FPL for a household of two is $21,640 and for a household of three is $27,320. See Appendix C, Exhibit C-1.
[61] Calculated using CAP data from Peoples Response to CAUSE-PA I-006(U) and residential customer data from Peoples Response to CAUSE-PA I-007. Attached hereto at Appendix B.
[62] Peoples Response to CAUSE-PA I-006 (U), Attachment (U) (35,226 CAP customers excluding E-CAP as of December 2025) and CAUSE-PA I-005(U), Attachment (U) (120,602 Confirmed Low Income customers as of December 2025, excluding E-CAP). Both are attached hereto at Appendix B.

Q: Does LIHEAP mitigate the harm of the proposed rate increase on low income households?

A: No. LIHEAP is a federal program designed as a supplement to assist households to better afford energy services, but the program only reaches a small fraction of eligible households and is not adequately funded to address existing unaffordability – let alone increased unaffordability because of increased rates. The program is subject to annual reauthorization and allocation of funding by the federal government, a fact brought into sharp focus by the recent federal government shutdown. The shutdown delayed the opening of the 2025-26 LIHEAP season by a month, throwing low income households into uncertainty as they faced the prospect of losing critical heating assistance.[63] Although the end of the federal government shutdown enabled the release of LIHEAP funding for the 2025-2026 LIHEAP season, the reality is that LIHEAP has never been adequately funded to eliminate Peoples' excessive low income termination, arrears, and energy burden levels – let alone mitigate the impact of Peoples' proposed rate increase. For the second year in a row, LIHEAP is proposed for elimination in the federal budget.[64] In my estimation, it is inappropriate to consider the potential availability of LIHEAP funds as a factor in setting rates.

Very few of Peoples' customers receive LIHEAP cash grants and that number has declined steadily over the past three program years. In the 2023-2024 program year,

[63] See Pa. Dept. of Human Services, Due to Federal Government Shutdown, Opening of the 2025-26 Low-Income Home Energy Assistance Program (LIHEAP) Season Delayed to December, available at: https://www.pa.gov/agencies/dhs/newsroom/due-to-federal-government-shutdown--opening-of-the-liheap-season. (Last visited March 29, 2026).

[64] Nat'l Energy Assistance Directors Association (NEADA), Press Release: President's FY 2027 Budget Eliminates Federal Funding for LIHEAP (Apr. 3, 2026), https://neada.org/wp-content/uploads/2026/04/PresidentBudget2027Response.pdf.

24,317 customers received cash grants.[65] That number reduced to 22,585 in the 2024-2025 and reduced even further to 20,847 in the 2025-2026 season.[66] Further, while LIHEAP is a critically important program and provides life-sustaining assistance to those in need, the program is only intended to provide supplemental assistance and is not enough to mitigate the financial harm of a rate increase. Peoples' proposed rate increase, if authorized, will also consume a substantial portion of LIHEAP assistance currently received by its customers. In the 2025-26 LIHEAP program year, the average Cash grant received by Peoples customers was $376.74.[67] Under Peoples' proposed rate increase the average residential heating customer bill will increase by $16.03 per month per month, or $192.36 annually.[68] Thus, Peoples' proposed increase would consume 51% of the LIHEAP grant to a typical gas consumer.

Q: Do you have any proposals that could help remediate the impact of Peoples proposed rate increase on low income customers?

A: Yes. I have several recommendations to help mitigate the impact of Peoples' proposed rate increase on low income households. As outlined more fully below, the Commission should deny Peoples' requested rate increase at the level requested. The evidence shows that it has sufficient revenue at a significantly lower overall rate of return to earn and provide safe and reliable service. Based on the evidence in this case, the Commission should reduce the requested ROE. While I am not making a recommendation about the specific ROE that should be authorized, I outline several reasons why a significantly lower ROE would be reasonable. I recommend that to

[65] Peoples Response to CAUSE-PA I-009, Attachment. Attached hereto at Appendix B.
[66] Peoples Response to CAUSE-PA I-009, Attachment. Attached hereto at Appendix B.
[67] Peoples Response to CAUSE-PA I-009, Attachment. Attached hereto at Appendix B.
[68] Peoples Statement No. 1 at 3:11-12.

establish an authorized ROE, the Commission should consider the principles outlined by Governor Shapiro, as well as the specific ROE recommendations made by other parties. I also recommend that the Commission adjust the Company's capital structure for ratemaking purposes. I will explain my rationale for both recommendations below. Both would have an immediate and tangible impact on the overall revenue requirement. I make recommendations below about how to structure Peoples' rate design and how to spread the cost of the universal service programs to all ratepayers thus reducing the burden on residential ratepayers, including low and moderate income customers.

IV. Revenue Requirement and Rate of Return

Q: Please describe this section of your testimony.

A: In this section of my testimony, I am recommending that the Commission deny Peoples rate increase. The record demonstrates that even in the absence of an increase, it has sufficient revenue at present rates to maintain safe and reliable service for its customers and has a reasonable opportunity to earn a fair rate of return. Alternatively, if the Commission nevertheless determines that a rate increase is needed, it should award an increase that is significantly lower based on a reduction of Peoples authorized return on equity. While I am not making a specific ROE or revenue recommendation, I do model a return based on the principles outlined by Governor Shapiro. This would produce a required revenue *decrease* of $1.6 million or, with an imputed 50/50 capital structure, would produce an authorized revenue increase of no more than $9.5 million. Both are based on an ROE of 7.68%.

Q: Please discuss the reasons why you do not believe that a rate increase is warranted.

A: There are several metrics that demonstrate Peoples has healthy revenue, access to capital, and sufficient returns. First, over the last five years, Peoples has had healthy net income from its operations totaling approximately $1.2 billion from 2021-2025.[69] Peoples projects net income as of the end of December 2026 to be an additional $261.9 million.[70] It is not capital starved.

This income was undoubtedly fueled by the actual returns on equity that Peoples has been earning over this period. Peoples has never had an actual calculated ROE that was lower than 9.28% and often had returns that were significantly higher.[71] The Table below shows Peoples' average actual ROE for the quarters reported each year.

Table 8 Peoples' Average Calculated Return on Equity[72]

Year	Average Annual Calculated
2021	12.90%
2022	14.20%
2023	10.21%
2024	10.49%
2025	11.55%

The facts are clear: Peoples is earning year in and year out significant profits begotten by significantly high ROEs.

[69] See Peoples Response to OCA II-023, Attachment (Peoples Monthly Income Statement).
[70] Peoples Filing Requirements, §53.53.II. A, Exhibit 16, Sc. 5.
[71] See Pennsylvania Public Utility Commission, Report on Quarterly Earnings of Jurisdictional Utilities for years 2021-2025. Available at: https://www.puc.pa.gov/filing-resources/reports/quarterly-earnings-summary-reports/
[72] Id. Some quarters where not reported in 2023 and 2024 because Peoples was in for a rate case during that period.

Q: These are past results, and Peoples is making its claim based on a fully projected future test year. Why are past returns relevant?

A: Because it frames the request that is at issue here. It should be material to the Commission's decision-making that in the year immediately preceding the filing of this case, Peoples was earning a return on equity of 11.55%. Additionally, *at current rates*, Peoples projects net income of more than $261 million in the *current year* ending December 30, 2026.[73]

For its part, Peoples wants to look past the fact that it has had significant net income, profit, and high ROEs at present and over the past several years and focus only on its projections into the future. That is the nature of future-based ratemaking that is reliant on projections developed by the Company and for the benefit of the parent Company. However, given the extraordinary hardship that Peoples residential customers are facing because of acute and real affordability concerns, as outlined above in my testimony, the Commission cannot look past the present reality of Peoples' robust financial condition in deciding whether to grant a rate increase. Myopically focusing on Peoples' future profits, but not its customers' financial status and ability to pay, would skew the Commission's analysis. If one looks to December 2027 for Peoples' low income customers, the picture is as bleak financially given pending rate increases in this case.

Q: Even focusing on the end of the FPFTY, what does Peoples project to earn?

A: If rates are not increased, Peoples projects that it will yield an overall rate of return of 5.99%[74] which equates to a return of common equity (ROE) of 7.14% at current rates.[75]

[73] See Peoples Filing Requirements, §53.53.II. A, Exhibit 16, Sc. 5.
[74] See Peoples' Filing Exhibit 2, Schedule 4, Page 2 of 5, Line 27.
[75] This was calculated at the Company's capital structure.

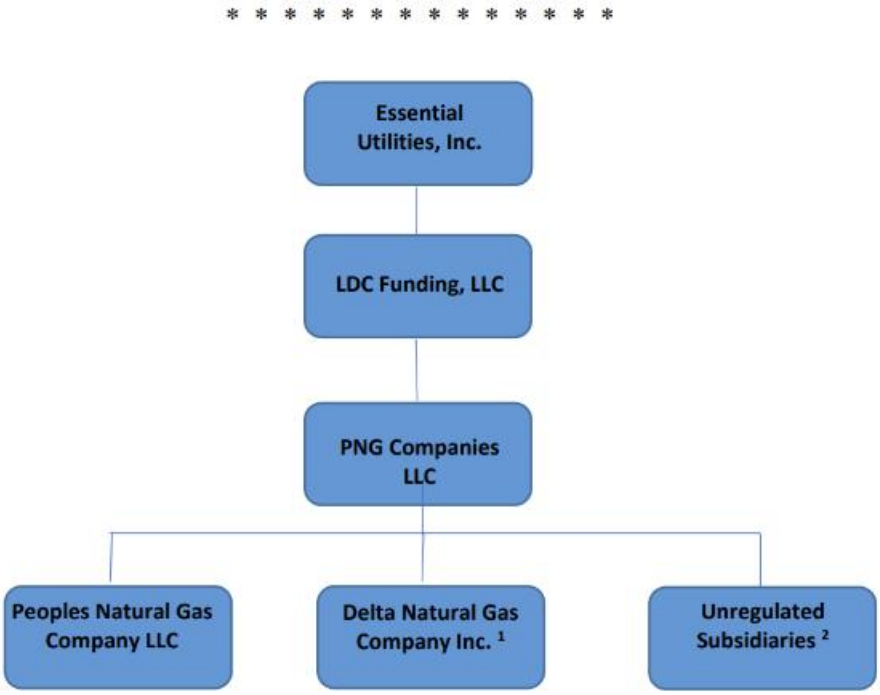
Table 9: Pro forma ROE at Present Rates without an increase

Capitalization as of December 31, 2027			
	Component as % of Capital	**Cost Rate**	**Weighted Cost Rate**
Long-Term Debt	45.53%	4.61%	2.10%
Short-Term Debt	0.00%	5.40%	0.00%
Common Equity	54.47%	7.14%	3.89%
Total Capitalization	**100.00%**		**5.99%**

Critically, Peoples appears to be well capitalized in that it has sources of capital from its parent company, PNG Companies, LLC, it has retained earnings, working capital liquidity from its parent, and long term debt from its parent.[76] It has strong cash flow and access to capital. Importantly, neither Peoples nor its direct parent is subject to capital markets.[77] Peoples' corporate structure is shown in the chart below, but its significance is that for both debt and equity, Peoples relies on its great-grandparent, Essential Utilities, which has not needed to flow equity infusions down to the Peoples operating company level since 2018.[78]

[76] Peoples Response to OCA I-011, Attached hereto at Appendix B.
[77] Peoples Response to OCA II-027, Attached hereto at Appendix B
[78] Peoples Response to OCA II-027, Attached hereto at Appendix B

Chart 1: Corporate Structure[79]



All of these metrics suggest that the internally generated cash from its operations and the ability to get revenue infusions as needed from its parents – including equity, debt, and short term liquidity – mean that Peoples has sufficient revenue and will have sufficient access to capital without a rate increase and that it can maintain safe and reliable service at existing rates.

Q: Aren't Peoples' corporate parents also entitled to the opportunity to earn a fair rate of return on its capital investment?

A: Yes, but an opportunity is not the same as a guarantee. The policy questions the Commission must address are: (1) what is a fair opportunity, and (2) what is a reasonable

[79] Peoples Filing Requirements § 53.53 II. A, Exhibit 15, Schedule No. 4, Page 1 of 1) (footnotes omitted).

rate of return? The Commission is vested with significant discretion in determining what constitutes a fair rate of return. While counsel for CAUSE-PA will fully brief the applicable legal standards as applied to this case, it is important to understand, and it is widely accepted, that there is no single way to arrive at just and reasonable rates and the Commission has broad authority on both these matters.[80]

Q: If the Commission does not reject Peoples' rate increase in its entirety, do you have an opinion about how much of an increase the Commission should authorize?

A: I am not taking a position related to the specific revenue increase the Commission should authorize if Peoples' revenue proposal is not otherwise denied in its entirety. If the Commission determines that Peoples' current revenue is insufficient, the Commission should carefully consider what is the lowest possible ROE that it should authorize. In my view, the Commission should be frugal in rewarding utilities with additional dollars from the pockets of Pennsylvania consumers, not generous.

There is often a significant divergence in ROEs that are recommended in rate cases based on the financial models deployed by parties. In addition to considering the results of these models, I also recommend that the Commission consider the approach outlined by Governor Shapiro in determining what ROE is appropriate based on objective criteria. I have modeled what this approach would dictate and believe that it merits significant consideration by the Commission.

[80] See Pa. P.U.C. et al. v UGI Utilities, Inc. – Gas Division, Docket No. R-2024-3052716, Recommended Decision at 22 (August 8, 2025) (quoting Popowsky v. Pa. Pub. Util. Comm'n, 683 A.2d 958, 961 (Pa. Cmwlth. 1996) (adopted by Commission via Order dated September 11, 2025) ("2025 UGI RD"). See also 2025 UGI RD at 51 (citing Duquesne Light Co v. Barasch, 488 U.S. 299, 315-16 (1989) (quoting Federal Power Comm'n v. Hope Natural Gas Co., 320 U.S. 591 (1944), and stating "the Commission was not bound to the use of any single formula or combination of formulae in determining rates").

Q: Please explain what you are recommending.

A: I am recommending that when faced with a range of ROEs presented by financial models, the Commission should not play Goldilocks and pick the ROE that is "just right", it should pick *the lowest ROE* that the models suggest and consider whether there are other criteria to evaluate whether an even lower ROE would nevertheless be sufficient. Only after the Commission has assured itself that the ROE is as low as legally possible should it be satisfied with its results. While Peoples witness Nelson presented her various financial models that purport objectivity, I strongly suspect that other parties to this case will conduct similar analysis that will result in ROEs that are materially and significantly lower than Ms. Nelson's 11.25%. Much ink (or text) will be spilled arguing over which of these models best approximates what the financial markets demand, and the parties presenting these financial models will argue about the relevant minutiae that should be included. This will create complexity in the process and lead to a record that creates a range of possibilities from which the Commission can choose. Within that range, my recommendation is that the Commission choose the lowest ROE presented and check that against objective criteria such as that which is recommended by the Governor.

Q: Why do you recommend this approach?

A: It is the Commission's responsibility to ensure that it is authorizing rates that are *no higher than necessary* to allow Peoples a reasonable opportunity to earn a fair rate of return.[81] This requires judgment and is imprecise, but the lens through which the

[81] The Commission also must allow Peoples to recover its reasonable and prudently incurred expenses and costs, including its cost of debt, but since I am not recommending an adjustment to those specifically, I am focused here on the ROE side of the revenue requirement. Other parties to this case may have adjustments to expenses and capital projections that require scrutiny by the Commission and, thus, my recommendation should be read in coordination with those recommendations and adjusted accordingly.

Commission should judge whether it has set the lowest ROE is what is the lowest clearing price that a free and fair financial market would demand. Peoples is beholden to its corporate structure and corporate parents for access to debt and equity. Thus, there is significant incentive to control the flow of money in a way that increases returns up the corporate ladder. Because Peoples customers do not have any choice but to pay the rates set by the Commission, the Commission must set rates as low as possible in the same way that a fully fair and competitive market would. This is the Commission's fundamental purpose as Peoples' economic regulator.

Q: You mentioned that in addition to the financial models traditionally employed to establish ROE, the Commission should also consider the approach to setting ROE suggested by Governor Shapiro. Please explain.

A: In a letter to utility CEOs on April 29, 2026, Governor Shapiro outlined a set of principles for setting an adequate ROE, among other things. This approach merits significant consideration by the Commission. In this case, Governor Shapiro, through his Special Counsel for Energy Affordability Mark Szybist, testified on the record at the June 11, 2026, 1:00 pm Public Input Hearing and filed Comments. The Governor's Comments, including his April 29, 2026 letter to utility CEOs, were admitted into the record.[82] I have relied on the Governor's comments, along with Governor Shapiro's letter, in formulating my opinion in this case and informing my recommendation that the Commission consider them in establishing an acceptable and sufficient ROE and capital structure.

[82] Tr. of Proceedings at 259, Index of Exhibits, Governor Shapiro Exhibit 1. Admitted into Evidence. Index Available at: https://www.puc.pa.gov/pcdocs/1935683.pdf (last visited June 18, 2026). Hereinafter, Governor Shapiro Exhibit 1.

Specifically, I find the "commonsense principles" outlined in the Governor's letter to be compelling. In summary:

- Customers are experiencing markedly higher utility costs with core causes directly within the control of utilities that result from policy and fiscal decisions made by the utilities and their corporate parents.
- We have reached a tipping point, and this is a time when it is imperative that utilities should put their customers first. I would add, though not explicit in the letter, it is also imperative that the Public Utility Commission rebalance the scales that have caused this tipping point and prioritize the needs of utility consumers.
- Utilities should seek to raise the most cost-effective forms of capital by disfavoring expensive equity when lower cost debt is available. This is particularly true given a utility's captive rate base that is able to repay obligations over time. Specifically, the Governor recommended, and I agree, that to rebalance the scales, the equity portion of an operating utility's capital structure should generally not be more than the amount of equity employed by the utility's parent holding company.
- As for the calculation of what is an appropriate cost of equity, the Governor recommended "transparent, justifiable equity returns" and indicated a preference for use of markets to determine their true cost of equity rather than relying on captive equity from the utility's corporate parent. In the absence of actually going to financial markets to determine the cost of equity, the Governor suggested a simply calculation of an authorized return that "does not exceed the rate of the current 10 - year U.S. Treasury yield plus the five - year median of the equity risk premium as published in the Federal Reserve 's Financial Stability Reports."[83]

These principles are compelling, as applied in this case. First, the record demonstrates that acute affordability concerns for essential gas service is profound for Peoples' low and moderate income customers. These customers face extraordinary challenges and would materially benefit from lower rates due to more cost-effective capital deployment by Peoples. Affordability is not a side issue and should bear directly on the determination of both the Company's authorized return on equity and capital structure. As will be briefed by counsel, the authority of the Commission to consider these issues in rate cases is well

[83] Governor Shapiro Exhibit 1, Shapiro Letter at page 3.

known and abundantly clear.[84] Second, the notion that a utility's return on equity should be a proxy for the cost of equity in the markets is a well-recognized concept.[85] Third, the fact that the letter recommends a more fair and transparent process for establishing a return on equity and capital structure that is different from how the Commission has historically conducted this analysis does not mean that this method should be disregarded. While counsel for CAUSE-PA will fully brief these issues, I note here that it has been long established that it is the result reached, not the method employed, that matters in setting just and reasonable rates, including an overall rate of return.[86]

Q: What would application of the Governor's principals yield in terms of an authorized ROE?

A: Application of Governor Shapiro's principles would result in an authorized ROE of 7.68%. This was calculated using the methodology outlined in the Governor's letter and comments. I first determined the 10-year Treasury yield as of March 27, 2026, the date of Peoples filing, using publicly available data from the Federal Reserve Board of St. Louis.[87] This was 4.44%. I then calculated the 5-year median Equity Risk Premium for the period of April 1, 2021, through April 1, 2026, as published by the Board of Governors of

[84] See e.g., Popowsky v. Pa. Pub. Util. Comm'n, 683 A.2d 958, 961 (Pa. Cmwlth. 1996) (stating that the Commission "has broad discretion in determining whether rates are reasonable" and "is vested with discretion to decide what factors it will consider in setting or evaluating a utility's rates").
[85] FPFTY Final Form Order at 4 ("Inherent in the 'cost of providing service' principle of ratemaking is the recognition that public utilities are natural monopolies and that the PUC's oversight through cost-of-service ratemaking regulation serves as a proxy for a competitive market in appropriately restraining, or exerting downward pressure on, the profit-maximizing prices a monopoly could otherwise charge in the absence of price regulation.") See e.g., Bluefield Water Works & Improvement v. Pub. Serv. Comm'n of W.Va., 262 U.S. 679, 692-93 1923) and FPC v Hope Natural Gas, 320 U.S. 591, 602 (1944).
[86] See Hope Natural Gas, 320 U.S. at 602 ("Under the statutory standard of 'just and reasonable' it is the result reached not the method employed which is controlling. It is not the theory but the impact of the rate order which counts.").
[87] Federal Reserve Board of St. Louis, Table Data - Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis, for March 27, 2026. Available at: https://fred.stlouisfed.org/data/DGS10 (Last visited June 15, 2026).

the Federal Reserve System, Financial Stability Report - May 2026.[88] That was 3.24%. The rest was simple math: 4.44%+3.24%=7.68%.

Q: What is the impact of a 7.68% ROE as compared to that which was proposed by the Company?

A: It would depend on the capital structure that is used for ratemaking purposes. I have modeled three scenarios using the following range of capital structures:

Table 10: Range of Capital Structures

Cost of Capital Component	Peoples' Proposed	Essential Utilities	50/50
Debt	45.5%	54.9%	50%
Equity	54.5%	45.1%	50%

The first is the Company's requested capital structure. The second is Essential Utilities' capital structure, which is the capital structure recommended by the Governor.[89] The third is a capital structure of 50% equity and 50% debt. Each is modeled using a ROE of 7.68%. The revenue requirement shown in the tables holds all other variables equal except the adjustment to ROE and capital structure noted and was performed using the workpapers provided by Peoples in discovery.[90] The "Difference from As Filed" in the tables below is the reduction in revenue requirement from that which was requested by Peoples.

[88] Board of Governors of the Federal Reserve System, Financial Stability Report - May 2026, Figure 1.5, Estimate of Equity Risk Premiums. Available at: https://www.federalreserve.gov/publications/2026-may-financial-stability-report-accessibility-tables.htm. (Last visited June 15, 2026).
[89] Governor Shapiro Exhibit 1 at 2.
[90] All calculations on revenue requirement were performed by inputting the calculated ROR into Line 2, Exhibit 2, Sch. 4, Page 4 of 5. Revenue Requirement from Line 1, (Adjustments Column) Exhibit 2, Sch. 4. Page 2 of 5.

Table 11: 7.68% ROE at Company Capital Structure

	Component as % of Capital	Cost Rate	Weighted Cost Rate
Long-Term Debt	45.53%	4.61%	2.10%
Short-Term Debt	0.00%	5.40%	0.00%
Common Equity	54.47%	7.68%	4.18%
Total Capitalization	**100.00%**		**6.28%**
Revenue Requirement		**$19,101,469**	
Difference from As Filed		**($144,164,551)**	

Table 12: 7.68% ROE at Essential Utilities' Capital Structure

	Component as % of Capital	Cost Rate	Weighted Cost Rate
Long-Term Debt	54.90%	4.61%	2.53%
Short-Term Debt	0.00%	5.40%	0.00%
Common Equity	45.10%	7.68%	3.46%
Total Capitalization	**100.00%**		**6.00%**
Revenue Requirement		**($1,599,081)**	
Difference from As Filed		**($164,865,101)**	

Table 13: 7.68% ROE at 50/50 Capital Structure

	Component as % of Capital	Cost Rate	Weighted Cost Rate
Long-Term Debt	50.00%	4.61%	2.31%
Short-Term Debt	0.00%	5.40%	0.00%
Common Equity	50.00%	7.68%	3.84%
Total Capitalization	**100.00%**		**6.15%**
Revenue Requirement		**$9,490,499**	
Difference from As Filed		**($153,775,521)**	

As is demonstrated from these tables, the chosen ROE and ratemaking capital structure allowed have a significant impact on the necessary rate increase. The Governor's approach would set an ROE based on appropriate, objective benchmarks. His letter also recommends that utilities like Peoples hold competitive equity auctions – a recommendation that resonates because it would ensure that actual markets, not models, are setting required returns. While Peoples has not taken this common-sense, market-based approach, I am recommending that the Commission nevertheless consider the use of the Governor's objective alternative approach which would have the Commission use a risk-free rate (10-year treasury yield) and a well-recognized risk premium (the Federal Reserve's Equity Risk Premium) for determining the return that would reasonably be required by actual markets. In my view, this is reasonable and will yield a fair return since utilities are safer investments than the overall market. Thus, the Commission should consider employing the method recommended by the Governor in its ultimate analysis and, at the very least, consider it as a check on the reasonableness of the financial models that are utilized by the other parties in this proceeding.

Q: Are you recommending that the Commission impute a different capital structure in its overall determination of the ratemaking rate of return?

A: Yes. Regardless of the ROE chosen by the Commission, I am recommending a 50/50 capital structure. While the Governor's comments and letter call for a ratemaking capital structure that is 54.9% debt and 45.12% equity, which is the actual capital structure employed by Essential Utilities, I am recommending a 50/50 structure as a means recognizing the principle of gradualism to move the Company from its equity skewed capital structure to one that is more consistent with its role as a monopoly provider of essential utility service to captive customers.

Q: Must the Commission accept the capitalization ratio chosen by Peoples?

A: No. The Commission can determine that the capitalization ratio chosen by the Company places an excessive and undue emphasis on the higher return on equity at the expense of the lower cost of debt and can impute a capitalization ratio for ratemaking purposes if the evidence demonstrates a reduction would nevertheless be sufficient. I am recommending that they do so in this case.

The Commission has deferred to the capitalization recommendation of utilities, but they are certainly not required to do so. In my view, it is imprudent to defer to a utility in setting their own capital structure for purposes of ratemaking without respect to outside factors, including the parent company's capitalization and the needs of consumers. The Commission should exercise its regulatory authority and prerogative to impute a ratemaking capital structure that is more favorable to customers who have no choice but to pay the prices established by the Commission for gas distribution service.

My recommendation is a step towards the recognition that utility holding companies like Essential Utilities are in complete control of their subsidiaries' access to capital and how that subsidiary is capitalized. While Essential should be permitted to make these decisions as an exercise of its management prerogative, the Commission does not have to accept them for purposes of setting rates, and it can impute a ratemaking capital structure that is fair and market reflective. This is, after all, the Commission's responsibility – to stand in the shoes of competition where a monopoly structures itself in a manner that is unfair to its captive customers. Given that Essential's capital structure – the entity that is subject to capital markets – is the inverse of that which it seeks to require customers to bear, my recommendation of a 50/50 capital structure is a moderate and reasonable step to rebalance the scales.

Q: Please summarize your overall conclusions from this section of your testimony?

A: I encourage the Commission to consider the common-sense principles laid out by the Governor in setting Peoples' approved ROE and ROR. In addition, the Commission should review the ROE recommendations by other parties in determining what ROE to authorize. The Commission's job as Peoples's economic regulator is to ensure that, as a monopolistic enterprise, it is not taking undue and unfair advantage of its customers through an equity skewed capital structure and an ROE that is higher than what it reasonably would need to attract sufficient capital in the market. In my view, this is part of determining whether rates are just and reasonable.

Even at the Company's equity-skewed capital structure, I have calculated that every ten basis points (0.10%) reduction in the ROE at the as-filed rate base and capital

structure would reduce the overall revenue requirement by $4.4 million per year. Based on the totality of factors that have been outlined in my testimony, the Commission should approve the lowest ROE suggested by the applicable financial models and should consider whether it can reasonably be reduced further based on the objective criteria outlined by the Governor. Each of my recommendations is meant to temper the excessive rates sought by Peoples and more fairly balance the needs of Peoples with the needs of its customers, particularly its low income customers who do not have the financial margin to absorb the rate increase required from granting an excessive ROE at an equity-skewed capital structure.

V. Rate Design

Q: Please summarize Peoples's proposed rate design for its residential customers.

A: Peoples is seeking to continue collecting its total revenue allocated to residential customers by charging a fixed monthly customer charge and a volumetric charge. The increases are as follows:

Table 14: Proposed Rate Design and Increases

Description	Current Rate	Proposed Rate	Increase ($)	Increase (%)
Customer Charge (per month)	$16.80	$26.00	$9.20	54.8%
Distribution Charge (per Mcf)	$5.3537	$6.6359	$1.2822	24%

The total increase for the average residential customer using 86 Mcf of gas each year would be $15.09 per month or 13.1%[91] Over the course of the year, this increases the average customer's bill by $181.13.

[91] Peoples St. No 17, Exhibit JDT-5 Bill Impacts.

In addition, Peoples has proposed to continue its WNA rider with adjustments.[92] Specifically, People seeks to modify the formula for calculating the normalized number of heating degree days for both its billing determinants used to set base rates and its WNA calculation.[93] As explained more fully below, the WNA is a charge applied to customers in the residential and small business rate classes for bills rendered during the 8-month period from October to May. This charge was approved first in Peoples 2024 rate case and first went into effect on October 1, 2024.[94] Over the last two winters, the net result of the WNA has been a net credit to customers of $10.8 million.[95] I will discuss my concerns about the WNA below despite the fact that in the short term had produced net credits.

Q: Do you have concerns about Peoples' proposed rate design?

A: Yes. I have several concerns about Peoples' proposed increase to its fixed customer charge and its decision to maintain its WNA. In short, these proposals are geared towards shifting risk Peoples' risk of under-collecting its revenue requirement from Peoples' shareholders to its customers because they work together to lock in revenue at an established benchmark for Peoples at the long-term expense of customers and irrespective of whether a customer can or cannot afford service.

Q: Please explain what you mean when you say that the fixed customer charge and WNA rider work to lock in revenue for Peoples.

A: The combination of an increased customer charge and the WNA together work to ensure that Peoples is insulated from the risks associated with the fact that it is in the business of providing a commodity that a consumer may use less of in a given year –

[92] Peoples St. No. 17 at 37.
[93] Peoples St. No. 17 at 37:13-16.
[94] Peoples St. No. 17 at 39:9-15
[95] Peoples St. No. 17 at 43.

whether that usage reduction is driven by externalities like weather, the adoption of efficiency measures, the installation of electric appliances or supplemental heating equipment, or careful conservation. In general, residential customers use the most gas service in the winter to serve their winter heating load. If more of a customer's bill is fixed each month through the fixed monthly charge, then less of it is dependent on how much gas they use. On the other side, if the weather sensitive volumetric usage is surcharged through a WNA for 2/3rds of each the year (October – May), then Peoples is made whole when the weather is warmer than the historical average. Together, Peoples' proposed high fixed charge and WNA create a double penalty for customers because they either pay a higher fixed customer charge regardless of usage or they bear more of the risk of a warmer winter. Both are problematic for low income customers who struggle each month to be able to afford to retain gas service.

A. Monthly Customer Charge

Q: Please discuss your concerns about Peoples' proposal to increase its monthly customer charge for residential customers from $16.80 per month to $26 per month as it relates to low income households.

A: The proposed increase in the fixed monthly customer charge weakens the ability of low income households to save money on their bills each month because less of their bill is dependent on the volume of gas they consume. The proposed fixed customer charge will result in an increase of $110.40 per year, an amount which will be unavoidable for low income households struggling to maintain service and will exacerbate an acute affordability crisis.

Q: Peoples witness Taylor asserts that the increase would benefit low income customers. Please explain his rationale.

A: Mr. Taylor asserts that this increase would benefit low income customers who tend to have higher than average use.[96] Mr. Taylor also asserts that placing more of the overall revenue requirement collection into volumetric charges harms low income customers because they have little control over their energy use.[97]

Q: Do you agree with Mr. Taylor's analysis?

A: No. First, the evidence in this case is mixed as to low income customer use. For example, based on a three-year average of the mean usage by customer, it is true that the Company's confirmed low income customers have higher usage, but for confirmed low income customers not enrolled in CAP, their usage is only minimally higher than all residential customers.

Table 14: 3-year Average of Mean Usage by Month[98]

3 Yr Avg of Mean 2023-2025	Residential Customers	CLI w/o CAP
January	15.8	15.9
February	15.1	15.3
March	11.3	11.5
April	7.6	7.8
May	3.7	3.8
June	2.1	2.0
July	1.4	1.3
August	1.3	1.2
September	1.4	1.3
October	2.3	2.3
November	6.0	6.1
December	12.7	12.8
Total	**80.7**	**81.2**

[96] Peoples St. No 17 at 36.
[97] Id.
[98] Data is from Peoples Response to OCA IV-006, Attachment. Attached hereto at Appendix B.

At the usage levels shown above, neither Peoples' residential customers as a whole nor its low income customers not enrolled in CAP would save money under the Company's proposed rate design as compared to keeping the customer charge the same and placing all the increase within volumetric rates. At the Company's proposed revenue requirement, confirmed low income customers would pay approximately $6 more per year based on the Company's rate design at 81.2 Mcf/year. The breakeven point appears to be usage of about 86 Mcf/year, if you use more than that amount, you will benefit from People's proposal. But if you use less than that, you will pay more under People's proposal. The use of averages by their very nature fails to accurately reflect the range of consumption patterns of customers. All customers have factors that influence how much or how little they use or do not use, including things like how many people live in the house, the size of the residence, the efficiency of the heating equipment, whether the customer's home is air-sealed or whether it is drafty.

Q: Would Peoples' proposed increase to the fixed charge affect the Company's Low Income Usage Reduction Program (LIURP)?

A: Yes. Peoples' proposal undermines the explicit goals of LIURP to "reduce residential energy bills." [99] By reducing the amount of bill reduction that can be obtained through LIURP measures, the proposed increase to the fixed charge threatens the continued effectiveness of ratepayer investments intended to reduce energy consumption, delinquencies, collections, and uncollectible costs. Thus, the proposed increase to the fixed charge will, in turn, impact the ability of LIURP to "decrease the

[99] 52 Pa. Code § 58.1 ("The programs are intended to assist low-income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.").

incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs."[100] This would produce an unreasonable result. LIURP is a statutorily mandated program to be provided by the Companies to help low income customers reduce or manage their energy consumption in a cost-effective manner. Any increase to the fixed charge would both undermine the goal of LIURP and make the existing program less cost effective.

Peoples LIURP is incredibly effective at producing energy savings for customers. In 2023, the average normalized reduction in energy usage post-installation of LIURP measures was 12.70%,[101] for 2024 the reduction was 24.89%.[102] These are meaningful reductions in consumption that should produce meaningful bill savings; however, the ability to save money through energy efficiency is tied directly to a bill structure that bases costs on throughput. As more residential customer costs are shifted to the fixed charge, the achievable bill savings – and the corresponding impact on bill payment behavior – will erode.

Given that low income households are disproportionately at risk of termination and often lack the ability to control usage due to poor housing stock and older, less efficient appliances,[103] it is critical that they continue to have access to effective conservation tools capable of producing meaningful and lasting bill reductions.

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[100] Id.
[101] Peoples Response to CAUSE-PA-II-006, Attachment at 4 of 31, attached hereto at Appendix B.
[102] Id. at 19.
[103] See, Nat'l Energy Assistance Directors' Ass'n (NEADA), Energy Hardship Report at 16 (Aug. 2024) (finding that low income consumers are more likely to live in housing with poor quality insulation or no insulation at all), https://neada.org/wp-content/uploads/2024/08/August-Summer-Hardship-Report-Final.pdf (Last visited April 10, 2026).and, Hernandez, Diana, Energy Insecurity and Health: America's Hidden Hardship, Health Affairs Health Policy Brief, June 29, 2023 (finding that energy insecurity is rooted

Q: Mr. Taylor also asserts that fixed monthly charges allow for greater predictability in household budgets and, thus, are preferable because low income households have less ability to control their usage[104] Do you agree with Mr. Taylor?

A: I agree with Mr. Taylor that many low income households take steps to reduce usage that are better characterized as deprivation of essential services rather than truly conservation of energy. These households do so out of necessity and poverty. As outlined more fully in my testimony above, acute energy unaffordability has a profound impact on families – causing many to forego food, medicine, and other necessities to maintain energy services to their home. However, I disagree with Mr. Taylor that the solution to this problem is to increase the fixed customer charge for these households. Additional funds for energy efficiency and weatherization, easier access for tenants to take and receive full cost LIURP services, and improvements in access to CAP are far better tools to assist low income customers and allow them to avoid the consequences of energy deprivation than a rate design that locks in more of their monthly costs regardless of usage. Wresting control from customers to reduce their bill through reducing their usage does not benefit low income customers, it weakens their ability to maintain access to service.

Finally, regarding the assertion that a fixed bill provides a more stable and predictable bill each month, I would submit that a bill that is stable but unaffordable is meaningless for low income customers. While bill stability is a helpful tool for customers, enrollment in CAP which provides a bill based on a customer's ability to pay is far more useful to create actual bill stability from one month to the next than a higher fixed customer

in the interconnection of poverty and housing deficiencies), available at: https://www.healthaffairs.org/content/briefs/energy-insecurity-and-health-america-s-hidden-hardship-1773887489273 (Last visited April 10, 2026).

[104] Peoples St. 17 at 36.

charge. Furthermore, Peoples is legally required to offer the option of budget billing which is meant to produce bill stability without decreasing incentives for conservation and energy efficiency.

Q: Should Peoples' fixed customer charge be increased?

A: No. Peoples' fixed monthly customer charges should not be increased. However, if the Commission awards any increase in the revenue requirement *and* if the Commission allows Peoples to retain its WNA, then I do not oppose an increase in the monthly customer charge that is proportionately scaled back from Peoples' proposal to any revenue requirement authorized in this case.

Q: Why does your recommendation about the customer charge depend on whether the Commission eliminates Peoples' WNA?

A: To be clear, the outcome dictated by the evidence and my analysis is that Peoples should not receive an increase of the magnitude it is requesting, the customer charge should remain at its current level, and the WNA should be eliminated. This combination places risk of under-collection on Peoples who is in the best position of all entities to manage that risk and produces the most favorable opportunity for low income customers to reduce their bills each month by reducing their usage. However, if the Commission decides to allow Peoples to retain its WNA despite its likely future impact on customers, then a higher volumetric charge (all other things being equal) will produce a higher WNA charge in the months a WNA is assessed because it is based on the volumetric charge. Thus, my alternative recommendation is that to the extent the Commission allows Peoples to retain its WNA, then a modest increase in the monthly customer charge would mitigate against the continued impact of the WNA.

B. Weather Normalization Adjustment

Q: What is Peoples proposing regarding its WNA rider?

A: Peoples proposes continuing its WNA rider but amending it to use only a 65-year regression-based framework rather than its current average of a 65-year regression and 20-year average heating degree days.[105]

Q: Please explain Peoples' WNA.

A: Peoples' WNA is a charge that Peoples currently applies to Residential, Commercial SGS, and Commercial MGS customer bills each month from October through May to account for whether the temperature for the month was warmer than normal or cooler than normal.[106] Here is an explanation of how the WNA will work based on the Company's proposal:[107]

- Peoples calculates normal weather based on a concept known as a heating degree day (HDD). An HDD is the number of degrees below 65 degrees Fahrenheit. In other words, 10 HDD would mean that, on a given day, the average measured temperature was 55 degrees Fahrenheit. Peoples intends to calculate the number of "normal" HDDs for each billing cycle based on a 65-year regression framework.

- Critically, the WNA assumes that the weather in the future – when Peoples charges its customers – will follow the Company's proposed 65-year regression model. That is, Peoples bases its WNA on the assumption that the Company should be permitted to collect normalized revenue produced by normalized temperatures rather than the revenue associated with the actual temperatures during customer billing cycles.

- In the eight months of October through May, Peoples determines what it calls a customer's Weather Normalized Billing Mcfs (WNBM). This is the amount of gas the customer ***would have used*** if weather had conformed to the "normal" pattern and there were the expected number of HDDs in the billing cycle as calculated using the Company's proposed 65-year regression framework. The WNBM is adjusted to account for a 3% cushion of HDDs on either side of "normal"– often

[105] Peoples Statement No. 17 at 37.
[106] Volume V, Peoples Exhibit 14, Current Tariff, Appendix A – Peoples Natural Gas Company LLC Retail Tariff No. 48 – effective February 12, 2026, First Revised Page No. 79.
[107] Volume V, Peoples Exhibit 14, Proposed Tariff, Appendix C – Peoples Natural Gas Company LLC Retail Tariff No. 49 – effective May 26, 2026, Original Page No. 79 ("WNA Rider").

referred to as a "deadband."[108]

- To calculate WNBM, Peoples uses a term the Company calls Base Load Monthly Mcfs (BLMM), which is calculated from the customer's usage in the summer months. Peoples asserts that this calculation allows it to isolate application of the WNA to a customer's weather sensitive usage. Peoples ultimately calculates WNBM by adding BLMM to the product of [the Normal Heating Degree Days (NHDD), adjusted for a 3% deadband, divided by the Actual Heating Degree Days (AHDD) that occurred during the billing cycle] and the [Actual Monthly Usage Mcfs (AMUM) the customer used during the billing cycle minus the BLMM].

- Peoples calculates the Weather Normalized Adjustment Mcfs (WNAM) by subtracting AMUM from WNBM. The Company asserts that this accounts for the difference between the customer's actual usage and what their "normal" usage if weather followed the Company's proposed 65-year linear regression model.

- Peoples then multiplies WNAM by the applicable rate class distribution charge to determine the WNA amount that the Company applies to the customer's bill.

As is evident from the foregoing, this is not an easy concept. However, in simplified terms, the WNA is a charge applied to residential and small business customer bills not based on their actual usage as determined by the weather, but rather on what they *would have used* had the weather conformed to the "normal" weather as calculated by Peoples WNA formula. When the weather is warmer than "normal," Peoples charges customers for service they *did not use* but would have used had temperature conformed to the Company's calculated WNA formula. When the weather is colder than "normal," Peoples credits customers for service they *did use* but would not have had the temperatures been "normal."

Q: What are your concerns about Peoples' WNA?

A: I have several concerns about the WNA that I list here and outline more fully below:

- The WNA shifts weather related risk from the utility to customers in a way that is inappropriate for a monopoly provider of essential services. The WNA improperly assumes that Peoples is entitled to revenue based on weather as it existed in the past rather than as it exists at the time the Company delivers service.

[108] Id. at (a).

- The WNA requires an overly complicated and nuanced calculation that is difficult for customers to understand. The WNA is based on a complicated calculation and operates contrary to reasonable customer expectations that lower usage will result in lower bills.
- While mathematically bi-directional, over the long term, the WNA is likely to often work to the detriment of customers and the benefit of Peoples.
- The WNA charge inflates other riders collected by Peoples including its DSIC.

Q: Please explain why the WNA shifts weather related risk from the utility to customers in a way that is inappropriate for a monopoly provider of essential services?

A: Peoples assumes that it is entitled to revenue based on its calculation of normalized weather as opposed to actual weather at the time that it bills a customer. Accordingly, the WNA shifts weather-related risk from the utility to customers. This is problematic from a consumer's perspective. The very nature of gas distribution service is that it exists to deliver a commodity that is weather dependent. Residential customers would not pay for an entire gas distribution system simply to only cook, heat water, or have fireplaces, as it would be too expensive for the system to exist solely for that purpose. We have these systems to produce heat in winter months; other uses are ancillary to this central purpose. In my view, it is inappropriate for a monopoly provider of essential utility service that is inherently weather dependent to shift weather-related risk to consumers. As a monopoly, the utility has no competition and is guaranteed a customer base. As such, the Commission needs to exercise the appropriate level of competitive restraint on the kinds of charges that it allows companies like Peoples to assess.

Q: Is Peoples better able to shoulder the risk of revenue fluctuations created by warming weather?

A: Yes. As outlined above, low income customers do not have any margin, month in

and month out, to spend more on energy costs. On average, Peoples low income customers earn just over $19,000 per year.[109] In winter months that turn out warmer than normal, these customers expect a *lower* bill—not a *weather-adjusted* bill. In stark contrast, utilities like Peoples benefit from regulatory frameworks that allow them to recover costs and earn a reasonable return on their investments from captive ratepayers. In this case, Peoples is projecting its revenue needs based on a fully projected future test year and is allowed to establish a revenue requirement based on its projections of the world as it expects it to be as of December 31, 2027. Peoples can also charge a DSIC of up to 5% of billed revenue for necessary infrastructure upgrades and capitalized costs after the end of the FPFTY. Together, these mechanisms afford Peoples the kind of financial protection that customers simply do not have and better position Peoples to absorb the effects of variable weather conditions without passing these risks down to consumers. Instead of offloading the risk to ratepayers, it would be more appropriate for Peoples to manage the risk without imposition of the WNA.

Q: Do you have other concerns about the WNA?

A: Yes, the WNA requires an overly complicated and nuanced calculation that is difficult for customers to understand because it charges customers not for their actual usage but for their hypothetical usage. It is not reasonable to assume that customers understand the WNA or why it is in place. The concept that one must pay for services that Peoples anticipates that one would use under normal weather rather than what one used under actual weather is a difficult concept to understand. Most people expect to be billed for what they use, not what the utility calculates that they should have used had the

[109] Peoples Response to CAUSE-PA I-015.

weather been “normal.”

Q: You mentioned above that the existence of credits when weather is colder than normal. Is this a benefit to customers?

A: Yes, but it is not worth the tradeoff of unexpectedly higher charges when weather is warmer than normal. Peoples has only utilized WNA since 2024.[110] The 2024-2025 heating season was warmer than “normal,” and customers paid millions of dollars for services they did not use. The initial months of the 2025-2026 heating season were generally colder than “normal,” resulting in customer credits, only for March and April 2026 to swing significantly warmer than “normal,” once again leading to unexpected and burdensome customer charges.[111] While overall, the WNA has been credit-positive for consumers since it was implemented, I submit that customers may find it of little value that they can receive a credit in months that are colder than normal because it is not as likely that these months occur with any regularity. If warming accelerates customers may very well end up paying larger and more significant WNA adjustments – charges they do not expect and may not be able to afford.

Q: Doesn’t the fact that the WNA credits some months and charges others mean that it is working?

A: Yes. Over the long term, it is likely that it will collect net revenue from customers precisely because winters are warmer and are projected to continue to warm.[112] There is no real debate about the direction that our weather is headed long term given the impacts

[110] Peoples Statement No. 17 at 43.
[111] Peoples Response to CAUSE-PA III-005, Attachment, Attached hereto at Appendix B.
[112] See Pa. Dep’t of Env’t Protection, Pennsylvania Climate Impacts Assessment 2024 at 18, https://www.pa.gov/agencies/dep/residents/climate-change/impacts.html (last visited June 2, 2026) (finding that Pennsylvania’s annual total heating degree days are anticipated to decrease by 13% by mid-century and 25% by end-of-century compared to the historical baseline).

of climate change. It is warming overall significantly and, thus, the WNA is far more likely to produce significant asymmetry and surcharge customers on net each year than it is that customers will see net credits.[113] It seems unlikely that Peoples would have proposed a WNA if the mechanism is not anticipated to work to the Company's financial benefit in the long run.

Q: Do you have any other concerns about the WNA?

A: Yes, Peoples' DSIC charge is also assessed on the WNA rider which means that Peoples receives DSIC revenue based not only on the revenue charged based on a customer's usage, but also on what Peoples determined that customer should have used had the weather been "normal." This compounds the complexity of WNA because it constitutes a surcharge on a surcharge, which works to increase Peoples' revenue at the expense of its customers.

Q: Peoples is changing its means of determining "normal" weather to a 65-year linear regression model that it intends to update in subsequent rate cases. Does this change alleviate any of your concerns?

A: No. It does not alleviate the underlying uncertainty associated with billing based on normalized weather rather than actual weather. If the WNA is to continue, as noted below, I would support changes that would make billing cycles more predictable and manageable for consumers.

[113] See id.

Q: Mr. Taylor asserts that Peoples' WNA is just and reasonable based on the factors outlined in the Commission's policy statement related to alternative ratemaking mechanisms at 52 Pa. Code § 69.3302. Do you agree?

A. Mr. Taylor outlines his responses to each of these factors in his exhibit JDT-6. I have responded to each of Mr. Taylor's assertions in Appendix C, Exhibit C-2.

Q: What is your overall conclusion about whether the WNA should continue?

A: I recommend that the Commission reject Peoples' request to continue its WNA and that the WNA cease upon implementation of rates in this case. Peoples' WNA is designed to stabilize the Company's revenue fluctuations caused by variations in weather, but it does so by creating a very real likelihood of disproportionately burdening low income customers, raising deep concerns about fairness and equity. While this mechanism protects Peoples from revenue volatility, it transfers the financial risk of warmer weather onto customers who may have already reduced their consumption to manage tight household budgets. For low income households, which often face difficult choices between heating, food, and other essentials, these additional charges undermine their ability to plan for and manage utility expenses effectively.

Additionally, the timing and unpredictability of WNA-related charges will exacerbate the financial stress experienced by low income customers. Because the WNA is applied retrospectively to account for weather variations, customers may face unexpected bill increases that are difficult to predict or budget for. These charges are also assessed in the months with the highest bills thereby compounding monthly bill unaffordability. This unpredictability is particularly harmful to low income households, where any deviation in monthly expenses can disrupt financial stability. The WNA

introduces a variable that makes it more challenging for vulnerable households to manage their limited resources effectively.

Q: If Peoples is permitted to continue the WNA, should it be reformed?

A: Yes. While my primary recommendation is that the WNA should be eliminated upon the expiration of Peoples' current tariff, if the WNA is not eliminated it should be significantly reformed in the following ways.

First, the WNA should be approved for a period of no more than three years so its effectiveness can be assessed more frequently.

Second, the months in which the WNA is operable should be reduced to the period from December through March, as these are the winter months recognized by the Commission and the General Assembly for other public policy purposes such as the winter termination rules that prevent termination of service to households with income at or below 250% FPL. If these are the months when economically vulnerable households must retain service because of the possibility of cold weather, it is unreasonable to allow Peoples to assess a weather-related charge in the months of October, November, April, or May. At the very least, the months of October and May should be eliminated to be consistent with the Commission's most recent decision in the Columbia Gas 2025 rate case where it approved Columbia's WNA only for the months November through April.[114]

Third, WNA billed revenue should be excluded from the revenue upon which the DSIC is assessed. In my view, Peoples should not be allowed to assess an up to 5% surcharge on top of the WNA surcharge. It compounds the harm to households for whom the WNA is assessed and inflates the revenue that Peoples collects through its DSIC.

[114] Pa. PUC v. Columbia Gas of Pa., Inc., No. R-2025-3053499, Final Order at 301–02, (Order Entered Dec. 9, 2025).

Fourth, the deadband should be increased to 5% rather than the current 3%. This would bring the WNA in alignment with that which was recently permitted to continue in the Columbia Gas 2025 rate case and would produce fewer months where the WNA would be charged or credited and allow for actual significant deviations in weather to be adequately addressed.[115] "It [would] also place[] more of the burden for calculating and forecasting weather variations back onto the Company as a normal part of doing business."[116]

Finally, to promote revenue stability, the WNA should be applied on a per class basis, reconciled annually, and surcharged over the full 12-months of the subsequent year rather than on a per customer basis. This change would eliminate the hardship that currently exists by imposing WNA charges during the highest usage and most expensive bills in the winter where energy burdens are at their highest.

Q: Please explain your last recommendation more fully.

A: The WNA is designed to collect revenue on a per class basis measured against an aggregate number of HDDs, but Peoples currently assesses it on a per customer basis and does so immediately as the charges are incurred. That means if December is warmer than normal outside of the deadband, Peoples will impose a WNA charge in January to account for this difference. If, in January, the weather is colder than normal outside of the deadband, the Company will apply a credit in February for this difference. While these may net out, I am concerned about the impact the WNA has on low income households' monthly abilities to afford services, especially since they already face significant bills in the winter.

[115] Id.
[116] Id.

My alternative proposal would have Peoples accrue, as a regulatory asset, all WNA charges and credits during the winter months on a per class basis. At the end of the WNA period (March, April, or May depending on how the Commission decides in this proceeding), Peoples would allocate the residential class-wide net WNA charge across all residential customers on a per MCF basis to all residential non-CAP customers over the subsequent 12-month period, with equal payments amounting to 1/12th of the total charge due each month. Spreading the WNA charges over a 12-month timeframe on a class-wide basis would, at least partially, address my concerns about higher charges during the winter months. It would also more effectively reduce the WNA's impact on a month-to-month basis and balance the adjustments over a longer timeframe.

VI. Universal Service and Energy Conservation Programs

Q: What are universal service and energy conservation programs?

A: In short, universal service and energy conservation programs are inclusive of those programs, policies, and procedures which help ensure low income households stay connected to service and reduce their usage.[117]

Q: Please briefly describe Peoples' universal service and energy conservation programs.

A: Peoples operates several Universal Service and Energy Conservation programs that assist low income customers: (1) the Customer Assistance Program (CAP); (2) the Hardship Fund; (3) the Low Income Usage Reduction Program (LIURP); (4) the Customer

[117] 66 Pa. C.S. § 2203.

Assistance Referral and Evaluation Services (CARES); Emergency Furnace/Service Line Repair Assistance Program (EFSLR).[118]

Q: Please explain how this section of your testimony is organized.

A: I will assess and offer recommendations related to Peoples' universal service programs.

A. Customer Assistance Program (CAP)

Q: Please briefly describe Peoples Customer Assistance Program (CAP).

A: Peoples Customer Assistance Program provides a discounted bill and arrearage forgiveness to low income customers at or below 150% FPL. Peoples also offers an "Extended CAP" or "E-CAP" program for customers between 151-200% FPL. Peoples' CAP rates are calculated monthly to determine the lesser of the participant's average monthly bill or percentage of income.[119] CAP accounts are subject to a minimum bill of $25.[120] Peoples' CAP percentage of income payments (PIP) are tiered based on household income as follows:

- 0 to 50% FPL - 4%
- 51 to 100% FPL - 5%
- 101 to 150% FPL - 6%
- 151 to 200% FPL - 11%[121]

Q: Has Peoples proposed changes to CAP?

A: Yes. Peoples has proposed two changes to its tariff regarding Rate CAP. First, Peoples proposes to add Provision # 9 to its Rate CAP tariff page to allow it to remove

[118] Peoples' St. 10 at 4-5
[119] Peoples St. 10 at 3-4.
[120] Id.
[121] Id. at 4.

customers from the customer assistance program if they find unjustified usage because of recreational gas use.[122] Peoples provision # 9 states:

> Use of natural gas, while on CAP, for recreational purposes such as, but not limited to, interior or exterior pool heaters and/or hot tubs, recreational appliances, outdoor appliances, such as gas grills, firepits/rings, fireplaces, gas lamps, heaters and other cooking appliances, and heated outdoor buildings, such as a shed, shop, or garage, is prohibited. Customers using gas for recreational purposes will be removed and can be reenrolled upon verification that the natural gas connection to the recreational appliance(s) has been removed. Unjustified usage as a result of recreational gas use will be billed to the customer.[123]

Second, Peoples proposes to add Provision # 10 to its Rate CAP tariff page to allow it to remove customers who are found to have obtained CAP benefits fraudulently and require them to pay back the benefits incorrectly received.[124] Peoples proposed Provision # 10 states:

> If the Company determines a CAP participant obtained benefits through fraudulent means, such as failing to report all household income, benefits previously provided may be reversed and the customer will be responsible to pay back the benefits incorrectly received.[125]

Q: Do you have concerns about Peoples' proposed Rider CAP provision #9 regarding recreational usage?

A: Yes. While I agree with Peoples' witness Rita Black that the benefits of CAP are meant to help low income customers afford heating, hot water, and other household needs, I am concerned that some of the uses identified by Peoples are not necessarily

[122] Peoples St. 10 at 10.
[123] Peoples St. 10 at 8:9-17. Peoples Natural Gas Company LLC Retail Tariff No. 49 page 43.
[124] Peoples St. 10 at 10.
[125] Peoples St. 10 at 8:18-21; Peoples Natural Gas Company LLC Retail Tariff No. 49 page 43.

“recreational” or “unjustified” and that low income customers, especially tenants, may have difficulty controlling whether those uses are included in their service.

For example, if a rental unit has a garage connected to its heating system, this would not be “recreational” usage, and the tenant would lack the ability to remove the usage to participate in CAP. Further, I do not believe that gas grills or “other cooking appliances” would qualify as recreational usage as cooking is within the realm of general household needs for which low income customers need to use their gas service. These uses are also not likely material in the overall usage by a customer.

I am also concerned that Peoples has not clearly identified or explained how it will treat customers who are alleged to have recreational or unjustified usage. Peoples’ proposed provision #9 indicates that “Unjustified usage as a result of recreational gas use will be billed to the customer.”[126] In her testimony, Peoples witness Black also confirms that, “It also states clearly that if unjustified use is identified, it will be billed back to the customer rather than being recovered from other ratepayers.”[127] However, when asked in discovery how the Company intends to calculate the amount of unjustified usage attributable to recreational usage, Peoples indicated that, “The Company does not intend to calculate the amount of "unjustified usage."[128] It is therefore unclear how exactly the Company intends on enforcing this tariff provision.

Peoples also indicated that it has not developed a way for customers to specifically dispute an allegation of recreational CAP usage other than its general dispute process.[129] Due to the complexity and potential subjectivity of identifying recreational or unjustified

[126] Peoples St. 10 at 8:16-17.
[127] Peoples St. 10 at 10:3-4.
[128] Peoples Response to CAUSE-PA VI-001(c), Attached hereto at Appendix B.
[129] Peoples Response to CAUSE-PA VI-001(d), Attached hereto at Appendix B.

usage, it is unclear whether the existing dispute process would be sufficient for customers to dispute such allegations.

In sum, while I share Peoples' concerns with ensuring that universals service costs are not inflated by recreational or unjustified usage, I do not support the Company's proposed change to its tariff, because there is too much subjectivity and room for error in Peoples' proposal. This creates the risk that low income customers could be unjustifiably removed from CAP and/or be unjustifiably billed for alleged recreational usage. Considering the unaffordable energy burdens facing non-CAP low income customers, being removed from CAP and having additional charges levied would almost certainly lead to service termination.

Q: Do you have recommendations regarding Peoples' recreational usage proposal?

A: I recommend that this tariff change be denied and that Peoples consult with its Universal Service Advisory Group (USAC) to develop more clearly defined parameters for defining recreational or unjustified usage, how the Company will calculate that usage, and how customers can dispute a finding of recreational or unjustified usage. The Company should also work with the USAC to develop guidelines for the treatment of low income tenants who do not have control over what structures or appliances are connected to their systems. If, after consulting with the USAC, Peoples still believes it needs to include this change, it can make a proposal in its next rate case or in a USECP proceeding.

Q: Do you have concerns about Peoples' proposed Rider CAP provision #10 regarding CAP fraud?

A: Yes. Like my concerns with provision #9, I am concerned that Peoples' proposed CAP fraud provision # 10 has a dangerous level of subjectivity that could lead to customers who are low income customers being unjustifiably removed from CAP, leading to service termination. These concerns are even more pronounced considering that Peoples does not conduct its own income screening of CAP applicants, because that duty is performed by its CAP administrator, Dollar Energy Fund. This adds another layer of uncertainty as to whether, if a customer is over income, whether that customer was mistaken or whether an error was made in the processing of the income documentation.

When asked how the Company intends to identify whether a customer "obtained benefits through fraudulent means," the Company indicates that:

> These situations are typically identified through a review of high usage accounts. For example, upon review, if the Company identifies the high usage is due to an large residence with significant property value and if there is no history of applying for or receiving LIHEAP and if there is undocumented income such as completion of the zero income form or 'other' income form or an appearance of unreported income, the Company will investigate further to determine if there are publicly available indications of unreported income (i.e. owns their own business, etc.).[130]

This methodology is rife with subjectivity. I am concerned that the Company would allege CAP fraud upon the "appearance of unreported income" and the indications of unreported income would include if a customer owned their own business.

I note that there are many situations where low income customers could be classified as small business owners. Low income customers are often subject to jobs that

[130] Peoples Response to CAUSE-PA VI-002(b), Attached hereto as Appendix B.

classify them as independent contractors, such as restaurants, salons, ride shares, and delivery applications, etc.

Further, there are many situations where owners of small businesses fall upon tough times and would qualify as low income customers due to decreased revenues and increased expenses. Especially for small businesses that are just starting out, a bad year or two could lead the business owner to legitimately need assistance to afford their bills. Indeed, this premise further supports my position – as outlined more fully below – that Peoples should assign it universal service costs to all customer classes, because they all derive a benefit from their existence.

This process needs to be more clearly defined and objective. Peoples also indicates that it has not developed a way for customers to dispute allegations of CAP fraud other than its existing dispute process and their ability to contact the Commission's Bureau of Consumer Services.[131]

Q: What are your recommendations regarding Peoples' proposed CAP Rider Provision # 10?

A: As I recommended above regarding Provision #9, I recommend that this tariff change be denied in this case and that Peoples consult its USAC to develop more clearly defined, objective parameters for identifying CAP fraud and distinguishing it from mistakes in the application process. The Company should also work with the USAC to develop guidelines for disputes related to allegations of CAP fraud. If, after consulting with the USAC, Peoples still believes in the need to include this change, it can make a proposal in its next rate case or USECP proceeding.

[131] Peoples Response to CAUSE-PA VI-002(c), Attached hereto as Appendix B.

Q: Do you have any recommendations about Peoples CAP?

A: Yes. I have two recommendations. First, as noted earlier in my testimony, I am concerned about the increase in CAP customer terminations – rising to 10.6% in 2024 – relative to a 10.2% termination rate for low income customers overall.[132] I would have anticipated that CAP would reduce termination rates relative to confirmed low income customers who are not enrolled in CAP. While the numbers improved in 2025, I remain concerned about these high rates of termination of CAP customers and recommend that Peoples be required to conduct a root cause analysis that seeks to address why its CAP termination rate increased so significantly in 2024 and develop a plan to ensure that it continues to decrease. I recommend that Peoples conduct this analysis within 180 days for the effective date of rates in this proceeding and discuss its results and a corrective action plan with its Universal Service Advisory Committee (USAC) within 45 days of completing its analysis. Peoples should strive to look at the overall root cause of this increase – including presenting data about the relative rates of termination by income tier, customers who are paying minimum bills, and whether there needs to be adjustments to the structure of its CAP to decrease termination rates. Peoples should seek to implement any necessary changes no later than 1 year from the effective date of rates. I also recommend that Peoples continue to report to their USAC on their efforts to decrease their CAP termination rate at each USAC meeting for at least the first two years following implementation of any necessary process changes that result from its root cause analysis.

Second, based on information obtained in discovery, a sizable number of customers are denied CAP each month in 2024, 2025, and so far in 2026 based on their

[132] See supra, Table 5.

failure to complete their CAP application. Specifically, in 2024, 68% of all denials were for incomplete applications. This number rose to 74% in 2025, and, as of April 2026, the denial rate for incomplete applications is 80%.[133]

I am concerned that a significant number of potentially eligible customers are not being enrolled in CAP because of the failure to complete the application and believe that Peoples should seek to determine whether there is a systemic basis for this failure either because of a flawed process with its vendor, with the application itself, or some other basis. As with my recommendation above regarding CAP termination rates, I recommend that Peoples be required to conduct a root cause analysis to determine why it has a significant and growing number of customers who are seeking out a CAP application but failing to complete that application. Peoples should conduct this analysis in the same time frame using the same process as my recommendation regarding its analysis concerning an increase in CAP terminations. This includes both consultation with and ongoing reporting to its USAC for the periods identified above.

VII. Universal Service Cost Recovery

Q: What issues will you discuss in this section of your testimony?

A: I will address Peoples' proposal to add the recovery of several additional costs through its Rider Universal Service. I also propose a broad reallocation of Peoples' Universal Service costs to all customers classes to mitigate the cost impact to residential customers and broaden the reach of these critical affordability programs.

Q: What changes is Peoples proposing to its Rider Universal Service?

A: Peoples proposes to add the following costs to its Rider Universal Service:

[133] See Peoples Response to CAUSE-PA II-001, Attachment. Attached hereto at Appendix B.

- Outreach costs related to CARES.
- Third-party costs associated with the Independent Evaluation of universal service programs, as required to comply with the BCS requirement to submit such evaluation on a recurrent basis.
- The salary and benefits for Peoples' proposed LIURP Compliance Specialist to be included in the recoverable LIURP budget, which is a component of the Rider Universal Service.[134]

Q: Do you have concerns about Peoples' proposal to add additional costs to its Rider Universal Service?

A: Yes. I am concerned that inclusion of these additional costs into the rider will inflate the cost of the Rider Universal Service. Specifically, I am concerned about the fact that there are a substantial number of confirmed and estimated low income customers who pay for Rider Universal Service costs because they are not enrolled in CAP. Universal service programs must be appropriately and adequately funded as is required by statute. I strongly support the funding of universal service programs to meet the needs of low income customers within Peoples' service territory and to expand the number of these customers to participate in CAP. However, because these programs are paid for by a rider – thus ensuring recovery for Peoples – there is a concern that a utility may seek to add costs into that rider that may be more appropriately assigned to base rates in general. Artificially inflating its Rider Universal Service costs will hamper the ability of the Company to fund necessary programs in the long term.

Peoples' proposals are similar to those proposed by Columbia Gas of Pennsylvania in its last rate case to recover the costs of its Energy Assistance Team (EAT) through its Rider USP rather than base rates.[135] There, the Commission concurred

[134] Peoples' St. 10 at 8:22-9-18.
[135] Pa. PUC v. Columbia Gas of Pennsylvania, Inc., R-2025-3053499, Opinion and Order at 167-168 (Entered Dec. 4, 2025).

with the ALJs' recommendation that Columbia continue to recover its EAT costs through base rates.[136]

I recommend that Peoples continue to recover its CARES costs and its Independent Evaluation costs through base rates. Further, while I support the addition of a LIURP Compliance Specialist, the salary and benefits for that position are more appropriately recovered through base rates. These recommendations will allow the Commission to continue to review the reasonableness and prudency of these costs.

Q: Please explain the current cost recovery mechanism for Peoples Universal Service and Energy Conservation costs.

A: As noted previously in my testimony, Peoples Universal Service and Energy Conservation programs refer to a suite of assistance programs that help low income households remain connected to service. These programs are required by state law to be offered and effectively implemented by Peoples and are overseen by the Commission. The foundation of this requirement is in the Natural Gas Choice and Competition Act codified in Chapter 22 in Title 66. There, the General Assembly made several declarations of state policy regarding continued access to natural gas service. It stated:

> (6) After notice and hearings, the commission shall establish for each natural gas distribution company an appropriate nonbypassable, competitively neutral cost-recovery mechanism which is designed to recover fully the natural gas distribution company's universal service and energy conservation costs over the life of these programs. Except as provided in paragraph (10), policies, activities and services under this paragraph shall be funded and spent in each natural gas distribution company's service territory. Nothing in this chapter shall be construed to prohibit public funding or voluntary funding by third parties of a natural gas distribution company's universal service and energy conservation programs.

[136] Id.

> (7) The commission shall, at a minimum, continue the level and nature of the consumers protections, policies and services within its jurisdiction that are in existence as of the effective date of this chapter to assist low-income retail gas customers to afford natural gas services.
>
> (8) The commission shall ensure that universal service and energy conservation policies, activities and services are appropriately funded and available in each natural gas distribution service territory. The commission shall encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income retail gas customers to afford natural gas service. Programs under this paragraph shall be subject to the administrative oversight of the commission, which shall ensure that the programs are operated in a cost-effective manner.[137]

The term "universal service and energy conservation" as used in Chapter 22, was defined by the General Assembly as:

> **"Universal service and energy conservation**." Policies, practices and services that help residential low-income retail gas customers and other residential retail gas customers experiencing temporary emergencies, as defined by the commission, to maintain natural gas supply and distribution services. The term includes retail gas customer assistance programs, termination of service protections and consumer protection policies and services that help residential low-income customers and other residential customers experiencing temporary emergencies to reduce or manage energy consumption in a cost-effective manner, such as the low-income usage reduction programs and consumer education**.**[138]

For purposes of this case, all the programs collected through Peoples Universal Service Rider meet the definition of the public purpose costs that the General Assembly and the Commission has required Peoples to develop, offer and implement.

Under its current Universal Service Rider, Peoples assigns the costs of these programs only to residential customers.[139] In its proposed tariff, Peoples continues to only assign these costs to residential customers.

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[137] 66 Pa. C.S. § 2203(6)-(8).
[138] 66 Pa C.S. § 2202 (definitions) ("Universal service and energy conservation") (emphasis in original).
[139] Volume V, Peoples Exhibit 14 – Peoples Natural Gas Company, LLC, Supplement No. 20 to Gas – PA.P.U.C. No. 48, Nineteenth Revised page No. 38 (Summary of Rates).

Q: Historically, these costs have only been recovered from residential customers, why should Peoples be required to recover these costs more broadly?

A: There is no rational basis for residential customers to solely bear the burden of these costs. The General Assembly has clearly recognized these costs are public purpose costs because they assist poor Pennsylvania families to be able to maintain access to essential gas service. The "cause" of the need for this program is poverty – a societal problem. Residential customers do not cause poverty. This fact was recognized by the Commission in its Final CAP Policy Statement and Order, where the Commission addressed the recovery of universal service program costs. While the Commission did not require jurisdictional utilities to propose specific allocations, the Commission indicated that it is appropriate to consider recovery of the costs of customer assistance programs from all ratepayer classes because "poverty, poor housing stock, and other factors that contribute to households struggling to afford utility service are not just 'residential class' problems."[140] The Commission explained that the provision of universal services to help low income families maintain service to their homes is "a benefit to the economic climate of a community."[141] The Commission directed utilities and stakeholders to address CAP cost recovery in utility-specific rate proceedings, indicating that "*the Commission will no longer routinely exempt non-residential classes from universal service obligations*."[142]

Even looking at a model where the "beneficiary pays" causes the conclusion that while the most obvious benefits of universal service programs are apparent to the residential rate class, this is too narrow of a view as there are a multitude of societal

[140] Final CAP Policy Statement and Order, Docket No. M-2019-3012599, at 97 (Order entered Nov. 5, 2019); see also 52 Pa. Code §§ 69.265(1), 69.266(b).
[141] Final CAP Policy Statement and Order at 7, 94-96, 107.
[142] Id. at 97 (emphasis added); see also 66 Pa. C.S. § 69.266(b).

benefits which inure to non-residential ratepayers that cannot be ignored. These programs are meant to remediate the impacts of poverty and utility insecurity with long-term and far-ranging impacts for low income households, as well as the surrounding communities in which they live and work.[143] Households who cannot afford utility services are more prone to a host of adverse consequences, including increased rates of health complications and hospitalization, eviction, and food insecurity.[144] For children in low income households, utility insecurity has been linked to adverse impacts on long-term health and developmental delays.[145] Communities of color also continue to experience utility insecurity at disproportionate and high levels.[146] Similarly, since low income customers who do not participate in these programs often have significant arrearages,[147] these costs cannot be avoided in rates. They will either be paid as a part of foregone revenue upfront through assistance programs or collected through uncollectible expenses.

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[143] See Diana Hernández, Energy Insecurity And Health: America's Hidden Hardship, Health Affairs, available at: https://www.healthaffairs.org/do/10.1377/hpb20230518.472953/ (Last visited April 10, 2026). (as a parallel to energy affordability, discussing the links between energy insecurity and adverse outcomes in health, food insecurity, and access to stable and affordable housing)

[144] Id.; Diana Hernandez, editorial, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, American Journal of Public Health, Vol.103, No 4 (April 2013), available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/pdf/AJPH.2012.301179.pdf (last visited April 10, 2026); Diana Hernández, Yumiko Aratani, and Yang Jiang, Energy Insecurity Among Families with Children (January 2014), available at http://www.nccp.org/publications/pdf/text_1086.pdf. (Last visited Apr. 10, 2026).

[145] See Diana Hernández, Yumiko Aratani, and Yang Jiang, Energy Insecurity Among Families with Children (January 2014), available at http://www.nccp.org/publications/pdf/text_1086.pdf (Last visited April 10, 2026). (while the author discusses energy insecurity, parallels exist related to utility insecurity as a whole)

[146] Environmental and Climate Justice Program, NAACP, Lights Out In The Cold: Reforming Utility Shut-Off Policies as If Human Rights Matter at ix (March 2017), available at https://naacp.org/resources/lights-out-cold (Last visited Apr. 10, 2026) (while the author primarily discusses energy insecurity, parallels exist to utility insecurity as a whole, and its disproportionate impact on communities of color).

[147] See Table 10, supra.

Furthermore, many low income assistance program participants are employed, but do not receive a wage that is adequate to afford basic household needs. This is evident from the self-sufficiency data that I discuss earlier in my testimony and from the fact that 30% of CAP customers, 31.7% of LIURP recipients, and 47% of customers who received a hardship fund were employed.[148] The next largest group of low income assistance program participants are retired seniors or individuals on disability who do not receive sufficient social security, disability, or retirement benefits to afford basic life necessities, including energy services.[149]

In addition to the adverse physical health impacts which result from lack of utility services, low income customers who face utility insecurity often struggle with heightened levels of stress, anxiety and depression – and must take time away from work to arrange payments, locate or apply for assistance programs, and arrange for reconnections.[150] These consequences of utility insecurity significantly undermine worker productivity, which – in turn – impacts businesses, nonprofits, governmental entities, schools, and other non-residential customer groups. In addition, low income assistance programs help utility companies to control uncollectible expenses which impact all ratepayers.

In sum, all customer classes (including industry, business, commerce, educational institutions, hospitals, local and state governments, and other residential customers) benefit from the availability and existence of universal service programs and assistance.

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[148] PUC 2024 Universal Service Programs Collections Performance at 50, available at: https://www.puc.pa.gov/media/3771/2024-universal-service-report-final.pdf. (Last visited March 31, 2026).
[149] Id.
[150] Diana Hernandez, Understanding 'energy insecurity' and why it matters to health, Social Science & Medicine, Volume 167, October 2016, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5114037/ (similar utility insecurity stress with energy). (Last visited Apr. 10, 2026)

It is a sound policy decision for all customers to share the costs of providing these programs to Peoples's most vulnerable customers.

Q: If the Commission agrees to assign the costs of the universal service programs to all customers, how do you recommend that they do so?

A: I support a broad allocation of costs to all rate classes. These costs should be assigned to all rate classes based on their respective distribution revenue requirements per the Company's cost of service study (COSS) filed in the current case.

VIII. Fuel Switching Pilot

Q: Describe Peoples' proposed Natural Gas Hot Water Tank Rebate Pilot.

A: Peoples proposes to implement a rebate program pilot over a three-year period for interested customers to convert to natural gas hot water tanks and would run from January 2027 through December 2029 with a $500,000 per year budget ($1.5 million total).[151] The pilot is designed to provide rebate incentives for residential customers to switch from electric hot water heaters to high-efficiency natural gas hot water tank appliances.[152] The program would provide eligible residential customers with a $1,000.00 rebate to offset the costs of conversion to a natural gas hot water tank.[153]

Q: Do you support this pilot?

A: No. This is a load building program, which would add an additional 35 Mcf per year for each customer who converts from electric hot water heating to gas hot water heating

[151] Peoples St. 8 at 9-10
[152] Peoples Response to CAUSE-PA VI-011, Attached hereto at Appendix B.
[153] Peoples St. 8 at 10.

through the Pilot.[154] Additionally, Peoples has not applied any Total Resource Cost (TRC) test to determine the cost effectiveness of this Pilot.[155]

The Commission has also not traditionally allowed fuel switching that replaces fossil fuel equipment with electric equipment, because it builds load and runs counter to the objectives of reducing consumption and peak demand.[156] However, in Phase V, the Commission made an exception due to support beneficial electrification initiatives in state and federal conservation programs in the Commonwealth, but only where Act 129 measures were stacked with incentives provided by state and federal programs.[157]

Given the complicated history with fuel switching within Pennsylvania's public policy landscape, in my view, allowing Peoples to spend ratepayer funds to switch from electric hot water heaters to gas hot water heaters is not appropriate. This is especially true when rebates for remediating or replacing aging electric hot water heaters may be available from a customer's electric utility.

Q: What is your recommendation?

A: I recommend that this proposal be denied or, at the very least, it be paid for by shareholders rather than ratepayer funds.

Q: Do you have other concerns about Peoples' fuel switching practices?

A: Yes. Peoples should clarify the scope of its fuel switching through its Emergency Furnace and Service Line Repair (EFSLR) Program and Low Income Usage Repair Program (LIURP).[158] Under the finalized LIURP regulations, fuel switching is permitted in

[154] Peoples Response to CAUSE-PA VI-011(b), Attached hereto at Appendix B.
[155] Peoples Response to CAUSE-PA VI-011(c), Attached hereto at Appendix B.
[156] Act 129 Phase V Energy Efficiency and Conservation Program, Docket No. M-2025-3052826, Final Implementation Order at 168, 173 (order entered June 18, 2025).
[157] Act 129 Phase V Energy Efficiency and Conservation Program, Docket No. M-2025-3052826, Final Implementation Order at 173-174 (order entered June 18, 2025).
[158] Peoples St. 8 at 10.

two specific scenarios: (1) for dual fuel public utilities, and (2) where inoperable or unrepairable or if the cost to repair exceeds the cost of replacement and both public utilities agree in writing that fuel switching is appropriate.[159] The regulations also require the public utility to document the conditions necessitating the fuel switch.

Peoples witness Ravenstall indicated that the Company may perform such fuel switching through these programs but did not indicate whether it has coordinated with other utilities when conducting such fuel switching.[160] Peoples should clarify whether it is coordinating these jobs with other utilities.

IX. Purchase of Receivables

Q: What will you be discussing in this portion of your testimony?

A: I will be discussing recommended changes to Peoples Purchase of Receivables (POR) program considering the significant and adverse cost impacts for residential and confirmed low income customers not enrolled in CAP who have chosen to shop with a competitive electric supplier. Specifically, I recommend that Peoples provide notice to suppliers that effective June 1, 2027, it will no longer be purchasing the receivables from participating suppliers, unless the supplier provides natural gas service at a price that is at or below Peoples's default service price.

Q: Please explain the existing POR program.

A: Because non-CAP residential customers can choose to be served by a retail natural gas supplier, Peoples has developed a POR program whereby it agrees to

[159] Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1—58.18, Docket No. L-2016-2557886, Final Form Rulemaking Order at 190-191 (Entered March 13, 2025).
[160] Peoples St. 8 at 11:4-6.

purchase the uncollected receivables resulting from a contract between a Natural Gas Supplier (NGS) and its customer. Under Peoples' current tariff, Participating NGSs are paid 97.80% of the face value of the residential amounts billed, with this 2.20% discount representing the overall uncollectible rate.[161] The discount is updated whenever Peoples updates its uncollectible expense in rate cases through its merchant function charge. In this proceeding, Peoples seeks to increase the payment to suppliers to 98.07%.[162] In order to agree to have Peoples purchase receivables, NGSs have to agree to abide by the terms of the tariff may only be paid through the POR for "basic natural gas supply services" and not other goods, services or other products.[163] If a supplier participates in POR, then the uncollected account balance is owned by Peoples and Peoples proceeds to bill and collect those charges like it would for all charges that it bills and collects for default service customers. This includes, but is not limited to, taking steps to terminate service for non-payment.

Q: What is your concern with the POR program as it is currently structured?

A: Because suppliers are paid upfront with a discount that only reflects the overall uncollectible rate, they have very little incentive to moderate the prices that they charge customers and have no incentive to be concerned if they are charging customers prices that are significantly more than what Peoples would charge customers. From the supplier's perspective it does not matter what they charge because Peoples will buy the receivables and must manage the collection process. This is problematic because overall

[161] Volume V, Peoples Exhibit 14 – Peoples Natural Gas Company, LLC, Supplement No. 2 to Gas – PA.P.U.C. No. S-4, First Revised page No. 35 (Rate SBS).
[162] Volume V, Peoples Exhibit 14 – Proposed Peoples Natural Gas Company, LLC, Supplement No. 2 to Gas – PA.P.U.C. No. S-5, Original Page No. 35 (Proposed Rate SBS).
[163] Rate SBS at ¶ 3.

customers served by NGSs pay significantly more than they otherwise would pay had they remained on default service.

Q: Please explain how much more residential shopping customers have paid compared to default service customers?

A: In response to discovery, Peoples provided data points for the period from January 2024 through April 2026 for residential shopping and default service customers and for the period from January 2024 through April 2026 for Confirmed Low Income Customers (non-CAP):[164]

- Total number of shopping customers
- Total billed usage of shopping customers
- Total billed commodity supply charges
- Total number of default service customers
- Total billed usage of default service customers
- Total billed commodity charges for default service customers.

Based on this information, I was able to arrive at the average cost per Mcf per customer by month for both shopping and default service customers, the dollar amount difference in the average cost per customer by month for shopping versus default service customers, the percentage difference in the average cost per customer for shopping versus default service customers, and the aggregate difference in cost per customer for shopping versus default service customers. This information is presented in Appendix C, Exhibits C-3 and C-4 attached to my testimony. In summary, over the period from January 2024 through April 2026, residential customers who were served by a retail NGS paid in aggregate **$51.9 million more** than they would have otherwise paid had they been charged the

[164] Peoples Response to CAUSE-PA IV-001, Attachment and CAUSE-PA IV-002, Attachment. Attached hereto at Appendix B.

default service rate for the same period. Of that amount, confirmed low income customers who were served by an NGS paid in aggregate **$7.4 million** more than if they had all been charged the default service rate for that same period. Furthermore, confirmed low income shopping customers paid on average higher prices than residential shopping customers for a comparable period.

Table 15: Average NGS Price v. Price to Compare[165]

Customer Type	Average Cost per Mcf Paid by Shopping Customers	Average PTC per Mcf	Difference per Mcf	Difference Shopping % higher than PTC
Residential Customers January 2024 April 2026	**$6.53**	**$3.21**	**$3.32**	**50.8%**
Confirmed Low Income (Non-CAP) January 2024 -April 2026	**$6.72**	**$3.21**	**$3.50**	**52.2%**

Q: Is there other data that shows the harm that has been caused by customers served by NGSs during this period?

A: Yes. Customers served by NGSs during this period who were in arrears had significantly higher gross write offs per customer, thus indicating that they had significantly higher uncollectible expenses. Despite this, they were paid receivables as if they had uncollectible expenses and write offs that were commensurate with residential customers. This is problematic because NGS shopping leads to higher gross write offs.

[165] See Appendix C, Exhibit C-3 through C-4.

Q: How much higher were write offs for shopping customers than those who paid the default service price?

A: They were significant, as shown in Table 16, below, write offs for shopping customers were 484% higher than for residential customers on default service, and for low income customers, write offs for those customers shopping were an astounding 856% higher than write offs for low income customers who were charged the default service rate.

Table 16: Residential Write offs: Default v. Shopping Customers

Customer Type for Period of January 2024 through April 2026	Average Amount of Write off per Customer with Debt Written off. (Shopping)	Average Amount of Write off per Customer with Debt Written off. (Default)	Amount Shopping Write Offs were higher than Default Write Offs	Percentage more that Shopping Write Offs were higher than Default
Residential Customers	**$602.13**	**$124.31**	**$477.82**	**484%**
Confirmed Low Income (Non-CAP)	**$978.89**	**$114.75**	**$864.14**	**853%**

Q: What is your concern?

A: My concern is that low income customers already face high energy burdens at exiting rates charged by Peoples. NGS rates that are more than 50% higher than Peoples' applicable rate on average for commodity costs exacerbate these households' inability to afford service as is evidenced by the divergence in write off amounts and percentages. Furthermore, I am concerned that these higher costs flow through to the uncollectible expenses paid for by all ratepayers and lead to increased debt, arrearages, and service terminations for residential customers above which would have occurred had all customers paid prices that were no higher than Peoples' default service price.

Q: What is your recommendation?

A: My recommendation is that Peoples revise its POR program to require that to participate in POR and have Peoples buy its receivables an NGS would have to certify that its rates are at or below the applicable default service price at the time of contract initiation or renewal. If a supplier wants to take advantage of Peoples' POR program, it should not be permitted to charge rates that are more than what Peoples charges. Under my proposal, NGSs would still be able to offer contracts to customers at any rate they wish, but if those rates are higher than the default service price, they would not be able to participate in POR.

Q: Would this change mean that customers would have to receive a dual bill from Peoples and the NGS?

A: No. The supplier could still participate in Peoples' consolidated billing program but would not be paid for its supply charges until or unless Peoples was paid by the customers. Furthermore, I recommend that Peoples supplier tariff clarify that suppliers who elect not to participate in POR because they wish to charge more than Peoples' charges would be responsible for their own collections if their charges go unpaid.

Q: When should this change go into effect?

A: I am proposing that Peoples issue a notice to all suppliers indicating that effective June 1, 2027 and forward all suppliers who wish to remain in the POR program will need to complete an updated POR Agreement and an affidavit that would require all charges for contracts or renewals of contracts entered after that period be at or below the default service price to compare in order to have any charges after that date be included in the POR program. If a supplier elects to participate, they will remain in POR. If a supplier

elects to charge rates higher than Peoples' charges, they could elect to remain in Peoples consolidated billing program, but their charges would be non-POR eligible. This change would be made on a forward-going basis and would provide all suppliers with notice of the change before it goes into effect.

XI. Conclusion

Q: Does this conclude your direct testimony?

A: Yes.

CAUSE-PA Statement 1, Cicero

Appendix A

Resume – Patrick M. Cicero

Patrick M. Cicero, Esq.

pcicero@pautilitylawproject.org | 717-576-2588 (mobile)

PROFESSIONAL EXPERIENCE

PENNSYLVANIA UTILITY LAW PROJECT HARRISBURG, PENNSYLVANIA
Of Counsel, February 2025 - Present
Executive Director, July 2015 - January 2020
Co-Director, January 2013 - June 2015
Staff Attorney, January 2011 - December 2012

The Pennsylvania Utility Law Project (PULP) is a specialized legal aid office and member of the Pennsylvania Legal Aid Network. PULP's mission is to promote policies that enable consumers with low and moderate income to receive and maintain affordable utility and energy services and to live in energy-efficient homes.

As Of Counsel, in cases where I am not serving as an attorney, I provide analysis and testimony for PULP's clients in administrative proceedings before relevant state and federal agencies.

When I am not serving as a policy or technical expert, I lead the legal and policy work of the office and provide high-level legal expertise and strategic guidance to the organization. I seek to ensure that PULP's legal and policy advocacy and strategies are designed to effectively and zealously represent the interests of PULP's clients before administrative, judicial, and legislative bodies.

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE HARRISBURG, PENNSYLVANIA
Consumer Advocate, December 2021 – January 2025
(*Confirmed by the Pennsylvania Senate June 7, 2022*)

The Office of Consumer Advocate (OCA) is a state agency that represents the interests of Pennsylvania utility consumers before the Pennsylvania Public Utility Commission (PUC), federal regulatory agencies, and state and federal courts. The OCA was created by the Pennsylvania General Assembly in 1976 and is an independent office within the Office of Attorney General. As Consumer Advocate, I served as the head of the office and directed all policy and legal advocacy.

PENNSYLVANIA LEGAL AID NETWORK, INC. HARRISBURG, PENNSYLVANIA
Executive Director, January 2020 – December 2021

The Pennsylvania Legal Aid Network, Inc. (PLAN, Inc.) is a client-centered organization that provides leadership, funding, training, and support to a coordinated network of independent legal aid organizations that deliver civil legal aid to low-income Pennsylvanians and victims of domestic violence. As Executive Director, I provided strategic leadership and direction to PLAN Inc.'s activities and oversaw its advocacy, fundraising, and management.

PROFESSIONAL EXPERIENCE – CONT.

HONORABLE SYLVIA H. RAMBO, DISTRICT JUDGE HARRISBURG, PENNSYLVANIA
THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA
Senior Judicial Law Clerk, May 2009 - December 2010
Judicial Law Clerk, August 2002 - August 2004

Analyzed federal and state law on civil and criminal motions in all phases of litigation. Drafted judicial opinions in response to civil and criminal motions, including motions to suppress, motions to dismiss, summary judgment, post-trial motions, and habeas corpus petitions. Drafted comments that were given by Judge Rambo at public speaking events and supervised her law clerks and judicial interns.

MIDPENN LEGAL SERVICES HARRISBURG, PENNSYLVANIA
Managing Attorney, January 2009 - April 2009
Staff Attorney, September 2004 - December 2008

MidPenn Legal Services (MidPenn) is a non-profit organization providing legal services to low-income individuals and families, the disabled, the elderly, children, and survivors of domestic violence. I led MidPenn's Consumer Unit where I focused on litigating consumer and housing cases related to anti-predatory mortgage lending and consumer bankruptcy and defended clients against unscrupulous debt collection practices.

TEACHING EXPERIENCE

MESSIAH UNIVERSITY MECHANICSBURG, PENNSYLVANIA

Adjunct Professor of Sociology and Criminal Justice (Periodic since 2015)

Courses Taught:
Social Inequality
Criminal Law and Criminal Procedure
Ethics in the Criminal Justice System

Visiting Lecturer of Sociology and Criminal Justice, August 2014 - May 2015

Courses Taught:
Introduction to Sociology
Sociocultural Theory
Social Inequality
Social Conflict, Justice and Peacemaking
Religion and Society
Evidence, Search and Seizure

Adjunct Instructor in General Education

Courses Taught: Law and Social Issues

EDUCATION

TEMPLE UNIVERSITY, BEASLEY SCHOOL OF LAW PHILADELPHIA, PENNSYLVANIA
Juris Doctor, magna cum laude, 2002

MESSIAH COLLEGE (NOW MESSIAH UNIVERSITY) MECHANICSBURG, PENNSYLVANIA
Bachelor of Arts in Sociology, magna cum laude, 1999

PUBLICATIONS

Pennsylvania Consumer Law by Carolyn Carter, Bisel Publishing Co., 2003, Supp. 2010-2012, Contributing Author.

MEMBERSHIPS, AFFILIATIONS, COMMITTEES

Pennsylvania State Bar (admitted 2002)
Middle District of Pennsylvania Bar (admitted 2004)
Pennsylvania Bar Association, House of Delegates, Zone 3, (2021-2024)
Pennsylvania Department of Human Services
- LIHEAP Advisory Committee (2015-2020 and 2021-2025)
Pennsylvania Department of Environmental Protection,
- Pennsylvania Energy Development Authority, *ex officio* (2021-2025)
Pennsylvania Public Utility Commission
- Consumer Advisory Council (2015-2020, 2025-Present)
- Pennsylvania Sustainable Energy Board, *ex officio* (2021-2025)
Pennsylvania Department of Community and Economic Development
- Weatherization Assistance Program, Policy Advisory Council (2015-2020)
National Association of State Utility Consumer Advocates (NASUCA), Executive Committee (2023-2025)
Upper Allen Township, Sewer Advisory Board (by appointment),
- Term: September 2025-December 2029.

LIST OF PROCEEDINGS

Below is a list of proceedings in which I have provided expert testimony. Links to my testimony are provided for all complete cases. Cases listed as ongoing cases are at various stages of litigation and will be updated as completed.

COMPLETED CASES
Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Gas Division, Docket No. R-2024-3052716. • Natural gas distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Philadelphia Gas Works, Docket No. R-2025-3053112. • Natural gas distribution base rate proceeding. • Direct, Rebuttal, and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Docket No. R-2025-3053499. • Natural gas distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, and low income customer affordability.
Pennsylvania Public Utility Commission v. Pittsburgh Water Sewer Authority, Docket Nos. R-2025-3055010, 3055011, and 3055012 • Water/wastewater/stormwater distribution base rate proceeding. • Direct, Rebuttal, and Surrebuttal testimony regarding rate design, customer service, low income program design, and low income customer affordability.
Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation, Docket No. R-2025-3057164. • Electric distribution base rate proceeding. • Direct and Surrebuttal testimony regarding rate design, customer service, low income program design, energy efficiency, net metering, and low income affordability.
Pennsylvania Public Utility Commission v. UGI Utilities, Inc. Gas Division, Docket No. R-2025-3059523. • Natural gas distribution base rate proceeding. • Direct and Surrebuttal testimony regarding sufficiency of revenue requirement, rate design, customer service, low income program design, and low income customer affordability.

ONGOING CASES
Joint Application of American Water Works Company, Inc., Essential Utilities, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC and Alpha Merger Sub, Inc. for a Certificate of Public Convenience under Sections 1102(a)(3) and 2210(c) of the Public Utility Code and All Other Necessary Approvals to Effect a Change of Control of Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., and Peoples Natural Gas Company LLC Docket Nos. A-2025-3058927; A-2025-3058928; A-2025-3058929 • Merger Application of two of the largest water and wastewater utilities in the country. • Testimony regarding whether the merger results in an affirmative public benefit and protections needed to ensure low income customers receive benefit.
Petition of FirstEnergy Pennsylvania Electric Company for Approval of Its Default Service Program for the Period June 1, 2027 to May 31, 2031, Docket No. P-2026-3060298. • Electric distribution company default service procurement plan. • Testimony regarding default service procurement and retail electric market protections for low income households.
Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC, Docket No. R-2026-3060855. • Natural gas distribution base rate proceeding. • Testimony regarding rate design, customer service, low income program design, and low income customer affordability.

CAUSE-PA Statement 1, Cicero

Appendix B

Interrogatories of CAUSE-PA to Peoples

Peoples Response to CAUSE-PA I-004
Peoples Response to CAUSE-PA I-005(U), Attachment (U)
Peoples Response to CAUSE-PA I-006(U), Attachment (U)
Peoples Response to CAUSE-PA I-007, Attachment
Peoples Response to CAUSE-PA I-008, Attachment
Peoples Response to CAUSE-PA I-009, Attachment
Peoples Response to CAUSE-PA I-010(U)
Peoples Response to CAUSE-PA I-012(U2), Revised Attachment
Peoples Response to CAUSE-PA I-015
Peoples Response to CAUSE-PA I-016
Peoples Response to CAUSE-PA I-018 (U), Revised Attachment
Peoples Response to CAUSE-PA II-001, Attachment
Peoples Response to CAUSE-PA II-006, Attachment
Peoples Response to CAUSE-PA III-005, Attachment
Peoples Response to CAUSE-PA IV-001, Attachment
Peoples Response to CAUSE-PA IV-002, Attachment
Peoples Response to CAUSE-PA VI-001
Peoples Response to CAUSE-PA VI-002
Peoples Response to CAUSE-PA VI-011

Interrogatories of OCA to Peoples

Peoples Response to OCA I-011
Peoples Response to OCA II-027
Peoples Response to OCA IV-001, Attachment (2025 Collections Reporting)
Peoples Response to OCA IV-006, Attachment

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-004

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: How does Peoples define the term “confirmed low income customer” for purposes of reporting pursuant to 52 Pa. Code Sec. 62.5? Please list all of the ways in which a customer could be designated as “confirmed low income.” If Peoples uses a different definition or categorization criteria for “confirmed low income customer” for any purpose, please identify the alternative definition and/or criteria and explain why a different definition is used.

Answer: 'Confirmed low income' Includes all customers for which Peoples obtains information that would reasonably place the customer within a low income designation. Such information may include those who self-identified as low income, received LIHEAP in the past 24 months, or are currently participating in CAP. Self-identification includes contact prior to termination; contact to negotiate a payment arrangement; screening for assistance programs; contact at start of service and any other contact in which income is discussed with the customer. This is the only definition of low income used by Peoples.

Submit Date: 5/11/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-005(U)

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: From January 2024 to date, disaggregated by month and year, as of the last day of the month/year, how many of Peoples' customers were/are categorized as confirmed low income? If Peoples uses multiple definitions of the term "confirmed low income", as identified in CAUSE-PA to Peoples 1-4, please separately provide the data requested for each definition.

Please provide this data in a live excel spreadsheet.

Answer: The enhanced version of the response includes the identification of ECAP or CAP Expansion participants, whose income is 151 to 200% FPL. This group of customers was included in both Confirmed Low Income and CAP customer counts in the initial responses.

Submit Date: 6/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-I-005(U)

Month	#	CAP D Accts*	Total w/CAP D Removed
202401	124048	2165	121883
202402	124334	2196	122138
202403	124163	1795	122368
202404	129398	1903	127495
202405	127050	2384	124666
202406	117093	2140	114953
202407	127253	2122	125131
202408	127739	2078	125661
202409	113479	2041	111438
202410	131325	2261	129064
202411	105195	1846	103349
202412	124134	2115	122019
202501	123491	2100	121391
202502	114526	2024	112502
202503	125677	2167	123510
202504	129146	2278	126868
202505	121799	2143	119656
202506	120610	2307	118303
202507	126933	2369	124564
202508	120963	2339	118624
202509	115591	2316	113275
202510	134928	2553	132375
202511	102370	2018	100352
202512	123019	2417	120602
202601	119190	2416	116774
202602	115077	2291	112786
202603	125078	2544	122534

**CAP D represents CAP participants with incomes between 151 and 200% FPL*

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-006(U)

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: From January 2024 to date, disaggregated by month and year, as of the last day of the month/year, how many customers were/are enrolled in Peoples' CAP?

Please provide this data in a live excel spreadsheet.

Answer: The enhanced version of the response includes the identification of ECAP or CAP Expansion participants, whose income is 151 to 200% FPL. This group of customers was included in both Confirmed Low Income and CAP customer counts in the initial responses.

Submit Date: 6/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-I-006(U)

Month	#	CAP D Accts*	Total w/CAP D Removed
202401	29,149	2165	26,984
202402	29,743	2196	27,547
202403	29,819	1795	28,024
202404	30,926	1903	29,023
202405	30,373	2384	27,989
202406	28,805	2140	26,665
202407	31,336	2122	29,214
202408	32,687	2078	30,609
202409	28,558	2041	26,517
202410	33,632	2261	31,371
202411	26,856	1846	25,010
202412	31,722	2115	29,607
202501	32,014	2100	29,914
202502	30,826	2024	28,802
202503	34,228	2167	32,061
202504	35,266	2278	32,988
202505	34,571	2143	32,428
202506	35,494	2307	33,187
202507	38,382	2369	36,013
202508	36,447	2339	34,108
202509	34,467	2316	32,151
202510	41,574	2553	39,021
202511	30,776	2018	28,758
202512	37,643	2417	35,226
202601	37,371	2416	34,955
202602	36,408	2291	34,117
202603	39,329	2544	36,785

**CAP D represents CAP participants with incomes between 151 and 200% FPL*

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-007

Witness: Folks, Dawn **Title:** Finance and Rates Analyst III

Question: From January 2024 to date, disaggregated by month and year, as of the last day of the month/year, how many residential customers does/did Peoples serve? Please explain how Peoples arrived at this figure and include citations and/or copies of any and all workpapers used to perform the calculation.

Please provide this data in a live excel spreadsheet.

Answer: Please refer to the attached spreadsheet. This data is pulled from our billing software by customer rate category to aggregate the number of residential customers by month.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-I-007

Residential Customers

Month	Retail	Transport	Total
January 2024	569,817	79,916	**649,733**
February 2024	570,734	79,353	**650,087**
March 2024	571,436	78,909	**650,345**
April 2024	570,853	78,473	**649,326**
May 2024	569,309	77,913	**647,222**
June 2024	568,318	77,724	**646,042**
July 2024	567,440	77,518	**644,958**
August 2024	567,538	76,753	**644,291**
September 2024	568,191	76,185	**644,376**
October 2024	571,041	75,897	**646,938**
November 2024	573,554	75,641	**649,195**
December 2024	575,030	75,554	**650,584**
January 2025	576,264	75,296	**651,560**
February 2025	577,243	74,745	**651,988**
March 2025	577,410	74,323	**651,733**
April 2025	576,621	74,209	**650,830**
May 2025	575,062	74,137	**649,199**
June 2025	573,596	74,163	**647,759**
July 2025	571,963	74,315	**646,278**
August 2025	571,538	74,245	**645,783**
September 2025	571,778	74,339	**646,117**
October 2025	574,133	74,571	**648,704**
November 2025	575,991	74,685	**650,676**
December 2025	577,373	74,912	**652,285**
January 2026	578,186	74,988	**653,174**
February 2026	578,831	74,869	**653,700**
March 2026	578,013	75,223	**653,236**
April 2026	576,416	75,608	**652,024**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-008

Witness: Folks, Dawn **Title:** Finance and Rates Analyst III

Question: From January 2024 to date, disaggregated by month and year (as of the last day of the month/year), please provide for Peoples Gas customers:

a. Residential customers, excluding confirmed low income customers and CAP customers;

b. Confirmed low income customers, excluding CAP customers;

Please provide this data in a live excel spreadsheet.

Answer: Please refer to the attached spreadsheet.

Submit Date: 5/11/2026

CAUSE-PA-I-008

	Residential Customers		
Month	**Residential - Excluding Low Income and CAP**	**Low Income excluding CAP**	**Total**
January 2024	525,442	95,493	**620,935**
February 2024	525,622	95,163	**620,785**
March 2024	525,875	94,963	**620,838**
April 2024	524,741	95,154	**619,895**
May 2024	523,384	94,551	**617,935**
June 2024	523,275	93,487	**616,762**
July 2024	523,042	92,508	**615,550**
August 2024	523,745	90,723	**614,468**
September 2024	523,640	90,612	**614,252**
October 2024	525,702	91,051	**616,753**
November 2024	527,534	91,276	**618,810**
December 2024	528,401	91,448	**619,849**
January 2025	528,750	91,458	**620,208**
February 2025	529,432	90,425	**619,857**
March 2025	528,888	90,012	**618,900**
April 2025	527,968	89,632	**617,600**
May 2025	527,245	88,180	**615,425**
June 2025	526,238	86,796	**613,034**
July 2025	525,458	85,288	**610,746**
August 2025	525,459	84,686	**610,145**
September 2025	525,828	84,771	**610,599**
October 2025	528,096	84,815	**612,911**
November 2025	530,012	84,578	**614,590**
December 2025	531,372	84,425	**615,797**
January 2026	531,602	84,431	**616,033**
February 2026	531,803	84,335	**616,138**
March 2026	530,992	84,416	**615,408**
April 2026	529,479	84,876	**614,355**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-009

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: For the following LIHEAP program years: (A) 2023-2024; (B) 2024-2025; and (C) 2025-2026, please provide the following information:

a. How many customers received only a cash grant?

b. How many customers received only a crisis grant?

c. How many customers received both cash and crisis grants?

d. What was dollar amount of the average cash grant?

e. What was the dollar amount of the average crisis grant?

f. What were the total LIHEAP dollars received by Peoples Gas on behalf of LIHEAP recipients for each program year?

Please provide this data in a live excel spreadsheet.

Answer: See attachment CAUSE-PA-I-9.xlsx

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC

Docket No. R-2026-3060855

CAUSE-I-009

Program Year	Cash Only			Crisis Only		Both Cash & Crisis				Total Cash	Total Crisis
	Accounts	Cash	Supplemental	Accounts	Crisis	Accounts	Cash	Crisis	Supplemental		
2023-2024	24,317	$ 9,103,733	$ 23,981	521	$ 237,094	1,163	$ 471,581	$ 594,874	$ 450	$ 9,599,295	$ 831,968
2024-2025	22,585	$ 6,565,692	$ 1,560,219	1,126	$ 469,763	2,933	$ 883,047	$ 1,345,449	$ 166,204	$ 9,008,958	$ 1,815,213
2025-2026	20,847	$ 6,088,078	$ 3,656	476	$ 208,893	1,554	$ 417,160	$ 798,439	$ 726	$ 6,508,894	$ 1,007,332

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-010(U)

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: As of the most recent available date, how many estimated low income customers reside within Peoples' service territory? Please explain how Peoples arrived at its estimated figures and include citation and/or copies of all workpapers used to perform the estimation.

Answer: The Company uses the most recent Household Poverty file provided by BCS to estimate it's low income customer count. The percentages of each county (< 150%) are multiplied by the company's total count of residential customers.

For 2025: 144,131

This response should replace the Company's original response to CAUSE 1-010.

Submit Date: 5/18/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-012(U2)

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: From January 2024 to date, disaggregated by month and year (as of the last day of the month/year), how many Peoples customers had their service terminated for nonpayment each month, disaggregated by the following customer segments:

a. All residential customers;

b. Residential customers, excluding confirmed low income customers and CAP customers;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding CAP customers;

e. CAP customers.

Please provide this data in a live excel spreadsheet.

Answer: The enhanced version of the response includes the identification of ECAP or CAP Expansion participants, whose income is 151 to 200% FPL. This group of customers was included in both Confirmed Low Income and CAP customer counts in the initial responses.

Submit Date: 6/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-I-012(U2)

	A	B	CLI	D	E			
RPT_MONTH	RES	NO_CLI	CLI	CLI_NO_CAP	CAP	CAP D Accts*	CLI w/o CAP D*	CAP w/o CAP D*
202401	2	-	2	2	-		2	-
202403	2	2	-	-	-		-	-
202404	4,907	2,648	2,259	1,805	454	46	2,213	408
202405	4,501	2,252	2,249	1,788	461	71	2,178	390
202406	3,497	1,534	1,963	1,463	500	51	1,912	449
202407	2,851	1,214	1,637	1,139	498	55	1,582	443
202408	2,835	1,139	1,696	1,179	517	42	1,654	475
202409	1,821	735	1,086	747	339	32	1,054	307
202410	1,840	750	1,090	725	365	29	1,061	336
202411	1,222	494	728	522	206	22	706	184
202502	3	2	1	1	-		1	-
202503	1	-	1	1	-		1	-
202504	4,040	2,155	1,885	1,556	329	57	1,828	272
202505	3,010	1,576	1,434	1,167	267	42	1,392	225
202506	2,870	1,480	1,390	1,062	328	36	1,354	292
202507	4,045	1,914	2,131	1,525	606	68	2,063	538
202508	2,422	1,085	1,337	918	419	68	1,269	351
202509	1,658	779	879	588	291	36	843	255
202510	1,657	859	798	584	214	18	780	196
202511	1,296	805	491	480	11	4	487	7
202601	3	1	2	2	-		2	-
202603	3	3	-	-	-		-	-
202604	4,630	2,560	2,070	1,636	434	80	1,990	354

**CAP D represents CAP participants with incomes between 151 and 200% FPL.*

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-015

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: As of the most recent date available, what is the average annual income of Peoples' currently identified confirmed low income customers?

Answer: $19,011.02

Submit Date: 5/11/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-016

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: As of the most recent date available, what is the average annual income of Peoples' currently enrolled CAP customers?

Answer: As provided in response to OCA Set IV Question 1, the 2025 Universal Service Report reflects average CAP participant income of $16,295.32.

Submit Date: 5/11/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-I-018(U)

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: From January 2023 to date, disaggregated by month and year, as of the last day of the month/year, please provide the total dollars in debt and the average arrearage level for each of the following Peoples customer segments:

a. All residential customers;

b. Residential customers, excluding confirmed low income customers and CAP customers;

c. Confirmed low income customers;

d. Confirmed low income customers, excluding CAP customers;

e. CAP customers.

Please provide this data in a live excel spreadsheet.

Answer: See CAUSE-PA 1-18 Revised spreadsheet.

Submit Date: 6/2/2026

#1-18 REVISED - Total Debt

Month	RES A	RES No LI B	LI w/CAP C	LI No CAP D	CAP E
202301	118,691,219.98	77,271,539.65	41,419,680.33	29,998,479.99	11,421,200.34
202302	137,902,445.24	90,795,685.51	47,106,759.73	34,795,419.00	12,311,340.73
202303	143,323,771.02	93,179,827.29	50,143,943.73	37,412,953.48	12,730,990.25
202304	121,636,180.72	74,541,554.84	47,094,625.88	34,007,687.81	13,086,938.07
202305	93,987,963.37	53,715,478.94	40,272,484.43	28,208,431.58	12,064,052.85
202306	74,241,670.04	41,197,781.03	33,043,889.01	23,784,503.57	9,259,385.44
202307	60,512,487.93	32,258,771.98	28,253,715.95	19,886,884.90	8,366,831.05
202308	51,083,642.41	25,460,727.36	25,622,915.05	16,505,637.64	9,117,277.41
202309	45,512,894.23	21,859,530.44	23,653,363.79	14,961,546.88	8,691,816.91
202310	43,118,813.70	20,405,644.70	22,713,169.00	14,542,100.00	8,171,069.00
202311	45,738,326.02	22,713,436.41	23,024,889.61	14,577,294.84	8,447,594.77
202312	58,105,059.49	31,436,825.80	26,668,233.69	16,418,122.48	10,250,111.21
202401	80,343,633.09	47,923,109.23	32,420,523.86	20,336,695.27	12,083,828.59
202402	91,653,299.15	54,490,217.58	37,163,081.57	23,829,931.01	13,333,150.56
202403	92,469,380.57	53,782,209.88	38,687,170.69	24,825,506.92	13,861,663.77
202404	81,072,950.11	44,766,492.23	36,306,457.88	23,776,351.05	12,530,106.83
202405	65,283,603.36	33,417,437.85	31,866,165.51	20,651,794.58	11,214,370.93
202406	56,203,007.54	27,918,200.56	28,284,806.98	18,049,439.51	10,235,367.47
202407	48,003,644.05	23,081,507.08	24,922,136.97	15,487,135.67	9,435,001.30
202408	39,461,605.88	18,239,037.82	21,222,568.06	12,630,639.25	8,591,928.81
202409	36,335,564.41	16,391,052.17	19,944,512.24	11,628,665.31	8,315,846.93
202410	39,071,960.52	18,913,002.74	20,158,957.78	11,545,411.68	8,613,546.10
202411	45,934,863.16	24,294,440.47	21,640,422.69	12,321,096.62	9,319,326.07
202412	73,064,202.43	43,812,661.48	29,251,540.95	17,331,699.18	11,919,841.77
202501	108,194,543.59	70,038,840.63	38,155,702.96	24,497,160.54	13,658,542.42
202502	137,047,456.38	91,885,295.49	45,162,160.89	30,817,506.79	14,344,654.10
202503	146,190,838.22	97,243,465.91	48,947,372.31	34,237,138.68	14,710,233.63
202504	136,774,252.57	90,213,395.60	46,560,856.97	32,731,454.33	13,829,402.64
202505	114,532,511.72	72,786,676.17	41,745,835.55	28,274,457.68	13,471,377.87
202506	99,656,596.00	61,507,524.33	38,149,071.67	24,781,082.22	13,367,989.45
202507	76,547,275.33	44,787,160.22	31,760,115.11	19,662,493.37	12,097,621.74
202508	60,185,763.20	33,694,506.56	26,491,256.64	16,188,895.94	10,302,360.70
202509	50,894,421.69	26,752,081.38	24,142,340.31	14,374,824.21	9,767,516.10
202510	48,605,204.32	24,813,043.78	23,792,160.54	13,537,236.24	10,254,924.30
202511	63,557,291.05	35,837,478.81	27,719,812.24	15,047,962.95	12,671,849.29
202512	98,120,387.44	62,380,398.96	35,739,988.48	20,639,585.42	15,100,403.06
202601	139,088,149.52	94,063,360.55	45,024,788.97	28,127,386.16	16,897,402.81
202602	175,884,510.78	122,683,211.62	53,201,299.16	35,481,986.78	17,719,312.38
202603	172,239,731.70	115,804,764.23	56,434,967.47	38,062,955.25	18,372,012.22
202604	146,269,532.29	94,200,670.62	52,068,861.67	35,263,305.58	16,805,556.09

#1-18 REVISED - AVG Arrears

Month	RES A	RES No LI B	LI w/CAP C	LI No CAP D	CAP E
202301	136.22	92.37	302.65	347.83	137.74
202302	137.77	93.57	318.52	360.27	159.94
202303	150.05	102.55	341.30	384.99	173.31
202304	143.89	96.26	336.09	380.54	170.94
202305	134.99	87.22	318.25	359.90	166.09
202306	118.63	74.46	295.92	330.00	144.55
202307	104.23	63.50	271.27	300.34	133.06
202308	94.08	56.88	245.29	272.84	118.51
202309	87.68	52.59	232.32	263.42	84.67
202310	89.47	52.42	239.85	271.12	85.10
202311	97.67	57.44	257.28	289.95	107.28
202312	93.01	56.74	241.88	278.16	88.16
202401	95.58	59.14	242.27	281.16	91.85
202402	105.63	68.07	253.10	293.62	102.50
202403	102.21	65.67	244.21	281.07	110.08
202404	102.99	64.46	246.15	288.98	87.68
202405	104.10	64.31	249.61	291.68	92.53
202406	88.66	51.89	233.34	266.09	103.59
202407	80.17	46.63	213.02	236.02	112.74
202408	74.61	43.43	198.62	220.09	104.19
202409	67.16	38.60	180.96	204.60	78.56
202410	61.28	34.85	171.47	195.87	70.26
202411	68.34	40.53	183.67	212.71	76.76
202412	86.49	55.42	199.67	236.08	83.73
202501	94.27	61.62	219.75	254.27	108.27
202502	101.53	69.77	230.87	265.36	116.34
202503	122.28	87.87	257.63	299.98	122.66
202504	113.18	80.74	242.41	285.91	103.05
202505	123.03	90.78	249.50	296.55	107.62
202506	95.82	65.08	219.75	259.10	102.56
202507	85.90	57.62	202.87	237.28	92.34
202508	81.87	53.44	209.24	236.61	104.96
202509	78.36	49.15	203.70	232.60	97.46
202510	75.64	46.86	192.57	226.57	83.64
202511	76.92	48.06	188.48	228.14	85.79
202512	98.49	66.22	223.24	265.59	116.27
202601	115.64	82.68	251.33	294.15	135.47
202602	130.23	94.89	279.19	324.85	152.75
202603	150.48	113.71	297.16	352.62	149.00
202604	139.60	100.88	295.66	353.87	135.30

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-II-001

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: From January 2024 to date, disaggregated by month and year, as of the last day of the month/year, please indicate:

a. How many customers applied for Peoples' CAP;

b. How many of the customers who applied for Peoples' CAP were approved;

c. How many of the customers who applied for Peoples' CAP were rejected, disaggregated by the reason for rejection.

Please provide this information in a live Excel spreadsheet.

Answer: Refer to attachment CAUSE-PA-II-1.xlsx.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-II-001

January 2024	Totals
Applied for CAP	323
Approved for CAP	261
Denied CAP	116
Ineligible	41
Not Enrolled - Incomplete	75

Ineligible Reasons	Total
Final Bill	23
Non-heat	4
Non-Residential	1
Not at Address	1
Over Income	12
	41

Monthly Recap	Total
Applied for CAP	5139
Approved for CAP	4513
Denied CAP	1723
Ineligible	552
Not Enrolled - Incomplete	1171

February 2024	Totals
Applied for CAP	308
Approved for CAP	335
Denied CAP	123
Ineligible	34
Not Enrolled - Incomplete	89

Ineligible Reasons	Total
Final Bill	15
Non-Residential	2
Not at Address	1
Over Income	15
Swimming Pool	1
	34

March 2024	Totals
Applied for CAP	349
Approved for CAP	305
Denied CAP	119
Ineligible	33
Not Enrolled - Incomplete	86

Ineligible Reasons	Total
Final Bill	17
Not at Address	2
Over Income	14
	33

April 2024	Totals
Applied for CAP	795
Approved for CAP	258
Denied CAP	107
Ineligible	34
Not Enrolled - Incomplete	73

Ineligible Reasons	Total
Final Bill	10
Non-Residential	1
Over Income	23
	34

May 2024	Totals
Applied for CAP	513
Approved for CAP	267
Denied CAP	128
Ineligible	35
Not Enrolled - Incomplete	93

Ineligible Reasons	Total
Final Bill	20
Non-heat	2
Over Income	13
	35

June 2024	Totals
Applied for CAP	361
Approved for CAP	339
Denied CAP	139
Ineligible	47
Not Enrolled - Incomplete	92

Ineligible Reasons	Total
Final Bill	29
Non-heat	2
Not at Address	1
Over Income	15
	47

July 2024	Totals
Applied for CAP	360
Approved for CAP	474
Denied CAP	181
Ineligible	69
Not Enrolled - Incomplete	112

Ineligible Reasons	Total
Final Bill	55
Over Income	14
	69

August 2024	Totals
Applied for CAP	391
Approved for CAP	578
Denied CAP	191
Ineligible	72
Not Enrolled - Incomplete	119

Ineligible Reasons	Total
Final Bill	42
Non-heat	1
Not at Address	1
Over Income	28
	72

September 2024	Totals
Applied for CAP	428
Approved for CAP	483
Denied CAP	156
Ineligible	43
Not Enrolled - Incomplete	113

Ineligible Reasons	Total
Bill Not in Applicant's Name	1
Final Bill	23
Non-heat	2
Over Income	17
	43

October 2024	Totals
Applied for CAP	541
Approved for CAP	377
Denied CAP	172
Ineligible	57
Not Enrolled - Incomplete	115

Ineligible Reasons	Total
Final Bill	29
Non-heat	1
Over Income	27
	57

November 2024	Totals
Applied for CAP	393
Approved for CAP	378
Denied CAP	150
Ineligible	36
Not Enrolled - Incomplete	114

Ineligible Reasons	Total
Final Bill	23
Non-heat	3
Over Income	10
	36

December 2024	Totals
Applied for CAP	377
Approved for CAP	458
Denied CAP	141
Ineligible	51
Not Enrolled - Incomplete	90

Ineligible Reasons	Total
Final Bill	29
Non-heat	4
Not at Address	2
Over Income	16
	51

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-II-001

January 2025	Totals
Applied for CAP	548
Approved for CAP	498
Denied CAP	107
Ineligible	40
Not Enrolled - Incomplete	67

Ineligible Reasons	Total
Final Bill	18
Non-heat	1
Not at Address	1
Over Income	19
Shared Premise	1
	40

Monthly Recap	Total
Applied for CAP	8537
Approved for CAP	7507
Denied CAP	2192
Ineligible	568
Not Enrolled - Incomplete	1624

February 2025	Totals
Applied for CAP	725
Approved for CAP	605
Denied CAP	120
Ineligible	29
Not Enrolled - Incomplete	91

Ineligible Reasons	Total
Final Bill	10
Non-heat	1
Non-Residential	2
Over Income	16
	29

March 2025	Totals
Applied for CAP	670
Approved for CAP	608
Denied CAP	176
Ineligible	34
Not Enrolled - Incomplete	142

Ineligible Reasons	Total
Final Bill	18
Non-Residential	2
Not at Address	1
Over Income	13
	34

April 2025	Totals
Applied for CAP	1031
Approved for CAP	571
Denied CAP	145
Ineligible	40
Not Enrolled - Incomplete	105

Ineligible Reasons	Total
Final Bill	12
Non-heat	1
Non-Residential	1
Not at Address	3
Over Income	22
Shared Premise	1
	40

May 2025	Totals
Applied for CAP	791
Approved for CAP	613
Denied CAP	163
Ineligible	50
Not Enrolled - Incomplete	113

Ineligible Reasons	Total
Bill Not in Applicant's Name	1
Final Bill	26
Non-heat	3
Not at Address	2
Over Income	18
	50

June 2025	Totals
Applied for CAP	721
Approved for CAP	877
Denied CAP	210
Ineligible	41
Not Enrolled - Incomplete	169

Ineligible Reasons	Total
Final Bill	20
Non-Residential	2
Not at Address	4
Over Income	14
Shared Premise	1
	41

July 2025	Totals
Applied for CAP	725
Approved for CAP	954
Denied CAP	213
Ineligible	83
Not Enrolled - Incomplete	130

Ineligible Reasons	Total
Bill Not in Applicant's Name	1
Final Bill	45
Non-heat	3
Non-Residential	1
Over Income	32
Shared Premise	1
	83

August 2025	Totals
Applied for CAP	638
Approved for CAP	554
Denied CAP	202
Ineligible	46
Not Enrolled - Incomplete	156

Ineligible Reasons	Total
Bill Not in Applicant's Name	1
Final Bill	14
Non-heat	3
Non-Residential	1
Not at Address	1
Over Income	26
	46

September 2025	Totals
Applied for CAP	587
Approved for CAP	534
Denied CAP	207
Ineligible	54
Not Enrolled - Incomplete	153

Ineligible Reasons	Total
Final Bill	25
Non-heat	3
Not at Address	1
Over Income	25
	54

October 2025	Totals
Applied for CAP	825
Approved for CAP	615
Denied CAP	206
Ineligible	57
Not Enrolled - Incomplete	149

Ineligible Reasons	Total
Final Bill	14
Non-heat	3
Non-Residential	1
Over Income	39
	57

November 2025	Totals
Applied for CAP	678
Approved for CAP	466
Denied CAP	229
Ineligible	53
Not Enrolled - Incomplete	176

Ineligible Reasons	Total
Final Bill	18
Non-heat	1
Non-Residential	2
Over Income	31
Swimming Pool	1
	53

December 2025	Totals
Applied for CAP	598
Approved for CAP	612
Denied CAP	214
Ineligible	41
Not Enrolled - Incomplete	173

Ineligible Reasons	Total
Final Bill	13
Non-heat	1
Non-Residential	3
Not at Address	1
Over Income	23
	41

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-II-001

January 2026	Totals
Applied for CAP	647
Approved for CAP	765
Denied CAP	264
Ineligible	57
Not Enrolled - Incomplete	207

Ineligible Reasons	Total
Final Bill	27
Non-heat	1
Non-Residential	1
Not at Address	2
Over Income	26
	57

Monthly Recap	Total
Applied for CAP	2207
Approved for CAP	2273
Denied CAP	860
Ineligible	175
Not Enrolled - Incomplete	685

February 2026	Totals
Applied for CAP	770
Approved for CAP	594
Denied CAP	197
Ineligible	49
Not Enrolled - Incomplete	148

Ineligible Reasons	Total
Failed to agree	1
Final Bill	26
Non-Residential	2
Not at Address	1
Over Income	19
	49

March 2026	Totals
Applied for CAP	474
Approved for CAP	556
Denied CAP	171
Ineligible	40
Not Enrolled - Incomplete	131

Ineligible Reasons	Total
Failed to agree	1
Final Bill	12
Non-Residential	1
Not at Address	1
Over Income	24
Swimming Pool	1
	40

April 2026	Totals
Applied for CAP	316
Approved for CAP	358
Denied CAP	228
Ineligible	29
Not Enrolled - Incomplete	199

Ineligible Reasons	Total
Final Bill	19
Non-Residential	1
Over Income	9
	29

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-II-006

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: For the most recent three program years, what was the average annual residential bill savings per Peoples LIURP job? Please provide copies of any studies, reports, or other documents relied upon for this calculation.

Answer: Savings are calculated by reviewing one year pre-LIURP usage against one year of post-LIURP usage. Both pre and post usage amounts are normalized to remove weather impacts before comparing the two. Calculations are completed on an individual account basis within the Company's LIURP weatherization database and results are reported in the Company's annual reports to the PA PUC. Refer to attachments for the 2023 and 2024 annual reports. As noted in the 2023 program year report, savings were 12.7%. As noted in the 2024 program year report, savings were 24.89%. Savings for 2025 are not yet available as the process requires one year of post-usage to compare prior usage to calculate the savings impact.

Submit Date: 5/11/2026

PEOPLES NATURAL GAS COMPANY LLC

BE-WEATHER*WI$E*
WEATHERIZATION PROGRAM

Residential Low-Income Usage Reduction Program
52 PA Code §58.1 - §58.18
(LIURP)

Annual Report

2023 Program Year

April 30, 2025

TABLE I

2023 LIURP COST INFORMATION

Peoples Natural Gas

Cost Category	Total Annual Cost
Field Support	$ 11,295.00
Administration	$278,819.36
Post Inspections/ Education	$ 36,436.61
Audit Fee	$191,785.00
No Measures Installed Job Cost[1]	$176,723.21

[1] "No Measures Installed Job Cost" expenses are reported in Table I and are not included in the LIURP data set.

TABLE II

Question #1

To what extent did the use of utility-supplied energy among households receiving program services change from the year prior to weatherization to the year following weatherization?

During 2023, the Company weatherized 290 homes. Of that initial group, 228 customers showed sufficient Pre and Post consumption data for analysis. Below are the completions by month.

Month	Number of completions
January	39
February	52
March	35
April	27
May	33
June	17
July	15
August	16
September	23
October	15
November	14
December	4
Total	290

The average normalized reduction in energy usage for 2023 was 12.70 %, which is about 1.3 % lower than the prior year average of 14.00% savings.

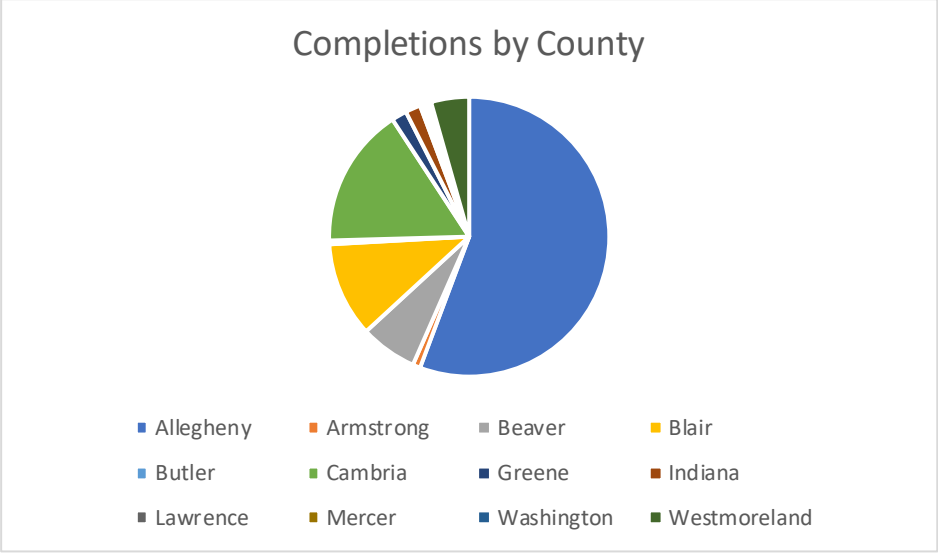
In 2023, CLEAResult, continued to implement the program, which was carried out by eight sub-contractors: three HVAC contractors and five measures installation contractors.

Random inspection process were conducted by Peoples Energy Consultants, who performed the inspections and also maintained quality control of the program. The Company continued using an inspection form that included items related to energy education (which was provided to the customer by the contractor), budget expenditures, and other items. The Energy Consultants utilized an infrared camera for the inspections, performing 101 inspections of the 290 homes that were weatherized.

After the Post year, customers received information regarding their savings achieved and conservation tips to encourage continued conservation. Those customers who reported excess usage received a notification and are also included in the non-savers survey in this report.

In addition, those customers that had a furnace replacement received 3 additional furnace filters and received a " Change the Filters" post card reminder before the heating season.

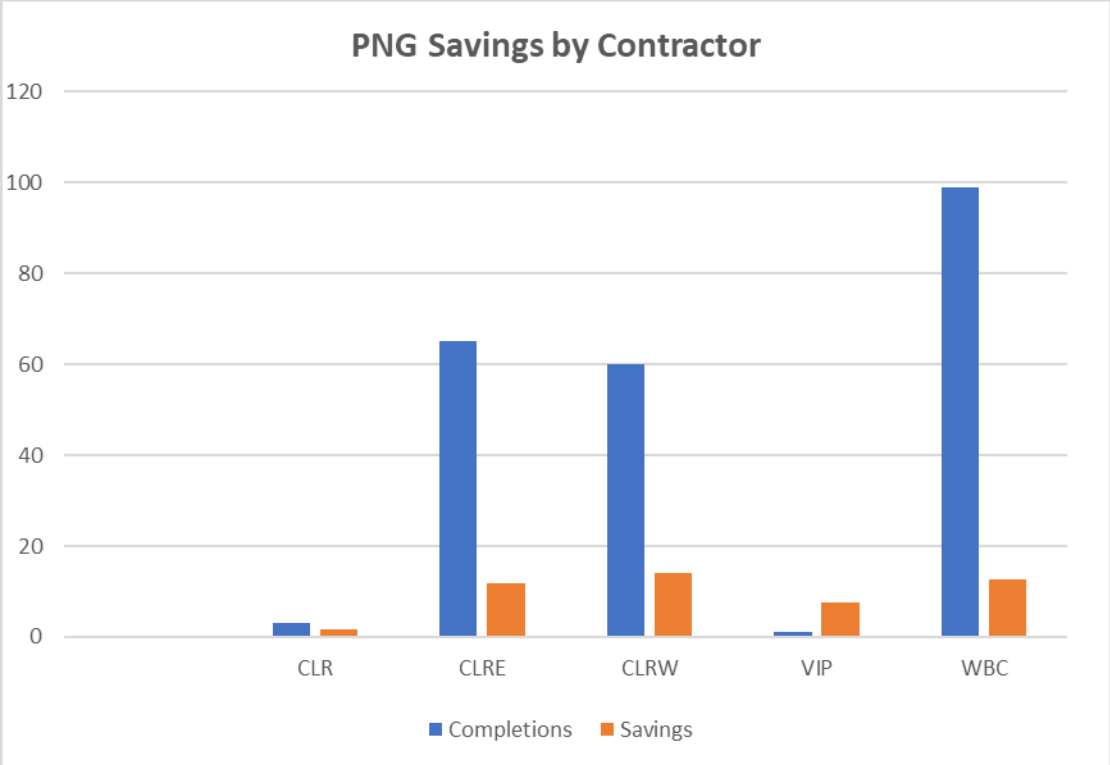
Completions by County with sufficient Pre and Post Data



County	Completions	Average % Savings
Allegheny	127	11.6
Armstrong	2	30.00
Beaver	15	16
Blair	25	10.2
Butler	1	25.5
Cambria	37	11.8
Greene	4	27.7
Indiana	4	19.4

Lawrence	1	1.4
Mercer	1	9.1
Washington	1	19.5
Westmoreland	10	16.4
Total Completions	**228**	

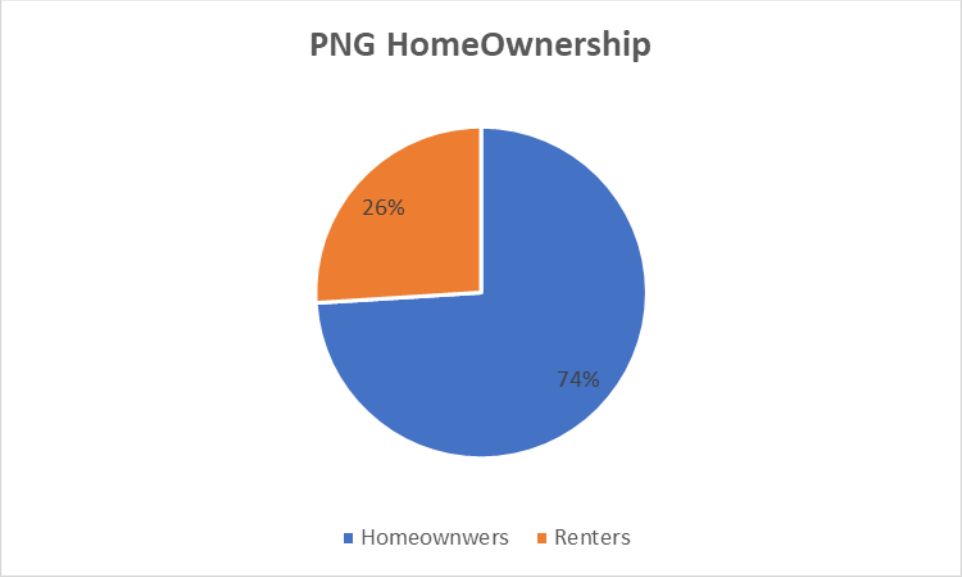
Savings by Contractor for Completions with Sufficient Pre and Post data



Contractor	Contractor Name	Completions	Savings %	Avg Measures
CLR	CLEAResult	3	1.70	$7846

CLRE	CLEAResult East	65	11.90	$6,554
CLRW	CLEAResult West	60	14.10	$11,477
VIP	VIP Heating and Cooling	1	7.70	$5,689
WBC	Weber Construction	99	12.70	$12,228
	Total Completions	**228**	**12.67**	

Participation by Home Ownership



Total completions	Homeowners	Renters
228	169	59

Customers with complete Pre and Post data

Question #2

How does this compare to changes in total energy use, including supplemental sources of heat?

Neither electric nor supplemental heat usage is tracked by the company.

Question #3

Electric utilities should also assess the impact of the usage reduction program on patterns of energy use. Where applicable, the financial impacts of any shifting in the use of service from time periods when service is more expensive to time periods when service is less expensive should be examined.

This question does not apply to gas utilities.

Question #4

How has the customer payment behavior changed? To what extent have customers with overdue balances changed arrearages trends that existed prior to receiving weatherization services? To what extent have customers paid more consistently following weatherization?

During 2023, 100% of LIURP participants with complete Pre and Post data were also enrolled in CAP. In the CAP program, customers pay a percentage of their

income for gas service. The payment amount may change if there is a change in income, however, Pre and Post weatherization does not have an impact on the payment amount. Payment behavior, therefore, is more directly related to participation in CAP than in the receipt of weatherization services.

Question #5

What were the general and specific goals for the program in this year (other than production and spending goals)? Did the company meet its goals related to achieving quality in the provision of program services?

Program goals for 2023 were as follows:

- Reduce consumption
- Maintain health, safety, and comfort in the home
- Comply with PUC mandates
- Continue utilization of third-party administrator, CLEAResult
- Assist special needs customers
- Partner with community-based organizations when possible
- Spend program budget wisely while maximizing quality of work
- Continue providing random inspections as a means of quality control
- Utilization of the Universal Service Advisory group to review the program processes and customer approach
- Collect customer satisfaction survey data for quality control
- Coordinate projects with other utilities and/or WAP when possible
- Educate participants regarding conservation and encourage behavioral changes
- Continue assessing best practices to achieve program success

Achieving a reduction of 12.70 %, while providing health, safety, and comfort helped meet the program goal.

Question #6

What specific steps are being taken to use either experience in managing the program or technical information to modify the program to improve its effectiveness?

In 2023, CLEAResult continued implementing the program and worked on the contractor/company interface in order to improve program goals.

Peoples Gas Energy Consultants performed the quality control, used an infrared cameras, provided education, conducted satisfaction surveys, and provided feedback to the contractors with the purpose of improving the quality and cost effectiveness of the program. The energy consultants conducted 101inpections in addition to CLEAResult completing 20 random inspections for a total of 121.

The company provides a satisfaction survey to all participants in the program. Along with the survey customers received conservation tips to emphasize conservation. This additional tool allows the company to monitor customer satisfaction and contractor performance. A total of 41% or 121 customers returned the survey. Survey reports presented overall customer satisfaction with the program and a commitment to implement energy tips.

Sidewall insulation was installed in 204 of the 228 homes with complete Pre and Post weatherization. Data showed a savings achievement of 12.7 % savings.

In 2024, the company issued a Request for Proposal (RFP) for program delivery, aiming to improve program outcomes. The company selected, an affiliate of Mincin, which also represents other utilities in the area and has strong performance record.

Wall Insulation Savings Summary Report

Agency	Customer Count	Average Normalized Savings %
CLEAResult	1	4.5
CLEAResult East	59	12.3
CLEAResult West	60	14.1
VIP Heating & Cooling	1	7.7
Weber Construction	83	12.2
Combined customer count and Savings %	204	12.7

Report only contains customers with complete Pre and Post data

During 2023, Peoples installed 90 furnaces of the 228 completed homes with complete Pre and Post data, for a savings of 18.0% was reported.

Furnace Savings Summary

Agency	Customer Count	Average Normalized Savings %
CLEAResult East	5	27.5
CLEAResult West	18	24.9
Weber Construction	67	15.7
Combined customer count and Savings %	90	18.0

Report only contains customers with complete Pre and Post data

The company attempted to complete combined jobs when possible. In 2023, the company partnered with electric companies throughout the service territory. Partnerships with the electric companies resulted in 221 completions in partnership with Duquesne Light.

In 2023, the company spent $3,587,252.55 including $250,000 in shareholder dollars. The average PNG spending was $12,369.83.

Peoples Natural Gas Company LLC

Non-Savers Survey

Program Year 2023

During the year 2023, Peoples experienced 34 customers who reported non-savings after the Post year. The average percentage of the usage increase was 5.6%.

Reviews of non-savers included the following approaches:

- Job file review
- Letter mailed explaining usage increases and emphasizing conservation tips
- Phone interview
- Contractor job review

In efforts to standardize the process, Peoples utilized a survey form during phone interviews and compiled demographic data. See attached file.

Non-Saver Data PNG		Data
Non-Savers	Average	households
# of Owner Household	28	households
Owner Average Non-Savings %	-5.74	%
# of Renter Household	6	households
Renter Average Non-Savings %	-4.99	%
People in Household Average	2.5	people
House Size Average	1,972	Sq. ft.
Household Income Average	$20,115.08	per year
Spending for Measures Average	$7847.47	per household
Spending for WX Measures Average	$7,6438.44	per household
Spending for HVAC Measures Average	$1,462.64	per household
Spending for Measures Average (Owner)	$7957.08	per household
Spending for Measures Average (Renter)	$7335.93	per household

The Company had difficulty getting in touch with 25 non-saver customers after the Post year, therefore only 9 of the 34 customers were part of the survey. Below is a summary of survey responses:

- One home reported an increase in the number of occupants since receiving LIURP.

- Eleven customers had boilers and twenty-three had furnaces. Only two boilers and two furnaces were replaced.

- Seven customers reported the need to have supplemental heat. All seven customers used electric space heat.

- Thirty-three customers had gas water heaters, and one had an electric. One customer received a water heater replacement. Two customers kept their hot water setting at “hot”, and the others did not know the setting of their hot water heater.

- Six customers reported that during the day they kept their heating system thermostat at or above 70 degrees Fahrenheit, with the average temperature setting being 70 degrees.

- All the customers kept their heating system thermostat at the same temperature at night as the daytime temperature. The average thermostat temperature at night was also 70 degrees Fahrenheit.

PEOPLES NATURAL GAS COMPANY LLC

BE-WEATHER*WI$E*
WEATHERIZATION PROGRAM

Residential Low-Income Usage Reduction Program
52 PA Code §58.1 - §58.18
(LIURP)

Annual Report

2024 Program Year

April 30, 2026

TABLE I

2024 LIURP COST INFORMATION

Peoples Natural Gas

Cost Category	Total Annual Cost
Field Support	$ 9,805.00
Administration	$222,009.06
Post Inspections/ Education	$ 36,297.60
Audit Fee	$179,318.77
No Measures Installed Job Cost[1]	$250,392.91

[1] "No Measures Installed Job Cost" expenses are reported in Table I and are not included in the LIURP data set.

TABLE II

Question #1

To what extent did the use of utility-supplied energy among households receiving program services change from the year prior to weatherization to the year following weatherization?

During 2024, the Company weatherized 186 homes. Of that initial group, 179 customers showed sufficient Pre and Post consumption data for analysis. Below are the completions by month.

Month	**Number of completions**
January	30
February	25
March	11
April	17
May	15
June	11
July	22
August	8
September	8
October	17
November	8
December	14
Total	186

The average normalized reduction in energy usage for 2024 was 24.89 %, which is about 12.19% higher than the prior year average of 12.70% savings.

In 2024, CLEAResult, implemented the program, which was carried out by eleven contractors, eight of which were HVAC contractors and three were measures installation contractors.

The random inspection process was conducted independently by Energy Consultants, sub-contractors working directly for Peoples and unaffiliated with the

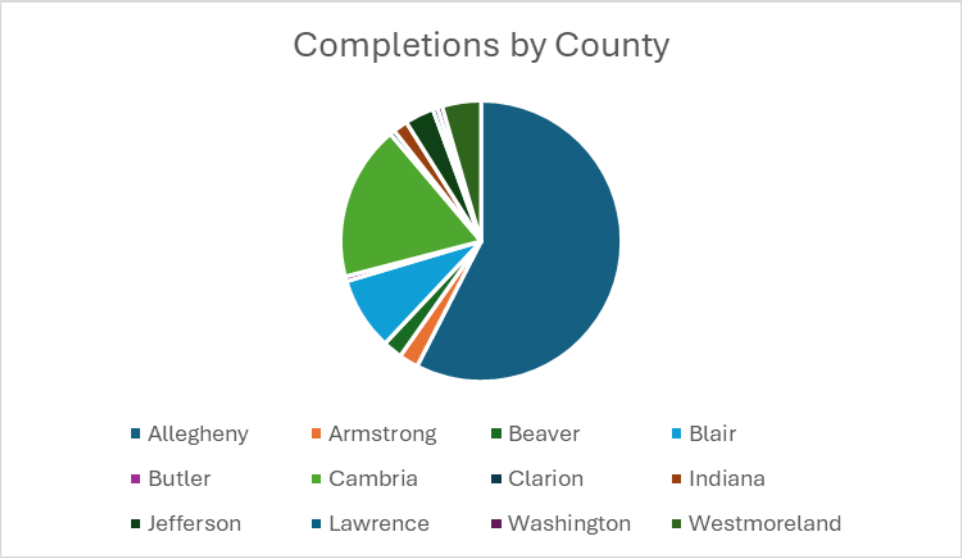
contractors who implement measures. The Company continued using an inspection form that included items related to energy education (which was provided to the customer by the contractor), budget expenditures, and other items. The Energy Consultants utilized an infrared camera for the inspections, and focused on reinforcing education, performing 107 inspections of the 186 homes that were weatherized.

After the Post year, customers received information regarding their savings achieved and conservation tips to encourage continued conservation. Those customers who reported excess usage received a notification and are also included in the non-savers survey in this report.

In addition, those customers that had a furnace replacement received 3 additional furnace filters and received a "Change the Filters" post card reminder before the heating season.

Satisfaction surveys are also a part of process; all customers receive a questionnaire with a postage -paid return envelope. In 2024, 60% of customers responded to the survey, and 7% reported issues following completion, such as dissatisfaction with the cleanliness of the work crew and incomplete work. This provided the opportunity for the contractor to address and rectify the identify concerns. The majority of the program participants provided positive feedback, including that the home felt warmer and more comfortable, satisfaction with the contractor, appreciation for the crew's responsiveness in answering questions, and general acknowledgement of the improvements made at the home.

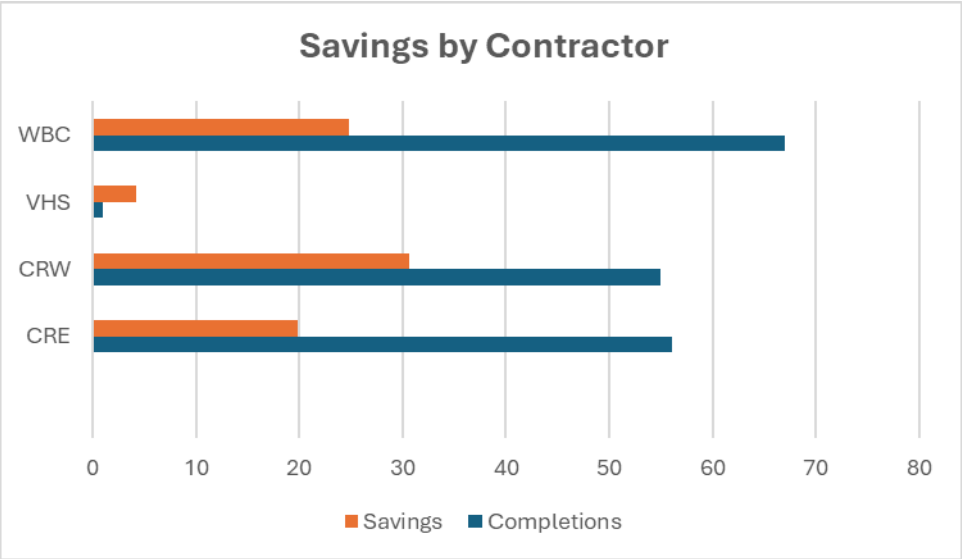
Completions by County with sufficient Pre and Post Data



County	Completions	Average % Savings
Allegheny	103	25.2
Armstrong	4	31.4
Beaver	4	45.7
Blair	15	25.9
Butler	1	15.2
Cambria	32	17.7
Clarion	1	34.5
Indiana	3	14.3
Jefferson	6	20.5
Lawrence	1	64.6
Washington	1	33.9

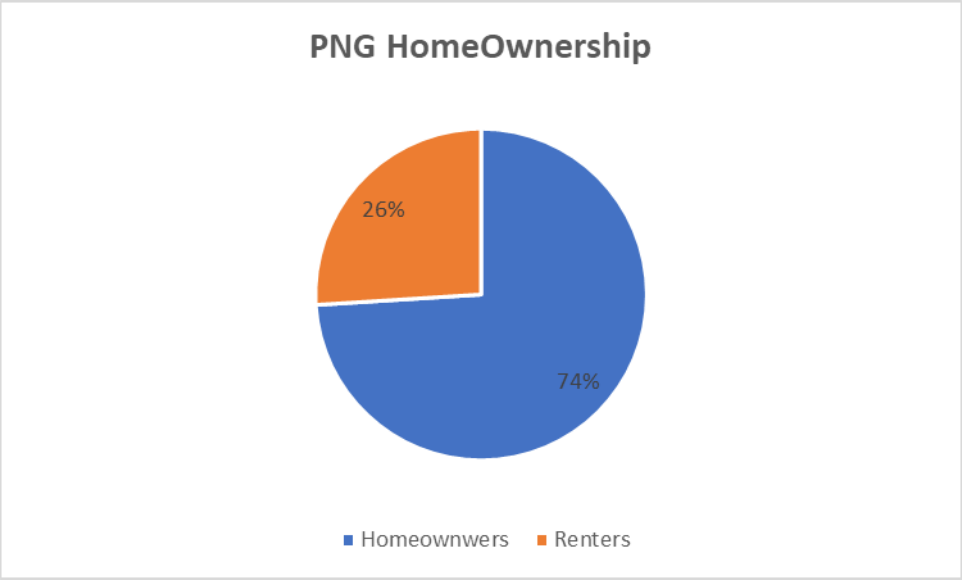
Westmoreland	8	36.3
Total Completions	**186**	

Savings by Contractor for Completions with Sufficient Pre and Post data



Contractor	Contractor Name	Completions	Savings %	Avg Measures
CRE	CLEAResult	56	19.8	$7,225.44
CRW	CLEAResult East	55	30.6	$10,924.11
VHS	CLEAResult West	1	4.2	$2,823.55
WBC	Weber Construction	67	24.8	$11,551.85
	Total Completions	**179**	**24.89**	

Participation by Home Ownership



Total completions	Homeowners	Renters
179	128	51
Customers with complete Pre and Post data		

Question #2

How does this compare to changes in total energy use, including supplemental sources of heat?

Neither electric nor supplemental heat usage is tracked by the company.

Question #3

Electric utilities should also assess the impact of the usage reduction program on patterns of energy use. Where applicable, the financial impacts of any shifting in the use of service from time periods when service is more expensive to time periods when service is less expensive should be examined.

This question does not apply to gas utilities.

Question #4

How has the customer payment behavior changed? To what extent have customers with overdue balances changed arrearages trends that existed prior to receiving weatherization services? To what extent have customers paid more consistently following weatherization?

During 2024, 97% of LIURP participants with complete Pre and Post data were also enrolled in CAP. In the CAP program, customers pay a percentage of their income for gas service. The payment amount may change if there is a change in income, however, Pre and Post weatherization does not have an impact on the

payment amount. Payment behavior, therefore, is more directly related to participation in CAP than in the receipt of weatherization services.

Question #5

What were the general and specific goals for the program in this year (other than production and spending goals)? Did the company meet its goals related to achieving quality in the provision of program services?

Program goals for 2024 were as follows:

- Reduce consumption
- Maintain health, safety, and comfort in the home
- Comply with PUC mandates
- Continue utilization of third-party administrator, CLEAResult
- Explore opportunities for a new third-party administrator
- Assist special needs customers
- Partner with community-based organizations when possible
- Spend program budget wisely while maximizing quality of work
- Continue providing random inspections as a means of quality control
- Utilization of the Universal Service Advisory group to review the program processes and customer approach
- Collect customer satisfaction survey data for quality control
- Coordinate projects with other utilities and/or WAP when possible
- Educate participants regarding conservation and encourage behavioral changes
- Continue assessing best practices to achieve program success

Achieving a reduction of 24.89% compared to 12.7% in the prior year represents a significant accomplishment, achieved while maintaining a focus on health, safety, and comfort. The company is satisfied with these results.

Question #6

What specific steps are being taken to use either experience in managing the program or technical information to modify the program to improve its effectiveness?

In 2024, CLEAResult continued implementing the program and worked on the contractor/company interface to improve program goals.

Energy Consultants performed quality control visits, utilized infrared camera technology, provided customer education, conducted satisfaction surveys, and delivered feedback to contractors to improve program quality and cost-effectiveness. The Energy Consultants conducted 107 quality control visits ensuring greater consistency in contractor implementation. As inspections were completed on 57% of projects, the inspections also provided additional opportunities to reinforce customer education.

The company provided a satisfaction survey to all participants in the program. Along with the survey customers received conservation tips to emphasize conservation. This additional tool allows the company to monitor customer satisfaction and contractor performance. A total of 60% of customers returned the survey. Survey reports presented overall customer satisfaction with the program and a commitment to implement energy tips.

Attic sidewall insulation was installed in 155 of the 186 homes with complete Pre and Post weatherization. Data showed a savings achievement of 25.22% savings.

In 2024, the company issued a Request for Proposal (RFP) for program delivery, aiming to improve program outcomes and customer satisfaction. The company selected PEAK homeiQ, an affiliate of Mincin Insulation, an organization with a long record of strong savings and quality performance for other western PA utility programs.

Attic Wall Insulation Savings Summary Report

Agency	Customer Count	Average Normalized Savings %
CLEAResult East	50	20.3
CLEAResult West	51	29.7
Weber Construction	54	25.4
Combined customer count and Savings %	155	25.22

Report only contains customers with complete Pre and Post data

During 2024, Peoples installed 59 furnaces of the186 completed homes with complete Pre and Post data, resulting in savings achieved of 35.41%.

Furnace Savings Summary

Agency	Customer Count	Average Normalized Savings %
CLEAResult East	10	27.6
CLEAResult West	24	35.7
Weber Construction	25	38.1
Combined customer count and Savings %	59	35.41

Report only contains customers with complete Pre and Post data

The company attempted to complete combined jobs when possible. In 2024, the company partnered with electric companies throughout the service territory. Partnerships with the electric companies resulted in 75 in partnership with Duquesne Light (25) and First Energy (50).

During the year 2024, the company spent $2,468,889.01. The average PNG spending was $13,273.59.

Peoples Natural Gas Company LLC

Non-Savers Survey

Program Year 2024

During the 2024 year, Peoples identified six completions with post-period findings indicating no energy savings. The average increase in gas usage among these cases was 1.69%.

Reviews of non-savers included the following approaches:

- Job file review
- Letter mailed explaining usage increases and emphasizing conservation tips
- Phone interview
- Energy Consultant home visit

In efforts to standardize the process, Peoples utilized a survey form during phone interviews and compiled demographic data. See attached file.

Non-Saver Data PNG		Data
Non-Savers	Average	households
# of Owner Household	4	households
Owner Average Non-Savings %	-3.24	%
# of Renter Household	2	households
Renter Average Non-Savings %	-6.92	%
People in Household Average	4	people
House Size Average	1,908.50	Sq. ft.
Household Income Average	$19,776	per year
Spending on Measures Average	$6,821.08	per household
Spending on WX Measures Average	$6,454.54	per household
Spending on HVAC Measures Average	$1,090.85	per household
Spending on Measures Average (Owner)	$5,669.40	per household
Spending on Measures Average (Renter)	$8,024.82	per household

Key observations include:

- Renters accounted for approximately half of the non-saving cases.
- The average household size was four members.
- The majority of the non-saving cases were homeowners.
- Higher number of measures were implemented in rental properties.

- Two of the non-saving households reported using electric space heaters as supplement heat.
- All non-saving households utilized forced -air heating systems.
- All non-saving households reported using gas water heaters.

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-III-005

Witness: Taylor, John **Title:** Chief Executive Officer, Atrium Economics LLC

Question: For each month of each year that the WNA has been in place, please provide the following information broken out by month:

a. The actual billed usage of all residential customers based on the Company's meter readings;

b. The weather normalized usage for all residential customers based on the Company's WNA calculation;

c. The aggregate residential WNA charge, or credit assessed for the month

d. The actual number of heating degree days

e. The weather normalized number of heating degree days based on the current WNA formula.

f. The weather normalized number of heating degree days based on PNG's proposed 65-year linear regression WNA formula.

g. The percentage deviation of the actual number of heating degree days from the weather normalized number of heating degree days based on the current WNA formula.

h. The percentage deviation of the actual number of heating degree days from the weather normalized number of heating degree days based on PNG's proposed 65-year linear regression WNA formula.

Please provide this information in a live Excel spreadsheet.

Answer: (a) Refer to CAUSE-PA-III-005 Attachment 1.

(b) Refer to the response to OSBA-II-015, Attachment B, subpart (a).

(c) Refer to the response to OSBA-II-015, Attachment B, subpart (b).

(d) – (h) Refer to CAUSE-PA-III-005 Attachment 1. Note that the response displays the actual and normal HDDs by calendar month. WNA is calculated on an individual customer basis using the actual HDDs and normal HDDs pertaining to the days in the specific customer's billing cycle.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-III-005 Attachment 1

(a) Actual Residential Billed Usage (Mcf)

	2024	2025	2026
Jan		11,335,438	10,974,414
Feb		10,966,885	12,479,844
Mar		8,544,236	7,661,174
Apr		4,909,270	4,042,905
May		2,157,374	
Jun		1,598,198	
Jul		888,695	
Aug		767,062	
Sep		933,646	
Oct	1,562,316	1,402,029	
Nov	2,701,703	3,862,503	
Dec	8,153,596	9,461,929	

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-III-005 Attachment 1

			Normal Methodology			
			Current (65-year, 20-year Avg.)		Proposed (65-Year Trend)	
		Actual HDD*	Normal HDD	% Diff. (Actual from Normal)	Normal HDD	% Diff. (Actual from Normal)
		d.	e.	g.	f.	h.
Winter 2024-2025	Oct-24	252	348	-28%	331	-24%
	Nov-24	522	626	-17%	597	-13%
	Dec-24	871	932	-7%	887	-2%
	Jan-25	1,263	1,077	17%	1,028	23%
	Feb-25	926	918	1%	872	6%
	Mar-25	541	732	-26%	698	-22%
	Apr-25	340	404	-16%	385	-12%
	May-25	152	172	-12%	165	-8%
Winter 2025-2026	Oct-25	332	348	-5%	331	0%
	Nov-25	698	626	12%	597	17%
	Dec-25	1,055	932	13%	887	19%
	Jan-26	1,282	1,077	19%	1,028	25%
	Feb-26	956	918	4%	872	10%
	Mar-26	550	732	-25%	698	-21%
	Apr-26	244	404	-40%	385	-37%

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-IV-001

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Please provide the following for January 2024 to date, disaggregated by month and by year, as of the last day of the month/year, for Peoples:

a. The total number of residential customers;

b. The total usage of residential customers;

c. The total dollar amount billed for generation supply charges for residential customers inclusive of both default service customers and residential shopping customers;

d. The total number of residential shopping customers;

e. The total usage of residential shopping customers identified in part d, above.;

f. The total amount billed for generation supply charges for residential shopping customers identified in part d, above;

g. The total number of residential default service customers;

h. The total usage of residential default service customers identified in part g, above;

i. The total amount billed for generation supply charges for residential default service customers, identified in part g, above.

Please provide this data in a live Excel spreadsheet.

Answer: Refer to the attached spreadsheet.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-IV-001

#4-1 (RES Accounts)

Month	RES Accts	RES Usage	RES Commodity	RES Shopping Accts	RES Shopping Usage	RES Shopping Commodity	RES Default Accts	RES Default Usage	RES Default Commodity
	A	B	C	D	E	F	G	H	I
202401	649,601	9,505,339.8	14,853,330.57	80,006	1,202,142.8	7,771,601.59	569,595	8,303,197.0	7,081,728.98
202402	649,915	8,740,500.3	25,029,841.20	79,443	1,088,316.0	7,016,864.05	570,472	7,652,184.3	18,012,977.15
202403	649,898	6,233,419.3	18,014,000.27	78,970	785,937.1	5,066,184.36	570,928	5,447,482.2	12,947,815.91
202404	648,040	4,855,622.8	13,248,285.84	78,490	608,854.2	3,922,582.20	569,550	4,246,768.6	9,325,703.64
202405	646,015	2,184,934.4	5,408,635.66	77,904	268,761.5	1,716,590.30	568,111	1,916,172.9	3,692,045.36
202406	644,617	1,138,726.8	2,824,521.62	77,723	136,430.3	864,949.19	566,894	1,002,296.5	1,959,572.43
202407	643,599	900,881.2	2,415,289.99	77,570	112,187.1	713,487.32	566,029	788,694.1	1,701,802.67
202408	643,137	820,611.4	2,318,597.53	76,751	100,634.7	639,548.52	566,386	719,976.7	1,679,049.01
202409	643,724	891,155.4	2,506,451.41	76,215	107,689.4	688,372.57	567,509	783,466.0	1,818,078.84
202410	646,246	1,554,240.2	4,216,796.38	75,906	188,807.7	1,234,037.52	570,340	1,365,432.5	2,982,758.86
202411	648,222	2,684,758.6	7,123,189.19	75,627	328,053.3	2,152,180.87	572,595	2,356,705.3	4,971,008.32
202412	650,089	8,106,581.0	21,550,279.29	75,566	979,376.1	6,409,920.58	574,523	7,127,204.9	15,140,358.71
202501	651,237	11,274,860.7	31,329,788.78	75,347	1,335,785.8	8,771,977.37	575,890	9,939,074.9	22,557,811.41
202502	651,615	10,911,397.6	31,508,308.49	74,787	1,251,555.5	8,210,984.02	576,828	9,659,842.1	23,297,324.47
202503	651,455	8,501,101.6	27,907,851.08	74,391	987,724.2	6,476,171.08	577,064	7,513,377.4	21,431,680.00
202504	649,451	4,870,776.9	19,403,114.53	74,157	577,057.6	3,785,490.48	575,294	4,293,719.3	15,617,624.05
202505	647,706	2,137,863.0	9,014,093.72	74,099	250,531.3	1,642,255.20	573,607	1,887,331.7	7,371,838.52
202506	646,592	1,589,784.1	6,714,718.59	74,193	189,762.4	1,243,776.64	572,399	1,400,021.7	5,470,941.95
202507	644,620	882,586.6	3,336,409.82	74,323	103,563.8	676,356.99	570,297	779,022.8	2,660,052.83
202508	644,401	762,090.3	2,469,458.29	74,207	90,518.5	593,553.62	570,194	671,571.8	1,875,904.67
202509	645,415	929,924.2	3,000,945.98	74,366	109,458.9	717,247.94	571,049	820,465.3	2,283,698.04
202510	647,950	1,393,067.9	4,844,756.68	74,547	165,078.3	1,086,770.24	573,403	1,227,989.6	3,757,986.44
202511	650,256	3,841,557.3	14,207,164.78	74,742	465,494.3	3,089,918.39	575,514	3,376,063.0	11,117,246.39
202512	651,997	9,407,636.5	34,880,209.69	74,935	1,108,713.7	7,390,870.08	577,062	8,298,922.8	27,489,339.61
202601	652,798	10,918,957.4	42,198,242.10	74,996	1,287,890.2	8,586,138.20	577,802	9,631,067.2	33,612,103.90
202602	653,251	12,424,967.7	53,004,274.21	74,892	1,424,552.7	9,491,020.65	578,359	11,000,415.0	43,513,253.56
202603	653,379	7,625,457.7	41,676,709.33	75,288	899,744.7	6,012,418.92	578,091	6,725,713.0	
202604	651,807	4,020,797.9	20,330,179.33	75,654	479,580.3	3,176,085.46	576,153	3,541,217.6	

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-IV-002

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: Please provide the following for January 2024 to date, disaggregated by month and by year, as of the last day of the month/year, for Peoples:

a. Total number of non-CAP confirmed low income customers.

b. The total usage of non-CAP confirmed low income customers;

c. The total dollar amount billed for generation supply charges for all non-CAP confirmed low income customers inclusive of both default service customers and residential shopping customers;

d. The total number of non-CAP, confirmed low income shopping customers;

e. The total usage of on-CAP, confirmed low income shopping customers identified in part d, above.;

f. The total amount billed for generation supply charges for non-CAP, confirmed low income identified in part d, above;

g. The total number of non-CAP, confirmed low income default service customers;

h. The total usage of non-CAP, confirmed low income default service customers identified in part g, above;

i. The total amount billed for generation supply charges for non-CAP, confirmed low income default service customers, identified in part g, above.

Please provide this data in a live Excel spreadsheet.

Answer: Refer to the attached spreadsheet.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-IV-002

#4-2 (Low Income No CAP Accounts)

Month	Low Inc Accts	Low Inc Usage	Low Inc Commidity	Low Inc Shopping Accts	Low Inc Shopping Usage	Low Inc Shopping Commodity	Low Inc Default Accts	Low Inc Default Usage	Low Inc Default Commodity
	A	B	C	D	E	F	G	H	I
202401	95,450	1,405,618.3	2,126,414.72	10,654	154,658.6	1,046,250.54	84,796	1,250,959.7	1,080,164.18
202402	95,133	1,310,262.0	3,913,551.49	10,621	144,029.9	971,346.85	84,512	1,166,232.1	2,942,204.64
202403	94,936	950,572.1	2,839,958.53	10,579	104,851.2	705,545.08	84,357	845,720.9	2,134,413.45
202404	95,113	736,029.0	2,090,488.67	10,541	81,258.1	545,246.19	84,572	654,770.9	1,545,242.48
202405	94,508	326,547.6	858,075.70	10,439	36,580.6	242,377.65	84,069	289,967.0	615,698.05
202406	93,472	155,230.7	406,226.59	10,471	17,189.5	113,505.81	83,001	138,041.2	292,720.78
202407	92,457	123,878.8	344,362.07	10,467	14,176.5	94,017.63	81,990	109,702.3	250,344.44
202408	90,672	108,133.5	316,801.11	10,304	12,356.8	81,507.69	80,368	95,776.7	235,293.42
202409	90,557	117,956.2	347,202.40	10,271	13,467.1	88,918.58	80,286	104,489.1	258,283.82
202410	90,993	223,009.3	634,405.46	10,285	25,137.5	168,945.30	80,708	197,871.8	465,460.16
202411	91,207	385,822.5	1,072,761.82	10,296	43,634.9	293,294.44	80,911	342,187.6	779,467.38
202412	91,382	1,144,065.8	3,183,512.38	10,395	130,011.1	869,112.52	80,987	1,014,054.7	2,314,399.86
202501	91,406	1,584,414.2	4,623,419.64	10,508	181,103.6	1,207,573.02	80,898	1,403,310.6	3,415,846.62
202502	90,391	1,523,512.5	4,655,716.86	10,434	171,982.2	1,147,263.09	79,957	1,351,530.3	3,508,453.77
202503	89,978	1,196,756.2	4,153,125.19	10,406	137,036.7	913,305.14	79,572	1,059,719.5	3,239,820.05
202504	89,581	691,702.8	2,933,330.96	10,417	80,509.5	536,499.53	79,164	611,193.3	2,396,831.43
202505	88,116	296,767.9	1,343,411.51	10,383	34,946.7	234,239.18	77,733	261,821.2	1,109,172.33
202506	86,718	208,794.3	944,951.03	10,444	25,710.7	172,469.17	76,274	183,083.6	772,481.86
202507	85,161	110,487.8	445,986.59	10,421	13,540.1	91,674.15	74,740	96,947.7	354,312.44
202508	84,533	94,558.1	327,041.60	10,391	11,791.9	79,606.00	74,142	82,766.2	247,435.60
202509	84,669	114,468.5	394,953.33	10,436	14,279.0	96,178.30	74,233	100,189.5	298,775.03
202510	84,657	185,858.8	701,059.89	10,478	23,422.1	157,980.07	74,179	162,436.7	543,079.82
202511	84,458	495,502.1	1,976,780.42	10,448	62,988.7	426,731.70	74,010	432,513.4	1,550,048.72
202512	84,348	1,203,820.5	4,799,907.06	10,553	150,211.3	1,024,610.85	73,795	1,053,609.2	3,775,296.21
202601	84,400	1,419,687.1	5,913,850.12	10,674	181,145.3	1,227,955.56	73,726	1,238,541.8	4,685,894.56
202602	84,319	1,589,381.8	7,295,529.67	10,692	198,279.3	1,348,467.35	73,627	1,391,102.5	5,947,062.32
202603	84,410	1,019,728.0	6,008,375.04	10,729	129,753.5	888,353.66	73,681	889,974.5	5,120,021.38
202604	84,874	533,558.9	2,927,091.50	10,837	67,802.9	461,613.74	74,037	465,756.0	2,465,477.76

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-VI-001

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: Please reference Peoples Statement No. 10, pages 8, 10, and Peoples Natural Gas Company LLC Retail Tariff No. 49 page 43. Regarding the proposed tariff provision to prohibit recreational gas use for CAP customers:

a. Provide a comprehensive list of all usage the Company considers as recreational.

b. Explain the specific methodology the Company will use to identify "unjustified use" and how it will differentiate between high legitimate usage (e.g., poorly insulated homes) and recreational usage.

c. Explain how the Company will calculate the amount of “unjustified usage” attributable to recreational gas use.

d. Explain how a customer can dispute allegations of recreational CAP usage and the process that the Company will follow

Answer: a. The Company considers use of natural gas in interior or exterior pool heaters, hot tubs, recreational appliances, outdoor appliances, such as gas grills, fire pits or rings, fireplaces, gas lamps, outdoor heaters and other outdoor cooking appliances, as well as heated out-buildings, such as a shed, shop or garage as recreational use. Please note this list is not all-inclusive.

b. Recreational usage is typically identified through review of billing data, which often indicates higher usage in the summer months if recreational appliances such as pool heaters or gas grills are being used, for example. Recreational usage may also be identified through routine field visits to the property or audits of the property conducted in preparation for LIURP weatherization services.

c. The Company does not intend to calculate the amount of "unjustified usage".

d. Customers are able to dispute any action taken by the Company through the normal dispute process through which the Company will respond to the customer's dispute as required by regulations.

Submit Date: 5/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-VI-002

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: Please reference Peoples Statement No. 10, pages 8, 10, and Peoples Natural Gas Company LLC Retail Tariff No. 49 page 43. Regarding the proposed tariff provision regarding CAP fraud:

a. Provide a comprehensive list of all situations the Company considers “obtaining benefits through fraudulent means.”

b. Explain the specific methodology the Company will use to identify whether a participant “obtained benefits through fraudulent means" and how it will differentiate between fraud and good faith errors on the application.

c. Explain how a customer can dispute allegations of CAP fraud and the process that the Company will follow.

Answer: a. The Company considers "obtaining benefits through fraudulent means" the participation in CAP by customers who knowingly provide income information that is untrue for the purposes of appearing qualified for CAP when they are aware their household income exceeds income guidelines.

b. This tariff language is intended to be used only in those circumstances in which the Company becomes aware of a customer with significant resources applying for CAP dishonestly. These situations are typically identified through a review of high usage accounts. For example, upon review, if the Company identifies the high usage is due to an large residence with significant property value and if there is no history of applying for or receiving LIHEAP and if there is undocumented income such as completion of the zero income form or 'other' income form or an appearance of unreported income, the Company will investigate further to determine if there are publicly available indications of unreported income (i.e. owns their own business, etc.).

c. The written notification to the customer will include dispute rights, including the ways to dispute this action with the Company as well as their ability to contact the PA PUC Bureau of Consumer Services.

Submit Date: 5/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-VI-011

Witness: Ravenstahl, Luke **Title:** Vice President Sales & Marketing

Question: Refer to Peoples Statement No. 8 at pages 9-13. Regarding Peoples' proposed Natural Gas Hot Water Tank Rebate Pilot:

a. Is the Pilot available to customers who currently have a gas hot water heater and are seeking to upgrade to an efficient gas hot water heater?

b. What is the projected load growth per customer (in Mcf per year) from converting an electric hot water heating customer to gas hot water heating through the Pilot?

c. Has Peoples applied any Total Resource Cost (TRC) test to determine he cost effectiveness of this Pilot? If yes, please provide copies of all studies, reports, or other documentation regarding this evaluation. If not, please provide the copies of any evaluation used to determine the cost effectiveness of the Pilot.

d. Provide copies of all program materials that have been developed at this time, including but not limited to program descriptions, evaluations, marketing materials, etc.

Answer: a. No, this is an electric to gas conversion program.

b. 35 mcf

c. No, not at this time.

d. No marketing materials have been developed at this time.

Submit Date: 5/15/2026

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-I-011

Witness: Nelson, Jennifer **Title:** Vice President, Concentric Energy Advisors

Question: Please describe how the Company accesses external capital. If the Company's external capital is provided by its parent or some other related company under a credit agreement, please describe the terms of the credit agreement and the associated service fees.

Answer: Peoples receives capital through four sources:

1) retained earnings from the business that is not distributed to owners;

2) equity infusions from its parent, PNG Companies LLC;

3) working capital liquidity from its parent, PNG Companies LLC via an Intercompany Demand Note Agreement as approved by the PAPUC at Docket No. G-2021-3023978. See attachment No. 1 for the form of agreement; and

4) long-term debt from its parent, PNG Companies LLC via an Intercompany Promissory Note Agreement as approved by the PAPUC at Docket No. G-2024-3049928. See attachment No. 2 for the form of the agreement;

Submit Date: 4/21/2026

INTERCOMPANY DEMAND NOTE AGREEMENT

This Intercompany Demand Note Agreement ("Agreement") is entered into this ___ day of 2021, between PEOPLES NATURAL GAS COMPANY LLC (the "Borrower"), a limited liability company formed under the laws of the Commonwealth of Pennsylvania , and PNG COMPANIES LLC (the "Lender"), a limited liability company formed under the laws of the State of Delaware and the parent company of Borrower (collectively referred to as the "Parties").

WHEREAS, Borrower from time to time has need to borrow funds on a short-term basis, and Lender has agreed to provide such funds as are needed on a short-term basis to finance or support the capital expenditures and working capital needs of the Borrower.

NOW THEREFORE, in consideration of the mutual premises and promises set forth in this Agreement, the Parties agree as follows:

1. Lender agrees to meet the short-term borrowing needs of Borrower, to the extent funds are available. The maximum amount available to be loaned to Borrower from time to time shall be set forth in an Intercompany Demand Note ("the "Note") to be executed by Borrower, in the form set forth and attached hereto as Appendix "A".

2. The Note shall be payable ON DEMAND and may be prepaid in whole or in part at any time without any premium or penalty.

3. The Principal amount of the Note, and the interest rate under the Note shall be equal to the Principal amount and the weighted average interest rate set forth in a) such agreements entered into from time to time by Lender (as borrower thereunder), and other unaffiliated agents, banks and financial institutions or entities, which create a revolving credit agreement (the "Credit Agreement") and b) the revolving credit arrangement between Lender (as borrower thereunder) and Essential Utilities, Inc. ("Essential")(the "Essential Demand Note"). Interest shall be computed in the manner provided in the Credit Agreement and the Essential Demand Note.

The Essential Demand Note between PNG and Essential bears interest at a rate per annum equal to the applicable rate set forth in a certain Credit Agreement dated as of December 5, 2018 by and between Aqua America, Inc. (now Essential), a Pennsylvania corporation, as the borrower thereunder, and PNC Bank National Association as Administrative Agent on behalf of various lenders, as the lender thereunder, and any successor credit agreement thereto.

4. The provisions of this Agreement shall be construed and interpreted and all rights and obligations hereunder determined in accordance with the laws of the State of New York.

PEOPLES NATURAL GAS COMPANY LLC

By: _____
Title:

PNG COMPANIES LLC

By: _____
Title:

APPENDIX "A"

INTERCOMPANY DEMAND NOTE

$400,000,000 Execution Date: _____, 20__
Effective Date: , 2021

For Value Received, PEOPLES NATURAL GAS COMPANY LLC, a limited liability company formed under the laws of the Commonwealth of Pennsylvania (the "Borrower"), hereby promises to pay to the order of PNG COMPANIES LLC (the "Lender"), a limited liability company formed under the laws of the State of Delaware, at such place as the Lender may designate in writing, the principal sum of $400,000,000 or, if less, the then unpaid principal amount of the loans made by the Lender to the Borrower to finance or support the capital expenditures and the working capital needs of the Borrower as set forth in Schedule 1 attached hereto. This note shall be payable ON DEMAND and may be prepaid in whole or in part at any time.

This note shall bear interest at a rate per annum equal to the weighted average rate set forth in a) the Credit Agreement dated as of November 25, 2020, between the Lender (as borrower thereunder), PNC Bank, National Association as Administrative Agent on behalf of various lenders and the other agents, banks and financial institutions or entities from time to time parties thereto (the "Credit Agreement") and b) the revolving credit agreement between Lender (as borrower thereunder) and Essential Utilities, Inc. ("Essential") (the "Essential Demand Note"). Interest shall be computed in the manner provided in the Credit Agreement and the Essential Demand Note.

The Essential Demand Note between PNG and Essential bears interest at a rate per annum equal to the applicable rate set forth in a certain Credit Agreement dated as of December 5, 2018, by and between Aqua America, Inc. (now Essential), a Pennsylvania corporation, as the borrower thereunder, and PNC Bank National Association as Administrative Agent on behalf of various lenders and the other agents, banks and financial institutions or entities from time to time parties thereto and any successor credit agreement thereto (the "Essential Credit Agreement"), but in no event in excess of the maximum rate permitted by law.

Interest accruing on this note shall be payable in the manner provided in the Credit Agreement and the Essential Demand Note, as applicable. If any payment hereof becomes due and payable on a day other than a business day, such payment shall be extended to the next succeeding business day. If the date for any payment of principal is so extended, interest thereon shall be payable for the extended time.

All loans made by the Lender and all repayments of the principal thereof shall be recorded by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make any such recordation shall not limit or otherwise affect the obligations of the Borrower hereunder.

All payments hereof shall be made in lawful money of the United States of America and in immediately available funds.

This note, together with all accrued interest hereon, shall become immediately and automatically due and payable, without demand, presentment, protest or notice of any kind, upon the insolvency, general assignment, receivership, bankruptcy or dissolution of the Borrower (or the filing of any petition by or against the Borrower with respect to any of the foregoing). The Borrower does hereby forever waive presentment, demand, protest, notice of protest and notice of nonpayment or dishonor of this note.

The Borrower hereby agrees to pay all reasonable costs and expenses incurred by the Lender incidental to or in any way relating to the Lender's enforcement of the obligations of the Borrower hereunder or the protection of the Lender's rights hereunder, including but not limited to, reasonable attorneys' fees and expenses incurred by the Lender (whether or not a proceeding has been commenced).

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right, remedy or power hereunder preclude any other or future exercise thereof or the exercise of any other right, remedy or power.

Each and every right, remedy and power hereby granted to the Lender or allowed it by law or other agreement shall be cumulative and not exclusive the one of any other, and may be exercised by the Lender from time to time.

Every provision of this note is intended to be severable; if any term or provision of this note shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

THE BORROWER WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF, BASED UPON, OR IN ANY WAY CONNECTED TO, THIS NOTE.

THE PROVISIONS OF THIS NOTE SHALL BE CONSTRUED AND INTERPRETED AND ALL RIGHTS AND OBLIGATIONS HEREUNDER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

PEOPLES NATURAL GAS COMPANY LLC

By: _____
Title:

Schedule 1

LOANS AND PAYMENTS OF PRINCIPAL

Date	Amount of Loan	Amount of Principal Repaid	Notation Made By

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns and transfers unto

_____

(Assignee(s)):
the within note and all rights thereunder.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

INTERCOMPANY PROMISSORY NOTE

No. 2025-B December 31, 2025

$_____

For Value Received, PEOPLES NATURAL GAS COMPANY LLC, a limited liability company formed under the laws of the Commonwealth of Pennsylvania (the "Borrower"), hereby promises to pay to the order of PNG COMPANIES LLC or registered assigns (the "Lender"), a limited liability company formed under the laws of the State of Delaware, the principal sum of _____ (_____), together with interest (computed on the basis of a 360 day year of twelve 30-day months) on the unpaid balance thereof at the rate per annum from the date hereof as noted on Exhibit A.

Payments of principal of and interest on this Note are to be made in lawful money of the United States of America at the principal office of the Lender in Pittsburgh, Pennsylvania or at such other place as the Lender shall have designated by written notice to the Borrower.

This Note is subject to optional prepayment, in whole or in part, from time to time, at a redemption price of 100% or the principal amount prepaid, plus accrued interest thereon. Prepayments of this Note shall be noted on Exhibit B. attached hereto and made a part hereof; provided that the failure of the Lender to make any such recordation shall not limit or otherwise affect the obligations of the Borrower hereunder.

The Borrower represents that (a) it has full power and authority, not restricted by any law or governmental regulation, to execute and deliver this Note and to perform hereunder; (b) this Note evidences its valid and legally binding obligation, enforceable in accordance with its terms; and (c) its execution, delivery and performance of this Note do not and will not contravene any bylaw or contractual restriction binding on or affecting it.

This Note may not be changed or modified orally, nor any right or provision hereof be waived orally, but in each instance only by an instrument in writing signed by the party against which enforcement of such change, modification or waiver is sought.

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any right, remedy or power hereunder preclude any other or future exercise thereof or the exercise of any other right, remedy or power.

Each and every right, remedy and power hereby granted to the Lender or allowed it by law or other agreement shall be cumulative and not exclusive the one of any other and may be exercised by the Lender from time to time.

Every provision of this note is intended to be severable; if any term or provision of this note shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the Commonwealth of Pennsylvania excluding choice-of-law principles of the law such Commonwealth that would require the application of the laws of a jurisdiction other than such Commonwealth.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the day and year first above written.

ATTEST:
By: _____

Name: Michael Turzai
Title: Assistant Secretary

PEOPLES NATURAL GAS COMPANY LLC
By: _____

Name: Michael Huwar
Title: President

ATTEST:

By: _____
Name: Michael Turzai
Title: Assistant Secretary

PNG COMPANIES LLC

By: _____
Name: Kim Edvardsson
Title: VP & Gas Segment CFO

PNG COMPANIES LLC

EXHIBIT A

LONG TERM DEBT SCHEDULE

Structure	Interest Rate	Issue Date	Maturity Date	Amount
Total				

PNG COMPANIES LLC

EXHIBIT B

RECORD OF PREPAYMENTS

Amount Prepaid	Date Prepaid

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-II-027

Witness: Nelson, Jennifer **Title:** Vice President, Concentric Energy Advisors

Question: Please list all debt and equity raised by the parent company and the Company since January 1, 2015, to the most currently available. For bonds, please provide the CUSIP number for all securities raised over this time.

Answer: All debt received from PNG Companies ("Parent") and still outstanding is summarized in the attachment including debt issued since January 1, 2015. Peoples Natural Gas ("Company") and Parent do not have equity offerings. However, both entities do receive equity infusions, as needed. The equity infusions since 2015 for both Parent and Company are summarized in the attachment.

Submit Date: 4/21/2026

Long-Term Debt
March 31, 2026

Bank/Lender	Account Type	Tranche	Interest Details	Interest Rate	Issue Date	Maturity Date	PNG Companies (Parent)	Peoples Natural Gas (Company)	Total
External									
Various Note Holders	Senior Secured Notes - 2017- C	Tranche 2	Fixed	3.380%	12/18/2017	12/18/2027	$ 21,089,000	$ 178,911,000	$ 200,000,000
Various Note Holders	Senior Secured Notes - 2017- C	Tranche 3	Fixed	3.630%	12/18/2017	12/18/2032	$ 21,089,000	$ 178,911,000	$ 200,000,000
							$ 42,178,000	**$ 357,822,000**	**$ 400,000,000**
Essential Pushdown									
Esssential	Pushdown Debt - 2020- A	Tranche 1	Fixed	2.704%	12/31/2020	4/15/2030	227,947,765	-	$ 227,947,765
Esssential	Pushdown Debt - 2020- A	Tranche 2	Fixed	3.351%	12/31/2020	4/15/2050	273,537,318	-	$ 273,537,318
Esssential	Pushdown Debt - 2020- A	Tranche 3	Fixed	3.010%	12/31/2020	11/3/2031	35,000,000	-	$ 35,000,000
Esssential	Pushdown Debt - 2020- A	Tranche 4	Fixed	3.190%	12/31/2020	11/3/2034	20,000,000	-	$ 20,000,000
Esssential	Pushdown Debt - 2020- A	Tranche 5	Fixed	3.566%	12/31/2020	5/1/2029	191,084,000	-	$ 191,084,000
Esssential	Pushdown Debt - 2020- A	Tranche 6	Fixed	4.276%	12/31/2020	5/1/2049	252,430,917	-	$ 252,430,917
Esssential	Pushdown Debt - 2021- A	Tranche 1	Fixed	2.704%	10/31/2021	4/15/2030	-	143,181,818	$ 143,181,818
Esssential	Pushdown Debt - 2021- A	Tranche 2	Fixed	3.351%	10/31/2021	4/15/2050	-	171,818,182	$ 171,818,182
Esssential	Pushdown Debt - 2021- B	Tranche 1	Fixed	2.704%	12/31/2023	4/15/2030	-	38,636,364	$ 38,636,364
Esssential	Pushdown Debt - 2021- B	Tranche 2	Fixed	3.351%	12/31/2023	4/15/2050	-	46,363,636	$ 46,363,636
Esssential	Pushdown Debt - 2021- C	Tranche 1	Fixed	2.704%	12/31/2020	4/15/2030	-	-	$ -
Esssential	Pushdown Debt - 2021- C	Tranche 2	Fixed	3.351%	12/31/2020	4/15/2050	-	-	$ -
Esssential	Pushdown Debt - 2021- D	Tranche 1	Fixed	2.704%	10/31/2021	4/15/2030	-	39,968,036	$ 39,968,036
Esssential	Pushdown Debt - 2021- D	Tranche 2	Fixed	3.351%	10/31/2021	4/15/2050	-	47,961,645	$ 47,961,645
Esssential	Pushdown Debt - 2021- D	Tranche 3	Fixed	2.400%	12/31/2021	5/1/2031	-	65,364,587	$ 65,364,587
Esssential	Pushdown Debt - 2021- D	Tranche 4	Fixed	5.300%	12/31/2021	5/1/2052	-	81,705,732	$ 81,705,732
Esssential	Pushdown Debt - 2023-A	Tranche 1	Fixed	2.400%	12/31/2023	5/1/2031	-	152,444,444	$ 152,444,444
Esssential	Pushdown Debt - 2023-A	Tranche 2	Fixed	5.300%	12/31/2023	5/1/2052	-	190,555,556	$ 190,555,556
Esssential	Pushdown Debt - 2024-A	Tranche 1	Fixed	2.400%	7/31/2024	5/1/2031	-	48,839,507	$ 48,839,507
Esssential	Pushdown Debt - 2024-A	Tranche 2	Fixed	5.300%	7/31/2024	5/2/2052	-	61,049,382	$ 61,049,382
Esssential	Pushdown Debt - 2024-A	Tranche 1	Fixed	2.400%	7/31/2024	5/1/2031	-	-	$ -
Esssential	Pushdown Debt - 2024-A	Tranche 2	Fixed	5.300%	7/31/2024	5/2/2052	-	-	$ -
Esssential	Pushdown Debt - 2025-A	Tranche 1	Fixed	5.375%	1/2/2025	1/15/2034	-	148,500,000	$ 148,500,000
Esssential	Pushdown Debt - 2025-A	Tranche 2	Fixed	5.375%	12/31/2025	1/15/2034	-	61,409,190	$ 61,409,190
Esssential	Pushdown Debt - 2025-B	Tranche 1	Fixed	5.250%	12/31/2025	8/15/2035	3,855,000	323,735,810	$ 327,590,810
							1,003,855,000	**1,621,533,889**	**2,625,388,889**
						Total	**1,046,033,000**	**1,979,355,889**	**3,025,388,889**

Equity Infusions from Essential Utilities to Parent

Year		Amount
2015	$	-
2016		-
2017		-
2018		-
2019		-
2020		-
2021		-
2022		137,800,000
2023		218,500,000
2024		50,000,000
2025		137,000,000
Total	**$**	**543,300,000**

Equity Infusions from Parent to Company

Year		Amount
2015	$	-
2016		-
2017		-
2018		40,000,000
2019		-
2020		-
2021		-
2022		-
2023		-
2024		-
2025		-
Total	**$**	**40,000,000**

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-IV-001

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: In Excel format, if available, please provide for each year 2019 to the present (YTD) inclusive each filing with the Bureau of Consumer Services or with the PUC generally providing universal service and collections data. If not available in Excel format, provide in that format which is available.

Answer: Attached are copies of the Universal Service and Collections Report data entered into the PUC's system for the years 2019 through 2025.

Submit Date: 4/21/2026

Collections Reporting - Peoples

Year 2025

Sections

Collection

LIURP

CAP

CARES

Hardship Funds

Contact BCS

Sign Off

ReportYear: 2025 **Collection** Bottom

Description	All Residential	Conf. Low Income
1. Total Number(#) - Payment Arrangements	20,608.00	9,215.00
2. Total Number(#) - Successful Payment Arrangements	11,043.00	4,344.00
3. Annual Collection Operating Expenses ($)	$6,516,518.00	$1,150,487.00
4. Total Dollar Amount($) - Gross Residential Write-Offs	$12,310,770.00	$7,623,996.00
5. Total Dollar Amount($) - Net Residential Write-Offs	$9,850,350.00	$5,988,289.00
6. Total Number(#) Residential Customers - By Month		
January	659,643.00	116,479.00
February	660,005.00	116,739.00
March	659,911.00	117,011.00
April	658,818.00	117,344.00
May	656,384.00	116,530.00
June	655,537.00	116,254.00
July	653,704.00	115,246.00
August	653,086.00	114,717.00
September	654,570.00	114,907.00
October	656,010.00	115,350.00
November	658,706.00	115,760.00
December	660,419.00	116,070.00
7.A. Total Number(#) Residential Accounts in Arrears on Agreements - By Month		
January	13,544.00	7,862.00
February	13,172.00	7,595.00
March	11,560.00	6,854.00
April	7,997.00	5,031.00
May	8,549.00	5,081.00
June	9,121.00	5,231.00
July	9,222.00	5,125.00
August	9,942.00	5,445.00
September	10,538.00	5,735.00
October	10,533.00	5,724.00
November	11,381.00	6,133.00

December	12,963.00	6,869.00

7.B. Total Number(#) Residential Accounts in Arrears not on Agreements - By Month

January	43,440.00	12,829.00
February	40,958.00	12,610.00
March	41,341.00	12,742.00
April	32,378.00	10,586.00
May	33,443.00	10,192.00
June	33,682.00	9,663.00
July	32,124.00	8,749.00
August	34,992.00	8,637.00
September	36,222.00	9,076.00
October	34,790.00	8,758.00
November	37,422.00	9,413.00
December	41,838.00	10,702.00

8.A. Total Dollar Amount($) Residential Accounts in Arrears on Agreements - By Month

January	$11,436,514.00	$6,948,661.00
February	$11,766,068.00	$7,124,713.00
March	$10,937,680.00	$6,750,019.00
April	$7,873,039.00	$5,115,509.00
May	$7,838,199.00	$4,916,192.00
June	$8,464,513.00	$5,246,904.00
July	$8,299,901.00	$4,926,907.00
August	$8,629,139.00	$5,169,372.00
September	$9,188,879.00	$5,436,796.00
October	$9,173,212.00	$5,390,155.00
November	$10,141,291.00	$5,855,842.00
December	$11,675,342.00	$6,655,640.00

8.B. Total Dollar Amount($) Residential Accounts in Arrears not on Agreements - By Month

January	$9,633,872.00	$3,646,337.00
February	$11,664,698.00	$4,467,277.00
March	$14,337,743.00	$5,433,044.00
April	$11,878,514.00	$5,061,038.00
May	$10,856,763.00	$4,588,256.00
June	$10,133,332.00	$4,308,464.00
July	$8,489,679.00	$3,501,239.00
August	$8,061,847.00	$3,096,045.00
September	$8,308,785.00	$3,210,597.00
October	$8,135,815.00	$3,077,643.00
November	$8,640,079.00	$3,342,297.00

December	$10,391,605.00	$3,905,249.00
9. Total Number(#) Residential Payment Troubled Customers - By Month		
January	21,443.00	11,793.00
February	24,042.00	12,213.00
March	20,735.00	10,624.00
April	19,404.00	10,555.00
May	21,471.00	10,984.00
June	29,308.00	14,886.00
July	33,699.00	15,995.00
August	34,574.00	17,020.00
September	31,040.00	14,567.00
October	29,794.00	14,096.00
November	37,177.00	17,698.00
December	30,669.00	13,933.00
10. Total Number(#) Terminations - By Month		
January	.00	.00
February	.00	.00
March	.00	.00
April	4,039.00	2,009.00
May	3,012.00	1,519.00
June	2,871.00	1,447.00
July	4,049.00	2,215.00
August	2,424.00	1,312.00
September	1,659.00	869.00
October	1,659.00	843.00
November	1,297.00	559.00
December	.00	.00
11. Total Number(#) Reconnections - By Month		
January	269.00	143.00
February	61.00	29.00
March	32.00	16.00
April	1,920.00	943.00
May	2,372.00	1,155.00
June	1,864.00	846.00
July	2,735.00	1,322.00
August	2,343.00	1,108.00
September	1,700.00	828.00
October	2,645.00	1,254.00
November	1,959.00	841.00
December	475.00	213.00

12. Total Number(#) Low Income Households (Accounts) (Estimated)		144,131.00

Submit Estimation Methodology in a Separate Document

Upload Estimation Methodology Here: Choose File No file chosen Methodology Upload

12.B. Annual Residential Revenues ($)	$744,706,342.00	$131,477,459.00

Top

SAVE

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: OCA-IV-006

Witness: Parks, Michelle **Title:** Director, Customer Operations Excellence

Question: In Excel format, for each month for the most recent 36 months available, please provide the mean usage for:

a. Residential customers as a whole;

b. Confirmed low-income customers (without CAP participants);

c. Confirmed low-income customers (with CAP participants);

d. CAP participants.

Answer: See attached excel OCA-IV-006.

Submit Date: 4/21/2026

OCA-IV-006 a. Residential customers as a whole;
b. Confirmed low-income customers (without CAP participants);
c. Confirmed low-income customers (with CAP participants);
d. CAP participants.

#6 - Mean MCF

Month	A	B	C	D
202301	15.3	15.4	16.7	20.0
202302	14.0	14.0	15.2	18.3
202303	11.1	11.2	12.1	14.7
202304	8.3	8.5	9.3	11.4
202305	4.7	4.8	5.3	6.6
202306	2.0	1.9	2.1	2.6
202307	1.5	1.4	1.5	1.7
202308	1.3	1.2	1.3	1.4
202309	1.4	1.3	1.4	1.6
202310	2.5	2.5	2.8	3.5
202311	6.5	6.6	7.2	8.9
202312	11.6	11.8	12.7	15.6
202401	14.7	14.8	15.8	19.1
202402	13.5	13.8	14.8	17.9
202403	9.8	10.1	10.8	13.2
202404	7.4	7.6	8.2	10.1
202405	3.1	3.2	3.5	4.4
202406	1.8	1.7	1.8	2.2
202407	1.3	1.3	1.3	1.5
202408	1.3	1.2	1.2	1.4
202409	1.4	1.3	1.4	1.7
202410	2.3	2.3	2.5	3.2
202411	4.6	4.8	5.3	6.6
202412	12.4	12.4	13.3	16.0
202501	17.5	17.5	18.7	22.2
202502	17.9	18.1	19.4	23.0
202503	12.9	13.1	14.1	16.7
202504	7.1	7.2	7.9	9.6
202505	3.3	3.3	3.6	4.5
202506	2.5	2.4	2.7	3.3
202507	1.3	1.3	1.3	1.5
202508	1.2	1.1	1.2	1.3
202509	1.5	1.4	1.5	1.7
202510	2.1	2.1	2.3	2.8
202511	6.9	6.9	7.6	9.1
202512	14.2	14.1	15.2	17.7
202601	17.6	17.5	18.8	21.7
202602	20.1	20.1	21.6	24.9
202603	11.1	11.4	12.3	14.4

CAUSE-PA Statement 1, Cicero

Appendix C

Exhibit C-1:
2026 Poverty Guidelines

Exhibit C-2:
WNA Factors

Exhibit C-3:
Residential Shopping

Exhibit C-4:
Confirmed Low Income Shopping

2026 Poverty Guidelines: 48 Contiguous States (all states except Alaska and Hawaii)

Dollars Per Year

Household/ Family Size	50%	75%	100%	125%	130%	133%	135%	138%	150%	175%	180%	185%
1	7,980.00	11,970.00	15,960.00	19,950.00	20,748.00	21,226.80	21,546.00	22,024.80	23,940.00	27,930.00	28,728.00	29,526.00
2	10,820.00	16,230.00	21,640.00	27,050.00	28,132.00	28,781.20	29,214.00	29,863.20	32,460.00	37,870.00	38,952.00	40,034.00
3	13,660.00	20,490.00	27,320.00	34,150.00	35,516.00	36,335.60	36,882.00	37,701.60	40,980.00	47,810.00	49,176.00	50,542.00
4	16,500.00	24,750.00	33,000.00	41,250.00	42,900.00	43,890.00	44,550.00	45,540.00	49,500.00	57,750.00	59,400.00	61,050.00
5	19,340.00	29,010.00	38,680.00	48,350.00	50,284.00	51,444.40	52,218.00	53,378.40	58,020.00	67,690.00	69,624.00	71,558.00
6	22,180.00	33,270.00	44,360.00	55,450.00	57,668.00	58,998.80	59,886.00	61,216.80	66,540.00	77,630.00	79,848.00	82,066.00
7	25,020.00	37,530.00	50,040.00	62,550.00	65,052.00	66,553.20	67,554.00	69,055.20	75,060.00	87,570.00	90,072.00	92,574.00
8	27,860.00	41,790.00	55,720.00	69,650.00	72,436.00	74,107.60	75,222.00	76,893.60	83,580.00	97,510.00	100,296.00	103,082.00
9	30,700.00	46,050.00	61,400.00	76,750.00	79,820.00	81,662.00	82,890.00	84,732.00	92,100.00	107,450.00	110,520.00	113,590.00
10	33,540.00	50,310.00	67,080.00	83,850.00	87,204.00	89,216.40	90,558.00	92,570.40	100,620.00	117,390.00	120,744.00	124,098.00
11	36,380.00	54,570.00	72,760.00	90,950.00	94,588.00	96,770.80	98,226.00	100,408.80	109,140.00	127,330.00	130,968.00	134,606.00
12	39,220.00	58,830.00	78,440.00	98,050.00	101,972.00	104,325.20	105,894.00	108,247.20	117,660.00	137,270.00	141,192.00	145,114.00
13	42,060.00	63,090.00	84,120.00	105,150.00	109,356.00	111,879.60	113,562.00	116,085.60	126,180.00	147,210.00	151,416.00	155,622.00
14	44,900.00	67,350.00	89,800.00	112,250.00	116,740.00	119,434.00	121,230.00	123,924.00	134,700.00	157,150.00	161,640.00	166,130.00

Household/ Family Size	200%	225%	250%	275%	300%	325%	350%	375%	400%	500%	600%	700%
1	31,920.00	35,910.00	39,900.00	43,890.00	47,880.00	51,870.00	55,860.00	59,850.00	63,840.00	79,800.00	95,760.00	111,720.00
2	43,280.00	48,690.00	54,100.00	59,510.00	64,920.00	70,330.00	75,740.00	81,150.00	86,560.00	108,200.00	129,840.00	151,480.00
3	54,640.00	61,470.00	68,300.00	75,130.00	81,960.00	88,790.00	95,620.00	102,450.00	109,280.00	136,600.00	163,920.00	191,240.00
4	66,000.00	74,250.00	82,500.00	90,750.00	99,000.00	107,250.00	115,500.00	123,750.00	132,000.00	165,000.00	198,000.00	231,000.00
5	77,360.00	87,030.00	96,700.00	106,370.00	116,040.00	125,710.00	135,380.00	145,050.00	154,720.00	193,400.00	232,080.00	270,760.00
6	88,720.00	99,810.00	110,900.00	121,990.00	133,080.00	144,170.00	155,260.00	166,350.00	177,440.00	221,800.00	266,160.00	310,520.00
7	100,080.00	112,590.00	125,100.00	137,610.00	150,120.00	162,630.00	175,140.00	187,650.00	200,160.00	250,200.00	300,240.00	350,280.00
8	111,440.00	125,370.00	139,300.00	153,230.00	167,160.00	181,090.00	195,020.00	208,950.00	222,880.00	278,600.00	334,320.00	390,040.00
9	122,800.00	138,150.00	153,500.00	168,850.00	184,200.00	199,550.00	214,900.00	230,250.00	245,600.00	307,000.00	368,400.00	429,800.00
10	134,160.00	150,930.00	167,700.00	184,470.00	201,240.00	218,010.00	234,780.00	251,550.00	268,320.00	335,400.00	402,480.00	469,560.00
11	145,520.00	163,710.00	181,900.00	200,090.00	218,280.00	236,470.00	254,660.00	272,850.00	291,040.00	363,800.00	436,560.00	509,320.00
12	156,880.00	176,490.00	196,100.00	215,710.00	235,320.00	254,930.00	274,540.00	294,150.00	313,760.00	392,200.00	470,640.00	549,080.00
13	168,240.00	189,270.00	210,300.00	231,330.00	252,360.00	273,390.00	294,420.00	315,450.00	336,480.00	420,600.00	504,720.00	588,840.00
14	179,600.00	202,050.00	224,500.00	246,950.00	269,400.00	291,850.00	314,300.00	336,750.00	359,200.00	449,000.00	538,800.00	628,600.00

Note: Each individual program--e.g., SNAP, Medicaid--determines how to round various multiples of the poverty guidelines, what income is to be included, and how the eligibility unit is defined. For more information about the poverty guidelines visit: http://aspe.hhs.gov/poverty.

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
1	How the ratemaking mechanism and rate design align revenues with cost causation principles as to both fixed and variable costs.	Peoples's WNA is designed to recover distribution revenues needed to satisfy the cost-of-service requirement determined in this proceeding, while mitigating the variance between actual and projected distribution revenues due to weather. The Company recovers a significant portion of fixed costs through volumetric rates. These fixed costs do not vary with the amount of gas delivered to customers and are composed of fixed operation and maintenance expenses, administrative and general expenses, depreciation, certain taxes, a portion of working capital requirements, and return on investment. These costs also do not vary in the short-term with changes in temperature. In the absence of a rate design that affords the Company the opportunity to recover all fixed costs in a fixed monthly charge, the WNA mechanism better aligns distribution revenues with cost causation principles.	There is limited connection between the WNA and cost causation. The WNA assumes that Peoples is entitled to recover its revenue requirement regardless of the usage or throughput of its customers due to variations in weather even though Peoples is in a weather sensitive business. While it is designed to ensure that Peoples recovers its authorized revenue requirement and fixed costs, it does not align cost causation with cost recovery because the WNA is applied to the variable charge in a customer's bill. The WNA also has the likelihood of disincentivizing effective management because the WNA charges customers based on normalized weather sensitive usage rather than actual weather sensitive usage.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
2	How the ratemaking mechanism and rate design impact the fixed utility's capacity utilization.	While the WNA mechanism does not directly alter customer usage patterns or system peak demand, it plays an important enabling role in the efficient utilization of the Company's gas distribution capacity. Gas system capacity is designed to meet peak-day requirements driven by weather-sensitive load. Traditional volumetric recovery exposes the Company to revenue volatility when conservation, or efficiency efforts reduce throughput, even though peak-driven infrastructure costs remain largely unchanged.	It does not. Since the WNA assesses charges on customers for throughput not consumed, due to weather conditions (i.e., customers are charged when the weather is warmer than normal when they use less of the systems' capacity – and provides them with a credit in months when they use more of the system's capacity, i.e, they receive a credit when the weather is colder than normal and they use more of the system's capacity) the WNA does not support fixed capacity utilization.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
3	Whether the ratemaking mechanism and rate design reflect the level of demand associated with the customer's anticipated c onsumption levels.	Customer specific usage factors corresponding to their individual demand is continually updated through the WNA formula and reflects the level of demand associated with the customer's anticipated consumption levels. In this proceeding, the Company is also proposing to set Normal Heating Degree Days using a 65-year regression rather than the average of a 65-year regression and a 20-year average, which more accurately captures recent warming trends. Using a more current weather baseline ensures that the WNA formula better aligns normalized usage with customers' anticipated consumption levels under today's climate conditions.	The WNA does not meet this criterion. because the WNA generates revenue for Peoples only when consumption is less than projected – and therefore demand is less than anticipated – it does not, in fact, reflect the level of demand that is associated with customers' anticipated usage. Furthermore, by design, the WNA is targeted to meet the revenue requirement at a fixed point in time. While that design is based on anticipated consumption at the end of the FPFTY and will change with each rate case, it fixes that revenue requirement as an entitlement despite projections of revenue loss based on weather.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
4	How the ratemaking mechanism and rate design limit or eliminate interclass and intraclass cost shifting.	Peoples's WNA is applied on a customer-specific basis and is designed to be revenue-neutral within each customer class, such that it does not create or exacerbate cross-subsidization either within or across classes.	The WNA may lead to intraclass cost shifting to the extent that customers with lower use may have a larger percentage of their total bill be weather sensitive than customers with more use. I agree that as structured it will not likely lead to interclass cost shifting.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
5	How the ratemaking mechanism and rate design limit or eliminate disincentives for the promotion of efficiency programs.	The Company's WNA only addresses variations due to weather and does not affect customers' ability to pursue energy efficiency measures.	The WNA does not incentivize additional energy efficiency funding and may discourage energy efficency adoption to the extent customers believe that their energy efficiency investment will be eroded.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
6	How the ratemaking mechanism and rate design impact customer incentives to employ efficiency measures and distributed energy resources.	Customers retain strong incentives to reduce usage because the commodity and other charges remain volumetric. The proposed WNA does not eliminate these price signals, so lower usage still results in lower bills.	The WNA does not incentivize additional energy efficiency funding and may discourage energy efficency adoption to the extent customers believe that their energy efficiency investment will be eroded.
7	How the ratemaking mechanism and rate design impact low-income customers and support consumer assistance progr ams.	Under the current WNA mechanism, customers who are currently enrolled to pay their bills based on a percentage of their household income see little to no impact to their bills under the WNA mechanism.	More than 75% of Peoples low income customers are not enrolled in CAP and will bear the full brunt of WNAs that are assessed. Since the WNA is assessed during the months when bills are at their highest (in winter months due to winter usage), the assessment of a WNA during the winter compounds energy insecurity and unaffordable bills for Peoples' low income customers.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
8	How the ratemaking mechanism and rate design impact customer rate stability principles.	The American Gas Association Gas Rate Fundamentals book (Pages 152 – 156) states: "The goal of stability recognizes historical relationships among customers in terms of the proportion of system costs each customer group bears. Stability leads to a policy of gradualism in rate changes if substantial increases (or decreases) are called for in the context of a single rate case. Changes in gas utility pricing policy should be imposed gradually so that customers can adjust and any adverse impacts on the customers' operation are minimized." The WNA mechanism provides customers with more stable annual bills and directly mitigates volatility in their monthly costs. Customers would pay for the costs assigned to the volumetric base rate in the most recent rate case and customers would not pay more or less than that amount (outside of any established WNA deadband) solely because the actual weather for the month the customers are billed is different than the weather used to determine the rate design of the volumetric base rate.	Rates may be moderately more stable during the months that a WNA is applied compared to prior years. This is because it is assessed on a volumetric and per customer basis and seeks to normalize weather sensitve usage, however, on a long term basis there is no evidence that rates will be more stable. There is also no evidence that this is the kind of bill stability that benefits customers -- as opposed to the stability of bills achieved through budget billing on a month in and month out basis.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
9	How weather impacts utility revenue under the ratemaking mechanism and rate design.	The Company's WNA adjusts customers' bills due to variations from normal weather during the heating season months of October through May, and it mitigates the revenue effect of weather on the original rate design of the volumetric base rate (outside of any established deadband and limiters). It only applies to Residential and Small/Medium General Service classes and it does not ensure the utility will recover 100% of its authorized distribution revenues, but it does reduce the amount of weather-related variation in both customer bills and associated utility distribution revenues.	I agree that the WNA reduces weather-related variation in revenue collection for Peoples, but it does this by imposing the obligation onto residential customers who are less able to bear this risk. This is especially true of Peoples' low income customers whose average household income is approximately $19,000 per year.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
10	How the ratemaking mechanism and rate design impact the frequency of rate case filings and affect regulatory lag.	The WNA does not impact the Company's rate case frequency nor does it affect regulatory lag.	I agree that the WNA will not reduce the frequencey of rate cases, but it will reduce the overall effectiveness of the regulatory paradigm, including the effectiveness of regulatory lag. The WNA increases the likelihood over the long term that Peoples will collect its projected revenue and *decreases* the likelihood that it will operate efficiently between rate cases. The WNA is a surcharge that weakens all of the positive aspects of regulatory lag such as cost containment between rate cases.
11	If or how the ratemaking mechanism and rate design interact with other revenue sources (e.g., surcharges).	The Company's proposed WNA only applies to distribution related charges that are recovering the base distribution revenue requirement from applicable WNA customer classes for the heating season of October through May.	Because Peoples applies the DSIC to WNA revenue, the existence of the WNA will likely have the effect in the long term of increasing the dollars that Peoples is able to collect through its WNA. In this regard, it allows a sucharge on a surcharge.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
			The WNA is neither fair nor transparent because it almost always benefits the utility and it is complicated to understand. Most people do not know what a heating degree day is, how a utility's rates are set, and most people cannot follow the complicated algebraic equation needed to determine their WNA charge.
		a. No Over-Recovery of Revenue: The WNA mechanism operates with a deadband and a limiter. Outside of the deadband and the limiter, the WNA results in an adjusted bill that reflects the revenues that would be recovered under normal weather, i.e., the same normal weather used to set rates.	This is a protection, but in the absence of the WNA, there would be no need for a deadband. This is merely a restraint or collar on the worst outcomes of the WNA.
12	Whether the alternative ratemaking mechanism and rate design include appropriate consumer protections.	b. No Cross-Subsidization: The WNA is customer-specific.	I do not agree that this is a protection because it imposes charges on customers based on normalized usage, it requires them to pay not based on what they actually used but based on what they should have used had the weather conformed to historic patterns. Because the WNA is set to achieve an overall revenue requirement for the class, it should be imposed, if at all, across the class not on an individual basis.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
		c. Regulatory Oversight: The WNA is subject to Commission review and regulatory reporting requirements to ensure compliance with approved revenue stabilization objectives and to protect consumers from unintended rate impacts.	The protections asserted by Peoples are about the regulatory system that is in place, not the WNA. There is nothing inherent about the WNA that ensures regulatory oversight or reporting.
		d. Customer Transparency and Education: Peoples provides clear bill disclosures and customer education regarding WNA adjustments, ensuring consumers understand how the mechanism works and how it impacts their bills.	I have not seen evidence that customers understand how the WNA works or how the mechanism impacts their bills.

#	Statement of Policy	Company's Response (Exhibit JDT-6)	CAUSE-PA Response
13	Whether the alternative ratemaking mechanism and rate design are understandable to consumers.	The WNA is not a new concept to the regulated utility industry and similar versions have been successfully implemented by other Pennsylvania natural gas distribution companies. The WNA tariff provides detailed information to the customer of how the mechanism would work and the adjustments are displayed separately on bills and the Company maintains a detailed FAQ related to the WNA on its website, ensuring transparency. Link to Peoples Website → https://www.peoples-gas.com/weather-normalization-adjustment.php.	It is not understandable. Customers understand that they should pay for gas distribution service they use, but do not understand that they should pay for service they do not use, which is what the WNA demands. The WNA formula is complicated and not transparent, and it is not reasonable for customers to have to understand each of the complicated concepts used to calculate this charge. It is a multvariable algebraic equation based on an abstract concept. It is in no way straight forward. In fact, I would submit that the concept is fundamentally contrary to the common understanding that you pay for what you use.
14	How the ratemaking mechanism and rate design will support improvements in utility reliability.	The proposed WNA targets the revenue requirement that would have been already subject to scrutiny and approved by the Commission, meaning that its prudency and reasonableness would have been reviewed and deemed appropriate to support reliability driven initiatives. The proposed WNA helps to minimize the volatility of the recovery of these costs.	There is no basis in the record to conclude that the WNA will improve reliablity.

Appendix C: Exhibit Cicero C-3
As corrected July 31, 2026

Column	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Month	RES Shopping Accts	RES Shopping Usage	RES Shopping Commodity	RES Shopping $/mcf (avg)	RES PTC for applicable period^	Cost per Mcf above PTC Difference Column [6] - [7]	Cost above PTC paid by Shopping Customers Column [7] * Column [3]
2024		D*	E*	F*				
	Jan.	80,006	1,202,142.8	$ 7,771,601.59	$ 6.46	$ 2.52	$ 3.94	$ 4,740,518.73
	Feb.	79,443	1,088,316.0	$ 7,016,864.05	$ 6.45	$ 2.52	$ 3.93	$ 4,272,784.09
	Mar	78,970	785,937.1	$ 5,066,184.36	$ 6.45	$ 2.52	$ 3.92	$ 3,084,522.56
	Apr	78,490	608,854.2	$ 3,922,582.20	$ 6.44	$ 2.13	$ 4.31	$ 2,625,722.75
	May	77,904	268,761.5	$ 1,716,590.30	$ 6.39	$ 2.13	$ 4.26	$ 1,144,128.31
	Jun	77,723	136,430.3	$ 864,949.19	$ 6.34	$ 2.13	$ 4.21	$ 574,352.65
	Jul	77,570	112,187.1	$ 713,487.32	$ 6.36	$ 2.47	$ 3.89	$ 435,947.65
	Aug	76,751	100,634.7	$ 639,548.52	$ 6.36	$ 2.47	$ 3.88	$ 390,588.34
	Sep	76,215	107,689.4	$ 688,372.57	$ 6.39	$ 2.47	$ 3.92	$ 421,959.76
	Oct	75,906	188,807.7	$ 1,234,037.52	$ 6.54	$ 2.28	$ 4.26	$ 803,707.01
	Nov	75,627	328,053.3	$ 2,152,180.87	$ 6.56	$ 2.28	$ 4.28	$ 1,404,481.79
	Dec	75,566	979,376.1	$ 6,409,920.58	$ 6.54	$ 2.28	$ 4.27	$ 4,177,726.57
2025	Jan	75,347	1,335,785.8	$ 8,771,977.37	$ 6.57	$ 2.59	$ 3.98	$ 5,311,624.26
	Feb	74,787	1,251,555.5	$ 8,210,984.02	$ 6.56	$ 2.59	$ 3.97	$ 4,968,829.50
	Mar	74,391	987,724.2	$ 6,476,171.08	$ 6.56	$ 3.72	$ 2.84	$ 2,804,602.68
	Apr	74,157	577,057.6	$ 3,785,490.48	$ 6.56	$ 4.25	$ 2.31	$ 1,332,360.92
	May	74,099	250,531.3	$ 1,642,255.20	$ 6.56	$ 4.25	$ 2.30	$ 577,221.59
	Jun	74,193	189,762.4	$ 1,243,776.64	$ 6.55	$ 4.25	$ 2.30	$ 437,077.70
	Jul	74,323	103,563.8	$ 676,356.99	$ 6.53	$ 3.00	$ 3.54	$ 366,100.56
	Aug	74,207	90,518.5	$ 593,553.62	$ 6.56	$ 3.00	$ 3.56	$ 322,378.30
	Sep	74,366	109,458.9	$ 717,247.94	$ 6.55	$ 3.00	$ 3.56	$ 389,330.97
	Oct	74,547	165,078.3	$ 1,086,770.24	$ 6.58	$ 3.59	$ 2.99	$ 493,941.05
	Nov	74,742	465,494.3	$ 3,089,918.39	$ 6.64	$ 3.59	$ 3.05	$ 1,418,235.26
	Dec	74,935	1,108,713.7	$ 7,390,870.08	$ 6.67	$ 3.59	$ 3.07	$ 3,409,257.44
2026	Jan	74,996	1,287,890.2	$ 8,586,138.20	$ 6.67	$ 4.04	$ 2.62	$ 3,379,584.49
	Feb	74,892	1,424,552.7	$ 9,491,020.65	$ 6.66	$ 6.07	$ 0.59	$ 839,427.19
	Mar	75,288	899,744.7	6,012,418.92	$ 6.68	$ 6.07	$ 0.61	$ 548,269.36
	April	75,654	479,580.3	3,176,085.46	$ 6.62	$ 4.14	$ 2.48	$ 1,189,424.07
Average		**75,896**	**594,078.66**	**$ 3,898,119.80**	**$ 6.53**	**$ 3.21**	**$ 3.32**	**$ 1,852,289.48**
Total								**$ 51,864,105.53**

* CAUSE-PA IV-001(d)-(f)

^ CAUSE-PA IV-006, Attachement 1

Appendix C: Exhibit C-4
As corrected - July 31, 2026

Column	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
	Month	**RES Shopping Accts**	**RES Shopping Usage**	**RES Shopping Commodity**	**RES Shopping $/mcf (avg)**	**RES PTC for applicable period^**	**Cost per Mcf above PTC Difference Column [6] - [7]**	**Cost above PTC paid by Shopping Customers Column [7] * Column [3]**
2024		**D***	**E***	**F***				
	Jan.	10,654	154,658.6	$ 1,046,250.54	$ 6.76	$ 2.52	$ 4.24	$ 656,294.35
	Feb.	10,621	144,029.9	$ 971,346.85	$ 6.74	$ 2.52	$ 4.22	$ 608,189.86
	Mar	10,579	104,851.2	$ 705,545.08	$ 6.73	$ 2.52	$ 4.21	$ 441,173.26
	Apr	10,541	81,258.1	$ 545,246.19	$ 6.71	$ 2.13	$ 4.58	$ 372,166.44
	May	10,439	36,580.6	$ 242,377.65	$ 6.63	$ 2.13	$ 4.50	$ 164,460.97
	Jun	10,471	17,189.5	$ 113,505.81	$ 6.60	$ 2.13	$ 4.47	$ 76,892.18
	Jul	10,467	14,176.5	$ 94,017.63	$ 6.63	$ 2.47	$ 4.16	$ 58,946.39
	Aug	10,304	12,356.8	$ 81,507.69	$ 6.60	$ 2.47	$ 4.12	$ 50,938.20
	Sep	10,271	13,467.1	$ 88,918.58	$ 6.60	$ 2.47	$ 4.13	$ 55,602.32
	Oct	10,285	25,137.5	$ 168,945.30	$ 6.72	$ 2.28	$ 4.44	$ 111,651.91
	Nov	10,296	43,634.9	$ 293,294.44	$ 6.72	$ 2.28	$ 4.44	$ 193,841.78
	Dec	10,395	130,011.1	$ 869,112.52	$ 6.68	$ 2.28	$ 4.41	$ 572,791.22
2025	Jan	10,508	181,103.6	$ 1,207,573.02	$ 6.67	$ 2.59	$ 4.08	$ 738,424.14
	Feb	10,434	171,982.2	$ 1,147,263.09	$ 6.67	$ 2.59	$ 4.08	$ 701,743.20
	Mar	10,406	137,036.7	$ 913,305.14	$ 6.66	$ 3.72	$ 2.95	$ 403,912.32
	Apr	10,417	80,509.5	$ 536,499.53	$ 6.66	$ 4.25	$ 2.41	$ 194,245.59
	May	10,383	34,946.7	$ 234,239.18	$ 6.70	$ 4.25	$ 2.45	$ 85,677.26
	Jun	10,444	25,710.7	$ 172,469.17	$ 6.71	$ 4.25	$ 2.46	$ 63,170.41
	Jul	10,421	13,540.1	$ 91,674.15	$ 6.77	$ 3.00	$ 3.77	$ 51,110.72
	Aug	10,391	11,791.9	$ 79,606.00	$ 6.75	$ 3.00	$ 3.76	$ 44,279.83
	Sep	10,436	14,279.0	$ 96,178.30	$ 6.74	$ 3.00	$ 3.74	$ 53,401.27
	Oct	10,478	23,422.1	$ 157,980.07	$ 6.74	$ 3.59	$ 3.15	$ 73,866.62
	Nov	10,448	62,988.7	$ 426,731.70	$ 6.77	$ 3.59	$ 3.18	$ 200,526.68
	Dec	10,553	150,211.3	$ 1,024,610.85	$ 6.82	$ 3.59	$ 3.23	$ 485,172.03
2026	Jan	10,674	181,145.3	$ 1,227,955.56	$ 6.78	$ 4.04	$ 2.74	$ 495,639.46
	Feb	10,692	198,279.3	$ 1,348,467.35	$ 6.80	$ 6.07	$ 0.73	$ 144,277.51
	Mar	10,729	129,753.5	$ 888,353.66	$ 6.85	$ 6.07	$ 0.77	$ 100,360.65
	April	10,837	67,802.9	$ 461,613.74	$ 6.81	$ 4.14	$ 2.67	$ 180,740.23
Average		**10,485**	**80,780.55**	**$ 544,092.46**	**$ 6.72**	**$ 3.21**	**$ 3.50**	**$ 263,553.46**
Total								**$ 7,379,496.80**

* CAUSE-PA IV-002(d)-(f)

^ CAUSE-PA IV-006, Attachement 1

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC.	:	

SURREBUTTAL TESTIMONY OF PATRICK M. CICERO

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA ("CAUSE-PA")

July 31, 2026

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PREPARED SURREBUTTAL TESTIMONY OF PATRICK M. CICERO

I. INTRODUCTION AND BACKGROUND

Q: Please state your name, occupation, and business address.

A: My name is Patrick M. Cicero. I am an independent consultant and serve as Of Counsel to the Pennsylvania Utility Law Project (PULP). In my role as Of Counsel, I have a broad range of responsibilities to PULP and its clients. For example, I provide analysis and testimony on utility matters for clients who are represented by members of the statewide legal aid network, including clients of PULP and other legal aid offices. PULP's business address is 118 Locust Street, Harrisburg, PA 17101. I also maintain an office in my home.

Q: Did you previously submit testimony in this proceeding?

A: Yes. On June 18, 2026, I submitted direct testimony that was pre-marked as CAUSE-PA Statement 1 on behalf of the Coalition for Affordability Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA). On July 15th and July 31st, 2026, I submitted two separate errata to my direct testimony correcting calculation errors caused by incorrect formulas in my work papers.

Q: What is the purpose of your surrebuttal testimony?

A: My surrebuttal testimony responds to the rebuttal testimony submitted by: Peoples Natural Gas Company LLC (Peoples or Company) witnesses Michael Huwar,[1] Andrew Wachter,[2] Luke Ravenstall,[3] Rita Black,[4] Jennifer Nelson,[5] John Taylor,[6] Michelle

[1] Peoples St. 1-R.
[2] Peoples St. 2-R.
[3] Peoples St. 8-R.
[4] Peoples St. 10-R.
[5] Peoples St. 15-R.
[6] Peoples St. 17-R.

Parks,[7] Cynthia Fang,[8] and Steven Kolich.[9] I will also respond to Retail Energy Supply Association (RESA) witness Francis Caliva,[10] Office of Small Business Advocate (OSBA) witness Mark Ewen,[11] and Bureau of Investigation and Enforcement (I&E) witness Vanessa Okum.[12]

My surrebuttal does not address every issue raised or discussed by these witnesses or other witnesses. The absence of any response by me to any issue raised by Peoples or other parties in rebuttal does not indicate that I agree with those parties or their positions. Also, unless necessary for framing a response to the issues raised by Peoples, RESA, OSBA, and I&E in rebuttal, I will not repeat the extensive positions that I took in direct testimony. To the extent that an argument raised by any party in rebuttal was already sufficiently addressed in direct, I do not intend to respond to it here.

Q: How is your surrebuttal organized?

A: My surrebuttal responds to the witnesses topically.

- Section II responds to general issues raised by Peoples witnesses Huwar and Fang regarding affordability and the scope of utility responsibility for addressing unaffordable utility bills.[13]
- Section III responds to Peoples witnesses Nelson regarding Peoples request for an excessive return on equity and capital structure.

[7] Peoples St. 18-R.
[8] Peoples St. 20-R.
[9] Peoples St. 21-R.
[10] RESA St. 1-R.
[11] OSBA St. 1-R.
[12] I&E St. 1-R.
[13] Section I is the Introduction.

- Section IV responds to Peoples witness Taylor regarding its proposed increase to the residential customer charge as well as its request to continue its WNA.
- Section V responds to Peoples witnesses Black and Parks and I&E witness Okum regarding Peoples Universal Service and Energy Conservation Programs.
- Section VI responds to Peoples witnesses Taylor and Black and OSBA witness Ewen regarding the recovery of Universal Service and Energy Conservation program costs.
- Section VII responds to Peoples witness Ravenstall regarding Peoples' proposed fuel switching water heater pilot.
- Section VIII responds to Peoples witness Kolich and RESA witness Caliva regarding Peoples purchase of receivables (POR) program.

Q: Has your direct testimony, or the analysis and recommendations contained therein, changed based on the rebuttal testimony of other parties in this case?

A: I address in this testimony the areas where I have accepted Peoples' revised positions on a few issues. However, unless noted herein, I stand by the recommendations outlined in my Direct Testimony. If the Commission determines that a revenue increase is needed, the evidence shows that Peoples would have sufficient revenue at a significantly lower rate of return than that which it requested in this case which would still allow it to provide safe and reliable service, cover its reasonably and prudently incurred expenses, and have a reasonable opportunity to earn a fair return on its investments. Specifically, as outlined in my direct testimony, when faced with a range of options, the Commission should choose the lowest reasonable return on equity and should adjust a utility's capital structure to ensure that the overall rate of return is sufficient but no higher

than necessary. My view is that the Commission should be exacting in this analysis and, considering the profound affordability concerns outlined in the record of this case, should balance the scales by erring on the side of the consumer and public interest rather than corporate and private interest.

Q: Please summarize those recommendations from your Direct Testimony.

A: Based on a review of the record and the need to ensure that Peoples customers, including its more than 144,000 estimated low income customers, can continue to afford to maintain their essential gas service to their homes, I made the follow recommendations:

- In determining the return on equity (ROE) to authorize in this case, the Commission should pick the lowest ROE suggested by the models and evidence. Only after the Commission is satisfied that the ROE is as low as legally possible should it be satisfied with the results.[14]
- The Commission should impute a 50/50 capital structure as a means of further moderating the rate impact associated with the requested rate increase, thus ensuring that more capital reflected in the rates is paid for at a rate that is reflective of cheaper debt than more expensive equity.[15]
- The Commission should maintain the monthly customer charge for residential customers at its current level and eliminate Peoples' Weather Normalization Adjustment (WNA) rider. If the Commission determines that it wants to allow Peoples to maintain the WNA, then I do not oppose a modest increase in the fixed

[14] CAUSE-PA Statement 1 at 40.
[15] Id. at 47-48

customer charge but recommend that the Commission adopt the recommended changes that I outline in my direct testimony.[16]

- The Commission should deny both of Peoples' requested tariff changes to its Rider CAP – the addition of language regarding recreational usage and the CAP fraud provisions – because neither is well developed nor has a factual basis to conclude that they are necessary without further limitation.[17]
- The Commission should ensure that Peoples's CAP evaluation effectively investigates that root cause of the increase in CAP terminations in 2024, as well as the reasons why it has a materially significant number of customers who begin a CAP application but fail to complete their application.[18]
- The Commission should deny Peoples request to add additional costs that more readily belong in base rates to its universal service rider and should be required to more equitably assign universal service costs to all ratepayers.[19]
- The Commission deny Peoples' request to use ratepayer funds to build load though fuel switching from electric hot water heating to gas hot water heating.[20]
- The Commission should require Peoples to modify its purchase of receivables program to ensure that Peoples ratepayers are not paying the costs of uncollectible expenses for contracts that charge rates that are higher than the rates Peoples offers. Specifically, I recommend that the Peoples provide notice that as of June 1, 2027, it will no longer allow retail suppliers to participate in the POR program

[16] CAUSE-PA St. 1 at 56; 63-66.
[17] Id. at 70-71
[18] Id.at 73-74
[19] Id. at 75-81.
[20] Id. at 82-83.

unless the supplier's contract is for a rate at or below the price to compare at the time of contract initiation or renewal.[21]

Each of these recommendations is rooted in the evidentiary record as outlined in my Direct Testimony and I have not changed my position on them based on the rebuttal submitted by the Company or other parties unless I specifically note that I have in this surrebuttal.

II. RATE UNAFFORDABILITY

Q: In your direct testimony, you explained that Peoples' rates are already unaffordable for low income customers at current rates and that Peoples' proposed rate increase would compound economic hardship for these customers.[22] Please summarize Peoples' rebuttal regarding the unaffordability of Peoples' rates to which you are responding?

A: Peoples witness Fang argues that my testimony, along with that of Office of Consumer Advocate (OCA) witnesses Michael Deupree and Roger Colton, improperly attempts to convert a cost-of-service rate case into a vehicle for addressing broad macroeconomic conditions or general social welfare objectives. That characterization is inaccurate and should be rejected. As outlined in my direct testimony, part and parcel of cost of service ratemaking is the fact that the Commission must exercise its discretion and authority to retrain the utility's monopolistic tendency toward extractive rates, and thus a focus on affordability of rates is paramount.[23]

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[21] CAUSE-PA St. 1 at 83.
[22] Id. at 17-34.
[23] See CAUSE-PA St. 1 at 11, n. 16 citing Use of Fully Projected Future Test Year 52 Pa. Code Chapter 53, PUC Docket No. L-2012-2317273, Final Form Order at 4 (order entered January 8, 2025), available

The positions advanced in my direct testimony were grounded in Peoples' own data and discovery responses and present a company-specific case that Peoples does not need the rate increase it is requesting because it is already earning sufficient returns, and that any increase would create devasting economic impacts for low income customers and their continued ability to afford to remain connected to gas service.[24]

Mr. Huwar and Ms. Fang argue that the Company recognizes affordability as a priority and point to Peoples Universal Service and Energy Conservation Programs as the avenue for addressing affordability.[25] As noted in my direct testimony, and as further addressed below, these programs are essential but only work to the extent that households are financially eligible and enrolled. This is precisely why I made a series of recommendations in direct testimony to improve access to and enrollment in Peoples' universal service and energy conservation programs and to examine why CAP termination rates climbed in 2024. If Peoples intends to only address widespread affordability challenges through its universal service programs, it must seriously interrogate the effectiveness of its programs in serving demonstrated need – starting with a root cause analysis to determine the reasons driving high denial and incompletion rates as well as high termination rates for its CAP customers.

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at: https://www.puc.pa.gov/pcdocs/1874340.pdf (hereinafter "FPFTY Final Form Order") ("Inherent in the 'cost of providing service' principle of ratemaking is the recognition that public utilities are natural monopolies and that the PUC's oversight through cost-of-service ratemaking regulation serves as a proxy for a competitive market in appropriately restraining, or exerting downward pressure on, the profit-maximizing prices a monopoly could otherwise charge in the absence of price regulation.")

[24] Id. at 26-30; 35-36;

[25] Peoples St. 1 at 7-16.

Q: Ms. Fang argues that your testimony seeks to use utility ratemaking to "address broader macroeconomic affordability pressures."[26] Is this an accurate characterization of your position?

A: No. Ms. Fang ignores the fundamental understanding that rate affordability is a core part of determining just and reasonable rates using cost of service ratemaking. Moreover, my testimony directly addresses the ability of Peoples low income customers to afford Peoples' service at current and proposed rates. Based on their disproportionate energy burdens, arrearages, and termination rates, I conclude that Peoples' low income customers cannot afford Peoples' gas service at current rates, let alone Peoples' proposed, substantially increased rates.[27] My testimony does not argue that rates should be suppressed arbitrarily or simply because inflation is high or because household budgets are broadly strained. I also do not suggest that the Commission should abandon cost of service analysis or disallow any specific cost item based on macroeconomic conditions. I have not challenged the specific expenses or capital investments that Peoples seeks to make in its Fully Projected Future Test Year (FPFTY). I merely argue that the Commission should honor its obligation to exercise the full scope of its statutory discretion in determining just and reasonable rates, including consideration of the demonstrated impact of those rates on consumers. Far from abandoning cost of service rate making, my testimony is rooted in the principle that the Commission must honor its obligation to ensure that it sets a rate that is no higher than Peoples would obtain if it were forced to go to the capital markets for equity as opposed to having its equity determined in an administrative process.

[26] Peoples St. 20-R at 9-10.
[27] CAUSE-PA St. 1 at 25-34.

Ms. Fang acknowledges the disproportionate energy burdens, termination rates, and arrearages carried by low income consumers, but argues that "these metrics should be viewed collectively and interpreted within the broader context of the Company's rates, customer assistance programs, and the Commission's statutory responsibility to establish just and reasonable rates."[28] On this point, we agree. This is precisely the type of analysis presented in my direct testimony and it conclusively demonstrates that Peoples' rates are unaffordable for its more than 144,131 thousand estimated low income customers.[29]

Q: Ms. Fang argues that affordability concerns should be addressed through a statewide proceeding, or through state and federal tax law, rather than addressed in this rate case.[30] Do you agree?

A: No. Deferring resolution of acute rate affordability issues in Peoples' service territory to an undefined future statewide proceeding would be an abdication of the Commission's responsibilities, as it would force the Commission to perform only half of the ratemaking balancing test in this case – the half that benefits Peoples. Ms. Fang's proposal ignores the consumer side of that balance entirely. In a rate case such as the current proceeding, the Commission is not only *authorized* to account for the impact of rates on consumers and to ensure that universal service programs are adequate and that low-income customers can maintain access to service on reasonable terms – it is *required* to do so.[31] As the Commission recently recognized in its Order significantly reducing the rate request of Pennsylvania American Water Company, when setting rates for "essential, non-discretionary services . . . affordability should be a central consideration when

[28] Peoples St. 20-R at 9:4-11.
[29] CAUSE-PA St. 1 at 24.
[30] Peoples St. 20-R at 9:11-14, 10:22-11:2.
[31] See e.g., 66 Pa. C.S. §§ 1301; 2203.

determining whether . . . proposed rates are 'just and reasonable.'"[32] This observation is no less true for essential gas service as it is for water and wastewater service: Affordability is central to determining the justness and reasonableness of proposed rates for essential, non-discretionary gas services. Any attempt to punt these issues to some ill-defined and unclear future proceeding should be disregarded.

Q: Ms. Fang argues that you substitute macroeconomic considerations for cost of service ratemaking, which would suppress recovery of prudent costs, erode Peoples' ability to earn a fair rate of return, and weaken the link between cost of service and rates.[33] How do you respond?

A: I disagree. My position in this case is that Peoples has not met its burden to prove that its current rates are materially insufficient to recover its reasonable and prudently incurred costs, now or into the future. The record demonstrates that Peoples can earn a fair rate of return with prudent management with only a minimal increase in rates. I did not challenge Peoples' claimed operating or capital expenditures in the context of this case. Thus, any decision about whether to delay or avoid those expenses would be Peoples' management decision to do so, presumably to allow it to make more money for its shareholders rather than investing it in the system.

As stated above, my direct testimony does not propose that the Commission evaluate rate relief based solely on external economic conditions, nor that the Commission ignore or disregard prudently incurred costs. The evidence in this case suggests that Peoples is well capitalized, has sufficient revenue, and the need for any

[32] See Pa. Pub. Utility Comm'n v. Pennsylvania American Water Co., Docket No. R-2025-3057983, Opinion and Order at 37 (Order entered July 27, 2026) ("2026 PAWC Rate Case Order"). Available at https://www.puc.pa.gov/pcdocs/1941993.pdf.
[33] Peoples St. 20-R at 9:15-10:18.

rate increase is likely minimal. The Company disagrees – not because it would be unable to meet its projected capital expenditures and provide safe and reliable service, but merely because it would earn less money doing so. Ms. Fang attempts to make this case all about the level of profit that the Commission should allow the Company to earn, without regard to whether its customers can afford to support those profits. It is my position that the Commission should consider the totality of evidence – including Peoples' robust financial health and the demonstrated inability of ratepayers to absorb further increases – in determining whether, and to what extent, a rate increase is warranted.

To be clear, my argument is that the Commission must look at underlying economic fundamentals of both Peoples *and its customers* to determine the appropriate balance of interests in deciding the appropriate level of authorized rates in this case. This is fundamentally consistent with cost of service ratemaking as the Commission reaffirmed in its FPFTY Final Form Rulemaking Order, which concluded that the Commission oversight "serves as a proxy for a competitive market in appropriately restraining, or exerting downward pressure on, the profit-maximizing prices a monopoly could otherwise charge."[34] It is also fundamentally consistent with the recent decision in 2026 PAWC Rate Case Order.[35] Exercising that restraint in light of the specific, company-level financial evidence presented in direct testimony by me and other witnesses in this case, is precisely what the Commission's statutory mandate requires.

[34] Use of Fully Projected Future Test Year 52 Pa. Code Chapter 53, PUC Docket No. L-2012-2317273, Final Form Order at 4 (order entered January 8, 2025), available at: https://www.puc.pa.gov/pcdocs/1874340.pdf

[35] 2026 PAWC Rate Case Order at 41 (recognizing the significance of both the context and frequency of rate case requests and the impact and recent and current economic conditions).

Q: Mr. Huwar and Ms. Fang point to Peoples' affordability-related activities – including its Universal Service and Energy Conservation Programs as evidence of the Company's focus on affordability. How do you respond?

A: These activities, while necessary and important, do not offset the demonstrated and quantified harm to low income customers from Peoples' proposed rate increase. There are more than 100,000 estimated low income customers who are not enrolled in the Company's assistance programs. The facts are:

- Peoples reports that the average income of its confirmed low income customers is only approximately $19,000.[36]
- Energy burdens for these households are 11%-15% during the winter heating months at existing rates and would increase to 12%-16% during these months at proposed rates.[37]
- 75% of Peoples estimated low income customers are not enrolled in its customer assistance program (CAP) and are charged the full tariff rate along with any approved increase.[38]
- Peoples' low income customers carry a disproportionate amount of customer debt and are far more likely to have their service involuntarily terminated for nonpayment than residential customers as a whole.[39] In fact, confirmed low income customers who are not enrolled in CAP have a utility termination rate that is approximately 400%-500% higher than residential customers who are not confirmed low income.[40]

While Universal Service and Energy Conservation Programs are important tools to improve affordability for low income households, these programs are undersubscribed and cannot address the overall unaffordability of rates on their own. They also cannot substitute for the Commission's mandate to ensure that rates are just and reasonable for all customers. The Commission recognized this in its recent decision in the 2026 PAWC

[36] CAUSE-PA St. 1 at 21.
[37] Id at 26, Table 4.
[38] Id at 18.
[39] Id at 27-30.
[40] Id. at 28.

Rate Case Order, when it explained that rate cases must be viewed in context with affordability – including an assessment of "recent and current economic conditions." The Commission concluded:

> [W]e believe that the issue of affordability must be viewed in the context of the magnitude and frequency of . . . rate cases, as well as the impact of recent and current economic conditions . . . . In doing so, we find that substantial record evidence demonstrates that PAWC's proposed rates are unaffordable for many PAWC water and wastewater customers. In addition, the low penetration and enrollment among low-income eligible households in PAWC's low-income customer assistance programs is concerning. PAWC cannot point to undersubscribed customer assistance programs to justify an otherwise unaffordable base rate increase. . . . *Affordability is an issue that must be addressed for all customers, not just for those who apply for and are found eligible to receive low-income assistance*.[41]

The same facts present themselves in this case: a frequent cadence of rate cases, low enrollment in CAP, high rates of unaffordability at current rates that are projected to get significantly worse at projected rates, and a utility that points to the mere existence of programs as a justification for dismissing affordability concerns. In my view, this is why it is important for the Commission to focus on Peoples' authorized return on equity – it is an area about which the Commission has significant discretion, and it impacts the affordability of rates considerably. I agree that, for households with income at or below 150% of the federal poverty level, the best way to materially and significantly improve affordability is through enrollment in CAP. Customers with income below 150% of FPL simply have no ability to adequately maintain service on a continuous basis – at existing rates – without the significant and ongoing assistance that CAP provides.

I share Ms. Fang's position that these programs are the best way to address affordability concerns for low income eligible households. However, more than 100,000

[41] 2026 PAWC Rate Case Order at 41 (emphasis added).

estimated eligible households are not enrolled.[42] Until or unless these households enroll in CAP, Ms. Fang's position that the Commission should not address core ratemaking principles that drive unaffordable bills is patently unreasonable. Furthermore, as discussed in my direct testimony, there are a considerable number of households within Peoples' service territory that reside at incomes below the economic self-sufficiency standard but above the income level needed to qualify for CAP. As I pointed out in my direct testimony, in 2024, approximately 29.3% of all households had income greater than $50,000 annually but less than $100,000 annually, accounting for approximately 191,000 of Peoples customers.[43] These households are not eligible for financial assistance through CAP or LIHEAP but generally struggle to afford to pay for all necessities – including utility service.[44] Thus, while significant in its impact, the existence of Peoples CAP does not negate the need for significant restraint in authorizing any rate increase. Hundreds of thousands of households within Peoples' service territory must rely on the Commission to exercise its core function as the economic regulator.

Q: Do you agree with Mr. Huwar that the Peoples Weather Normalization Adjustment (WNA) improves rate affordability?[45]

A: No. As I explained in my direct testimony, over the long term, Peoples' WNA is more likely to collect net revenue from customers because winters are more likely to be warmer and are projected to continue to warm due to the impacts of climate change.[46] Over the long haul, the WNA is far more likely to produce significant asymmetry and

[42] CAUSE-PA St. 1 at 18, Table 2.
[43] Id. at 23.
[44] I am not, as Ms. Fang implies in her rebuttal testimony, recommending that the Commission adopt the Self Sufficiency Standard for universal service program eligibility. Peoples St. 20-R at 11.
[45] Peoples St. 1-R at 8.
[46] CAUSE-PA St. 1 at 61-62.

surcharge customers on net each year than it is to produce net credits. These additional charges not only add to the already unaffordable energy burdens for low income customers, but also needlessly increase the cost of CAP paid by residential customers through the universal service rider. For CAP customers whose CAP bills are based on their average bill, the imposition of the WNA may unreasonably increase these customers' CAP bills. I will address this issue further later in section IV.B. of my surrebuttal regarding Peoples' WNA.

Q: Ms. Fang asserts that you and OCA witness Colton do not provide accurate assessments of current energy burdens of Peoples' customers. Do you agree?

A: No. Ms. Fang's general analysis reaffirms my conclusions that Peoples' rates are unaffordable for low income customers. According to Ms. Fang, Atrium Economics conducted a customer-level "gas burden analysis."[47] Based on Atrium's analysis, Ms. Fang concluded that the estimated average income for all 412,655 residential gas customers with at least 12 months of usage data was $54,974, and the average energy burden for this group is 3.4%. These findings are in line with findings of the Commission's Bureau of Consumer Services (BCS) that the energy burden of Pennsylvania's residential customers as a whole (exclusive of those enrolled in a Customer Assistance Program (CAP)) is roughly 4%.[48] However, as I explained in my direct testimony, Peoples' low income customers far exceed these gas burdens, carrying average energy burdens of approximately 6.5% throughout the year and exceeding 14% in winter months.[49]

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[47] Peoples St. 20-R at 15.
[48] Energy Affordability for Low income Customers, Docket No. M-2017-2587711, Order, at 8 (Jan. 17, 2019); see also Diana Hernandez, Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change, 103(4) Am. J. Pub. Health (2013) available at: http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20.
[49] CAUSE-PA St. 1 at 25-27.

Atrium's analysis of the *median* gas burden across all 412,655 customers obscures the situation for the most vulnerable households. Finding that the median gas burden is 3.4% across all customers tells us almost nothing about whether low income customers can afford service. The relevant question – and the one I addressed in my direct testimony – is what confirmed low-income customers not enrolled in CAP spend on gas service as a percentage of their monthly income. Regarding Atrium's analysis of low income customers, Atrium analyzed a group of 28,975 Peoples' CAP customers with average annual income for this population was $19,643, median annual income of $16,668.[50] Atrium found that, *without benefits*, the mean gas burden for this group was 10.5%, which are substantially higher than the gas burdens I identified for non-CAP confirmed low income customers in my direct testimony.[51] Strikingly, Atrium identified that customers in the 95th percentile of income level have average gas burdens of 26.2% without CAP benefits.[52]

Ms. Fang points out that CAP benefits bring the average energy burdens in line with the Commission's CAP policy statement and concludes that CAP substantially mitigates both typical burdens and high-burden outliers for participating customers.[53] I wholeheartedly agree; however, as noted above, 75% of Peoples' estimated low income customers (more than 100,000 customers) are <u>not</u> enrolled in its CAP and are charged the full tariff rate along with any approved increase and their gas burdens will further increase with any approved rate increase in this proceeding.[54]

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[50] Peoples St. 20-R at 19.
[51] <u>Id.</u> at 21.
[52] <u>Id.</u>
[53] <u>Id.</u>
[54] CAUSE-PA St. 1 at 18.

Thus, I dispute that the Atrium Gas Burden Study in any way demonstrates that Peoples' rates are affordable for its low income customers. I further dispute Ms. Fang's conclusion that "Peoples' current residential gas bills are generally within reasonable affordability ranges for most customers and that the proposed increase does not materially change that overall profile."[55] As I explained in my direct testimony, Peoples' proposed rate increase will increase non-CAP low income energy burdens by almost a full percentage point.[56] The energy burden for Peoples' non-CAP low income customers is already far above what is considered affordable. Peoples' proposed rate increase would raise it even further out of reach, which will further contribute to the disproportionate terminations rates and arrearages carried by this group.

III. RETURN ON EQUITY AND CAPITAL STRUCTURE

Q: What is the purpose of this section of your testimony?

A: The purpose of this section of my testimony is to address the issues raised by Peoples witness Jennifer Nelson[57] on the cost of capital, including return on equity and capital structure.

Q: In your direct testimony, did you make a recommendation about the revenue requirement that should be permitted in this case?

A: No. I presented evidence of the significant and pervasive hardship that Peoples customers face at current rates that will be exacerbated by the requested rate increase. Specifically, I urged the Commission to heed the fact that over the last five years, Peoples has had healthy net income from its operations totaling approximately $1.2 billion from

[55] CAUSE-PA St. 1 at 27.
[56] Id. 1 at 26-27.
[57] Peoples St. 15-R.

2021-2025.[58] Peoples projects net income as of the end of December 2026 to be an additional $261.9 million.[59] Peoples is not capital starved. In fact, Peoples great-grandparent – Essential Utilities – has not had to make a capital infusion into Peoples since 2018, a period of more than 8 years.[60] This is in contrast to the more than 144,000 households in Peoples service territory who must somehow survive on approximately $19,000 per year and suffer termination rates of 8%-10%.[61] Given these disparities, I urged the Commission to reject Peoples requested rate increase.

Q: In your direct testimony, did you make a recommendation about the specific return on equity that should be authorized by the Commission?

A: No. My position in direct testimony was – and remains – that the Commission should carefully consider the full range of ROE recommendations presented by the parties through the relevant financial models, and also consider the principles articulated by Governor Shapiro in his April 29, 2026 letter to utility CEOs as a check on reasonableness in reaching a determination of what ROE to authorize.[62] Within the range of ROEs presented, my recommendation was that the Commission "should pick *the lowest ROE* that the models suggest and consider whether there are other criteria to evaluate whether an even lower ROE would nevertheless be sufficient."[63]

[58] CAUSE-PA St. 1 at 35; citing Peoples Response to OCA II-023, Attachment (Peoples Monthly Income Statement).
[59] Id. citing Peoples Filing Requirements, §53.53.II. A, Exhibit 16, Sc. 5.
[60] CAUSE-PA St. 1 at 37.
[61] Id. at 21, 28 Table 5.
[62] Id. at 39.
[63] Id. at 40.

Q: Even though you did not make a specific ROE recommendation, Ms. Nelson says that your "ROE estimates fail to meet the *Hope* and *Bluefield* fair return standards, defy any rational basis, and should be dismissed from the outset."[64] What is your response?

A: Ms. Nelson's rebuttal testimony is an attempt to enshrine her judgment about the issues she presents over the judgment of other witnesses. However, the Commission should proceed with caution in accepting the judgment of a witness for the utility that takes the position that an 11.25% ROE is the lowest reasonable ROE that is justified given the facts in the record. To be clear, neither in my direct testimony nor here do I engage in a traditional ROE analysis that looks at either a Discounted Cash Flow (DCF) or Capital Asset Pricing Model (CAPM) from a financial modeling perspective. Ms. Nelson considers that to be a fatal flaw, but I do not. As noted in my direct, the financial experts in this case have spent a considerable amount of time and energy debating the minutiae of their cost of capital models. I have taken a different approach that centers affordability and customer needs at the front of the analysis. My testimony provides a framework for the Commission to assess the reasonableness of the revenue and return requests that have been presented as viewed from the perspective of low and moderate income customers who are forced to pay the rates that the Commission authorizes. If the Commission sets rates too high, customers have no choice but to pay them and when they cannot afford to do so they cannot choose a less expensive alternative. Thus, I disagree that my analysis should be ignored on these issues.

[64] Peoples St. 15-R at 4.

Q: Ms. Nelson also states that your position defies a rational basis. What is your response?

A: To state the obvious, I disagree. My position is that within the evidence presented by the financial models, the Commission should pick the lowest ROE that is reasonably justified and then determine whether an even lower ROE is legally justified below this range based on the presentation of objective financial metrics such as the methodology outlined by Governor Shapiro in his April 29, 2026, CEO letter and as presented by his Special Counsel in the Public Input Hearings in this proceeding. This is a perfectly rational and objective basis for deciding what ROE to authorize. Furthermore, as will be briefed by CAUSE-PA, it is fundamentally consistent with applicable law and Commission precedent that requires that Commission to set an ROE that is as low as legally possible.[65]

Q: Ms. Nelson also argues that "the only reliable method for determining the cost of capital is through the application of rigorous analysis using financial models and market data from reliable sources, coupled with a comprehensive risk assessment of the regulated utility"[66] Do you agree?

A: No, I do not. One could employ financial markets to determine the ROE for a utility rather than the methods that have historically been used. The financial models employed by Ms. Nelson and others are meant to mimic what the markets would demand. While subjecting utility operating companies to the rigor of actual markets has not been employed in Pennsylvania, financial markets are likely a far more reliable determinant of the actual cost of capital that investors would demand of a relatively safe, stable monopoly

[65] See e.g., 2026 PAWC Rate Case Order at 44 (agreeing with the ALJs that customers must pay enough, "but no more than is necessary").
[66] Peoples St. No 15-R at 7:7-9.

without competitors and with captive ratepayers. However, Essential Utilities has chosen to shield Peoples from the scrutiny of actual markets, so the process we have is merely an alternative method, but it certainly is not the only reliable method.

Q: Do you agree that the Commission must consider the specific risk of Peoples in reaching its determination of an appropriate ROE?

A: Yes. This is why I presented data about the earnings, dividends, net income, and historic ROE of Peoples in my direct testimony.[67] That data shows a utility that is significantly well capitalized, with massive profit margins and net income totally $1.2 billion from its operations from 2021-2025 *with an additional net income of more than $260 million projected as of December 2026!*[68] In addition, as noted above, Peoples has not had to have a capital infusion of any capital since 2018,[69] thus raising significant concerns about whether the revenue requirement established in previous cases was materially and significantly higher than it needed to be.

Q: Ms. Nelson asserts that if your recommendation for a lower ROE is adopted that capital would flee and that Peoples would be at risk.[70] What is your response?

A: I chalk this up to general catastrophizing rather than actual risk. First, it is worth remembering that Peoples is beholden to its corporate parents and grandparents for equity capital and the "Essential family" has not had to kick capital down to Peoples for at least 8 years. Thus, it strikes me as hyperbolic to suggest that Peoples will not have access to capital – after all, it has kicked considerable income up the corporate ladder over this same period despite Essential flowing no equity down to Peoples. While

[67] CAUSE-PA St.1 at 35-36.
[68] Id. at 35.
[69] Id. at 37, n. 78.
[70] Peoples St. No. 15-R at 9.

Essential's shareholders may not like the fact that they may receive lower returns than in the past, it is not axiomatic that they would not invest – particularly given the fact that they have over earned relative over the past few years as compared as to what could reasonably be expected. This is evidenced by Essential Utilities' own financial metrics. As of June 30, 2026, Essential Utilities had a price to book ratio of 1.63,[71] which indicates that investors think that the Company is over-performing relative to what it should earn. All of this suggests that it is far from certain the investors would flee from investing if a lower ROE were authorized.

Q: Ms. Nelson, like other Peoples witnesses, argues that affordability concerns must be balanced with the ongoing system need to meet its obligation to provide customers with safe and reliable service.[72] What is your response?

A: This is a mere axiomatic statement of the law. While I agree that affordability does not trump all, neither does the desire for a utility to maximize its profit by seeking a return of 11.25%. There is no evidence in the record that Peoples will not be able to provide safe and reliable service if the increase awarded is substantially smaller and based on a more market reflective ROE. This is because the Company has tools such as DSIC as well as its other tools that reduce regulatory lag such as the WNA, as well as its ability to collect more revenue than needed when it sets rates because of the Fully Projected Future Test Year.

[71] Yahoo Finance, Essential Utilities, Inc., Valuation Measures, Quarterly Price/Book as of June 30, 2026 (shown as "Current" quarter). Available at: https://finance.yahoo.com/quote/WTRG/key-statistics/ (Last visited 7/27/2026).
[72] Peoples St. 15-R at 12.

Q: Ms. Nelson argues that the regulatory mechanisms such as DISC, the use of alternative ratemaking such as the WNA, or the FPFTY are already factored into her cost of capital recommendation. How do you respond?

A: Ms. Nelson concedes that these mechanisms reduce absolute risk and that not all the proxy group companies utilizes them, but she argues that what matters is relative risk.[73] In fact, Ms. Nelson argued in direct that Peoples is riskier than its peers because of its aggressive capital spending plan and therefore needs additional revenue.[74] This claim should be significantly scrutinized given the well-known tendency of utilities towards capital bias, it should not serve as a reason to increase the ROE because the Company wants to spend more money. To allow a utility to have an aggressive infrastructure replacement plan that then serves as a justification for an increase in a needed equity return that incentivizes even more infrastructure replacement turns the whole exercise on its head and effectively allows the utility to set the conditions for its own awarded equity. Even accepting the fact, solely for the sake of argument, that Peoples' risk factors may be similar to its peers, this does not mean that the Commission cannot and should not consider the fact that each of these tools individually and all of them collectively reduce risk. The Commission made this very determination recently in regard to Pennsylvania American Water's cost of equity when it determining that "with respect to our obligation to consider PAWC's customers and the public interest, we considered PAWC's lack of regulatory lag and the commensurate impact of the Company's nearly annual rate

[73] Peoples St. 15-R at 13.
[74] Peoples St. 15 at 47.

increases upon customers' rates as part of our determination to make a downward adjustment to the Company's cost of equity."[75]

Q: Ms. Nelson spends considerable space in her rebuttal testimony addressing capital structure. Please summarize here rebuttal testimony on this issue.

A: Ms. Nelson objects to my recommendation of a 50/50 capital structure because it is "not based on evaluation of the financial cost of the proxy group, nor any other quantitative analysis."[76] In addition, Ms. Nelson asserts that the Commission should not look to the authorized capital structure in place at other natural gas distribution companies because capital structures vary widely "based on the unique needs of each company and the assets being financed."[77] She asserts that setting Peoples' ratemaking capital structure according to a proxy group average actual capital structure presumes that Peoples should be financed with the same proportion of debt and equity as the average, and the fact that Peoples equity ratio differs from an average does not mean that it is unreasonable.[78] Ms. Nelson also spends considerable time in her testimony discussing how a utility determines its equity ratio and asserts that other utilities have faced adverse financial consequences after a Commission imputed a hypothetical capital structure.[79]

Q: What is your response to Ms. Nelson?

A: My recommendation for the Commission to impute a 50/50 capital structure is based on a concern about ensuring that the overall rate of return that the Commission authorizes considers affordability of rates as a factor and moves the Company gradually

[75] 2026 PAWC Rate Case Order at 45.
[76] Peoples St. 15-R at 17:21-22.
[77] Id. at 18:9-10.
[78] Id. at 18.
[79] Id. at 31.

towards a capital structure that is more reflective of the risk that it would bear if it were subject to actual equity markets – like its great grandparent – Essential Utilities. To be clear, Peoples and its corporate parent should be free to capitalize their business as they see fit with a mix of debt and equity, but ratepayers should not be asked to pay an overall rate of return that places undue pressure on rate affordability because the Company wants to squeeze extra leverage out of its customers. This is why I – and every other witness who presented testimony on the cost of capital – has urged the Commission to make "pragmatic adjustments"[80] to Peoples ratemaking capital structure and impute a 50/50 capital structure (CAUSE-PA and I&E) or a 49% equity to 51% debt structure (OCA).[81] It also bears noting that the Commission recently imputed a capital structure for PAWC's water utility based in part on concerns about "the substantial evidence on the record regarding the affordability issues that are present in PAWC's service territory. . ."[82]

Regarding Ms. Nelson's assertion that there could be downward adjustments to Peoples credit ratings that would increase debt costs if the Commission were to impute a capital structure for ratemaking purposes that were more fair to consumers, given that Peoples requested ROE (11.25%) is 664 basis points higher than its cost of long term debt (4.61%), the cost of debt would have to increase dramatically to have an overall upward effect on the rate or return at an imputed 50/50 capital structure. The same is true even if the Commission were to accept the ROE that results from application of the

[80] While none of the parties used this term, it is in effect what each argues as all the arguments rely on the inherent responsibility of the Commission to exercise its judgment and impose restraint to ensure that rates remain just and reasonable for consumers who are captive and cannot choose another provider. See Hope Nat'l Gas, 320 U.S. at 602 ("[The Commission's] ratemaking function . . . involves the making of 'pragmatic adjustments.'")

[81] See Peoples St. 15-R at 16, Figure 4 citing capital structure recommendations of OCA, I&E, and CAUSE-PA.

[82] 2026 PAWC Rate Case Order at 184-185.

Shapiro principles (7.68%) as that is 307 basis points higher than the company's cost of long term debt. There is no credible evidence to suggest that the cost of debt would increase by *more than* 300-660 basis points if the Commission were to impute a 50/50 capital structure for ratemaking purposes.[83]

Q: Ms. Nelson disputes your calculations – and those of Mr. Patel for I&E – contained in your direct testimony about the savings for customers that could occur if the Commission were to impose a 50/50 ratemaking capital structure because she says that you did not account for the increased debt costs.[84] What is your response?

A: As noted above, there is no credible evidence to suggest that imputing a 50/50 capital structure would increase the cost of Peoples' long term debt by the 300-660 basis points needed to cancel out the effect of increasing the percentage of debt in the capital structure. Nevertheless, even assuming an increase in debt costs of 100 basis points (the figure that Ms. Nelson cites from EEI) the reduction in rates from imputing a 50/50 capital structure – or a 49/51 structure as recommended by the OCA – is significant even assuming an increase in debt costs. The magnitude of the differences is reflected in Table 1, below. This table assumes no other adjustments from the as-filed case except for the adjustments to capital structure, ROE, and debt costs that are shown in the table. As can be seen, it is only where one assumes the Commission adjusts the capital structure to 50/50 and awards Peoples its requested ROE of 11.25% *and one assumes an increase*

[83] In her testimony, Ms. Nelson cites a 2009 report from the Edison Electric Institute (EEI) for the proposition that utilities with credit rates of "A" ranges were generally able to secure long term debt at lower premiums than utilities with "BBB" credit ratings thereby saving customers 100 basis points per year in debt costs on average. See Peoples St. 15-R at 23.
[84] Peoples St. 15-R at 35-36.

of 100 basis points in debt that the math begins to skew against ratepayers. Given the high improbability of that scenario occurring, I stand by my recommendations and analysis from direct testimony.

Table 1: ROR Difference and effect on Revenue Requirement			
	ROR	**Revenue Requirement**	**Difference from As Filed (Negative numbers are savings from the as filed revenue requirement)**
As filed	8.23%	**$163,266,020**	N/A
At 11.25% ROE but 50/50 capital structure and as filed debt	7.93%	$141,086,858	($22,179,162)
At 11.25% ROE but 50/50 capital structure and debt cost 100 basis points higher	8.43%	$178,052,128	$14,786,108
At 8.8% ROE but 49% equity/51 debt capital structure (OCA position) and debt cost 100 basis points higher	7.17%	$84,899,649	($78,366,371)
At 7.68% ROE (Shapiro) but 50/50 capital structure and debt cost 100 basis points higher	6.65%	$46,455,769	($116,810,251)

Q: Please summarize Ms. Nelson's rebuttal testimony as it relates to Governor Shapiro's cost of capital proposals.

A: Ms. Nelson disagrees with Governor Shapiro's cost of capital proposals. First, she asserts that the proposals are concerning because they are prescriptive and formulaic, they increase regulatory instability, and they would fail to meet the *Hope* and *Bluefield*

standards of comparable return, financial integrity, and capital attraction.[85] She also disputes the specific methodology of choosing a 10-year treasury yield and a "trailing equity risk premium measure".[86] She asserts that neither of these methodologies are sufficient to measure the cost of capital for a utility. As to the 10 year treasury yield, she contends that the timeframe is too short and that the 30 year treasury bond is a more commonly used benchmark of a risk free rate.[87] As for the selection of an equity risk premium, she asserts that both using the Federal Reserve Board's Financial Stability Report and a 5 year median of the equity risk premium are inappropriate.[88] She asserts that if the Commission were to adopt an ROE of 7.68% the market would react negatively and it would infuse uncertain regulatory risk into the process of setting an ROE for utilities that would result in higher cost of capital for utilities.[89] She also takes issue with Governor Shapiro's capital structure proposal that would peg Peoples' ratemaking capital structure to the capital structure of its corporate parent, She asserts that this would produce inequitable outcomes and increase the cost of capital overall.[90]

Q: What is your response to Ms. Nelson?

A: My position in this case is that the Commission should authorize the lowest legally permitted return on equity and should ensure that the ratemaking capital structure has an fair and appropriate blend of equity and debt. The Commission should look at the information presented by the witnesses who undertook a "traditional" cost of capital analysis using financial models such as DCF and CAPM, as well as what the Governor's

[85] Peoples St. 15-R at 39-40.
[86] Id. at 43.
[87] Id. at 47-48.
[88] Id. at 47.
[89] Id. at 47-51
[90] Id. at 51-54.

approach would permit as a check on those models. Counsel for CAUSE-PA will fully brief the issue of whether the Governor's proposed approach would satisfy the applicable legal standard. But it is important to contextualize that the approach recommended by the Governor uses objective criteria to establish a default return that is a rebuttable through the establishment of an equity auction. While Peoples has chosen not to follow this approach, it is my position that the Governor's approach is rational and merits significant consideration.

Ms. Nelson takes issue with applying the 10 year treasury yield (4.44% as of the date of Peoples filing) and an equity risk premium that uses a 5-year median (3.24%). What she fails to acknowledge is that the median projections for the S&P 500 over the next 10 years as projected by the Federal Reserve Bank of Philadelphia's Annual Survey of 10-Year Stock Market Forecasts,[91] projects a median forecast of 7% for the overall market. Utilities are much safer investments than overall markets, thus, it would be reasonable for the Commission to conclude that Peoples' return should be *lower* than the overall projections for the markets. If the objective projection for the market for the next 10 years is around 7%, it is difficult to see how a projection for a safe investment like a utility of 7.68% is insufficient. Thus, I continue to take the position that the Governor's approach is reasonable and should inform the Commission's judgment – along with the financial models presented by the parties – about the level of equity return that should be authorized based on the record of this case.

[91] Survey of Professional Forecasters (STOCK10), Fed. Rsrv. Bank of Phila. (May 15, 2026), https://www.philadelphiafed.org/surveys-and-data/stock10 (accessed under "Median Responses").

As to capital structure, I have already addressed this issue. Simply put, a 50/50 capital structure would be more fare to ratepayers and would be a middle ground between what the Company has proposed and what its ultimate corporate parent, Essential Utilities, employs. Ms. Nelson's criticism of the Governor's approach rehashes the same arguments she made as to each of the other witnesses' testimony on capital structure. It is not credible to suggest that the increased cost of debt from a reduced ROE and imputed capital structure of at least 50/50 will overcome the more than 300 basis point delta between the Company's current actual cost of debt (4.61%) and the ROE calculated using the Governor's approach (7.68%).

Q: Please summarize your conclusions in this section of your rebuttal.

A: Based on the totality of factors outlined in my direct testimony and in this testimony, the Commission should approve the lowest ROE suggested by the applicable financial models and should consider whether it can reasonably be reduced further based on the objective criteria outlined by the Governor. Each of my recommendations is meant to temper the excessive rates sought by Peoples and more fairly balance the needs of Peoples with the needs of its customers, particularly its low income customers who do not have the financial margin to absorb Peoples' excessive ROE and equity-skewed capital structure proposals.

IV. RATE DESIGN

A. Residential Customer Charge

Q: Please summarize your position in Direct Testimony regarding Peoples' proposal to increase its fixed customer charge from $16.80 per month to $26 per month.

A: As I explained in Direct Testimony, Peoples' proposal to increase its residential customer charge by $110.40 per year weakens the ability of low income households to save money on their bills each month because less of their bill is dependent on the volume of gas they consume.[92] This exorbitant increase would also weaken the effectiveness of weatherization measures from the Low Income Usage Reduction Program (LIURP) and the Weatherization Assistance Program (WAP), contrary to the policy goals of these programs to reduce bills for customers through usage reduction.[93] I disagreed with Peoples that bill stability without bill affordability is a benefit for low income households - or that CAP or budget billing would be better options for customer bill stability than an increase in the fixed charge.[94] Ultimately, I concluded that the fixed customer charge should not be increased and that the WNA should be discontinued.[95] However, if the Commission were to allow the WNA to continue, I did not oppose an increase in the fixed customer charge that would be proportionally scaled back to any authorized revenue increase awarded.[96]

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[92] CAUSE-PA St. 1 at 51.
[93] Id. at 53-54.
[94] Id. at 55-56.
[95] Id. at 56.
[96] Id.

Q: What was Mr. Taylor's response to your concerns about Peoples proposed increase to the residential customer charge?

A: Mr. Taylor asserts that concerns about energy efficiency and conservation should not trump rate design where the customer charge is intended to recover Peoples' fixed costs that do not vary with usage.[97] Mr. Taylor also posits an academic theory of conservation that "should be understood as the wise and efficient use of utility resources – not merely the reduction of energy consumption.[98] Mr. Taylor disputes that the proposed increase to the fixed charge would disproportionately impact low income customers and argues that the bill impacts for low income customers are generally consistent with that of other customer groups.[99] Mr. Taylor asserts that low income households, and particularly CAP customers, benefit from an increase in the fixed customer charge due to usage patterns.[100] He argues that the Company's proposed fixed charge moderates customer bills during the highest-usage winter months, when customer struggle most to afford bills.[101]

Q: What is your response to Mr. Taylor's argument that conservation should be understood as the wise and efficient use of utility resources, rather than just reduction in consumption?

A: I disagree that the Commission should ignore the impact of distribution rate design on energy usage or narrow its examination of efficiency and conservation to focus only on the efficient use of utility distribution resources. Mr. Taylor's proposed definition of

[97] Peoples St. 17-R at 27-28.
[98] Id. at 29.
[99] Id. at 31-32.
[100] Id. at 33-34.
[101] Id. at 35-37.

conservation is rooted in economic theory but disconnected from lived reality and ignores the critical need for energy conservation to advance a multitude of issues relevant to Peoples' proposed rate increase. Energy efficiency and conservation impact both ratepayer costs and resource adequacy and is vital to customers' ability to reduce their distribution bills through usage reduction to help offset the impact of any rate increase.

While I agree that the efficient use of the distribution system is a consideration in rate design, it is important to consider that low income customers have extraordinary difficulty being able to afford service and remain connected. This difficulty should not be compounded by limiting their ability to reduce bills through usage reduction. Nothing in Mr. Taylor's testimony rebuts the notion that the ability of consumers to save money on their distribution bills through energy efficiency investment or conservation is reliant on a bill structure that bases the recovery of costs on volumetric throughput.

Q: What is your response to Mr. Taylor's argument that a low income households benefit from a higher fixed charge?

A: Mr. Taylor's conclusion is premised on the assumption that low income customers are necessarily high usage customers. Low income customers have higher average usage, as a group, driven in significant part by inequities in housing quality and efficiency, but there are many low income households with low usage.[102] While low income households are less able to afford home energy efficiency and weatherization, high usage should be addressed through increased LIURP services and coordination, not by increasing the fixed charge for all customers. Low income customers can ill afford to have more of their bill fixed without the ability to mitigate higher bills through conservation or

[102] CAUSE-PA St. 1 at 54.

energy efficiency, regardless of whether that means going without or adopting efficiency in their home. Shrinking the ability of customers to reduce their distribution bills through conservation and efficiency will only compound the already impossible choices facing low income families to forego other necessities to maintain life essential energy services to their home.

Further, while I agree that bill stability is a legitimate goal, I disagree that increasing the fixed customer charge is the appropriate mechanism to achieve bill stability for low-income customers. A bill that is stable but unaffordable does not benefit low income customers. The solution is not to lock in more of their costs within a fixed charge they cannot avoid if they are able to access LIURP or WAP. There are far better tools to provide both stability and genuine affordability for low-income customers, including: (1) increased enrollment in CAP, which provides a bill tied to a customer's ability to pay, and (2) for those not eligible for CAP, budget billing, which Peoples is legally required to offer and which smooths payments without reducing the incentive to conserve.

Q: Ms. Black argues that increasing the fixed customer charge is not an issue for low income customers and will not affect LIURP savings because 97% of LIURP participants are CAP participants as of the 2024 LIURP annual report.[103] What is your response?

A: Ms. Black's argument rests on the assumption that once someone is enrolled in CAP that they will always be enrolled in CAP. This is not the case. We know from experience that households cycle in and out of CAP for a variety of reasons – household income changes or they fail to recertify timely or properly. Thus, even though an increase

[103] Peoples St. 10-R at 20-21.

in the fixed charge does not affect the customer's overall CAP payment – and, thus, does not incentivize or disincentivize savings produced by LIURP for that customer – does not mean that the increase will not impact that customer if they are no longer in CAP. Post-CAP, an increase to the fixed charge will have the same effect as for a LIURP-eligible customer who is not enrolled in CAP: it will dilute their ability to achieve bill savings as a result of usage reduction. Moreover, since one of the benefits of providing LIURP services to CAP customers is to reduce the overall cost of CAP through reduced usage by CAP customers, any increase in the customer charge will mean that, in aggregate, the CAP program is more expensive for non-CAP customers than it otherwise would be if bill savings had been passed through as a result of a lower customer charge. Thus, I disagree with Ms. Black's position that an increase in the fixed customer charge will not negatively affect the LIURP program's goals of bill savings and usage reduction.

Q: Mr. Taylor also argues that the proposed customer charge should not be scaled back proportionately if the Commission approves a lower revenue requirement because rate design should be based on cost to serve, not on the overall revenue level.[104] Do you agree?

A: No. While I understand the theoretical argument that rate design and revenue level are analytically distinct, the practical effect of approving the proposed $26.00 customer charge, in the context of a lower overall revenue requirement, is to lock in a structural shift toward fixed cost recovery. The Company is seeking a substantial revenue increase. If the Commission concludes that the requested increase is not fully justified, approving the full customer charge increase compounds the harm to low-income and lower-use

[104] Peoples St. 17-R at 39.

customers and more quickly erodes the effectiveness of efficiency and conservation to reduce customer bills without a demonstrated need for that level of cost recovery.

Q: Has your recommendation about the customer charge changed?

A: No.

B. Weather Normalization Adjustment

Q: What was your position in your Direct Testimony regarding Peoples' Weather Normalization Adjustment (WNA)?

A: I recommended that Peoples' WNA be discontinued. I explained that, the WNA shifts the traditional weather related business risk of providing gas distribution service from the utility onto customers, whereas Peoples is in a better position to manage those risks due to many factors, including the regulatory framework.[105] I pointed out that the Commission's regulatory framework (1) allows the Company to project its own revenue needs based on a fully projected future test year (FPFTY), (2) allows Peoples to establish a revenue requirement based on its own projections, (3) allows Peoples to charge a distribution system improvement charge (DSIC). [106] I pointed out that these mechanisms better position Peoples to absorb the effects of variable weather conditions without passing these risks down to consumers. However, if the Commission disagrees and allows the WNA to continue, I also made several recommendations on ways to reform the charge to lessen the inequitable impact to residential consumers.[107]

Q: What was Mr. Taylor's response to your concerns about Peoples

A: Mr. Taylor argues that the WNA does not eliminate business risk or guarantee

[105] CAUSE-PA St. 1 at 59-60.
[106] Id. at 60.
[107] Id. at 64-66.

recovery of earnings.[108] He argues that the fully projected future test year (FPFTY) and DSIC serve a fundamentally different purpose than the WNA, and that they do not eliminate the effects of abnormal weather or diminish the need for the WNA.[109] He opposes recommendations that the WNA deadband be increased from 3% to 5% and also opposes recommendations that October and May be removed from the WNA.[110]

He states that my recommendation for a class-based mechanism that accumulates WNA adjustments during the heating season and subsequently spreads the net class-level charge or credit over a longer period is "not inherently unreasonable" but requires more detail.[111]

Q: What is your response to Mr. Taylor's assertions that the WNA does not eliminate business risk and that the FPFTY and DSIC are not relevant to the WNA?

A: I disagree. The risk of under collection due to warmer than normal weather is a traditional business risk of providing gas distribution service. While the WNA may not totally eliminate that risk, it inappropriately shifts this weather-related revenue risk onto customers, who are less equipped to absorb that risk. Peoples is a monopoly provider of essential services and is allowed to set its revenue requirement based on a fully projected future test year. It has access to financial tools and regulatory mechanisms – including the DSIC – to manage revenue uncertainty. Low income customers have none of these tools. They operate on tight monthly budgets with no margin to absorb unexpected surcharges based on energy they did not use, regardless of how well-calibrated the underlying normal may be.

[108] Peoples St. 17-R at 56-57.
[109] Id. at 56-57.
[110] Id. at 63-65.
[111] Id.

Q: What is your response to Mr. Taylor's argument that the WNA deadband should not be increased to 5%?

A: I disagree. Increasing the deadband from 3% to 5% would require more meaningful weather deviations before the mechanism activates, which would more accurately reflect "abnormal" weather. The additional buffer is appropriate for a mechanism that charges customers for service they did not consume or credits customers for service that they did consume but should not have under normal weather. Furthermore, this wider deadband would be consistent with the Commission's recent decision in the 2025 Columbia rate case.[112] The Commission reasoned that a 5% deadband improves stability of customer bills and Company revenues and better captures normal weather fluctuations in Pennsylvania.[113] The Commission also explained that the 5% deadband appropriately places more of the burden for calculating and forecasting weather variations back onto the Company as a normal part of doing business.[114] Therefore, if the Commission allows Peoples to continue to operate its WNA, it should require that the deadband be increased to 5%.

Q: What is your response to Mr. Taylor's argument that October and May should not be removed from the WNA?

A: Mr. Taylor argues that the greater weather variability in these shoulder months supports including them in the WNA rather than excluding them.[115] However, Mr. Taylor's argument runs contrary to the Commission's recent decision in the Columbia Gas 2025

[112] Pa. PUC v. Columbia Gas of Pa., Inc., Docket No. R-2024-3067174, Order at 202 (Order dated Dec. 4, 2025).
[113] Id. at 301.
[114] Id.
[115] Peoples St. 17-R at 64-65.

rate case where it approved Columbia's WNA only for the months November through April.[116] Shoulder months, such as October and May, are not traditional heating months in Pennsylvania and should be eliminated from the WNA. There is no reason that the Commission should treat Peoples' customers differently than Columbia's customer when it comes to the months that the utility is permitted to shift weather-related risk from its shareholders to its customers. Furthermore, I stand by my recommendation that, if the WNA is allowed to continue, it should be limited to December through March, which are the only winter months that are actually recognized by the Commission and the General Assembly for winter termination protections for households with income at or below 250% FPL.[117] It is inconsistent with public policy to use those months as the benchmark for customer vulnerability in the termination context while simultaneously allowing Peoples to assess weather-related surcharges on either side of that period.

Q: What is your response to Mr. Taylor's assertion that your recommendation for a class based WNA methodology requires more detail?

A: I want to be clear that my primary recommendation is that the WNA be discontinued with the effective date of rates. This is the result I believe is supported by the record in this proceeding. If the Commission determines that Peoples' WNA should continue, then I recommend that the WNA be assessed on a more equitable basis over the course of the year rather than on a one-month lag basis only in the winter months when customers face their highest bills. The mechanism that I recommend could work as

[116] Pa. PUC v. Columbia Gas of Pa., Inc., No. R-2025-3053499, Final Order at 301–02, (Order Entered Dec. 9, 2025).
[117] CAUSE-PA St. 1 at 64.

follows and assumes a WNA with a 5% deadband that is in place only for the months of November – April.

- Beginning November 2027,[118] Peoples would track the aggregate WNA charges and credits that exceed the 5% deadband for each month for the entire WNA period.
- Peoples would not assess these charges for the period of November 2027 through April 2028. Each month, any charges or credits that exceed the deadband would be added to a regulatory asset/liability account and netted against charges or credits that are already in the account.
- At the end of the WNA period (April 30th), Peoples would calculate the total net WNA charge or credit for the heating season and then would calculate a per Mcf charge that would be used to charge or credit customers.
- Based on the calculated per Mcf charge, Peoples would calculate their total credit or charge to customers based on the customer's winter usage for the period of November to April and then divide that amount by 12.
- Peoples would then assess as an additional fixed charge or credit 1/12th of each customer's to their bill for the following period from June 1st through May 31st – assuming that there would need to be a one-month lag for purposes of making the calculations.

[118] The effective date of rates in this proceeding is at the end of December 2026, which is in the middle of the 2026-2027 WNA. Peoples witness Scanlon requests that because the Company's new base rates will be effective in the middle of the heating season that any changes to the WNA be implemented at the beginning of the next heating season. Peoples St. 3-R at 17. I do not take issue with this request which is why I recommend that the changes I propose would take effect beginning in the fall of 2027 (anywhere from October to December depending on which month the Commission indicates the new WNA period would begin).

- The process would start over again the following heating season.

Q: In section II, above, you responded to Peoples witness Huwar's assertion that the WNA improves affordability, noting that WNA charges affect CAP customers and increase the cost of the universal service rider. Does this raise further concerns about the WNA mechanism itself?

A: Yes. Mr. Huwar's assertions have triggered a concern about the continued applicability of the WNA to CAP customers. Peoples currently applies its WNA to all residential customers including CAP customers.[119] This is problematic for two reasons. First, WNA charges caused by warmer weather trends will increase the bill for CAP customers who are charged according to their average bill, up to the applicable percentage of income payment. As detailed in depth in my direct testimony, these customers already lack the ability to afford their monthly expenses without assistance, including their Peoples' bill, and they should not be required to pay any more than necessary to connect to and maintain essential gas service. Second, CAP customers who are enrolled in Peoples' percentage of income payment do not pay the WNA charges directly because their bills are capped at their percentage of income bills. The difference between these customers' bills and their CAP bills is recovered through the universal service rider.[120] Since CAP customers do not pay their full tariff bill, the imposition of WNA charges on CAP bills needlessly increases the costs of the CAP program paid for by other residential customers. It is therefore unjust and unreasonable to assess the WNA

[119] Volume V, Peoples Exhibit 14, Current Tariff, Appendix A – Peoples Natural Gas Company LLC Retail Tariff No. 48 – effective February 12, 2026, First Revised Page No. 79.
[120] Volume V, Peoples Exhibit 14, Proposed Tariff, Appendix C – Peoples Natural Gas Company LLC Retail Tariff 49, Original Page No. 76, Rider Universal Service.

charges to CAP customers because it increases bills for CAP customers and drives up the cost of the universal service rider. Thus, I recommend that if the Commission permits the WNA to continue that it specifically exempt CAP customers from this charge.

V. UNIVERSAL SERVICE AND ENERGY CONSERVATION PROGRAMS

Q: What was the Company's response to your recommendation that the proposed Provision # 9 to its Rate CAP tariff page regarding recreational CAP usage be rejected?

A: Peoples witness Rita Black responded to this recommendation. She explained that the prohibition on recreational CAP usage has been in the Company's Universal Service and Energy Conservation Plan (USECP) since 2014.[121] She further explained that the Company waives this provision if the customer submits verification of a medical need.[122] Ms. Black notes that the Commission requires Peoples to ensure that the cost of recreational use is not recovered through CAP and that Peoples was previously cited by the Commission for failure to identify pool heater use by a CAP customer.[123] She also notes that it is not the Company's practice to back bill customers for this usage.[124]

Ms. Black proposes revising the proposed Provision # 9 to remove references to appliances other than pool heaters and to remove the reference to the unjustified usage being billed back to the customer.[125] She also indicates the Company will update its USECP to remove references to back billing and to specify that customers can provide a medical certificate to verify that the usage is necessary.[126]

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[121] Peoples St. 10-R at 2-3.
[122] Id.
[123] Id.
[124] Id. at 5.
[125] Id. at 4-5.
[126] Id. at 5.

Q: Do you agree with Ms. Black's proposed revisions?

A: Yes. I believe that Ms. Black's proposed revisions to Provision # 9 are reasonable and address my concerns.

Q: Ms. Black also addresses your recommendation that Peoples proposed Provision #10 regarding CAP fraud be rejected. What is your response?

A: In my direct testimony I recommended that the Commission reject Peoples' proposed Provision # 10, which would allow Peoples to remove customers from CAP and require them to pay back CAP benefits if "the Company determines a CAP participant obtained benefits through fraudulent means, such as failing to report all household income."[127] I explained that this provision could lead to customers who are low income customers being unjustifiably removed from CAP. I recommended that this tariff change be denied in this case and that Peoples consult its USAC to develop more clearly defined, objective parameters for identifying CAP fraud and distinguishing it from mistakes in the application process.[128]

In her rebuttal testimony, Ms. Black notes that "this type of behavior from CAP customers is not in any way a common occurrence."[129] She points to a singular incident where the Company identified a CAP customer with a pool heater and reviewed the account and found the customer lived in a relatively expensive home and had very high usage.[130] Ms. Black indicates the Company took several steps to validate the customer's eligibility, and the customer eventually enrolled in a payment plan – without recertifying

[127] CAUSE-PA St. 1 at 71-74; Peoples Natural Gas Company LLC Retail Tariff No. 49 page 43.
[128] Id. at 71.
[129] Peoples St. 10-R at 6:8-9.
[130] Id. at 6.

for CAP.[131] Ms. Black argues that, while this is a singular incident, absent a tariff change, the Company will be without recourse to remediate such situations in the future.

Regarding Provision # 10, I stand by my recommendation that it be rejected, unless and until the Company develops clearly defined, objective parameters for identifying CAP fraud and distinguishing it from mistakes in the application process, including a specific dispute process for these cases. From Ms. Black's description it appears that Peoples acted reasonably in the situation she identified. However, this is a single instance of suspected CAP fraud, and nothing in Ms. Black's testimony definitively proves that this customer acted fraudulently. Nor is there any evidence that existing rules are insufficient to provide adequate recourse. The absence of information should not be presumed to indicate fraud.

My concern is that allegations of fraud must be proven before customers are punished for it and there should be a clearly defined dispute process for customers to defend themselves against such allegations. Thus, I stand by my recommendation that tariff Provision # 10 be rejected and that Peoples consult its USAC to develop more clearly defined, objective parameters for identifying CAP fraud including a clearly defined dispute process.

Q: In direct testimony, you pointed out a dramatic spike in Peoples CAP termination rate in 2024 and recommended a root cause analysis to identify the cause.[132] What was the Company's response?

A: Ms. Black points out that, in 2025, Peoples' CAP termination rate was reduced to 6.5% and argues a root cause analysis is not necessary but agrees to discuss the issue

[131] Peoples St. 10-R at 6.
[132] CAUSE-PA St. 1 at 73.

with Peoples USAG.[133] Ms. Parks similarly disagrees that Peoples' 2024 CAP termination rates were troubling and points out that the Company's CAP termination rate has reduced in 2025.[134]

Q: Do you agree?

A: No. I stand by my recommendation that it is important to identify the cause for the dramatic increase in Peoples' CAP termination rate. CAP is a significant preventative mechanism designed to reduce the rate of service loss for low income customers. In my direct testimony I acknowledged that the CAP termination rate reduced to 6.5% 2025; however, I pointed out that it still remains elevated relative to the 5% CAP termination rate the company reported in its 2023.[135] Ms. Black and Ms. Parks do not provide any explanation why the CAP termination rate increased so dramatically from 2023 to 2024. It is important to understand what caused this spike so that Peoples can ensure that its CAP termination rate continues to decline and does not have a similar spike in the future.

I note, however, that in response to discovery, Peoples indicated that it is currently undergoing a Universal Service Evaluation that will be completed in April 2027 and that as a part of the evaluation, they have requested that the evaluator look at CAP termination trends from 2019 to 2025.[136] For purposes of my recommendation, because the Company has committed to address this issue in its ongoing evaluation and because it has committed to discussing the results of the evaluation with its universal service advisory committee, I am satisfied that this reasonably meets my request for a more thorough evaluation of these issues.

[133] Peoples St. 10-R at 14.
[134] Peoples St. 18-R at 21.
[135] CAUSE-PA St. 1 at 73.
[136] Peoples Response to CAUSE-PA Set IX-002, attached hereto at Appendix A.

Q: You also recommended a root cause analysis to determine why a significant number of potentially eligible customers are not being enrolled in CAP because of the failure to complete the application.[137] What was the Company's response?

A: Ms. Black's rebuttal testimony seems to misunderstand my concerns and recommendation. It states, "Mr. Cicero is concerned that potentially eligible customers are not enrolled in CAP and suggests a root cause analysis to determine the reasons for this."[138] While I am generally concerned about the number of low income customers not enrolled in CAP, the root cause analysis that I recommend is specifically to address the increasing number of customers who affirmatively request a CAP application but do not complete the application in whole or in part.[139] I pointed out that, in 2024, 68% of all denials were for incomplete applications, which rose to 74% in 2025 and 80% in April 2026.[140] This recommendation is not based on general concerns of undersubscription, but specifically about whether there is a systemic basis for this failure either because of a flawed process with its vendor, with the application itself, or some other basis.[141]

Ms. Black argues that a root cause analysis is not necessary, because the Company is undergoing an independent evaluation of its universal service programs. In response to discovery, it appears that as of July 14, 2026, the issue of incomplete applications for CAP customers will be included in the evaluation that the Company's universal service evaluator will be addressing.[142] For purposes of my recommendation, because the Company has committed to address this issue in its ongoing evaluation and

[137] CAUSE-PA St. 1 at 73-74.
[138] Peoples St. 10-R at 13.
[139] CAUSE-PA St. 1 at 73-74.
[140] Id.
[141] Id.
[142] Peoples Response to CAUSE-PA Set IX-002, Attachment C, attached hereto at Appendix A.

because it has committed to discussing the results of the evaluation with its universal service advisory committee, I am satisfied that this reasonably meets my request for a more thorough evaluation of these issues.

Q: Are there other issues addressed in rebuttal testimony about universal services to which you wish to respond?

A: Yes. I&E witness Okum and Peoples witness Black respond to Pennsylvania Weatherization Providers Task Force (PWPTF) witness Jennifer Warabak's recommendation that Peoples increase its annual budget by $975,000 to support serving an additional 75 customers per year through LIURP.[143] Ms. Black indicates that the Company already projects to exceed the number of customers recommended by Ms. Warabak.[144] Ms. Okum does not oppose the recommendation to serve 75 additional customers through LIURP, but argues that additional funds are not necessary to serve them, because Peoples has not spent its full LIURP budget in the past few years.[145]

I agree with PWPTF witness Warabak. Peoples' LIURP underspending in recent years is not indicative of a lack of need for LIURP services in its territory. As Ms. Black explains, in 2024 and 2025, Peoples transitioned to a new program administrator, which slowed down LIURP production.[146] In 2023, prior to this transition, the Company expended 97% of its LIURP budget.[147] According to Ms. Black, since the transition has completed, the Company's LIURP production has greatly improved and is projected to exceed the number of customers previously served by the program.[148] Therefore, Ms.

[143] I&E St. 1-R at 2-4; PWPTF St. No. 1 at 6-7.
[144] Peoples St. 10-R at 21.
[145] I&E St. 1-R at 2-4.
[146] Peoples St. 10-R at 21.
[147] Peoples Response to CAUSE-PA Set II-002, Attachment. Attached hereto at Appendix A.
[148] Peoples St. 10-R at 21.

Warabak's recommended LIURP budget is appropriate to support this increased production and to help mitigate the additional need created by any approved rate increase in this proceeding.

VI. UNIVERSAL SERVICE COST RECOVERY

Q: Please summarize your position on the recovery of universal service costs.

A: In my direct testimony, I addressed Peoples' proposal to continue to assign Universal Service and Energy Conservation program costs exclusively to residential customers. I explained that the need for and costs related to Peoples' Universal Service and Energy Conservation programs are not solely "residential" problems and there is no rational basis for residential customers to solely bear the burden of these costs.[149] I proposed a broad reallocation of these costs to all customer classes to mitigate the cost impact to residential customers rather than continuing the current practice of assigning them solely to residential customers.[150] OCA witness Roger Colton similarly recommended that all rate classes should contribute to the Company's Universal Service and Energy Conservation program costs because those costs are not caused by factors specific to residential customers and benefit all customers.[151]

Q: Did other parties respond to your position in their rebuttal testimony?

A: Yes. Peoples witness Black explains that, while Peoples currently only recovers universal service costs from residential customers, this has not always been the case.[152] She explained that Peoples' CAP costs were previously recovered through a mechanism

[149] CAUSE-PA St. 1 at 78-81.
[150] Id.
[151] OCA St. 4 at 74-84.
[152] Peoples St. 10-R at 24.

that adjusted delivery base rates on a quarterly basis to align with changing gas costs and enrollment levels and 4.25% of CAP costs were allocated to non-residential customers.[153] She states that while the Company acknowledges the desire to spread the costs to nonresidential rate classes, it would need to evaluate the cost of potential IT changes to implement the change.[154]

Peoples witness Taylor agrees that "assisting low-income customers serves an important public policy objective that benefits society more broadly."[155] But, he says that if the Commission approves a broader allocation of universal service costs, it should apply that policy on a consistent, statewide basis.[156] He states my proposal would materially change the recovery of these costs and recommends that Commission evaluate whether a volumetric or fixed recovery approach would be equitable and reasonable manner.[157]

OSBA witness Mark Ewen argues that small business customers should not contribute to universal service programs because these customers cannot take advantage of "residential-only" programs.[158] He argues there is no causal relationship between PNG's universal service costs and small business customers. He argues that such charges would be an unfair "tax" on small business customers.

Q: What is your response to Ms. Black?

A: I appreciate the clarity about Peoples' previous methodology for allocating CAP costs, and I see that as a potential starting point for the Company to move forward with my recommendation. Regarding the potential for IT costs, allegations of potential costs

[153] Peoples St. 10-R at 24.
[154] Id.
[155] Peoples St. 17-R at 21-22.
[156] Id.
[157] Id.
[158] OSBA St. 1-R at 3-5.

have neither been described nor quantified so as to allow this to be an actual barrier implementation. Furthermore, I am amenable to a longer ramp up period to allow this change to be implemented during a normal IT workflow, such that it should not add material costs over and above what would occur if Peoples changes it rates.

Q: What is your response to Mr. Taylor?

A: I agree that the Commission should require the recovery of universal service costs from all customer classes on a statewide basis. However, I do not agree that the issue of whether universal service costs should be allocated more broadly than to residential customers must be decided, *again*, in a statewide proceeding as opposed to in Peoples rate case for Peoples' customers.

In the Commission's 2019 CAP Policy Statement and Order, the Commission expressly directed utilities and stakeholders to address CAP cost recovery in utility-specific rate proceedings, indicating that "the Commission will no longer routinely exempt non-residential classes from universal service obligations."[159] The Commission's formal, enumerated policy statement provides:

> "In rate cases, parties may raise the issue of recovery of CAP costs, whether specifically or as part of universal service program costs in general, from all ratepayer classes. No rate class should be considered routinely exempt from CAP and other universal service obligations.[160]

Regarding Mr. Taylor's assertion that assignment of universal service costs to other classes could affect business siting, expansion, and investment decisions, I note that there are a number of different factors that are unique to each NGDC's service territory, including variations in rates, that could affect business decisions – including the level of

[159] Final CAP Policy Statement and Order, Docket No. M-2019-3012599, at 97 (Order entered Nov. 5, 2019); see also 52 Pa. Code §§ 69.265(1), 69.266(b).
[160] 52 Pa. Code § 69.266(b).

rate increase that the Commission authorizes in this proceeding. The allocation of universal service costs is just one of these potential factors and would likely have minimal influence compared to the geographic location, existing infrastructure, and the general prices the utility charges for service, of which universal service costs would only make up a small fraction.

Regarding the choice between fixed or volumetric assignment of universal service cost among nonresidential customers, I believe the most equitable approach is a volumetric assignment after the costs have been allocated to each class. Regarding how much to allocate to each class, my recommendation in direct testimony was that these costs should be assigned to all rate classes based on their respective distribution revenue requirements per the Company's cost of service study (COSS) filed in the current case.[161] That remains my recommendation. This could be adjusted in future cases – as are all allocations – if necessary.

Q: What is your response to Mr. Ewen?

A: Mr. Ewen's argument rests on an outdated and narrow interpretation of utility cost causation. I outlined all the reasons why cross class universal service recovery is reasonable and appropriate in my direct testimony. The argument that small businesses receive no benefit from universal service programs ignores the fundamental economic realities outlined in my direct testimony that were unrebutted by Mr. Ewen. Mr. Ewen also refers to these costs as a "tax", which, of course, is an incorrect framing as Peoples is a private company and cannot assess a tax. Universal Service rider costs are no more a tax than any other rate assessed by Peoples.

[161] CAUSE-PA St. 1 at 81:5-7.

I stand by the analysis and data in my direct testimony, which demonstrate that all customer classes (including industry, business, commerce, educational institutions, hospitals, local and state governments, and other residential customers) benefit from the availability and existence of universal service programs and assistance. It is a sound policy decision for all customers to share the costs of providing these programs to Peoples' most vulnerable customers.

VII. FUEL SWITCHING PILOT

Q: Briefly describe your testimony regarding Peoples natural gas hot water tank Rebate Pilot.

A: In my direct testimony I recommended that the Commission either reject this proposal or require it to be paid for by Peoples' shareholders, because it is a load building pilot, and it would not be appropriate for the Commission to allow Peoples to spend ratepayer funds to switch customers with electric hot water heaters to gas hot water heaters.[162] I pointed out that electric water heating customers can likely get rebates for efficient electric water heaters from their EDC.[163]

Q: What was the Company's response?

A: Peoples's witness Ravenstall seemingly acknowledges that this is a load building program but argues that the increased volume into Peoples' delivery system will help keep rates low for all customers and help reduce strain on the electric grid.[164] He also

[162] CAUSE-PA St. 1 at 81-82.
[163] Id.
[164] Peoples St. 8-R at 10.

argues that my assertion that customers can get efficient hot water tank rebates from their EDC is speculative.[165]

Q: Do you agree with Mr. Ravenstall?

A: No. I stand by my recommendation that ratepayers should not pay for this program and that this proposal be denied or, at the very least, paid for by shareholders rather than ratepayer funds. Other than the axiomatic argument that all incremental throughput without incremental costs reduces rates, Mr. Ravenstall has provided no evidence to substantiate his claim that adding additional volume onto Peoples' gas system would meaningfully put downward pressure on rates. Nor has he credibly shown that reducing electric hot water heating will reduce strain on the electric grid that is caused by hyperscale data center load growth.

Regarding the high efficiency hot water tanks available from EDCs, the two EDCs with overlapping service territory are Duquesne Light and First Energy (West Penn Power), and both offer rebates for several different types of high efficiency electric hot water heaters at varying incentive levels though their respective Act 129 Phase V Energy Efficiency & Conservation Plans.[166] Thus, I stand by my recommendation that the Commission disallow this program.

[165] Peoples St. 8-R at 12.

[166] See Duquesne Light Company Phase V Energy Efficiency and Conservation Plan, Docket No. M-2025-3057325, at p.136, 143; see also FirstEnergy Pennsylvania Electric Company Phase V Energy Efficiency & Conservation Plan, Docket No. M-2025-3057327, Appendix B, Table 8: Eligible Measures.

VIII. PURCHASE OF RECEIVABLES

Q: Please summarize your direct testimony on this issue.

A: In direct testimony, I outlined how residential customers who were served by retail natural gas suppliers (NGS) paid $51.9 million between January 2024 through April 2026, more to receive service from NGSs than they would have otherwise paid had they been billed at default service rate.[167] I also demonstrated that customers who were served by NGS's during this same period had significantly higher gross write offs per customer – as much as 484% higher than customers with arrears who were served by default service.[168] As a result, I made a recommendation that Peoples revise its POR program to require that to participate in POR and have Peoples buy its receivables an NGS would have to certify that its rates are at or below the applicable default service price at the time that a contract is initiated or at the time of contract renewal.[169]

Q: Did any party respond to your recommendation?

A: Yes. Peoples witness Steven Kolich and RESA witness Francis Caliva responded to this recommendation. Mr. Kolich agreed that my recommendation could help reduce customer costs and would help reduce the risk of customers, including low-income customers, being enrolled in high cost NGS contracts.[170] He also expects that any implementation costs for my recommendation would be minimal.[171] Mr. Kolich also added important supplemental information that bolsters the need for POR reform. For example,

[167] CAUSE-PA St. 1 at 85-86. (Note that this figure has been updated by Errata submitted July 31, 2026.).
[168] Id. at 86-87.
[169] Id. at 88.
[170] Peoples St. 21-R at 4:20-5:3.
[171] Id. at 5.

Mr. Kolich agreed that my recommendation could help customers save money and reduce overall costs, and provided the following data that bolsters my recommendation:

> As of July 2026, approximately 95.8% of residential shopping customers pay more than the PTC for commodity service, and average supplier price is 82% above the PTC, with some supplier prices reaching as much as ten time the PTC.[172]

Mr. Caliva disagreed with my recommendation.[173] He incorrectly asserts that I have provided no evidence for my recommendation. He argues, generally, that POR is important to the competitive market and that my recommendation to narrow eligibility thresholds for POR participation would be anticompetitive and effectively allow Peoples to set a price ceiling on NGS contracts. He also argues that there is no link showing that the POR program has contributed to the exorbitant amounts that shopping customers have been billed at default service rates. I respond to his specific arguments in detail below.

Q: Mr. Caliva argues that, under your recommendation, if the PTC changes mid contract, the supplier could no longer access POR for that contract.[174] Is that an accurate description of your recommendation?

A: No. My direct testimony clearly states that, to participate in POR, the contract rate must be below the PTC *"at the time of contract initiation or renewal"*. If the PTC goes down mid-contract, the contract would still be eligible for POR until it expires. Thus, Mr. Caliva's concerns are unfounded. The purpose of my recommendation was to ensure that contracts can be honored for the duration of their term and not be affected by the externality of the PTC change during the term of the contract. At contract renewal, to

[172] Peoples St. 21-R at 5:3-6.
[173] RESA St. 1-R at 3-14.
[174] Id. at 11.

continue to participate in POR, the contract would have to be at or below the then applicable PTC. I recognize that, when implemented, there will be existing contracts for existing supply that are currently receiving POR. I recommend that Peoples allow that those contracts continue to be included in POR until the end of the contract term at which point to continue to receive POR any contract renewal or new contract would have to be at or below the then applicable PTC.

Q: Mr. Caliva argues that your recommendation is anticompetitive and would set a price ceiling on NGS contracts and would be a regulation of EGS rates.[175] Is that accurate?

A: No. Nothing in my testimony argues that suppliers should not be able to offer contracts with prices above the PTC, I only recommend that, for Peoples to agree to perform collections on those contracts, the NGS must certify the price is at or below the PTC at the time the contract was entered. Suppliers would be free to charge whatever price they want, and customers would be free to contract with any supplier. Suppliers would not have to send a separate bill and would still be able to utilize utility consolidated billing. The only change would be that a supplier who contracts with a customer for a rate that is higher than the PTC would not get paid for its receivable up front but would be paid only when Peoples collects on the bill. If Peoples is unable to collect on the account, then collections would revert to the supplier. This is not price regulation or anticompetitive.

[175] RESA St. 1-R at 6-7

Q: Mr. Caliva implies that POR is somehow required by Commission order. Is he correct?

A: Counsel for CAUSE-PA will fully respond to the legal arguments asserted by Mr. Caliva about POR, however, I disagree with Mr. Caliva's implication that Peoples is required to operate a POR by statute or Commission order. In fact, as will be addressed by counsel in briefing, the Public Utility Code expressly prohibits the Commission from *requiring* POR.[176] As a matter of policy, I contend that participation in the POR is a privilege, not a right, and reasonable restrictions on the POR to prevent harm to other ratepayers is not tantamount to unlawful price regulation or discrimination – it is part and parcel to People's obligation to prudently manage collections and the Commission's obligation to ensure the imposition of just and reasonable rates.

While Mr. Caliva points to the Commission's 2007 policy statement, encouraging – *but not requiring* – PORs for electric distribution companies (EDCs), I am not aware of a similar policy statement ever being issued for NGDCs. At the time that the POR policy statement was developed there was no data to assess how the mechanism would impact uncollectible expenses. Instead, the mechanism was advanced as a policy preference, with the goal of supporting healthy retail market growth. But we now have the data, and it is <u>not</u> favorable to suppliers. The data suggests that POR allows suppliers to act with impunity charging excessive rates without regard to whether the customer is ultimately able to pay. After all, collection is someone else's problem. The reality is that ratepayers are left paying the price of high charges in the form of higher gross write offs. This is eerily similar to my early years in legal aid when I represented homeowners with subprime

[176] 66 Pa C.S. § 2205(c)(5).

mortgages that were securitized as mortgage-backed securities as soon as they were made, providing the originator with quick cash and no responsibility. My proposal is a measured and iterative step in the process based on data. It would lay accountability for pricing at the feet of suppliers who wish to charge prices higher than the PTC.

Q: What is your response to Mr. Caliva's argument that you fail to provide evidence that POR leads to higher NGS charges?[177]

A: Under the current POR structure, suppliers that participate in utility consolidated billing receive the benefit of having Peoples purchase their receivables without recourse, even where the supplier's excessive pricing contributes to nonpayment, termination, and write-offs. In practical terms, that means a portion of the financial consequences of excessive supplier pricing can be shifted away from the supplier and onto other customers.

In my direct testimony, I presented substantial evidence not only of the link between the POR and higher NGS charges, but of the harms that result from those excessive charges. I explained that, since suppliers are paid upfront with a discount that only reflects the overall uncollectible rate, they have very little incentive to moderate the prices and no incentive to be concerned if their prices exceed the PTC.[178] They also have no reason to be concerned if their higher charges are unaffordable for customers because they are not responsible for collecting on those charges.

As Mr. Kolich explains, while POR helps increase NGS participation by reducing suppliers' credit and collection risks, these POR protections coupled with unrestricted

[177] RESA St. 1 at 5.
[178] CAUSE-PA St. 1 at 84.

supplier pricing results in significant market distortions.[179] The POR program insulates NGSs from much of the financial risk associated with uncollectible accounts and allows NGSs to charge prices above or substantially above the utility's default service rate.[180], leading to the disproportionate impacts I detailed in my direct testimony.

- From January 2024 through April 2026, Peoples residential shopping customers paid in aggregate $51.9 million more than they would have paid for the PTC.[181]
- Of that amount, confirmed low income customers who were served by an NGS paid in aggregate $7.4 million more than if they had all been charged the default service rate for that same period.[182]
- Write offs for shopping customers were 484% higher than for residential customers on default service, and for low income customers, write offs for those customers shopping were an astounding 856% higher than write offs for low income customers who were charged the default service rate.[183]
- Low income shopping customers had the worst outcomes, paying higher prices and suffering write-offs nearly two times higher than other residential shopping customers.[184]

Further, as pointed out by Mr. Kolich, as of July 2026, approximately 95.8% of residential shopping customers pay more than the PTC for commodity service, and the average supplier price is 82% above the PTC, with some supplier prices reaching as much as ten times the PTC.[185]

Mr. Caliva's position appears to be that there is no objective benchmark to compare prices, and the point of retail competition is simply choice itself as opposed to promoting a structure that was intended to lower retails costs for consumers. Counsel for CAUSE-PA will fully brief the legal arguments in this case, but it is undeniable that a core purpose

[179] Peoples St. 21-R at 4.
[180] Id.
[181] CAUSE-PA St. 1 at 85. (Note that this figure has been updated by Errata submitted July 31, 2026.).
[182] Id. at 86. (Note that this figure has been updated by Errata submitted July 31, 2026.).
[183] Id. at 87, Table 16.
[184] Id. at 87.
[185] Peoples St. 21-R at 5.

of competition is to promote lower rates, among other key goals. Hence the Commission's statement of purpose in section 62.221 of its regulations, implementing the Choice Act, explains that it is "essential that [retail gas shopping customers] are able to compare the price of gas purchased from their incumbent NGDCs with that offered for sale by NGSs."[186] The goal was lower prices, not just abstract notions of choice.

Q: Please respond to Mr. Caliva's argument that the PTC is not an appropriate benchmark for supplier offers.

A: He is simply incorrect. The PTC provides consumers with an appropriately relevant benchmark that constitutes an all-in price for commodity gas charges and is designed to allow consumers to compare the price of gas purchased from their incumbent NGDCs with that offered for sale by NGSs.[187] The PTC is designed to allow consumers to compare the price for default service with options available in the competitive market. The PTC allows consumers to compare prices based on an objective benchmark that seeks to not always be the lowest price at any one point in time, but that is designed to be least cost procurement without markup.

Mr. Caliva attempts to present a false dichotomy in response to my testimony, arguing that I must either acknowledge that the PTC is not an appropriate benchmark or admit that my recommendation would allow Peoples to limit the prices of its competitors.[188] This argument is absurd and both of these assertions are false. My recommendation would not allow Peoples or any other party to restrict the prices charged by NGS. To the contrary, my proposal would not deprive a consumer of the opportunity to

[186] 52 Pa. Code § 62.221.
[187] 52 Pa. Code §§ 62.221, 62.223.
[188] RESA St. 1 at 7:16-21.

pay more if they so choose, it would help address persistently higher prices in the competitive market that are having a negative impact on consumers while ensuring consumers retain direct access to retail market.

Q: Mr. Caliva claims that your recommendation would split billing and collection functions between multiple parties, which risks large numbers of customers being thrust into receiving two bills and reducing the likelihood they will pay.[189] Is he correct?

A: No. There is a difference between consolidated billing and POR. Under my recommendation, suppliers could participate in utility consolidated billing regardless of what they charge. If they charged more than the PTC at the time of contract initiation or at contract renewal, they would not be paid for their receivable they would only be paid for the amount actually collected by Peoples. This is the same construct utilized by utilities for non-basic services. Mr. Caliva provides no evidence that this would lead to error and friction.

My proposal is a measured reform that better aligns incentives. If a supplier wishes to charge a price above the PTC and a customer wishes to contract for that price then the supplier and customer remain free to do so, but the supplier should not be entitled to socialize the incremental collection risk associated with that pricing through POR treatment. Given the evidence in this case showing that shopping customers have materially higher write-offs than customers on default service, as well as strong evidence that excessive supplier pricing is contributing to broader affordability problems and uncollectible expense, my proposal is both appropriate and necessary to protect

[189] RESA St. 1 at 13.

Peoples's residential customers from unnecessary costs and should be approved in this proceeding.

Q: Mr. Caliva says you fail to address whether suppliers would be able to terminate service for contracts that are not eligible for the POR. Does this, as he asserts, remain an open question?

A: No. The ability of Peoples to terminate service for nonpayment of an NGS contract is directly tied to the POR. As will be fully briefed by Counsel for CAUSE-PA, it would be contrary to Pennsylvania law to allow any party other than Peoples to control termination of service. Commission regulations also expressly prohibit a utility from terminating service based on non-payment of non-basic service charges.[190]

As I explained in my direct testimony, low income customers already face high energy burdens at exiting rates and the addition of NGS rates that are more than 50% higher than Peoples' applicable PTC increase the likelihood of payment based termination.[191] My recommendation would help ensure that only NGS contracts that are at or below the PTC would to be eligible for inclusion on the balance leading to termination of service. Non-POR suppliers would have the full range of collection methods available to them that other unsecured creditors have who experience a breach of contract.

Q: Mr. Caliva says that relatively few supplier-originated accounts were written off. What is your response?

A: This is not material. My concern is not just the number of NGS contracts that are written off, it is the disproportionate amount per customer. Mr. Caliva fails to address that write offs for shopping customers were 484% higher than for residential customers on

[190] 52 Pa. Code § 56.83(3).
[191] CAUSE-PA St. 1 at 87.

default service, and for low income customers, write offs for those customers shopping were an astounding 856% higher than write offs for low income customers who were charged the default service rate.[192] This is a direct reflection of the exorbitant rates charged to these customers and the millions of dollars that Peoples shopping customers have been charged above the PTC.

IX. CONCLUSION

Q: Does this conclude your surrebuttal testimony?

A: Yes.

[192] CAUSE-PA St. 1 at 87, Table 16.

CAUSE-PA Statement 1-SR, Cicero

Appendix A

Interrogatories of CAUSE-PA to Peoples

- Peoples Response to CAUSE-PA II-002, Attachment
- Peoples Response to CAUSE-PA IX-002, Attachments A-C

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-II-002

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: For the most recent three program years, disaggregated by year, please indicate:

a. The total amount of budgeted LIURP dollars;

b. How much total LIURP funding was expended,

c. The total amount of LIURP dollars spent for service delivery (e.g. measures, installation, and weatherization services);

d. The total amount LIURP dollars spent for program administration;

e. How much total LIURP funding was rolled over to the following year.

f. How many LIURP jobs were competed.

Please provide this information in a live Excel spreadsheet.

Answer: Refer to Attachment CAUSE-PA-II-2.xlsx.

Submit Date: 5/11/2026

Peoples Natural Gas Company LLC
Docket No. R-2026-3060855
CAUSE-PA-II-002

		2023	2024	2025
a	Budget	$ 3,998,922	$ 3,140,595	$ 4,184,362
b	Spent	$ 3,888,328	$ 2,468,889	$ 2,717,240
c	Measures/Services	$ 3,579,741	$ 2,246,880	$ 2,397,084
d	Administration Costs	$ 308,587	$ 222,009	$ 320,156
e	Carryover	$ 352,225	$ 684,363	$ 1,467,123
f	Completed Jobs	317	186	170

Interrogatory Response

Confidential: No

Case Name: 2026 Base Rate Case

Company: Peoples Natural Gas Company LLC

Docket Number: R-2026-3060855

Question Number: CAUSE-PA-IX-002

Witness: Black, Rita **Title:** Director Community Assistance Programs

Question: Refer to Peoples Statement 10-R (Black) at 13:17-14:2 regarding the independent evaluation of Peoples' universal service programs by Three3.

(a) Please provide the full scope of services that Peoples has outlined for Three3 for its independent evaluation that will occur in April 2027.

(b) Has Peoples specifically identified for Three3 that it should study in its evaluation the causes for Peoples' increase in CAP termination rates in 2024? If yes, please provide the specific instructions provided to Three3 on this issue. If not, please explain why and how the evaluation would address the concerns raised by CAUSE-PA witness Patrick Cicero concerning the 2024 increase in CAP terminations.

(c) Has Peoples specifically identified for Three3 that it should study in its evaluation the causes for why so many Peoples customers who request a CAP application fail to complete the application? If yes, please provide the specific instructions provided to Three3 on this issue. If not, please explain why and how the evaluation would address the concerns raised by CAUSE-PA witness Patrick Cicero concerning the reasons why so many Peoples customers who request a CAP application fail to complete the application.

(d) Please provide all documentation and communications provided by Peoples to Three3 for the purposes of the independent evaluation of Peoples' universal service programs, as well as any documentation and communications provided by Three3 to Peoples regarding the independent evaluation.

Answer: a. Refer to attachment CAUSE IX.2.A. This is the scope document for the evaluation that was provided in the Request for Proposal to interested evaluators. The Company signed an agreement with Three3 in March of 2026 and work began immediately to allow sufficient time to meet the deliverables identified in the scope prior the issuance of the report which is due April 1, 2027.

b. Yes. As identified on page 1 of the scope document under the heading 'Activities', Peoples required that Three3 consider arrearage trends as well as termination and restoration activities for CAP participants. This is not limited to 2024 and is instead a more comprehensive review of monthly data for the period 2019 through 2025 as identified in the data request submitted to Peoples by Three3 and provided as attachment CAUSE.IX.2.B.xlsx. Through this more broad

approach, the evaluator will gain information on arrears for the period prior to the pandemic, the years of pandemic impact and recent history as well. As Three3's work continues, data will also be requested and provided pertaining to termination and reconnection events.

c. Yes. As shown in the scope document under the heading 'Activities' the evaluation calls for a review of the current application for ease of use/customer comprehension and gathering of appropriate data points. This section further required an evaluation of the efficiency of the process from application to grant approval. In June, the evaluators conducted an interview and received an application demo from the Company's program administrator, Dollar Energy Fund. As a follow up to that conversation, they have submitted a second data request to Dollar Energy Fund that focuses on the application process to obtain data points for evaluation. This data request is provided as attachment CAUSE IX.2.C. In addition to the data review, the customer survey component, outlined on page 2 of the scope document, includes gathering input from CAP participants and CAP-eligible non-participants to determine potential barriers. The survey is expected to be conducted in September.

d. Refer to the attachments provided in response to parts a, b and c. Peoples has a standing biweekly meeting with Three3 at which discussions occur regarding data needs, scheduling of interviews with staff, administrators and stakeholders as well as discussing the documents that Peoples has requested that Three3 evaluate as part of its process. This document review includes all customer-facing documents such as bills, letters, applications and outreach materials.

Submit Date: 7/28/2026

Independent Evaluation

Peoples Natural Gas

Universal Service Programs

Scope:

- Review of the operational standards, budgets and participation of the approved universal service programs:
    - CAP (Including Pilot CAP Expansion)
    - LIURP
    - Emergency Repair Program
    - Hardship fund
    - CARES
- Needs assessment of eligible population in Peoples' service territory.

Activities:

- CAP data analysis, including:
    - CAP affordability
        - Evaluating energy burdens under Peoples tiered CAP design.
    - Bill payment behavior
        - Analysis of payment behavior prior to enrollment and after enrollment.
    - Arrearage trends
        - Arrearages owed when entering CAP; impact of prior participation with a third-party natural gas supplier before enrollment; arrearages after CAP enrollment.
    - Termination and restoration activities for CAP participants
        - Comparison with low-income non-CAP participation group
    - Review of current application for ease of use/customer comprehension as well as gathering appropriate data points.
    - Efficiency of process from application to approval
        - Comparison between phone applications and online applications.
- LIURP
    - Utility coordination review
    - Measures review
    - Outreach/enrollment efforts

- Hardship fund
    - Review of current eligibility requirements against best practices from other utilities.
    - Review of current application for ease of use/customer comprehension as well as gathering appropriate data points.
    - Utilization trends (i.e. seasonal timing; use in response to collections activities; denial reasons)
    - Efficiency of process from application to grant approval
        - Comparison between agency applications and online applications.

Customer Survey Component:

- Survey a sample of CAP eligible customers with arrears who have not enrolled to identify barriers to participation.
- Survey a sample of CAP participants with a focus on understanding of CAP benefits and responsibilities; ease of application; ease of recertification; awareness of other qualifying programs.
- Both surveys should take account of demographics including: limited English proficiency; income source; vulnerable identities (i.e. medical conditions, seniors)

Administrator and In-House Interviews:

- CAP/hardship fund administrator
- LIURP/ERP administrator
- Peoples Community Assistance Program team members

Hello, and thank you for your help! We are interested in receiving a dataset that would allow us to see a person's participation across programs in one place. If possible, we imagine that row in the dataset would represent one person who participated in at least one of the five Universal Service Programs in the given year. We would like to request data from 2019-2025 where possible. The request is split into two tabs, one for data that are only needed annually, and one for energy use and cost data that would be ideal at the monthly level.

Data Item	Unit/Type	Notes
Premise/Meter Number	Text	The ID used to identify a unique building, premise or meter
Customer/Account Number	Text	The ID used to identify a unique customer, even if they move to a new premise
Year (from 2019 - 2025 if possible)	Numeric	
CAP participation flag	0/1 or Y/N	Did this customer participate in the CAP program during the given year?
Hardship Fund participation flag	0/1 or Y/N	Did this customer participate in the Hardship Fund program during the given year?
LIURP participation flag	0/1 or Y/N	Did this customer participate in LIURP during the given year?
LIURP Emergency Repair participation flag	0/1 or Y/N; NA if prior to start of program	Did this customer participate in the LIURP Emergency Repair program during the given year?
CARES participation flag	0/1 or Y/N	Did this customer participate in the CARES program during the given year?
Demographics	Text	People's may not collect much demographic data on their customers. If age, gender, race, employment status, etc. are available, any type of demographics would be helpful.
Address	Text	Can be one or multiple columns; possibly "Address 1" and "Address 2" if they move during the year, which might require an additional "Move Date" column to indiate when the address changed.
ZIP Code	Text	Ideally separated out from address in its own column for analysis
Other location information	Text	If People's records Census tract, county, or other geographic data that may be useful

Data Item	Unit/Type	Notes
Premise/Meter Number	Text	The ID used to identify a unique building, premise or meter
Customer/Account Number	Text	The ID used to identify a unique customer, even if they move to a new premise
Year (from 2019 - 2025 if possible)	Numeric	
Month	Text or Numeric	
Energy consumption	Numeric (MCF)	
Rate	Text	
Rate name (if applicable)	Text	
Amount that would be charged based on consumption, rate and fees	Calculated Bill Amount in Dollars	If available
Actual billed amount	CAP or Budget Amount Requested for the month	May be different from above if the person is in CAP
Amount in arrears	Dollars	

From:
To: Black, Rita F;
Subject: [EXTERNAL] DEF Data Request
Date: Tuesday, July 14, 2026 1:17:36 PM
Attachments: image.png

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Rita and team,

I hope your day is going well! As discussed, please find our request for data from Dollar Energy Fund below:

Online Application

- Among all people who visit the application page (or begin an application), what percent make it to each stage of the process? For example, how many complete and submit the application? How many make it past the first page, make it past the income screening, etc.? Please provide data for all stages of the application that you have data for FY 2026.
    - If possible, please provide the above data disaggregated by the following demographics: race, ethnicity, age group, ZIP code, and gender as available.

Phone Application

- Similarly, how many people call in to complete an application, and what percent actually complete and submit an application subsequently? At what stages do people drop out, such as the initial screening, and in what numbers? Again, please provide data for all stages of the application process for which you have data for FY 2026.
    - If possible, please provide the above data disaggregated by the following demographics: race, ethnicity, age group, ZIP code, and gender as available.

Please let us know if you have any questions, and thank you again!

Best,

[redacted]
Senior Research & Data Analyst

Fostering equitable, sustainable futures

Three3

Utility bills are going up. Pennsylvania's consumer advocate wants to bring rates down to earth.

ANYA LITVAK
Pittsburgh Post-Gazette
alitvak@post-gazette.com

APR 28, 2024 | 5:30 AM

Southwestern Pennsylvania residents are paying some of their highest utility bills ever and are bracing for further increases next year.

Both electric utilities that serve the region — Downtown-based Duquesne Light and West Penn Power, a subsidiary of Akron-based FirstEnergy Corp. — have filed for rate hikes in the past few months. Duquesne is asking for what would amount to a 6.5% rise in the average monthly residential bill. West Penn Power's proposal calls for a 10.6% increase.

And North Shore-based Peoples Natural Gas and Columbia Gas of Pennsylvania, which is part of the Indiana utility conglomerate NiSource Inc., also have filed for increases, starting next year. Peoples' request, if granted, would add between 7.6% and 21.4% to monthly bills, depending

on which division of the company serves the customer. Columbia is proposing a 15.9% hike.

“Costs are outrageous for consumers,” said Patrick Cicero, Pennsylvania’s consumer advocate, whose job is to speak for utility customers and nudge the Pennsylvania Public Utility Commission to approve rates that are just.

“People can’t pay their bills. Period,” he said earlier this month during a visit to the Pittsburgh area.

In letters of opposition to some of these rate cases, Mr. Cicero has charged that the proposed rates “are an affront to the regulatory compact that has long existed in Pennsylvania to protect the public from monopolistic excess.”

It’s a preview of the kinds of arguments Mr. Cicero’s office plans to make in upcoming litigation and fold into future appeals.

Rate cases are complicated affairs. They go on for months, generate thousands of pages of documents and testimony, and involve experts pitted against each other to determine the variables facing a utility and how its investors view the risk of being part of it.

Mr. Cicero argues that the same attention isn’t given to the variables consumers face and the risks they bear.

“It has less for me to do with how well the utility is doing, as compared to how much we’re asking of consumers,” he said.

The tension in rate making centers on who should bear the risk of a utility — consumers, who are beholden to the one company available to them where they live, or the investors, who can choose from a wide variety of companies to invest in and might take their money elsewhere.

Fair rates (of return)

When utilities invite market experts to determine what constitutes a fair and just rate, they are looking at the rates of return that would entice investors to buy stock in the company, not the rates consumers pay for energy.

This is often a confusing part of the sausage-making nature of rate cases. Utilities are allowed to recover from consumers all of the cost of running

their business, but they are also capital intensive businesses that need lots of cash up front to build and repair pipelines and substations. For that, they turn to debt and equity investors, who are then repaid with the money collected through rates.

On the one hand, utilities are generally considered to be relatively safe investments — they have a captive customer base and no competition, and people will always have to light and heat their homes. On the other hand, they compete for investors not only with other utilities but also with all other stocks in the market.

For that reason, the calculation tends to have less to do with how the actual utility is doing than with the industry as a whole. Paul Moul, a managing consultant with P. Moul & Associates who was engaged by Peoples, Columbia and Duquesne Light to recommend an appropriate rate of return

on equity, did so by placing those companies among utilities and other companies on the public market.

He recommended that the utilities be allowed to recover enough revenue from ratepayers to yield an 11.75% rate of return on equity for Peoples and Columbia, and 11.5% for Duquesne Light.

Dylan D'Ascendis, a partner at ScottMadden Inc., recommended 11.3% for West Penn Power, writing that "regulated public utilities … must compete for equity in capital markets along with all other companies with commensurate risk, including non-utilities."

If an investor is looking at companies with similar risk profiles, he wrote, that investor will choose the one with the higher rate of return.

The consumer advocate's office has a different take, as previewed in its testimony in the rate case of Pennsylvania-American Water Co.

"The ability of the utility to attract capital is but one part of the rate setting process, not the only criterion," Pennsylvania Deputy Consumer Advocate Christine Hoover said. "Consumers' interests are often overlooked in both the nuts and bolts and the big picture of rate setting. If the test of the overall rates is confined to the utility's interests, then it is not a reasonable process."

The problem is, there's no motivation for a utility to be the low-return outlier in a group, and public utility commissioners — acting as price setters in lieu of a competitive market — may be reluctant to push a company in that direction.

But that's what Mr. Cicero believes should happen.

"There's a religious belief that the PUC must give equity sufficient returns to attract capital," he said. "If you listen to Wall Street, they'll be happy to get 11% returns. If all PUCs across all the land started granting 8%, that's what it would be."

To bring this discussion down to earth, the difference between an 11% return and an 8% return is millions of dollars for ratepayers.

Whose risk is it anyway?

For years, utilities have been at the mercy of how much fuel customers use.

Traditionally, utility bills have gone up when a customer uses more electricity or gas, and down when they use less. With a push toward efficiency and conservation — electric utilities in Pennsylvania have been required to decrease their peak and total demand by law, for example — utilities worried that they wouldn't have enough money to maintain their aging infrastructure systems, which don't necessarily require less care with less use.

Companies across Pennsylvania shifted more of the cost burden on fixed charges — monthly fees that must be paid regardless of how much energy is used.

Columbia Gas customers now pay $16.75 as a fixed monthly charge regardless of use. The company's current rate case proposes to raise that to $26.

Columbia is also asking for two other ways to protect its future revenue: through a weather normalization adjustment and a revenue normalization adjustment.

Both proposals would, as Columbia has written, "break the link" between how much gas a customer uses and how much that customer is charged for the delivery of that gas.

The weather normalization adjustment, which is already in effect at Columbia but limited to when the weather diverges by more than 3% from its historical trend, would make up any difference between what Columbia has traditionally collected from customers during a particular time of year and what it would be collecting in the future. The revenue normalization adjustment would also balance out what customers are paying — not based on how much gas they use, but based on how much revenue Columbia needs to run its business.

Peoples is also asking for a weather normalization mechanism in its rate case, and Mr. Moul, the consultant, has written in his testimony that controlling for weather is now a must, from the point of view of the investor.

"All of the companies in my gas group have some form of [weather normalization adjustment] mechanism that is intended to accomplish the same result," he wrote in reference to the peer group of companies.

While the companies proposing these mechanisms argue that they also benefit ratepayers by giving them more predictable bills and protection from huge swings in weather, consumer advocates see these mechanisms as a clear shift of risk to consumers from investors.

“In all of these areas, the people who have the least ability to manage risk are households and small businesses,” Mr. Cicero said.

Just as the PUC is obligated to consider the risks and circumstances that impact each utility and how that utility fits into a universe of other utilities and all other companies, the same should be true for consumers, he said.

It’s not Duquesne Light’s job to tailor its rates based on how much its customers are now paying in increased water bills, for example. But he’d like regulators to look at people more holistically — like the residents of southwestern Pennsylvania whose gas and electric bills will be rising again next year.

“I’m deeply concerned about the affordability crisis,” he said.

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Popular in the Community

PENNSYLVANIA WEATHERIZATION PROVIDERS TASK FORCE

PWPTF Statement No. 1

Direct Testimony of Jennifer Warabak

In Re: Peoples Natural Gas Company, LLC

Docket Number: R-2026-3060855

Q. Please state your full name and business address.

A. Jennifer Warabak, 165 Amber Lane, PO Box 1127, Wilkes-Barre, Pennsylvania 18703-1127.

Q. By whom are you employed and in what capacity?

A. I am employed by the Commission on Economic Opportunity (CEO) as Executive Director. I am submitting this testimony on behalf of the Pennsylvania Weatherization Providers Task Force as a member of the Task Force.

Q. What are the interests of the Task Force in this rate case?

A. The Pennsylvania Weatherization Providers Task Force, Inc., is a Pennsylvania non-profit corporation and a statewide association of thirty-eight (38) organizations providing utility assistance and energy conservation services in each of the Commonwealth's sixty-seven counties. The Task Force, through its member agencies, a number of which are Pennsylvania community-based organizations, administers universal service programs for several utility companies. The Task Force members serve low-income ratepayers, and it is part of our responsibility to our constituency to advocate for their interests in regulatory proceedings, and this proposed request will certainly have an impact upon those low-income ratepayers. In addition to the affordability of transmission and distribution rates, the Task Force is particularly interested in the adequacy and operation of a company's universal service program.

Q. What background and experience in energy issues qualify you to submit testimony in this case?

A. I was appointed as the acting Executive Director of the Commission on Economic Opportunity in October 2022. I have been employed at CEO for over 25 years and during my tenure I have been involved in numerous energy related programs that CEO operates. From 2004 to 2016, I was CEO's Energy Services Coordinator where I supervised CEO's energy programs. During that time, I managed eight hardship utility programs and managed the LIHEAP Crisis program for Luzerne County on behalf of the Pennsylvania Department of Human Services as well as other utility customer assistance programs for several utility companies. In 2016 I became CEO's Program and Planning Coordinator where I evaluated program effectiveness and recommended modifications and/or improvements across the spectrum of programs offered by CEO, in the areas of energy, housing, job training etc.

During my tenure in those positions, CEO's experience and the expertise of its staff in energy programs has been recognized on state and national levels. CEO's energy related programs have been acknowledged by receipt of a Superior Achievement Award from the United States Department of Energy. CEO has weatherized more than 27,000 homes under the U.S. Department of Energy Weatherization Assistance Program. CEO also serves as a subcontractor for universal programs operated by several Pennsylvania gas and electric utility companies. CEO is also the PA Department of Public Welfare's contracted operator of the crisis component of the Low-Income Home Energy Assistance Program (LIHEAP) in Luzerne and Wyoming Counties. CEO was also a major contractor for PPL in the Low-Income Renewable Energy Pilot, and secured funding and installed

several solar thermal water heating systems for the former PG Energy and UGI Gas Division.

Q. Before addressing the specifics of your testimony, does the Task Force take a position on whether the Company's rate increase should be granted?

A. Our focus is on the funding and availability of universal service programs and opposing rate designs that discourage conservation. In this case, we do not necessarily oppose a rate increase but do oppose any rate increase unless it is accompanied by measures that would provide additional relief to the Company's customers, particularly low-income customers, from the effects of a rate increase.

Q. Please describe the other areas of your testimony.

A. My testimony will address the Company's proposal to increase the fixed monthly charge for residential customers as well as proposals to help low-income customers deal with any resulting rate increase.

In its request for a rate increase the Company does not propose any additional increase in funding or measures that would help low-income customers deal with the proposed rate increase. Further, an increase in the fixed monthly charge, as requested by the Company, would negatively impact a customer's motive and ability to conserve energy. The company's proposal if granted would increase rates, discourage conservation and leave a customer with less ability to conserve energy and less ability to reduce their bills. Despite the impact of its proposal on residential customers, and in particular low-income

customers, the Company's proposal offers nothing in the way of changes or increases in funding to its low-income programs, programs that would help mitigate the negative impact of the Company's proposals especially considering these difficult economic times. Despite these difficult financial times for all, with the increased costs for food, health care and utilities, the Company's proposal, if approved, would provide an annual revenue increase of $163.2 million per year, a 24% increase in its distribution revenue requirement. If Peoples' request is approved, the total bill for a residential customer using 80 hundred cubic feet (Ccf) per month would see an increase in their monthly bill from $122.20 to $138.23, an increase of over 13%. Despite this substantial request for a rate increase, the Company proposes no additional help for low-income customers in its universal service programs.

Q. What rate design issue would you like to address?

A. In this case the Company is proposing to increase its fixed monthly charge for its residential customers from $18.80 to $26.00, an increase of nearly 55%. I am concerned about this proposal, and the Task Force opposes any increase to the fixed monthly customer charges.

Part of the proposed increase to a residential customer's rates will be due to this increase in the fixed monthly customer charge. This increase in the monthly fixed charge concerns me, as it has the Commission, because it discourages conservation and impacts a customer's ability to save money through conservation; as the Company moves towards charging customers based upon the Company's fixed costs and away from a customer's consumption there is less incentive, and ability, to conserve. One of the only defenses a

family, particularly a poor family, has against the sharp increases in energy costs is to conserve – lower the thermostat, seal air leaks, change filters regularly, add more insulation, get a more efficient heating unit, etc. The Company's proposal to increase the fixed costs greatly impacts a customer's motive to conserve and the ability to lessen the impact of any rate increase. The combined effect of an increase in rates and an increase in fixed monthly charges, without any changes to universal service funding or other measures to help low-income customers, not only results in higher rates but also lessens the ability of customers to deal with those increases. In particular, the negative impact would be particularly harsh on the Company's low-income customers and the Company's proposed request ignores the interests of its low-income customers.

Q. How does the effect of the Company's requests impact upon your testimony in this case?

A. I believe that should a rate increase be granted there should be relief offered in the form of increases to universal funding programs and other relief that would help low-income customers deal with any increase granted. For a typical residential customer, these requested increases are substantial, but for a low-income customer, the effects can be dramatic, especially in this economic climate. High utility costs are not the only challenge for a poor person. Our agencies have been helping low-income people for years and know firsthand that they face financial challenges on many fronts -- housing, energy costs, food and health care -- and a dramatic increase in any of those areas can have a devastating impact.

It is for these reasons that if an increase is granted it should be conditioned upon an increase in funding and relief to the Company's low-income customers.

Q. Should a request for a rate increase be granted what type of measures would you suggest be implemented for low-income customers?

A. In discovery responses in this case the Company indicated as of March 2026, it had 144,131 estimated low-income customers and 125,078 confirmed low-income customers. The average annual income of their confirmed low-income customers just over $19,000. As a result of this proceeding rates are likely to increase, a customer's ability to conserve will decrease (if the fixed monthly charge is increased) yet no additional relief is being provided to customers that would allow them to increase their conservation of energy and decrease their monthly bills.

Q. Turning now to universal service programs what issues would you like to address?

A. I want to address the Company's low-income usage reduction program (LIURP). Despite their large number of low-income customers, the Company served 186 customers in its LIURP program in 2024 and that number decreased to 170 customers in 2025. We are proposing increased funding for LIURP because there is an unmet need for LIURP services as indicated by the number of the Company's low-income customers relative to the number customers served.

Q: Do you have any recommendations regarding the funding level for LIURP?

A: Yes. I am recommending that should a rate increase be granted then the number of customers served annually be increased by 75. That would begin to meet the unmet need for LIURP services. The approximate average LIURP cost is just over $13,000 so to increase the number of jobs by 75 would mean an annual LIURP funding increase of $975,000.

Q. Are there any other universal service topics that you want to address?

A. Yes. The Task Force recommends that the Company's contribution to its hardship fund be increased commensurate with the percentage increase in rates to the residential class that results from this proceeding. Although modest in comparison to other universal service funding, the proposal will help customers deal with a rate increase in these difficult economic times.

I also recommend that hardship funding be distributed in accordance with the percentage of low-income customers in the counties served by the Company.

Q. Can you please summarize your recommendations?

A. Yes. The Task Force is recommending the following:

1. That the Company's request to increase its fixed residential monthly customer charge be denied;

3. That annual funding for LIURP be increased by $975,000 and that any unused funds be carried over and added to the following year's funding;

4. That the Company's contribution to its Hardship fund be increased

commensurate with the percentage increase in residential rates that result from this proceeding;

5. That Hardship funds be distributed in accordance with the percentage of low-income customers in the counties served by the Company.

Q. Does this conclude your testimony?

A. Yes

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket No. R-2026-3060855
	:	
	:	
	:	
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

CERTIFICATE OF SERVICE

The undersigned certified that he served a copy of the foregoing Pennsylvania Weatherization Providers Task Force's Statement No. 1 – Direct Testimony of Jennifer Warabak upon the following participants this 18th day of June, 2026 via electronic mail:

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

REBUTTAL TESTIMONY OF FRANCIS S. CALIVA III ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION

RESA Statement No. 1-R
July 16, 2026

Q. PLEASE STATE YOUR NAME AND PROVIDE YOUR BUSINESS ADDRESS.

A. Francis S. Caliva III, 117 Broad Street, Cumberland, RI 02864.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR TITLE?

A. I am the President and sole owner of P.R. Quinlan Associates Inc.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS MATTER?

A. The Retail Energy Supply Association, also known as RESA. I serve as the National Spokesperson for RESA.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA PUBLIC UTILTITY COMMISSION?

A. Yes, I submitted testimony on behalf of RESA regarding PECO Energy Company's Petition for Approval of its Default Service Program June 1, 2025 through May 21, 2029 at Docket No. P-2024-3046008. I also submitted testimony on behalf of RESA regarding Duquesne Light Company's Petition for Approval of Default Service Plan for the Period from June 1, 2025, Through May 31, 2029 at Docket No. P-2024-3048592. A copy of my C.V. is attached hereto as **Appendix A**.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. To address the Direct Testimony submitted by Mr. Patrick Cicero on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, also known as CAUSE-PA. Specifically, I will address CAUSE-PA Statement 1, the Direct Testimony of Patrick M. Cicero, at pages 83-89.

Q. IS THERE A PARTICULAR SUBJECT THAT YOU ADDRESS?

A. Yes. My testimony is focused on Mr. Cicero's recommendations for radically and negatively modifying Peoples' essential-service purchase of receivables ("POR") program that has been working without issue for more than 10 years.

Q. CAN YOU DESCRIBE MR. CICERO'S PROPOSAL?

A. Yes. Mr. Cicero's theory is that because of POR, suppliers are immunized from uncollectibles expense and therefore feel no pressure to price below the utility's price-to-compare ("PTC"). He provides no evidence that supports this argument. Nonetheless, his proposed "fix" for this problem is to force suppliers to price their product below the PTC or be excluded from participating in the POR program that the Commission has described as essential.

Q. LET'S STEP BACK FOR A MOMENT – WHAT EXACTLY IS PURCHASE OF RECEIVABLES OR POR?

A. POR is a service offered by Peoples (actually offered by most gas and electric utilities in Pennsylvania) whereby Peoples bills the customers for natural gas supply as required in the Natural Gas Competition Act.[1] However, rather than simply sending the bill on the supplier's behalf, Peoples buys the receivable created by the billed usage of the customer served by the supplier, at a discount that reflects the average uncollectible costs on Peoples' system. Peoples then pays the supplier within a specified timeframe and collects and retains the remittance from the customer, subject to the utility's own credit, collections, and partial/late payment processes.

[1] 66 Pa. C.S. § 2205(c).

Q. WHY IS POR CRITICAL TO THE COMPETITIVE MARKET?

A. In the restructuring of the electricity and gas markets, suppliers had requested that they be permitted to provide supplier consolidated billing, wherein the supplier would bill the customer and remit the delivery charge portion to the utility, and the supplier would take the collection risk. The objective was to allow suppliers to form better relationships with their customers and to allow more flexibility in how natural gas is priced and provided. This approach was taken in the Atlanta Gas Light (AGL) territory in the State of Georgia, for example, where natural gas marketers send the bill both for their own supply charges and AGL's distribution rates. This system has effectively functioned for decades and also exists to some extent in Illinois and Ohio. The Commission declined the suppliers' request for a number of reasons, but the Commission appears to have understood the concern raised about customers receiving multiple bills, and the inability of suppliers to shut off service for non-payment, and so insisted that utilities provide POR. It has since become an integral part of utility service, preventing the confusion that could easily arise from two entities collecting on a bill, which from the customer's perspective, would be for the same type of service. There are also efficiencies gained in the utility providing billing and collection as a service to NGSs, since they already provide the same service to the same customers for their products and services, and, as noted above, since the billing and collections systems were built at ratepayer expense – *all* ratepayers, including those currently served by suppliers. Additionally, the Commission has determined that only utilities possess shutoff authority, giving the utilities a significant advantage in managing uncollectibles rates. In short, with POR the Commission leveled the competitive playing field, putting utility and supplier receivables on equal footing.

Q. DO YOU AGREE THAT SUPPLIERS ARE INSULATED FROM THE UNCOLLECTIBLE EXPENSE BECAUSE OF POR?

A. No. On the contrary, suppliers are charged a discount on the purchased receivables that is equal to Peoples' overall uncollectible rate. The present discount is 2.20%. The discount is adjusted when Peoples adjust its merchant function charge, based on the actual uncollectibles experience and expense of the utility. Thus, I do not agree with Mr. Cicero's contention that paying a discount rate of 2.2% means a supplier is insulated from uncollectibles. That cost is directly reflected in the amount remitted to suppliers.

Q. EXPLAIN WHAT YOU MEAN WHEN YOU SAY: "MR. CICERO'S THEORY"?

A. Mr. Cicero states his premise that POR is a major cause of what he perceives as a problem – that some customers might pay more than the price to compare - and then goes on to present evidence that some customers pay prices that are higher than the price to compare. What is missing is any evidence that the existence or structure of POR causes customers to agree to enroll or to maintain service with products priced higher than the price to compare, at least during the time periods in which Mr. Cicero evaluated them. He also fails to demonstrate that customers do not perceive value for the product that they purchase, even if that price is above the price to compare. On the surface, this seems to defy common sense – who would purchase something that was *entirely* identical to another available product at a lower price? Mr. Cicero fails to take the next step and recognize that NGS products and the utility default service product are clearly *not* identical even if they share similarities (i.e., both are for gas supply), and thus he fails to provide evidence that the price to compare is an appropriate standard to use as a benchmark for a "market price," which it categorically is not. Additionally, there is no discussion of whether it is legal or

advisable to exclude suppliers from an essential infrastructure service on the basis of a comparison of their market-based rates with the price to compare. In other words, the utility is supposed to determine whether an NGS has the creditworthiness to be a participant on its system but then treat all qualifying NGSs neutrally and provide equal access. It is not supposed to pick winners and losers based on arbitrary price ceilings, claiming an authority to regulate supplier prices that even the PAPUC acknowledges it does not have. Mr. Cicero also fails to present any evidence that the uncollectible amounts attributable to NGS are substantially greater than the average uncollectibles rate for all residential ratepayers. In short, Mr. Cicero's testimony is long on theory and short on evidence. He refers to a supplier price above the price to compare as an "abuse," which strikes me as wholly unjustified. I doubt very seriously that Mr. Cicero can name a competitive market in which every price in a product category is the same. It is a basic principle of consumer shopping that different consumers find value in different aspects of even similar products and prices reflect these differences. That is how free markets operate, and Mr. Cicero should know that.

Q. WHAT IS MR. CICERO'S RECOMMENDATION?

A. "[T]hat Peoples provide notice to suppliers that effective June 1, 2027, it will no longer be purchasing the receivables from participating suppliers, unless the supplier provides natural gas service at a price that is at or below Peoples's default service price."

Q. IS PEOPLES PERMITTED TO REGULATE THE RATES THAT SUPPLIERS CAN CHARGE?

A. No, they cannot. I am advised by counsel that neither the Public Utility Commission nor any utility is authorized to regulate the prices charged by an NGS, nor is the Commission permitted to deny a critical service to an NGS based on the price that the NGS charges so long as the price is consistent with the customer's agreement with its supplier. By only permitting suppliers with a price at or below a certain level, under Mr. Cicero's plan, either Peoples or the Commission would decide to deny critical POR service to a supplier. That is the essence of rate regulation, and I am advised by counsel that NGSs are not subject to rate regulation. In another sense, this proposal undermines Mr. Cicero's entire argument. If supplier and utility offers are identical and properly comparable on a simple price basis, it would mean the supplier and the utility are direct competitors. It would be highly unreasonable to allow one competitor to set the rate ceiling for another. I do not believe Mr. Cicero would argue that one competing company should have the power to set the maximum rate for its competitors. So, we are left with one of two options. Either Mr. Cicero believes that supplier offers and the utility PTC are directly comparable but refuses to acknowledge this means he supports one company limiting the prices of its competitors OR Mr. Cicero is aware supplier and utility gas supply rates *are not* directly comparable and thus the PTC is not an appropriate benchmark for supplier offers but believes suppliers should be held to this standard anyway. Neither option seems in line with the General Assembly's and PUC's understanding of competition.

Q. AT THE BOTTOM OF PAGE 83 OF HIS DIRECT TESTIMONY MR. CICERO CLAIMS THAT "BECAUSE NON-CAP RESIDENTIAL CUSTOMERS CAN CHOOSE TO BE SERVED BY A RETAIL NATURAL GAS SUPPLIER, PEOPLES HAS DEVELOPED A POR PROGRAM WHEREBY IT AGREES TO PURCHASE THE UNCOLLECTED RECEIVABLES RESULTING FROM A CONTRACT BETWEEN A NATURAL GAS SUPPLIER (NGS) AND ITS CUSTOMER." IS THIS THE CORRECT REASON WHY POR EXISTS?

A. Mr. Cicero's characterization omits the critical underpinning of POR – namely that there is a law, the *Natural Gas Choice and Competition Act*, 66 Pa. C.S. § 2201, et seq., that allows for customers to choose their supplier of natural gas, and which enshrines the principle that it is only the customer who gets to choose who their supplier will be.[2] It was the Commission, with its superior understanding of the needs of the competitive market, that issued a policy statement in 2007, related to the electricity market, stating that the public interest would be served by purchase of receivable programs, and it was the Commission that issued orders in multiple utility proceedings extolling the virtues of POR programs.[3] Mr. Cicero is correct that suppliers are charged a discount for purchase of receivables, namely, the uncollectible bill rate. In that way suppliers are paying for the average cost of Peoples' bad debt associated with their uncollectibles. We must also acknowledge that the utilities have the strongest position from which to collect from ratepayers, because it is only they which have the "power of the wrench" – i.e., the ability to turn off a customer's service, in accordance with law and regulation, for non-payment. Suppliers do not have this ability. Additionally, the utility's billing and collection system was built at ratepayers' expense – all ratepayers, including supplier customers. Suppliers would need to raise their own supply prices to build billing and collections systems, which

[2] 66 Pa. C.S. § 2204(a).
[3] See, e.g., *PPL Electric Utilities Corporation Retail Markets*, Docket No. M-2009-2104271; (Opinion and Order entered August 11, 2009, pp. 22-30).

could price out smaller competitors from the marketplace. Among those who remain, even the most robust supplier billing and collections service is unlikely to be able to match utility success in managing uncollectibles, precisely because suppliers do not have shutoff authority. So, as long as suppliers are unable to offer supplier consolidated billing and direct shutoff of customers for nonpayment, POR is the fairest and most cost-effective way to handle billing and collections.

Q. DOES MR. CICERO PRESENT ANY EVIDENCE IN SUPPORT OF HIS THEORY?

A. Mr. Cicero sponsors two exhibits (CAUSE-PA Exhibits 3 & 4), one showing data for all shopping customers and one showing data for low-income customers. The exhibits are inherently misleading because they don't show that POR or the discount amount translates into higher prices for customers. That is, there is some indication of correlation between higher prices and higher uncollectibles, but the exhibits do not demonstrate that POR specifically has a role in causing higher prices or greater uncollectibles. That is, Mr. Cicero fails to support his contention that it is the averaging of uncollectible expenses into the discount rate across all suppliers that provides an incentive to price a certain way. Indeed, given the relatively few numbers of supplier-originated accounts that were written off relative to the utility-originated accounts that were written off, it is hard to see how supplier-originated receivables made much of a difference at all. Based on CAUSE-PA's own materials, residential receivables originating with suppliers represent less than half of one percent on average of the total average number of accounts written off by Peoples.[4]

[4] CAUSE-PA "Gross Write Offs (Table 16):", CAUSE PA - Peoples BRC_CAUSE-PA St. 1 Tables and Workpapers.xlsx.

Similarly, for low-income customer receivables, supplier-originated accounts represent less than two-tenths of one percent of the total average number of accounts written off by Peoples. Mr. Cicero fails to even demonstrate that a variable discount rate for POR payments in any way impacts the level of uncollectibles.

Q. DOES MR. CICERO PRESENT DATA ON INDIVIDUAL SUPPLIER PRICES OR WHETHER ALL SUPPLIERS CHARGE THE SAME PRICE?

A. Mr. Cicero presents no such analysis.

Q. MR. CICERO REFERS TO CUSTOMERS PAYING MORE THAN THE PRICE TO COMPARE AS HARM, AND CLAIMS THAT "LOW INCOME CUSTOMERS" PAID MORE THAN THEY WOULD HAVE IF THEY HAD BEEN ON DEFAULT SERVICE. DOES HE SHOW WHAT THE AGGREGATE PAYMENT WOULD HAVE BEEN IF THOSE SAME CUSTOMERS HAD BEEN SIGNED UP WITH THE SUPPLIER WITH THE LOWEST RATE AVAILABLE DURING THOSE MONTHS?

A. No. Mr. Cicero presents no such data.

Q. DID MR. CICERO PRESENT ANY EVIDENCE THAT SHOWS THAT SUPPLIERS RELY ON THE AVERAGED DISCOUNT AMOUNT IN SETTING PRICES?

A. No.

Q. WHY DOES RESA OPPOSE MR. CICERO'S PROPOSAL?

A. First, because it would re-write the statute to allow the utility to regulate the prices charged by suppliers, something the statute presently does not authorize. POR is an essential service associated with billing for natural gas supply services. As a utility service it cannot be provided in a discriminatory manner. In this case, Mr. Cicero is effectively proposing

the utility discriminate (by picking winners and losers) on the basis of rates which themselves are not regulated by the PUC. I am advised that the Public Utility Code does not permit discrimination in service. I also foresee the chaos that would ensue with suppliers "here one day, gone the next" under Mr. Cicero's proposal, because customers' chosen supplier suddenly would not meet the chosen benchmark (i.e., because the PTC changes on different timelines and for different reasons than supplier prices).

Q. WHAT WOULD HAPPEN IF SUDDENLY A GROUP OF SUPPLIERS WAS NO LONGER ELIGIBLE FOR POR?

A. Let us consider an example to illustrate this. Say a customer chose a 24-month fixed-rate product from a supplier because it was a price the customer could afford and it provided budget certainty. Suppliers must contract for this future supply and make appropriate financial and physical hedges in order to offer such product. They are pricing based on their expectations for future market prices. Meanwhile, the utility's PTC, based on purchased gas costs, with guaranteed cost recovery, changes at a different cadence – every quarter. It is not a true market price and may or may not be reflective of current wholesale market realities.[5] If six months into a 24-month contract, the PTC changes and the supplier can no longer use POR, the supplier will have to make some difficult decisions. Three months after that, the PTC could rise again, and over the course of a 24-month contract, the fixed rate could easily have been the better option for the customer. But Mr. Cicero's proposal allows for no longer-term evaluation horizons nor for customers' own determination of what is in their best interest.

[5] The Commission has at times allowed NGDCs to postpone implementation of changed rates if market conditions might cause dramatic increases in rates for default service.

Q. WHAT TYPE OF DIFFICULT DECISIONS WOULD A SUPPLIER, WHICH WAS NO LONGER ELIGIBLE FOR POR HAVE TO MAKE?

A. I just noted that if a supplier suddenly became ineligible for POR in the middle of a contract with a customer, per Mr. Cicero's proposal, the supplier would have to choose between a number of bad options for themselves and their customers. First, it could build a billing and collections system of its own (at no minor cost) or find a billing services provider (also not inexpensive), within a matter of days so that it could continue to offer complete service to its existing customers. Theoretically the supplier could chose to continue to take utility consolidated billing service from Peoples without POR, but the supplier would need to contract out collections, because under Mr. Cicero's plan, the utility would not pay the supplier until it received payment from a customer and it would have no incentive whatsoever to actively seek payment (as it is no longer the utility's receivable in this scenario). Indeed, the partial payments hierarchy in utility tariffs almost universally ensures that the utility will get paid when customers are struggling with bills, while suppliers are left holding their receivables uncollected. Following this logic, our example supplier's cash flow would dry up, and the supplier would soon be out of business. Another option would be for suppliers to avoid the risk of non-compliance with the POR requirement and build their own billing and collection capability entirely, moving all of their accounts off the Peoples billing platform. If large numbers of suppliers did so, it would leave Peoples with a robust billing platform and fewer customers to pay the costs of maintaining it, which it is required to do, because it is the biller of last resort. That cost would then be priced into supplier offers in the future, of course, meaning customers will have the choice of remaining with the utility and paying higher distribution rates to cover the billing system maintenance or paying higher rates for the supplier product they would

prefer than they otherwise would have. In other words, two robust billing and collections systems are in no one's interest and raise costs for everyone. If the suppliers are not allowed to build a true supplier consolidated billing system – which the Commission has said they are not – then the only alternative in the customers' best interests is a non-discriminatory, accessible, utility consolidated billing service with POR. Of course, I should mention that there is one other option – suppliers could simply eat the losses that they incur from customers who do not pay their bills. That is, not engage in collections at all. This does not appear to be a sustainable approach for most suppliers, however.

Q. MR. CICERO CLAIMS THAT HIS PROPOSAL WOULD ONLY IMPACT THE PURCHASE OF THE RECEIVABLE AND THAT PEOPLES COULD CONTINUE TO ISSUE BILLS, IS THAT ACCURATE?

A. In my estimation, splitting the necessary billing and collections functions between multiple parties does not appear to be an efficient way to run a billing and collections operation. I see the chance for error and friction to be high, both between the NGS and Peoples and between the customer and the NGS or Peoples. With the potential for large numbers of customers being thrust against their will into receiving two bills for natural gas service, the likelihood of customers not paying one or the other bill is high. Even more problematic is what Mr. Cicero does not address; the open question of whether suppliers who employ their own means of collection will be able to terminate service for non-payment. Being able to collect from customers that do not pay, on equal terms, is a serious fairness issue. Without the proven tool of termination for non-payment, uncollectibles will undoubtedly skyrocket and the market likely will collapse.

Q. WHAT RECOMMENDATION(S) DO YOU HAVE FOR THE COMMISSION?

A I recommend that CAUSE-PA's proposal to restrict access to the critical billing infrastructure known as POR to suppliers whose current prices are at or below the price to compare, with no exceptions, be rejected as presented. Cause-PA's proposal is illegal and bad policy for all the reasons stated herein.

Q. DO YOU HAVE ANYTHING ELSE TO ADD?

A. Not at this time, but I reserve the right to respond to any further testimony as may be permitted.

Francis S. Caliva III

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EXPERIENCE

RETAIL ENERGY SUPPLY ASSOCIATION, Harrisburg, PA
National Spokesperson, March 2023 – present

- Serve as the national spokesperson for the leading retail energy supplier industry association.
- Collaborating closely with members, the public relations lead, and the executive leadership of RESA,
  provide oral testimony before state legislature and regulatory commissions, draft written comments for submission in policy proceedings, represent the association in print and broadcast media appearances, advise on public relations and policy matters, and deliver remarks at public events and conferences.

P.R. QUINLAN ASSOCIATES INC., Cumberland, RI
President, July 2014 – president

- Own business advisory firm providing clients with intelligence, analysis, and advocacy services related to state and federal regulations and legislation in the retail and renewable energy sectors.
- Have assisted and advised close to 50 competitive energy suppliers and brokers on regulatory and policy issues related to retail energy.
- Developed a deep expertise in retail energy issues, including through the provision of regulatory and legislative monitoring services to retail suppliers, brokers, trade associations, and energy law firms.
- Testify in front of state legislatures and public utility commissions in markets across the country, including Maryland, New York, Pennsylvania, on behalf of individual retail suppliers as well as coalitions of suppliers.
- Participate in a wide range of state public utility commission stakeholder working groups and collaboratives. A non-exhaustive but representative sample includes:
- File comments, on behalf individual retail suppliers as well as coalitions of suppliers, in regulatory proceedings across the United States.
- Produce white papers and memos on retail energy market developments.
- Managed a national consumer education coalition of competitive energy suppliers (the American Coalition of Competitive Energy Suppliers).

STRATEGIC COMMUNICATIONS, LLC, Washington, DC
Director, January 2013 – June 2014

- Opened and led the Washington, D.C. office of Strategic Communications, LLC.
- Managed team of full-time and part-time staffers to deliver state government relations services.
- Provided strategic planning and business advisory services to clients in manufacturing, defense contracting, and higher education sectors.
- Developed innovative *Strategic Update Service* product, a biweekly regulatory and legislative monitoring service which delivered over $180,000 in new revenue in its first 18 months.

STRATEGIC COMMUNICATIONS, LLC, Syracuse, NY
Senior Consultant, January 2011 – January 2013

- Managed state government relations for clients in the retail electricity and natural gas sectors.
- Drafted and filed formal comments and testimony before state utility commissions and legislatures.
- Represented clients and industry coalitions in industry meetings and public-private working groups.

DEPARTMENT OF COMMERCE, International Trade Administration, Washington, DC
Senior International Trade Specialist, July 2009 – January 2011

- Co-led Civil Nuclear Trade Initiative, which supports U.S. nuclear energy firms through an interagency working group, an industry advisory committee, trade missions and official advocacy.
- Developed and managed innovative resources for U.S. companies, including an online civil nuclear exporters guide and a U.S. industry promotion program at the annual IAEA General Conference.
- Drafted remarks, policy memos, and research reports to support senior Department officials.
- Participated as an ITA staff representative on the U.S. climate change negotiations team in the UN Framework Convention on Climate Change process.

DEPARTMENT OF COMMERCE, International Trade Administration, Washington, DC
Office of Legislative and Intergovernmental Affairs, February 2009-July 2009

- During six-month detail, prepared senior Department officials and Administration political nominees for Congressional hearings, including drafting testimony and developing briefing materials.
- Worked with legislative affairs team to effectively respond to Congressional information requests and to actively engage with Congressional staff in support of agency strategic objectives.

DEPARTMENT OF COMMERCE, International Trade Administration, Washington, DC
Presidential Management Fellow / International Trade Specialist August 2006 – February 2009

- Selected in a highly competitive process as one of two Presidential Management Fellows.
- Responsible for developing research and analysis, industry outreach, and other activities to increase exports by U.S. clean energy companies.
- Completed a capstone project which included organizing and executing the first ever U.S. Clean Energy Trade Mission to India and China, a two-week, 17 company trade mission led by an Assistant Secretary of Commerce that contributed to over $70 million in U.S. exports.

EDUCATION

GEORGETOWN UNIVERSITY, School of Foreign Service, Washington, DC
Master of Arts, German and European Studies (*with distinction*) September 2004 – May 2006

- 3.9 GPA, Concentration in International Business-Government Relations
- Practicum with Royal Phillips Electronics' Washington, D.C. government relations office.
- Internships with Rep. Jim Walsh (New York 25th Congressional District), the Heritage Foundation, and lobbying firm Barbour Griffith and Rogers.

PROVIDENCE COLLEGE, Providence, RI
Bachelor of Arts, Political Science (*summa cum laude*) September 2000 – May 2004

- 3.9 GPA, Minor in German
- Awarded Fulbright Scholarship for study at the Frei-Universität Berlin, May 2004 *(declined for personal reasons)*
- President, Epsilon Chi chapter, Pi Sigma Alpha (national political science honor society)
- Editor-in-Chief, *The Cowl* (weekly student newspaper)

SELECTED COMMENTS & TESTIMONY

On behalf of RESA

- June 29, 2026 – oral and written testimony before the Committee on Transportation and the Environment, Council of the District of Columbia, on Subtitle E of Title VI of the Fiscal Year 2027 Budget Support Act of 2026.
- February 6, 2026 – letter to the Massachusetts House Ways & Means Committee on proposals for clean energy procurement by the Department of Energy Resources.
- January 2026 – served as RESA's Interrogatory Responsible Witness in PURA Docket No. 12-06-02RE04 in Connecticut.
- January 20, 2026 – oral testimony before the Pennsylvania House Energy and Consumer Protection, Technology, & Utilities Committees on energy affordability.
- June 25, 2025 – oral and written testimony before the Joint Committee on Telecommunications, Utilities, and Energy in Massachusetts on Governor's Energy Bill (H.4144),
- June 4, 2025 – oral and written testimony before the Joint Committee on Telecommunications, Utilities, and Energy in Massachusetts on House Bill H.3459 and Senate Bill S.2311.
- May 15, 2025 - letter to the New Jersey Assembly and Senate Telecommunications & Energy Committees on A5439/S4306 market restriction bills.
- January 28, 2025 – informational hearing on understanding electricity bills before the Pennsylvania Senate Consumer Protection and Professional Licensure Committee.
- August 2024 - testimony on behalf of RESA before the Pennsylvania PUC, regarding PECO Energy Company's Petition for Approval of its Default Service Program June 1, 2025 through May 21, 2029 at Docket No. P-2024-3046008.
- May 2024 - testimony on behalf of RESA before the Pennsylvania PUC, regarding Duquesne Light Company's Petition for Approval of Default Service Plan for the Period from June 1, 2025 Through May 31, 2029 at Docket No. P-2024-3048592
- February 2024 – written comments to the Pennsylvania Legislative Budget and Finance Committee (LBFC) on Supplier Consolidated Billing (SCB).
- September 21, 2023 – oral and written testimony before the Joint Committee on Telecommunications, Utilities and Energy in Massachusetts in support of House Bill 3155 and in opposition to House Bill 3196 and Senate Bill 2106
- September 12, 2023 – oral and written testimony before the House Consumer Protection, Technology & Utilities Committee in Pennsylvania in support of House Bill 1578.
- June 5, 2023 – oral and written testimony before the Joint Committee on Telecommunications, Utilities and Energy in Massachusetts in support of House Bill 3155 and in opposition to House Bill 3196 and Senate Bill 2106

On behalf of other clients

- Comments on behalf of the Maryland Energy Marketers Coalition in MDPSC Rulemaking No. RM62, related to changes to the regulator's retail electric and natural gas supplier regulations.
- Comments on behalf of the New York Energy Marketers Coalition in NYPSC Docket No. 18-M-0376, related to data and cybersecurity requirements.
- Comments on behalf of the Pennsylvania Energy Marketers Coalition in PAPUC Docket No. L-2015-2508421, related to delivery of utility notices to third parties.

SELECTED PUBLIC REMARKS

On behalf of RESA

- "25 Years Later: The State of the Electric and Gas Customer Choice," panel discussion, Energy

Marketing Conference, October 2025.
- "Stronger Together: how energy suppliers can work together to expand customer choice," panel discussion, Energy Marketing Conference, March 2025.
- "Why Do Some AGs and Regulators Want to Eliminate Consumer Choice?," panel discussion, Energy Marketing Conference, September 2024.
- "Retail Energy 101," panel discussion, Energy Bar Association annual conference, April 2024
- "Navigating Risk in Retail Energy," panel discussion, Energy Marketing Conference, March 2024
- "Educating the Younger Generation on Energy," panel discussion, Energy Marketing Conference, October 2023

On behalf of other clients
- "Retail Energy Regulatory Trends – What's New, What's Coming Soon, and What You Should Do About It," Energy Marketing Conference webinar, July 2019
- "Regional Solar Market Outlook for 2019," panel discussion, MDV-SEIA Solar Focus conference, November 2018
- "Future of Clean Energy Choice" panel discussion on Capitol Hill, sponsored by R Street Institute, November 2017

SELECTED OP-EDS

On behalf of RESA
- January 23, 2026 – "Pennsylvania families have a powerful tool against rising energy costs that many states don't," *Penn Live and Patriot-News*
- March 29, 2024 – "Preserve choice, retail competitive electricity suppliers," *CommonWealth Beacon*
- September 7, 2023 - "Pennsylvania must do more to protect consumers in shopping for energy," *Penn Live and Patriot-News*

On behalf of other clients
- October 2019 - "Three Policy Trends That are Good News for Energy Marketers," *Energy Marketing Conference Newsletter*
- July 2015 - As part of a campaign on behalf of the American Coalition of Competitive Energy Suppliers, had op-eds published in a number of newspapers, including the Lockport (NY) *Union Sun & Journal*, Delaware County (PA) *Times*, Montclair (NJ) *Dispatch*, Warwick (RI) *Beacon*, Chillicothe (OH) *Gazette*, and Morrow County (OH) *Sentinel*
- April 10, 2012 – "Energy Choice," *Breaking Energy*

SELECTED MEDIA APPEARANCES

On behalf of RESA
- May 26, 2026 – quoted in "RESA Applauds Pennsylvania Gov. Josh Shapiro for Challenging Utilities on Excessive Rate Increases and Championing Competition in the Pennsylvania Energy Market," *Energy Choice Matters.*
- April 13, 2026 – quoted in ""The General Assembly wants to encourage energy competition again. But will it work?", *Maryland Matters.*
- September 5, 2025 – interview with Michael Yoshida, CNN.
- December 2, 2023 – quoted in article for *Bangor Daily News* on retail supplier issues in Maine.
- May 8, 2023 – quoted in article for WBUR (Boston NPR) on retail supplier issues in Massachusetts
- May 8, 2023 – quoted in article for WBUR (Boston NPR) on renewable energy offers
- November 22, 2023 – *Arizona Republic*, background interview

- June 30, 2023 - *Baltimore Sun*, informational interview
- June 29, 2023 - *Maryland Matters*, informational interview
- March 27, 2023 - *Green Biz*, informational interview
- March 17, 2023 - *Virginia Mercury*, informational interview

On behalf of myself or other clients

- January 11, 2023 – discussion with ABC affiliate WMTW on energy choice in Maine
- January 18, 2020 – quoted in article in *Utility Dive* on retail choice legislation in Virginia
- June 23, 2019 – quoted in article in the Kennebec *Journal* and *Morning Sentinel* on smart meter deployment in Maine.
- August 1, 2019 – quoted in article in the Boston *Globe* on allegations of suppliers overcharging customers in Massachusetts.
- February 9, 2018 – quoted in article in the Binghamton *Press & Sun Bulletin* on changes to the New York retail energy market.
- August 8, 2018 – discussion with CBS affiliate WPRI on electric supplier offers in Rhode Island.
- May 19, 2017 – quoted in article in the Pensacola *News Journal* on retail choice in Florida.
- February 28, 2014 – quoted in article in the UK's *The Guardian* on shopping for renewable energy

Background Conversations

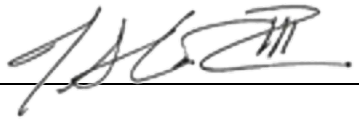
- *Energy Choice Matters* publisher, confidential client matters, 2014-present
- KMPG South Korea analyst, consultant's report on U.S. electricity market, February 2022
- Akron *Beacon Journal* reporter, confidential client matter, 2020
- *Wall Street Journal* reporter, confidential client matter, 2020
- Washington *Post* reporter related to June 12, 2018 article, "Should you switch electricity suppliers? Maybe — but do your homework first"
- New York *Times* reporter, April 2018

SELECTED WORKING GROUPS

- the AG-X collaborative led by utility Arizona Public Service;
- the Competitive Markets and Customer Choice working group in Maryland;
- the Competitive Suppliers Working Group / DPU Docket No. 19-07 proceedings in Massachusetts;
- the Track II collaborative in New York considering additional value-added products and services that can be offered by retail suppliers; and
- the CHARGE working group in Pennsylvania.

VERIFICATION

I, Francis S. Caliva III, President of P.R. Quinlan, hereby state that the facts set forth in my attached Rebuttal Testimony are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 16, 2026 Signature: 

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

SURREBUTTAL TESTIMONY OF FRANCIS S. CALIVA III ON BEHALF OF THE RETAIL ENERGY SUPPLY ASSOCIATION

RESA Statement No. 1-SR
July 31, 2026

A. INTRODUCTION

Q. Have you reviewed the rebuttal testimony of Peoples Witness Steven Kolich, Peoples Statement No. 21-R?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. To respond to Mr. Kolich's rebuttal testimony, which endorses the purchase of receivables ("POR") eligibility restriction originally proposed by CAUSE-PA Witness Patrick Cicero, and to explain why Mr. Kolich's testimony does not cure the deficiencies in that proposal that I identified in my rebuttal testimony.

B. MR. KOLICH ADDS NO NEW ANALYSIS AND CONCEDES THE CAUSATION GAP

Q. Does Mr. Kolich's rebuttal testimony provide any new data, analysis, or evidence in support of Mr. Cicero's POR proposal?

A. No. Mr. Kolich sponsors no exhibits (Peoples St. No. 21-R at 1:21-22) and offers no independent study or analysis of his own. His testimony summarizes Mr. Cicero's recommendation (id. at 3:9-14) and Mr. Cicero's stated reasoning (id. at 3:16-23), and then adopts that reasoning as Peoples' position.

Q. Does Mr. Kolich's testimony address the evidentiary gap you identified in Mr. Cicero's direct testimony — that there is no showing the POR discount mechanism causes suppliers to price above the price to compare ("PTC")?

A. No — if anything, Mr. Kolich's testimony compounds the problem. He states that "[w]hen POR protections are coupled with unrestricted supplier pricing; the result can cause significant market distortions… [t]his structure has led to excessive commodity charges." (Peoples St. 21-R at 4:10-14.) That is a conclusion, not an analysis. Mr. Kolich identifies no data that demonstrates what actually drives an individual supplier's pricing — wholesale gas costs, credit risk, product features, contract duration or competitive market forces— and does not explain why the POR discount, rather than any of those other factors, is the cause of the pricing that he and Mr. Cicero criticize. Mr. Kolich's conclusion also appears to be based on a skewed view of the law, ignoring that it is perfectly legitimate to have prices in a competitive market that are different – some higher and some lower. The Competition Act expressly requires that customers be able to "choose among a variety of products including but not limited to different supply and pricing options."[1] Notably, the Competition Act does not authorize, as I am informed by Counsel, the Commission or NGDCs to regulate retail prices, nor does it establish the Price to Compare as a pricing cap or benchmark.

[1] *Natural Gas Choice and Competition Act ("Competition Act")*, 66 Pa.C.S. § 2203(2).

Q. Mr. Cicero's testimony states that Peoples' will have proposed a POR discount rate for suppliers to 1.93% of billed receivables. (CAUSE-PA St. 1 at 84.) What is the significance of that fact?

A. It means the uncollectible discount charged to suppliers would shrink from 2.20% to roughly 1.93% under Peoples' own rate proposal in this same case. That cuts against, not for, the theory that suppliers are "insulated" from uncollectible risk. Neither Mr. Cicero nor Mr. Kolich reconciles this proposed reduction in the discount with the claim that the discount removes suppliers' incentive to price responsibly, and that it indicates that the cost of uncollectibles is diminishing, not increasing. More importantly, it contradicts the assertion that suppliers are isolated from the uncollectible risk.

C. MR. KOLICH'S CONCESSION IS SPECULATION, NOT EVIDENCE OF BENEFIT

Q. Mr. Kolich testifies that he believes Mr. Cicero's recommendation "could help reduce customer costs." (Peoples St. 21-R at 5:2-3.) Do you agree that this establishes the proposal will benefit customers?

A. No. "Could help" is speculation, not evidence. Mr. Kolich does not say what happens to a customer whose supplier is excluded from POR — whether the customer moves to default service, moves to a different competitive supplier, or loses access to a product they affirmatively chose. Nor does he weigh that speculative benefit against the loss of customer choice, the disruption to suppliers, or the legal problems with using price as a gatekeeping criterion for an essential billing service, which I address below and in my rebuttal testimony.

D. THE STATISTICS DO NOT SHOW CAUSATION AND OMIT NECESSARY COMPARISONS

Q. Mr. Kolich states that "approximately 95.8% of residential shopping customers pay more than the PTC for commodity service, and the average supplier price is 82% above the PTC." (Peoples St. 21-R at 5:3-5.) Does this data establish that shopping customers are harmed by the POR program?

A. No. Like Mr. Cicero's Table 15 and Table 16 data (CAUSE-PA St. 1 at 86-88), Mr. Kolich's figures are aggregate, retrospective comparisons to the PTC at a point in time. Neither witness compares what these customers actually paid to what they could have paid under the lowest-cost supplier offer available in the market during the same period, and neither accounts for the value of contract term, price certainty, or other product attributes a customer may have chosen deliberately. A customer who signed a multi-year fixed contract to avoid price volatility may show up as "paying more than the PTC" in any month the PTC happens to be low, without having been harmed in any meaningful sense. Averages and point-in-time snapshots do not answer the question of whether the POR structure itself — as opposed to ordinary market variation — caused customers to pay more than they would have on default service.

E. NEITHER MR. KOLICH NOR MR. CICERO DEMONSTRATE LEGAL AUTHORITY OR THAT A REASONABLE ALTERNATIVE WAS CONSIDERED

Q. Does Mr. Kolich's testimony address whether the Commission or Peoples has authority to condition a supplier's access to POR on the price a supplier charges?

A. No. Mr. Kolich's rebuttal does not mention the question of legal authority at all. As I explain in my rebuttal testimony, neither Peoples nor the Commission is authorized to regulate the prices charged by a Natural Gas Supplier, and using price as a gatekeeping criterion for an essential billing service is price regulation by another name.

Q. Does Mr. Kolich's testimony discuss whether less restrictive alternatives to wholesale POR exclusion were considered?

A. No. He does not discuss any mechanism short of excluding a supplier from POR altogether on the basis of price which neither Peoples or the Commission have the authority to regulate. Before adopting a restriction that can determine whether a supplier remains viable on Peoples' system, the record must show that less restrictive options were considered and found inadequate. Neither Mr. Kolich nor Mr. Cicero has done that.

F. THE PROPOSAL IS NOT OPERATIONALLY DEFINED, AND THE COST ANALYSIS IS ONE-SIDED

Q. Mr. Kolich testifies that "[t]he Company has not yet fully evaluated the level of effort or potential costs associated with implementing Mr. Cicero's recommendation because the proposal does not specify how the Company would be expected to adopt it." (Peoples St. 21-R at 5:12-14.) What is the significance of that statement?

A. It confirms that what is before the Commission is a concept, not a workable rule. Mr. Kolich acknowledges that clear rules do not yet exist for "timing for entry into a POR pool and exiting a POR pool" or for "communicating with customers." (Id. at 5:16-18.) Suppliers

would be asked to restructure their pricing and business practices in Peoples' territory around a standard that has not been defined.

Q. Mr. Kolich also states that he expects "implementation costs to be minimal because [Peoples] already has the capability for suppliers to operate both POR and non-POR pools." (Id. at 5:14-16.) Does that resolve the cost question?

A. No — it answers only half of it. Mr. Kolich addresses Peoples' own internal system costs. He says nothing about the cost and disruption to suppliers who would need to build or contract for independent billing and collection capability, the risk to customer cash flow and service continuity that I describe in my rebuttal testimony, or how a certification requirement tied to "contract initiation or renewal" (CAUSE-PA St. 1 at 89) would apply to existing multi-year, fixed-price, or variable-rate contracts that move above and below the PTC over their term. A cost analysis limited to the utility's own systems is not a cost analysis of the proposal.

Q. Mr. Kolich's rebuttal describes Mr. Cicero's recommendation as applying to "participating suppliers" generally, without qualification. (Peoples St. 21-R at 3:9-14, summarizing CAUSE-PA St. 1 at 83-89.) Is that recommendation limited to confirmed low-income customers?

A. No, and Mr. Kolich does not suggest otherwise. The recommendation Mr. Kolich adopts would apply to every residential shopping customer in Peoples' territory, regardless of income. (CAUSE-PA St. 1 at 89.) Because Mr. Kolich has put this recommendation, in its full scope, at issue in his rebuttal, it is fair to test whether that scope is justified.

Q. Mr. Kolich cites Mr. Cicero's aggregated cost data as the basis for the recommendation. (Peoples St. 21-R at 3:17-18, citing CAUSE-PA St. 1 at 85-86.) What does that same data show about the share of harm attributable to confirmed low-income customers?

A. By Mr. Cicero's own figures — the same figures Mr. Kolich cites — confirmed low-income customers account for $7.9 million of the $57.3 million in alleged aggregate harm alleged for the January 2024 through April 2026 period (CAUSE-PA St. 1 at 86), or roughly 14%. A market-wide restriction on POR eligibility, applicable to all residential shopping customers, is a poor fit for an alleged harm that, on the very data Mr. Kolich relies upon, is concentrated in a small share of the affected population.

Q. Mr. Kolich adopts Mr. Cicero's reasoning that suppliers have "little incentive to moderate the prices that they charge customers" because POR removes uncollectible risk. (Peoples St. 21-R at 3:19-21, citing CAUSE-PA St. 1 at 84.) Does the material Mr. Kolich cites for that reasoning include any legal-authority or less-restrictive-alternative analysis?

A. No. The page Mr. Kolich cites for that reasoning contains no discussion of the Commission's or Peoples' authority to condition POR eligibility on price, and no discussion of any alternative short of wholesale exclusion. Further, implicit in Mr. Kolich's reasoning is that the market for natural gas supply is not competitive and, therefore, NGS pricing is not disciplined by competitive market forces. Because Mr. Kolich relies on that reasoning as the basis for his rebuttal without independently supplying either analysis, those same gaps carry into his own testimony.

G. CONCLUSION

Q. Does this conclude your surrebuttal testimony on Peoples' proposed changes to the POR program?

A. Yes, although I reserve the right to supplement my testimony as needed.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3068055
	:	
Peoples Natural Gas Company LLC	:	

Direct Testimony of Daniel J. Weaver

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: June 18, 2026

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. I am Daniel J. Weaver, President and Executive Director of the Pennsylvania Independent Oil & Gas Association (PIOGA).

Q. WHAT IS PIOGA?

A. PIOGA is a trade association representing oil and natural gas interests throughout Pennsylvania. PIOGA is the oldest, and the largest, such trade association in the Commonwealth. PIOGA's members include oil and natural gas producers and Commission-licensed natural gas suppliers and marketers that deliver natural gas produced from Pennsylvania conventional and unconventional formations to the pipeline systems of Peoples Natural Gas Company LLC (Peoples) for system supply and for Peoples' transportation customers.

PIOGA and its producer members have a long history of working with Peoples on matters affecting local production, including the former Production Enhancement Services agreements and programs, the Peoples-Producers Cooperation Committee, Rate AGS, producer retainage, water vapor standards, meter and interconnect issues, and the Master Interconnect and Measurement Agreement (MIMA).

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I am a Penn State University graduate with a degree in History. I was born and raised in Oil City, Pennsylvania. I served 11 years as a Museum Educator at the Drake Well Museum in Titusville and one two-year term as the Manager of the Friends of Drake Well Museum. Before becoming PIOGA President and Executive Director in 2016, I was Director of Public Outreach at PIOGA, where I was responsible for communications and public education. I

launched the PIOGA Energy Education Program, a teach-the-teachers program for educators in grades 5 through 8.

Q. WHAT DO YOU DO AS PRESIDENT AND EXECUTIVE DIRECTOR OF PIOGA?

A. I work closely with elected leaders, regulators, and the civic community to advance responsible development of Pennsylvania oil and natural gas and to promote a favorable environment for the success of the exploration, production, transportation, and downstream use of Pennsylvania natural gas. I participate in PIOGA's legislative and educational outreach activities, committee meetings, public comments, and technical training workshops. I also provide information in support of PIOGA's participation in regulatory and litigation matters affecting our producer and natural gas supplier members.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of PIOGA.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY PUC PROCEEDINGS?

A. Yes. I have provided written testimony in Peoples' purchased gas cost proceedings, in Peoples' prior base rate cases, and in other Commission proceedings affecting PIOGA and its members.

Q. ARE YOU FAMILIAR WITH PEOPLES' TESTIMONY AND DISCOVERY RESPONSES IN THIS MATTER?

A. Yes. I am familiar with Peoples' testimony concerning gas supply, local production, gathering cost recovery, Rate AGS, rate design, and the discovery responses addressing those subjects.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe PIOGA's concerns with Peoples' proposal to increase the Rate Appalachian Gathering Service (Rate AGS) gathering charge from $0.24/Mcf to $0.29/Mcf, to explain why that proposal is not justified by the record, and to identify related concerns involving the MIMA and the continuing decline in local conventional production. I also identify the issues addressed by PIOGA witnesses Marc Jacobs and Shane Kriebel.

Q. WHAT PEOPLES PROPOSAL IS PIOGA ADDRESSING IN THIS TESTIMONY?

A. PIOGA is addressing Peoples' proposal to increase the Rate AGS charge paid by conventional producers from $0.24/Mcf to $0.29/Mcf. Peoples states that Rate AGS applies to conventional gas production delivered to the Peoples system and that the proposed increase is intended to provide a producer contribution toward gathering system costs. PIOGA also has concerns with the statements concerning the reduction in conventional gas supply in coming years. Finally, PIOGA will also address some concerns with application and enforcement of MIMAs.

Q. DOES PIOGA OPPOSE THE CONCEPT THAT PRODUCERS MAY MAKE A REASONABLE CONTRIBUTION TO COSTS ASSOCIATED WITH LOCAL PRODUCTION?

A. No. PIOGA has previously recognized that producers may make a reasonable contribution to the costs of facilities used to receive and move local production. But that contribution must be reasonable in relation to the value of the service actually provided to producers, the economic condition of conventional production, and the benefits that customers receive from local production. PIOGA objects to increasing the AGS charge simply because Peoples is seeking an overall base rate increase from customers.

Q. TO YOUR KNOWLEDGE, HOW DID PEOPLES DEVELOP THE PROPOSED $0.29/MCF AGS RATE?

A. Peoples' discovery responses show that Peoples evaluated several possible approaches and selected an approach that applied the overall requested base-rate increase percentage to current gathering revenue recovery. Peoples stated that it "decided it was reasonable to have PIOGA pay the same increase in their rate as customers are paying overall." Peoples then calculated an AGS rate of approximately $0.285/Mcf and rounded it to $0.29/Mcf.

Q. WHY IS THAT IMPORTANT?

A. It is important because it shows that the proposed AGS increase is not based on an AGS-specific showing that conventional producers caused or will cause an incremental $0.05/Mcf of costs. Peoples did identify a gathering cost-of-service analysis, but PIOGA's concern is with the incremental increase from $0.24/Mcf to $0.29/Mcf. The discovery record shows that the chosen method was tied to the overall revenue increase requested in the base rate case, not a producer-specific cost-causation analysis or rate-design study.

Q. DID PEOPLES IDENTIFY OTHER RATE OPTIONS IT CONSIDERED?

A. Yes. Peoples identified four options: recovering the full gathering cost of service from producers, which would produce an AGS rate of $1.506/Mcf; maintaining the cost-of-service ratio, which would produce an AGS rate of $0.324/Mcf; increasing gathering by the overall rate increase percentage, which produced $0.285/Mcf rounded to $0.29/Mcf; and recovering the same revenue as in the last case, which would produce $0.300/Mcf. Peoples selected the third option.

Q. WHAT IS PIOGA'S POSITION ON PEOPLES' SELECTED METHOD?

A. PIOGA believes the selected method is not a reasonable basis for increasing the AGS rate. Conventional producers are not retail utility customers receiving distribution service. They are suppliers whose production benefits Peoples' customers. A producer charge should be supported by the value and costs of the producer service, not by the percentage increase Peoples seeks from its retail customers in a general base rate case.

Q. HOW DOES PEOPLES' OWN TESTIMONY DESCRIBE THE VALUE OF LOCAL GAS?

A. Peoples' testimony recognizes that local gas is valuable. Peoples states that it uses local gas first as base-load supply. Peoples also states that local gas, including conventional gas, is lower cost than interstate delivered gas. For the fully projected future test year, Peoples estimates that gas delivered through the gathering system costs $3.08/Mcf compared to $3.48/Mcf for interstate systems, a savings of $0.40/Mcf for local gas purchased for on-system customers.

Q. WHY DOES THAT MATTER TO THE AGS RATE?

A. It matters because Peoples' customers benefit from local production. If the AGS rate is increased without a producer-specific justification, it increases the cost burden on the very producers whose production provides customers with lower-cost local supply. That is especially concerning in the current low-price environment for conventional gas. At the same time that Peoples is seeking to raise the AGS Rate by $0.05/mcf, it is also greatly emphasizing the reduction in local, conventional gas in its system. Raising the AGS Rate by a significant amount (as proposed in this case) may lead to smaller producers not being able to afford production, which in turn would lead to even lower amounts of local gas. This would likely increase the amount of interstate gas that Peoples would have to procure to supply its customers. As Peoples admits, interstate gas is significantly more expensive than

local gas, and that cost would likely be passed onto customers. There is certainly an unfortunate domino effect that could happen, ending with more money being taken out of consumers' pockets.

Q. WHAT DOES PEOPLES' TESTIMONY SAY ABOUT CONVENTIONAL PRODUCTION TRENDS?

A. Peoples states that conventional production delivered into its system has declined year-over-year since 2012. Peoples states that it received approximately 37.1 Bcf from conventional wells in 2020 and approximately 26.2 Bcf in 2025, a decline of 10.9 Bcf, or 29%, over that six-year period. Peoples also states that a reversal of this ongoing decline is not expected.

Q. DID PEOPLES' DISCOVERY RESPONSES PROVIDE ADDITIONAL INFORMATION ABOUT THE PRODUCTION PROJECTION?

A. Yes. Peoples stated that its FPFTY conventional production projection was created using historical monthly conventional volumes from January 2021 through November 2025 and Excel's Forecast Sheet feature to project future monthly conventional volumes through September 2030. That confirms Peoples is building its AGS revenue projection on a declining production base.

Q. WHY IS THE POTENTIAL DECLINE IN CONVENTIONAL PRODUCTION IMPORTANT TO PIOGA'S POSITION?

A. It is important because conventional production is already under economic pressure, and for the domino effect already described above. Peoples acknowledges that market prices are low by historical standards and that low prices likely contributed to the reduction in conventional production. Increasing AGS by applying a general base-rate increase adds

another cost to conventional producers without showing that producers caused the specific increase. That is inconsistent with preserving a supply source Peoples recognizes as lower cost for customers. Moreover, lower gas prices generally should encourage Peoples to purchase more locally produced, conventional natural gas, as that will help keep consumer costs down while at the same time keeping an active and well fed gathering system.

Q. HOW DOES THE MIMA RELATE TO PIOGA'S CONCERNS ABOUT RATE AGS?

A. Rate AGS requires a producer to execute and comply with a MIMA; the value of service under Rate AGS depends not only on the stated rate but also on the MIMA terms and how Peoples implements them.

Q. WHAT RATE AGS TARIFF LANGUAGE AFFECTS THE VALUE OF SERVICE TO PRODUCERS?

A. The Rate AGS character-of-service language states that Peoples' only obligation is to receive gas from a gathering receipt point and permit the gas to flow against existing pressure in Peoples' facilities. It also states that Peoples is not obligated to lower line pressure by compression or otherwise to accommodate receipts from local Appalachian producers. This language materially limits the value of the service from the producer's perspective because practical access to the system can be limited by line pressure and operational decisions.

Q. DID PEOPLES' DISCOVERY RESPONSES SHOW PRACTICAL ISSUES WITH PRODUCER ACCESS EVEN IF NO MIMAS WERE FORMALLY TERMINATED?

A. Yes. Peoples stated that no MIMAs were terminated, cancelled, not renewed, allowed to expire, or discontinued during 2024, 2025, or 2026 to date. But Peoples also identified substantial receipt-point or meter-expiration activity. For 2024, 2025, and 2026 to date,

Peoples reported total notices of 157, 163, and 59, respectively, for reasons including expired non-producing points, pipeline abandonment, and producer-expired points. This shows that formal MIMA termination is not the only way producer access can be affected. Moreover, it shows that the current reduction and potential future deduction of conventional gas flowing into the Peoples system is caused, at least in part, from Peoples' own policies.

Q. WHAT IS PIOGA'S POSITION CONCERNING THE MIMA IN THIS CASE?

A. PIOGA believes MIMA terms and implementation should preserve Peoples' ability to operate safely and reliably while also preserving practical producer access where that can be done reasonably. Producers should not face increased AGS charges while the operational terms of service allow indefinite or avoidable restrictions that reduce or eliminate the value of the service.

Q. HOW DOES PEOPLES TREAT UNCONVENTIONAL PRODUCTION DIFFERENTLY FROM CONVENTIONAL PRODUCTION FOR GATHERING RATES?

A. Peoples charges negotiated rates for unconventional production because Peoples states that it must compete with midstream and interstate pipelines to acquire that supply and because Marcellus producers generally have multiple options to get their gas to market. Conventional producers generally do not have the same alternatives. That difference is important because a tariffed AGS increase can impose a cost on conventional producers who may not have realistic market alternatives.

Q. WHAT RELIEF OR RESULT DOES PIOGA SUPPORT?

A. PIOGA recommends that the Commission reject Peoples' proposed increase in the Rate AGS charge from $0.24/Mcf to $0.29/Mcf unless Peoples provides a producer-specific justification for the increase. At a minimum, the Commission should recognize that the

proposed increase is tied to Peoples' overall base-rate increase, not to a study showing incremental producer-caused costs. PIOGA also supports reasonable MIMA and operational changes that protect system safety and reliability while reducing unnecessary barriers to conventional production.

Q. WHAT ISSUES WILL PIOGA WITNESS MARC JACOBS ADDRESS?

A. Mr. Jacobs will address Rate AGS and MIMA issues from the perspective of a conventional producer operating on the Peoples system. He will explain how MIMA terms, line pressure, meter and receipt-point requirements, low-volume issues, and operational restrictions affect producer operations and the actual value producers receive for the AGS charge.

Q. WHAT ISSUES WILL PIOGA WITNESS SHANE KRIEBEL ADDRESS?

A. Mr. Kriebel will address similar operational issues from Kriebel Energy's perspective. He will explain how producer regulator set points, Peoples' line pressures, system changes, and receipt-point issues can affect Kriebel's ability to deliver conventional production to Peoples. His testimony will also address the need for reasonable operational accommodations that allow conventional production to flow where safe and reliable.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, but I reserve the right to address issues raised by other parties that affect PIOGA's interests.

Verification

I, Daniel J. Weaver, hereby state that:

The foregoing testimony, marked as PIOGA St. No. 1, was prepared by me or at my direction and under my direct supervision and, if at hearing I were asked the same questions set forth in this testimony, my responses would be the same as set forth above. The facts set forth above are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Daniel J. Weaver

Dated: June 18, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Surrebuttal Testimony of Daniel J. Weaver

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: July 31, 2026

I. Introduction

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. My name is Daniel J. Weaver. I am the President and Executive Director of the Pennsylvania Independent Oil & Gas Association ("PIOGA").

Q. DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted direct testimony on behalf of PIOGA addressing Peoples Natural Gas Company LLC's ("Peoples") proposed increase to Rate Schedule Appalachian Gathering Service ("Rate AGS"), the importance of local conventional production, and operational concerns involving the Master Interconnect and Measurement Agreement ("MIMA").

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Peoples witness Edward A. Palombo. Mr. Palombo agrees that the gathering system benefits both customers and conventional producers. He also agrees that conventional producers often depend on the existing gathering system for access to market. Those acknowledgments reinforce PIOGA's central point: the Commission should not approve a higher Rate AGS charge merely by applying Peoples' general base-rate increase to producer gathering revenues, without a producer-specific showing that the resulting charge is reasonable in light of the service actually received and the economic consequences for local conventional production.

Q. DOES YOUR SURREBUTTAL TESTIMONY QUESTION PEOPLES' OBLIGATION TO OPERATE ITS SYSTEM SAFELY AND RELIABLY?

A. No. PIOGA does not dispute that Peoples must operate its system safely, reliably, and in compliance with applicable requirements. PIOGA's position is that safety and reliability

should be preserved while Peoples also uses reasonable, practical efforts to avoid unnecessarily reducing the ability of conventional producers to deliver local gas. Those objectives are compatible.

II. Rate AGS Cost Recovery

Q. MR. PALOMBO TESTIFIES THAT BOTH PRODUCERS AND CUSTOMERS BENEFIT FROM THE GATHERING SYSTEM. DO YOU DISAGREE?

A. No. My direct testimony made the same point. Local production can provide Peoples' customers with lower-cost supply, and producers need a practical path to market. But the fact that both groups benefit does not answer the rate-design question presented here: what producer contribution is reasonable, and how should Peoples support an increase in that contribution?

Q. HOW DOES MR. PALOMBO RESPOND TO PIOGA'S CONCERN THAT THE PROPOSED INCREASE WAS DERIVED FROM PEOPLES' OVERALL REQUESTED BASE-RATE INCREASE?

A. Mr. Palombo confirms that Peoples considered four approaches and selected the approach that increased the existing gathering rate by the overall increase in rates requested in this case. He calls that approach a measured way to preserve a shared contribution. But neither the existence of other, higher possible rates nor the decision not to pursue full cost recovery establishes that applying an overall customer base-rate increase to Rate AGS is a producer-specific justification for a $0.05/Mcf increase.

Q. WHY NOT?

A. Conventional producers are not retail distribution customers. They provide supply that Peoples purchases or receives through the gathering system, and the producer charge is imposed under a distinct rate schedule with a distinct character of service. A reasonable

producer contribution should therefore be supported by the producer service, the costs properly assigned to that service, and the producer's practical ability to use it. The selected approach instead begins with the overall increase Peoples seeks from its customers and applies that percentage to the existing producer charge.

Q. DOES MR. PALOMBO'S TESTIMONY REGARDING A 25.7% PRODUCER CONTRIBUTION RESOLVE THAT CONCERN?

A. No. Mr. Palombo states that the proposed charge would recover 25.7% of gathering-system costs from conventional producers, compared with 28.4% in the 2023 base rate case. That comparison may show that Peoples is not seeking full recovery from producers. It does not explain why 25.7% is the appropriate producer contribution in this case, why the incremental $0.05/Mcf increase is cost-based, or why the increase should follow the overall requested base-rate percentage.

Q. DOES PIOGA CONTEND THAT PRODUCERS SHOULD NEVER CONTRIBUTE TO GATHERING-SYSTEM COSTS?

A. No. PIOGA has consistently recognized that producers may make a reasonable contribution to facilities used to receive and move local production. The issue is not whether producers should contribute anything. The issue is whether Peoples has justified increasing the charge by a methodology that is not tied to a demonstrated increase in producer-caused costs, the value of the producer service, or a producer-specific rate-design analysis.

Q. DO YOU ACKNOWLEDGE THAT PEOPLES SELECTED THE LOWEST OF ITS FOUR IDENTIFIED RATE OPTIONS?

A. Yes. Based on the four options described by Mr. Palombo, the selected $0.29/Mcf rate is lower than the $0.30/Mcf, $0.324/Mcf, and $1.506/Mcf results of the other identified options. PIOGA does not contend otherwise.

Q. DOES THAT CONCESSION MEAN THAT THE SELECTED METHOD IS ADEQUATELY SUPPORTED?

A. No. Selecting the lowest result from a set of alternatives does not itself establish that the selected result is just and reasonable. The question remains whether the selected $0.05/Mcf increase is supported by current, producer-specific evidence regarding the cost of providing gathering service, the costs properly associated with producer use of the system, or the value and practical availability of that service to conventional producers.

Q. WHAT ABOUT THE SECOND AND FOURTH OPTIONS, WHICH REFER TO PRODUCERS' 2023 CONTRIBUTION PERCENTAGE OR 2023 PRODUCER REVENUE?

A. Those options may use historical producer-related benchmarks from the 2023 rate design. And PIOGA is not arguing that Peoples may never consider historical producer contribution or revenue information. PIOGA's point is that those historical benchmarks do not supply the missing evidentiary link for the method Peoples actually selected. Peoples selected the third method, applying its overall requested customer-rate increase to the existing AGS rate, not a method derived from a current analysis of producer-specific cost causation, producer usage, or the service value received by producers.

Q. THEN WHAT IS PIOGA'S RATE-DESIGN POSITION?

A. PIOGA's position is not that the Company must choose the highest producer-related benchmark, nor that every input must be limited to producers. Rather, before increasing Rate AGS, Peoples should demonstrate that the increase is reasonable in relation to the

current data concerning producers on the system and the gathering service provided to them. A lower alternative does not cure the absence of that showing. The relevant comparison is not simply whether Peoples selected the lowest of four alternatives it identified; it is whether the selected charge is just and reasonable on the record.

III. Local Production and Practical Access

Q. MR. PALOMBO STATES THAT PIOGA HAS NOT SHOWN THAT THE PROPOSED $0.05/MCF INCREASE CAUSED THE HISTORICAL DECLINE IN CONVENTIONAL PRODUCTION OR THAT FREEZING THE RATE WOULD REVERSE THE TREND. IS THAT PIOGA'S POSITION?

A. No. PIOGA does not contend that this proposed increase caused the historical decline in conventional production or that maintaining the existing rate would, by itself, reverse that decline. The point is prospective and practical. Peoples acknowledges that conventional production is declining amid low commodity prices and aging wells. Adding an unsupported charge to already narrow-margin production can contribute to the economic pressure on producers and can reduce the incentive or ability to maintain marginal wells and receipt points.

Q. WHY IS THAT CONCERN RELEVANT IF PEOPLES DOES NOT SEEK FULL COST RECOVERY FROM PRODUCERS?

A. The absence of full cost recovery does not eliminate the importance of the incremental increase. As the volume from conventional production declines, fixed or embedded costs do not become less consequential to an individual low-volume producer. The Commission should consider whether the increase is adequately supported and whether it may further

burden the local supply source that Peoples acknowledges can reduce reliance on higher-cost interstate supplies.

Q. HOW DOES MR. PALOMBO'S TESTIMONY ABOUT CONVENTIONAL PRODUCERS' DEPENDENCE ON THE GATHERING SYSTEM AFFECT PIOGA'S CONCERN?

A. It reinforces it. Mr. Palombo explains that conventional wells often depend on the existing gathering system for access to market, while unconventional producers generally have more alternatives. Where a producer has limited alternatives, a tariffed increase and the operational terms governing access have greater practical significance. That is why the Commission should require an adequate producer-specific basis before approving the increase.

Q. MR. PALOMBO STATES THAT RATE AGS DOES NOT GUARANTEE DELIVERY UNDER EVERY OPERATING CONDITION. DOES PIOGA SEEK SUCH A GUARANTEE?

A. No. PIOGA does not seek a guarantee that Peoples will lower line pressure, install compression, alter its system, or accommodate every receipt point regardless of safety, reliability, customer service, or operating conditions. PIOGA's position is narrower. The practical value of Rate AGS necessarily depends on the conditions under which a producer can deliver gas, including the tariff, MIMA, line pressure, receipt-point status, and operational decisions. A higher charge for that service should be evaluated in that real-world context.

Q. WHY SHOULD THE COMMISSION CONSIDER RATE AGS AND THE MIMA-RELATED OPERATING FRAMEWORK TOGETHER?

A. The rate is the price a producer pays for access to Peoples' gathering system; the tariff and MIMA prescribe material conditions of that access. They need not be treated as the

same legal instrument to be relevant to the same ratemaking question. If a producer's practical ability to deliver gas may be limited by pressure conditions, a receipt-point expiration, or other operating requirements, the Commission should consider those limitations when evaluating the value of the producer service and the reasonableness of a higher charge.

Q. WHAT RELIEF DOES PIOGA CONTINUE TO SUPPORT?

A. PIOGA continues to recommend that the Commission reject the proposed increase from $0.24/Mcf to $0.29/Mcf unless Peoples provides a producer-specific justification for it. PIOGA also supports a safety-qualified operational approach under which Peoples uses reasonable efforts to communicate and work with producers to preserve practical access where feasible, without compromising safety, reliability, customer service, or Peoples' ability to respond to changing or emergency conditions.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

Verification

I, Daniel J. Weaver, hereby state that the foregoing surrebuttal testimony was prepared by me or at my direction and under my direct supervision and, if asked the same questions at hearing, my responses would be the same as set forth above. The facts stated above are true and correct to the best of my knowledge, information, and belief, and I expect to be able to prove them at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Daniel J. Weaver

Daniel J. Weaver

Dated: July 31, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Direct Testimony of D. Marc Jacobs, Jr.

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: June 18, 2026

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. I am D. Marc Jacobs, Jr., Senior Vice President of Penneco Oil Company, Inc. (Penneco), which is a producer member of the Pennsylvania Independent Oil & Gas Association (PIOGA).

Q. WHAT IS PENNECO?

A. Penneco is a conventional oil and gas operator headquartered in Delmont, Pennsylvania, with the majority of its managed assets and infrastructure located in the southwest quadrant of the Commonwealth.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I graduated from a Midwestern State Seminary with a Bachelor of Science Degree in Pastoral Theology in 1984. Immediately following, I joined Penneco in a family-principal leadership position and have been there ever since.

Q. WHAT DO YOU DO AS SENIOR VICE PRESIDENT?

A. I manage production and infrastructure, regulatory compliance, plugging activities, UIC operations, and daily decision-making typical to a family business.

Q. WHAT IS YOUR EXPERIENCE IN THE OIL AND NATURAL GAS INDUSTRY?

A. I have approximately 40 years of experience in the industry. I have facilitated and managed drilling and completions, well site and pipeline construction, gas measurement and compression operations, and assisted in evaluation of prospects and development strategies.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of PIOGA.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY PUC PROCEEDINGS?

A. Yes. I provided written testimony on behalf of PIOGA in Peoples' prior base rate case.

Q. WHY ARE YOU PROVIDING TESTIMONY IN THIS PROCEEDING?

A. I am providing testimony because Penneco delivers conventional production to the Peoples Natural Gas Company LLC (Peoples) pipeline system, and I have experience with Penneco's operations on Peoples' system. I am familiar with the practical effect of Rate AGS, the Master Interconnect and Measurement Agreement (MIMA), line pressure, meter and receipt-point issues, low-volume requirements, water vapor standards, and other operational issues that affect conventional producers.

Q. ARE YOU FAMILIAR WITH PEOPLES' TESTIMONY AND DISCOVERY RESPONSES IN THIS MATTER?

A. Yes. I am familiar with Peoples' testimony and discovery responses concerning local production, Rate AGS, MIMAs, gathering cost recovery, conventional production projections, meter and receipt-point activity, and related operational issues.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support PIOGA's positions and proposals set forth in Dan Weaver's testimony concerning Rate AGS and the MIMA. Specifically, I explain how the proposed Rate AGS increase and MIMA requirements affect producers from an operational perspective. I also explain why the value of Rate AGS is reduced when Peoples' tariff obligation is limited to receiving gas against existing line pressure and when producers face operational uncertainty involving line pressure, receipt points, meter expirations, shut-ins, low-volume issues, system downgrades, pipeline abandonments, and compliance costs.

Q. WHAT IS YOUR UNDERSTANDING OF PEOPLES' PROPOSED CHANGE TO RATE AGS?

A. Peoples proposes to increase the Rate AGS charge from $0.24/Mcf to $0.29/Mcf for conventional production. My understanding is that Peoples selected this proposed increase by applying the overall requested base-rate increase percentage to the existing gathering

revenue recovery, rather than by showing that conventional producers caused an incremental $0.05/Mcf of costs.

Q. WHY IS THAT IMPORTANT FROM A PRODUCER'S PERSPECTIVE?

A. For conventional producers, $0.05/Mcf is meaningful. Conventional wells often have low production volumes and operate on narrow margins. Producers are already dealing with low gas prices, aging wells, water vapor requirements, line pressure issues, meter and testing costs, and the risk that a well or receipt point may become uneconomic. An increase in the AGS rate should be tied to a demonstrated increase in the value of the service or to producer-caused costs, not simply to Peoples' general base-rate increase.

Q. HOW DOES THE RATE AGS CHARACTER-OF-SERVICE LANGUAGE AFFECT PRODUCERS?

A. The Rate AGS character-language states that Peoples' only obligation is to receive gas from a gathering receipt point and allow the gas to flow against existing pressure in Peoples' facilities. It also states that Peoples is not obligated to lower line pressure by compression or otherwise to accommodate receipts from local Appalachian producers. Rather than lowering line pressure, Peoples is inclined to downgrade systems reducing the MAOP and regulator set-points further restricting flow. From an operational standpoint, that language is very important. If Peoples' line pressure is above a producer's regulator set point, the producer's gas may not flow. In that situation, the producer is paying for a service whose practical value can be limited or eliminated.

Q. WHAT IS A PRODUCER REGULATOR?

A. A producer regulator is a device designed to maintain the downstream receipt-point pressure to the specifications required by the system operator. As the downstream pressure

approaches or exceeds the regulator set point, the flow through the regulator becomes restricted or stops.

Q. WHO DETERMINES THE PRESSURE AT WHICH PRODUCER REGULATORS ARE SET?

A. Peoples determines or approves the producer regulator set points for deliveries into its system.

Q. WHAT HAPPENS WHEN PEOPLES' LINE PRESSURE IS HIGHER THAN THE PRODUCER REGULATOR SET POINT?

A. If the producer's regulator is set properly, gas flow at the receipt point is restricted or stops. That means conventional production can be shut in even though the well is capable of producing and even though the producer is willing and able to deliver gas, many times without any input from or control by the producer who is otherwise feeding the Peoples system and its customers.

Q. WHY IS THAT PROBLEMATIC FOR CONVENTIONAL PRODUCERS?

A. Many conventional wells produce at low pressure and low volumes. If they are unable to flow for long enough, the producer can lose revenue, face inactive-status or lease issues, and ultimately face the possibility of plugging a well that might otherwise continue producing. For an aging conventional well, avoidable shut-in time can be very significant and harmful, especially when initiated by the distribution system without sufficient justification.

Q. HOW DOES THIS RELATE TO THE VALUE OF RATE AGS?

A. Peoples says producers receive value from Rate AGS because it provides access to a market. But access is not fully valuable if it is subject to system downgrades or other line pressure conditions that prevent flow with a tariff that says Peoples has no obligation to lower pressure to accommodate local production. In that situation, the value of the service

depends on whether Peoples will use reasonable operational efforts to allow conventional production to flow when it can do so safely and reliably.

Q. WHAT DOES PEOPLES' DISCOVERY SHOW ABOUT MIMA TERMINATIONS AND RECEIPT-POINT ACTIVITY?

A. Peoples stated that no MIMAs were terminated, cancelled, not renewed, allowed to expire, or discontinued during 2024, 2025, or 2026 to date. But Peoples also identified substantial receipt-point or meter-expiration activity, including 157 notices in 2024, 163 notices in 2025, and 59 notices in 2026 to date, for reasons including expired non-producing points, pipeline abandonment, and producer-expired points.

Q. WHAT DOES THAT MEAN FROM A PRODUCER'S PERSPECTIVE?

A. It means that the absence of formal MIMA terminations does not mean there are no practical access issues. Producers can be affected through receipt-point expiration, meter expiration, pipeline abandonment, system downgrades, low-volume status, non-producing status, and related operational decisions. Those practical issues matter as much as formal contract termination because they affect whether a producer can actually deliver gas.

Q. WHY IS THE MIMA IMPORTANT TO RATE AGS SERVICE?

A. Rate AGS requires execution and compliance with a MIMA. Peoples has identified the MIMA as the document outlining the standard operating requirements applicable to producer-operated meter stations. Therefore, the MIMA controls many of the practical conditions under which producers can deliver gas. If the AGS rate increases, but the MIMA continues to impose broad operational requirements and unilateral rights that reduce producer access or increase producer costs, then the producer is paying more without receiving more value.

Q. WHAT TYPES OF MIMA ISSUES ARE MOST IMPORTANT TO CONVENTIONAL PRODUCERS?

A. The most important issues include provisions governing shut-ins, system downgrades, discontinuance of deliveries, receipt-point expiration, low-volume receipt points, meter testing and documentation, line pressure, gas quality, water vapor content, and the process for pipeline abandonment or alternative delivery points. These provisions can affect whether a conventional well can remain in production and whether the producer can justify continued investment in that well or receipt point.

Q. ARE YOU SAYING PEOPLES SHOULD BE REQUIRED TO COMPROMISE SYSTEM SAFETY OR RELIABILITY?

A. No. PIOGA is not asking Peoples to compromise safety or reliability. The point is that there are often reasonable operational accommodations that can help conventional production continue to flow without jeopardizing Peoples' system. Examples include reasonable notice, good-faith discussion, opportunity to confirm audit results prior to penalty, practical timelines, reasonable low-volume thresholds, and reasonable efforts to allow conventional production to flow when line pressures or other operating conditions would otherwise shut it in.

Q. HOW DO LOW-VOLUME REQUIREMENTS AFFECT CONVENTIONAL PRODUCERS?

A. Many conventional wells are low-volume wells but remain productive; and, when combined together, comprise an invaluable part of any distribution system. But, a low-volume threshold that is too high can put productive wells at risk, which can cause a domino effect for both producers and the distribution company. For a conventional producer, a well that produces less than a threshold can still have value, can still contribute local gas supply,

and can help maintain leases and avoid plugging costs. Low-volume rules should recognize the realities of conventional production.

Q. HOW DO METER TESTING AND RECORDKEEPING REQUIREMENTS AFFECT PRODUCERS?

A. Meter testing and recordkeeping are important, but they also impose costs and administrative burdens. Requirements should be tailored to preserve accurate measurement while avoiding unnecessary paperwork or automatic shut-in consequences where a producer can provide documentation or cure a deficiency. Conventional producers often operate many small receipt points, so requirements that may seem minor for one meter can become significant across a producer's system.

Q. HOW SHOULD THE COMMISSION VIEW PEOPLES' PROPOSAL TO INCREASE AGS IN LIGHT OF THESE OPERATIONAL ISSUES?

A. The Commission should consider the AGS charge and the MIMA together. The rate is not just a number; it is the price producers pay for a service whose practical value is controlled by the tariff and MIMA. If Peoples' obligations remain limited and producers continue to face operational restrictions that can prevent or reduce flow, then an increase in the AGS rate is not justified absent a clear producer-specific showing.

Q. WHAT IS YOUR RESPONSE TO PEOPLES' POSITION THAT LOCAL PRODUCTION IS DECLINING?

A. I agree that conventional production is declining, but in my view not entirely because of issues on the producer side. That is exactly why additional costs and avoidable operational restrictions are so concerning. Conventional producers are operating in a low-price environment with aging wells and increasing compliance costs. If Peoples and the

Commission value local production for its customer benefits, then the rate and operational framework should not make it harder for conventional producers to continue delivering gas.

Q. WHAT IS YOUR RESPONSE TO PEOPLES' TESTIMONY THAT LOCAL GAS IS LOWER COST THAN INTERSTATE DELIVERED GAS?

A. That testimony confirms the customer benefit of local production. Local conventional gas helps reduce reliance on interstate delivered gas and provides a lower-cost supply source where available. Preserving that supply is in the interest of both producers and customers.

Q. WHAT IS YOUR REQEUST FROM THE COMMISSION?

A. I recommend that the Commission reject the proposed AGS increase unless Peoples can provide a producer-side-specific justification for the increase. I also recommend that any approval of Rate AGS recognize the need for reasonable MIMA and operational protections that preserve producer access where safe and reliable, including reasonable treatment of line pressure issues, receipt-point expiration, low-volume wells, meter documentation, and pipeline abandonment procedures.

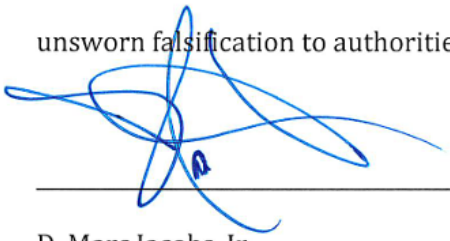
Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, but I reserve the right to address issues raised by other parties' testimony that affect PIOGA's interests.

Verification

I, D. Marc Jacobs, Jr., hereby state that:

The foregoing testimony, marked as PIOGA St. No. 2, was prepared by me or at my direction and under my direct supervision and, if at hearing I were asked the same questions set forth in this testimony, my responses would be the same as set forth above. The facts set forth above are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



D. Marc Jacobs, Jr.

Dated: June 18, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Surrebuttal Testimony of D. Marc Jacobs, Jr.

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: July 31, 2026

I. Introduction

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. My name is D. Marc Jacobs, Jr. I am Senior Vice President of Penneco Oil Company, Inc., a conventional oil and gas operator and a member of the Pennsylvania Independent Oil & Gas Association ("PIOGA").

Q. DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted direct testimony describing the practical effect of Rate Schedule Appalachian Gathering Service ("Rate AGS"), the Master Interconnect and Measurement Agreement ("MIMA"), line pressure, producer regulator set points, receipt-point and meter issues, low-volume requirements, and related operating conditions on conventional producers.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Peoples witness Edward A. Palombo. Mr. Palombo correctly recognizes that line pressure can affect deliveries and that Peoples and a producer can sometimes develop an operationally feasible solution. My testimony explains why those facts support, rather than diminish, PIOGA's position that Rate AGS should be evaluated in light of the actual access producers receive and that reasonable, safety-qualified communication and accommodation are important.

II. The Practical Value of Rate AGS

Q. MR. PALOMBO SAYS THAT RATE AGS PROVIDES ACCESS TO PEOPLES' SYSTEM SUBJECT TO PHYSICAL AND OPERATIONAL CONDITIONS. DO YOU DISAGREE?

A. No. That is precisely why the operating conditions matter. My direct testimony did not say that Rate AGS has no value or that Peoples guarantees delivery under every condition. It explained that the value of the service to a conventional producer is reduced when line pressure, regulator settings, receipt-point status, or other operating conditions prevent a producing well from delivering gas.

Q. WHY DOES THAT DISTINCTION MATTER?

A. A conventional producer may pay Rate AGS and remain capable of producing gas, yet be unable to flow gas into the Peoples system because downstream line pressure equals or exceeds the approved producer regulator set point. For a low-pressure, low-volume well, the resulting shut-in can mean lost revenue and can affect whether continued operation remains economically viable. That is a practical limitation on use of the gathering service, not an assertion that Peoples must override safety or reliability requirements.

Q. DOES PIOGA ASK PEOPLES TO LOWER SYSTEM PRESSURE, ADD COMPRESSION, OR MODIFY OPERATIONS FOR EVERY RECEIPT POINT?

A. No. PIOGA does not ask Peoples to compromise safety, system integrity, or reliable customer service. Nor does PIOGA seek a universal delivery guarantee. PIOGA asks Peoples to use reasonable efforts to communicate with producers and consider practicable alternatives when conditions threaten to cause avoidable lost flow, receipt-point expiration, or shut-ins. Whether an accommodation is feasible must remain subject to safety, reliability, customer demand, and the particular operating circumstances.

Q. MR. PALOMBO CHARACTERIZES THE APPROPRIATE FRAMEWORK AS CASE-BY-CASE CONSIDERATION WITHIN SAFETY AND RELIABILITY LIMITS. DOES THAT ADDRESS YOUR CONCERN?

A. Case-by-case evaluation can be appropriate, but it should be a meaningful process rather than an unreviewable conclusion. Producers need timely notice, an opportunity to discuss the operating condition, and reasonable consideration of feasible alternatives before a receipt point is lost or flow is interrupted where circumstances permit. Those are practical safeguards that can coexist with Peoples' operational authority and its responsibility to act promptly in emergencies.

Q. WHY IS THE GREENSBURG LOOP EXAMPLE RELEVANT TO YOUR TESTIMONY?

A. It shows that a line-pressure conflict can sometimes be addressed through communication and a practical regulator-setting solution. Mr. Palombo relies on that example to show that Peoples can work with producers when feasible. I agree. The example demonstrates that producer concerns about practical access are real and that safety-qualified solutions may be available. It does not establish that every future situation will have the same solution, but it supports a reasonable-efforts approach.

III. MIMA Requirements and Receipt-Point Activity

Q. DOES YOUR TESTIMONY DISPUTE THE IMPORTANCE OF MIMA REQUIREMENTS FOR MEASUREMENT, GAS QUALITY, WATER VAPOR, DOCUMENTATION, OR METER TESTING?

A. No. Those requirements can be important to safe and reliable system operation. My testimony addresses how the requirements are implemented and the cumulative effects on conventional producers operating many small receipt points. A producer may support appropriate measurement, gas-quality, and safety standards while also seeking reasonable notice, an opportunity to cure non-emergency documentation issues, practical timelines, and proportionate treatment of low-volume wells.

Q. MR. PALOMBO SAYS THAT RECEIPT-POINT ACTIONS MAY BE NECESSARY FOR NON-PRODUCING, EXPIRED, UNECONOMIC, UNSAFE, OR ABANDONED POINTS. DO YOU DISAGREE?

A. I do not dispute that a particular receipt point may require action for legitimate reasons. My point is that the absence of formal MIMA termination does not by itself answer whether producers face practical access issues. Receipt-point expiration, meter expiration, pipeline abandonment, low-volume status, and related decisions can materially affect whether a producer can deliver gas. The Commission should therefore consider the actual operational effect of those actions, not only whether the umbrella MIMA was formally terminated.

Q. DOES PIOGA SEEK TO PREVENT PEOPLES FROM ADDRESSING UNSAFE OR NONCOMPLIANT CONDITIONS?

A. No. PIOGA does not seek to prevent Peoples from acting when safety, reliability, gas quality, or other legitimate operating needs require action. The requested approach is limited: where time and circumstances permit, Peoples should communicate with the producer and consider reasonable alternatives or corrective steps that may preserve production without compromising those obligations.

Q. WHY DOES THE MIMA-RELATED OPERATING FRAMEWORK REMAIN RELEVANT TO THE PROPOSED RATE AGS INCREASE?

A. Rate AGS is the charge paid for access to the gathering system, and the MIMA and tariff establish important conditions of that access. The Commission need not merge the rate schedule and MIMA into one instrument to recognize their practical relationship. When deciding whether to increase the producer charge, the Commission should consider

whether the producer service is subject to operating conditions that can restrict flow and impose significant costs on low-volume conventional production.

Q. DO YOU ACKNOWLEDGE THAT PEOPLES' SELECTED $0.29/MCF RATE IS THE LOWEST OF THE FOUR OPTIONS MR. PALOMBO DESCRIBES?

A. Yes. I understand that the selected rate is lower than the other three options identified by Mr. Palombo. That comparison does not resolve the issue from a producer's perspective.

Q. WHY NOT?

A. The relevant question is not merely which option produces the lowest number. It is whether the increase Peoples actually selected is supported by current evidence concerning conventional producers' use of the system, the costs associated with providing them gathering service, and the practical value of that service under the tariff and MIMA. The selected method applies Peoples' overall requested customer-rate increase to the existing AGS charge; it does not make that showing.

Q. DO THE ALTERNATIVES BASED ON THE 2023 PRODUCER CONTRIBUTION OR 2023 PRODUCER REVENUE CHANGE YOUR VIEW?

A. No. Those alternatives may refer to historical producer-related benchmarks, but they are not the methodology Peoples chose. Nor do they establish that the selected $0.05/Mcf increase reflects current producer-specific costs or current producer access to the gathering service. My position is unchanged: given the operational limits that may affect a producer's ability to use the service, the Commission should reject the increase unless Peoples provides that justification.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

Verification

I, D. Marc Jacobs, Jr., hereby state that the foregoing surrebuttal testimony was prepared by me or at my direction and under my direct supervision and, if asked the same questions at hearing, my responses would be the same as set forth above. The facts stated above are true and correct to the best of my knowledge, information, and belief, and I expect to be able to prove them at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ D. Marc Jacobs

D. Marc Jacobs, Jr.

Dated: July 31, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Direct Testimony of Shane Kriebel

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: June 18, 2026

Q. PLEASE STATE YOUR NAME AND BUSINESS POSITION.

A. I am Shane Kriebel, President of Kriebel Well Services, Inc, which is a related company to Kriebel Energy.

Q. PLEASE DESCRIBE KRIEBEL ENERGY AND THE KRIEBEL COMPANIES.

A. Kriebel Energy and the related Kriebel Companies are independently owned companies involved in acquiring natural gas reserves in western Pennsylvania for drilling and operating traditional shallow, or conventional, gas wells. Kriebel Energy and the related Kriebel Companies have been conducting business in western Pennsylvania for 54 Years. Kriebel Energy and the associated Kriebel Companies are members of the Pennsylvania Independent Oil & Gas Association (PIOGA).

Q. WHAT DO YOU DO AS PRESIDENT OF KRIEBEL WELL SERVICES, INC.

A. As President of Kriebel Well Services, Inc, I manage our Production group, which consists of 22 Field personnel who tend, perform maintenance, and produce our 1,950 wells within the Commonwealth of Pennsylvania. I am also involved in the marketing side of our business which encompasses our gas sales into various LDC markets, Peoples Natural Gas being our largest market. I am responsible for Environmental Compliance, such as working with PADEP, and Personnel safety within the company. I am also responsible for any Pipeline and/or Landowner issues.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I attended Clarion University of PA earning a Bachelor of Science Degree in Business Administration in 1997. I then completed my Master of Business Administration degree at Clarion University in 1999. I joined the family business, Kriebel Energy, in May 1999 to begin learning all the facets of our family business.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of PIOGA.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY PUC PROCEEDINGS?

A. NO

Q. WHY ARE YOU PROVIDING TESTIMONY IN THIS PROCEEDING?

A. I am providing testimony because Kriebel delivers conventional production to the Peoples Natural Gas Company LLC (Peoples) pipeline system, and I have experience with Kriebel's operations on that system. My testimony addresses the practical effect of Peoples' Rate AGS, the Master Interconnect and Measurement Agreement (MIMA), line pressure, producer regulator set points, receipt-point and meter issues, low volume requirements, water vapor standards, and other operational accommodations affecting conventional production.

Q. ARE YOU FAMILIAR WITH PEOPLES' TESTIMONY AND DISCOVERY RESPONSES IN THIS MATTER?

A. Yes. I am familiar with Peoples' testimony and discovery responses concerning Rate AGS, MIMAs, local conventional production, gathering cost recovery, line pressure, meter and receipt-point issues, pipeline abandonment, and the effect of those issues on conventional producers.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support PIOGA's positions and proposals set forth in Dan Weaver's testimony concerning Rate AGS and the MIMA. Specifically, I explain how deliveries of gas into Peoples' pipelines at pressures higher than producer regulator set points can adversely affect the ability of conventional producers to deliver gas into the Peoples system. I also explain how receipt-point and meter issues can affect a producer's

practical ability to continue delivering conventional production, and why reasonable operational accommodations are important.

Q. WHAT ARE PRODUCER REGULATORS?

A. Producer regulators are regulators on the upstream side of producers' meters that manage/control the gas being delivered into Peoples' pipeline system via pressure. The regulator is set at a pressure determined or approved by Peoples. If Peoples' line pressure reaches or exceeds the regulator set point, the producer's gas can be restricted or shut in.

Q. WHO DETERMINES THE PRESSURE AT WHICH PRODUCER REGULATORS ARE SET?

A. Peoples determines or approves the pressure at which producer regulators are set.

Q. WHAT HAPPENS TO DELIVERIES OF CONVENTIONAL PRODUCTION WHEN PEOPLES ALLOWS GAS TO FLOW ON PIPELINES AT PRESSURES HIGHER THAN PRODUCER REGULATOR SET POINTS?

A. The producer's gas can be shut in. The well may be capable of producing, but if the line pressure downstream of the regulator is too high, the gas will not flow into Peoples' system.

Q. WHY IS THAT SIGNIFICANT FOR CONVENTIONAL PRODUCERS?

A. Many conventional wells produce at low pressure and low volumes. When those wells are shut in because of line pressure, the producer loses production, loses revenue, and may face active-status, lease, operational, or plugging concerns. For a conventional producer, a small operational accommodation can be the difference between continued production and losing a receipt point or well.

Q. WHAT IS KRIEBEL'S EXPERIENCE WITH THIS TYPE OF ISSUE?

A. In the prior Peoples base rate case, James Brant described a Kriebel experience on the Peoples Greensburg Loop. In early 2023, Kriebel was shut in during the winter months.

Kriebel understood that Peoples had adjusted regulators based on where producers were on the system, with some set at 65 psig and some at 70 psig. Kriebel contacted Peoples and learned that Peoples was bringing gas in at the Reed Station interconnect at 72 psig so as not to lose Latrobe Steel as a customer. Because that pressure was higher than Kriebel's regulator set points, Kriebel's production was being shut in.

Q. HOW WAS THAT ISSUE ADDRESSED?

A. Kriebel and Peoples developed a seasonal regulator-set-point solution. The solution allowed regulator set points to be adjusted for cold weather on or about October 30 to 75 psig and lowered again on or about April 30. In the prior testimony, Kriebel reported that this solution worked well from Kriebel's point of view and that Kriebel had not received negative feedback from Peoples.

Q. WHY IS THAT EXAMPLE IMPORTANT IN THIS CASE?

A. It shows that reasonable operational accommodations can preserve conventional production while allowing Peoples to operate its system safely and reliably. The issue is not whether Peoples should compromise service to customers. The issue is whether Peoples can work with producers to allow conventional gas to continue flowing when a practical solution is available. It also shows, however, that provisions within MIMAs must be regularly updated to comport with operational norms and to ensure compliance and consistency of application of the MIMA standards by Peoples at all times.

Q. HOW DOES THIS RELATE TO RATE AGS?

A. Peoples proposes to increase the Rate AGS charge paid by conventional producers. But the value of Rate AGS depends on whether producers can actually deliver gas. If a producer pays a higher AGS rate but its gas is shut in or restricted because of line pressure or receipt-point

issues, or otherwise shut in for issues that are on the Peoples side of the ledger as opposed to the producer's, the producer is paying more for a service that may not be able to provide at a fault that is not their own.

Q. WHAT IS YOUR UNDERSTANDING OF HOW PEOPLES DEVELOPED THE PROPOSED AGS INCREASE?

A. My understanding is that Peoples selected the proposed increase by applying the overall requested base-rate increase percentage to the current gathering revenue recovery and rounding the resulting rate to $0.29/Mcf. My understanding is also that Peoples did not identify a producer-specific study showing that conventional producers caused the incremental $0.05/Mcf increase.

Q. WHY DOES THAT MATTER TO KRIEBEL?

A. Conventional producers like Kriebel operate in a low-price environment and must manage many costs, including well operations, maintenance, compliance, measurement, drying, line work, and plugging risk. An additional AGS charge increases the cost of delivering gas. If the increase is not tied to an increase in the value of the service or to costs caused by producers, it makes continued conventional production harder to justify.

Q. WHAT DOES PEOPLES' TESTIMONY SAY ABOUT CONVENTIONAL PRODUCTION TRENDS?

A. Peoples states that conventional production delivered into its system has declined year-over-year since 2012. Peoples states that conventional deliveries declined from approximately 37.1 Bcf in 2020 to approximately 26.2 Bcf in 2025, and that Peoples does not expect the decline to reverse.

Q. IS THAT CONSISTENT WITH YOUR EXPERIENCE?

A. Yes, but with important caveats and context. Conventional production faces economic and operational challenges. Wells are aging, production is lower, and costs continue to increase. However, distribution systems are also consistently making it more difficult to bring gas to market, such as with inconsistent MIMA enforcement and application and unnecessary shut-ins and meter abandonments. Additional costs and avoidable operational restrictions can accelerate the decline, many times outside of the control of the producer.

Q. WHAT DOES PEOPLES' TESTIMONY SAY ABOUT THE VALUE OF LOCAL GAS?

A. Despite these holistic pressures, Peoples recognizes that local gas is used as base-load supply and that local gas is lower cost than interstate delivered gas. That means conventional production provides a customer benefit. The issue is how to preserve that benefit while maintaining safe and reliable service.

Q. WHAT DOES PEOPLES' DISCOVERY SHOW ABOUT MIMAS AND RECEIPT-POINT ACTIVITY?

A. Peoples stated that no MIMAs were terminated, cancelled, not renewed, allowed to expire, or discontinued in 2024, 2025, or 2026 to date. But Peoples also identified significant receipt-point and meter-expiration activity, including notices for expired non-producing points, pipeline abandonment, and producer-expired points. This matters because a producer can lose practical access to the system even if the overall MIMA remains in place.

Q. HOW SHOULD THE COMMISSION VIEW THOSE FACTS?

A. The Commission should look beyond formal MIMA termination and consider the practical effect of receipt-point, meter, and pipeline decisions on producers. If a receipt point is lost, expired, abandoned, or made uneconomic, the producer's practical ability to deliver gas is affected even though the MIMA itself may not have been formally terminated.

Q. WHAT OPERATIONAL APPROACH DO YOU RECOMMEND?

A. I recommend that Peoples be required to use reasonable efforts to work with producers before operational changes result in lost flow, receipt-point expiration, or avoidable shut-ins. That should include reasonable notice, good-faith discussions, consideration of alternative delivery points or reroutes where feasible, reasonable treatment of low-volume wells, and practical regulator-set-point adjustments where they can be made safely and reliably.

Q. ARE YOU ASKING PEOPLES TO PUT SYSTEM SAFETY OR CUSTOMER RELIABILITY AT RISK?

A. No. I am not asking Peoples to take any action that would jeopardize safety or reliability. I am asking that Peoples recognize that conventional producers need practical access to the system and that reasonable accommodations often can be made without creating safety or reliability concerns.

Q. WHAT IS YOUR POSITION ON PEOPLES' PROPOSED AGS INCREASE?

A. I oppose the proposed increase from $0.24/Mcf to $0.29/Mcf unless Peoples provides a producer-specific justification for the increase. From an operational perspective, conventional producers should not be required to pay more for AGS where the practical value of the service is limited by existing pressure, MIMA requirements, receipt-point issues, and other operational conditions.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, but I reserve the right to address issues raised by other parties that affect PIOGA's interests.

Verification

I, Shane Kriebel, hereby state that:

The foregoing testimony, marked as PIOGA St. No. 3, was prepared by me or at my direction and under my direct supervision and, if at hearing I were asked the same questions set forth in this testimony, my responses would be the same as set forth above. The facts set forth above are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Shane Kriebel

Dated: June 18, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	Docket No. R-2026-3060855
	:	
Peoples Natural Gas Company LLC	:	

Surrebuttal Testimony of Shane Kriebel

on behalf of the

Pennsylvania Independent Oil & Gas Association

Dated: July 31, 2026

I. Introduction

Q. PLEASE STATE YOUR NAME AND BUSINESS POSITION.

A. My name is Shane Kriebel. I am President of Kriebel Well Services, Inc., which is a related company to Kriebel Energy.

Q. DID YOU PREVIOUSLY SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I submitted direct testimony on behalf of the Pennsylvania Independent Oil & Gas Association ("PIOGA") concerning the practical effect of Rate Schedule Appalachian Gathering Service ("Rate AGS"), line pressure, producer regulator set points, receipt-point and meter issues, and reasonable operating accommodations for conventional production.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Peoples witness Edward A. Palombo. Mr. Palombo relies in part on Kriebel's Greensburg Loop experience as an example that Peoples and a producer can develop an operationally feasible solution. I agree that the example is important. It confirms that a practical, safety-qualified accommodation can allow conventional production to flow while preserving reliable customer service.

II. Operational Accommodations and System Safety

Q. DOES YOUR TESTIMONY ASK PEOPLES TO PUT SAFETY, RELIABILITY, OR CUSTOMER SERVICE AT RISK TO ACCOMMODATE PRODUCER DELIVERIES?

A. No. My testimony does not ask Peoples to take any action that would jeopardize safety, reliability, system integrity, gas quality, or customer service. It recognizes that Peoples must manage its system pressures, customer loads, and unplanned conditions. My recommendation is that, where safe and feasible, Peoples use reasonable efforts to

communicate with producers and evaluate practical alternatives before an operational change causes avoidable loss of flow or loss of a receipt point.

Q. HOW DOES THE GREENSBURG LOOP EXPERIENCE SUPPORT THAT RECOMMENDATION?

A. The Greensburg Loop experience showed that Kriebel's deliveries could be restricted when Peoples' downstream line pressure exceeded the producer regulator set points. Kriebel and Peoples then developed a seasonal regulator-set-point solution that allowed production to continue flowing during the relevant period while preserving service to the customer whose needs had contributed to the line-pressure condition. From Kriebel's perspective, the solution worked well, and I understand that Peoples did not identify an adverse effect on its operations.

Q. WHAT DOES THAT EXAMPLE NOT SHOW?

A. It does not show that every pressure issue can be resolved in the same way or that any producer's requested setting must prevail over Peoples' safety and reliability obligations. Conditions differ by location, season, customer load, system configuration, and emergency circumstances. The example shows only that communication and consideration of practical alternatives can sometimes prevent unnecessary shut-ins without undermining safe and reliable service.

Q. MR. PALOMBO STATES THAT OPERATIONAL ISSUES SHOULD BE ADDRESSED CASE BY CASE WITHIN SAFETY AND RELIABILITY LIMITS. IS THAT CONSISTENT WITH YOUR RECOMMENDATION?

A. Yes, provided the case-by-case process involves reasonable communication and genuine consideration of feasible solutions. My recommendation does not prescribe a particular

engineering outcome. It asks Peoples, when circumstances permit, to give reasonable notice, engage in good-faith discussion, consider alternative delivery points or reroutes where feasible, apply practical regulator-set-point adjustments when safe and reliable, and address low-volume circumstances reasonably.

Q. WHY IS TIMELY COMMUNICATION IMPORTANT TO A CONVENTIONAL PRODUCER?

A. Conventional wells are often low-pressure and low-volume wells. When flow is interrupted, the producer loses revenue and may face operational, lease, inactive-status, or plugging concerns. Timely information about a pending change can allow the producer to supply relevant operating information, assess an alternative delivery point, or take a corrective action. It can also make clear when no safe or feasible alternative exists. That process benefits both the producer and Peoples.

III. Rate AGS and Producer Access

Q. DOES MR. PALOMBO'S TESTIMONY CHANGE YOUR VIEW THAT RATE AGS SHOULD BE EVALUATED IN LIGHT OF THE ACCESS PRODUCERS ACTUALLY RECEIVE?

A. No. Mr. Palombo confirms that conventional producers often depend on the existing gathering system for access to market and that the system is subject to physical and operating conditions. Those conditions are important to a producer. If a producer pays a higher Rate AGS charge but cannot deliver gas because line pressure exceeds the approved regulator setting, or because of a receipt-point or related issue, the practical value of the service is reduced during that period.

Q. ARE YOU SUGGESTING THAT RATE AGS HAS NO VALUE WHEN A PRODUCER EXPERIENCES A SHUT-IN OR RESTRICTION?

A. No. Rate AGS can provide important market access. My point is that the rate should be evaluated based on the real service producers receive, including the operating conditions that determine whether a low-pressure conventional well can flow. That is particularly important when Peoples seeks to increase the charge.

Q. MR. PALOMBO CHARACTERIZES PIOGA'S REQUEST AS AN OPEN-ENDED OPERATING ACCOMMODATION. IS THAT ACCURATE?

A. No. The requested approach is bounded by safety, reliability, customer service, gas-quality requirements, and operational feasibility. PIOGA does not seek to override Peoples' prudent operational judgment or to delay needed action in an emergency. We seek reasonable efforts to identify and consider alternatives where the circumstances allow it.

Q. DOES YOUR TESTIMONY QUESTION THE NEED FOR MIMA REQUIREMENTS OR FOR ACTION ON UNSAFE, NONCOMPLIANT, OR ABANDONED RECEIPT POINTS?

A. No. Appropriate MIMA requirements and action on unsafe, noncompliant, or genuinely abandoned facilities are necessary. My concern is the practical impact of implementation on conventional producers. The fact that a MIMA remains in place does not necessarily mean a producer has practical, continuing access through a particular receipt point. Communication and a reasonable opportunity to explore feasible solutions can be important before a producer loses that access.

Q. DO YOU ACKNOWLEDGE THAT THE $0.29/MCF RATE PEOPLES SELECTED IS THE LOWEST OF THE FOUR OPTIONS IDENTIFIED BY MR. PALOMBO?

A. Yes. I understand that Peoples selected the lowest of its four stated options. I do not dispute that comparison.

Q. DOES THAT MEAN THE INCREASE IS ADEQUATELY SUPPORTED FROM A PRODUCER'S OPERATIONAL PERSPECTIVE?

A. No. A lower rate is not necessarily a rate supported by the relevant facts. The selected method applies Peoples' overall requested customer-rate increase to the existing gathering charge. It does not demonstrate that the additional $0.05/Mcf corresponds to current producer-specific costs, current producer use of the gathering system, or the value of the service actually available to conventional producers under operating conditions on the system.

Q. DO THE OTHER OPTIONS' REFERENCES TO 2023 PRODUCER CONTRIBUTIONS OR REVENUES CHANGE THAT CONCLUSION?

A. No. Those options may rely on historical producer-related benchmarks, but Peoples did not select them. PIOGA's position is not that Peoples may never consider producer-related historical information. The point is that Peoples must support the increase it selected with current evidence relevant to conventional producers and the service they actually receive. My position remains that the proposed increase from $0.24/Mcf to $0.29/Mcf should not be approved absent that showing.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

Verification

I, Shane Kriebel, hereby state that the foregoing surrebuttal testimony was prepared by me or at my direction and under my direct supervision and, if asked the same questions at hearing, my responses would be the same as set forth above. The facts stated above are true and correct to the best of my knowledge, information, and belief, and I expect to be able to prove them at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Shane Kriebel

Shane Kriebel

Dated: July 31, 2026